

# **1-20 RAILWAY ROAD MEADOWBANK**

## **RETAIL IMPACT ASSESSMENT**

**URBIS**

PREPARED FOR SASCO DEVELOPMENTS PTY LIMITED

**URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:**

Director	Clinton Ostwald, Princess Ventura
Associate Director	David Wilcox
Consultant	Sean Brosnan
Project Code	PER0532
Report Number	1

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# EXECUTIVE SUMMARY

## PROPOSED DEVELOPMENT

The proposed Meadowbank mixed use development will incorporate the following retail uses:

- A compact ground floor retail development of 3,676 sq.m gross floor area (GFA), including:
  - A 2,284 sq.m supermarket and
  - 1,392 sq.m speciality shopfront space.
- Three levels of basement parking including 222 spaces for the retail development.

The retail component of the proposed development is relatively modest in scale, and will be positioned to provide convenience-based shopping for local residents, TAFE students and staff, and commuters. It has been assumed that the development will be complete and trading by January 2024.

## MARKET DEMAND

Meadowbank is currently undergoing substantial urban renewal with the former industrial sites along the waterfront being redeveloped into high density mixed use precincts. This is forecast to result in strong population growth over the next five years which will drive significant demand for additional retail facilities. There are currently two supermarkets within the trade area (ALDI and Supa IGA), however the additional **7,690** trade area residents by 2025 will require further facilities to meet their needs.

Trade area retail spending is forecast to increase from **\$229 million** in 2017, to **\$360 million** in 2021 and **\$404 million** in 2025 (all in constant \$2017 dollars). This is an additional **\$175 million** of retail expenditure available within the trade area between 2017 and 2025.

The proposed development is relatively modest in scale, and will be positioned to provide convenience-based shopping for local residents and commuters. It aims to combine retail, commercial, community and residential uses to create a vibrant, walkable and attractive town centre.

By 2025, the main trade area population will support 6,121 sq.m of supermarket floorspace at benchmark per capita rates. The scale of the proposed supermarket represents just over 37% of the supportable amount.

The proposed development is forecast to achieve sales of **\$36.4 million** (in constant \$2017) in its first year of trading (2025). Of this, the supermarket component is forecast to turnover \$25.9 million.

The estimated turnover of the proposed development is equivalent to only **20%** of the quantum of spending growth projected in the trade area between 2017 and 2025 (+\$175 million). This demonstrates that the market has sufficient capacity to support additional retail floorspace in the trade area.

## TRADING IMPACTS

In the proposed development's first full year of trading (2025), the overall trading performance of existing centres will be 21% higher than 2017 levels (even accounting for the proposed development and the impacts of the opening of the Rhodes Central development). Therefore, current conditions will be enhanced even after the impact of competitive developments, demonstrating that growth in the market can offset the effects of new competition.

Importantly, the adjacent Village Plaza shopping centre will still trade 32.2% higher in 2025 than its current estimated turnover. This is equal to strong annual growth of 3.5%, which reflects the high population and spending growth within the trade area generating additional retail expenditure.

## Distribution of Potential Impacts on Key Centres

Meadowbank

Table 1.1

	Est. Retail Turnover (\$M)			Turnover Inc./Dec. (\$M)		Impact	
	Existing	Pre-Dev	Post-Dev.	Existing	Pre-Exp	2017	2025
	2017	2025	2025	2017	2025		
	(1)	(2)	(3)	(4)=(3)-(1)	(5)=(3)-(2)	(6)=(4)/(1)	(7)=(5)/(2)
Meadowbank			36.4	n.a.	+36.4	n.a.	n.a.
<b>Centres Within Trade Area</b>							
Village Plaza	36.0	54.1	47.5	+11.6	-6.6	+32.2%	-12.2%
<b>Centres Beyond Trade Area</b>							
West Ryde <sup>1</sup>	171.8	213.2	203.1	+31.3	-10.0	+18.2%	-4.7%
Top Ryde City	350.0	431.1	421.1	+71.1	-10.0	+20.3%	-2.3%
Rhodes Waterside Shopping Centre	200.0	227.4	224.4	+24.4	-3.0	+12.2%	-1.3%
Macquarie Centre	820.0	1,016.4	1,012.9	+192.9	-3.5	+23.5%	-0.3%
<b>Total Above Centres</b>	<b>1,577.7</b>	<b>1,942.1</b>	<b>1,909.0</b>	<b>+331</b>	<b>-33.1</b>	<b>+21.0%</b>	<b>-1.7%</b>
<b>Future Centres</b>							
Rhodes Central		74.6	73.6		-1.0		-1.3%
<b>Other Centres</b>							
Other Centres					-2.4		
<b>Total Competing Centres</b>					<b>-36.4</b>		

1. Comprises West Ryde Marketplace, West Ryde Urban Village and the West Ryde strip retail

Source: Urbis

## ECONOMIC AND OTHER BENEFITS

There are a range of economic benefits associated with the proposed development:

- Supporting **232 direct jobs** and **332 indirect jobs** over the construction phase (as part of the broader mixed use development)
- Supporting **342 direct jobs** (full-time, part-time and casual) through the ongoing operation of the retail, commercial, child care and gym components of the development and a further **145 indirect jobs** (full-time, part-time and casual) from flow-on effects.

The proposed retail development will provide a range of benefits for existing and future Meadowbank residents, including:

- Orderly use of land to deliver a vibrant neighbourhood centre.** The proposed development will revitalise the existing Meadowbank retail strip which is currently run down. This will be achieved by:
  - Optimising retail diversity across the site by limiting the scale of the supermarket to create space for a vibrant mix of specialty retail
  - Providing a retail mix that will complement existing shops. Improving the overall Meadowbank retail offer will encourage more people in the trade area to shop locally. The proximity to existing retail maximises opportunities for cross-shopping to occur
  - High quality street front activation - Providing all the retail on a single ground level which is highly permeable and located on the major ant-track to the railway station will maximise street-level activation during all times of the day and further promote cross-shopping.
- Creating a walkable environment.** The location of the development, adjacent to existing retail facilities, close to the train station and at the base of a residential apartment building will encourage walkability and reduce car dependency for shopping. This should assist in reducing traffic within the trade area, and should also reduce the need for people to shop beyond the trade area by car
- Promoting price competition.** The extension of choice for trade area residents will also promote greater competition, with possible benefits in terms of keener prices and better quality goods and services.

- **Directly addressing the objectives of the Shepherd's Bay Development Control Plan.** The Development Control Plan sets out a number of specific objectives to guide development in the Meadowbank area. The proposed development will directly meet the following objectives:
  - *Encourage new development or the adaptive re-use of existing buildings containing a mix of residential, commercial and local retail*
    - The proposed development comprises a true mixed use town centre that will contain a mix of residential, commercial, retail and community uses.
  - *Facilitate convenient access between work, home and leisure*
    - By providing a walkable, permeable development adjacent to the Meadowbank Railway Station, the town centre will provide a highly accessible hub for working, living and recreation.
  - *Create a place specifically designed for the enjoyment and use of pedestrians and cyclists*
    - The development has been designed to allow for easy pedestrian access. This will draw people in from the surrounding residential developments, the Meadowbank TAFE, Village Plaza, and the Meadowbank Railway Station.
  - *Provide for a high level of aesthetic amenity, particularly at street level*
    - The development will achieve this by positioning the retail uses on a single ground level which will create a vibrant and highly permeable centre located on the major anti-track to the railway station.

**The proposed development should therefore be supported from an economic perspective.**

# INTRODUCTION

This Economic Impact Assessment (EIA) has been prepared by Urbis Pty Ltd on behalf of Sasco Developments Pty Limited ("The Proponent"). The Proponent is proposing a mixed use town centre development at 1-20 Railway Road Meadowbank, incorporating ground level retailing below a commercial podium and residential tower.

This EIA considers the trading impacts and economic benefits of the retail development which includes a 2,284 sq.m supermarket and 1,392 sq.m of specialty retail floorspace.

The report is structured as follows:

- **Section One – Subject Site and Proposed Development:** considers the site in its local and regional context
- **Section Two – Trade Area Market:** identifies the subject site's likely trade area and provides an assessment of the current and forecast population and retail spending trends as well as the demographic profile of residents
- **Section Three – Competitive Framework:** reviews the retail hierarchy in the region of relevance to the proposed development, noting the competing centres and proposed developments
- **Section Four – Need, Demand and Impact:** outlines our assessment of the economic need, demand impact and benefit of the proposed development. Section Four also provides turnover forecasts and commentary on the likely market share of the development
- **Section Five – sets out conclusions.**

# 1. SUBJECT SITE AND PROPOSED DEVELOPMENT

## 1.1. SUBJECT SITE

The subject site comprises 16 contiguous lots situated at 1-20 Railway Road and 50 Constitution Road, Meadowbank. It is located approximately 11 km north west of the Sydney CBD.

The site is situated directly adjacent the Meadowbank Railway Station which provides access east to the Sydney CBD via Rhodes, and north to Pennant Hills and Hornsby. Victoria Road is located 500 metres north of the site, providing vehicular access to east towards the Sydney CBD and west to Parramatta. Church Street is situated 800 metres east of the subject site which links Macquarie Park in the North and Concord and Sydney Olympic Park to the south. It also provides a connection to the M2 Hills Motorway which services north-western Sydney.

The existing development surrounding the subject site comprises apartments to the immediate south (above the Village Plaza shopping centre), Meadowbank TAFE to the north, high density apartment developments (currently under construction) to the east, and a mix of medium and low density residential uses across the rail line to the west.

