



106 Wyee Rd / 1,496 Hue Hue Rd, Wyee Economic Need and Impact Assessment

December 2023



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1. Site context and report overview

1.1 Site context

The subject site is located at 106 Wye Road and 1496 Hue Hue Road, Wye. The site is approximately 14,000 sq.m, zoned RU4 – Rural Small Holdings.

The site forms part of a broader land area zoned RU4, but is adjacent to a 0.95ha, E1 – Local Centre zoned land parcel across Wye Road to the north-east, which contains a Starlight Petroleum facility and mini-mart as well as a plant nursery and associated café.

A second B1 zoned precinct (of about 0.85ha) is located around 350m to the east of the site along Wye Road, which was extended in 2018 to include the lots between Jilliby Street and Badjewoi Street to accommodate a larger, modern Foodworks supermarket plus several supporting specialty shops. The eastern parcel in this E1 precinct contains two shops and a medical centre (previously, this was where a smaller Foodworks supermarket was located).

The closest full-line supermarket facilities are located at North Lakes Shopping Centre (Coles) in San Remo, around 8km to the south and Morisset Shopping Centre (Woolworths), around 8 – 8.2km to the north.

Wye Road is the primary road in the locality (excluding the Pacific Motorway) facilitating movement between Doyalson, Wye and Morisset north-south and Hue Hue Road is a key road connecting to the west to the areas of Kiar and Jilliby.

Total vehicles per day (VPD) along Wye Road east of the site is around 10,000; north of the site is around 11,500 – 12,000; and along Hue Hue Road west of the site is around 6,500.

Map 1.1 – Subject site with zoning overlay

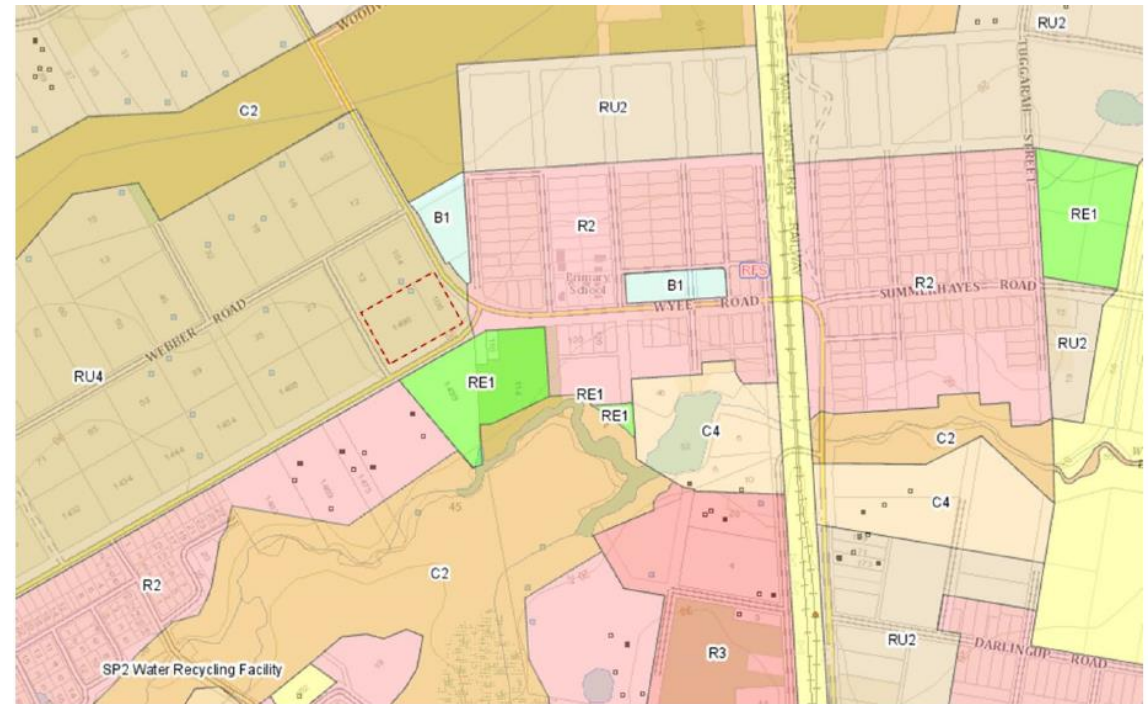


Figure 3: Extract of the Lake Macquarie LEP 2014 Land Zoning Map (Source: NSW Planning Portal)

Note: B1 is now called E1 – Local Centre

1.2 Proposed rezoning and report scope

It is proposed to rezone the site to E1 - Local Centre to enable the development of commercial uses. A supermarket will be a key component of the proposed development, and the following uses are being considered for the site, which are the subject of this analysis:

- Supermarket (and associated specialty retail)
- Childcare
- Other potential commercial uses (e.g. gym/fitness, medical centre, small office, banks etc)

In this report, we have examined the supply and demand characteristics of the surrounding trade area for the site for each of the uses identified above.

This analysis is presented to understand whether there is need for the various uses being considered for the rezoned subject site.

Map 1.2 – 106A Wyee Road, aerial view



Figure 1: Aerial view of the site (Source: SIX Maps)

2. Trade area analysis

2.1 Trade area definition

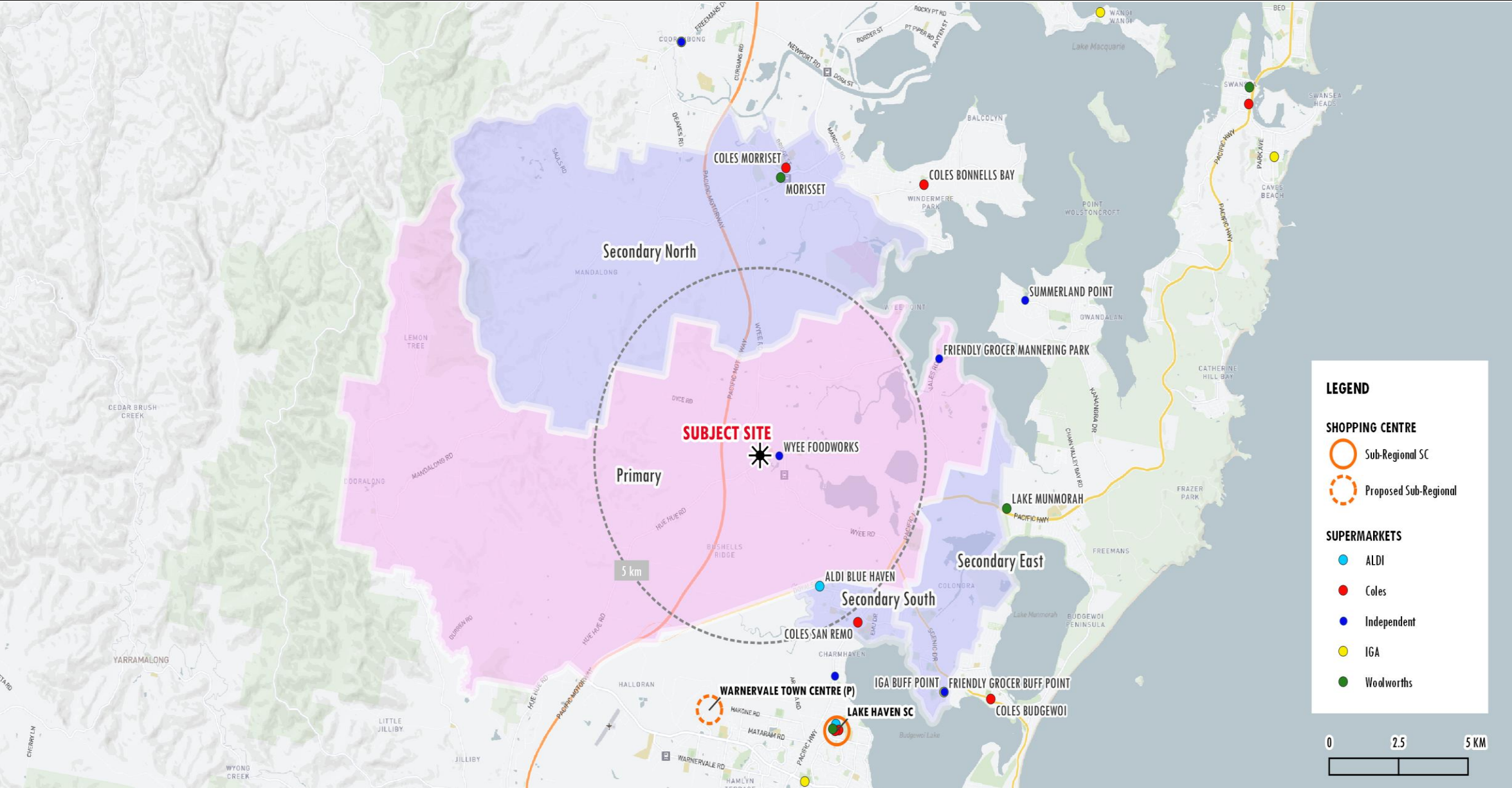
We have defined a potential trade area that could be served by supermarket, specialty and ancillary non-retail uses at the subject site, were it to be rezoned to a business zoning.

