193-199 ROCKY POINT ROAD, 66-68 RAMSGATE ROAD & 2-6 TARGO ROAD, RAMSGATE

ADDENDUM TO STRATEGIC POSITIONING PAPER (OCTOBER 2021)

June 2022

Prepared for Time & Place and Woolworths

OVERVIEW

INTRODUCTION

This is an Addendum to the Strategic Positioning Paper (October 2021) that was prepared by Urbis for 193-199 Rocky Point Road, 66-68 Ramsgate Road and 2-6 Targo Road, Ramsgate (the subject site).

This Addendum provides further analysis, to determine whether a full-line supermarket is appropriate at the subject site to cater for growing demand within the trade area.

For the purposes of this analysis, Urbis have adopted the definition of a full-line supermarket as being "supermarkets over 3,000 sq.m", as noted in the Georges River Economic Study 2019.

In this Addendum, Urbis has conducted the following analysis:

- A benchmarking analysis of full-line supermarket floorspace within the trade area;
- Further Human Movement Data analysis of trade area residents' visitation to various supermarkets and retail centres; and
- Analysis of ABS supermarket and grocery store retail turnover data for NSW to further understand the potential impacts of the proposed supermarket on the commercial viability of existing supermarkets.

The findings of these analyses are discussed further in this section of the Addendum.

KEY FINDINGS

There are currently **no full-line supermarkets** servicing the trade area, indicating a significant gap in the market.

The Georges River LGA provides 8.5 sq.m of full-line supermarket floorspace per 100 residents. This is **41% lower** than the Metro Sydney average and **54% lower** than the Australian average.

The existing small format supermarkets within the trade area **do not offer the breadth and depth of grocery items** required by residents. They must **leave the trade area** to complete a full grocery shop at retail centres with full-line supermarkets.

The proposed supermarket is expected to have **minimal impact on any one existing supermarket** frequented by residents of the trade area.

THERE IS AN UNDER PROVISION OF FULL-LINE SUPERMARKETS WITHIN THE TRADE AREA

The Urbis October 2021 report highlighted that there is currently an under provision of supermarket floorspace within the trade area. However, an even greater gap in the market exists for full-line supermarket floorspace. This is highlighted in the map overleaf, which shows the supply of full-line and small format supermarkets within and surrounding the trade area.

The chart below shows the provision of full-line supermarket floorspace within the trade area (2021 and 2025), relative to local, regional and national benchmarks.

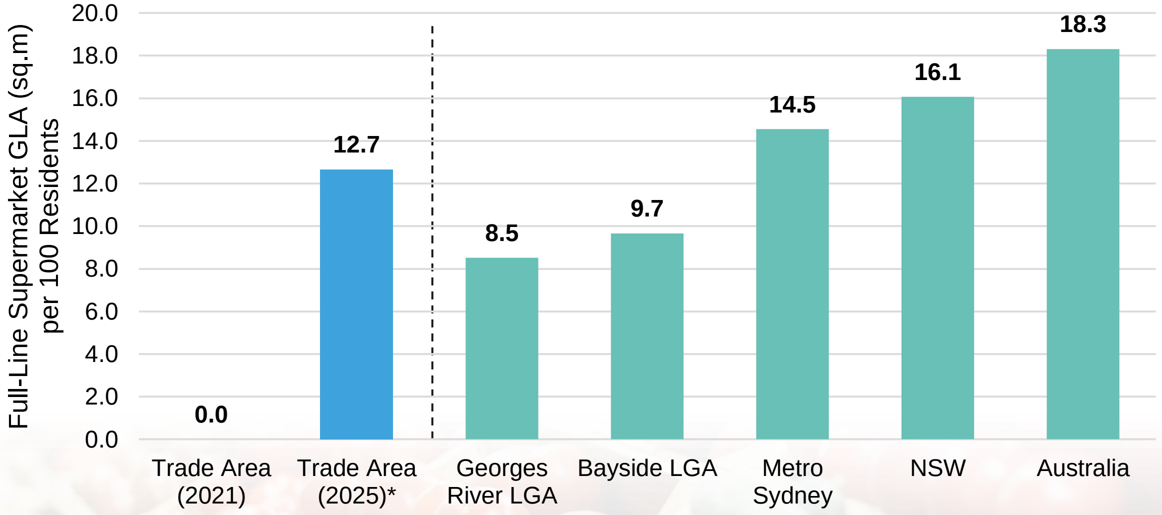
There are currently no full-line supermarkets servicing the trade area, indicating a significant gap in the market. Residents are constrained by only having access to small format supermarkets in the local area and must leave the trade area to complete a full grocery shop. The nearest full-line supermarkets are situated within the Hurstville and Rockdale retail centres (see map, overleaf).

