



# **WARNERVALE, NEW SOUTH WALES**

## **Retail Need Assessment**

Prepared for Landcorp  
August 2022

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# INTRODUCTION

Landcorp NSW Pty Ltd control a site in the Warnervale Town Centre on the Central Coast of New South Wales. A planning proposal is to be submitted to rezone a portion of this site from B2 Local Centre and B4 Mixed Use Zone to R1 General Residential under the provisions of the Central Coast LEP 2022. The rezoning will facilitate a 54-lot (approximate) residential subdivision.

As presented in this Retail Need Assessment, the Warnervale Town Centre site and railway station have not been developed to date. Combined with changes in the retail environment, the quantum of B2 Local Centre and B4 Mixed Use Zone land required now and, in the future, at the Warnervale Town Centre would not be as large as designated.

This report is structured and presented in **five (5) sections** as follows:

- **Section 1** reviews the local context of Warnervale, and provides a summary of the Landcorp NSW Pty Ltd planning proposal.
- **Section 2** details the trade area likely to be served by the planned Warnervale Town Centre, including current and projected population and retail spending levels over the period to 2036. The socio-economic profile of the trade area population is also outlined.
- **Section 3** provides an overview of the key trends in retail facilities and the provision of discount department stores, supermarkets, large format retail, and cinema floorspace.
- **Section 4** provides an outline of the demand for retail floorspace generated by the local area. This includes a review of the requirements for large format retail floorspace and a cinema complex.
- **Section 5** outlines the key findings of the analysis.



# 1 LOCATION AND PROPOSAL

This section of the report reviews the local context of the Warnervale Town Centre site, and provides a summary of the Landcorp NSW Pty Ltd planning proposal.

## 1.1. Local Context

- i. In 2008, the New South Wales Department of Planning and Infrastructure rezoned the Warnervale Town Centre on the Central Coast of New South Wales via an amendment to the State Environmental Planning Policy (Major Development).
- ii. The rezoning resulted in the creation of approximately 15 hectares of land for retail and commercial uses; 64 hectares for residential uses; 8 hectares for conservation; and more than 13 hectares of public open space. The rezoning provides capacity for an estimated 2,200 new dwellings to house up to 5,000 people, as well as for up to 1,200 new jobs.
- iii. As shown on Map 1.1, the Warnervale Town Centre site is situated on the northern side of Sparks Road, to the south of Hakone Road, and to the west of Hawatha Road. MacKillop Catholic College is provided to the south-east. The kindergarten to year 12 school recorded 1,489 enrolments in 2021.
- iv. Sparks Road is the major connector route in the region, linking with the Pacific Highway in the east and the Sydney-Newcastle Freeway in the west.
- v. Landcorp NSW Pty Ltd control a site in the Warnervale Town Centre that totals 18.6 hectares. Within this site, a planning proposal, referred to as Stage 10 is now proposed which involves the partial rezoning of the northern section of the site currently zoned B2 Local Centre and B4 Mixed Use. This site is planned to be rezoned to R1 General Residential. The planning proposal will not alter any of the other existing zones on the land. The objective of the planning proposal is to facilitate a residential subdivision under the Warnervale Town Centre Stage 10 release.
- vi. Map 1.2 illustrates the location of the Warnervale Town Centre and the land controlled by Landcorp NSW Pty Ltd. The adjacent B4 Mixed Use Zone land to the west of the site is also included for this analysis (marked in a different colour). Key points to note in relation to the subject site include:
  - The Stage 10 site primarily comprises B4 Mixed Use Zone along with a small portion of B2 Local Centre zoning.

- Most of the land surrounding the Stage 10 site comprises residential land designations.
  - Public recreation is planned to the immediate south of the subject site.
- vii. The significant change of circumstances in the area has been the catalyst to fast-track additional housing supply to meet current and future demand. At the same time, the scale of retail and complementary floorspace that was previously envisaged at the Warnervale Town Centre is no longer applicable based on current and future population growth. As a result, this report seeks to support the subject proposal for the rezoning of the subject site.



MAP 1.1. WARNERVALE TOWN CENTRE LOCAL CONTEXT





MAP 1.2. WARNERVALE TOWN CENTRE LAND ZONING AND LANDCORP NSW PTY LTD SITE





## 1.2. Warnervale Town Centre Approval

- i. The Warnervale Town Centre was rezoned via an amendment to the State Environmental Planning Policy (SEPP) – Major Developments in 2008.
- ii. The Department of Planning (in conjunction with Council) prepared a Development Control Plan (DCP) for the Warnervale Town Centre in 2011. The DCP states that the maximum allowable GFA for all buildings in the Town Centre Civic Precinct is not to exceed 25,000 sq.m for retail, 8,000 sq.m for bulky goods (large format retail), and 10,000 sq.m - 15,000 sq.m for commercial. Relevantly, this DCP was designated on the assumption of the repositioning of the Warnervale train station which is no longer proceeding.
- iii. Woolworths (Fabcot Pty Ltd) secured development approval for a sub-regional shopping centre as part of the designated Warnervale Town Centre in 2013. Table 1.1 details the proposed composition of the approved sub-regional shopping centre, with key components including:
  - Traditional retail floorspace of 20,200 sq.m, comprising a Big W discount department store and a full-line Woolworths supermarket, together with supporting mini-majors and retail specialty floorspace.
  - Large format retail floorspace of 1,892 sq.m.
  - Non-retail floorspace includes commercial (3,608 sq.m), a cinema complex (3,742 sq.m) along with other supporting floorspace (3,669 sq.m) also being proposed.
- iv. Overall, the development approval comprised a sub-regional shopping centre with a significant amount of retail floorspace (22,092 sq.m) and supporting non-retail floorspace (11,019 sq.m). Big W, the mini-majors, the cinema complex and the large format retail floorspace would all serve the wider region population. The approved development included 1,283 car parking spaces within a basement level.
- v. It is understood that Woolworths is investigating a possible planning proposal for a revised development scheme that changes the location of the development of the shopping centre to Sparks Road (Lot 1/DP1275060) as well as downsizing the proposed floorspace to serve a more localised population. The Woolworths supermarket based shopping centre will be provided parallel to Sparks Road, fronting onto a provision of at-grade car parking, with supporting specialty shops across a total of around 6,000 sq.m, with the major tenant being a full-line Woolworths supermarket of ~3,600 sq.m.
- vi. A development of this size would be ~ 27,000 sq.m smaller than the Warnervale Town Centre site approval, or 15% of the Warnervale Town Centre size.



**TABLE 1.1. WARNERVALE TC SITE DEVELOPMENT APPROVED COMPOSITION**

Component	Floorspace (sq.m)
<b>Retail</b>	
Traditional retail	20,200
Large format retail	<u>1,892</u>
<b>Total retail</b>	<b>22,092</b>
<b>Non-retail</b>	
Commercial	3,608
Cinema	3,742
Circulation space*	<u>3,669</u>
Total non-retail	11,019
<b>Total Floorspace</b>	<b>33,111</b>

Source: Environmental Assessment Report

\*Includes mall, toilet and amenity space.

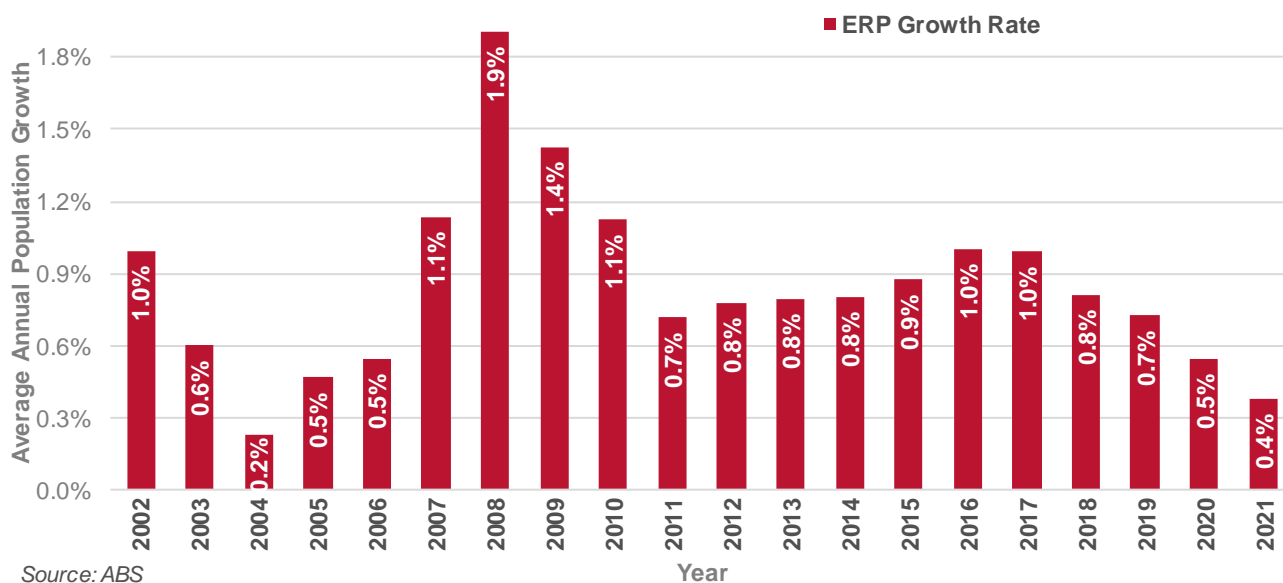
## 1.3. Key Changes Since 2011

### 1.3.1. Central Coast Lower Population Growth

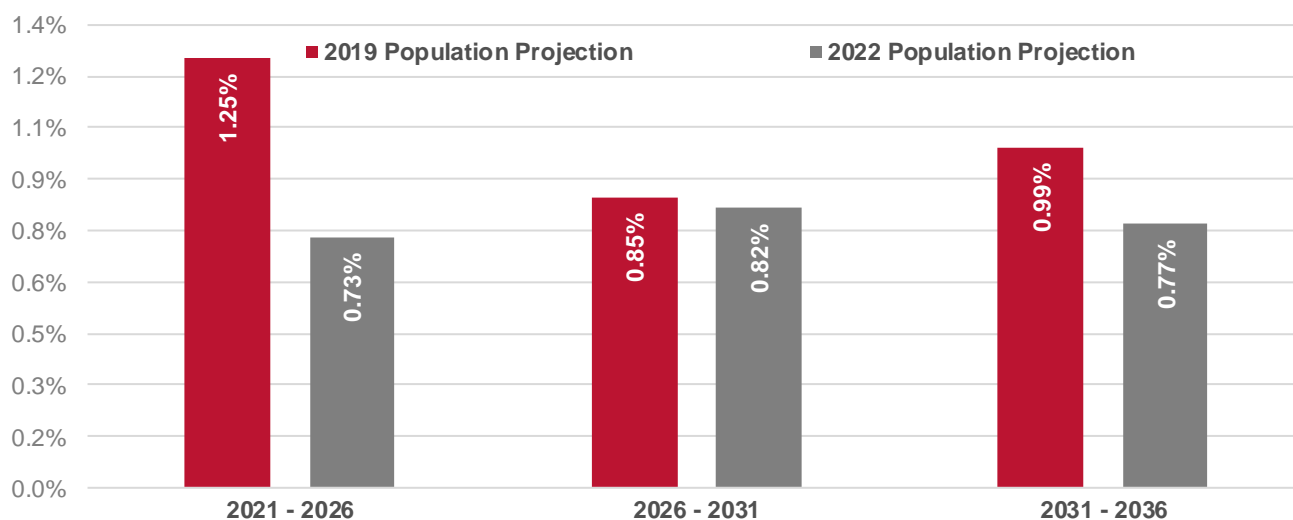
- i. The growth of the Central Coast population has typically fluctuated along with the overall performance of the Australian economy (refer Chart 1.1). Average annual population growth rates sourced from the ABS over the 2002 – 2021 period indicate that population growth rate peaked in 2008 and subsequently declined after the impact of the Global Financial Crisis (GFC).
- ii. Chart 1.2 provides a comparison of the forecast population growth rates for the Central Coast LGA from 2019 and 2022. This data has been sourced from population projections prepared by the New South Wales Government. This indicates that the most recent release (2022) has displayed a reduced growth rate over five year periods between 2021 – 2036
- iii. Population growth projections partially depend on the previously experienced growth of a region. The designation of the Warnervale Town Centre was completed at a time (2008) when population projections were significantly higher than the growth rate currently being achieved.



