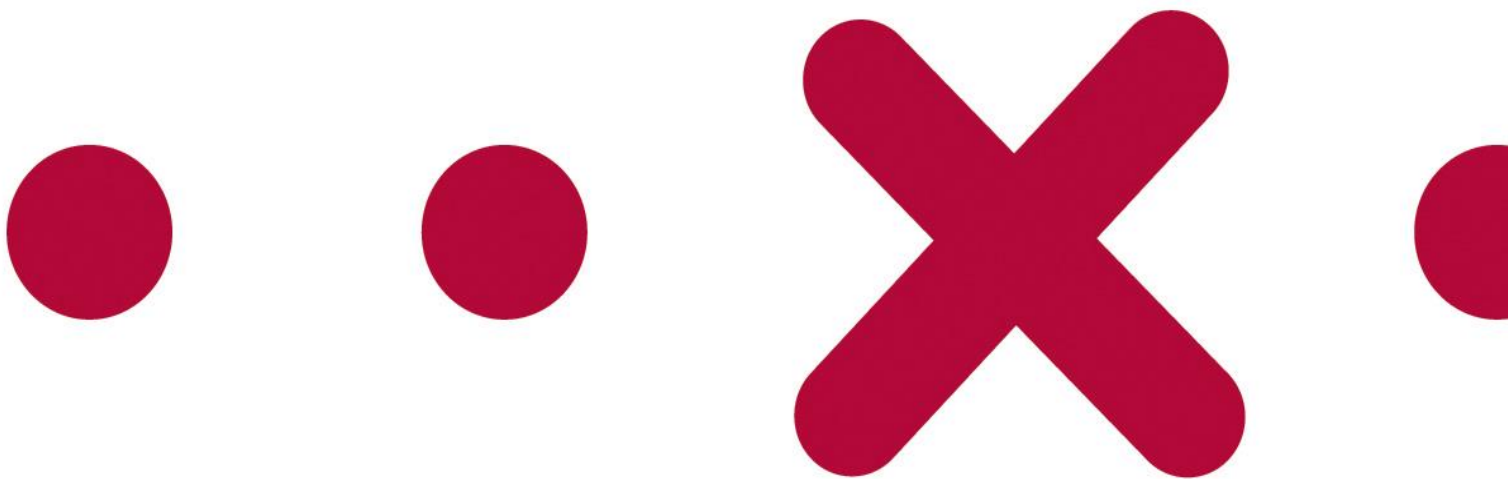


**28 – 34 Victoria Street & 23 – 27 George Street,  
Burwood**

**Retail Impact Assessment**

**Prepared for VSD Investments Pty Ltd**

**August 2017**



## TABLE OF CONTENTS

INTRODUCTION .....	2
EXECUTIVE SUMMARY .....	3
1 BACKGROUND.....	9
Regional and Local Context .....	9
Planned Development.....	14
Planning Environment.....	15
2 TRADE AREA ANALYSIS .....	17
Trade Area Definition .....	17
Total Trade Area Current and Projected Population Levels .....	20
Total Trade Area Socio-economic Profile.....	23
Total Trade Area Retail Spending.....	25
Worker Market.....	27
3 COMPETITIVE ENVIRONMENT .....	29
Regional Shopping Centres .....	31
Sub-regional Shopping Centres .....	32
Supermarket Based Shopping Centres.....	33
Proposed Competitive Developments .....	34
Summary .....	35
4 PROJECTED SALES AND POSSIBLE IMPACTS .....	36
Projected Sales .....	36
Possible Impacts.....	37
5 ASSESSMENT OF LIKELY ECONOMIC BENEFITS .....	40

## INTRODUCTION

This report presents a summary of the economic issues relevant to the demand and market scope for the proposed retail component of a planned mixed-use development at 28 – 34 Victoria Street and 23 – 27 George Street in Burwood. For the remainder of this report, the site is referred to as the ‘Burwood site’. The report also considers the economic issues that would result from the proposed development.

The report considers the following key topics:

- The regional and local context of the site.
- The proposed composition of the development.
- The trade area likely to be served by the proposal.
- The competitive environment within which the development would operate.
- A summary of the economic issues relating to the proposed retail component of a planned mixed-use development, including likely projected impacts on competitive facilities and positive impacts such as employment generation.

## EXECUTIVE SUMMARY

The key points in relation to the economic issues relevant to the demand and market scope for the proposed retail component of a planned mixed-use development at 28 – 34 Victoria Street and 23 – 27 George Street in Burwood.

- i. Burwood is an inner western suburb of Sydney, located around 10 km to the west of the Sydney Central Business District (CBD). Burwood has a mix of residential, commercial, retail and light industrial components with the Burwood Town Centre focused around the Burwood Railway Station. Increasingly, Burwood is transitioning to a high rise residential and commercial building precinct in the Town Centre by virtue of the allowable building height limits, the access to public transport and the range of facilities provided.
- ii. VSD investments Pty Ltd propose a mixed-use development at 28 - 34 Victoria Street and 23 – 27 George Street in Burwood that would include retail, commercial and residential components. The site currently accommodates older style medium density residential unit blocks. The planned Burwood site mixed use development will be a component of the larger Burwood Town Centre and is well located from both a regional and local perspective. In terms of regional and local accessibility, key points to note include:
  - The site is well connected to major public transport infrastructure, being less than 400 metres from a major train station offering express services to central Sydney and Parramatta, complemented by frequent bus services.
  - Potential bus lanes along revitalised Parramatta Road.
  - Potential bus interchange at Burwood
  - Future potential light rail route from Parramatta to Strathfield/Burwood.

- iii. The proposed development across two sites would include the following:
- Retail floorspace of 1,880 sq.m on Level One for the Victoria Street site and 477 sq.m for the George Street site (total of 2,357 sq.m).
  - Retail floorspace of 2,090 sq.m on Level Two for the Victoria Street site.
  - Commercial floorspace of a combined 4,435 sq.m for Victoria Street site and 1,414 sq.m for the George Street site (note this incorporates the 707 sq.m of commercial floor space on Level Two).
  - A total of 436 residential units on upper levels across the Victoria Street and George Street sites.
- iv. Overall, the proposed mixed-use development at the Burwood site would provide a range of floorspace, including retail floorspace on Level One and Level Two. The retail component would serve residents and worker on site as well as the surrounding population in the Burwood Town Centre and suburbs.
- v. The total trade area encompasses one primary sector, five secondary sectors and five tertiary trade area sectors. The combination of the primary sector and the secondary sectors is referred to as the main trade area with the combination of the main trade area and the tertiary sector referred to as the total trade area.
- vi. The population within the total trade area was 447,520 in 2016, including 237,740 persons within the main trade area and 58,540 persons in the primary sector. The total trade area population is projected to increase to 556,520 by 2031, including 278,90 persons in the main trade area.
- vii. Westfield Burwood is the major retail component of the Burwood Town Centre and is located on the northern side of the Railway Line. This shopping centre is the largest in the region, totalling some 63,300 sq.m of floorspace, anchored by a David Jones department store, Kmart and Target discount department stores, Woolworths and Coles supermarkets and some two mini-majors and 283 specialty shops. The centre

also includes a cinema complex. Total centre sales for Westfield Burwood are \$480 million (*Shopping Centre News – Big Guns 2017*).

- viii. Westfield Burwood has a wide regional draw with the total trade area generally extending 10 km around the centre, extending to Auburn in the west, Parramatta River in the north, Leichhardt in the east and Bexley and Greenacre in the south. This reflects the significant provision of non-food floorspace provided at this shopping centre.
- ix. The planned mixed-use development at the Burwood site is proposed to encompass a retail component of 4,447 sq.m across two levels. Assuming an average shop size of 125 sq.m for the retail specialty would indicate a total of some 36 shops.
- x. Based on a review of *Shopping Centre News – Big Guns 2017*, Westfield Burwood currently achieves Moving Annual Turnover (MAT) per sq.m of \$8,383 per sq.m. This centre is based on a David Jones department store, Kmart and Target discount department stores, Woolworths and Coles supermarkets and some two mini-majors and 283 specialty shops as well as a cinema complex. The major tenants achieve combined sales in the order of \$160 million.
- xi. Assuming the total centre MAT per sq.m rates of Westfield Burwood for the indicative retail floorspace at the Burwood site would indicate retail sales for the planned development in the order of \$37 million. This is likely to be the maximum range as Westfield Burwood is a strong trading shopping centre compared to typical regional shopping centres. Based on a review of the *Urbis Averages 2015/16* for Other Regional Shopping centres (i.e. including one department store), sales are typically some \$446 million across 66,653 sq.m of retail floorspace. Westfield Burwood is trading higher than the benchmark level.
- xii. If a more conservative productivity level of \$6,000 per sq.m was adopted across the 4,889 sq.m of retail floorspace, projected sales would be in the order of \$27 million, or around 5.6% of Westfield Burwood reported MAT (\$480 million). This is considered to be a more realistic representation of the likely projected sales for the planned retail

component given the larger size, major tenant mix and performance and drawing power of Westfield Burwood which attracts some 13.8 million visitors each year.

xiii. Projected sales for the proposed retail component of the planned mixed-use development at the Burwood site would be a result of the following:

- New retail spending generated given the increased supply of retail floorspace.
- Impacts on current and planned retail developments.

xiv. Assuming 10% of projected sales (\$27 million) is a result of new spending, or \$2.7 million, then the balance of around \$24 million will be impacts on other centres and retailers. The impacts would be spread across a number of shopping centres and retailers, depending on the final tenant mix.

xv. Westfield Burwood currently achieves MAT of \$480 million. If all of the impact from the Burwood site retail component was to fall on this shopping centre, this would represent only 5% of MAT, or around \$5 in every \$100.

