



## **INDIVIDUAL STATEMENT OF EVIDENCE OF GAVIN DUANE**

Amendment C258 to Casey Planning Scheme

2 June 2020

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# 1 INTRODUCTION

## Personal Details

1.1 My business address is Level 6 56 Pitt Street, Sydney, New South Wales, 2000.

1.2 I am an economist and Director of Location IQ.

## Qualifications and Experience

1.3 I provide independent advice in the field of market analysis and strategic research for a wide range of clients in the property industry. This includes working for the following firms:

- a. JHD Advisors: November 1993 – December 2002.
- b. Dimasi Strategic Research/Pitney Bowes MapInfo: April 2003 – December 2008.
- c. Location IQ: January 2009 – Present.

1.4 I regularly appear as an independent expert in State Planning courts and tribunals in relation to matters such as Economic Impact Assessments, retail and commercial market definitions, industry trends, market shares, consumer behaviour, retail and commercial sustainability and the implications of all of the above.

1.5 Attached as Appendix 1 is my detailed curriculum vitae.

## Instructions

1.6 I have prepared this Statement, which investigates the Economic Implications of Amendment C258 in the context of current and future development of activity centres in the City of Casey, including in particular at Eden Rise Village and the diagonally opposite 'Out of Centre' Berwick Springs site.

1.7 In preparing this Statement of Evidence, I have not received any instructions to accept, adopt or reject any particular opinion.

1.8 I have reviewed the following documents in order to prepare this Statement of Evidence:

- Casey Activity Centres: Retail and Other Employment Floorspace Assessment prepared by SGS Economics and Planning for the City of Casey in November 2017.
- The City of Casey Activity Centres Strategy 2019.



- Activity Centres Strategy Background Paper 2019.
- City of Casey Activity Centres Strategy Action Plan 2019.
- The Panel Report for the Greater Geelong Amendment C393: Greater Geelong Retail Strategy of 31 January 2020.
- Amendment C258: Expert Evidence of Julian Szafraniec (SGS Economics).

1.9 I have made all of the enquiries that I believe are desirable and appropriate and no matters of significance which I regard as relevant have to my knowledge been withheld.

Signed:

A handwritten signature in black ink, appearing to read 'Gavin Duane', with a stylized, cursive script.

Gavin Duane

2<sup>nd</sup> June 2020

## 2 AMENDMENT C258 – UPDATED ACTIVITY CENTRES STRATEGY

- 2.1 Amendment C258 relates to an updated Activity Centre Strategy for the City of Casey, which was prepared in April 2019.
- 2.2 The Amendment implements the updated City of Casey Activity Centre Strategy (2019) which directs community and commercial activities to designated activity centres throughout the municipality. The proposed '*Activity Centre Policy*' and amended '*Non-Residential Uses and Residential Areas and Future Residential Areas Policy*' provides guidance, based on this strategy, when considering Planning Permits and activity centres and further guidance regarding consideration of community and commercial activities outside of those areas.
- 2.3 The explanatory report to the Amendment indicates that the Amendment reflects a hierarchy of activity centres as identified in Plan Melbourne 2017 - 2050. I note in Plan Melbourne, however, that Eden Rise/Berwick Springs is not identified as a major activity centre, although it is in Amendment C258.
- 2.4 Page 29 of the City of Casey Activity Centre Strategy deals with '*Out of Centre Use and Development*', where it is recognised that in some instances it is appropriate to locate non-residential uses in *Out of Centre* commercial and residential properties. A key example quoted is venues which include electronic gaming machines.
- 2.5 Other examples quoted as being appropriate for *Out of Centre* development include medical centres, childcare centres, Places of Assembly/Worship, general stores and large format retail uses. In relation to medical centres, it is recognised that there has been a trend to larger multi-function medical centres, while in relation to childcare centres, it is recognised that sometimes they locate next to schools.
- 2.6 I would also indicate that other *Out of Centre* uses include service stations and fast food outlets, which typically require main road exposure and/or accessibility from these main roads
- 2.7 Table 1 on Pages 36 and 37 of the City of Casey Activity Centre Strategy outlines different types of centres and their mix of uses. Table 2.1 below repeats some of this information for Major Activity Centres (MACs) and Medium Neighbourhood Centres. This is very similar to the changes proposed to the Casey Planning Scheme at Clause 21.05-7, *Table 1 – Casey activity centres typology*.

- 2.8 Relevantly in relation to MACs, they are indicated to be 20,000 – 100,000 sq.m in size including multiple discount department stores and a strong focus on supermarkets.
- 2.9 Medium Neighbourhood Centres are 5,000 – 20,000 sq.m in size with a strong focus on supermarkets including a mix of a full-line and small format supermarkets.

**TABLE 2.1 – CITY OF CASEY ACTIVITY CENTRE CHARACTERISTICS AND FUNCTIONS**

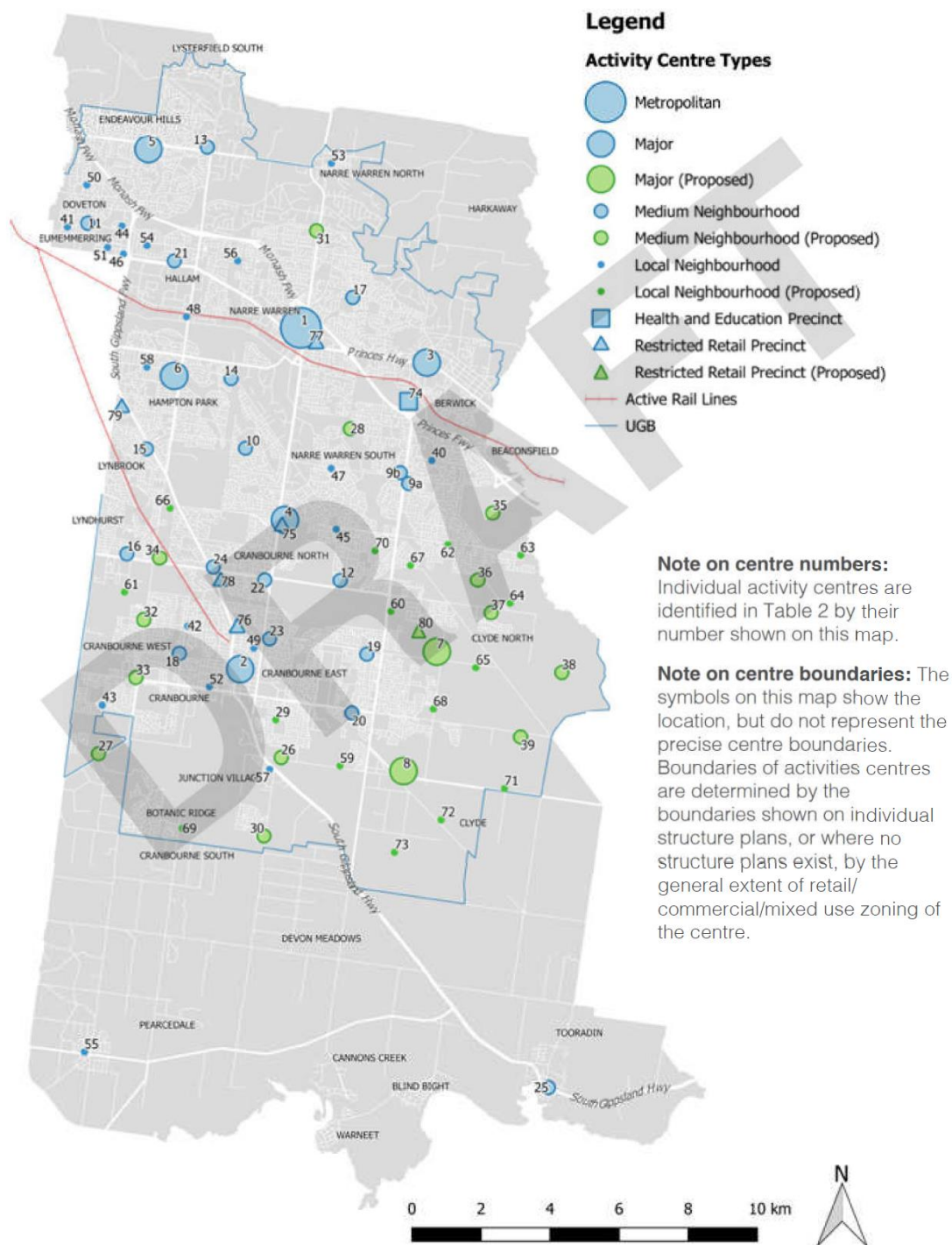
| <b>Centre Characteristics &amp; Function</b>  |
|---|
| <p><b>Major; Major (Aspiring to Metropolitan):</b> 20,000 - 100,000 sq.m*</p> <ul style="list-style-type: none"> <li>- Provides a broad mix of higher-order activities including entertainment. Attracts a significant level of visitation</li> <li>- Most buildings at least 2 storeys in height</li> <li>- Easily accessible connections to the Principal Public Transport Network.</li> <li>- A strong focus on supermarkets of various sizes</li> <li>- Multiple discount department stores</li> <li>- A strong focus on specialty retail and hospitality/entertainment uses and high density residential uses</li> <li>- Some restricted retail uses</li> <li>- A medium focus on commercial uses</li> <li>- Some health and education facilities</li> <li>- Approximately 30 per cent non-retail commercial, institutional and community uses floor area for the whole of the centre</li> </ul> |
| <p><b>Medium Neighbourhood; Neighbourhood (Aspiring to Major):</b> 5,000 - 20,000 sqm*</p> <ul style="list-style-type: none"> <li>- Provides for day-to-day and weekly retail and service needs at a neighbourhood level</li> <li>- Strong focus on supermarkets, with a mix of full-line and small format supermarkets and medium density housing, or high density housing where the centre is Aspiring to Major.</li> <li>- A medium focus on specialty retail and hospitality uses</li> <li>- Higher focus on retail uses where the centre has been identified as Aspiring to Major.</li> <li>- A medium focus on commercial uses</li> <li>- Approximately 25 per cent non-retail commercial and community uses floor area for the whole of the centre</li> <li>- Most building heights of at least two storeys.</li> </ul>  |
| <p><b>Local Neighbourhood:</b> Up to 5,000 sqm*</p> <ul style="list-style-type: none"> <li>- Provides for day-to-day and weekly retail and service needs at a neighbourhood level</li> <li>- Small format supermarket</li> <li>- Some specialty retail and hospitality uses</li> <li>- Some commercial uses</li> <li>- Focus on convenience retailing and medium density residential uses</li> <li>- Approximately 25 per cent non-retail commercial and community uses floor area for the whole of the centre.</li> </ul>  |

Source: City of Casey Activity Centres Strategy

\* Approx. Total Non-Residential Floorspace

2.10 The network of activity centres is detailed on Page 38 of the Strategy and replicated as Figure 2.1. Relevantly, in relation to Eden Rise/Berwick Springs, they are designated as Sites 9A and 9B and identified in Table 2 of the Activity Centre Strategy as two Medium Neighbourhood Centres aspiring to be a single Major Activity Centre.