**CHART 1.1. ERP AVERAGE ANNUAL GROWTH - CENTRAL COAST LGA, 2002 – 2022**



**CHART 1.2. POPULATION FORECAST COMPARISON (2019 – 2022 RELEASES)**



Source: NSW Government

## 1.4. Planning Proposal

- i. As shown on the previous Map 1.2, Landcorp NSW Pty Ltd control a site in the Warnervale Town Centre. The adjacent B4 Mixed Use Zone land to the west of the site is also included for this analysis.
- ii. A planning proposal is to be submitted to rezone a portion of a site controlled by Landcorp NSW Pty Ltd in the Warnervale Town Centre from B2 Local Centre and B4 Mixed Use Zone to R1 General Residential under the provisions of the Central Coast LEP 2022. The rezoning will facilitate a 54-lot (approximate) residential subdivision.
- iii. As presented in this Retail Need Assessment, the Warnervale Town Centre site and railway station have not been developed to date. It is understood that council are no longer considering the relocation of the current Warnervale Train Station to the Warnervale Town Centre site. As a result of the now defunct transport interchange; the current land use zoning is now no longer relevant, applicable, or appropriate. The scale of retail and complementary floorspace supportable as part of the Warnervale Town Centre will be smaller than previously envisaged.

### 1.4.1. Surrounding Retail Developments

- i. Retail facilities that have opened over the past decade since the Warnervale Town Centre was planned, include:
  - Woolworths at Wadalba, 2.6 km to the south.
  - Aldi at Lake Haven Centre, 4.8 km to the east.
  - Aldi at Wyong, 8 km to the south.
  - Aldi at Blue Haven, 9.6 km to the north.
  - Woolworths at Lake Munmorah, 14 km to the north-east.

### 1.4.2. Summary

- i. Since the Warnervale Town Centre was approved, the projected population growth in the region has reduced and several supermarkets have opened within 10 km of the Warnervale site. Major infrastructure including the relocation of the Warnervale Train Station is no longer proceeding. Woolworths has also recently submitted a planning proposal for a supermarket based shopping centre with a convenience focus.



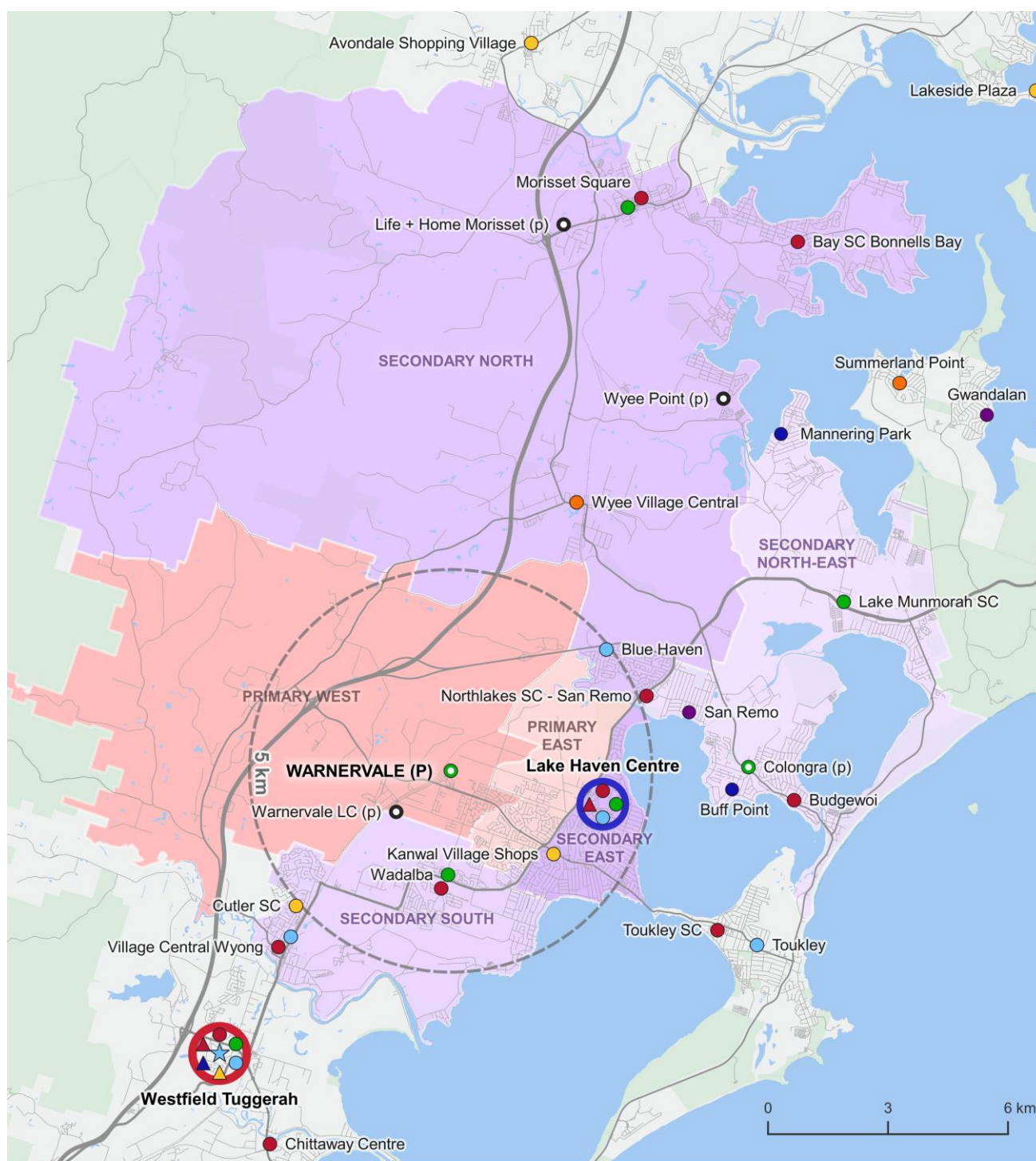
## 2 TRADE AREA ANALYSIS

This section of the report details the trade area likely to be served by the Warnervale Town Centre including higher non-food floorspace as well as a supermarket (s). This includes the current and projected population and retail spending levels over the period to 2036.

### 2.1. Trade Area Definition

- i. The trade areas likely to be served by the future Warnervale Town Centre has been defined taking into consideration the following:
  - The scale of the shopping centre. The approved Warnervale Town Centre was planned to be based on a discount department store, cinema complex, large format retail floorspace, supermarket(s), and shops which would have a wide regional draw.
  - The provision of retail facilities throughout the region.
  - Regional and local accessibility.
  - Significant physical barriers.
  - The pattern of urban development.
- ii. Map 2.1 illustrates the defined main trade area for the future Warnervale Town Centre which comprises two primary sectors and four secondary sectors (combined to form the main trade area). Overall, the main trade area extends some 5 km – 20 km around the site and reflects the likely draw of a sub-regional shopping centre, cinema complex, and large format retail floorspace which would be the widest drawing uses. This area is generally limited by lakes and the extent of the urban area to the east and west, respectively. The area is constrained by Westfield Tuggerah to the south but would overlap to some degree with Lake Haven Centre (Kmart).

## MAP 2.1. WARNERVALE MAIN TRADE AREA



\* White dot indicates proposed store

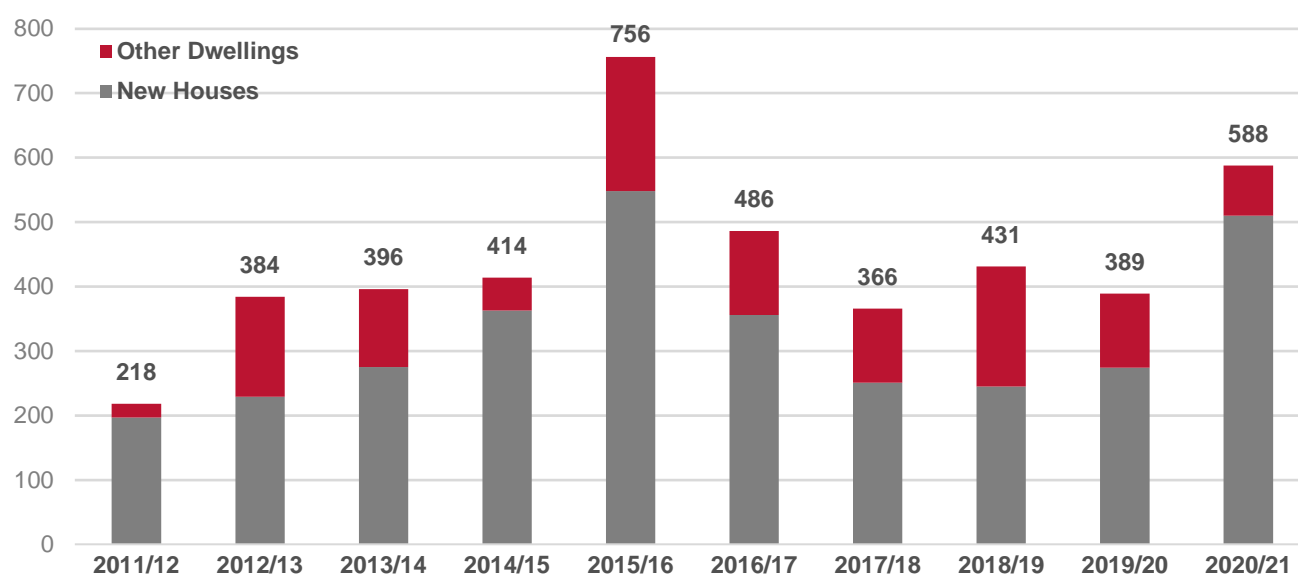


## 2.2. Main Trade Area Population

- i. Table 2.1 details the main trade area current and projected population levels by sector over the period to 2036. This information is sourced from the following:
  - The 2011, 2016, and 2021 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 Charts 2.1 and 2.2).
  - Population projections at a small area level prepared by .id Consulting on behalf of Central Coast Council and last updated in March 2018.
  - Investigations by this office into new residential developments in the region.
- ii. The main trade area population is estimated at 105,631 (2022). The combined primary sector population is estimated at 14,306 persons. Over the period to 2036, the main trade area population is projected to increase to 127,811, including 22,956 persons in the combined primary sectors.

