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Richard Lack  
Assistant Development Manager  
TOGA D & C Pty Ltd  
Level 5, 45 Jones Street  
Ultimo NSW 2007

## **DA201900096 – 182-198 Victoria Road and 28-30 Faversham Street, Marrickville Economic Benefits Statement**

Dear Richard,

This Economic Benefit Statement has been prepared by Ethos Urban on behalf of TOGA Wicks Park Development Pty Ltd (TOGA), the applicant for Development Application DA201900096, which is currently being assessed by Inner West Council. The development application (DA) is for a new \$150 million development comprising 270 dwellings, 2,191m<sup>2</sup> of retail space the creation of two new publicly accessible shareways and associated public domain works in accordance with the Victoria Road Precinct Development Control Plan.

Specifically, this statement has been prepared in response to concerns raised by AMP Capital, the owners of the nearby Marrickville Metro Shopping Centre, we understand that Inner West Council have requested an assessment of the forecast economic impacts of TOGA's proposed construction and establishment of a supermarket/grocery store at the site.

We set out below our letter, addressing these concerns.

### **1.0 Background and context**

This Economic Benefit Statement has been prepared by Ethos Urban on behalf of TOGA in support of DA201900096, submitted to the Inner West Council for a mixed-use development for the Wicks Park Precinct at 182-198 Victoria Road, Marrickville. This letter relates more specifically to the development of a small scale supermarket, the cause of AMP's concern, within the ground floor retail component of the development.

The proposed supermarket development has the potential to result in a net benefit to the community by alleviating supply constraints on the surrounding competing centres as well as providing for an accessible and walkable retail offer between the Illawarra Road Precinct and Marrickville Station; an area subject to significant residential development as part of the Victoria Road Precinct.

### **1.1 Overview of this report**

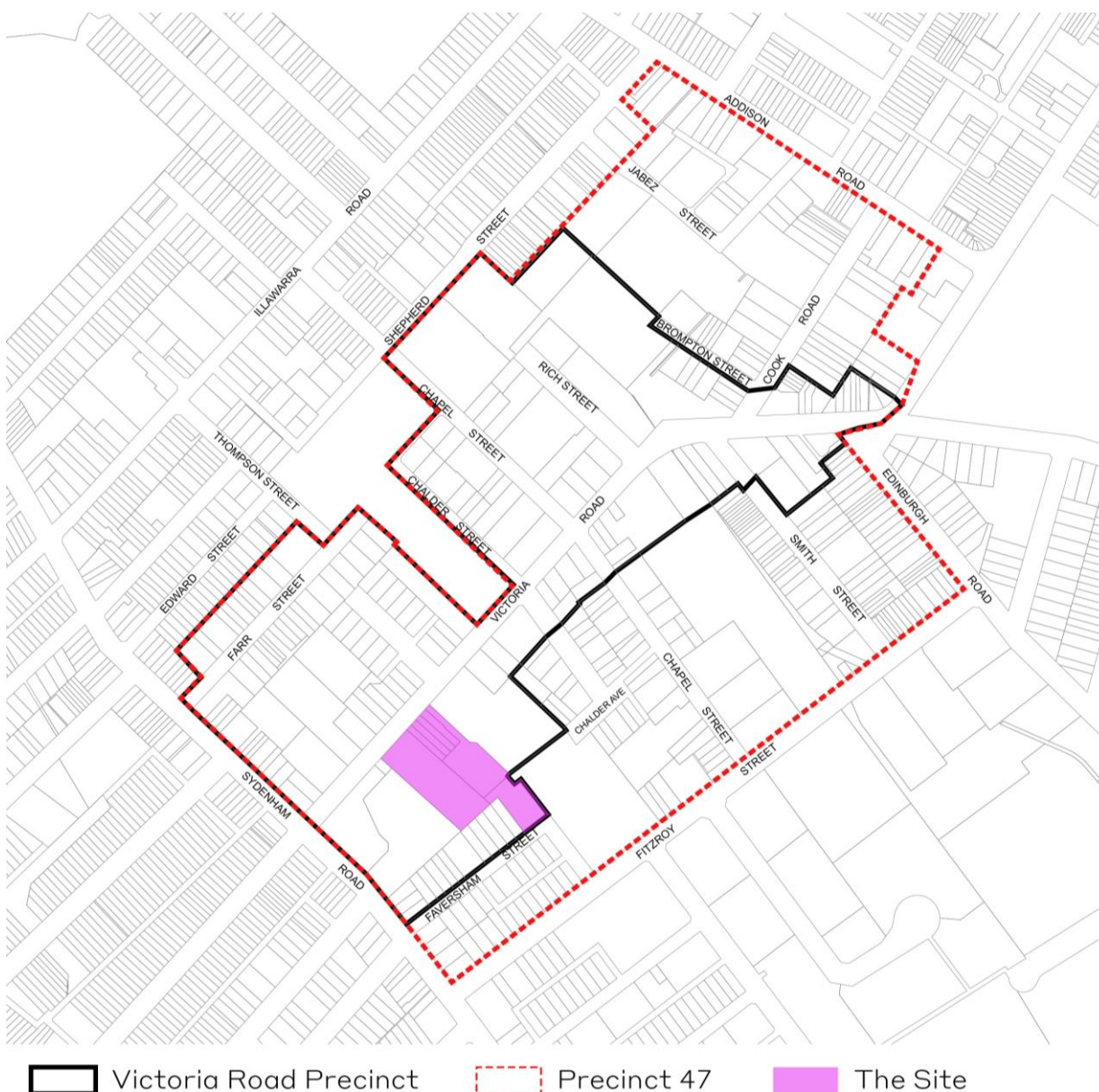
This report provides an economic assessment of the proposed retail development for 182-198 Victoria Road, Marrickville. The following information is provided;

- Local economic context, including the population and worker profile of the area, and a review of the retail environment in the area.
- A high-level review of the proposed development, including its scale and timing.
- High level commentary on the competitive context in which the proposed supermarket would operate.
- Indicative sales estimate and high-level market assessment outlining potential for the proposed supermarket.
- Comment on the net community benefits of a new supermarket at the subject site, including benefits to the local community, satisfying unmet demand and employment generation.

