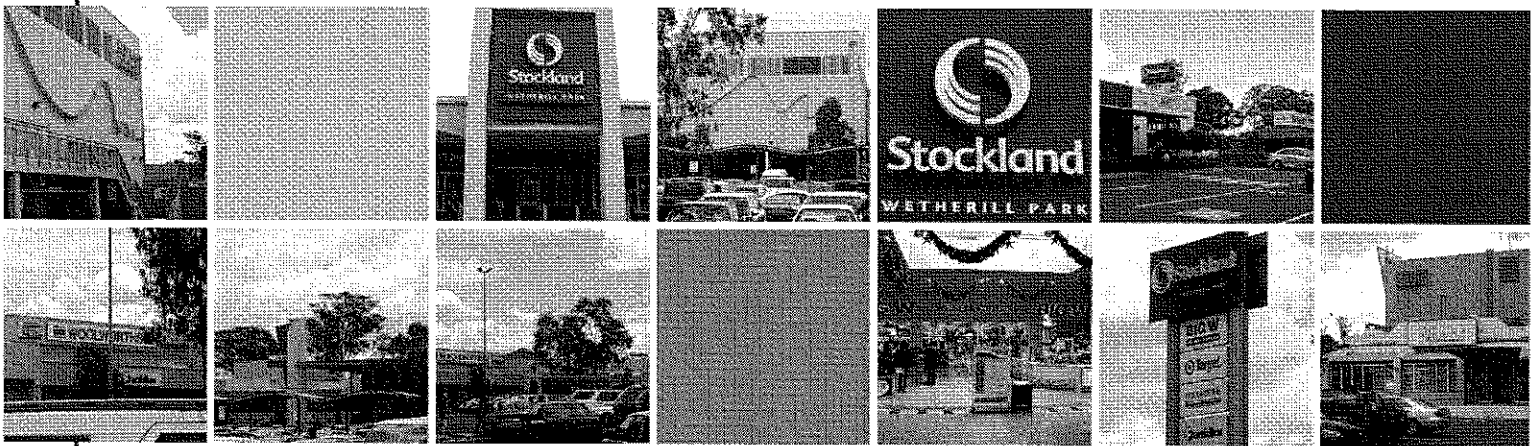


Stockland Wetherill Park, Sydney

Stage 4 expansion

Economic Impact Assessment

December 2010



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Executive summary

- i. Stockland Wetherill Park is a sub-regional shopping centre located within the Prairiewood Town Centre. The expansion of the centre, to incorporate a gym operator, additional mini-major tenants and further specialty floorspace, has now been proposed.
- ii. Stockland Wetherill Park currently incorporates 47,913 sq.m of floorspace (including pad sites), including a retail component of 35,631 sq.m. Upon the completion of the proposed expansion, the total retail floorspace at the centre would be around 45,200 sq.m.
- iii. Key elements of the proposed expansion include the addition of five mini-major tenants, further specialty floorspace totalling 6,425 sq.m (retail and non-retail), and the addition of a gym operator (non-retail).
- iv. The total trade area likely to be served by the expanded Stockland Wetherill Park comprises a large proportion of the Fairfield and Holroyd Local Government Areas (LGA), and part of the Liverpool LGA, and is estimated to contain some 260,810 residents. Total trade area population is projected to increase at a rate of 0.3%-0.4% per annum, to 270,610 persons by 2021.
- v. Total trade area residents are estimated to generate retail expenditure of \$2,867 million. This is projected to increase by \$457 million, to \$3,324 million by 2021 (assuming constant 2009/10 dollars and including GST).
- vi. The local worker population is also an important customer segment for Stockland Wetherill Park. A customer exit survey conducted at the centre in 2008 suggests that just over 10% of the centres sales are generated by the worker population.

- vii. Competitive sub-regional shopping centres within the total trade area include Bonnyrigg Plaza in Bonnyrigg, and Neeta City and Fairfield Forum in Fairfield. Trade area residents are likely to travel beyond the defined trade area to visit more extensive facilities such as Westfield Liverpool for their higher-order non-food shopping needs.
- viii. Stockland Wetherill Park achieved total centre sales of \$254.7 million for the year ending May 2010. This represents an estimated 7.9% market share of available retail expenditure.
- ix. The sales performance, on average, of major traders at the centre (Big W, Target, Woolworths and Franklins) is slightly below average in comparison to relevant benchmarks. However, these averages mask the performance of individual retailers, such as the Woolworths supermarket which achieves sales densities more than 40% higher than relevant benchmarks. In addition, the retail specialty sales densities achieved by the centre are generally either in line with, or substantially higher than the benchmarks across all retail categories.
- x. Estimates of Stockland Wetherill Park's sales potential upon completion of the proposed expansion take into consideration various proposed competitive developments within and beyond the centre's defined trade area. On the basis of the most conservative/highly competitive assumptions as to the future competitive landscape, the expanded centre is estimated to achieve annual sales of \$312.9 million in 2014/15. This represents a total trade area market share of 9.1% of available retail spending. Assuming an alternative, less competitive potential future competitive landscape, the expanded centre's annual sales in 2014/15 are estimated at \$324.7 million (9.3% of total trade area retail spending).
- xi. The current undersupply of total retail floorspace within the Fairfield LGA is estimated at almost 57,000 sq.m, and projected to increase to over 78,000 sq.m by 2031. These projections take into consideration the addition to retail supply of all currently proposed future retail developments within the LGA.



- xii. Given the current level of undersupply of retail floorspace within the Stockland Wetherill Park trade area, a significant proportion of the estimated sales potential of the expanded centre (along with that of other proposed developments within the trade area), will be generated by the retention of retail spending that is currently escaping the trade area. The current level of escape expenditure is estimated at 22.6%, although this level is projected to fall to around 13.2% by 2015. The expansion of Stockland Wetherill Park is forecast to contribute to around 1.5% or some \$28.1 million of this reduction.
- xiii. Competitive facilities within the trade area are expected to experience some trading impacts as a result of the expansion of Wetherill Park, but none so great as to threaten their ongoing viability.
- xiv. The proposed expansion of Stockland Wetherill Park would also be expected to generate a number of important economic benefits, including the provision of a wider range of shopping facilities for trade area residents, additional employment opportunities and future wages, and an overall reduction in the level of escape expenditure from the Fairfield LGA.

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Introduction

This report presents an independent assessment of the sales potential of the proposed Stage 4 development of Stockland Wetherill Park, a double discount department store based centre in the Western Sydney suburb of Wetherill Park. PBBi has previously prepared assessments of the centre's broad potential for redevelopment, most recently in July 2010. This assessment now considers the sales potential for a specific development scheme (the Stage 4 scheme) and also the economic impacts (both positive and negative) which are likely to flow from it.

This report has been prepared in accordance with instructions received from Stockland, and is structured and presented as follows:

- **Section 1** provides an overview of the regional and local context of Stockland Wetherill Park. This section also reviews the planning documentation of relevance to the expansion potential of Stockland Wetherill Park.
- **Section 2** reviews the centre's current composition and performance, and benchmarks these against typical double discount department store based centres in Australia. A benchmark comprising a selection of "peer" centres is also considered.
- **Section 3** reviews the trade area served by Stockland Wetherill Park, taking into account a customer exit survey conducted by Directional Insights in September 2008. It includes the current and projected trade area population, its socio-demographic profile, and its associated retail expenditure levels. The relevant worker trade area served by the expanded centre is also considered.
- **Section 4** provides an overview of the competitive retail environment within which Stockland Wetherill Park operates, and will operate in future.
- **Section 5** assesses the retail sales and market share potential of Stockland Wetherill Park, under two scenarios – "do nothing" and the proposed Stage 4 development.

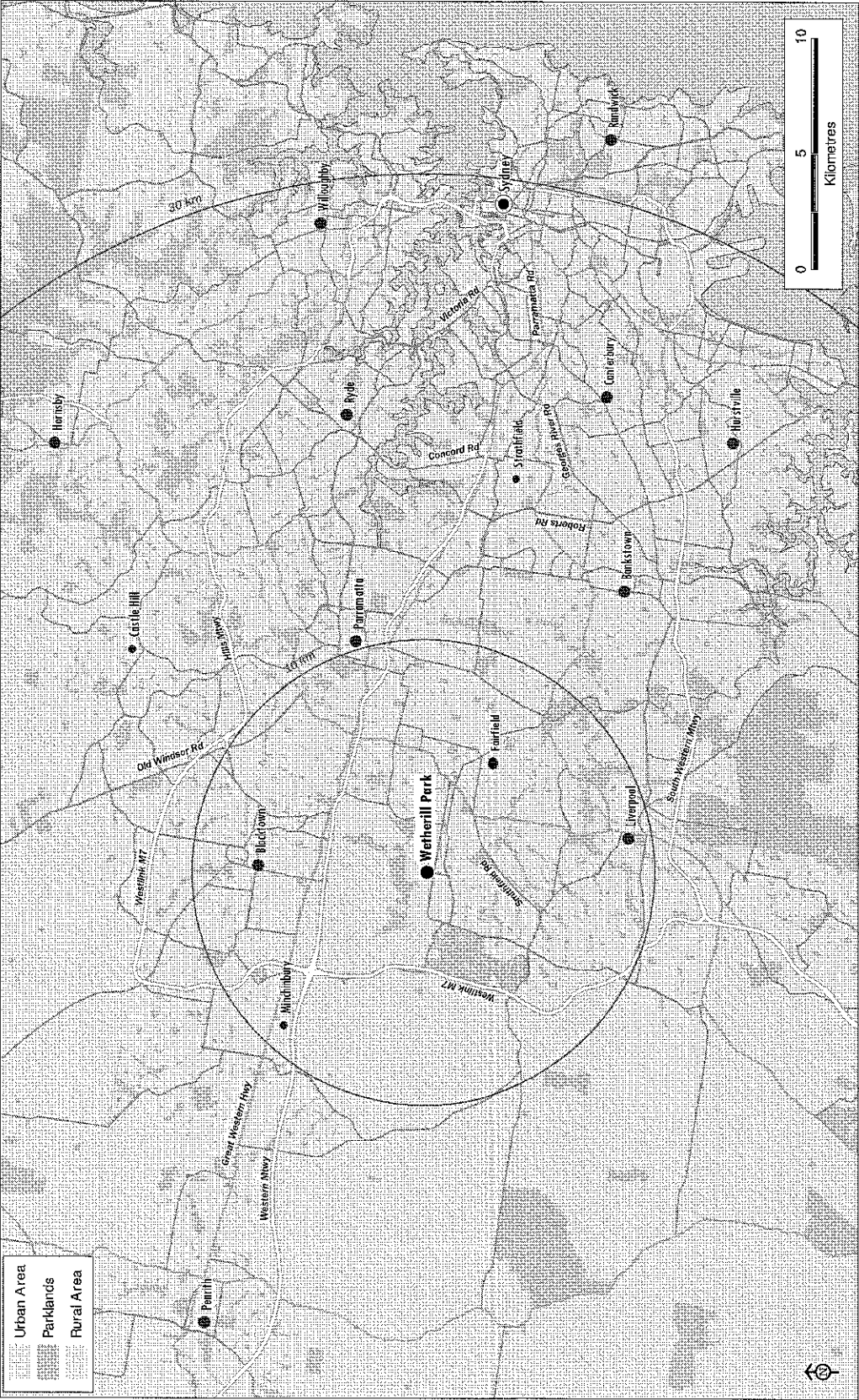
- **Section 6** commences with an assessment of supportable retail floorspace within the Fairfield Local Government Area. It then considers the likely economic impacts associated with the development, both in terms of potential trading impacts on existing retailers, and the broader community benefits.

Section 1: Regional and local context

This section of the report reviews the regional and local context of Stockland Wetherill Park. It also provides an overview of the relevant planning documents, including the Centres Policy, the Sydney Metropolitan Strategy, the South-West Sub-regional Strategy and the Fairfield Retail Strategy.

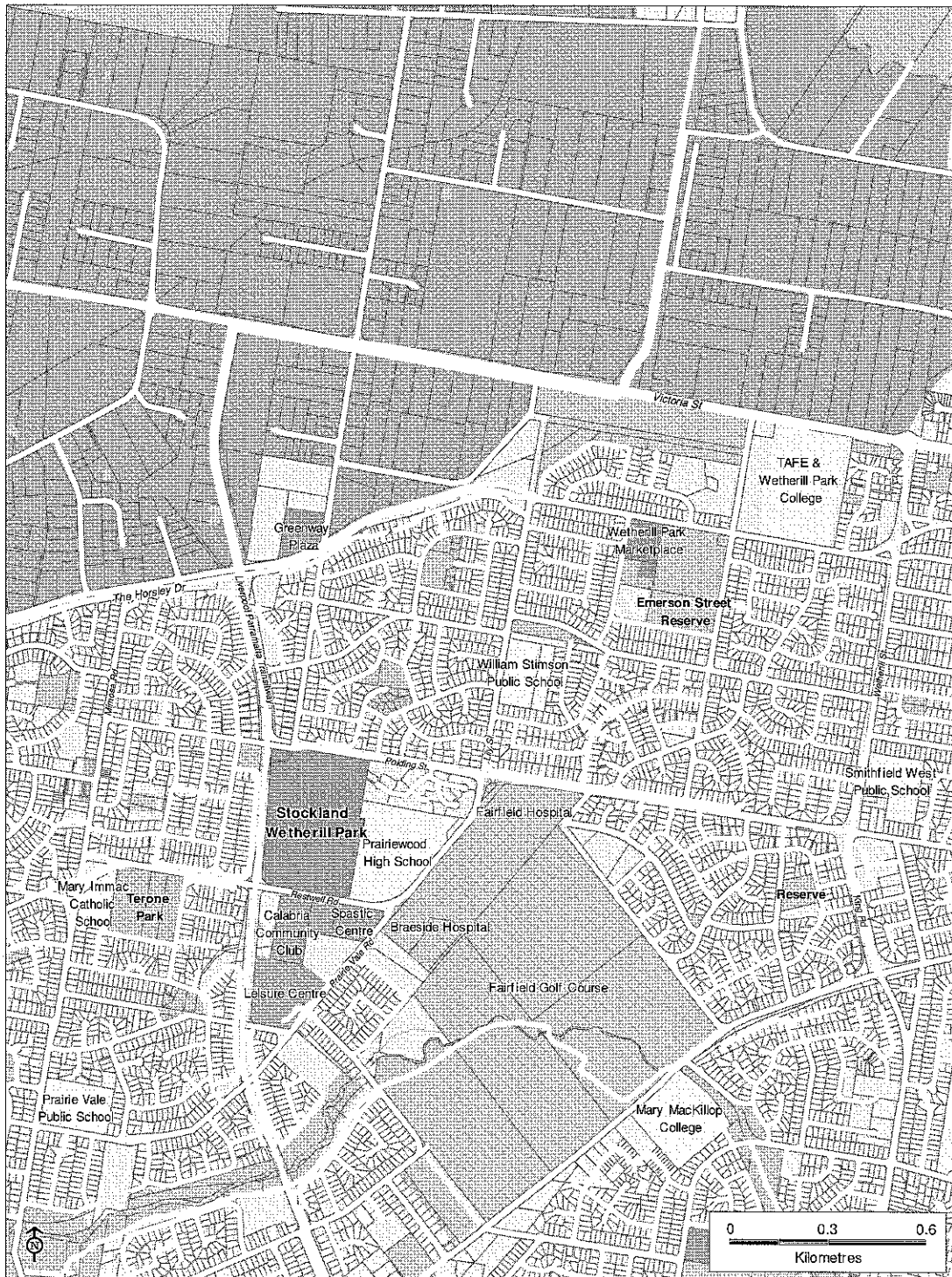
1.1 Regional and local context

- i. Stockland Wetherill Park is a double discount department store (DDS) based centre serving residents throughout the City of Fairfield, in Western Sydney. Wetherill Park is situated approximately 30 km west of the Sydney Central Business District (CBD) (refer Map 1.1).
- ii. The centre is located on the southern side of Polding Street, a major east-west arterial route throughout the surrounding area (refer Map 1.2). The centre is also situated within close proximity to The Horsley Drive as well as the Cumberland Highway, around 2.5 km to the west. As a result, accessibility to the centre is relatively easy, from both a local and regional perspective.
- iii. Access to the centre by bus is also quite easy, with the Liverpool-Parramatta T-Way bus network connecting Wetherill Park to other major employment centres at Parramatta and Liverpool. Wetherill Park, however, is not currently serviced by the railway network.
- iv. Stockland Wetherill Park is the major component of the Prairiewood Town Centre and is located together with a number of community facilities, including schools, a hospital, a medical centre, a library, a childcare centre and Council Chambers.
- v. Located approximately 1 km to the north of Stockland Wetherill Park, the Smithfield/Wetherill Park industrial estate is a large industrial area, occupied by more than 1,000 manufacturing, wholesale, transport and service firms, which are estimated to employ almost 15,000 people.



Map 1.1: Stockland Wetherill Park
Regional Context

Stockland Wetherill Park, Sydney
Stage 4 expansion
Economic Impact Assessment



Map 1.2: Stockland Wetherill Park
Site Location

	Shopping Centre
	School
	Hospital
	Community
	Industrial

1.2 Relevant planning documents

- i. This section of the report reviews from an economic perspective, the planning context relevant to the future expansion potential for retail facilities at Stockland Wetherill Park. Relevant documents include:
 - the *NSW Draft Centres Policy* (April 2009)
 - the Sydney Metropolitan Strategy entitled *City of Cities: A Plan for Sydney's Future* (December 2005),
 - the Sydney Metropolitan Strategy Review entitled *Sydney Towards 2036* (March 2010),
 - the *West Central Subregion Draft Subregional Strategy* (December 2007),
 - the *Fairfield Local Environmental Plan (LEP) 1994* and
 - the *Fairfield City Retail and Commercial Centres Study* (2005).

1.2.1 NSW Draft Centres Policy

- i. The *NSW Draft Centres Policy* (April 2009) sets the planning guidelines for retail and commercial development in New South Wales. Once adopted, this will be the overriding policy document that will guide retail and commercial development in the state.
- ii. This document identifies six key planning principles to guide future retail and commercial development:
 - Principle 1 – Retail and commercial activity should be located in centres, to ensure the most effective use of transport and other infrastructure, proximity to labour markets, and to improve the amenity and liveability of those centres.
 - Principle 2 – The planning system should be flexible enough to enable all centres to grow, and new centres to form.

- Principle 3 – The market is best placed to determine the need for retail and commercial development. The role of the planning system is to regulate the location and scale of development to accommodate market demand.
 - Principle 4 – The planning system should ensure that the supply of available floorspace always accommodates market demand, to help facilitate new entrants into the market and promote competition.
 - Principle 5 – The planning system should support a wide range of retail and commercial premises in all centres and should contribute to ensuring a competitive retail and commercial market.
 - Principle 6 – Retail and commercial development should be well designed to ensure it contributes to the amenity, accessibility, urban context and sustainability of centres.
- iii. Each of the key principles detailed above is of direct relevance to the expansion of Stockland Wetherill Park. Principle 1 is already being fulfilled by the existing centre, which is successfully serving the needs of the worker and resident populations in the Fairfield region.
- iv. Principles 2-5 provide guidelines to the planning system that should be employed with respect to retail and commercial facilities in NSW. These principles stress that planning regulations should be flexible enough to allow market forces to dictate the supply and demand for retail floorspace.
- v. The Policy's framework for future growth in the demand for retail floorspace, as guided by the above principles, is outlined below:
- Historical retail data for Sydney suggests that retail floorspace per capita has grown from approximately 1.4 sq.m to 2.0 sq.m over the last 25 years. The demand for total retail floorspace has been driven by a number of factors including population growth, rising real incomes and changing trends in the format of retail premises.

- It is suggested that by 2031 the future demand for retail floorspace will increase from 2.0 sq.m to 2.4 sq.m per capita. This projected per capita demand presents a significant challenge for planning in both the State's metropolitan and regional centres.
- The NSW Department of Planning is proposing to introduce minimum floorspace targets which will assist in identifying the amount of floorspace available to accommodate market demand. However, pending the calculation of such geographically specific targets, the Policy recommends that the targets should be typically set at 2.0 sq.m per capita, increasing by 0.1 sq.m every five years. This is consistent with the historical trends over the past 25 years.

