

Claymore Shopping Centre Market Analysis

PREPARED FOR

NSW Landcom

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1. EXECUTIVE SUMMARY

Landcom is seeking to plan and manage the urban renewal of the Housing NSW Claymore estate on behalf of the State Government. As part of this process Hill PDA was commissioned by Landcom to assess the level of shop front space required or demanded as part of the urban renewal of the Housing NSW Claymore estate.

Claymore is almost entirely social housing for very low income households. The existing shopping centre is in an inferior location by comparison to competing centres. It has a poor retail offer and suffers from low trading levels and property neglect. The urban renewal scheme proposed will result in a significant demographic shift in the resident population of Claymore. New residents are expected to have significantly higher income levels resulting in a significant increase in expenditure generation. These residents will demand an improvement in both the quantity and quality of local retail services.

A new supermarket based centre at the intersection of Badgally Road and a realigned Glenroy Road would have a primary trade area (PTA) encompassing the suburbs of Claymore, Blairmount and part of Eagle Vale (south of Malachite Road). It is likely to capture the majority of food and grocery shopping generated from the PTA. It is also likely to draw some trade from a broad secondary trade area (STA) encompassing the balance of Eagle Vale, Eschol Park, Blair Athol and Woodbine.

Based on demand forecasting, there will be an estimated \$28.1m in expenditure available to support a new shopping centre at Claymore by 2013. Available expenditure to support a new centre increases in subsequent years to \$33.2m by 2015, to \$40.7m by 2019 and to \$46.8m by 2023.

We conclude that:

- Claymore could support a centre of between 5,000 to 6,000sqm of leasable area, of which around half would be a supermarket and the remaining floorspace would be provided in 15 to 25 speciality stores;
- The appropriate timing for the development would be around 2015 to ensure that there is sufficient expenditure locally to support the centre and also to provide necessary services for new residents and aid in marketing future stages (notwithstanding that the first couple of years of trading may be a little mundane);
- The parcel of land at the junction of Badgally Road and the realigned Glenroy Road is an ideal location for a new centre being at the main entry point into the estate;
- A site of around 2 hectares will be needed to accommodate the quantum of floorspace required, in addition to car parking and servicing floorspace. Around 240 to 260 shopper car parking spaces will be needed;
- The impacts on the existing centre may undermine its viability to the point where it may cease trading. A rezoning of this land to residential or alternative uses other than retail is a possible scenario.

2. INTRODUCTION

2.1 Project Background

Landcom is seeking to plan and manage the urban renewal of the Housing NSW Claymore estate on behalf of the State Government. As part of this process Hill PDA has been commissioned by Landcom to assess the level of retail and commercial space required or demanded as part of the urban renewal of the Housing NSW Claymore estate.

2.2 Local Context

The Claymore suburb is located in the west of the City of Campbelltown Local Government Area (LGA). It is located immediately adjacent to the west of the Hume Highway (M5). The area subject to this Study comprises the suburb of Claymore and is bounded by the Hume Highway to the east, Badgally Road to the southwest, and adjoins residential areas in all other directions. The estate predominately comprises public housing residential stock which was developed during the 1970s.

2.3 The Urban Renewal Scheme

The proposed Urban Renewal Scheme would see the demolition of the majority of the public housing stock within the Claymore estate. It would be replaced by modern residential product which would predominantly comprise private housing. We understand that the redevelopment would retain the existing retail centre located on Dobell Road however there is potential to develop another retail centre elsewhere in the Urban Renewal Scheme.

2.4 Methodology

In order to complete this Study, and as agreed upon in the fee proposal, Hill PDA has:

- Reviewed the existing competitive environment – existing centres in the locality (such as Eagle Vale, etc), retail mix, turnover levels and current performances comparing to current industry benchmarks.
- Identified Claymore's existing trade area and the likely trade area of any new centre.
- Summarised the socio-demographic characteristics of the trade area(s) that affect household expenditure including age, household type and income levels.
- Quantified the level of retail expenditure generated by households in the existing and future trade areas by commodity type and retail store type utilising data sources such as ABS Household Expenditure Survey 2003-04 and MarketInfo 2009.
- Forecast expenditure over time taking into consideration the changing population demographics.
- Applied reasonable capture rates allowing for both escape expenditure and expenditure captured from outside the trade areas.

- Commented on the appropriate size and retail/commercial mix – appropriate size of a supermarket (if viable) and the target range of specialties.
- Commented on location, design format, required parking spaces and access.

3. SUPPLY OF RETAIL AND COMMERCIAL FLOORSPACE

3.1 Retail and Commercial Centres Hierarchy

The draft South West Subregional Strategy identifies a typology for centres within their respective Subregions as summarised in the following table. The draft South West Subregional Strategy identifies Campbelltown Macarthur as a Major Centre. The hierarchy also identifies a number of Town Centres, Villages, Small Villages and Neighbourhood Centres.

