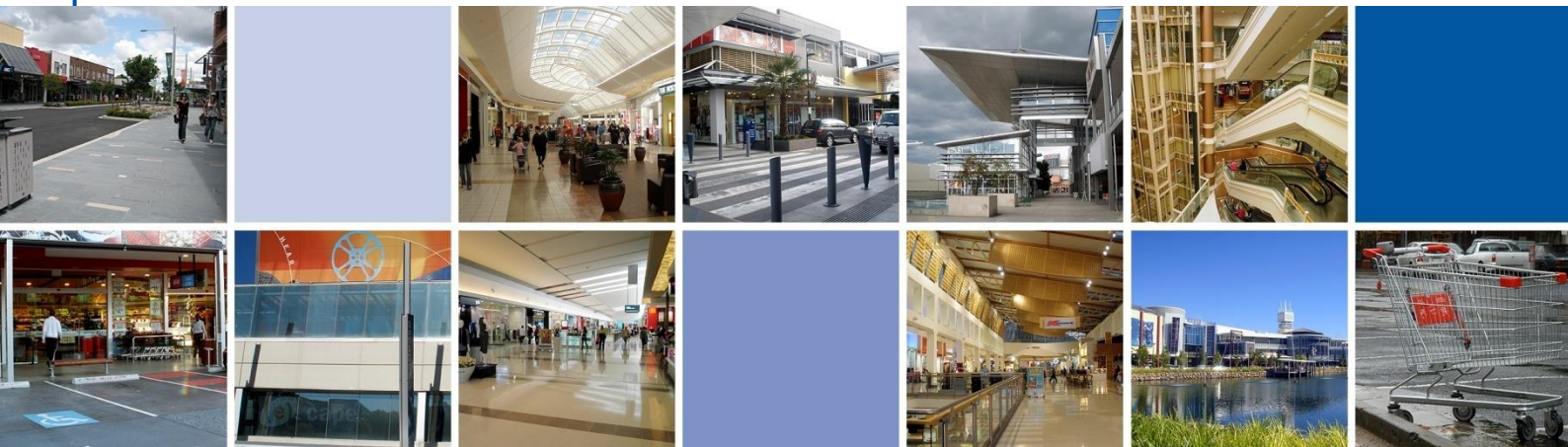


Economic Assessment

Gran Central Planning Proposal

Parramatta Rd, Good Street and Cowper Street, Granville

April 2015



Prepared for:

Airbosi Pty Ltd

MacroPlan Dimasi staff responsible for this report:

Jason Anderson – Chief Economist

David Dragicevic – Senior Economist

Olivia Morgenstern – Analyst, Economics

Table of contents

Executive Summary	5
Section 1: Introduction	10
1.1 Regional Context	10
1.2 Subject Site	10
1.3 Legal Description	13
1.4 Proposed Development	17
Section 2: Government Policy Review	19
2.1 Section 117 Ministerial Directions	19
2.2 Granville Urban Renewal State Environmental Planning Policy (2010)	23
2.3 Metropolitan Strategy 2031 – ‘A Plan for Growing Sydney’ (2014)	26
2.4 Draft Sub-regional Delivery Plans, West Central Sub-region	30
2.5 Parramatta Economic Development Strategy, 2011 – 2016 (2011)	31
2.6 Parramatta 2038 Community Strategic Plan (2013)	32
2.7 Parramatta CBD Planning Framework Draft Report (2014)	32
2.8 Parramatta Road Urban Renewal Strategy Draft Report	34
Section 3: Employment Outcomes	37
3.1 “As is” (i.e. no redevelopment)	37
3.2 Redevelop underutilised land	38
3.3 Post-development Employment Considerations	39
3.4 Other Employment Based Benefits	41
3.5 Conclusion	41
Section 4: Residential Justification	43
4.1 The need for more housing	43
4.2 Promoting Housing Diversity	47
4.3 Jobs closer to home; homes closer to jobs	50
4.4 Residential Provision in the Granville – Clyde SA2	50
4.5 Other Considerations	53
Section 5: Planning Proposal – Economic Summary	55
5.1 Direction 1.1 – Business and Industrial Zones	55

5.2 Direction 3.1 – Residential Zones	57
5.3 Direction 7.1 – Implementation of A Plan for Growing Sydney	58
5.4 Concluding Remarks	59

Executive Summary

MacroPlan Dimasi has been commissioned by Airbosi Pty Ltd to assess the economic implications and benefits of a proposed rezoning of a development site bounded by Parramatta Road, Good Street and Cowper Street in Granville.

The subject site is located in the suburb of Granville within the Parramatta LGA. In terms of Metropolitan Sydney, the subject site is located in western Sydney, and approximately 19km from the Sydney CBD.

The development site is currently split amongst a variety of land use zones (as prescribed by the Parramatta Local Environment Plan 2011) inclusive of: B2 – Local Centre, B4 – Mixed Use and B6 – Enterprise Corridor. Airbosi Pty Ltd seeks to obtain a uniform zone across all components of the subject site (to B4 – Mixed Use).

At present, the subject site comprises a variety of specific land uses, including:

- Two second-hand car sales yards;
- Office furniture outlet;
- Discount store;
- Café;
- Mobile phone retailer;
- Butcher;
- Vacant land; and
- Single-storey dwelling.

