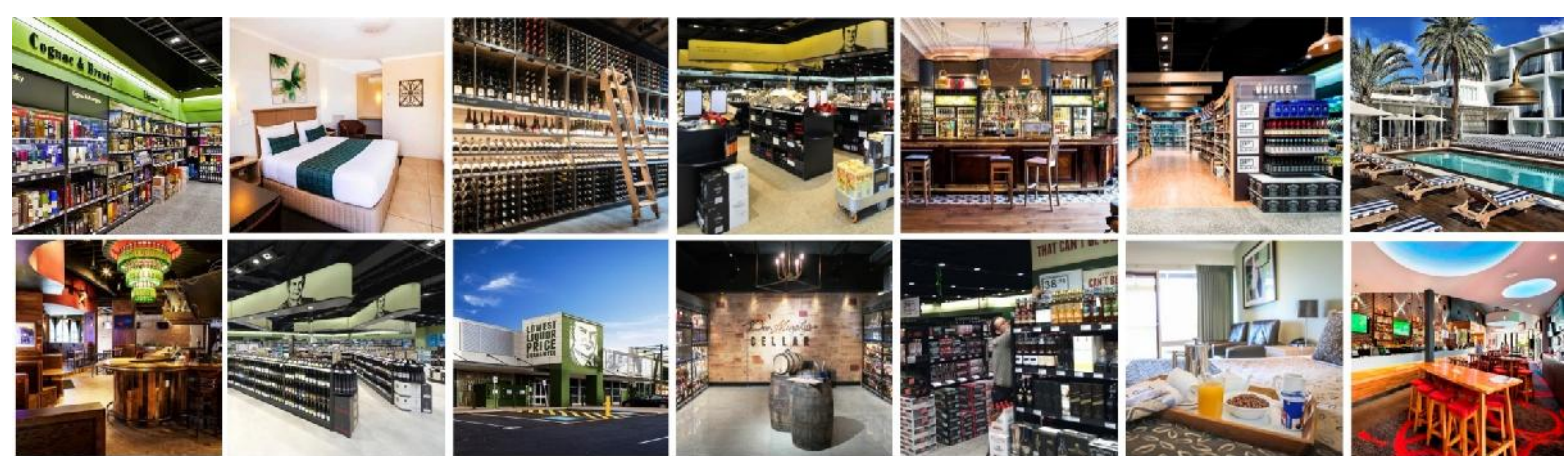


Lockies Hotel, Leppington

Economic Impact Assessment

November 2017



MacroPlan Dimasi

MELBOURNE

Level 16

330 Collins Street

Melbourne VIC 3000

(03) 9600 0500

BRISBANE

Level 15

111 Eagle Street

Brisbane QLD 4000

(07) 3221 8166

PERTH

Level 1

89 St Georges Terrace

Perth WA 6000

(08) 9225 7200

SYDNEY

Level 52

19 Martin Place

Sydney NSW 2000

(02) 9221 5211

GOLD COAST

Level 2

89 - 91 Surf Parade

Broadbeach QLD 4218

(07) 3221 8166

Prepared for: ALH Group

MacroPlan Dimasi staff responsible for this report:

James Turnbull, National Manager – Retail

Fraser Brown, Manager – Retail

Adam Zhong, Analyst – Retail

Table of contents

Executive summary	i
Introduction	iv
Section 1: Background and strategic context	1
1.1 Local and regional context	1
1.2 Proposed development	5
1.3 Strategic overview	7
Section 2: Trade area analysis	9
2.1 Trade area definition	9
2.2 Trade area population	12
2.3 Socio-demographic profile	15
2.4 Retail expenditure capacity	18
2.5 Packaged liquor expenditure capacity	23
Section 3: Competition review	25
3.1 Packaged liquor competition	25
3.2 Traditional retail	28
Section 4: Estimated sales potential	33
Section 5: Trading impacts on surrounding centres	36
5.1 Trading impacts: relevance and basis	36
5.1.1 Impact methodology	38
5.1.2 Estimated impacts	40
5.2 Impacts on surrounding retail hierarchy	41
5.3 Impacts on surrounding retail hierarchy	43

Section 6:	Tavern/pub assessment	45
6.1	Expenditure capacity of key tavern/pub market segments	45
6.2	Supply of taverns/pubs	46
Section 7:	Short stay accommodation facilities assessment	49
7.1	Key drivers of demand	49
7.2	Supply of short stay accommodation facilities	50
Section 8:	Other economic benefits	53
8.1	Estimated employment impacts	53
8.2	Other economic/social benefits	56

Executive summary

Local and regional context

- Lockies Hotel is situated within the South West Priority Growth Area of Sydney which is one of the largest greenfield areas released by the NSW government to facilitate urban residential growth. The priority growth area encompasses over 17,000 hectares covering parts of the Camden, Liverpool and Campbelltown local government areas (LGAs).
- Lockies Hotel is situated at the southern fringe of the Leppington North and Austral precinct which planned to accommodate up to 17,350 new dwellings, supporting a population of over 54,000 at capacity. The adjacent Leppington precinct is expected to accommodate 2,500 dwellings of the 9,000 dwelling capacity in the first stage.
- Lockies Hotel is located at 1423 Camden Valley Way, Leppington, near the intersection of Camden Valley Way and Ingleburn Road. Camden Valley Way is a major arterial road in the region, which exposes the subject site to almost 33,000 average daily traffic movements (NSW Roads and Maritime Services), with the site presenting a highly visible and easily accessible location for customers in the region.

Proposed development

- The current Lockies Hotel and adjoining BWS outlet is planned to be redeveloped to incorporate a new tavern of 3,115 sq.m, as well as the construction of a Dan Murphy's liquor store of 1,570 sq.m and a motel of 2,790 sq.m, which would equate to around 80 rooms to be developed in two stages, each stage consisting of 40 rooms. In total, the proposed redevelopment will encompass 7,475 sq.m of floorspace (resulting in a net gain of 6,153 sq.m), served by 256 car parking spaces.

Trade area analysis

- The defined main trade area population is estimated at 47,660 as at June 2017, with the region expected to undergo significant residential development in the medium and long term. The main trade area population is projected to reach over 139,000 by 2031, reflecting an average annual growth of 7.9% over the forecast period.

- The retail expenditure capacity of the main trade area population is estimated at \$599 million at June 2017 and is projected to grow at an average annual rate of 9.0% per annum to reach approximately \$2.0 billion at 2031.
- There is an estimated \$32.2 million of packaged liquor spend generated by the main trade area population at June 2017, of which \$6.0 million is generated by primary sector residents.

Packaged liquor competition

- In terms of competitive large format liquor retailers, the closest Dan Murphy's store is located approximately 5.2 km to the north-east of the subject site at Carnes Hill Marketplace. The next closest Dan Murphy's stores are located at Casula and Narellan. The nearest First Choice store is situated approximately 5.3 km north-east, at Edmondson Park as part of Village Square.
- The closest small format liquor outlets are the newly opened Liquorland store at Willowdale Shopping Centre (situated 1.1 km to the south); the small Bottle-O store at Leppington on Camden Valley Way (2.7 km north of the subject site); the Aldi supermarkets located at Village Square, Edmondson Park, and Carnes Hill respectively; and the Little Bottler (Prestons Village Liquor) located at Minnamurra Circuit in Prestons (5.3 km north-west of the subject site).

Dan Murphy's store potential and trading impacts

- We estimate that the proposed Dan Murphy's store at Lockies Hotel could achieve a total sales volume of \$12.1 million in 2021/22, increasing to \$18.1 million by 2025/26, at an average growth area of around 8.4% per annum. The incremental liquor sales of the proposed Dan Murphy's store is estimated in its first year (i.e. 2021/22), at \$10.2 million, which is the estimated sales potential for the new Dan Murphy's store less the estimated existing BWS store sales at 2021/22.
- Four surrounding large format liquor stores (First Choice at Edmondson Park and Dan Murphy's at Carnes Hill, Casula and Narellan) are expected to absorb around 60 – 65% of trading impacts from the new store at the subject site.

- Estimated impacts across the rest of the surrounding liquor stores are expected to be negligible.

Tavern/pub assessment

- There is massive forecast growth of food catering and on premise liquor expenditure expected across the main trade area, which is projected to reach \$350 million at 2031. The proposed increase in the size of the tavern at the subject site could result in incremental food catering and on premise liquor sales of around \$8 – 10 million. This is equivalent to less than 4% of future demand growth in these expenditure categories, meaning that 96% of future expenditure could be captured by other facilities across the region.

Short term accommodation facilities assessment

- The supply of short-stay accommodation facilities in the area surrounding the subject site is limited and generally dated. The proposed motel development at the subject site will add new modern stock to the short stay accommodation supply in the area, providing an affordable option for visitors to the area in conjunction with amenities such as an expanded tavern. We consider a motel development to be supportable at Lockies Hotel, which would help to fill a spatial gap of motel offerings in the surrounding area.

Net community and employment benefits

- The expected economic and related social benefits will include improved packaged liquor, accommodation and on-premised liquor choice, more competitive pricing in the short-accommodation and tavern/pub markets and reduced private vehicle trip distances. Other benefits will include employment that will be created during the construction phase of the project, ongoing employment created on site as well as additional employment supported through the supply chain.

Introduction

This report presents an independent assessment of the market potential and likely trading impacts for a proposed Dan Murphy's liquor store, planned as part of the redevelopment of Lockies Hotel in Leppington, situated within the South West Priority Growth Area of Sydney. This report also assesses economic impacts of the other components of the redevelopment, which includes the development of a new tavern, a new Dan Murphy's store and a new motel.

This report has been prepared in accordance with instructions from ALH Property, and is presented in eight sections as follows:

- **Section 1** of the report reviews the locational context for the proposed redevelopment of Lockies Hotel in Leppington, as well as detailing the redevelopment plans and providing an overview of the strategic planning framework relevant to the subject site.
- **Section 2** of the report details the potential trade area that could be expected to be served by a proposed Dan Murphy's liquor store and redeveloped tavern at the subject site, including current and projected population levels, the socio-demographic profile of trade area residents and estimates of their current and future retail expenditure capacity.
- **Section 3** of the report reviews the surrounding competitive network of packaged liquor and traditional retail facilities within which the proposed Lockies Hotel Dan Murphy's store would operate, including both existing and proposed developments of relevance.
- **Section 4** of the report reviews the potential market shares and estimated sales that could be achieved by a Dan Murphy's liquor store at the Lockies Hotel site.
- **Section 5** section of the report examines the potential trading impacts on the surrounding retail network that could be expected to result from the provision of a Dan Murphy's store at the subject site.

- **Section 6** of the report assesses the expansion potential of the tavern at the Lockies Hotel.
- **Section 7** of the report examines the potential for short stay accommodation facilities at the subject site, assessing the surrounding supply of such facilities as well as identifies demand drivers of relevance.
- **Section 8** of the report examines the net community benefits which are likely to arise as a result of the proposed Lockies Hotel development.

Section 1: Background and strategic context

This section reviews the locational context for the proposed redevelopment of Lockies Hotel in Leppington, as well as detailing the redevelopment plans and providing an overview of the strategic planning framework relevant to the subject site.

1.1 Local and regional context

The Sydney South West Priority Growth Area (SWPGA) is situated approximately 50 km south-west of the Sydney CBD and is one of the largest greenfield areas released by the NSW government to facilitate urban residential growth (refer Maps 1.1 and 1.2).

The SWPGA encompasses over 17,000 hectares covering parts of the Camden, Liverpool and Campbelltown local government areas (LGAs). The revised SWPGA progressively released for rezoning to allow sustainable urban development. At capacity, the SWPGA is expected to deliver more than 75,000 new dwellings, with a further 50,000+ dwellings expected in the redefined Western Sydney PGA.

