

# IPG BRADFIELD – ECONOMIC ASSESSMENT

Prepared for Ingham Property Group  
June 2024

# COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION

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**We acknowledge, in each of our offices, the Traditional Owners on whose land we stand.**

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**Urbis staff responsible for this report were:**

Director	Princess Ventura
Senior Consultant	Declan Foley
Consultant	Max Forrester
Research Analyst	Alana Doherty

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# INTRODUCTION

## PROJECT BACKGROUND AND PURPOSE

Ingham Property Group (IPG) requires three economics assessments as part of their broader master plan for 475 Badgerys Creek Road, Bradfield (Subject Site).

These assessments have been requested by the NSW Department of Planning and Environment (NSW DPE) as part of their Technical Assurance Program (TAP), which is a multi-agency co-design process. Key stakeholders such as the NSW DPE, Western Parkland City Authority (WPCA) and Transport for NSW (TfNSW) are interested in the overall economic impact of the proposal, with a particular interest in the relationship between the consolidated local centre (Subject Site Proposed Centre) and the Bradfield City Centre.

Urbis has been engaged to complete the three economic impact assessments as well as a retail demand assessment for the Subject Site Proposed Centre.

An indicative layout of the proposed master plan is shown in Map 1.4 on page 11 of this report.

**This report is an update of the economic impact assessment submitted to the TAP in February 2023 and the Further Analysis (Addendum) submitted in May 2023 which addressed the request for further analysis by the TAP.**

## REPORT STRUCTURE

The analysis presented in this report is structured as follows:

- **Section 1: Site Context** – outlines the Subject Site, local and strategic context. An overview of the proposed master plan is also provided.
- **Section 2: Retail Market Depth and Demand Analysis** – assesses the appropriate scale and mix of retail floorspace that can be supported at the Subject Site. We have also assessed demand for complimentary non-retail uses (gym, medical centre, pub/hotel).
- **Section 3: Retail Impact Assessment** – assesses the potential impact the proposed retail floorspace (derived from Section 2) within the Subject Site could have on its competitors, including Bradfield City Centre.
- **Section 4: Commercial Impact Assessment** – assesses the potential impact the proposed commercial office floorspace within the Subject Site could have on its competitors, including Bradfield City Centre.
- **Section 5: Economic Benefits** – determines the economic benefits of the proposed master plan if fully developed throughout its construction phase and ongoing operations.
- **Section 6: Further Analysis** – this section presents additional analysis requested by Departments and Agencies as part of the Technical Assurance Panel (TAP) process on the original economic impact assessment report submitted to the TAP in February 2023.

# EXECUTIVE SUMMARY

## Proposed Development

The Subject Site is 184 Hectares in size in Bradfield adjacent to the proposed Western Sydney Airport. The Subject Site is situated within the Western Sydney Aerotropolis (WSA). The WSA is largely undeveloped with the IPG set to be one of the first significant developers.

The proposed master plan for the Subject Site (see Map 1.4) is proposed to include:

### Enterprise Estate

- 481,960 sq.m of warehouse floorspace
- 24,570 sq.m of ancillary office floorspace
- 6,579 sq.m of business / enterprise floorspace
- 520 sq.m of café / amenity floorspace.

### Local Centre

- 91,540 sq.m of commercial / retail floorspace
- 20,298 sq.m of business / enterprise floorspace.

This master plan would require changes to the current Land Use Structure Plan of the Western Sydney Aerotropolis including a road realignment, increased lot sizes and a consolidation of two planned neighbourhood centres into one combined local centre (Subject Site Proposed Centre).



## Retail Demand and Impact Assessments

In order to determine the supportable retail floorspace (and complimentary non-retail floorspace) of the Subject Site Proposed Centre we completed a Retail Demand Assessment.

This assessment found that the Subject Site Proposed Centre, once complete in 2030, could support:

- ~4,900 sq.m of retail floorspace to mostly comprise of food-based retail and retail services for workers, including a metro supermarket.
- ~1,700 sq.m of non-retail including a gym and medical centre
- ~900 sq.m pub / hotel offer.

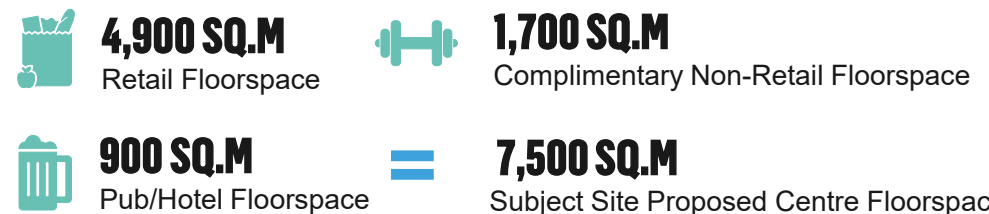
Together these uses account for a recommended 7,500 sq.m of centre floorspace (retail and complimentary non-retail uses).

For the supportable 4,900 sq.m of retail floorspace we then undertook a Retail Impact Assessment. For this assessment we have assumed 2055 as the impact year as this is when all the planned centres are expected to be competed and when the Subject Site Proposed Centre is expected to be fully developed.

The Subject Site Proposed Centre is expected to have a minimal impact on the turnover of its competitors largely due to being the result of consolidating two planned neighbourhood centres into a combined local centre, rather than bringing additional retail (beyond what is planned) into the area. The forecast impacts of the Subject Site Proposed Centre on the turnover of its competitors are as follows:

- 8.1% on the GDC (Greenfield Development Company) Site Local Centre (~0.4 km south)
- 1.5% on the Bradfield City Centre
- <6.1% on all other competitors.

As such, the Subject Site Proposed Centre is unlikely to undermine the commercial viability of other planned centres. An impact summary is provided in Table E.1, overleaf, with the competitive context provided on Map E.1 on page 8.



# EXECUTIVE SUMMARY

Distribution of Potential Impacts of Subject Site Proposed Centre

Table E.1

MAP #	DEVELOPMENT NAME	RETAIL GFA (SQ.M)	<u>ESTIMATED CENTRE TURNOVER (2055)</u>		<u>IMPACT</u>	
			BEFORE IMPACT	POST IMPACT	EXPENDITURE (\$)	(%)
*	Subject Site Proposed Centre	4,900	\$0	\$46,897,560	\$46,897,560	
◆	Subject Site Neighbourhood Centre 1	2,000	\$12,972,820	\$0	-\$12,972,820	
▲	Subject Site Neighbourhood Centre 2	2,000	\$12,972,820	\$0	-\$12,972,820	
1	Neighbourhood Centre 1	2,000	\$12,972,820	\$12,193,440	-\$779,380	-6.0%
2	Neighbourhood Centre 2	2,000	\$12,972,820	\$12,193,440	-\$779,380	-6.0%
3	Neighbourhood Centre 3	2,000	\$12,972,820	\$12,661,070	-\$311,750	-2.4%
4	Local Centre 1 (GDC Site Local Centre)	8,600	\$86,644,720	\$79,630,310	-\$7,014,410	-8.1%
5	Local Centre 2	6,000	\$60,449,810	\$58,891,050	-\$1,558,760	-2.6%
6	Bradfield City Centre	96,000	\$589,511,640	\$580,626,710	-\$8,884,930	-1.5%

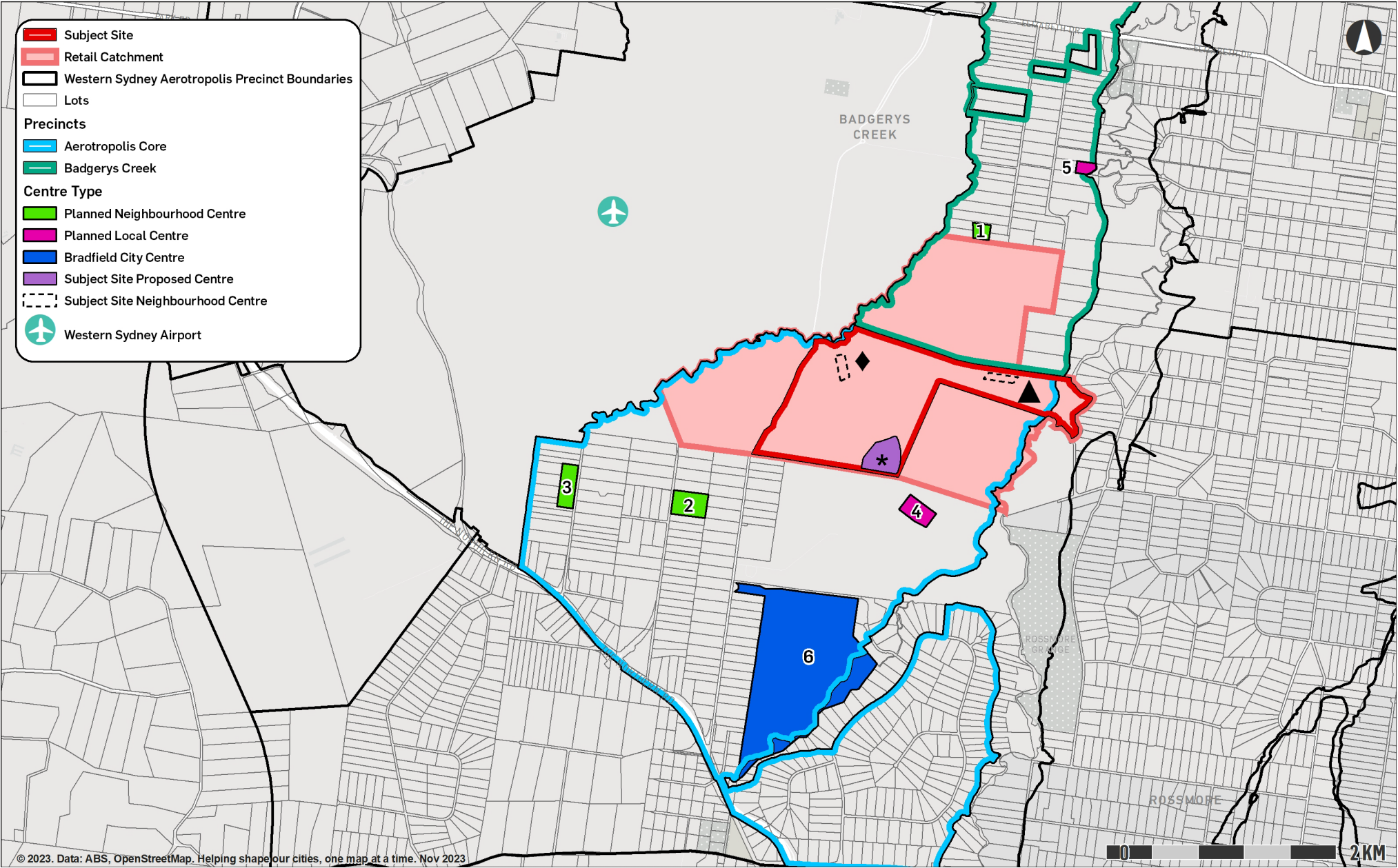
Note: Map Code figures align with numbers on Map E.1 overleaf

Source: IPG, TfNSW, ABS, Marketinfo, Western Sydney Aerotropolis Precinct Plan 2022, Urbis

# EXECUTIVE SUMMARY

## Competitive Context of Competing Planned Centres (including Bradfield City Centre)

Map E.1



Note: The numbers (1-6), asterisk, diamond and triangle can be assigned to the map code for the centres listed in Table E.1 on the previous page.

# EXECUTIVE SUMMARY

## Commercial Impact Assessment

We have similarly completed a Commercial Impact Assessment to determine the impact of the proposed commercial office floorspace on the Bradfield City Centre.

For this assessment we have also assumed the full development year at 2055.

We expect that there will be demand for around 649,800 sq.m of commercial office floorspace by 2055.

The Bradfield City Centre is estimated to deliver 470,000 sq.m of commercial office floorspace, while the Subject Site is expected to deliver around 84,000 sq.m. Together, this equates to 554,000 sq.m.

When comparing demand and supply there is still expected to be a deficit of around 95,800 sq.m.

Given that there is still expected to be a large deficit when considering the ~84,000 sq.m to be delivered by the Subject Site, the commercial viability of Bradfield City Centre is not expected to be undermined by the Subject Site development.

The ~95,800 sq.m is also still an adequate amount of demand available to support additional commercial floorspace in other zoned employment land outside of the Subject Site and Bradfield City Centre but within the Commercial Office Catchment.

### Commercial Office Catchment Demand and Supply Table E.2

	UNITS	2055
<b>Sustainable Office Floorspace Demand</b>	<b>sq.m</b>	<b>649,800</b>
Bradfield City Centre Commercial Office Supply (at full development)	sq.m	470,000
Subject Site Commercial Office Supply (at full development)	sq.m	84,000
<b>Total Commercial Office Supply (at full development)</b>	<b>sq.m</b>	<b>554,000</b>
<b>Gap (+surplus/-deficit)</b>	<b>sq.m</b>	<b>-95,800</b>

## Economic Benefits Assessment

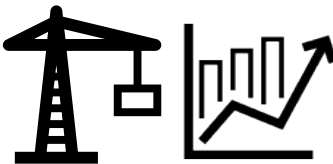
The proposed development with an estimated construction cost of \$998.9 million (inc. GST) will generate significant employment and economic benefits for Western Sydney and wider NSW. These benefits include:

- **700 direct and indirect construction related jobs** per annum on average over the six-year construction period.
- **\$683.5 million Gross Value Added (GVA)** to the NSW economy from construction, in net present value terms.
- **12,429 direct and indirect jobs generated on site and in the surrounding region** on an ongoing basis during operation of the Subject Site.
- **\$2.59 billion of annual direct and indirect GVA contribution** to the State economy on an ongoing basis, in net present value terms.



700

**JOBS SUPPORTED DURING  
CONSTRUCTION PHASE**



**\$683.5 MILLION GVA  
EXPECTED CONTRIBUTION  
OF THE CONSTRUCTION  
PHASE TO THE  
NSW ECONOMY**



12,429

**JOBS SUPPORTED THROUGHOUT  
ONGOING OPERATIONS**



**\$2.59 BILLION GVA P.A.  
EXPECTED CONTRIBUTION  
OF THE ONGOING  
OPERATIONS TO THE  
NSW ECONOMY**



# EXECUTIVE SUMMARY

## Role and Function of Centres

### Classification of the Subject Site Proposed Centre

The Subject Site Proposed Centre can be defined as a local centre. We have classified it as a local centre as it meets the guidelines set out in the WSA Precinct Plan for a local centre, namely it:

- **Acts as a local gathering place, particularly for employers/employees:** The potential ~900 sq.m Pub / Hotel will act as local gathering places for surrounding workers throughout their workday (before, during and after work).
- **Provides a supermarket or large grocery store:** The potential ~820 sq.m food retail offer can be defined as a small supermarket.
- **Provides personal services:** the inclusion of a ~1,200 sq.m gym can be considered a personal service

### Case Studies

We completed six case studies of worker and resident serving retail across Greater Sydney to justify that the Subject Site Proposed Centre and the GDC Site Local Centre can co-exist 400 metres away from each other. The six case studies include St Leonards / Crows Nest, Chatswood, Castle Hill / Norwest, North Penrith / Penrith, Wetherill Park and Gregory Hills.

Our key findings include:

- Retail offerings in employment land and regional office precincts which do not rely much on trade from residents are mostly ~2,500 sq.m – 6,000 sq.m in scale (doesn't include bulky goods and non-retail floorspace). The Subject Site Proposed Centre fall within this size range with 4,900 sq.m of retail floorspace.
- All the assessed worker retail offerings are 0.3km – 1km from the nearby resident serving centres, noting that Chatswood, St Leonards, North Penrith and Wetherill Park are less than 700 metres. These distances indicate that centres do not have to be a minimum of 1.5km away from each other as desired by the WSA Precinct Plan.

As such, the Subject Site Proposed Centre and the GDC Site Local Centre can co-exist successfully as they serve a different role and function. Further to this our supportability assessment for each centre (refer to Table 2.3 for the Subject Site Proposed Centre and Table 6.22 for the GDC Site Local Centre) shows that there is sufficient demand to support both centres.

## Low Case Sensitivity Analysis

We completed a low case sensitivity analysis for the retail impacts of the Subject Site Proposed Centre which only takes the TfNSW worker population forecast into account.

The key difference between the low case sensitivity analysis and the base case retail impact assessment (shown in Table E.1) is that the worker population as at 2055 is reduced to 6,056 workers (compared to the 10,860 workers assessed when taking the Subject Site Proposed Development into account).

As such, the retail expenditure generated by the Retail Catchment in the low case is to be lower at \$48.70 million in 2055 of which the Subject Site Proposed Centre is expected to retain \$23.33 million, compared to \$46.90 million when taking the Subject Site Proposed Development into account.

As a result of the lower turnover, the Subject Site Centre is expected to have lower impacts than the base case on its competitors, with the impacts summarised below:

- 3.5% on the GDC Site Local Centre
- 0.7% on the Bradfield City Centre
- <3% on all other competitors.

# EXECUTIVE SUMMARY

## Cumulative Impacts Assessment

In order to determine the impacts of the proposed consolidation of the Subject Site Proposed Centre and the GDC Site Local Centre, we conducted a retail impact assessment of the impacts of both of these centres being developed to other competing planned centres, including the Bradfield City Centre.

In order to do this, we first had to complete a retail demand assessment for the GDC Local Centre to determine its potential floorspace at 'full development' in 2055.

This assessment of the GDC Site Local Centre found that the centre, assumed to be completed in 2055, could support:

- ~8,600 sq.m of retail floorspace
- ~2,900 sq.m of complementary non-retail floorspace (gym, childcare, etc.).

Together these uses account for a recommended 11,500 sq.m of floorspace.

We then used these figures to complete a cumulative retail impacts assessment of the Subject Site Centre (4,900 sq.m of retail) and the GDC Site Local Centre (8,600 sq.m of retail).

To assess the cumulative retail impacts of these centres we had to use a different approach to the retail impact analysis conducted for the Subject Site Centre (seen in Table E.1).

The reason for this is that for the Subject Site Proposed Centre the impacts were for the consolidation of two centres to one local centre, which is a different outcome to what was planned in the WSA Precinct Plan. In comparison, the GDC Site Local Centre has already been planned for in the WSA Precinct Plan so we cannot do a retail assessment impact assessment in the same way we did for the Subject Site Proposed Centre.

Our approach for the cumulative retail impacts assessment is instead more in line with the commercial office impact assessment (shown in Table 4.3) where we compare demand and supply to determine the potential impacts.

Under this approach (shown in Tables E.4 and E.5 overleaf), the cumulative impacts of the Subject Site and the GDC Site Local Centre are not expected to undermine the commercial viability of the Bradfield City Centre and other planned centre competitors.

The reason for this is that when comparing the demand and supply of all the centres at 'full development' in 2055, there is still expected to be an undersupply of around 33,547 sq.m when accounting for the Subject Site Proposed Centre and the GDC Site Local Centre. Having a gap of this size also indicates that the

proposed retail amenity nodes at the Subject Site will not undermine the commercial viability of its competitors.

Further to this, it is likely that the demand for retail floorspace within the Cumulative Retail Impacts Catchment is a conservative figure. The reason for this is that as the catchment reaches 'full development' by 2055 there is likely to be an intensification of uses to what has been allowed for in zoning and job densities in the WSA Precinct Plan. For example, the industrial area in South Sydney around the Sydney Airport has seen land uses highly intensify over the last 20 years (office and high-density residential developments), which has resulted in a higher combined resident and worker population.

If the same intensification of uses occurs around the WSA by 2055, the retail floorspace demand and resulting undersupply within the Cumulative Retail Impacts Catchment will be much higher than what we have forecast.

Centres Retail Floorspace (sq.m)

Table E.3

CENTRE	BEFORE IMPACT	POST IMPACT
Subject Site Proposed Centre	0	4,900
Subject Site Neighbourhood Centre 1	2,000	0
Subject Site Neighbourhood Centre 2	2,000	0
Neighbourhood Centre 1	2,000	2,000
Neighbourhood Centre 2	2,000	2,000
Neighbourhood Centre 3	2,000	2,000
Local Centre 1 (GDC Site Local Centre)	6,000	8,600
Local Centre 2	6,000	6,000
Bradfield City Centre	96,000	96,000
<b>Total Floorspace (sq.m)</b>	<b>118,000</b>	<b>121,500</b>

Source: WPCA; WSA Precinct Plan 2022; Urbis

# EXECUTIVE SUMMARY

## Cumulative Impacts Catchment Retail Floorspace Demand, 2055

Table E.4

	FOOD RETAIL	FOOD CATERING	APPAREL	HOMEWARES	ELECTRONICS	BULKY GOODS	LEISURE/GENERAL	RETAIL SERVICES	TOTAL
Resident Population	26,342								<b>26,342</b>
Annual Resident Spend Per Capita (\$)	\$7,870	\$2,535	\$1,924	\$375	\$738	\$1,991	\$1,595	\$432	<b>\$17,460</b>
<b>Resident Spending Market (\$M)</b>	<b>\$187.7</b>	<b>\$60.5</b>	<b>\$45.9</b>	<b>\$8.9</b>	<b>\$17.6</b>	<b>\$47.5</b>	<b>\$38.0</b>	<b>\$10.3</b>	<b>\$416.5</b>
Worker Population	94,042								<b>94,042</b>
Average Worker Spend Per Year (\$)	\$1,360	\$3,358	\$1,120	\$504	\$258	\$55	\$766	\$621	<b>\$8,041</b>
<b>Worker Spending Market (\$M)</b>	<b>\$127.9</b>	<b>\$315.8</b>	<b>\$105.3</b>	<b>\$47.4</b>	<b>\$24.3</b>	<b>\$5.1</b>	<b>\$72.0</b>	<b>\$58.4</b>	<b>\$756.2</b>
<b>Total Spending Market (\$M)</b>	<b>\$315.6</b>	<b>\$376.3</b>	<b>\$151.2</b>	<b>\$56.3</b>	<b>\$41.9</b>	<b>\$52.6</b>	<b>\$110.1</b>	<b>\$68.7</b>	<b>\$1,172.7</b>
Turnover per Sq.m (\$/sq.m)	\$8,781	\$7,679	\$5,889	\$7,751	\$7,722	\$8,042	\$7,301	\$6,790	<b>\$7,564</b>
<b>Retail Floorspace Demand (sq.m)</b>	<b>35,943</b>	<b>49,004</b>	<b>25,671</b>	<b>7,263</b>	<b>5,428</b>	<b>6,545</b>	<b>15,076</b>	<b>10,117</b>	<b>155,047</b>

Source: TfNSW; NSW DPE; WPCA; WSA Precinct Plan 2022; Marketinfo; Urbis

## Cumulative Retail Impacts Catchment Gap Assessment (sq.m), 2055

Table E.5

	BEFORE IMPACT	POST IMPACT
Retail Floorspace Demand	155,040	155,040
Centres Retail Floorspace Supply	118,000	121,500
<b>Supply Deficit</b>	<b>-37,047</b>	<b>-33,547</b>

Source: TfNSW; NSW DPE; WPCA; WSA Precinct Plan 2022; Marketinfo; Urbis



# 1.0

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## **SITE CONTEXT**

# SUBJECT SITE CONTEXT

## Key Findings

Ingham Property Group's (IPG's) landholding is located at 475 Badgerys Creek Road, Bradfield. The Subject Site is approximately 184 Hectares (ha) in size and has a 1.1 km frontage along Badgerys Creek Road which connects the site to the near adjacent future Western Sydney Airport (~2026 completion). The Subject Site sits within the Aerotropolis Core precinct of the Western Sydney Aerotropolis (WSA).

