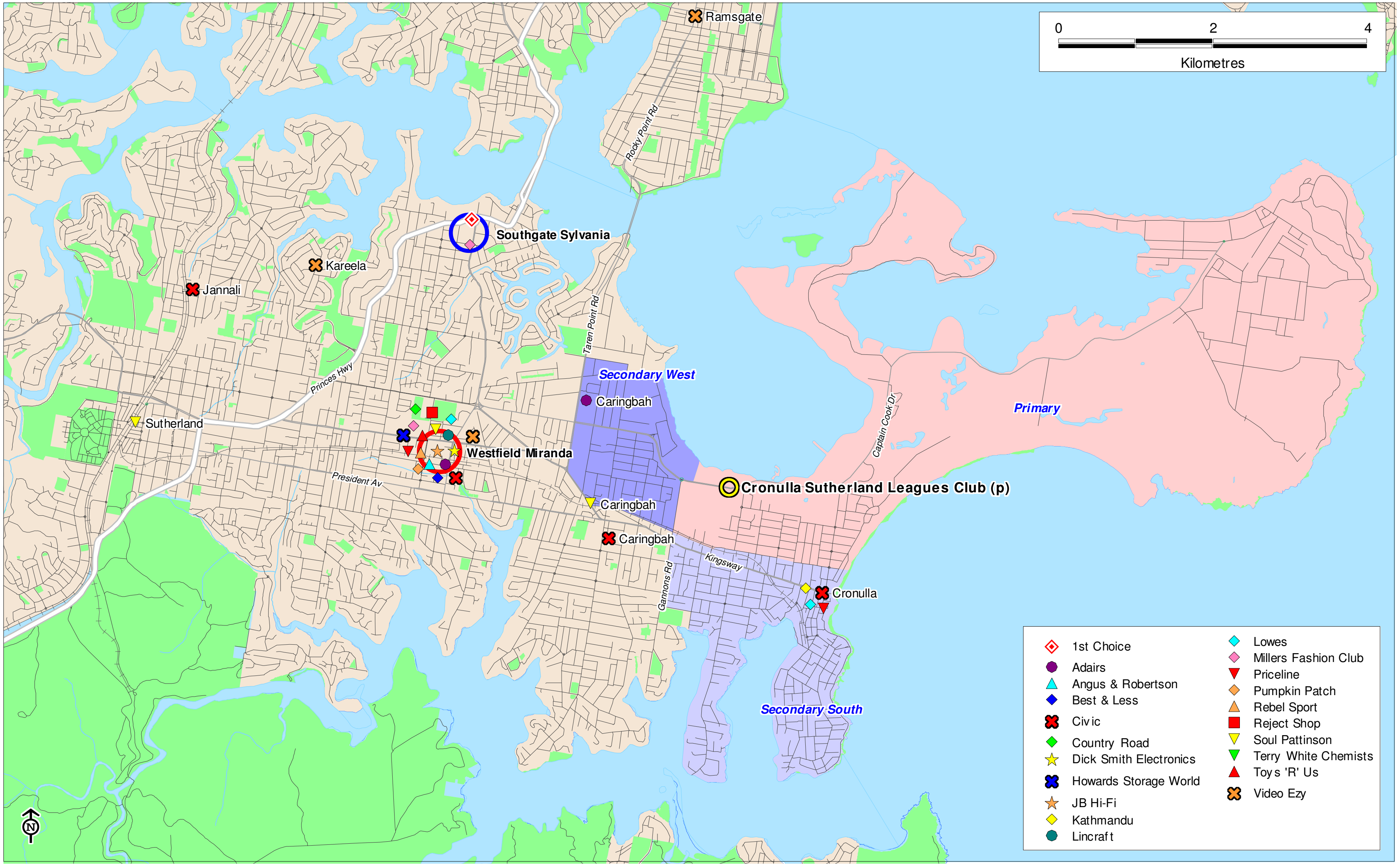
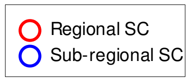




Map 4.2: Cronulla Sutherland Leagues Club

Trade Area & Mini Major Competition

At present, most of the mini-major retailers currently represented within the Sutherland Shire, with the exception of 1st Choice Liquor at Southgate Sylvania, are non-food retailers. Therefore, food and liquor retailers such as Harris Farm and Dan Murphy's could be expected to trade solidly at the proposed Cronulla Sutherland Leagues Club. These retailers together with non-food retailers such as Priceline and The Reject Shop would act as strong customer generators for the proposed shopping centre.

