

ECONOMIC ASSESSMENT



PROPOSED MIXED USE PROJECT HOMEBUSH, NSW

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EXECUTIVE SUMMARY

Introduction Section 1

This Report has been prepared for Mayoh Architects by Leyshon Consulting Pty Ltd. The Report concerns a mixed use development proposed for a three hectare site at Homebush to be known as the “Columbia Precinct”.

A preliminary Environmental Assessment submitted to the (then) Department of Planning in July, 2010 identified the site could be redeveloped to contain some retail and commercial uses together with 600 to 700 residential units.

In this context Leyshon Consulting was briefed to provide the following advice:

- ▶ the appropriate scale and mix of retail and commercial services on the site; and
- ▶ the potential impact of the proposed retail development on other relevant centres in the sub-region surrounding Homebush.

Trade Area Analysis Section 2

Trade Area Definition

The Columbia Precinct is highly constrained in terms of the spatial extent of its trade area by existing roads, the adjacent railway line and competing centres.

Due to these constraints a relatively small Primary Trade Area (PTA) has been defined. This principally lies between the Western Motorway and the railway line. A series of Secondary Trade Areas (STAs) have been defined to the east, north-east, north and west of the site. An STA has not been defined to the south because of the barrier posed by the adjacent railway line.

Demography

In 2006 the trade area population had an atypical demography compared with that of the Sydney Statistical Division (SSD). The key differences were:

- ▶ its youthfulness—26.6% of residents were aged 20-29 years compared with 14.6% in the SSD;
- ▶ the high incidence of persons speaking Chinese languages (18.3%) and Korean (13.1%) at home. In the PTA 26.5% of persons spoke Korean in 2006 (SSD=0.9%) while 11.7% spoke Chinese languages at home (SSD=5.7%); and
- ▶ the average household income was \$71,399 (\$2006), -3.2% below the SSD average at that time (\$73,724 per household per annum).

EXECUTIVE SUMMARY

Trade Area Analysis Cont'd

Population Growth

The trade area population in 2011 is estimated at 6,380 persons although the PTA population is put at only 1,350 residents.

By 2021 the trade area population is estimated to have grown to 9,030, an increase of +2,650 over its 2011 levels. The PTA population by 2021 is estimated to be 2,750 persons—an increase of +1,400 persons from 2011.

Available Retail Spending

Total available annual retail spending (\$2010) in the trade area is estimated to increase as follows:

- ▶ 2011 ... \$67.8 million per annum
- ▶ 2021 ... \$107.0 million per annum.

Available annual retail spending (\$2010) within the PTA specifically is projected to increase as follows:

- ▶ 2011 ... \$15.4 million per annum
- ▶ 2021 ... \$34.6 million per annum.

Available Supermarket Spending

At present (2011) the trade area as a whole is estimated to generate approximately \$21.7 million in annual available supermarket expenditure (\$2010). This is sub-optimal for a full-line supermarket (that is, a supermarket of >2,700 sq.m.).

In the PTA annual available supermarket spending is estimated at only \$4.9 million at present and is projected to increase to \$11.1 million by 2021 (\$2010). This level of available spending would support (at most) only between 1,200 and 1,500 sq.m. of supermarket floorspace in 2021.

Floorspace Mix Section 3

Based on the forecast growth in available retail spending growth in the trade area, recommendations as to the appropriate quantum of retail and commercial floorspace (excluding serviced apartments) for the Columbia Precinct (exclusive of the Kennards Storage facility) were made. In summary, between 6,650 and 8,637 sq.m. of such floorspace is recommended.

EXECUTIVE SUMMARY

Floorspace Mix Cont'd

Following a review of these recommendations, the developers propose to provide commercial/retail floorspace as follows:

▶ Neighbourhood Retail	...	1,300 sq.m.
▶ Bulky Goods/Showroom	...	3,476 sq.m.
▶ Commercial	...	3,000 sq.m..

The proposed allocation of floorspace is broadly consistent with the original recommendations—particularly with respect to the neighbourhood retail and bulky goods/showroom floorspace.

Impact Analysis Section 4

Convenience retailing developed on the Columbia Precinct is likely to have a minimal impact on the Homebush Village local centre at the intersection of The Crescent and Rochester Road. This centre draws the overwhelming majority of its trade from south of the railway line. Residents of these areas are unlikely to cross the railway line to shop at the Columbia Precinct neighbourhood centre on a regular basis.

The potential impact on the nearby Bakehouse Quarter is estimated at -12.5% (or -\$4.0 million per annum) in 2014-15. This impact is considered unlikely to lead to significant vacancies given the strong growth in available trade area spending which will occur up to 2021.

The development of residential units as part of the Columbia Precinct project—and the growth in annual available retail spending in the PTA of +\$17 million between 2013-21 (\$2010)—effectively will offset the impact on the Bakehouse Quarter within a two to three year period.

The impact on the Strathfield Town Centre is estimated at -\$3.0 million in 2014-15 or approximately -3.9%. This falls within what is commonly considered by analysts to be a very low range level of impact.

Depending on its ultimate tenancy mix, the proposed bulky goods/showroom space could generate annual sales of between \$12.1 and \$15.6 million (\$2010). This represents only 1.6% of available trade area spending generated in 2010.

In summary, neither the traditional retail element proposed for the Columbia Precinct nor the bulky goods/showroom component is likely to have any significant or lasting adverse economic impact on existing centres in or adjacent to the trade area.

The commercial component of the proposed development will not threaten other centres in the surrounding region and there will no loss of effective employment land.

EXECUTIVE SUMMARY

Consistency with Planning Instruments Section 5

In relation to the provisions of Clause 41D(1)(b) of the Strathfield Planning Scheme Ordinance (SPSO), the proposed development is not considered to detrimentally affect the viability of any established business centre within the locality. Even if impacts on the Bakehouse Quarter are significant at the point of impact (that is, about -12.5% in 2014-15) this will be insufficient to affect its viability. Ongoing population and expenditure growth within the trade area will reduce the impact to an acceptable level by 2017.

The Columbia Precinct will not contain a supermarket of any significance; neither will it contain a discount department store (DDS), clothing, footwear or small electrical appliance shops as referred to in Clause 41D(2). Hence the project appears consistent with the provisions of Clause 41D(2) of SPSO which prohibits certain types of retail in Zone 10.

On balance the proposed development is consistent with the provisions of the *Inner West Subregional Strategy* published by the Department of Planning in 2008 as well as the relevant provisions of the SPSO.



1

INTRODUCTION

1.1 Background

This Report has been prepared for Mayoh Architects by Leyshon Consulting Pty Ltd. The Report concerns a proposed mixed use development for a three hectare site at 2-20 Parramatta Road and 11-13 Columbia Lane, Homebush, hereafter referred to as the "Columbia Precinct".

We understand the proposal is being considered under Part 3A of the Environmental Planning and Assessment Act as a consequence of its scale and the extent of capital investment involved.

A preliminary Environmental Assessment submitted to the Department of Planning in July 2010 identified the site could be redeveloped to contain retail and commercial uses together with 600 to 700 residential units. It was also proposed that an existing Kennards Self Storage facility on the site would be retained as part of the overall redevelopment.

Leyshon Consulting was retained to provide advice on the following:

- ▶ the appropriate scale and mix of retail and commercial development on the subject site; and
- ▶ the preparation of a statement related to the economic impact of the proposal on other retail centres in the region surrounding the subject site.