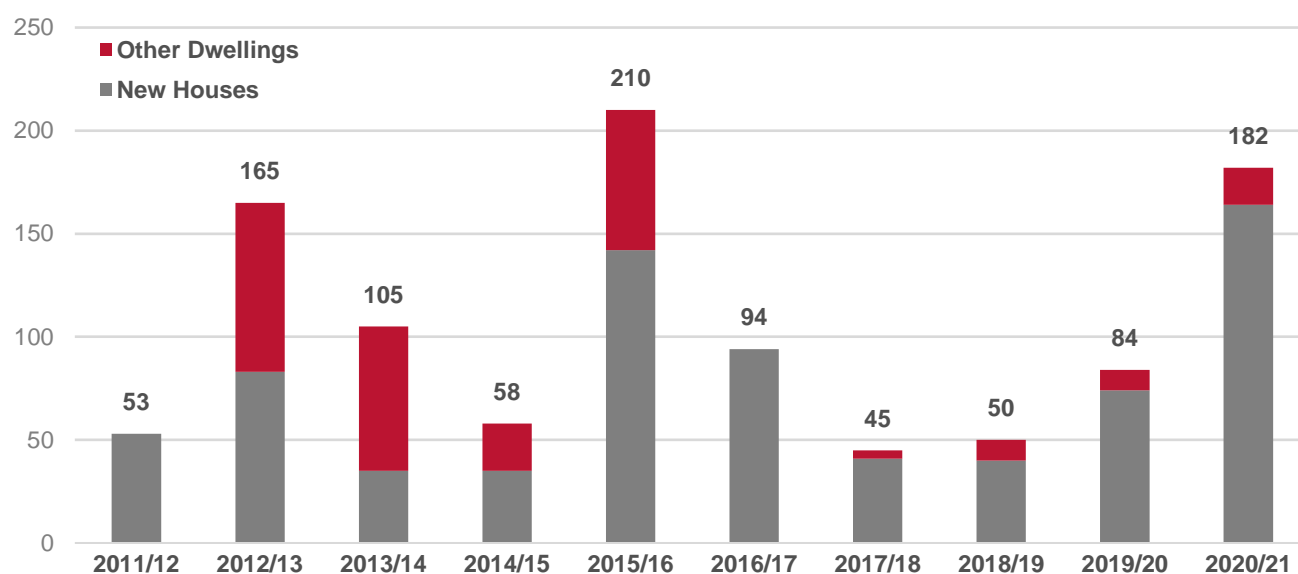


**CHART 2.1. MAIN TRADE AREA NEW DWELLING APPROVALS, 2011/12 – 2020/21**



Source: ABS

**CHART 2.2. COMBINED PRIMARY SECTOR NEW DWELLING APPROVALS, 2011/12 – 2020/21**



Source: ABS

**TABLE 2.1. WARNERVALE MAIN TRADE AREA POPULATION, 2011 – 2036**

Population	Actual			Forecast			
	2011	2016	2021	2022	2026	2031	2036
<b>Primary Sectors</b>							
• East	6,576	7,888	7,801	7,901	8,301	8,801	9,301
• West	<u>5,200</u>	<u>5,601</u>	<u>6,255</u>	<u>6,405</u>	<u>7,405</u>	<u>10,405</u>	<u>13,655</u>
Total Primary	11,776	13,489	14,056	14,306	15,706	19,206	22,956
<b>Secondary Sectors</b>							
• East	16,218	17,355	17,362	17,382	17,462	17,562	17,612
• North	22,845	24,286	26,075	26,345	27,345	28,345	29,345
• North-east	24,038	24,959	25,772	25,922	26,522	27,272	28,022
• South	<u>15,846</u>	<u>17,777</u>	<u>21,126</u>	<u>21,676</u>	<u>23,876</u>	<u>26,876</u>	<u>29,876</u>
Total Secondary	78,947	84,377	90,335	91,325	95,205	100,055	104,855
<b>Main Trade Area</b>	<b>90,723</b>	<b>97,866</b>	<b>104,391</b>	<b>105,631</b>	<b>110,911</b>	<b>119,261</b>	<b>127,811</b>

Average Annual Change (No.)	Actual		Forecast			
	2011-16	2016-21	2021-22	2022-26	2026-31	2031-36
<b>Primary Sectors</b>						
• East	262	-17	100	100	100	100
• West	<u>80</u>	<u>131</u>	<u>150</u>	<u>250</u>	<u>600</u>	<u>650</u>
Total Primary	343	113	250	350	700	750
<b>Secondary Sectors</b>						
• East	227	1	20	20	20	10
• North	288	358	270	250	200	200
• North-east	184	163	150	150	150	150
• South	<u>386</u>	<u>670</u>	<u>550</u>	<u>550</u>	<u>600</u>	<u>600</u>
Total Secondary	1,086	1,192	990	970	970	960
<b>Main Trade Area</b>	<b>1,429</b>	<b>1,305</b>	<b>1,240</b>	<b>1,320</b>	<b>1,670</b>	<b>1,710</b>

Average Annual Change (%)	Actual		Forecast			
	2011-16	2016-21	2021-22	2022-26	2026-31	2031-36
<b>Main Trade Area</b>	<b>1.5%</b>	<b>1.3%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.5%</b>	<b>1.4%</b>
<i>Rest of NSW</i>	<i>0.6%</i>	<i>1.0%</i>	<i>0.1%</i>	<i>0.7%</i>	<i>0.7%</i>	<i>0.4%</i>
<i>Australian Average</i>	<i>1.3%</i>	<i>1.6%</i>	<i>0.3%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.2%</i>

All figures as at June and based on 2021 SA1 boundary definition.  
Sources : ABS; forecast .id



## 2.3. Main Trade Area Socio-economic Profile

- i. Table 2.2 summarises the socio-economic characteristics of the main trade area population by sector, compared with the non-metropolitan New South Wales and Australian benchmarks. This information is based on the latest 2021 Census of Population and Housing. Key points to note are summarised as follows:
  - Average household income levels across the main trade area are generally lower than the comparable benchmarks. Across the primary sectors, average household income levels are significantly higher than the non-metropolitan New South Wales and Australian benchmarks.
  - The average household size at 2.5 across the main trade area is like the benchmarks. For the combined primary sectors, the average household size is significantly larger at 3.1 persons.
  - The average age of the main trade area population at 41.4 years is younger than the non-metropolitan New South Wales benchmark of 42.2 years. For the combined primary sectors, the average age is significantly younger at 37.3 years.
  - There is a high proportion of Australian born persons.
  - The main trade area generally consists of traditional family households. For the combined primary sectors, over 51% of the population reside within traditional family households (couples with dependent children).
- ii. Overall, the main trade area population consists of an older, Australian born, family-based population. The combined primary sectors consist of a younger, Australian born, family-based population, who earn higher average household income levels, more typical of population growth areas. This population would have a strong affinity with convenience food and grocery facilities close to their homes.



**TABLE 2.2. MAIN TRADE AREA SOCIO-ECONOMIC PROFILE, 2021 CENSUS**

Characteristic	Primary Sectors		Secondary Sectors				Main TA	Rest of NSW Average	Australia Average
	East	West	East	North	North-east	South			
People									
Age Distribution (% of Pop'n)									
Aged 0-14	22.5%	22.2%	17.1%	17.8%	16.5%	20.2%	18.5%	17.6%	18.0%
Aged 15-19	8.1%	8.7%	5.8%	5.9%	5.2%	6.3%	6.1%	5.7%	5.7%
Aged 20-29	10.9%	11.7%	12.5%	12.0%	11.1%	12.9%	11.9%	11.2%	13.3%
Aged 30-39	12.2%	11.0%	11.4%	11.5%	10.7%	13.1%	11.6%	11.8%	14.6%
Aged 40-49	14.4%	14.6%	10.9%	11.0%	10.2%	12.4%	11.6%	11.7%	13.0%
Aged 50-59	10.9%	13.0%	12.6%	12.3%	13.0%	12.0%	12.4%	12.9%	12.5%
Aged 60+	20.9%	18.8%	29.8%	29.5%	33.4%	23.1%	27.9%	29.1%	23.0%
Average Age	37.6	36.8	42.5	42.3	44.3	38.9	41.4	42.2	39.5
Birthplace (% of Pop'n)									
Australian	84.1%	87.2%	87.6%	88.8%	89.9%	84.5%	87.5%	88.5%	72.0%
Overseas	15.9%	12.8%	12.4%	11.2%	10.1%	15.5%	12.5%	11.5%	28.0%
• Asia	4.0%	3.2%	2.5%	1.5%	0.9%	5.6%	2.6%	2.8%	12.1%
• Europe	6.9%	5.1%	5.4%	5.1%	5.8%	4.4%	5.3%	4.8%	7.2%
• Other	5.0%	4.5%	4.5%	4.6%	3.4%	5.5%	4.5%	3.9%	8.7%
Family									
Average Household Size	3.0	3.2	2.4	2.5	2.3	2.6	2.5	2.4	2.5
Family Type (% of Pop'n)									
Couple with dep't children	50.9%	52.0%	30.4%	36.8%	32.3%	40.9%	37.6%	38.4%	44.2%
Couple with non-dep't child.	9.1%	10.3%	7.9%	9.1%	7.3%	7.6%	8.3%	7.4%	7.7%
Couple without children	19.3%	18.8%	23.6%	25.8%	27.9%	21.0%	24.0%	27.1%	23.8%
Single with dep't child.	11.0%	11.5%	14.8%	11.9%	11.9%	13.9%	12.7%	9.6%	8.6%
Single with non-dep't child.	4.0%	3.3%	7.4%	5.3%	5.8%	5.7%	5.6%	4.3%	4.0%
Other family	0.5%	0.5%	1.2%	1.1%	0.9%	1.1%	1.0%	0.9%	1.0%
Lone person	5.3%	3.7%	14.6%	9.9%	13.9%	9.8%	10.9%	12.3%	10.8%
Employment									
Income Levels									
Average Per Capita Income	\$49,529	\$53,385	\$40,216	\$45,078	\$42,139	\$46,354	\$44,624	\$49,683	\$55,301
Per Capita Income Variation	-0.3%	7.5%	-19.1%	-9.3%	-15.2%	-6.7%	-10.2%	n.a.	n.a.
Average Household Income	\$113,434	\$129,988	\$76,169	\$91,928	\$80,636	\$95,118	\$90,108	\$95,175	\$109,594
Household Income Variation	19.2%	36.6%	-20.0%	-3.4%	-15.3%	-0.1%	-5.3%	n.a.	n.a.
Housing									
Tenure Type (% of Dwellings)									
Owned	70.9%	76.2%	63.7%	71.0%	76.4%	63.6%	70.0%	70.9%	67.4%
Rented	26.3%	22.4%	34.9%	25.0%	22.3%	35.6%	28.0%	26.9%	30.8%
Other Tenure Type	2.8%	1.4%	1.4%	4.1%	1.3%	0.8%	2.0%	2.2%	1.8%

