

**PLANNING AND ENVIRONMENT ACT 1987
WHITEHORSE PLANNING SCHEME**

**This plan is approved pursuant to Clause 43.04
Schedule 6 of the Whitehorse Planning Scheme.
This document forms part of the Development
Plan for the former brickworks site at
78 Middleborough Road, Burwood East**

**No. of pages: 76
Document: 3 of 8 in Volume 2
Signed: Allison Egan
Date: 27/12/2018**

Burwood East Retail Centre

Economic Impact Assessment

October 2018

URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

Director	Jeff Armstrong
Associate Director	Brendan Drew
Consultant	Liam Hennessy
Job Code	MPE1-2215
Date	September 2015 (updated July 2016 and October 2018)

© Urbis Pty Ltd
ABN 50 105 256 228

All Rights Reserved. No material may be reproduced without prior permission.

You must read the important disclaimer appearing within the body of this report.

URBIS
Australia Asia Middle East
urbis.com.au

TABLE OF CONTENTS

Executive Summary	i
Introduction.....	1
1 Site Context and Proposed Development.....	3
1.1 Location and Site Attributes.....	3
1.2 Historical Context.....	3
1.3 Proposed Development	4
2 Trade Area Market	5
2.1 Catchment Definition	5
2.2 Population Forecasts	8
2.2.1 Municipality Population Forecasts	8
2.2.2 Trade Area Population.....	10
2.3 Socio-Economic Characteristics	13
2.3.1 Trade Area Trends.....	13
2.3.2 House Prices	16
2.4 Trade Area Retail Spending	23
2.4.1 Per Capita Retail Spending	23
2.4.2 Total Retail Spending	23
3 Retail Supply	24
3.1 Current Offer in Centres	24
3.1.1 Centres in the Broader Region	24
3.1.2 Centres in the Local Region	26
4 Market Need & Demand Analysis.....	39
4.1.1 Market Growth	39
4.1.2 Supermarkets	40
4.2 A Distinctly Progressive Local Centre	42
4.3 Improvements to the Brickworks Site	43
5 Trading Impact Assessment.....	44
5.1 Burwood East Retail Centre Turnover Potential.....	44
5.2 Impact Assessments	46
5.2.1 Methodology	46
5.2.2 Impacts	47
6 Net Community Benefit Analysis	51
Disclaimer	54

Executive Summary

Report Notes and Interpretation

A previous EIA report was prepared by Urbis for the proposed Burwood Brickworks development in July 2016. This development was endorsed by Whitehorse Council on 28 February 2018.

This updated EIA report (October 2018) relates to the latest development scheme for Burwood Brickworks which includes only minor amendments to the endorsed plans, as follows:

- The endorsed development plan and EIA report included 10,530 sq.m of leasable floor space.
- The revised development plan and EIA report includes 12,956 sq.m of leasable floor space.
- The breakdown of the leasable floor space proposed under the revised development plan is as follows:
 - Approximately 10,500 sq.m of retail floor space including:
 - 4,200 sqm full-line supermarket;
 - 2,364 sq.m of mini majors;
 - Approximately 3,936 sq.m of specialty shops including a dining precinct
 - Approximately 2,456 sq.m of non-retail uses such as entertainment uses (e.g. a cinema or 10-pin bowling), a gym, offices, child care, a medical centre and health and wellbeing uses (the precise mix is yet to be determined).

In line with the above changes, this report includes revisions to the analysis of the market and need, demand and impacts, as well as updated trade area market information where new information has become available.

The revised report also includes updates to some analysis inputs including for the trade area market and analysis of the need, demand and impact of the proposal.

The key findings and conclusions of the Economic Impact Assessment for the proposed Burwood Brickworks retail development are as follows:

Proposal

- Frasers Property Australia is proposing to develop the 20.5 hectare former brickworks site in Burwood East to include a mix of housing and a new shopping centre and social hub. The shopping centre component of the development, referred to as the Burwood East Retail Centre in this report, is planned to provide around 12,956 sq.m of leasable floorspace including approximately an expected 10,500 sq.m of retail uses, including a 4,200 sq.m full-line supermarket. The proposal also includes approximately 2,456 sq.m of non-retail uses such as entertainment uses (e.g. a cinema or 10-pin bowling), a gym, offices, child care, a medical centre and health and wellbeing uses (the precise mix is yet to be determined). The balance of the subject site is earmarked for development of around 950 dwellings that will provide a range of housing choices for the market.

Market Analysis

- With good levels of population density in the area, the centre will serve a sizeable catchment of over 43,000 residents by 2021. The Frasers Property Australia development alone will provide another 2,050 residents in the primary sector of Burwood Brickworks retail development trade area who will generate significant demand for retail uses and services.
- The socio-economic profile of trade area residents indicates a generally established and older aged market with lower incomes but likely good asset wealth. The trade area is in a process of change

with an increasing ethnic population (notably persons from Asia) and improving incomes in areas in proximity to Burwood East. In the future, the expectation is for an increasing rate of regeneration and gentrification of older households, with the expectation of new families and better income households moving into the area.

- Currently (2017), residents generate some \$561 million (incl. GST) in expenditure on retail goods and services. With forecast population growth and increases in real spending per capita, the available resident retail spending market is forecast to grow to some \$612 million by 2020, and \$717 million by 2026 (expressed in constant 2017 dollars incl. GST).
- The growing and changing market will generate demand for a greater range of retail spaces and better quality shopping environment of retail and services in the area. The Burwood East Brickworks retail development can serve as an integral piece of infrastructure to address future market demand and provide a higher quality retail and social hub that delivers a superior level of amenity and physical space to that of other centres in the area.

Existing Retail and Cinemas Supply

- A detailed review of the existing supply of retail facilities and services in the area indicates the area includes a range of shopping centres and shopping strips providing mainly day-to-day convenience retail and services needs.
 - The larger sub-regional centres (Forest Hill and Burwood One) have recently been redeveloped, however the majority of the smaller neighbourhood centres are represented by older format supermarket based centres and small to mid-sized shopping strips, many of which are quite dated in their physical appearance and have issues with the level of amenity in the offer.
 - In this regard there is a market need for a good quality local shopping centre that provides a significantly better experience for shoppers and the local community.
- The nearest cinema to the Burwood Brickworks retail development site is located at Forest Hill Chase shopping centre, approximately 4 km to the north-east by road. The closest cinemas in other directions are between 6 km and 10 km from the subject site by road, including a Village complex in Century City Walk (Glen Waverley), Hoyts at Chadstone, a small independent cinema complex at Pinewood, Rivoli in Camberwell, Palace in Balwyn and Village at Westfield Doncaster.

Market Need and Demand

- The proposed Burwood Brickworks retail development addresses many market needs and demand including:
 - Completing the overall offer in the broader Burwood Heights activity centre that would satisfy the variety of daily/weekly needs of households. This includes a mix of retail, non-retail and community uses complementing the existing Burwood Heights offer. Notably, the development addresses the need for another full-line supermarket in a market where there is a lower than typical supply of supermarket floorspace and generally above benchmark trading stores.
 - The potential inclusion of cinemas which would be provided in tandem with the range of cafes and restaurants would provide a new social hub during the day and evenings. The cinemas would address a market gap in Burwood and surrounding region, especially in Burwood and to the west and north of the centre. We do not expect the proposed cinemas to have an adverse impact on existing cinemas in the region, with the proposed screen provision being substantially smaller than the previously approved (2008) 17 screen complex on the site.
 - A highly convenient shopping destination with a good provision of carparking and easy site ingress and egress.
 - A unique and appealing environment which would provide a superior ambience and capitalises on the natural features of the area (e.g. planned adjoining plaza), including a high amenity food and beverage dining precinct.
 - The development would also vastly improve the visual appeal, amenity and profile of the area. This will have an immediate positive impact for residents in the adjoining houses and the overall growth and role of the Burwood Heights activity centre.

Trading Impact Assessment

- There is market capacity to support the proposed Burwood Brickworks retail development. Excluding the potential non-retail uses (e.g entertainment, gym, offices, child care, a medical centre and health and wellbeing uses), and allowing for a small share of specialty space to be occupied by non-retail tenants, 9,910 sq.m of retail tenants have the potential to achieve approximately \$84.5 million (2017 dollars, including GST) in turnover in 2020, which is the assumed opening year of the development. This retail turnover includes approximately \$58.6 million of turnover by food tenants and \$25.9 million of turnover by non-food tenants. Market shares required to support the potential turnover are 17% from the primary trade area and 11% overall from the main trade area. These market shares are consistent with the market penetration of centres with a similar retail role and scale.
- The assessed trading impacts are within manageable levels for the affected centres. Some centres would continue to achieve an average trading level similar to or above their current estimated trading level. The centre expected to accrue the highest percentage impact is the existing Burwood Heights shopping centre. This centre will continue to trade at a level some 9% above the average for a supermarket based centre (based on the Urbis Shopping Centre Benchmarks for supermarket based centres) and the majority of the impact is expected to be on the estimated strong trading Woolworths supermarket. Centres that are forecast to trade at a level below their estimated current trading rate following the Burwood Brickworks development include Burwood Heights Shopping Village (-9.1%), Woolworths Blackburn South and strip retail (-2.2%), Burwood One (-1.7%) and Middleborough Road & Mirabella Crescent (-0.9%).
- In volume terms, the highest impact is expected to fall on Burwood One. This centre is currently the highest order shopping centre in the catchment and would draw well from the Burwood Brickworks retail development trade area. The introduction of a new centre at Burwood Brickworks will therefore result in some transfer of spending away from Burwood One but the one-off impact is within an acceptable and sustainable range. Burwood One's turnover productivity in 2020 is estimated to be around 7,638 per sq.m (2017 dollars) which is 1.7% lower than the existing estimated average trading level of \$7,772 per sq.m. Of note, the sizeable expansion of the Burwood One centre in 2012 is understood to have not had an adverse impact on other centres in the area, including Burwood Heights shopping centre.
- Forecast retail spending market growth due to population growth and improving incomes in the trade area would be expected to largely offset the impacts and provide the opportunity for existing centres to make improvements in response to the new competition. In fact, the affected centres, as is the case in any healthy competitive environment, have the opportunity to recapture lost market share through, for example, refinements to the tenant mix, upgrades to the centre's presentation/signage and/or expansion of retail floorspace.
- It is also relevant to note that the Burwood Brickworks retail development will have a lower overall impact compared with the previously approved Reading proposal. The amount of retail turnover generated by the development will be half that forecast for the former Reading proposal.
- The impacts on neighbourhood scale centres estimated in the previous assessment provided for the Readings proposal were within a similar range to that assessed by Urbis for the Burwood Brickworks retail development. This is not surprising given the previous scheme included a similar range of food & grocery and convenience retail as is being proposed for the Frasers Property Australia development.

Net Community Benefits

With no loss of services expected at other centres the introduction of a new range of services would have an overall net community benefit. The proposed Burwood Brickworks Retail Centre development would have the following benefits:

- More retail floorspace available in the catchment brings with it more choice and more competitive pricing in the products and services offered to existing residents. The additional population growth within the local area as well as the existing strong trading supermarket at Burwood Heights drive demand for additional retail floorspace in the vicinity. In addition, we understand Frasers Property Australia plans to secure retailers with a point of difference from the existing Burwood Heights centre

and other centres in the area in order to serve a broad spectrum of day to day needs, including a food and beverage precinct and potential non-retail uses.

- The Burwood Brickworks retail development proposal will improve a site that has sat dormant for almost twenty years and been a blight on the local area. Frasers Property Australia's masterplan, which includes approximately 950 dwellings, a town centre and new public space, will improve the overall amenity of the Burwood Heights activity centre. The activity generated by the development will attract more visitors to the area as a whole which will have flow-on benefits to the balance of the Burwood Heights activity centre in terms of commercial activity and improved perceptions of safety and security. The development is also expected to act as a catalyst for new investment in the area.
- The Frasers Property Australia development proposes a well designed and integrated retail and social hub that will provide a higher level of amenity than other centres in the area. Most of the existing centres consist of ageing shopping centres and shopping strips that straddle main roads (e.g. Blackburn South, which is bisected by Canterbury Road). It will also provide an important piece of infrastructure that will address the need for another supermarket, more retail floorspace and services and cater to the demand generated by the new residents that will occupy the 950 dwellings and existing residents in the area.
- Many of the existing activity centres in the area are not necessarily well equipped to respond to change in consumer needs and demand and to deliver an overall desired improved level of amenity (e.g. upgrades to the presentation, quality of retailers, etc.). Without significant improvements to the centres over time and introduction of a new higher quality development as proposed by Frasers Property Australia, the community will be increasingly underserved and will likely direct an increasing share of their expenditure to centres further away. This outcome reduces the levels of local activity and associated benefits as well as results in residents travelling longer distances for their regular shopping and services requirements. This can have adverse economic, social and environmental impacts.
- The addition of a planned range of non-retail uses will increase the community's opportunity for linked trips within the Burwood Heights activity centre. The potential non-retail uses include entertainment facilities such as a cinema or 10-pin bowling, a gym, offices, childcare, a medical centre and health and wellbeing uses, which will add to the overall vitality of the centre, help support the retail shops and bring new services and greater choice to the market.
- A positive impact on employment opportunities, both locally and in the broader economy. The employment generated by the development falls into two broad categories:
 - Total ongoing employment generated from the operation of the centre, both in the supermarket and the specialty shops, offices and community uses. There would also be flow-on employment (multiplier effects generated by increased demand for goods and services as a result of increased consumption by the employees at the centre.
 - Employment generated during the construction phase of the project and its flow-on effects on employment. The flow-on employment results from increased demand for materials, services and products from a range of suppliers during the construction of the centre.
- On balance the Frasers Property Australia development, including the proposed Burwood Brickworks retail development, is an appropriate development that addresses market needs and demand and will overall provide a net community benefit.

Introduction

Urbis has been commissioned by Frasers Property Australia to prepare an Economic Impact Assessment (EIA) for the proposed Burwood Brickworks retail development.

The key objectives of the EIA report are as follows:

- Assess the market need and demand for the proposed development.
- Assess the potential economic impacts and community benefits of the proposed development.

Frasers Property Australia is proposing to develop the 20.5 hectare former brickworks site to include a mix of housing and a new shopping centre and retail and social hub. The shopping centre component of the development, referred to as Burwood Brickworks retail development in this report, is planned to provide total leasable floorspace of 12,956 sq.m, including 10,500 sq.m of retail-defined uses. The retail component of the development will be anchored by a 4,200 sq.m full-line supermarket. Other potential non-retail uses proposed for Burwood Brickworks include entertainment (such as a 6-screen cinema or 10-pin bowling), a gym, offices, child care, a medical centre and health and wellbeing uses.

In 2008 the City of Whitehorse approved a masterplan for the site put forward by Burwood Developments Pty Ltd (which was a subsidiary of Reading Properties Pty Ltd). Compared with the masterplan proposed by Frasers Property Australia, the Burwood Square development scheme included less housing and a significantly larger shopping centre comprising 36,600 sq.m of floorspace, including a 17 screen cinema complex, and a range of other specialty uses and entertainment facilities .

In preparing the EIA for the Frasers Property Australia proposal Urbis has reviewed the previous EIA report prepared by Deep End Services (titled *Burwood East Economic Impact Assessment*, dated 7 July 2008) for Burwood Developments' scheme and provided comparisons between the findings of the two EIAs.

The report is structured as follows:

- **Section 1** reviews the subject site, including location attributes, the new proposed master plan and the Burwood Heights Activity Centre Structure Plan.
- **Section 2** defines the trade area for proposed Burwood Brickworks retail development, reviews trade area demographics and forecasts the current and future trade area population and retail spending market.
- **Section 3** reviews the existing and proposed retail and cinema supply in the region of relevance to the Burwood Brickworks retail development.
- **Section 4** assesses the need and demand for the shopping centre, and market capacity for a new supermarket and cinemas
- **Section 5** presents an impact assessment of the development on other centres.
- **Section 6** details the potential economic and community benefits associated with the proposed Burwood Brickworks retail development.

Report Notes and Interpretation

A previous EIA report was prepared by Urbis for the proposed Burwood Brickworks development in July 2016. This development was endorsed by Whitehorse Council on 28 February 2018.

This updated EIA report (October 2018) relates to the latest development scheme for Burwood Brickworks which includes only minor amendments to the endorsed plans, as follows:

- Approximately 10,500 sq.m of retail floor space including:
 - 4,200 sqm full-line supermarket;
 - 2,364 sq.m of mini majors;
 - Approximately 3,936 sq.m of specialty shops including a dining precinct
- Approximately 2,456 sq.m of non-retail uses such as entertainment uses (e.g. a 6-screen cinema or 10-pin bowling), a gym, offices, child care, a medical centre and health and wellbeing uses (the precise mix is yet to be determined).

In line with the above changes, this report includes revisions to the analysis of the market and need, demand and impacts, as well as updated trade area market information where new information has become available.

1 Site Context and Proposed Development

This section of the report reviews the site context, including its history, former development application, location attributes and planning context.

1.1 LOCATION AND SITE ATTRIBUTES

The subject site is located on the eastern side of Middleborough Road and near the intersection with the Burwood Highway. The site is located within the Burwood Heights Activity Centre, which also comprises the Burwood Heights shopping centre and offices of the RSPCA. A new residential development is located on the north-east corner of the Burwood Highway and Middleborough Road intersection.

Middleborough Road carries good volumes of vehicle traffic past the subject site (some 24,000 vehicles per day according to VicRoads data), which is supported by its role as a key north-south thoroughfare in the region and several key drawcard retailers (e.g. Bunnings hardware store) and an employment hub (Clarice Road) in the vicinity of the site.

1.2 HISTORICAL CONTEXT

Formerly occupied by a brickworks, the 20.5 hectare subject site has remained vacant for almost two decades.

The site was purchased by Reading Entertainment in 1995. Reading gained approval for a sizeable mixed use development project including higher density housing and a shopping centre with 36,600 sq.m of floorspace. The shopping centre was planned to include a discount department store, supermarkets, a range of mini-majors and specialty shops as well as a large cinema complex, other entertainment/leisure facilities (e.g. bowling) and a dining precinct along with offices and public space.

This development project never advanced past the planning phase. The site was ultimately sold to Australand (now Frasers Property Australia) in 2014 and the new owners are planning a revised form of development on the site which includes a range of housing, shopping centre and complementary uses and public space.

Several planning documents relate to the site, of which the key document is the *Burwood Heights Activity Centre Structure Plan, June 2006*. Key points to note are as follows:

- The site is designated as a major strategic redevelopment site. Burwood Heights as a whole was designated as a Major Activity Centre under Melbourne 2030 and the centre remains classified as an Activity Centre under Plan Melbourne (2014).
- The plan encourages mixed use development with retail, commercial, housing, entertainment and leisure uses on the former brickworks site while recognising appropriate regard should be given to the existing retail hierarchy.
- Community feedback offered broad support for development to occur at the former brickworks site while raising local issues (e.g. traffic management).

1.3 PROPOSED DEVELOPMENT

The masterplan for the former brickworks site proposes significant improvements, including a mix of housing providing around 950 dwellings, shopping centre, new public space and complementary commercial and community facilities.

The key features of the proposed development are as follows:

- The majority of the site will be developed to accommodate some 950 dwellings providing the market with variety of housing choices.
- A new town centre and retail and social hub will be developed on a site fronting Middleborough Road and extending from the existing RSPCA site. The centrepiece of the town centre will be a new shopping centre providing 12,956 sq.m of leasable floorspace including:
 - A 4,200 sq.m full-line supermarket.
 - 2,364 sq.m of mini majors which would include a large format liquor store.
 - 3,936 sq.m of specialty shops, including a dining precinct taking advantage of the adjoining proposed urban plaza.
 - Approximately 2,456 sq.m of non-retail uses such as entertainment uses (e.g. a 6-screen cinema or 10-pin bowling, a gym, offices, child care, a medical centre and health and wellbeing uses (the precise mix is yet to be determined)).
- The overall suite of uses proposed on the site will provide a multi-functional town centre that satisfies the range of retail, leisure and services needs of the community in one location (the broader Burwood Heights Activity Centre).
- Sufficient provision of carparking to support the range of uses on the site, split across an at-grade carpark and basement carparking.
- New urban plaza which would extend along the eastern side of the town centre.
- New road infrastructure, including a link road / main boulevard providing access to the town centre from Middleborough Road and the Burwood Highway.

The proposed development contributes to the strategic principles for the Burwood Heights Activity Centre (e.g. role and function, movement, form, open space and environment, etc.) as outlined in the Burwood Heights Structure Plan.

2 Trade Area Market

This section defines a suitable catchment for the proposed Burwood Brickworks retail development site and outlines forecast population growth and demographic change within the catchment and broader region.

2.1 CATCHMENT DEFINITION

The proposed trade area served by a supermarket based centre on the Burwood Brickworks redevelopment site has been defined based on the following considerations:

- The location and quality of competing shopping centres and precincts.
- The accessibility of the centre, having regard to the road network.
- The geographical and physical barriers to access, e.g. contours of the land, parks and rivers.

The trade area to serve the proposed centre is shown in Map 2.1. The trade area is typical of supermarket based centres, which have a strong local catchment usually within 2 to 2.5 km of the centre, reflecting the local convenience offer.

