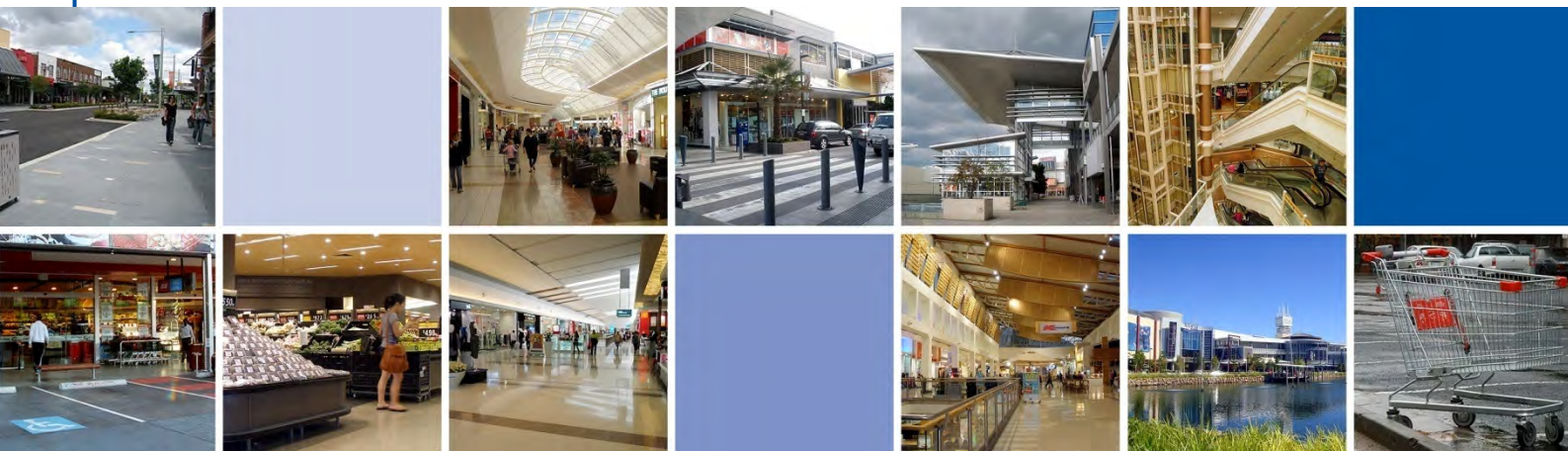


Cronulla Sutherland Leagues Club

Assessment of retail development potential

July 2011



Pitney Bowes Business Insight

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Introduction

This report presents an independent assessment of the market potential for the retail component of the redeveloped Cronulla Sutherland Leagues Club in Sydney.

It 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 development scheme for retail facilities at the club.
- **Section 2** reviews the trade area that is likely to be served by the proposed retail development, including population and spending projections.
- **Section 3** outlines the competitive retail environment within which the proposed retail centre will operate.
- **Section 4** presents an assessment of the market potential for the proposed retail development, including estimated sales potential and estimated market shares that the proposed centre could be expected to achieve.
- **Section 5** provides a high-level demand and supply analysis of the potential for family entertainment-oriented facilities at the redeveloped Leagues Club.

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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 development.

