

Glenmore Park Town Centre

Economic Impact Assessment

May 2014

DRAFT



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Executive summary

This report presents an independent assessment of the need and demand for an expansion to the Glenmore Park Shopping Centre, located in the Penrith Local Government Area (LGA), as well as analysing the likely economic impacts associated with such a development. The following key points summarise our analysis:

Proposed expansion

- Glenmore Park Shopping Centre currently provides a total of 7,971 sq.m of floorspace, including some 5,627 sq.m of enclosed centre retail floorspace, 927 sq.m of non-retail floorspace, 1,234 sq.m of external floorspace (inc. pad sites) and 183 sq.m of vacant floorspace.
- The proposed development for which development approval is sought entails the net addition of 9,070 sq.m of gross lettable area (GLA), of which 8,648 sq.m is proposed retail floorspace. The expansion is planned to include a 4,297 sq.m Coles supermarket; a 1,543 sq.m Aldi supermarket; 2,808 sq.m of specialty floorspace; and 422 sq.m of commercial floorspace.
- In principle approval is also being sought for a 74 unit apartment development, which would proceed upon completion of the retail component of the development. This development would include a small ground floor retail component of 390 sq.m and around 89 sq.m of commercial floorspace.

Consistency with planning framework

- The subject site is zoned B2 – Local Centre according the draft Penrith Local Environmental Plan (LEP) 2010. The proposed development is consistent with all four of the zone objectives outlined in the draft LEP.
- The proposed expansion will provide additional convenience based retail and supporting non-retail uses, providing increased employment opportunities.

- The Glenmore Park Town Centre will continue to be served by public transport and will remain accessible to surrounding residents from a walkability perspective.
- The proposed expansion of the Glenmore Park Town Centre would result in an overall retail and commercial floorspace provision of 17,041 sq.m, but the centre would much more closely resemble a 'Village', than a 'Town Centre' as both are defined under the centre hierarchy. In summary, the proposed development would maintain the centre's role in the local and regional hierarchy.
- The proposed development is consistent with Council strategic policy and state policies in regards to planning for retail development. In particular, the proposal is consistent with NSW Government's centres policy regarding retail and commercial development. The proposed development will result in additional retail and commercial floorspace in an existing B2 – Local Centre.

Trade area population and expenditure

- The likely trade area to be served by the expanded Glenmore Park Town Centre includes one primary and one secondary trade area sector. The trade area is bound to the north by the Western Motorway, to the west by the Nepean River and the Blue Mountains National Park, and extends to Silverdale in the south.
- The current population of the main trade area is estimated at 33,670 including 22,500 in the key primary sector. Future population growth is expected to average 1.4% per annum, increasing the main trade area population to 40,470 persons by 2026, including 26,550 in the primary sector
- The majority of the future population growth will be accommodated within the new residential estate being developed as part of Glenmore Park – Stage 2, which will accommodate up to 1,565 dwellings upon completion.
- The retail expenditure capacity of the main trade area population is currently estimated at \$422.2 million and is projected to increase, in real terms, at an average annual rate of 2.2% over the forecast period, to reach \$561.4 million by 2026.

Competition

- Existing supermarket floorspace provision within the main trade area is limited. With the exception of the exiting provision at Glenmore Park Town Centre, there are a handful of smaller local and neighbourhood centres across the trade area serving the convenience top-up shopping needs of the immediate populations. Generally, these smaller centres provide a small supermarket or food store, and a limited number of retail shops, focused on convenience top-up shopping, with a restricted range of food and grocery items for sale.
- The primary retail, civic, administrative and commercial hub in the region is the Penrith City Centre, which accommodates in the order of 200,000 sq.m of traditional retail floorspace and more than 120,000 sq.m of commercial floorspace. This centre includes multiple supermarkets, discount department stores and a department store. This centre would service many of the higher order retail needs of Penrith LGA residents and residents across the broader region.
- Other nearby competitive developments include the Woolworths anchored Southlands Shopping Centre and the Lennox Shopping Centre, at Emu Plains.
- Within the main trade area, there is an approval for an expansion of the retail facilities at Wallacia – which would include a small 1,100 sq.m supermarket and supporting specialities. A small village centre is designated at Glenmore Ridge. We expect this development would be likely to occur between 2018 and 2021 as the immediate residential population establishes in this area.

Market potential

- To determine whether there is an appropriate market demand for the proposed expansion, we have examined the estimated current and future demand for supermarket floorspace generated by the trade area population and compared this with the existing and proposed supply of such floorspace.
- The main trade area is presently served by the single supermarket anchored Glenmore Park Town Centre and small scale, local top-up shopping facilities. Indeed, there is only one large supermarket servicing the population in excess

of 30,000 persons. These residents generate demand for more than 15,000 sq.m of supermarket floorspace.

- By subtracting supermarket floorspace supply from estimated demand, we have identified an existing market gap of about 8,900 sq.m of supermarket floorspace.
- Even with the addition of two new supermarkets at Glenmore Park Town Centre (5,480 sq.m), as well as the small supermarket at Wallacia (1,128 sq.m) by 2016, a supermarket floorspace gap would still exist in 2016 in the order of 2,900 sq.m.
- Furthermore, if the proposed supermarket development at Glenmore Ridge (2,000 sq.m) is developed by 2021, the supermarket floorspace gap in the main trade area is still expected to exceed 2,500 sq.m.
- The provision of an additional 5,840 sq.m of supermarket floorspace at the subject site would help reduce the existing supermarket floorspace gap in the defined trade area, to the benefit of local residents.

Impacts on retail hierarchy

- Under a 'do-nothing' scenario, the Glenmore Park Town Centre is expected to achieve sales of about \$89.5 million in the year 2016/17. The proposed expanded centre – including two new supermarkets – is estimated to achieve potential sales of \$140.1 million in 2016/16, equating to a sales uplift of about \$50.7 million.
- We estimate that potential trading impacts of the proposed expansion will be widely distributed across the surrounding centres hierarchy, with no individual centre expected to be impacted by greater than 7%. Typically, impacts of less than 10% are considered moderate by industry standards. Impacts of 5% or less are considered to be minor, or negligible, and generally indicate that a proposed development is appropriate in the context of the surrounding retail hierarchy.
- The existing Glenmore Park Town Centre will itself be impacted by the proposed expansion of retail facilities at the centre, reducing the potential

impacts elsewhere across the retail hierarchy. That is, the broader retail trading effects of the growing Glenmore Park Town Centre will be constrained by the competitive nature of what is on offer – an existing large Woolworths supermarket and supporting specialty retail.

Other impacts

- We estimate the net employment increase resulting from the proposed expansion (inc. apartment development) to be 275 jobs, which will lead to a further 110 multiplier induced jobs across the broader economy.
- The proposed expansion of the town centre is estimated to cost approximately \$25 million. Based on these costs, we estimate that 278 construction jobs per year will be created during the construction of the retail component of the centre, including 107 created directly and a further 171 resulting from multiplier induced effects.
- The proposed apartment development is estimated to cost approximately \$20 million, which could support some 222 construction jobs per year, including 85 created directly and a further 137 resulting from multiplier induced effects.
- The proposed expansion of the Glenmore Town Centre will result in a range of other economic benefits. The key benefits, summarised below, include:
 - Increased choice, convenience and amenity for the population of the main trade area.
 - It will serve not only the current residents of the trade area, but also future residents in the surrounding growth areas, particularly prior to those growth areas establishing local convenience centres themselves.
 - Convenient access to new food and grocery shopping facilities, as well as increased price competition for consumers.
 - Savings on time and fuel for main trade area residents due to a much better provision of food and grocery shopping facilities at local level, particularly for customers who prefer to use a Coles or Aldi supermarkets.

- A reduction in travel times and distances has indirect benefits like reduced vehicle wear and tear, reduced fuel costs, reduced pollution, reduced traffic congestion, reduced risks of car-accidents, and more time can be spent either working, socialising or undertaking other activities.
- Increased sense of place and increased community cohesion for residents of the main trade area.

In summary, the proposed expansion of the Glenmore Park Town Centre represents an appropriate development from an economic and net community benefit perspective.

Introduction

This report presents an independent assessment of the need and demand for an expansion to the Glenmore Park Shopping Centre, located in the Penrith Local Government Area (LGA), as well as analysing the likely economic impacts associated with such a development.

The report has been prepared in accordance with instructions received from Village Fair Glenmore Park, and is structured as follows:

- **Section 1** first reviews the local and regional context of the subject site and the strategic planning environment of relevance to the proposed expansion. Details of the current Glenmore Park shopping centre, and the proposed expansion of the centre (including associated residential development), are then set out.
- **Section 2** examines the likely trade area for the expanded shopping centre; provides estimates of current and anticipated population levels within the trade area; analyses the socio-demographic profile of the trade area population; and assesses the retail expenditure volumes that are, and will be, generated by trade area residents.
- **Section 3** reviews the competitive context within which retail facilities at the subject site will operate, including existing and proposed competitive facilities.
- **Section 4** assesses the level of demand for retail floorspace generated by residents within the defined trade area and estimates the present and future market gap for additional retail floorspace. The likely sales potential for the expanded shopping centre is also detailed.
- **Section 5** identifies the potential impacts on the current and future retail network in the surrounding area, and the potential economic benefits of the development, including employment generation and other community benefits.

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Section 1: Background

This section of the report reviews the local and regional context of the subject site and the strategic planning environment of relevance to the proposed expansion, as well as providing details of the current Glenmore Park shopping centre and details the proposed expansion of the centre.

1.1 Regional and local context

Glenmore Park is located within the Penrith LGA in outer western Sydney, approximately 45 km west of the Sydney Central Business District (CBD) and 5 km south of Penrith Town Centre (refer Map 1.1).

Glenmore Park residential estate is located on the southern periphery of the Penrith urban area, to the south of the Western Motorway and to the west of The Northern Road. The estate will accommodate more than 7,000 dwellings upon completion, housing nearly 20,000 residents, and is expected to be fully developed by 2024. Stage 1 of the estate is in its final stages, accommodating 5,600 dwellings upon completion. Stage 2 of the estate is underway, and is expected to provide over 1,500 dwellings or some 4,500 additional residents, resulting in increased demand for retail floorspace within Glenmore Park Town Centre.

In addition to Glenmore Park Stage 2, there are other major urban release areas throughout the region, mainly located to the north of the Western Motorway. The closest residential development areas to Glenmore Park are the Werrington Enterprise Living and Learning (WELL) Precinct and the Riverlink precinct.

The WELL Precinct comprises approximately 650 ha of strategic lands with capacity for over 2,900 dwellings, and will also accommodate additional employment generating development. The Penrith Riverlink Precinct (370 ha) already accommodates residential dwellings, major bulky goods retail floorspace and the Panthers Penrith club and associated facilities. This precinct is planned to include additional residential development, as well as additional commercial, community, leisure and retail floorspace.

Glenmore Park Town Centre is centrally located within the Glenmore Park residential estate. The centre is bounded by Luttrell Street and Town Terrace to the east and Glenmore Parkway to the west (refer Map 1.2). Glenmore Parkway connects with The Northern Road and Mulgoa Road, the major road network within the region, providing direct access to the Town Centre.

Public transport access is also provided by regular bus services between Glenmore Park and Penrith City Centre as well as St Marys, and services the surrounding suburbs of Regentville, Orchard Hills and Claremont Meadows.

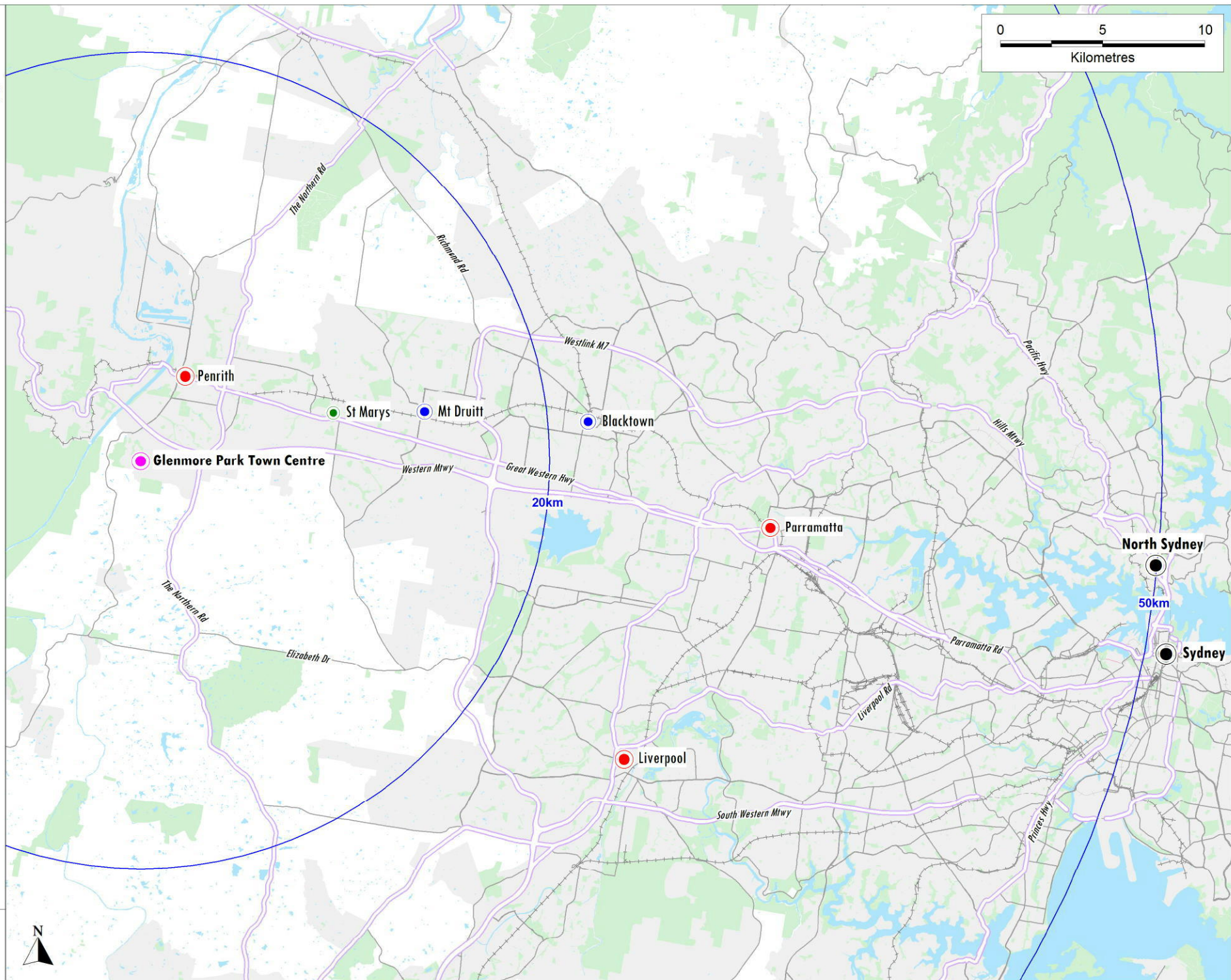
Map 1.1

Glenmore Park TC

Regional Context

Legend *

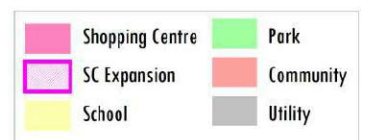
-  Glenmore Park Site
-  CBD
-  Regional City
-  Major Centre
-  Town Centre





Map 1.2: Glenmore Park TC

Site Location



1.2 Current and proposed composition

Table 1.1 summarises the current composition of the Glenmore Park Town Centre, as at February 2014, based on data provided by Village Fair Glenmore Park.

1.2.1 Current composition

The key points to note in regards to the centre's current composition are detailed as follows:

- Glenmore Park Town Centre provides a total of 7,971 sq.m of floorspace, including some 5,627 sq.m of enclosed centre retail floorspace, 927 sq.m of non-retail floorspace, 1,234 sq.m of external floorspace (inc. pad sites) and 183 sq.m of vacant floorspace.
- The centre is anchored by a Woolworths supermarket of 4,282 sq.m.
- The centre currently contains 18 specialty retailers occupying 1,345 sq.m of floorspace, with national tenants including Bakers Delight, Gloria Jeans, Donut King and Subway. About 37% of this specialty floorspace is occupied by food catering tenants i.e. cafes/restaurants and/or take-away food.
- Non-retail tenants include a medical clinic, Australia Post, a TAB and three real estate agents.
- External tenancies include McDonalds, KFC, a petrol station, ANZ Bank and a second real estate agency.