The subject site is located on the eastern side of Middleborough Road, near the corner of Burwood Highway. The key factors influencing the trade area of the centre are as follows:

- The extent of competitive retail supply is less to the north and west of the subject site. In particular, there are few conveniently located options for supermarket and associated shopping in the west. The trade area therefore would naturally have a skew in these directions.
- Burwood Heights and Burwood One shopping centres would have the most influence on the trade area. These centres are described below:
 - Burwood Heights Shopping Centre located on the corner of Burwood Highway and Middleborough road, within 250 metres of the subject site. The supermarket based centre has a mid-sized full-line Woolworths supermarket of 3,129 sq.m, and adjacent strata titled specialty retail along Burwood Highway.
 - Burwood One is located 1.7 km from the proposed Burwood Brickworks retail development, on the corner of Burwood Highway and Blackburn Road. While the centre is anchored by a Kmart (8,100 sq.m), Coles (5,500 sq.m) and Aldi (1,500 sq.m) provide a strong convenience based retail offer that restricts the trade area from the east. Residents living to the east of Burwood One are unlikely to drive past that centre in order to use the Burwood Heights Activity Centre on a frequent basis.
- The mostly grid-like road network in the region will facilitate access to a shopping centre on the subject site. Of note:
 - Middleborough Road carries good volumes of vehicle traffic past the subject site, supported by its role as a key north-south thoroughfare in the region and proximity of major retailers (e.g. Bunnings hardware store) and the Clarice Road business hub to the north.
 - Eley Road is a key local collector road, which is located just north of the site and connects with Blackburn Road in the east and Station Street in the west.

The trade area covers the suburbs of Blackburn South, Box Hill South, Burwood and Burwood East, while the southern part of the trade area also extends down into parts of Mount Waverley.

- The **primary trade area** extends to the south to Highbury Road, west to Gardiners Creek and north to the industrial precinct on Middleborough Road with the **north and south sectors** split by Burwood Highway. The north and the east of the primary trade area will be limited by the access to Middleborough Road from this region. However, access to Middleborough Road along Eley Road allows the primary north sector to extend further north east.
- The **secondary trade area** generally reflects the 2 km radius around the subject site, not extending past Canterbury Road to the north or Blackburn Road to the east. The southern area of the trade area is limited by the contours of the land; with the large hill provide a significant barrier for convenience based trade. The trade area also extends further west, a benefit of the higher order nature of Burwood Highway.

Overall the centre is expected to serve a trade area typical in geographic extent to most supermarket based centres. With good levels of population density in the area including future residents on the Frasers Property Australia site itself, the centre will serve a sizeable catchment and with exposure to passing traffic on Middleborough Road it will also have the potential to capture good levels of trade from beyond the trade area.



2.2 POPULATION FORECASTS

The Burwood East area was first developed along with many other middle ring suburbs of Melbourne in the post-war housing boom. The region has nearly reached the end of its first lifecycle. New residents are moving in and regenerating existing housing stock. New medium density developments are increasing the pace of change.

In order to review the market demand and supply gaps for uses at Burwood East, it is first necessary to understand the growth in population at a regional and local level, and the corresponding change in socio-economic characteristics.

2.2.1 MUNICIPALITY POPULATION FORECASTS

Our regional population forecast covers the municipalities of Whitehorse and Monash (Table 2.1). They are based on:

- Victoria in Future (VIF) population projections, released by the Victorian Government in 2016;
 - This update changed the forecast growth in municipalities in Victoria, and importantly increased the population forecast for both the Whitehorse and Monash, in which the proposed Burwood Brickworks trade area is contained.
- Number and trends of new dwelling approvals (NDAs);
- .id population forecasts for the cities of Monash and Whitehorse, updated in 2017;
 - .id forecast small area population growth considering drivers of population change (i.e. births, deaths, migration and residential development).
- A review of residential developments in the local area.

However, looking at these sources, there is a disparity between the population growth provided by the Government and forecast.id. Acknowledging that forecast.id forecasts population at the small area level, we have updated some of the key assumptions made in population drivers, primarily in the residential property development, including an update to include the planned 950 new dwellings on developable land surrounding the proposed shopping centre on the former brickworks site.

Overall, after taking the midpoint of these two sources, the municipalities are forecast to add over 3,500 people per annum, on average, between 2016 and 2026.

LGA Population Forecasts

MONASH AND WHITEHORSE MUNICIPALITIES

TABLE 2.1

LGA	Population				Annual Pop'n Growth (no.)			Annual Pop'n Growth (%)		
	2011	2016	2021	2026	2011-2016	2016-2021	2021-2026	2011-2016	2016-2021	2021-2026
Forecast.id										
City of Monash ¹	177,345	192,850	199,343	204,737	3,101	1,299	1,079	1.7%	0.7%	0.5%
City of Whitehorse ²	157,538	170,093	184,260	193,816	2,511	2,833	1,911	1.5%	1.6%	1.0%
VIF 2016										
City of Monash	177,345	189,591	199,837	207,568	2,449	2,049	1,546	1.3%	1.1%	0.8%
City of Whitehorse	157,538	167,971	178,069	185,373	2,087	2,020	1,461	1.3%	1.2%	0.8%
Midpoint										
City of Monash	177,345	191,221	199,590	206,153	2,775	1,674	1,313	1.5%	0.9%	0.6%
City of Whitehorse	157,538	169,032	181,165	189,594	2,299	2,426	1,686	1.4%	1.4%	0.9%
Total	334,883	360,253	380,755	395,747	5,074	4,100	2,998	1.5%	1.1%	0.8%

1. Updated September 2017 by forecast.id

2. Updated October 2017 by forecast.id

Source : Forecast.ID ; Victoria In Future 2016, Department of Environment, Land, Water and Planning; Urbis

2.2.2 TRADE AREA POPULATION

Table 2.2 shows that as of June 2017, the Burwood Brickworks retail development trade area had a resident population of 40,490, including 15,150 in the primary trade area and 25,340 in the secondary sectors. Key points to note include:

- Over the previous six years, the resident population of the trade area has grown at 1.9% per annum or over 700 new residents annually. This growth compares with the 2.6% per annum across Greater Melbourne. The availability of developable land along major arterials in the trade area (especially Burwood Highway and Middleborough Road) and the increase in higher density dwellings are the primary drivers of this historical growth. The progressive regeneration of suburbs would also be contributing to the overall growth pattern in the area.
- The primary north sector currently contains nearly double the population of the primary south sector and is expected to account for the largest share of growth of any sector in the trade area over the foreseeable future. The Burwood Brickworks retail development therefore will be well positioned and accessible to where the market will be growing.
- Population growth in the main trade area is forecast to increase to an average of 1.9% or 780 new residents per year to 2021 and 1.6% or 730 residents per year from 2021 to 2026. This forecast is based on municipal projections outlined in Section 2.2.1 and subsequent distribution of growth based on future infill dwellings and larger developments in the local catchment.
- The primary trade area is forecast to grow to an average of 2.7% or 420 new residents per year to 2021 and 2.75 or 480 residents per year from 2021 to 2026.
- The majority of trade area growth is accounted for by the dwellings proposed on the Burwood Brickworks site, which is expected to introduce some 950 dwellings into the primary north sector after 2019. This results in a 2026 trade area population of almost 47,300, with the future growth of the region influenced by the Burwood Brickworks development.

Deakin University Students

In addition to trade area residents, there are approximately 28,000 students currently enrolled at the Deakin University Burwood Campus and over 2,000 staff. Whilst this total includes part time students this represents a sizeable daily population entering the Burwood East area.

Resident Population

BURWOOD BRICKWORKS RETAIL DEVELOPMENT TRADE AREA

TABLE 2.2

	Population ¹				Annual Pop'n Growth (no.)			Annual Pop'n Growth (%)		
	2011	2017	2021	2026	2011-17	2017-21	2021-26	2011-17	2017-21	2021-26
Primary:										
North	8,400	9,850	11,030	13,030	242	295	400	2.7%	2.9%	3.4%
South	<u>4,460</u>	<u>5,300</u>	<u>5,810</u>	<u>6,190</u>	<u>140</u>	<u>128</u>	<u>76</u>	<u>2.9%</u>	<u>2.3%</u>	<u>1.3%</u>
Total Primary	12,860	15,150	16,840	19,220	382	423	476	2.8%	2.7%	2.7%
Secondary:										
North	3,230	3,470	3,750	4,130	40	70	76	1.2%	2.0%	1.9%
East	7,100	7,610	7,940	8,180	85	83	48	1.2%	1.1%	0.6%
South West	5,280	5,520	5,680	5,820	40	40	28	0.7%	0.7%	0.5%
West	3,280	3,500	3,670	3,820	37	43	30	1.1%	1.2%	0.8%
North West	<u>4,500</u>	<u>5,240</u>	<u>5,730</u>	<u>6,100</u>	<u>123</u>	<u>123</u>	<u>74</u>	<u>2.6%</u>	<u>2.3%</u>	<u>1.3%</u>
Total Secondary	23,390	25,340	26,770	28,050	325	358	256	1.3%	1.4%	0.9%
Main Trade Area	36,250	40,490	43,610	47,270	707	780	732	1.9%	1.9%	1.6%

1. As at June.

Source : ABS; Forecast.ID ; Victoria In Future 2016, Department of Environment, Land, Water and Planning; Urbis

The forecast population growth in the region is supported by the numerous residential projects in the trade area. Assumed key residential developments include:

TRADE AREA SECTOR	DEVELOPMENT (> 50 DWELLINGS)	SIZE (EST. DWELLINGS)	ESTIMATED TIMING
Primary North	Frasers Property Australia – Burwood Brickworks	950	2019-2026
	Regis Inala Lodge Retirement Village Apartments	160	2023-2025
	Middleborough Road Dwellings (78 Middleborough Rd)	70	2020-2022
Primary South	Burwood Road Apartment Building (254-258 Burwood Hwy)	70	2020-2022
	Burwood Highway Mixed Use Building (268 Burwood Hwy)	60	2021-2023
Secondary West	Parer Apartments (137-139 Burwood Hwy)	50	2019-2021

Source: Urbis

2.3 SOCIO-ECONOMIC CHARACTERISTICS

2.3.1 TRADE AREA TRENDS

Currently socio-economic characteristics of trade area residents reflect an established area with mainly low to medium density housing.

At a high level, the trade area is regenerating into a more diverse region with the age and ethnicity of residents changing significantly between 2011 and 2016, as shown in Table 2.3 and Appendix A (detailed). Maps 2.2 to 2.7 also show some of the key demographic features of trade area residents in 2016, but also the change in demographics over the previous five years (2011). The corresponding maps from the previous Urbis EIA report are included in Appendix B for reference. Across the trade area:

- **The area is becoming younger and the regeneration trend is on its way.** A high proportion of residents are aged over 65 (17%) relative to the Melbourne average (14%). Offsetting this high level of seniors is a notable representation of university students (20% of the population which compares with an average of 16% across Melbourne), influenced by Deakin University. Since 2011 the proportion of those aged over 65 years old has decreased across the main trade area (-1% points), reducing the average age of residents. Over the same period, the proportion of those of university age/young adults (approximately 20-29 years), has increased in the primary sectors (+5% points) and the main trade area as a whole (+2% points).
 - The next phase of change is expected to be the introduction of younger families which will be replacing the long standing families and empty nesters in the area and moving into new housing developments, including Frasers Property Australia's Burwood Brickworks development.
 - Map 2.5 shows an increase in the proportion of young families in the south and west of the trade area, and a decrease to the northwest. This is likely influenced by schooling decisions. Homes in the Mount Waverley Secondary College school zone to the south are particularly in demand by families with school aged children or younger. We expect this trend to continue as other schools serving the catchment (e.g. Ashwood College, Forest Hill Secondary College) improve in perception along with the regeneration trend.
- **The older and university student populations contribute to slightly lower incomes.** Incomes per capita in the main trade area (\$34,700) are slightly below the Melbourne average (\$37,600), partially driven by the age profile of the trade area and also local student population which contribute to a lower than average labour force participation. This is despite a larger than average proportion of workers in white collar occupations.
 - Despite incomes being below the Melbourne average, the trade area is achieving income growth above that of Melbourne as a whole. Between 2011 and 2016, per capita income increased by 12% in the trade area, versus 10% across Melbourne. Furthermore, the average household income in the trade area increased by 13%, compared with 11% for Melbourne.
 - Incomes are improving in the area, notably in the northern parts of the trade area, as shown in Map 2.7. This trend is expected to continue and be more broad reaching in terms of geographic coverage as the area progresses through a process of regeneration and gentrification. Recognising the change occurring in areas from, for example, Glen Iris to Ashburton, this process is expected to progressively pick up pace in suburbs further east (including Burwood East) in the coming years. This change is further evidenced by growth in property prices, as detailed in Section 2.3.2.
- **Owner occupiers still prevalent but renters are moving in.** The majority of households in the trade area are owner occupied and remain well above the Melbourne average (39% vs.. 32% for Melbourne overall). However over the last five years there has been an increase in rented properties (26% to 31% from 2011-2016), which can be partially explained by a growing university student population and reflected in the increase in the migration patterns of trade area residents.
- **University students are moving in.** The proportion of family households in 2011 in the primary trade area (64%) was well below the Melbourne average of 72% and has further decreased to 61% in

2016, with more group and lone person households, which again reflects in part, the take up of university accommodation in the area.

- **More ethnically diverse.** The trade area has become increasingly more ethnic, with a large shift in the proportion of residents born overseas especially from Asia, and in particular, China. Some 31% of main trade area residents were born in Asia, of which 15% were born in China. This proportion is highest in the primary south sector, with 46% born in Asia, of which 21% were born in China.
 - According to Deakin, the Burwood campus currently has over 12,000 international student enrolments, of which 27% originate from China and 30% from India.
 - Map 2.2 shows the communities with Asian ancestry focussed around the Box Hill and Glen Waverley activity centres, as well as along Burwood Highway around Deakin University.

In summary, the socio-economic profile of trade area residents indicates a generally established and older aged market with lower incomes but likely good asset wealth. The trade area is in a process of change with an increasing ethnic population (notably persons from Asia) and improving incomes in areas in proximity to Burwood East. In the future, the expectation is for an increasing rate of regeneration of older households, with new families and better income households moving into the region.

Trade Area Demographics

BURWOOD BRICKWORKS RETAIL DEVELOPMENT TRADE AREA, 2011 & 2016

TABLE
2.3

	Primary Trade Area			Main Trade Area			Melbourne		
	2011	2016	11-16	2011	2016	11-16	2011	2016	11-16
Income									
Per Capita Income	28,366	31,030	+9%	30,884	34,697	+12%	34,303	37,573	+10%
Variation from Melbourne	-17%	-17%		-10%	-8%				
Avg. H'hold Income	71,136	79,529	+12%	80,048	90,793	+13%	86,412	95,860	+11%
Variation from Melbourne	-18%	-17%		-7%	-5%				
Age									
Aged 0-19 (%)	20%	21%	+0% pts	23%	23%	+0% pts	25%	24%	-1% pts
Aged 20-29 (%)	22%	27%	+5% pts	17%	20%	+2% pts	15%	16%	+0% pts
Aged 30-39 (%)	11%	11%	-0% pts	12%	12%	-0% pts	15%	15%	+0% pts
Aged 40-49 (%)	12%	11%	-1% pts	14%	13%	-1% pts	14%	14%	-1% pts
Aged 50-64 (%)	13%	13%	-0% pts	16%	16%	-0% pts	17%	17%	-0% pts
Aged 65+ (%)	21%	18%	-3% pts	19%	17%	-1% pts	13%	14%	+1% pts
Average Age	40.2	37.9	-5.7%	39.6	38.4	-3.0%	37.3	36.8	-1.3%
Housing Tenure									
Owner	41%	36%	-5% pts	42%	39%	-3% pts	34%	32%	-1% pts
Purchaser	27%	28%	+2% pts	31%	32%	+2% pts	38%	38%	+1% pts
Renter	31%	39%	+8% pts	26%	31%	+5% pts	28%	31%	+3% pts
Housing Structure									
Family Households	64%	61%	-3% pts	69%	69%	-0% pts	72%	72%	+0% pts
Non-Family Households	36%	40%	+3% pts	31%	32%	+1% pts	28%	28%	+0% pts
Group	8%	12%	+3% pts	6%	7%	+1% pts	5%	5%	-0% pts
Lone Person	28%	28%	-0% pts	24%	23%	-1% pts	23%	23%	+0% pts
Migration									
Different Address 1 year ago	18%	23%	+5% pts	15%	19%	+4% pts	15%	16%	+2% pts
Different Address 5 year ago	39%	50%	+11% pts	37%	44%	+7% pts	39%	43%	+3% pts
Occupation									
White Collar Workers (%)	78%	79%	+1% pts	80%	80%	+0% pts	72%	73%	+1% pts
Labour Force Participation	55%	55%	-0% pts	59%	59%	-0% pts	66%	66%	-0% pts
University Students									
Undertaking Tertiary Education	18%	24%	+6% pts	14%	17%	+3% pts	7%	8%	+1% pts
Birthplace									
Australia	57%	50%	-7% pts	60%	54%	-6% pts	67%	64%	-3% pts
Overseas	43%	50%	+7% pts	40%	46%	+6% pts	33%	36%	+3% pts
Asia	27%	36%	+8% pts	24%	31%	+7% pts	12%	15%	+3% pts
Europe	9%	6%	-3% pts	9%	6%	-3% pts	11%	8%	-3% pts
Other	7%	9%	+2% pts	7%	9%	+2% pts	10%	14%	+3% pts

Source: ABS (Census, 2011 and 2016); Urbis

2.3.2 HOUSE PRICES

Another indicator of socio-economic change is house price growth. This is particularly important in terms of the retail spending potential of households as the change in house prices has one of greatest impacts on their shopping habits. Good house price growth (and increasing wealth) generally results in positive growth in retail expenditure.

Table 2.4 presents the average median price points for apartments and houses from APM Price Finder, for suburbs that are within the boundaries of the Burwood Brickworks development trade area. The figures are based on sold properties and the key points to note from this analysis are as follows:

- As at March 2018 the median house price of suburbs within the trade area generally ranged \$1.1 million and \$1.4 million, well above the Greater Melbourne median house price of just over \$700,000.
- Over the last 12 months house price growth remained positive across the trade area and above the average for Melbourne overall in most suburbs. This above average growth in the trade area is consistent with longer term trends for the past decade.
- Similar trends have been evident in unit prices, with the median price and price growth both well above their respective Melbourne averages.

