

Barber Avenue,  
Kingswood

## Economic Impact Assessment

PREPARED FOR

Aesthete No. 3 Pty Ltd

August 2010

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## ABBREVIATIONS

The following abbreviations may be found in this report:

ABS	Australian Bureau of Statistics
CBD	Central Business District
DDS	Discount Department Store
DoP	NSW Department of Planning
GFA	Gross Floor Area
GLA	Gross Lettable Area
GST	Goods & Services Tax
HES	Household Expenditure Survey
LEP	Local Environmental Plan
LGA	Local Government Area
PCA	Property Council of Australia
SD	Statistical Division
TDC	Transport Data Centre
TZ	Travel Zone
UWS	University of Western Sydney

## GLOSSARY OF TERMS

**Net Selling Area:** Net Selling Area (NSA) is defined as that area involved in the selling process comprising all areas that customers can go to, plus display cases, display areas and spaces around checkout counters. It excludes the back of house area, which is generally “out of bounds” for customers. To the best of our knowledge IBECON (which has now ceased trading) was the only retail economics consultancy that used NSA in its assessments.

**Gross Leasable Area:** Gross Leasable Area or Gross Lettable Area (GLA) is the common measure used for lease and for other descriptive purposes in retail centres and shops. It is usually defined as the total area of the lease and includes back of house, storage, offices and mezzanine levels but usually excludes loading docks and common mall spaces. GLA is more commonly used in the industry because it defines the area of the lease. Shopping centre owners report rents and turnover figures on the leased area and benchmarking is usually made on the GLA. For the purpose of Hill PDA's demand modelling all floor areas expressed are in GLA.

**Gross Floor Area:** Gross Floor Area is Gross Leasable Area plus common mall spaces (including amenities), centre management area and plant rooms. In a typical indoor centre with at least one department store and supermarket the GLA makes up around 72% to 75% of the GFA.

**Retail Space or Retail Floorspace:** For the purpose of the demand modelling Hill PDA have defined retail space as GLA used primarily for the selling of goods and certain services. Therefore, Hill PDA classifies retail space into the following types:

- Supermarkets and grocery stores;
- Specialty food stores such as bakeries, confectionary stores, tobacconists, butchers, seafood, liquor (take-away), etc;
- Take-away food stores;
- Cafes and restaurants;
- Department stores;
- Bulky goods stores (includes “Fabric and Soft Goods Stores, Furniture and Floor Coverings Retailers, Domestic Hardware and Houseware Retailing and Electrical Appliances Stores” as defined under ANZIC);
- Specialty non-food stores; and
- Selected Personal Services (defined under ANZIC to include hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos)

Excluded uses (which are generally excluded under ANZIC) are hotels, clubs, entertainment uses (e.g. cinemas, ice rink), automotive retailers, wholesaling businesses and non-retail commercial uses such as banks, travel agents, medical suites and real estate agents.

**Commercial Space:** Commercial space generally refers to any non-residential space used by business in employing people and producing goods and/or services. For the purpose of the modelling Hill PDA have used the term to refer to non-retail office use including travel agents, real estate agents, medical suites, government administration, financial services, business services, personal services, etc whether or not the space is shop front or not. Commercial spaces in commercial centres that are not shop front space are either in stand alone office buildings or above shop front space (shop-top). This does not include car parking or open space.

**Specialties:** In the industry specialties generally refer to shop front premises that are less than 400sqm in size. For the purpose of this report specialties refer to all shop front premises that are neither supermarkets, department stores nor bulky goods. This includes non-retail shop front space and vacant shops.

**Vacant Shop:** Vacant shop refers to shop front space that is vacant. That space has been designed and constructed to accommodate a retailer but could equally be let to a non-retail commercial user such as a bank or real estate agent.

**Shop Front Space:** Shop front space is GLA that is occupied by retailers plus non-retail users that occupy shop front spaces (such as banks, travel agents, medical services, real estate agents, etc) and vacant shop front space.

# 1. EXECUTIVE SUMMARY

Hill PDA has been engaged by Aesthete No. 3 Pty Ltd to prepare an independent Economic Impact Assessment for a proposed mixed use development on the corner of Parker Street and the Great Western Highway in Kingswood.

Hill PDA's Economic Impact Assessment is based on the amended Concept Plan for Stage 1 which indicates the proposed development will accommodate a total of 29,031sqm (GFA) including 19,738sqm of commercial floorspace, 3,539sqm of retail floorspace (including a 1,535sqm ALDI supermarket but excluding the retail courtyard), and 4,592sqm of residential floorspace (equivalent to 84 serviced apartments). Basement car parking is also provided for 467 cars.

The site is adjacent to the Nepean Private Hospital and is located within the Nepean Hospital Health Precinct. Located 300m east from the subject site is Kingswood's prime retail strip. Any retail provided for by the proposed development will form an extension to existing retail provision at Kingswood and therefore will be part of the Kingswood Small Village (as identified in the Draft North West Subregional Strategy 2006-2031) and part of the Kingswood Specialised Centre (as identified in the Penrith City Centres Hierarchy Interim Policy 2007). As a result, the economic impacts of an expanded Kingswood retail centre and the subsequent impacts on surrounding locations were examined.

The proposal is to be considered a Major Project under Part 3A of the Environmental Planning & Assessment Act (1979). As a result, the proponent is required to prepare an Environmental Assessment to satisfy the Director General's Requirements under Section 75F of the Act.

## **Turnover and Expenditure Sources**

It is estimated that the retail component of the proposed development will turnover around \$27.6m upon its first full year of trade in 2013. This is based on the assumption that it will trade at or above industry benchmark levels and above financially sustainable levels. This turnover will be sourced from workers, residents in the locality, tourists, hospital visitors and UWS (Penrith Campus) students.

## **Expenditure from Workers**

In 2013 (after the opening of the proposed retail centre), it is estimated that there will be a total of around 6,000 jobs located in Kingswood. New workers on site as a result of the proposal will create additional retail expenditure. This is because it relates to retail spend close to the place of work. Hill PDA has estimated there will be up to 800 new jobs within the proposed development.

Workers on average spend around \$2,500 to \$3,000 every year on retail goods and services close to their place of work. This represents around 20% to 25% of total personal expenditure. Obviously this amount can vary considerably depending upon the range and availability of retail outlets near the place of work.

Using these rates it's estimated that by 2013 (after the opening of the proposed retail centre) the potential expenditure generated by workers in the immediate area (including the Hospital) that could be captured by retailers on the subject site is around \$18m to \$19m.

Some of this expenditure could be captured by the proposed ALDI store and specialty stores, say 50% to 60%. This equates to around \$9m or \$10m. This expenditure is likely to include take-away foods and meals in restaurants but it could also include some food, grocery and convenience items.

The balance of the retail turnover will be sourced from residents, tourists, hospital visitors and UWS students.

### **Expenditure from Resident Households**

In order to measure need for retail and commercial floorspace from residents, a trade or catchment area needs to be defined. Hill PDA has identified a Primary, Secondary and Tertiary Trade Area for the proposed retail component at Kingswood.

The Primary Trade Area will consist of:

- New residents and workers of the proposed development;
- Existing hospital staff and patrons; and
- Residents of Kingswood south of the Great Western Highway.

The Secondary Trade Area will consist of:

- The balance of Kingswood, north of the Great Western Highway;
- The majority of Orchard Hills (north of Wentworth Road), including the UWS Penrith Campus located directly east of the Primary Trade Area;
- The suburb of Penrith, north of the railway line and as far west as Castlereagh Road; and
- The suburbs of Claremont Meadows, Cambridge Park, Cambridge Gardens and Werrington Downs.

The Tertiary Trade Area will consist of:

- The balance of the suburb of Penrith, south of the railway line; and
- The whole suburbs of Jamisontown, South Penrith, Cranebrook, Werrington and Werrington County.

Resident expenditure was estimated for 2009 and forecast for 2011, 2016, 2021 and 2026 for the above Trade Areas based on:

- Compound annual population growth rates for the Primary, Secondary and Tertiary Trade Areas of 0.75%, 1.58% and 1.00% respectively<sup>1</sup>; and
- Expected growth in real expenditure per capita of 1.30% per annum for all commodities<sup>2</sup>.

The following table indicates households in the Primary Trade Area are forecast to generate around \$89.2m of retail expenditure in 2011. Of this, \$26.3m is related to supermarket expenditure, \$8.7m to specialty food stores and so on. Growth in total expenditure of around \$30.9m from 2011 to 2026 is forecast for the Primary Trade Area. Growth in supermarket and grocery expenditure is forecast to increase by around \$9.1m over the same period.

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<sup>1</sup> Transport Data Centre October 2009 Estimates

<sup>2</sup> In accordance with historic growth since 1986



**Table 1 - Primary Trade Area Forecast Household Expenditure by Retail Store Type (2009\$m)**

<b>Retail Store Type</b>	<b>2009</b>	<b>2011</b>	<b>2016</b>	<b>2021</b>	<b>2026</b>
<b>Population</b>	<b>7,183</b>	<b>7,282</b>	<b>7,537</b>	<b>7,803</b>	<b>8,080</b>
Supermarkets & Grocery Stores	25.3	26.3	29.0	32.0	35.4
Specialty Food Stores	8.4	8.7	9.6	10.6	11.8
Fast-Food Stores	6.9	7.2	8.0	8.8	9.7
Restaurants, Hotels and Clubs*	6.5	6.8	7.5	8.3	9.1
Department Stores	7.1	7.4	8.1	9.0	9.9
Clothing Stores	4.1	4.3	4.8	5.3	5.8
Bulky Goods Stores	12.1	12.5	13.8	15.3	16.9
Other Personal & Household Goods	13.0	13.5	14.9	16.4	18.2
Selected Personal Services**	2.4	2.5	2.7	3.0	3.3
<b>Total Retailing</b>	<b>85.8</b>	<b>89.2</b>	<b>98.5</b>	<b>108.7</b>	<b>120.1</b>

\* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling)

\*\* Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

The Secondary Trade Area consists of the balance of Kingswood, the majority of Orchard Hills, the suburb of Penrith (north of the railway line) plus the suburbs of Claremont Meadows, Cambridge Park, Cambridge Gardens and Werrington Downs. The Secondary Trade Area is forecast to generate around \$335.7m of retail expenditure in 2011, with growth in total expenditure of around \$179.8m from 2011 to 2026.

The Tertiary Trade Area consists of the balance of the suburb of Penrith (south of the railway line) plus the suburbs of Jamisontown, South Penrith, Cranebrook, Werrington and Werrington County. Households in the Tertiary Trade Area are forecast to generate around \$596.5m of retail expenditure in 2011, with growth of around \$177.9m from 2011 to 2026.

It is generally accepted that around 35% to 40% of total household expenditure is captured by supermarket based shopping centres or village centres and neighbourhood centres. Around 25% to 30% is captured by major centres such as Penrith CBD and the remainder is captured by town centres and “out-of-town” outlets such as homemaker centres.

Therefore, by 2013 (the first year of operation), it is estimated that \$33m of retail expenditure is available from the Primary Trade Area, \$125m from the Secondary Trade Area, and \$217m from the Tertiary Trade Area. Obviously not all of this will be captured by the retail component of the proposed development.

However it can be expected that the retail component of the proposed development will capture around 30% or \$9m to \$10m of the expenditure available in the Primary Trade Area, \$9m to \$10m (7% to 8%) from the Secondary Trade Area, and \$3m to \$4m (1% to 2%) from the Tertiary Trade Area. In total, the combined Trade Areas will provide the proposed development with around \$21m to \$24m of retail expenditure.

In addition, it is acknowledged that new residents that locate on site as part of the proposed development will create additional household expenditure that will be spent in retail. In order to calculate the number of new residents to reside within Stage 1 of the proposal, Hill PDA has assumed the following resident population ratios:

- 36 studio apartments at 1 person per apartment;
- 36 one-bedroom apartments at 1.5 persons per apartment; and
- 12 two-bedroom apartments at 2.5 persons per apartment.

Based on the above assumptions, the residential component of Stage 1 of the proposal results in 120 new residents locating on site based on full occupancy.

According to Marketinfo 2009 data, existing Primary Trade Area residents have an average retail spend per capita of around \$8,500 per annum<sup>3</sup>. Escalating this at 1.30% per annum for real growth in results in an average retail spend per capita of around \$9,000 per annum in 2013.

Applying this average annual spend, new residents in the proposed development will generate around \$1m to \$1.2m of retail expenditure that could be captured by retailers on the subject site in 2013. It is possible that the retail component of the proposed development could capture 40% to 50% of this expenditure (i.e. \$400,000 to \$600,000).

### **Total Expenditure**

It is estimated that the retail component of the proposed development will turnover \$27.6m upon its first full year of trade in 2013 based on target turnover levels. However, there is around \$30.4m to \$34.6m of household expenditure available to the proposal as sourced from:

- Workers in Kingswood and within the proposed development - \$9m to \$10m;
- Trade Area residents - \$21m to \$24m;
- New residents within the proposed development - \$400,000 to \$600,000; and
- Further expenditure generated by hospital visitors, tourists and university students.

The above demonstrates that there is more than sufficient expenditure to support the retail component of the proposed development.

### **Economic Impacts of Retail Floorspace**

Assuming development proceeds, the net increase in retail turnover of \$27.6m will be captured from competing retail centres. In order to quantify the scope of this turnover capture from existing competing centres Hill PDA prepared a bespoke gravity model. The gravity model was designed on the premise that the level of redirected expenditure from a centre is directly proportional to the turnover of that centre and indirectly proportional to the square of the distance from the subject site.

Any retail provided for by the proposed development will form an extension to existing retail provision along the Great Western Highway and therefore will be part of the Kingswood retail centre and part of the Kingswood Specialised Centre. As a result, the redirection of turnover to an expanded Kingswood retail centre and the subsequent impacts on surrounding locations was examined. The impact is summarised in the following table.

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<sup>3</sup> Expenditure in Supermarkets & Grocery Stores, Specialty Food Stores, Fast-Food Stores, Restaurants, and Personal Goods & Services.

