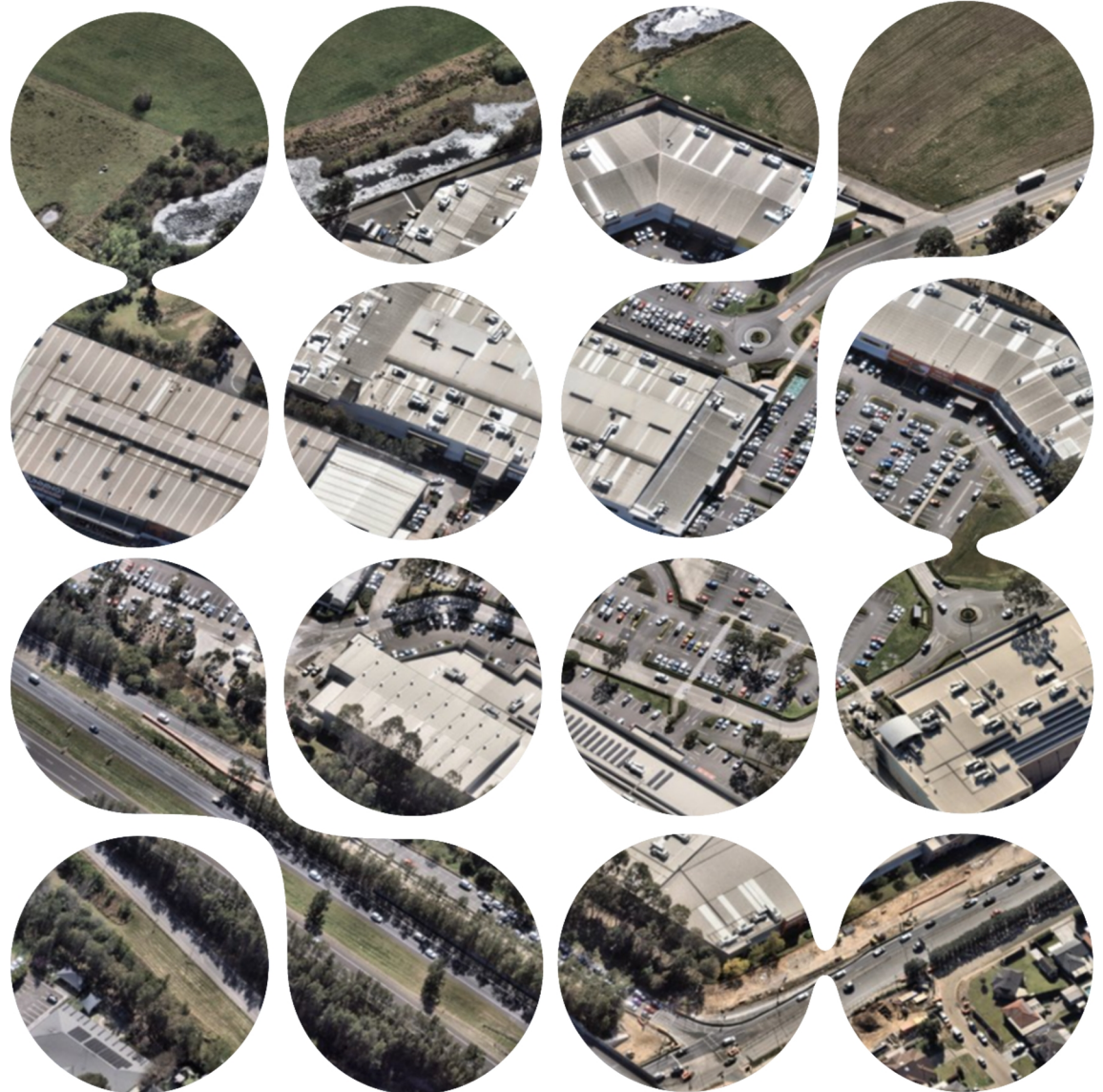


Expansion economics review

Penrith Homemaker Centre

Prepared for Harvey Norman
18 December 2024



Deep End Services

Deep End Services is an economic research and property consulting firm based in Melbourne. It provides a range of services to local and international retailers, property owners and developers including due diligence and market scoping studies, store benchmarking and network planning, site analysis and sales forecasting, market assessments for a variety of land uses, and highest and best use studies.

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Conventions and data sources

All spending data includes GST and is expressed in future dollars.

Sources include:

Australian Bureau of Statistics

- 2021 Census
- Dwelling approvals (2016/17 – 2023/24)
- Estimated resident population (2011 – 2023)

Deloitte Access Economics

- Spend per capita estimates and forecasts by category, 2012-2033

Harvey Norman

- Centre tenancy schedule
- Proposed centre plan

Large Format Retail Directory (2024/25)

- Homemaker centre information
- Penrith precinct survey

Market Data Systems

- MarketInfo retail spending propensity by category

NSW Government (Department of Planning, Housing and Infrastructure)

- Population projections by SA2.

