

Calderwood Urban Development Project, New South Wales

Assessment of Retail Floorspace Potential

Prepared for Delfin Lend Lease

18th February 2010



TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION	3
1 LOCATION AND DEVELOPMENT PROPOSAL.....	4
1.1 Regional and Local Context	4
1.2 Calderwood Urban Development Project	8
1.3 Relevant Planning Considerations.....	12
2 TRADE AREA ANALYSIS	14
2.1 Trade Area Definition	14
2.2 Trade Area Population	18
2.3 Socio-Demographic Profile.....	22
2.4 Trade Area Retail Expenditure Capacity	25
3 COMPETITIVE ENVIRONMENT	29
3.1 Regional Shopping Centres	31
3.2 Sub-regional Shopping Centres	32
3.3 Supermarket Centres	33
3.4 Planned Future Retail Developments	34
3.5 Summary	35
4 FUTURE RETAIL FLOORSPEACE POTENTIAL.....	36
4.1 Australian Retail Floorspace Provision.....	36
4.2 Primary Trade Area Retail Floorspace Demand	37

4.3	Supportable Floorspace - Calderwood.....	39
4.4	Major Tenant - Discount Department Stores and Supermarkets	40
4.5	Retail Locations and Floorspace.....	41
4.6	Impact Analysis.....	46
5	SUMMARY	47

EXECUTIVE SUMMARY

The key conclusions of this report, regarding ultimate potential for retail facilities at the Calderwood Urban Development Project, include:

- i. The ultimate estimated population within the Calderwood development area is likely to around 22,000 residents, including 12,400 within the Delfin Lend Lease development area.
- ii. These residents will demand a significant level of retail floorspace. Even using very conservative assumptions, this demand is likely to be at least 48,400 sq.m of retail floorspace once the ultimate population capacity is reached.
- iii. It is our view, that these residents will require 31,500 sq.m or 65% of this retail demand within the Calderwood development itself. This leaves 35% or 16,900 sq.m to be provided by higher order retail facilities beyond the trade area, such as Stockland Shellharbour.
- iv. Of this 31,500 sq.m, a minimum of 25,000 sq.m should be provided within the Calderwood Town Centre development. In our view, this would include the following components:
 - A small discount department store of around 4,000 - 5,000 sq.m.
 - Two full-line supermarkets and possibly a discount supermarket (such as Aldi) comprising around 9,000-10,000 sq.m.
 - 3,000 – 4,000 sq.m of mini major floorspace.
 - 50-60 specialty stores, or around 7,000 - 8,000 sq.m of space.
 - Limited freestanding facilities such as fast food and small bulky goods stores.
- v. The remaining 6,500 sq.m should spread between a number of smaller neighbourhood/local centres, located to serve the top-up food and grocery needs of the immediate surrounding population.

- vi. Retail floorspace within the Calderwood Urban Development Area will not impact the existing surrounding Shellharbour/Wollongong hierarchy, given the 22,000 residents are likely to support some 48,400 sq.m of retail floorspace. Additionally, some 35% of this floorspace will be contained in centres beyond the trade area, boosting sales for the surrounding higher order retail facilities.
- vii. It is important to ensure enough land is allocated to allow for a retail provision that will adequately serve the retail floorspace needs of the ultimate population (22,000 persons). In our view, this is likely to be a minimum of 31,500 sq.m in the Calderwood Release Area, with 25,000 sq.m of this provided in a Town Centre development.

INTRODUCTION

This report presents an independent assessment of the ultimate potential for retail facilities at the Calderwood Urban Development Project, located in the Illawarra region of New South Wales.

This report has been prepared by Duane Location IQ to accompany a Concept Plan Application under Part 3A of the *Environmental Planning & Assessment Act, 1979 (EP&A Act)* and a proposal for State significant site listing under Schedule 3 of *State Environmental Planning Policy Major Development 2005 (SEPP Major Development)* in relation to the Calderwood Urban Development Project.

The report has been prepared in accordance with instructions received from Delfin Lend Lease and is structured and presented as follows:

- **Section 1** outlines the regional and local context of the Calderwood Urban Development Project. A summary of the proposed master planned urban development community is also provided, as well an outline of the current documentation discussing the future use of the site.
- **Section 2** details the trade area likely to be served by the proposed retail centre, including current and projected population and retail spending levels over the period to 2036.
- **Section 3** summarises the competitive environment within which any proposed retail facilities provided within the Calderwood development will operate.
- **Section 4** provides an assessment of the optimal size, mix and composition of supportable retail facilities within the development, including:
 - Discount department stores and supermarkets
 - Mini-majors
 - Retail specialty traders
- **Section 5** presents a summary of the key findings of the report.

1 LOCATION AND DEVELOPMENT PROPOSAL

This section reviews the regional and local context of the Calderwood Urban Development Project. A summary of the proposed Delfin Lend Lease development, as well as an outline of the current documentation evaluating the future of the site is also provided.

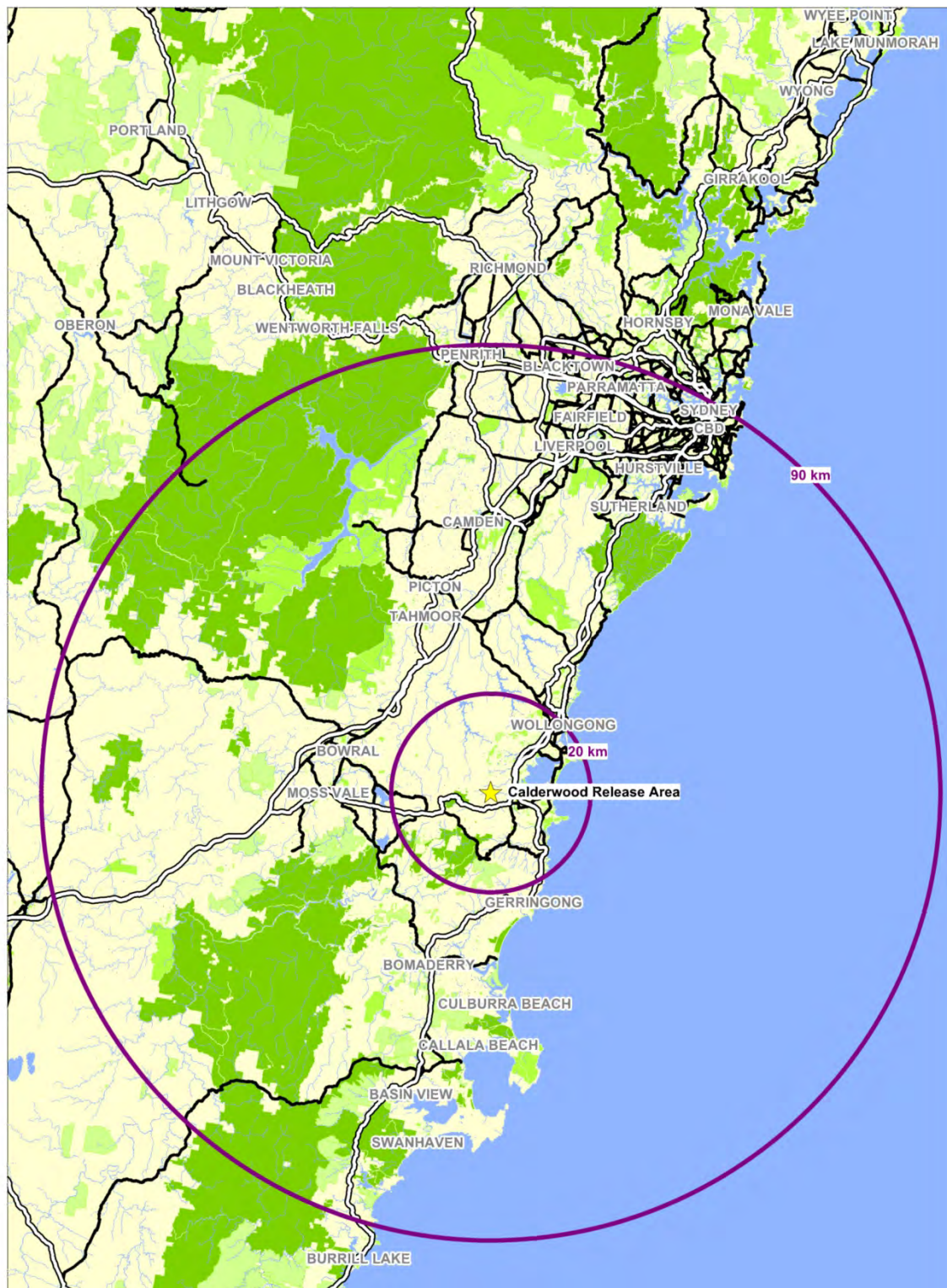
1.1 Regional and Local Context

- i. The Calderwood Urban Development Project is proposed within the Calderwood Valley, a large rural zoned area situated in the Illawarra region of New South Wales (NSW) (refer Map 1.1). The Illawarra region is located on the NSW South Coast and contains three Local Government Areas (LGA), including Wollongong, Shellharbour and Kiama (refer Map 1.2).
- ii. The Illawarra region is located directly south of the Sydney metropolitan area, adjoining the South Coast and Southern Highlands regions. The importance of the Illawarra region in the NSW economy has been increasing over time, as developable land in Sydney reduces and the price of Sydney housing continues to rise.
- iii. The *Illawarra Regional Strategy 2006*, prepared by the NSW Department of Planning, indicates population within the Illawarra region will increase by 47,600 over the next 25 years. It is estimated an additional 38,000 dwellings will be required to accommodate both the increase in population and the expected decline in household size. Around half of these new dwellings are likely to be provided in new release areas, such as the Calderwood Urban Development Project area (the subject of this report).
- iv. The Calderwood Valley has been nominated in the *Illawarra Regional Strategy 2006* as a possible area to accommodate this future urban development. At present, the existing rural land is predominately occupied by agricultural and hobby farms.
- v. The Calderwood Valley is situated west of the newly established Albion Park residential area and south of the future West Dapto release area. The locale is bounded to the north by Marshall Mount Creek, to the east by the Macquarie

Rivulet, to the south by Johnson's Spur and to the west by the Illawarra Escarpment. Marshall Mount Creek forms the boundary between the Shellharbour and Wollongong City Council areas. To the south of the Calderwood Valley, beyond Johnson's Spur, is the adjoining Macquarie Rivulet Valley, which includes the suburb of North Macquarie.