**Table 2 - Redirection of Turnover from Existing Centres (\$m2009)**

Retail Centre	Distance from Subject Site (km)	Approx. Retail Floor Space*	Turnover in 2009	Turnover in 2013 without Proposal	Turnover in 2013 with Proposal	Immediate Shift in Turnover	% Shift in Turnover in 2013	Shift in turnover from 2009 to 2013	% Shift in turnover from 2009 to 2013
Proposed Centre					27.6	27.6			
Kingswood Gt Westn Hwy		5,450	24.5	26.9	25.4	-1.5	-5.5%	0.9	3.5%
<b>Total Kingswood Centre</b>		<b>5,450</b>	<b>24.5</b>	<b>26.9</b>	<b>53.0</b>	<b>26.1</b>	<b>97.2%</b>	<b>28.5</b>	<b>116.0%</b>
Penrith CBD (excl. Centro)	2.0	121,500	750.0	821.4	807.4	-14.1	-1.7%	57.4	7.6%
Centro Nepean	2.6	20,100	170.8	187.0	184.6	-2.4	-1.3%	13.8	8.1%
Penrith South (Smith St)	2.9	1,400	7.4	8.1	7.9	-0.1	-1.6%	0.6	7.7%
Bringelly Road Kingswood	1.5	1,250	5.9	6.5	6.4	-0.1	-1.1%	0.5	8.3%
Centro Lennox Emu Plains	6.0	9,050	77.5	84.9	84.5	-0.4	-0.5%	7.0	9.0%
Claremont Meadows Shopping Centre	3.9	1,500	12.2	13.3	13.1	-0.2	-1.4%	1.0	7.9%
Cranebrook Shopping Centre	6.0	2,450	15.5	17.0	16.9	-0.1	-0.5%	1.4	8.9%
Glenmore Park Town Centre	7.8	6,250	65.0	72.6	72.3	-0.3	-0.3%	7.3	11.3%
Manning St Kingswood	2.0	750	4.1	4.5	4.5	0.0	-0.7%	0.4	8.7%
Kingswood Park Shopping Centre	2.0	2,150	16.1	17.6	17.1	-0.6	-3.2%	1.0	6.0%
Oxford St Cambridge Park	2.0	2,200	10.8	11.8	11.6	-0.2	-1.9%	0.8	7.4%
Southlands Shopping Centre	2.9	6,300	50.0	54.8	53.7	-1.1	-1.9%	3.7	7.4%
Stafford St (South Penrith)	2.0	1,000	5.4	5.9	5.7	-0.2	-2.6%	0.4	6.7%
Cambridge Gardens Shopping Centre	2.1	3,600	31.3	34.3	33.0	-1.4	-4.0%	1.6	5.1%
Werrington - Victoria St & Station	4.5	2,750	16.0	17.6	17.4	-0.2	-0.9%	1.4	8.5%
Werrington Shopping Village	4.1	6,200	36.2	39.6	39.4	-0.3	-0.6%	3.2	8.8%
St Marys	5.8	43,000	210.0	230.0	228.7	-1.3	-0.6%	18.7	8.9%
Other Localities						-3.5			
<b>TOTAL</b>		<b>236,900</b>	<b>1,508.7</b>	<b>1,653.7</b>	<b>1,657.1</b>	<b>-0.1</b>	<b>0.2%</b>	<b>148.4</b>	<b>9.8%</b>

\* Excludes bulky goods retailers (furniture, floor coverings, hardware and electrical appliances). \*\*Source: Various incl. Shopping Centre News and Hill PDA estimates. \*\* Includes population growth at 1% per annum forecast for Penrith City as well as 1.3% growth in real spend per capita in accordance with historic trend since 1986 (Hill PDA estimate sourced from ABS Retail Sales data, population and CPI indexes).

The gravity model was designed on the premise that the level of redirected expenditure from a centre is directly proportional to the turnover of that centre and indirectly proportional to the distance squared from the subject site.

Assuming retail on site is provided by 2013, the increase in retail turnover of \$27.6m from the provision of an ALDI supermarket and associated specialties will be captured from existing retailers both within and outside the trade areas. For example \$14.1m will be drawn from Penrith CBD, \$2.4m from Centro Nepean, \$1.5m from existing retailers in Kingswood along the Highway and so on.

As shown no one centre will experience an immediate loss of more than 10%. An immediate loss of less than 10% is considered to be below moderate and considered reasonable within the boundaries of competitiveness. At these levels it is highly unlikely that any retail centre would suffer social detriment and significant closures.

The negative impacts described above are immediate and do not consider growth in expenditure over time as a result of demographic trends, household growth and increasing affluence. Therefore, the immediate negative impacts are lessened by real growth in turnover from 2009 to 2013. All centres are expected to enjoy increased turnover if there are no further additions to supply other than the subject site.

Taking into consideration the estimated turnover captured by the proposed development, by 2013 most centres will experience an increase in trade. For example Penrith CBD will benefit from a 7.6% increase in turnover, Bringelly Road 8.3% increase in turnover and so on.

### **Conclusion**

The site is adjacent to the Nepean Private Hospital and is located within the Nepean Hospital Health Precinct. Located 300m east from the subject site along Great Western Highway is Kingswood's prime retail strip. Any retail provided for by the proposed development will form an extension to existing retail provision at Kingswood and therefore will be part of the Kingswood retail centre and part of the Kingswood Specialised Centre. As a result, the redirection of turnover to an expanded Kingswood retail centre and the subsequent impacts on surrounding locations was examined.

The assessment of impact as part of this report indicates:

- No one surrounding centre will experience an immediate loss of more than 10% due to the development of retail space within the proposed development.
- An immediate loss of less than 10% is considered to be below moderate and is considered reasonable within the boundaries of competitiveness.
- Any immediate negative impacts are lessened by real growth in turnover from 2009 to 2013. All centres are expected to enjoy increased turnover if there are no further additions to supply other than the subject site.
- The overall impact on existing retailers along the Greater Western Highway will be positive with the addition of a new anchor tenant, additional pedestrian traffic from the railway station, and increased shoppers to the centre due to new and improved retailers.
- Demand for a supermarket is supported by resident expenditure generated from the Primary Trade Area alone. The fact that ALDI would locate a new food store only 650m to the east of an existing ALDI store in Penrith is testimony to this undersupply.
- It's recognised that workers within the Hospital and associated facilities will benefit from retail provision within the proposed development. Whilst the subject site is still in a preliminary concept design stage, should additional employment land (e.g. commercial) and additional residential (as part of Stage 2) be provided on site additional worker and residential expenditure will be available to retail provision within the Primary Trade Area.
- The impacts from the commercial space will clearly be net positive. It will deliver additional employment and expand the role of Kingswood as the primary medical centre for Outer Western Sydney. The additional employment will further generate additional spend in the locality which will support the existing and proposed retail space. The subject site should be promoted and supported for higher density employment uses not just because of the Hospital but because of its strong integration with public transport being only 600m from Kingswood Station.

Other benefits and advantages to retail development in this location include:

- The proposed development will provide a food and grocery destination shopping centre for the residents of Kingswood south of the Highway where currently none exists;

- The closest ALDI supermarket is located on High Street in Penrith (under 1km from the subject site), however, it is not easily accessible by Kingswood residents;
- Expenditure modelling demonstrates that there is more than sufficient expenditure to support the retail component of the proposed development;
- There will be no adverse impacts on the retail hierarchy – the proposed development is an extension to the existing Kingswood Small Village Centre as nominated under the Draft North West Subregional Strategy (2006-2031) and is within the Kingswood Specialised Centre as identified in the Penrith City Centres Hierarchy Interim Policy (2007) ; and
- The proposed development will result in a number of economic benefits including employment generation, shopper convenience, sustainability, increased retail offer, competition and investment.

As a result of the above there are no reasonable grounds for refusal of the retail and commercial component of the proposal based on economic impacts.

## 2. INTRODUCTION

### 2.1 Background

Hill PDA has been engaged by Aesthete No. 3 Pty Ltd to prepare an independent Economic Impact Assessment for the retail and commercial components of a proposed mixed-use development located on the corner of the Great Western Highway and Parker Street in Kingswood.

The proposal is to be considered a Major Project under Part 3A of the Environmental Planning & Assessment Act (1979). As a result, the proponent is required to prepare an Environmental Assessment to satisfy the Director General's Requirements under Section 75F of the Act.

With regards to social and economic issues, the Director General's Requirements indicate the Environmental Assessment should address:

“...the economic impacts of the proposal and include an assessment of the appropriateness of the amount of retail and commercial GFA proposed for the site, including an assessment of the relationship to, and impacts on, the hierarchy of centres in the Draft North West Subregional Strategy.”

Hill PDA's Economic Impact Assessment is based on the Concept Plan and Stage 1 Project Application as submitted to the NSW Department of Planning. The Concept Plan for the site includes:

- Medical related commercial and non-medical floorspace that will offer opportunities for health consulting services that are complementary to the existing suite of services offered on the surrounding hospital sites;
- Accommodation including apartments, seniors living, and serviced apartments;
- Retail services providing amenity to the site, and facilities for hospital visitors and patrons; and
- Associated underground car parking.

### 2.2 Local Context

Kingswood is located on the eastern approach to Penrith on the Great Western Highway. The subject site itself, is bounded by Barber Avenue, Parker Street and the Great Western Highway and is around 550m west of Kingswood train station. The site is adjacent to the Nepean Private Hospital and is located within the Nepean Hospital Health Precinct. To the east of the Health Precinct is the University of Western Sydney.

Located 300m east from the subject site is Kingswood's prime retail strip. Situated predominantly along the Great Western Highway and Bringelly Road, the precinct consists of around 6,000sqm of retail floorspace. Larger tenants include the Kingswood Hotel (570sqm) and Art House Direct (225sqm). In addition, there is around 2,050sqm of commercial floorspace.

Further strip retailing is located east of the subject site on Manning Street, comprising 6 specialty stores (of which one was vacant at the time of survey), with a total of around 750sqm of retail floorspace.



Kingswood Market Shopping Centre on Caloola Avenue (1.8km north of the subject site) comprises around 2,150sqm of retail floorspace. The Centre is anchored by a Franklins (1,070sqm) and a further 7 specialty stores (1,080sqm).

It is recognised that there are a few retail specialty stores within the Nepean Hospital Health Precinct itself. These shops meet the immediate and convenience shopping needs of the visitors, workers and patrons of the Hospital and surrounding medical facilities.

The location of the 9,571sqm site (currently comprising a number of vacant blocks, the Penrith Baptist Church, and associated at-grade car parking) is indicated in the following map.

**Figure 1 - Development Site Location - Barber Avenue, Kingswood**



Source: NSW Department of Lands

The Draft North West Subregional Strategy (2006-2031) identifies a typology for centres within the Subregion as indicated in the following table. The hierarchy indicates the retail centre of Kingswood is identified as a Small Village which is a small strip of shops adjacent to a residential area.

Adopted by Penrith City Council in 2007, the Penrith City Centres Hierarchy Interim Policy not only describes the various centres within Penrith LGA, but nominates their role and quantum of retail and commercial floorspace. The Hierarchy nominates the retail centre of Kingswood together with the Nepean Hospital Precinct as a single Specialised Centre. That is, any retail within the Hospital Precinct is part of the overall Kingswood centre.

The Policy notes that the Kingswood Specialised Centre provides “specialised uses that perform vital economic and employment roles across the metropolitan area.” Furthermore the Centre will provide 3,000sqm

to 7,500sqm of retail floorspace, which will typically include a supermarket(s) of 1,500sqm to 4,500sqm plus retail specialty shops.

As the result of the above, any retail provided for by the proposed development will form an extension to existing retail provision at Kingswood and therefore be part of the Kingswood retail centre and Specialised Centre.

## 2.3 Proposed Development

The original Concept Plan for Stage 1 proposed 37,907sqm (GFA) of floorspace including 27,850sqm of commercial floorspace, 5,465sqm of retail floorspace and 4,592sqm of residential (serviced apartment) floorspace.

It's understood Stage 2 of the proposed development will include a mixed use residential and retail building of around 13,294sqm. However, Stage 2 is not the subject of this assessment.

Stage 1 of the abovementioned scheme is currently being amended to exclude the two most eastern lots on the site and to merge 2 commercial buildings into a single core building, resulting in a reduced amount of commercial and retail floorspace in the development. The residential component will remain unchanged.

The amended Concept Plan for Stage 1 indicates the proposed development will accommodate a total of 29,031sqm (GFA) including 19,738sqm of commercial floorspace (excluding foyer), 3,539sqm of retail floorspace (including a 1,535sqm ALDI supermarket but excluding courtyard), and 4,592sqm of residential (equivalent to 84 units). Basement car parking is also provided for 467 cars.

The details of the Stage 1 amended scheme are provided in the following table.

