

Leumeah, Sydney

Economic Land Use Assessment

June 2018



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Executive summary

MacroPlan has been commissioned to inform the potential amount of retail and non-retail floorspace that the market could support at a site centrally located within the Leumeah Precinct situated immediately west of the Campbelltown-Macarthur Rail Line.

Given the relative lack of retail services on the western side of the rail line, our assessment draws on a broader trade catchment that extends beyond the immediate Leumeah locality.

Our assessment also has regard for the changing nature of the Leumeah Precinct. It assumes a residential yield at the site of around 700 dwellings, although this could change as part of the design process presently being undertaken for the site. Importantly, our trade assessment is influenced more by the spatial extent and current supply characteristics of the broader catchment than it is by the actual amount of residential development achieved at the subject site.

Our findings with respect to the amount of retail and non-retail floorspace that could be accommodated at the site are detailed in the below table.

Leumeah - estimated retail and non-retail employment levels*			
Type of use	Estimated employment per '000 sq.m	GLA (sq.m)	Leumeah Employment (persons)
<u>Retail</u>			
Supermarket	40	2,500	100
Retail specialty shops	60	<u>1,500</u>	<u>90</u>
Total retail		4,000	190
<u>Commercial/non-retail</u>			
Non-retail shopfronts*	50	600	30
Medical centre / allied health	30	1,000	30
Gymnasium	20	700	14
Office space	60	<u>700</u>	<u>42</u>
Total non-retail		3,000	116
Total retail and non-retail		7,000	306
* Employment totals include both full-time and part-time work Source: MacroPlan Dimasi			

Introduction

This report presents an independent economic assessment of the market potential for the retail and non-retail components of a future mixed-use development at a site located on Hollylea Road in Leumeah. It also examines the likely economic implications arising from the proposed development.

The report has been prepared in accordance with instructions received from Michael Brown Planning Strategies, and is structured as follows:

- **Section 1** details the site location and surrounding context, and briefly discusses the relevant planning framework.
- **Section 2** presents an analysis of the trade area expected to be served by future retail and non-retail facilities at the subject site. It details the existing and projected population levels, the socio-demographic profile and the retail expenditure capacity of the trade area population.
- **Section 3** discusses the relevant retail competitive environment of the surrounding region.
- **Section 4** assesses the scale of retail uses expected to be supportable at the subject site.
- **Section 5** provides an assessment of the potential for non-retail uses at the site.
- **Section 6** outlines the potential economic implications that can be anticipated from the proposed development.

Section 1: Site context and planning framework

This section of the report reviews the context of the Leumeah site and its relevant planning status.

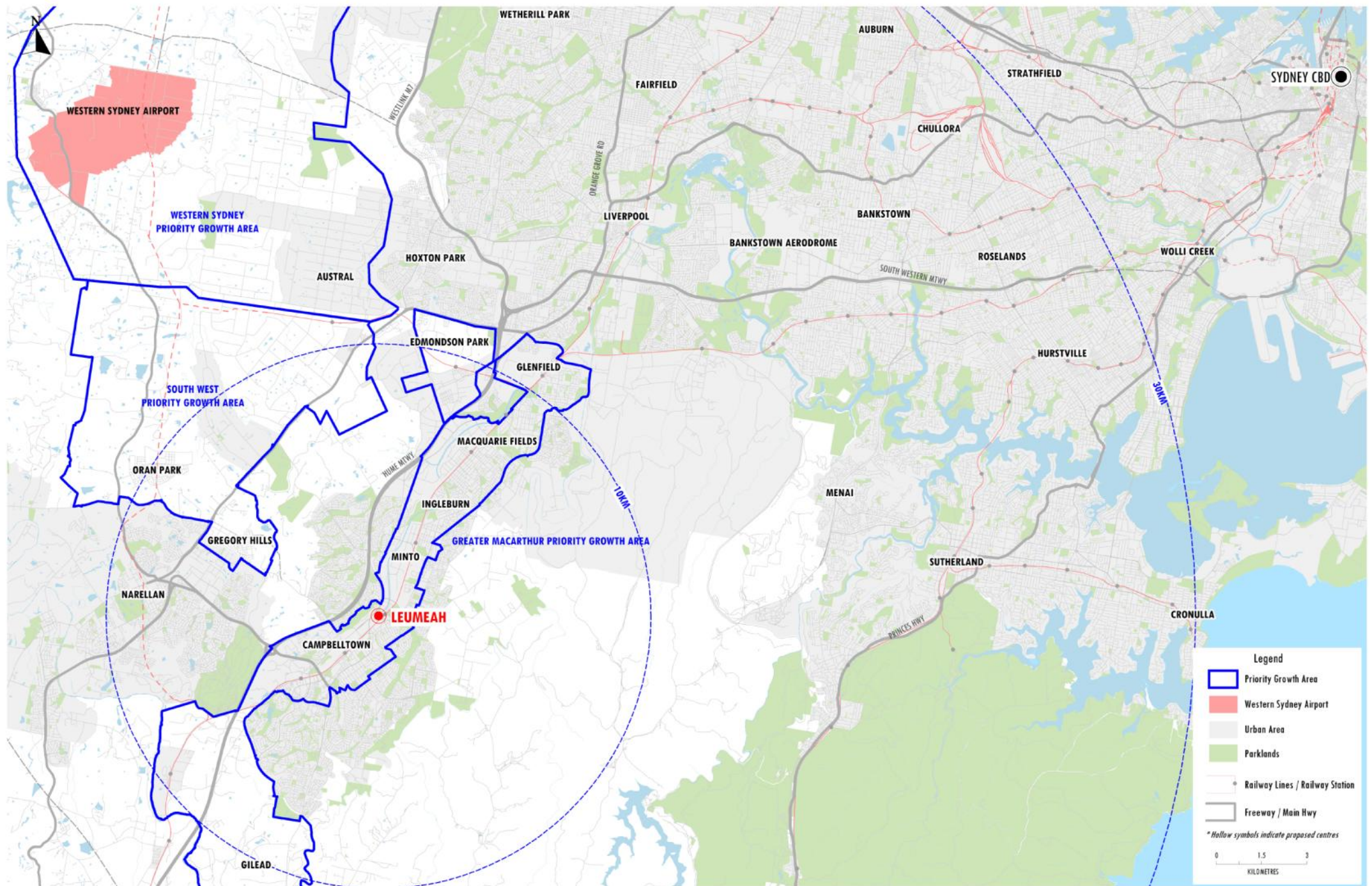
1.1 Site location and regional context

The subject site is located on Hollylea Road in Leumeah within the Campbelltown City Council, approximately 52 km from the Sydney CBD (refer Map 1.1). Regional accessibility to the site is provided by Campbelltown Road, which is located a short distance west of the site. Campbelltown Road is a major north-south traffic route which links to the Hume Motorway to the north. It also provides direct access to the Campbelltown-Macarthur City Centre to the south.

The site is also adjacent to the T5/T2 Sydney Rail Line which provides an electrified rail service from Macarthur (two stops to the south of Leumeah) to Sydney and other suburban locations on the Sydney rail network.

The Outer South West is a major growth corridor of Sydney and comprises the Western Sydney Priority Growth Area, the South West Priority Growth Area and the Greater Macarthur Priority Growth Area. The region predominantly covers three municipalities – Liverpool, Campbelltown and Camden – and currently accommodates approximately 485,000 residents. The population of the region is growing rapidly and is projected to exceed 700,000 residents by 2031 reflecting annual growth of around 16,500 residents per annum. A part of the Greater Macarthur Priority Growth Area also extends into the Wollondilly Shire LGA.

The City of Campbelltown accommodates a substantial resident population of around 165,000 people, with the population of the municipality projected to grow strongly and exceed 233,000 residents by 2036. The municipality is also home to 48,000 workers, with the majority employed in the industries of Health Care & Social Assistance, Manufacturing, Retail Trade and Education & Training (ABS 2016 Census).



Map 1.1: Hollylea Road, Leumeah
Regional context

The subject site at Leumeah is located within the Glenfield to Macarthur Urban Renewal Corridor, which contains seven distinct precincts extending from Glenfield in the north to Macarthur in the south (refer Figure 1.1). The seven precincts are planned to accommodate approximately 33,000 new residents, while 30,000 jobs are also to be created in the area. The subject site is located within Leumeah precinct, which is earmarked to accommodate circa 900 new dwellings and 1,800 additional jobs by 2036.

The Leumeah Precinct presently comprises regional sporting facilities east of the rail line (Campbelltown Sports Stadium and the West Tigers Leagues Club) and predominantly industrial related development to the west. The plan for the Precinct is to transform the area into a vibrant mixed-use precinct accommodating a range of housing, recreation, sports, commercial and entertainment uses.

The subject site covers several parcels of land and totals around 4 hectares in area. It is bounded by Hollylea Road to the west, Plough Inn Road to the north and Bow Bowing Creek to the east (refer Map 1.2). As mentioned, the site is adjacent to the Leumeah Train Station. Leumeah Station is the closest train station to the Campbelltown Sports Stadium and Athletics Centre. The stadium precinct offers sport and recreation facilities for the broader region and is the home ground of Wests Tigers Rugby League Football Club.

The Campbelltown-Macarthur City Centre, which is located around 3.7 km to the south west of Leumeah, is the economic heart of Campbelltown. It comprises a broad range of retail, commercial, business, entertainment and community uses. It provides higher order regional shopping services, accommodating an estimated 175,000 sq.m of retail floorspace.

Leumeah offers potential as a northern gateway to the Campbelltown-Macarthur City Centre, given its proximity to the main commercial centre of the region. It stands apart from industrially-flavoured lands further north of the centre and presents substantial opportunity for mixed use and higher density residential formats to define the northern entrance to Campbelltown-Macarthur.

The subject site is depicted below.