The subject site is located in what is commonly referred to as the "Parramatta Road Corridor". There is a well established process of

urban regeneration occurring throughout the Corridor whereby former industrial sites are being redeveloped for commercial, residential, retail and related uses.

The subject site is within walking distance of Homebush station and relatively close to both the Strathfield Town Centre and the Olympic Park at Homebush.

Immediately to the north of the site (across Parramatta Road) lies the former Arnotts Biscuit factory site which has been redeveloped and is now known as the Bakehouse Quarter. This area contains an eclectic mix of retail, commercial and leisure related uses.

1.2 Study Brief

Leyshon Consulting was briefed to provide the following advice:

- ▶ the appropriate scale and mix of retail and commercial services on the site; and
- ▶ the impact of the proposed development on other centres in the sub-region surrounding Homebush.

In preparing this advice we have undertaken the following:

- ▶ conducted an inspection of the site and surrounding centres
- ▶ identified an appropriate trade area for the proposed development
- ▶ analysed 2006 Census data in terms of the defined trade area's demography

- ▶ prepared projections of annual available retail spending by merchandise category within the trade area to 2021
- ▶ assessed the scale and type of retailing and commercial activity appropriate for the site consistent with strategic planning intentions
- ▶ estimated the potential impacts of the proposed retail component of the development on surrounding centres
- ▶ prepared an opinion as to the consistency of the proposed development having regard to relevant provisions of the Strathfield Planning Scheme Ordinance (SPSO) particularly as it relates to retail and bulky goods type development.

2

TRADE AREA ANALYSIS

2.1 Introduction

The spatial extent of any retail trade area is influenced by a number of factors. Principal among these are:

- ▶ existing road patterns
- ▶ barriers to vehicular or pedestrian movement
- ▶ competing established (or proposed) centres.

An analysis of these factors indicate that the subject site is highly constrained in terms of the potential spatial extent of its trade area by existing roads, the adjacent railway line and competing centres.

While the proposed centre has a frontage to Parramatta Road—which is considered desirable in terms of the exposure of retailing to passing traffic—the fact Parramatta Road carries large volumes of traffic and is subject to congestion at peak hour will discourage residents from adjacent areas to accessing the site by car for shopping purposes.

To the south and east of the site, major railway lines provide significant barriers to movement. For example, to the east of the site the railway line discourages pedestrian movement from the new residential apartments in the precinct around Cooper Street. The pedestrian connection under the railway bridge is narrow and uninviting.

To the south of the subject site the only crossing point for pedestrians over the railway line is the overpass at Homebush station. To the west the only road crossing over the railway line is Bridge Road which feeds into Parramatta Road forcing motorists from the south of the railway line

to make a right-hand turn onto Parramatta Road and try to approach the site in an east-bound direction.

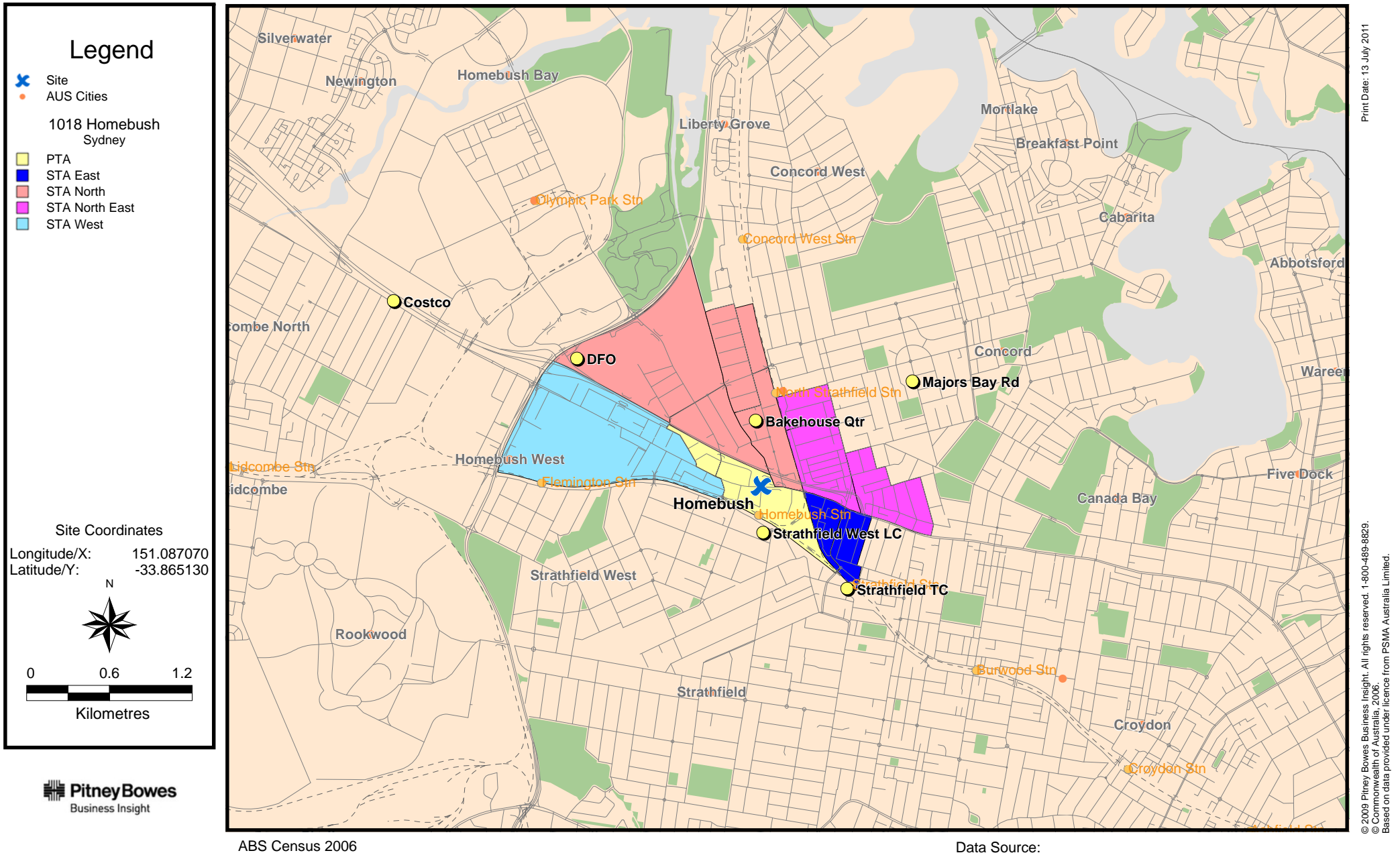
In relation to existing centres, the Bakehouse Quarter referred to above is located only some 300 metres to the north of the site across Parramatta Road. The centre contains an ALDI supermarket and a range of shops together with personal services and a Fitness First gymnasium. To the south-west of the site the Homebush Village local centre located at the intersection of Rochester Street and The Crescent provides a good range of convenience retail services. Consequently, there is little incentive for residents living in the area bounded by Bridge Street in the west, The Crescent in the north, Homebush Road in the east and Broughton Road in the south to patronise future retail facilities developed on the site.

The Strathfield Town Centre is located approximately one kilometre to the south-east. The Town Centre provides a very wide range of shops and includes a full-line Coles supermarket. While not a particularly attractive centre in terms of retailing, it is nonetheless busy because it is centred on Strathfield Railway Station which is a major rail hub/bus interchange. To the west of the subject site the Flemington Markets operates a general market (open to the public) on Fridays, Saturdays and Sundays providing both fresh food and general merchandise.