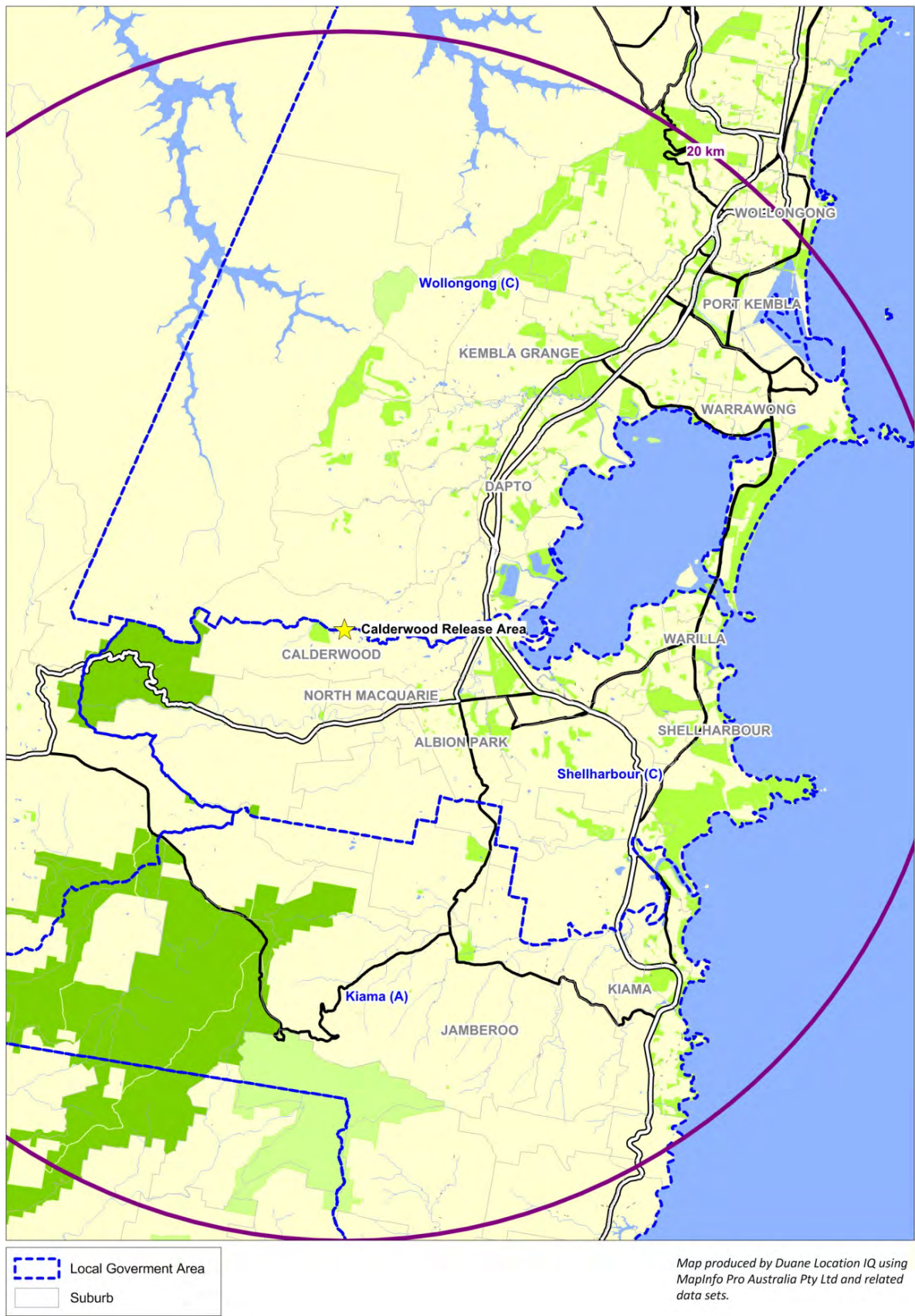
- vi. The nearest major road to the Calderwood Valley is the Illawarra Highway, located at the southern extent of the North Macquarie suburb. The highway is a major arterial road that links the Calderwood Valley/North Macquarie area to Shellharbour in the east and the Southern Highlands in the west. The Illawarra Highway also connects to the Princes Highway, linking residents to Wollongong and Sydney to the north and the South Coast Region to the south.
- vii. Existing residents of the Calderwood Valley are currently served by retail and commercial facilities at Albion Park and within the Shellharbour Town Centre. The major retail centre within the town centre, Stockland Shellharbour, has been approved for a major redevelopment that will include the addition of a Myer department store.

MAP 1.1 – REGIONAL CONTEXT



Map produced by Duane Location IQ using MapInfo Pro Australia Pty Ltd and related data sets.

MAP 1.2 – ILLAWARRA REGION



1.2 Calderwood Urban Development Project

- i. In order to accommodate growth within the Calderwood Valley, Delfin Lend Lease are proposing the development of a new master planned community, referred to throughout this report as the Calderwood Urban Development Project.
- ii. The land designated for the Calderwood Urban Development Project is shown in Figure 1.1 (taken from the *Calderwood Release Area Justification Report*) and includes a large portion of the Calderwood Valley, as well as the northern section of North Macquarie. The area extends as far south as the Illawarra Highway.
- iii. The total Delfin Lend Lease development area is approximately 700 hectares. The majority of this land, a little under 600 hectares, falls within the Shellharbour Local Government Area (LGA), with the remainder located within the Wollongong City Council area.
- iv. The Calderwood Urban Development Project proposes the Delfin Lend Lease land holdings to be redeveloped into a mix of residential, employment, retail, education, conservation and open space uses.
- v. The overall yield for the Calderwood Release Area (shaded blue in Figure 1.1), as forecast by a number of strategic planning documents, is approximately 8,000 dwellings, or a population of around 22,000 persons.
- vi. The *Calderwood Release Area Justification Report*, produced by Delfin Lend Lease, indicates the Delfin Lend Lease owned land has the potential to contain between 4,800 dwellings, accommodating some 12,400 persons. This is approximately 60% of the future Calderwood Release Area and 12% of the *Illawarra Regional Strategy's* 38,000 dwellings target.
- vii. Figure 1.2 illustrates the Indicative Structure Plan for the Calderwood Urban Development Project as provided by Delfin Lend Lease. As shown, the area is planned to include:

- A town centre that will contain retail, community, education and employment uses.
- One smaller village centre, including retail and community uses.
- An employment mixed use precinct, to be located on the eastern edge of the release area.
- Two primary education facilities and a larger combined education facility.

FIGURE 1.1 – CALDERWOOD URBAN DEVELOPMENT PROJECT DEVELOPMENT AREA

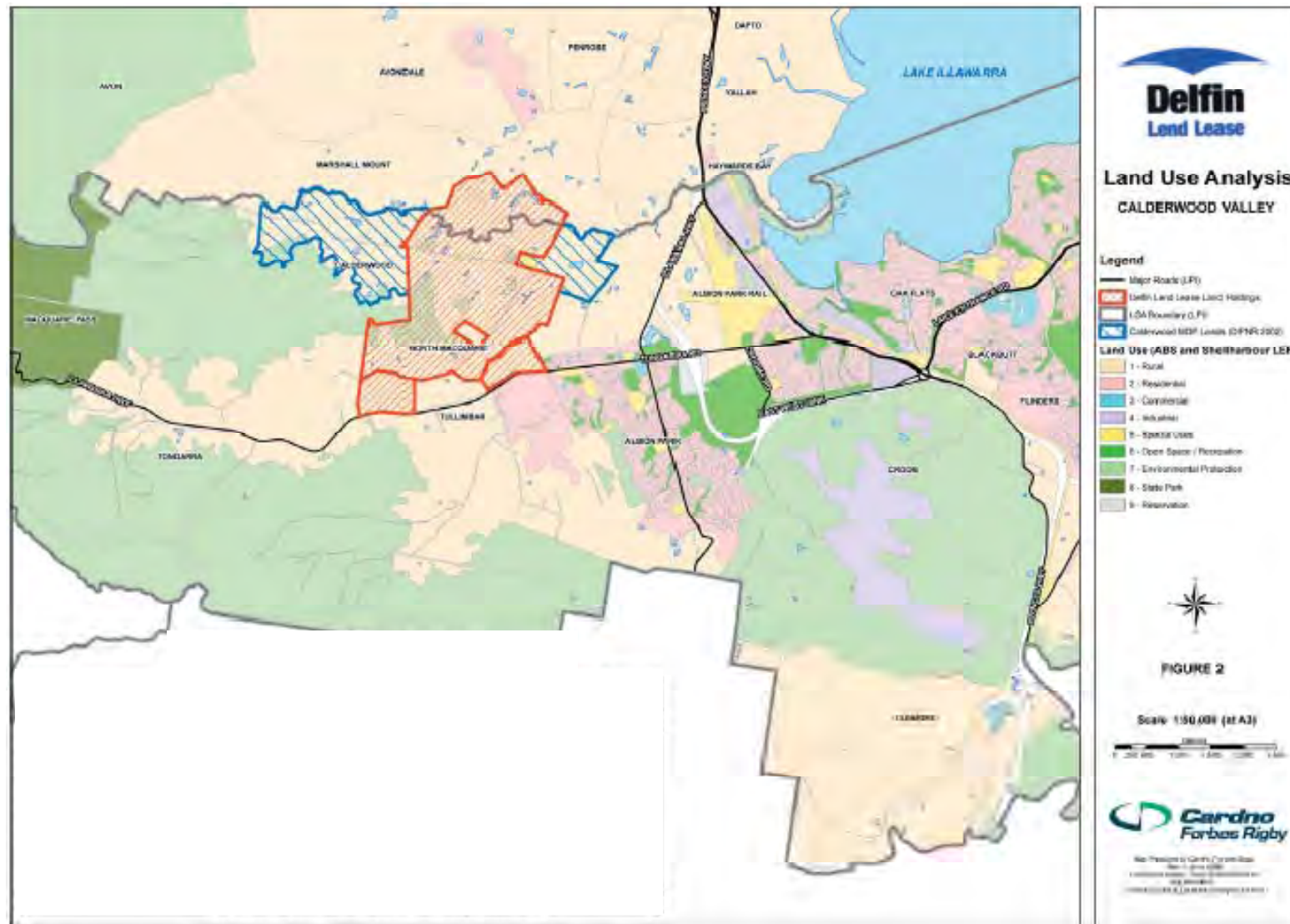
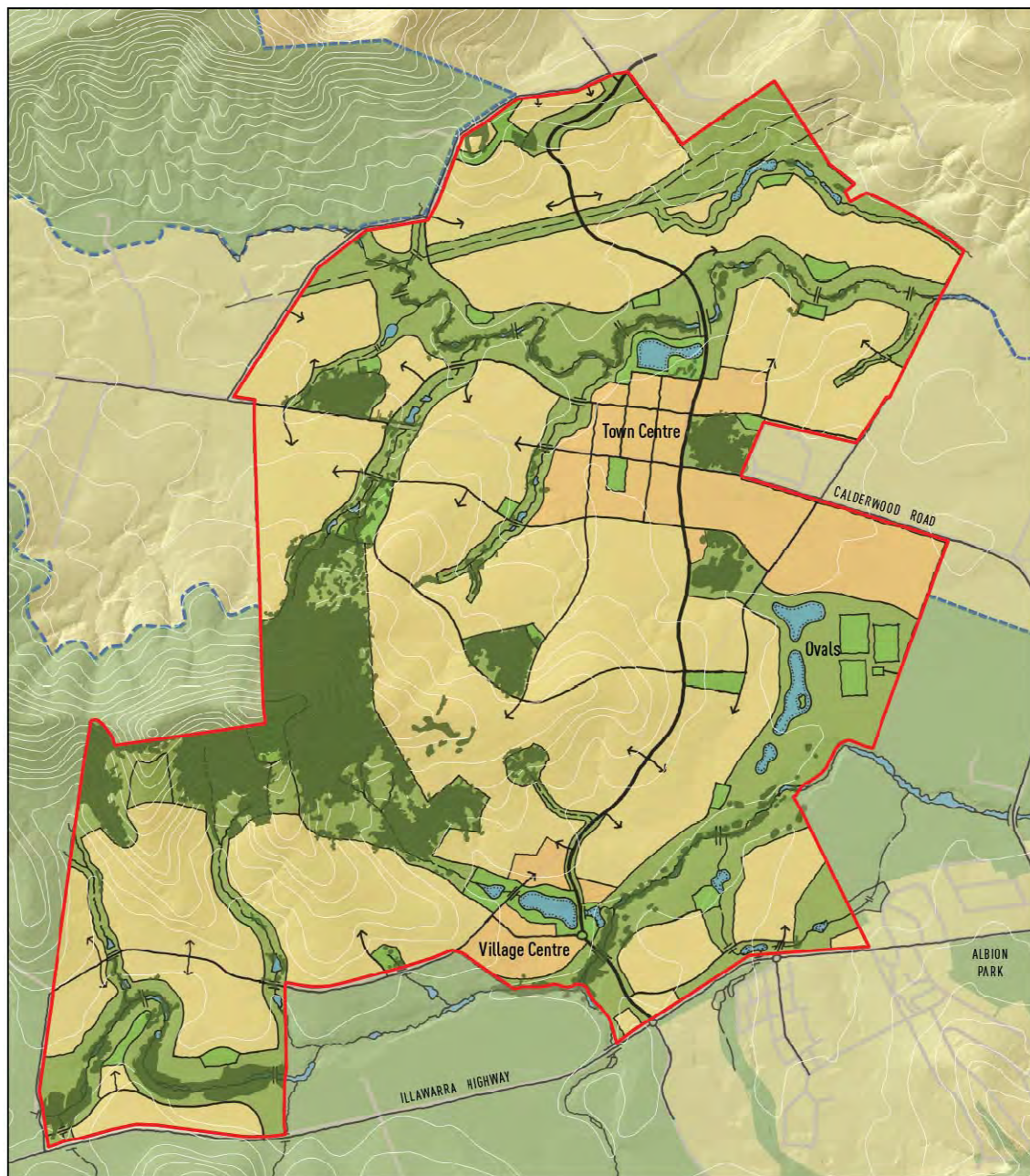