Currently, the site is largely rural land, cleared of vegetation that is currently used for agricultural purposes. The Subject Site used to be an operational chicken farm, run by IPG.

The Subject Site is bound by two significant riparian corridors which define Western Sydney, with South Creek to the east and Badgerys Creek to the north-west. The South Creek is part of the Wianamatta – South Creek precinct of the WSA.

The immediate surroundings of the site are characterised by large rural landholdings used predominately for agricultural and light manufacturing purposes. These areas are expected to undergo significant development over the medium to long term as part of the WSA.

## Subject Site Context

Map 1.1



Source: Urbis



# LOCAL CONTEXT

## Key Findings

The Subject Site is part of the Western Sydney Aerotropolis (WSA) which will aim to leverage the future Western Sydney Airport by delivering employment lands which meet Metropolitan Sydney's long term freight, logistics and industrial needs.

There are 10 precincts within the WSA, of which six have already been rezoned. Mamre Road was rezoned in June 2020, with five initial precincts also rezoned as part of the WSA Precinct Plan in March 2022 (amended in May 2023), including the Aerotropolis Core, Badgerys Creek, Northern Gateway, Agribusiness and Wianamatta-South Creek precincts.

The remaining four precincts to be rezoned at a later date include Rossmore, Kemps Creek, Dwyer Road and North Luddenham.

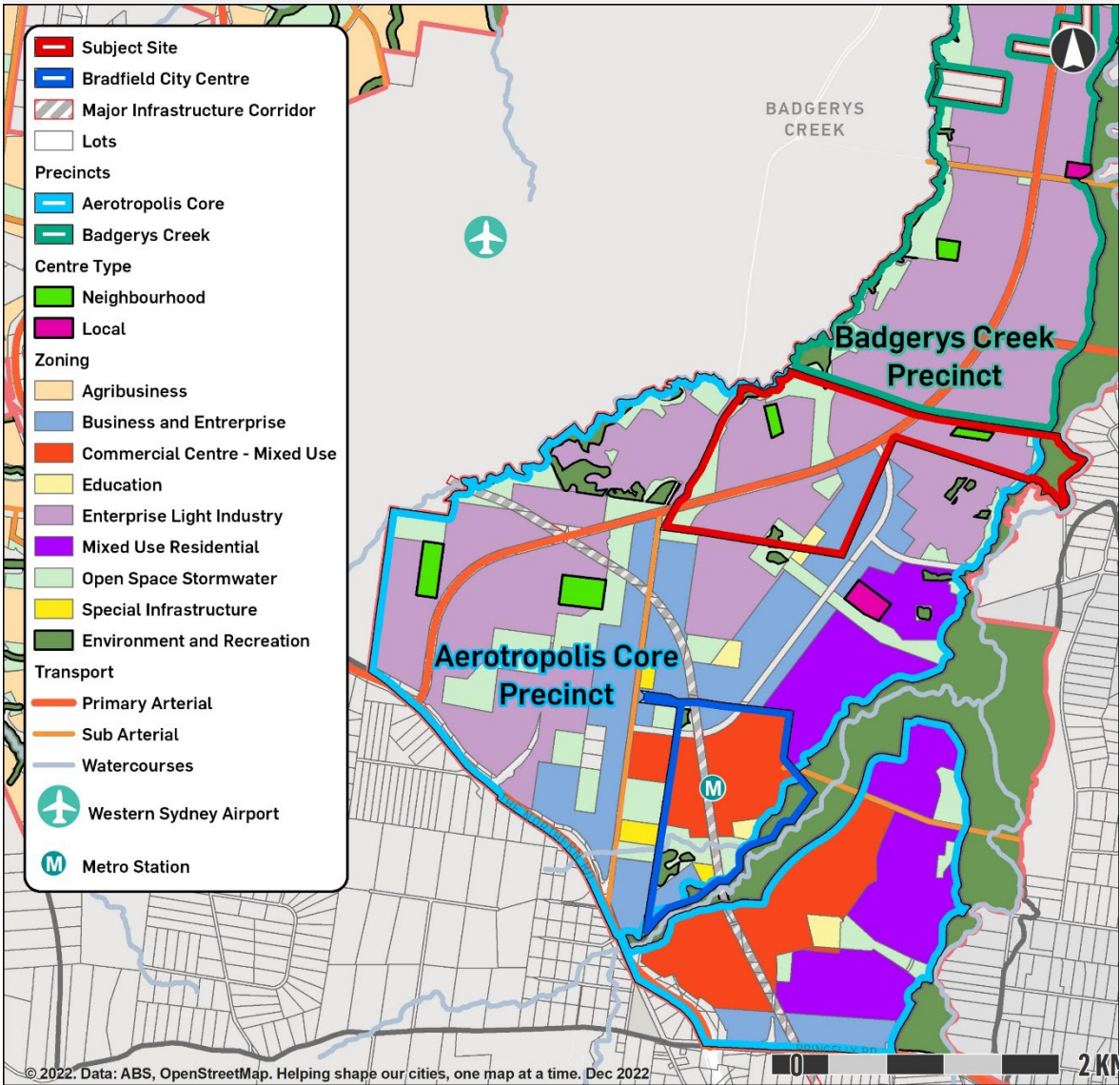
The map opposite shows the Land Use and Structure Plan of the WSA area surrounding the Subject Site. The Subject Site sits within the northern boundary of the Aerotropolis Core precinct. The Aerotropolis Core will be a dense urban precinct planned around the Aerotropolis Metro station and the Wianamatta-South Creek Corridor system. The precinct will support knowledge intensive industries such as advanced manufacturing, research and development and other similar industries. The precinct will have some residential developments in areas not significantly affected by aircraft noise.

Around 90% of the Subject Site is zoned as enterprise and light industry or business and enterprise. As such it is well suited to logistics and business park type uses. It also features land zoned for two neighbourhood centres expected to support the surrounding industrial and business uses, with the remainder of the site zoned for open space and education uses. The Eastern Ring Road, a planned primary arterial road, is also shown to cut through the Subject Site.

The Bradfield City Centre is also shown to be around 2.6 km south of the Subject Site. This centre is expected to be the commercial core and major retail centre in the WSA. A further two local and four neighbourhood centres are also shown to be in the Badgerys Creek and Aerotropolis Core Precincts.

## Local Context Map

Map 1.2



Source: DPE 2022, Urbis

# STRATEGIC CONTEXT

## Key Findings

The map opposite shows the key areas of residential, employment and infrastructure development within the WSA and surrounding areas.

There is substantial residential development expected to occur in the South West Growth Area to the south of the WSA. Further south is the Greater Macarthur Growth Area.

The planned North-South Transport Corridor and South West Rail Link extension will greatly improve transport connectivity between the WSA and the rest of Greater Sydney.

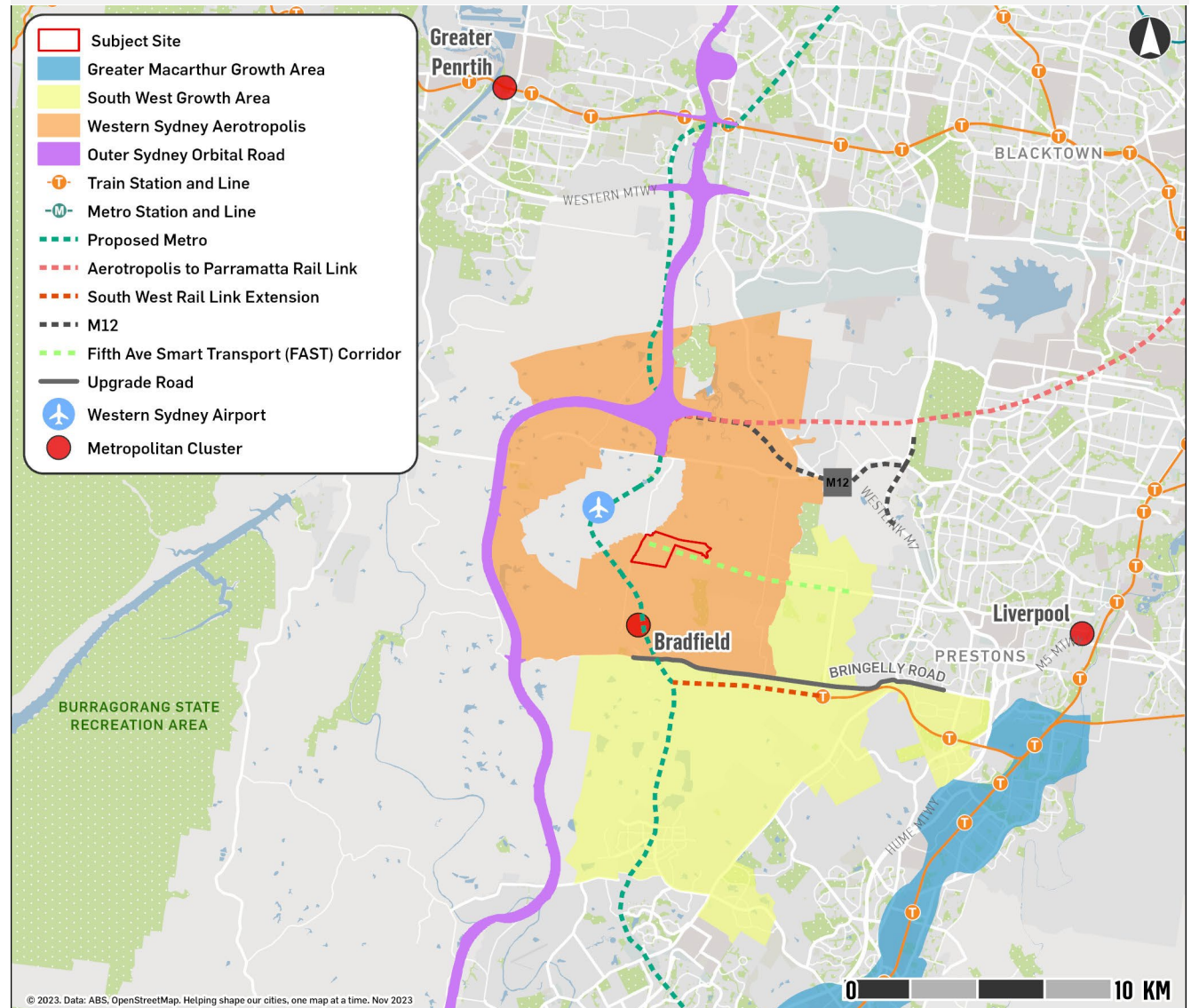
Other key transport projects include:

- A new east to west mass transit corridor connecting the WPS to the Parramatta CBD
- The M12 Motorway which will link the M7 Motorway to the Western Sydney Airport, expected to be delivered by 2025
- Additional rapid bus services and Fifteenth Avenue Smart Transit (FAST) Corridor, connecting WSA to Western Sydney metropolitan centres. Bus services are expected to be delivered by 2026.
- The planned Outer Sydney Orbital Road, expected to be complete in 2030.

The map highlights the extent to which transport connectivity will be developed over the next two decades within the WSA and surrounding regions. This improved connectivity will help facilitate the development of the WSA into a major retail and commercial district.

## Strategic Context Map

Map 1.3





# THE PROPOSAL

## Overview

The proposed master plan for the Subject Site, shown in Map 1.4 opposite, involves significant changes from the current WSA zoning. The changes proposed are inclusive of the key objectives outlined in the precinct plan.

The proposed master plan requires the following key changes to the current Land Use and Structure Plan of the WSA:

- A realignment of the Eastern Ring Road
- Increased average lot sizes to allow for greater lot efficiency under a “super lot” strategy. The super lots can be subdivided in future if required.
- A proposed centre (Subject Site Proposed Centre) which involves consolidating the two existing planned neighbourhood centres into one centre on the corner of Eastern Ring Road and Fifteenth Avenue.
- Removal of the education zone and minor changes to the open space and environmental and recreation zoning.
- Allow for four café / amenity nodes which will feature 100 – 200 sq.m of retail floorspace each. Likely to feature small cafes or takeaway food outlets.

If approved, the proposed master plan is expected to feature:

### Enterprise Estate

- 481,960 sq.m of warehouse floorspace
- 24,570 sq.m of ancillary office floorspace
- 6,579 sq.m of business / enterprise floorspace
- 520 sq.m of café / amenity floorspace.

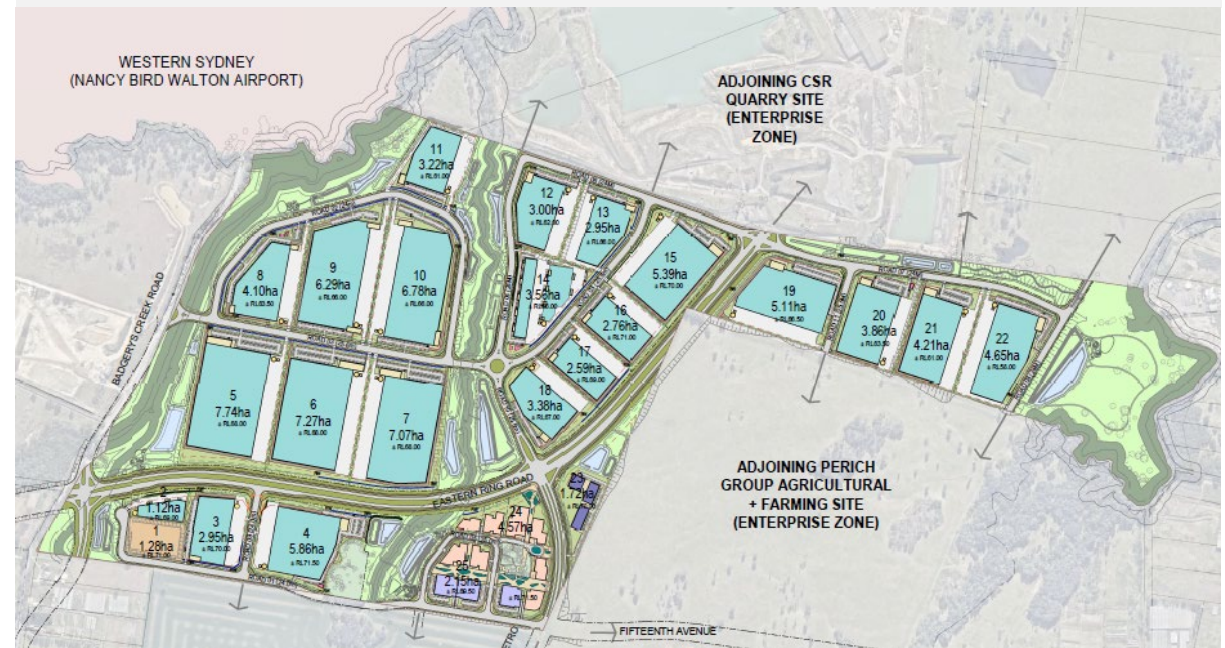
### Local Centre

- 91,540 sq.m of commercial / retail floorspace
- 20,298 sq.m of business / enterprise floorspace.

Urbis have also prepared a plan for the Subject Site under the existing planning controls (see Map A.1 in the Appendix). **In this report we have based our analysis on the proposed master plan (Map 1.4).**

## Proposed Subject Site Master Plan

Map 1.4



### Legend

	WAREHOUSE		COMMERCIAL / RETAIL		LOCAL PARK		AMENITIES
	ANCILLARY OFFICE		BUSINESS/ ENTERPRISE USE		SUBSTATION		RIPARIAN CORRIDORS
	BUSINESS PARK		FIRE SERVICES		FIRE TRAIL		STORAGE BASIN
	FUTURE CUL-DE-SAC		HARDSTAND		FOOTPATHS		SW SWALE

Source: SBA Architects – Architectural Design Statement (Revision T)

# 2.0

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## **RETAIL MARKET DEPTH AND DEMAND ANALYSIS**

# RETAIL CATCHMENT DEFINITION

## Key Findings

In this section of the report, we assess the likely demand (supportable floorspace) for retail and complimentary non-retail (local services, gym, medical, etc.) uses at the Subject Site.

To do this we first defined a Retail Catchment which will inform the potential spending at the Subject Site.

The definition of the Retail Catchment (be it worker or residential) for any retail development is determined by several factors including:

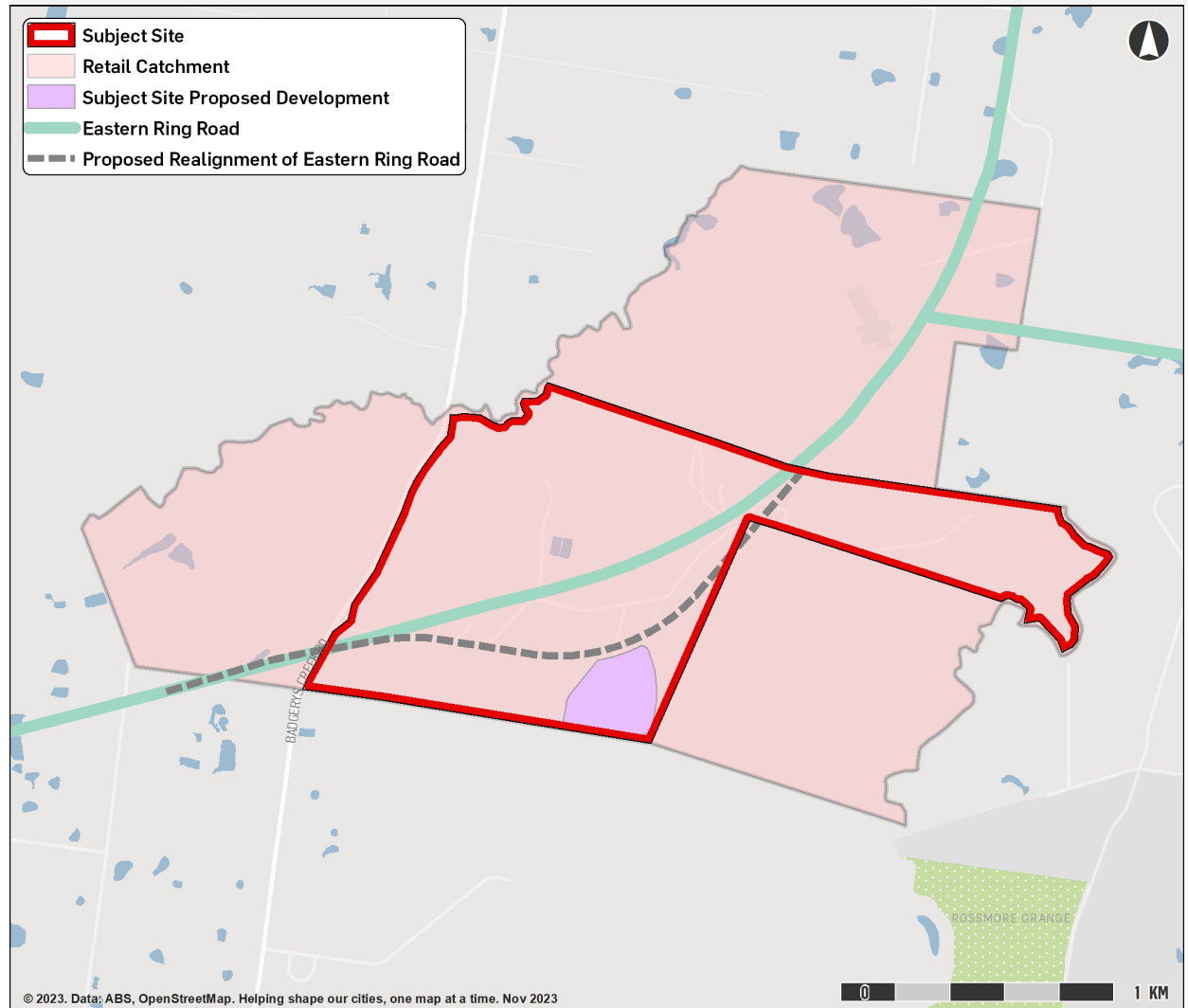
- Proximity to customer base, namely residential and employment land uses
- The proximity and scale of competing facilities
- The accessibility, including the road and transport network, and access to parking
- Physical barriers such as freeways, rivers/lakes, bushland and drive times.

Based on the above we defined the Retail Catchment shown in Map 2.1 opposite. This Retail Catchment is limited by the competing planned neighbourhood and local centres to the north and south as well as the Bradfield City Centre further south. It is also constrained by future Western Sydney Airport to the west and South Creek to the east. As such, the Subject Site Proposed Centre is not expected to attract a material amount of retail spending from visitors and workers from the future Western Sydney Airport or potential residents from the planned Rossmore residential greenfield precinct.

This Retail Catchment is expected to only comprise of workers as it features no residential zoned land. As such, a retail development at the Subject Site should only consider uses which are appropriate for workers. Further to this, as the Retail Catchment comprises of all workers who work within the defined area, it accounts for workers who may use the Fifteenth Avenue Transport Corridor to travel to work within this area.

