

# NEW SYDNEY WATERFRONT<sup>CO</sup>

Turnover Report

## 2023 Report

Colliers Retail Strategy & Analytics and Strategic  
Advisory

July 2023



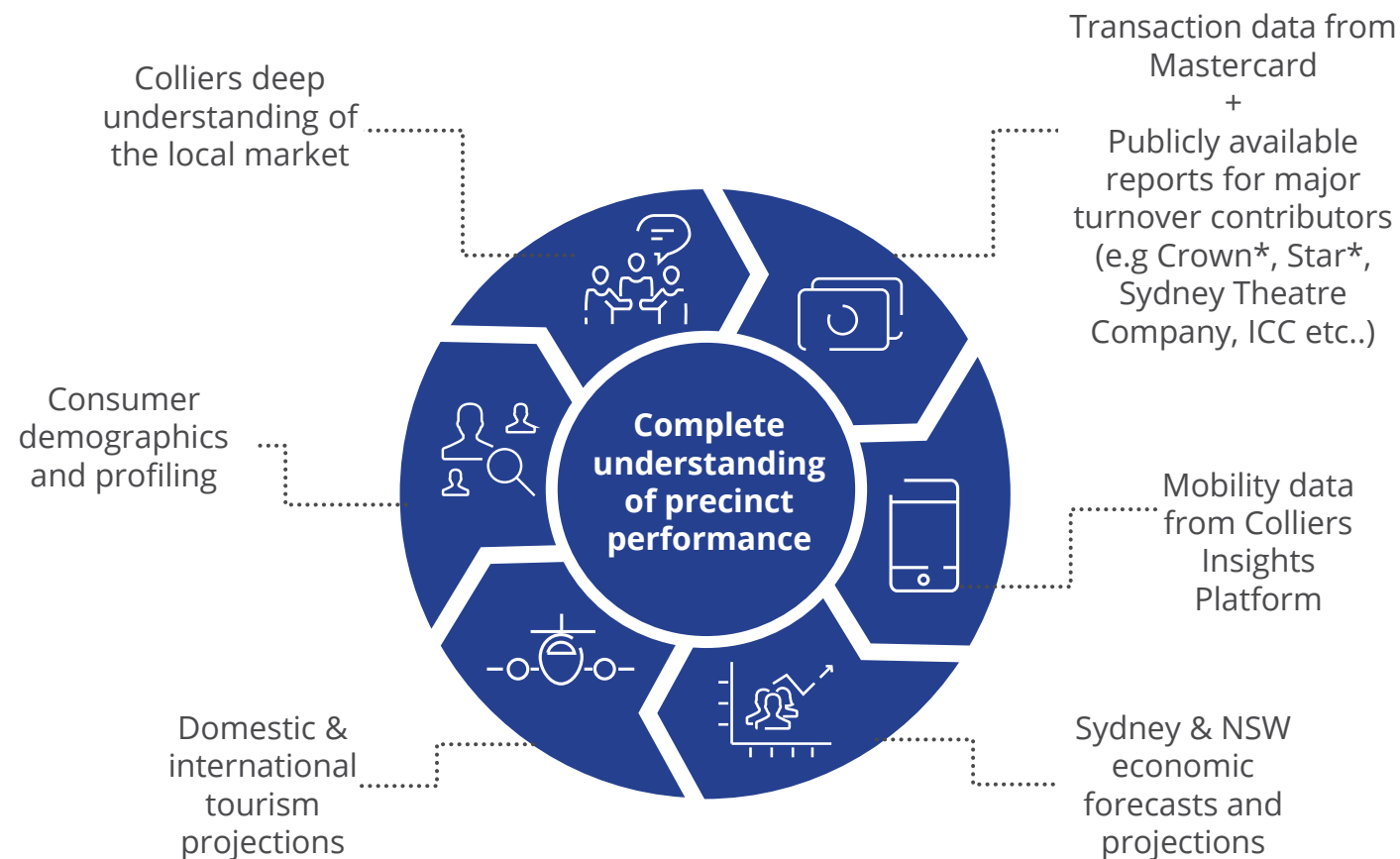
# Background & Context

## Precinct Performance in 22/23 & beyond...

Colliers Strategic Advisory and Retail Strategy & Analytics teams have been commissioned by New Sydney Waterfront Co to apply a data driven approach to understanding current performance trends across Sydney Western Harbour, and to provide a forward-looking view to predict future performance that accounts for the key drivers of performance and how they are anticipated to change over the next 10 years.

