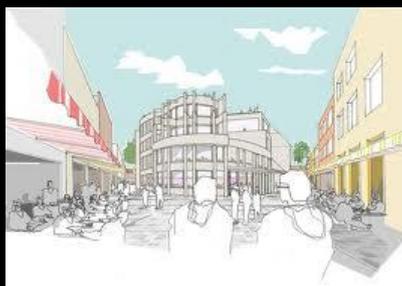


# Manly2015 Masterplan Economic Assessment

PREPARED FOR

Manly Council

December, 2013



**HillPDA**



## QUALITY ASSURANCE

### REPORT CONTACT:

Louise Bochner  
**Senior Consultant**

### QUALITY CONTROL:

This document is for discussion purposes only unless signed and dated by a Principal of Hill PDA.

### REVIEWED BY:



2 December 2013

..... Dated .....

### **Sarah Hill**

Director and Principal, Hill PDA  
PHD Candidate, (Sydney University)  
Master of Urban and Regional Planning Hons. (Sydney University)  
BSc (Sydney University)  
Justice of the Peace  
Member of Australian Planning Institute  
Member of Royal Town Planning Institute  
Email: sarah.hill@hillpda.com

### REPORT DETAILS:

Job Ref No: C13281  
Version: Final  
Date Printed: 3/12/2013 8:44:00 AM  
File Name: Manly2015 Masterplan Economic Assessment

## CONTENTS

<b>EXECUTIVE SUMMARY.....</b>	<b>6</b>
Economic Benefits of the Manly2015 Masterplan.....	6
The Need for a Proactive Approach .....	8
<b>1. INTRODUCTION.....</b>	<b>10</b>
1.1 Subject Area.....	10
1.2 Methodology and Study Approach .....	11
<b>2. THE NEED FOR MANLY2015 MASTERPLAN .....</b>	<b>12</b>
2.1 The Manly2015 Vision.....	12
2.2 Key Elements of Manly2015.....	13
2.2.1 Gateway Plaza.....	13
2.2.2 Grand Boulevard.....	13
2.2.3 Village Centre .....	13
2.2.4 North Quarter.....	13
2.2.5 High Street.....	14
2.2.6 Beach Terrace .....	14
2.2.7 Manly Oval.....	14
<b>3. WHO LIVES IN AND VISITS MANLY? .....</b>	<b>15</b>
3.1 Existing Population.....	15
3.2 Forecast Population Growth.....	16
3.3 Visitors to Manly .....	16
3.4 Tourism in Manly .....	17
<b>4. EXISTING RETAIL SUPPLY.....</b>	<b>18</b>
4.1 Existing Floorspace in Manly Town Centre .....	18
4.2 Vacancy Rates .....	20
4.3 How does Manly Compare to Other Centres?.....	21
4.4 What Proportion of Businesses Service Tourists vs. Local Residents? .....	22
<b>5. GROWING DEMAND FOR RETAIL.....</b>	<b>24</b>
5.1 Growth in Trade Area Expenditure .....	24
5.2 Additional Retail Expenditure Potential for Manly.....	26
5.2.1 Retail Expenditure in the Locality .....	26
<b>6. THE ECONOMIC BENEFITS OF INVESTING IN TOWN CENTRES .....</b>	<b>28</b>
6.1 The Economic Benefits of Public Domain Improvements.....	28
6.1.1 Quality Urban Design.....	28
6.1.2 Enhanced Pedestrian Movement .....	29
6.2 The Importance of Proactive Action .....	30
6.3 The Benefits of 'Buy Local' and Creating a 'Sense of Place' .....	32
6.4 Economic Benefits of Additional Car Parking Beneath Manly Oval.....	33
<b>KEY FINDINGS / SUMMARY .....</b>	<b>34</b>

## LIST OF FIGURES

Figure 1 - Manly2015 Masterplan .....	9
Figure 2 - Manly2015 Masterplan .....	11
Figure 3 - Manly Town Centre Zoning Map .....	18
Figure 4 - Town Centre Vacancy Comparison Data .....	20
Figure 5 - Total Floorspace in Selected Centres .....	21
Figure 6 - Commercial and Retail in Selected Centres.....	21
Figure 7 - Tourist and Local Businesses within Manly's Town Centre .....	22
Figure 8 - The Corso, Manly .....	23
Figure 9 - Sydney Road, Manly (Manly Markets) .....	27
Figure 10 - Manly2015 Masterplan vision for pedestrianisation .....	30

## LIST OF TABLES

Table 1 - Forecast Population Growth 2011 - 2031.....	16
Table 2 - Manly Town Centre Floorspace Survey (October 2013).....	19
Table 3 - Manly LGA: Expenditure by Retail Store Type (\$m2009) .....	25
Table 4 - Manly Suburb: Expenditure by Retail Store Type (\$m2009).....	25

# EXECUTIVE SUMMARY

Manly Council (Council) has prepared the Manly2015 Masterplan to guide the future revitalisation of Manly Town Centre. Manly2015 aims to improve, renew and capitalise on Manly as a village for 'locals' to enjoy whilst attracting a broader mix of tourists and visitors to the area. A key objective of the plan is to enhance the quality of the public domain, streetscape and pedestrian flows in order to bring more people back to the heart of Manly for their shopping, business and leisure activities.

The Manly2015 Masterplan takes a proactive approach to maintaining Manly Town Centre's competitive edge and its role as a provider of services to locals within Manly LGA and the broader Northern Beaches Subregion. With this in mind, a number of economic benefits are likely to result from the implementation of the Manly2015 Masterplan. This Study has been commissioned to identify and where possible quantify the potential benefits of Manly2015.

## ECONOMIC BENEFITS OF THE MANLY2015 MASTERPLAN

In order to inform the Study, Hill PDA has undertaken a floorspace and visitor survey to better understand how Manly operates today. We have also undertaken demographic trends analysis, market research and expenditure modelling to understand how the area is changing. We have also undertaken background research regarding comparable centres and masterplans to better understand the economic implications of proactively implementing centre improvement strategies as distinct from more passive 'wait and see' strategies. Using this information we have sought to conservatively quantify the economic outcomes of some of the components of the Masterplan specific to Manly Town Centre.

On the basis of this analysis, the key contextual findings of the Study are as follows:

- Manly's Town Centre provides over 36,000sqm of retail and commercial floorspace<sup>1</sup> that serves a population of over 15,000 people. Manly Town Centre is the main centre in Manly LGA providing 8% of all floorspace within Manly, Pittwater and Warringah LGA's<sup>2</sup>;
- The Town Centre has an estimated 387 businesses<sup>3</sup> and attracts over 2.1 million visitors per year<sup>4</sup>. International and domestic visitors to Manly are estimated to spend over \$21m per annum on goods and services alone;
- A survey of visitors to Manly Town Centre<sup>5</sup> found that 41% arrived by private vehicle. Furthermore 53% of all respondents indicated that they were visiting the Centre to purchase retail goods and use business services emphasizing the important role the centre plays in supporting local needs;
- The benefits of 'buying locally' are increasingly being recognised and valued by the Manly community. The concept of 'buy local' may be broadly defined as *the adequate provision of goods, services and facilities that are*

<sup>1</sup> This represents 53% of all floorspace in Manly town centre with the remaining 47% relating to community, entertainment and civic uses

<sup>2</sup> Based on analysis provided by a Centre's Study for SHOROC, Hill PDA 2009

<sup>3</sup> Hill PDA Floorspace Audit October 2013. Note: The Audit was undertaken within the Manly Town Centre as defined by Manly LEP 2013

<sup>4</sup> DestinationNSW: March 2012

<sup>5</sup> Hill PDA Pedestrian Survey, September 2013

geared towards servicing the needs of 'locals'<sup>6</sup>. Our research identifies that only 23% of businesses<sup>7</sup> within Manly Town Centre are presently geared towards the needs of 'locals'. This presents a notable opportunity to enhance local offer to better meet the needs of the existing and future community;

- This latter point is particularly important in light of Manly's strong forecast population growth. In this regard our demographic analysis shows that Manly LGA is growing at a rate of 1.4% per annum (the suburb of Manly 1.6%) and becoming increasingly affluent<sup>8</sup>. **This growth and demographic change is forecast to result in an additional \$342m of retail expenditure in Manly LGA and \$85m in the suburb of Manly between 2013 and 2031 (i.e. 18 years);**
- Converting this retail expenditure growth to demand for retail floorspace shows that Manly suburb and LGA are estimated to respectively demand an additional 9,000sqm and 28,650sqm over the period to 2031. The proposed development on the Whistler Street Car Park would go some way towards meeting this demand by providing an additional 1,000sqm of retail floorspace, notwithstanding the fact that the majority of demand would be directed to other competing centres in the Subregion and to online retail;
- Furthermore, the growth in demand for quality retail services in Manly LGA can be exemplified by the notably low vacancy levels for shopfront retail in Manly Town Centre<sup>9</sup>. **Our research shows that shopfront vacancy rates in Manly are presently amongst the lowest of any comparable centre in Sydney at 4%.** Whilst this has proven a positive for the character and vibrancy of the centre, the tight vacancy levels are creating challenges for new businesses to enter the market to provide goods and service to support the needs of the local population; and
- The growth in demand for retail and services in Manly LGA and the broader region is being recognised with other major centres in the subregion preparing to expand or revitalise to take advantage of this growth. Examples of such centres include Warriewood Centro (i.e. investing \$36m to increase its retail floor space by an additional 8,000sqm) and Dee Why Town Centre (i.e. implementing its Dee Why Town Centre Masterplan). **In light of the growing competition for dollars generated within the Manly LGA economy, it is considered prudent for Manly Town Centre to proactively act now via a co-ordinated and strategic approach to centre growth and improvement.**

To better understand the likely local benefits of the Manly2015 Masterplan, two key elements were identified and tested by the Study. The first being the proposed net increase in car parking and the second the potential mixed use redevelopment of the Whistler Street Car Park and associated sites to enable the creation of the Village Centre. It was subsequently found that:

- **The net increase in car parking spaces could attract an additional \$15m<sup>10</sup> of retail expenditure per annum to the Centre to the benefit of existing businesses. Over a 20 year period this could lead to an increase of close to \$300m in 2013 dollars;**

---

<sup>6</sup> Gogreenplus.org.au

<sup>7</sup> Hill PDA Floorspace Survey, October 2013

<sup>8</sup> ABS Census 2011

<sup>9</sup> Hill PDA Floorspace Survey, October 2013

<sup>10</sup> Analysis by Hill PDA based on estimated spend taken from Hill PDA Shopper Survey, proposed net increase in car parking spaces owing to Manly2015 and estimated car parking occupancy rates as advised by Manly Council.

- The redevelopment of the Whistler Street Car Park and other sites in the vicinity could generate the potential for:
  - Over 50 new residential dwellings for locals generating an additional \$1.6m in retail expenditure per annum;
  - Close to \$15m of construction works leading to the direct generation of 42 jobs years; and
  - an increase in demand for local goods (in the order of \$120,000) from construction workers alone;
  - The provision of additional ground floor retail would also provide opportunities for new businesses and a complementary mix of food retailers and services for locals;
  - Once fully developed, these retail and commercial facilities could generate in the order of 107 operational jobs that in turn would generate an additional \$290,000 annually in retail expenditure; and
  - Finally the mixed used redevelopment of key sites within Whistler Street is expected to generate approximately \$15m in additional investment to the economy and an additional \$34m in production and consumption induced multipliers<sup>11</sup>.

These findings are supported by research and various studies that highlight the importance of investing in town centres like Manly and the overall positive economic benefits of public domain improvements. Some of the key relevant conclusions of this research may be summarised as follows:

- Improvements to the public domain can increase the **number of pedestrians by up to 40% during weekdays and 98% during weekday evenings**<sup>12</sup>;
- Investing in better streets and public spaces that improve walking and cycling accessibility can **increase retail sales by up to 30%**<sup>13</sup>; and

Good quality urban design is likely to increase the value of land within the nominated area by well in excess of the amount initially invested<sup>14</sup>.