## Retail Catchment

Map 2.1



Source: Urbis

# WORKER POPULATION FORECAST

## Key Findings

In order to estimated the Retail Catchment spending we forecast the worker population of the Retail Catchment from 2030 to 2055.

We have provided worker population projections for the Retail Catchment for the Subject Site and the Remainder of the Retail Catchment. Our approach for each component is as follows:

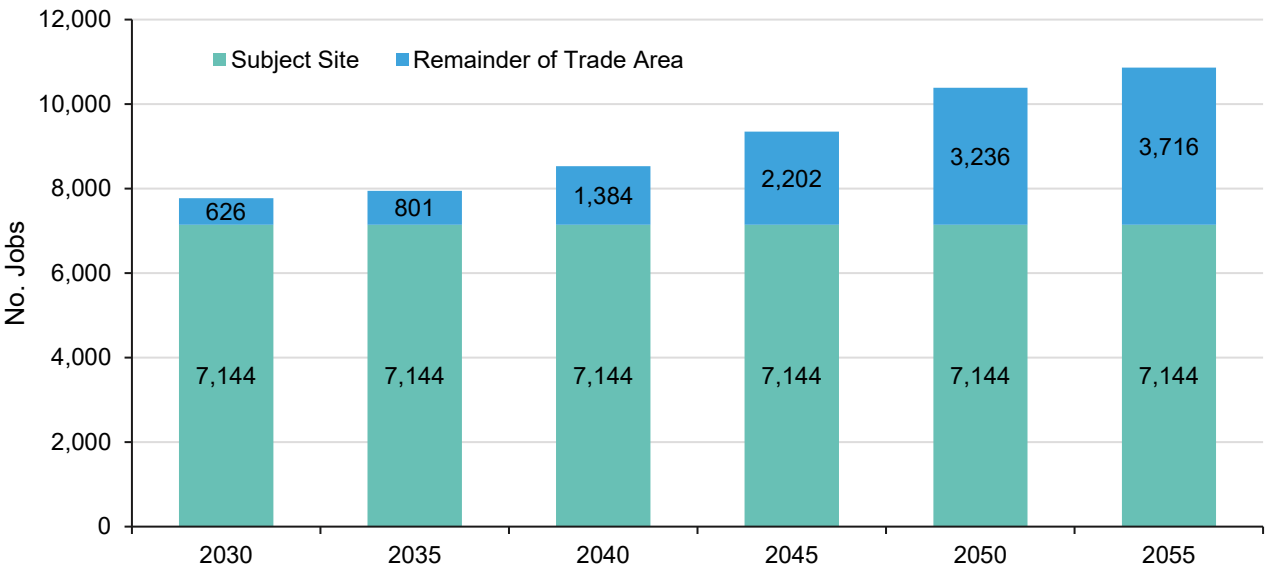
- Subject Site:** We used an indicative construction timeline provided by IPG, in which the proposed master plan is expected to be complete by 2030. After applying appropriate worker floorspace benchmarks to the floorspace upon completion we envision the Subject Site would feature around 7,144 workers from 2030 onwards. This methodology and assumptions used to calculate Subject Site workers is shown in Table A.1 of Appendix B.
- Remainder of the Catchment:** We applied a 38.6% share to the TfNSW worker population forecast for the Retail Catchment. This share reflects the area of zoned employment land within the Retail Trade which sits outside the Subject Site.

Under this approach we estimate that the Retail Catchment is expected to feature around 7,800 workers in 2030 when the Subject Site is fully developed. The number of workers within this catchment is then expected to grow to around 10,900 by 2055.

We have forecast the worker population out to 2055 as we estimated it is when the remainder of the Retail Catchment will reach “full development” as it is when the status quo TfNSW projections begin to rapidly slowdown.

Retail Catchment Adjusted Worker Population Forecast, 2030-55

Chart 2.1



Source: TfNSW; IPG; WSA Precinct Plan 2023; Urbis



# WORKER SPENDING FORECAST

## Key Findings

Based on the worker population forecasts, (previously provided in Chart 2.1), we estimated the size of the retail spending market by product group from 2025 to 2055 as seen in Table 2.1.

These forecast have been calculated by applying worker spend per year estimates derived from the Urbis Worker Spending Survey to the projected workers in the Retail Catchment. Worker spend per year figures have also been grown annually by 0.25% to account for real spending growth.

Under this approach the Retail Catchment retail spending market is estimated at \$58.69 million in 2030 and is forecast to reach around \$87.33 million by 2055.

The largest spending category is forecast to be Food Catering, reaching \$36.47 million by 2055. The second largest category is Food Retail, forecast to reach \$14.77 million by 2055. Combined, these categories are expected to account for nearly 60% of total expenditure by 2055.

**Retail Catchment Spending by Product Group, 2030 - 2055**

Table 2.1

YEAR	FOOD RETAIL	FOOD CATERING	APPAREL	HOME- WARES	ELECT- RONICS	BULKY GOODS	LEISURE/ GENERAL	RETAIL SERVICES	TOTAL
2030	\$9.93	\$24.51	\$8.17	\$3.68	\$1.89	\$0.40	\$5.59	\$4.53	<b>\$58.69</b>
2035	\$10.28	\$25.38	\$8.46	\$3.81	\$1.95	\$0.41	\$5.79	\$4.69	<b>\$60.77</b>
2040	\$11.17	\$27.58	\$9.20	\$4.14	\$2.12	\$0.45	\$6.29	\$5.10	<b>\$66.05</b>
2045	\$12.40	\$30.61	\$10.20	\$4.59	\$2.36	\$0.50	\$6.98	\$5.66	<b>\$73.30</b>
2050	\$13.94	\$34.43	\$11.48	\$5.16	\$2.65	\$0.56	\$7.85	\$6.36	<b>\$82.43</b>
2055	\$14.77	\$36.47	\$12.16	\$5.47	\$2.81	\$0.59	\$8.32	\$6.74	<b>\$87.33</b>

Source: Urbis

# COMPETITIVE CONTEXT

## Key Findings

Table 2.2 opposite outlines the planned centres within the Aerotropolis Core and Badgerys Creek precincts which are expected to compete with the Subject Site Proposed Centre.

Planned centres outside of these two precincts, such as those in the rest of the WSA or south towards Rossmore are too far away to be significant competition. There are also no nearby existing competitors with the nearest centre, with the area currently undeveloped.

The planned centres expected to compete with the Subject Site Proposed Centre include:

- **3 x Neighbourhood Centres (~2,000 sq.m retail GFA each):** These centres have the aim of providing daily convenience goods and a range of neighbourhood scale services to support nearby workers and residents. They are precluded from having a supermarket or significant specialised retail.
- **2 x Local Centres (~6,000 sq.m and 8,600 retail GFA):** These centres can include retail facilities, specialty shops, a supermarket or large grocery store and local services to meet the needs of the surrounding population. Local Centre 1, also known as the GDC (Greenfields Development Company) Site Local Centre, is only 0.4km south of the proposed development at the Subject Site, meaning it is the largest competitor to the Subject Site.
- **Bradfield City Centre (~96,000 sq.m retail GFA):** Bradfield City Centre is the largest planned retail centre in the WSA, with planning guidelines indicating it will be the equivalent of a regional centre. It can include multiple supermarkets and department stores, extensive specialty retail as well as a diverse range of dining and entertainment options. Bradfield is approximately 1.3 km away and will be a strong centre, especially for non food and groceries categories.

Due to their being no indicative floorspace numbers for these planned centres in the WSA Precinct Plan we have estimated the retail floorspace of each centre type based on Urbis Shopping Centre Benchmarks data and relevant case studies. For example, Bradfield City Centre's estimated retail floorspace has been based on Liverpool CBD as it is also designated as a Metropolitan City Cluster. However, in the instance of the GDC Site Local Centre the estimated floorspace figures are based on a retail market depth assessment for the GDC Site Local Centre which features in Section 6.3 of this report (Table 6.22). This assessment was requested as additional analysis by the TAP in May 2023.

Map 2.2, overleaf, shows the location of these planned retail centres in relation to the Subject Site Proposed Centre.

## Planned Retail Centres Competition

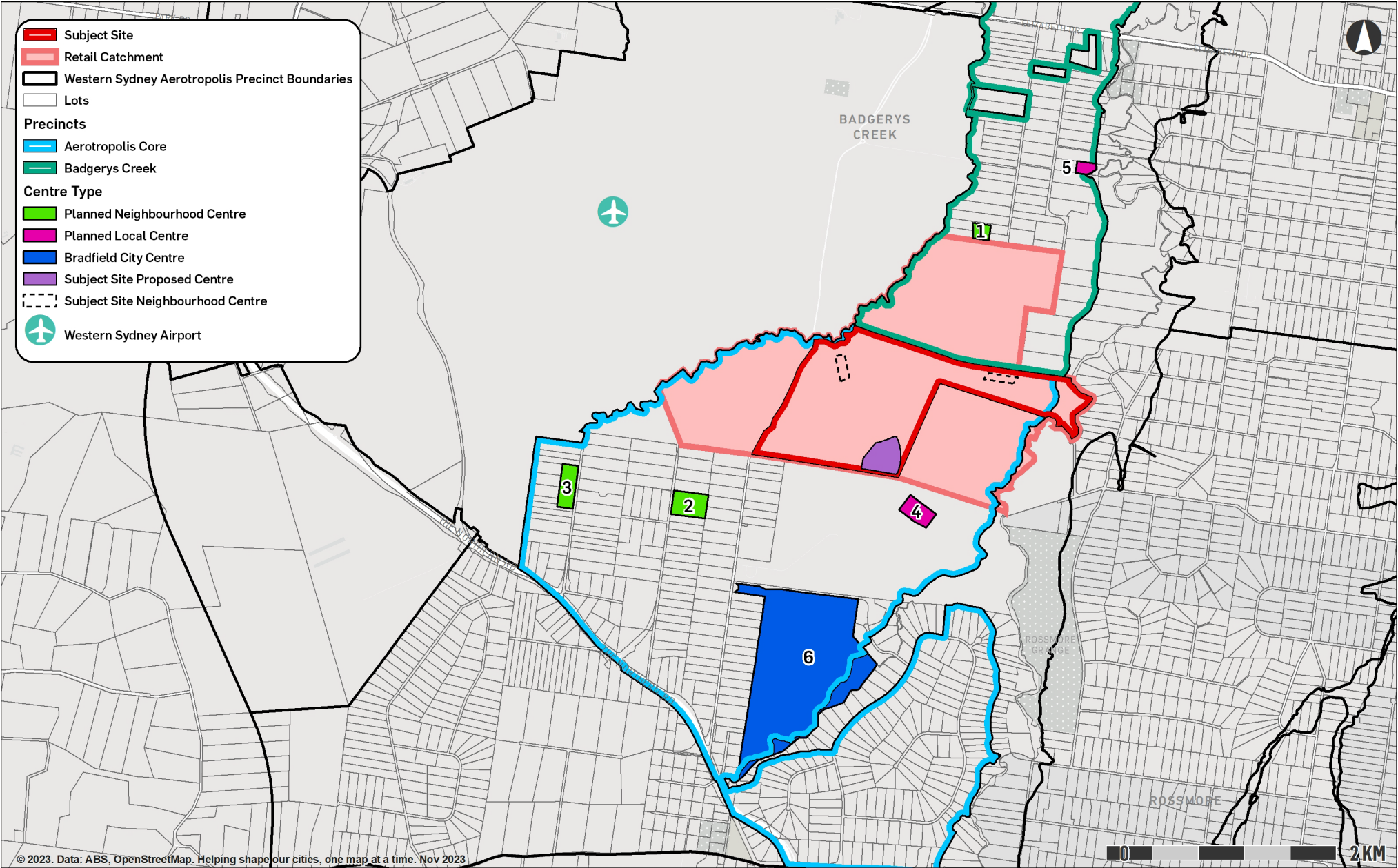
Table 2.2

MAP #	DEVELOPMENT NAME	PRECINCT	DISTANCE FROM PROPOSED SUBJECT SITE PROPOSED CENTRE (KM)	ESTIMATED RETAIL GFA (SQ.M)
1	Neighbourhood Centre 1	Badgerys Creek	2.1	2,000
2	Neighbourhood Centre 2	Aerotropolis Core	1.8	2,000
3	Neighbourhood Centre 3	Aerotropolis Core	2.7	2,000
4	Local Centre 1 (GDC Site Local Centre)	Aerotropolis Core	0.4	8,600*
5	Local Centre 2	Badgerys Creek	3.0	6,000
6	Bradfield City Centre (Metropolitan City Cluster)	Aerotropolis Core	1.3	96,000

Note: \*indicates that GDC Site Local Centre estimated retail floorspace is 8,600 sq.m are based on a retail market depth assessment for the GDC Site Local Centre which features in Section 6.3 of this report (Table 6.21). This assessment was requested as additional analysis by the TAP.  
Source: WSA Precinct Plan; Urbis

# COMPETITIVE CONTEXT

Map 2.2



# RETAIL FLOORSPACE DEMAND ASSESSMENT

## Key Findings

Table 2.3 opposite shows our approach for determining the retail floorspace that market demand can support at the Subject Site over 2030 to 2055.

Our approach comprises:

- Applying appropriate market shares to the Retail Catchment retail expenditure for each product category and allowance for spend from beyond the catchment area (10%) to determine the expected Subject Site retail expenditure. We note no market shares have been applied to apparel, homewares and bulky goods.
- We then applied average trading levels (turnover per sq.m) to the expected Subject Site retail expenditure to estimate the supportable retail floorspace for each product category at the Subject Site.
- We then allowed for 25% of floorspace at the Subject Site to comprise of complementary non-retail uses (gym, medical centre, etc.).

Under this approach we estimate the Subject Site could support around 6,600 sq.m of retail and non-retail floorspace (excluding the planned pub assessed in the next page) by 2035.

The outcome of this assessment is in line with the planned centre on the Subject Site to be completed by 2030. Strong market growth to 2055 will further underpin the commercial performance of this centre in the future.

## Subject Site Supportable Retail Floorspace

Table 2.3

	FOOD RETAIL	FOOD CATERING	APPAREL	HOME- WARES	ELECT- RONICS	BULKY GOODS	LEISURE/ GENERAL	RETAIL SERVICES	TOTAL RETAIL
RETAIL CATCHMENT RETAIL EXPENDITURE (\$M)									
2030	\$9.92	\$24.49	\$8.17	\$3.67	\$1.89	\$0.40	\$5.59	\$4.53	\$58.65
2035	\$10.27	\$25.36	\$8.45	\$3.80	\$1.95	\$0.41	\$5.78	\$4.69	\$60.72
2055	\$14.76	\$36.45	\$12.15	\$5.47	\$2.81	\$0.59	\$8.31	\$6.74	\$87.28
SUBJECT SITE MARKET SHARES (%)									
From Retail Catchment	60%	70%	0%	0%	70%	0%	70%	70%	
Plus Demand from Beyond	10%	10%	0%	0%	10%	0%	10%	10%	
SUBJECT SITE RETAIL EXPENDITURE (\$M)									
2030	\$6.62	\$19.07	\$0.00	\$0.00	\$1.47	\$0.00	\$4.35	\$3.52	\$35.02
2035	\$6.85	\$19.74	\$0.00	\$0.00	\$1.52	\$0.00	\$4.50	\$3.65	\$36.26
2055	\$9.85	\$28.37	\$0.00	\$0.00	\$2.18	\$0.00	\$6.47	\$5.24	\$52.11
TURNOVER PER SQ.M (\$/SQ.M)									
2030	\$8,235	\$7,214	-	-	\$7,255	-	\$6,918	\$6,380	
2035	\$8,339	\$7,305	-	-	\$7,346	-	\$7,005	\$6,460	
2055	\$8,766	\$7,679	-	-	\$7,722	-	\$7,364	\$6,790	
SUPPORTABLE RETAIL FLOORSPACE AT SUBJECT SITE									
2030	804	2,643	0	0	202	0	629	552	4,830
2035	822	2,702	0	0	207	0	643	565	4,938
2055	1,123	3,694	0	0	283	0	879	772	6,751
SUPPORTABLE FLOORSPACE WITH NON-RETAIL ADJUSTMENT (25% OF TOTAL OFFER)									
2030									6,439
2035									6,585
2055									9,001

Source: ABS, Transport for NSW, Marketinfo, Urbis



# PUB / HOTEL POTENTIAL

## Key Findings

We have also assessed a potential pub offer at the Subject Site and have determined a pub offer of ~900 sq.m is supportable.

The Hubertus Country Club is the only existing pub, hotel or club offer within the WSA. This club is situated around 4km northwest of the Subject Site. There is also no proposed pubs, hotels or clubs within the development pipeline. As such with limited competition, a potential pub / hotel offer at the Subject Site depends if the surrounding worker population is enough to support one.

To inform this we have profiled two existing pubs which exist within comparable employment precincts, including:

- **New Victoria Tavern:** Located within the Wetherill Industrial Area, which has around 18,200 workers (2021 Census). This pub features 900 sq.m of floorspace. The nearest competitor is 3km away.
- **The Governor Hotel:** Located within the Macquarie Park Business Park, which has around 41,600 workers (2021 Census). This pub has around 4,500 sq.m of floorspace. The nearest competitor is 2km away.

Based on the Retail Catchment having an expected 10,900 workers by 2055 (estimated full development) and the distance of the nearest competitor, the Subject Site could support a 900sq.m pub offer like New Victoria Tavern. A pub could also attract workers from beyond the Retail Catchment, particularly if the other planned neighbourhood and local centres do not feature a pub offer.

Although it should be noted that New Victoria and The Governor Hotel have 19 and 20 Gaming Machine Entitlements (GMEs), respectively. As per the NSW Government's gradual GME reduction strategy a pub at the Subject Site could only acquire GMEs from within the existing supply of other pubs / hotels. Transfer of GMEs also attracts a compulsory forfeiture of one GME for in every block of two or three entitlements transferred. As GMEs are often a main source of income for pubs / hotels the challenge of acquiring GMEs is an important consideration to whether a pub is added to the current mix.

## New Victoria Tavern



<b>Address</b>	447 Victoria Street, Wetherill Park
<b>LGA</b>	Fairfield
<b>Operator</b>	Nelson Meers Group
<b>Opened</b>	1995
<b>Internal GFA</b>	900 sq.m
<b>Overview of Offer</b>	Single floor establishment which completed renovations in 2021. It comprises of a main bar, restaurant/dining area lively sports bar and TAB facilities, function facilities, private gaming, covered outdoor beer garden and on site parking with 100 spaces.
<b>Location Features</b>	<ul style="list-style-type: none"> <li>- 5km to Fairfield train station</li> <li>- 2.3km to the A28 Arterial Road and 4.6km to the M4 Motorway</li> <li>- Located near the centre of the Wetherill Park Industrial Precinct</li> </ul>
<b>Nearest Competitor</b>	- Greenfield Tavern (3km south)
<b>GMEs</b>	19
<b>Surrounding Workers</b>	18,200 (2021 Census)

## The Governor Hotel



<b>Address</b>	9 Waterloo Road, Macquarie Park
<b>LGA</b>	Ryde
<b>Operator</b>	Memento Hospitality
<b>Opened</b>	2018
<b>Internal GFA</b>	4,500 sq.m
<b>Overview of Offer</b>	The Governor Hotel features a 260-seat capacity ground floor with the main bar, bistro and private gaming rooms. The first floor features general seating and dining, while the second floor features a function and event space. There is also a rooftop floor with an outdoor rooftop bar and dining area with 360 degree views.
<b>Location Features</b>	<ul style="list-style-type: none"> <li>- 500m to Macquarie Park Metro</li> <li>- 500m to Epping Road and 800m to the M2 Motorway</li> <li>- Situated within the Macquarie Park Business Park</li> </ul>
<b>Nearest Competitor</b>	- The Ranch (2km west)
<b>GMEs</b>	20
<b>Surrounding Workers</b>	41,600 (2021 Census)

# SUMMARY OF CENTRE POTENTIAL – SUBJECT SITE

## Overview

Table 2.4 summarises the supportable retail and complimentary non-retail floorspace and recommended specialty mix for the Subject Site Proposed Centre.

We estimated that a total of around 7,500 sq.m of centre floorspace will be supportable when the development is complete in 2030 (reflective of 2035 figures in Table 2.3 and an additional 900 sq.m pub / hotel offer), which the proposed development should aim to support. By 2055, an expansion of this centre with around 2,400 sq.m of additional retail/non-retail floorspace could be supported.

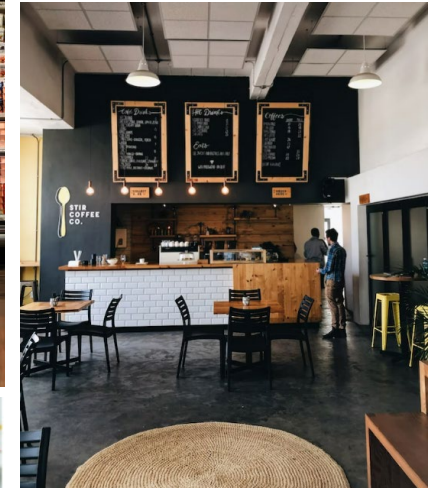
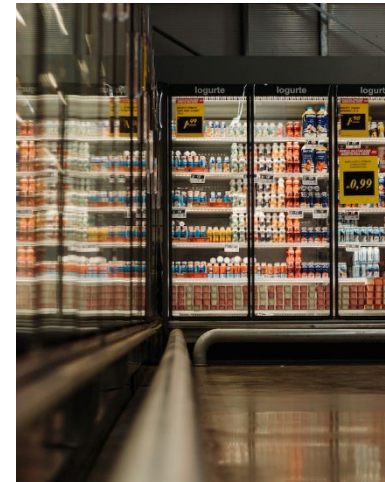
The offer will be able support a small metro supermarket as an anchor to the centre to support the specialty retail and non-retail uses. The case studies presented in Section 6.1 of this report demonstrate the ability for small metro supermarkets to be supported in close proximity to other competing centres without significantly undermining their commercial viability due to their differing roles and functions. In 2035, the Subject Site Proposed Centre is able to support a ~820 sq.m supermarket generating turnover of approximately \$6.9 million. The market grows significantly by 2055 to support a ~1,120 sq.m supermarket generating turnover of \$9.9 million, indicating a significant potential for the worker market to support a metro sized supermarket.