**FIGURE 2.1. ACTIVITY CENTRES MAP**





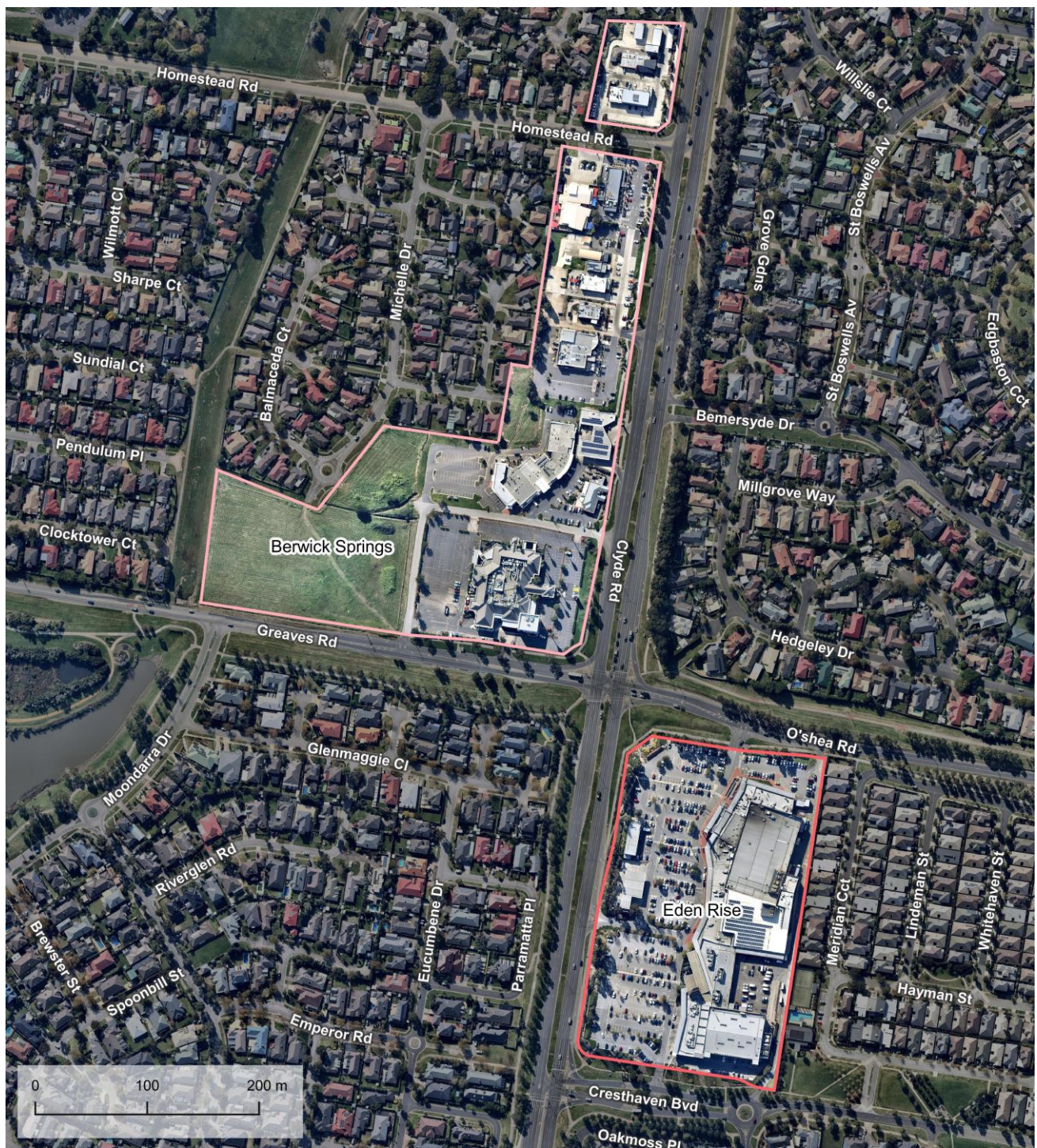


- 2.15 The Berwick Springs site (Site 9b) currently includes a range of uses on the north – western corner of Clyde Road and Greaves Road and extending through to Homestead Road. The key uses include:
- The Zagame's Berwick Hotel, which is the top 5 largest turnover poker machine venues in Victoria according to the Victorian Commission for Gambling and Liquor Regulation data 2019/20.
  - A range of takeaway outlets together with F45 gym and a vet next to a BP service station.
  - A range of drive thru/take away facilities including Nice Buns, Masala Bar and Grill, Red Rooster, KFC, Domino's Pizza and McDonalds together with a car wash.
  - A childcare centre with accessibility off Homestead Road.
  - To the north of Homestead Road, more drive thru/take away facilities including Hungry Jacks, Fish & Chippery, Pizza, Wok Take Away and Fro-Yo, together with Jetts Fitness and Soapy's Car Wash.
  - There is a large vacant area adjoining the tavern of 2.7 hectares.
- 2.16 In my view, Eden Rise Village operates as a Medium Neighbourhood Centre, focused on supermarkets and day to day services. Berwick Springs, however, incorporates a range of what would be considered as 'Out of Centre' uses and would not operate as a Medium Neighbourhood Centre. It does not include any supermarkets, with the tavern being the major tenant, which is expressly recognised as being an 'Out of Centre' use due to the large number of gaming machines.
- 2.17 The *City of Casey Activity Centre Strategy Action Plan 2019* at Action 7 indicates that a Comprehensive Development Zone be applied to the land generally at the north west corner of intersection Clyde Road and Greaves/O'Shea Road (Berwick Springs) with an incorporated plan that ensures a street-based high quality design for any future development, based on the activity centre urban design guidelines contained in this strategy, consistent with its classification in the hierarchy. This Action 7 is noted as a 'High' priority.
- 2.18 For this proposal to be designated as a high priority, the site would have to be able to incorporate and have an Agreement for Lease with a potential supermarket, in order to fulfil its designation as a Medium Neighbourhood Centre. This does not appear to be the case.
- 2.19 In relation to the Eden Rise Village and Berwick Springs being integrated as one aspirational MAC, I note that Clyde Road is a seven lane major arterial road which means there is significant separation between the two centres. The closest component of the Berwick Springs 'Out of Centre' development to Eden Rise Village, is the tavern, which is not considered an essential part of any integrated centre.
- 2.20 Consequently, if any major retail centre was to be developed on the vacant land at Berwick Springs to the west of the tavern, it would be at least a 500 metre walk between the major elements of the two sites,

being the supermarkets. It is highly unlikely that future shoppers would walk between car parks of the two centres to undertake cross shopping, Future shoppers would drive between the two centres. Consequently, the principles of integrated centres including walkability, would be highly unlikely to occur at the subject sites.



## MAP 2.1. EDEN RISE VILLAGE AND BERWICK SPRINGS



Eden Rise
  Berwick Springs

PhotoMap by nearmap.com





# 3 SGS ECONOMICS & PLANNING REPORT

3.1 The importance of centre hierarchy and planning from an economic perspective is reflective of a number of factors including:

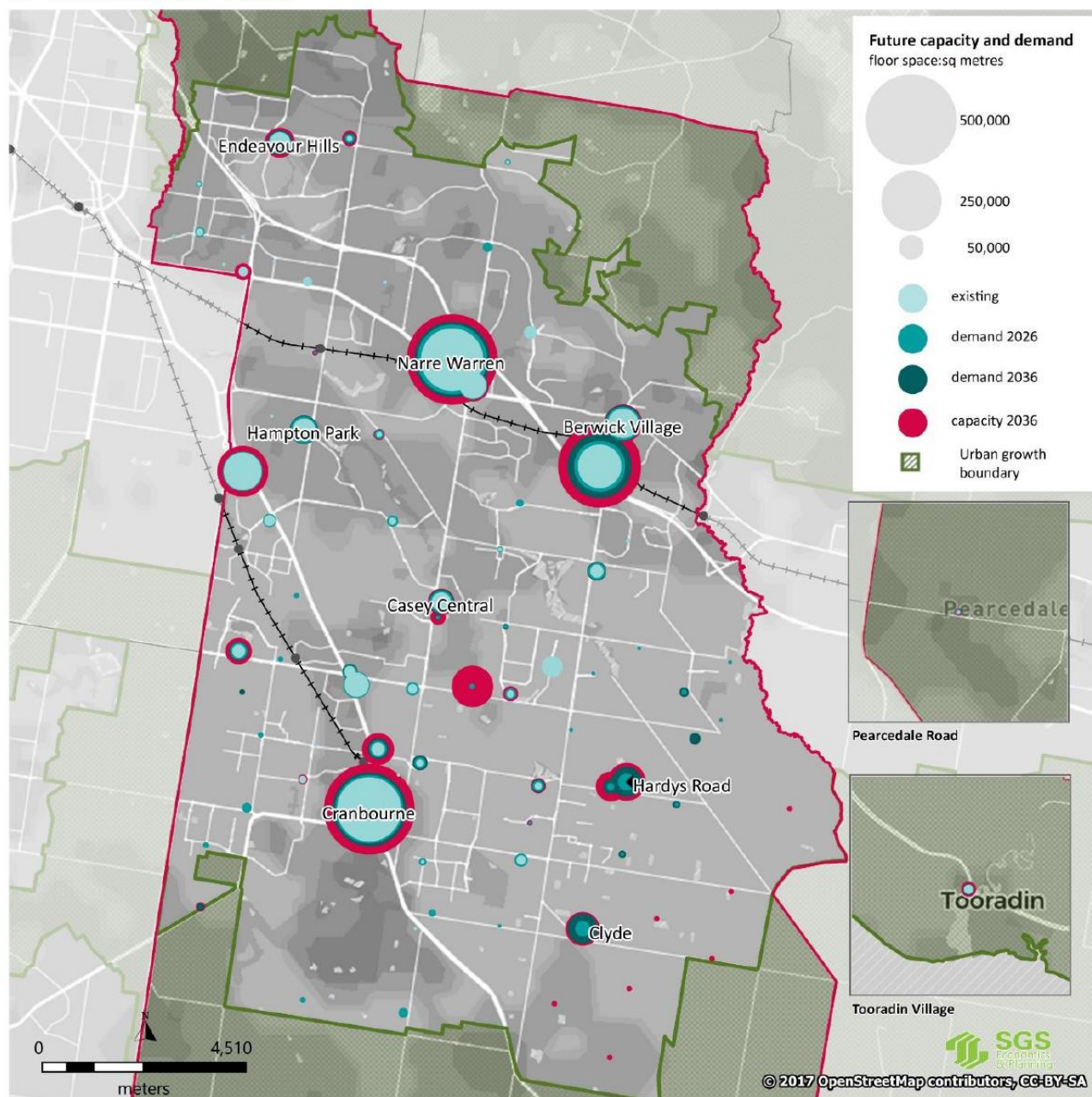
- The ability for multi-purpose trips when visiting a shopping centre, reducing travel times and car congestion.
- The planning and provision of infrastructure such as public transport facilities, for example the railway station at Officer Town Centre.
- Certainty of investment for the ongoing development and investment in existing and proposed centres.

