Eastern suburbs economic profile

Presentation prepared for Woollahra Council

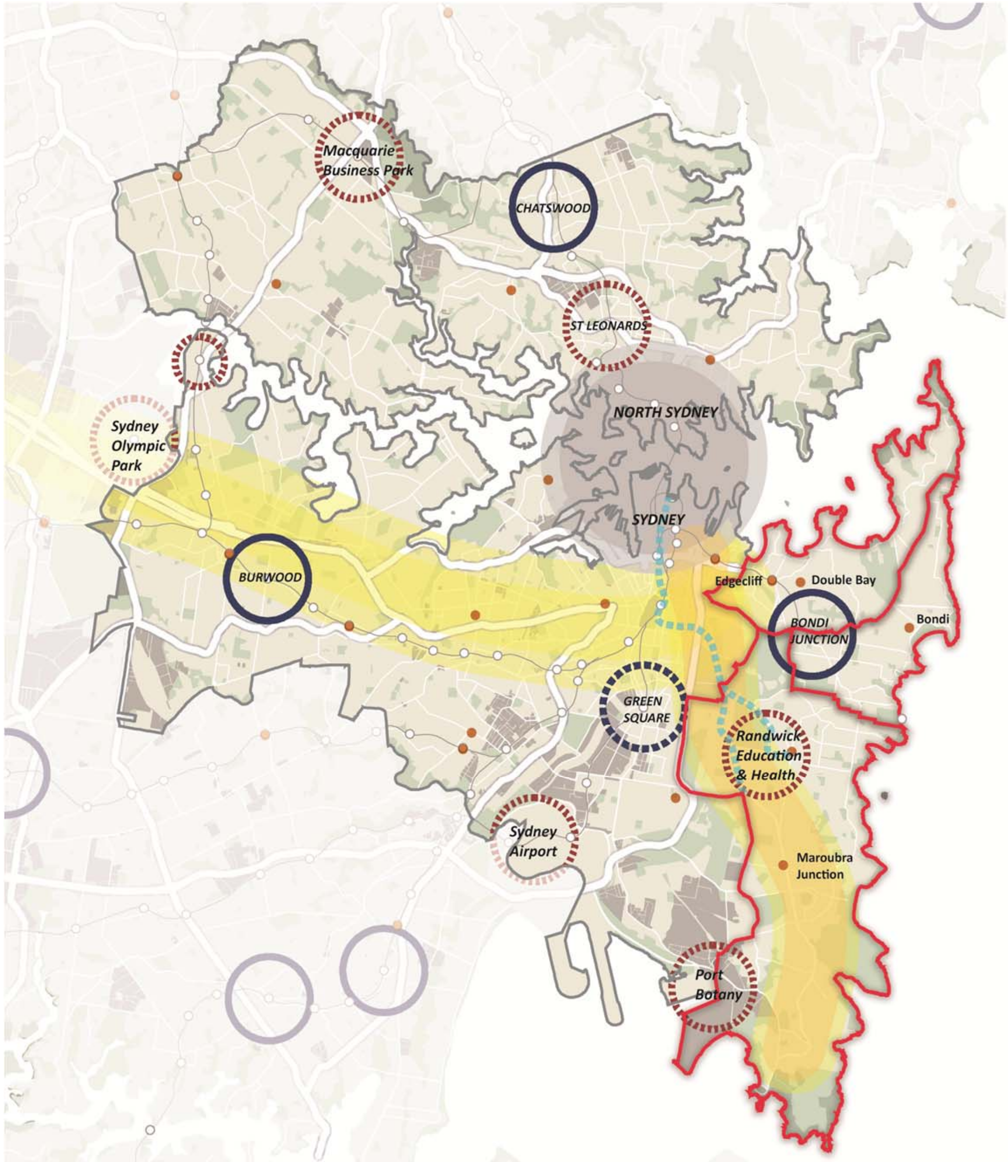
24 March 2014

Independent insight.

Independent insight.

Outline

- Broad trends and drivers – retail, ageing population and tourism
- Economic profile for Eastern Suburbs
- Five centres in Woollahra LGA
- Employment and retail forecasts
- Key findings and directions for Woollahra LGA
- Next steps



Structural elements for Central Subregion

Subregional Plannnig

- Global Sydney
- Major Centres
- Planned Major Centres
- Specialised Centres
- Town Centres

Transport

- Recommended Light Rail Route
- Anzac Parade Corridor
- Parramatta Road Corridor
- Rail network

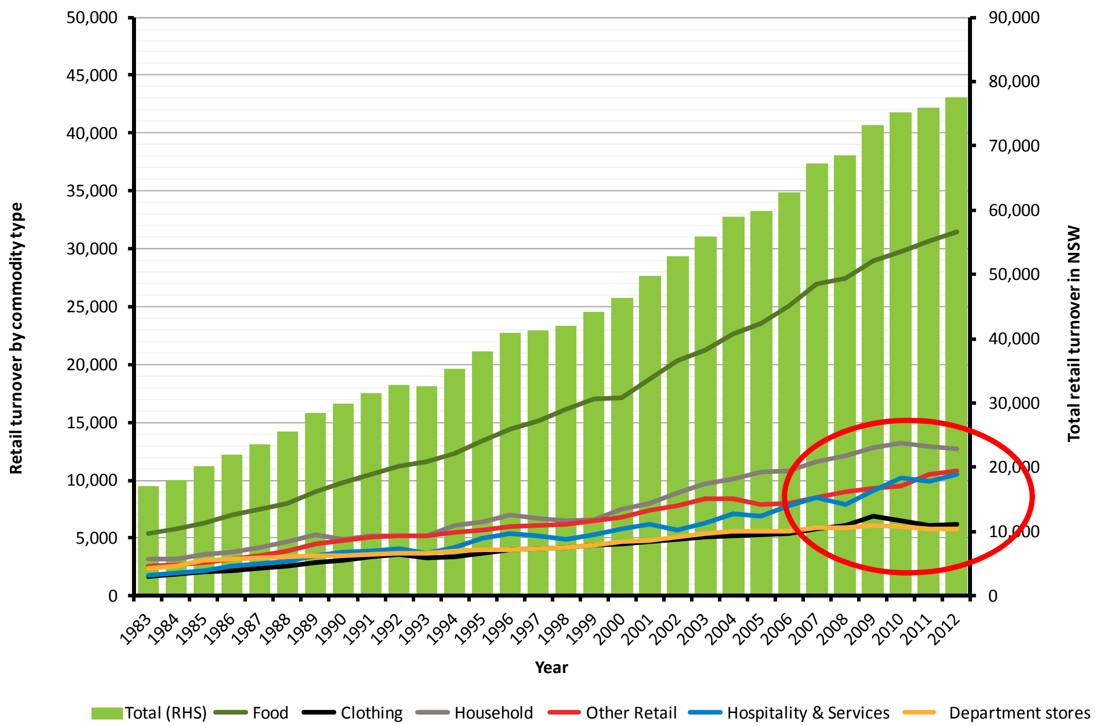
Urban & Environment

- Parklands / Open spaces
- Industrial zoned lands

Trends and drivers

Retail landscape is changing…..

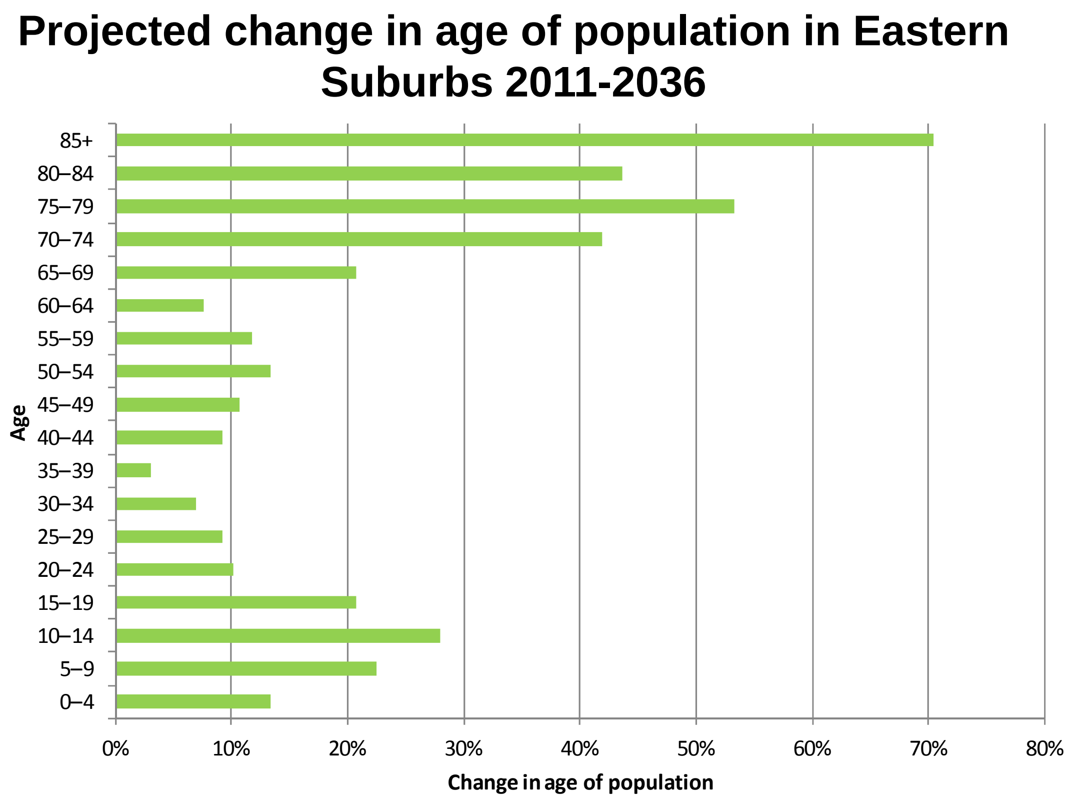
NSW retail expenditure trends by submarket type, $million



Source: SGS Economics and Planning, 2013 using Australian Bureau of Statistics, 2013 (Catalogue 8501.0 Retail Trade)

- Shift towards longer trading hours
- Increasing pressure for out-of-centre developments
- Changing character and function of centres, e.g. 'eat-streets', cafe precincts, fresh food centres, etc.
- An increasing move towards online retailing
- A weakening of the growth in sales since the GFC

Population is ageing….