1.2.2 Sydney Metropolitan Strategy

- i. The *Metropolitan Strategy* (December 2005) outlines a broad framework for the future growth of the Sydney metropolitan area to 2031. The Strategy proposes the concentration of growth in centres, identifying housing and employment capacity targets for Sydney's subregions and strategic centres.
- ii. The NSW Department of Planning recently released a Metropolitan Strategy Review discussion paper, as part of a five yearly review of the 2005 Metropolitan Strategy. This discussion paper, entitled *Metropolitan Strategy Review: Sydney Towards 2036* (March 2010), outlines the changes that have occurred in the past five years (including an upward revision of the population and floorspace forecasts provided in the 2005 Strategy), and aims to develop a sustainable plan to meet housing and employment growth challenges in Sydney by 2036. The revised forecasts anticipate that Sydney's population will grow by 1.7 million to 5.7 million in 2031, reflecting an increase of 400,000 from the 2005 Strategy. To cater for this growth, the NSW Department of Planning has recommended the following revised capacity targets:
 - 770,000 new dwellings (previously 640,000)
 - 760,000 new jobs (previously 500,000)

- 7,500 hectares of employment lands (no change)
- 7 million sq.m of additional commercial floorspace (previously 6.8 million)
- 4 million sq.m of additional retail floorspace (previously 3.7 million)

1.2.3 West Central Subregion Draft Subregional Strategy

- i. The *West Central Subregion Draft Subregional Strategy* (December 2007) forms part of the NSW Government's Metropolitan Strategy. Subregional planning aims to translate the objectives and actions of the Metropolitan Strategy, to provide a planning framework for local councils and to guide the development of their Local Environmental Plans (LEPs).
- ii. The West Central Subregion is one of ten Subregions, which cover the Sydney metropolitan area. It includes the Local Government Areas (LGAs) of Auburn, Bankstown, Fairfield, Holroyd and Parramatta. It is estimated that the subregion contains approximately 679,600 residents and employs over 308,000 workers. The Fairfield LGA is forecast to experience substantial residential and employment growth with an additional 24,000 new dwellings and 15,000 new jobs over the period to 2031.
- iii. The key points to note from the West Central Subregional Strategy, in relation to Stockland Wetherill Park, are detailed below:
 - The Subregional Strategy identifies Prairiewood (along with Cabramatta and Fairfield) as a "Potential Major Centre" which is defined as follows:

Potential Major Centres "have assets, including transport or open space connections, and potential as shopping and service hubs in existing areas of the city which may have increased residential development."

- A Major Centre is defined as:
 - “the main shopping and business centre for a district, usually with a full scale shopping mall, council offices, taller office and residential buildings, and central community facilities, with over 8,000 jobs defining these centres”.
- Sydney’s potential major centres will play a critical role in realising the future population growth and retail demand projected by the NSW Government. It is anticipated that the total jobs in identified potential major centres will increase by 42,000, to 68,000 by 2031. Prairiewood has the potential to become a major centre, and is expected to experience significant employment growth.

1.2.4 Fairfield Local Environmental Plan (LEP) 1994

- i. The *Fairfield Local Environmental Plan (LEP) 1994* identifies the types of land uses permitted within the Fairfield LGA, by allocating a zone to each parcel of land. Stockland Wetherill Park is classified as Zone 3(b) District Business Centre which includes the following objectives:
 - To provide for and encourage the provision of a wide range of goods and services which will contribute to economic and employment growth within the City of Fairfield;
 - To encourage the development of Cabramatta Town Centre as a specialist cultural, retail, tourist and entertainment centre; and
 - To encourage the District Centres located in Prairiewood and Bonnyrigg to provide residents with major food, clothing and small item shopping opportunities.

1.2.5 Fairfield City Retail and Commercial Centres Study

- i. The *Fairfield City Retail and Commercial Centres Study* (the Leyshon Study) was completed by Leyshon Consulting Pty Ltd in June 2005, prior to the release of the NSW Government’s Metropolitan Strategy in December 2005 and the West Central Draft Subregional Strategy in December 2007.

- ii. The Leyshon Study reviews the four major retail/commercial centres in the Fairfield LGA, namely Fairfield Central Business District ('CBD'), Cabramatta, Bonnyrigg Town Centre and Prairiewood (Stockland Wetherill Park).
- iii. The Leyshon Study anticipates that the future outlook for these four centres will be challenging as population growth is projected to be "either negligible or even potentially negative". Considering the broader region, however, it is worthwhile highlighting that the West Central subregion in total (as illustrated in Figure 1.1), has been identified as third after the North West and South West subregions in a ranking by anticipated population growth of the ten Sydney metropolitan subregions. The New South Wales Government anticipates that population growth in the West Central subregion will be almost 32% between the period of 2008 to 2036.
- iv. With regard to Stockland Wetherill Park, the Leyshon Study suggests that "no further major expansion of the Prairiewood centre up to 2016 appears warranted as this would impact adversely on the performance of the Fairfield Town Centre and Bonnyrigg". The Leyshon Study recommends Council prepare and adopt a retail policy that identifies Prairiewood, along with Fairfield, Cabramatta and Bonnyrigg, as a major sub-regional centres which would include the following characteristics:

"Sub-regional centres provide retail and commercial services to a sub-region within Fairfield LGA (usually about 50,000 persons); are anchored by one (or more) DDS and one (or more) full-line supermarket; generally they contain between 20,000 – 80,000 sq.m of retail floorspace."

- v. Under the NSW Government's centres hierarchy, as outlined in the West Central draft Subregional Strategy, Bonnyrigg is identified as a Town Centre, which is defined as:

"a larger group of shops and services generally with one or two supermarkets, sometimes a small shopping mall, a variety of specialist shops, community facilities such as a local library, and a medical centre".

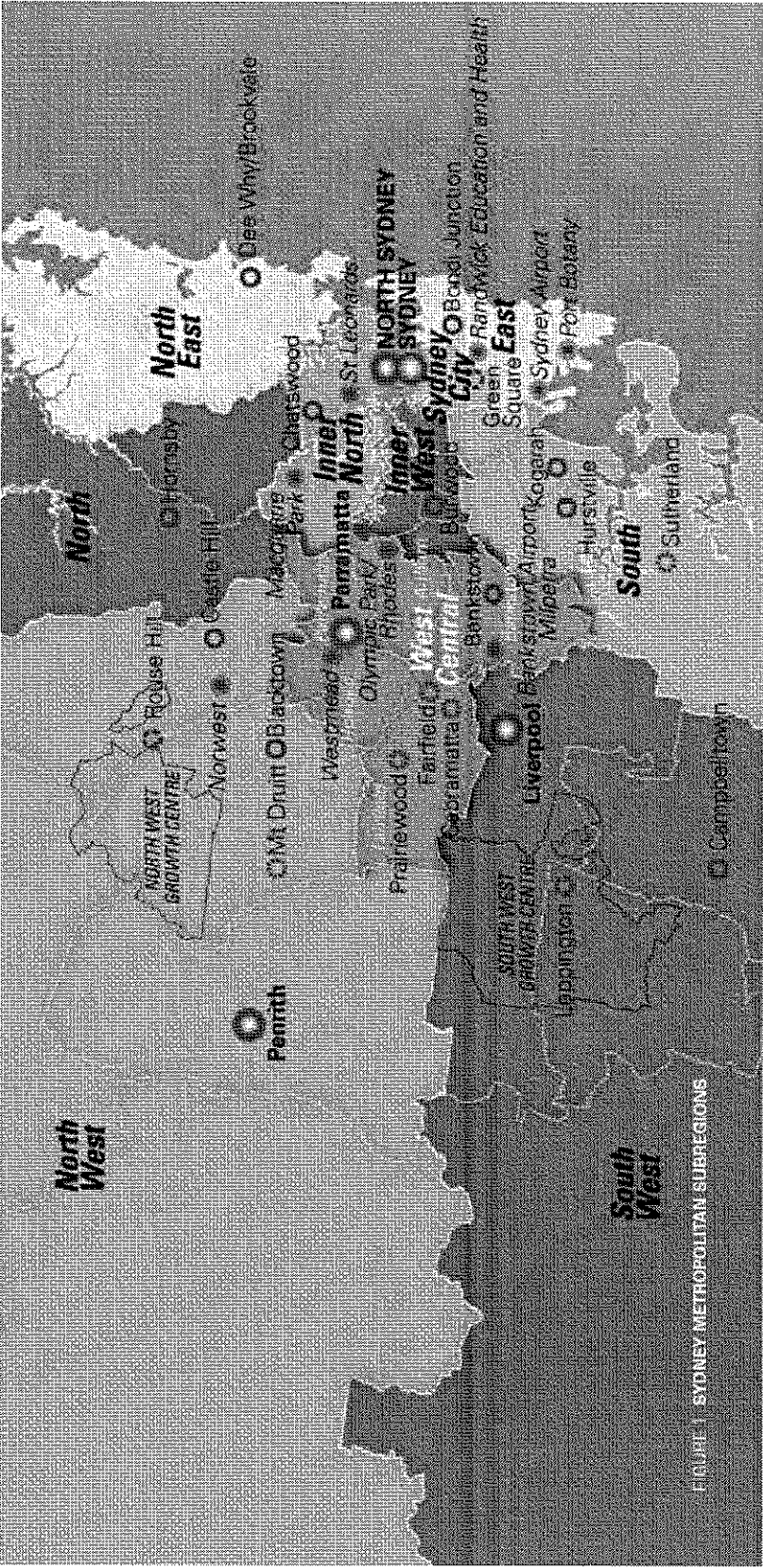


Figure 1.1

Stockland Wetherill Park, Sydney
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- vi. In our view, the higher level classification of Prairiewood as a Potential Major Centre (also within the New South Wales Government's centres hierarchy) warrants a larger retail component than the Bonnyrigg Town Centre, in order to accommodate the projected future population and employment growth in the surrounding area. The recommendations outlined in the Leyshon Study should be considered in the context of the vision and forecasts subsequently set out for the Fairfield LGA (and specifically Prairiewood) by the NSW Government. The Leyshon Study may well be reviewed and revised following the finalisation of the relevant State Government policies and strategies, to ensure consistency amongst all relevant planning documentation.
- vii. Significant recent expansions and proposed expansions of major retail facilities both within and beyond the Fairfield municipality have resulted in numerous changes to the retail environment since the Leyshon Study was adopted by Council. These changes clearly indicate that additional retail floorspace will be required at Stockland Wetherill Park at an earlier date. If this does not occur, there is a risk of increased escape retail expenditure from existing retail centres within the Fairfield municipality to larger centres such as Westfield Liverpool.
- viii. The Fairfield Retail Strategy outlines that a discount department store and supermarkets are appropriate additions to large retail centres in Fairfield. Consequently, it is our view that the expanded Stockland Wetherill Park will continue to satisfy the existing Fairfield Retail Strategy definition for sub-regional centres.

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Section 2: Centre composition and performance

This section of the report provides a review of Stockland Wetherill Park, including the centre's composition and performance, benchmarked against multiple DDS based centres throughout Australia, and also a smaller basket of the peer centres.

2.1 Centre layout and composition

- i. Stockland Wetherill Park is an enclosed single level shopping centre, anchored by a Big W discount department store at the northern end and Target and Woolworths and Franklins supermarkets at the southern end (refer Figure 2.1). The centre has an extensive provision of car parking, both at grade and on basement level.
- ii. Table 2.1 summarises the current composition of Stockland Wetherill Park and benchmarks it with multiple DDS-based centres and a more tightly selected group of "peer" centres. The multiple DDS-based centres benchmark includes 30 DDS-based centres throughout metropolitan and non-metropolitan areas of Australia while the peer centres benchmark comprises a basket of eight sub-regional centres anchored by two DDSs and two supermarkets.
- iii. Key points to note in relation to the composition of Stockland Wetherill Park are as follows:
 - The centre is 47,913 sq.m (including pad sites) in size, of which 35,631 sq.m is classified as retail floorspace. The retail component of the centre is marginally smaller than the 36,260 sq.m of retail floorspace provided at multiple discount department store based centres, and more so than the 37,919 sq.m of retail floorspace provided at peer centres.

- Major tenants (Big W, Target, Woolworths and Franklins) account for almost two-thirds of total retail floorspace at the centre. The provision of major tenant floorspace is slightly higher than that of multiple discount department store based centres and peer centres.
- The provision of mini-major tenants (i.e. retail tenants larger than 400 sq.m) of 3,004 sq.m is significantly lower than the provision at typical multiple discount department store based centres and peer centres.
- Around 9,891 sq.m of retail specialty floorspace is provided at the centre. This is slightly lower than the provisions at typical multiple discount department store based centres (9,925 sq.m) and peer centres (10,557 sq.m). A comparison across retail categories and segments indicates that the centre includes a higher than average provision of food catering tenants, largely reflecting the takeaway food pad sites around the centre.
- A Hoyts cinema complex is also provided in a separate building adjacent to the centre.

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Figure 2.1



Stockland Wetherill Park, Sydney
Stage 4 expansion
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Section 2: Centre composition and performance

Table 2.1
Stockland Wetherill Park - Centre composition*

Tenant / Segment	Stockland Wetherill Park		Multiple dds centres		Difference	Peer centres**		Difference
	GLA (sq.m)	(% of retail)	GLA (sq.m)	(% of retail)	GLA (sq.m)	GLA (sq.m)	(% of retail)	GLA (sq.m)
Major tenants								
DDS	15,117	42.4%	14,832	40.9%	285	14,728	38.8%	388
Supermarket	<u>7,619</u>	<u>21.4%</u>	<u>7,548</u>	<u>20.8%</u>	<u>71</u>	<u>7,599</u>	<u>20.0%</u>	<u>20</u>
Total majors	22,736	63.8%	22,379	61.7%	356	22,328	58.9%	408
Mini-majors	3,004	8.4%	3,956	10.9%	-952	5,034	13.3%	-2,030
Retail specialities								
Food & liquor	1,080	3.0%	797	2.2%	283	793	2.1%	287
Food catering	2,190	6.1%	1,180	3.3%	1,011	1,525	4.0%	665
Apparel	4,019	11.3%	4,141	11.4%	-122	4,082	10.8%	-63
Household	342	1.0%	958	2.6%	-616	1,326	3.5%	-984
Leisure	583	1.6%	775	2.1%	-192	803	2.1%	-220
General	826	2.3%	1,092	3.0%	-266	1,103	2.9%	-277
Retail services	<u>850</u>	<u>2.4%</u>	<u>982</u>	<u>2.7%</u>	<u>-132</u>	<u>924</u>	<u>2.4%</u>	<u>-74</u>
Total retail spec.	9,891	27.8%	9,925	27.4%	-34	10,557	27.8%	-665
Total centre - retail	35,631	100.0%	36,260	100.0%	-629	37,919	100.0%	-2,288
Non-retail								
Non-retail services	1,856							
Cinemas/entertainment	4,755							
Other non-retail & storage	5,195							
Vacant	<u>475</u>							
Total non-retail	12,282							
Total centre	47,913							

*As at May 2010, includes pad sites

** Peer centres are sub-regional shopping centres anchored by multiple DDSs and two supermarkets

Source: Stockland; Pitney Bowes Business Insight

2.2 Sales performance

- i. Table 2.2 details the annualised sales performance of Stockland Wetherill Park for the year ended May 2010, again benchmarked against multiple DDS-based centres in Australia, as well as a basket of comparable peer centres. All sales figures in this report include GST.
- ii. Retail sales at Stockland Wetherill Park for the 12 months to May 2010 were \$254.7 million, or \$13.7 million above the multiple DDS centres benchmark (\$241 million). Total centre sales are, however, only slightly higher than the peer centres benchmark (\$253.6 million).
- iii. Key points to note regarding the current sales performance of the centre are as follows:
 - The average sales density level achieved by discount department stores (Big W and Target) at the centre is \$3,461 per sq.m which is 5.6% lower than the multiple dds centres benchmark and 7.7% lower than peer centres.
 - Overall, supermarket sales densities at the centre are around 3.4%-3.6% lower than the benchmarks. The Woolworths supermarket however, performs strongly, achieving a sales densities in the order of 40% above the benchmark.
 - The performance of mini-major tenants at the centre is generally weaker than those at typical multiple discount department store based centres and peer centres, in sales density terms.
 - Total retail specialty sales at Stockland Wetherill Park (\$109.3 million) are substantially above the average retail specialty sales achieved by both multiple discount department store based centres (at around \$83.5 million) and peer centres (\$86.6 million). Retail specialty sales densities are either in line with or substantially higher than the benchmarks across all segments other than general, and well above benchmarks overall.

Section 2: Centre composition and performance

Table 2.2
Stockland Wetherill Park - Retail sales performance*

Tenant / Segment	Stockland Wetherill Park		Multiple dds centres		Variation	Peer centres***		Variation
	Centre sales**		Avg. sales		\$/sq.m	Avg. sales		\$/sq.m
	(\$'000)	(\$/sq.m)	(\$'000)	(\$/sq.m)	(%)	(\$'000)	(\$/sq.m)	(%)
Major tenants								
DDS	52,313	3,461	54,356	3,665	-5.6%	55,238	3,750	-7.7%
Supermarket	<u>76,078</u>	<u>9,985</u>	<u>78,219</u>	<u>10,363</u>	<u>-3.6%</u>	<u>78,559</u>	<u>10,338</u>	<u>-3.4%</u>
Total majors	128,392	5,647	132,575	5,924	-4.7%	133,798	5,992	-5.8%
Mini-majors	17,075	5,684	24,972	6,312	-10.0%	33,109	6,576	-13.6%
Retail specialities								
Food & liquor	17,138	15,866	8,974	11,258	40.9%	8,285	10,444	51.9%
Food catering	22,942	10,473	12,174	10,319	1.5%	15,006	9,837	6.5%
Apparel	37,997	9,453	30,346	7,328	29.0%	29,084	7,124	32.7%
Household	5,947	17,380	6,320	6,599	163.4%	8,105	6,113	184.3%
Leisure	11,450	19,632	8,119	10,473	87.4%	8,741	10,885	80.4%
General	6,879	8,330	10,114	9,266	-10.1%	10,612	9,618	-13.4%
Retail services	<u>6,927</u>	<u>8,149</u>	<u>7,406</u>	<u>7,539</u>	<u>8.1%</u>	<u>6,842</u>	<u>7,407</u>	<u>10.0%</u>
Total retail spec.	109,280	11,048	83,454	8,408	31.4%	86,674	8,210	34.6%
Total centre	254,746	7,150	241,002	6,646	7.6%	253,580	6,687	6.9%

*For the year ended May 2010, includes Pad Sites

**Including GST

*** Peer centres are sub-regional shopping centres anchored by multiple DDSs and two supermarkets

Source: Stockland; Pitney Bowes Business Insight

2.3 Proposed expansion scheme

i. Table 2.3 summarises the proposed Stage 4 expansion of Stockland Wetherill Park while Figures 2.2-2.4 illustrate the proposed scheme. Key points to note with regard to the proposed development scheme include:

- There would be minimal change to the existing centre, with the exception of two tenancies at the northern entrance to the centre (opposite the Hoyts cinema complex) which will be reconfigured.
- The proposed expansion of the centre will occupy space currently occupied by non-retail tenants (e.g. medical centres) and grade carparking and will include the addition of a gym operator of 1,195 sq.m (non-retail), five mini-major tenants, 4,134 sq.m of retail and non-retail specialty floorspace to be provided internally (3,998 sq.m, net of 136.4 sq.m of existing specialty floorspace that will be lost as part of the expansion scheme), 2,233 sq.m of external specialty floorspace and 195 sq.m of kiosks. In addition, part of the floorspace currently occupied by the Hoyts cinema will be converted to retail shopfronts.
- Following the proposed expansion, Stockland Wetherill Park would include 59,868 sq.m of floorspace, incorporating around 45,200 sq.m of retail floorspace.
- Further carparking spaces would be provided above the expanded centre on Level 1 and on the rooftop level. The existing basement carpark would also be expanded.

