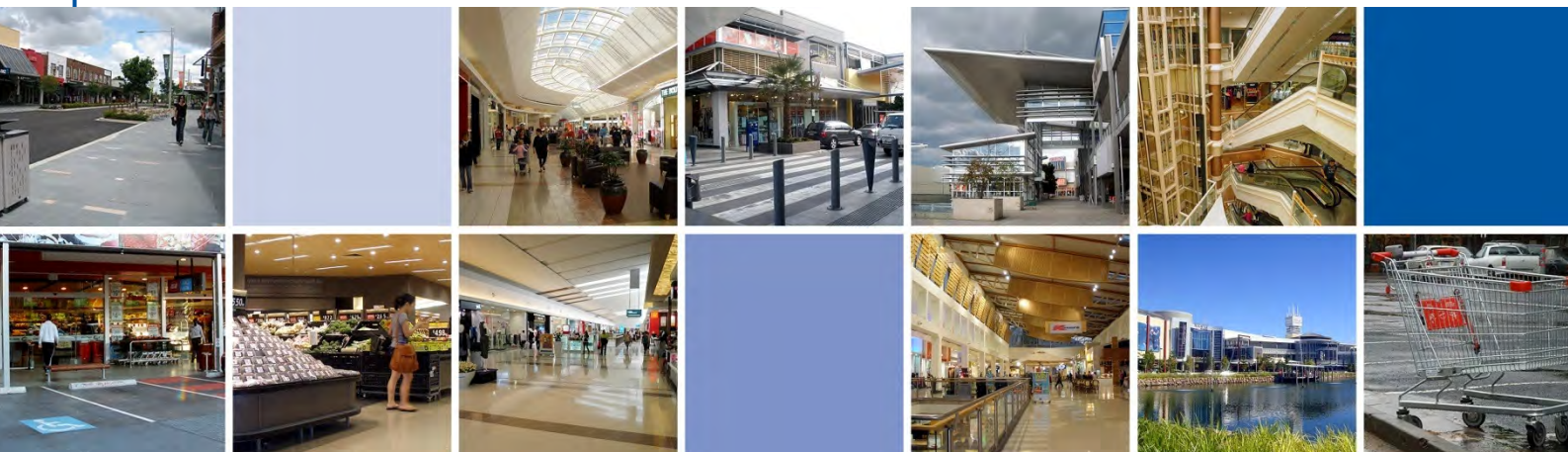


Cronulla Sharks Redevelopment

Economic Impact Assessment

August 2011



Pitney Bowes Business Insight

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Introduction

This report presents an independent impact assessment of the retail component of the Cronulla Sharks redevelopment. It provides responses to the Director-General's Requirements for the Environmental Assessment (EA) of the Cronulla Sharks redevelopment which relate to economic matters, in particular:

- *The EA shall address the economic impact of the proposal and include a detailed investigation into the impact of the proposed retail floor space upon surrounding centres. It should also examine whether there is sufficient strategic justification for the proposal and address how the proposal would support the objectives/aims of relevant State and regional strategies for the locality.*
- *The impact of a new centre upon facilities and services in existing centres should also be considered.*

This report has been prepared in accordance with instructions received from Bluestone Capital Ventures No. 1 and includes the following sections:

- **Section 1** provides an overview of the regional and local context of the Cronulla Sutherland Leagues Club and outlines the proposed redevelopment scheme for the site.
- **Section 2** reviews the trade area that is likely to be served by the proposed redevelopment, including population and spending projections.
- **Section 3** outlines the competitive retail environment within which the proposed retail centre will operate.
- **Section 4** examines the need for additional retail facilities in the Sutherland Shire. It then presents an assessment of the sales potential for the proposed new retail elements included within the Cronulla Sharks redevelopment, and also the expected economic impacts arising from its development, including the impact upon the surrounding centres.

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Executive summary

- i. The Cronulla Sutherland Leagues Club is located within the Sutherland Shire of Sydney, approximately 26 km south-west of the Sydney Central Business District.
- ii. The proposed mixed use redevelopment of the Cronulla Sutherland Leagues Club site comprising a new neighbourhood retail centre, residential development and upgrades to the sports facilities, including the Toyota Stadium, will create a long term sustainable and viable solution for the Club as well as create a new centre and destination location that meets the needs of the surrounding community. The Concept Plan prepared for the site is seeking to develop the site in three stages, being:
 - Stage 1 – New Neighbourhood Retail Centre, Medical and Leisure facilities on the eastern car park site and redevelopment of the Leagues Club facilities ;
 - Stage 2 - Residential Masterplanned Estate on the western car park and field area; and
 - Stage 3 - Extension and improvement of the Sharks playing field facilities including grandstand extensions.
- iii. The main trade area likely to be served by the proposed new retail centre at the Cronulla Sutherland Leagues Club is defined to include a primary and two secondary sectors and is estimated to contain some 32,120 residents. The main trade area population is forecast to increase at a rate of 0.5%-0.8% per annum, to 34,420 persons over the period to 2021.
- iv. Additionally, the main trade area resident retail expenditure is currently estimated at approximately \$479 million and is projected to increase at a rate of 1.5% per annum to \$556 million by 2021 (assuming constant 2011 dollars and including GST).