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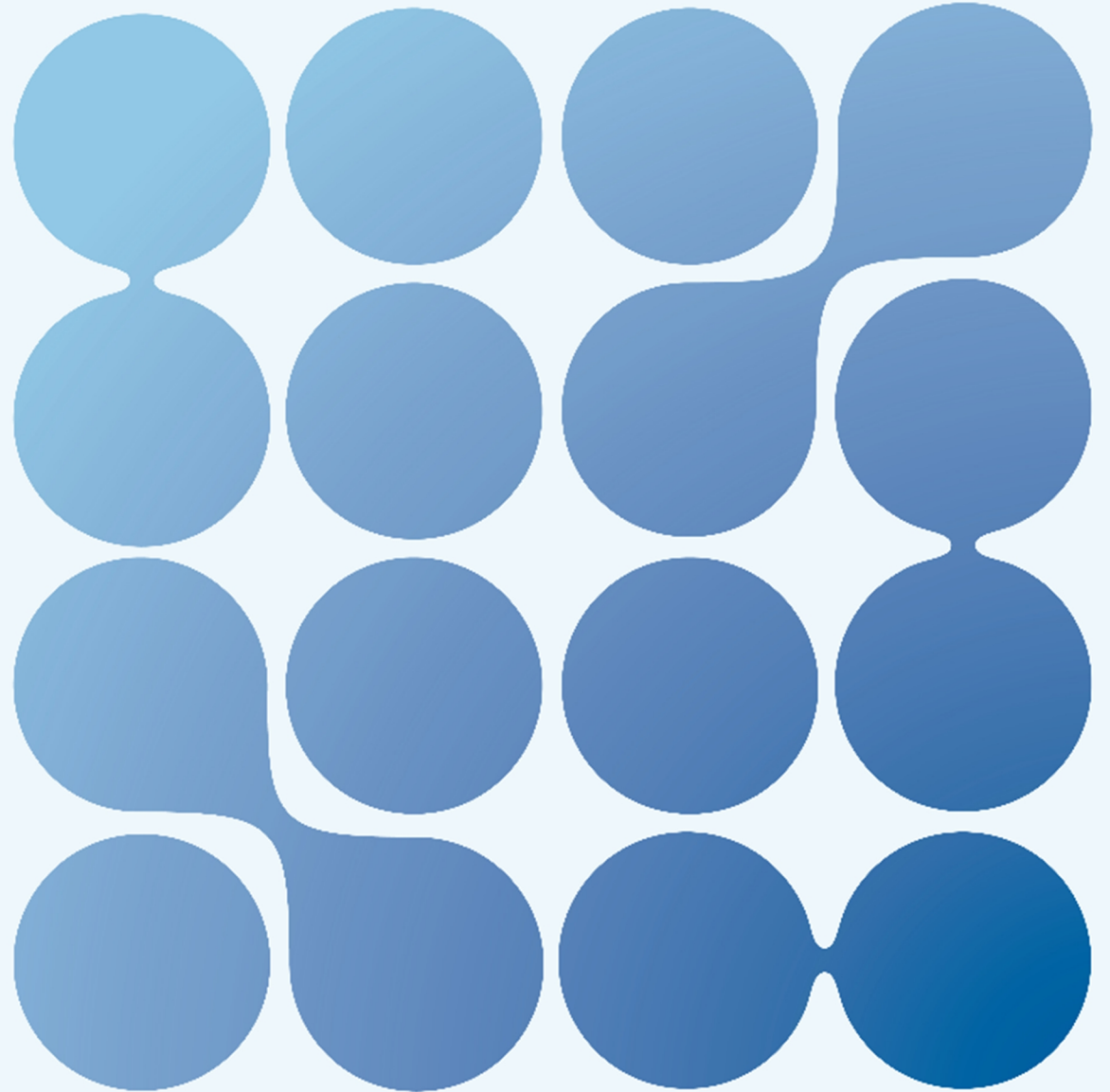
This report should be read in its entirety, as reference to part only may be misleading.

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Introduction



Centre overview

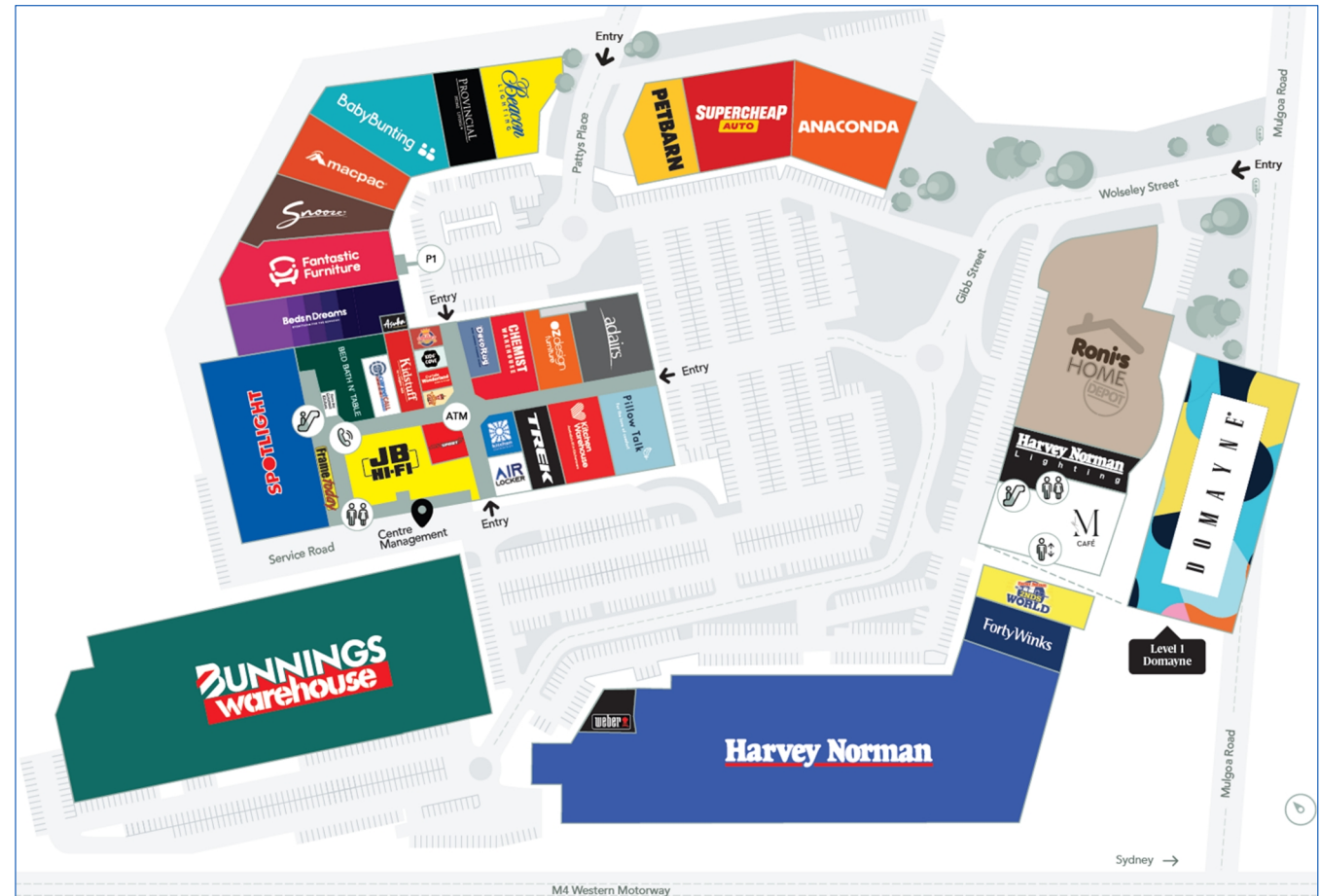
Penrith Homemaker Centre (“PHC”) is located in the outer western Sydney suburb of Penrith. The centre is positioned 1 km south of the Penrith CBD and can be accessed via Pattys Place or Wolseley Street, off the arterial Mulgoa Road.

