

Attachment B30

**Economic Development, Local Retail and
Services Study – Waterloo Estate (South) –
Land and Housing Corporation**

Waterloo South Planning Proposal

Economic development, local retail and services
study

PREPARED FOR: Land and Housing Corporation (LAHC)

March 2020



macroplan

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MacroPlan staff responsible for this report:

Ellis Davies, Principal - Retail

Nora Farren, Senior Consultant – Retail

Jack Collins, Analyst - Retail

Contact

Level 10
580 George Street
Sydney NSW 2000
(02) 9221 5211
info@macroplan.com.au

macroplan

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Executive summary

Macroplan has updated its report *Waterloo Housing Estate (the Estate) State Significant Precinct (SSP) – Economic, Retail and Services Study August 2019* to reflect the change in the planning approach for the Waterloo Estate, from a state-led rezoning process (through a State Significant Precinct Study) to a council-led Planning Proposal process. The updated report reflects the new metrics, narrative and preamble supplied by Turners, Ethos Urban and LAHC.

Conditions determining the retail and non-retail facilities' viability and development

The surrounding competition includes the existing and planned precincts around Redfern Street/Surry Hills to the north/north-east; Green Square and East Village to the south/south-east; ATP/Alexandria to the west; and higher order centres like the Broadway Shopping Centre, Central Park Mall, Sydney CBD, Westfield Bondi Junction, Westfield Eastgardens and Marrickville Metro.

The trade area for Waterloo South has been defined, considering statistical boundaries, and the surrounding road and rail network. The resident trade area population is expected to grow from an estimated 21,490 persons at mid-2019 to 37,140 persons by 2036.

The customer profile and socio-demographics include a mix of working professionals and families, students and social housing tenants. The worker trade area population is expected to grow from an estimated 17,940 persons at June 2019 to over 33,000 persons by 2036. The worker population has higher average incomes than other metropolitan areas, but lower average incomes than the Sydney CBD.

Per the information provided by LAHC, preliminary car parking volumes at Waterloo South for retail/community uses have been allocated at 190 parking spaces (based on a GFA of 17,900 sq.m). It is recommended these car spaces be located adjacent to the proposed supermarket space.

Opportunities and needs to support the precinct

- The retail and ancillary non-retail offer at Waterloo South should meet the needs of local residents and workers; both existing and future; but potentially also draw people in from across the broader region through uses that activate the precinct in the evenings and on weekends – noting the new Metro Station will help to facilitate movements for 18+ hours a day. The local community is diverse and consists of young working professionals, Aboriginal peoples, persons in social housing, students and other workers, thus the mix of retail and services should consist of a range of uses that cater to this diverse community.
- Our analysis and recommendations for retail floorspace provision at other high density residential locations across metropolitan Sydney has been considered as part of a benchmarking analysis. Potts Point/Macleay Street accommodates around 10,000–15,000 sq.m of retail/commercial GLA (excluding Kings Cross); Wentworth Point which has 7,000 dwellings at present accommodates around 17,000–18,000 sq.m of retail/commercial GLA; and Wolli Creek which contains around 20,000 sq.m of retail/commercial GLA.

The potential scale and composition of retail and ancillary non-retail uses is detailed in Table 1.12 below. **A total of 17,900 sq.m of retail, community/cultural GFA is proposed under the Waterloo South masterplan.** This is based on there being 190 car-parking spaces dedicated to or adjoining the proposed supermarket in Waterloo South (total recommended major floorspace GFA is 3,800 sq.m).

Table 1.12 Waterloo South - potential scale and composition, retail & ancillary non-retail GFA, by category		
Category	(sq.m)	Tenant examples
RETAIL		
<u>Major tenants</u>		
Supermarket and liquor	<u>3,800</u>	<i>Woolworths, Coles, BWS, Liquorland</i>
Total majors	3,800	
<u>Mini-majors</u>		
Fresh food	400	<i>Flannerys, Taste Growers</i>
Other	<u>400</u>	<i>Chemist Warehouse, Officeworks</i>
Total mini-majors	800	
<u>Other - retail specialties</u>		
Fresh food	800	<i>Sonoma Bakery, Pryde Meats, Costis, local Chicken/Deli</i>
Food catering/F&B	2,000	<i>Betty's Burgers, Belle's Chicken, Pattisons, Pasta Pantry, Schnitz</i>
Household	350	<i>Local gifts, homewares</i>
Leisure	450	<i>Bookface, WH Smith, local news</i>
General	750	<i>Priceline, Fone King, Zap Variety, Kidstuff, Pearsons</i>
Retail services	250	<i>Local operators, Dresden Optics, Maurice DCs.</i>
Total retail specialties	4,600	
<u>Other - non-retail</u>		
Banks, insurance, travel etc.	800	<i>Big 4 bank/s, Bendigo, local travel, Yellow Brick Rd.</i>
Allied/Community Health	1,200	<i>My Health, Osana Medical, local ancillary</i>
Total non-retail	2,000	
Total - retail	<u>11,200</u>	
COMMUNITY FACILITIES		
Child care	1,200	<i>Big Fat Smile, Little Zacs, Only About Children</i>
Library	500	<i>Council</i>
Community centre	800	<i>Community centre, health, arts, child care</i>
Activity centre	500	
Creative arts centre	750	
Creative spaces	150	
Satellite health	100	
Multi-purpose Indoor Rec (Youth)	1,200	
Total - Community	<u>5,200</u>	
CULTURAL		
Learning/Cultural/Wellbeing	1,500	
Total - Cultural	<u>1,500</u>	
TOTAL	17,900	
<i>Source: macroplan</i>		

Introduction

The Greater Sydney Region Plan and Eastern City District Plan seek to realign growth with infrastructure, including transport, social and green infrastructure. With the catalyst of Waterloo Metro Station, there is an opportunity to deliver urban renewal to Waterloo Estate that will create great spaces and places for people to live, work and visit.

The proposed rezoning of Waterloo Estate is to be staged over the next 20 years to enable a coordinated renewal approach that minimises disruption for existing tenants and allows for the up-front delivery of key public domain elements such as public open space. Aligned to this staged approach, Waterloo Estate comprises three separate, but adjoining and inter-related stages:

- Waterloo South;
- Waterloo Central; and
- Waterloo North.

Waterloo South has been identified as the first stage for renewal. The lower number and density of social housing dwellings spread over a relatively large area, makes Waterloo South ideal as a first sub-precinct, as new housing can be provided with the least disruption for existing tenants and early delivery of key public domain elements, such as public open space.

A Planning Proposal for Waterloo South is being led by NSW Land and Housing Corporation (LAHC). This will set out the strategic justification for the proposal and provide an assessment of the relevant strategic plans, state environmental planning policies, ministerial directions and the environmental, social and economic impacts of the proposed amendment. The outcome of this Planning Proposal will be a revised planning framework that will enable future development applications for the redevelopment of Waterloo South. The proposed planning framework that is subject to this Planning Proposal includes:

- **Amendments to the Sydney Local Environmental Plan 2012** – this will include amendments to the zoning and development standards (i.e. maximum building heights and floorspace ratio) applied to Waterloo South. Precinct-specific local provisions may also be included.
- **A Development Control Plan (DCP)** – this will be a new part inserted into ‘Section 5: Specific Areas’ of the Sydney DCP 2012 and include detailed controls to inform future development of Waterloo South.
- **An infrastructure framework** – in depth needs analysis of the infrastructure required to service the needs of the future community including open space, community facilities and servicing infrastructure.

Waterloo Estate

Waterloo Estate is located approximately 3.3 kilometres south-south-west of the Sydney CBD in the suburb of Waterloo (refer to Figure 1). It is located entirely within the City of Sydney local government area (LGA). Waterloo

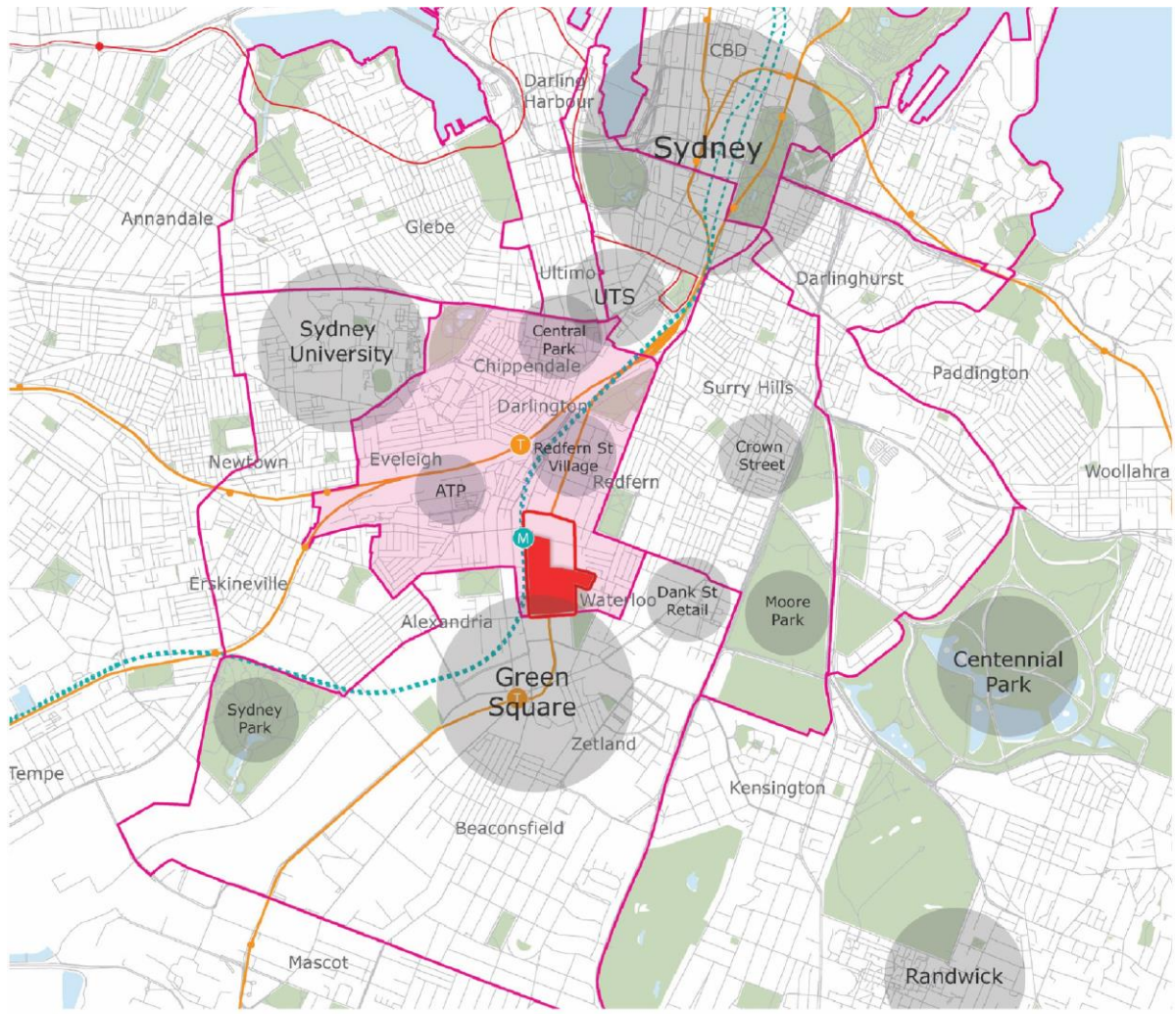
Estate is situated approximately 0.6 kilometres from Redfern train station and 0.5 kilometres from the Australian Technology Park. The precinct adjoins the new Waterloo Metro Station, scheduled to open in 2024. The Waterloo Metro Quarter adjoins the Waterloo Estate and includes the station and over station development and was rezoned in 2019. Waterloo Estate comprises land bounded by Cope, Phillip, Pitt and McEvoy Street, including an additional area bounded by Wellington, Gibson, Kellick and Pitt Streets. It has an approximate gross site area of 18.98 hectares (14.4 hectares excluding roads). Waterloo Estate currently comprises 2,012 social housing dwellings owned by LAHC, 125 private dwellings, a small group of shops and community uses on the corner of Wellington and George Streets, and commercial properties on the south-east corner of Cope and Wellington Streets. A map of Waterloo Estate and relevant boundaries is illustrated in Figure 2.

Waterloo South

Waterloo South includes land bounded by Cope, Raglan, George, Wellington, Gibson, Kellick, Pitt and McEvoy Streets and has an approximate gross site area of 12.32 hectares (approximately 65% of the total Estate). Waterloo South currently comprises 749 social housing dwellings owned by LAHC, 125 private dwellings and commercial properties on the south-east corner of Cope and Wellington Streets. Existing social housing within Waterloo South is predominantly walk-up flat buildings constructed in the 1950s and 60s and mid-rise residential flat buildings (Drysdale, Dobell and 76 Wellington Street) constructed in the 1980s. Listed Heritage items within Waterloo South include the Duke of Wellington Hotel, Electricity Substation 174 on the corner of George and McEvoy Streets, the terrace houses at 229-231 Cope Street and the former Waterloo Pre-School at 225-227 Cope Street. The State Heritage listed "Potts Hill to Waterloo Pressure Tunnel and Shafts" passes underneath the precinct. A map of Waterloo South and relevant boundaries is illustrated in Figure 2.

Figure 1 - Location plan of Waterloo Estate and Waterloo South

Source: Turner Studio



Legend

-  The Estate
-  Waterloo South

Figure 2 – Waterloo Precinct

Source: Ethos Urban



Legend

-  The Estate
-  Private Properties
-  Waterloo Metro Quarter
-  Waterloo Metro Station
-  Sydney Metro Alignment

Subject to this planning proposal

-  Waterloo South

Subject to future planning and planning proposal

-  Waterloo North
-  Waterloo Central

Renewal vision

The transition of Waterloo Estate will occur over a 20-year timeframe, replacing and providing fit for purpose social (affordable rental) housing, as well as private housing to create a new integrated and inclusive mixed-tenure community. This aligns with Future Directions for Social Housing in NSW – the NSW Government’s vision for social housing. It also aligns with LAHC’s Communities Plus program, which is tasked with achieving three key objectives:

1. Provide more social housing
2. Provide a better social housing experience
3. Provide more opportunities and support for social housing tenants

The following is LAHC’s Redevelopment Vision for Waterloo Estate, which was derived from extensive consultation and technical studies:

Source: *Let’s Talk Waterloo: Waterloo Redevelopment (Elton Consulting, 2019)*



Culture and Heritage

- Recognise and celebrate the significance of Waterloo’s Aboriginal history and heritage across the built and natural environments.
- Make Waterloo an affordable place for more Aboriginal people to live and work.
- Foster connection to culture by supporting authentic storytelling and recognition of artistic, cultural and sporting achievements.



Communal and Open Space

- Create high quality, accessible and safe open spaces that connect people to nature and cater to different needs, purposes and age groups.
- Create open spaces that bring people together and contribute to community cohesion and wellbeing.



Movement and Connectivity

- Make public transport, walking and cycling the preferred choice with accessible, reliable and safe connections and amenities.
- Make Waterloo a desired destination with the new Waterloo Station at the heart of the Precinct’s transport network – serving as the gateway to a welcoming, safe and active community.



Character of Waterloo

- Strengthen the diversity, inclusiveness and community spirit of Waterloo.
- Reflect the current character of Waterloo in the new built environment by mixing old and new.



Local Employment Opportunities

- Encourage a broad mix of businesses and social enterprise in the area that provides choice for residents and creates local job opportunities.



Community Services, including Support for Those Who Are Vulnerable

- Ensure that social and human services support an increased population and meet the diverse needs of the community, including the most vulnerable residents.
- Provide flexible communal spaces to support cultural events, festivals and activities that strengthen community spirit.



Accessible Services

- Deliver improved and affordable services that support the everyday needs of the community, such as health and wellbeing, grocery and retail options.



Design Excellence

- Ensure architectural design excellence so that buildings and surrounds reflect community diversity, are environmentally sustainable & people friendly – contributing to lively, attractive and safe neighbourhoods.
- Recognise and celebrate Waterloo’s history and culture in the built environment through artistic and creative expression.
- Create an integrated, inclusive community where existing residents and newcomers feel welcome, through a thoughtfully designed mix of private, and social (affordable rental) housing.

Purpose of this report

This report relates to the Waterloo South Planning Proposal. While it provides comprehensive baseline investigations for Waterloo Estate, it only assesses the proposed planning framework amendments and indicative Concept Proposal for Waterloo South.

The key matters addressed as part of this study include:

The scope of works to be undertaken by macroplan, having regard to the research brief provided to us, is to update our report dated August 2019 to reflect new metrics, narrative and preamble to be supplied by Turners, Ethos Urban and LAHC. The output of the study will be a detailed report, addressing all the items outlined above, incorporating key tables, charts, maps and commentary.

The original report addressed the following study requirements:

Study requirements/planning proposal	Addressed at
Prepare and analyse the local economic and employment profile for the precinct and local area	Section 1.1, 1.2, 1.5 and Section B1
Analyse the economic development, local employment and local retail and services needs to support the development and economic sustainability of the precinct, ensuring a highly walkable precinct with a high degree of containment, its future community and relevant local and regional centres.	Section 1.1, 1.8, 1.9
Identify the quantum of floorspace required to support economic development, local retail and services provision.	Section 1.4
Develop a strategy to deliver strategically important uses through market delivery combined with targeted interventions where market delivery will not satisfy identified needs.	Section 1.9 and Section 2
Identify appropriate locations for active retail frontages to provide community services to facilitate current and future needs.	Section 1.8, 1.9 and Section B1
Consider the role of the precinct in terms of employment, retail, local services and other economic generating land uses within the local and regional context. This will include nearby local centres, Green Square Town Centre, Central Sydney and Australian Technology Park.	Section 1.6
Consider local employment and business needs and opportunities to support the existing and future community, including a specific focus on Aboriginal and Torres Strait Islander communities.	Section 1 and Section 2
Identify measures to ensure the development of the precinct meets the economic development, local employment and local retail and service needs of the community and supports the economic development of neighbouring centres. This is to consider the different service, business and employment needs of groups within the community.	Section 1.1-1.5, Section 2 and Appendix B
Provide recommendations to inform planning controls on the quantum of retail, service and employment floorspace needed to meet the needs of the vision objectives of the project.	Section 3

Waterloo South Planning Proposal

The Planning Proposal will establish new land use planning controls for Waterloo South, including zoning and development standards to be included in Sydney LEP 2012, a new section in Part 5 of DCP 2012 and an infrastructure framework. Turner Studio and Turf has prepared an Urban Design and Public Domain Study which establishes an Indicative Concept Proposal presenting an indicative renewal outcome for Waterloo South. The Urban Design and Public Domain Study provides a comprehensive urban design vision and strategy to guide future development of Waterloo South and has informed the proposed planning framework. The Indicative Concept Proposal has also been used as the basis for testing, understanding and communicating the potential development outcomes of the proposed planning framework.

The indicative Concept Proposal comprises:

- Approximately 2.57 hectares of public open space representing 17.8% of the total Estate (Gross Estate area – existing roads) proposed to be dedicated to the City of Sydney Council) comprising:
 - Village Green – a 2.25 hectare park located next to the Waterloo Metro Station; and
 - Waterloo Common and adjacent – 0.32 hectares located in the heart of the Waterloo South precinct.
 - The 2.57 hectares all fall within the Waterloo South Planning Proposal representing 32.3% of public open space (Gross Waterloo South area – proposed roads)
- Retention of 52% of existing high and moderate value trees (including existing fig trees) and the planting of three trees to replace each high and moderate value tree removed.
- Coverage of 30% of Waterloo South by tree canopy.
- Approximately 257,000 sq.m of GFA on the LAHC land comprising:
 - Approximately 239,100 sq.m GFA of residential accommodation, providing for approximately 3,048 dwellings comprising a mix of market and social (affordable rental) housing dwellings;
 - Approximately 11,200 sq.m GFA for commercial premises, including but not limited to, supermarkets, shops, food & drink premises and health facilities; and
 - Approximately 6,700 sq.m of community facilities and early education and child care facilities.

The key features of the Indicative Concept Proposal are:

- It is a design and open space led approach.
- Creation of two large parks of high amenity by ensuring good sunlight access.
- Creation of a pedestrian priority precinct with new open spaces and a network of roads, lanes and pedestrian links.

- Conversion of George Street into a landscaped pedestrian and cycle friendly boulevard and creation of a walkable loop designed to cater to the needs of all ages.
- A new local retail hub located centrally within Waterloo South to serve the needs of the local community.
- A target of 80% of dwellings to have local retail services and open space within 200 metres of their building entry.
- Achievement of a 6-Star Green Star Communities rating, with minimum 5-star Green Star Design & As-Built (Design Review certified).
- A range of Water Sensitive Urban Design (WSUD) features.

The proposed land allocation for the Waterloo South precinct is described in Table 1, the Indicative Concept Proposal for Waterloo South is illustrated in Figure 3 and the indicative location of retail, community/cultural uses are illustrated in Figure 4 and Figure 5.

Table 1 – Breakdown of allocation of land within Waterloo South

Land allocation	Existing	Proposed
Roads	3.12ha / 25.3%	4.38ha / 35.5%
Developed area (Private sites)	0.86ha / 6.98%	0.86ha / 7%
Developed area (LAHC property)	8.28ha / 67.2%	4.26ha / 34.6%
Public open space (proposed to be dedicated to the City of Sydney)	Nil / 0%	2.57ha / 20.9% (32.3% excluding roads)
Other publicly accessible open space (Including former roads and private/LAHC land)	0.06ha / 0.5%	0.25ha / 2%
TOTAL	12.32ha	12.32ha

Section 1: Trade area analysis

1.1 Residential trade area

This section of the report examines the potential residential trade area that could be served by retail and ancillary non-retail facilities at Waterloo South, then examines the size and growth of the residential population of this trade area; its socio-demographic profile; and the size and growth of retail expenditure and floorspace demand generated by this residential population.

1.1.1 Trade area definition

The extent of the trade area or catchment that is served by any shopping centre or retail offer, is shaped by the interplay of several critical factors including:

- i. The relative attraction of the retail offer or centre, in comparison with alternative competitive retail facilities. The factors that determine the strength and attraction of any particular centre are primarily its scale and composition (in particular the major trader or traders that anchor the centre); its layout and ambience; and car-parking, including access and ease of use.
- ii. The proximity and attractiveness of competitive retail precincts or centres. The locations, compositions, quality and scale of competitive retail facilities all serve to define the extent of the trade area which a shopping centre or retail facility is effectively able to serve.
- iii. The available road network and public transport infrastructure, which determine the ease (or difficulty) with which customers can access a shopping centre, or retail facility.
- iv. Significant physical barriers which are difficult to negotiate and can act as delineating boundaries to the trade area served by an individual shopping centre, or retail facility.

Map 1.1 illustrates the extent of the residential trade area that could potentially be served by retail and ancillary non-retail facilities at Waterloo South. In forming our view on this trade area, we have had regard to the following:

- The high-density nature of the proposed redevelopment of the precinct;
- The surrounding competitive supermarket facilities (including future proposed facilities) in Surry Hills, Danks Street, East Village, Green Square, and Alexandria;
- The surrounding network of higher order retail facilities, such as Broadway Shopping Centre, the Sydney CBD, Westfield Bondi Junction, Westfield East Gardens, and Marrickville Metro etc;
- The expected household composition of residents (e.g. lower than average car-ownership);
- The surrounding road and rail network; and

- Statistical boundaries, from which detailed data can be aggregated. This is part of the reason why the trade area is split along Botany Road/Regent Street.