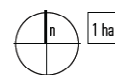
FIGURE 1.2 – CALDERWOOD INDICATIVE STRUCTURE PLAN



Concept Plan

Part 3A | Calderwood Urban Development Project

- Town and Village Centres**
Mixed Uses including Retail, Employment, Residential, Learning and Community Amenities
- Residential Neighbourhoods**
- Parks**
eg Citywide, district and local parks
- Principal Open Space and Drainage**
eg Environmental Conservation, Environmental Management and Drainage Corridors
- Indicative Water Bodies**



m 0 100 500 1,000

Subject to verification and detailed site survey 1:20,000 @ A4 10m Contours February 2010

1.3 Relevant Planning Considerations

- i. The Calderwood Valley has long been recognised as a location for future urban development, firstly in the *Illawarra Urban and Metropolitan Development Programmes* and more recently in the *Illawarra Regional Strategy, 2006*.
- ii. The *Illawarra Regional Strategy* nominates Calderwood as an alternate release area if demand for additional housing supply arises because of growth beyond the projections of the Strategy, or if regional lot supply is lower than expected.
- iii. In 2008, the former Growth Centres Commission (GCC) reviewed the proposed West Dapto Release Area draft planning documents. The GCC concluded that forecast housing land supply in the *Illawarra Regional Strategy* cannot be delivered as expected due to implementation difficulties with the West Dapto Release Area. A significantly lower than anticipated supply of housing land to market in the Illawarra Region is now being recognised as a reality.
- iv. The GCC Review of the West Dapto Release Area also recognised that there is merit in the early release of Calderwood in terms of creating a higher dwelling production rate and meeting State government policy to release as much land to the market as quickly as possible. Given the demonstrated shortfall in land supply in the Illawarra Region and the West Dapto Release Area implementation difficulties highlighted in the GCC Report, the release of Calderwood for urban development now conforms to its strategic role under the *Illawarra Regional Strategy* as a source of supply triggered by on-going delays in regional lot supply. As indicated previously, the Calderwood Urban Development Project can deliver about 12% of the *Illawarra Regional Strategy's* new dwelling target.
- v. Changes in the economic outlook arising from global, national and regional factors influencing investment and delivery certainty, housing supply and affordability and employment and economic development also add to the case for immediate commencement of the Calderwood Urban Development Project.

- vi. In April 2008 the Minister for Planning issued terms of reference for the preparation of a Justification Report to address the implications of initiating the rezoning of Calderwood for urban development including associated staging, timing and infrastructure considerations.
- vii. In February 2009 the Minister for Planning considered a Preliminary Assessment Report for the Calderwood Urban Development Project that provided justification for the planning, assessment and delivery of the project to occur under Part 3A of the *Environmental Planning & Assessment (EP&A) Act*, having regard to the demonstrated contribution that the project will have to achieve State and regional planning objectives.
- viii. Subsequently, on the 16 April 2009, pursuant to Clause 6 of SEPP Major Development, the Minister for Planning formed the opinion that the Calderwood Urban Development Project constitutes a Major Project to be assessed and determined under Part 3A of the EP&A Act, and also authorised the submission of a Concept Plan for the site. In doing so, the Minister also formed the opinion that a State significant site (SSS) study be undertaken to determine whether to list the site as a State Significant site in Schedule 3 of SEPP Major Development.
- ix. The Part 3A process under the EP&A Act allows for the Calderwood Urban Development Project to be planned, assessed and delivered in a holistic manner, with a uniform set of planning provisions and determination by a single consent authority. Given the scale of the proposal, the Concept Plan and State Significant site listing provide the opportunity to identify and resolve key issues such as land use and urban form, development staging, infrastructure delivery and environmental management in an integrated and timely manner.
- x. This report has been prepared to fulfil the Environmental Assessment Requirements issued by the Director General for the inclusion of the Calderwood site as a State Significant Site under SEPP Major Development, and for a Concept Plan approval for the development.

2 TRADE AREA ANALYSIS

This section of the report outlines the trade area likely to be served by retail facilities at the proposed Calderwood Urban Development Project, including existing and projected population and spending levels within the region. A review of the socio-economic profile is also provided.

2.1 Trade Area Definition

- i. Map 2.1 illustrates the defined trade area likely to be served by retail facilities within the Calderwood release area. The trade area has been defined taking into account the following:
 - The *Indicative Structure Plan* (shown in Figure 1.1), which outlines the expected Calderwood Urban Development area.
 - The location of the Calderwood Valley and the likelihood of future residential development occurring beyond the Calderwood Urban Development Project.
 - The size and composition of surrounding retail facilities, including existing and proposed facilities at Shellharbour and Dapto, as well as proposed retail centres within the West Dapto release area.
 - The existing and proposed road network within the Calderwood Valley, West Dapto and North Macquarie areas.
- ii. The Calderwood trade area has been defined to include a primary sector and two secondary sectors, defined as follows:
 - The **primary sector** incorporates the Calderwood Urban Development Project area, in addition to the surrounding rural area 5 km to the south and 9 km to the west (balance of Calderwood Urban Release Area).
 - The **secondary north sector** contains the Yallah/Marshall Mount future residential area, which forms the southern extent of the West Dapto release

area. The sector is limited to the north by existing retail facilities in Dapto, as well as proposed facilities in the Bong Bong Town Centre.

- The **secondary east sector** contains the existing Albion Park residential area.
- iii. The combination of the primary and secondary sectors is referred to throughout the remainder of this report as the main trade area.
- iv. Overall, the defined main trade area extends between 5-10 km from the Calderwood development area. The area is limited to the north and east by higher order retail facilities, located within the Dapto and Shellharbour Town Centres.
- v. The West Dapto release area is shown on Figure 2.1. As shown, whilst a small village centre is planned within the Yallah/Marshall Mount area, the nearest full-line supermarket centre (apart from Calderwood) is likely to be within the planned Bong Bong Town Centre. As indicated within the figure, the road network from the release area to the Bong Bong Town Centre is likely to be very indirect. It is because of this that the Yallah/Marshall Mount area has been included as a secondary sector (secondary north), as some future residents of this release area will find it easier to access the proposed Calderwood site.