2.2 Definition of Trade Area

Taking the above factors into account we have defined a trade area for the more traditional retail elements of the project. This trade area is depicted in FIGURE 2.1.

FIG 2.1 Homebush Trade Area



Due to the geographic constraints discussed above, we have defined a relatively small Primary Trade Area (PTA) which principally lies between the Western Motorway and the railway line. A series of Secondary Trade Areas (STAs) have been defined to the east, north-east, north and west of the subject site. An STA has not been defined to the south of the trade area for the reasons outlined above.

2.3 Trade Area Demographics

An analysis has been undertaken of the demography of the trade area population as at the 2006 Census. The key demographic attributes are summarised in TABLE 2.1.

Some 4,511 persons resided in the trade area in 2006 of which 1,063 were in the PTA.

In general terms, the trade area population had an atypical demography compared to that of the Sydney Statistical Division (SSD) in 2006. In our opinion the unique demographic characteristics of the trade area are of great significance in terms of assessing the potential for retail and commercial development on the subject site.

The key attributes of the trade area population in 2006 are discussed below.

Age Structure

The trade area as a whole had a much younger population than did the SSD in 2006. As indicated in TABLE 2.1, the trade area had an above-average representation of persons aged 20-29 years (26.6% compared with 14.6% in the SSD) and a below-average representation of persons 60+ years (9.0% compared with 16.8% in the SSD).

TABLE 2.1**SUMMARY of DEMOGRAPHIC ATTRIBUTES for COLUMBIA TRADE AREA POPULATION and COMPARATIVE DATA for SYDNEY STATISTICAL DIVISION (SSD), 2006** (% Population)

Variable ...	PTA	STA East	STA North	STA North East	STA West	Total Trade Area	SSD
Population Count, Census Night 2006 (No. Persons)	1,063	1,215	867	665	701	4,511	4,119,190
Age Structure							
0-9 years	12.1	6.8	12.6	13.8	12.0	11.0	13.0
10-19	11.7	11.3	13.0	13.4	14.8	12.6	13.1
20-29	30.2	41.4	18.7	12.0	19.1	26.6	14.6
30-39	22.5	17.1	19.1	18.7	15.7	18.7	15.6
40-49	14.3	9.7	14.9	16.7	15.4	13.7	14.7
50-59	4.7	6.0	10.7	11.3	12.6	8.4	12.2
60+	4.5	7.7	11.0	14.1	10.4	9.0	16.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Household Structure							
Couples & Children	34.8	21.5	37.2	36.5	40.3	32.8	36.1
Couples Only	27.3	27.5	30.2	21.5	21.2	26.1	24.3
Single Parents	9.7	9.0	9.7	10.7	8.7	9.5	11.4
Other	1.5	5.1	4.4	2.1	4.3	3.6	1.5
Total – Family	73.3	63.1	81.5	70.8	74.5	72.0	73.3
Non-Family Households							
Lone Person	18.8	16.2	13.8	24.5	23.6	18.7	22.6
Group	7.9	20.7	4.7	4.7	1.9	9.3	4.1
Total – Non Family	26.7	36.9	18.5	29.2	25.5	28.0	26.7
Total – All Households	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average Household Size (persons/dwelling)							
	2.58	2.87	2.76	2.62	2.73	2.72	2.68
Occupational Structure							
Managers	8.6	8.2	11.5	11.4	12.3	10.0	13.2
Professionals	31.1	22.8	29.1	26.8	25.0	26.9	23.8
Technicians & Trade Workers	12.9	12.0	11.0	12.9	7.1	11.5	12.7
Community & Personal Service Workers	7.5	8.7	9.9	6.2	9.0	8.3	8.0
Clerical & Administrative Workers	16.3	15.5	16.5	17.8	17.2	16.5	16.7
Sales Workers	8.8	11.6	8.8	8.6	6.3	9.3	9.5
Machinery Operators & Drivers	3.2	4.0	5.3	7.1	9.7	5.3	6.0
Labourers	9.1	12.5	6.6	9.2	11.9	9.9	8.0
Inadequately Described/Not Stated	2.5	4.7	1.3	0.0	1.5	2.3	2.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

TABLE 2.1
SUMMARY of DEMOGRAPHIC ATTRIBUTES for COLUMBIA TRADE AREA POPULATION and COMPARATIVE
DATA for SYDNEY STATISTICAL DIVISION (SSD), 2006 (% Population)

Variable ...	PTA	STA East	STA North	STA North East	STA West	Total Trade Area	SSD
Unemployment Rate	6.7	10.2	6.8	2.4	8.6	7.4	5.3
Annual Household Income							
Nil/Negative	3.6	9.0	1.5	1.5	6.2	4.6	1.5
\$0-\$7,799	1.3	2.4	1.5	0.0	0.0	1.2	1.6
\$7,800-\$12,999	4.2	3.3	4.1	3.4	2.8	3.6	4.9
\$13,000-\$18,199	3.6	5.1	4.5	4.4	7.3	4.8	6.4
\$18,200-\$25,999	2.3	2.7	3.7	3.4	4.5	3.2	4.4
\$26,000-\$33,799	9.2	10.2	8.6	11.2	8.4	9.5	9.4
\$33,800-\$41,599	6.9	5.7	4.9	3.9	6.2	5.6	6.3
\$41,600-\$51,999	8.8	7.5	7.1	9.3	9.5	8.3	7.1
\$52,000-\$62,399	14.6	11.0	10.1	14.6	9.6	12.1	10.9
\$62,400-\$72,799	6.9	6.9	4.1	3.9	9.6	6.2	5.6
\$72,800-\$88,399	8.5	11.3	8.6	6.8	6.7	8.8	8.6
\$88,400-\$103,999	4.9	7.8	8.2	8.8	7.3	7.3	7.4
\$104,000-\$129,999	13.1	8.1	14.6	11.2	8.4	11.2	7.9
\$130,000-\$155,999	6.2	3.6	7.9	7.8	6.2	6.1	8.7
Above \$156,000	5.9	5.4	10.6	9.8	7.3	7.5	9.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Language							
Speaks English Only at Home	17.3	17.9	48.7	60.6	33.9	32.4	64.0
Speaks Chinese Languages	11.7	30.1	20.0	8.1	15.4	18.3	5.7
Speaks Korean	26.5	15.4	7.2	2.9	5.6	13.1	0.9
Dwelling Tenure							
Own/Purchase	37.6	33.4	61.8	73.1	59.8	50.1	65.0
Rent	58.4	63.8	35.8	23.9	36.7	46.7	31.3
Journey to Work Mode							
Train	36.6	45.1	29.2	24.5	24.6	34.0	12.2
Car (Driver/Passenger)	46.5	31.5	52.4	51.8	56.0	45.5	59.2
Average Household Income (\$2006)	\$70,506	\$62,571	\$80,619	\$77,962	\$68,111	\$71,399	\$73,724

Source: ABS Census, 2006.

The age profile in the PTA and the STA East, both of which have been subject to the fairly recent addition of new medium/high-rise residential units was particularly skewed toward the 20-29 year age group as follows:

- ▶ PTA ... 30.2% aged 20-29 years
- ▶ STA East ... 41.4% aged 20-29 years.

