

DEMAND ASSESSMENT

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**RETAIL and COMMERCIAL
FLOORSPACE,
BALMAIN/ROZELLE**

Prepared For:
LEICHHARDT COUNCIL

Prepared By:
LEYSHON CONSULTING PTY LTD
SUITE 908 LEVEL 9
37 BLIGH STREET
SYDNEY NSW 2000

TELEPHONE (02) 9221 0111
FACSIMILE (02) 9221 7713

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EXECUTIVE SUMMARY

Introduction Section 1

This Report has been prepared for Leichhardt Council (Council) by Leyshon Consulting Pty Ltd. The Report presents the findings of a review of retail and commercial floorspace demand in the Balmain/Rozelle area.

The Report has been prepared in the context of four significant development/rezoning applications received by Council for prominent sites in the Balmain/Rozelle area.

The four sites in question are:

- ▶ Balmain Leagues Club site
- ▶ Carrier site (Victoria Road/Terry Street)
- ▶ Martin Bright Steel (MBS) site (Mansfield/Robert Streets, Rozelle)
- ▶ Roche Group site (Balmain Road, Rozelle).

Review of Proposals Section 2

Balmain Leagues Club Site

This proposal envisages a redevelopment of the Club site for a mix of land uses including new Club premises, a supermarket and supporting specialty retailing, a leisure centre and car parking. A six storey residential apartment complex is also proposed. Up to 10,171 sq.m. of retail space is proposed.

Carrier Site

Redevelopment plans for the Carrier site involve 15,100 sq.m. of retail floorspace including a full-line supermarket. A further 11,500 sq.m. of commercial floorspace is proposed together with a small component of residential development.

MBS Site

The master plan prepared for the future redevelopment of the MBS site proposes a mix of land uses comprising a total of 41,100 sq.m.. Of this, 2,100 sq.m. is to be occupied by retailing.

Roche Site

A detailed plan with respect to retail and commercial uses which could be accommodated on the Roche site has not been submitted as yet. The applicant has provided an indicative breakup of the site assuming a mixed use development is approved. This envisages approximately 682 sq.m. devoted to retailing, approximately 3,550 sq.m. for commercial offices/high tech space and a further 400 sq.m. occupied by cafés and restaurants. The majority of the site (and the proposed floorspace) would be occupied by residential development.

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Demand Analysis Section 3

At the 2001 Census 60,588 persons were counted in the trade area. By 2004 we estimate the resident population of the trade area had increased to an estimated 64,115 persons.

Relatively subdued population growth (+883 persons) is projected for the trade area between 2004-11 with the population estimated to rise to 64,998 by 2011.

The above average socio-economic characteristics of the Balmain trade area population mean the area will have an above-average demand for retail services on a per capita basis.

Between 2004-11 total available annual retail spending in the trade area is projected to rise by +\$122.5 million from \$741.9 million in 2004 to \$864.4 million in 2011 (\$2005).

Annual available supermarket spending meanwhile is projected to rise from \$237.4 million in 2004 to \$276.7 million by 2011 representing growth of +\$39.3 million (\$2005).

The projected growth in available spending theoretically would support about 24,520 sq.m. of additional retail floorspace based on an average sales rate of \$5,000 per sq.m. per annum. The growth in supermarket spending meanwhile would support approximately 4,367 sq.m. of new supermarket floorspace assuming a productivity rate of \$9,000 per sq.m. per annum.

Existing Retail Services Section 4

The trade area is estimated to contain approximately 19,181 sq.m. of supermarket and related floorspace at present. A significant component of this is comprised by small grocery stores. The existing supermarket provision equates to an average of about 0.30 sq.m. per capita and compares to the Sydney Region average provision of some 0.26 sq.m. per capita.

The trade area is estimated to have a current supermarket floorspace deficiency of around -7,196 sq.m.. This is projected to increase to -11,461 sq.m. by 2011 if no new supermarkets are constructed in the area. The shortfall in space suggests significant latent capacity exists to add new supermarkets to the trade area by 2011.

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Impact Assessment Section 5

Retail Assessment

Any assessment of the impact of the four proposals is necessarily generalised in nature. The actual impact of each project will depend on the precise volume of retail floorspace each contains as well as the nature of the retail tenants secured. Neither of these are known definitively at this time.

Assuming the four projects proceeded, their combined annual retail sales could be some \$140.2 million (\$2005) with sales derived from spending by trade area residents estimated at \$119.9 million (\$2005) namely:

- ▶ Balmain Leagues Club site ... \$49.0 million
- ▶ Carrier site ... \$59.1
- ▶ MBS site ... \$9.1
- ▶ Roche site ... \$2.7.

Projected total sales of \$119.9 million (sourced from the trade area) would be equivalent to 15.4% of total available retail trade area spending in 2006. By 2011, the projected sales would be equivalent to approximately 13.9% of available retail spending generated in the trade area at that time. In a nutshell, the combined impact of the four projects would be significant.

The initial year impact of the four projects could vary from -6.6% with respect to small supermarkets in the trade area up to -27.9% in relation to the Balmain Woolworths store. The impact on the Coles supermarket at Birkenhead Point also could be in the order of -27%. Impacts of -27% would fall in the very high range of impact. Nevertheless, given the realities of the supermarket sector, it is considered unlikely to lead to the closure of either or both supermarkets.

Development of two new supermarkets in close proximity to one another in Rozelle (that is, on the Carrier site and Leagues Club site) and their opening within the same general time-frame is considered excessive. This outcome likely would lead to unacceptably high impacts on existing centres in the surrounding area.

If they all proceeded together, by 2011 the four developments potentially could have an overall impact of up to -14% on the sales of existing centres within the trade area.

If they involved a development application rather than a rezoning, none of the project's individual impacts would be sufficient enough to warrant refusal. Nevertheless, significant stress on local centres is to be expected if all four projects were to proceed within the same general time-frame.

The potential impact of the four projects (assuming they proceeded together) on existing major centres in the area surrounding Rozelle is assessed to range as follows:

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Impact Analysis Cont'd

▶	Balmain	...	-15.6%	to	-20.4%
▶	Rozelle	...	-8.6%	to	-10.8%
▶	Leichhardt Strip	...	-10.1%	to	-12.5%
▶	Norton Plaza	...	-25.0%		
▶	Leichhardt Marketplace	...	-17.1%		
▶	Birkenhead Point	...	-12.5%		

The impacts on Balmain, Norton Plaza and Leichhardt are classified as being in the very high range and likely to lead to some vacancies in these centres. The impacts on the other centres, while substantial, are not unacceptably high.

Commercial Assessment

Three of the projects involve the possible introduction of a very significant component of new office space to the commercial leasing market in the Balmain/Rozelle area. This may put pressure on existing office space leading to a rise in vacancies. The proposed new commercial development should, however, deliver significant benefits overall to the local economy.

Impact Conclusion

The retail components proposed as part of the redevelopment of the Roche and MBS sites would not be particularly significant for existing shopping centres in Balmain and Rozelle. By contrast, retailing proposed for the Leagues Club and especially the Carrier sites is of considerable significance as either separately or combined it would involve a major addition to the retail floorspace stock in the area. On balance, it is recommended that only one of these two projects should proceed prior to 2011.

If both projects were to proceed, Council will need to review the existing status of centres in Balmain and, to a lesser extent, those in Rozelle and Leichhardt, to determine what measures can be taken to underwrite their ongoing viability in the face of such major new competition.

Actions which could be taken by Council in this regard include improving the supply of parking and the overall amenity of centres to ensure they remain attractive to shoppers. Access to adequate public off-street and on-street parking near major tenants like supermarkets is very important in terms of ensuring their ongoing viability.