Section 2: Centre composition and performance

Table 2.3
Stockland Wetherill Park - Proposed composition

Category	Existing		Additional	Proposed	
	GLA (sq.m)	% of Retail		GLA (sq.m)	% of Retail
<u>Major tenants</u>					
DDS	15,117	42.4%	0	15,117	33.4%
Supermarket	<u>7,619</u>	<u>21.4%</u>	<u>0</u>	<u>7,619</u>	<u>16.8%</u>
Total majors	22,736	63.8%	0	22,736	50.3%
Mini-majors	3,004	8.4%	3,668	6,672	14.8%
Total retail specialty	<u>9,891</u>	<u>27.8%</u>	<u>5,925</u>	<u>15,816</u>	<u>35.0%</u>
Total centre - retail	35,631	100.0%	9,593	45,224	100.0%
Non-retail services	1,856		1,671	4,027	
Cinemas/entertainment	4,755		95	4,850	
Other non-retail & storage	5,195		571	5,766	
Vacant	<u>475</u>		<u>-475</u>	<u>0</u>	
Total centre	47,913		11,455	59,868	

Source: Stockland; Pitney Bowes Business Insight

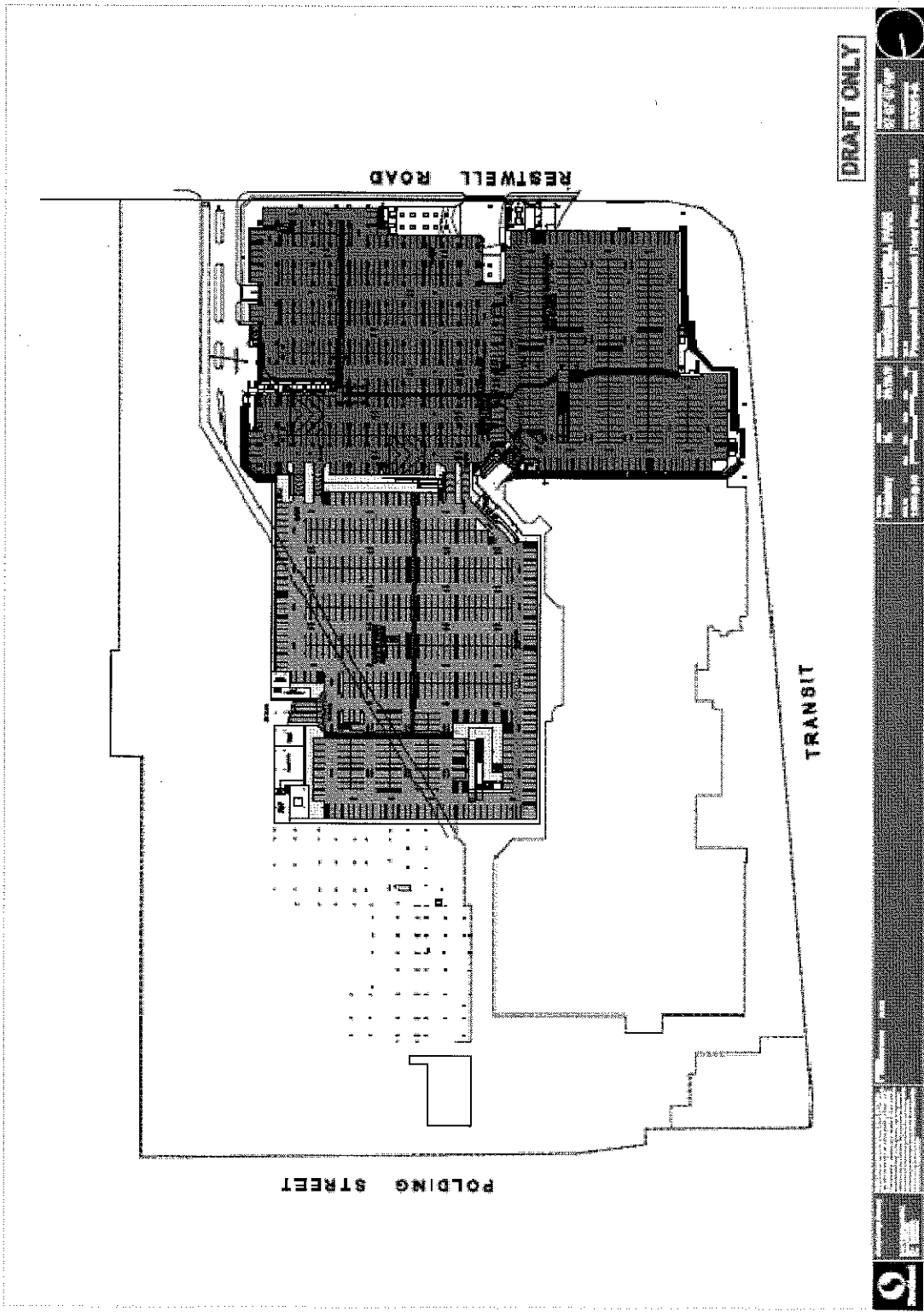


Figure 2.2

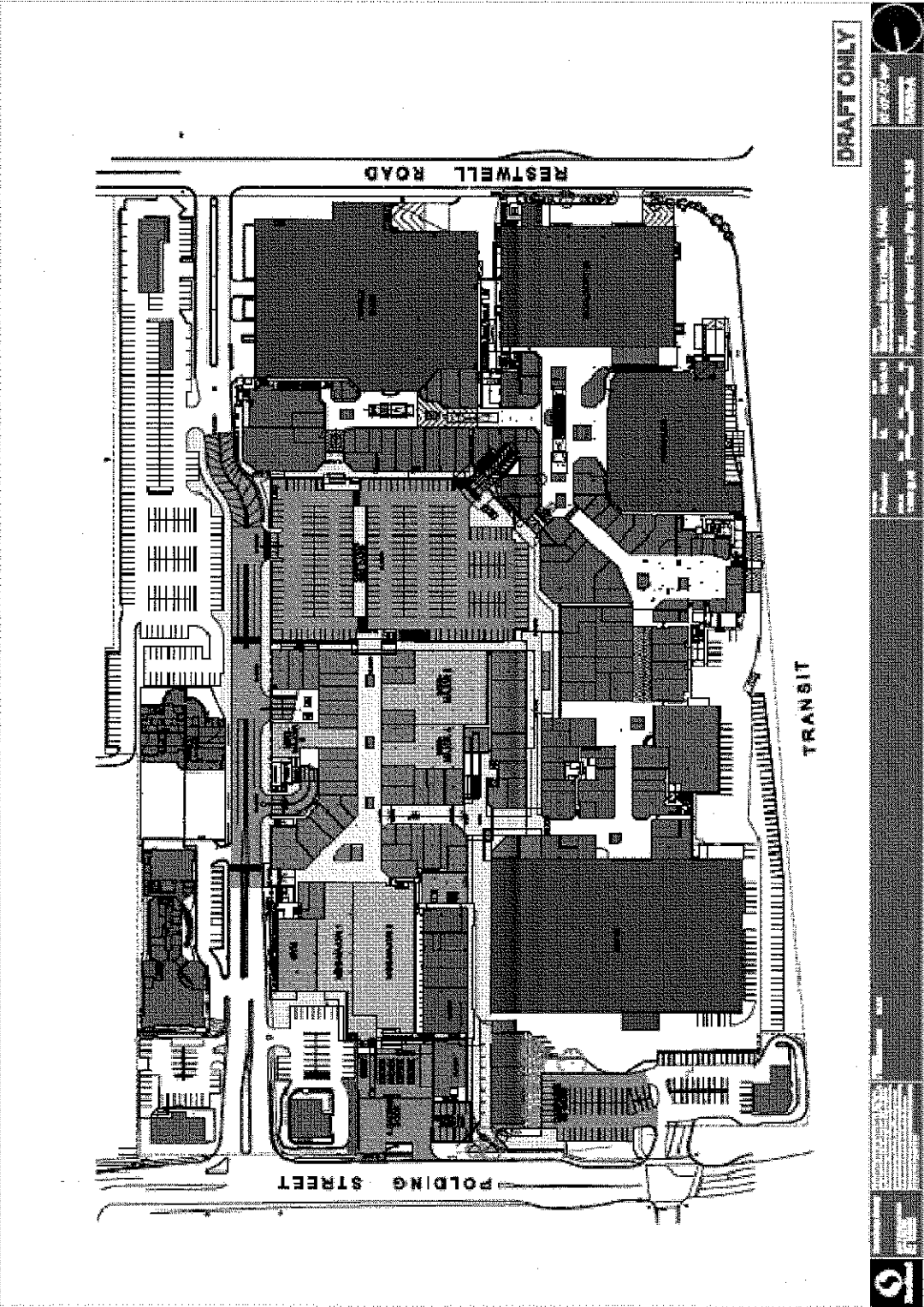


Figure 2.3

Stockland Wetherill Park, Sydney
Stage 4 expansion
Economic Impact Assessment

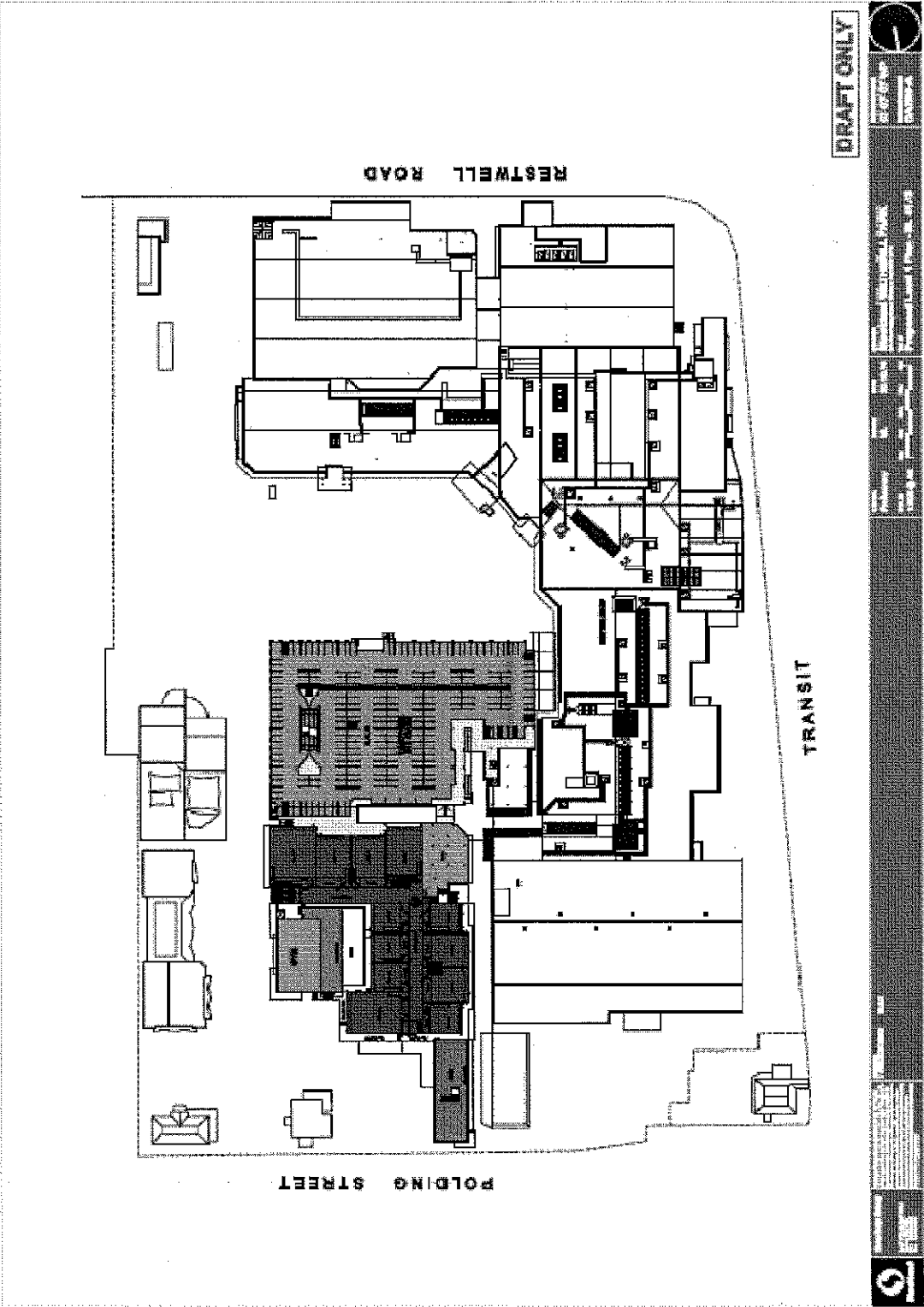


Figure 2.4

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Section 3: Trade area analysis

This section of the report reviews the trade area served by Stockland Wetherill Park. The current and projected population of the trade area, as well as the socio-demographic profile of residents and their associated retail expenditure levels are also considered.

3.1 Trade area definition

- i. The extent of the trade area or catchment that is served by any shopping centre is shaped by the interplay of a number of critical factors. These factors include:
 - The relative attraction of the 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 carparking, including access and ease of use.
 - The proximity and attractiveness of competitive retail 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 is effectively able to serve.
 - The available road network and public transport infrastructure, which determine the ease (or difficulty) with which customers are able to access a shopping centre.
 - Significant physical barriers which are difficult to negotiate, and can act as delineating boundaries to the trade area served by an individual shopping centre.

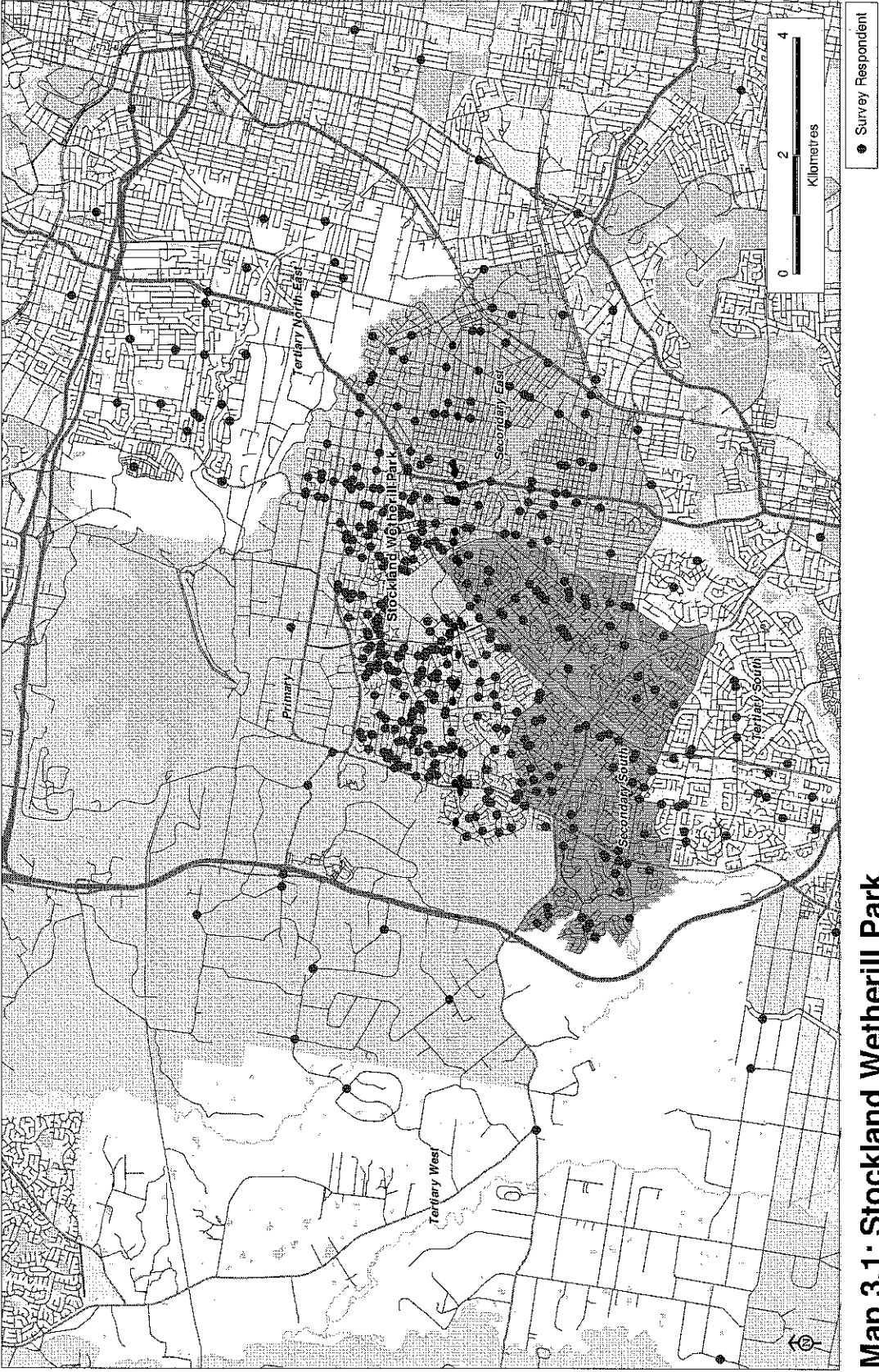
- ii. In the context of Stockland Wetherill Park, the most important of these factors are considered to be the following:
 - The centre's central location within the Prairiewood Town Centre, which is easily accessible by car and bus.
 - The location of competitive regional and sub-regional shopping centres, including Stockland Merrylands to the north-east, Fairfield Forum and Neeta City to the east, Westfield Liverpool to the south-east and Bonnyrigg Plaza to the south.
 - The provision of retail floorspace and the quality of retailers at the nearest sub-regional shopping centres, including Fairfield Forum, Neeta City and Bonnyrigg Plaza.
- iii. In addition to the above factors, we have taken into account the results of a customer exit survey undertaken by Directional Insights at the centre in September 2008. The results of this exit survey are summarised in Table 3.1 and illustrated on Map 3.1.
- iv. On this basis, the trade area served by Stockland Wetherill Park has been defined to include one primary and two secondary sectors, illustrated on Map 3.2 and described below:
 - The **primary sector** includes the suburbs of Wetherill Park, Bossley Park, Horsley Park, Abbotsbury as well as parts of Smithfield, Prairiewood, Greenfield Park and Edensor Park.
 - The **secondary east sector** comprises the Fairfield Town Centre, the surrounding suburbs of Fairfield West, Fairfield Heights, Canley Heights as well as parts of Cabramatta and Cabramatta West.
 - The **secondary south sector** encompasses the suburbs of Cecil Hills, Bonnyrigg, Wakeley, St Johns Park and parts of Cabramatta West and Edensor Park.

- v. The combination of the primary and secondary sectors is referred to as the main trade area throughout the remainder of this report. In addition, three tertiary sectors have also been defined, as follows:
- The **tertiary north-east sector** extends to include Greystanes, Woodpark, Pemulwuy as well as parts of Guildford, South Wentworthville and Merrylands West.
 - The **tertiary south sector** incorporates Hinchinbrook, Green Valley, Busby, Miller, Sadleir and Ashcroft.
 - The **tertiary west sector** extends west to include Kemps Creek, Cecil Park and Mount Vernon.
- vi. The total trade area (the combination of the main trade area and the tertiary sectors) extends approximately 5 km to the north, 8 km to the east and south and 10 km to the west. The extent of the total trade area reflects the lack of comparable retail facilities within the defined total trade area as well as the locations of major retail facilities at Parramatta, Merrylands and Liverpool.

Table 3.1
Stockland Wetherill Park - distribution of survey respondents

	Population	Survey respondents		
	Jun-10	No.	Dist.	Penetration*
Primary sector	45,950	321	52.5%	7.0
Secondary sectors				
• East	69,060	82	13.4%	1.2
• South	<u>46,690</u>	<u>91</u>	<u>14.9%</u>	<u>1.9</u>
Total secondary	115,750	173	28.3%	1.5
Main trade area	161,700	494	80.9%	3.1
Tertiary sectors				
• Nth-east	51,280	22	3.6%	0.4
• South	43,540	28	4.6%	0.6
• West	<u>4,290</u>	<u>5</u>	<u>0.8%</u>	<u>1.2</u>
Total tertiary	99,110	55	9.0%	0.6
Total trade area	260,810	549	89.9%	2.1
Beyond trade area		<u>62</u>	<u>10.1%</u>	
Total		611	100.0%	

**Number of survey respondents per 1,000 residents*
Source: Directional Insights; Pitney Bowes Business Insight



Map 3.1: Stockland Wetherill Park

Trade Area & Survey Respondents



The map displays the Liverpool City Region, highlighting the Mersey Gateway area. Key features include:

- Scale:** 0 to 4 Kilometres.
- Orientation:** North arrow pointing towards the top right.
- Urban Areas:** Penrith, Fairfield, Westfield, and the Mersey Gateway.
- Key Locations:** Penrith (C), Fairfield (C), Westfield (C), Mersey Gateway, and various schools like Penrith Primary, Fairfield Primary, and Westfield Primary.
- Infrastructure:** Roads, railways, and the Mersey Gateway bridge.

*Halo objects represent proposed stores



3.2 Resident trade area population

- i. Table 3.2 summarises the existing and projected population levels within the total trade area. As shown, the total trade area population is currently estimated at 260,810, including 161,700 persons in the main trade area and 45,950 persons in the primary sector.
- ii. Under the *Draft West Central Sub-Regional Strategy*, the local government area of Fairfield is required to accommodate an additional 24,000 new dwellings by 2031. This would require construction of 900-1,000 new dwellings annually over a 25 year period. Key centres where significant residential growth is expected include Prairiewood, Bonnyrigg, Bankstown, Fairfield, Merrylands and Cabramatta.
- iii. Within the total trade area, the Bonnyrigg public housing estate is the largest residential development currently under way. The project involves the replacement of some 800 existing social housing dwellings with approximately 2,300 new homes, of which about 1,600 will be sold to new home buyers. The development is in its first stage, which comprises 67 homes, and is expected to take around 10 years to be completed.
- iv. Taking the above into consideration, the total trade area population is forecast to increase to 270,610 by 2021, including 164,940 persons within the main trade area and 46,500 persons within the primary sector. Population growth is projected to average 700-1,000 persons or 0.3%-0.4% per annum over this period.