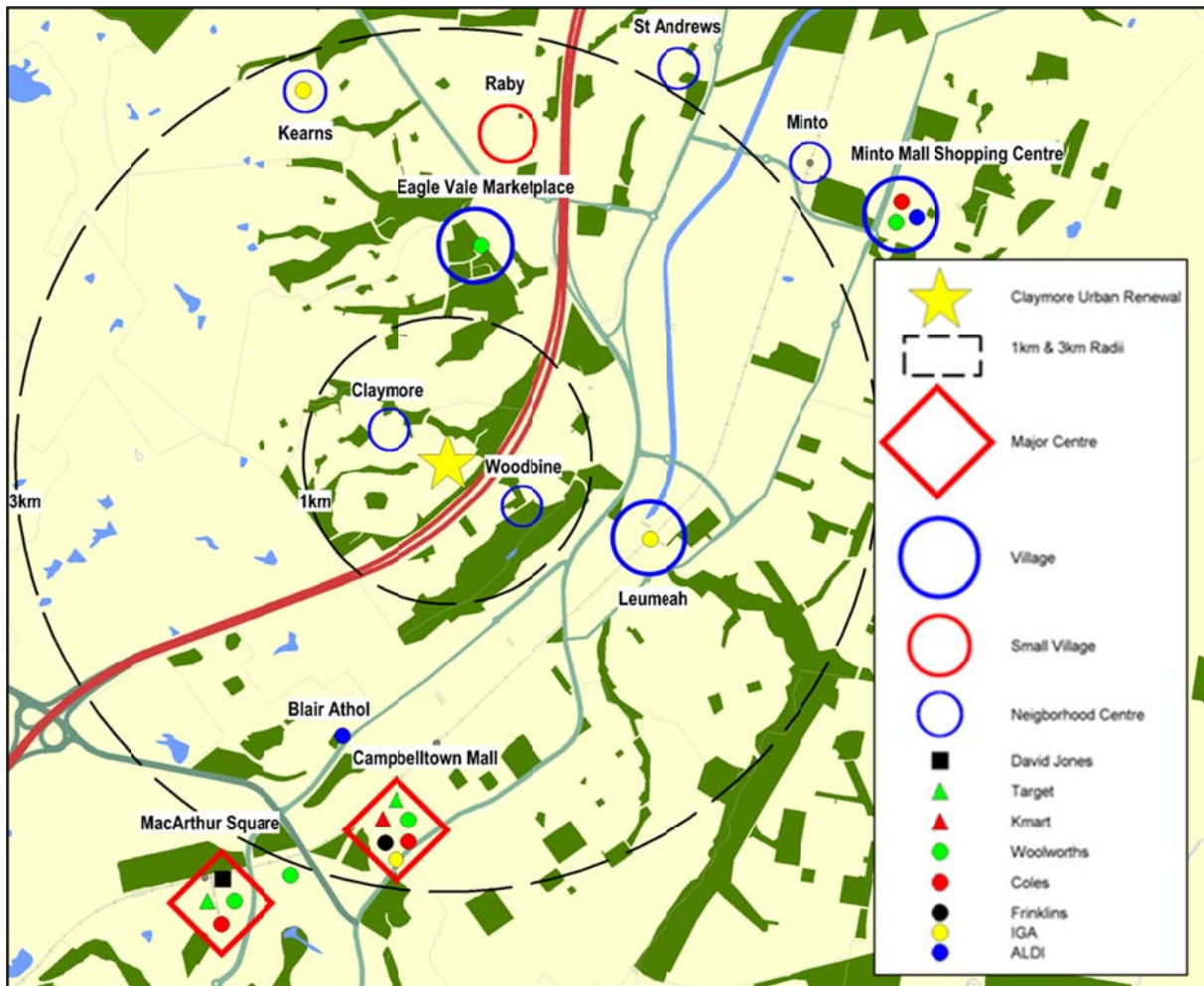
Table 1 - Centres Hierarchy

Centre Typology	Characteristics	Centres
Regional City	Providing a full range of business, government, retail, cultural, entertainment and recreational activities, they are a focal point where large, growing regions can access good jobs, shopping, health, education, recreation and other services and not have to travel more than one hour per day.	Liverpool
Major Centre	Major shopping and business centre serving immediate subregional residential population usually with a full scale shopping mall, council offices, taller office and residential buildings, central community facilities and a minimum of 8,000 jobs.	Campbelltown-Macarthur
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.	Camden, Ingleburn, Picton, Moorebank
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 Eagle Vale, Leumeah, Minto Mall
Small Villages	A small strip of shops and adjacent residential area within a 5 to 10 minute walk. Contain between 800 and 2,700 dwellings.	Various, including Raby
Neighbourhood Centres	One or a small cluster of shops and services. Contain between 150 and 900 dwellings.	Various, including Claymore, Kearns, Minto, St Andrews, Woodbine

Source: Draft South West Subregional Strategy, NSW Department of Planning (2007/08)

Retail centres and other major retailers in surrounding locations of the subject site are shown in the map below.

Figure 1 - Competitive Environment – Retail Hierarchy and Major Retailers



Source: Hill PDA (2011), MapInfo

The centres of most relevance to the proposed development are outlined below.

3.2 Campbelltown-Macarthur Major Centre

Location

Campbelltown CBD and Macarthur CBD combine to form the Campbelltown-Macarthur Major Centre. It covers a total area of around 3 square kilometres. It forms a subregional transport hub and provided an estimated 10,500 jobs at 2001¹. Campbelltown CBD and Macarthur CBD are approximately 2km apart and are connected via Narellan Road.

The Campbelltown CBD is situated some 2.5km south of the subject site, whilst Macarthur CBD is located around 3.5km south.

¹ Draft South West Subregional Strategy

Role and Function

Campbelltown is the only Major Centre serving the South West Subregion and is second in ranked second in the Subregional centre hierarchy after Liverpool Regional City. The trade area for the centre extends to encompass Campbelltown, Camden and Wollondilly and, to an extent, Liverpool.

The two CBDs have different characters and functions. Macarthur CBD provides the major destination for retail, tertiary, education and services whilst Campbelltown focuses on business and cultural floorspace offering a mix of commercial, cultural, civic and retail uses.

Like any Major Centre it has a strong emphasis on providing higher-order comparison shopping (including clothing, household goods, etc), and has a high representation of national brands. The focus of retail floorspace provision is via the two purpose built shopping malls of Campbelltown Mall and Macarthur Square. It also has a high emphasis on entertainment including cinema complex, ten-pin bowling, sports clubs and the like.