## **SGS Economic and Planning : Casey Activity Centres: Retail and Other Employment**

- 3.2 SGS Economics and Planning prepared the *Casey Activity Centres: Retail and Other Employment Floorspace Assessment* in November 2017 for the City of Casey (SGS Economics Report). This report helped inform the City of Casey Activity Centres hierarchy.
- 3.3 The Executive Summary, at Page 6 of the document, illustrates the optimal roll out and future capacity of different sized centres. This is illustrated at Figure 3.1.
- 3.4 Of relevance, it shows only demand for retail floorspace on the Eden Rise site on the south eastern corner of Clyde Road and O'Shea Road, with no demand for retail facilities at the Berwick Springs 'Out of Centre' site.
- 3.5 Further, the overall size of demand for retail floorspace at Eden Rise is substantially smaller than any other designated existing or proposed MAC at Berwick, Cranbourne, Hampton Park, Casey Central, Hardy's Road and Clyde.
- 3.6 Indeed, the level of growth and demand over the period to 2036 for Eden Rise Village appears minimal according to that diagram.

**FIGURE 3.1. SGS ECONOMICS REPORT**

**OPTIMAL ROLLOUT MAP**



SGS Economics and Planning, 2017

3.7 Relevantly, on Page 34 of the document, Berwick Springs is identified as an existing 'Out of Centre' activity area, together with a number of other sites. It is noted in relation to these sites by SGS Economics the following:

*'These are not the focus of this Assessment and have not been comprehensively identified/analysed and are not included in the data tables/charts/maps unless specifically noted.'*

*The seven identified out of centre activity areas are all relatively small and have organically involved over time'.*

3.8 I agree with SGS Economics in relation to these 'Out of Centre' developments, including Berwick Springs, being small and having grown organically over time. As indicated these sites do not contain significant facilities typically required for an activity centre.

3.9 SGS Economics go on to indicate that where such centres are directly adjacent to designated centres, they should be integrated into the designated centre so that an integrated holistic planning approach can be established. I disagree with SGS Economics about the Eden Rise Village and Berwick Springs site for my reasons previously about how integration, or lack of it, would work between the two sites.

3.10 Section 4.6 of the SGS Economics Report, is entitled 'Zoning Irregularities, and specifically on Page 44 refers to Berwick Springs/Eden Rise, stating again that they should be reviewed holistically and an appropriate zone applied over the entire area to integrate the two developments. Again, there appears to be no relevant economic reason for this to be the case based on the two facilities being on opposite side of a major seven lane road and the different role and function serviced by these two sites.

3.11 Table 29 of the SGS Economics Report under the heading of *Changes to the Centre Hierarchy* then recommends Eden Rise Village be merged with Berwick Springs and changed from a Neighbourhood Activity Centre (large) to an Aspirational Activity Centre (major).

3.12 To assess the ultimate amount of floorspace at Berwick Springs/Eden Rise, Section 5 of the SGS Economics Report is entitled '*Projected Retail and Other Employment Needs*', while Section 6 is *Floorspace Summary and Optimal Centre Roll Out*.

3.13 Relevantly, as noted on Page 72 of the Report, SGS Economics has used a gravity model approach to align underlying expenditure demand with current and future centres.

3.14 There have been many concerns expressed with the gravity model approach including in the recent Greater Geelong Amendment C393.

- 3.15 My greatest concern with Gravity modelling can be expressed with the comments at the SGS Economics Report on Page 73 where the propensity to shop at a centre is a measure of the attractiveness of the centre, a very subjective measure. It is noted in the SGS Economics report the following:

*'The attractiveness of a shopping centre is a value that represents external attributes such as the centre's appearance or design layout'.*

- 3.16 SGS Economics indicate they used the current shopping centre turnover to find its current attractive value. However, sales of centres are generally not reported and SGS Economics would not have accurate centre sales across numerous centres in the City of Casey. This is a serious flaw with the model.
- 3.17 My other key concern is a lack of analysis at an individual centre level. Page 133 of the SGS Economics Report indicates that ten sub-regions of Casey were defined as part of the study to better assess the demand and supply at a localised level. Relevantly, in relation to Eden Rise/Berwick Springs, it sits at the edge of Berwick and Casey Central sub-regions and, therefore, it is not clear how this impacts the local analysis for the two centres given there is no specific sub-region analysis for the site.
- 3.18 Table 27 of the SGS Economics Report indicates that Eden Rise currently comprises around 15,520 sq.m and its capacity is 32,800 sq.m - an increase of approximately 17,280 sq.m of floorspace. I assume that this figure is inclusive of any further development which is likely to occur at Berwick Springs. The exact composition for the additional floorspace is not indicated in Table 27.
- 3.19 This level of increase in floorspace appears very high. I note that at Section 5, Table 23, SGS Economics project the increase in retail floorspace demand in the City of Casey from 742,110 sq.m in 2016 to 1,396,360 sq.m by 2036. This represents an increase of 654,250 sq.m or 88% in floorspace over the 20 year period between 2016-2036.
- 3.20 Table 13 of the SGS Economics report details the increase in population in the City of Casey over the same period, increasing from 297,035 persons in 2016 to 458,643 persons by 2036. This represents an increase of 161,608 persons or 54%.
- 3.21 The rate of retail floorspace growth at 88% is substantially higher than population growth at 54%. The current per capita provision of retail floorspace in the City of Casey is measured at 2.5 sq.m by SGS Economics, increasing to over 3.0 sq.m by 2036.
- 3.22 The typical provision of retail floorspace in Australia is around 2.2-2.3 sq.m per person. The SGS Economics calculations include taverns, which are not typically considered retail facilities, so that in part explains the higher estimate in 2016.
- 3.23 However, given the changes occurring in the retail environment, with online capturing a greater share of the market, bricks and mortar retailers reducing store numbers (even before the current pandemic), as well as consumers spending less on retail, how SGS Economics project an increase in retail floorspace

per person over time is not justified. The best case scenario would be to leave the retail floorspace per person ratio constant.

3.24 SGS Economics substantially overstate the demand for retail floorspace in the City of Casey, and consequently at a centre level. This can be best highlighted by Table 23 of the SGS Economics Report, where it is estimated that department store floorspace will double in the City of Casey between 2016-2036. This is in spite of the major department stores operators (David Jones and Myer) reducing store numbers and discount department store operators (particularly Big W and Target) also reducing their store network.

3.25 My key concerns with the SGS Economics Report as it relates to Eden Rise/Berwick Springs are as follows:

- SGS Economics substantially overstate the ongoing demand for retail floorspace at a city wide and consequently, centre level.
- The two centres are indicated to be an aspirational major activity centre, potentially with up to 32,000 sq.m of traditional retail floorspace (leaving aside taverns, fast food outlets, service stations and the like). There is no indication of the types of facilities that would comprise that much floorspace.
- There is no localised analysis of the need and demand for floorspace at the two sites.
- The SGS Economics Report does not recognise the Minta Farm Local Centre, which is now designated to the east of the Eden Rise area and what impact that has on floorspace demand at the two sites.
- At 30,000 sq.m, the proposed aspirational major activity centre at Eden Rise/Berwick Springs would be the smallest Major activity centre within the City of Casey, relevantly in close proximity to other existing and proposed major activity centres including Berwick to the north, Casey Central to the west and Hardy's Road Clyde North to the south. These sites are all designated to accommodate substantial further floorspace, impacting on the role and function of Eden Rise/Berwick Springs, particularly for non-food retailing.
- SGS Economics encourages the integration of the two centres, however, the physical constraints mean that this is never going to be the case.

#### **SGS Economic and Planning : Statement of Julian Szafraniec**

3.26 More recently a Statement of Evidence has been prepared by Mr Julian Szafraniec from SGS Economic and Planning in relation to Amendment C258.



3.27 Some of the key points from that Statement of Evidence include:

- i. The supply assessment of centres was desktop and did not include a physical audit of individual centres.
- ii. Retail floorspace assessment demand was part of a broader employment needs assessment.
- iii. The high level capacity assessment for each centre was based on a ratio applied to net land area.
- iv. A number of floorspace to employee ratios are used to estimate floorspace demand in activity centres as follows:
  - 35-50 sq.m per employee for supermarkets, specialty stores, department stores and hospitality.
  - 120 sq.m per employee for restricted retail facilities; and
  - 30 sq.m per employee for commercial floor space.
- v. Berwick Springs is not required in the Activity Centre Network but it should be appropriately acknowledged and planned for.
- vi. Provides Berwick as an example of a Major Activity Centre separated by a major road but does not highlight on-street car parking and car parking in the middle of the Princes Highway at this location, which create a completely different pedestrian and traffic environment to the Eden Rise/Berwick Springs situation.
- vii. Minta Farm does not change the findings in relation to Eden Rise/Berwick Springs.

3.28 The ultimate issue arising out of the Statement of Evidence is that SGS Economics have undertaken a high level desktop review which in my view overstates floorspace demand across the municipality.

3.29 As indicated at paragraph 3.21 previously, SGS Economics project an increasing retail floorspace provision per capita (2.5 sq.m currently to over 3 sq.m by 2036).

3.30 This means that too much floorspace has to be assigned to individual centres across the centres network using the SGS Economic modelling. This directly impacts on the findings and conclusions relating to Eden Rise/Berwick Springs and the aspirational role of the centre as a Major Activity Centre.

# 4 TRADE AREA ANALYSIS

This section presents my analysis of the likely demand for retail floorspace at Eden Rise Village and the optimal location for such facilities to service the defined catchment.

## Trade Area Definition

4.1 The trade area served by any retail centre takes into account the following:

- The surrounding provision of competitive facilities, including the designated retail hierarchy.
- Regional and local accessibility.
- The pattern of urban development throughout the region.

4.2 Taking all the above into consideration, Map 4.1 illustrates the defined Eden Rise Village trade area which includes one primary and two secondary sectors as follows:

- A primary sector bounded by the Princes Freeway into the north, Cardinia Creek to the east, Grices Road to the south and Sweeney Reserve/Berwick Springs waterway system to the west.
- The secondary south sector comprises the growth area of Clyde North between Grices Road/Glasscocks Road in the north and Thompsons Road in the south.
- The secondary west sector incorporates parts of Narre Warren South to the south of Golf Links Road, east of Cranbourne Road and north of Armitage/Heritage Drive.

4.3 Overall, the combination of the primary and two secondary sectors is referred to as the main trade area throughout the remainder of this report.

