

# Jordan Springs, NSW

## Economic Impact Assessment

March 2014



## **MacroPlan Dimasi**

### MELBOURNE

Level 4  
356 Collins Street  
Melbourne VIC 3000  
(03) 9600 0500

### BRISBANE

Level 15  
111 Eagle Street  
Brisbane QLD 4000  
(07) 3221 8166

### SYDNEY

Level 4  
39 Martin Place  
Sydney NSW 2000  
(02) 9221 5211

### PERTH

Ground Floor  
12 St Georges Terrace  
Perth WA 6000  
(08) 9225 7200

**Prepared for: CID Group**

### **MacroPlan Dimasi staff responsible for this report:**

Tony Dimasi, Managing Director – Retail

James Turnbull, Manager – Retail

Fraser Brown, Consultant

# Table of contents

---

Executive summary .....	i
Introduction .....	v
Section 1: Background .....	1
1.1 Location and context	1
1.2 Strategic planning environment	3
1.3 Proposed development	6
Section 2: Trade area analysis .....	9
2.1 Trade area definition	9
2.2 Trade area population	13
2.3 Socio-demographic profile	15
2.4 Retail expenditure capacity	17
Section 3: Competitive environment .....	23
Section 4: Market potential and impacts .....	27
4.1 Market demand	27
4.2 Estimated retail sales potential	30
4.3 Estimated trading impacts	31
4.4 Economic benefits	33

---

This page has been intentionally left blank.



## Executive summary

---

- i. Jordan Springs, located 7 km north of the Penrith City Centre, is a rapidly growing suburb in outer western Sydney. The suburb's rapid growth is being driven by the Jordan Springs residential estate, which is being developed by Lend Lease.
- ii. The subject site is located at the south-western corner of Jordan Springs Boulevard and Lakeside Parade and is situated opposite the Jordan Springs neighbourhood centre.
- iii. The proposed mixed use development at the subject site includes a 2,497 sq.m restaurant/convenience retail and related services component, comprising 14 tenancies.
- iv. Clause 59 of the St Marys SREP No.30 allows for 13,000 sq.m of GFA to be dedicated to shops across the three major precincts throughout the St Marys release area, including 7,500 sq.m within the Western Precinct, which includes Jordan Springs.
- v. The main trade area population that could potentially be served by retail and restaurant facilities at the subject site is estimated at 19,770, including 1,200 residents in the combined primary sectors. The main trade area population is expected to grow at an average annual rate of 3.2% to reach 29,820 by 2026, including 8,500 in the combined primary sectors.
- vi. The socio-demographic profile of the Jordan Springs trade area is characterised by young, Australian born families, who earn below average per capita incomes.
- vii. The per capita retail expenditure capacity of the Jordan Springs main trade area population is generally 8.4% below the metropolitan Sydney benchmark. The total retail expenditure capacity of the main trade area population is estimated at \$227.5 million at June 2013 and is expected to grow at an average annual rate of 4.4% to reach \$397.8 million by 2026.

- viii. Food catering expenditure generated by the main trade area population is estimated at \$29.5 million at 2013 and is estimated to reach \$54.8 million by 2026, reflecting an average growth rate of 4.9% per annum.
- ix. Retail and food catering competition within the main trade area is very limited. While some café and takeaway outlets are provided at the Jordan Springs neighbourhood centre, there are no other food catering facilities of note throughout the trade area. Beyond the trade area significant food catering and casual dining facilities are provided at Westfield Penrith, Penrith City Centre and Penrith Panthers at Mulgoa Road. There is also a small provision of fast food outlets located at Cambridge Gardens.
- x. At present the main trade area population generates demand for around 37,910 sq.m of retail floorspace, including around 4,540 sq.m of food catering floorspace demand. By 2026 the main trade area population is estimated to generate around 61,000 sq.m of retail floorspace demand, including 7,743 sq.m of food catering floorspace.
- xi. The restaurant component of the mixed use development proposed at Jordan Springs, which will comprise some 1,275 sq.m, is estimated to generate sales of \$6.4 million in 2015/16, reflecting an average sales density of \$5,000 per sq.m.
- xii. The balance of the floorspace, totalling 1,222 sq.m, is planned to accommodate a range of supporting convenience retail and non-retail services. The estimated retail turnover volume that would be achieved by the non-restaurant space is \$3.3 million.
- xiii. Typically, it is accepted across the industry that estimated trading impacts in the order of 10% are considered to be moderate, with impacts around or below 5% considered low or negligible.
- xiv. A consideration of the broad trading impacts expected to be generated by the new restaurant offer, suggests:
  - a. Projected post development (2015/16) sales volumes generated by other retail precincts would be, on average, 0.5% lower when compared to the estimated sales should the proposed development not proceed.

- b. The largest impacts (in volume terms) are expected to be absorbed by Penrith City Centre (-\$4.5 million), which includes Westfield Penrith and the strip retail along High Street.
  - c. The largest impacts (in relative terms) are expected to be absorbed by retail facilities at Penrith Panthers/Mulgoa Road (-5.9%).
- xv. These impacts are considered to be within the normal bounds of competition and temporary in nature, with impacts expected to dissipate within one to two years given the strong population and retail market growth expected.
- xvi. In addition to providing a wider range of retail facilities and related services to trade area residents, the proposed retail/restaurant precinct will also result in a range of very important economic benefits, including additional employment, increased convenience and improved amenity for local residents.

This page has been intentionally left blank.

## Introduction

---

This report presents an independent assessment of the need and the economic impacts of a proposed retail/restaurant offer to be developed as part of a mixed-use development in the suburb of Jordan Springs, in the Penrith Local Government Area (LGA).

This report has been prepared in accordance with instructions received from CID Group, and is structured as follows:

- **Section 1** reviews the regional and local context of the subject site; provides an overview of the proposed development; and reviews the local strategic planning framework as it relates to the St Marys release area.
- **Section 2** examines the trade area of relevance to the proposed development, including current and projection population and expenditure levels, as well as the socio-demographic profile of trade area residents.
- **Section 3** reviews the current and future competitive landscape within which the proposed development will operate.
- **Section 4** assesses the market demand and retail sales potential of the proposed retail development. The likely economic impacts, in terms of trading impacts and consequent economic/social benefits, are then presented.

This page has been intentionally left blank.



## Section 1: Background

---

This section of the report examines the local and regional context of the subject site; provides an overview of the relevant strategic planning environment as it relates to retail development at the subject site; and then details the proposed mixed use development, including the retail component which is the focus of this Economic Impact Assessment.

### 1.1 Location and context

Jordan Springs is a rapidly growing residential estate located within the Penrith LGA in outer western Sydney. Jordan Springs is located approximately 7 km north-east of the Penrith City Centre and around 50 km north-west of the Sydney central business district (CBD)(refer Map 1.1).

The subject site is located at the south-western corner of Jordan Springs Boulevard and Lakeside Parade, in the Jordan Springs residential estate. The site is situated to the immediate south of the Woolworths anchored Jordan Springs Village Centre.

The site is highly accessible due to its prominent position on Jordan Springs Boulevard, the main entry/exit route to the Jordan Springs estate from The Northern Road. The site's proximity to The Northern Road would also make it easily accessible for residents from a broader area, including Llandilo to the north, Cambridge Gardens to the south and Cranebrook to the west.

The Jordan Springs estate is expected to accommodate more than 2,500 dwellings once fully built out, with additional dwellings to be accommodated in the Central Precinct of the St Marys Release Area, only 2 km to the east.





## 1.2 Strategic planning environment

Clause 59 - St Marys Sydney Regional Environmental Plan (SREP) No. 30, contains provisions in regards to shops within the St Marys Release Area, which includes Jordan Springs (Refer Figure 1.1). Specifically, the provisions state:

*"(1) The consent authority must not grant consent to development described in Schedule 4 on land zoned Urban unless:*

*(a) the proposed development is located on land identified as suitable for use for the purpose of a retail centre by a precinct plan, and;*

*(b) the consent authority is satisfied that, if the proposed development is carried out, the total gross floor area of all buildings on land to which this plan applies that may be used for the purpose of shops will not exceed 13,000 square metres approximately divided as follows:*

*(i) Western Precinct-7,500 square metres,*

*(ii) Central, Dunheved North and Dunheved South Precincts (combined)-2,500 square metres,*

*(iii) Eastern and Ropes Creek Precincts (combined)-3,000 square metres.*

*(2) However, subclause (1) (b) does not apply if the consent authority is satisfied that, after the proposed development is carried out, the total gross floor area (including the gross floor area of all other buildings used for retailing in the locality) will not be greater than the total required to reasonably service the local residential community and workforce.*

*(3) Subclause (1) does not apply to the granting of consent for general stores."*

Schedule 4 of the SREP No. 30 defines development for the purpose of clubs, fast food take-away restaurants, hotels, local retail or commercial buildings, medical centres and restaurants.