Household Structure

Overall the trade area in 2006 had a somewhat below average representation of traditional families (that is, couples plus dependant children) and a slightly above-average incidence of couple families without children.

In contrast, there was a below average incidence of lone person households (18.7% compared with 22.6% in the SSD) and an significantly above average incidence of group households (9.3% compared with 4.1% in the SSD). Of particular interest was the high incidence of group households in the STA East (20.7%) which is around five times the Sydney average (4.1%).

The average household size in the trade area was 2.72 persons per dwelling which compared to 2.68 persons in the SSD in 2006.

Occupational Structure

In general the trade area's occupational structure area was not particularly dissimilar from that of the SSD in 2006. Although there was a somewhat below average incidence of residents employed in managerial positions, the proportion of those employed in professional occupations was slightly above average compared with the SSD in 2006.

The only other occupational category in the trade area with an above average incidence of employment was labourers (9.9% compared with 8.0% in the SSD).

At 7.4% the unemployment rate in 2006 was significantly higher than the Sydney Region average at that time (5.3%). In the STA East, the unemployment rate was 10.2%, almost twice the Sydney average, and in the STA West it was 8.6% in 2006.

Language

We consider that the language spoken at home is a better indicator of ethnicity than data on the birthplace of residents.

As indicated in TABLE 2.1, overall just under a third (32.4%) of trade area residents spoke only English at home in 2006. The comparable figure for the SSD was 64.0%.

In the PTA and STA East, which have been the subject of the most recent concentration of unit development, just 17.3% and 17.9% respectively of persons spoke only English at home.

The two dominant language groups spoken at home in the trade area were Chinese languages (18.3%) and Korean (13.1%). In the PTA 26.5% of persons spoke Korean in 2006 while 11.7% spoke Chinese languages at home.

Dwelling Tenure

In the trade area as a whole in 2006 50.1% of dwellings were either owned or being purchased—this compared with 65.0% in the SSD. Overall 46.7% of dwellings were being rented in the trade area as a whole in 2006; this was as high as 58.4% in the PTA and 63.8% in the

STA East. As previously noted, in these two areas there has been recent medium/high-rise residential development which obviously has influenced the nature of dwelling tenure.

Journey to Work

As previously indicated there are three railway stations in either close or relatively close proximity to the subject site. The availability of train services as a mode of travel clearly influences journey-to-work patterns in the trade area. In 2006 for instance 34.0% of residents used train as their primary method of journey-to-work. The comparable figure for the Sydney Region was 12.2%. In the PTA and STA East the proportion of persons in the workforce using train to travel to work were 36.6% and 45.1% respectively.

The existence of railway stations close to the subject site (particularly Homebush station) means the pedestrian connection future residents will make between the subject site and Homebush station is an important consideration for retail planning.

Income

As indicated in TABLE 2.1, the average household income in the trade area in 2006 was \$71,399 (\$2006). This was some -3.2% below the SSD average in 2006 of \$73,724 per household per annum.

It is interesting to note that despite the recent residential development which has occurred in the PTA and the STA East, both areas had average household incomes well below that for the trade area as a whole. For example, in the PTA the average household income in 2006 was \$70,506 while in the STA East it was only \$62,571 per household per annum or approximately -15% below the 2006 Sydney Region average.

In summary, while new residential development in the PTA and the STA East appears to have attracted a youthful resident population—some of whom earn relatively high incomes—average household incomes in these areas were still well below the Sydney Region average in 2006.

2.4 Available Spending

Estimates have been prepared of available retail spending in the Columbia Precinct trade area.

Based on 2006 Census data (adjusted to current values) it is estimated that the average per capita spending rates in the trade area at current prices (\$2010) are as follows:

▶	PTA	...	\$11,423 per person per annum
▶	STA East	...	\$9,409
▶	STA North	...	\$11,771
▶	STA North East	...	\$11,989
▶	STA West	...	\$10,605.

A projection also has been prepared of population growth in the trade area to assist in the projection of growth in retail spending to 2021. This projection is shown in TABLE 2.2.

As indicated in TABLE 2.2, the current trade area population is estimated at 6,380 persons with the population of the PTA only being 1,350 persons.

TABLE 2.2
FORECAST POPULATION GROWTH – COLUMBIA PRECINCT TRADE
AREA, 2011-21 (No. Persons)

Trade Area ...	2011	2013	2016	2021
PTA	1,350	1,500	2,050	2,750
STA East	2,500	2,600	2,800	3,100
STA North	980	1,000	1,250	1,300
STA North West	700	705	710	730
STA West	850	950	1,050	1,150
Total	6,380	6,755	7,860	9,030

Source: Leyshon Consulting Projections, February 2011.

By 2021 the trade area population is estimated to have grown to 9,030 persons—an increase of +2,650 persons over 2011 levels. The PTA population by 2021 is estimated at 2,750 persons—an increase of +1,400 persons from 2011. The majority of this population increase (about 89%) is assumed to be due to residential development on the site.

TABLES 2.3 to 2.6 inclusive provide estimates of annual available resident retail spending in the trade area at constant prices (\$2010) for the years 2011, 2013, 2016 and 2021.

TABLE 2.3
ESTIMATED AVAILABLE RETAIL SPENDING – COLUMBIA PRECINCT TRADE AREA, 2011
 (\$2010)

Factor ...	PTA	STA East	STA North	STA North East	STA West	Total Trade Area
Population	1,350	2,500	980	700	850	6,380
Average Spending (\$ per capita)	\$11,423	\$9,409	\$11,771	\$11,989	\$10,605	\$10,641
Total Available Retail Spending (\$ Mil. p.a.)	\$15.4	\$23.5	\$11.5	\$8.4	\$9.0	\$67.8
Spending by Category (\$ Mil. Per annum)						
Food/Groceries	\$4.4	\$6.8	\$3.2	\$2.3	\$2.6	\$19.3
Food Out	\$1.7	\$2.6	\$1.3	\$0.9	\$1.0	\$7.5
Alcohol (Off License)	\$0.6	\$0.9	\$0.4	\$0.3	\$0.3	\$2.5
Tobacco	\$0.5	\$0.8	\$0.3	\$0.2	\$0.3	\$2.1
Clothing and Accessories	\$1.7	\$2.5	\$1.3	\$1.0	\$1.0	\$7.5
Household Furnishings and Equipment	\$2.1	\$3.2	\$1.5	\$1.1	\$1.2	\$9.1
Household Non Durables	\$0.5	\$0.8	\$0.4	\$0.3	\$0.3	\$2.3
Medical/Pharmacy	\$0.5	\$0.7	\$0.4	\$0.3	\$0.3	\$2.2
Vehicle Accessories	\$0.3	\$0.5	\$0.2	\$0.2	\$0.2	\$1.4
Recreation	\$2.1	\$3.1	\$1.6	\$1.2	\$1.2	\$9.2
Personal Care	\$0.7	\$1.0	\$0.5	\$0.4	\$0.4	\$3.0
Miscellaneous Goods and Services	\$0.4	\$0.6	\$0.3	\$0.2	\$0.2	\$1.7
Total Retail Spending	\$15.5	\$23.5	\$11.4	\$8.4	\$9.0	\$67.8
Total Supermarket Spending	\$4.9	\$7.5	\$3.7	\$2.7	\$2.9	\$21.7

Source: ABS Census 2006 and Leyshon Consulting Estimates, 2011.