4.4 The extent of the trade area is generally 2 to 3 km in most directions of the centre and is limited by:

- The significant natural barrier of the Princes Freeway to the north, with Berwick major activity centre immediately north of the Freeway.
- To the east by non-urban breaks.
- To the south by the future Hardy's Road Town Centre.
- To the west by the Casey Central MAC.

- 4.5 The trade area extends, therefore, up to surrounding MACs and is unlikely to extent past those locations given the provision of existing and proposed facilities at these sites now and in the longer term.

### **Trade Area Population**


- 4.6 Table 4.1 presents the existing and projected population levels within the defined catchment over the period to 2041. These populations projections are based on:
- The ABS Census of Population and Housing from 2011 – 2016.
  - Recent ABS new dwelling approvals data throughout the catchment (refer Chart 4.1).
  - Population projections produced by ID Consulting for the City of Casey.
  - Investigations by this office in relation to residential developments throughout the defined catchment.
- 4.7 Map 4.2 illustrates the broadhectare land available to support future population growth. This indicates that residential development will be widespread throughout the surrounding area. Vacant land which is capable of supporting future residential dwellings is concentrated to the east and south of Eden Rise Village.
- 4.8 A major source of future population growth in the primary sector will be from the approved Minta Farm Precinct Structure Plan (PSP). Earthworks have recently commenced within the designated PSP which will ultimately accommodate in excess of 3,000 dwellings (10,000 people).
- 4.9 Overall, the trade area population projected to increase from 46,360 persons in 2020 to 61,320 persons by 2041. This represents an average annual increase of approximately 700 people per year or a total of some 15,000 over the period to 2041.

The map displays the Berwick Local Government Area with the following labeled locations and features:

- Westfield Fountain Gate** (top center, red star icon)
- Parkhill Plaza SC** (top right, red dot)
- Narre Warren** (top left, orange dot)
- Lyall Road Village (p)** (top right, black dot)
- Berwick Marketplace** (top right, green dot)
- Berwick Central** (top right, red dot)
- Hampton Park** (top left, blue dot)
- Amberly Park SC** (middle left, orange dot)
- Berwick Waterways NAC (p)** (middle left, green dot)
- Beaconsfield** (middle right, blue dot)
- Whiteside Road NAC (p)** (middle right, green dot)
- Casey Central SC** (middle left, blue star icon)
- Casey Central TC (p)** (middle left, black dot)
- Eve Central SC** (middle left, orange dot)
- Thompson Parkway** (middle left, green dot)
- Springhill SC** (middle left, red dot)
- Eden Rise Village** (center, pink region)
- Berwick** (center, orange dot)
- PRIMARY** (center, pink region)
- Minta Farm LC (p)** (center right, black dot)
- Clyde North Small LTC (p)** (center right, black dot)
- Secondary West** (left, purple region)
- The Avenue Village** (bottom left, green dot)
- Secondary South** (bottom right, light purple region)
- Clyde North TC (p)** (bottom right, green dot)
- Hunt Club Centre** (bottom left, green dot)
- Clyde North Lifestyle Centre** (bottom center, blue dot)
- Selendra Rise** (bottom center, green dot)
- Cranbourne Park** (bottom left, blue star icon)
- Hardys Road TC (p)** (bottom right, black dot)

A dashed circle indicates a 3 km radius from Casey Central SC. A scale bar at the bottom left shows 0, 1, and 2 km.

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**TABLE 4.1. EDEN RISE TRADE AREA POPULATION, 2011 - 2041**

| Population               | Actual        |               | 2020          | 2021          | Forecast      |               |               |               |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                          | 2011          | 2016          |               |               | 2026          | 2031          | 2036          | 2041          |
| Primary Sector           | 22,880        | 25,230        | 27,150        | 27,550        | 30,050        | 32,800        | 35,300        | 36,550        |
| <b>Secondary Sectors</b> |               |               |               |               |               |               |               |               |
| • South                  | 410           | 5,890         | 13,690        | 15,390        | 18,390        | 18,890        | 19,140        | 19,140        |
| • West                   | <u>5,400</u>  | <u>5,480</u>  | <u>5,520</u>  | <u>5,530</u>  | <u>5,580</u>  | <u>5,630</u>  | <u>5,630</u>  | <u>5,630</u>  |
| Total Secondary          | 5,810         | 11,370        | 19,210        | 20,920        | 23,970        | 24,520        | 24,770        | 24,770        |
| <b>Main Trade Area</b>   | <b>28,690</b> | <b>36,600</b> | <b>46,360</b> | <b>48,470</b> | <b>54,020</b> | <b>57,320</b> | <b>60,070</b> | <b>61,320</b> |

| Average Annual Change (No.) | Actual  |              | 2016-20      | 2020-21      | Forecast     |            |            |            |
|-----------------------------|---------|--------------|--------------|--------------|--------------|------------|------------|------------|
|                             | 2011-16 | 2011-16      |              |              | 2021-26      | 2026-31    | 2031-36    | 2036-41    |
| Primary Sector              |         | 470          | 480          | 400          | 500          | 550        | 500        | 250        |
| <b>Secondary Sectors</b>    |         |              |              |              |              |            |            |            |
| • South                     |         | 1,096        | 1,950        | 1,700        | 600          | 100        | 50         | 0          |
| • West                      |         | <u>16</u>    | <u>10</u>    | <u>10</u>    | <u>10</u>    | <u>10</u>  | <u>0</u>   | <u>0</u>   |
| Total Secondary             |         | 1,112        | 1,960        | 1,710        | 610          | 110        | 50         | 0          |
| <b>Main Trade Area</b>      |         | <b>1,582</b> | <b>2,440</b> | <b>2,110</b> | <b>1,110</b> | <b>660</b> | <b>550</b> | <b>250</b> |

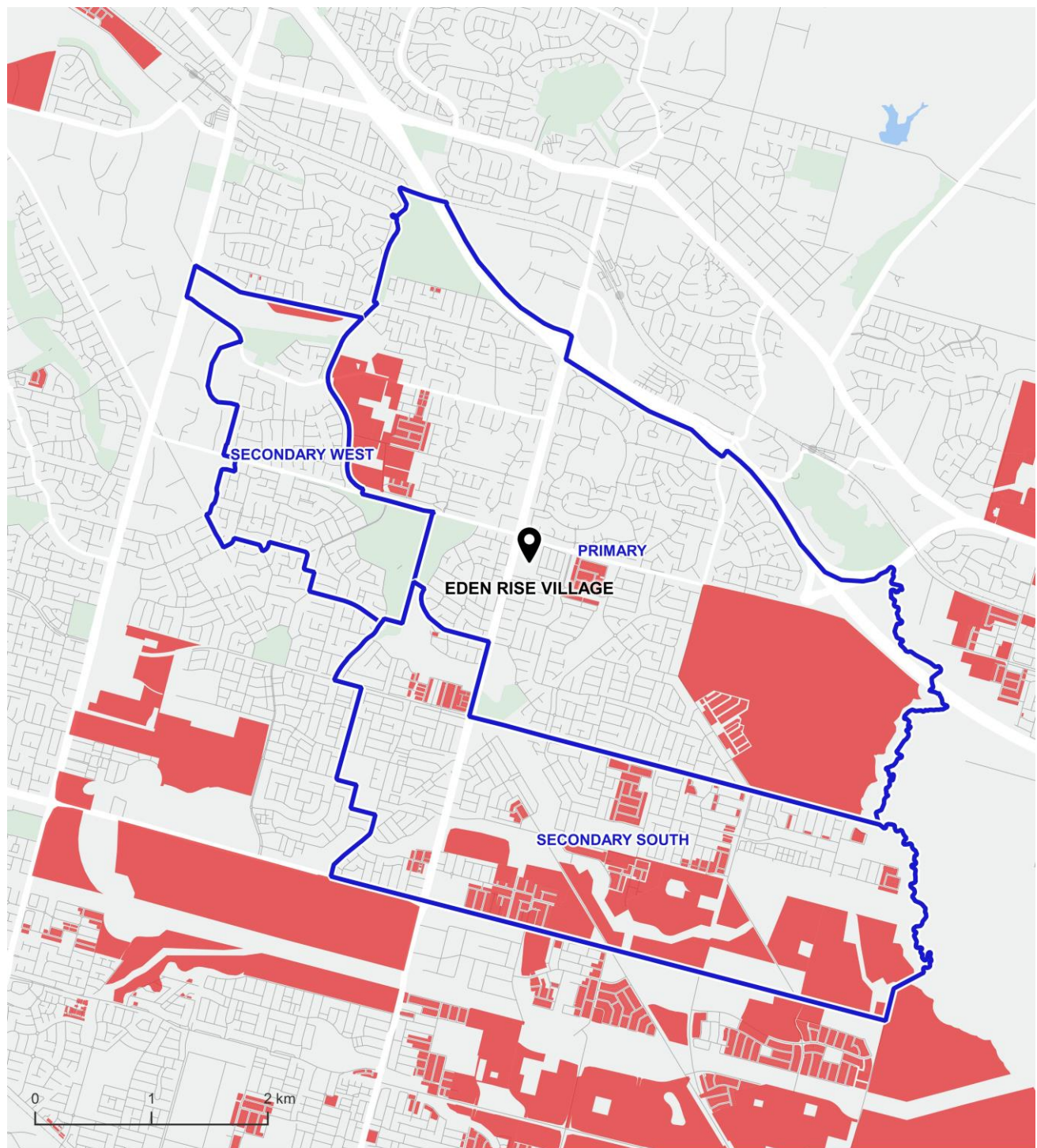
| Average Annual Change (%) | Actual    |             | 2016-20     | 2020-21     | Forecast    |             |             |             |
|---------------------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                           | 2011-2016 | 2011-2016   |             |             | 2021-26     | 2026-31     | 2031-36     | 2036-41     |
| Primary Sector            |           | 2.0%        | 1.9%        | 1.5%        | 1.8%        | 1.8%        | 1.5%        | 0.7%        |
| <b>Secondary Sectors</b>  |           |             |             |             |             |             |             |             |
| • South                   |           | 70.4%       | 23.5%       | 12.4%       | 3.6%        | 0.5%        | 0.3%        | 0.0%        |
| • West                    |           | <u>0.3%</u> | <u>0.2%</u> | <u>0.2%</u> | <u>0.2%</u> | <u>0.2%</u> | <u>0.0%</u> | <u>0.0%</u> |
| Total Secondary           |           | 14.4%       | 14.0%       | 8.9%        | 2.8%        | 0.5%        | 0.2%        | 0.0%        |
| <b>Main Trade Area</b>    |           | <b>5.0%</b> | <b>6.1%</b> | <b>4.6%</b> | <b>2.2%</b> | <b>1.2%</b> | <b>0.9%</b> | <b>0.4%</b> |
| <i>Melb Metro</i>         |           | 2.3%        | 2.4%        | 2.4%        | 1.9%        | 1.7%        | 1.5%        | 1.5%        |
| <i>Australian Average</i> |           | 1.7%        | 1.4%        | 1.4%        | 1.4%        | 1.3%        | 1.2%        | 1.2%        |

All figures as at June and based on 2016 SA1 boundary definition.