xvi. The retail projected sales of \$24 million would represent slightly more than one year of retail sales growth for the primary sector; less than 30% of one year of main trade area retail spending growth; or less than 12% of one year of total trade area retail spending growth. All other current and planned retail will be able to attract the remainder of the retail spending market.

xvii. There is indicatively some 100,000 sq.m of retail floorspace in the Burwood Town Centre. On this basis, the proposed provision of retail floorspace of 4,447 sq.m would represent less than 5% of the existing retail floorspace supply provided within the Burwood Town Centre. As such, projected impacts from this retail floorspace would be minimal and would not impact on the viability of any existing retail specialty shops in the Burwood Town Centre or surrounding retail locations.

xviii. The population of the defined total trade area is projected to grow at an average of around 7,200 persons per annum over the period to 2031. Assuming the Australian average of 2.2 sq.m of retail floorspace per person, this would indicate an additional

15,800 sq.m of retail floorspace will be supportable each year. The proposed retail component of the Burwood site at 4,447 sq.m only represents 28% of one year's retail floorspace demand growth.

xix. The planned mixed-use development at the Burwood site is proposed to encompass a retail component that is likely to result in a range of important economic benefits to the community, such as the following:

- The provision of a wider range of retail floorspace for local residents and workers.
- The development as a whole and specifically the retail floorspace over two levels, would increase the activation of Victoria Street, generating positive outcomes in terms of safety and community place making.
- The development would strengthen the retail and complementary offer on the northern side of the railway.
- The proposed development will generate a substantial number of jobs, both for the construction and related industries during the construction period and for the local economy generally once the centre is completed.
- Once fully operational, the retail component would be likely to employ some 267 persons. Allowing for an estimated 10% of the total increase to be as a result of the reduced employment at existing retail facilities, the net jobs generated are estimated at 240.
- In terms of wages and salaries, the 240 permanent retail employees within the centre would earn an average annual wage of around \$28,800, as sourced from the latest ABS statistics on average weekly earnings. This represents some \$6.9 million in salary and wages for the local region, directly as a result of the proposed development. It would also be expected that further wages and salaries would result from jobs in the construction period and from multiplier effects.
- The retail jobs generated as previous outlined (240), will result in a further 228 jobs in the broader community based on ABS Input/Output Multipliers.



- The retail component will create a number of additional jobs, both for the construction and related industries during the construction phase and for the economy generally once the centre is completed. The estimated total capital costs for the construction of the centre are \$13.8 million.
  - It is estimated that the construction period of the retail component of the proposed development would create some 74 jobs, with a further 118 jobs resulting from the supplier induced multiplier effects from this period. Jobs created are full-time equivalent jobs, which may include both full-time and part-time positions.
- xx. It is the conclusion of this independent assessment that there is significant scope for additional retail floorspace in the Burwood Town Centre and Local Government Area. The proposed retail component of the planned mixed-use development at the Burwood site is of a small scale that would not affect the future viability of existing or proposed centres/retailers.

# 1 BACKGROUND

## Regional and Local Context

- i. Burwood is an inner western suburb of Sydney, located around 10 km to the west of the Sydney Central Business District (CBD) (refer Map 1.1).
- ii. Burwood has a mix of residential, commercial, retail and light industrial components with the Burwood Town Centre focused around the Burwood Railway Station. Increasingly, Burwood is transitioning to a high rise residential and commercial building precinct in the Town Centre by virtue of the allowable building height limits, the access to public transport and the range of facilities provided.
- iii. Burwood Town Centre is easily accessible by car from major roads such as Parramatta Road and Burwood Road. Parramatta Road is a major east-west carriageway throughout the Sydney metropolitan area, with Burwood Road providing more local north-south access, connecting with Concord in the north and Belmore in the south. Train and bus transport also service the Town Centre.
- iv. VSD investments Pty Ltd propose a mixed-use development at 28 - 34 Victoria Street and 23 – 27 George Street in Burwood that would include retail, commercial and residential components. The site currently accommodates three older style medium density residential unit blocks.
- v. The Burwood Town Centre is based around the main retail strip along Burwood Road that extends from Westfield Burwood in the north, to Clarence Street in the south. The Burwood retail strip is a typical traditional retail precinct, with a focus on Asian retailers.
- vi. Map 1.2 outlines the site location of the proposed Burwood site and surrounding facilities, including:
  - Westfield Burwood is a regional shopping centre (i.e. anchored by at least one department store) that is based on a David Jones department store, Kmart and Target discount department stores, Woolworths and Coles supermarkets, two

mini-majors and 230 specialty shops. The centre totals some 63,000 sq.m with reported Moving Annual Turnover (MAT) of \$480 million (*Shopping Centre News – Big Guns 2017*).

- A range of retail and non-retail shopfronts are provided along the eastern and western side of Burwood Road, to the north and south of the railway line.
- The Burwood Railway station is on the North Shore, Northern and Western and Airport, Inner West and South lines of the Sydney Trains network. It is understood that Burwood is the 15<sup>th</sup> ranked station in the Sydney metropolitan area based on total barrier count, recording some 58,080 passenger movements for a typical weekday, or around 18.1 million passenger movements each year.
- Sydney Buses provide several bus services from Burwood with destinations including Hurstville, Rockdale, Bondi Junction, Strathfield, Homebush, Campsie and Ryde. There are two main terminus, namely Burwood Railway Station and Westfield Burwood.

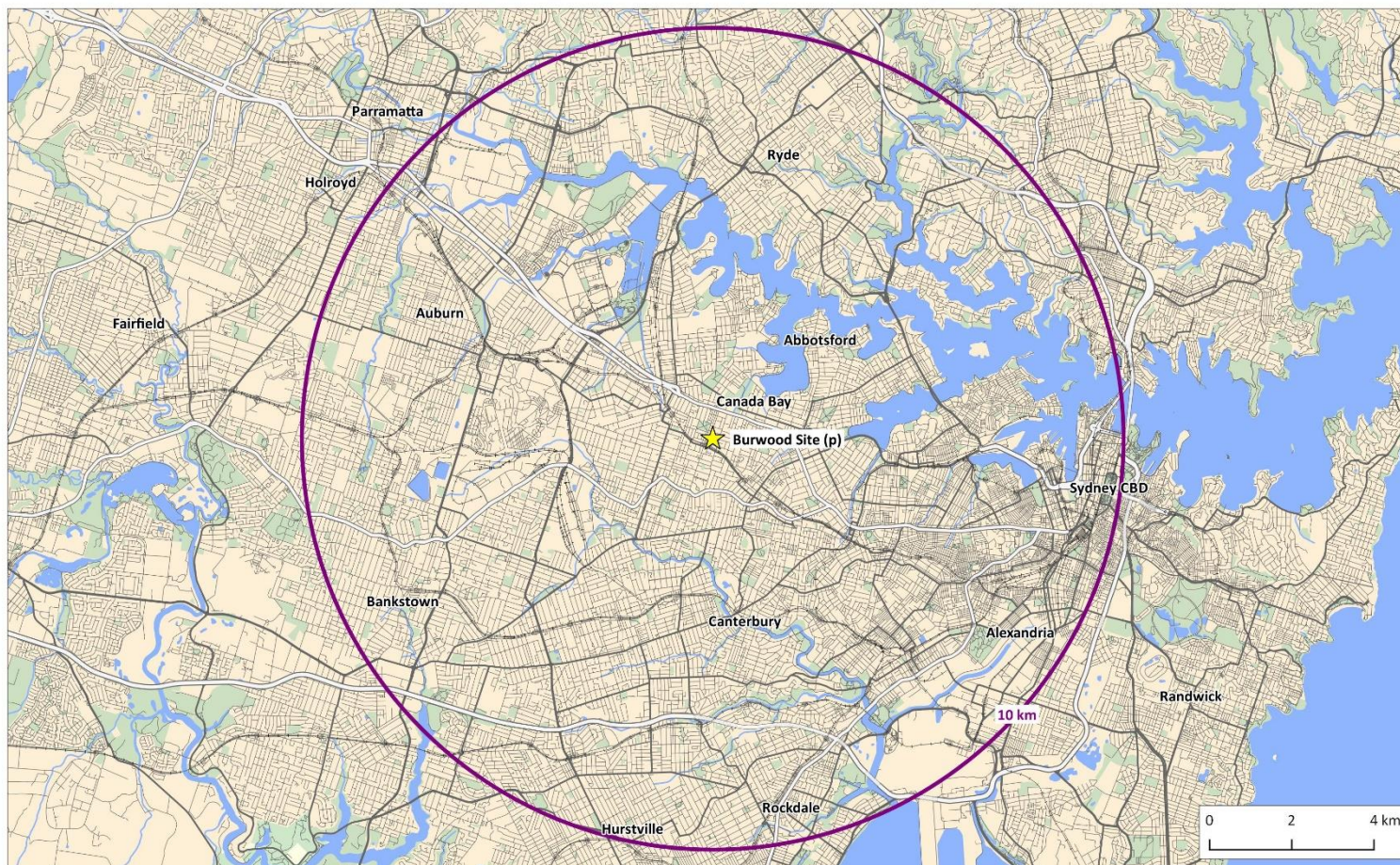
vii. The planned 28 - 34 Victoria Street, Burwood mixed use development will be a component of the larger Burwood Town Centre and is well located from both a regional and local perspective. In terms of regional and local accessibility, key points to note include:

- The site is well connected to major public transport infrastructure, being less than 400 metres from a major train station offering express services to central Sydney and Parramatta, complemented by frequent bus services.
- Potential bus lanes along revitalised Parramatta Road.
- Potential bus interchange at Burwood
- Future potential light rail route from Parramatta to Strathfield/Burwood.

- viii. The Burwood Town Centre enjoys a high profile and strategic location along a major train line in inner western Sydney. The 28 - 34 Victoria Street, Burwood site is immediately opposite Westfield Burwood.



