



CARDINAL GILROY VILLAGE MERRYLANDS WEST

Economic Impact Assessment

Prepared for Southern Cross Care
September 2019

CONTENTS

INTRODUCTION	2
EXECUTIVE SUMMARY	3
1 LOCATION & PROPOSED DEVELOPMENT	6
1.1. Regional & Local Context	6
1.2. Proposed Development	9
1.3. Planning Context	12
2 TRADE AREA ANALYSIS	14
2.1. Resident Trade Area Definition	14
2.2. Trade Area Population	16
2.3. Socio-economic Profile	18
2.4. Main Trade Area Retail Expenditure Capacity	21
3 COMPETITIVE ENVIRONMENT	24
3.1. Regional Shopping Centres	25
3.2. Sub-regional Shopping Centre	25
3.3. Supermarket Based Centres	26
3.4. Proposed Developments	27
3.5. Medical Facilities	28
4 FLOORSPACE POTENTIAL ASSESSMENT	31
4.1. Sales Overview & Supportability	31
4.2. Composition & Projected Sales	31
4.2.1. Medical Suites	32
4.2.2. Retail Specialty Shops	33
4.3. Impacts	34
4.4. Employment and Consumer Impacts	36
5 NEEDS ANALYSIS	40
5.1. Population & Demand	40
5.2. Consumer Trends	41
5.3. Location	41
5.4. Impact on Existing and Proposed Retailers	42
5.5. Impacts on Retail Hierarchy	43
5.6. Net Community Benefits	44



INTRODUCTION

This report presents an independent assessment of the need and demand for a proposed retail facilities as part of the mixed-use redevelopments of Cardinal Gilroy Village in Merrylands West. The report also considers the likely economic impacts that would result from retail and complementary non-retail component of the proposed development.

The proposal is referred to as Cardinal Gilroy Village or the subject site throughout the remainder of this report.

This report is structure and presented in **five (5)** sections as follows:

- **Section 1** reviews the regional and local context of the subject site, in addition to the proposed development scheme and planning context.
- **Section 2** details the trade area likely to be served by retail facilities at the site, including current and projected population and retail spending levels over the period to 2036. A review of the socio-economic profile of the trade area population is also provided.
- **Section 3** summarises the current and future competitive retail environment within the surrounding region.
- **Section 4** outlines an assessment of the sales potential for proposed retail and complementary non-retail facilities at the redeveloped site and provides an assessment of the range of economic impacts, both positive and negative that may result from the development at the subject site.
- **Section 5** outlines the conclusions or key findings of this report.



EXECUTIVE SUMMARY

Key Points to note regarding the demand and market potential for retail and complementary non-retail facilities at the proposed Cardinal Gilroy Village development, include:

- i. The proposed mixed-use development is located at Merrylands West, within the Cumberland Council Local Government Area (LGA), some 25 km west of the Sydney Central Business District (CBD).
- ii. The suburb of Merrylands West is an established residential area located to the east of Betts Road and south of Merrylands Road.
- iii. The Cardinal Gilroy Village site enjoys a high-profile and easily accessible location that is well-positioned to serve the local community. The existing facility is now proposed for a significant redevelopment, which includes:
 - **Retirement Living:** a total of 460 independent living units are planned. These dwellings are anticipated to house a resident population of approximately 757 persons.
 - **Aged Care:** an aged care facility including some 155 beds.
 - **Retail/Commercial:** a total of 1,480 sq.m of retail and complementary non-retail floorspace is planned across the ground and first floors of Buildings A and B. The range of retail and commercial uses to be provided is likely to vary, including retail specialty floorspace, medical suites and the like.
- iv. The defined Cardinal Gilroy Village main trade area population is currently estimated at 23,570 (2018) and is projected to increase to 27,670 by 2036, representing an average annual growth rate of around 0.9%.
- v. The socio-economic profile of main trade area residents reflects an established, lower-income, traditional family-based population, with a slightly higher proportion of overseas born persons. With the proposed redevelopment of the Cardinal Gilroy site, the population and socio-economic profile of residents will continue to evolve, including an increase in the number of aged persons (over 65 years) on-site.
- vi. Local residents would likely have a strong affinity with convenience-based retail facilities within close proximity of their place of residence.



- vii. There are currently no full-line supermarkets provided across the main trade area, with Merryway Shopping Centre comprising the only supermarket-based offer, namely a Supa IGA of approximately 1,700 sq.m. The centre is located some 800 metres north of the subject site along Sherwood Road.
- viii. A small collection of food catering operators is also provided along Sherwood Road and includes key national tenants McDonalds, Pizza Hut, KFC and Subway. In this respect, there is a very limited provision of retail floorspace provided across the main trade area and, in particular, close proximity of the subject site.
- ix. There are currently no competitive retail developments planned throughout the main trade area, with key developments beyond the main trade area of limited competitive relevance and unlikely to impact the projected sales or viability of proposed retail floorspace at subject site
- x. The main trade area is currently significantly underprovided in terms of doctors, with estimated demand for some 25 GPs currently served with a provision of just nine doctors. Compounding this, the additional population within the main trade area over the forecast period, at around 4,100 persons, would demand up to five additional doctors.
- xi. The proposed retail component of the development is projected to record retail sales of \$6.3 million in 2021/22 (constant 2019-dollar terms), with key impacts as follows:
- The largest impact in dollar terms would be on the Merrylands Town Centre, at some \$2.9 million or around 0.6%. At these levels, impacts would not affect the viability of any retail facilities.
 - The next highest impact (at around \$0.6 million) is expected to occur on Merryway Shopping Centre, with most of this impact to fall on the Supa IGA supermarket at the centre. In percentage terms this equates to an impact of around 3.8%, well within the normal competitive range. A similar impact of \$0.6 million or less than 0.1% is projected to occur on the expanded Westfield Parramatta.
 - All other projected impacts on represented centres are below \$0.6 million, or 0.6% of respective centre sales.
 - Around \$0.8 is likely to be made up of small impacts on a range of other retail facilities within and (primarily) beyond the main trade area that are not currently represented in this analysis.
- xii. Overall, the proposed retail component of the Cardinal Gilroy Village development would not impact on the viability or continued operation of any retail facilities or specialty shops within the main trade area or the surrounding region.

- xiii. Projected retail sales of \$6.3 million for the retail development would make up around one year of retail sales growth for the main trade area (excluding inflation), with future population growth offsetting competitive impacts.
- xiv. With regard to impacts likely to arise from medical and other complementary health uses at the site – the existing under provision of such facilities, as well as demand generated by new residents at the site would indicate that impacts are likely to spread farther afield and across a range of different facilities. Like the retail component however, impacts would not affect the viability of any one medical or complementary facility in the local area or broader region.
- xv. It is the conclusion of this report that a substantial net community benefit would result from the proposed retail and commercial component of the Cardinal Gilroy Village redevelopment. Offsetting the trading impacts on some existing retailers, there are very substantial positive impacts including the following:
- Significant improvement in the range of retail, medical and other facilities that would be available to local residents, particularly for the aged population that will occupy the site.
 - The proposed development would improve choice of location and allow for price competition. The inclusion of a full-line supermarket would represent the only such offer within the defined main trade area.
 - The addition of retail and complementary non-retail facilities at the subject site would also result in the retention of spending currently being directed to other facilities (often at or surrounding major shopping centres) situated beyond the trade area, thereby reducing the need for local residents to travel further afield for these needs.
 - The offer will enable the development to serve the growing population and associated demand for additional retail floorspace, medical services and the like.
 - The creation of additional employment which would result from the project, both during the construction period, and more importantly, on an ongoing basis once the development is complete and operational. In total, some 134 jobs are likely to be created both directly and indirectly as a result of the retail and commercial component of the Cardinal Gilroy Village development alone
 - This includes a number of youth employment opportunities with retail developments generally employing a large number of younger staff.
- xvi. It is concluded that the combination of the substantial positive economic impacts serve to more than offset the trading impacts that could be anticipated for a small number of existing facilities throughout the broader region. Further, the impacts would not threaten the viability of any existing facilities.

