ETHOS URBAN

Chisholm Plaza

Economic Impact Assessment

FINAL

Prepared for Revelop

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Authorship

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Disclaimer

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Executive Summary

Site Context and Proposed Development

The Subject Site, which is located at 20 Heritage Drive, Chisholm and bordered by Tigerhawk Drive and Settlers Boulevard, is Zone B1 - Neighbourhood Centre under the Maitland Local Environment Plan. The centre is proposed include a full-scale supermarket anchor of 3,809 sq.m, a mini-major tenant of 1,500 sq.m, a range of specialty shops and several non-retail/community uses such as a gymnasium, a tavern, a Learn to Swim (LTS) facility, a childcare centre, a medical centre, and a car wash outlet.

Catchment Analysis

A trade area has been defined for the centre which covers Chisholm and the surrounding suburbs. In mid-2021, the population of the trade area is estimated at 26,730 including 4,400 residents in the primary sector. Strong growth is projected to result in the population reaching approximately 35,800 residents by 2036 including 11,000 in the primary sector. This reflects an average annual growth rate of 2% across the main trade area and a very strong 6.3% in the primary sector over the forecast period.

Competitive Context

Within the defined main trade area there are three shopping centres with a notable food offering – Thornton, Tenambit and Morpeth. Thornton Shopping Centre is a Coles anchored neighbourhood centre, located approximately 3km south of the Subject Site, while a cluster of retail shops are provided on Maize Street in Tenambit as well as along Swan Street in Morpeth.

Stockland Green Hills is the only regional shopping centre in the broader Maitland region and contains approximately 67,000 sq.m of retail floorspace. The Maitland City Centre, which serves the retail and commercial needs of the wider Maitland region, includes the shopping centres of Riverside Plaza and Pender Place. A number of smaller retail centres are also provided in the region such as the East Maitland Town Centre, the Beresfield Town Centre, and the Lorn Local Centre.

Retail Floorspace Demand Analysis

A retail floorspace demand analysis indicates that currently a neighbourhood centre type offer anchored by at least one supermarket is clearly supportable at the Subject Site, with the demand for retail floorspace to increase over time. By 2026, the amount of retail floorspace considered supportable is estimated at approximately 9,000 sq.m, including 5,700 sq.m of FLG floorspace. The level of supportable food, liquor and grocery (FLG) floorspace would easily accommodate a full-line supermarket (including liquor), as well as potentially a smaller supermarket or large fresh produce store and a provision of supporting fresh food specialties.

Economic Impacts and Benefits

A range of economic benefits are likely to arise as a result of the subject development, which includes serving the growing food and grocery needs of trade area residents; improving shopping choice and convenience for local residents; creating a focal point for the community; and creating local employment opportunities. The development may have some trading impacts on existing facilities, however, any adverse impacts will not be such as to threaten any existing facility's ability to continue operating successfully. Consequently, in weighing the benefits and impacts, the analysis in this report demonstrates that a net community benefit will result from the proposed neighbourhood centre development at the Subject Site.

Introduction

Background

Chisholm Plaza is a neighbourhood centre proposed at 20 Heritage Drive, Chisholm. This site is located within the Waterford Country precinct of the Thornton North Urban Release Area, approximately 10km east of the Maitland City Centre. The site is B1 - Neighbourhood Centre zone.

Objective

The purpose of this report is to provide an independent assessment of the potential economic benefits and trading impacts which may arise from the development of Chisholm Plaza.

Report Structure

This report contains the following chapters:

Chapter 1: Context Overview

Chapter 2: Catchment Analysis

Chapter 3: Competitive Context

Chapter 4: Retail Floorspace Analysis

Chapter 5: Assessment of Centre Potential

Chapter 6: Economic Impact and Benefit Analysis

1 Context Overview

The context relevant to the proposed development of Chisholm Plaza is outlined in this Chapter including an overview of the Subject Site, the regional context, the proposed development and the planning context.

1.1 Site and Regional Context

The Subject Site is located at 20 Heritage Drive, Chisholm, approximately 10km east of the Maitland City Centre and 30km north-west of Newcastle (refer Figure 1.1). Regional accessibility to the area is provided by New England Highway, which links to Newcastle to the south-east and extends north through Queensland.

Figure 1.2 illustrates the local context, showing that the site fronts Heritage Drive, Settlers Boulevard and Tigerhawk Drive. Immediately to the north of the Subject Site is St. Aloysius Catholic Primary School and St. Bede's Catholic College. Adjacent to the site on the western side of Heritage Drive is Whitewater Park, a significant open green space in the locality.

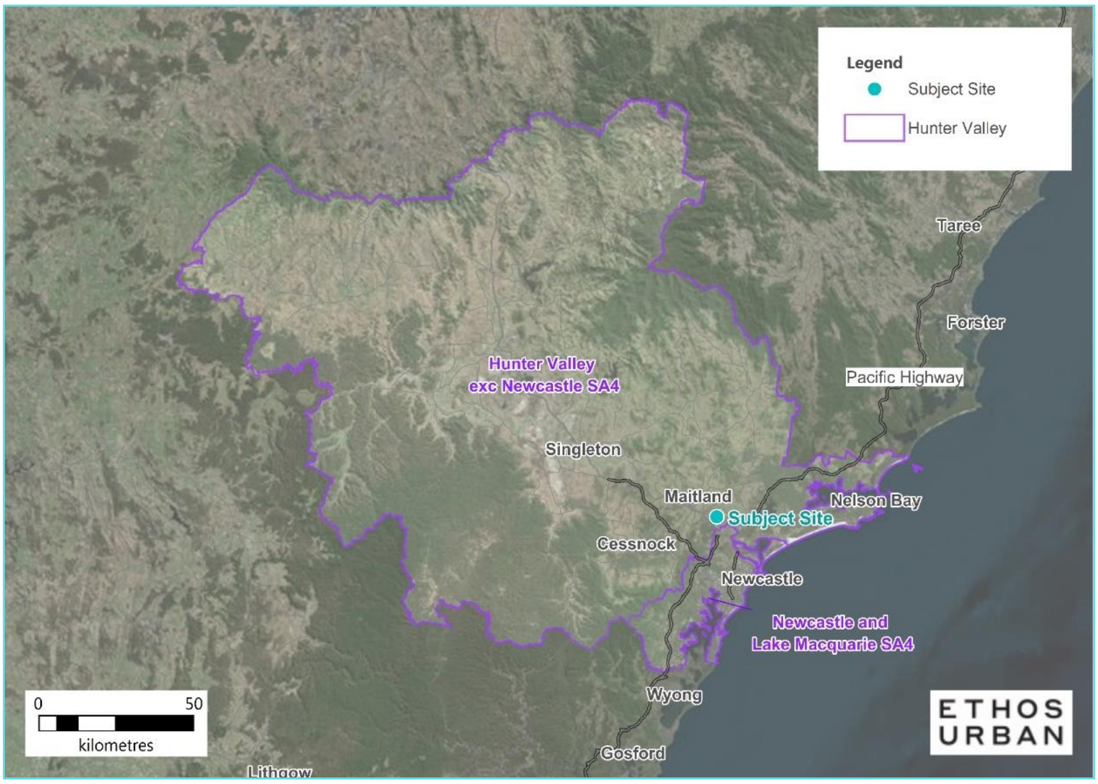
The Subject Site is located within the Waterford Country precinct of the Thornton North Urban Release Area (TNURA), which is projected to yield up to 5,000 lots at capacity. It is one of the few remaining broadhectare development opportunities for a significant amount of residential subdivision and development in the Lower Hunter region.

Figure 1.3 shows the vision for the area, including an indication of the preferred major road network, sourced from the Thornton North Master Plan (2003). The greenfield growth area is well-connected to the broader region, served by the New England Highway as well as Raymond Terrace Road and Mcfarlanes Road. Metford railway station is located a short distance south-west of the Subject Site, which is on the Main Northern railway line.

As residential development continues to progress in Chisholm, the local network of roads will continue to be expanded and improved, providing convenient access to the Subject Site. Settlers Boulevard is a divided collector road that intersects with Tigerhawk Drive on the north-eastern corner of the site via a 2-lane roundabout. Settlers Boulevard extends north and will eventually connect through to Mcfarlanes Road, which will provide convenient access to the site from the north and east.

Figure 1.4 provides the masterplan for the Waterford residential estate, which shows the location of the Chisholm Plaza site as well as the existing and future road network in the local area.