The trade area definition has regard to the excellent site location with frontage to Wyee Road as well as the surrounding network of supermarkets and shopping centres. Of particular relevance are the locations of Lake Munmorah Woolworths, North Lakes shopping centre at San Remo, Morisset Square and Morisset shopping centre.

We have presented our trade area definition on the following page, overlaid with the surrounding supermarket and shopping centre competition (including proposed/planned centres such as the Warnervale Town Centre). The following points are noted:

- Immediate residents of Wyee would need to travel a round trip of around 12 – 16km to access full line supermarket facilities, given that the closest full line supermarkets are located at Morisset and San Remo
- The nearby Foodworks supermarket anchored Wyee Village centre is only small, at around 1,100 sq.m.
- We have defined a primary sector as a core sector which currently has limited supermarket, medical, gym and childcare supply.
- We have defined three secondary sectors, which will contribute some demand but to a much lesser extent than the primary sector.

Map 2.1 – Potential trade area 106 Wye Road, Wye



2.2 Trade area population growth

Table 2.1 outlines the MTA historical and forecasted population over the period 2016 to 2033. These projections have regard to the latest ABS population estimates, NSW government and local council projections at the small area level and expectations about the future capacity/development within the surrounding area (i.e. based off the Lake Macquarie Housing Supply Study).

We note the following:

- There is around 8,300 persons in the primary sector, which is a solid primary sector population for a supermarket, and would meet requisite thresholds for all major supermarket operators. This sector is projected to grow at around 1.6-1.7% p.a. over the next decade to reach 9,800 by 2033.
- The secondary sector population is around 19,300 and these are estimated to grow at an average of around 1.1% per annum over the next decade to around 21,700 by 2033.
- Overall, the defined main trade area (MTA) population is projected to grow from around 27,800 persons to 31,500 persons by 2033, equivalent to growth of around 1.2 – 1.3% per annum, or around 13%.

More broadly across the Lake Macquarie region, the latest projections from the NSW Department of Planning indicate that the Lake Macquarie LGA will grow from 209,000 to 245,000 over the next 20 years, of which around 35% of this growth will come from Morisset-Cooranbong and Bonnells Bay-Silverwater.

Table 2.1 – Trade area population 2016 - 2031

Wyee - trade area population, 2016-2033					
	Actual Population		Estimated population		
	2016	2021	2023	2028	2033
Primary	7,623	8,128	8,275	8,994	9,800
<u>Secondary sectors</u>					
• Secondary North	2,778	3,476	3,609	4,266	5,029
• Secondary East	5,839	5,914	5,961	6,112	6,278
• Secondary South	<u>9,836</u>	<u>9,893</u>	<u>9,963</u>	<u>10,164</u>	<u>10,417</u>
Secondary	18,453	19,283	19,533	20,541	21,724
Main trade area	26,076	27,411	27,808	29,534	31,524
Average annual growth (no.)					
	2016-21	2021-23	2023-27	2027-31	
Primary		101	74	144	161
<u>Secondary sectors</u>					
• Secondary North		140	67	131	153
• Secondary East		15	24	30	33
• Secondary South		<u>11</u>	<u>35</u>	<u>40</u>	<u>51</u>
Secondary		166	125	202	237
Main trade area		267	198	345	398
Average annual growth (%)					
	2016-21	2021-23	2023-28	2028-33	
Primary		1.3%	0.8%	1.5%	1.7%
<u>Secondary sectors</u>					
• Secondary North		4.6%	1.9%	3.4%	3.3%
• Secondary East		0.3%	0.4%	0.5%	0.5%
• Secondary South		<u>0.1</u>	<u>0.4</u>	<u>0.4</u>	<u>0.5</u>
Secondary		0.9%	0.6%	1.0%	1.1%
Main trade area		0.5%	0.7%	1.2%	1.3%

*As at June

Source: ABS, GapMaps, Lake Macquarie Council, Central Coast Council

2.3 Socio-demographic profile

Table 2.2 summarises the socio-demographic profile of the trade area population, based on data from the 2021 ABS Census of Population and Housing. We note the following:

- Overall, the main trade area population (average age of 41 years) is much older than the NSW non-metro average of 32 years and slightly older than the Australian average of 39 years.
- The average household size across the main trade area is around 2.6, which is on par with the Australian average but much lower than the NSW non-metro average.
- The primary sector population has a slightly lower average household income than the non-metro NSW average, but much higher average household income than each of the secondary sectors.
- There is a higher than average share of home owners paying off a mortgage in the primary sector (44%) compared with some more established locations like the secondary north and indeed the NSW non-metro average of 30%.
- The main trade area population is around 90% Australian born.

Table 2.2 – Trade area socio-demographic profile

Metrics	Primary	Secondary North	Secondary East	Secondary South	Total Secondary	Main Trade Area	Rest of NSW Avg.	Aust. Avg.
Age and Household Size								
0 to 4 years	4.9%	5.3%	5.7%	7.4%	6.5%	6.0%	7.3%	5.8%
5 to 14 years	11.8%	9.4%	11.9%	15.3%	13.2%	12.8%	15.4%	12.5%
15 to 24 years	12.1%	9.9%	9.9%	13.8%	11.9%	11.9%	14.6%	12.0%
25 to 34 years	10.2%	12.0%	11.0%	14.7%	13.1%	12.2%	18.3%	14.3%
35 to 44 years	11.1%	9.4%	10.0%	11.7%	10.8%	10.9%	14.8%	13.7%
45 to 54 years	13.9%	9.8%	10.7%	13.0%	11.7%	12.4%	12.3%	12.8%
55 to 64 years	13.6%	11.7%	13.2%	10.8%	11.7%	12.3%	10.1%	11.9%
65 to 74 years	12.1%	13.0%	13.5%	7.5%	10.3%	10.9%	5.4%	9.7%
75 to 84 years	7.7%	11.3%	10.7%	4.5%	7.7%	7.7%	1.6%	5.4%
85 years and over	2.6%	8.2%	3.3%	1.2%	3.1%	3.0%	0.2%	2.0%
Avg. age (years)	42.7	46.3	44.2	35.8	40.3	41.0	31.9	38.9
Avg. H'hold Size	2.7	2.3	2.3	2.7	2.5	2.6	3.3	2.5
Income								
Per Capita Income	\$46,377	\$41,793	\$42,287	\$43,072	\$42,595	\$43,746	\$46,447	\$55,535
	0%	-10%	-9%	-7%	-8%	-6%		
Avg. H'hold Income	\$96,418	\$72,442	\$77,215	\$89,374	\$81,991	\$86,013	\$102,608	\$105,794
	-6%	-29%	-25%	-13%	-20%	-16%		
Home Ownership								
Owned	36.8%	44.6%	46.4%	26.5%	36.6%	36.7%	13.3%	31.5%
Mortgage	44.2%	19.0%	32.4%	41.2%	34.1%	37.0%	29.8%	37.4%
Renting	18.9%	36.4%	21.2%	32.3%	29.3%	26.4%	56.8%	31.2%
Birthplace								
Australia	90.6%	86.7%	89.8%	91.0%	89.9%	90.1%	87.4%	72.0%
United Kingdom	4.1%	4.6%	5.2%	3.2%	4.1%	4.1%	1.6%	4.7%
South & Central Asia	0.1%	1.3%	0.1%	0.3%	0.4%	0.3%	2.5%	4.7%
South East Asia	0.7%	0.8%	0.7%	0.8%	0.8%	0.7%	1.9%	4.1%
North East Asia	0.0%	0.1%	0.2%	0.3%	0.2%	0.1%	0.5%	3.4%
New Zealand and Oceania	1.6%	2.5%	1.5%	1.7%	1.8%	1.7%	2.2%	2.6%
Other	2.9%	4.1%	2.5%	2.7%	2.9%	2.9%	4.0%	8.6%