## Section 1: Background

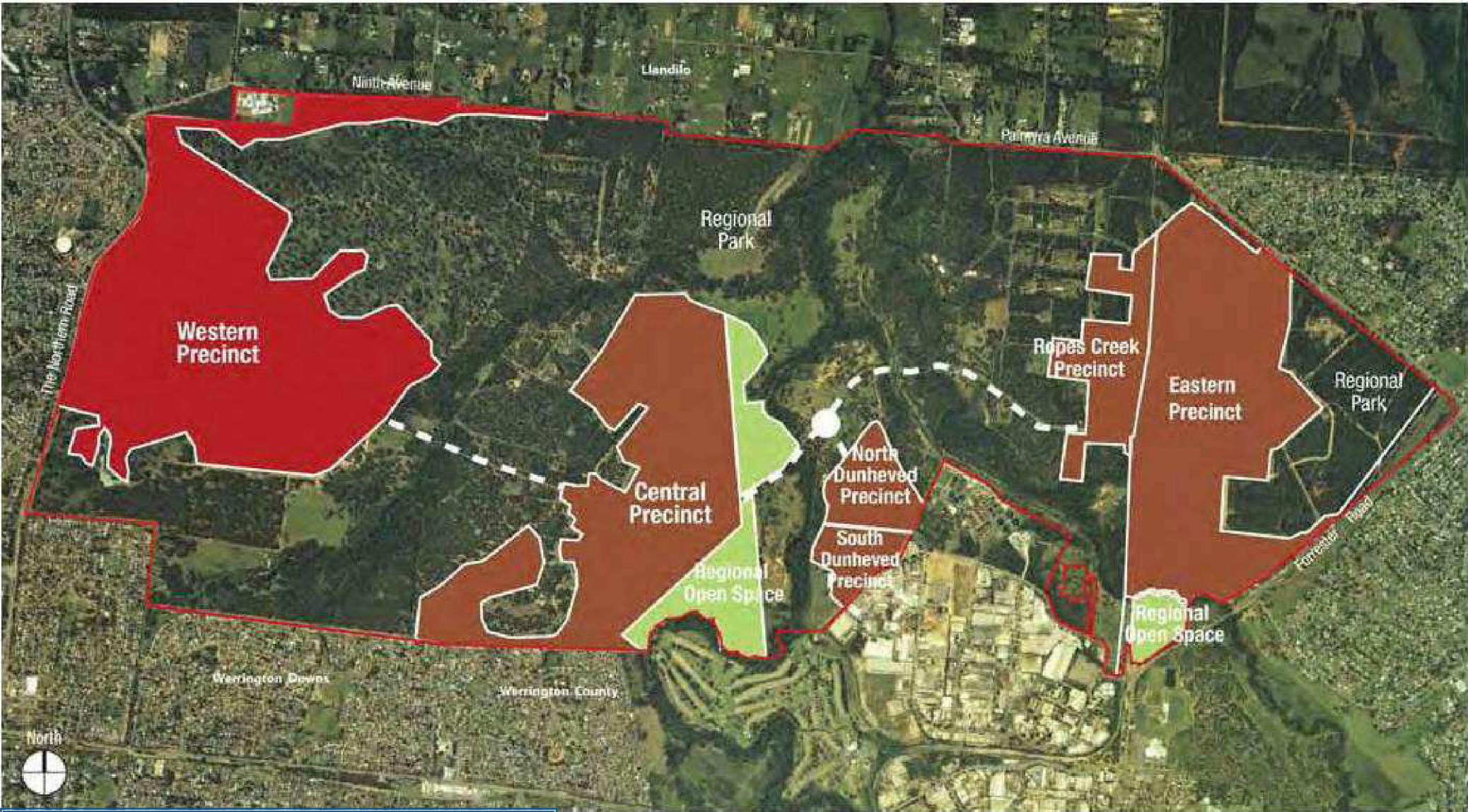
Previous approval has been granted for a Woolworths supermarket and other specialty retailing in two separate developments in the vicinity of the proposed subject development, i.e. within the Jordan Springs Village Centre. These developments are as follows:

- Woolworths neighbourhood centre – approximately 6,100 sq.m of retail/commercial floorspace.
- Medical centre, a retail tenant and a pharmacy – a 1,221 sq.m medical centre, a 188 sq.m retail tenant and a pharmacy of 322 sq.m.

The floorspace proposed to be provided within these approved developments exceeds the 7,500 sq.m cap available for the Western Precinct. As such, the proposed development at the subject site will further result in the 7,500 sq.m cap being exceeded, the applicant must demonstrate in accordance with clause 59(2) that the proposed development "will not be greater than the total required to reasonably service the local residential community and workforce."

This report addresses this criterion, examining the need for, and resultant economic impacts on the surrounding retail hierarchy of the proposed development.





**Figure 1.1 – St Marys Release Area**  
Source: Penrith City Council



### 1.3 Proposed development

The proposed mixed use development includes 69 townhouses and 230 apartments, with ground floor retail and restaurant floorspace (refer Figures 1.2 and 1.3).

Table 1.1 presents the indicative composition of the retail/restaurant component of the proposed development. As shown, 2,497 sq.m of shopfront floorspace is proposed of which 1,275 sq.m is dedicated to food catering/restaurant space. The remaining floorspace is expected to accommodate a mix of both retail and non-retail services.

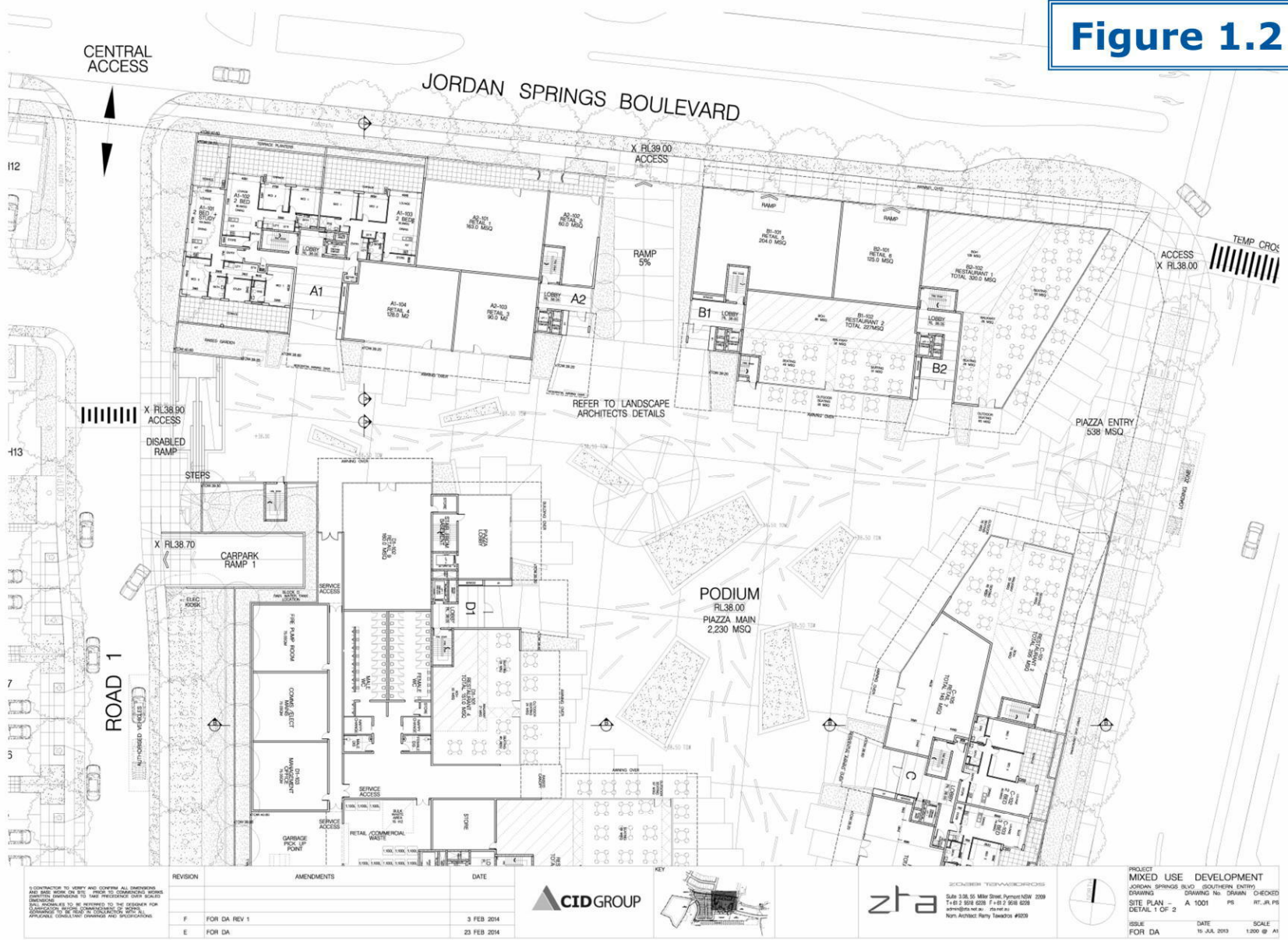
The primary purpose of the ground floor space is to provide a high quality, casual dining precinct. Secondly, non-retail services, such as travel agencies, accountants, allied healthcare, solicitors and real estate agencies, will be provided to support the food catering offer. In addition, a small complementary retail services offer is proposed, which will likely include examples such as; beauty related salons, optometry, tailor/alterations, dry cleaners, etc.