## MAP 1.1 – BURWOOD SITE REGIONAL CONTEXT

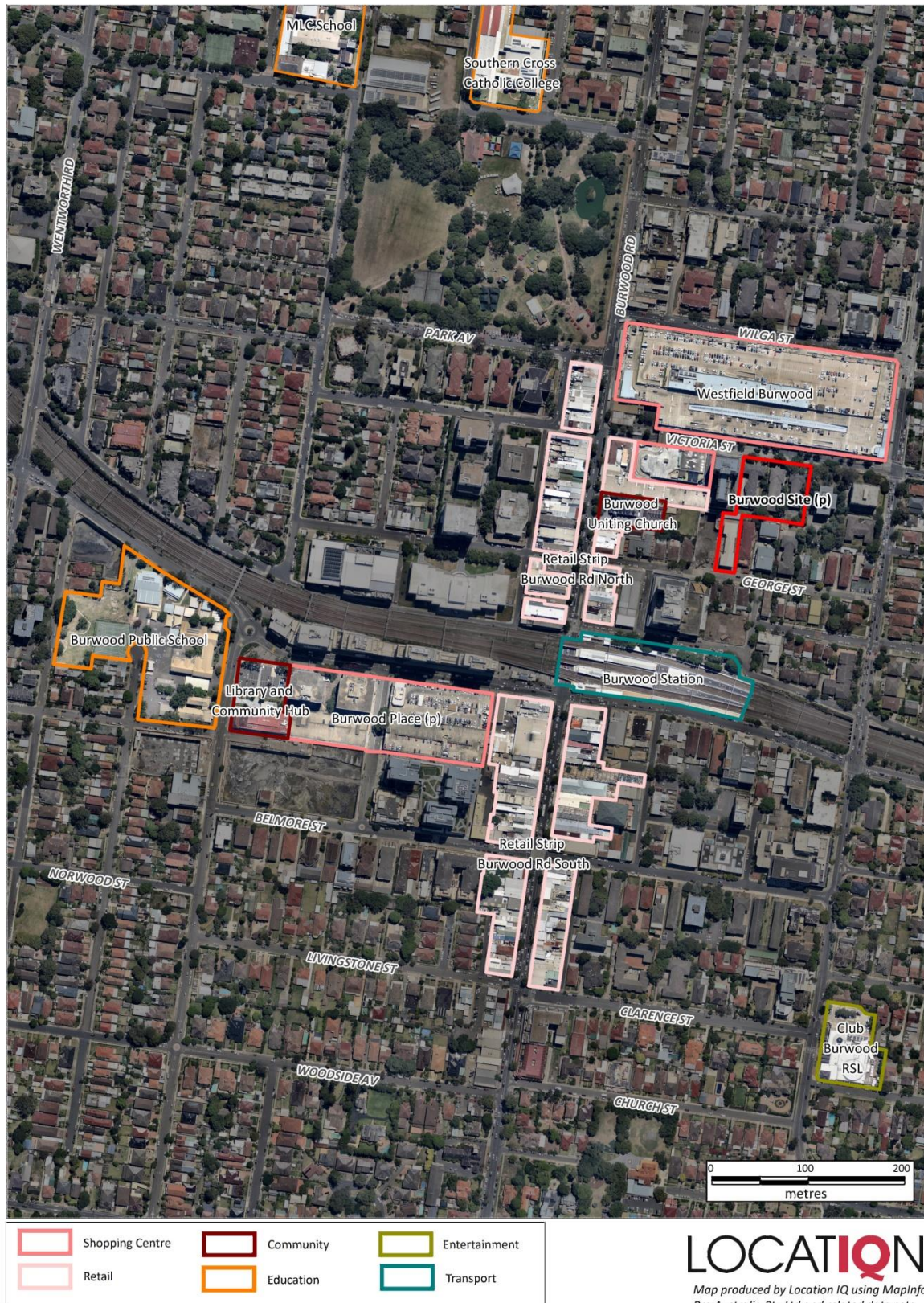


LOCATIONIQ

Map produced by Location IQ using  
QGIS 2.14 and related data sets.



## MAP 1.2 – BURWOOD SITE LOCAL CONTEXT



## Planned Development

- i. VSD investments Pty Ltd now propose a mixed-use development at 28 - 34 Victoria Street and 23 – 27 George Street in Burwood (i.e. the Burwood site) that would include retail, commercial and residential components. The proposed development would include:
  - Retail floorspace of 1,880 sq.m on Level One for the Victoria Street site and 477 sq.m for the George Street site (total of 2,357 sq.m).
  - Retail floorspace of 2,090 sq.m on Level Two for the Victoria Street site.
  - Commercial floorspace of a combined 4,435 sq.m for Victoria Street site and 1,414 sq.m for the George Street site (note this incorporates the 707 sq.m of commercial floor space on Level Two).
  - A total of 436 residential units on upper levels across the Victoria Street and George Street sites.
- ii. Overall, the proposed mixed-use development at the Burwood site would provide a range of floorspace, including retail floorspace on Level One and Level Two. The retail component would serve residents and worker on site as well as the surrounding population in the Burwood Town Centre and suburbs.



## Planning Environment

- i. Burwood is designated as a District Centre according to *A Plan For Growing Sydney* which was produced by the New South Wales Planning and Environment department in order to outline the principles for future growth in Sydney (refer Figure 1.1).
- ii. Burwood is part of the defined Sydney Central District which is centred on the Sydney City but stretches from beachside suburbs in the east, to Botany and Rockdale in the south, through the inner west and across to Strathfield, Burwood and Canada Bay. It is regarded as the powerhouse of the New South Wales economy — home to commercial towers, financial and professional services, as well as a growing urban population attracted to all that the inner city has to offer.
- iii. The definition of a District Centre in *A Plan For Growing Sydney* is as follows:

*District centres play a significant district role due to the presence of one or more of the following characteristics:*

- *the scale of retail activity, generally over 50,000 sq.m of floor space;*
- *the presence of health and education facilities that serve the district and the local community;*
- *the level of transport services. District centres also generally have between 5,000 to 10,000 jobs.*

- iv. The document specifically outlines the priorities of Burwood District Centre as follows:
  - *Review local planning instruments and consider development initiatives that encourage the development of large floorplate mixed-use buildings;*
  - *Improve connections across the centre over the rail line;*
  - *Expand the function and type of land uses in the centre;*
  - *Investigate opportunities to enhance the night time economy*



- v. The Burwood site would provide a quality mixed use development with a range of retail and complementary facilities that are not provided in the Burwood District Centre.

**FIGURE 1.1 – SYDNEY STRATEGIC CENTRES**



CENTRAL DISTRICT

	Strategic Centre		Metropolitan Urban Area		Railway
	District Centre		Metropolitan Rural Area		Railway Station
	Local Centre		Waterways		Motorway
	District Boundary		National Parks and Reserves		Highway

## 2 TRADE AREA ANALYSIS

### Trade Area Definition

- i. The trade area defined for the proposed retail component as part of the planned mixed-use development the Burwood site in the Burwood Town Centre is illustrated on Map 2.1 and is the published trade area defined for Westfield Burwood that was defined in 2013 using real transaction data (Quantium) (refer Figure 2.1). This is considered appropriate given the adjacent location of the planned development.
- ii. The total trade area encompasses one primary sector, five secondary sectors and five tertiary trade area sectors. The combination of the primary sector and the secondary sectors is referred to as the main trade area with the combination of the main trade area and the tertiary sector referred to as the total trade area.
- iii. Westfield Burwood in the Burwood Town Centre, has a wide regional draw with the total trade area generally extending 10 km around the centre, extending to Auburn in the west, Parramatta River in the north, Leichhardt in the east and Bexley and Greenacre in the south. This reflects the significant provision of non-food floorspace provided at this shopping centre that is anchors the remainder of the offer in the Town Centre.