The centre is well positioned on a prominent corner location adjacent to the M4 Western Motorway off ramp, enabling excellent visibility and exposure as well as convenient access.

A mix of open air and undercover parking is provided, with the centre containing 1,490 car spaces in total, representing a very good ratio of 2.3 spaces per 100 sqm of total floorspace.

The centre currently comprises 65,696 sqm of floorspace, making it the 3rd largest homemaker in Australia. PHC contains 42 tenancies across four buildings, with 79% of the tenants being nationally-branded operators. Major tenants include Harvey Norman, Domayne, Bunnings, Spotlight, Anaconda, Roni’s Home Depot, Fantastic Furniture, Baby Bunting, JB Hi-Fi, Supercheap Auto and Petbarn.

There is currently only one vacant tenancy of 104 sqm representing a vacancy rate of 0.2%. This is significantly lower than the average NSW homemaker centre vacancy rate of 2.1%, an indicator of demand for further floorspace.



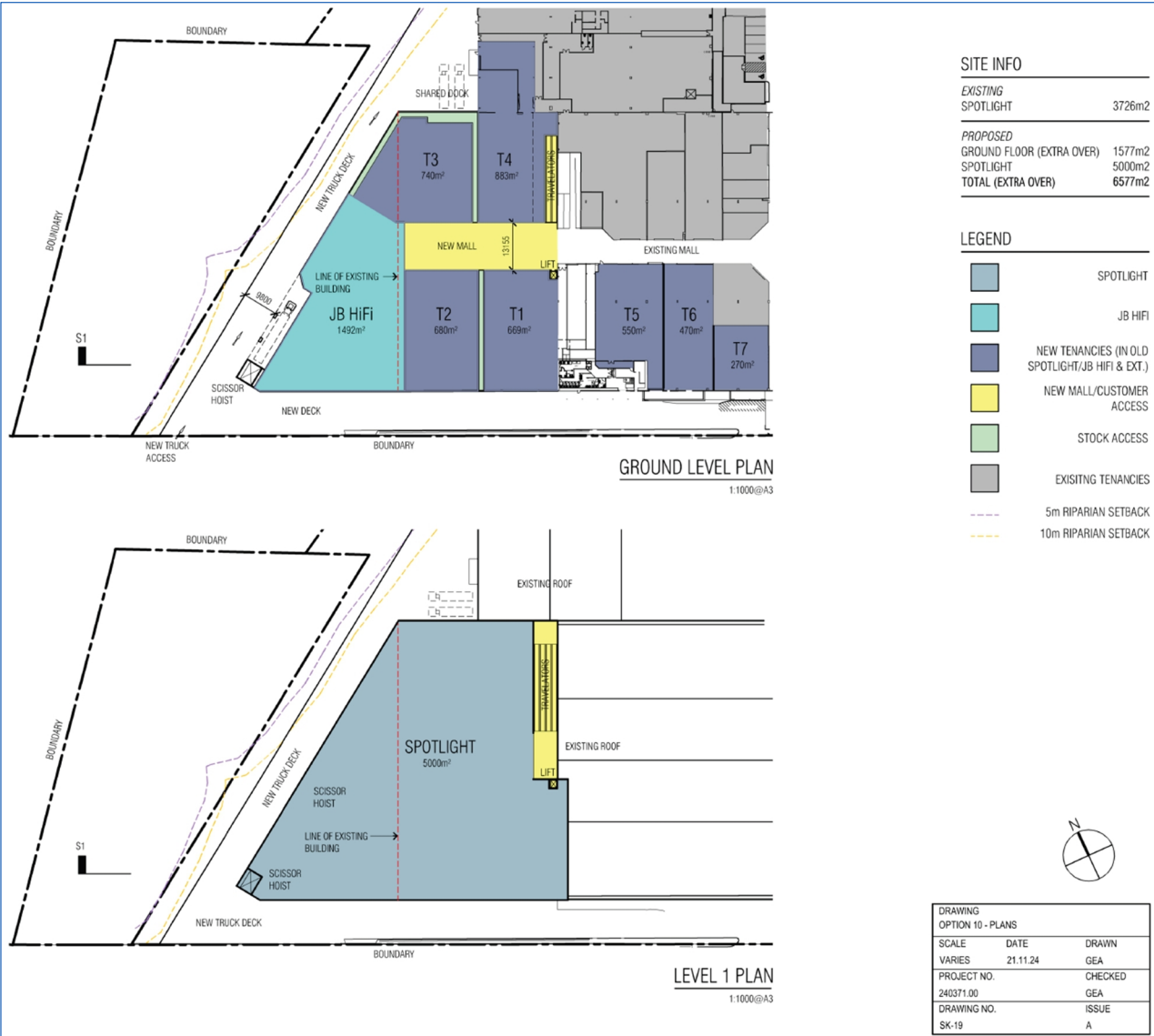
Source: Harvey Norman

Proposed expansion

It is proposed to expand the PHC’s enclosed mall to the west and reconfigure the floorspace, as shown at right, by:

- Relocating Spotlight to a new upper-level tenancy of 5,000 sqm;