## THE NEED FOR A PROACTIVE APPROACH

To maintain the role of Manly Town Centre as a thriving location for locals with a strong competitive edge for businesses, it will be important for Council to proactively improve and enhance the quality of the public domain over time. In the event therefore that Council decided not to progress with the implementation of Manly2015, there could be:

- A ‘missed’ opportunity to secure investment in Manly’s Town Centre. This investment could otherwise be directed to alternative / competing locations within Manly LGA and / or the northern beaches region. Conversely, the revitalisation of the Town Centre could act as a catalyst project that encourages sustained investment over the medium to long-term;
- A continued deterioration of the streetscape environment and public domain in and around Manly Town Centre, which could lead to a decline in overall amenity and the potential decline in tourism / local visitation;

<sup>11</sup> It is important to note that caution should be applied when interpreting economic multipliers as the geographic location of the expenditure is dependent on the extent of the goods, services and labour used to undertake the works.

<sup>12</sup> The Pedestrian Pound. The Business Case for Better Streets and Places. Livingstreets.org.au

<sup>13</sup> The Pedestrian Pound. The Business Case for Better Streets and Places. Livingstreets.org.au

<sup>14</sup> RICS Property Journal: Not just a pretty place by Stuart Croucher. September/October 2013

- A reduced service offer for the growing local population;
- Increased access concerns as a result of traffic congestion contributing to economic inefficiencies and leading to a loss of retail trade;
- An overall reduction in competition resulting in reduced price benefits for local residents and other visitors; and
- Impacts to the attractiveness of Manly as a place to invest as a business and / or property owner.

**Figure 1 - Manly2015 Masterplan**



Source: Manly 2015 Masterplan

# 1. INTRODUCTION

Manly Council (Council) has prepared the Manly2015 Masterplan to guide the future revitalisation of Manly's Town Centre. Manly2015 was prepared as a direct response to public concerns regarding issues surrounding public safety, street lighting, vandalism, inadequate public domain and poor urban design in and around the Manly Town Centre.

Manly2015 aims to improve, renew and capitalise on Manly's Town Centre as a village for 'locals' to enjoy whilst enhancing existing and future business opportunities that will attract tourist and visitors to the area. The overall objective is to ensure improvements to the public domain, streetscape as well as a reconfiguration of traffic with the aim of bringing people back to the heart of Manly for their shopping, business and leisure activities. Other benefits sought from the Masterplan aim to make Manly pedestrian and cycle friendly whilst activating laneways and streets within the Town Centre.

The proposed revitalisation of 'geographical areas' within Manly is seen as a positive step to ensure the long-term economic prosperity of the area. Council is making a considerable investment in the Town Centre to ensure Manly remains well maintained, aesthetically pleasing and relevant for the times well into the future.

Manly2015 is in the preliminary concept phase and all development works considered within the Masterplan are envisaged to be stage over a number of years. Council has made public the project expenditure for all works proposed and the cost of the car park beneath Manly Oval is estimated at \$33million<sup>15</sup>.

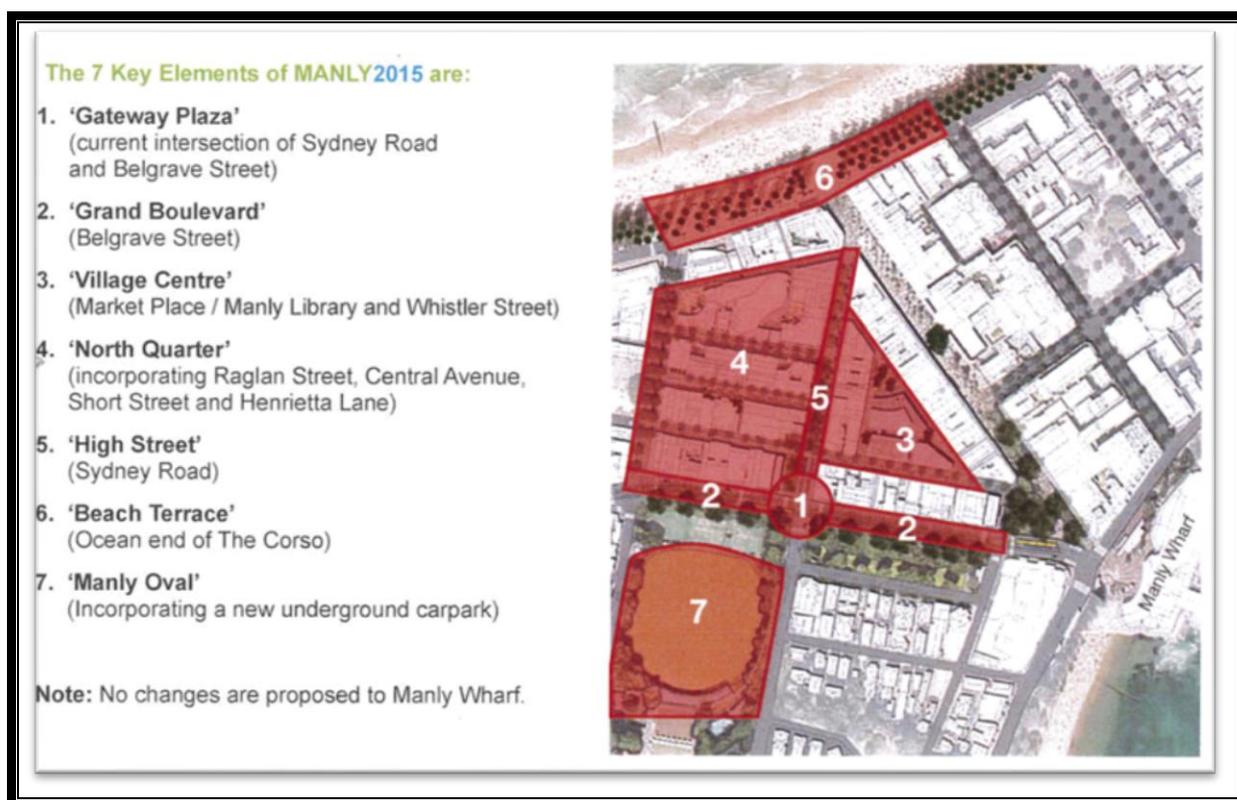
## 1.1 SUBJECT AREA

The Subject Area is located within the commercial zone of Manly Town Centre and comprises the 'geographical areas' outlined in Manly2015. The Subject Area therefore incorporates the '7 elements' of the Masterplan as shown in Figure 1.

---

<sup>15</sup> KPMG Consultants (2013)

Figure 2 - Manly2015 Masterplan



Source: Manly2015 Masterplan

## 1.2 METHODOLOGY AND STUDY APPROACH

In order to inform this assessment, Hill PDA undertook the following tasks:

- Inception meetings with Council to inform the scope of the Study;
- A review of relevant background information and technical specialist reports to provide the relevant economic information for the assessment;
- An assessment of Council's Masterplan (Manly2015) and associated relevant documentation;
- A socio-demographic analysis of the population within the area;
- An assessment of visitors and tourist to Manly;
- An audit of the existing floorspace within the broader Manly Town Centre;
- A pedestrian survey to understand the composition of visitors to Manly's Town Centre and how they got there;
- Calculation of economic flow-on benefits and multipliers resulting from development within Whistler Street;
- Calculation of likely economic benefits of additional car parking in the Town Centre; and
- Calculation of the economic benefits of public domain improvements in the Town Centre.

## 2. THE NEED FOR MANLY2015 MASTERPLAN

Manly2015 provides the framework to facilitate the revitalisation of Manly's Town Centre to make it a great place to live, work and play particularly for 'locals'. The Masterplan was developed as a direct response to public concerns regarding issues surrounding public safety, vandalism, inadequate public domain and poor urban design in Manly's Town Centre.

The Masterplan ultimately aims to make Manly 'My Town' 'My Services' 'My Playground'.

A key component of the Masterplan is to realise Gilbert Smith's (founding father of Manly) vision to create a village atmosphere for Manly. Manly2015 provides considerable scope to increase opportunity for 'locals' by transforming Sydney Road into a 'High Street' enabling new retail business opportunities focused on catering for the local community and the redevelopment of the Whistler Street Car Park to create a village centre for locals to enjoy.

Council's aim is to spread the intensity of activities of the Corso across the entire town centre and to redress the 'imbalance' of The Corso as the main economic driver for tourist and their needs over local needs.

### 2.1 THE MANLY2015 VISION

The Manly2015 Masterplan provides the strategic vision to guide the future revitalisation of Manly's Town Centre. The key aims of Manly2015 are as follows:

- *Realising Gilbert Smith's vision for a 'Public Common' on the Whistler Street Triangle Site by removing the Whistler Street Car Park to make way for new public spaces and community uses;*
- *Constructing a new parking station beneath Manly Oval to augment the 5 other town centre parking spaces;*
- *The pedestrianisation of Sydney Road from Belgrave Street through to The Corso to form a 'Gateway Plaza' and 'High Street' for shopping as an alternative destination to The Corso;*
- *Broadening the appeal of Manly for locals by introducing new community programs as well as new shops and services;*
- *Revitalising Manly's laneways and streets, many of which are degraded and considered unsafe at night;*
- *Increasing opportunities for walking and cycling;*
- *Integrating water sensitive urban design initiatives into the design of new public spaces;*
- *Incorporating sustainable energy generation within the design of the new community facilities;*
- *Introducing greater traffic calming within the town centre area including the introduction of shared use zones and the conversion of Whistler Street to one way heading north, and North Steyne and South Steyne to potentially one lane heading south between Raglan Street and Wentworth Street, although both a one-way and a two-way option are being looked at as part of the Manly2015 process; and*
- *Realising Henry Gilbert Smith's vision for a 'Grand Boulevard' in Belgrave Street<sup>16</sup>.*

<sup>16</sup> Manly2015 Masterplan (Council's website as at 20 November 2013).

## 2.2 KEY ELEMENTS OF MANLY2015

### 2.2.1 GATEWAY PLAZA

The 'Gateway Plaza' proposes to welcome locals and visitors parking in the proposed new car park facility located beneath Manly Oval. Locals and visitors parking in the new car park facility would emerge into the 'Gateway Plaza' via an underground entrance / exit point located within the plaza. The 'Gateway Plaza' is pedestrian friendly and is proposed to provide licensed stallholders and small retail business opportunities.

### 2.2.2 GRAND BOULEVARD

Create a 'Grand Boulevard' along the full length of Belgrave Street. The vision of the Boulevard is to extend landscaping elements along the western side of Belgrave Street and along the eastern side a pedestrian friendly pathway and cycleway. In addition, the concept of promoting a sustainable transport option in the form of an electric tram with scope to support Park n Ride in and around Manly's Town Centre.

### 2.2.3 VILLAGE CENTRE

The village centre would form a community hub in Manly. The forecourt area outside Manly Council Chambers would be complemented by the rejuvenation of what is known as the 'Triangle Site'. The vision in Manly2015 proposes the demolition of the existing Whistler Street Car Park and the redevelopment of a new larger state of the art library and / or upgrade the existing library. The redevelopment of this area would incorporate retail, commercial and / or residential components to assist in street activation along the southern portion of Whistler Street to service the needs of both locals and visitors. Council has considered two options for the redevelopment of the library which include:

- **Option 1** – involves adding to and upgrading the existing building; and
- **Option 2** – envisages the construction of a new building on the current library site. This option proposes two additional storeys in height (making five floors overall). The additional space would be used for the purpose of the library as well as multipurpose community space functions. A designated area could also be used for the purposes of commercial or office space.

Both options involve the creation of additional retail, commercial and possibly residential buildings five storey's high along Whistler Street. Along the street frontage would comprise retail activities whilst the upper levels are proposed to be designated for commercial and/or residential purposes.

### 2.2.4 NORTH QUARTER

The 'North Quarter' comprises the small streets and laneways splaying from The Corso known as Henrietta Lane, Short Street, Central Avenue and Raglan Street. These existing streets / laneways are well known to 'locals' and the objective is to improve urban design by incentivising private public partnerships to reactivate business along these strips. For example, Henrietta Lane would consist of cafes and shops providing activation along the laneway whilst Central Avenue would become more pedestrian friendly.