- v. Competitive retail facilities within the Sutherland Shire include a regional shopping centre (Westfield Miranda), a sub-regional shopping centre (Southgate Sylvania) and a range of supermarket-based centres throughout the Shire. Also of relevance to the proposed new retail centre at the Leagues Club is the retail precinct at Caringbah, which is anchored by three supermarkets (Woolworths, Coles and Franklins) and, to a lesser extent, the existing retail strip at Cronulla.
- vi. Upon completion of the proposed redevelopment, the centre is projected to achieve sales of \$93.4 million (in 2014), reflecting a 16.6% market share of the available main trade area retail expenditure.
- vii. There is an underprovision of retail facilities within the defined main trade area and therefore, residents currently have to travel beyond the trade area for their weekly grocery shopping needs. The proposed redevelopment would provide a convenient retail offer which would diminish the need for residents to travel substantial distances to frequent comparable retail facilities.
- viii. In addition, the project is estimated to create some 235 jobs during the construction phase and 538 additional retail jobs once the new centre is operational. Additional employment opportunities are likely to be created throughout the wider community as a result of multiplier effects. In total, in excess of 1,600 new jobs are projected to be created as a result of the proposed Cronulla Sharks redevelopment.
- ix. Against such positive economic benefits that can be anticipated from the project's delivery, it is possible that there may be some trading impacts on other retailers within and beyond the main trade area. Our analysis shows, however, that the likely trading impacts on other retailers throughout the Sutherland Shire would not detrimentally affect the future operation of any of these centres, or limit their expansion potential.
- x. Overall, the proposed Cronulla Sharks redevelopment will result in a modern and convenient shopping facility, in addition to the other elements. The centre will offer local residents an alternative weekly grocery shopping destination to other existing retail facilities within the Sutherland Shire, which can be congested during peak trading times.

Section 1: Background

This section of the report reviews the regional and local context of the Cronulla Sutherland Leagues Club and provides an overview of the proposed redevelopment.