- Relocating JB Hi-Fi west into a new tenancy of 1,492 sqm;
- Reconfiguring the current Spotlight tenancy into four separate tenancies comprising 2,972 sqm (i.e. T1, T2, T3 and T4) along with a central new mall to provide access to each tenancy and the new JB Hi-Fi as well as two new stock access corridors; and
- Reconfiguring the current JB Hi-Fi tenancy into three separate tenancies comprising 1,290 sqm (i.e. T5, T6 and T7).

This proposed expansion and reconfiguration will result in the centre’s Gross lettable Area (“GLA”) increasing by 5,776 sqm, taking into account approximately 800 sqm of the existing Spotlight tenancy becoming a new mall and stock access corridors. Once complete, the 71,472 sqm centre would be the largest homemaker centre in Australia.



Source: Harvey Norman

2

Catchment area

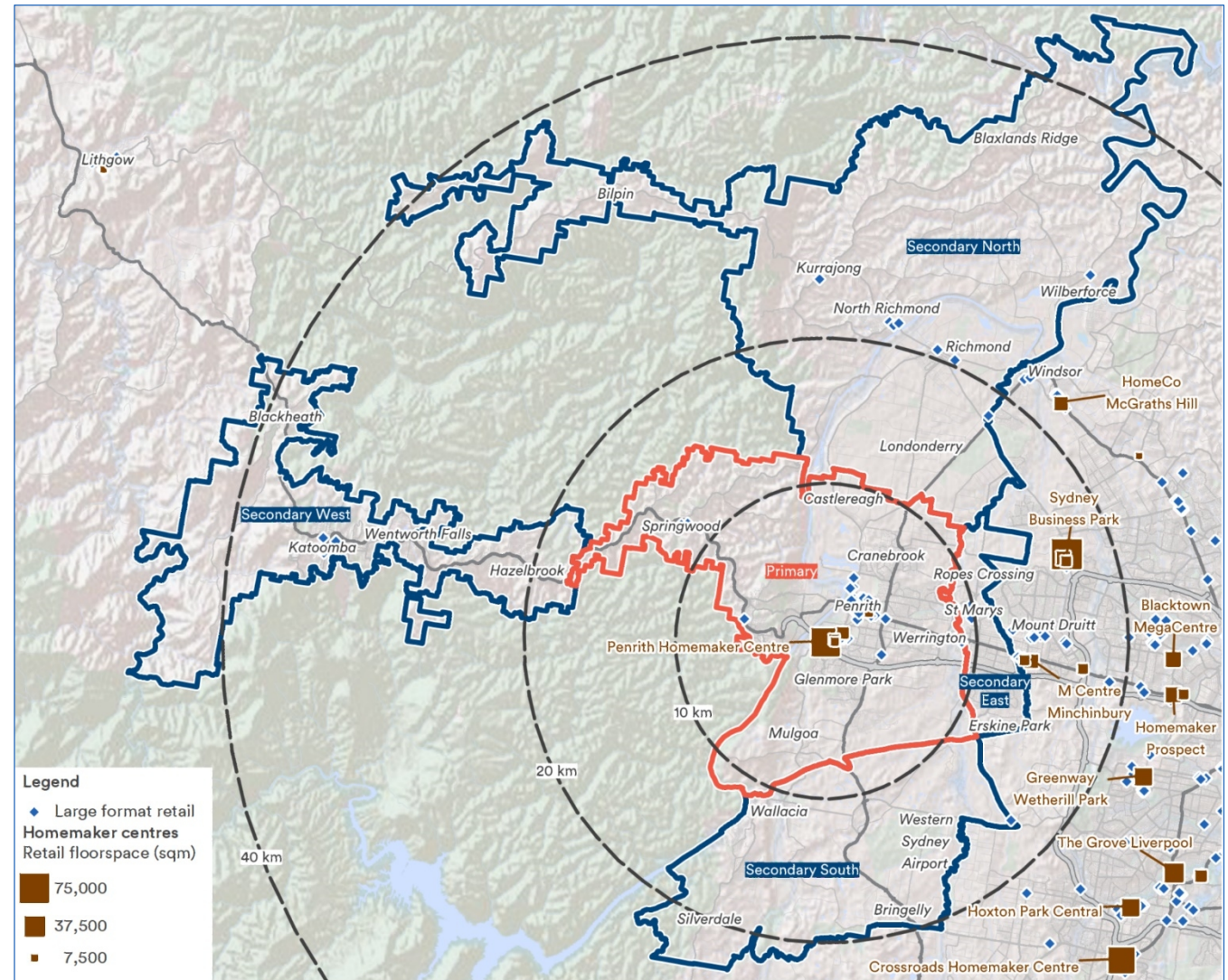


Catchment area definition

The catchment area defined for Penrith Homemaker Centre reflects the known trading patterns of LFR businesses operating in the centre and generally extends up to 40 km to the west and north, 20 km south and 15 km inbound from the centre. It is elongated outbound along the major road corridor through the Blue Mountains.