## Proposed Centre Indicative Floorspace Mix

Table 2.4

TYPE OF OFFER	GFA (SQ.M)
Food Retail – Small Format Supermarket	~820 sq.m
F&B – 2 x Restaurants	~1,060 sq.m (~500 sq.m each)
F&B – Multiple Cafes, Takeaway Food, Casual Eats Offerings	~1,640 sq.m (~100 sq.m each)
Electronics – Phone/Electrical Equipment Store	~210 sq.m
Leisure/General – One Large Pharmacy	~640 sq.m
Retail Services – Mix of Hairdressers, Barbers, Beauty, Optometrist, etc	~530 sq.m (~100 sq.m each)
<b>TOTAL RETAIL GFA (SQ.M)</b>	<b>~4,900 sq.m</b>
Non-Retail – Large Gym	~1,200 sq.m
Non-Retail – Medical Centre / GP	~500 sq.m
Pub / Hotel	~900 sq.m
<b>TOTAL CENTRE GFA (SQ.M)</b>	<b>~7,500 SQ.M</b>

Source: Urbis



# 3.0

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## **RETAIL IMPACT ASSESSMENT**

# IMPACT ON DISTRIBUTION OF RETAIL CATCHMENT SPENDING

## Key Findings

This section of the report assesses the likely impact of the proposed retail floorspace at the Subject Site Proposed Centre on the competing planned centres in the WSA. As shown in previously Table 2.4 the Subject Site is expected to comprise around 4,900 sq.m of retail floorspace once complete.

The Retail Impact Assessment considers the impact of the proposed retail development at the Subject Site on the turnover of each of the planned centres. As all the planned centres are not expected to be complete by 2030 (expected completion of Subject Site Proposed Centre) we must assume a 'year of impact' in which they reach full development. We have estimated 2055 as the year of full development, based on the TfNSW worker projections, and as such 2055 is the 'year of impact'.

The first step of this assessment includes distributing the retail expenditure of the Retail Catchment in 2055 among all the planned centres if the Subject Site proposed retail did not exist (before impact). As shown in Table 3.1 (and in Map 2.2 on page 23) these centres include all the competitors of the proposed retail and the planned neighbourhood centres on the Subject Site which would still be planned without the proposed master plan changes. We have also included Other Centres which allows a share of the retail expenditure to be spent beyond the key competitors. Given their size and position relative to the density of workers within the Retail Catchment the Subject Site Neighbourhood Centres 1 and 2, Local Centre 1 (GDC Site Local Centre) and Bradfield City Centre are expected to account for the highest shares.

We then evenly redistributed the retail expenditure if the proposed retail at the Subject Site was developed (after impact). As they will be consolidated into the Subject Site Proposed Centre, the Subject Site Neighbourhood Centres 1 and 2 will no longer take a share of retail expenditure.

The change in the spending distribution of the Retail Catchment expenditure 'before impact' and 'after impact' is defined as the 'impact' of the Subject Site Proposed Centre.

Distribution of Retail Catchment Spending by Centre

Table 3.1

MAP #	DEVELOPMENT NAME	RETAIL GFA (SQ.M)	DISTRIBUTION OF RETAIL CATCHMENT RETAIL EXPENDITURE (2055)					
			BEFORE IMPACT (2055)		POST IMPACT (2055)		CHANGE (IMPACT)	
			EXPENDITURE (\$)	SHARE (%)	EXPENDITURE (\$)	SHARE (%)	EXPENDITURE (\$)	PP (%)*
*	Subject Site Proposed Centre	4,900	\$0	0.0%	\$46,897,560	53.7%	\$46,897,560	53.7%
◆	Subject Site Neighbourhood Centre 1	2,000	\$12,225,720	14.0%	\$0	0.0%	-\$12,225,720	-14.0%
▲	Subject Site Neighbourhood Centre 2	2,000	\$12,225,720	14.0%	\$0	0.0%	-\$12,225,720	-14.0%
1	Neighbourhood Centre 1	2,000	\$2,183,160	2.5%	\$1,403,780	1.6%	-\$779,380	-0.9%
2	Neighbourhood Centre 2	2,000	\$2,183,160	2.5%	\$1,403,780	1.6%	-\$779,380	-0.9%
3	Neighbourhood Centre 3	2,000	\$873,270	1.0%	\$561,520	0.6%	-\$311,750	-0.4%
4	Local Centre 1 – GDC Site Local Centre	8,600	\$19,648,470	22.5%	\$12,634,060	14.5%	-\$7,014,410	-8.0%
5	Local Centre 2	6,000	\$4,366,330	5.0%	\$2,807,570	3.2%	-\$1,558,760	-1.8%
6	Bradfield City Centre	96,000	\$24,888,070	28.5%	\$16,003,140	18.3%	-\$8,884,930	-10.2%
	Other Centres	-	\$8,732,660	10.0%	\$5,615,130	6.4%	-\$3,117,530	-3.6%
<b>Total Retail Catchment Retail Expenditure</b>			<b>\$87,326,550</b>	<b>100.0%</b>	<b>\$87,326,550</b>	<b>100%</b>	<b>\$0</b>	<b>0.0%</b>

Note: Map Code figures align with numbers on Map 2.2 on page 21, \* indicates PP (%) = percentage point change

Source: IPG, TfNSW, ABS, Marketinfo, Western Sydney Aerotropolis Precinct Plan 2022, Masterplan Application for the Bradfield City Centre, Urbis



# RETAIL IMPACT OF PROPOSED SUBJECT SITE RETAIL

## Key Findings

The next step of the retail impact assessment is applying the 'impact' to the estimated turnover of each planned centre competitor to understand the impact of the Subject Site Proposed Centre on each of its competitors. This assessment helps to understand if the Subject Site Proposed Centre will undermine the commercial viability of the other planned centres.

We estimated the potential turnover of each centre based on Urbis Shopping Centre Benchmarks 2022 data, which has been adjusted to 2023 figures using the nominal growth rate experienced in 2023 of 10.8%. We then grew 2023 benchmarks out to 2055 figures by 0.25% annually to account for real growth.

As shown in Table 3.2, we have not measured the impact on the planned Subject Site Neighbourhood Centres as they will no longer exist 'after impact' having been consolidated into the Subject Site Proposed Centre.

The impact of the Subject Site Proposed Centre is shown to be below 5%, which is considered as minor, for Neighbourhood Centre 3, Local Centre 2 and Bradfield City Centre. Neighbourhood Centres 1 and 2 are only slight above with both having a low expected impact of 6.0%. Local Centre 1 is expected to face the largest impact of 8.1% given its significant share of the Retail Catchment's retail expenditure 'before impact' and being only 400 metres south of the Subject Site Proposed Centre. However, this impact of 8.1% is still considered as a moderately low impact and would not undermine its commercial viability.

Even when Bradfield City Centre is modelled to account for 28.5% of retail expenditure within the Retail Catchment 'before impact' (see Table 3.1 previously), the impact of the Subject Site Proposed Centre is expected to have an immaterial impact of 1.5%. Hypothetically, if we were to dramatically increase Bradfield City Centres share of retail expenditure 'before impact' to 50% there would still be a minor impact, of 3.2%. As such, even when applying unlikely high assumptions the Subject Site Proposed Centre is not likely to have a material impact on the operations of Bradfield City Centre.

It should be noted the four proposed amenity nodes on the Subject Site have also been considered in this assessment and are also expected to have an immaterial impact due to having an insignificant amount of retail floorspace (~100 sq.m – 200 sq.m) compared to the Subject Site Proposed Centre and its competitors.

**Distribution of Potential Impacts of Subject Site Proposed Centre** Table 3.2

MAP #	DEVELOPMENT NAME	RETAIL GFA (SQ.M)	ESTIMATED CENTRE TURNOVER (2055)		IMPACT	
			BEFORE IMPACT	POST IMPACT	EXPENDITURE (\$)	(%)
★	Subject Site Proposed Centre	4,900	\$0	\$46,897,560	\$46,897,560	
◆	Subject Site Neighbourhood Centre 1	2,000	\$12,972,820	\$0	-\$12,972,820	
▲	Subject Site Neighbourhood Centre 2	2,000	\$12,972,820	\$0	-\$12,972,820	
1	Neighbourhood Centre 1	2,000	\$12,972,820	\$12,193,440	-\$779,380	-6.0%
2	Neighbourhood Centre 2	2,000	\$12,972,820	\$12,193,440	-\$779,380	-6.0%
3	Neighbourhood Centre 3	2,000	\$12,972,820	\$12,661,070	-\$311,750	-2.4%
4	Local Centre 1 – GDC Site Local Centre	8,600	\$86,644,720	\$79,630,310	-\$7,014,410	-8.1%
5	Local Centre 2	6,000	\$60,449,810	\$58,891,050	-\$1,558,760	-2.6%
6	Bradfield City Centre	96,000	\$589,511,640	\$580,626,710	-\$8,884,930	-1.5%

Note: Map Code figures align with numbers on Map 2.2 on page 21

Source: IPG, TfNSW, ABS, Marketinfo, Western Sydney Aerotropolis Precinct Plan 2022, Masterplan Application for the Bradfield City Centre, Urbis

# 4.0

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## **COMMERCIAL OFFICE IMPACT ASSESSMENT**

# COMMERCIAL OFFICE CATCHMENT

## Key Findings

In this section of the report, we will assess the potential impact of the proposed commercial office space at the Subject Site on Bradfield City Centre.

This assessment will include forecasting commercial office demand of the area surrounding the Subject Site and Bradfield City Centre. We then compare the forecast demand to the expected supply of Bradfield City Centre and the Subject Site to determine if the Subject Site could undermine Bradfield City Centre.

In order to do this, we defined a Commercial Office Catchment, which is shown in Map 4.1 opposite. This catchment consists of the entire Aerotropolis Core Precinct and a portion of the Badgerys Creek Precinct north of the Subject Site.

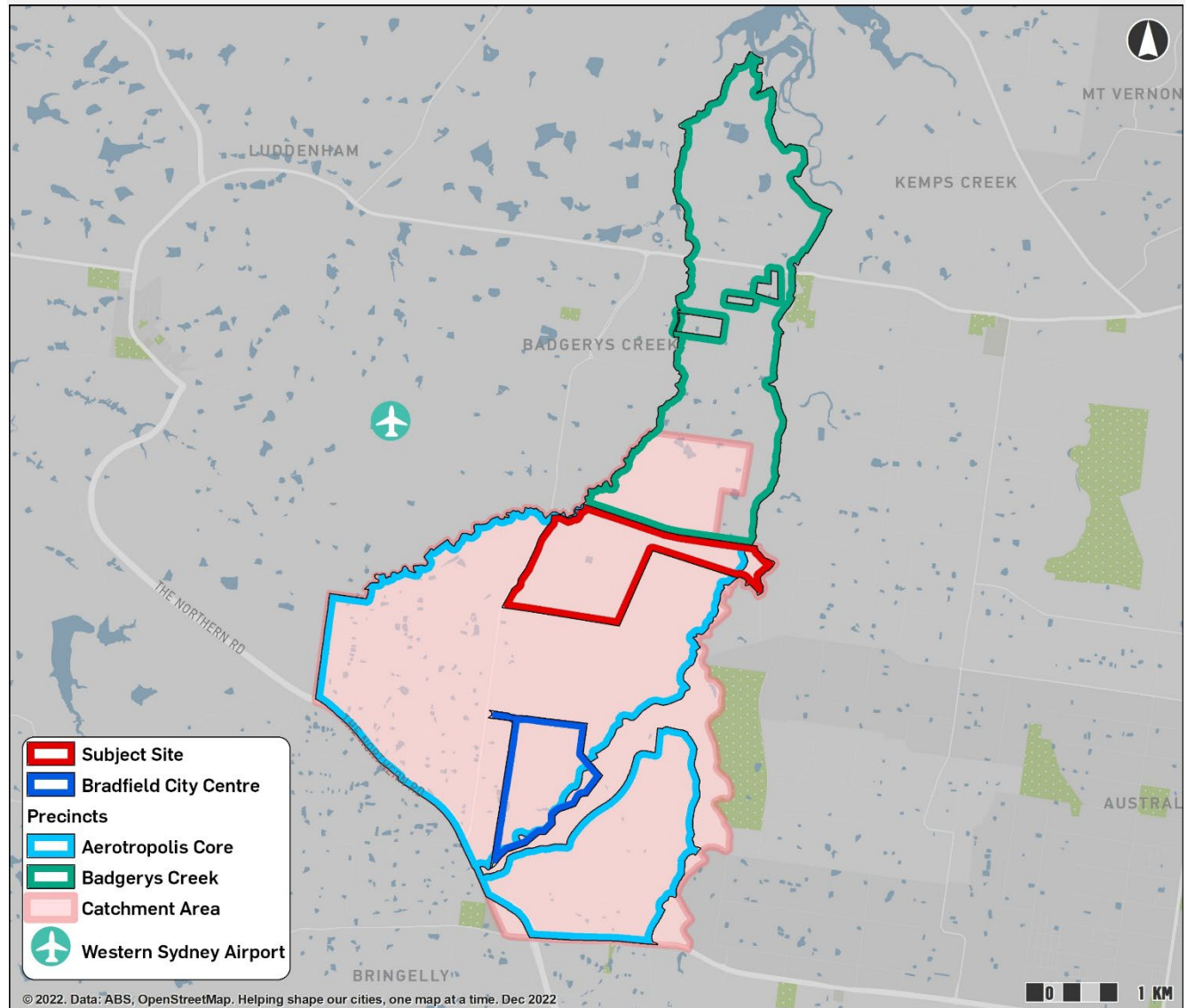
The Commercial Office Catchment contains all the areas that allow for office floorspace – mixed use, and, business and enterprise zoned land in the WSA which would compete with the Subject Site.

In particular, the Commercial Office Catchment includes Bradfield City Centre which is planned to become the key office hub within the WSA. As such, it is anticipated most of the commercial office floorspace within the catchment (not on the Subject Site) will be contained within Bradfield City Centre, making it the key competitor of the Subject Site.

We note that the Northern Gateway, situated outside of the defined Commercial Office Catchment, is also likely to include office space as part of the planned Sydney Science Park. However, due to being around 8km and 9km north of the Subject Site and Bradfield City Centre, it is not anticipated to be a key competitor.

Commercial Office Catchment

Map 4.1



# PROJECTED OFFICE-BASED EMPLOYMENT

## Key Findings

To forecast the demand for commercial office floorspace, we first forecast the number of workers within the Commercial Office Catchment and determine the number of these that are office workers.

The commercial worker forecasts are based on TfNSW employment projections. The commercial worker projections are the status quo projections, as we have not adjusted for the development on the Subject Site. We have done this to ensure we have not inflated the demand for commercial office space within the Commercial Office Catchment.

The projected number of jobs has been converted to office jobs using Urbis benchmarks. These benchmarks are derived from the number of jobs in each industry by occupation, within the Macquarie Park Business Park, according to ABS 2021 Place of Work data. Macquarie Park was chosen as a benchmark as it is the most comparable existing employment precinct to our Subject Site, as it contains a diverse mix of office and logistics uses.

We projected out to 2055 as that is our estimated full development year of Bradfield City Centre, based on the significant slowdown of employment growth beyond 2055.

By 2055, the Commercial Office Catchment will support around 44,156 workers, which equates to nearly 20,000 office workers.

## Commercial Office Catchment Employment Projections, 2025 – 2055

Table 4.1

INDUSTRY SECTOR	2025	2035	2045	2055
Accommodation and Food Services	489	1,080	3,097	4,913
Administrative and Support Services	69	108	380	703
Agriculture, Forestry and Fishing	130	220	256	326
Arts and Recreation Services	31	51	191	296
Construction	592	995	2,222	3,798
Education and Training	1,039	1,760	4,188	3,973
Electricity, Gas, Water and Waste Services	48	106	225	317
Financial and Insurance Services	63	116	409	764
Health Care and Social Assistance	612	1,193	2,551	2,605
Information Media and Telecommunications	64	121	441	881
Manufacturing	438	1,085	2,230	3,611
Mining	0	0	0	0
Other Services	210	369	1,054	1,762
Professional, Scientific and Technical Services	643	1,357	3,798	6,470
Public Administration and Safety	449	974	2,826	4,675
Rental, Hiring and Real Estate Services	25	44	157	288
Retail Trade	485	1,048	3,014	4,798
Transport, Postal and Warehousing	595	1,123	2,694	3,091
Wholesale Trade	169	324	673	884
<b>Total Jobs</b>	<b>6,151</b>	<b>12,073</b>	<b>30,405</b>	<b>44,156</b>
<i>Office Jobs Share (%)</i>	<i>42.3%</i>	<i>42.7%</i>	<i>43.5%</i>	<i>45.3%</i>
<b>Total Office Jobs</b>	<b>2,604</b>	<b>5,152</b>	<b>13,266</b>	<b>19,988</b>

*Note: TfNSW worker population projections have varying degrees of reliability. According to TfNSW, Travel Zone projections in Greater Sydney are considered to have high reliability in the short term (0-5 years), medium reliability in the medium term (5-15 years) and low reliability in the long term (15+ years)*  
*Source: TfNSW, ABS, Urbis*

# PROPOSED COMMERCIAL DEVELOPMENTS

## Key Findings

Table 4.2 opposite shows the competitive context of the Commercial Office Catchment. It shows that the only known commercial office development apart from the Subject Site is the Bradfield City Centre.

Construction has commenced on the first development within Bradfield City Centre, namely the Bradfield City Centre Advanced Manufacturing Research Facility (AMRF) Building 1. This development is expected to deliver 1,055 sq.m of commercial office space by 2024. The AMRF Building 2, currently in the early planning stages, is expected to deliver a further 13,850 sq.m by 2026.

The WPCA has provided figures on the expected floorspace composition of the Bradfield City Centre by 2055 (based on the Master Plan Application for the Bradfield City Centre Draft Economic Analysis completed by SGS Economics for them in November 2022). They expect that Bradfield City will comprise of 470,000 sq.m of commercial office floorspace by 2055. This office floorspace includes both 'traditional' office floorspace and office floorspace specifically for research and development.

Together, the Bradfield City Centre and the Subject Site are expected to deliver 554,040 sq.m of commercial office floorspace within the Commercial Office Catchment by 2055 (estimated full development year).

There are currently no other proposed commercial office developments within the Commercial Office Catchment outside of the Bradfield City Centre and Subject Site.

## Planned Commercial Competition

Table 4.2

FACILITY NAME	STAGE	ESTIMATED COMPLETION	COMMERCIAL OFFICE FLOORSPACE (SQ.M)
Bradfield City Centre Advanced Manufacturing Research Facility - Building 1	Under Construction	2024	1,055
Bradfield City Centre Advanced Manufacturing Research Facility - Building 2	Early Planning	2026	13,850
Rest of Bradfield City Centre	Early Planning	By 2055	455,085*
<b>Total Bradfield City Centre</b>	<b>Early Planning</b>	<b>By 2055</b>	<b>470,000</b>
Subject Site	Early Planning	2030	84,040
<b>Total</b>			<b>554,040</b>

*\*This is the total Bradfield commercial floorspace minus commercial floorspace for the Advanced Manufacturing research facility.*

*Source: IPG, Aerotropolis Precinct Plan 2022, NSW Planning Portal, SGS Economics, Urbis*

# COMMERCIAL MARKET DEMAND AND NEED

## Key Findings

Table 4.3 opposite, shows the Commercial Office Catchment demand and supply until 2055 to help determine if the proposed commercial office floorspace at the Subject Site would undermine the viability of Bradfield City Centre.

We note that the demand and supply gap is shown at the build out year only, as this year is the most appropriate comparison point due to being less prone to timing and delivery risk. The delivery date of the IPG Local Centre and Bradfield City Centre are both highly speculative. The IPG Local Centre will not deliver the commercial office floorspace unless there is market demand at the time of delivery. The Bradfield City Centre is also only still in the exhibition stage of the Bradfield City Centre Master Plan.

Our projected total jobs and office jobs are based on TFNSW estimates as outlined previously.

This office job demand is then converted to floorspace demand by adopting an average job density of 30 sq.m of office floorspace per job. This figure has been based on the worker floorspace benchmarks adopted for Bradfield City Centre as per the Bradfield City Centre Master Plan. We then applied a vacancy rate of 8% for new office space in line with average vacancy trends experienced in the comparable Macquarie Park.

On this basis, we forecast the sustainable commercial office floorspace demand for occupied office space will total around 649,782 sq.m by 2055.

When compared to the 554,040 sq.m of commercial office floorspace expected to be delivered by the Subject Site and Bradfield City Centre there is expected to be a commercial office floorspace deficit of around 95,742 sq.m.

Given that there still expected to be a large deficit when considering the 84,040 sq.m to be delivered by the Subject Site, the commercial viability of Bradfield City Centre is not expected to be undermined by the Subject Site development.

We note that the WSI Business Precinct is excluded from this analysis due to being located outside of the catchment. Given that there is an undersupply of ~95,700 sq.m. at build out year, there would still be an undersupply of ~81,200 sq.m at build out year if we added the ~14,500 sq.m of commercial office floorspace in WSI Stage One. Expanding the catchment to account for the WSI Business Precinct would also increase demand further as more jobs are generated, therefore the undersupply gap would increase from 81,200 sq.m.

Commercial Office Catchment Demand and Supply Table 4.3

	UNITS	2035	2045	2055
Projected Total Jobs	no.	12,073	29,927	44,032
Projected Office Jobs	no.	5,152	13,024	19,927
Worker Floorspace Benchmark	sq.m per job	30	30	30
Demand for Additional Occupied Office Space	sq.m	154,570	390,709	597,800
Sustainable Vacancy Rate	%	8%	8%	8%
<b>Sustainable Office Floorspace Demand</b>	<b>sq.m</b>	<b>168,011</b>	<b>424,683</b>	<b>649,782</b>
Bradfield City Centre Commercial Office Supply (at full development)	sq.m			470,000
Subject Site Commercial Office Supply (at full development)	sq.m			84,040
<b>Total Commercial Office Supply (at full development)</b>	<b>sq.m</b>			<b>554,040</b>
<b>Supply Gap (+surplus/-deficit)</b>	<b>sq.m</b>			<b>-95,742</b>

Source: IPG; Sydney FES; PCA; TfNSW; Urbis: Western Sydney Aerotropolis Precinct Plan 2022; Bradfield City Centre Master Plan; Urbis

# 5.0

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## **ECONOMIC BENEFITS ASSESSMENT**



# CONSTRUCTION BENEFITS

## Key Findings

IPG’s proposed development would require substantial capital investment. This capital investment (construction cost) of **\$998.9 million (inclusive of GST)** over a six-year period would sustain significant employment in the local economy.