**Table 1.1**  
Jordan Springs mixed use development - indicative composition

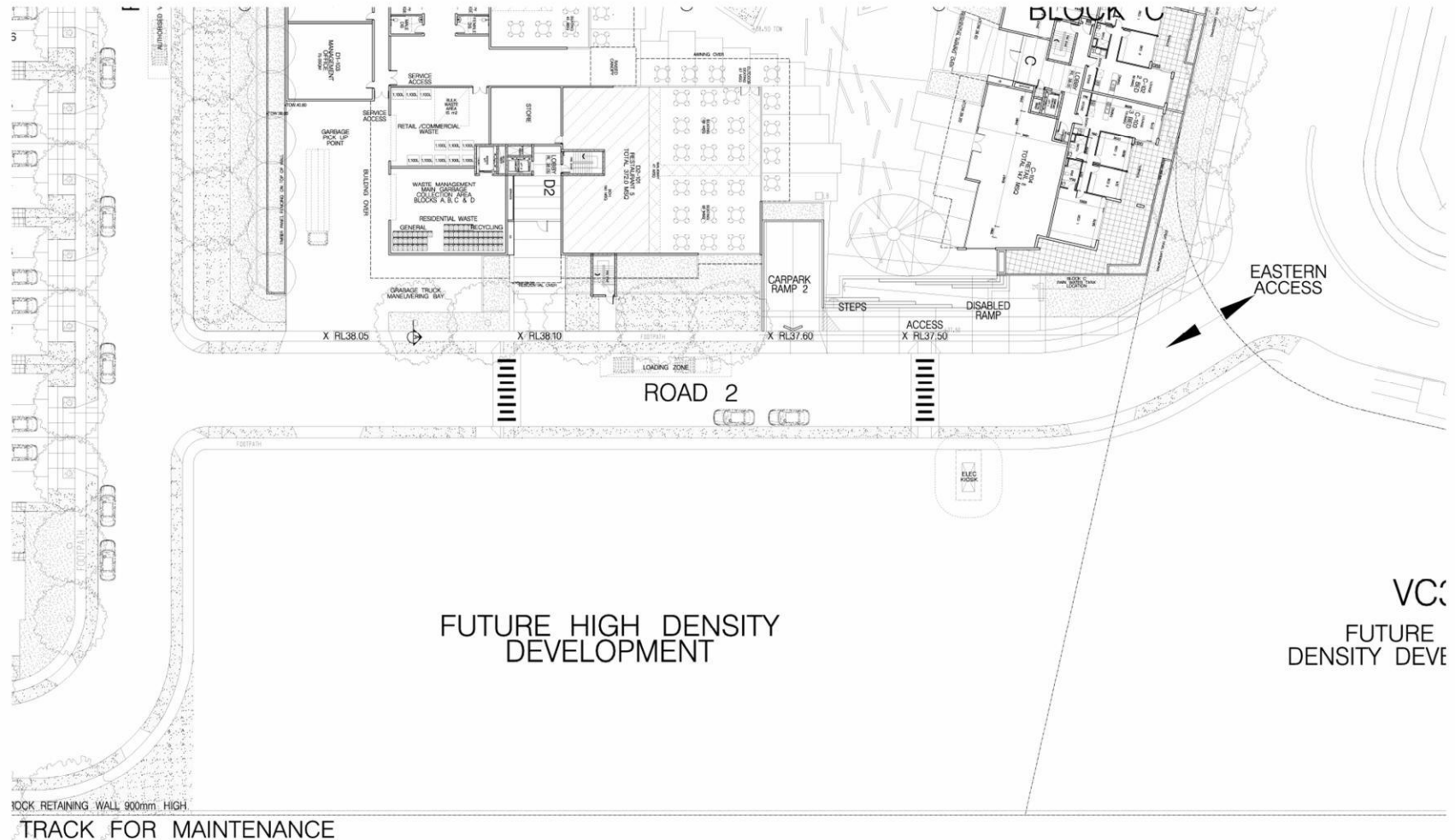
Tenancy	GLA (sq.m)
Restaurant/Food Catering	1,275
Retail Services	601
Non-Retail Services	<u>621</u>
<b>Total</b>	<b>2,497</b>

Source: CID Group; MacroPlan Dimasi

**Figure 1.2**



Section 1: Background



**Figure 1.3**

**DRAINAGE RESERVE**

REVISION	AMENDMENTS	DATE	KEY	CID GROUP	zta	PROJECT
1. CONTRACTOR TO VERIFY AND CORRECT ALL DIMENSIONS AND LEVEL INFORMATION TO MATCH TO COMMERCIAL SCHEMATIC DEVELOPMENT. 2. CONTRACTOR TO TAKE PRECAUTIONS TO AVOID DAMAGE TO EXISTING SERVICES. 3. CONTRACTOR TO BE RESPONSIVE TO THE DESIGNER FOR CLARIFICATION AND FOR PROVISION OF TECHNICAL SUPPORT. 4. CONTRACTOR TO VERIFY ALL DIMENSIONS AND LEVELS AGAINST APPLICABLE CONSULTANT DRAWINGS AND SPECIFICATIONS.						
F	FOR DA REV 1	3 FEB 2014				PROJECT: MIXED USE DEVELOPMENT JORDAN SPRINGS BLVD. (SOUTHERN ENTRY) DRAWING NO. DRAWN CHECKED SITE PLAN A 1002 PS RT, JH, PS DETAIL 2 OF 2 ISSUE DATE SCALE FOR DA 10 JUL 2013 1:200 @ A1
E	FOR DA	23 FEB 2014				



## Section 2: Trade area analysis

---

This section of the report details the potential trade area that could be expected to be served by the proposed retail/restaurant development at the subject site, 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:

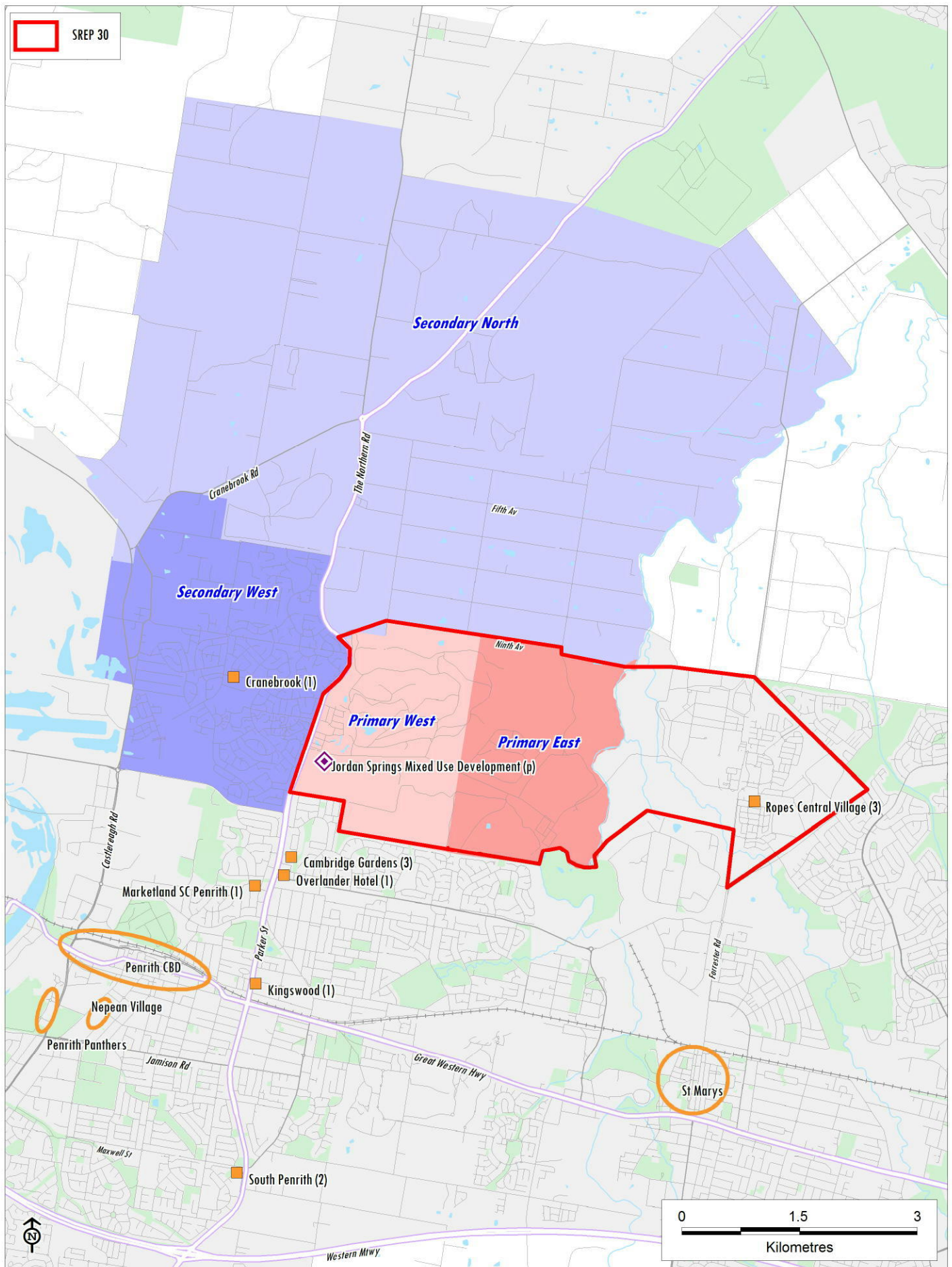
- The relative attraction of the centre, in comparison with alternative competitive retail facilities. The factors that determine the strength and attraction of any particular centre are primarily its scale and composition; its layout and ambience; and carparking, including access and ease of use.
- 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.

Given the proximity to the Jordan Springs neighbourhood centre, the retail/restaurant facilities proposed at the subject site could be expected to draw from a similar trade area as this neighbourhood centre, particularly given its supermarket anchor. This trade area has been defined to include two primary sectors and two secondary sectors, as illustrated on Maps 2.1 and 2.2, described as follows:

- The **primary east sector** generally includes the Central Precinct of the St Marys ADI release area.
- The **primary west sector** incorporates all of the Western Precinct of the St Marys ADI release area, including the Jordan Springs residential estate.
- The **secondary north sector** includes the suburb of Llandilo as well as parts of Londonderry, Cranebrook and Berkshire Park.
- The **secondary west sector** includes part of the suburb of Cranebrook.

The combination of these four sectors is referred to as the **main trade area** throughout the remainder of this report.

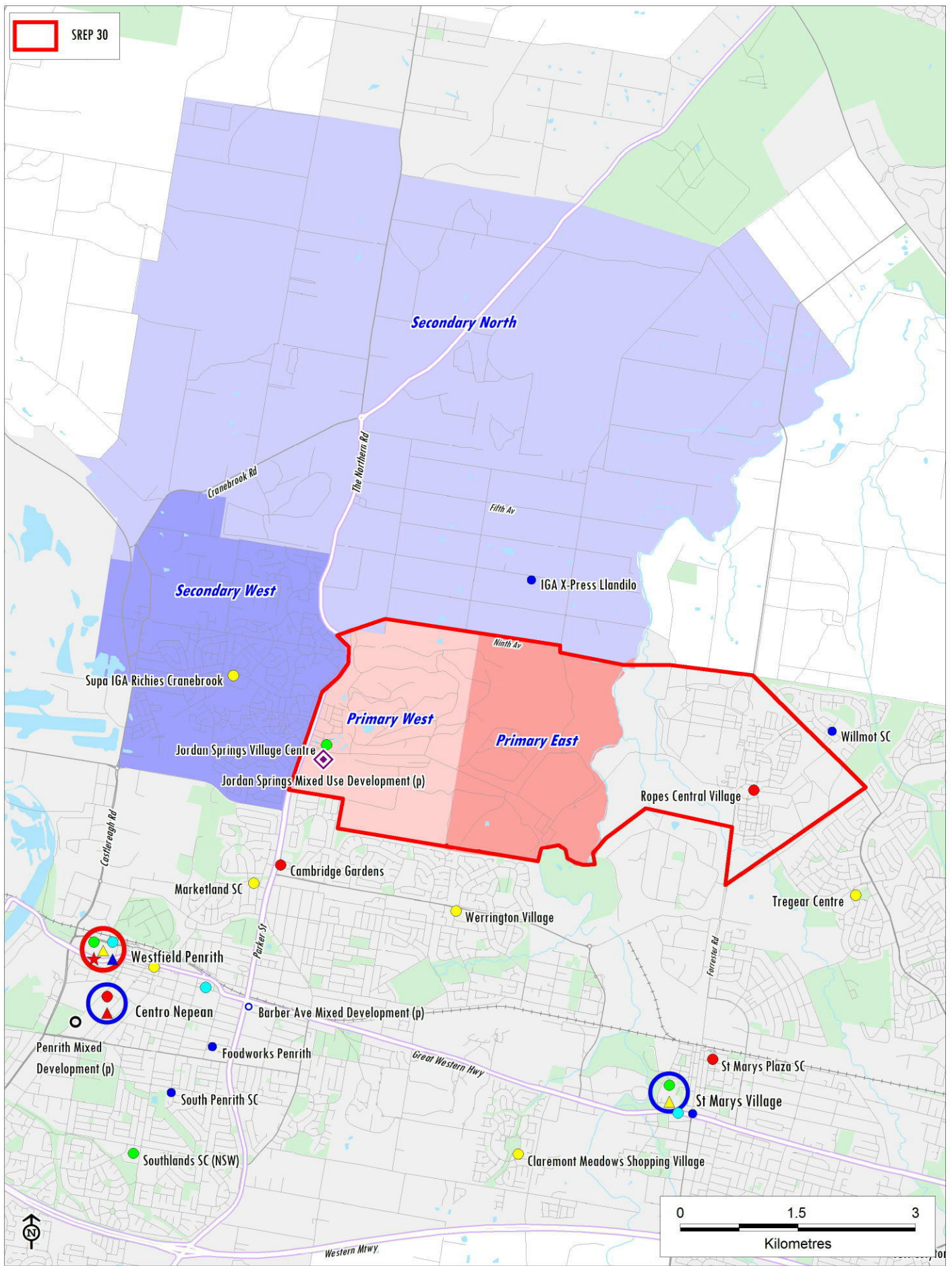




**Map 2.1: Jordan Springs**  
**Trade Area & Food Catering Competition**







**Map 2.2: Jordan Springs**  
**Trade Area & Traditional Retail Competition**

- |                     |              |   |
|---------------------|--------------|---|
| Regional Centre     | Myer         | Woolworths                                    |
| Sub-Regional Centre | Big W        | Coles   |
|                     | Target       | Aldi  |
|                     | Kmart        | Supa IGA / IGA                                |
|                     | Unknown Smkt | Other Smkt (inc. Foodworks, IGA Express etc.) |
- \* Hollow symbols indicate proposed stores*

## 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 (2001, 2006 and 2011);
- Australian Bureau of Statistics New Dwelling Approval Data (2006-2011)
- NSW Department of Planning and Infrastructure (DPI) Household and Population projections (2006-2036);
- Australia Bureau of Statistics Estimated Resident Population (ERP) for 2012; and
- Other investigations of future residential development, undertaken by MacroPlan Dimasi.