Source: ABS Census 2021

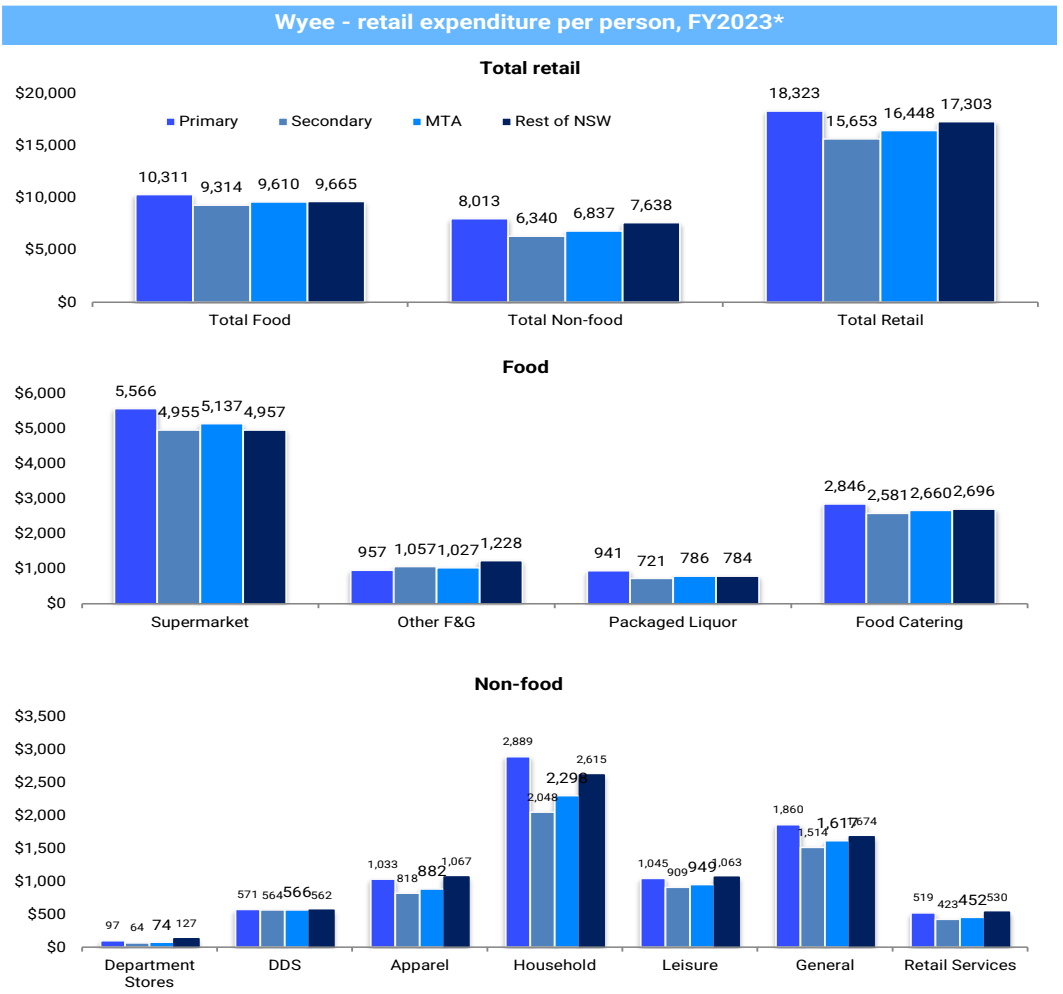
2.4 Retail expenditure profile

Figure 2.1 summarises the retail expenditure profile of the MTA population based on data from CommBankIQ (based off bank transactions). These data are up to date to FY23 and represent the most comprehensive and accurate picture of household spending in Australia.

The following key points are noted:

- The primary sector population spends around \$18,300 per annum on retail goods and services, while the MTA population spends around \$16,450.
- In terms of supermarket expenditure, the primary sector population spends more than 10% more than the non-metro NSW average spend per capita.

Figure 2.1 – Trade area socio-demographic profile



*Including GST
Source: CommBankIQ; GapMaps

3. Supermarket/retail need

3.1 Supermarket/retail supply

Retail centres

The B1 site across the road from the subject site contains a small convenience offer as part of the independent service station and there is a garden nursery and associated café as well.

There is a small village centre (zoned B1) to the east of the subject site containing an estimated 2,500 sq.m of retail GLA including the Wyee Village centre (west of Jiliby Road) with a Foodworks supermarket, Cellarbrations liquor store, a butcher, Dominos Pizza. East of Jiliby Road, this centre includes a liquor store, an Australia Post, a bakery and a medical centre. There is no vacant land to expand either of these centres, as these parcels are constrained by roads, the Wyee Public School and residential housing.

There is a small retail strip at Mannering Park with about 8 – 10 shops including a small Friendly Grocer store attached to a petrol station, which is estimated at less than 300 sq.m.

San Remo contains a standalone Aldi supermarket of around 1,450 sq.m (with a Clinical Labs tenancy adjacent) along Doyalson Link Road and Roper Road.

The Northlakes SC is anchored by a 3,500 sq.m Coles supermarket (source: PCA Shopping Centre Directory), with other tenancies including a First Choice Liquor store and the North Lakes Tavern, with total floorspace of 4,801 sq.m (source: PCA Shopping Centre Directory).

Morrisset is a larger retail strip with a retail offer totalling an estimated 25,000 sq.m, including two supermarket anchored neighbourhood centres of ~10,000 sq.m and 4,100 sq.m.

Just beyond the trade area, there is a Woolworths anchored supermarket convenience centre at Lake Munmorah, with a 3,841 sq.m Woolworths store, and an estimated 6,000 sq.m of total floorspace including a medical centre with around 6 GPs.

Just beyond the trade area to the south-east, Budgewoi contains around 7,500 sq.m of retail floorspace include a 2,700 sq.m Coles supermarket.

Supermarket supply

There is only a small Foodworks supermarket at Wyee of around 1,100 sq.m within the defined main trade area and a small Friendly Grocer at Mannering Park of around 200 sq.m. This means that there is around **1,100 sq.m of supermarket floorspace in the primary sector.**

In the secondary north sector there are two supermarkets in Morrisset totalling around 7,032 sq.m, a Coles at Morrisset Square (3,746 sq.m) and Woolworths at Morrisset Central SC (3,286 sq.m). There is also a Coles supermarket at Bonnells Bay just beyond the secondary north sector.

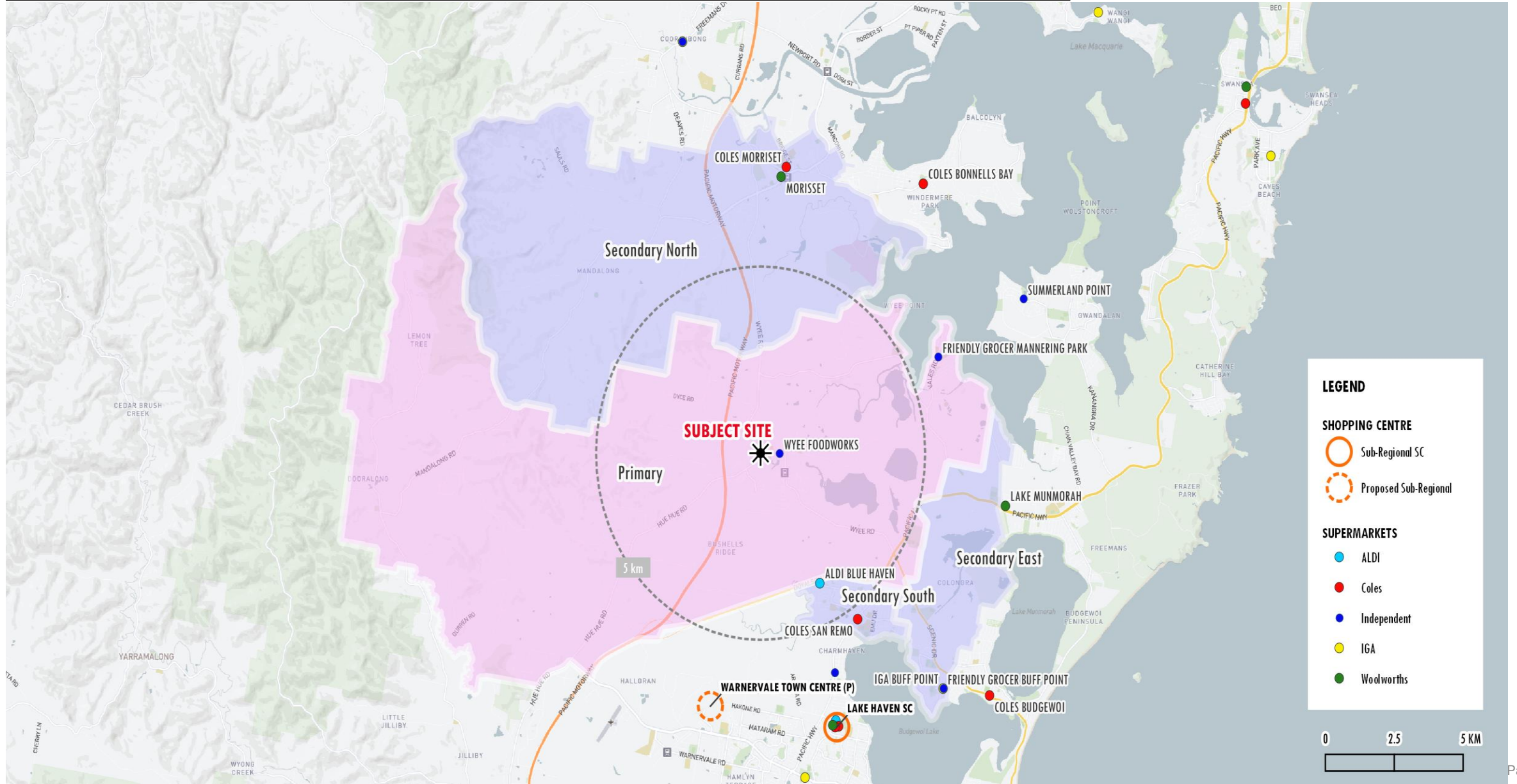
In the secondary south sector, the Coles at Northlakes SC (at San Remo) is 3,500 sq.m and the Aldi at Blue Haven is estimated at 1,450 sq.m.