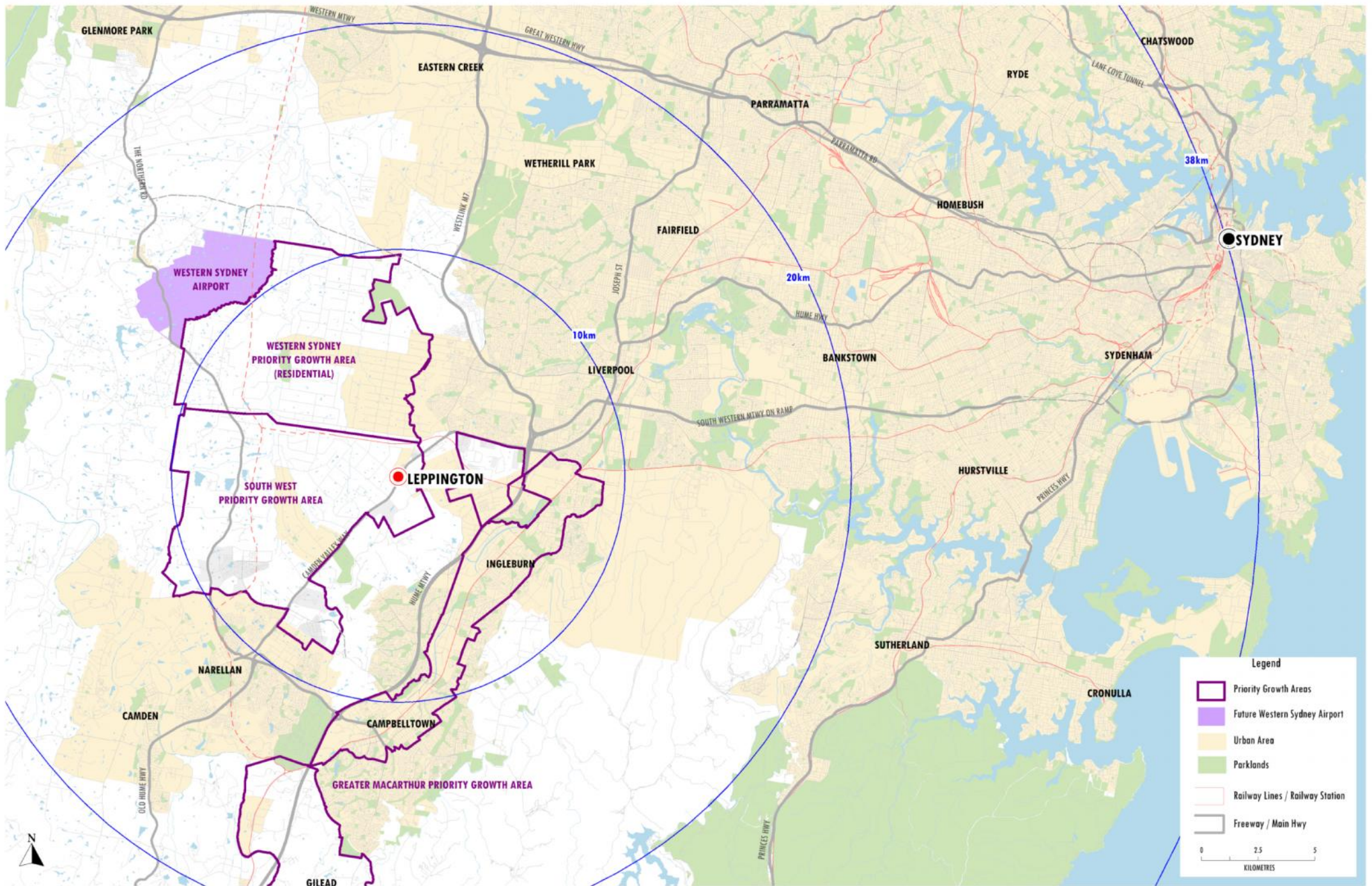
The subject site, i.e. the Lockies Hotel, is located at 1423 Camden Valley Way, Leppington, near the intersection of Camden Valley Way and Ingleburn Road. Camden Valley Way is a major arterial road in the region, linking the Hume Highway, M7 and M5 interchange at Prestons, with Camden and Narellan in Sydney's south west. According to NSW Roads and Maritime Services (RMS) Camden Valley Way exposes the subject site to almost 33,000 average daily traffic movements, with the site presenting a highly visible and easily accessible location for customers in the region.

Lockies Hotel is situated at the southern fringe of the Leppington North and Austral precinct. The Leppington North and Austral precinct was rezoned for urban development in March 2013. The precinct are planned to accommodate up to 17,350 new dwellings, supporting a population of over 54,000 at capacity. The Leppington North precinct is also planned to accommodate the Leppington Major Centre, which will be integrated with the

Leppington railway station and could accommodate 60,000 – 80,000 sq.m of retail floorspace, and around 13,000 jobs in total. The Leppington Major Centre is designated as a major employment, shopping, and government services centre for the new residents of the SWPGA, which is planned to include a range of civic uses such as a TAFE campus, council community facilities and an integrated healthcare centre. The adjacent Leppington precinct is expected to accommodate 2,500 dwellings of the 9,000 dwelling capacity in the first stage.

The SWPGA is serviced by the South West Rail Link, which saw the development of two new railway stations, at Edmondson Park and Leppington. The South West Rail Link connects to the Sydney Railway network at Glenfield Station where it acts as an interchange for the T2 Airport Line, the T2 Inner-west and South Line, the T5 Cumberland Line and the Southern Highlands line.

Badgerys Creek, which is situated north-west of the subject site in the WSPGA, is designated as the location for the Western Sydney Airport. The airport will underpin the planned residential and employment growth in the area, and add a vital piece of infrastructure to attract investment and intensify business activities in Western Sydney, ranging from manufacturing and logistics to hospitality and conferencing. Initial site preparation works have begun, with operations at the proposed airport planned to begin in the mid-2020s.



Map 1.1: Leppington/South West Priority Growth Area
Regional context



Map 1.2: Lockies Hotel, Leppington
 Site location

1.2 Proposed development

The proposed redevelopment of Lockies Hotel is illustrated on Figure 1.1. The current Lockies Hotel and adjoining BWS outlet is planned to be redeveloped to incorporate a new tavern of 3,115 sq.m, as well as the construction of a Dan Murphy's liquor store of 1,570 sq.m and a motel of 2,790 sq.m, which would equate to 80 rooms in two stages of 40 rooms.

In total, the proposed redevelopment will encompass 7,475 sq.m of floorspace (resulting in a net gain of 6,153 sq.m), served by 256 car parking spaces.

	Current (sq.m)	Proposed (sq.m)	Net increase (sq.m)
BWS	258	-	-258
Dan Murphy's	-	1,570	1,570
Tavern	915	3,115	2,200
Motel	<u>149</u>	<u>2,790</u>	<u>2,641</u>
Total	1,322	7,475	6,153

Source: ALH Group; MacroPlan Dimasi

Figure 1.1



DEVELOPMENT DATA:

SITE AREA:	23089m ²
EXISTING GFA:	
LIQUOR STORE:	258m ²
TAVERN:	915m ²
MOTEL:	149m ²
TOTAL:	1322m ²
PROPOSED GFA (as defined by the Camden LEP 2010):	
DAN MURPHY'S:	1576m ²
TAVERN:	3115m ²
MOTEL:	2760m ²
TOTAL:	7451m ²
Floor Space Ratio: (as defined by the Camden LEP 2010)	0.323 : 1
HEIGHTS (ALL APPROXIMATE):	
EXISTING TAVERN:	6.5 metres
PROPOSED TAVERN:	10 metres
PROPOSED DAN MURPHY'S:	8.8 metres
PROPOSED MOTEL:	8.2 metres
CAR SPACES:	257 SPACES

NOTES:
 - Refer to Traffic Engineers Documentation for details regarding Traffic Management
 - For Landscape details, refer to Landscape Architects Documentation

1.3 Strategic overview

This sub-section of the report provides a review of key strategic documents of relevance to expanded retail and hospitality development at the subject site.

South West Growth Centre (SWGC) Structure Plan (2006)

The SWGC Structure Plan was prepared in 2006 and outlines the general intention for each of the 18 precincts that will facilitate the release of land over the next 25 – 30 years. In 2015 the SWPGA boundary was recut to only include the land south of Bringelly Road, with the land north of the boundary now included under the WSPGA.

In regards to retailing, we note that SWGC Structure Plan earmarked a network of 6 – 7 small walkable neighbourhood centres, within each growth precinct. However it has become accepted across most of the precincts that have now been rezoned that a more viable/functional network would consist of fewer, but slightly larger neighbourhood/local centres.

Using the Oran Park growth precinct as an example, the precinct was originally earmarked to support around 8,000 dwellings and 1 large town centre plus 6 – 7 neighbourhood centres. However, when these precincts were rezoned, there was provision for 1 large town centre and 4 neighbourhood centres.

This notion is similarly echoed with the Catherine Fields growth precinct, which was earmarked to support around 5,000 dwellings and 1 town centre plus 6 – 7 neighbourhood centres. However, when this precinct was rezoned, there was provision for 1 neighbourhood centre which could be developed in the residential zone, thus making the surrounding town centres of Oran Park and Narellan the major shopping nodes for this precinct.

In the above context, it is clear that the precinct planning of retail/centres across the SWPGA has resulted in considerable differences with the SWGC Structure Plan from 2006.

The subject site is proposed to retain the existing R3 Medium Density Residential zoning and include additional permitted uses on the site for motel accommodation, pub and retail premises.

Camden Council Economic Development Plan 2013

The Economic Development Strategy set out by the Camden Council ensures the local economy is sustainable and is maximising opportunities for employment and economic growth, as a key part of managing the large-scale urban growth being undertaken the area.

This economic development strategy clearly identifies the Council's role, in economic development, and identifies the strategies and actions necessary to deliver on the vision in 'Camden 2040.'

As the area is expected to see considerable population growth under the SWPGA, the council is looking to narrow the current employment gap, with a major proportion of the working residents currently travelling outside the area for work. The plan is to ensure as many employment opportunities are created to limit the future growth of this gap and match the number of local people in local jobs.

Section 2: Trade area analysis

This section of the report details the potential trade area that could be expected to be served by a proposed Dan Murphy's liquor store and redeveloped tavern at the subject site, including current and projected population levels, the socio-demographic profile of trade area residents and estimates of their current and future retail expenditure capacity.

2.1 Trade area definition

The extent of the trade area or catchment that is served by any large format liquor/tavern facility, is shaped by the interplay of a number of critical factors. These factors include:

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

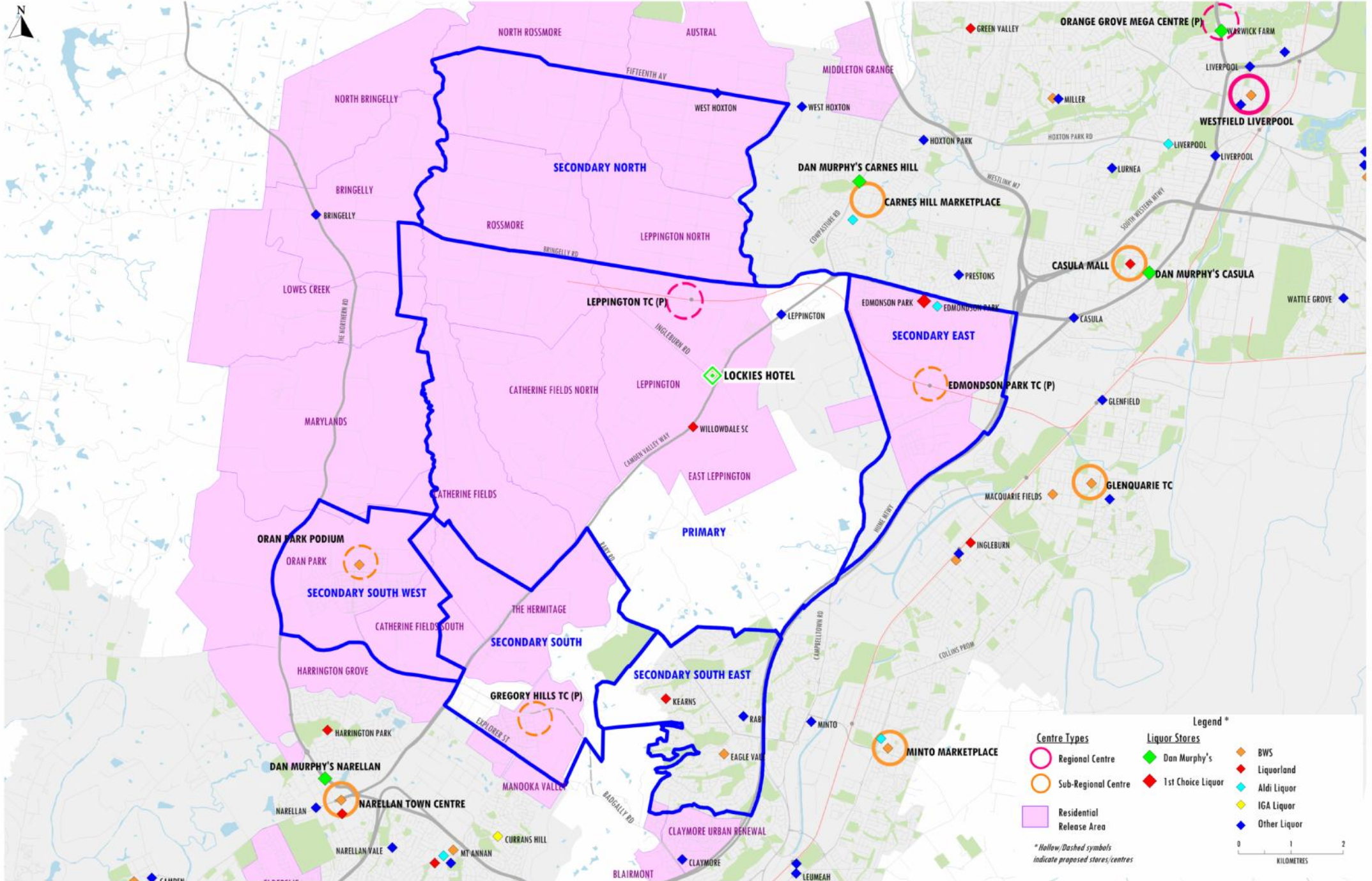
The trade area defined for the proposed Dan Murphy's store/tavern at the Lockies Hotel site is illustrated on Map 2.1 and includes a primary sector and five secondary sectors, which are described as follows:

- The **primary sector** extends approximately 5 km in most directions from the subject site, incorporating the precincts of Leppington, East Leppington, Catherine Fields North, Catherine Fields and the southern parts of Rossmore and North Leppington and Austral. The primary sector is limited to the north by the existing Dan Murphy's at Carnes Hill.
- The **secondary north sector** encompasses the remaining parts of Rossmore, in addition to parts of North Leppington and Austral and North Rossmore.
- The **secondary east sector** generally covers the Edmondson Park precinct.
- The **secondary south-east sector** encompasses the established suburbs of Raby, Kearns, and Eagle Vale.
- The **secondary south sector** encompasses the Turner Road/Gregory Hills growth precinct.
- The **secondary south-west sector** contains parts of Catherine Fields South and Oran Park.

The combination of the primary and secondary sectors is referred to as the main trade area throughout the remainder of this report.

The extent of the defined trade area reflects the available road network in the region, as well as the network of similar large format liquor stores across the region, i.e. Dan Murphy's and First Choice Liquor outlets. Dan Murphy's stores typically serve relatively large trade areas, say, compared with a small neighbourhood liquor store, drawing relatively thin market shares across this broader trade area.

The provision of smaller liquor stores and bottle shops has a limited bearing on the potential trade area served by the proposed Dan Murphy's store.