## 1.1 Background to the proposed development

The Victoria Road Precinct has been the subject of a planning proposal (known as the Victoria Road Precinct), lodged in 2015, with the aim to provide for a 15-20 year strategic plan for the area identified as Precinct 47. Specifically, the planning proposal aims to provide for a broader mix of businesses that better meet the local employment profile as well as the changing demographics of the Marrickville LGA. Ancillary to business uses, the planning proposal also aimed to incorporate medium to high density residential development along the Victoria Road Corridor. **Figure 1** below outlines the extent of the Victoria Road Precinct, Precinct 47 and the subject site.

The Marrickville Local Environmental Plan 2011 (Amendment No.14) reflecting the final Planning Proposal was gazetted in 2017 and adopted by the Inner West Council in 2018.



**Figure 1** Outline of boundaries for Precinct 47, the Victoria Road Precinct and the site

Source: Ethos Urban

On the 20<sup>th</sup> March 2019, DA201900096 was lodged to the Inner West Council for a mixed-use development at 182-198 Victoria Road, Marrickville. Following recent approval of the Rich Street Creative Hub, the Wicks Park development is the first mixed use project in the Victoria Road Precinct in Marrickville and will catalyse the comprehensive renewal and long term transition of the area into a mixed use precinct.

Specifically, the DA seeks approval for the demolition of existing structures and construction of a six storey mixed used development comprising 272 residential apartments, two levels of basement parking and 2,387m<sup>2</sup> of ground floor retail space and public domain improvements. The retail component of the proposed development includes a 1,500m<sup>2</sup> supermarket box and specialty retail tenancies. This DA represents the second proposal to be delivered within the newly rezoned Victoria Road Precinct, which is expected to accommodate some 1,100 dwellings.

Following a public exhibition period of the proposed development, comments were received in relation to the retail component of the site requesting further review of the broader economic impacts, particularly in relation to the development of a supermarket on the site. Accordingly, Inner West Council have since requested that an economic assessment is appended to the development application.

## **1.2 A changing suburb and location of the subject site**

Marrickville has demonstrated one of Sydney's more aggressive and noticeable gentrification trends. Its history as an industrial, working class suburb is well known, so too its development in to one of Australia's most diverse and cosmopolitan hubs, with a particularly strong Greek, and now Vietnamese and Chinese influences.

Its proximity to the Sydney CBD continues to make it an attractive option for inner city living, with an ongoing renewal trend and more flexible and adaptive permissible uses, responding to the socio-economic changes. The subject site is a typical example of these changes.

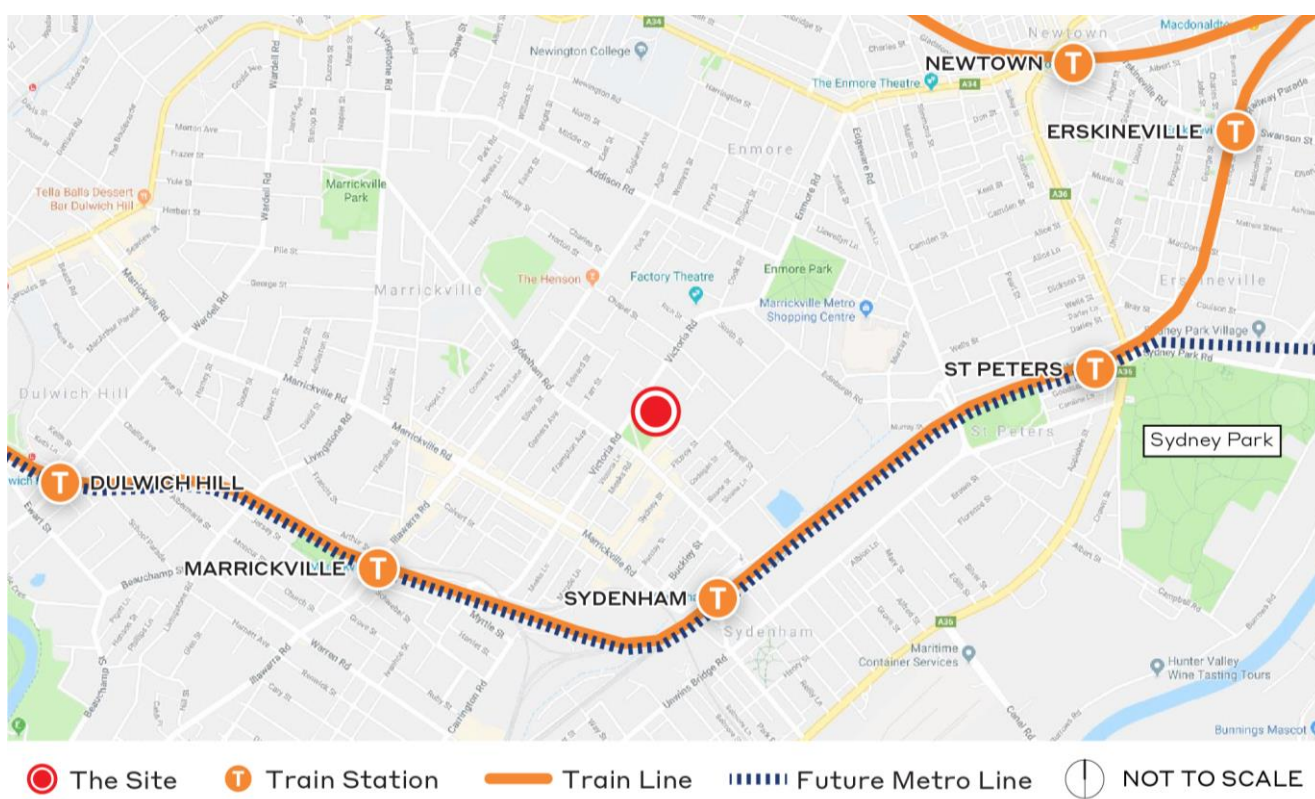
Retail amenity within walking distance is important for any successful inner city residential development, not only to discourage traffic but to improve community and social links, promoting well-being. Providing 'town centres with social hearts' is a significant global retail trend, often linking in with mixed use developments.