There is a small Friendly Grocer at Buff Point in the secondary east sector (of less than 300 sq.m) and just beyond the boundary of this sector, to the south-east is the Budgewoi Coles.

In total there is an estimated **12,241 sq.m of supermarket floorspace in the defined main trade area** (excluding the 3,841 sq.m Lake Munmorah Woolworths located on the periphery).

There are no known proposals within the defined main trade area for the centre.

Map 3.1 – Supermarket and shopping centre competition



3.2 Supportable supermarket floorspace

Table 3.1 provides an assessment of the potential sales and implied size of supportable supermarket floorspace at the subject site. The following is noted:

- There is an estimated \$142m in supermarket expenditure generated by the MTA population at present (\$FY23) increasing to \$164m by 2033 (\$FY23).
- Given there is no full-line supermarket in the primary sector, with just a small 1,100 sq.m Foodworks at Wyee Village and a 200 sq.m Friendly Grocer at Mannering Park, a new supermarket of reasonable scale (i.e. full range of grocery items) should be able to retain a market share of supermarket spending in the order of 40% from the primary sector.
- Given the prevailing road networks in the region and that people don't solely shop at their local supermarket, particularly if by-passing an easily accessible one on a key road like Wyee Road or Hue Hue Road, we estimate that an average market share of around 10 - 15% would be achievable from the secondary sectors.
- A supermarket on a main road location might generate well in excess of 15% of its turnover from beyond its defined main trade area. We have assumed a conservative beyond trade area share of 15%.
- Based on these assumptions we estimate that a supermarket at the subject site could generate sales in the order of \$36m (\$FY23) in 2023. At an average trading level of \$11,000 per sq.m (in \$FY23) this equates to around 3,300 sq.m increasing to 3,600 sq.m by 2033.
- This location could also play an online distribution role, serving a broader catchment, meaning that a store of around **3,800 sq.m would be supportable at the site.**

Table 3.1 – Supermarket floorspace potential

Factor	2023	2028	2033	23 - 33
PTA F&G expenditure (\$m)	45.8	48.9	54.7	8.9
STA F&G expenditure (\$m)	<u>96.3</u>	<u>100.0</u>	<u>109.0</u>	<u>12.7</u>
MTA F&G expenditure (\$m)	142.1	148.9	163.7	21.6
PTA - market share of smkt spending (%)	40.0%	40%	40%	40%
PTA - F&G expenditure retained by subject site(\$m)	18.3	19.6	21.9	3.6
STA - market share of smkt spending (%)	12.5%	12.5%	12.5%	12.5%
STA - F&G expenditure retained by subject site(\$m)	12.0	12.5	13.6	1.6
Est. % of sales drawn from beyond MTA	15.0%	15.0%	15.0%	15.0%
Sales from beyond MTA (\$m)	5.4	5.7	6.3	0.9
Total F&G expenditure available to subject site (\$m)	35.7	37.7	41.8	6.1
Est. average trading levels (\$/sq.m)*	11,000	11,278	11,563	n.a.
Est. standard supermarket floorspace (sq.m)	3,247	3,344	3,613	366
Allowance for online distribution area (sq.m)	<u>500</u>	<u>515</u>	<u>556</u>	<u>556</u>
Est. total supermarket floorspace (sq.m)	3,747	3,859	4,169	922

Note: Future forecasts exclude inflation (real growth only)

*Assumed \$11,000 per sq.m at 2023 grown forward at an average growth rate of 0.5% p.a.

Source: CommbankIQ, GapMaps

3.3 Supportable retail floorspace

The provision of a full-line supermarket retailer at the subject site would enable the establishment of a local centre.

In the shopping centre sector, a typical full-line supermarket anchored neighbourhood shopping centre with a 3,800 sq.m supermarket anchor typically supports 1,500 – 2,000 sq.m of specialty and mini-major retail, as well as other non-retail floorspace of 1,000 – 2,000 sq.m including childcare, medical, gyms, office, banks, insurance, kids play, etc.

Given the size of the potential anchor, a specialty provision of around 1,000 – 1,500 sq.m of retail uses would be supportable, depending on the uses (or around 8 – 12 tenants), potentially up to 2,000 sq.m, depending on whether 1 or 2 mini-major brands could be attracted (e.g. a pharmacy and discount variety store).

This retail mix could include cafes, take-away, restaurants, some food specialty shops, pharmacy, hair-dressers/ barbers, small apparel shops, general retailers, maybe a discount variety store etc.

We note the following centres nearby:

- Northlakes SC: estimated retail of ~4,500 sq.m inc. 3,500 sq.m supermarket
- Lake Munmorah: estimated retail of ~6,500 sq.m inc. 3,841 sq.m supermarket
- Morisset SC: estimated retail of ~4,100 sq.m inc. 3,286 sq.m supermarket
- Morisset Square: estimated retail of ~9,000 sq.m inc. 3,746 sq.m supermarket
- Budgewoi strip: estimated retail of ~7,500 sq.m inc. 2,700 sq.m supermarket
- Wyee Village: estimated retail of ~1,500 sq.m inc. 1,100 sq.m supermarket

4. Childcare centre need

4.1 Childcare supply

Childcare supply: primary sector

There is an independent 50 place childcare centre at 5 Collungra Street, Wyee and a 38 place Goodstart Early Learning Centre at Mannering Park.

Childcare supply: secondary sectors

At the periphery of the primary sector (in Morisset – where there is very minimal population but the statistical boundaries include the Morisset industrial precinct) are 3 centres:

Elsewhere across the trade area there are a further 9 childcare/kindergarten centres including:

- 4 in Morisset
 - The 128 place Hive Academy (independent)
 - The 150 place Community Kids Morisset Early Education Centre (G8 Education)
 - The 59 place Dinki Di childcare centre (independent)
 - The 28 place Morisset Early Learning Centre
- 2 at Blue Haven (with 70 and 74 places)
- 2 at San Remo (with 45 and 72 places – including a Council run facility)
- A 39 place pre-school at Buff point

Proposed supply

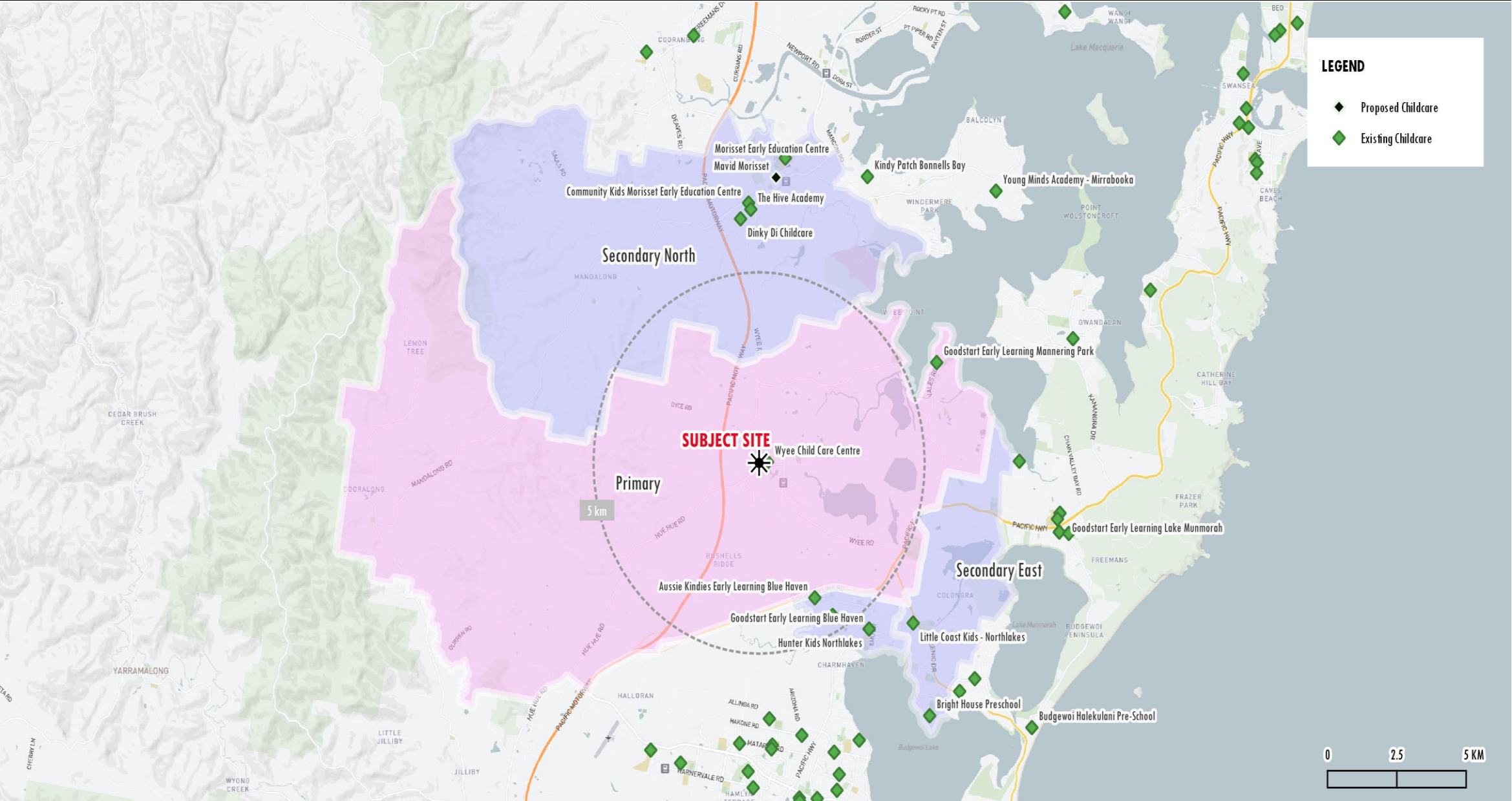
There is only one identified childcare centre proposed within the defined main trade area, that being the Mavid Morisset centre proposed at Morisset (in the secondary north sector), which is a proposed 827 sq.m centre + 980 sq.m outdoor centre accommodating up to 140 places. This proposal is currently being considered by Council and, if approved, would likely be developed during 2023/2024.