TABLE 2.4
ESTIMATED AVAILABLE RETAIL SPENDING – COLUMBIA PRECINCT TRADE AREA, 2013
 (\$2010)

Factor ...	PTA	STA East	STA North	STA North East	STA West	Total Trade Area
Population	1,500	2,600	1,000	705	950	6,755
Average Spending (\$ per capita)	\$11,653	\$9,598	\$12,008	\$12,230	\$10,818	\$10,857
Total Available Retail Spending (\$ Mil. p.a.)	\$17.5	\$25.0	\$12.0	\$8.6	\$10.3	\$73.4
Spending by Category (\$ Mil. Per annum)						
Food/Groceries	\$5.0	\$7.2	\$3.4	\$2.4	\$2.9	\$20.9
Food Out	\$1.9	\$2.8	\$1.3	\$1.0	\$1.1	\$8.1
Alcohol (Off License)	\$0.6	\$0.9	\$0.4	\$0.3	\$0.4	\$2.6
Tobacco	\$0.5	\$0.8	\$0.3	\$0.3	\$0.3	\$2.2
Clothing and Accessories	\$1.9	\$2.6	\$1.4	\$1.0	\$1.1	\$8.0
Household Furnishings and Equipment	\$2.4	\$3.4	\$1.6	\$1.1	\$1.4	\$9.9
Household Non Durables	\$0.6	\$0.8	\$0.4	\$0.3	\$0.3	\$2.4
Medical/Pharmacy	\$0.6	\$0.8	\$0.4	\$0.3	\$0.3	\$2.4
Vehicle Accessories	\$0.4	\$0.5	\$0.3	\$0.2	\$0.2	\$1.6
Recreation	\$2.4	\$3.3	\$1.7	\$1.2	\$1.4	\$10.0
Personal Care	\$0.8	\$1.1	\$0.5	\$0.4	\$0.5	\$3.3
Miscellaneous Goods and Services	\$0.5	\$0.7	\$0.3	\$0.2	\$0.3	\$2.0
Total Retail Spending	\$17.6	\$24.9	\$12.0	\$8.7	\$10.2	\$73.4
Total Supermarket Spending	\$5.6	\$8.0	\$3.8	\$2.8	\$3.3	\$23.5

Source: ABS Census 2006 and Leyshon Consulting Estimates, 2011.

TABLE 2.5
ESTIMATED AVAILABLE RETAIL SPENDING – COLUMBIA PRECINCT TRADE AREA, 2016
 (\$2010)

Factor ...	PTA	STA East	STA North	STA North East	STA West	Total Trade Area
Population	2,050	2,800	1,250	710	1,050	7,860
Average Spending (\$ per capita)	\$12,006	\$9,889	\$12,372	\$12,601	\$11,146	\$11,249
Total Available Retail Spending (\$ Mil. p.a.)	\$24.6	\$27.7	\$15.5	\$8.9	\$11.7	\$88.4
Spending by Category (\$ Mil. Per annum)						
Food/Groceries	\$7.0	\$8.0	\$4.3	\$2.5	\$3.3	\$25.1
Food Out	\$2.7	\$3.1	\$1.7	\$1.0	\$1.3	\$9.8
Alcohol (Off License)	\$0.9	\$1.0	\$0.6	\$0.3	\$0.4	\$3.2
Tobacco	\$0.8	\$0.9	\$0.4	\$0.3	\$0.4	\$2.8
Clothing and Accessories	\$2.7	\$2.9	\$1.8	\$1.0	\$1.2	\$9.6
Household Furnishings and Equipment	\$3.3	\$3.8	\$2.1	\$1.2	\$1.6	\$12.0
Household Non Durables	\$0.8	\$0.9	\$0.5	\$0.3	\$0.4	\$2.9
Medical/Pharmacy	\$0.8	\$0.9	\$0.5	\$0.3	\$0.4	\$2.9
Vehicle Accessories	\$0.5	\$0.6	\$0.3	\$0.2	\$0.2	\$1.8
Recreation	\$3.4	\$3.7	\$2.2	\$1.3	\$1.6	\$12.2
Personal Care	\$1.1	\$1.2	\$0.7	\$0.4	\$0.5	\$3.9
Miscellaneous Goods and Services	\$0.6	\$0.7	\$0.4	\$0.2	\$0.3	\$2.2
Total Retail Spending	\$24.6	\$27.7	\$15.5	\$8.9	\$11.7	\$88.4
Total Supermarket Spending	\$7.9	\$8.9	\$4.9	\$2.9	\$3.7	\$28.3

Source: ABS Census 2006 and Leyshon Consulting Estimates, 2011.

TABLE 2.6
ESTIMATED AVAILABLE RETAIL SPENDING – COLUMBIA PRECINCT TRADE AREA, 2021
 (\$2010)

Factor ...	PTA	STA East	STA North	STA North East	STA West	Total Trade Area
Population	2,750	3,100	1,300	730	1,150	9,030
Average Spending (\$ per capita)	\$12,619	\$10,393	\$13,003	\$13,244	\$11,714	\$11,845
Total Available Retail Spending (\$ Mil. p.a.)	\$34.7	\$32.2	\$16.9	\$9.7	\$13.5	\$107.0
Spending by Category (\$ Mil. Per annum)						
Food/Groceries	\$9.8	\$9.3	\$4.7	\$2.7	\$3.8	\$30.3
Food Out	\$3.8	\$3.6	\$1.9	\$1.1	\$1.5	\$11.9
Alcohol (Off License)	\$1.3	\$1.2	\$0.6	\$0.3	\$0.5	\$3.9
Tobacco	\$1.1	\$1.1	\$0.5	\$0.3	\$0.4	\$3.4
Clothing and Accessories	\$3.8	\$3.4	\$1.9	\$1.1	\$1.4	\$11.6
Household Furnishings and Equipment	\$4.7	\$4.4	\$2.2	\$1.3	\$1.8	\$14.4
Household Non Durables	\$1.2	\$1.1	\$0.6	\$0.3	\$0.5	\$3.7
Medical/Pharmacy	\$1.1	\$1.0	\$0.6	\$0.3	\$0.4	\$3.4
Vehicle Accessories	\$0.7	\$0.7	\$0.4	\$0.2	\$0.3	\$2.3
Recreation	\$4.7	\$4.3	\$2.4	\$1.4	\$1.8	\$14.6
Personal Care	\$1.5	\$1.4	\$0.8	\$0.4	\$0.6	\$4.7
Miscellaneous Goods and Services	\$0.9	\$0.8	\$0.4	\$0.3	\$0.4	\$2.8
Total Retail Spending	\$34.6	\$32.3	\$17.0	\$9.7	\$13.4	\$107.0
Total Supermarket Spending	\$11.1	\$10.3	\$5.4	\$3.1	\$4.3	\$34.2

Source: ABS Census 2006 and Leyshon Consulting Estimates, 2011.

In summary total available annual retail spending in the trade area is estimated to increase as follows:

- ▶ 2011 ... \$67.8 million per annum
- ▶ 2013 ... \$73.4 million per annum
- ▶ 2016 ... \$88.4 million per annum
- ▶ 2021 ... \$107.0 million per annum.

Total available annual spending within the PTA specifically (the area immediately surrounding the subject site) will grow substantially over this period but off a low base. As indicated in TABLES 2.3 to 2.6, annual available spending in the PTA is estimated to increase as follows:

- ▶ 2011 ... \$15.4 million per annum
- ▶ 2013 ... \$17.6 million per annum
- ▶ 2016 ... \$24.6 million per annum
- ▶ 2021 ... \$34.6 million per annum.