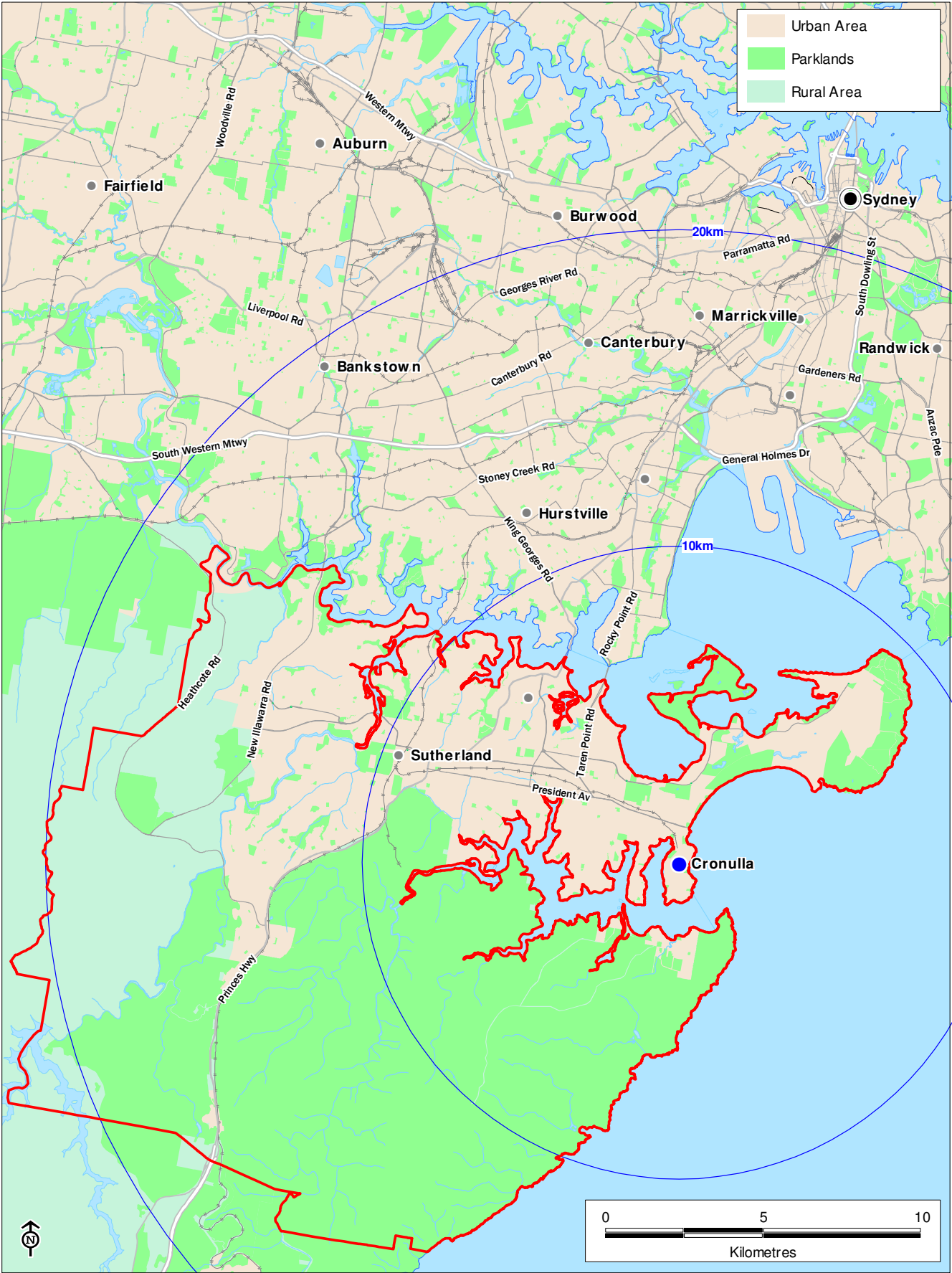
1.1 Regional context

The suburb of Cronulla is located within the Sutherland Shire of Sydney, approximately 26 km south of the Sydney Central Business District (CBD) (refer Map 1.1).

The Sutherland Shire is generally bounded by Georges River to the north and the Royal National Park to the south and is a popular residential area in metropolitan Sydney, accommodating a population of some 218,800 persons.

The Sutherland Shire is easily accessible via both private and public transport. The Princes Highway is the main north-south arterial route through the southern part of the Sydney metropolitan area, and leads to Wollongong in the south. In terms of public transport, the Southern Railway Line runs parallel to the Princes Highway, and is joined by the Cronulla line at Sutherland, which runs east-west through the Shire.

The Shire also includes the large Royal National Park and some of the best beaches within the Sydney metropolitan area, making it a popular daytrip destination for Sydney residents.



Map 1.1: Cronulla
Regional Context

 Sutherland Shire

1.2 Local context

The Cronulla Sutherland Leagues Club site is a high profile location, well known to local Sutherland Shire residents, situated at 461 Captain Cook Drive (refer Map 1.2).

The site is located on the northern side of Captain Cook Drive approximately 1.5 km from Caringbah (to the south west) and 2 km from Cronulla (to the south east). The site is bounded by the Solander playing fields to the west, Woollooware Bay to the north, and a service station and gymnasium to the east. The Woollooware Golf Club and the Captain Cook Oval are located to the south of the site across Captain Cook Drive.