The redevelopment under B4 Mixed Use zoning is proposed to include:

- 1,130m² of ground level showroom/bulky goods floorspace;
- 1,660m² of ground level retail;
- 670m² of level one commercial suites;
- 625m² of level two commercial suites;
- 31,949m² to 37,208m² of residential floorspace or 419 – 488 units;
- A public pedestrian laneway through the site, linking Parramatta Road via Cowper Street with the Granville Train Station;
- Landscape communal space.

In this report we have assessed the operational employment potential of the subject site under three different scenarios, being:

1. "As is" or "status quo" i.e. no redevelopment
2. Highest-and-best use (HBU) outcome under the current planning controls
3. Redevelop a consolidated site under the proposed B4 mixed use zoning

1. "As is" or "status quo" i.e. no redevelopment

Based on our site inspection, we estimate the set of sites presently accommodate between 15 and 20 operational workers. Given that the site comprises of 4,800m² of floorspace (including car yard), this equates to an employment density of 240-320m² per worker.

This observed outcome is synonymous with an underperforming site (from an employment perspective). Essentially, it is entirely tenanted by businesses that employ few workers.

Therefore, in the absence of redevelopment, the current employment outcome of 15-20 operational workers is considered a maximum outcome for the subject site. Moreover, as the quality of existing premises continues to age, so will its employment potential. Overall, MacroPlan Dimasi envisages that the subject site's employment relevance, in the absence of redevelopment, will diminish over time.

2. Highest-and-best use (HBU) outcome under the current planning controls

Under the current fragmented planning scheme, with the exception of the detached dwelling, vacant land site and the large car yard, the remainder of the site is at its highest and best use (HBU).

With regard to the detached dwelling and vacant site, from a residential perspective, a B4 zoning permits a better outcome, incorporating a combination of residential and commercial uses. However, given the frontage and size of the site (being small at approximately 650m²), redevelopment is unforeseeable. Moreover, being located on Cowper Street, the position of the site is not ideal relative to the Enterprise Corridor along Parramatta Road and existing local centre provision along Good Street. As such, the employment outcome would be negligible under this scenario.

Having regard for permissible uses and its B2 – Local Centre zoning, the HBU outcome for the car yard is commercial orientated i.e. floorspace. Given planning restrictions; an FSR of 2:1 and a height limit of 15m, the maximum employment floorspace that could be attained is 2,000m². Commercial employment densities are in the order of 30 – 50m² per worker (a conservative floorspace ratio). Subsequently, an employment outcome of 40 – 67 workers is envisaged for the car yard site.

We have derived an employment outcome of 52 – 82 workers under a HBU scenario for the entire site, under current planning controls.

3. Redevelop a consolidated site under the proposed B4 mixed use zoning

The provision of superior quality commercial floorspace is expected to achieve a higher employment outcome for the subject site. Additionally, it will attract a different profile of tenants and businesses, which typically engage more workers on a per square metre basis.

Overall, the employment outcome from redevelopment of the subject site would more than double the HBU redevelopment scenario (52 – 82 workers). A mixed use format, encompassing 4,085m² of new commercial floorspace would result in a superior outcome. With regard for the proposed uses and the average employment densities identified, **the redevelopment has the capacity to accommodate 118 – 160 workers.**

Operational Employment Outcome (post-development)

Potential Land Use Type	Employment Density	Proposed Floorspace	Employment Outcome
Bulky goods retail	60 - 70	1,130	16 - 19
Convenience retail	40 - 50	830 (approx.)	17 - 21
Food catering/eateries	15 - 20	830 (approx.)	42 - 55
Commercial offices	20 - 30	1,295	43 - 65
Total		4,085	118 - 160

Source: MacroPlan Dimasi (2015)

This employment outcome can only be achieved through redevelopment of the entire site. It is clear that redevelopment of the subject site to B4 Mixed Use will provide a superior outcome relative to an “as is” scenario and a HBU scenario under current planning controls.

Employment Outcome Comparison – Onsite Jobs

Scenario	Employment Outcome
"As is" i.e. no redevelopment	15 - 20
Highest-and-best use (current planning controls)	52 - 82
Redevelopment to B4 Mixed Use	118 - 160

Source: MacroPlan Dimasi (2015)

Additionally, there is an underlying need for more residential accommodation, congruent with the objectives of the new Sydney Metropolitan Strategy (2014) and the Granville Urban Renewal SEPP (2010). A shortage in new residential supply has impacted housing affordability in the Parramatta LGA and within the suburb of Granville. As such:

1. The delivery of a mix of housing options is beneficial for potential new owner-occupiers.
2. More supply can alleviate shortages in the rental market (for workers, students and migrants).
3. Given that the resident population is ageing, mixed use developments in central locations (such as that proposed for the subject site) present trade down opportunities for older residents in the area (who seek to downsize but also remain within the locality).

Furthermore, the value of apartment at the proposed development is expected to be more affordable than that of the Parramatta CBD. Asking prices for new apartments in Parramatta are in the order of \$600,000 to \$700,000 for a one bedroom apartment and \$700,000 to \$850,000 for a two bedroom apartment – ranging between \$9,800 and \$13,200 per m². MacroPlan Dimasi expects that the price of residential apartments in Granville will be less. The delivery of up to 488 residential units will provide much needed and more affordable housing to Parramatta LGA.

Moreover, the introduction of more households into the Granville Town Centre is expected to have a direct impact on the viability of existing and future businesses. They will support the urban renewal of the broader precinct, congruent with the objectives of the Granville Urban Renewal SEPP (2010). Through consumption of services and goods (food catering, fresh food, food eateries and local service providers), local jobs are

supported amongst existing local centre provision along Good Street. Retaining expenditure and expanding on it through population growth must be facilitated.