TABLES 2.3 to 2.6 inclusive also provide estimates of annual available supermarket spending. At present (2011) the trade area as a whole is estimated to generate approximately \$21.7 million in annual supermarket expenditure. This is sub-optimal for a full-line supermarket (that is, a supermarket of >2,700 sq.m.).

By 2021 annual available supermarket expenditure is estimated to have grown to \$34.2 million which technically would be sufficient to support a full-line store. The problem, as discussed later in this Report, is that the “fractured” nature of the trade area is not conducive to establishing a full-line supermarket either on the subject site or elsewhere in the trade area. We consider such a store would experience difficulties in capturing sufficient sales from each component of the trade area.

In the PTA available supermarket spending is estimated at only \$4.9 million per annum at present and is projected to increase to \$11.1 million by 2021. This level of available spending alone would support (at most) only in the order of 1,200 to 1,500 sq.m. of supermarket floorspace in 2021 assuming such a store was operated by an independent operator—that is **not** Coles, Woolworths or ALDI.

3

FLOORSPACE MIX

3.1 Traditional Retail Floorspace

Having regard to the following factors we recommend a limited provision of traditional retail floorspace on the subject site namely:

- ▶ direct competition from the Bakehouse Quarter
- ▶ the difficulty of any traditional retail development on the site capturing significant spending from all components of the identified trade area
- ▶ the low volume of available spending in the PTA
- ▶ the atypical demography of the trade area population
- ▶ the high proportion of future residents likely to use public transport and thus interact with/patronise retail facilities outside of the trade area.

In our opinion a small neighbourhood-scale development could be contemplated on the site which contains one or more ethnically-oriented mini-marts/small supermarkets in the range of 700 to 1,000 sq.m. in total. Given the trade area's distinct demography, at least one of these supermarkets should be Korean or Chinese in orientation.

In this regard it is noted that apart from ALDI there are two mini-marts in the nearby Bakehouse Quarter one of which has a Korean orientation. The mini-marts/small supermarkets should be supported by specialty shops and what we describe as shop-front commercial floorspace. The

specialty retailing desirably should be in the order 350 to 450 sq.m. which might translate into five to eight individual shop tenancies.

Shop-front commercial floorspace refers to non-retail activities typically found in small village centres and usually include tenants such as real estate agents, personal service providers, medical services and the like. It is envisaged that a provision of 150 to 200 sq.m. of such floorspace would be appropriate.

We consider some potential exists for a restaurant-style precinct to develop over time particularly if the site design and development results in attractive internal precincts or squares well-insulated from traffic on Parramatta Road. In this eventuality, the recommended provision of specialty retail floorspace (350-450 sq.m.) may need to be doubled to 700-900 sq.m..

3.2 Bulky Goods

Parramatta Road, almost throughout its entire length from Strathfield to Granville, is a major bulky goods retailing destination within the Sydney Region. The importance of this corridor is currently being reinforced by proposed zonings under the new Auburn Local Environmental Plan (LEP) to create a so-called “big box” retailing area to the west of the subject site broadly between the intersection of Bachell Avenue with Parramatta Road and the intersection St Hilliers Road with Parramatta Road.

In our opinion the subject site has significant potential for bulky goods retailing despite the fact it is somewhat separated from the existing major concentrations of this type of activity further to the west along Parramatta Road.

We also note the site may be suitable for what are essentially “retail showrooms”. That is, spaces which might be used for the display and sale of products such as motorbikes, motor vehicles, outdoor leisure equipment, work safety equipment and the like.

As far as traditional bulky goods development is concerned, it is likely the site might prove attractive to one to three stand-alone major retailers rather than the development of a new complex involving both anchor bulky goods tenants and the range of smaller tenants found in some of the larger centres on Parramatta Road such as Homemaker Megamall Auburn and the like.

Most major tenants in such centres usually occupy between 1,500 and 3,000 sq.m. per tenancy. On this basis we consider a provision of between 4,450 and 5,550 sq.m. of floorspace devoted to these types of activities would be appropriate. Obviously, such space would need to be on the site’s Parramatta Road frontage to obtain the benefits of exposure to passing trade which is highly valued by bulky goods tenants.

3.3 Office/Commercial Floorspace

At face value the site would appear to have some potential for significant quantities of commercial office space. This primarily derives from its location close to a railway station and in a general area of the Sydney Region where office employment has increased in recent years—for instance, at Olympic Park and Rhodes in particular.

That said, the site is in what could be termed a “highly contestable” market as far as office space is concerned with major competing office precincts found at Homebush/Australia Park, Burwood, Rhodes and Parramatta. We also note that as part of its proposed redevelopment, the

Bakehouse Quarter immediately adjacent has identified at least one site for a major office building which is proposed to provide about 20,000 sq.m. of office space.

While it is possible the Homebush site could capture a major “footloose” office use (such as that clearly being targeted by the Bakehouse Quarter) at this time it is impossible to identify who such a tenant might be and over what time-frame they may emerge as a potential tenant.

A far more dependable strategy would appear to be to make some provision in development plans for the provision of office floorspace for local professional services and potentially a small serviced office complex. The latter are proving to be popular in a number of suburban areas of the Sydney Region and appear to be consistent with an increasing trend of professionals either to work close to home or to use serviced offices as a transition from home-based businesses. In this regard we consider the site is excellently located for professionals given its centrality to the Sydney Region and its accessibility to the rail network. An example of such a facility can be found already in the Bakehouse Quarter.

Accordingly we consider a provision for between 1,000 to 1,500 sq.m. of commercial office space (separate from shopfront commercial) would be ideal. Of this, the serviced office component is likely to comprise 250-300 sq.m., assuming it accommodates up to 20 occupiers.

3.4 Serviced Apartments

We understand consideration is being given to incorporating a serviced apartment component in the Columbia project at Homebush.

The nearest established serviced apartment complex is located at Burwood (117 Liverpool Road – Comfort Inn and Suites) which has around 50 rooms. This is at the southern end of Burwood and reasonably well removed from the Homebush area.

We also understand that some apartments located in residential buildings which form part of the Mariners Cove area at Homebush Bay are leased out as serviced apartments. It is difficult to obtain information on how many apartments are used in this manner as they do not form part of a centrally-managed facility.

Further to the west there are a number of serviced apartment facilities in the Parramatta/Rose Hill area. These include:

- ▶ Quest Rosehill – 8 Hope Street
- ▶ Waldorf Parramatta – 110 James Ruse Drive
- ▶ Waldorf – North Parramatta
- ▶ Fiori Apartments – 13 Hassall Street, Parramatta.

As best as we can determine these facilities currently offer approximately 300 rooms in total.

We understand approval has been given for the development of a 77 apartment complex by the Quest Group on a site fronting Edwin Flack Avenue within Homebush Olympic Park. The approval was issued in March 2010.

Of considerable relevance to the feasibility of serviced apartments on the subject site is the intention of the developers of the Bakehouse Quarter to incorporate a major hotel on their site. It is possible that the proposed hotel on the Bakehouse Quarter site could incorporate a component of self-service-type units with facilities such as small kitchens which would have some effect on the demand for serviced apartments on the Columbia site.