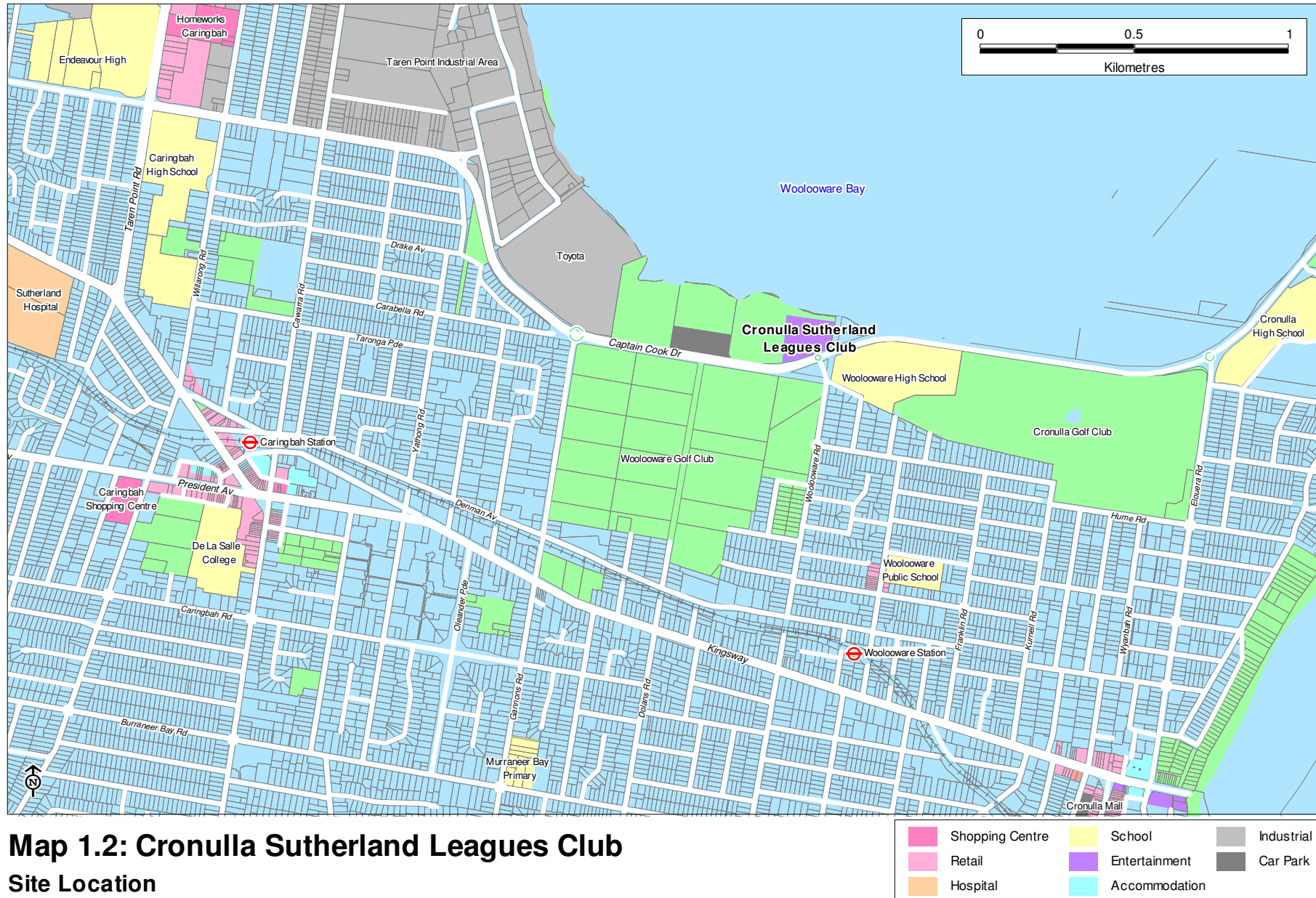
The overall site is irregular in shape with an area of approximately 10 hectares, of which approximately 6 hectares is occupied by Toyota Stadium, Leagues Club building and the eastern carpark and 4ha is occupied by the western training fields and car park.

Toyota Stadium (also known as Endeavour Field and Shark Park) and the Cronulla Sutherland Leagues Club building occupy the central portion of the site, and represent a major community and entertainment hub within the region. The western playing fields within the site are private open space used as training fields for the Cronulla Sharks and for local games by the Cronulla Caringbah Junior Rugby League Football Club, whilst the remainder of the site is occupied by car parking.

The Taren Point Employment Area is located approximately 200 metres to the northwest of the site and occupies land located generally between the waterfront, Taren Point Road and the Captain Cook Bridge. Woollooware Railway Station is located 1 km to the south west of the site, and Caringbah Town Centre is approximately 3 km by road to the south west.

Captain Cook Drive is a major road throughout the Shire connecting to The Boulevarde in the west, which provides access to the Princes Highway. Accessibility to the site for residents in the southern suburbs of the Shire, including Caringbah, Woollooware and Cronulla, is provided via a number of north-south roads which cross Kingsway, including Gannons Road, Woollooware Road and Elouera Road.

Section 1: Background



1.3 Proposed redevelopment

Figure 1.1 illustrates the current masterplan for the proposed Cronulla Sharks redevelopment, to be developed over three stages. The redeveloped Leagues Club, which is situated to the east of the Toyota Stadium, is proposed to include retail and entertainment facilities. In addition, approximately 700 residential dwellings are proposed to be developed to the west of the Toyota Stadium.