Sources : ABS; SAfi by .id



**MAP 4.2. EDEN RISE TRADE AREA AND BROADHECTARE LAND, 2018**

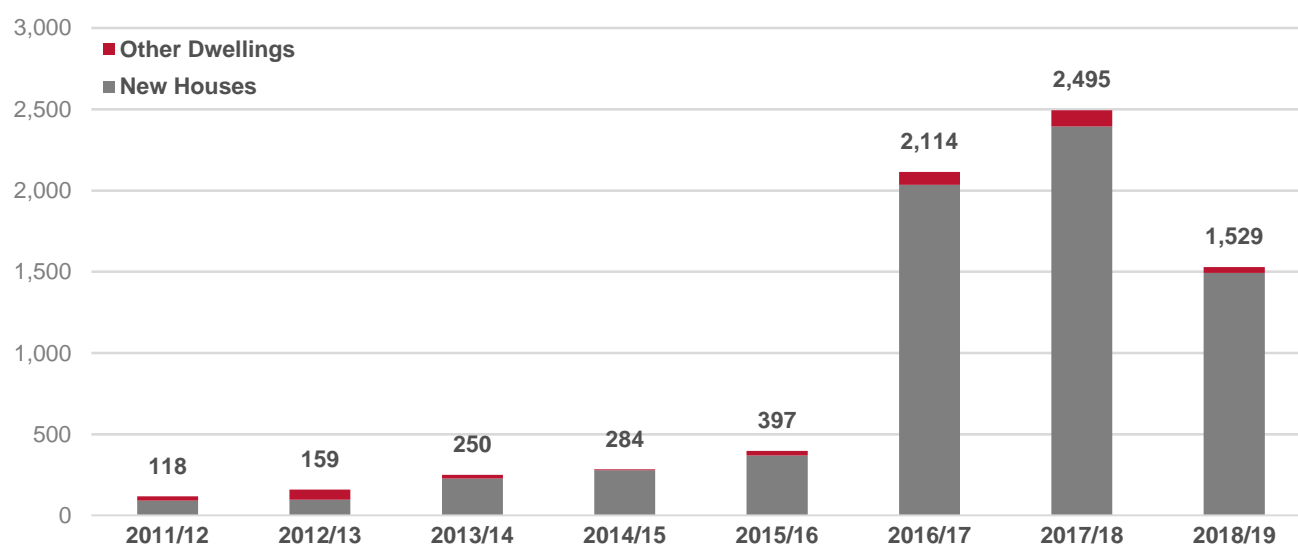


■ Broadhectare 2018

Source: Victoria Government - Department of Environment, Land, Water and Planning



**CHART 4.1. EDEN RISE NEW DWELLING APPROVALS, 2011/12 – 2018/19**



Source: ABS

## Socio Economic Profile

4.10 Table 4.2 summarises the socio-economic profile of the main trade area population compared with the metropolitan Melbourne benchmark. This information is based on the 2016 Census Population and Housing. Key points to note include the following:

- Residents earn average per capita income levels which are lower than the benchmarks but are higher than average on a household basis.
- The average household size is very large at 3.3 persons.
- There is a high proportion of residents aged between 0 – 14 years. This corresponds with a younger average age of 31.9 years as compared with the Melbourne metropolitan average of 37.6 years.
- There is a high proportion of home ownership.
- The majority of the population is Australian born although with a very high Asian born population in the secondary south sector.
- Couples with dependent children are the predominant family type.

4.11 Overall, the socio-economic profile is typical of that of a growing outer suburban area with a high proportion of younger families who would strongly associate (visit regularly) with convenience based retail facilities.

**TABLE 4.2. TRADE AREA SOCIO-ECONOMIC PROFILE, 2016 CENSUS**

| Characteristics               | Primary Sector | Secondary Sectors<br>South      West |           | Main TA   | Melb Metro Average | Aust Average |
|-------------------------------|----------------|--------------------------------------|-----------|-----------|--------------------|--------------|
| Income Levels                 |                |                                      |           |           |                    |              |
| Average Per Capita Income     | \$33,925       | \$35,614                             | \$34,071  | \$34,219  | \$38,943           | \$38,500     |
| Per Capita Income Variation   | -12.9%         | -8.5%                                | -12.5%    | -12.1%    | n.a.               | n.a.         |
| Average Household Income      | \$110,372      | \$119,791                            | \$113,293 | \$112,287 | \$102,132          | \$98,486     |
| Household Income Variation    | 8.1%           | 17.3%                                | 10.9%     | 9.9%      | n.a.               | n.a.         |
| Average Household Size        | 3.3            | 3.4                                  | 3.3       | 3.3       | 2.6                | 2.6          |
| Age Distribution (% of Pop'n) |                |                                      |           |           |                    |              |
| Aged 0-14                     | 26.7%          | 28.1%                                | 22.7%     | 26.4%     | 18.2%              | 18.5%        |
| Aged 15-19                    | 7.9%           | 5.7%                                 | 9.6%      | 7.8%      | 6.0%               | 6.1%         |
| Aged 20-29                    | 10.6%          | 14.9%                                | 11.8%     | 11.5%     | 15.6%              | 13.9%        |
| Aged 30-39                    | 16.0%          | 23.1%                                | 10.7%     | 16.4%     | 15.5%              | 14.0%        |
| Aged 40-49                    | 18.2%          | 14.3%                                | 17.4%     | 17.4%     | 13.9%              | 13.6%        |
| Aged 50-59                    | 10.6%          | 7.5%                                 | 14.4%     | 10.7%     | 12.0%              | 12.8%        |
| Aged 60+                      | 10.0%          | 6.2%                                 | 13.4%     | 9.9%      | 18.9%              | 21.2%        |
| Average Age                   | 32.0           | 29.0                                 | 34.7      | 31.9      | 37.6               | 38.6         |
| Housing Status (% of H'holds) |                |                                      |           |           |                    |              |
| Owner/Purchaser               | 75.6%          | 81.8%                                | 89.4%     | 78.6%     | 68.9%              | 67.9%        |
| Renter                        | 24.4%          | 18.2%                                | 10.6%     | 21.4%     | 31.1%              | 32.1%        |
| Birthplace (% of Pop'n)       |                |                                      |           |           |                    |              |
| Australian Born               | 65.7%          | 49.8%                                | 68.3%     | 63.5%     | 65.0%              | 72.9%        |
| Overseas Born                 | 34.3%          | 50.2%                                | 31.7%     | 36.5%     | 35.0%              | 27.1%        |
| • Asia                        | 18.2%          | 33.2%                                | 14.5%     | 20.1%     | 16.8%              | 10.7%        |
| • Europe                      | 6.3%           | 5.4%                                 | 6.8%      | 6.2%      | 9.2%               | 8.0%         |
| • Other                       | 9.8%           | 11.5%                                | 10.4%     | 10.2%     | 9.0%               | 8.4%         |
| Family Type (% of Pop'n)      |                |                                      |           |           |                    |              |
| Couple with dep't children    | 65.9%          | 67.6%                                | 61.5%     | 65.5%     | 48.2%              | 45.2%        |
| Couple with non-dep't child.  | 6.7%           | 4.6%                                 | 10.7%     | 7.0%      | 8.4%               | 7.8%         |
| Couple without children       | 12.7%          | 16.9%                                | 15.3%     | 13.8%     | 20.9%              | 23.0%        |
| Single with dep't child.      | 8.5%           | 6.7%                                 | 6.8%      | 8.0%      | 7.9%               | 8.9%         |
| Single with non-dep't child.  | 2.4%           | 1.2%                                 | 2.6%      | 2.2%      | 3.9%               | 3.7%         |
| Other family                  | 0.5%           | 0.8%                                 | 0.4%      | 0.5%      | 1.3%               | 1.1%         |
| Lone person                   | 3.3%           | 2.3%                                 | 2.8%      | 3.0%      | 9.5%               | 10.2%        |

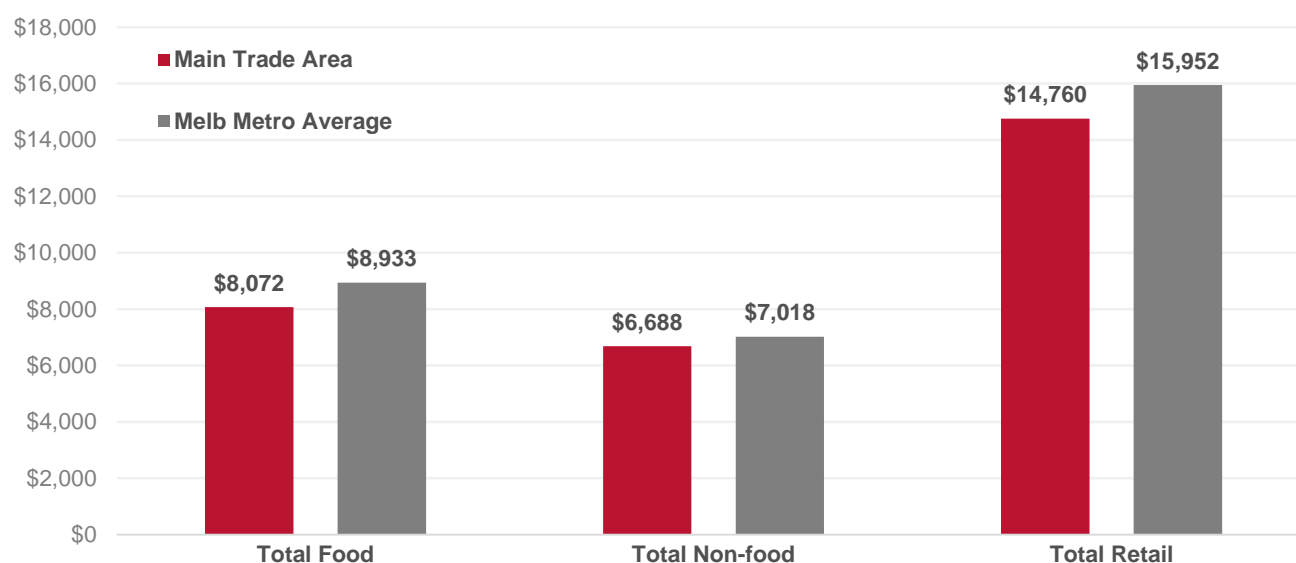
Sources: ABS Census of Population and Housing 2016