1

INTRODUCTION

1.1 Background

This Report has been prepared for Leichhardt Council (Council) by Leyshon Consulting Pty Ltd. The Report presents the findings of a review of retail and commercial floorspace demand in the Balmain/Rozelle area.

The Report has been prepared in the context of four significant development/rezoning applications received by Council for prominent sites in the Balmain/Rozelle area. We understand the Report will assist Council in their evaluation of the subject development/rezoning proposals.

Section 2 of this Report provides greater detail on the four applications. In brief these applications relate to the following sites:

- ▶ Balmain Leagues Club site
- ▶ Carrier site (Victoria Road/Terry Street)
- ▶ Martin Bright Steel site (Mansfield/Robert Streets, Rozelle)
- ▶ Roche Group site (Balmain Road, Rozelle).

1.2 Study Objectives

The objectives established for the study are as follows:

- ▶ to review the development proposals for the four subject sites
- ▶ to review population and demographic data and prepare available retail spending projections for the Balmain/Rozelle trade area up to 2011

- ▶ to estimate the potential retail impact of the proposed developments on existing shopping centres in and adjacent to the Balmain/Rozelle trade area
- ▶ to provide Council with recommendations regarding the appropriate volume and timing of retail and commercial floorspace to be developed on each site
- ▶ to provide advice to Council on actions which may be required to assist existing centres absorb the economic impacts of the proposed developments.

1.3 Study Tasks

To meet the above objectives, Leyshon Consulting has undertaken the following study tasks:

- ▶ reviewed master plan documents submitted to Council by the respective applicants
- ▶ reviewed past studies relevant to the assessment of the subject applications
- ▶ inspected the subject sites
- ▶ inspected relevant centres and completed floorspace analyses of those centres
- ▶ identified an appropriate trade area for the developments
- ▶ prepared population forecasts for the trade area for the period 2004-11

- ▶ prepared estimates of available retail spending growth and consequent demand for retail floorspace in the trade area for the period 2004-11
- ▶ estimated the potential impact of the proposed developments on existing shopping centres
- ▶ prepared recommendations to Council regarding the appropriate volume of retail and commercial floorspace to be developed on each of the four sites
- ▶ provided recommendations to Council as to the appropriate timing for the provision of additional retail floorspace on the subject sites
- ▶ provided advice to Council on actions which may be required to assist existing centres absorb the economic impact of the proposed developments.

2

REVIEW of PROPOSALS

2.1 Balmain Leagues Club Site

The Balmain Leagues Club site is bounded by Victoria Road and Moodie, Darling and Waterloo Streets. The current Leagues Club building comprises some 5,978 sq.m. of floorspace. Approximately a further 6,300 sq.m. of the site is devoted to car parking. The site is currently zoned Business.

The proposal before Council envisages a redevelopment of the Club site for a mix of land uses including new Club premises, a supermarket and supporting specialty retailing, a leisure centre and car parking. In addition, six storeys of residential apartments are also proposed. TABLE 2.1 provides a breakup of the indicative floor areas contained in a master plan produced on behalf of the Club.

**TABLE 2.1
PROPOSED INDICATIVE LAND USE
DISTRIBUTION – REDEVELOPMENT of
BALMAIN LEAGUES CLUB SITE**

Land Use Type...	Indicative Floor Area (Sq.M.)
Balmain Leagues Club	2,768
Supermarket (including dock)	3,908
Retail	4,427
Leisure Retail	1,836
Leisure Centre	1,637
Residential (six storeys)	16,283
Public Plaza	2,763
Car Parking (400 retail spaces, 200 residential spaces)	17,982
Total	51,604

Source: Balmain Leagues Club, 2005.

2.2 Carrier Site

The so-called Carrier site is bounded by Victoria Road and Terry and Wellington Streets, Rozelle. In total the site comprises some 3.7 hectares and is comprised of an amalgam of two major sites, namely the Carrier site (approximately 1.4 hectares) and the Millers Storage site (0.4 hectares) together with a number of small sites. The entire site is zoned Industrial.

Redevelopment plans for the Carrier site involve provision of 15,100 sq.m. of retail floorspace including a full-line supermarket. A further 11,500 sq.m. of commercial floorspace is proposed together with a small component of residential development.

Informal discussions held with consultants for the applicant suggest the retail component of the proposal could be increased to about 18,000 sq.m..

As indicated in FIGURE 2.1, the Carrier site is very close to the Balmain Leagues Club site.

2.3 Martin Bright Steel (MBS) Site

The MBS site is bounded by Mansfield, Robert and Mullens Streets, Rozelle and is currently zoned Industrial. The site is adjacent to Glebe Island.

The master plan prepared for the future redevelopment of the MBS site proposes a mix of land uses as detailed in TABLE 2.2 below. Within the proposed mixed use development (which in total comprises some 41,100 sq.m.), we understand 2,100 sq.m. is to be occupied by retail

uses and 39,000 sq.m. is earmarked for commercial uses. In addition industrial uses of some 14,450 sq.m. are also proposed on the site.

**TABLE 2.2
INDICATIVE LAND USE DISTRIBUTION –
PROPOSED REDEVELOPMENT of MBS SITE,
ROZELLE**

Land Use Type ...	Indicative Floor Area (Sq.M.)
Retail	2,100
Commercial	39,000
Industrial	14,450
Residential	8,060
Car Park (700 spaces)	21,116
Service/Plant	1,705
Egress	248
Total	86,679

Source: Leichhardt Council, 2005.

The MBS site is somewhat remote from the main concentrations of existing retail development in the Balmain/Rozelle area.

2.4 Roche Group Site

The Roche Group (Roche) site is bounded by Balmain Road in the north, Matilda/Regent/Foucart Streets in the east, Fred Street in the south and Alberto Street in the west. The site is effectively divided by Cecily Street which will remain as an operating street if the proposed development is approved. The site is currently occupied by a mix of commercial, industrial and showroom uses.

As indicated in FIGURE 2.1, the Roche site located opposite Callan Park is approximately 50 metres to the south of the existing Rozelle commercial area.

We understand the current master plan canvasses three potential development options for the Roche site namely:

- ▶ retaining the existing Industrial zoning and “retrofitting” the existing buildings for industrial uses
- ▶ rezoning the site to permit residential development; or
- ▶ rezoning the site to include a mix of so-called “high tech” space together with commercial, retail and residential uses and a component of public open space.

The third option noted above is preferred by the developer.

A detailed plan with respect to retail and commercial uses which could be accommodated on the Roche site has not been put forward as yet. We understand, however, that under the third option noted above, the total gross floor area of development on the site could be some 17,751 sq.m.. The applicant has provided an indicative breakup of the site assuming mixed use development is approved. Under this scenario they envisage approximately 10% of the site (682 sq.m.) would be devoted to retailing, approximately 3,550 sq.m. would be used for commercial offices/high tech space and a further 400 sq.m. would be used for cafés and restaurants. The majority of the site (and the proposed floorspace) would be occupied by residential development.

2.5 Overview

If viewed in isolation, from a retail perspective both the MBS and Roche proposals (given their small retail components) are not particularly significant as far as the retail system in the Rozelle/Balmain area is concerned. By contrast, the proposals for the Balmain Leagues Club and the Carrier sites will have a more significant influence on existing retail centres in the Balmain/Rozelle area.

3

DEMAND ANALYSIS

3.1 Introduction

The purpose of this section of the Report is to estimate the demand for additional retail and commercial floorspace in the Balmain/Rozelle area. This assessment will assist in placing the four subject applications into perspective in terms of the appropriateness of their proposed retail floorspace provision.