Table 1.1
Glenmore Park - Centre composition*

Category	Glenmore Park	
	GLA (sq.m)	(% of retail)
<u>Major tenants</u>		
Supermarket	4,282	76.1%
<u>Retail specialties</u>		
Food & liquor	172	3.1%
Food catering	505	9.0%
Apparel	0	0.0%
Household	0	0.0%
Leisure	100	1.8%
General	362	6.4%
Retail services	<u>208</u>	<u>3.7%</u>
Total retail spec.	1,345	23.9%
Total centre - retail	5,627	100.0%
<u>Non-retail</u>		
Non-retail**	927	
Vacant	<u>183</u>	
Total non-retail	1,110	
Total centre	6,737	
External***	<u>1,234</u>	
Total Property	7,971	

*As at February 2014

**Non-retail tenants include Glenmore Park Mediclinic, real estate agents and Australia Post

***External tenants include McDonalds, KFC and ANZ Bank

Source: Village Fair Glenmore Park; MacroPlan Dimasi

1.2.2 Proposed composition

The proposed expansion of Glenmore Park Town Centre is detailed in Figures 1.1-1.6 and summarised in Table 1.2. This expansion will allow the centre to better serve the growing resident population throughout the region, south of the Western Motorway. The proposed expansion will be located on the vacant block of land, adjacent to the existing carpark.

The proposed development includes the following additional elements:

- A 4,297 sq.m Coles supermarket
- A 1,543 sq.m Aldi supermarket
- 2,808 sq.m of specialty floorspace
- 422 sq.m of commercial floorspace.

This expansion is the subject of the development application for which approval is sought. Further to this, in principle approval is also being sought for a 10 storey, 74 unit apartment development (Figure 1.7). This development will proceed upon completion of the shopping centre expansion. Some 390 sq.m of retail floorspace and around 89 sq.m of commercial floorspace are proposed as part of the apartment development.

Table 1.2

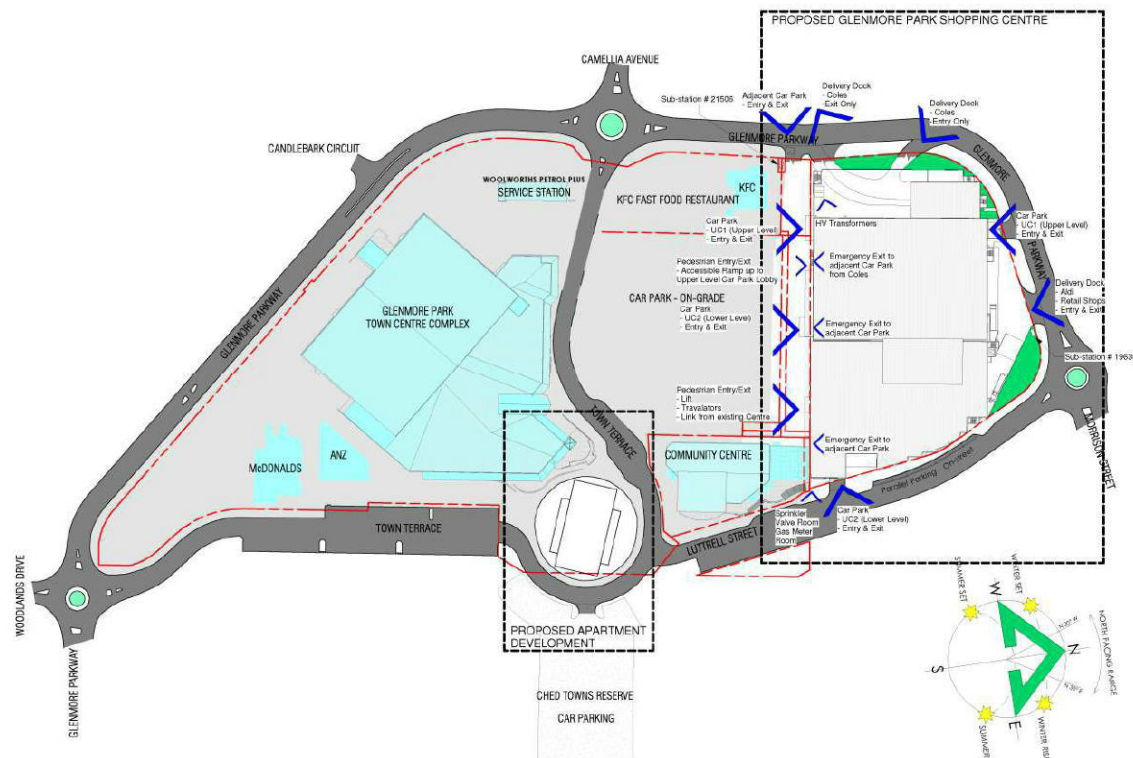
Glenmore Park - Proposed expansion

Category	Existing GLA (sq.m)	Additional GLA (sq.m)	Total GLA (sq.m)
<u>Town Centre</u>			
Supermarket	4,282	5,840	10,122
Retail specialties	<u>1,345</u>	<u>2,808</u>	<u>4,153</u>
Total centre - retail	5,627	8,648	14,275
Non-retail	927	0	927
External/pad sites	1,234	0	1,234
Commercial	0	422	422
Vacant	<u>183</u>	<u>0</u>	<u>183</u>
Total town centre	7,971	9,070	17,041
<u>Potential apartment development (Stg 2)</u>			
• Ground floor retail	n.a.	390	390
• Ground floor non-retail	n.a.	89	89

Source: Benier Francis, Village Fair Glenmore Park, MacroPlan Dimasi



PROPOSED GLENMORE PARK SHOPPING CENTRE 2014

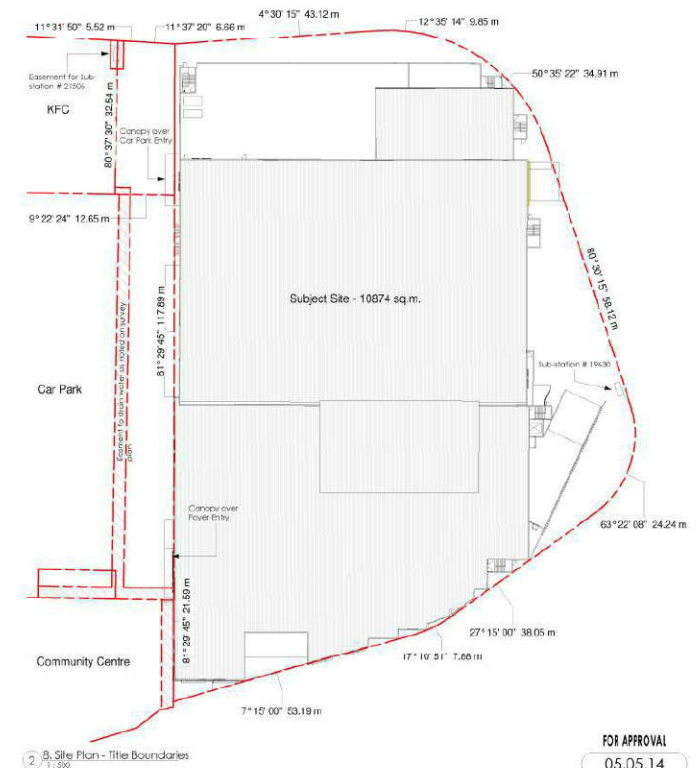


1. Site/Location Plan - General Overview
1:1,000

BENIER FRANCIS Pty Ltd
17 Prince Patrick Street, Richmond, VIC, 3121

Ph: 0407 829 719

Figure 1.1



2. Site Plan - Title Boundaries
1:500

Village Fair Glenmore Pty. Ltd.
Proposed Glenmore Park Shopping
Centre, Penrith, NSW

Site Plan - General Overview / Location Plan

Project number	22014	DA001
Date	March 2014	
Drawn by	PS	
Checked by	JB	Not indicated

FOR APPROVAL
05.05.14
NOT FOR CONSTRUCTION

**Glenmore Park:
Existing Town Centre GLA:**

Major GLA	
Woolworths Supermarket	(2814m ² net) 4280m ²
Commercial	
AT&T Shop	3m ²
ANZ	283m ²
First National	63m ²
Specialty shops GLA	
Specialty shops	2409m ²
Public GLA	
Kiosk	37m ²
Total GLA	7574m²

**Existing Centre
Car Parking Required as per current DCP**

Supermarket = 1/100m ² (16/100m ²) of Net Retail Floor Space	251.4
Other Retail/Commercial = 1/200m ² (16/100m ²)	108
Total Existing Car Parking Required	359
Total Existing Car Parking Provided Ratio 4/19/100m ² Ratio 1/22.8/m ²	297
Note: "Net Retail Floor Space" has been interpreted as "Retail Floor Area" - excluding Stock of House Areas, Amenities, etc.	
Pod Sites (Approved)	273m ²
Pod Site 1 - 1 Car Space	273m ²
KFC - 28 Car Spaces Inc. 1 Accessible Car Space	278m ²
McDonalds - 34 Car Spaces Inc. 1 Accessible Car Space	339m ²
Total GLA	884m²



1.7 Site Plan - Overall Area - Existing
1:1,000

BENIER FRANCIS Pty Ltd
17 Prince Patrick Street, Richmond, VIC, 3121

Ph: 0407 820 719

Figure 1.2

Village Fair Glenmore Pty. Ltd.
Proposed Glenmore Park Shopping
Centre, Penrith, NSW

FOR APPROVAL	
05.05.14	
NOT FOR CONSTRUCTION	
Project number	22014
Date	March 2014
Drawn by	Author
Checked by	Checker
Scale	1:1,000

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Glenmore Park: Existing Town Centre GLA:

Major GLA	
Woolworths Supermarket	(2014m ² net) 4,202m ²
Commercial	
Atlas 24h	2m ²
ANZ	282m ²
First National	63m ²
Specialty Shops GLA	
Specialty Shops	3,456m ²
Kiosk GLA	
Kiosks	37m ²
Total GLA	7,074m ²

Glenmore Park: Proposed Shopping Centre GLA:

Major GLA	
Coles Supermarket	(2000m ² net) 4,297m ²
Aldi Supermarket	(1040m ² net) 1,343m ²
Commercial	
Office Area	452m ²
Specialty Shops GLA	
Specialty Shops	2,714m ²
Kiosk GLA	
Kiosks	54m ²
Total GLA	8,010m ²

Existing Centre Car Parking Required as per current DCP

Supermarket	
@ 1/15m ² (12/100m ²) of Net Retail Floor Space	281.4
Other Retail/Commercial	
@ 1/25m ² (3.8/100m ²)	108
Total Existing Car Parking Required	389
Total Existing Car Parking Provided	297
Ratio 4.4/100m ²	
Ratio 1/22.1m ²	

Note:
"Net Retail Floor Space" has been interpreted as "selling floor" area - excluding Back of House Areas, Amenities, etc.

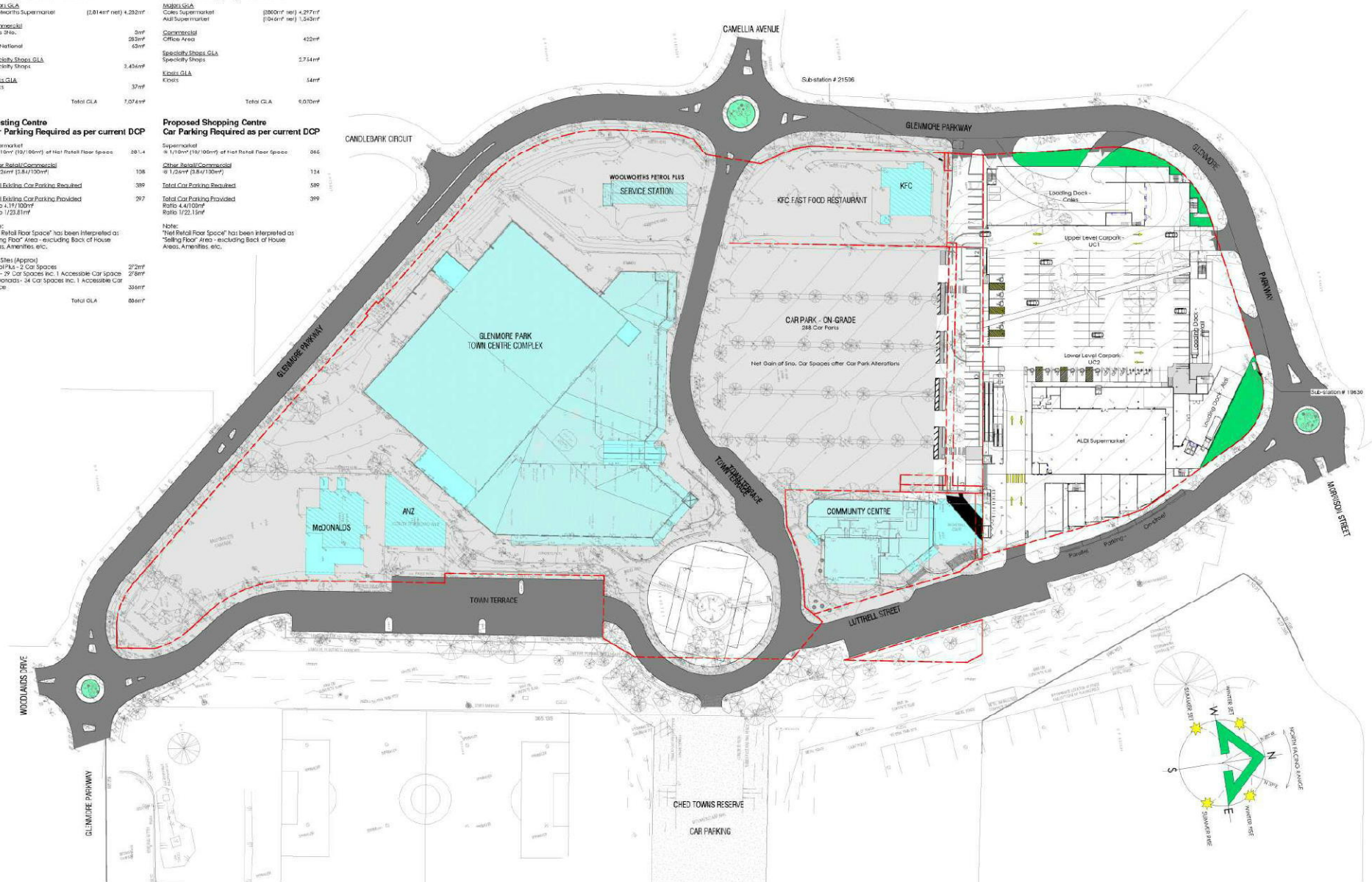
Pad Sites (Approx)
Petrol Pk - 2 Car Spaces 2/2m²
KFC - 29 Car Spaces inc. 1 Accessible Car Space 298m²
McDonalds - 34 Car Spaces inc. 1 Accessible Car Space 334m²

Total GLA 554m²

Proposed Shopping Centre Car Parking Required as per current DCP

Supermarket	
@ 1/15m ² (12/100m ²) of Net Retail Floor Space	286
Other Retail/Commercial	
@ 1/25m ² (3.8/100m ²)	134
Total Car Parking Required	590
Total Car Parking Provided	399
Ratio 4.4/100m ²	
Ratio 1/22.1m ²	

Note:
"Net Retail Floor Space" has been interpreted as "selling floor" area - excluding Back of House Areas, Amenities, etc.