Overall, the planning proposal associated with the rezoning to B4 Mixed Use complies with the directions of the Sydney Metropolitan Strategy, as outlined below.

- Direction 1.2: Grow Greater Parramatta – Sydney’s Second CBD;
- Direction 1.4: Transform the productivity of Western Sydney through growth and investment;
- Direction 1.7: Grow strategic centres – providing jobs closer to home;
- Direction 2.1: Accelerate housing supply across Sydney;
- Direction 2.2: Accelerate urban renewal across Sydney – providing homes closer to jobs;
- Direction 2.3: Improve housing choice to suit different needs and lifestyles;
- Direction 3.3: Creating healthy built environments.

The planning proposal is also consistent with the goals of the Granville Town Centre Urban Renewal SEPP (2010).

After a review of government policy, plans and strategies, it is evident that the proposed B4 Mixed Use redevelopment of Parramatta Road, Good Street and Cowper Street, Granville complies, and furthermore delivers on achieving the objectives of government policy. Development will provide a superior residential and employment outcome for the Parramatta LGA as well as the Granville Town Centre.

Section 1: Introduction

MacroPlan Dimasi has been commissioned by Airbosi Pty Ltd to assess the economic implications and benefits of a proposed rezoning of a development site bounded by Parramatta Road, Good Street and Cowper Street in Granville.

The development site is currently split amongst a variety of land use zones inclusive of: B2 – Local Centre, B4 – Mixed Use and B6 – Enterprise Corridor. Airbosi Pty Ltd seeks to obtain a uniform zone across all components of the subject site (to B4 – Mixed Use).

1.1 Regional Context

Within the Parramatta LGA, the subject site has street frontages to Parramatta Road, Good Street and Cowper Street. Granville is located approximately 2km from the Parramatta CBD and 4km from Westmead Hospital.

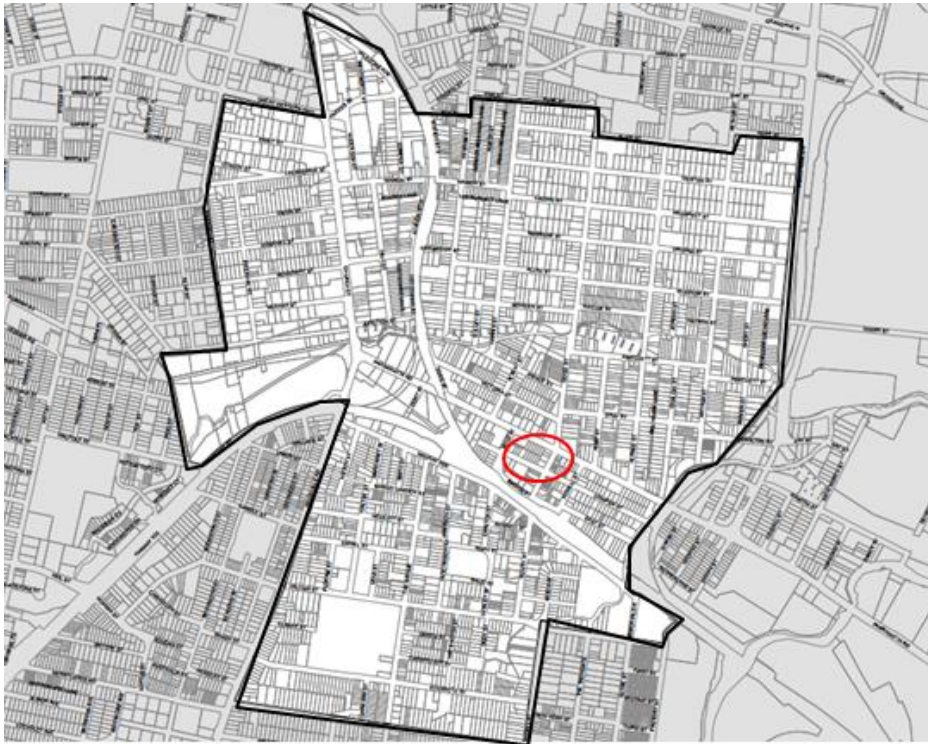
In terms of Metropolitan Sydney, the subject site is located in western Sydney, and approximately 19km from the Sydney CBD. From Granville Train Station, access to the Parramatta and Sydney CBD is gained through the Northern and Inner West train lines.

1.2 Subject Site

Collectively, the subject site comprises a total operational floorspace of approximately 4,800m², and a site area of 5,150m². The site is in proximity to the M4 Western Motorway and Woodville Road, which can be accessed via Parramatta Road. Notably, Granville Train Station is 150 metres from the subject site – literally, a two-minute walk.

At a local level, the site is located in the centre of the Granville Town Centre as prescribed under the Granville Town Centre SEPP (2010). The Granville Town Centre is characterised by residential focused retail services and light industry. The quality of existing provision is generally dated.

Location of subject site relative to the Granville Town Centre



Source: DP&E (2010)

Satellite Image – Subject Site



Source: Google Maps (2015)

Current uses on the site are presented in the following table.