In relation to the retail components of each proposal, it is not feasible to determine and analyse a separate trade area for each application. This is principally because all of the proposed developments are likely to have substantially overlapping trade areas. Accordingly, we have adopted a single trade area which is depicted in FIGURE 3.1. For ease of reference the trade area has been subdivided into a series of sectors as follows:

- ▶ **Primary Trade Area (PTA)** – Rozelle and the southern part of Balmain
- ▶ **Secondary Trade Area (STA) North** – includes the balance of the Balmain Peninsula
- ▶ **STA West** – includes the suburb of Drummoyne and Rodd Point (part)
- ▶ **STA South** – includes Leichhardt and Annandale (part).

3.2 Population and Demography

At the 2001 Census 60,588 persons were counted in the trade area. The estimated resident population in 2001 was some 63,384 persons, however. In 2004 we estimate the resident population of the trade area at 64,115 persons.

Relatively subdued population growth is projected between 2004-11 with the population increasing to some 64,998 persons by 2011. This growth projection assumes there will be no further substantial conversion of major industrial sites from industrial to residential purposes during the forecast period.

The demographic attributes of any trade area population exert a substantial influence over the nature and extent of retail demand patterns. For a considerable time now, Leichhardt Local Government Area (LGA) has been undergoing marked demographic change. This has resulted in the disappearance of the older traditional "working class" residents of Leichhardt and their replacement with a more affluent and educated population.

The key demographic attributes of the trade area in 2001 compared with the Sydney Statistical Division (SSD) population can be summarised as follows:

- ▶ a somewhat younger population with a substantially higher proportion of young adults (those aged 20-39 years; 39.7%) compared to 31.1% in the SSD
- ▶ an above-average incidence of lone person households (29.3%) compared to 22.0% in the SSD

- ▶ smaller households comprising around 2.2 persons per dwelling compared to 2.6 persons in the SSD
- ▶ an above-average proportion of persons employed in so-called upper-white-collar occupations (managers, administrators and professionals) compared to the SSD. In 2001 almost half (48.9%) of the working population in the trade area was employed in these occupational categories compared to less than a third (30.2%) of the Sydney Region population
- ▶ a very low unemployment rate (4.1%) compared to 6.1% in the SSD; and
- ▶ average household incomes which were substantially above the Sydney Region average. For the trade area as a whole the average household income in 2001 was \$72,128 per household per annum which was +21.2% above the Sydney Region average of \$59,518 per household per annum (\$2001).

Within the trade area itself, it is particularly noticeable that the population of the STA North (Balmain Peninsula) differed from the balance of the trade area. For instance, in 2001 58.7% of the workforce in the STA North was employed in upper-white-collar occupations while the average household income in the STA North (\$77,989 per household per annum [\$2001]) was some +31% above the SSD average and +8% above the trade area average (\$72,128).

In summary, the above average socio-economic characteristics of the Balmain trade area can be expected to produce an above-average demand for retail services on a per capita basis.

TABLE 3.1:
SUMMARY of DEMOGRAPHIC ATTRIBUTES of BALMAIN TRADE AREA POPULATION and
COMPARATIVE DATA for SYDNEY STATISTICAL DIVISION, 2001 (SSD; % Population)

Characteristic...	PTA	STA North	STA West	STA South	Total Trade Area	SSD
Count (No. Persons)	13,623	11,812	6,183	28,970	60,588	3,948,015
Age Structure						
0-9 years	9.9	8.3	12.2	10.0	9.9	13.5
10-19	6.9	7.4	9.7	8.4	8.0	13.5
20-29	18.4	17.8	14.0	17.9	17.6	15.0
30-39	24.0	22.3	18.9	21.9	22.1	16.1
40-49	15.3	16.1	14.4	15.0	15.2	14.6
50-59	11.8	14.5	12.9	10.9	12.0	11.4
60+	13.7	13.6	17.9	15.9	15.2	15.9
Household Structure						
Couples & Children	21.0	19.6	29.8	24.8	23.3	37.2
Couples Only	29.8	28.2	29.0	27.1	28.1	23.9
Single Parents	8.9	8.3	8.2	8.9	8.7	11.1
Other	1.5	1.7	1.6	2.3	1.9	1.5
Total Family	61.2	57.8	68.6	63.1	62.0	73.7
Non-Family Households						
Lone Person	29.7	33.8	25.6	27.9	29.3	22.0
Group	9.1	8.4	5.8	9.0	8.7	4.3
Total Non-Family	38.8	42.2	31.4	36.9	38.0	26.3
Average Household Size (persons/dwelling)						
	2.18	2.06	2.39	2.28	2.22	2.60
Occupational Structure						
Managers & Administrators	15.8	18.9	14.8	12.4	14.7	9.0
Professionals	33.8	39.8	30.0	32.8	34.2	21.2
Associate Professionals	13.3	14.0	14.5	12.5	13.2	11.8
Tradespersons & Related	6.6	3.8	6.4	7.7	6.5	11.1
Advanced Clerical/Sales/Service	4.4	3.9	5.4	4.1	4.2	4.5
Intermediate Clerical/Sales/Service	13.8	10.9	14.4	15.5	14.0	17.2
Intermediate Production & Transport	2.8	1.3	3.1	3.4	2.8	7.4
Elementary Clerical/ Sales/Service	5.4	4.5	6.4	7.1	6.1	9.1
Labourers and Related	2.8	2.0	3.0	3.4	2.9	6.6
Inadequately Described	0.8	0.7	1.0	0.5	0.7	0.9
Not Stated	0.5	0.2	1.0	0.6	0.7	1.2
Unemployment Rate (%)	4.6	3.5	2.9	4.3	4.1	6.1

TABLE 3.1:
SUMMARY of DEMOGRAPHIC ATTRIBUTES of BALMAIN TRADE AREA POPULATION and
COMPARATIVE DATA for SYDNEY STATISTICAL DIVISION, 2001 (SSD; % Population)

Characteristic...	PTA	STA North	STA West	STA South	Total Trade Area	SSD
Annual Household Income						
Nil/Negative	0.6	1.0	0.4	0.7	0.7	1.0
\$0-\$10,384	4.0	3.8	1.8	3.5	3.5	3.9
\$10,385-\$15,584	5.3	5.8	4.6	5.8	5.6	6.7
\$15,585-\$20,784	4.9	3.5	6.5	5.9	5.2	7.6
\$20,785-\$25,948	3.8	3.9	5.3	4.7	4.4	6.5
\$25,950-\$31,148	3.4	3.0	2.0	3.8	3.4	4.9
\$31,149-\$36,348	3.8	2.9	4.0	4.7	4.1	5.7
\$36,349-\$41,548	3.3	3.4	3.2	4.2	3.7	4.7
\$41,549-\$51,948	7.6	5.8	7.4	8.5	7.6	9.5
\$51,949-\$62,348	10.4	9.4	10.2	10.6	10.3	9.6
\$62,349-\$77,948	5.9	4.5	6.9	7.1	6.3	9.3
\$77,949-\$103,948	18.2	20.2	19.8	17.3	18.3	15.1
Above \$103,948	28.8	32.8	27.9	23.2	26.9	15.5
Average Household Income (\$2001)	\$73,634	\$77,989	\$74,467	\$68,330	\$72,128	\$59,518

Source: ABS Census, 2001.

3.3 Available Spending

TABLE 3.2 details our estimates of population growth by trade area segment in 2004, 2006 and 2011. As indicated in TABLE 3.2, overall growth of +883 persons is projected during the period 2004-11 with the strongest growth expected to occur in the PTA and STA North.