- The population aged above 65 in Eastern Suburbs are projected to grow by 40%
- An increasing trend towards ageing in place
  - ↑ % of retirees living in Woollahra
  - ↓ local workforce
  - ↑ demand for heath-related services
  - ↓ job self sufficiency

Source: Adapted from Department of Planning and Infrastructure, 2013 (Population projections by LGA by age).

Independent insight.

Tourism

Source: Destination NSW, 2013

Key Attractions

- Bondi Beach
- Centennial Parklands
- Watsons Bay
- Doyles on the Beach
- Bondi Markets
- Bondi to Coogee coastal walk
- Shopping in Double Bay
- Icebergs Dining Room and Bar
- Learn to Surf
- Marine Discovery Centre
- Botany Bay National Park
- Wylies Baths
- Ritz Theatre
- Centennial Park Equestrian Centre
- Sydney Cricket Ground Museum

- The Eastern Suburbs is a key tourist location
- The number of accommodation establishments has been declining
- 2014/15 InterContinental to open in Double Bay

Economic profile

Demographics

Indicator	Randwick	Waverley	Woollahra	Eastern Suburbs
Estimated resident population, 2011	137,757	68,567	56,324	262,648
Projected population growth, 2011-31	33,500	11,600	11,400	56,500
Average annual increase (%)	1.1	0.8	0.9	1.0
Average age, 2011 (yrs)	37.4	37.3	39.9	37.9
Age: < 15 (%)	14.6	14.8	14.9	14.7
15-64 (%)	72.4	73.3	69.1	71.9
65+ (%)	13.0	11.8	16.0	13.3

Source: Randwick City Council, 2013; Department of Planning and Infrastructure, 2013

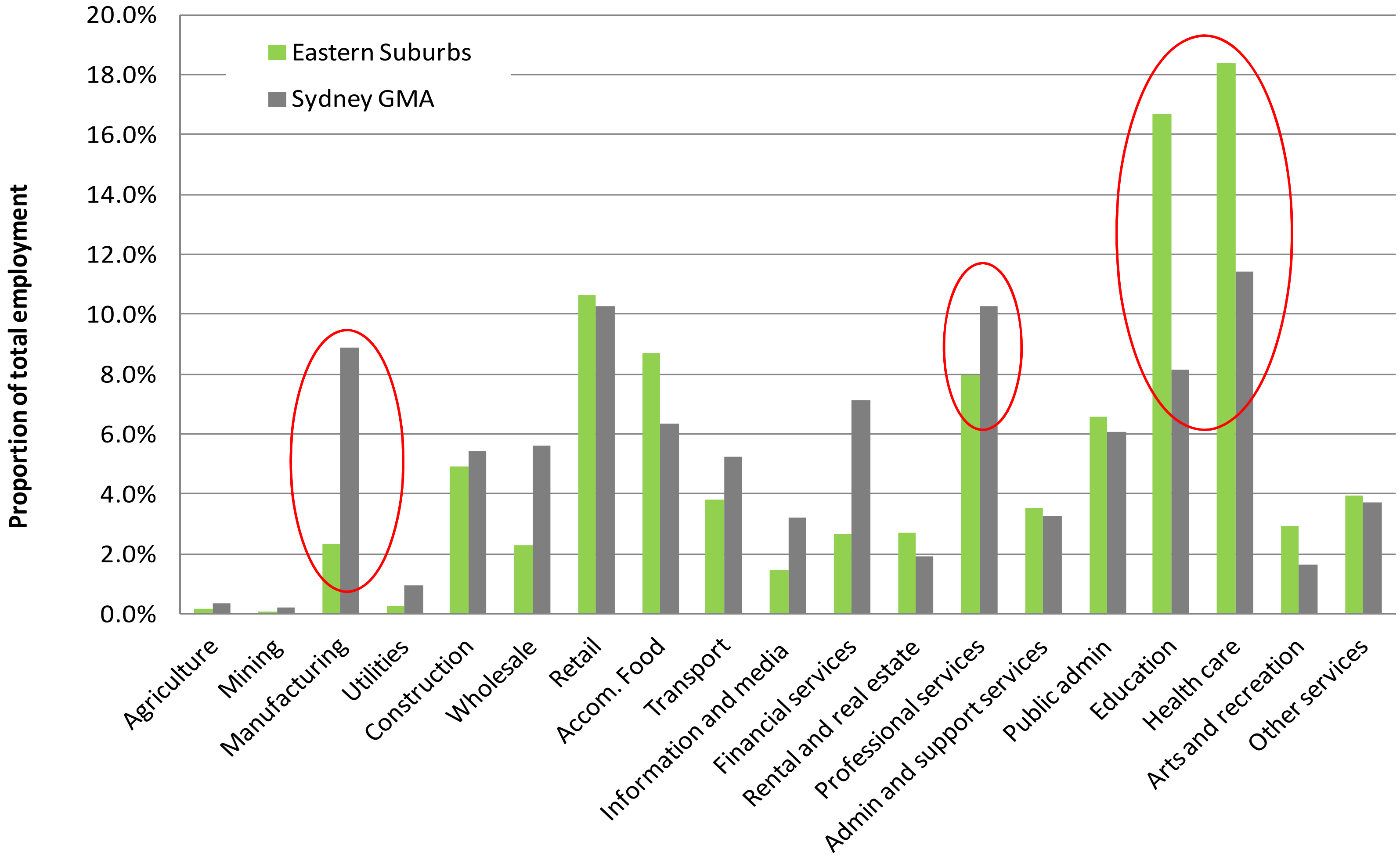
Employment, labour force and housing

Indicator	Period	Randwick	Waverley	Woollahra	Eastern Suburbs
Labour force (persons)	December Quarter 2012	78,799	39,733	32,925	151,457
Employed persons (estimated)	December Quarter 2012	75,764	38,506	32,213	146,483
Unemployment rate (%)	December Quarter 2012	3.9	3.1	2.2	3.3%
Participation rate (%)	December Quarter 2012	66.9	67.9	68.6	
Median weekly income ($, persons aged 15 and over)	2011	718	973	1149	869
Median dwelling sale price ($)	June Quarter 2013	775,000	850,000	1,196,000	
Median weekly rent for two bedroom dwellings ($)	September Quarter 2013	550	635	630	

Source: Randwick City Council, 2013; ABS Census, 2011; Department of Housing NSW, 2013