Just beyond the main trade area to the south is a significant proposal for a new independent K – 6 school at Charmhaven on Arizona Road. This proposal is likely to come to fruition over the next 3 – 4 years, if approved. The initial school is planned to be 500 students, which is then intended to grow to K – 12 with some 1,500 students as well as an early learning centre of ~100 places.

Summary comment

Only 3 of the major corporate childcare centre operators are present in the main trade area, namely, G8 Education, Goodstart Early Learning and Affinity Education.

Map 4.1 – Childcare supply



4.2 Childcare supply and demand

Childcare demand/supply: primary sector

Table 4.1 presents an assessment of demand for childcare places in the PTA and MTA over the period 2023 – 2033

According to the Department of Education, approximately 48% of the children aged 0 – 5 years, utilise childcare, on average 3 days per week.

In the PTA this equates to demand for around 179 places in 2023, increasing by around 33 places by 2033 to around 212 places.

There are only 88 places in the primary sector, equating to an under-supply of around 91 places, increasing to 124 places by 2033.

Childcare demand/supply: main trade area

The MTA population generates demand for around 601 places in 2023, increasing by around 80 places by 2033 to around 681 places.

In total there are 753 childcare places across the MTA, but the secondary sector centres would also tap into populations beyond the trade area, so they should be discounted slightly. We have applied a 2/3 ratio to the places in the secondary sectors to get an equivalised supply estimate of 527 places, equating to a gap of around 68 places.

Even with the possible addition of a new 140 place facility at Morisset, the future growth of around 90 places will lead to a future under-supply of around 62 places by 2033.

Table 4.1 – Child care supply and demand

	2023	2028	2033	2023-33
Primary trade area				
<u>Demand for places</u>				
PTA population	8,275	8,994	9,800	1,525
% aged 0 - 5 years	7.5%	7.5%	7.5%	
PTA population aged 0 - 5 years	621	675	735	114
Utilisation rate	48%	48%	48%	
Avg. no. days per week	3.0	3.0	3.0	
PTA - FTE demand	179	194	212	33
<u>Supply of places</u>				
PTA (exc. Morisset)	88	88	88	0
PTA - proposed	0	0	0	0
PTA - total supply	88	88	88	0
Under (-ve)/over (+ve) supply				
PTA - undersupply	-91	-106	-124	-33
Main trade area				
<u>Demand for places</u>				
MTA population	27,808	29,534	31,524	3,716
% aged 0 - 5 years	7.5%	7.5%	7.5%	
MTA population aged 0 - 5 years	2,086	2,215	2,364	279
Utilisation rate	48%	48%	48%	
Avg. no. days per week	3.0	3.0	3.0	
MTA - FTE demand	601	638	681	80
<u>Supply of places</u>				
MTA (2/3 allocation in secondaries)	527	527	527	0
MTA - proposed (2/3 in secondaries)	0	0	92	92
MTA - total supply	527	527	619	92
Under (-ve)/over (+ve) supply				
MTA - undersupply	-74	-111	-62	12

Source: GapMaps

5. Gyms/fitness centre need

5.1 Gyms/fitness centres supply

Gym/fitness centre supply: primary sector

There is only one gym in the defined PTA, that being Active FitnessHQ at the Doylo on 80 Pacific Highway, Doyalson.

Gym/fitness centre supply: secondary sectors

More broadly, across the secondary sectors there are 5 gyms:

- F45 Morisset (in the industrial estate) – a niche offer of high intensity training
- Curves Morisset (in the main street near the Morisset SC) – a women’s only gym
- Anytime Fitness (in the industrial estate) – a 24/7 offer, small format gym
- Engineroom Gym & Temperature Therapy – a niche PT/group training offer with ice baths, massage etc
- VibeZ 24/7 gym at Northlakes SC in San Remo, which took over a former Jetts branded operation.

There are also 2 small fitness businesses that operate in the Morisset industrial estate but wouldn’t be considered true gym competition. These are Powerhouse CrossFit, and Kin Health Co Morisset.

Beyond the trade area

There is a cluster of gyms in Wyong, including F45 and Anytime Fitness and a small boxing focussed operation in Budgewoi.

There is a FitLife Health Club at Bonnells Bay SC.