TABLE 3.2
POPULATION PROJECTION – BALMAIN TRADE AREA, 2004-11 (No. Persons)

Year ...	PTA	STA		STA	Trade Area
		North	STA West	South	Total
2004	14,564	12,637	6,651	30,263	64,115
2006	14,867	12,799	6,729	30,318	64,713
2011	15,001	12,904	6,739	30,354	64,998
Change 2004-11	437	267	88	91	883

Source: Leyshon Consulting Estimates, August 2005.

Data derived from the 2001 Census on average household income has been combined with data from surveys conducted by the Australian Bureau of Statistics (ABS) with respect to average weekly earnings since 2001 and data from the ABS 1998-99 Household Expenditure Survey to provide estimates of average per capita retail spending in the Balmain trade area in 2004.

The estimates of average per capita retail spending in 2004 utilised for this analysis are as follows:

- ▶ PTA ... \$12,125 per capita per annum (\$2005)
- ▶ STA North ... \$13,137
- ▶ STA West ... \$11,166
- ▶ STA South ... \$10,739
- ▶ Trade Area Total ... \$11,571.

For the period 2004-11 an allowance also has been made for real spending growth. In summary, average spending growth of +2.0% per annum has been assumed which is consistent with trends in real growth in retail spending evident in New South Wales over the past decade. It may be, however, that an assumption of +2.0% real growth proves somewhat conservative given the above-average socio-economic characteristics of trade area residents. Nonetheless we consider on

balance that an assumption of +2.0% in real growth is appropriate in terms of retail expenditure projections to 2011.

Our estimates of growth in total available retail spending, in retail spending by category and in available supermarket spending in the trade area between 2004-11 are detailed in TABLES 3.3 to 3.5.

TABLE 3.3
ESTIMATED AVAILABLE RETAIL SPENDING – BALMAIN TRADE AREA, 2004
(\$2005)

Factor ...	PTA	STA North	STA West	STA South	Total Trade Area
Population (No. Persons)	14,564	12,637	6,651	30,263	64,115
Average Spending (\$ per capita)	\$12,125	\$13,137	\$11,166	\$10,739	\$11,571
Total Available Retail Spending (\$ Mil. p.a.)	\$176.6	\$166.0	\$74.3	\$325.0	\$741.9
Spending by Category (\$ Mil.)					
Food/Groceries	\$54.9	\$50.0	\$23.1	\$101.0	\$228.9
Food Out	\$21.0	\$19.9	\$8.8	\$38.6	\$88.3
Alcohol (Off Licence)	\$7.1	\$6.8	\$3.0	\$13.0	\$29.8
Tobacco	\$5.4	\$4.9	\$2.3	\$10.0	\$22.7
Clothing and Accessories	\$21.1	\$20.3	\$8.9	\$38.9	\$89.2
Household Furnishings and Equipment	\$23.0	\$22.0	\$9.7	\$42.4	\$97.1
Household Non Durables	\$6.1	\$5.7	\$2.6	\$11.3	\$25.7
Medical/Pharmacy	\$2.6	\$2.5	\$1.1	\$4.7	\$10.9
Vehicle Accessories	\$4.0	\$3.8	\$1.7	\$7.4	\$17.0
Recreation	\$22.2	\$20.8	\$9.3	\$40.7	\$93.0
Personal Care	\$4.6	\$4.9	\$1.9	\$8.5	\$19.9
Miscellaneous Goods and Services	\$4.6	\$4.4	\$1.9	\$8.5	\$19.4
Total Retail Spending	\$176.6	\$166.0	\$74.3	\$325.0	\$741.9
Total Supermarket Spending	\$56.5	\$53.1	\$23.8	\$104.0	\$237.4

Source: Leyshon Consulting Estimates, August 2005.

TABLE 3.4
ESTIMATED AVAILABLE RETAIL SPENDING – BALMAIN TRADE AREA, 2006
 (\$2005)

Factor ...	PTA	STA North	STA West	STA South	Total Trade Area
Population (No. Persons)	14,867	12,799	6,729	30,318	64,713
Average Spending (\$ per capita)	\$12,614	\$13,668	\$11,617	\$11,173	\$12,044
Total Available Retail Spending (\$ Mil. p.a.)	\$187.5	\$174.9	\$78.2	\$338.7	\$779.3
Spending by Category (\$ Mil.)					
Food/Groceries	\$58.3	\$52.6	\$24.4	\$105.3	\$240.6
Food Out	\$22.3	\$20.9	\$9.3	\$40.3	\$92.8
Alcohol (Off Licence)	\$7.5	\$7.1	\$3.1	\$13.5	\$31.2
Tobacco	\$5.8	\$5.2	\$2.4	\$10.4	\$23.8
Clothing and Accessories	\$22.4	\$21.4	\$9.4	\$40.5	\$93.7
Household Furnishings and Equipment	\$24.4	\$23.2	\$10.2	\$44.2	\$102.0
Household Non Durables	\$6.5	\$6.0	\$2.7	\$11.8	\$27.0
Medical/Pharmacy	\$2.7	\$2.7	\$1.1	\$4.9	\$11.4
Vehicle Accessories	\$4.3	\$4.0	\$1.8	\$7.8	\$17.9
Recreation	\$23.5	\$22.0	\$9.8	\$42.4	\$97.7
Personal Care	\$4.9	\$5.2	\$2.0	\$8.8	\$20.9
Miscellaneous Goods and Services	\$4.9	\$4.6	\$2.0	\$8.8	\$20.3
Total Retail Spending	\$187.5	\$174.9	\$78.2	\$338.7	\$779.3
Total Supermarket Spending	\$60.0	\$56.0	\$25.0	\$108.4	\$249.4

Source: Leyshon Consulting Estimates, August 2005.

TABLE 3.5
ESTIMATED AVAILABLE RETAIL SPENDING – BALMAIN TRADE AREA, 2011
 (\$2005)

Factor ...	PTA	STA North	STA West	STA South	Total Trade Area
Population (No. Persons)	15,001	12,904	6,739	30,354	64,998
Average Spending (\$ per capita)	\$13,927	\$15,091	\$12,826	\$12,336	\$13,301
Total Available Retail Spending (\$ Mil. p.a.)	\$208.9	\$194.7	\$86.4	\$374.4	\$864.4
Spending by Category (\$ Mil.)					
Food/Groceries	\$64.9	\$58.6	\$26.7	\$116.4	\$266.6
Food Out	\$24.8	\$23.3	\$10.3	\$44.5	\$102.9
Alcohol (Off Licence)	\$8.4	\$7.9	\$3.5	\$15.0	\$34.8
Tobacco	\$6.4	\$5.8	\$2.7	\$11.5	\$26.4
Clothing and Accessories	\$25.0	\$23.8	\$10.3	\$44.8	\$103.9
Household Furnishings and Equipment	\$27.4	\$25.7	\$11.2	\$48.7	\$113.0
Household Non Durables	\$7.3	\$6.7	\$3.0	\$13.0	\$30.0
Medical/Pharmacy	\$3.0	\$3.0	\$1.3	\$5.5	\$12.8
Vehicle Accessories	\$4.8	\$4.5	\$2.0	\$8.6	\$19.9
Recreation	\$26.1	\$24.5	\$10.8	\$46.9	\$108.3
Personal Care	\$5.4	\$5.7	\$2.3	\$9.7	\$23.1
Miscellaneous Goods and Services	\$5.4	\$5.2	\$2.3	\$9.8	\$22.7
Total Retail Spending	\$208.9	\$194.7	\$86.4	\$374.4	\$864.4
Total Supermarket Spending	\$66.9	\$62.3	\$27.7	\$119.8	\$276.7

Source: Leyshon Consulting Estimates, August 2005.

In summary, total available annual retail spending is projected to rise from some \$741.9 million in 2004 to \$864.4 million in 2011—representing growth of +\$122.5 million in annual available spending (\$2005).