Additionally, relative to the Metro Sydney and Australian benchmarks, the Georges River and Bayside LGAs are currently undersupplied in full-line supermarket floorspace. Specifically, the Georges River LGA provides 8.5 sq.m of full-line supermarket floorspace per 100 residents, which is 41% lower than the Metro Sydney average and 54% lower than the Australian average.

The introduction of an ~4,100 sq.m full-line supermarket at the subject site equates to approximately 12.7 sq.m of full-line supermarket floorspace per 100 residents by 2025. This would bring the trade area and Georges River LGA closer in line with regional and national benchmarks. This would also address the inadequate supply of full-line supermarket floorspace that currently exists within the trade area.

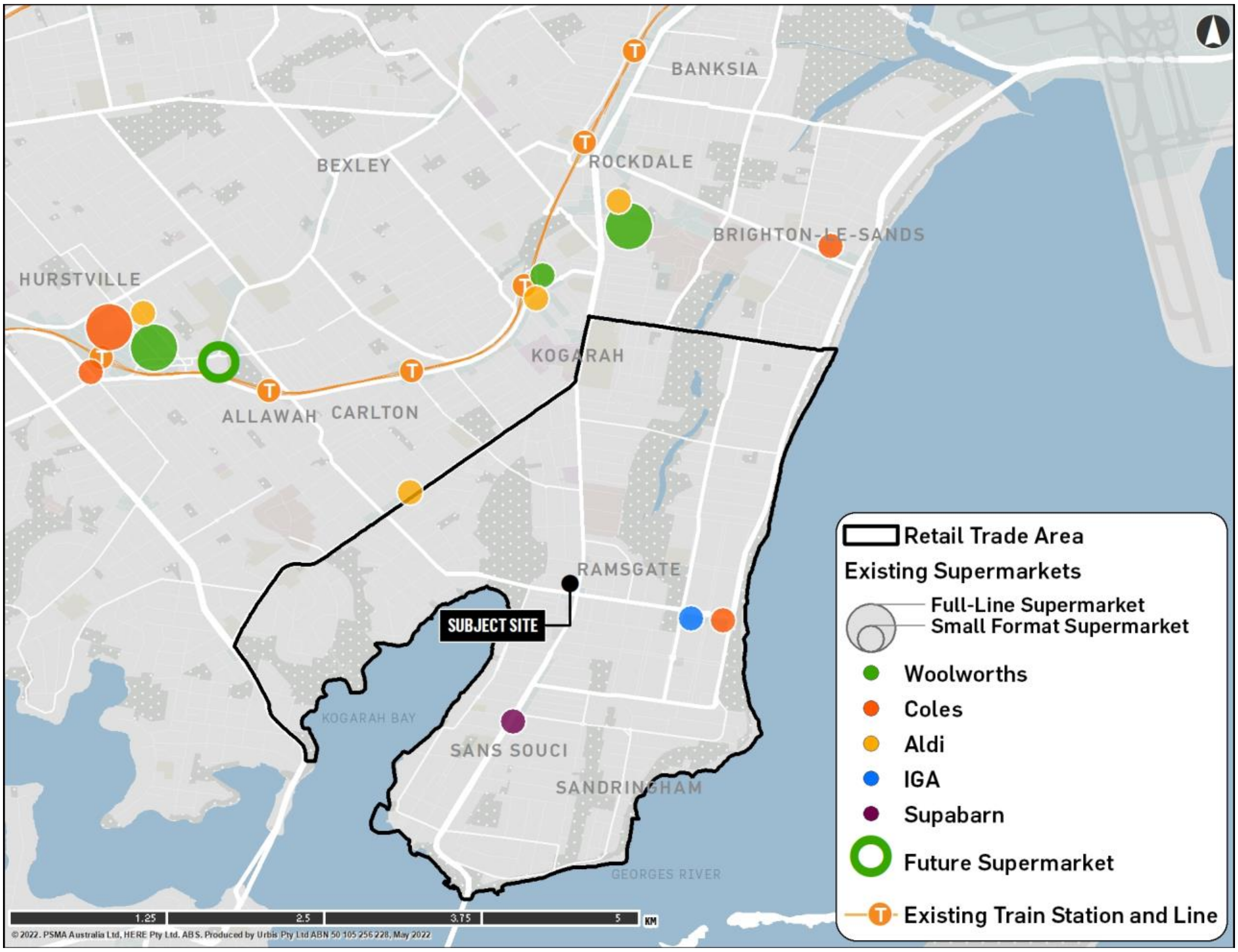
"Full-line supermarkets are increasingly anchoring smaller centres." – Georges River Economic Study, 2019