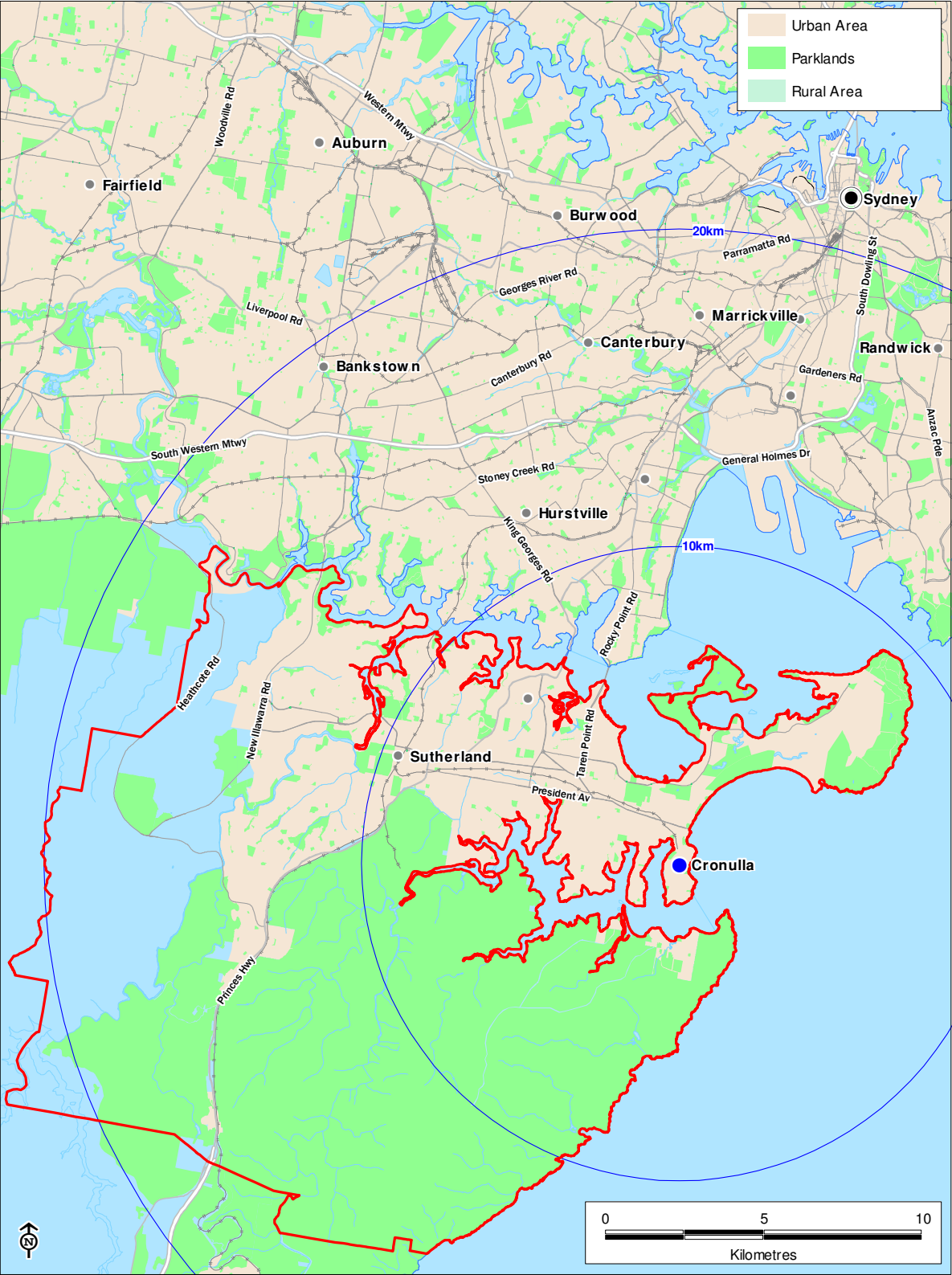
1.1 Regional context

The suburb of Cronulla is located within the Sutherland Shire of Sydney, approximately 26 km south-west 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 located on the northern side of Captain Cook Drive, opposite the intersection with Woollooware Road. It is adjacent to Toyota Park, Endeavour Field and Solander Playing Fields, on the bank of Woollooware Bay (refer Map 1.2).