**Table 3 - Kingswood Stage 1 Amended Scheme (August 2010)**

Land Use	Building Name	Area (sqm GFA)
Commercial	Building A - Commercial	19,171
	Building A - Commercial Foyer	426
	Building B - Commercial	567
	<i>Subtotal</i>	<i>20,164</i>
Residential	Building C - Lobby	80
	Residential Apartments (84 serviced apartments)	4,511
	<i>Subtotal</i>	<i>4,592</i>
Retail	Building A - Retail	1,513
	Building A - Retail Courtyard	737
	Building B - Retail	491
	Supermarket	965
	Supermarket (Ancillary)	570
	<i>Subtotal</i>	<i>4,275</i>
<b>TOTAL</b>		<b>29,031</b>
Site Area Stage 1		5,853

Source: Barber Avenue Scheme Amendments - Turner + Associates Architects, August 2010

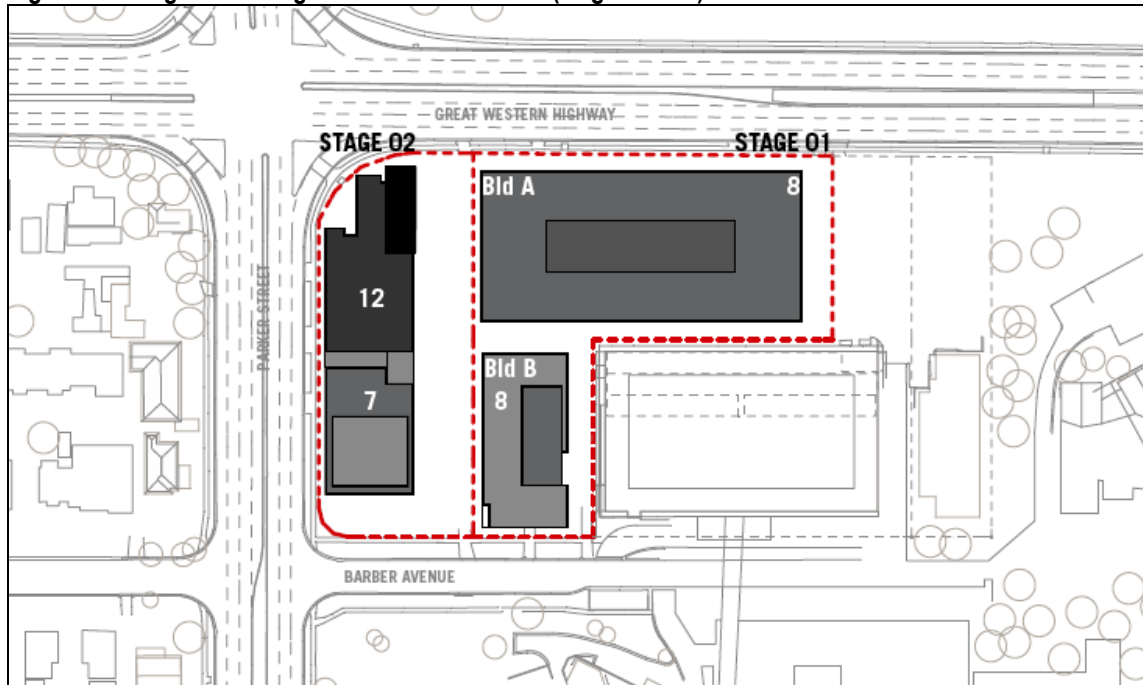
Hill PDA has been advised that the commercial component will be largely leased and/or sold to medical operators, such as pharmaceutical firms, pharmacy/chemist, orthodontics, ophthalmic, cosmetic, plastics,



equipment, radiology, and specialist rooms. Furthermore, the Private Hospital has expressed an interest in up to 5,000sqm of commercial space.

An ALDI supermarket on the lower-ground level of around 1,535sqm (965sqm plus 570sqm ancillary) will anchor the retail component. The remaining shop front uses on the lower ground and ground floor levels will be occupied by a range of specialty stores (e.g. café, take-away food, newsagency, specialty food, hair, etc) and non-retail shopfront users (e.g. postal services).

**Figure 2 - Kingswood Stage 1 Amended Scheme (August 2010)**



Source: Barber Avenue Scheme Amendments - Turner + Associates Architects, July 2010

## 2.4 Methodology

In order to fulfil the requirements of the brief, Hill PDA has completed the following key tasks:

- Reviewed relevant documentation in relation to the proposed development;
- Analysed retail and commercial trends and their impact on the proposed development;
- Determined the amount of retail floorspace in Kingswood and surrounding centres;
- Investigated current development proposals and the current status' from discussions with Council and other sources at Hill PDA's disposal;
- Conducted a socio-demographic profile of Kingswood and Penrith LGA based on 2006 ABS Census data;
- Identified Trade Areas for proposed retail based on distances, accessibility, and the location and level of retail offering in other centres;
- Identified population and household growth forecasts for the Trade Area;
- Forecasted the Trade Area's household expenditure by retail store type;

- Forecasted the likely levels of escape expenditure and expenditure captured from adjoining suburbs;
- Estimated the turnover of the retail component of the proposed development and the likely redistribution from existing retail centres;
- Considered the impact on retailers and retail centres as shifts in turnover over time taking into consideration growth in expenditure in the Trade Areas;
- Considered if the impact on existing retailers is significant or detrimental; and
- Estimated the economic benefits of the proposed development such as employment generation, multiplier impacts, shopper convenience, price competition etc.

Documents reviewed as background to this report included:

- Barber Avenue Scheme Amendments, Turner + Associates Architects (July 2010);
- Director General's Requirements, NSW Department of Planning (March 2010);
- Penrith Nepean Hospital Environmental Assessment, Hassell (August 2009);
- Draft North West Subregional Strategy (2006-2031), NSW Department of Planning; and
- Penrith City Centres Hierarchy Interim Policy, Penrith City Council (March 2007).

## 3. PLANNING AND POLICY CONSIDERATIONS

### 3.1 Sydney Metropolitan Strategy (2005)

With the population of Sydney set to increase by 1.1m in the next 25 years, the NSW Government is planning now for Sydney's future through the Metropolitan Strategy. Sydney's structure and form cannot be rapidly changed. Growth has been concentrated around the harbour cities of Sydney and North Sydney, while Parramatta has provided a riverside setting for a second CBD. To meet the challenge of equitable access, the roles of Penrith and Liverpool as Regional River Cities will be elevated over the next 25 years as jobs and housing growth is concentrated in Western Sydney.

In determining the planning roles across Sydney, the Metropolitan Strategy recognises the Global City, Regional Cities, Specialised Centres, Major Centres, Employment Lands and Renewal Corridors will be of particular State significance. These areas will account for 50 per cent of new homes and 50 per cent of new jobs over the next 25 years. While State-lead, this planning will be undertaken in consultation with local government and their communities through subregional planning. Planning for Neighbourhoods, Town Centres and Villages will be undertaken at a local level, based on the principles of the Metropolitan Strategy, and in consultation with the community.

### 3.2 Draft North West Subregional Strategy (2006-2031)

The NSW Department of Planning's Draft North West Subregional Strategy is a crucial step in implementing the Sydney Metropolitan Strategy, guiding land use planning until 2031. The North West Subregion includes Baulkham Hills, Blacktown, Blue Mountains, Hawkesbury, and Penrith LGA's. Key directions in the Strategy include:

1. North West Growth Centre to be developed with centres, infrastructure and services;
2. Retaining and protecting strategic employment lands to help provide jobs closer to home;
3. Strengthening Penrith as one of Sydney's main city centres and promoting Norwest as a Specialised Centre;
4. Continuing to develop Castle Hill, Blacktown, Rouse Hill and Mt Druitt as Major Centres;
5. Improving transport access to, from and within the subregion;
6. Protecting rural and resource lands as well promoting the environmental and scenic qualities of the Subregion; and
7. Improving access to open space and recreation opportunities.

One of the key objectives of the Draft Strategy is to develop Penrith as the Regional City of the North West. Penrith is an important location for services and facilities, with significant growth planned for Penrith including 10,000 new jobs and 10,000 new residents in the City Centre. Part of the Greater Western Sydney Employment Hub is also located within Penrith LGA and these areas will also be a focus of employment growth in the future.

Of relevance to the proposed development, the Draft Strategy also indicates the Nepean Hospital is planned to be upgraded and expanded under the State Infrastructure Strategy. Furthermore, the Draft Strategy notes Penrith Council is to work with the University of Western Sydney and the Department of Health to investigate opportunities to strengthen connections between the UWS Penrith campus, Nepean Hospital and Penrith Regional City.

The Draft North West Subregional Strategy (2006-2031) identifies a typology for centres within the Subregion as indicated in the following table. The hierarchy indicates the retail centre of Kingswood is identified as a Small Village which is a small strip of shops adjacent to a residential area.

**Table 4 - North West Subregion Centres Hierarchy**

Centre Typology	Characteristics	Centres
Regional City	Offer a full range of business, government, cultural, entertainment & recreational activities. A focal point for regional transport & provides jobs.	Penrith CBD
Major Centre	Major shopping & business centre serving the subregion with large shopping malls, specialist retail, medical services, taller office & residential buildings, council offices, and a minimum 8,000 jobs.	Blacktown, Castle Hill, Rouse Hill (planned)
Specialised Centre	Areas containing major airports, ports, hospitals, universities, research and business activities. These perform a vital economic and employment role which generates metropolitan-wide benefits.	Norwest
Stand Alone Shopping Centre	Internalised, privately owned centres located away from other commercial areas, containing many of the attributes of a Town Centre but without housing or public open space—may have potential to become a traditional town centre in the long-term.	Winston Hills
Town Centre	Town Centres have one or two supermarkets, community facilities, medical centre, schools, etc. Contain between 4,500 and 9,500 dwellings. Usually a residential origin than employment destination.	Baulkham Hills, Katoomba, North Rocks, Richmond, Seven Hills, Springwood, St Marys, Stanhope Gardens, Windsor
Planned Town Centres	The strategy identifies a number of planned local centres through the North West Growth Centre. The future role of the local centres will be determined by Local Government over the life of the Strategy.	Box Hill, Marsden Park, Schofields/ Nirimba
Village	A strip of shops and surrounding residential area within a 5 to 10 minute walk contains a small supermarket, hairdresser, take-away food shops. Contain between 2,100 and 5,500 dwellings.	Various, including Glenmore Park, South Penrith, St Clair and Cranebrook
Small Villages	A small strip of shops and adjacent residential area within a 5 to 10 minute walk. Contain 150 to 900 dwellings.	Various, including <b>Kingswood</b> , Emu Plains, Erskine Park and Werrington Station.
Neighbourhood Centres	One or a small cluster of shops & services. Contain 150 to 900 dwellings.	Various

Source: Draft North West Subregional Strategy (2006-2031), NSW Department of Planning

### 3.3 NSW Draft Centres Policy (2010)

In response to the ACCC Inquiry's call for governments to address how state planning controls may increase retail competition, the NSW Department of Planning released the Draft NSW Centres Policy for Commercial and Retail development (the Draft Centres Policy).

The Draft Centres Policy has been publicly exhibited; the Department of Planning has reviewed public submissions and in April 2010 issued a review report indicating the direction the policy may take.

The Draft Centres Policy was prepared not only in light of the need to enhance opportunities for competition in NSW but also in light of the recent changes to the state's economic climate. The Draft Policy seeks to replace SEPP 66 (Integrating Land Use and Transport).

A clear and important theme running through the report is that the market is best placed to determine the need for development (and retail uses in particular) and that competition between retailers will deliver benefits to the community.

The Draft Policy reinforces the importance of clustering business activities to create vibrant and viable Centres. It also advocates that Centres should have a mix of retail types that encourage competition and be designed in such a way as to encourage people to visit and stay longer.

It is also recognised that "acquiring appropriately zoned sites within existing centres may not always be practical or feasible particularly if large format sites are required". Accordingly the Draft Policy advocates the use of planning mechanisms, such as floorspace bonuses, to increase retail and commercial development within centres.

### 3.4 Draft Competition SEPP (2010)

Following a review undertaken last year by the NSW Department of Planning and the Better Regulation Office into how economic growth and competition were impacted by the planning system, a new Draft State Environmental Planning Policy (SEPP) has been prepared and was placed on public exhibition in July 2010.

The proposed state-wide planning policy removes artificial barriers on competition between retail businesses. The new Draft SEPP proposes:

- The commercial viability of a proposed development may not be taken into consideration by a consent authority, usually the local council, when determining development applications;
- The likely impact of a proposed development on the commercial viability of other individual businesses may also not be considered unless the proposed development is likely to have an overall adverse impact on the extent and adequacy of local community services and facilities, taking into account those to be provided by the proposed development itself; and
- Any restrictions in local planning instruments on the number of a particular type of retail store in an area, or the distance between stores of the same type, will have no effect.

### 3.5 Penrith City Centres Hierarchy – Interim Policy (2007)

Adopted by Penrith City Council in 2007, the Penrith City Centres Hierarchy Interim Policy not only describes the various centres within Penrith LGA, but nominates their role and quantum of retail and commercial floorspace. The Hierarchy, as indicated in the following table, nominates the retail centre of Kingswood

together with the Nepean Hospital Precinct as a single Specialised Centre. That is, any retail within the Hospital Precinct is part of the overall Kingswood centre.

**Table 5 - Penrith City Centres Hierarchy – Interim Policy**

Typology	Centre	Typical Retail Area (sqm)	Typical Commercial Area (sqm)	Potential Population
Regional City	Penrith City Centre	150,000-250,000	110,000 - 250,000	10,000 - 20,000
Specialised Centre	<b>Kingswood plus the Hospital Precinct (future)</b>	3,000 - 7,500	Determined on a site specific basis	n/a
Town Centre	St Marys	45,000 - 70,000	15,000 - 25,000	2,000 - 4,000
Village	Emu Plains (Lennox Centre), Glenmore Park, South Penrith (Southlands), St Clair Shopping Centre	3,000 - 7,500	1,000 - 2,500	To be determined
Small Village	Claremont Meadows, Cranebrook, Emu Plains Station, Erskine Park, Werrington County	1,000 - 4,000	250 - 750	To be determined
Neighbourhood Centre	Cambridge Gardens, Cambridge Park, Mulgoa Village, North St Marys, Smith St (South Penrith), Werrington Station	120 - 750	< 250sqm	To be determined
Employment Lands	Dunheved, Emu Plains, Jamisontown (Mulgoa Rd Precinct), Kingswood (east and north), North Penrith, North St Marys	< 300sqm	< 100sqm	n/a

Source: Penrith City Council March 2007

The Policy notes that the Kingswood Specialised Centre provides “specialised uses that perform vital economic and employment roles across the metropolitan area.” Furthermore the Centre will provide 3,000sqm to 7,500sqm of retail floorspace, which will typically include a supermarket(s) of 1,500sqm to 4,500sqm plus retail specialty shops.

## 4. RETAIL AND COMMERCIAL TRENDS

The following Chapter discusses retail and commercial trends that have emerged over the past couple of decades, and those trends that are likely to continue into the future. Many of these trends are applicable to the subject development, in particular the economic and social benefits of mixed use developments.