Table 3.2
Wetherill Park trade area population, 2001-2021*

	Estimated population			Forecast population		
	2001	2006	2010	2013	2016	2021
Primary sector	47,070	45,830	45,950	46,100	46,250	46,500
Secondary sectors						
• East	67,860	68,460	69,060	69,510	69,960	70,710
• South	<u>46,420</u>	<u>46,490</u>	<u>46,690</u>	<u>46,930</u>	<u>47,230</u>	<u>47,730</u>
Total secondary	114,280	114,950	115,750	116,440	117,190	118,440
Main trade area	161,350	160,780	161,700	162,540	163,440	164,940
Tertiary sectors						
• Nth-east	49,260	50,280	51,280	52,180	53,080	54,580
• South	43,810	43,460	43,540	43,600	43,750	44,000
• West	<u>4,080</u>	<u>4,090</u>	<u>4,290</u>	<u>4,590</u>	<u>5,340</u>	<u>7,090</u>
Total tertiary	97,150	97,830	99,110	100,370	102,170	105,670
Total trade area	258,500	258,610	260,810	262,910	265,610	270,610

*As at June

Source: ABS; Pitney Bowes Business Insight

Table 3.3
Wetherill Park grade area population growth, 2001-2021

	Average annual growth (no.)				
	2001-06	2006-10	2010-13	2013-16	2016-21
Primary sector	-248	30	50	50	50
Secondary sectors					
• East	120	150	150	150	150
• South	<u>14</u>	<u>50</u>	<u>80</u>	<u>100</u>	<u>100</u>
Total secondary	134	200	230	250	250
Main trade area	-114	230	280	300	300
Tertiary sectors					
• Nth-east	204	250	300	300	300
• South	-70	20	20	50	50
• West	<u>2</u>	<u>50</u>	<u>100</u>	<u>250</u>	<u>350</u>
Total tertiary	136	320	420	600	700
Total trade area	22	550	700	900	1,000
	Average annual growth (%)				
	2001-06	2006-10	2010-13	2013-16	2016-21
Primary sector	-0.5%	0.1%	0.1%	0.1%	0.1%
Secondary sectors					
• East	0.2%	0.2%	0.2%	0.2%	0.2%
• South	<u>0.0%</u>	<u>0.1%</u>	<u>0.2%</u>	<u>0.2%</u>	<u>0.2%</u>
Total secondary	0.1%	0.2%	0.2%	0.2%	0.2%
Main trade area	-0.1%	0.1%	0.2%	0.2%	0.2%
Tertiary sectors					
• Nth-east	0.4%	0.5%	0.6%	0.6%	0.6%
• South	-0.2%	0.0%	0.0%	0.1%	0.1%
• West	<u>0.0%</u>	<u>1.2%</u>	<u>2.3%</u>	<u>5.2%</u>	<u>5.8%</u>
Total tertiary	0.1%	0.3%	0.4%	0.6%	0.7%
Total trade area	0.0%	0.2%	0.3%	0.3%	0.4%

Source: ABS; Pitney Bowes Business Insight

3.3 Resident socio-demographic profile

- i. Table 3.4 details the socio-demographic profile of the total trade area population, while Chart 3.1 provides an illustration of the socio-demographic profile of the main trade area compared with the respective Sydney metropolitan benchmarks. This data is based on the 2006 Census of Population and Housing. Key points to note include the following:
 - The average age of the main trade area residents, at 35.0 years, is younger than the Sydney metropolitan benchmark of 36.6 years.
 - Total trade area residents earn income levels which are significantly lower than the comparable Sydney metropolitan benchmarks on both a per capita and per household basis, by 36.8% and 24.5%, respectively. This trend is evident across all trade area sectors.
 - The trade area population comprises a high proportion of ethnically diverse, overseas born residents.
 - A review of the household structure within the total trade area indicates that traditional families (i.e. couples with dependent children) are the most dominant family type, accounting for slightly more than half (50.5%) of the total trade area population. This is higher than the comparable Sydney metropolitan benchmark of 47.9%.
- ii. In general, the trade area comprises young families earning lower than average income levels. This is consistent with the profile of residents living on the fringe of a major urban area.

Table 3.4

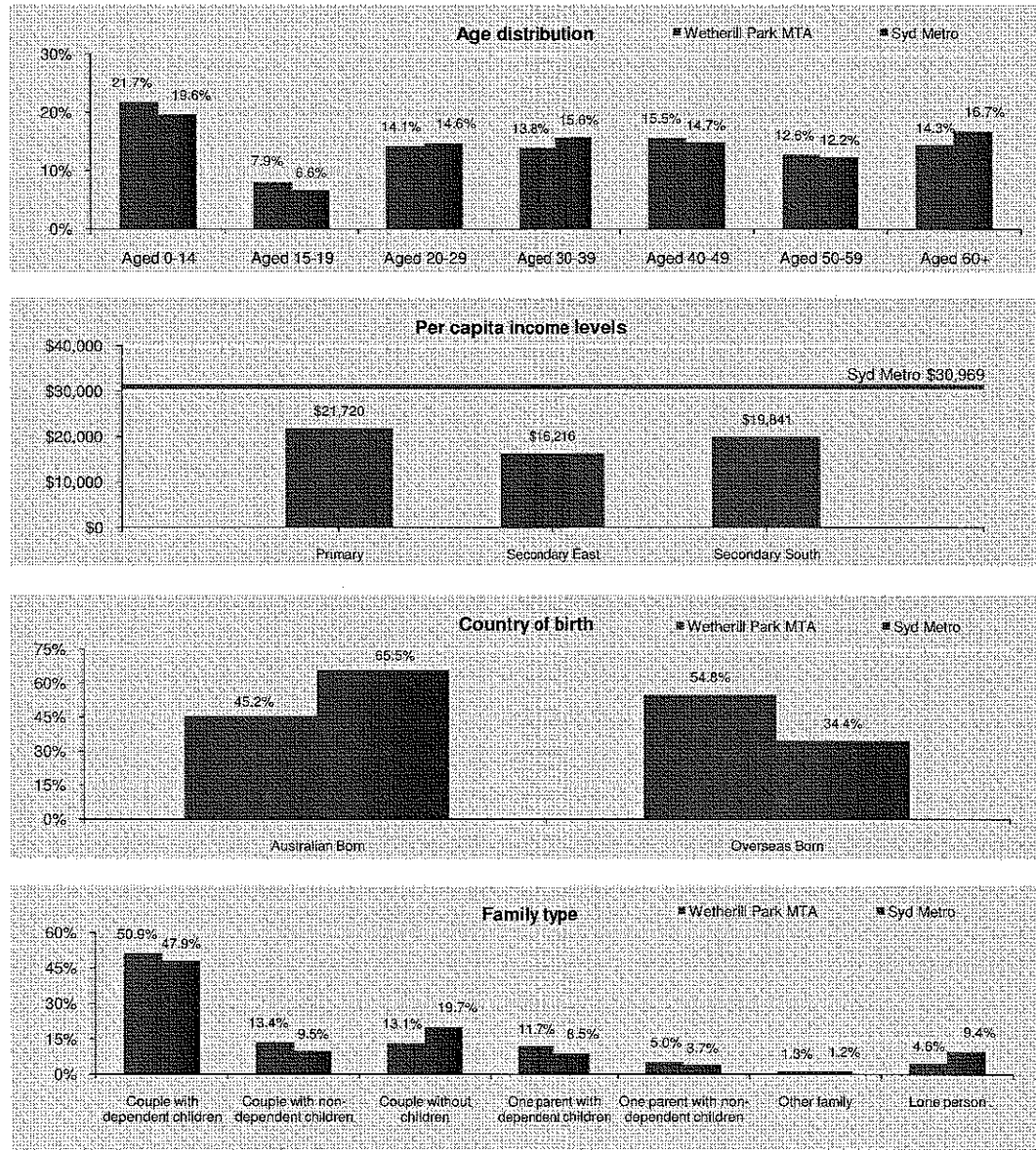
Wetherill Park total trade area - socio-demographic profile, 2006

	Primary sector	Secondary sectors		Main TA	Tertiary sectors			Total TA	Syd Metro avg.
		East	South		Nth-east	South	West		
Per capita income	\$21,720	\$16,216	\$19,841	\$18,833	\$23,660	\$17,484	\$21,330	\$19,585	\$30,969
Variation from benchmark	-29.9%	-47.6%	-35.9%	-39.2%	-23.6%	-43.5%	-31.1%	-36.8%	
Avg. household income	\$72,560	\$49,243	\$70,272	\$61,308	\$68,644	\$56,388	\$73,486	\$62,233	\$82,406
Variation from benchmark	-11.9%	-40.2%	-14.7%	-25.6%	-16.7%	-31.6%	-10.8%	-24.5%	
Avg. household size	3.3	3.0	3.5	3.3	2.9	3.2	3.4	3.2	2.7
<u>Age distribution (% of pop'n)</u>									
Aged 0-14	20.2%	21.9%	22.7%	21.7%	20.6%	25.9%	21.5%	22.2%	19.6%
Aged 15-19	9.0%	6.8%	8.7%	7.9%	7.2%	8.0%	7.7%	7.8%	6.6%
Aged 20-29	14.3%	13.9%	14.4%	14.1%	13.9%	13.8%	13.2%	14.0%	14.6%
Aged 30-39	12.3%	14.9%	13.8%	13.8%	14.2%	13.8%	12.0%	13.9%	15.6%
Aged 40-49	15.7%	14.9%	16.3%	15.5%	13.4%	15.5%	15.0%	15.1%	14.7%
Aged 50-59	14.6%	11.1%	12.9%	12.6%	12.6%	10.2%	13.7%	12.2%	12.2%
Aged 60+	14.1%	16.5%	11.3%	14.3%	18.0%	12.6%	16.8%	14.8%	16.7%
Average age	35.4	35.8	33.6	35.0	36.6	32.7	36.5	35.0	36.6
<u>Housing status (% of h'holds)</u>									
Owner/purchaser	79.4%	59.8%	76.4%	70.2%	75.7%	64.8%	77.8%	70.5%	67.0%
Renter	20.2%	39.8%	23.2%	29.4%	23.5%	34.7%	20.8%	29.0%	32.3%
Other	0.4%	0.4%	0.3%	0.4%	0.8%	0.5%	1.4%	0.5%	0.8%
<u>Birthplace (% of pop'n)</u>									
Australian born	52.9%	38.6%	47.5%	45.2%	65.5%	57.5%	69.3%	51.6%	65.5%
Overseas born	47.1%	61.4%	52.5%	54.8%	34.5%	42.5%	30.7%	48.4%	34.4%
• Asia	11.4%	31.2%	24.8%	23.7%	8.2%	15.0%	3.6%	18.9%	13.0%
• Europe	14.9%	11.1%	12.1%	12.5%	11.7%	9.7%	20.3%	12.0%	11.6%
• Other	20.8%	19.0%	15.6%	18.5%	14.6%	17.8%	6.8%	17.5%	9.9%
<u>Family type (% households)</u>									
Couple with dep't children	52.7%	46.7%	56.1%	50.9%	47.6%	52.2%	55.7%	50.5%	47.9%
Couple with non-dep't children	16.5%	11.1%	14.0%	13.4%	12.7%	10.6%	17.8%	12.8%	9.5%
Couple without children	13.4%	13.9%	11.3%	13.1%	18.2%	12.0%	15.7%	14.0%	19.7%
One parent with dep't children	8.7%	14.0%	11.1%	11.7%	9.2%	14.2%	3.9%	11.5%	8.5%
One parent with non-dep't child.	4.4%	5.9%	4.2%	5.0%	4.5%	4.8%	2.8%	4.8%	3.7%
Other family	0.8%	1.8%	0.8%	1.3%	1.1%	1.0%	0.9%	1.2%	1.2%
Lone person	3.4%	6.5%	2.6%	4.6%	6.7%	5.2%	3.3%	5.2%	9.4%

Source: ABS Census of Population & Housing, 2006; Pitney Bowes Business Insight

Chart 3.1

Wetherill Park main trade area - socio-demographic profile, 2006



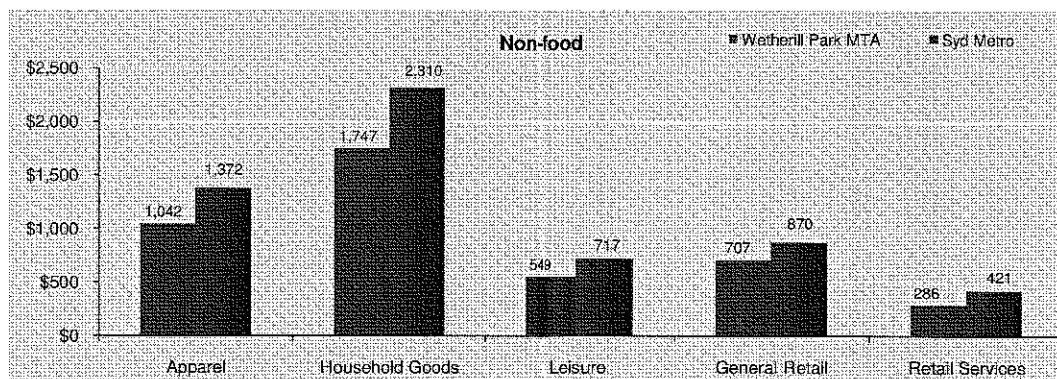
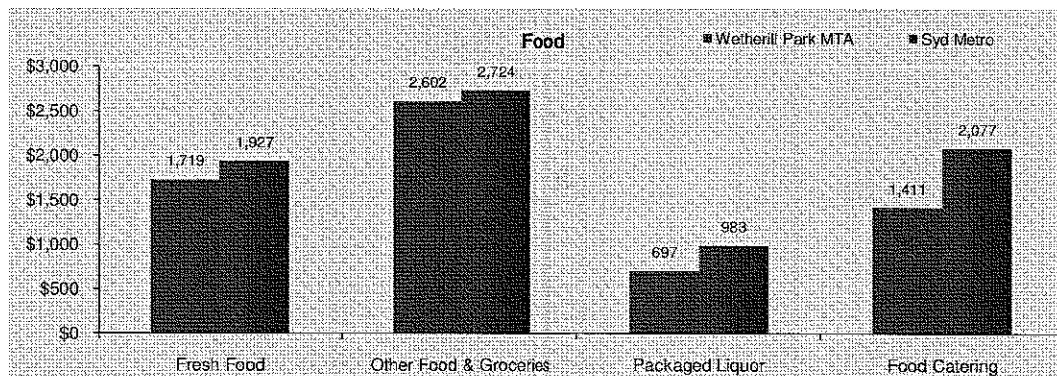
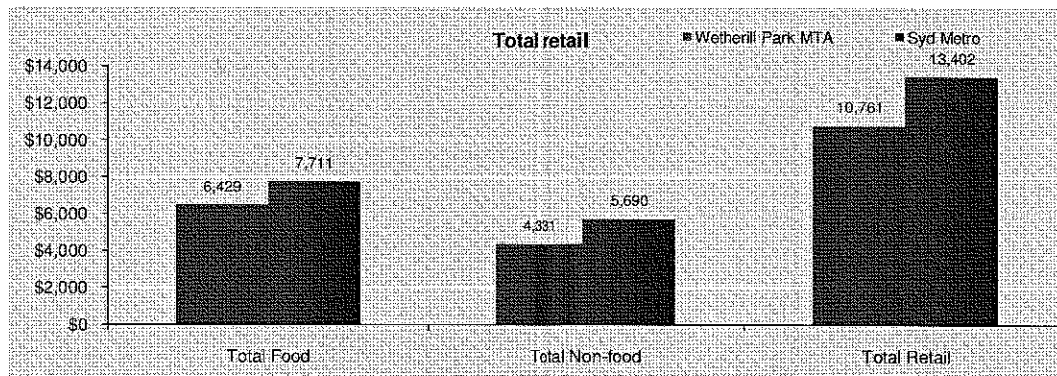
Source: ABS Census of Population & Housing, 2006; Pitney Bowes Business Insight

3.4 Resident trade area spending

- i. Chart 3.2 illustrates the retail expenditure levels per person for the main trade area population, benchmarked with the Sydney metropolitan averages for each retail category. Overall, the total retail expenditure per capita within the main trade area is lower than the comparable benchmark.
- ii. Table 3.5 summarises the total trade area retail expenditure. As shown, retail expenditure is currently estimated at \$2,867 million and is projected to increase in real terms by 1.4% per annum, to \$3,324 million by 2021. All spending forecasts presented in this report are in constant 2009/10 dollars (i.e. excluding retail inflation) and include GST.
- iii. The average annual growth rate of 1.4% reflects the following components:
 - Real increases in retail expenditure of 1.0% per annum, which is consistent with the long term Australian averages.
 - Average population growth rate of 0.4% across the total trade area.
- iv. Table 3.6 provides a summary of the total trade area retail expenditure by key commodity group. As shown, food and liquor spending accounts for the highest proportion of total trade area retail expenditure, at around 46.4%.

Chart 3.2

Wetherill Park trade area - retail spending per person, 2009/10*



Source: MarketInfo; Pitney Bowes Business Insight

Table 3.5
Wetherill Park total trade area - retail expenditure, 2010-2021

Year ending June	Primary sector	Secondary sectors		Main TA	Tertiary sectors			Total TA
		East	South		Nth-east	South	West	
2010	546	671	522	1,739	625	453	51	2,867
2011	552	679	528	1,759	635	458	52	2,903
2012	558	687	535	1,779	645	462	54	2,941
2013	564	695	541	1,800	655	467	56	2,978
2014	570	704	547	1,822	665	472	58	3,018
2015	577	712	554	1,843	676	478	62	3,059
2016	583	721	561	1,865	687	483	66	3,101
2017	590	730	568	1,887	698	488	70	3,144
2018	597	738	575	1,910	709	494	75	3,187
2019	603	747	582	1,932	720	499	80	3,232
2020	610	757	589	1,955	731	505	86	3,277
2021	617	766	596	1,979	743	511	92	3,324
Average annual growth (\$M)								
2010-2016	6	8	6	21	10	5	3	39
2016-2021	7	9	7	23	11	6	5	45
Average annual growth (%)								
2010-2016	1.1%	1.2%	1.2%	1.2%	1.6%	1.1%	4.4%	1.3%
2016-2021	1.1%	1.2%	1.2%	1.2%	1.6%	1.1%	6.8%	1.4%
*Constant 2009/10 dollars & including GST								
Source: MarketInfo; Pitney Bowes Business Insight								

Table 3.6

Wetherill Park total trade area - retail expenditure by product group, 2010-2021*

Year ending June	Food & liquor	Food catering	Apparel	Household goods	Leisure	General retail	Retail services
2010	1,331	378	276	472	144	190	76
2011	1,344	383	280	480	147	192	77
2012	1,358	388	284	489	149	195	78
2013	1,372	393	289	497	151	197	79
2014	1,386	398	293	506	154	200	80
2015	1,402	403	298	516	156	203	81
2016	1,417	409	303	525	159	205	83
2017	1,433	414	308	535	161	208	84
2018	1,449	420	313	545	164	211	85
2019	1,466	426	318	556	166	214	86
2020	1,482	432	323	566	169	217	87
2021	1,500	438	329	577	172	220	88
Average annual growth (\$M)							
2010-2016	14	5	4	9	2	3	1
2016-2021	16	6	5	10	3	3	1
Average annual growth (%)							
2010-2016	1.1%	1.3%	1.6%	1.8%	1.6%	1.3%	1.3%
2016-2021	1.1%	1.4%	1.6%	1.9%	1.6%	1.4%	1.4%
*Constant 2009/10 dollars & including GST							
Source: MarketInfo; Pitney Bowes Business Insight							

3.5 Worker trade area

- i. Map 3.4 illustrates the relevant worker trade area for Stockland Wetherill Park while Table 3.7 outlines the profile of these workers.
- ii. It is estimated that there are some 2,100 workers who work within the Prairiewood Town Centre, a large proportion of whom are employed at Stockland Wetherill Park.
- iii. Based on the 2008 customer exit survey conducted by Directional Insights, workers who work in the suburbs of Wetherill Park and Prairiewood (the defined worker trade area) account for 9.5% of the survey respondents. These workers are estimated to account for approximately 10.2% of total retail sales at the centre.
- iv. As Prairiewood continues to develop and become a major centre, it is expected that the town centre will attract a greater range of businesses from numerous industries. The number of workers who utilise Stockland Wetherill Park, particularly during lunch time, will therefore continue to increase.
- v. Already, it is estimated that some 14,800 workers work in the industrial precinct located less than 1 km to the north of the centre. These workers are likely to direct a proportion of their retail spending to retailers at Stockland Wetherill Park and thereby add to the retail spending by residents who live within the trade area.



Map 3.4: Stockland Wetherill Park

Worker Trade Area

Stockland Wetherill Park, Sydney
Stage 4 expansion
Economic Impact Assessment

Table 3.7
Profile of Worker Trade Area Sectors, 2006

Characteristics	Prairiewood Town Centre	Wetherill Park Industrial Estate	Fairfield LGA Average
Working Population	2,134	14,848	1,021
Gender			
Female	68.1%	26.5%	64.2%
Male	31.9%	73.5%	35.8%
Age Distribution			
Aged 15-19	15.5%	3.5%	11.5%
Aged 20-29	21.5%	19.3%	27.8%
Aged 30-49	40.9%	51.9%	44.9%
Aged 50-64	21.2%	23.8%	15.0%
Aged 65+	0.9%	1.6%	0.9%
Average Age	37.1	40.8	36.0
Occupation			
Clerical and Service Workers	39.3%	23.2%	47.7%
Labourers, Production & Transport Workers	11.8%	33.2%	7.9%
Managers and Administrators	2.2%	12.4%	2.8%
Other	0.3%	1.5%	1.6%
Professionals/Associate professionals	41.3%	12.9%	35.1%
Tradespersons and Related Workers	5.0%	16.9%	4.9%
Personal Income			
Less than \$7,748	13.8%	2.0%	10.1%
\$7,800 - \$12,948	6.1%	2.1%	12.4%
\$13,000 - \$20,748	10.3%	5.3%	12.5%
\$20,800 - \$31,148	18.5%	18.9%	22.0%
\$31,200 - \$41,548	16.7%	22.5%	14.1%
\$41,600 - \$51,948	9.6%	16.8%	8.3%
\$52,000 - \$67,548	10.9%	15.7%	9.5%
\$67,600 - \$83,148	7.4%	7.1%	5.7%
\$83,200 - \$103,948	2.9%	4.1%	1.4%
\$104,000 or more	2.8%	4.0%	2.0%
Not Stated	1.2%	1.6%	2.2%
Average Income	\$38,097	\$47,978	\$33,334
Mode of Transport			
Bus	2.7%	1.4%	2.6%
Car driver	62.5%	80.4%	61.8%
Car passenger	8.7%	6.7%	8.8%
Non travel	18.1%	4.5%	14.5%
Other	7.2%	5.8%	6.0%
Train	0.8%	1.2%	6.2%

Source: ABS Journey to Work Data 2006, Pitney Bowes Business Insight

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Section 4: Competitive context

This section of the report reviews the competitive environment within which Stockland Wetherill Park operates.