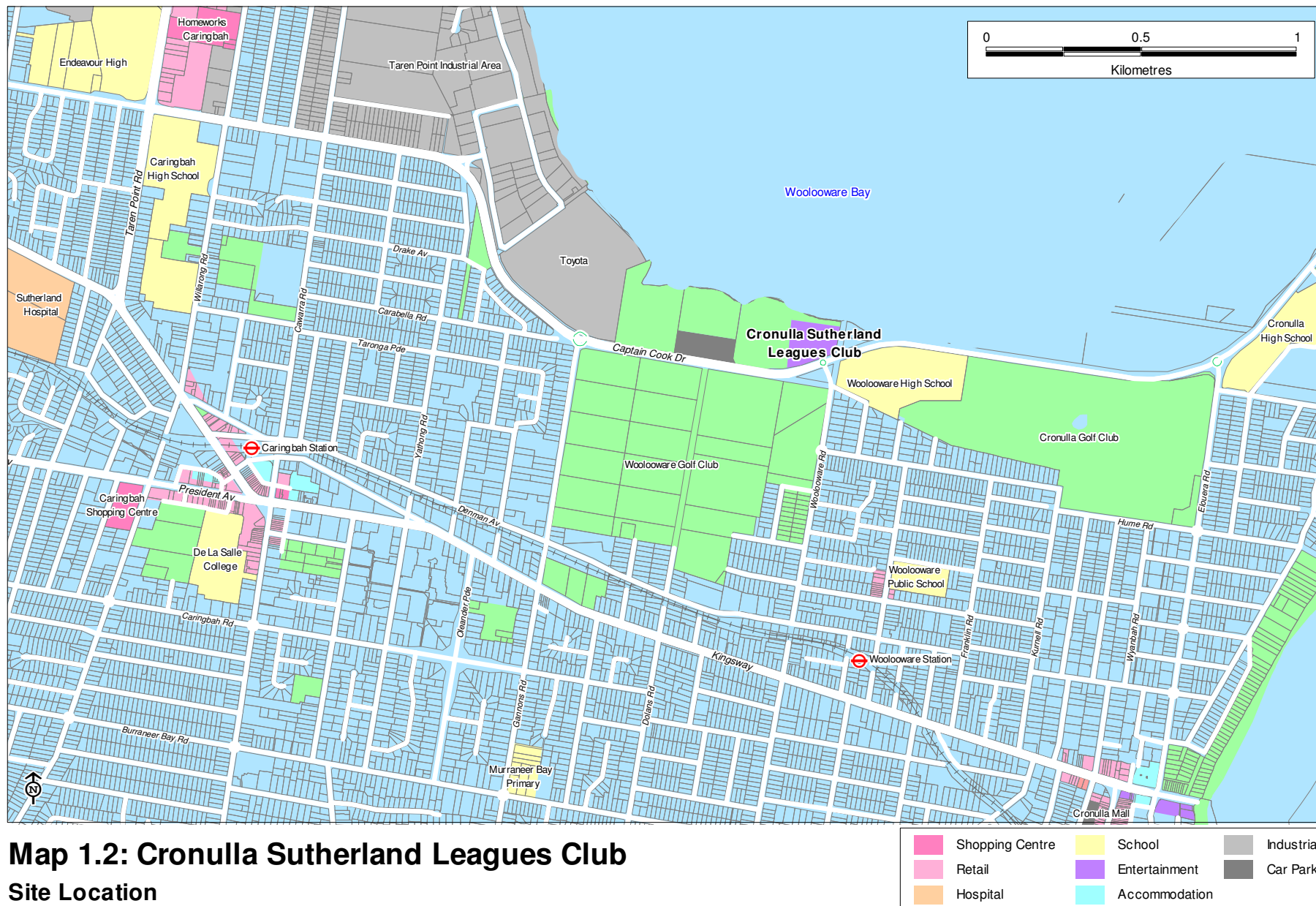
Other key points to note regarding the Cronulla Sutherland Leagues Club site and the surrounding area include the following:

- A large industrial precinct is located to the west of the site at Caringbah. This precinct is generally bounded by Woollooware Bay to the north and east, Captain Cook Drive to the south and Taren Point Road to the west, and accommodates Toyota and Johnson & Johnson among other tenants.
- A large bulky goods precinct including a number of major national retailers is located within the Caringbah Industrial Precinct on the eastern side of Taren Point Road.
- Woollooware High School is located on the southern side of Captain Cook Drive, diagonally opposite the Leagues Club.
- Woollooware Golf Club is located on the southern side of Captain Cook Drive.
- The nearest major provision of retail facilities, including three supermarkets, is focused around Kingsway and President Avenue at Caringbah, some 3.0 km to the south-west of the site.

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 Cronulla Sutherland Leagues Club 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.

The Cronulla Sutherland Leagues Club site is a high profile location, well known to local Sutherland Shire residents.

Section 1: Background



1.3 Proposed development

Figure 1.1 illustrates the current masterplan for the proposed Cronulla Sutherland Leagues Club redevelopment. As shown, 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 also proposed to be developed to the west of the Toyota Stadium.