## 1.2. CONTEXT

Meadowbank is located on the northern bank of the Parramatta River. It is situated within the City of Ryde Local Government Area (LGA). The suburb is currently undergoing substantial urban renewal with the former industrial sites along the waterfront being redeveloped into high density mixed use precincts.

Retail amenities within Meadowbank town centre are currently limited in scale. The Village Plaza development includes ALDI and Supa IGA supermarkets, but these are located in below ground levels in an adjacent residential development, meaning that they provide only limited street front activation.

There are some specialty retail tenancies currently located on Railway Road (contained the subject site) however several of these are vacant and the others generally provide limited retail offer.

The proposed development is therefore an opportunity to create a revitalised town centre which can broaden its local appeal for residents and users of the adjacent Meadowbank TAFE and complement existing retailers at Village Plaza.

## 1.3. PROPOSED DEVELOPMENT

The proposed development seeks to deliver a mixed use town centre that will cater to the various needs of the local community. It will incorporate the following uses:

- 358 apartments (100 x 1 bedrooms; 186 x 2 bedrooms; 72 x 3 bedrooms)
- 1,741 sq.m commercial uses plus an additional 626 sq.m on an adjacent site
- 718 sq.m childcare centre (excluding outdoor space)
- 465 sq.m gym
- **A compact ground floor retail development of 3,676 sq.m gross floor area (GFA), including:**
  - **A 2,284 sq.m supermarket and**
  - **1,392 sq.m speciality shopfront space**
- Three levels of basement parking including 222 spaces for the retail development.

The Proponent has advised that the entire development, including the on-site retailing, could be developed (and trading) by 2024. Map 1.1 shows the location of the subject site, and the broader local context is shown in Map 1.2. Figure 1 shows the proposed retail scheme.



Retail Layout Summary

1-20 Railway Road Meadowbank

Table 1.1

Component	Size (sq.m)
Supermarket	2,284 sq.m
Specialty tenancies	1,392 sq.m
Total Retail Centre	3,676 sq.m

Subject Site

Map 1.1

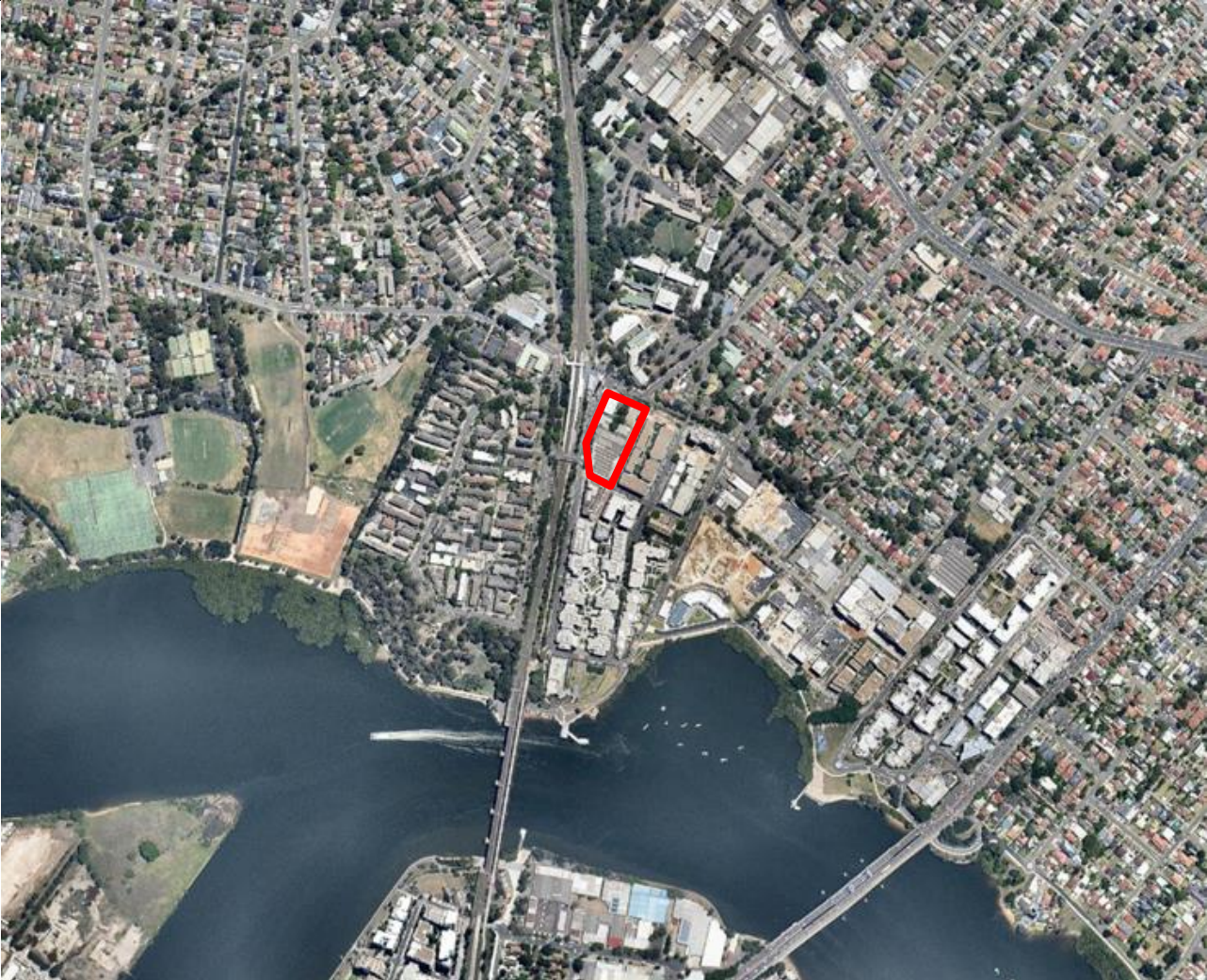
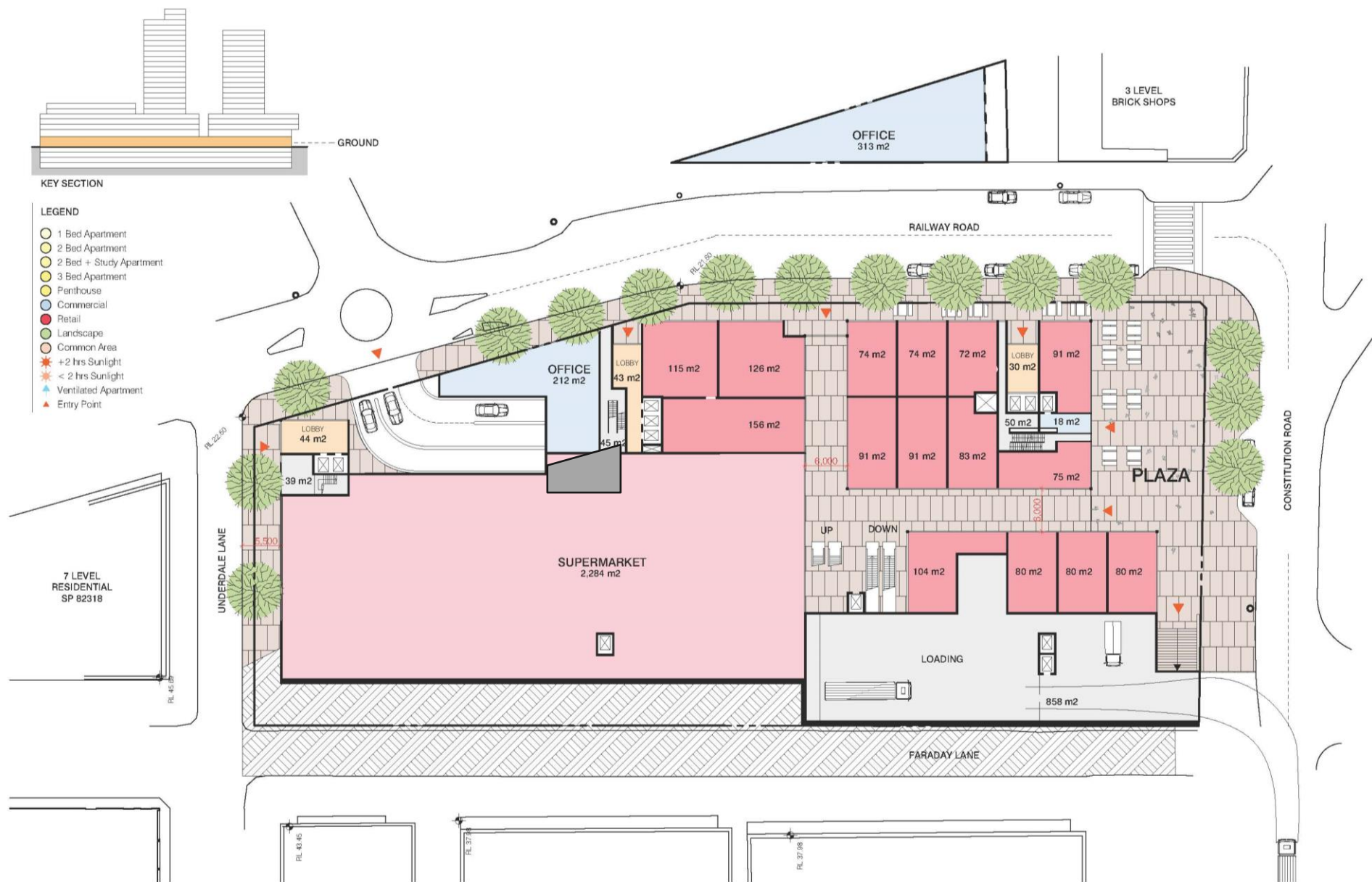








Figure 1 – Proposed Retail Scheme



## 2. TRADE AREA MARKET

This section discusses the trade area likely to be served by the retail component of the proposed development, including population trends and forecasts, socio-economic characteristics, as well as the future retail spending levels of trade area residents.