Based on economic modelling using REMPLAN (see methodology in Appendix C), the construction of the proposed development would generate a total of 700 jobs per annum over the six-year construction period, including:

- **Direct jobs** = 292 jobs per annum over six years
- **Indirect jobs** = 408 jobs per annum over six years.

Most new direct jobs will be in the construction sector, particularly on-site construction workers. Indirect jobs are supply-chain jobs, of which one third are expected to be manufacturing jobs.

We have also used the REMPLAN model to assess the potential economic contributions of the construction of the proposed development in terms of Gross Value Added (GVA).

The construction phase will generate a total GVA of \$683.5 million to the NSW economy during the six-year construction period (in net present value terms).

- **Direct GVA** = \$293.1 million
- **Indirect GVA** = \$390.4 million.

Construction Phase Benefits			Table 5.1
	DIRECT	INDIRECT	TOTAL
Project Expenditure (\$M)	\$998.9	-	\$998.9
Avg Employment Per Annum (Total Jobs)	292 jobs over 6 years	408 jobs over 6 years	700 jobs over 6 years
Value Added (\$M)	\$293.1	\$390.4	\$683.5

Source: IPG, REMPLAN, Urbis



# OPERATIONAL BENEFITS

## Key Findings

Upon completion of the development, the ongoing operations will support new jobs and generate value added to the economy. The ongoing operations of the proposed development will support 12,429 jobs, including:

- **Direct Jobs** = 7,144 jobs
- **Indirect Jobs** = 5,285 jobs.

Direct jobs are those created directly on the Subject Site. The industries are based on the intended uses on the Subject Site including logistics, manufacturing, wholesale trade, office and retail with our approach to calculating Subject Site jobs shown in Appendix B.

Indirect jobs are those created further down the supply chain. These are jobs in the Professional, Scientific & Technical Services, Information Media & Telecommunications and Manufacturing industries.

We have also used the REMPLAN model to assess the potential economic contributions of the ongoing operations of the proposed development in terms of GVA per annum.

The operational phase will generate a total GVA of **\$2.59 billion per annum** to the NSW economy throughout its operational lifecycle.

- **Direct GVA** = \$1.61 billion
- **Indirect GVA** = \$973.2 million.

## Operational Phase Benefits

Table 5.2

	DIRECT	INDIRECT	TOTAL
Avg Employment Per Annum (Total Jobs)	7,144	5,285	12,429
Avg Value Added Per Annum (\$M)	\$1,614.5	\$973.2	\$2,587.3

Source: IPG, REMPLAN, Urbis

# 6.0

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## **FURTHER ANALYSIS (ADDENDUM)**

This section of the report presents additional analysis requested by Departments and Agencies as part of the Technical Assurance Panel (TAP) process on the original economic impact assessment report submitted to the TAP in February 2023.

# 6.1 ROLE AND FUNCTION OF CENTRES

# CLASSIFICATION OF THE SUBJECT SITE PROPOSED CENTRE AS A LOCAL CENTRE

## Key Findings

Table 6.1 opposite shows the definitions of the Local and Neighbourhood Centres within the WSA according to the WSA Precinct Plan (May 2023).

When taking these definitions into account, the Subject Site Proposed Centre is a local centre focused on serving the need of nearby workers mainly due to the comprising of the following (as previously seen in Table 2.4 in Section 2 of this report):

- Acting as a local gathering place, particularly for employers/employees:** The potential ~900 sq.m Pub / Hotel will act as local gathering place for surrounding workers throughout their workday (before, during and after work).
- Providing a supermarket or large grocery store:** The potential ~820 sq.m food retail offer can be defined as a small supermarket.
- Personal Services:** the inclusion of a ~1,200 sq.m gym can be considered a personal service.

Having this offering for workers allows the Subject Site to better support the needs of workers, while allowing a more vibrant precinct. For example, having the pub co-located with the Fifteenth Avenue Transport Corridor allows workers to use this facility after work whether it be for a work function or social event with colleagues. Further the inclusion of a gym allows workers to more easily maintain their health and wellbeing. These benefits improve the overall amenity of the area and improve outcomes for workers within the precinct.

WSA Precinct Plan Description of Hierachy of Centres			Table 6.1
CENTRE TYPE	ROLE AND INTENT	TYPICAL USES	
Local Centre	<p>Smaller retail centres that meet the convenience retailing needs of the community <b>while acting as a local gathering place, particularly for employers/employees.</b></p> <p>Include a mix of uses, but do not have to include residential uses. Provide fine grain urban form. Protect and expand employment opportunities, and integrate and support creative enterprise.</p> <p>Located in areas of high amenity to help activate parkland corridors and link to public transport.</p>	Retail facilities, specialty shops and a <b>supermarket or a large grocery store; personal services;</b> co-location with social infrastructure (community facilities and open space); smaller scale mix of uses supporting industrial, office and employment uses with a diversity of commercial spaces, community and public places.	
Neighbourhood Centre	Provide daily convenience goods and range of neighbourhood scale services to support workers and residents	Some retail floor space (not a supermarket, or significant specialised retail); multiple retail premises (not just a petrol station or one standalone store); activity or business hub; community facilities. Does not include residential uses.	

Source: WSA Precinct Plan May 2023

# POTENTIAL MIX OF PLANNED NEIGHBOURHOOD CENTRES

## Key Findings

Prior to the consolidation the Subject Site the Subject Site could have comprised of two neighbourhood centres, as the WSA Precinct Plan allows for two neighbourhood centres at the Subject Site.

Table 6.2 opposite provides the potential mix of retail and non-retail uses at the each of the two planned neighbourhood centres. These uses align with the WSA Precinct Plan definition of a neighbourhood centre (previously seen in Table 6.1). For example, the indicative mix does include a supermarket or local gathering place.

As previously seen in Table 2.2 in Section 2 of this report we have assumed each neighbourhood centre could comprise of up to 2,000 sq.m of retail floorspace. We have also allowed for a ~15% provision of non-retail floorspace.

Indicative Mix of the Two Planned Neighbourhood Centres on the Subject Site Table 6.2

TYPE OF OFFER	GFA (SQ.M)
Small Convenience Store (potentially part of a Petrol Station)	~400 sq.m
F&B – Restaurants, Cafes, Takeaway Food, Casual Eats Offerings	~1,200 sq.m
Retail Specialties	~200 sq.m
Retail Services	~200 sq.m
<b>TOTAL RETAIL GFA (SQ.M)</b>	<b>~2,000 SQ.M</b>
Total Non-Retail GFA (childcare, medical, etc.)	~400 sq.m
<b>TOTAL CENTRE GFA (SQ.M)</b>	<b>~2,400 SQ.M</b>

Source: Urbis



# ROLE AND FUNCTION OF CENTRES – CASE STUDIES INTRODUCTION

## Methodology

To gain a better understanding of the role and function of retail centres, we have conducted a series of case studies, including a physical audit of worker retail centres, which was undertaken in May 2023.

There are three different criteria which the case studies meet, which ensure that they align to the expected relationship between the Subject Site Proposed Centre. These include:

- Must be within Greater Sydney, noting that four of six case studies are within Western Sydney and two are in North Sydney.
- Must also be located within an office or industrial precinct and have a retail offer servicing workers, ensuring that the retail offer and amount of retail is aligned with what is expected at the Subject Site Proposed Centre.
- The worker retail offer must be within 1km of other retail competition which mostly relies on trade from residents rather than workers (like the GDC Site Local Centre). Doing this enables us to capture the effects of competition which are expected to exist between the Subject Site Proposed Centre and the GDC Site Local Centre being only 400m away from each other.

The areas which best meet this criteria include:

- St Leonards
- Chatswood
- Castle Hill and Norwest
- Penrith
- Wetherill Park
- Gledswood Hills.

The remainder of this section of the report contains case studies on these six areas to understand how centres can be closely located together due to their differing role and function. We also note that this proximity can occur even when centres serve a similar role and function if the market is large enough for more than a single centres.

## Criteria for Case Study Selection

Figure 6.1



# ROLE AND FUNCTION OF CENTRES – PENRITH

## Key Findings

Penrith is one of the major employment centres in Western Sydney. The suburb contains both office and employment lands. The employment lands are located north of the train station in North Penrith as displayed in Map 6.1 overleaf. These employment lands include many auto repair shops, construction supply stores, car dealerships and other bulky goods retail.

The workers are serviced by a cluster of retail around Castlereagh Road and Peachtree Road which totals 3,600 sq.m (~1,300 sq.m below the Subject Site Proposed Centre). The retail offer mostly comprises of F&B (cafes, restaurants, takeaway) to service the needs of workers.

Situated 0.4km's south of the employment lands is Westfield Penrith. This has approximately 75,690 sq.m of total retail floorspace including 34,334 sq.m of specialty retail floorspace. This centre mostly generates its trade from residents across the Penrith and Nepean regions.

While the Westfield Penrith is more comparable in scale to the Bradfield City Centre, than the GDC Site Local Centre, its distance to the 3,600 sq.m of retail servicing the North Penrith employment lands mirrors the that of the Subject Site Proposed Centre and the GDC Site Local Centre. It shows that even with such a large retail offer available to them 400m to the south workers still need 3,600 sq.m of convenience retail to meet their needs.

## Worker Serving Centre - North Penrith Case Study

Table 6.3

WORKER RETAIL (NORTH PENRITH)	INDICATIVE RETAIL FLOORSPACE (SQ.M)
Specialty Retail	3,600
Metro Supermarket/Grocery Stores	0
<b>Total Retail</b>	<b>3,600</b>

Source: Urbis

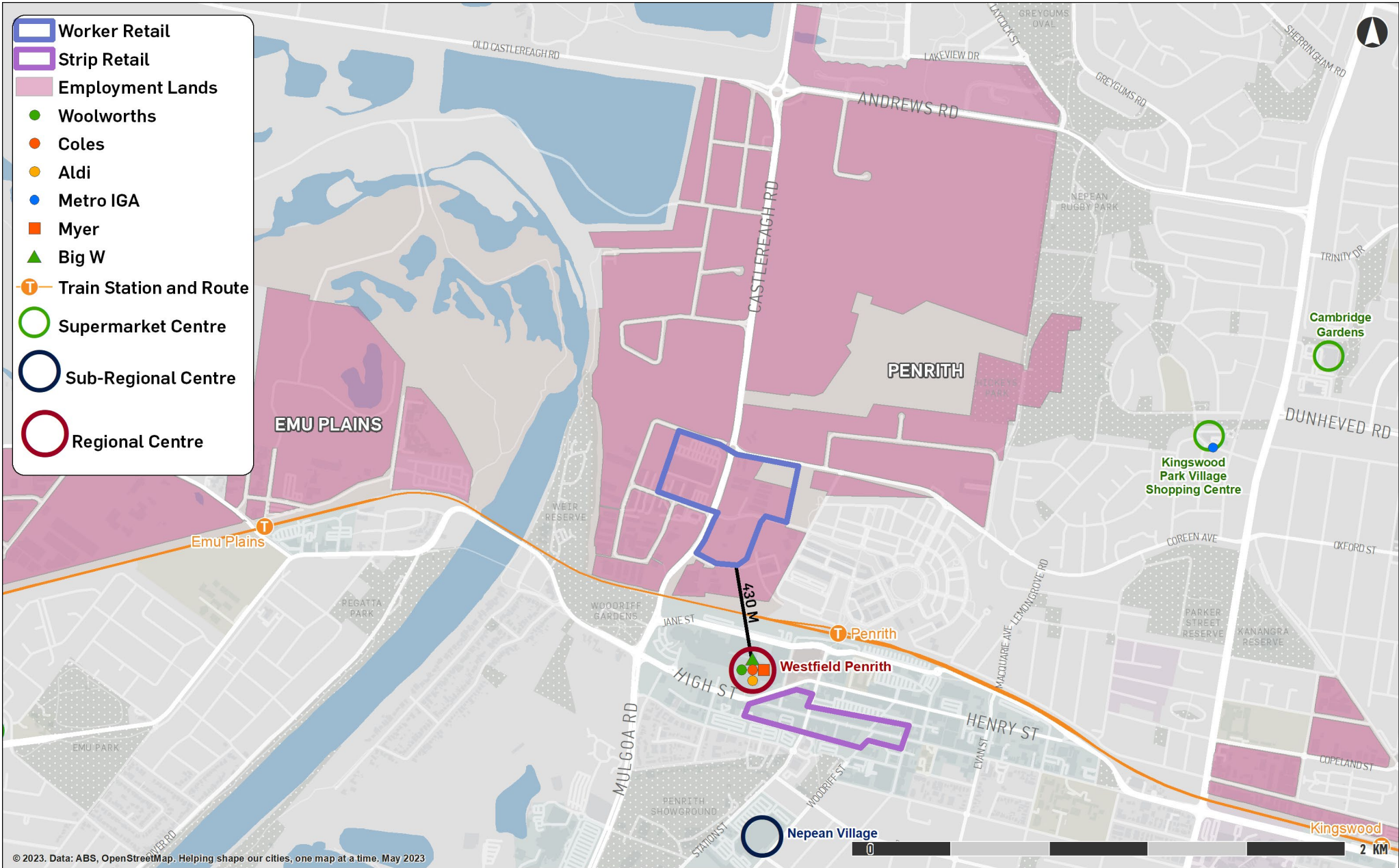
## Resident Serving Centre - Penrith Case Study

Table 6.4

RESIDENTIAL RETAIL (WESTFIELD PENRITH)	INDICATIVE RETAIL FLOORSPACE (SQ.M)
Specialty Retail	34,334
Major Tenants	41,356
<b>Total Retail</b>	<b>75,690</b>

# ROLE AND FUNCTION OF CENTRES – PENRITH

Map 6.1



# ROLE AND FUNCTION OF CENTRES – WETHERILL PARK

## Key Findings

Wetherill Park has extensive employment lands in the north of the suburb. The area contains a variety of business including supply chain stores and logistics businesses. The main centre is Greenway Wetherill Park located on The Horsley Drive. This is the largest worker retail offering of the case studies and includes 28,427sq.m of retail GLA. The retail space includes large format retail such as a Spotlight and The Good Guys stores. The centre also includes a medical centre. There is approximately 4,500 sq.m of F&B retail within the centre. There is also a significant number of small cafés and restaurants scattered throughout the employment lands, not included in the figures presented here.

The Stockland Wetherill Park is located 660 metres away and supports ~47,000 sq.m of retail GLA. The centre services residents of Wetherill Park, Prairiewood and other nearby suburbs. The centre also captures a portion of the spending from the employment land to the north.

Another close by centre is the Market Town Wetherill Park, which has a smaller retail offering of 8,326 sq.m total retail space.

Despite the scale and proximity of the nearby Stockland and Market Town Wetherill Park, there is still a large worker retail offering. While a centre of this scale draws some its market from residential areas, its positioning at the foot of a large employment precinct indicates it largely services local workers. This demonstrates that a worker retail offering can capitalise effectively on the local market while nearby centres remain supportable.

Worker Serving Centre - Wetherill Park Case Study

Table 6.5

WORKER RETAIL (GREENWAY WETHERILL PARK)	INDICATIVE RETAIL FLOORSPACE (SQ.M)
Specialty Retail	4,500
Metro Supermarket/Grocery Stores	0
Total Retail	4,500*

Source: PCA Shopping Centres Online  
 \* Note: Bulky good retailers and medical centres are excluded from indicative floorspace numbers.

Resident Serving Centre - Wetherill Park Case Study

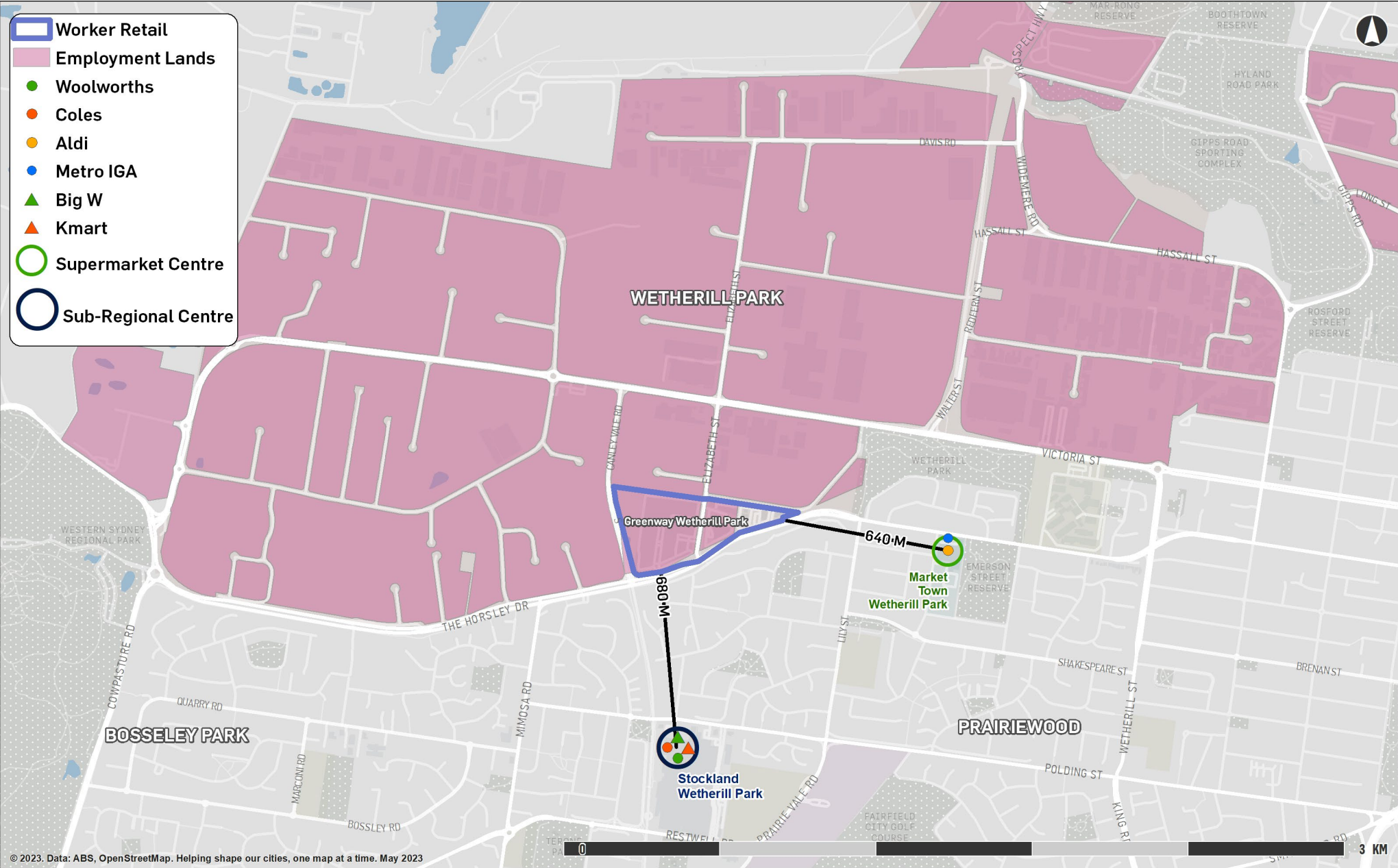
Table 6.6

	STOCKLAND WETHERILL PARK	MARKET TOWN WETHERILL PARK
RESIDENTIAL RETAIL	INDICATIVE RETAIL FLOORSPACE (SQ.M)	
Specialty Retail	13,397	6,000
Major Tenants	33,535	2,326
Total Retail	46,932	8,326



# ROLE AND FUNCTION OF CENTRES – WETHERILL PARK

Map 6.2





# ROLE AND FUNCTION OF CENTRES – GREGORY HILLS

## Key Findings

Gregory Hills is a predominantly residential suburb with employment lands on its western edge. The employment lands includes a small worker servicing specialty retail offer of 4,350 sq.m (as shown in Map 6.3 overleaf). Only a small proportion of the employment lands is in Gregory Hills, with the majority in the adjacent Smeaton Grange.

The workers retail mainly services the employment lands in Gregory Hills and the northern parts of Smeaton Grange, while also attracting a small portion of its spending from the residential market in the surrounding suburbs. The southern parts of the employment lands are predominantly serviced by the nearby Mount Annan supermarket centre and Narellan Town Centre (regional).

Situated 1km east of the worker retail offer is HomeCo Gregory Hills which comprises of 11,715 sq.m of retail and supporting non-retail floorspace (see Table 6.8 opposite). Around 9,600 sq.m is retail floorspace including a Woolworths and Aldi supermarket, F&B and other specialty stores. This local centre, which primarily services residents in Gregory Hills and Gledswood Hills, is a similar size to the GDC Site Local Centre (see later analysis in Section 6.3 of this report).

While small in scale, the workers retail offering has not impacted the nearby local centres. This is demonstrated by the proximity to two supermarket centres and one regional centre. The workers retail in Gregory Hills demonstrates that for a local worker catchment, a convenience retail offering of 4,350 sq.m can be supported despite being near a local centre.