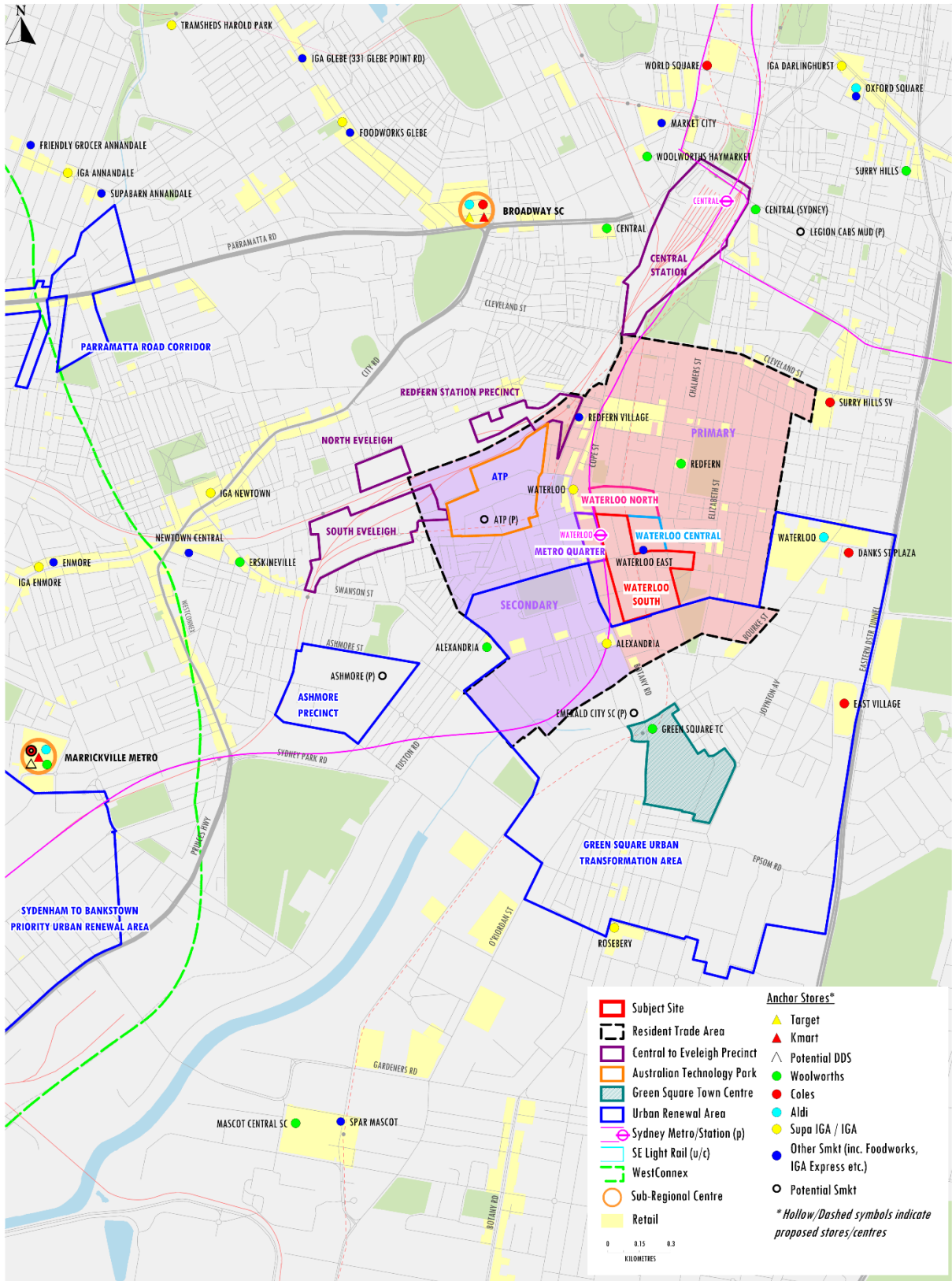
The trade area has been defined to include one primary sector and one secondary sector described as follows and is referred to as the residential main trade area in the remainder of this report:

- The primary sector includes the Waterloo Metro Quarter site and extends north to Cleveland Street, west to Botany Road/Regent Street, south to Allen Street/Powell Street, and east to Young Street, including parts of Redfern, Waterloo and Alexandria.
- The secondary sector extends west of the subject site to around Bowden Street/Fountain Street/Brandling Street, north to the T2/T3/T4 Sydney suburban rail line, and south to Mandible Street including parts of Alexandria and the ATP.

1.1.2 Trade area population

Table 1.1 details the current and projected population levels within the residential main trade area. This information has been collected from a range of sources, including the following:

- ABS Census of Population and Housing (2016);
- ABS Dwelling Approvals Data (2016 - 2019);
- ABS Estimated Residential Population Data (ERP) (2017 - 18);
- NSW Transport Performance and Analytics (TPA) population projections – small area;
- .id population projections for Waterloo South (prepared for LAHC);
- LAHC (information provided in relation to forecast residential population and likely timing/take-up within the site); and
- Other investigations of future residential development undertaken by this office



**Map 1.1: Waterloo South
Resident trade area and competition**

The residential main trade area population is estimated at around 21,490 persons as at mid-2019, including 16,540 people in key primary sector. Over the past three years, the trade area population has grown by around 3.1% per annum, or around 620 persons per annum.

There are currently around 2,012 social housing dwellings within the Waterloo precinct, including 749 existing within Waterloo South. Population growth within the defined main trade area will essentially be driven by the future growth within the precinct itself. Waterloo South will provide 3,048 dwellings, comprising 748 social dwellings (25%) and 2,300 private dwellings (75%).

Other significant housing development projects located within the residential main trade area include:

- Waterloo Metro Quarter – expected to accommodate around 700 new private, social and affordable dwellings;
- Lawson Square – located within the primary trade area on the block of Regent Street, Redfern Street, Gibbons Street and Lawson Square. The development will comprise two mixed-use towers including 156 residential units (stage 1 is complete);
- Iglu Student Accommodation Redfern – a new tower at 80-88 Regent Street (adjoining the recently completed facility at 66 Regent Street) will accommodate 265 students in a range of studio and shared apartments located over 16 floors;
- 11 Gibbons Street – The Future Living Consortium (former council depot) is part of a scheme to develop social and affordable housing under an agreement with City of Sydney Council. Approximately 160 units will be developed;
- Wee Hur Student Housing Redfern – construction of an 18-storey building at 90-102 Regent Street, accommodating approximately 407 bed student housing.

Having regard for the above, the residential main trade area population is estimated to grow at an average annual rate of 3.3% to reach 37,140 by 2036, an increase of 73% over the current population.

The primary sector population (which forms most of the residential main trade area) is estimated to increase by 87% by 2036 to reach 30,990 people, equivalent to average annual growth of 3.8%.

Table 1.1
Waterloo South trade area population, 2011-2036*

Trade area sector	Estimated population				Forecast population		
	2011	2016	2019	2021	2026	2031	2036
Primary	13,210	15,040	16,540	17,740	22,490	26,740	30,990
Secondary	<u>3,770</u>	<u>4,590</u>	<u>4,950</u>	<u>5,150</u>	<u>5,650</u>	<u>5,900</u>	<u>6,150</u>
Main trade area	16,980	19,630	21,490	22,890	28,140	32,640	37,140

Trade area sector	Average annual growth (no.)						
	2011-16	2016-19	2019-21	2021-26	2026-31	2031-36	
Primary	366	500	600	950	850	850	
Secondary	<u>164</u>	<u>120</u>	<u>100</u>	<u>100</u>	<u>50</u>	<u>50</u>	
Main trade area	530	620	700	1,050	900	900	

Trade area sector	Average annual growth (%)						
	2011-16	2016-19	2019-21	2021-26	2026-31	2031-36	
Primary	2.6%	3.2%	3.6%	4.9%	3.5%	3.0%	
Secondary	<u>4.0%</u>	<u>2.5%</u>	<u>2.0%</u>	<u>1.9%</u>	<u>0.9%</u>	<u>0.8%</u>	
Main trade area	2.9%	3.1%	3.2%	4.2%	3.0%	2.6%	

*As at June

Source: ABS Census 2016; NSW Department of Planning and Environment 2016; Forecast.id; macroplan

1.2 Socio-demographic profile

Table 1.2 details the socio-demographic profile of the residential main trade area population, compared with the benchmarks for metropolitan Sydney, sourced from the 2016 ABS Census of Population and Housing. The key points to note regarding the characteristics of the residential main trade area population includes the following:

- The average per capita income of the main trade area population is around 17% above the metropolitan Sydney average however, because the average household size is much smaller than average (1.8 versus 2.7 persons per household) the average per household income of the main trade area population is around 21% below average. The secondary sector population is quite affluent, with average per capita (63%) and per household (24%) significantly above average.
- Around 45% of main trade area residents, and 55% of secondary sector residents are aged 20-39 years (versus the Sydney average of around 30%). There is a relatively low proportion of children and teenagers (10%) compared to a Sydney average of 25%, and a high proportion of persons aged above 60 years, particularly in the primary sector (23%) compared to a Sydney average of 19%.
- There is an exceptionally high proportion of rental households across the main trade area, with more than 70% of households renting as at June 2016. This is driven by a 77% share in the primary sector. Home ownership levels in the secondary sector are much higher (45%) than the primary sector, but still well below the metropolitan Sydney average (64%). This share has fallen since the 2011 ABS Census.
- The proportion of Australian born residents (54%) across the main trade area is below the metropolitan Sydney average of 61%. There is a high proportion of European born residents across the main trade area generally, with around 17% of the primary sector population European born.
- Given the social housing and high-density nature of the trade area, with many single and double bedroom apartments, the proportion of lone person households across the main trade (30%) is significantly above the metropolitan Sydney average at 9%. In the primary sector this proportion is higher again at 34%.
- The proportion of 'typical family' households (i.e. couples with dependent children) is very low (18%) compared with the Sydney average of 49%. On the other hand, the proportion of couples with no children (i.e. predominantly working professionals) is much higher, at 34% compared with the Sydney average of 20%.
- The share of households with zero car ownership in the main trade is around 11% which is identical to the Sydney average. The share within the primary sector is around 20%.

Table 1.2
Waterloo South main trade area - socio-demographic profile, 2016

Census item	Primary sector	Secondary sector	Main TA	Syd Metro avg.	Aust. avg.
Per capita income	\$46,628	\$73,628	\$52,939	\$45,173	\$39,800
<i>Var. from Syd Metro bmark</i>	3.2%	63.0%	17.2%		
Avg. household income	\$83,428	\$153,069	\$97,917	\$123,654	\$101,610
<i>Var. from Syd Metro bmark</i>	-32.5%	23.8%	-20.8%		
Avg. household size	1.8	2.1	1.8	2.7	2.6
<u>Age distribution (% of population)</u>					
Aged 0-14	6.7%	9.4%	7.4%	18.7%	18.7%
Aged 15-19	2.7%	2.1%	2.6%	6.0%	6.1%
Aged 20-29	21.5%	26.2%	22.6%	15.0%	13.8%
Aged 30-39	20.0%	28.5%	22.0%	15.5%	14.0%
Aged 40-49	13.0%	15.0%	13.5%	13.7%	13.5%
Aged 50-59	12.7%	9.3%	11.9%	12.2%	12.7%
Aged 60+	23.3%	9.6%	20.1%	18.9%	21.1%
Average age	42.5	35.7	40.9	37.5	38.6
<u>Housing status (% of households)</u>					
Owner (total)	<u>22.4%</u>	<u>45.2%</u>	<u>27.2%</u>	<u>64.2%</u>	<u>67.4%</u>
• Owner (outright)	7.5%	11.4%	8.3%	30.0%	31.9%
• Owner (with mortgage)	14.9%	33.9%	18.8%	34.2%	35.5%
Renter	76.6%	54.6%	72.0%	35.1%	31.8%
<u>Birthplace (% of population)</u>					
Australian born	50.9%	62.2%	53.6%	60.9%	71.9%
Overseas born	<u>49.1%</u>	<u>37.8%</u>	<u>46.4%</u>	<u>39.1%</u>	<u>28.1%</u>
• Asia	19.4%	12.3%	17.8%	19.1%	11.2%
• Europe	16.8%	14.1%	16.2%	9.6%	9.6%
• Other	12.9%	11.3%	12.5%	10.4%	7.4%
<u>Family type (% of population)</u>					
Couple with dep't child.	15.2%	26.6%	17.6%	48.5%	44.8%
Couple with non-dep't child.	2.4%	2.4%	2.4%	9.1%	7.7%
Couple without child.	31.8%	43.2%	34.2%	20.1%	22.8%
One parent with dep't child.	8.5%	5.5%	7.9%	7.9%	8.8%
One parent w non-dep't child	5.8%	2.7%	5.1%	4.1%	3.7%
Lone person	33.6%	18.0%	30.4%	9.2%	11.0%
<u>Car ownership</u>					
% 0 Cars	9.3%	20.3%	11.6%	11.4%	7.7%
% 1 Car	33.7%	42.2%	35.4%	38.5%	36.1%
% 2 Cars	37.5%	28.5%	35.6%	34.0%	37.5%
% 3 Cars	13.1%	6.9%	11.8%	10.5%	12.2%
% 4 plus Cars	6.4%	2.0%	5.5%	5.7%	6.5%

Source: ABS Census of Population & Housing, 2016; macroplan

1.3 Retail expenditure capacity

The estimated retail expenditure capacity of the study area population is sourced from MarketInfo, which is developed by Market Data Systems (MDS) and utilises a detailed micro simulation model of household expenditure behaviour for all residents of Australia. The model takes into account information from a wide variety of sources including the regular ABS Household Expenditure Surveys, national accounts data, Census data and other information. The MarketInfo estimates for spending behaviour prepared independently by MDS are used by a majority of retail/property consultants.

Total retail expenditure is allocated in a number of categories, as follows:

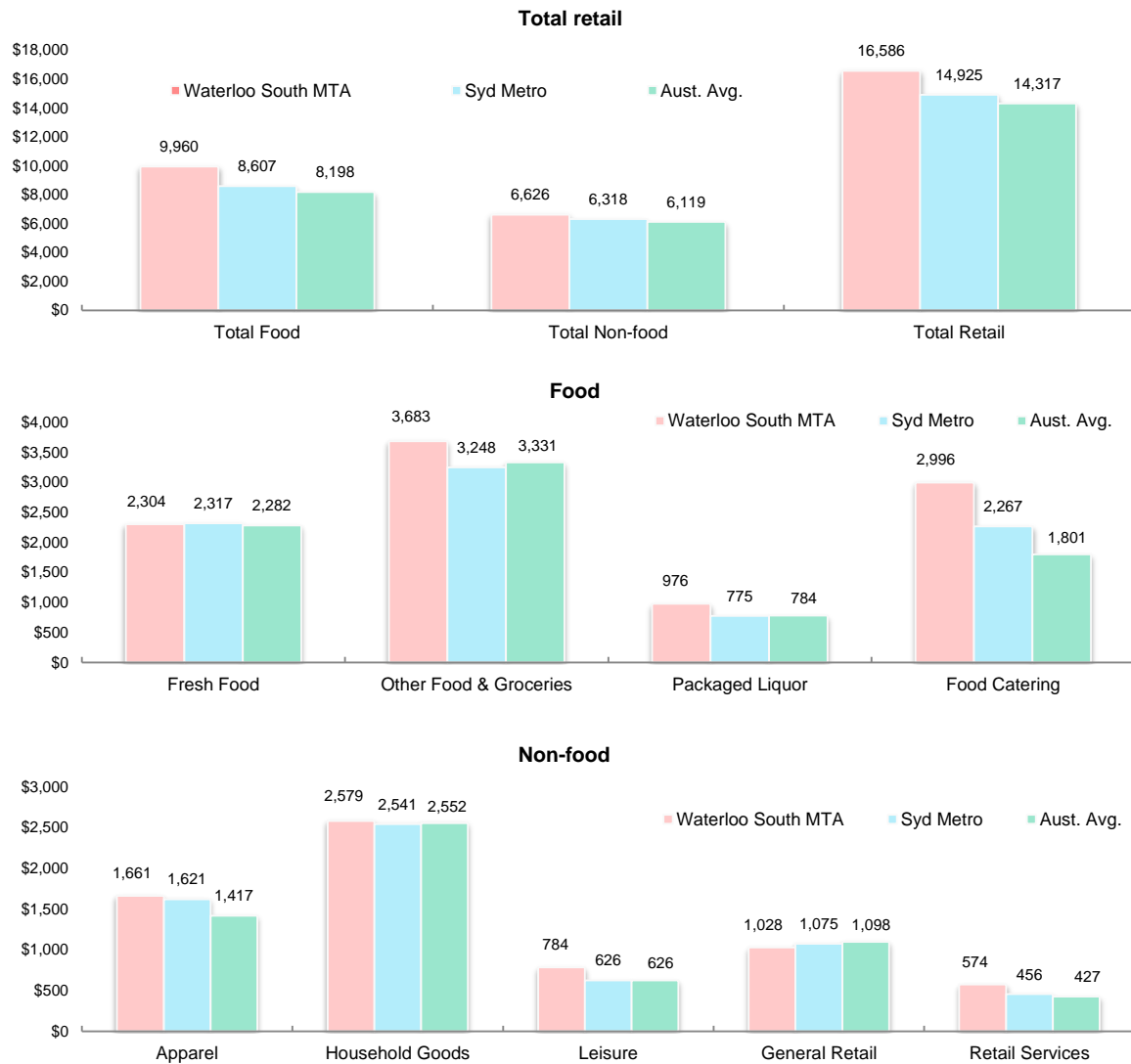
- **Take-home food and groceries** – goods typically sold in supermarkets and specialty fresh food stores.
- **Packaged liquor** – liquor purchased at bottle-shops to take home.
- **Food catering** – cafes, take-away outlets and restaurants.
- **Apparel** – clothing, footwear, fashion and accessories.
- **Household goods** – giftware, electrical, computers, furniture and homewares.
- **Leisure** – newsagents, sporting goods, music, games and books.
- **General retail** – pharmaceutical goods, cosmetics, toys, florists and mobile phones.
- **Retail services** – key cutting, shoe repairs, hair and beauty.

Chart 1.1 illustrates the per capita retail expenditure of the residential main trade area population in 2018/19 compared with the benchmarks for metropolitan Sydney and Australia. The level of retail expenditure per person for the Waterloo South main trade area population is estimated at \$16,613. All expenditure figures presented in this report are expressed inclusive of GST. We note the following:

- Estimated per capita retail expenditure across the main trade area is 11% above the average for metropolitan Sydney;
- Estimated per capita expenditure on food is around 16% above average across the main trade area, and around 5% above average for non-food;
- Estimated per capita expenditure on F&B/food catering is 32% above average, which is reflective of the high proportion of 20–39 year olds, and relatively affluent nature of the population broadly across the main trade area. We note that the social housing tenants represent only a fraction (10–15%) of the total population across the main trade area; and
- Per capita spending by trade area residents is above the metropolitan Sydney average for all retail categories with the exception of fresh food (-0.5%) and general retail (-4.2%). Spending is highest above average for food catering (32.5%) packaged liquor and retail services (both 26.2%) and leisure (25.6%).

Chart 1.1

Waterloo South main trade area - retail expenditure per person, 2018/19*



*Including GST
 Source: MarketInfo; macroplan

Table 1.3 details the estimated retail expenditure capacity of the residential main trade area population by sector, over the period 2019 to 2036. These estimates are presented inclusive of GST and in constant \$2018/19 (i.e. excluding inflation).

The retail expenditure across the main trade area is estimated at \$352 million as at June 2019 and is estimated to increase to \$679 million (\$2018/19) by 2036, at an average annual rate of 3.9 %, in real terms. This market growth is made up of the following components:

- Population growth of 3.3% per annum; and
- Real per capita spending growth of 0.6% per annum.

The retail expenditure capacity of the primary sector is estimated to grow from \$256 million at 2019 to \$544 million (\$2018/19) by 2036 at an average annual rate of 4.5%.

Table 1.3 Waterloo South main trade area - retail expenditure (\$M), 2019-2036*			
Year ending June	Primary sector	Secondary Sector	Main TA
2019	256	95	352
2020	267	98	365
2021	279	101	379
2022	293	104	397
2023	310	106	417
2024	328	109	437
2025	346	112	458
2026	364	115	479
2027	382	117	499
2028	399	119	518
2029	416	121	537
2030	434	123	557
2031	452	125	576
2032	470	127	596
2033	488	129	617
2034	506	131	637
2035	525	133	658
2036	544	135	679
<u>Average annual growth (\$M)</u>			
2019-2036	16.9	2.3	19.2
<u>Average annual growth (%)</u>			
2019-2036	4.5%	2.1%	3.9%

*Constant 2018/19 dollars & including GST
Source: MarketInfo; macroplan

Table 1.4 presents the estimate retail expenditure by retail category, across the main trade area for the period 2019 to 2036. Take-home food, groceries and packaged liquor (FLG) expenditure accounts for 42% of total retail expenditure in 2019, followed by food catering (18%) and household goods (16%).

Food, liquor and groceries (FLG) expenditure (take-home food and groceries including packaged liquor) which is of most relevance for supermarkets, is estimated to increase from \$148 million in 2019 to reach \$292 million in 2036 for the main trade area. Average annual growth is expected to be strongest for the food catering category at 4.3% with expenditure forecast to reach \$130 million by 2036.

Table 1.4								
Waterloo South main trade area - retail expenditure by category (\$M), 2019-2036*								
Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2019	148	64	35	55	17	22	12	352
2020	153	66	36	57	17	23	13	365
2021	160	69	38	59	18	23	13	379
2022	167	72	39	61	19	24	14	397
2023	176	76	41	64	19	26	14	417
2024	185	80	43	67	20	27	15	437
2025	194	84	45	70	21	28	16	458
2026	203	89	46	73	22	29	17	479
2027	212	93	48	76	23	30	17	499
2028	220	96	50	79	24	31	18	518
2029	229	100	51	81	25	33	18	537
2030	238	104	53	84	25	34	19	557
2031	246	108	54	87	26	35	20	576
2032	255	112	56	89	27	36	20	596
2033	264	117	58	92	28	37	21	617
2034	273	121	59	95	29	38	22	637
2035	283	125	61	98	30	39	22	658
2036	292	130	63	101	30	40	23	679
<u>Average annual growth (\$M)</u>								
2019-2036	8.5	3.9	1.6	2.7	0.8	1.1	0.6	19.2
<u>Average annual growth (%)</u>								
2019-2036	4.1%	4.3%	3.4%	3.6%	3.6%	3.7%	3.8%	3.9%
*Constant 2018/19 dollars & including GST								
Source: MarketInfo; macroplan								

1.4 Retail floorspace demand

This section of the report provides an analysis of the expected demand for retail floorspace generated by the catchment population. Modelling retail demand for a given area is imprecise and depends on a range of factors therefore, the floorspace demand analysis presented in this section should be viewed as indicative.

Table 1.5 details the estimated amount of retail floorspace demand generated by residents in the defined main trade area over the period 2019 to 2036. This retail floorspace demand would be served by existing and future retail facilities located throughout the surrounding region. We note that not all of this demand would be, or should be, retained within Waterloo South. Much of this demand will be directed to higher order regional and sub-regional retail facilities across the surrounding region, including but not limited to the Sydney CBD, Broadway Shopping Centre, major larger format precincts/centres such as the Supa Centa Moore Park, and near people's place of work.

The retail floorspace demand figures are calculated by applying an average retail turnover density (RTD) to the estimated available retail sales volumes by category. The RTD is simply the level of sales per sq.m which retailers in each category typically achieve. Adopted RTD levels are the highest for food, liquor & groceries (FLG) retailers including supermarkets at \$9,000 per sq.m and average around \$6,500 per sq.m.

Table 1.5 shows the main trade area population is estimated to generate some 55,020 sq.m of retail floorspace demand as at 2019, and this demand is expected to increase to 93,289 sq.m by 2036, which reflects the growth in the trade area population over the period. The retail floorspace demand of trade area residents will increase by around 38,000 sq.m (or approximately 2,200 sq.m per annum) over the forecast period to 2036 and is predominantly underpinned by development within the Waterloo Precinct. This increase could be served by existing or new retail facilities.

