

24 October 2013

Mr Gerry Beasley
Executive Planner
Walker Corporation
Level 21, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Re: Planning Proposal: Appin Road, Appin – Economic Impact Justification

This correspondence has been prepared in support of the proposed rezoning of 20.5 ha of land to the south and west of the Appin town centre for low and medium density residential purposes.

Having regard for the details of the proposed rezoning, the key take-outs from our assessment of the matter include:

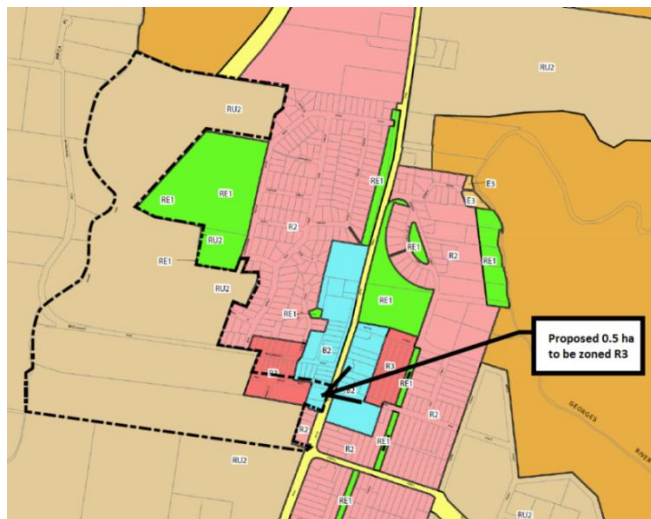
- In total, the Appin Town Centre presently comprises approximately 90,000m² of land zoned B2 – Local Centre. Approximately 72,000m² of this zoned land has not yet been commercially developed, suggesting that there is ample capacity to accommodate the needs of a growing catchment.
- The 18,000m² of developed land within the town centre provides for a population catchment of around 1,800 residents.
- The Appin Town Centre's primary function is to serve the day-to-day needs of local residents. The majority of higher order retail and commercial need is serviced by nearby regional centres (e.g. Campbelltown and Macarthur).
- The introduction of almost 1,950 residents from new estate developments in the vicinity of the town centre and proposed by this rezoning will effectively double the current population of Appin.
- A higher population base could be expected to support an additional 2,250-2,500m² of retail and commercial floorspace in Appin Town Centre. This translates to a land take-up of approximately 4,500-5,000m².
- The anticipated level of land take up is expected to be significantly under the 72,000m² of available and zoned commercial and retail land within the town centre.
- The rezoning of approximately 5,000m² of land currently zoned B2 Local Centre to R3 Residential Medium Density is not expected to undermine the viability of the Appin town centre as there is sufficient capacity to service the needs of future Appin residents as it arises.

- In our view, the economic impact of the rezoning will not adversely impact the viability of the Appin town centre. To the contrary, we would expect that the rezoning would have a positive influence on the vibrancy of the town centre. A larger population base surrounding the town will aid in consolidating existing retail and commercial development, and support increased localised provision at Appin. The resultant population increase will augment the viability of development within the Appin Town Centre.

Subject Site Details

The subject site is part of a larger 60.14 ha site within Appin, approximately 53 km south-west of the Sydney CBD and 16 km south of the Campbelltown town centre within the Macarthur Region of the Wollondilly Local Government Area (LGA).

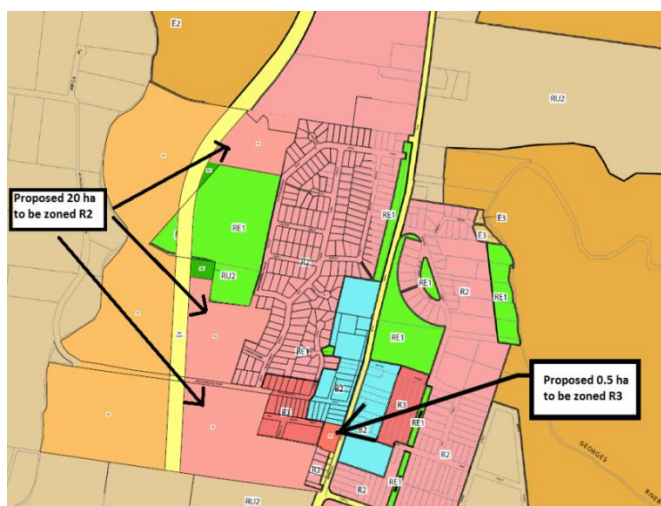
Figure 1. Current Land Zonings



Source: Wollondilly LEP (2011)

At present, the subject lands are zoned B2 – Local Centre, RU2 – Rural Landscape and R3 – Medium Density Residential. Below is a map of the subject land and its proposed zonings.