Sources: ABS Census of Population and Housing 2021



## 2.4. Main Trade Area Retail Spending

- 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. Table 2.3 details the retail expenditure levels. Main trade area retail spending is estimated at \$1.48 billion (2022) and is projected to increase to \$1.97 billion by 2036 at a rate of 2.1% per annum (constant dollars and including GST).
- iv. The projected growth rate in retail spending considers the following:
  - **Real growth** in retail spending per capita of 0.0% is assumed over the period to 2022/23, reflecting the impact of the COVID-19 pandemic on wages in 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 2036.
  - **Population Growth:** Main trade area population growth is projected at 1.4% per annum.
- v. Table 2.4 details the main trade area retail expenditure generated by key commodity group. The largest spending market is food and liquor at \$714.9 million, or 48.4% of the total spending market.

**TABLE 2.3. MAIN TRADE AREA RETAIL EXPENDITURE, 2022 – 2036**

Y/E June	Primary Sectors		Secondary Sectors			Main TA	
	East	West	East	North	North-east	South	
2022	110.2	91.0	237.5	379.5	364.0	295.9	1,478.0
2023	111.6	93.8	237.8	383.2	366.1	303.3	1,495.8
2024	113.8	98.0	239.8	389.7	371.0	313.1	1,525.5
2025	116.1	102.4	241.9	396.4	375.9	323.2	1,556.0
2026	118.5	107.0	244.0	403.1	380.9	333.6	1,587.2
2027	120.8	113.6	246.1	409.6	386.0	344.3	1,620.4
2028	123.2	122.5	248.3	415.7	391.1	355.2	1,656.0
2029	125.6	132.2	250.4	421.9	396.2	366.5	1,692.8
2030	128.1	142.6	252.6	428.2	401.5	378.2	1,731.0
2031	130.6	153.8	254.8	434.6	406.8	390.2	1,770.7
2032	133.1	164.8	256.9	441.0	412.1	402.1	1,810.0
2033	135.6	175.3	259.0	447.5	417.5	413.8	1,848.7
2034	138.2	186.6	261.1	454.0	422.9	425.9	1,888.8
2035	140.8	198.5	263.3	460.7	428.5	438.4	1,930.1
2036	143.4	211.2	265.4	467.5	434.1	451.2	1,972.8
<b>Expenditure Growth</b>							
2022-26	8.3	16.0	6.5	23.7	16.9	37.8	109.2
2026-31	12.1	46.8	10.8	31.4	25.8	56.6	183.5
2031-36	12.9	57.4	10.6	32.9	27.3	61.0	202.2
2022-36	33.3	120.2	27.9	88.0	70.1	155.3	494.8
<b>Average Annual Growth Rate</b>							
2022-26	1.8%	4.1%	0.7%	1.5%	1.1%	3.0%	1.8%
2026-31	2.0%	7.5%	0.9%	1.5%	1.3%	3.2%	2.2%
2031-36	1.9%	6.6%	0.8%	1.5%	1.3%	2.9%	2.2%
2022-36	1.9%	6.2%	0.8%	1.5%	1.3%	3.1%	2.1%

\*Constant 2021/22 dollars & including GST

Source : MarketInfo



**TABLE 2.4. MTA RETAIL EXPENDITURE BY KEY COMMODITY GROUP, 2022 – 2036**

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2022	714.9	168.0	127.9	251.4	58.9	117.4	39.6
2023	723.4	170.0	129.4	254.4	59.6	118.8	40.1
2024	735.7	173.8	132.4	260.1	61.0	121.5	41.0
2025	748.4	177.8	135.4	266.0	62.3	124.2	41.9
2026	761.3	181.8	138.5	272.0	63.7	127.0	42.9
2027	775.1	186.1	141.8	278.4	65.2	130.0	43.9
2028	789.8	190.7	145.4	285.2	66.8	133.1	44.9
2029	805.0	195.5	149.1	292.3	68.5	136.4	46.0
2030	820.8	200.4	152.9	299.7	70.2	139.8	47.2
2031	837.1	205.6	156.9	307.4	72.0	143.3	48.4
2032	853.2	210.7	160.9	315.0	73.7	146.8	49.6
2033	869.0	215.8	164.9	322.5	75.5	150.3	50.8
2034	885.2	221.1	168.9	330.4	77.3	153.9	52.0
2035	901.9	226.5	173.2	338.5	79.2	157.6	53.2
2036	919.2	232.2	177.5	346.8	81.1	161.5	54.5
<b>Expenditure Growth</b>							
2022-26	46.4	13.8	10.6	20.6	4.8	9.6	3.2
2026-31	75.8	23.8	18.4	35.4	8.2	16.3	5.5
2031-36	82.0	26.6	20.6	39.5	9.1	18.2	6.2
2022-36	204.3	64.2	49.7	95.5	22.2	44.1	14.9
<b>Average Annual Growth Rate</b>							
2022-26	1.6%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
2026-31	1.9%	2.5%	2.5%	2.5%	2.5%	2.4%	2.5%
2031-36	1.9%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%
2022-36	1.8%	2.3%	2.4%	2.3%	2.3%	2.3%	2.3%

*\*Constant 2021/22 dollars & including GST*

*Source : MarketInfo*

# 3 RETAIL TRENDS

This section of the report provides an overview of the key trends in retail and the provision of large format retail floorspace, discount department stores, and supermarkets.

## 3.1. Australian Retail Hierarchy

- i. In the Australian retail environment, the hierarchy of shopping centres as described by the Property Council of Australia is summarised in Table 3.1. In metropolitan areas, the hierarchy of shopping centres include larger regional and sub-regional shopping centre and convenience based neighbourhood centres.

**TABLE 3.1. AUSTRALIAN SHOPPING CENTRE HIERARCHY**

Centre Type	General Characteristics
<b>Traditional Classifications</b>	
City Centres	Total GLA retail exceeds 1,000 sq.m within a major CBD.
Super Regional Centres	Total GLA retail exceeds 85,000 sq.m.
Major Regional Centres	Total GLA retail ranges between 50,000 and 85,000 sq.m.
Regional Centres	Total GLA retail ranges between 30,000 and 50,000 sq.m.
Sub Regional Centres	Total GLA retail ranges between 10,000 and 30,000 sq.m.
Neighbourhood Centres	Total GLA retail is less than 10,000 sq.m.
<b>Specialist Classifications</b>	
Bulky Goods Centres	Total GLA retail is generally greater than 5,000 sq.m.
Themed Centres	Size not defined. These centres are typically less than 5,000 sq.m.
Markets	A covered area of at least 5,000 sq.m.
Outlet Centres	Size not defined. These centres are generally greater than 10,000 sq.m.

*Source: Property Council of Australia*





### **Sub-regional Shopping Centres**

- i. A medium sized shopping centre typically incorporating at least one full-line discount department store, a major supermarket and approximately 40 specialty shops. Total gross lettable area retail ranges between 10,000 and 30,000 sq.m.

Key features:

- provides a broad range of sub-regional retail needs; and
- typically dominated by a full line discount department store or a major supermarket.

### **Neighbourhood Centre**

- ii. A local shopping centre comprising a supermarket and approximately 35 specialty shops. Total gross lettable area retail is less than 10,000 sq.m.

Key features:

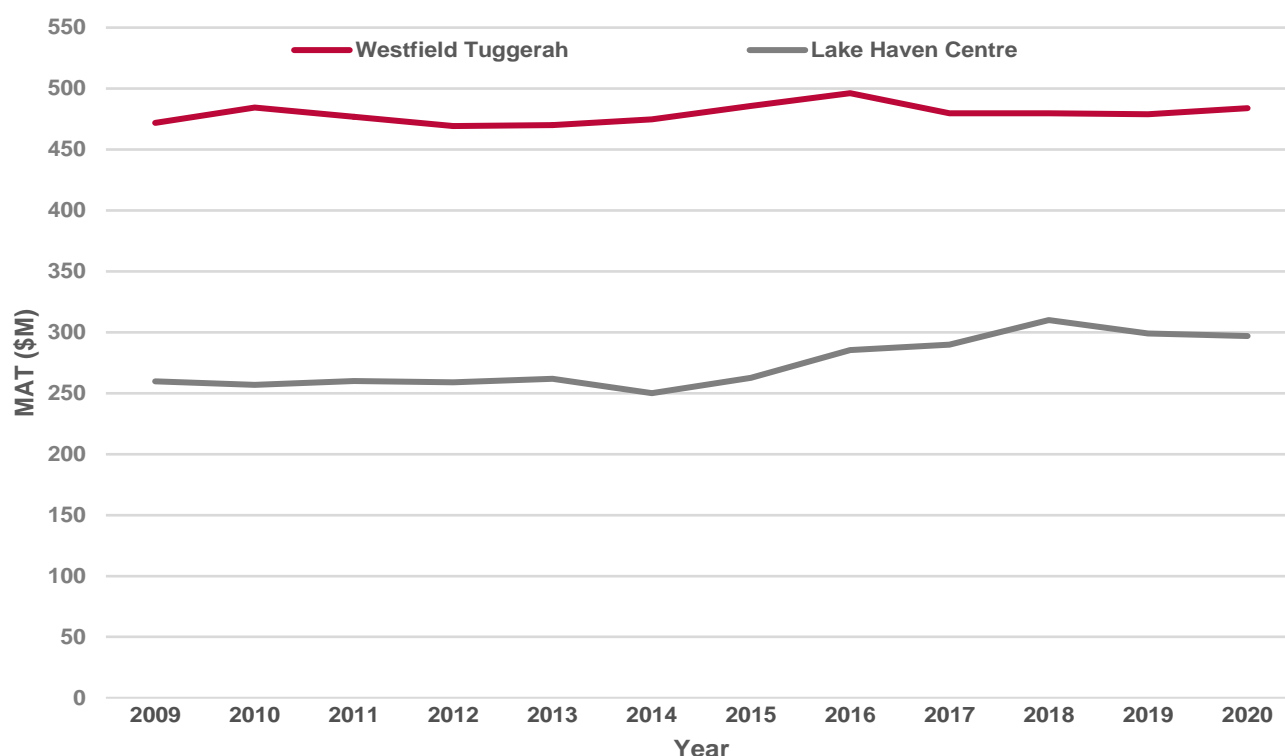
- typically located in residential areas;
  - services immediate residential neighbourhood;
  - usually has extended trading hours; and
  - caters for basic day-to-day retail needs.
- iii. Based on the Location IQ database, there are 4,215 shopping centres in Australia which exceeded 1,000 sq.m of gross lettable area (GLA). These comprised:
    - 70 Regional shopping centres (i.e. anchored by at least one department store);
    - 385 Sub-regional shopping centres (i.e. those that include at least one discount department store as the major anchor tenant);
    - 2,767 Neighbourhood or supermarket-based shopping centres (i.e. those that include at least one supermarket as the major anchor tenant);
    - 189 CBD centres;
    - 22 outlet centres;
    - 428 large format retail centres;
    - 177 market and themed centres