1. Site Plan - Overall Area
1:400

BENIER FRANCIS Pty Ltd
17 Prince Patrick Street, Richmond, VIC, 3121

Ph: 0407 829 719

Figure 1.3

Village Fair Glenmore Pty Ltd
Proposed Glenmore Park Shopping Centre, Penrith, NSW

Project Number	22/14
Date	March 2014
Drawn by	FE
Checked by	JE
Scale	1:800

FOR APPROVAL
05.05.14
NOT FOR CONSTRUCTION

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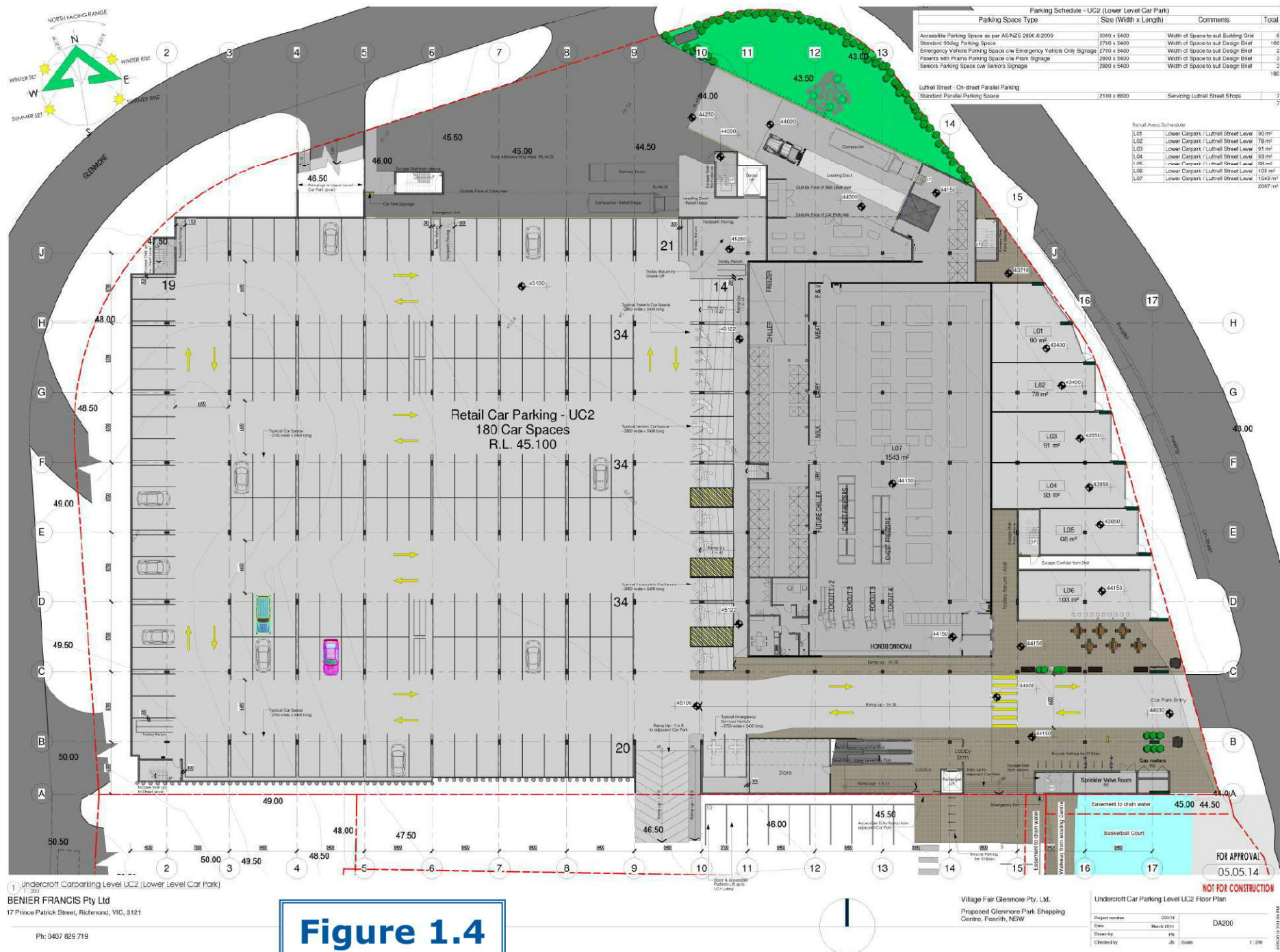


Figure 1.4

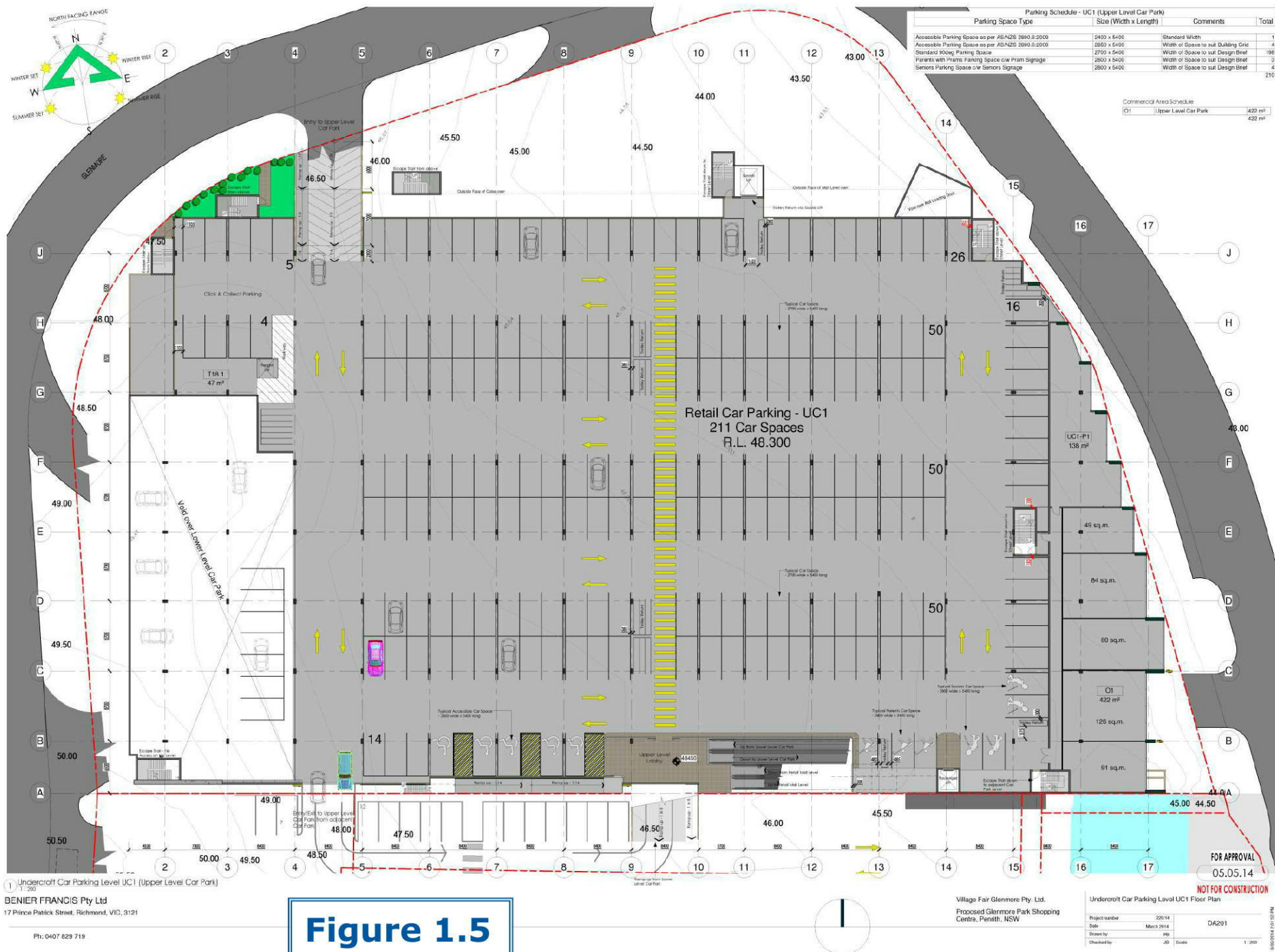
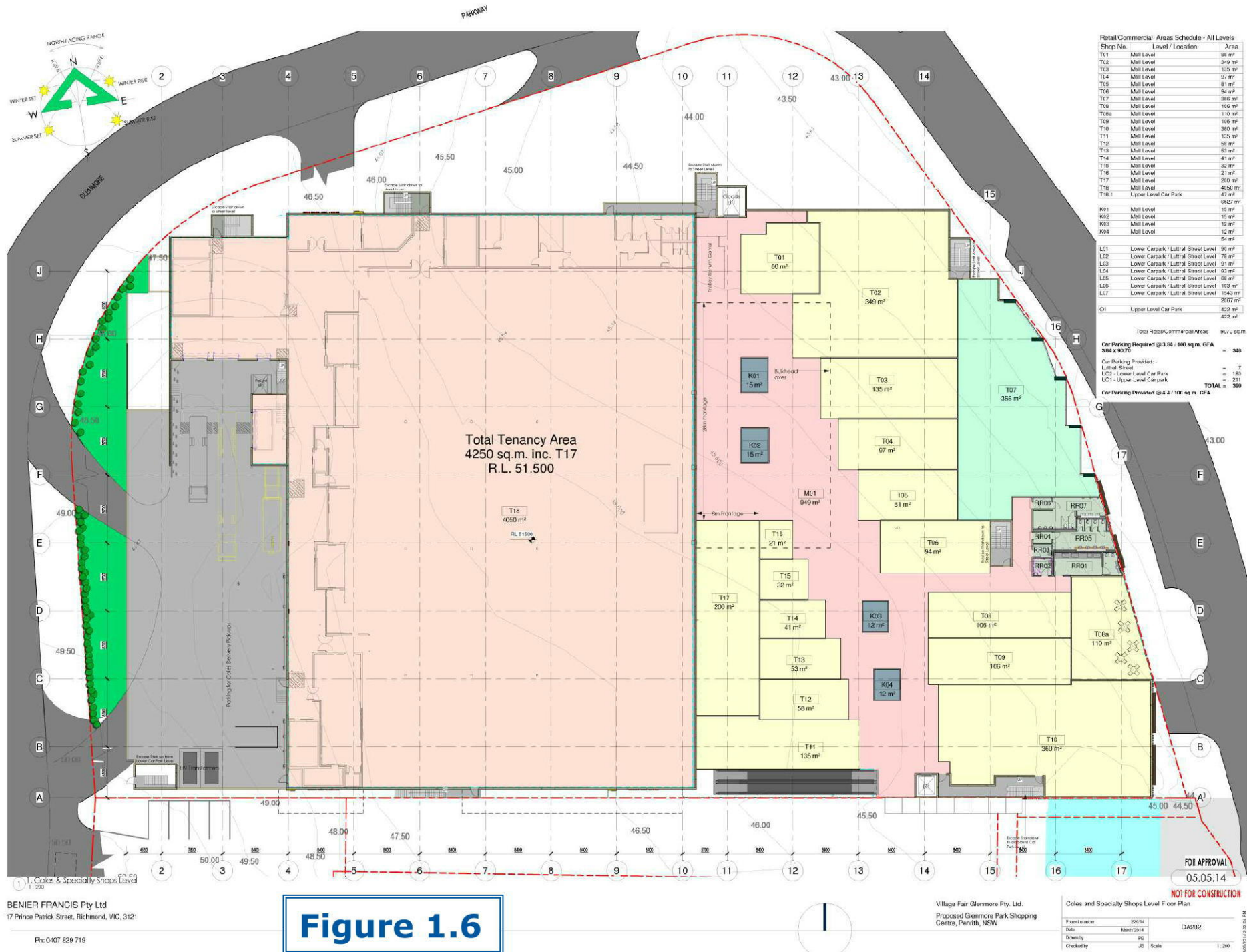


Figure 1.5



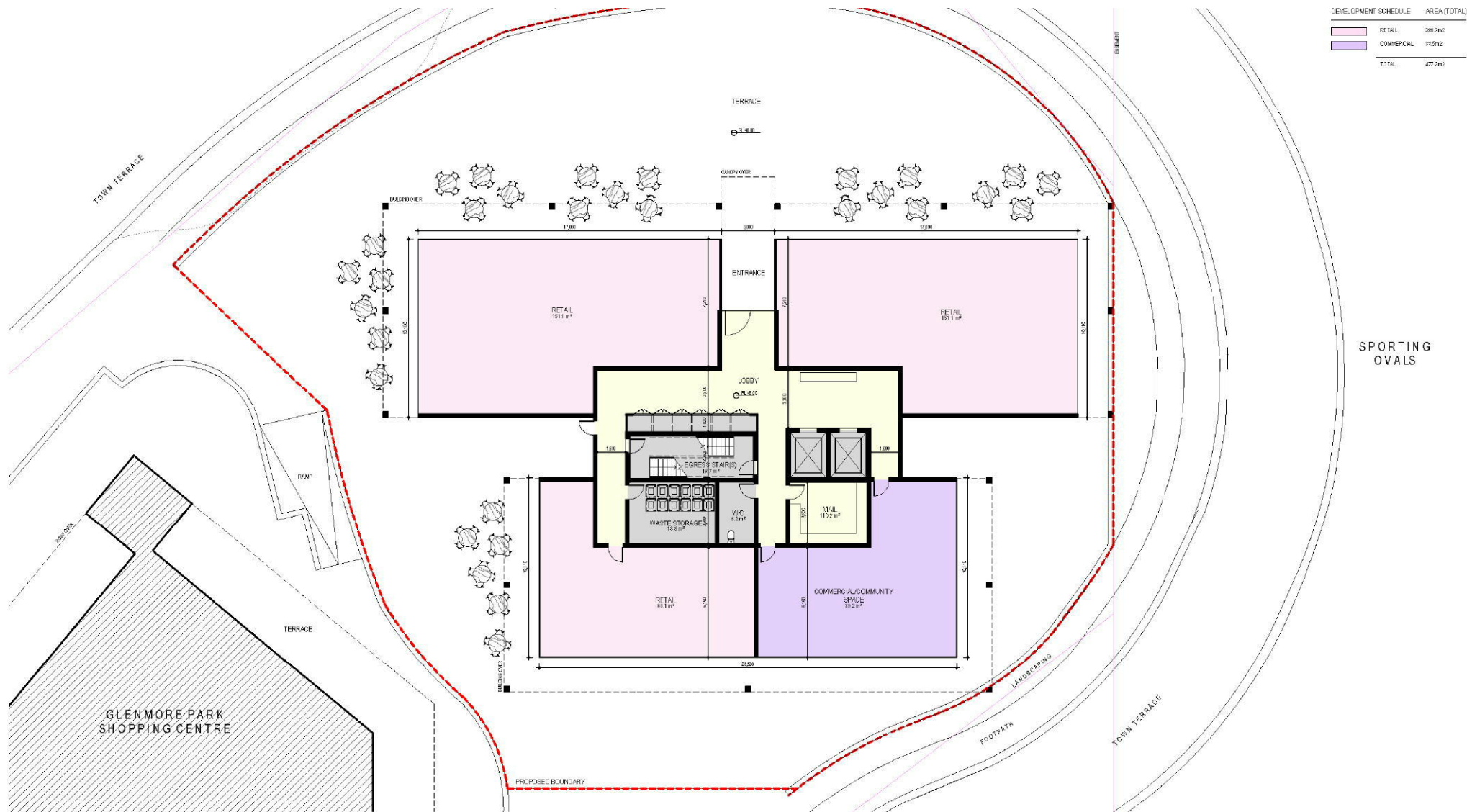


Figure 1.7

1.3 Strategic planning environment

This section of the report reviews the strategic planning and policy context of relevance to the proposed development at the subject site.

The information presented in this section reviews relevant state government activity centre and employment policies and the relevant Penrith planning and policy framework as it relates to retail development at the subject site.

1.3.1 NSW Government

Draft Sydney Metropolitan Strategy 2031

The draft Sydney Metropolitan Strategy 2031 (the Metropolitan Strategy) anticipates that Sydney's population will grow by 1.3 million to 5.6 million at 2031. To cater for this increased growth, the NSW Department of Planning and Infrastructure (DPI) have recommended the following capacity targets:

- 545,000 new dwellings by 2031.
- 625,000 new jobs by 2031.

The retail sector is the largest employer in Sydney and will continue to be one of the most important sectors of the economy, with growth in this sector linked very closely with population growth. The proposed expansion of the Glenmore Park Town Centre will contribute to meeting future retail floorspace demand, and will provide additional jobs on site as well as across the broader economy.

More specifically, the Metropolitan Strategy sets out several key objectives for the west subregion. Two of the relevant ones are as follows:

- Increase the numbers and diversity of employment opportunities, particularly within strategic centres in response to the growing population; and
- Achieve a wider range of accessible centres supported by a strategic transit network with stronger links to the West Central and North West and South West subregions.

The proposed shopping centre expansion would more readily facilitate the growth of jobs and residents within the Sydney metropolitan region.

Draft Centres Policy / SEPP (Competition) 2010

In July 2010, the NSW Government released a state-wide policy which seeks to reduce barriers to competition between retail (and commercial) businesses. The policy is still draft and is intended to encourage/facilitate competition between retail businesses, and potentially place downward pressure on prices. The aims of this policy are:

- To promote economic growth and competition, and
- To remove anti-competitive barriers in environmental planning and assessment.