### 2.1. TRADE AREA DEFINITION

The definition of the trade area for any retail development is determined by several factors including:

- The appeal and attractiveness of the centre in question, determined by success factors such as composition, layout, car parking and the presence of other local complementary uses
- The proximity, composition, quality, size and diversity of retail, business services and community facilities in competing retail centres
- The accessibility of the subject centre in terms of road and public transport networks
- Topography and other physical barriers such as rivers, railways and freeways
- Proximity and accessibility to potential shoppers.

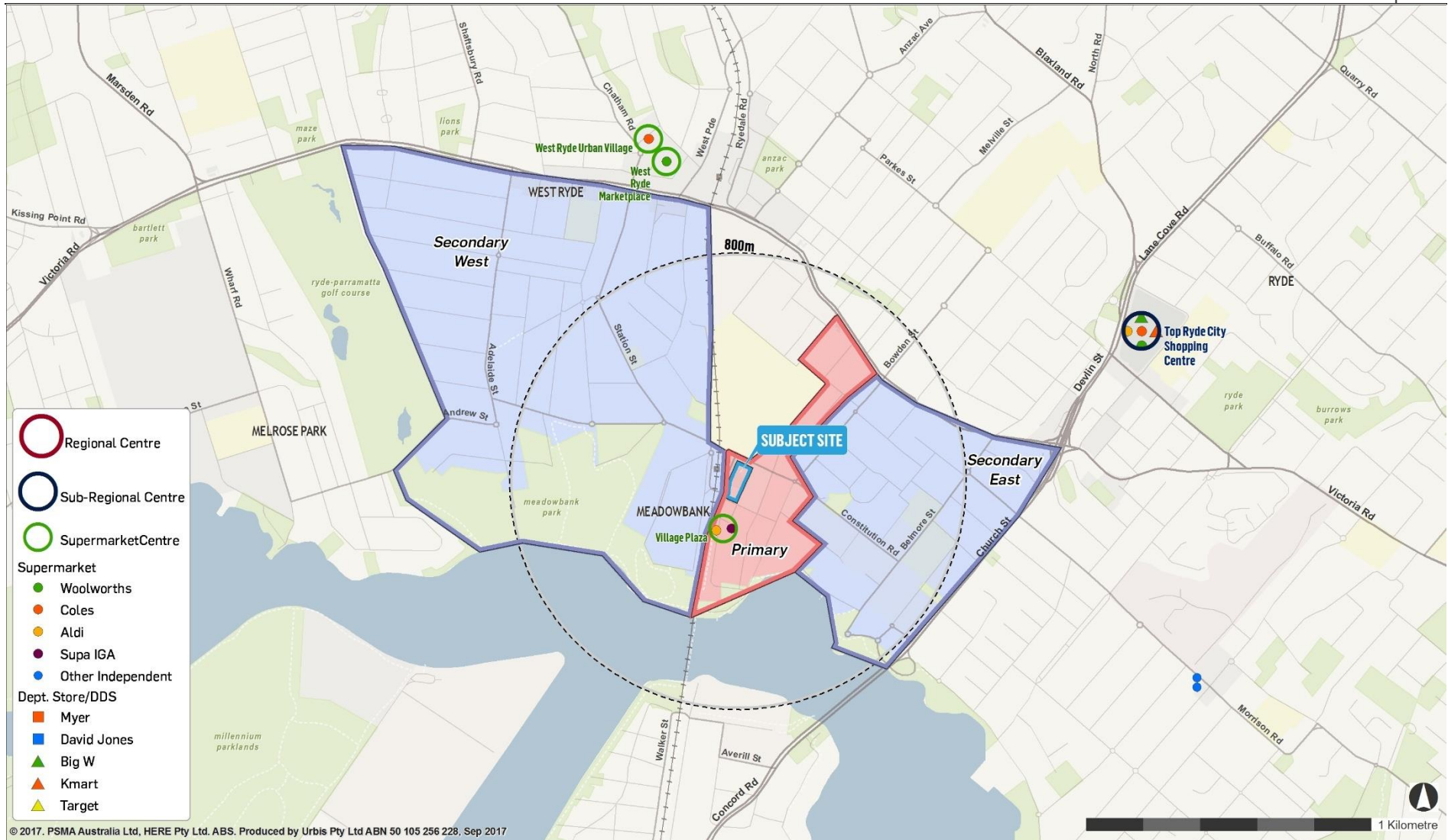
The adopted trade area has been based on ABS SA1 statistical divisions surrounding the subject site. On this basis, we have defined the trade area as follows:

- **Primary Trade Area** – includes the residential areas extending north to Victoria Road, east to the dwellings along McPherson Lane, south to the Parramatta River, and west to the rail line. The trade area excludes non-residential uses such as Meadowbank TAFE and the industrial lands to the north, although we note the potential for the development to serve users of these facilities
- **Secondary East Trade Area** – extends from the Primary Trade Area's eastern boundary along McPherson Lane, north to Victoria Road, east to Church Street, and south to the Parramatta River.
- **Secondary West Trade Area** – extends north to Victoria Road, east to the rail line, south to the Parramatta River, and west to Meadowbank Lane which borders the Ryde-Parramatta Golf Club.

Due to the site's location away from the main road, we consider that Victoria Road will form the northern extent of the trade area. Church Street also forms a physical barrier that demarks the eastern boundary. The single vehicular crossing point over the railway line (which marks the boundary between the primary and the secondary west trade area) may limit permeability between these two sectors.

The majority of current and future residential population within the primary trade area is located within a walkable distance (~800 metres) of the subject site.

Map 2.1 on the following page shows the defined trade area for the proposed retail development.



## 2.2. POPULATION

In preparing population projections for the trade area we have had regard to the following sources:

- Historical population and dwelling approval data provided by the ABS
- The 2016 estimate of resident population (ERP) provided by the ABS following the 2016 Census
- Cordell Connect Construction Data for all development proposals
- The subject site accommodating 358 apartments as part of the proposed development.

Using the 2016 ERP as a base, population growth within the trade area has been forecast by identifying proposed residential developments and their completion dates, and assuming an average household size of 2.2 persons per dwelling (which is consistent with the current household size in the apartment developments in Meadowbank). The resulting population forecasts for the trade area are shown in Table 2.1 overleaf.

The population projections demonstrate strong growth which will sustain demand for additional retail provision. In particular:

- The trade area resident population is expected to grow from **14,980** persons in 2017 to **22,670** persons in 2025. This equates to an additional **7,690** trade area residents by 2025, or growth of 5.3% per annum. This high level of growth reflects the scale of apartment development currently underway within the primary and secondary east trade areas
- The primary trade area is estimated to comprise **3,370** residents in 2017 and is expected to experience strong growth to reach **6,170** residents by 2025. This reflects population growth of 7.9% per annum over the next eight years which will be driven by apartment developments occurring in the area, including the subject site
- There are currently 12 proposed residential developments in the primary trade area (excluding the subject site). The majority of these developments are part of the Shepherds Bay masterplan area, and do not provide any retail floorspace. In many cases, development has substantially commenced.
- The secondary east trade area is forecast to account for the largest share of population growth, increasing from **3,950** persons in 2017 to **8,770** persons in 2025. This reflects a growth rate of **10.5%** per annum, or **4,970** additional residents.

As with the primary trade area, this significant scale of population growth will be driven by nine proposed apartment developments, including the eastern portion of Shepherds Bay and surrounding lands.

Compared to the other two trade area sectors, the secondary west trade area is projected to experience relatively limited growth. This is due to the trade area comprising mostly low density residential dwellings and fewer committed development sites.

- The secondary west trade area is forecast to grow from 7,660 residents in 2017 to 7,730 residents by 2025. This represents an annual growth rate of only 0.1% per annum.



## Trade Area Population

Historical and Forecast Trade Area Population

Table 2.1

	Population				Annual Population Growth (no.)			Annual Population Growth (%)		
	2013	2017	2021	2025	13-17	17-21	21-25	13-17	17-21	21-25
Primary:										
<b>Total Primary</b>	<b>2,670</b>	<b>3,370</b>	<b>5,390</b>	<b>6,170</b>	<b>175</b>	<b>505</b>	<b>195</b>	<b>6.0%</b>	<b>12.5%</b>	<b>3.4%</b>
Secondary:										
East	3,120	3,950	8,770	8,770	208	1,205	0	6.1%	22.1%	0.0%
West	<u>7,260</u>	<u>7,660</u>	<u>7,730</u>	<u>7,730</u>	<u>100</u>	<u>18</u>	<u>0</u>	1.3%	0.2%	0.0%
<b>Total Secondary</b>	<b>10,390</b>	<b>11,610</b>	<b>16,500</b>	<b>16,500</b>	<b>305</b>	<b>1,223</b>	<b>0</b>	<b>2.8%</b>	<b>9.2%</b>	<b>0.0%</b>
<b>Main Trade Area</b>	<b>13,060</b>	<b>14,980</b>	<b>21,880</b>	<b>22,670</b>	<b>480</b>	<b>1,725</b>	<b>198</b>	<b>3.5%</b>	<b>9.9%</b>	<b>0.9%</b>

1 As at December 31

Source: ABS; Cordell; Urbis

## 2.3. DEMOGRAPHIC CHARACTERISTICS

Chart 2.1 and Table 2.2 summarise the key socio-economic characteristics of the Meadowbank retail trade area based on the ABS 2016 Census. The key characteristics of the trade area resident population compared to the Sydney average are as follows:

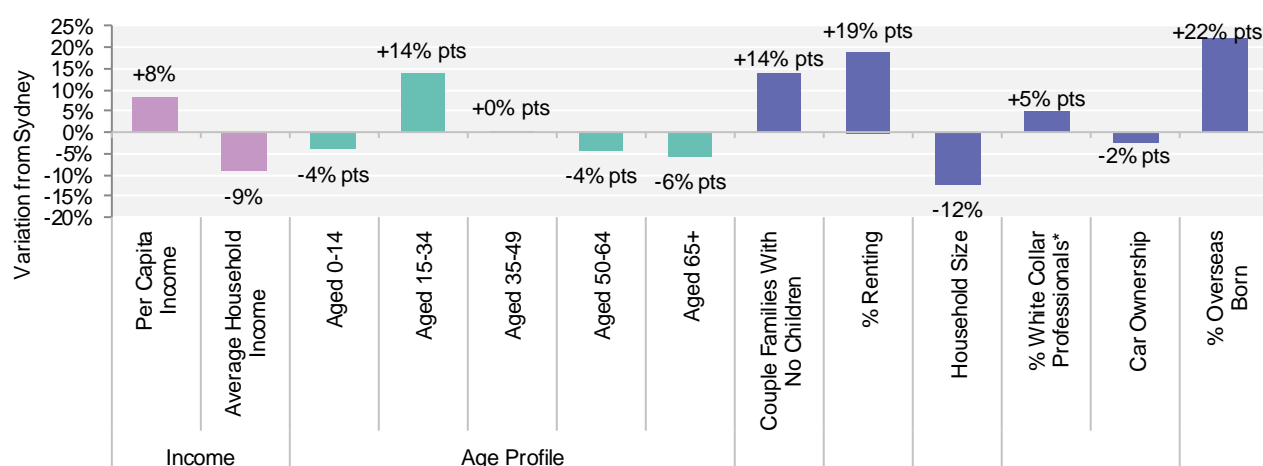
- Per capita income across the trade area is 8% higher than the Sydney average
- There is a substantially higher incidence of households comprising couple families with no children than the Sydney average
- Average household size across the trade area (2.4 persons) is well below the Sydney average of 2.8 persons, reflecting the prevalence of couple family households
- The trade area population age distribution reflects a 14% higher proportion of persons aged 15-34 than the Sydney average
- The proportion of rental households in the trade area is 19% points above the Sydney average
- The share of white collar professions within the trade area is 5% points above the Sydney average
- The proportion of trade area residents who own a car is 2% point below the Sydney average, reflecting the strong public transport connections which service the area
- The trade area has a significantly higher proportion of overseas-born residents (+22% points) than the Sydney average.

The socio-economic profile suggests that a modern, accessible retail mix that provides convenience and good quality casual dining options should match the aspirations of residents and visitors to the area. Given the lower incidence of car ownership among trade area residents, it is also important that the development be highly walkable.

## Trade Area Demographics

Meadowbank Trade Area, 2016

Chart 2.1



\*Based on 2011 Census data

Source: ABS; Urbis

## Trade Area Demographics

Meadowbank Trade Area, 2016

Table 2.2

	Main Trade Area	Sydney
<b>Income:</b>		
Per Capita Income (\$)	43,631	40,323
Household Income Above \$130,000	27%	31%
<b>Age Distribution:</b>		
Aged 0-14	15%	19%
Aged 15-19	4%	6%
Aged 20-34	39%	23%
Aged 35-49	22%	21%
Aged 50-64	13%	17%
Aged 65-79	6%	10%
Aged 80+	2%	4%
<b>Socio-Demographic Indicators:</b>		
Couple Families with no children (%)	47%	33%
Families with children under 15 (%)	23%	29%
Renters (%)	54%	35%
Household Size	2.4	2.8
White Collar Professionals (%)*	79%	74%
Car Ownership (%)	86%	89%
Overseas Born (%)	61%	39%

\*Based on 2011 Census data

Source: ABS; Urbis



## 2.4. RETAIL SPENDING

Retail spending estimates are derived using MarketInfo, a micro-simulation model developed by Market Data Systems Limited (MDS). This model, which is based on information from the national ABS Household Expenditure Survey (HES) and the Census of Population and Housing, uses micro-simulation techniques to combine a household's propensity to spend on particular commodities with the socio-economic characteristics of individuals to derive spending per capita estimates on a small area basis.

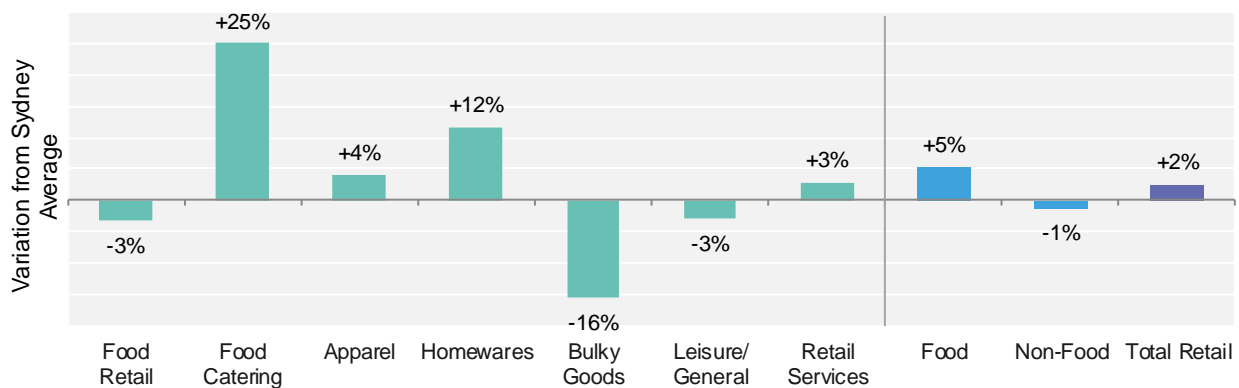
### Per Capita Retail Spending

Across the trade area, per capita retail expenditure is **\$15,272** (in \$2017 dollars) which is 2% higher than the Sydney average of \$14,911. Chart 2.2 shows that trade area retail spending is currently well above the Sydney average for food catering and homewares, but is below the average in other product categories. The below average provision on food retail may reflect a preference for dining out. The below-average spend on bulky goods reflects the prevalence of apartment living and high rental levels, where people typically spend less on home furnishings.

#### Per Capita Retail Spending Versus Sydney Average

Meadowbank Trade Area Residents

Chart 2.2



Source: ABS; MarketInfo; Urbis

### Resident Spending

Strong forecast population growth and retail spending per capita growth are expected to drive substantial growth in the trade area retail spending market over the next eight years. The current and future size of the resident retail spending market available to the subject site is shown in Table 2.3.

Trade area retail spending is forecast to increase from **\$229 million** in 2017, to **\$360 million** in 2021 and **\$404 million** in 2025 (all in constant \$2017 dollars). This is an additional **\$175 million** of retail expenditure available within the trade area between 2017 and 2025.

The table also shows that retail spending within the primary trade area is forecast to increase from \$54 million in 2016 to \$93 million in 2021 and \$115 million in 2025. This is additional **\$61 million** of available retail expenditure within the primary trade area between 2017 and 2025, or 35% of spending growth within the trade area. The primary and secondary east trade areas, which are the most accessible to the subject site, will collectively account for almost 90% of spending growth between 2017 and 2025.

## Total Retail Spending by Category 2017-25

Meadowbank Trade Area \$2017 dollars, incl. GST

Table 2.3

	Food Retail	Food Catering	Apparel	Home- w-ares	Bulky Goods	Leisure/ General	Retail Services	Total Retail	Annual Growth	=	Pop Growth	+	Per Cap Spend Growth
Primary Trade Area:													
<b>2017</b>	19	12	6	5	4	6	2	<b>54</b>					
<b>2021</b>	32	21	11	8	8	10	4	<b>93</b>	14.4%		12.4%		1.8%
<b>2025</b>	39	26	14	10	9	12	5	<b>115</b>	5.6%		3.5%		2.0%
Main Trade Area:													
<b>2017</b>	85	47	25	19	20	24	9	<b>229</b>					
<b>2021</b>	129	75	41	31	31	38	14	<b>360</b>	12.0%		9.9%		1.9%
<b>2025</b>	142	85	45	37	35	43	16	<b>404</b>	3.0%		0.9%		2.1%

Source: ABS; MarketInfo; Urbis

Future retail development at the subject site will also capture a proportion of spending from sources other than trade area residents. This spending from beyond the trade area may be derived from two primary sources:

- Students and staff attending the Meadowbank TAFE, situated adjacent to the subject site
- Residents living beyond the trade area who may occasionally visit the centre.

## 3. COMPETITIVE FRAMEWORK

This section provides commentary around the current provision of competitive retail floorspace relevant to the proposed development. The commentary establishes the relative competitive framework and provides background to assist in determining the level of impact that will be attributed to individual competing centres.

This is summarised in Table 3.1 and shown on Map 3.1.

### 3.1. EXISTING CENTRES

#### Regional Shopping Centres

**Macquarie Centre** is one of the largest shopping centres in New South Wales. It contains 135,000 sq.m of floorspace, of which an estimated 109,100 sq.m is retail space. The centre is located in Macquarie Park, approximately 6.1 km north-east of the subject site.

Macquarie Centre is anchored by David Jones, Myer, two discount department stores (Target and Big W), and three supermarkets (Coles, Woolworths and ALDI). These anchors support 15 mini majors and 300 specialty shops, including 5,500 sq.m of food and beverage retailing. It also includes a cinema and leisure and entertainment precinct.