4.4 Retail specialty floorspace

A key driver of the success of any shopping centre is the representation of major tenants, which act as key customer generators. The supporting specialty shops feed off the customer flows generated by these major traders.

Table 4.3 details the typical provision of floorspace in single and multiple supermarket based centres. As shown, single supermarket based centres typically include close to 2,000 sq.m of specialty floorspace while multiple supermarket centres incorporate a much more extensive provision of specialty floorspace, in the order of 4,500 sq.m.

Table 4.3

Average floorspace provision - Single & multiple supermarket based centres

Category	Single smkt centres GLA (sq.m)	Single smkt centres GLA (% of retail)	Multiple smkt centres GLA (sq.m)	Multiple smkt centres GLA (% of retail)
Major tenants				
Supermarket	3,432	56.4%	8,439	58.4%
Total majors	**3,432**	**56.4%**	**8,439**	**58.4%**
Mini-majors	664	10.9%	1,512	10.5%
Retail specialities				
Food & liquor	438	7.2%	947	6.6%
Food catering	326	5.3%	771	5.3%
Apparel	375	6.2%	983	6.8%
Household	101	1.7%	347	2.4%
Leisure	174	2.9%	417	2.9%
General	355	5.8%	434	3.0%
Retail services	223	3.7%	600	4.2%
Total retail spec.	**1,992**	**32.7%**	**4,499**	**31.1%**
Total centre - retail	**6,088**	**100.0%**	**14,449**	**100.0%**

Source: Pitney Bowes Business Insight

As mentioned previously, we consider that a large format fresh produce store, a large format liquor store, a large format pharmacy along with a discount variety store, would be supportable at the proposed development. This would position the centre as a strong convenience-oriented neighbourhood centre. It follows that the specialty mix at the proposed development should also be oriented towards fresh food and convenience based retailers, with a limited scope for apparel and household goods retailers. Given the proposed above average provision of mini-major stores floorspace at the centre, in our opinion, the level of specialty floorspace provided should be at the lower end of the range for supermarket anchored centres. An appropriate specialty mix of some 2,000 – 2,500 sq.m of floorspace could be as follows:

- Food Retail – This category includes tenants such as a baker, a butcher, a poultry shop, a delicatessen, a patisserie and a seafood store. Each of these tenants is typically provided in supermarket based shopping centres. Around 4-5 tenants (400 sq.m) in this category are suggested.

- Food Catering – This category includes takeaway food stores, cafes and restaurants. Given the provision of entertainment facilities and a Leagues club at the centre, the proposed centre could support an above average provision of food catering tenants, as compared with single supermarket based centres. In our view, approximately 480 sq.m (5-7 tenants) could be supportable.

- Apparel and Household Goods – Apparel and household goods stores are typically provided in regional and sub-regional (department store or discount department store based) centres. Supermarket centres cannot sustain large amounts of apparel floorspace without a non-food anchor tenant such as a discount department store. On this basis, a limited amount of apparel and household goods retailing is recommended at up to 570 sq.m, comprising stores such as few women's apparel stores, an unisex apparel store, a jewellery store, a giftware store and a homewares store.

- Leisure and General Retail – Key tenants in these categories include a newsagent, a video game store, a music shop, a book shop and a mobile phone shop. A provision of up to 400 sq.m could be provided at the Cronulla Sutherland Leagues Club.

- Retail Services – This category includes convenience based tenants such as dry cleaners, key cutters, shoe repairers, hairdressers, video rental stores and optometrists. Up to 400 sq.m of floorspace could be provided for tenants in this category.

- Non-retail – In addition to retail specialty stores, non-retail tenants, which are destinational in nature, are generally provided at supermarket based centres, including banks, travel agents, real estate agents and medical centres. Approximately 300 sq.m of floorspace could be dedicated to such usages.

Table 4.4 summarises our recommended provision of specialty floorspace at the proposed Cronulla Sutherland Leagues Club retail facility.