The main trade area population is estimated at 19,770 as at June 2013, including approximately 1,200 residents in the key primary sector. Residential occupation of the Jordan Springs residential estate commenced in late 2011 and has progressed rapidly over the past 18 months, with the estate now home to approximately 1,200 residents.

Population growth within the main trade area will continue to be driven by residential development with the Jordan Springs estate, which has a total capacity of 2,500 dwellings. Residential development within the St Marys ADI Central Precinct is also expected to commence over the medium to long term. This precinct is expected to yield over 840 dwellings upon completion.

The main trade area population is expected to grow at an average annual rate of 3.2% to reach 29,820 residents by 2026. The primary sector population is estimated to grow to 8,500 by 2026, reflecting growth of 16.3% per annum.

**Table 2.1**  
Jordan Springs trade area population, 2006-2026\*

Trade area sector	Estimated population			Forecast population		
	2006	2011	2013	2016	2021	2026
Primary sectors						
• East	0	0	0	0	1,000	2,000
• West	<u>0</u>	<u>0</u>	<u>1,200</u>	<u>3,000</u>	<u>5,500</u>	<u>6,500</u>
Total primary	0	0	1,200	3,000	6,500	8,500
Secondary sectors						
• North	2,980	3,260	3,360	3,510	3,760	4,010
• West	<u>14,100</u>	<u>14,810</u>	<u>15,210</u>	<u>15,810</u>	<u>16,560</u>	<u>17,310</u>
Total secondary	17,080	18,070	18,570	19,320	20,320	21,320
<b>Main trade area</b>	<b>17,080</b>	<b>18,070</b>	<b>19,770</b>	<b>22,320</b>	<b>26,820</b>	<b>29,820</b>
Average annual growth (no.)						
Trade area sector	2006-11	2011-13	2013-16	2016-21	2021-26	
Primary sectors						
• East	0	0	0	200	200	
• West	<u>0</u>	<u>600</u>	<u>600</u>	<u>500</u>	<u>200</u>	
Total primary	0	600	600	700	400	
Secondary sectors						
• North	56	50	50	50	50	
• West	<u>142</u>	<u>200</u>	<u>200</u>	<u>150</u>	<u>150</u>	
Total secondary	198	250	250	200	200	
<b>Main trade area</b>	<b>198</b>	<b>850</b>	<b>850</b>	<b>900</b>	<b>600</b>	
Average annual growth (%)						
Trade area sector	2006-11	2011-13	2013-16	2016-21	2021-26	
Primary sectors						
• East	0.0%	0.0%	0.0%	0.0%	14.9%	
• West	<u>0.0%</u>	<u>0.0%</u>	<u>35.7%</u>	<u>12.9%</u>	<u>3.4%</u>	
Total primary	0.0%	0.0%	35.7%	16.7%	5.5%	
Secondary sectors						
• North	1.8%	1.5%	1.5%	1.4%	1.3%	
• West	<u>1.0%</u>	<u>1.3%</u>	<u>1.3%</u>	<u>0.9%</u>	<u>0.9%</u>	
Total secondary	1.1%	1.4%	1.3%	1.0%	1.0%	
<b>Main trade area</b>	<b>1.1%</b>	<b>4.6%</b>	<b>4.1%</b>	<b>3.7%</b>	<b>2.1%</b>	

\*As at June

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



### 2.3 Socio-demographic profile

Table 2.2 details the socio-demographic profile of the main trade area population, compared with the respective benchmarks for metropolitan Sydney, as sourced from the 2011 ABS Census of Population and Housing. The primary sectors contained no population at the time of the 2011 Census, and we have therefore used the socio-demographic profile of the Glenmore Park population as a proxy as this area was a fairly recently established new housing estate.

Key points to note regarding the socio-demographic profile of the main trade area population include:

- Residents of the primary sectors are estimated to earn above average household incomes, and higher incomes than existing residents in the secondary sectors.
- The trade area contains a high proportion of young families, with traditional families (couples with dependent children) accounting for the largest proportion of all household types across all sectors. This skew is much more pronounced in the primary sectors.
- All trade area sectors contain an above average proportion of children aged less than 15 years, reflecting the popularity of the area with young families. More than 25% of the population is less than 14 years of age, compared with the Sydney metropolitan average of 19.2%.
- Casual and family dining facilities, such as those proposed at the subject site, would be popular with young families, particularly if they are close to home.

## Section 2: Trade area analysis

**Table 2.2**  
Jordan Springs main trade area - socio-demographic profile, 2011

Census item	Combined Primary*	Secondary North	West	Syd Metro avg.
Per capita income	\$36,185	\$27,061	\$30,970	\$37,441
<i>Var. from Syd Metro benchmark</i>	-3.4%	-27.7%	-17.3%	
Avg. household income	\$116,723	\$90,660	\$95,114	\$101,090
<i>Var. from Syd Metro benchmark</i>	15.5%	-10.3%	-5.9%	
Avg. household size	3.2	3.4	3.1	2.7
<u>Age distribution (% of population)</u>				
Aged 0-14	26.2%	21.6%	25.1%	19.2%
Aged 15-19	8.0%	8.0%	8.0%	6.3%
Aged 20-29	13.3%	11.5%	16.0%	14.8%
Aged 30-39	16.5%	12.6%	14.8%	15.3%
Aged 40-49	15.9%	14.4%	14.7%	14.3%
Aged 50-59	11.5%	13.7%	12.2%	12.2%
Aged 60+	8.5%	18.2%	9.2%	18.0%
Average age	31.3	36.5	31.6	37.1
<u>Housing status (% of households)</u>				
Owner/purchaser	78.6%	76.8%	74.9%	66.8%
Renter	21.1%	22.4%	24.8%	32.4%
Other	0.3%	0.8%	0.4%	0.8%
<u>Birthplace (% of population)</u>				
Australian born	78.8%	82.3%	84.7%	63.6%
Overseas born	<u>21.2%</u>	<u>17.7%</u>	<u>15.3%</u>	<u>36.4%</u>
• Asia	6.8%	2.0%	2.6%	15.5%
• Europe	9.0%	13.2%	8.4%	10.6%
• Other	5.4%	2.5%	4.3%	10.3%
<u>Family type (% of households)</u>				
Couple with dep't children	61.2%	51.1%	52.4%	48.2%
Couple with non-dep't child.	9.8%	16.4%	9.7%	9.1%
Couple without children	14.7%	17.5%	15.5%	20.1%
One parent with dep't child.	8.4%	6.6%	13.4%	8.5%
One parent w non-dep't child.	2.1%	3.9%	3.6%	3.9%
Other family	0.6%	0.7%	0.8%	1.2%
Lone person	3.2%	3.7%	4.6%	9.0%

\* Socio-demographic profile of Glenmore Park population used as a proxy for new trade area residents  
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 2.1 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 8.4% below the metropolitan Sydney average, with expenditure on food retail about 7.3% below average and expenditure on non-food items is 9.9% below average.

In the future, the per capita retail expenditure capacity of main trade area residents will improve significantly as a more affluent population moves into the Jordan Springs residential estate.

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 including GST.

The retail expenditure capacity of the main trade area population is estimated at \$227.5 million as at 2013. This retail expenditure capacity is estimated to grow, in real terms, at an average annual rate of 4.4% over the forecast period, to reach \$397.8 million by 2026.