Table 4.1 provides a summary of the size and composition of competitive retail facilities which are illustrated on the previous Map 3.2.

Retail facilities within the western suburbs of Sydney form a hierarchy which includes:

- A regional shopping centre at Liverpool.
- Sub-regional shopping centres at Wetherill Park, Fairfield, Bonnyrigg and Merrylands.
- A number of supermarket based shopping centres to serve the needs of local residents.

Section 4: Competitive context

Table 4.1 Stockland Wetherill Park schedule of competing retail facilities			
Centre	Retail GLA (sq.m)	Major traders	Dist. by road from Stockland Wetherill Park (km)
Regional Shopping Centres			
<u>Liverpool</u>	<u>110,000</u>		9.0
• Westfield Liverpool	84,000	Myer (18,766), Target (8,250), Big W (8,291), Woolworths (3,848), Coles (3,876)	
• Other	26,000	Franklins (1,345), Aldi (1,300)	
Sub-regional Shopping Centres			
<u>Wetherill Park</u>	<u>51,538</u>		-
• Stockland Wetherill Park	34,338	Big W (8,097), Target (7,020), Woolworths (4,346), Franklins (3,273)	
• Wetherill Park SC	7,200	Franklins (2,500)	
• Other	10,000		
<u>Bonnyrigg</u>	<u>43,800</u>		4.0
• Bonnyrigg Plaza	22,000	Big W (8,373), Woolworths (4,030), Franklins (2,680), Supermarket (p)	
• Bonnyrigg Shopping Centre (p)	18,800	Kmart (5,933), Coles (3,380)	3.6
• Other	3,000	Aldi (1,200)	
<u>Fairfield</u>	<u>59,000</u>		5.5
• Neeta City	24,400	Big W (6,858), Woolworths (3,954)	
• Fairfield Forum	18,600	Kmart (6,960), Coles (3,054)	
• Other	16,000	Aldi (1,297)	
<u>Stockland Merrylands</u>	<u>21,900</u>		10.2
• Existing	21,900	Kmart (7,078), Target (6,897), Coles (3,634), Franklins (1,802)	
• Proposed	36,900	Big W (7,850), Woolworths (4,009)	
Supermarket Based Shopping Centres			
Greenfield SC	5,000	Franklins (1,316)	2.0
Wakeley Centre	3,700	IGA (2,150)	2.7
Fairfield West	2,700	Aldi (1,350), Supermarket (p)	3.0
Edensor Park Plaza	4,900	Coles (2,400)	3.4
Fairfield Heights	2,300	Food For Less (1,330)	4.0
Fairfield Market Plaza (u/c)	5,400	Coles (3,650)	4.0
Smithfield Square	8,100	Coles (2,850)	4.2
Canley Heights	6,500	IGA (1,200)	5.5
Horsley Park (p)	1,500	Supermarket	6.0
Canley Vale	2,200	Supermarket (p)	6.5
Cecil Hills Marketplace	5,000	Woolworths (2,614)	6.6
Pemulwuy Marketplace	5,200	Woolworths (3,940)	7.0
Cabramatta	35,000	Woolworths (3,367)	7.5
Valley Plaza	9,800	Coles (3,561), Woolworths (2,271)	8.1
Greystanes SC	5,600	Woolworths (1,700), Franklins (1,256)	8.5
Merrylands West SC	3,500	Franklins (1,831)	8.5
Miller Centre	9,700	Woolworths (3,551), Franklins (1,543)	9.5
Source: Property Council of Australia; Pitney Bowes Business Insight			

4.1 Regional shopping centres

- i. We have estimated that some 110,000 sq.m of retail floorspace is provided within the Liverpool Central Business Area (CBA). The majority of this is provided at Westfield Liverpool.
- ii. Westfield Liverpool was most recently expanded in 2006 and now encompasses some 84,000 sq.m of retail floorspace. The centre is anchored by a Myer department store, Big W and Target discount department stores and Woolworths and Coles supermarkets. The centre is situated some 9 km to the south-east of Wetherill Park.
- iii. The trade area served by retail facilities at Westfield Liverpool would incorporate a large proportion of the defined Stockland Wetherill Park trade area. Since the redevelopment and expansion of Westfield Liverpool, the level of escape spending from the defined Wetherill Park trade area to retail facilities in the Liverpool CBA is likely to have increased substantially.

4.2 Sub-regional shopping centres

- i. Stockland Wetherill Park is currently the largest sub-regional shopping centre within the total trade area and is the only centre which is anchored by two discount department stores, namely Big W and Target.
- ii. The closest competitive sub-regional shopping centre is located at Bonnyrigg, situated some 4 km to the south. Bonnyrigg Plaza currently includes some 22,000 sq.m of retail floorspace and is anchored by a Big W discount department store and Woolworths and Franklins supermarkets. Council has approved a development application for Bonnyrigg Plaza, which includes the addition of a full-line supermarket and associated retail specialty stores. The proposed expansion would increase the size of the centre by around 10,000 sq.m.

- iii. A development application has also been lodged for a sub-regional shopping centre situated along Smithfield Road at Bonnyrigg, within the secondary south sector. This centre is planned to include some 18,800 sq.m of retail floorspace, anchored by a Kmart discount department store and a full-line Coles supermarket.
- iv. Currently, the only national supermarket chain which is not represented at Bonnyrigg is Coles. Therefore, Coles is the most logical supermarket anchor tenant at either of the proposed developments at Bonnyrigg. At this stage, however, it is not clear whether both developments will ultimately proceed.
- v. In the event that both proposals proceed, the total provision of retail facilities at Bonnyrigg would be comparable to the existing retail provision at Prairiewood (Stockland Wetherill Park). This would heighten the need for Stockland Wetherill Park to expand, to maintain its role within the trade area's retail hierarchy.
- vi. For the purposes of this analysis, we have considered two different scenarios relating to the proposed Bonnyrigg developments. Scenario 1 assumes that both proposed developments proceed, and commence trading by 2014/15. This represents the most conservative scenario in terms of sales potential for Stockland Wetherill Park. Scenario 2, conversely, assumes that only the expansion of Bonnyrigg Plaza proceeds.
- vii. Competitive retail facilities situated within the Fairfield Town Centre, approximately 5.5 km to the east of Wetherill Park, include two sub-regional shopping centres, namely Neeta City and Fairfield Forum.
 - Fairfield Forum is anchored by a Kmart discount department store as well as a Coles supermarket. Fairfield Forum also includes some 50 specialty shops and a small cinema complex.
 - Neeta City is anchored by a Big W discount department store as well as a Woolworths supermarket. This centre includes 58 specialty shops.

In summary, the Fairfield Town Centre includes major tenants which are also provided at Stockland Wetherill Park, but also a range of local, independent, specialised traders that appeal to the surrounding multicultural population.

- viii. Stockland Merrylands is located approximately 10 km to the north-east, immediately beyond the Stockland Wetherill Park trade area. The centre is anchored by Target and Kmart discount department stores and Coles and Franklins supermarkets. The centre was also recently redeveloped to include some 80 additional specialty stores and a new foodcourt. Further redevelopment of Stockland Merrylands has also been planned. Stages 3 and 4 will incorporate Big W and Woolworths, as well as the relocation of the existing Franklins supermarket to a larger tenancy. Following the completion of the planned redevelopment, the centre will include approximately 59,000 sq.m of retail floorspace, which is greater than the current provision at Stockland Wetherill Park. For the purposes of this assessment, we have assumed the redevelopment will be completed by 2013.

4.3 Supermarket centres

- i. There are a number of smaller supermarket based centres situated within the defined Wetherill Park trade area, which generally serve the surrounding local residents. The majority of these centres are anchored by supermarkets of 2,500 sq.m or less, and consequently would not draw from a broad catchment.
- ii. A number of supermarket developments have been proposed within the trade area. These include:
 - A mixed use development at Canley Vale which comprises 100 residential units, 3,600 sq.m of commercial floorspace and 3,600 sq.m of retail floorspace, for which development approval has been granted. The retail component of this development is proposed to be anchored by a small supermarket.

- Fairfield Market Plaza, a proposed supermarket based centre in Fairfield West. The centre is planned to be anchored by a full-line supermarket of 3,650 sq.m and some 1,700 sq.m of specialty shops. Construction has commenced and is likely to be completed by 2011.
 - A development approval has been granted for a small supermarket of 1,500 sq.m in the suburb of Horsley Park (primary sector), approximately 6 km to the west.
- iii. For the purposes of this assessment, we have assumed that all proposed supermarket developments outlined in this sub-section commence trading by 2012.

Section 5: Retail centre potential

This section of the report provides an analysis of the sales potential for Stockland Wetherill Park based on the proposed Stage 4 development scheme.

The sales performance of any particular retail facility is determined by a combination of the following critical factors:

- i. The scale and quality of the centre, with particular regard to:
 - the major trader or 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; and
 - its amenity and ambience of the centre.
- ii. Accessibility to the centre and available carparking once there.
- iii. The size of the available catchment which the centre serves, which sets the maximum limit of the likely sales potential that the centre can achieve; and
- iv. The locations 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 area.

The estimates of sales potential for Stockland Wetherill Park detailed in the remainder of this section take into consideration each of the factors listed above, as well as all of the information provided in the earlier sections of this report. Given the current uncertainty regarding the two proposed developments at Bonnyrigg, we have considered two scenarios in relation to the competitive landscape, being that either one or both development(s) proceed(s). Scenario 1 is the more competitive of the two, and assumes that both Bonnyrigg developments proceed, while Scenario 2 assumes only the expansion of Bonnyrigg Plaza goes ahead.

5.1 Scenario 1 (more competitive)

5.1.1 Do nothing

- i. Prior to considering the future sales potential for Stockland Wetherill Park under the proposed Stage 4 expansion scheme, it is important to first assess the expected performance of the centre if it continues to trade in its current format and is not redeveloped or expanded.
- ii. Table 5.1 illustrates the estimated market share of the available retail spending currently being achieved by Stockland Wetherill Park. Based on annualised sales for the year to May 2010 of \$254.7 million, the centre is estimated to achieve an overall market share of 7.9% of the available total trade area retail spending, including 6.3% share of the food spending and 10.2% share of non-food spending. The centre achieves higher market shares of 21.6% of food spending and 29.9% of non-food spending within the primary sector.

Table 5.1
Stockland Wetherill Park - Estimated market shares, 2009/10*

TA sector	Retail spend (\$M)			Centre sales (\$M)			Market share		
	Food	Non-food	Total	Food	Non-food	Total	Food	Non-food	Total
Primary sector	320.5	225.2	545.8	69.2	67.2	136.4	21.6%	29.9%	25.0%
Secondary sectors									
• East	411.5	259.2	670.7	13.2	14.2	27.5	3.2%	5.5%	4.1%
• South	306.9	215.4	522.3	16.0	20.1	36.1	5.2%	9.3%	6.9%
• Sec_3	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Total secondary	718.4	474.6	1,193.0	29.2	34.4	63.5	4.1%	7.2%	5.3%
Main TA	1,038.9	699.9	1,738.7	98.3	101.6	199.9	9.5%	14.5%	11.5%
Tertiary sectors									
• Nth-east	366.0	258.9	624.8	3.3	7.8	11.2	0.9%	3.0%	1.8%
• South	273.6	179.3	452.9	4.2	8.5	12.7	1.5%	4.7%	2.8%
• West	<u>30.3</u>	<u>20.5</u>	<u>50.8</u>	<u>1.0</u>	<u>0.3</u>	<u>1.4</u>	<u>3.5%</u>	<u>1.6%</u>	<u>2.7%</u>
Total tertiary	669.9	458.6	1,128.6	8.6	16.7	25.3	1.3%	3.6%	2.2%
Total TA	1,708.8	1,158.5	2,867.3	106.9	118.3	225.2	6.3%	10.2%	7.9%
Sales from beyond TA				<u>12.2</u>	<u>17.4</u>	<u>29.5</u>			
Total centre sales				119.1	135.6	254.7			

*Including GST

Source: Stockland; Marketinfo; Pitney Bowes Business Insight

- iii. Under the 'do nothing' scenario, the two potential sources of sales growth/contraction are natural growth in available retail spending (driven by changes in trade area population and real changes in spending per capita) and changes in the market share of the available retail spending achieved by the centre, which are in turn driven by changes to the competitive landscape.
- iv. As previously outlined in Section 3 of this report, the total trade area population is projected to grow at an annual rate of 0.3%-0.4%, to reach 270,610 persons by 2021. Real growth in retail spending per capita, as stated in Section 3, has been assumed at 1% per annum over the forecast period.

- v. As mentioned previously, for the purposes of this analysis, we have taken a conservative approach and assumed that both proposed developments at Bonnyrigg proceed. This represents the most competitive environment that Stockland Wetherill Park is likely to experience.
- vi. It is estimated that the combined impact from the two developments at Bonnyrigg on major tenants at Stockland Wetherill Park would be in the order of \$6 million. Further, we would expect a flow-on impact on specialty sales, particularly the non-food segments.
- vii. The impact of proposed supermarket developments at Horsley Park, Fairfield and Canley Vale is likely to be limited, reflecting the relatively small scale of these developments.
- viii. Also of relevance to Stockland Wetherill Park's sales potential is the likely impact of the completion of the Stockland Merrylands redevelopment, assumed to commence trading in 2013. In the 'do nothing' scenario, we estimate an impact of \$3-\$4 million on Stockland Wetherill Park's discount department stores as well as further associated flow-on impacts on specialty sales.
- ix. Tables 5.2 and 5.3 summarise the projected sales and market shares for Stockland Wetherill Park in 2014/15 assuming that two proposed developments at Bonnyrigg proceed while the centre remains in its current format. As shown, the centre is projected to achieve sales of \$254.0 million. The flat-lining of the total centre sales over the five year period reflects the net effect of real growth in retail spending being offset by the impact from the proposed developments of two competitive sub-regional shopping centres at Bonnyrigg and the expansion of Stockland Merrylands (and to a lesser extent, a small impact from the proposed supermarket developments in the primary, secondary east and south trade area sectors).
- x. Under this scenario, the centre is forecast to achieve total market share of 7.4%, comprising 5.9% of food spending and 9.5% of non-food spending within the total trade area. The projected total market share is 0.5% lower than what the centre is estimated to achieve currently.

Table 5.2

Scenario 1 - Two proposed developments at Bonnyrigg
 Stockland Wetherill Park - Forecast centre sales by retail category (Do nothing), 2014/15*

Category	Stockland Wetherill Park			Double dds centres			Peer centres**		
	GLA (sq.m)	Forecast sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Average sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Average sales (\$'000)	(\$/sq.m)
<u>Major tenants</u>									
DDS	15,117	50,619	3,349	14,832	54,356	3,665	14,728	55,238	3,750
Supermarket	<u>7,619</u>	<u>75,428</u>	<u>9,900</u>	<u>7,548</u>	<u>78,219</u>	<u>10,363</u>	<u>7,599</u>	<u>78,559</u>	<u>10,338</u>
Total majors	22,736	126,047	5,544	22,379	132,575	5,924	22,328	133,798	5,992
Mini-majors	3,004	17,204	5,727	3,956	24,972	6,312	5,034	33,109	6,576
<u>Retail specialities</u>									
Food & liquor	1,080	17,289	16,006	797	8,974	11,258	793	8,285	10,444
Food catering	2,190	23,499	10,728	1,180	12,174	10,319	1,525	15,006	9,837
Apparel	4,019	38,367	9,545	4,141	30,346	7,328	4,082	29,084	7,124
Household	342	6,031	17,627	958	6,320	6,599	1,326	8,105	6,113
Leisure	583	11,562	19,823	775	8,119	10,473	803	8,741	10,885
General	826	6,971	8,441	1,092	10,114	9,266	1,103	10,612	9,618
Retail services	<u>850</u>	<u>7,020</u>	<u>8,258</u>	<u>982</u>	<u>7,406</u>	<u>7,539</u>	<u>924</u>	<u>6,842</u>	<u>7,407</u>
Total retail spec.	9,891	110,739	11,195	9,925	83,454	8,408	10,557	86,674	8,210
Total centre - retail	35,631	253,991	7,128	36,260	241,002	6,646	37,919	253,580	6,687

*Constant 2009/10 dollars & including GST

** Peer centres are sub-regional shopping centres anchored by multiple DDSs and two supermarkets

Source: Pitney Bowes Business Insight

Table 5.3

Scenario 1 - Two proposed developments at Bonnyrigg
 Stockland Wetherill Park - Forecast market shares (Do nothing), 2014/15*

TA sector	Retail spend (\$M)			Centre sales (\$M)			Market share		
	Food	Non-food	Total	Food	Non-food	Total	Food	Non-food	Total
Primary sector	335.4	241.5	576.9	70.0	70.1	140.1	20.9%	29.0%	24.3%
Secondary sectors									
• East	432.9	279.4	712.3	11.7	13.9	25.6	2.7%	5.0%	3.6%
• South	<u>322.3</u>	<u>231.8</u>	<u>554.1</u>	<u>16.7</u>	<u>21.0</u>	<u>37.7</u>	<u>5.2%</u>	<u>9.1%</u>	<u>6.8%</u>
Total secondary	755.2	511.2	1,266.4	28.4	34.9	63.2	3.8%	6.8%	5.0%
Main TA	1,090.6	752.6	1,843.3	98.3	105.0	203.3	9.0%	13.9%	11.0%
Tertiary sectors									
• Nth-east	392.0	284.0	676.0	2.9	4.7	7.5	0.7%	1.6%	1.1%
• South	285.7	191.9	477.6	4.3	8.9	13.2	1.5%	4.6%	2.8%
• West	<u>36.7</u>	<u>25.4</u>	<u>62.0</u>	<u>1.1</u>	<u>0.4</u>	<u>1.5</u>	<u>3.0%</u>	<u>1.4%</u>	<u>2.4%</u>
Total tertiary	714.4	501.3	1,215.6	8.3	13.9	22.2	1.2%	2.8%	1.8%
Total TA	1,805.0	1,253.9	3,058.9	106.7	118.9	225.5	5.9%	9.5%	7.4%
Sales from beyond TA				<u>12.4</u>	<u>16.1</u>	<u>28.5</u>			
Total centre sales				119.0	135.0	254.0			

*Constant 2009/10 dollars & including GST

Source: MarketInfo; Pitney Bowes Business Insight

5.1.2 Expansion potential

- i. As previously outlined in Section 2, Stockland Wetherill Park's proposed Stage 4 expansion includes the following components:
 - Five mini-major tenants.
 - 6,425 sq.m of additional retail and non-retail specialty floorspace.
 - A gym operator of 1,195 sq.m. (non-retail).
- i. Table 5.4 outlines the sales potential of the centre based on the Stage 4 redevelopment plan. We have assumed that the first full year of trading for the expanded centre is in 2014/15.

- ii. The expanded centre is projected to achieve sales of \$312.9 million in 2015, which is \$59.0 million higher than the 'do nothing' scenario. This includes \$125.5 million of major sales, \$41.8 million of mini-major tenant sales and \$145.5 million of sales achieved by specialty retailers. Our forecast specialty sales take into consideration the existing strength of the specialty offer at the centre, but also the fact that under the proposed expansion scheme, more than 50% more retail specialty floorspace will be added.
- iii. Table 5.5 outlines the estimated market share which Stockland Wetherill Park is projected to achieve following the expansion. As shown, the centre is projected to achieve a 9.1% share of total available retail spending, including 6.3% of food spending and 13.0% of non-food spending.