### 4.1 Retail Trends

Over the past three decades significant changes have occurred in the retail industry such as the introduction of new technologies, the ageing of the population, increased female participation in the workplace and changing consumer preferences. These changes have placed increased pressure on many existing retail centres to either adapt or lose market share.

In the 1980s, Australian retail floorspace totalled approximately 1.8sqm per person (excluding commercial space and automotive retailing), which was roughly divided into equal components of regional, district and neighbourhood/local centres. Today we have around 2.1sqm per capita due to increasing affluence and consumerism.

The retail industry's innovative nature is driven largely by the need to respond to, and anticipate, its customers' needs and desires. Changing demographics and lifestyles require individual retailers and shopping centres to constantly monitor these often subtle shifts and respond by repositioning their retail offer, presentation and mode of operation. The factors that are driving the changing face of retailing in Australia are described as follows:

- The increase in the proportion of working women;
- The increase in the proportion of part-time and casual employment and the reduction in full-time employment;
- The reduction in the proportion of households that match the 'traditional family' model and an increase in the number of single persons and single parent households;
- The increasing disparity of household income, ranging from high double income households to households that rely on welfare;
- The ageing of the population; and
- Increasing working hours for those in full-time employment.

In particular economic rationalism over the past three decades has resulted in increasing household income disparity. Today there are many families with high disposable incomes and many families that struggle in poverty. Families are typically cash-rich / time-poor or time-rich / cash-poor. Very few families are both time-rich and cash-rich, which provides interesting challenges for the retail industry.

Population growth, rising real disposable incomes and innovation and change within the retail industry have underpinned a rapid increase in the supply of retail floorspace throughout Australia. Population growth and increasing levels of disposable income have provided the means to support new retail development, but it is the innovative nature of the industry itself that has generated major increases in more and larger centres.

Without a doubt the 'Global Financial Crisis' has had an impact on the Australian retail property market in the past couple of years. The period from late 2007 to 2009 was characterised by weaker consumer sentiment and poor leasing and investment markets (i.e. weak income and capital returns). This trend was common to most commercial markets nationwide.

The Federal Government's stimulus package in 2009 was successful in reversing the downward trend in retail expenditure. There are now clear signs that consumer sentiment is improving on the back of a strengthening economy, with a slow and steady recovery now underway.

The long term trends of rising affluence, consumerism and technological change are likely to ensure that retail expenditure will continue to increase over the long term owing to real growth in retail spend per capita. The current economic climate is viewed as a short term condition rather than a long term one. In the future it is inevitable that there will be periods of economic growth and adjustment.

## 4.2 Commercial Office Trends

Throughout the principal centres of Australia, but most particularly in Sydney, the location and demand for office accommodation has and continues to undergo change. It is a change which is being influenced by forces which are multi-faceted. It is a change which is inextricably intertwined with structural changes in the economy, and the rapid advances in information and communications technology. Office based activity and office based employment has continued to grow, however this has not been uniform.

In a spatial context the evidence points towards a greater level of centralisation and specialisation in office based activity, with some sectors demonstrating a particularly strong preference for a central city location, such as those associated with communications, finance and insurance, property and business services.

Other sectors have shown a greater propensity to be footloose, giving rise to new focuses of office based activity in suburban locations both within centres and beyond, throughout the metropolitan region. In some locations there has been a relatively dramatic growth – locations such as the area stretching from North Sydney, St Leonards/Crows Nest, Chatswood, out towards North Ryde and Macquarie Park. Elsewhere, there has been a mixed performance, with centres such as Parramatta and Penrith playing increasingly important roles in Western Sydney, while others such as Liverpool experiencing comparatively little activity.

This lack of uniformity is also being reflected in the functional characteristics of various sectors of the economy. For some there is now an increasingly important need to integrate office based activities with their technical, assembly, manufacturing, servicing or warehousing functions. This is giving rise to demands for higher proportions of office floor space in industrial premises and in turn a blurring of the distinction between property types.

The emergence of suburban office parks, science parks and technology parks, which are characterised by low-rise buildings, ample provisions for car parking, and extensively landscaped environments, is essentially a reflection of the response to these changes in demand for office and industrial floor space. An example is the Norwest Business Park.



The changes can also be seen in the various areas of manufacturing activity, transport and storage and wholesale trade related activity. In these sectors the increased use of information and communications technologies to facilitate faster more efficient and flexible supply chains, has generated increased demand for office based activity such as those associated with third party logistics. Evidence of this restructuring can be seen with the decision by Woolworths to relocate its Head Office operations to the Norwest Business Park and its review of logistics and supply chain operations ("Project Mercury") which sought to achieve some \$4.1 billion in savings by 2007.

This lack of uniformity is being accentuated by changes in labour market patterns – in how work is organised, where it is located, and what is being done. This can be seen in the emergence of home based work – a pattern found to be most evident in the middle and outlying regions of Baulkham Hills/Hawkesbury Hornsby/Ku-ring-gai and the Northern Beaches, as well as the inner areas of the metropolitan region.

It can be seen in the increasing rates of participation and part time work – which reflects a higher incidence in non-standard work. It can be seen in the growing importance of small business and changing occupation types – particularly those associated with the "knowledge economy". These facets in the profile of the labour market are now having an increasingly significant influence on the demand for office accommodation.

Outside of the Sydney Metropolitan Area there have also been increases in the number of commercial properties arising in new industrial precincts with several industrial lots having a 50/50 commercial/industrial component. Although the majority of land is being utilised for industrial purposes the bulk of industrial units have some form of commercial office suites attached. However, these commercial components play an ancillary office role and as such remain related to the attached industry. This trend reflects the changing nature of industry, whereby industrial accommodation requires higher ancillary office components than previously.

## 4.3 Mixed Use Trends

'Mixed use' is a term used to describe a development where there is a combination of residential and commercial (and retail) uses occurring on the same site. Mixed use is seen as essential for a number of reasons:

- Different uses create a sense of place, community, life and vibrancy;
- Local people can make the most of the infrastructure by using it in different ways at different times of the day;
- Local people do not need to drive to their nearest facilities, providing health and environmental benefits to local residents through walking and fewer exhaust emissions;
- Residents are not left out of opportunities that may need long-distance travel or that may not be in their local area; and
- Local employment opportunities are available.

The type of non-housing uses that need to be provided as part of a successful housing development will vary with the size of the development, the possible populations, how accessible public transport is, and whether current or planned services and facilities are available.

However, if a mixed use development is not well designed, it can result in land use conflicts and can undermine redevelopment in the long term. For example, if a residential flat building is built over an enclosed shopping centre, it limits the redevelopment, expansion and remodelling potential of the shopping centre in the future.

Different communities choose mixed use development options for different reasons. Some see it as an excellent way to incorporate a mix of housing types on a small scale while enhancing traditional town character. Others see it primarily as a vehicle for revitalizing struggling areas and spurring economic development. Still others use it to create or enhance village centres. Suburban communities in metro areas have identified many benefits of mixed use development.

## 5. EXISTING FLOORSPACE SUPPLY

This Chapter reviews retail and commercial floorspace supply data. This data has been sourced from Hill PDA's own database of floorspace supply along with a floorspace survey of Kingswood and surrounds completed by Hill PDA in July 2010. This data has been supplemented with the Property Council of Australia's Shopping Centres Directory (2010), Shopping Centre News and other sources where indicated.

The purpose of this review is to understand the size and significance of existing centres when compared to their level in the retail hierarchy, and their quantum and mix of retail and commercial land uses. It also provides a benchmark for understanding the potential size and retail mix of future centres within the subregion, along with understanding the impact of new retail centres on surrounding established centres.

### 5.1 Retail and Commercial Centres Hierarchy

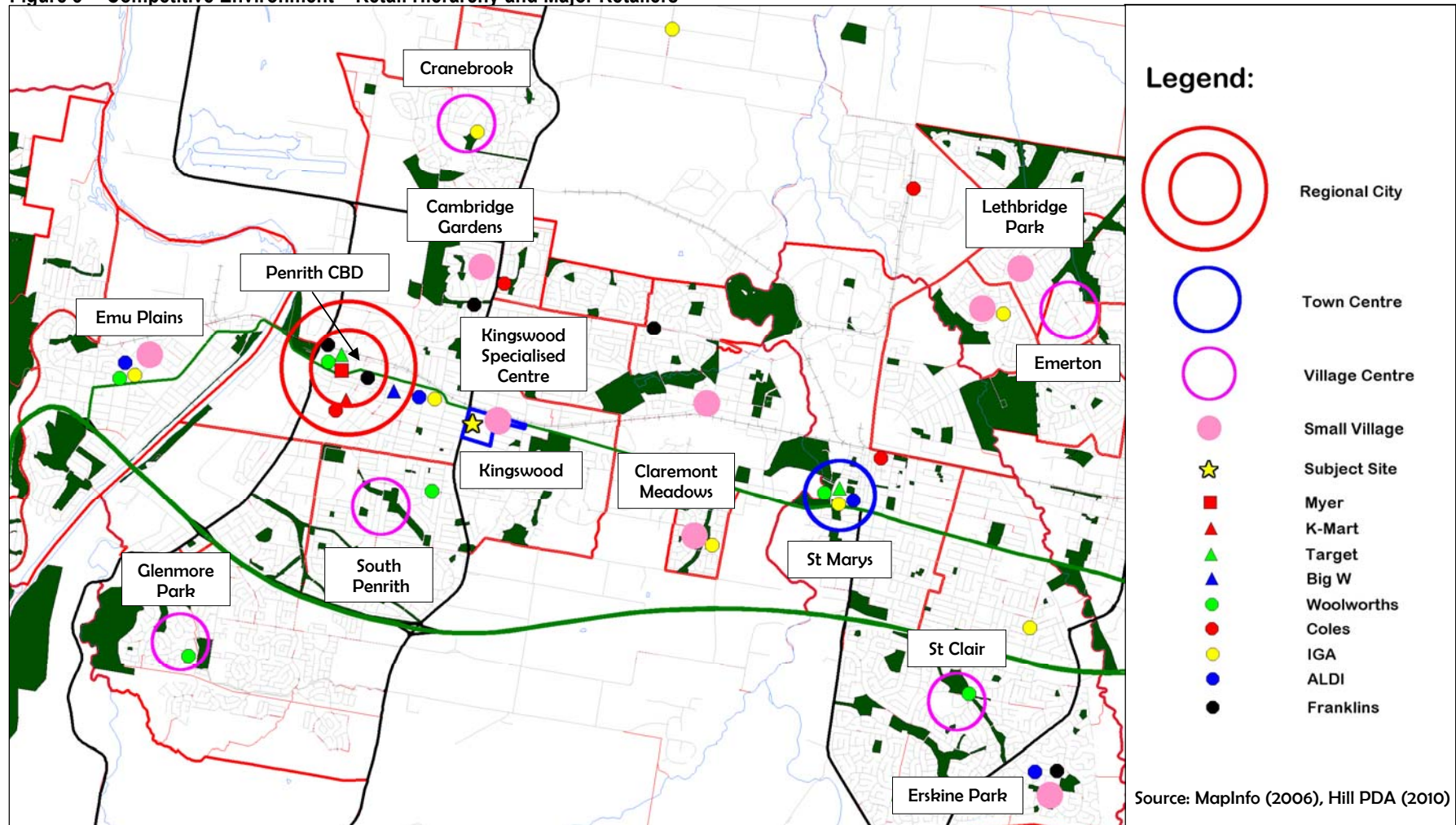
The Draft North West Subregional Strategy (2006-2031) identifies a typology for centres within the Subregion. In the Draft Strategy Kingswood is nominated as a Small Village centre.

By comparison the Penrith City Centres Hierarchy Interim Policy (2007) nominates the retail centre of Kingswood together with the Nepean Hospital Precinct as a single Specialised Centre. That is, any retail within the Hospital Precinct is part of the overall Kingswood retail centre.

Remaining centres within both the Draft Strategy and the Interim Policy remain the same (e.g. Penrith Regional City, St Mary's Town Centre, South Penrith Village etc).

Major retailers in surrounding locations of the subject site, together with the retail hierarchy of the Subregion, are indicated in the following map.

Figure 3 - Competitive Environment – Retail Hierarchy and Major Retailers



## 5.2 Penrith Regional City

### **Westfield Penrith Shopping Centre**

The recently expanded Westfield Penrith comprises 77,000sqm of retail floorspace, located on Henry Street, bounded by Jane Street to the north, Great Western Highway to the south and Mulgoa Road to the west. Major tenants include Myer (20,114sqm), Big W (8,738sqm), Target (7,097sqm), Woolworths (3,795sqm), Franklins (2,010sqm) and Best & Less (1,195sqm). There are also 311 specialty shops accounting for 31,228sqm of retail floorspace.

The centre also accommodates a medical centre, a Hoyts Cinema and commercial office tenants. In 2007, the centre achieved turnover equating to \$7,346/sqm<sup>4</sup>. This was around 10% above the median level of turnover for the 88 “Big Gun” shopping centres (centres over 45,000sqm lettable area) listed in the Shopping Centre News (2009). It is also one of the strongest performing centres in Western Sydney.

Based on discussions with Penrith City Council, it is understood Westfield may be examining further expansion.

### **Centro Nepean**

Centro Nepean comprises 20,124sqm of retail floorspace. The centre is anchored by Kmart (8,430sqm) and Coles (4,325sqm). Additional specialty shops account for 7,369sqm of retail floorspace. Turnover for the centre equated to \$7,370/sqm<sup>5</sup> in 2009.

### **The Nepean Shopping Centre (Henry Street Plaza)**

The Nepean Shopping Centre is located on Henry Street and comprises approximately 2,860sqm of retail floorspace. The Centre is anchored by a Franklin's supermarket of 1,600sqm. There are also 15 specialty shops that provide 1,260sqm of retail floorspace.

### **The Henry Lawson Centre**

The Henry Lawson Centre comprises 6,342sqm of retail floorspace. It is anchored by The Good Guys (3,200sqm) and has 5 specialty shops that provide a further 3,140sqm of retail floorspace. It also accommodates an independent medical practice and 3 office tenancies.