Details of Current Users

Land Use Type	Description
Butcher	Tony Francis Quality Meats
Discount retailer	LORA Discount Gift Centre
Used vehicle sales	G.B. Quality Cars
Used vehicle sales	Advanced Autos
Furniture retailer	The Barn Office Furniture
Food catering (café)	Castle Café
Phone retailer	Mobile phone repair centre
Residential	Detached single-storey dwelling
Vacant land	

Source: MacroPlan Dimasi

Subject Site Images





Source: Google Maps (2015)

In its entirety, the subject site is enclosed by:

- Parramatta Road, large format retail and AMWU National Office to the north;
- Good Street and local centre/retail premises to the east;
- A Caltex Petrol Station and a proposed B4 development site to the west; and
- Cowper Street and medium-density residential offer to the south.

1.3 Legal Description

Legally, the subject site comprises of fifteen individual lots of varying sizes. Lot descriptions are outlined on the next page.

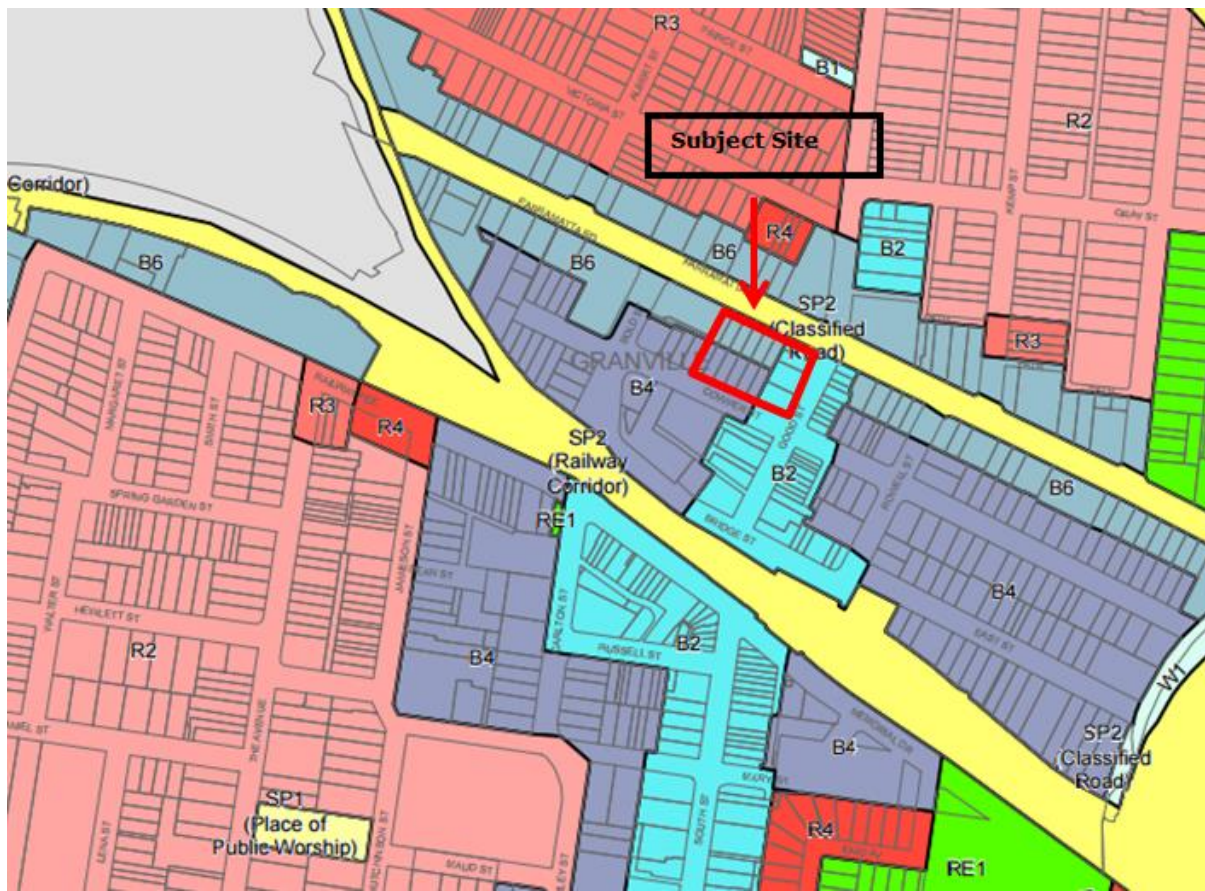
Lot Details

Address	Lot	DP	Area (m ²)
26 Good Street	1	604204	560
34 Good Street	1	76041	550
140 Parramatta Road	1	1075357	330
138 Parramatta Road	2	1075357	330
138 Parramatta Road	3	1075357	330
59 Cowper Street	4	1075357	330
59 - 63 Cowper Street	5	1075357	330
59 - 63 Cowper Street	6	1075357	330
142 Parramatta Road	12	575064	330
40 Good Street	1	979437	330
59 Cowper Street	1	998948	310
36 Good Street	2	979437	310
59 - 63 Cowper Street	1	783581	310
130 Parramatta Road	7	979437	310
134 Parramatta Road	1	721626	310
Total (approximately)			5,300

Source: E-Planning (2015) & Six Maps (2015)

As per the Parramatta Local Environment Plan (2011) the subject site contains three different land use zones; B6 Enterprise Corridor, B2 Local Centre and B4 Mixed Use (refer to zoning map on next page).