Housing Prices by Suburb

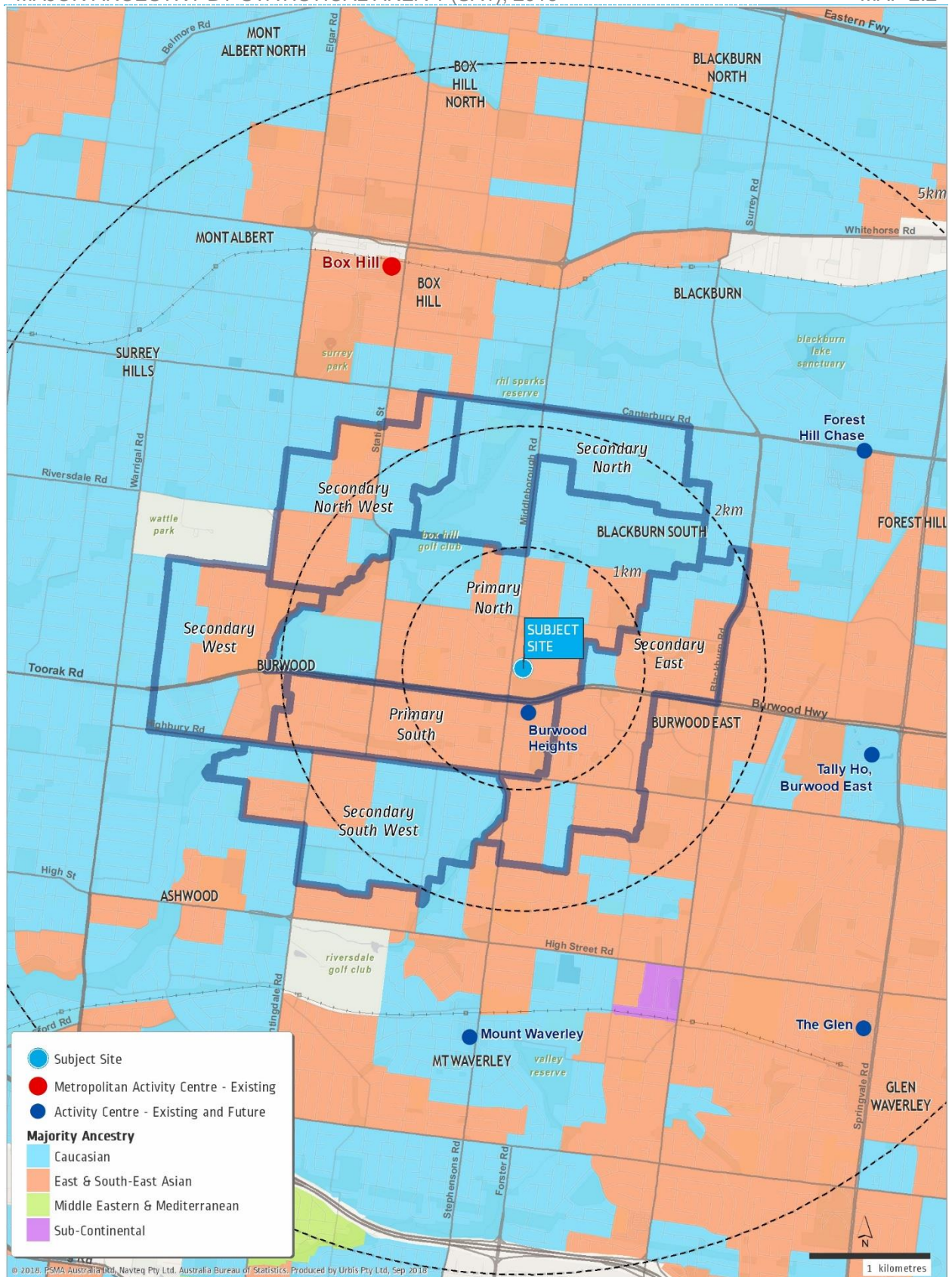
BURWOOD BRICKWORKS RETAIL DEVELOPMENT TRADE AREA

TABLE 2.4

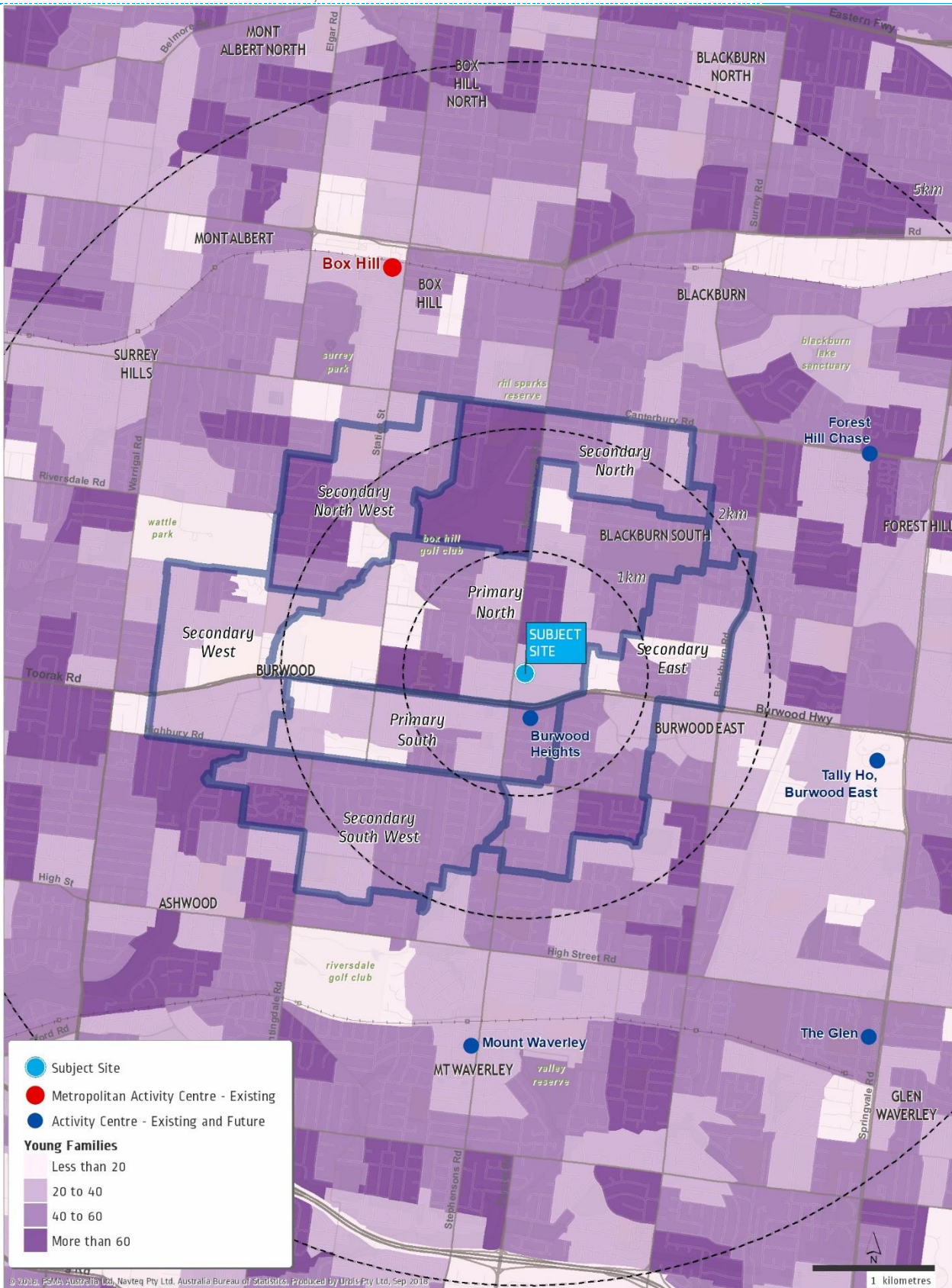
	House						Median Asking Rent (Last 12 Months)
	Median Sale Price - Year to Mar-18	Median Price Change 12 Months	Compound Growth Rates in Median Price for last...			12 Month Sale Volume	
			3 Yrs	5 Yrs	10 Yrs		
Mount Waverley	\$1,399,000	11.9%	14.4%	13.9%	9.0%	437	\$495
Box Hill South	\$1,365,750	11.0%	15.4%	13.8%	9.8%	104	\$495
Burwood	\$1,363,500	13.9%	15.5%	12.8%	8.6%	143	\$485
Burwood East	\$1,115,000	10.1%	13.2%	13.2%	8.7%	120	\$455
Blackburn South	\$1,183,500	17.2%	15.2%	13.6%	9.7%	104	\$450
Monash LGA	\$1,230,000	11.8%	13.3%	13.5%	9.0%	1,903	\$475
Whitehorse LGA	\$1,224,000	14.4%	15.0%	13.7%	9.1%	1,719	\$460
Greater Melbourne	\$710,000	11.6%	9.0%	8.5%	7.5%	59,235	\$420
	Unit						Median Asking Rent (Last 12 Months)
	Median Unit Price - Year to Mar-18	Median Price Change 12 Months	Compound Growth Rates in Median Price for last...			12 Month Sale Volume	
			3 Yrs	5 Yrs	10 Yrs		
Mount Waverley	\$851,000	3.2%	7.8%	9.5%	6.5%	135	\$465
Box Hill South	\$785,000	7.2%	7.6%	8.1%	8.3%	51	\$450
Burwood	\$728,000	11.1%	6.7%	7.1%	8.1%	135	\$485
Burwood East	\$734,000	21.3%	10.8%	9.1%	7.0%	26	\$410
Blackburn South	\$767,000	10.8%	10.0%	9.3%	7.2%	39	\$470
Monash LGA	\$685,000	2.2%	9.3%	7.7%	6.0%	863	\$450
Whitehorse LGA	\$685,000	6.7%	8.3%	7.6%	6.9%	1,102	\$405
Greater Melbourne	\$520,000	6.1%	3.2%	3.6%	4.6%	29,322	\$400

Note - Median prices are for the sales for the 12 months to the end of Mar-18. No data shown if less than 5 sales.

Source: APM Price Finder, Urbis

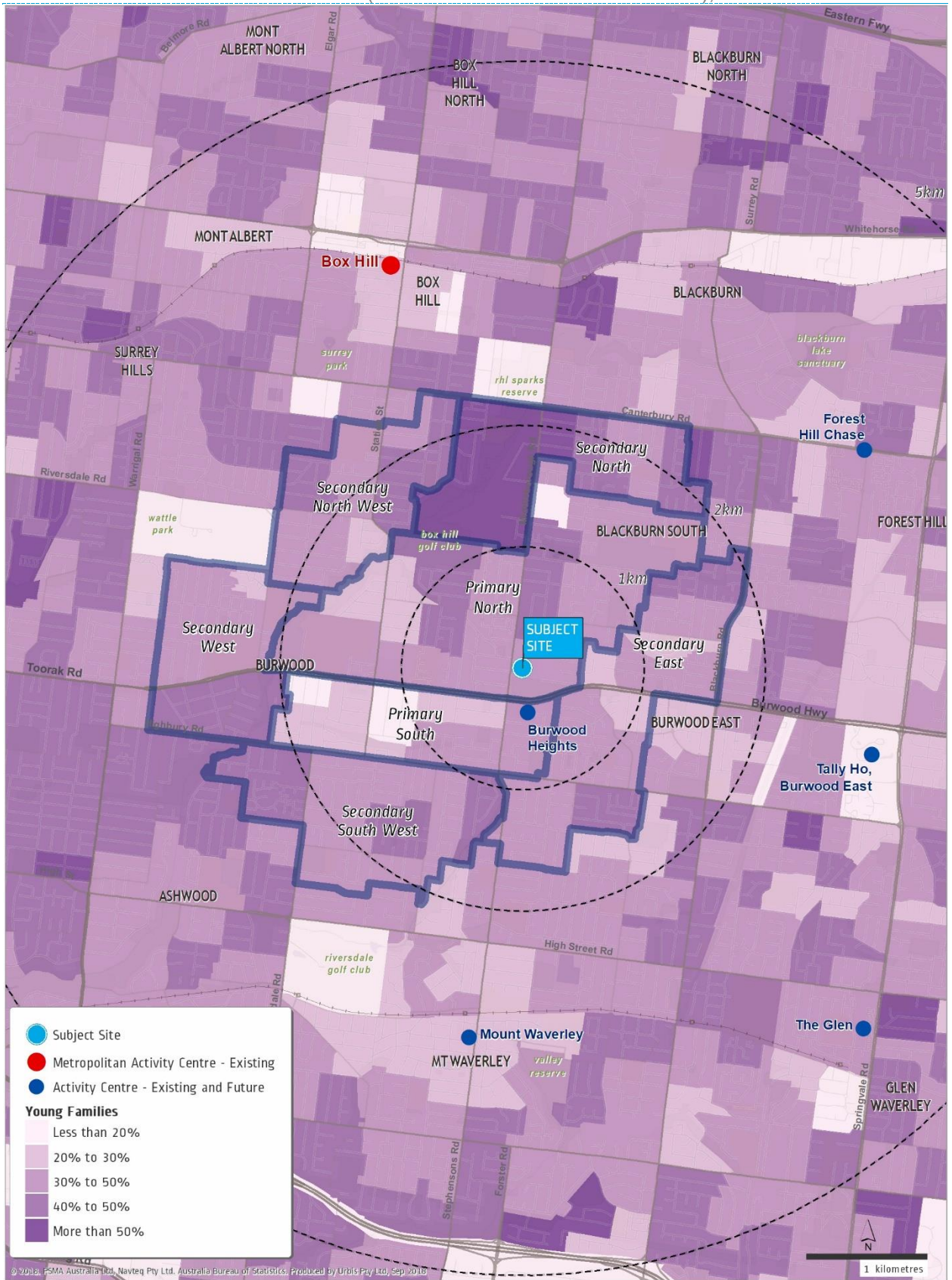


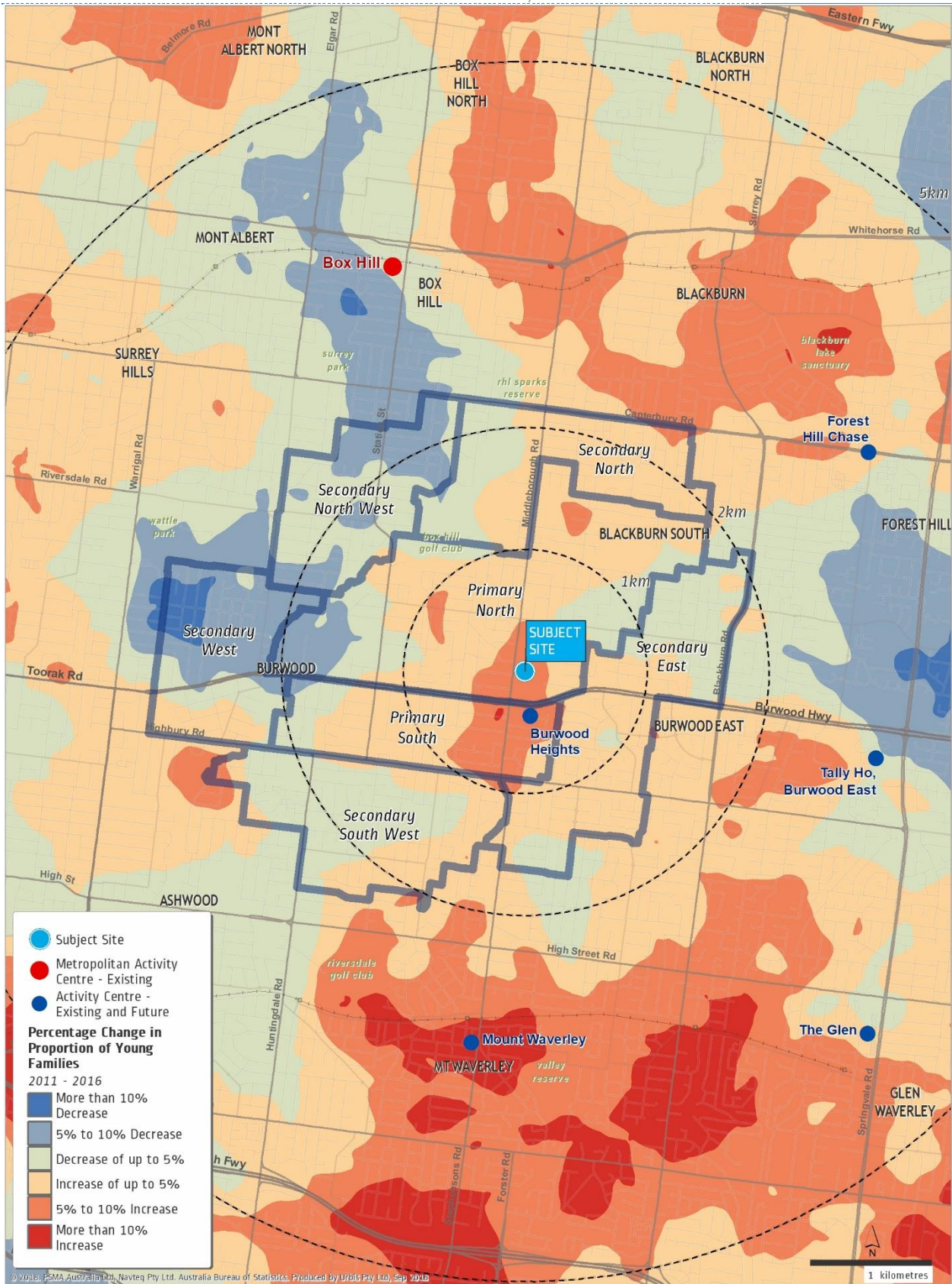
Source: ABS Census 2016



© 2016, PSMA Australia Ltd, Navteq Pty Ltd, Australia Bureau of Statistics. Produced by URBIS Pty Ltd, Sep 2016.

Source: ABS Census 2016

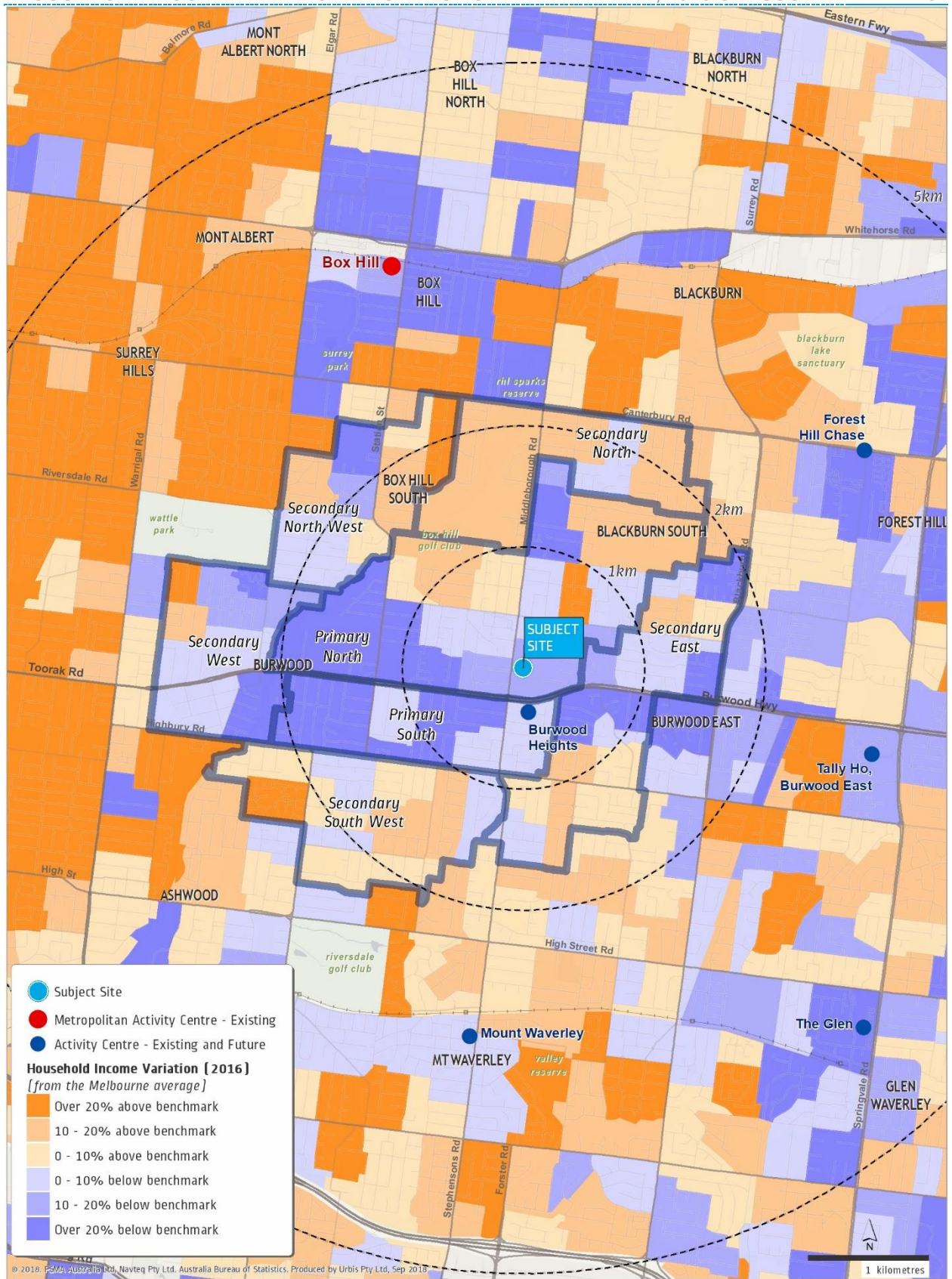




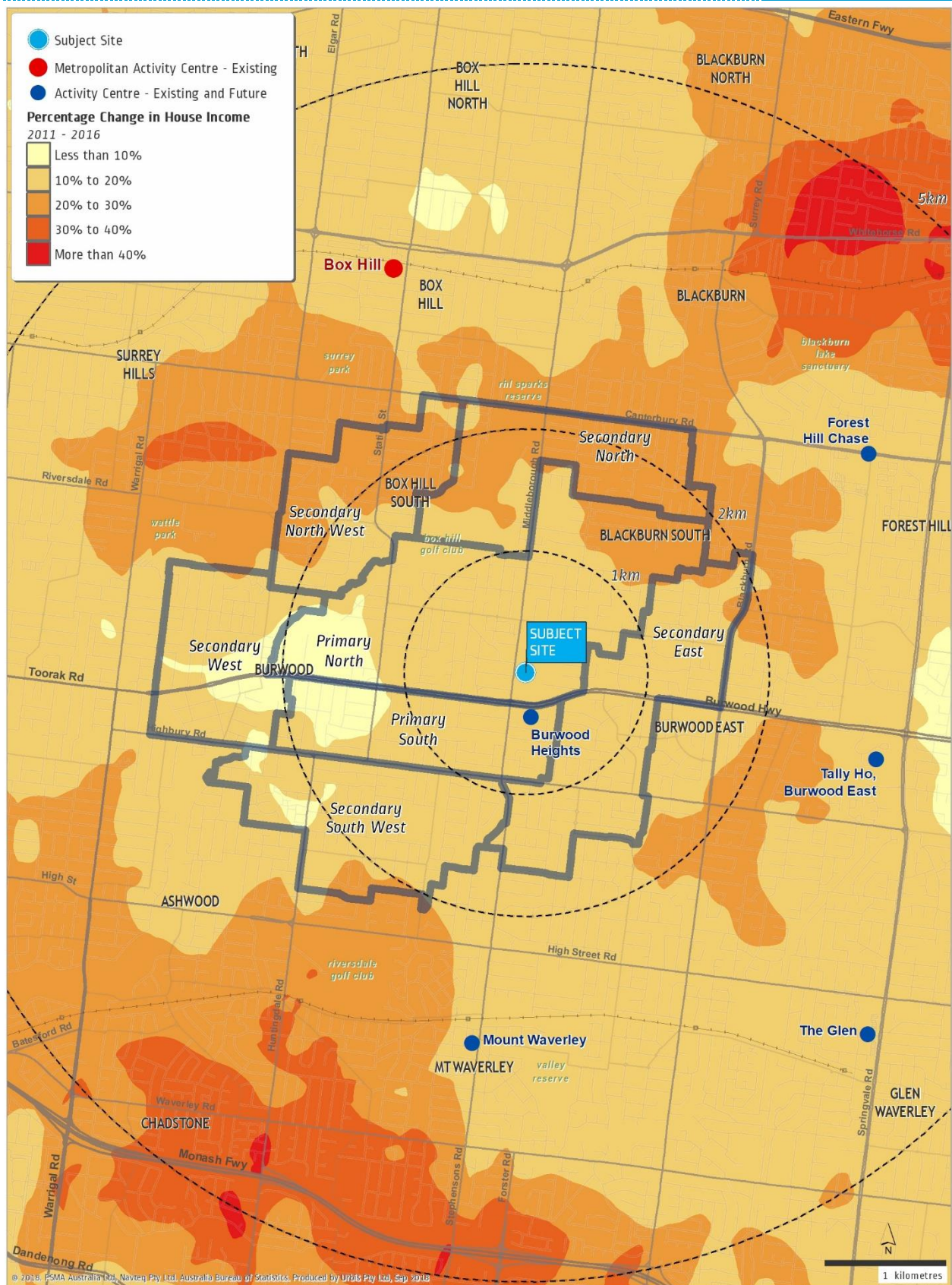
Source: ABS Census 2016

HOUSEHOLD INCOME VARIATION BY STATISTICAL AREA LEVEL 1, 2016 CENSUS

MAP
2.6



Source: ABS Census 2016



Source: ABS Census 2016

2.4 TRADE AREA RETAIL SPENDING

The spending analysis in this report is based on calendar years to align with the assumed opening date of the Burwood Brickworks development of December 2019 (i.e. the assumed first full year of trade is calendar year 2020).