## Retail Spending

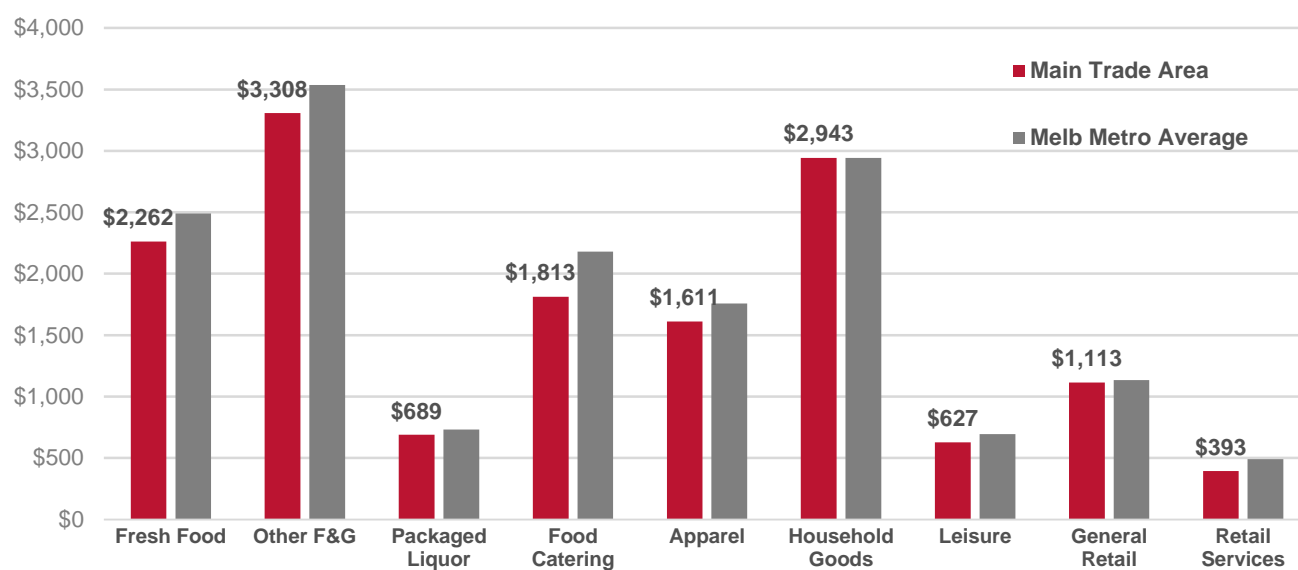
- 4.12 The estimated retail expenditure capacity of the main trade area population is based on information sourced from MDS Market Data Systems. MDS utilises a detailed micro-simulation model of household expenditure behaviour for all residents of Australia.
- 4.13 The MDS model takes into account information from a wide variety of sources, including the regular ABS Household Expenditure Survey, National Accounts Data, Census Data and other information. MarketInfo estimates used in this analysis are based on the 2017 release, benchmarked against the latest National Accounts data, released by the ABS. Throughout Australia, the MarketInfo estimates of retail spending that are prepared independently by MDS are commonly used by all parties in economic assessments.
- 4.14 Charts 4.2 and 4.3 provide a review of the per capita retail spending behaviour of residents within the Eden Rise main trade area compared with the metropolitan Melbourne benchmark. All figures are in constant 2019/20 dollars (i.e. excluding inflation) and including GST.
- 4.15 Table 4.3 outlines the retail expenditure levels generated by the Eden Rise main area population. The total retail expenditure level is currently estimated at \$660.3 million and is projected to increase at an average annual rate of around 2.1% to \$1.06 billion by 2041. All figures presented in this report are in constant 2020 dollars.
- The average annual retail spending growth rate of 2.1% reflects the following:
  - Real growth in retail spending per capita of 1.0% annually;
  - Main trade area population growth of around 1.1% per annum.

**CHART 4.2. MAIN TRADE AREA PER CAPITA RETAIL SPEND, 2019/20**



Source: Marketinfo

**CHART 4.3. MAIN TRADE AREA PER CAPITA RETAIL SPEND, 2019/20**



Source: Marketinfo

**TABLE 4.3. TRADE AREA RETAIL EXPENDITURE, 2020 – 2041**

| Y/E<br>June                       | Primary<br>Sector | Secondary Sectors |       | Main<br>Trade Area |
|-----------------------------------|-------------------|-------------------|-------|--------------------|
|                                   |                   | South             | West  |                    |
| 2020                              | 403.3             | 172.4             | 84.7  | 660.3              |
| 2021                              | 413.3             | 204.7             | 85.5  | 703.4              |
| 2022                              | 423.2             | 222.6             | 86.3  | 732.2              |
| 2023                              | 434.0             | 232.5             | 87.1  | 753.7              |
| 2024                              | 445.1             | 242.9             | 88.0  | 776.0              |
| 2025                              | 456.5             | 253.7             | 88.8  | 799.0              |
| 2026                              | 468.2             | 265.0             | 89.7  | 822.9              |
| 2027                              | 480.2             | 272.6             | 90.6  | 843.4              |
| 2028                              | 492.6             | 276.3             | 91.4  | 860.3              |
| 2029                              | 505.2             | 279.9             | 92.3  | 877.5              |
| 2030                              | 518.2             | 283.7             | 93.2  | 895.2              |
| 2031                              | 531.6             | 287.5             | 94.1  | 913.2              |
| 2032                              | 544.5             | 290.9             | 95.0  | 930.4              |
| 2033                              | 556.9             | 294.0             | 95.7  | 946.7              |
| 2034                              | 569.7             | 297.2             | 96.5  | 963.3              |
| 2035                              | 582.7             | 300.3             | 97.2  | 980.3              |
| 2036                              | 596.0             | 303.5             | 98.0  | 997.6              |
| 2037                              | 607.3             | 306.4             | 98.8  | 1,012.5            |
| 2038                              | 616.5             | 308.8             | 99.6  | 1,024.8            |
| 2039                              | 625.7             | 311.3             | 100.4 | 1,037.4            |
| 2040                              | 635.1             | 313.8             | 101.2 | 1,050.1            |
| 2041                              | 644.7             | 316.3             | 102.0 | 1,062.9            |
| <b>Expenditure Growth</b>         |                   |                   |       |                    |
| 2020-2021                         | 9.9               | 32.3              | 0.8   | 43.1               |
| 2021-2026                         | 54.9              | 60.3              | 4.2   | 119.5              |
| 2026-2031                         | 63.4              | 22.5              | 4.4   | 90.3               |
| 2031-2036                         | 64.5              | 16.0              | 3.9   | 84.4               |
| 2036-2041                         | 48.6              | 12.8              | 4.0   | 65.4               |
| 2020-2041                         | 231.8             | 141.4             | 16.5  | 389.7              |
| <b>Average Annual Growth Rate</b> |                   |                   |       |                    |
| 2020-2021                         | 2.5%              | 18.7%             | 1.0%  | 6.5%               |
| 2021-2026                         | 2.5%              | 5.3%              | 1.0%  | 3.2%               |
| 2026-2031                         | 2.6%              | 1.6%              | 1.0%  | 2.1%               |
| 2031-2036                         | 2.3%              | 1.1%              | 0.8%  | 1.8%               |
| 2036-2041                         | 1.6%              | 0.8%              | 0.8%  | 1.3%               |
| 2020-2041                         | 2.0%              | 2.9%              | 0.7%  | 2.1%               |

\*Constant 2019/20 dollars &amp; including GST

Source : Marketinfo



## Competitive Environment

- 4.16 Table 4.4 summarises the competitive environment within which the Eden Rise/Berwick Springs area operates.
- 4.17 Fountain Gate in the suburb of Narre Warren is the Metropolitan Activity Centre serving the outer south eastern suburbs of Melbourne. Westfield Fountain Gate comprises 177,000 sq.m anchored by a Myer department store, three discount department stores, three supermarkets and an extensive range of speciality shops.
- 4.18 In terms of Major Activity Centres (MAC), Casey Central is the closest MAC that includes a discount department store in a total centre of almost 30,000 sq.m.
- 4.19 Berwick MAC is also a significant retail destination including Woolworths and Coles supermarkets.
- 4.20 The closest existing neighbourhood centre located outside the trade area is The Avenue Village which is less than 5,000 sq.m in size.

**TABLE 4.4. SURROUNDING AREA EXISTING COMPETITION**

| Centre                                    | Centre Type | Shopfront GLA (sq.m) | Anchor Tenants   | Dist. From Site (km) |
|---|-------------|----------------------|--|----------------------|
| <b>Regional Shopping Centres</b>          |             |                      |  |                      |
| <u>Narre Warren</u>                       |             | <u>241,300</u>       |  | <u>6.0</u>           |
| • Westfield Fountain Gate                 | Metro       | 177,300              | Myer (12,000), Target (9,460), Big W (8,050), Kmart (8,000), Woolworths (4,300), Coles (4,200), Aldi (1,740) |                      |
| • Fountain Gate Super Centre              | Restricted  | 18,000               |  |                      |
| • Casey Lifestyle Centre                  | Restricted  | 18,000               |  |                      |
| • Other                                   | Restricted  | 28,000               | IGA (1,200)  |                      |
| <b>Sub-regional Shopping Centres</b>      |             |                      |  |                      |
| Casey Central                             | Major       | 28,700               | Target (6,620), Woolworths (4,470), Coles (3,730), Aldi (1,540)  | 4.7                  |
| Cranbourne Park                           | Major       | 46,900               | Kmart (8,130), Target (5,470), Coles (4,780) Woolworths (2,620)  | 10.4                 |
| <b>Supermarket Based Shopping Centres</b> |             |                      |  |                      |
| Clyde North Lifestyle Centre              | n.a.        | 8,500                | Aldi (1,700)   | 3.8                  |
| Eve Central SC                            | Local       | 1,500                | IGA (1,200)  | 3.8                  |
| The Avenue Village                        | Medium      | 4,400                | Woolworths (4,000)   | 4.4                  |
| <u>Berwick</u>                            |             | <u>59,000</u>        |  | <u>4.6</u>           |
| • Berwick Marketplace                     | Major       | 4,000                | Woolworths (3,440)   |                      |
| • Other                                   | Major       | 55,000               | Coles (3,200), FoodWorks (250)   |                      |
| <u>Beaconsfield</u>                       |             | <u>12,500</u>        |  | <u>5.8</u>           |
| • Woolworths Beaconsfield                 | n.a.        | 3,500                | Woolworths (3,300)   |                      |
| • Beaconsfield Hub                        | n.a.        | 2,000                |  |                      |
| • Other                                   | n.a.        | 7,000                | Aldi (1,700)   |                      |

Source: Location IQ

## Future Proposals

4.21 In terms of future retail facilities, there are a number of proposals (Table 4.5) including:

- Minta Farm is a planned 3,000 lot PSP in the eastern portion of the primary sector. A local centre has been designated at this site to incorporate up to 13,000 sq.m of retail floorspace including the possibility of a major supermarket.
- Berwick Waterways Neighbourhood Activity Centre is planned to include a Woolworths as the supermarket operator at this site.
- In the secondary south sector, Clyde North Town Centre is proposed to include up to two full line supermarkets within a total centre of 10,000 sq.m.
- To the immediate south of the trade area, there is also a major activity centre designated at Hardy's Road Clyde North. This site is indicated by SGS Economics to eventually incorporate up to 110,000 sq.m of floorspace, including 75,000 sq.m by 2036.