## 2.0 Site Analysis

### 2.1 Site location and context

The site is located at 182-198 Victoria Road and 28-30 Faversham Street, Marrickville, within the Inner West LGA. It is located within Precinct 47 under the Marrickville DCP and is approximately 5km from the Sydney CBD. The precinct is located approximately 650m north of Sydenham Station, 1km north-east of Marrickville Station and is serviced by several bus routes along Victoria Road. Both Marrickville and Sydenham station will be modified to accommodate the new Sydney Metro City and Southwest line, due to commence operation in 2024. As part of these works, a new pedestrian concourse at Sydenham Station will be created, resulting in the new station entrance approximately 150-200 metres closer to the site than its current location.

The locational context for the site is shown below at **Figure 2**.



**Figure 2 Site Context**

Source: Google Maps and Ethos Urban

### 2.2 Site Description

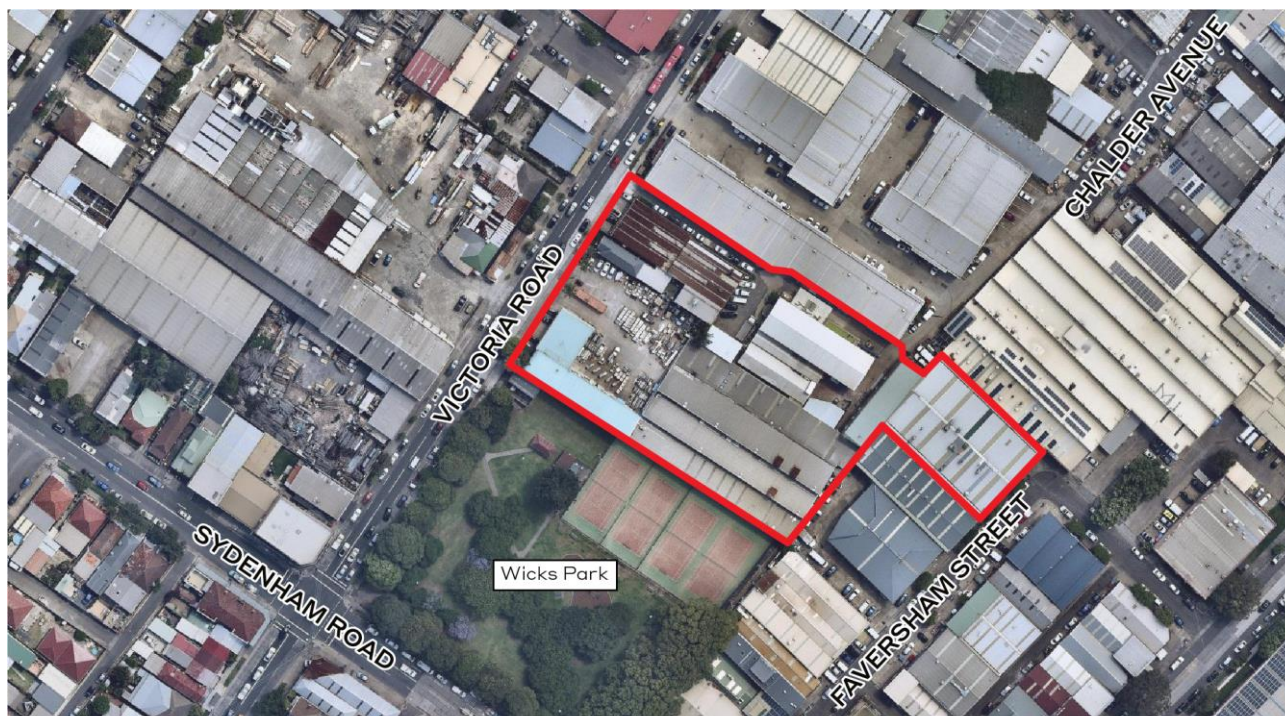
The irregular shaped site is currently situated across 5 separate allotments, described as the following Lot and Deposited Plans:

- Lot 6 DP226899
- Lot 100 DP1239681
- Lot 1 DP74200
- Lot 10 DP701368
- Lot 4 DP226899.



The site is currently owned by Danais Holdings Pty Ltd and Dina Danias and has a total area of 10,677m<sup>2</sup>; it is currently occupied by businesses for light industrial uses and showrooms.

Vehicular access to the site is available from Victoria Road, Faversham Street and off Chalder Avenue. Victoria Road is a classified regional road and provides for a point of connectivity between the suburbs of Marrickville, Enmore and Sydenham.