The demographic characteristics that are particular to the trade area have a marked effect on the level of retail spending generated by residents. High disposable incomes generated by a large and mobile workforce not only are reflected in above average retail spending on a per capita basis, but also in the types of goods and services residents direct their household budgets to.

2.4.1 PER CAPITA RETAIL SPENDING

Our per capita retail spending estimates are derived through reference to a range of information sources including the Australian National Accounts (ANA), the ABS' Retail Trade series, and *MarketInfo 2012*, a widely used micro-simulation model by MDS Market Data Systems Pty Ltd. The model is based on information from the national ABS Household Expenditure Survey (HES), the Census of Population and Housing, as well as other information sources such as the ABS National Accounts. The model combines propensity to spend on particular commodities with the demographics of a region to derive spending estimates per capita on a small area basis.

The spending estimates outlined in this report include GST and are expressed in constant 2017 dollars (i.e. inflation is not included).

2.4.2 TOTAL RETAIL SPENDING

As shown in Table 2.5, the total retail spending market in the Burwood Brickworks trade area is estimated at 561 million in 2017. Given population growth and growth in real spending per capita the available spending market is forecast to grow to some \$612 million by 2020, and \$717 million by 2026.

Retail Spending Market, 2017-2026¹

BURWOOD BRICKWORKS TRADE AREA, \$2017 INCL. GST

TABLE
2.5

	Food Retail	Food Catering	Apparel	Home- wares	Bulky Goods	Leisure/ General	Retail Services	Total Retail	Annual Growth
2017	233	78	58	47	61	63	22	561	
2020	251	85	64	52	68	69	24	612	3.0%
2021	258	88	65	53	70	71	24	629	2.8%
2026	289	101	74	62	82	82	28	717	2.7%

1. Year end December.

Source : ABS; MarketInfo 2012; Urbis

3 Retail Supply

This section reviews the current retail offer within the region of relevance to Burwood East, including a floorspace survey of key competitive centres and current provision of retail and non-retail uses.

This analysis draws upon the following:

- Field work undertaken by Urbis in July 2014.
- The Property Council of Australia Shopping Centres Online database,
- An understanding of proposed retail developments, as of October 2018.

3.1 CURRENT OFFER IN CENTRES

The main centres of competitive relevance to Burwood Brickworks are shown in Map 3.1.

We have reviewed the scale, mix, tenants and type of use (including retail and non-retail uses) in each centre. While some tenancies in these centres are likely to have changed since the floorspace survey undertaken in 2014, the overall scale and positioning of each centre has not changed to any significant degree since this year.

For those local and sub-regional centres of greatest competitive relevance, including Burwood Heights shopping centre and Burwood One, Section 3.1.1 and Section 3.1.2 explore the composition and likely performance of these centres and shopping strips in detail.

3.1.1 CENTRES IN THE BROADER REGION

We start with a review of centres located further distant to the trade area but that are likely used to a reasonable degree by trade area residents. For these centres a higher level overview is provided, focussing on their key strengths and market positioning. These centres include:

- **Forest Hill Chase** – A large sub-regional centre with a good line up of anchor tenants including Big W and Target DDSs, Harris Scarfe, three supermarkets (Coles, Woolworths and Aldi) and a six screen cinema complex operated by Hoyts. The Woolworths and Aldi supermarkets and some strong fresh food retailers (Yang Yang Asian Grocery, Colonial Fruit Company) support the food and convenience shopping offer of this centre.

Regional centres in the area, including Doncaster, The Glen, Knox, Chadstone and Eastland limit the role the centre can play in the discretionary category of the retail market. The fashion offer is pitched at the mid to budget end of the market.

Forest Hill Chase likely draws a reasonable amount of trade from Burwood Brickworks trade area. Its influence on food and grocery shopping is probably limited to the north-eastern areas of the trade area.

- **The Glen Shopping Centre** – A relatively small regional centre which is currently completing a major development and expansion. The centre includes a David Jones department store and was also previously anchored by the two major supermarkets (Coles, Woolworths) and Target & Harris Scarfe (homewares only) as at December 2017. The fashion and homewares mix is stronger at The Glen than Forest Hill Chase. It is part of a broader town centre around the Glen Waverley train terminus which also features a sizeable shopping strip (focussed on services, cafes and restaurants), cinemas (with an adjoining restaurant precinct) and Novotel hotel which is understood to achieve high levels of occupancy. The IKON apartments project has been successful and new high density residential projects are planned for the town centre.

The current redevelopment and expansion is proposed to add approximately 17,000 sq.m of retail floorspace on completion, which will focus on the enhancement of the discretionary and convenience-based retailing as well as the food and beverage offer.

Given the regional centre role of The Glen and position within the Glen Waverley Town Centre it would have limited direct competitive relevance with a neighbourhood based centre on the Burwood Brickworks site.

- **Box Hill Metropolitan Activity Centre** – Box Hill is the major activity centre in the City of Whitehorse and is host to a diverse range of land uses, including retail, office, education, community, medical, entertainment and recreational facilities. Key activity generators within Box Hill include:
 - Box Hill Shopping Centre with more than 37,000 sq.m of retail floorspace. A report by MacroPlan in 2010 estimated that the Box Hill CAA contains around 59,000 sq.m of retail floorspace in total. Box Hill is a bustling food and convenience oriented centre which includes a large fresh food market. Box Hill is one of the few centres in the area charging for parking.
 - The broader Box Hill activity centre has a large cluster of Asian restaurants (predominantly Cantonese, Vietnamese, Korean, Taiwanese, Malaysian) which trade well into the evening. The retail both within the centre and in the surrounding streets includes some specialty Asian retailers.
 - Box Hill Hospital is Eastern Health's largest acute hospital, admitting more than 48,000 patients each year and providing a wide range of healthcare services, including emergency care, general and specialist medicine, intensive care, mental health services, maternity services, teaching and research (the hospital is affiliated with Monash, La Trobe and Deakin Universities as a teaching hospital). There is also a broad offer of medical suites in the town centre and in close proximity to the hospital. The hospital recently completed a \$450 million major redevelopment, with a brand new 10 storey building recently opened and refurbishment of the existing hospital complex underway.
 - Box Hill Institute (TAFE) – occupies multiple buildings within the Box Hill activity centre. The TAFE employs an estimated 2,000 staff and has in the region of 37,000 students enrolled across three campuses in the activity centre.
 - Box Hill is a major established office market with an estimated total stock in the order of 125,000 sq.m.

Box Hill is likely to have a moderate draw from the north west of the trade area, and is also likely to draw more strongly from Asian residents due to the offer within the broader town centre.

- **Mount Waverley Activity Centre (Stephensons Road)** – This is a large neighbourhood activity centre located immediately south of the Mount Waverley station based around a good Ritchies IGA supermarket (which includes several in-store concessions) and a small and old format Woolworths supermarket.

In addition to the usual range of convenience and services based retailers and food and beverage, the precinct includes some operators serving discretionary retail needs (e.g. Fella Hamilton). The overall offer is well aligned to the slightly better incomes in the area. The precinct is served by a good sized at-grade carpark conveniently/centrally positioned to the main retail area of the precinct.

Mt. Waverley is likely to draw some trade from the secondary south of the trade area.

3.1.2 CENTRES IN THE LOCAL REGION




We have undertaken a more detailed assessment of shopping centres and strips in the local region. This review includes the following main centres:

- Burwood Heights Shopping Centre
- Middleborough Road/Mirabella Crescent Shops (Houston Shops)
- Box Hill South (Corner of Station Street and Canterbury Road)
- Blackburn South (Canterbury Road)
- Burwood One Shopping Centre
- Bennettswood Shops (Corner Station Street and Burwood Highway)
- Burwood Village (Corner Toorak Road and Warrigal Road)
- Middleborough Road/Canterbury Road Shops
- Ashwood (High Street Road and Warrigal Road)

Several small local shopping strips are also covered in the analysis:

- Benwerrin Drive, Burwood East
- Andrew Street/Highbury Road, Burwood East
- Yertchuk Avenue/Arthur Street, Ashwood
- Highbury Road/Huntingdale Road, Burwood
- Middleborough Road /Highbury Road, Burwood East
- Eley Road near Blackburn Road, Blackburn South



BURWOOD HEIGHTS SHOPPING CENTRE (CORNER BURWOOD HIGHWAY & MIDDLEBOROUGH ROAD)

Tenant Mix			Comments
	Stores	GLA (sq.m)	
Majors:			The centre includes an older format Woolworths store that, on inspection, was trading well. Some good retail tenants but overall the lack of variety in the offer and the centre's old and ageing physical appearance are common complaints (<i>Burwood Heights Shopping Centre Business Plan, May 2014</i>).
Supermarket/s	1	3,129	
Retail Specialties:			The centre has a sizeable at-grade carpark but a significant proportion of the spaces are some distance from the shops and used sparingly (and usually only at peak trading times). There is also a small amount of carparking below the Woolworths store. The at-grade carpark is difficult to enter and exit from Middleborough Road particularly turning north when exiting.
Food Retail	3	714	
Food Catering	5	857	The centre is strata-titled with 37 properties, 32 property owners and 3 body corporates. This form of ownership will hinder significant improvements to the centre's overall amenity and its ability to respond to market needs and preferences.
Leisure/General	3	857	
Retail Services	4	571	One vacancy (facing Burwood Highway).
Total Retail Specialties	15	3,000	
Total Retail	16	6,129	
Other GLA (Non-Retail / Ent. /	16	1,800	
Total Centre	32	7,929	
Key Retail Tenants (as at July 2014)			Photos
<ul style="list-style-type: none"> Woolworths Quality Chemist Quality Meats Butcher East Burwood Fresh Fruit Market Burwood Highway Asian Grocery Alitalia Pizza & Pasta (popular/rated highly) All People Chinese Restaurant 			  
Other Uses (as at July 2014)			
<ul style="list-style-type: none"> Commonwealth Bank Local Post Agency (with Newsagency) Medical Clinic Audiology Clinic RSPCA (Across Burwood Highway) & RSPCA Op Shop Medical centres x 2 Professional Offices and Suites Rejoice Chinese Christian Centre Woolworths Plus Petrol 			




MIDDLEBOROUGH ROAD/MIRABELLA CRES. SHOPS, HOUSTON SHOPPING CENTRE

Tenant Mix			Comments
	Stores	GLA (sq.m)	<p>Convenient local strip centre serving a mainly localised resident catchment. The range of uses include take-away food shops and cafes, which would be in part be supported by workers in the nearby Clarice Road employment hub as well as general passing traffic along Middleborough Road.</p> <p>There are also several popular Asian/family restaurants, catering to the growing number of Asian residents in the area but also the general market seeking good quality Chinese cuisine.</p> <p>The strip also has the usual complement of general convenience retail and services, including a local Australia post agency.</p> <p>Some food tenants have dedicated external seating areas and the strip offers a high level of convenience with good carparking and easy ingress and egress.</p> <p>Vacant first floor office (87 sq.m)</p>
Retail Specialties:			
Food Retail	2	337	
Food Catering	8	1,347	
Apparel	1	168	
Homewares	-	-	
Bulky Goods	1	168	
Leisure/General	3	505	
Retail Services	4	674	
Total Retail Specialties	19	3,200	
Total Retail	19	3,200	
Other GLA (Non-Retail / Ent. / Vacancy)		100	
Total Centre	20	3,300	
Key Retail Tenants (as at July 2014)			Photos
<ul style="list-style-type: none">▪ Rolf's Pies▪ Cheesecake Shop▪ Takeaway Food (Fish & Chips)▪ Restaurants x 5 inc Simon's Peking Duck Chinese Restaurant & Tang's Family Dumpling (both rated highly on social media)▪ Hairdresser▪ Pharmacy Plus			
Other Uses (as at July 2014)			
<ul style="list-style-type: none">▪ Local Post Agency (Part of Bottlemart Liquor store)▪ Schoolwear shop▪ Church adjacent			




BOX HILL SOUTH (CORNER STATION STREET & CANTERBURY ROAD)

Tenant Mix			Comments
	Stores	GLA (sq.m)	
Majors:			The centre includes a broad range of retailers with a leaning towards food and groceries (including several ethnic grocers, e.g. a large Asian grocer that has been trading for many years and Indian food stores). It also includes a range of non-retail tenants (e.g. real estate, mortgage brokers, etc.) and restaurants.
Supermarket/s	1	1,650	
Retail Specialties:			The shopping strip is quite fragmented and lacking a genuine focal point which would impact its overall amenity and appeal.
Food Retail	5	1,228	
Food Catering	4	511	The Aldi store opened in March 2013 and would be attracting more visits to the location.
Apparel	1	255	
Homewares	2	185	The Aldi store and ethnic grocers would drive a larger than typical catchment for a shopping strip of its size.
Bulky Goods	1	340	
Leisure/General	3	371	Four vacancies.
Retail Services	2	270	
Total Retail Specialties	18	3,161	
Total Retail	19	4,811	
Other GLA (Non-Retail / Ent. / Vacancy)		2,739	
Total Centre	35	7,550	
Key Retail Tenants (as at July 2014)			Photos
<ul style="list-style-type: none">AldiLiquorlandIndian Grocers x 3Tatsing Food Stores (Large Asian Grocer)PharmacyWorkwear shop			 
Other Uses (as at July 2014)			
<ul style="list-style-type: none">CarwashBP Service StationReal Estate agencies x 2Financial services (mortgage broker, financial planning)			

BLACKBURN SOUTH (CANTERBURY ROAD)



Tenant Mix			Comments
	Stores	GLA (sq.m)	
Majors:			Streetfront retailing facing Canterbury Road anchored around a recently expanded and refurbished Woolworths supermarket. Good local restaurants, cafes and takeaway food and the non-food offer mainly includes retail services. The strip includes an Asian grocer (H Mart) however this store lacks carparking.
Supermarket/s	1	3,600	
Mini-Major/s	1	500	
Retail Specialties:			Canterbury Road, which is a key arterial in the region and carries a significant volume of traffic, creates a significant division between the north and south sides of the shopping strip. The Woolworths store is served by sufficient carparking (including at-grade next to the store and undercroft below the store) but not highly convenient given its position relative to the store entry. The balance of parking serving the shopping strip is mainly on-street. There is a McDonalds restaurant with a drive-thru taking advantage of traffic along Canterbury Road. Four vacancies.
Food Retail	4	542	
Food Catering	15	1,794	
Apparel	1	108	
Homewares	7	682	
Bulky Goods	1	108	
Leisure/General	5	998	
Retail Services	11	1,367	
Total Retail Specialties	44	5,599	
Total Retail	46	9,699	
Other GLA (Non-Retail / Ent. / Vacancy)		2,101	
Total Centre	64	11,800	
Key Retail Tenants (as at July 2014)			
<ul style="list-style-type: none">WoolworthsMcDonaldsPriceline PharmacyH Mart Asian GrocerDuncan's LiquorFresh food (butcher, baker, fruit & veg)Takeaway food and restaurantsHairdressing/beauty			
Other Uses (as at July 2014)			
<ul style="list-style-type: none">Bendigo BankMember for Parliament officeOp shops (several)DentistLocal Post AgencyProfessional services (tax agents, accountants)			
			
			

BURWOOD ONE (CORNER BURWOOD HIGHWAY AND BLACKBURN ROAD)



Tenant Mix			Comments	
	Stores	GLA (sq.m)		
Majors:			Recently expanded Kmart Plaza (completed mid-2012, including new full line Coles commencing trade in September 2011). It appears that both Coles and Kmart trade well. The Aldi store adds to the centre's role as a destination for food and grocery shopping. Kmart has a significantly wide draw due to 24 hour trading and the history of being the first Kmart to trade in Victoria.	
DDS/s	1	8,105		
Supermarket/s	1	7,000		
Mini-Major/s	4	3,000		
Retail Specialties:			Whilst the centre includes three prominent major retailers, the layout of the centre would be hampering its overall performance and possibly the potential to attract a better line-up of specialty retailers.	
Food Retail	12	1,200		
Food Catering	16	1,800		
Apparel	5	600		
Homewares	3	400	The internal mall appears to be struggling with few national chains, several vacancies and some casual tenants.	
Bulky Goods	-	-		
Leisure/General	7	1,000		
Retail Services	6	750		
Total Retail Specialties	49	5,750	The gym and restaurants would be adding to the overall draw and usage of the centre.	
Total Retail	55	23,855		
Other GLA (Non-Retail / Ent. / Vacancy)		2,645		
Total Centre	68	26,500	At the time of inspection there were seven vacancies.	
Key Retail Tenants (as at July 2014)				Photos
<ul style="list-style-type: none">▪ Kmart▪ Coles & Liquorland▪ Aldi▪ First Choice Liquor▪ Reject Shop▪ Quality Pharmacy▪ Hong Mart Asian Grocer▪ Grill'd Burgers, Nandos, Groove Train, Hollywood Buffet				  
Other Uses (as at July 2014)				
<ul style="list-style-type: none">▪ Bank of Melbourne▪ Re-Creation Gym▪ Kmart Tyre & Auto▪ Guardian Medical Centre▪ TAB▪ East Burwood Post Office				

BENNETTSWOOD SHOPS (CORNER STATION STREET AND BURWOOD HIGHWAY)


Tenant Mix			Comments
	Stores	GLA (sq.m)	<p>Small localised strip of shops. Majority fronting Burwood Highway including a newer section of mainly takeaway operators (Dominos etc.) with a small group on Station Street. The shops are served by on street parking and a small customer carpark behind.</p> <p>Greenwood Office Park opposite on Station Street as well as Punt Hill apartments and proximity to Deakin University would help to support the food and beverage offer in the area.</p> <p>One vacancy.</p>
Retail Specialties:			
Food Retail	2	305	
Food Catering	12	1,630	
Apparel	1	90	
Homewares	-	-	
Bulky Goods	1	215	
Leisure/General	2	180	
Retail Services	2	198	
Total Retail Specialties	20	2,619	
Total Retail	20	2,619	
Other GLA (Non-Retail / Ent. / Vacancy)		1,381	
Total Centre	26	4,000	
Key Retail Tenants (as at July 2014)			Photos
<ul style="list-style-type: none">Geppetto's Italian RestaurantCommunity PharmacyRestaurants and takeaway food (inc Dominos, Subway)The Bottle-O liquor store			
Other Uses (as at July 2014)			
<ul style="list-style-type: none">Local Post Agency (in newsagent)PodiatristStudent Housing Australia officeReal estate agenciesJeweller			




BURWOOD VILLAGE (CORNER TOORAK ROAD AND WARRIGAL ROAD)

Tenant Mix			Comments
	Stores	GLA (sq.m)	
Majors:			A sizeable shopping precinct, predominantly facing Toorak Road/Burwood Highway. The shops are likely to draw from a local catchment supported with passing traffic on Warrigal Road and Burwood Highway/Toorak Road.
Supermarket/s	1	500	
Retail Specialties:			The Burwood Highway shops, west of Warrigal Road, are of higher quality and are more convenient to use than the east end. There are several prominent retailers and other uses which have been located in the precinct for many years and well tailored to the better incomes in the area.
Food Retail	5	378	
Food Catering	20	2,067	Whilst the Burwood Highway creates a divide between the northern and southern sides of the strip, both sides have a good line-up of tenants and good critical mass (which would be supporting the precincts overall vibrancy and performance).
Apparel	4	372	
Homewares	6	940	Five vacancies.
Bulky Goods	8	973	
Leisure/General	7	990	The tram provides good access via public transport.
Retail Services	19	2,435	
Total Retail Specialties	69	8,156	
Total Retail	70	8,656	
Other GLA (Non-Retail / Ent. / Vacancy)		8,940	
Total Centre	117	17,596	
Key Retail Tenants (as at July 2014)			Photos
<ul style="list-style-type: none">Burwood IGATakeaway food, cafes and restaurants (e.g. Peppermill)Banyan Tree HomewaresOther homewares and gifts			 
Other Uses (as at July 2014)			
<ul style="list-style-type: none">Tax agentsBurwood Post OfficeCBA, NAB and ANZChinese Medicine CentrePsychology ClinicMember for Parliament OfficeSendai KarateDentistAudiology clinicCash ConvertersCar sales			






MIDDLEBOROUGH ROAD AND CANTERBURY ROAD, BLACKBURN SOUTH

Tenant Mix			Comments
	Stores	GLA (sq.m)	<p>Small localised shopping strip with a large vet clinic, auto electric repairer and service station.</p> <p>It mainly includes single-purpose driven visits and is not a shopping destination.</p> <p>No vacancies.</p>
Retail Specialties:			
Food Retail	1	105	
Food Catering	4	421	
Total Retail Specialties	5	526	
Total Retail	10	526	
Other GLA (Non-Retail / Ent. / Vacancy)		1,474	
Total Centre	15	2,000	
Key Retail Tenants (as at July 2014)			Photo
Indian takeaway, Korean BBQ, Chocolate shop with classes & catering, Sandwich Bar			
Other Uses(as at July 2014)			
Blackburn Vet Clinic, Pace Auto Electrics			