MAP 2.1 – CALDERWOOD MAIN TRADE AREA & COMPETITION

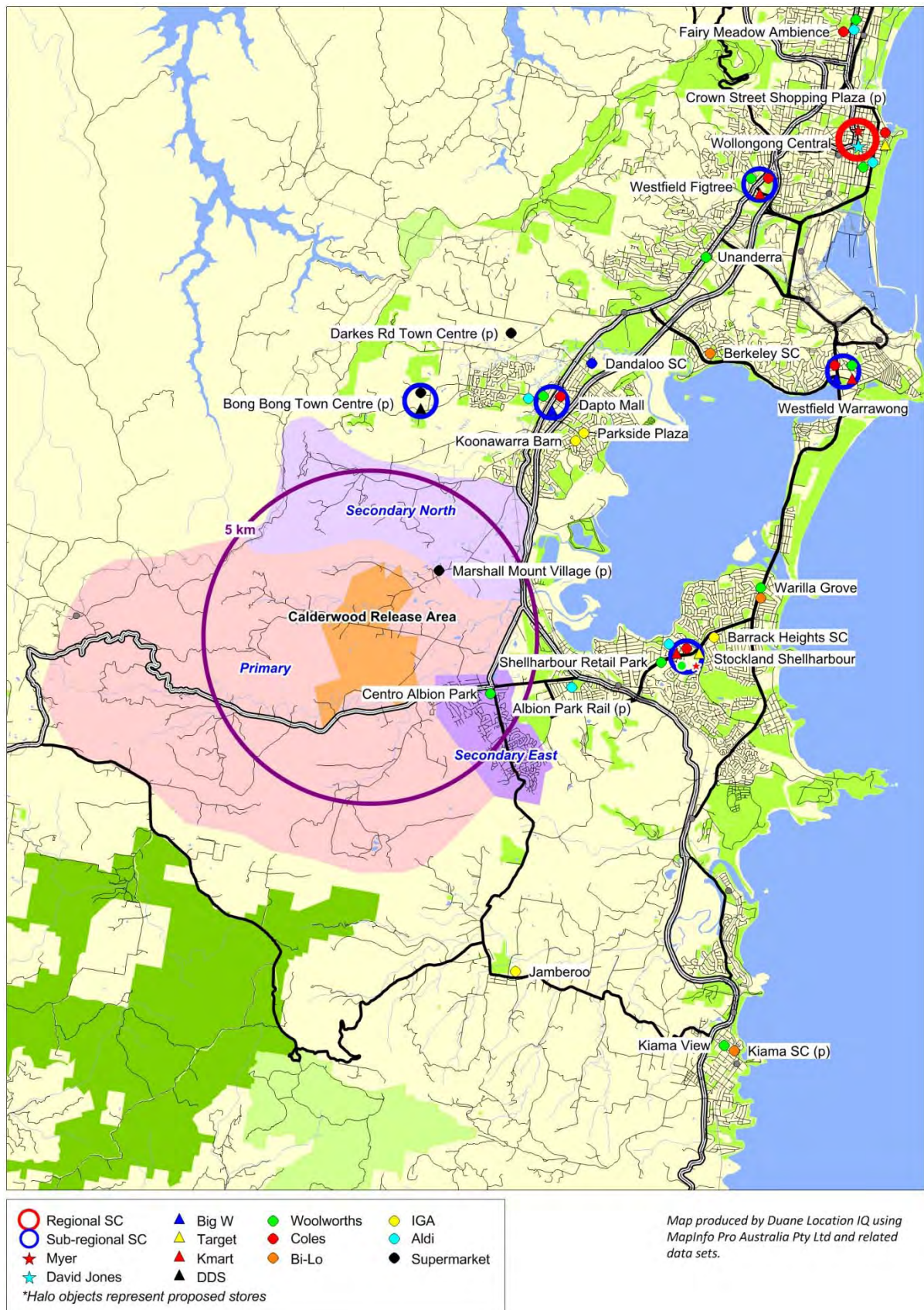
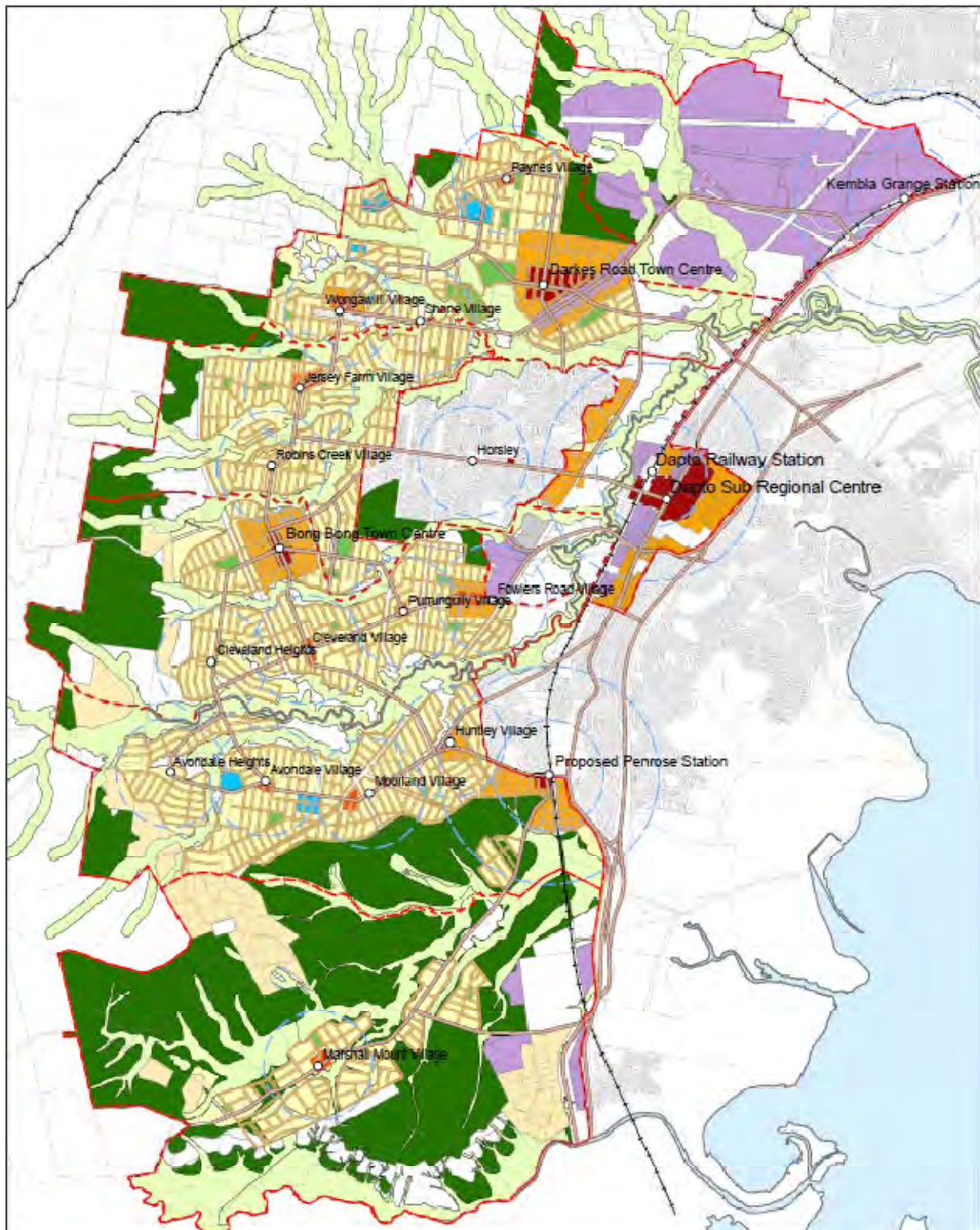


FIGURE 2.1 – WEST DAPTO RELEASE AREA



2.2 Trade Area Population

- i. Table 2.1 details the current and projected main trade area population by sector. This information is sourced from the following:
 - The 2006 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS).
 - New dwelling approvals over the period from 2007 to 2008.
 - Population estimates for the Calderwood Urban Development Project, provided to this office by Delfin Lend Lease.
 - Planning documents produced for the area, including the *West Dapto Release Area Review* prepared by the Growth Centres Commission.
 - Discussions with Wollongong City Council, regarding the future West Dapto release area.
- ii. The trade area population is currently estimated at 14,220, which represents an increase of 2.6% since the latest 2006 Census. A relatively small number of residents are currently residing in the primary sector and secondary north sectors.
- iii. Retail facilities within the Calderwood area will primarily serve residents of the future Calderwood release area (primary sector). Delfin Lend Lease have indicated that the Calderwood Urban Development Project is likely to be released in 2012, with sales continuing through to 2033. The majority of the population is assumed to have settled within the Calderwood Urban Development area by 2036.
- iv. On completion, Delfin Lend Lease estimate the Delfin owned portion of the release area will contain approximately 12,400 residents. Population estimates received from Delfin Lend Lease indicates that around 225 dwellings are likely to be sold over most development years. Assuming an occupancy rate of 2.58 persons per dwelling, average annual population growth is likely to be around 580 persons.

- v. Overall, it is estimated that the Calderwood area could accommodate some 22,000 residents. For the purposes of this analysis, it is assumed that development of the non-Delfin owned land will begin in 2021 and continue beyond 2036.
- vi. The other major housing project within the Calderwood trade area is the West Dapto release area. The West Dapto release area is currently the largest future greenfield release area proposed within the Illawarra region. The development is located within the Wollongong City Council area and is expected to result in the addition of around 17,050 dwellings.
- vii. In December 2009, Wollongong City Council placed the *West Dapto Development Control Plan* on public exhibition. The new DCP outlines how the suburbs, town centres and employment lands should be developed as the area grows. The plan will be on public exhibition until 12 February 2010. Given the plan would need to be approved before construction can begin, the first residents are unlikely to reside in West Dapto release area before 2011.
- viii. The southern-most portion, the Yallah/Marshall Mount area, is located within the secondary north sector of the defined Calderwood trade area. According the Wollongong City Council, the Yallah/Marshall Mount precinct is planned to be one of the last precincts to be released within the West Dapto area and because of this, detailed planning for the area is yet to be undertaken. As such, it is unlikely Yallah/Marshall Mount precinct will be underway in the short term.
- ix. Given the Yallah/Marshall Mount area will be the final precinct to be released and the current estimated completion time for the West Dapto Release Area is post 2050, for the purposes of this report we have assumed first residents will reside in the area by 2026. It is important to note, however, that according to the *West Dapto Development Control Plan* Wollongong City Council plan to review the potential staging of the Yallah/Marshall Mount precinct to coincide with the Calderwood release area. This means the Yallah/Marshall Mount area precinct could be released as early as 2012.

- x. Considering the assumptions outlined above, the population within Calderwood trade area is projected to increase to 33,950 persons by 2036. Population growth within the trade area is likely to continue to occur till at least 2050.
- xi. Table 2.1 also outlines the ultimate population capacity for the Calderwood main trade area (i.e. post 2036). As shown, the ultimate population within the main trade area is projected at 42,500, including 22,000 persons in the overall Calderwood/North Macquarie area (primary sector).

TABLE 2.1 – MAIN TRADE AREA POPULATION, 2006-2036

Trade Area Sector	Estimated Resident Population		Forecast Population						Ultimate Capacity
	2006	2009	2012	2016	2021	2026	2031	2036	
Primary Sector	540	570	600	2,160	5,060	8,810	12,810	15,810	22,000
Secondary Sectors									
• North	540	570	600	640	690	940	2,040	3,140	5,500
• East	<u>12,780</u>	<u>13,080</u>	<u>13,380</u>	<u>13,700</u>	<u>14,100</u>	<u>14,400</u>	<u>14,700</u>	<u>15,000</u>	<u>15,000</u>
Total Secondary	13,320	13,650	13,980	14,340	14,790	15,340	16,740	18,140	20,500
Main Trade Area	13,860	14,220	14,580	16,500	19,850	24,150	29,550	33,950	42,500
Average Annual Change (No.)									
	2006-09	2009-12	2012-16	2016-21	2021-26	2026-31	2031-36		
Primary Sector		10	10	390	580	750	800	600	
Secondary Sectors									
• North		10	10	10	10	50	220	220	
• East		<u>100</u>	<u>100</u>	<u>80</u>	<u>80</u>	<u>60</u>	<u>60</u>	<u>60</u>	
Total Secondary		110	110	90	90	110	280	280	
Main Trade Area		120	120	480	670	860	1,080	880	
Average Annual Change (%)									
	2006-09	2009-12	2012-16	2016-21	2021-26	2026-31	2031-36		
Primary Sector		1.8%	1.7%	37.7%	18.6%	11.7%	7.8%	4.3%	
Secondary Sectors									
• North		1.8%	1.7%	1.6%	1.5%	6.4%	16.8%	9.0%	
• East		<u>0.8%</u>	<u>0.8%</u>	<u>0.6%</u>	<u>0.6%</u>	<u>0.4%</u>	<u>0.4%</u>	<u>0.4%</u>	
Total Secondary		0.8%	0.8%	0.6%	0.6%	0.7%	1.8%	1.6%	
Main Trade Area		0.9%	0.8%	3.1%	3.8%	4.0%	4.1%	2.8%	
<i>*as at June</i> <i>Sources : ABS; Planning NSW</i>									

2.3 Socio-Demographic Profile

- i. Table 2.2 and Chart 2.1 summarise the socio-economic characteristics of the Calderwood main trade area.
- ii. The key information includes:
 - Residents of the main trade area are younger than the benchmark. This is particularly evident in the secondary east sector, with an average age of 31.6 years.
 - Main trade area residents are significantly more affluent than the benchmark.
 - There is a higher than average level of home ownership across each trade area sector.
 - The main trade area population includes a slightly higher proportion of overseas born residents. This is most evident in the secondary east sector, where a higher proportion of European born residents reside.
 - There is a significantly higher proportion of traditional families within the main trade area, with nearly 60% of families consisting of couples with dependent children.
- iii. It is important to note the characteristics of the primary and secondary north sectors are likely to change once development in the area proceeds. At present, the Calderwood/Yallah area is occupied by relatively affluent, agriculture and hobby farmers. The characteristics of the new Calderwood/Yallah population will be similar to those of the secondary east sector, with the majority of new residents likely to be young families, purchasing their first home.