Table 4.4

Cronulla Sutherland Leagues Club - Proposed retail composition

Category	GLA (sq.m)	GLA (% of retail)
Major tenants		
Supermarkets	5,785	46.7%
Total majors	**5,785**	**46.7%**
Mini-majors	4,360	35.2%
Retail specialties		
Food & liquor	400	3.2%
Food catering	480	3.9%
Apparel	370	3.0%
Household	200	1.6%
Leisure	300	2.4%
General	100	0.8%
Retail services	400	3.2%
Total specialties	2,250	18.2%
Total centre - retail	**12,395**	**100.0%**
Non-retail	288	
Total centre	**12,683**	

Source: Pitney Bowes Business Insight

4.5 Total centre sales potential

Table 4.5 presents our estimates of sales potential for the retail centre at the redeveloped Cronulla Sutherland Leagues Club. As shown, the total centre sales potential is estimated at $96.1 million in 2012/13, including $53.6 million of supermarket sales, $28.5 million of mini-major sales and $14.0 million of specialty sales.

In assessing the potential for mini-major tenants, we have assumed that the proposed centre would be able to secure strong national traders such as Dan Murphy's, Harris Farm, Priceline and The Reject Shop. In the event that these retailers could not be secured, sales for mini-majors are likely to be lower.

The specialty sales of $14.0 million reflect an average sales density level of around $6,200 per sq.m. This is marginally lower than the typical trading levels achieved by single and multiple supermarket based centres, between $6,800 - $7,600 per sq.m. In general, shopping centres take a few years to reach their trading potential. This is expected to also be the case for the proposed retail facility at the Cronulla Leagues Club.

Table 4.5

Cronulla Sutherland Leagues Club - Est. centre sales potential by retail category, 2012/13*

Category	Cronulla GLA (sq.m)	Cronulla Est. sales ($'000)	Cronulla Est. sales ($/sq.m)	Single smkt centres GLA (sq.m)	Single smkt centres Average sales ($'000)	Single smkt centres Average sales ($/sq.m)	Multiple smkt centres GLA (sq.m)	Multiple smkt centres Average sales ($'000)	Multiple smkt centres Average sales ($/sq.m)
Major tenants									
Supermarkets	5,785	53,628	9,270	3,432	44,152	12,865	8,439	85,408	10,121
Total majors	5,785	53,628	9,270	3,432	44,152	12,865	8,439	85,408	10,121
Mini-majors	4,360	28,482	6,533	664	2,322	3,495	1,512	4,404	2,913
Retail specialties									
Food & liquor	400	3,362	8,405	438	4,663	10,652	947	7,760	8,193
Food catering	480	2,905	6,052	326	2,261	6,945	771	5,416	7,027
Apparel	370	1,954	5,282	375	2,054	5,471	983	5,191	5,282
Household	200	814	4,071	101	428	4,240	347	1,761	5,069
Leisure	300	1,983	6,610	174	1,107	6,353	417	3,386	8,120
General	100	841	8,405	355	3,401	9,585	434	3,943	9,088
Retail services	400	2,101	5,253	223	1,286	5,770	600	3,153	5,254
Total retail specialties	2,250	13,960	6,205	1,992	15,200	7,631	4,499	30,608	6,804
Total centre - retail	**12,395**	**96,070**	**7,751**	**6,088**	**61,674**	**10,130**	**14,449**	**120,420**	**8,334**
Non-retail	288								
Total Centre	**12,683**								

**Inflated dollars & including GST*
Source: Pitney Bowes Business Insight

Table 4.6 summarises the market shares that would need to be achieved by the proposed development at 2012/13 in order to deliver the sales potential estimated. As shown, the centre would need to achieve a 15.4% market share of main trade area retail expenditure in 2012/13, including 22.4% and 5.9% of available food and non-food retail expenditure, respectively. We consider such shares are achievable.

Within the primary sector, the proposed centre would need to achieve a 34.7% market share of food spending and a much lower 9.3% market share of non-food spending. These estimates reflect the absence of supermarkets within the primary trade area sector and the provision of only small supermarkets at nearby Cronulla.

The proposed centre's expected share of food spending is clearly much higher than its expected non-food spending share, reflecting its primary role as a supermarket based shopping destination serving the food and convenience needs of main trade area residents.