ASHWOOD (HIGH STREET ROAD AND WARRIGAL ROAD)

Tenant Mix			Comments
	Stores	GLA (sq.m)	<p>This retail precinct is anchored by a large (and recently expanded) 24 hour Woolworths supermarket on the corner of High Street Road and Warrigal Road. Other national chain tenants include a Priceline Pharmacy and First Choice Liquor. The rest of the shops are mainly focused around local convenience, takeaway food and restaurants, catering to the local market.</p> <p>Ashwood is likely to draw some trade from the secondary south west and west sectors of the trade area.</p>
Supermarket	1	4,000	
Mini-Major	1	1,100	
Retail Specialties:			
Food Retail	4	500	
Food Catering	5	500	
Apparel	1	100	
Homewares/Bulky Goods	7	900	
Leisure/General	4	600	
Retail Services	7	600	
Total Retail Specialties	28	3,200	
Total Retail	58	8,300	
Other GLA (Non-Retail / Ent. / Vacancy)		1,200	
Total Centre		9,500	
Key Retail Tenants (as at July 2014)			Photo
Woolworths supermarket, First Choice Liquor, Priceline			
Other Uses (as at July 2014)			
Pet clinic, Denture clinic			

LOCAL NEIGHBOURHOOD STRIPS (AS AT JULY 2014)

<p>Benwerrin Drive, Burwood East</p>	<p>Very small local strip (6 shops total). Two shops vacant.</p> <p>Key tenants: Stainless Projects project management office, Model Cars of the World, Accountants office, Leanne's Hair Design.</p>	
<p>Andrew Street and Highbury Road, Burwood East</p>	<p>Local strip shop benefitting from passing traffic on Highbury Road and location near industrial precinct. Takeaway food and restaurants as well as local hair salon & liquor.</p>	
<p>Yertchuk Avenue and Arthur Street, Ashwood</p>	<p>Strip shopping centre next to Ashwood primary school. Buildings in need of maintenance/improvements.</p> <p>Key tenants include Hide & Seek Cafe, a pop up shop selling second hand kids and baby clothes, Polkadot Entertainment (kids party venue), BDC Dance studio.</p> <p>Five vacancies (25% vacancy rate)</p>	
<p>Highbury Road and Huntingdale Road, Burwood</p>	<p>Development site on the corner with existing shops set back from Highbury Road around corner of Barlyn Road & Huntingdale Road.</p> <p>Key tenants include a large cafe (Sphere Cafe) likely benefiting from worker trade, Coeliac Victoria Society, bottle shop, pole dancing classes, fish & chips and a vacant double shopfront.</p>	
<p>Middleborough Road and Highbury Road, Burwood East</p>	<p>Local strip of shops.</p> <p>Key tenants include a small office complex, fish and chips, pizza, computer repairs, Asian grocer.</p>	

LOCAL NEIGHBOURHOOD STRIPS (AS AT JULY 2014)

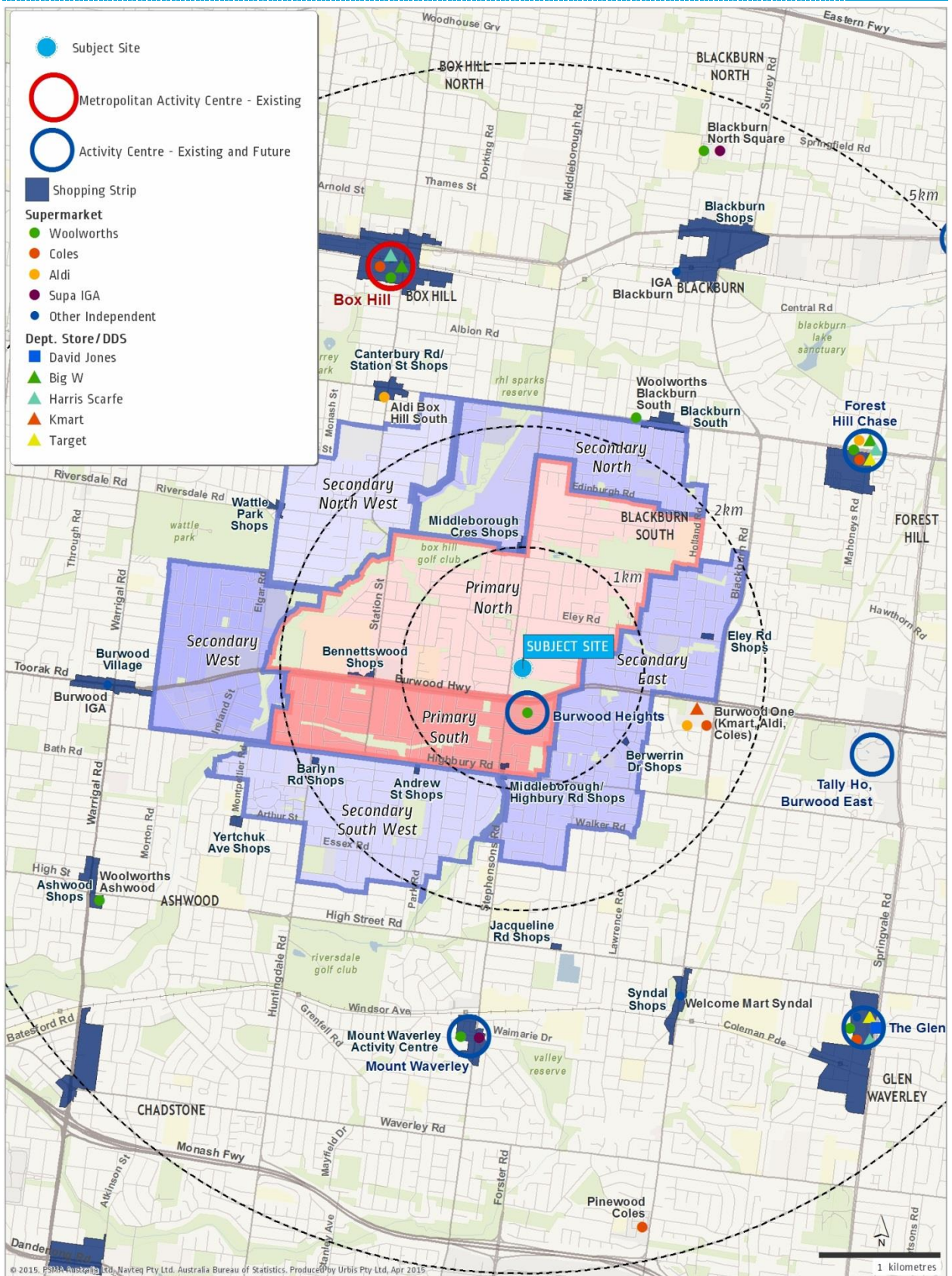
Eley Road near
Blackburn Road,
Blackburn South

Small localised strip of shops with a triple shopfront accountant office and a wholesale nuts and sweets retailer (Nix Nuts & Sweets) that also sells a variety of delicatessen goods / Mediterranean food / spices (well regarded by locals). This retailer would draw trade from a reasonably wide area.

Other uses would have a very local catchment.

No vacancies.





3.2 CINEMA SUPPLY

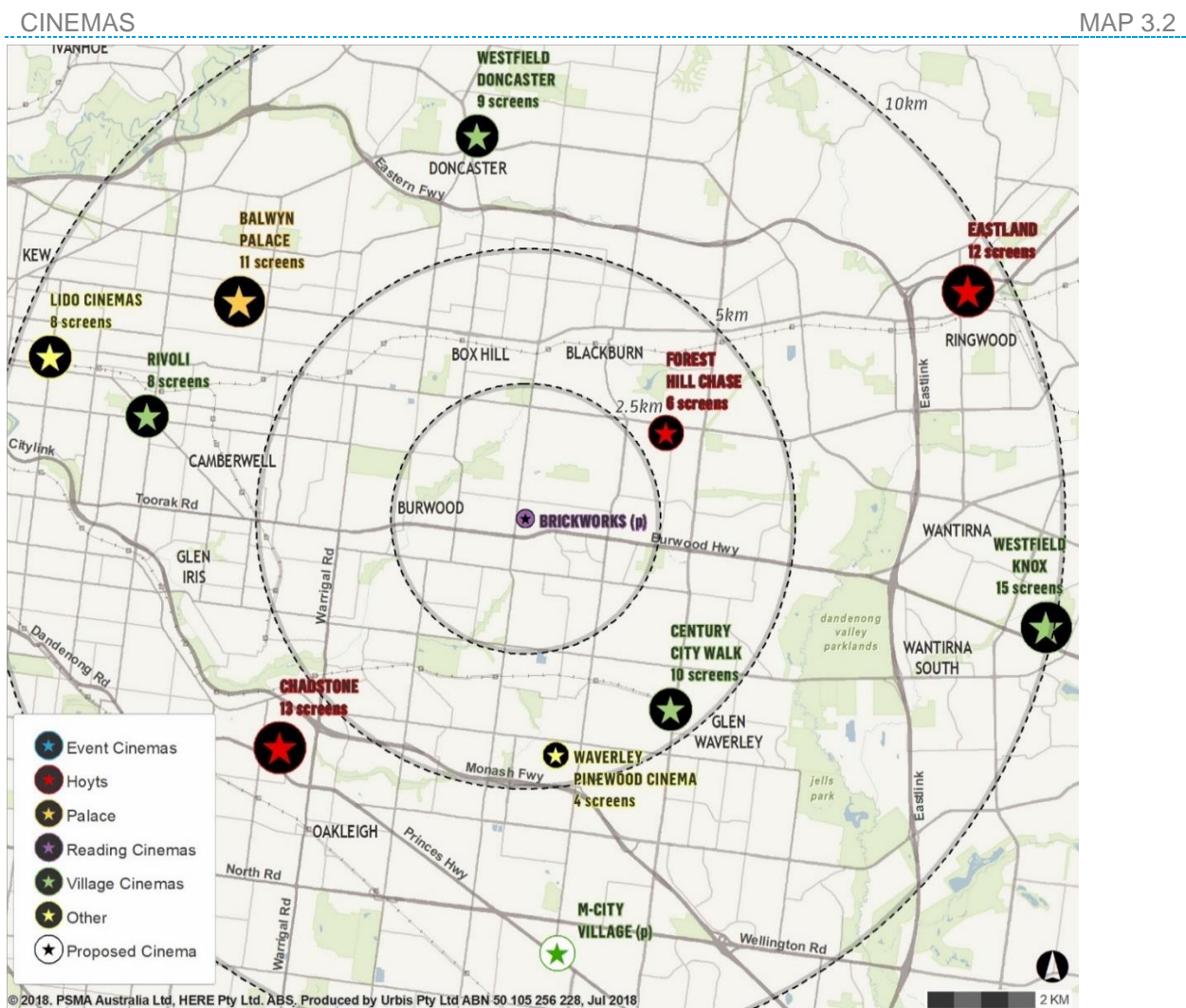
Map 3.2 shows the location of cinema complexes in the general region of relevance to Burwood Brickworks site. In this region of eastern Melbourne there is a mix of cinema complexes in varying types of locations.

The nearest cinema to the Burwood Brickworks retail development site is located at Forest Hill Chase shopping centre, approximately 4 km to the north-east by road. This 6 screen complex is operated by Hoyts and is co-located with a range of restaurants/tavern on an upper level of the shopping centre.

The closest cinemas in other directions are well outside the defined trade area for Burwood Brickworks and between 6 km and 10 km from the subject site by road, including:

- The Glen Waverley town centre, 10 screens operated by Village within the Century City Walk complex which is co-located with the Novotel hotel; and
- Pinewood shopping precinct in Mount Waverley, 4 screens (independent operator).
- Chadstone regional shopping centre includes a 13 screen cinema operated by Hoyts.
- Rivoli cinema with 8 screens operated by Village.
- Balwyn cinema with 5 screens operated by Palace.
- Westfield Doncaster regional shopping centre includes a 9 screen cinema operated by Village.

A new Village cinemas is proposed for the M-City mixed use development located 8 km from the Brickworks site on the corner of Blackburn Road and Princes Highway in Clayton.



4 Market Need & Demand Analysis

This section of the report outlines an assessment of the need and demand for the floorspace proposed at Burwood Brickworks.

The need and demand for the proposed facilities at Burwood Brickworks is demonstrated by:

- The future growth in the local market, including the increased population within the development site.
- The potential for the market to accommodate additional supermarket floorspace.
- The market need for a better quality and more convenient shopping precinct that incorporates a more appealing public realm and provides the opportunity for a greater number of shopping trips to be linked with other activities.
- The need for improvements to a large site that has remained undeveloped for many years to generate greater levels of economic activity and employment opportunities in the Burwood Heights Activity Centre and local region.

4.1 MARKET GROWTH

As outlined in Section 2 of this report, the trade area retail market is forecast to grow by \$51 million between 2017 and 2020 (the assumed opening year of the new retail centre) and another \$105 million from 2020-2026, expressed in constant 2017 dollars terms including GST.

This market growth will support stronger trading levels at existing centres and development of new retail facilities in the local area.

The trade area is also attracting new residents and appears to be at the initial phase of a process of regeneration (introduction of younger households) and gentrification (higher income households). The wave of older established households being replaced by new younger households is progressively moving eastward and this process of change will engulf the East Burwood area in the not too distant future.

Evidence of change is apparent, particularly in the vicinity and to the north of the site, with household incomes growing by above the Melbourne average and house price growth significantly exceeding that of the eastern suburbs and Melbourne as a whole.

New residents are expected to bring higher incomes and greater retail spending levels which will benefit new and existing retail facilities. These new residents will also demand better quality shopping and leisure experiences than is for the most part provided in the Burwood East area.

The proposed Burwood Brickworks development would be supported by future market growth but also increasing demand for higher quality shopping environments.

4.2 SUPERMARKETS

The main anchor of the proposed shopping centre will be the 4,200 sq.m full-line supermarket. To assess the capacity of the trade area to support additional supermarket floorspace, the existing supply of supermarkets in the trade area and nearby surrounding area has been assessed. The key findings from this analysis are as follows:

- The main supermarkets serving the Burwood East trade area are as follows:
 - Woolworths at Burwood Heights
 - Coles and Aldi at Burwood One
 - Aldi at Box Hill South
 - Woolworths at Blackburn South
- It is estimated that these supermarkets combined retain around 54% of expenditure at supermarkets by trade area residents. In other words, around 46% of the trade area residents' shopping at supermarkets is being directed to supermarkets other than the four listed above. Refer to Table 4.1.
- The majority of the supermarket expenditure leaking the area is likely being directed to supermarkets at Box Hill, Forest Hill Chase, Mount Waverley and Ashwood.
- The significant amount of supermarket expenditure leaking from the area is consistent with the lower than average supply of supermarket floorspace in the trade area:
 - The Melbourne average for supermarket floorspace (including majors, Aldi and independents) is around 331 sq.m per 1,000 residents.
 - The current supply of supermarket floorspace, including 100% of supermarkets within the trade area (Woolworths Burwood Heights) and also allowing for half of the floorspace in stores on the boundary of the trade area (i.e. Blackburn South, Box Hill South and Burwood One), is around 226 sq.m per 1,000 residents (refer to the table below). The 50% allocation of the Burwood One store, for example, is considered generous and is more than likely overstating the supply directly serving trade area residents, noting the supermarkets in this centre would attract business from a wide area (and likely well less than 50% from the Burwood Brickworks catchment):
 - Kmart and Coles both trade 24 hours a day, which is a point-of-difference offer in the area.
 - Kmart would draw customers from outside a traditional supermarket trade area, this giving Coles and Aldi access to larger than typical markets.
 - The estimate of supermarket supply in the trade area is in the order of 32% below the Melbourne average. It is also relevant to note that the Melbourne average is an average, and some markets within Melbourne support supermarket floorspace provision well above average. Without new floorspace this provision would fall to 34% below the Melbourne average by 2020 and 40% below by 2026.
- Accordingly the lower supply of supermarket floorspace relative to potential resident demand is supporting a generally strong performance by supermarkets in the area. It is estimated that the supermarkets within and on the boundary of the trade area currently achieve a combined turnover of over \$200 million or around \$12,900 per sq.m (refer to the table below). This trading level is well above the Melbourne and national averages.
- Including a 4,200 sq.m supermarket at Burwood Brickworks would result in the supermarket floorspace provision increasing to 316 sq.m per 1,000 residents by 2020. This provision of supermarket floorspace would remain less than the current average for Melbourne and is sustainable.

METRIC	BURWOOD BRICKWORKS DEVELOPMENT	MELBOURNE AVERAGE	NATIONAL AVERAGE (METRO AREAS)
Supermarket Floorspace (Majors, Aldi & Independents)	226 sq.m per 1,000 residents	331 sq.m per 1,000 residents	320 sq.m per 1,000 residents
Supermarket Turnover per sq.m	\$12,900	\$11,000	\$11,000

Supermarket Escape Expenditure

As referenced earlier, Table 4.1 below estimates the current level of supermarket escape expenditure by trade area residents as at 2017. This analysis includes stores within and on the border of the trade area, namely Woolworths Burwood Heights, Woolworths Blackburn South, Coles and Aldi at Burwood One and Aldi at Box Hill South.

It is estimated that a considerable 46% of main trade area resident expenditure directed to supermarkets is spent at supermarkets some distance from the trade area.

Escape Expenditure – Supermarket Food and Grocery Turnover

BURWOOD BRICKWORKS RETAIL DEVELOPMENT TRADE AREA, 2017

TABLE
4.1

	F&G Market (Stores within and on border of the trade area*)
Estimated MTA Spending at Supermarkets	155.5
Estimated MTA Supermarkets F&G Turnover	164.6
Estimated % from MTA	51%
Estimated Turnover Sourced from MTA	84.6
Expenditure Flows	
Gross Escape (\$M)	-70.9
% MTA Spending	-46%

* Burwood Heights, Burwood One, Blackburn South (WWs) and Box Hill South (ALDI)

Source: Urbis

Summary

It is evident that there is sufficient market demand to support more supermarket floorspace in the trade area while still maintaining sustainable trading levels. Adding the proposed 4,200 sq.m supermarket at the Burwood Brickworks retail development would be expected to still result in the average trading level of supermarkets across the area being above Melbourne and national averages, reflecting the good levels of market growth forecast for the area.

4.3 CINEMA NEED AND DEMAND

There is a market gap for cinemas within the Burwood region of the eastern suburbs of Melbourne reflecting there is approximately a:

- 10 km distance between cinemas in an east-west direction (Forest Hill Chase to Rivoli); and
- 12 km distance between cinemas in a north-south direction (Westfield Doncaster to Chadstone/Pinewood).

Either side of this market gap there is a significantly greater concentration of cinemas.

The proposed 6 screen cinema at Burwood Brickworks site is well located to address the market gap in this region of Melbourne, particularly in the suburbs in the immediate vicinity of the centre and to the west (including students living in the area around the Deakin University campus).

Cinemas are continuing to benefit from evolving consumer lifestyles, and in particular strong growth in the dining out culture. These lifestyle shifts have supported the delivery of highly appealing and better quality dining destinations within shopping centre developments. Cafes and restaurants and cinemas work in tandem to deliver appealing and vibrant dining and entertainment destinations and social hubs for communities.

The potential inclusion of cinemas in the Burwood Brickworks scheme would be a key component of the development that would assist in delivering a vibrant community hub that provides a mix of retail, leisure and entertainment facilities in an accessible location.

A cinema complex would not be expected to have an adverse impact on existing cinemas in the region (refer Section 5). Furthermore, the proposed cinemas (6 screens) are substantially smaller in scale to the previously approved (2008) 17 screen complex on the site.

4.4 A DISTINCTLY PROGRESSIVE LOCAL CENTRE

The area includes a range of shopping centres and shopping strips providing mainly day-to-day convenience retail and service needs. The majority of these are represented by older format neighbourhood based centres and small to mid-sized shopping strips, most of which are quite dated in their physical appearance and have issues with the level of amenity in the offer.

The Burwood Brickworks retail development will introduce new retailers and services as well as cinemas that will enhance the offer available to the market and ensure the community is provided with the broadest possible range of uses.

The complementary rather than competitive role of Burwood Brickworks retail development and Burwood Heights centre resulting from the proposed development will be largely driven by the different physical setting of the two halves of the activity centre.

The ultimate mix of any retail centre is established over time, with the major anchor being the initial tenant with longer term tenure. Developers, such as Frasers Property Australia in this case, have greater control on the choice of major tenant relative to the mix of specialty shops.

The mix of smaller tenancies (specialty shops) is more organic in terms of their final composition. Interest from speciality retailers will be influenced by the quality of the centre, its urban design and alignment with their target market. The modern and contemporary design of the Burwood Brickworks retail development would be expected to appeal to retailers more interested in lifestyle shopping as opposed to the more functional offer available within the older part of the existing Burwood Heights centre.