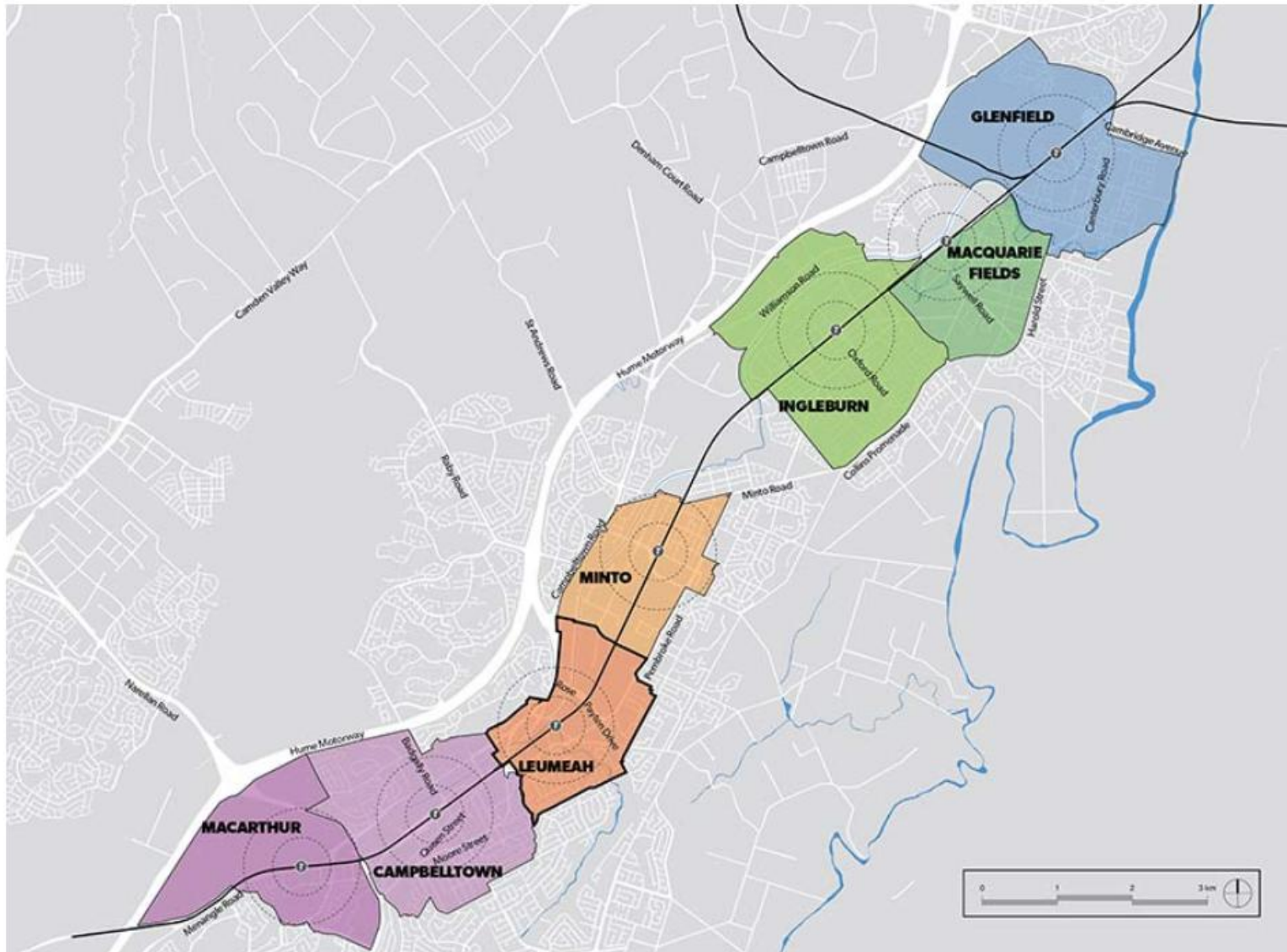


Figure 1.1

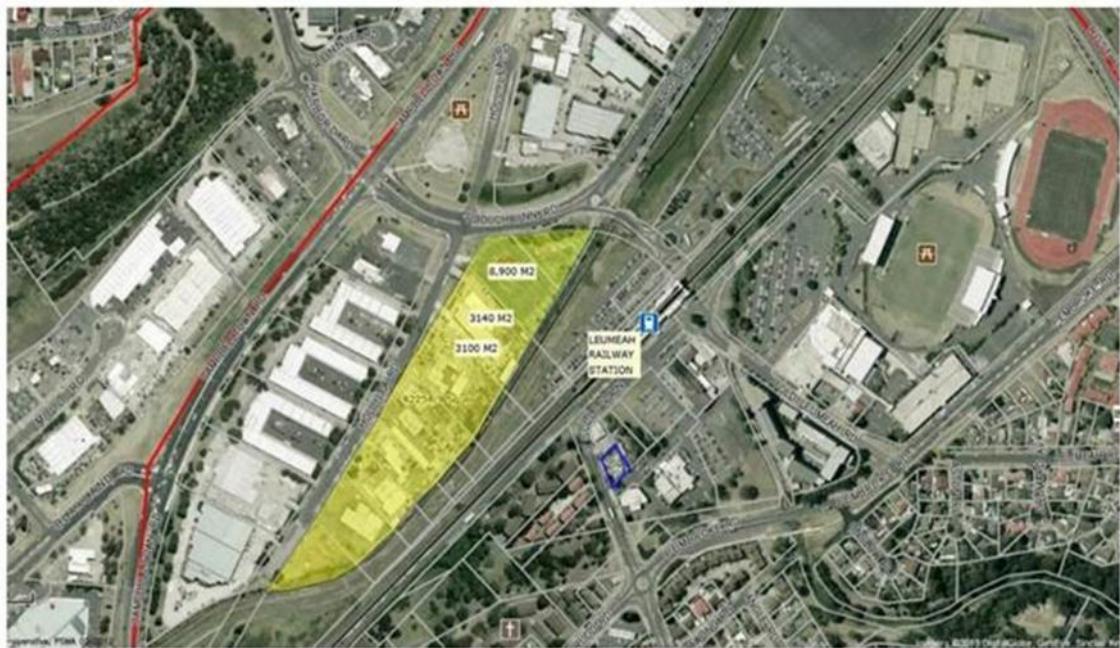


Map 1.2: Hollylea Road, Leumeah

Local context

1.2 Planning framework

The subject site presents 4 hectares of land situated adjacent to the Leumeah Railway Station and is currently occupied by light industrial/service type uses. The site is generally surrounded by a mix of bulky goods and light industrial uses, and is within walking distance of the Campbelltown sports precinct.



The lands are subject to the planning provisions of the following instruments:

- Campbelltown Local Environmental Plan 2015
- Campbelltown Residential Development Strategy (2014)
- The Greater Sydney Region Plan (2018)
- The Western 'Parkland' City District Plan (2018)
- Glenfield to Macarthur Urban Renewal Corridor (2016)
- Leumeah Precinct Plan (Dec, 2017)

Generally, the local and district planning framework is changing, with more intense development expected to occur in Leumeah and along the rail corridor, reflecting its

connectivity to the broader region and its supporting role in advancing the maturation of Campbelltown-Macarthur as a strategic centre and employment hub for Sydney south-west.

Leumeah is located within the Western 'Parkland' City District which is supported by a 'City Deal' with significant Federal Government commitment that will drive economic opportunity in Sydney's west. The District Plan identifies three key cities – Greater Penrith, Liverpool Campbelltown-Macarthur – as well as the Western Sydney Airport as the main economic clusters in the area.

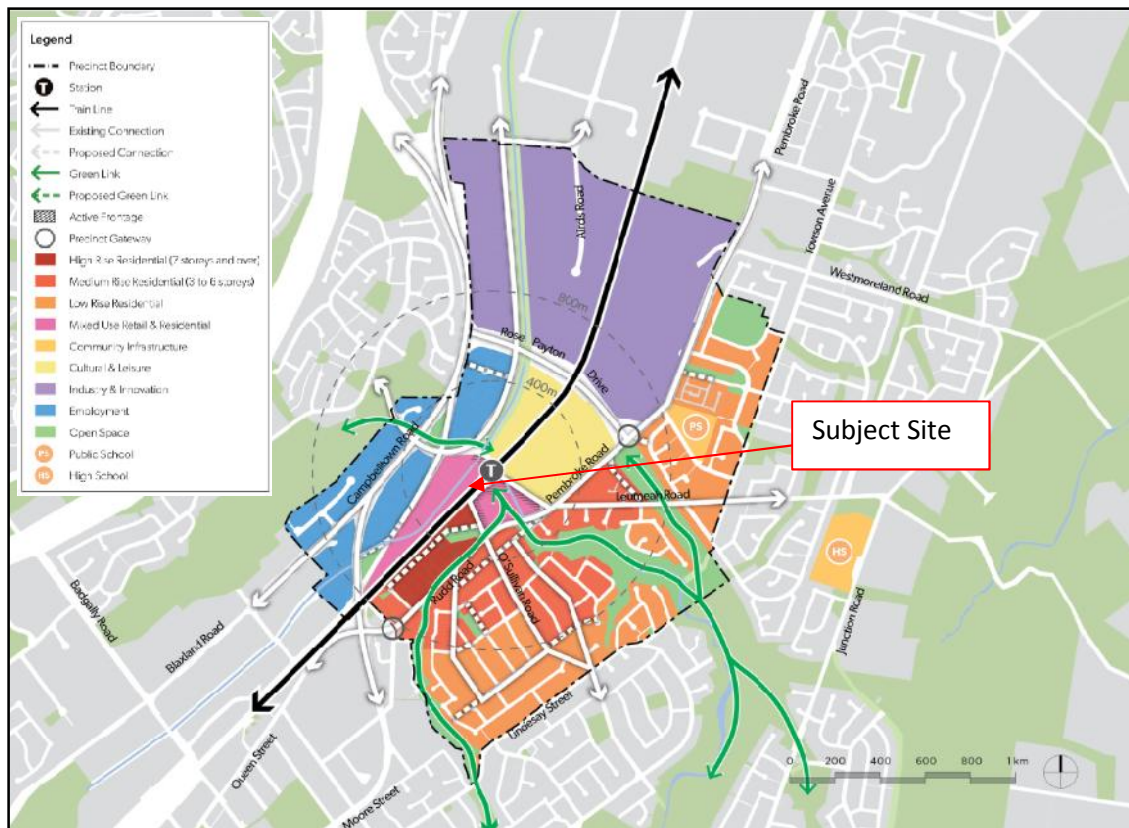
The Western City District Plan identifies the Urban Renewal Corridor between Glenfield and Macarthur along the T2/T5 train line, establishing the importance of urban renewal in the achieving the region's growth targets, provided below:

- A 5-year housing growth target for the Campbelltown LGA of 6,800.
- A 20-year housing growth target for Campbelltown LGA of 184,500.
- A jobs target of 27,000-31,000 by 2036 representing growth in the realm of 6,600-10,600 jobs.

The Glenfield–Macarthur Urban Renewal Corridor Strategy aims to accelerate urban renewal throughout the Glenfield-Macarthur rail corridor, specifically those sites within close proximity to train stations (400-800m). The strategy identifies the opportunity to deliver an additional 15,000 dwellings and 20,700 jobs to 2036.

The Leumeah Precinct is specifically identified to accommodate a mix of retail and residential uses that would complement the character of the local area. The Precinct Plan (Dec, 2017) suggests that 'buildings would have ground floor retail that would provide local services for residents and commuters, with apartments above ranging from 7+ storeys in height'. Detailed planning will 'identify appropriate height and built form outcomes.'

The subject site's location within the Leumeah Precinct Plan is denoted below.



The key take-outs from the Leumeah Precinct Plan are:

- 900 additional dwellings delivered in the precinct by 2036.
- Low-rise residential housing will continue to be the dominant housing type, however diversity in housing product including higher densities in proximity to the train station will increase in demand, consistent with broader market trends.
- Projected demand for additional 77,000sqm of employment lands by 2036, predominantly in retail (40,000sqm) generating 1,800 jobs.
- The proposed mixed-use area around the station will support leisure and cultural uses and provide for additional retail and commercial floor space.

Research undertaken as part of this report is intended to inform the market potential for retail and related floor space that will ultimately form part of a mixed-use redevelopment of the Hollylea Road Precinct.

Our research assumes that, as a future 'mixed use' location, the subject site will deliver new housing to the precinct.

Our assessment of retail and non-retail need, however, takes a broader catchment view in order to understand the site's overall potential, i.e. it is not dependent upon an exact residential project yield to support demand.

For the purposes of this report, we have assumed a potential residential yield of circa 700 units and a population of 1,800 for the Hollylea Road 'block'. This is an estimate only, with the final yield to be determined as part of the site's design process.

Section 2: Trade area analysis

This section of the report analyses the trade area available to the retail and non-retail uses at the proposed mixed-use development at Leumeah, including current and projected population levels, the socio-demographic profile of the population, and the estimated current and future retail expenditure capacity of trade area residents.

2.1 Trade area definition

The extent of the trade area or catchment that is served by any shopping centre, or retail facility, is shaped by the interplay of a number of critical factors. These factors include:

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

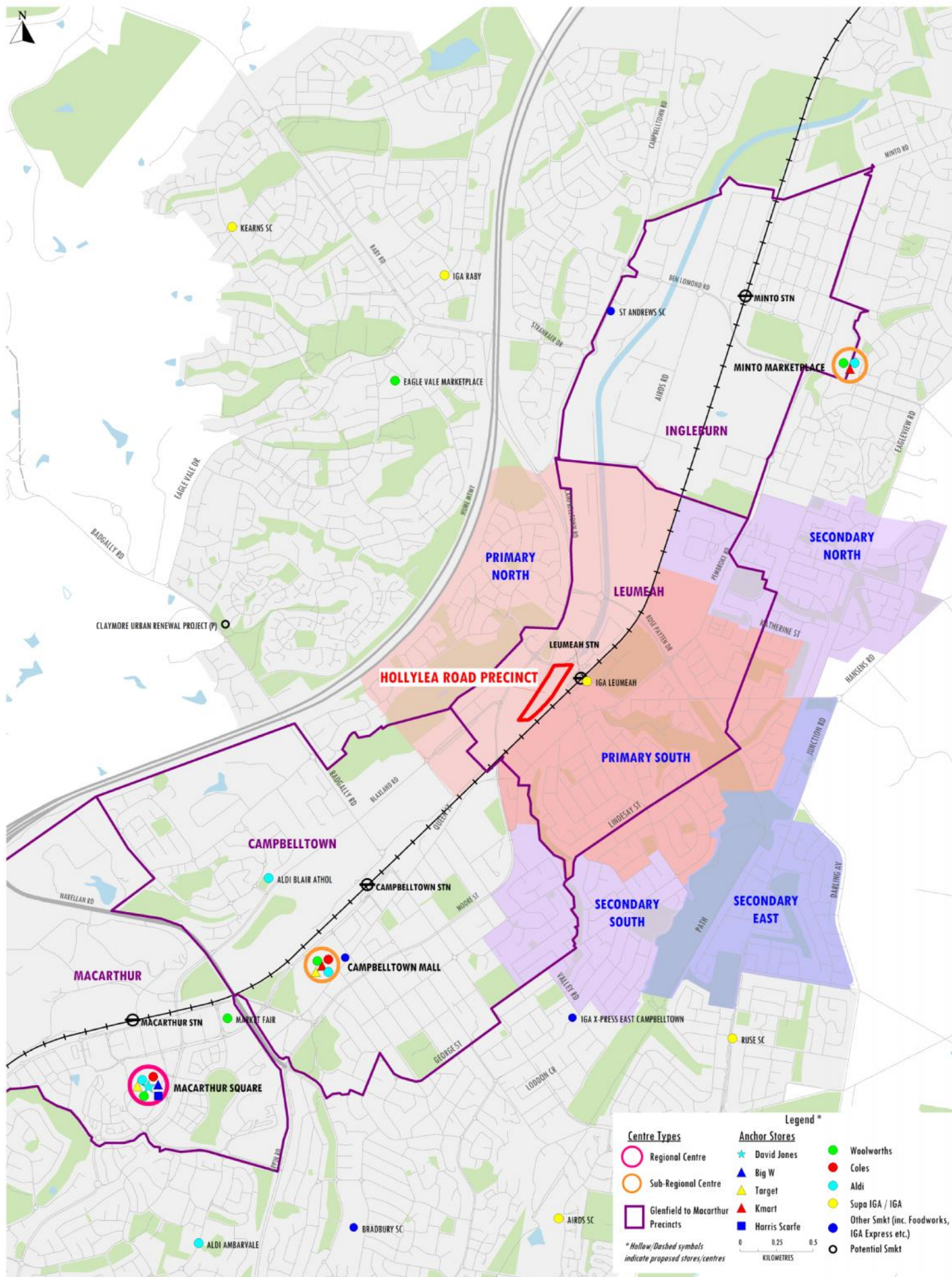
The trade area defined for the Leumeah development in particular takes into consideration the following:

- The convenient location of the subject site near the Leumeah train station;
- The likely role and function of the proposed development, which is to include a range of uses including residential, retail and commercial uses; and
- The location of existing retail precincts throughout the surrounding area.

The trade area defined for the proposed development is illustrated on the attached Map 2.1, and includes two primary sectors and three secondary sectors, described as follows:

- The **primary north sector** encompasses Woodbine and the part of Leumeah to the west of the railway line;
- The **primary south sector** is located to the east of the railway line and comprises most of the balance of Leumeah;
- The **secondary north sector** covers the northern part of Leumeah and the southern portion of Minto;
- The **secondary east sector** includes part of the suburb of Ruse;
- The **secondary south sector** encompasses the eastern part of Campbelltown

In combination, the primary and secondary sectors form the main trade area for the proposed development.



Map 2.1: Hollylea Road, Leumeah
Trade area and competition

2.2 Trade area resident population

Table 2.1 details the recent and projected resident population levels for the defined trade area. The population estimates and forecasts are based on the following sources:

- Australian Bureau of Statistics (ABS) Census of Population and Housing (2016);
- ABS Dwellings Approvals and Estimated Residential Population Data (2016 – 2017);
- Information published by the NSW Department of Planning and Environment; and
- Other investigations of possible future residential developments in the area.

The main trade area population is estimated at 19,380 at mid-2018, with 9,550 within the two primary sectors. Recent population in the area has been modest, driven by small scale infill developments. Future population growth within the main trade area in the short term is projected to remain modest and average around 120 people over the next few years.

In the medium term, population growth in the area, particularly in the primary sectors, is expected to be driven by infill developments as a result of the implementation of the urban renewal process for the area, such as on the subject site. From 2021 to 2036, population growth is projected to average around 350 per annum, with the majority of the growth concentration in the primary sectors (which covers the Leumeah urban renewal precinct). The resident population of the trade area is expected to reach 25,000 at 2036, with 14,500 within the two primary sectors at that date.

Table 2.1
Leumeah trade area population, 2011-2036*

	Estimated population			Forecast population			
Trade area sector	2011	2016	2018	2021	2026	2031	2036
Primary sectors							
• North	2,310	2,400	2,440	2,500	3,500	4,500	5,250
• South	<u>6,780</u>	<u>7,010</u>	<u>7,110</u>	<u>7,260</u>	<u>7,760</u>	<u>8,510</u>	<u>9,260</u>
Primary	9,090	9,410	9,550	9,760	11,260	13,010	14,510
Secondary sectors							
• North	3,470	3,490	3,530	3,620	3,770	3,920	4,070
• East	2,730	2,790	2,790	2,790	2,790	2,790	2,790
• South	<u>3,460</u>	<u>3,490</u>	<u>3,510</u>	<u>3,570</u>	<u>3,670</u>	<u>3,770</u>	<u>3,870</u>
Total secondary	9,660	9,770	9,830	9,980	10,230	10,480	10,730
Main trade area	18,750	19,180	19,380	19,740	21,490	23,490	25,240
Average annual growth (no.)							
Trade area sector	2011-16	2016-18	2018-21	2021-26	2026-31	2031-36	
Primary sectors							
• North	18	20	20	200	200	150	
• South	<u>46</u>	<u>50</u>	<u>50</u>	<u>100</u>	<u>150</u>	<u>150</u>	
Primary	64	70	70	300	350	300	
Secondary sectors							
• North	4	20	30	30	30	30	
• East	12	0	0	0	0	0	
• South	<u>6</u>	<u>10</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	
Total secondary	22	30	50	50	50	50	
Main trade area	86	100	120	350	400	350	
Average annual growth (%)							
Trade area sector	2011-16	2016-18	2018-21	2021-26	2026-31	2031-36	
Primary sectors							
• North	0.8%	0.8%	0.8%	7.0%	5.2%	3.1%	
• South	<u>0.7%</u>	<u>0.7%</u>	<u>0.7%</u>	<u>1.3%</u>	<u>1.9%</u>	<u>1.7%</u>	
Primary	0.7%	0.7%	0.7%	2.9%	2.9%	2.2%	
Secondary sectors							
• North	0.1%	0.6%	0.8%	0.8%	0.8%	0.8%	
• East	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	
• South	<u>0.2%</u>	<u>0.3%</u>	<u>0.6%</u>	<u>0.6%</u>	<u>0.5%</u>	<u>0.5%</u>	
Total secondary	0.2%	0.3%	0.5%	0.5%	0.5%	0.5%	
Main trade area	0.5%	0.5%	0.6%	1.7%	1.8%	1.4%	

*As at June

Source: ABS Census 2016; NSW Department of Planning and Environment 2016; MacroPlan Dimasi

2.3 Socio-demographic profile

Table 2.2 and Chart 2.1 detail the socio-demographic profile of residents within the defined main trade area as sourced from the 2016 ABS Census of Population and Housing. The profile is compared with benchmarks for metropolitan Sydney and Australia, with the key points to note including the following:

- At 2016 main trade area residents earned incomes which were below the metropolitan Sydney benchmark on both a per capita and household basis.
- The trade area has an age profile which is generally comparable to overall metropolitan Sydney.
- The level of home ownership in the main trade area is slightly above the metropolitan Sydney average, though the proportion of people who rent has increased from 29% at 2011 to 34.7% at 2016.
- Main trade area residents are predominantly Australia born, though the proportion of overseas born residents has increased since 2011.
- The main trade area contains a slightly below average proportion of traditional families (i.e. households comprising couples with dependent children), and a higher proportion of single parent families.

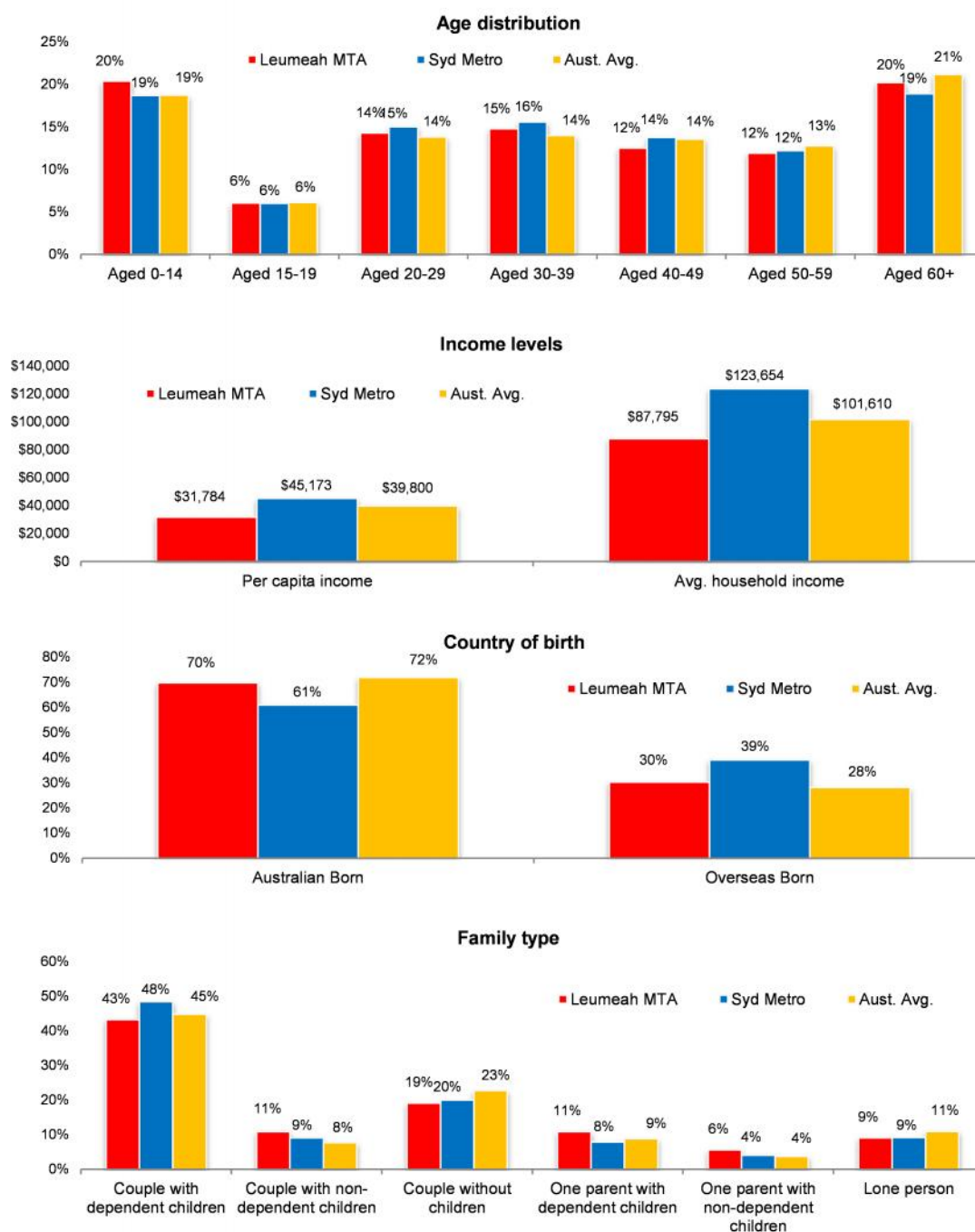
Overall, the socio-demographic profile of the main trade area population is mostly typical for an established area in outer metropolitan Sydney, though this profile will change over time as the area undergoes urban renewal.