Figure 1.1: Regional Context

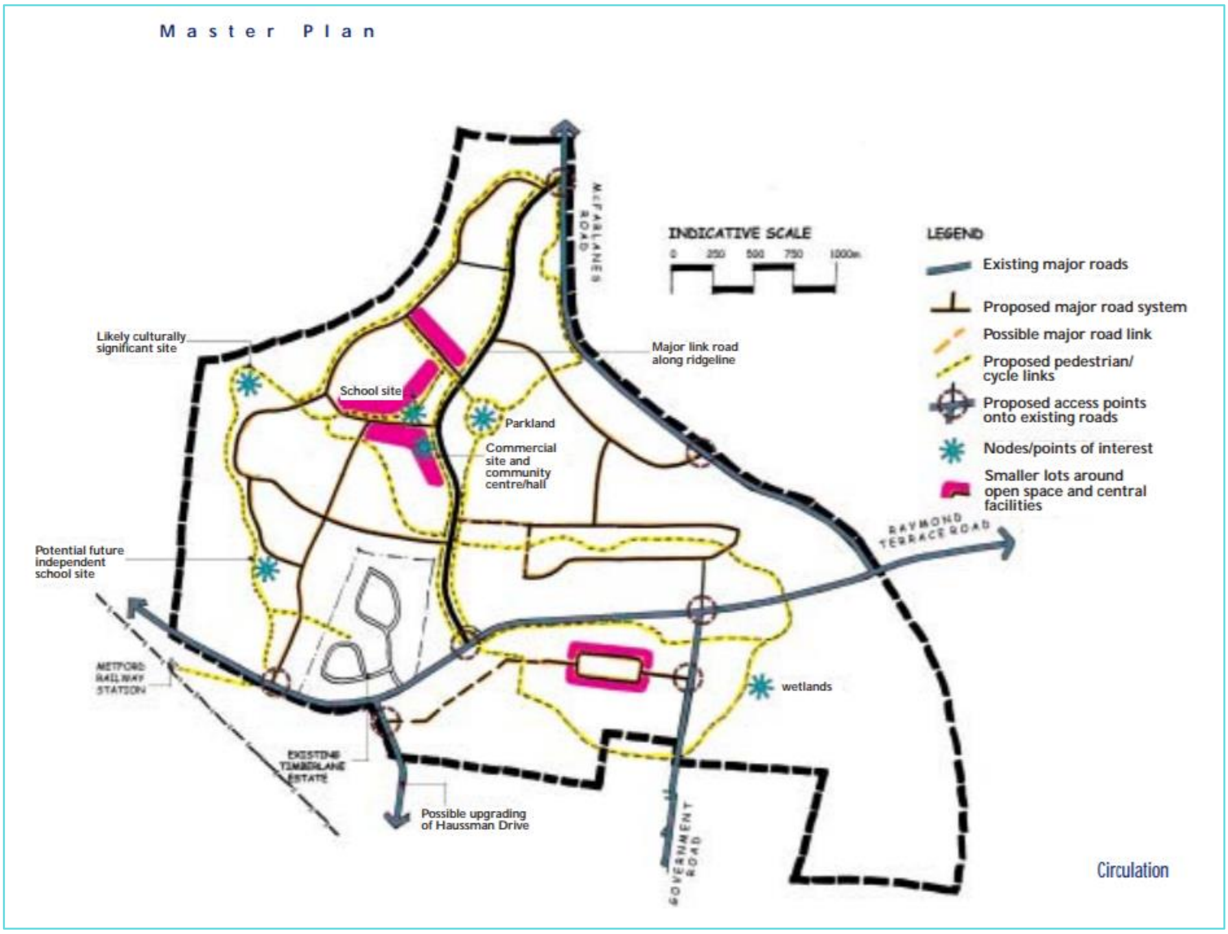


Source: Ethos Urban with MapInfo

Figure 1.2: Subject Site and Local Context

Source: Ethos Urban with MapInfo

Figure 1.3: Thornton North Master Plan



Source: Thornton North Master Plan (2003)

Figure 1.4: Waterford Estate Masterplan

1 Proposed Chisholm Plaza*
2 Schools
3 Pre-Schools
4 Future sports fields
5 Billabongs
6 Dragonfly Adventure Park
7 Whitewater Park
8 Arrowtail Park
9 Display Village
10 Sales Centre & Café

Source: AVID Property Group

1.2 Proposed Development

Chisholm Plaza is proposed to occupy the northern part of the block bordered by Heritage Drive, Tigerhawk Drive and Settlers Boulevard. The ground floor plan for the centre is provided as Figure 1.5 while Table 1.1 summarises the proposed uses. The key components of the development include the following:

- A full-scale supermarket of 3,809 sq.m (including a 'Direct to Boot' area) together with an adjoined 180 sq.m liquor store;
- A mini-major tenant of 1,500 sq.m;
- 3,638 sq.m of specialty shops as well as 233 sq.m of kiosk space;
- A range of non-retail/community facilities including a gymnasium; a tavern; a Learn to Swim (LTS) facility; a childcare centre; a medical centre; and a car wash outlet.

Carparking for the centre is to be provided at the northern part of the site fronting Tigerhawk Drive, with access to be provided from each of the streets that surround the centre.

The scale of centre proposed would be well placed to serve the daily/weekly food, grocery and convenience-oriented needs of residents in the trade area. It would also provide a focal point for the local community given the range of non-retail and community facilities proposed. In particular, the proposed gymnasium would cater to the growing health and wellbeing sector. Such a facility would greatly add to the offer at the proposed neighbourhood centre and would be used by a variety of residents in the surrounding area. A gymnasium would also contribute to the overall amenity of the development.

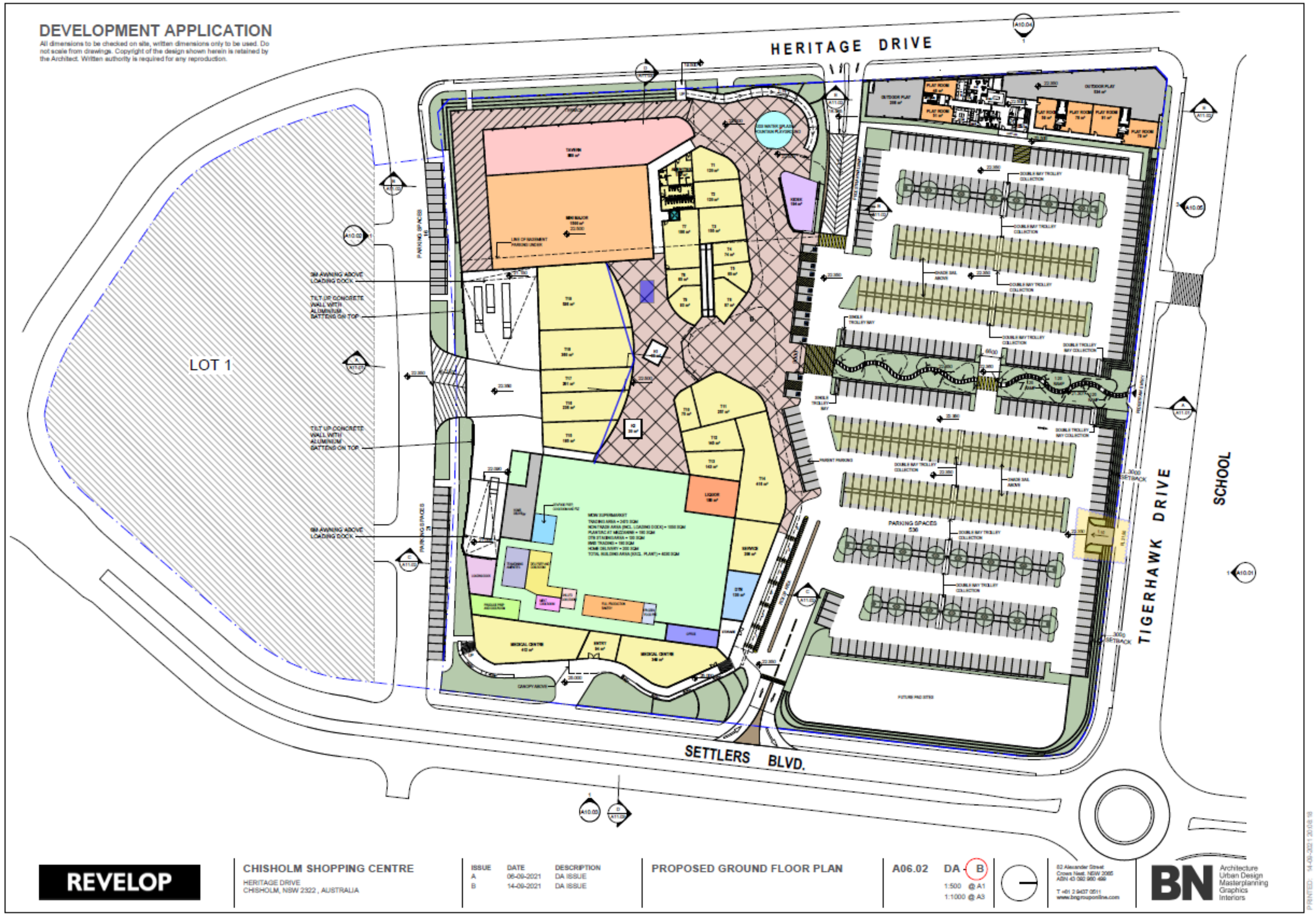
The planned medical centre would serve an important community service. Medical centres serve all population segments, though the key customer groups served are elderly residents and young children. Medical centres are an increasingly common use in shopping centres and reflect the preference of community for medical centres which are convenient to access. A medical hub at the centre could also include some allied health uses such as a dental clinic, a podiatrist, a chiropractor, an osteopath, a psychologist and/or a physiotherapist.

Table 1.1: Chisholm Plaza – Proposed Composition

Category/use	**GLA (sq.m)**
<u>Major tenants</u>	
Supermarket	3,809
Mini-major	1,500
<u>Specialty shops</u>	
Shops & liquor	3,818
Kiosks	233
<u>Non-retail uses</u>	
Gymnasium	1,057
Tavern	878
Learn to Swim	816
Childcare centre	890
Medical centre / allied health	763
Car Wash	473
Total	**14,237**

Source: Revelop; Ethos Urban

Figure 1.5: Chisholm Plaza – Ground Floor Plan



Source: Revelop

1.3 Planning framework

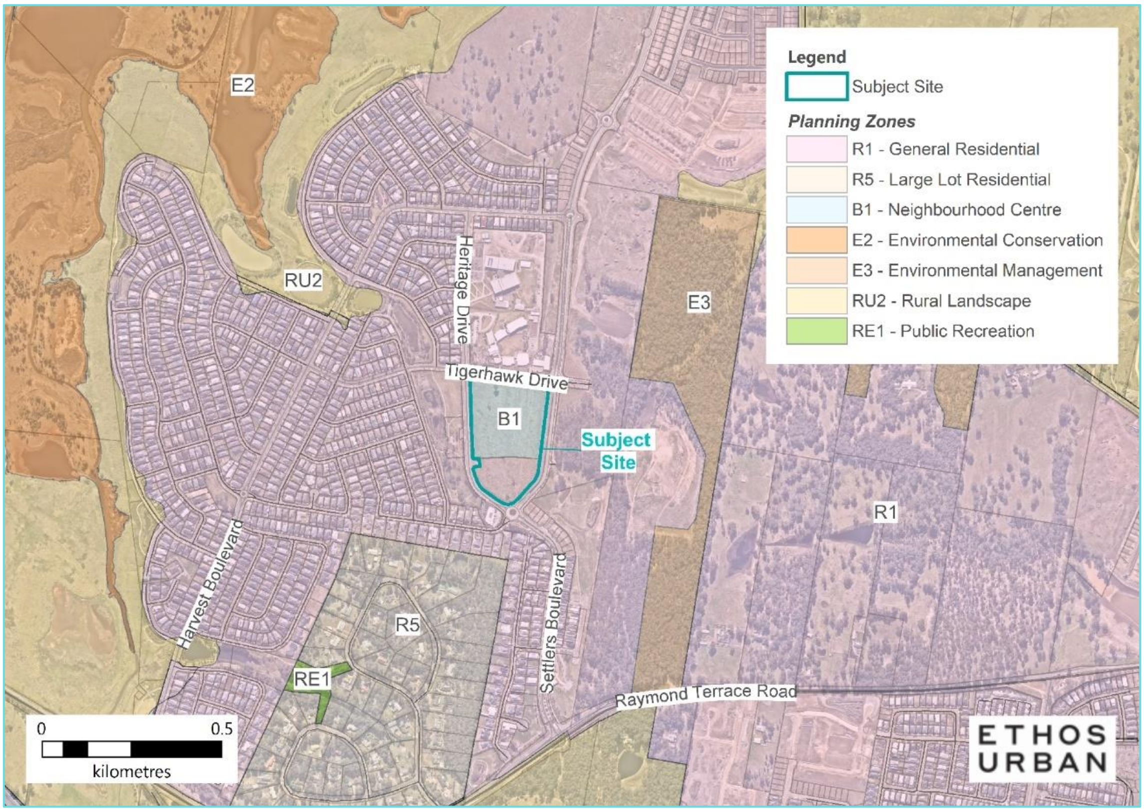
Under the Maitland Local Environment Plan the Subject Site is Zone B1 - Neighbourhood Centre, refer Figure 1.6. It is the only site zoned B1 in the Thornton North Urban Release Area.