Legend

The Site

⌚ NOT TO SCALE

**Figure 3 Site Aerial**

Source: Ethos Urban

### 2.3 Surrounding development context

The site is located within Precinct 47 and forms part of the broader Victoria Road Precinct. The surrounding development context is characterised by a variety of land uses including light industrial/showrooms, low to medium density housing, creative industries, general retail and food and beverage facilities. Wicks Park adjoins the site to the south however the remaining surrounding area is primarily light industrial.

It should be noted that the Victoria Road Precinct is an employment area that has been rezoned for a range of mixed-use purposes, including residential housing and businesses. The rezoning of the site represents the changing built form of the surrounding context whereby gentrification and adaptive reuse of underutilised industrial sites is becoming common. Medium to high density residential is resulting, along with other employment uses that better suit the changing employment profile of Marrickville.

Accordingly, the proposed retail offer within the development supports the demographic changes occurring within the Victoria Road Precinct.

## 2.4 Proposed development

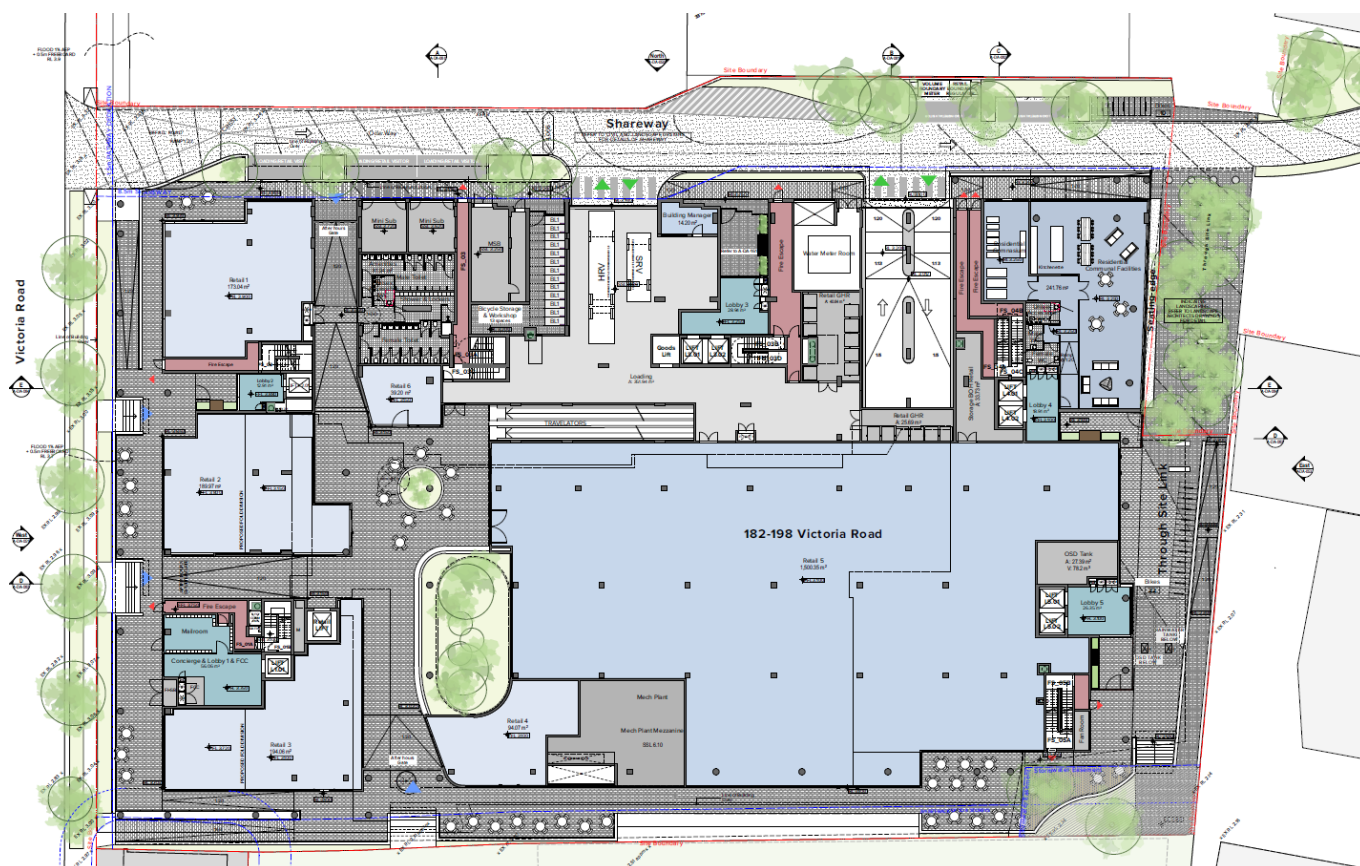
The latest design scheme for the proposed development (as of 15 January 2020) includes a total tenanted retail area of 2,191.31m<sup>2</sup> (excl. ancillary storage areas), which includes:

- Large retail: 1,500.38m<sup>2</sup>
- Retail mini: 173.03m<sup>2</sup>
- Retail mini: 189.97m<sup>2</sup>
- Retail mini: 194.70m<sup>2</sup>
- Retail mini: 94.04m<sup>2</sup>
- Retail mini: 39.19m<sup>2</sup>

Ancillary to the retail development, it is understood that approximately 272 residential apartments are proposed to be included within the development, together with two levels of basement parking. Within this parking, an estimated 77 retail and visitor parking spaces are proposed to be available, while the remainder will be set aside for residents.