Table 2.2
Leumeah main trade area - socio-demographic profile, 2016

Census item	Primary sectors		Secondary sectors			Main TA	Syd Metro avg.	Aust. avg.
	North	South	North	East	South			
Per capita income	\$31,965	\$31,036	\$32,977	\$33,980	\$30,210	\$31,784	\$45,173	\$39,800
Var. from Syd Metro bmark	-29.2%	-31.3%	-27.0%	-24.8%	-33.1%	-29.6%		
Avg. household income	\$103,772	\$79,207	\$96,328	\$100,067	\$80,149	\$87,795	\$123,654	\$101,610
Var. from Syd Metro bmark	-16.1%	-35.9%	-22.1%	-19.1%	-35.2%	-29.0%		
Avg. household size	3.2	2.6	2.9	2.9	2.7	2.8	2.7	2.6
<u>Age distribution (% of population)</u>								
Aged 0-14	22.6%	19.4%	20.6%	21.1%	19.7%	20.4%	18.7%	18.7%
Aged 15-19	6.1%	5.2%	6.1%	7.5%	6.6%	6.0%	6.0%	6.1%
Aged 20-29	13.0%	15.1%	15.5%	11.3%	14.6%	14.3%	15.0%	13.8%
Aged 30-39	14.6%	16.0%	14.3%	14.1%	13.4%	14.8%	15.5%	14.0%
Aged 40-49	12.1%	12.5%	12.0%	14.2%	11.8%	12.5%	13.7%	13.5%
Aged 50-59	11.2%	11.6%	13.7%	10.3%	12.4%	11.9%	12.2%	12.7%
Aged 60+	20.4%	20.2%	17.8%	21.5%	21.4%	20.2%	18.9%	21.1%
Average age	36.1	37.3	36.1	37.0	37.8	37.0	37.5	38.6
<u>Housing status (% of households)</u>								
Owner (total)	<u>75.5%</u>	<u>56.6%</u>	<u>70.3%</u>	<u>83.2%</u>	<u>58.9%</u>	<u>65.1%</u>	<u>64.2%</u>	<u>67.4%</u>
• Owner (outright)	33.7%	25.7%	27.3%	37.9%	28.2%	29.0%	30.0%	31.9%
• Owner (with mortgage)	41.8%	30.9%	43.0%	45.4%	30.7%	36.1%	34.2%	35.5%
Renter	24.5%	43.1%	29.7%	16.8%	40.3%	34.7%	35.1%	31.8%
<u>Birthplace (% of population)</u>								
Australian born	65.8%	66.3%	67.8%	77.7%	75.1%	69.8%	60.9%	71.9%
Overseas born	<u>34.2%</u>	<u>33.7%</u>	<u>32.2%</u>	<u>22.3%</u>	<u>24.9%</u>	<u>30.2%</u>	<u>39.1%</u>	<u>28.1%</u>
• Asia	10.4%	14.2%	11.1%	5.2%	6.8%	10.5%	19.1%	11.2%
• Europe	7.0%	8.0%	6.2%	9.0%	7.4%	7.6%	9.6%	9.6%
• Other	16.8%	11.6%	14.8%	8.2%	10.6%	12.1%	10.4%	7.4%
<u>Family type (% of population)</u>								
Couple with dep't child.	50.3%	40.6%	45.9%	44.3%	42.1%	43.3%	48.5%	44.8%
Couple with non-dep't child.	10.4%	9.8%	13.1%	12.1%	10.5%	10.9%	9.1%	7.7%
Couple without child.	19.5%	20.2%	17.9%	20.8%	16.7%	19.1%	20.1%	22.8%
One parent with dep't child.	9.1%	11.0%	10.0%	11.6%	12.0%	10.9%	7.9%	8.8%
One parent w non-dep't child	4.4%	5.3%	5.7%	5.5%	6.9%	5.6%	4.1%	3.7%
Lone person	5.7%	11.7%	6.3%	5.1%	10.8%	9.1%	9.2%	11.0%
<u>Car ownership</u>								
% 0 Cars	3.0%	10.9%	3.9%	3.4%	13.0%	8.2%	11.4%	7.7%
% 1 Car	33.3%	43.8%	36.2%	31.3%	38.5%	38.6%	38.5%	36.1%
% 2 Cars	38.3%	31.8%	38.4%	42.3%	28.8%	34.5%	34.0%	37.5%
% 3 Cars	15.8%	9.3%	13.3%	16.6%	14.0%	12.6%	10.5%	12.2%
% 4 plus Cars	9.6%	4.3%	8.1%	6.4%	5.7%	6.1%	5.7%	6.5%

Source: ABS Census of Population & Housing, 2016; MacroPlan Dimasi

Chart 2.1
Leumeah main trade area - socio-demographic profile, 2016



Source: ABS Census of Population & Housing, 2016; MacroPlan Dimasi

2.4 Retail expenditure

The estimated retail expenditure capacity of the main trade area population is sourced from MarketInfo, which is developed by Market Data Systems (MDS) and utilises a detailed micro simulation model of household expenditure behaviour for all residents of Australia. The model takes into account information from a wide variety of sources including the regular ABS Household Expenditure Surveys, national accounts data, Census data and other information. The MarketInfo estimates for spending behaviour prepared independently by MDS are used by a majority of retail/property consultants.

Total retail expenditure is allocated in a number of categories, as follows:

- **Take-home food and groceries** – goods typically sold in supermarkets and specialty fresh food stores.
- **Packaged liquor** – liquor purchased at bottle-shops to take home.
- **Food catering** – cafes, take-away outlets and restaurants.
- **Apparel** – clothing, footwear, fashion and accessories.
- **Household goods** – giftware, electrical, computers, furniture and homewares.
- **Leisure** – newsagents, sporting goods, music, DVDs, games and books.
- **General retail** – pharmaceutical goods, cosmetics, toys, florists and mobile phones.
- **Retail services** – hair and beauty, optical goods, key cutting and shoe repairs.

Chart 2.2 provides a summary of the per capita retail spending levels of the trade area population, compared with benchmarks for metropolitan Sydney and Australia. Per capita spending for total retail by trade area residents is estimated at \$13,356, which is slightly below the average for metropolitan Sydney, though spending on fresh food and groceries is slightly above average. All spending figures presented in this report are expressed including GST.

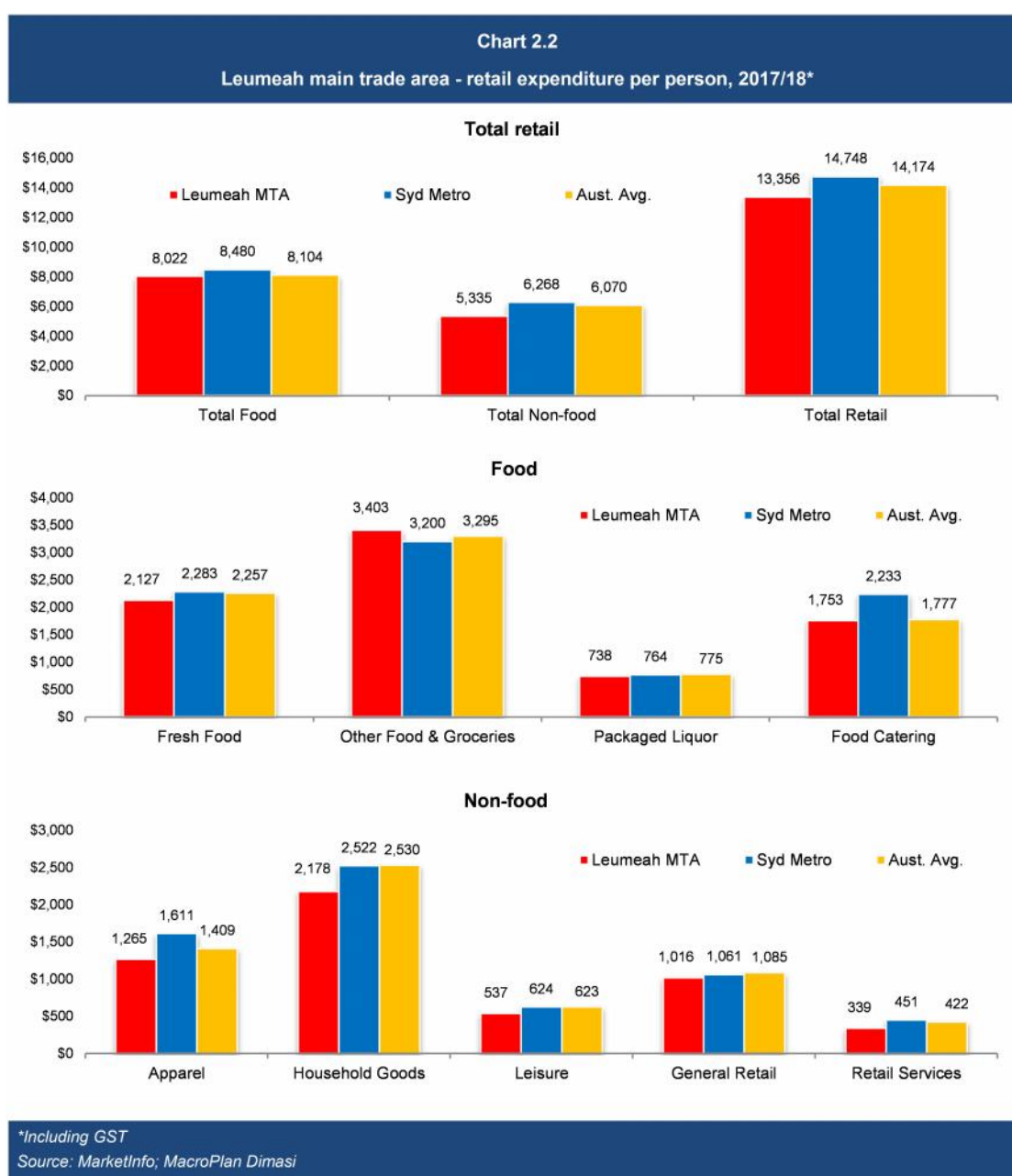


Table 2.3 presents estimates of retail expenditure growth of trade area residents over the forecast period from 2018 to 2031. Total retail expenditure generated by the main trade area population is expected to increase from \$258 million at 2018 to \$396 million at 2036, reflecting an average growth rate of 2.4% per annum. This growth includes population growth, which is estimated to average 1.5% per annum over the forecast period, as well as real growth in per capita retail expenditure, which is expected to average 0.9% per annum.

Spending by primary sector residents is projected to increase from \$128 million to \$229 million over the forecast period, reflecting average growth of \$5.6 million each year. All spending figures are presented in constant 2017/18 dollars (i.e. excluding retail inflation).

Table 2.3 Leumeah main trade area - retail expenditure (\$M), 2018-2036*							
Year ending June	Primary sectors		Total primary	Secondary sectors			Main TA
	North	South		North	East	South	
2018	34	94	128	46	40	44	258
2019	34	96	130	47	40	45	262
2020	35	97	132	48	41	45	266
2021	35	99	134	49	41	46	270
2022	37	101	138	50	41	47	276
2023	41	103	144	51	42	47	283
2024	44	106	149	51	42	48	291
2025	47	108	155	52	43	49	299
2026	51	110	161	53	43	50	307
2027	54	113	167	54	43	50	315
2028	58	116	174	55	44	51	324
2029	61	120	181	56	44	52	333
2030	65	123	188	57	45	53	342
2031	69	126	195	58	45	53	351
2032	72	130	202	59	45	54	360
2033	75	133	209	60	46	55	369
2034	78	137	215	61	46	56	378
2035	81	141	222	62	47	57	387
2036	85	144	229	63	47	57	396
<u>Average annual growth (\$M)</u>							
2018-2036	2.8	2.8	5.6	0.9	0.4	0.7	7.7
<u>Average annual growth (%)</u>							
2018-2036	5.3%	2.4%	3.3%	1.7%	0.9%	1.5%	2.4%
*Constant 2017/18 dollars & including GST Source: MarketInfo; MacroPlan Dimasi							

Table 2.4 presents the retail spending capacity of the main trade area population across key retail categories. FLG expenditure (food, liquor and groceries), which is the main expenditure category for supermarkets, is estimated at \$121 million at 2018 and is forecast to increase to \$188 million at 2036, reflecting average growth of \$3.7 million every year, while spending on food catering (cafes and restaurants) is projected to increase by 3% per annum.

Table 2.4 Leumeah main trade area - retail expenditure by category (\$M), 2018-2036*								
Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2018	121	34	24	42	10	20	7	258
2019	123	35	25	43	10	20	7	262
2020	125	35	25	43	11	20	7	266
2021	127	36	25	44	11	20	7	270
2022	130	37	26	45	11	21	7	276
2023	134	38	26	46	11	21	7	283
2024	137	40	27	47	11	22	7	291
2025	141	41	28	48	12	22	8	299
2026	145	42	28	49	12	23	8	307
2027	149	44	29	51	12	23	8	315
2028	153	45	29	52	12	24	8	324
2029	157	47	30	53	13	24	9	333
2030	162	48	31	55	13	25	9	342
2031	166	50	32	56	13	25	9	351
2032	171	51	32	57	14	26	9	360
2033	175	53	33	59	14	26	9	369
2034	179	55	34	60	14	27	10	378
2035	184	56	34	61	14	27	10	387
2036	188	58	35	62	15	28	10	396
<u>Average annual growth (\$M)</u>								
2018-2036	3.7	1.3	0.6	1.1	0.2	0.5	0.2	7.7
<u>Average annual growth (%)</u>								
2018-2036	2.5%	3.0%	2.0%	2.2%	2.0%	2.0%	2.5%	2.4%
*Constant 2017/18 dollars & including GST Source: MarketInfo; MacroPlan Dimasi								

2.5 Workers

This sub-section considers the workforce in the local area. Local workers typically spend money on food and beverage during lunchtime, as well as on other retail uses before and after work. The worker catchment for the subject site is defined as the two primary sectors, which extend some 1 – 1.5 km around the subject site.