The Maitland Local Environment Plan outlines that the objectives of the zone are as follows:

- "*To provide a range of small-scale retail, business and community uses that serve the needs of people who live or work in the surrounding neighbourhood.*
- *To provide retail, business and community facilities to meet the needs of a growing population."*

The proposed development aligns with the objectives of the Zone B1 - Neighbourhood Centre.

Figure 1.6: Land Zones



Source: Maitland Local Environment Plan

1.4 COVID-19 and Local Property Market Trends

The COVID-19 pandemic has significantly impacted many aspects of the lives of people in Australia and throughout the world, with varying implications for different industries and for different locations. For the retail sector, supermarkets have experienced an uplift in overall sales, while cafés and restaurants have suffered significantly (source ABS Retail Trade data). Many retailers have limited the potential impacts by greatly increasing their online sales capabilities.

Smaller local shopping centres have performed relatively well during the pandemic. Centres serving local communities play an important role in catering to the essential shopping needs of residents in a local area. As COVID-19 restricted the freedom of movement of residents, whether by law or by personal preference to not travel too far from home, the importance of local neighbourhood centres increased significantly, as residents shun larger centres in favour of shopping local. It is unknown if this change in consumer preference will continue in the long term, though some research suggests consumers intent to shop more locally in the future.

The impacts of the COVID-19 pandemic on the residential property market in the local area has been relatively minor, underpinned by favourable macro-economic conditions. While COVID-19 has restricted freedom of movement, leading to a significant reduction in net overseas migration which had been the key component driving Australia's population growth, Chisholm is a regional tree-change destination whose growth has been driven by intra-state migration. Demand for property in Chisholm remains strong, as city dwellers have sought to escape the densification of urban landscapes in Australia's capital cities during the pandemic. This has led to increased demand for larger blocks in regional locations underpinned on one hand by lifestyle considerations, while on the other, the ability to work remotely.

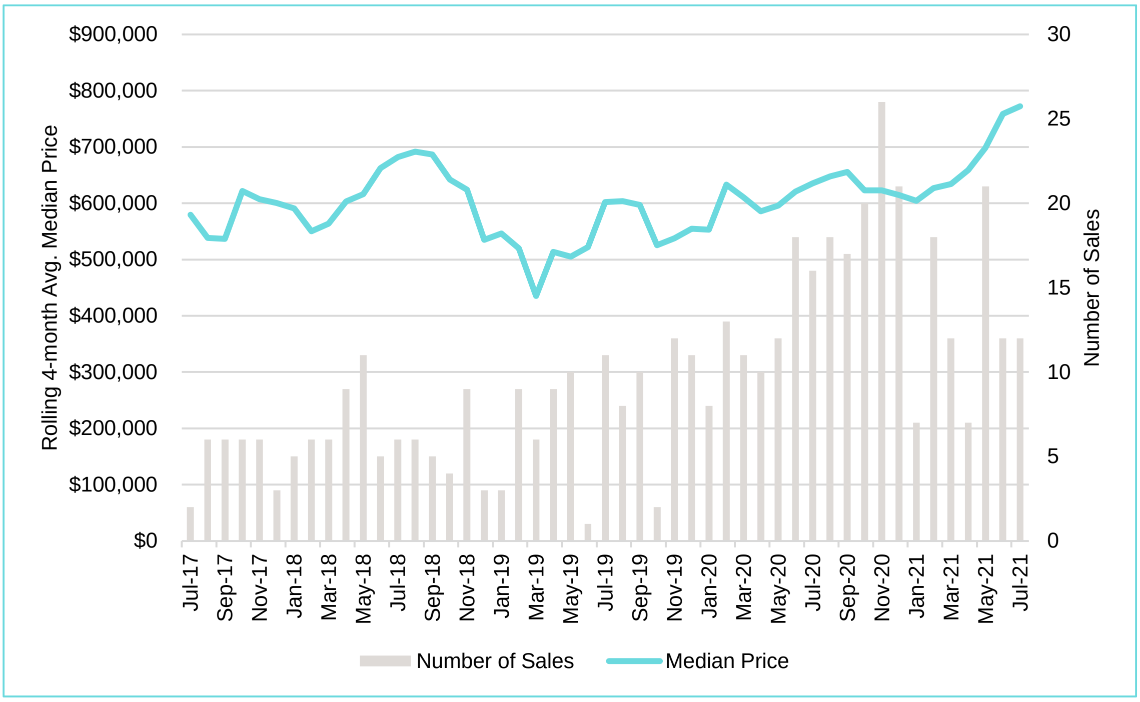
On a macro level, favourable borrowing conditions, with historically low interest rates expected to persist until at least the medium term, as well as Federal and State Government incentives, such as the First Home Owner Grant (New Homes) scheme, the First Home Buyer Assistance scheme and the HomeBuilder scheme, have heightened demand for residential stock in many parts of regional NSW. This trend of heightened demand is expected to contribute to ongoing demand for new residential housing in the area, driven in part by an exodus from major metropolitan areas such as Sydney.

Over the period from March/April 2020 (considered the start of the COVID pandemic in Australia) until July 2021, median house prices in the suburb of Chisholm have increased from around $600,000 to $800,000 (refer Figure 1.7). The volume of house sales in the area is also trending upwards, with this trend commencing from early 2020.

The demand for housing in the local area has resulted in a shortage of rental stock. Residential vacancy rates in the postcode of 2322 have averaged around 0.5% since August 2020 and was just 0.3% in September 2021 (refer Figure 1.8). The Postcode of 2322 covers the suburbs of Chisholm, Thornton, Beresfield, Black Hill, Hexham, Lenaghan, Stockrington, Tarro, Tomago and Woodberry.

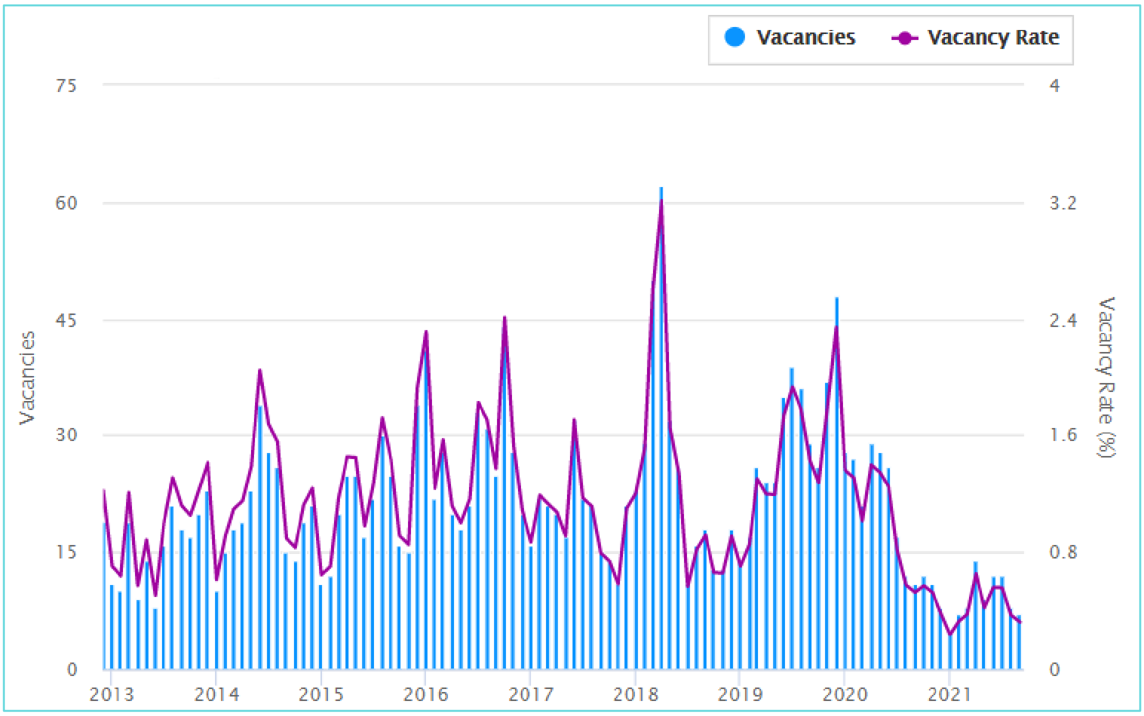
The change in preferences of where people wish to live borne by the pandemic, together with the ability to work remotely and favourable borrowing conditions, are expected to underpin ongoing strong population growth in the area over the medium-term.

Figure 1.7: Median House Price – Chisholm Jul 2017 – Jul 2021



Source: CoreLogic

Figure 1.8: Residential Vacancy Rates – Postcode 2322



Source: SQM Research

2 Catchment Analysis

This Chapter provides analysis of the catchment or trade area expected to be served by the proposed Chisholm Plaza shopping centre.

2.1 Trade Area Definition

The extent of a trade area or catchment for any facility is shaped by a number of factors such as the following:

- The relative attraction of the facility in question as compared with alternative facilities including its scale and composition, as well as easy of access and provision of carparking at the subject facility.
- The surrounding competitive context, particularly the location, scale and quality of competing facilities.
- The available road network and public transport service and how they operate to effect ease of use and access to the site in question.
- Significant physical barriers which are difficult to cross, which can act to delineate the boundaries of a trade area.