Trade area residents are likely to visit Macquarie Park for leisure activities and for discretionary retail shopping. They may also make supermarket and food and beverage purchases during the same trip.

#### Sub-Regional Shopping Centres

**Top Ryde City** is a 76,000 sq.m sub-regional shopping centre with approximately 55,400 sq.m of retail floorspace. It is situated approximately 1.7 km east of the subject site, on the corner of Devlin Street and Blaxland Road, Ryde. The centre is anchored by two discount department stores (Kmart and Big W) and three supermarkets (Coles, Woolworths and ALDI). Together, the supermarkets provide a total of 11,600 sq.m of floorspace. In addition to these anchors, the centre contains 15 mini majors and 166 retail specialties, including a large food and beverage offer, as well as a cinema complex.

The broad retail offer and leisure uses means that the Top Ryde will continue to be a popular destination centre for trade area residents.

**Rhodes Waterside** is a 20,500 sq.m (excluding IKEA) sub-regional shopping centre located south of the Parramatta River, in Rhodes. In addition to IKEA, it contains a Target DDS and 3,500 sq.m Coles supermarket. The centre also provides 13,200 sq.m of specialty and mini major floorspace. The centre draws from a broad trade area due to the inclusion of IKEA. Its location on the southern side of the Parramatta River is likely to make it less of an attractive proposition to trade area residents relative to other higher order centres.

#### Supermarket Centres

**Village Plaza** is located 100 metres south of the subject site, on Bay Drive, Meadowbank. The centre comprises approximately 4,400 sq.m of retail floorspace, including a 1,700 sq.m Supa IGA supermarket and 1,270 sq.m ALDI supermarket. There is also a 400 sq.m fresh food grocer and 24 specialty shops made up of services and related uses, including cafes, take away and other food, convenience retail outlets, and real estate and other non-retail services.

The price point of ALDI at Village Plaza means that it will continue to be a popular option for trade area residents in future. Future retail provision at the subject site will be positioned to complement retailing at Village Plaza so that the two can combine to provide a compelling offer for trade area residents.

**West Ryde Marketplace** and **West Ryde Urban Village** are both situated on the northern edge of the secondary west trade area, approximately 1.5 km north of the subject site. While the centres are separately owned and operated, they effectively function as one double-supermarket centre by virtue of their close proximity and shared courtyard.

**West Ryde Marketplace** comprises almost 5,700 sq.m of retail floorspace, anchored by a 4,500 sq.m full-line Woolworths supermarket.

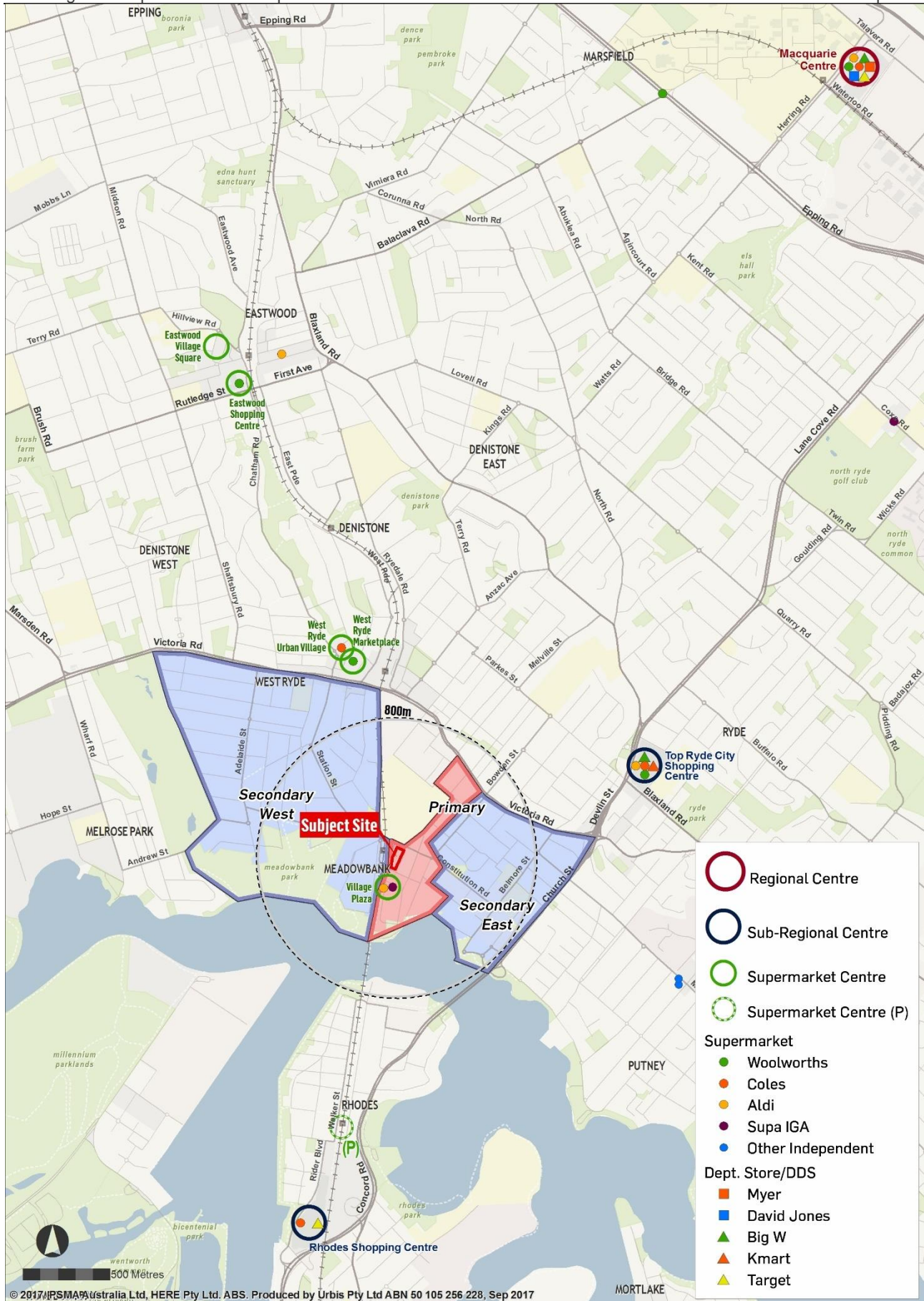
**West Ryde Urban Village** is a mixed use development comprising residential and commercial uses above a 3,900 sq.m Coles supermarket and a liquor store.

In addition to the two supermarket centres at West Ryde, there is a substantial provision of strip retail along Victoria Road and Ryedale Road. Urbis conducted an audit of this retail precinct in August 2017 and recorded approximately 10,700 sq.m of occupied retail floorspace. This comprises a mix of food and beverage, convenience, homewares, and services tenancies.

## **3.2. PROPOSED RETAIL DEVELOPMENTS**

**Rhodes Central** is a future mixed use development to be located adjacent to the Rhodes Train Station at 6-14 Walker St, Rhodes. The development will comprise 12,820 sq.m of retail floorspace, including a 3,500 sq.m supermarket, situated below two residential towers of 328 units and 220 units. Site preparation works are currently underway with completion expected in mid-2020.

Given its location on the southern side of the Parramatta River and its provision of only one supermarket, Rhodes Central is unlikely to draw significant trade from trade area residents.





## Competitive Retail Environment

Meadowbank

Table 3.1

	Estimated Retail GLA (sq.m)	Dist. From Site (km)	Food	Major Tenants Non-Food
Regional Centres				
Macquarie Centre	109,100	6.1	Coles (5,900 sq.m) Woolworths (4,200 sq.m) ALDI (1,500 sq.m)	David Jones (14,600 sq.m) Myer (21,300 sq.m) Target (8,000 sq.m) Big W (8,900 sq.m)
Sub-Regional Centres				
Top Ryde City	55,400	1.7	Coles (5,900 sq.m) Woolworths (4,200 sq.m) ALDI (1,500 sq.m)	Big W (8,200 sq.m) Kmart (6,800 sq.m)
Rhodes Waterside	20,500	3.7	Coles (3,500 sq.m)	Target (3,800 sq.m)
Supermarket Centres				
Village Plaza	4,400	0.1	Supa IGA (1,700 sq.m) ALDI (1,270 sq.m)	-
West Ryde Marketplace	5,700	1.8	Woolworths (4,500 sq.m)	-
West Ryde Urban Village	4,000	1.5	Coles (3,900 sq.m)	-
Other				
West Ryde Strip Retail	10,700	1.3	-	-
Proposed				
Rhodes Central	12,820	3.1	Full-line Supermarket (3,500 sq.m)	-

Source : PCA, Australian Shopping Centre Database 2016; Urbis

## 4. NEED, DEMAND AND IMPACT

This section of the report analyses the level of demand for retail floorspace, particularly supermarket floorspace, as generated by the trade area residents. Analysing demand helps to give an indication of the likely turnover for a new retail development and helps to determine whether a proposed development can be supported. To analyse demand, factors such as population growth, income growth, amount of available supply and the proportion of expenditure attributed to food and grocery (F&G) retailing are considered.

### 4.1. DEMAND AND NEED

As part of the assessment criteria it is necessary to establish the need and demand for the proposed retail development. It is assumed the development will commence trading in 2024, therefore 2025 is selected as the impact year to reflect one full year of trading.