## 2.2.5 HIGH STREET

Manly2015 aims to transform Sydney Road into a new 'High Street' comprising retail businesses focused on providing services to the local community. The 'High Street' would comprise pedestrian friendly areas and outdoor dining facilities without the dominance of cars.

## 2.2.6 BEACH TERRACE

The 'Beach Terrace' aims to provide a seamless interface between The Corso, Raglan and Wentworth Streets and the Beach Esplanade. It is envisaged to have a 'shared zone' where pedestrians are prioritised and where traffic is limited to 10km/h.

## 2.2.7 MANLY OVAL

A significant component of Manly2015 is to relocate the existing Whistler Street Car Park beneath Manly Oval. The purpose built car space facility over two levels (capacity for up to 800 vehicles) would have entry and egress points from Sydney Road and Raglan Street. An underground pedestrian link would provide a safe and convenient access between the car park and the new Gateway Plaza along Sydney Road.



## 3. WHO LIVES IN AND VISITS MANLY?

The following Chapter provides a brief insight into the existing and future population of Manly LGA and more specifically the suburb of Manly. Consideration is also given to visitors to Manly and the importance of tourism to the area.

Various data sources have been used to inform this Chapter. To estimate the scale of the existing population and to forecast population growth, we have used the Bureau of Transport Statistics (BTS) population figures (release in 2012)<sup>17</sup>. These figures differ from the ABS Census Data estimates of population that are also used to inform relevant sections of this Chapter. The difference between the figures generally relates to Census undercount with the BTS factoring in this undercount (which may be in the order of 10% to 20%).

In light of these data differences, we have used the BTS figures as estimates of the actual residential population whilst we have used the ABS figures to indicate the proportional break down of other relevant characteristics.

### 3.1 EXISTING POPULATION

As of the 2011 Census the population within the suburb of Manly was recorded as 15,072 persons representing 38% of Manly LGA's population (39,747 people). Over the 2006 to 2011 Census period the population within the suburb of Manly grew notably (by 8% or 1.6% per annum). This compared to a similar rate of population growth experienced across Manly LGA (7% or 1.4% per annum) over the same period.

In 2011 the average age of residents in the suburb of Manly was 35 years, being slightly younger than the Manly LGA of 37 years. Proportionally there were fewer residents aged below 30 years of age (34%) and more aged between 30 to 59 years of age (48%), with the over 60 years of age comprising the least (18%). Consistent with national and NSW trends, Manly's population is forecast to age towards 2031.

Manly contains a large number of family households (58%), however, the proportion of households comprising lone persons (32%) or group households (10%) is higher than that which occurs in the State i.e. 24% and 4% respectively. This may be in part due to the number of professionals and elderly residents attracted to the suburb of Manly.

Compared to the Manly LGA, Manly residents are more likely to live in a unit (72% compared with 47% Manly LGA) and rent (52% compared with 37% Manly LGA). The high proportion of rental accommodation may be a reflection of Manly being an attractive place for professionals to live. In 2011, 71% of the suburb's resident labour force were managers, professionals, clerical and administrative staff. The high proportion of white collar workers was reflected in Manly's median household income per week (\$2,084), which was significantly higher than the median for NSW (\$1,237) yet slightly lower (by \$137) of that recorded for the Manly LGA.

---

<sup>17</sup> It should be noted that the Department of Planning and Infrastructure released population forecasts post the BTS release in 2012. Whilst the DP&I figures closely align with the BTS, they are only available to an LGA level. Accordingly, we have used the BTS estimates to analyse forecasts for the Study Area.

## 3.2 FORECAST POPULATION GROWTH

With respect to population change, the BTS forecasts that the suburb of Manly and the broader LGA will grow steadily over the period 2013 to 2031. Forecasts from the BTS show that the Manly LGA will accommodate an additional 4,713 persons by 2031. Of these additional residents, approximately 27% or a total of 1,258 will be located within the suburb of Manly.

As the population grows in the broader Manly LGA demand will increase for retail goods and services within the suburb of Manly.

**Table 1 - Forecast Population Growth 2011 - 2031**

Trade Area	2011	2013	2016	2021	2026	2031	Change 2013-2031	Average Annual Change (2013-2031)
Manly Suburb	16,128	16,351	16,686	16,997	17,291	17,609	1,258	0.44%
Manly LGA	42,095	42,743	43,716	45,067	46,172	47,456	4,713	0.60%

Source: Bureau of Transport Statistics Population Projections (2012)

## 3.3 VISITORS TO MANLY

According to Destination NSW, each year the average number of visitors to Manly was over 2.1 million<sup>18</sup>. This figure is considered a conservative estimate as the definition of a day trip is “a round trip distance of at least 50 kilometres and away from home for at least four hours”. Therefore, visitors to Manly from most inner parts of Sydney would not be counted.

A snapshot is provided below of the scope and scale of international tourism in Manly:

- Of all the international visitors that travelled to Sydney, 32% visit Manly;
- The number of international visitors to Manly over the past 3 years was 837,300<sup>19</sup> (279,100 per year);
- The most popular activity for international visitors when in Manly was going to restaurants and cafes (an estimated 91% of visitors undertook this activity. Other popular activities included going to the beach (85%), sightseeing (84%), shopping (80%), going to clubs / pubs (61%) and visiting national parks (60%)<sup>20</sup>; and
- The average spend for an international visitor is estimated at \$94 per day<sup>21</sup>.

A snapshot of the scope and scale of domestic tourism in Manly is provided below:

- A total of 14% of domestic visitors to Sydney travelled to Manly<sup>22</sup>;

<sup>18</sup> This figure is based on a three year average (YE March 2012) to improve the sample size reliability of the results.

<sup>19</sup> International visitors staying overnight in Manly (45,600), International visitors staying overnight elsewhere but visiting Manly on a daytrip (791,700).

<sup>20</sup> These were the most popular activities for international visitors to Australia who visited Manly

<sup>21</sup> Based on Regional Tourism Profiles for New South Wales 2011/12

<sup>22</sup> Note: This is a combined total of both domestic overnight visitors (11%) and the domestic day trip market (3%).

- The number of domestic visitors to Manly over the last three years was 603,000<sup>23</sup> (201,000 per year);
- The most popular activities for domestic overnight visitors to Manly were eating out at restaurants (78%), visiting friends and relatives (56%), sightseeing (46%), going shopping (45%) and going to the beach (39%);
- Of all the domestic day trip visitors close to two thirds (64%) come to Manly for leisure activities and 29% to visit family or friends; and
- The average spend for a domestic day and domestic overnight visitor is \$104 and \$189 per day respectively<sup>24</sup>.

### 3.4 TOURISM IN MANLY

Tourism is an activity generated by visitors travelling to and staying in places outside their usual environment for leisure, business or other purposes. When visitors 'visit' areas they purchase a wide range of goods and services. This visitor expenditure adds external income across the economy of an area and hence is an export earner and job creator.

The National Tourism Planning Guide<sup>25</sup> states that *"across Australia, tourism is a \$92 billion industry generating 4.6% of total employment (486,000 people) and around 8.3% of export earnings (\$23.5 million)"*.

There are notably economic benefits of tourism to popular tourist destinations. Visitors require short term accommodation, transport, food services and retail. For every dollar spent on accommodation an estimated \$2.50 to \$3.50 will be spent in other sectors<sup>26</sup>.

The employment benefit of tourism is also significant. For example, on average for every 10 rooms in a short term accommodation facility an additional 4.9 jobs are required. The 'spillover effect' of expenditure from the visitors staying in these 10 rooms also creates another 13.4 jobs in the general economy<sup>27</sup>.

In considering international, domestic day and overnight visitors to Manly, it is estimated that over \$21 million per annum is spent on goods and services alone in Manly's Town Centre<sup>28</sup>.

Clearly, there are a number of benefits that accompany high volumes of tourism in Manly, not least of which is the significant injection of expenditure in local retail and other facilities. The key issue that needs to be addressed in order to establish Manly Town Centre as also a destination for 'locals' is to incentivise residents in Manly and surrounds to shop in the centre. As outlined throughout this study, there are a number of methods to achieve this which are being progressed in the Manly2015 Masterplan.

<sup>23</sup> Note: This is a combined total of both domestic overnight visitors (135,000) and domestic day trip market (468,000).

<sup>24</sup> Based on Regional Tourism Profiles for New South Wales 2011/12.

<sup>25</sup> Guidelines prepared for the Tourism Ministers' Council.

<sup>26</sup> International and National Visitor Surveys, Tourism Research Australia, 2009).

<sup>27</sup> Based on ABS Survey of Tourist Accommodation, 2009).

<sup>28</sup> Based on Tourism Research Australia Data Sources and Hill PDA's analysis.

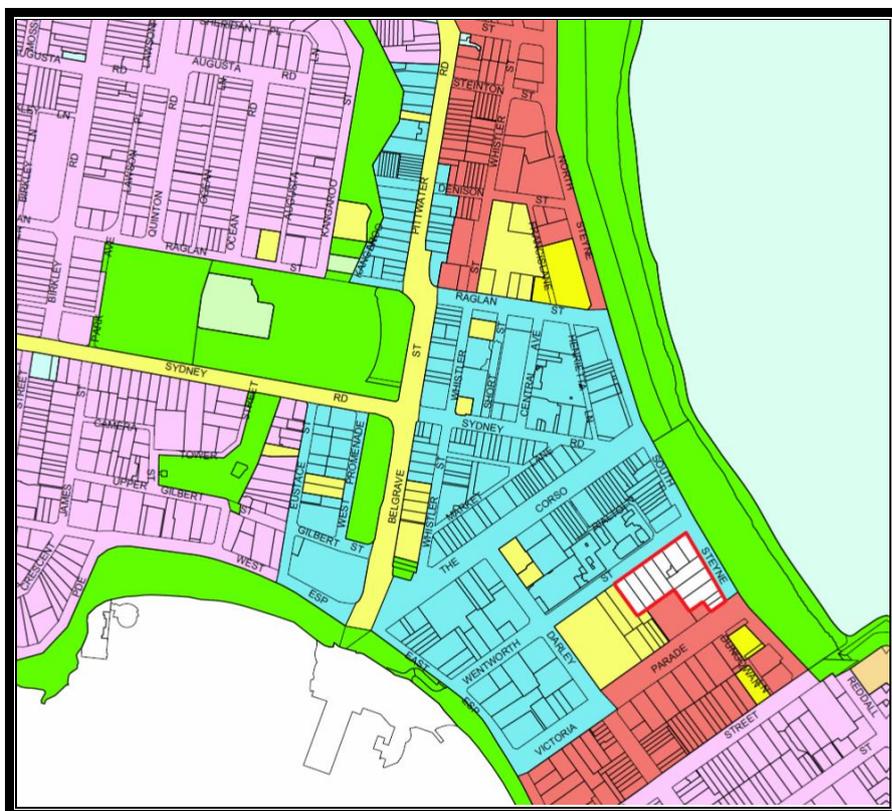
## 4. EXISTING RETAIL SUPPLY

This Chapter outlines the findings of Hill PDA's Floorspace Audit on the existing land uses / businesses located within Manly's Town Centre. The Chapter provides insight into how the Town Centre's composition of floorspace and businesses differ from other comparable centres within the Sydney Region.

### 4.1 EXISTING FLOORSPACE IN MANLY TOWN CENTRE

Hill PDA's land use Audit was undertaken on October 3<sup>rd</sup> 2013 and comprised the area (light blue area on Figure 3) defined as the Manly Town Centre pursuant to Manly LEP 2013.

**Figure 3 - Manly Town Centre Zoning Map**



The Audit found (refer Table 2) approximately 387 shops fronts and an estimated 67,034sqm of floorspace as follows:

- Retail – 27,469sqm (a total of 272 premises or 41%);
- Commercial – 8,570sqm (a total of 74 or 13%);
- Other<sup>29</sup> - 29,753sqm (a total of 26 premises or 44%); and
- Vacant – 1,242sqm (a total of 15 premises or 2%).