The trade area defined for the proposed Chisholm Plaza particularly reflects the following factors:

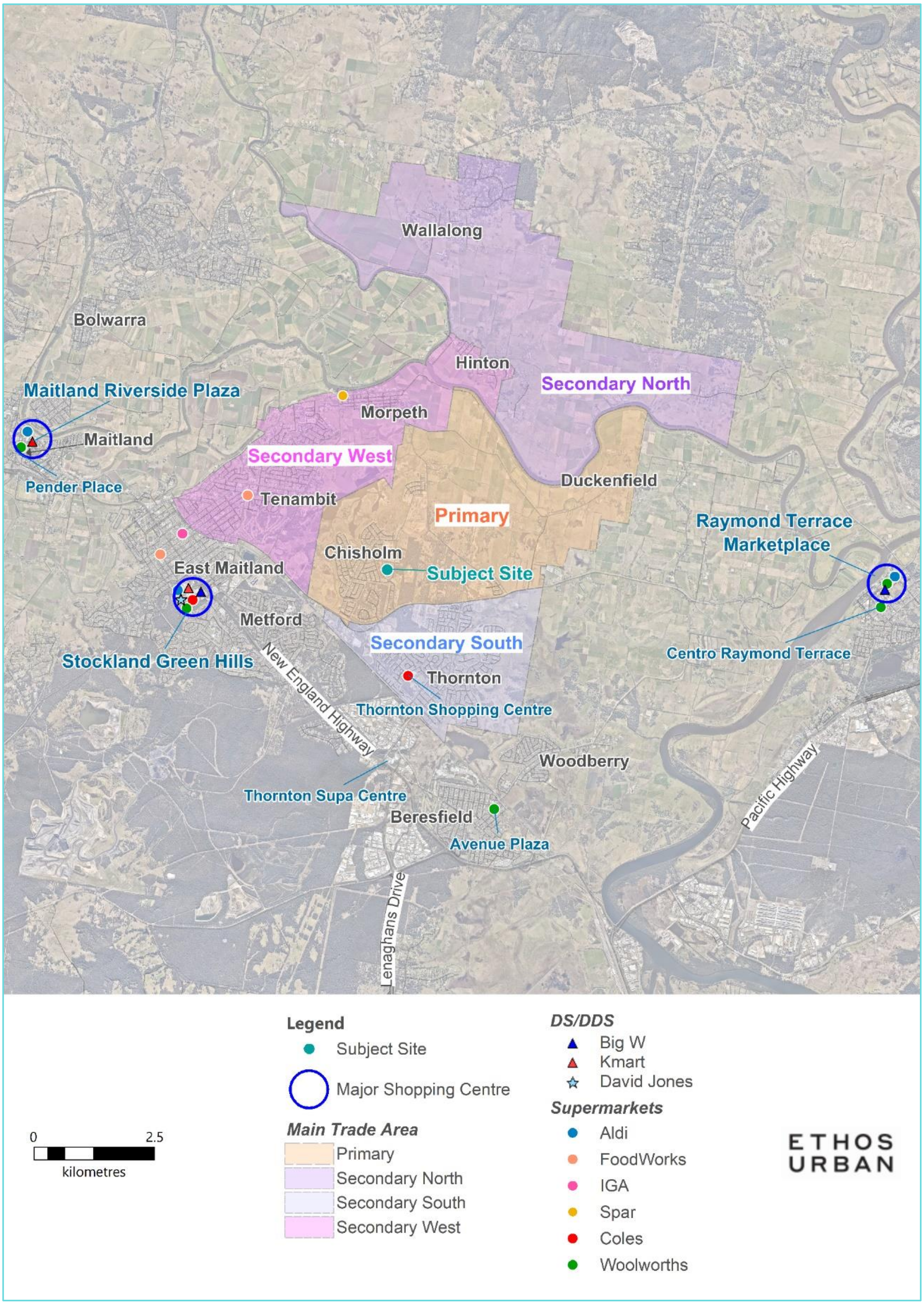
- The role of the centre, which is to serve the daily/weekly food, grocery and convenience-oriented needs of residents in the surrounding area.
- The locations of existing competitive supermarket facilities, particularly at Thornton, Stockland Green Hills and the Maitland City Centre.
- The ease of local access within Chisholm, as well as future linkages which will allow for convenient access to the Subject Site from the surrounding area.

Based on all of the above, the trade area is defined to include a primary sector and three secondary sectors, as illustrated in Figure 2.1 and described as follows:

- The **primary sector** contains the Chisholm and the adjoining suburbs of Berry Park and Duckenfield, and is generally bound by Raymond Terrace Road to the south.
- The **secondary north** sector encompasses the rural suburbs of Wallalong, Osterley and parts of Hinton.
- The **secondary south** sector contains the majority of Thornton, north of the railway line.
- The **secondary west** sector encompasses the suburbs of Tenambit, Morpeth, parts of Raworth and Hinton, as well as the northern part of East Maitland

Throughout the remainder of this report the combination of the primary and secondary sectors is referred to as the <u>main trade area</u>.

Figure 2.1: Chisholm Plaza Main Trade Area and Retail Competitive Context



Source: Ethos Urban with Mapinfo

2.2 Population Trends and Forecasts

Historic population levels for the trade area have been estimated by using ABS estimated resident population (ERP) data, which is considered the most accurate and up-to-date population data available in Australia. Population estimates to 2036 have been forecast using a range of sources including ABS New Dwellings Approval data; population projections produced by the NSW Department of Planning, Industry and Environment, 2019; Nearmap images; and other investigations of residential development undertaken by this office.

Table 2.1 details the historic, current and projected population for the trade area from 2011 to 2036. In mid-2021, the population of the trade area is estimated at 26,730 residents, including 4,400 residents in the primary sector. Strong growth is projected to result in the population reaching approximately 35,800 residents by 2036 including 11,000 residents in the primary sector. This reflects an average annual growth rate of 2% across the main trade area and a very strong 6.3% in the primary sector over the forecast period.

The Thornton North Urban Release Area is projected to be fully developed by around 2036, accommodating a capacity population of close to 15,000 residents. Approximately 70-75% of these residents are to reside in the primary sector, while the remaining 25-30% are to reside in the secondary south sector south of Raymond Terrace Road. It is estimated that approximately 2,300 dwellings of the Thornton North Urban Release Area have been developed. The remaining 2,700 dwellings are expected to be developed over the next 12-15 years.

Table 2.1: Trade Area Population Estimates and Projections, 2011-2036 (as at June)

	2011	2016	2021	2026	2031	2036
<u>Primary</u>						
Population (no.)	560	1,500	4,400	7,300	10,000	11,000
Annual Growth (no.)		188	580	580	540	200
Annual Growth (%)		21.8%	24.0%	10.7%	6.5%	1.9%
<u>Secondary North</u>						
Population (no.)	1,220	1,240	1,290	1,340	1,390	1,440
Annual Growth (no.)		4	10	10	10	10
Annual Growth (%)		0.3%	0.8%	0.8%	0.7%	0.7%
<u>Secondary South</u>						
Population (no.)	7,600	7,840	10,540	11,740	11,990	12,040
Annual Growth (no.)		48	540	240	50	10
Annual Growth (%)		0.6%	6.1%	2.2%	0.4%	0.1%
<u>Secondary West</u>						
Population (no.)	9,210	9,900	10,500	10,900	11,100	11,300
Annual Growth (no.)		138	120	80	40	40
Annual Growth (%)		1.5%	1.2%	0.8%	0.4%	0.4%
<u>Main Trade area</u>						
Population (no.)	**18,590**	**20,480**	**26,730**	**31,280**	**34,480**	**35,780**
Annual Growth (no.)		**378**	**1,250**	**910**	**640**	**260**
Annual Growth (%)		**2.0%**	**5.5%**	**3.2%**	**2.0%**	**0.7%**

Source: ABS; NSW Department of Planning, Industry and Environment, 2019; Nearmap; Ethos Urban

2.3 Socio-Economic Characteristics

Table 2.2 compares the socio-economic profile of residents in the trade area with the Hunter Valley and regional NSW, as sourced from the 2016 ABS Census. The main points drawn from the data are as follows:

- **Higher incomes**. Average income levels across the main trade area are above the regional NSW average on both a per capita and per household basis.
- **Younger age profile**. The primary and secondary south sectors population have younger age profiles reflecting the high number of young families in the area. The age profile of the secondary north and west sectors are most aligned with the overall Hunter Valley region.
- **Predominantly Australian-born**. The overwhelming majority of residents in the trade area are Australian born.
- **Family-orientated household composition** Traditional families, i.e. couples with children, account for over 50% of household in the primary and secondary south sectors, highlighting the attractiveness of Chisholm as a place to raise a family.

As development in Chisholm continues to gather pace, the key socio-demographic segment which will underpin population growth in Chisholm are young traditional families, who are attracted to the regional lifestyle and relative affordability of the area, as well as potentially city dwellers seeking a tree-change destination.

Table 2.2: Socio-Economic Characteristics, 2016

Category	Primary	Secondary North	Secondary South	Secondary West	Hunter Valley*	Regional NSW
Income						
Median individual income (annual)	$46,150	$39,530	$35,930	$32,130	$32,090	$30,420
Variation from Regional NSW median	51.7%	29.9%	18.1%	5.6%	5.5%	na
Median household income (annual)	$111,800	$103,550	$82,740	$64,730	$68,840	$61,200
Variation from Regional NSW median	82.7%	69.2%	35.2%	5.8%	12.5%	na
Age Structure						
0-4 years	11.1%	5.1%	7.2%	6.4%	6.2%	5.9%
5-19 years	20.2%	25.4%	22.1%	19.3%	18.6%	18.5%
20-34 years	26.7%	13.1%	18.9%	18.0%	19.0%	16.6%
35-64 years	35.0%	45.4%	41.4%	37.7%	38.1%	38.5%
65 years and older	7.0%	11.1%	10.4%	18.6%	18.1%	20.5%
Median Age (years)	30.5	39.0	36.1	39.5	39.5	42.0
Country of Birth						
Australia	91.7%	94.5%	93.4%	94.2%	90.5%	89.3%
Other Major English Speaking Countries	4.0%	4.4%	3.7%	4.0%	4.9%	5.5%
Other Overseas Born	4.2%	1.1%	2.8%	1.8%	4.6%	5.2%
Household Composition						
Couple family with no children	33.4%	27.9%	27.5%	28.4%	27.6%	29.2%
Couple family with children	50.9%	52.1%	43.6%	29.4%	30.0%	27.4%
Couple family – total	84.3%	80.0%	71.1%	57.8%	57.6%	56.6%
One parent family	7.5%	7.4%	11.9%	13.6%	12.4%	11.9%
Family households – total	91.8%	87.4%	83.9%	72.5%	70.9%	69.2%
Lone person household	7.2%	12.6%	14.8%	25.3%	25.6%	27.6%
Group Household	1.1%	0.0%	1.3%	2.2%	3.6%	3.2%
Dwelling Structure (Occupied Private Dwellings)						
Separate house	100.0%	100.0%	95.5%	84.1%	82.7%	82.9%
Semi-detached, townhouse etc.	0.0%	0.0%	4.0%	13.2%	11.0%	9.2%
Flat, unit or apartment	0.0%	0.0%	0.5%	2.3%	5.6%	6.4%
Average household size	3.0	3.1	2.8	2.5	2.5	2.4
Tenure Type (Occupied Private Dwellings)						
Owned outright	23.8%	37.2%	29.1%	33.8%	35.0%	38.7%
Owned with a mortgage	46.5%	55.5%	51.3%	34.4%	35.1%	31.6%
Rented	29.1%	6.6%	19.5%	30.4%	29.2%	28.9%
Housing Costs						
Median monthly mortgage repayment	$2,300	$1,980	$1,670	$1,710	$1,750	$1,600
Variation from Regional NSW median	43.8%	23.8%	4.4%	6.9%	9.4%	na

**Includes the ABS Statistical Area 4 (SA4) of Hunter Valley exc Newcastle and Newcastle & Lake Macquarie*

Source: ABS Census of Population and Housing 2016; Ethos Urban

2.4 Retail Spending Analysis

The following provides an analysis of the expected retail spending behaviour of trade area residents. Estimates of retail spending by trade area residents have been prepared with reference to the MarketInfo retail spending model. MarketInfo is a micro-simulation model which uses data from the ABS Household Expenditure Survey (HES), the ABS 2016 Census of Population and Housing, ABS Australian National Accounts, and other relevant sources.