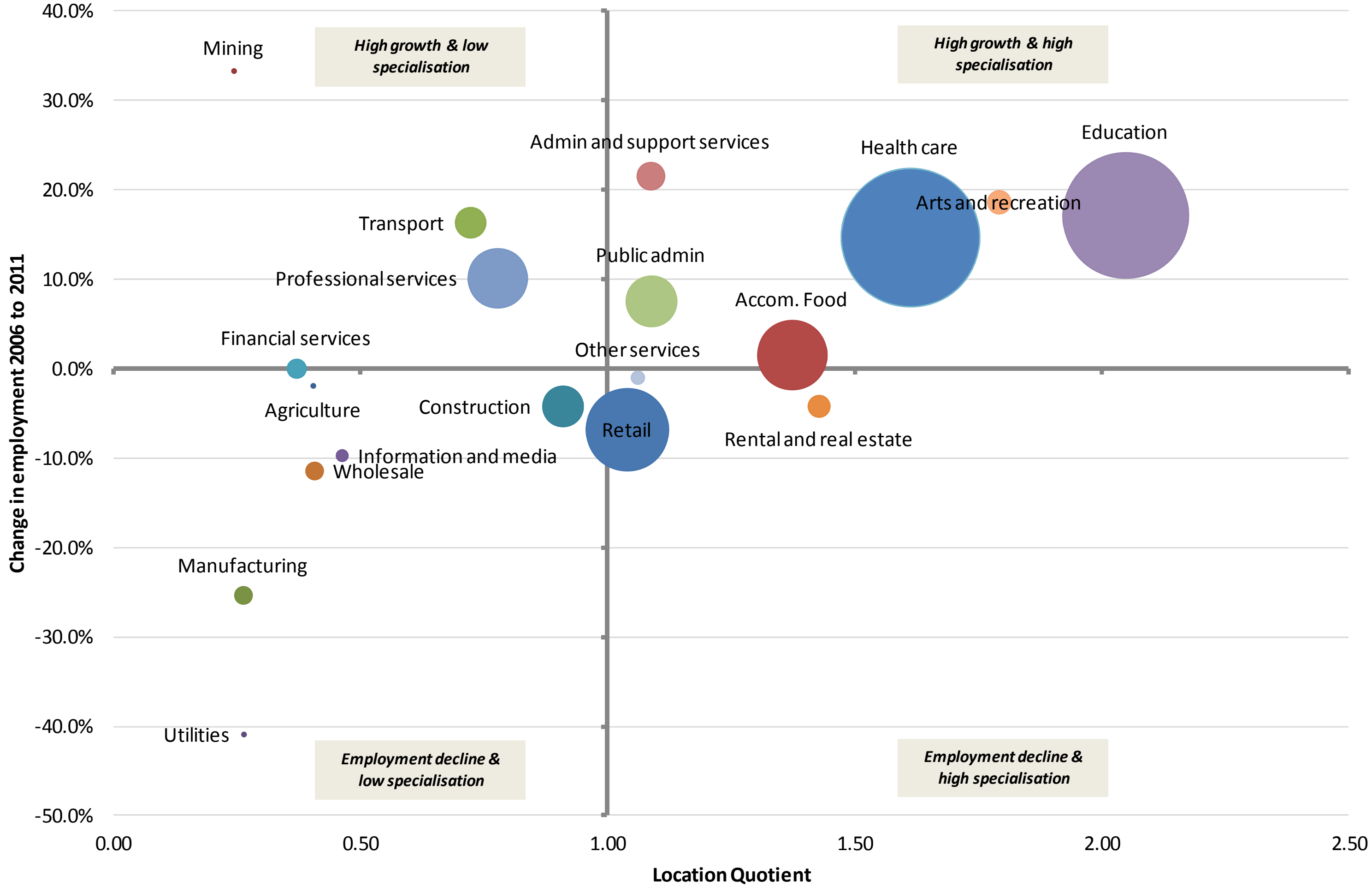
Independent insight.

Proportion of jobs by industry in Eastern Suburbs compared to Sydney GMA



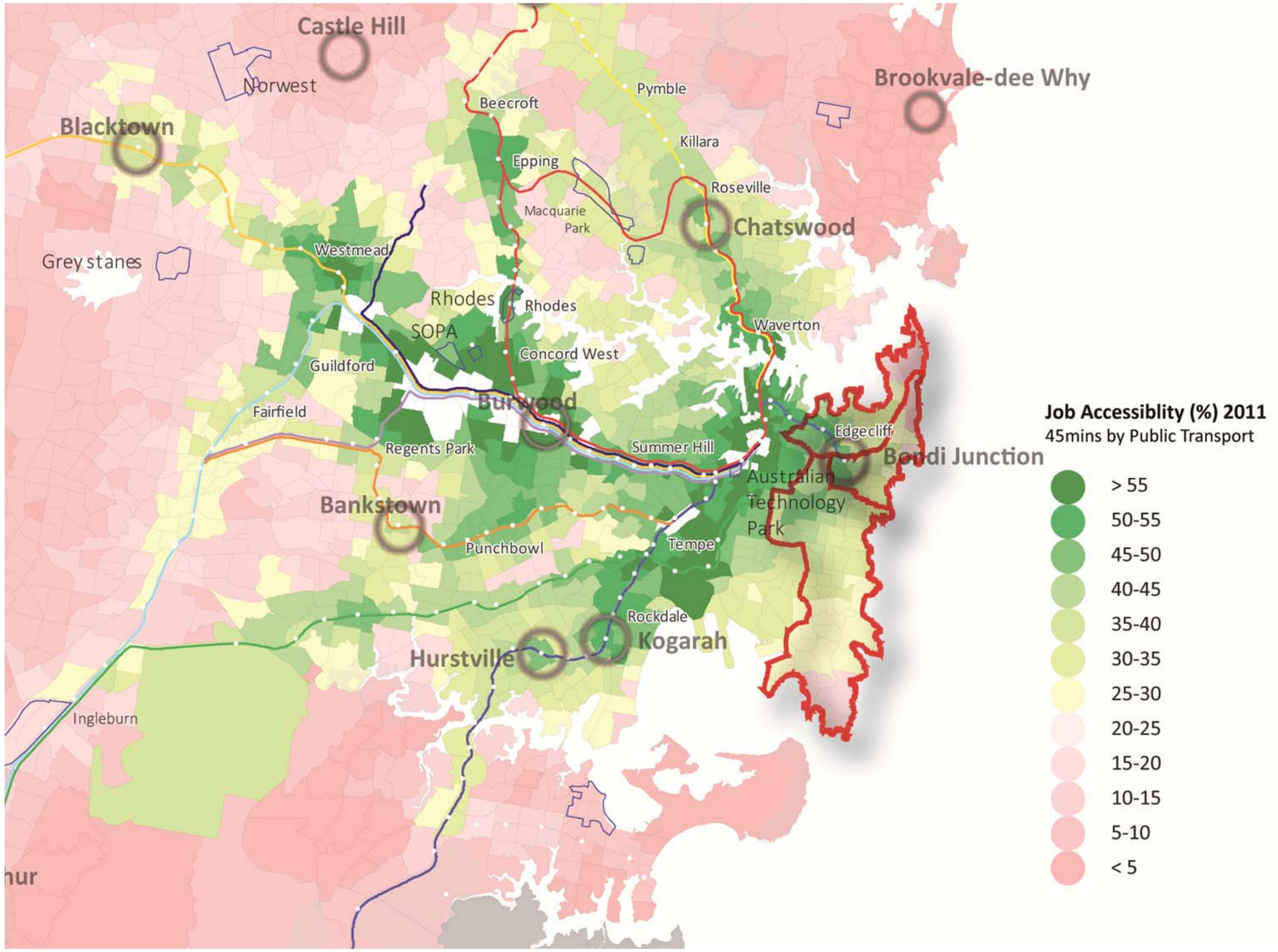
Independent insight.

Growth share analysis for eastern suburbs compared to Sydney GMA



A Location Quotient (LQ) is calculated by dividing the proportion of local jobs within a particular industry by the proportion of jobs within that industry in a benchmark area.

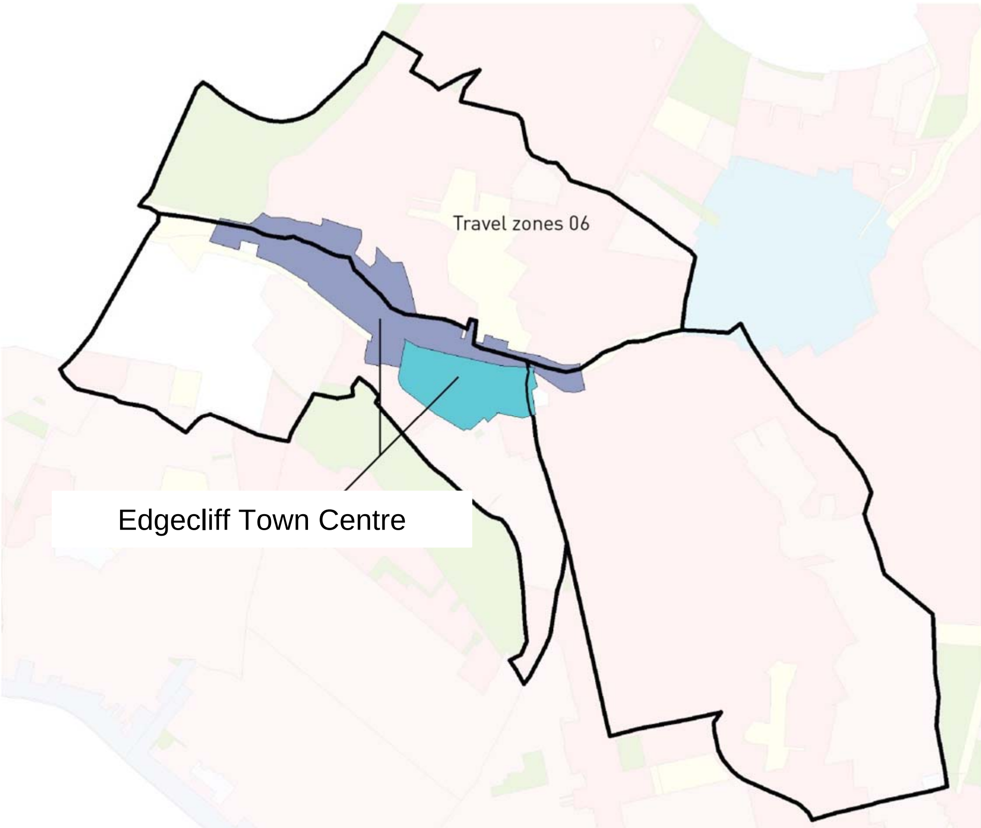
% of jobs in Sydney accessible within 45 mins by public transport