**TABLE 4.5. TRADE AREA PROPOSED RETAIL FACILITIES**

| Name                   | Additional Retail GLA (sq.m) | Components                  | Status   |
|------------------------|------------------------------|-----------------------------|----------|
| <b>Primary</b>         |                              |                             |          |
| Minta Farm LC          | 13,000                       | Smkt & Spec                 | Planning |
| Berwick Waterways NAC  | 5,000                        | Woolworths & Spec           | Planning |
| <b>Secondary South</b> |                              |                             |          |
| Clyde North LTC        | 2,000                        | Smkt & Spec                 | Planning |
| Clyde North TC         | 8,000                        | Woolworths, 2nd Smkt & Spec | Planning |

*Source: Location IQ Database*

## Projected Floorspace Demand

4.22 Core retail, as is generally accepted in the retail industry, comprises major tenants which anchor regional, sub-regional and supermarket developments, including high intensity uses such as department stores, discount department stores and full-line supermarkets. These types of facilities serve the weekly major food and grocery needs of surrounding residents, as well as their less frequent (generally fortnightly or monthly) non-food shopping trips. These core retail facilities are complimented by a range of mini-major and specialty categories which generally feed off the customer flows generated by these major core retailers. These facilities are particularly important generator of customer visitation in outer suburban areas where strip retail facilities are typically less prevalent.

### Supportable Discount Department Store Floorspace

4.23 As indicated in the activity centre strategy, discount department stores are intended to form a major component of major activity centres. This sub-section considers the level of supportable discount department store floorspace within the defined catchment.

4.24 A discount department store is typically around 6,500 sq.m in size, with the major chains being Big W, Kmart and Target. Discount department stores traditionally require a population of around 40,000 – 50,000 persons to be supportable, with the lower threshold achievable in outer suburban areas.

4.25 Over the past decade, discount department store (DDS) brands across Australia (Kmart, Target and Big W) have generally experienced a decline in market share, with total discount department store revenue across the three brands having stagnated. Flat sales and falling market share have resulted from several factors, including:

- **Australian Category Killers (mini-majors) and Specialty Retailers:** customer trends continue to preference retail specialty shops that specialise in a particular product. Key Australian retail specialty brands and groups that have experienced strong growth in recent years include, JB Hi-Fi, The Reject Shop, Just Group, Specialty Fashion Group, Super Retail Group, Bunnings and Officeworks.
- **Online Retail:** there has been a broader acceptance of online retail as many of the issues once considered barriers to online become less significant, such as easy returns, delivery and tracking. Online shoppers tend to focus on wants, rather than needs and are attracted to the range/variety and convenience that online retail provides.
- **International mini-majors:** the globalisation of the retail sector has seen new entrants to the Australian market that offer low price points, large scale, buying power and quicker adaptability. International fashion brands H&M, Zara and Uniqlo have gone from having no Australian stores

in 2010, to a combined network of more than 60 stores currently, which achieve sales in the order of \$1 billion.

- 4.26 Given, all these changes, discount department stores now require closer to 50,000 persons per store, even in outer metropolitan areas.
- 4.27 More recently, discount department store chains Big W and Target have announced the store closures throughout Australia due to their ongoing difficulties. Target only recently announced the closure of up to 50% of their stores, with many stores to be converted to Kmart.
- 4.28 Reflecting this, Chart 4.4 illustrates the provision of discount department stores in Melbourne and more particularly in the City of Casey. The average provision in Melbourne is over 50,000 persons per store and over 60,000 persons in the City of Casey.
- 4.29 The trade area population currently totals around 46,000 persons and is projected to increase to around 61,000 persons by 2041. Theoretically, the trade area could support a discount department store in the long term, however, this is very unlikely for the following reasons.
- Casey Central would serve an overlapping catchment with the majority of the Eden Rise trade area, and therefore, discount department store spending is and will be directed to this centre now and in the future.
  - Westfield Fountain Gate is the dominant centre with an extensive trade area as illustrated in Figure 4.1. Eden Rise sits within the primary sector of this regional shopping centre. Consequently, substantial spending from the trade area is directed to the regional centre.
  - A review of the key brands also indicates the following:
    - Big W is at Fountain Gate.
    - Kmart is at Fountain Gate and Cranbourne.
    - Target is at Fountain Gate, Casey Central and Cranbourne.

Given the representation of the major brands in the area at centres just beyond the trade area, it is highly unlikely that a discount department store tenant would be attracted to the Eden Rise site.

- 4.30 In addition, any discount department store would prefer to sit adjacent to a supermarket and not as a free-standing store. A range of specialty stores is also required to support a discount department store expansion at a centre. It is likely to be very difficult to attract specialty tenants given their representation at regional and sub-regional centres in the area already.



4.31 The provision of discount department stores in surrounding centres at Fountain Gate, Casey Central and Cranbourne together with future opportunities at Hardy's Road Clyde North, effectively rules out such a store at Eden Rise.

#### Supportable Supermarket Floorspace

4.32 Again, supermarkets are intended to be a major component for any retail activity centre at Eden Rise. This sub-section considers the level of supportable supermarket floorspace within the defined catchment.

4.33 As a guide, a full-line supermarket is typically supportable for every 8,000 – 9,000 persons (refer Chart 4.4). A full-line supermarket is typically described as a store of at least 2,000 – 3,000 sq.m and larger, selling a full range of goods such as dry groceries, perishables, deli, bakery, seafood, produce, meat and the like.

4.34 The main trade area population is currently 46,000 persons and is projected to increase to around 61,000 persons by 2041. Consequently, this area could support around six full-line supermarkets, noting that a portion of spending would be directed to facilities beyond the catchment.

4.35 The current provision of full-line supermarkets only includes Coles at Eden Rise Village. Clearly, there is ongoing demand for additional full-line supermarket.

4.36 Future full-line supermarkets in the catchment area are likely include:

- Woolworths at Berwick Waterways.
- The designation of a full-line supermarket at Minta Farm local centre.
- Two full-line supermarkets at Clyde North Town Centre.

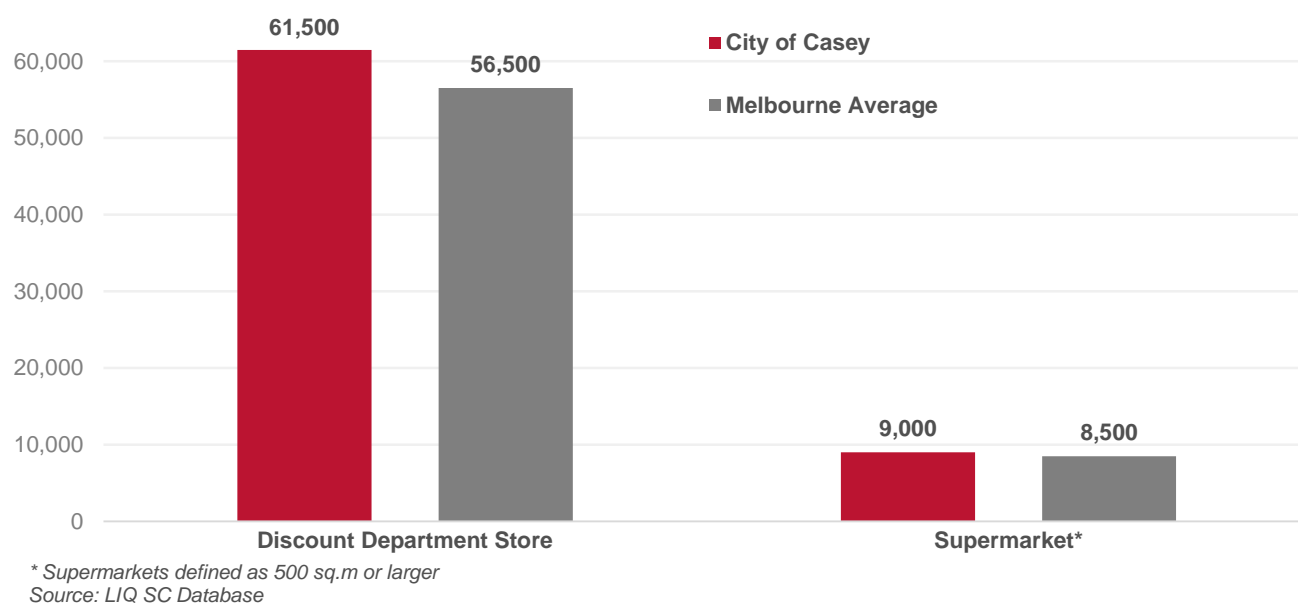
4.37 These centres have the capability of a further four supermarkets, with another supermarket supportable at Eden Rise. This would bring the total full-line supermarkets to six.

4.38 To this end, Woolworths have committed to a re-development at Eden Rise Village as proposed in Figure 4.2. This centre would then incorporate all the major known full-line supermarket brands in Australia – Woolworths, Coles and Aldi. There would not be potential for another supermarket in the Berwick Springs area.

4.39 The implications of the above, is that there would be no core major retail tenant which would likely locate on the Berwick Springs vacant land given:

- A discount department store would not operate as a free-standing store in this location.
- All the major supermarkets are committed to Eden Rise Village.

**CHART 4.4. DDS AND SMKT PERSONS PER STORE, 2020**



#### Total Floorspace Provision

4.40 The total increase in retail floorspace that would be supportable at Eden Rise ultimately depends on additional major tenants.

4.41 In my view, this would likely include: A full-line Woolworths supermarket of approximately 3,800 sq.m.

- Possible mini-majors tenancies of up to 2,500 sq.m.
- Additional specialty shops of 2,500 sq.m.

4.42 In total, this would result in about 8,000 – 9,000 sq.m of floorspace which is easily able to be integrated in the existing Eden Rise Village site. This would bring the total provision of supportable floorspace at Eden Rise to around 23,000 sq.m of retail floorspace.

4.43 This is some 8,000 – 9,000 sq.m less than that indicated by SGS Economics. In my view, a discount department store would not be able to be incorporated at the site.

4.44 The consequence of the above, is that it is unlikely to be an aspirational major activity centre at Eden Rise/Berwick Springs with a Medium Neighbourhood Centre being appropriate for Eden Rise and for the land at Berwick Springs to continue to attract 'Out of Centre' development such as medical facilities, medium density residential and other complementary facilities to existing facilities at the site. Another potential development opportunity at Berwick Springs is restricted retail premises such as a large format liquor store adjacent to the tavern/hotel.