The retail spending data is presented across four major spending categories:

- **Food, Liquor and Groceries (FLG)**, which includes fresh food, groceries and take-home liquor, including supermarkets.
- **Food Catering**, which includes cafes, restaurants and takeaway food.
- **Non-Food**, which includes apparel, homewares, bulky merchandise and general merchandise.
- **Retail Services**, including hairdressers, beauty salons etc.

Estimates of average per capita retail spending in FY2021 for trade area residents are shown in Table 2.3, and are compared with the regional NSW averages. Average per capita total retail spending by trade area residents is estimated at $15,510, which is 3.7% above the regional NSW average. Per capita spending on FLG, the key category for supermarkets, by trade area residents is 1.2% above average for regional NSW. All spending estimates in this report are expressed including GST.

Table 2.3: Average Per Capita Retail Spending, 2020/21

Trade Area	Food, Liquor & Groceries	Food Catering	Non-Food	Retail Services	Total Retail
Primary Trade Area	$6,240	$2,050	$6,440	$530	$15,270
Secondary North Trade Area	$6,650	$2,040	$6,920	$540	$16,140
Secondary South Trade Area	$6,600	$1,970	$6,450	$480	$15,510
Secondary West Trade Area	$6,610	$2,020	$6,380	$540	$15,540
Total Secondary Trade Area	$6,610	$2,000	$6,440	$510	$15,560
Main Trade Area	**$6,550**	**$2,010**	**$6,440**	**$520**	**$15,510**
Regional NSW	*$6,470*	*$1,870*	*$6,090*	*$510*	*$14,950*
Variation from Regional NSW average					
Primary Trade Area	-3.6%	9.6%	5.7%	3.9%	2.1%
Secondary North Trade Area	2.8%	9.1%	13.6%	5.9%	8.0%
Secondary South Trade Area	2.0%	5.3%	5.9%	-5.9%	3.7%
Secondary West Trade Area	2.2%	8.0%	4.8%	5.9%	3.9%
Total Secondary Trade Area	2.2%	7.0%	5.7%	0.0%	4.1%
Main Trade Area	**1.2%**	**7.5%**	**5.7%**	**2.0%**	**3.7%**

Source: MarketInfo; Ethos Urban

The total retail spending capacity of the trade area population is detailed in Table 2.4. It is calculated by multiplying the current and future population forecasts, with the per capita retail spending estimates outlined above. The spending forecasts are presented in constant $2020/21, i.e. excluding the effects of price inflation, though do include an allowance for real growth in per capita spending assumed to average around 0.8% per annum.

The total retail spending capacity of the main trade area population is estimated at $415 million in 2021, including $175 million of FLG spending. Retail spending by trade area residents is projected to increase very strongly over the forecast period to reach $625 million at 2031, including $266 million of FLG spending. Food catering spending, another key expenditure category for the neighbourhood shopping centres, is projected to reach $84 million at 2036, reflecting an average annual growth rate of 3% over the forecast period.

The retail spending capacity of the primary sector population is projected to grow strongly from $67 million at 2021 to reach $190 million at 2036, an increase of more than $120 million over the next 15 years.

Table 2.4: Trade Area Retail Spending Capacity, 2021 - 2036 (Constant $2020/21)

Retail Category	2021	2026	2031	2036
Primary Trade Area				
FLG	$27.5m	$47.7m	$68.3m	$78.6m
Food Catering	$9.0m	$15.7m	$22.6m	$26.2m
Non-Food	$28.4m	$48.6m	$68.7m	$78.1m
Services	$2.3m	$4.1m	$5.9m	$6.8m
Total Retail	**$67.2m**	**$116.1m**	**$165.5m**	**$189.6m**
Secondary North Trade Area				
FLG	$8.6m	$9.3m	$10.1m	$11.0m
Food Catering	$2.6m	$2.9m	$3.1m	$3.4m
Non-Food	$8.9m	$9.6m	$10.3m	$11.0m
Services	$0.7m	$0.8m	$0.8m	$0.9m
Total Retail	**$20.8m**	**$22.5m**	**$24.3m**	**$26.2m**
Secondary South Trade Area				
FLG	$69.6m	$81.1m	$86.6m	$90.9m
Food Catering	$20.8m	$24.4m	$26.2m	$27.6m
Non-Food	$68.0m	$78.2m	$82.5m	$85.5m
Services	$5.1m	$6.0m	$6.4m	$6.7m
Total Retail	**$163.5m**	**$189.6m**	**$201.6m**	**$210.8m**
Secondary West Trade Area				
FLG	$69.4m	$75.3m	$80.2m	$85.4m
Food Catering	$21.2m	$23.1m	$24.7m	$26.5m
Non-Food	$66.9m	$71.8m	$75.5m	$79.3m
Services	$5.7m	$6.2m	$6.6m	$7.1m
Total Retail	**$163.2m**	**$176.4m**	**$187.0m**	**$198.3m**
Main Trade Area				
FLG	$175.0m	$213.4m	$245.2m	$265.8m
Food Catering	$53.6m	$66.1m	$76.6m	$83.6m
Non-Food	$172.2m	$208.1m	$237.0m	$253.9m
Services	$13.8m	$17.0m	$19.7m	$21.5m
Total Retail	**$414.7m**	**$504.6m**	**$578.5m**	**$624.9m**

Source: MarketInfo; Ethos Urban

3 Competitive Context

This Chapter reviews the relevant retail facilities in the surrounding region. Table 3.1 provides a summary of the key retail facilities in the surrounding area, while the previous Figure 2.1 illustrates the locations of the shopping centres relative to the Subject Site.

Table 3.1 Schedule of Major Retail Precincts in Surrounding Area

Centre	Retail GLA (sq.m)	Major traders	Dist. by Road from Subject Site (km)
Within trade area			
Thornton Shopping Centre	5,000	Coles	3.0
Tenambit	1,300	FoodWorks	6.0
Morpeth	3,000	Spar Express	8.0
Beyond trade area - higher-order centres			
Green Hills			6.0
Stockland Green Hills	67,000	David Jones, Kmart, Big W, Coles, Woolworths	
ALDI Green Hills	1,760	ALDI (under redevelopment)	
Maitland City Centre			10.0
Riverside Plaza	13,000	Kmart, ALDI	
Pender Place SC	5,000	Woolworths	
Other	20,000		
Beyond trade area - convenience-oriented centres			
East Maitland Town Centre	5,000	IGA	6.1
High St, East Maitland	250	FoodWorks	6.7
Beresfield	3,000	Woolworths	7.4
Lorn Local Centre	2,000		12.2

Source: Property Council of Australia; Ethos Urban

Within the defined main trade area there are three centres with a notable food offering – Thornton, Tenambit and Morpeth.

Thornton Shopping Centre is a Coles anchored neighbourhood centre, located approximately 3km south of the Subject Site in the secondary south sector. The centre includes around 5,000 sq.m of floorspace. It contains a provision of food outlets (such as pizza, fish & chips, Chinese, noodles, café), convenience-oriented specialties (such as butcher, bakery, newsagent, pharmacy, hairdresser), as well as a number of commercial/non-retail uses (such as dental, Australia Post, real estate agent and a building society). Adjacent to the centre is the Thornton Library.

A small cluster of retail shops are provided on Maize Street in Tenambit including a small FoodWorks supermarket, a butcher, a pharmacy, a liquor shop, an Asian restaurant, a fish & chips outlet, a café, a bakery, a chocolate shop, a podiatry clinic and Australia Post.

A number of shops and services are located along Swan Street in Morpeth. Some of the shops in the strip centre include a Spar Express outlet, a toy shop, a deli, a liquor shop, a bakery, a pharmacy, and several food & beverage outlets as well as a brewery.

Stockland Green Hills, located some 6km south-west of the Subject Site, is the only regional shopping centre in the broader Maitland region. The centre contains approximately 67,000 sq.m of retail floorspace, having completed an expansion in 2018 which doubled the size of the centre. Stockland Green Hills is anchored by a David Jones department store; Big W and Kmart discount department stores; as well as Coles and Woolworths supermarkets. A Target discount department store previously tenanted the centre, however, was one of 92 stores rebranded as Kmart in 2020 following a strategic overhaul undertaken by its parent company Wesfarmers. A Harris Scarfe similarly closed in 2019, with its vacant floorspace backfilled by Cotton On and TK Maxx.

As Stockland Green Hills is the main higher-order centre in the region it plays a key role in serving the discretionary non-food (such as apparel and fashion), dining (having introduced 'the Courtyard' – an outdoor restaurant precinct as part of its expansion) and entertainment (anchored by a 7-screen Hoyts cinema, while also containing Timezone, bowling and laser tag facilities) needs of the surrounding population.

A free-standing ALDI supermarket, located close to Stockland Green Hills, is currently undergoing a $7 million redevelopment which will expanded the store to around 1,760 sqm.