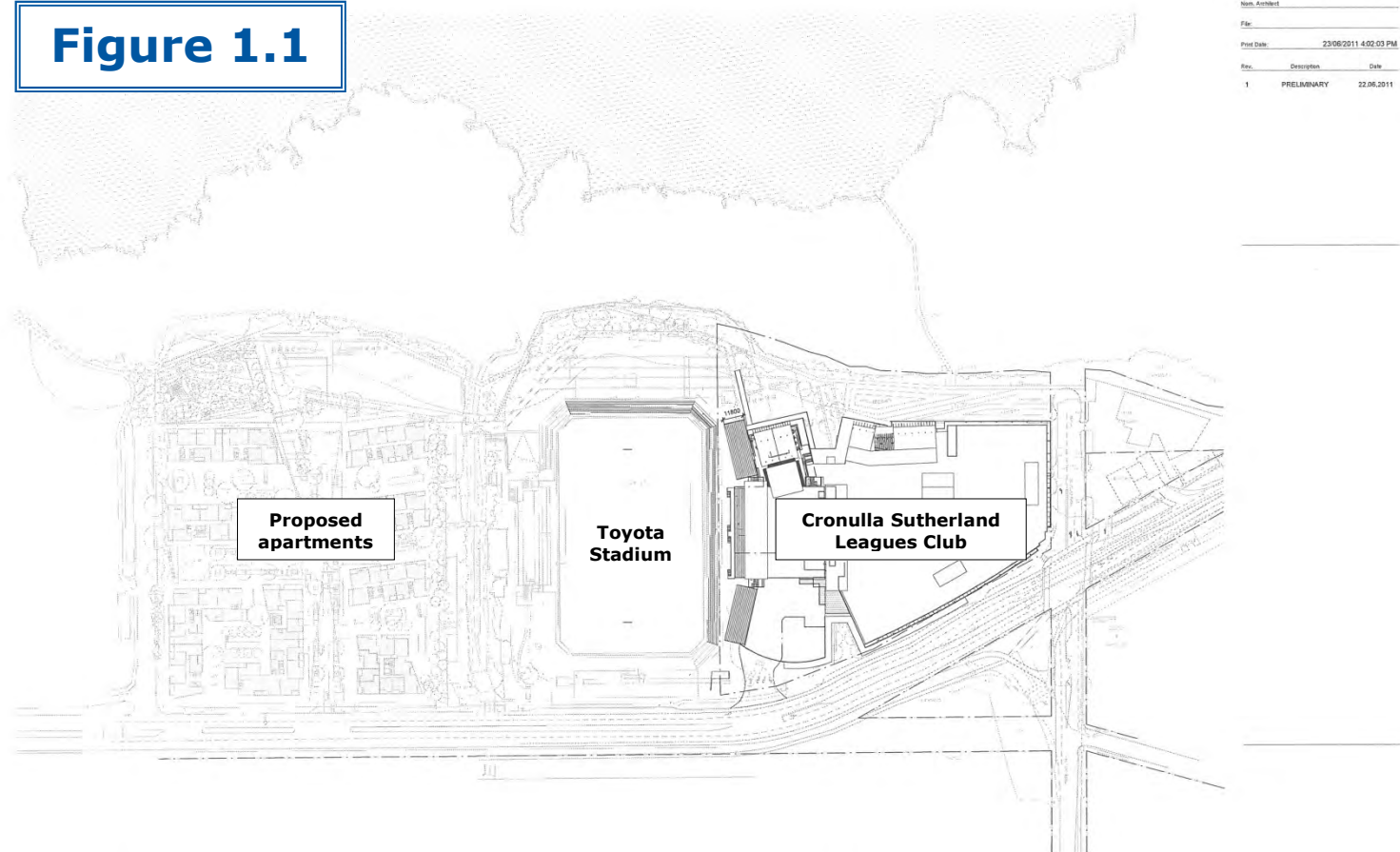
Figures 1.2 – 1.4 illustrate the proposed redevelopment scheme. The key points to note regarding the proposed redevelopment scheme include:

- The proposed retail facilities are to be integrated with the existing Leagues Club.
- Multi-level carparking facilities would be provided on Levels 1 and 2.
- A major entertainment facility and a medical centre are proposed to be provided on Level 1.
- Retail facilities are proposed to be provided on Levels 2 and 3. The majority of the retail floorspace would be provided on Level 3 and could include a major tenant (most likely a full-line supermarket), mini-major tenants (i.e. retail tenants of 400 sq.m or greater) and a range of complementary specialty floorspace.

Table 1.1 summarises the assumed composition of the proposed retail facilities.