The catchment comprises a primary and four secondary sectors as follows:

- **Primary** – extends almost 20 km into the Blue Mountains to Springwood and 10 km east to Werrington
- **Secondary North** – reaches over 40 km from the centre to include Richmond, Kurrajong and Wilberforce
- **Secondary East** – a narrow sector between Erskine Park and Ropes Creek which extends up to 15 km from the centre
- **Secondary South** – pushing 20 km from the centre, this sector includes the future Western Sydney Airport at Badgerys Creek as well as long-term growth areas such as Bringelly
- **Secondary West** – follows the Great Western Highway road corridor through the Blue Mountains to include Hazelbrook and the tourist townships of Wentworth Falls, Katoomba and Blackheath.



Source: Deep End Services; MapInfo

Demographic profile

Compared to Australian averages, the key demographic indicators for the catchment area are as follows:

- Larger household sizes
- Lower unemployment rate
- Overall younger average age, with the exception of the Secondary North and Secondary West
- Higher than average household incomes
- Predominately Australian born
- Above average proportion of homes under mortgage with dwelling stock dominated by separate houses
- Skew towards 'couples with children' households, again with the exception of the Secondary West which is oriented towards lone person households
- High motor vehicle ownership levels.

With the exception of the Secondary West, the overall profile of the catchment is characterised by young family households who are in the process of purchasing their own homes in the more affordable outer suburban fringe of Sydney.

Notes:

⁽¹⁾ Excludes not stated

⁽²⁾ 15 years and over and excludes not stated

⁽³⁾ Excludes inadequately described and/or partially stated

⁽⁴⁾ Excludes other

⁽⁵⁾ Occupied private dwellings

⁽⁶⁾ Includes visitor only households

⁽⁷⁾ Excludes visitor only households

Source: Deep End Services; Australian Bureau of Statistics

Demographic characteristic (2021 Census)	Primary	Secondary North	Secondary East	Secondary South	Secondary West	Total catchment	Australia	Index to Australia average
Persons and dwellings								
Usual resident population	191,722	47,803	62,700	12,160	35,717	350,102	25,422,788	- -
Total private dwellings	73,443	17,160	22,329	3,996	18,382	135,310	10,817,340	-
- % unoccupied	5%	5%	4%	5%	14%	6%	10%	64 -
Average household size ⁽⁵⁾⁽⁷⁾	2.72	2.81	2.91	3.15	2.23	2.71	2.54	107 -
Economic indicators								
Participation rate ⁽²⁾	64%	61%	59%	65%	54%	62%	61%	101 -
Unemployment rate ⁽²⁾	4.1%	3.2%	5.4%	2.5%	4.5%	4.2%	5.1%	82 -
Age group								
0-9	14%	12%	15%	13%	10%	14%	12%	113
10-19	13%	13%	13%	15%	11%	13%	12%	108
20-34	20%	20%	22%	20%	13%	20%	20%	96
35-49	21%	19%	21%	19%	19%	20%	20%	101
50-64	17%	20%	17%	20%	23%	18%	18%	99
65+	14%	17%	12%	14%	25%	15%	17%	90
Average age	37.5	40.3	36.1	37.9	45.6	38.5	40.0	96 -
Annual household income ⁽¹⁾⁽³⁾⁽⁵⁾								
<\$33,800	13%	14%	14%	10%	21%	14%	17%	85
\$33,800 - \$78,200	25%	24%	28%	22%	31%	26%	28%	95
\$78,200 - \$130,300	26%	24%	28%	23%	23%	25%	24%	106
\$130,300 - \$182,400	18%	17%	17%	19%	13%	17%	14%	117
>\$182,400	19%	21%	14%	27%	12%	18%	18%	100
Average household income	\$120,375	\$122,925	\$108,664	\$138,118	\$97,054	\$116,394	\$112,941	103 -
Variation from Australia average	+7%	+9%	-4%	+22%	-14%	+3%	-	- -
Country of birth ⁽¹⁾								
Australia	79%	86%	68%	86%	80%	78%	71%	111
England	3%	3%	2%	2%	6%	3%	4%	89
India	3%	1%	4%	0%	0%	2%	3%	87
Philippines	2%	0%	5%	0%	1%	2%	1%	154
Other	13%	10%	22%	12%	13%	14%	21%	65
Occupied private dwelling tenure ⁽¹⁾⁽⁴⁾⁽⁵⁾⁽⁷⁾								
Fully owned	28%	36%	25%	36%	42%	30%	32%	95
Being purchased	42%	42%	41%	47%	35%	41%	36%	113
Rented	30%	22%	34%	16%	22%	28%	32%	90
Dwelling structure ⁽¹⁾⁽⁴⁾⁽¹⁰⁾								
Separate house	78%	90%	83%	98%	91%	83%	71%	116
Semi-detached	12%	8%	12%	0%	4%	10%	13%	78
Apartments to 3 storeys	5%	3%	3%	1%	4%	4%	8%	52
Household composition ⁽⁴⁾⁽⁵⁾								
Couples with children	37%	38%	40%	47%	23%	36%	32%	114
Couples without children	25%	28%	22%	26%	29%	25%	27%	92
One parent family	13%	11%	17%	10%	11%	13%	11%	118
Lone person	22%	21%	20%	15%	33%	23%	26%	88
Group	2%	2%	3%	1%	3%	3%	4%	64
Motor vehicles per dwelling ⁽⁶⁾⁽⁵⁾								
None	6%	3%	6%	2%	8%	6%	7%	80
One	34%	25%	35%	18%	44%	34%	37%	92
Two	39%	36%	38%	35%	34%	37%	37%	101
Three or more	21%	36%	22%	44%	14%	23%	19%	120