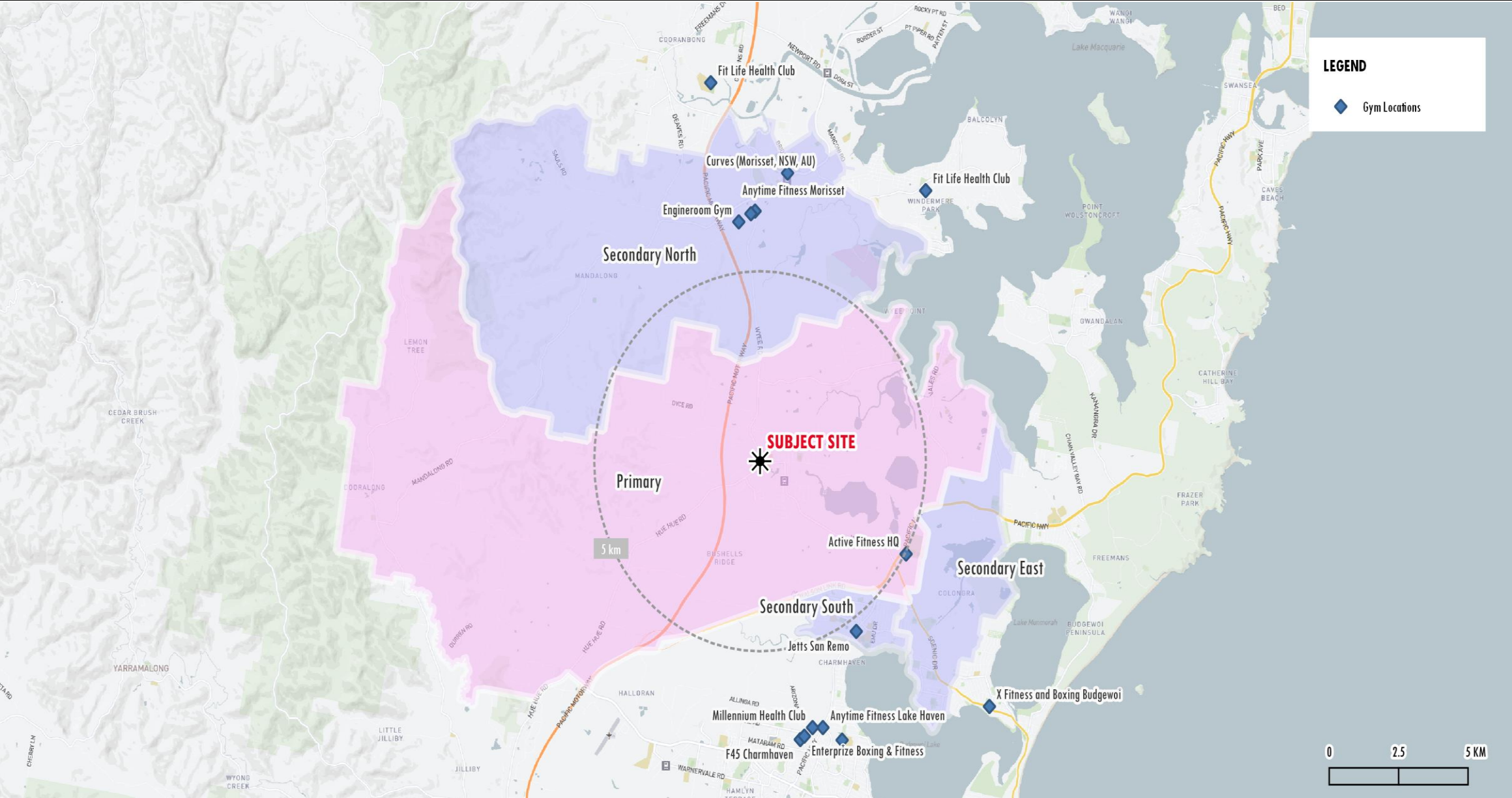
Proposed supply

There are no proposed gyms across the MTA according to a search of the Cordell database however there is a new sports centre planned at Morisset Park that will include sport fields and facilities that will presumably include gym/fitness centre type facilities.

Pilates studios

There are no Pilates studios in the PTA and 4 studios across the secondary sectors. All of these are independent (non-major franchise) brands.

Map 5.1 – Gym/fitness centres supply



5.2 Gyms/fitness supply and demand

Gym/fitness facilities demand/supply: primary sector

A gym visit tend to be undertaken close to home (morning, evening, weekend) and typically people travel 10min or less for such a visit, although they will travel further given supply and access to major brands, specialised facilities etc. We have therefore focussed out analysis on the primary sector for this use.

Table 5.1 presents an assessment of demand for major gyms in the PTA and MTA over the period 2023 – 2033. The potential development of a supermarket anchored neighbourhood centre at the subject site will naturally be a complementary fit for a gym/fitness centre type use and this type of site would be highly desirable.

Across Australia there are around 6,500 – 8,000 gyms/fitness centres, depending on the source. This includes council/govt. run facilities, independents and major chains like Anytime Fitness, Goodlife etc. There are around 3,200 major operator/multi-outlet chains (with a minimum of 35 locations).

This equates to a rough requirement/provision rate within the primary sector of around 2 gyms/fitness centres, increasing to 3 by 2033. This would equate to demand for major operators of at least 1 facility.

However, as it happens, gyms and major brands don't locate to all locations across Australia so the benchmarks are skewed somewhat and their population per location would actually be smaller than these broad benchmarks suggest.

Table 5.1 – Gym/fitness centre supply and demand

Primary trade area	2023	2028	2033	2023-33
<u>Demand for gyms</u>				
PTA population	8,275	8,994	9,800	1,525
Ratio pop/all gyms/fitness centres	3,500	3,500	3,500	n.a.
Ratio pop/major operators	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>n.a.</u>
Implied gym/fitness centre demand	2.4	2.6	2.8	0.4
Implied major operator gym/fitness centre demand	<u>1.0</u>	<u>1.1</u>	<u>1.2</u>	<u>0.2</u>
<u>Supply of places</u>				
PTA - all gyms/fitness	1	1	1	0
PTA - major operators	0	0	0	0
<u>Under (-ve)/over (+ve) supply</u>				
PTA - undersupply gym/fitness	1.4	1.6	1.8	0.4
PTA - undersupply major operator	1.0	1.1	1.2	0.2

Source: GapMaps

6. Medical centre need

6.1 Medical centre supply

We have examined the supply of medical centres and the GPs within these centre across the MTA.

Medical centre supply: primary sector

There are two medical centres in the primary sector, that being the Wyee Medical Centre at 131 Wyee Road (the former Foodworks location), which has 2 GPs and the Southlakes Medical Centre – which is a 1 GP practice and is only open on Wednesdays and Fridays according to the HealthDirect website.

Medical centre supply: secondary sectors

There are 6 other medical centres located across the secondary sectors, supporting 14 GPs.

- Waratah Medical Services (a 5 GP practice) at Morisset
- Tristar Medical Group (a 3 GP practice) at Morisset
- NHS Australia Medical Centre at Blue Haven (a 1 GP practice) at Blue Haven
- Northlakes Medical Centre (a 4 GP practice) at San Remo
- Heal Medical Centre (a 1 GP practice) at San Remo

Beyond the trade area

Just beyond the secondary east sector is the Lake Munmorah – Coastal Lakes Medical Centre at Lake Munmorah neighbourhood centre and two medical practices further east along the Pacific Highway.

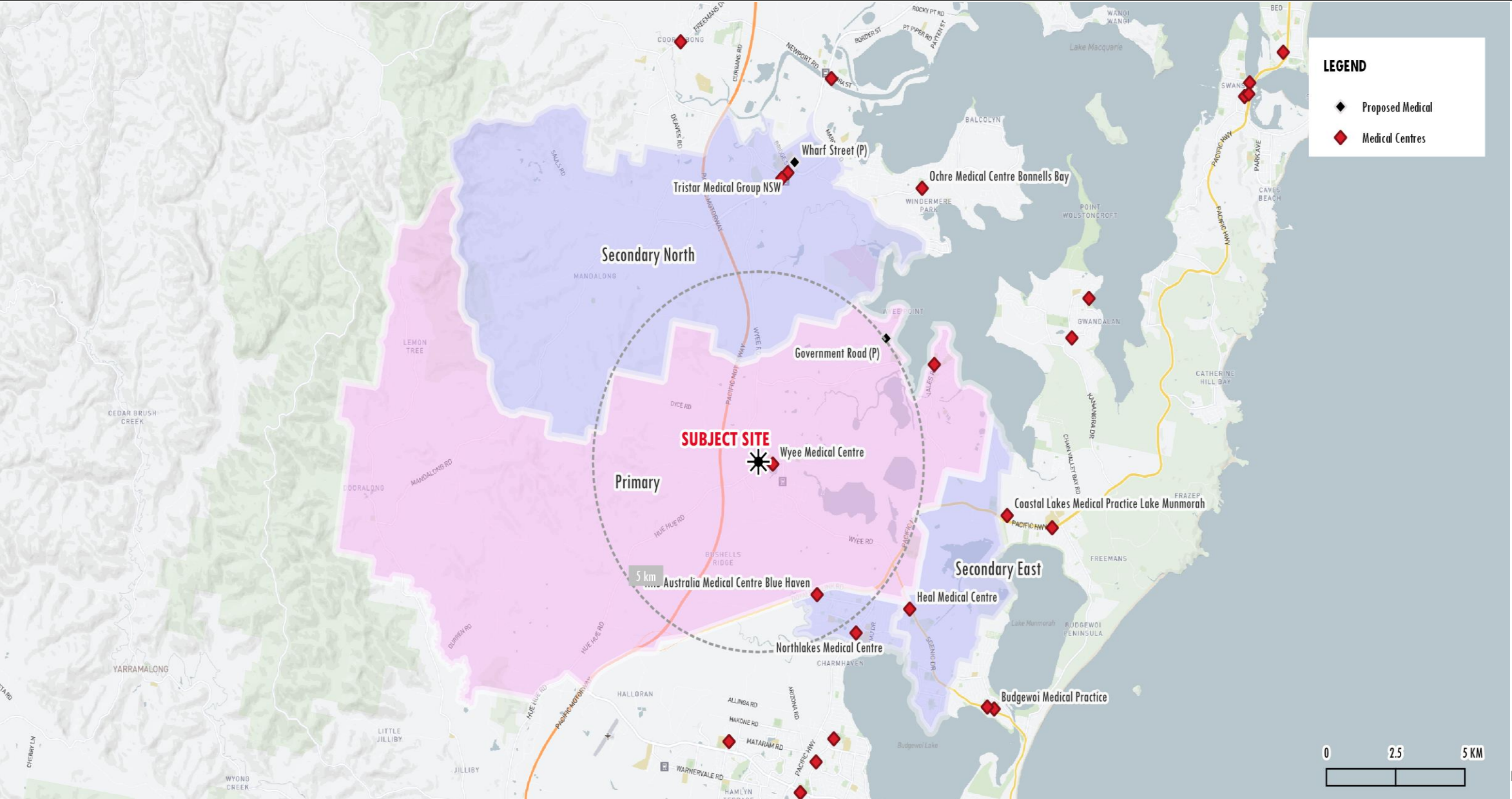
Just beyond the secondary north sector is the Ochre Medical Centre at Bonnells Bay.