TABLE 2.2 – MAIN TRADE AREA SOCIO-ECONOMIC CHARACTERISTICS, 2006 CENSUS

Characteristics	Primary Sector	Secondary Sectors		Main TA	Non Metro NSW Average
		North	East		
Average Per Capita Income	\$27,869	\$32,011	\$24,153	\$24,605	\$23,056
Per Capita Income Variation	20.9%	38.8%	4.8%	6.7%	n.a.
Average Household Income	\$87,880	\$92,958	\$74,066	\$75,370	\$57,128
Household Income Variation	53.8%	62.7%	29.6%	31.9%	n.a.
Average Household Size	3.2	2.9	3.1	3.1	2.5
Age Distribution (% of Pop'n)					
Aged 0-14	21.4%	20.0%	25.5%	25.1%	18.9%
Aged 15-19	12.1%	7.8%	9.5%	9.5%	8.4%
Aged 20-29	10.3%	10.7%	12.7%	12.5%	10.4%
Aged 30-39	9.9%	15.2%	16.3%	16.0%	12.2%
Aged 40-49	15.4%	16.7%	16.3%	16.3%	14.5%
Aged 50-59	14.8%	13.6%	9.4%	9.8%	13.6%
Aged 60+	16.1%	16.0%	10.2%	10.7%	22.1%
Average Age	35.7	36.5	31.6	32.0	39.1
Housing Status (% of H'holds)					
Owner/Purchaser	79.9%	74.4%	83.7%	83.2%	72.2%
Renter	20.1%	25.6%	16.3%	16.8%	27.8%
Birthplace (% of Pop'n)					
Australian Born	89.0%	87.3%	86.1%	86.3%	89.2%
Overseas Born	11.0%	12.7%	13.9%	13.7%	10.8%
• Asia	0.6%	1.2%	1.0%	1.0%	1.3%
• Europe	8.1%	10.6%	11.1%	11.0%	7.1%
• Other	2.3%	1.0%	1.8%	1.8%	2.4%
Family Type (% of Pop'n)					
Couple with dep't children	57.2%	54.7%	58.9%	58.7%	42.3%
Couple with non-dep't child.	13.8%	11.4%	8.1%	8.4%	7.2%
Couple without children	15.4%	22.0%	16.7%	16.8%	24.9%
Single with dep't child.	6.2%	3.3%	9.3%	8.9%	10.4%
Single with non-dep't child.	1.6%	3.3%	2.3%	2.4%	3.2%
Other family	0.0%	0.0%	0.4%	0.0%	0.8%
Lone person	5.8%	5.3%	4.4%	4.4%	11.2%

Sources : ABS Census of Population and Housing 2006

CHART 2.1 – MAIN TRADE AREA SOCIO-ECONOMIC CHARACTERISTICS, 2006 CENSUS

Sources : ABS Census of Population and Housing 2006

2.4 Trade Area Retail Expenditure Capacity

- i. Chart 2.2 illustrates the level of retail spending per person by category for residents of the Calderwood main trade area, compared with the non metropolitan NSW average. Main trade area spending per person is higher than the benchmark across all categories, reflecting the affluence of the local population.
- ii. Table 2.3 details the level of retail expenditure generated by the main trade area population. Total main trade area retail spending is currently estimated at \$164.2 million and is projected to increase to \$267.3 million by 2021. By 2036 retail spending within the trade area is projected to total over \$580 million, due to the anticipated strong population growth. These spending levels include GST and exclude inflation.
- iii. The projected growth in the retail spending market of 4.8% for the Calderwood main trade area takes into account the following:
 - Real growth in retail spending per capita of 1.5% annually over the period to 2021. This takes into account a lower than average growth level over the next few years, reflecting the current economic climate.
 - Trade area population growth, projected at around 3.3% per annum.
- iv. Table 2.4 details the main trade area retail expenditure by key commodity group, indicating the largest spending market is food and liquor at \$69.1 million, representing 42.0% of the total spending market. The food and liquor market is projected to increase to \$218.0 million by 2036.

CHART 2.2 – MAIN TRADE AREA SPENDING LEVELS PER PERSON, 2009

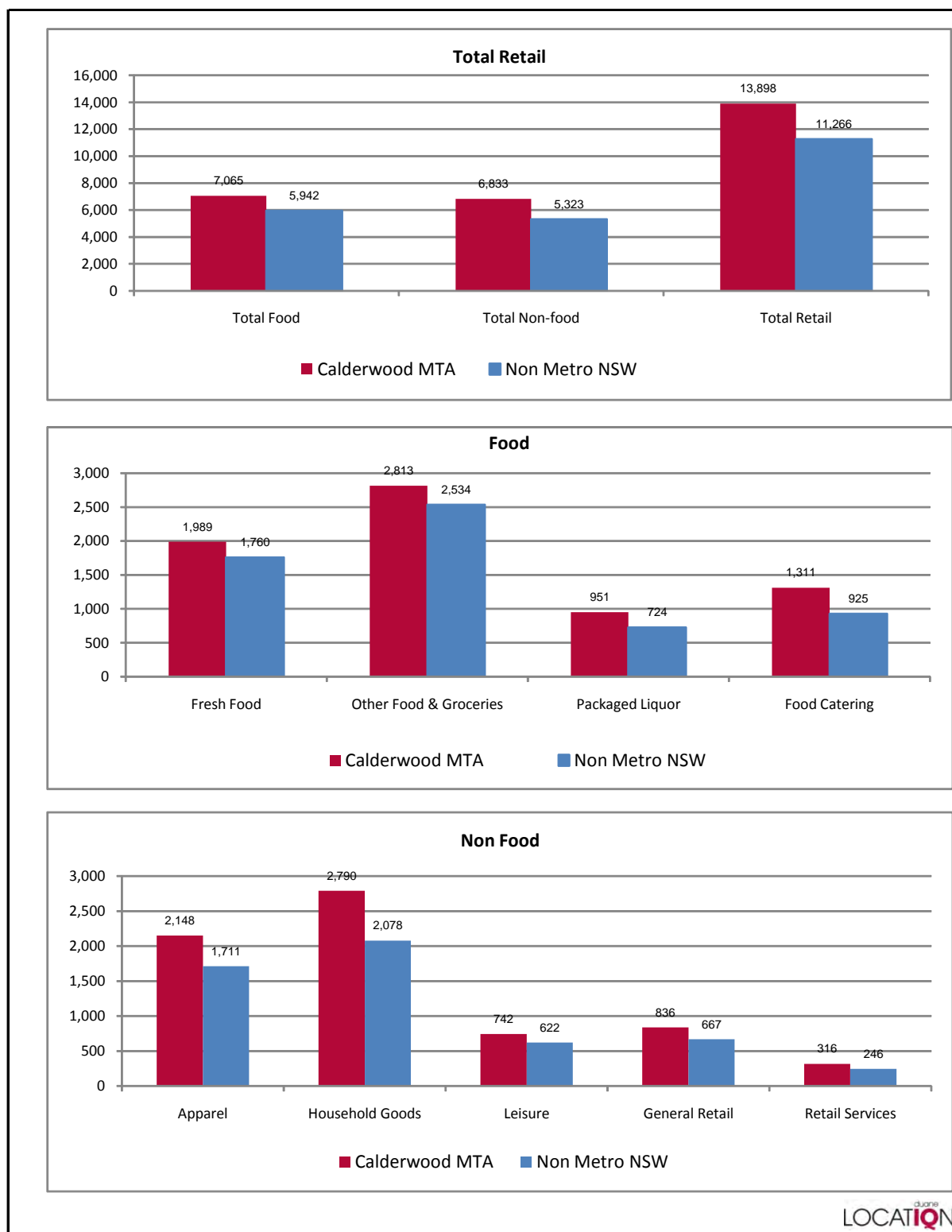


TABLE 2.3 – MAIN TRADE AREA TOTAL RETAIL EXPENDITURE, 2009-2036


Y/E June	Primary Sector	Secondary Sectors		Main TA
		North	East	
2009	6.7	7.9	149.6	164.2
2010	6.9	8.1	152.9	167.9
2011	7.1	8.4	156.2	171.7
2012	7.4	8.7	159.5	175.6
2013	8.8	8.9	162.9	180.6
2014	12.3	9.2	166.1	187.7
2015	17.2	9.5	169.4	196.2
2016	24.1	9.8	172.8	206.7
2017	31.2	10.1	176.3	217.6
2018	37.5	10.4	179.8	227.7
2019	45.1	10.7	183.4	239.2
2020	54.2	11.0	187.0	252.2
2021	65.2	11.3	190.8	267.3
2022	76.1	11.9	194.4	282.4
2023	86.2	12.9	198.0	297.0
2024	97.7	13.9	201.6	313.2
2025	110.6	15.0	205.3	331.0
2026	125.4	16.2	209.1	350.6
2027	139.5	18.3	213.0	370.7
2028	152.5	21.6	216.9	391.0
2029	166.6	25.6	220.9	413.1
2030	182.1	30.3	224.9	437.4
2031	199.1	35.9	229.1	464.0
2032	214.0	41.1	233.3	488.4
2033	226.4	45.4	237.6	509.4
2034	239.5	50.2	241.9	531.6
2035	253.3	55.5	246.4	555.2
2036	268.0	61.4	250.9	580.3
Expenditure Growth				
2009-2012	0.7	0.8	9.9	11.4
2012-2016	16.7	1.1	13.3	31.1
2016-2026	101.3	6.4	36.3	143.9
2026-2036	142.6	45.2	41.8	229.6
2009-2036	261.2	53.5	101.3	416.1
Average Annual Growth Rate				
2009-2012	3.2%	3.2%	2.2%	2.3%
2012-2016	34.5%	3.1%	2.0%	4.2%
2016-2026	17.9%	5.1%	1.9%	5.4%
2026-2036	7.9%	14.3%	1.8%	5.2%
2009-2036	14.6%	7.9%	1.9%	4.8%
*Constant 2008/09 dollars & Including GST Source : Marketinfo				