Table 1.6 outlines the indicative amount of retail floorspace estimated to be supportable by residents at Waterloo South over the forecast period. The role of the retail facilities at Waterloo South is to serve the food, grocery and convenience-oriented needs of the future residents of Waterloo South and other local residents in the study area. Retail facilities at Waterloo South therefore have the potential to retain a moderate proportion of the fresh food, take-home liquor and grocery (FLG) spending of local residents. Waterloo South could potentially retain some spend in the leisure, general retail and retail services categories. These retail categories typically contain convenience-oriented uses such as (but not limited to) discount variety stores, pharmacies, hairdressers, beauty salons, optometrists and dry cleaners, which solidify the offer of a supermarket. For the apparel and household goods retail categories, retail facilities at Waterloo South are unlikely to retain a material percentage of this expenditure. Typically, these uses are provided at higher order centres, with local residents likely utilising the Sydney CBD, Broadway Shopping Centre or major large format precincts/centres such as Moore Park and Alexandria.

Across the retail spectrum, the proportion of available expenditure retained from the main trade area is estimated to be in the order of 11%

Table 1.5

Waterloo South main trade area - estimated retail floorspace demand (sq.m), 2019-2036

Year ending June	FLG	Food catering	Total food	Apparel	H'hold goods	Leisure	General retail	Retail services	Total non-food	Total retail
2019	16,392	9,789	26,180	7,840	12,891	2,774	3,115	2,217	28,840	55,020
2020	16,919	10,127	27,050	8,046	13,257	2,850	3,204	2,284	29,640	56,690
2021	17,477	10,483	27,960	8,262	13,640	2,931	3,298	2,354	30,480	58,440
2022	18,171	10,916	29,090	8,534	14,118	3,032	3,415	2,442	31,540	60,630
2023	19,002	11,427	30,430	8,861	14,690	3,155	3,556	2,546	32,810	63,240
2024	19,834	11,942	31,780	9,186	15,259	3,276	3,696	2,650	34,070	65,850
2025	20,668	12,461	33,130	9,508	15,826	3,397	3,835	2,753	35,320	68,450
2026	21,503	12,984	34,490	9,828	16,391	3,517	3,974	2,857	36,570	71,060
2027	22,282	13,473	35,760	10,116	16,907	3,626	4,101	2,953	37,700	73,460
2028	23,003	13,930	36,930	10,374	17,374	3,725	4,217	3,041	38,730	75,660
2029	23,725	14,389	38,110	10,631	17,839	3,823	4,332	3,128	39,750	77,860
2030	24,449	14,852	39,300	10,884	18,303	3,921	4,447	3,216	40,770	80,070
2031	25,175	15,318	40,490	11,136	18,764	4,018	4,561	3,303	41,780	82,270
2032	25,901	15,788	41,690	11,386	19,223	4,114	4,674	3,391	42,790	84,480
2033	26,630	16,262	42,890	11,633	19,681	4,210	4,788	3,478	43,790	86,680
2034	27,359	16,738	44,098	11,878	20,137	4,305	4,900	3,566	44,786	88,883
2035	28,090	17,219	45,309	12,121	20,590	4,399	5,012	3,653	45,777	91,086
2036	28,823	17,703	46,526	12,362	21,042	4,493	5,124	3,741	46,763	93,289
RTD*	9,000	6,500	8,100	4,500	4,250	6,000	7,000	5,500	4,900	6,400

*Retail Turnover Density - Turnover (\$) per sq.m in 2019, growth assumed at 0.7% p.a
Source: MarketInfo; macroplan

Table 1.6
Waterloo South main trade area - indicative supportable floorspace by category (sq.m), 2019-2036

Year ending June	FLG	Food catering	Total food	Apparel	H'hold goods	Leisure	General retail	Retail services	Total non-food	Total retail
<u>% retail expenditure retained</u>										
Main TA	21.6%	12.4%	18.1%	0.0%	1.4%	8.4%	12.6%	20.6%	4.4%	11.0%
2019	4,045	1,387	5,430	0	207	266	447	522	1,440	6,870
2020	4,180	1,437	5,620	0	214	274	460	538	1,490	7,110
2021	4,326	1,491	5,820	0	221	282	475	556	1,530	7,350
2022	4,511	1,558	6,070	0	230	293	494	579	1,600	7,670
2023	4,736	1,639	6,370	0	242	306	516	607	1,670	8,040
2024	4,961	1,720	6,680	0	253	319	539	634	1,750	8,430
2025	5,186	1,802	6,990	0	265	332	561	662	1,820	8,810
2026	5,412	1,884	7,300	0	276	345	583	689	1,890	9,190
2027	5,624	1,963	7,590	0	287	357	604	715	1,960	9,550
2028	5,824	2,037	7,860	0	297	368	623	739	2,030	9,890
2029	6,024	2,111	8,140	0	307	379	643	763	2,090	10,230
2030	6,224	2,186	8,410	0	317	390	662	787	2,160	10,570
2031	6,425	2,262	8,690	0	327	401	681	811	2,220	10,910
2032	6,626	2,338	8,960	0	337	412	700	835	2,280	11,240
2033	6,828	2,415	9,240	0	347	422	718	859	2,350	11,590
2034	7,030	2,493	9,523	0	356	433	737	883	2,409	11,932
2035	7,232	2,571	9,803	0	366	443	756	907	2,472	12,275
2036	7,435	2,649	10,085	0	376	454	774	931	2,535	12,619

Source: MarketInfo; macroplan

1.5 Workers and other customer segments

This section of the report examines the potential worker trade area that could be served by retail and ancillary non-retail facilities at Waterloo South, then examines the size and growth of the population of this trade area; its socio-demographic profile; and the size and growth of retail expenditure and floorspace demand generated by this worker population. This section also considers other customer segments of relevance (e.g. students, commuters, and beyond trade area visitors).

1.5.1 Worker customer segment

Worker population

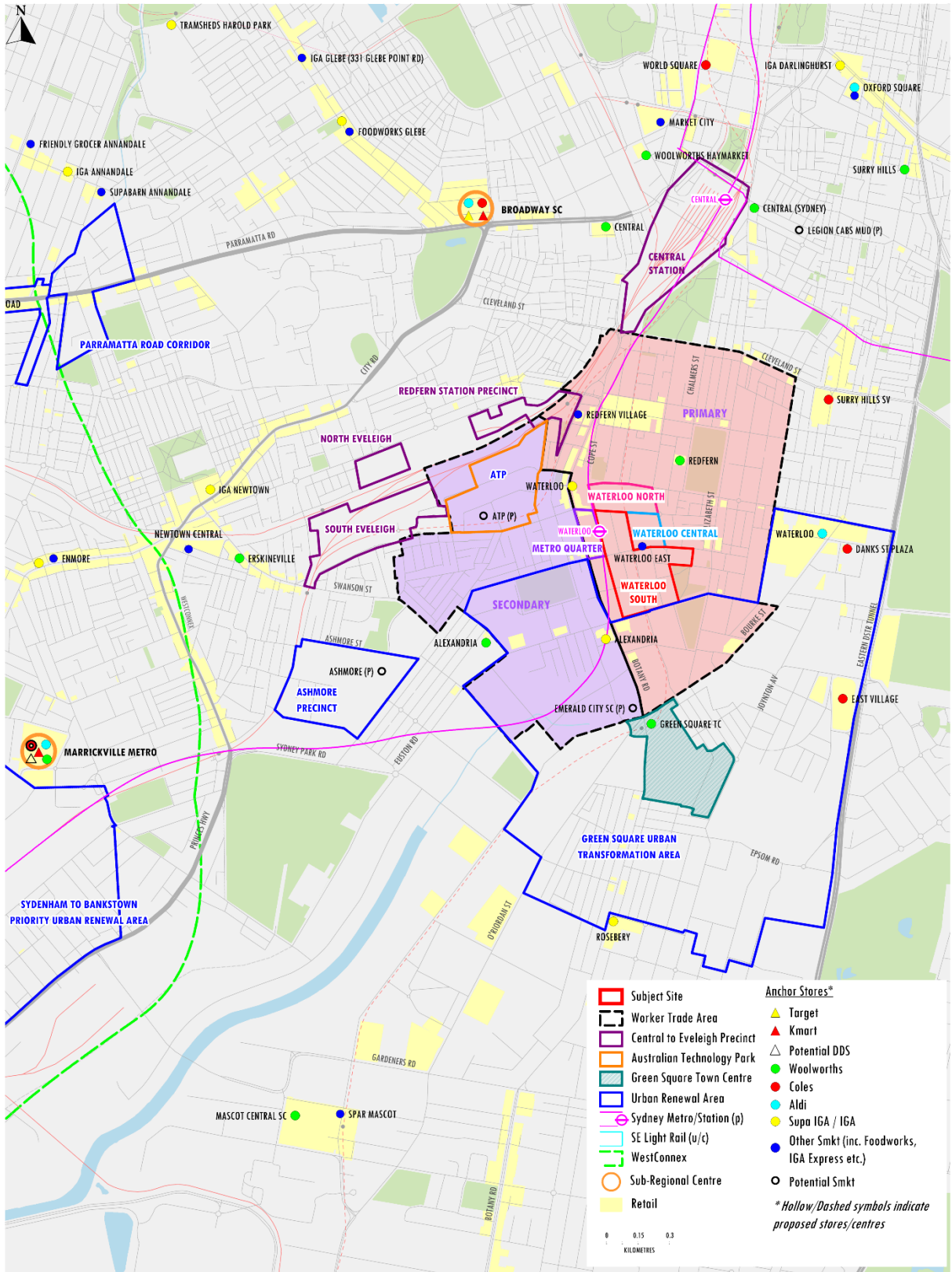
The worker trade area has been generally defined taking into account the area that would represent a comfortable walking distance to Waterloo South. This area is similar to the residential trade area and includes the ATP. The worker trade area that could potentially be served by retail facilities at the subject site consists of a primary sector and one secondary sector and is illustrated on Map 1.2

Table 1.7 details the estimated current and future population within the worker trade area over the period 2019 to 2036. The worker trade area population is estimated at 17,970 workers at mid-2019, including around 9,510 workers in the primary sector and some 8,430 workers in the secondary sector. The ATP contains around 50-55% of the secondary sector workforce at present.

The worker population is expected to nearly double by 2036 driven by major new office development in the ATP, while growth in the primary sector is expected to be more moderate, which includes new commercial/employment floorspace within the Waterloo precinct itself.

We also note the following:

- Mirvac has secured the development rights to a major land parcel within the Australian Technology Park (ATP) and proposes to develop three new commercial and mixed-use buildings and repurpose the heritage listed locomotive workshop. Commonwealth Bank Australia (CBA) has committed to two major office towers, which will comprise around 93,000 sq.m of floorspace. Upon completion in 2020, the new precinct will accommodate approximately 18,000 workers, with the three CBA buildings bringing 10,000 new workers to the site. The activated retail and public spaces will include a mix of al fresco cafes, dining, a gym, pop-up events and a supermarket, creating a village hub. The precinct will provide more than 700 car spaces and 600+ secure bicycle spots across the three buildings.
- Some additional retail and employment uses could be accommodated within the Redfern Station precinct as part of the 'Central to Eveleigh Urban Transformation and Transport Program' (CEUTTP or C2E) over the medium to long term, although we do not expect anything of significant scale.
- The Waterloo precinct could potentially support new workers in the retail and ancillary non-retail facilities that could potentially establish within the precinct over time. Including home based workers, the Waterloo precinct could potentially support between 750 and 1,000 workers.



**Map 1.2: Waterloo South
Worker trade area and competition**

Having regard to the above, as well as projections by NSW Transport Performance and Analytics (TPA) and forecast.id, the worker population within the main trade area is estimated to reach over 33,000 by 2036. The primary sector worker population is projected to increase by 48% to around 14,000 and the secondary sector worker population is projected to increase by 128% to around 19,000 over the forecast period to 2036.

The worker population generally earns a higher average income than other areas across metropolitan Sydney, being around 8% above average. In the secondary sector, average incomes are around 14% above average.

Around 31% of workers catch the train to work (well above the Sydney average of 16%) with the proportion of those travelling by car (42%) about 14% below the Sydney average.

Table 1.7 Waterloo South worker trade area population, 2011-2036*							
Trade area	Estimated population		Forecast population				
	2011	2016	2019	2021	2026	2031	2036
Primary	8,030	9,030	9,510	9,810	11,560	13,310	14,060
Secondary	4,330	6,930	8,430	12,430	17,430	18,430	19,180
Worker trade area	12,360	15,960	17,940	22,240	28,990	31,740	33,240
Trade area	Average annual growth (no.)						
	2011-16	2016-19	2019-21	2021-26	2026-31	2031-36	
Primary		200	160	150	350	350	150
Secondary		520	500	2,000	1,000	200	150
Worker trade area		720	660	2,150	1,350	550	300
Trade area	Average annual growth (%)						
	2011-16	2016-19	2019-21	2021-26	2026-31	2031-36	
Primary		2.4%	1.7%	1.6%	3.3%	2.9%	1.1%
Secondary		9.9%	6.7%	21.4%	7.0%	1.1%	0.8%
Worker trade area		5.2%	4.0%	11.3%	5.4%	1.8%	0.9%

*As at June

Source: ABS Census 2016; NSW TPA; macroplan

Retail expenditure

Table 1.8 presents the estimates of the potential retail expenditure generated by the worker trade area population over the period 2019 to 2036. The expenditure estimates are based on the retail expenditure profile of the residential area from which many workers are drawn.

The share of one's total annual retail expenditure directed to retail facilities at or near one's place of work generally ranges between 20% and 25%, depending on location and the size/range of retail facilities available. In CBD environments with solid retail offers like the Sydney CBD or Parramatta CBD for example, the rate tends to be at the upper end of this range, while in suburban industrial estates, this share is likely to be lower.

Given the surrounding workforce composition, and the existing and possible retail provision across Waterloo South, a rate of around 24% has been applied to the total annual retail expenditure generated by workers across the trade area, to estimate the 'available' worker retail expenditure market at or near one's place of work. We estimate this market to be around \$64 million at 2019. This indicative market is projected to grow to around \$178 million (\$2019) at 2036, equivalent to growth of around 6.2% per annum (in real terms).

It is noted there would be some overlap in the worker trade area and the defined residential customer segments identified earlier (i.e. these groups are not mutually exclusive) although, because the surrounding worker population is drawn from a widely dispersed area, and the residential trade area is tightly defined, this proportion would be relatively small.

Table 1.8 Waterloo South worker trade area - retail expenditure by category (\$M), 2019-2036*								
Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
Share of expenditure near workplace	25%	35%	10%	10%	25%	35%	35%	24%
2019	28	16	3	5	3	7	3	64
2020	31	17	3	5	3	7	3	71
2021	36	20	4	6	4	8	4	81
2022	40	22	4	6	4	9	4	90
2023	43	24	4	7	4	10	5	97
2024	46	26	5	7	5	11	5	105
2025	50	28	5	8	5	11	5	113
2026	53	30	5	8	5	12	6	121
2027	57	32	6	9	6	13	6	128
2028	59	34	6	9	6	13	6	133
2029	61	35	6	10	6	14	7	139
2030	64	37	6	10	6	14	7	145
2031	67	38	7	10	7	15	7	151
2032	69	40	7	11	7	16	8	156
2033	71	41	7	11	7	16	8	161
2034	74	43	7	11	7	16	8	167
2035	76	44	7	12	8	17	8	172
2036	79	46	8	12	8	17	9	178
<u>Average annual growth (\$M)</u>								
2019-2036	3.0	1.8	0.3	0.4	0.3	0.6	0.3	6.7
<u>Average annual growth (%)</u>								
2019-2036	6.2%	6.5%	5.7%	5.9%	5.8%	5.9%	6.1%	6.2%

*Inflated dollars & including GST
Source: MarketInfo; macroplan

Estimated retail floorspace demand

The following analysis applies a similar methodology as outlined earlier in this report when translating the estimated retail expenditure into estimates of retail floorspace demand, for the worker trade area population. Table 1.9 presents estimates for the period 2019 to 2036 for all retail types, noting that for workers the key categories of relevance tend to be convenience (i.e. groceries, services etc.) and food catering.

Based on this methodology, the following table shows that the worker population currently generates demand for 9,310 sq.m of retail floorspace at or near their place of work. This demand is projected to close to double by 2036 and reach 17,658 sq.m, an increase of around 8,348 sq.m.

Year ending June	FLG	Food catering	Total food	Apparel	H'hold goods	Leisure	General retail	Retail services	Total non-food	Total retail
2019	3,150	2,414	5,560	662	1,071	497	944	572	3,750	9,310
2020	3,405	2,617	6,020	712	1,154	535	1,018	617	4,040	10,060
2021	3,793	2,924	6,720	789	1,282	594	1,131	687	4,480	11,200
2022	4,111	3,179	7,290	851	1,385	641	1,222	744	4,840	12,130
2023	4,358	3,379	7,740	898	1,464	676	1,291	788	5,120	12,860
2024	4,605	3,582	8,190	944	1,543	712	1,360	832	5,390	13,580
2025	4,852	3,785	8,640	990	1,621	747	1,429	876	5,660	14,300
2026	5,100	3,991	9,090	1,035	1,698	782	1,498	919	5,930	15,020
2027	5,276	4,141	9,420	1,066	1,752	806	1,545	950	6,120	15,540
2028	5,381	4,236	9,620	1,081	1,781	819	1,571	968	6,220	15,840
2029	5,486	4,331	9,820	1,097	1,810	832	1,596	986	6,320	16,140
2030	5,590	4,427	10,020	1,112	1,840	844	1,622	1,004	6,420	16,440
2031	5,696	4,523	10,220	1,128	1,869	857	1,648	1,022	6,520	16,740
2032	5,778	4,603	10,380	1,138	1,890	865	1,667	1,036	6,600	16,980
2033	5,838	4,664	10,500	1,145	1,904	871	1,679	1,045	6,640	17,140
2034	5,899	4,727	10,625	1,151	1,918	877	1,691	1,055	6,691	17,317
2035	5,959	4,789	10,748	1,157	1,932	882	1,703	1,065	6,739	17,487
2036	6,020	4,852	10,872	1,163	1,946	887	1,716	1,074	6,786	17,658
RTD*	9,000	6,500	7,900	4,500	4,250	6,000	7,000	5,500	5,400	6,900

**Retail Turnover Density - Turnover (\$) per sq.m in 2019, growth assumed at 0.7% p.a
Source: MarketInfo; MacroPlan*

Table 1.10 shows the indicative supportable floorspace for both the resident and worker trade area populations combined. Our analysis indicates that at mid-2024 an estimated 11,220 sq.m of retail floorspace is supportable at Waterloo South (the proposed retail provision across Waterloo South is 11,200 sq.m).

Table 1.10

Waterloo South resident and worker trade area - indicative supportable floorspace by category (sq.m), 2019-2031

Year ending June	FLG	Food catering	Total food	Apparel	H'hold goods	Leisure	General retail	Retail services	Total non-food	Total retail
<u>% retail expenditure retained</u>										
Primary	25.0%	15.0%	21.4%	0.0%	2.0%	10.0%	15.0%	25.0%	5.5%	13.3%
Secondary	<u>10.0%</u>	<u>6.0%</u>	8.3%	<u>0.0%</u>	<u>0.0%</u>	<u>4.0%</u>	<u>6.0%</u>	<u>10.0%</u>	1.8%	4.7%
Main TA	21.6%	12.4%	18.1%	0.0%	1.4%	8.4%	12.6%	20.6%	4.4%	11.0%
2019	5,430	2,183	7,610	0	207	375	759	710	2,050	9,660
2020	5,566	2,234	7,800	0	214	383	772	727	2,100	9,900
2021	5,712	2,288	8,000	0	221	392	787	745	2,140	10,140
2022	5,897	2,355	8,250	0	230	402	805	768	2,210	10,460
2023	6,122	2,435	8,560	0	242	416	828	795	2,280	10,840
2024	6,347	2,517	8,860	0	253	429	850	823	2,360	11,220
2025	6,572	2,598	9,170	0	265	442	873	850	2,430	11,600
2026	6,797	2,681	9,480	0	276	454	895	878	2,500	11,980
2027	7,010	2,759	9,770	0	287	466	916	904	2,570	12,340
2028	7,210	2,833	10,040	0	297	477	935	928	2,640	12,680
2029	7,410	2,908	10,320	0	307	488	954	952	2,700	13,020
2030	7,610	2,983	10,590	0	317	499	973	975	2,770	13,360
2031	7,811	3,059	10,870	0	327	510	992	999	2,830	13,700
2032	8,012	3,135	11,150	0	337	521	1,011	1,023	2,890	14,040
2033	8,214	3,212	11,430	0	347	532	1,030	1,047	2,960	14,390
2034	8,416	3,289	11,705	0	356	542	1,049	1,071	3,019	14,724
2035	8,618	3,367	11,986	0	366	553	1,068	1,095	3,082	15,067
2036	8,821	3,446	12,267	0	376	563	1,086	1,119	3,145	15,412

Source: MarketInfo; macroplan

1.5.2 Other customer segments

In addition to the residential population within the defined residential main trade area and the workers within the defined worker trade area, a proportion of business for any retail and ancillary non-retail tenants at the subject precinct will be generated from beyond these customer segments.

The Waterloo Metro Station will be closer to parts of the ATP than the current Redfern Station and a solid proportion of workers within the ATP (which is within the defined worker trade area) and indeed other trade area workers may utilise Waterloo Metro station on a frequent basis. It is expected along with people from the worker and resident trade areas, Waterloo Metro Station will likely be utilised by other commuters that fall outside these defined areas.

In addition, a quality/attractive offer, with distinguishing features is likely to attract patronage from beyond the immediate residential and worker customer segments. Some of the retail strips around Redfern and Alexandria are popular with local students and indeed residents from the broader local area (i.e. Alexandria, Surry Hills, Newtown and Mascot) as well as broader metropolitan Sydney residents.

Furthermore, there might be tourists who visit the precinct, although this demand would be relatively small in comparison with the consistent and growing demand from the key residential and worker trade area populations.

1.6 Competition analysis

This section of the report examines the surrounding retail and ancillary non-retail competitive environment of relevance to Waterloo South, including proposed/planned facilities.