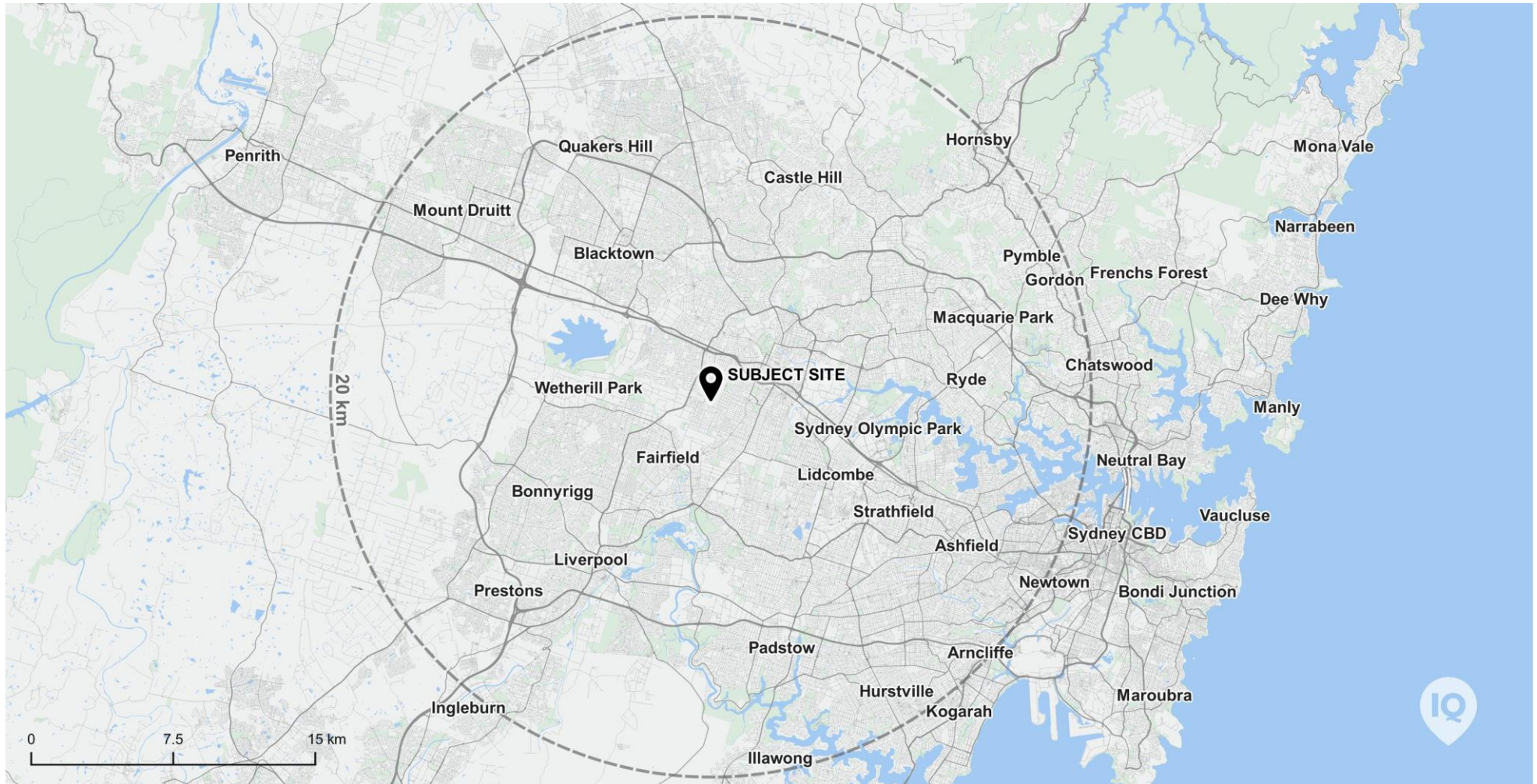
1 LOCATION & PROPOSED DEVELOPMENT

This section of the report reviews the regional and local context of the Cardinal Gilroy Village site and provides an overview of the proposed development scheme.

1.1. Regional & Local Context

- i. Merrylands West is a suburb of Greater Western Sydney, located some 25 km from the Sydney Central Business District (CBD) and within the Cumberland Council Local Government Area (LGA) (refer Map 1.1).
- ii. The suburb of Merrylands West is an established residential area located to the east of Betts Road and south of Merrylands Road.
- iii. Southern Cross Care currently own and operate Cardinal Gilroy Village at 45 Barcom Street in Merrylands West, which is provided south of Kenyons Road and adjacent to a range of community facilities. Kenyons Road is a major east-west local route through the suburb, connecting Sherwood Road and Fowler Road.
- iv. The subject site is also served by several bus routes which generally run between Paramatta and Merrylands. Merrylands train station is located around 2 km to the east of the subject site.
- v. Map 1.2 illustrates the local context of Cardinal Gilroy Village, with key points to note including:
 - Merrylands High School is located to the immediate south of the site.
 - The Youth Off the Streets community organisation is provided to the adjacent west of the site.
 - Cordon College also shares the western border of the site.
 - There is limited dedicated retail floorspace within the surrounding area, with the nearest concentration being at Merryway Shopping Centre, some 800 metres to the north-west of the site, along Sherwood Road. A small collection of retail shops is also located within this precinct.
 - Other land surrounding the site generally comprises established residential dwellings, while light-industrial and commercial uses are generally provided farther to the south-west.
- vi. Overall, the Cardinal Gilroy Village site enjoys a high-profile and easily accessible location that is well-positioned to serve the local community.

MAP 1.1. MERRYLANDS REGIONAL CONTEXT



MAP 1.2. – LOCAL CONTEXT



PhotoMap by nearmap.com

- Site
- Petrol Station
- Education
- Retail
- Entertainment
- Community



1.2. Proposed Development

- i. Southern Cross Care owns and operates Cardinal Gilroy Village at 45 Barcom Street in Merrylands West. The existing village includes a total of some 238 Independent Living Units (ILUs), and a 135 aged care beds.
- ii. The existing facility is now proposed for a significant redevelopment, which has been planned since 2013. The current masterplan for the site is illustrated in Figures 1.1 – 1.2. As shown, the proposed development would be provided across three key areas namely the Northern, Central and Southern precincts. A total of 19 buildings are planned within the development across up to six storeys.
- iii. Table 1.1 provides a summary of the indicative yield of the development by usage, which is described as follows:
 - **Retirement Living:** a total of 460 independent living units are planned, including 93 one-bedroom units, 348 two-bedroom units and 19 three-bedroom units. These dwellings are anticipated to house a resident population of approximately 757 persons.
 - **Aged Care:** an aged care facility is planned as part of Building B in the Northern Precinct and will include some 155 beds.
 - **Retail/Commercial:** a total of 1,480 sq.m of retail and complementary non-retail floorspace is planned across the ground and first floors of Buildings A and B, facing Kenyons Road.

The range of retail and commercial uses to be provided is likely to vary, including retail specialty floorspace, medical suites and the like.
- iv. The redeveloped site will also include a range of residential dwellings and aged care places, a new road network, public open space and community facilities, characterised by modern design that responds to the needs of existing and prospective residents.
- v. Complementing the development, the proposed mixed-use component at the Northern Precinct would offer a high degree of customer amenity and convenience, easily accessible for the local population and similarly characterised by a high-level of design.

TABLE 1.1. CARDINAL GILROY VILLAGE MASTERPLAN COMPOSITION

Metric	Block (ref.)	Precinct			Units (no.)	Est. Residents
		Northern	Central	Southern		
Retirement Living Units						
1 Bed	A - M	●	●	●	93	93
2 Bed	A - M	●	●	●	348	626
3 Bed	A - M	●	●	●	<u>19</u>	<u>38</u>
Total					460	757
RAC Facility						
Beds	B	●			155	155
Community Facilities						
Floorspace (sq.m)	M	●			1,993	-
Retail Floorspace						
Floorspace (sq.m)	A & B	●			1,480	-

Source: Southern Cross Care

FIGURE 1.1. CARDINAL GILROY VILLAGE CONCEPT PLAN



FIGURE 1.2. CARDINAL GILROY VILLAGE CONCEPT PLAN – NORTHERN PRECINCT



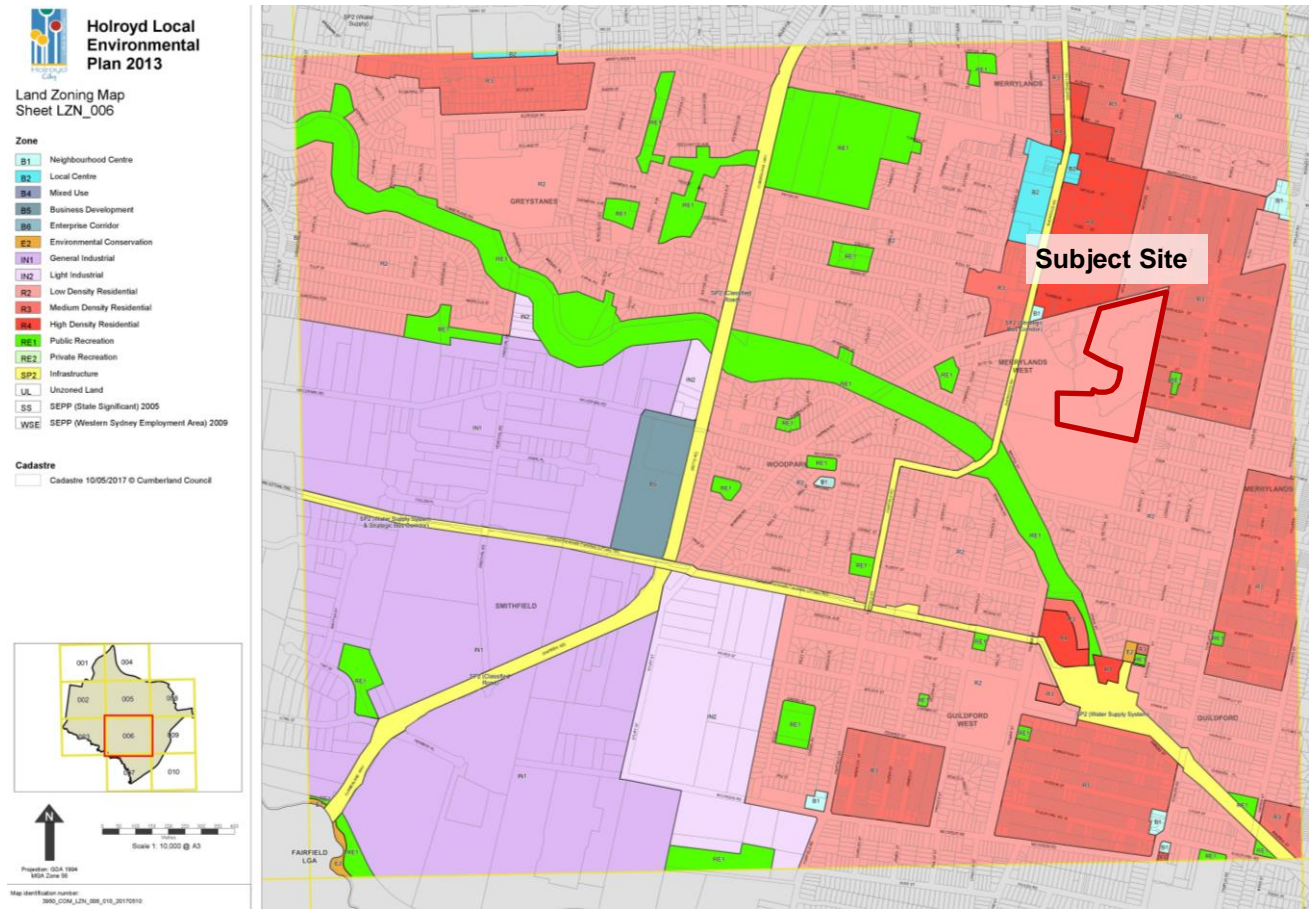
26 Key Plan - Northern Precinct
 1:20 000 @ A3