TABLE 2.4 – MAIN TRADE AREA RETAIL EXPENDITURE BY KEY COMMODITY GROUP, 2009-2036

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2009	69.1	14.0	25.2	33.6	8.8	10.2	3.3
2010	70.4	14.3	25.8	34.5	9.0	10.4	3.4
2011	71.7	14.6	26.5	35.5	9.2	10.7	3.5
2012	73.0	15.0	27.1	36.6	9.5	10.9	3.6
2013	74.8	15.4	27.9	37.8	9.8	11.2	3.7
2014	77.4	16.1	29.1	39.5	10.2	11.7	3.8
2015	80.6	16.8	30.5	41.4	10.7	12.2	4.0
2016	84.6	17.7	32.2	43.8	11.3	12.9	4.2
2017	88.6	18.7	34.0	46.3	11.9	13.6	4.5
2018	92.4	19.6	35.7	48.6	12.5	14.2	4.7
2019	96.6	20.6	37.6	51.2	13.2	15.0	4.9
2020	101.5	21.7	39.8	54.2	14.0	15.8	5.2
2021	107.1	23.0	42.3	57.7	14.9	16.7	5.6
2022	112.7	24.3	44.8	61.2	15.8	17.7	5.9
2023	118.0	25.6	47.3	64.6	16.7	18.6	6.2
2024	123.9	27.1	50.0	68.4	17.6	19.7	6.5
2025	130.4	28.6	53.0	72.5	18.7	20.8	6.9
2026	137.5	30.4	56.3	77.1	19.9	22.1	7.4
2027	144.8	32.1	59.7	81.9	21.1	23.4	7.8
2028	152.1	33.9	63.1	86.7	22.3	24.6	8.2
2029	160.0	35.9	66.8	92.1	23.6	26.1	8.7
2030	168.6	38.1	70.8	97.9	25.0	27.6	9.3
2031	178.1	40.5	75.3	104.3	26.6	29.3	9.9
2032	186.7	42.7	79.4	110.3	28.1	30.9	10.4
2033	193.9	44.6	82.9	115.7	29.3	32.2	10.9
2034	201.5	46.6	86.6	121.3	30.6	33.6	11.4
2035	209.5	48.7	90.6	127.3	32.0	35.1	11.9
2036	218.0	51.0	94.8	133.8	33.5	36.8	12.4
Expenditure Growth							
2009-2012	3.9	1.0	1.8	3.0	0.6	0.7	0.2
2012-2016	11.6	2.7	5.1	7.2	1.8	2.0	0.7
2016-2026	53.0	12.6	24.1	33.3	8.6	9.2	3.1
2026-2036	80.5	20.7	38.5	56.6	13.7	14.7	5.1
2009-2036	148.9	37.0	69.5	100.2	24.7	26.6	9.1
Average Annual Growth Rate							
2009-2012	1.9%	2.4%	2.4%	2.9%	2.4%	2.4%	2.4%
2012-2016	3.7%	4.3%	4.4%	4.6%	4.5%	4.3%	4.4%
2016-2026	5.0%	5.5%	5.7%	5.8%	5.8%	5.5%	5.7%
2026-2036	4.7%	5.3%	5.3%	5.7%	5.4%	5.2%	5.4%
2009-2036	4.3%	4.9%	5.0%	5.3%	5.1%	4.9%	5.0%
*Constant 2008/09 dollars & Including GST Source : Marketinfo							

3 COMPETITIVE ENVIRONMENT

- i. This section of the report provides a summary of the existing and likely future competitive retail facilities to the proposed Calderwood Urban Development Project.
- ii. The previous Map 2.1 highlights the key competitive retail facilities throughout the Illawarra region. Table 3.1 presents a summary of the existing competitive retail facilities within the region.
- iii. Centro Albion Park is currently the only major retail facility located within the Calderwood main trade area. The centre is anchored by a Woolworths of 3,200 sq.m and situated approximately 4 km to the west of the Calderwood release area.
- iv. Retail specialty space within the Albion Park centre is relatively limited. Primarily convenience based retailers are provided, including a butcher, bakery, patisserie and tobacconist. The centre is the major food and grocery facility for the 13,000 residents within the secondary east sector.
- v. Beyond the trade area, retail facilities within the Illawarra region generally form a typical retail hierarchy including:
 - A regional shopping centre, namely Wollongong Central.
 - Sub-regional centres at Shellharbour, Dapto, Warrawong and Figtree.
 - A number of supermarkets and supermarket based centres located to serve the food and groceries needs of the surrounding local population.
- vi. Each of these is discussed below.

TABLE 3.1 – COMPETITIVE RETAIL FACILITIES

Centre	Retail GLA (sq.m)	Anchor Tenants	Dist. From Calderwood (km)
Regional Shopping Centres			
<u>Wollongong CBD</u>	<u>90,000</u>		21.0
• Wollongong Central			
- Existing	32,900	Myer (12,150), David Jones (1,850)	
- Proposed	25,000	Big W, Woolworths	
• Crown St Mall	25,300	David Jones (16,800)	
• Gravity (proposed)	18,900	Target (5,500), Coles (3,800)	
• Remainder CBD	31,800	Woolworths (4,000), Aldi (1,350)	
Sub-regional Shopping Centres			
<u>Dapto</u>	<u>27,000</u>		9.0
• Dapto Mall	22,000	Big (6,600), Woolworths (4,100), Coles (3,000)	
• Parkside Plaza		IGA (1,200)	
• Remainder	5,000	Aldi (1,350)	
<u>Shellharbour</u>	<u>64,800</u>		11.0
• Stockland Shellharbour	33,500	Kmart (7,500), Target (7,200), Coles (3,850)	
• Shellharbour Super Centre	21,300	Woolworths (4,300)	
• Remainder	10,000	Aldi (1,350)	
Westfield Figtree	19,800	Kmart (7,500), Coles (3,500), Woolworths (2,100)	18.0
Westfield Warrawong	38,500	Big W (8,300), Kmart (8,000), Coles (4,400), Woolworths (2,200)	19.0
Supermarket Based Shopping Centres			
Centro Albion Park	4,700	Woolworths (3,200)	4.0
Albion Park Rail (p)	1,350	Aldi (1,350)	6.0
Koonawarra Barn		IGA (1,300)	9.0
Dandaloo SC		Foodworks (1,200)	10.0
Barrack Heights SC		IGA (1,000)	11.0
Warilla Grove	11,800	Woolworths (4,380), Bi-Lo (2,400)	14.0
Unanderra		Woolworths (3,500)	15.0
Berkeley SC		Bi-Lo (2,300)	16.0
Jamberoo		IGA (1,000)	16.0
<u>Kiama</u>			23.0
• Kiama View	5,200	Woolworths (3,100)	
• Kiama SC (p)		Bi-Lo	
Source : PCA			

3.1 Regional Shopping Centres

- i. Regional shopping centres are those centres anchored by at least one department store, namely Myer and/or David Jones.
- ii. The nearest regional shopping centre to the Calderwood Urban Development Project is Wollongong Central located within the Wollongong City Centre. Wollongong Central is the major shopping destination for residents of the greater Wollongong area. The centre is situated on the corner of Keira Street and Crown Lane and is anchored by a Myer department store, as well as around 140 specialty tenants. A David Jones department store located within the City Centre precinct, with Woolworths and Aldi supermarkets situated to the south of the precinct.
- iii. In April 2008, the Minister for planning approved an application, lodged by The GPT Group, for a \$300 million redevelopment and expansion of Wollongong Central. The approved development involved:
 - The redevelopment of the existing centre.
 - A new six level retail centre, to be located on the western side of Keira Street.
 - A pedestrian bridge over Keira Street that would link the existing and proposed centres together.
- iv. Whilst the development has been approved the expansion has been put on hold for the foreseeable future due to financing issues within The GPT Group. It is our understanding that this project will not commence until post 2015.
- v. To improve the centre in interim, GPT have undertaken a \$30 million refurbishment of Wollongong Central that is expected to be completed by early 2010. In addition to new amenities and a modernisation of finishes, the foodcourt has been reduced in size to allow for new specialty shops and Best & Less has been relocated to the former Franklins box. New tenants include Medibank Private, Game, Dotti, Bloch, JB Hi-Fi, Forever New, KFC, T-Bar, NIB, Factorie, Tarocash and Voodoo.

- vi. A discount department store centre is also proposed within the Wollongong City Centre, at the former Dwyers Holden site. Stage one of the \$300 million hotel and shopping complex was approved by Wollongong City Council in 2005, but plans for stage two were called in for approval by the Planning Minister. The development company, Opilda, subsequently went into administration in September 2008 and the company owning the site has also gone into liquidation.

3.2 Sub-regional Shopping Centres

- i. Sub-regional shopping centres are anchored by at least one discount department store.
- ii. The most relevant competitive sub-regional centre to the proposed Calderwood development is Stockland Shellharbour; a Target, Kmart and Coles anchored centre within the Shellharbour Town Centre, located 11 km from the Calderwood site.
- iii. The centre has recently been approved for an extensive redevelopment of some 38,350 sq.m increasing the size of the centre to over 75,000 sq.m. The expansion will involve:
 - The addition of a two level Myer department store.
 - Relocation of the Kmart discount department store.
 - A new Woolworth supermarket and an expansion of the Coles supermarket.
 - Around six new mini major tenants
 - Additional specialty space
- iv. Once the centre development is completed, the centre will serve a significantly higher role in the retail hierarchy as compared to any future Calderwood Town Centre facilities. The centre will be the major non-food shopping destination for future Calderwood residents but does not provide a convenient shopping destination for a weekly food and grocery shop. The total size of the centre likely to be at least

four times larger than the proposed Calderwood Town Centre, leaving aside any future expansion.

- v. An Aldi supermarket is also located adjacent to the Stockland centre.
- vi. The only other sub-regional centre of competitive relevance to Calderwood is Dapto Mall, located 9 km to the north west of the Calderwood release area. Dapto Mall was recently expanded, with the redeveloped section opening in late 2007. This development included Big W, a refurbished Woolworths, an expanded Coles and a provision of specialty shops together with a food court. This centre is located within Dapto which is designated in the Illawarra Regional Plan as an emerging Regional Centre. The surrounding retail strip in Dapto also includes an Aldi supermarket.
- vii. There are two other sub-regional centres within the Illawarra region; Westfield Figtree and Westfield Warrawong, both situated nearly 20 km to the north east of the Calderwood development. Details of the centres are outlined below:
 - Westfield Figtree; a relatively smaller Westfield owned centre that includes Kmart, as well as Woolworths and Coles supermarket. The centre has recently completed an expansion which involves the construction of a new retail mall and the addition of roof top car parking.
 - Westfield Warrawong; the larger of the two and containing Big W and Kmart discount department stores in addition to Woolworths and Coles supermarkets. The centre contains a relatively large provision of specialty tenants, including JB Hi-Fi (one of two in the Wollongong area) and Best and Less mini majors.
- viii. Given the distance of these centres to the Calderwood release area, the competitive relevance is minimal.