Map 2.1: Lockies Hotel, Leppington
Packaged liquor trade area and competition

2.2 Trade area population

Table 2.1 details the current and projected population levels within the main trade area. This information has been collected from a range of sources, including the following:

- Australian Bureau of Statistics Census of Population and Housing (2011 and 2016);
- Australian Bureau of Statistics Dwelling Approvals Data (2011-16);
- Australian Bureau of Statistics Estimated Residential Population Data (ERP) (2011-16);
- Forecast .id population projections prepared for Camden Council (October 2017) and Campbelltown City (January 2017);
- NSW Bureau of Transport Statistics population projections (2016); and
- Other investigations of future residential development, undertaken by this office.

The defined main trade area population is estimated at 47,660 as at June 2017, including 8,520 within the primary sector. The main trade area population is projected to reach over 139,000 by 2031, reflecting an average annual growth of 7.9% over the forecast period. The primary sector is projected to more than quadruple by 2031, to reach 41,500.

Population growth in the main trade area is expected to be driven by greenfield developments in the WSPGA/SWPGA, with the relevant precincts, summarised as follows:

- Leppington – which is planned to accommodate 9,000 residential dwellings at capacity, with the planning component finalised for Stage 1 of development, encompassing (2,500 new homes (October 2015);
- North Leppington and Austral – which planned to accommodate 17,350 residential dwellings;
- East Leppington – which is planned to accommodate 4,450 residential dwellings, as well as a supermarket-based centre – the Coles anchored Willowdale SC, which opened October 2017;

- Edmondson Park – which commenced development in 2012, is planned to accommodate 6,000 dwellings upon completion, with around one quarter of dwellings already constructed;
- Catherine Fields – which is planned to accommodate a 5,000 residential lot subdivision with the capacity to support over 20,000 new residents in the long term;
- Catherine Field North – which is planned to accommodate a 9,500 residential lot subdivision with the capacity to support around 26,000 new residents in the long term;
- Oran Park – which was one of the first precincts to undergo development, has capacity to accommodate 7,450 dwellings upon completion, of which around 2,000 dwellings have completed construction;
- Catherine Fields South – which has commenced civil works and residential development, and contains the capacity to accommodate 3,200 dwellings upon completion;
- Turner Road – which has been under development since 2011 and could accommodate over 4,000 residential dwellings upon completion. The main residential estates include the Hermitage – Gledswood Hills, Crest by Mirvac and Gregory Hills;
- Rossmore – which is planned to accommodate a 9,000 residential lot subdivision which contains the capacity to accommodate 25,000 new residents; and
- North Rossmore – which is planned to accommodate a 6,500 residential lot subdivision which contains the capacity to accommodate 18,000 new residents.

Table 2.1
Lockies Hotel, Leppington trade area population, 2011-2031*

Trade area sector	Estimated population			Forecast population		
	2011	2016	2017	2021	2026	2031
Primary	5,880	7,520	8,520	14,520	24,520	39,520
Secondary sectors						
• North	4,190	4,330	4,330	4,330	9,330	16,830
• East	860	4,330	5,330	9,330	14,330	19,330
• Sth-east	17,200	17,040	17,040	17,040	17,140	17,240
• South	410	5,320	6,320	12,320	19,820	22,320
• Sth-west	<u>200</u>	<u>4,920</u>	<u>6,120</u>	<u>13,320</u>	<u>22,320</u>	<u>23,820</u>
Total secondary	22,860	35,940	39,140	56,340	82,940	99,540
Main trade area	28,740	43,460	47,660	70,860	107,460	139,060

Trade area sector	Average annual growth (no.)					
	2011-16	2016-17	2017-21	2021-26	2026-31	
Primary		328	1,000	1,500	2,000	3,000
Secondary sectors						
• North	28	0	0	1,000	1,500	
• East	694	1,000	1,000	1,000	1,000	
• Sth-east	-32	0	0	20	20	
• South	982	1,000	1,500	1,500	500	
• Sth-west	<u>944</u>	<u>1,200</u>	<u>1,800</u>	<u>1,800</u>	<u>300</u>	
Total secondary	2,616	3,200	4,300	5,320	3,320	
Main trade area	2,944	4,200	5,800	7,320	6,320	

Trade area sector	Average annual growth (%)				
	2011-16	2016-17	2017-21	2021-26	2026-31
Primary	5.0%	13.3%	14.3%	11.0%	10.0%
Secondary sectors					
• North	0.7%	0.0%	0.0%	16.6%	12.5%
• East	38.2%	23.1%	15.0%	9.0%	6.2%
• Sth-east	-0.2%	0.0%	0.0%	0.1%	0.1%
• South	67.0%	18.8%	18.2%	10.0%	2.4%
• Sth-west	<u>89.8%</u>	<u>24.4%</u>	<u>21.5%</u>	<u>10.9%</u>	<u>1.3%</u>
Total secondary	9.5%	8.9%	9.5%	8.0%	3.7%
Main trade area	8.6%	9.7%	10.4%	8.7%	5.3%

*As at June

Source: ABS Census 2016; NSW Bureau of Transport Statistics 2016; MacroPlan Dimasi

2.3 Socio-demographic profile

Table 2.2 and Chart 2.1 detail the socio-demographic profile of the Lockies Hotel Leppington main trade area population based on data from the ABS 2016 Census of Population and Housing, compared with the metropolitan Sydney and Australian averages.

The key points to note include:

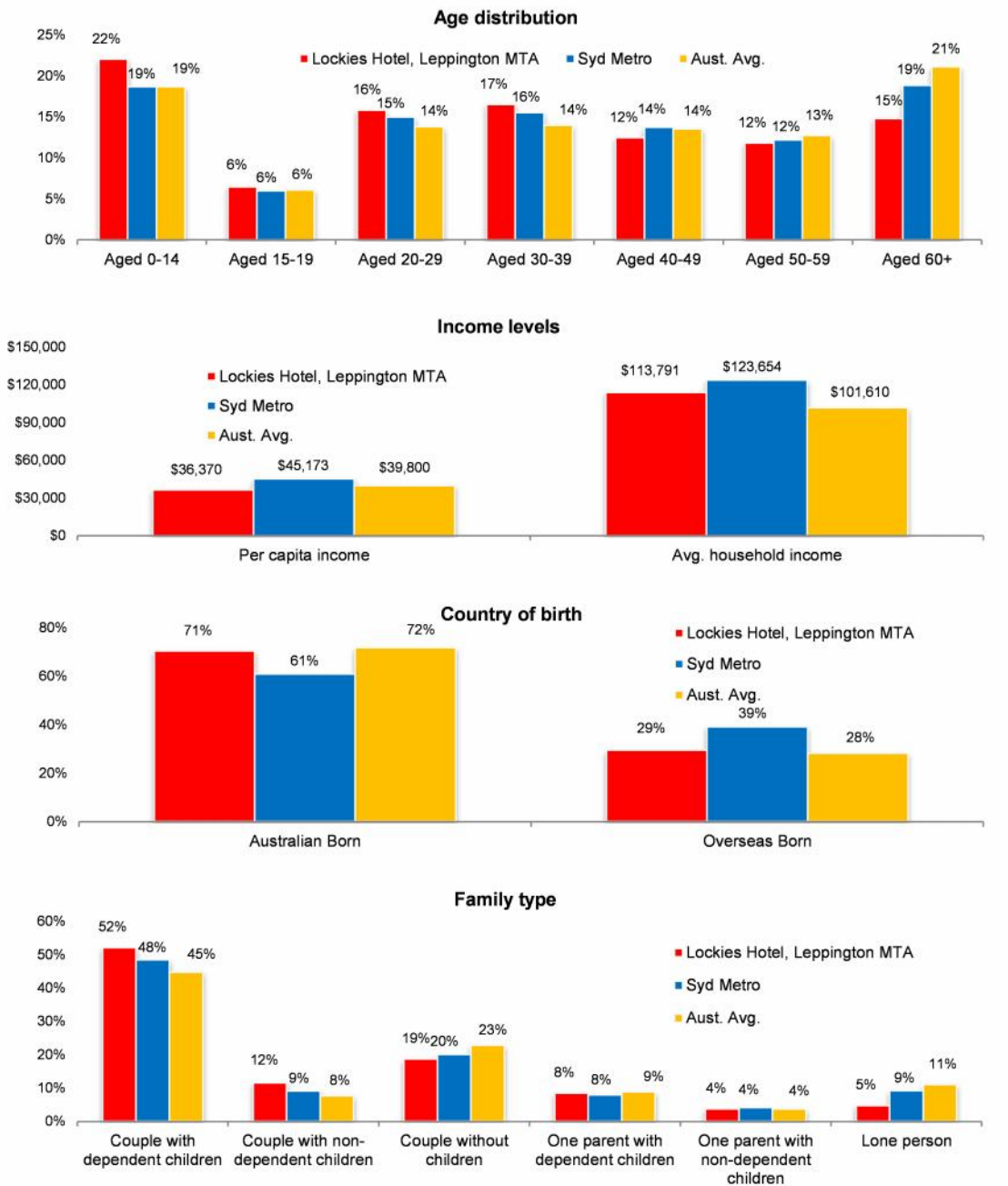
- Average per capita income levels in the main trade area are 19.5% below the respective metropolitan Sydney average. However, average household incomes are only 3.0% below average, because average household sizes are much larger than average.
- The average age of main trade area residents, at 34.4 years, is younger than the metropolitan Sydney average of 37.5 years, driven by the secondary east, south-east, south and south-west sectors. These sectors, which generally cover the growth precincts under development, generally contain an above average representation of young families, i.e. residents aged between 20-39 years old and kids below 14 years.
- The proportion of home ownership levels in the main trade area (74.3%) are well above the Sydney metropolitan average of 64.2% with the majority of these owners paying off mortgages. For the secondary east, south-east, south and south-west sectors in particular, there is an above average representation of households with a mortgage, reflecting the new residential development in these areas.
- Australian born residents represent 70.5% of the main trade area population, which is well above the Sydney metropolitan benchmark of 60.9%.
- Traditional families, i.e. couples with dependent children, is the most common household type, accounting for 52.2% of households within the main trade area. This above average representation of traditional families is particularly evident in the secondary east, south and south-west sectors, with traditional families representing close to or over 60% of all households within these sectors.

The socio-demographic profile of the secondary east south and south-west sectors would reflect the type of residents which are likely to move into the main trade area as it becomes more developed. The socio-demographic profile in these areas generally reflects a typical outer-metropolitan growth area, with young families paying off mortgages with relatively solid average incomes.

Census item	Primary sector	Secondary sectors					Main TA	Syd Metro avg.	Aust. avg.
		North	East	Sth-east	South	Sth-west			
Per capita income	\$35,199	\$29,926	\$39,115	\$34,860	\$42,669	\$39,838	\$36,370	\$45,173	\$39,800
<i>Var. from Syd Metro bmark</i>	-22.1%	-33.8%	-13.4%	-22.8%	-5.5%	-11.8%	-19.5%		
Avg. household income	\$106,742	\$93,073	\$136,385	\$107,371	\$133,966	\$126,506	\$113,791	\$123,654	\$101,610
<i>Var. from Syd Metro bmark</i>	-13.7%	-24.7%	10.3%	-13.2%	8.3%	2.3%	-8.0%		
Avg. household size	3.0	3.1	3.5	3.1	3.1	3.2	3.1	2.7	2.6
<u>Age distribution (% of population)</u>									
Aged 0-14	18.3%	18.4%	26.5%	20.7%	25.9%	27.6%	22.1%	18.7%	18.7%
Aged 15-19	6.7%	6.5%	6.4%	7.4%	4.5%	4.9%	6.5%	6.0%	6.1%
Aged 20-29	15.3%	13.3%	15.3%	15.1%	19.8%	17.8%	15.8%	15.0%	13.8%
Aged 30-39	13.7%	10.4%	22.2%	14.4%	21.6%	23.1%	16.5%	15.5%	14.0%
Aged 40-49	12.7%	13.4%	12.9%	12.7%	11.7%	11.1%	12.5%	13.7%	13.5%
Aged 50-59	12.4%	11.6%	8.1%	15.1%	8.6%	6.5%	11.8%	12.2%	12.7%
Aged 60+	21.0%	26.2%	8.5%	14.6%	7.9%	8.9%	14.8%	18.9%	21.1%
Average age	38.0	40.8	30.2	35.2	29.8	29.4	34.4	37.5	38.6
<u>Housing status (% of households)</u>									
Owner (total)	<u>72.3%</u>	<u>64.3%</u>	<u>72.9%</u>	<u>78.8%</u>	<u>79.1%</u>	<u>66.2%</u>	<u>74.3%</u>	<u>64.2%</u>	<u>67.4%</u>
• Owner (outright)	40.0%	44.6%	13.2%	26.9%	11.9%	9.0%	26.0%	30.0%	31.9%
• Owner (with mortgage)	32.3%	19.8%	59.7%	51.8%	67.2%	57.2%	48.3%	34.2%	35.5%
Renter	23.8%	35.7%	26.7%	21.1%	20.4%	32.3%	24.7%	35.1%	31.8%
<u>Birthplace (% of population)</u>									
Australian born	69.1%	69.0%	51.6%	74.1%	73.8%	74.7%	70.5%	60.9%	71.9%
Overseas born	<u>30.9%</u>	<u>31.0%</u>	<u>48.4%</u>	<u>25.9%</u>	<u>26.2%</u>	<u>25.3%</u>	<u>29.5%</u>	<u>39.1%</u>	<u>28.1%</u>
• Asia	10.3%	5.3%	24.9%	7.4%	8.0%	7.5%	9.5%	19.1%	11.2%
• Europe	11.8%	18.3%	6.7%	7.1%	6.6%	7.4%	8.9%	9.6%	9.6%
• Other	8.7%	7.4%	16.9%	11.4%	11.6%	10.4%	11.0%	10.4%	7.4%
<u>Family type (% of households)</u>									
Couple with dep't child.	49.2%	46.7%	66.0%	47.1%	59.1%	61.6%	52.2%	48.5%	44.8%
Couple with non-dep't child.	13.3%	14.3%	6.4%	13.9%	7.6%	6.4%	11.6%	9.1%	7.7%
Couple without child.	21.9%	19.0%	14.8%	17.2%	22.6%	17.9%	18.7%	20.1%	22.8%
One parent with dep't child.	5.2%	8.2%	6.5%	11.4%	5.6%	7.5%	8.4%	7.9%	8.8%
One parent w non-dep't child.	3.7%	4.0%	2.5%	4.9%	1.8%	2.0%	3.7%	4.1%	3.7%
Lone person	6.0%	6.9%	3.0%	4.9%	2.8%	3.7%	4.7%	9.2%	11.0%