MAP 2.1 – BURWOOD SITE MAIN TRADE AREA AND COMPETITION

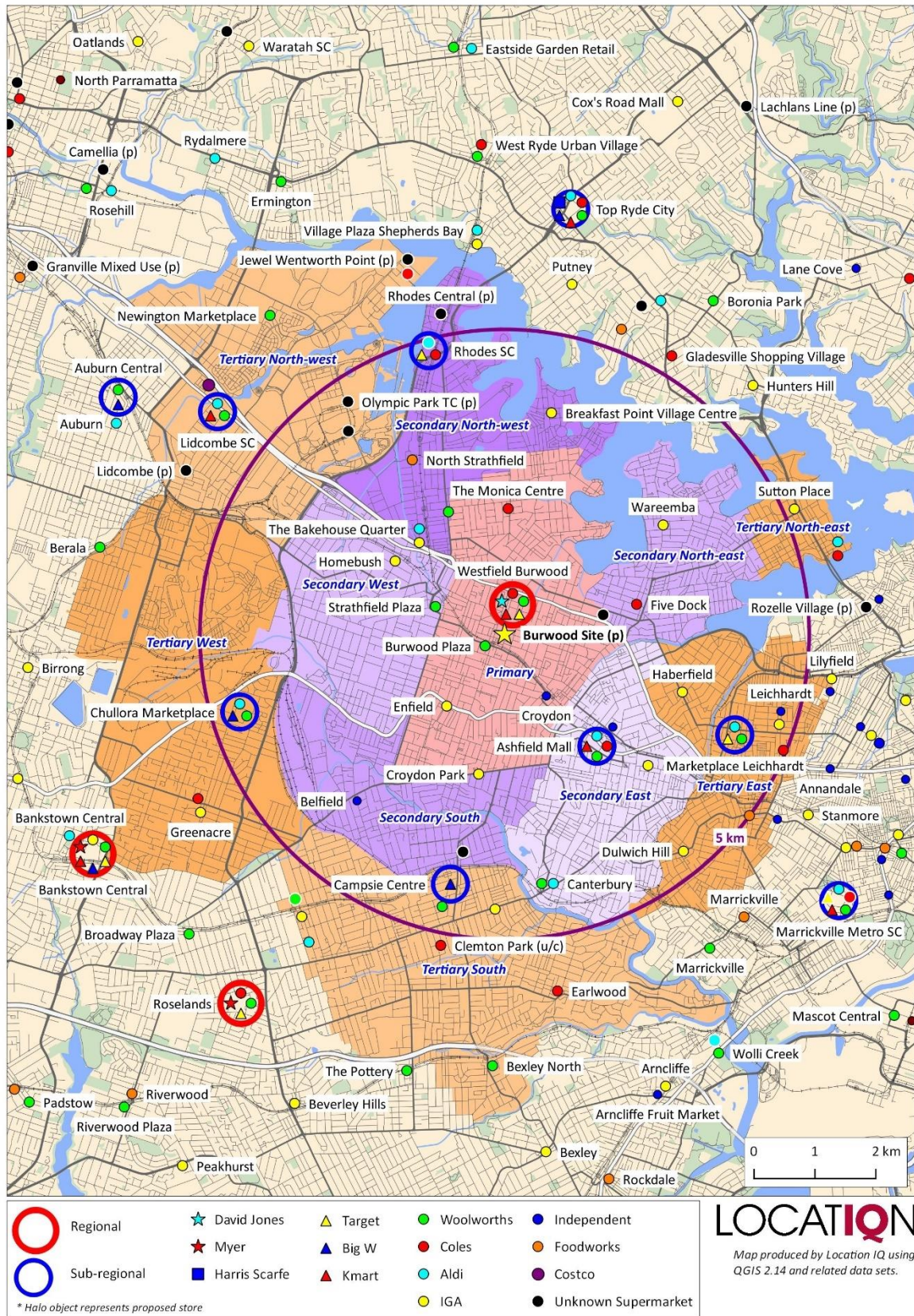
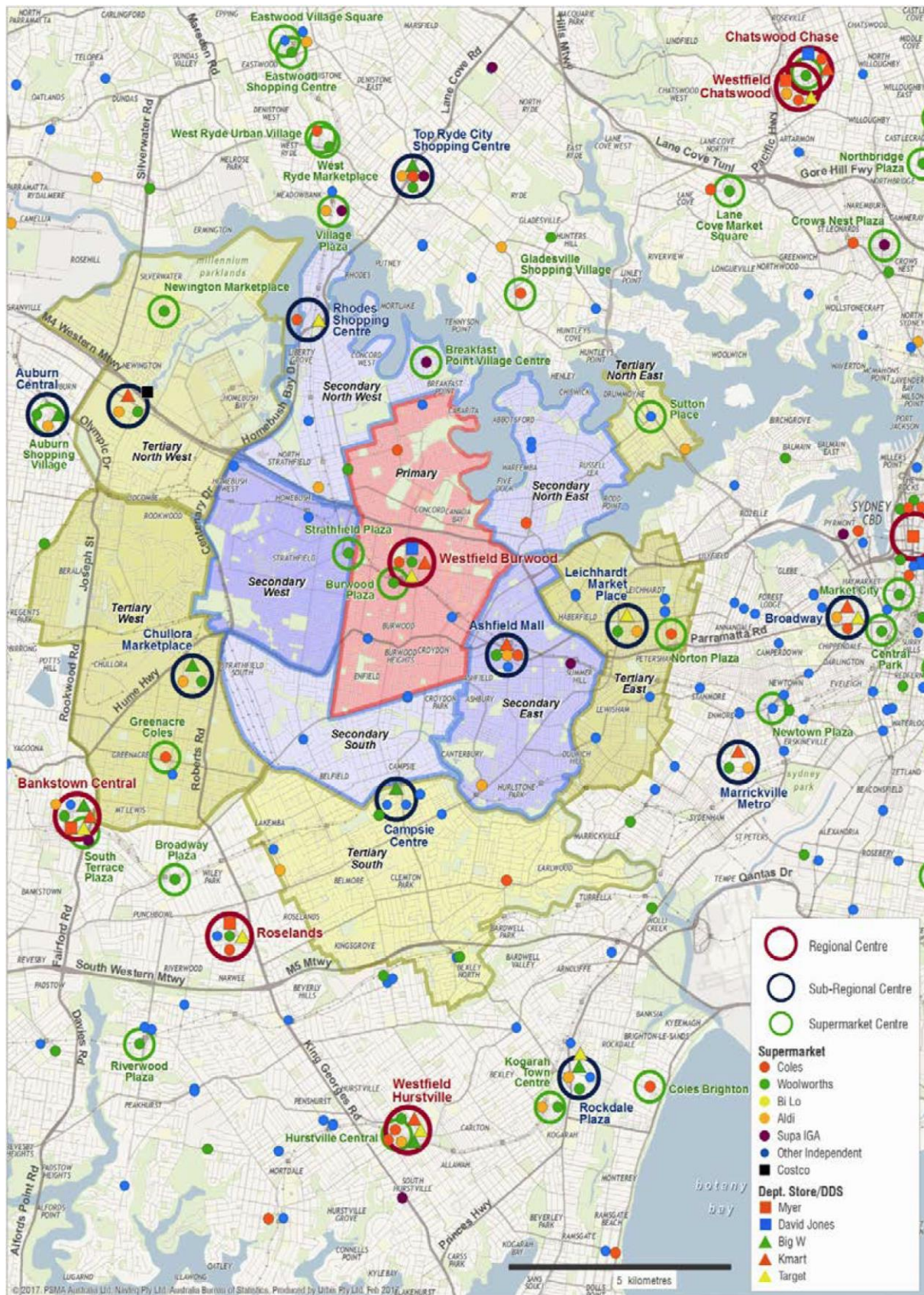




FIGURE 2.1 – WESTFIELD BURWOOD TOTAL TRADE AREA

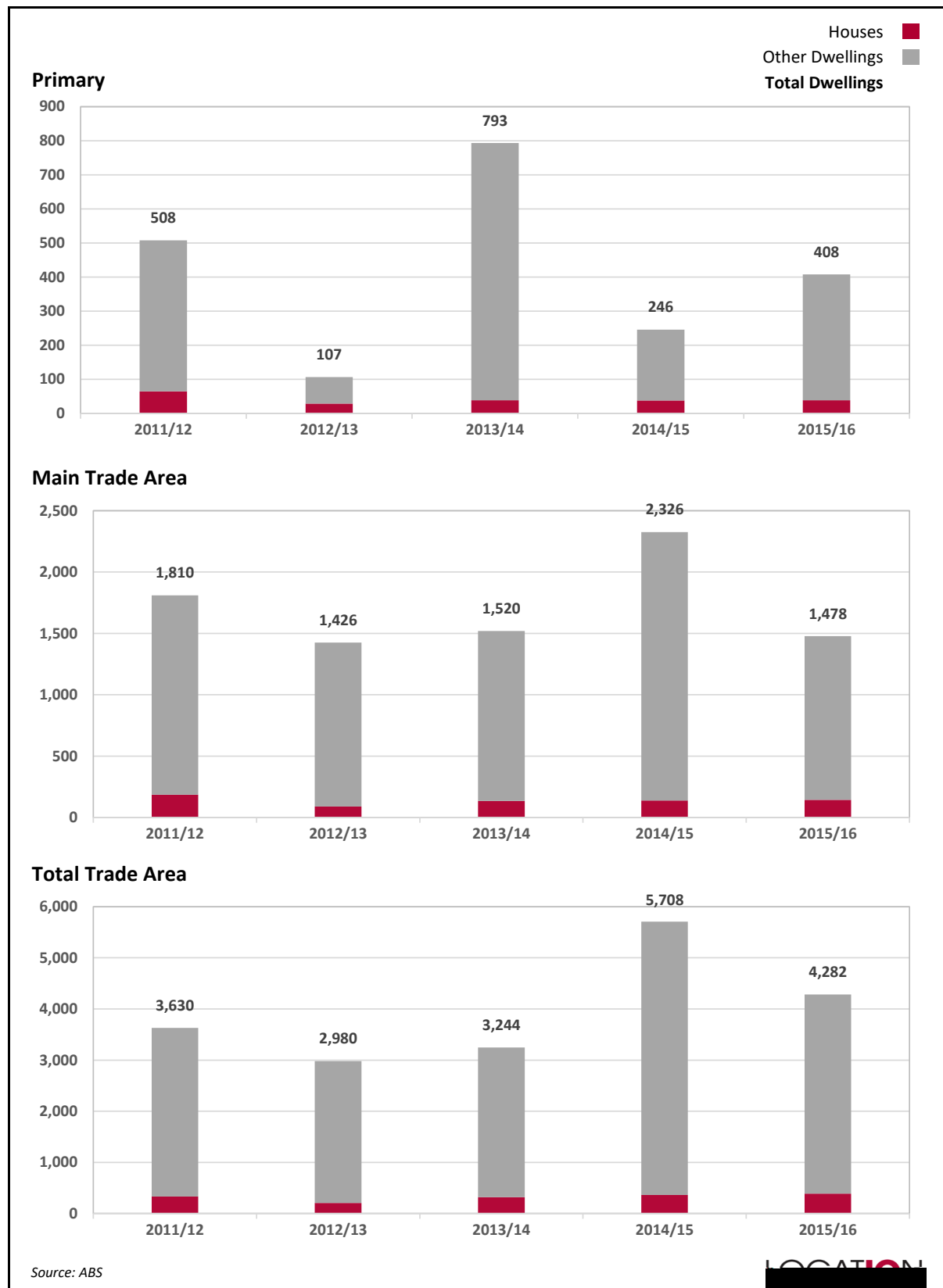


## Total Trade Area Current and Projected Population Levels

- i. Table 2.1 details the main trade area current and projected population levels by sector. This information is sourced from the following:
  - The 2011 and 2016 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS).
  - Population projections prepared at the Small Area Forecast Information (SAFi) level by .id Consulting.
  - New dwelling approvals statistics sourced from the ABS over the period from 2011/12 to 2015/16 (refer Chart 2.1). As shown, an average of some 3,969 new dwellings have been approved in the total trade area over this period, including an average of 1,712 (43.1%) across the main trade area and 412 (10.4%) in the primary sector.
  - Investigations by this office into new residential developments in the region.
- ii. The population within the total trade area was 447,520 in 2016, including 237,740 persons within the main trade area and 58,540 persons in the primary sector. The total trade area population is projected to increase to 556,520 by 2031, including 278,90 persons in the main trade area.