Table 4.6

Cronulla Sutherland Leagues Club - Est. market shares, 2012/13*

	Retail spend ($M)			Centre sales ($M)			Market share		
Trade area	Food	Non-food	Total	Food	Non-food	Total	Food	Non-food	Total
Primary sector	75.5	54.3	129.8	26.2	5.0	31.2	34.7%	9.3%	24.0%
Secondary sectors									
• South	185.3	137.3	322.6	35.9	6.9	42.8	19.4%	5.0%	13.3%
• West	42.6	30.5	73.1	5.9	1.2	7.1	13.8%	4.0%	9.7%
Total secondary	227.8	167.9	395.7	41.7	8.1	49.8	18.3%	4.8%	12.6%
Main TA	**303.3**	**222.2**	**525.5**	**67.9**	**13.1**	**81.0**	**22.4%**	**5.9%**	**15.4%**
Sales from beyond TA				13.3	1.8	15.0			
Total centre sales				**81.1**	**14.9**	**96.1**			

**Inflated dollars & including GST*
Source: Pitney Bowes Business Insight

Section 5: Assessment of potential for entertainment facilities

This final section of the report provides a high level assessment of the potential for the development of family-oriented entertainment facilities at the Cronulla Sutherland Leagues Club, in conjunction with the proposed retail development. For context, it commences with an overview of the broad socio-demographic profile of the entire Sutherland Shire, which arguably represents the potential market for entertainment facilities at the Leagues Club. The existing provision of entertainment facilities throughout the Shire is then discussed, and recommendations as to potential additions at the Leagues Club are made. The section concludes with an assessment of the potential Leagues Club/entertainment facility visitation that could flow from the proposed retail development at the site.

5.1 Sutherland Shire socio-demographic profile

Map 5.1 depicts the geographic region covered by the Sutherland Shire, which has been segmented into six sectors – Woolooware (which is home to the Leagues Club, and encompasses the primary and secondary west trade area sectors defined for proposed retail facilities at the site), Caringbah, Miranda, Sutherland, Menai and Jannali.

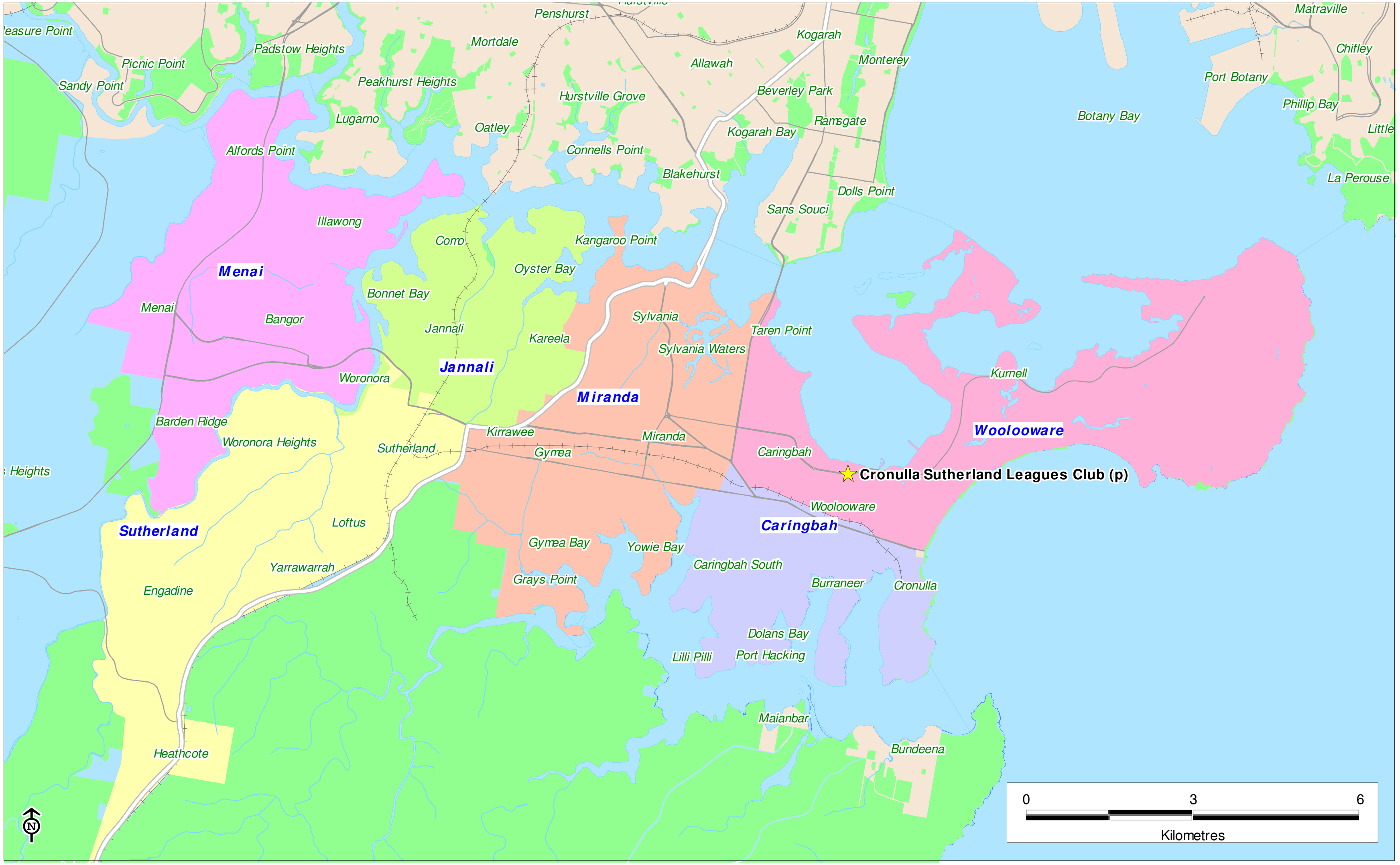
Table 5.1 summarises existing and future population levels within each Sutherland Shire sector, then table 5.2 provides socio-demographic profiles for each sector, as well as for the Shire in total, benchmarked with Sydney metropolitan averages. Key points to note in relation to these tables include the following:

- The total population of the Sutherland Shire is currently estimated at almost 220,000 persons. In general, Shire residents earn above average incomes, on both a per capita and per household basis, and have higher than average levels of home ownership. Predominantly Australian born, traditional families (that is, couples with dependent children) represent the dominant family type. However, the representation of traditional families varies across individual sectors.

- Woolooware sector residents are the least affluent of the Shire sectors, and the proportion of renters in this sector is higher than elsewhere in the region. Consistent with this observation, there are higher than average levels of lone-person households in the Woolooware sector.

- The residents of the Caringbah sector are among the wealthiest in the Shire, with per capita and per household income levels 24.7% and 14.8% higher than the Sydney metropolitan average, respectively.

- To the west of the Princes Highway, the Jannali, Menai and Sutherland sectors are particularly family oriented, and characterised by very high levels of home ownership. Menai in particular, with average household incomes some 37% above the benchmark, an average household size of 3.3 persons, and almost 63% of households accommodating traditional families, would be a very strong target market for family-oriented entertainment facilities at Cronulla Sutherland Leagues Club, but is the furthest away of all the defined sectors.



Map 5.1: Sutherland Shire

Sectors

Table 5.1

Sutherland Shire trade area population, 2001-2021*

Trade area	Estimated population 2001	2006	2010	Forecast population 2013	2016	2021
Sectors						
• Woolooware	15,770	15,810	16,210	16,540	16,750	17,150
• Caringbah	35,090	35,550	36,350	37,100	37,610	38,460
• Miranda	55,050	56,120	57,320	58,430	59,180	60,480
• Jannali	28,950	28,060	28,460	28,790	29,090	29,540
• Sutherland	40,770	39,950	40,430	40,910	41,330	41,980
• Menai	34,160	33,140	33,460	33,850	34,210	34,760
Sutherland Shire	**209,790**	**208,630**	**212,230**	**215,620**	**218,170**	**222,370**

Trade area	Average annual growth (no.) 2001-06	2006-10	2010-13	2013-16	2016-21
Sectors					
• Woolooware	8	100	110	70	80
• Caringbah	92	200	250	170	170
• Miranda	214	300	370	250	260
• Jannali	-178	100	110	100	90
• Sutherland	-164	120	160	140	130
• Menai	-204	80	130	120	110
Sutherland Shire	**-232**	**900**	**1,130**	**850**	**840**

Trade area	Average annual growth (%) 2001-06	2006-10	2010-13	2013-16	2016-21
Sectors					
• Woolooware	0.1%	0.6%	0.7%	0.4%	0.5%
• Caringbah	0.3%	0.6%	0.7%	0.5%	0.4%
• Miranda	0.4%	0.5%	0.6%	0.4%	0.4%
• Jannali	-0.6%	0.4%	0.4%	0.3%	0.3%
• Sutherland	-0.4%	0.3%	0.4%	0.3%	0.3%
• Menai	-0.6%	0.2%	0.4%	0.4%	0.3%
Sutherland Shire	**-0.1%**	**0.4%**	**0.5%**	**0.4%**	**0.4%**