Table 2.5 details the existing and projected worker population levels within the local catchment for Leumeah. The data is based on the 2016 ABS Worker Population Profile and employment projections published by the NSW Government (Transport for NSW).

At mid-2016, there was a workforce of around 2,500 within the two primary sectors, with the majority within the primary north sector (to the north-west of the railway line). Employment growth is projected to be solid averaging close to 1% per annum, with 2,885 people estimated to work in the catchment at 2031.

Table 2.5 Leumeah worker trade area population, 2016-2031*					
Trade area	Estimated population		Forecast population		
	2016	2018	2021	2026	2031
Primary sectors					
• North	1,640	1,670	1,715	1,790	1,865
• South	<u>870</u>	<u>890</u>	<u>920</u>	<u>970</u>	<u>1,020</u>
Worker trade area	2,510	2,560	2,635	2,760	2,885
Trade area	Average annual growth (no.)				
	2016-18	2018-21	2021-26	2026-31	
Primary sectors					
• North	15	15	15	15	
• South	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	
Worker trade area	25	25	25	25	
Trade area	Average annual growth (%)				
	2016-18	2018-21	2021-26	2026-31	
Primary sectors					
• North	0.9%	0.9%	0.9%	0.8%	
• South	<u>1.1%</u>	<u>1.1%</u>	<u>1.1%</u>	<u>1.0%</u>	
Worker trade area	1.0%	1.0%	0.9%	0.9%	
*As at June					
Source: ABS Worker Population Profile 2016; NSW Government; MacroPlan Dimasi					

Table 2.6 and Chart 2.3 present the socio-demographic profile of the worker population. The key points to note include:

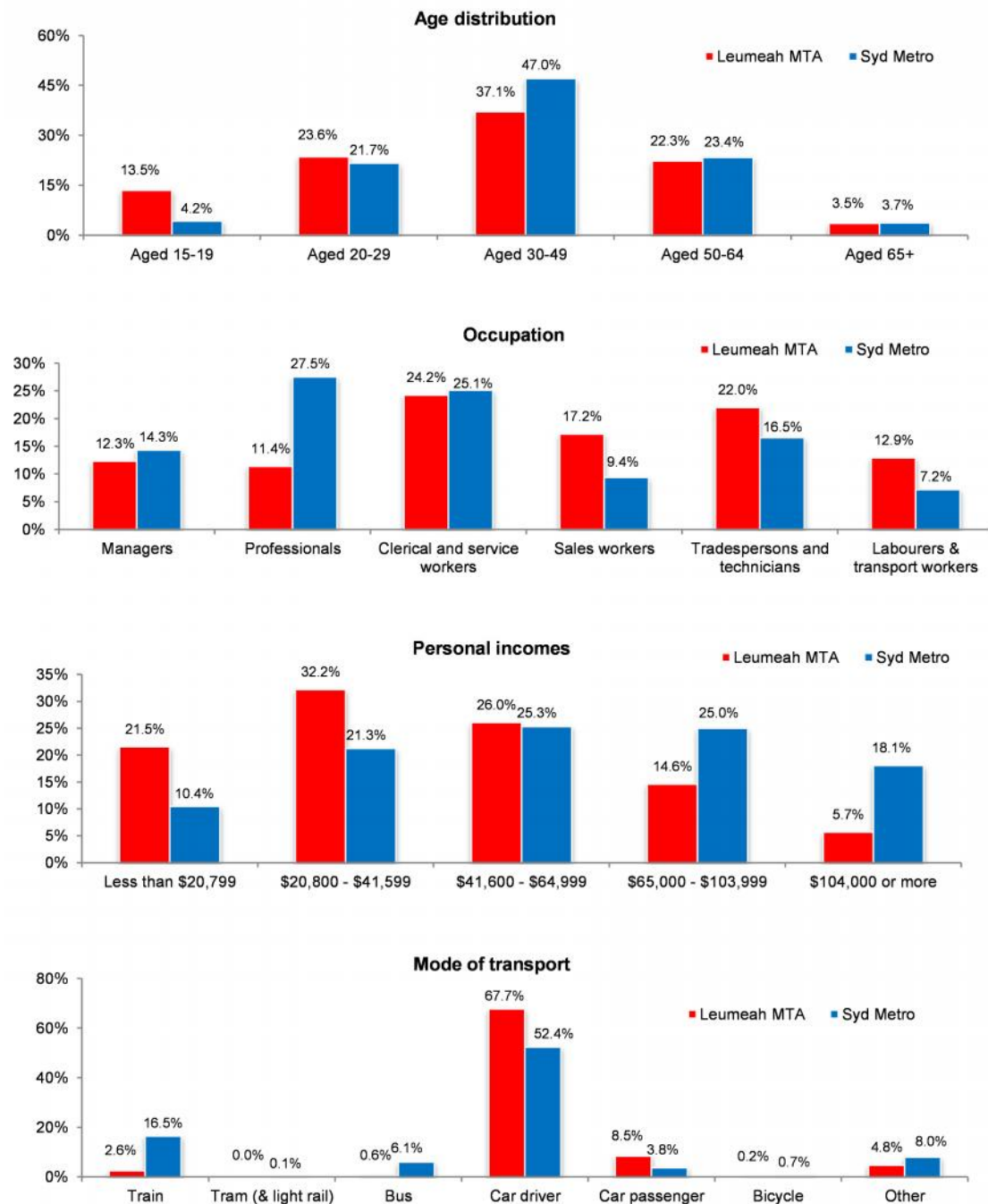
- The average age of workers in the catchment is younger than the metropolitan Sydney average, with a higher than average proportion of workers aged 20 years and under.
- In terms of occupation, the workforce population is skewed towards clerical and service workers, tradespersons and sales workers
- Workers in the catchment possess a lower than average earning power, with the average income of workers in the catchment at \$47,188.
- The far majority of workers travel to work by car, with only 2.6% using train as their main form of transport.
- The key industries of employment in the catchment are accommodation & food services and retail trade, which together form nearly half of the jobs in the area.

Table 2.6
Leumeah worker population profile, 2016

Characteristics	Primary sectors		Total	Syd Metro
	North	South	Primary	avg.
<u>Gender</u>				
Male	59.5%	39.4%	52.5%	52.2%
Female	40.5%	60.6%	47.5%	47.8%
<u>Age distribution</u>				
Aged 15-19	17.4%	6.2%	13.5%	4.2%
Aged 20-29	22.3%	25.9%	23.6%	21.7%
Aged 30-49	35.3%	40.4%	37.1%	47.0%
Aged 50-64	21.8%	23.2%	22.3%	23.4%
Aged 65+	3.1%	4.3%	3.5%	3.7%
Average age	36.8	39.1	37.6	40.2
<u>Occupation</u>				
Managers	13.8%	9.4%	12.3%	14.3%
Professionals	5.2%	23.1%	11.4%	27.5%
Clerical and service workers	17.5%	36.9%	24.2%	25.1%
Sales workers	22.2%	7.7%	17.2%	9.4%
Tradespersons and technicians	26.4%	13.6%	22.0%	16.5%
Labourers & transport workers	14.8%	9.3%	12.9%	7.2%
<u>Personal income</u>				
Less than \$20,799	23.9%	17.1%	21.5%	10.4%
\$20,800 - \$41,599	29.6%	37.0%	32.2%	21.3%
\$41,600 - \$64,999	27.0%	24.2%	26.0%	25.3%
\$65,000 - \$103,999	13.5%	16.6%	14.6%	25.0%
\$104,000 or more	5.9%	5.1%	5.7%	18.1%
Average income	46,550	48,394	47,188	76,838
<u>Mode of transport</u>				
Train	3.1%	1.7%	2.6%	16.5%
Tram (& light rail)	0.0%	0.0%	0.0%	0.1%
Bus	1.0%	0.0%	0.6%	6.1%
Car driver	67.5%	68.2%	67.7%	52.4%
Car passenger	10.7%	4.5%	8.5%	3.8%
Bicycle	0.2%	0.0%	0.2%	0.7%
Other	4.7%	5.2%	4.8%	8.0%
Non travel	12.8%	20.4%	15.4%	12.3%
<u>Industry of employment (top 5)</u>				
Accommodation and food services	25.7%	31.8%	27.8%	7.2%
Retail trade	27.1%	5.1%	19.5%	10.1%
Education and training	1.5%	21.0%	8.3%	8.7%
Construction	8.3%	4.9%	7.1%	7.3%
Health care and social assistance	3.5%	13.5%	7.0%	12.4%

Source: ABS Worker Population Profile 2016; MacroPlan Dimasi

Chart 2.3
Leumeah worker population profile, 2016



Source: ABS Worker Population Profile 2016; MacroPlan Dimasi

Section 3: Competitive context

This section of the report outlines the competitive environment of the surrounding region, including existing and proposed centres as detailed on Table 3.1 and shown on the previous Map 2.1.

Table 3.1 Leumeah - schedule of major retail facilities			
Centre	Retail GLA (sq.m)	Major traders	Dist. by road from Leumeah (km)
Within trade area			
Leumeah	1,300	IGA	-
Beyond trade area			
<u>Campbelltown-Macarthur</u>	<u>175,000</u>		3.6
• Macarthur Square	100,000	David Jones, Big W, Target, Coles, Woolworths	
• Campbelltown Mall	40,000	Kmart, Target, Woolworths, Coles, Aldi	
• Market Fair	10,000	Woolworths	
• Other	25,000	IGA	
Minto Marketplace	20,300	Kmart, Woolworths, Aldi	3.9
Source: Property Council of Australia; MacroPlan Dimasi			

There is currently a small provision of retail and non-retail outlets in **Leumeah**, on the eastern side of the railway line. The uses include a small IGA foodstore, as well as a number of food catering outlets (cafes and restaurants), a bottle shop, a newsagency, a real estate agent, a number of fresh food outlets, a pharmacy, two medical centres and Australia Post.

The highest order retail facilities in the outer south-western suburbs of Sydney are located at the **Campbelltown-Macarthur City Centre**. Situated to the south of Leumeah, the main retail component of the Campbelltown-Macarthur City Centre is Macarthur Square, which recently completed a redevelopment encompassing a refurbished David Jones anchor, a new expanded Coles supermarket and additional retail specialties. Other uses in the area include Campbelltown Mall (a sub-regional centre anchored by numerous discount department

stores and supermarkets), a Woolworths anchored Market Fair neighbourhood shopping centre and an extensive retail strip along Queen Street.

The Campbelltown-Macarthur City Centre accommodates in the order of 175,000 sq.m of retail floorspace. The centre performs a very different role to that of the potential convenience retail uses to be provided at the subject site, with the centre serving the higher-order food, non-food and entertainment needs of residents in the broad surrounding region.

Minto Marketplace is located some 3.9 km north of Leumeah and is a sub-regional centre anchored by Kmart, Woolworths and Aldi. The centre is located in close proximity of the Minto train station, and serves the food and higher-order shopping needs of surrounding residents.

Section 4: Assessment of retail potential

This section provides an assessment of the scale of retail facilities expected to be supportable at the Leumeah site.

The subject site is planned as part of a mixed-use precinct, with the retail facilities to serve local residents, users of the nearby Leumeah Train Station and workers in the area. The subject site is a convenient location for retail facilities to provide for the food and convenience retail needs of surrounding residents and workers given its location near the major Campbelltown Road and opposite the Leumeah Train Station.