<sup>29</sup> Community services, entertainment facilities, government services, hotels and commercial gyms and fitness facilities

**Table 2 - Manly Town Centre Floorspace Survey (October 2013)**

<b>Category</b>	<b>Floorspace (sqm)</b>	<b>Floorspace % of total</b>	<b>Count of Business Type</b>
<b>Retail</b>			
Cafes & Restaurants	10,531	16%	84
Clothing	3,894	6%	45
Convenience Store	205	0%	4
Furniture Retailing	1,128	2%	5
Personal Services	2,009	3%	40
Speciality Food	939	1%	18
Speciality Non-Food	6,168	9%	62
Supermarket	1,927	3%	3
Take Away Food	668	1%	11
<b>Sub-Total</b>	<b>27,469</b>	<b>41%</b>	<b>272</b>
<b>Commercial</b>			
Commercial – General	1,732	3%	17
Commercial – Legal	125	0%	2
Commercial - Medical	3,449	5%	20
Commercial - Real Estate	1,178	2%	15
Commercial – Travel	378	1%	7
Commercial - Finance	1,320	2%	10
Commercial - Government	389	1%	3
<b>Sub-Total</b>	<b>8,570</b>	<b>13%</b>	<b>74</b>
<b>Other</b>			
Community	23,946	36%	12
Entertainment	210	0%	1
Government	2,302	3%	5
Hotel	2,950	4%	6
Recreation Fitness	345	1%	2
<b>Sub-Total</b>	<b>29,753</b>	<b>44%</b>	<b>26</b>
<b>Vacant</b>	<b>1,242</b>	<b>2%</b>	<b>15</b>
<b>Sub-Total</b>	<b>1,242</b>	<b>2%</b>	<b>15</b>
<b>Total</b>	<b>67,034</b>	<b>100%</b>	<b>387</b>

## 4.2 VACANCY RATES

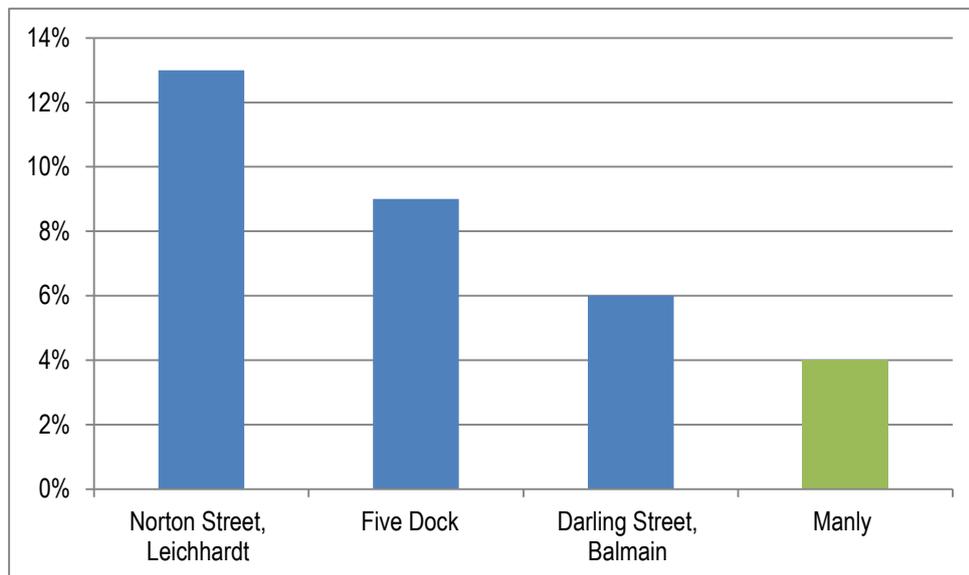
The floorspace audit found that Manly Town Centre had an overall vacancy rate of 4%. When discussing the vacancy rates for any given town centre, it is important to note that they are dynamic and susceptible to change due to varying market conditions. Vacancy rates also vary with respect to the type of unit, what level of the building the unit is located in, the overall quality of the building, location and nature of the broader economy.

As at October 2013, it was found that:

- There were 15 vacant premises in Manly Town Centre an overall total of 1,242sqm; and
- 11 of the vacant premises (73%) were retail units comprising a total of 688sqm.

Figure 4 below illustrates that the vacancy rates for Manly Town Centre are comparably lower than to other centres within the Sydney Region.

**Figure 4 - Town Centre Vacancy Comparison Data**

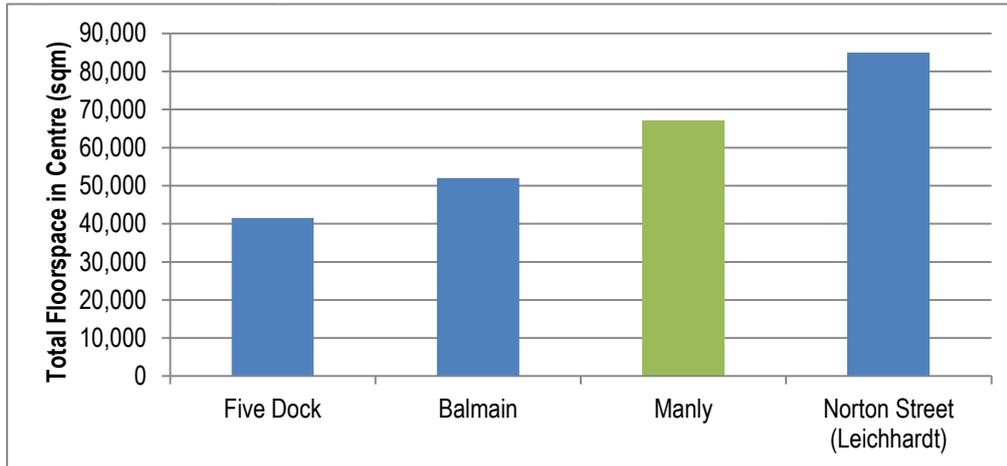


Source: Hill PDA floorspace data (Leichhardt 2012, Five Dock 2011, Balmain 2012, Manly 2013)

### 4.3 HOW DOES MANLY COMPARE TO OTHER CENTRES?

A comparison with other high street centres is a useful way to illustrate Manly’s relative floorspace mix and its potential competitive advantage. Figure 5 compares the total commercial and retail floorspace of Manly Town Centre with other well know high streets: Five Dock, Balmain and Norton Street, Leichhardt.

**Figure 5 - Total Floorspace in Selected Centres**

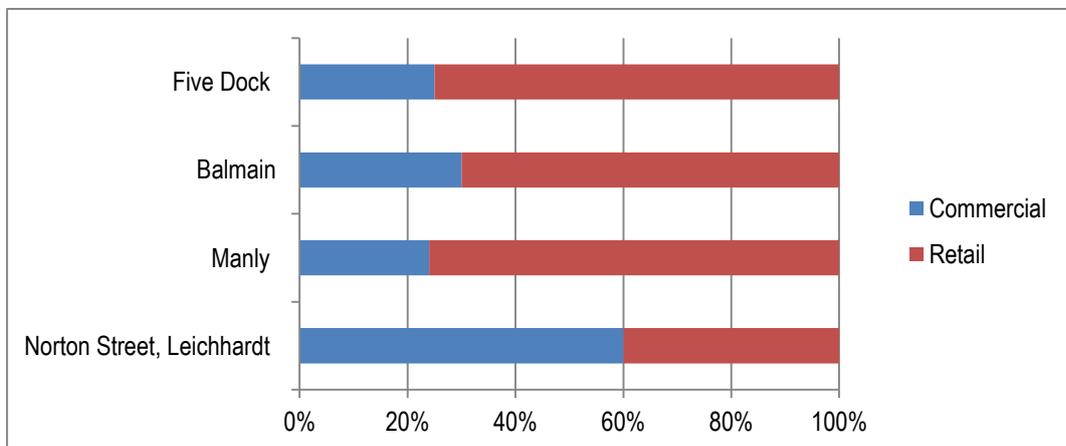


Source: Hill PDA floorspace data and Leichhardt Council Employment Lands Study.

Figure 6 compares the commercial and retail mix in each of the selected centres. At 24% Manly has the lowest proportion of commercial floorspace of all the centres. However, with respect to retail floorspace (76%) Manly has the highest proportion of all the centres. The higher proportion of retail floorspace in Manly is to be expected given the important role of tourism to the centre. This reliance on tourism means that Manly Town Centre does not play an important role in the provision of commercial activity, with tourism / visitation demand encouraging retail development over office activities.

Whilst a full retail demand assessment has not been conducted for Manly Town Centre, the low vacancy rate of just 4% (at October 2013) indicates that demand is strong and there may be scope for further retail floorspace development in line with population and real growth in retail expenditure.

**Figure 6 - Commercial and Retail in Selected Centres**



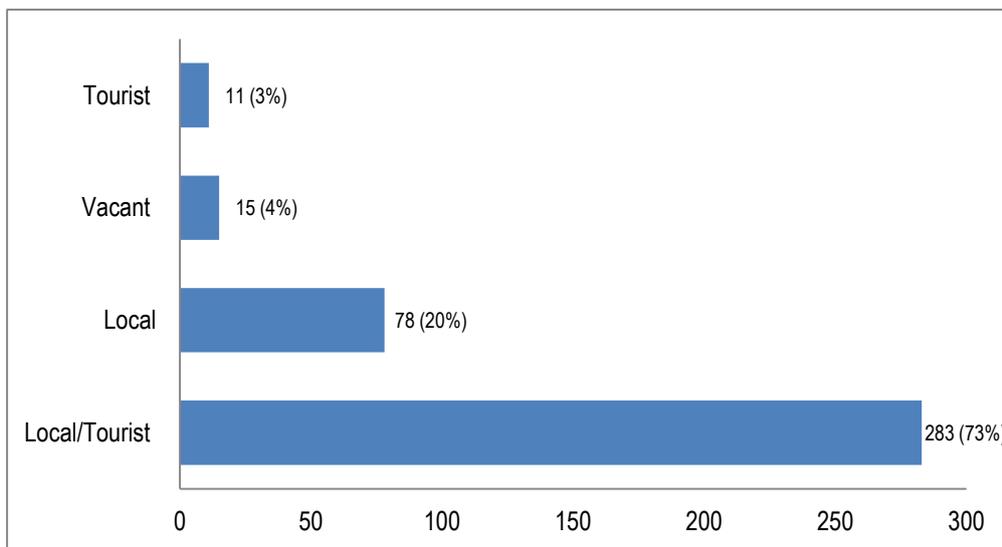
Source: Hill PDA floorspace data, Leichhardt Council Employment Lands Study.

## 4.4 WHAT PROPORTION OF BUSINESSES SERVICE TOURISTS VS. LOCAL RESIDENTS?

The Manly Town Centre comprises a range of businesses that service the needs of international / domestic tourist and 'locals' residing in the area. During the floorspace survey undertaken for this study, analysis was carried out to determine what businesses catered to locals and tourists alike. The results shown in Figure 7 illustrate that of the 387 shops in the Manly's Town Centre, 283 businesses cater for both tourists and locals (i.e. cafes, restaurants, clothes shops, personal services and travel agents).

The survey results demonstrate that 78 businesses service locals more specifically (i.e. medical practices, legal firms, real estate agents, financial planners and government services e.g. local library). There were only 11 businesses that catered specifically to tourists (i.e. hotels, motels and serviced apartments). It must be noted that there were 15 vacant premises at the time the survey was undertaken and therefore these premises could not be categorised for the purpose of this Study.

**Figure 7 - Tourist and Local Businesses within Manly's Town Centre**



Source: Hill PDA Floorspace Data, Manly Town Centre 2013

In summary, Manly's strengths are its cafes, restaurants, personal services and speciality food stores. These retail sectors attract a large number of consumers to the Town Centre. This is a substantial competitive advantage for Manly that provides opportunities for other business types and should be built upon.