LEP Zoning Map



Source: Parramatta LEP (2011)

The objectives of **B2 Local Centre** zoning according to the Parramatta Local Environment Plan (2011) 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; and
- To encourage the construction of **mixed use** buildings that integrate suitable commercial, residential and other developments and that provide active ground level uses.

Under **B2 Local Centre** zoning, permissible uses (with consent) include child care centres, commercial premises, community facilities, educational establishment, entertainment facilities, medical centres, recreational facilities, restricted premises, services stations and shop top housing.

Under **B6 Enterprise Corridor** zoning (as per the Parramatta Local Environment Plan 2011), the objectives are to:

- To promote businesses along main roads and to encourage a mix of compatible uses;
- To provide a range of employment uses (including business, office, retail and light industrial uses);
- To maintain the economic strength of centres by limiting retailing activity.

Under **B6 Enterprise Corridor** zoning, permissible uses (with consent) include business premises, community facilities, food and drink premises, garden centres, hotel or motel accommodation, light industries, neighbourhood shops, self-storage units and vehicle sale or hire premises.

This planning proposal seeks to rezone the entire subject site to **B4 Mixed Use** to allow for residential and commercial development. The objectives of **B4 Mixed Use** zoning under the Parramatta Local Environment Plan (2011) are outlined below.

- To provide a mixture of compatible land uses;
- To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling;
- To encourage development that contributes to an active, vibrant and sustainable neighbourhood.

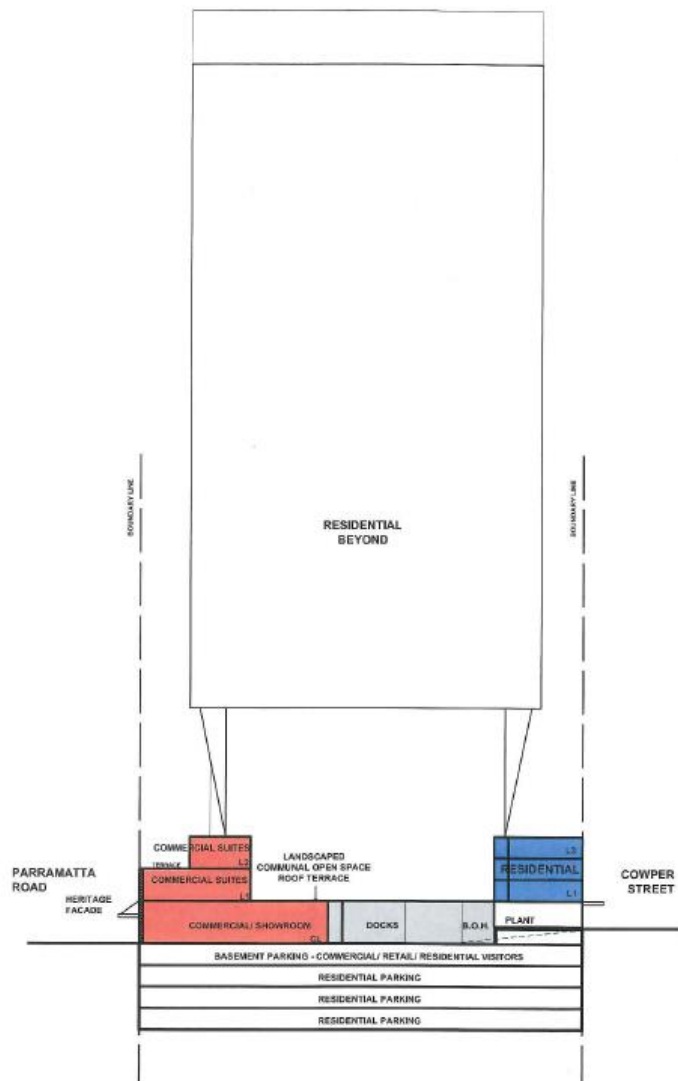
Permissible uses with consent include child care centres, commercial premises, community facilities, educational establishments, entertainment facilities, function centres, hotel or motel accommodation, medical centres, restricted premises and shop top housing.