The potential scale of any particular retail facility, be it an individual store or a collection of stores provided in a shopping centre or precinct, is determined by a combination of the following factors:

- The quality of the facility, with particular regard to the major trader/traders which anchor the centre; the strength of the tenancy mix relative to the needs of the catchment which it seeks to serve; the physical layout and ease of use; the level of accessibility and ease of parking; and the atmosphere/ambience of the centre.
- The size of the available catchment which the centre seeks to serve. This factor sets the upper limit of the sales potential able to be achieved by the centre or store.
- The location and strengths of competitive retail facilities and the degree to which those alternative facilities are able to effectively serve the needs of the population within the relevant trade area.

The key considerations for the potential scale of the retail component at the subject site include the following:

- The location of the subject site near Campbelltown Road, a key traffic thoroughfare in the surrounding area which links to the Hume Motorway to the north, and to the Campbelltown-Macarthur City Centre to the south. The site is also located opposite the Leumeah Train Station, which serves local residents and workers, and is the main train station for the Campbelltown stadium precinct.
- The available population within the catchment, which is to increase solidly over the forecast period. In particular, the subject site may have the potential to accommodate some 700 dwelling, depending on the density of development.
- The scale and quality of existing retail facilities in the local area, with the only shopping centre in the trade area limited to a small centre located on the south-eastern side of the railway line in Leumeah.

4.1 Retail floorspace demand analysis

This sub-section of the report outlines the expected demand for retail floorspace at the subject site. Modelling retail demand for any given site is imprecise and depends on a range of factors. Therefore, the floorspace demand analysis presented in this sub-section should be viewed as indicative.

Table 4.1 details the total estimated amount of retail floorspace demand by residents in the defined main trade area. This retail floorspace demand would be served by existing and future retail facilities located within the trade area, as well as by major centres situated beyond the trade area such as at Campbelltown-Macarthur to the south and Minto Marketplace to the north, amongst others.

The retail floorspace demand figures are calculated by applying an average Retail Turnover Density (RTD) to the estimated available retail sales volume by category. The RTD is simply the level of sales per sq.m which retailers in each category typically achieve. Adopted RTD

levels are the highest for food, liquor & groceries (FLG) retailers, including supermarkets, at \$9,000 per sq.m, and average around \$6,500 per sq.m.

The data illustrates that the retail floorspace demand of trade area residents will increase by some **8,800 sq.m** over the forecast period to 2031. A proportion of this increase will come from new residents within the proposed mixed-use development at the subject site. Future retail facilities at the site will be well placed to serve local demand.

Retail facilities at the subject site are expected to mostly serve the food and convenience needs of the local residents and workers, with the demand for retail floorspace driven primarily by the level of retail sales which the future facilities can reasonably expect to retain from the pool of expenditure generated by the primary sectors, and to a lesser extent the secondary sectors.

Table 4.1 Leumeah main trade area - Estimated retail floorspace demand (sq.m), 2018-2031										
Year ending June	FLG	Food catering	Total food	Apparel	H'hold goods	Leisure	General retail	Retail services	Total non-food	Total retail
2018	13,463	5,213	18,680	5,432	9,906	1,887	2,806	1,191	21,220	39,900
2019	13,567	5,279	18,850	5,446	9,956	1,892	2,813	1,200	21,310	40,160
2020	13,677	5,349	19,030	5,463	10,012	1,897	2,822	1,210	21,400	40,430
2021	13,788	5,419	19,210	5,480	10,067	1,903	2,831	1,220	21,500	40,710
2022	13,980	5,523	19,500	5,531	10,182	1,920	2,857	1,237	21,730	41,230
2023	14,255	5,664	19,920	5,616	10,358	1,948	2,900	1,261	22,080	42,000
2024	14,530	5,806	20,340	5,701	10,533	1,976	2,942	1,286	22,440	42,780
2025	14,807	5,949	20,760	5,785	10,708	2,004	2,985	1,310	22,790	43,550
2026	15,084	6,095	21,180	5,868	10,883	2,032	3,027	1,335	23,140	44,320
2027	15,381	6,249	21,630	5,957	11,070	2,062	3,072	1,361	23,520	45,150
2028	15,696	6,412	22,110	6,053	11,269	2,094	3,121	1,390	23,930	46,040
2029	16,012	6,578	22,590	6,148	11,468	2,125	3,169	1,418	24,330	46,920
2030	16,330	6,745	23,080	6,243	11,667	2,157	3,217	1,446	24,730	47,810
2031	16,649	6,915	23,560	6,336	11,866	2,188	3,265	1,474	25,130	48,690
RTD*	9,000	6,500	8,300	4,500	4,250	5,500	7,000	5,500	4,900	6,500
*Retail Turnover Density - Turnover (\$) per sq.m in 2018, growth assumed at 0.8% p.a Source: MarketInfo; MacroPlan Dimasi										

Table 4.2 outlines the indicative amount of retail floorspace estimated to be supportable at the subject site over the forecast period to 2031. The retail facilities at the subject site have the potential to retain a substantial proportion of the fresh food, take-home liquor and grocery (FLG) spending of residents in the primary north sector, while the retention rates for the other retail categories would be lower. It is assumed that around 15% of the demand for retail facilities at the subject site will come from workers and visitors to the area.

Table 4.2 Leumeah site - indicative supportable floorspace by category (sq.m), 2018-2031										
Year ending June	FLG	Food catering	Total food	Apparel	H'hold goods	Leisure	General retail	Retail services	Total non-food	Total retail
<u>% retail expenditure retained</u>										
Primary north	50.0%	25.0%	42.6%	0.0%	0.0%	10.0%	20.0%	30.0%	5.2%	22.6%
Primary south	20.0%	15.0%	18.6%	0.0%	0.0%	5.0%	8.5%	12.0%	2.3%	10.1%
Total secondary	<u>8.0%</u>	<u>5.0%</u>	<u>7.1%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>1.5%</u>	<u>2.5%</u>	<u>4.0%</u>	<u>0.7%</u>	<u>3.7%</u>
Main TA	17.8%	11.5%	16.0%	0.0%	0.0%	3.9%	7.1%	10.3%	1.9%	8.5%
2018	2,744	685	3,430	0	0	84	228	141	450	3,880
2019	2,768	695	3,460	0	0	84	229	142	460	3,920
2020	2,792	705	3,500	0	0	84	230	144	460	3,960
2021	2,817	714	3,530	0	0	85	231	145	460	3,990
2022	2,883	733	3,620	0	0	86	235	148	470	4,090
2023	2,990	761	3,750	0	0	89	243	154	490	4,240
2024	3,097	790	3,890	0	0	91	251	160	500	4,390
2025	3,204	819	4,020	0	0	94	259	166	520	4,540
2026	3,312	848	4,160	0	0	97	266	172	530	4,690
2027	3,424	878	4,300	0	0	99	274	178	550	4,850
2028	3,541	911	4,450	0	0	102	283	184	570	5,020
2029	3,658	944	4,600	0	0	105	291	190	590	5,190
2030	3,776	977	4,750	0	0	108	299	197	600	5,350
2031	3,894	1,011	4,910	0	0	110	307	203	620	5,530
Source: MarketInfo; MacroPlan Dimasi										

The expected retention rates by retail category in the primary north sector are estimated to range from 50% of FLG expenditure to around 10% of leisure spend, while no apparel and household goods expenditure is expected to be retained. These retention rates take into account the potential scale of the mixed-use development at the subject site, as well as the existing provision of retail facilities in the surrounding area. The retention rates are expected

to be lower in the primary south and secondary sectors, reflecting the alternate shopping options available to these residents. The far majority of non-food expenditure of trade area residents is expected to continue to be directed to higher-order facilities in the surrounding area.

Across the total retail spectrum, the proportion of available retail expenditure expected to be retained by retail facilities at the subject site is estimated at around 22.6% for the primary north sector, around 10% for the primary south sector and approximately 3.7% across the secondary sectors, with an average of some 8.5% for the main trade area. This analysis indicated that around 4,000 sq.m of retail floorspace is potentially supportable at the subject site at 2021, increasing to 4,700 sq.m at 2026.

4.2 Assessment of supportable retail floorspace

Supermarket

The population of the trade area is estimated to approach 20,000 residents at 2021, which is a substantial resident population. In addition, some 2,500 people work in the two primary sectors within around 1 km of the subject site. There are currently no full scale supermarkets located in the trade area, with the closest major supermarkets provided at Minto Marketplace to the north and at Campbelltown/Macarthur to the south. There is currently only one small foodstore/supermarket in the local area – an IGA store in Leumeah to the south-east of the railway line.

A full scale supermarket is typically provided for every 8,000 – 10,000 residents in metropolitan locations. The current resident population of the trade area indicates that two full scale supermarkets are supportable in the area in the short term. Given the central location of the train station in Leumeah, the most logical sites for supermarkets in Leumeah would be on both sides of the railway line, which would maximise the convenience for the local community and visitors to the area.

Based on the above, and given the site aspects, catchment population, the retail floorspace demand analysis and the competitive context, it is considered that a mid-to-full-sized

supermarket is supportable at the subject site in the short term, of around 2,000 – 3,000 sq.m in size. The supermarket will be well placed to serve existing and future residents in the catchment, as well as workers in the local area.

Specialty floorspace

A mid-sized to full scale supermarket at the Leumeah site is expected to supportable a range of retail specialty shops. The amount of retail specialty space sustainable will depend on a range of issues, and particularly the size of the supermarket that potentially anchors the development. Though given the expected inclusion of a supermarket at the centre; the convenient location of the subject site; the available population within the local catchment and limited retail facilities in the area, it is considered that around 1,500 sq.m of retail specialty space is supportable at the subject site. As a comparison, according to the *Supermarket Shopping Centre Benchmarks* published by Urbis in 2016, single supermarket based centres include an average of 1,670 sq.m of retail specialty shops.

The retail specialty provision at the subject site would suit being oriented to fresh food, food catering and convenience based retailers. Following are possible retail stores by retail category:

- Fresh food & liquor – This category includes tenants such as a bakery, a butcher, a fresh produce store and a delicatessen. Each of these tenants is typically provided in supermarket based shopping centres and three fresh food tenants are considered supportable at the subject site.
- Food catering – This category includes take-away food stores, cafes and restaurants. Around five to six food catering tenants are expected to be supportable at the site including a café, two or three casual restaurants and two take-away food outlets.
- Apparel – Supermarket based centres typically cannot sustain apparel shops and no apparel tenants are expected to be supportable at the site.

- Household goods, leisure and general retail – It is considered that several convenience retail uses will be supportable at the subject site including a newsagency, a pharmacy, a florist and possibly a mobile phone retailer.
- Retail Services – This category includes service based tenants and the local population is likely to associate strongly with these types of tenants. It is considered that a hairdresser, a beauty salon and possibly a massage outlet would be supportable at the subject site.
- Non-retail shopfronts – Given the potential scale of the mixed-use development at the subject site there is considered ample demand for a number of non-retail shopfronts at the subject site such as a retail estate agent, a travel agent and a bank.

In addition to the future retail facilities, a range of other non-retail/commercial facilities are expected to be supportable at the subject site as part of a mixed-use development. Commercial/non-retail uses at the site would greatly enhance the overall convenience and amenity of the development, the potential supportable uses are considered in the next section of this report.

Table 4.3 following provides a summary of the potential scale and composition of retail uses at the subject site, based on the considerations outlined previously.

Table 4.3
Leumeah - Potential composition by retail category

Category	Retail GLA (sq.m)
<u>Major tenants</u>	
Supermarket (including liquor)	2,500
<u>Retail specialties</u>	
Fresh food	300
Food catering	700
Leisure	100
General	250
Retail services	<u>150</u>
Total retail spec.	1,500
Total retail	4,000
<i>Source: MacroPlan Dimasi</i>	

In summary, the recommended scale of the retail component of a future mixed-use development at the subject site would provide the largest provision of retail facilities in the trade area in the short term. The facilities would be excellently placed to serve local residents and workers, as well as other users of the nearby Leumeah train station, and would be able to provide for the food, grocery and convenience retail needs of these customer segments. In addition, given that the area is planned to undergo urban renewal, the recommend scale of retail facilities at the subject site is not expected to preclude an enhancement and expansion of the existing retail centre at Leumeah.

Section 5: Assessment of non-retail potential

This section provides a review of the various non-retail uses that can potentially be provided at a future mixed-use development on the subject site. Based on the following analysis, a range of non-retail uses are expected to be supported at the subject site including a gymnasium, a large medical centre and some commercial office space.