1.6.1 Retail centres/precincts

Existing centres/precincts

Table 1.9 summarises the surrounding retail competition of relevance to potential retail development at Waterloo South and Map 1.3 illustrates these centres spatially. The following points are noted in relation to the surrounding competitive retail offer:

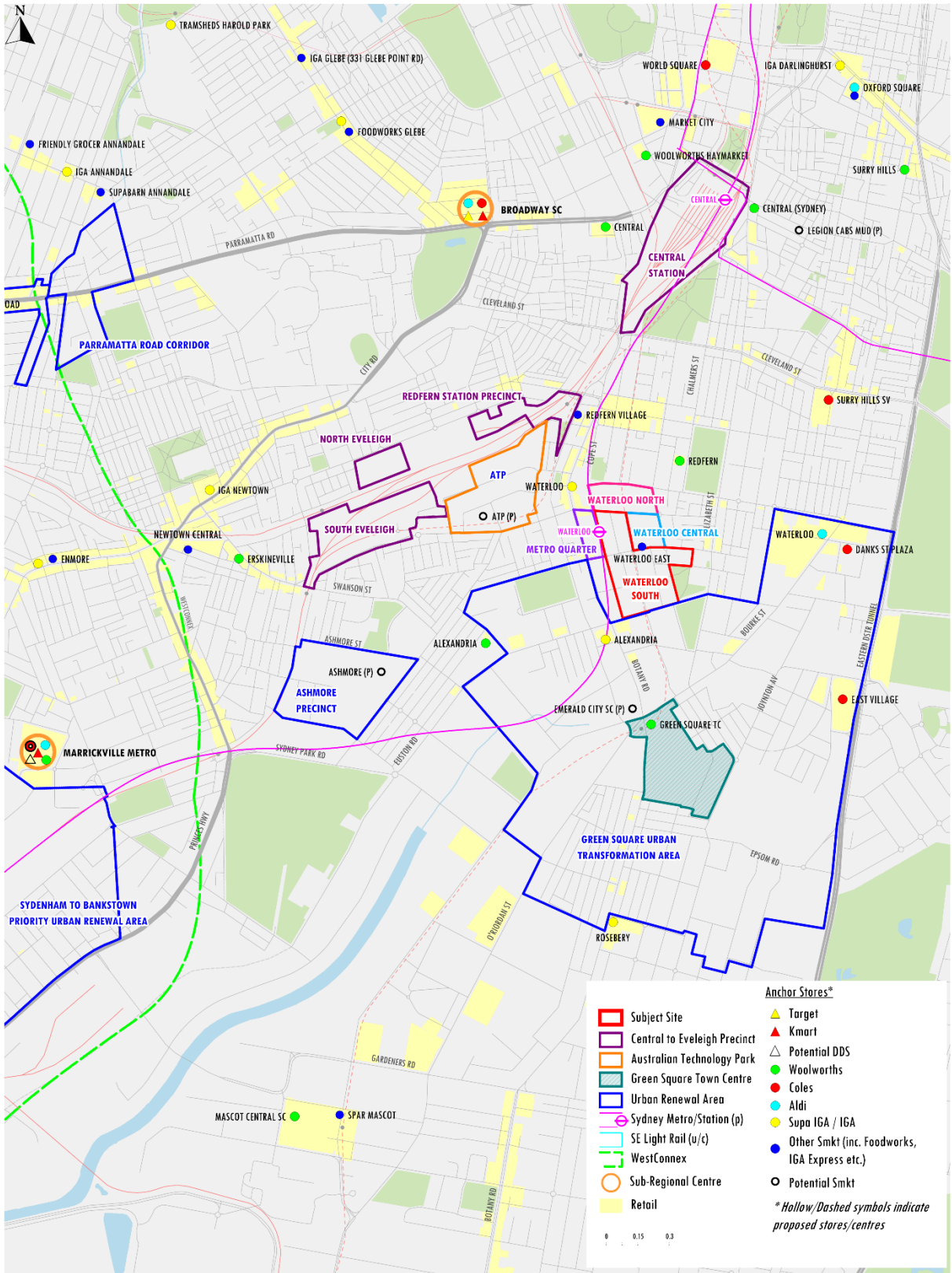
- Higher order retail facilities/centres are located at Broadway Shopping Centre, Sydney CBD (including Westfield Sydney), Westfield Bondi Junction, Westfield Eastgardens and Marrickville Metro.
- There are two solid homemaker/large format retail precincts/centres nearby including Supa Centa Moore Park (to the east of the Waterloo precinct), Alexandria Homemaker Centre and the cluster around Bourke Road/O'Riordan Street in Alexandria to the south.
- Green Square Town Centre is the principal retail and commercial activity centre in the broader Green Square urban renewal project. The precinct will ultimately accommodate around 14,000 sq.m of retail floorspace. A Woolworths supermarket of approximately 2,000 sq.m and a BWS store (100 sq.m) on Ebsworth Street were opened as part of stage 1. The retail component of the residential development Infinity by Crown was opened in mid-2019 and comprises 2,369 sq.m. Tenants include Miracle Supermarket (334 sq.m), McDonalds (269 sq.m) and Butcher and the Farmer. The balance of the retail will be distributed on the ground floor of the remaining residential towers to be constructed.

- The Redfern precinct includes the area around Redfern Street and Regent Street east of Redfern Railway Station, which contains an estimated 20,000 sq.m of retail floorspace. The Redfern Street part of this precinct is a vibrant destination with a mix of bars, take away food shops, restaurants, cafes, retail services, other convenience retail as well as some medical/health facilities, community uses, government services and commercial businesses. There is a small SPAR supermarket forming part of a retail asset near Club Redfern and the NSW Police station, and there is a 2,200 sq.m Woolworths supermarket at the eastern end of the precinct on Chalmers Street near the Salvation Army building.
- There is a small retail offer in Redfern/Darlington west of the Redfern train station that includes a small provision of cafes, take-away shops, restaurants and pubs.
- The Waterloo precinct along Botany Road (north of McEvoy Street) and the northern side of McEvoy Street contains an estimated 4,000 sq.m of retail floorspace, including the small IGA X-Press on Wellington Street within the Waterloo Estate and the small IGA supermarket on Botany Road near Chapel Lane. The retail offer is relatively run-down and of low quality, and contains several vacancies. We expect this retail offer will gradually improve/evolve over the medium to longer term, as this area develops.
- The Alexandria precinct includes the retail strip south of the subject precinct along Botany Road; the southern side of McEvoy Street including the small IGA supermarket; and Fountain Street which contains a Woolworths supermarket (2,317 sq.m) adjacent to the Dan Murphy's liquor store as well as the 21 Fountain Street retail and commercial asset which contains a Campos Coffee Shop, Bread & Circus, Salt Meats Cheese, a medical centre and a range of other retail and non-retail businesses.
- ATP currently contains a limited retail offer consisting of just a few cafes and temporary food stalls/catering for events held in the old locomotive sheds. Most of the retail demand generated by workers within this precinct would currently be met by retail facilities off-site. This will change over time as the Mirvac CBA project is completed, which will contain convenience and F&B retail on the ground level.
- Elizabeth Street (Redfern/Surry Hills) contains an estimated 4,000 sq.m of retail floorspace generally consisting of cafes, restaurants, small convenience shops, as well as pubs and some retail services. There is also around an estimated commensurate amount of commercial/non-retail floorspace in this precinct.
- Crown Street/Baptist Street (Surry Hills) contains an estimated 20,000 – 25,000 sq.m of retail floorspace as well as a mix of community and commercial/non-retail floorspace, generally distributed between Foveaux Street and Surry Hills Shopping Centre. The Surry Hills Shopping Centre is anchored by a Coles supermarket of 3,100 sq.m and is a popular convenience shopping centre, with around 5,000 sq.m of retail GLA. The centre will be refurbished as part of a mixed-use development (Surry Hills Village) which received planning approval in late 2019.
- Cleveland Street (Redfern) contains a mix of cafes, restaurants, pubs, general retail and service station facilities which are generally allocated to the estimates within the Elizabeth Street precinct or Crown Street/Baptist Street precinct.
- The Danks Street, Waterloo precinct contains an estimated 9,500 sq.m of retail floorspace including the 4,000 sq.m Danks Street Plaza shopping centre, which contains a 2,500 sq.m Coles supermarket and around 10 – 12 specialty shops served by 100 basement car-parks. This precinct also includes an Aldi supermarket and

street/strip retailing along Danks Street and Bourke Street. There is also surrounding medical, community and commercial businesses/services.

- The Zetland precinct is dominated by the highly successful East Village shopping centre, which is integrated with surrounding residential units above. The centre contains a 3,800 sq.m Coles supermarket, and around 50 mini-major and specialty retail shops totalling around 10,000 sq.m. The centre contains more than 30,000 sq.m of total retail and commercial floorspace, including a large Audi showroom, a large Virgin Active gym, medical facilities and commercial office space. There is also some street/strip retail at the base of other buildings in Zetland, although this is of small scale.
- The Erskineville/St Peters precinct, which includes the retail and commercial uses around Erskineville Road, Swanson Street and the Princes Highway south of King Street, generally consisting of cafes, restaurants, bars/pubs, general retail and a small 950 sq.m Woolworths supermarket, totalling around 10,000 - 15,000 sq.m.
- The Central Park Mall is a multi-level shopping centre with around 8,500 sq.m of occupied retail floorspace, including a 2,000 sq.m Woolworths supermarket and a specialty mix heavily oriented towards food catering, as well as a new Palace Central cinema, with 10 screens and 3 platinum cinemas. There is also a solid street based retail offer along Kensington Street, with a focus on restaurants/dining.
- King Street, Newtown is one of Sydney's largest strip retail precincts with more than 300 retail tenants distributed between Carillon Avenue and Newtown Station totalling around 30,000 sq.m. King Street is an iconic retail/entertainment destination containing an eclectic retail/commercial mix and serving multiple customer segments including residents, students, workers, visitors and broader metropolitan Sydney residents, however the precinct only contains small supermarkets.

Table 1.11 outlines estimates of traditional retail floorspace across key precincts of relevance (i.e. typically those with some type of supermarket anchor) as at 2019 including those precincts beyond the defined main trade area. Traditional retail is defined to include supermarkets, small specialty shops/strip precincts, and typical shopping centres (i.e. excluding large format retailing like Supa Centa Moore Park, or stand-alone hardware stores like Bunnings, or the likes of Harvey Norman etc).



**Map 1.3: Waterloo South
Competitive environment**

Table 1.11
Waterloo South - schedule of major retail facilities

Centre	Retail GLA (sq.m)	Major traders	Dist. by road from Waterloo South (km)
Within trade area			
<u>Waterloo</u>	<u>4,000</u>		
• Waterloo precinct	500	IGA X-Press	
• Botany Road	2,500	IGA	
• Other	1,000	McEvoy St	
<u>Redfern</u>	<u>20,000</u>		0.6
• Woolworths Redfern	2,200	Woolworths	
• Redfern Village	1,500	SPAR	
• Other	16,300	Strip retail along Regent, Redfern and Abercrombie Sts	
<u>Alexandria</u>	<u>12,500</u>		0.7
• IGA	1,500	IGA	
• Other	7,500	Strip along McEvoy and Fountain Sts, Botany Rd	
• Fountain St (beyond TA)	3,500	Woolworths, Dan Murphy's	
Beyond trade area			
Redfern	1,000	Strip retail along Cleveland St	1.1
<u>Waterloo</u>	<u>9,500</u>		1.2
• Aldi Waterloo	2,500	Aldi	
• Danks St Plaza	4,000	Coles	
• Other	3,000	Includes strip retail around Danks and Bourke Sts	
<u>Green Square</u>	<u>4,500</u>		1.2
• Green Square Town Centre	2,100	Woolworths, BWS	
• Infinity by Crown	2,400		
<u>Erskineville/St Peters</u>	<u>12,500</u>		1.5
• Woolworths	950	Woolworths	
• Other	11,550	Strip retail along Erskineville Rd and King St	
<u>Chippendale</u>	<u>16,000</u>		1.5
• Central Park Mall	12,000	Woolworths	
• Other	4,000	Includes strip retail around Broadway, Kensington St	
<u>Surry Hills</u>	<u>26,500</u>		1.8
• Surry Hills Shopping Centre	5,000	Coles	
• Crown Street	17,500	About Life	
• Elizabeth Street	4,000	Strip retail along Elizabeth St	
Sydney Park	2,000	Strip retail along Mitchell Rd	1.9
Rosebery	3,500	IGA, The Cannery	2.1
<u>Zetland</u>	<u>11,500</u>		2.2
• East Village Shopping Centre	10,000	Coles	
• Other	1,500	Inlcudes strip retail around Joynton Park	
Broadway Shopping Centre	40,000	Coles, Aldi, Kmart, Target	2.4
Newtown	30,000	IGA, Foodworks, strip retail along King St	2.6
Sydney CBD	550,000	Westfield Sydney, Pitt St Mall, QVB, World Square, Galleries	3.0
Marrickville Metro	20,700	Woolworths, Aldi, Kmart	3.7

Source: Property Council of Australia; Cordell; macroplan
Excludes large format retail and outlet retail

Proposed/planned retail developments

The Zetland/Waterloo/Green Square area is undergoing massive transformation, which has seen several new retail facilities open including the likes of East Village, Woolworths at Fountain Street, and more recently, the first stage of the Green Square Town Centre. New retail facilities are expected to be developed over the next five to ten years to match the rapid population growth. Additional approved/planned retail facilities across the surrounding region include:

- The 'Central to Eveleigh Urban Transformation and Transport Program' (CEUTTP), which includes Waterloo South, is a major urban renewal project expected to support significant residential, commercial and retail development stretching from Central Station to West Eveleigh. The timing and scale of development within this corridor is generally uncertain, with some precincts having previously obtained preliminary concept approval for retail facilities – although many years ago.
- Concept approval has previously been granted for a large supermarket and convenience retail facilities in the Redfern Station precinct north of the railway line (around Wilson Street). However, as this area develops, in the context of other retail developments and given the site's constraints, it may be that this area supports only small scale retail, with a focus on high density residential development.
- The Mirvac development in South Eveleigh (formerly known as Australian Technology Park). The redevelopment of South Eveleigh precinct commenced in January 2016, and will include the delivery of three new buildings for commercial, retail, and community purposes, as well as landscaping and public domain improvements to ensure that South Eveleigh connects to the wider precinct and local community. It is understood that a total of around 5,000 sq.m of retail/ancillary floorspace will be delivered, including a small supermarket, F&B/food catering, a child care centre and gym.
- The Green Square Town Centre has approval for up to 15,623 sq.m of retail GFA, which will be developed in stages over the medium term. The first four stages (to be developed over the next 4 years) are expected to consist of 8,000 – 8,500 sq.m of retail floorspace as well as a 2,500 sq.m 6-screen cinema complex.
- Other community facilities will be provided within the Green Square Town Centre over time. The \$18 million community and cultural precinct opened in 2018 and includes a creative centre, a community shed, child care centre and a park. Additional community uses such as a leisure centre, library etc are expected to be provided, over time.
- Green Square Urban Renewal Area: there is already some existing ground level retail (generally food related) at the base of several of the residential towers in the surrounding area. There will be additional retail of this form provided at several future developments over the short, medium and long term. Most of these individual developments are not expected to provide a retail offer of significance.
- Meriton are undertaking a mixed-use development at 811 Elizabeth Street, Zetland that is understood to comprise the construction of three buildings with retail and residential uses. The development will include a retail/child care component of approximately 1,143 sq.m of GFA.
- To the north-east, the redevelopment of the Surry Hills Shopping Village will commence in 2020. The mixed-use development will comprise approximately 154 residential apartments and townhouses, redevelopment of the existing shopping centre, commercial office space, parks, a new public library and a retail laneway. The

proposed retail component will consist of a 4,200 sq.m supermarket and 3,625 sq.m of other specialty and mini-major floorspace, over two levels.

- The Ashmore precinct is a major mixed-use development in Erskineville, which has concept approval for 2,000+ dwellings. It is likely that a development of this size will include significant retail amenity, potentially including a full-line supermarket, cafes and restaurants, and convenience-oriented specialty retailers. It is assumed that such facilities will be developed over the next five years. It is understood that a development application was submitted proposing a large supermarket and supporting retail/commercial floorspace (of around 7,000 sq.m) as part of a broader residential estate.
- Further to the west, Marrickville Metro has commenced construction on a significant expansion of approximately 11,000 sq.m, which will take the centre size to around 33,000 sq.m when complete in late 2020. The expanded centre will include 44 additional retailers including Coles as well as a fresh food precinct. A new dining area will feature cafes and restaurants. Existing retail, which includes anchor tenants Woolworths, Aldi, Kmart and 109 specialty stores, as well as food-and-beverage amenities will also be revamped. The redevelopment will add 455 car parking spaces to centre's existing 1,018.

1.6.2 Other employment nodes/precincts

Some of the other major employment precincts in the surrounding region are shown in Figure A1 (in Appendix A of this report). The more relevant/proximate precincts include:

- The ATP, which currently contains around 3,000 – 3,500 workers including Channel 7; a range of businesses in technology and creative industries; and a start-up/business incubator hub.
- Mirvac is developing two commercial office towers of 93,000 sq.m that will accommodate CBA, which is due to be completed late 2020. This development will include community facilities such as a child care, gym and small-scale convenience retail and F&B tenants. Furthermore, Mirvac has acquired the old Locomotive Sheds in the north of the ATP, abutting the train line and will redevelop/retrofit this for employment generating uses. Upon completion the ATP could support approximately 18,000 workers.
- The Alexandria industrial precinct is one of the largest clusters of large format/bulky goods retail in metropolitan Sydney and one of the biggest industrial precincts in the inner-middle rings, arguably forming part of the larger economic corridor that connects to Port Botany and Sydney Airport/Mascot. This precinct (defined as the area from McEvoy Street to Gardeners Road east of Botany Road) contains major tenants such as Bunnings, Harvey Norman; major mixed tenant assets like the Sydney Corporate Park; some corporate headquarters; and general manufacturing/warehousing facilities. Overall this precinct supports a workforce in excess of 20,000 workers.
- The Mascot/Airport precinct supports a range of transport related businesses and the Sydney Airport and contains more than 40,000 workers, while further to the south-east, the Port of Botany/Banksmeadow precinct contains more than 20,000 workers.
- To the east is the Entertainment Quarter/Sydney Cricket Ground precinct, which contains two major sporting stadiums and other sporting infrastructure, is a major activity generator and attracts significant event day crowds including sporting event, concerts etc. The retail offer is relatively small and focussed F&B and non-food fashion/homewares type retailing and there is a Hoyts Cinema Complex and Strike Bowling facility within the precinct. In addition to this there is a niche commercial precinct supporting industries in media, sports etc.

Overall, there are around 3,000 workers in this precinct. An unsolicited proposal (concept masterplan) was submitted in late 2019 for the 11 hectare Entertainment Quarter site, proposing a cultural and commercial hub within the precinct. The concept includes a new food and dining precinct, new parks and public spaces and improved pedestrian access from the adjacent parklands, commercial and residential areas, and eastern suburbs light rail line.

- The small industrial node around Danks Street, including the retail/commercial offer supports a workforce of around 2,000 workers; while the Redfern commercial/retail precinct around Redfern Street contains more than 5,000 workers.
- The University of Sydney is the closest major university and is only a short distance from Redfern Station, which is less than 1 km from the north-west corner of the Waterloo Estate. The University of Sydney has more than 50,000 enrolled students and supports more than 6,000 staff. The adjacent Royal Prince Alfred Hospital supports almost 7,000 workers.
- To the north, the Sydney CBD (and its fringes) is the dominant employment/commercial precinct in metropolitan Sydney and indeed Australia, with more than 5 million sq.m of commercial and retail floorspace. The CBD is the heart of the financial, legal, technology and property services sector in Australia and contains the largest/most prestigious retail offers in Australia, including Pitt Street Mall, which has some of the world's highest retail rents.

1.6.3 Waterloo Metro Quarter

The Waterloo Metro Quarter adjoins Waterloo South and includes the station and over station development and was rezoned in 2019, is was the subject of a separate study. In summary:

- The Metro Quarter comprises land to the west of Cope Street, east of Botany Road, south of Raglan Street and north of Wellington Street. It has an approximate gross site area of 1.91ha and a developable area of 1.28ha. Formerly privately owned, all land in the Metro Quarter was purchased by Sydney Metro to facilitate construction of the Waterloo Metro Station.
- In late 2019 a consortium comprising Mirvac Group and John Holland were selected to deliver Sydney Metro's integrated station development at Waterloo in collaboration with the NSW Government. With an anticipated end value of \$800 million, it is expected that all components of the project will be completed over the next five to six years. John Holland will deliver the Waterloo Metro Station and the consortium will deliver the integrated station development component. The Waterloo concept comprises five building envelopes including three towers and two mid-rise buildings above and adjacent to the station.
- Under the plan, which will include residential, office and retail space, at least 5% of homes will be affordable housing and 70 apartments will be set aside for social housing. There will be new community facilities, more trees planted and two new public plazas at Cope Street and Raglan Street. The consortium will work closely with local community groups to create a placemaking strategy which supports local community involvement and investment in the future outcomes of the development. Mirvac will seek a capital partner for a 50/50 end ownership of the office and retail components, and Mirvac will act as property manager for the office and retail components.

- Previous work undertaken by macroplan on the Waterloo Metro Quarter recommended over 8,000 sq.m of retail and non-retail GLA plus provision for new office (co-working) space and community facilities. A total provision of 12,000 sq.m GLA (retail and other) was recommended for the station podium areas.
- The Metro Quarter site will serve not only local resident demand but also capture demand from commuters (primarily workers and residents not technically within the defined main trade area) using the station to access jobs in the locality.
- The new metro station is expected to be operational from 2024 onwards, and the Metro Quarter is expected to be developed earlier than the rest of the Waterloo precinct.
- It was recommended that a convenience-based retail and services offer could be created at the Waterloo Metro Quarter, of a similar style/positioning to the Chatswood Transport Interchange development above the Chatswood railway station.
- Major non-food anchors like department stores or discount department stores (DDS) were not recommended at the site as the potential trade area served is relatively contained and the surrounding higher order retail offer is very strong. These types of uses are not critical to a solid, vibrant and comprehensive convenience and food-based retail offer.
- It was recommended that a small format supermarket be provided, together with specialty shops, as well as either a larger F&B (restaurants/bars) offer or 1-2 mini-majors. The total retail provided at Waterloo Metro Quarter is anticipated to be around 4,905 sq.m however, Mirvac are yet to confirm detailed plans.
- The Metro Quarter site is expected to accommodate minimal car-parking facilities, thus the retail and service offer will be focussed on the immediate local population, nearby workers and commuters, providing activation around the metro station.
- As an alternate to the provision of car-parking facilities at a basement level, and dependent on the space that is available around the metro station core, there could also be an opportunity for entertainment space to be provided or for another non-retail or retail use that is destinational in nature and does not require high foot traffic.
- Around 4,500 – 5,000 sq.m of non-retail uses was recommended to integrate with the retail offer. This offer could include uses such as Australia Post; medical insurance (e.g. Bupa); banks; a medical centre and allied health; a 24-hour/all access gym and/or child care. Further provision for office and/or co-working space was also recommended. In addition, provision for community uses (meeting rooms) could be accommodated if the podium space allows.

1.7 SWOT assessment

This sub-section of the report presents an assessment of the strengths, weaknesses, opportunities and threats (SWOT) in relation to Waterloo South and its potential to support retail and ancillary non-retail uses.

1.7.1 Strengths

The key strengths of Waterloo South in relation to the potential retail and ancillary non-retail facilities are identified below:

- Adjacent to a key station on the Sydney Metro network with bus interchange opportunities and proximity to growing population and employment districts.
- A highly prominent location in proximity to key arterial roads (e.g. Eastern Distributer) and other main roads (e.g. McEvoy Street, Botany Road, Bourke Street etc).
- Close to major business park precinct at ATP and other major employment nodes (university), Sydney CBD etc.
- Proximity to existing railway stations at Redfern and Green Square.
- Large, easily navigable pedestrian network through the site.

1.7.2 Weaknesses

The key weaknesses of Waterloo South in relation to potential retail and ancillary non-retail facilities are identified below:

- Perception issues related to current social housing offer, although with redevelopment and a blending amongst the new redevelopment, this is expected to dissipate over time.
- A highly competitive retail environment across the surrounding region. The network of surrounding sub-regional and regional centres is very strong and the Sydney CBD is relatively close to the site (a short train journey) – this includes the likes of Broadway Shopping Centre, Marrickville Metro, Westfield Sydney and Westfield Eastgardens.
- There is also a solid provision of supermarkets in most directions around the site (including the highly successful East Village shopping centre which contains significant dedicated car-parking) and the Surry Hills Shopping Centre, although we note the Woolworths stores at Redfern (2,200 sq.m), Fountain Street (2,300 sq.m), Green Square (2,000 sq.m) and SPAR (1,000 sq.m) and nearby IGAs (under 1,000 sq.m) are small to medium sized.

1.7.3 Opportunities

The key opportunities in relation to retail and ancillary non-retail facilities at Waterloo South are identified below:

- Potential inclusion as one of the City of Sydney's nominated 'Late Night Management Areas' (places with a distinct late-night character), 'City Living Areas' (a place of diversity with a potential to accommodate a range

of lower impact late night trading premises); or 'Local Centre Areas' (active and vibrant places at night, although the intensity of activity is more neighbourhood-oriented in character). The potential for the precinct to support late-night or extended-evening trade. It might be appropriate to nominate Waterloo's evening trading status early in the planning process.