The key points from this document are that:

- Commercial viability of a proposed development is not a matter to be taken into consideration by the consent authority.
- The impacts of a proposed commercial development on the commercial viability of other commercial developments are not matters for the consent authority, although the extent to which the impacts may affect the overall adequacy of facilities and services available to the local community may be taken into consideration (having regard for the proposed development).
- To place no restrictions on the number of a particular type of retail premises in any commercial development, although consideration can be given to the scale of a proposed development.
- To place no restrictions on the proximity of a particular type of retail premises to another retail premises of that type.

The overarching intention of this policy is to restrict existing retailers from 'preventing' additional competition within centres and that new retail development should be considered as appropriate if it meets market need and achieves a net community benefit.

Draft North West Subregional Strategy

The Draft North West Regional Strategy was prepared in 2007, and while still considered a draft document, it informed the development of the draft Metropolitan Strategy for Sydney 2031. The Strategy outlines a centres hierarchy across the sub-region which includes:

- 1 x Regional City – at Penrith
- 4 x Major Centres – at Blacktown, Castle Hill and Rouse Hill (planned) and Mt Druitt (potential)
- 1 x Specialised Centre – at Norwest
- 8 x existing Town Centres and 3 x potential Town Centres

These higher order centres are supported by a network of economic corridors, as well as a network of smaller centres and several future centres planned in the North West Growth Centre (NWGC).

While this document offers guidance for planning for future employment and retail growth, this should not preclude the possibility of new sites being considered for future development of centres or existing centres expanding in size in response to population growth, particularly if suitably located. The subject site, listed as a Village in the draft strategy, is situated in a highly accessible location that is sufficiently serviced by public transport in an area with a growing population.

The proposed expansion of the Glenmore Park Town Centre at the subject site will be consistent with the principles of this strategy, providing new jobs in proximity to new residential housing, providing existing and future residents with convenient shopping facilities of a scale that is consistent with the surrounding population, and is accommodated within the defined boundary of the centre (i.e. within the business zone).

1.3.2 Penrith City Council

Draft Local Environment Plan (LEP) 2010

The subject site is zoned B2 – Local Centre, according to the draft Penrith Council Local Environmental Plan (LEP) 2010. The objectives of this zone are as follows:

- To provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area.
- To encourage employment opportunities in accessible locations.
- To maximise public transport patronage and encourage walking and cycling.
- To provide retail facilities for the local community commensurate with the centre's role in the local and regional retail hierarchy.

The proposed expansion of the Glenmore Park Town Centre is consistent with all four of the proposed objectives of the zone. The proposed expansion will include additional convenience based retail and supporting non-retail uses, providing increased employment opportunities.

The Glenmore Park Town Centre will continue to be served by public transport and will continue to be accessible to surrounding residents, from a walkability perspective.

Penrith Development Control Plan (2006)

Section 6.15 of the '*Penrith Development Control Plan (DCP) 2006*' focuses on the Glenmore Park Town Centre, indicating the main objective of the centre is to provide a range of retailing and community activities to serve the whole Glenmore Park community. It is also recognised in the DCP that development of the Glenmore Park Town Centre will occur in response to:

- *the rate of population increase;*
- *the market's assessment of demand for retail and commercial services over time; and*
- *the availability of funding for community services of various kinds.*

There is therefore scope for the centre to evolve over time in response to these factors. This economic impact assessment examines the size and growth of the surrounding population, and whether there is/will be need and demand for additional retail floorspace at the Glenmore Park Town Centre.

Penrith City - Centre Hierarchy

The provision of retail centres in the region generally follows a typical hierarchy, as outlined in the '*Interim Policy Penrith City – Centre Hierarchy*' which was adopted by Council in March 2007. This document was used to inform the City Strategy 2013 and still serves as the most up to date frame of reference for retail development in Penrith LGA. This retail hierarchy includes the following centre designations:

- Regional City – This is the highest order of centre, defined as typically providing 150,000 to 200,000 sq.m of retail floorspace, as well as significant commercial and residential components. Penrith City Centre serves this role as the key shopping destination for the entire Penrith region.
- Town Centre – This is the second largest centre type in the retail hierarchy, defined as having a typical retail area of 45,000 to 75,000 sq.m. Supermarkets are identified as a key component of this floorspace, at 2,500 to 4,500 sq.m each. St Marys is currently the only designated Town Centre in the region, located to the east of the Penrith City Centre.
- Village – These centres are defined as being 3,000 to 7,500 sq.m in size, including at least one supermarket of 1,500 to 4,500 sq.m. They provide a range of shops for daily shopping, such as a butcher, hairdresser, cafe/restaurants and takeaway food, as well as services. Glenmore Park is currently designated as a Village centre, together with Emu Plains (Lennox Centre), South Penrith (Southlands Shopping Centre) and St Clair Shopping Centre. In addition, future Village centres are designated at Penrith Lakes and the WELL precinct.
- Small Village – These centres have a typical retail area of 1,000 to 4,000 sq.m, including a general store or small supermarket of 650 to 2,500 sq.m. Examples of Small Village centres within the Penrith municipality include Claremont

Meadows, Cranebrook (Mt Pleasant), Emu Plains (railway station), Erskine Park and Werrington County. A future Small Village centre is designated for the Glenmore Park Stage 2 release area, as well as in the Central and Western precincts of the ADI release area and at North Penrith.

- Neighbourhood Centre – These are very small centres, ranging in size from 120 to 750 sq.m. They generally comprise a handful of shops, including a general store of up to 650 sq.m and a milk bar or newsagent. Neighbourhood centres in Penrith include Cambridge Gardens (Star Court), Cambridge Park, Mulgoa Village, North St Marys, Smith Street (South Penrith) and Werrington (railway station).
- Specialised Centre – This designation encompasses centres at major airports, hospitals, universities and the like. They are typically 3,000 to 7,500 sq.m in size, including supermarkets ranging from 1,500 to 4,500 sq.m. Potential locations for future specialised centres in Penrith include Kingswood Hospital and the WELL precinct.
- Employment Land – This designation allows for up to 300 sq.m of retail space to be provided in industrial precincts such as Dunheved, Emu Plains, Jamisontown (including Mulgoa Road precinct), Kingswood (east), Kingswood (north), North Penrith and North St Marys.

Therefore, there is no allowance in the Penrith retail hierarchy for centres ranging in size between 7,500 and 45,000 sq.m (i.e. between Town Centre and Village status). The proposed expansion of Glenmore Park will result in a retail centre of about 17,041 sq.m, of which some 14,275 sq.m will be retail space, making it much smaller than the designated scale for Town Centre (about one third the size), but larger than a Village Centre.

The '*Interim Policy Penrith City – Centre Hierarchy*' also indicates the typical number of dwellings served by each centre type, as follows:

- 35,000 to 50,000 dwellings for a Regional City (Penrith City Centre);
- 4,500 to 9,500 dwellings for a Town Centre (St Marys); and
- 2,100 to 5,500 dwellings for a Village.

Stage 1 of Glenmore Park comprises 5,500 dwellings and the second stage is expected increase the total number to more than 7,000 dwellings, which is well above the typical range, indicated for a Village Centre under the Centre Hierarchy.

Furthermore, a range of smaller developments in the immediate locality are expected to result in a further 1,100 dwellings over the next 15-20 years.

The proposed expansion of the Glenmore Park Town Centre would result in an overall retail and commercial floorspace provision of 17,041 sq.m, but the centre would much more closely resemble a 'Village', than a 'Town Centre' as both are defined under the centre hierarchy. In summary, the proposed development would maintain the centre's role in the local and regional hierarchy.

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Section 2: Trade area analysis

This section of the report details the potential trade area that could be expected to be served by the expanded Glenmore Park Town Centre, including current and projected population levels, the socio-demographic profile of trade area residents and estimates of their current and future retail expenditure capacity.

2.1 Trade area definition

The extent of the trade area or catchment that is served by any shopping centre, or retail facility, is shaped by the interplay of a number of critical factors. These factors include:

- The relative attraction of the centre, in comparison with alternative competitive retail facilities. The factors that determine the strength and attraction of any particular centre are primarily its scale and composition; its layout and ambience; and carparking, including access and ease of use.
- The proximity and attractiveness of competitive retail centres. The locations, compositions, quality and scale of competitive retail facilities all serve to define the extent of the trade area which a retail centre is effectively able to serve.
- The available road network and public transport infrastructure, which determine the ease (or difficulty) with which customers are able to access a retail centre.
- Significant physical barriers which are difficult to negotiate, and can act as delineating boundaries to the trade area served by an individual retail centre.

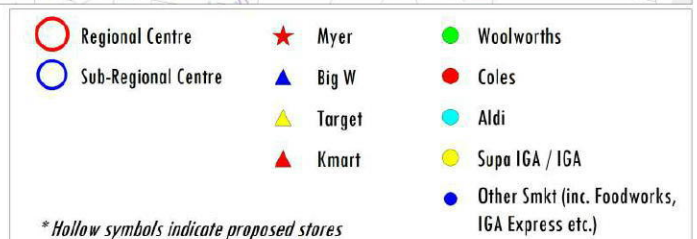
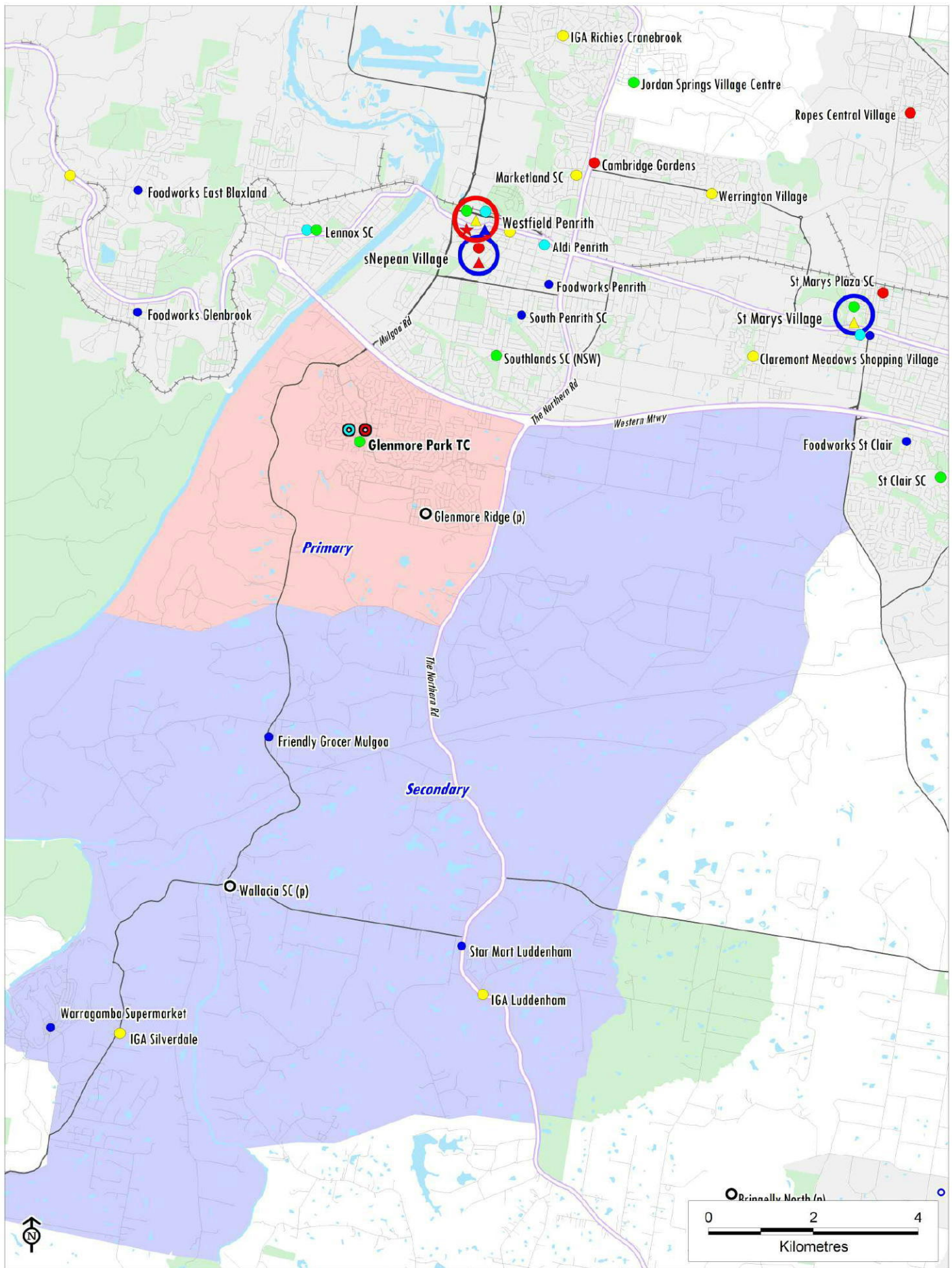
The proposed expansion of Glenmore Park Town Centre, incorporating two additional supermarkets, is likely to extend the centre's current trade area. The factors that will impact on the extent of the trade area to be served by the expanded centre are considered to be the following:

- The location of the Western Motorway to the north, restricting access to the Glenmore Park from this direction.
- The existing location of competitive retail facilities at South Penrith, Penrith City Centre and St Marys Town Centre to the north and north-east, respectively.
- The Nepean River and the Blue Mountains National Park to the west as well as extensive rural land to the south-east.

On this basis, Map 2.1 illustrates the extent of the trade area likely to be served by the proposed retail facilities at the expanded Glenmore Park Town Centre and is defined to include a primary and secondary sector as follows:

- The **primary sector** comprises the existing residential estate (Stage 1) and future release area (Stage 2) at Glenmore Park, as well as the suburb of Regentville and the northern part of Mulgoa.
- A **secondary sector** which encompasses the southern part of Mulgoa, as well as parts of the suburbs of Orchard Hills, Luddenham, Wallacia, Silverdale and Warragamba. Residents in this sector have easy access to the Glenmore Park Town Centre, with The Northern and Mulgoa Roads as the main carriageways. This area is already being served by the existing Glenmore Park Town Centre, but it is expected the expanded centre will attract more business from this area, primarily a result of the proposed addition of two new supermarkets at the centre.

The combination of these two sectors is referred to as the main trade area throughout the remainder of this report. Residents in this area are likely to generate the majority of business for the expanded Glenmore Park Town Centre, with only a small proportion of business coming from beyond this area.



2.2 Trade area population

Table 2.1 details the current and projected population levels within the main trade area. This information has been collected from a range of sources, including the following:

- Australian Bureau of Statistics Census of Population and Housing data (2006 and 2011).
- Australian Bureau of Statistics New Dwelling Approval Data (2006-2011).
- Australia Bureau of Statistics Estimated Resident Population (ERP) for 2012.
- Penrith City Council projections (i.e. Forecast.id)
- NSW Department of Planning and Infrastructure (DPI) Household and Population projections (2006-2036).
- Other investigations of future residential development, undertaken by MacroPlan Dimasi.

The main trade area population is estimated at 33,670 as at June 2013, including approximately 22,500 residents in the key primary sector. Over the most recent inter-censal period (2006-2011), the main trade area population grew at an average rate of 1.0%, or about 318 residents per annum.

Key residential developments (refer to Map 2.2) that will drive population growth in the main trade area over the forecast period are detailed as follows:

- Glenmore Park (Stage 2) residential development is expected to provide an additional 1,565 dwellings, which will take the total number of dwellings in the estate to more than 7,000. This stage is expected to be completed by 2024. This precinct includes Mulgoa Rise, located adjacent to Glenmore Ridge, along Bradley Street, which is a joint venture project between FKP and Mulpha Australia. The project, which is still in the approval process, is proposed to include 600 residential lots with an expected completion date of 2018, if approved.

Several smaller residential developments are located throughout the secondary sector, including:

- **Warradale Estate** in Silverdale is a proposed 219 lot residential development expected to be fully developed by 2025. This estate has conditional planning approval.
- **Silverdale and St Heliers Road subdivision** is a proposed 140 lot residential subdivision for which a rezoning application has been submitted to Council. If approved, development is expected to be completed over the next 5-10 years.

Having regard to the above factors the main trade area population is expected to grow at an average annual rate of 1.4% to reach 40,470 residents by 2026. The primary sector population is estimated to reach 26,550 by 2026, reflecting growth of 1.3% per annum.