FULL-LINE SUPERMARKET FLOORSPACE PROVISION, 2021



Source: Urbis
NB: Trade Area (2026) assumes future population growth with Status Quo provision. Trade Area (2026) assumes the proposed supermarket at the subject site will begin trading in 2026.

THERE IS AN UNDER PROVISION OF FULL-LINE SUPERMARKETS WITHIN THE TRADE AREA



EXISTING AND FUTURE SUPERMARKET SUPPLY

	SUPERMARKET	DISTANCE FROM SUBJECT SITE (KM)	TYPE
Within Trade Area (4)	Coles Ramsgate Beach	1.0	Small Format
	IGA Ramsgate Beach	1.0	Small Format
	Supabarn Sans Souci	1.9	Small Format
	Aldi Carlton	2.2	Small Format
Beyond Trade Area (10)	Woolworths Kogarah	2.5	Small Format
	ALDI Kogarah	2.5	Small Format
	Woolworths Rockdale	3.2	Full-Line
	ALDI Rockdale	3.2	Small Format
	Woolworths Beyond Hurstville (Proposed)	4.2	Full-Line
	Coles Hurstville Central	4.3	Small Format
	Woolworths Hurstville	4.4	Full-Line
	Coles Brighton-Le-Sands	4.4	Small Format
	Coles Westfield Hurstville	4.5	Full-Line
	ALDI Hurstville	4.5	Small Format
	Total (14)		

CONVENIENCE IS NOT A PERFECT SUBSTITUTE FOR COMPREHENSIVENESS

Small format supermarkets can cater for the top up convenience shopping needs of trade area residents. However, Human Movement Data (HMD) shows that shoppers still leave the trade area to complete their full grocery shop. Full-line supermarkets are able to stock a wider array of grocery items than small format supermarkets. Thereby, a gap in the market exists for this more comprehensive offering within the trade area.

The chart below shows that around 1 in 2 trade area residents have visited Westfield Hurstville or Rockdale Plaza in the past year. This is a significantly higher proportion of visitation by trade area residents than visitors to Supabarn Sans Souci (1 in 3), Coles Ramsgate (1 in 4) or IGA Ramsgate (1 in 10).