Figure 8 - The Corso, Manly



Source: commons.wikimedia.org



Source: trevorstravels.com

## 5. GROWING DEMAND FOR RETAIL

In light of the forecast growth in population discussed in Chapter 3 for the suburb of Manly and broader Manly LGA, the following Chapter estimates the likely resulting growth in retail expenditure. This Chapter also investigates likely additional retail expenditure generated in the Town Centre as a result of some key components of the Manly2015 Masterplan.

### 5.1 GROWTH IN TRADE AREA EXPENDITURE

As the highest order centre designated under the North East Subregional Strategy<sup>30</sup> within the Manly LGA, Manly Town Centre plays a key role in meeting the weekly and convenience shopping needs of residents within both Manly suburb and Manly LGA. In order to better understand the scope and quantum of demand for retail within the LGA we have calculated the existing and forecast growth in retail expenditure from residents.

For the purposes of the projections, household expenditure was sourced from:

- ABS Household Expenditure Survey (HES) 2003-04 (updated to 2013) which provides household expenditure by broad commodity type by household income quintile; and
- Marketinfo 2009 database (updated to \$2013) which is generated by combining and updating data from the Population Census and the ABS Household Expenditure Survey (HES) using “*microsimulation modelling techniques*”.<sup>31</sup>

Based on the above methodology, it is estimated that there will be significant growth in retail expenditure in both the Manly LGA and more specifically the suburb of Manly between 2013 and 2031. More specifically this growth is shown in Table 3 as increasing from \$1.01b as of 2013 to \$1.35b as of 2031 across Manly LGA representing a net increase in available retail spend from Manly LGA residents of around \$342m. This is equivalent to compound growth of 1.6% per annum which incorporates population as well as real growth in retail expenditure. Supermarkets and grocery stores make up the greatest proportion of spend (approximately 26%), followed by other personal and household goods retailing (14%) and bulky goods (13%).

As shown in Table 4, retail expenditure generated by households in the suburb of Manly are forecast to increase from \$272m as of 2013 to \$357m as of 2031. This represents an increase of approximately \$85m at an average annual growth rate of 1.5%.

Applying target turnover rates for retail floorspace (\$ per square metre)<sup>32</sup> to expenditure growth in Manly suburb and LGA shows that these areas demand an additional 9,000sqm and 28,650sqm of retail floorspace respectively over the 2013 to 2031 period.

<sup>30</sup> NSW Government’s Metropolitan Strategy

<sup>31</sup> MarketInfo combines the data from the Census, HES and other sources to derive total HES by commodity type. The ABS Retail Survey 1998-99 (Cat No. 8624.0) provides a cross tabulation of store type (defined by ANZSIC), by commodity type. Multiplying the percentages in the cross tabulation by total dollars spent generates household expenditure by retail store type.

<sup>32</sup> Derived from industry sources including the ABS Retail Survey 1998-99 (escalated to 2013 dollars), Urbis Retail Averages and various consultancy studies.

When considering the scale of this forecast growth in retail expenditure, it is important to note that not all of it will be directed to Manly Town Centre. Some expenditure would be directed to alternative locations (i.e. bulky goods clusters, places of work or competing centres in the Subregion). The exercise shows however that there is notable potential for additional retail floorspace demand capture by Manly Town Centre. It further highlights the importance of proactively attracting these additional dollars generated within the trade area to Manly Town Centre as opposed to 'losing' or 'leaking' a higher proportion of expenditure to alternative centres.

In considering anticipated growth in demand for retail floorspace in Manly suburb and LGA, the additional component of retail floorspace proposed (1,000sqm) within the framework of Manly2015 will be easily absorbed over the period to 2031. Indeed, the proposed retail floorspace represents just 11% of additional retail floorspace demand in Manly suburb to 2031 and 3.5% of additional demand in Manly LGA. Furthermore, projections of retail expenditure in Manly suburb and LGA do not include additional expenditure from tourists / visitors to the Manly Town Centre.

**Table 3 - Manly LGA: Expenditure by Retail Store Type (\$m2009)**

YEAR	2013	2016	2021	2026	2031
Supermarkets & Grocery Stores	264.0	278.8	302.3	326.4	353.2
Specialty Food Stores	92.5	97.7	105.9	114.4	123.8
Fast-Food Stores	83.0	87.6	95.0	102.5	111.0
Restaurants, Hotels and Clubs*	119.6	126.3	136.9	147.8	159.9
Department Stores	85.8	90.5	98.2	106.0	114.7
Clothing Stores	57.5	60.7	65.8	71.1	76.9
Bulky Goods Stores	133.7	141.2	153.1	165.3	178.9
Other Personal & Household Goods Retailing	139.3	147.1	159.5	172.2	186.3
Selected Personal Services**	37.0	39.0	42.3	45.7	49.4
<b>Total Retailing</b>	<b>1,012.4</b>	<b>1,068.7</b>	<b>1,159.0</b>	<b>1,251.4</b>	<b>1,354.2</b>

\* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling)

\*\* Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

**Table 4 - Manly Suburb: Expenditure by Retail Store Type (\$m2009)**

YEAR	2013	2016	2021	2026	2031
Supermarkets & Grocery Stores	68.9	72.6	78.2	84.0	90.3
Specialty Food Stores	24.3	25.6	27.6	29.6	31.9
Fast-Food Stores	23.0	24.2	26.1	28.0	30.1
Restaurants, Hotels and Clubs*	34.5	36.4	39.2	42.1	45.3
Department Stores	22.8	24.1	25.9	27.8	29.9
Clothing Stores	15.2	16.1	17.3	18.6	20.0
Bulky Goods Stores	35.8	37.8	40.6	43.7	47.0
Other Personal & Household Goods Retailing	37.3	39.3	42.3	45.4	48.9
Selected Personal Services**	10.1	10.6	11.4	12.3	13.2
<b>Total Retailing</b>	<b>272.0</b>	<b>286.8</b>	<b>308.6</b>	<b>331.5</b>	<b>356.6</b>

\* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling)

\*\* Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

## 5.2 ADDITIONAL RETAIL EXPENDITURE POTENTIAL FOR MANLY

In addition to the growth in retail expenditure forecast for the broader Manly trade area, it is anticipated that the Manly2015 Masterplan could generate opportunities for redevelopment and thereby additional residents within the town centre that would have a flow on benefit to local retailers and businesses. An example of such an element of the Masterplan is the proposed redevelopment of the area commonly referred to as of the 'Triangle Site' or 'Central Manly' (this area is referred to as the 'Village Centre' in Manly2015).

To provide an example of the economic benefits that could be generated by the mixed use redevelopment of sites within the Village Centre, along with other sites in the locality, we have assumed the following net increase in floorspace:

- 1,000sqm of retail;
- 1,000sqm of commercial; and
- A net increase of 50 apartments.

A mixed use redevelopment of this nature would directly result in approximately \$14.8m in construction works<sup>33</sup>. Additional economic benefits could include:

- The generation of an additional \$34.2m in production and consumption induced flow-on effects from direct construction costs (\$14.8m)<sup>34</sup>;
- The generation of 155 job years through direct (42 job years) and indirect (113 job years) construction multiplier impacts<sup>35</sup>. This is equivalent to 155 additional full-time equivalent (FTE) jobs for one year; and
- The generation of an additional 107 jobs annually from retail and commercial floorspace operations based on the application of employment ratios (square metres per job) to the commercial and retail components of the development<sup>36</sup>.

### 5.2.1 RETAIL EXPENDITURE IN THE LOCALITY

Redevelopment of this nature would also generate additional retail spend to the benefit of retail stores and services in the Manly Town Centre. Additional retail spend would come from three sources being:

1. Construction workers;
2. Operational employees including office and retail workers; and
3. Residents living in new apartments within the village.

<sup>33</sup> Rawlinsons Construction Handbook 2013

<sup>34</sup> Source: Hill PDA and ABS Australian National Accounts: Input-Output Tables 2008-09 (ABS Pub: 5209.0).

<sup>35</sup> Ibid

<sup>36</sup> Hill PDA. 15sqm per job applied for commercial uses and 25sqm per job applied for retail activity.

In estimating the quantum of retail expenditure that could be generated directly by construction and operational workers to the benefit of the Manly Town Centre, Hill PDA has assumed that each construction worker would spend approximately \$2,750 per annum on retail goods and services near to their place of work<sup>37</sup>.

Based on the above assumptions, the potential for additional retail expenditure is as follows:

- \$0.12m from construction workers on site during the course of construction; and
- \$0.29m from operational workers annually.

When assessing the potential additional retail expenditure generated from new residents in the centre, the following assumptions were made:

- There would be an average of two persons per dwelling<sup>38</sup>;
- All residents would be new residents to the locality; and
- Real retail growth would average 1.1% between 2011 and the completion of construction at 2015.<sup>39</sup>

The proposed development would therefore generate an additional 100 residents that are likely to spend in the order of \$1.6m per annum<sup>40</sup>. It is recognised that whilst the majority of this resident retail expenditure would be captured by retail facilities in the Manly Town Centre, a portion would be directed to other competing centres in the Subregion, to online retail and to holidays / business trips.

**Figure 9 - Sydney Road, Manly (Manly Markets)**



Source: northernbeachesplayground.com

<sup>37</sup> Around 20-25% of average total per capita retail expenditures across the Manly LGA.

<sup>38</sup> Manly Suburb ABS Community Profile (2011)

<sup>39</sup> Hill PDA, based on historic real retail growth analysis

<sup>40</sup> It has been assumed that construction would be complete by 2015

## 6. THE ECONOMIC BENEFITS OF INVESTING IN TOWN CENTRES

This penultimate Chapter provides an overview of the importance of investing in Town Centres such as Manly. Building on the evidence and analysis provided in Chapters 1 to 5 of this Study, the Chapter explores three key factors and their relevance to the Manly2015 Masterplan. These three factors being:

1. The economic benefits of improving the town centre's public domain;
2. The importance of protecting the economic vitality and viability of the Centre; and
3. The importance of meeting local needs through initiatives such as 'Buy Local' and creating a 'sense of place'.

The analysis is based on research and comparable examples of other centres and shopping areas in Sydney. It subsequently concludes by using this research to quantify the potential economic benefits of one component of the Masterplan to Manly Town Centre over a 20 year period.

### 6.1 THE ECONOMIC BENEFITS OF PUBLIC DOMAIN IMPROVEMENTS

#### 6.1.1 QUALITY URBAN DESIGN

There is considerable research that points to the economic benefit of investing in public domain improvements to ensure the overall success of an area. It is acknowledged, however, that there are challenges in accurately quantifying the overall economic benefits to the broader business and local community.

Research undertaken more recently<sup>41</sup> highlights seven key objectives of good urban design which emerge as common themes shared by successful streets, spaces, villages and town centre, they include:

- **Character** - a place with its own identity that responds to and reinforces local uniqueness;
- **Continuity and enclosure** – a clear delineation between private and public space;
- **Quality** – spaces that are attractive and work effectively for all people within the community;
- **Ease of Movement** – places that are well connected and easy to move through, which ultimately puts people before traffic and effectively integrates different land uses and modes of transport;
- **Legibility** – recognisable routes and signage, intersections and landmarks to assist way finding;
- **Adaptability** – places that are adaptable, either over the long term (in response to changing economic conditions) or in the short term, so that the place works well during different times of the day / night / week; and
- **Diversity** – promoting variety and choice through a mix of uses that work well together.

<sup>41</sup> Rics Property Journal: Not just a pretty place by Stuart Croucher. September/October 2013

The Manly2015 Masterplan has adopted many of these key objectives to improve the quality of the Town Centre and public domain.

Danish Architect Jan Gehl highlights that in today's society people “*choose to be somewhere they like over somewhere they do not*”<sup>42</sup>. It therefore follows that a poor quality public domain ultimately means fewer people look to spend time in the area which in turn reduces its overall attractiveness and commercial / retail viability.