Population

The catchment area population was estimated to be 363,102 at June 2024 and included 199,507 (or 55%) living in the Primary sector.

The catchment as a whole has grown at an average rate of 1.0% pa since 2018, equal to the Australian rate over the same period. Overall, 3,500 new residents, on average, have been added to the catchment each year since 2018, as growth in the outer western Sydney region accelerates to accommodate Sydney's expanding population. For the key Primary sector, an average of 2,500 new residents have been added to the area each year over this period.

Looking ahead, population growth is expected to be fuelled by continued solid growth in the Primary sector, with the pace of growth forecast to accelerate in the sparsely populated Secondary South sector as residential development gradually expands into the future growth corridors in and around Bringelly.

By 2030, the catchment is forecast to contain a total of 375,656 residents, increasing to 392,903 persons by 2036. This represents an increase of almost 30,000 people between 2024 and 2036, representing an average of 2,500 additional people per year.

Catchment area sector	2018	2024	2028	2030	2032	2034	2036
Population							
Primary	184,546	199,507	205,749	208,337	211,658	215,824	221,677
Secondary North	47,565	49,386	50,040	50,306	50,766	51,237	51,588
Secondary East	62,049	64,621	66,125	66,509	67,005	67,505	67,941
Secondary South	11,802	13,730	14,232	14,323	14,537	14,905	15,453
Secondary West	35,918	35,858	36,163	36,181	36,202	36,222	36,244
Total	341,880	363,102	372,308	375,656	380,168	385,694	392,903
Population growth (No. per annum)							
Primary	-	2,493	1,561	1,294	1,660	2,083	2,927
Secondary North	-	304	163	133	230	235	176
Secondary East	-	429	376	192	248	250	218
Secondary South	-	321	125	46	107	184	274
Secondary West	-	-10	76	9	10	10	11
Total	-	3,537	2,302	1,674	2,256	2,763	3,605
Population growth (% per annum)							
Primary	-	1.3%	0.8%	0.6%	0.8%	1.0%	1.3%
Secondary North	-	0.6%	0.3%	0.3%	0.5%	0.5%	0.3%
Secondary East	-	0.7%	0.6%	0.3%	0.4%	0.4%	0.3%
Secondary South	-	2.6%	0.9%	0.3%	0.7%	1.3%	1.8%
Secondary West	-	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
Total	-	1.0%	0.6%	0.4%	0.6%	0.7%	0.9%

Source: Deep End Services; ABS; NSW Government (Department of Planning, Housing and Infrastructure)

Large Format Retail definition

The table to the right details examples of the products which make up the LFR market by major category as adopted in the balance of this report.

Spending category	Category item examples
Automotive Parts & Accessories	Oils lubricants, batteries, car parts, car accessories
Coverings	
Floorcoverings	Carpet, wooden floorings, rugs
Curtains & blinds	Curtains, blinds
Electrical	
Appliances	Refrigerators, ovens, dishwashers, toasters, irons
Communications	Mobile phones, headphones, earbuds
Entertainment	TVs, computers, sound systems, gaming consoles
Media	Software, electronic games
Furniture	
Bedroom furniture	Beds, mattresses
Other furniture	Tables, chairs, lounges, outdoor furniture
Hardware & Garden	Tools, lawnmowers, nails/screws, plants, building materials
Homewares	
Home décor	Lighting, home furnishings
Manchester	Linen, towels
Kitchen & Tableware	Crockery, glassware, cooking implements
Other Large Format Retailers	Toys, bikes, camping, sporting, office, pet & baby supplies, party goods, swimming pools

Large Format Retail spending rates (2023/24)

The table to the right sets out current per capita spending rates on major LFR categories by catchment area residents.

Catchment area residents are estimated to have spent an average of \$4,360 per capita in 2023/24 of LFR goods, which was the same as the average per capita rate for Australia.

LFR spending rates vary significantly between sectors, with spending in the key Primary sector being 1.6% above the Australian average. Spending rates are also above average within the Secondary North and Secondary West sectors.

Within individual spending categories, spend per capita rates are above the Australian average in many of the categories. Rates are highest compared to average in:

- Automotive Parts & Accessories (+19.5%)
- Manchester (+6.3%)
- Electrical Communications (+4.5%)
- Floor Coverings (+4.0%)
- Hardware & Garden (+3.6%).