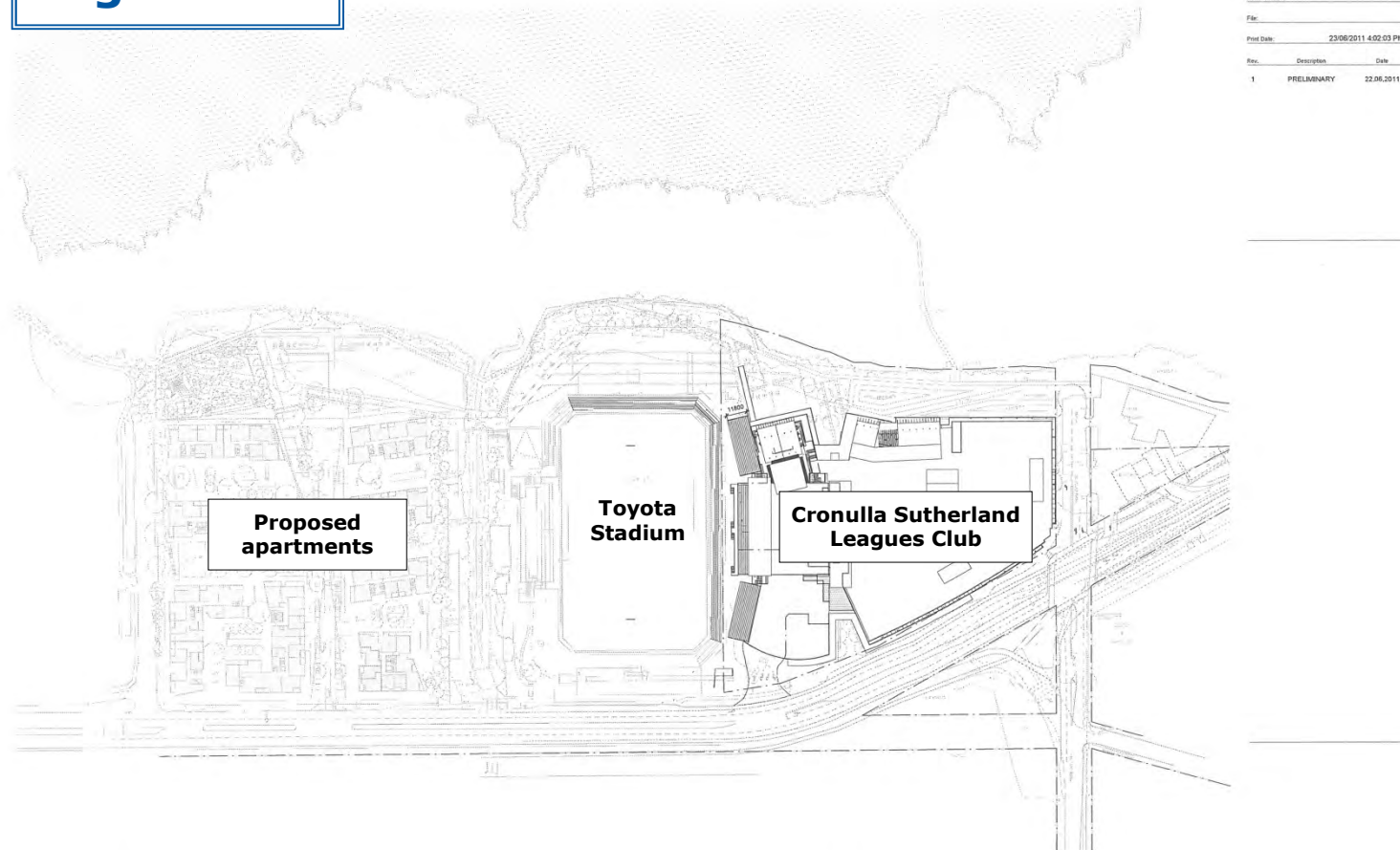
Figures 1.2 – 1.4 illustrate the proposed development scheme for the Leagues Club. The key points to note regarding the proposed development scheme include:

- The proposed retail facilities are to be integrated seamlessly with the existing Leagues Club.
- Multi-level carparking facilities would be provided on Levels 1 and 2.
- An entertainment facility of approximately 3,000 sq.m 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 indicative composition of the proposed retail facilities.