The development also includes the demolition of the adjoining site at 28-30 Faversham Street. This is to enable the construction of a through-site link as well as vehicular and machinery access to the site during construction. Any further works at 28-30 Faversham Street would be subject to a separate DA proposal. The project is anticipated to be completed in mid to late 2021.

**Figure 4** below outlines the proposed ground floor retail floor plan.



**Figure 4** Proposed ground floor retail layout

Source: Turner Studio



### 3.0 Local economic context

#### 3.1 Study area

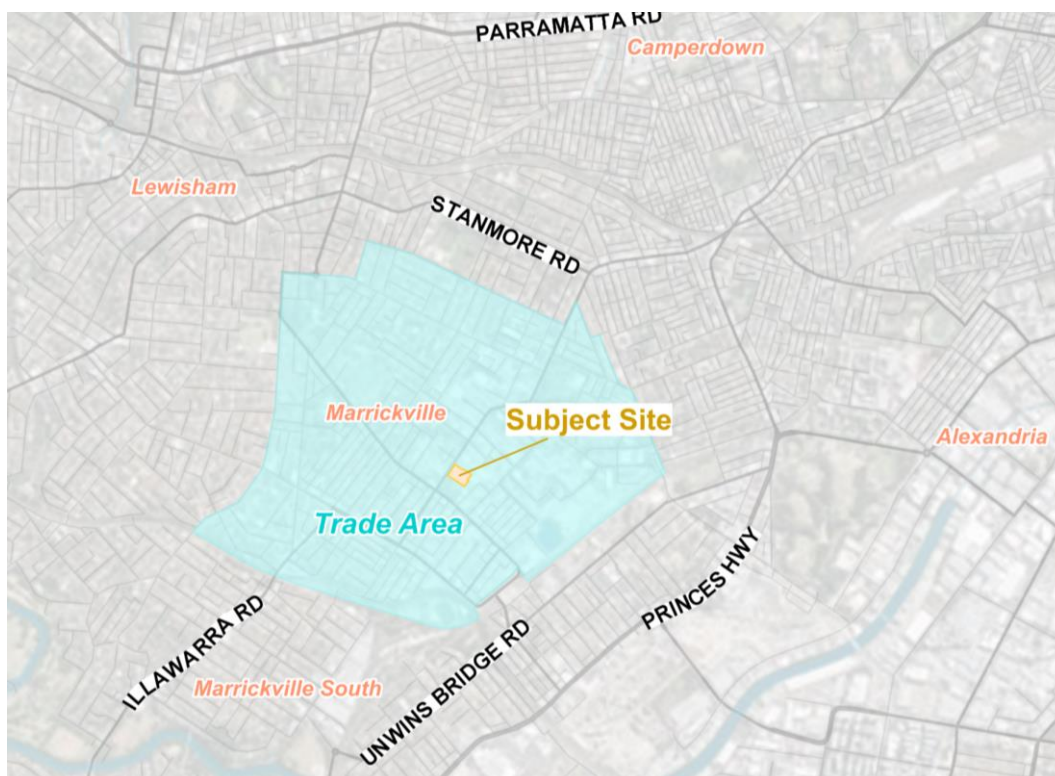
A primary trade area has been established as a custom geography composed using several Statistical Areas (SA1). The defined trade area considers the existing built environment and the location of retail centres in the broader region. The trade area is defined considering a number of factors that typically influence the likely trading extent of any retail development, including;

- The location and relative attractiveness of competing shopping centres/outlets;
- The extent of road access to the centre, including consideration of barriers such as rail lines and major roads;
- Public transport access;
- The presence or otherwise of physical barriers such as major roads, rivers, farmland etc;
- Exposure to passing traffic; and
- Travel patterns such as travel to work.

A major consideration is the actual form of the proposed new development, retail tenants, and the centre's overall appeal, and its relationship to competing centres.

For the site, a trade area has been defined reflecting the geographic area upon which the centre is expected to capture the majority of its sales. Further consideration is made for the expected influence of major competitors including supermarkets, as well as other supporting retail and facilities.

The trade area to be served for the proposed development at 182-198 Victoria Road Marrickville is outlined in **Figure 5**.



**Figure 5 Trade Area**

Source: Ethos Urban/MapInfo

### 3.2 Trade Area Population

The Estimated Resident Population (ERP) of the trade area is 15,363 and is forecast to grow to 19,428 by 2036, representing a growth rate of 26.5%. The majority of this population growth is forecast to occur over the short to medium term as shown below in **Table 2**.

**Table 1 Trade Area population projections**

	2019	2021	2026	2031	2036
<b>Trade area population</b>	15,363	18,366	19,214	19,378	19,428
<b>% Change</b>		16.35%	4.41%	0.85%	0.26%

### 3.3 Socio Economic Profile

The demographic data has been drawn from multiple sources including the Australian Bureau of Statistics (ABS) 2016 Census of Population and Housing and ID Consulting. The data analysis provides a general overview of the demographic characteristics of residents within the defined primary trade area. A summary of the socio-economic characteristics of residents in the trade area is provided for in **Table 3**. Key findings of the data analysis include:

- Residents within the trade area are more likely earn a greater income compared with the Greater Sydney average;
- The top three occupations within the trade area include Professionals (35.7%), Managers (13.6%) and Clerical and Administrative Workers (12.7%);
- The trade area population is younger than the Greater Sydney average with a high proportion of 36-64yr olds (40.4%), with only 10.1% of the population are aged 64 and over;
- Family households (51.9%) account for the most prominent household composition within the trade area.