Table 1.1		
Cronulla Sutherland Leagues Club - Proposed retail composition		
Category	(sq.m)	GLA
		(% of retail)
Supermarkets	6,000	43.2%
Mini-majors	5,200	37.4%
Total specialties	<u>2,700</u>	<u>19.4%</u>
Total centre	13,900	100.0%
Source: Pitney Bowes Business Insight		

Figure 1.1



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Non-Asbestos:		
File:		
Print Date:	23/06/2011 4:02:03 PM	
Rev.	Description	Date
1	PRELIMINARY	22.06.2011

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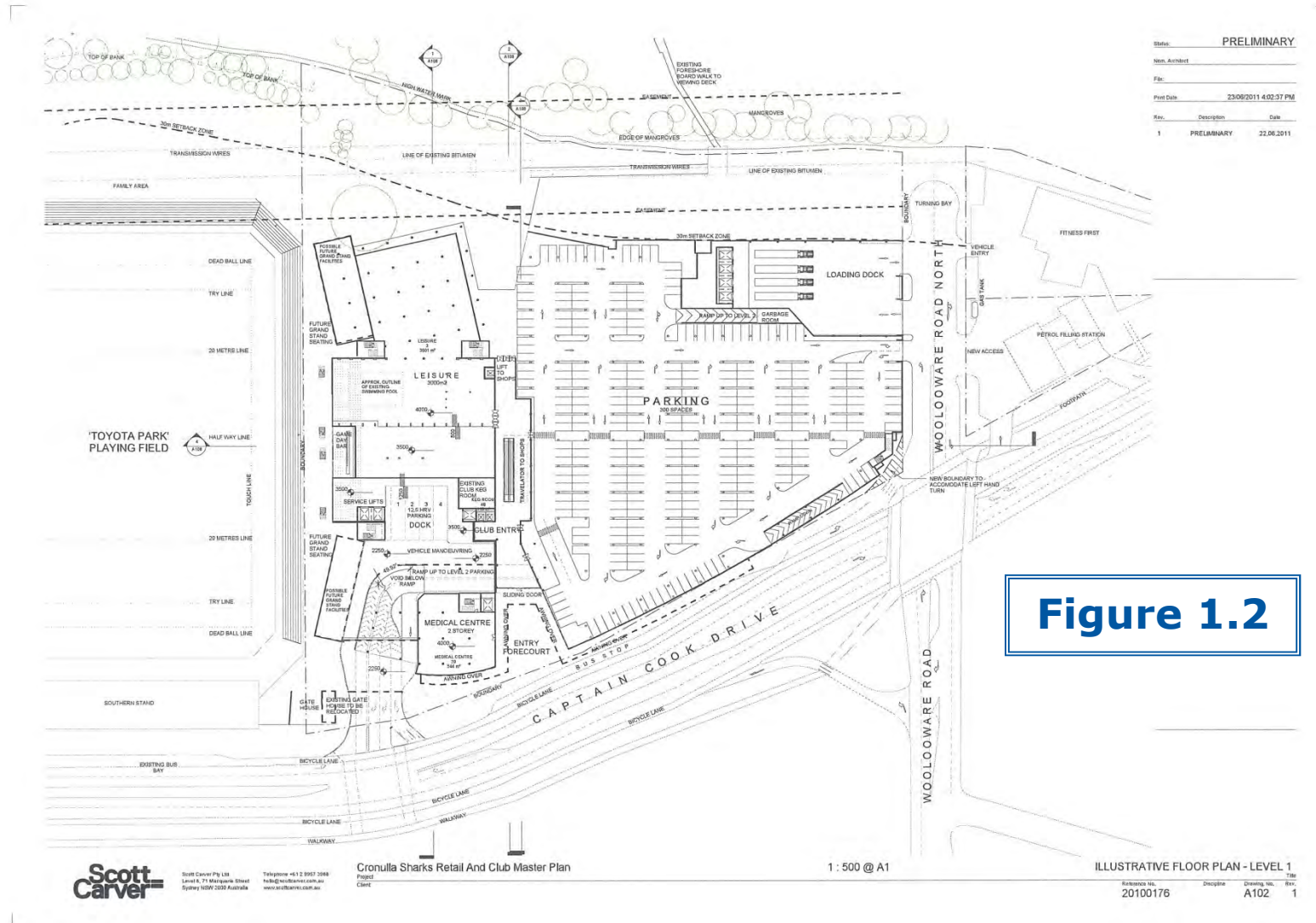
Cronulla Sharks Retail And Club Master Plan
Project
Client