Table 2.1

Glenmore Park trade area population, 2006-2026*

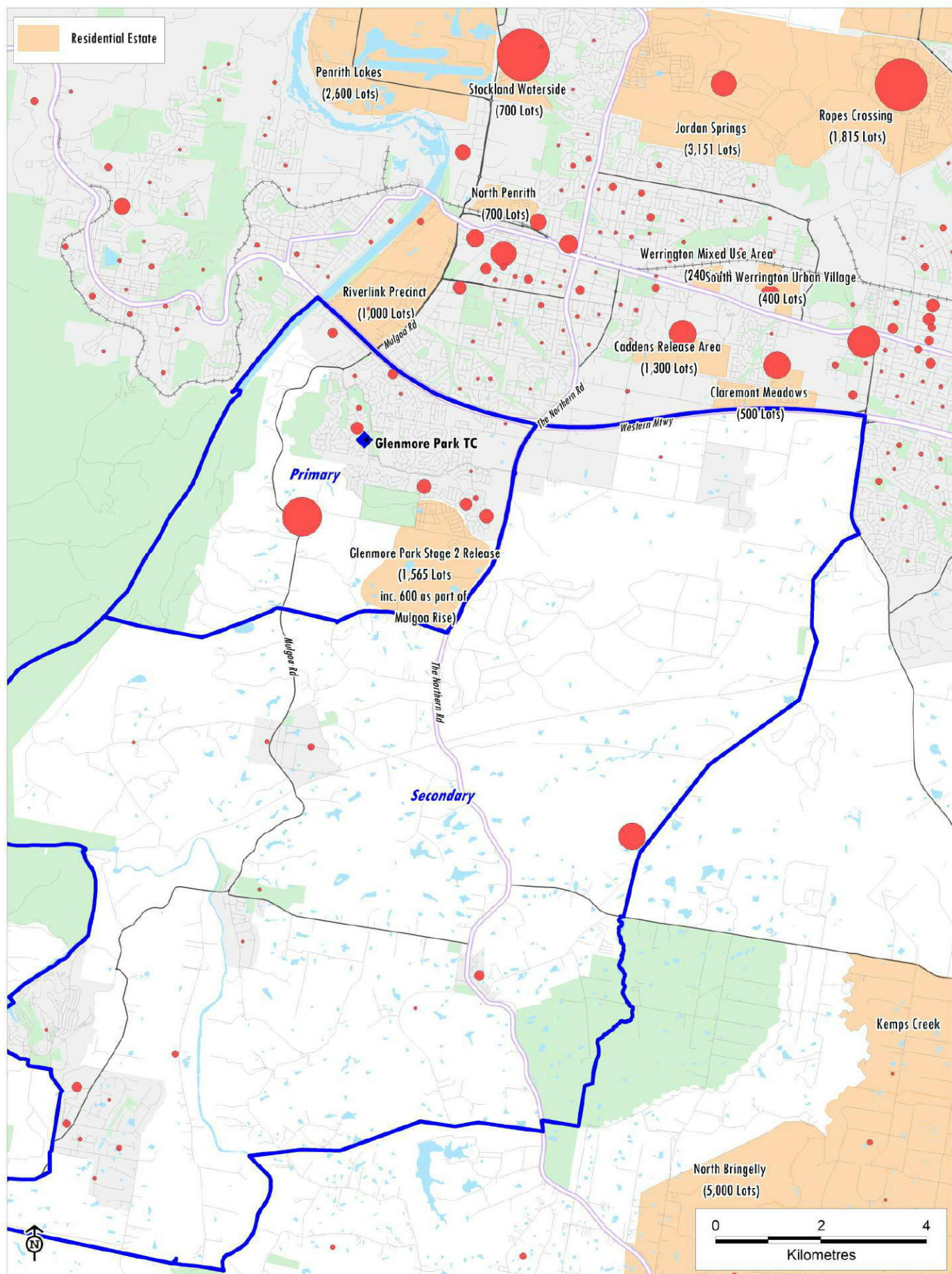
Trade area sector	Estimated population			Forecast population		
	2006	2011	2013	2016	2021	2026
Primary	20,670	21,900	22,500	23,550	25,550	26,550
Secondary	<u>10,510</u>	<u>10,870</u>	<u>11,170</u>	<u>11,920</u>	<u>12,920</u>	<u>13,920</u>
Main trade area	31,180	32,770	33,670	35,470	38,470	40,470

Trade area sector	Average annual growth (no.)				
	2006-11	2011-13	2013-16	2016-21	2021-26
Primary	246	300	350	400	200
Secondary	<u>72</u>	<u>150</u>	<u>250</u>	<u>200</u>	<u>200</u>
Main trade area	318	450	600	600	400

Trade area sector	Average annual growth (%)				
	2006-11	2011-13	2013-16	2016-21	2021-26
Primary	1.2%	1.4%	1.5%	1.6%	0.8%
Secondary	<u>0.7%</u>	<u>1.4%</u>	<u>2.2%</u>	<u>1.6%</u>	<u>1.5%</u>
Main trade area	1.0%	1.4%	1.8%	1.6%	1.0%

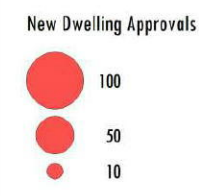
*As at June

Source: ABS Census 2011; NSW Department of Planning and Infrastructure 2008; MacroPlan Dimasi



Map 2.2: Glenmore Park TC

Residential Estates & New Dwelling Approvals, 2011 - 2013



2.3 Socio-demographic profile

Table 2.2 and Chart 2.1 detail the socio-demographic profile of the main trade area population compared with the respective benchmarks for metropolitan Sydney and Australia, as sourced from the 2011 Census of Population and Housing.

The key points to note regarding the characteristics of the main trade area population include the following:

- Income levels within the main trade area are below the metropolitan Sydney benchmark on a per capita basis by about 5.8%, however, because household sizes are much greater than average, average household incomes are about 10.3% above metropolitan Sydney average.
- The average age of main trade area residents, at 33.0 years, is substantially lower than the metropolitan Sydney benchmark of 37.1 years reflecting the higher than average proportion of young families.
- The proportion of residents who own or are in the process of purchasing their homes (80.1%) is significantly higher than the metropolitan Sydney average (66.8%).
- The proportion of overseas born residents in the main trade area (19.2%) is well below the metropolitan Sydney benchmark of 36.4%.
- Traditional families (couples with dependent children) are the most prevalent household type, accounting for 58.3% of all main trade area households, significantly above the Sydney average.

In summary, the socio-demographic profile of the trade area population is typical of a developing outer suburban area with a high proportion of young families.

Section 2: Trade area analysis

Table 2.2

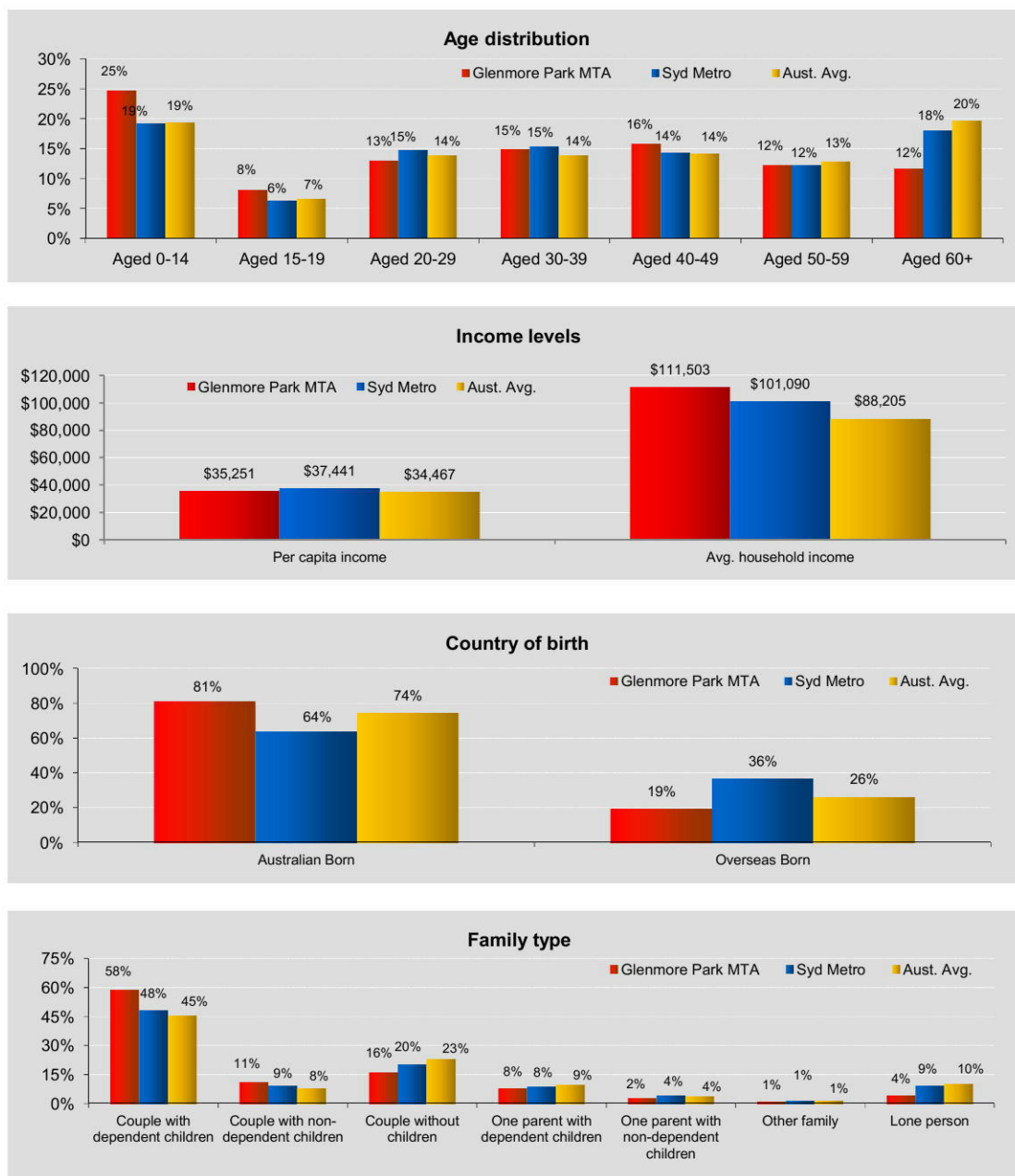
Glenmore Park main trade area - socio-demographic profile, 2011

Census item	Primary sector	Secondary sector	Main TA	Syd Metro avg.	Aust. avg.
Per capita income	\$36,188	\$33,364	\$35,251	\$37,441	\$34,467
<i>Var. from Syd Metro benchmark</i>	-3.3%	-10.9%	-5.8%		
Avg. household income	\$116,285	\$102,311	\$111,503	\$101,090	\$88,205
<i>Var. from Syd Metro benchmark</i>	15.0%	1.2%	10.3%		
Avg. household size	3.2	3.1	3.2	2.7	2.6
<u>Age distribution (% of population)</u>					
Aged 0-14	26.0%	22.1%	24.7%	19.2%	19.3%
Aged 15-19	8.0%	7.9%	8.0%	6.3%	6.5%
Aged 20-29	13.4%	12.1%	13.0%	14.8%	13.8%
Aged 30-39	16.1%	12.2%	14.8%	15.3%	13.8%
Aged 40-49	15.9%	15.5%	15.8%	14.3%	14.2%
Aged 50-59	11.5%	13.6%	12.2%	12.2%	12.8%
Aged 60+	9.0%	16.6%	11.5%	18.0%	19.6%
Average age	31.5	35.9	33.0	37.1	37.9
<u>Housing status (% of households)</u>					
Owner (total)	<u>78.5%</u>	<u>83.4%</u>	<u>80.1%</u>	<u>66.8%</u>	<u>68.7%</u>
• Owner (outright)	20.4%	36.4%	25.7%	31.1%	32.9%
• Owner (with mortgage)	58.1%	47.0%	54.4%	35.7%	35.8%
Renter	21.2%	15.8%	19.4%	32.4%	30.4%
Other	0.3%	0.9%	0.5%	0.8%	0.9%
<u>Birthplace (% of population)</u>					
Australian born	79.0%	84.3%	80.8%	63.6%	74.0%
Overseas born	<u>21.0%</u>	<u>15.7%</u>	<u>19.2%</u>	<u>36.4%</u>	<u>26.0%</u>
• Asia	6.7%	1.5%	5.0%	15.5%	8.6%
• Europe	9.0%	11.1%	9.7%	10.6%	10.5%
• Other	5.3%	3.1%	4.6%	10.3%	7.0%
<u>Family type (% of households)</u>					
Couple with dep't children	60.7%	53.8%	58.3%	48.2%	45.3%
Couple with non-dep't child.	10.0%	12.3%	10.8%	9.1%	7.7%
Couple without children	14.9%	18.4%	16.1%	20.1%	23.0%
One parent with dep't child.	8.3%	6.7%	7.8%	8.5%	9.2%
One parent w non-dep't child.	2.1%	3.1%	2.5%	3.9%	3.5%
Other family	0.7%	0.6%	0.7%	1.2%	1.1%
Lone person	3.3%	5.1%	3.9%	9.0%	10.2%

Source: ABS Census of Population & Housing, 2011; MacroPlan Dimasi

Chart 2.1

Glenmore Park main trade area - socio-demographic profile, 2011



Source: ABS Census of Population & Housing, 2011; MacroPlan Dimasi

2.4 Retail expenditure capacity

MacroPlan Dimasi estimates retail expenditure capacity generated by the main trade area residents based on information sourced from Market Data Systems (MDS), which utilises a detailed micro simulation model of household expenditure behaviour for all residents of Australia. The model takes into account information from a wide variety of sources including the regular ABS Household Expenditure Surveys, national accounts data, Census data and other information.

We consider MarketInfo data to be an accurate, indeed best available, detailed measure of retail expenditure capacity and behaviour and it is widely relied on in the retail industry. This office has undertaken thousands of retail assessments using actual retail sales turnover data from retailers and shopping centres and numerous customer surveys to understand the expenditure behaviour of shoppers. Total retail expenditure is detailed in a number of categories, as follows:

- Take-home food and groceries – goods typically sold in supermarkets and specialty fresh food stores.
- Packaged liquor – packaged beer, wine and spirits such as those purchased at bottle-shops and liquor outlets. The combination of take-home food and groceries and packaged liquor is referred to as FLG expenditure.
- Food catering – cafes, take-away outlets and restaurants, including liquor consumed on such premises.
- Apparel – clothing, footwear, fashion and accessories.
- Household Goods – giftware, electrical, computers, furniture, homewares, and hardware goods.
- Leisure – sporting goods, music, DVDs, games, books, newsagents and film processing/photography.
- General Retail –pharmaceutical goods, cosmetics, toys, florists, mobile phones.
- Retail Services – retail services such as key cutting, shoe repairs, hair and beauty.

Chart 2.2 details the estimated per capita retail expenditure of main trade area residents, by retail category, and provides comparisons with the metropolitan Sydney benchmark, as well as the national average.

Per capita retail spending in the main trade area is only 0.5% below the metropolitan Sydney average, with expenditure on food retail being about 2.0% below average and expenditure on non-food items about 1.5% above average.

Table 2.3 details the estimated retail expenditure of the main trade area population in 2013 and presents projections over the period to 2026. All spending forecasts presented throughout this report are expressed in constant 2012/13 dollars (i.e. not including inflation) and include GST.