**TABLE 2.1 – TOTAL TRADE AREA POPULATION, 2011 – 2031**

Trade Area Sector	Actual			Forecast		
	2011	2016	2017	2021	2026	2031
Primary Sector	53,360	58,540	59,340	62,540	65,440	69,840
Secondary Sectors						
• East	48,240	51,830	52,350	54,430	56,280	57,880
• North-east	26,070	27,750	27,720	27,600	27,450	27,850
• North-west	26,800	36,030	36,600	38,880	44,380	49,080
• South	27,990	30,270	30,260	30,220	32,320	32,870
• West	<u>30,100</u>	<u>33,320</u>	<u>34,360</u>	<u>38,520</u>	<u>40,820</u>	<u>41,370</u>
Total Secondary	159,200	179,200	181,290	189,650	201,250	209,050
<b>Main Trade Area</b>	<b>212,560</b>	<b>237,740</b>	<b>240,630</b>	<b>252,190</b>	<b>266,690</b>	<b>278,890</b>
Tertiary Sectors						
• East	44,290	46,710	47,260	49,460	52,360	52,510
• North-east	11,160	11,740	11,830	12,190	12,140	12,140
• North-west	22,910	34,830	38,170	51,530	67,130	79,330
• South	69,970	75,120	76,350	81,270	83,920	86,520
• West	<u>37,420</u>	<u>41,380</u>	<u>41,950</u>	<u>44,230</u>	<u>45,680</u>	<u>47,130</u>
Total Tertiary	185,750	209,780	215,560	238,680	261,230	277,630
<b>Total Trade Area</b>	<b>398,310</b>	<b>447,520</b>	<b>456,190</b>	<b>490,870</b>	<b>527,920</b>	<b>556,520</b>
<b>Average Annual Change (No.)</b>						
	<b>Actual</b> 2011-2016			<b>Forecast</b> 2021-2026		
Primary Sector	1,036		800	580		880
Secondary Sectors						
• East	718		520	370		320
• North-east	336		-30	-30		80
• North-west	1,846		570	1,100		940
• South	456		-10	420		110
• West	<u>644</u>		<u>1,040</u>	<u>460</u>		<u>110</u>
Total Secondary	4,000		2,090	2,320		1,560
<b>Main Trade Area</b>	<b>5,036</b>		<b>2,890</b>	<b>2,900</b>		<b>2,440</b>
Tertiary Sectors						
• East	484		550	580		30
• North-east	116		90	-10		0
• North-west	2,384		3,340	3,120		2,440
• South	1,030		1,230	530		520
• West	<u>792</u>		<u>570</u>	<u>290</u>		<u>290</u>
Total Tertiary	4,806		5,780	4,510		3,280
<b>Total Trade Area</b>	<b>9,842</b>		<b>8,670</b>	<b>7,410</b>		<b>5,720</b>
<b>Average Annual Change (%)</b>						
	<b>Actual</b> 2011-2016			<b>Forecast</b> 2021-2026		
Primary Sector	1.9%		1.3%	0.9%		1.3%
Secondary Sectors						
• East	1.4%		1.0%	0.7%		0.6%
• North-east	1.3%		-0.1%	-0.1%		0.3%
• North-west	6.1%		1.5%	2.7%		2.0%
• South	1.6%		0.0%	1.4%		0.3%
• West	<u>2.1%</u>		<u>2.9%</u>	<u>1.2%</u>		<u>0.3%</u>
Total Secondary	2.4%		1.1%	1.2%		0.8%
<b>Main Trade Area</b>	<b>2.3%</b>		<b>1.2%</b>	<b>1.1%</b>		<b>0.9%</b>
Tertiary Sectors						
• East	1.1%		1.1%	1.1%		0.1%
• North-east	1.0%		0.8%	-0.1%		0.0%
• North-west	8.7%		7.8%	5.4%		3.4%
• South	1.4%		1.6%	0.6%		0.6%
• West	<u>2.0%</u>		<u>1.3%</u>	<u>0.6%</u>		<u>0.6%</u>
Total Tertiary	2.5%		2.6%	1.8%		1.2%
<b>Total Trade Area</b>	<b>2.4%</b>		<b>1.8%</b>	<b>1.5%</b>		<b>1.1%</b>
All figures as at June and based on 2016 SA1 boundary definition. Sources : ABS;						

**CHART 2.1 – TOTAL TRADE AREA NEW DWELLING APPROVALS, 2011/12 – 2015/16**



## Total Trade Area Socio-economic Profile

- i. Table 2.2 summarises the socio-economic characteristics of the Burwood site main trade area population by sector, compared with the Sydney metropolitan and Australian benchmarks. This information is based on the 2016 Census of Population and Housing.
- ii. Key characteristics to note regarding the socio-economic profile of the Burwood site total trade area population include:
  - Average income levels throughout the total trade area are generally in-line with the Sydney benchmarks on a per capita and household basis.
  - Home ownership levels are generally lower across all sectors.
  - The total trade area predominantly contains an overseas born population, with some 48.5% of the population born outside of Australia. The main trade area includes a higher proportion of Asian born residents (34.5%).
  - The household composition also varies significantly across sectors.



TABLE 2.2 – SOCIO-ECONOMIC PROFILE, 2016 CENSUS

Characteristics	Primary Sector	East	North-east	Secondary Sectors North-west	South	West	Main TA	East	North-east	Tertiary Sectors North-west	South	West	Total TA	Syd Metro Average	Aust Average
<b>Income Levels</b>															
Average Per Capita Income	\$39,954	\$44,962	\$55,568	\$48,090	\$32,165	\$42,097	\$43,371	\$54,140	\$66,025	\$41,707	\$32,406	\$26,973	\$41,567	\$42,033	\$38,497
Per Capita Income Variation	-4.9%	7.0%	32.2%	14.4%	-23.5%	0.2%	3.2%	28.8%	57.1%	-0.8%	-22.9%	-35.8%	-1.1%	n.a.	n.a.
Average Household Income	\$112,493	\$110,287	\$137,694	\$123,872	\$91,660	\$123,595	\$115,757	\$129,936	\$151,287	\$116,731	\$93,287	\$89,809	\$113,013	\$115,054	\$98,478
Household Income Variation	-2.2%	-4.1%	19.7%	7.7%	-20.3%	7.4%	0.6%	12.9%	31.5%	1.5%	-18.9%	-21.9%	-1.8%	n.a.	n.a.
Average Household Size	2.8	2.5	2.5	2.6	2.8	2.9	2.7	2.4	2.3	2.8	2.9	3.3	2.7	2.7	2.6
<b>Age Distribution (% of Pop'n)</b>															
Aged 0-14	14.7%	14.7%	17.6%	15.7%	17.6%	14.4%	15.5%	16.9%	16.2%	15.2%	18.4%	21.7%	16.7%	18.8%	18.8%
Aged 15-19	5.8%	4.4%	4.4%	4.3%	6.1%	6.1%	5.2%	3.9%	3.9%	3.9%	5.8%	7.1%	5.2%	6.0%	6.1%
Aged 20-29	20.3%	18.8%	9.8%	23.0%	15.7%	24.2%	19.1%	15.0%	11.7%	22.6%	14.4%	15.7%	17.6%	15.0%	13.8%
Aged 30-39	14.4%	18.4%	15.5%	20.5%	15.4%	18.2%	17.0%	17.7%	18.7%	25.2%	15.3%	13.8%	17.1%	15.5%	14.0%
Aged 40-49	12.4%	13.9%	16.2%	11.9%	14.0%	11.0%	13.1%	16.0%	15.0%	12.8%	13.8%	12.1%	13.5%	13.7%	13.5%
Aged 50-59	12.3%	12.1%	13.1%	10.3%	12.9%	10.9%	11.9%	12.1%	12.3%	10.1%	12.1%	12.2%	11.9%	12.2%	12.7%
Aged 60+	20.1%	17.7%	23.3%	14.3%	18.3%	15.3%	18.2%	18.5%	22.1%	10.2%	20.3%	17.5%	18.0%	18.8%	21.1%
Average Age	38.8	38.1	41.0	35.2	37.6	36.0	37.8	38.6	40.3	34.0	38.5	35.8	37.6	37.5	38.5
<b>Housing Status (% of H'holds)</b>															
Owner/Purchaser	61.8%	53.3%	65.8%	57.0%	58.2%	53.1%	58.0%	58.2%	61.2%	49.9%	62.2%	65.9%	58.8%	64.8%	68.0%
Renter	38.2%	46.7%	34.2%	43.0%	41.8%	46.9%	42.0%	41.8%	38.8%	50.1%	37.8%	34.1%	41.2%	35.2%	32.0%
<b>Birthplace (% of Pop'n)</b>															
Australian Born	47.9%	53.0%	69.6%	44.4%	46.3%	36.1%	49.1%	68.5%	71.1%	39.8%	50.6%	52.2%	51.5%	61.9%	72.9%
Overseas Born	52.1%	47.0%	30.4%	55.6%	53.7%	63.9%	50.9%	31.5%	28.9%	60.2%	49.4%	47.8%	48.5%	38.1%	27.1%
• Asia	35.8%	28.1%	8.2%	41.2%	36.4%	54.5%	34.5%	7.3%	7.2%	46.6%	26.4%	23.4%	29.5%	18.6%	10.7%
• Europe	8.8%	8.9%	14.5%	6.3%	6.1%	3.2%	8.0%	13.2%	11.9%	4.0%	9.6%	4.0%	8.2%	7.7%	8.0%
• Other	7.5%	10.0%	7.7%	8.1%	11.1%	6.2%	8.4%	11.0%	9.8%	9.6%	13.5%	20.3%	10.8%	11.8%	8.4%
<b>Family Type (% of Pop'n)</b>															
Couple with dep't children	46.8%	42.7%	46.3%	44.5%	48.1%	50.3%	46.2%	44.7%	42.3%	47.2%	48.5%	53.9%	47.2%	48.8%	45.2%
Couple with non-dep't child.	10.1%	7.5%	9.1%	7.5%	10.9%	9.7%	9.1%	7.2%	6.4%	7.3%	11.2%	12.5%	9.4%	9.2%	7.8%
Couple without children	21.9%	25.0%	22.2%	28.9%	19.0%	21.0%	23.1%	23.1%	27.7%	25.9%	18.8%	12.7%	21.6%	20.2%	23.0%
Single with dep't child.	6.5%	6.8%	5.9%	6.0%	8.0%	6.2%	6.5%	6.6%	5.6%	5.6%	7.9%	9.0%	6.9%	8.0%	8.9%
Single with non-dep't child.	4.7%	4.1%	4.4%	3.0%	5.1%	3.7%	4.2%	4.4%	3.2%	3.6%	5.2%	5.3%	4.4%	4.1%	3.7%
Other family	1.8%	1.9%	1.3%	1.7%	1.5%	2.2%	1.8%	1.4%	1.3%	2.0%	1.5%	1.3%	1.6%	1.2%	1.1%
Lone person	8.2%	12.0%	10.9%	8.4%	7.4%	7.0%	9.1%	12.7%	13.5%	8.5%	7.1%	5.4%	8.8%	8.5%	10.2%