In general, the subject site appears to be appropriate for serviced apartments given that it is well located as far as the regional road network is concerned, is well serviced by public transport and is located close to major employment areas within the surrounding region and the attractions of Homebush Bay. The latter generates substantial demand associated with sporting events, entertainment events and activities, such as the Royal Easter Show, many of which generate demand for long stay accommodation.

The surrounding employment areas generate demand for longer stay accommodation. We understand that demand is likely to be generated by both visiting executives and specialists associated with the larger scale manufacturing and distribution activities in the region surrounding Homebush.

As the subject site will also provide convenience retail and various dining options it will be attractive to potential customers of such a facility.

It is beyond the scope of the brief to conduct the type of detailed feasibility study which is required to provide a conclusive answer to the question raised. Such a study would need to model the potential demand from various sub-markets for serviced apartments as well as undertaking further research into the occupancy rates of existing facilities in the region surrounding the subject site.

As a general principle however, based on the observed size of other facilities in the surrounding region provision should be made for a facility of up to 80 units with a mix of both one and two-bedroom units together with provision for a small ground floor reception area.

3.5 Summary

TABLE 3.1 provides a summary of the retail and commercial floorspace (excluding serviced apartments) recommended for the site exclusive of the Kennards Storage facility. As indicated in TABLE 3.1, between 6,650 and 8,637 sq.m. of such floorspace is recommended.

TABLE 3.1
COLUMBIA PRECINCT RECOMMENDED FLOORSPACE

Category ...	Minimum (Sq.M. GLA)	Maximum (Sq.M. GLA)
Supermarket	700	987
Specialty Shops (Retail)	350	450
Shop Front Commercial	150	200
Commercial Offices	1,000	1,500
Bulky Goods/Showroom	4,450	5,500
Total	6,650	8,637

Source: Leyshon Consulting Estimates, February 2011.

Following a review of the above recommendations, we understand it is proposed to provide the following commercial/retail space in the centre:

► Neighbourhood Retail	...	1,300 sq.m.
► Bulky Goods/Showroom	...	3,476 sq.m.
► Commercial	...	3,000 sq.m..

The commercial component noted above excludes office space associated with the existing Kennards facility on the site. We consider this proposed allocation of floorspace broadly consistent with the recommendations set out in TABLE 3.1.

4

IMPACT ANALYSIS

4.1 Introduction

The purpose of this section of the Report is to assess the potential impact proposed retail development on the site could have on existing business centres in and adjacent to the defined trade area.

4.2 Traditional Retail

It is unlikely that a small traditional retail centre of up 1,450 sq.m. as detailed in TABLE 3.1 would commence operation in 2014-15. At most, we estimate such a centre could achieve annual sales of \$10.5 million (\$2010) in 2014 comprised as follows:

- ▶ mini-marts/supermarkets ... \$8.0 million per annum
- ▶ specialty shops ... \$2.5 million per annum
- ▶ **Total** ... **\$10.5 million per annum.**

In general terms the estimated sales of the traditional retail element (\$10.5 million per annum) **would not** have a substantial impact on centres surrounding the site given that:

- ▶ growth in annual available retail expenditure in the trade area between 2011-21 will be some +\$39.1 million
- ▶ growth in available retail spending in the PTA alone meanwhile (2011-21) will be some +\$19.3 million.

Notwithstanding the projected spending growth, the three centres potentially most likely to be affected by the proposed development are:

- ▶ Homebush Village local centre
- ▶ Bakehouse Quarter
- ▶ Strathfield Town Centre.

Homebush Village

The Homebush Village local centre at the intersection of The Crescent and Rochester Road is unlikely to be affected to any significant extent. This centre contains some 2,460 sq.m. of retail floorspace and comprises a mixture of convenience tenants. The centre draws the overwhelming majority of its trade from south of the railway line. Residents of these areas are unlikely to cross the railway line to shop at a neighbourhood centre on the subject site, hence the impact of any convenience retailing is likely to be minimal.

Bakehouse Quarter

The Bakehouse Quarter contains some 3,500 sq.m. of retail floorspace and is anchored by an ALDI supermarket. The estimated annual sales of the centre are some \$28 million (\$2010) rising to an estimated \$32 million by 2014-15 (\$2010). We estimate the proposed development could impact the Bakehouse Quarter by -12.5% (or -\$4.0 million per annum) in 2014-15. An impact of this scale is insufficient to lead to significant vacancies, particularly given the strong growth in available trade area expenditure forecast up to 2021—as discussed in Section 3 of this Report.

The development of residential units on the Columbia Precinct site and the growth in available spending in the PTA of +\$17.2 million per annum during the period 2013-21 (\$2010) effectively will offset this impact within a two to three year period.

Strathfield Town Centre

The Strathfield Town Centre contains some 13,000 sq.m. of retail floorspace and is anchored by a Woolworths full-line supermarket. Current sales in the centre are estimated at \$71.5 million per annum (\$2010) which could rise to \$76.5 million by 2014-15 (\$2010).

The projected sales of any new centre on the subject site (\$10.5 million) would have an estimated impact of at most -\$3.0 million on the Strathfield Town Centre in 2014-15. This is equivalent to an impact of approximately -3.9% which is a very low range level of impact.

It is likely that the balance of sales at the projected centre (\$3.5 million) would be drawn from spending currently directed to a wide range of centres some well outside the trade area which could be patronised by existing and future residents on their way to and from work.

4.3 Bulky Goods Floorspace

As indicated in TABLE 3.1 up to 5,500 sq.m. was recommended with respect to potential bulky goods floorspace on the site. We understand that 3,476 sq.m. of such space is now proposed. We estimate this volume of floorspace (depending on its tenancy mix) could generate annual sales of between \$12.1 and \$15.6 million (\$2010).

Any bulky goods development on the site is likely to tap into a very wide trade area. For example, in 2009 Leyshon Consulting examined the impact of a proposed 15,000 sq.m. bulky goods expansion at the DFO site at Homebush. The trade area identified in that case is likely to be relevant to any bulky goods developed on the subject site. This trade area is shown in FIGURE 4.1.

In 2009 we estimated that available bulky goods spending generated in the DFO trade area was equivalent to \$845.3 million per annum (\$2006). This is broadly equivalent to \$956.7 million per annum (\$2010) in 2010.

Given the scale of available spending, the capture of up to \$15.6 million in potential sales (at a maximum) by bulky goods floorspace on the Columbia Precinct site would represent only 1.6% of available trade area spending generated in 2010. This is not considered significant particularly as the bulky goods floorspace proposed at DFO Homebush is yet to be developed despite its approval by the Court in 2009.

The two major concentrations of bulky goods retailing in the trade area are at Auburn and South Bankstown. It is estimated the current sales of these precincts/areas are as follows:

▶	South Bankstown	...	\$160.0 million per annum (\$2010)
▶	Auburn	...	\$587.0 million per annum (\$2010)
▶	Total	...	\$747.0 million per annum (\$2010).

In net terms the capture of sales of \$15.6 million—even if derived solely from spending which would otherwise go to these precincts—would have a combined impact of less than -2.1%. This is considered marginal particularly in the context of anticipated trade area spending growth.

In any event, it is possible that the space proposed may not be used for traditional bulky goods retailing. Given its strategic location within the Precinct, it may be developed for uses such as vehicle or leisure product showrooms. In this case there would be no impact on other bulky goods retail precincts in the surrounding region.