Precinct Profile

Methods

Travel zones vs. precinct area



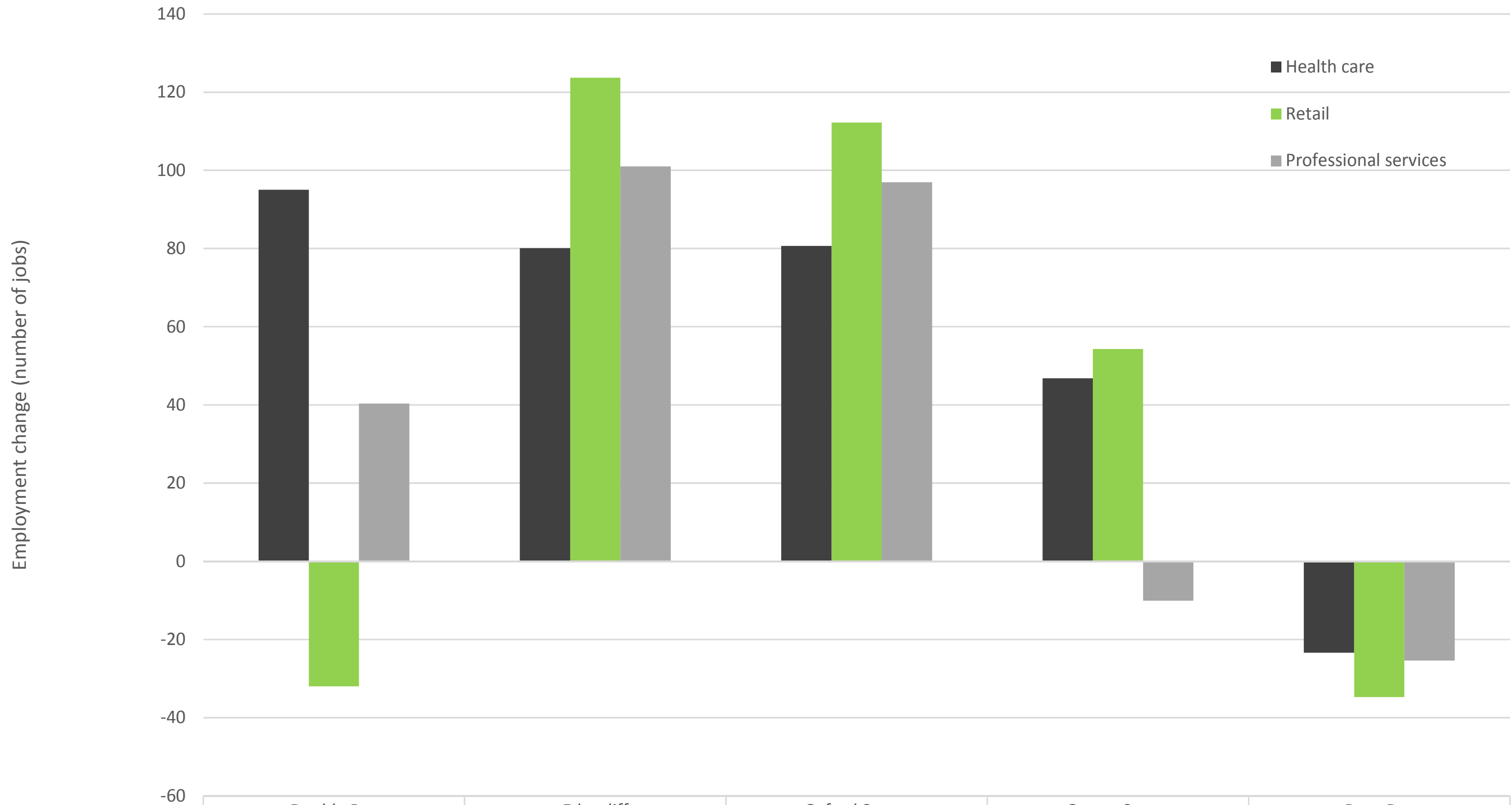
- Completed an on-foot land audit for Oxford St and Double Bay and recorded
  - current floorspace
  - vacancies
  - land use types
- Estimated the change in employment by industry from 2006-11 using the Bureau of Transport Statistics *Travel Zone* Level Data.

Floorspace mix

Description	Double Bay		Oxford St	
Retail uses	**sqm**	**% of total**	**sqm**	**% of total**
Supermarket	1,672	2%	124	0%
Other Super	450	1%	213	0%
Other Food	793	1%	768	1%
Departmental Stores				
Discounted Department				
Restaurants & Cafes	7,579	9%	7,729	8%
Clothing and Footwear	8,935	10%	15,124	16%
Household Goods	1,334	2%	2,754	3%
Other Retail	2,706	3%	5,775	6%
Total retail	**23,469**	**27%**	**32,488**	**34%**
Non-retail uses				
Offices	21,874	25%	25,880	27%
Light Service Industrial				
Local Health and Education	3,092	3%	3,719	4%
Dispersed Local (e.g. cinemas)	2,112	2%	17,088	18%
Service Retail	10,745	12%	6,406	7%
Total non-retail	**37,823**	**43%**	**53,092**	**56%**
Other				
Vacant**	**11,248**	**13%**	**8,329**	**9%**
Under Construction*	16,000	18%	908	1%
Total Other	27,248	31%	9,236	10%
Grand Total	**88,541**	**100%**	**94,816**	**100%**

Source: SGS, 2013.
*Note Double Bay under construction floorspace has been adjusted to reflect council's recommended figures.
**Note: Double bay vacancy rate reflects vacant building floorspace at the time of audit in June 2013

Employment growth by precinct 2006-11



	Double Bay	Edgecliff	Oxford Street	Queen Street	Rose Bay
Health care	95	80	81	47	-23
Retail	-32	124	112	54	-35
Professional services	40	101	97	-10	-25

Employment precincts

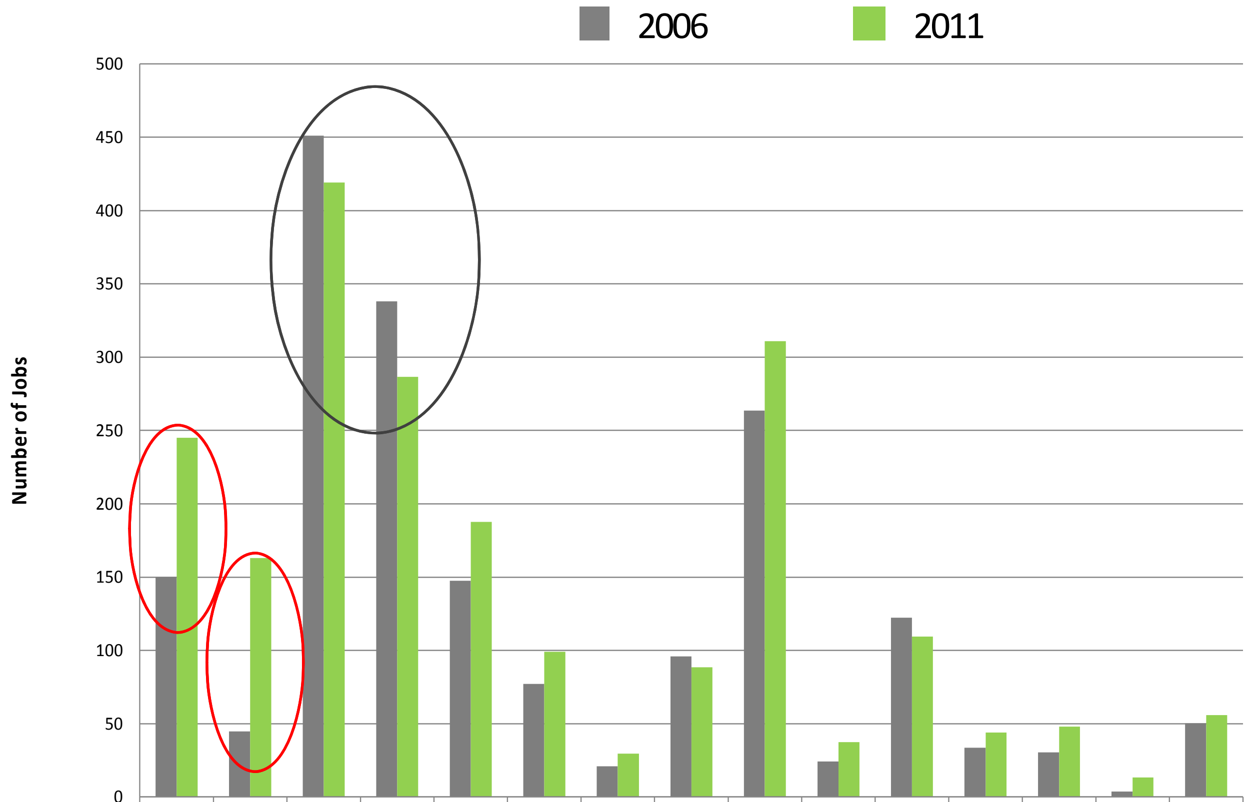
Source: SGS calculations based on the small area employment data, 2013.
Note: Only 3 industries are included.