**Table 2      Socio-Economic profile**

Source: Ethos Urban/ABS Census 2016

Category	Trade Area	Greater Sydney
<b><u>Income</u></b>		
Median household income (annual)	\$106,280	\$92,200
Variation from Greater Sydney median	15.3%	na
% of Households earning \$2,500pw or more	37.2%	31.8%
<b><u>Age Structure</u></b>		
Median Age (years)	35.8	36.4
<b><u>Country of Birth</u></b>		
Australia	62.8%	61.9%
Other Major English Speaking Countries	8.3%	7.6%
Other Overseas Born	28.9%	30.5%
<b><u>Household Composition</u></b>		
Couple family - Total	51.9%	61.3%
Family Households - Total	64.4%	73.7%
Lone person household	22.7%	21.7%
<b><u>Dwelling Structure (Occupied Private Dwellings)</u></b>		
Separate house	32.9%	57.2%
Semi-detached, row or terrace house, townhouse etc.	31.0%	14.0%
Flat, unit or apartment	33.4%	28.2%
Other dwelling	2.7%	0.5%
Occupancy rate	92.9%	92.3%
Average household size	2.5	2.8
<b><u>Tenure Type (Occupied Private Dwellings)</u></b>		
Owned outright	25.5%	30.0%
Owned with a mortgage	31.3%	34.2%
Rented	43.0%	35.1%
<b><u>Highest Year of School Completed (% of population aged 15 years and over)</u></b>		
Year 12 or equivalent	74.9%	67.5%
<b><u>Employment Status</u></b>		
Unemployed/ looking for work	5.3%	6.0%
Labour force participation rate	73.1%	65.6%
<b><u>Occupation</u></b>		
Managers	13.6%	13.7%
Professionals	35.7%	26.3%
Technicians and trades workers	10.9%	11.7%
Community and personal service workers	9.2%	9.6%
Clerical and administrative workers	12.7%	14.6%
Sales workers	6.7%	9.0%
Machinery operators and drivers	3.0%	5.6%
Labourers	6.5%	7.6%

### 3.4 Retail Spending and forecasts

Estimates of retail spending by trade area residents have been prepared with reference to the *MarketInfo* retail spending model. *MarketInfo* is a micro-simulation model which uses a variety of data sources including ABS Household Expenditure Survey, ABS Census of Population and Housing, ABS Australian National Accounts, and other relevant sources. Estimates of retail spending by catchment residents are provided for the following broad product categories:

- **Food, Liquor and Groceries (FLG)** – includes spending on fresh food, groceries and take-home liquor. This main category is relevant to supermarket based shopping
- **Food catering** – includes cafes, restaurants and take-away food
- **Non-food** – includes apparel, homewares, bulky merchandise, general merchandise and retail services (e.g hairdressers, beauty salons etc).

Estimates of total retail spending by trade area residents by spending categories are presented in **Table 4**. These are based on average per capita spending levels to forecast trade area population.

Total spending by trade area residents is forecast to increase from \$232.3 million in 2019 to \$336.4m in 2034. *This represents a 45% increase in overall retail spending in the trade area over the forecast period.* A summary of the forecast retail spending by trade area sector and retail category is outlined in **Table 5**.

Reflecting the strong growth planned to occur within the Marrickville trade area, the FLG market alone is projected to increase by \$28.5m (or 24.1%) over the forecast period, highlighting the need for additional food and grocery operators.

**Table 3 2019 Average Per Capita Spending**

Source: Ethos Urban/MarketInfo

Trade Area	Food, Liquor and Groceries	Food Catering	Non Food	Services	Total Retail
<b><u>Per Capita Spending (\$2019)</u></b>					
Trade Area	\$5,832	\$2,481	\$6,184	\$624	\$15,121
Greater Sydney	\$5,649	\$2,188	\$5,952	\$536	\$14,325
<b><u>Variation from Greater Sydney average</u></b>					
Trade Area	3.2%	13.4%	3.9%	16.5%	5.6%

**Table 4 Trade Area Retail Spending Forecasts 2019-2034 (Constance 2019\$)**

Source: Ethos Urban/MarketInfo

Retail Category	2019	2024	2029	2034
Trade Area				
FLG	\$89.6m	\$111.7m	\$115.9m	\$118.1m
Food Catering	\$38.2m	\$48.0m	\$50.4m	\$51.9m
Non-Food	\$95.0m	\$126.4m	\$139.9m	\$152.2m
Services	\$9.6m	\$12.4m	\$13.4m	\$14.3m
<b>Total Retail</b>	<b>\$232.3m</b>	<b>\$298.5m</b>	<b>\$319.5m</b>	<b>\$336.4m</b>

## 3.5 Retail environment

Retail provision in Marrickville is dominated by Marrickville Metro, along with an established, healthy retail strip along Marrickville Road and Illawarra Road to the south, both of which demonstrate minimal vacancy. Dominant uses in these areas include food and service retail, particularly catered food and cafes. Discretionary retail including discount stores, apparel and pharmaceuticals.

Beyond Marrickville, surrounding precincts including Dulwich Hill, Petersham and Enmore have similar strip retail offerings to service the immediate residents within the area. Notwithstanding, there are no major supermarket or shopping centres within these surrounding suburbs, and accordingly residents within these areas heavily rely on the retail provision at Marrickville Metro or Norton Plaza for a greater retail offer, including access to full line supermarkets. **Table 6** below summarises the competitive retail landscape.