In our view, an appropriate principle to be applied when assessing the market potential for any retail development can be described as follows:

*“The residents of an area should be provided with the broadest range of conveniently located retail facilities and services which the market can support, at the earliest possible time without jeopardising the sustainability of other centres in the network which are adequately fulfilling consumer needs.”*

Of course, other planning considerations relating to the proposal will also be important in determining whether to give planning consent, including traffic, parking provision, amenity and various community benefit considerations. However, as far as the economic aspects are concerned, the above statement represents a practical principle to apply in a market economy which encourages competition and focuses on consumer needs.

There are a range of indicators of need and demand for additional supermarket-based retailing at the subject site, including:

- There is ample expenditure within the trade area and beyond. Between 2017 and 2025 the trade area spending market is projected to increase by **\$175 million** (in constant \$2017 dollars, including GST)
- There is significant population growth in the main trade area driven by the large scale residential development at Shepherds Bay. Between 2017 and 2025 the trade area population is expected to increase by almost **7,700 persons**
- Food retail spending in the trade area is projected to increase by **\$57 million** between 2017 and 2025. This is more than the national average turnover of a supermarket in a neighbourhood shopping (around **\$45 million and 3,500 sq.m in 2015/2016**). These projections therefore demonstrate that trade area population growth alone could comfortably support an additional full-line supermarket, yet there are currently no plans for any other supermarket retail development in the trade area
- The proposed development is relatively modest in scale, and will be positioned to provide convenience-based shopping for local residents. The proposed supermarket, at 2,284 sq.m is around **1,200 sq.m smaller** than an average national full-range chain supermarket in a neighbourhood shopping centre.

The additional demand for supermarket floorspace from trade area residents has been estimated based on the forecast growth in population and the Sydney supermarket floorspace provision benchmark. This benchmarking assessment has focused on the trade area as it represents the area where the proposed development is likely to draw most of its trade and compete most strongly with other centres.

Table 4.1 outlines the level of supermarket floorspace demand and supply within the trade area. There are currently two supermarkets situated within the trade area (Supa IGA and ALDI at Village Plaza). Together these provide a total of 2,300 sq.m of supermarket floorspace. Neither of these are full-line supermarkets.

Based on the Sydney benchmark provision of 27 sq.m of supermarket floorspace per 100 residents, the trade area population is estimated to generate demand for 4,045 sq.m of supermarket floorspace. Driven by strong population growth in the primary and secondary east trade areas, supermarket floorspace demand in the overall trade area is forecast to reach 5,908 sq.m by 2021 and 6,121 sq.m by 2025.

With the inclusion of the proposed supermarket at 2024, the trade area would still be under-supplied by **1,537 sq.m** relative to benchmark.

These benchmarks are provided as a guide to show that population growth can sustain additional demand. We recognise that trade area residents are currently able to access supermarkets beyond the trade area. The proposed development will provide a highly accessible and convenient alternative, particularly for primary and secondary east trade area residents.

By providing a supermarket that can complement the existing Supa IGA and ALDI at Village Plaza the development will reduce the need for trade area residents to travel further afield for groceries.

## Supermarket Provision in Trade Area

Variation versus Sydney Average

Table 4.1

	Unit	2017	2021	2025
Main Trade Area Population	persons	14,980	21,880	22,670
Sydney Average Supermarket Floorspace per 100 Residents	sq.m	27	27	27
Supermarket Floorspace Demand	sq.m	4,045	5,908	6,121
Supermarket Floorspace in Main Trade Area	sq.m	2,300	2,300	2,300
Proposed Development	sq.m			2,284
<b>Surplus / Deficit</b>	<b>sq.m</b>	<b>-1,745</b>	<b>-3,608</b>	<b>-1,537</b>

Source: Urbis

## 4.2. TURNOVER POTENTIAL

It is our view that an impact assessment can reasonably be expected to provide an indication of the trading environment and average trading conditions which retailers are likely to operate within, and implications for likely turnover decline or turnover gain, on average, for the retailers involved. Because an impact assessment seeks to forecast how groups of people are likely to alter their shopping behaviour in response to a given change in the competitive environment, it is not possible to be so precise as to estimate exactly what will happen to each individual retailer, or each group of retailers in each location.

The impact on any one individual retailer, or any small group of retailers in a given location, would depend on many factors, some of which are within their control. For example, the impact of the proposed supermarket on the performance of existing supermarkets in the trade area will depend very much upon their competitive response (e.g. pricing policy, promotions, refurbishment etc.).

The actions which each of these retailers take will determine the eventual impact on each of them, and furthermore the actions which they each take will also determine the eventual impact on the other retailers involved.

All of these factors need to be kept in mind when considering the likely impact of any relocation and expansion of a retailer within the existing retail network. Existing retailers are not passive participants, but rather will play a major role in the eventual impact which they will experience.

The retail development is to comprise of approximately 3,676 sq.m of floorspace, all on the ground plane. We have assumed that around 3,514 sq.m will be taken up with retail uses, with two tenancies comprising 162 sq.m being used for non-retail uses such as a real estate agency or financial services.

As shown in Table 4.2, the proposed development provides 39% less floorspace than an average supermarket-based shopping centre, and the supermarket is 34% smaller than average.



## 1-20 Railway Road Meadowbank

Centre Composition vs Australian Single Supermarket Average

Table 4.2

	GLA (Sq.m)			Specialty Shop Composition (%)	
	Proposed Centre	Single Supermarket Based Shopping Centres	Var.	Proposed Centre	Single Supermarket Based Shopping Centres
Majors/Mini Majors:					
<b>Supermarket</b>	<b>2,284</b>	<b>3,487</b>	<b>-34%</b>		
Product Groups:					
Food Retail	340	310	+10%	25%	13%
Food Catering	590	407	+45%	43%	17%
<b>Total Food Specialties</b>	<b>930</b>	<b>717</b>	<b>+30%</b>	<b>67%</b>	<b>29%</b>
Apparel	0	259	-100%	0%	11%
Home wares	70	141	-50%	5%	6%
Bulky Goods	0	4	-100%	0%	0%
Leisure/General	80	303	-74%	6%	12%
Retail Services	150	246	-39%	11%	10%
<b>Total Non-Food Specialties</b>	<b>300</b>	<b>952</b>	<b>-69%</b>	<b>22%</b>	<b>39%</b>
Total Non-Retail Specs (Reporting)	72	30	+138%	5%	1%
Total Non-Retail Specs (Non-Reporting)	80	504	-84%	6%	21%
<b>Total Non-Retail Specs</b>	<b>152</b>	<b>535</b>	<b>-72%</b>	<b>11%</b>	<b>22%</b>
<b>Total Specs</b>	<b>1,382</b>	<b>2,452</b>	<b>-44%</b>	<b>100%</b>	<b>100%</b>
<b>Total Centre</b>	<b>3,666</b>	<b>7,201</b>	<b>-49%</b>		
<b>Total Retail Specialties</b>	<b>1,230</b>	<b>1,670</b>	<b>-26%</b>		
specs % retail	35%	29%			
<b>Total Retail</b>	<b>3,514</b>	<b>5,757</b>	<b>-39%</b>		

Source: Urbis Shopping Centre Benchmarks 2016; Urbis

Urbis' retail turnover forecast for the proposed centre is based on extensive benchmarking against the Urbis Retail Averages and our extensive experience in the assessment and evaluation of neighbourhood shopping centres throughout Australia and internationally.

The turnover forecast considers existing retail competition as well as key design factors associated with retail – location, car parking, proximity to the train station, exposure, accessibility and likely tenant mix.

To determine the subject site's potential turnover, the following assumptions were made:

- The subject site will be open to trade in 2024. The impact on other retail centres is therefore considered in the first full year of trading (2025)
- Trade area population growth is forecast as per Section 2
- Trade area retail spending is forecast to increase by \$175 million from 2017 to 2025
- The proposed development will proceed as described in this report, thereby providing residents and workers in the trade area with an enhanced level of retail provision compared to what is currently available
- The assessment takes into consideration the size and likely strength of the proposed centre, having regard to the major tenants, location considerations and the extent, composition and quality of competing retail facilities

- We have assumed that the supermarket operator will provide high quality offer which will enhance overall supermarket provision at Meadowbank
- The balance of the retail mix is expected to include a mix of food retailing, food catering, homewares and retail services. This assumed mix is tailored to the likely demand of future trade area residents and aims to create a balanced retail offer.

Table 4.3 shows the likely turnover for the proposed development by tenant type in 2025. Potential turnover is calculated by analysing the quantum of retail expenditure available in the trade area in relation to the current retail supply, and by carefully reviewing the design attributes of the development. All turnover figures are expressed in constant 2017 dollars and include GST.

Table 4.3 shows we estimate that in 2025 the proposed development may achieve sales in the order of **\$36.4 million** (in constant \$2017). Of this, the supermarket component is forecast to turnover **\$25.9 million** which equates to \$11,335 per sq.m. The location of the supermarket, in a high density residential area adjacent to a train station, commuter parking and TAFE should enable it to trade strongly.

The remaining specialty retailing is forecast to turnover approximately **\$10.5 million** in 2025, slightly above the benchmark productivity rates with \$8,553 per sq.m.

Overall, the proposed centre's turnover volume is forecast to be 41% below the benchmark for an average-sized supermarket-based shopping centre. This reflects its limited scale (single supermarket-based shopping centres have an average GLA of 7,200 sq.m), rather than lack of demand. On a turnover per sq.m basis, the centre is forecast to trade broadly in line with productivity rates.