The Centre is also a major administrative centre housing Council and a number of State Government regional and district offices in the Campbelltown CBD. Adjacent to Macarthur CBD is the TAFE college and campus of the University of Western Sydney and Campbelltown Hospital.

Retail and Commercial Mix

The last major survey of retail floorspace of the Campbelltown-Macarthur Major Centre was undertaken by Campbelltown Council and Hill PDA in 2005 as part of the Campbelltown Business Centres Study. At that time, the centre had around 150,000sqm of retail space and 95,000sqm of commercial space.

Since Campbelltown Business Centres Study was undertaken, there have been several major retail schemes which comprise:

- Macarthur Square expansion of some 32,000sqm which commenced trading in November 2005 (subsequent to the Hill PDA floorspace survey). This expansion included additional speciality stores, foodcourt space, car parking space, cinema and bowling alley;
- Campbelltown Mall expansion completed in 2009 provided a relocated Woolworths supermarket and some 8,000sqm of retail floorspace.
- Marketfair Campbelltown: Renovations to the existing shopping centre which to allow for a Woolworths store to locate within the centre and an additional extension of 4,000sqm which is currently being implemented;
- 'Brands on Sale' factory outlet centre. Located on Queen Street to the north of Campbelltown CBD this development provides an additional 12,020sqm of fashion outlet retail floorspace in addition to 2,002sqm of bulky goods floorspace;

Today Campbelltown-Macarthur Major Centre contains around 200,000sqm of shop front floorspace. This includes:

- Macarthur Square – 90,000sqm² including a David Jones, Big W and Target discount department stores, Woolworths and Coles supermarkets, Dick Smith, JB Hi-Fi, Event Cinemas, AMF Macarthur Bowl and 290 specialty shops;
- Campbelltown Mall – 40,000sqm³ including Kmart and Target DDSs, Coles, Woolworths and Franklins supermarkets and 100 specialty shops; and
- Marketfair – 8,000sqm including a Woolworths supermarket and around 30 specialty shops. An extension is currently being implemented;
- Brands on Sale – factory outlet and bulky goods centre of 14,000sqm including Top Shop; and
- Other – more than 40,000sqm mostly along Queen Street, side streets and arcades off Queen Street.

Most of the strip retail fronts Queen Street between Campbelltown Mall and Mawson Park and side streets such as Dumaresq Street. There are several fringe and stand alone retail buildings including the Warehouse Group and Bunnings Hardware.

The two large indoor centres have to some extent competing roles, but are also somewhat different with Campbelltown Mall meeting more regular and convenience shopping needs (having three supermarkets) and Macarthur Square meeting more high-level comparison and entertainment shopping needs (having David Jones, cinema, ten-pin bowling, etc).

The old strip retail centre along Queen Street has the bulk of commercial space including Council, various State Government agencies and businesses. There are also several cultural, recreational and health services including The Catholic Club, Bowling Club, Aquafit fitness and leisure centre, art gallery, theatre, cinemas, RSL club and others.

Performance

The latest survey Shopping Centre News (SCN) 'Big Guns' survey of shopping centres in excess of 45,000sqm, recorded a turnover for Macarthur Mall of \$537.94 million for 2009⁴. This ranks it 24th nationally out of the 88 Big Guns surveyed. In terms of turnover per square metre of retail floorspace Macarthur achieves a \$6,555/sqm which is just 2% below the median of \$6,664/sqm.

With regard to Campbelltown Mall, the centre is listed as a 'Little Gun' by SCN which is a centre with retail floorspace greater than 20,000sqm but less than 45,000sqm⁵. It achieved a turnover of \$200.91 million for 2009 which ranks it 21st out of the 88 centres surveyed in terms of turnover. However with respect to turnover per square of retail floorspace the centre appears to be underperforming compared to compare centres, with a rate of \$5,072/sqm which compares to the Little Gun median of \$6,678/sqm. On this basis it is trading some 25% below the median and is ranked 77th nationally. However, Campbelltown Mall is considered to be trading adequately for a dual discount department store centre.

² Australian Shopping Directory 2009

³ Australian Shopping Directory 2009

⁴ SCN Big Guns 2010

⁵ SCN Little Guns 2010

No trading information is published for Marketfair. The Campbelltown City Business Centres Strategy (2005) noted that the centre was performing poorly at that time as evidenced by the high long-term vacancies. However the centre is part of a growing trade area and current expansion and with a new Woolworths supermarket are providing signs of improvement.

Retailers in the Queen Street retail core area have mixed trading but the area itself is performing satisfactorily. Queen Street during normal business hours attracts strong numbers of people and the retail offer is diverse.

3.3 Eagle Vale

Location

Eagle Vale Marketplace is bounded by Gould Road, Eagle Vale Drive and Emerald Drive in Eagle Vale. Its is located approximately 2km north of the Claymore estate.

Role and Function

Eagle Vale is a neighbourhood centre meeting the weekly shopping needs of households in the suburbs of Eagle Vale, Claymore and Eschol Park. However the centre also attracts considerable expenditure further out into the suburbs of Raby and Kearns and possibly St Andrews. It is reasonably located near the centre of the urban area on the west side of the motorway quite close to Raby Road which is one of the busiest access points across the motorway. Because of this the centre provides a quasi-role as a convenience centre to meet the needs of “just-in-time” shoppers commuting home from work. In PM peak time the car park is full.

Retail and Commercial Mix

The shopping centre is based on the Woolworths Marketplace concept of an indoor centre set back from the street with ample parking in front. Inside is a Woolworths supermarket of 4,100sqm and 16 specialties. Outside are a few pad sites with a petrol outlet and McDonalds restaurant. Total floor space is 6,831sqm.