Annual available supermarket spending is currently estimated at \$237.4 million and is forecast to increase as follows:

▶	2004	...	\$237.4 million per annum
▶	2006	...	\$249.4
▶	2011	...	\$276.7
▶	Increase 2004-11	...	+\$39.3.

Spending growth of this magnitude will of itself result in a substantial rise in the demand for retail floorspace. In summary, total growth in annual retail spending of +\$122.5 million between 2004-11 should support approximately an additional 24,520 sq.m. of retail floorspace based on an average productivity rate of \$5,000 per sq.m. per annum.

With respect to supermarket floorspace, growth in annual available spending of +\$39.3 million between 2004-11 should support approximately 4,367 sq.m. of new supermarket floorspace assuming a productivity rate of \$9,000 per sq.m. per annum.

4

EXISTING RETAIL SERVICES

4.1 Introduction

The purpose of this section of the Report is to review the existing provision of retail and supermarket services in the Balmain trade area. In essence, retailing in the trade area comprises a mix of traditional strip centres and some enclosed centres. Particular localities such as Norton Street, Leichhardt (south of Marion Street) have a combination of both strip and enclosed retail precincts.

Throughout Leichhardt Municipality there are also a significant number of very small retail strips and corner shops which have not been surveyed for the purposes of this study as they are likely to have limited competitive relevance to the subject applications before Council.

4.2 Existing Centres

4.2.1 Balmain

The Balmain Peninsula has a major strip centre of about 18,671 sq.m. focussed on Darling Street generally between King Street in the west and Queens Place in the east. The largest tenant is a Woolworths supermarket (1,800 sq.m.) located near the intersection of Darling and Beattie Streets. The strip contains a mix of convenience retailing together with a significant number of cafés and restaurants. The centre primarily services residents living on the Balmain Peninsula.

4.2.2 Rozelle

The Rozelle centre is also located on Darling Street both to the north and south of its intersection with Victoria Road. There are also some extensions of retailing eastward and westward along Victoria Road although these are minor in nature. The Rozelle centre does not contain a major supermarket. There is a small IGA Express store located at 710 Darling Street, however.

We estimate the Rozelle strip centre contains some 11,662 sq.m. of retail floorspace and has a mix of convenience retail services together with a component of homewares and related retailers. The centre is heavily impacted by traffic travelling along Victoria Road.

4.2.3 Leichhardt

Within the suburb of Leichhardt retailing is found on Norton Street both to the north and south of Marion Street and at the western end of Marion Street.

In that part of Norton Street to the north of Marion Street there is approximately 6,000 sq.m. of retail floorspace including a significant component of cafés and restaurants. The centre contains two small convenience supermarkets, namely an IGA and a Welcome Mart. As both these stores are small in scale they would only cater to “top-up” grocery or convenience retail needs.

To the south of Marion Street up to its intersection with Parramatta Road there is a significant component of strip retailing (around 3,455 sq.m.) plus two enclosed centres, namely Norton Plaza and the Italian Forum. Norton Plaza, an enclosed centre of 8,520 sq.m., is anchored by a major Coles supermarket of 3,900 sq.m.. The Italian Forum contains a mixture of restaurants and fashion shops and has some

5,500 sq.m. of retail floorspace. The Forum has a number of retail vacancies at present.

At the western end of Marion Street is Leichhardt Marketplace. This centre contains 17,955 sq.m. of floorspace and is anchored by a Woolworths supermarket of 4,265 sq.m., a Bi-Lo supermarket of 2,340 sq.m. and a small Target discount department store (DDS) of 3,961 sq.m.. Adjacent to Leichhardt Marketplace there is a small component of strip retailing estimated at around 950 sq.m..

4.2.4 Haberfield

Haberfield is a traditional strip centre located on Ramsay Street. The centre contains some 7,500 sq.m. of retail floorspace in total and is anchored by an IGA supermarket of some 1,300 sq.m.. The centre has a strong positioning in food and contains a significant number of cafés and restaurants.

4.2.5 Birkenhead Point

Birkenhead Point is a mixed use centre of some 23,136 sq.m. and is located on the western side of Iron Cove in Canada Bay LGA. The centre contains a Coles supermarket of 2,350 sq.m. together with supporting specialty retail floorspace. The centre also contains a very large component (16,000 sq.m.) of factory outlet retailing. It is understood Birkenhead Point attracts shopping trips from the Balmain/Rozelle area principally because of its accessibility via Victoria Road and its significant car parking provision.

4.3 Supermarket Floorspace

Given that two of the subject development proposals involve the addition of full-line supermarkets to Rozelle, we have undertaken a specific survey of existing supermarket floorspace in the trade area. Our survey included both supermarkets and smaller grocery stores.

As noted in TABLE 4.1 below, we estimate there is approximately 19,181 sq.m. of supermarket and related floorspace in the trade area at present which equates to a provision of about 0.30 sq.m. per capita. This compares to a Sydney Region average provision of some 0.26 sq.m. per capita.

TABLE 4.1
SUPERMARKETS and CONVENIENCE STORES – BALMAIN TRADE AREA, 2005

Address ...	Store	Size (Sq.M.)
Leichhardt Marketplace, Leichhardt	Woolworths	4,265
Norton Plaza, Leichhardt	Coles	3,900
Darling and Beattie Streets, Balmain	Woolworths	1,800
Birkenhead Point, Drummoyne	Coles	2,350
Leichhardt Marketplace, Leichhardt	Bi-Lo	2,349
155 Ramsay Road, Haberfield	IGA	1,300
Sutton Place, Drummoyne ¹	Franklins	767
Norton Street, Leichhardt	IGA	300
96 Lyons Road, Drummoyne	Drummoyne IGA Express	300
Norton Street, Leichhardt	Welcome Mart	200
356 Catherine Street, Lilyfield	Lilyfield Food Market	200
710-712 Darling Street, Rozelle	IGA Xpress	200
Shop 3/35 Terry Street, Balmain	Balmain Cove Convenience Store	200
55 Waratah Street, Haberfield	Waratah Street, Supermarket	200
115 Johnston Street, Annandale	Cut Price Food Markets	200
67 Perry Street, Leichhardt	G & M Corner Shop	150
137 Rowntree Street, Birchgrove	Fares F & S	100

**TABLE 4.1
SUPERMARKETS and CONVENIENCE STORES – BALMAIN TRADE AREA, 2005**

Address ...	Store	Size (Sq.M.)
351 Darling Street, Balmain	Sleiman & Saba	100
90 Beattie Street, Balmain	XQF Convenience Shop	100
47 Booth Street, Annandale	Abouchrouche B & K	100
153 Booth Street, Annandale	Jarjoura G	100
Total		19,181

Note1: Just outside the trade area.

Source: Leyshon Consulting Survey, June 2005.

As can also be noted from TABLE 4.1, the trade area contains a very significant component of small grocery stores which can be explained by the following:

- ▶ a lower incidence of full-line supermarkets compared to middle-ring and outer suburban areas; and
- ▶ a higher population density than that which exists in middle-ring and outer suburbs which, in turn, supports an above average incidence of smaller convenience corner shops and grocery stores.

TABLE 4.2 provides an estimate of the current demand/supply situation in the trade area as far as supermarket floorspace is concerned. As indicated in TABLE 4.2, we estimate the trade area has a supermarket floorspace deficiency of around -7,196 sq.m. currently which will increase to -11,461 sq.m. by 2011 if no new supermarkets are constructed. This theoretical shortfall suggests there is significant latent capacity to add new supermarket floorspace to the trade area by 2011.