- Solid primary trade area population in excess of 16,500 persons, with slightly above average incomes per capita.
- Significant anticipated growth in the primary trade area population, which is expected to increase by 87% and approach 31,000 by 2036.
- Average per capita incomes are expected to improve considerably given the large number of dwelling additions forecast throughout the main trade area, which are predominantly private housing.
- Serves a substantial surrounding worker trade area population of around 17,940 at 2019, which is expected to double by 2036, driven by the 10,000 strong CBA workforce that will locate at the ATP in the new Mirvac commercial development. The entrance/exit to the new Sydney Metro Waterloo Station will be closer than Redfern Station for these workers.
- Opportunity to create a completely new retail environment as the entire Waterloo precinct is redeveloped.
- The new Sydney Metro Waterloo Station will provide a logical focal point for some retail/ancillary non-retail floorspace, leveraging upon the latent demand passing through the station.
- New retailers from overseas entering the Australian market and new/growing retail concepts/tenants present an ever-increasing pool of potential retailers/tenants in new retail developments.

1.7.4 Threats

The key threats in relation to retail and ancillary non-retail facilities at Waterloo South are identified below:

- Technological change presents a realistic challenge to all bricks and mortar retailers in the future. The creep of online/technology/home delivery in terms of purchases/transactions (e.g. Amazon), presents a threat, however the growth/advancement of ride sharing/autonomous vehicles and more efficient transport networks should have a positive impact on retailers.
- This technological change will also influence the way people access retail facilities. In the future perhaps the required amount of parking at centres decreases (particularly inner-city centres) as more people access such centres by foot, public transport, autonomous vehicles and ride-sharing services. In this context, estimates of retail floorspace demand per capita acknowledge these changes and a marginal increase over time of around 0.25% per annum has been applied.
- There are future retail facilities planned at the ATP as part of the Mirvac CBA development that will include a small format supermarket and a solid F&B offer. This will diminish, to some extent, the trade from these workers around the Waterloo Station site – limiting purchasing potential to workers on their way home from work, and to a lesser extent on their way to work.

- The Green Square Town Centre will include around 14,000 sq.m of retail and entertainment GFA, and will be a key focal point for Green Square residents but will also be an attractive retail destination for residents in the Waterloo residential trade area, particularly the cinema facilities. This development will, however, due to its small supermarket anchor and lack of parking, not attract as much supermarket/convenience based shopping as the likes of East Village and Danks Street Plaza which have dedicated car-parking.
- The development of new retail facilities in the Redfern Station precinct of the Central-to-Eveleigh (C2E) corridor is not expected to impact on the potential for retail and ancillary non-retail facilities on site.
- Expansions at higher order centres (e.g. Marrickville Metro etc) or Central Park (which is north of the rail line) are expected to have a negligible impact on the potential for retail and ancillary non-retail facilities on site.
- A redevelopment of the Surry Hills Shopping Village is underway with an expanded supermarket and additional retail however, this centre already exists (with a full-line supermarket) and the expansion is considered to be only a minor/negligible threat.
- Possible timing/staging delays associated with the redevelopment of Waterloo South although, our advice is generally predicated on the ultimate potential for site at capacity (i.e. assuming it is built out).

1.8 Retail allocations

In summary, while a number of threats are identified, the strength of the location and opportunities in relation to the size and future growth of the customer segments that could be served by new facilities at the site, combine to make Waterloo South a reasonably good retail opportunity. However, a major retail/commercial opportunity is not realistic (e.g. a sub-regional or regional shopping centre like a Marrickville Metro). Rather a solid, convenience-based offer distributed across two or three key nodes/precincts is suggested.

It must be noted that not all retail floorspace demand generated by a given population is 'retained' within a particular location, particularly in a small area. Around 33% of all retail expenditure demand is allocated to large format retail, which is not appropriate at Waterloo South. Much of this demand will be directed to large format precincts/homemaker centres such as the Supa Centa Moore Park and the Alexandria Homemaker Centre.

A significant proportion of demand will also be directed to higher order fashion/leisure shopping destinations including the Sydney CBD and regional shopping centres like Broadway Shopping Centre, Westfield Sydney, Westfield Bondi Junction; while a significant share of residents' weekly expenditure will also be directed to locations at or near their place of work (e.g. a CBD worker buys lunch, groceries, clothes etc in the CBD during a weekday).

Given the above, it is estimated that retail facilities across the Waterloo precinct should be able to retain around 11% of demand generated by the main trade area, with the first stage (Waterloo Metro Quarter) expected to provide convenience-focussed retail facilities.

1.9 Other consideration/issues

This sub-section of the report outlines other factors, issues and risks that are relevant in relation to planning for future retail and ancillary non-retail facilities across Waterloo South.

1.9.1 Key issues/factors/risks

We note the following relevant issues and factors that could influence the quantum and format of any new retail offer at the site.

Car parking:

- Per the information provided by LAHC, preliminary car parking volumes at Waterloo South for retail/community uses have been allocated at 190 parking spaces (based on a GFA of 17,900 sq.m). The adjacent Metro Quarter will provide minimal private car-parking and encourage pedestrian, bike and public transport movements. Most of the retail and ancillary non-retail uses envisaged are expected to be provided on the ground/lower level of multi-storey buildings and around the metro station, encouraging walkability.
- We also expect that there will be a reduced reliance on cars over time, particularly in the inner-city. We note the proportion of households with cars in the main trade area and indeed, the City of Sydney Council area, is considerably lower than other parts of metropolitan Sydney. However, major supermarket operators and most retail shopping centre developers are hesitant to provide retail facilities within no car-parking, particularly when nearby competition has parking.
- Smaller supermarkets (of up to 2,500 sq.m) and retail assets anchored by such supermarkets can be viable without car-parking. For example, Woolworths Potts Point store is around 2,000 sq.m and has no dedicated car-parking. Similarly, the 1,600 sq.m Woolworths Metro store at Haymarket has no dedicated car-parking; nor does Central Park Mall, which has a 2,040 sq.m Woolworths store. There are several examples of Coles stores which have limited parking, however, apart from central city stores, there are few (if any) examples of Coles supermarkets with no parking as at present.

Impacts across the surrounding retail hierarchy:

- The recommendations of this report consider the surrounding network of retail centres/strips both implicitly and explicitly and the likely impacts on this network. Indeed, the trade areas that we have defined for the residential and worker customer segments are heavily influenced by the surrounding network of existing and planned centres across the region.
- The retail recommended around the Sydney Metro Waterloo Station will serve a distinct customer segment not available to other centres nearby (i.e. commuters passing through the station). Furthermore, the amount of retail floorspace recommended within Waterloo South represents only a small share of the total retail floorspace demand generated by the resident and worker populations surrounding the Waterloo precinct – by the way one person's annual retail expenditure is allocated. People spend their money at higher order regional shopping centres, near their place of work, at large format/homemaker centres, or while travelling. This type of retail will not, nor should not, be provided within the Waterloo precinct.

Social considerations and serving the local community:

- The mix of retail and ancillary non-retail uses recommended across Waterloo South should include uses that are appropriate for the local community, which has some distinct attributes in this part of metropolitan Sydney. The local community in this case includes social housing residents within Waterloo South, the local Aboriginal community, as well as other existing and future residents.

- These uses, and indeed the broader suite of required community uses will be tested/examined in more detail by other specialist consultants as part of the project, however the types of uses that could be considered might include:
 - Community centre
 - Cultural centre
 - Aboriginal & Torres Strait Islander services
 - Local health clinics/counselling services
 - Child care facilities and schools
 - Sports/recreation/leisure facilities
 - Libraries
 - Open space

With regards to Aboriginal issues in this Precinct, there are 3 relevant policies and frameworks that must be considered when procuring and delivering the physical retail and non-retail property:

- Aboriginal Participation in Construction Policy <https://www.procurepoint.nsw.gov.au/policy-and-reform/construction-procurement-policy/aboriginal-participation-construction-policy-apic>
- Aboriginal Procurement Policy <https://www.procurepoint.nsw.gov.au/policy-and-reform/goods-and-services-procurement-policies/aboriginal-procurement-policy>
- Aboriginal Prosperity Framework <https://www.aboriginalaffairs.nsw.gov.au/policy-reform/economic-prosperity/prosperity-framework>

Other:

- The development of the new Sydney Metro Waterloo Station at the Metro Quarter site presents an opportunity for an integrated transit-oriented retail, commercial, community, and residential development.
- The new Waterloo Station is expected to support solid, and growing patronage, but this will be relatively insignificant in comparison with major CBD/interchange stations like North Sydney, Chatswood and Parramatta, although it will benefit from two-way activation given its proximity to both a solid residential market and worker market.
- That said, as indicated earlier in this report, around 31% of workers within the worker trade area catch the train to their place of work (as at 2016). This share is likely to improve in the future with the new metro station and increased services, and the increased residential density and employment densities in the locality. However, these volumes represent a small share of the total population as only around 50–55% of residents are employed workers, meaning that only around 10% of the population in the surrounding trade area currently utilise the train

as their primary mode of transport to work, a share which might only increase marginally in the future (i.e. perhaps to 20% or so).

- Reflective of the tables detailing the proposed retail and ancillary floorspace breakdown, and given the site constraints associated with the Metro Quarter, it is expected that Waterloo South will support most of the retail and ancillary non-retail floorspace across the precinct.
- Physical retail, commercial, medical and community services will still be fundamental components of communities, particularly in high density environments – where apartments are much smaller than houses and where accessing such facilities within walking distance is relatively easy. However, there will be inevitable change in relation to how people interact with these uses (e.g. accessing retail shopping via Uber/share car; utilising medical services online via skype etc). There is also an appreciation that many social housing residents may well not be able to carry bags and groceries and may still need to drive to supermarkets.

1.9.2 Market feasibility

The assessment of floorspace demand is based on a feasibility approach which determines the supportable amount of floorspace that can be developed in the area. The assessment considers the total household and worker expenditure by category and then benchmarks this using dollar turnover per square metre of floorspace across the trade area. Once taking the competitive retail and non-retail centres into account, the balance of the expenditure pool provides an estimate of the amount of floorspace that is viable in the precinct.

The assessment also considers the future growth of the area including population, employment and expenditure growth over time. Using this approach, the market feasibility is inherent in the floorspace assessment.

In addition to the assumptions addressed in the previous sections of this report, the specific assumptions that underpin this feasibility approach are:

- The proposed retail and non-retail floorspace can capture a sufficient amount of the available surplus expenditure in the trade area.
- The retail and non-retail facilities can attain a turnover per square metre than is similar to the benchmark turnovers for similar businesses across Australia.
- Given that the retail and non-retail businesses capture the benchmark expenditure per square metre, their operational costs are also within benchmark levels and result in a profitable venture.
- The owner of the development charges market rates per square metre for each of the uses.
- The total development costs (land plus construction costs) are also within benchmark range for similar businesses, resulting in a positive return to the owner/developer that is typical of such developments in comparable locations.

1.10 Recommended floorspace mix

Table 1.12 below presents the proposed scale, mix, and distribution of retail, community and cultural GFA (gross floor area) within Waterloo South once developed to capacity. Our findings and recommendations necessarily have regard to our previous recommendations relating to the Metro Quarter. This recommendation assumes 190

dedicated retail/community use customer car-parks associated with any retail/community floorspace in Waterloo South. Figure 4 in the Introduction section of this report shows the indicative location of retail uses across Waterloo South.

Table 1.12 Waterloo South - potential scale and composition, retail & ancillary non-retail GFA, by category		
Category	(sq.m)	Tenant examples
RETAIL		
<u>Major tenants</u>		
Supermarket and liquor	<u>3,800</u>	<i>Woolworths, Coles, BWS, Liquorland</i>
Total majors	3,800	
<u>Mini-majors</u>		
Fresh food	400	<i>Flannerys, Taste Growers</i>
Other	<u>400</u>	<i>Chemist Warehouse, Officeworks</i>
Total mini-majors	800	
<u>Other - retail specialties</u>		
Fresh food	800	<i>Sonoma Bakery, Pryde Meats, Costis, local Chicken/Deli</i>
Food catering/F&B	2,000	<i>Betty's Burgers, Belle's Chicken, Pattisons, Pasta Pantry, Schnitz</i>
Household	350	<i>Local gifts, homewares</i>
Leisure	450	<i>Bookface, WH Smith, local news</i>
General	750	<i>Priceline, Fone King, Zap Variety, Kidstuff, Pearsons</i>
Retail services	250	<i>Local operators, Dresden Optics, Maurice DCs.</i>
Total retail specialties	4,600	
<u>Other - non-retail</u>		
Banks, insurance, travel etc.	800	<i>Big 4 bank/s, Bendigo, local travel, Yellow Brick Rd.</i>
Allied/Community Health	1,200	<i>My Health, Osana Medical, local ancillary</i>
Total non-retail	2,000	
Total - retail	<u>11,200</u>	
COMMUNITY FACILITIES		
Child care	1,200	<i>Big Fat Smile, Little Zacs, Only About Children</i>
Library	500	<i>Council</i>
Community centre	800	<i>Community centre, health, arts, child care</i>
Activity centre	500	
Creative arts centre	750	
Creative spaces	150	
Satellite health	100	
Multi-purpose Indoor Rec (Youth)	1,200	
Total - Community	<u>5,200</u>	
CULTURAL		
Learning/Cultural/Wellbeing	1,500	
Total - Cultural	<u>1,500</u>	
TOTAL	17,900	
<i>Source: macroplan</i>		

Section 2: Implementation and approach

The Waterloo Metro Station and associated over-station development is anticipated to open in 2024. This assessment has determined that the retail and non-retail floorspace proposed within Waterloo South are best positioned to serve the current and projected convenience needs of the area's resident and worker populations.

The recommended floorspace includes the allocation of floorspace for retail purposes, based on catchment characteristics and available expenditure. It also includes non-retail floorspace that is typically provided in unison with a retail offer, providing complementary services for local residents, workers and commuters. Further, the recommended mix includes an allocation of commercial office space (suitable for separate tenant occupation or as co-work space) and space for community facilities (including meeting rooms and other multi-purpose floorspace).

Notably, the trade area assessment has identified that Waterloo is a varied socio-demographic area characterised by:

- A mix of working professionals, students and social housing tenants.
- An average (main trade area) per capita income that is 17% above the metropolitan Sydney average, however, due to the area's smaller households, an average household income that is around 21% below average.
- A high number of 20-39-year-olds and a high proportion of persons aged above 60 years.
- A very high proportion of rental households.
- Notably, the area's social housing tenants are older and have lower incomes than other residents within the main trade area. These tenants also have higher health needs.
- Given the social housing and high-density nature of the trade area, the proportion of lone person households across the main trade is significantly above the metropolitan Sydney average at 32%. The Sydney average is 9%.
- A low proportion of 'typical family' households (i.e. couples with dependent children) at 17.5%, compared with the Sydney average of 48.5%.
- A higher proportion of 'couples with no children' households.
- A greater proportion of households in the primary trade sector with zero car ownership as compared to Sydney as a whole (20% compared with less than 12% overall).

Whilst the recommended mix of retail and non-retail floorspace is based on current and projected future catchment characteristics and is designed to ensure a viable provision, the nature of the area's socio-demographic differences suggests that consideration should also be given to ensuring a range of facilities and services that address the convenience and community needs of the area's broad population base.

In a commercial sense, of course, these considerations are typically left to the market to determine, with premium space attracting a premium rent and non-premium uses typically forced to fringe locations within centres or at their periphery. Given identified social needs, however, and the fact that a good proportion of the local primary population is not young and upwardly mobile, there is a strong case for a degree of market intervention to ensure that a suitable 'spread' of retail and non-retail services is incorporated within Waterloo South.

Suggested steps and measures that can be taken to ensure such an outcome might involve:

- The development of a targeted tenancy profile – this would involve the selection or nomination of particular retail types that are suited to the catchment's needs and in this case a very strong consideration of community needs.
- Market warming and engagement to understand the preferred market drivers for such occupancies
- The identification of suitable space for occupiers.
- Appropriate lease arrangements including commercial parameters. Notwithstanding specific lessor requirements including needing certain community usages, the market will determine the interest in any retail project, with rent and other key commercial parameters influencing the final outcomes.

It is recommended that development timeframes and retail/non-retail tenancies form part of the contractual arrangements for the successful developer for these components of the Waterloo South project.

Section 3: Economic benefit assessment

3.1 Wider economic benefits

This sub-section sets out estimates of the economic benefit of the development at the Waterloo precinct. A more detailed discussion concerning the methodology applied to derive our estimate of value-added for the Waterloo precinct is included at Appendix C.

A redeveloped precinct

In its redeveloped form, the Waterloo precinct will comprise a mix of service industries and residential living. At its full capacity, these service industries will employ approximately 470 people, generating an IVA (Industry Value-Add) of close to \$32m.

The value of residential living will reflect the value which residents attach to this location. Whereas the average value-added per dwelling in NSW is \$18,000 (2016/17), reflecting the higher rents in inner Sydney, for inner Sydney apartments, the average value-add, (including subsidies to social and affordable housing) is nearer \$28,000.

In total, industry plus dwelling activity at the Waterloo precinct will generate value per annum of \$228 million (in 2017/18 terms).

Transport benefits from the Sydney Metro

The Waterloo Metro Waterloo Station is part of a transport network, the Sydney Metro City-Southwest, which has been separately assessed and approved on the basis of the many economic benefits attributable to the transport aspects of the project. These are substantial in their breadth and include improved transport efficiencies (e.g. reduced road congestion, commuter time savings), improved labour efficiencies (e.g. increased worker shed capacity, travel time reductions), environmental improvements (e.g. increased walking, reduced car pollution) and social benefits (e.g. reduced road traffic accidents). This assessment of retail and non-retail floorspace need and the economic impacts of Waterloo South does not aim to specifically assess all of these wider transport-related benefits as they are considered to be principally attributable to the broader Sydney Metro City-Southwest project, rather than being explicitly relevant to Waterloo South and the wider Waterloo precinct.

3.2 Other benefits

In addition to the benefits mentioned above, there are several other benefits that have not been quantified in this report. These wider economic benefits specifically attributable to Waterloo South include:

Economic KPIs

In understanding the economic importance of the development, it is relevant to highlight the strong correlation of economic infrastructure with output growth, productivity, expenditure/ income, employment and private sector investment. Specific derived benefits include:

- Increased expenditure: e.g. worker / visitor/ private expenditure, generated by the construction and ongoing operation of the precinct

- Investment stimulus: e.g. enhanced private investment, increased land values, encouragement of landlords to redevelop neglected or underutilised property for higher and better use.
- Employment generation: i.e. identified employment impacts through construction and operational phases of the project; plus the induced employment that is attracted to the area through its improved amenity, helping to both attract and retain new workers.
- Transport-related benefits: i.e. generated through a centralised population, reduced vehicle movements and enhanced commuter and community safety generated through 'activating' the station precinct, evening trading etc

Social KPIs

Social considerations regarding the implementation of the development have been based on local issues such as impacts on actual and perceived levels of safety, and other social equity issues such as accessibility. Amenity is also addressed in this analysis, reflecting current planning objectives and community aspirations for the site and Waterloo in general. Specific social benefits of the project are attributed to:

- Health, Wellbeing and Safety: e.g. a reduction in the level/perceptions of crime, pedestrian and vehicle accidents as well as the health and wellbeing benefits promoted by the development.
- Accessibility and connectivity: e.g. enhanced pathways, connectivity, linkages between local precincts.
- Social cohesion: the benefits the development provides to enhancing connections and fostering a sense of belonging between members of the community.
- Safety: Activating the Metro Quarter for 18 hours per day will help to provide both active and passive surveillance and reduce the incidence of crime.
- Service accessibility: including locally required services (e.g. supermarket, banking and medical services) - supporting existing and new residents.

Environment KPIs

The positive environmental impacts associated with a greater use of rail are more attributable to the broader Sydney Metro City-Southwest project, rather than explicitly linked to Waterloo precinct or Waterloo South e.g. the project's capacity to reduce energy consumption and a lesser reliance on fossil fuels. Importantly, however, at a local level, the project will encourage walkability and help to reduce traffic congestion and to improve air quality in the Waterloo precinct.

Section 4: Assessment calibration

4.1 Relevant considerations

In forming our initial views in relation to the potential retail and ancillary non-retail at Waterloo South the following factors have been taken into consideration:

- There is a stand-alone Woolworths supermarket at Redfern of 2,200 sq.m in the primary sector and a 2,317 sq.m Woolworths supermarket at Fountain Street, just beyond the secondary sector to the west.
- Danks Street Plaza contains a 2,500 sq.m Coles supermarket plus 1,500 sq.m of supporting retail and there is a nearby Aldi supermarket plus other strip retail in this locality. East Village contains around 10,000 sq.m of retail floorspace, including a 3,800 sq.m Coles supermarket and more than 50 specialty shops – with a strong focus on F&B, as well as an Audi car-showroom, a Virgin Active gym and other uses.
- The Green Square Town Centre is the principal retail and commercial activity centre in the broader Green Square urban renewal project. The precinct will ultimately accommodate around 14,000 sq.m of retail floorspace. A Woolworths supermarket of approximately 2,000 sq.m and a BWS store (100 sq.m) on Ebsworth Street were opened as part of stage 1. The retail component of the residential development Infinity by Crown was opened in mid-2019 and comprises 2,369 sq.m. The balance of the retail will be distributed on the ground floor of the remaining residential towers to be constructed.
- We have had regard to the street/strip retail offer along Redfern Street and indeed, other street retail offers across the locality. We expect that the retail/street environment along Regent Street/Botany Road will improve over time, as this area regenerates, although we don't expect a significant addition to the overall stock of retail in this area (i.e. most of the additional floorspace will be provided within the Waterloo precinct).
- The new commercial office towers at the ATP that will accommodate CBA are expected to also support some ground level retail, including small scale convenience retail and F&B servicing the daily needs of this significant population.
- We note, however, an increasing demand for smaller, boutique office space across the Sydney periphery office market (i.e. co-working space, small and medium-sized enterprises (SME) space).
- The site is located within the trade area of several larger/higher order retail centres such as Broadway Shopping Centre; the Sydney CBD (which includes Westfield Sydney); Westfield Bondi Junction; Westfield East Gardens; and Marrickville Metro. The influence of these higher order centres is significant in regard to limiting the potential scale and mix of any retail offer Waterloo South. These offers are comprehensive and compelling and significant main trade area expenditure will be directed to these locations.
- Not all retail floorspace demand generated by a given population is 'retained' within a particular location, particularly at a small area. Around 33% of all retail expenditure demand is allocated to large format retail (LFR) which is not appropriate at Waterloo South. Much of this demand will be directed to large format precincts/homemaker centres such as the Supa Centa Moore Park and Alexandria.

- A significant proportion of demand will also be directed to higher order fashion/leisure shopping destinations including the Sydney CBD and regional shopping centres like Broadway Shopping Centre, Westfield Sydney, Westfield Bondi Junction; while a significant share of residents' weekly expenditure will also be directed to locations at or near their place of work (e.g. a CBD worker buys lunch, groceries, clothes etc in the CBD during a weekday).
- Given the above, it is estimated that retail facilities at Waterloo South should be able to retain around 11% of demand generated by the main trade area.
- A key role for any retail offer at the site, and indeed, supporting community services, and ancillary non-retail uses, is to service the local residential and worker populations surrounding Waterloo South, in particular, the local population within the redeveloped subject site. This should be the primary focus, but particular uses will also attract people from beyond these areas, particularly given the presence of the metro station, e.g. entertainment/F&B uses at the Metro Quarter site might attract people from across broader Sydney in much the same way Newtown/Enmore attracts people for dinner, pubs, movies, events, concerts etc.
- The project has a strong residential focus (as opposed to say, other inner-city urban renewal projects like Barangaroo, which has a focus on employment and retail/tourism services). In this regard, it is important to ensure that any retail and ancillary non-retail mix is sufficient to serve the local convenience needs of residents, at an absolute minimum, with additional demand provided by local workers and other commuters.
- It has been assumed that any existing retail within the precinct is completely redeveloped – noting the existing offer is of a very small scale anyway.
- The social housing component of Waterloo South (which will comprise 748 of the 3,048 dwellings) has been given consideration in relation to the provision of non-retail services such as community services, Aboriginal health care/services, and medical services.
- Furthermore, our analysis of the retail demand generated by the existing and future residents has regard to income/retail expenditure profile of social housing residents.
- There are also car-parking considerations that need to be accounted for in determining the layout and format of the recommended retail floorspace, as discussed above. We understand that 190 retail customer car-parking allocations will be made at Waterloo South.