There are few non-retailing commercial tenants other than a credit union. Outside the indoor centre across Feldspar Road is the library and community centre.

Performance

No recent data on the trading performance of Eagle Vale is available. However, at the time of the Campbelltown Business Centres Study in 2005 the centre was deemed to be performing strong with a per square metre turnover that was around 30% to 35% than the NSW average for indoor neighbourhood centres.

3.4 Claymore

Location

The existing centre at Claymore centre is located on Dobell Road in the middle of Claymore near the intersection of Gould Road.

Role and Function

Claymore is a neighbourhood centre with a trade area that covers the suburb. It is anchored by a Foodworks supermarket

Retail and Commercial Mix

The retail centre is based on an small internal courtyard design with the shops facing inward. The anchor tenant is Foodworks which occupies a unit of 1,300sqm supermarket. There are a number of other specialty stores in the centre and a medical centre.

Performance

At the time of the Campbelltown Business Centres Study the Claymore Shopping Centre had recently lost its supermarket tenant and had a high proportion of vacant stores. Although the space has been re-filled with a Foodworks it is likely that the centre still trades poorly. This is because it has a limited trade area of with significant socio-economic disadvantages. It is also in an inferior location and experiences property neglect.

3.5 Leumeah

Location

Leumeah shops are adjacent to the railway station around 3.5km east of Claymore.

Role and Function

Leumeah provides some local convenience role but it has no large supermarket – only a small IGA, which limits its role as an effective neighbourhood centre. Notwithstanding that it does provide a diverse range of local specialty shops normally found in neighbourhood centres.

Planning permission has been approved for the construction of a 1,600sqm Bi-Lo supermarket and two speciality shops of 490sqm in an indoor pedestrian mall on vacant land adjacent to the centre; however this has not been implemented.

Retail and Commercial Mix

Leumeah has a small 250sqm IGA supermarket and 22 specialty stores of which 3 are commercial.

Performance

At the time of the Campbelltown Business Centres Study there were no vacancies in Leumeah which suggests adequate performance.

3.6 Other Centres

Other centres not listed above include the following but which fall within the 3km radii of the Claymore estate include:

- Kearns, Epping Forest Drive and Kearns Avenue. Contains 10 speciality stores and a small IGA supermarket;
- St Andrews, Ballantrae Drive. Contains 11 speciality stores and a small supermarket.
- ALDI, Corner Blaxand Rd & The Kraal Drive, Blair Athol;

3.7 Proposed Centres

The only centre within 3km is a likely centre in the Turner Road, Currans Hill area. The zoning for the Neighbourhood Centre is approximately 4.5ha in area and located towards the centre of the Turner Road Precinct, adjacent to Badgally Road. It will function as the retail and community focal point for the Turner Road Precinct and may also include residential uses in the form of shop top housing, apartments or town houses. The DCP will permit up to 15,000sqm of shop front space. Our understanding is that this centre is unlikely to be built prior to 2016.

3.8 Campbelltown Peripheral Retailing

Location

Campbelltown peripheral retailing is a vast area of land stretching from Rose Payten Drive in Leumeah to Narellan Road in Blair Athol. It is bounded by the railway line, Kanbyugal Reserve Woodbine and the railway line. It is an elongated linear area of land generally along both sides of Campbelltown Road in Leumeah and Blaxland Road in Campbelltown.

Role and Function

This precinct has historically been a focus of light industrial activity. Although much of the area has now been developed, there is now widespread evidence of a change in its land use character. This can be seen in the redevelopment of substantial tracts of land for peripheral (bulky goods) retailing, with the overall result that the precinct is now the most significant concentration of bulky goods in the Macarthur Region.

Retail and Commercial Mix

The area is dominated by bulky goods retailers including, but not limited to:

- department stores such as Harvey Norman and Domayne;
- furniture shops such as Frisco Furniture, Fantastic Furniture and Country Style Furniture;
- category killers such as Toys R Us and Babies Galore;
- bedding shops such as Sleeping Giant, Forty Winks and Sleep Doctor;
- electrical stores such as The Good Guys, Retravisision and Bing Lee;
- homemakers stores including tiling stores, curtains, carpets, paint, etc; and
- automotive retailing including Bearings and Supa Cheap Auto.

Many of these stores are in stand alone buildings or attached in the one building with direct frontage to the street. Car parking is often provided on site in front of the building for clear visibility.

Performance

Whilst there are no trading figures, expansion in the past decade and continued strong interest from retailers to further expand is evident of strong performance. Expenditure analysis provides further evidence of sound performance.

4. TRADE AREA ANALYSIS

4.1 Trade Area Identification

In order to measure need and undersupply of retail floorspace, 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;
- 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.