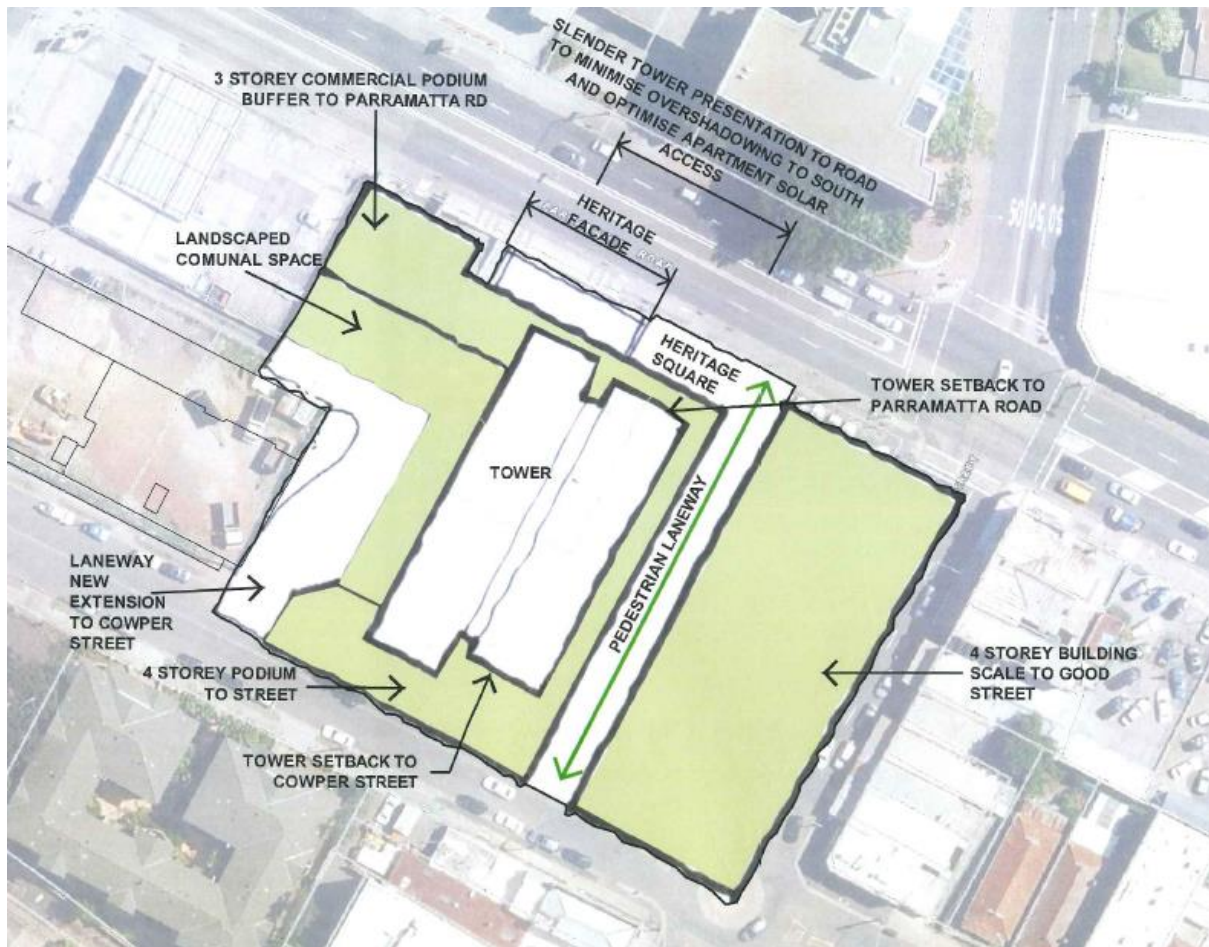
1.4 Proposed Development

The proposed development seeks to deliver 4,085m² of commercial floorspace, comprising 1,130m² of ground level showroom, 1,660m² of ground level retail, 670m² of level one commercial suites and 1,295m² of level two commercial suites. The proposal also seeks to include residential accommodation, specifically 31,949m² - 37,208m² of residential floorspace or 419 - 488 units (contingent on Design Excellence Bonus Scheme).

In addition, the proposal seeks to incorporate a landscaped communal space and a pedestrian laneway which will increase pedestrian accessibility from Parramatta Road to Granville Train Station (via Cowper Street).

Preliminary Architectural Visions for the Subject Site





Source: Krikis Tayler Architects and Airbosi Pty Ltd (2015)

Section 2: Government Policy Review

In this chapter we examine the legislative and policy context relevant to employment lands in the Parramatta LGA and how this context relates to this planning proposal for the subject site in Granville. Policies and strategies examined include:

- S117 Ministerial Directions
- Granville Urban Renewal SEPP (2010)
- Sydney Metropolitan Strategy to 2031 – 'A plan for growing Sydney' (2014)
- Draft Sub-regional Delivery Plans
- Parramatta Economic Development Strategy, 2011 – 2016 (2011)
- Parramatta 2038 Community Strategic Plan (2013)
- Parramatta CBD Planning Framework Draft Report (2014)
- Parramatta Road Urban Renewal Strategy Draft Report (updated 2015)

2.1 Section 117 Ministerial Directions

The purpose of this report is to fulfil the requirements of S117, specifically 1.1 - Business and Industrial Zones, 3.1 - Residential Zones and 7.1 - Implementation of a Plan for Growing Sydney.

1.1 Business and Industrial Zones

Objectives

(1) *The objectives of this direction are to:*

- (a) *encourage employment growth in suitable locations,*
- (b) *protect employment land in business and industrial zones, and*
- (c) *support the viability of identified strategic centres.*

Where this direction applies

(2) *This direction applies to all relevant planning authorities.*

When this direction applies

(3) *This direction applies when a relevant planning authority prepares a planning proposal that will affect land within an existing or proposed business or industrial zone (including the alteration of any existing business or industrial zone boundary).*

What a relevant planning authority must do if this direction applies

(4) A planning proposal must:

- (a) give effect to the objectives of this direction,*
- (b) retain the areas and locations of existing business and industrial zones,*
- (c) not reduce the total potential floor space area for employment uses and related public services in business zones,*
- (d) not reduce the total potential floor space area for industrial uses in industrial zones, and*
- (e) ensure that proposed new employment areas are in accordance with a strategy that is approved by the Director-General of the Department of Planning.*

Consistency

(5) A planning proposal may be inconsistent with the terms of this direction only if the relevant planning authority can satisfy the Director-General of the Department of Planning (or an officer of the Department nominated by the Director-General) that the provisions of the planning proposal that are inconsistent are:

- (a) justified by a strategy which:*
 - (i) gives consideration to the objective of this direction, and*
 - (ii) identifies the land which is the subject of the planning proposal (if the planning proposal relates to a particular site or sites), and*
 - (iii) is approved by the Director-General of the Department of Planning, or*
- (b) justified by a study (prepared in support of the planning proposal) which gives consideration to the objective of this direction, or***
- (c) in accordance with the relevant Regional Strategy or Sub-Regional Strategy prepared by the Department of Planning which gives consideration to the objective of this direction, or*
- (d) of minor significance.*

Note: In this direction, "identified strategic centre" means a centre that has been identified as a strategic centre in a regional strategy, sub-regional strategy, or another strategy approved by the Director General.