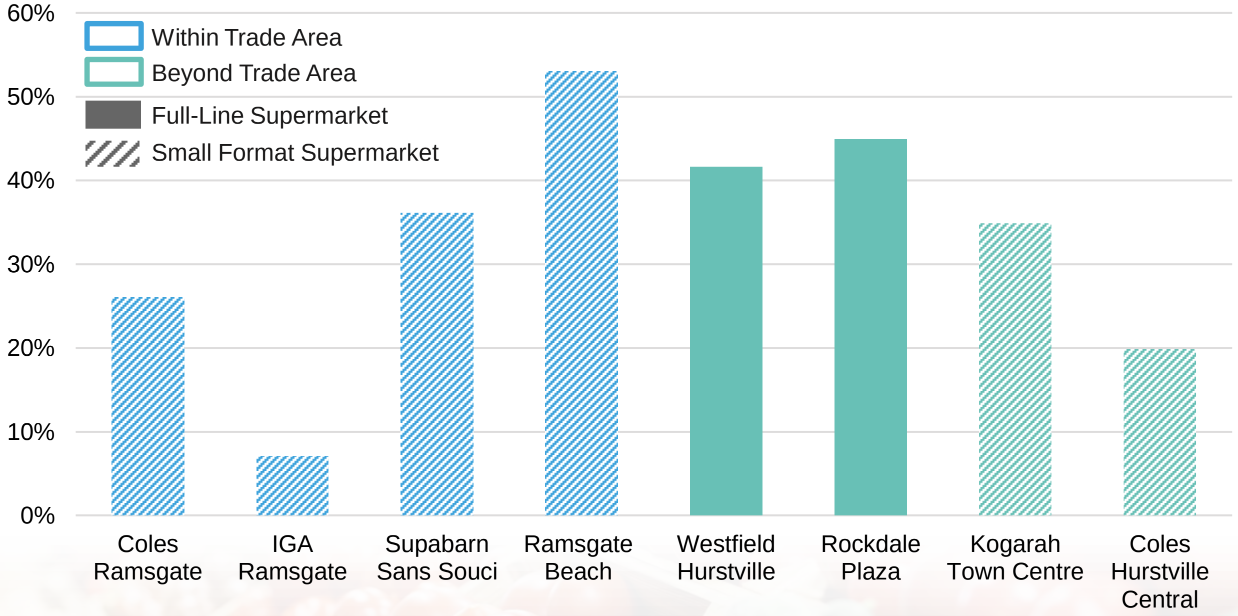
The chart also shows that retail centres with small format supermarkets, such as Kogarah Town Centre or Hurstville Central, do not attract the same level of visitation from trade area residents.

Westfield Hurstville and Rockdale Plaza both feature full-line supermarkets, allowing shoppers to fulfill all their grocery shopping needs, which cannot be achieved at a small format supermarket.

The small format supermarkets currently within the trade area are not an adequate substitute for the comprehensive offering of a full-line supermarket. The absence of a full-line supermarket within the trade area diverts shoppers to seek this beyond the trade area.

The existing small format supermarkets within the trade area do not offer the breadth and depth of grocery items required by residents. They must leave the trade area to complete a full grocery shop at retail centres with full-line supermarkets.

SHARE OF TRADE AREA SHOPPERS WHO VISITED IN THE PREVIOUS 12 MONTHS



Source: Ubermedia Urbis

THE PROPOSED SUPERMARKET WILL NOT IMPACT THE COMMERCIAL VIABILITY OF ANY ONE COMPETING SUPERMARKET

The impacts of the proposed supermarket at the subject site will be distributed across a broad area, rather than a single supermarket or retail centre. This includes supermarkets both inside and outside of the trade area. The impact is not expected to be material enough to undermine the viability of any supermarket that would have otherwise been viable in the absence of the proposed supermarket.

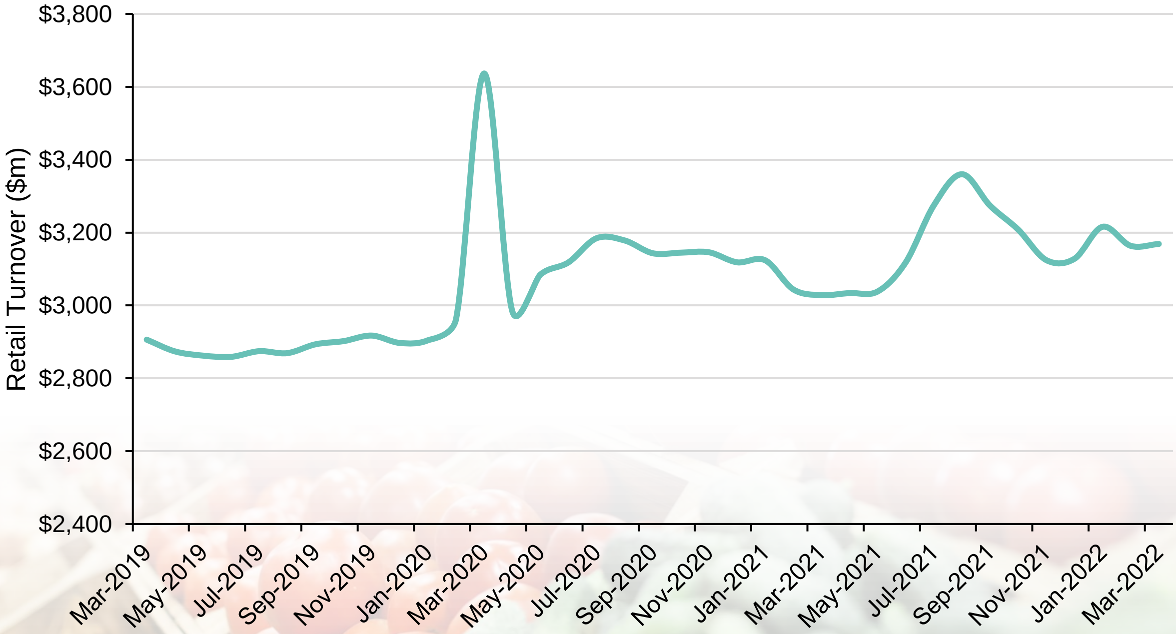
To reiterate, the turnover impacts presented in the Urbis October 2021 report are impacts generated by trade area residents. Any turnover generated from outside the trade area will be virtually unaffected. For example, an existing store in Sans Souci may currently be attracting 60% of their turnover from the Ramsgate trade area residents. The remaining 40% of their turnover that comes from outside of the Ramsgate trade area residents will be largely unaffected. Any impacts presented in the main report apply only to retail spend from within the trade area.