TABLE 4.2
DEMAND FOR and SUPPLY OF SUPERMARKET FLOORSPACE –
BALMAIN TRADE AREA, 2004, 2006 and 2011 (\$2005)

Factor ...	2004	2006	2011
Total Available Sales (\$ Mil. p.a.)	\$237.4	\$249.4	\$276.7
Assumed Average Sales (\$/Sq.M./p.a.)	\$9,030	\$9,030	\$9,030
Theoretical Floorspace Supportable (Sq.M.)	26,377	27,620	30,642
Current Supply (Sq.M.)	19,181	19,181	19,181
Current (Deficit)/Surplus (Sq.M.)	(7,196)	(8,439)	(11,461)

Source: Leyshon Consulting Estimates, August 2005.

5

IMPACT ASSESSMENT

5.1 Introduction

The purpose of this section of the Report is to provide a broad indication of the potential impacts of the four rezoning/development proposals before Council. Of necessity, this assessment is generalised in nature as the actual impacts of the projects will depend on the precise volume of retail floorspace to be developed on each site and the nature of the retail tenants which occupy the space. Neither of these are known definitively at this time. These issues are particularly relevant to the Carrier site proposal which is quite large in floorspace terms but the only identified tenant is a full-line supermarket.

The assessment of potential impact provided in this Report should not be regarded as removing the necessity for the four individual applicants to justify the development concepts being advanced for their respective sites—as is the case with all rezoning and development proposals in New South Wales.

5.2 Sales Potential

As a first step in assessing the impact of the four proposals, an estimate has been prepared of the potential sales which might be achieved by each project (TABLE 5.1 refers). In summary, total annual sales are assessed to be in the order of \$140.2 million (\$2005) comprised as follows:

▶	Balmain Leagues Club site	...	\$59.3 million
▶	Carrier site	...	\$67.7
▶	MBS site	...	\$10.1
▶	Roche site	...	\$3.1.

TABLE 5.1
ESTIMATED SALES of PROPOSED BALMAIN/ROZELLE
DEVELOPMENTS, 2006(\$2005)

Site ...	— Retail Component —			Total
	Supermarket	Other Majors	Specialty	
Balmain Leagues Club				
Area (Sq.M.)	3,908	—	6,263	10,171
Sales (\$ Mil. p.a.)	\$31.2	—	\$28.1	\$59.3
Carrier¹				
Area (Sq.M.)	3,800	7,200	4,100	15,100
Sales (\$ Mil. p.a.)	\$30.4	\$18.0	\$19.3	\$67.7
MBS				
Area (Sq.M.)	—	—	2,100	2,100
Sales (\$ Mil. p.a.)	—	—	\$10.1	\$10.1
Roche				
Area (Sq.M.)	—	—	682	682
Sales (\$ Mil. p.a.)	—	—	\$3.1	\$3.1
Total				
Area (Sq.M.)	7,708	7,200	13,145	20,853
Sales (\$ Mil. p.a.)	\$61.6	\$18.0	\$60.6	\$140.2

Note 1: Estimated by Leyshon Consulting – assumes full-line DDS.
Source: Leyshon Consulting Estimates, August 2005.

Not all of the identified sales will be derived from spending originating within the trade area: a proportion will be sourced from passing trade and the entertainment component associated with the Balmain Leagues Club. Excluding the latter, we estimate the following sales will be derived specifically from within the defined trade area:

▶	Balmain Leagues Club site ...	\$49.0 million	(82.6%)
▶	Carrier site ...	\$59.1	(87.2%)
▶	MBS site ...	\$9.1	(90.0%)
▶	Roche site ...	\$2.7	(87.0)%
▶	Total ...	\$119.9 million.	

5.3 General Impact

The volume of sales likely to be captured from the trade area by the four proposed developments can be compared to total available retail spending in the trade area. In 2006 total available spending in the trade area is estimated at \$779.3 million increasing to an estimated \$864.4 million by 2011.

Projected total sales of \$119.9 million therefore would be equivalent to 15.4% of total available trade area spending in 2006. By 2011, the projected sales would be equivalent to approximately 13.9% of available retail spending generated in the trade area at that time.

These estimates provide a generalised indication of the potential impact of the theoretical approval of all four projects on the retail system in the Balmain trade area. In a nutshell, the combined impact of the four projects would be significant.

It should be noted, however, that the impacts on specific centres may well be greater than the overall impact of 15.4% discussed above. For instance, centres such as Balmain, Birkenhead Point and Leichhardt—all of which contain major supermarkets—are more likely to experience a greater impact than would smaller centres such as Rozelle which do not contain a full-line supermarket. Consequently, despite Rozelle's proximity to three of the four projects, it may not experience a significant impact given its tenancy mix caters primarily to convenience purchases, services and household furnishings.

It is also possible the potential impact of the proposed developments on particular centres, such as Balmain, could be greater than might otherwise be the case due to the attraction of considerable off-street parking which will doubtless be provided as part of each project. Balmain, by contrast, is not well-provided with such parking.

Taking the above into account we have prepared a preliminary analysis of the impact of the four projects assuming they all proceeded together. We recognise that, in reality, this could well not be the case.

5.4 Supermarket Impact

TABLE 5.2 provides an indicative estimate of the impact of the development of two additional supermarkets on selected centres in the trade area. As indicated in TABLE 5.2, of the total annual sales estimated to be captured by the two supermarket (\$61.6 million), \$49.3 million or 80% is anticipated to be attracted from the trade area.

TABLE 5.2
INDICATIVE IMPACT of TWO ADDITIONAL SUPERMARKETS –
BALMAIN TRADE AREA, 2006 (\$2005)

Centre ...	Estimated Supermarket Sales, 2006 (\$ Mil. p.a.)	Estimated Loss of Sales, 2006 (\$ Mil. p.a.)	Estimated % Loss of Sales, 2006 (%)
Balmain	\$43.0	(\$12.0)	(27.9)
Leichhardt	\$134.0	(\$25.0)	(18.6)
Birkenhead Point	\$37.0	(\$10.0)	(27.0)
Other Trade Area Centres	\$35.0	(\$2.3)	(6.6)
Total	\$249.0	(\$49.3)	(19.6)

Source: Leyshon Consulting Estimates, August 2005.

As also indicated in TABLE 5.2, the initial year impact could vary from -6.6% with respect to small supermarkets in the trade area up to -27.9% in relation to the Balmain Woolworths store. The impact on the Coles supermarket at Birkenhead Point could also be in the order of -27%. An impact of -27.9% would be classified as being in the very high range of impact but is considered unlikely to lead to the closure of either or both supermarkets.

Both Coles Myer and Woolworths in evidence previously provided to planning tribunals in Queensland and New South Wales have indicated stores belonging to their chains regularly experience impacts of up to -30% as a result of the opening of competitive stores but that such impacts do not automatically lead to the closure of stores. The primary reason for this is the long leases which many supermarkets enter into (typically at least 20 years) and the ability for the large chains to spread the losses incurred by a particular store over many hundreds of stores.

Despite this, it is clear that if **only one additional supermarket** was approved by Council—either on the Balmain Leagues Club or on the Carrier site—then the impacts noted above basically would be halved. At this level we consider the impact would be acceptable given the benefits a new full-line supermarket would bring to residents of the Balmain/Rozelle area.

It should also be noted that a decline in supermarket expenditure at Balmain, Leichhardt or Birkenhead Point would have flow-on effects to specialty traders in these centres. The extent of this decline would vary from centre to centre, however, and in part would depend on the nature of specialty retailing included within the two supermarket-based projects.

Given the impacts outlined above, it is our opinion the addition of two supermarkets in close proximity to one another in Rozelle (and opening within the same general time-frame) **is excessive** and likely to lead to unacceptably high impacts on existing centres in the surrounding area.