3.1 Residential Zones

Objectives

(1) The objectives of this direction are:

- (a) to encourage a variety and choice of housing types to provide for existing and future housing needs,*

- (b) to make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and*
- (c) to minimise the impact of residential development on the environment and resource lands.*

Where this direction applies

- (2) This direction applies to all relevant planning authorities.*

When this direction applies

- (3) This direction applies when a relevant planning authority prepares a planning proposal that will affect land within:*

- (a) an existing or proposed residential zone (including the alteration of any existing residential zone boundary),*
- (b) any other zone in which significant residential development is permitted or proposed to be permitted.*

What a relevant planning authority must do if this direction applies

- (4) A planning proposal must include provisions that encourage the provision of housing that will:*

- (a) broaden the choice of building types and locations available in the housing market, and*
- (b) make more efficient use of existing infrastructure and services, and*
- (c) reduce the consumption of land for housing and associated urban development on the urban fringe, and*
- (d) be of good design.*

- (5) A planning proposal must, in relation to land to which this direction applies:*

- (a) contain a requirement that residential development is not permitted until land is adequately serviced (or arrangements satisfactory to the council, or other appropriate authority, have been made to service it), and*
- (b) not contain provisions which will reduce the permissible residential density of land.*

Consistency

- (6) A planning proposal may be inconsistent with the terms of this direction only if the relevant planning authority can satisfy the Director-General of the Department of Planning (or an officer of the Department nominated by the Director-General) that the provisions of the planning proposal that are inconsistent are:*

- (a) justified by a strategy which:*
 - (i) gives consideration to the objective of this direction, and*
 - (ii) identifies the land which is the subject of the planning proposal (if the planning proposal relates to a particular site or sites), and*
 - (iii) is approved by the Director-General of the Department of Planning, or*
- (b) justified by a study prepared in support of the planning proposal which gives consideration to the objective of this direction, or*
- (c) in accordance with the relevant Regional Strategy or Sub-Regional Strategy prepared by the Department of Planning which gives consideration to the objective of this direction, or*
- (d) of minor significance.*

7.1 Implementation of A Plan for Growing Sydney

Objective

(1) The objective of this direction is to give legal effect to the planning principles; directions; and priorities for subregions, strategic centres and transport gateways contained in A Plan for Growing Sydney.

Where this direction applies

(2) This direction applies to land comprising of the following local government areas:

<i>Ashfield</i>	<i>Hurstville</i>
<i>Auburn</i>	<i>Kogarah</i>
<i>Bankstown</i>	<i>Ku-ring-gai</i>
<i>Blacktown</i>	<i>Lane Cove</i>
<i>Blue Mountains</i>	<i>Leichhardt</i>
<i>Botany Bay</i>	<i>Liverpool</i>
<i>Burwood</i>	<i>Manly</i>
<i>Camden</i>	<i>Marrickville</i>
<i>Campbelltown</i>	<i>Mosman</i>
<i>Canada Bay</i>	<i>North Sydney</i>
<i>Canterbury</i>	<i>Parramatta</i>
<i>City of Sydney</i>	<i>Penrith</i>
<i>Fairfield</i>	<i>Pittwater</i>
<i>Hawkesbury</i>	<i>Randwick</i>
<i>Holroyd</i>	<i>Rockdale</i>
<i>Hornsby</i>	<i>Ryde</i>
<i>Hunters Hill</i>	<i>Strathfield</i>

Sutherland
The Hills
Warringah
Waverley

Willoughby
Wollondilly
Woollahra

When this direction applies

(3) This direction applies when a Relevant Planning Authority prepares a planning proposal.

What a Relevant Planning Authority must do if this direction applies

(4) Planning proposals shall be consistent with:

(a) the NSW Government's A Plan for Growing Sydney published in December 2014.

Consistency

(5) A planning proposal may be inconsistent with the terms of this direction only if the Relevant Planning Authority can satisfy the Secretary of the Department of Planning & Environment (or an officer of the Department nominated by the Secretary), that the extent of inconsistency with A Plan for Growing Sydney:

(a) is of minor significance, and

(b) the planning proposal achieves the overall intent of the Plan and does not undermine the achievement of its planning principles; directions; and priorities for subregions, strategic centres and transport gateways.

This assessment of the subject site in Granville gives significant consideration to Section 117 Ministerial Directions, specifically 1.1 - Business and Industrial Zones, 3.1 - Residential Zones and 7.1 - Implementation of a Plan for Growing Sydney.