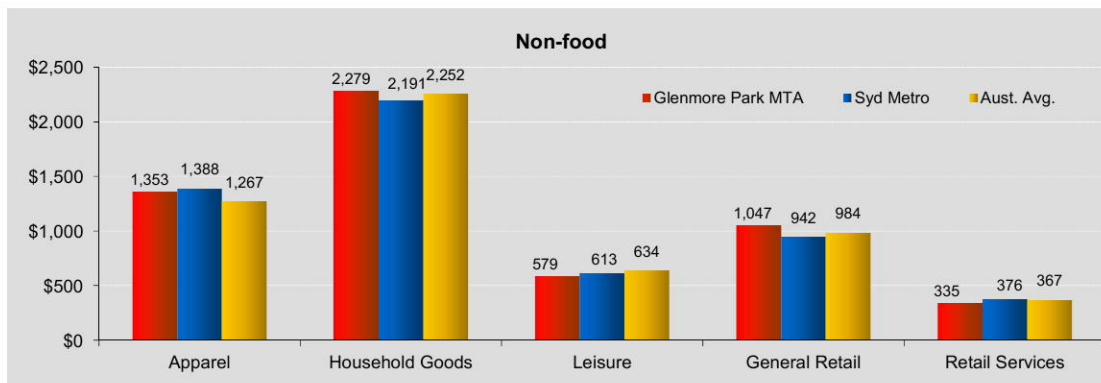
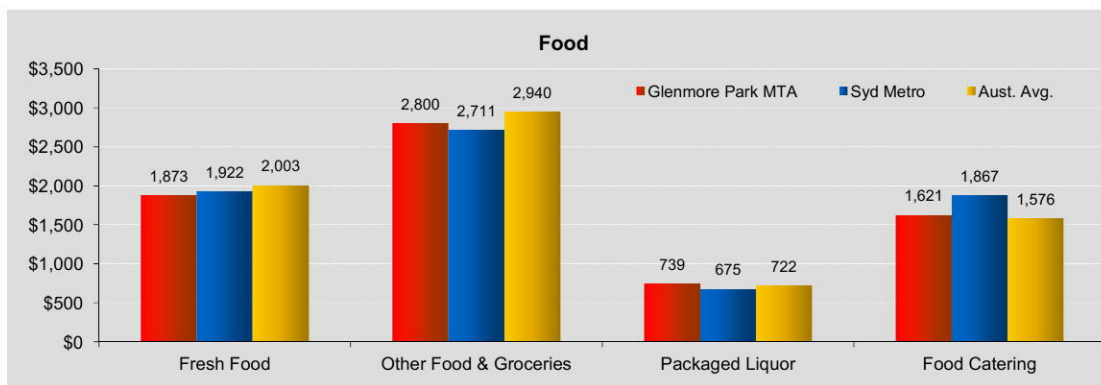
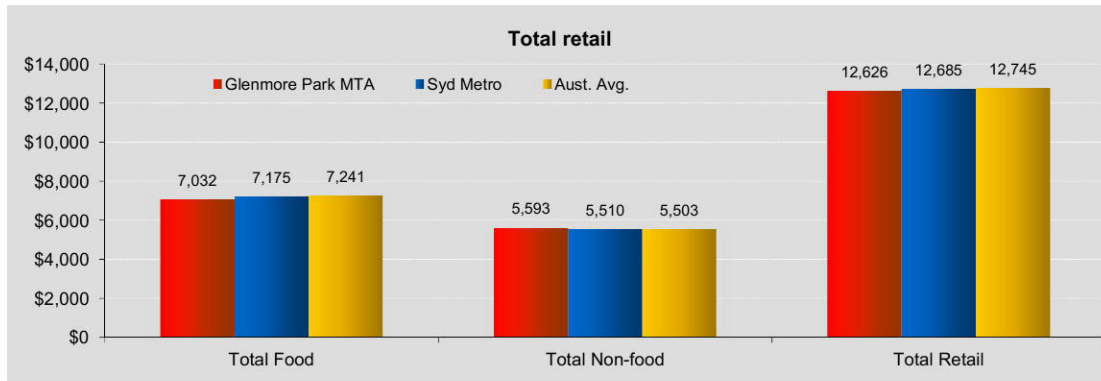
The retail expenditure capacity of the main trade area population is estimated at \$422.2 million as at 2013. This retail expenditure capacity is estimated to grow, in real terms, at an average annual rate of 2.2% over the forecast period, to reach \$561.4 million by 2026.

This average annual growth rate estimate of 2.2% includes the following components:

- Residential population growth, which is expected to average 1.4% per annum.
- Real growth in per capita retail expenditure, which is expected to average 0.8% per annum over the forecast period.

Chart 2.2

Glenmore Park trade area - retail spending per person, 2012/13*



*Including GST

Source: MarketInfo; MacroPlan Dimasi

Table 2.3
Glenmore Park main trade area - retail expenditure (\$M), 2013-2026*

Year ending June	Primary sector	Secondary sector	Main TA
2013	283.7	138.5	422.2
2014	289.6	141.9	431.5
2015	295.9	145.9	441.8
2016	302.4	150.0	452.4
2017	309.3	154.0	463.2
2018	316.7	157.6	474.3
2019	324.4	161.4	485.8
2020	332.5	165.4	497.9
2021	340.8	169.6	510.3
2022	347.8	173.7	521.4
2023	353.4	177.7	531.1
2024	359.1	181.9	541.0
2025	364.9	186.2	551.1
2026	370.8	190.6	561.4
<u>Average annual growth (\$M)</u>			
2013-2026	6.7	4.0	10.7
<u>Average annual growth (%)</u>			
2013-2026	2.1%	2.5%	2.2%
*Constant 2012/13 dollars & including GST			
Source: MarketInfo; MacroPlan Dimasi			

Table 2.4 presents the estimated take-home food and groceries plus packaged liquor (FLG) expenditure of the main trade area population, as well as available expenditure across all other retail categories.

FLG expenditure is estimated at \$181.0 million at 2013, accounting for nearly 43% of all retail expenditure. This expenditure category is of particular relevance when estimating the need for supermarket facilities, as approximately 90–95% of supermarket items are encompassed in this category definition.

Food catering, general retail and FLG are expected to be the fastest growing expenditure categories over the forecast period, with anticipated growth rates of around 2.3%–2.6% per annum.

Table 2.4

Glenmore Park main trade area - retail expenditure by product group (\$M), 2013-2026*

Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2013	181.0	54.2	45.3	76.2	19.4	35.0	11.2	422.2
2014	185.2	55.6	46.1	77.6	19.8	35.9	11.4	431.5
2015	189.8	57.1	47.0	79.1	20.2	36.8	11.7	441.8
2016	194.6	58.7	47.9	80.7	20.7	37.8	12.0	452.4
2017	199.5	60.3	48.9	82.3	21.1	38.8	12.2	463.2
2018	204.5	62.0	49.9	84.0	21.6	39.8	12.5	474.3
2019	209.7	63.7	50.9	85.7	22.1	40.9	12.8	485.8
2020	215.2	65.6	51.9	87.5	22.6	42.0	13.1	497.9
2021	220.8	67.4	53.0	89.3	23.2	43.2	13.4	510.3
2022	225.8	69.2	54.0	90.9	23.6	44.3	13.7	521.4
2023	230.3	70.7	54.8	92.2	24.0	45.2	13.9	531.1
2024	234.9	72.3	55.6	93.6	24.5	46.2	14.1	541.0
2025	239.5	73.9	56.4	94.9	24.9	47.1	14.4	551.1
2026	244.3	75.5	57.2	96.3	25.3	48.2	14.6	561.4
<u>Average annual growth (\$M)</u>								
2013-2026	4.9	1.6	0.9	1.5	0.5	1.0	0.3	10.7
<u>Average annual growth (%)</u>								
2013-2026	2.3%	2.6%	1.8%	1.8%	2.1%	2.5%	2.1%	2.2%

*Constant 2012/13 dollars & including GST

Source: MarketInfo; MacroPlan Dimasi

Retail expenditure category definitions:

- FLG: take-home food and groceries, as well as packaged liquor.
- Food catering: expenditure at cafes, take-away food outlets and restaurants.
- Apparel: clothing, footwear, fashion accessories and jewellery.
- Household goods: giftware, electrical, computers, furniture, homewares and hardware goods.
- Leisure: sporting goods, music, DVDs, computer games, books, newspapers & magazines, stationery and photography equipment.
- General retail: pharmaceutical goods, cosmetics, toys, florists, mobile phones and pets.
- Retail services: hair & beauty, optical goods, dry cleaning, key cutting and shoe repairs.

Section 3: Competitive environment

This section of the report review the competitive environment within which the proposed supermarket development would operate, including all existing and planned retail developments of relevance.

Table 3.1 details the major competitive retail facilities in the region while the previous Map 2.1 illustrates the locations of these facilities.

3.1 Existing competition

In general, retail facilities throughout the Penrith municipality form a typical retail hierarchy, including:

- The Penrith City Centre, which is the key regional shopping precinct for residents of outer western Sydney, and includes the Nepean Village sub-regional centre.
- A sub-regional centre at St Marys.
- A network of supermarket based centres and smaller local centres that serve the food and grocery needs as well as daily convenience needs of residents in their immediate areas.
- A major bulky goods precinct located along Mulgoa Road which is of no direct competitive relevance to Glenmore Park Town Centre.

Table 3.1
Glenmore Park schedule of competing retail facilities

Centre (zoning)	Retail GLA (sq.m)	Major traders	Dist. by road from Glenmore Park (km)
Regional City			
<u>Penrith City Centre</u>	<u>200,000</u>		5.0
• Westfield Penrith	79,500	Myer, Big W, Target, Woolworths, Aldi	
• Nepean Village	18,400	Kmart, Coles	
• Nepean Central	3,000	IGA	
• Other (inc. High St & Henry St)	99,100	Aldi	
• Penrith Panthers (p)*	37,500		
Town centres			
<u>St Marys Town Centre</u>	<u>44,500</u>		12.0
• St Marys Village	16,000	Target, Woolworths	
• Station Plaza	7,000	Coles	
• Other (inc. Queen St)	21,500	Aldi	
Other centres**			
Glenmore Ridge (p)	n.a.		3.0
Southlands SC	6,300	Woolworths	4.0
Lennox SC	9,600	Woolworths, Aldi	5.0
Claremont Meadows	1,400	IGA	
O'Connell Street (B2) (p)	n.a.		10.0
Mulgoa SC	1,400	Friendly Grocer	10.0
<u>Blaxland</u>	<u>6,400</u>		11.0
• Blaxland Arcade	3,000	IGA	
• Other	3,400		
<u>Wallacia</u>	<u>800</u>		14.0
• Existing	800		
• Proposed	1,200	Unknown supermarket (p)	
<u>Luddenham</u>	<u>2,250</u>		14.0
• Star Mart	250		
• Luddenham local centre	1,700	IGA	
• Other	300		
Silverdale	1,200	IGA	18.0
Warragamba	2,500	Foodworks	20.0

* Includes outlet retail

** Other centres include supermarket centres, local centres and any other consolidated retail offer or land zoned retail permissible.

Source: Property Council of Australia; MacroPlan Dimasi

3.2 Penrith City Centre

The Penrith City Centre, located approximately 5 km north of the Glenmore Park Town Centre, is the major retail shopping facility provided in outer western Sydney.

The Penrith City Centre includes approximately 200,000 sq.m of retail floorspace (excluding bulky goods retailing), making it the largest concentration of retail facilities in Outer Western Sydney. The main individual components including the following:

- **Westfield Penrith**, which is anchored by Myer, Big W, Target, Woolworths and Aldi, and encompasses a retail floorspace component of around 79,500 sq.m and is the major non-food retail destination in the region. There is also around 12,500 sq.m of non-retail space including cinemas, a tavern and offices.
- **Nepean Village**, located to the south of Westfield Penrith along Woodriff Street. The centre is anchored by Kmart and Coles and includes some 18,400 sq.m of retail floorspace, as well as 2,400 sq.m of retail pad sites and other non-retail floorspace.
- **Nepean Central** is a small convenience based shopping centre anchored by an IGA supermarket of approximately 1,600 sq.m.
- The remainder of the Penrith City Centre contains an estimated 99,100 sq.m of retail floorspace and generally includes a mix of cafes, restaurants and take-away shops, mid-lower end specialty retail and a freestanding Aldi supermarket.

Westfield Penrith and Nepean Village are considered strong performing centres. *Big Guns 2013* by Shopping Centre News ranked Westfield Penrith 20th in Australia on a turnover per sq.m basis, with reported sales of \$596 million in 2012/13. Nepean Village was ranked 6th in Australia on a turnover per sq.m basis by *Little Guns 2013*, with reported annual sales of nearly \$206 million.

Retail facilities in the Penrith City Centre, particularly Westfield Penrith and Nepean Village, are the major focus for fashion and comparison shopping within outer western Sydney. Consequently, retail stores within the City Centre draw from a wide region extending throughout Penrith, the Blue Mountains and west towards Bathurst and would be relatively unaffected by future convenience based development at Glenmore Park Town Centre.

3.3 Town centres

St Marys Town Centre is located approximately 12 km north-east of Glenmore Park Town Centre. The major components of the St Marys Town Centre include:

- St Marys Village, which is anchored by a Target discount department store and Woolworths supermarket, providing an estimated total of 16,000 sq.m of retail floorspace. The centre achieved sales of more than \$94 million for the year 2012/13, as reported in the *Mini Guns* edition of Shopping Centre News.
- Station Plaza, which is a supermarket based centre anchored by Coles, comprising some 7,000 sq.m of retail floorspace.
- The remainder of the retail floorspace in the Town Centre is primarily provided along the Queen Street retail strip, totalling an estimated 21,500 sq.m. A freestanding Aldi supermarket is provided at the south-eastern corner of the Great Western Highway and Princess Mary Street.

The total provision of retail floorspace in the St Marys Town Centre is estimated at 44,500 sq.m.

3.4 Other centres

There are a range of local (B2) and neighbourhood (B1) centres located within the defined trade area for Glenmore Park Town Centre. Generally, these smaller centres provide a limited number of retail shops, focused on convenience top-up shopping, with a restricted range of fresh food, groceries, take-away food, cafes, and non-food offers like pharmacies or newsagents. Other centres within the main trade area include:

- **Luddenham:** This small centre comprises an IGA foodstore located on the corner of Adams Road and The Northern Road (B1 - Neighbourhood Centre), of approximately 700 sq.m as well as a small provision of supporting specialty retailing including a pharmacy, newsagency and general take-away store. There is also a Star Mart petrol station located on The Northern Road, to the north of the IGA supermarket, providing a small food and groceries offer, as well as a small liquor store and cafe. There is a small fruit and vegetable shop and butcher located on The Northern Road totalling approximately 300 sq.m.
- **Silverdale:** This small set of shops, located at 2430 Silverdale Road, provides an estimated 1,200 sq.m of retail floorspace, anchored by an IGA foodstore of approximately 500 sq.m. A petrol station is located on the adjacent block, and a small provision of office floorspace is located on the second floor of this neighbourhood centre.
- **Warragamba:** This small neighbourhood centre is located on Weir Road and Fourteenth Street in Warragamba, anchored by a Foodworks foodstore of some 400 sq.m. Also provided at the centre is a small provision of supporting specialty retail including a Little Bottler bottle shop, a Chinese restaurant, a bakery, a newsagency, pharmacy and optometrist.
- **Mulgoa:** The Mulgoa shopping centre is situated on the corner of Mulgoa Road and Allan Road. The centre is anchored by a Friendly Grocer 'corner store' of approximately 250 sq.m and also contains a small range of specialty retailers including a bottle shop, bakery, butcher, newsagency, pharmacy and a take-away store.

- **Wallacia:** This small neighbourhood centre is located on the corner of Mulgoa Road and Park Road, Wallacia. This centre includes a small group of specialty shops including a take-away store, newsagency, liquor store and a hair salon. Development approval has been granted for a small project which will see the addition of a supermarket of around 1,128 sq.m. Post redevelopment, the centre is could provide up to 2,236 sq.m of retail floorspace.

Beyond the trade area, the Southlands SC is the closest competitive supermarket based centre to Glenmore Park Town Centre. The centre, which opened in January 2010, comprises some 6,300 sq.m of retail floorspace and is anchored by a Woolworths supermarket.

There are several other centres located beyond the trade area such as Lennox Shopping Centre, Claremont Meadows and St Clair Shopping Centre, which serve the immediate local catchments in their respective localities.

3.5 Proposed competition

A small village centre is designated at Glenmore Ridge release area, on the corner of Deerubbin Drive and Glenmore Ridge Road. In the Penrith retail hierarchy a small village centre is defined as a centre with a typical retail area of 1,000 sq.m to 4,000 sq.m, including a supermarket of 650 sq.m to 2,500 sq.m.

In June 2013, the Australian Competition and Consumer Commission (ACCC) announced it would oppose the proposed acquisition of the small village centre site at Glenmore Ridge by Woolworths. As both Coles and Aldi are proposed tenants for the Glenmore Park Town Centre expansion, we consider the likelihood of either of these two tenants locating at Glenmore Ridge to be very low. The Glenmore Ridge centre is likely to be small scale (in the order of 1,000 – 2,000 sq.m) and we consider is most likely to be occupied by an independent supermarket operator such as IGA or Supabarn. No development application has been submitted for this centre at this stage. We have assumed that this centre will be developed between 2018 and 2021, allowing the immediate residential population in Glenmore Park Stage 2 to establish further.

The Penrith Panthers Club, located south-west of the Penrith City Centre on Mulgoa Road, currently provides around nine restaurants/cafes including a steak restaurant, seafood restaurant, family pizza restaurant, noodle bar and Harry's Café de Wheels. In addition to the facilities provided inside Panthers, there are a number of adjacent pad sites including McDonalds, KFC, Krispy Kreme, Spur Steak Ranch and Outback Steakhouse.