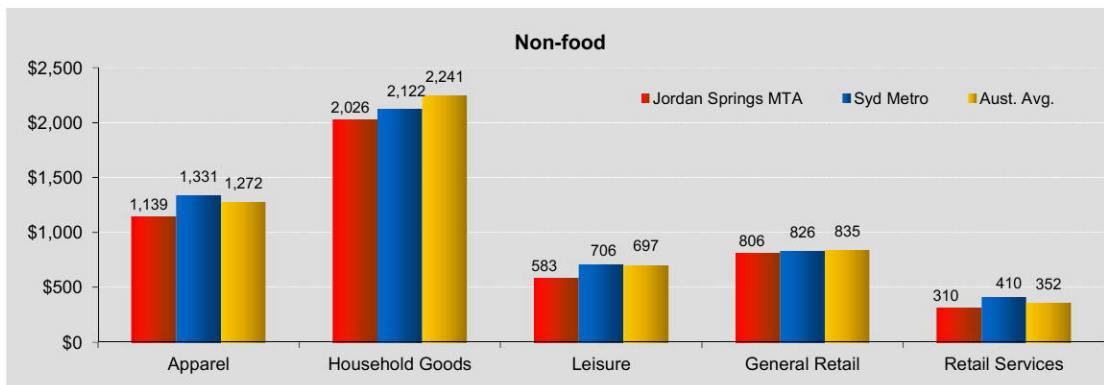
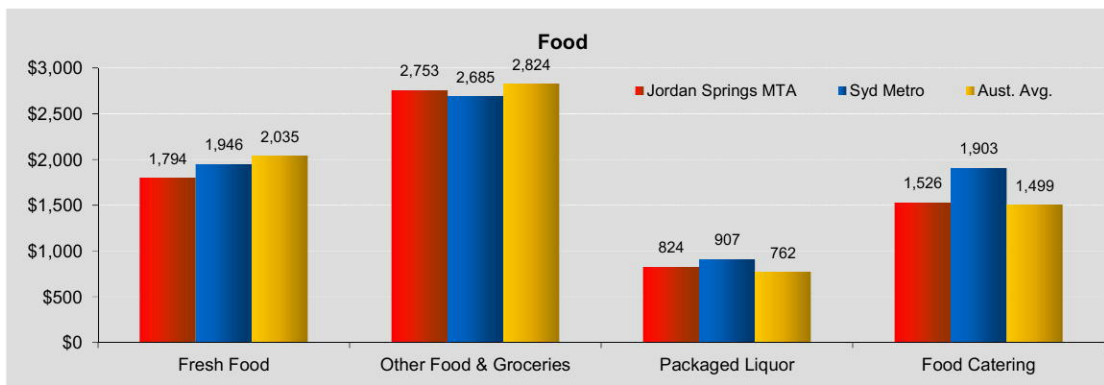
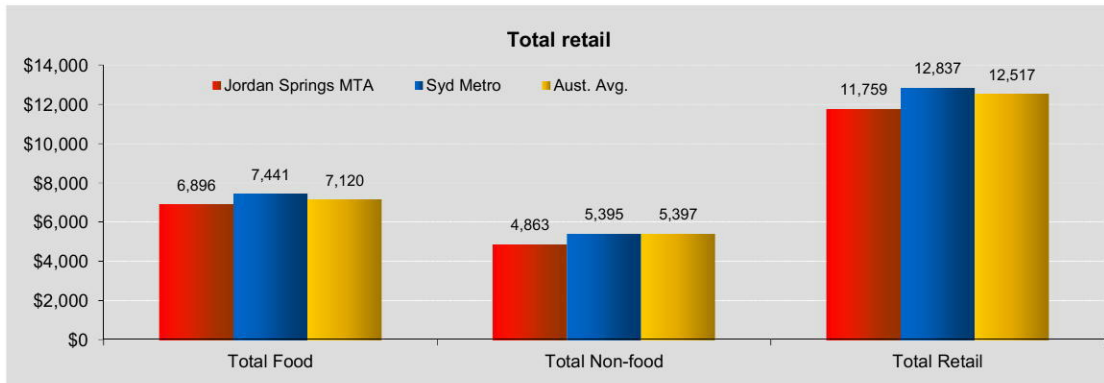
Table 2.4 details the retail expenditure capacity of the main trade area population by product group. Food catering expenditure accounts for 13.0% of total retail expenditure at 2013, however, by 2026 it is estimated to account for 13.8% of total retail expenditure. This growth in food catering expenditure (as a proportion of total retail expenditure) reflects the increasing consumer preference for lifestyle and experiential activities, such as dining out.

Table 2.5 illustrates the growth in food catering expenditure, by trade area sector, over the period to 2026. Total food catering expenditure is expected to grow from \$29.5 million at 2013 to \$54.8 million by 2026. Within the primary sectors, food catering expenditure is estimated to grow significantly from \$1.6 million at 2013 to \$17.2 million at 2026.



**Chart 2.1**

Jordan Springs trade area - retail spending per person, 2012/13\*



\*Including GST

Source: MarketInfo; MacroPlan Dimasi

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

Year ending June	Primary		Secondary		Main TA
	East	West	North	West	
2013	0.0	11.8	39.3	176.4	227.5
2014	0.0	18.4	40.1	179.8	238.4
2015	0.0	25.2	41.0	183.3	249.5
2016	0.0	34.4	41.9	186.9	263.2
2017	1.4	42.9	42.8	190.4	277.5
2018	2.9	48.8	43.7	193.8	289.3
2019	5.9	55.6	44.8	197.4	303.7
2020	8.9	63.4	45.8	201.2	319.2
2021	12.0	72.2	46.9	204.9	336.0
2022	15.1	78.8	48.0	208.8	350.6
2023	17.5	82.2	49.0	212.6	361.4
2024	20.3	85.8	50.1	216.5	372.8
2025	23.5	89.5	51.3	220.5	384.9
2026	27.3	93.5	52.4	224.6	397.8
<u>Average annual growth (\$M)</u>					
2013-2026	2.1	6.3	1.0	3.7	13.1
<u>Average annual growth (%)</u>					
2013-2026	NA	17.3%	2.2%	1.9%	4.4%

\*Constant 2012/13 dollars & including GST  
Source: MarketInfo; MacroPlan Dimasi

Table 2.4

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

Year ending June	FLG	Food catering	Apparel	H'hold goods	Leisure	General retail	Retail services	Total retail
2013	103.9	29.5	22.0	39.2	11.3	15.6	6.0	227.5
2014	108.8	31.1	23.0	41.0	11.8	16.4	6.3	238.4
2015	113.9	32.7	24.0	42.8	12.4	17.2	6.6	249.5
2016	120.0	34.7	25.3	45.1	13.0	18.2	6.9	263.2
2017	126.4	36.7	26.6	47.4	13.7	19.2	7.3	277.5
2018	131.8	38.5	27.7	49.3	14.3	20.1	7.6	289.3
2019	138.3	40.6	29.0	51.7	15.0	21.2	8.0	303.7
2020	145.3	42.9	30.4	54.2	15.8	22.3	8.4	319.2
2021	152.9	45.3	31.9	56.9	16.6	23.5	8.9	336.0
2022	159.5	47.5	33.2	59.2	17.3	24.6	9.3	350.6
2023	164.5	49.1	34.1	60.9	17.8	25.4	9.5	361.4
2024	169.8	50.9	35.0	62.6	18.4	26.3	9.8	372.8
2025	175.4	52.8	36.0	64.4	19.0	27.2	10.1	384.9
2026	181.3	54.8	37.1	66.3	19.6	28.2	10.5	397.8
<u>Average annual growth (\$M)</u>								
2013-2026	6.0	1.9	1.2	2.1	0.6	1.0	0.3	13.1
<u>Average annual growth (%)</u>								
2013-2026	4.4%	4.9%	4.1%	4.1%	4.3%	4.7%	4.4%	4.4%

\*Constant 2012/13 dollars &amp; 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.