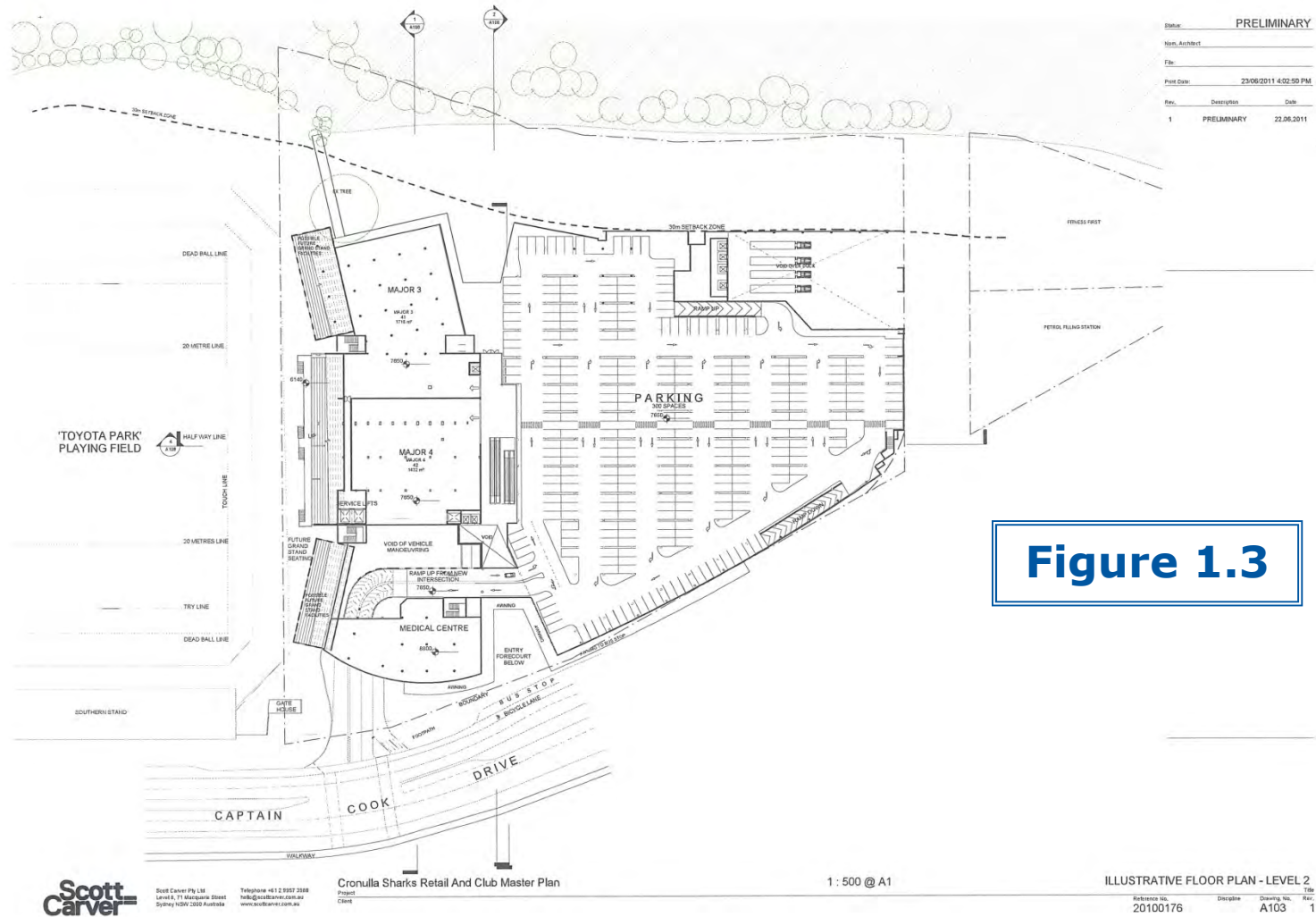
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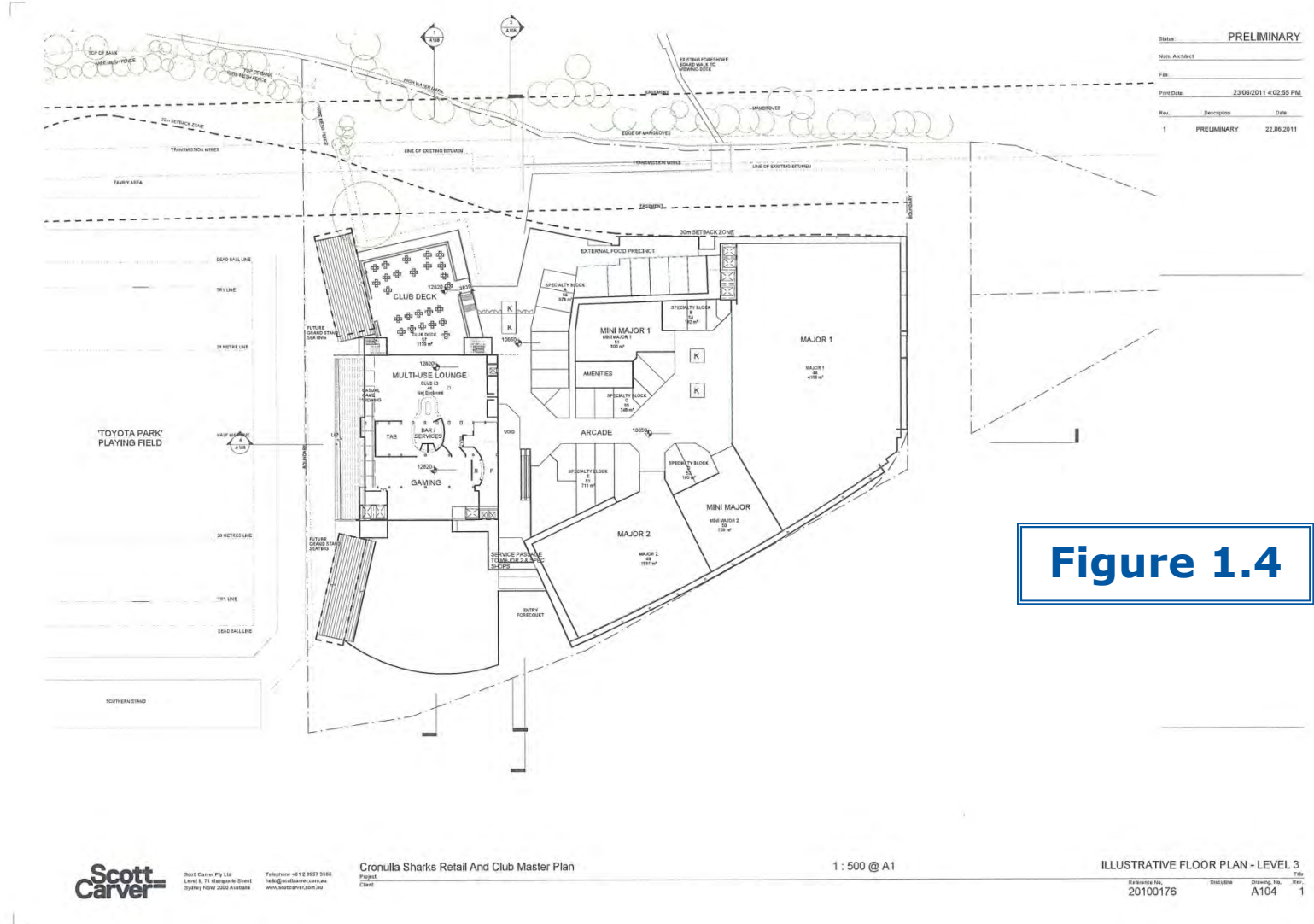
ILLUSTRATIVE SITE PLAN