FIGURE 4.1. WESTFIELD FOUNTAIN GATE TOTAL TRADE AREA

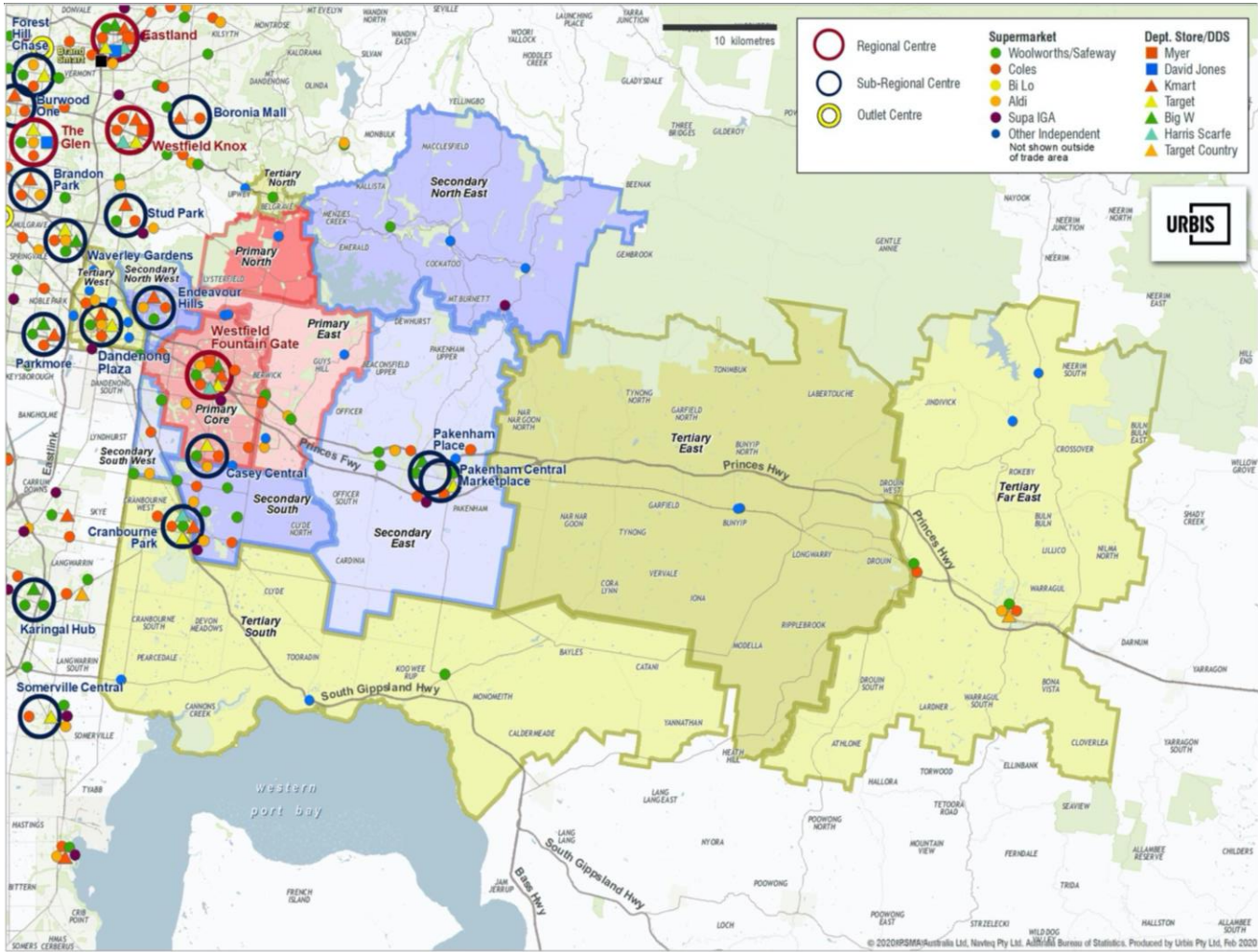
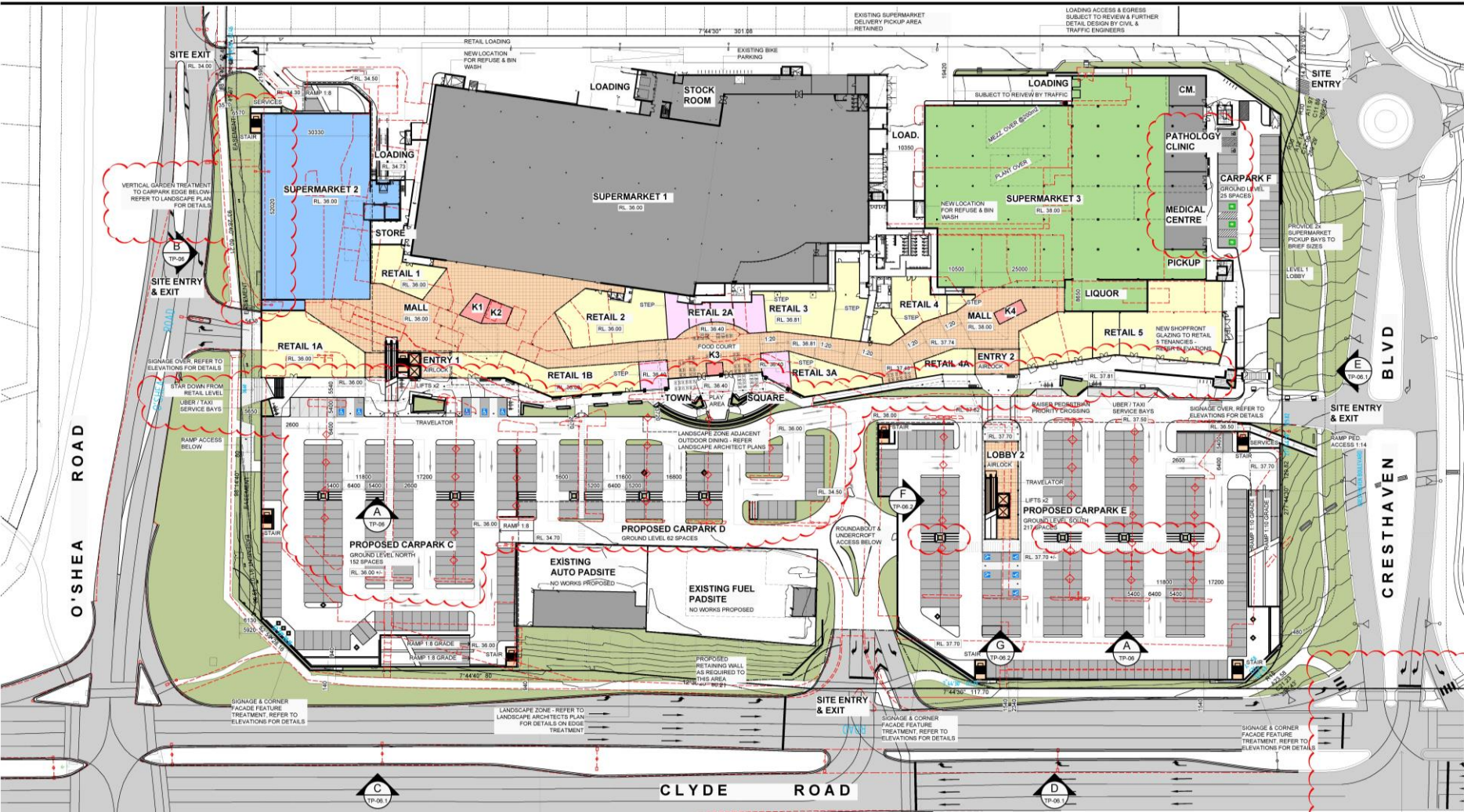




FIGURE 4.2. EDEN RISE VILLAGE DEVELOPMENT PLAN



# 5 CONCLUSIONS

## 5.1 The key conclusions of the analysis are as follows:

- Eden Rise Village serves a trade area that extends up to 3 km around the site.
- The trade area is growing rapidly and can support a number of additional retail facilities.
- There are designated neighbourhood activity centres within the trade area to incorporate a range of supermarkets.
- A discount department store, however, is not likely to be supportable at the Eden Rise site due to the limited size of the catchment and the location of competitive discount department stores at Metropolitan and Major Activity Centres immediately beyond the catchment.
- In the absence of a discount department store being supportable, the level of additional retail floorspace supportable at this Eden Rise site is less than 10,000 sq.m. This is substantially lower than indicated by SGS Economics at 17,000 sq.m. The key difference being a discount department store.
- In the absence of a discount department store being supportable, Eden Rise/Berwick Springs will not become a Major Activity Centre. Further, the ability to integrate the two sites is restricted by a 7-lane road.
- Eden Rise is appropriately designated as a Medium Neighbourhood Centre, while Berwick Springs should continue to be identified as an '*Out of Centre*' development which could incorporate a range of uses together with medium density residential.
- The commitment of Woolworths to Eden Rise Village means the ability to incorporate cross-shopping between Eden Rise Village and Berwick Springs in the future is limited, if not non-existent.

# DECLARATION

I, Gavin Duane, confirm that:

- the factual matters stated in this statement of evidence are, as far as I know, true;
- I have made all enquiries considered appropriate.
- the opinions stated in this statement of evidence are genuinely held by me.
- the statement of evidence contains reference to all matters that I consider significant;
- I understand the expert's duty to the court and have complied with the duty; and
- I have not received or accepted instructions to adopt or reject a particular opinion in relation to any issue in dispute in the proceeding.

My Curriculum Vitae, detailing my qualifications and experience, is included as Appendix 1 to my report.

Signed:



Gavin Duane

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# APPENDIX 1



## Gavin Duane

### Director – Location IQ



#### About Location IQ

Location IQ was launched in January 2009 as a new generation economics advisory firm providing insightful, tactical and targeted direction regarding location and property-based decisions.

Our clients range from major national retailers such as Woolworths, property developers such as Lendlease, Stockland, The GPT Group and a host of other service providers (e.g. gyms, childcare, medical, student accommodation, aged care and the like).

Our approach addresses the targeted needs of clients with the team providing a fresh, innovative, responsive and independent view that is supported by over 85 years combined experience.

Location IQ actively participates in the property industry, as both a member of the Property Council of Australia and through directors Gavin Duane and Greg Malempre presenting at various property industry events as keynote speakers and expert panel members. Our website ([locationiq.com.au](http://locationiq.com.au)) provides greater detail on our services and clients.

#### Personal Background

Gavin studied at the University of Melbourne between 1988 and 1991, graduating with a Bachelor of Economics (Honours). After a year at Melbourne Water as a graduate economist, Gavin commenced work in the field of retail and shopping centre analysis at JHD Advisors in November 1993.

Since 1993 Gavin has provided independent advice in the fields of market analysis and strategic research for a wide range of clients in the retail and shopping centre industries. Gavin founded Duane Location IQ in January 2009 and the company has grown to employ over 15 staff.

Gavin regularly appears as an independent expert in state planning courts and tribunals, on matters relating to economic impact assessments, retail market definitions, industry trends, market shares, consumer behaviour and their implications.

#### Areas of Expertise

- Expert Witness
- Economic/Social Impact Assessments
- Retail Feasibility Studies
- Economic Needs Assessments
- Urban Renewal Projects
- Strategic Retail Planning

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