Figure 2. Proposed Land Zonings



Source: Walker Corporation, MacroPlan Dimasi

Resident Population & Town Centre Provision

According to Census (2011), the suburb of Appin comprised 603 dwellings and a local resident population of 1,803 persons. At around 18,000m² in size (land), the Appin Town Centre serves to accommodate the local needs of surrounding residents.

At present, major occupants in Appin Town Centre include an IGA supermarket, the Appin Hotel, Appin Petroleum service station and general food take-away businesses. In total, these tenancies comprise about 6,200m² of floorspace and occupy approximately 18,000m² of land zoned B2 Local Centre.

Table 1. Appin Town Centre Occupants (2013)

Business	Address	Gross Floor Area (sqm)	Land Area (sqm)
Appin Hotel	80-82 Appin Rd, Appin	2,228	4,623
Motel	74 Appin Rd, Appin	810	2,802
Real Estate Agency, Confectionary Shop, Fast-food	76 Appin Rd, Appin	598	2,056
Aqualibra Accounting	78 Appin Rd, Appin	171	2,023
Pharmacy, Newsagent	73 Appin Rd, Appin	539	1,701
Coffee shop, Pizza shop	79 Appin Rd, Appin	431	1,386
IGA, Cellarbrations	75 Appin Rd, Appin	460	1,258
Service station	72 Appin Rd, Appin	487	1,181
Butcher	77 Appin Rd, Appin	497	1,009
Total		6,221	18,039

Source: MacroPlan Dimasi, RP Data

The total amount of land zoned B2 Local Centre and which comprises the Appin Town Centre is 90,000m². The current retail and commercial provision occupies just 20% of the total zoned land available.

Function of Town Centre – localised service provision i.e. service a local catchment.

The function of a town centre is implicit in the objectives of the B2 – Local Centre zoning. Its objectives are:

- To provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area.
- To encourage employment opportunities in accessible locations.
- To maximise public transport patronage and encourage walking and cycling.
- To provide for appropriate residential development in the form of shop top housing to support the vitality of the local area.

Generally, a local centre is distinguished from a regional or major centre (such as Campbelltown and Macarthur) in that its purpose is to service a component of localised demand.

The locational context of Appin and its proximity to major centres means that the majority of residents leave Appin for most of their retail and commercial requirements. Nearby regional shopping centres such as Campbelltown currently absorb the majority of retail expenditure.

The current and intended size of the Appin Town Centre catchment implies that nearby major centres and shopping precincts will continue to be utilised as key destinations for retail and

commercial visits. In this context, the Appin town centre is destined to remain a local centre, servicing the day-to-day needs of local residents.

Future Residents and Demand for Town Centre Provision

The proposed rezoning of land to residential uses is expected to result in approximately 300-320 additional dwellings. When combined with new estate developments currently underway, the dwelling stock in Appin will expand by around 650 dwellings. This number of dwellings could support an additional 1,950 persons within in the Appin Town Centre catchment.

A high-level approach to calculating retail and commercial need for future residents considers the relative change in population. Given that the population is expected to double over this period, it can be assumed that a town centre of roughly twice its present size would be sufficient to accommodate future resident need. This quantum is well within the 72,000m² of available land that is currently zoned for *B2 Local Centre* uses.