Table 5.4
Scenario 1 - Two proposed developments at Bonnyrigg
Stockland Wetherill Park - Forecast centre sales by retail category (Expansion), 2014/15*

Category	Stockland Wetherill Park			Double dds centres			Peer centres**		
	GLA (sq.m)	Forecast sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Average sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Average sales (\$'000)	(\$/sq.m)
Major tenants									
DDS	15,117	50,113	3,315	14,832	54,356	3,665	15,374	56,927	3,703
Supermarket	<u>7,619</u>	<u>75,428</u>	<u>9,900</u>	<u>7,548</u>	<u>78,219</u>	<u>10,363</u>	<u>11,207</u>	<u>94,068</u>	<u>8,393</u>
Total majors	22,736	125,541	5,522	22,379	132,575	5,924	26,581	150,995	5,681
Mini-majors	6,672	41,838	6,270	3,956	24,972	6,312	4,154	26,357	6,345
Retail specialties									
Food & liquor	1,630	20,291	12,448	797	8,974	11,258	847	9,201	10,868
Food catering	2,990	28,854	9,649	1,180	12,174	10,319	1,446	15,821	10,943
Apparel	5,819	48,545	8,342	4,141	30,346	7,328	4,359	31,976	7,335
Household	1,267	9,242	7,293	958	6,320	6,599	1,226	7,822	6,378
Leisure	1,283	17,110	13,333	775	8,119	10,473	754	7,881	10,451
General	1,426	11,162	7,828	1,092	10,114	9,266	1,421	12,542	8,824
Retail services	<u>1,400</u>	<u>10,311</u>	<u>7,365</u>	<u>982</u>	<u>7,406</u>	<u>7,539</u>	<u>961</u>	<u>6,568</u>	<u>6,837</u>
Total retail spec.	15,816	145,514	9,200	9,925	83,454	8,408	11,014	91,810	8,336
Total centre - retail	45,224	312,893	6,919	36,260	241,002	6,646	41,749	269,162	6,447

*Constant 2009/10 dollars & including GST
** Peer centres are sub-regional shopping centres anchored by multiple DDSs and three supermarkets
Source: Pitney Bowes Business Insight

Table 5.5

Scenario 1 - Two proposed developments at Bonnyrigg
Stockland Wetherill Park - Forecast market shares (Expansion), 2014/15*

	Retail spend (\$M)			Centre sales (\$M)			Market share		
	Food	Non-food	Total	Food	Non-food	Total	Food	Non-food	Total
Primary sector	335.4	241.5	576.9	74.6	96.4	170.9	22.2%	39.9%	29.6%
Secondary sectors									
• East	432.9	279.4	712.3	12.5	19.1	31.6	2.9%	6.8%	4.4%
• South	<u>322.3</u>	<u>231.8</u>	<u>554.1</u>	<u>17.9</u>	<u>28.9</u>	<u>46.8</u>	<u>5.6%</u>	<u>12.5%</u>	<u>8.4%</u>
Total secondary	755.2	511.2	1,266.4	30.4	48.0	78.4	4.0%	9.4%	6.2%
Main TA	1,090.6	752.6	1,843.3	105.0	144.3	249.3	9.6%	19.2%	13.5%
Tertiary sectors									
• Nth-east	392.0	284.0	676.0	3.1	6.4	9.5	0.8%	2.3%	1.4%
• South	285.7	191.9	477.6	4.8	12.2	17.0	1.7%	6.4%	3.6%
• West	<u>36.7</u>	<u>25.4</u>	<u>62.0</u>	<u>1.2</u>	<u>0.5</u>	<u>1.6</u>	<u>3.1%</u>	<u>1.9%</u>	<u>2.6%</u>
Total tertiary	714.4	501.3	1,215.6	9.1	19.1	28.1	1.3%	3.8%	2.3%
Total TA	1,805.0	1,253.9	3,058.9	114.1	163.4	277.5	6.3%	13.0%	9.1%
Sales from beyond TA				<u>13.3</u>	<u>22.1</u>	<u>35.4</u>			
Total centre sales				127.4	185.5	312.9			

*Constant 2009/10 dollars & including GST

Source: Marketinfo; Pitney Bowes Business Insight

5.2 Scenario 2 (less competitive)

- i. Applying the same methodology as sub section 5.1, this sub-section of the report now assesses the sales potential for Stockland Wetherill Park assuming that only one proposed development at Bonnyrigg (the proposed expansion of Bonnyrigg Plaza) proceeds.
- ii. Tables 5.6-5.7 outline projected sales and market shares of Stockland Wetherill Park if it remains in its current format (the do nothing scenario). As shown, total centre sales are estimated at \$262.7 million in 2015, which is \$8.7 million higher than if the proposed Bonnyrigg Shopping Centre (to be anchored by Kmart and Coles) also proceeds. Under this assumption, the centre is estimated to achieve a 7.6% market share of available retail spending, which is 0.3% lower than what it currently achieves.

- iii. Tables 5.8-5.9 then present projected sales and market shares that Stockland Wetherill Park is likely to achieve following the proposed Stage 4 expansion. The expanded centre is forecast to achieve sales of \$324.7 million in 2015, including \$130.7 million of major sales, \$43.4 million of mini-major tenant sales and retail specialty sales totalling \$150.6 million.
- iv. Major tenant sales are projected to be approximately \$5.1 million higher than those under the conservative assumption and reflect the addition of only one supermarket (most likely to be Coles) within the trade area in 2015. Some upside to the sales achieved by mini-major tenants and specialty retailers is also factored in, reflecting the less competitive environment than that in which the proposed Bonnyrigg Shopping Centre also proceeds.
- v. Under this scenario, the expanded Stockland Wetherill Park is estimated to achieve a 9.3% market shares of available retail spending, including a 6.5% market share of food spending and a 13.5% market share of non-food spending. This is 0.2% higher than what the centre is projected to achieve under Scenario 1.

Table 5.6

Scenario 2 - Bonnyrigg Plaza expansion

Stockland Wetherill Park - Forecast centre sales by retail category (Do nothing), 2014/15*

Category	Stockland Wetherill Park			Double dds centres		
	GLA (sq.m)	Forecast sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Average sales (\$'000)	(\$/sq.m)
Major tenants						
DDS	15,117	53,703	3,553	14,832	54,356	3,665
Supermarket	<u>7,619</u>	<u>77,490</u>	<u>10,171</u>	<u>7,548</u>	<u>78,219</u>	<u>10,363</u>
Total majors	22,736	131,193	5,770	22,379	132,575	5,924
Mini-majors	3,004	17,832	5,936	3,956	24,972	6,312
Retail specialities						
Food & liquor	1,080	17,673	16,362	797	8,974	11,258
Food catering	2,190	23,959	10,938	1,180	12,174	10,319
Apparel	4,019	39,622	9,857	4,141	30,346	7,328
Household	342	6,228	18,200	958	6,320	6,599
Leisure	583	11,940	20,471	775	8,119	10,473
General	826	7,125	8,627	1,092	10,114	9,266
Retail services	<u>850</u>	<u>7,175</u>	<u>8,441</u>	<u>982</u>	<u>7,406</u>	<u>7,539</u>
Total retail spec.	9,891	113,721	11,497	9,925	83,454	8,408
Total centre - retail	35,631	262,746	7,374	36,260	241,002	6,646

*Constant 2009/10 dollars & including GST

Source: Pitney Bowes Business Insight

Table 5.7
Scenario 2 - Bonnyrigg Plaza expansion
Stockland Wetherill Park - Forecast market shares (Do nothing), 2014/15*

TA sector	Retail spend (\$M)			Centre sales (\$M)			Market share		
	Food	Non-food	Total	Food	Non-food	Total	Food	Non-food	Total
Primary sector	335.4	241.5	576.9	71.9	72.9	144.8	21.4%	30.2%	25.1%
Secondary sectors									
• East	432.9	279.4	712.3	11.8	13.3	25.1	2.7%	4.8%	3.5%
• South	<u>322.3</u>	<u>231.8</u>	<u>554.1</u>	<u>17.1</u>	<u>21.8</u>	<u>39.0</u>	<u>5.3%</u>	<u>9.4%</u>	<u>7.0%</u>
Total secondary	755.2	511.2	1,266.4	28.9	35.2	64.1	3.8%	6.9%	5.1%
Main TA	1,090.6	752.6	1,843.3	100.8	108.1	208.9	9.2%	14.4%	11.3%
Tertiary sectors									
• Nth-east	392.0	284.0	676.0	3.0	4.8	7.8	0.8%	1.7%	1.2%
• South	285.7	191.9	477.6	4.4	9.2	13.7	1.6%	4.8%	2.9%
• West	<u>36.7</u>	<u>25.4</u>	<u>62.0</u>	<u>1.1</u>	<u>0.4</u>	<u>1.5</u>	<u>3.1%</u>	<u>1.5%</u>	<u>2.4%</u>
Total tertiary	714.4	501.3	1,215.6	8.5	14.4	23.0	1.2%	2.9%	1.9%
Total TA	1,805.0	1,253.9	3,058.9	109.3	122.6	231.9	6.1%	9.8%	7.6%
Sales from beyond TA				<u>12.9</u>	<u>18.0</u>	<u>30.9</u>			
Total centre sales				122.2	140.6	262.7			

Source: Pitney Bowes Business Insight

Source: Marketinfo; Pitney Bowes Business Insight

Table 5.8						
Scenario 2 - Bonnyrigg Plaza expansion						
Stockland Wetherill Park - Forecast centre sales by retail category (Expansion), 2014/15*						
Category	Stockland Wetherill Park			Double dds centres		
	GLA (sq.m)	Forecast sales		GLA (sq.m)	Average sales	
		(\$'000)	(\$/sq.m)		(\$'000)	(\$/sq.m)
Major tenants						
DDS	15,117	53,166	3,517	14,832	54,356	3,665
Supermarket	<u>7,619</u>	<u>77,490</u>	<u>10,171</u>	<u>7,548</u>	<u>78,219</u>	<u>10,363</u>
Total majors	22,736	130,656	5,747	22,379	132,575	5,924
Mini-majors	6,298	43,421	6,894	3,956	24,972	6,312
Retail specialities						
Food & liquor	1,630	20,811	12,767	797	8,974	11,258
Food catering	2,990	29,511	9,868	1,180	12,174	10,319
Apparel	5,819	50,689	8,710	4,141	30,346	7,328
Household	1,267	9,668	7,629	958	6,320	6,599
Leisure	1,283	17,835	13,898	775	8,119	10,473
General	1,426	11,465	8,041	1,092	10,114	9,266
Retail services	<u>1,400</u>	<u>10,603</u>	<u>7,573</u>	<u>982</u>	<u>7,406</u>	<u>7,539</u>
Total retail spec.	15,816	150,582	9,521	9,925	83,454	8,408
Total centre - retail	44,850	324,659	7,239	36,260	241,002	6,646
*Constant 2009/10 dollars & including GST						
Source: Pitney Bowes Business Insight						

Table 5.9
Scenario 2 - Bonnyrigg Plaza expansion
Stockland Wetherill Park - Forecast market shares (Expansion), 2014/15*

	Retail spend (\$M)			Centre sales (\$M)			Market share		
	Food	Non-food	Total	Food	Non-food	Total	Food	Non-food	Total
Primary sector	335.4	241.5	576.9	76.6	100.6	177.2	22.8%	41.7%	30.7%
Secondary sectors									
• East	432.9	279.4	712.3	12.6	18.4	31.0	2.9%	6.6%	4.4%
• South	<u>322.3</u>	<u>231.8</u>	<u>554.1</u>	<u>18.4</u>	<u>30.1</u>	<u>48.5</u>	<u>5.7%</u>	<u>13.0%</u>	<u>8.8%</u>
Total secondary	755.2	511.2	1,266.4	31.0	48.5	79.5	4.1%	9.5%	6.3%
Main TA	1,090.6	752.6	1,843.3	107.6	149.1	256.7	9.9%	19.8%	13.9%
Tertiary sectors									
• Nth-east	392.0	284.0	676.0	3.2	6.7	9.9	0.8%	2.4%	1.5%
• South	285.7	191.9	477.6	4.9	12.7	17.6	1.7%	6.6%	3.7%
• West	<u>36.7</u>	<u>25.4</u>	<u>62.0</u>	<u>1.2</u>	<u>0.5</u>	<u>1.7</u>	<u>3.2%</u>	<u>2.0%</u>	<u>2.7%</u>
Total tertiary	714.4	501.3	1,215.6	9.3	19.9	29.2	1.3%	4.0%	2.4%
Total TA	1,805.0	1,253.9	3,058.9	116.9	169.0	285.9	6.5%	13.5%	9.3%
Sales from beyond TA				<u>13.9</u>	<u>24.8</u>	<u>38.7</u>			
Total centre sales				130.8	193.8	324.7			

Source: Pitney Bowes Business Insight

Source: Marketinfo; Pitney Bowes Business Insight

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Section 6: Economic impact assessment

This section of the report commences with an assessment of the level of supportable retail floorspace within the Fairfield Local Government Area (LGA), then provides an assessment of the economic impacts (both positive and negative) likely to be generated by the proposed expansion of Stockland Wetherill Park.

6.1 Supportable retail floorspace

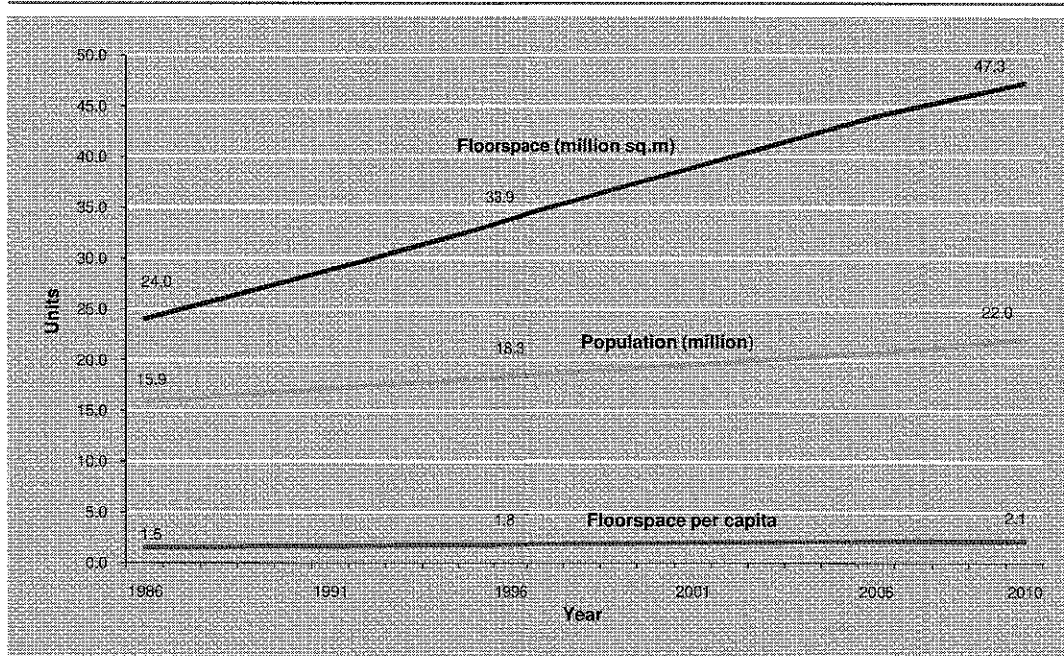
The Fairfield LGA encompasses most of the defined Stockland Wetherill Park main trade area. For comparability with relevant planning documents and ease of interpretation, we have adopted the geographical boundaries of the Fairfield LGA as the base of an assessment of supportable retail floorspace in the region.

6.1.1 Methodology and key metrics

- i. The application of a retail floorspace provision per capita to the population, using an appropriate benchmark, is considered to be the most appropriate methodology for estimating supportable retail floorspace provisions in any region. This is a factor of the general consensus about the level of retail floorspace that is to be provided per person throughout urban Australia.
- ii. As outlined in Section 1 of this report, the NSW Government's Draft Centres Policy (April 2009) recognises a current retail floorspace provision in Sydney of 2.0 sq.m per capita based on available historical data. The Policy projects that this floorspace provision will increase to 2.4 square metres per capita by 2031.

- iii. Considering more broadly the provision of retail floorspace across Australia, our analysis, as illustrated on Chart 6.1 below, suggests that the per capita provision of retail floorspace has increased from 1.5 sq.m in 1985/86 to 2.1 sq.m in 2009/10. This slightly higher current provision per capita, in comparison with the Sydney average, reflects the historical challenges faced by developers in Sydney in finding sites within the metropolitan region which are of an appropriate size and location to support retail development.
- iv. The rate of growth in the per capita provision of retail floorspace in Australia has been steady, typically ranging from 1.5% - 2% per annum. This steady increase reflects the development trends of the retail industry on the one hand, with new retail formats being introduced on an ongoing basis, and the increase in real incomes of consumers, as well as their demands for an ever more diverse range of retail experiences, on the other. The extensive provision of bulky goods/homemaker floorspace for example, or the factory outlet space which is now readily apparent throughout most part of Australia, simply did not exist a decade ago. Similarly, large regional centres providing in excess of 100,000 sq.m also did not exist 10 - 15 years ago.

Chart 6.1
Australia: Retail Floorspace Per Capita Trends, 1986-2008



Sources: Pitney Bowes Business Insight

- v. For the purposes of this assessment, we have adopted the current Sydney average retail provision of 2.0 sq.m per capita, and assumed that this will grow to 2.4 sq.m per capita by 2031, in line with the expectations of the NSW government.
- vi. On this basis, the level of supportable retail floorspace in the Fairfield LGA can be estimated by considering two key factors:
 - Current and future resident population levels;
 - The evolving competitive landscape within the region, and consequently the amount of retail expenditure that is escaping, or will escape from Fairfield to alternative (external) retail facilities

6.1.2 Estimates of supportable retail floorspace

- i. Table 6.1 below summarises the current estimates of both population and retail floorspace provision per capita within the Fairfield LGA.
- ii. As shown the provision of total retail floorspace within the Fairfield LGA is estimated at some 318,800 sq.m, or 1.7 sq.m per capita. The Fairfield LGA can therefore be considered currently to be slightly undersupplied with retail floorspace, in the context of the Sydney average floorspace provision of 2.0 sq.m per capita.
- iii. It might be argued that this under provision is 'appropriate', given the lower than average income levels of residents of the Stockland Wetherill Park main trade area, and of the Fairfield LGA. That is, that lower income levels suggest lesser demand for retail floorspace. At odds with this argument, however, is the strong trading performance of Stockland Wetherill Park, and particularly its specialty retail component (refer Section 2 of this report). In addition, a lower provision of retail floorspace per capita for Fairfield LGA residents would mean they would be disadvantaged relative to other parts of the metropolitan area, since it would translate into a reduced range and more limited choice in shopping alternatives. Furthermore, Fairfield LGA has two large town centres, Fairfield and Prairiewood, and would therefore be expected to have a retail floorspace provision per capita at least equivalent to the Sydney metropolitan average.

Table 6.1
Estimated Existing Retail Floorspace Provision, 2009/10*

	Estimated GLA (sq.m)			2010 Population	2010 GLA per person	2031 Est. Population
	Traditional	Bulky	Total			
Fairfield LGA	242,500	76,300	318,800	187,740	1.7	188,370
<i>Australian Average</i>					2.0	

Source: Pitney Bowes Business Insight

- iv. Table 6.2 provides estimates for the Fairfield LGA, of the current and expected future under/over supply of retail floorspace, based upon an initial average provision of retail floorspace per capita of 2.0 sq.m, growing to 2.4 sq.m per capita by 2031.
- v. Each of the proposed traditional retail developments within the LGA, as discussed previously in this report, are considered in this analysis. In addition, we have included estimates of the current and future supply of bulky goods floorspace within the LGA.
- vi. The first part of the table seeks to estimate the indicative supportable total retail floorspace within the Fairfield LGA, by multiplying the population of the Fairfield LGA by the Sydney average per capita retail floorspace provision. The second section of each table then provides a summary of the estimated existing and proposed future supply of traditional and bulky goods retail floorspace within the LGA. The indicative levels of under / over supply of total retail floorspace at the conclusion of the table are simply the difference between the indicative supportable floorspace and current/future supply.
- vii. As shown in Table 6.2, the current undersupply of total retail floorspace within the Fairfield LGA is estimated at almost 57,000 sq.m, and projected to increase to over 78,000 sq.m by 2031. These projections take into consideration the addition to retail supply of all currently proposed future retail developments (such as the two Bonnyrigg developments, and of course the proposed expansion of Stockland Wetherill Park). Given the uncertainty regarding the likelihood of both Bonnyrigg developments proceeding (as assumed in the analysis), the ongoing estimates of undersupply of retail floorspace within the LGA can be considered conservative.