**Table 5 Competition Table**

Source: Ethos Urban/Nearmap

Store	Location	Type	Approx GLA (m <sup>2</sup> )	Approx distance from site (m)
<b>Inside trade area</b>				
Woolworths	Marrickville Metro SC	Full line supermarket	4,749	800
Pancetta Mercato	Marrickville Metro SC	Large grocer	850	800
Banana Joe's Foodworks	258 Illawarra Road Marrickville	Larger grocer	1,200	760
Aldi	Marrickville Metro SC	Medium supermarket	1,207	800
<b>Outside trade area</b>				
Woolworths	463 Illawarra Road Marrickville	Full line supermarket	3,029	2,100
IGA Newtown	259 King Street Newtown	Large supermarket	1,000	2,050
IGA Enmore	191-193 Enmore Road, Enmore	Small supermarket	200	1,200
Foodworks Enmore	173A Enmore Road, Enmore	Small supermarket	150	1,290
IGA Stanmore Plaza	2 Holt Street, Stanmore	Small supermarket	300	1,470
Foodworks Petersham	2/88-94 New Canterbury Road Petersham	Small supermarket	250	1,600
IGA Dulwich Hill	398-400 New Canterbury Road Dulwich Hill	Small supermarket	700	1,960
Woolworths	21-23 Erskineville Road, Newtown	Small supermarket	651	2,000
Woolworths Mascot	55 Church Avenue, Mascot	Full line supermarket	3,200	2,500
Foodworks Newtown	330 King Street Newtown	Medium supermarket	780	1,700
Coles Leichardt	Norton Plaza	Full line supermarket	3,770	2,500
Harris Farm Leichardt	Norton Plaza	Large grocer	1,360	2,500
Aldi Leichardt	Marketplace Leichardt	Medium supermarket	1,350	2,900
Woolworths	Marketplace Leichardt	Full line supermarket	4,160	2,900
<b>Upcoming</b>				
Coles (2020)	Marrickville Metro SC	Full line supermarket	4,200	800
Woolworths (Tbc)	Park Sydney Erskineville	Full line supermarket	4,000	2,300



### 3.5.1 Marrickville Metro Shopping Centre

Marrickville Metro, a sub-regional shopping centre with Woolworths, ALDI, Kmart and approximately 85 specialties, is located at 34 Victoria Rd, approximately 1km by road from the subject site.

Marrickville Metro is an extremely successful shopping centre, best demonstrated by its ranking as Australia's second most productive 'Little Gun' shopping centre, with a MAT (Moving Annual Turnover) in 2019 of \$12,450/m<sup>2</sup>, 55% more than the average \$8,041/m<sup>2</sup>. In fact, the centre was also reported to have increased its performance by 6.4% in 2019 versus 2018, far outstripping Australian average retail sales productivity increases.

'Little Guns' are centres defined by Shopping Centre News (SCN) and accepted by the shopping centre industry, as centres with between 20,000 and 50,000 m<sup>2</sup> GLAR (Gross Lettable Area Retail).

The strength of Marrickville Metro's trade is due in large part to the dominance of their Woolworths supermarket. It is understood that Woolworths MAT sales are approaching \$100m, a figure that would comfortably place it among Australia's highest performing Woolworths stores. With a Gross Lettable Area (GLA) of an estimated 4,200m<sup>2</sup>, sales productivity is in the order of \$22,000/m<sup>2</sup>, well in excess of a typical full-line supermarket in the order of \$10,000/m<sup>2</sup>.

In short, the Woolworths at Marrickville Metro overtrades significantly, in part prompting their current centre expansion to create more supermarket, mini-major and specialty space. Work has commenced to expand the centre from circa 22,000m<sup>2</sup> to 33,000m<sup>2</sup>, increasing by 50%, adding a Coles supermarket and approximately 44 new retail outlets. Completion is due for late 2020.

Their dominant market position has come about despite its distance from Marrickville train station and relatively poor centre access; it is a centre that without doubt relies heavily on vehicular access, with surrounding low density residential. This contrasts with increasingly high-density residential development in the southern precinct of Marrickville, which has experienced significant gentrification.

### 3.5.2 Strategic Context

The Draft Inner West Housing Strategy reinforces the position that Marrickville Metro is facing demand pressures, which have prompted its expansion. Specifically, the Strategy states that *"the capacity of the shopping centre is limited and pressure for expansion is significant. Demand will only increase with the development planned at Victoria Road"*. Further to this, the Strategy identifies that the shopping centre has significant access constraints and that there are opportunities to include up to 740 dwellings on the Marrickville Metro site as shop top housing. Even with the expansion of Marrickville Metro, which is due for completion in 2020, the subject retail development at Victoria Road will not satisfy anticipated future demand for retail services in the local area.

The proposed retail development at the site will help satisfy this evident supply gap and provide for a walkable retail offer for both new and existing residents within the Victoria Road Precinct and surrounding areas, while not inhibiting the competitiveness of Marrickville Metro as a key retail centre. Furthermore, the proposed development will assist in alleviating traffic congestion issues at Marrickville Metro and Victoria Road by providing a supermarket within walking distance for residents.

It should also be noted that the proposed development provides for a very different offering to that of Marrickville Metro. The proposed retail development will provide for a convenient and walkable retail offering to serve the immediate residents within the area, capturing a small local market with a forecast minimal impact on Marrickville Metro.

There is little doubt, particularly in light of its imminent expansion, that Marrickville Metro will remain the primary retail centre for residents within Marrickville and neighbouring suburbs.



**Figure 6 Competition Map**

Source: Ethos Urban/Mapinfo

Note: Map shows existing supermarkets only

## 4.0 Economic Assessment

### 4.1 Introduction

This section provides an assessment of potential economic impacts associated with the proposed development. This economic assessment considers;

- Development within Marrickville and demand for the proposed retail development;
- Local benefits from the proposed development including:
  - Construction and ongoing employment generation;
  - Expenditure generated during the operational phases;
  - Sales forecasts
  - Improved amenity in the trade area and surrounding suburbs.