Double Bay - Town Centre

- Clear footwear and clothing precinct in the north-west of the centre
- Around 22,000 sqm office floorspace in the precinct
- Major industries experienced declines in employment from 2006-11

Double Bay - Town Centre

EMPLOYMENT BY INDUSTRY, DOUBLE BAY 2006-2011



	Health care	Education	Retail	Accom. Food	Profess-ional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Trans-port	Whole-sale
Double Bay - 2006	150	45	451	338	147	77	21	96	263	24	122	34	30	4	50
Double Bay - 2011	245	163	419	287	188	99	30	89	311	37	109	44	48	13	56

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

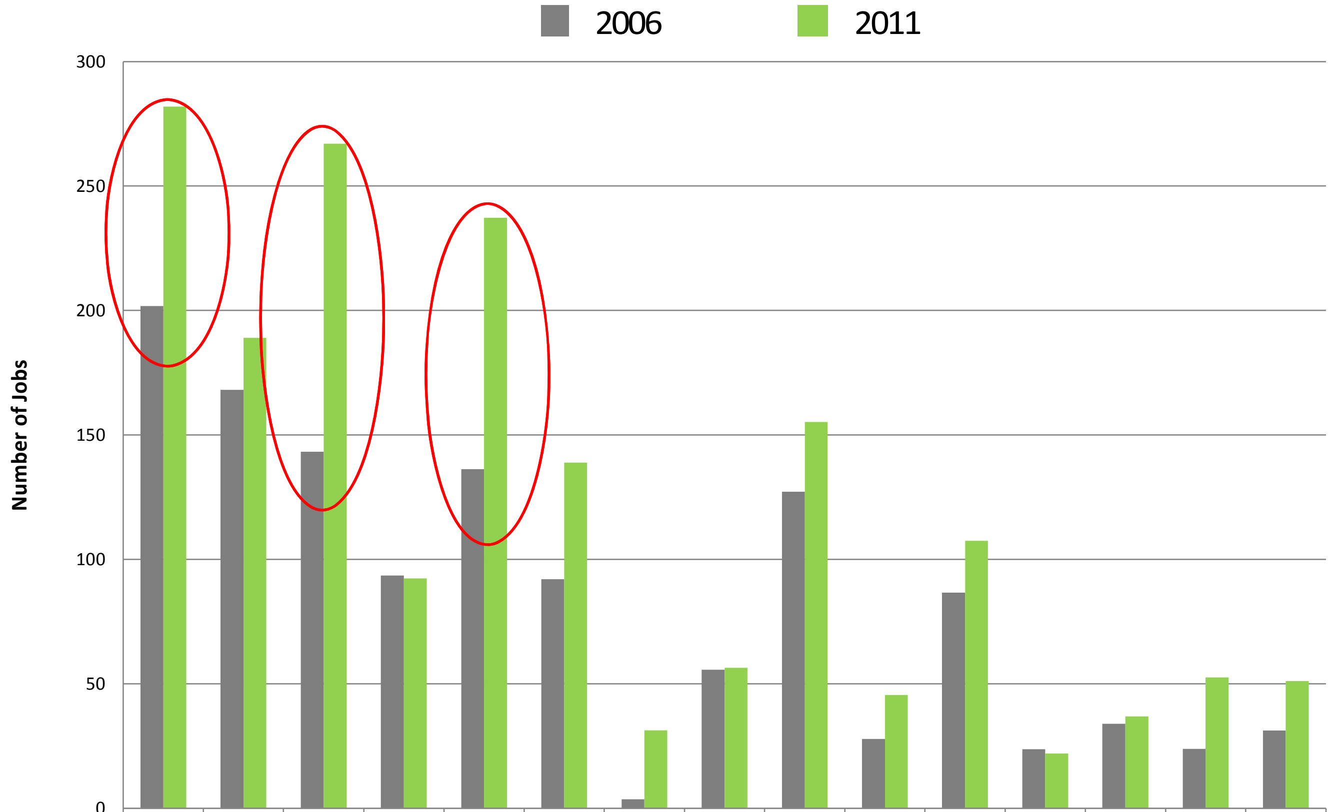
Edgecliff - Town Centre

- Retail and commercial uses concentrated around the railway station
- Concentration of health, professional services and retail jobs
- These major industries experienced significant growth from 2006-11

Independent insight.

Edgecliff - Town Centre

EMPLOYMENT BY INDUSTRY, EDGECLIFF 2006-2011

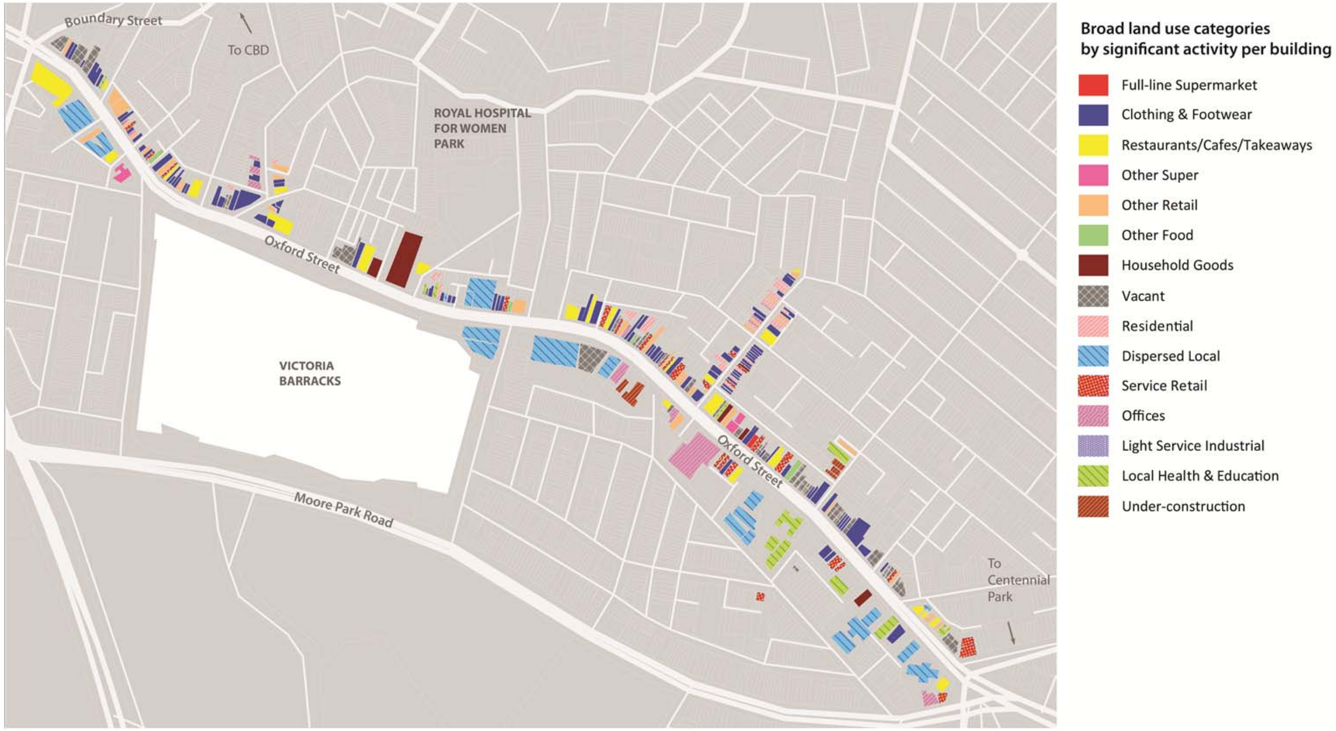


	Health care	Education	Retail	Accom. Food	Profess-ional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Trans-port	Whole-sale
Edgecliff - 2006	202	168	143	94	136	92	4	56	127	28	87	24	34	24	31
Edgecliff - 2011	282	189	267	92	237	139	31	56	155	46	108	22	37	53	51