Table 6.2						
Fairfield LGA Future Demand for Retail Floorspace, 2010-2031						
Based on Average per Capita Floorspace Requirement (inc. 0.02 sq.m per annum)						
Factor	Year					
	2010	2012	2015	2021	2026	2031
Average Per Capita (sq.m)	2.0	2.0	2.1	2.2	2.3	2.4
Indicative Supportable F'space (sq.m)						
Fairfield LGA	375,480	383,194	394,401	418,181	437,598	455,855
Existing and Proposed Retail Supply (sq.m)						
Traditional Retail						
Existing Retail Facilities	242,500	242,500	252,092	289,220	289,220	289,220
Proposed Retail Facilities						
• Stockland Wetherill Park Expansion (p)			8,391			
• Bonnyrigg Plaza Extension (p)			10,376			
• Bonnyrigg Shopping Centre (p)			18,361			
• Supermarket centres (p)		9,592				
Bulky Goods						
Existing Bulky Goods Facilities	76,300	76,300	88,609	88,609	88,609	88,609
Proposed Bulky Goods Facilities						
• Wetherill Park Bulky Centre* (p)		12,309				
Total Retail Supply (sq.m)	318,800	340,701	377,829	377,829	377,829	377,829
Fairfield LGA Under (-)/Over (+) Supply	-56,680	-42,493	-16,572	-40,352	-59,769	-78,026
* Development approval for 18 bulky goods premises and 7 factory units totalling 12,309 sq.m.						
Source : Pitney Bowes Business Insight						

6.2 Consideration of broad trading impacts

- i. In the context of the existing and likely future under supply of retail floorspace within the LGA, which suggests more than adequate consumer demand for the proposed expansion of Stockland Wetherill Park, it remains to consider the likely economic impacts of that expansion.
- ii. Table 6.3, following presents an indicative projection of the anticipated impacts of the proposed expansion of Stockland Wetherill Park on competing retail facilities, both within and beyond the defined trade area. Such projections must be considered as indicative only, for the simple reason that it is very difficult to predict with certainty the precise impact on any one retailer or any one centre that will result from any change to

the retail structure serving a particular area or region. The impacted centre has a number of possible actions which it may be able to take, for example, which may mitigate or eliminate the extent of the impact. Expansions and improvements may be undertaken at other centres and locations throughout the region, and all of these factors can change the nature of the impact.

- iii. Accordingly, our indicative projections are based upon the likely broad changes in competitive circumstances, and in particular the changes in the availability of retail expenditure for competitive centres, that can reasonably be expected to flow from the proposed expansion of the Stockland Wetherill Park. The broad changes effectively set the market conditions within which competitive centres will operate as a result of the proposed expansion. Reasons or conclusions can then be drawn about the possible impacts of these broad changes on market conditions.
- iv. On this basis, Table 6.3 presents a summary of the growth in retail spending generated by the trade area population, compared with projected sales for Stockland Wetherill Park and other trade area retailers. All sales are expressed in constant 2009/10 dollars and include GST.

Table 6.3
Stockland Wetherill Park Trading Impact Assessment, 2010-2015*

	2009/10	2014/15	Change	
	\$M	\$M	\$M	%
Part 1A : Estimated Retail Spending Market (With Stockland Wetherill Park expansion)				
Main TA Residents Spending	1,738.7	1,843.3	104.5	6.0%
Net Escape Resident Spending	<u>393.0</u>	<u>244.7</u>	<u>-148.3</u>	<u>-37.7%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,598.6	252.8	18.8%
Part 1B : Calculation of Main TA Retail Sales (With Stockland Wetherill Park expansion)				
Stockland Wetherill Park	254.7	312.9	58.1	n.a.
Other Trade Area Retailers	<u>1,091.0</u>	<u>1,285.7</u>	<u>194.6</u>	<u>17.8%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,598.6	252.8	18.8%
Part 2A : Estimated Retail Spending Market (Without Stockland Wetherill Park expansion)				
Main TA Residents Spending	1,738.7	1,843.3	104.5	6.0%
Net Escape Resident Spending	<u>393.0</u>	<u>272.8</u>	<u>-120.2</u>	<u>-30.6%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,570.5	224.7	16.7%
Part 2B : Calculation of Main TA Retail Sales (Without Stockland Wetherill Park expansion)				
Stockland Wetherill Park	254.7	254.0	-0.8	-0.3%
Other Trade Area Retailers	<u>1,091.0</u>	<u>1,316.5</u>	<u>225.4</u>	<u>20.7%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,570.5	224.7	16.7%
Part 3 : Est. Sales Impact of Development on Other Trade Area Retailers (2015)				
• Projected Sales Post Stockland Wetherill Park expansion				17.8%
Compared with Current Sales (2010)				
• Projected Sales Post Stockland Wetherill Park expansion				-2.3%
Compared with Projected Sales Pre Exp. (2015)				
*Constant 2009/10 dollars & including GST				
Source : Pitney Bowes Business Insight				

- v. Table 6.3 commences (Part 1A) with an estimation of the current retail spending market for the Stockland Wetherill Park main trade area (which, as discussed previously, generally corresponds to the Fairfield LGA). The total volume of retail sales available to trade area retailers is projected to increase by \$253 million between 2010 and 2015, from \$1,346 million to \$1,599 million, following the proposed expansion of Stockland Wetherill Park. The components of this growth include:

- Forecast growth in total trade area retail spending of \$104.5 million.

- A reduction in the level of resident net escape spending of \$148.3 million.
- vi. The reduction in escape spending can be attributed to the proposed expansion of Stockland Wetherill Park, the proposed development of Bonnyrigg Shopping Centre, the proposed expansion of Bonnyrigg Plaza and to a much lesser extent, other competitive developments outlined in Section 4 of this report.
- vii. In broad terms, the level of resident spending currently escaping the main trade area is estimated at around 22.6% or some \$393 million in 2009/10. Without the proposed expansion of Stockland Wetherill Park, this level is projected to fall to around 14.8% by 2015 (i.e. allowing for the other competitive developments in the trade area to take place). With the proposed expansion of Wetherill Park, however, this level is projected to fall further to around 13.2% in 2015, meaning the reduction in escape expenditure attributable to the Wetherill Park expansion is forecast to be in the order of \$28.1 million or 1.5%.
- viii. Part 1B of the Table then presents a calculation of the forecast retail sales potential for an expanded Stockland Wetherill Park as well as all other trade area retailers, in combination, in 2014/15. Total sales for Stockland Wetherill Park are projected to increase by \$58.1 million to \$312.9 million following the proposed Stage 4 development. Total retail sales for other trade area retailers are projected to increase by \$194.6 million or 17.8%, over the same period, to \$1,286 million. A large proportion of the projected increase is attributable to the proposed development of Bonnyrigg Shopping Centre and potential expansion of Bonnyrigg Plaza.
- ix. On the same basis, Part 2 of the table illustrates a "do nothing" scenario, assuming the proposed expansion of Stockland Wetherill Park does not proceed. This scenario only makes allowance for other competitive developments over the forecast period. Under this scenario, we expect a smaller, but nevertheless significant reduction of the current escape expenditure flows from the trade area, taking into account the increase in the provision of retail floorspace within the total trade area, particularly at Bonnyrigg.

- x. The total volume of retail sales available to trade area retailers is projected to increase by some \$225 million between 2010 and 2015, from \$1,346 million to \$1,571 million. This total growth comprises organic growth in trade area resident spending of \$105 million and a reduction in net escape resident spending of \$120 million.
- xi. Forecast sales for Stockland Wetherill Park are expected to decrease by \$0.8 million, or 0.3%, to \$254.0 million. This reflects the potential impact upon Stockland Wetherill Park of the competitive developments at Bonnyrigg as well as other supermarket based centres in the surrounding areas, and the assumed completion of the expansion of Stockland Merrylands in 2013.
- xii. Sales for other trade area retailers in 2015 are projected at \$1,316.5 million, or some \$225 million higher than in 2010, and some \$31 million greater than if Stockland Wetherill Park was not expanded.
- xiii. Part 3 of the Table summarises the potential trading impact of the proposed expansion of Stockland Wetherill Park on other retailers throughout the trade area. Key points to note include:
 - Projected sales levels for retailers throughout the trade area following the expansion of Stockland Wetherill Park in 2014/15 would on average be 17.8% greater than the current estimated 2009/10 sales.
 - The proposed expansion of Stockland Wetherill Park is projected to have an impact of 2.3% on sales which all other retailers in the trade area are projected to achieve in 2014/15.
- xiv. The results of these calculations demonstrate that, given the current level of undersupply of retail floorspace within the Stockland Wetherill Park trade area, a significant proportion of the estimated sales potential of the expanded centre (along with that of other proposed developments within the trade area), will be generated by the retention of retail spending that is currently escaping the trade area.

- xv. The likely impacts on competitive retailers within the trade area are of course estimated average impacts across all retail facilities within the trade area. Some retail centres are likely to be impacted more than others based on their offers, their competitive situations in relation to Stockland Wetherill Park and their tenancy mix. Generally, the levels of impact projected will not threaten the ongoing viability of existing retail centres or precincts throughout the trade area, or the future potential for expansion of retail facilities in the region. The proposed development would retain retail spending within the Fairfield municipality and create a stronger retail destination that would better serve the needs of the surrounding residents and worker population.

6.3 Likely economic and social benefits

- i. The previous subsection of this report considered in detail the likely trading impacts upon existing retailers within the trade area, of the proposed expansion of Stockland Wetherill Park. On the other side of the equation, it is also clear that the expansion of Stockland Wetherill Park will result in a range of very important economic benefits, including the following:
 - The provision of a wider range of shopping facilities for trade area residents, at an existing major retail destination. The proposed expansion of the Stockland Wetherill Park would include four mini-major tenants which (with the exception of Dick Smith, at Neeta City in Fairfield) are not currently represented within the main trade area. The additional retail specialty shops could also potentially include national traders currently not provided within the region and would serve to increase the mix and variety of retail on offer at the centre.
 - Additional Jobs. Once fully operational, the increase in the retail component of the centre would be likely to employ around 429 persons. Allowing for an estimated 10% of the total increase to be as a result of the reduced employment in the existing retail facilities, the net additional jobs at the expanded Stockland Wetherill Park are estimated at 386. This information is summarised in Table 6.4, following.

The additional 386 retail jobs in the centre will result in a further 366 jobs created indirectly in the broader community, based on ABS input/output multipliers.

The expansion of the centre will also create a substantial number of further additional jobs, both for the construction and related industries during the construction phase, and for the economy generally once the centre is completed. The estimated total capital cost for the construction of the centre is \$90 million. By utilising the appropriate ABS input/output multipliers, we estimate that the construction period for the proposed development would create some 384 jobs, with a further 616 jobs resulting from supplier induced multiplier effects from this period (refer Table 6.5). Jobs created include both full-time and part-time positions.

In terms of wages and salaries, the additional 316 permanent retail employees within the centre would earn an average annual wage of around \$28,000, as sourced from the latest ABS statistics on average weekly earnings. This represents an additional \$10.8 million in salary and wages for the local region, directly as a result of the proposed expansion.

Table 6.4

Stockland Wetherill Park - Estimated Future Additional Employment Levels

Type of Use	Estimated Employment Per '000 sq.m	Stockland Wetherill Park	
		GLA (sq.m)	Employment (persons)
DDS	27	0	0
Supermarket	50	0	0
Mini-majors	20	3,668	73
Specialty Shops	60	5,925	356
Total Centre¹		9,593	429
Net Increase²			386

1. Excludes non-retail components.

2. Net increase includes an allowance for reduced employment levels at impacted centres, estimated at 10% of the total increase

Source : Pitney Bowes Business Insight

Table 6.5
Stockland Wetherill Park - Estimated Future Additional Employment Levels*

Original Stimulus	Estimated Capital Costs (\$M)¹	Direct Employment	Supplier Employment Multiplier Effects	Total	
Construction of Project	90	384	616	1,000	Job Years ²
Centre Employment ³		<u>386</u>	<u>366</u>	<u>752</u>	
Total		770	982	1,753	

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

1. Adjusted by inflation and productivity to 1996/97 Dollars

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

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

Source : Australian National Accounts: Input-Output Tables 1996-97; Pitney Bowes Business Insight

- Reduced escape expenditure. The expansion of retail facilities at Stockland Wetherill Park would better serve residents at Prairiewood, and also, as discussed in previous sections of this report, significantly reduce escape expenditure from the trade area, and the Fairfield municipality in general. Without the proposed expansion of Stockland Wetherill Park, residents are likely to continue directing significant proportions of their available retail expenditure toward other higher order centres located beyond the trade area, such as Liverpool.

It is estimated that there is a current undersupply of traditional retail floorspace within the Fairfield LGA, in the order of 55,000 sq.m. The addition floorspace provided as part of the proposed expansion of Stockland Wetherill Park would partly meet some of estimated shortfall.

6.4 Net community benefit

This section of the report has demonstrated the economic and social benefits that are likely to arise from the proposed expansion of Stockland Wetherill Park. These benefits can be further summarised as follows:

- Increased shopping choice
- Additional employment opportunities
- Reduced escape expenditure from the Fairfield LGA
- Additional future wages
- Additional rate revenue

Against these benefits, a small level of impact is projected for main trade area retailers. These impacts, however, are not considered likely to threaten the ongoing viability of these existing retailers. Thus, it can be concluded, in our view, that a significant net community benefit will result from the proposed Stage 4 expansion of Stockland Wetherill Park.

Memorandum

To: Mr Justin Travlos, Stockland
From: Jessica Commins and Krai Nitibhumivechsakul
Date: 14 April, 2011
Subject: Stockland Wetherill Park – EIA – Request for further analysis

In December 2010, Pitney Bowes Business Insight prepared an Economic Impact Assessment (EIA) of the proposed Stage 4 development of Stockland Wetherill Park, which Stockland then lodged with Fairfield City Council as part of Development Application No. 1253.1/2010. On 5 April, 2011, Stockland received from Fairfield City Council a request for further analysis in relation to our December 2010 EIA. This memorandum now provides the requested analysis. It should be read in conjunction with our December 2010 report.

Council's letter of 5 April, 2011, requested, inter alia, that we "*undertake a detailed assessment identifying the dollar and percentage impact that the development is expected to have on competing centres as well as the cumulative impacts that would result from the possible development of the two Bonnyrigg Centres*". The letter further specified that three different potential competitive scenarios be considered, as follows:

- i. The impact of Stockland Wetherill Park Shopping Centre only;
- ii. The impact of Stockland Wetherill Park and Bonnyrigg Plaza (which is proposed for an expansion); and
- iii. The impact of Stockland Wetherill Park Shopping Centre, Bonnyrigg Plaza, and the Smithfield Road proposal.

Bonnyrigg Plaza currently includes some 22,000 sq.m of retail floorspace and is anchored by a Big W discount department store and Woolworths and Franklins supermarkets. The approved development application relating to the centre includes the addition of a full-line supermarket (most likely Coles) and associated specialty stores, and would increase the size of the centre by around 10,000 sq.m. The Smithfield Road proposal, which is currently with Council, incorporates some 18,000 sq.m of retail floorspace, anchored by a discount department store and a full-line supermarket.

The impact analysis presented in our December 2010 report (Table 6.3) was based upon competitive scenario (iii). Tables 1-9, following, elaborate upon that analysis, providing summaries for each competitive scenario of:

- the expanded Stockland Wetherill Park's sales potential
- the aggregated impact likely to be felt by trade area retail facilities as a result of the proposed expansion of Stockland Wetherill Park (in combination with the scenario's assumed competitive landscape); and
- individual impacts, upon shopping centres both within and beyond the trade area, of the proposed expansion (again, taking into consideration the assumed competitive environment).

For consistency and comparability with our December 2010 report, we commence with a consideration of Scenario 3 (most competitive), and work backward to the least competitive Scenario 1.

Scenario 3 – Stockland Wetherill Park, Bonnyrigg Plaza expansion, Smithfield Road proposal

Tables 1 and 2, following have been reproduced from our December 2010 EIA (Tables 5.4 and 6.3, respectively), and summarise the expected sales potential of an expanded Stockland Wetherill Park and associated aggregate impacts upon trade area retailers, in the event that the proposed expansion of Bonnyrigg Plaza and development of the Smithfield Road proposal occur. For clarity, we have distinguished traditional retail sales and bulky goods sales, in considering the sales generated by other trade area retailers. Please refer to the 2010 EIA for a more detailed discussion of the methodologies and reasoning behind these two tables. As shown in Tables 1 & 2:

- Total centres sales for an expanded Stockland Wetherill Park in 2014/15 are estimated at \$312.9 million;
- Projected sales levels for retailers throughout the main trade area following the expansion of Stockland Wetherill Park would be on average 17.8% greater than the 2009/10 estimated sales;
- The proposed expansion of Stockland Wetherill Park is projected to have an impact of 2.3% on sales which all other retailers in the trade area are projected to achieve in 2014/15.

Table 3, then, provides greater detail as to the contribution of individual shopping centres to the estimated -2.3% impact. For each of the centres expected to be impacted by the proposed expansion, estimates of current sales, then pre- and post-Stockland Wetherill Park's proposed expansion sales are provided.

As stated in our 2010 EIA, given the current level of undersupply of retail floorspace within the Stockland Wetherill Park trade area, a significant proportion of the estimated sales potential of the expanded centre (along with that of other proposed developments within the trade area, including at Bonnyrigg), will be generated by the retention of retail spending that is currently escaping the trade area.

Table 1

Scenario 3 - Two proposed developments at Bonnyrigg

Stockland Wetherill Park - Forecast centre sales by retail category (Expansion), 2014/15*

Category	Stockland Wetherill Park			Double dds centres			Peer centres**		
	GLA (sq.m)	Forecast sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Average sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Average sales (\$'000)	(\$/sq.m)
Major tenants									
DDS	15,117	50,113	3,315	14,832	54,356	3,665	15,374	56,927	3,703
Supermarket	<u>7,619</u>	<u>75,428</u>	<u>9,900</u>	<u>7,548</u>	<u>78,219</u>	<u>10,363</u>	<u>11,207</u>	<u>94,068</u>	<u>8,393</u>
Total majors	22,736	125,541	5,522	22,379	132,575	5,924	26,581	150,995	5,681
Mini-majors	6,298	41,838	6,643	3,956	24,972	6,312	4,154	26,357	6,345
Retail specialities									
Food & liquor	1,630	20,291	12,448	797	8,974	11,258	847	9,201	10,968
Food catering	2,990	28,854	9,649	1,180	12,174	10,319	1,446	15,821	10,943
Apparel	5,819	48,545	8,342	4,141	30,346	7,328	4,359	31,976	7,335
Household	1,267	9,242	7,293	958	6,320	6,599	1,226	7,822	6,378
Leisure	1,283	17,110	13,333	775	8,119	10,473	754	7,881	10,451
General	1,426	11,162	7,828	1,092	10,114	9,266	1,421	12,542	8,824
Retail services	<u>1,400</u>	<u>10,311</u>	<u>7,365</u>	<u>982</u>	<u>7,406</u>	<u>7,539</u>	<u>961</u>	<u>6,568</u>	<u>6,837</u>
Total retail spec.	15,816	145,514	9,200	9,925	83,454	8,408	11,014	91,810	8,336
Total centre - retail	44,850	312,893	6,976	36,260	241,002	6,646	41,749	269,162	6,447

*Constant 2009/10 dollars & including GST

** Peer centres are sub-regional shopping centres anchored by multiple DDSs and three supermarkets

Source: Pitney Bowes Business Insight

Table 2

Scenario 3 - Two proposed developments at Bonnyrigg
 Stockland Wetherill Park Trading Impact Assessment, 2010-2015*

	2009/10	2014/15	Change	
	\$M	\$M	\$M	%
Part 1A : Estimated Retail Spending Market (With Stockland Wetherill Park expansion)				
Main TA Residents Spending	1,738.7	1,843.3	104.5	6.0%
Net Escape Resident Spending	<u>393.0</u>	<u>244.7</u>	<u>-148.3</u>	<u>-37.7%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,598.6	252.8	18.8%
Part 1B : Calculation of Main TA Retail Sales (With Stockland Wetherill Park expansion)				
Stockland Wetherill Park	254.7	312.9	58.1	n.a.
Other Trade Area Traditional Retailers	854.7	1,015.8	161.1	18.9%
Other Trade Area Bulky Retailers	<u>236.3</u>	<u>269.8</u>	<u>33.5</u>	<u>14.2%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,598.6	252.8	18.8%
Part 2A : Estimated Retail Spending Market (Without Stockland Wetherill Park expansion)				
Main TA Residents Spending	1,738.7	1,843.3	104.5	6.0%
Net Escape Resident Spending	<u>393.0</u>	<u>272.8</u>	<u>-120.2</u>	<u>-30.6%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,570.5	224.7	16.7%
Part 2B : Calculation of Main TA Retail Sales (Without Stockland Wetherill Park expansion)				
Stockland Wetherill Park	254.7	254.0	-0.8	-0.3%
Other Trade Area Traditional Retailers	854.7	1,046.4	191.7	22.4%
Other Trade Area Bulky Retailers	<u>236.3</u>	<u>270.0</u>	<u>33.7</u>	<u>14.3%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,570.5	224.7	16.7%
Part 3 : Est. Sales Impact of Development on Other Trade Area Retailers (2015)				
• Projected Sales Post Stockland Wetherill Park expansion				17.8%
Compared with Current Sales (2010)				
• Projected Sales Post Stockland Wetherill Park expansion				-2.3%
Compared with Projected Sales Pre Exp. (2015)				
*Constant 2009/10 dollars & including GST				
Source : Pitney Bowes Business Insight				

Table 3
Scenario 3 - Two proposed developments at Bonnyrigg
Stockland Wetherill Park - Trading Impact Assessment, 2014/15*