### 4.2 Demand for the development and retail sales forecasts

The resident population in the suburb of Marrickville is projected to increase from around 27,970 to 37,585 by 2036, representing close to 10,000 additional residents or an increase of around one third. Overall, Marrickville is expected to account for the greatest portion of growth in the Inner West, representing almost 25% of overall population growth in the Council area.

***Within the trade area, the population is forecast to increase from 15,363 persons to 19,428 persons by 2036, representing 42.27% of population growth in Marrickville.***

This population growth will be underpinned by significant residential development within the southern suburbs of Marrickville as well as the Victoria Road Precinct. The draft Inner West Housing Strategy states that 3,863 dwellings are forecast to be required in Marrickville in order to accommodate the future population growth over the medium and long term (.id Consulting). The Victoria Road Precinct is anticipated to provide for 1,100 dwellings, representing 28.4% of dwelling growth within Marrickville. Accordingly, the development of retail services and providers at the site is well suited to meet the growing retail demand requirements in the area.

Aside from the Victoria Road Precinct, medium to high density residential development in Marrickville is heavily concentrated in the southern precinct, in areas close to Sydenham and Marrickville Station (surrounding Illawarra and Marrickville Road). The success of this residential development has been promoted by the surrounding retail amenity. The proposed Victoria Road retail development will provide this amenity for the subject development and others in close proximity.

Based on market knowledge of similarly sized supermarkets and ancillary retail pitches in metropolitan Sydney, we estimate that a small supermarket in this location will achieve sales in the order of \$8,000 - \$10,000 per m<sup>2</sup>, or \$12m - \$15m, year one. Total sales from the supermarkets/large grocers within the trade area are conservatively estimated to be \$135m, or \$16,862 per m<sup>2</sup>, well above the typical average and indicates the strong existing performance. Therefore, even at the upper end of the sales forecasts, projected sales for the subject site would only account for 11% of total trade area sales.

With the addition of Coles in late 2020, demand for supermarket/large grocer floor space in the trade area is forecast to be circa 13,000m<sup>2</sup>. Coincidentally, the addition of the subject supermarket would also represent approximately 11% of this total. ***Note, this does not account for the new Coles, which we estimate would achieve annual sales of a very conservative \$50m year one. Taking this addition into account, sales proportions from the subject would be in the order of 8% of the total supermarket/large grocer spend in the trade area.***

When the retail spending forecast growth and trade area population growth are considered, along with the total increase in forecast retail spend, the small increase in supermarket supply resulting from the subject development is



comfortably justified and will not impact on the future viability of any existing or proposed retail development in the precinct.

## **4.3 Economic Impacts**

### **4.3.1 Employment generation**

Jobs supported by the retail development at 182-198 Victoria Road Marrickville will accrue through both direct and indirect employment generated during the construction phase and ongoing employment.

The cost of overall Victoria Road project is estimated at around \$129m, while only a proportion of this will be attributed to the supermarket directly, it is clear that the development of the subject site will require millions of dollars in capital investment including all construction and building works.

This investment will be of significant benefit to the Inner West Council's trade and construction industries, and will generate many employment opportunities for local residents employed in the construction sector.

In addition to jobs created as a result of the construction phase of the development, the supermarket would create employment opportunities as part of the ongoing operation of the store.

Applying relevant industry benchmarks indicates that the development of the Victoria Road supermarket would employ an additional 75 people (approximately) in full-time, part-time and casual positions based on the typical employment ratio for a supermarket of 1 worker per 20m<sup>2</sup>. This new source of employment is important for young people (for whom retailing is a typical entry-point into the workforce) and others to establish rewarding careers in the retail sector. Supermarkets and other retail are also an important source of employment for older people seeking to re-enter the workforce, or those no longer working full-time but who are seeking casual work.

### **4.3.2 Supermarket sales**

As noted, forecast maximum sales of \$15m in year one, with minor annual increases during the term, are estimated to represent 8% of total annual supermarket sales in the trade area. The impact on sales of the existing and upcoming (Coles) stores will therefore be considerably less *per store*, well within the bounds of reasonableness and a natural reaction to business opportunity.

FLG spend within the trade area is projected to increase from \$89.6m currently to \$118.1m by 2034, representing an increase of \$28.5m. With projected sales of up to \$15m for the subject supermarket, projected sales represent only a proportion of future growth in the market and will not impact on the trading performance of existing retailers which still stand to benefit from the remaining \$13.5m in FLG spending growth over the forecast period. This reinforces the fact that the proposed supermarket would largely service the growth in the market, versus compete with surrounding existing supermarkets. Furthermore, the growth in the market illustrates the demand for other retail developments in the trade area, including at Marrickville Metro.

## 5.0 Conclusion

In summary, the proposed development will result in a net community benefit, presenting a number of economic and social benefits, including;

- Limited sales impact
- Satisfying future growth and retail undersupply
- New amenity and employment opportunities, well suited to the changing environment
- Alternative shopping options for shoppers, particularly within close proximity and walking distance
- Promoting walkability and reducing traffic congestion

Marrickville is a strong retail environment adapting to continual socio-economic change. The proposed development will not disrupt the retail hierarchy, will add to the amenity, and will provide relevant and necessary additions to the retail landscape.

Yours sincerely,



**Stephanie Stamatellis**  
Urbanist  
02 9409 4949  
sstamatellis@ethosurban.com



**Warwick Turpin**  
Director  
02 9956 4987  
wturpin@ethosurban.com