The proposed development provides the market with a best practice town centre that effectively and conveniently integrates a range of uses in one location and provides a high quality public space that delivers a significantly better experience for shoppers and the local community. In particular the centre would satisfy the following community needs:

- Completing the offer that meets the variety of daily and weekly needs of households across the whole Burwood East activity centre. This includes a mix of retail, services and community facilities. Providing a highly functional and experiential environment is a key success factor for new town centres in the Australian marketplace. Most of the catchment centres today are successful in one of these elements but not both.
- A highly convenient shopping destination with a good provision of carparking and easy site ingress and egress.
- A unique and appealing environment which will capitalise on the proposed adjoining urban plaza.
- A focal point for food and beverage and casual dining. Establishments with a drive thru and major chain fast food outlets are not target tenants in the development.

- The potential cinema complex which would enhance the centre as a destination for social and leisure activities.
- Access to a new range of services and community/leisure facilities, with possible uses including a potential medical centre, childcare, gym, commercial offices including services sought by the community (e.g. tax agents, financial services, lawyers, etc.) and health and wellbeing uses. This will align with the health and well being aspirations of the community which is evolving to a more affluent and younger demographic.

Additionally given the Burwood Heights Shopping Centre is a strata-titled property the pace of change in these types of properties usually does not keep pace with market demand and trends. This is clearly evident in the physical appearance and overall amenity provided in this centre. The planned new Burwood Brickworks retail development can provide a new range of uses that meets the needs of the local population now and into the future and satisfy broader range of segments of the community.

4.5 IMPROVEMENTS TO THE BRICKWORKS SITE

Following the closure of the brickworks in 1996, the site has remained undeveloped for close to 20 years. The 20.5 hectare site is an important and sizeable part of the Burwood Heights activity centre and its development would vastly improve the visual appeal, amenity and profile of the area. This will have an immediate positive impact for residents in adjoining houses and the overall growth and the role of the Burwood Heights activity centre.

The development of the Burwood Brickworks retail development site will also improve the amenity of the area adjacent to the RSPCA premises. Workers and visitors to the RSPCA premises will have better access to food & beverage shops, retail generally, services and leisure uses.

5 Trading Impact Assessment

This section of the report outlines an assessment of the potential trading impacts on the activity centres in the relevant region as a result of the proposed Burwood Brickworks retail development. With regard to the impact assessment, the following should be noted:

- This assessment is based on the core retail uses planned for the Burwood Brickworks retail development which include the proposed supermarket (4,200 sq.m), mini majors (2,364 sq.m), and most of the specialty shop floorspace (3,346 sq.m). The total assessed retail floorspace is therefore 9,910 sq.m.
- The assessment excludes non-reporting or non-retail classified tenants, including the potential entertainment, gym, offices, child care, medical centre and health and wellbeing uses. It is also assumed that a proportion of specialty shop space will be occupied by tenants which are classified as non-retail (590 sq.m, or 15%). It should be noted that the floorspace estimates of the activity centres in the trade area and surrounding areas (outlined in Section 4 of this report) are based on the same definitions to enable a like-for-like assessment of trading impacts.
- The impact analysis is based on assumed opening date of December 2019 for the Burwood Brickworks development (i.e. a first year trading period of year end December 2020),
- The impact of the potential entertainment use (e.g. cinema) on other entertainment offers in the region is also considered in this section (refer Section 5.2.2).

5.1 BURWOOD BRICKWORKS RETAIL DEVELOPMENT TURNOVER POTENTIAL

The turnover potential of the proposed Burwood Brickworks retail development is now assessed. The turnover potential is based on a review of future market capacity and consideration of industry benchmarks in terms of achievable market shares and trading densities (turnover per square metre). The turnover potential of the centre is assessed for retail floorspace of 9,910 sq.m for the 2020 December year (including GST and excluding inflation), which is a reasonable expected opening year of trade should the development be approved.

The Burwood East Brickworks retail development is expected to assist in addressing future growing demand in its trade area market and provide a higher quality retail and social hub that delivers a superior level of amenity and physical space to that of other centres in the area.

As shown in Table 5.1, the turnover potential for the retail tenants in the Burwood Brickworks retail development is estimated at approximately \$84.5 million (2017 dollars, including GST). This turnover is higher than the figure assessed in the previous 2016 EIA report (i.e. \$73.7 million, or approximately \$76 million in \$2017) due to the revised retail floorspace in the latest development scheme.

The forecast retail turnover includes \$58.6 million of turnover by food tenants and \$25.9 million of turnover by non-food tenants. The average trading level of all retail (including supermarket and specialty shops) would be around \$8,500 per sq.m, which is within benchmarks for single supermarket anchored centres.

The primary north sector is expected to contribute the highest amount of turnover to the centre, given the larger size of this sector relative to the other trade area sectors and its proximity to the centre. Market share from this sector is expected at around 19.5%. In the other sectors of the trade area market shares are expected to fall between 4% and 14%. Approximately 22% of turnover could potentially be sourced from markets beyond the trade area, with passing traffic along Middleborough Road and the local worker based in the area contributing to this amount.

It should be noted that the assessed turnover potential of the Burwood East centre assumes that one quarter of the planned (approximate) 950 dwellings on the Brickworks site are completed by the expected opening trading year. Accordingly the analysis does not fully incorporate the benefit of retail demand generated by residents moving into the completed development. We estimate that residents of the 950 dwellings could potentially generate around \$35 million in annual retail expenditure (2017 dollars, incl.

GST). This additional demand will clearly enhance the size of the local retail market, benefitting centres in the area but particularly the traders of the Burwood Brickworks and Burwood Heights centres given their proximity to the new residents.

Retail Turnover Potential, 2020

BURWOOD BRICKWORKS RETAIL DEVELOPMENT, \$2017 INCL. GST

TABLE
5.1

	Resident Spending (\$M)			Market Share Potential			Turnover Potential (\$M)		
	Food	NF	Total	Food	NF	Total	Food	NF	Total
Primary Trade Area									
Primary North	74.6	59.0	133.6	24.3%	13.4%	19.5%	20.2	8.9	29.1
Primary South	39.0	28.8	67.8	15.0%	8.8%	12.3%	6.4	2.8	9.3
Total Primary	113.6	87.8	201.4	21.1%	11.9%	17.1%	26.7	11.8	38.4
Secondary Trade Area									
Secondary North	27.5	23.3	50.8	18.6%	9.6%	14.4%	5.6	2.5	8.0
Secondary East	57.1	45.2	102.2	6.8%	3.7%	5.4%	4.1	1.8	5.9
Secondary South West	43.9	37.1	81.1	5.1%	2.6%	4.0%	2.3	1.0	3.4
Secondary West	26.4	22.2	48.6	12.5%	6.5%	9.7%	3.5	1.6	5.1
Secondary North West	41.6	35.3	77.0	7.0%	3.6%	5.5%	3.2	1.4	4.6
Total Secondary	196.6	163.1	359.7	8.9%	4.7%	7.0%	18.8	8.3	27.0
Main Trade Area	310.1	251.0	561.1	13.5%	7.3%	10.7%	45.4	20.1	65.5
Turnover From Beyond MTA				22.5%	22.5%	22.5%	13.2	5.8	19.0
Centre Retail Turnover (\$M)							58.6	25.9	84.5

Source: Urbis

5.2 IMPACT ASSESSMENTS

An impact assessment is expected to provide an indication of the trading environment and average trading conditions within which retailers operate, and implications for likely turnover declines or gains on average for the retailers involved. Because an impact assessment forecasts how groups of people are likely to alter their shopping behaviour in response to a given change in the competitive environment, it is not possible to estimate individual retailer impacts or each group of retailers in each location.

Therefore in any impact assessment of this type it is not possible to estimate impacts on any specific individual retailer. The impact on any one individual retailer or any small group of retailers in a given location would depend on many factors (e.g. retailer profitability), some of which are within their control. The actions which each of these retailers take will determine the eventual impact on each, and furthermore the actions which they each take will also determine the eventual impact on the other retailers involved.

All of these factors need to be kept in mind when considering the likely impact of any relocation and expansion of a retailer within the existing retail network. Existing retailers are not passive participants but rather will play a major role in the eventual impact which they will experience.

Shopper behaviour is related to the satisfaction of particular requirements. Decisions made regarding where to shop are based on a number of judgements, including relative accessibility, availability of particular retailers, convenience, variety, carparking and others. A significant amount of retail expenditure is also undertaken where people work and while on holidays. As a result, residents spread their purchases across a wide variety of shopping centres and areas, and use the full range of facilities available to satisfy particular needs.

5.2.1 METHODOLOGY

The method of analysis used to assess the impacts on individual centres from a retail development is based on a 'competitive usage' model. This model is based on the principle that if shoppers choose to direct some of their retail expenditure to the subject development proposal, then they will reduce their expenditure at other centres in a similar proportion to their usage of each centre or location (reflected by each centre's market share from the various trade area sectors). In assessing the potential impacts on other centres in the hierarchy we have adopted a 'turnover allocation approach'.

The assessment of impacts on specific retail centres relies upon an understanding of the existing turnover and level of usage of centres in the study area and beyond. The model estimates the degree to which various shopping locations within and beyond the main trade area are used for retail shopping, by allocating a proportion of turnover to each trade area sector (i.e. source of sales). These estimates result in market share calculations for each competitive centre, and thereby form the basis of which the impact of the proposed retail development is distributed to all other centres used by residents of the main trade area for retail shopping. This is commonly referred to as the 'one-off' impact.

It is also relevant to consider the dollar impacts in relation to the turnover that would potentially be generated by these and other shopping centres over the intervening period. The impact analysis therefore details the turnover change, or net impact, which is expected for each centre/location, expressed as a reduction in turnover and as a percentage of the turnover level for each centre between 2017 and 2020.

The impact analysis also takes into account other competitive developments expected to occur within the analysis period (2017-2020), namely the expansion of The Glen shopping centre in Glen Waverley. Urbis is not aware of any other approved retail developments which would have a significant trading impact on centres in the region of relevance to the Burwood East Retail Centre development.

5.2.2 IMPACTS

The centre specific impact analysis is presented in Table 5.2. The main findings are as follows:

- All centres are expected to benefit from future market growth as population growth and increases in real retail spend per capita increase the size of the available retail market. Each of the centres included in the analysis have the potential to achieve good growth in turnover, mostly averaging between 1% and 2.5%. The turnover growth of each centre includes allowance for some market slippage due to online retailing impacts and minor improvements to existing centres. The potential retail turnover in 2020 by each centre prior to allowing for the impact of the proposed Burwood Brickworks retail development is shown in column 2 of Table 5.2.
- In percentage terms, the highest impacts are expected to occur on centres with major supermarkets that share the primary trade area with the Burwood Brickworks retail development. These centres include Burwood Heights retail (-9.1% relative to 2017 turnover) and Blackburn South (-2.2% relative to today's turnover). Market growth between 2017 and 2020 would help to offset the one-off impacts and the resulting change in turnover could be absorbed by the affected centres. Key considerations in relation to the impacts on these two centres are as follows:
 - The supermarkets generate the majority of turnover in each centre and given the understood strong trading levels of the Woolworths stores they would be expected to be impacted to a greater degree than the specialty shops.
 - Average trading levels (turnover per sq.m) for both centres would remain at sustainable levels and there would be no loss of services in either centre. The average trading level for Burwood Heights is forecast to decrease from \$12,273 per sq.m in 2017 to \$11,158 per sq.m in 2020. This remains a significantly higher trading level than other centres within the region and above the average for single supermarket based centres as provided in the *Urbis Retail Averages*.
 - Average trading levels for the retailers in the Blackburn South shopping strip are expected to decrease from \$8,608 per sq.m in 2017 to \$8,423 per sq.m in 2020. The level of one-off impact therefore would be partly offset by market growth over the period. In general, the retailers today in the shopping strip would be expected to remain in a sustainable position post the Burwood Brickworks retail development.
- In volume terms, the highest impact is expected to fall on Burwood One. This centre is currently the highest order shopping centre in the catchment and would draw well from the Burwood East trade area. The introduction of a new centre at Burwood Heights will therefore result in some transfer of spending away from Burwood One but the one-off impact is within an acceptable and sustainable range. Burwood One's retail turnover productivity in 2020 is estimated to be around \$7,638 per sq.m (2017 dollars) which is only 1.7% lower than the existing estimated average trading level of \$7,772 per sq.m. Of note, the sizeable expansion of the Burwood One centre in 2012 is understood to have not had an adverse impact on other centres in the area, including Burwood Heights shopping centre.
- All impacts are within manageable levels for these centres, as demonstrated by the resulting average trading levels for centres after the opening of the Burwood Brickworks retail development. All centres would continue to achieve a trading level that is moderately lower or above their current trading levels.
- Forecast market growth in the trade area would be expected to largely offset the impacts and provide the opportunity for existing centres to make improvements in response to the new competition. In fact, the affected centres, as is the case in any healthy competitive environment, have the opportunity to recapture lost market share through, for example, refinements to the tenant mix, upgrades to the centre's presentation/signage and/or expansion of retail floorspace.

The impact analysis demonstrates that the proposed Burwood Brickworks retail development is an appropriate development that will provide the community with a superior shopping experience and at the same time not adversely impact the sustainability or result in a loss of services at other activity centres in the hierarchy.

Cinema Impacts

This report has also considered the potential trading impacts of a cinema at Burwood Brickworks on other cinema complexes trading in the region.

The potential six screen cinemas would be expected to result in some transfer of expenditure from nearby locations, including Forest Hill Chase, Glen Waverley, Chadstone, and Pinewood. However an indicative assessment indicates that the one-off impacts would not be at a level that would adversely affect the viability/sustainability of any one complex. The highest impact would be expected on the cinemas at Forest Hill Chase given it is closest to the Burwood Brickworks site. The results of the analysis are outlined in the table below.

CINEMA LOCATION	INDICATIVE TURNOVER IMPACT RANGE, 2020 (%)
Forest Hill Chase	10% - 15%
Glen Waverley	4% - 8%
Chadstone	< 5%
Pinewood	< 5%

The impacts are well within the bounds of a normal competitive environment, reflecting:

- A cinema complex at Burwood Brickworks would improve the accessibility of cinemas for residents in the trade area and broader market. This will have positive supply-induced effects on overall cinema visitation which helps to reduce the potential diversion of trade from other complexes.
- The six screen complex at Burwood Brickworks will be relatively small within the market and will not attract the same level of cinema visitation and spending as larger complexes.
- Cinemas generally attract business from a broad geographic area and this will assist in distributing impacts across a number of cinema locations.

It is noted that the above impacts are indicative only. The actual impacts that would result from a cinema at Burwood Brickworks would clearly be influenced by the type of cinema operator that ultimately opens in the centre and their alignment with existing operators serving the market.

A cinema complex at Burwood Brickworks would also be expected to generate a minor uplift in turnover for other forms of retailing in the centre (e.g. F&B). The flow on impacts of this turnover uplift on other centres in the region would be negligible in our view.

Previous Development Proposal (2008) Impact Assessment

We have reviewed the impact assessment prepared by Deep End Services for Burwood Developments Pty Ltd, "*Burwood East Economic Impact Assessment*" in 2008 in relation to a larger sub-regional scale centre and entertainment and leisure destination proposed previously for the subject site. This development was approved and it was recognised that the level of impacts on competing centres was acceptable in the context of the role and scale of the proposed centre.

Key points to note with comparison to the current development proposal being put forward by Frasers Property Australia are as follows:

- The assessed turnover potential of the previous retail components of the development was around \$131 million in \$2008 incl. GST. Factoring for inflation in 2017 dollars this turnover level could be around \$146 million. This retail turnover level is well above that forecast for the Burwood Brickworks Retail development.

- Similarly the turnover estimated to be captured by the supermarket and liquor store at the Burwood Brickworks Retail development would also be lower than assessed in the previous development scheme. With lower turnover and in turn less trade being diverted from other centres in the region, the Frasers Property Australia development would be expected to result in a more sustainable group of centres in the local hierarchy.
- In the previous assessment a greater share of the impacts were assessed to fall on the larger shopping centres in the broader region (e.g. Chadstone, Forest Hill Chase, Knox City, etc.), recognising the expected wider geographic draw of a centre with higher order retailing. The impacts on neighbourhood scale centres estimated in the previous assessment were within a similar range to that assessed by Urbis for the Frasers Property Australia development. This is not surprising given the previous scheme included a similar range of food & grocery and convenience retail as is being proposed for the Frasers Property Australia development. It is therefore also expected that similar conclusions regarding the sustainability of the centre hierarchy and subsequent approval of the development can be expected with the Burwood East Retail Centre development.

The comparison of the two development proposals and associated EIAs further confirms support for the Burwood Brickworks Retail development.

Distribution of Impact on Key Centres

BURWOOD BRICKWORKS RETAIL DEVELOPMENT, 2020 (2017, INCL. GST)

TABLE 5.2

	Est. Retail Turnover (\$M)			Turnover Inc./Dec. (\$M)		Impact		Est. Retail Turnover (\$psm)		
	Existing 2017	Pre-Dev 2020	Post-Dev. 2020	Existing 2017	Pre-Exp 2020	2017	2020	Existing 2017	Pre-Dev 2020	Post-Dev. 2020
	(1)	(2)	(3)	(4)=(3)-(1)	(5)=(3)-(2)	(6)=(4)/(1)	(7)=(5)/(2)			
Centres within Trade Area										
Burwood Heights Shopping Village	77.3	81.5	70.3	-7.0	-11.2	-9.1%	-13.8%	12,273	12,937	11,158
Middleborough Road & Mirabella Crescent	20.7	22.1	20.5	-0.2	-1.6	-0.9%	-7.3%	6,456	6,902	6,396
Station St & Burwood Highway strip retail	16.0	17.1	16.9	+0.9	-0.2	+5.6%	-1.1%	6,085	6,499	6,426
Middleborough Rd and Canterbury Rd	3.2	3.4	3.4	+0.2	-0.1	+5.8%	-1.5%	6,153	6,612	6,510
Eley Road strip retail	3.2	3.4	3.3	+0.1	-0.1	+3.5%	-2.2%	5,115	5,410	5,292
Large Centres										
Burwood One	185.4	194.6	182.2	-3.2	-12.5	-1.7%	-6.4%	7,772	8,160	7,638
Forest Hill Chase	270.1	287.5	278.4	+8.3	-9.1	+3.1%	-3.2%	5,195	5,529	5,354
Box Hill Central (shopping centres)	218.0	233.5	228.7	+10.7	-4.8	+4.9%	-2.1%	6,707	7,186	7,037
Glen Waverley*	450.0	678.9	673.9	+223.9	-5.0	+49.8%	-0.7%	6,475	7,849	7,791
Chadstone	1,900.0	2,024.1	2,022.2	+122.2	-1.9	+6.4%	-0.1%	11,875	12,651	12,638
Other Centres										
Mount Waverley Activity Centre	109.0	114.5	112.2	+3.2	-2.3	+2.9%	-2.0%	8,508	8,937	8,757
Woolworths Blackburn South (and strip retail)	79.4	84.9	77.7	-1.7	-7.2	-2.2%	-8.5%	8,608	9,201	8,423
Aldi Box Hill South (and strip retail)	39.0	41.7	39.3	+0.2	-2.4	+0.6%	-5.8%	8,100	8,652	8,149
Burwood Highway & Warrigal Road strip retail	54.6	58.1	57.7	+3.1	-0.3	+5.7%	-0.5%	6,311	6,704	6,668
Woolworths Ashwood (and strip retail)	96.3	99.6	97.5	+1.1	-2.2	+1.2%	-2.2%	11,607	12,004	11,745
Pinewood	44.6	46.9	46.7	+2.2	-0.2	+4.8%	-0.4%	7,961	8,381	8,345

* Includes proposed centre expansion

Source: Urbis

6 Net Community Benefit Analysis

The first consideration in identifying whether there is a net community benefit from this development is identification of trading impacts on existing centres and any negative implications resulting from these.

The previous section of this report indicated that the turnover impacts are within an acceptable range for the affected centres in the region. None of the assessed trading impacts on individual centres would result in a loss of shops or services to the community.

With no loss of services expected at other centres the introduction of a new range of services would have an overall net community benefit. The proposed Burwood Brickworks development would have the following benefits:

- More retail floorspace available in the catchment brings with it more choice and more competitive pricing in the products and services offered to existing residents. The additional population growth within the local area as well as the existing strong trading supermarket at Burwood Heights drive demand for additional retail floorspace in the vicinity. In addition, we understand Frasers Property Australia plans to secure retailers with a point of difference from the existing Burwood Heights centre and other centres in the area.
- The Frasers Property Australia development proposal will improve a site that has sat dormant for almost twenty years and been a blight on the local area. Frasers Property Australia's masterplan, which will include approximately 950 dwellings, a town centre and new public space, will improve the overall amenity of the Burwood Heights activity centre. The activity generated by the development will attract more visitors to the area as a whole which will have flow-on benefits to the balance of the Burwood Heights centre in terms of commercial activity and improved perceptions of safety and security. The development is also expected to act as a catalyst for new investment in the area.
- The Frasers Property Australia development proposes a well designed and integrated retail and social hub that will provide a higher level of amenity than other centres in the area. Most of the existing centres consist of ageing shopping centres and shopping strips that straddle main roads (e.g. Blackburn South, which is bisected by Canterbury Road). It will also provide an important piece of infrastructure that will address the need for another supermarket, more retail floorspace and services and cater to the demand generated by the new residents that will occupy the 950 dwellings and existing residents in the area.
- Most of the existing activity centres in the area are not necessarily well equipped to respond to change in consumer needs and demand and to deliver an overall desired improved level of amenity (e.g. upgrades to the presentation, quality of retailers, etc.). Without significant improvements to the centres over time and introduction of a new higher quality development as proposed by Frasers Property Australia, the community will be increasingly underserved and likely direct an increasing share of their expenditure to centres further away. This outcome reduces the levels of local activity and associated benefits as well as results in residents travelling longer distances for their regular shopping and services requirements. This can have adverse economic, social and environmental impacts.
- The addition of a planned range of non-retail uses and community services will increase the community's opportunity for linked trips within the Burwood Heights activity centre. Non-retail uses are yet to be finalised but will potentially include other entertainment uses, a gym, offices, childcare and a medical centre which would add to the overall vitality of the centre, help support the retail shops and bring new services/facilities and greater choice to the market.
- A positive impact on employment opportunities, both locally and in the broader economy. The employment generated by the development falls into two broad categories:
 1. Total ongoing employment generated from the operation of the centre, both in the supermarket and the specialty shops, offices and community uses. There would also be flow-on employment (multiplier effects generated by increased demand for goods and services as a result of increased consumption by the employees at the centre.