## 1-20 Railway Road Meadowbank

Centre Turnover vs Australian Single Supermarket Average (\$2017, incl. GST)

Table 4.3

	Turnover (\$M)			Turnover \$psm		
	Proposed Centre	Single Supermarket Based Shopping Centres	Variation	Proposed Centre	Single Supermarket Based Shopping Centres	Variation
<b>Majors:</b>						
<b>Supermarket</b>	<b>25.9</b>	<b>44.6</b>	<b>-42%</b>	<b>11,335</b>	<b>12,792</b>	<b>-11%</b>
<b>Product Groups:</b>						
Food Retail	4.1	3.8	+10%	12,134	12,134	-
Food Catering	4.2	3.0	+38%	7,057	7,428	-5%
Apparel	0.0	1.3	-100%	0	5,049	-100%
Homewares	0.5	1.0	-53%	6,996	7,364	-5%
Bulky Goods	0.0	0.0	-100%	1,060	1,116	-5%
Leisure/General	0.9	3.7	-75%	11,692	12,307	-5%
Retail Services	0.8	1.4	-42%	5,377	5,660	-5%
			-			
<b>Total Retail Specialties</b>	<b>10.5</b>	<b>14.3</b>	<b>-26%</b>	<b>8,553</b>	<b>8,536</b>	<b>+0.2%</b>
<b>Total Retail</b>	<b>36.4</b>	<b>61.5</b>	<b>-41%</b>	<b>10,361</b>	<b>10,681</b>	<b>-3%</b>
<b>Retail Specialties / Total Retail</b>	<b>28.9%</b>	<b>23.2%</b>		<b>0.8</b>	<b>0.8</b>	

Source: Urbis Shopping Centre Benchmarks 2016; Urbis

The estimated turnover of the proposed development is equivalent to only **20%** of the quantum of spending growth projected in the trade area between 2017 and 2025 (+\$175 million). This demonstrates that the market has sufficient capacity to support additional retail floorspace in the trade area.

As shown in Table 4.4, the proposed development is expected to be able to achieve an overall market share of **8.1%** in 2025. This means that it is likely to capture 8.1% of the total retail spend generated by trade area residents. Residual trade area resident's spend will be directed to Village Plaza and other centres across the Ryde LGA and metropolitan Sydney.

The proposed development is forecast to achieve its highest market share in the primary trade area, with **13.4%** of the spending market. The development is also forecast to capture **6%** of the market in the secondary trade areas.

In addition to trade area residents, the proposed development will also draw trade from persons who reside outside of the trade area. We estimate that around **10%** of the development's turnover will come from beyond the trade area. Trade from beyond is likely to be derived from a combination of sources including:

- Students and staff attending the Meadowbank TAFE, situated adjacent to the subject site
- Commuters using the train and park and ride facilities who do not live in the trade area
- Occasional visitors living outside the trade area.

### Food and Non-Food Market Shares

1-20 Railway Road Meadowbank, 2025 (\$2017, incl. GST)

Table 4.4

	Market (\$M)			Market Shares (%)			Turnover (\$M)		
	Food	Non-Food	Total	Food	Non-Food	Total	Food	Non-Food	Total
Primary:									
<b>Total Primary</b>	<b>65</b>	<b>50</b>	<b>115</b>	<b>21.5%</b>	<b>3.0%</b>	<b>13.4%</b>	<b>14.0</b>	<b>1.5</b>	<b>15.5</b>
Secondary:									
East	86	69	155	10.3%	1.4%	6.3%	8.8	0.9	9.8
West	77	57	134	8.9%	1.3%	5.6%	6.8	0.7	7.5
<b>Total Secondary</b>	<b>162</b>	<b>126</b>	<b>289</b>	<b>9.6%</b>	<b>1.3%</b>	<b>6.0%</b>	<b>15.6</b>	<b>1.7</b>	<b>17.3</b>
<b>Main Trade Area</b>	<b>227</b>	<b>177</b>	<b>404</b>	<b>13.0%</b>	<b>1.8%</b>	<b>8.1%</b>	<b>29.6</b>	<b>3.2</b>	<b>32.8</b>
<i>Beyond</i>				<i>10.0%</i>	<i>10.0%</i>	<i>10.0%</i>	<i>3.3</i>	<i>0.4</i>	<i>3.6</i>
<b>Total Centre</b>							<b>32.9</b>	<b>3.5</b>	<b>36.4</b>

Source: Urbis

## 4.3. IMPACT ANALYSIS

### 4.3.1. Description of Economic Impacts

For the purposes of this report "economic impact" on specific centres is defined to mean the probable change in retail turnover at various shopping centres resulting from the introduction of new competition in the form of a new or expanded/refurbished shopping centre.

The reduction in turnover usually relates to a reduced turnover volume from that applicable if the status quo had been maintained (i.e. if the centre's competitive circumstances remained unchanged).

As discussed in this section, in our view it is appropriate to express the impact on particular shopping centres or activity centres as a percentage of their potential turnover in the opening year of the proposed centre, as well as comparing impacts with the estimated trading situation at each centre prior to the development occurring.

This latter measure is important because it shows the extent to which conditions prior to development will be sustained even after the impact of competitive developments, recognising that growth in the market, from population growth or real spending growth per capita, can offset in whole or part the effects of new competition.

Therefore, the relevant measures are two-fold:

- **Turnover impact** representing the reduction in turnover as a result of new competition, compared with turnover which would otherwise have been achieved by a particular centre
- **Turnover change** represents the anticipated overall increase or decrease in turnover for a centre in the forecast year (2025 in this report) compared with the situation before development. This measure

reflects the combination of the impact of new competitive developments, counteracted by any underlying growth in turnover which would be achieved by the centre anyway.

The effects of new competition on individual businesses are not a relevant planning consideration. The relevant consideration in planning terms relates to the ongoing ability of centres to continue to provide for the needs of the community which they serve, and to ensure that new development does not fundamentally undermine the viability and role of existing and planned centres.

### 4.3.2. Impacts

Table 4.5 details the quantum of expenditure the proposed development is estimated to capture from competing centres and from other centres.

Urbis continually monitors the performance of retail properties and is adept at identifying the strengths and weaknesses of particular centres using a range of performance indicators. Our expertise is demonstrated in the trust the industry places in us to create the annual Urbis Shopping Centre Benchmarks, the industry benchmark standard for comparing the turnover and rental performance of a range of shopping centres, based on analysis of over 330 shopping centres annually.

Turnover estimates for competing centres are derived from a number of sources including the Urbis Shopping Centre Benchmarks, the Shopping Centre Council Directory, Shopping Centre News “Big Guns, Little Guns and Mini Guns” reports.

Urbis staff also undertook an audit of the current West Ryde retail provision during August 2017.

Turnover growth for competing centres has been assessed having regard to:

- Market growth across the broader Ryde LGA, based on population and per capita spending growth projections
- Potential for market share erosion for each centre due to broader competition from new development across Sydney as well as online trading effects
- The impact of the proposed Rhodes Central development on existing centres
- The overall competitive positioning of each centre
- Long term growth trends for shopping centres.

We have assumed strong growth for Village Plaza, as it will benefit directly from the additional 7,690 trade area residents (and the resultant spending growth) forecast in the trade area by 2025.

## Distribution of Potential Impacts on Key Centres

1-20 Railway Road Meadowbank

Table 4.5

	Est. Retail Turnover (\$M)			Turnover Inc./Dec. (\$M)		Impact	
	Existing	Pre-Dev	Post-Dev.	Existing	Pre-Exp	2017	2025
	2017	2025	2025	2017	2025		
	(1)	(2)	(3)	(4)=(3)-(1)	(5)=(3)-(2)	(6)=(4)/(1)	(7)=(5)/(2)
Meadowbank			36.4	n.a.	+36.4	n.a.	n.a.
<b>Centres Within Trade Area</b>							
Village Plaza	36.0	54.1	47.5	+11.6	-6.6	+32.2%	-12.2%
<b>Centres Beyond Trade Area</b>							
West Ryde <sup>1</sup>	171.8	213.2	203.1	+31.3	-10.0	+18.2%	-4.7%
Top Ryde City	350.0	431.1	421.1	+71.1	-10.0	+20.3%	-2.3%
Rhodes Waterside Shopping Centre	200.0	227.4	224.4	+24.4	-3.0	+12.2%	-1.3%
Macquarie Centre	820.0	1,016.4	1,012.9	+192.9	-3.5	+23.5%	-0.3%
<b>Total Above Centres</b>	<b>1,577.7</b>	<b>1,942.1</b>	<b>1,909.0</b>	<b>+331</b>	<b>-33.1</b>	<b>+21.0%</b>	<b>-1.7%</b>
<b>Future Centres</b>							
Rhodes Central <sup>2</sup>		74.6	73.6		-1.0		-1.3%
<b>Other Centres</b>							
Other Centres					-2.4		
<b>Total Competing Centres</b>					<b>-36.4</b>		

<sup>1</sup> Comprises West Ryde Marketplace, West Ryde Urban Village and the West Ryde strip retail

<sup>2</sup> Estimate, subject to retail mix

Source: Urbis

Table 4.5 demonstrates that:

- In 2025, the trading performance of all existing centres will be +21% higher than 2017 levels, even accounting for the proposed development, and the impacts of the opening of the Rhodes Central development. Current conditions will be enhanced even after the impact of competitive developments, recognising that growth in the market can more than offset the effects of new competition
- In its first full year of trading (2025), the proposed development is forecast to draw \$33.1 million from key competing centres existing centres, and \$2.4 million from other centres across metropolitan Sydney. The important factor to note however, is that despite this, the subject development is still unlikely to undermine the commercial viability of any of the centres listed. Due to growth in population and spending, as well as the modest scale of the development, no retail centre other than Village Plaza is forecast to experience an impact greater than -12.2% (from their 2025 trading level) which is considered to be a manageable level of impact
- Impacts on Village Plaza are considered to be within a manageable range. The table demonstrates that the centre will still trade 32.2% higher in 2025 than its current estimated turnover of \$36 million. This is equal to strong annual growth of **3.5%**, which reflects the high population and spending growth within the trade area generating additional retail expenditure
- Prior to development at the subject site, we estimate that Village Plaza's turnover can increase by **\$18.1 million or 50%** compared to current levels. Post impact, Village Plaza's turnover will still be **32%** higher than current levels
- The proposed development will compete most directly with centres / precincts that include one or more supermarkets in the immediate vicinity. Generally, these centres are performing strongly and should be able to absorb the impacts, benefiting from annual spending growth beyond 2017
- The impacts on 'other centres' not listed would be spread across Metropolitan Sydney and equates to 6.4% of total impacts (-\$2.4 million)
- **The analysis confirms that there is sufficient growth within the market to accommodate the proposed development without adversely impacting the viability of existing retail centres.**

## 4.4. EMPLOYMENT BENEFITS

The proposed development will have a positive impact on employment, both locally and in the broader economy. The employment benefits will occur in two distinct phases:

- The **construction phase** - jobs are supported through the construction of the built forms and infrastructure
- The **operational phase** - retail businesses will provide on-going employment.