In an attempt to quantify this, Transport for London found that for each measurable improvement in public lighting, security, public realm maintenance or enhancements to the quality of an area, there is a related increase in the sale price of apartments within the same area by over 1.6% and retail rental values by over 1.2%<sup>43</sup>. The Study goes on to conclude that a high-quality public domain is likely to increase the value of land within a given area well in excess of the amount initially invested.

## 6.1.2 ENHANCED PEDESTRIAN MOVEMENT

A key objective of Manly2015 is to facilitate the pedestrianisation of a number of existing streets and laneways to increase opportunities for walking and cycling within Manly's Town Centre.

The concept of pedestrianisation is simply “*to restrict vehicle access to a street or area for the exclusive use of pedestrians*”. *The pedestrianisation of a street or an area can only occur where servicing of premises, whether for residential, retail or commercial purposes, can be undertaken from another entrance, back street or underground facility*<sup>44</sup>.

Research evidence<sup>45</sup> and a number of case studies identify the economic benefits that can be secured for a local economy by improving walking and cycling accessibility in centres. One such study identified that better public spaces for walking can provide a competitive return and increase sales for retail businesses by up to 30%<sup>46</sup>.

The overall investment to improving pedestrian and cycle-friendly areas can attract people to visit, spend money and stay longer in their local centres. Greater pedestrian activity along with a higher quality public domain can increase retail rental values and generate increased business activity for the local economy due to increasing the overall exposure of local shops within the centre.

In Victoria, The City of Melbourne underwent a ‘*whole of city renaissance to revitalise city life*’<sup>47</sup>. Over a period of ten years (1994 to 2004) substantial changes to the City Centre were undertaken including wider footpaths, more greenery, street art and usable laneways. The overall benefits were noted to include a 39% increase “*in pedestrian traffic on weekdays and a 98% increase on weekday evenings*”. What was generally considered as an ‘empty useless city centre’ has been transformed and revitalised into an urban environment that has attracted more local and businesses alike.

<sup>42</sup> Rics Property Journal: Not just a pretty place by Stuart Croucher. September/October 2013

<sup>43</sup> Rics Property Journal: Not just a pretty place by Stuart Croucher. September/October 2013

<sup>44</sup> Traffic, Transport and Road Safety Associates Ltd Ireland (TTRSA)

<sup>45</sup> Good for Busine\$\$ Discussion Paper – The benefits of making streets more walking and cycling friendly (Heart Foundation 2011)

<sup>46</sup> The Pedestrian Pound. The Business Case for Better Streets and Places. Livingstreets.org.au

<sup>47</sup> Good for Busine\$\$ Discussion Paper – The benefits of making streets more walking and cycling friendly (Heart Foundation 2011)

A report prepared by Gehl Architects in 2006<sup>48</sup> notes the revitalisation of the City clearly illustrates that places well designed to be people-friendly attract people and public life will follow.

**Figure 10 - Manly2015 Masterplan vision for pedestrianisation**



Source: dailytelegraph.com.au

## 6.2 THE IMPORTANCE OF PROACTIVE ACTION

As outlined in Chapter 4, there is substantial forecast growth in retail expenditure in Manly suburb and Manly LGA over the next 18 years. However there are no new planned centres in the LGA reinforcing the importance of Manly Town Centre as the key centre in the LGA's hierarchy to meet the needs of locals. To maintain this role, our research and industry experiences points to the importance of proactively improving and enhancing so as to not only maintain but gain market share from competing centres.

As discussed in this Chapter, the overall character of the physical environment plays a critical role in where people choose to shop, relax and entertain themselves. Locals and visitors will be attracted to a place where they feel comfortable, enjoy a location in which they wish to favourably identify themselves with. It is with this respect that Manly Town Centre may find an advantage over its competitors whereby its 'village' and 'open' atmosphere is promoted as a merit and part of a positive shopping / dining / entertaining experience. The revitalisation of Manly Town Centre as envisaged in Manly2015 will create an alternative to the Corso for 'locals' to enjoy.

Despite this potential advantage, there is a general consensus amongst businesses and 'locals' that the physical environment within Manly's Town Centre is lacking in a number of ways and is in need of revitalisation. As examples, many respondents during the consultation stage of the Manly2015 Masterplan raised concerns regarding issues surrounding public safety, poor street lighting, vandalism, inadequate public domain and poor urban design.

<sup>48</sup> Hayter JA: Places for People 2004: Melbourne, Australia. Melbourne, Gehl Architects, 2006.

In this regard it is commonly recognised in the industry that shopping environments generally have a 7 year life after which time a significant refurbishment will be required to keep a fresh and inviting atmosphere for shoppers. With the exception of The Corso, Manly's Town Centre has not had a substantial co-ordinated physical overhaul of its Town Centre for many years.

In comparison to the Oxford Street Case Study discussed below, the Centro Shopping area at Warriewood is planning to invest \$36m to expand the existing shopping centre<sup>49</sup>. The proposed redevelopment and revitalisation of the centre proposes an increase in additional retail floor space of over 8,000sqm. The additional retail offer would include a department store, speciality shops and three additional levels of car parking facilities.

Warringah Council has also exhibited a draft Masterplan for the revitalisation of Dee Why Town Centre. The Masterplan aims to make Dee Why the 'northern beaches' premier commercial and residential district. The proposed redevelopment of Dee Why Town Centre proposes a new civic centre, outdoor plaza, new library facility, 560 additional car spaces and public domain and urban design enhancements.

The investment in the Centro Shopping Centre and Dee Why Town Centre will enhance the existing retail 'offer' whilst ensuring the long term viability of these Centres. To protect its competitive edge, Manly Town Centre should also seek to invest in its image and appeal.

### **CASE STUDY: IMPORTANCE OF BEING PROACTIVE - OXFORD STREET PADDINGTON**

The importance of a proactive approach to centre revitalisation may be exemplified by experiences in other Centres across Sydney such as Oxford Street. Once a thriving retail shopping strip, Oxford Street, Darlinghurst (located across two LGAs) has experienced considerable retail decline in particular over the last decade. Whilst a number of reasons for this downturn have been cited (i.e. the growth of online shopping, the close proximity of Westfield Bondi Junction etc.) a key concern has related to the lack of proactive action and commitment to revitalise the area by stakeholders.

As a result the strip shopping along Oxford Street is grappling with higher than average vacancy rates. The Property Observer 2013 states that nearly one in five storefronts along Oxford Street are currently vacant. Furthermore, the article above suggests that 35 out of 198 storefronts on the north side of Paddington's Oxford Street shopping strip (between Barcom Street and Jersey Road) are empty. Real Estate Agents suggest that there are considerably more vacant premises at the Darlinghurst Road end of Oxford Street (Victoria Street to College Street).

Due to the decline of the retail shopping strip and lack of commitment from both Councils, landowners are no longer willing to invest in Oxford Street. This is demonstrated by a decline in street property values which have halved since 2007 and average annual rents which have fallen from \$171,000 to about \$113,000.



Source: A shopping nightmare on Oxford St amongst the vacant shops, Sydney Morning Herald ((2012).

<sup>49</sup> Manly Daily 18 October 2013

## 6.3 THE BENEFITS OF 'BUY LOCAL' AND CREATING A 'SENSE OF PLACE'

The Manly2015 Masterplan aims to broaden the appeal of Manly for 'locals' by introducing new shops, facilities and services that better cater for the needs of local residents. As discussed in Chapter 4, only 23% of businesses within Manly are geared to service the needs of the local community.

For the purposes of this Study, the concept of 'buy local' is broadly defined as ensuring adequate provision of goods, services and facilities that are geared towards servicing the needs of 'local's rather than the needs of tourists.

There are a number of reasons why buying locally benefits local residents as well as local businesses:

- Buying local creates vibrant town centres, links neighbours and creates networks of local businesses with good relationships;
- Buying local maintains local character and prosperity in the locality;
- Buying locally keeps monies in the local economy and creates and keeps more jobs in the community;
- Creating a vibrant local economy within a town centre like Manly leads to more sustainable communities where businesses are within walking distance to other businesses and to residential areas; and
- Increases the opportunities for 'locals' to walk and cycle to obtain good and services in Manly.

There are a number of factors to ensure 'locals' buy in Manly's Town Centre. Of particular importance is to encourage local convenience retailing which encourages daily shopping trips and may include such store types as bakeries, newsagents, butchers, pharmacies and small grocery / convenience stores.

The pedestrian survey undertaken for this Study (refer Appendix 1) identified that almost 40% of all those surveyed were visiting for leisure<sup>50</sup>. This is a very significant component of total visitors to the Centre that can potentially be leveraged off in order to increase local retailing provision within the Manly Town Centre.

In addition to convenience retailing, the provision of community facilities such as medical and community centres, libraries etc. would help to encourage local trips into the Town Centre. Ideally, further community and social facilities provided as part of the Town Centre would lead to dual-purpose trips that include local shopping.

As a final consideration, capitalising on the 39% of respondents visiting the Town Centre for leisure would help to increase the proportion of local retailing and enhance the 'buy local' theme.

Creating a local economy that focuses on the 'buy local' theme will enhance a strong 'sense of place' for locals in Manly. Manly2015 aims to make the suburb of Manly more attractive, interesting, comfortable and safe for locals to enjoy. The overall objective is to create an urban environment whereby local residents, workers, shoppers, and visitors choose to spend more of their time and in turn discretionary spend within Manly Town Centre.

---

<sup>50</sup> Hill PDA (2013)

## 6.4 ECONOMIC BENEFITS OF ADDITIONAL CAR PARKING BENEATH MANLY OVAL

A review of the research identifies challenges associated with directly translating the benefits of amenity improvements within a town centre into a dollar figure. For the purposes of this Study we have however sought to conservatively estimate what benefit a net increase in car parking could have to visitors and retail trade within Manly Centre. Based on our visitor survey (please refer to Appendix 1), it is understood that parking constraints are a perceived barrier to visitors in Manly. Accordingly it may be argued that an improvement in provision would also attract a greater number of visitors and more specifically locals to the area.

To calculate this benefit we have prepared an economic model based upon;

- The net increase in car parking spaces resulting from the proposed 800 space car park beneath Manly Oval as part of the Masterplan;
- Information gained through our visitor survey regarding visitor spend;
- Estimates of car park utilisation; and
- Average number of people per car.

On the basis of these factors and the net increase in visitors likely to the Centre, we forecast that an additional \$15m<sup>51</sup> of retail expenditure could be gained by the Centre. Over a 20 year period this could lead to an increase of close to \$300m in \$2013 dollars.

It is likely that much of this additional expenditure would be gained from local residents and the continued use of the Centre as a place of leisure lifestyle and convenience shopping. In addition to these benefits from local residents, it may not be unreasonable to assume that the Centre would benefit from an increase in the number of domestic visitors and international tourists on account of its improved visual and amenity appeal. This growth is likely to increase the potential quantum of expenditure that would be gained by the Centre and its local businesses.

---

<sup>51</sup> Hill PDA, Manly2015, Manly Council, Bureau of Transport Statistics 2013.

# KEY FINDINGS / SUMMARY

In summary, the Manly2015 Masterplan takes a proactive approach that seeks to maintain Manly's competitive edge as the key centre within the Manly LGA. This Study finds there are a number of notable economic benefits to be gained from the future revitalisation of Manly Town Centre as envisaged in Manly2015.

The study identifies two key elements that were likely to contribute to the economic benefits of the Manly2015 Masterplan, being the proposed net increase in car parking and the potential mixed use redevelopment of the existing Whistler Street Car Park and associated sites to enable the creation of the Village Centre. The study found the following:

- The net increase in car parking spaces (in particular beneath the Manly Oval) could attract an additional \$15m of retail expenditure per annum to the Centre to the benefit of existing businesses. Over a 20 year period this could lead to an increase of close to \$300m in 2013 dollars;
- The redevelopment of the Whistler Street Car Park and other sites in the vicinity could generate the potential for:
  - Over 50 new residential dwellings for locals generating an additional \$1.6m in retail expenditure per annum;
  - Close to \$15m of construction work leading to the generation of 42 job years;
  - An increase in demand for local goods (in the order of \$120,000 per annum) from construction workers;
  - The provision of additional ground floor retail which could also provide opportunities for new businesses and a complementary mix of food retailers and services geared towards locals;
  - Once fully developed, these retail and commercial facilities could generate in the order of 110 operational jobs that in turn would generate an expected additional \$290,000 annually in retail expenditure; and
  - Finally, the mixed used redevelopment of key sites within Whistler Street could generate approximately \$15m in additional investment to the economy and an additional \$34m in production and consumption induced multipliers.