**As at June*
Source: ABS; Pitney Bowes Business Insight

Table 5.2
Sutherland Shire main trade area - socio-demographic profile, 2006

Census item	Woolooware	Caringbah	Miranda	Jannali	Sutherland	Menai	Sutherland Shire	Syd Metro avg.
	Sectors							
Per capita income	$33,288	$38,603	$33,565	$34,766	$31,939	$33,980	$34,318	$30,969
Variation from benchmark	*7.5%*	*24.7%*	*8.4%*	*12.3%*	*3.1%*	*9.7%*	*10.8%*	
Avg. household income	$75,660	$94,610	$87,053	$94,388	$88,196	$113,033	$91,953	$82,406
Variation from benchmark	*-8.2%*	*14.8%*	*5.6%*	*14.5%*	*7.0%*	*37.2%*	*11.6%*	
Avg. household size	2.3	2.5	2.6	2.7	2.8	3.3	2.7	2.7
Age distribution (% of pop'n)								
Aged 0-14	16.7%	17.0%	18.5%	20.4%	20.4%	23.1%	19.5%	19.6%
Aged 15-19	5.1%	6.4%	6.3%	6.6%	6.9%	10.3%	7.0%	6.6%
Aged 20-29	16.9%	13.4%	12.0%	11.7%	13.3%	11.6%	12.7%	14.6%
Aged 30-39	17.9%	13.7%	14.3%	15.1%	15.9%	11.5%	14.4%	15.6%
Aged 40-49	13.5%	14.6%	14.1%	14.6%	14.3%	18.3%	14.9%	14.7%
Aged 50-59	11.4%	13.3%	12.1%	13.7%	13.3%	15.4%	13.2%	12.2%
Aged 60+	18.4%	21.6%	22.8%	17.9%	15.9%	9.8%	18.2%	16.7%
Average age	38.0	39.8	39.6	37.3	36.1	33.7	37.6	36.6
Housing status (% of h'holds)								
Owner/purchaser	64.3%	72.3%	76.0%	81.2%	81.4%	88.2%	78.1%	67.0%
Renter	34.9%	27.2%	22.9%	18.2%	17.6%	11.4%	21.1%	32.3%
Other	0.8%	0.5%	1.1%	0.6%	1.0%	0.4%	0.8%	0.8%
Birthplace (% of pop'n)								
Australian born	82.7%	83.9%	80.3%	83.2%	85.7%	80.6%	82.6%	65.5%
Overseas born	17.3%	16.1%	19.7%	16.8%	14.3%	19.4%	17.4%	34.4%
• Asia	2.6%	2.2%	4.3%	3.2%	2.2%	3.8%	3.2%	13.0%
• Europe	9.1%	9.1%	9.8%	9.4%	8.2%	9.6%	9.2%	11.6%
• Other	5.5%	4.8%	5.6%	4.2%	3.9%	6.0%	5.0%	9.9%
Family type (% households)								
Couple with dep't children	40.3%	44.9%	45.8%	50.6%	51.1%	62.8%	48.9%	47.9%
Couple with non-dep't children	7.5%	9.2%	10.4%	10.8%	11.3%	12.1%	10.4%	9.5%
Couple without children	23.2%	23.5%	23.1%	20.0%	20.3%	12.9%	20.9%	19.7%
One parent with dep't children	7.6%	5.6%	6.8%	6.6%	6.1%	6.8%	6.5%	8.5%
One parent with non-dep't child.	4.3%	3.7%	3.8%	3.7%	3.1%	2.2%	3.5%	3.7%
Other family	1.5%	0.9%	1.1%	0.7%	0.8%	0.3%	0.9%	1.2%
Lone person	15.6%	12.2%	9.2%	7.7%	7.2%	2.8%	8.9%	9.4%

Source: ABS Census of Population & Housing, 2006; Pitney Bowes Business Insight

5.2 Existing entertainment facilities and potential additions

In addition to the proposed retail facilities at the Leagues Club redevelopment, Bluestone Capital Ventures No. 1 is considering including family-oriented entertainment facilities at the site, along with, possibly, a gym. In terms of the existing supply of each type of facility, Maps 5.2 and 5.3 depict the current provisions of family entertainment and gym facilities across the Shire.