Source: ABS Census of Population & Housing, 2016; MacroPlan Dimasi

Chart 2.1
Lockies Hotel, Leppington main trade area - socio-demographic profile, 2016



Source: ABS Census of Population & Housing, 2016; MacroPlan Dimasi

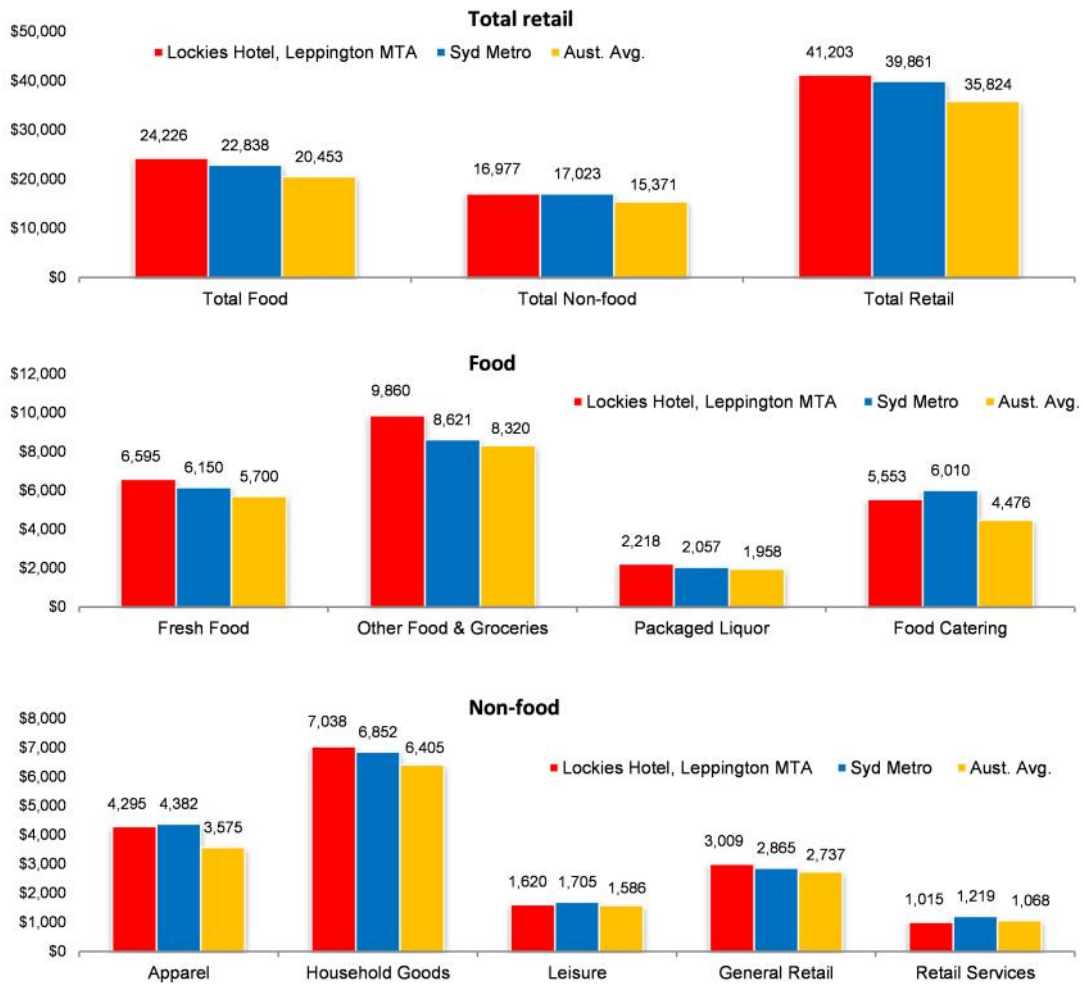
2.4 Retail expenditure capacity

Chart 2.2 shows the per household retail expenditure capacity for the main trade area population at 2016/17, and compares these estimates with the average for metropolitan Sydney and Australia.

The spending data is sourced from MarketInfo, which is developed by Market Data Systems (MDS) and utilises a detailed micro simulation model of household expenditure behaviour for all residents of Australia. The model takes into account information from a wide variety of sources including the regular ABS Household Expenditure Surveys, national accounts data, Census data and other information. All expenditure estimates in this report include GST and are presented in constant 2016/17 dollars (i.e. excluding inflation). We note the following:

- Estimated per household retail expenditure for the main trade area population is estimated to be 3.4% above the metropolitan Sydney benchmark.
- Estimated expenditure per household on food is around 6% above the metropolitan Sydney benchmark.
- Estimated expenditure per household on packaged liquor is around 8% above the metropolitan Sydney average.

Chart 2.2
Lockies Hotel, Leppington main trade area - retail expenditure per household, 2016/17*



*Including GST

Source: MarketInfo; MacroPlan Dimasi

Table 2.3 presents the retail expenditure capacity of the main trade area population, which is estimated at \$599 million at June 2017, including \$105 million within the primary sector. Retail expenditure throughout the main trade area is expected to grow at an average annual rate of 9.0% per annum to reach approximately \$2.0 billion at 2031.

The projected main trade area retail expenditure growth 9.0% per annum over the forecast period includes:

- Main trade area population growth of 8% per annum;
- Real growth in retail spending per person of 1.0% per annum.

Table 2.4 details the estimated retail expenditure volumes of main trade area residents, by key commodity group. Food, liquor and groceries (FLG) is the largest retail expenditure category, accounting for about 45% of total available expenditure, and is projected to grow by 9.1% to reach \$919 million at 2031.

Table 2.3
Lockies Hotel, Leppington main trade area - retail expenditure (\$M), 2017-2031*

Year ending June	Primary sector	Secondary sectors					Main TA
		North	East	Sth-east	South	Sth-west	
2017	105	52	65	229	76	72	599
2018	121	53	78	231	91	89	662
2019	139	53	90	233	108	109	733
2020	160	54	105	235	129	134	817
2021	185	54	122	237	154	165	917
2022	210	59	138	240	177	193	1,016
2023	235	69	151	242	197	216	1,111
2024	264	82	166	245	219	241	1,216
2025	296	96	183	247	243	270	1,334
2026	331	113	201	250	269	302	1,467
2027	370	131	218	252	288	323	1,582
2028	410	148	234	255	298	330	1,676
2029	456	168	251	258	308	338	1,778
2030	506	191	269	260	318	345	1,890
2031	562	217	288	263	329	353	2,012
<u>Average annual growth (\$M)</u>							
2017-2031	32.6	11.8	15.9	2.4	18.1	20.1	101.0
<u>Average annual growth (%)</u>							
2017-2031	12.7%	10.7%	11.2%	1.0%	11.0%	12.0%	9.0%

*Constant 2016/17 dollars & including GST
Source: MarketInfo; MacroPlan Dimasi

Table 2.4
Lockies Hotel, Leppington main trade area - retail expenditure by category (\$M), 2017-2031*

Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services	Total retail
2017	271	81	62	102	24	44	15	599
2018	300	90	69	113	26	48	16	662
2019	332	100	76	126	28	53	18	733
2020	369	113	85	140	32	58	20	817
2021	414	127	96	158	35	65	23	917
2022	459	142	106	175	39	71	25	1,016
2023	501	156	115	191	42	78	27	1,111
2024	550	172	126	209	46	85	30	1,216
2025	603	190	137	229	50	92	33	1,334
2026	664	210	150	251	55	101	36	1,467
2027	717	227	161	271	59	108	39	1,582
2028	761	242	170	286	62	114	41	1,676
2029	809	258	179	302	65	121	44	1,778
2030	861	275	189	320	69	128	47	1,890
2031	919	295	200	340	73	136	50	2,012
<u>Average annual growth (\$M)</u>								
2017-2031	46.2	15.3	9.8	17.0	3.5	6.6	2.5	101.0
<u>Average annual growth (%)</u>								
2017-2031	9.1%	9.7%	8.7%	9.0%	8.4%	8.5%	9.1%	9.0%

*Constant 2016/17 dollars & including GST
Source: MarketInfo; MacroPlan Dimasi

Retail expenditure category definitions:

- FLG: take-home food and groceries, as well as packaged liquor.
- Food catering: expenditure at cafes, take-away food outlets and restaurants.
- Apparel: clothing, footwear, fashion accessories and jewellery.
- Household goods: giftware, electrical, computers, furniture, homewares and hardware goods.
- Leisure: sporting goods, music, DVDs, computer games, books, newspapers & magazines, stationery and photography equipment.
- General retail: pharmaceutical goods, cosmetics, toys, florists, mobile phones and pets.
- Retail services: hair & beauty, optical goods, dry cleaning, key cutting and shoe repairs.

2.5 Packaged liquor expenditure capacity

Table 2.5 presents the packaged liquor expenditure capacity of the main trade area population, disaggregated by trade area sector, and by spend on take-home beer, wine and spirits for 2016/17. There is an estimated \$32.2 million of packaged liquor spend generated by the main trade area population, of which \$6.0 million is generated by primary sector residents.

Table 2.6 presents the growth of packaged liquor expenditure generated by main trade area population over the period to 2031. As shown, packaged liquor expenditure is forecast to grow at an average annual rate of 9.0% per annum to reach \$107.2 million by 2031.

Table 2.5 Lockies Hotel main trade area - packaged liquor spend, 2016/17*							
Category	Primary sector	Secondary sectors					Total spend MTA (\$M)
		North	East	South-east	South	South-west	
Packaged liquor							
Beer	2.7	1.3	1.4	5.8	1.4	1.3	14.0
Wine	1.7	0.9	1.1	3.2	1.2	1.2	9.2
Spirits	<u>1.6</u>	<u>0.8</u>	<u>1.0</u>	<u>3.9</u>	<u>0.8</u>	<u>0.7</u>	<u>9.0</u>
Total liquor	6.0	3.0	3.6	13.0	3.4	3.2	32.2

*Including GST
Source: MarketInfo; MacroPlan Dimasi

Table 2.6
Lockies Hotel main trade area - packaged liquor spend, 2017-2031*

Year ending June	Forecast liquor spend (\$M)			
	Beer	Wine	Spirits	Total
2017	14.0	9.2	9.0	32.2
2018	15.4	10.3	9.8	35.4
2019	16.9	11.4	10.7	39.1
2020	18.7	12.8	11.8	43.3
2021	20.8	14.4	13.1	48.4
2022	23.0	16.1	14.4	53.5
2023	25.1	17.6	15.7	58.4
2024	27.4	19.3	17.1	63.9
2025	30.0	21.3	18.7	70.0
2026	33.0	23.5	20.5	77.0
2027	35.7	25.4	22.1	83.2
2028	37.9	26.9	23.6	88.4
2029	40.4	28.6	25.1	94.1
2030	43.1	30.5	26.8	100.4
2031	46.1	32.5	28.7	107.2
<u>Average annual growth (\$M)</u>				
2017-2031	2.3	1.7	1.4	5.4
<u>Average annual growth (%)</u>				
2017-2031	8.9%	9.4%	8.7%	9.0%

*Constant 2016/17 dollars & including GST
Source: MarketInfo; MacroPlan Dimasi

Section 3: Competition review

This section of the report reviews the surrounding competitive network of packaged liquor and traditional retail facilities within which the proposed Lockies Hotel Dan Murphy's store would operate, including both existing and proposed developments of relevance.

3.1 Packaged liquor competition

Table 3.1 summarises the packaged liquor facilities of relevance to the proposed Dan Murphy's liquor store at Lockies Hotel, Leppington, while the previous Map 2.1 illustrates their locations.

Large format

The most relevant competitive facilities to the proposed Dan Murphy's store are other large format Dan Murphy's and First Choice Liquor stores. The closest Dan Murphy's store is located approximately 5.2 km to the north-east of the subject site at Carnes Hill Marketplace. The next closest Dan Murphy's stores are situated in the region surrounding the subject site are located at Casula and Narellan.

First Choice Liquor has a limited presence in metropolitan Sydney, with its closest store situated approximately 5.3 km north-east, at Edmondson Park as part of Village Square.

Other packaged liquor

As illustrated on Map 2.1, the surrounding network of smaller liquor stores includes a mix of national brand tenants such as BWS, Liquorland and Aldi (which includes a liquor component in-store), as well as a range of independent outlets including branded ones such as Little Bottler, Bottlemart and Super Cellars.

The closest liquor outlets to the subject site are the newly opened Liquorland store at Willowdale Shopping Centre (situated 1.1 km to the south); the small Bottle-O store at

Leppington on Camden Valley Way (2.7 km north of the subject site); the Aldi supermarkets located at Village Square, Edmondson Park, and Carnes Hill respectively; and the Little Bottler (Prestons Village Liquor) located at Minnamurra Circuit in Prestons (5.3 km north-west of the subject site).

Small outlets such as these, ranging from 80 to 200 sq.m, provide a limited range of SKU's, servicing immediate local catchments, focussed on convenience.