4.2 Case studies

Finally, regard has also been had for the provision of retail floorspace at other high density residential locations across metropolitan Sydney as part of a benchmarking analysis. Table 4.1 below provides additional context to the recommended scale and mix of retail and non-retail provision at Waterloo South.

- **Potts Point/Macleay Street** has around 10,000 – 15,000 sq.m of retail/shopfront floorspace including a 2,000 sq.m Woolworths store, a Harris Farm Markets and around 80-100 businesses. In addition to this, further towards Kings Cross is the Kings Cross Centre anchored by a Coles supermarket, a Woolworths above Kings Cross train station and considerable street level restaurants, cafes, bars and other businesses. This precinct, however, has been established for more than 150 years, has been very densely populated for decades and has evolved gradually over this time into the precinct it is today.

- **Wentworth Point** now contains more than 7,000 dwellings within a 1 km radius, supporting a population of around 15,000 persons, and contains around 17,000-18,000 sq.m of retail and ancillary non-retail floorspace at present. This will service an ultimate population of more than 10,000 dwellings, noting that there will be a solid retail offer across the green bridge in Rhodes at the Rhodes station precinct and within Sydney Olympic Park in the future.
- **Wolli Creek** contains an estimated 20,000 sq.m of retail and ancillary non-retail floorspace at present, with a recently opened Aldi (plus supporting specialty retailers) supporting a population of approximately 13,600 within 1 km and a population of around 40,600 within 2 km.

Location	Retail/commercial floorspace (sq.m)	Population within 1 km	Population within 2 km
Potts Point	10,000-15,000	24,020	78,800
Wentworth Point	17,000-18,000	14,890	40,100
Wolli Creek	20,000	13,600	40,600

Source: ABS; macropian

Section 5: Conclusion

Having regard to the key considerations outlined above, and the analysis contained in this report, we note the following concluding points:

- The new Waterloo Metro Quarter is expected to be operational from 2024 onward. It is anticipated that the station and over-station development will be constructed concurrently.
- The proposed rezoning of Waterloo Estate is to be staged over the next 20 years to enable a coordinated renewal approach that minimises disruption for existing tenants and allows for up-front delivery of key public domain elements such as public open space. Aligned to this staged approach, Waterloo Estate comprises three separate but adjoining and inter-related stages: Waterloo South, Waterloo Central and Waterloo North. Waterloo South has been identified as the first stage for renewal.
- The masterplan for Waterloo South proposes a total GFA of 257,000 sq.m with 239,100 sq.m of residential GFA. This will comprise 3,048 dwellings with approximately 30% designated social (affordable rental) dwellings. Non-residential GFA is proposed at 17,900 sq.m including 11,200 sq.m of retail floorspace and 6,700 sq.m of community services/cultural floorspace.
- Of the 11,200 sq.m of retail floorspace proposed, a mix of traditional supermarket/majors floorspace, mini-majors, specialty retail (including food catering/F&B floorspace) is recommended. An allocation of space to non-retail uses such as banks, travel, allied and community health is also recommended. Community services will encompass 5,200 sq.m including child care, creative space, a library and community centre. A further 1,500 sq.m will be dedicated to cultural learning and wellbeing.
- A total of 190 customer car parks will be allocated for retail and community/cultural services customers within Waterloo South. We recommend these car spaces are located adjacent to the proposed supermarket space.
- The likely trade area will be relatively contained; the surrounding higher order retail offer is very strong and will have significant bearing on the ultimate scale of mix of retail in Waterloo South.
- Specialty retail floorspace provided at Waterloo South should be delivered in the form of street/strip retail in nodes or precincts. We recommend the retail mix be convenience focused, with a strong F&B offer.
- Major non-food anchors like department stores or discount department stores (dds) are not recommended at the site, as the potential trade area served is relatively contained and the surrounding higher order retail offer is very strong.
- A further key opportunity for Waterloo South will be to provide employment opportunities, which could help drive commuter flows through Waterloo Metro Station, countering the expected outflow movement of residents travelling from Waterloo for work.

Appendix A: Land use and economic context

This section of the report presents an overview of Waterloo South within the context of the Central to Eveleigh Urban Transformation Strategy. This section provides a high level summary of the indicative development plans being considered for the precinct.

A1.1 Sub-regional context

Waterloo is located approximately 3.3 km south-south-west of the Sydney CBD and less than 1 km from the ATP, situated to the north of the Green Square Urban Renewal Area. The suburb is located between Redfern and Green Square train stations and is proximate to the Easter Distributor (refer Map A1).

Waterloo South is a part of a broader inner-city urban transformation area. Waterloo South forms part of the Waterloo Estate Precinct identified in the Central to Eveleigh Urban Transformation Strategy, and will be serviced by the new Waterloo Metro Station as part of the Sydney Metro-City & Southwest project which will provide services extending to Bankstown. Other precincts in the Urban Transformation Strategy are Central Station, Redfern, North Eveleigh, and South Eveleigh. City of Sydney Council's Ashmore Precinct is another urban development project 1.5km to the south west, which plans to house 6,000 residents by 2025.

These areas have already undergone significant change, and are expected to include tens of thousands of new dwellings over the next few decades including:

- Ashmore Precinct: 3,000 dwellings;
- Green Square urban renewal areas: 20,000 additional dwellings (30,500 total);
- Central to Eveleigh: 10,000+ additional dwellings (incl. 5,600 net additional at the Waterloo Estate precinct)

A1.2 Local context

Map A2 presents the local context of Waterloo South as well as the broader Waterloo precinct.

Waterloo South is bound by Cope, Raglan, George, Wellington, Gibson, Kellick, Pitt and McEvoy Streets. The Waterloo Estate comprises land bounded by Cope, Phillip, Pitt and McEvoy Street including an additional area bounded by Wellington, Gibson, Kellick and Pitt Streets.

To the north of the Waterloo South is Redfern Street, the main street of Redfern, which contains a solid retail/convenience strip offer, with Redfern station situated at its western end; to the west is the ATP, a solid and growing business park that will accommodate new premises for Commonwealth Bank of Australia (CBA); to the immediate west is an existing retail strip around Botany Road and Wyndham Street; to the south of McEvoy Street are industrial and commercial uses, some residential uses, the Green Square town centre and the Alexandria

industrial precinct; and to the east is an established residential area as well as the Danks Street/Bourke Street retail and commercial strip.

Key roads through the area include McEvoy Street, a busy east-west road; Botany Road and Bourke Street; as well as Elizabeth Street, a key north-south road that links to the Sydney CBD. The adjacent Metro Quarter will be serviced by a new metro rail station situated on the Waterloo Metro Quarter site that is planned to be operational by 2024.

There are several schools to the west and south of the Metro Quarter including Alexandria Community School, Alexandria Public School and Green Square Public School; and there is a solid focus of community facilities across the region on indigenous services, particularly to the north around Redfern.

A1.3 Waterloo South proposed concept development

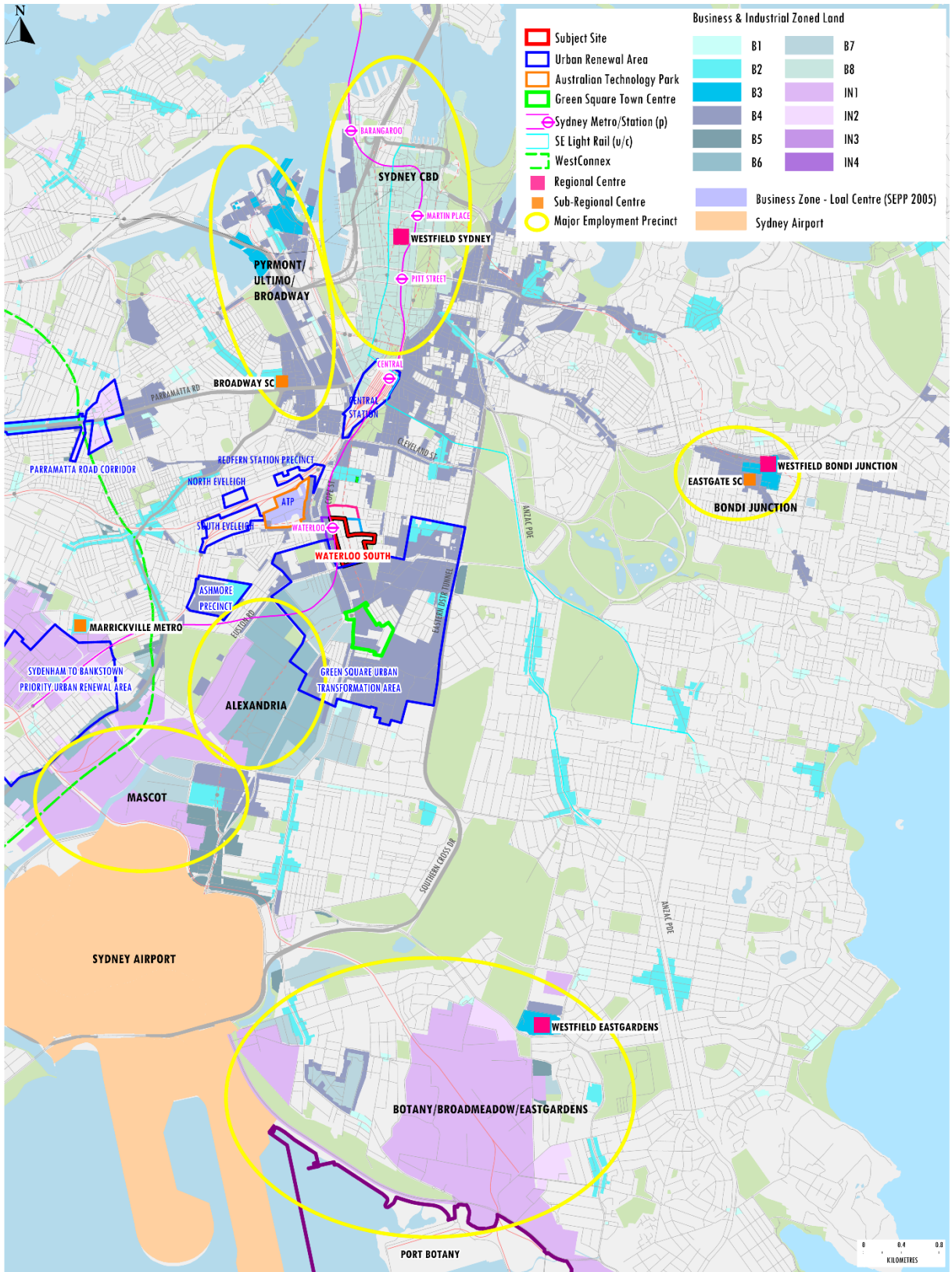
Waterloo South will contain approximately 257,000 sq.m of GFA. This will consist of 239,100 sq.m GFA of residential floorspace, 11,200 sq.m GFA of retail floorspace and 6,700 sq.m of community services/cultural floorspace. The design will also include a 2.25 hectare park next to Metro Quarter and a 3,200 sq.m park in the middle of the precinct.

There will be a range of local retail and ancillary non-retail uses, including services to local residents and businesses, provided in order to service the existing and future local community needs.

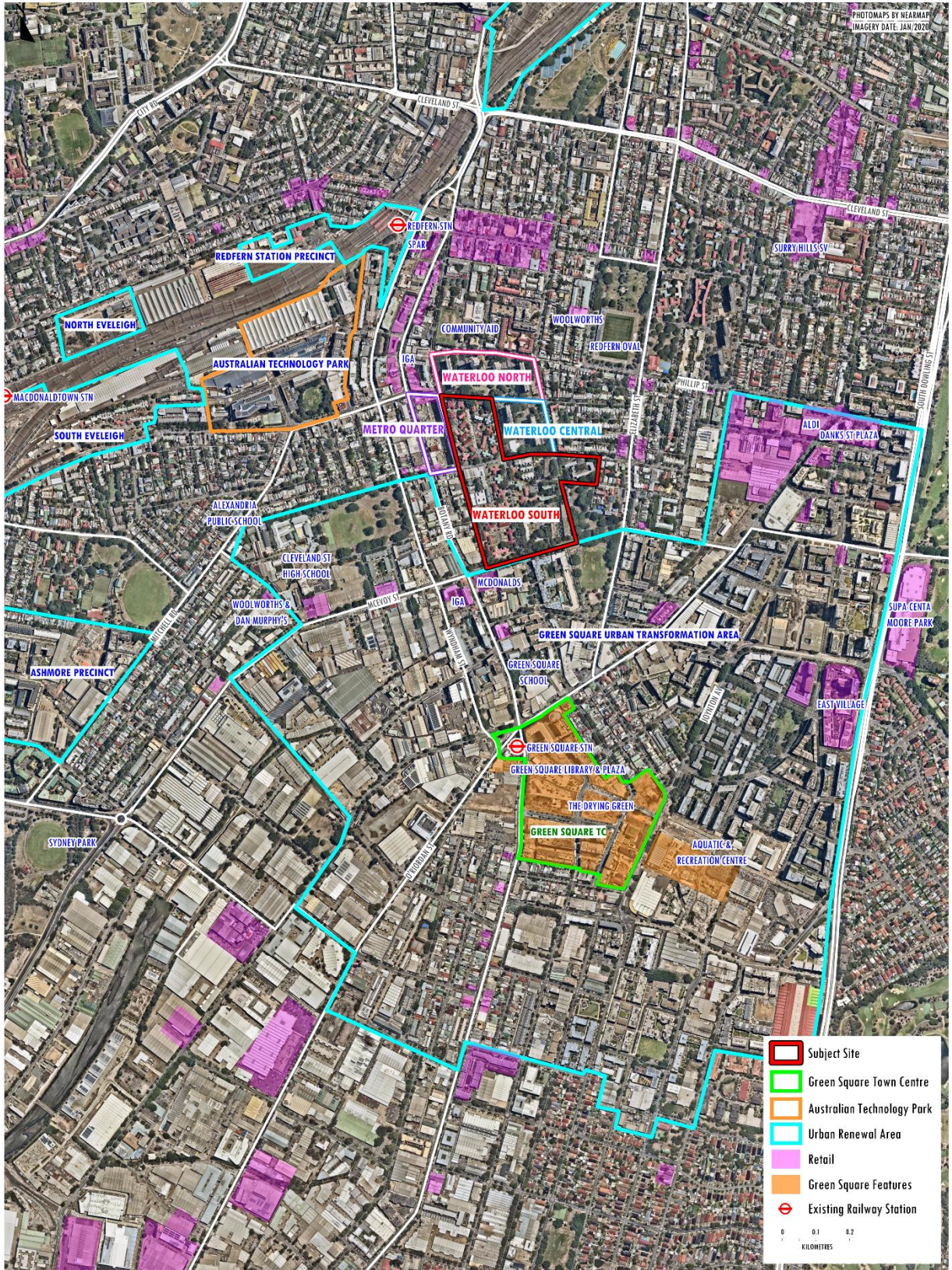
A1.4 Reference resources and documents

Macroplan's assessment has had regard to the following documents/information and consultation in preparing this report:

- Waterloo South preamble, Turner Studios master plan, concept proposal, indicative retail uses diagram and indicative community/cultural uses diagram (2020)
- The preliminary concept plans prepared for the Metro Quarter site;
- A Plan for Growing Sydney (2014);
- Draft Central District Plan (2016);
- Forecast.id residential and workforce forecasts (preliminary);
- City of Sydney's Floorspace and Employment Survey (2012);
- Economic Development Strategy (2013);
- Central to Eveleigh Urban Transformation Strategy (2016); and



**Map A1: Waterloo
Context map**



Map A2: Waterloo
Site location map

Appendix B: Economic profiling and employment analysis

B1.1 Economic profiling and employment analysis

This sub-section of the report provides an overview of the economic and employment profile of the Waterloo South locality. This section examines employment by industry; business composition and changes in this composition; and the journey to work patterns of the surrounding workforce.

In undertaking the analysis in this section, reference has been made to the City of Sydney (CoS) Council Floorspace and Employment Survey, ABS Census data, Transport for NSW statistical data as well as the preliminary economic profile information provided by forecast.id.

B1.2 Industry composition: City of Sydney Employment Floorspace Survey

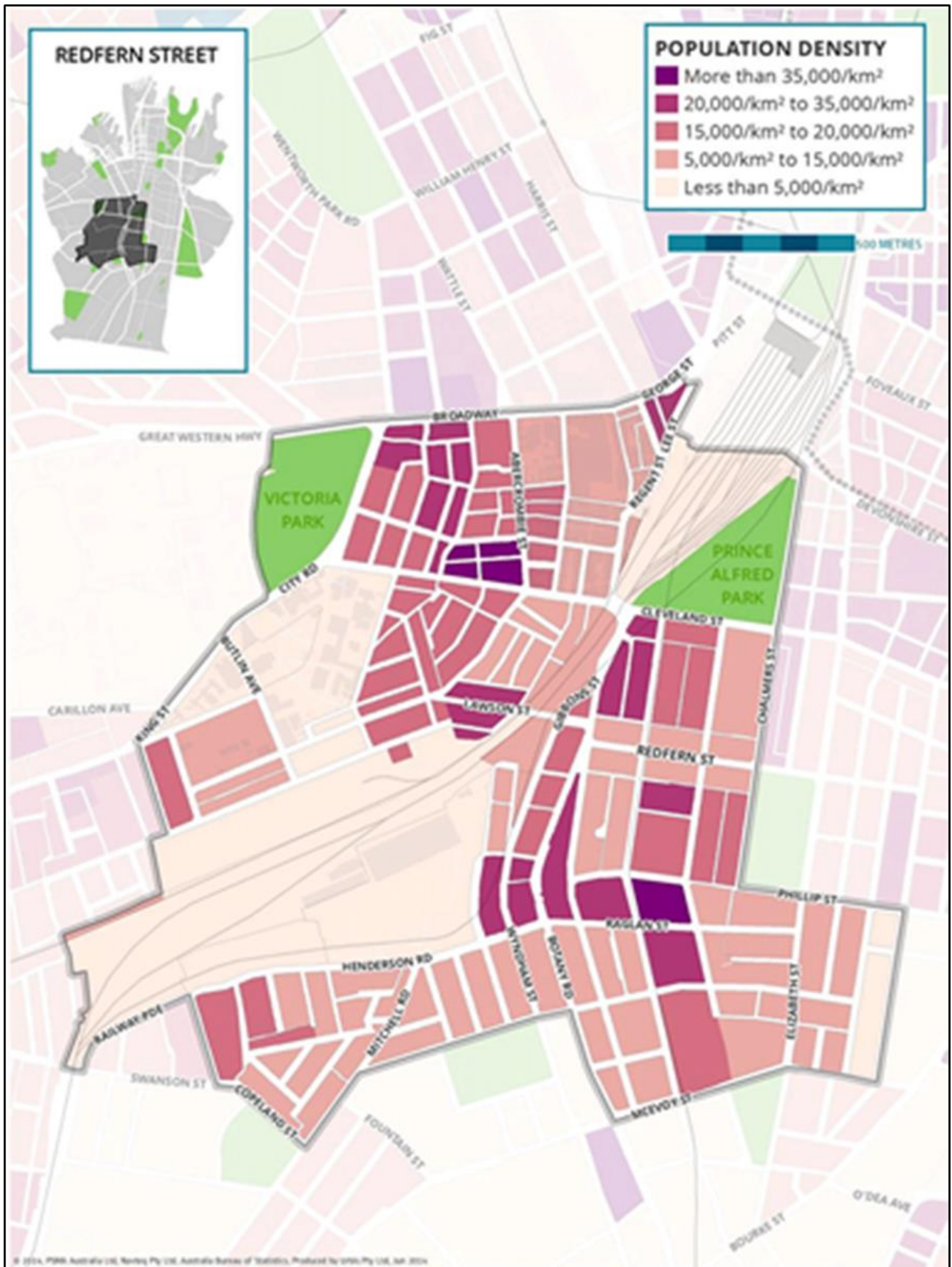
Redfern Village Summary Report 2017

The Redfern Street Village Summary Report 2017 provides an overview of the different businesses, floorspace uses and employment numbers for the Redfern Street Village. The data was collected as part of a larger survey for the City of Sydney LGA which was subsequently divided into separate reports on each village within the LGA. The data collected from the Redfern Street Village is more up to date than the ABS census 2016 as it was collected in 2017. The survey also provides a more in depth look at where people work and how that has changed from 2012 to 2017.

The survey also provides a different study area composition to that of the ABS census 2016 which is applicable to the area of analysis. The Redfern Street Village is bounded by Broadway to its north and by Waterloo to its south. To the east it is bounded by Chalmers street and is bounded by Darlington and Eveleigh in its west. Redfern Street Village contains the broader eastern segment of Waterloo comprising of the Waterloo Metro Quarter and the adjacent Waterloo Estate site.

Map B1 shows the population density across the Redfern Street Village (sourced from the City of Sydney). Chart B1 contains data on the overall floorspace of the main industry types within Redfern Street Village. It provides insights into the relative floorspace of each industry in Redfern Street Village and how it has changed from 2007 to 2017.

Chart B2 presents data on the number of businesses per industry for Redfern Street Village in 2007 and 2017.