**Table 2.5**

Jordan Springs main trade area - food catering expenditure (\$M), 2013-2026\*

Year ending June	Primary		Secondary		Main TA
	East	West	North	West	
2013	0.0	1.6	5.1	22.8	29.5
2014	0.0	2.5	5.2	23.3	31.1
2015	0.0	3.5	5.4	23.9	32.7
2016	0.0	4.7	5.5	24.4	34.7
2017	0.2	5.9	5.6	25.0	36.7
2018	0.4	6.8	5.8	25.5	38.5
2019	0.8	7.7	5.9	26.1	40.6
2020	1.2	8.9	6.1	26.6	42.9
2021	1.7	10.1	6.3	27.2	45.3
2022	2.1	11.1	6.4	27.9	47.5
2023	2.5	11.6	6.6	28.5	49.1
2024	2.9	12.2	6.8	29.1	50.9
2025	3.3	12.7	7.0	29.7	52.8
2026	3.9	13.3	7.1	30.4	54.8
<u>Average annual growth (\$M)</u>					
2013-2026	0.3	0.9	0.2	0.6	1.9
<u>Average annual growth (%)</u>					
2013-2026	NA	17.7%	2.6%	2.2%	4.9%

\*Constant 2012/13 dollars & including GST  
Source: MarketInfo; MacroPlan Dimasi

## Section 3: Competitive environment

---

This section of the report reviews the relevant competitive environment for the proposed mixed use development at Jordan Springs, including an overview of the future competition of relevance.

### **Jordan Springs**

A Woolworths anchored neighbourhood centre has recently opened to the immediate north of the subject site. In total, this centre provides 6,083 sq.m of GFA, including a 3,916 sq.m supermarket. The food catering offer at the centre consists of 8 food catering outlets, the majority of which are takeaway outlets and cafes.

There is approval for a medical centre and supporting retail/pharmacy uses, located at 1126 Watergum Drive. This will include a 1,221 sq.m medical centre, a 188 sq.m retail tenant and a pharmacy of 322 sq.m. Construction commenced on this development in December 2013.

In combination, there is 6,593 sq.m of approved retail floorspace within the Western precinct. As previously outlined, Schedule 4 of the SREP No. 30 includes retail, commercial and medical uses as being part of the floorspace restriction, of which 7,800 sq.m of such floorspace has been approved.

### **Remainder of main trade area**

Cranebrook Village SC, in the secondary west sector, is a small neighbourhood centre anchored by a 1,500 sq.m IGA supermarket plus 10 specialty shops including a small take-away food outlet. This centre would be of very little competitive relevance to the proposed facilities at Jordan Springs and offers no café/restaurant facilities for the surrounding community.

A development application has been submitted to Penrith City Council regarding the proposed expansion of this centre. The redevelopment is proposed to be completed over two stages, the first of which would include a new 3,800 sq.m



supermarket. Stage 2 would see the existing centre demolished and replaced by a 1,518 sq.m Aldi supermarket and 886 sq.m of supporting specialty retail. Upon completion, the centre would be expected to provide 6,204 sq.m of retail GLA. The redeveloped centre would be expected to include a small food catering offer, possibly including a cafe and takeaway food outlets. This site has been advertised for sale for expressions of interest about 3 years ago and no progress has been made on any redevelopment of this centre.

### **Beyond trade area**

Beyond the trade area there is a substantial provision of restaurants within the Penrith City Centre retail strip including a range of Indian and Thai restaurants, as well as independent fast-food take-away stores. The offer is somewhat uninspiring due to a lack of investment in façades and fit-outs.

Westfield Penrith provides a casual dining 'eat street' along Riley Street, which includes Hogs Breath Café, Stir Crazy Noodle Bar, Sittano's Bar & Restaurant, Sushi Bay, San Churro Chocolateria, Mad Mex and Kingston & Co. This offer is substantial and well presented, as well as being easily accessible.

An Outback Jack's Steakhouse is provided on a pad site at Nepean Village, to the south of the Penrith City Centre. The centre also contains several take-away outlets and cafés.

The Penrith Panthers Club, located south-west of the City Centre on Mulgoa Road, 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.

Cambridge Gardens accommodates a small neighbourhood centre just south of Jordan Springs, anchored by a Coles supermarket and including McDonalds, Subway and Pizza Hut fast food tenancies.

Further to the east, St Marys provides some food catering tenants, while Ropes Crossing only provides three food catering tenants. Direct access from Jordan Springs to Ropes Crossing is still some years away, and this centre does not practically serve any of the residents at Jordan Springs.

**Table 3.1**  
Jordan Springs - schedule of competing food catering facilities

Centre	Food Catering GLA* (sq.m)	Dist. by road from Jordan Springs (km)
Jordan Springs	485	0.1
Cambridge Gardens	450	1.6
Cranebrook Village SC	60	2.0
Marketland SC	50	2.3
<u>Penrith City Centre</u>	<u>5,100</u>	<u>7.0</u>
• Westfield Penrith	2,000	
• Nepean Village	600	
• Remainder CBD	2,500	
Penrith Panthers/Mulgoa Road	4,000	7.5
Ropes Crossing	230	9.7
St Marys	1,000	9.8

\*Estimated GLA

Source: Property Council of Australia; MacroPlan Dimasi

This page has been intentionally left blank.



## Section 4: Market potential and impacts

---

This section of the report assesses the demand for food catering and restaurant floorspace at the proposed mixed use development at Jordan Springs. An assessment of the likely sales potential of the proposed restaurant/retail development is also presented, along with an analysis of likely trading impacts resulting from the proposed development.

### 4.1 Market demand

Table 4.1 presents the market demand for food catering floorspace generated by main trade area residents. We have estimated the market demand for food catering floorspace using the following methodology:

- Estimated current main trade area population and future growth in this population from 2013 to 2026.
- Calculated the total retail expenditure capacity and food catering expenditure capacity of main trade area residents.
- Divided the retail expenditure capacity by a \$6,000 per sq.m retail turnover density (RTD), which is considered a successful trading performance. This RTD would be expected to increase by around 0.65% per annum, allowing for real growth in retail expenditure. The estimated demand for retail floorspace within the main trade area at present is approximately 37,910 sq.m on this basis. This retail floorspace demand is expected to grow to 60,941 sq.m by 2026.
- Divided the food catering expenditure capacity by a RTD of \$6,500 per sq.m, which is considered a successful food catering trading performance. This RTD would also be expected to increase by around 0.65% per annum, allowing for real growth in retail expenditure. The estimated demand for food catering floorspace within the main trade area is 4,540 sq.m at 2013. This food catering floorspace demand is expected to grow to around 7,745 sq.m by 2026.

- This analysis does not account for demand generated by residents beyond the main trade area.

This demand would currently be serviced by the Penrith CBD (including Westfield Penrith) and various offers near the CBD (Nepean Village and Mulgoa Road), with only a very small share serviced by offers at local shopping centres near to Jordan Springs.

The proposed café/restaurant offer would help to retain some of this demand and would provide important local dining options for existing and future residents of Jordan Springs, and would create a more vibrant and functional residential community. These uses will be complementary to the proposed supermarket anchored neighbourhood centre in Jordan Springs.

**Table 4.1**  
**Jordan Springs - Market demand for food catering floorspace**

Trade area	PTA		STA		Main trade area
	East	West	North	West	
<u>Population</u>					
• 2013	0	1,200	3,360	15,210	19,770
• 2016	0	3,000	3,510	15,810	22,320
• 2021	1,000	5,500	3,760	16,560	26,820
• 2026	2,000	6,500	4,010	17,310	29,820
<u>Retail expenditure (\$m)</u>					
• 2013	0.0	11.8	39.3	176.4	227.5
• 2016	0.0	34.4	41.9	186.9	263.2
• 2021	12.0	72.2	46.9	204.9	336.0
• 2026	27.3	93.5	52.4	224.6	397.8
<u>Food catering expenditure (\$m)</u>					
• 2013	0.0	1.6	5.1	22.8	29.5
• 2016	0.0	4.7	5.5	24.4	34.7
• 2021	1.7	10.1	6.3	27.2	45.3
• 2026	3.9	13.3	7.1	30.4	54.8
<u>Retail sales density</u>					
• 2013	6,000	6,000	6,000	6,000	6,000
• 2016	6,118	6,118	6,118	6,118	6,118
• 2021	6,319	6,319	6,319	6,319	6,319
• 2026	6,527	6,527	6,527	6,527	6,527
<u>Food catering sales density</u>					
• 2013	6,500	6,500	6,500	6,500	6,500
• 2016	6,628	6,628	6,628	6,628	6,628
• 2021	6,846	6,846	6,846	6,846	6,846
• 2026	7,071	7,071	7,071	7,071	7,071
<u>Retail demand (sq.m)</u>					
• 2013	0	1,966	6,549	29,396	37,911
• 2016	0	5,623	6,842	30,553	43,018
• 2021	1,893	11,431	7,419	32,432	53,174
• 2026	4,180	14,319	8,034	34,409	60,941
<u>Food catering demand (sq.m)</u>					
• 2013	0	247	787	3,506	4,540
• 2016	0	714	831	3,684	5,229
• 2021	245	1,478	917	3,980	6,620
• 2026	550	1,885	1,010	4,297	7,743