3.3 Supermarket Centres

- i. Apart from Centro Albion Park, key supermarkets in relation to the Calderwood Urban Development Project include:

- The Stockland owned Shellharbour Retail Centre is situated along New Lake Entrance Road, just outside the Shellharbour Town Centre. The centre provides a mix of traditional and bulky tenants, with the largest components a major full-line Woolworths supermarket and a Bunnings Warehouse. Other major tenants within the centre include Dan Murphy's, The Warehouse, Clark Rubber and Hungry Jacks.
- Two smaller IGA supermarkets are located at Dapto to the north-west; one anchoring the Koonawarra Barn and the other anchoring Parkside Plaza. Both supermarkets are less than 1,500 sq.m and are likely to be of little competitive relevance to retail facilities at Calderwood.
- A small IGA supermarket of 1,000 sq.m is also located to the south at Jamberoo, within the small, convenience focused Allowrie Street retail strip. The supermarket is likely to serve only the immediate surrounding Jamberoo population.
- An Aldi supermarket has been approved opposite Albion Oval in Albion Park Rail and is expected to be open by 2010.

3.4 Planned Future Retail Developments

- i. According to the West Dapto Masterplan (June 2007), a number of retail centres are proposed to serve the West Dapto release area, as shown previously in Figure 2.1.
- ii. Existing plans for the West Dapto Release Area indicate that two Town Centres will be created to serve the future population. The larger of the two will be situated within the future suburb of Bong Bong, with the second to be located along Darkes Road.
- iii. The Bong Bong Town Centre is the closer of the two to the Calderwood development, however, even this is likely to be a 20 km round trip for most Calderwood residents, depending on the road network. Around 6,000 sq.m is

proposed within the Town Centre in the first stage, with Council allowing for a total retail provision of 15,000 sq.m, once the estate is completed.

- iv. In addition to the proposed Town Centre, a number of village centres have been proposed within the area. The most relevant of these is Marshall Mount Village, proposed within the Yallah/Marshall Mount release area in the secondary north sector. The current masterplan indicates that provision for a 2,500 sq.m centre will be allocated, which will only allow for a small supermarket, most likely around 1,500 sq.m. This supermarket will not be large enough to serve the weekly food and grocery needs of the population within the Yallah/Marshall Mount release area, with some residents travelling south to facilities at Calderwood.

3.5 Summary

- i.
- ii. There is a reasonable provision of retail facilities provided within this northern region of Canberra, including a regional shopping centre, a sub-regional shopping centre, as well as a number of supermarket based centres.

4 FUTURE RETAIL FLOORSPACE POTENTIAL

This section of the report presents our assessment of the future potential for retail floorspace at Calderwood, including the likely provision of supportable floorspace in the Town Centre once the ultimate capacity is reached.

4.1 Australian Retail Floorspace Provision

- i. In Australia, there is around 2.2 sq.m of retail floorspace provided for every resident. This is the generally accepted standard provision used throughout the Australian retail industry with the last Retail Census undertaken by the ABS in 1991/92. The provision of retail floorspace has increased from around 1.8 sq.m in the late 1980's, representing an average annual increase of 1.7% over this period.
- ii. The increase in the retail floorspace provision per person reflects a number of key factors including:
 - Real incomes earned by Australian residents have increased and, as Australians have become wealthier, they have spent an increasing proportion of their income on retail items.
 - The range and size of tenants in the Australian market has increased substantially with many new mini-major tenants such as Toys R Us, JB Hi-Fi and the like.
 - New retail concepts such as Homemaker Centres and Factory Outlet Centres have been instituted within the market.
 - Improved and more efficient operations, including warehousing, resulting in costs savings which allow more costs to be devoted to trading floorspace for retail goods.
- iii. Assuming the provision of retail floorspace per person was to continue to increase, in-line with historical trends, at an average rate of 1.7% annually, the provision would be 3.5 sq.m per person by 2036. Even if the rate of increase slowed to 0.85%

annually, half the rate of the past twenty years, the provision would be 2.8 sq.m per person by 2036.


- iv. For purposes of this analysis, the provision of retail floorspace per person has been calculated in the year 2036. However, it is likely development within the Calderwood Valley will extend beyond this point, with the ultimate capacity unlikely to be reached prior to 2050. Given this, the average retail provision is likely to be higher than the provision allowed for in the following analysis. Therefore, a relatively conservative approach has been adapted for the purpose of this report.

4.2 Primary Trade Area Retail Floorspace Demand

- i. Table 4.1 details the demand for retail floorspace in the Calderwood primary trade area at ultimate capacity. That is only the Calderwood development area, leaving aside Yallah/Marshall in the secondary north sector and the existing population in the Albion Park sector. On this basis, the projections of retail floorspace demand are on a very conservative basis.
- ii. Population projections take into account the planning for the entire Calderwood precinct. The indicative ultimate population capacity within the primary sector indicates some 22,000 persons could be accommodated for within the Calderwood area (including 12,500 persons within the Delfin Lend Lease development).
- iii. The calculations in Table 4.1 go through a series of simple steps as follows:
 - The project Calderwood primary trade area population of 22,000 persons could support 48,400 sq.m of retail floorspace at a rate of 2.2 sq.m per person.
 - At the higher end of the possible retail floorspace demand, this would be some 77,000 sq.m at a rate of 3.5 sq.m per person.
 - A conservative mid-point, assuming 2.8 sq.m per person indicates that 61,600 sq.m is supportable.

- iv. Not all of the trade area resident's demand would be catered for locally. Some spending would be directed to facilities at Dapto and Shellharbour, particularly non-food spending. Overtime, as the population in the main trade area increases, a greater range of retail facilities will be supportable in the main trade area and the level of escape spending should reduce.
- v. In our view, however, a significant proportion of this floorspace demand should be accommodated in the Calderwood locality, as discussed in the next sub-section. Spending on large non-food items would continue to be directed to larger order retail centres, such as Shellharbour and Dapto. However, convenience based retailing should be retained locally. As the Calderwood main trade area population increases, so does the ability to support a wider range of retail facilities.
- vi. Again it is important to note that this analysis only takes into consideration demand from primary sector residents (future Calderwood residents) and does not allow for business from any of the secondary sectors or visitors to the area.

TABLE 4.1 – RETAIL FLOORSPACE DEMAND AT ULTIMATE CAPACITY, CALDERWOOD PRIMARY SECTOR


Factor		Unit	Scenario		
			Low	Medium	High
(1)	Primary Sector Ulimtate Capacity Population	(No.)	22,000	22,000	22,000
(2)	Floorspace Per Person	(Sq.m)	2.2	2.8	3.5
(3)=(1)*(2)	Supportable Floorspace	(Sq.m)	48,400	61,600	77,000
					

4.3 Supportable Floorspace - Calderwood

- i. Of the 2.2 sq.m retail provision per person for the Australian retail floorspace average, around half (or 1.1 sq.m) is typically provided for by food grocery and food catering facilities. It is our view that around 85%-90% of this food provision should be provided locally in Calderwood (representing 0.94-0.99 sq.m) as products within these categories are typically everyday shopping items. Future residents of Calderwood should not have to travel outside their local area for food shopping given the substantial future population in the primary sector, over 22,000 people, will clearly sustain a wide range of food shopping features.
- ii. Non-food facilities then make up the remaining proportion of retail floorspace. Around 40% should be provided at Calderwood (0.44 sq.m). Non-food retail facilities that should be included at Calderwood include convenience based facilities such as pharmacies, hairdressers, newsagents and the like, as well as basic apparel and homewares shopping. Higher order non-food facilities will be catered for at Shellharbour and Dapto.
- iii. As a result, while it is unlikely that all of the retail demand (2.2 sq.m per 1,000 persons) will be provided within the Calderwood region, a large proportion should be supportable locally. Based on the most conservative provision of 2.2 sq.m per person, it is our view that around 1.38-1.43 sq.m per person (0.94-0.99 sq.m + 0.44 sq.m) should ultimately be accommodated within Calderwood or around 65% of the total demand.
- iv. Table 4.2 outlines the total provision of retail floorspace that is likely to be supportable within Calderwood once the ultimate capacity is reached, taking into account a 65% share of total demand. This indicates 31,460 sq.m would be supportable at Calderwood assuming 2.2 sq.m per person or 50,050 sq.m assuming 3.5 sq.m per person. The mid-point is 40,040 sq.m, assuming 2.8 sq.m per person.
- v. The majority of this floorspace should be accommodated in the proposed Town Centre, in our view, at 80%, meaning a Town Centre of 25,000 sq.m – 40,000 sq.m

would be supportable in the longer term. The remaining floorspace will be accommodated in Local Centres, spread throughout the Calderwood release area.

TABLE 4.2 – CALDERWOOD SUPPORTABLE RETAIL FLOORSPEACE PROVISION AT ULTIMATE CAPACITY

Factor	Unit	Scenario		
		Low	Medium	High
(1) Primary Sector Supportable Floorspace	(Sq.m)	48,400	61,600	77,000
(2) Percentage of floorspace provided in Primary Sector	(%)	65%	65%	65%
(3)=(1)*(2) Recommended Floorspace Provision in Primary Sector	(Sq.m)	31,460	40,040	50,050
<u>Calderwood Town Centre Provision</u>				
(4) Percentage of floorspace provided in Town Centre	(%)	80%	80%	80%
(5)=(3)*(4) Recommended Town Centre Floorspace	(Sq.m)	25,168	32,032	40,040
(6)=(5)-(3) Recommended Local Centre Floorspace	(Sq.m)	6,292	8,008	10,010
				

4.4 Major Tenant - Discount Department Stores and Supermarkets

- i. To reinforce the amount of supportable floorspace for the Town Centre calculated above, the provision of major tenant floorspace is reviewed in this sub-section.
- ii. In a non-metropolitan area a population of around 30,000-35,000 residents is required to support a full-line discount department store. At ultimate capacity, the primary sector population within the Calderwood trade area would reach 22,000 persons. This population level would increase to over 35,000 persons if the secondary sectors are included.
- iii. A full-line discount department store (8,000 sq.m) is unlikely to be supportable at Calderwood as some of the non-food spending will be directed to the larger centres at Shellharbour and Dapto.