*Historical analysis (e.g data compared to 2019 will be impacted by inflation, forward looking forecasts exclude inflation and are at 2023 prices)*  
*\*Turnover for Crown and Star does not capture the value of all wagers.*

**A number of key data points have been utilised to understand existing performance and predict future turnover for Sydney's Western Harbour**





## Background & Context

Location definition: 10 key areas within New Sydney Waterfront used for analysis and turnover estimates



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# Current Performance



\$4.1bn

Total Precinct turnover

79m

Total precinct visits

## Current Performance Estimate

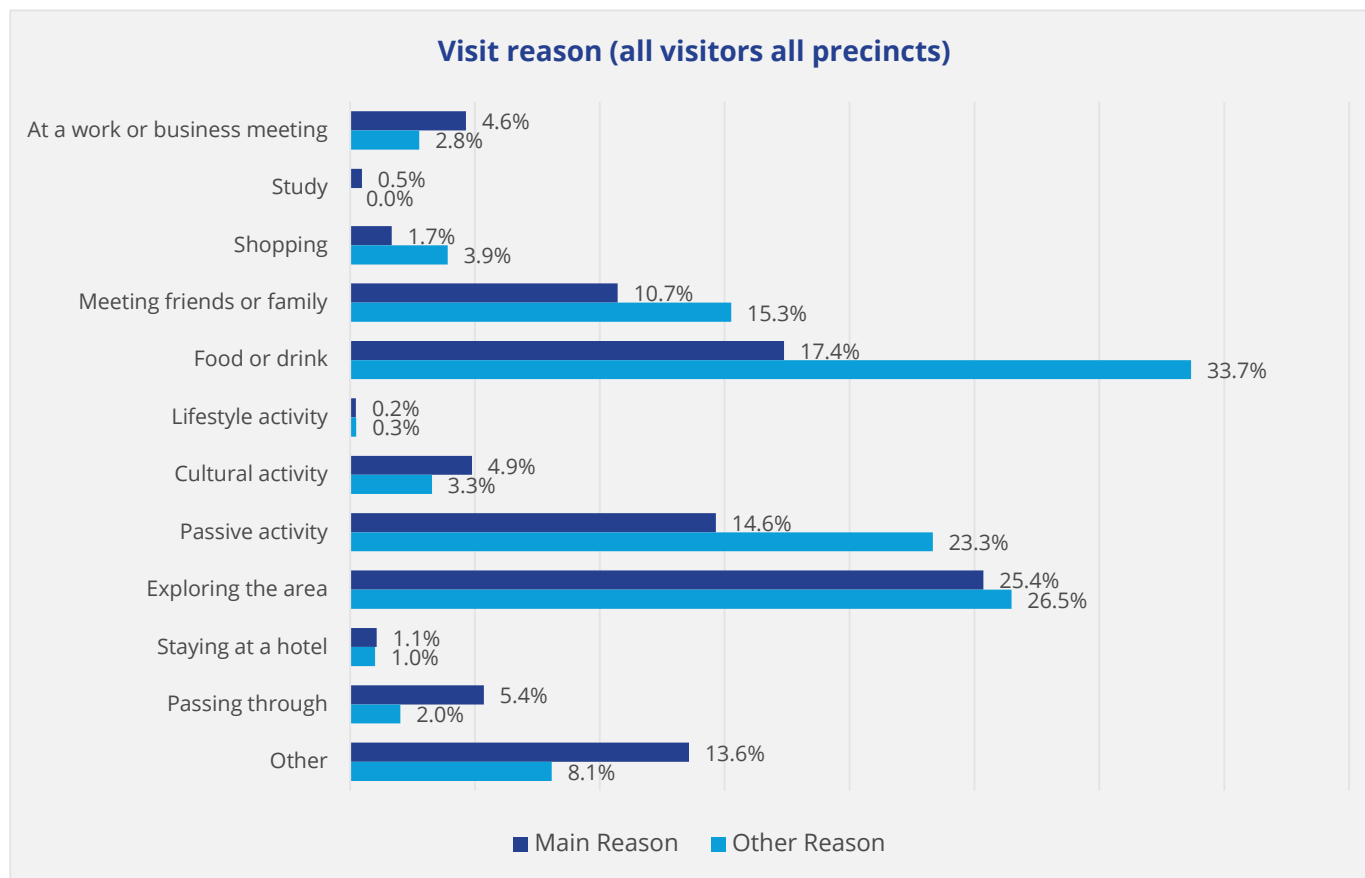
### Annualised 22/23 total precinct turnover of \$4.1bn