## Worker Serving Centre - Gregory Hills Case Study

Table 6.7

WORKER RETAIL (GREGORY HILLS AND SMEATON RANGE)	INDICATIVE RETAIL FLOORSPACE (SQ.M)
Specialty Retail	4,350
Metro Supermarket/Grocery Stores	0
Total Retail	4,350

Source: Urbis

## Resident Serving Centre - Gregory Hills Case Study

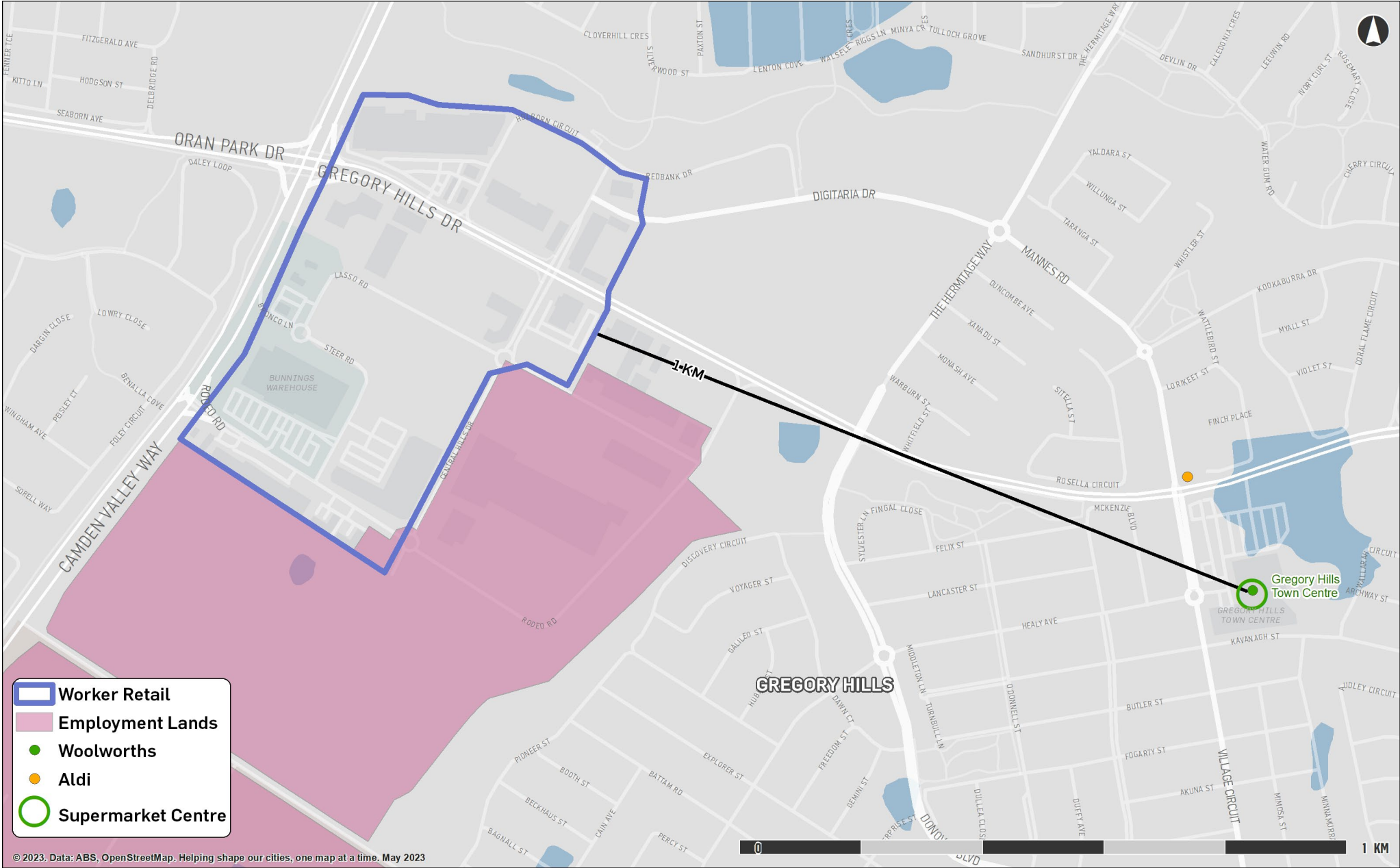
Table 6.8

RESIDENTIAL RETAIL (HOMECO GREGORY HILLS)	INDICATIVE RETAIL FLOORSPACE (SQ.M)
Specialty Retail	3,850
Major Tenants	5,750
Total Retail	9,600

Source: PCA Shopping Centres Online

# ROLE AND FUNCTION OF CENTRES – GREGORY HILLS

Map 6.3



# ROLE AND FUNCTION OF CENTRES – NORWEST AND CASTLE HILL

## Key Findings

As shown in Map 6.4 overleaf there are extensive employment lands in Castle Hill. The employment lands house a variety of workers with business such as car dealerships and supply chain and logistics operating in the precinct.

These workers are serviced by the retail located throughout the employment lands, with the hub being located on the corner of Victoria Avenue and Salisbury Road. This hub contains small restaurants and cafes. Other small F&B outlets are scattered throughout the employment lands. This specialty retail offering is of a smaller scale than previous case studies although is still significant at 2,500 sq.m.

The nearest supermarket-based centre is Norwest Marketown, approximately 1km away from the worker retail area. This offer comprises of a 4,300 sq.m full line supermarket with 3,250 sq.m of specialty retail within the centre. The centre primarily services the residential area in Norwest, Bella Vista and Crestwood while also generating some trade from the surrounding workers.

This case study demonstrates that employment precincts require a convenience retail offering for workers, so they don't have to travel to other nearby resident serving centres.

Working Serving Centre - Castle Hill Case Study Table 6.9

WORKER RETAIL (CASTLE HILL AND NORWEST INDUSTRIAL/OFFICE PRECINCT)	INDICATIVE RETAIL FLOORSPACE (SQ.M)
Specialty Retail	2,500
Metro Supermarket/Grocery Stores	0
Total Retail	2,500

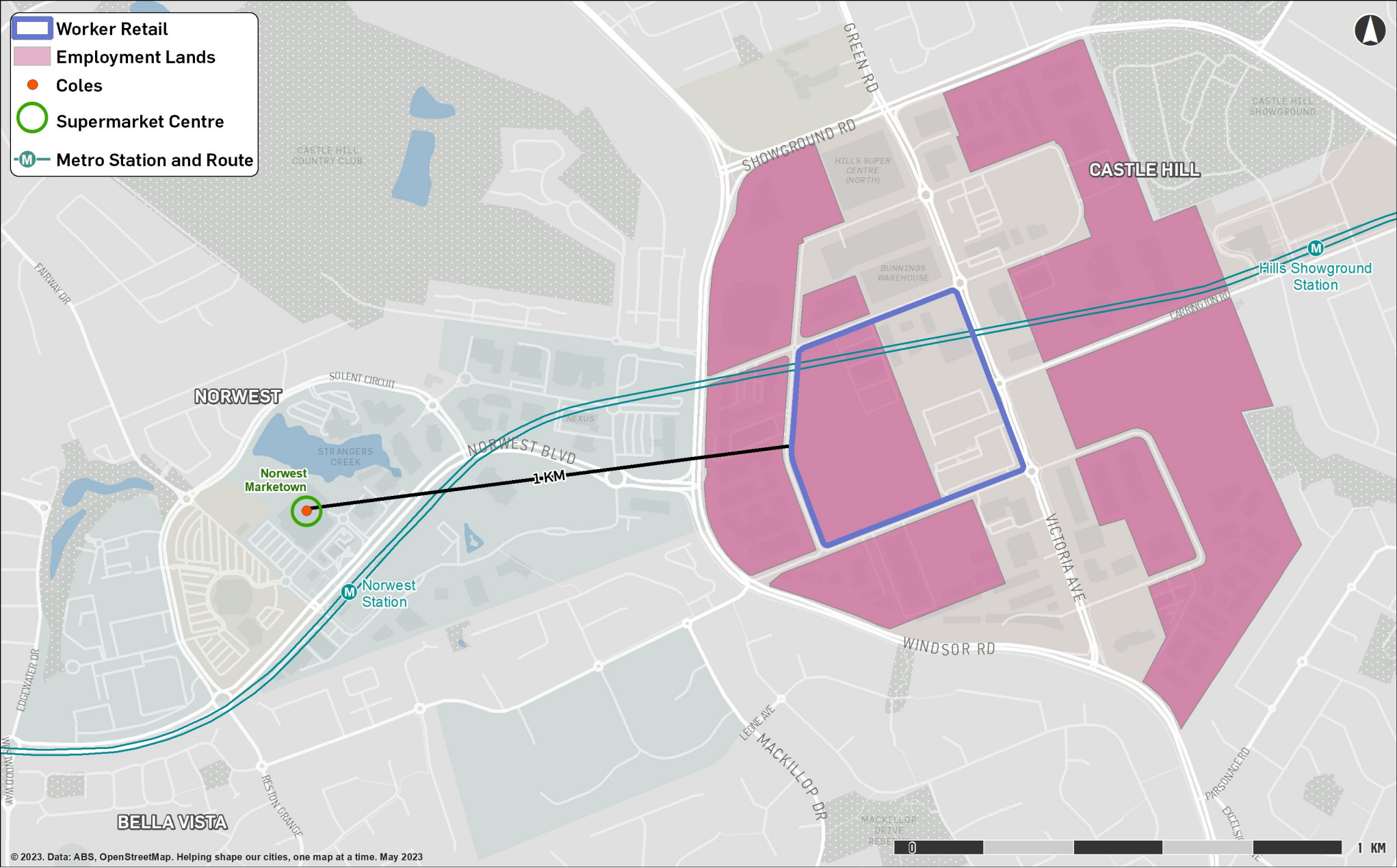
Source: Urbis

Resident Serving Centre - Norwest Case Study Table 6.10

RESIDENTIAL RETAIL (NORWEST MARKETOWN)	INDICATIVE RETAIL FLOORSPACE (SQ.M)
Specialty Retail	3,250
Major Tenants	4,300
Total Retail	7,550

# ROLE AND FUNCTION OF CENTRES – NORWEST AND CASTLE HILL

Map 6.4





# ROLE AND FUNCTION OF CENTRES – ST LEONARDS

## Key Findings

St Leonards has a large office market (340,886 sq.m) which is the 5<sup>th</sup> largest office market in Sydney (PCA Office Market Report). The large office market will provide substantial demand for retail services in the local vicinity. Royal North Shore Hospital (RNSH) is located nearby to the northwest. The specialty retail and IGA adjoined to the train station and the strip retail opposite Pacific Highway to the south are located within the office precinct and close to the RNSH. As such, they primarily service the local workers.

The worker retail offering (as defined on Map 6.5 overleaf) includes predominantly F&B along with a small IGA (600sq.m) which together total around 5,650 sq.m of retail. The nearby strip retail to the south of the Pacific Highway. The worker retail offering is expected to rely mostly on spending from workers around the St Leonards Office Market and the RNSH, with a smaller share of spending to come from residents.

The Crows Nest Plaza is located around 600 metres from the worker retail. The centre comprises a total of 4,380sq.m of retail floorspace, including a full line Coles supermarket. This largely services the surrounding local resident population in Crows Nest, St Leonards and Naremburn.

The presence of the established Crows Nest Plaza supermarket centre and the St Leonards retail offer demonstrates that workers retail and local centres can co-exist side by side without impacting each others viability, further highlighted by the recent completion of a new 8,000 sq.m Coles supermarket centre, opposite the worker retail on the pacific highway.

## Worker Servicing Centre - St Leonards Case Study

Table 6.11

WORKER RETAIL (ST LEONARDS OFFICE PRECINCT)	INDICATIVE RETAIL FLOORSPACE (SQ.M)
Specialty Retail	5,050
Metro Supermarket/Grocery Stores	600
<b>Total Retail</b>	<b>5,650</b>

Source: Urbis

## Resident Serving Centre - Crows Nest Case Study

Table 6.12

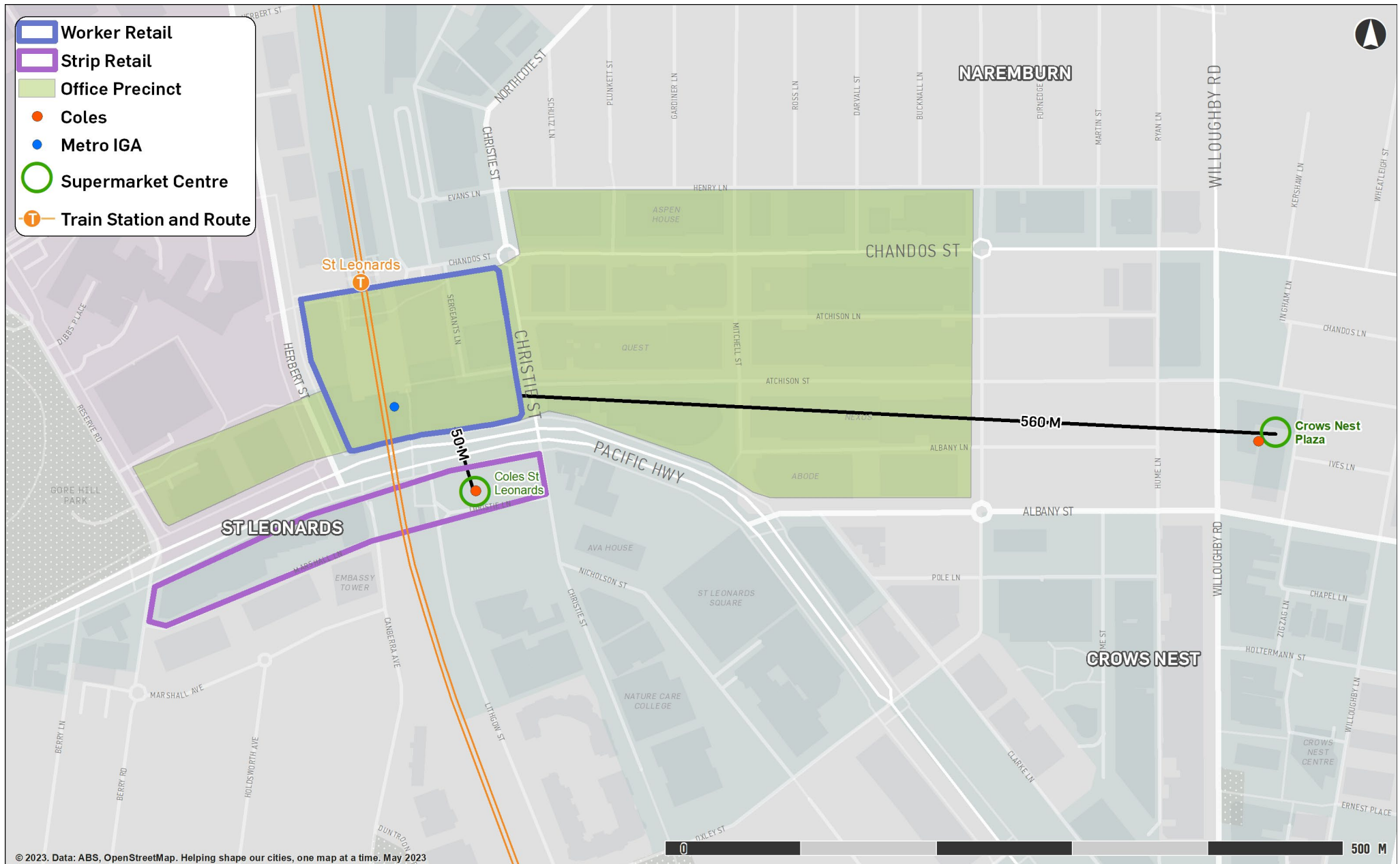
RESIDENTIAL RETAIL (CROW'S NEST PLAZA)	INDICATIVE RETAIL FLOORSPACE (SQ.M)
Specialty Retail	480
Supermarket	3,900
<b>Total Retail</b>	<b>4,380</b>

Source: PCA Shopping Centres Online



## ROLE AND FUNCTION OF CENTRES – ST LEONARDS

Map 6.5



# ROLE AND FUNCTION OF CENTRES – CHATSWOOD

## Key Findings

Similar to St Leonards, Chatswood has the 6<sup>th</sup> largest office market in Sydney with a total of 271,003 sq.m of office space (PCA Office Market Report). Offices are predominantly located west of the Chatswood Metro as depicted in Map 6.6 overleaf. Chatswood also has an extensive retail offering of centres including:

- Westfield Chatswood (regional Centre)
- Chatswood Chase (sub regional centre)
- Chatswood Interchange
- The Mandarin Centre

With a large office market, substantial retail and high-density residential development, Chatswood is like what the area surround the GDC Site Local Centre could look like once it reaches full development (due to a mixture of employment and residential zoning).

The retail centres listed above except for Chatswood Interchange mostly service the local resident market and a broader regional market in north and north west Sydney due to their scale. Chatswood Interchange (located at the train station) has a dual role of serving both residents and workers to a similar level as it is closer to the Chatswood Office Market.

The workers retail has been defined as the retail within the Chatswood Office precinct, as outlined on the map overleaf. There is no integrated retail centre within this precinct, with mainly worker bars, small café and restaurants scattered through the precinct on the ground floor of office developments. With a large retail offering east of the station, the workers retail will receive minimal spending from residents.

The extent of the worker retail offering (~5,550 sq.m) shows the floorspace supported by a large office market, even when a substantial proportion of this spending market is diverted to other nearby retail centres.

## Worker Servicing Centre - Chatswood Case Study

Table 6.13

WORKER RETAIL (WEST CHATSWOOD OFFICE PRECINCT)	INDICATIVE RETAIL FLOORSPACE (SQ.M)
Specialty Retail	5,050
Metro Supermarket/Grocery Stores	500
<b>Total Retail</b>	<b>5,550</b>

Source: Urbis

## Resident Serving Centre - Chatswood Case Study

Table 6.14

	WESTFIELD CHATSWOOD	CHATSWOOD CHASE	THE MANDARIN CENTRE	CHATSWOOD INTERCHANGE
RESIDENTIAL RETAIL	INDICATIVE RETAIL FLOORSPACE (SQ.M)			
Specialty Retail	43,167	29,359	3,520	8,102
Major Tenants	36,040	29,299	9,315	1,820
<b>Total Retail</b>	<b>79,207</b>	<b>58,658</b>	<b>12,835</b>	<b>9,922</b>

Source: PCA Shopping Centres Online

# ROLE AND FUNCTION OF CENTRES – CHATSWOOD

Map 6.6



# ROLE AND FUNCTION OF CENTRES – CASE STUDY SUMMARY

## Key Findings

The six case studies demonstrate the co-existence of worker retail offerings and closely located shopping centres which mostly service residents. This finding holds true over the case studies for office and industrial worker clusters.

Worker retail offerings serve a limited market, with the market consisting mainly of workers in the local office or employment precincts. The residential retail offerings serve much larger catchments, allowing a greater scale of offering.

Retail offerings in employment land and regional office precincts which do not rely much on trade from residents are mostly ~2,500 sq.m – 6,000 sq.m in scale (doesn't include bulky goods and non-retail floorspace). The Subject Site Proposed Centre fall within this size range with 4,900 sq.m of retail floorspace.

The smaller scale of worker retail offering designed to service workers is a key factor that limits the effect on nearby resident serving centres. Without a full line supermarket (must be ~4,000 sq.m to be considered a full-line supermarket) and a greater quantum of specialty retail and non-convenience retail, they cannot divert large amounts of spending away from established centres nearby.

All these worker retail offerings are 0.3km – 1km from the nearby resident serving centres, noting that Chatswood, St Leonards, North Penrith and Wetherill Park are less than 0.7 km. These distances indicate that centres do not have to be a minimum of 1.5km away from each other as desired by the WSA Precinct Plan.

As such, the Subject Site Proposed Centre and the GDC Site Local Centre can co-exist as they serve a different role and function. Further to this our supportability assessment for each centre (refer to Table 2.3 for the Subject Site Proposed Centre and Table 6.22 for the GDC Site Local Centre) shows that there is sufficient demand for each centre.

Case Studies Summary Table 6.15

CASE STUDIES	TOTAL ASSESSED WORKER RETAIL GLA (SQ.M)	TOTAL ASSESSED RESIDENTIAL RETAIL GLA (SQ.M)	DISTANCE BETWEEN WORKER AND RESIDENTIAL RETAIL (KM)
North Penrith / Penrith	3,600	75,690	0.4
Wetherill Park	28,427	46,932	0.7
Gregory Hills	4,350	9,600	1.0
Castle Hill / Norwest	2,500	7,550	1.0
St Leonards / Crows Nest	5,650	4,380	0.6
Chatswood	5,550	79,207	0.3

Source: Urbis, PCA Shopping Centres Online

## **6.2 LOW CASE SENSITIVITY ANALYSIS (RETAIL IMPACTS)**



# LOW CASE WORKER POPULATION FORECAST

## Key Findings

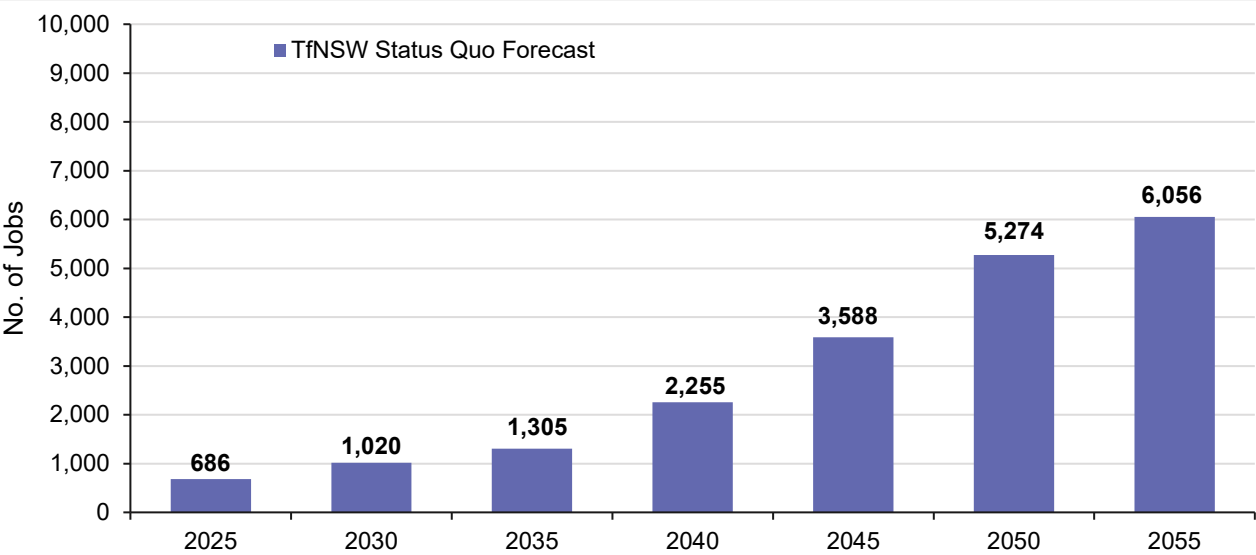
In Section 2 of this report, Urbis adjusted the TfNSW population forecasts for the IPG consolidated local centre retail catchment, to account for the proposed masterplan by IPG for the Subject Site. These projections formed the basis of our retail demand and impact assessments.