25 Illustration of Northern Precinct
 SCALE 1:1000 @ A3

1.3. Planning Context

- i. Based on the Holroyd Local Environment Plan (LEP) 2013 (last updated 3 May 2019), the subject site is currently zoned R2 - Low Density Residential (refer Figure 1.5). The objective for R2-zoned land is as follows:
 - To provide for the housing needs of the community within a low-density residential environment.
 - To enable other land uses that provide facilities or services to meet the day to day needs of residents.
 - To allow residents to carry out a range of activities from their homes while maintaining neighbourhood amenity.
- ii. While only home occupations are currently permitted without consent, various uses are permitted with consent on R2-zoned land, including key uses such as centre-based childcare facilities; community facilities; health consulting rooms and more.
- iii. Zoning regulations such as these have the potential to limit the range of prospective retail and non-retail floorspace that could be approved at the subject site. These regulations have been considered, however, for the purposes of this assessment, the supportability and impacts of prospective retail floorspace at the subject site are based on projected demand, the emerging needs of the local community and other economic considerations.

FIGURE 1.3. HOLROYD LOCAL ENVIRONMENT PLAN 2013 ZONING



2 TRADE AREA ANALYSIS

This section of the report outlines the trade area likely to be served by the proposed retail facilities at the subject site, including current and projected population and retail spending levels. The socio-economic profile of the trade area population is also reviewed.

2.1. Resident Trade Area Definition

- i. The trade area for the proposed retail facilities at the Cardinal Gilroy Village site has been defined considering the following.
 - The scale and composition of proposed retail facilities at the development;
 - The provision of existing and proposed retail facilities throughout the region;
 - Regional and local accessibility;
 - The pattern of urban development;
 - Significant physical barriers such as rivers and major roads;
- ii. Map 2.1 illustrates the defined main trade area for the proposed development, which bounded by Hilltop Road in the north, Chetwynd Road in the east, Loftus Road in the south and Fairfield Road in the west. This is the area from which retail facilities at the subject site would draw the majority of customers.

MAP 2.1. MERRYLANDS RESIDENT MAIN TRADE AREA AND COMPETITION



2.2. Trade Area Population

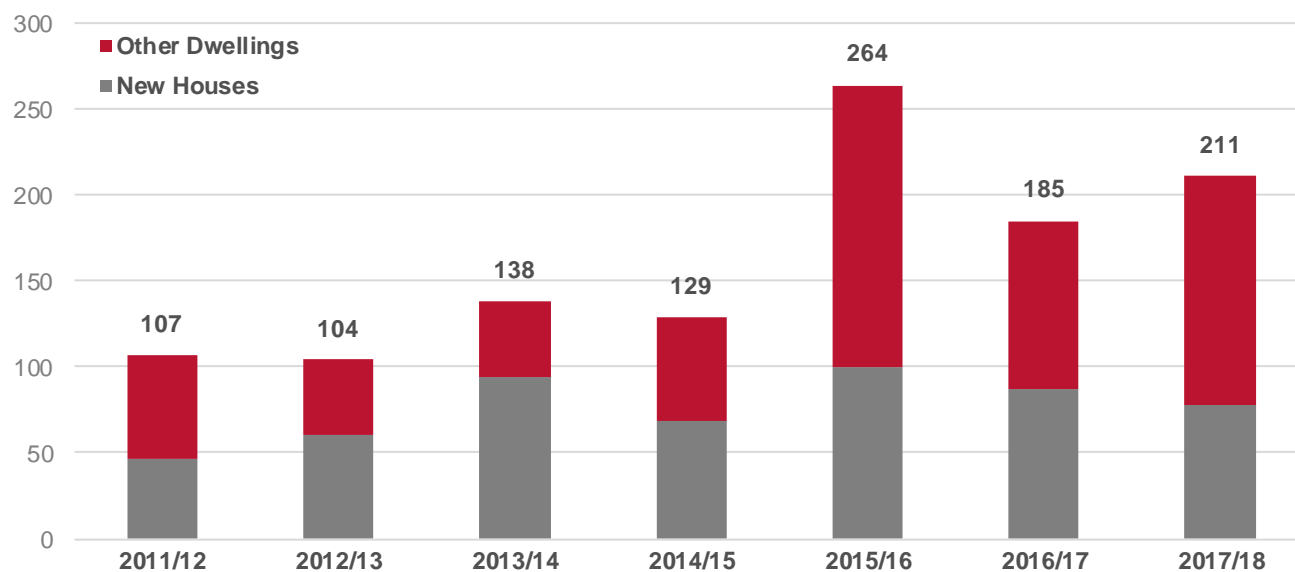
- i. Tables 2.1 details the main trade area current and projected population by sector. This information is sourced from the following:
 - The 2011 and 2016 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS);
 - New dwelling approval data sourced from the ABS over the period from 2011/12 – 2018/19 (refer Chart 2.1). An average of 163 new dwellings were approved within the main trade area over this period;
 - Population projections prepared at a small area level by SAFi by Forecast id;
 - Investigations by this office into new residential developments in the region.
- ii. The Merrylands West main trade area population is currently estimated at 23,570 in 2019.
- iii. As outlined previously in Section 1.2 of this report, the redevelopment of the subject site is anticipated to yield a resident population of around 912 persons. This would represent a net additional or around 262 persons on the subject site alone from 2021/22.
- iv. As a largely established residential area, the majority of population growth throughout the main trade area is projected to occur through residential infill. This includes medium density developments such as the redevelopment of the former Guildford Pipehead facility that is currently underway along Palmer Street and is planned to yield some 192 residential units (350 persons) over the period to 2026.
- v. The continued development of medium density dwellings is generally in keeping with recent trends throughout the broader region, with multi-level unit developments expected to continue occurring throughout R3 (Medium Density) and R4 (High Density) residential zoned land, in particular to the immediate north of the subject site.
- vi. Overall, the main trade area population is projected to increase to 27,670 by 2036, representing an average annual growth rate of around 0.9% or some 241 persons per annum.

TABLE 2.1. MERRYLANDS MAIN TRADE AREA POPULATION, 2011 – 2036

Population	Actual				Forecast		
	2011	2016	2019	2021	2026	2031	2036
Main Trade Area	20,750	22,670	23,570	24,170	25,670	26,670	27,670
Average Annual Change (No.)	Actual				Forecast		
	2011-16	2016-19	2019-21	2019-21	2021-26	2026-31	2031-36
Main Trade Area	384	300	300	300	300	200	200
Average Annual Change (%)	Actual				Forecast		
	2011-16	2016-19	2019-21	2019-21	2021-26	2026-31	2031-36
Main Trade Area	1.8%	1.3%	1.3%	1.3%	1.2%	0.8%	0.7%
Syd Metro	1.9%	1.5%	1.5%	1.5%	1.3%	1.2%	1.0%
Australian Average	1.7%	1.4%	1.4%	1.4%	1.4%	1.3%	1.2%

All figures as at June and based on 2016 SA1 boundary definition.
Sources : ABS; SAFi by .id

CHART 2.1. MAIN TRADE ARE NEW DWELLING APPROVALS, 2011/12 – 2018/19



Source: ABS



2.3. Socio-economic Profile

- i. Table 2.2 summarises the socio-economic profile of the Merrylands West main trade area population compared with the Sydney metropolitan and Australian benchmarks. This information is based on the 2016 Census of Population and Housing, with key points to note including:
 - Residents within the main trade area typically earn average per capita and household incomes that are lower than the benchmark.
 - The average age of residents across the trade area is slightly younger than the benchmarks.
 - Some 65.7% of households within the main trade area own their own home, in-line with the Sydney average of 64.7%.
 - There is high proportion of overseas born residents, representing 43.5% of the population, as compared with the Sydney benchmark of 38.1%.
 - The main trade area comprises a high proportion of traditional families (i.e. couples with dependent), as compared with the Sydney benchmark.
- ii. In summary, the socio-economic profile of the Merrylands West main trade area population generally reflects an established, lower-income, traditional family-based population, with a slightly higher proportion of overseas born persons.
- iii. Table 2.3 provides a comparison of the key socio-economic changes within the main trade area over the 2011 – 2016 Census periods, with key points to note including:
 - The average age of the main trade area population decreased (i.e. getting younger).
 - Per capita and average household income levels increased in-line with the benchmark.
 - The proportion of traditional family households increased slightly faster than the benchmark.
- iv. With the proposed redevelopment of the Cardinal Gilroy site, the population and socio-economic profile of local residents will to continue to evolve, including an increase in the number of aged persons on-site.
- v. Local residents would likely have a strong affinity with convenience-based retail facilities within close proximity to their place of residence.