- **Based upon the latest analysis of MasterCard transactions alongside the Colliers mobility and footfall data, it is estimated that total precinct generated turnover of \$4.1bn**
- **79m visits to precinct in the last 12 months generated \$4.1bn in turnover**
  - 74% of visitors typically spend whilst visiting the precinct, average visitor spend is approx. \$165
  - Key drivers of spend focused on leisure, socialising and eating out
  - All spending visitors spend on Eating Out, irrespective of the primary reason for visiting
  - Highest expenditure typically from those visiting for cultural activities and food and drink
  - Highest spending in north-eastern sub-precincts with Cockle Bay typically having the highest average spend per trip
  - Average transaction values grew throughout 22/23 and were up an average of +18% vs. 2019
  - 6/10 precincts exceeded 2019 performance levels during FY22/23
  - Bars & Restaurants and Hotels & Accommodation have the best sales performance versus equivalent 2019 months

*Historical analysis (e.g data compared to 2019 will be impacted by inflation, forward looking forecasts exclude inflation and are at 2023 prices)*

# Current Spending Behaviours

## Key drivers of spend focused around leisure, socialising and eating out



### Main reason for visiting the precinct typically much more likely to be (all precincts) .....

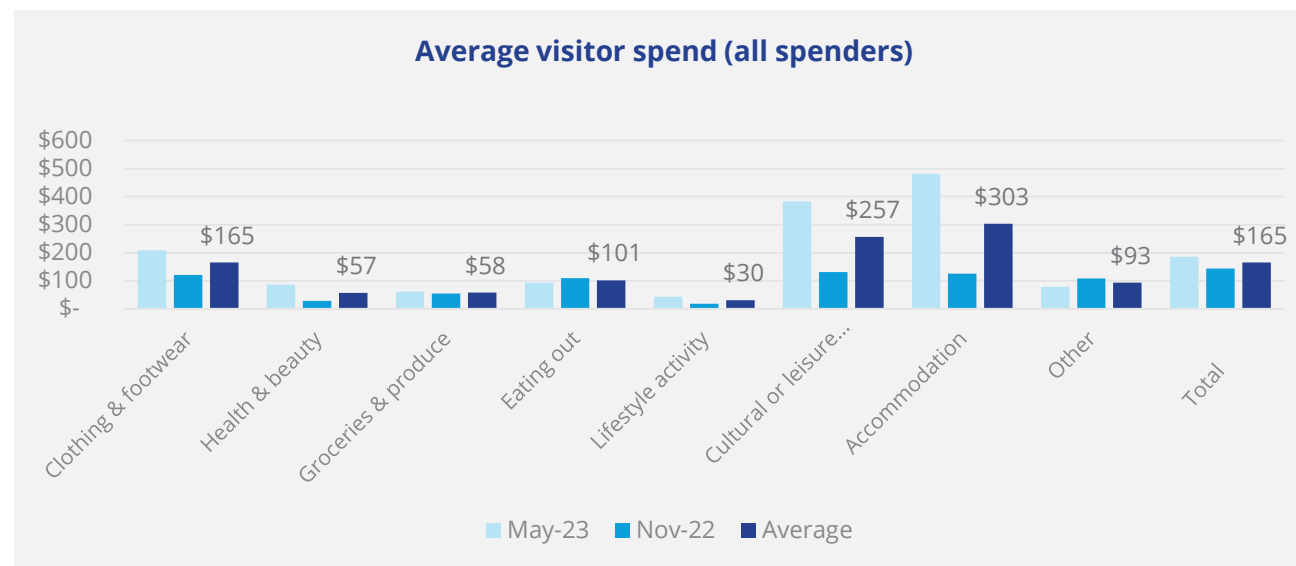
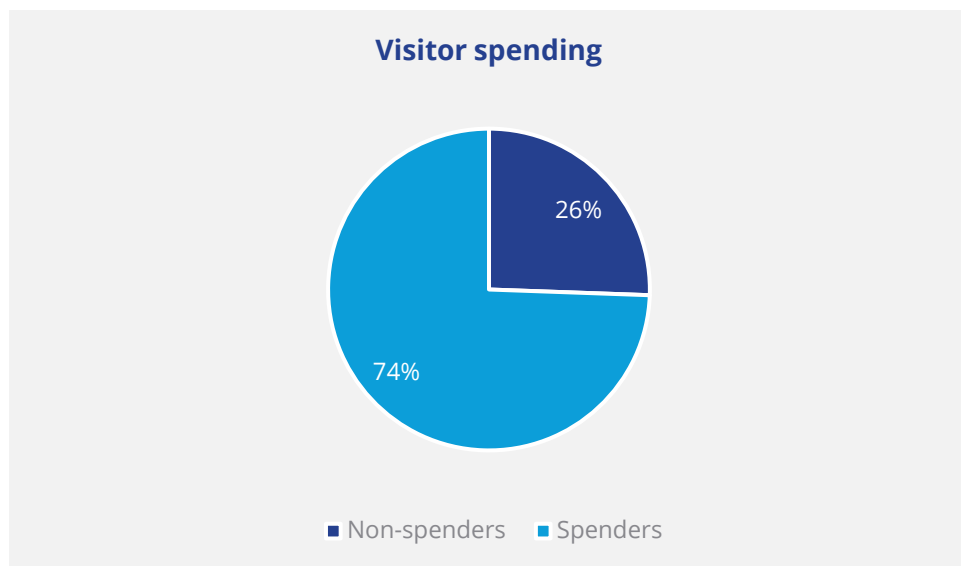
 <b>Local residents</b>	<ul style="list-style-type: none"> <li>• Shopping</li> <li>• Meeting someone else</li> <li>• At work or a business meeting</li> <li>• Passive activity/relaxing</li> </ul>
 <b>Workers</b>	<ul style="list-style-type: none"> <li>• At work or a business meeting</li> </ul>
 <b>Domestic visitors</b>	<ul style="list-style-type: none"> <li>• Exploring area</li> <li>• Eating out</li> <li>• Passive activity/relaxing</li> <li>• Meeting friends or family</li> </ul>
 <b>International visitors</b>	<ul style="list-style-type: none"> <li>• Meeting someone else</li> <li>• Staying at a hotel</li> <li>• Exploring the area</li> </ul>

Notes: Passive activity e.g. sitting in a park, taking in the views | Cultural activity e.g. cinema, art gallery, theatre | Lifestyle activity e.g. hairdresser, gym, beauty salon