The proposed **Edmondson Park Town Centre** is planned to contain 40,000 sq.m of retail and commercial floorspace. The development is likely to be staged, with the first stage likely to be convenience oriented, with 1 – 2 supermarkets. In terms of future packaged liquor facilities, the first stage of the Edmondson Park Town Centre is likely to be accompanied by a small format liquor component.

Table 3.1
Lockies Hotel schedule of competing liquor retailers

Centre/Suburb	Liquor traders	Distance (km)
Large format		
Edmondson Park	First Choice Liquor	5.2
Carnes Hill	Dan Murphy's	5.4
Casula	Dan Murphy's	10.3
Narellan	Dan Murphy's	17.1
BWS/Liquorland		
Denham Court	Liquorland	1.1
Kearns	Liquorland	8.1
Eagle Vale	BWS	9.8
Casula Mall	Liquorland	10.0
Miller	BWS	10.4
Minto	BWS	10.6
Macquarie Fields Drive	BWS	10.7
Oran Park	BWS	11.1
Macquarie Fields	BWS	11.8
Ingleburn	Liquorland	13.1
Ingleburn	BWS	13.2
Liverpool	BWS	13.5
Narellan	BWS	16.9
Narellan	Liquorland	16.9
Harrington Park	Liquorland	17.2
Independents/Aldi/Costco		
Leppington	The Bottle-O	2.7
Edmondson Park	Aldi	5.2
Preston Village Liquor	Little Bottler	5.3
Carnes Hill	Aldi	5.4
Casual	Costco	5.6
West Hoxton	Cellarbrations	6.2
Hoxton Park Cellars	Bottlemart	7.5
West Hoxton	Discount Liquor	7.7
Raby Tavern	Little Bottler	9.2
Bringelly	Bringelly Cellars	9.5
Minto Cellars	Super Cellars	9.7
Lurnea Liquor	Super Cellars	10.7
Narellan Hotel	Liquor Stax	11.5
Glenfield Cellars	Local Liquor	11.5
Collingwood Inn	Bottlemart	12.1
Glenquarie Tavern	Bottlemart	13.0
Aldi Liverpool	Aldi	13.1
Ingleburn Hotel	Liquor Stax	13.1
Liverpool	Chambers Cellars	13.3
El Toro Motor Inn	Bottlemart	14.4
Valore Cellars	Valore Cellar	14.9
Minto	Aldi	16.3

Source: MacroPlan Dimasi

3.2 Traditional retail

Table 3.2 summarises the traditional retail facilities which surround the subject Lockies Hotel site, while Map 3.1 illustrates their locations.

Existing retail facilities within the South West Priority Growth Area

- **Willowdale Shopping Centre** is a recently opened neighbourhood centre, positioned along Camden Valley Way, situated approximately 1.1 km south of Lockies Hotel within Stockland's Willowdale estate. The centre comprises approximately 4,500 sq.m of retail floorspace, anchored by a full-line Coles supermarket, with around 10 supporting specialty shops.
- **Oran Park Podium** located 11.1 km to the south of the Lockies Hotel, contains 10,000 sq.m of retail floorspace anchored by a full-line Woolworths supermarket, supported by The Reject Shop mini-major tenancy as well as 32 specialty tenants. The tenancy mix provides a strong convenience, food catering and retail service offering. In addition, the centre also provides a medical services offering, as well as offices, real estate agents and an Anytime Fitness gym.
- **Harrington Plaza SC** is an older neighbourhood convenience centre of around 5,000 sq.m, which includes a 2,200 sq.m Coles supermarket and around 24 specialty tenancies. The centre is also adjacent to a community centre and child care centre, as well as the Harrington Park public school.

Future retail facilities within the South West Priority Growth Area

- The **Leppington Major Centre** is planned to be the dominant retail facility serving the SWPGA, integrated with the recently completed Leppington railway station, and is expected to eventually provide 60,000-80,000 sq.m of retail floorspace, including supermarkets and major non-food anchors, such as a discount department store and/or department store. The delivery of these retail facilities is expected to be staged in accordance with market demand over the long term development timeframe of the region. There is an additional neighbourhood/local centre planned at **Leppington** to the

west of the major centre core precinct, on the intersection of Heath Road and Eastwood Road, which could particularly include 16,500 sq.m of floorspace.

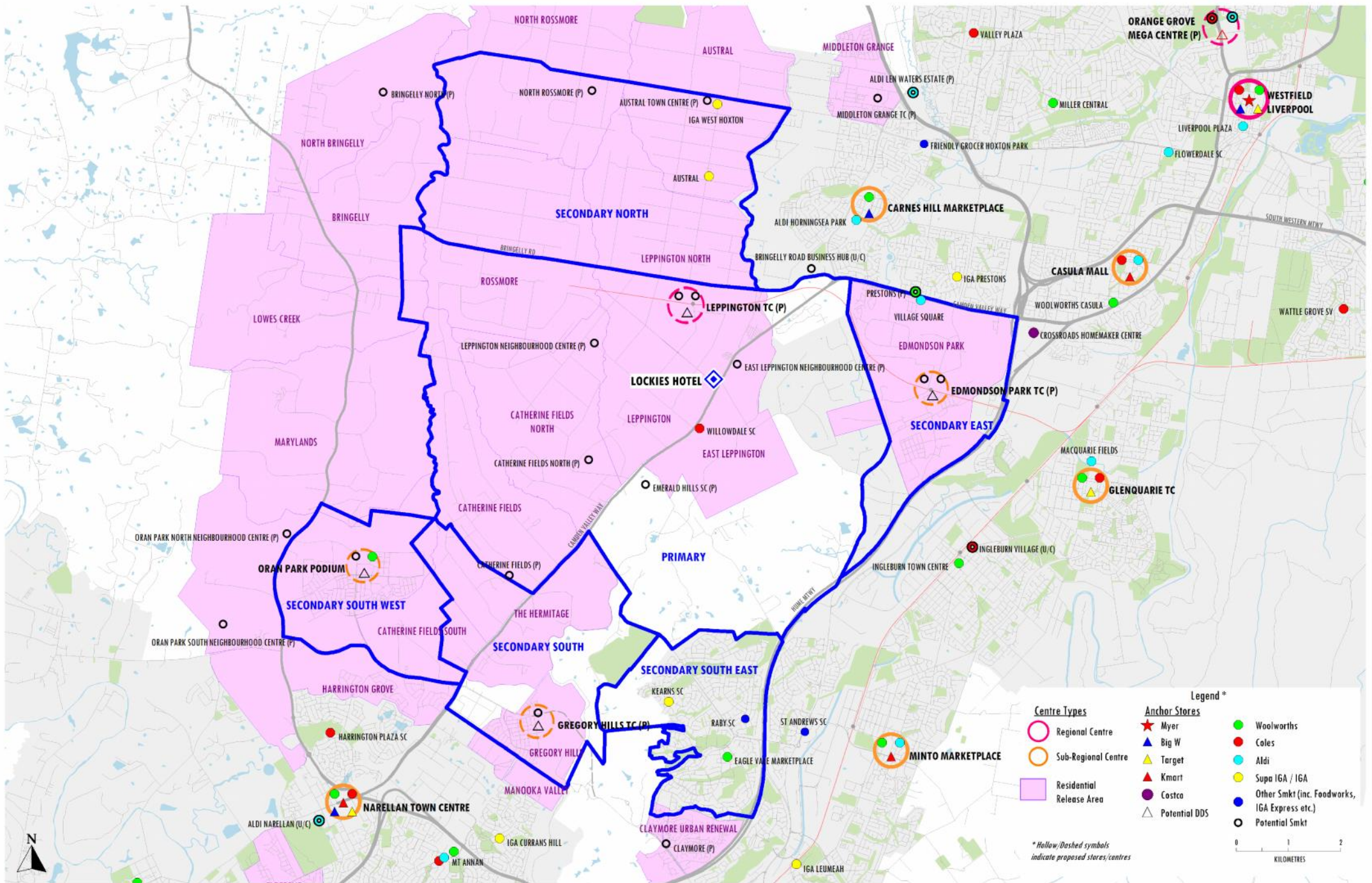
- Frasers Property is developing the proposed **Edmondson Park Town Centre** which, as indicated earlier is planned to contain 40,000 sq.m of retail and commercial floorspace. The development is likely to be staged, with the first stage likely to be convenience oriented, with 1 – 2 supermarkets, followed by a deeper mix of non-food/leisure retail as the town centre evolves. We understand the town centre is scheduled to be completed by 2023.
- **Oran Park Podium** is planned to accommodate approximately 50,000 sq.m of retail and commercial floorspace upon completion. No development plans have been produced for expansion of the existing centre to date and we expect this development to be completed over the medium to long term.
- There are also two neighbourhood centres indicated in the structure plan that allows for up to 5,000 sq.m of retail floorspace (including a supermarket of around 1,500 sq.m) each, to be located to the north and south along The Northern Road.
- **Catherine Fields** located to the south of Lockies Hotel is proposed to include a small neighbourhood centre (up to 1,000 sq.m) servicing the needs of the residential development within the growth precinct. We expect the centre to be developed in line with land sales within the estate over the medium to long term.
- **Gregory Hills Town Centre** located to the south-east of the subject site is planned to accommodate up to 15,000 sq.m of retail floorspace, potentially anchored by a supermarket and cdd. We understand that the development of this centre will occur over the medium to longer term.
- A neighbourhood/local centre is also planned for **East Leppington**, along Camden Valley Way, just north of the Willowdale Shopping centre. The precinct plan allows for a maximum of 2,500 sq.m retail floorspace, anchored by a supermarket. We do not expect this development to occur over the foreseeable future given its proximity to the new centre at Willowdale.

Retail facilities beyond the SWPGA

- Situated 5.5 km north-east of the subject site, **Carnes Hill Marketplace** is a sub-regional centre which encompasses 17,200 sq.m of retail floorspace. The centre is anchored by a Big W dds, as well as a Woolworths supermarket. There is an Aldi supermarket on a standalone site adjacent to the centre.
- Situated 10 km north-west of the subject site, **Casula Mall** is a highly successful sub-regional centre, anchored by Kmart and Coles, with around 19,200 sq.m of retail floorspace.
- **Narellan Town Centre** is positioned in the heart of the Narellan Central Business Area (CBA) on the intersection of two major arterial roads. The recently expanded/refurbished centre is anchored by all three dds operators - Big W, Kmart and Target, as well as Woolworths and Coles supermarkets. The centre also contains a United Cinemas complex and a new dining precinct. In total, the centre contains 68,500 sq.m of floorspace and with more than 240 specialty retailers, providing a comprehensive retail offering for the local area. There is an **Aldi** supermarket adjacent to the Town Centre, as well as other highway, showroom type retail in the locality.

Table 3.2 Lockies Hotel, Leppington - schedule of competing retail facilities			
Centre	Retail GLA (sq.m)	Major traders	Dist. by road from Lockies Hotel, Leppington (km)
Regional centres			
<u>Leppington</u>	<u>96,500</u>		2.1
• Town Centre (p)	80,000*	DS/DDS (p), Supermarket/s (p)	
• Neighbourhood Centre (p)	16,500*	Supermarket (p)	
<u>Liverpool CBD</u>	<u>130,000</u>		
• Westfield Liverpool	74,000	Myer, Target, Big W, Coles, Woolworths	13.5
• Liverpool Plaza	8,000	Aldi	14.7
• Other	48,000		
Sub-regional centres			
Edmondson Park TC	40,000**	DDS (p), Supermarkets X2 (p),	
<u>Carnes Hill TC</u>	<u>18,900</u>		
• Carnes Marketplace	17,200	Big W, Woolworths	5.5
• Aldi Carnes Hill	1,700	Aldi	5.1
Gregory Hills Town Centre (p)	15,000	DDS (p), Supermarket (p)	9.7
Casula Mall	19,500	Kmart, Coles	10.0
<u>Oran Park Podium</u>	<u>10,000</u>		11.1
• Existing	10,000	Woolworths	
• Proposed	40,000*	DDS (p), supermarket (p)	
• Oran Park N'hood Centre 1 (p)	5,000*	Supermarket (p) - 1,500 sq.m	
• Oran Park N'hood Centre 2 (p)	5,000*	Supermarket (p) - 1,500 sq.m	
<u>Macquarie Fields</u>	<u>16,900</u>		11.8
• Glenquarie Town Centre	15,400	Target, Coles, Woolworths	
• Aldi Macquarie Fields	1,500	Aldi	
Minto Marketplace	30,500	Kmart, Woolworths, Aldi	10.6
<u>Narellan</u>			16.9
• Narellan Town Centre	68,500	Big W, Coles, Woolworths	
• Aldi Narellan (u/c)	2,100	Aldi	
Supermarket based centres			
East Leppington (p)	2,500	Supermarket (p)	0.5
Willowdale SC	4,500	Coles	1.1
Village Square	4,000	Aldi	5.2
Prestons Woolworths (p)	5,000	Woolworths (p)	5.2
Woolworths Casula	4,200	Woolworths	10.3
<u>Ingleburn</u>	<u>12,000</u>		
• Ingleburn Village (under redevelopment)	7,500		10.3
• Ingleburn Town Centre	4,500		10.7
Eagle Vale Marketplace	6,500	Woolworths	9.5
Flowerdale SC	4,300	Aldi	12.0
Local Centres			
IGA Austral	2,000	IGA	4.6
Prestons SC	1,200		5.3
Friendly Grocers Hoxton Park	2,000		7.2
Kearns SC	1,700	IGA	7.9
Raby SC	2,500		9.2
St Andrew SC	2,200	IGA	8.5
Other centres			
Costco Casula	13,800	Costco	8.5

* Estimated GLA as per Structure Plan
** Includes commercial floorspace
Source: Property Council of Australia; MacroPlan Dimasi



Map 3.1: Lockies Hotel, Leppington
Traditional retail competition

Section 4: Estimated sales potential

This section of the report reviews the potential market shares and estimated sales that could be achieved by a Dan Murphy's liquor store at the Lockies Hotel site.