TABLE 2.2. MAIN TRADE AREA SOCIO-ECONOMIC PROFILE, 2016 CENSUS

Characteristics	Main TA	Syd Metro Average	Aust Average
Income Levels			
Average Per Capita Income	\$28,197	\$42,036	\$38,500
Per Capita Income Variation	-32.9%	n.a.	n.a.
Average Household Income	\$87,047	\$115,062	\$98,486
Household Income Variation	-24.3%	n.a.	n.a.
Average Household Size	3.1	2.7	2.6
Age Distribution (% of Pop'n)			
Aged 0-14	21.5%	18.6%	18.5%
Aged 15-19	6.7%	6.0%	6.1%
Aged 20-29	15.4%	15.0%	13.9%
Aged 30-39	14.7%	15.6%	14.0%
Aged 40-49	12.0%	13.8%	13.6%
Aged 50-59	11.7%	12.2%	12.8%
Aged 60+	18.0%	18.9%	21.2%
Average Age	36.1	37.6	38.6
Housing Status (% of H'holds)			
Owner/Purchaser	65.7%	64.7%	67.9%
Renter	34.3%	35.3%	32.1%
Birthplace (% of Pop'n)			
Australian Born	56.5%	61.9%	72.9%
Overseas Born	43.5%	38.1%	27.1%
• Asia	15.0%	18.6%	10.7%
• Europe	5.8%	7.7%	8.0%
• Other	22.7%	11.8%	8.4%
Family Type (% of Pop'n)			
Couple with dep't children	51.0%	48.8%	45.2%
Couple with non-dep't child.	11.0%	9.2%	7.8%
Couple without children	14.3%	20.2%	23.0%
Single with dep't child.	9.8%	8.0%	8.9%
Single with non-dep't child.	5.6%	4.1%	3.7%
Other family	1.4%	1.2%	1.1%
Lone person	6.9%	8.5%	10.2%

Sources: ABS Census of Population and Housing 2016



TABLE 2.3. MAIN TRADE AREA SOCIO-ECONOMIC CHANGES, 2011 – 2016

Characteristics	Merrylands MTA			Syd Metro Benchmark		
	2011	2016	Change (%)	2011	2016	Change (%)
Income Levels						
Average Per Capita Income	\$25,554	\$28,197	10.3%	\$36,941	\$42,036	13.8%
Average Household Income	\$75,669	\$87,047	15.0%	\$99,586	\$115,062	15.5%
Age						
Average Age	36.5	36.1	-0.9%	37.2	37.6	1.1%
Birthplace (% of Pop'n)						
Australian Born	59.9%	56.5%	-3.4%	63.7%	61.9%	-1.7%
Overseas Born	40.1%	43.5%	3.4%	36.3%	38.1%	1.7%
Household Size & Structure						
Average Household Size	3.0	3.1	4.3%	2.7	2.7	1.5%
Couple with dep't children	50.1%	51.0%	0.9%	48.2%	48.8%	0.6%
Housing Status (% of H'holds)						
Owner/Purchaser	70.2%	65.7%	-4.5%	67.4%	64.7%	-2.7%
Renter	29.8%	34.3%	4.5%	32.6%	35.3%	2.7%

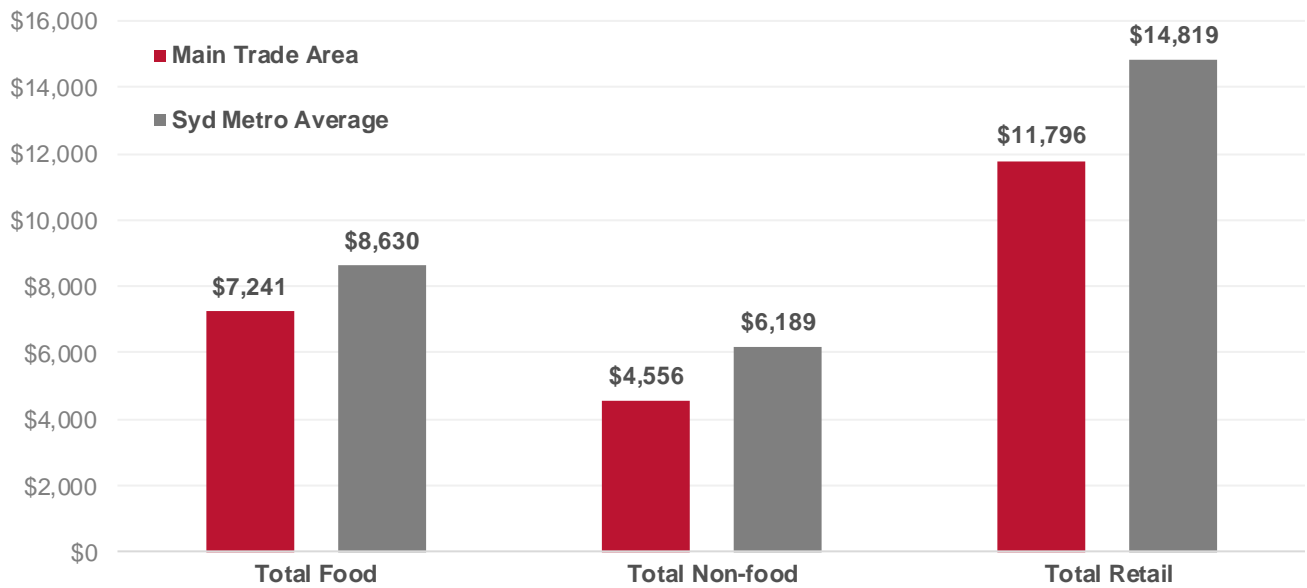
Sources: ABS Census of Population and Housing 2011 & 2016



2.4. Main Trade Area Retail Expenditure Capacity

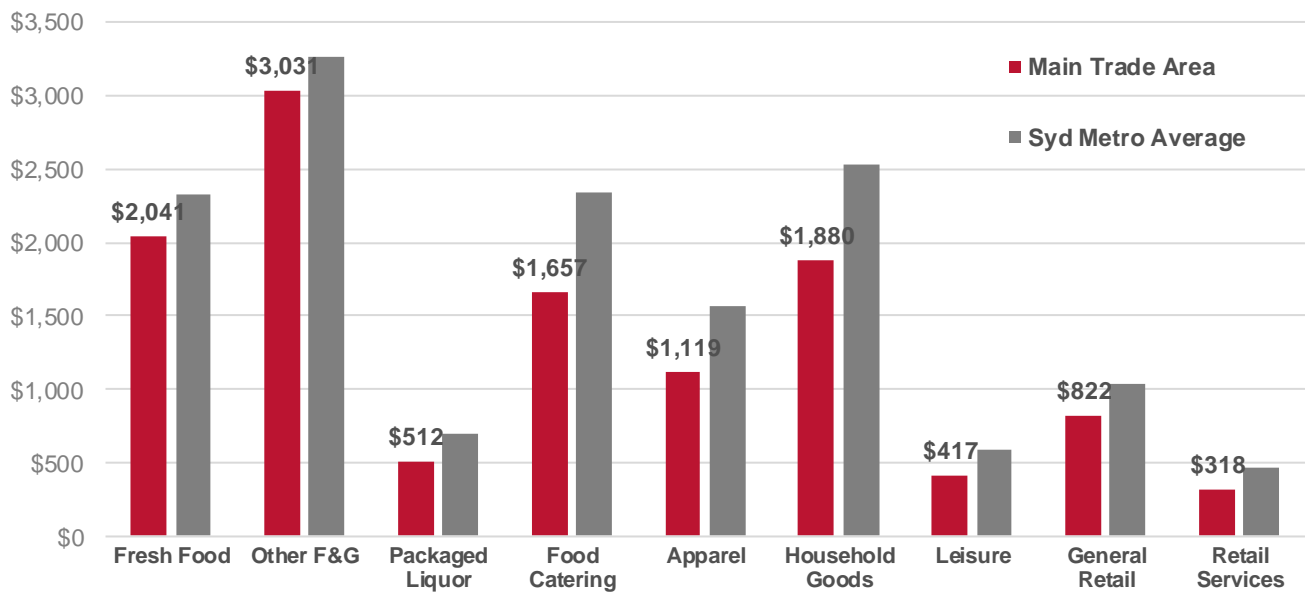
- i. The estimated retail expenditure capacity of the main trade area population is based on information sourced from MDS Market Data Systems. MDS utilises a detailed micro-simulation model of household expenditure behaviour for all residents of Australia.
- ii. The MDS model takes into account information from a wide variety of sources, including the regular ABS Household Expenditure Survey, National Accounts Data, Census Data and other information. MarketInfo estimates used in this analysis are based on the 2016 release, benchmarked against the latest National Accounts Data, released by the ABS. All figures presented in this report are in constant 2019 dollars and include GST.
- iii. Charts 2.2 – 2.3 illustrates the retail expenditure levels per person across the main trade area, as compared with the Sydney metropolitan average. As shown, total retail expenditure per capita for main trade area residents is generally below the Sydney benchmark.
- iv. Main trade area retail expenditure is currently estimated at \$279.8 million and is projected to increase to \$373.1 million by 2036, representing an average annual growth rate of 1.7% of \$5.5 million per year (refer Table 2.3). All figures presented in this report are in constant 2019 dollars and include GST.
- v. The average annual retail spending growth rate of 1.7% reflects the following:
 - Real growth in retail spending per capita of 0.5% annually for food retail and 1.0% for non-food retail over the period to 2035/36. This is in-line with the national averages. Real growth in retail spending refers to the increase in retail sales consumption of a household adjusted for changes in prices.
 - Main trade area population growth of around 0.9% per annum over the period to 2036.
- vi. Table 2.3 also presents a breakdown of retail spending by key commodity group, indicating the largest spending market is food and liquor at \$132.4 million, representing 47.3% of the total retail spending market.