The Maitland City Centre, which serves the retail and commercial needs of the wider Maitland region, is located 10km west of Chisholm. The key retail centres in the City Centre include Maitland Riverside Plaza (a sub-regional centre encompassing 13,000 sq.m of floorspace, anchored by Kmart, ALDI and Best&Less) and Pender Place shopping centre (which is anchored by a Woolworths supermarket and is proposed to be refurbished in 2022). A range of shops are also provided along High Street with a focus on retail services, cafes, restaurants and convenience-oriented uses.

A number of smaller retail centres, such as the East Maitland Town Centre, the Beresfield Town Centre, and the Lorn Local Centre, are located beyond the trade area and are anchored by a small supermarket or convenience food store. The centres serve the everyday top-up food and convenience-oriented needs of residents in their respective localised catchments and are not likely to compete directly with the retail offer planned to be provided at Chisholm Plaza.

Also in East Maitland are a small FoodWorks supermarket on High Street, Organic Feast on Lawes Street, and a range of retail and commercial facilities (such as car dealers) located on Melbourne Street. Chisholm Plaza would not compete with these facilities, which serve different markets.

4 Retail Floorspace Analysis

This Chapter provides a retail floorspace analysis for the trade area and an analysis of the scale of retail floorspace supportable at the Subject Site.

4.1 Retail Floorspace Demand

The following provides an analysis of the expected demand for retail floorspace generated by the main trade area population. It is noted that modelling retail demand for a given area can be imprecise and depends on a range of factors. Therefore, the floorspace demand analysis should be viewed as indicative. Throughout this report floorspace refers to gross leasable area (GLA).

The estimated level of retail floorspace demand generated by main trade area population over the forecast period to 2036 is detailed in Table 4.1 This indicative retail floorspace demand would be served by retail facilities located both within the trade area (such as Thornton Shopping Centre) and beyond the main trade area (such as Stockland Green Hills and retail facilities within the Maitland City Centre).

The retail floorspace demand figures are calculated by applying an average Retail Turnover Density (RTD) to the estimated available retail spend volume by category (as detailed in Chapter 2). The RTD is simply the average level of sales per sq.m which retailers in each category typically achieve. Adopted RTD levels are as follows:

- $10,000 per sq.m for food, liquor & groceries (FLG) retailers, which is the key expenditure category for supermarkets;
- $7,000 per sq.m for food catering, which covers cafes, restaurants and takeaway food stores;
- $5,500 per sq.m for all non-food stores; and
- $6,000 per sq.m for retail services such as hairdressers and beaty salons.

The average across all retail categories equates to approximately $7,000 per sq.m.

The retail floorspace demand analysis also allows for the increasing amount of retail spending being directed online. The ABS collects information of online sales as part of its Retail Trade survey. As of June 2021, the data indicates that 5.4% of food sales were made online and 16.3% of non-food sales. However, it is important to note that increasing online sales does not necessarily result in a decline in physical retail floorspace. For example, a proportion of online food sales would be served by existing local supermarkets. Nevertheless, the following analysis allows for around 8% of total retail spending demand to be served by businesses not requiring physical retail floorspace in the local area. This proportion is assumed to increase over the forecast period to around 12% by 2036.

The analysis in Table 4.1 illustrates how strongly the retail floorspace demand of main trade area residents will increase over the forecast period, particularly as residential development continues in the primary sector. The retail floorspace demand generated by the main trade area population is forecast to increase by from 53,500 sq.m at 2021 to 67,400 sq.m by 2036.

Table 4.1: Estimated Retail Floorspace Demand – Main Trade Area, 2021-2036 (sq.m)

Retail Category	2021	2026	2031	2036
Primary Trade Area				
FLG	2,660	4,410	6,030	6,590
Food Catering	1,290	2,160	2,990	3,320
Non-Food	4,380	7,010	9,210	9,650
Retail Services	380	640	880	970
Total Retail	**8,710**	**14,220**	**19,110**	**20,530**
Secondary North Trade Area				
FLG	830	860	890	920
Food Catering	380	390	410	430
Non-Food	1,380	1,380	1,370	1,360
Retail Services	110	120	120	130
Total Retail	**2,700**	**2,750**	**2,790**	**2,840**
Secondary South Trade Area				
FLG	6,750	7,500	7,640	7,630
Food Catering	2,970	3,340	3,450	3,500
Non-Food	10,510	11,290	11,060	10,580
Retail Services	830	930	950	960
Total Retail	**21,060**	**23,060**	**23,100**	**22,670**
Trade Area				
FLG	16,980	19,750	21,640	22,310
Food Catering	7,660	9,070	10,110	10,600
Non-Food	26,620	30,040	31,760	31,390
Retail Services	2,250	2,660	2,950	3,070
Total Retail	**53,510**	**61,520**	**66,460**	**67,370**

** Figures are rounded*

Source: MarketInfo; Ethos Urban

4.2 Supportable Retail Floorspace

This section presents an assessment of the level of retail floorspace expected to be supportable at the Subject Site having regard to the available market and competing retail facilities.

The amount of retail floorspace expected to be supportable at Chisholm Plaza is estimated based on the level of retail expenditure which the centre is likely to capture from the main trade area population, as detailed Table 4.2.

The role of Chisholm Plaza is to provide a neighbourhood centre offer, serving the daily/weekly food, grocery and convenience-oriented shopping needs of local residents. Therefore, the centre would be able to retain a substantial proportion of the fresh food, take-home liquor and grocery (FLG) spending in the trade area, particularly from the primary sector.

The proportion of available FLG expenditure which Chisholm Plaza has the potential to retain from the primary sector is estimated at 50%. At this retention rate, the Chisholm Plaza will function as the main food and grocery shopping destination for residents of the primary sector. The remaining FLG spend would be directed to other competitive supermarket facilities in the main trade area, such as the Coles supermarket at Thornton Shopping Centre, or to supermarkets at higher-order centres beyond the trade area. These centres, such as Stockland Green Hills and the Maitland City Centre, currently serve the FLG needs of local residents, particularly reflecting instances where weekly food and grocery shopping is combined with shopping for more higher-order non-food/discretionary needs.

A shopping centre at the Subject Site is likely to capture a moderate level of food-catering (e.g cafes/restaurants) and retail services (e.g. hair and beauty) spend. These retail uses are typically provided at neighbourhood centres and greatly add to the offer of the centre.

For neighbourhood centres, non-food retention rates are projected to be far lower than those expected to be captured in the other retail categories. For more discretionary categories such as apparel, household goods and leisure, the expected retention rates for the subject centre are likely to be minimal, given that these types of uses typically tenant sub-regional or regional centres. Though neighbourhood centres do include some outlets that serve the convenience-oriented non-food needs of residents, such as pharmacies.

Across the total retail spectrum, the proportion of available expenditure retained from primary sector residents is estimated to be in the order of 24%, which is in line with the average retention rates of supermarket-based centres at between 20% to 25% for the primary sector. Retention rates are expected to be lower in the secondary sectors, given the availability/proximity of existing supermarkets and retail facilities in these areas.

Across the main trade area, the overall retention of retail expenditure is estimated at approximately 11%, which is reflective of the share which a typical neighbourhood centre captures in its catchment. The analysis also allows for some of the retail floorspace demand to be generated by residents living beyond the defined main trade area, such as workers and visitors to the area, which is estimated to account for 15% of the total retail floorspace demand.

Our analysis indicates that currently a neighbourhood centre type offer anchored by at least one supermarket is clearly supportable at the Subject Site, with the demand for retail floorspace to increase over time. By 2026, the amount of retail floorspace considered supportable is estimated at approximately 9,000 sq.m, including 5,700 sq.m of FLG floorspace. The level of supportable FLG floorspace would easily accommodate a full-line supermarket (including liquor), as well as potentially a smaller supermarket or large fresh produce store and a provision of supporting fresh food specialties.

The analysis also shows that the planned centre can support a mix of convenience-oriented retail specialty shops and services, which reflects the expected role of Chisholm Plaza as a key neighbourhood shopping destination serving the food, grocery and convenience shopping needs of residents in the local area.

Table 4.2: Chisholm Plaza – Estimated Retail Floorspace Supportable (sq.m)

Retail Category	Est. % Retained	2021	2026	2031	2036
Primary Trade Area					
FLG	50%	1,530	2,540	3,470	3,790
Food Catering	30%	450	750	1,030	1,150
Non-Food	6%	310	500	660	690
Retail Services	35%	150	260	350	390
Total Retail	**24%**	**2,440**	**4,050**	**5,510**	**6,020**
Secondary Trade Area					
FLG	18%	2,960	3,170	3,230	3,250
Food Catering	11%	800	850	880	900
Non-Food	2%	580	600	590	560
Retail Services	13%	270	290	300	310
Total Retail	**9%**	**4,610**	**4,910**	**5,000**	**5,020**
Main Trade Area					
FLG	23%	4,490	5,710	6,700	7,040
Food Catering	14%	1,250	1,600	1,910	2,050
Non-Food	3%	890	1,100	1,250	1,250
Retail Services	16%	420	550	650	700
Total Retail	**11%**	**7,050**	**8,960**	**10,510**	**11,040**

** Figures are rounded*

Source: Ethos Urban

5 Assessment of Centre Potential

In order to be able to consider the question of potential economic benefits and impacts that might arise from the planned development of Chisholm Plaza, the first step is to quantify the level of sales which the proposed retail uses at the centre can reasonably expect to achieve.

The potential sales achieved of any particular retail facility, be it an individual store or a collection of stores provided in a shopping centre or precinct, is determined by a combination of the following factors:

- The quality of the facility, with particular regard to the major trader/traders that anchor the centre; the strength of the tenancy mix relative to the needs of the catchment which it seeks to serve; the physical layout and ease of use; the level of accessibility and ease of parking; and the atmosphere/ambience of the centre.
- The size of the available catchment which the centre seeks to serve.
- The location and strength of competitive retail facilities and the degree to which those alternative facilities are able to effectively serve the needs of the population within the relevant trade area.

The key factors considered when assessing the sales potential of the proposed Chisholm Plaza shopping centre include the following:

- The location of the subject site at the intersection of Heritage Drive and Settlers Boulevard, ensuring it is easily accessible from the surrounding area.
- The available population within the catchment, which is to increase strongly in the future.
- The socio-demographic profile of the area, and in particular the primary sector which contains a large proportion of young families.
- The scale and quality of existing retail facilities in the surrounding area, and particularly the lack on any competitive retail facilities within the primary sector.

5.1 Supermarket Sales Potential

The population of the primary sector is estimated at 4,400 residents at 2021 and is projected to increase rapidly to 10,000 by 2031, which is a substantial core catchment population for a neighbourhood shopping centre to serve. Given the site aspects and competitive context, the proposed supermarket anchor at Chisholm Plaza would be excellently placed to serve the day-to-day food and grocery needs of existing and future residents in the surrounding area.