Medical centre

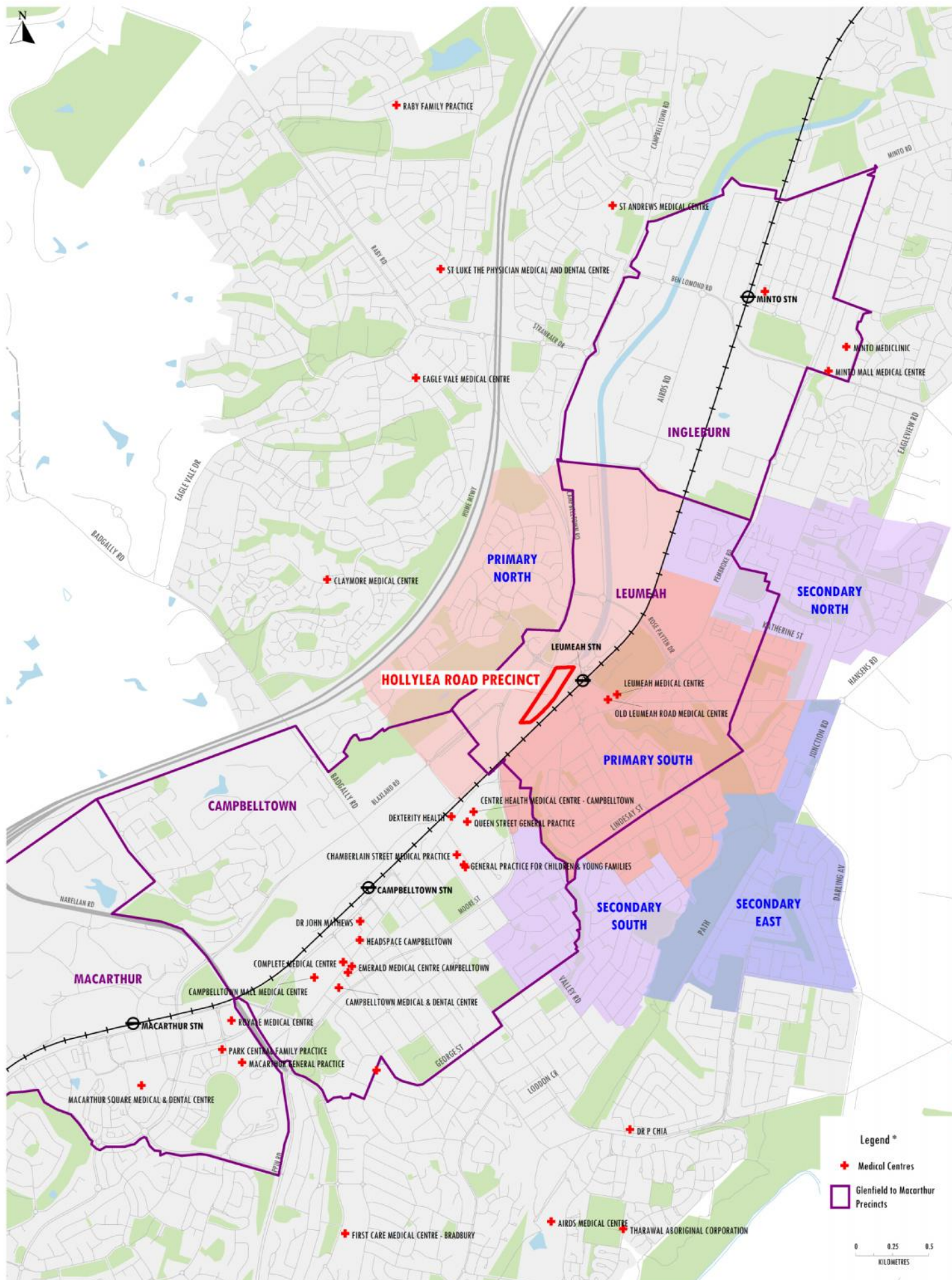
Overview

With a growing proportion of expenditure going toward healthcare costs, medical centres are increasingly an important use in major mixed-use developments. Medical centres play an important role in generating a steady flow of people to locations, with obvious benefits for retailers, particularly a pharmacy. Medical centres attract all population segments, though the most important customer groups are likely to be elderly residents and young children.

Conclusion

In broad terms there are currently around 6 GP clinics for every 10,000 people throughout Australia. At present there are two medical clinics in Leumeah, both located in close proximity to the Leumeah train station to the east of the subject site, while there are several medical centres located to the south of the Leumeah catchment in Campbelltown (refer Map 5.1).

There is considered a good opportunity for a medical centre at the subject site, given the population of the primary sectors is estimated to approach 10,000 in the short term and that no medical centres are located in Leumeah on the western side of the railway line. There is considered sufficient demand for a number of GPs at the medical centre, together with other medical and allied health facilities such as a dental clinic, a podiatrist, a chiropractor, an osteopath, a psychologist and a physiotherapist.



**Map 5.1: Leumeah
Medical centres**

Childcare

Overview

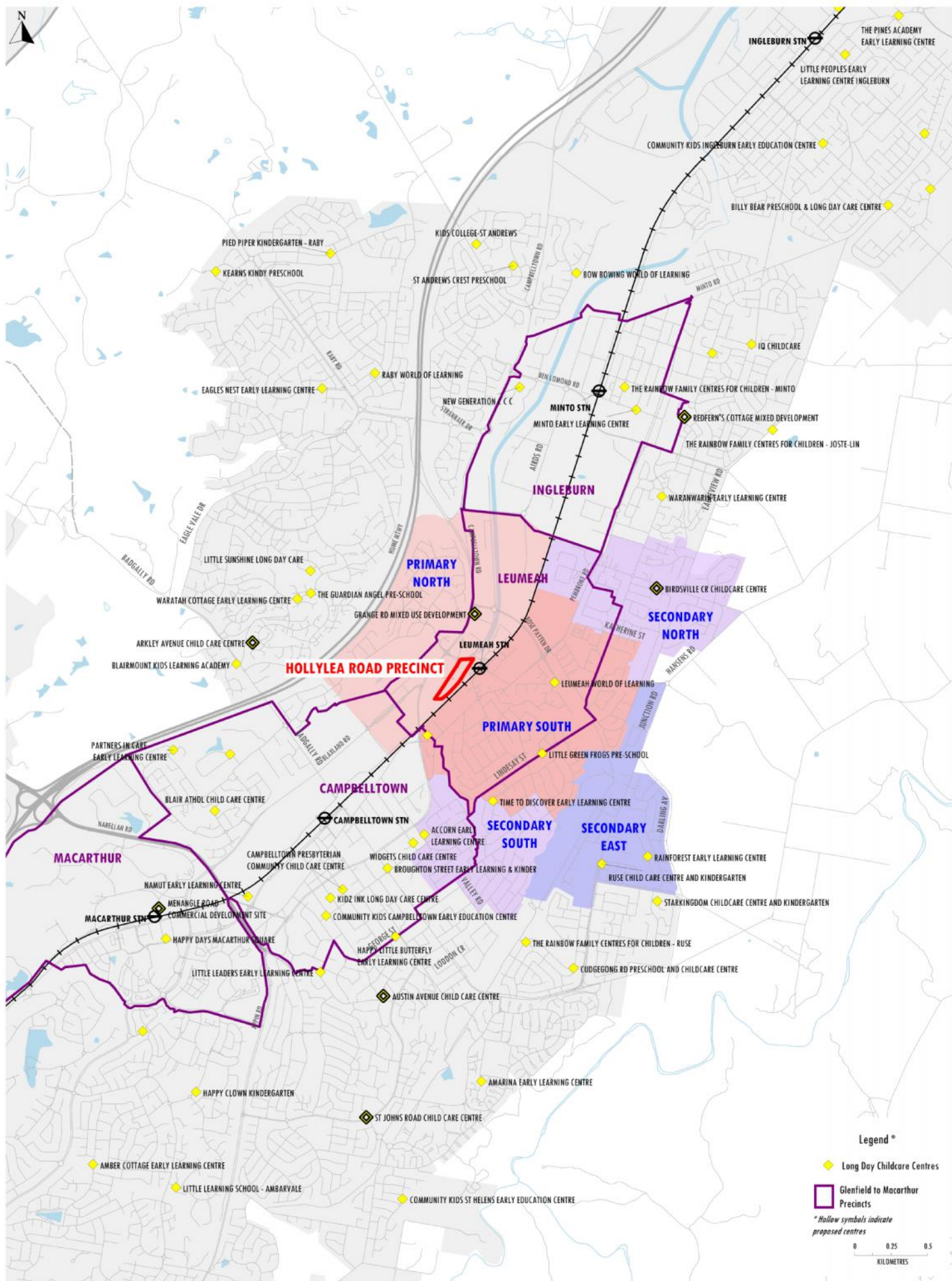
Childcare facilities are typically well suited to growing areas in outer metropolitan locations, which typically attract young families. Locating childcare centres close to activity centres capitalises on the generally 'time poor' nature of parents of young children, many of whom are likely to value the convenience of a range of other facilities near their childcare centre. A childcare centre at the subject site near the Leumeah train station would also fulfil this convenience role.

Childcare centres attract the bulk of activity on weekdays in the mornings (between 7am and 9am) and in the afternoons/evenings (between 4pm and 6pm). These centres are typically closed on weekends. Childcare centres provide services to working parents, and there are obvious opportunities for synergies with retailers and other commercial uses at the site.

Conclusion

In broad terms, a childcare centre requires a catchment population of around 5,000 people, therefore two childcare centres are potentially supportable in the primary catchment. As shown on Map 5.2 there are already three childcare centres in the two primary sectors, though the centres are all located in the primary south sector. There is considered an opportunity for one childcare centre in the primary north sector in the short to medium term.

The planned redevelopment of the building at 6 Grange Road in Leumeah has approval for a 172 place childcare centre, which is located a short distance to the north of the subject site. However, the project is currently deferred and if a childcare centre is not developed at this site, or elsewhere in the primary north sector, there is considered opportunity for a childcare centre at the subject site. This assumes that the design of the residential component of the development is attractive for young families.



Map 5.2: Leumeah
Childcare centres

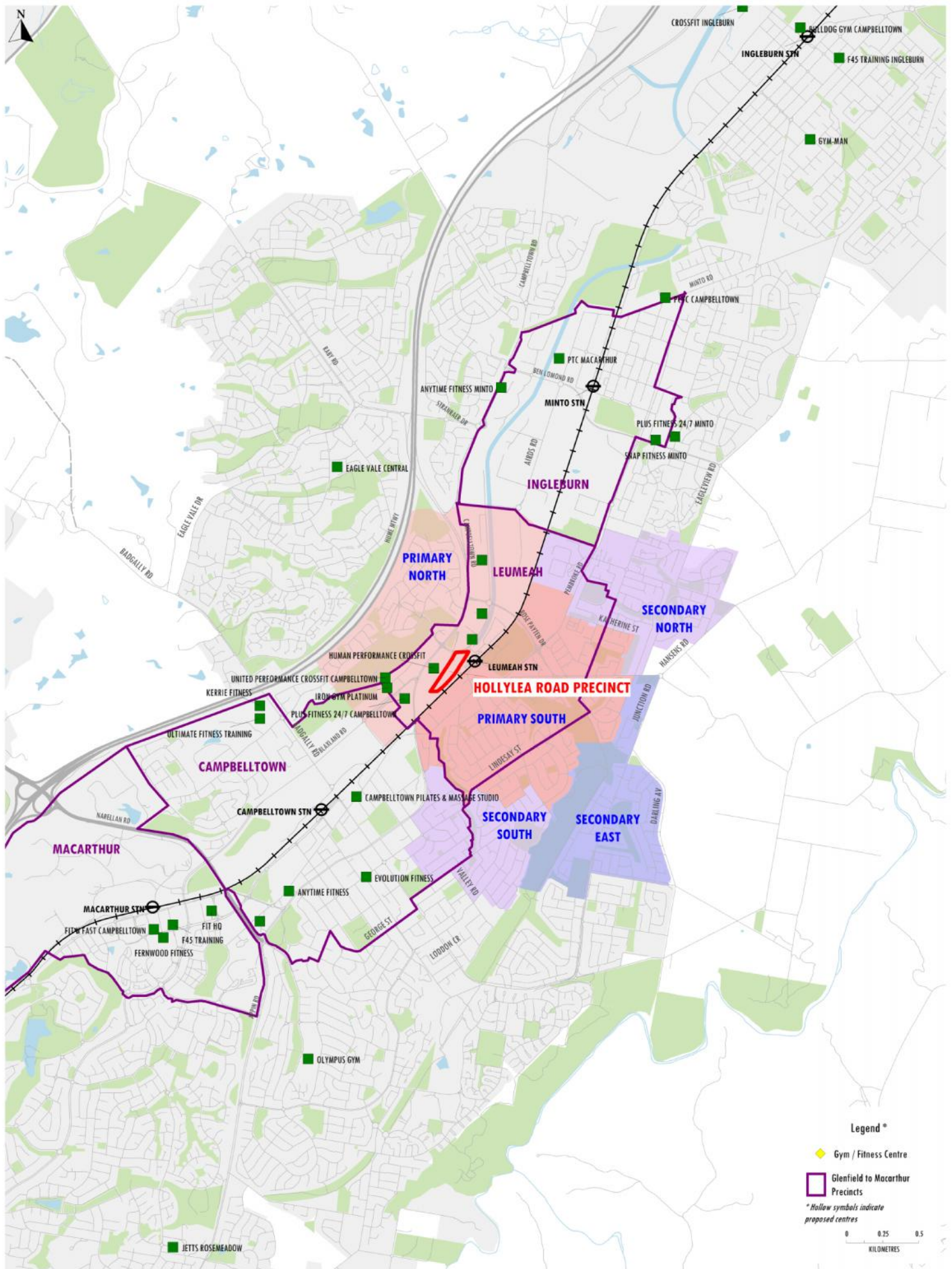
Health and fitness facilities

Overview

The growing health and wellbeing sector presents an opportunity to provide a gymnasium or a fitness centre within mixed-use developments. Such a facility greatly adds to the convenience of residential developments, and can be used by on-site residents, as well as other residents in the surrounding area. Fitness centres have the potential to drive activity outside of typical retail hours, and can greatly contribute to the overall amenity of the development.