- iv. However, the Calderwood area could support a small format discount department store of around 4,000 - 5,000 sq.m once the area is fully developed. Any discount department store should be located in the Calderwood Town Centre.
- v. Supermarkets are typically defined in planning documents and courts as “grocery and dry goods stores of at least 500 sq.m, with smaller stores classified as foodstores.”
- vi. Typically in Australia, one major full-line supermarket (3,200 sq.m or larger) is provided for every 8,000-9,000 persons. The ultimate primary trade area population is projected at 22,000 persons. This would indicate that three full-line supermarkets should be supportable.
- vii. Ultimately three new supermarkets should be planned for, with at least two full-line supermarkets as well as a discount supermarket such as Aldi.

4.5 Retail Locations and Floorspace


- i. Based on the above, calculating the population within the Calderwood primary trade area could support around 48,400 sq.m of retail floorspace on the most conservative basis (assuming 2.2 sq.m per person). If a higher floorspace ratio is applied the provision would be closer to 77,000 sq.m.
- ii. Given Calderwood will not be able to fulfil all the retail needs of residents (for example no department store and a limited amount of bulky goods will be provided), it is estimated that ultimately residents will require around 31,500 sq.m of retail floorspace, on a very conservative basis. It should be noted that this floorspace excludes non-retail tenants such as banks, doctors, post office, real estate and the like.
- iii. Of this total floorspace demand, it is recommended that a minimum of around 25,000 sq.m be provided within the Town Centre. The remaining 6,500 sq.m should be spread between a number of smaller neighbourhood/local centres. These centres

should be located to serve the top convenience needs of the immediate surrounding population.

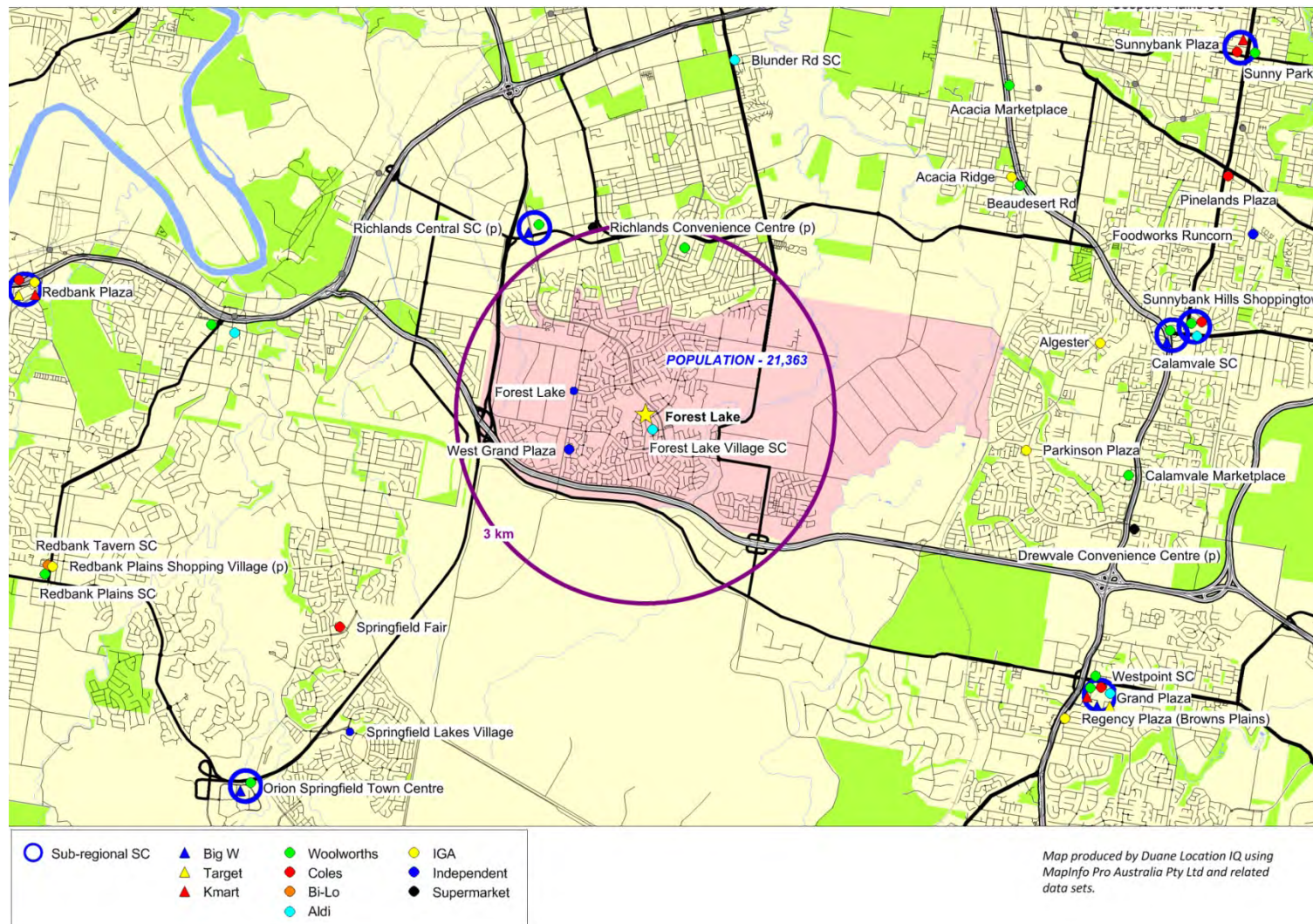
- iv. Allowing for a minimum of 25,000 sq.m to be designated for the Calderwood Town Centre, we would recommend the following components:
- A small discount department store of around 4,000 - 5,000 sq.m.
 - Two full-line supermarkets and possibly a discount supermarket (such as Aldi) comprising around 9,000-10,000 sq.m.
 - 3,000 – 4,000 sq.m of mini major floorspace.
 - 50-60 specialty stores, or around 7,000 - 8,000 sq.m of space.
 - Some limited freestanding facilities such as fast food and small bulky goods stores.
- viii. As an example of the need for retail floorspace at Calderwood, a review of a Delfin Lend Lease development at Forest Lake in Brisbane is provided.
- ix. Map 4.1 illustrates the Forest Lake region, including the provision of retail facilities as well as the catchment for the Forest Lake Town Centre.
- x. The catchment for Forest Lake contains 21,363 persons as compared with the ultimate capacity at Calderwood of 22,000 persons.
- xi. The Forest Lake Town Centre contains around 20,000 sq.m of floorspace as detailed in Table 4.3. The major components include Woolworths and Aldi supermarkets as well as Best and Less and Sam's Warehouse mini-major stores. Over 80 specialty shops are provided at the centre, with further specialty shops in adjoining smaller centres, increasing the total to over 100 shops. The centre performs very successfully with sales of over \$100 million.
- xii. Forest Lake is similar to Calderwood in a number of ways including:
- a. The area has been developed on the edge of the urban area.

- b. There are other competitive retail facilities in-bound of the population that have continued to trade after the opening of new retail facilities at Forest Lake.
 - c. New residents are more affluent than existing residents and associate very strongly with local facilities, particularly as educational facilities as built locally.
- xiii. Forest Lake has never been able to incorporate a discount department store or second full-line supermarket due to limited planning for the long term potential of the centre. There is no land to incorporate such large stores even though there is strong tenant interest for such stores. This is a very important issue for the development of Calderwood, to ensure enough land to cater for the ultimate capacity population needs in 2036 and beyond, and not the short-term requirements of the initial population in the Delfin Lend Lease development only.
- xiv. In terms of retail planning, there will clearly be a need for further retail facilities besides a single supermarket at Calderwood. As the population develops in the Calderwood region, a substantial provision of specialty stores will be required such as pharmacies, bakeries, newsagent, discount variety stores, hairdressers, liquor stores as well as non-food facilities such as a small discount department store and complementary apparel and homewares traders.
- xv. A minimum of 25,000 sq.m of retail floorspace should be planned for at the Town Centre with another 6,500 sq.m for neighbourhood centres. This floorspace excludes non-retail uses such as bars, medical, post offices, ect.

TABLE 4.3 – FOREST LAKE TOWN CENTRE COMPOSITION

Tenant	Floorspace	
	Sq.m	% of Total
<u>Majors</u>		
Woolworths	3,686	19%
Aldi	<u>1,491</u>	<u>8%</u>
Total Majors	5,177	27%
<u>Mini-majors</u>		
Sam's Warehouse	3,344	18%
Best & Less	840	4%
Crazy Clarks Discount Store	<u>810</u>	<u>4%</u>
Total Mini-majors	4,994	26%
Specialty Shops (81 Stores)	7,580	40%
Petrol	400	2%
Office	905	5%
Total Centre	19,056	100%
Source : Property Council of Australia 		

MAP 4.1 – FOREST LAKE TRADE AREA AND COMPETITIVE ENVIRONMENT



4.6 Impact Analysis

- i. In our opinion, future retail floorspace within the Calderwood Urban Development Area will not impact the existing surrounding Shellharbour/Wollongong hierarchy, due to the following:
 - The 22,000 residents are likely to support some 48,400 sq.m of retail floorspace. Only 65% of this floorspace is recommended to be retained within the Calderwood area. The remaining 35% will be contained in centres beyond the trade area, boosting sales for the surrounding higher order retail facilities.
 - Projected floorspace within the Calderwood Town Centre is smaller than floorspace currently provided in the surrounding centres. The ultimate retail component will be 2-3 times smaller than then both the Shellharbour and Dapto centres, as well as other major centres in the wider surrounding area.
 - The first stage will be a supermarket based centre with the final development of the Town Centre to its ultimate size over 25 years away.
 - The proposed level of retail will help generate employment and business within the Calderwood area, improving self-containment in the Calderwood Urban Development Area and creating jobs for the future local community.

5 SUMMARY

The main conclusions of this report, assessing of the ultimate potential for retail facilities at the Calderwood Urban Development Project, include the following:

- There will be significant demand for retail facilities within the Calderwood development area, given the ultimate population is likely to be some 22,000 residents.
- Even using very conservative assumptions, this demand is likely to be at least 48,400 sq.m of retail floorspace once the ultimate population capacity is reached.
- It is our view, that these residents will require 31,500 sq.m of this retail demand within the Calderwood development itself.
- A minimum of 25,000 sq.m should be provided within the Calderwood Town Centre development that includes the following components:
 - A small discount department store of around 4,000 - 5,000 sq.m.
 - Two full-line supermarkets and possibly a discount supermarket (such as Aldi) comprising around 9,000-10,000 sq.m.
 - 3,000 – 4,000 sq.m of mini major floorspace.
 - 50-60 specialty stores, or around 7,000 - 8,000 sq.m of space.
 - Limited freestanding facilities such as fast food and small bulky goods stores.
- The remaining 6,500 sq.m should spread between a number of smaller neighbourhood/local centres.

It is important to ensure enough land is allocated to allow for a retail provision that will adequately serve the retail floorspace needs of the ultimate population (22,000 persons). In our view, this is likely to be a minimum of 31,500 sq.m, with 25,000 sq.m of this provided in a Town Centre development.

Duane Location IQ
02 8248 0100
Level 10, 56 Pitt Street
Sydney NSW 2000
www.locationiq.com.au