### **The Penrith Centre**

The Penrith Centre comprises just over 4,000sqm of retail floorspace. Major tenants include Paul's Warehouse (2,000sqm) and Priceline Pharmacy (600sqm). 16 specialty shops provide an additional 1,550sqm of retail floorspace. The Centre also accommodates a nightclub and hotel (3,200sqm).

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<sup>4</sup> Shopping Centre News, Big Guns 2010

<sup>5</sup> Shopping Centres News, Little Guns 2009

**Remainder of Penrith**

Remaining shop front space in Penrith CBD is predominantly located along High Street and extends to Henry Street in the north and to Union Road in the south. The strip retailing comprises a total of approximately 66,000sqm of shopfront floorspace (including a 1,400sqm IGA supermarket and 1,500sqm ALDI supermarket). Of this, around 27,000sqm is being used for commercial purposes and a further 5,000sqm is vacant.

There is also a small convenience centre (Kingswood Park Shopping Centre) on Caloola Avenue located near the Penrith/Cambridge Park suburb boundaries around 2km north of the subject site. The centre comprises around 2,150sqm of retail floorspace and is anchored by a Franklins (1,070sqm) plus 7 specialty stores (1,080sqm).

## 5.3 St Mary's Town Centre

The 2 main shopping centres in St Marys are the St Marys Village Shopping Centre and Station Plaza. There is also an existing ALDI supermarket located on the corner of Great Western Highway and Princess Mary Street. There is around 21,000sqm of strip retailing located along Queen Street.

St Marys Village Shopping Centre is anchored by Target (8,023sqm) and Woolworths (4,065sqm). There are also 47 specialty stores providing 4,100sqm of retail floorspace. In total, the Centre has an area of just over 16,000sqm. Turnover for the centre equated to \$5,802/sqm<sup>6</sup> in 2009

Station Plaza is smaller centre that is anchored by Coles (3,796sqm) and Fruit Shop (1,725sqm). There are also 17 specialties providing a further 1,945sqm of retail floorspace. In total, the Plaza has an area of 7,500sqm.

## 5.4 Village Centres

**South Penrith**

Strip retailing in South Penrith is located on Stafford and Smith Streets. In total there is around 2,500sqm of retail floorspace over 23 specialty stores. Both have a mix of specialty food non specialty food stores.

Southlands Shopping Centre is located in South Penrith and comprises around 6,300sqm of retail floorspace. The Centre is anchored by Woolworths (3,845sqm) and has 22 specialty shops that provide 2,455sqm of retail floorspace.

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<sup>6</sup> Shopping Centres News, Mini Guns 2009

**Cranebrook**

Cranebrook Shopping Village is north-west of the subject site and comprises around 2,500sqm of retail floorspace. The Village is anchored by an IGA supermarket (1,500sqm), with 10 additional specialty shops accounting for 935sqm of retail floorspace.

**Glenmore Park Shopping Centre**

Glenmore Park is located south-west from the subject site and comprises 6,200sqm of retail floorspace. The Centre is anchored by Woolworths (4,300sqm), plus 19 specialty shops which account for 1,956sqm of retail floorspace. The Centre also accommodates a medical centre. In 2009, the Glenmore Park Shopping Centre turned over around \$10,421/sqm, significantly higher than similar sized comparable centres<sup>7</sup>.

**St Clair**

Located 10.5km south-east of the subject site, the 16,471sqm St Clair Shopping Centre is anchored by a Woolworths supermarket (3,800sqm) plus 36 specialty shops (8,084sqm). The Centre also includes a Mobil Quick service station and a McDonalds and Red Rooster restaurants.

## 5.5 Small Villages

**Kingswood**

Located 300m east from the subject site is Kingswood's prime retail strip. Situated predominantly along the Great Western Highway and Bringelly Road, the precinct consists of around 5,430sqm of retail floorspace. Larger tenants include the Kingswood Hotel (570sqm) and Art House Direct (225sqm). In addition, there is around 2,050sqm of commercial floorspace.

It is recognised that there are a few retail specialty stores within the Nepean Hospital Health Precinct. These shops meet the immediate and convenience shopping needs of the visitors, workers and patrons of the Hospital and surrounding medical facilities.

Further strip retailing is located east of the subject site on Manning Street, comprising 6 specialty stores (of which one was vacant at the time of survey), with a total of around 750sqm of retail floorspace.

**Cambridge Gardens / Park**

Strip retailing in Cambridge Park comprises around 2,200sqm of retail floorspace. There are an estimated 20 specialty stores with a mix of food and non food specialty stores.

The 3,600sqm Cambridge Gardens Shopping Centre is anchored by a Coles (2,750sqm) and a smaller McDonald's Restaurant. The site also comprises two further specialty stores and a bottle shop adjacent to the site.

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<sup>7</sup> Shopping Centre News, Little Guns 2009.



**Werrington**

The 6,200sqm Werrington Shopping Village is anchored by a Franklins (1,500sqm). In addition, the Village contains a service station, convenience store plus 18 specialty stores (2,200sqm).

Werrington's primary retail strip is located on Victoria Street near Werrington Train Station, comprising around 2,300sqm of floorspace. This includes a bottle shop (340sqm) with the remaining a mix of specialty stores. Further strip retail is located 200m further up Victoria Street towards the subject site, comprising a total of 300sqm of retail. The complex contains a corner grocery store (170sqm) and two other specialty stores.

**Claremont Meadows**

Claremont Meadows comprises a small neighbourhood shopping centre of around 1,500sqm that is anchored by an IGA supermarket (approx. 800sqm) plus 7 of specialty stores including a bottle shop, pharmacy, bakery and real estate agent. The centre provides the surrounding residential area with convenience based shopping. The centre is located on a large site of around 4,200sqm and was recently sold in July 2010 for an undisclosed amount. The centre also has DA approval for an additional 250sqm of specialty space, which includes a café.

**Centro Lennox, Emu Plains**

Centro Lennox on the corner of the Great Western Highway and Pyramid Street in Emu Plains comprises 8,900sqm of retail floorspace. The centre is anchored by Woolworths (2,837sqm) and ALDI (1,468sqm). Additional specialty shops account for 4,600sqm of retail floorspace. Retail turnover of the centre in 2009 was equivalent to 8,583/sqm<sup>8</sup>.

## 5.6 Proposed Developments

**Penrith LGA Land Release Areas**

There are various release areas at different planning and development stages in Penrith LGA as indicated in the following table. These cater for a range of residential, retail, commercial, education and employment lands.

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<sup>8</sup> Shopping Centre News, Little Guns 2009.



**Table 6 - Penrith LGA Proposed Major Development**

Precinct	Size (ha)	Forecast Dwellings	Forecast Population	Forecast Jobs	Forecast Employ. Land (ha)
Werrington Mixed Use Area	22	240	650	650	-
Werrington Enterprise Park	58	tba	tba	6,134	-
South Werrington Urban Village	48	414	1,178	770	19
Claremont Meadows Stage 2	63	511	1,500	-	-
Caddens	127	1,247	2,700	350	-
WELL Precinct Remainder	336	588	1,972	-	-
Penrith Lakes	1,937	4,900	14,000	5,260	60
Waterside	53	701	2,150	800	17
Glenmore Park Stage 2	225	1,628	4,600	-	-
St Marys Release Area	1,545	3,420	8,900	3,460	43
North Penrith Urban Area	50	850	2,000	1,100	10
Erskine Business Park	510	-	-	6,000	326
Western Sydney Employment Lands	tba	tba	tba	tba	tba
Riverlink	370	tba	tba	tba	tba
<b>Total</b>	<b>5,344</b>	<b>14,499</b>	<b>39,650</b>	<b>24,524</b>	<b>475</b>

Source: Penrith City Council, New Urban Lands (February 2009)

Furthermore, it is understood that:

- The Caddens Precinct will accommodate a centre with retail, commercial and a community centre; and
- The North Penrith Urban Area will include an Urban Village Precinct that provides for a range of retail and commercial uses to service the new community.

### **Penrith Panthers Expansion**

The Penrith Panthers site, 2km south of Penrith CBD, is bound by Mulgoa Road to the east, the Nepean River to the west, the Council owned Carpenter site to the north, and Jamison Road to the south. The 75ha site includes the Panthers Club, associated lands and facilities.

Panthers and their joint venture partner ING Real Estate have lodged a concept plan with Penrith City Council for the expansion and redevelopment of the site. The proposed vision is to accommodate a range of entertainment uses including cinema's, bowling club, restaurants, cafes, retail, health, wellness and aquatic facilities, accommodation and a multi use arena. A mix of residential dwellings and campus style business park accommodation will surround the entertainment precinct. Passive recreational opportunities will be enhanced with parklands, open space, walking and cycling tracks.

It is understood the proponents are proposing a 3 stage development, delivering up to 67,500sqm (GFA) of retail floorspace, 38,500sqm (GFA) of commercial floorspace (inclusive of a Business Park), and 1,241 residential dwellings. Furthermore, the retail floorspace may include the likes of specialty stores, bulky goods, restaurants and café's.

### **Glenmore Park Town Centre Expansion**

Village Fair Group purchased the 4.5ha Glenmore Park Town Centre site located 5.3km south-west of the subject site from AMP Capital Investors Limited in April 2010. Village Fair Group plans to expand the centre to include the addition of a discount department store, another mini-major store and 30 specialty stores<sup>9</sup>. The future extension may include an ALDI supermarket on the adjacent development site.

### **Cranebrook Village Shopping Centre**

Penrith City Council is currently in negotiations with a preferred tender for the redevelopment and sale of the Cranebrook Village Shopping Centre. It is understood the preferred scheme includes a mix of retail, commercial, and community uses. A preliminary concept plan has been put before Council which included a second supermarket and additional specialties. No development application has yet been logged.

### **Centro Lennox, Emu Plains**

The 1,000sqm extension of Centro Lennox will include the expansion of the Woolworths supermarket and an extension to the Go-Lo store. It will increase the total centre size to 10,000sqm. The works are planned for completion in early 2011.

### **Station Street Mixed Use Development**

The \$100m Station Street development in Penrith (2.5km from the subject site) will be constructed in 10 stages over the next 10-15 years. Stage 1 proposes the construction of 10,300sqm of commercial floorspace, 1,200sqm of medical floorspace and a 2,000sqm tavern. Future stages of the development proposes the construction of around 85,000sqm of residential floorspace, 4,000sqm of retail, 9,000sqm of commercial and 5,000sqm of entertainment floorspace. The project has Concept Masterplan approval, with construction likely to commence in mid-2011.

### **Penrith Nepean Hospital Redevelopment**

The subject site is located within the Nepean Hospital Health Precinct, which includes Penrith Nepean Hospital. The existing Hospital was opened in 1956 and has had a number of upgrades, redevelopments and additions since that time. The proposed expansion will include the:

- Construction of a new 'East Block';
- Refurbishment and expansion of the Intensive Care Unit (ICU), including the demolition of the existing chapel and the construction of a new chapel;
- Expansion of the Retail Dialysis In-Centre Unit; and
- Additional car parking, access, landscaping, engineering services, and site works.

It is understood bulk excavation is in progress, with construction expected to commence in early August 2010.

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<sup>9</sup> Penrith Press, April 9 2010

## 6. DEMOGRAPHIC PROFILE

As part of this assessment, Hill PDA undertook a demographic analysis and employment profile of Kingswood and Penrith Local Government Area (LGA) compared to Sydney Statistical Division (SD). This was undertaken to provide a better understanding of employment, economic, lifestyle and social characteristics of the area, and therefore requirements for future retail and commercial land uses.

### 6.1 Key Resident Demographics

Demand for retail and commercial floorspace is dependant not only upon the number of households in the trade area but also the socio-demographic characteristics of those households. Based on 2006 ABS Census data, the key demographic characteristics and trends impacting on potential development of the subject site are as follows:

- In 2006 Kingswood had a population of 8,182 people, representing 4.8% of the total population of Penrith LGA.
- The average household size of Kingswood (2.4 persons per household) is smaller than that of Penrith LGA (2.9 persons) and Sydney (2.7 persons).
- Kingswood had a younger population structure compared to Penrith LGA and Sydney with a higher proportion of residents under the age of 30.
- Kingswood and Penrith LGA had a median age of 32 years, compared to Sydney which had a median age of 35.
- Home ownership levels were lower in Kingswood (51%) compared to Sydney (65%) and Penrith LGA (71%).
- There were a lower proportion of family households in Kingswood (65%) when compared to Penrith LGA (79%) and Sydney (73%). This is reflected in the greater proportion of lone person households in Kingswood compared to the benchmarks.
- Fewer family households in Kingswood had children (40%) compared to Penrith LGA (52%) and Sydney (49%).
- 56% of dwellings in Kingswood were separate houses, 26% were townhouses and 18% were units. This can be compared to Penrith LGA where 85% were separate houses, 8% were townhouses and 6% were units.
- Kingswood had a median weekly household income of \$885/week as compared to Penrith LGA (\$1,147/week) and Sydney (\$1,154/week).

The 2006 ABS Census tables defining the above results can be found in Appendix 1 of this report.

## 7. DEMAND FOR RETAIL SPACE

### 7.1 Estimated Turnover of Proposed Retail

The amended Concept Plan for Stage 1 indicates the proposed development will accommodate 4,145sqm of retail floorspace. An ALDI supermarket will anchor the retail component (around 1,500sqm), with the remainder occupied by a range of specialty stores (e.g. café, take-away food, newsagency, specialty food, personal services,) and non-retail shopfront users (e.g. postal services).

Hill PDA has assumed that the proposed development will trade at or above industry benchmark levels and above financially sustainable levels. Applying a target turnover rate of \$9,500/sqm for supermarkets and \$6,500/sqm for specialties the proposed development will turnover at least \$27.6m upon its first full year of trade.

This expenditure will be sourced from workers, residents in the locality, hospital visitors and University of Western Sydney (Penrith Campus) students.