## 3.2. Australian Traditional Retail Trends

- i. Key trends in the retail industry in Australia are typical of those across the world and are largely resulting from improvements in technology, innovation in store design and changing customer trends. The shift to technology and the continued evolution of online retailing has quickened in recent years because of the COVID-19 pandemic.
- ii. The estimated provision of retail floorspace in Australia has increased from around 1.5 sq.m in 1985/86, to around 2.2 sq.m currently, representing an average annual growth rate of around 1.5%. The growth in retail floorspace per person has largely been driven by real growth in income levels throughout Australia and consequently increases in retail spending capacity.
- iii. In addition, new retail formats have been introduced as the retail industry has evolved. For example, a typical household in Australia that would spend 30% of its income on housing repayments in 1996 could spend 50% of its income today on housing repayments and still maintain the same standard of living as enjoyed in 1996. In effect, as Australians have become wealthier, our standard of living has increased as the amount of money devoted to retail shopping has increased.
- iv. In more recent times, there has been a slow-down in the construction of shopping centre floorspace due to a range of factors, including growth in online spending, the rationalisation of some domestic brands and the state of the Australian economy. These impacts were before any further consequences to the industry from COVID-19. Overall, retail floorspace per capita is currently projected to remain stable at 2.2 sq.m per capita (but could fall over time given recent events).
- v. The largest shopping centres, namely regional and super-regional shopping centres anchored by department stores, however, are still investigating expansion opportunities to provide a greater mix of uses across retail, non-retail, entertainment and leisure purposes. Even though department stores such as Myer and David Jones are generally experiencing difficult trading conditions, the expansions of these larger regional shopping centres are being based on:
  - New international mini-major tenants such as Uniqlo, H&M, Zara and Sephora.
  - Large food catering and leisure facilities targeting local and wider region residents and typically a local worker population.
  - Increased mix of uses including entertainment, commercial, gyms, medical and the like. Cinema complexes have been a common addition to large shopping centres over the last decade.
  - The scale of current developments, however, is much smaller than past developments.

- vi. Sub-regional shopping centres anchored by discount department stores (i.e. Big W, Kmart and Target) have experienced more difficult trading conditions, particularly as the trading performance of the discount department stores that anchor these shopping centres have experienced difficult conditions over the past 5 – 10 year period. There have been very few new discount department stores opened in Australia in the past two years, with limited stores planned in the next five years.
- vii. At the same time, key apparel specialty stores are consolidating store networks and are looking to locate at regional and super-regional shopping centres where they have their highest chance of success and subsequently not locating at sub-regional shopping centres. The lack of commitment from apparel stores has resulted in increased vacancies in these centres and smaller developments being proposed.
- viii. The strongest performing sub-regional shopping centres typically incorporate two supermarkets, driving regular customer visitation to the centres for a wide variety of purposes such as convenience shopping, professional and personal services and medical needs. Diverse tenants within a shopping centre creates widespread appeal from residents within the trade area.
- ix. The major supermarket chains, namely Woolworths and Coles, continue to search for new store opportunities, particularly throughout growth areas and the inner metropolitan areas where traditionally the provision of supermarket floorspace is lower. With greater density of development, the chains are pursuing potential opportunities as part of mixed-use developments with large walkable catchments around key pedestrian nodes and public transport facilities in densely populated areas.
- x. All the above means that large centre developments are more difficult to make financially viable given the declining interest from major non-food and specialty retailers.
- xi. Chart 3.1 illustrates the Moving Annual Turnover (MAT) in total for Westfield Tuggerah and Lake Haven Centre over the period to 2020 – noting data is not available for 2021 and 2022 for both shopping centres. This indicates that the turnover growth for both shopping centres in the region has been relatively flat over the past decade, even though the population on the Central Coast (including Wyong LGA) has been growing.

**CHART 3.1. WESTFIELD TUGGERAH AND LAKE HAVEN CENTRE MAT (\$M), 2009 – 2020 (SCN GUNS PUBLICATIONS)**



### 3.3. Discount Department Stores

- i. A discount department store is typically around 6,500 sq.m in size, with the major chains being Big W, Kmart, and Target. Discount department stores generally require a population of around 40,000 – 50,000 persons to be supportable, with the lower threshold traditionally achievable in outer suburban areas.
- ii. Over the past decade, discount department store (DDS) brands across Australia (Kmart, Target and Big W) have generally experienced a decline in market share, with total discount department store revenue across the three brands having stagnated. Flat sales and falling market share have resulted from several factors, including:
  - **Australian Category Killers (mini-majors) and Specialty Retailers:** customer trends continue to preference retail specialty shops that specialise in a particular product. Key Australian retail specialty brands and groups that have experienced strong growth in recent years include, JB Hi-Fi, The Reject Shop, Just Group, Specialty Fashion Group, Super Retail Group, Bunnings, and Officeworks.

- **Online Retail:** there has been a broader acceptance of online retail as many of the issues once considered barriers to online become less significant, such as easy returns, delivery and tracking.
  - **International mini-majors:** the globalisation of the retail sector has seen new entrants to the Australian market that offer low price points, large scale, buying power and quicker adaptability. International fashion brands which have rapidly expanded in this country include H&M, Zara, and Uniqlo.
- iii. Given all these changes, discount department stores require in the order of 40,000 - 50,000 persons per store.

### 3.4. Supermarkets

- i. Typically, one major full-line supermarket (i.e. 3,200 sq.m or larger) that is most commonly operated by Woolworths and Coles, requires a catchment population of approximately 8,000 – 10,000 persons in order to be sustainable. Woolworths, Coles and Aldi continue to open new supermarkets across Australia, both at greenfield development sites to serve outer suburban growth areas and in-fill development sites often as part of mixed-use developments.
- ii. Supermarkets are typically defined as foodstores of 500 sq.m or greater. Further, a full-line supermarket is at least 2,500 sq.m in size and a major full-line supermarket that serves the weekly food and grocery needs of residents is around 3,200 – 4,000 sq.m in size. These large format stores are generally operated by major chains such as Woolworths or Coles.

### 3.5. Large Format Retail

- i. Of the 2.2 sq.m of retail floorspace per person, approximately 30% is estimated to be in large format retail floorspace, or 0.6 – 0.7 sq.m of large format retail floorspace per person.
- ii. Sales from the ‘Do it Yourself’ and home improvement market have continued to grow in recent years, due to several changes in both the economy and consumer behaviour. The Global Financial Crisis resulted in consumers spending less on luxury items, such as pleasure shopping, and more on items where they would eventually see a return on their money, such as their homes. As a result, the concept of ‘why pay someone else when you can do it yourself?’ has become widely publicised with several television programmes developed around the ‘Do it Yourself’ concept.
- iii. This trend has gained additional momentum during the COVID-19 crisis, by way of increased financial pressures for households, additional time spent at home and economic uncertainty. Coupled with the increasing popularity of the outdoor room and greater environmental awareness, hardware and



gardening sales have been (and will continue to be) strong – leading to further demand for home improvement floorspace.

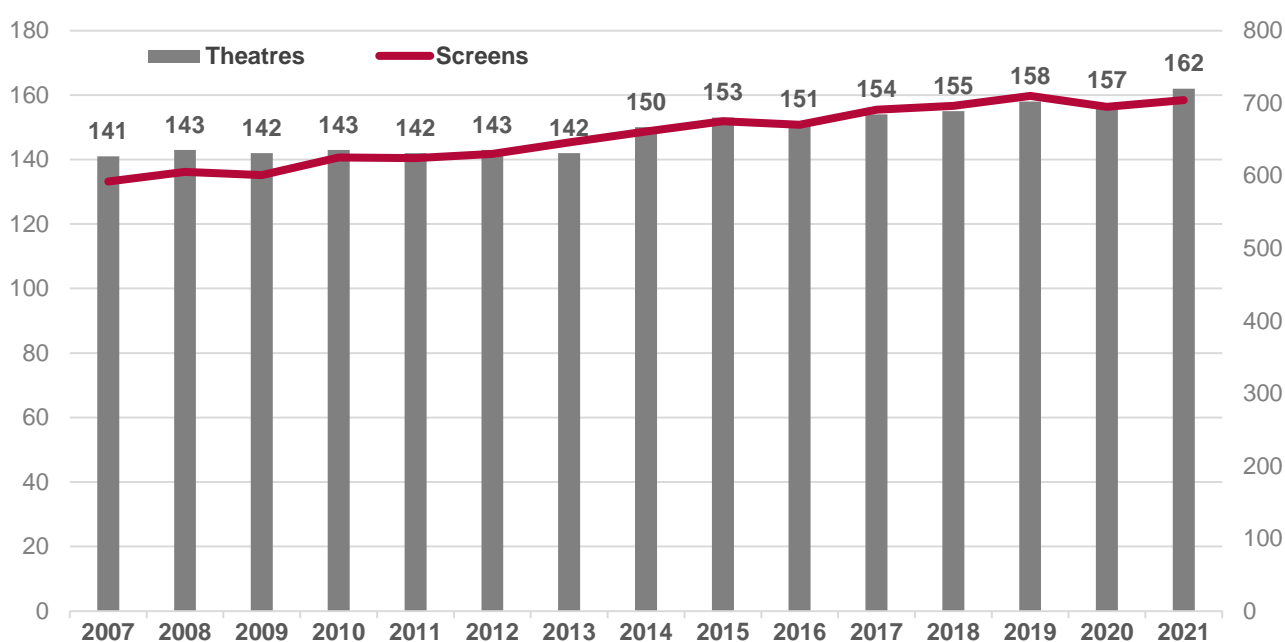
### 3.6. Cinema Complex

- i. Table 3.2 shows key information relating to cinemas in NSW/ACT and Australia. As shown, the cinema screen provision across NSW/ACT is 8.6 per 100,000 persons, which is lower than the Australian benchmark of 8.9 per 100,000 persons.
- ii. The past two years has been challenging for cinema operators given the forced restrictions stemming from COVID-19. Other issues facing the Australian cinema industry include:
  - Reduced content and reduced cinema release content.
  - Increased take up rate of Netflix, Amazon Prime and the like comprising exclusive content.
  - Television and sound system technology improvements.
- iii. The cinema industry has and will continue to evolve with operators investing heavily in the cinema experience and ticket prices falling. With easing COVID-19 restrictions, more than ever people may be seeking an away from home experience.
- iv. The best cinema complexes are those that have strong integration with food catering and other entertainment facilities, with examples including Broadway Shopping Centre, Westfield Carousel, Westfield Whitford City, Pacific Werribee, Highpoint Shopping Centre, Westfield Kotara, Charlestown Square, and Westfield Miranda.