Table 4.1 summarises the estimated market shares and consequent sales potential for a proposed Dan Murphy's liquor store at the subject site. We have assumed that the proposed development would be completed by mid 2021, thus the store's first full year of trade would be the 2021/22 financial year. Sales estimates are presented in constant 2016/17 dollar and include GST.

In estimating the sales potential for the proposed Dan Murphy's store, we have had regard to all of the information set out in the previous sections of the report, and in particular the following:

- The location and convenient accessibility of the Lockies Hotel site on Camden Valley Way, a major arterial road in the region which accommodates almost 33,000 vehicle movements per day. As the main arterial road in the region, average vehicle trips per day are projected to increase significantly on Camden Valley Way, as the surrounding growth areas become more developed (noting population growth in the trade area is projected at more than 7% per annum).
- The existing provision and estimated trading levels of large format liquor stores within and surrounding the trade area.
- The provision of smaller scale liquor stores within the trade area.
- The available population in the main trade area, and in particular the available expenditure on packaged liquor that is generated by this population.

Table 4.1 summarises our estimates of likely sales potential and the estimated market shares, which the proposed Dan Murphy's store, in our view, is likely to attract. We have estimated the store's potential shares of the packaged liquor market for both the primary sector and secondary sectors.

We estimate that the proposed Dan Murphy's store at Lockies Hotel could achieve a total sales volume of \$12.1 million in 2021/22, increasing to \$18.1 million by 2025/26, at an average growth area of around 8.4% per annum.

We estimate that in order to achieve sales of \$12.1 million, a Dan Murphy's store would need to achieve market shares as follows:

- **30%** of primary trade area packaged liquor expenditure;
- **15%** of the secondary north sector packaged liquor expenditure;
- **10%** of the secondary east sector packaged liquor expenditure;
- **10%** of the secondary south-east sector packaged liquor expenditure;
- **15%** of the secondary south sector packaged liquor expenditure; and
- **15%** of secondary south-west sector packaged liquor expenditure.

Approximately 25 – 30% (i.e. 27.5%) of store sales is expected to be generated from beyond the trade area, given the accessibility and prominent location of the site near the intersection of Camden Valley Way and Ingleburn Road.

Table 4.1 Lockies Hotel Dan Murphy's store estimated sales potential (\$M), Year 1 - Year 5*		
Items	2021/22	2025/26
Trade area estimated sales potential	<u>8.8</u>	<u>13.1</u>
• Primary (30% mkt share)	3.6	5.7
• Secondary North (15% mkt share)	0.5	1.0
• Secondary East (10% mkt share)	0.8	1.1
• Secondary South-East (10% mkt share)	1.4	1.5
• Secondary South (15% mkt share)	1.2	1.8
• Secondary South-West (15% mkt share)	1.3	2.0
Plus sales from beyond TA (@ 27.5%)	<u>3.3</u>	<u>5.0</u>
Total Lockies Hotel estimated sales potential	12.1	18.1
Store sales per sq.m (\$/sq.m)	7,706	11,537

*Constant 2016/17 dollars and including GST
Source: MacroPlan Dimasi

Section 5: Trading impacts on surrounding centres

This section of the report examines the potential trading impacts on the surrounding retail network that could be expected to result from the provision of a Dan Murphy's store at the subject site.

5.1 Trading impacts: relevance and basis

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

In order to understand whether any particular centre may be impacted to the extent that its continued viability may be in question, we have estimated specific retail impacts that we expect across the surrounding competitive network were a new Dan Murphy's store to be developed at the subject site as proposed.

These estimates provide indications as to whether the scale of the proposed retail development is reasonable and whether any surrounding centres are likely to be at risk to the extent that the community would suffer a net disbenefit, attributable to the proposed retail development.

In considering likely trading impacts on any individual centre or individual retailer, it must first be acknowledged that such estimation can only realistically expect to provide a broad indication of likely outcomes, since there are many factors which can change in response to any new retail development, and which will have a bearing on the consequent outcomes. The competitive response of each relevant centre or trader is one such factor, as are further

redevelopments/improvements which one or more of the competitive network of centres might implement.

In this context, the following factors are relevant when considering the potential trading impacts of the proposed Dan Murphy's liquor store at the Lockies Hotel site:

- Dan Murphy's liquor stores serve broad trade areas, attracting relatively thin market shares from such areas.
- Dan Murphy's stores sell, almost exclusively, packaged beer, wine and spirits, and therefore are not directly competitive with small convenience stores, small supermarkets or large supermarkets that do not sell packaged liquor. Nor are they directly competitive with food catering retail (i.e. cafes, take-away shops and restaurants), apparel stores (i.e. outlet shops, shopping centres) general or leisure retailers (such as newsagents, sports stores, pharmacies etc), or household goods retailers (such as homemaker centres, retail showrooms etc).
- Because large-format liquor stores operate in quite a specific market segment, they tend to have either no impact, or a very negligible impact on surrounding traditional retail facilities. Indeed, those centres with no packaged liquor store will absorb no direct trading impacts from the proposed Dan Murphy's store.
- There is a spatial gap for large format, packaged liquor facilities within the defined main trade area and the site represents an appropriate location for such facilities given the significant passing traffic volumes. The proposed Dan Murphy's liquor at Lockies Hotel will be positioned to serve the significant population growth projected for the SWPGA. With the exception of the First Choice liquor outlet at Edmondson Park (which is located on the periphery of the trade area), the range of available liquor options within the main trade area is limited and many of these offers are generally quite small (i.e. 80 to 200 sq.m), with a very limited number of stock keeping units (SKUs) in comparison to a Dan Murphy's store.
- The existing packaged liquor stores in the main trade area will continue to perform an important function – serving their respective surrounding local catchments by providing easily accessible, convenient packaged liquor products.

- A new Dan Murphy's store would increase customer choice, and would reduce travel distances to access a comparable offer, particularly for primary sector residents, as the closest large format liquor stores are at least 5 km from the subject site. This is because a larger proportion of packaged liquor expenditure would be retained by trade area residents within the trade area.

All of the above factors are taken into account in our estimation of anticipated impacts on the surrounding centre hierarchy, and packaged liquor store network.

5.1.1 Impact methodology

The following factors are typically considered when assessing the potential impacts of the proposed Dan Murphy's liquor store, on the surrounding retail hierarchy:

- The distance of the (impacted) centre, by road, from the proposed development.
- The size of the centre, in terms of total retail floorspace provision.
- More specifically, in this instance, the amount of packaged liquor floorspace available.
- The brand and size of the packaged liquor tenant(s), and the depth of offer provided at these stores.
- The role and function of the centre. For example a centre may be oriented towards convenience retailing, higher order retailing, or may primarily service a worker/transit market.
- Relative accessibility and relative convenience compared with the proposed retail development.
- The estimated performance of the centre (in current sales) and future performance (in the impact year). This accounts for any future developments in the region that may also impact on the future sales of existing centres.
- The share of available expenditure which the centre attracts from the identified main trade area of the proposed development. A centre may not be situated in the identified trade area of the proposed development but its main trade area may extend to include

parts, or all of the trade area of the new development. For example, the trade area for a large regional shopping centre typically includes several hundred thousand persons. Such a trade area is likely to include (partially or completely) trade areas for smaller convenience based centres, sub-regional centres, retail strips and stand-alone supermarkets. In the case of Dan Murphy's stores, they tend to serve broad trade areas, and the surrounding network of Dan Murphy's stores would draw varying proportions of business, presently, from the main trade area population of the proposed store.

The following key principles are then relied on when assessing the dollar (and percentage) impacts that are likely to be absorbed by existing facilities/centres:

- The greatest impacts are typically absorbed by the closest comparable retail facilities. For example, a new Dan Murphy's liquor store is generally likely to impact the closest nearby Dan Murphy's stores to the greatest extent, followed by impacts on other large format liquor stores (e.g. First Choice Liquor), and at the lower end of the spectrum, by smaller scale liquor stores, which serve much more limited roles – generally serving local catchments with purchases driven by convenience and affinity with the store.
- Impacts on small local liquor stores, can be expected to be noticeably lower in scale, as these stores only attract a small market share of available main trade area expenditure and perform a different role and function in the hierarchy, often serving the immediate (i.e. walkable/short drive) population surrounding the site. They tend to leverage from co-location with other retail facilities, such as a supermarket, convenience store, or a set of strip shops.

5.1.2 Estimated impacts

Table 5.1 presents a summary of the key metrics for the surrounding competitive network of centres that would be directly impacted by the proposed Dan Murphy's liquor store, i.e. centres that include a liquor store(s).

This table summarises the distance of each centre or store from the subject site; the amount of retail floorspace at the centre; the amount of packaged liquor floorspace at the centre; and the brand/s of packaged liquor tenants. We have then also estimated the proportions of sales, in 2016/17, for each centre that are generated from the main trade area of the proposed new Dan Murphy's store.

Table 5.1 Lockies Hotel - Surrounding liquor competition and estimated share of liquor sales attributable to main trade area competition					
Centre	Distance (km)	Total centre retail GLA (sq.m)	Estimated liquor GLA (sq.m)	Packaged Liquor Operator	Approx. % of sales from MTA
<u>Large format packaged retailers</u>					
Village Square	5.2	4,000	1,400	First Choice Liquor/Aldi	30%
Carnes Hill Town Centre	5.4	18,900	1,600	Dan Murphy's/Aldi	30%
Casula*	10.3	1,300	1,300	Dan Murphy's	15%
Narellan TC	17.1	68,500	1,400	Dan Murphy's/BWS/Liquorl	20%
<u>Small format packaged retailers</u>					
Willowdale SC	1.1	4,500	180	Liquorland	85%
Leppington**	2.7	2,100	200	The Bottle - O	85%
Kearns SC	7.9	1,700	200	Liquorland	80%
Bringelly	9.5	350	150	Bringelly Cellars	15%
Eagle Vale SC	9.5	6,500	200	BWS	75%
Oran Park Podium	11.1	10,000	200	BWS	75%

* Free standing store
 ** With the exception of The Bottle-O store, the remainder of the centre contains mostly hardware and bulky goods retailers
 Source: Property Council of Australia; MacroPlan Dimasi

5.2 Impacts on surrounding retail hierarchy

Table 5.2 shows the estimated trading impacts that we expect across the surrounding network of centres, expressed in dollar terms and also in percentage terms, as a share of sales that would be expected without the development, in the year FY2021/22. We have estimated the percentage trading impacts by following the following methodology:

- First, the incremental liquor sales of the proposed Dan Murphy's store is estimated in its first year (i.e. 2021/22), at \$10.2 million, which is the difference between the \$12.1 million estimated for the new store less the estimated existing BWS store sales at 2021/22).
- Sales are then estimated across the surrounding competitive supply network as at 2016/17 based on detailed inspections of the various facilities, plus other known public information. For the various established Dan Murphy's and First Choice liquor stores, for the purposes of this impact assessment, we have adopted an average turnover level per sq.m reflecting the typical performance of each chain as we understand it, from public statements and other available information. These average sales per sq.m levels have been assumed at \$12,000 per sq.m for Dan Murphy's stores and \$10,000 per sq.m for First Choice liquor stores.
- Potential sales for the surrounding competitive supply network in 2016/17 are then estimated, assuming the proposed Dan Murphy's development does not occur.
- Sales for all competitive centres as at 2016/17, if the proposed Dan Murphy's development were to occur, are finally estimated.
- An assessment of likely trading impacts is then made by comparing the estimated sales potential for each centre with and without the proposed Dan Murphy's store.

Table 5.2 presents the estimated distribution of impacts across the surrounding competitive network.

As outlined in the impacts methodology in Section 5.1.1, typically, Dan Murphy's liquor stores generate the largest impact on the closest large format liquor stores, i.e. other Dan Murphy's stores and to a lesser extent, First Choice Liquor stores.

The four surrounding large format liquor stores are expected to absorb around 60 – 65% of trading impacts from the new store at the subject site.

The remaining sales impacts will be distributed fairly broadly across the surrounding retail network. While most liquor stores within the trade area draw much of their trade from the main trade area population, on small outlets, they only draw thin shares of the total main trade area liquor expenditure. Therefore, estimated impacts on the centres/precincts will be negligible, generally below 1%, with the exception being the small precinct nearby at Leppington where a very small impact in dollar terms is expected but because the precinct is small, a minor-moderate impact is expected.

We estimate around 20% of sales impacts will be distributed across other liquor stores, not specifically referenced in the table, with specific impacts on any one centre expected to be negligible, given the prominent main road location.

These impacts are considered to be both acceptable in a normal competitive environment, and temporary in nature, with impacts across all centres expected to dissipate within one to two years, given the projected population and retail expenditure market growth expected across the trade area and surrounding area.

5.3 Impacts on surrounding retail hierarchy

As detailed in the analysis in Tables 5.1 and 5.2, the majority of trading impacts from the proposed Dan Murphy's store are expected to be absorbed by the surrounding network of large format liquor stores located beyond the main trade area, with very minor impacts expected across the surrounding network of local and neighbourhood centres in the main trade area that contain liquor stores, with no impacts expected on surrounding centres that do not have liquor store.

Because liquor stores are typically a small component of a retail centre, and not a key anchor, even if such a store were to close in any of the surrounding centres (which is highly unlikely and not projected to occur in this assessment), this would have a very limited bearing on the overall viability of any centre.

The projected impacts are normal competitive impacts that are to be expected in any dynamic environment. The magnitude of impacts, coupled with strong future market growth, indicate that the proposed Dan Murphy's store, which is replacing an existing BWS liquor store could be comfortably absorbed into the local market. It will not alter or impact the existing centres hierarchy surrounding the site nor the role and function of future planned centres across the hierarchy.