CHART 2.2. AVERAGE PER CAPITA RETAIL SPENDING, 2018/19



Source: Marketinfo

CHART 2.3. AVERAGE PER CAPITA RETAIL SPENDING, 2018/19



Source: Marketinfo

TABLE 2.4. TRADE AREA RETAIL EXPENDITURE, 2019 – 2036

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services	Total Retail
2019	132.4	39.3	26.5	44.6	9.9	19.5	7.6	279.8
2020	134.8	40.2	27.1	45.6	10.1	19.9	7.7	285.5
2021	137.1	41.1	27.7	46.6	10.4	20.4	7.9	291.2
2022	139.5	42.0	28.4	47.7	10.6	20.8	8.1	297.0
2023	141.9	43.0	29.0	48.7	10.8	21.3	8.3	302.9
2024	144.3	43.9	29.6	49.8	11.1	21.8	8.4	308.9
2025	146.8	44.9	30.3	50.9	11.3	22.3	8.6	315.1
2026	149.0	45.8	30.9	51.9	11.5	22.7	8.8	320.6
2027	150.9	46.6	31.5	52.8	11.7	23.1	9.0	325.6
2028	152.8	47.4	32.0	53.8	11.9	23.5	9.1	330.6
2029	154.7	48.3	32.6	54.7	12.2	23.9	9.3	335.7
2030	156.7	49.1	33.2	55.7	12.4	24.4	9.4	340.9
2031	158.7	50.0	33.7	56.7	12.6	24.8	9.6	346.1
2032	160.7	50.9	34.3	57.7	12.8	25.2	9.8	351.3
2033	162.6	51.7	34.9	58.7	13.0	25.7	9.9	356.6
2034	164.7	52.6	35.5	59.7	13.3	26.1	10.1	362.1
2035	166.7	53.6	36.2	60.8	13.5	26.6	10.3	367.5
2036	168.8	54.5	36.8	61.8	13.7	27.0	10.5	373.1
Expenditure Growth								
2019-2021	4.7	1.8	1.2	2.0	0.5	0.9	0.3	11.4
2021-2026	11.9	4.7	3.2	5.3	1.2	2.3	0.9	29.4
2026-2031	9.7	4.2	2.8	4.8	1.1	2.1	0.8	25.4
2031-2036	10.1	4.5	3.1	5.1	1.1	2.2	0.9	27.1
2019-2036	36.4	15.2	10.3	17.2	3.8	7.5	2.9	93.3
Average Annual Growth Rate								
2019-2021	1.8%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.0%
2021-2026	1.7%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	1.9%
2026-2031	1.3%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.5%
2031-2036	1.2%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.5%
2019-2036	1.4%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.7%

*Constant 2018/19 dollars & Including GST
Source : Marketinfo



3 COMPETITIVE ENVIRONMENT

This section of the report reviews the competitive retail environment within which the proposed development at Merrylands West would operate, in order to assist with the assessment of likely trading impacts for the development on other facilities. The previous Map 2.1 illustrates the location of surrounding competitive retail centres, with these centres summarised in Table 3.1.

TABLE 3.1. COMPETITIVE CENTRES

Centre	Shopfront GLA (sq.m)	Anchor Tenants	Dist. From Site (km)
Regional Shopping Centres			
Westfield Parramatta	137,800	Myer (28,727), David Jones (12,905), Target (8,438), Kmart (6,592), Woolworths (4,177), Coles (2,637),	4.0
Sub-regional Shopping Centres			
<u>Merrylands Town Centre</u>	<u>78,300</u>		
• Stockland Merrylands	58,300	Big W (8,444), Kmart (7,814), Target (6,088), Woolworths (3,800), Coles (3,634), Aldi (1,491)	1.8
• Other	20,000		
<u>Fairfield Town Centre</u>	<u>59,100</u>		
• Neeta City SC	21,300	Big W (6,574), Woolworths (3,840)	4.5
• Fairfield Forum	17,800	Kmart (6,960), Coles (3,045), Aldi (1,600)	4.8
• Other	20,000		
Auburn Central	17,868	Big W (7,159), Woolworths (3,650)	8.0
Supermarket Based Shopping Facilities (within 5 km)			
Merryway SC	2,566	Supa IGA (1,700)	0.8
Greystanes SC	6,005	Woolworths (1,626)	2.4
Aldi - Wentworthville	1,783	Aldi (1,783)	2.5
Wentworthville Shopping Plaza	6,391	Woolworths (3,851)	2.7
Aldi - Guildford	1,730	Aldi (1,730)	3.7
Supa IGA - Guildford	1,290	Supa IGA (1,290)	4.1
FoodWorks - Guildford	900	Foodworks (900)	4.1
Smithfield Square	3,779	Coles (2,850)	4.2

Source: Australian Shopping Centre Council Database, Location IQ Database



3.1. Regional Shopping Centres

- i. Regional Shopping Centre include one or more department stores and are higher order non-food retail facilities that have a wider draw. The Parramatta Central Business Area (CBA) currently includes the major regional shopping facilities for Greater Western Sydney and is located some 4 km to the north-east of the subject site.
- ii. The largest component is Westfield Parramatta (137,772 sq.m), which is based on Myer and David Jones department stores, Kmart and Target discount department stores as well as Woolworths and Coles supermarkets. The centre includes some 460 specialty shops and 26 mini-major tenants, reporting Moving Annual Turnover (MAT) of \$848.6 million. This centre is now planned for expansion as detailed in Section 3.4.

3.2. Sub-regional Shopping Centre

- iii. Sub-regional shopping centres contain at least one discount department store and generally at least one supermarket. There are currently no sub-regional shopping centres within the main trade area, with the nearest sub-regional facilities, including:
 - Stockland Merrylands is anchored by Big W, Kmart and Target discount department stores, as well as Woolworths, Coles and Aldi full-line supermarkets. The centre is provided across a total GLA of some 58,300 sq.m and is located 1.8 km east of the subject site. The shopping centre anchors the Merrylands Town Centre precinct, which also includes a range of strip-based shopfronts along Merrylands Road, Pitt Street and McFarlane Street (south of the centre).
 - The Fairfield Town Centre contains an estimated 59,100 sq.m of retail floorspace, anchored by two enclosed sub-regional shopping centres, namely Neeta City Shopping Centre and Fairfield Forum. Neeta City Shopping Centre encompasses some 21,300 sq.m of lettable floorspace and is anchored by a Big W discount department store and Woolworths supermarket. Fairfield Forum includes Kmart, as well as Coles and Aldi supermarkets across a total centre GLA of 17,800 sq.m. A range of additional retail strip shopfronts are also provided within the precinct.
 - Auburn Central comprises a Big W discount department store and Woolworths supermarket across some 17,868 sq.m of total retail floorspace. The centre is located approximately 8 km to the south-east of the subject site.
- iv. Given the location of competitive facilities in the surrounding area, particularly larger non-food based shopping centres, such as those above and Westfield Parramatta, it is likely that a significant proportion of the non-food spending of main trade area residents both now and in the future will be directed to these larger facilities.

3.3. Supermarket Based Centres

- i. Supermarkets are typically defined in court and planning documents as:

“Grocery and dry goods stores of at least 500 sq.m, with smaller stores classified as foodstores.”

- ii. A major full-line supermarket is the largest format of supermarket, generally totalling 3,200 sq.m or larger and catering to the full grocery shopping needs of customers. These large format stores are typically operated by major chains such as Woolworths and Coles
- iii. There are currently no full-line supermarkets provided across the main trade area, with Merryway Shopping Centre comprising the only supermarket-based offer, namely a Supa IGA of approximately 1,700 sq.m. The centre is located some 800 metres north of the subject site along Sherwood Road.
- iv. A small collection of shopfronts is also provided along Sherwood Road (surrounding the Supa IGA site) and includes key tenants as follows:
- **Food retail:** a butcher and patisserie.
 - **Food catering:** A range of food catering operators including key national tenants McDonalds, Pizza Hut, KFC and Subway, as well as a handful of independent takeaway offers.
 - **General Retail:** a chemist.
 - **Retail services:** a hairdresser.
 - **Non-retail:** a dentist, petrol station, automotive store, TAB and hotel.
- v. In this respect, there is a very limited provision of retail floorspace provided across the main trade area and, in particular, in close proximity to the subject site.
- vi. Beyond the main trade area, the nearest supermarket facilities include:
- Greystanes Shopping Centre, which is anchored by a non-full line Woolworths supermarket (1,626 sq.m) and is provided some 2.4 km north-west of the subject site.
 - Wentworthville Shopping Plaza, which includes a full-line Woolworths of 3,851 sq.m, across a total centre GLA of 6,391 sq.m. A freestanding Aldi supermarket is also provided at Wentworthville, some 2.7 km north of the subject site.
- vii. Additional supermarket-based retail offers are each located more than 3.5 km from the site and are of little competitive relevance.

3.4. Proposed Developments

- i. There are currently no competitive retail developments planned throughout the main trade area, with key developments beyond the main trade area including:
 - Stockland Merrylands was previously planned for expansion through a mixed-use component (Merrylands Court) that would comprise 500 units, as well as additional restaurants and cafes in a laneway precinct. The project is understood to be deferred.
 - A planning application is currently being prepared for Merrylands Village, which will be anchored by a full-line Coles supermarket (4,065 sq.m) and specialty shops (3,097 sq.m) as part of a mixed-use development.
 - A planning proposal has been approved for Merrylands Village, a mixed-use development at the former John Cootes Furniture site along Woodville Road. The development is planned to comprise a Coles supermarket of some 4,065 sq.m and retail specialty floorspace of up to 3,097 sq.m.
 - Westfield have concept approval for an additional level of retail of 32,000 sq.m and an office tower at Parramatta. The retail floorspace is planned to include the addition of Big W, the relocation and expansion of the existing Woolworths supermarket and the addition of around 11,000 sq.m of mini-major and specialty shops.
 - South Quarter (Gateway South Parramatta) has development approval for 2,143 sq.m of retail floorspace as part of a mixed-use development. For the purposes of this report, no supermarket is assumed at the site.
 - Big W have announced store closures at Neeta City Shopping Centre and Auburn Central, with the respective stores assumed to be backfilled by alternate retail offers over time.
- ii. Overall, these future retail developments are of limited, if any, competitive relevance given their distance from the subject site and proposed composition. These developments are unlikely to impact the projected sales or viability of proposed retail floorspace at subject site.