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

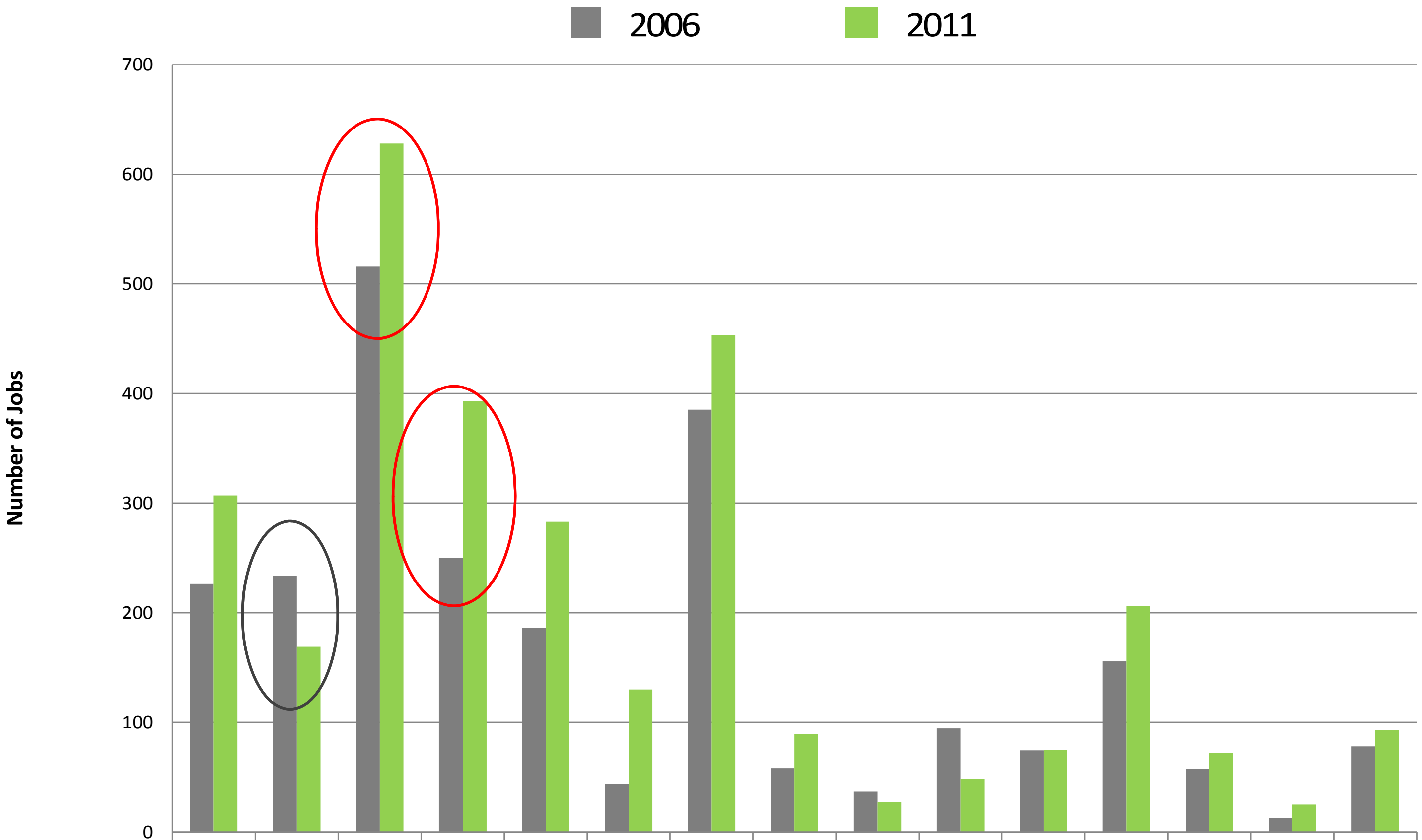
Oxford Street, Paddington - Village Centre

- One of the best known retail strip in Sydney - 3 km south east of the CBD
- Clusters of clothing and footwear retailing at both ends
- The largest employment growth in retail and accom. & food from 2006-11



Oxford Street, Paddington - Village Centre

EMPLOYMENT BY INDUSTRY, OXFORD STREET 2006-2011



	Health care	Education	Retail	Accom. Food	Profess-ional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Trans-port	Whole-sale
Oxford Street - 2006	226	234	516	250	186	44	385	58	37	94	74	155	58	13	78
Oxford Street - 2011	307	169	628	393	283	130	453	89	27	48	75	206	72	25	93

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

Independent insight.

Rose Bay - Village Centre

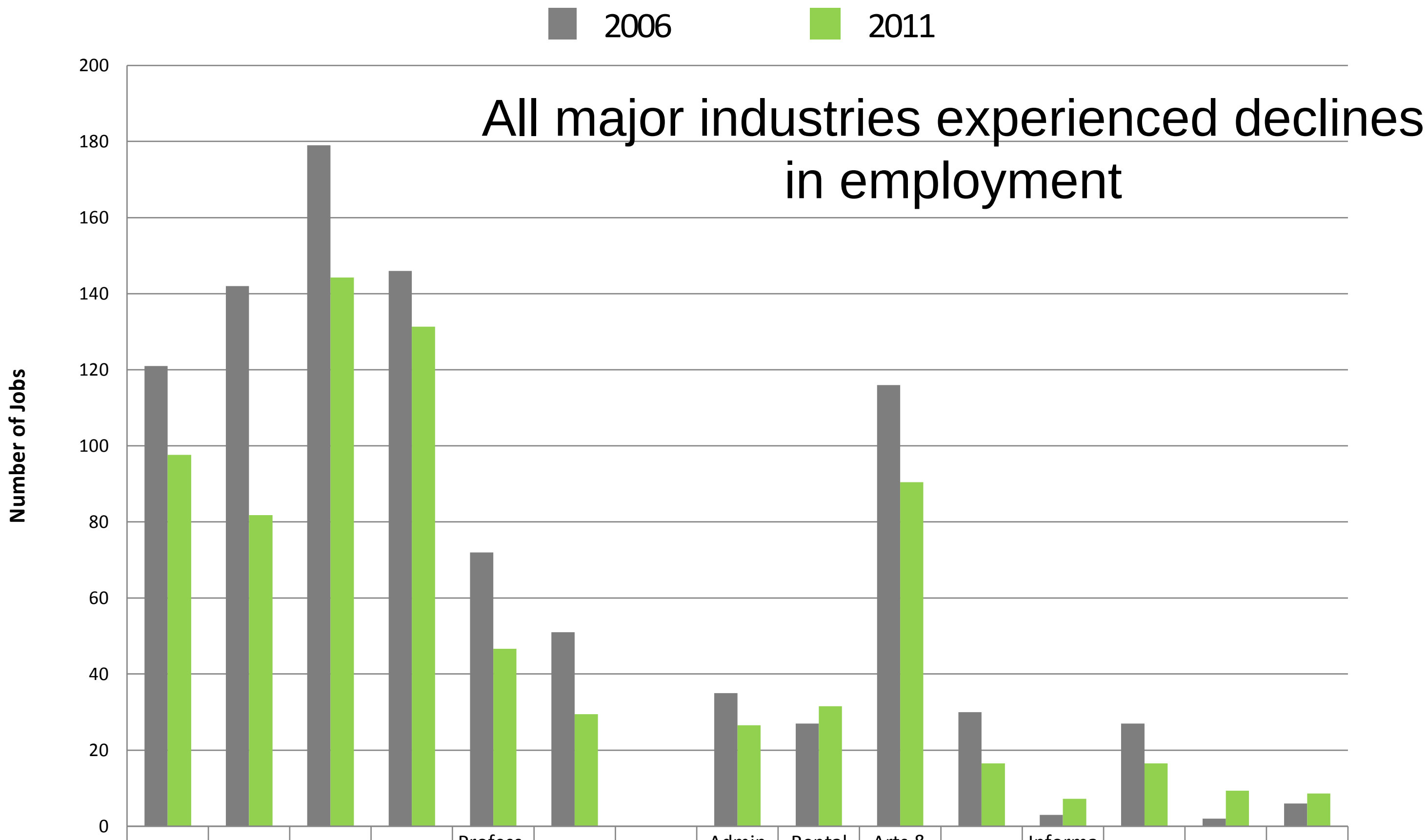
- A village located along New South Head Road
- Key industries include retail, health, accom. & food services and professional services
- All above experienced declines in employment, *except* real estate

SGS Economics & Planning

Independent insight.

Rose Bay - Village Centre

EMPLOYMENT BY INDUSTRY, ROSE BAY 2006-2011



	Health care	Education	Retail	Accom. Food	Profess-ional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Trans-port	Whole-sale
Rose Bay - 2006	121	142	179	146	72	51	0	35	27	116	30	3	27	2	6
Rose Bay - 2011	98	82	144	131	47	29	0	27	32	90	17	7	17	9	9

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

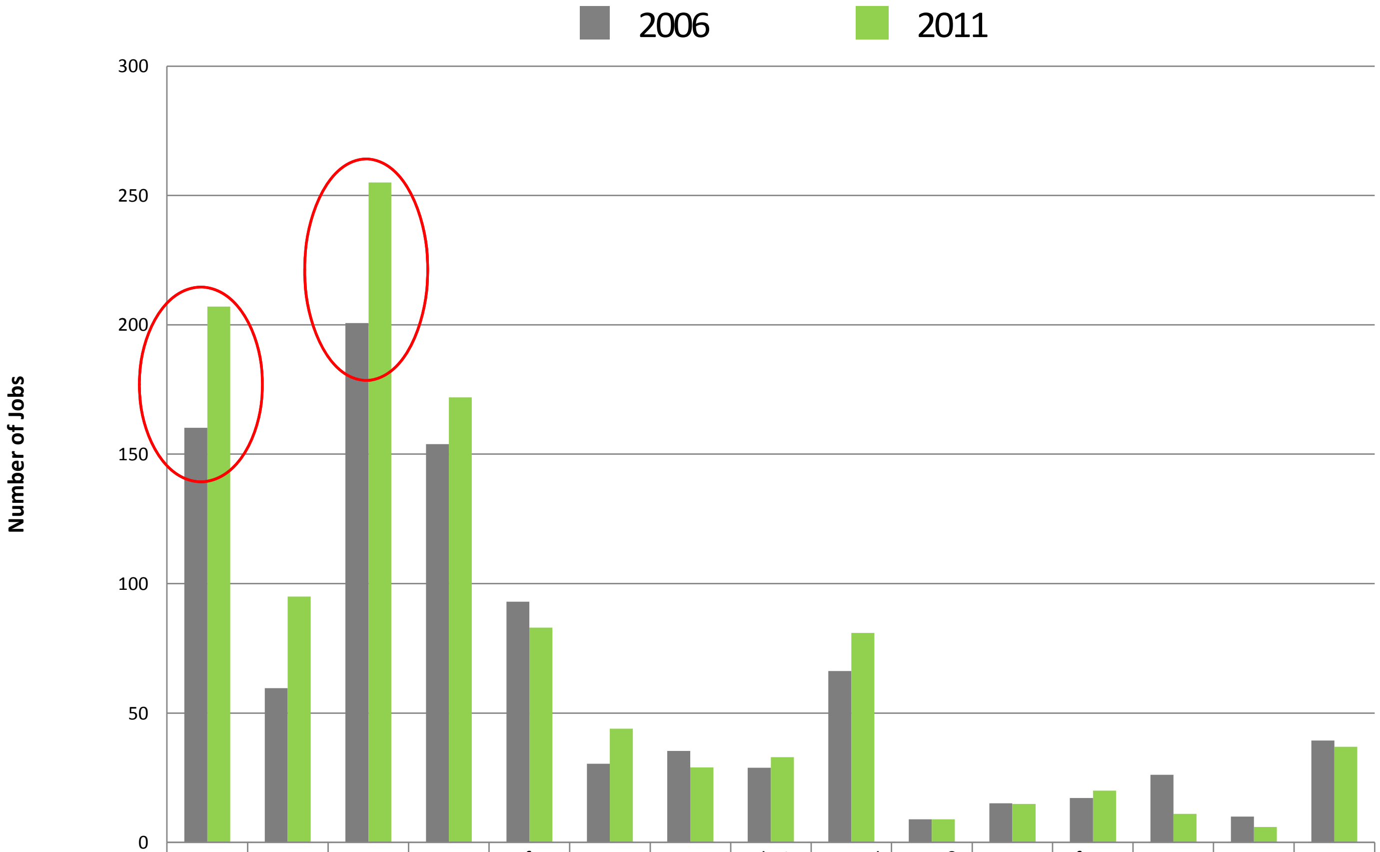
Independent insight.