As indicated earlier, the main trade area packaged liquor expenditure market is expected to increase by 9.0% over the next 10 – 15 years, effectively supporting multiple new liquor outlets and driving sales growth across the existing store network.

Furthermore, such impacts should be considered in conjunction with the economic benefits that the broader development concept at the subject site could generate.

Table 5.2
Lockies Hotel - Estimated impacts on surrounding centres

Centre	Estimated sales 2016/17' (\$M)	Projected sales 2021/22		Distribution	Est. Impacts		
		Without development	With development		(\$M)	(%)	
<u>Large format packaged retailers</u>							
Village Square	37.6	58.0	55.3	22.5%	2.7	4.6%	
Carnes Hill Town Centre	154.6	183.6	181.3	20.0%	2.3	1.2%	
Casula*	15.6	18.5	17.6	10.0%	0.9	5.0%	
Narellan TC**	400.0	475.1	474.2	12.5%	0.9	0.2%	
<u>Small format packaged retailers</u>							
Willowdale SC**	43.1	66.4	66.1	5.0%	0.3	0.5%	
Leppington	12.6	15.0	14.9	2.0%	0.1	0.7%	
Edmondson Park TC (p) ***	-	55.0	54.7	5.0%	0.3	0.5%	
Kearns SC	13.5	16.0	16.0	1.0%	0.1	0.5%	
Bringelly	2.5	3.0	3.0	0.0%	0.0	0.0%	
Eagle Vale SC	61.4	72.9	72.8	0.5%	0.1	0.1%	
Casula Mall	202.0	239.9	239.8	0.5%	0.1	0.0%	
Oran Park Podium	60.0	76.6	76.5	1.0%	0.1	0.1%	
Other/beyond trade area				20%	2.4		
Incremental increase in packaged liquor sales at subject site (2021/22)						10.2	

* Free standing store

** Estimated annualised sales

*** Assumes Stage 1 of the Edmondson Park TC contains 10,000 sq.m of retail floorspace, with a small format liquor component of 200 sq.m

Source: Property Council of Australia; MacroPlan Dimasi

Section 6: Tavern/pub assessment

This section of the report assesses the expansion potential of the tavern at the Lockies Hotel. As discussed earlier, the proposed rezoning of the site is planned to enable the development of a new hotel, new Dan Murphy's store as well as enable on expansion of the existing tavern.

6.1 Expenditure capacity of key tavern/pub market segments

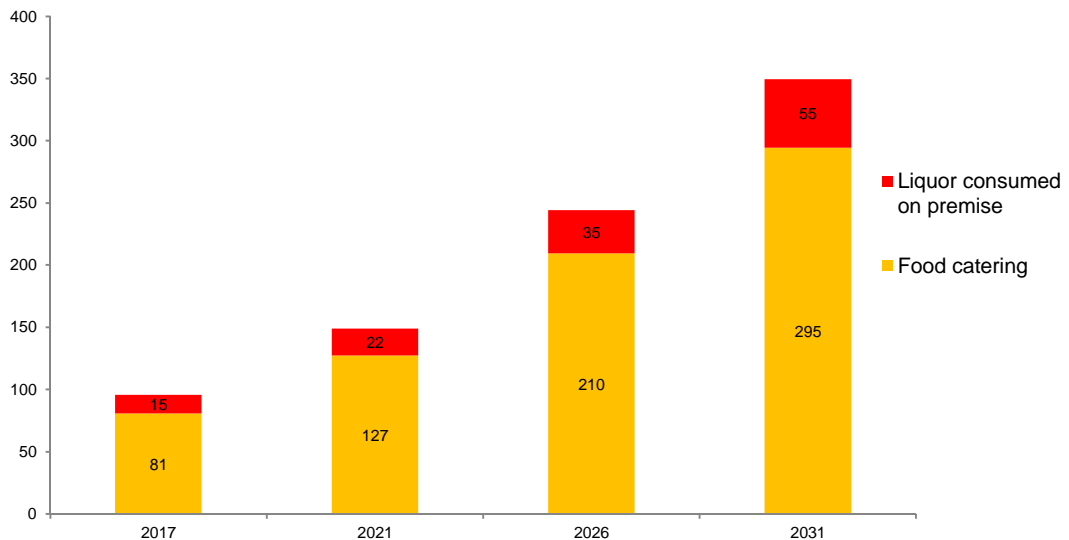
The key expenditure categories of relevance for tavern/pubs are food catering and on premise liquor spend. Chart 6.1 illustrates the current and projected size of these retail expenditure categories for the main trade area population, with the key points to note as follows:

- Estimated main trade area food catering expenditure is projected to increase from \$81 million in 2017 to \$295 million in 2031, reflecting an average annual growth rate of 9.7% over the forecast period (i.e. an increase of around 35% in real terms).
- Estimated main trade area expenditure for liquor consumed on premise is projected to increase from \$15 million in 2017 to \$55 million in 2031, reflecting an average annual growth rate of 9.7% over the forecast period.

In summary, there is massive forecast growth of food catering and on premise liquor expenditure expected across the main trade area over the next 10 – 15 years. The proposed increase in the size of the tavern at the subject site could result in incremental food catering and on premise liquor sales of around \$8 – 10 million. This is equivalent to less than 4% of future demand growth in these expenditure categories, meaning that 96% of future expenditure could be captured by other facilities across the region.

The redeveloped tavern will provide more than just a drinking venue, in much the same way The Ettamogah Hotel at Kellyville serves an important community meeting point, serving the weekend breakfast, lunch, dinner, casual drinking market as well as providing a venue for functions. In outer suburban locations the local tavern is a big piece of solid infrastructure.

Chart 6.1
Lockies Hotel main trade area
Food-catering and liquor consumed on premise expenditure capacity, 2017-2031 (\$M)



** Constant 2016/17 dollars and including GST*
Source: MarketInfo; MacroPlan Dimasi

6.2 Supply of taverns/pubs

Table 6.1 summarises the surrounding competitive supply of taverns/pubs across the area surrounding the subject site, with the location of these facilities illustrated on Map 6.1. The key points to note are as follows:

- The provision of taverns/pubs across the surrounding region is relatively sparse. The relatively new Gregory Hills Hotel is the closest tavern to the south, approximately 9.0 km south-east of the subject site, within the growing Turner Road precinct.
- The majority of taverns and pubs in the surrounding region are located within the Liverpool CBD, some 15 km to the north-east.

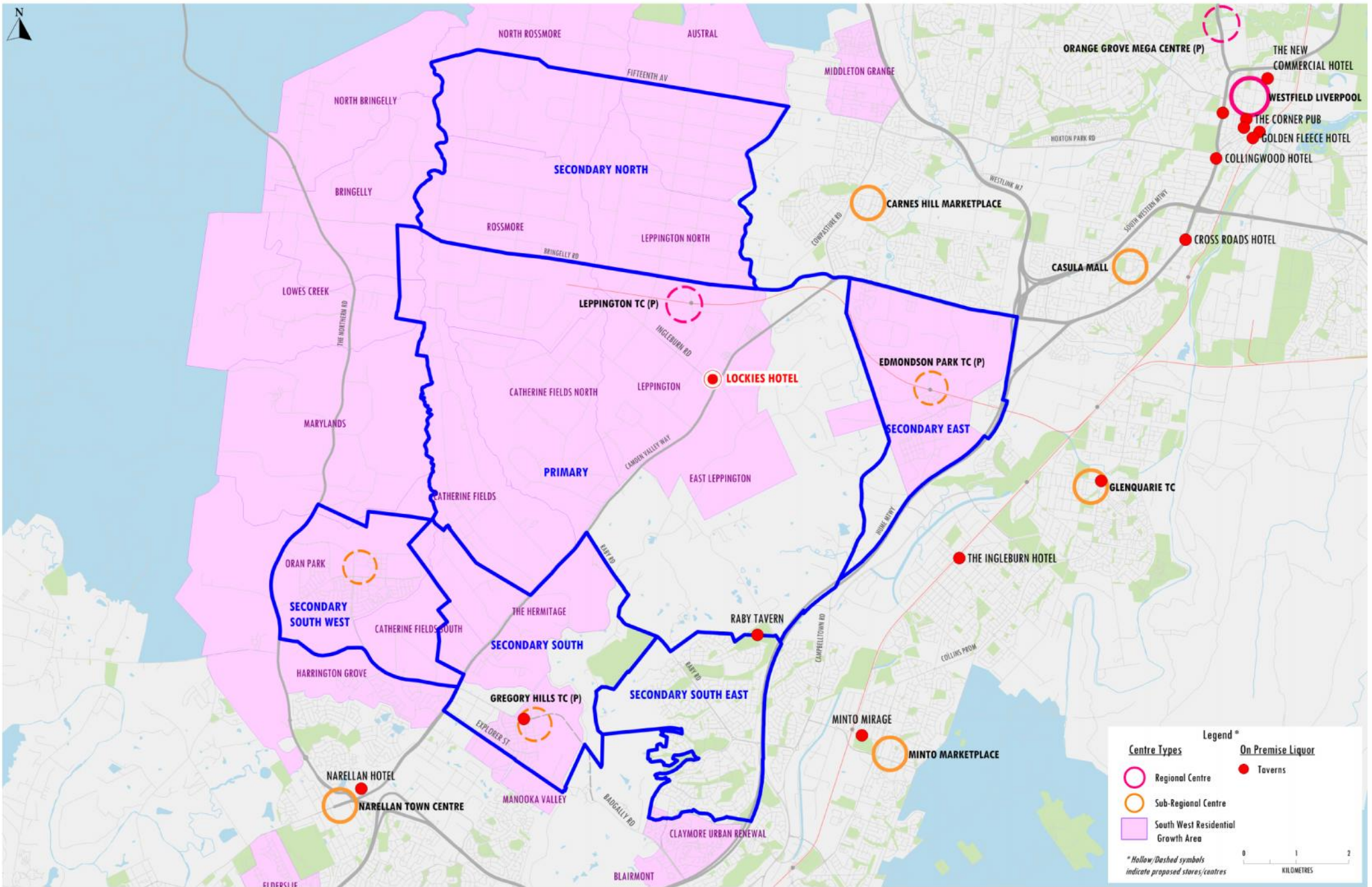
- The remaining supply of taverns and pubs is disposed across the broader South-West Sydney region, with facilities at Narellan, Raby, Casula, Ingleburn, Macquarie Fields and Minto.

We consider that an expansion of Lockies Hotel will provide a modern offering which will serve the strong population growth of the surrounding area, given that the current provision of tavern/pubs is sparse surrounding the subject site, and will be important in driving motel visitation and serving the food and beverage and entertainment needs of guests.

The Lockies Hotel main trade area population is projected to generate a substantial \$350 million combined, in food-catering and on-premise liquor spend at 2031. While taverns/pubs typically draw thin market shares from broad trade areas, the lack of competitive facilities in the surrounding area could support the Lockies Hotel tavern/pub expansion, tapping into the sizable food-catering and on-premise liquor expenditure generated by the main trade area population.

Hotel/Taverns	Address	Suburb	Dist. by road from site (km)
Cross Roads Hotel	Hume Hwy & Camden Valley Way	Casula	7.7
Gregory Hills Hotel	Gregory Hills Drive	Gregory Hills	9.0
Raby Tavern	Cnr Spitfire & Hurricane Drs	Raby	9.2
The Ingleburn Hotel	14 Ingleburn Rd	Ingleburn	10.6
Minto Mirage	Surrey St	Minto	11.2
Narellan Hotel	Camden Valley Way	Narellan	11.5
Glenquarie Tavern	Cnr Victoria Rd & Harold St	Macquarie Fields	12.6
The Corner Pub	1/214-220 Macquarie St	Liverpool	13.3
Railway Hotel Liverpool	2 Scott St	Liverpool	13.5
Golden Fleece Hotel	Cnr Scott & Speed St	Liverpool	13.6
Collingwood Hotel	321 Hume Hwy	Liverpool	13.7
Macquarie Hotel Liverpool	269 Macquarie St	Liverpool	14.2
The New Commercial Hotel	Bigge & Scott Sts	Liverpool	14.4
Liverpool Hotel	Cnr Moore & Macquarie St	Liverpool	14.7
Pioneer Tavern	Bringelly Rd & Maxwell St	Kingswood	31.1

Source: Hotels.com; Cordell Connect; MacroPlan Dimasi



Map 6.1: Lockies Hotel, Leppington and surrounds
Taverns/pubs

Section 7: Short stay accommodation facilities assessment

This section of the report examines the potential for short stay accommodation facilities at the subject site, assessing the surrounding supply of such facilities as well as identifying demand drivers of relevance.

7.1 Key drivers of demand

In an outer-suburban location, such as Leppington, located near two major suburban CBDs (i.e. Liverpool and Campbelltown); other significant employment precincts; on a major arterial road relatively close to the nexus of major regional roads, demand for hotel rooms and serviced apartments is expected to be driven by the following factors:

- The continued strong residential and employment growth across the SWPGA, the WSPGA and the WSEA, as well as the corresponding retail centre developments and infrastructure investment in these growth areas.
- The highly accessible location on Camden Valley Way, and its proximity to the regional road network including the Hume Motorway, the Hume Highway and Campbelltown Road. Camden Valley Way accommodates almost 33,000 average daily traffic movements which is projected to increase significantly as the areas surrounding the subject site undergo significant residential development.
- Relative proximity to the future Western Sydney Airport which is located around 15 km to the north-west of the subject site, and will be serviced by greatly improved road (and future rail) infrastructure.
- The potential growth of the surrounding worker population, which is indicative of business activity, i.e. visiting business people; clients; suppliers; conference visitors; consultants; technical specialists; and trades persons involved in projects in the area. We

note the Leppington Major Centre is planned to accommodate 13,000 jobs over the long-term.