Source: Visitor survey - Nov 22

## Current Spending Behaviours

74% of visitors typically spend whilst visiting the precinct, average visitor spend is approx. \$165

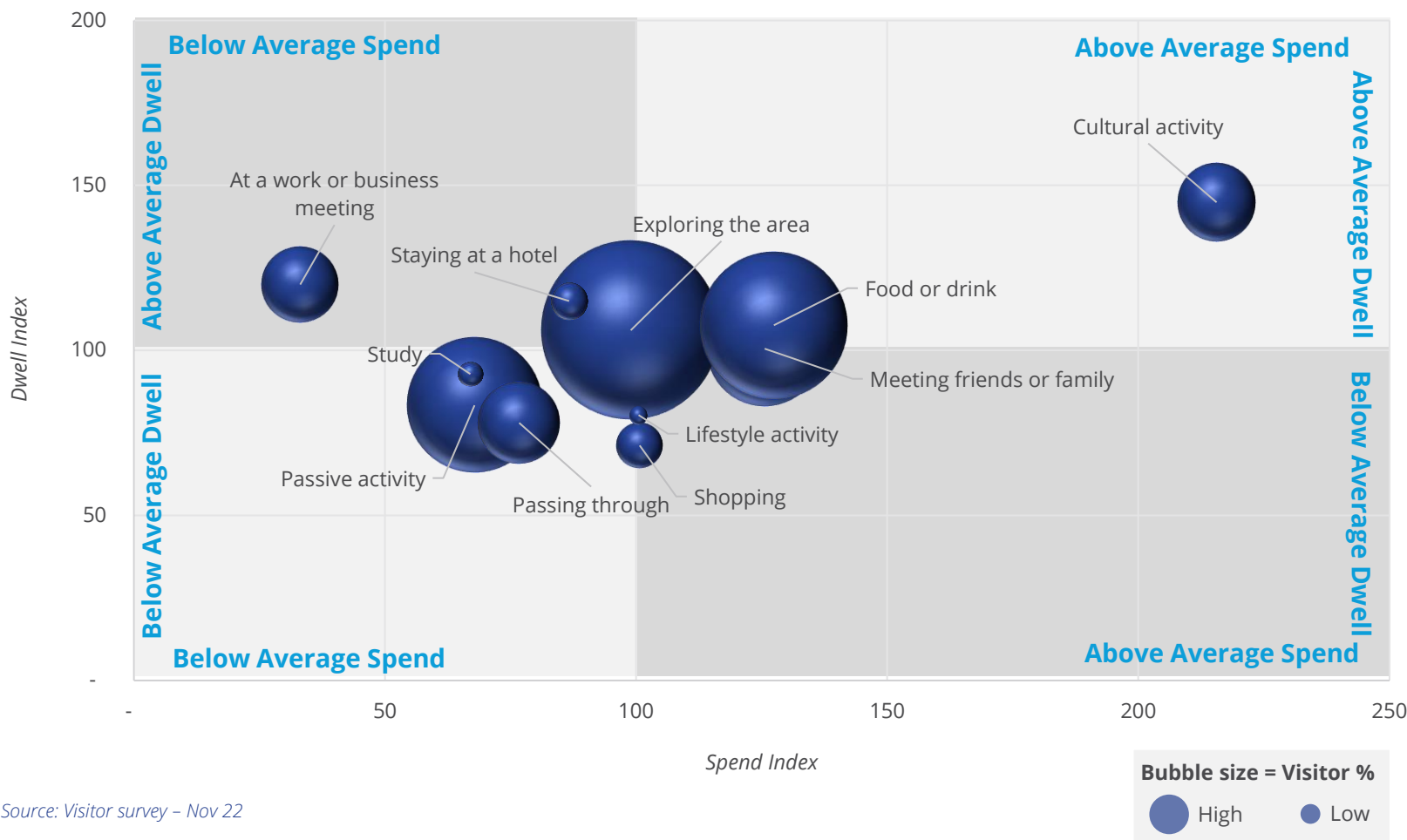


- Average visitor spends \$165 per trip, with visitors spend the most on Cultural/Leisure activities and accommodation
  - But the most popular category is Eating Out, with 95% of spenders transacting on this category
- Around 11% of visitors also spend on pre-booked activities relating to accommodation (\$738), cultural activities (\$172) and lifestyle activities (\$187)
  - This expenditure would be in addition to the average in precinct spend of \$165