Reference No.	Discipline	Drawing No.	Title
20100176		A101	Rev. 1



Section 1: Background





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Section 2: Trade area analysis

This section of the report considers the trade area which is likely to be served by the proposed retail facilities at the Cronulla Sutherland Leagues Club, including current and projected population and retail spending levels. A review of the socio-demographic profile of the trade area population is also provided.

2.1 Trade area definition

The extent of the trade area or catchment that is served by any shopping centre is shaped by the interplay of a number of critical factors. These factors include:

- The relative attraction of the centre, in comparison with alternative retail facilities. The factors that determine the strength and attraction of any particular centre are primarily its scale and composition (in particular the major trader or traders that anchor the centre); its layout and ambience; and carparking, including access and ease of use.
- The proximity and attractiveness of competitive retail centres. The locations, compositions, quality and scale of competitive retail facilities all serve to define the extent of the trade area which a shopping centre is effectively able to serve.
- The available road network and public transport infrastructure, which determine the ease (or difficulty) with which customers are able to access a shopping centre.
- Significant physical barriers which are difficult to negotiate, and can act as delineating boundaries to the trade area served by an individual shopping centre.

In the context of the proposed retail centre at the Cronulla Sutherland Leagues Club, the most important of these factors are considered to be the following:

- The centre's location at the Cronulla Sutherland Leagues Club.
- The locations and compositions of existing retail facilities in the surrounding region, particularly at Cronulla to the south, Caringbah to the south-west and Miranda to the west.

On this basis, the trade area likely to be served by the proposed retail centre at the Cronulla Sutherland Leagues Club has been defined to include a primary sector and two secondary sectors, illustrated on Map 2.1 and described as follows:

- The **primary sector** extends approximately 1 km to the south and west and includes the suburb of Kurnell, as well as parts of Cronulla and Woollooware.
- The **secondary south sector** is bounded to the west by Gannons Road and incorporates the suburbs of Cronulla, Woollooware and Burraneer.
- The **secondary west sector** is determined to the south by the alignment of the railway line and to the west by Taren Point Road. This sector contains parts of the suburb of Caringbah.

The combination of the primary and secondary sectors is referred to as the main trade area throughout the remainder of this report.