- Proximity to the Liverpool CBD, which is a 15 km drive along the Hume Highway, which contains more than 25,000 workers (i.e. of the size of Norwest Business Park; and the Chatswood CBD). The Liverpool CBD includes the Liverpool Hospital, which is one of the largest hospitals in NSW (with more than 850 beds), which would be a key driver of hotel/temporary accommodation demand in the surrounding region.
- Proximity to the major industrial precincts of Prestons – which contains more than 6,500 workers, and Gregory Hills/Smeaton Grange – which contains around 6,600 workers.
- Other visitors including general tourists (given the proximity to key access roads Sydney CBD) who may be visiting family in the region; have a car and prefer to be out of the CBD.

7.2 Supply of short stay accommodation facilities

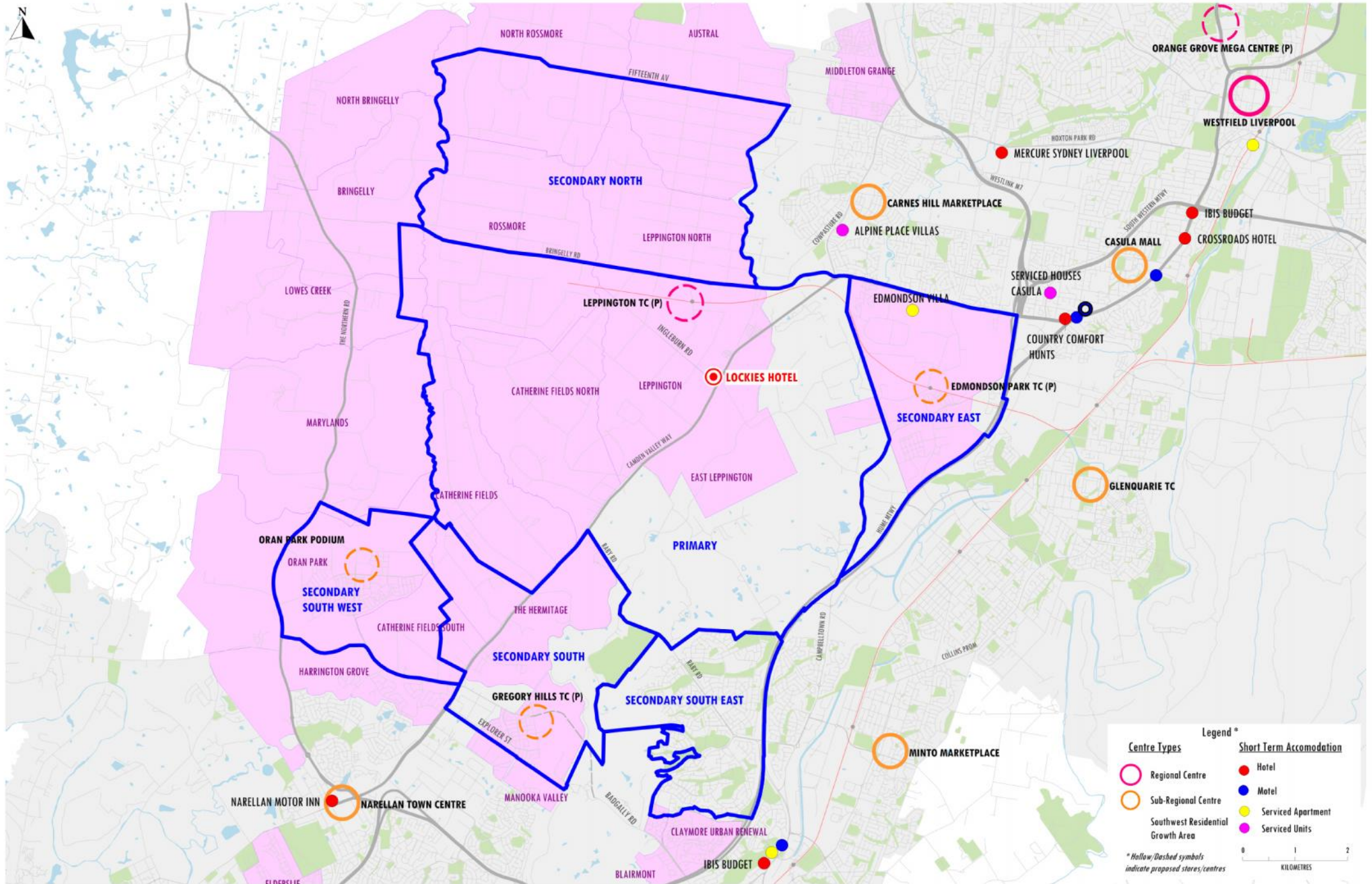
Table 7.1 summarises the surrounding competitive supply of hotel/serviced apartment facilities surrounding the subject site, with the location of these facilities illustrated on Map 7.1. The key points to note are as follows:

- There is a lack of supply of hotels/serviced apartments within the immediate vicinity of the subject site, with the nearest short stay accommodation facilities situated more than 5 km to the north-east at Edmondson Park, Prestons and Casula.
- Three of the closest facilities (Edmondson Villas, Alpine Place Villas and Serviced Houses Casula) only offer a combined 54 serviced units with minimal amenities. Furthermore, serviced units generally serve a different role to that of motels in the short-stay accommodation market. They tend to be suited to families or school/sporting groups who have pre-planned their movements and may stay multiple nights, as opposed to motels, which rely more on passing vehicular traffic and/or service worker/conference business related demand.

- The main hotel facilities in the surrounding region are situated more than 10 km to the north-east of the subject site at Prestons (Mercure Liverpool), Casula (ibis Budget) and Liverpool (Quest Liverpool). There are currently no motels between the Liverpool CBD and the subject site.
- The only motel facilities surrounding the Lockies Hotel site are situated around 17 km to the south at Narellan (Narellan Motor Inn) and Leumeah (The Hermitage Motel).
- There is a small proposed 26-room motel development planned at Casula, on the Hume Highway which is under construction. There is also a small serviced units development on the Hume Highway, Casula, which has lodged a development application.

In summary, the supply of short-stay accommodation facilities in the area surrounding the subject site is limited and generally dated. The proposed motel development at the subject site will add new modern stock to the short stay accommodation supply in the area, providing an affordable option for visitors to the area in conjunction with amenities such as an expanded tavern. We consider a motel development to be supportable at Lockies Hotel, which would help to fill a spatial gap of motel offerings in the surrounding area.

Table 7.1 Lockies Hotel and surrounds - Short-term accommodation facilities						
Facility	Address	Suburb	Rooms	Type	Rating	Dist. by road from site (km)
Alpine Place Villas	25-36 Alpine Place	Prestons	44*	Serviced units	3.5	4.6
Edmondson Villas Sydney	Lot 222 Hartlepool Road	Edmondson Park	4*	Serviced units	3.5	5.2
Serviced Houses Casula	Boab Place	Casula	6*	Serviced units	4.0	7.9
Mercure Sydney Liverpool	Cnr Joadja & Hoxton Park Roads	Prestons	104	Hotel	4.5	9.1
Crossroads Hotel Liverpool	Hume Highway & Camden Valley Way	Casula	-	Hotel	3.0	9.3
Best Western Motor Inn	667 Hume Highway	Casula	31	Motel	4.0	9.3
Country Comfort Hunts Liverpool	Lot 2415 Camden Valley Way	Casula	140	Hotel	4.0	9.4
Jolly Knight Motel	568 Hume Hwy	Casula	-	Motel	-	10.9
Narellan Motor Inn	2/5 The Northern Road	Narellan	51	Motel	3.5	11.7
Ibis Budget Campbelltown	3 Rennie Road	Campbelltown	72	Hotel	2.5	12.3
The Hermitage Motel	5 Grange Road	Leumeah	35	Motel	4.0	12.9
ibis budget Casula Liverpool	437 Hume Highway, Corner of Grove St.	Casula	74	Hotel	2.5	13.2
Quest Liverpool	39 Scott Street	Liverpool	88	Hotel	4.5	14.3
<u>Proposed</u>						
Hume Hwy Serviced Apartments	653 Hume Hwy	Casula	12	Serviced units	-	9.2
Hume Highway Motel	654A & B (Lots 1 & 2) Hume Hwy	Casula	26	Motel	-	9.4
*Units/tonwhouses						
Source: Hotels.com; Cordell Connect; MacroPlan Dimasi						



Map 7.1: Lockies Hotel, Leppington and surrounds
Short term accommodation facilities

Section 8: Other economic benefits

This section of the report examines the net community benefits which are likely to arise as a result of the proposed Lockies Hotel development.

The expected economic and related social benefits will include improved packaged liquor, accommodation and on-premised liquor choice, more competitive pricing in the short-accommodation and tavern/pub markets and reduced private vehicle trip distances.

Other benefits will include employment that will be created during the construction phase of the project, ongoing employment created on site as well as additional employment supported through the supply chain.

8.1 Estimated employment impacts

The redevelopment of Lockies Hotel, which includes the development of a Dan Murphy's store, a new motel and a new tavern/pub, will result in additional permanent employment on-site as well as further jobs through the supply chain, which includes industries servicing the new liquor store, (such as transport workers and wholesalers), the short term accommodation market (cleaners, administration staff) and the tavern/pub expansion (likely resulting in an increase of bartenders and chefs).

Furthermore, the construction phase of the project will support temporary construction jobs as well as additional jobs through the broader economic supply chain, such as building material suppliers, development consultants and the like (i.e. multiplier impacts).

Table 8.1 illustrates the estimated net increase in direct employment that would be created with the redevelopment of Lockies Hotel. We have relied upon various data sources including data from ALH Group, retailers, the ABS, several state and local government agencies, as well as 30 years of experience in preparing assessments of this nature to estimate the employment impacts.

Table 8.1 Lockies Hotel, Leppington - estimated centre employment levels			
Type of use	Estimated employment per '000 sq.m	GLA (sq.m)	Lockies Hotel, Leppington Employment (persons)
<u>Current</u>			
• BWS	20	258	5
• Lockies Hotel	14	915	13
• Motel	10	<u>149</u>	<u>1</u>
Total		1,322	19
<u>Proposed development</u>			
• Dan Murphy's	15	1,570	24
• Lockies Hotel	14	3,115	44
• Motel	10	<u>2,790</u>	<u>28</u>
Total		7,475	95
Net increase²		6,153	76

1. Excludes non-retail components
2. Net increase includes an allowance for reduced employment levels at impacted centres, estimated at 5% of the total increase
Source: ALH Group; MacroPlan Dimasi

The existing Lockies Hotel supports an estimated 18 jobs at present. The proposed redevelopment of Lockies Hotel is projected to increase to 95 full-time equivalent employees, which equates to a net increase of 76 positions. In disaggregating the different parts of the redevelopment, the expansion of Lockies Hotel is projected to provide an additional 31 employment positions, the Dan Murphy's liquor store will create 19 net additional jobs, compared to the existing BWS liquor outlet. In addition, the development of a new motel is likely to result in an incremental increase of 27 jobs.

Table 8.2 provides an estimate of the total additional employment that would be created as a result of the proposed redevelopment, including both on-going direct and indirect employment from the construction phase of the project.

To calculate the likely total economic stimulus that can be attributed to the proposed redevelopment, both due to the direct employment which it will create, and also due to its construction, we have had regard to ABS Australian National Accounts input/output multipliers.

ABS Input/Output Multipliers measure general economic flows between industry sectors. There are several types of input/output multipliers that can be relied upon and we consider for the basis of estimating fairly small scale, and localised impacts that employment multipliers are most suitable for estimating the employment effects of the proposed expansion.

According to ALH Group, the construction costs of the project are estimated to be in the order of \$22 million, with the development expected to commence in 2019 and completion in 2020.

We therefore estimate employment resulting from the construction of the project to be about 245 jobs for that year, including around 94 created directly and a further 151 resulting from multiplier induced effects.

As previously outlined, direct net employment resulting from the proposed redevelopment is expected to be 76 jobs. Based upon ABS employment multipliers for the relevant industries we estimate this would also lead to an additional 30 multiplier induced jobs.

Original stimulus	Direct employment (long-term)	Direct employment (const'n period)	Supplier employment multiplier effects	Total	
Centre employment ¹	76		30	106	
Construction of project (\$22m. est. capital costs)		94	151	245	Job years ²

* Employment totals include both full-time and part-time work
1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development
2. Indicates the estimated number of jobs over the life of the construction project, for the equivalent of one year
Source: ALH Group; MacroPlan Dimasi

8.2 Other economic/social benefits

The proposed redevelopment, which includes a new Dan Murphy's store, a new motel and an expanded tavern/pub at the subject site will result in a range of other economic and community benefits. The key benefits, summarised below, include:

- Increased choice, convenience and amenity for the population of the main trade area.**

The addition of a new Dan Murphy's store, offering an extensive range of beer wine and spirits in a large self-service and air-conditioned premises, with expert service and convenient car-parking, will clearly result in greater service provision for the main trade area population that the store will serve. The store's location, on a key arterial road – Camden Valley Way, makes it particularly accessible for main trade area residents. The proposed Dan Murphy's liquor store will also be well-positioned to serve the significant population growth which is planned for the surrounding SWPGA.
- Savings on time and fuel for main trade area residents** due to a much closer provision of large format liquor for main trade area residents. As previously indicated, the closest nearby large format liquor stores are located 5 km from the subject site.
- New investment in the expansion of Lockies Hotel**, that will revitalise and modernise the current tavern/pub, **enhancing the attractiveness** of this tavern/pub facility for surrounding residents.

- The development of a new motel is likely to **fill a spatial gap in the short-stay accommodation market**, with the nearest motels currently situated around 17 km to the south at Narellan (Narellan Motor Inn) and Leumeah (The Hermitage Motel). The development is also likely to improve choice of short stay accommodation for visitors to the region.
- The new development may also potentially serve passengers utilising the future Western Sydney Airport which is located in relative proximity around 15 km away to the north – west.