Map B1: Redfern Street Village Map

Source: City of Sydney (2017)

Chart B1

Redfern Street Village – mix of businesses by industry (sq.m) 2007-2017

Source: City of Sydney (2017)

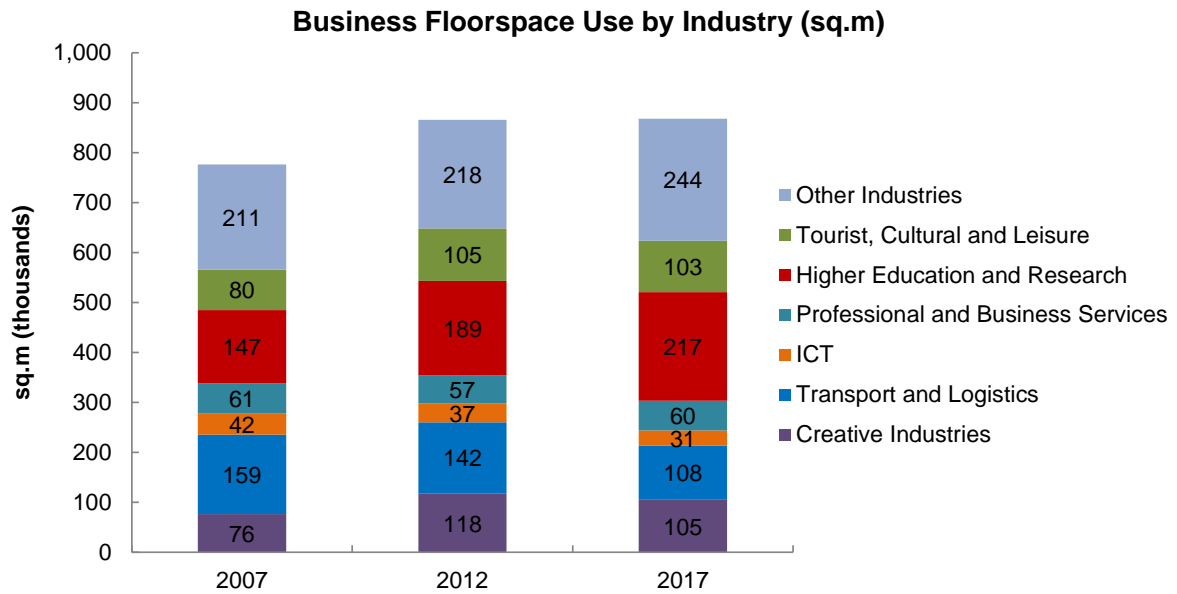
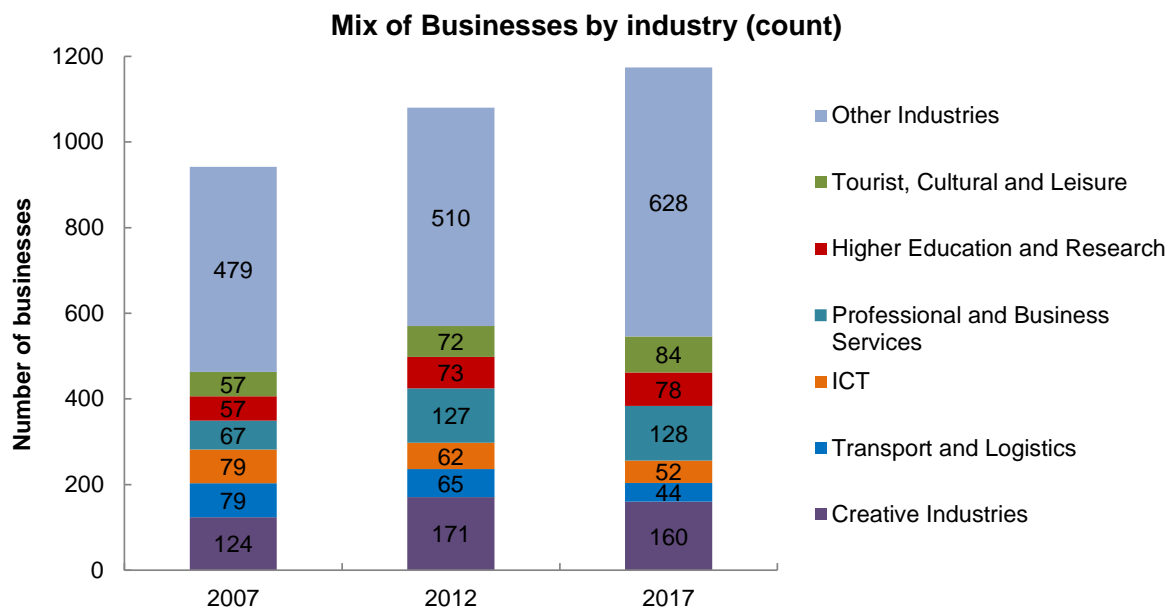


Chart B2

Redfern Street Village – mix of businesses by industry (counts) 2007-2017

Source: City of Sydney (2017)



In 2017 the higher education and research industries occupied the largest amount of floorspace in Redfern Street Village, followed by transport and logistics. This is consistent with data from 2007 and 2012 and despite transport and logistics losing 3.8% of its floorspace annually over the decade to 2017. The higher education and research industry gained 4% annually to more than double the floorspace occupied by transport and logistics. Overall there was a 1.1% increase in floorspace occupied by business.

Creative industries were the third largest occupier in 2017 and experienced 3.2% per annum growth in floorspace over the decade, followed by tourist cultural and leisure, which experienced 2.5% growth per annum.

Looking at the number of businesses (counts) within Redfern Street Village, the food and drink industry represents the greatest number of businesses followed by retail and personal services, and creative industries. These three industries have held the top three positions (at various ranks) over the past decade. This reflects the different patterns of floorspace use across food and beverage and retail compared to transport and logistics (which use very large floorplates typically due to their business requirements) and higher education and research (the floorplates of which can vary to large degrees, given the use of satellite campuses).

A change in the way floorspace is used by industries is also evident across the data. This is typified by professional and business services, which increased from 67 businesses in 2007 to 128 a decade later, but recorded a 2% drop in floorspace occupied. Finance and financial services went from 15 to 13 businesses over the decade, but decreased its floorspace by 57.9%, while tourist cultural and leisure businesses went from 57 to 84 (a 47.4% increase) but grew floorspace occupied by only 28.2%.

B1.3 Business growth and composition by industry and number of employees

This section of the report looks at data collected by the ABS Business Registerer on the number of businesses registered each year by Industry. This data provides insights on business entry and exit from different industries in the Waterloo area. The region it is collected from is the Waterloo–Beaconsfield SA2 and it is the smallest geographic area in which the data has been segmented.

Table B1 depicts how the number of businesses in the Waterloo area has changed from 2013 to 2018. The industries that have seen the largest increases in the volume of businesses are Rental, Hiring and Real estate services and Professional, Scientific and Technical services.

The prominence of these industries in Waterloo is further seen in Table B2 which depicts the number of registered business by employee size distributed among industry types for the SA2 of Waterloo–Beaconsfield for 2018.

The top four industry types based on business count size account for just over 50% of business existing in the Waterloo–Beaconsfield SA2.

Professional, Scientific and Technical services had the largest count of businesses in the 1-4 employee segment for 2018 and one of the top counts for the 20-199 employee segments for the same year.

Table B1**Waterloo-Beaconsfield SA2 business counts by industry 2013-2018**

Source: ABS 8165.0

Industry	2013	2014	2015	2016	2017	2018
Accommodation and Food Services	121	155	166	185	221	230
Administrative and Support Services	110	127	133	153	185	186
Agriculture, Forestry and Fishing	14	11	11	12	10	7
Arts and Recreation Services	27	43	48	70	72	84
Construction	233	261	284	330	370	408
Currently unknown	84	77	72	42	34	39
Education and Training	28	25	24	33	33	51
Electricity, Gas, Water and Waste Services	3	0	3	3	0	3
Financial and Insurance Services	161	169	191	225	216	225
Health Care and Social Assistance	105	113	115	137	157	157
Information Media and Telecommunications	58	59	64	85	91	98
Manufacturing	116	116	123	130	128	118
Mining	3	3	3	0	3	3
Other Services	96	98	116	112	127	150
Professional, Scientific and Technical Services	413	440	468	545	571	635
Public Administration and Safety	12	13	14	17	22	19
Rental, Hiring and Real Estate Services	382	430	484	547	564	615
Retail Trade	279	292	285	281	293	323
Transport, Postal and Warehousing	160	149	157	182	241	327
Wholesale Trade	277	257	270	254	255	257

Table B2 Waterloo-Beaconsfield SA2 business counts by number of employees by industry 2013-2018

Source: ABS 8165.0

Industry	Non employing	Employees					Total	Share of Total
		1-4	5-19	20-199	200+			
Accommodation and Food Services	65	100	56	6	0	230	6%	
Administrative and Support Services	97	53	22	12	0	186	5%	
Agriculture, Forestry and Fishing	5	3	0	0	0	7	0%	
Arts and Recreation Services	51	24	4	3	0	84	2%	
Construction	242	139	23	8	0	408	10%	
Currently unknown	32	6	0	0	0	39	1%	
Education and Training	24	16	3	4	0	51	1%	
Electricity, Gas, Water and Waste Services	3	0	0	0	0	3	0%	
Financial and Insurance Services	190	33	3	0	0	225	6%	
Health Care and Social Assistance	93	35	20	3	0	157	4%	
Information Media and Telecommunications	62	34	5	0	0	98	2%	
Manufacturing	47	28	24	15	0	118	3%	
Mining	0	0	0	0	0	3	0%	
Other Services	67	58	20	5	0	150	4%	
Professional, Scientific and Technical Services	357	220	47	15	0	635	16%	
Public Administration and Safety	9	8	3	3	0	19	0%	
Rental, Hiring and Real Estate Services	525	67	19	3	0	615	16%	
Retail Trade	146	106	48	19	3	323	8%	
Transport, Postal and Warehousing	280	33	11	4	0	327	8%	
Wholesale Trade	117	80	39	23	0	257	7%	

B1.4 Employment composition and growth by industry

Table B3 provides a count of employees by industry for the Waterloo catchment (both primary and secondary trade areas) as at the ABS 2011 and 2016 Censuses, as reported by Transport for NSW's Transport Performance and Analytics team. Key employing sectors include professional, scientific and technical services, retail trade and public administration and safety.

Transport, postal and warehousing has fallen dramatically in importance, being the leading employing industry in 2011 with 12.3% of employees, and in 2016 being the sixth with a mere 7.0% of employees. This contrasts with the floorspace findings of City of Sydney's Employment Floor Space Survey, which showed that in 2012 Redfern Street Village had 65 business across 142,000 sq.m compared with 44 businesses in across 108,000 sq.m in 2017. Although the geographies being reported are not identical, it points to a possible change in the business models being used, moving to more automated operations with smaller floorplates, possibly as a part of more fine grained urban logistics networks.

Table B4 depicts how employment is expected to change in the area between 2016 and 2036, according to forecasts by Transport for NSW. Financial and insurance services is the most notable industry in terms of employee growth, with 14.0% p.a. growth between 2016 and 2036 (primarily driven by a spike between 2016 and 2026 that coincides with the Commonwealth Bank occupying new premises in ATP). Other key industries include professional, scientific and technical services (2.6% p.a. growth) education and training (2.3% p.a. growth) and public administration and safety will also remain an important employing industry (1.5% p.a. growth). Overall employment will grow at 2.0% p.a.

Table B3 Waterloo catchment industry composition (2011 & 2016)

Source: NSW TPA data (2016)

Industry	Employees 2011	Share of Total	Employees 2016	Share of Total
Professional, Scientific and Technical Services	1900	11.7%	2392	13.7%
Retail Trade	1567	9.7%	2223	12.7%
Public Administration and Safety	1726	10.7%	1662	9.5%
Information Media and Telecommunications	1257	7.8%	1441	8.3%
Health Care and Social Assistance	870	5.4%	1311	7.5%
Transport, Postal and Warehousing	1991	12.3%	1221	7.0%
Construction	836	5.2%	1073	6.1%
Administrative and Support Services	651	4.0%	957	5.5%
Wholesale Trade	1184	7.3%	862	4.9%
Other Services	809	5.0%	816	4.7%
Accommodation and Food Services	598	3.7%	791	4.5%
Education and Training	666	4.1%	766	4.4%
Arts and Recreation Services	352	2.2%	528	3.0%
Rental, Hiring and Real Estate Services	281	1.7%	388	2.2%
Textile, Leather, Clothing and Footwear Manufacturing	370	2.3%	310	1.8%
Financial and Insurance Services	126	0.8%	236	1.4%
Printing (including the Reproduction of Recorded Media)	139	0.9%	120	0.7%
Furniture and Other Manufacturing	249	1.5%	102	0.6%
Food Product Manufacturing	63	0.4%	83	0.5%
Machinery and Equipment Manufacturing	399	2.5%	63	0.4%
Non-Metallic Mineral Product Manufacturing	36	0.2%	30	0.2%
Electricity, Gas, Water and Waste Services	4	0.0%	21	0.1%

Transport Equipment Manufacturing	10	0.1%	13	0.1%
Wood Product Manufacturing	9	0.1%	13	0.1%
Fabricated Metal Product Manufacturing	16	0.1%	12	0.1%
Basic Chemical and Chemical Product Manufacturing	17	0.1%	11	0.1%
Primary Metal and Metal Product Manufacturing	14	0.1%	5	0.0%
Petroleum and Coal Product Manufacturing	0	0.0%	4	0.0%
Beverage and Tobacco Product Manufacturing	0	0.0%	4	0.0%
Agriculture, Forestry and Fishing	13	0.1%	2	0.0%
Polymer Product and Rubber Product Manufacturing	0	0.0%	2	0.0%
Pulp, Paper and Converted Paper Product Manufacturing	17	0.1%	2	0.0%
Mining	5	0.0%	0	0.0%

Table B4 Waterloo catchment employment forecasts by industry 2016-2036

Source: NSW TPA data (2016)

Industry	Employees 2016	Employees 2026	Employees 2036	Total Change 2016-2036	CAGR
Professional, Scientific and Technical Services	2392	3338	3965	65.8%	2.6%
Retail Trade	2223	2378	2693	21.1%	1.0%
Public Administration and Safety	1662	2000	2253	35.6%	1.5%
Information Media and Telecommunications	1441	1569	1667	15.7%	0.7%
Health Care and Social Assistance	1311	1460	1706	30.1%	1.3%
Transport, Postal and Warehousing	1221	1317	1415	15.9%	0.7%
Construction	1073	1110	1260	17.5%	0.8%
Administrative and Support Services	957	1088	1219	27.3%	1.2%
Wholesale Trade	862	998	1041	20.7%	0.9%
Other Services	816	973	1060	29.9%	1.3%
Accommodation and Food Services	791	919	999	26.4%	1.2%
Education and Training	766	1008	1201	56.8%	2.3%
Arts and Recreation Services	528	586	671	27.1%	1.2%
Rental, Hiring and Real Estate Services	388	459	524	35.1%	1.5%
Textile, Leather, Clothing and Footwear Manufacturing	310	425	445	43.3%	1.8%
Financial and Insurance Services	236	2228	3264	1283.7%	14.0%
Printing (including the Reproduction of Recorded Media)	120	158	164	36.4%	1.6%
Furniture and Other Manufacturing	102	112	122	19.6%	0.9%
Food Product Manufacturing	83	76	79	-4.8%	-0.2%
Machinery and Equipment Manufacturing	63	80	82	31.0%	1.4%
Non-Metallic Mineral Product Manufacturing	30	30	30	0.6%	0.0%

Electricity, Gas, Water and Waste Services	21	24	26	22.3%	1.0%
Transport Equipment Manufacturing	13	16	16	20.9%	1.0%
Wood Product Manufacturing	13	12	12	-4.7%	-0.2%
Fabricated Metal Product Manufacturing	12	8	7	-41.8%	-2.7%
Basic Chemical and Chemical Product Manufacturing	11	14	14	28.7%	1.3%
Primary Metal and Metal Product Manufacturing	5	6	6	20.9%	1.0%
Petroleum and Coal Product Manufacturing	4	3	2	-44.5%	-2.9%
Beverage and Tobacco Product Manufacturing	4	2	1	-78.2%	-7.3%
Agriculture, Forestry and Fishing	2	2	2	-26.8%	-1.6%
Polymer Product and Rubber Product Manufacturing	2	2	2	-14.5%	-0.8%
Pulp, Paper and Converted Paper Product Manufacturing	2	2	2	-10.2%	-0.5%
Mining	0	1	1	32.8%	1.4%

B1.5 Journey to work analysis

Table B5 presents data on the top 20 areas workers travel from to work in the Waterloo South catchment and their mode of transport.

The top five origin areas for workers travelling to Waterloo South's catchment are within a 1-5 km radius of Waterloo South which may allow workers to possibly walk to work occasionally, in lieu of taking public transport or even driving. The rest of the top ten are within 5-6 km of Waterloo.

Except for Surry Hills, Kensington and Kingsford, the subsequent top 11-20 origin areas for workers travelling to Waterloo South's catchment are either within a 5-10 km radius of Waterloo South or 10-20 km radius. Of the modes of transport surveyed, travel by vehicle accounted for roughly 50% of workers mode of transport for workers traveling to work in the Waterloo South catchment. Of the workers who walked to the Waterloo South catchment the Table B6 presents data on the top 20 areas that workers from Waterloo South's catchment travel to for work and their modes of transport.

Except for Macquarie Park, Marsfield, Chatswood and Artarmon, most of the areas that workers commute to are located within a 10 km radius of Waterloo South:

- The top two modes of transport for workers travelling to work from Waterloo South's catchment are train at 25% and by vehicle at around 30%.
- Walking to work was the third highest mode of transport for workers travelling from Waterloo South's catchment, at 16%. Most workers walking to work live within a 5-km radius of Waterloo.

Future travel patterns

The future metro station could support over 6,000 movements per hour at AM peaks over the longer term, and a more than doubling of transport movements is expected in the Waterloo region over the next 15–20 years. Considerable modal shift is expected, with an increase in the share of workers commuting into the area, and leaving the area, over the next 15–20 years as per transport studies.

Table B5 Top 20 areas of origin for workers travelling to the Waterloo South catchment

Source: NSW TPA data (2016)

Area of origin (SA2)	Bus	Ferry/Tram	Mode not stated	Other mode	Worker Mode of Transport					Total	Share of total (%)
					Train	Vehicle driver	Vehicle passenger	Walked only	Worked at Home or Did not go to Work		
Redfern - Chippendale	6			45	9	115	12	219	131	537	4%
Erskineville - Alexandria	12			33	25	131	3	161	117	482	3%
Waterloo - Beaconfield	34		6	24	11	159	16	138	74	462	3%
New town - Camperdown - Darlington	25		3	31	31	100	9	51	18	269	2%
Marrickville	11		3	6	58	108	9	9	18	221	2%
Maroubra	39		3			148	15		16	221	2%
Petersham - Stanmore	13			17	48	82	3	16	22	201	1%
Mascot - Eastlakes	25		3	5	9	106	28	3	15	194	1%
Coogee - Clovelly	28			7	6	128	4	3	16	191	1%
Randwick	39		3	12	3	105	3		22	187	1%
Bondi Beach - North Bondi	8		6	4	25	119	11		12	185	1%
Leichhardt - Annandale	33	5		20	6	88		7	22	173	1%
Kensington - Kingsford	23		3	6	5	83	15		17	159	1%
Bondi - Tamarama - Bronte	9			7	26	102	6		6	156	1%
Surry Hills	18			14	17	41	3	53	9	155	1%
Double Bay - Bellevue Hill				6	19	92	10		18	145	1%
Malabar - La Perouse - Chifley	28		3			87	3	3	15	136	1%
Cronulla - Kurnell - Bundeena				4	13	83	6		25	135	1%
Kingsgrove (North) - Earlwood			4		18	91	12		5	130	1%
Canterbury (South) - Campsie			3		43	65	9		8	128	1%
Total top 20	351	5	40	241	371	2033	177	662	586	4,464	32%
Remaining areas	258	3	153	155	3197	4476	324	136	744	9446	68%
Total	609	8	193	395	3569	6508	500	798	1330	13910	100%
Transport share of total (%)	4.4%	0.1%	1.4%	2.8%	25.7%	46.8%	3.6%	5.7%	9.6%	100.0%	-

Table B6 Top 20 destination areas for workers travelling from the Waterloo South catchment

Source: NSW TPA data (2016)

Area of origin (SA2)	Worker Mode of Transport										Total	Share of total (%)
	Bus	Ferry/Tram	Mode not stated	Other mode	Train	Vehicle driver	Vehicle passenger	Walked only	Worked at Home or Did not go to Work			
Sydney - Haymarket - The Rocks	507		16	129	887	186	48	320	177	2,269	27%	
Redfern - Chippendale	9		3	49	14	86	15	241	134	551	7%	
Estimoteville - Alexandria	35			32	14	164	12	113	117	487	6%	
Surry Hills	59		7	61	36	69	12	169	32	446	5%	
Waterloo - Beaconsfield	19		9	27	4	123	6	106	68	362	4%	
Pymont - Ultimo	22	3		51	52	75	18	102	19	343	4%	
North Sydney - Lavender Bay	9		3	13	218	58	3	9	16	330	4%	
New town - Camperdown - Darlington	9			22	13	60	13	74	12	203	2%	
No fixed work address (GMA)	3			10	30	98	6	6	32	186	2%	
Darlinghurst	18		11	16	19	45	15	32	27	183	2%	
Mascot - Eastakes	15	5		6	15	77	6	9	30	163	2%	
Macquarie Park - Marsfield	9			6	66	55	3	3	6	148	2%	
Bondi Junction - Waverly	12		5	3	49	46	4	3	18	140	2%	
St Leonards - Narraburn					77	41		3	18	139	2%	
Potts Point - Woolloomooloo		3	3	6	37	60	3	15	3	131	2%	
Randwick	29			6	3	57	3	6	14	118	1%	
Paddington - Moore Park	12		3	16	3	38	3	14	11	100	1%	
Glebe - Forest Lodge	14			7	9	35	3	13	9	90	1%	
Kensington - Kingsford	12			9		41	10	3	9	84	1%	
Chatswood (East) - Artarmon			3		34	29	3	3	6	75	1%	
Total top 20	793	11	63	471	1582	1446	186	1240	758	6,551	78%	
Remaining Areas	93	3	13	33	500	896	52	53	166	1810	22%	
Total	886	14	76	504	2083	2341	238	1293	925	8361	100%	
Total top 20 (%)	10.6%	0.2%	0.9%	6.0%	24.9%	28.0%	2.9%	15.5%	11.1%	100.0%	-	

B1.6 Business, community and social infrastructure

This sub-section of the report looks at the supply of different community and social infrastructure within and around Waterloo. It covers areas such as indigenous services, aged care, health, community centres and education. We note this is a preliminary overview and that other technical consultant reports will explore these uses in further detail. Table B7 depicts the range of indigenous service providers in and around Waterloo. The nature of services provided by each organisation differs. Together they offer a diverse spectrum of medical, educational, cultural and general social welfare services.

These organisations could potentially make use of new tenancies within any development at Waterloo South.

Table B7 Waterloo catchment surrounding Aboriginal services

Source: macroplan

Name	Address	Suburb
The Aboriginal Education Council	7 Park Road	Alexandria
Aboriginal Catholic Ministry	77 Buckland Street	Alexandria
Alleena/Warrambucca Aboriginal Home Care Branch	12A Dadley St,	Alexandria
Mudgin-gal Aboriginal corporation	231 Abercrombie St	Darlington
Babana Aboriginal	186 Glebe Point Road	Glebe
Aboriginal Child Family and Community Care State Secretariat	21 Carrington Rd	Marrickville
National Centre for Indigenous Excellence	166-180 George St	Redfern
National Aboriginal Sporting Chance Academy	166-180 George Street	Redfern
The Redfern Foundation	313/148 Goulburn St	Redfern
Aboriginal Medical Service Co Operative	36 Turner St	Redfern
Metropolitan Local Aboriginal Land Council	36-38 George St	Redfern
Yarn'n Aboriginal Employment Services	71-77 Regent St,	Redfern
Tribal Warrior	27 Cope Street	Redfern
Aboriginal Dance Theatre Redfern	88 Renwick St	Redfern
Sydney District Nursing Aboriginal Health	103 Redfern St	Redfern
First Peoples Disability Network Australia	402/161 Redfern St	Redfern
Gadigal Information Service & Koori Radio	27 Cope St	Redfern
Wyanga Aboriginal Aged Care Program	35 Cope St	Redfern
South Sydney Aboriginal Corporation Resource Centre	638 Elizabeth St	Redfern
Kinchela Boys Home Aboriginal Corporation	631 Elizabeth St	Redfern
Aboriginal Legal Service (NSW/ACT)	199 Regent Street	Redfern
KARI	128 Rothschild Ave	Rosebery
Aboriginal Education Consultative Group	37 Cavendish St	Stanmore
Aboriginal Hostels Limited	Level 5, 134/128 Chalmers St	Surry Hills
WEAVE Youth & Community Services	1B Elizabeth St	Waterloo

Table B8 lists the range of aged care services in and around Waterloo, the range is relatively limited.