# Current Spending Behaviours

Highest expenditure typically from those visiting for cultural activities and food and drink



- When considering the primary motivation for a visit, people visiting for cultural/leisure activities have the highest total spend per trip, at almost \$280
- Conversely, people visiting for work spend the least (~\$41)



Source: Visitor survey – Nov 22

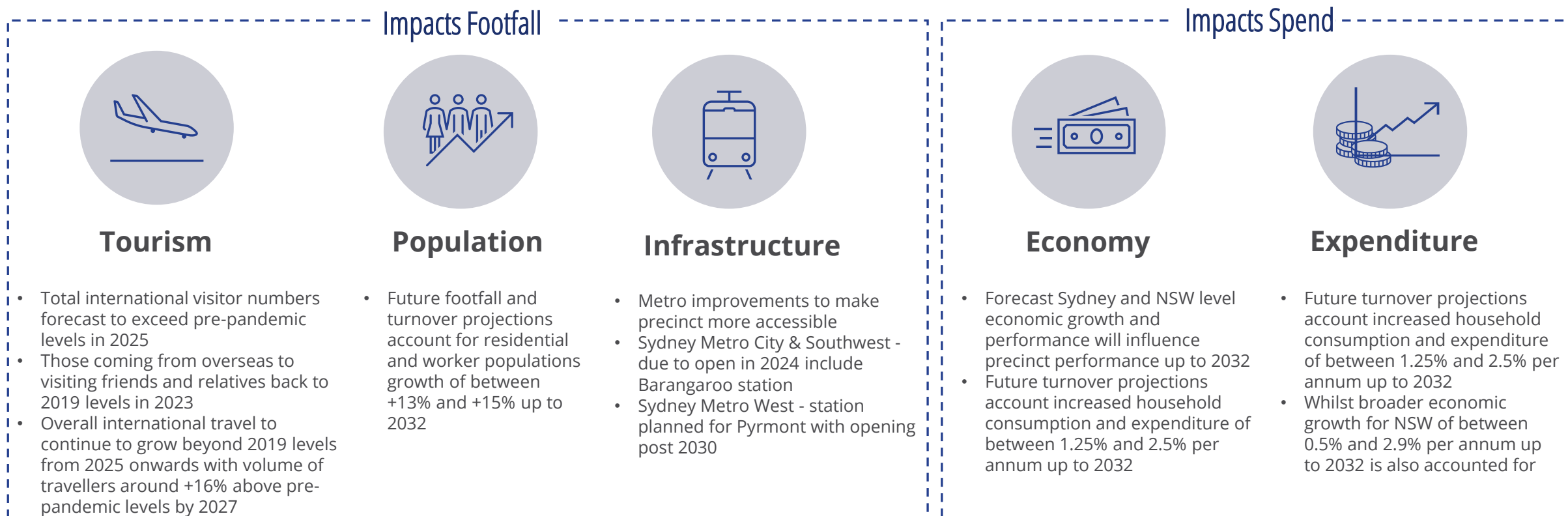


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# The Next 10 Years

## Drivers of future precinct performance

Future precinct performance and growth to be influenced by a range of factors



Impact of development (both as a disruption and accelerant) will be considered in a future advanced analytic project