Sources: ABS Census of Population and Housing 2016

## Total Trade Area Retail Spending

- i. The estimated retail expenditure capacity of the Burwood site total trade area population is based on information sourced from MDS Market Data Systems. MDS utilises a detailed micro-simulation model of household expenditure behaviour for all residents of Australia.
- ii. The MDS model takes into account information from a wide variety of sources, including the regular ABS Household Expenditure Survey, National Accounts Data, Census Data and other information. MarketInfo estimates used in this analysis are based on the 2014 release, benchmarked against the latest National Accounts data, released by the ABS. Throughout Australia, the MarketInfo estimates of retail spending that are prepared independently by MDS are commonly used by all parties in economic assessments.
- iii. Table 2.3 outlines the retail expenditure levels generated by the total trade area population. The total retail expenditure level is currently estimated at \$6.58 billion and is projected to increase at an average annual rate of around 2.7% to \$9.54 billion by 2031. All figures presented in this report include GST and are in constant 2017 dollars (i.e. excluding inflation).
- iv. The average annual retail spending growth rate of 2.7% reflects the following:
  - Real growth in retail spending per capita of 0.5% annually for food retail and 1.0% for non-retail over the period to over the period to 2017/18, increasing to 1.0% and 1.4%, respectively, from 2018/19 to 2030/31.
  - Total trade area population growth of around 1.4% per annum.
- v. Table 2.4 presents a breakdown of retail spending by key commodity group.

**TABLE 2.3 – TOTAL TRADE AREA RETAIL EXPENDITURE**

Y/E June	Primary Sector	East	Secondary Sectors				Main TA	East	Tertiary Sectors				Total TA
			North-east	North-west	South	West			North-east	North-west	South	West	
2017	850.7	803.2	485.9	588.5	382.5	476.0	3,586.8	805.1	239.4	529.7	940.1	480.5	6,581.7
2018	869.1	817.7	489.3	602.6	385.4	494.8	3,658.9	821.2	243.3	585.1	962.9	490.9	6,762.2
2019	891.5	835.9	494.8	619.4	390.0	515.5	3,747.0	840.9	248.2	638.5	990.0	503.4	6,968.0
2020	914.4	854.6	500.5	636.6	394.6	537.0	3,837.6	861.1	253.2	696.8	1,017.8	516.3	7,182.8
2021	938.0	873.6	506.1	654.3	399.3	559.4	3,930.7	881.8	258.3	760.4	1,046.4	529.6	7,407.1
2022	960.2	891.7	511.9	676.4	406.8	577.8	4,024.8	903.0	262.4	820.6	1,070.9	541.3	7,623.0
2023	980.9	908.8	517.7	703.2	417.4	591.8	4,119.8	924.7	265.5	875.9	1,090.9	551.4	7,828.3
2024	1,002.1	926.3	523.6	731.0	428.2	606.2	4,217.3	946.9	268.6	935.0	1,111.3	561.8	8,040.9
2025	1,023.7	944.0	529.5	760.0	439.3	620.9	4,317.4	969.7	271.8	998.0	1,132.1	572.3	8,261.3
2026	1,045.8	962.1	535.5	790.1	450.7	635.9	4,420.2	993.0	275.0	1,065.3	1,153.3	583.0	8,489.8
2027	1,070.5	980.1	542.7	818.8	460.0	648.5	4,520.6	1,011.4	278.3	1,126.0	1,174.7	593.9	8,705.0
2028	1,098.0	997.8	551.1	845.9	467.3	658.3	4,618.3	1,024.6	281.8	1,178.7	1,196.4	604.9	8,904.7
2029	1,126.1	1,015.9	559.6	873.9	474.6	668.3	4,718.3	1,038.0	285.4	1,233.9	1,218.4	616.1	9,110.1
2030	1,155.0	1,034.3	568.2	902.8	482.0	678.4	4,820.7	1,051.6	289.0	1,291.7	1,240.8	627.5	9,321.2
2031	1,184.7	1,053.0	576.9	932.6	489.6	688.7	4,925.5	1,065.3	292.6	1,352.1	1,263.7	639.1	9,538.4
<b>Expenditure Growth</b>													
2017-2019	40.8	32.7	8.9	30.9	7.4	39.4	160.3	35.7	8.7	108.8	49.8	22.9	386.3
2019-2021	46.5	37.7	11.3	35.0	9.3	43.9	183.7	40.9	10.1	121.9	56.4	26.1	439.2
2021-2026	107.8	88.5	29.4	135.8	51.4	76.5	489.5	111.3	16.7	304.9	106.9	53.4	1,082.7
2026-2031	138.8	90.9	41.4	142.5	38.9	52.8	505.3	72.3	17.7	286.9	110.4	56.1	1,048.6
2017-2031	334.0	249.8	91.0	344.2	107.0	212.7	1,338.7	260.1	53.2	822.5	323.6	158.6	2,956.7
<b>Average Annual Growth Rate</b>													
2017-2019	2.4%	2.0%	0.9%	2.6%	1.0%	4.1%	2.2%	2.2%	1.8%	9.8%	2.6%	2.4%	2.9%
2019-2021	2.6%	2.2%	1.1%	2.8%	1.2%	4.2%	2.4%	2.4%	2.0%	9.1%	2.8%	2.6%	3.1%
2021-2026	2.2%	1.9%	1.1%	3.8%	2.5%	2.6%	2.4%	2.4%	1.3%	7.0%	2.0%	1.9%	2.8%
2026-2031	2.5%	1.8%	1.5%	3.4%	1.7%	1.6%	2.2%	1.4%	1.3%	4.9%	1.8%	1.9%	2.4%
2017-2031	2.4%	2.0%	1.2%	3.3%	1.8%	2.7%	2.3%	2.0%	1.4%	6.9%	2.1%	2.1%	2.7%
*Constant 2016/17 dollars & Including GST													
Source : Marketinfo													

**TABLE 2.4 – TOTAL TRADE AREA RETAIL EXPENDITURE BY CATEGORY**

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2017	2,730.5	1,059.0	743.1	1,097.1	290.1	451.6	210.2
2018	2,796.9	1,091.1	765.2	1,129.3	298.7	464.7	216.4
2019	2,875.1	1,126.8	789.9	1,165.3	308.3	479.5	223.2
2020	2,956.5	1,164.1	815.7	1,202.9	318.3	495.0	230.4
2021	3,041.3	1,203.2	842.7	1,242.3	328.7	511.1	237.9
2022	3,122.2	1,241.0	868.8	1,280.4	338.8	526.7	245.1
2023	3,198.2	1,277.2	893.8	1,316.8	348.5	541.6	252.1
2024	3,276.8	1,314.8	919.7	1,354.6	358.6	557.1	259.3
2025	3,358.1	1,353.8	946.6	1,393.8	369.0	573.2	266.8
2026	3,442.2	1,394.3	974.5	1,434.5	379.8	589.8	274.6
2027	3,520.7	1,432.6	1,000.9	1,473.1	390.0	605.7	282.0
2028	3,592.7	1,468.3	1,025.6	1,509.1	399.6	620.5	288.9
2029	3,666.5	1,505.1	1,051.1	1,546.2	409.4	635.7	296.0
2030	3,742.3	1,543.0	1,077.2	1,584.4	419.5	651.4	303.3
2031	3,820.1	1,582.0	1,104.2	1,623.7	430.0	667.6	310.9
<b>Expenditure Growth</b>							
2017-2019	144.5	67.7	46.8	68.2	18.1	28.0	13.0
2019-2021	166.3	76.4	52.8	77.0	20.4	31.6	14.6
2021-2026	400.9	191.1	131.8	192.2	51.1	78.7	36.8
2026-2031	377.8	187.7	129.7	189.2	50.2	77.7	36.2
2017-2031	1,089.5	523.0	361.1	526.6	139.8	216.0	100.6
<b>Average Annual Growth Rate</b>							
2017-2019	2.6%	3.1%	3.1%	3.1%	3.1%	3.1%	3.0%
2019-2021	2.9%	3.3%	3.3%	3.3%	3.3%	3.2%	3.2%
2021-2026	2.5%	3.0%	2.9%	2.9%	2.9%	2.9%	2.9%
2026-2031	2.1%	2.6%	2.5%	2.5%	2.5%	2.5%	2.5%
2017-2031	2.4%	2.9%	2.9%	2.8%	2.8%	2.8%	2.8%
*Constant 2016/17 dollars & Including GST Source : Marketinfo							

## Worker Market

- i. According to the *Draft Central District Plan* released by the Greater Sydney Commission, Burwood accommodates 10,300 jobs, with the majority of these located within the Town Centre. The strategy also identifies Burwood as a major employment growth area and is expected to accommodate some 12,000 workers by 2036 under a Baseline Target and 14,000 workers under a Higher Target.