Queen Street, Woollahra – Small Village

- A small shopping village located to the north of Centennial Park
- A unique collection of premium fashion boutiques, food stores and cafes and restaurants
- Growth occurred in retail, health, accom. & food services from 2006-11

Queen Street, Woollahra – Small Village

EMPLOYMENT BY INDUSTRY, QUEEN STREET 2006-2011



	Health care	Education	Retail	Accom. Food	Profess-ional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Trans-port	Whole-sale
Queen Street - 2006	160	60	201	154	93	30	35	29	66	9	15	17	26	10	39
Queen Street - 2011	207	95	255	172	83	44	29	33	81	9	15	20	11	6	37

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

Summary

- Oxford St and Double Bay combined provides over 55,000 sqm of main street retail space
- Similar retail tenancy mixes, *but* more fashion retailing in Oxford St
- Relatively high vacancies in both centres - lack of anchors?
- Potential catalysts - cinemas on Oxford St, Kiaora Lands & new hotel in Double Bay
- Positive job growth in all centres from 2006-11, *except* Rose Bay
- Strong growth in health and education particularly in town centres
- Expansion in retail and health in Queen St, Woollahra, but contraction in Rose Bay – amenity and rental differences?

Independent insight.

Employment and retail projection

SGS Economics & Planning

Independent insight.

Projections

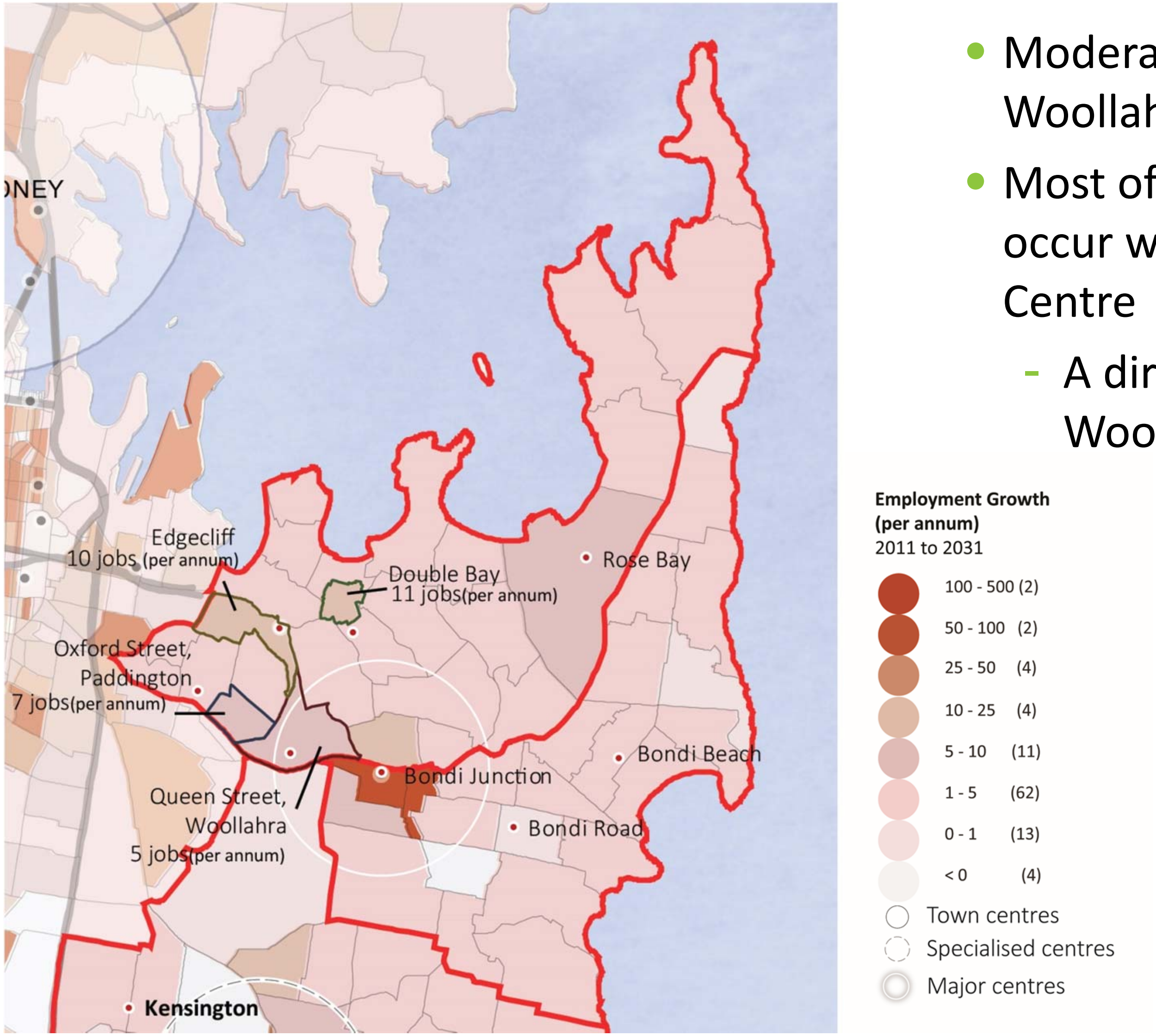
- Projections of employment change by industry to 2031.
- Projection of retail demand & resulting floor space growth per centre.
- Small area employment projections