Proposed supply

There is a proposal before Council for a 260 sq.m medical centre at Wyee Point, with some supporting café and other uses. This proposal is approved.

There is a proposal before Council for a conversion of an existing building to support 'health consulting rooms'. It is not clear exactly what this could comprise of.

Map 6.1 – Medical centre supply



6.2 Medical centre supply and demand

Medical centre/GP provision: primary sector

Table 6.1 presents an assessment of demand for GPs across the PTA and MTA over the period 2023 – 2033.

There are about 36,000 – 37,000 GPs across Australia equating to a provision rate of around 1 GP per 700 persons. The trade area population has a slight skew to an older demographic which tends to utilise medical services at a much greater rate than younger population cohorts.

Applying this provision rate to the PTA population equates to equivalent GP demand of 12 GPs. However, there is currently only one medical centre and 2.5 GPs servicing this demand in the PTA, equating to an under-supply of 9 GPs.

Medical centre/GP demand/supply: main trade area

The MTA population generates demand for around 40 GPs, increasing to 45 GPs by 2033.

There are only 16.5 GPs in the MTA though, which might increase to around 20 or so with the additional medical centres outlined in proposed supply.

Even if we do not discount this provision in the secondaries to acknowledge that they serve patients beyond the defined MTA, this equates to an undersupply of around 23 GPs. The future proposed supply will only just keep pace with future population driven demand.

Table 6.1 – Medical centre supply and demand

	2023	2028	2033	2023-33
Primary trade area				
<u>Demand for GPs</u>				
PTA population	8,275	8,994	9,800	1,525
Persons/GP provision rate	<u>700</u>	<u>700</u>	<u>700</u>	<u>n.a.</u>
PTA - GP demand	12	13	14	2
<u>Supply of places</u>				
PTA - existing	2.5	2.5	2.5	0
PTA - proposed	<u>0</u>	<u>0</u>	<u>3.5</u>	<u>3.5</u>
PTA - total supply	3	3	6	4
<hr/>				
Under (-ve)/over (+ve) supply				
PTA - undersupply	-9	-10	-8	1
Main trade area				
<u>Demand for places</u>				
MTA population	27,808	29,534	31,524	3,716
Persons/GP provision rate	<u>700</u>	<u>700</u>	<u>700</u>	<u>n.a.</u>
PTA - GP demand	40	42	45	5
<u>Supply of places</u>				
MTA - existing	16.5	16.5	16.5	0
MTA - proposed	<u>0</u>	<u>0</u>	<u>4.5</u>	<u>4.5</u>
PTA - total supply	17	17	21	5
<hr/>				
Under (-ve)/over (+ve) supply				
MTA - undersupply	-23	-26	-24	-1

Source: GapMaps

7. Economic impacts

7.1 Overview of section

This section of the report examines the following:

- Supportable floorspace potential for the subject site
- Employment impacts of the planning proposal
- Economic and social benefits of the planning proposal
- Trading impacts on the surrounding centre network
- Local Planning Direction 7.1

7.2 Recommended supportable floorspace

Based on our assessment of the subject site, the potential trade area that could be served and the surrounding competitive environment for various uses under consideration we note the following:

- The existing supermarket offer in Wyee is too small to satisfy the demand generated by the primary trade area population, and there is no full-line supermarket within 8km of the subject site.
- Our assessment of supermarket potential indicates that a full-line store of around 3,800 sq.m would be supportable at the site and this type of anchor could support additional retail floorspace of 1,500 – 2,000 sq.m.
- There is an under-supply of childcare places in the primary sector of around 91 places, increasing to 124 by 2032.
- There is a massive under-supply of GPs in the surrounding MTA, meaning that a medical centre would be supportable at the subject site and help to service this major shortfall.
- There is an opportunity for additional gym facilities in the primary trade area (there is only 1 gym (at The Doylo) in the primary sector).

We note that the addition of a full-line supermarket based centre at the subject site would likely have trading impacts on the nearby B1 centre at Wyee. However, the community need at present, and indeed in the future with additional population coming on, will not be satisfied by a 1,100 sq.m Foodworks supermarket at Wyee Village.

Indeed, the primary trade area population generates demand for supermarket floorspace in excess of 3,000 sq.m itself, much of which escapes to centres beyond the primary sector, and this escape expenditure will grow further in the future.

Table 7.1 – Summary of floorspace potential

Land use type	Total area
<u>Retail</u>	
Supermarket	3,800
Retail	<u>1,500 - 2,000</u>
Total retail	5,300 - 5,800
<u>Non-retail/commercial</u>	
Childcare	1,000 - 1,200
Medical/allied health	500 - 800
Gym/fitness	1,000 - 1,500
Other commercial	<u>1,000 - 1,500</u>
Total non-retail	4,000 - 5,000
Total	9,300 - 10,800

Source: GapMaps

7.3 Estimated employment impacts

This subsection presents estimates of the expected employment levels to be generated by the proposed development. The methodology employed for estimating the potential number of new jobs at the center aligns with common practices in retail economic impact assessments. The aim is to offer a broad overview of the anticipated job creation resulting directly and indirectly from the development.

Table 7.2 outlines the employment projections for on-site positions upon completion of the proposed development. To estimate likely employment and potential impacts, we have made certain assumptions regarding the mix of uses and applied estimated employment ratios.

Based on the recommended proposed mix of uses we estimate that approximately 285 – 290 ongoing jobs could be supported post development and 115 additional jobs across the economy.

The proposed development is anticipated to generate numerous job opportunities in the construction sector and related industries throughout the construction phase, with additional multiplier-induced employment in supplier industries once the project is completed. Table 7.3 outlines estimates for both direct and indirect employment resulting from the construction phase of the proposed development.

Drawing upon the estimated construction costs of \$40 million, we project that approximately 150 - 160 direct jobs will be created during the construction period of the project. Furthermore, we estimate an additional 250 job opportunities could be created across the broader community, stemming from multiplier effects induced by suppliers during this period, as determined by appropriate ABS input/output multipliers. It's important to note that the jobs created encompass both full-time and part-time positions.

Table 7.2 – Estimated employment impacts

Land use type	Total area	Sq.m / job	Est. Jobs	Ratio	FTE Jobs
Retail					
Supermarket	3,800	30	127	80%	101
Retail	<u>1,500 - 2,000</u>	25	<u>60 - 80</u>	80%	<u>64</u>
Total retail	5,300 - 5,800		190 - 210		165
Non-retail/commercial					
Childcare	1,000 - 1,200	50	20 - 24	80%	19
Medical/allied health	500 - 800	30	17 - 27	85%	23
Gym/fitness	1,000 - 1,500	75	13 - 20	80%	16
Other commercial	<u>1,000 - 1,500</u>	20	<u>50 - 75</u>	85%	<u>64</u>
Total non-retail	4,000 - 5,000		100 - 145		122
Total	9,300 - 10,800		290 - 350		287

*FTE = full-time equivalent
Source: GapMaps

Table 7.3 – Est. construction employment impacts

Factor	Direct Jobs (long term)	Direct Jobs (const. period)	Multiplier Jobs	Total Jobs
On-site employment	287		115	402
Construction of project*		157	250	407

**Based on estimated construction costs of \$40 million

7.4 Economic and social impacts

In addition to the measurable employment impacts associated with the planning proposal, we note the following economic and social benefits of the proposal would likely be realised from the proposal:

Localised competition & increased choice

Residents in Wyee and immediate surrounds will have two options for supermarket purchases, Foodworks and Coles or Woolworths (as the new store will be a full-line format) and an increase of 3.5 times as much supermarket floorspace as which currently exists. Localised competition/choice should result in improved prices for end consumers and the increased range should contain many more supermarket trips within the local area versus the status quo.

Reduced kilometres travelled by trade are residents

Presently, and even with the development of the under construction Foodworks at Estrella, there will be no full-line Coles or Woolworths supermarket in northern Wagga Wagga. More than 95% of Australia adult shoppers shop at Coles or Woolworths over the course of a year. These are the dominant supermarket brands and provide a more comprehensive range of goods than small format (2,000 sq.m or less) stores. People will still travel into either of the two Woolworths stores or Coles in the Wagga Wagga CBD for supermarket trips even with the Foodworks store.

A new full-line supermarket will reduce the number of trips made in private vehicles from northern Wagga Wagga and further north. However, people will still utilise the CBD supermarkets as they will still be drawn into the CBD for work, appointments, higher order shopping trips, greater F&B options, specialist fresh food operators, Aldi etc and may also undertake Coles/Woolworths shops as part of these trips.