TABLE 3.2. FUTURE RETAIL COMPETITION

Name	Additional Retail GLA (sq.m)	Components	Status	First Full Year	Distance from Site (km)
Beyond the Main Trade Area					
Stockland Merrylands (Merrylands Court)	8,230	Laneway food catering precinct	Deferred	n.a.	1.8
422 - 428 Guildford Rd	n.a.	3 x spec. shops as part of mixed-use development	Planning	n.a.	3.2
Merrylands Village	7,162	Coles (4,065 sq.m) & spec. shops (3,097 sq.m)	Planning Proposal	n.a.	3.9
Westfield Parramatta	31,495	Big W (8,263 sq.m), relocated Woolworths (4,781 sq.m), mini-majors (4,412 sq.m) & spec. shops (6,679 sq.m)	DA Approved	2020/21	4.0
South Quarter	2,143	Possible small supermarket	DA Approved	2022/24	4.0
Neeta City	n.a.	Big W to close. Backfill of floorspace likely.	n.a.	n.a.	4.5
The Horsley Drive Mixed Use Dev.	2,397	Supermarket (716 sq.m) & Spec. Shops	DA Approved	2022/23	4.7
Auburn Central	n.a.	Big W to close. Backfill of floorspace likely.	n.a.	n.a.	8.0

Source: Location IQ Database

3.5. Medical Facilities

- i. Typically, successful medical centres are situated within high profile locations, either along main roads or within proximity to a retail/commercial centres or transport node. Thereby facilities receive maximum exposure to passing traffic, but more importantly, are easily recognisable and accessible for the surrounding local population.
- ii. Map 3.1 illustrates the location and size of medical facilities within the surrounding region. As shown, there is currently a limited provision of medical facilities within the defined main trade area. The nearest concentration of medical offers is located within and surrounding Stockland Merrylands, some 2km east of the subject site.
- iii. A total of nine doctors are currently provided across four practices within the main trade area. In Australia, as a rule, 11 doctors are provided for every 10,000 persons, indicating the main trade area population would currently demand some 25 doctors.
- iv. Table 3.3 provides a snapshot of the number of Australian Institute of Health and Welfare (AIHW) workers across the relevant Statistical Area 3 (SA3), with a focus on medical and ancillary-related professions. The site is provided within the Merryland-Guildford SA3, which (as shown) has an under-provision of all health professions (per 10,000 persons) based on the latest available data.
- v. Chart 3.1 illustrates general practitioner and specialist attendances per person for the Merrylands-Guildford SA3, as compared with the national benchmark (2016/17).
- vi. As shown, residents of the Merrylands-Guildford SA3 attend a general and specialist medical professionals with greater frequency than national averages. This indicates that demand for such services is higher than the comparable benchmarks.

- vii. Overall, there is evidence to suggest that there is an existing undersupply of medical and ancillary services within the main trade area and broader region (SA3). This is compounded by the higher-than-average level of demand for such facilities generated by local residents.
- viii. Medical centres can range in size from (depending on the number of doctors and services offered) and often co-locate with complementary wellbeing or retail facilities such as podiatry, chiropractic, optical and counselling clinics, chemists/pharmacies and other services.

TABLE 3.3. AIHW HEALTH PROFESSIONALS PROVISION (SA3) 2016/17

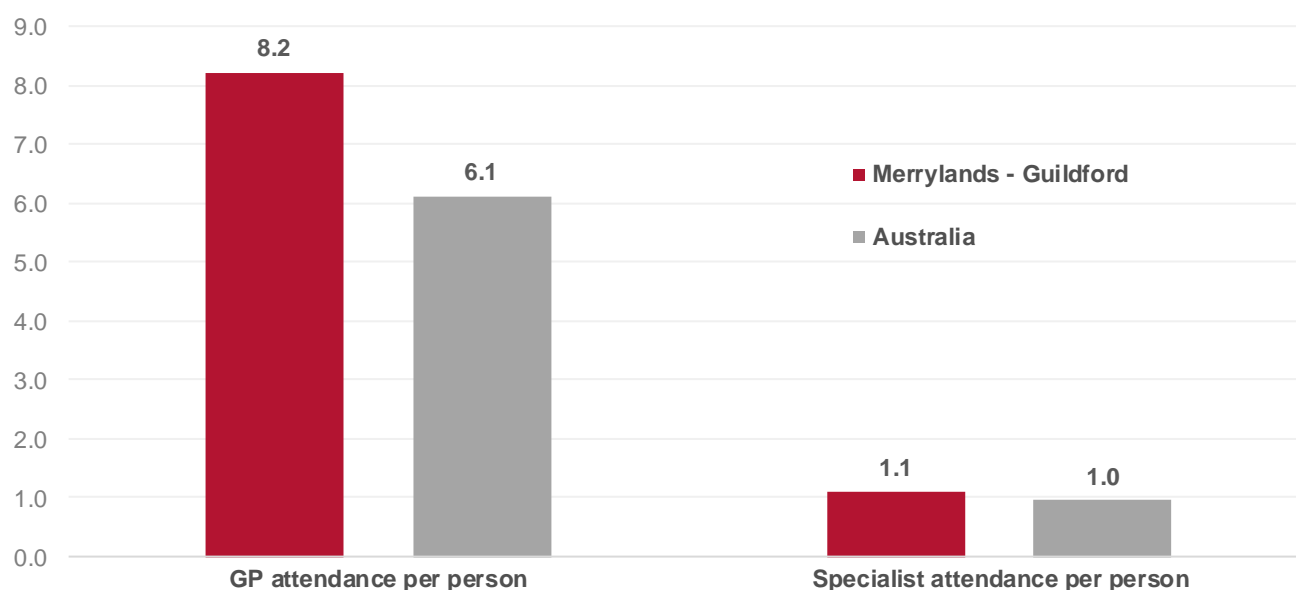
Practitioners	Health Prof. in SA3 (Employed no.)	Health Professionals per 10,000 persons		
		SA3	NSW	AUS
Chiropractors	15	0.9	2.0	1.9
Dental Practitioners	73	4.5	7.8	8.1
GP's	133	8.3	12.0	12.4
Nurses and Midwives	553	34.3	114.8	130.4
Occupational Therapists	29	1.8	6.3	6.7
Optometrists	26	1.6	2.1	2.0
Pharmacists	124	7.7	9.5	9.9
Physiotherapists	63	3.9	9.8	10.3
Podiatrists	11	0.7	1.6	1.8
Psychologists	93	5.8	11.0	10.6

Merrylands - Guildford SA3 Area
*2017 Headcount of Practitioners

Undersupply
Oversupply

Source: AIHW

CHART 3.1. MEDICAL ATTENDANCE PER PERSON PER ANNUM (SA3), 2016/17



Source: AIHW



MAP 3.1. MEDICAL FACILITIES



- Medical Centres**
- 1 - 4 doctors
 - 5 - 9 doctors



4 FLOORSPACE POTENTIAL ASSESSMENT

This section of the report considers the likely timing and demand for retail facilities at the proposed development, as well as the likely trading and other impacts that can be anticipated following the construction of the proposed retail component.

4.1. Sales Overview & Supportability

- i. To assess the potential economic benefits and impacts that may arise from the proposed Merrylands West retail development, the sales level which the development is projected to achieve is outlined.
- ii. The sales performance of any retail facility, be it an individual store, a collection of stores provided in a shopping centre or precinct, is determined by a combination of the following critical factors:
 - The composition and quality of the facility, including the major trader or traders; the specialty mix; centre layout and configuration; ease of accessibility and parking; and the overall feel of the centre.
 - The size of the available catchment which the facility serves.
 - The location and strength of competitive retail facilities.
- iii. The likely sales potential for the proposed development is now considered, taking into consideration each of these factors, which have been discussed in earlier sections of this report.
- iv. It is important to note however, that complementary non-retail/commercial floorspace such as medical uses and the like do not typically record or report sales.

4.2. Composition & Projected Sales

- v. As outlined previously in Section 1.2 of this report, the retail and commercial composition of the development is likely to vary based on operator interest and the respective size requirements of each tenant.

- vi. Overall, some 1,480 sq.m (GFA) of retail and complementary non-retail floorspace is planned across the ground and first floors of Buildings A and B, with the indicative composition considered to be as follows:
- **Medical suites and allied health facilities** totalling some 641 sq.m.
 - **Complementary retail specialty shops** totalling 839 sq.m, including possible tenants such as a convenience store, pharmacy, gift shop, post office, kiosk or the like.

4.2.1. Medical Suites

- i. Medical suites generally include a collection of medical services at the same site, such as General Practitioners (GPs), pharmacies, pathology, dental, chiropractic, physiotherapy and the like.
- ii. As outlined previously, the main trade area is currently significantly underprovided in terms of doctors and ancillary services, with estimated demand for some 25 GPs currently served with a provision of just nine doctors. Compounding this, the additional population within the main trade area over the forecast period, at around 4,100 persons, would demand up to five additional doctors.
- iii. Further, this does not account for the wider draw of the development and the higher propensity of trade area residents to use frequent such facilities, including the aged persons on-site (65 years and older).
- iv. The Australian Medical Association's *Aged Care Survey Report 2017* found that access to a regular general practitioner is integral to the health of an older person and that there is an urgent need to ensure Australia's ageing population has access to quality medical care.

"In the face of an ageing population, with an increasing prevalence of complex chronic conditions, improving the health and care of older people should be a national priority."

- v. Medical centres can range in size from (depending on the number of doctors and services offered) and often co-locate with complementary wellbeing or retail facilities such as podiatry, chiropractic, optical and counselling clinics, chemists/pharmacies and other services. It is also important for medical precincts and clinics to provide this adequate number of facilities in order to enable a one-stop medical destination.
- vi. Typical benchmarks and the socio-economic profile of the resident population would indicate significant unmet demand for medical and other health-related commercial facilities, however (as above), medical suites and the like do not typically record or report sales.