Table 1.1		
Cronulla Sutherland Leagues Club - Proposed retail composition		
Category	(sq.m)	GLA
		(% of retail)
Supermarkets	5,785	45.6%
Mini-majors	4,360	34.4%
Total specialties	<u>2,538</u>	<u>20.0%</u>
Total centre	12,683	100.0%
<i>Source: Pitney Bowes Business Insight</i>		

Figure 1.1



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

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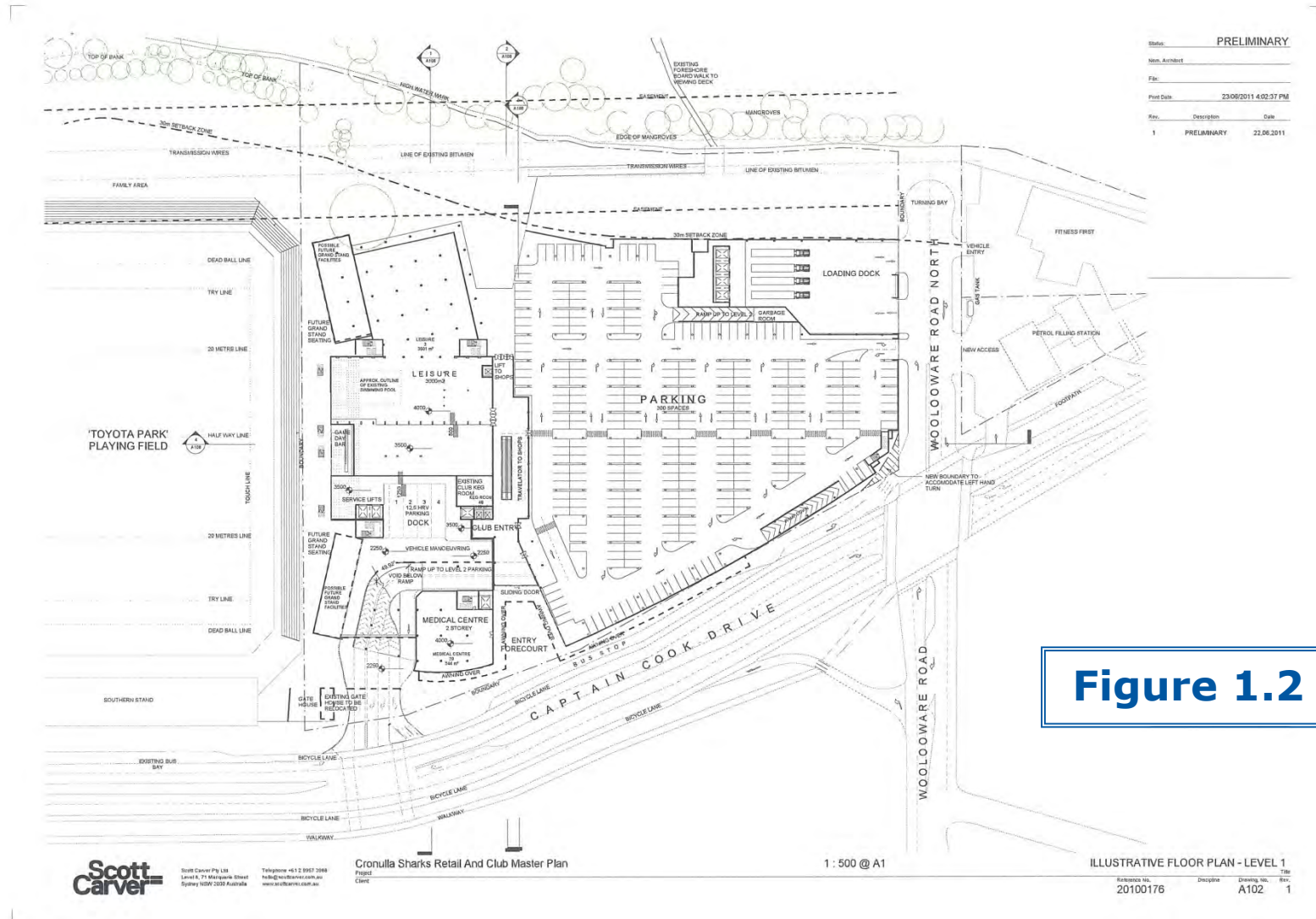
Cronulla Sharks Retail And Club Master Plan
Project
Client