### 7.2 Expenditure from Workers

The Transport Data Centre (TDC), of Transport NSW, provides data on current and future demographic, employment and travel patterns. This data is used as inputs to transport and land use planning and policy making in NSW.

In addition to population and household forecasts, the TDC provides Journey to Work (JTW) data for NSW, derived from the Australian Bureau of Statistics (ABS) Census of Population and Housing. JTW data is used to estimate the current (as of 2006) and forecast number of jobs by geographic area known as Travel Zones.

#### **Jobs in Kingswood**

Based on JTW data, there were around 4,800 jobs located in the suburb of Kingswood in 2006. Around 3,000 of these jobs were located within the Nepean Hospital Health Precinct, which includes Penrith Nepean Hospital.

By 2026, the TDC forecasts there will be around 8,200 jobs in Kingswood – with close to 6,000 of these jobs in the Nepean Hospital Health Precinct.

In 2013 after the opening of the proposed retailing, it is estimated that there will be around 6,000 jobs located in Kingswood.

#### **New Workers within the Proposed Development**

New workers on the subject site as a result of the proposal will create additional retail expenditure. This is because it relates to retail spend close to the place of work.

The operation of the supermarket (around 1,500sqm), specialty stores (around 2,000sqm) and commercial suites (around 20,000sqm) within the development post completion will generate employment. Applying the rate of one full and part time job per 21.3sqm (GFA) of supermarket and grocery floorspace, and one job per 30sqm (GFA) for specialty stores<sup>10</sup> the retail component of the development will generate around 130 to 135 full time and part time jobs.

Assuming one job is generated per 30sqm (GFA) of commercial floorspace, the commercial component of the development will generate around 650 to 660 commercial office jobs.

Furthermore, there are around 0.44 jobs to 1 room in a serviced apartment building<sup>11</sup>. Given that Stage 1 of the development includes 84 serviced apartments (possibly Aged Care), it can be assumed that around 40 jobs will be generated.

Stage 1 of the proposed development will generate up to 800 full time and part time jobs post construction.

### **Total Expenditure from Workers**

Workers on average spend around \$2,500 to \$3,000 every year on retail goods and services close to their place of work. This represents around 20% to 25% of total personal expenditure. Obviously this amount can vary considerably depending upon the range and availability of retail outlets near the place of work.

Using these rates it's estimated that by 2013 (after the opening of the proposed retail centre) the potential expenditure generated by workers in the immediate area (including the Hospital), that could be captured by retailers on the subject site, is around \$18m to \$19m.

Some of this expenditure would be captured by the proposed ALDI store and specialty stores, say 50% to 60%. This equates to around \$9m to \$10m. This expenditure is likely to include take-away foods and meals in restaurants but it could also include some food, grocery and convenience items.

The balance of required turnover for retail provision on site will be sourced from trade area residents, tourists, hospital visitors and UWS students.

## **7.3 Expenditure from Residents**

### **Identification of the Trade Areas**

In order to measure need for retail and commercial floorspace from residents, a trade or catchment area needs to be defined. The trade area served by any retail centre is determined by a number of factors including:

- The strength and attraction of the centre in question, determined by factors such as the composition, layout, ambience/atmosphere and car parking in the centre;

<sup>10</sup> Source: ABS Retail Industry 1998-99 Cat. 8622.0

<sup>11</sup> Source: ABS Cat: 8635155001DO001\_200906 Tourist Accommodation, Small Area Data, NSW, Jun 2009. Note average of 0.44 employees to 1 room in a 4 star facility in Sydney.

- Competitive retail centres, particularly their proximity to the subject centre and respective sizes, retail offer and attraction;
- The location and accessibility of the centre, including the available road and public transport network and travel times; and
- The presence or absence of physical barriers, such as rivers, railways, national parks and freeways.

ALDI is a smaller discount store which predominantly stocks food and groceries but also household durables. As a result of having far fewer lines (typically less than 1,000 compared to 20,000 to 30,000 lines in the large full-line supermarkets) selling in bulk, and selling at discount prices, ALDI food stores have wider and thinner trade areas than other supermarket operators such as Coles and Woolworths. ALDI stores also differ from other supermarkets in the following ways:

- They are smaller in size – at around 1,400sqm lettable area (including back of house area) compared to full-line supermarkets of around 3,000 to 4,000sqm;
- They have fewer lines – typically around 900 – compared to the 20,000+ lines in full line national supermarkets;
- They do not stock the range of products like full-line supermarkets. There is no deli counter, fresh meats and fishes and other similar components of full-line supermarkets;
- Around 20% of their turnover relates to products that are not food and grocery related but relate to personal and household goods including some large items such as power tools, televisions, whitegoods, etc. These items represent monthly specials and change monthly; and
- Goods are sold at discounted prices.

As ALDI stores sell only a limited range of food, grocery and household items at discounted prices, they rarely provide a roll for major regular household shopping. Accordingly national supermarkets and the majority of specialty stores do not feel threatened by the added competition from ALDI. On the contrary they encourage ALDI as a complementary retailer. Shoppers typically cannot get the full range of goods they require at an ALDI and so will shop at other stores to complement and complete their total shopping trip.

Having regard to the above, Hill PDA makes the following comments:

- Geographically, the closest ALDI supermarkets are located at:
  - 201-205 High Street, Penrith (650m west or 2-3 minutes by car);
  - The corner of Great Western Highway and Princess Mary Street, St Marys (5.5km east or 7 minutes by car); and
  - Centro Lennox Shopping Centre, Emu Plains (6km west or 10 minutes by car).
- The future extension of Glenmore Park Town Centre by new owners Village Fair Group may include an ALDI store on the adjacent development site (south-west 8km or 15 minutes by car); and
- The closest clusters of other retailing include those specialty stores along Great Western Highway in Kingswood, Claremont Meadows (IGA supermarket), Cambridge Park (convenience store), Cambridge Gardens (Coles and Franklins) and Werrington (Franklins).

Furthermore, it's acknowledged that the site has some significant access constraints that impact on the trade area for proposed retail facilities. Specifically:

- The main entry point into the subject site is via Barber Avenue. Barber Avenue is accessed from Parker Street via a left-in/left-out movement. Vehicles travelling north-bound up Parker Street cannot access the subject site unless they loop around using Derby and Somerset Streets and the Highway; and
- There will be a left-turning exit point to the Great Western Highway located at the north-eastern corner of the subject site. However, there will need to be sufficient distance between the Highway/Parker Street intersection and the exit point from the subject site to allow cars to turn into Parker Street.

Having regard to each of the factors detailed above, and based on our experience with similar studies, Hill PDA has identified a Primary, Secondary and Tertiary Trade Area for the proposed retail component at Kingswood. These trade areas are summarised below.

### **Primary Trade Area**

The Primary Trade Area will consist of:

- New residents and workers of the proposed development;
- Existing hospital staff and patrons; and
- Residents of Kingswood south of the Great Western Highway.

### **Secondary Trade Area**

The Secondary Trade Area will consist of:

- The balance of Kingswood, north of the Great Western Highway;
- The majority of Orchard Hills (north of Wentworth Road), including the UWS Penrith Campus located directly east of the Primary Trade Area;
- The suburb of Penrith, north of the railway line and as far west as Castlereagh Road; and
- The suburbs of Claremont Meadows, Cambridge Park, Cambridge Gardens and Werrington Downs.

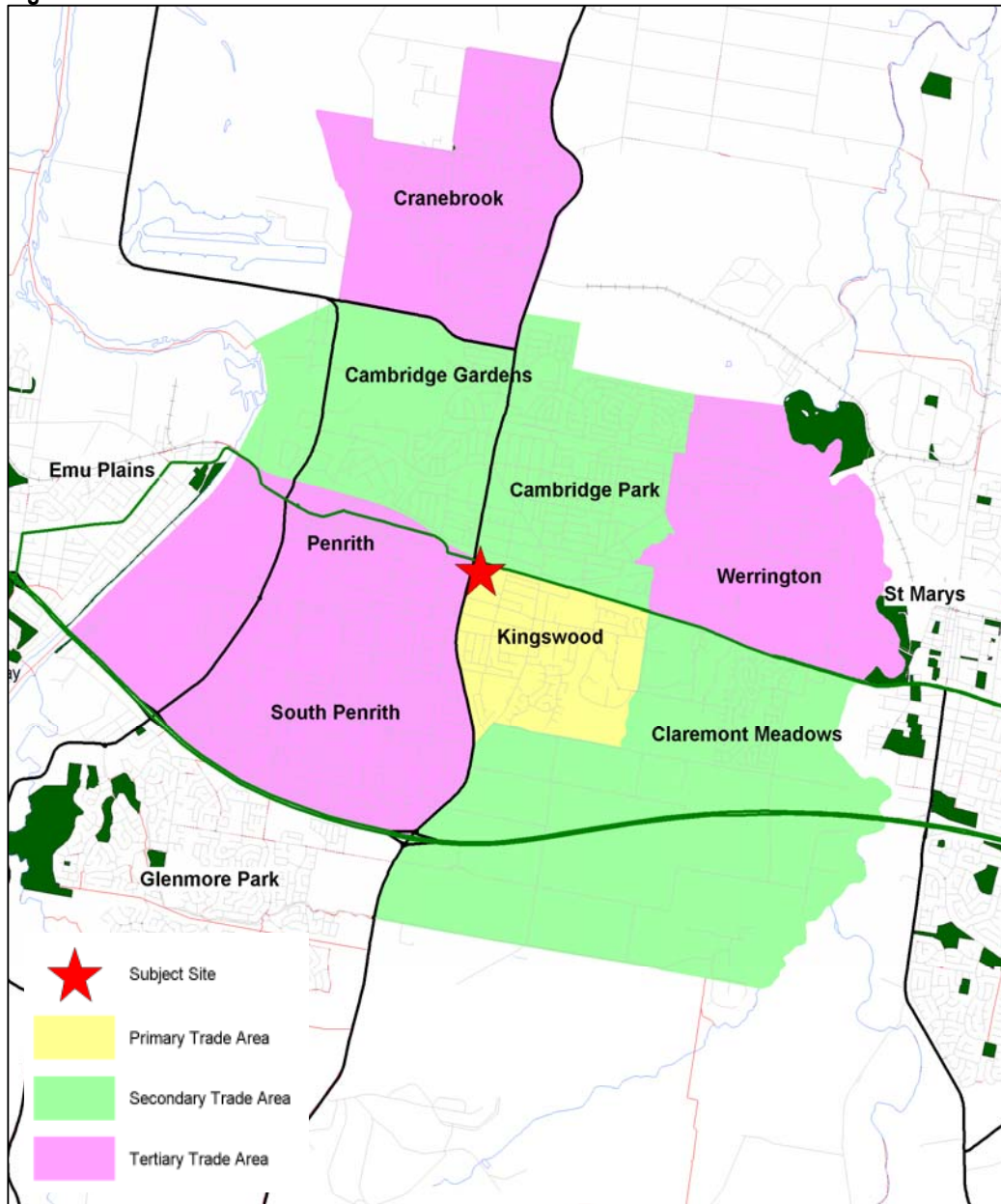
### **Tertiary Trade Area**

The Tertiary Trade Area will consist of:

- The balance of the suburb of Penrith, south of the railway line; and
- The whole suburbs of Jamisontown, South Penrith, Cranebrook, Werrington and Werrington County.

The Trade Areas are illustrated in the following map.



**Figure 4 - Identification of the Trade Areas**

Source: MapInfo (2006), Hill PDA (2010)

### **Population Growth in the Trade Areas**

The Transport Data Centre provides Travel Zone population forecasts for the Sydney Greater Metropolitan Area. The TDC October 2009 Release population forecast (published in April 2010) uses data that is largely sourced from the ABS, Department of Planning and various Local Government sources.

The population growth forecasts of each Trade Area are provided in the following table.



**Table 7 - Population Growth by Trade Area (2006-2026)**

Trade Area	2006	2011	2016	2021	2026	Growth 2006-2026
<b>Primary Trade Area:</b>						
Total Population	6,798	6,973	7,320	7,618	7,889	-
Population Growth	-	175	347	297	271	1,091
Compound Growth Rate Per Annum	-	0.51%	0.97%	0.80%	0.70%	0.75%
<b>Secondary Trade Area:</b>						
Total Population	22,421	23,511	27,017	28,964	30,661	-
Population Growth	-	1,090	3,507	1,947	1,697	8,240
Compound Growth Rate Per Annum	-	0.95%	2.82%	1.40%	1.15%	1.58%
<b>Tertiary Trade Area:</b>						
Total Population	42,494	43,684	45,428	47,334	48,877	-
Population Growth	-	1,190	1,744	1,906	1,543	6,383
Compound Growth Rate Per Annum	-	0.55%	0.79%	0.83%	0.64%	0.70%
<b>Total Trade Area:</b>						
Total Population	71,714	74,168	79,765	83,915	87,426	-
Population Growth	-	2,455	5,597	4,150	3,511	15,713
Compound Growth Rate Per Annum	-	0.68%	1.47%	1.02%	0.82%	1.00%

Source: Transport Data Centre, NSW Transport & Infrastructure, April 2010.

The table above indicates that the population of the Primary Trade Area is forecast to increase to 7,889 persons by 2026. This equates to an annual compound growth rate of 0.75% per annum from 2006 to 2026.

This can be compared to the Secondary Trade Area which is forecast to increase by 8,240 persons or 1.58% growth per annum, and the Tertiary Trade Area which is forecast to increase by 15,713 persons or 0.70% growth per annum.

### **Household Expenditure**

Household expenditure was sourced from:

- ABS Household Expenditure Survey 2003-04 which provides household expenditure by broad commodity type by household income quintile; and
- The Marketinfo 2009 database which is generated by combining and updating data from the Population Census and the ABS Household Expenditure Survey (HES) using "microsimulation modelling techniques".

Marketinfo combines the data from the Census, HES and other sources to derive total HES by commodity type. This data, which was validated using taxation and national accounts figures, quantifies around 14% more expenditure than the ABS HES Survey.