4.2.2. Retail Specialty Shops

- i. The retail specialty offer planned at the proposed development would likely complement the medical suites in serving the convenience shopping needs of local residents, including tenants such as a pharmacy, newsagent, post office, gift shop, kiosk and the like.
- ii. Based on a review of Shopping Centre News Guns Publications (2018), the closest reporting shopping centres currently achieve specialty sales productivity levels (Moving Annual Turnover per sq.m) as follows:
 - **Westfield Parramatta:** \$9,761 per sq.m.
 - **Stockland Merrylands:** \$8,630 per sq.m
 - **Stockland Wetherill Park:** \$9,091 per sq.m
- iii. It is unlikely that proposed retail facilities at the subject site would trade at as-high-a level as these larger successful centres and therefore a productivity level of around \$7,500 per sq.m is projected. At this level, total projected retail specialty sales would be \$6.3 million in 2021/22 (constant 2019 dollars) (refer Table 4.2).
- iv. As a guide, the *Urbis Retail Averages (2018)* indicate that retail specialty shops within single supermarket-based shopping centres throughout Australia trade at an average productivity level of some \$8,808 per sq.m.
- v. The addition of the retail facilities at the subject site would also result in the retention of spending currently being directed to other retail facilities at major shopping centres situated beyond the trade area, which can become quite congested during peak periods.
- vi. Projected impacts as a result of the proposed development would likely fall upon a range of retail facilities in the surrounding area, both within and beyond the main trade area, and are detailed subsequently in Section 4.3 of this report. This would mean that the impact on any one retail offer would not detrimentally affect the performance of any stores.

TABLE 4.1. TOTAL PROJECTED RETAIL SALES, 2021/22

	GFA (sq.m)	Forecast Sales 2021/22*	
		(\$'000)	(\$/sq.m)
Retail & Commercial Floorspace			
Retail Specialty Shops	839	6,293	7,500
Medical Suites	<u>641</u>	-	-
Total	1,480	-	-

*Constant 2018/19 dollars & including GST

4.3. Impacts

- i. This sub-section of the report outlines the likely sales impacts on competitive retail facilities because of the opening of the retail component of the proposed Merrylands West development.
- ii. It is important to note that impacts outlined in this report are indicative as it is difficult to precisely project the sales impact of the opening of a new store/centre on existing retail facilities. Several factors can influence the impact on individual centres/retailers, including but not limited to:
 - Refurbishment/improvements to existing centres.
 - Expansions to existing centres.
 - Loyalty programs of existing retailers.
 - The existing centre mix and how it competes with the proposed development.
- iii. For all these reasons and other similar factors, sales impacts outlined in this report should be used as a broad indication.
- iv. Table 4.3 outlines projected sales impacts from the proposed retail component of the Merrylands West development. The steps involved in assessing the sales and impacts on competitive centres are presented as follows:
 - **Step 1:** Estimate sales levels for existing centres in the 2018/19 financial year.
 - **Step 2:** Projected sales are presented for existing and proposed developments in 2021/22, the first full year of trading for the proposed Cardinal Gilroy Village development, allowing for other proposed developments including the expansion of Westfield Parramatta and other smaller developments. These projections also allow for retail market growth and are presented in constant 2019 dollars (i.e. excluding inflation).
 - **Step 3:** Outline the change in sales at each centre in 2021/22 as a result of the opening of the proposed development.
 - **Step 4:** Show the impact on sales in 2021/22, both in dollar terms and as a percentage of sales.
- v. The key information outlined in Table 4.3 is summarised as follows:
 - Overall, projected sales for the retail component of the proposed Cardinal Gilroy Village development are \$6.3 million 2021/22 (i.e. constant 2019-dollar terms).

- Of this total, \$0.6 million is projected as result of a redirection of spending from represented competitive facilities within the main trade area in 2021/22, with \$4.9 million being a reduction in spending from represented facilities beyond the main trade area.
 - Around \$0.8 million is likely to be made up of small impacts on a range of other retail facilities within and (primarily) beyond the main trade area that are not currently represented in this analysis.
- vi. Specific retail impacts are described as follows:
- The largest impact in dollar terms would be on the Merrylands Town Centre, at some \$2.9 million or around 0.6%. At these levels, impacts would not affect the viability of any retail facilities.
 - The next highest impact (at around \$0.6 million) is expected to occur on Merryway Shopping Centre, with most of this impact to fall on the Supa IGA supermarket at the centre. In percentage terms this equates to an impact of around 3.8%, well within the normal competitive range.
 - A similar impact of \$0.6 million or less than 0.1% is projected to occur on the expanded Westfield Parramatta.
 - All other projected impacts on represented centres are below \$0.6 million, or 0.6% of respective centre sales.
- vii. Overall, the proposed retail component of the Cardinal Gilroy Village development would not impact on the viability or continued operation of any retail facilities or specialty shops within the main trade area or the surrounding region.
- viii. Projected retail sales of \$6.3 million for the retail development would make up around one year of retail sales growth for the main trade area (excluding inflation), with future population growth offsetting competitive impacts.
- ix. With regard to impacts likely to arise from medical and other complementary health uses at the site – the existing under provision of such facilities, as well as demand generated by new residents at the site would indicate that impacts are likely to spread farther afield and across a range of facilities. Like the retail component however, impacts would not affect the viability of any one medical or complementary facility in the local area or broader region.

TABLE 4.2. PROJECTED RETAIL IMPACTS, 2019 – 2022

	Unit	Estimated 2019	Projected 2022		Impact 2022	
			Pre Dev.	Post Dev.	\$M	%
Cardinal Gilroy Village	\$M	n.a.	n.a.	6.3	n.a.	n.a.
Regional Shopping Centres						
Westfield Parramatta	\$M	848.6	1,000	999.4	-0.6	-0.1%
Sub-regional Shopping Centres						
Merrylands Town Centre	\$M	450.0	476.7	473.8	-2.9	-0.6%
Fairfield Town Centre	\$M	200.0	211.9	211.3	-0.6	-0.3%
Auburn Central	\$M	90.0	95.3	95.2	-0.1	-0.1%
Supermarket-based Shopping Centres						
Within Trade Area						
Merryway SC	\$M	15.0	15.9	15.3	-0.6	-3.8%
Beyond Trade Area						
Greystanes SC	\$M	65.0	68.9	68.5	-0.4	-0.6%
Wentworthville Shopping Plaza	\$M	60.0	63.6	63.2	-0.4	-0.6%

4.4. Employment and Consumer Impacts

- i. The development of the proposed retail/commercial component at Cardinal Gilroy Village would result in a range of important economic benefits which will be of direct benefit to the local community. These key positive employment and consumer impacts include:
 - The provision of a wider range of retail facilities in close proximity to residents' homes.
 - Increased convenience and price competition for residents.
 - Improved customer amenity, design and aesthetic for the local residents by way of a new and modern development.
 - Better integration with the surrounding arterial traffic routes such as Kenyons Road.

Ongoing Employment Generation

- i. Table 4.4 summarises the projected level of ongoing employment likely to be generated by the retail and complementary non-retail components of the Cardinal Gilroy development. The employment benchmarks (jobs per 1,000 sq.m) used to calculate the indicative total jobs generated is based on typical floorspace and employment yield benchmarks.
- ii. The retail component of the development is projected to employ around 50 persons, while the non-retail/commercial component of the development is projected to employ around 10 persons.

- iii. Taking a conservative view and allowing for an estimated 10% of the total increase to be because of reduced employment at existing facilities, net additional jobs are estimated at 54 across both components.
- iv. Based on *Average Weekly Earnings* data released by the ABS in May 2019 (Cat. 6302.0), the additional permanent employees would earn an average annual wage of around:
 - \$39,868 per retail employee, or an additional \$1.8 million in total salary/wages.
 - \$58,261 each for health care and social assistance workers, equating to total salary/wages of \$0.5 million.
- v. This reflects a combined \$2.3 million in salary/wages for the local economy, as a direct result of the retail/commercial component of the proposed development alone.

Construction

- i. Construction of the entire Cardinal Gilroy Village redevelopment is estimated to incur total capital costs of some \$200 million, generating significant employment within the construction and associated industries during the development of the project.
- ii. The costs of civil works and infrastructure required to undertake the retail and complementary non-retail component is difficult to isolate but has been estimated at around \$4.7 million. This assumes an average construction cost of some \$1,750 per sq.m for retail floorspace and \$2,000 per sq.m for medical suites (or similar).
- iii. By using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and a deflated estimated total capital cost of construction of \$2.8 million (i.e. in 1996/97 dollars), it is estimated that the construction period of the proposed retail and commercial component (in isolation) would directly create some 11 full-time, part time and temporary jobs over development timeline (refer Table 4.5)

Multiplier Effect

- i. Overall, the retail and commercial component of the Cardinal Gilroy Village development is estimated to directly generate 65 jobs, including (refer Table 6):
 - **Ongoing Employment from Planned Floorspace:** 54 jobs
 - **Construction Phase:** 11 jobs
- ii. In addition to this direct employment, multiplier effects will flow through the local economy and indirectly generate additional employment opportunities through ancillary businesses/suppliers that

support the development and services, as well as additional consumption expenditure by workers employed within the precinct (spending wages).

- iii. Again, by using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and adjusting for inflationary and other changes to present, it is estimated that an additional 69 jobs will be created indirectly through the development of the retail and commercial component.
- iv. In total, some 134 jobs are likely to be created both directly and indirectly as a result of the retail and commercial component of the Cardinal Gilroy Village development alone.