The proposed Panthers Penrith development has been approved by Council and the NSW DoPI. The proposed Masterplan indicates the development is likely to include a range of entertainment uses (e.g. iFly – already developed, cinemas and bowling), sports uses (elite learning centre, sports fields), a campus style office park of some 25,000 sq.m and 37,500 sq.m of retail floorspace – consisting of 12,500 sq.m of general retail and 25,000 sq.m of outlet retail. The development is proposed to be completed in stages over the next 10 years.

The retail component of this development will service the broader regional catchment of outer Western Sydney as well as event crowds, and the tourist/visitor market. The proposed retail mix will be lifestyle oriented, including restaurants, cafes, bars and specialty retail, as well as an outlet centre. The Masterplan approval does not allow for supermarket floorspace and this development is expected to provide little competitive influence to Glenmore Park Town Centre. Indeed, it will enhance the Penrith City Centre, and improve the overall attractiveness of Penrith as the key regional city of outer Western Sydney.

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Section 4: Market potential

This section of the report assesses the demand for supermarket floorspace generated by residents of the main trade area; compares this demand with the existing and future supply of supermarket floorspace; and outlines the estimated current and future market gap for supermarket floorspace across the trade area. This section also examines the likely sales potential of the proposed expansion of Glenmore Park Town Centre.

4.1 Supermarket demand

To determine whether there is an appropriate market demand for the proposed expansion, we have examined the current and future demand for supermarket floorspace generated by the trade area population and compared this with the existing and proposed supply of such floorspace.

To estimate the supermarket floorspace demand generated by the main trade area population, the available supermarket related expenditure is translated into an estimate of supermarket floorspace. Floorspace estimates are generated by applying appropriate thresholds of turnover levels per sq.m of floorspace, normally referred to as retail turnover densities (RTD), to the available expenditure volume.

Table 4.1 compares the demand for supermarket floorspace generated by residents of the main trade area with the existing supply of supermarket floorspace, outlining the estimated current and future market gap for supermarket floorspace within the main trade area.

For the purposes of calculating the estimated gap we have undertaken the following steps:

- Estimated the current and future population within the main trade area.
- Estimated per capita expenditure on food, liquor and grocery (FLG) using MarketInfo data.
- Allowed for 70% of FLG expenditure to be directed to supermarkets. This estimate is consistent with national benchmarks for comparable areas (i.e. suburban areas of major Australian cities), and allows for the remaining 30% to be allocated to smaller food specialty stores and other general retail stores in the trade area.
- Multiplied per capita FLG expenditure directed to supermarkets by the trade area population to determine the total available FLG expenditure pool directed to supermarkets.
- Accounted for 6% of total store sales turnover to comprise general merchandise (i.e. non-food) retail items, which is typical across national supermarkets.
- The total supermarket expenditure pool is then translated into supermarket floorspace demand by dividing by an applied retail turnover density (RTD).
- We have applied an RTD for supermarkets and grocery stores of \$9,000 per sq.m in 2013, which would be a very successful and profitable average trading level.
- We have further allowed for some real growth in this RTD, averaging around 0.5% per annum from 2013.

Based on the above methodology, Table 4.1 shows that residents of the main trade area generate demand for about 15,100 sq.m of supermarket floorspace in 2013, which is projected to increase to around 19,040 sq.m by 2026.

There is currently only one large supermarket in the main trade area (at Glenmore Park). Including this, there is an estimated 6,134 sq.m of supermarket

floorspace within the main trade area including the IGA supermarkets at Luddenham and Silverdale, as well as the smaller supermarkets at Warragamba and Luddenham.

By subtracting supermarket floorspace supply from estimated demand, we have identified an existing market gap of about 8,900 sq.m of supermarket floorspace. Even with the addition of two new supermarkets at Glenmore Park Town Centre (5,480 sq.m), as well as the small supermarket at Wallacia (1,128 sq.m) by 2016, a supermarket floorspace gap (in the order of 2,900 sq.m) would still exist in 2016.

Furthermore, if the proposed supermarket development at Glenmore Ridge (2,000 sq.m) is developed by 2021, the supermarket floorspace gap in the main trade area is still expected to exceed 2,500 sq.m.

There is clearly a significant under-provision of supermarket facilities in the main trade area at present, with most of the demand generated by trade area residents presently being met by supermarket facilities located beyond the trade area. The provision of an additional 5,840 sq.m of supermarket floorspace at the subject site would help reduce the existing supermarket floorspace gap in the defined trade area, to the benefit of local residents.

Given the network of centres provided throughout the region includes higher order centres like Penrith City Centre, it is to be expected that there will always be some level of main trade area FLG expenditure that would be directed to facilities located outside the trade area. However, on the other hand, it is expected that some level of FLG expenditure at Glenmore Park Town Centre will be captured by residents living outside the trade area.

The major factor which impacts on choice of supermarket for regular food and grocery shopping is convenience to home, and it is a normal expectation of residents of any area that there will be an appropriate provision of conveniently located supermarket options. The proposed expansion of supermarket floorspace at Glenmore Park Town Centre will contribute to such an appropriate provision in this trade area.

Table 4.1

Glenmore Park main trade area - supermarket gap assessment, 2013-2026*

Factor	2013	2016	2021	2026
MTA Population	33,670	35,470	38,470	40,470
FLG Spend per capita* (\$)	\$5,411	\$5,535	\$5,785	\$6,066
70% of FLG spend to smkts (\$)	\$3,788	\$3,874	\$4,050	\$4,247
Total FLG expenditure to smkts (\$M)	\$127.5	\$137.4	\$155.8	\$171.9
6% of smkt sales from GM (\$M)	\$8.1	\$8.8	\$9.9	\$11.0
Total smkt expenditure (\$M)	\$135.7	\$146.2	\$165.7	\$182.8
RTD @ \$9,000/sq.m increasing at 0.5% p.a.	<u>\$9,000</u>	<u>\$9,136</u>	<u>\$9,366</u>	<u>\$9,603</u>
Supportable supermarket demand (sq.m)	15,076	16,002	17,695	19,039
Supermarket supply (sq.m)	6,134	13,102	15,102	15,102
New supermarket space (sq.m)**	0	<u>6,968</u>	<u>2,000</u>	0
• Glenmore Park Coles		4,297		
• Glenmore Park Aldi		1,543		
• Wallacia		1,128		
• Glenmore Ridge			<u>2,000</u>	
Total supermarket gap (sq.m)	8,942	2,900	2,593	3,937

*Constant 2012/13 dollars & including GST

**Assumes Glenmore Park Town Centre is expanded by December 2015; Wallacia SC is developed prior to June 2016

and Glenmore Ridge is developed between 20016 and 2021.

Source: MarketInfo; MacroPlan Dimasi

4.2 Estimated retail sales potential

Table 4.2 outlines the estimated sales potential of Glenmore Park Town Centre under the proposed expansion for 2016/17. The expanded centre is estimated to generate sales in the order of \$140.1 million, which is around \$50.7 million higher than projected under a 'do-nothing' scenario for the existing centre.

Table 4.2								
Glenmore Park - Estimated incremental retail sales, 2016/17*								
Category	Do Nothing			Expanded Centre			Change	
	GLA (sq.m)	Est. sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Est. sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Est. sales (\$'000)
Town Centre								
Supermarket	4,282	77,196	18,028	10,122	110,519	10,919	5,840	33,323
Retail specialties	<u>1,345</u>	<u>12,186</u>	<u>9,058</u>	<u>4,153</u>	<u>29,596</u>	<u>7,126</u>	<u>2,808</u>	<u>17,410</u>
Total centre - retail	5,627	89,383	15,883	14,275	140,115	9,815	8,648	50,732
*Constant 2012/13 dollars & including GST								
Source: MacroPlan Dimasi								

Table 4.3 presents the estimated market shares of Glenmore Park Town Centre under a 'do-nothing' scenario at 2016/17. At this point in time, maintaining the centre's current composition, it is estimated Glenmore Park Town Centre achieves a main trade area market share of 17.4% of available retail expenditure. This includes a 27.3% share of available food expenditure and 4.7% of non-food expenditure.

Table 4.3									
Glenmore Park - Estimated market shares, 2016/17*									
(Do Nothing Scenario)									
Trade area	Retail expenditure (\$M)			Estimated centre sales potential (\$M)			Market Share		
	Food	Non-food	Total	Food	Non-food	Total	Food	Non-food	Total
Primary	171.9	137.4	309.3	62.6	8.5	71.1	36.4%	6.2%	23.0%
Secondary	<u>88.0</u>	<u>66.0</u>	<u>154.0</u>	<u>8.2</u>	<u>1.1</u>	<u>9.3</u>	<u>9.3%</u>	<u>1.7%</u>	<u>6.1%</u>
Main TA	259.8	203.4	463.2	70.9	9.6	80.4	27.3%	4.7%	17.4%
Sales from beyond TA				<u>7.9</u>	<u>1.1</u>	<u>8.9</u>			
Total centre sales				78.7	10.7	89.4			
*Constant 2012/13 dollars & including GST									
Source: MarketInfo; MacroPlan Dimasi									

Table 4.4 presents the estimated market share performance of the expanded Glenmore Park Town Centre at 2016/17. The expanded centre is expected to achieve a main trade area market share of 27.2% of available retail expenditure, including a 40.7% share of available food retail expenditure and 10.0% of non-food expenditure.

The Glenmore Park Town Centre is estimated to achieve a market share uplift of approximately 9.8% of main trade area retail expenditure, when the market shares of a 'do-nothing' scenario are compared with 'post-expansion' scenario.

Table 4.4

Glenmore Park - Estimated market shares post-expansion, 2016/17*

Trade area	Retail expenditure (\$M)			Estimated centre sales potential (\$M)			Market Share		
	Food	Non-food	Total	Food	Non-food	Total	Food	Non-food	Total
Primary	171.9	137.4	309.3	82.7	15.9	98.7	48.1%	11.6%	31.9%
Secondary	<u>88.0</u>	<u>66.0</u>	<u>154.0</u>	<u>23.0</u>	<u>4.4</u>	<u>27.4</u>	<u>26.1%</u>	<u>6.7%</u>	<u>17.8%</u>
Main TA	259.8	203.4	463.2	105.7	20.4	126.1	40.7%	10.0%	27.2%
Sales from beyond TA				<u>11.7</u>	<u>2.3</u>	<u>14.0</u>			
Total centre sales				117.5	22.6	140.1			

*Constant 2012/13 dollars & including GST

Source: MarketInfo; MacroPlan Dimasi

Section 5: Impacts

This section of the report presents our estimates of likely trading impacts on the surrounding retail network; examines the possible consequences and implications of such impacts for the retail hierarchy; and examines other economic benefits that could be expected from the proposed development.

These benefits will include improved shopping choice, more competitive pricing and reduced private vehicle trip distances. Other benefits will include employment that is created during the construction of the project as well as substantial on-going employment created on site, which will also lead to multiplier induced impacts through the broader metropolitan Sydney economy.

5.1 Estimated trading impacts

The purpose of an impact assessment is to provide guidance as to whether or not there is likely to be a net community benefit or disbenefit from any proposed development. In particular, if there is a real possibility of some existing facilities potentially being impacted to such a degree that they may be lost to the community and if the service or services provided by those facilities are not at the very least replaced by the proposed new facilities, then a community disbenefit could result.

In order to understand whether any particular centre may be impacted to the extent that its continued viability may be in question, we have estimated specific retail impacts that we expect across the surrounding competitive network if the proposed expansion of Glenmore Park Town Centre were to proceed as planned.

These estimates provide indications as to whether the scale of the proposed retail development is reasonable and whether any surrounding centres are likely to be at risk to the extent that the community would suffer a net disbenefit, attributable to the proposed retail development.

In considering likely trading impacts on any individual centre or individual retailer, it must first be acknowledged that such estimation can only realistically expect to provide a broad indication of likely outcomes, since there are many factors which can change in response to any new retail development, and which will have a bearing on the consequent outcomes. The competitive response of each relevant centre or trader is one such factor, as are further redevelopments/improvements which one or more of the competitive network of centres might implement.

5.1.1 Impacts methodology

The following factors are typically considered when assessing the potential impacts of a new retail development, or expansion, on each existing facility or centre:

- The distance of the (impacted) centre, or retail precinct, by road, from the proposed development.
- The size of the centre or precinct, in terms of total retail floorspace.
- The amount of supermarket floorspace, and brand of these supermarkets.
- The role and function of the centre or precinct.
- Relative accessibility and relative convenience compared with the proposed retail development.
- The estimated performance of the centre/precinct (in current sales) and future performance (in the impact year). This accounts for any future developments in the region that may also impact on the future sales of existing centres.
- The share of available expenditure which the centre/precinct attracts from the identified main trade area of the proposed development. A centre may not be situated in the identified trade area of the proposed development but its main trade area may extend to include parts, or all, of the trade area. For example, the trade area for large regional shopping centre typically includes several hundred thousand persons. Such a trade area is likely to include (partially or completely) trade areas for smaller convenience based centres, sub-regional centres, retail strips and stand-alone supermarkets.

The following key principles are then relied on when assessing the dollar (and percentage) impacts that are likely to be absorbed by existing facilities/centres:

- The greatest impacts are typically absorbed by the closest comparable centres. For example, a new Coles supermarket is generally likely to impact the closest nearby Coles supermarket to the greatest extent, followed by impacts on other comparable large supermarkets (e.g. Woolworths), and at the lower end of the spectrum, by smaller scale supermarkets/food stores, which serve much more limited roles.
- Impacts on small scale, local supermarkets/food stores, tend to be relatively smaller in scale, as these stores normally attract a small market share of available main trade area expenditure and perform a different role and function in the hierarchy, often serving the local walkable catchments surrounding them, and/or serving more specialised/discerning needs (e.g. specialty food stores).

Table 5.1 presents a summary of the key metrics for the surrounding centres of relevance to the proposed development. This table summarises the distance of each centre or store from the subject site (Column 1); the amount of retail floorspace at the centre (Column 2); the amount of supermarket floorspace at the centre (Column 3); the brand/s of key supermarket tenants (Column 4); the estimated sales for the year 2012/13 (Column 5); and the total retail turnover density for each centre (Column 6).

- Column (7) presents an estimate of the *proportion* of annual sales for each centre that is generated from the defined Glenmore Park main trade area. This provides the basis for allocating sales redirected to the expansion of Glenmore Park from other centres.
- Column (8) presents an estimate of the *volume* of annual sales for each centre generated from the defined Glenmore Park main trade area. **Column (8) is calculated by multiplying Column (7) by Column (5).** This column represents the total amount estimated to be spent by residents of the Glenmore Park main trade area at the identified centre.