Retail spend per capita is also expected to increase at an average rate of around 1.30% per annum in accordance with historic growth since 1986. Based on these assumptions, expenditure generated by households in the trade areas is provided in the following tables.

The following table indicates households in the Primary Trade Area are forecast to generate around \$89.2m of retail expenditure in 2011. Of this, \$26.3m is related to supermarket expenditure, \$8.7m to specialty food stores and so on. Growth in total expenditure of around \$30.9m from 2011 to 2026 is forecast for the Primary Trade Area. Growth in supermarket and grocery expenditure is forecast to increase by around \$9.1m over the same period.

**Table 8 - Primary Trade Area Forecast Household Expenditure by Retail Store Type (2009\$m)**

Retail Store Type	2009	2011	2016	2021	2026
<b>Population</b>	<b>7,183</b>	<b>7,282</b>	<b>7,537</b>	<b>7,803</b>	<b>8,080</b>
Supermarkets & Grocery Stores	25.3	26.3	29.0	32.0	35.4
Specialty Food Stores	8.4	8.7	9.6	10.6	11.8
Fast-Food Stores	6.9	7.2	8.0	8.8	9.7
Restaurants, Hotels and Clubs*	6.5	6.8	7.5	8.3	9.1
Department Stores	7.1	7.4	8.1	9.0	9.9
Clothing Stores	4.1	4.3	4.8	5.3	5.8
Bulky Goods Stores	12.1	12.5	13.8	15.3	16.9
Other Personal & Household Goods Retailing	13.0	13.5	14.9	16.4	18.2
Selected Personal Services**	2.4	2.5	2.7	3.0	3.3
<b>Total Retailing</b>	<b>85.8</b>	<b>89.2</b>	<b>98.5</b>	<b>108.7</b>	<b>120.1</b>

\* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling)

\*\* Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

The Primary Trade Area will generate approximately \$94m of retail expenditure in 2013 (first year of operation). Around 35% to 40% of total household expenditure is captured by supermarket based shopping centres or village centres and neighbourhood centres. Around 25% to 30% is captured by major centres such as Penrith CBD and the remainder is captured by town centres and “out-of-town” outlets such as homemaker centres.

Therefore at least \$33m of Primary Trade Area expenditure in 2013 will be available to supermarket based centres. Note that currently there are no medium to large size supermarkets in the Primary Trade Area and hence we can expect that the retail component of the proposed development will capture around 30% of the available \$33m – i.e. around \$10m.

The Secondary Trade Area consists of the balance of Kingswood, the majority of Orchard Hills, the suburb of Penrith (north of the railway line) plus the suburbs of Claremont Meadows, Cambridge Park, Cambridge Gardens and Werrington Downs.

The table below indicates households in the Secondary Trade Area are forecast to generate around \$335.7m of retail expenditure in 2011, with growth in total expenditure of around \$179.8m forecast from 2011 to 2026.

**Table 9 - Secondary Trade Area Forecast Household Expenditure by Retail Store Type (2009\$m)**

Retail Store Type	2009	2011	2016	2021	2026
<b>Population</b>	<b>25,492</b>	<b>26,304</b>	<b>28,449</b>	<b>30,768</b>	<b>33,277</b>
Supermarkets & Grocery Stores	94.1	99.6	114.9	132.6	152.9
Specialty Food Stores	30.9	32.7	37.8	43.6	50.3
Fast-Food Stores	25.6	27.1	31.2	36.0	41.6
Restaurants, Hotels and Clubs*	22.7	24.0	27.7	32.0	36.9
Department Stores	26.5	28.0	32.3	37.3	43.0
Clothing Stores	15.7	16.7	19.2	22.2	25.6
Bulky Goods Stores	45.4	48.0	55.4	63.9	73.7
Other Personal & Household Goods Retailing	47.5	50.3	58.0	66.9	77.2
Selected Personal Services**	8.8	9.3	10.7	12.4	14.3
<b>Total Retailing</b>	<b>317.0</b>	<b>335.7</b>	<b>387.3</b>	<b>446.8</b>	<b>515.5</b>

\* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling)

\*\* Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

The Secondary Trade Area will generate approximately \$356m in 2013. It's estimated that at least 35% of this expenditure (\$125m) will be captured by supermarket based shopping centres, village centres and neighbourhood centres. It can be expected that the retail component of the proposed development will capture around 7% to 8% of this figure - around \$9m to \$10m.

The Tertiary Trade Area consists of the balance of the suburb of Penrith (south of the railway line) plus the suburbs of Jamisontown, South Penrith, Cranebrook, Werrington and Werrington County.

The Tertiary Trade Area will generate approximately \$620m in 2013. 35% or \$217m of this expenditure is available. It can be expected that the retail component of the proposed development will only capture around 1% to 2% of this figure - around \$3m to \$4m.

In total, the Trade Areas will contribute around \$21m to \$24m of retail turnover to the subject site in 2013.

### **New Residents within the Proposed Development**

It is acknowledged that new residents that locate on site as part of the proposed development will create additional household expenditure that will be spent in retail. In order to calculate the number of new residents to reside within Stage 1 of the proposal, Hill PDA has assumed the following resident population ratios:

- 36 studio apartments at 1 person per apartment;
- 36 one-bedroom apartments at 1.5 persons per apartment; and
- 12 two-bedroom apartments at 2.5 persons per apartment.

Based on the above assumptions, the residential component of Stage 1 of the proposal results in 120 new residents locating on site based on full occupancy.

According to Marketinfo 2009 data, existing Primary Trade Area residents have an average retail spend per capita of around \$8,500 per annum<sup>12</sup>. Escalating this at 1.30% per annum for real growth in expenditure per capita results in an average retail spend per capita of around \$9,000 in 2013 (expected first year of operation).

Applying this average annual spend, new residents in the proposed development will generate around \$1m to \$1.2m of retail expenditure that could be captured by retailers on the subject site. It is likely that the retail component of the proposed development would capture around 40% to 50% of this expenditure (i.e. \$400,000 to \$600,000) in 2013.

## **7.4 Other Sources of Expenditure**

### **University Student Expenditure**

There are around 7,000 to 8,000 full and part time students attending UWS Penrith to the east of the subject site. This includes around 220 students who live on campus. It is acknowledged that some student expenditure

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<sup>12</sup> Expenditure on Supermarkets & Grocery Stores, Specialty Food Stores, Fast-Food Stores, Restaurants, and Personal Goods & Services.

may be available to retail provision on the subject site. However, this is likely to be only a very minor proportion of the overall retail turnover achieved on the site and therefore has not been quantified.

### **Health Visitors and Patrons**

Visitors and patrons to the Nepean Hospital Health Precinct may contribute retail spend to retail provision either within or in close proximity to the Precinct. However, given that this is likely to be only a very small proportion of overall expenditure available to the Primary Trade Area, it has not been quantified at this time.

### **Tourists**

The area experiences little tourism. We have not quantified these numbers as it would only provide a small amount of turnover for the retail component of the proposed development.

## **7.5 Total Expenditure**

It is estimated that the retail component of the proposed development will turnover \$27.6m upon its first full year of trade in 2013 based on target turnover levels. However, there is around \$30.4m to \$34.6m of household expenditure available to the proposal as sourced from:

- Workers in Kingswood and within the proposed development - \$9m to \$10m;
- Trade Area residents - \$21m to \$24m;
- New residents within the proposed development - \$400,000 to \$600,000; and
- Further expenditure generated by hospital visitors, tourists and university students.

The above demonstrates that there is more than sufficient expenditure to support the retail component of the proposed development.

## 8. ECONOMIC IMPACT ASSESSMENT

This Chapter assesses the impact of any proposed retail on existing retail centres in the locality. The EPA & Act (1979) is not clear on what is meant by locality, however for the purpose of this assessment we have assumed it to be the Trade Area or the geographical influence of the proposal.

### 8.1 Redirection of Turnover

Assuming development proceeds, the net increase in retail turnover of \$27.6m will be captured from competing retail centres. In order to quantify the scope of this turnover capture from existing competing centres Hill PDA prepared a bespoke gravity model. The gravity model was designed on the premise that the level of redirected expenditure from a centre is directly proportional to the turnover of that centre and indirectly proportional to the square of the distance from the subject site.

Any retail provided for by the proposed development will form an extension to existing retail provision along the Great Western Highway and therefore will be part of the Kingswood retail centre and part of the Kingswood Specialised Centre. As a result, the redirection of turnover to an expanded Kingswood retail centre and the subsequent impacts on surrounding locations was examined. The impact is summarised in the following table.

**Table 10 - Redirection of Turnover from Existing Centres (\$m2009)**

Retail Centre	Distance from Subject Site (km)	Approx. Retail Floor Space*	Turnover in 2009	Turnover in 2013 without Proposal	Turnover in 2013 with Proposal	Immediate Shift in Turnover	% Shift in Turnover in 2013	Shift in turnover from 2009 to 2013	% Shift in turnover from 2009 to 2013
Proposed Centre					27.6	27.6			
Kingswood Gt Westn Hwy		5,450	24.5	26.9	25.4	-1.5	-5.5%	0.9	3.5%
<b>Total Kingswood Centre</b>		<b>5,450</b>	<b>24.5</b>	<b>26.9</b>	<b>53.0</b>	<b>26.1</b>	<b>97.2%</b>	<b>28.5</b>	<b>116.0%</b>
Penrith CBD (excl. Centro)	2.0	121,500	750.0	821.4	807.4	-14.1	-1.7%	57.4	7.6%
Centro Nepean	2.6	20,100	170.8	187.0	184.6	-2.4	-1.3%	13.8	8.1%
Penrith South (Smith St)	2.9	1,400	7.4	8.1	7.9	-0.1	-1.6%	0.6	7.7%
Bringelly Road Kingswood	1.5	1,250	5.9	6.5	6.4	-0.1	-1.1%	0.5	8.3%
Centro Lennox Emu Plains	6.0	9,050	77.5	84.9	84.5	-0.4	-0.5%	7.0	9.0%
Claremont Meadows Shopping Centre	3.9	1,500	12.2	13.3	13.1	-0.2	-1.4%	1.0	7.9%
Cranebrook Shopping Centre	6.0	2,450	15.5	17.0	16.9	-0.1	-0.5%	1.4	8.9%
Glenmore Park Town Centre	7.8	6,250	65.0	72.6	72.3	-0.3	-0.3%	7.3	11.3%
Manning St Kingswood	2.0	750	4.1	4.5	4.5	0.0	-0.7%	0.4	8.7%
Kingswood Park Shopping Centre	2.0	2,150	16.1	17.6	17.1	-0.6	-3.2%	1.0	6.0%
Oxford St Cambridge Park	2.0	2,200	10.8	11.8	11.6	-0.2	-1.9%	0.8	7.4%
Southlands Shopping Centre	2.9	6,300	50.0	54.8	53.7	-1.1	-1.9%	3.7	7.4%
Stafford St (South Penrith)	2.0	1,000	5.4	5.9	5.7	-0.2	-2.6%	0.4	6.7%
Cambridge Gardens Shopping Centre	2.1	3,600	31.3	34.3	33.0	-1.4	-4.0%	1.6	5.1%
Werrington - Victoria St & Station	4.5	2,750	16.0	17.6	17.4	-0.2	-0.9%	1.4	8.5%
Werrington Shopping Village	4.1	6,200	36.2	39.6	39.4	-0.3	-0.6%	3.2	8.8%
St Marys	5.8	43,000	210.0	230.0	228.7	-1.3	-0.6%	18.7	8.9%
Other Localities						-3.5			
<b>TOTAL</b>		<b>236,900</b>	<b>1,508.7</b>	<b>1,653.7</b>	<b>1,657.1</b>	<b>-0.1</b>	<b>0.2%</b>	<b>148.4</b>	<b>9.8%</b>

\* Excludes bulky goods retailers (furniture, floor coverings, hardware and electrical appliances). \*\*Source: Various incl. Shopping Centre News and Hill PDA estimates. \*\* Includes population growth at 1% per annum forecast for Penrith City as well as 1.3% growth in real spend per capita in accordance with historic trend since 1986 (Hill PDA estimate sourced from ABS Retail Sales data, population and CPI indexes).

The gravity model was designed on the premise that the level of redirected expenditure from a centre is directly proportional to the turnover of that centre and indirectly proportional to the distance squared from the subject site.

Assuming retail on site is provided by 2013, the increase in retail turnover of \$27.6m from the provision of an ALDI supermarket and associated specialties will be captured from existing retailers both within and outside the trade areas. For example \$14.1m will be drawn from Penrith CBD, \$2.4m from Centro Nepean, \$1.5m from existing retailers in Kingswood along the Highway and so on.

As shown no one centre will experience an immediate loss of more than 10%. An immediate loss of less than 10% is considered to be below moderate and considered reasonable within the boundaries of competitiveness. At these levels it is highly unlikely that any retail centre would suffer social detriment and significant closures.

The negative impacts described above are immediate and do not consider growth in expenditure over time as a result of demographic trends, household growth and increasing affluence. Therefore, the immediate negative impacts are lessened by real growth in turnover from 2009 to 2013. All centres are expected to enjoy increased turnover if there are no further additions to supply other than the subject site.

Taking into consideration the estimated turnover captured by the proposed development, by 2013 most centres will experience an increase in trade. For example Penrith CBD will benefit from a 7.6% increase in turnover, Bringelly Road 8.3% increase in turnover and so on.

## 8.2 Impact on Kingswood

The impact modelling results suggests that the existing retailers in Kingswood on the Great Western Highway will be negatively impacted by the proposed development with an immediate loss in turnover of 5.5%. This is probably a near worst case scenario because the impact modelling does not allow for retailers on the Highway to develop a potential nexus relationship with the proposed centre. With a new anchor on the subject site (ALDI) and the railway station 600m to the east it's expected additional pedestrian traffic will benefit existing retailers.