Spending category	Primary	Secondary North	Secondary East	Secondary South	Secondary West	Total	Australia
Automotive Parts & Accessories	\$678	\$684	\$553	\$698	\$583	\$648	\$542
Floor Coverings	\$118	\$120	\$101	\$122	\$147	\$118	\$114
Curtains & Blinds	\$74	\$66	\$57	\$63	\$87	\$71	\$80
<i>Sub-total Coverings</i>	<i>\$192</i>	<i>\$186</i>	<i>\$159</i>	<i>\$185</i>	<i>\$234</i>	<i>\$189</i>	<i>\$194</i>
Electrical Appliances	\$357	\$367	\$325	\$351	\$410	\$358	\$392
Electrical Communications	\$47	\$43	\$50	\$46	\$36	\$46	\$44
Electrical Entertainment	\$553	\$532	\$493	\$475	\$625	\$544	\$627
Electrical Media	\$228	\$226	\$205	\$209	\$240	\$224	\$230
<i>Sub-total Electrical</i>	<i>\$1,186</i>	<i>\$1,169</i>	<i>\$1,073</i>	<i>\$1,080</i>	<i>\$1,310</i>	<i>\$1,172</i>	<i>\$1,293</i>
Bedroom furniture	\$179	\$179	\$152	\$172	\$195	\$176	\$178
Other furniture	\$301	\$301	\$256	\$288	\$328	\$295	\$299
<i>Furniture</i>	<i>\$480</i>	<i>\$480</i>	<i>\$408</i>	<i>\$460</i>	<i>\$523</i>	<i>\$471</i>	<i>\$478</i>
Hardware & Garden	\$961	\$998	\$807	\$1,005	\$1,142	\$958	\$925
Home Décor	\$139	\$141	\$99	\$119	\$178	\$135	\$148
Manchester	\$108	\$113	\$106	\$108	\$122	\$110	\$103
Tableware & Kitchenware	\$113	\$112	\$104	\$105	\$128	\$112	\$112
<i>Sub-total Homewares</i>	<i>\$361</i>	<i>\$365</i>	<i>\$309</i>	<i>\$332</i>	<i>\$428</i>	<i>\$358</i>	<i>\$363</i>
Other Large Format Retail	\$573	\$599	\$466	\$540	\$653	\$564	\$565
Total	\$4,431	\$4,480	\$3,775	\$4,300	\$4,873	\$4,360	\$4,360
Comparison to Australia average							
Total	1.6%	2.8%	-13.4%	-1.4%	11.8%	0.0%	-

Source: Deep End Services; ABS; Market Data Systems; Deloitte Access Economics

Large Format Retail market size

The total LFR spending market generated by catchment residents was estimated to be \$1,583.0 million in 2023/24, having grown from \$1,234.2 million in 2017/18 at an average rate of 4.2% per annum.

The most significant categories comprise:

- Electrical merchandise which contributed a total of \$425.4 million in LFR spending (or 26.9% of the total) in 2023/24 including \$197.4 million on Electrical Entertainment and \$130.0 million on Appliances; and
- Hardware & Garden which accounted for \$348.0 million (or 22.0% of spending).

The LFR spending market is forecast to grow at an average rate of 2.9% per annum over the next four years to reach \$1,778.1 million by 2027/28.

Looking further ahead, this LFR spending market is forecast to reach \$2,071.7 million in 2031/32 and then grow to \$2,460.2 million by 2035/36.

Hence, LFR retailers at Penrith Homemaker Centre will be trading in a market which is expected to grow by an average of \$73.1 million each year over the next 12 years.

Spending category	Spending market (\$m)							Average change (%pa)			
	2018	2024	2028	2030	2032	2034	2036	2028-30	2030-32	2032-34	2034-36
Automotive Parts & Accessories	154.3	235.3	260.6	281.1	306.3	343.6	373.2	3.9%	4.4%	5.9%	4.2%
Floor Coverings	34.9	42.9	48.5	51.6	56.4	61.6	66.6	3.1%	4.6%	4.4%	4.0%
Curtains & Blinds	20.9	25.7	29.0	30.9	33.8	36.8	39.9	3.1%	4.6%	4.4%	4.0%
Sub-total Coverings	55.8	68.6	77.6	82.4	90.2	98.4	106.5	3.1%	4.6%	4.4%	4.0%
Electrical Appliances	118.1	130.0	145.9	154.4	168.3	182.9	197.1	2.9%	4.4%	4.2%	3.8%
Electrical Communications	15.1	16.7	18.7	19.8	21.6	23.5	25.3	2.9%	4.4%	4.3%	3.8%
Electrical Entertainment	179.4	197.4	221.6	234.6	255.7	277.8	299.5	2.9%	4.4%	4.2%	3.8%
Electrical Media	59.2	81.4	90.1	96.6	104.6	115.7	123.2	3.5%	4.1%	5.2%	3.2%
Sub-total Electrical	371.8	425.4	476.2	505.4	550.2	599.9	645.1	3.0%	4.3%	4.4%	3.7%
Bedroom Furniture	51.8	63.7	72.1	76.7	83.9	91.5	99.0	3.1%	4.6%	4.4%	4.0%
Other Furniture	87.1	107.1	121.2	128.8	141.0	153.8	166.5	3.1%	4.6%	4.4%	4.0%
Furniture	138.9	170.9	193.3	205.5	224.9	245.3	265.5	3.1%	4.6%	4.4%	4.0%
Hardware & Garden	265.4	348.0	396.7	423.2	464.9	509.0	552.9	3.3%	4.8%	4.6%	4.2%
Home Décor	40.0	49.2	55.6	59.1	64.7	70.6	76.4	3.1%	4.6%	4.4%	4.0%
Manchester	32.4	39.9	45.1	47.9	52.4	57.2	61.9	3.1%	4.6%	4.4%	4.0%
Tableware & Kitchenware	33.2	40.8	46.2	49.1	53.7	58.6	63.4	3.1%	4.6%	4.4%	4.0%
Sub-total Homewares	105.7	129.9	146.9	156.2	170.9	186.3	201.6	3.1%	4.6%	4.4%	4.0%
Other Large Format Retail	142.3	204.9	226.7	243.6	264.3	293.9	315.3	3.6%	4.2%	5.5%	3.6%
Total catchment	1,234.2	1,583.0	1,778.1	1,897.4	2,071.7	2,276.5	2,460.2	3.3%	4.5%	4.8%	4.0%
	Spending growth rate (%pa)										
	2018-24	2024-28	2028-30	2030-32	2032-34	2034-36					
Primary	4.6%	3.1%	3.5%	4.7%	5.1%	4.4%					
Secondary North	3.9%	2.6%	3.1%	4.3%	4.6%	3.3%					
Secondary East	3.8%	2.9%	3.1%	4.3%	4.4%	3.3%					
Secondary South	5.9%	3.2%	3.2%	4.6%	5.4%	4.9%					
Secondary West	3.1%	2.5%	2.8%	3.9%	4.1%	3.0%					
Total catchment	4.2%	2.9%	3.3%	4.5%	4.8%	4.0%					