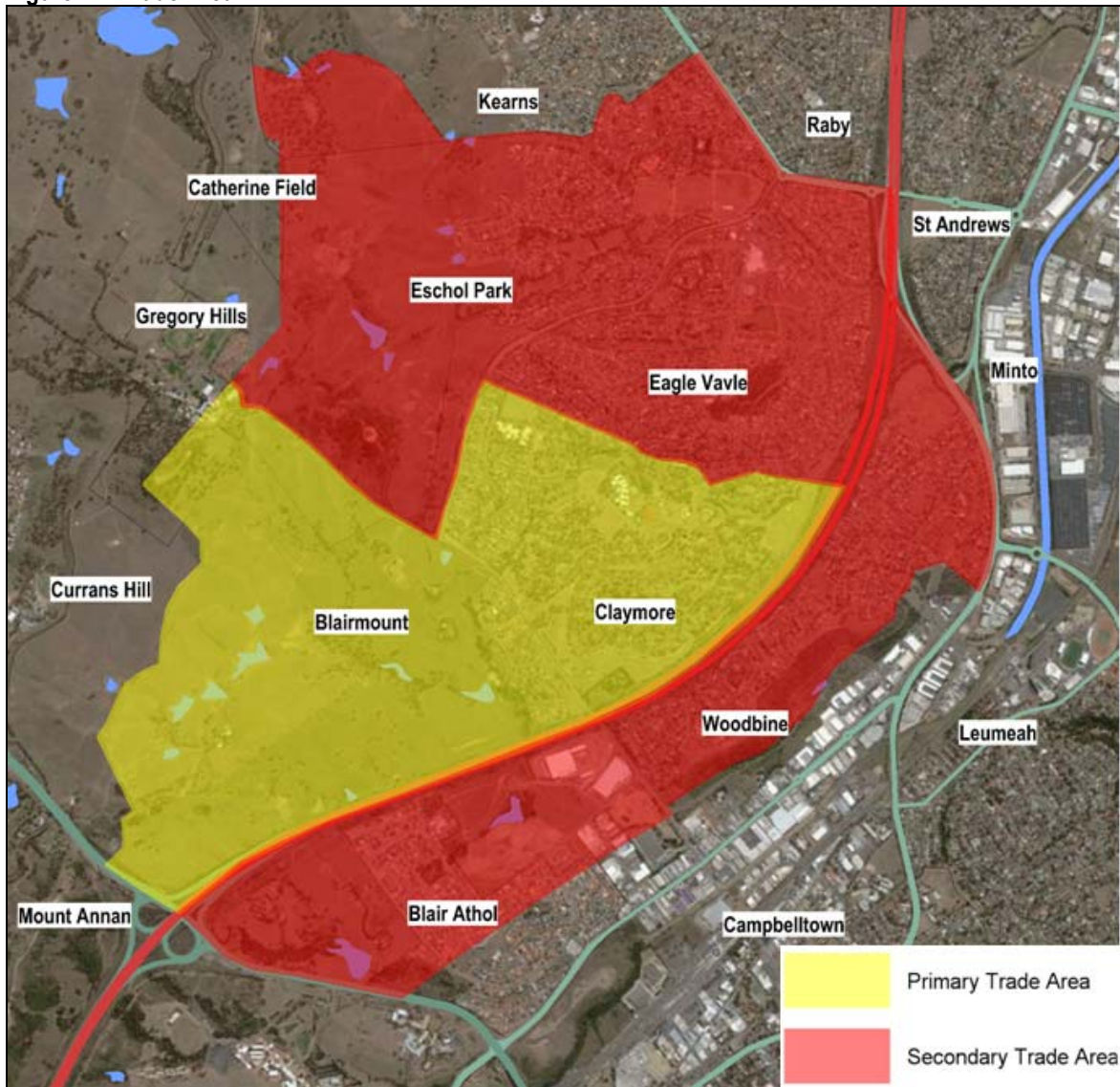
For the purposes of expenditure modelling, we have estimated the trade area for new retail facilities provided as part of the Claymore urban renewal scheme. As such, the trade area does not reflect that which currently applies to the existing Claymore shopping centre which is likely to be very restricted in extent.

We have defined two trade areas for the new retail centre at Claymore, a Primary Trade Area (PTA) and a Secondary Trade Area (STA). The PTA refers to the area within which the new retail centre will be the main destination for food and grocery shopping (aligned to its neighbourhood centre status) whilst the STA comprises the area from which new retail facilities will also draw some trade. It is likely that a small amount of trade will also be derived from outside the PTA and STA.

Having regard to each of the factors detailed above, we have determined the PTA for a new retail centre at Claymore as comprising the suburb of Claymore itself, the suburb of Blairmount and that part of Eagle Vale south of Malachite Road which comprises the census collection district 1300407. The STA comprises the residual area of Eagle Vale not included in the PTA, and the suburbs of Eschol Park, Blair Athol and Woodbine.

The assumed PTA and STA are depicted in the following map.

Figure 2 - Trade Area



Source: Hill PDA (2011), MapInfo

4.2 Demographics of the Trade Area

Demand for retail floorspace is dependant not only upon the number of households in the trade area but also the socio-demographic characteristics of those households. This Section looks at the key demographic characteristics, based on ABS Census data, of Claymore compared to the nearby suburbs of Blair Athol and Eagle Vale. These are benchmarked against Campbelltown LGA and Sydney SD.

Table 2 - Trade Area Population

	Claymore	Blair Athol	Eagle Vale	Campbelltown LGA	Sydney SD
Population and Dwellings					
Total Population	3,294	2,628	5,590	143,077	4,119,190
Total Private Dwellings	1,034	752	1,775	50,218	1,643,675
Occupied Private Dwellings	971	729	1,703	47,823	1,521,465
Occupied Private Dwellings (%)	93.9%	96.9%	95.9%	95.2%	92.6%
Average Household Size	3.3	3.6	3.3	3.0	2.7
Age Distribution					
0-14	39.4%	24.4%	25.5%	23.8%	19.5%
15-29	24.4%	26.5%	23.6%	23.4%	21.2%
30-44	17.0%	25.0%	23.2%	20.6%	23.2%
45-59	13.5%	18.8%	20.0%	21.0%	19.3%
60-74	5.1%	3.7%	5.9%	8.2%	10.6%
75+	0.6%	1.6%	1.9%	3.1%	6.1%
Median Age	20	29	30	32	35

Source: ABS (2006)

From the table above, the following can be determined:

- The population of Claymore was 3,294 at the time of the Census 2006, which compares to 2,628 persons in Blair Athol and 5,590 persons in Eagle Vale;
- The median age of Claymore residents (20 years) was well below that of Blair Athol (29) and Eagle Vale (30), which in turn were lower than that of both Campbelltown LGA (32) and Sydney SD (35). The majority of residents in Claymore (64%) were aged below 30 which is a higher proportion than the other areas shown in Table 2;
- The average household size in Claymore (3.3) is comparable to that in Blair Athol, Eagle Vale and Campbelltown LGA (3.6, 3.3 and 2.7 respectively) all of which are above that of Sydney SD (2.7)

Table 3 - Household Characteristics

	Claymore	Blair Athol	Eagle Vale	Campbelltown LGA	Sydney SD
Home Ownership					
Owned or Being Purchased	2.7%	83.1%	77.6%	65.5%	65.0%
Rented	91.9%	15.0%	20.0%	31.5%	31.3%
Other/Not Stated	5.4%	2.0%	2.4%	3.0%	3.7%
Household Structure					
Family Households	82.9%	92.6%	85.4%	80.4%	72.7%
Lone Person Households	15.5%	6.0%	12.6%	17.6%	23.1%
Group Households	1.7%	1.4%	2.0%	2.0%	4.2%
Family Type					
Couple family w. children	33.3%	65.2%	60.7%	50.7%	49.3%
Couple family w/o children	9.5%	24.8%	19.5%	25.3%	33.2%
One parent family	55.8%	9.5%	18.9%	22.6%	15.6%
Other family	1.4%	0.6%	0.9%	1.4%	1.9%
Dwelling Type					
Separate house	27.5%	99.3%	93.1%	81.0%	63.6%
Townhouse	72.2%	0.7%	6.9%	16.1%	11.8%
Flat-Unit-Apartment	0.3%	0.0%	0.0%	2.7%	23.9%
Other dwelling	0.0%	0.0%	0.0%	0.1%	0.6%
Not stated	0.0%	0.0%	0.0%	0.0%	0.1%

Source: ABS (2006)

From the table above, the following can be determined:

- Home ownership levels in Claymore were low reflect the proliferation of social housing in the area, with less than 3% of houses being owned or being purchased by their residents. This compared to 83% in Blair Athol and 78% in Eagle Vale;
- There was a higher proportion of family households in Claymore (83%) than in Campbelltown LGA (81%) and Sydney SD (73%) but a lower proportion when considered against Blair Athol (93%) and Eagle Vale (85%);
- In Claymore the most common family type was one parent families which represented 56% of all families. This was at least double the level recorded in all of the other benchmarked areas shown in Table 3;
- All dwellings in Claymore were separate houses or townhouses.

Table 4 - Employment and Income Characteristics

	Claymore	Blair Athol	Eagle Vale	Campbelltown LGA	Sydney SD
Labour Force by Occupation					
Managers	2.4%	8.3%	7.5%	7.8%	12.5%
Professionals	2.3%	16.9%	10.4%	12.1%	22.5%
Community & Personal Services	8.9%	7.2%	8.5%	8.3%	7.6%
Clerical and Administrative Workers	6.8%	19.1%	18.2%	17.3%	15.8%
Sales Workers	4.7%	9.2%	9.3%	9.5%	9.0%
Technicians & Trade Workers	6.9%	14.1%	14.0%	14.5%	12.0%
Machinery Operators & Drivers	12.9%	9.4%	10.9%	10.3%	5.7%
Labourers & Related Workers	20.2%	9.3%	12.2%	10.7%	7.6%
Inadequately described or N.S.	3.3%	2.7%	2.1%	2.0%	2.0%
Unemployed	31.6%	3.9%	6.9%	7.5%	5.3%
Weekly Household Income					
\$0-\$349	35.4%	2.9%	6.2%	12.9%	12.8%
\$400-\$799	28.7%	8.1%	19.1%	20.3%	17.9%
\$800-\$1,399	14.8%	20.5%	27.8%	24.7%	20.8%
\$1,400-\$2,499	4.6%	38.4%	25.4%	22.2%	21.2%
\$2,500+	1.2%	16.9%	7.7%	8.1%	16.0%
Partial income stated	8.7%	11.9%	11.2%	8.8%	8.6%
All incomes not stated	6.5%	1.3%	2.6%	3.0%	2.7%
Median Weekly Household Income	\$474	\$1,723	\$ 1,175	\$1,066	\$1,154

Source: ABS (2006)

From the table above, the following can be determined:

- Claymore had a significantly lower representation of professionals and an above average representation of “blue collar” workers than in Blair Athol, Eagle Vale, Campbelltown LGA and Sydney SD. Of particular note, the unemployment rate in Claymore was 32% is very high compared to Blair Athol (4%), Eagle Vale (7%), Campbelltown LGA (8%) and Sydney SD (5%);
- The median weekly household income of Claymore (\$474 per week) less than half that of Blair Athol, Campbelltown LGA and Sydney SD, and less than a third of that recorded in Eagle Vale (\$1,723) . The largest proportion of households in Claymore (64%) earned weekly incomes of less than \$800.

In summary Claymore residents are highly socio-economically disadvantaged. Almost the entire population are public housing tenants, on very low incomes. The area has a high proportion of unemployed residents and single parent households.

4.3 Demographic Change

The Claymore suburb at the current time is predominantly public housing and residents are young (a median age of 20) and have significantly lower retail expenditure – some 40% lower than the Sydney SD average. Urban renewal will change the socio-economic character of the area significantly with private housing constructed in a new master planned development. New families will move into the area and disposable incomes will be much higher, comparable to the demographic characteristics of Eagle Vale and Blair Athol. This will translate to increase demand for retail goods and services. This is discussed in the next section.