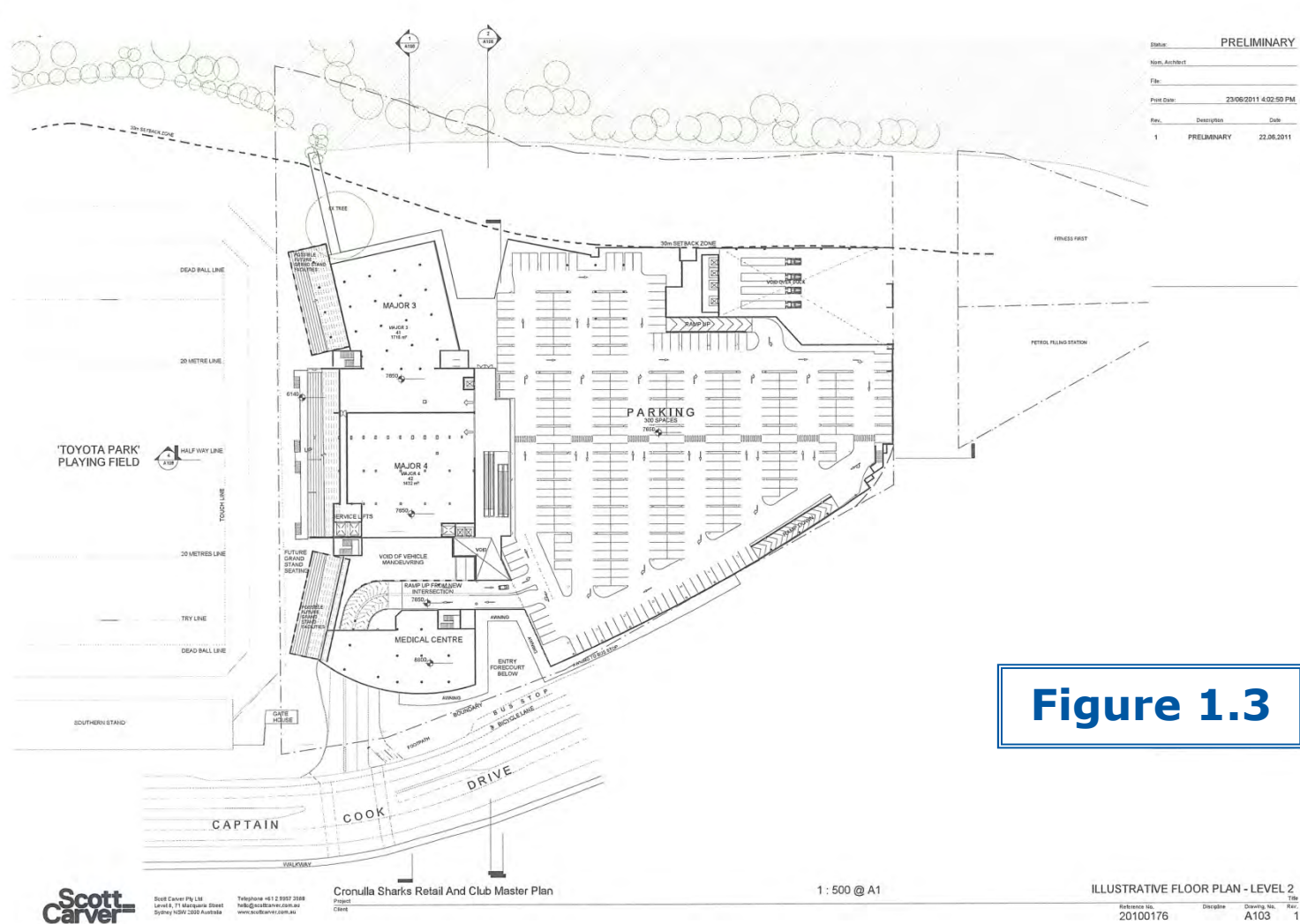
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ILLUSTRATIVE SITE PLAN