**TABLE 3.2. NSW/ACT CINEMA STATISTICS**

Metric	New South Wales/ACT	Australia
<b>Cinema Provision</b>		
Cinema Theatres	162	501
Screens	704	2,290
Average Screens per Theatre	4.3	4.6
Theatre Capacity (seats)	126,533	404,556
Average Capacity per Screen	180	177
Screens per 100,000 Persons	8.6	8.9

**Cinema Timeline New South Wales/ACT**



Top 5 Cinema Operators New South Wales/ACT	Theatres	Total Screens
1. Event	24	198
2. Hoyts	19	160
3. Palace	6	44
4. Reading	6	43
5. Dendy	2	19
Independents	103	230

Source: Screens Australia 2021

# 4 LOCAL AREA DEMAND

This section of the report provides an outline of the demand for retail floorspace generated by the local area population.

## 4.1. Discount Department Stores

- i. Within 13 km, or a 14-minute drive of the Warnervale Town Centre site, all three discount department store brands are provided, namely:
  - Kmart at Lake Haven Centre, 8.7 km to the east.
  - Big W, Kmart, and Target at Westfield Tuggerah, 13 km to the south.
- ii. Lake Haven Centre and Westfield Tuggerah both serve trade areas that encompass Warnervale and the surrounding urban areas. Map 4.1 illustrates the Westfield Tuggerah and Lake Haven Centre trade areas as sourced from the Scentre Group and Vicinity Centres websites, respectively.
- iii. Westfield Tuggerah has an extensive retail and complementary offer that include David Jones, Big W, Kmart, Target, Coles, Woolworths, Aldi and Dan Murphy's as well as approximately 240 specialty stores. There is also an Event Cinemas with Gold Class.
- iv. Lake Haven Centre is a single level sub-regional shopping centre and business park that is anchored by Kmart, Coles, Woolworths, Aldi and includes more than 75 specialty shops. There is also an adjacent large format retail precinct that includes Harvey Norman and other national chain brands.
- v. Reflecting the overlapping catchment areas for the Warnervale Town Centre site, Westfield Tuggerah and Lake Haven Centre, it is instructive to review the provision of discount department stores across the wider area. There is a total of nine full-line discount department stores provided across the Westfield Tuggerah total trade area. This includes the recently opened Kmart which replaced the upper level of David Jones at Westfield Tuggerah itself.
- vi. Table 4.1 shows the current and future demand for discount department store floorspace across the main trade area. As shown, the main trade area population would currently support two discount department stores, with only Kmart at Lake Haven Centre within the main trade area. Over the period to 2036, there is still indicative demand for two discount department stores. Only this analysis shows indicative demand for an additional discount department store to serve the main trade area, the nearby

location of all three discount department stores at Westfield Tuggerah and the overlapping catchments areas, mean there is no potential for an additional discount department store now or in the future.

- vii. The Westfield Tuggerah total trade area population is currently in the order of 380,000 persons which equates to one discount department store for every 42,200 persons. Discount department stores require in the order of 40,000 - 50,000 persons per store which indicates that the total trade area is currently in a state of equilibrium. Allowing for population growth over the period to 2031, there would still be limited potential for an additional discount department store. Given this, there is limited current and future demand for a discount department store at the Warnervale Town Centre site.
- viii. Taking all the above into consideration, there is assessed limited potential for a large sub-regional shopping centre at Warnervale both now and in the future. The approved Town Centre site is currently designated on the edge of the urban area without an immediate population or supporting uses surrounding the site. A major source of retail demand is from residents immediately surrounding the site. In the absence of this immediate population, a large retail facility is unlikely to be supportable and the development is unlikely to be fully leased as it will not be able to compete with the established larger shopping centres at Westfield Tuggerah and Lake Haven Centre.
- ix. Big W is not seeking to open new stores and is looking to reduce the existing network in accordance with national trends. Kmart has performed strongest of the major discount department store brands recently, but is unlikely to be interested in a store at the approved Warnervale Town Centre site given the proximity to Lake Haven Centre and the impact on that store as a result of a new store.
- x. A discount department store operator, be it Big W, Kmart or Target is unlikely to be interested in the Warnervale Town Centre site. Without a major non-food anchor tenant, a significant quantum of retail floorspace is unlikely to be supportable.

**TABLE 4.1. MAIN TRADE AREA SUPPORTABLE DDS FLOORSPACE, 2022 - 2036**

Metric	Benchmark	Existing	Projected		
		2022	2026	2031	2036
Population					
Main Trade Area		105,631	110,911	119,261	127,811
Supportable DDS Floorspace	Non-metro NSW				
Main Trade Area	@50,000 per DDS	2.1	2.2	2.4	2.6

## 4.2. Supermarkets

- i. There is significant potential for a supermarket at Warnervale to serve the current and future population around the site. There is currently no supermarket in the combined primary sectors. It is understood that a planning proposal has been received by the Central Coast Council for a Woolworths anchored development. This involves the rezoning of a site within the Warnervale Town Centre from residential to retail and business uses.
- ii. The nearest supermarkets for the Warnervale population are as follows:
  - Woolworths and Coles at Wadalba, 6.6 km to the south-east.
  - Woolworths, Coles and Aldi at Lake Haven Centre, 8.7 km to the east.
- iii. Typically, one major full-line supermarket (i.e. 3,200 sq.m or larger) that is operated by Woolworths and Coles, requires a catchment population of approximately 8,000 – 10,000 persons to be sustainable.
- iv. The combined primary sector population is currently 14,300, indicating strong potential for a full-line supermarket. The combined primary sector population is projected to increase to almost 23,000 by 2036. This additional population alone (i.e. circa 8,650 persons) would support an additional full-line supermarket.
- v. One Aldi supermarket is typically supportable for every 15,000 – 20,000 persons. The nearest Aldi supermarkets to the Warnervale Town Centre are:
  - Lake Haven, 7 km to the east
  - Wyong, 9 km to the south
  - Blue Haven, 11 km to the north
- vi. Although each of the three Aldi supermarkets are beyond the combined primary sectors, they would each attract customers from these sectors as they are on the edge. Potentially Aldi would consider a Warnervale Town Centre location, but based on the current and projected population and existing Aldi network, this is considered unlikely.
- vii. Table 4.2 details the current and future demand for full-line supermarket and Aldi floorspace across the combined primary sectors. As shown, the primary sectors do not currently accommodate a full-line supermarket or an Aldi store. It is understood that Woolworths may submit a planning proposal for a full-line Woolworths and shops at the Warnervale Town Centre, with frontage to Sparks Road.



- viii. At best, the Warnervale Town Centre could support two full-line supermarkets (i.e. the Woolworths which is subject of a current planning proposal and one more), with Aldi unlikely. In total, ~7,000 sq.m of supermarket floorspace could be required. Based on the *Urbis Retail Averages 2020/21* for multiple supermarket based shopping centres, key points to note include:
- Average size (retail and non-retail): 15,515 sq.m
  - Average size (retail): 12,038 sq.m.
  - Average supermarket floorspace: 7,146 sq.m.
  - Average mini-major floorspace: 1,375 sq.m.
  - Average retail specialty floorspace: 3,517 sq.m across 36 shops.
  - Average apparel retail specialty floorspace of 429 sq.m across seven shops.
- ix. Even if two full-line supermarkets can be secured, this would support total centre floorspace of around 15,000 sq.m. Assuming at-grade car parking, the site area required would be ~30,000 sq.m or three hectares. Limited non-food floorspace would be provided, as these types of tenants prefer to co-locate with discount department stores.
- x. Based on the provision of nearby supermarkets, there more likely only potential to support only one full-line supermarket at the Warnervale Town Centre site. Based on this supermarket being provided within a neighbourhood shopping centre (assumed to support GLA in the order of 10,000 sq.m), the total site requirement would be approximately 2 ha. This assumes that around 50% of the site supports lettable floorspace and the remaining land is utilised for at-grade car parking and other non-building area usage.