TABLE 4.3. ESTIMATED ONGOING EMPLOYMENT GENERATION

Component	Total Floorspace (sq.m)	Employment Potential		
		Employ. per 1,000 sq.m	Indic. Total Jobs	Net Increase ¹
Retail				
Retail Specialty Shops	<u>839</u>	60.0	<u>50.3</u>	<u>45.3</u>
Total Retail	839		50.3	45.3
Complementary Non-retail				
Medical Suites	<u>641</u>	15.0	<u>9.6</u>	<u>8.7</u>
Total Complementary Non-retail	641		9.6	8.7

1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development

Source : Australian National Accounts: Input-Output Tables 1996-97

TABLE 4.4. ESTIMATED CONSTRUCTION EMPLOYMENT GENERATION (ENTIRE DEVELOPMENT)

Metric	Commercial & Other Floorspace
Estimated Capital Costs of Construction	
Estimated Capital Costs 2018/19 (\$M)*	\$2.8
Estimated Capital Costs 1996/97 (\$M)	\$1.6
Direct Employment Generation	
Construction Jobs per \$1 million (2018/19)	4.10
Total Construction Jobs¹	11

Source : Australian National Accounts: Input-Output Tables 1996-97

Employment totals include both full-time and part-time work. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects, for the equivalent of one year

TABLE 4.5. ESTIMATED TOTAL EMPLOYMENT GENERATION

Metric / Category	Est. Net Employment Increase ¹	Employment Multiplier Effects	Total Employment
Ongoing Employment from Planned Floorspace			
Retail	45.3	43.0	88.3
Complementary Non-retail	<u>8.7</u>	<u>8.2</u>	<u>16.9</u>
Total	54.0	51.2	105.2
Construction Phase			
Direct Employment Generation	11.3	18.1	29.3
Net Additional Employment	65.2	69.3	134.5

Source: Southern Cross Care

1. Net increase includes an allowance for reduced employment levels at impacted centres estimated at 10% of the total increase

5 NEEDS ANALYSIS

The final section of this report summarises the key conclusions of the impact analysis for the proposed retail component at the Cardinal Gilroy Village development.

'Need' or 'Community Need' in a planning sense is a relative concept that relates to the overall wellbeing of a community. A use is needed, for example, if it would, on balance, improve the services and facilities available in a locality. The reasonable demands and expectations of a community are important, therefore, in assessing need.

A number of important factors that relate to need, and particularly economic need, include:

- Population and demand;
- Consumer trends;
- Location;
- Impacts on existing retail facilities;
- Impacts on retail hierarchy;
- Net community benefits.

5.1. Population & Demand

- i. The main trade area population is currently 23,570 and is projected to increase to 27,670 persons by 2036, representing strong average annual growth of 0.9%.
- ii. Typically, 2.2 sq.m of retail floorspace is provided per person throughout Australia, indicating that an additional 9,020 sq.m of retail floorspace will be demanded by main trade area residents by 2036.
- iii. The net addition of retail floorspace at the redeveloped Cardinal Gilroy Village site (+839 sq.m) would represent only 9.3% of this future demand. Further, the on-site resident population of around 900 persons at Cardinal Gilroy Village would demand around 2,000 sq.m of retail floorspace alone from 2021/22.

5.2. Consumer Trends

- i. Retail facilities in Australia, including local offers such as the proposed development, play fundamental roles in the economies of metropolitan areas, having developed around the need to meet consumer demand. The nature of consumer demand continues to develop and evolve, reflecting social changes within society, such as:
 - Increasing time pressures on working families.
 - Population and income growth.
 - The evolution of new retail formats and traders.
 - Competitive retail developments and precincts.
- ii. The demands of retailers, as well as consumers, combine to add pressure for additional retail floorspace in existing retail precincts.
- iii. Over the past decade, there has been an increasing trend towards convenience shopping. This trend has been largely driven by broader social trends that have resulted in consumers becoming more time poor, such as longer working hours and an increase in the number of women in the labour force.
- iv. Time pressures are ranked at the top of the list of issues that consumers face when undertaking their regular food and grocery shopping. For aged persons, however, mobility, convenience and proximity of retail facilities are key issues faced when undertaking shopping.
- v. Convenience retail has moved beyond the 'quick and easy' concept and toward a simplification model, where consumers can get precisely what they need without having to navigate unnecessary obstacles. In order to delivery this level of convenience, retailers must continue to leverage new technology and be provided with the tools (design and access to customer segments) to achieve this.

5.3. Location

- i. The design of proposed development, including new access from Kenyons Road (an arterial location), would be highly convenient for on-site and local residents who would visit on a regular basis.
- ii. Two key advantages of having on-site retail and commercial facilities that cater to the local population is the reduction in leakage and reduced travel times.
- iii. Given the under-provision of both retail and medical (including ancillary uses) floorspace across the main trade area, the majority of resident expenditure and visitation is currently leaking to major facilities beyond the catchment. Through the provision of adequate and convenient facilities such as

those proposed, a higher proportion of this spending and patronage can be retained within the local community.

- iv. Further, the level of added convenience likely to be provided to local and on-site residents is significant, reducing requisite travel times to retail and (importantly) medical facilities. These benefits are exaggerated further for many aged persons who are more likely to have more limited mobility or health issues.
- v. Based on a review of existing retail and commercial floorspace within the trade area, as well as appropriately-zoned land (Section 1.3), there would be limited (if any) alternate sites that could accommodate the quantum of proposed retail and commercial floorspace, or provide the level of design, convenience and access to customer segments that is offered at the subject site/development.

5.4. Impact on Existing and Proposed Retailers

- i. The proposed retail component of the Cardinal Gilroy Village development would not impact on the viability or continued operation of any existing or proposed retail centre within the main trade area or the surrounding region.
- ii. The proposed retail component of the development is projected to record retail sales of \$6.3 million in 2021/22 (constant 2019-dollar terms), with key impacts as follows:
 - The largest impact in dollar terms would be on the Merrylands Town Centre, at some \$2.9 million or around 0.6%. At these levels, impacts would not affect the viability of any retail facilities.
 - The next highest impact (at around \$0.6 million) is expected to occur on Merryway Shopping Centre, with most of this impact to fall on the Supa IGA supermarket at the centre. In percentage terms this equates to an impact of around 3.8%, well within the normal competitive range. A similar impact of \$0.6 million or less than 0.1% is projected to occur on the expanded Westfield Parramatta.
 - All other projected impacts on represented centres are below \$0.6 million, or 0.6% of respective centre sales.
 - Around \$0.8 is likely to be made up of small impacts on a range of other retail facilities within and (primarily) beyond the main trade area that are not currently represented in this analysis.
- iii. Overall, the proposed retail component of the Cardinal Gilroy Village development would not impact on the viability or continued operation of any retail facilities or specialty shops within the main trade area or the surrounding region.

- iv. Projected retail sales of \$6.3 million for the retail development would make up around one year of retail sales growth for the main trade area (excluding inflation), with future population growth offsetting competitive impacts.
- v. With regard to impacts likely to arise from medical and other complementary health uses at the site – the existing under-provision of such facilities, as well as demand generated by new residents at the site, would indicate that impacts are likely to spread farther afield and across a range of facilities. Like the retail component however, impacts would not affect the viability of any one medical or complementary facility in the local area or broader region.
- vi. Overall, the proposed development would not impact on the viability or continued operation of any existing or proposed facility within the main trade area or the surrounding region.

5.5. Impacts on Retail Hierarchy

- i. Beyond the main trade area, Stockland Merrylands, the Parramatta CBA and Fairfield CBA represent the major food and non-food retail destination within the region. As regional, sub-regional and city centres these locations serve a different role in the retail hierarchy than the proposed Cardinal Gilroy Village development, which would be a convenience-based retail offer for the local and on-site population.
- ii. Post the redevelopment of Cardinal Gilroy Village, each centre would continue to act as major retail destinations, particularly for non-food retail.
- iii. The proposal would not provide a significant number of specialty shops and, as such, residents will continue to frequent other centres/shops in the surrounding area and the projected impacts on these businesses would be limited.
- iv. Further, the proposed development will provide residents with facilities that a range of facilities that are not currently offered or underprovided for within the main trade area. This will create additional choice and competition for convenience-based retail and medical services within the region.
- v. Increased competition between retail and key non-retail offers is also beneficial to consumers and will not adversely affect the balance of the centre hierarchy.
- vi. The analysis of impacts provided in the previous section of this report shows that projected impacts on other retailers (in particular) throughout the area from the proposed development would not threaten the viability or continued operation of any centre/precinct.

5.6. Net Community Benefits

- i. It is the conclusion of this report that a substantial net community benefit would result from the proposed retail and commercial component of the Cardinal Gilroy Village redevelopment. Offsetting the trading impacts on some existing retailers, there are very substantial positive impacts including the following:
 - Significant improvement in the range of retail, medical and other facilities that would be available to local residents, particularly for the aged population that will occupy the site.
 - The proposed development would improve choice of location and allow for price competition. The inclusion of a full-line supermarket would represent the only such offer within the defined main trade area.
 - The addition of retail and complementary non-retail facilities at the subject site would also result in the retention of spending currently being directed to other facilities (often at or surrounding major shopping centres) situated beyond the trade area, thereby reducing the need for local residents to travel further afield for these needs.
 - The offer will enable the development to serve the growing population and associated demand for additional retail floorspace, medical services and the like.
 - The creation of additional employment which would result from the project, both during the construction period, and more importantly, on an ongoing basis once the development is complete and operational. In total, some 134 jobs are likely to be created both directly and indirectly as a result of the retail and commercial component of the Cardinal Gilroy Village development alone
 - This includes a number of youth employment opportunities with retail developments generally employing a large number of younger staff.
- ii. It is concluded that the combination of the substantial positive economic impacts serve to more than offset the trading impacts that could be anticipated for a small number of existing facilities throughout the broader region. Further, the impacts would not threaten the viability of any existing facilities.



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