Source: Deep End Services; ABS; Market Data Systems; Deloitte Access Economics

3

Centre expansion assessment



Sales potential and impacts

Forecast sales are presented in the table at right, based on the proposed 5,776 sqm of additional retail floorspace and assumed likely trading levels. The forecast sales for the additional LFR tenants are \$27.1 million in 2028.

Forecast trading impacts resulting from the proposed centre expansion are also shown in the table at right. The approach taken has been to estimate the likely redirection in sales from existing centres and precincts, having regard to factors such as proximity and the 'substitutability' of the potential retail offer.

As a LFR development, the impacts will be mostly on other LFR centres and precincts. With the expansion envisaged to introduce retailers that are currently not represented in the catchment, the impact on identified catchment LFR retailers is forecast to be only -2.9% (or -\$16.4 million) compared to sales that would otherwise have been achieved in 2028.

Indeed, the assessed one-off impact represents only one-third of one year of local LFR spending growth for catchment area residents.

As shown in the table, the expansion of Penrith Homemaker Centre also has the potential to reduce escape spending to other locations outside the catchment by approximately \$10.1 million.

Large Format Retail Precinct	LFR floorspace (sqm)	Estimated sales (\$m)		Impacts	
		Base Case	Post- development	Change (\$m)	Change (%)
Penrith Homemaker Centre (New)	5,776	-	27.1	27.1	-
WITHIN CATCHMENT					
Penrith LFR precinct	101,500	390.8	378.3	-12.5	-3.2%
Penrith CBD	7,000	36.4	35.5	-0.9	-2.6%
North Penrith	23,000	76.6	74.7	-1.9	-2.5%
Katoomba	9,500	29.6	29.1	-0.5	-1.8%
Richmond	6,000	18.7	18.4	-0.4	-2.0%
Balance catchment	2,000	5.8	5.7	-0.1	-2.2%
Total catchment	149,000	557.9	541.6	-16.4	-2.9%
BEYOND CATCHMENT					
Blacktown-Prospect	71,500	246.0	242.9	-3.1	-1.3%
Marsden Park	71,000	246.4	242.7	-3.7	-1.5%
Mt Druitt-Minchinbury	27,500	80.3	78.7	-1.6	-2.0%
Windsor-McGraths Hill	21,000	65.5	64.5	-1.0	-1.6%
Wetherill Park	17,200	55.4	54.7	-0.7	-1.3%
Sub-total beyond catchment	208,200	693.5	683.4	-10.1	-1.5%
Other locations	-	-	-	-0.6	-
Total	-	-	-	-27.1	-

Source: Deep End Services

Job creation

The total cost of construction for the proposed centre expansion is estimated at \$31.4 million, with construction work conducted over an approximately 18-month period.

Applying typical labour cost ratios, this would generate a total of 165 direct full-time equivalent (“FTE”) jobs during the construction phase (equivalent to 110 FTE job years). Using standard ABS multipliers, this would support an additional 95 FTE job year positions indirectly through inputs to construction and expenditure of wages.

An estimated 58 ongoing direct FTE jobs will be created as a result of the proposed expansion as well as an additional 36 FTE jobs indirectly created through multiplier effects in the local economy.

Most, if not all, new jobs created on-site would be filled by local residents, resulting in a direct positive benefit on the local economy. Retail jobs are important for community members such as students and semi-retirees who are seeking to work close to home with flexible hours.

Tenancy type	Floorspace (sqm)	FTE direct	Direct FTE jobs	Indirect FTE jobs	Total FTE jobs
		job creation per 100 sqm			
Large format retail tenants	5,776	1.0	58	36	94

Source: Deep End Services

Net community benefit

It is assessed that the proposed Penrith Homemaker Centre expansion will result in a positive net community benefit for the following reasons:

- The site is well suited for the proposed expansion due to the existing scale of the centre and retail mix of large format retail tenants
- The centre expansion will not result in significant trading impacts on activity centres within the catchment. There will be a small redirection of spending away from existing centres, almost entirely confined to LFR tenants. However, the one-off impacts are assessed as being modest and equivalent to only one-third of one year of local LFR spending growth
- Impacts on centres as a whole will generally be considerably smaller than those assessed for their LFR components, with the impact on the Penrith CBD less than -1.0%
- The additional floorspace would provide an opportunity for retailers not currently represented in the catchment to be introduced into the area, thus strengthening the appeal of Penrith Homemaker Centre
- A reduction in LFR escape spending is anticipated
- The proposed expansion will provide an estimated 110 direct FTE jobs and 95 indirect FTE local jobs during the construction phase as well as 94 ongoing direct and indirect FTE jobs in the local economy once operational.