In this section of the report uses the TfNSW status quo projections (shown in Chart 6.1 opposite) for the purpose of assessing a low case scenario. For the purpose of this section the analysis complete in Section 2 and 3 of this report will be referred to as the base case.

The low case projections, expect the Retail Catchment to have 6,056 workers by 2055. This 2055 figure is below the 2055 figure in the base case of 10,860 workers. However, it should be noted these low case projections do not account for the Subject Site Proposed Development.

Retail Catchment Low Case Worker Population Forecast, 2025-55

Chart 6.1



Source: TfNSW; Urbis

# RETAIL FLOORSPACE DEMAND ASSESSMENT

## Key Findings

Due to the analysis being done for the purpose of assessing the impacts of the Subject Site Proposed Centre under a low case scenario we have assessed only the turnover and supportability in 2055 (impact year).

We have calculated the turnover and supportability of the Subject Site Proposed Centre in Table 6.16 opposite. This approach is the same as the approach outlined previously in Table 2.3 in Section 2 of this report for the base case. Noting that the only change from this previous assessment is the reduced retail catchment expenditure due to using the low case scenario, which has a lower worker population.

Using this approach for the low case scenario, we estimate the Subject Site Proposed Centre could support around 5,000 sq.m of retail and non-retail floorspace by 2055, which includes 3,800 sq.m of retail floorspace.

As such, under the low case scenario 3,800 sq.m would be a more appropriate amount of retail floorspace for the Subject Site Proposed Centre in 2055. Although these projections don't consider the Subject Site Proposed Development being built. As shown in Table 2.3 a 3,800 sq.m retail offer would not adequately meet the demand generated by the Subject Site Proposed Development.

## Subject Site Supportable Retail Floorspace, 2055

Table 6.16

	FOOD RETAIL	FOOD CATERING	APPAREL	HOME- WARES	ELECT- RONICS	BULKY GOODS	LEISURE/ GENERAL	RETAIL SERVICES	TOTAL RETAIL
<b>RETAIL CATCHMENT RETAIL EXPENDITURE (\$M)</b>									
2055	\$8.24	\$20.34	\$6.78	\$3.05	\$1.57	\$0.33	\$4.64	\$3.76	<b>\$48.70</b>
<b>SUBJECT SITE MARKET SHARES (%)</b>									
From Subject Site Retail Catchment	60%	70%	0%	0%	70%	0%	70%	70%	
Plus Demand from Beyond	10%	10%	0%	0%	10%	0%	10%	10%	
<b>SUBJECT SITE RETAIL EXPENDITURE (\$M)</b>									
2055	\$5.49	\$15.82	\$0.00	\$0.00	\$1.22	\$0.00	\$3.61	\$2.92	<b>\$29.06</b>
<b>TURNOVER PER SQ.M (\$/SQ.M)</b>									
2055	\$8,766	\$7,679	-	-	\$7,722	-	\$7,364	\$6,790	
<b>SUPPORTABLE RETAIL FLOORSPACE AT SUBJECT SITE</b>									
2055	626	2,060	0	0	158	0	490	431	<b>3,764</b>
<b>SUPPORTABLE FLOORSPACE WITH NON-RETAIL ADJUSTMENT (25% OF TOTAL OFFER)</b>									
2055									<b>5,019</b>

Source: ABS, Transport for NSW, Marketinfo, Urbis

# RETAIL IMPACT OF PROPOSED SUBJECT SITE RETAIL

## Key Findings

Table 6.17 shows the retail impact assessment when applying the low case employment projections and resulting Subject Site Proposed Centre demand of 3,800 sq.m. We have adopted the same market shares of retail catchment spending before and after impact as the base case (shown previously in Table 3.1 in Section 3).

Under the low case, since the retail expenditure of the retail catchment is lower, the Subject Site Proposed Centre is expected to trade at a lower level. The Subject Site Proposed Centre is expected to generate around \$23,330,480 of annual turnover from the Retail Catchment in 2055 under the low case, whereas under the base case it is expected to generate around \$46,870,130.

The impact of the Subject Site Proposed Centre is shown to be below 5%, which is considered as minor, for all competitors. The Local Centre 1 (also known as the GDC Site Local Centre) is expected to face the largest impact of 3.5% given its expected 22.5% share of the retail expenditure from the Retail Catchment 'before impact' and being only 0.4km south of the Subject Site Proposed Centre.

Even when Bradfield City Centre is modelled to account for 28.5% of retail expenditure within the Retail Catchment 'before impact' (see Table 3.1 previously), the impact of the Subject Site Proposed Centre is expected to have an immaterial impact of 0.7%.

It should be noted the four proposed amenity nodes on the Subject Site have also been considered in this assessment and are also expected to have an immaterial impact due to having a small quantum of retail floorspace (~100 sq.m – 200 sq.m) compared to the Subject Site Proposed Centre and its competitors.

In comparison to the base case, the low case impacts on other centres will be lower, due to the lower retail spending market being smaller meaning that the proposed consolidated local centre generates less turnover.

Distribution of Potential Impacts of Subject Site Proposed Centre

Table 6.17

MAP #	DEVELOPMENT NAME	RETAIL GFA (SQ.M)	ESTIMATED CENTRE TURNOVER (2055)		IMPACT	
			BEFORE IMPACT	POST IMPACT	EXPENDITURE (\$)	(%)
*	Subject Site Proposed Centre	3,800	\$0	\$23,330,480	\$23,330,480	
◆	Subject Site Neighbourhood Centre 1	2,000	\$12,972,820	\$0	-\$12,972,820	
▲	Subject Site Neighbourhood Centre 2	2,000	\$12,972,820	\$0	-\$12,972,820	
1	Neighbourhood Centre 1	2,000	\$12,972,820	\$12,636,170	-\$336,650	-2.6%
2	Neighbourhood Centre 2	2,000	\$12,972,820	\$12,636,170	-\$336,650	-2.6%
3	Neighbourhood Centre 3	2,000	\$12,972,820	\$12,838,160	-\$134,660	-1.0%
4	Local Centre 1 (GDC Site Local Centre)	6,000	\$86,644,720	\$83,614,880	-\$3,029,840	-3.5%
5	Local Centre 2	6,000	\$60,449,810	\$59,776,510	-\$673,300	-1.1%
6	Bradfield City Centre	96,000	\$589,511,640	\$585,673,840	-\$3,837,800	-0.7%

Note: Map Code figures align with numbers on Map 2.2 on page 21

Source: IPG, TfNSW, ABS, Marketinfo, Western Sydney Aerotropolis Precinct Plan 2022, Urbis

## **6.3 CUMULATIVE IMPACTS OF CONSOLIDATED CENTRE ON THE SUBJECT SITE AND THE GDC SITE CENTRE**

# GDC RETAIL CATCHMENT DEFINITION

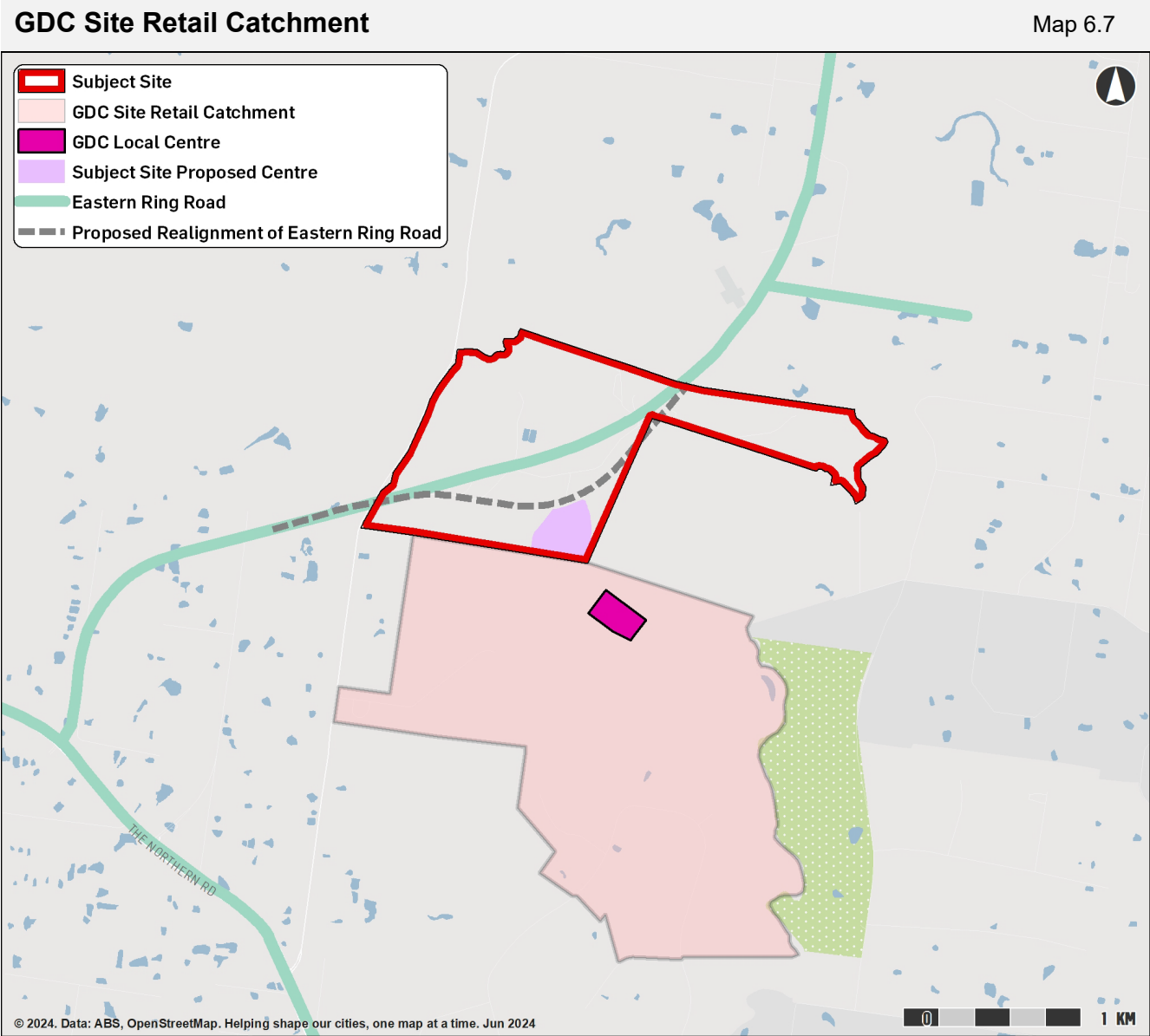
## Key Findings

In this section of the report, we assess the likely demand (supportable floorspace) for retail and complimentary non-retail (local services, gym, medical, etc.) uses for the GDC Site Local Centre (or Local Centre 1), situated 400 metres south of the Subject Site Proposed Centre.

To do this we first defined a Retail Catchment, to be called the GDC Site Retail Catchment, which will inform the potential spending at the proposed centre.

Based on the above we defined the GDC Site Retail Catchment shown in Map 6.1 opposite. The GDC Site Retail Catchment is limited by the competing planned neighborhood and local centres to the north and west as well as the Bradfield City Centre to the south-west. It is also constrained by future Western Sydney Airport to the west and South Creek to the east. As such, the GDC Centre is not expected to attract a significant quantum of retail spending from visitors and workers from the future Western Sydney Airport or potential residents from the planned Rossmore residential greenfield precinct.

The GDC Site Retail Catchment is expected to comprise of both residents and workers, as there is a mix of residential and employment land zoning contained in the catchment (see relevant land zoning in Map 1.2 in Section 1 of this report). As such, the local centre owned by GDC is expected to service both workers and residents within the bounds of our defined catchment.





# RESIDENTIAL POPULATION FORECAST

## Key Findings

Table 6.18 opposite shows the estimated residential population within the GDC Site Retail Catchment at expected year of ‘full development’ in 2055. We have adopted this year as the year which the GDC Site Local Centre will be fully built as GDC have indicated that they have no current timeline to build the Local Centre as it is part of their longer-term plans.

As TfNSW population projections have not yet considered the new zoning of the WSA Precinct Plan within the GDC Site Local Catchment we have estimated the residential population within the catchment as follows:

- To estimate the number of dwellings within the catchment, we multiplied the area of residential zoned land within the catchment by an appropriate dwelling density.
- To estimate an appropriate dwelling density, we investigated currently developed areas which are likely to be comparable to ‘full development’ at the Subject Site. We have estimated the dwelling density within a 1km radius of Penrith and Blacktown station, as these areas contain medium to high density mixed residential areas, mixed use and employment land uses, and are also located in Western Sydney. Based on this analysis we have adopted a dwelling density of 25 dwellings per hectare for the Mixed-Use Residential zoned area within the GDC Site Retail Catchment.
- Under this approach the GDC Site Retail Catchment is expected to comprise of 3,389 dwellings as at full development.
- We then applied an average household size to the estimated number of dwellings within the catchment. We have adopted the household size forecast by the NSW DPE for the Liverpool, Campbelltown and Penrith LGAs of the Western Parkland City, which is estimated at 2.7 people per dwelling in 2055. Applying this to the estimated 3,389 dwellings within the catchment yields an estimated population of 9,152 people at ‘full development’ in 2055.

GDC Retail Catchment Resident Population, 2055

Table 6.18

METRIC	NO.
Mixed-Use Residential Zoned Area (Hectares)	135.6
Adopted Dwelling Density (Dwellings per Hectare)	25
Number of Dwellings	3,389
Average Household Size	2.7
GDC Site Retail Catchment Resident Population	9,152

Source: TfNSW; NSW DPE; WPCA; Urbis

# WORKER POPULATION FORECAST

## Key Findings

In a similar method to the residential population forecast, the TfNSW employment projections have also not yet taken into account the new zoning in the Aerotropolis adopted in the WSA Precinct Plan. To appropriately account for this new zoning, we have estimated the employment at completion as follows:

- To estimate the number of workers within the catchment, we estimated the area of employment zoned land and multiplied this by an appropriate job density.
- The job densities have been adopted directly from the WSA Precinct Plan, as shown in Table 6.18. We have aligned these land uses to the zoning type which is most likely to accommodate the suggested land use.
- Multiplying the adopted job density to the zoned employment land yields approximately 16,289 jobs in the GDC Site Retail Catchment at completion in 2055, as shown in Table 6.19. Most of these jobs are expected to feature in the Business and Enterprise zoned land, which supports 7,770 jobs equating to 48% of total jobs within the catchment.

**Job Densities by Land Zone, WSA Precinct Plan (May 2023)**

Table 6.19

TYPE OF LAND USE	EMPLOYMENT DENSITY (JOBS PER HECTARE)			RELEVANT WSA LAND ZONE(S)
	LOW	HIGH	(MIDPOINT	
Campus Style Business Park	75.0	130.0	102.5	Business and Enterprise
Office Park	130.0	250.0	190.0	Commercial Centre - Mixed Use, and Retail Centre
Education / Community	30.0	50.0	40.0	Education
Large Logistics	18.0	25.0	21.5	Enterprise Light Industry

Source: WSA Precinct Plan; Urbis

**GDC Site Retail Catchment Worker Population by Land Zone, 2055**

Table 6.20

	BUSINESS AND ENTERPRISE	EDUCATION	ENTERPRISE AND LIGHT INDUSTRY	COMMERCIAL CENTRE – MIXED USE	MIXED USE RESIDENTIAL	TOTAL
Zoned Employment Land (Hectares)	75.8	5.5	29.5	11.8	135.6	258.2
Job Density (Jobs per Hectare)	102.5	40.0	21.5	190.0	40.0	63.1
Total Jobs (Workers)	7,770	220	634	2,242	5,423	16,289

Source: TfNSW; WSA Precinct Plan; WPCA; Urbis

# RETAIL CATCHMENT SPENDING FORECAST

## Key Findings

Based on the worker and population forecasts provided on the previous two pages, Table 6.21 opposite shows the estimated size of the retail spending market by product group in 2055.

The resident spending market has been calculated by applying an average per capita spending rate from the Western Parkland City LGAs of Liverpool, Fairfield, Penrith and Campbelltown to the GDC Site Retail Catchment resident population. The worker spending market has been calculated by applying worker spend per year estimates derived from the Urbis Worker Spending Survey to the projected workers in the GDC Site Retail Catchment. Both resident and worker spending per year figures have been grown annually by 0.25% to account for real spending growth.

Under this approach the Retail Catchment retail spending market is estimated at \$275.8 million by 2055.

The largest spending category is forecast to be Food Retail, estimated at \$87.5 million in 2055. The second largest category is Food Catering, forecast to reach \$75.7 million in 2055. Combined, these categories are expected to account for nearly 60% of total expenditure by 2055.

Retail Catchment Spending by Product Group (\$M), 2055

Table 6.21

CATCHMENT SECTOR	FOOD RETAIL	FOOD CATERING	APPAREL	HOME-WARES	ELECT-RONICS	BULKY GOODS	LEISURE/GENERAL	RETAIL SERVICES	TOTAL
Residents	\$65.4	\$21.0	\$15.9	\$3.1	\$6.1	\$16.5	\$13.2	\$3.6	<b>\$144.8</b>
Workers	\$22.2	\$54.7	\$18.2	\$8.2	\$4.2	\$0.9	\$12.5	\$10.1	<b>\$131.0</b>
<b>Total</b>	<b>\$87.5</b>	<b>\$75.7</b>	<b>\$34.2</b>	<b>\$11.3</b>	<b>\$10.3</b>	<b>\$17.4</b>	<b>\$25.7</b>	<b>\$13.7</b>	<b>\$275.8</b>

*Note: Resident spending market has been reduced to prevent double counting of resident worker spend.*

*Source: WSA Precinct Plan; Marketinfo; Urbis*

# RETAIL FLOORSPACE DEMAND ASSESSMENT

## Key Findings

Table 6.22 opposite shows our approach for determining the retail floorspace that market demand can support at the GDC Site Local Centre at 'full development' in 2055.

Our approach comprises:

- Applying appropriate market shares to the GDC Site Retail Catchment retail expenditure for each product category and allowance for spend from beyond the catchment area (10%) to determine the expected Subject Site retail expenditure. We note no market shares have been applied to bulky goods, which is more likely to be concentrated in a large-format retail centre.
- For residents, it is expected that most of their discretionary spending will still be done at the Bradfield Regional Centre, but they will still tend to rely strongly on the GDC Site Local Centre for food retail and convenience based goods. Due to the competition surrounding the GDC Site Local Centre, especially the Subject Site Proposed Centre which will service workers, worker market shares are mostly expected to be lower than residents.
- We then applied average trading levels (turnover per sq.m) to the expected GDC Centre retail expenditure to estimate the supportable retail floorspace for each product category.
- We then allowed for 25% of floorspace at the GDC Centre to comprise of complementary non-retail uses (childcare, gym, medical centre, etc.).

Under this approach we estimate the Perich Site Local Centre could support around 11,500 sq.m of retail and non-retail floorspace at 'full development' in 2055, of which around 8,600 sq.m will be retail floorspace.

Perich Site Local Centre Supportable Retail Floorspace, 2055

Table 6.22

	FOOD RETAIL	FOOD CATERING	APPAREL	HOME- WARES	ELECT- RONICS	BULKY GOODS	LEISURE/ GENERAL	RETAIL SERVICES	TOTAL RETAIL
PERICH SITE RETAIL CATCHMENT RETAIL EXPENDITURE (\$M), 2055									
Residents	\$65.4	\$21.0	\$15.9	\$3.1	\$6.1	\$16.5	\$13.2	\$3.6	\$144.8
Workers	\$22.2	\$54.7	\$18.2	\$8.2	\$4.2	\$0.9	\$12.5	\$10.1	\$131.0
PERICH SITE LOCAL CENTRE MARKET SHARES (%)									
Residents	40%	25%	5%	5%	5%	0%	25%	40%	
Workers	20%	25%	0%	0%	25%	0%	25%	25%	
PERICH SITE LOCAL CENTRE RETAINED RETAIL EXPENDITURE (\$M)									
Residents	\$26.1	\$5.3	\$0.8	\$0.2	\$0.3	\$0.0	\$3.3	\$1.4	\$37.4
Workers	\$4.4	\$13.7	\$0.0	\$0.0	\$1.1	\$0.0	\$3.1	\$2.5	\$24.8
TURNOVER PER SQ.M (\$/SQ.M)									
	\$8,788	\$7,679	\$5,889	\$7,751	\$7,722	-	\$7,271	\$6,790	
DEMAND FROM BEYOND									
10%									
SUPPORTABLE RETAIL FLOORSPACE AT PERICH SITE LOCAL CENTRE									
	3,866	2,739	150	22	195	0	982	648	8,603
SUPPORTABLE FLOORSPACE WITH NON-RETAIL ADJUSTMENT (25% OF TOTAL OFFER)									
									11,470

Source: ABS, WSPA, Marketinfo, Urbis

# CUMULATIVE IMPACTS CATCHMENT

## Overview

To assess the cumulative impacts of the consolidation of two neighbourhood centres to one local centre on the Subject Site (Subject Site Proposed Centre) and the Perich Site Local Centre on the other planned centres in the WSA precinct, we have estimated whether the residential and worker population in the wider Aerotropolis Core and Badgerys Creek precincts is enough to support the proposed and impacted level of retail.