5. DEMAND FOR RETAIL FLOORSPACE

5.1 Population Growth in the Trade Area

Population projections for the PTA and the STA have largely been derived from Campbelltown LGA forecasts, compiled by forecast.id for the 2006 to 2031. These were last updated in March 2010 and are provided on a suburb wide basis.

With regard to the urban renewal scheme at Claymore we have estimate population based on the staging plan for the scheme as derived from discussions with Landcom. We assume that Stage 1 will commence in 2012 and the final Stage 11 will commence in 2020. We have assumed that each new dwelling will have occupancy of 3.5 persons, which is comparable to that of Blair Athol. Some seniors living units are proposed as part of the urban renewal scheme, we have assumed that each unit will provide accommodation for 25 persons. The population growth forecast for the Trade Area is provided below.

Table 5 - Population Growth

Suburb / Year	2009	2013	2015	2017	2019	2021	2023
Primary Trade Area							
Claymore Existing Residents	3,576	2,411	1,795	966	515	347	347
Claymore New Residents		0	1,186	1,954	2,780	3,281	3,453
Blairmount	1,110	1,081	1,120	1,189	1,271	1,350	1,369
Eagle Vale south of Malachite Road	604	573	567	571	597	605	609
Total PTA	5,290	4,065	4,668	4,680	5,163	5,583	5,778
Secondary Trade Area							
Balance of Eagle Vale	4,766	4,522	4,471	4,504	4,706	4,773	4,806
Eschol Park	2576	2489	2478	2477	2480	2492	2500
Blair Athol	2677	2547	2510	2477	2470	2459	2444
Woodbine	2848	2773	2873	3050	3259	3462	3510
Total STA	12,867	12,331	12,332	12,508	12,915	13,187	13,260
TOTAL Main Trade Area	23,447	20,461	21,668	21,868	23,241	24,353	24,816

Source: Campbelltown population forecasts (forecast.id)

5.2 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 annum⁶.

Retail spend per capita for residents of the trade area is shown in the table below. For the purposes of economic modelling we have assumed that new residents of the Claymore scheme will have the same spending levels as residents of Blair Athol.

Table 6 - Retail Spend per Capita (\$2009)

Store Type	Claymore Existing Residents	Claymore New Residents*	Blairmount & Eagle Vale (south)	Eagle Vale north of Malachite Road	Eschol Park	Blair Athol
Supermarkets & Grocery Stores	2,442	3,773	3,154	3,585	3,750	3,773
Specialty Food Stores	664	1,197	985	1,145	1,248	1,197
Fast-Food Stores	556	1,106	846	987	1,042	1,106
Restaurants, Hotels and Clubs**	240	1,016	665	791	896	1,016
Department Stores	593	1,141	867	1,013	1,060	1,141
Clothing Stores	342	705	526	611	626	705
Bulky Goods Stores	878	2,045	1,466	1,722	1,870	2,045
Other Personal & Hshold Goods	1,187	1,953	1,565	1,809	1,882	1,953
Selected Personal Services***	119	371	273	323	345	371
Total Retailing	7,021	13,309	10,346	11,986	12,718	13,309

* Assume equivalent spending levels to Blair Athol

** Dining areas only. Excludes turnover from other sources such as drinking only areas, gaming and accommodation.

*** Based on ANZIC including photo processing, hair and beauty, tailoring & alterations, shoe repairs, key cutting, video hire and optometry

Source: MarketInfo 2009

As a result of per capita spend, we can derive the total quantum of retail expenditure available with the PTA and STA, however only a proportion of this expenditure could potentially be captured by a new retail centre in Claymore. The table below shows our estimated capture rates of the proportion of expenditure which could be capture by Claymore. Given that the facilities provided will be in the form of a neighbourhood-type centre, it is likely that the majority of retail expenditure capture will fall within the supermarket grocery and liquor categories of retail goods. No department stores, bulky goods stores or clothing stores will be provided and therefore the new facilities will capture none of the expenditure generated by residents in this category. The assumed capture rates are shown in the table below.

Table 7 - Assumed Capture Rates

Store Type	Claymore Existing Residents	Claymore New Residents	Blairmount & Part Eagle Vale	Eagle Vale north of Malachite R	Eschol Park	Blair Athol
Supermarkets & Grocery Stores	65.0%	65.0%	65.0%	15.0%	10.0%	25.0%
Specialty Food Stores	55.0%	55.0%	55.0%	15.0%	10.0%	20.0%
Fast-Food Stores	35.0%	35.0%	35.0%	12.5%	7.5%	15.0%
Restaurants, Hotels and Clubs	20.0%	20.0%	20.0%	12.5%	7.5%	15.0%
Department Stores	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Clothing Stores	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bulky Goods Stores	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Personal & Hshold Goods	25.0%	25.0%	25.0%	10.0%	7.5%	15.0%
Selected Personal Services	50.0%	50.0%	50.0%	15.0%	10.0%	20.0%
Total Retailing	36.3%	32.9%	34.3%	9.7%	6.5%	14.0%

⁶ In accordance with historic growth since 1986 (1.30%).

As a result of the above, the potential turnover of a new neighbourhood shopping centre at Claymore is shown in the table below. We have increase the potential turnover of the centre drawn from with the PTA and STA by 10% to allow for expenditure from residents outside of the main trade areas who may use the centre on an infrequent basis.