## Appendix 1 - **MANLY PEDESTRIAN SURVEY RESULTS**

## Overview

Hill PDA has undertaken a pedestrian survey to inform the Manly Business Impact Assessment Report which is currently being prepared.

The Manly Pedestrian Survey comprised 10 questions and was undertaken by members of the Hill PDA team on the following days / times:

- 11 September 2013 between 10am-3pm;
- 12 September 2013 between 4pm-8pm; and
- 14 September 2013 between 10am-2pm.

The surveys were undertaken at 5 geographical locations (refer figure 1) and the number of surveys completed at each location is summarised as follows: 32% in the Corso, 21% on corner of Sydney Road and Belgrave Street, 20% in Wentworth Street, 14% in Raglan Street and 14% on the corner of Whistler and Belgrave Streets, Manly (refer figure 2).

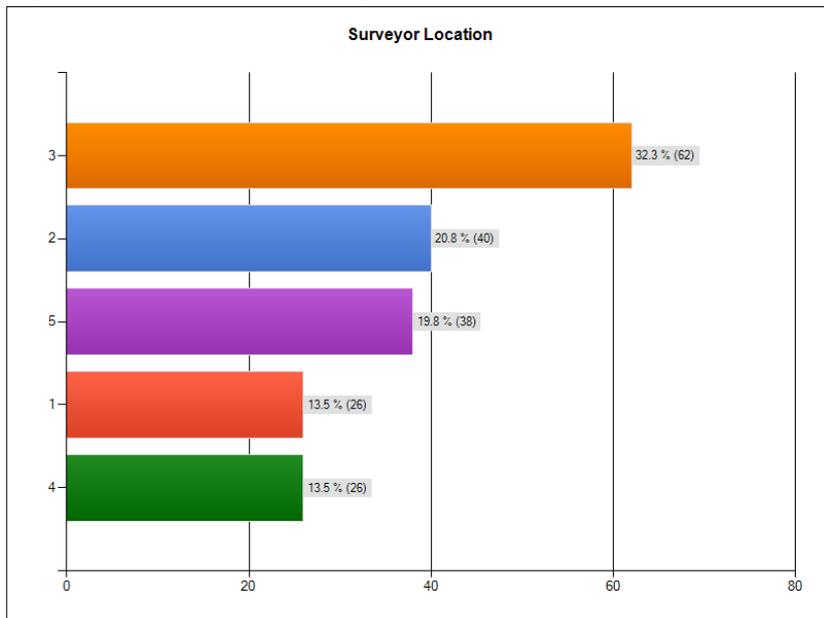
A total of 192 surveys were complete and the results for each question are summarised below.

**Figure 11 - Survey locations**



1	Raglan Street
2	Cnr Sydney Road and Belgrave Street
3	The Corso
4	Whistler Street and Belgrave Street
5	Wentworth Street

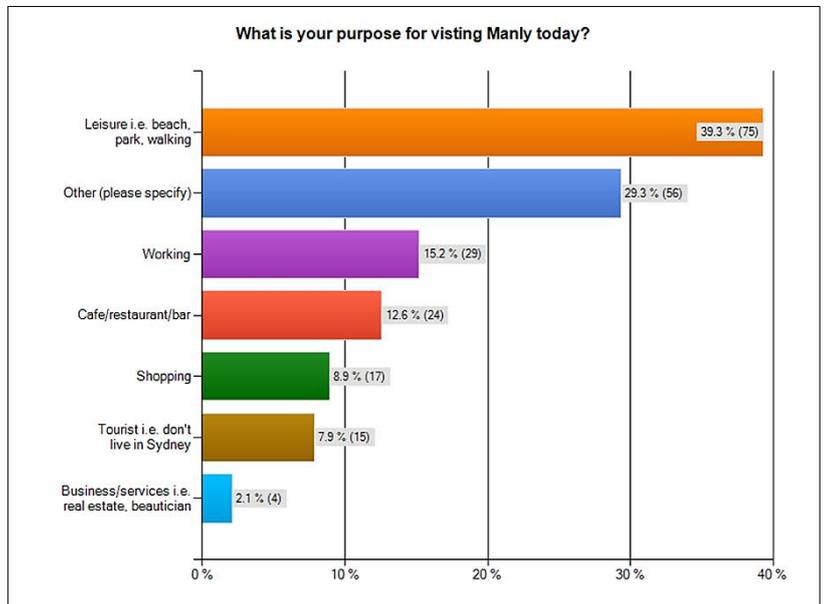
**Figure 12 - Number Of Surveys' Undertaken At Each Location**



Questions / Results

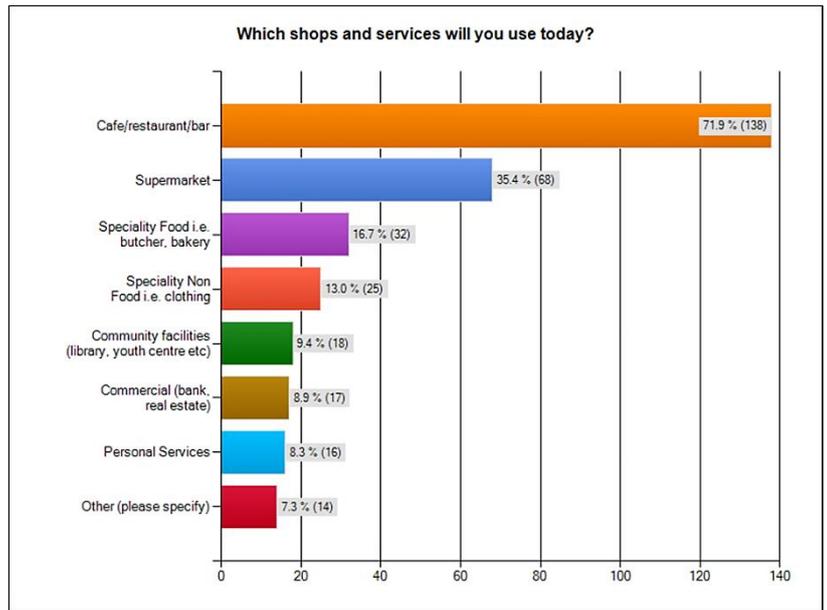
**Question 1: What is your purpose for visiting Manly today?**

The survey results demonstrate that the top three reasons for visiting Manly were as follows: Leisure (39%), Other (29%) and Working (15%). The majority of respondents who answered “other” were local residents who advised their main reason for being in Manly was to access local services and facilities.



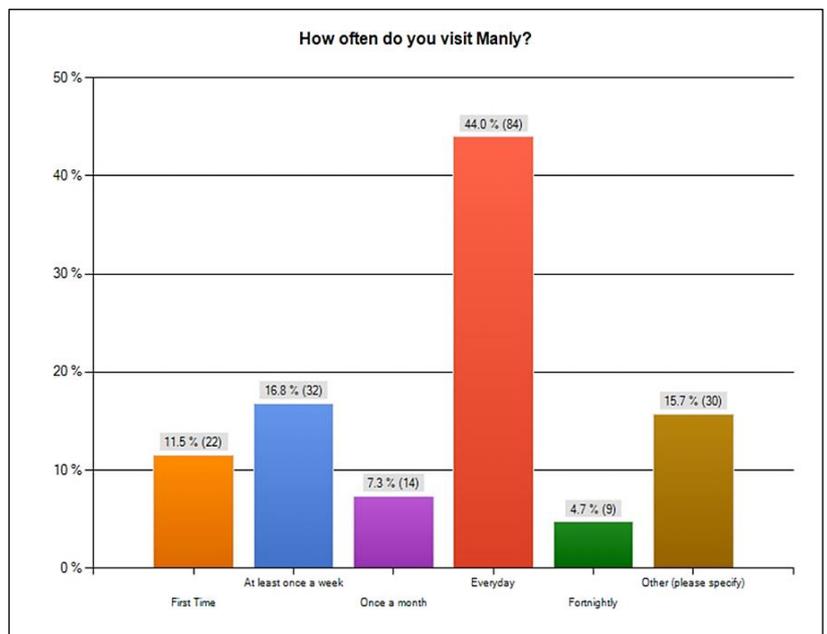
**Question 2: Which shops and services will you use today?**

Survey respondents advised the main three shops/services they were likely to use were: Café/restaurant/bar.(72%), Supermarket (35%) and Speciality Food (17%).



**Question 3: How often do you visit Manly?**

The majority of survey respondents advised they visited Manly “Everyday” (44%). Survey respondents also advised they frequent Manly “At least once a week” (17%) and “Other” (16%). There were a range of responses provided by those who nominated “Other” including: 2-3 times a week, once a year and every two months.

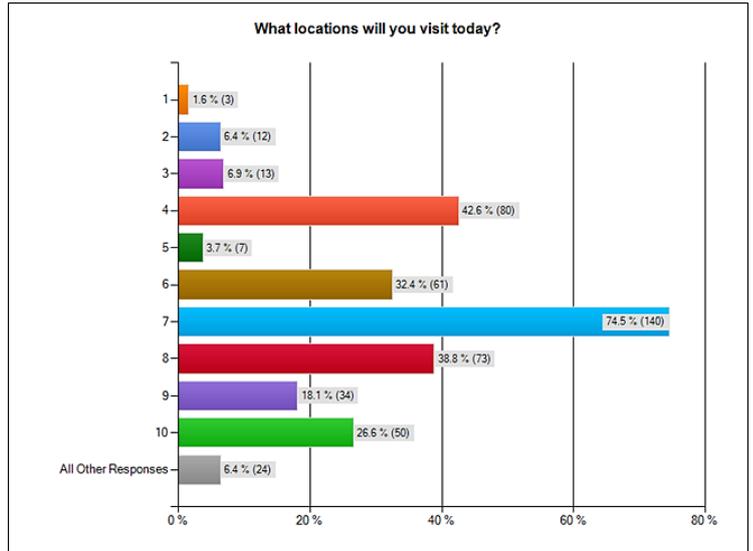


**Question 4: What locations will you visit today?**

Survey respondents were most likely to visit the following locations (refer diagram 3 below):

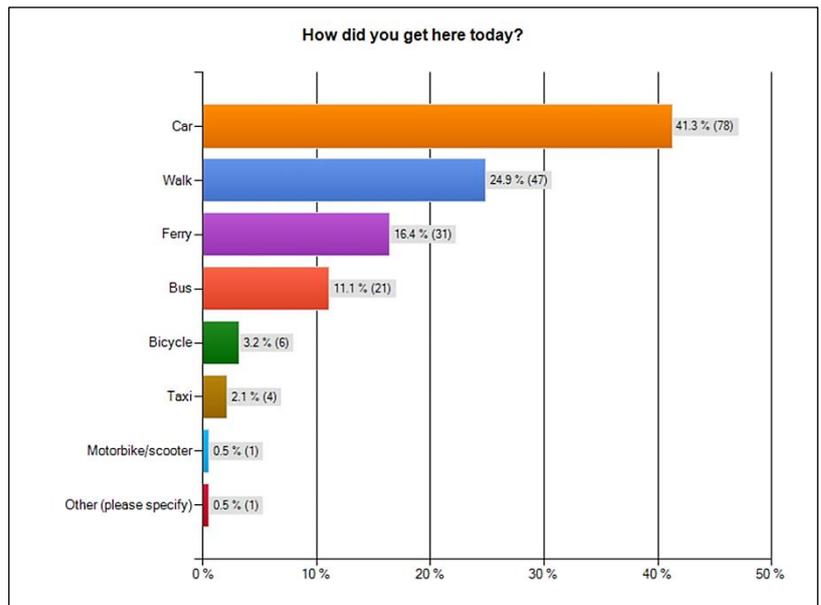
- Location 7: The Corso (75%);
- Location 4: Beach Front (44%); and
- Location 8: Wentworth Street and Beach Front (39%).