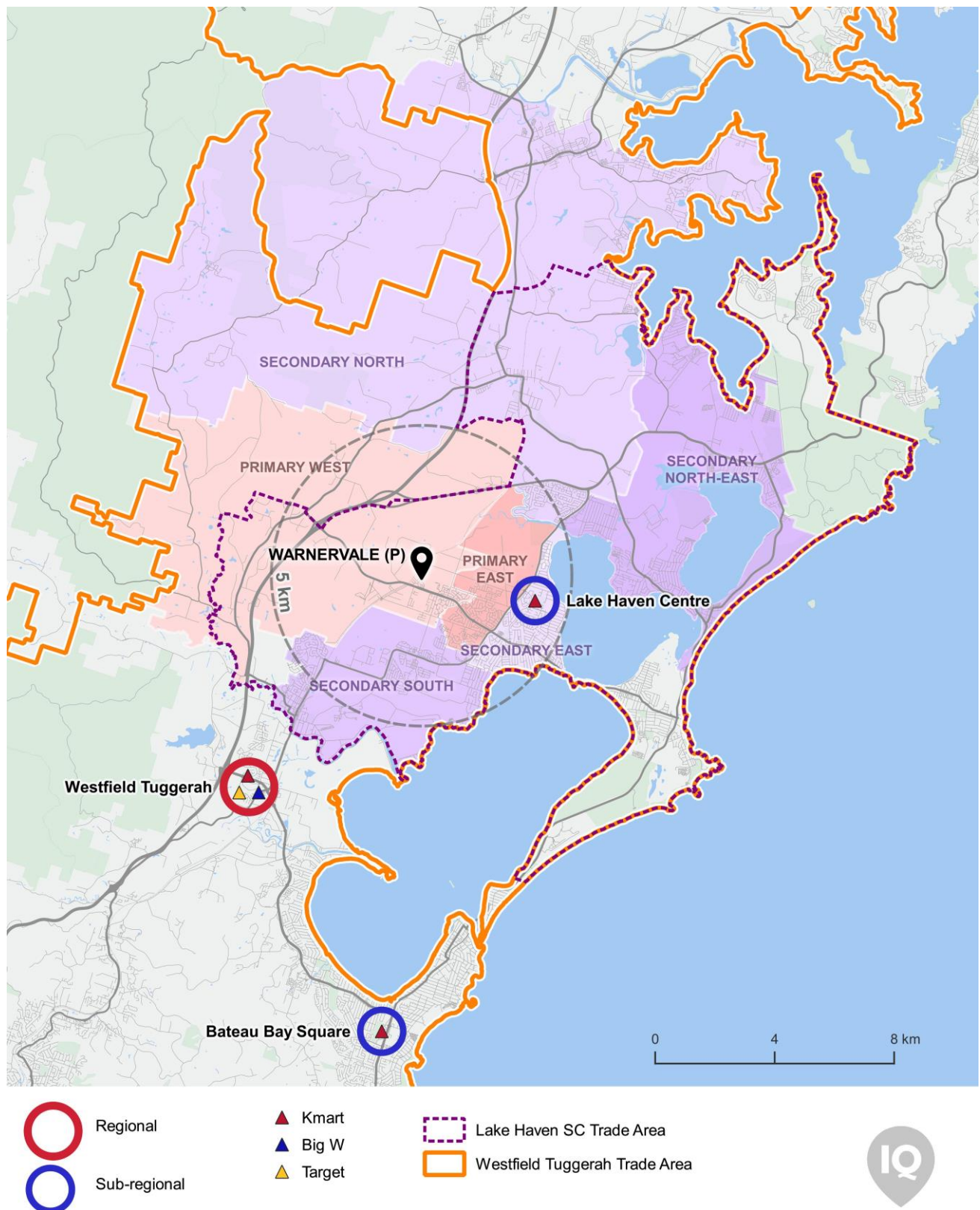
**TABLE 4.2. PRIMARY SECTOR SUPPORTABLE SMKT FLOORSPACE, 2022 - 2036**

Metric	Benchmark	Existing 2022	Projected		
			2026	2031	2036
Population					
Primary Sector		14,306	15,706	19,206	22,956
Supportable Smkt* Floorspace		Non-metro NSW	Existing		
Primary Sector	368 sq.m per 1,000 persons	0	5,780	7,068	8,448
No. of full-line smkts of 3,400 sq.m			1.7	2.1	2.5
Supportable Aldi Floorspace		Non-metro NSW	Existing		
Primary Sector	38 sq.m per 1,000 persons	0	597	730	872
No. of Aldi smkts of 1,750 sq.m			0.3	0.4	0.5

\*Excluding Aldi & including supermarkets > 500 sq.m



**MAP 4.1. WESTFIELD TUGGERAH AND LAKE HAVEN TRADE AREAS**



### 4.3. Large Format Retail

- i. Large format retailing has evolved in recent years in Australia and incorporates bulky goods and retail showroom uses. Large format retailing includes a range of categories, but generally covers items of a bulky nature that require a large area for handling, display or storage, or direct vehicle access for loading.
- ii. Large format retail centres typically serve broad geographic trade areas due to infrequent purchase habits. In recent times, the tenants looking to locate in bulky goods/large format areas has expanded, given that retail tenants such as sporting goods, toy stores, camping equipment, etc. trade in a similar manner, attracting low market shares across broad regions. Consequently, 'retail showroom' tenants are suited to locations like bulky goods centres, requiring frontage to a major road with easy access.
- iii. Large format retail/bulky goods centres/precincts are typically located in extremely high profile, main road locations and, therefore, receive excellent exposure to passing traffic and are easily accessible from both a local and regional perspective.
- iv. The co-location of facilities in a single centre/precinct generally results in a benefit to the consumer as well, with customers preferring to cross-shop, to compare prices and products more easily. This has been an increasing trend within the Australian retail environment.
- v. Large format retail/homemaker centres, as an asset class, have experienced significant growth over the past decade with the population and housing boom in Australia, however, in more recent years, have seen a slowdown in the construction new large format retail/homemaker centres, giving rise to more free-standing sites (particularly in the hardware category).
- vi. Map 4.2 illustrates the location of large format retail floorspace within and around the Warnervale main trade area with key points to note including:
  - As shown, the current large format retail floorspace focus is within Lake Haven (secondary east sector). Homemaker Lake Haven is anchored by a Harvey Norman of 6,000 sq.m along with 11 other current tenants. The large format retail centre previously accommodated a Bunnings Warehouse, however, this outlet moved to the site opposite in 2019. The former Bunnings tenancy is currently being converted into five tenancies.
  - A large format retail centre is planned within the secondary north sector. The centre, to be known as Life + Home Morisset is planned to accommodate some 25,000 sq.m of floorspace and will be anchored by a Bunnings Warehouse.

- Demand for large format retail floorspace would not all be captured within the main trade area, with a proportion to be directed to facilities beyond the main trade area at Tuggerah, Newcastle, and Sydney.
- vii. Table 4.3 details the current and future demand for large format retail floorspace across the main trade area. This factors in the current construction of the former Bunnings Warehouse at Lake Haven which is being backfilled with large format tenancies (6,000 sq.m). The approved Life + Home Morisset (25,000 sq.m) is also assumed to be completed and operational by 2026. As a result of these developments, there is projected to be an oversupply of large format retail floorspace in the short to medium term.
- viii. Successful large format retail tenants typically rely on significant vehicle exposure to a major arterial route such as that provided at HomeCo Tuggerah or Homemaker Lake Haven. Relevantly, the subject site does not offer significant major road exposure with only some 200 metres of frontage provided along Sparks Road. Furthermore, the portion of the site along Sparks Road is the indicated location of the Woolworths convenience centre. As a result, there is unlikely to be potential to support a significant amount of large format retail floorspace at the subject site.

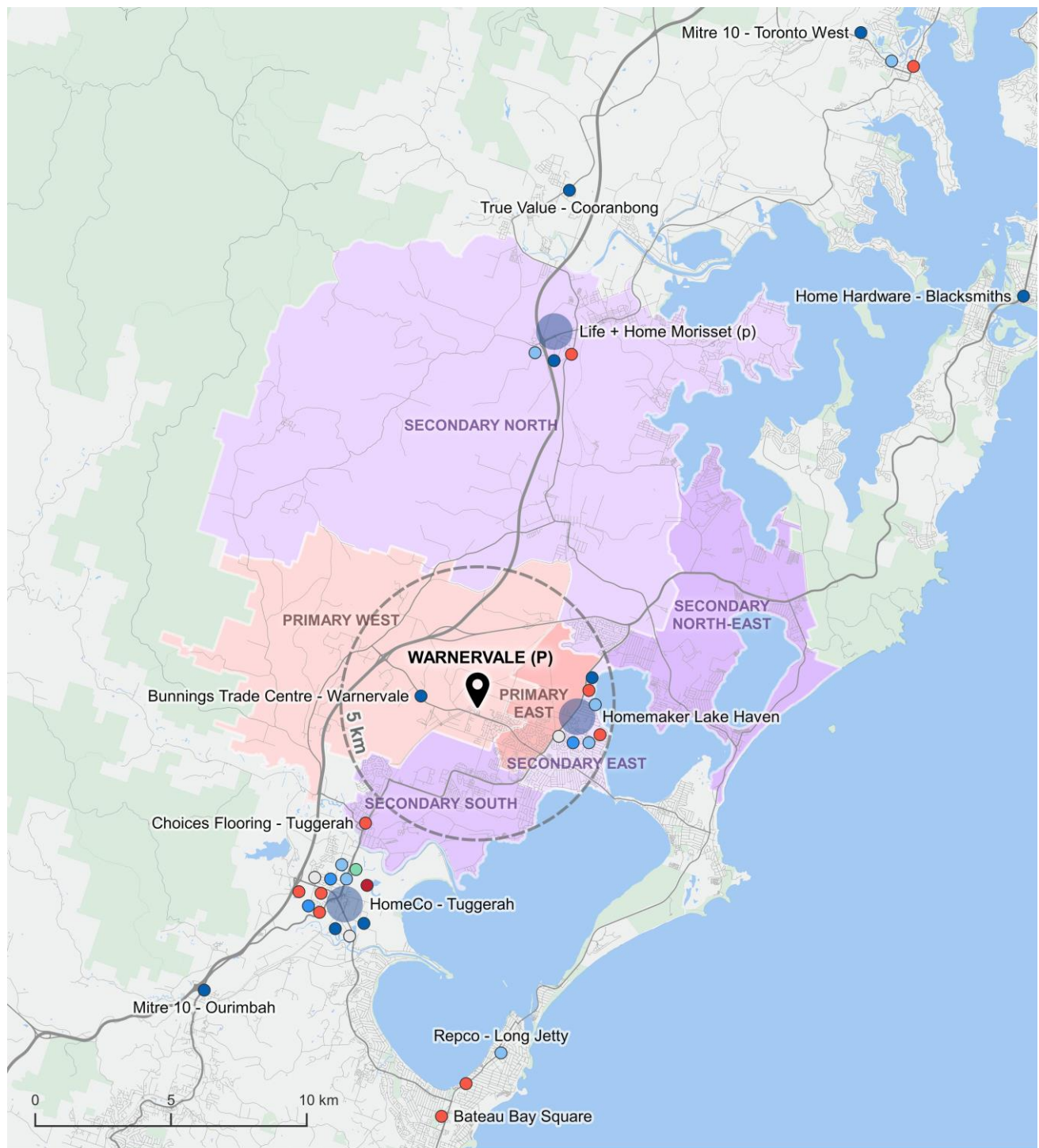
**TABLE 4.3. MAIN TRADE AREA SUPPORTABLE LFR FLOORSPACE, 2022 - 2036**

Metric	Benchmark	Existing 2022	Projected		
			2026	2031	2036
Population					
Main Trade Area		105,631	110,911	119,261	127,811
Large Format Retail Floorspace Demand		Australia			
Main Trade Area	0.7 sq.m per person	73,942	77,638	83,483	89,468
Large Format Retail Estimated Supply (sq.m)		Existing			
Main Trade Area*		49,630	80,630	80,630	80,630
Large Format Retail Under/Over Supply (sq.m)		Existing			
Main Trade Area		-24,312	2,992	-2,853	-8,838

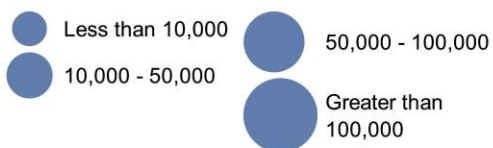
\* Including the under construction backfill of Bunnings Warehouse - Lake Haven & the approved Life + Home Morisset.