- ii. A large number of office and retail workers are located within close proximity to 28 - 34 Victoria Street, Burwood. Office workers and retail workers primarily spend on food catering and leisure items during their lunch break.
- iii. Typically, around 15% - 20% worker expenditure is directed to retail facilities near their place of work. A worker is likely to travel around 500 metres – 1 km on a regular basis, or around a 5 – 10 minute walk from their place of work in the morning, at lunchtime or after work to undertake expenditure on retail items.
- iv. As such, the proposed redevelopment of the Burwood site is likely to draw worker expenditure from throughout the Burwood Town Centre.

### 3 COMPETITIVE ENVIRONMENT

- i. Table 3.1 details the provision of retail facilities throughout the surrounding region which are illustrated on the previous Map 2.1. Competitive centres are described as follows.
- ii. Retail facilities within the surrounding region form a typical retail hierarchy, including:
  - A regional shopping centre, namely Westfield Burwood.
  - Sub-regional shopping centres, including Ashfield Mall, Campsie Centre, Chullora Marketplace and Rhodes Shopping Centre.
  - A number of supermarket based centres to serve the local population.
- iii. The retail hierarchy defined is based on how retail economists typically define hierarchies which often differs to how hierarchies are defined in planning schemes and strategic documents such as the Sydney Metropolitan Strategy.

**TABLE 3.1 – COMPETITIVE FACILITIES**

Centre	Shopfront GLA (sq.m)	Anchor Tenants	Dist. From Burwood (km)
<b>Regional Shopping Centres</b>			
<u>Burwood</u>			-
• Westfield Burwood	63,200	David Jones (14,658), Kmart (6,121), Target (5,933), Coles (3,919), Woolworths (3,272)	
• Burwood Plaza	12,400	Woolworths (3,545)	
• Other	23,400		
<b>Sub-regional Shopping Centres</b>			
Ashfield Mall	25,000	Kmart (6,473), Woolworths (4,000), Coles (3,601), Aldi (1,442)	3.4
Campsie Centre	13,000	Big W (7,662)	5.5
Chullora Marketplace	19,300	Big W (8,159), Woolworths (4,204), Aldi (1,475)	6.2
<u>Lidcombe</u>	<u>46,800</u>		<u>7.0</u>
• Licombe Centre	32,800	Kmart (5,016), Woolworths (4,211), Aldi (1,500)	
• Costco	14,000		
Rhodes Shopping Centre	32,900	Coles (3,497), Target (2,650)	7.5
Leichhardt Marketplace	17,900	Target (4,097), Woolworths (4,162), Aldi (1,350)	16
<b>Main Trade Area Supermarket Based Shopping Centres</b>			
<u>Strathfield</u>			<u>1.1</u>
• Strathfield Plaza	6,900	Woolworths (2,526)	
• Other	9,000		
The Bakehouse Quarter	18,700	Aldi (1,350)	2.7
The Monica Centre	3,300	Coles (2,475)	3.0
North Strathfield	8,000	Woolworths (2,526)	3.6
Breakfast Point Village Centre	3,300	Supa IGA (1,460)	5.1
<b>Outlet Centre</b>			
DFO Homebush	29,900		4.2
Source: Australian Shopping Centre Council Database, Location IQ			LOCATIONIQ

## Regional Shopping Centres

- i. Regional shopping centres are based on at least one department store.
- ii. Westfield Burwood is the major retail component of the Burwood Town Centre and is located on the northern side of the Railway Line. This shopping centre is the largest in the region, totalling some 63,300 sq.m of floorspace, anchored by a David Jones department store, Kmart and Target discount department stores, Woolworths and Coles supermarkets and some two mini-majors and 283 specialty shops. The centre also includes a cinema complex. Total centre sales for Westfield Burwood are \$480 million (*Shopping Centre News – Big Guns 2017*).
- iii. Westfield Burwood has a wide regional draw as shown on Figure 2.1 with the total trade area generally extending 10 km around the centre, extending to Auburn in the west, Parramatta River in the north, Leichhardt in the east and Bexley and Greenacre in the south. This reflects the significant provision of non-food floorspace provided at this shopping centre.
- iv. Based on a review of the *Urbis Averages 2015/16* for other regional shopping centres (i.e. including one department store), sales are typically some \$446 million across 66,653 sq.m of retail floorspace. Westfield Burwood is trading higher than the benchmark level.
- v. Elsewhere within the Burwood Town Centre, the retail provision includes Burwood Plaza which is based on a Woolworths supermarket and a provision of shops as well as the retail and non-retail strip along the eastern and western sides of Burwood Road as well as other peripheral shopfronts.
- vi. As shown in Table 3.2, there are some 475 shopfronts in the balance of the Town Centre, including 213 retail shops (45%). Based on inspection in April 2017, many of these traders are independent traders with an Asian focus to meet the needs of the local population. In total throughout the Burwood Town Centre including all components, there are 131 food catering shops, or around 18% of the total. In addition



to the retail shopfronts, there are 254 non-retail shopfronts and 40 vacant shopfronts, representing 34% and 5.3% of all shopfronts, respectively.

**TABLE 3.2 – BURWOOD TOWN CENTRE SHOPFRONT SURVEY**

Categories	Burwood Plaza	Westfield Burwood	Other Burwood TC	Total Burwood TC
Food & Liquor	8	11	31	50
Food Catering	6	39	86	131
Apparel	3	82	13	98
Household Goods	3	9	2	14
Leisure	2	8	7	17
General Retail	6	26	32	64
Retail Services	9	29	42	80
<b>Total Retail</b>	<b>37</b>	<b>204</b>	<b>213</b>	<b>454</b>
Non-Retail	9	18	227	254
Vacant	5	-	35	40
<b>Total</b>	<b>51</b>	<b>222</b>	<b>475</b>	<b>748</b>
<i>* Includes ground floor shopfronts only</i> <i>Source: Based on site inspection, April 2017</i>				LOCATION

## Sub-regional Shopping Centres

- i. Sub-regional shopping centres are anchored by at least one discount department store. There are four sub-regional shopping centres within a 3 – 5 km radius of the Burwood Town Centre. The shopping centres together with key statistics for Westfield Burwood are summarised in Table 3.3 with key points to note including:
  - Rhodes Shopping Centre is the strongest performing with sales of \$210 million and has a broad regional draw, courtesy of the inclusion of IKEA, one of only three IKEA outlets in Sydney.
  - Ashfield Mall is the closest sub-regional shopping centre and records sales of \$194 million across 25,000 sq.m of floorspace.
  - Campsie Centre is the smallest sub-regional shopping centre, not including a national chain supermarket. This centre is based on Big W and records sales in the order of \$85 million.

- Generally, all sub-regional shopping centres are trading strongly, serving local and surrounding residents with a unique mix of tenants.

**TABLE 3.3 – REGIONAL AND SUB-REGIONAL SHOPPING CENTRE KEY STATISTICS**

Enclosed Regional & Sub-regional Centres	GLA (sq.m)	MAT (\$) (\$ per sq.m)	Specialty MAT (\$ per sq.m)	No. of Mini-majors	No. of Spec.	
Regional SC						
Westfield Burwood	63,239	480	8,383	11,290	2	230
Sub-Regional SC						
Rhodes SC	32,856	210	9,618	9,321	6	108
Ashfield Mall	25,000	194	7,870	8,694	2	82
Chullora Marketplace*	19,316	130	6,730	7,492	1	55
Campsie Centre*	13,041	85	6,518	14,671	2	55
Lidcombe Centre*	32,800	100	3,049	n.a.	7	31
Leichhardt Marketplace*	17,895	150	8,382	n.a.	4	64
* LocationIQ estimate						
Source: Shopping Centre News Publications 2016 & 2017 (Big Guns; Little Guns; Mini Guns)						
LOCATIONIQ						

## Supermarket Based Shopping Centres

- Supermarket based shopping centres within the primary sector, include:
  - The Monica Centre is situated along Majors Bay Road in Concord and is anchored by a Coles supermarket of 2,475 sq.m with a provision of shops in the surrounding area along both sides of Majors Bay Road.
  - A small Woolworths supermarket of 1,375 sq.m at North Strathfield together with a small FoodWorks foodstore of 250 sq.m.
  - There are three small foodstores at Croydon, Enfield and Croydon Park which are all less than 500 sq.m in size and not considered a supermarket. A supermarket is typically a store selling dry groceries and fresh produce of 500 sq.m in size and larger.

- ii. A range of other supermarkets and supermarket based shopping centres are provided within the remainder of the total trade area, however, are considered to be of limited competitive relevance given the distance to each and the scale of the proposed retail floorspace which is not likely to include an anchor tenant.