Centre	Unit	Estimated	Projected 2015		Impact 2015	
		2010	Pre Dev't	Post Dev't	\$M	%
Within Main Trade Area						
Stockland Wetherill Park	\$M	254.7	254.0	312.9	58.9	23.2%
<u>Sub-regional Shopping Centres</u>						
Fairfield Town Centre**	\$M	206.2	216.6	205.4	-11.2	-5.2%
Bonnyrigg Plaza	\$M	97.5	134.6	127.0	-7.5	-5.6%
Bonnyrigg SC (Smithfield Rd)	\$M	<u>n.a.</u>	<u>78.9</u>	<u>74.6</u>	<u>-4.3</u>	<u>-5.4%</u>
Total sub-regional SC	\$M	303.7	430.0	407.0	-23.0	-5.4%
<u>Other Supermarket-based Centres</u>						
Wetherill Park	\$M	48.8	50.8	49.2	-1.6	-3.1%
Smithfield	\$M	49.4	49.1	48.0	-1.1	-2.2%
Greenfield SC	\$M	22.3	21.2	20.5	-0.7	-3.5%
Edensor Park Plaza	\$M	20.7	17.8	17.3	-0.4	-2.5%
Horsley Rd smkt	\$M	n.a.	10.2	9.9	-0.3	-2.5%
Fairfield Aldi	\$M	12.0	12.6	12.5	-0.1	-0.5%
Fairfield Heights	\$M	19.2	18.3	18.1	-0.2	-1.0%
Fairfield West	\$M	22.5	20.4	20.1	-0.3	-1.5%
Fairfield Market Plaza	\$M	0.0	39.3	38.5	-0.8	-2.0%
Canley Heights	\$M	35.9	34.1	33.9	-0.2	-0.5%
Canley Vale	\$M	8.8	29.3	29.1	-0.1	-0.5%
Cabramatta	\$M	183.8	188.4	187.4	-0.9	-0.5%
Bonnyrigg Aldi	\$M	24.0	21.7	21.4	-0.3	-1.5%
Wakeley SC	\$M	27.9	25.2	24.9	-0.3	-1.0%
Cecil Hills Marketplace	\$M	<u>12.1</u>	<u>12.4</u>	<u>12.3</u>	<u>-0.1</u>	<u>-1.0%</u>
Total Smkt Centres	\$M	487.3	550.6	543.2	-7.4	-1.3%
Other Retail Floorspace***	\$M	63.6	65.8	65.6	-0.2	-0.3%
Bulky Goods Retailers	\$M	<u>236.3</u>	<u>270.0</u>	<u>269.8</u>	<u>-0.2</u>	<u>-0.1%</u>
Total Main Trade Area Retailers	\$M	1,091.0	1,316.5	1,285.7	-30.8	-2.3%
Beyond Main Trade Area						
Westfield Liverpool	\$M	461.5	485.0	470.0	-15.0	-3.1%
Stockland Merrylands	\$M	130.7	348.7	337.3	-11.3	-3.3%

*Constant 2009/10 dollars & including GST

**Includes Fairfield Forum, Neeta City and retail strip

***Other Retail Floorspace includes retail strips that are provided throughout the main trade area

Source: Pitney Bowes Business Insight

Scenario 2 – Stockland Wetherill Park and Bonnyrigg Plaza expansion

Following the same approach as for Scenario 3, Tables 4-6 provide estimates of the sales potential and likely impacts associated with the proposed expansion of Stockland Wetherill Park in the event that the proposed expansion of Bonnyrigg Plaza proceeds, but the development of the Smithfield Road proposal does not. Table 4 has been reproduced from the December 2010 EIA (Table 5.6). As shown:

- Total centres sales for an expanded Stockland Wetherill Park under Scenario 2 in 2014/15 are estimated at \$324.7 million. Major tenant sales are projected to be approximately \$5.1 million higher than under Scenario 3, and reflect the addition of only one supermarket (most likely to be Coles) within the trade area in 2015. Some upside to the sales achieved by mini-major tenants and specialty retailers is also factored in, reflecting the less competitive environment than that in which the Smithfield Road proposal also proceeds.
- Projected sales levels for retailers throughout the main trade area following the expansion of Stockland Wetherill Park would be on average 15.4% greater than the 2009/10 estimated sales. Retailers are projected to achieve higher sales as compared with Scenario 3, reflecting a less competitive trading environment.
- The proposed expansion of Stockland Wetherill Park is projected to have an impact of 2.2% on sales which all other retailers in the trade area are projected to achieve in 2014/15.
- Bonnyrigg Plaza is projected to achieve higher sales levels, both pre- and post-expansion of Stockland Wetherill Park, as compared with Scenario 3. This is due to the absence of a competitive shopping centre at Smithfield Road. The impact on the remaining centres throughout the trade area is estimated to be broadly similar to Scenario 3, although the estimated pre-development sales for a number of these centres would be expected to be somewhat higher than under Scenario 3, again due to the absence of the Smithfield Road development.
- Under Scenario 2 Westfield Liverpool is projected to achieve higher sales levels, suggesting a lesser reduction in the escape spending from the trade area if the proposed Smithfield Road shopping centre does not proceed.

Table 4
 Scenario 2 - Bonnyrigg Plaza expansion
 Stockland Wetherill Park - Forecast centre sales by retail category (Expansion), 2014/15*

Category	Stockland Wetherill Park			Double dds centres			Peer centres**		
	GLA (sq.m)	Forecast sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Average sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Average sales (\$'000)	(\$/sq.m)
Major tenants									
DDS	15,117	53,166	3,517	14,832	54,356	3,665	15,374	56,927	3,703
Supermarket	<u>7,619</u>	<u>77,490</u>	<u>10,171</u>	<u>7,548</u>	<u>78,219</u>	<u>10,363</u>	<u>11,207</u>	<u>94,068</u>	<u>8,393</u>
Total majors	22,736	130,656	5,747	22,379	132,575	5,924	26,581	150,995	5,681
Mini-majors	6,298	43,421	6,894	3,956	24,972	6,312	4,154	26,357	6,345
Retail specialities									
Food & liquor	1,630	20,811	12,767	797	8,974	11,258	847	9,201	10,868
Food catering	2,990	29,511	9,868	1,180	12,174	10,319	1,446	15,821	10,943
Apparel	5,819	50,689	8,710	4,141	30,346	7,328	4,359	31,976	7,335
Household	1,267	9,668	7,629	958	6,320	6,599	1,226	7,822	6,378
Leisure	1,283	17,835	13,898	775	8,119	10,473	754	7,881	10,451
General	1,426	11,465	8,041	1,092	10,114	9,266	1,421	12,542	8,824
Retail services	<u>1,400</u>	<u>10,603</u>	<u>7,573</u>	<u>982</u>	<u>7,406</u>	<u>7,539</u>	<u>961</u>	<u>6,568</u>	<u>6,837</u>
Total retail spec.	15,816	150,582	9,521	9,925	83,454	8,408	11,014	91,810	8,336
Total centre - retail	44,850	324,659	7,239	36,260	241,002	6,646	41,749	269,162	6,447

*Constant 2008/10 dollars & including GST

** Peer centres are sub-regional shopping centres anchored by multiple DDSs and three supermarkets

Source: Pitney Bowes Business Insight

Table 5
Scenario 2 - Bonnyrigg Plaza expansion
Stockland Wetherill Park Trading Impact Assessment, 2010-2015*

	2009/10	2014/15	Change	
	\$M	\$M	\$M	%
Part 1A : Estimated Retail Spending Market (With Stockland Wetherill Park expansion)				
Main TA Residents Spending	1,738.7	1,843.3	104.5	6.0%
Net Escape Resident Spending	<u>393.0</u>	<u>259.5</u>	<u>-133.5</u>	<u>-34.0%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,583.8	238.0	17.7%
Part 1B : Calculation of Main TA Retail Sales (With Stockland Wetherill Park expansion)				
Stockland Wetherill Park	254.7	324.7	69.9	n.a.
Other Trade Area Traditional Retailers	854.7	986.6	131.9	15.4%
Other Trade Area Bulky Retailers	<u>236.3</u>	<u>272.5</u>	<u>36.2</u>	<u>15.3%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,583.8	238.0	17.7%
Part 2A : Estimated Retail Spending Market (Without Stockland Wetherill Park expansion)				
Main TA Residents Spending	1,738.7	1,843.3	104.5	6.0%
Net Escape Resident Spending	<u>393.0</u>	<u>292.5</u>	<u>-100.5</u>	<u>-25.6%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,550.8	205.0	15.2%
Part 2B : Calculation of Main TA Retail Sales (Without Stockland Wetherill Park expansion)				
Stockland Wetherill Park	254.7	262.7	8.0	3.1%
Other Trade Area Traditional Retailers	854.7	1,015.3	160.6	18.8%
Other Trade Area Bulky Retailers	<u>236.3</u>	<u>272.7</u>	<u>36.4</u>	<u>15.4%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,550.8	205.0	15.2%
Part 3 : Est. Sales Impact of Development on Other Trade Area Retailers (2015)				
• Projected Sales Post Stockland Wetherill Park expansion Compared with Current Sales (2010)				15.4%
• Projected Sales Post Stockland Wetherill Park expansion Compared with Projected Sales Pre Exp. (2015)				-2.2%

*Constant 2009/10 dollars & including GST

Source : Pitney Bowes Business Insight

Table 6
Scenario 2 - Bonnyrigg Plaza expansion
Stockland Wetherill Park - Trading Impact Assessment, 2014/15*

Centre	Unit	Estimated	Projected 2015		Impact 2015	
		2010	Pre Dev't	Post Dev't	\$M	%
Within Main Trade Area						
Stockland Wetherill Park	\$M	254.7	262.7	324.7	61.9	23.6%
<u>Sub-regional Shopping Centres</u>						
Fairfield Town Centre**	\$M	206.2	222.0	210.5	-11.5	-5.2%
Bonnyrigg Plaza	\$M	97.5	157.3	147.7	-9.6	-6.1%
Total sub-regional SC	\$M	303.7	379.3	358.2	-21.1	-5.6%
<u>Other Supermarket-based Centres</u>						
Wetherill Park	\$M	48.8	51.0	49.5	-1.5	-3.0%
Smithfield	\$M	49.4	49.3	48.3	-1.0	-2.1%
Greenfield SC	\$M	22.3	21.7	21.0	-0.7	-3.4%
Edensor Park Plaza	\$M	20.7	20.2	19.7	-0.4	-2.2%
Horsley Rd smkt	\$M	n.a.	10.2	9.9	-0.3	-2.5%
Fairfield Aldi	\$M	12.0	12.7	12.7	-0.1	-0.5%
Fairfield Heights	\$M	19.2	18.5	18.3	-0.2	-1.0%
Fairfield West	\$M	22.5	22.2	21.9	-0.3	-1.5%
Fairfield Market Plaza	\$M	0.0	40.1	39.3	-0.8	-2.0%
Canley Heights	\$M	35.9	35.4	35.2	-0.2	-0.5%
Canley Vale	\$M	8.8	30.7	30.6	-0.1	-0.5%
Cabramatta	\$M	183.8	193.1	192.2	-1.0	-0.5%
Bonnyrigg Aldi	\$M	24.0	24.3	24.0	-0.3	-1.4%
Wakeley SC	\$M	27.9	27.5	27.2	-0.3	-1.0%
Cecil Hills Marketplace	\$M	12.1	12.9	12.7	-0.1	-1.0%
Total Smkt Centres	\$M	487.3	569.9	562.5	-7.4	-1.3%
Other Retail Floorspace***	\$M	63.6	66.1	65.9	-0.2	-0.3%
Bulky Goods Retailers	\$M	236.3	272.7	272.5	-0.2	-0.1%
Total Main Trade Area Retailers	\$M	1,091.0	1,288.0	1,259.1	-28.9	-2.2%
Beyond Main Trade Area						
Westfield Liverpool	\$M	461.5	497.2	479.3	-17.9	-3.6%
Stockland Merrylands	\$M	130.7	348.7	337.3	-11.3	-3.3%

*Constant 2009/10 dollars & including GST

**Includes Fairfield Forum, Neeta City and retail strip

***Other Retail Floorspace includes retail strips that are provided throughout the main trade area

Source: Pitney Bowes Business Insight

Scenario 1 – Stockland Wetherill Park only

Tables 7-9, finally, provide estimates of the sales potential and likely impacts associated with the proposed expansion of Stockland Wetherill Park in the event that neither the proposed expansion of Bonnyrigg Plaza, nor the development of the Smithfield Road proposal proceeds. As shown:

- Total centres sales for an expanded Stockland Wetherill Park under Scenario 1 in 2014/15 are estimated at \$328.3 million. The relatively modest uplift in sales in comparison to Scenario 2 reflects the differing roles expected to be played within the trade area of Bonnyrigg Plaza (with or without the proposed supermarket expansion) and the higher order facilities provided at Stockland Wetherill Park. Absent the proposed expansion of Bonnyrigg Plaza, Stockland Wetherill Park already competes with Coles supermarkets in the primary trade area (at Edensor Park and Smithfield Square), so the relative influence of an expanded Bonnyrigg Plaza is expected to be less.
- Projected sales levels for retailers throughout the main trade area following the expansion of Stockland Wetherill Park would be on average 12.2% greater than the 2009/10 estimated sales.
- The proposed expansion of Stockland Wetherill Park is projected to have an impact of 2.2% on sales which all other retailers in the trade area are projected to achieve in 2014/15.
- Bonnyrigg Plaza is projected to experience a higher, but nevertheless sustainable, trading impact as compared with Scenarios 1 and 2, reflecting our view that without the proposed refurbishment and expansion, it would have a comparatively lesser draw as a shopping destination.
- Other shopping centres throughout the trade area are expected to achieve marginally higher sales levels (both pre and post development) in this scenario, given that this is the least competitive scenario of the three under consideration.

Table 7
Scenario 1 - Two proposals at Bonnyrigg do not proceed
Stockland Wetherill Park - Forecast centre sales by retail category (Expansion), 2014/15*

Category	Stockland Wetherill Park			Double dds centres			Peer centres**		
	GLA (sq.m)	Forecast sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Average sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Average sales (\$'000)	(\$/sq.m)
Major tenants									
DDS	15,117	53,166	3,517	14,832	54,356	3,665	15,374	56,927	3,703
Supermarket	<u>7,619</u>	<u>78,478</u>	<u>10,300</u>	<u>7,548</u>	<u>78,219</u>	<u>10,363</u>	<u>11,207</u>	<u>94,068</u>	<u>8,393</u>
Total majors	22,736	131,644	5,790	22,379	132,575	5,924	26,581	150,995	5,681
Mini-majors	6,298	44,742	7,104	3,956	24,972	6,312	4,154	26,357	6,345
Retail specialities									
Food & liquor	1,630	20,984	12,873	797	8,974	11,258	847	9,201	10,868
Food catering	2,990	29,679	9,925	1,180	12,174	10,319	1,446	15,821	10,943
Apparel	5,819	51,146	8,789	4,141	30,346	7,328	4,359	31,976	7,335
Household	1,267	9,775	7,714	958	6,320	6,599	1,226	7,822	6,378
Leisure	1,283	18,004	14,030	775	8,119	10,473	754	7,881	10,451
General	1,426	11,572	8,116	1,092	10,114	9,266	1,421	12,542	8,824
Retail services	<u>1,400</u>	<u>10,706</u>	<u>7,647</u>	<u>982</u>	<u>7,406</u>	<u>7,539</u>	<u>961</u>	<u>6,568</u>	<u>6,837</u>
Total retail spec.	15,816	151,868	9,602	9,925	83,454	8,408	11,014	91,810	8,336
Total centre - retail	44,850	328,254	7,319	36,260	241,002	6,646	41,749	269,162	6,447

*Constant 2009/10 dollars & including GST

** Peer centres are sub-regional shopping centres anchored by multiple DDSs and three supermarkets

Source: Pitney Bowes Business Insight

Table 8

Scenario 1 - Two proposals at Bonnyrigg do not proceed
Stockland Wetherill Park Trading Impact Assessment, 2010-2015*

	2009/10	2014/15	Change	
	\$M	\$M	\$M	%
Part 1A : Estimated Retail Spending Market (With Stockland Wetherill Park expansion)				
Main TA Residents Spending	1,738.7	1,843.3	104.5	6.0%
Net Escape Resident Spending	<u>393.0</u>	<u>290.8</u>	<u>-102.2</u>	<u>-26.0%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,552.5	206.7	15.4%
Part 1B : Calculation of Main TA Retail Sales (With Stockland Wetherill Park expansion)				
Stockland Wetherill Park	254.7	328.3	73.5	n.a.
Other Trade Area Traditional Retailers	854.7	950.0	95.3	11.1%
Other Trade Area Bulky Retailers	<u>236.3</u>	<u>274.3</u>	<u>37.9</u>	<u>16.1%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,552.5	206.7	15.4%
Part 2A : Estimated Retail Spending Market (Without Stockland Wetherill Park expansion)				
Main TA Residents Spending	1,738.7	1,843.3	104.5	6.0%
Net Escape Resident Spending	<u>393.0</u>	<u>327.1</u>	<u>-65.9</u>	<u>-16.8%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,516.2	170.5	12.7%
Part 2B : Calculation of Main TA Retail Sales (Without Stockland Wetherill Park expansion)				
Stockland Wetherill Park	254.7	263.8	9.1	3.6%
Other Trade Area Traditional Retailers	854.7	977.9	123.2	14.4%
Other Trade Area Bulky Retailers	<u>236.3</u>	<u>274.5</u>	<u>38.2</u>	<u>16.1%</u>
Est. Retail Sales to Main TA Retailers	1,345.8	1,516.2	170.5	12.7%
Part 3 : Est. Sales Impact of Development on Other Trade Area Retailers (2015)				
• Projected Sales Post Stockland Wetherill Park expansion				12.2%
Compared with Current Sales (2010)				
• Projected Sales Post Stockland Wetherill Park expansion				-2.2%
Compared with Projected Sales Pre Exp. (2015)				
*Constant 2009/10 dollars & including GST				
Source : Pitney Bowes Business Insight				

Table 9

Scenario 1 - Two proposals at Bonnyrigg do not proceed
 Stockland Wetherill Park - Trading Impact Assessment, 2014/15*

Centre	Unit	Estimated	Projected 2015		Impact 2015	
		2010	Pre Dev't	Post Dev't	\$M	%
Within Main Trade Area						
Stockland Wetherill Park	\$M	254.7	263.8	328.3	64.4	24.4%
<u>Sub-regional Shopping Centres</u>						
Fairfield Town Centre**	\$M	206.2	223.1	211.6	-11.5	-5.1%
Bonnyrigg Plaza	\$M	<u>97.5</u>	<u>105.1</u>	<u>96.3</u>	<u>-8.8</u>	<u>-8.4%</u>
Total sub-regional SC	\$M	303.7	328.2	307.9	-20.3	-6.2%
<u>Other Supermarket-based Centres</u>						
Wetherill Park	\$M	48.8	51.3	49.8	-1.5	-2.9%
Smithfield	\$M	49.4	49.6	48.6	-1.0	-2.0%
Greenfield SC	\$M	22.3	22.9	22.1	-0.7	-3.2%
Edensor Park Plaza	\$M	20.7	22.0	21.6	-0.4	-2.0%
Horsley Rd smkt	\$M	n.a.	10.2	9.9	-0.3	-2.5%
Fairfield Aldi	\$M	12.0	12.9	12.8	-0.1	-0.5%
Fairfield Heights	\$M	19.2	18.9	18.7	-0.2	-1.0%
Fairfield West	\$M	22.5	22.8	22.5	-0.3	-1.5%
Fairfield Market Plaza	\$M	0.0	41.5	40.6	-0.8	-2.0%
Canley Heights	\$M	35.9	36.8	36.6	-0.2	-0.5%
Canley Vale	\$M	8.8	31.3	31.1	-0.1	-0.5%
Cabramatta	\$M	183.8	195.0	194.0	-1.0	-0.5%
Bonnyrigg Aldi	\$M	24.0	26.1	25.7	-0.4	-1.4%
Wakeley SC	\$M	27.9	28.9	28.6	-0.3	-1.0%
Cecil Hills Marketplace	\$M	<u>12.1</u>	<u>13.2</u>	<u>13.0</u>	<u>-0.1</u>	<u>-1.0%</u>
Total Smkt Centres	\$M	487.3	583.2	575.7	-7.5	-1.3%
Other Retail Floorspace***	\$M	63.6	66.5	66.3	-0.2	-0.3%
Bulky Goods Retailers	\$M	<u>236.3</u>	<u>274.5</u>	<u>274.3</u>	<u>-0.2</u>	<u>-0.1%</u>
Total Main Trade Area Retailers	\$M	1,091.0	1,252.4	1,224.2	-28.2	-2.2%
Beyond Main Trade Area						
Westfield Liverpool	\$M	461.5	502.1	483.5	-18.6	-3.7%
Stockland Merrylands	\$M	130.7	348.7	337.3	-11.3	-3.3%

*Constant 2009/10 dollars & including GST

**Includes Fairfield Forum, Neeta City and retail strip

***Other Retail Floorspace includes retail strips that are provided throughout the main trade area

Source: Pitney Bowes Business Insight