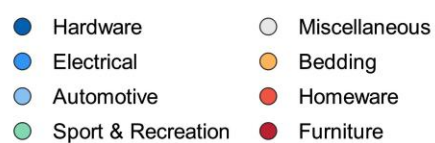
## MAP 4.2. WARNERVALE LARGE FORMAT RETAIL



### LFR Centre by GLA



### Single LFR Tenant By Category





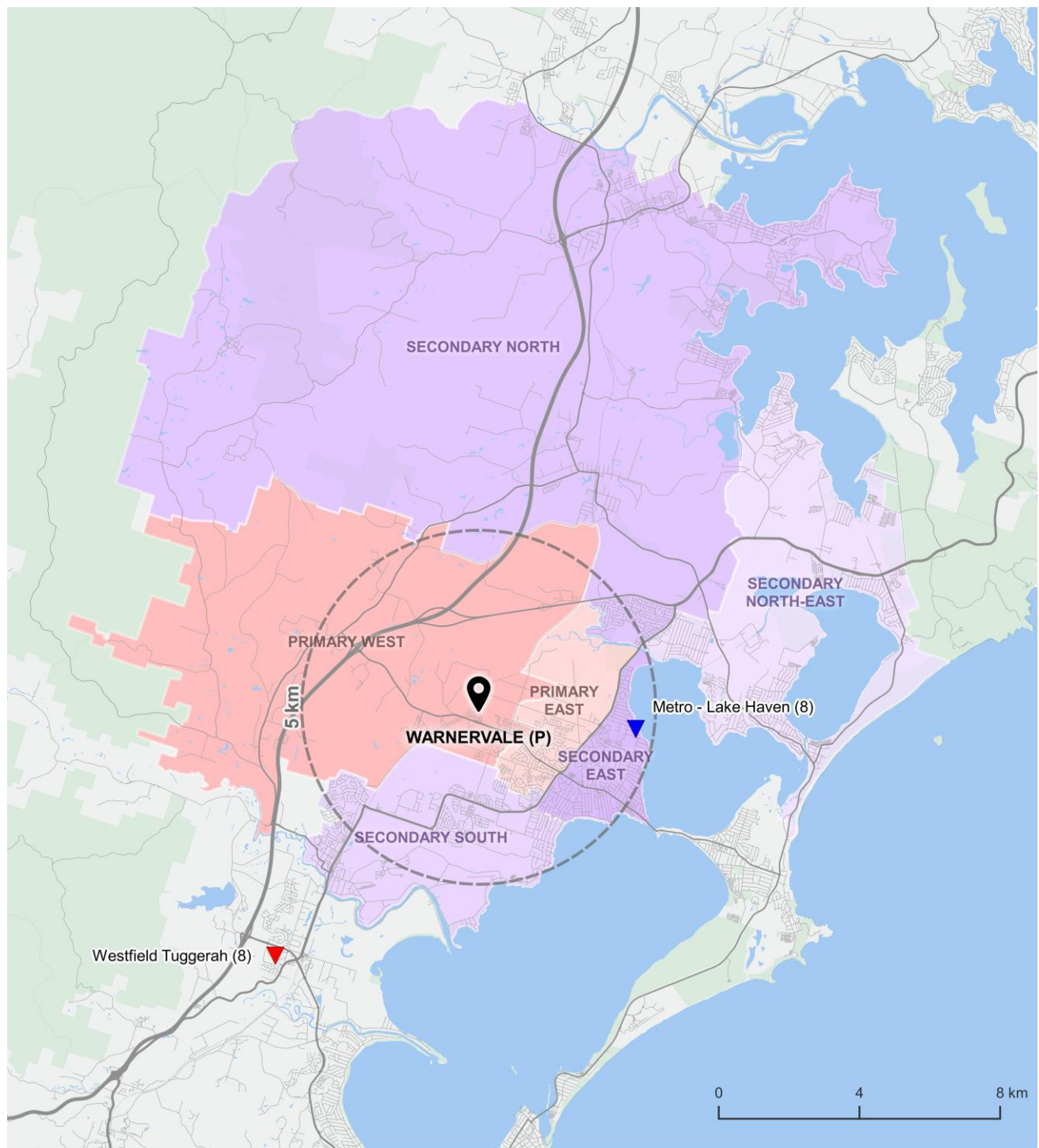
## 4.4. Cinema Complex

- i. Across the Warnervale main trade area, there is one cinema complex, namely the eight screen Metro complex at Lake Haven, 5.6 km to the east (secondary east sector). The cinema complex is provided adjacent to Lake Haven Centre.
- ii. Table 4.4 shows key information relating to the provision of cinemas in the trade area. As shown, the cinema screen provision across New South Wales and the ACT is 8.6 per 100,000 persons, which is lower than the Australian benchmark of 8.9 per 100,000 persons.
- iii. Based on the current provision of eight cinema screens at Metro Lake Haven, the catchment area is slightly underprovided for cinema screens. It is important to note that a large cinema complex is provided at Westfield Tuggerah (Event Cinema with eight screens) which is located immediately beyond the main trade area. Relevantly, a portion of the cinema attendance demand generated by the Warnervale main trade area population is likely to be captured by this Event Cinema complex.
- iv. Over the period to 2036, the demand for cinema screens would increase to 11, or three screens more than currently provided. Given the nearby Westfield Tuggerah, there is no potential for a cinema complex at the Warnervale Town Centre site.
- v. Successful cinema complexes are typically accommodated within higher order shopping centres. For example, Event Cinema is provided at Westfield Tuggerah which is a regional shopping centre with a wide drawing catchment area. Similarly, the Metro cinema complex at Lake Haven is provided adjacent to a sub-regional shopping centre.
- vi. A cinema complex is considered unlikely to be supportable at Warnervale Town Centre. This is based on the current cinema screen provision within the main trade area. Furthermore, a discount department store is no longer planned to be provided at the Warnervale Town Centre which will reduce the draw of the Warnervale Town Centre when compared with what was initially envisioned.

**TABLE 4.4. MAIN TRADE AREA CINEMA SCREEN PROVISION, 2022 - 2036**

Component	2022	2026	2031	2036
<b>Population</b>				
Main Trade Area	105,631	110,911	119,261	127,811
<b>Cinema Supply (Total Screens)</b>				
Main Trade Area	8.0	8.0	8.0	8.0
<b>Cinema Provision (Screens per 100,000 persons)</b>				
Main Trade Area	7.6	7.2	6.7	6.3
<i>New South Wales/ACT</i>	8.6			
<b>Over / Under Provision (No. Screens)</b>	<i>@ New South Wales/ACT Benchmark</i>			
Main Trade Area	-1.0	-1.5	-2.2	-2.9

## MAP 4.3. WARNERVALE CINEMA COMPETITION



- ▼ Event Cinemas
- ▼ Independent



## 4.5. Summary

- i. In summary, there is limited current and future potential for additional discount department store, large format retail, Aldi, and cinema screens. This is based on significant market changes which occurred after the 2008 approval of the Warnervale Town Centre.
- ii. Relevantly, the projected population growth is still likely to support one and maybe two full-line supermarkets at the Warnervale Town Centre.
- iii. Even if two full-line supermarkets can be secured, this would support total centre floorspace of around 15,000 sq.m. Assuming at-grade car parking, the site area required would be ~30,000 sq.m or three hectares. Limited non-food floorspace would be provided, as these types of tenants prefer to co-locate with discount department stores.
- iv. Based on the provision of nearby supermarkets, there more likely only potential to support only one full-line supermarket at the Warnervale Town Centre site. Based on this supermarket being provided within a neighbourhood shopping centre (assumed to support GLA in the order of 10,000 sq.m), the total site requirement would be approximately 2 ha. This assumes that around 50% of the site supports lettable floorspace and the remaining land is utilised for at-grade car parking and other non-building area usage.

# 5 KEY FINDINGS

- i. In 2008, the New South Wales Department of Planning and Infrastructure rezoned the Warnervale Town Centre via an amendment to the State Environmental Planning Policy (Major Development). The DCP states that the maximum allowable GFA for all buildings in the Town Centre Civic Precinct is not to exceed 25,000 sq.m for retail, 8,000 sq.m for bulky goods and 10,000 sq.m - 15,000 sq.m for commercial. Relevantly, this DCP was designated on the assumption of the repositioning of the Warnervale train station which is no longer proceeding.
- ii. Landcorp NSW Pty Ltd control a site in the Warnervale Town Centre that totals 18.6 hectares. Within this site, is a planning proposal, referred to as Stage 10 which involves the partial rezoning of the northern section of the site currently zoned B2 Local Centre and B4 Mixed Use. This site is planned to be rezoned to R1 General Residential. The planning proposal will not alter any of the other existing zones on the land.
- iii. The significant change of circumstances in the area has been the catalyst to fast-track additional housing supply to meet current and future demand. As a result, this report seeks to support the subject proposal for the rezoning of the subject site.
- iv. The defined main trade area for the future Warnervale Town Centre which comprises two primary sectors and four secondary sectors (combined to form the main trade area). Overall, the main trade area extends some 5 km – 20 km around the site and reflects the likely draw of a sub-regional shopping centre.
- v. The main trade area population is estimated at 105,631 (2022). The combined primary sector population is estimated at 14,306 persons. Over the period to 2036, the main trade area population is projected to increase to 127,811, including 22,956 persons in the combined primary sectors.
- vi. The main trade area population consists of an older, Australian born, family-based population. The combined primary sectors consist of a younger, Australian born, family-based population who have higher average household income levels, more typical of population growth areas.
- vii. Key conclusions regarding the supportable land uses at the Warnervale Town Centre include:
  - A discount department store operator, be it Big W, Kmart or Target is unlikely to be interested in the Warnervale Town Centre site. Without a major non-food anchor tenant, a significant quantum of retail floorspace is unlikely to be supportable.

- Based on the provision of nearby supermarkets, there is the potential to support one or maybe two full-line supermarket at the Warnervale Town Centre site.
  - The lack of major road exposure at the Warnervale Town Centre site along with the short to medium term oversupply of large format retail floorspace within the main trade area suggests that significant bulky goods floorspace is not supportable.
  - A cinema complex is considered unlikely to be supportable at Warnervale Town Centre. This is based on the current cinema screen provision within the main trade area.
  - Even if two full-line supermarkets can be secured, this would support total centre floorspace of around 15,000 sq.m. Assuming at-grade car parking, the site area required would be ~30,000 sq.m or three hectares. Limited non-food floorspace would be provided, as these types of tenants prefer to co-locate with discount department stores.
  - Based on the provision of nearby supermarkets, there more likely only potential to support only one full-line supermarket at the Warnervale Town Centre site. Based on this supermarket being provided within a neighbourhood shopping centre (assumed to support GLA in the order of 10,000 sq.m), the total site requirement would be approximately 2 ha. This assumes that around 50% of the site supports lettable floorspace and the remaining land is utilised for at-grade car parking and other non-building area usage.
  - The loss of the initially planned Warnervale train station relocation has limited the previously envisioned activation of the town centre. Less retail floorspace is now considered supportable on this basis.
- viii. There is limited demand from the current and future population for a large scale sub-regional shopping centre at Warnervale Town Centre now and in the future. The Landcorp NSW Pty Ltd controlled site in the Warnervale Town Centre that totals 18.6 hectares would be appropriate for residential development, with the site not required for the scale of retail and complementary floorspace that is supportable at Warnervale Town Centre.





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