2. Employment generated during the construction phase of the project and its flow-on effects on employment. The flow-on employment results from increased demand for materials, services and products from a range of suppliers during the construction of the centre.

- It is estimated that the total shopping centre floorspace of 12,956 sq.m will create demand for around 498 ongoing jobs (refer Table 6.1). However, some of these positions will be transferred from existing employers (e.g. if a business relocates to the Burwood Brickworks retail development). In our view, a reasonable allowance for transferred jobs is 15%, which suggests that the net increase in employment at the Burwood Brickworks retail development would be closer to 423 jobs (refer Table 6.2).
- In addition to retail employment, the redevelopment is expected result in approximately 1,267 direct construction jobs (for one year). This is detailed in Table 6.2, and is based on a projected construction cost of \$160 million for the residential development, \$60 million for the retail development, and \$90 million for general civic works.

On balance the Frasers Property Australia development, including the proposed retail centre, is an appropriate development that addresses market needs and demand, will not have an adverse impact on other activity centres in the region, and will overall provide a net community benefit.

Direct Employment Impact of Proposal¹

BURWOOD BRICKWORKS RETAIL DEVELOPMENT

TABLE 6.1

Type of Use	Employment Per '000 Sq.m Industry Average	Centre Expansion Additional	
		GLA (Sq.m)	Employment (Persons)
Supermarket(s)	40.8	4,200	171
Mini-Majors	23.5	2,364	56
Specialty Shops	60.7	3,936	239
Non retail/External	13.0	<u>2,456</u>	<u>32</u>
Total Property²		12,956	498

1. Takes into account reduced vacancies

2. Includes non-retail and external components. Excludes additional management, cleaning & security staff

Source : Urbis

Total Employment Impact of Proposal¹

BURWOOD BRICKWORKS RETAIL DEVELOPMENT

TABLE 6.2

Development Option/ Type of Employment	Direct Employment	Supplier Employment <i>Multiplier Effects</i>	Total Jobs ²
Construction Phase	<u>1,267</u>	<u>1,994</u>	<u>3,261</u>
- Shopping Centre	346	544	889
- Residential	921	1,450	2,372
Centre Employment Increase ³	<u>423</u>	337	760
Total	1,690		

1. Total Employment - full-time, part-time and casual

2. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects.

Jobs are for the equivalent of one year of employment.

3. Indicates the estimated number of ongoing jobs as a result of the proposed expansion (ie the floorspace increase)

Source : Urbis

Disclaimer

This report is dated October 2018 and incorporates information and events up to October 2018 only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (**Urbis**) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Frasers Property Australia (**Instructing Party**) for the purpose of EIA (**Purpose**) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report, and upon which Urbis relied. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

In preparing this report, Urbis may rely on or refer to documents in a language other than English, which Urbis may arrange to be translated. Urbis is not responsible for the accuracy or completeness of such translations and disclaims any liability for any statement or opinion made in this report being inaccurate or incomplete arising from such translations.

Whilst Urbis has made all reasonable inquiries it believes necessary in preparing this report, it is not responsible for determining the completeness or accuracy of information provided to it. Urbis (including its officers and personnel) is not liable for any errors or omissions, including in information provided by the Instructing Party or another person or upon which Urbis relies, provided that such errors or omissions are not made by Urbis recklessly or in bad faith.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

Appendix A – Detailed Demographic Tables

Key Socio Economic Characteristics

BURWOOD BRICKWORKS TRADE AREA, 2016 CENSUS

TABLE A.1

	Primary North	Primary South	Total Primary	Secondary North	Secondary East	Secondary South West	Secondary West	Secondary North West	Total Secondary	Main Trade Area	Melbourne	Total Australia
Household Income:												
\$Nil	5.9%	10.9%	7.7%	1.7%	3.2%	3.4%	5.4%	4.2%	3.5%	5.1%	2.4%	1.6%
\$1-\$20,800	6.5%	12.1%	8.5%	3.8%	6.3%	3.3%	10.3%	7.4%	6.0%	7.0%	5.3%	5.7%
\$20,800-\$52,000	30.1%	25.0%	28.3%	23.9%	25.2%	22.9%	26.9%	22.2%	24.1%	25.7%	24.0%	27.3%
\$52,000-\$78,000	15.4%	15.4%	15.4%	15.2%	15.4%	14.4%	13.5%	14.8%	14.8%	15.0%	16.9%	17.1%
\$78,000 - \$130,000	20.0%	19.0%	19.6%	22.6%	23.7%	23.7%	19.0%	22.2%	22.6%	21.5%	25.9%	24.7%
\$130,000-\$208,000	14.6%	12.8%	14.0%	20.8%	17.8%	21.4%	14.0%	18.1%	18.6%	16.8%	17.2%	16.0%
\$208,000 plus	7.5%	4.9%	6.5%	12.0%	8.3%	11.1%	10.9%	11.0%	10.3%	8.9%	8.4%	7.6%
Average Household Income	\$83,194	\$72,968	\$79,529	\$104,669	\$92,949	\$103,468	\$86,968	\$100,447	\$97,648	\$90,793	\$99,752	\$95,162
Var'n from Melbourne Avg.	-17%	-27%	-20%	+5%	-7%	+4%	-13%	+1%	-2%	-9%	0%	-5%
Average Household Size	2.6	2.7	2.6	2.7	2.8	2.8	2.7	2.7	2.8	2.7	2.7	2.6
Per Capita Income (all persons):												
Per Capita Income	\$32,443	\$28,430	\$31,030	\$39,814	\$34,803	\$38,702	\$33,029	\$38,236	\$36,822	\$34,697	\$37,641	\$37,309
Var'n from Melbourne Avg.	-14%	-24%	-18%	+6%	-8%	+3%	-12%	+2%	-2%	-8%	0%	-1%
Per Capita Income (% persons aged 15 - 64):												
\$Neg/Nil	25.1%	29.6%	26.8%	15.3%	20.2%	19.6%	30.5%	20.7%	21.1%	23.4%	15.2%	13.3%
\$1 - \$20,800	23.6%	25.0%	24.1%	17.6%	20.2%	20.8%	19.6%	20.6%	20.0%	21.6%	19.4%	19.7%
\$20,800 - \$41,600	19.6%	21.4%	20.3%	21.6%	21.7%	20.8%	19.6%	20.3%	20.9%	20.6%	22.9%	24.6%
\$41,600 - \$78,000	22.6%	18.6%	21.1%	27.8%	28.7%	24.1%	18.7%	23.8%	25.1%	23.5%	31.2%	31.1%
\$78,000+	9.0%	5.4%	7.6%	17.8%	9.2%	14.7%	11.6%	14.5%	12.9%	10.8%	11.3%	11.3%
Age Distribution:												
Aged 0-14	14.2%	9.8%	12.7%	21.0%	16.7%	18.1%	13.9%	17.1%	17.3%	15.6%	18.3%	18.7%
Aged 15-19	8.3%	7.0%	7.9%	5.7%	6.2%	6.1%	11.2%	7.4%	7.0%	7.3%	6.0%	6.1%
Aged 20-34	27.1%	44.5%	33.1%	15.5%	21.3%	19.5%	29.4%	24.4%	21.8%	26.0%	23.7%	21.1%
Aged 35-49	16.8%	13.6%	15.7%	22.9%	19.5%	20.1%	16.5%	20.8%	20.0%	18.4%	21.1%	20.2%
Aged 50-64	14.3%	10.6%	13.0%	17.5%	16.3%	18.9%	16.1%	17.8%	17.3%	15.7%	16.9%	18.3%
Aged 65-79	10.7%	9.3%	10.2%	11.1%	14.6%	11.6%	8.8%	8.6%	11.5%	11.0%	10.2%	11.7%
Aged 80+	8.7%	5.2%	7.5%	6.4%	5.3%	5.7%	4.2%	4.0%	5.1%	6.0%	3.7%	3.9%
Average Age	39.4	35.1	37.9	39.3	40.8	40.4	33.9	36.5	38.7	38.4	36.8	37.8
Dependency Ratio ¹	33.5%	24.3%	30.4%	38.5%	36.6%	35.4%	26.8%	29.7%	33.9%	32.6%	32.2%	34.3%
Car Ownership												
% 0 Cars	11.6%	18.4%	14.1%	5.4%	7.3%	3.2%	10.7%	9.8%	7.1%	9.7%	8.9%	7.7%
% 1 Car	39.2%	40.8%	39.8%	39.6%	34.9%	33.0%	40.1%	37.7%	36.4%	37.6%	35.9%	36.0%
% 2 Cars +	49.1%	40.8%	46.1%	55.0%	57.9%	63.8%	49.3%	52.5%	56.6%	52.7%	55.2%	56.3%

1. Dependency ratio refers to the proportion of the population between 0-14 and over 65 years.

Source: ABS; Urbis

Key Socio Economic Characteristics

BURWOOD BRICKWORKS TRADE AREA, 2016 CENSUS

TABLE A.2

	Primary North	Primary South	Total Primary	Secondary North	Secondary East	Secondary South West	Secondary West	Secondary North West	Total Secondary	Main Trade Area	Melbourne	Total Australia
Household Composition (%)												
Total Family (with children)	41.2%	27.7%	36.4%	52.1%	49.2%	51.4%	45.1%	46.6%	49.1%	44.3%	45.6%	43.2%
- Family with children <15 years	23.2%	14.5%	20.1%	33.3%	27.5%	30.0%	23.6%	27.5%	28.4%	25.3%	28.0%	27.5%
- Family with children 15+ years	18.0%	13.2%	16.3%	18.8%	21.7%	21.4%	21.5%	19.2%	20.7%	19.0%	17.6%	15.8%
Couples with no children	21.1%	22.2%	21.6%	20.8%	26.9%	25.3%	19.8%	21.0%	23.5%	22.8%	24.8%	27.0%
Group Household	7.6%	18.0%	11.4%	2.6%	4.4%	3.6%	7.9%	6.3%	4.8%	7.3%	4.5%	3.8%
Lone Person	27.4%	27.4%	27.4%	23.3%	18.1%	18.3%	24.4%	23.4%	20.8%	23.3%	23.3%	24.5%
Other	2.6%	4.7%	3.3%	1.3%	1.4%	1.4%	2.8%	2.7%	1.8%	2.3%	1.8%	1.4%
Housing Tenure¹												
Owner	35.9%	32.7%	34.7%	43.5%	44.1%	44.5%	32.4%	30.8%	39.9%	38.0%	31.6%	32.1%
Purchaser	30.5%	22.6%	27.7%	39.6%	30.6%	34.7%	29.5%	37.4%	34.0%	31.7%	37.3%	35.8%
Renter	33.6%	44.8%	37.6%	16.9%	25.2%	20.8%	38.1%	31.8%	26.1%	30.4%	31.1%	32.1%
Birthplace												
Australian Born	55.4%	39.3%	49.9%	69.8%	51.6%	56.4%	50.4%	59.7%	56.7%	54.2%	63.8%	71.7%
Overseas Born	44.6%	60.7%	50.1%	30.2%	48.4%	43.6%	49.6%	40.3%	43.3%	45.8%	36.2%	28.3%
- India	3.0%	6.8%	4.3%	2.5%	3.6%	2.1%	4.1%	2.2%	2.9%	3.4%	3.8%	2.1%
- New Zealand	0.9%	0.8%	0.9%	1.4%	1.2%	1.0%	0.9%	1.1%	1.1%	1.0%	1.9%	2.4%
- Philippines	0.6%	1.2%	0.8%	0.2%	0.5%	0.4%	0.9%	0.4%	0.5%	0.6%	1.0%	1.0%
- Pakistan	0.2%	0.5%	0.3%	0.0%	0.1%	0.0%	0.1%	0.4%	0.1%	0.2%	0.5%	0.3%
- China	15.7%	20.9%	17.5%	8.5%	14.2%	13.2%	18.0%	14.3%	13.7%	15.1%	3.7%	2.3%
- Sri Lanka	2.4%	4.6%	3.1%	0.6%	3.8%	3.1%	2.7%	1.0%	2.5%	2.7%	1.3%	0.5%
- Other Overseas	21.7%	25.9%	23.1%	17.0%	25.0%	23.8%	22.8%	20.8%	22.5%	22.7%	24.1%	19.8%
Tertiary Education (%)²												
Bachelor Degree or Higher	30.5%	34.4%	31.9%	38.3%	33.1%	38.6%	34.5%	38.6%	36.3%	34.6%	27.5%	21.9%
Advanced Diploma or Associate Degree	9.8%	11.0%	10.2%	10.4%	9.5%	9.6%	9.1%	9.9%	9.7%	9.9%	9.5%	8.9%
Undertaking Tertiary Education	19.3%	32.0%	23.7%	7.1%	10.5%	11.5%	20.2%	14.7%	12.5%	16.8%	7.8%	6.1%

1. 'Other' Tenure Types have not been included.

2. As a percentage of the total population aged over 18 years. Not all qualification and education options have been stated, therefore the percentages are of a range much larger than shown and won't add to 100%

Source: ABS; Urbis

Key Socio Economic Characteristics

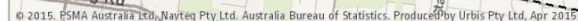
BURWOOD BRICKWORKS TRADE AREA, 2016 CENSUS

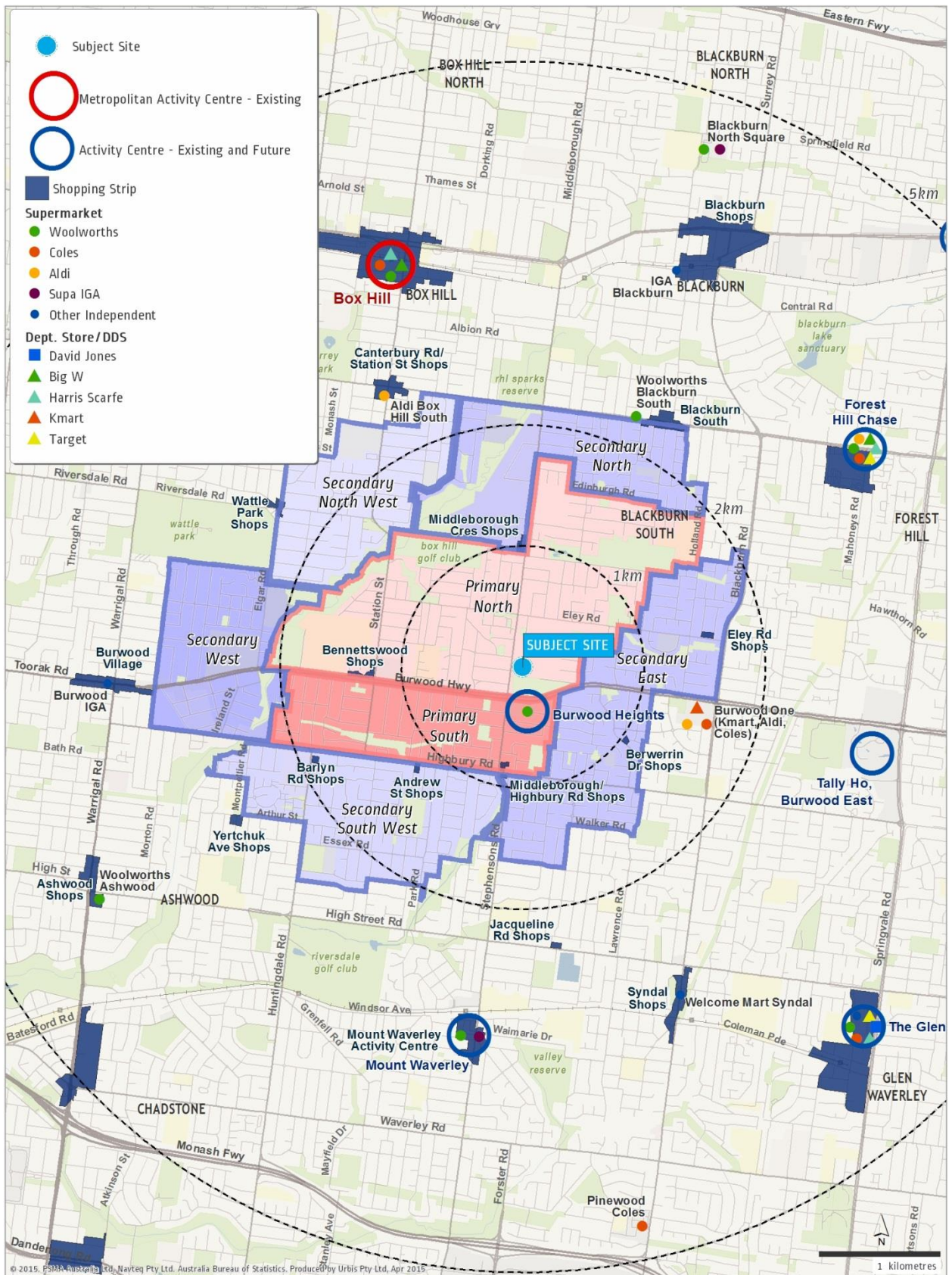
TABLE A.3

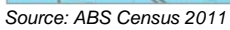
	Primary North	Primary South	Total Primary	Secondary North	Secondary East	Secondary South West	Secondary West	Secondary North West	Total Secondary	Main Trade Area	Melbourne	Total Australia
Labour Force												
Labour Force Participation	54.5%	56.8%	55.3%	64.1%	58.7%	61.7%	55.9%	64.1%	60.8%	58.7%	65.8%	64.6%
% Unemployed	10.3%	14.8%	11.9%	4.2%	7.7%	6.0%	11.0%	8.0%	7.3%	9.0%	6.8%	6.8%
% Managers and Professionals	42.2%	38.9%	41.0%	52.8%	43.9%	50.3%	49.7%	49.6%	48.6%	45.9%	38.9%	35.8%
% Other White Collar	36.8%	39.0%	37.6%	30.9%	34.4%	30.8%	32.8%	33.8%	32.8%	34.4%	34.4%	34.4%
% Blue Collar Occupations	21.1%	22.1%	21.4%	16.3%	21.6%	18.9%	17.5%	16.6%	18.7%	19.6%	26.7%	29.8%
Occupation (%)												
Managers	13.6%	11.8%	13.0%	15.5%	13.7%	16.9%	16.4%	16.3%	15.6%	14.7%	13.5%	13.2%
Professionals	28.6%	27.0%	28.0%	37.3%	30.2%	33.4%	33.3%	33.3%	33.0%	31.3%	25.4%	22.6%
Technicians & trades workers	10.3%	9.0%	9.8%	9.3%	10.4%	8.8%	7.5%	9.5%	9.3%	9.5%	12.8%	13.8%
Community & Personal Service Workers	11.0%	12.6%	11.5%	9.3%	10.8%	7.3%	10.8%	9.6%	9.5%	10.2%	10.4%	11.0%
Clerical & Administrative Workers	14.1%	13.3%	13.8%	13.9%	14.5%	13.9%	11.4%	13.7%	13.7%	13.8%	14.1%	13.8%
Sales Workers	11.7%	13.2%	12.2%	7.6%	9.1%	9.6%	10.7%	10.5%	9.5%	10.4%	9.9%	9.5%
Machinery operators & Drivers	3.4%	2.9%	3.3%	2.3%	3.0%	3.1%	2.5%	1.8%	2.6%	2.8%	5.7%	6.4%
Labourers	7.3%	10.2%	8.3%	4.7%	8.2%	7.0%	7.6%	5.3%	6.8%	7.3%	8.2%	9.6%
Industry (%)												
Agriculture, forestry & fishing	0.3%	0.3%	0.3%	0.0%	0.2%	0.1%	0.0%	0.1%	0.1%	0.2%	0.5%	2.5%
Mining	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	1.6%
Manufacturing	6.3%	5.3%	6.0%	5.4%	6.9%	5.7%	3.9%	5.0%	5.6%	5.7%	8.1%	6.7%
Electricity, as, water & waste services	0.6%	1.2%	0.8%	1.2%	1.2%	1.3%	0.6%	0.9%	1.1%	1.0%	0.9%	1.0%
Construction	6.1%	5.4%	5.9%	5.3%	5.9%	6.5%	5.3%	6.2%	5.9%	5.9%	8.7%	9.0%
Wholesale trade	3.3%	3.4%	3.3%	3.8%	4.2%	3.8%	3.6%	3.2%	3.8%	3.6%	3.7%	3.0%
Retail trade	12.7%	13.5%	13.0%	9.9%	10.7%	12.4%	10.3%	11.0%	11.0%	11.7%	10.7%	10.4%
Accommodation & food services	8.7%	13.7%	10.5%	5.4%	7.6%	6.0%	10.4%	8.4%	7.5%	8.5%	6.9%	7.3%
Transport, postal & warehousing	3.5%	3.4%	3.5%	3.4%	3.2%	3.5%	2.8%	2.9%	3.2%	3.3%	5.3%	4.9%
Information media & telecommunications	2.0%	2.8%	2.3%	2.5%	2.1%	2.7%	2.9%	2.6%	2.5%	2.4%	2.2%	1.7%
Financial & insurance services	5.0%	4.8%	4.9%	5.3%	5.1%	6.2%	5.2%	6.0%	5.6%	5.3%	4.7%	3.7%
Rental, hiring & real estate services	2.2%	1.2%	1.8%	1.0%	1.9%	1.8%	2.1%	2.0%	1.8%	1.8%	1.7%	1.7%
Professional, scientific & technical services	10.1%	9.4%	9.8%	12.7%	11.9%	12.1%	10.4%	10.4%	11.6%	10.9%	9.6%	7.7%
Administrative & support services	4.3%	4.8%	4.5%	3.4%	4.2%	4.2%	3.8%	3.1%	3.8%	4.0%	3.8%	3.6%
Public Administration & safety	5.0%	2.8%	4.2%	6.2%	4.3%	3.7%	5.7%	4.6%	4.7%	4.5%	5.3%	7.0%
Education & training	10.2%	9.4%	9.9%	14.9%	9.9%	11.6%	10.4%	12.6%	11.7%	11.0%	9.1%	9.2%
Health care & social assistance	13.8%	12.4%	13.3%	15.3%	13.9%	12.3%	15.7%	15.0%	14.2%	13.9%	12.7%	13.4%
Arts & recreation services	2.1%	2.2%	2.2%	1.6%	2.1%	1.8%	3.3%	2.7%	2.2%	2.2%	2.1%	1.6%
Other services	3.8%	4.1%	3.9%	2.5%	4.6%	4.1%	3.6%	3.1%	3.7%	3.8%	3.8%	3.9%