5.5 Overall Retail Impact

Over and above the impact created by the potential introduction of additional supermarkets, the four development projects would have a

more generalised impact on the sales of selected centres within the trade area by virtue of their proposed component of non-supermarket, retail floorspace.

Any assessment of this general impact is necessarily very hypothetical, given that the impacts could vary so significantly depending on the non-supermarket floorspace mix ultimately involved. For example, if the proposed developments contained a significant component of clothing or so-called “leisure retailing”, then the impact on regional-scale centres such as Broadway or the Sydney CBD would be greater while the impact on local centres, which tend not to have significant components of such floorspace, would be considerably less. Again, if the proposed developments contained a significant component of homewares or bulky goods floorspace, then their impacts would be more regional in nature affecting such retailers located on Parramatta Road or, potentially, those located in South Sydney. Finally, if the developments contained a significant component of leisure retailing and cafés and restaurants, some of the impact would fall on local centres and some on regional attractors of this type of expenditure such as Darling Harbour, Chinatown, The Rocks and Newtown.

In broad terms, as indicated in Section 5.2 of this Report, the four developments if they proceeded together by 2011, potentially could have a general impact of up to -14% on the sales of existing centres within the trade area. The individual impacts of each development meanwhile broadly would be as follows:

▶	Balmain Leagues Club site	...	-5.6%
▶	Carrier site	...	-6.8%
▶	MBS site	...	-1.0%
▶	Roche site	...	-0.3%.

Individually, none of the above impacts is sufficient enough to warrant refusal of the relevant application if it was a development rather than a rezoning application. That said, significant stress on local centres can be expected if all four projects were to proceed within the same general time-frame.

There are certain problems associated with estimating the quantitative extent of the potential impact on each individual centre. Principal among these is the inherent impossibility of accurately establishing the sales levels of retail strips in Rozelle, Balmain and Leichhardt. These strips contain a diverse range of retail businesses and there is likely to be considerable variation in the average sales rates (\$ per sq.m. per annum) of individual businesses in these centres. Furthermore, as discussed previously, the ultimate tenancy mix of the proposed developments will have a major bearing on the impact each has on existing centres in the Rozelle/Balmain/Leichhardt area. Final tenancy mixes are unknown at this stage, however.

Notwithstanding the above, TABLE 5.3 provides a broad estimate of the potential impact of the four projects (assuming they proceeded together) on existing major centres in the area surrounding Rozelle. As noted in TABLE 5.3, the indicative impacts range from:

▶	Balmain	...	-15.6%	to	-20.4%
▶	Rozelle	...	-8.6%	to	-10.8%
▶	Leichhardt Strip	...	-10.1%	to	-12.5%
▶	Norton Plaza	...	-25.0%		
▶	Leichhardt Marketplace	...	-17.1%		
▶	Birkenhead Point	...	-12.5%		

TABLE 5.3
INDICATIVE IMPACT on 2005 SALES of PROPOSED BALMAIN/ROZELLE PROJECTS
 (\$2005)

Centre ...	Estimated Floorspace Current (Sq.M.)	Estimated Current Sales (\$ Mil.pa.)	Potential Loss of Sales (\$ Mil.pa.)	Potential Change in Sales (%)
Balmain	18,671	\$88.0 - \$115.0	-\$18.0	-15.6 to -20.4
Rozelle	11,662	\$46.0 - \$58.0	-\$5.0	-8.6 to -10.8
Leichhardt Strip ¹	14,955	\$56.0 - \$69.0	-\$7.0	-10.1 to -12.5
Norton Plaza	8,520	\$64.0	-\$16.0	-25.0
Leichhardt Marketplace	17,955	\$105.0	-\$18.0	-17.1
Birkenhead Point	23,136	\$120.0	-\$15.0	-12.5

Note 1: Includes Italian Forum.

Source: Leyshon Consulting Estimates, October 2005.

We would classify the impacts on Balmain, Norton Plaza and Leichhardt as being in the very high range and likely to lead to some vacancies in these centres. The impacts on the other centres, while substantial, are not unacceptably high.

5.6 Commercial Market Impacts

This Report has focussed on the impacts likely to be generated by the retail elements of the four proposals. As previously noted, however, three of the proposed developments contain a considerable commercial floorspace (offices) component—notably those for the MBS, Carrier and, to a lesser extent, Roche, sites.

If realised, these projects will introduce a very significant component of contemporary office space to the commercial leasing market in the Balmain/Rozelle area. While the introduction of this new commercial floorspace may put pressure on existing office space leading to a rise in vacancies, it should nonetheless deliver significant benefits to the overall

economy of Leichhardt LGA. For instance, given the volume of floorspace proposed it is probable the developers would be targeting larger-scale corporate tenants of the type unlikely to be represented in the Balmain/Rozelle area at present. This, in turn, should lead to a significant increase in local employment opportunities and a diversification of the local employment base. The creation of significant office-based employment would also contribute to sustainable planning outcomes in that it should lead to a reduction in commuting by some local residents to the major centres of office employment such as the Sydney CBD, North Sydney, Parramatta and the like.

In summary, we do not consider the proposed addition of office space would have any significant adverse impacts as far as the commercial property sector in Leichhardt is concerned. Rather, on balance, the effects of the addition of new office space are likely to be positive.

5.7 Conclusion

In summary, we do not consider the retail components proposed for inclusion as part of the redevelopment of the Roche or MBS sites would have particular significance for existing shopping centres in Balmain and Rozelle. By contrast, the retail components of the proposals for the Balmain Leagues Club site and particularly that for the Carrier site, are of considerable significance as either separately or combined they will constitute a major addition to the stock of retail floorspace in the area. In our opinion, only one of these projects as currently proposed should proceed prior to 2011.

If both projects are contemplated for approval by Council, then we consider that either the mooted scale of the Carrier site proposal (15,000 to 18,000 sq.m. of retail floorspace) should be reduced significantly and/or the two projects be staged and/or their development

time-frames be staggered so as to avoid both proceeding together. In our opinion, a development on the Carrier site comprising a 2,500 sq.m. supermarket and a further 2,000 sq.m. of specialty retailing would substantially reduce the impacts on centres in the surrounding area.

As noted above, a policy approach open to Council to moderate the impacts of these proposals is to require that their introduction be staged—particularly if Council is minded to approve development on both the Leagues Club and Carrier sites. Clearly, as discussed above, a detrimental impact on local shopping centres can be expected if both proposals were to proceed and commenced trading within a short time of one another.

As an alternative, Council could permit development on the Leagues Club site by say 2007 with some development on the Carrier site being permitted by 2011—say about 4,500 to 5,000 sq.m. as a first stage retail development. This would diffuse the resulting impacts rather than having them concentrated within a short time-frame. In turn, this should assist affected centres and local businesses more easily to absorb the impacts and adjust to an increased competitive retail environment.

Finally, if both projects proceed, Council will need to review the existing status of centres in Balmain and to a lesser extent those in Rozelle and Leichhardt with a view to determining what measures can be taken to underwrite their ongoing competitiveness. While a substantial proportion of the competitiveness of a given centre is beyond its control, actions which could be taken by Council include improving the quantum of parking and the overall amenity of centres to ensure they remain attractive to shoppers. In particular, access to adequate public off-street and on-street parking near major tenants such as supermarkets is very important in terms of ensuring the ongoing viability of such stores in the face of increased competition.