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

## 4.2 Estimated retail sales potential

Table 4.2 presents the sales potential estimated to be achieved by the restaurant precinct at the proposed mixed use development at Jordan Springs. The precinct is estimated to generate a total sales volume of around \$9.7 million at 2015/16, reflecting an average retail turnover density of \$5,160 per sq.m. This low RTD reflects the estimated performance of the development in its first year of trade. Over time this sales performance is expected to improve, as the precinct establishes within the market and more residents move into Jordan Springs.

Tenant	GLA	RTD	Est. Sales
Food Catering	1,275	5,000	6,375,000
Other Retail	<u>601</u>	<u>5,500</u>	<u>3,305,500</u>
<b>Total</b>	<b>1,876</b>	<b>5,160</b>	<b>9,680,500</b>

*\*Constant 2012/13 dollars & including GST*  
*Source: MacroPlan Dimasi*

Table 4.3 presents the potential market shares that could be achieved by the proposed retail/restaurant precinct at Jordan Springs at 2015/16. The precinct is estimated to achieve a 14.7% market share of main trade area food catering expenditure but only a 2.9% market share of main trade area retail expenditure.



**Table 4.3**  
**Jordan Springs - Estimated retail market shares, 2015/16\***

Trade area	Retail Expenditure		Centre Sales		Market Share	
	Food Cat. (\$M)	Total Retail (\$M)	Food Cat. (\$M)	Total Retail (\$M)	Food Cat. (%)	Total Retail (%)
Primary sectors						
• East	0.0	0.0	0.0	0.0	0.0%	0.0%
• West	<u>4.7</u>	<u>34.4</u>	<u>1.4</u>	<u>2.9</u>	<u>30.3%</u>	<u>8.4%</u>
Primary sector	4.7	34.4	1.4	2.9	30.3%	8.4%
Secondary sectors						
• North	5.5	41.9	0.8	1.0	14.5%	2.3%
• West	<u>24.4</u>	<u>186.9</u>	<u>2.9</u>	<u>3.9</u>	<u>11.8%</u>	<u>2.1%</u>
Total secondary	29.9	228.8	3.7	4.8	12.3%	2.1%
<b>Main TA</b>	<b>34.7</b>	<b>263.2</b>	<b>5.1</b>	<b>7.7</b>	<b>14.7%</b>	<b>2.9%</b>
Sales from beyond TA			<u>1.3</u>	<u>1.9</u>		
<b>Total centre sales</b>			<b>6.4</b>	<b>9.7</b>		

\*Constant 2012/13 dollars & including GST

Source: CID Group; Marketinfo; MacroPlan Dimasi

### 4.3 Estimated trading impacts

In order to understand whether any particular centre may be impacted to the extent its continued viability is in question, we have estimated specific retail impacts that we expect surrounding centre to experience under the proposed development of the Jordan Springs mixed use development.

We have estimated the trading impacts using the following methodology, assuming the first fully year of trade will be 2015/16:

- First, the estimated retail sales potential of the proposed Jordan Springs mixed use development is calculated at 2015/16, as detailed in the previous subsection.
- Sales are then estimated across the surrounding competitive supply network as at 2012/13 based on inspections of the various facilities, available data sets plus other known information.

## Section 4: Market potential and impacts

- Sales for the surrounding competitive supply network as at 2015/16 are then estimated, under the 'do nothing' scenario i.e. assuming the Jordan Springs mixed use development does not proceed. These estimated sales figures have regard for the competitive impacts expected to be derived from the development of the Woolworths anchored Jordan Springs neighbourhood centre.
- Sales projections for the surrounding competitive supply network as at 2015/16 are then estimated, assuming the development of the proposed Jordan Springs mixed use development. The likely trading impact is then determined by comparing the estimated sales for each centre under the 'do nothing' scenario and under the proposed scheme.

Table 4.4 presents the estimated distribution of impacts across the surrounding competitive network. The impacts estimated to be absorbed across the surrounding retail network as a result of the development of the new restaurant precinct are in the order of \$9.7 million.

The largest impacts, on a sales volume basis, are estimated to be experienced by the Penrith CBD, which includes Westfield Penrith, with impacts estimated at around \$4.5 million in 2015/16.

Penrith Panthers/Mulgoa Road is estimated to experience the largest impacts in percentage terms, at around 5.9%.

**Table 4.4**  
Jordan Springs - Estimated Impact on Specific Centres\*

Centres	Unit	Estimated 2012/13	Projected 2015/16		Est. Impacts	
			Without Development	With Development	\$M	%
Jordan Springs MUD	\$M	NA	NA	9.7	9.7	NA
<b>Impacted centres</b>						
Jordan Springs NC	\$M	NA	32.5	32.3	-0.2	-0.6%
Cambridge Gardens	\$M	34.3	30.7	30.6	-0.1	-0.3%
Penrith City Centre	\$M	958.5	1,034.4	1,029.8	-4.5	-0.4%
Penrith Panthers/Mulgoa Road	\$M	30.0	33.0	31.1	-1.9	-5.9%
Ropes Crossing	\$M	22.0	24.0	24.0	0.0	0.0%
St Marys	\$M	<u>224.8</u>	<u>245.3</u>	<u>245.3</u>	<u>0.0</u>	<u>0.0%</u>
<b>Total impacted centres</b>	<b>\$M</b>	<b>1,269.6</b>	<b>1,399.9</b>	<b>1,393.1</b>	<b>-6.8</b>	<b>-0.5%</b>
Other floorspace	\$M	-	-	-	-2.9	-
<b>Total</b>	<b>\$M</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-9.7</b>	<b>-</b>

\*Constant 2012/13 dollars & including GST

Source: Shopping Centre Council; MacroPlan Dimasi

#### 4.4 Economic benefits

The retail/restaurant precinct within the proposed Jordan Springs mixed use development would result in additional on-going employment on site, as well as further job creation through the supply chain, across industries servicing the retail tenants at the site, such as transport workers, wholesalers and the like.

Table 4.5 presents the estimates of employment within the retail/restaurant component at the proposed Jordan Springs mixed use development. Under the proposed scheme, around 100 persons are estimated to be employed within the retail/restaurant precinct.

ABS input/output multipliers measure general economic flows between industry sectors. There are several types of input/output multipliers that can be relied upon. On the premise of estimating small scale and localised impacts, we believe employment multipliers are most suitable for estimating the employment effects of the proposed development. Based upon the ABS employment multiplier for the retail industry, we estimate this development would also lead to a further 40 multiplier induced jobs throughout the broader economy.

**Table 4.5**  
**Jordan Springs - estimated future additional centre employment levels**

Type of use	Estimated employment per '000 sq.m	Jordan Springs	
		GLA (sq.m)	Employment (persons)
Retail and non-retail services	40	2,497	100
Supplier induced employment	-	-	<u>40</u>
<b>Total additional employment*</b>	-	-	<b>140</b>

*\* Indicates the estimated number of net additional ongoing jobs as a result of the proposed development*

*Source: CID Group; MacroPlan Dimasi*

In addition, the proposed retail/restaurant precinct at the Jordan Springs mixed use development site would provide a range of community benefits to residents of the surrounding region, including:

- Increased convenience and amenity for residents of the trade area.
- A community focal point for entertainment and lifestyle uses, such as casual dining.
- Increased employment opportunities for local residents.
- A reduction in vehicle kilometres travelled by trade area residents to access casual dining facilities as well as convenience retailing and related services.