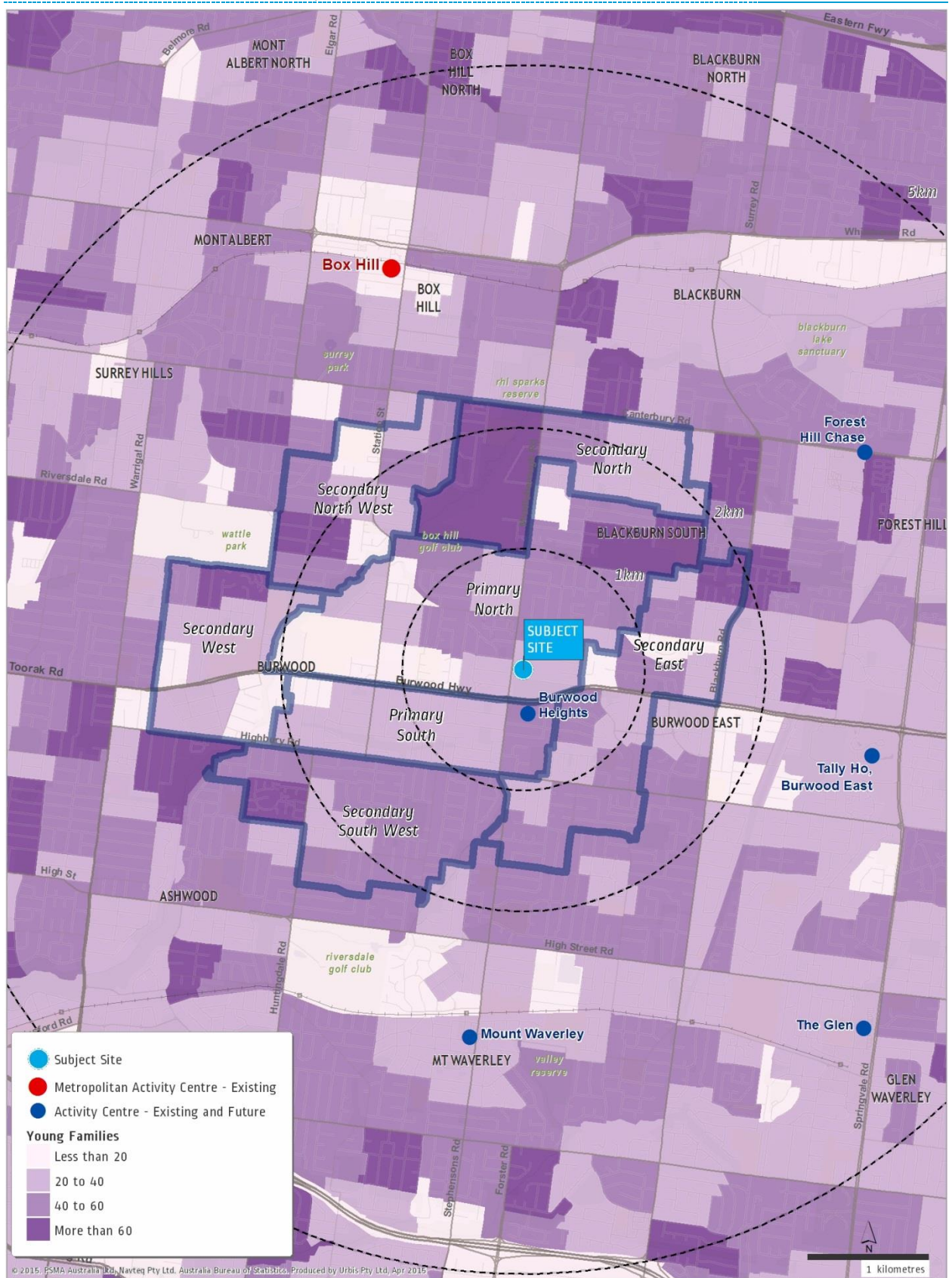
Source: ABS; Urbis

Appendix B – Maps from EIA Report, July 2016

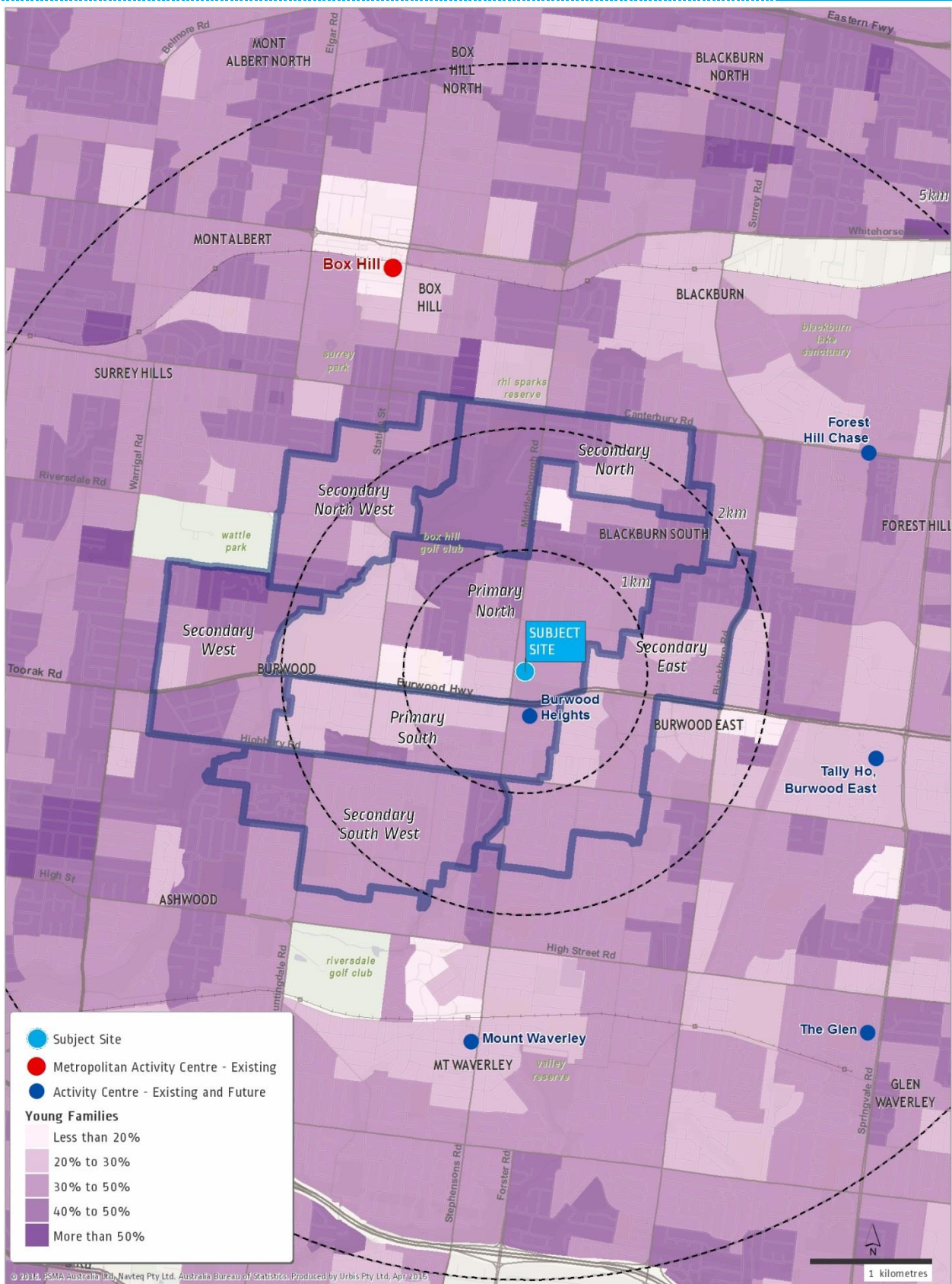




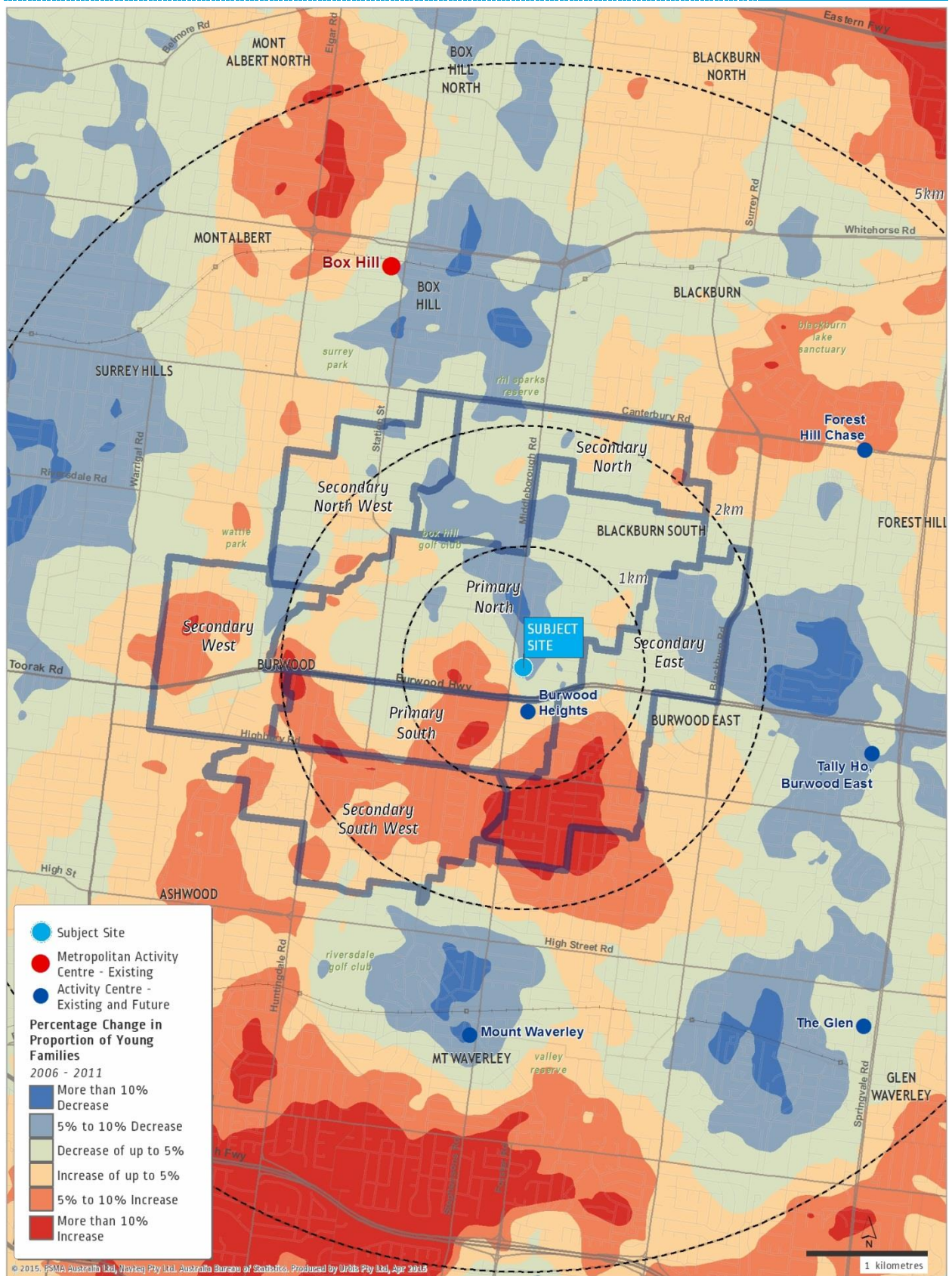


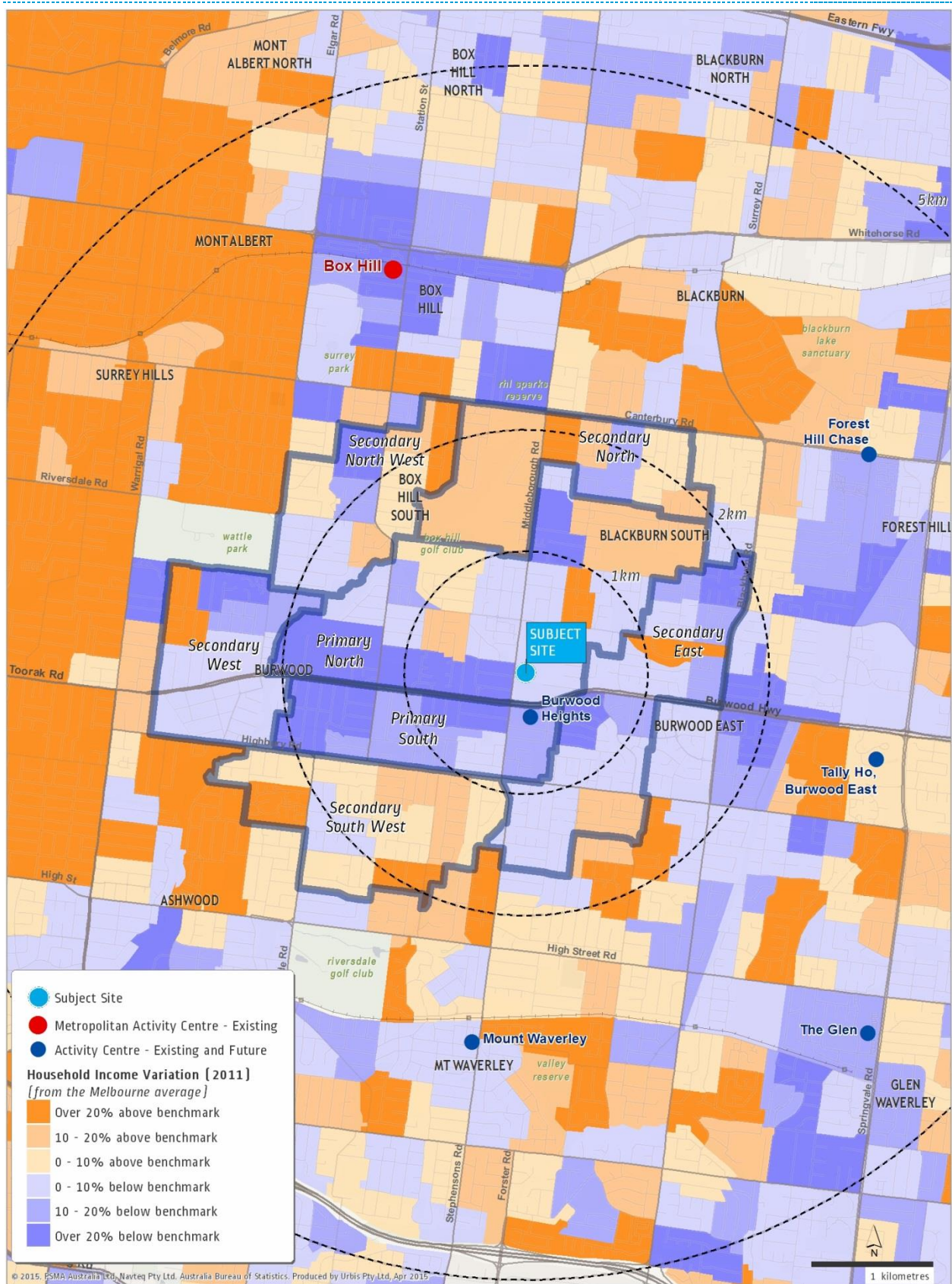


Source: ABS Census 2011

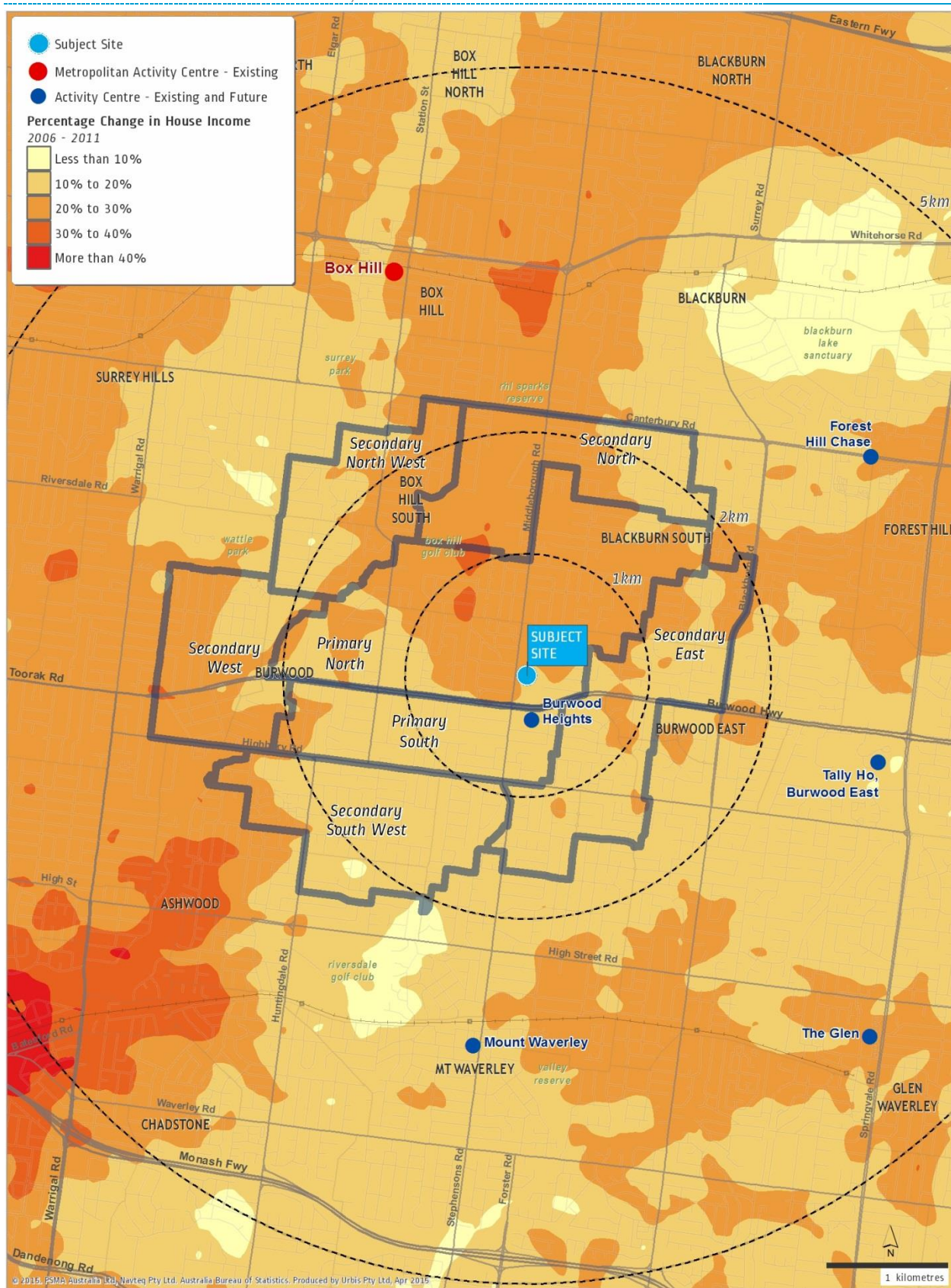


Source: ABS Census 2011





Source: ABS Census 2011



Source: ABS Census 2011

Sydney

Tower 2, Level 23, Darling Park
201 Sussex Street Sydney, NSW 2000
t +02 8233 9900
f +02 8233 9966

Melbourne

Level 12, 120 Collins Street
Melbourne, VIC 3000
t +03 8663 4888
f +03 8663 4999

Brisbane

Level 7, 123 Albert Street
Brisbane, QLD 4000
t +07 3007 3800
f +07 3007 3811

Perth

Level 1, 55 St Georges Terrace
Perth, WA 6000
t +08 9346 0500
f +08 9221 1779

Australia • Asia • Middle East
w urbis.com.au **e** info@urbis.com.au