- Column (9) presents the proportion of sales drawn from the main trade area as a share of total main trade area sales for all identified centres in the analysis. **Column (9) is calculated by dividing each entry in Column (8) by the sum total of Column (8).**
- We then relate the proportion of main trade area sales to the estimated incremental retail sales generate by an expanded Glenmore Park in 2016/17. We have estimated that the proposed expansion will result in a sales uplift for Glenmore Park Town Centre of \$50.7 million in the year 2016/17. We have attributed 90% of this impact to the identified centres (i.e. \$45.6 million). The remaining 10% is expected to be absorbed by other retail centres/shops. Of course a significant impact, reflected in this analysis, will be felt by the existing Glenmore Park centre, particularly the existing supermarket.
- We have then estimated the potential trading impacts for each competitive centre/precinct having regard to the proportions derived in Column (9), which have been adjusted to account for the differences in tenant mix, where, for example, much of the mix is not directly comparable; the brand(s) of supermarket operator(s); location; accessibility and parking; centre amenity and other drawcards (e.g. non-retail uses).
- Column (10) presents our estimated impacts for each centre in the year 2106/17.
- Column (11) presents the impact for each centre as a share of the total expected sales for the proposed Glenmore Park supermarket. This shows that majority of sales turnover at the Glenmore Park supermarket would be in the form of redirected trade from the Penrith City Centre. **Column (11) is calculated by dividing Column (10) by \$50.7 million.**

Table 5.1
Glenmore Park Town Centre - Estimated Impacts (2016/17)

Centres	Distance (km)	Total Centre GLA (sq.m)	Supermarket GLA (sq.m)	Brand** (name)	Est. centre sales 2013 (\$m)	Est. RTD (\$/sq.m)	Est. % of sales from MTA (%)	Est. Sales from MTA (\$m)	Proportion of MTA Sales (%)	Est. Impact (2015/16) (\$m)	Est. Impact % of total (%)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Within Main Trade Area											
Luddenham	14.0	2,250	800	IGA	13.3	5,889	90.0%	11.9	6.3%	0.57	1.1%
Wallacia***	14.0	800	0	n.a.	4.0	5,000	90.0%	3.6	1.9%	0.52	1.0%
Silverdale	18.0	1,200	500	IGA	7.3	6,042	90.0%	6.5	3.4%	0.28	0.5%
Warragamba	20.0	1,450	400	Foodworks	8.3	5,690	90.0%	7.4	3.9%	0.31	0.6%
Beyond Main Trade Area											
<u>Penrith City Centre</u>	<u>5.0</u>	<u>200,000</u>	<u>12,919</u>		<u>933.5</u>	<u>4,667</u>		<u>122.4</u>	<u>64.6%</u>	<u>33.7</u>	<u>66.6%</u>
Westfield Penrith		79,500	4,930	WOW, Aldi	536.4	6,747	10.0%	53.6	28.3%	16.15	31.9%
Nepean Village		18,400	4,389	Coles	201.9	10,972	20.0%	40.4	21.3%	12.16	24.0%
Nepean Central		3,000	1,600	IGA	18.6	6,200	10.0%	1.9	1.0%	0.34	0.7%
Other (inc. High St & Henry St)		99,100	2,000	Aldi, F'works	176.6	1,782	15.0%	26.5	14.0%	5.10	10.1%
<u>St Marys Town Centre</u>	<u>12.0</u>	<u>44,500</u>	<u>8,869</u>		<u>215.6</u>	<u>4,845</u>		<u>13.1</u>	<u>6.9%</u>	<u>2.8</u>	<u>5.5%</u>
St Marys Village		16,000	4,208	WOW	92.4	5,776	7.5%	6.9	3.7%	1.42	2.8%
Station Plaza		7,000	3,461	Coles	43.5	6,213	5.0%	2.2	1.1%	0.52	1.0%
Other (inc. Queen St Strip)		21,500	1,200	Aldi	79.7	3,707	5.0%	4.0	2.1%	0.86	1.7%
Other centres											
Southlands SC	4.0	6,300	3,742	WOW	64.5	10,240	25.0%	16.1	8.5%	4.86	9.6%
Lennox SC	5.0	<u>9,600</u>	<u>5,262</u>	WOW, Aldi	<u>83.9</u>	8,738	10.0%	<u>8.4</u>	<u>4.4%</u>	<u>2.53</u>	<u>5.0%</u>
Total identified centres		266,100	32,492		1,330.2			189.4	100.0%	45.6	90.0%
Other										5.1	10.0%
Total										50.7	100.0%

*Constant 2012/13 dollars & including GST

**WOW = Woolworths, F'Works = Foodworks

***Wallacia: Currently 800 sq.m, but is assumed to expand to 2,000 sq.m by 2016

NB: GLA = Gross lettable area; MTA = Main trade area; exp = expenditure

Source: Shopping Centre Council; MacroPlan Dimasi

5.1.2 Estimated impacts on specific centres

Table 5.2 shows the estimated trading impacts expected across the surrounding network of centres, expressed in dollar terms and also in percentage terms, as a share of sales that would be expected without the development in the year 2016/17. We have estimated the percentage trading impacts by following the following methodology:

- First, as detailed previously, the incremental sales potential of the expanded Glenmore Park Town Centre is estimated at \$50.7 million in its first year (i.e. 2016/17).
- Sales are then estimated across the surrounding competitive supply network as at 2012/13 based on detailed inspections of the various facilities, plus other known public information.
- Potential sales for the surrounding competitive supply network in 2016/17 are then estimated, assuming the proposed development does not occur. We have included estimated sales at an expanded Wallacia centre.
- Sales for all competitive centres as at 2016/17, if the proposed development does proceed, are finally estimated.
- An assessment of likely trading impacts is then made by comparing the estimated sales potential for each centre, in 2016/17, with and without the proposed supermarket. This is a standard methodological approach.

Table 5.2 presents the estimated distribution of impacts across the surrounding competitive network. The proposed development will not alter the retail hierarchy of Penrith. Indeed, it will enhance the hierarchy, by providing additional supermarkets and convenience retail within an existing centre, without resulting in any deleterious impacts on any current centres (as all estimated trading impacts are minor) nor prevent or delay future centres from being established.

The reasons for this conclusion are set out below, in particular in relation to the nearby neighbourhood centres/shops:

- The retail sector and retail industry is very dynamic, and the development of new retail facilities is inextricably linked to growth in population. New players, new centres, new competition will seek to enter any retail hierarchy where there is market gap and/or future population growth to support such development.
- Secondly, the *Draft Centres Policy 2010*, encourages retail development to be provided to meet market demand stating that *"Within the NSW economy, the market is best placed to determine the need for business or office premises, shops, entertainment venues, recreation facilities, residential and other forms of development. In general, businesses have a better understanding of the demand for particular products and services, and it is businesses and individuals that bear the financial risk from establishing new premises or expanding their operations in particular locations."*
- Generally, retail trading impacts between 10 and 15% are considered by the industry to be acceptable, with impacts less than 10% considered relatively moderate, and impacts less than 5% are generally considered to be minor/negligible. However other factors such as the current trading performance, potential loss of services to the community, expected growth in the region and overall net community benefit should also be considered.
- We estimate that the potential trading impacts of the proposed expansion will be widely distributed across the surrounding centres hierarchy, with no individual centre expected to be impacted by greater than 7%.
- Typically, impacts of less than 10% are considered moderate by industry standards. Impacts of 5% or less are considered to be small, or negligible, and generally indicate that a proposed development is appropriate in the context of the surrounding retail hierarchy.
- Based on the estimated level of trading impacts, there is no risk of any reduction in the level of service provision to the community. There is an extremely low likelihood that any centre will have its viability impacted and

that no future/planned centres will be impeded as a result of the proposed expansion.

The existing Glenmore Park Town Centre will itself be impacted by the proposed expansion of retail facilities at the centre, reducing the potential impacts elsewhere across the retail hierarchy. That is, the broader retail trading effects of the growing Glenmore Park Town Centre will be constrained by the competitive nature of what is on offer – an existing large Woolworths supermarket and supporting specialty retail.

Impacts on current hierarchy

The proposed expansion reinforces the retail hierarchy across Penrith City, by providing additional supermarkets at an existing Village centre, without reducing the level of service provision anywhere else, nor preventing any future retail centres from establishing across the LGA.

The largest impacts are expected to be absorbed by Nepean Village and Westfield Penrith. These centres achieve average trading levels per sq.m well above average, as previously detailed in Section 3 of this report, and these centres should be able to absorb such impacts with no risk to their ongoing viability.

The analysis in Table 5.1 shows that the main trade population contributes only a very small proportion to the overall annual sales turnover of most sub-regional and supermarket anchored centres across the rest of the identified centres. As such any redirection of trade from these centres is likely to be minor in the context of their overall trading performance.

The current provision of retail services within the trade area is very limited. Aside from Glenmore Park, there are no large supermarket facilities in the main trade area excepting, no sub-regional shopping facilities and no bulky goods precinct for that matter. The significant majority of retail expenditure, across all retail categories, generated by trade area residents would currently be spent beyond the main trade area.

The existing retail offer in the main trade area, including the likes Wallacia, Silverdale and Warragamba, performs an important local role and function serving the immediate top-up convenience needs of local residents but also providing a range of specialty shops and services including general stores, small supermarkets, cafes, take-away shops, and other non-food retail tenancies.

The role and function of these centres will be maintained even with the proposed supermarket because most of the tenancies are entirely complementary and because they will continue to perform a local top-up/convenience role and serve their immediate local catchments.

Future centres

There will inevitably be new developments that will enter the retail network, over time. Indeed, there is a planned expansion at Wallacia, which is expected to be developed around the same time as the proposed expansion of the Glenmore Park Town Centre. In Section 4 of this report we show that there would still be a significant supermarket market gap in the main trade area, even with a new small supermarket at Wallacia and the expansion of Glenmore Park.

There is a designated small village centre planned at Glenmore Ridge. This centre is likely to be established as the residential estates in the Glenmore Park Stage 2 release area are developed over the next 10 years or so, as no plans have been submitted for this centre at this stage. Our market gap analysis in Section 4 showed that this centre could be supported within the main trade area between 2016 and 2021.

Section 5: Impacts

Table 5.2

Glenmore Park Town Centre - Estimated Impact on Specific Centres (2016/17)*

Centres	Total	Est. sales	Projected 2015/16		Est. Impacts	
	Centre		Without	With		
	GLA	2013	Development	Development	(\$m)	(%)
(sq.m)	(\$m)	(\$m)	(\$m)	(\$m)		
Within Main Trade Area						
Luddenham	2,250	13.3	14.2	13.6	-0.6	-4.1%
Wallacia**	800	4.0	9.0	8.5	-0.5	-5.8%
Silverdale	1,200	7.3	7.8	7.5	-0.3	-3.5%
Warragamba	1,450	8.3	8.8	8.5	-0.3	-3.5%
Beyond Main Trade Area						
<u>Penrith City Centre</u>	<u>200,000</u>	<u>933.5</u>	<u>998.8</u>	<u>965.1</u>	<u>-33.7</u>	<u>-3.4%</u>
Westfield Penrith	79,500	536.4	573.9	557.8	-16.1	-2.8%
Nepean Village	18,400	201.9	216.0	203.9	-12.2	-5.6%
Nepean Central	3,000	18.6	19.9	19.6	-0.3	-1.7%
Other (inc. High St & Henry St)	99,100	176.6	189.0	183.9	-5.1	-2.7%
<u>St Marys Town Centre</u>	<u>44,500</u>	<u>215.6</u>	<u>230.7</u>	<u>227.9</u>	<u>-2.8</u>	<u>-1.2%</u>
St Marys Village	16,000	92.4	98.9	97.5	-1.4	-1.4%
Station Plaza	7,000	43.5	46.5	46.0	-0.5	-1.1%
Other (inc. Queen St Strip)	21,500	79.7	85.3	84.4	-0.9	-1.0%
<u>Other centres</u>						
Southlands SC	6,300	64.5	69.0	64.2	-4.9	-7.0%
Lennox SC	<u>9,600</u>	<u>83.9</u>	<u>89.8</u>	<u>87.2</u>	<u>-2.5</u>	<u>-2.8%</u>
Total identified centres	266,100	1,330.2	1,423.3	1,377.7	45.6	3.2%
Other					<u>5.1</u>	<u>n.a.</u>
Total					50.7	n.a.

*Constant 2012/13 dollars & including GST

**Wallacia: Currently 800 sq.m, but is assumed to expand to 2,000 sq.m by 2016.

Source: Shopping Centre Council; MacroPlan Dimasi

5.2 Estimated employment impacts

The proposed expansion of Glenmore Park Town Centre will result in additional on-going employment on-site as well as further job creation across the economy in the form of multiplier induced impacts. For example, additional supply chain jobs will be created across industries servicing the retail tenants at the site such as transport workers, wholesalers and the like.

Table 5.3 presents the estimates of net additional employment at Glenmore Park Town Centre, following the expansion of the existing shopping centre and the development of the proposed apartment development. We have relied upon various data sources including data from retailers, the ABS and several state and local government agencies as well as 30 years of experience as consultants to the retail and property development industries to estimate the employment impacts.

Table 5.3						
Glenmore Park Town Centre - Estimated future additional centre employment levels						
Type of use	Estimated employment per '000 sq.m	Additional floorspace		Additional employment		
		Town Centre (sq.m)	Apartments (sq.m)	Town Centre (jobs)	Apartments (jobs)	Total (jobs)
Supermarket	25	5,840		146	0	146
Specialty shops	40	2,808	390	112	16	128
Non-retail	30	422	89	13	3	15
Total centre		9,070	480	271	18	289
Net increase¹				257	17	275

1. Net increase includes an allowance for reduced employment levels across other centres, estimated at 5% of the total increase
Source: Benier Francis, Village Fair Glenmore Park, MacroPlan Dimasi

As shown, the proposed expansion of the Glenmore Park Town Centre will result in 257 net additional jobs on site, while a further 17 jobs could be supported at the retail and commercial component of the proposed apartment development.

In addition to the in-centre jobs detailed above, the construction phase of the project will support temporary construction employment during the development period as well as additional jobs through the broader economic supply chain (i.e. multiplier impacts).

The proposed expansion of the town centre is estimated to cost approximately \$25 million. Based on these costs, we estimate that 278 construction jobs per year will be created during the construction of the retail component of the centre, including 107 created directly and a further 171 resulting from multiplier induced effects.

The proposed apartment development is estimated to cost approximately \$20 million, which could support some 222 construction jobs per year, including 85 created directly and a further 137 resulting from multiplier induced effects.

As previously estimated, the proposed development is expected to result in a net addition of 275 jobs. Based upon ABS Input/Output multipliers for the relevant industries, we estimate this employment would also lead to an additional 110 multiplier induced jobs (i.e. $103 + 7 = 110$).

Table 5.4				
Glenmore Park Town Centre - Estimated future employment levels and multiplier employment*				
Indicator	Direct employment (long-term)	Direct employment (const'n period)	Multiplier employment	Total jobs
Town Centre employment ¹	257		103	360
Construction of Town Centre (\$25m. est. capital costs)		107	171	278 Job years ²
Apartment employment ¹	17		7	24
Construction of apartments (\$20m. est. capital costs)		85	137	222 Job years ²

* Employment totals include both full-time and part-time work
 1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development
 2. Indicates the estimated number of jobs over the life of the construction project, for the equivalent of one year
 Source: Benier Francis, Village Fair Glenmore Park, MacroPlan Dimasi, ABS Input/Output Tables 1998/99

The proposed expansion will therefore result in a significant stimulus to local employment within the area. The additional jobs that will result from the expansion of Glenmore Park Town Centre are a direct economic benefit which can be quite clearly assessed, as set out above. There will however be other significant consumer benefits resulting from the projects, which though a little more difficult to quantify are nonetheless equally important, as set out further below.

5.3 Other economic benefits

The development of the proposed expansion of Glenmore Park Town Centre will result in a range of other economics benefits. The key benefits, summarised below, include:

- Increased choice, convenience and amenity for the population of the main trade area.
- Reduction of supermarket floorspace demand/supply gap, ensuring sufficient supermarket floorspace is provided for main trade area residents.
- The proposed expansion will serve not only the current residents of the trade area, but also future residents in the surrounding growth areas, particularly prior to those growth areas establishing local convenience centres themselves.
- Convenient access to new food and grocery shopping facilities, as well as increased price competition for consumers.
- Savings on time and fuel for main trade area residents due to a much better provision of food and grocery shopping facilities at local level, particularly for customers who prefer to use a Coles or Aldi supermarkets.
- A reduction in travel times and distances has indirect benefits like reduced vehicle wear and tear, reduced fuel costs, reduced pollution, reduced traffic congestion, reduced risks of car-accidents, and more time can be spent either working, socialising or undertaking other activities.
- The proposed expansion reinforces the retail hierarchy across Penrith City by providing an additional supermarkets and convenience retail in the network, without reducing the level of service provision anywhere else, nor preventing any future retail centres from establishing across the LGA.
- Increased sense of place and increased community cohesion for residents of the main trade area.

5.4 Net community benefit

Our assessment is that the proposed expansion will result in a net community benefit for Glenmore Park residents and for the broader region. This is because, as detailed in this report, there would be substantial economic and social benefits resulting from the development, in particular additional employment; increased choice and convenience for the local population; and a reduction in the need for motor vehicle trips to access food and grocery shopping.

The current under provision of supermarket floorspace within the relevant area means that trading impacts on existing retail facilities will generally be minor and would be quite comfortably absorbed without threatening in any way the future outlook for those facilities. These trading impacts reflect normal competitive impacts in a dynamic environment.

In addition to the above benefits, the proposed supermarket development does not have adverse impacts when assessed against a range of other criteria:

- The proposed development does not reduce the supply of employment land in the locality, and indeed, increases local employment levels.
- The proposed development does not reduce the supply of residential development in the locality. It improves the amenity for local residents, and, may stimulate local new residential housing sales/development – as the area becomes more attractive to prospective new residents.
- The proposed development does not adversely impact any disadvantaged groups of society, and indeed improves their position by potentially reducing their travel times and distances.
- The proposed development has no adverse impact on the provision of local community facilities or social infrastructure and, indeed, improves the functionality of such facilities.