4.4 Effect of Staging

It should be noted that a staging plan for the overall development is yet to be finalised. We understand that 2014-15 is the earliest time at which some (but not all) of the retail floorspace could be provided.

If, in fact, some (or all) of the floorspace is provided after 2014-15, the impacts noted above would be reduced somewhat as a result of population and spending growth in the trade area.

Notwithstanding this we consider neither the traditional retail element as described above nor the bulky goods component of the proposed development is likely to have any significant or lasting adverse economic effect on existing centres in or adjacent to the trade area.

4.5 Office Space Impact

The proposed inclusion of some 3,000 sq.m. of office space in the Columbia development is unlikely to have an adverse impact on nearby commercial centres or those in the wider region.

According to an analysis undertaken by Knight Frank in 2011 (*Sydney Suburban Office Market Review– March 2011*) the major concentrations of office space in the region surrounding the Homebush site were found at:

- ▶ Parramatta – 685,000 sq.m.
- ▶ Burwood – 80,000 sq.m.
- ▶ Sydney Olympic Park – sq.m..

In total the Inner West Region, which includes Ashfield, Burwood, Strathfield and Sydney Olympic Park, but excludes Parramatta, was estimated to contain some 433,105 sq.m. of competitive modern office space in 2011.

This floorspace stock estimate excludes commercial properties which contain less than 1,000 sq.m. of space, however. Such properties are relatively numerous in the Inner West Region. If these properties were included we consider the supply of office space in the region could be in the order of 520,000 sq.m..

In the context of this existing supply (up to 1,205,000 sq.m.) the proposed development of 3,000 sq.m. obviously constitutes an insignificant potential increase (just 0.25%). As such it will not disrupt the office market in Auburn or the surrounding region and will not adversely impact continuing employment and office space growth in major centres such as Parramatta, Auburn, Sydney Olympic Park and the like.

This is particularly so given that Knight Frank found vacancy rates in suburban offices generally in the Sydney Region were only 10.5% in 2011. In Parramatta the vacancy rate was 8.7% and projected to decline further in 2012 due to limited new construction activity in Parramatta. These are relatively low vacancy rates for Sydney suburban centres and indicate a reasonable balance at present between the demand for, and supply of, office space.

While the Strathfield Town Centre itself does contain a significant volume of office space the proposed development is too small to preclude office activities establishing in Strathfield in the future. This is particularly the case given the substantial advantage enjoyed by the Town Centre (compared to the subject site) in terms of superior public transport services and connections.

4.6 Loss of Employment Land

We understand the Homebush site is currently zoned Mixed Use and no change in its zoning is proposed. Despite its current zoning the site is utilised for what best can be described as low-grade industrial purposes.

The proposed redevelopment has been estimated to create some 400 jobs once fully complete. While the current level of employment on the site is unknown, a substantial number of existing buildings are vacant: we estimate total employment on-site at present is likely to be less than 150 jobs.

Hence there will be a significant net increase in employment once the proposed redevelopment is fully complete.

In an overall sense, the Homebush site is insignificant in terms of its importance as employment land. The Employment Lands Development Program ,2007 (prepared by the Department of Planning) estimated the combined LGAs of Auburn, Canada Bay and Strathfield contained the following stock of employment land:

- industrial land – 1,696.3 hectares
- mixed use – 38.6 hectares
- enterprise – 14.1 hectares.

These estimates exclude a very substantial area of land associated with Sydney Olympic Park which is used as “employment land”.

The three types of employment land combined amounted to 1,749.3 hectares in 2007. As the Homebush site comprises only some 3.0 hectares it accounted for less than 0.2% of the total supply of employment land in the three relevant LGAs in 2007.

In summary, the subject site at Homebush is not being rezoned to another form of land use and the proposed development is likely to produce a significant net increase in jobs on-site. In any event, the site is insignificant in terms of the total supply of employment land in the immediate surrounding region.

5

CONSISTENCY with PLANNING INSTRUMENTS

5.1 Introduction

The purpose of this section of the Report is to provide comment on relevant planning controls as they relate economic impact.

In this regard we understand the site is zoned under SPSO predominantly Mixed Use 10, partly proposed Open Space 6(d) and partly proposed Local Road 9(a).

Under the Mixed Use zone shops or bulky goods establishments are not prohibited and are therefore permissible with the consent of Council.

5.2 SPSO Provisions

Clause 41D of the SPSO relates to the development in the Mixed Use 10 zone and provides as follows:

- “(1) The Council shall not grant consent to development on land within Zone No. 10 for the purpose of shops unless it is satisfied that:-*
- (a) suitable land for the development is not available in any nearby business centre; and*
 - (b) the proposed development will not detrimentally affect the viability of any business centre within the locality and the development is unlikely to encourage illegal parking or dangerous traffic movements on Parramatta Road.*

- (2) *Subject to subclause (3), the Council shall not grant consent to development on land within Zone No. 10 for the purpose of a supermarket, department store, discount department store, clothing or footwear shop or small electrical appliances shop or for any other purpose which the Council considers would be more appropriately located in a business centre.*
- (3) *This clause does not apply to:-*
 - (a) *the retailing on land of goods produced or stored on the same land where such retailing is secondary and ancillary to a manufacturing or storage use: or*
 - (b) *a small supermarket which, in the opinion of the Council, is primarily intended to serve local residents and has a floor area consistent with that function."*

In relation to Clause 41D(1)(a)–while suitable available land may exist in centres well removed from the subject site—we consider this issue is largely irrelevant. In our opinion it is entirely appropriate that new residential development being contemplated on the subject site and adjacent areas should be provided with small, village-scale retail facilities. Accordingly, it is inappropriate to argue that such facilities should be provided in a centre which is well removed from the subject site and the surrounding area as this would defeat the planning purpose of encouraging day-to-day patronage of such a centre.

In relation to Clause 41D(1)(b), it is our opinion that the material contained in this Report demonstrates the proposed development will not affect detrimentally the viability of any established business centre within the locality. Even if impacts in the short term on the Bakehouse

Quarter are significant (that is about -12.5% in 2014-15), ongoing population and expenditure growth within the trade area will reduce this to an acceptable level by 2017.

In relation to Clause 41D(2), we note that if our recommendations are adopted, the site **will not** contain a supermarket of any significance; neither will it contain a discount department store (DDS), clothing, footwear or small electrical appliance shops. This further underlines why the proposed development will not have a detrimental impact on existing business centres within the locality.

As set out above, it is noted that Clause 41D(3)(b) exempts from consideration small supermarkets which, in the opinion of Council, are primarily intended to serve local residents and have a floor area consistent with that function. It is our opinion that one or more supermarkets with a total floor area of <1,000 sq.m. is consistent with the definition of a small supermarket which primarily meets the need of local residents.

5.3 General Planning Controls

In terms of general planning instruments we consider the proposed development is consistent with the *Inner West Subregional Strategy* published by the Department of Planning in 2008. In broad terms the *Subregional Strategy* encourages the development of Parramatta Road as an “Enterprise Corridor” while also promoting the concentration of retail and commercial activity in established centres.

It is our opinion the proposed Columbia Precinct development will contribute to the revitalisation of Parramatta Road and will be of a scale which does not threaten the objective of strengthening major centres

such as Burwood, Strathfield, Parramatta, Homebush Village, Rhodes and the like.

In summary, it is considered the proposed development is of a scale which is consistent with provisions of the SPSO and the *Inner West Subregional Planning Strategy*.