\$5bn

Total precinct turnover(\*)  
by 2028/29

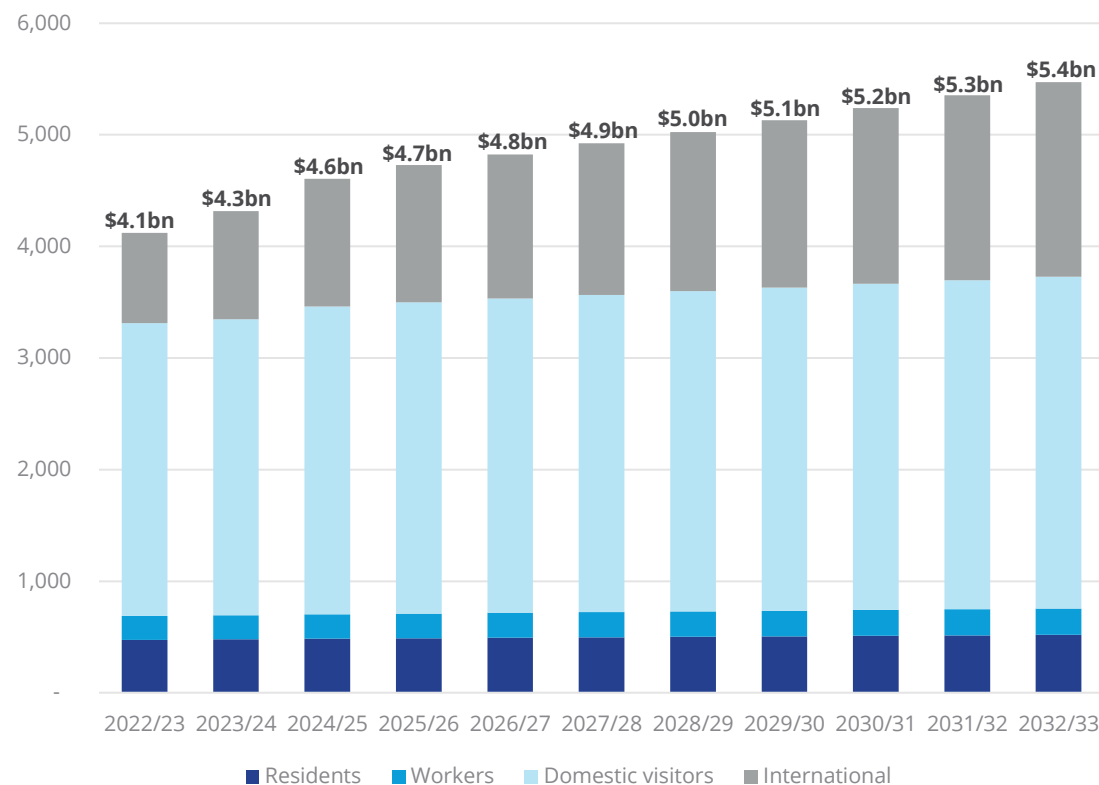
+21%

Versus 22/23

# Future Performance

## Sales anticipated to exceed \$5bn by 2028/29

By 2032/33 total precinct sales forecast to hit \$5.4bn



Source: Collier's forecasts / total precinct level / mid-point scenario | forecasts at 2023 prices and exclude inflation