Conclusion

A gymnasium or fitness centre is expected to work well at the subject site. There are a number of gymnasiums and fitness centres in the local area (refer Map 5.3), though given the potential scale of the residential component at the subject site there is considered to be sufficient future demand for such a use. The size of the gymnasium could vary from a boutique offer of around 200 sq.m, while a full offer would require up to 1,000 sq.m of floorspace.



**Map 5.3: Leumeah
Gymnasiums/fitness centres**

Commercial office space

Overview

Commercial office space can provide additional employment opportunities at mixed-use developments, as well as provide additional services to the local community. The types of uses typically provided at activity centres and mixed-use developments are mostly professional services firms such as financial planners, accounting practices, legal firms and recruiters. The inclusion of such uses can help to stimulate the daytime activity at the subject site with workers and clients of the businesses supporting the other retail and non-retail uses in the development.

Conclusion

There is considered an opportunity to provide a small amount of office space on Level 1 or Level 2 of the proposed mixed-use development, potentially including around 500 to 1,000 sq.m of floorspace. This could accommodate a several small businesses such as a financial advice outlet, an accountant and lawyer offices.

Summary

Table 5.1 presents a summary of the indicative scale and composition of the range of retail and non-retail uses expected to be supportable at the subject site. The amount and type and uses will depend on a range of issues including the scale of the resident component to be delivered at the subject site. However, the following table provides an indication of the types and broad scale of uses expected to sustainable at a major mixed-use development on the subject site.

The retail component and non-retail shopfronts (i.e. real estate agents and banks etc.) would suit being provided at a high profile location such as on a ground floor fronting Plough Inn Road. The other non-retail and commercial uses would not require such a high profile location, and could be located on Level 1 of the development or on the ground floor elsewhere in the site.

Table 5.1 Leumeah - Potential retail and non-retail composition (GLA)			
Category	GLA (sq.m)	% of retail	% of total
<u>Retail component</u>			
Supermarket	2,500	62.5%	35.7%
Retail specialties	<u>1,500</u>	<u>37.5%</u>	<u>21.4%</u>
Total centre - retail	4,000	100.0%	57.1%
<u>Commercial/non-retail</u>			
Non-retail shopfronts*	600		8.6%
Medical centre / allied health	1,000		14.3%
Gymnasium	700		10.0%
Office space	<u>700</u>		<u>10.0%</u>
Total non-retail	3,000		42.9%
Total retail and non-retail GLA	7,000		100.0%
<i>*Non-retail shopfronts includes uses such as retail estate agents, travel agents and banks</i> <i>Source: Michael Brown Planning Strategies; MacroPlan Dimasi</i>			

Section 6: Economic implications

This section outlines the potential economic implications that can be anticipated following the mixed-use development at the subject site.

6.1 Economic and social benefits

The inclusion of a range of retail and non-retail uses at the subject site is likely to result in a range of economic implications, with some of the key of economic benefits as follows:

1. Supporting the urban renewal of the site

Most major mixed-used residential developments include some complementary retail and non-retail facilities, to activate the ground floor space and to provide amenity to future residents at the site. The inclusion of the recommended provision of retail and non-retail facilities is consistent with the urban renewal of the surrounding area, and would greatly assist in providing for the needs of future residents at the site. This would result in the overall development being more attractive to prospective buyers and would support the viability of the development.

2. Providing for the convenience needs of local residents and workers

A supermarket and provision of retail shops at the subject site would be able to effectively serve future residents at the site, as well as provide a convenient alternative shopping offer for people residing and working on the western side of the railway line. There is currently no supermarket located in Leumeah to the west of the railway line, and the subject site presents an excellent opportunity to provide for some of the retail needs of local residents and workers. Furthermore, the recommended non-retail facilities would increase the overall amenity and convenience of the overall development, and would be able to provide for the needs of the local community.

3. Creating a focal point for the community

A major mixed-use development at the subject site has the opportunity to include a range of shops and services to serve the needs of the surrounding population. The subject site is

located at a convenient and easily accessible location, and a well planned and executed offer is likely to be used widely by surrounding residents and workers, and has the potential to create an important focal point for the community to meet and socialise.

4. Creating local employment opportunities

A major mixed-use development at the subject site in Leumeah would create many jobs, both for the construction and related industries during the construction phase, and ongoing jobs when the project is completed.

Table 6.1 details the employment likely to be created by the potential future retail and non-retail floorspace at the development. The number of permanent jobs potentially created from the development will highly depend on the scale of floorspace and types of uses provided at the site. Based on the recommended amount and nature of floorspace to be included in the proposed development, we estimate that approximately 306 permanent jobs (full time and part time) would be created by the retail and non-retail components of the proposed development.

Table 6.1 Leumeah - estimated retail and non-retail employment levels*			
Type of use	Estimated employment per '000 sq.m	GLA (sq.m)	Leumeah Employment (persons)
<u>Retail</u>			
Supermarket	40	2,500	100
Retail specialty shops	60	<u>1,500</u>	<u>90</u>
Total retail		4,000	190
<u>Commercial/non-retail</u>			
Non-retail shopfronts*	50	600	30
Medical centre / allied health	30	1,000	30
Gymnasium	20	700	14
Office space	60	<u>700</u>	<u>42</u>
Total non-retail		3,000	116
Total retail and non-retail		7,000	306
* Employment totals include both full-time and part-time work Source: MacroPlan Dimasi			

The development will also create a number of new jobs during the construction and related industries during the construction phase, and for the economy generally once they are completed. Table 6.2 provides an estimation of both direct and indirect employment that would arise from the proposed centre. Based on estimated construction costs of the development the project of approximately \$200 million, we consider that during the construction period of the project approximately 854 direct jobs would be created. Further jobs in the broader community would also be created from supplier induced multiplier effects during this period (based on the appropriate ABS input/output multipliers). Jobs created include both full-time and part-time positions.

Table 6.2				
Leumeah - estimated future additional centre employment levels*				
Original stimulus	Direct employment (long-term)	Direct employment (const'n period)	Supplier employment multiplier effects	Total
Retail/non-retail employment ¹	306		122	428
Construction of project (\$200m. est. capital costs)		<u>854</u>	<u>1,369</u>	<u>2,223</u>
Total	306	854	1,491	2,651

* Employment totals include both full-time and part-time work

1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development

2. Indicates the estimated number of jobs over the life of the construction project, for the equivalent of one year

Source: MacroPlan Dimasi

6.2 Other economic implications

A major mixed-use development at the subject site with retail and non-retail components will have a range of positive economic implications for the area, as discussed previously, though the facilities may also have some trading implications on existing facilities in the area, which is now considered.

This sub-section aims to provide guidance as to whether or not there is likely to be a net community benefit or disbenefit from the inclusion of retail and non-retail facilities at the proposed mixed-use development. In particular, if there is a real possibility of some existing

facilities potentially being impacted to such a degree that they may be lost to the community, then a community disbenefit could result.

In terms of retail uses, the only notable cluster of retail shops in the trade area is provided to the immediate east of the Leumeah train station. The centre is anchored by a small IGA foodstore and includes a number of convenience retail shops and other services. The centre is somewhat dated, and is unlikely to be serving a wide catchment of surrounding residents. In particular, it is unlikely that residents on the western side of the railway line would be using these facilities on a regular basis. Furthermore, as the urban renewal occurs throughout the area, the existing provision of retail uses near the Leumeah train station are not considered to be of the scale or quality to cater to the retail and other needs of existing and future residents in the area.

The resident population of the catchment is sufficient to support two full range supermarkets in the short to medium term, potentially at the existing centre in Leumeah as well as at the subject site. Supermarkets at these locations would provide supermarket facilities on both sides of the railway line near the Leumeah train station, which would increase the convenience for surrounding residents and workers.

The existing retail facilities at Leumeah may experience some impact following the development of retail facilities at the subject site, however, the potential impacts are expected to be relatively modest and would not threaten the viability of the existing retailers. Potentially, a quality provision of retail facilities at the subject site may encourage the existing retail offer at Leumeah to evolve and improve to better serve the needs of the population.

Based on the analysis in this report, the recommended provision of retail facilities at the subject site is unlikely to have any substantial impact on the existing retailers at Leumeah, particularly given the potential scale of the resident component at the subject site. Furthermore, the analysis shows that a mid-sized to full range supermarket at the subject site would not prevent the redevelopment and expansion of the existing retail facilities near the Leumeah train station, including the possible development of a major supermarket.

In terms of non-retail facilities, we consider that the site can support a gymnasium, a medical centre and some office space. As discussed previously, each of the uses will be supported by future residents at the subject site, other residents in the local area, local workers and other users of the Leumeah train station. Given the population growth projected for the area and particularly the potential scale of the residential component at the subject site, as well as the locations of the existing facilities in the local area, the recommended non-retail uses are not expected to have any noticeable impact on existing facilities in the area.

Overall, the potential retail and non-retail facilities at the subject site would be consistent with urban renewal of the region, and would provide amenity and convenience to existing and future residents in the local area. The recommended retail and non-retail components of the proposed mixed-use development is considered reasonable to serve the needs of existing and future residents in the area, and the scale of the facilities is considered to be within the reasonable bounds of normal competition. In particular, the potential retail and non-retail uses at the site are not expected to affect the continued viability of any existing retailer or other service in the surrounding area. This conclusion particularly reflects the future population growth projected to occur in the trade area, and that future retailers at the subject site would source a significant proportion of sales from future residents moving into the area, particularly future residents at the subject site.

6.3 Summary and net community benefit

The subject site occupies a high profile location adjacent to the Leumeah train station and near Campbelltown Road in outer south-western Sydney. The site is excellently positioned to accommodate a major mixed-use development, and potential future retail and non-retail facilities at the site will be well placed to serve existing and future residents and workers of in the surrounding area, as well as other users of the Leumeah train station.

The centre is expected to be able to sustain a mid to full scale supermarket and a number of retail specialty stores, with around 4,000 sq.m of retail floorspace considered appropriate for the site. A range of non-retail uses are also expected to be supportable such as a medical

clinic, a gymnasium, a real estate agent and some office space, with a total of around 3,000 sq.m of non-retail floorspace considered appropriate.

The analysis in this report demonstrates that a range of economic and social benefits are likely to arise from the inclusion of retail and non-retail uses at the subject site. These include providing for the convenience needs of local residents and workers; creating a focal point for the community; and creating local employment opportunities. The development may have some moderate trading impacts on existing facilities in Leumeah, however, the impacts will not be such as to threaten any existing facility's ability to continue to operate successfully. Therefore, it is concluded that a net community benefit will result from the inclusion of a range of retail and non-retail uses as part of the proposed mixed-use development at the subject site.