A number of key points have been taken into consideration when assessing the sales potential for the proposed full-scale supermarket at the Subject Site.

Supermarkets generate almost all their sales from the take-home food, grocery and packaged liquor (FLG) retail expenditure category. As detailed in Chapter 2 of this report, the available FLG spending generated by the main trade area population is estimated at $175 million at 2021, and is projected to increase to $213 million at 2026 (in constant dollars terms).

Typically, Australians direct around 65% – 80% of food, grocery and liquor spending to supermarkets and major foodstores (i.e. grocery stores greater than 500 sq.m). This ratio can vary from location to location and is dependent on the provision of supermarkets and foodstores within the particular area or region, as well as the socio-demographic profile of the population. The likely share directed to supermarkets in this area is expected to be at the higher end of this range as there is a lower provision of fresh food options, such as major fresh food markets, in the trade area.

Another key consideration when estimating the sales potential is the fact that there are currently no supermarkets located in the primary sector and there is only one major supermarket in the main trade area, at Thornton Shopping Centre. Therefore, a full-scale supermarket at the Subject Site will be well placed to become the main destination for food and grocery shopping for primary sector residents.

The estimation of sales potential for the proposed supermarket also allows for some sales to come from customers living outside the main trade area, including workers and visitors, and factors in a proportion of sales from general merchandise items.

The market shares for the supermarket anchor are estimated to be the highest in the primary and secondary north sectors, where there are no other supermarkets, and lowest in the secondary south sector which contains a major supermarket. For the for purposes of this report, the first year of trade of the centre is assumed to be FY2024.

The estimated sales potential for the proposed full-scale supermarket at Chisholm Plaza in 2024 is detailed in Table 5.1.

Table 5.1: Major Supermarket Estimated Sales Potential - 2024

Category	2024
Available FLG spend in main trade area	$197.7m
FLG spend directed to supermarkets (@ 75%)	$148.2m
Est. spend retained by subject supermarket (@ 18%)	$26.6m
Plus sales from beyond MTA (@ 15% of total)	$4.7m
Total potential FLG sales	$31.3m
Plus non-FLG sales (@ 6% of total)	$2.0m
Est. total sales potential	**$33.3m**
Estimated average trading level ($ per sq.m)	$8,750

**Constant $2020/21 and including GST*

Source: MarketInfo; Ethos Urban

5.2 Centre Retail Sales Potential

Together with the supermarket anchor, Chisholm Plaza is planned to provide a wide range of fresh food, food & beverage and convenience-orientated specialty stores, as well as a range of non-retail and community uses.

Based on the current plans for the site, together with the range of retail shops and services typically provided at neighbourhood shopping centres, and particularly centres in major growth areas, Table 5.2 provides an indicative tenancy mix that is expected to be best suited for the proposed neighbourhood centre.

The planned mini-major at Chisholm Plaza would be suited to a large fresh produce store or a small supermarket, to cater to the growing demand for FLG facilities in the local area.

In addition to a mix of retail specialty shops tailored to the needs of the local catchment, the centre is expected to be able to support a range of non-retail shopfronts. Neighbourhood shopping centres typically contain a number of shops and services which are not categorised as retail and do not form part of the retail market. These include facilities such as Australia Post, real estate agents, travel agents, bank branches, financial outlets, and a number of these uses are expected to be supportable at Chisholm Plaza.

Table 5.2: Chisholm Plaza – Centre Composition and Indicative Tenancy Mix

Category/use	GLA (sq.m)	% of retail	% of total
Major tenants			
Supermarket	3,809	46%	27%
Mini-major	1,500	18%	11%
Retail specialty shops			
Fresh food (e.g. bakery/butcher/fresh produce) & liquor	700	8%	5%
Food catering (e.g. cafes/restaurants)	1,000	12%	7%
Leisure (e.g. newsagency/stationery)	201	2%	1%
General (e.g. pharmacy/discount variety/giftware/florist)	650	8%	5%
Retail services (e.g. hair/beauty/optometrist)	500	6%	4%
Total retail specialty shops	3,051	36%	21%
Total centre - retail	**8,360**	**100%**	**59%**
Non-retail uses			
Non-retail shops (e.g. real estate agent, banks, Australia Post)	1,000		7%
Gymnasium	1,057		7%
Tavern	878		6%
Learn to Swim	816		6%
Childcare Centre	890		6%
Medical	763		5%
Car Wash	473		3%
Total non-retail	**5,877**		**41%**
Total centre	**14,237**		**100%**

Source: Revelop; Ethos Urban

Table 5.3 presents the estimates of sales potential for the indicative mix of retail uses at Chisholm Plaza. The estimates of sales potential reflect the scale of the development; the sales estimated to be achieved by supermarket anchor; the available retail market; the competitive framework of the area; and the typical sales achieved by the various types of retail uses at similar scale developments.

The sales potential for the retail component of the proposed neighbourhood centre is estimated at $60.8 million at 2024, reflecting a sales productivity level of approximately $7,270 per sq.m. All sales forecasts in this report are presented as constant 2020/21 dollars and include GST.

Table 5.3: Chisholm Plaza – Estimated Sales Potential by Retail Category, 2024*

Category/use	GLA (sq.m)	Estimated sales ($ per sq.m)	Estimated sales ($m)
Major tenants			
Supermarket	3,809	8,750	33.3
Mini-major	1,500	5,000	7.5
Retail specialty shops			
Fresh food & liquor	700	8,000	5.6
Food catering	1,000	6,500	6.5
Leisure	201	5,500	1.1
General	650	6,500	4.2
Retail services	500	5,000	2.5
Total retail specialty shops	3,051	6,532	19.9
Total centre - retail	**8,360**	**7,268**	**60.8**

**Constant $2020/21 and including GST*

Source: Ethos Urban

5.3 Centre Retail Market Shares

Table 5.4 presents the estimated market shares of available retail expenditure expected to be achieved by Chisholm Plaza at FY2024. The estimated market shares of available food and non-food retail spending are calculated based on the following key points:

- The total available retail expenditure within each trade area sector is detailed, based on the data detailed in Chapter 2 of this report.
- The total estimated sales potential of each component of the proposed centre, as detailed previously, is split into food and non-food sales, taking account of the typical sales distribution for each retailer type.
- The sales expected to be captured by the centre from each trade area sector are then estimated, taking into account the likely shopping patterns of trade area residents.
- The estimated market shares expected to be achieved by the centre, of both food and non-food expenditure in each trade area sector, are then calculated by dividing the estimated centre sales from each sector by the projected retail expenditure available in each sector.

The planned Chisholm Plaza is estimated to achieve an 11% market share of total retail spending of the main trade area population, including a 17% share of food spending and a 4% share of non-food spending. The proposed centre is estimated to capture approximately $9 million of retail spending from people residing beyond the main trade area such as workers and visitors to the area.

Table 5.4: Chisholm Plaza – Estimated Centre Market Shares, 2024*

	Retail Spend ($m)			Est. Centre Sales ($m)			Market Share (%)		
Trade Area Sector	Food	Non-Food	Total	Food	Non-Food	Total	Food	Non-Food	Total
Primary	52.3	43.7	96.1	19.8	3.8	23.6	38%	9%	25%
Secondary North	11.8	10.0	21.8	3.3	0.6	3.9	28%	6%	18%
Secondary South	99.3	79.7	178.9	4.7	0.9	5.6	5%	1%	3%
Secondary West	95.2	75.8	171.0	15.6	3.0	18.6	16%	4%	11%
Total Secondary	206.3	165.5	371.8	23.5	4.5	28.0	11%	3%	8%
Main Trade Area	**258.6**	**209.2**	**467.8**	**43.3**	**8.4**	**51.6**	**17%**	**4%**	**11%**
Sales from beyond TA				7.6	1.5	9.1			
Centre Retail Sales				**50.9**	**9.8**	**60.8**			

**Constant $2020/21 and including GST*

Source: MarketInfo; Ethos Urban

6 Economic Impact and Benefit Analysis

This Chapter outlines the possible economic benefits and trading impacts that can be anticipated following the development of Chisholm Plaza, and assesses whether a net community benefit or disbenefit is likely to result.

6.1 Economic Benefits

The development of Chisholm Plaza will result in a range of economic implications. From a trading point of view, impacts may be experienced by some competitive facilities located in the surrounding area, and the likely extent of these trading impacts is considered further later in the report. On the other side of the equation, the proposed development will result in a range of economic benefits, particularly for residents of the main trade area. The key positive impacts will include the following.

<u>Serving the growing food and grocery needs of trade area residents</u>

The resident population of the primary sector is estimated to reach 7,300 at 2026 and increase to a substantial 10,000 at 2031. There are currently no supermarkets or notable retail facilities in the primary sector, and there is the clear demand and need for a major supermarket in the local area. In the balance of the main trade area, there is only one existing major supermarket in the secondary south sector – the Coles supermarket at Thornton Shopping Centre – as well as two smaller supermarkets in the secondary west sector. The proposed Chisholm Plaza will be anchored by a full-scale supermarket which would be able to offer local residents a full range of supermarket products and serve the daily/weekly food and grocery needs of the local population.

<u>Improving shopping choice and convenience for local residents</u>

The proposed development will greatly increase the choice of neighbourhood shopping facilities for local residents. Currently residents of Chisholm need to travel beyond the local area to access basis retail supplies. Chisholm Plaza is to provide a range of shopping facilities and services typically provided in a neighbourhood shopping centre and will be able to serve the convenience-oriented shopping needs of residents in the surrounding local area. The proposed centre would, therefore, provide main trade area residents with greatly improved shopping choice and convenience allowing the local population to be able to undertake their shopping in a conveniently accessible local shopping precinct.

<u>Creating a focal point for the community</u>

The development of a neighbourhood centre with a wide range of shops, service and community facilities at the Subject Site will create a focal point for community activity and interaction in the area.

<u>Creating local employment opportunities</u>

The subject development would create a number of jobs, for the construction and related industries during the construction phase, as well as ongoing jobs when the centre is operational. The methodology used in estimating the number of potential new jobs at the centre is regularly used in retail Economic Impact Assessments. The purpose is to provide a general indication of the number of jobs potentially created from the development, though does not seek to determine the precise number of jobs created.

Table 6.1 details the ongoing direct employment likely to be created by the proposed Chisholm Plaza shopping centre. The estimates of job creation are based on industry standard benchmarks of the typically number of jobs created for each proposed use. Based on the type and amount of floorspace to be provided in the proposed centre, it is estimated that approximately 480 ongoing direct jobs would be created, including for both full time and part time employees.