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



Section 1: Background



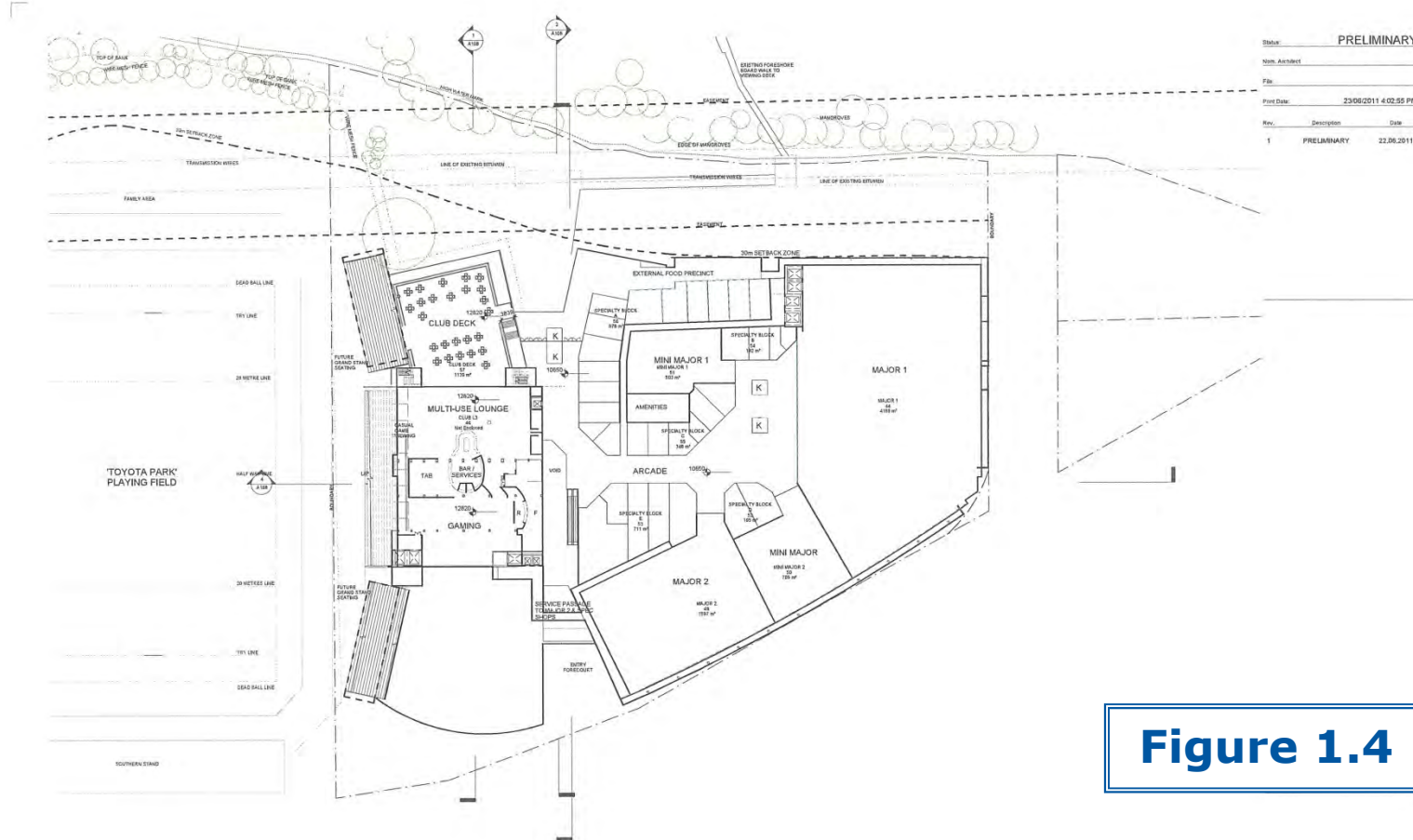


Figure 1.4

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Cronulla Sharks Retail And Club Master Plan
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ILLUSTRATIVE FLOOR PLAN - LEVEL 3

Reference No.	Date/Issue	Drawing No.	Rev.
20100176		A104	1

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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

Map 2.1 illustrates the likely trade area for the proposed retail centre at the Cronulla Sutherland Leagues Club. The trade area has been defined to include a primary and two secondary sectors, 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 Tarren Point Road. This sector contains parts of the suburb of Caringbah.

The combination of the primary and secondary sectors is referred to as main trade area throughout the remainder of this report. The extent of the main trade area is generally determined by the provision of competitive retail facilities at Miranda and Caringbah to the west.