Table B8 Waterloo catchment surrounding aged care services

Source: macroplan

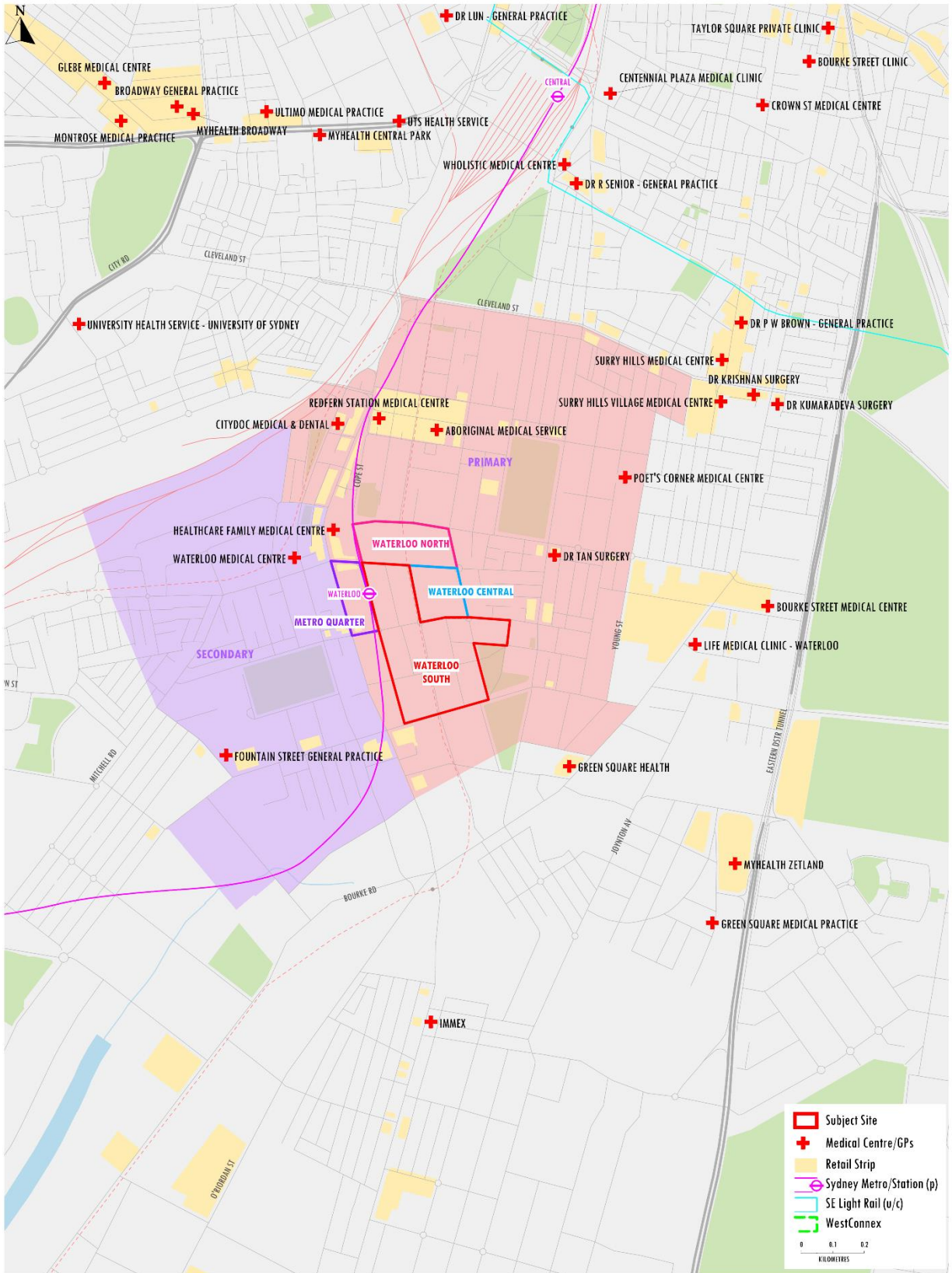
Name	Address	Suburb	Places
Wyanga Aboriginal Aged Care Program	35 Cope Street	Redfern	
Castellorizian Nursing Home	95 Todman Avenue	Kensington	55
St Josephs Aged Care Facility for Religious	2 Kensington Road	Kensington	50
Catholic Healthcare The Sister Anne Court Aged Care	180 Albion Street	Darlinghurst	68
Catholic Healthcare Gertrude Abbott Aged Care	180 Albion Street	Darlinghurst	100
Presbyterian Aged Care - Paddington	74 Brown Street	Paddington	88
Catholic Healthcare Vincentian Aged Care Service	48 Yurong Street	Darlinghurst	30
Frederic House	182 Young Street	Waterloo	61
Annie Green Court	47 Redfern Street	Redfern	73
Australian Chinese Community Association East Sydney	South 2 Mary Street	Surry Hills	-
Calvary Community Care Services - Sydney	72-80 Cooper Street	Surry Hills	-
Charles Chambers Court	11 Hunt Street	Surry Hills	60
Catholic Community Services Homelessness and Housing Support	663 Elizabeth Street	Waterloo	-

Table B9 provides a list of health care services near Waterloo. Some of these services will be impacted by the proposed development of Waterloo South. The location of these services are shown on Map B2.

Table B9 Waterloo catchment surrounding health care services

Source: macroplan

Name	Address	Suburb
Fountain Street General Practice	21 Fountain St	Alexandria
Waterloo Medical Centre	45 Wyndham St	Alexandria
Myhealth Medical Central Park	RB08/1 Central Park Ave	Chippendale
USYD: University Health Service	2 Butlin Ave	Darlington
Erskineville Doctors	15-19 Erskineville Road	Erskineville
Glebe Medical Centre	53 Glebe Point Rd	Glebe
Montrose Medical Practice	20 Glebe Point Rd	Glebe
Aboriginal Medical Service	36 Turner St	Redfern
Dr Kumaradeva Surgery	662 Bourke St	Redfern
Citydoc Medical & Dental	7-9 Gibbons St	Redfern
Poet's Corner Medical Centre	5/45 Morehead St	Redfern
Redfern Station Medical Centre	147-151 Redfern St	Redfern
Regional Health Care	3-11 Primrose Ave	Rosebery
Dr Krishan Surgery	429 Cleveland St	Surry Hills
Dr P W Brown - General Practice	598 Crown Street	Surry Hills
Dr R Senior - General Practice	72 Devonshire St	Surry Hills
Surry Hills Medical Centre	569-573 Crown St	Surry Hills
Surry Hills Village Medical Centre	19 Baptist St	Surry Hills
Wholistic Medical Centre	17 Randle St	Surry Hills
Broadway General Practice	Broadway Shopping Centre	Ultimo
Broadway Healthcare	Broadway Shopping Centre	Ultimo
Myhealth Broadway	1 Bay St	Ultimo
UTS Health Service	15 Broadway	Ultimo
Bourke Street Medical Centre	782 Bourke St	Waterloo
Green Square Health	965 Bourke St	Waterloo
Healthcare Family Medical Centre	23 Botany Rd	Waterloo
Life Medical Clinic	822 Bourke St	Waterloo
Dr Tan Surgery	65 Elizabeth St	Waterloo



**Map B2: Waterloo
Medical facilities**

The community, sports and aquatic centres around Waterloo are identified in Table B10. The National Centre of Indigenous Excellence (NCIE) at George Street Redfern, is approximately 300 metres north of the Waterloo Estate.

Table B10 Waterloo catchment surrounding community, sports and aquatic services

Source: macroplan

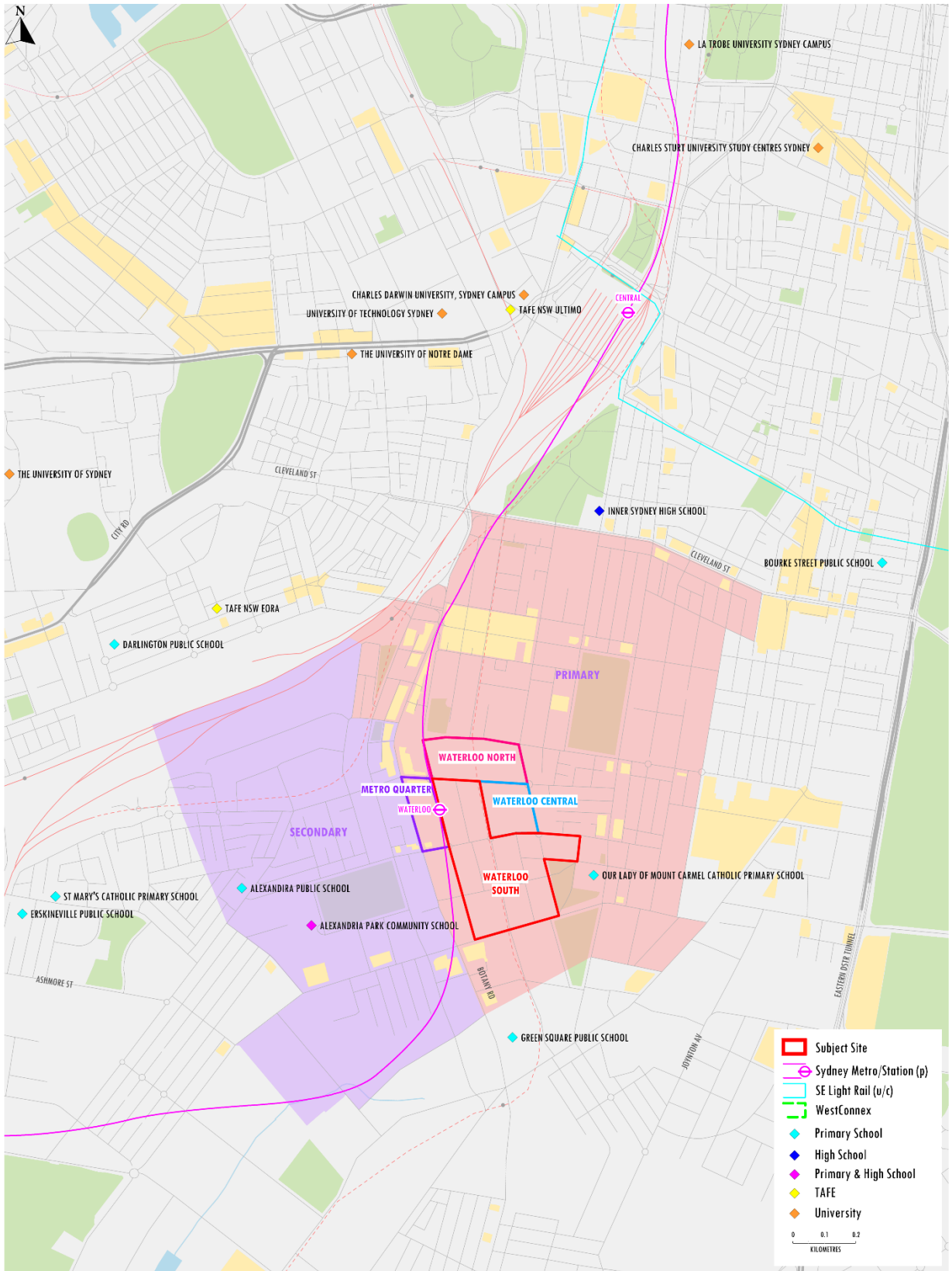
Name	Address	Suburb
Community Centre		
Alexandria Park Community Centre	Power Ave	Alexandria
Cliff Noble Community Centre	24 Suttor St	Alexandria
South Sydney Community Aid Coop Ltd	73 Garden St	Alexandria
Peter Forsyth Auditorium	Cnr Francis & Franklyn Sts	Glebe
St Helen's Community Centre	184 Glebe Point Road	Glebe
Tom Foster Community Centre	11-13 Darley St	Newtown
Ron Williams Centre	5/11 Kepos St	Redfern
National Centre of Indigenous Excellence	166-180 George St	Redfern
Redfern Community Centre	29-53 Hugo St	Redfern
The Factory Community Centre	67 Raglan St	Waterloo
Green Square Community Hall	3 Joynton Ave	Zetland
Sports and Aquatic Centre		
Victoria Park Pool	Parramatta Rd & City Road	Camperdown
Sydney Uni Sports & Aquatic Centre	85 Darlington Rd	Darlington
UNSW Fitness & Aquatic Centre	Building B5 Gate 2, High St	Kensington
Annette Kellerman Aquatic Centre	Enmore Park, Black Street	Marrickville
Prince Alfred Park Public Pool	105 Chalmers St	Surry Hills
Ian Thorpe Aquatic Centre	458 Harris St	Sydney

Table B11 looks at the supply of primary and secondary school and university facilities in the locality. The location of these facilities is shown on Map B3. There is a substantial number of local schools and some of the nation's leading universities located within the catchment. Capacity and delivery models for education services will be outlined by other consultants and integrated into further work for the precinct.

Table B11 Waterloo catchment surrounding education services

Source: macroplan

Name	Address	Suburb
Kindergarten to Year 6		
Darlington Public School	Golden Grove St	Chippendale
Eastlakes Public School	7 Florence Ave	Eastlakes
Erskineville Public School	Swanson St	Erskineville
Kensington Public School	77-79 Doncaster Avenue	Kensington
Mascot Public School	207 King St	Mascot
Newtown Public School	1 Norfolk St	Newtown
Newtown North Public School	50 Carillon Ave	Newtown
Australia Street Infants School	229 Australia St	Newtown
Camdenville Public School	Laura St	Newtown
Gardeners Road Public School	420-422 Gardeners Road	Rosebery
St Peters Public School	Church St	St Peters
Bourke Street Public School	590 Bourke St	Surry Hills
Sydney Distance Education Primary School	1 Collins St	Surry Hills
Our Lady of Mount Carmel Catholic Primary School	2-6 Kellick St	Waterloo
High School		
Sydney Boys High School	556 Cleveland St	Moore Park
Newtown High School of Performing Arts	King Street	Newtown
Sydney Girls High School	Anzac Parade & Cleveland Street	Surry Hills
Central Sydney Intensive English High School	57-77 Mitchell Road	Alexandria
Kindergarten to Year 12		
Alexandria Park Community School	117 Buckland St	Alexandria
Universities		
The University of Sydney	88 Mallett St	Camperdown
Griffith University	Australia St	Camperdown
Charles Sturt University Study Centres Sydney	1/63 Oxford St	Darlinghurst
University of Tasmania Sydney, Darlinghurst Education Centre	1 Leichhardt St	Darlinghurst
campus		
Charles Darwin University, Sydney Campus	815 George St	Haymarket
La Trobe University Sydney Campus	255 Elizabeth St	Sydney
Central Queensland University, Campus Sydney	400 Kent St	Sydney
Victoria University, VU Sydney Campus	160 Sussex St	Sydney
University of Technology Sydney	15 Broadway	Ultimo
UNSW Sydney	229 Anzac Parade	Sydney



**Map B3: Waterloo
Education facilities**

Table B12 looks at the supply of short-term accommodation (hotels and serviced apartments) near Waterloo. As can be seen, there is not a large supply of short-term accommodation options near to Waterloo, especially given the area's proximity to Sydney's CBD and airport.

Table B12 Waterloo catchment surrounding short-term accommodation

Source: Wotif; macroplan

Name	Address	Suburb
Song Hotel Redfern	179 Cleveland St	Chippendale
Casa Central Accommodation	11 Regent St	Chippendale
Waldorf Sydney Central Serviced Apartments	47-49 Chippen St	Chippendale
Adina Apartment Hotel Sydney Chippendale	74-80 Ivy St	Chippendale
The Old Clare Hotel	1 Kensington St	Chippendale
Mad Monkey Backpackers on Broadway	20 City Rd	Chippendale
Manor House Boutique Hotel	86 Flinders St	Darlinghurst
Billabong Gardens - Hostel	11 Egan St	Newtown
Shakespeare Hotel	200 Devonshire St	Surry Hills
Sinclair's City Hostel	510 Cleveland St	Surry Hills
The Village Surry Hills	207 Cleveland St	Surry Hills
Bounce Sydney - Hostel	28 Chalmers St	Surry Hills
57 Hotel	57 Foveaux St	Surry Hills
Adina Apartment Hotel Sydney Surry Hills	359 Crown St	Surry Hills
Big Hostel	212 Elizabeth St	Surry Hills
Abey Hotel	212 Riley St	Surry Hills
Cambridge Hotel Sydney	212 Riley St	Surry Hills
Mercure Sydney	818-820 George St	Ultimo
Vulcan Hotel	500 Wattle St	Ultimo
Meriton Serviced Apartments, Waterloo	30 Danks St	Waterloo
Meriton Serviced Apartments, Zetland	8 Defries Ave	Zetland

Table B13 presents information for upcoming commercial projects within the surrounding suburbs of Alexandria, Zetland and Eveleigh. Its purpose is to demonstrate the level of commercial activity occurring around Waterloo, including at the nearby Australian Technology Park and at Green Square. A significant amount of the projects listed are of a mixed-use format, with few being solely comprised of commercial floorspace.

Table B13 Waterloo catchment surrounding commercial development proposals

Project Title	Project Address	Type	Completion Date	Stage	GFA	Apartments	Floors
Alexandria							
Bourke Road Commercial Building	15 Bourke Rd	Commercial/Offices/Cafe	12/05/2021	Development Approval	2184	0	4
Euston Rd Mixed Development - Derive On Euston	71-91 Euston Rd	Apartments/Commercial	27/09/2021	Construction	2818	35	4
Bourke Road Commercial Development	29-33 Bourke Rd	Offices/Shop/Cafe	12/08/2022	Development Approval	9941	0	4
Botany Road Commercial Building	290-294 Botany Rd	Offices/Retail	20/10/2023	Development Approval	9856	0	7
Bourke Road Commercial Building	5-7 Bourke Rd	Offices/Shops	29/02/2024	Development Approval	5353	0	9
Mandible Street Commercial Building	22-28 Mandible St	Offices/Retail	31/05/2024	Development Application	13062	0	9
Ausgrid Alexandria Infrastructure Network Management Facility	70 & 56-60 Bourke Rd & 15 O'Riordan St	Office Building/Warehouse/Workshop/Cafe/Retail	11/07/2024	Development Application	-	0	3
Ralph Street & Botany Road Shop Top Housing	45-47 Ralph St & 634 Botany Rd	Apartments/Commercial Suites	29/11/2024	Development Application	11144	115	7
One Sydney Park	205-213 Euston Rd	Units/Retail/Commercial	10/04/2025	Development Application	38219	390	6
Bourke & Bowden Alexandria	23-27 Bourke Rd & 41-43 Bowden St	Offices/Food & Drink Premises	1/08/2025	Development Application	20225	0	4
O'Riordan Street Commercial Building	22 O'Riordan St	Offices/Shops/Food & Drink Premise	28/02/2026	Development Application	20820	0	6
Erskineville							

Mitchell Rd & Ashmore St Residential Development - Park Sydney	165-175 Mitchell Rd & 57 Ashmore St	Units/commercial	30/06/2022	Sketch Plans	133696	1400	8
Eveleigh							
Sydney Innovation & Technology Precinct	near Central Station	Technology precinct/hotel/retail	29/08/2025	Sketch Plans	-	0	35
Central To Eveleigh Urban Renewal & Transport Program (C2E) Overall Project	Central to Eveleigh	Commercial/residential/education/civil		Early Planning	-	-	0
Australian Technology Park	2 Locomotive St	Technology park/office/community	30/06/2020	Construction	-	0	9
Redfern							
Surry Hills Shopping Village Site	397-399A Cleveland St & 2-38 Baptist St	Apartments/retail/commercial	29/07/2022	Development Approval	26695	154	7
Pemulwuy Project - The Block - Concept Plan	Bounded by Eveleigh, Lawson, Caroline, Louis, Vine & Lawson Sts	Dwellings/fitness centre/commercial/student accommodation		Contract Let	17365	62	6
Lawson Square Units - TNT Apartments	1 Lawson Sq.	Units/commercial/retail	25/05/2019	Construction	12907	174	18
Waterloo							
Waterloo Metro Quarter Over Station Development	bounded by Cope St, Botany Rd, Raglan St & Wellington St	Dwellings/retail/commercial/community	30/08/2024	Contract Let	56200	700	29
Waterloo Business Centre Mixed Development	44-48A O'Dea Av	Apartments/retail/commercial		Development Approval	25354	357	20
Zetland							
Botany Road Commercial Building	191-195 Botany Rd	Commercial/retail	11/02/2023	Development Application	18927	0	6
Green Square Town Centre - Sites 8C, 8D, 19A & 19B	377-497 Botany Rd	Apartments/retail/commercial	22/10/2022	Development Approval	48858	514	24
Green Square Town Centre Sites 7 & 17	960A Bourke St	Apartments/commercial/retail	30/04/2024	Development Approval	23318	195	16

B1.7 Potential non-retail opportunities

In meeting the needs of the Waterloo South catchment and its future residents from a non-retail perspective, we previously identified a range of facilities that we consider as potential tenancy candidates for commercial floorspace in the precinct.

We note that not all potential tenancies will be (i.e. are not provided for in the Waterloo South masterplan) or need to be necessarily accommodated at Waterloo South as there are other suitably zoned business areas nearby.

The purpose of the high-level reconnaissance at this stage of the Planning Proposal process is purely to identify the potential uses other than retail to locate within the Waterloo precinct. Some of the identified uses have been suggested with the intention that they could pair well with one another, to offer a greater level of service and convenience to those who utilise them. The potential uses identified include:

- Commercial tenancies;
- Short-term accommodation;
- Private hospitals;
- Aged care;
- University and school uses;
- Child care; and
- Recreational uses.

Appendix C: Wider economic benefits detailed methodology

The Australian Bureau of Statistics (ABS) constructs estimates of industry value-added (IVA) and gross regional product (GRP) for each of the States, but not at a regional or Local Government Area (LGA) level. There is insufficient data at the regional or LGA level for the ABS to assert a degree of confidence around IVA/GRP estimates, and this indicates that estimates of IVA/GRP at the LGA/regional level, or in this case sub-suburb level, needed to be treated with some caution.

With that qualification, the Office of the Chief Economist of Department of Industry, Innovation and Science (OCE) has published provisional estimates of regional GRP for 2014/15. The methodology used by the OCE is set out in broad terms in its 2016 Report. It uses partial data, relative employee compensation (vs labour value-added and capital value-added for State industries) in most instances, to determine ratios and a region's share of State industry value-added. The methodology is reasonable and defensible but (as the OCE would agree) the results need to be treated with caution.

Macroplan has adopted the OCE methodology, to generate 'estimates' of output regions in Australia, in this case for Waterloo South. Taking the estimates of floorspace by industry, we use standard measures of space per worker to derive a potential workforce if the floorspace were fully utilised. But high-density locations generally lead to higher productive use of space, or more workers per unit space, and we apply a 15% 'productivity' premium. Then, 'total factor income' per worker by industry for NSW is applied to the number of workers per industry to generate an estimate of total factor income for each industry. Total factor income incorporates income generated from capital – the methodology incorporates the assumption of the NSW capital/labour ratio. The aggregate is an estimate of industry value-added.

Residential living is also a source of economic activity in its own right, which is related to the rental income generated. For 2016/17, the average value-added per occupied dwelling in NSW was \$17,900 per annum. The average rent was about \$470 per week, but for inner Sydney, the average rental value is \$780, and this indicates value-added of about \$30,000 per annum. However, given the frequency and speed of metro services, locations in proximity to metro stations are expected to attract a premium, and a higher premium than applies to normal rail stations. For market rents, this could be 10-20%, lifting the value-added to over \$34,000 per dwelling.

The long-term vacancy rate for rental property in Sydney is about 2%. Allowing for 50% owner-occupied, and a lower vacancy rate in a prime location, it is assumed that a 1% vacancy rate applies to the stock (i.e. some of the owner-occupied dwellings will be vacant, e.g. 'for sale'.)

MELBOURNE

Level 16
330 Collins Street
Melbourne VIC 3000
(03) 9600 0500

www.macroplan.com.au

SYDNEY

Level 10
580 George Street
Sydney NSW 2000
(02) 9221 5211

BRISBANE

Level 1
310 Edward Street
Brisbane QLD 4000
(07) 3221 8166

GOLD COAST

Level 2
89-91 Surf Parade
Broadbeach QLD 4218
(07) 3221 8166

PERTH

Level 1
89 St Georges Terrace
Perth WA 6000
(08) 9225 7200

macroplan