As the population of the area increases, new retail developments will provide new job opportunities that will not necessarily impact on the number of jobs at existing centres. Nevertheless, it may be argued that some job losses will occur at other centres as a result of the proposed development. In estimating the net long-term employment opportunities, an allowance of 5% of the employment that is likely to be created at the future centre to be absorbed in job losses at other centres, resulting in a projected net employment increase of 460 jobs.

The subject development will also create a number of new jobs in the construction and related industries during the construction phase, and for the economy generally once they are completed. Table 6.2 provides an estimation of both direct and indirect employment that may arise from the proposed neighbourhood centre development. Based on expected construction costs in the order of $30 million, it is estimated that during the construction period of the project approximately 128 direct jobs would be created, assuming a construction period of one year.

Further jobs in the broader community may also be created from supplier induced multiplier effects during this period. The indicative indirect jobs that may be created by the proposed development are detailed in Table 6.2, and are based on the appropriate ABS input/output multipliers. However, the ABS employment multiplier data is dated, and therefore the figures in Table 6.2 should be viewed as only indicative. It is, however, very likely that some indirect jobs in local economy will be created from the development, in addition to the direct employment.

Table 6.1: Chisholm Plaza – Estimated Employment Levels

Type of use	Est. employment per 1,000 sq.m	GLA (sq.m)	Employment (persons)*
Supermarket	40	3,809	152
Mini-majors	20	1,500	30
Specialty shops	50	3,818	191
Kiosks	80	233	19
Gymnasium	15	1,057	16
Tavern	20	878	18
Learn to Swim	15	816	12
Childcare centre	23	890	20
Medical centre / allied health	30	763	23
Car Wash	7	473	3
Total	**34**	**14,237**	**484**
Net increase**			460

**Employment includes both full-time and part-time workers.*

***Net increase allows for reduce employment at impacted centres - estimated at 5% of the total increase.*

Table 6.2: Chisholm Plaza – Estimated Employment Creation

Type of use	Direct employment (long-term)	Direct employment (const'n period)	Supplier employment multiplier effects	Total
Centre employment (net additional)	460		184	644
Construction of project based on $30m capital costs (Job years**)		128	205	333
Total	**460**	**128**	**389**	**977**

**Employment includes both full-time and part-time workers.*

***Indicates the estimated number of jobs over the life of the construction project, for the equivalent of one year.*

6.2 Trading Impacts Analysis

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

In order to understand whether any particular centre may be impacted to the extent that its continued viability may be in question, the specific retail impacts from Chisholm Plaza on the surrounding competitive network of centres have been estimated.

These estimates provide indications as to whether any surrounding centres are likely to be at risk to the extent that the community would suffer a net disbenefit, attributable to the subject retail development. In considering likely trading impacts on any individual centre or individual retailer, it must first be acknowledged that such estimation can only realistically expect to provide a broad indication of likely outcomes, since there are many factors which can change in response to any new retail development, and which will have a bearing on the consequent outcomes.

The impacted centre or retailer has a number of possible actions which it may be able to take that may mitigate the extent of the impact. Expansions and improvements may be undertaken at other centres throughout the region, and these factors can change the nature of the impact of the new centre being developed.

It is much more reasonable for the purposes of impact analysis, therefore, to consider the likely broad changes in competitive circumstances, and in particular the changes in availability of retail spending for competitive centres, that can reasonably be expected to result from the development of Chisholm Plaza. These broad changes effectively set the market conditions within which the competitive centres will operate as a result of this development, and reasonable conclusions can then be drawn about the possible impacts of these broad changes in market conditions.

The development of Chisholm Plaza would result in a redirection of spending to the new centre from a range of other centres located within and beyond the defined trade area. In order to estimate the likely order of these potential impacts, the location and composition of each centre relative to the subject development site, and their respective roles in the region, have been considered.

The following factors are of relevance in terms of how the likely impacts will play out:

- The distance of each centre, by road, from the proposed development.
- The size of the centre, in terms of total relevant retail floorspace. More specifically in this instance, the location of surrounding supermarkets is a key factor to consider.
- The respective role and function of each centre. For example, small local centres typically serve very localised catchments, while higher-order centres serve catchments which generally cover a broad area.
- The relative accessibility and convenience of surrounding centres compared with the proposed neighbourhood centre development.
- The estimated sales performance of the centre and projected future performance.

Table 6.3 presents an impact analysis for relevant centres which may be impacted from Chisholm Plaza.

Table 6.3: Chisholm Plaza – Estimated Impacts on Specific Centres

Centre name	Est. Sales 2021	Projected 2024		Projected 2027	Impacts 2024			Change w dev't	
		No dev't	With dev't	With dev't	$m	%	Dist.	2021-24	2021-27
Within Trade Area									
Thornton Shopping Centre	$52m	$56.9m	$49.4m	$53.0m	-$7.5m	-13.2%	12.3%	-4.9%	2.0%
Tenambit	$9.8m	$10.2m	$9.7m	$10.2m	-$0.5m	-4.9%	0.8%	-0.1%	4.9%
Morpeth	$20m	$20.5m	$19.6m	$20.6m	-$0.9m	-4.4%	1.5%	0.4%	5.4%
Beyond Trade Area									
East Maitland									
Stockland Green Hills	$490m	$530m	$500m	$532m	-$29.7m	-5.6%	48.9%	1.9%	8.6%
Aldi Green Hills	na	$20.0m	$18.1m	$19.3m	-$1.9m	-9.5%	3.1%	na	na
East Maitland TC	$33m	$34.0m	$32.3m	$33.6m	-$1.7m	-5.0%	2.8%	-0.7%	3.2%
High St, East Maitland	$1.4m	$1.4m	$1.4m	$1.5m	$0.0m	-0.7%	0.0%	3.3%	7.4%
Maitland City Centre									
Riverside Plaza	$91m	$95.6m	$91.4m	$95.9m	-$4.2m	-4.4%	6.9%	0.4%	5.4%
Pender Place SC	$50m	$55.1m	$51.9m	$54.5m	-$3.2m	-5.8%	5.3%	3.9%	9.0%
Balance	$100m	$104m	$103m	$107m	-$1.1m	-1.1%	1.8%	2.9%	7.0%
Beresfield	$21m	$21.7m	$21.0m	$21.8m	-$0.7m	-3.2%	1.2%	0.2%	3.7%
Lorn Local Centre	$13.0m	$13.5m	$13.4m	$13.8m	-$0.1m	-0.7%	0.1%	2.8%	6.4%
Sub-total	**$881m**	**$963m**	**$911m**	**$964m**	**-$51.5m**	**-5.4%**	**85%**	**3.5%**	**9.4%**
All others					-$9.3m	na	15%		
Total					**-$60.8m**		**100%**		

**Constant $2020/21 and including GST*

Source: Shopping Centre News; Property Council of Australia; Stockland; Ethos Urban

The analysis presented in Table 6.3 is described as follows:

- The 2021 sales for each of the existing centres are firstly estimated. These estimates are based on public information where available, such as from Shopping Centre News and the Property Council of Australia. In this case Stockland publishes the annual sales of each of its major shopping centres including Stockland Green Hills, and the retail sales of the centre have been estimated based on the total sales achieved by the centre. Where no sales data is available, centres sales are derived based on appropriate sales productivity levels for comparable centres. These estimations have regard for the location and mix of tenancies with each centre.

- The sales potential for each centre at 2024 are estimated based on the underlying growth in the retail market, firstly assuming no development at the Subject Site.

- The sales potential for each centre at 2024 are then estimated, assuming that Chisholm Plaza is developed. The estimates of sales potential for each centre post impact are calculated by allocating an appropriate proportion of the anticipated sales potential of Chisholm Plaza across all surrounding centres.

- The estimated sales potential for each centre at 2027 are also provided, three years post development, again adopting a growth outlook for each centre that reflects the underlying growth in retail expenditure capacity of the surrounding area.

- The estimated impacts on each centre at 2024, expressed in dollar terms and in percentage terms respectively, as a result of the subject development are then calculated.

- Finally, the resultant growth in sales potential for each centre between 2021 and the forecast years are detailed, assuming the Chisholm Plaza proceeds.

The findings from the analysis are summarised as follows:

- Within the trade area the largest impact is expected to fall on Thornton Shopping Centre. In 2024, the centre is estimated to be impacted by $7.5 million of 13.2%. However, given the rapid growth occurring in the secondary south sector the centre is expected to achieve sales in 2024 only 5% below the current level, and by 2027 the turnover for the centre is projected to be 2% above its current sales level. Furthermore, the centre is currently trading strongly given the relatively limited competition in the immediate surrounding area, and therefore the estimated impact would not threaten the ongoing viability of the centre.

- Stockland Green Hills is expected is experience a significant initial impact though still achieve more sales in 2024 compared with 2021 due to the growth in the market. This level of impact takes into account that the centre includes both Coles and Woolworths supermarkets, and is likely capturing a significant proportion of the food and grocery spending of trade area residents, who would have an alternative choice for supermarket shopping once Chisholm Plaza opens.

- Minor to moderate impacts are projected on other centres in the area which include a sizable food offer. However, the analysis demonstrates that all centres will achieve more sales in 2027 compared with current sales following the development of Chisholm Plaza, and most centres will achieve greater sales by 2024.

- Chisholm Plaza will not impact, or have a negligible impact, on centres in the region without a notable food offer.

Overall, the estimated impacts from Chisholm Plaza are considered to be within the reasonable bounds of normal competition and would not threaten the viability or going concern of any of these centres or supermarkets. The potential impacts are considered acceptable, particularly given the rapid population growth occurring in the region and the significant undersupply of, and need for, supermarket floorspace in the local area.

6.3 Net Community Benefit and Conclusion

The Subject Site, which is centrally located within the rapidly growing suburb of Chisholm, is excellently positioned to serve the food, grocery and convenience shopping needs of local residents. The analysis in this report demonstrates that there is the demand for a substantial neighbourhood shopping centre in Chisholm to cater for the needs of the growing community.

A range of economic benefits are likely to arise as a result of the subject development, which includes serving the growing food and grocery needs of trade area residents; improving shopping choice and convenience for local residents; creating a focal point for the community; and creating local employment opportunities. The development may have some trading impacts on existing facilities, however, any adverse impacts will not be such as to threaten any existing facility’s ability to continue operating successfully. Consequently, in weighing the benefits and impacts, the analysis in this report demonstrates that a net community benefit will result from the proposed neighbourhood centre development at the Subject Site.