7.5 Economic impacts

Table 7.4 to the right presents an assessment of the potential trading impacts of the planning proposal, having regard specifically to impacts on surrounding centre zoned precincts. In assessing the economic impacts of the proposed development we undertake the following:

- Estimated the retail GLA across surrounding centres and specifically the supermarket GLA
- Estimated current sales (FY2023) generated by the surrounding centres, applying industry averages and having regards to the scale, mix and size/brands of the supermarket anchors
- Forecast sales growth by FY2027 (the assumed first year of trade of the new development) having regard to the future market growth surrounding these centres
- Estimated the likely sales generated by the proposed development in FY2027 at around \$48 million
- Estimated likely share of impacts absorbed by the surrounding competitive centres based on the current share of estimated retail sales and supermarket sales
- Estimated the proportion of sales those impacts equate to as a share of the estimated FY2027 sales, for each centre

In conclusion, we estimate the impacts to be distributed most significantly, to Morrissett, where the closest Coles and Woolworths are located to the north; Lake Munmorah, where the closest Woolworths is located to the east; and San Remo, where the closest supermarket is located to the south.

While the nearby Wyee B1 local centre is the closest supermarket based centre, the centre is only anchored by a 1,100 sq.m supermarket, which is around 1/3rd of the typical full-line supermarket and would only be capturing fraction of the available supermarket spending, with most leaving the immediate area to shop at Coles, Woolworths or Aldi.

Table 7.4 – Estimated trading impacts, 2026/27

Centre/Precinct	Est. Retail		Supermarket		Estimated Sales		2026/27		2026/27			Supermarket brands
	GLA (sq.m)	GLA (%)	GLA (sq.m)	GLA (%)	2023 (\$m)	2023 (%)	Without Dev'mt	With Dev'mt	Share of impact (%)	Est. impact (\$m)	Est. impact (%)	
Main trade area												
Wyee B1 centre	2,500	6%	1,100	6%	23	6%	24.8	21.3	7.5%	-4	-14%	Foodworks
Mannerang Park	600	1%	350	2%	6	2%	6.9	6.4	1.0%	0	-7%	Friendly Grocers
Lake Munmorah	5,000	12%	3,841	22%	62	17%	68.7	60.4	17.5%	-8	-12%	Woolworths
Aldi Lake Munmorah	1,500	4%	1,450	8%	17	5%	18.2	17.5	1.5%	-1	-4%	Aldi
San Remo*	6,500	16%	3,500	20%	52	14%	57.7	49.4	17.5%	-8	-14%	Coles
Morrisset	25,000	61%	7,014	41%	201	56%	221.9	201.7	42.5%	-20	-9%	Coles, WOW
Sub-total	41,100	100%	17,255	100%	361	100%	398.2	356.6	87.5%	-42	-10%	
Other									12.5%	-6		
Total									100.0%	-48		

*Includes North Lakes SC and other retail e.g. First Choice Liquor

Source: GapMaps, Central Coast Council, Lake Macquarie Council

7.5 Trading impacts (cont.)

Implications of estimated trading impacts – all centres

Generally, most of the impacts absorbed by surrounding centres are less than 10%. Impacts for San Remo and Lake Munmorah are around 12 - 14%, impacts which would be comfortably absorbed by these centres, which would be trading well above average given the significant under-supply in the broader region surrounding the subject site.

Implications of estimated trading impacts - Wyee

The nearby B1 Local Centre at Wyee is expected to both benefit from the increased residential dwellings planned for the subject site, but also absorb some trading impacts from the addition of new retail space provided.

To some extent, the planning proposal would form an extension to the western node of the Wyee B1 Local Centre, and this would increase activity/visitation to the immediate area. More persons would come to the area near the petrol station across Wyee Road and visit the nearby cafes.

The eastern node of the Wyee B1 Local Centre is estimated to absorb impacts of around 14%, which is considered to be an acceptable level of impact (less than 15%) and highly unlikely (negligible) to lead to the closure of the Foodworks anchor.

Because this store plays a small local top up role, with a community focus, it is likely to maintain a loyal customer base that will continue to use this store for many. Yes, there will be some loss of trade compared to a Do Nothing scenario but the new full-line supermarket proposed at the subject site will drive/support the future growth of the new residential development planned across the MTA (i.e. the population will support the existing Wyee local centre retailers/businesses).

7.6 Local Planning Direction 7.1

Local Planning Direction 7.1 outlines the following:

According to the NSW Department of Planning and Environment Local Planning Direction 7.1, a planning proposal must:

- (a) give effect to the objectives of this direction.
- (b) retain the areas and locations of Employment zones.
- (c) not reduce the total potential floor space area for employment uses and related public services in Employment Zones.
- (d) not reduce the total potential floor space area for industrial uses in E4, E5 and W4 zones.
- (e) ensure that proposed employment areas are in accordance with a strategy that is approved by the Planning Secretary.

Assessment against the objectives/criteria

- (a) This is implied in the assessment of the 5 objectives.
- (b) There is no planned changes to any defined Employment zone. The planning proposal seeks to rezone land from RU4 Primary Production Small Lots to E1 Local Centre. Indeed, the proposal will increase the area of Employment zones available in the LGA.
- (c) The planning proposal will not reduce the total potential floorspace area for employment uses and related public services in Employment Zones. The planning proposal seeks to rezone land from RU4 Primary Production Small Lots to E1 Local Centre. Indeed, the proposal will increase the area of Employment zones available in the LGA. As outlined in our analysis, the planning proposal does not remove any land from other zoned employment precincts across the LGA.
- (d) The planning proposal does not reduce E4, E5, W4 zones. The planning proposal seeks to rezone land from RU4 Primary Production Small Lots to E1 Local Centre. No E4, E5, W4 zones are affected.
- (e) According to the Hunter Regional Plan 2041 the subject site is located within an identified growth area, within proximity to the strategic centre of Morisset. Wye is identified as a supporting local centre, which forms part of the largest growth area in the Central Coast and Hunter as articulated in the following extract of the Plan: *"Morisset and the supporting local centres of Cooranbong and Wye represent the largest future growth area in the Central Coast and Hunter and will be a major point of connection between Greater Newcastle and Central Coast communities. Its future growth is important to both the Hunter and Central Coast"*. The Lake Macquarie Strategic Planning Statement (LSPS) identifies key areas of change and growth across Lake Macquarie, including the South-West Growth Area between Cooranbong, Morisset and Wye. This area is identified for potential growth to capitalise on the area's transport accessibility. The proposed rezoning of additional employment land at the subject site will support and drive the increased population in this area.

8. Conclusions

8.1 Conclusions

Based on our analysis, we consider that the planning proposal, should be approved give the significant positive economic and social benefits it would provide. We estimate any trading impacts on surrounding centres would be minor-moderate, but acceptable and not lead to a loss of any major anchor tenant in any existing centre and thus, no centre would be likely to suffer a major decline. There would be no loss of employment land beyond the site, and an increase in employment land at the subject site.

Economic need

There is a significant market gap for a full-line supermarket, supporting retail uses, medical centres/GPs, gyms/fitness facilities and childcare facilities within the trade area surrounding the subject site. These gaps would increase as the population across Wyee/Morrisset increases over the next 10 – 20 years. At present residents in Wyee need to travel to Lake Munmorah, Morrisset or San Remo to access full-line supermarket facilities.

Employment impacts

Based on the recommended proposed mix of uses we estimate that approximately 290 ongoing jobs could be supported post development and 115 jobs across the economy. We estimate 150 – 160 direct construction jobs could be created and around 250 additional jobs could be created across the broader economy due to supplier multiplier effects.

Economic and social impacts

The proposed development will lead to increased choice and competition and reduced travel times for residents living within the trade area surrounding the subject site.

Economic (trading) impacts

The proposed development is not expected to lead to any closure of major tenants anchoring any surrounding centres, with all estimated centre-level impacts expected to be below 15% of turnover that would otherwise have been achieved when the proposed development begins trading.

Local Planning Direction 7.1

There is no planned changes to any defined Employment zone. The planning proposal seeks to rezone land from RU4 Primary Production Small Lots to E1 Local Centre, increasing Employment zoned area available in the LGA.

The planning proposal will not reduce the total potential floorspace area for employment uses and related public services in Employment Zones. The planning proposal seeks to rezone land from RU4 Primary Production Small Lots to E1 Local Centre. Indeed, the proposal will increase the area of Employment zones available in the LGA. As outlined in our analysis, the planning proposal does not remove any land from other zoned employment precincts across the LGA.

The planning proposal does not reduce E4, E5, W4 zones. The planning proposal seeks to rezone land from RU4 Primary Production Small Lots to E1 Local Centre. No E4, E5, W4 zones are affected.

According to the Hunter Regional Plan 2041 the subject site is located within an identified growth area, within proximity to the strategic centre of Morrisset. Wyee is identified as a supporting local centre, which forms part of the largest growth area in the Central Coast and Hunter. The Lake Macquarie Strategic Planning Statement identifies key areas of change and growth across Lake Macquarie, including the South-West Growth Area between Cooranbong, Morrisset and Wyee. This area is identified for potential growth to capitalise on the area's transport accessibility. The proposed rezoning of additional employment land at the subject site will support and drive the increased population in this area.



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