Projected change in employment 2011-31

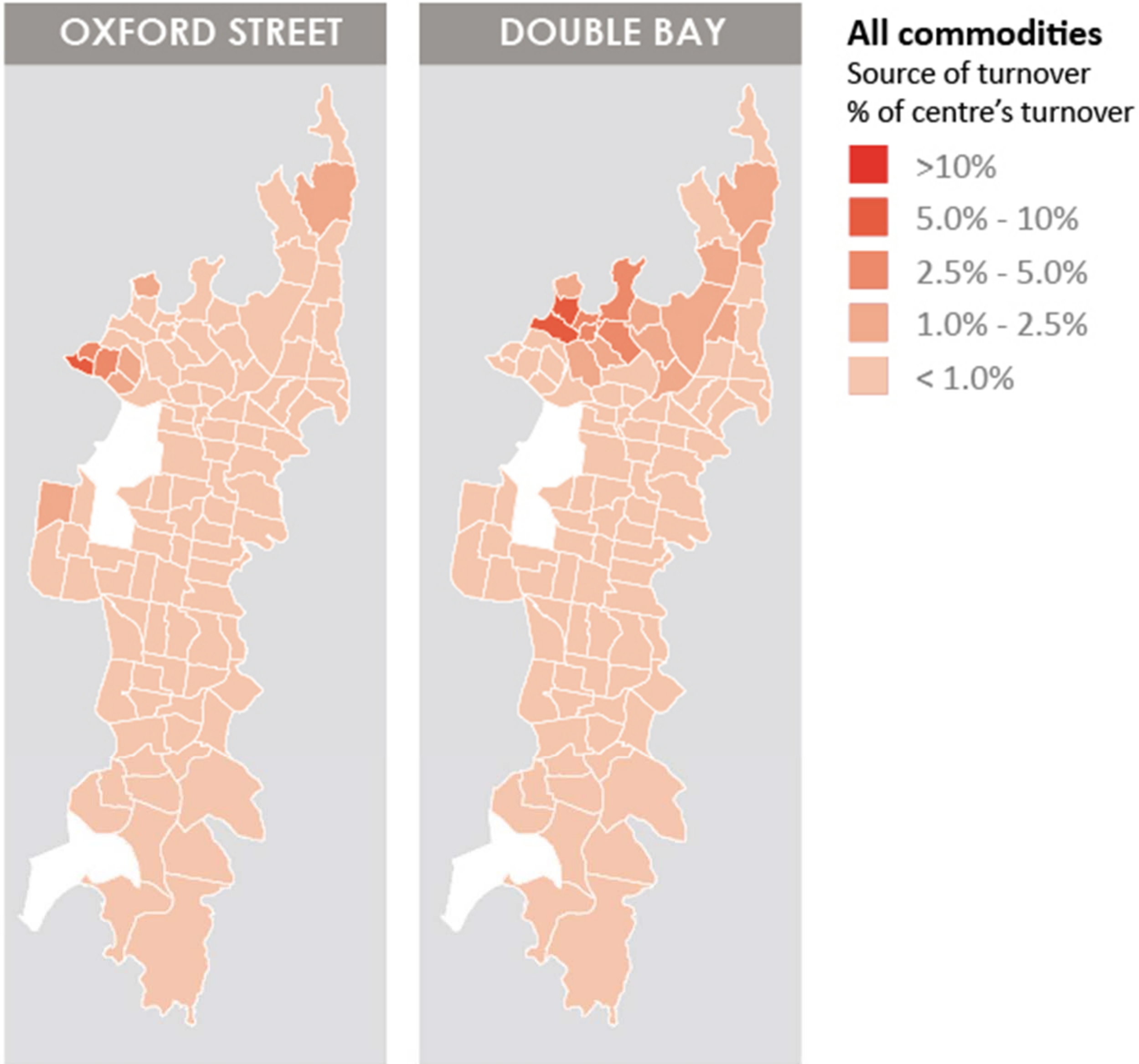
	Randwick		Waverley		Woollahra		Eastern Suburbs	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%
Agriculture, Forestry & Fishing	6	8%	7	19%	12	19%	25	14%
Mining	11	157%	*10*	83%	17	63%	38	83%
Manufacturing	-571	-36%	-183	-45%	-151	-43%	-905	-39%
Electricity, Gas, Water & Waste Services	-94	-29%	-51	-56%	-28	-68%	-173	-38%
Construction	355	15%	329	25%	376	26%	1,060	21%
Wholesale Trade	119	14%	76	11%	52	10%	247	12%
Retail Trade	11	0%	956	20%	463	17%	1,430	14%
Accommodation & Food Services	-149	-4%	-101	-4%	-77	-3%	-327	-4%
Transport, Postal & Warehousing	490	17%	-308	-63%	-187	-69%	-5	0%
Information Media & Telecommunications	75	17%	-46	-11%	-36	-12%	-7	-1%
Financial & Insurance Services	49	7%	14	2%	268	25%	331	13%
Rental, Hiring & Real Estate Services	-58	-7%	-68	-10%	-18	-2%	-144	-6%
Professional, Scientific & Technical Services	1,360	52%	1,010	45%	1,016	48%	3,386	48%
Administrative & Support Services	95	8%	405	32%	113	14%	613	19%
Public Administration & Safety	1,003	32%	285	24%	282	25%	1,570	29%
Education & Training	4,108	45%	256	13%	269	13%	4,633	35%
Health Care & Social Assistance	7,441	60%	874	29%	-180	-8%	8,135	46%
Arts & Recreation Services	-138	-10%	67	8%	66	9%	-5	0%
Other Services	-173	-12%	-221	-22%	-196	-20%	-590	-17%
Total	**14,104**	**18%**	**3,429**	**19%**	**2,209**	**19%**	**19,742**	**18%**

Source: Bureau of Transport Statistics Small Area Employment Forecasts, 2012

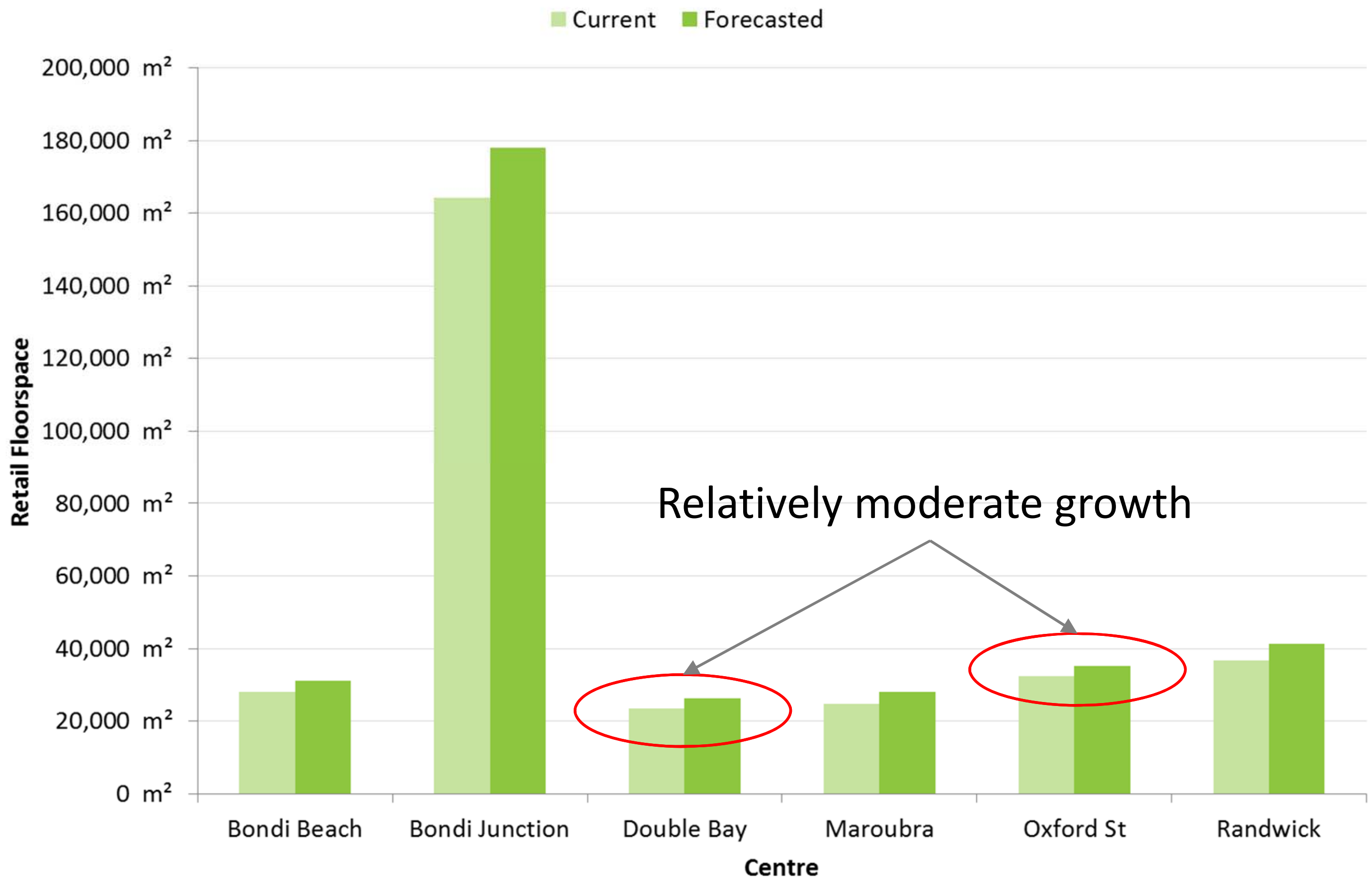
Average employment growth per annum



- Moderate employment growth in Woollahra
- Most of the job growth is forecast to occur within the Bondi Junction Major Centre
  - A direct competitor to retail strips in Woollahra.


OXFORD STREET
DOUBLE BAY
All commodities
Source of turnover
% of centre's turnover
>10%
5.0% - 10%
2.5% - 5.0%
1.0% - 2.5%
< 1.0%

Retail floor space current & 2021



Increase	2,900 m²	13,700 m²	2,900 m²	3,200 m²	2,800 m²	4,700 m²

Projected growth in retail demand for both Oxford Street and Double Bay can be easily accommodated by the current vacancy in both centres.

Key findings and options

SGS Economics & Planning

Independent insight.

Key findings

- The education and health care industries have high employment, high growth and high specialisation
- But most of the growth will occur outside Woollahra
- Other major employers in Eastern Suburbs are retail, professional & admin. services
- They are also the largest contributors to wealth generation in this region

Key findings

- Key characters of Woollahra residents
  - High incomes
  - High levels of tertiary education
  - benefits from high job accessibility
- Woollahra has a low job self-containment rate
- High leakages to the CBD, particularly knowledge intensive jobs
- Projected high job growth in professional services and retail

Key strategic directions

- Reinforce convenient and high amenity centres
- Investigate issues with the job decline in Rose Bay
- Leverage the catalyst development and existing amenities in key centres
- Attract tourist and visitor expenditure to Woollahra
- Capture job leakages by promoting local opportunity
  - e.g. home based workers/businesses
- Protect employment at existing commercial centres

Next steps

- Publish the Profile to Council's website
- Notify the business community to encourage use of the Profile