Table 8 - Potential Turnover of a New Claymore Shopping Centre (\$m2009)

Suburb / Year	2009	2013	2015	2017	2019	2021	2023
Supermarkets & Grocery Stores	16.6	14.9	17.6	18.9	21.4	23.5	24.7
Specialty Food Stores	4.5	4.1	4.8	5.3	6.0	6.6	6.9
Fast-Food Stores	2.7	2.5	3.0	3.3	3.7	4.1	4.3
Restaurants, Hotels and Clubs	1.7	1.7	2.0	2.2	2.5	2.7	2.8
Department Stores	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Clothing Stores	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bulky Goods Stores	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Personal & Household Goods Retailing	4.3	4.0	4.6	4.9	5.5	5.9	6.2
Selected Personal Services	1.1	1.0	1.3	1.4	1.7	1.8	1.9
Total Retailing	30.9	28.1	33.2	35.9	40.7	44.6	46.8

Source: Hill PDA estimates

Table 8 indicates that at 2013, there will be an estimated \$28.1m in expenditure within the PTA and STA which could be captured by a new shopping centre at Claymore. The potential turnover of a new retail facility in Claymore will increase to some \$46.8m by 2023. By applying target floorspace turnovers to the projected turnover levels it is possible to estimate the quantum of retail floorspace which could be supported in the new centre. This is shown in the table below.

Table 9 - Required Floorspace based Target Turnover Levels

Suburb / Year	Target Turnover (\$/sqm)*	Required Leasable Floor Area (sqm) by Year					
		2013	2015	2017	2019	2021	2023
Supermarkets & Grocery Stores	9,500	1,564	1,848	1,990	2,255	2,474	2,600
Specialty Food Stores	7,500	540	643	701	798	876	920
Fast-Food Stores	7,500	335	398	435	494	541	568
Restaurants, Hotels and Clubs*	5,000	336	395	437	495	539	563
Department Stores	3,500	0	0	0	0	0	0
Clothing Stores	5,000	0	0	0	0	0	0
Bulky Goods Stores	3,500	0	0	0	0	0	0
Other Personal & Household Goods Retailing	4,000	998	1,142	1,224	1,367	1,484	1,553
Selected Personal Services**	2,750	371	460	519	601	664	697
Total Retailing	6,782	4,145	4,886	5,305	6,010	6,577	6,900

* Various Sources including ABS Retail Survey 1998-99 escalated to 2009 dollars, Urbis Retail Averages, Shopping Centre News and various consultancy studies.

Table 9 demonstrates that the potential turnover of a new shopping facility would equate to some 4,900sqm of floorspace in 2015, increasing to 6,900sqm by 2023.

6. RECOMMENDATIONS

Size and Timing of Shopping Centre

The demand modelling in the previous section suggests that Claymore could support a centre of around 5,000 to 6,000sqm of leasable area of which around half would be a supermarket. The balance would be around 15 to 25 specialty stores including liquor, chemist, newsagent, fruit and veg, butcher, bakery, hair and beauty, some take-aways and restaurants.

It will be necessary for some urban renewal to have been implemented prior to the development of a shopping centre. This is to ensure that there is sufficient expenditure in the immediate Claymore suburb to support the shopping centre. The most appropriate time to development the shopping centre would be around 2015 at which point a 'critical mass' of new local residents will have been achieved.

Whilst the centre may underperform in its first few years it is desirable to provide these services ahead of the population to assist in marketing. Also due to the nature of competition between the national supermarket operators (particularly Coles and Woolworths and to a lesser extent IGA/Metcash, Franklins and Supabarn) these supermarkets would be prepared to trade at below benchmark levels for the first few years to gain a step ahead of their competitors – provided the market is growing. Once a supermarket is secured then the specialties will follow.

Site Location

The location of the site will be important in ensuring that the new shopping facilities are a success. It is important that a commercially viable and easily accessible site is provided upon which to accommodate the new retail floorspace. In our view, the land at the junction of Badgally Road and the realigned Glenroy Road (as illustrated on the Aecom's preferred scheme and staging plan) which forms part of Stage 1 is probably best located. This site benefits from a highly visible location both for new residents of Claymore via Glenroy Road and by residents of other suburbs via Badgally Road. This will be the main entry point into the estate and is sufficiently distanced from Eagle Vale shopping centre to not be concerned. It's the best location to also attract expenditure from Blairmount and Blair Athol.

Petrol Outlet

The preferred location is also suitable for a petrol outlet given being on the left hand side of the main entry point into Claymore. A petrol outlet is an optional addition although the most likely format would be a small outlet as attached to the supermarket operations – eg Coles/Shell or Woolworths Plus.

Site Area

To accommodate 5,000 to 6,000sqm of leasable space a building with a gross floor area of around 6,000 to 7,000sqm is required. Additional space is required for delivery, loading, waste handling and optional petrol outlet.

Car parking facilities for shoppers will also need to be provided. In this location and given the scheme it is likely that car parking will comprise at grade open facilities. Using a ratio of 1 car parking space per 23sqm of leasable floorspace this equates to a need for provide around 240 to 260 car parking spaces.

Site area therefore needs to be around 2 hectares or 2.5 hectares if a petrol outlet is included. The retail facilities and car parking could be accommodated on a smaller site – less than 1.5 hectares but this will probably involve the provision of parking below the retail level which may add to construction costs.

Existing Centre

Note that a new centre of around 5,000 to 6,000sqm of leasable space ignores the existing Claymore Shopping Centre. If the existing centre remains trading it will capture some of the above expenditure which would otherwise be directed towards the new shopping centre.

However given that the new centre will be a superior offer, in a superior location and presumably better designed and more attractive than the existing centre then there is considerable probability that the existing centre will be detrimentally affected and will stop trading.

From the point of view of the future residents the new centre will more than make good for the economic loss to the old centre. If that scenario were to happen a redevelopment of the existing shopping centre to residential or alternative use is the preferred scenario.

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