There are no supermarkets or suitable anchor retailers in the Primary Trade Area or suburb of Kingswood. The ALDI store is expected to bring more shoppers into the immediate locality which is likely to have some benefit for existing businesses. Demand for a supermarket is supported by resident expenditure generated from the Primary Trade Area alone. The fact that ALDI would locate a new food store only 650m to the east of an existing ALDI store in Penrith is testimony to this undersupply.

In terms of assessing economic impacts, previous court judgements such as *Fabcot Pty Ltd v Hawkesbury City Council (97) LGERA* and *Cartier Holdings Pty Ltd v Newcastle City Council and Anor [2001] NSWLEC 170* have provided some guidance on relevant issues. The Land & Environment Court has stated that Councils should not be concerned about competition between individual stores as this is a matter of fair trading. It should however concern itself with impact on established retail centres. In applying this principle to the subject site the conclusion is that the overall impact will be net positive.

It's recognised that workers within the Hospital and associated facilities will benefit from retail provision within the proposed development. Whilst the subject site is still in a preliminary concept design stage, should additional employment land (e.g. commercial) and additional residential (as part of Stage 2) be provided on site additional worker and residential expenditure will be available to retail provision within the Primary Trade Area.

### 8.3 Impact on the Retail Hierarchy

The Penrith City Centres Hierarchy Interim Policy (2007) not only describes the various centres within Penrith LGA, but nominates their role and quantum of retail and commercial floorspace. The Hierarchy nominates the retail centre of Kingswood together with the Nepean Hospital Precinct as a single Specialised Centre. That is, any retail within the Hospital Precinct is part of the overall Kingswood centre.

The Policy notes that the Kingswood Specialised Centre provides “specialised uses that perform vital economic and employment roles across the metropolitan area.” As the result, any retail provided for by the proposed development will form an extension to existing retail provision at Kingswood and therefore be part of the Kingswood Specialised Centre as identified under the Interim Policy.

By comparison, as outlined in Section 3.2 of this report, under the Draft North West Subregional Strategy (2006-2031) Kingswood is considered a Small Village. Within the Draft Strategy a Small Village is described as:

“A small strip of shops and an adjacent residential area within a 5 to 10 minute walk. Contain 150 to 900 dwellings.”

Notwithstanding, the exclusion of the Nepean Hospital Precinct in this instance, the proposed development should still be viewed as an extension to the existing Kingswood Small Village Centre. The inclusion of an ALDI food store and additional specialty retailers will raise the profile of Kingswood to a Village Centre with a stronger influence in the immediate area. It will provide a food and grocery destination shopping centre for the residents of Kingswood south of the Highway where currently none exists.

Furthermore, as shown in Section 8.1 no one centre is expected to be severely impacted by the proposed development and all centres are expected to enjoy increased turnover levels over the next three years. Hence there will be no adverse impacts on the retail hierarchy.

### 8.4 Impact of Proposed Commercial

The amended Concept Plan for Stage 1 indicates the proposed development will accommodate 19,738sqm of commercial floorspace. It is expected that the majority of occupiers will be medical businesses, such as pharmaceutical firms, pharmacy/chemist, orthodontics, ophthalmic, cosmetic, plastics, equipment, radiology, and specialist rooms. Furthermore, the Private Hospital has expressed an interest in up to 5,000sqm of commercial space. These uses will clearly be synergistic with the existing uses in the immediate locality. They will develop a strong nexus relationship with the Hospital.

The impacts from the commercial space will clearly be net positive. It will deliver additional employment and expand the role of Kingswood as the primary medical centre for Outer Western Sydney. The additional employment will further generate additional spend in the locality which will support the existing and proposed retail space. The subject site should be promoted and supported for higher density employment uses not just because of the Hospital but because of its strong integration with public transport being only 600m from Kingswood Station.

## 8.5 Economic Benefits of the Proposal

### **Multiplier Effects from Construction**

The construction industry is a significant component of the economy. The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction. Multipliers refer to the level of additional economic activity generated by a source industry.

There are two types of multipliers:

*Production induced* made up of:

- First round effect: which is all outputs and employment required to produce the inputs for construction; and
- An industrial support effect: which is the induced extra output and employment from all industries to support the production of the first round effect.

*Consumption induced*: which relates to the demand for additional goods and services due to increased spending by the wage and salary earners across all industries arising from employment.

The source of the multipliers adopted in this report is ABS and Australian National Accounts: Input-Output Tables 1996-97 (ABS Catalogue 5209.0). These tables identify first round effects, industrial support effects and consumption induced multiplier effects at rates of \$0.466, \$0.438 and \$0.962 respectively to every dollar of construction.

Therefore at an estimated cost in construction of \$82m will generate a further \$74m of activity in production induced effects and \$79m in consumption induced effects. Total economic activity generated by the construction of the proposed development is therefore approximately \$235m.

Note that the multiplier effects are national, and not necessarily local. The ABS notes that “*Care is needed in interpreting multiplier effects; their theoretical basis produces estimates which somewhat overstate the actual impacts in terms of output and employment. Nevertheless, the estimates illustrate the high flow-on effects of construction activity to the rest of the economy. Clearly, through its multipliers, construction activity has a high impact on the economy.*”



### **Employment Generation**

The proposed development will generate employment in two ways – through construction and through retail and commercial operations. It is estimated that one full time construction position for 12 months is created for every \$178,900 of construction work undertaken.

Hill PDA has been advised the estimated total construction cost of the proposed development (Stage 1 and 2) is around \$109m (inclusive of GST) and will take around 3 years to construct once approved. The estimated construction cost of Stage 1 is \$82m (inclusive of GST) and will take 2 years to construct. As a result, Stage 1 will create 419 job years directly in construction related activities. 1,723 total job years generated in the economy.

The operation of the supermarket (1,535sqm), specialty stores (2,004sqm) and commercial office (19,738sqm) within the development post completion will also generate employment.

Applying the rate of one full and part time job per 21.3sqm (GFA) of supermarket and grocery floorspace and one job per 30sqm (GFA) for specialty stores<sup>13</sup> the retail component of the development will generate around 130 to 135 full time and part time jobs.

Assuming one job is generated per 30sqm (GFA) of commercial floorspace, the commercial component of the development will generate around 650 to 660 commercial office jobs.

Furthermore, there are around 0.44 jobs to 1 room in a serviced apartment building<sup>14</sup>. Given that Stage 1 of the development includes 84 serviced apartments (possibly Aged Care), it can be assumed that around 40 jobs will be generated.

As a result, Stage 1 of the proposed development will generate up to 800 full time and part time jobs post construction.

### **Shopper Convenience**

The proposal will offer an alternative shopping destination and a choice of products at competitive prices. The proposal will provide a level of service commensurate with the needs of the local population and is an appropriate response to the needs of the growing demand for retail space in the defined trade area.

### **Sustainability**

The proposed development is well sited to provide sustainable alternatives for shoppers, employees and Hospital visitors to private car use. The site is also located within an area proposed for higher density uses including residential and commercial and therefore provides important local retail amenities for existing and future occupiers without the need to travel.

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<sup>13</sup> Source: ABS Retail Industry 1998-99 Cat. 8622.0

<sup>14</sup> Source: ABS Cat: 8635155001DO001\_200906 Tourist Accommodation, Small Area Data, NSW, Jun 2009. Note average of 0.44 employees to 1 room in a 4 star facility in Sydney.

### **Improved Retail Offer and Increased Competition**

The retail element of the new development will provide an improved range of goods and services for local residents. Not only would the range of shops and services improve, but increased competition between retailers is widely acknowledged beneficial for consumers.

### **Investment Stimulus**

Where a major property investment decision has been made it is generally viewed as a strong positive commitment for the local area. Such a major investment will in turn stimulate and attract further investment to the immediate area.

In economic terms the value of this stimulus is often difficult to directly quantify and the effects are often not realised for many years after facilities and infrastructure have been built and are operational. Nevertheless investment, like that of the proposed scale, will help raise the profile of the local area, as a place to live, shop, work and invest. This can only be viewed as positive.

## **8.6 Conclusion**

The site is adjacent to the Nepean Private Hospital and is located within the Nepean Hospital Health Precinct. Located 300m east from the subject site along Great Western Highway is Kingswood's prime retail strip. Any retail provided for by the proposed development will form an extension to existing retail provision at Kingswood and therefore will be part of the Kingswood retail centre and part of the Kingswood Specialised Centre. As a result, the redirection of turnover to an expanded Kingswood retail centre and the subsequent impacts on surrounding locations was examined.

The assessment of impact as part of this report indicates:

- No one surrounding centre will experience an immediate loss of more than 10% due to the development of retail space within the proposed development.
- An immediate loss of less than 10% is considered to be below moderate and is considered reasonable within the boundaries of competitiveness.
- Any immediate negative impacts are lessened by real growth in turnover from 2009 to 2013. All centres are expected to enjoy increased turnover if there are no further additions to supply other than the subject site.
- The overall impact on existing retailers along the Greater Western Highway will be positive with the addition of a new anchor tenant, additional pedestrian traffic from the railway station, and increased shoppers to the centre due to new and improved retailers.
- Demand for a supermarket is supported by resident expenditure generated from the Primary Trade Area alone. The fact that ALDI would locate a new food store only 650m to the east of an existing ALDI store in Penrith is testimony to this undersupply.
- It's recognised that workers within the Hospital and associated facilities will benefit from retail provision within the proposed development. Whilst the subject site is still in a preliminary concept

design stage, should additional employment land (e.g. commercial) and additional residential (as part of Stage 2) be provided on site additional worker and residential expenditure will be available to retail provision within the Primary Trade Area.

- The impacts from the commercial space will clearly be net positive. It will deliver additional employment and expand the role of Kingswood as the primary medical centre for Outer Western Sydney. The additional employment will further generate additional spend in the locality which will support the existing and proposed retail space. The subject site should be promoted and supported for higher density employment uses not just because of the Hospital but because of its strong integration with public transport being only 600m from Kingswood Station.

Other benefits and advantages to retail development in this location include:

- The proposed development will provide a food and grocery destination shopping centre for the residents of Kingswood south of the Highway where currently none exists;
- The closest ALDI supermarket is located on High Street in Penrith (under 1km from the subject site), however, it is not easily accessible by Kingswood residents;
- Expenditure modelling demonstrates that there is more than sufficient expenditure to support the retail component of the proposed development;
- There will be no adverse impacts on the retail hierarchy – the proposed development is an extension to the existing Kingswood Small Village Centre as nominated under the Draft North West Subregional Strategy (2006-2031) and is within the Kingswood Specialised Centre as identified in the Penrith City Centres Hierarchy Interim Policy (2007) ; and
- The proposed development will result in a number of economic benefits including employment generation, shopper convenience, sustainability, increased retail offer, competition and investment.

As a result of the above there are no reasonable grounds for refusal of the retail and commercial component of the proposal based on economic impacts.

## DISCLAIMER

This report is for the confidential use only of the party to whom it is addressed (the client) for the specific purposes to which it refers. We disclaim any responsibility to any third party acting upon or using the whole or part of its contents or reference thereto that may be published in any document, statement or circular or in any communication with third parties without prior written approval of the form and content in which it will appear.

This report and its attached appendices are based on estimates, assumptions and information sourced and referenced by Hill PDA and its sub consultants. We present these estimates and assumptions as a basis for the reader's interpretation and analysis. With respect to forecasts we do not present them as results that will actually be achieved. We rely upon the interpretation of the reader to judge for themselves the likelihood of whether these projections can be achieved or not.

As is customary, in a report of this nature, while all possible care has been taken by the authors to prepare the attached financial models from the best information available at the time of writing, no responsibility can be undertaken for errors or inaccuracies that may have occurred both with the programming or the financial projections and their assumptions.

## Appendix 1 - KEY RESIDENT DEMOGRAPHICS 2006

Characteristic	Kingswood	Penrith LGA	Sydney SD
<b>Population and Dwellings</b>			
Total Population	8,182	172,140	4,119,190
Total Dwellings	3,646	62,165	1,693,675
Occupied Private Dwellings	3,341	58,918	1,521,465
Occupied Private Dwellings (%)	91.6%	94.8%	89.8%
Average Household Size	2.4	2.9	2.7
<b>Age Distribution</b>			
0-14	19%	23%	20%
15-29	26%	23%	21%
30-44	21%	22%	23%
45-59	18%	20%	19%
60-74	10%	8%	11%
75+	5%	4%	6%
Median Age	32	32	35
<b>Home Ownership</b>			
Owned or Being Purchased	51%	71%	65%
Rented	46%	27%	31%
Other/Not Stated	3%	3%	4%
<b>Household Structure</b>			
Family Households	65%	79%	73%
Lone Person Households	30%	19%	23%
Group Households	5%	2%	4%
<b>Family Type</b>			
Couple with children	40%	52%	49%
Couple no children	31%	28%	33%
One parent family	25%	18%	16%
Other family	3%	1%	2%
<b>Dwelling Type</b>			
Separate house	56%	85%	64%
Townhouse	26%	8%	12%
Flat-Unit-Apartment	18%	6%	24%
Other dwelling	1%	1%	1%

Source: 2006 ABS Census Data

Characteristic	Kingswood	Penrith LGA	Sydney SD
<b>Labour Force</b>			
Managers	7%	10%	12%
Professionals	14%	12%	23%
Community & Personal Services Workers	9%	8%	8%
Clerical and Administrative Workers	16%	18%	16%
Sales Workers	10%	10%	9%
Technicians & Trade Workers	14%	15%	12%
Machinery Operators & Drivers	10%	10%	6%
Labourers & Related Workers	11%	10%	8%
Inadequately described or N.S.	2%	2%	2%
Unemployed	7%	5%	5%
<b>Weekly Household Income</b>			
\$0-\$299	18%	11%	13%
\$300-\$599	23%	18%	18%
\$600-\$999	25%	25%	21%
\$1,000-\$1,499	18%	25%	21%
\$1,500-\$1,999	6%	10%	16%
\$2,000+	7%	8%	9%
Partial income stated	3%	3%	3%
<i>Median Weekly Household Income</i>	<i>\$885</i>	<i>\$1,147</i>	<i>\$ 1,154</i>

Source: 2006 ABS Census Data