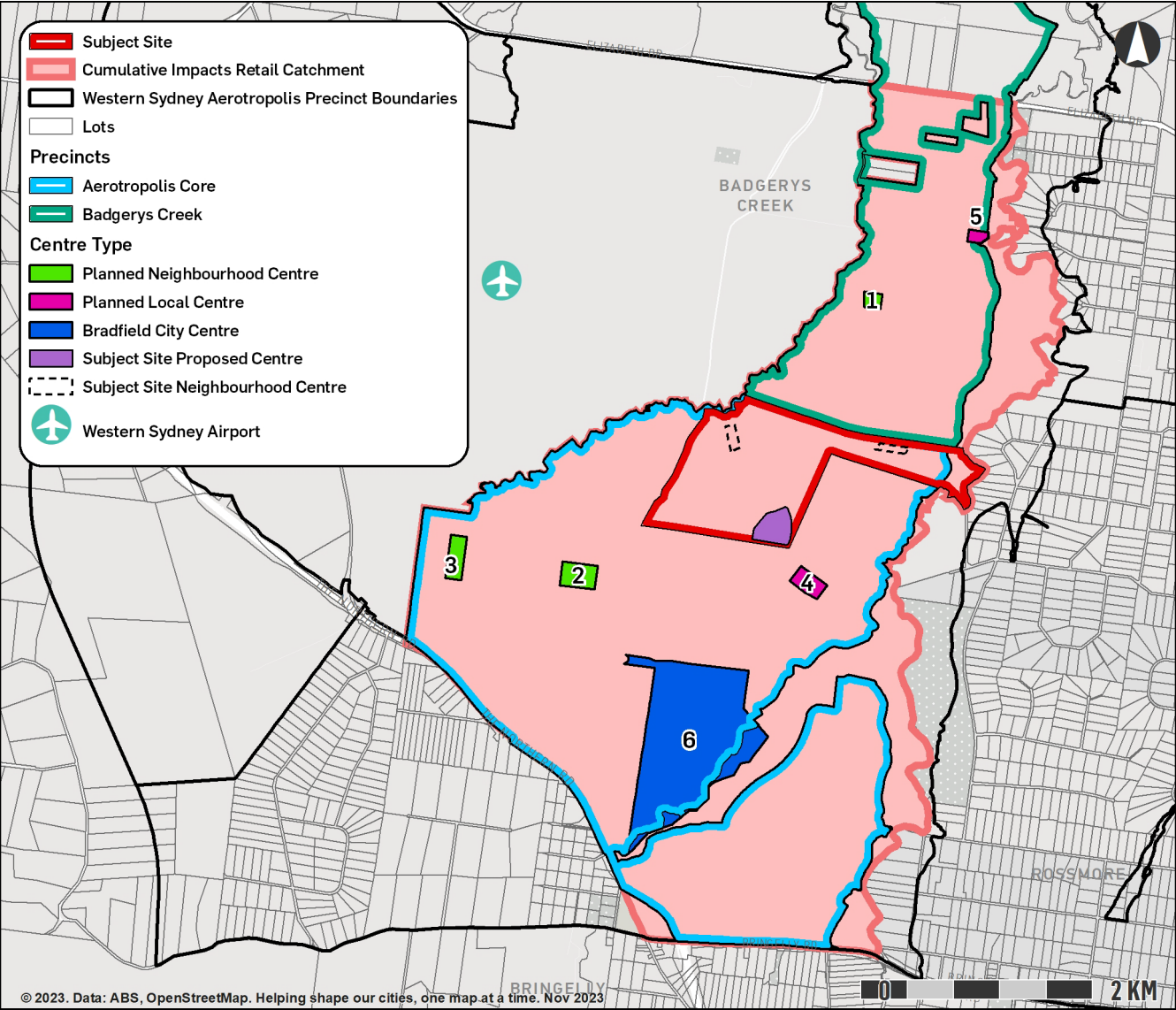
In order to do this, we defined a Cumulative Retail Impacts Catchment, which is shown in Map 6.8 opposite. This catchment consists of the entire Aerotropolis Core precinct and the majority of the Badgerys Creek precinct (up until Elizabeth Drive in the north).

The Cumulative Retail Impacts Catchment contains all the planned centres surrounding both the Subject Site Proposed Centre and the Perich Site Local Centres, including the Bradfield City Centre and the Perich Site Local Centre. All these centres along with the corresponding map codes are shown earlier in Map 2.2 in Section 2 of this report.

We note that this catchment does not include all employment and residential land in the WSA precinct, as they are too far away from the Subject Site Proposed Local Centre and the Perich Site Local Centre. They also have their own hierarchy of planned centres expected to service them.

## Cumulative Retail Impacts Catchment

Map 6.8





# CUMULATIVE RETAIL IMPACTS CATCHMENT POPULATION

## Key Findings

To estimate the supportability of retail within the Cumulative Retail Impacts Catchment, we have estimated the total workers and residents within the catchment at ‘full development’ assumed in 2055.

Table 6.23 shows the estimated residential population for the Cumulative Retail Impacts Catchment. We adopted the same method previously shown in Table 6.18, as we multiplied the residential area within the catchment by an appropriate dwelling density and average household size to reach the residential population.

For the Commercial Centre Mixed Use zoned area, we adopted the same dwelling density we adopted for the Mixed-Use Residential zoned area as they cover a similar area and are both expected to comprise of a mix of residential and employment uses.

Under this approach we estimate that the residential population within the Cumulative Retail Impacts Catchment will be 26,342 at ‘full development’ in 2055.

A similar approach is also taken with estimating the worker population within the Cumulative Retail Impacts Catchment, as shown in Table 6.24. We applied appropriate job densities to each land zone within the catchment. These densities are previously shown in Table 6.19 except for the Mixed-Use residential zone for which we adopted the employment density of the same case studies in Penrith and Blacktown we used to estimate dwelling density.

We have excluded the zoned employment land within the Subject Site Retail Catchment and the Bradfield City Centre. For the Subject Site Retail Catchment, we adopted our earlier worker forecast (shown in Section 2 of this report) as the TfNSW forecast for this relevant area reflect its zoning (as it was already zoned enterprise before the WSA Precinct Plan). For Bradfield City Centre we adopted the employment figures provided by WPCA.

Under this approach there is expected to be 94,042 workers within the Cumulative Impacts Retail Catchment in 2055 at ‘full development’.

Cumulative Retail Impacts Catchment Resident Population, 2055 Table 6.23

METRIC	NO.
Mixed-Use Residential Zoned Area (Hectares)	188.9
Commercial Centre Mixed Use Area (Hectares)	201.3
Total Zoned Area to comprise of Residential Dwellings (Hectares)	390.3
Adopted Dwelling Density (Dwellings per Hectare)	25
Number of Dwellings	9,756
Average Household Size	2.7
Cumulative Retail Impacts Catchment Resident Population	26,342

Source: TfNSW; NSW DPE; WPCA; Urbis

Cumulative Retail Impacts Catchment Worker Population, 2055 Table 6.24

	BUSINESS AND ENTERPRISE	EDUCATION	ENTERPRISE AND LIGHT INDUSTRY	COMMERCIAL CENTRE – MIXED USE	MIXED USE RESIDENTIAL	RETAIL CENTRES	TOTAL
Zoned Employment Land (Hectares)*	166.7	10.8	419.4	123.2	197.3	1.8	919.2
Job Density (Jobs per Hectare)	102.5	40.0	21.5	190.0	40.0	190.0	63.1
Jobs (Workers)*	17,091	431	9,018	23,413	7891	342	58,184
Subject Site Retail Catchment Jobs							10,860
Bradfield City Centre Jobs							24,997
Cumulative Retail Impacts Catchment Worker Population (Total Jobs)							94,042

Note: \*indicates that zoned area does not include the Subject Site and Bradfield City Centre areas (both shown earlier in Map 6.3.2)

Source: TfNSW; NSW DPE; WPCA; WSA Precinct Plan 2022; Urbis

# PLANNED CENTRES RETAIL FLOORSPACE

## Key Findings

Table 6.25 shows the before and after impact retail floorspace within the Cumulative Retail Impact Catchment based on our assumed planned centre sizes, demand figures for the Subject Site Proposed Centre and figures for Bradfield City Centre provided by WPCA. All these centres along with the corresponding map code are shown earlier in Map 2.2 in Section 2 of this report.

The before impact scenario assumes that all the planned centres are developed as per our assumptions on scale of retail floorspace the planned neighbourhood and local centres could comprise, as discussed earlier in Section 2 (page 20) of this report. It also adopts the WPCA provided size for Bradfield City Centre.

There are two main changes in post impact scenario compared to the before impact scenario. First is the consolidation of the two neighbourhood centres to one local centre with 4,900 sq.m on the Subject Site (Subject Site Proposed Centre). The second is the increase of the Perich Site Local Centre to 8,600 sq.m from our assumption of 6,000 sq.m after assessing its supportable retail floorspace (shown previously in Table 6.22).

The size difference between these two centres highlights that there is not a “one size fits all” approach to the size of neighbourhood and local centres, with the size of a centre being dependent on its role and function and the market it services.

In the before impact scenario, total retail floorspace is estimated at 118,000sq.m, whereas in the after impact the retail floorspace is 121,500 sq.m, meaning an additional 3,500 sq.m of retail floorspace is added to the post impact when assessing the cumulative retail impacts of the Subject Site Proposed Centre and the Perich Site Local Centre being developed.

Cumulative Retail Impacts Catchment Planned Centre Retail Floorspace (sq.m) Table 6.25

MAP #	CENTRE	BEFORE IMPACT	POST IMPACT
*	Subject Site Proposed Centre	0	4,900
◆	Subject Site Neighbourhood Centre 1	2,000	0
▲	Subject Site Neighbourhood Centre 2	2,000	0
1	Neighbourhood Centre 1	2,000	2,000
2	Neighbourhood Centre 2	2,000	2,000
3	Neighbourhood Centre 3	2,000	2,000
4	Local Centre 1 (Perich Site Local Centre)	6,000	8,600
5	Local Centre 2	6,000	6,000
6	Bradfield City Centre	96,000	96,000
Total Floorspace (sq.m)		118,000	121,500

Source: WPCA; WSA Precinct Plan 2022; Urbis

# SUPPORTABLE RETAIL FLOORSPACE IN THE CUMULATIVE RETAIL IMPACTS CATCHMENT

## Key Findings

Table 6.26 below and 6.27 overleaf show our retail impact assessment methodology for the cumulative impacts of the Subject Site Proposed Centre and the Perich Site Local Centre.

To assess the cumulative retail impacts of these centres we had to use a different approach to the retail impact analysis conducted for the Subject Site Centre (in Section 3 of this report).

The reason for this is that for the Subject Site Proposed Centre the impacts were for the consolidation of two centres to one local centre, which is a different outcome to what was planned in the WSA Precinct Plan. In comparison, the Perich Site Local Centre has already been planned for in the WSA Precinct Plan so we cannot do a retail impact

assessment in the same way we did for the Subject Site Proposed Centre.

Our approach for the cumulative retail impacts assessment is instead more in line with the commercial office impact assessment (previously shown in Table 4.3) where we compare demand and supply to determine the potential impacts.

Table 6.26 below shows the estimated retail floorspace demand of the Cumulative Retail Impacts Catchment at 'full development' in 2055.

The resident spending per capita and the worker spending per year are both kept consistent with the retail demand modelling done for the Subject Site Proposed Centre and the Perich Site Local Centre. When applying these figures to the catchment

population the total spending market within the catchment is estimated at \$1.17 billion, with \$416.5 million expected from residents and \$756.2 million expected from workers.

In the same way, we have adopted the average turnover per sq.m by product group previously used for the Subject Site Proposed Centre and Perich Site Local Centre, as these figures are representative of retail turnover levels expected for the Cumulative Retail Impacts Catchment.

Under this approach, it is estimated that the Cumulative Retail Impacts Catchment will generate demand for (or support) 155,047 sq.m of retail floorspace by 'full development' in 2055.

## Cumulative Impacts Catchment Retail Floorspace Demand, 2055

Table 6.26

	FOOD RETAIL	FOOD CATERING	APPAREL	HOMEWARES	ELECTRONICS	BULKY GOODS	LEISURE/GENERAL	RETAIL SERVICES	TOTAL
Resident Population				26,342					26,342
Annual Resident Spend Per Capita (\$)	\$7,870	\$2,535	\$1,924	\$375	\$738	\$1,991	\$1,595	\$432	\$17,460
<b>Resident Spending Market (\$M)</b>	<b>\$187.7</b>	<b>\$60.5</b>	<b>\$45.9</b>	<b>\$8.9</b>	<b>\$17.6</b>	<b>\$47.5</b>	<b>\$38.0</b>	<b>\$10.3</b>	<b>\$416.5</b>
Worker Population				94,042					94,042
Average Worker Spend Per Year (\$)	\$1,360	\$3,358	\$1,120	\$504	\$258	\$55	\$766	\$621	\$8,041
<b>Worker Spending Market (\$M)</b>	<b>\$127.9</b>	<b>\$315.8</b>	<b>\$105.3</b>	<b>\$47.4</b>	<b>\$24.3</b>	<b>\$5.1</b>	<b>\$72.0</b>	<b>\$58.4</b>	<b>\$756.2</b>
<b>Total Spending Market (\$M)</b>	<b>\$315.6</b>	<b>\$376.3</b>	<b>\$151.2</b>	<b>\$56.3</b>	<b>\$41.9</b>	<b>\$52.6</b>	<b>\$110.1</b>	<b>\$68.7</b>	<b>\$1,172.7</b>
Turnover per Sq.m (\$/sq.m)	\$8,781	\$7,679	\$5,889	\$7,751	\$7,722	\$8,042	\$7,301	\$6,790	\$7,564
<b>Retail Floorspace Demand (sq.m)</b>	<b>35,943</b>	<b>49,004</b>	<b>25,671</b>	<b>7,263</b>	<b>5,428</b>	<b>6,545</b>	<b>15,076</b>	<b>10,117</b>	<b>155,047</b>

Note: Resident spending market has been reduced to prevent double counting of resident worker spend.

Source: TfNSW; NSW DPE; WPCA; WSA Precinct Plan 2022; Marketinfo; Urbis

# CUMULATIVE RETAIL IMPACTS CATCHMENT GAP ASSESSMENT

## Key Findings

Table 6.27 shows the supply gap between the estimated retail floorspace demand as determined on the previous page, and the planned retail floorspace in the before impact and post impact scenario within the Cumulative Retail Impacts Catchment.

In both the before impact and post impact scenario, there is a retail floorspace supply deficit, which is 37,047 in the before impact scenario and decreases to 33,547 in the after impact scenario.

As there is still an expected undersupply of retail floorspace in the post impact scenario the cumulative retail impacts of the Subject Site Proposed Centre and the Perich Site Local Centre are not expected to undermine the viability of the other planned centres, including Bradfield City Centre.

The expected shortage of ~33,500 sq.m of retail floorspace when assessing the cumulative impacts of the Subject Site Proposed Centre and the Perich Site Local Centre indicate that more floorspace could be included in the planned centres than what has been assumed. Alternatively, retail floorspace could also be included in other areas throughout the precinct which allow for retail floorspace (ground floor of mixed-use developments and amenity nodes within enterprise zones).

These include the four retail amenity nodes being proposed throughout the Subject Site of 100 sq.m – 200 sq.m each. As such, the four proposed retail amenity nodes at the Subject Site will not undermine the commercial viability of other planned retail.

Cumulative Retail Impacts Catchment Gap Assessment (sq.m), 2055

Table 6.27

	BEFORE IMPACT	POST IMPACT
Retail Floorspace Demand	155,047	155,047
Centres Retail Floorspace Supply	118,000	121,500
Supply Deficit	-37,047	-33,547

Source: TfNSW; NSW DPE; WPCA; WSA Precinct Plan 2022; Marketinfo; Urbis

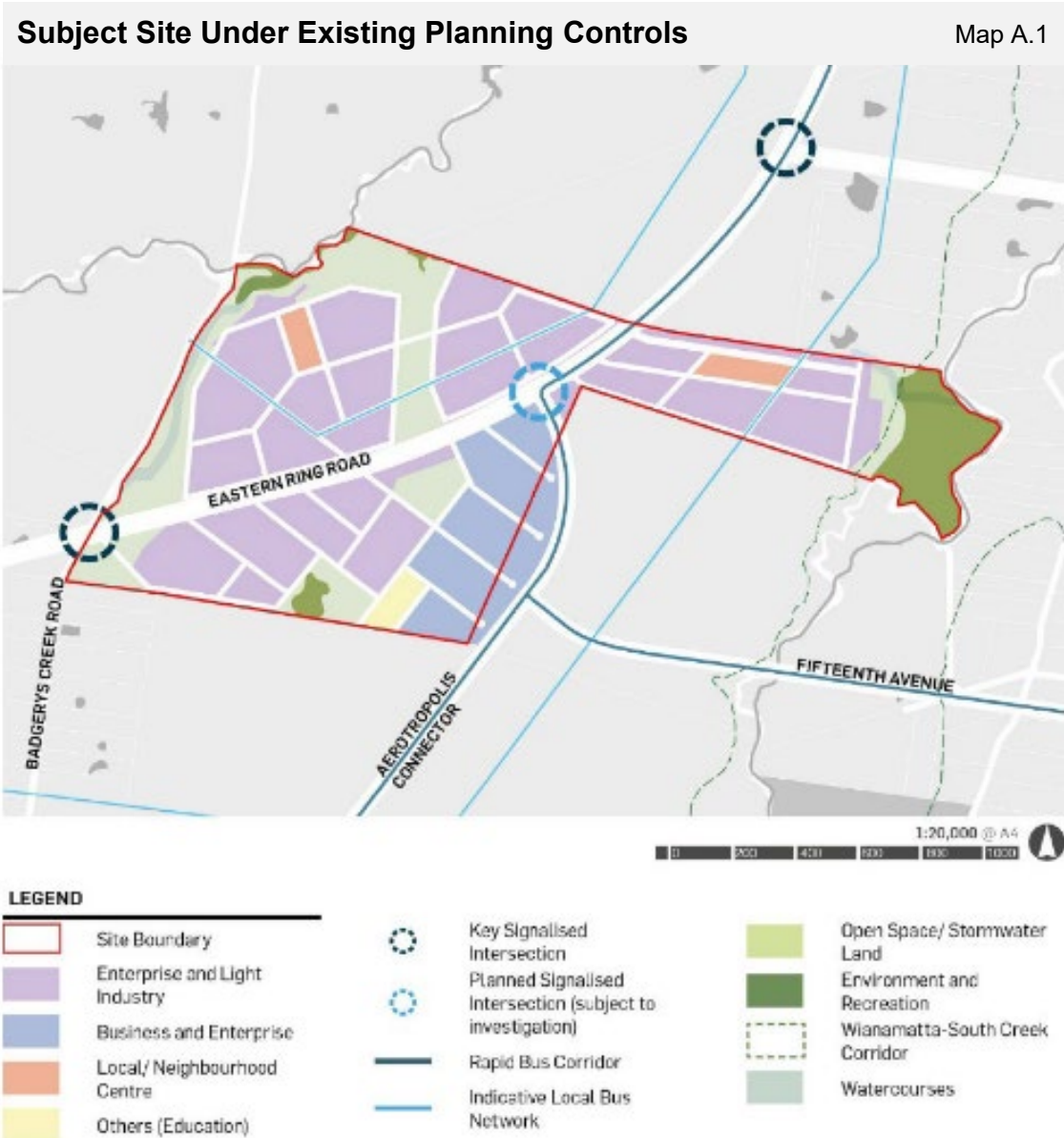
Further to this, it is likely that the demand for retail floorspace within the Cumulative Retail Impacts Catchment are conservative figures. The reason for this is that as the catchment reaches ‘full development’ by 2055 there is likely to be an intensification of uses to what has been allowed for in zoning and job densities in the WSA Precinct Plan. For example, the industrial area in South Sydney around the Sydney Airport has seen land uses highly intensify over the last 20 years (office and high-density residential developments), which has resulted in a higher combined resident and worker population.

If the same intensification of uses occurs around the WSA by 2055, the retail floorspace demand within the Cumulative Retail Impacts Catchment will be much higher than what we have forecast. As such, the cumulative impacts of the Subject Site Propose Centre and the Perich Site Local Centre would be even less significant as the undersupply will be higher.

# APPENDIX



# APPENDIX A – SUBJECT SITE UNDER EXISTING PLANNING CONTROLS



# APPENDIX B – ESTIMATED SUBJECT SITE WORKERS, METHODOLOGY AND ASSUMPTIONS

Subject Site Workers			Table A.1
LAND USE	FLOORSPACE (GFA SQ.M)	JOB DENSITY (SQ.M PER JOB)	TOTAL JOBS
Warehouse	481,960	300	1,607
Business / Enterprise (including Business Park)	26,877	60	448
Ancillary Office	24,570	50	491
Café	520	25	21
Commercial (includes retail)	91,540	20	4,577
<b>Total</b>	<b>625,467</b>		<b>7,144</b>

Source: IPG, Sydney FES, Landcom, PLUC, WSA Precinct Plan, Urbis

# APPENDIX C - REMPLAN METHODOLOGY

## Description of Economic Benefits and Methodology

The Economic Benefits section of this report used **REMPLAN** to model the potential economic benefits associated with the proposed development. REMPLAN is an Input Output model that captures inter-industry relationships within an economy. It can assess the area specific direct and flow on implications across industry sectors in terms of employment, wages and salaries, output and value added (Gross State Product).

The potential economic benefits of the proposed development have been quantified in terms of value added expenditure generation and employment generation:

- Expenditure Generation –Estimation of the direct and indirect expenditure impacts resulting from the proposed development. This estimates value added expenditure impacts to the regional and state economies during both the development and operating phases
- Employment Creation –Estimation of the direct and indirect employment impacts resulting from the proposed developments. This estimates employment impacts using standard industry jobs per sq.m benchmarks and regional employment multipliers for New South Wales.

Key points regarding the workings and terminology of the model are as follows:

- REMPLAN uses either the value of investment or employment generation as the primary input. For this analysis, the value of total upfront investment has been used as the key input to assess the benefits of the construction phase, whereas future employment at the centre is the input to assessing the ongoing economic benefits of the operational phase
- Outputs from the model include direct and indirect employment and value added (i.e. economic growth) generated through the project
- Employment generated includes all full-time and part-time jobs created over the life of the construction phase; or in terms of the on-going operations, total on-going jobs generated
- Both the direct and indirect benefits are modelled for employment and value added
- Direct refers to the effect felt within the industry where the investment is being made. For example, during the construction phase, new direct jobs are created within the construction industry

- Indirect effects are:
  - Those felt within industries that supply goods to the industries directly affected (industry effects)
  - Those felt by industries that benefit from the wages that are earned and spent by those employed within the industries directly affected (consumption-induced effects).

For the purposes of this analysis, consumption-induced effects have been excluded. Consumption-induced effects are prone to overstate the benefits of a particular investment as they overestimate the impact of wage and salary increases in the local economy. This is in line with accepted industry practice.