**Range of scenarios** have been generated when forecasting total precinct sales

**Prudent:** Lower economic growth projections assumptions applied

**Optimistic:** Higher economic growth projections applied

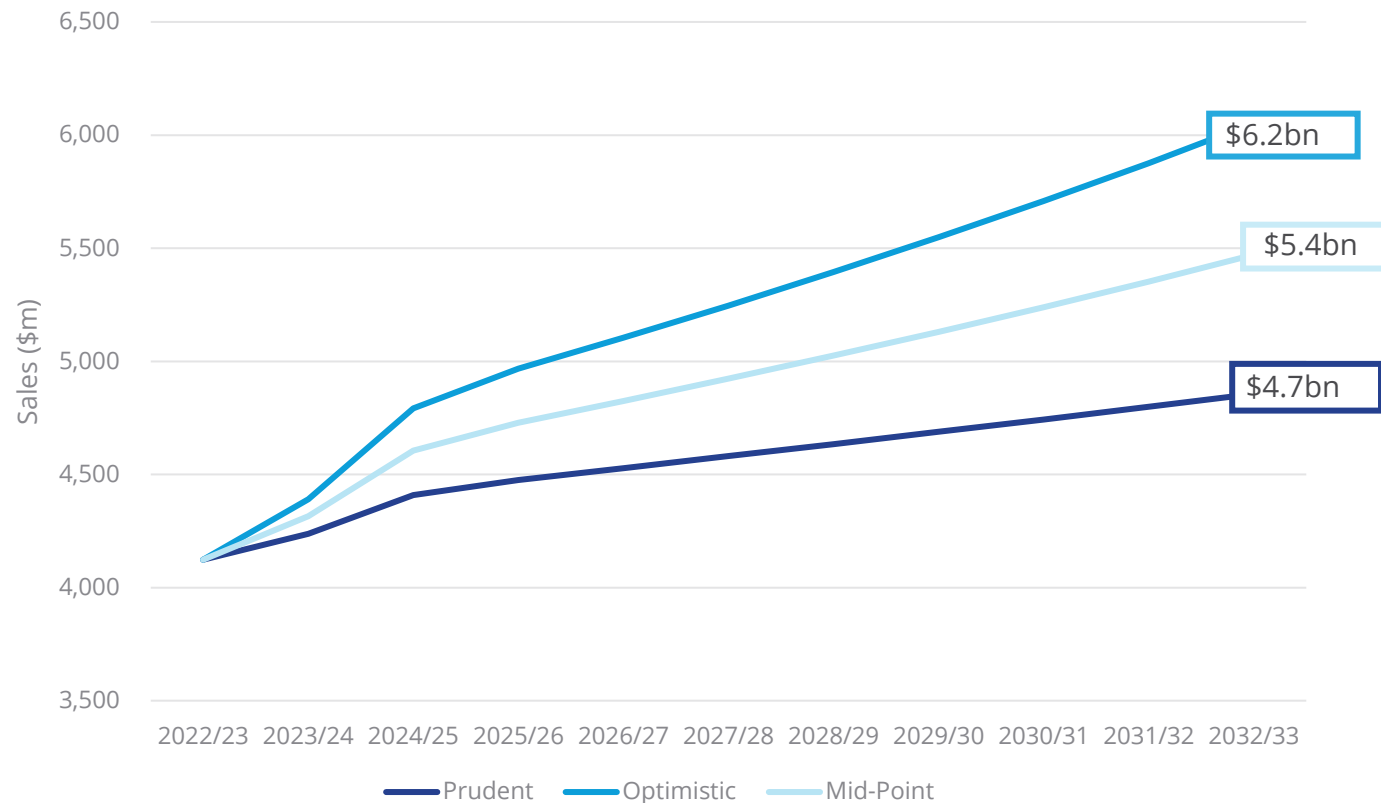
**Mid-Point:** Blended average of the above scenarios

Research by urban think tanks and commercial real estate firms show the 'collaboration dividend' in BID model is a significant driver of growth<sup>(\*\*)</sup> – Increasing likelihood of the optimistic trajectory outcome.

## Future Performance

Sales estimated between \$4.7bn and \$6.2bn by 2032<sup>(\*)</sup>

### Forecast scenarios



<sup>(\*)</sup> Source: Collier's forecasts / total precinct level / mid-point scenario | forecasts at 2023 prices and exclude inflation

<sup>\*\*</sup> NYU Furman Center for Real Estate and Urban Policy, *The Benefits of the Business Improvement Districts*; CBRE, *Bond Street Report*.



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# Appendix

# Appendix

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