



L E Y S H O N C O N S U L T I N G

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31 August, 2018

BY EMAIL

Mr Alex Grujovski
Assistant Development Manager
M Projects
22 – 36 Mountain Street
ULTIMO NSW 2007

Dear Mr Grujovski

RE: PLANNING PROPOSAL – MANCHESTER ROAD, AUBURN

In December 2017 Leyshon Consulting prepared a report in relation to a Planning Proposal for land at Manchester Road, Auburn (the subject site).

Specifically, our report addressed the need for, and impact of, the proposed provision of some 5,000m² of retail floorspace (including a medium-scale supermarket) as part of a major mixed-use development of the subject site.

As part of the overall development some 1,800 dwellings were proposed together with four hectares of employment land.

Revised Proposal

We understand that following discussions with the now Cumberland Council, a revised Planning Proposal is being considered which includes provision for 1,200 dwellings, some seven hectares of employment land and a reduced retail component of approximately 1,000m² on the subject site.

We understand the reduced retail component will not be aggregated into a single precinct but rather spread throughout the proposed development on the subject site.

Revised Demand Capacity

In our December 2017 report we estimated the subject site ultimately could accommodate up to 5,040 new residents. At full development (assumed to be 2024) additional retail spending generated within the identified Primary Trade Area was estimated to be approximately \$85.8 million at constant 2016 prices (\$2016).

The now proposed reduction in residential dwelling provision on the subject site (600 dwellings less) will reduce the potential resident population by some 1,680 people. Accordingly, the increase in annual available retail spending in the PTA would fall from the previously forecast \$85.8 million to some \$68.1 million (\$2016) at full development.

It should be noted that these estimates exclude the demand for retail floorspace which might be generated by future employees of the seven hectares of employment land now proposed to be included as part of the Planning Proposal. Hence, the increase in available retail spending discussed above is conservative in nature.

Retail Floorspace Demand

The revised retail expenditure growth discussed above (\$68.1 million) would still support the provision of an additional 8,000 to 10,000m² of retail floorspace in the Auburn subregion.

In this context, the provision of 1,000m² of retail floorspace on the subject site is relatively minor in nature and would still result in up to 90% of retail floorspace demand generated by future residents of the subject site being provided at other shopping centres in Auburn and in the surrounding subregion.

Potential Impact

In our December 2017 report we estimated that a 5,000m² centre on the subject site anchored by a medium-scale supermarket would have an impact on surrounding centres in 2021 of between -1.0% to -5.5%. We assessed this impact as being in the "very low" range of impact.

The provision of 1,000m² of retail floorspace—a provision which would preclude development of a medium-scale supermarket—can be expected to have a very minimal impact on all surrounding centres of generally less than -1% in 2021.

In our opinion, retailers in nearby centres would be unlikely to even register such a minimal impact given that the growth in available spending by future residents of the subject site will far outstrip any expenditure otherwise redirected from existing centres to the proposed 1,000m² of retailing on the subject site.

Conclusion

In summary, it is our opinion that the proposed revised provision of retail floorspace for the subject site will be inconsequential as far as the existing hierarchy of retail and commercial centres in the Auburn area is concerned. A provision of 1,000m² of retailing will, however, mean residents of the site would have access to some basic convenience retail services within walking distance of their homes.

I trust the above is of assistance. Please contact me on 9224-6111 or pdl@leycon.com.au if any further information can be provided.

Yours sincerely

LEYSHON CONSULTING PTY LTD



**PETER LEYSHON
DIRECTOR.**