**Figure 13 - Locations within Manly**



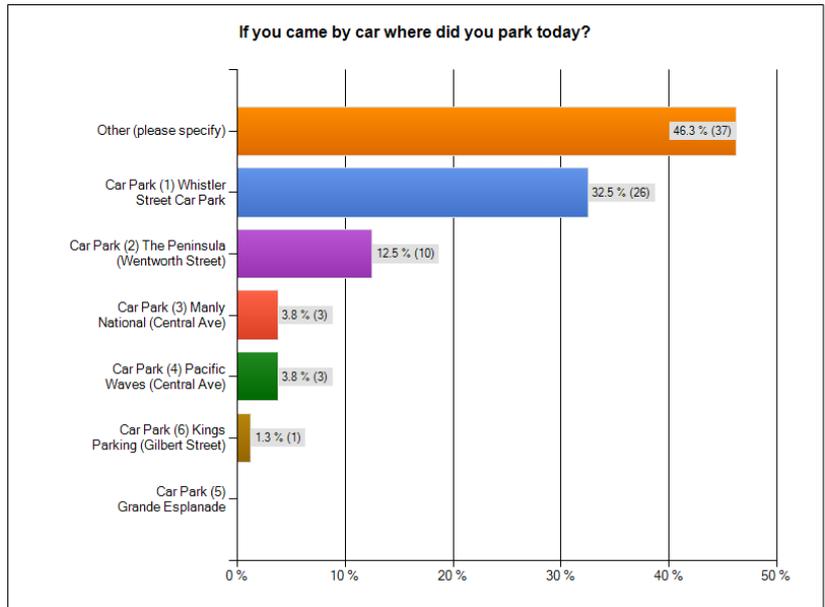
**Question 5: How did you get here today?**

The survey results demonstrate the largest single portion of people drove to Manly (41%). The other modes of transport used to arrive at Manly were Walking (25%), Ferry (16%) and Bus (11%).



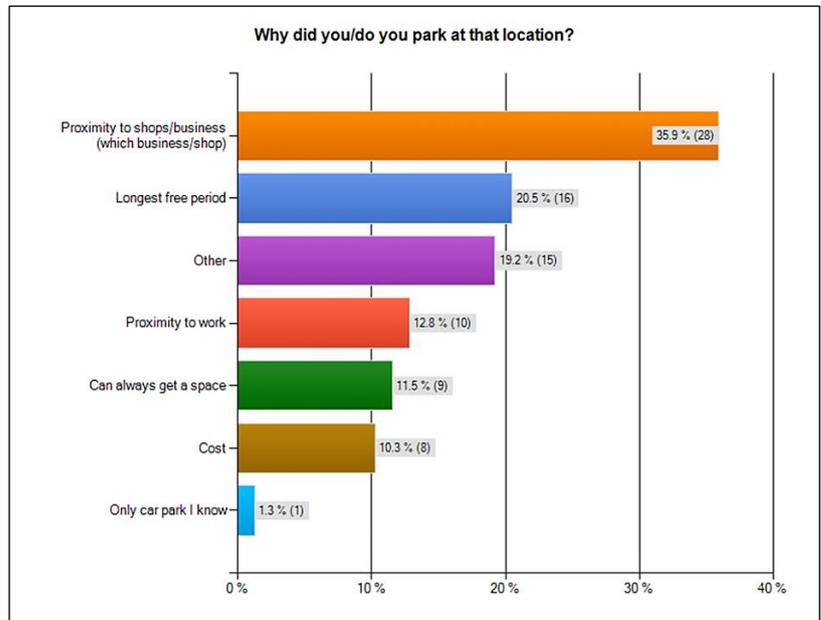
**Question 6: If you came by car where did you park today?**

The majority of people interviewed responded “Other” (46%), i.e. all respondents advised that they had parked in the street in close proximity to their destination. Of those who arrived in Manly by car, the majority of survey respondents parked in the Whistler Street Car Park (32%). The Wentworth Street Car Park was also nominated as a car park utilised by survey participants (12%).



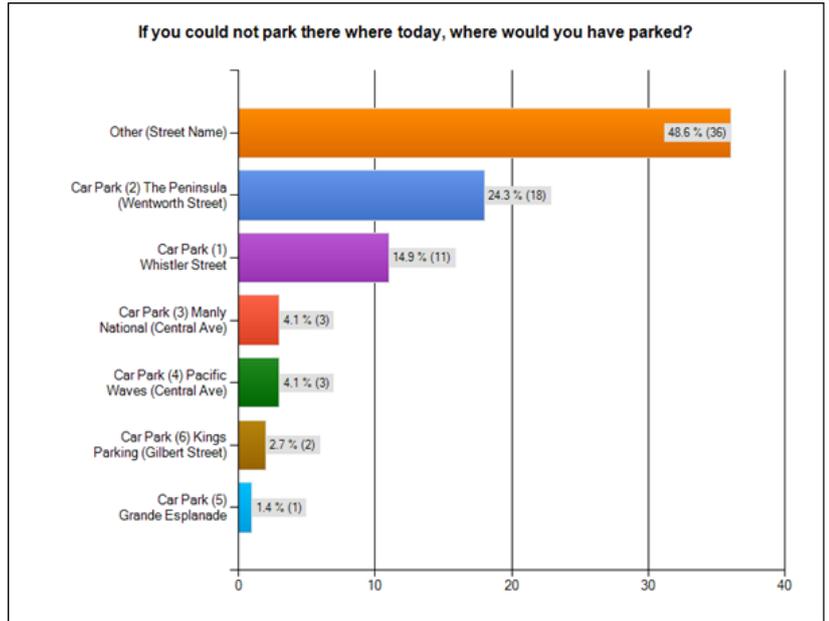
**Question 7: Why did you/do you park at that location?**

The survey results suggest that the majority of survey participants chose their parking destination based on the proximity to shops/businesses (36%), longest free period (21%), other (19%) and proximity to work (13%). Of those who stated “other” as their response, they gave reasons such as “where they found a spot”, “live nearby” or “close to beach”.



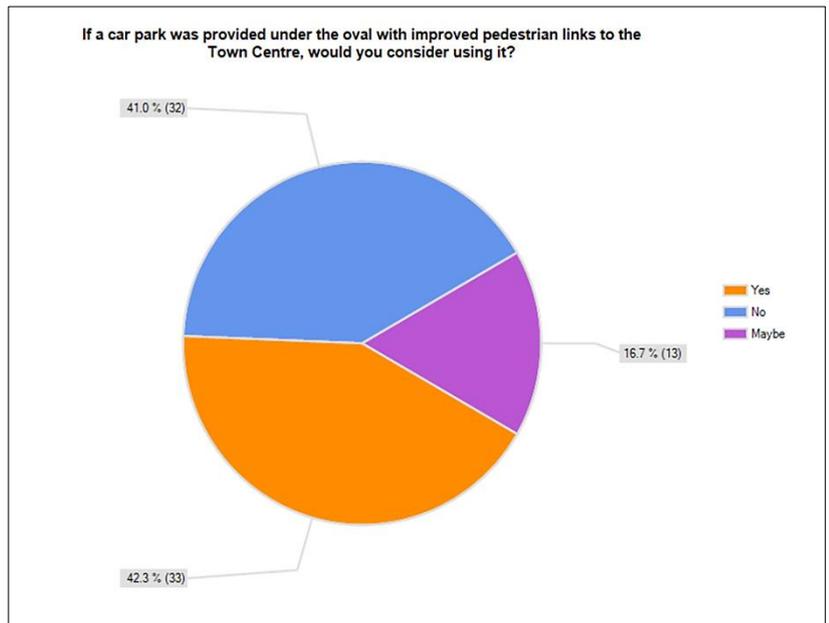
**Question 8: If you could not park there today where would you have parked?**

Survey respondents stated that if they were not able to find a parking spot in their preferred location, they would have parked at the following locations: “Other” (i.e. Street parking) (49%), Car Park 2- Wentworth Street Car Park (24%) and Car Park 1 – Whistler Street (15%).



**Question 9: If a car park was provided under the oval with improved pedestrian links to the Town Centre, would you consider using it?**

Of the survey participants who drove to Manly, 42% said they would utilise the proposed car park under the oval, 41% said they would not use the car park under the oval and 17% stated they might use the proposed car park.



**10. Do you have any other comments/observations regarding the parking in Manly?**

A number of respondents made comment/s relating to this question. Whilst not an exhaustive list, some of the comments were similar in nature and a sample of overall comments are listed below:

- It is difficult to park in Manly especially all day;
- There are not enough parking spots;
- When we have visitors they struggle to find parking;
- Parking is terrible, it is detrimental to everyone;
- Parking should be free rather than paying for it;
- Two hours free parking is good. Free parking should be a selling point;
- Please do not ruin our oval;
- The proposed car park would be too far to walk;
- Short term parking is not convenient if working in Manly;
- More parking in Manly is needed;
- Don't agree with the car park under the oval;
- Came to Manly with my disabled son and the Whistler Street Car Park is very convenient;
- Elderly people won't walk that far (from proposed car park);
- Always easy to park at the Whistler Street Car Park;
- The proposed car park is too far and parking in Manly is difficult. If the Whistler Street Car Park is removed the shops nearby will lose business; and
- Every residential building should have underground car parking with at least two spots per apartment.

## DISCLAIMER

1. This report is for the confidential use only of the party to whom it is addressed ("Client") for the specific purposes to which it refers and has been based on, and takes into account, the Client's specific instructions. It is not intended to be relied on by any third party who, subject to paragraph 3, must make their own enquiries in relation to the issues with which this report deals.
2. Hill PDA makes no representations as to the appropriateness, accuracy or completeness of this report for the purpose of any party other than the Client ("Recipient"). Hill PDA disclaims all liability to any Recipient for any loss, error or other consequence which may arise as a result of the Recipient acting, relying upon or using the whole or part of this report's contents.
3. This report must not be disclosed to any Recipient or reproduced in whole or in part, for any purpose not directly connected to the project for which Hill PDA was engaged to prepare the report, without the prior written approval of Hill PDA. In the event that a Recipient wishes to rely upon this report, the Recipient must inform Hill PDA who may, in its sole discretion and on specified terms, provide its consent.
4. This report and its attached appendices are based on estimates, assumptions and information provided by the Client or sourced and referenced from external sources by Hill PDA. While we endeavour to check these estimates, assumptions and information, no warranty is given in relation to their reliability, feasibility, accuracy or reasonableness. Hill PDA presents these estimates and assumptions as a basis for the Client's interpretation and analysis. With respect to forecasts, Hill PDA does not present them as results that will actually be achieved. Hill PDA relies upon the interpretation of the Client to judge for itself the likelihood of whether these projections can be achieved or not.
5. Due care has been taken to prepare the attached financial models from available information at the time of writing, however no responsibility can be or is accepted for errors or inaccuracies that may have occurred either with the programming or the resultant financial projections and their assumptions.
6. This report does not constitute a valuation of any property or interest in property. In preparing this report Hill PDA has relied upon information concerning the subject property and/or proposed development provided by the Client and Hill PDA has not independently verified this information except where noted in this report.
7. In relation to any valuation which is undertaken for a Managed Investment Scheme (as defined by the Managed Investments Act 1998) or for any lender that is subject to the provisions of the Managed Investments Act, the following clause applies:
8. This valuation is prepared on the assumption that the lender or addressee as referred to in this valuation report (and no other) may rely on the valuation for mortgage finance purposes and the lender has complied with its own lending guidelines as well as prudent finance industry lending practices, and has considered all prudent aspects of credit risk for any potential borrower, including the borrower's ability to service and repay any mortgage loan. Further, the valuation is prepared on the assumption that the lender is providing mortgage financing at a conservative and prudent loan to value ratio.