Table 2. High-level Approach: Population and Retail/Commercial Land Need

Population (persons)	
Population (Census 2011)	1,800
<i>Plus additional residents</i>	1,950
Future resident population	3,750
Expected % increase	208%
Town Centre Land (m ²)	
Existing TC offer (utilised)	18,000
Future TC need	37,500
Remaining Land Capacity (m ²)	
Unutilised B2 Town Centre land capacity (approx.)	72,000
Future TC need	37,500
Remaining land capacity	34,500

Source: RP Data, MacroPlan Dimasi, NSW Land & Property Information

However, a more refined approach applies industry-wide benchmarks to derive retail and commercial demand for the future residents of Appin. Across Australia each new resident generally supports around 2.2m² of retail floorspace. Of the total allocation, non-food retail and services (e.g. department stores, department discount stores, bulky goods and non-food specialties) account for approximately 65% of new retail demand. Food retailing which comprises of supermarkets, food retail specialties and food catering, account for 35% of new supportable demand.

Table 3. Appin Town Centre: Future Demand for Retail Space

Retail type	Sqm per capita	Served by Appin TC
Food retailing		
Supermarket floorspace	0.35	Yes
Food retail specialties	0.15	Portion
Food catering	0.25	Portion
Total food	0.75	
Non-Food retailing		
Dept. store / DDS type floorspace	0.3	No
Non-food specialties	0.35	No
Bulky goods type goods	0.65	No
Total Non-food	1.3	No
Retail services		
Retail services	0.15	Portion
Total retail floorspace	2.2	max = 0.9sqm

Source: MacroPlan Dimasi (2013)

As discussed, it is expected that the majority of high-order retail and commercial requirements of future Appin residents will be serviced outside of the Appin Town Centre, predominantly by nearby regional shopping centres and larger commercial nodes. On that score, we anticipate that demand for retail space from future residents will not exceed 0.9m² of floorspace per capita. Overall, additional demand for retail space is expected to amount to 1,750-1,800m² of floorspace or about 3,500-3,600m² in land (assuming a floor space ratio of 0.5:1).

The relationship between commercial space and resident population growth is less direct as most services will gravitate to larger centres. Generally, commercial floorspace in a regional or village town centre is usually confined to localised professional services e.g. accountants, solicitors, real estate agents and health professionals. Allowing for some growth in localised service provision, we anticipate that the need for 4 health professionals (including two general practitioners, a dentist and another allied health professional) and potentially 6-10 other professionals (e.g. solicitor, real estate agent and accountant) may eventuate from the anticipated growth in catchment population. Applying a conservative employment density of 50m² per worker and a floor-to-space ratio of 0.5:1, we anticipate that the demand from new residents will equate to 1,000-1,400m² of commercial land.

Table 4. Appin Town Centre: Future Demand for Commercial Space

Profession	Number	Employment Density (sqm/worker)	Gross Floor Area (sqm)
General Practitioner	2	50	100
Allied and other health	2	50	100
Other professional services (account, solicitor, etc...)	6-10	50	300-500
Gross Floor Area (sqm)			500-700
Land Area @ FSR = 0.5:1 (sqm)			1,000-1,400

Source: MacroPlan Dimasi (2013)

Overall, the combined retail and commercial land take up from an additional 1,950 residents is expected to amount to 4,500-5,000m², significantly less than the 72,000m² of land that is currently zoned B2 Local Centre and available for development.

The demand for local services and commercial space within the Appin town centre is tied to the population threshold it serves. In this context, the proposed residential pipeline is highly unlikely to warrant the full commercial development of 90,000m² of zoned town centre land. Further residential development in the town centre could therefore be contemplated and encouraged by Council.

Conclusion

Our analysis indicates that the proposed rezoning of land at Appin for low and medium density residential uses will deliver economic benefits to the local community in a way that would not occur under the sites current B2 – Local Centre zoning.

Overall, the rezoning of the subject site will not adversely impact existing businesses within the Appin town centre. In fact, existing businesses would benefit from an additional population base and new businesses would be attracted to Appin, without squeezing out existing tenancies.

The site's use for residential purposes best fits the character of the area, which in turn supports the viability of the town centre. Campbelltown and Macarthur will continue to be key destinations for commercial and retail requirements that are not provided at the Appin Town Centre. The rezoning of approximately 5,000m² of land zoned B2 Local Centre (within the town centre) for medium density purposes will not undermine the ability of Appin Town Centre to service the future needs of residents.

Yours sincerely,



Wayne Gersbach
General Manager - NSW