The proposed supermarket is expected to have minimal impact on any one existing supermarket frequented by residents of the trade area. This is especially true, given the observed market growth in recent years, as well as future growth, which will increase the market available to all existing operators.

In fact, supermarkets within and surrounding the trade area have likely performed highly throughout COVID-19. The chart below shows the growth in retail turnover for supermarket and grocery stores in NSW over the past three years. Retail turnover has traded significantly above pre-pandemic levels since March 2020. As at March 2022, retail turnover was 7% higher than in February 2020, recording $3.17 billion across NSW.

Another consideration of importance is the net effect of a development on the overall role of the centre, and the range of goods and services available to the community. While some supermarkets may experience a transfer of trade, the proposed supermarket will improve the overall range of goods and services available to the community. It will act as an activity generator and anchor that will attract customers to the Ramsgate town centre, benefiting all surrounding businesses.

SUPERMARKET AND GROCERY STORES TURNOVER, NSW (MARCH 2019 – MARCH 2022)



Source: ABS; Urbis

DISCLAIMER

This report is dated **June 2022** and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (Urbis) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of **Time & Place** and **Woolworths** (Instructing Party) for the purpose of an **Addendum to Strategic Positioning Paper (2021)** (Purpose) and not for any other purpose or use. Urbis expressly disclaims any liability to the Instructing Party who relies or purports to rely on this report for any purpose other than the Purpose and to any party other than the Instructing Party who relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events including wars, civil unrest, economic disruption, financial market disruption, business cycles, industrial disputes, labour difficulties, political action and changes of government or law, the likelihood and effects of which are not capable of precise assessment.

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

Urbis has made all reasonable inquiries that it believes is necessary in preparing this report but it cannot be certain that all information material to the preparation of this report has been provided to it as there may be information that is not publicly available at the time of its inquiry.

In preparing this report, Urbis may rely on or refer to documents in a language other than English which Urbis will procure the translation of into English. Urbis is not responsible for the accuracy or completeness of such translations and to the extent that the inaccurate or incomplete translation of any document results in any statement or opinion made in this report being inaccurate or incomplete, Urbis expressly disclaims any liability for that inaccuracy or incompleteness.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading bearing in mind the necessary limitations noted in the previous paragraphs. Further, no responsibility is accepted by Urbis or any of its officers or employees for any errors, including errors in data which is either supplied by the Instructing Party, supplied by a third party to Urbis, or which Urbis is required to estimate, or omissions howsoever arising in the preparation of this report, provided that this will not absolve Urbis from liability arising from an opinion expressed recklessly or in bad faith.

PLEASE NOTE OUR FURTHER DISCLAIMER IN RELATION TO COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION ON THE FOLLOWING PAGE OF THIS REPORT.

Urbis staff responsible for this report were:

Director	Princess Ventura
Consultant	To Tran Thai

Urbis acknowledges the important contribution that Aboriginal and Torres Strait Islander people make in creating a strong and vibrant Australian society.

We acknowledge, in each of our offices, the Traditional Owners on whose land we stand.

URBIS