The direct and indirect employment supported by the construction and operational phases of the proposed development is quantified in the following sections.

Analysis presented in this section uses REMPLAN economic modelling to assess current and potential economic impacts. REMPLAN is an Input-Output model that captures inter-industry relationships within an economy. It can assess the area-specific direct and flow-on implications across industry sectors in terms of employment, wages and salaries, output and value-added, allowing for analysis of impact at the Ryde LGA and the state level.

Key points regarding the workings and terminology of the model are as follows:

- REMPLAN uses either the value of investment or employment generation as the primary input. For this analysis, the value of total upfront investment has been used as the key input to assess the benefits of the construction phase, whereas future employment at the centre is the input to assessing the on-going economic benefits of the operational phase
- Outputs from the model include direct and indirect employment generated through the project
- Employment generated includes all full-time and part-time jobs created over the life of the construction phase; or in terms of the on-going operations, total on-going jobs generated
- Both the direct and indirect benefits are modelled for employment generation
- Direct refers to the effect felt within the industry where the investment is being made. For example, during the construction phase, new direct jobs are created within the construction industry
- Indirect effects are 1) those felt within industries that supply goods to the industries directly affected (industry effects) and 2) to industries that benefit from the wages that are earned and spent by those employed within the industries directly affected (consumption-induced effects). For the purposes of this analysis, consumption-induced effects have been excluded. Consumption-induced effects are prone to overstate the benefits of a particular investment as they overestimate the impact of wage and salary increases in the local economy. This is accepted industry practice.

The following sub-sections present a summary of benefits for these two phases.

### Construction Phase

The proposed mixed use development is estimated to have a total construction cost of **\$120 million** inclusive of GST. As shown in Table 4.6 below, the construction of the proposed development is estimated to directly support **232 jobs** and indirectly support **332 jobs**.

#### Construction Phase Employment Benefits

Proposed Development

Table 4.6

	Construction Cost	Direct Employment	Indirect Employment
Proposed Development	\$120 million	232 jobs	332 jobs

Source: REMPLAN Economy; Urbis

## Operational Phase

The number of direct jobs for the proposed development has been estimated by referring to industry benchmarks and Urbis' experience in staffing requirements for different land uses. REMPLAN has been used to estimate the indirect employment supported by the direct jobs.

It is estimated that the proposed development will support 342 direct jobs (full-time, part-time and casual) during the on-going operation of the retail, commercial, child care and gym uses. These direct jobs are estimated to induce a further 145 indirect jobs (full-time, part-time and casual) both within and beyond the Ryde LGA as a result of flow-on effects.

### Operational Employment Benefits

Proposed Development

Table 4.7

Land Use	Workers per 1,000 sq.m*	GLA (sq.m)	Employment (persons)
Supermarket	41	2,284	94
Specialty Retail	61	1,240	76
Non-Retail Shopfront**	33	152	5
Commercial Offices	83	1,741	145
Child Care Centre	13	1,130	15
Gym	15	465	7
<b>Total</b>		<b>7,012</b>	<b>342</b>
Direct Employment			342
Indirect Employment			145
<b>Total Employment</b>			<b>487</b>

\*Based on industry averages

\*\*Business Specific

Source: REMPLAN; Urbis

## 4.5. OTHER BENEFITS

The proposed retail development will provide a range of benefits for existing and future Meadowbank residents, including:

- **Orderly use of land to deliver a vibrant neighbourhood centre.** The proposed development will revitalise the existing Meadowbank retail strip which is currently run down. This will be achieved by:
  - Optimising retail diversity across the site by limiting the scale of the supermarket to create space for a vibrant mix of specialty retail
  - Providing a retail mix that will complement existing shops. Improving the overall Meadowbank retail offer will encourage more people in the trade area to shop locally. Consequently, shoppers may visit the proposed development to make certain purchases, as well as use existing retailers (for example ALDI) for other purchases. The proximity to existing retail maximises opportunities for cross-shopping to occur
  - High quality street front activation - Providing all the retail on a single ground level which is highly permeable and located on the major ant-track to the railway station. This will help to maximise street-level activation during all times of the day. The design ensures that the supermarket is located to the rear of the site, whilst Railway Road will benefit from a mix of specialty retail tenancies.
- **Creating a walkable environment.** The location of the development, adjacent to existing retail facilities, close to the train station and at the base of a residential apartment building will encourage walkability and reduce car dependency for shopping. This should assist in reducing traffic generation both within the trade area, and should also reduce the need for people to shop beyond the trade area by car

- **Promoting price competition.** The extension of choice for trade area residents will also promote greater competition, with possible benefits in terms of keener prices and better quality goods and services.
- **Directly addressing the objectives of the Shepherd's Bay Development Control Plan.** The Development Control Plan sets out a number of specific objectives to guide development in the Meadowbank area. The proposed development will directly meet the following objectives:
  - *Encourage new development or the adaptive re-use of existing buildings containing a mix of residential, commercial and local retail*
    - The proposed development comprises a true mixed use town centre that will contain a mix of residential, commercial, retail and community uses.
  - *Facilitate convenient access between work, home and leisure*
    - By providing a walkable, permeable development adjacent to the Meadowbank Railway Station, the town centre will provide a highly accessible hub for working, living and recreation.
  - *Create a place specifically designed for the enjoyment and use of pedestrians and cyclists*
    - The development has been designed to allow for easy pedestrian access. This will draw people in from the surrounding residential developments, the Meadowbank TAFE, Village Plaza, and the Meadowbank Railway Station.
  - *Provide for a high level of aesthetic amenity, particularly at street level*
    - The development will achieve this by positioning the retail uses on a single ground level which will create a vibrant and highly permeable centre located on the major anti-track to the railway station.



## 5. CONCLUSIONS

Meadowbank is currently undergoing substantial urban renewal with the former industrial sites along the waterfront being redeveloped into high density mixed use precincts. This is forecast to result in strong population growth over the next five years which will drive significant demand for additional retail facilities. There are currently two supermarkets within the trade area (ALDI and Supa IGA), however the additional 7,690 trade area residents by 2025 will require further facilities to meet their needs.

The proposed development is relatively modest in scale, and will be positioned to provide convenience-based shopping for local residents and commuters. It aims to combine retail, commercial, community and residential uses to create a vibrant, walkable and attractive town centre.

Given the strong forecast population spending growth, our analysis confirms that there is sufficient market growth to accommodate the proposed development without adversely impacting the viability of existing retail centres. The estimated turnover of the proposed development (\$36.4 million in 2025) is equivalent to only 20% of the spending growth projected in the trade area between 2017 and 2025.

On completion of the proposed development, the overall trading performance of existing centres will be 21% higher than 2017 levels. **Current conditions will be enhanced even after the impact of competitive developments, demonstrating that growth in the market can offset the effects of new competition.**

There are a range of economic and wider benefits associated with the proposed development:

- Supporting **232 direct jobs** and **332 indirect jobs** over the construction phase (as part of the broader mixed use development)
- Supporting **342 direct jobs** (full-time, part-time and casual) through the ongoing operation of the retail, commercial, child care and gym components of the development and a further **145 indirect jobs** (full-time, part-time and casual) as a result of flow-on effects
- The Orderly use of land to deliver a vibrant neighbourhood centre
- Improving the overall Meadowbank retail offer will encourage more people in the trade area to shop locally
- High quality street front activation
- Creating a walkable town centre
- Greater price competition for residents
- Meeting the objectives of the Shepherd's Bay Development Control Plan.

**The proposed development should therefore be supported from an economic perspective.**

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### **BRISBANE**

Level 7, 123 Albert Street  
Brisbane QLD 4000  
Australia  
T +61 7 3007 3800

### **GOLD COAST**

45 Nerang Street,  
Southport QLD 4215  
Australia  
T +61 7 5600 4900

### **MELBOURNE**

Level 12, 120 Collins Street  
Melbourne VIC 3000  
Australia  
T +61 3 8663 4888

### **PERTH**

Level 14, The Quadrant  
1 William Street  
Perth WA 6000  
Australia  
T +61 8 9346 0500

### **SYDNEY**

Tower 2, Level 23, Darling Park  
201 Sussex Street  
Sydney NSW 2000  
Australia  
T +61 2 8233 9900

### **CISTRI – SINGAPORE**

*An Urbis Australia company*  
#12 Marina View  
21 Asia Square, Tower 2  
Singapore 018961  
T +65 6653 3424  
W [cistri.com](http://cistri.com)