### Proposed Competitive Developments

- i. Relevant retail developments that are currently underway, DA submitted, DA approved or highly likely within the immediate Burwood area, include:
  - Emerald Square in the Burwood Town Centre was recently completed and Burwood Central is planned to include some 8,000 sq.m of retail floorspace as part of a mixed-use development.
  - The redevelopment of Burwood Plaza to be known as Burwood Place to include a significant mixed-use development, including additional retail and non-retail floorspace of around 20,000 sq.m. The additional retail component will include a new Woolworths, a smaller second supermarket, mini-majors and specialty shops totalling a combined 7,600 sq.m.
  - The Kings Bay Village precinct (primary sector) will be a redevelopment of sites along Parramatta Road. This is in the early planning stage and retail will be supportable based on the future population to be provided in the precinct as well as passing traffic.
  - A range of developments beyond the main trade area which are likely to be of limited competitive relevance given the proposed scale, composition and distance of each which all serve separate population catchments.
- ii. The opening of the retail component proposed at the Burwood site would not impact on the future potential for other retail developments in the surrounding area which would each serve distinct population catchments.

## Summary

- i. The Burwood Town Centre includes two enclosed shopping centres, namely Westfield Burwood and Burwood Plaza. There is also a range of retail and non-retail shopfronts in the balance of the Town Centre.
- ii. There is indicatively some 100,000 sq.m of retail floorspace in the Burwood Town Centre. On this basis, the proposed retail floorspace at the Burwood site of 4,447 sq.m would represent less than 5% of the existing retail floorspace supply provided within the Burwood Town Centre.

## 4 PROJECTED SALES AND POSSIBLE IMPACTS

### Projected Sales

- i. To assess the potential economic benefits and impacts that may arise from the proposed retail component of the planned mixed-use development at the Burwood site, the sales level which the development is projected to achieve is outlined.
- ii. The sales performance of any retail facility, be it an individual store or a collection of stores provided in a shopping centre or precinct, is determined by a combination of the following critical factors:
  - The composition and quality of the facility, including major trader or traders; the specialty mix; centre layout and configuration; ease of accessibility and car parking; and the overall feel of the centre.
  - The size of the available catchment which the facility serves.
  - The locations and strengths of competitive retail facilities.
- iii. The planned mixed-use development at the Burwood site is proposed to encompass a retail component of 4,447 sq.m. Assuming an average shop size of 125 sq.m for the retail specialty would indicate a total of some 36 shops.
- iv. Based on a review of *Shopping Centre News – Big Guns 2017*, Westfield Burwood currently achieves MAT per sq.m of \$8,383 per sq.m. This centre is based on a David Jones department store, Kmart and Target discount department stores, Woolworths and Coles supermarkets and some two mini-majors and 283 specialty shops as well as a cinema complex. The major tenants achieve combined sales in the order of \$160 million.
- v. Assuming the total centre MAT per sq.m rates of Westfield Burwood for the indicative retail floorspace would indicate retail sales for the planned development in the order of \$37 million. This is likely to be the maximum range as Westfield Burwood is a strong trading shopping centre compared to typical regional shopping centres. Based on a

review of the *Urbis Averages 2015/16* for Other Regional Shopping centres (i.e. including one department store), sales are typically some \$446 million across 66,653 sq.m of retail floorspace. Westfield Burwood is trading higher than the benchmark level.

- vi. If a more conservative productivity level of \$6,000 per sq.m was adopted across the 4,889 sq.m of retail floorspace, projected sales would be in the order of \$27 million, or around 5.6% of Westfield Burwood reported MAT. This is considered to be a more realistic representation of the likely projected sales for the planned retail component given the larger size, major tenant mix and performance and drawing power of Westfield Burwood which attracts some 13.8 million visitors each year.
- vii. In comparison to Westfield Burwood, the Burwood site would have exposure to less passing foot traffic, would be significantly smaller and would not be anchored by a number of major tenants which would drive visitation and sales.

## Possible Impacts

- i. It is important to note that impacts outlined in this report are indicative as it is difficult to precisely project the sales impacts of the opening of a new store/centre on existing retail facilities. Several factors can influence the impact on individual centres/retailers, including but not limited to:
  - Refurbishment/improvements to existing centres.
  - Expansions to existing centres.
  - Loyalty programs of existing retailers.
  - The existing centre mix and how it competes with the proposed development.
- ii. For all these reasons and other similar factors, sales impacts should be used as a broad indication. Projected sales for the proposed retail component of the planned mixed-use development at the Burwood site would be a result of the following:
  - New retail spending generated given the increased supply of retail floorspace.

- Impacts on current and planned retail developments.
- iii. Assuming 10% of projected sales (\$27 million) is a result of new spending, or \$2.7 million, then the balance of around \$24 million will be impacts on other centres and retailers. The impacts would be spread across a number of shopping centres and retailers, depending on the final tenant mix.
- iv. Westfield Burwood currently achieves MAT of \$480 million. If all of the impact from the Burwood site retail component was to fall on this shopping centre, this would represent only 5% of MAT, or \$5 in every \$100.
- v. The retail projected sales of \$24 million would represent slightly more than one year of retail sales growth for the primary sector; less than 30% of one year of main trade area retail spending growth; or less than 13% of one year of total trade area retail spending growth. All other current and planned retail will be able to attract the remainder of the retail spending market.
- vi. Future population growth will offset competitive impacts which would be likely in the first year of opening for the retail floorspace with all shopping centres and retailers then able to attract additional sales from population growth after this time. Retail floorspace is lumpy in nature and as such, impacts are likely in the first full year of opening, however, with population growth over time, these impacts would be offset.
- vii. There is indicatively some 100,000 sq.m of retail floorspace in the Burwood Town Centre. On this basis, the proposed provision of retail floorspace of 4,447 sq.m would represent less than 5% of the existing retail floorspace supply provided within the Burwood Town Centre. As such, projected impacts from this retail floorspace would be minimal and would not impact on the viability of any existing retail specialty shops in the Burwood Town Centre or surrounding retail locations.
- viii. The population of the defined total trade area is projected to grow at an average of around 7,200 persons per annum over the period to 2031. Assuming the Australian average of 2.2 sq.m of retail floorspace per person, this would indicate an additional 15,800 sq.m of retail floorspace will be supportable each year. The proposed retail

component of the Burwood site at 4,447 sq.m only represents 28% of one year's retail floorspace demand growth.



## 5 ASSESSMENT OF LIKELY ECONOMIC BENEFITS

- i. The planned mixed-use development at the Burwood site is proposed to encompass a retail component that is likely to result in a range of important economic benefits to the community, such as the following:
  - The provision of a wider range of retail floorspace for local residents and workers.
  - The development as a whole and specifically the retail floorspace over two levels, would increase the activation of Victoria Street, generating positive outcomes in terms of safety and community place making.
  - The development would strengthen the retail and complementary offer on the northern side of the railway.
  - The proposed development will generate a substantial number of jobs, both for the construction and related industries during the construction period and for the local economy generally once the centre is completed.
  - Once fully operational, the retail component would be likely to employ some 267 persons. Allowing for an estimated 10% of the total increase to be as a result of the reduced employment at existing retail facilities, the net jobs generated are estimated at 240. This information is summarised in Table 5.1.
  - In terms of wages and salaries, the 240 permanent retail employees within the centre would earn an average annual wage of around \$28,800, as sourced from the latest ABS statistics on average weekly earnings. This represents some \$6.9 million in salary and wages for the local region, directly as a result of the proposed development. It would also be expected that further wages and salaries would result from jobs in the construction period and from multiplier effects.
  - The retail jobs generated as previous outlined (240), will result in a further 228 jobs in the broader community based on ABS Input/Output Multipliers (refer Table 5.2).

- The retail component will create a number of additional jobs, both for the construction and related industries during the construction phase and for the economy generally once the centre is completed. The estimated total capital costs for the construction of the centre are \$13.8 million.

By utilising the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and a deflated estimated total capital cost of construction of \$10.5 million (i.e. in 1996/97 dollars), it is estimated that the construction period of the retail component of the proposed development would create some 74 jobs, with a further 118 jobs resulting from the supplier induced multiplier effects from this period (refer Table 5.3). Jobs created are full-time equivalent jobs, which may include both full-time and part-time positions.

- It is the conclusion of this independent assessment that there is significant scope for additional retail floorspace in the Burwood Town Centre and Local Government Area. The proposed retail component of the planned mixed-use development at the Burwood site is of a small scale that would not affect the future viability of existing or proposed centres/retailers.

**TABLE 5.1 – ESTIMATED PERMANENT EMPLOYMENT**

Type of Use	Estimated Employment Per '000 sq.m	<b>Burwood</b>	
		Floorspace (sq.m)	Employment (persons)
Retail Specialty Shops	60	4,447	267
<b>Total Centre<sup>1</sup></b>		<b>4,447</b>	<b>267</b>
<b>Net Increase<sup>2</sup></b>			<b>240</b>
<p>1. Excludes non-retail components.</p> <p>2. Net increase includes an allowance for reduced employment levels at impacted centres estimated at 10% of the total increase</p>			

LOCATION

**TABLE 5.2 – ESTIMATED EMPLOYMENT IMPACT**

Original Stimulus	Direct Employment	Supplier Employment Multiplier Effects	Total
Centre Employment <sup>1</sup>	240	228	468
<p>* Employment totals include both full-time and part-time work</p> <p>1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development</p> <p>Source : Australian National Accounts: Input-Output Tables 1996-97</p>			

LOCATION

**TABLE 5.3 – ESTIMATED CONSTRUCTION EMPLOYMENT IMPACT**

Original Stimulus	Estimated Capital Costs (\$M) <sup>1</sup>	Direct Employment	Supplier Employment Multiplier Effects	Total	
Construction of Project	10.5	74	118	192	Job Years <sup>2</sup>
<p>* Employment totals include both full-time and part-time work</p> <p>1. Adjusted by inflation and productivity to 1996/97 Dollars</p> <p>2. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects, for the equivalent of one year</p> <p>Source : Australian National Accounts: Input-Output Tables 1996-97</p>					

LOCATION

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