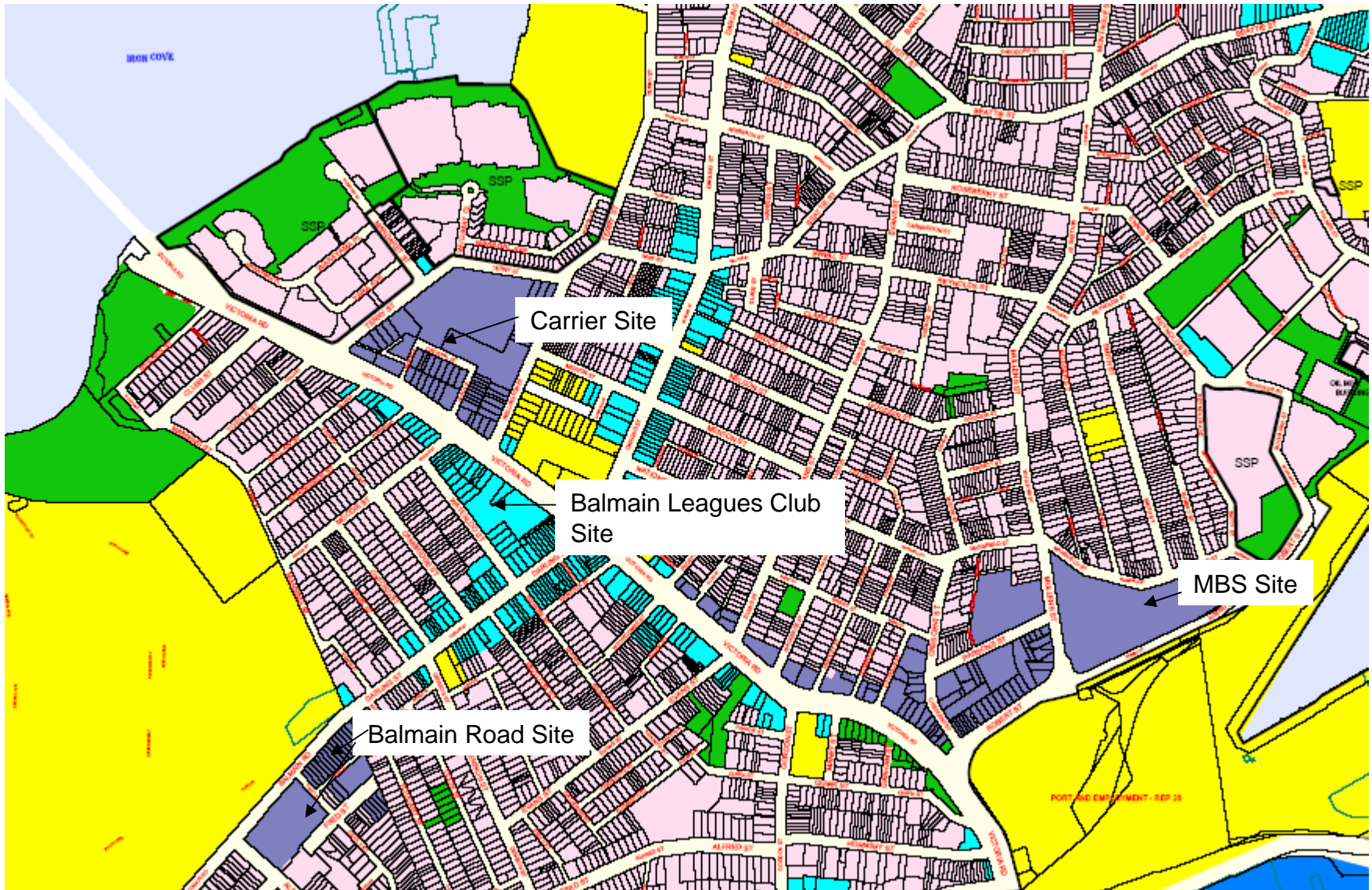
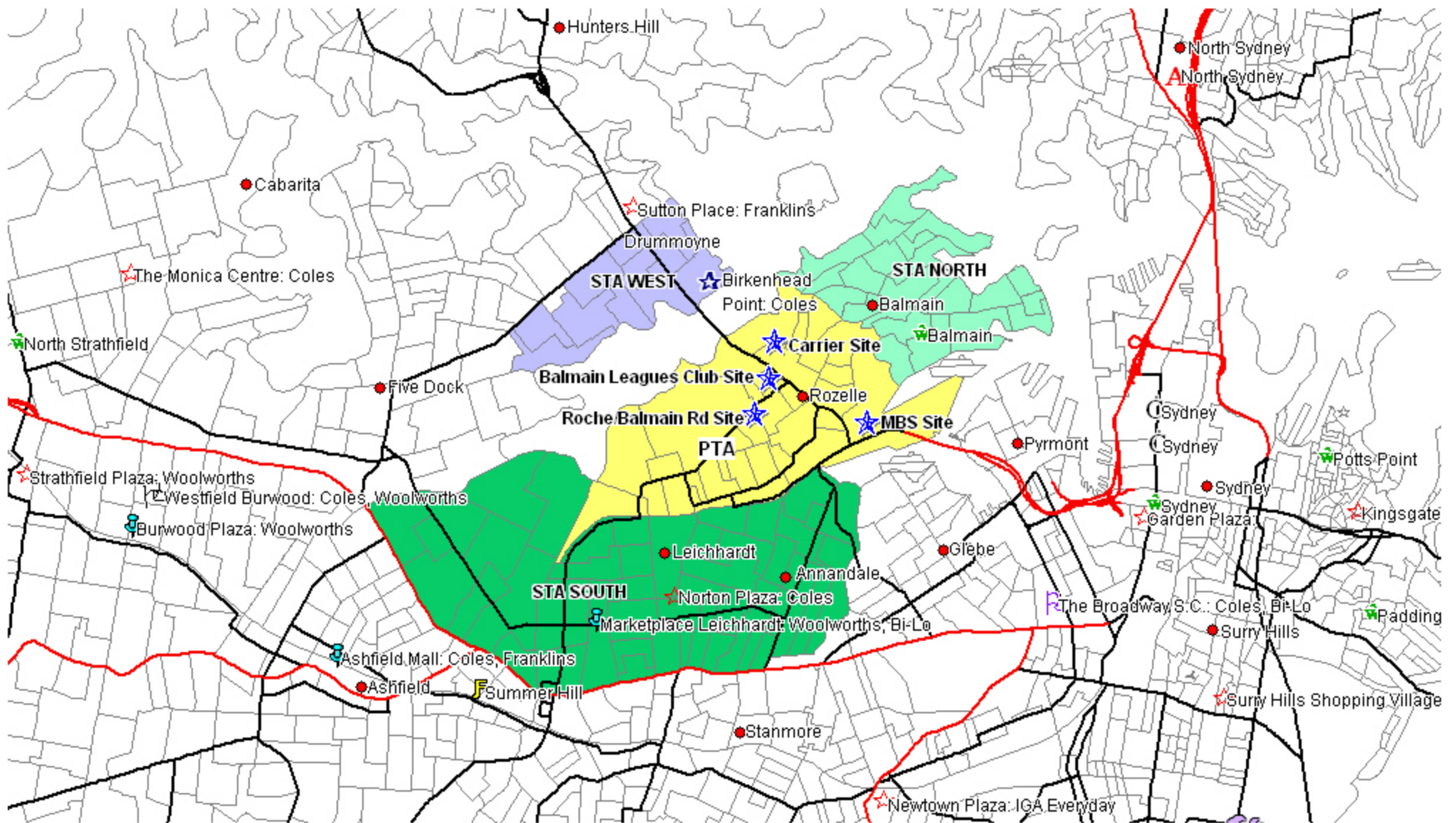


FIG 2.1: Location of Sites

FIG 3.1: Balmain Trade Area
and surrounding areas



Based on 2001 Collection District Boundaries
Source: 2001 Census
Produced by: Leyshon Consulting
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