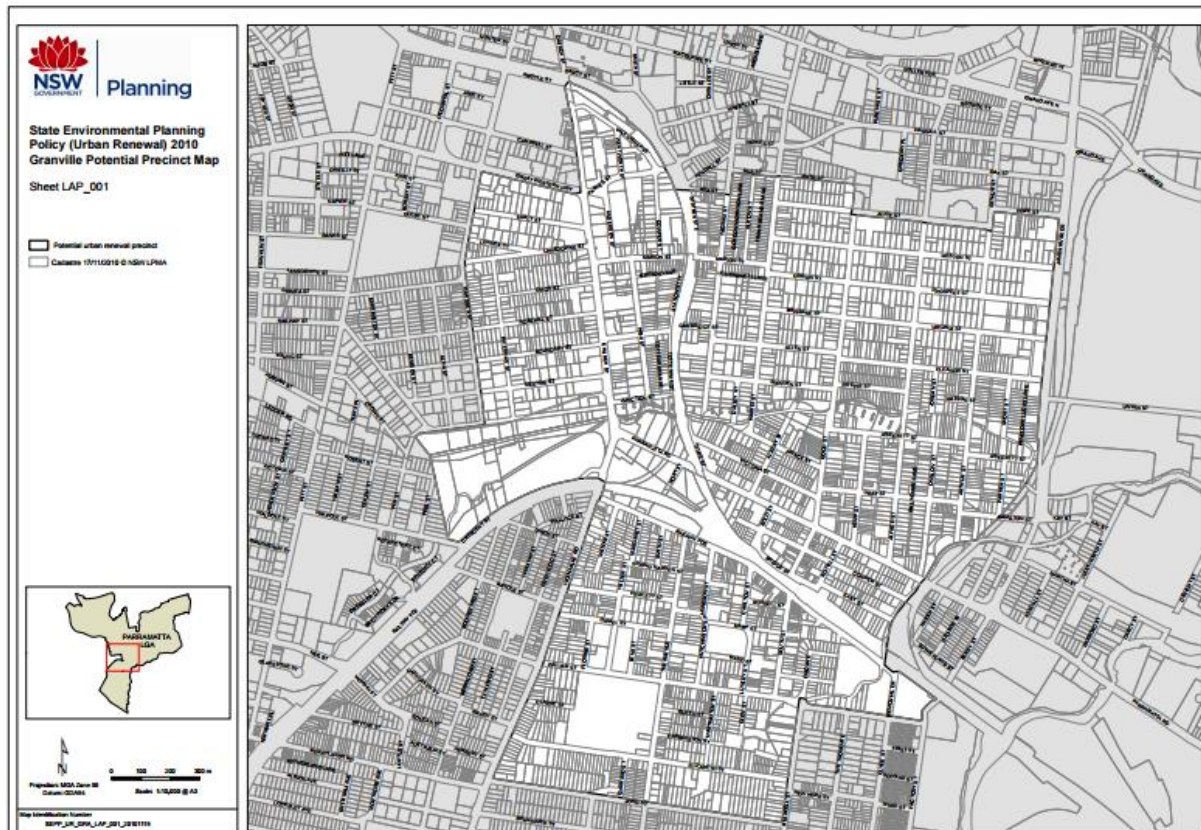
We pay particular attention to the employment implications of this planning proposal, which will be discussed in section 5.

2.2 Granville Urban Renewal State Environmental Planning Policy (2010)

The Granville Town Centre has been identified as a precinct set to undergo significant urban renewal as part of the Urban Renewal State Environmental Planning Policy (SEPP).

The key principle of the SEPP is to integrate land use planning with existing or planned infrastructure to create revitalised local communities, greater access to public transport and a broader range of housing and employment options, otherwise referred to as Transport Oriented Development (TOD).

Granville Urban Renewal SEPP Precinct Map



Source: DP&E (2010)

Specific to the Granville Town Centre, a number of directions have been identified, as outlined below.

1. *Access to key activities (retail, office, health, education, leisure and entertainment facilities, community and personal services) is improved*

The Granville Town Centre contains a complete range of services, although there is a heavy skew to the southern half, being separated from the north by the rail line. Consequently, the northern half of the town centre suffers from a lack of visitation and movements.

The subject site is in walking distance to potential key activities within the centre and will also contribute to these activities through 4,085m² of commercial and retail space.

2. Greater community and dwelling diversity is provided

The proposal includes commercial land uses on the first three levels, with the remaining floors offering a combination of 3, 2 and single bedroom apartments.

3. State dwelling and employment targets are met

The proposal will include a substantial residential component (up to 488 units) as well as 4,085m² of commercial and retail floorspace, providing a superior employment outcome to that currently achieved (employment outcomes are detailed in section 3) Therefore, the development will contribute to state dwelling and employment targets.

4. A vibrant place has been created which is a focus for community activity, cultural development and social inclusion

The proposal is for redevelopment of fragmented and largely underutilised landholdings. It seeks to be exemplary in its design. It is likely the development will act as a catalyst for further development in the Granville Town Centre Precinct, thereby assisting in achieving the precinct's social and cultural goals.

The proposal is likely to add substantial definition, activation and critical mass to existing public spaces (i.e. footpaths and a public laneway through the site).

5. Development is predominantly located in accessible areas around existing and proposed infrastructure

The site is within walking distance (150m) of Granville Train Station. The site is also immediately adjacent to Parramatta Road, and 2km from the centre of the Parramatta CBD.

6. Opportunities for redevelopment of key Government and privately owned sites have been explored

The subject site will act as a catalyst for future development, thereby providing opportunities for redevelopment of surrounding key government and privately owned sites.

7. Infrastructure is better utilised

The proposal is likely to increase patronage in the Granville Town Centre as well as the Granville Train Station. The nearby open spaces, such as the waterway links beneath the M4, are likely to receive additional usage and activation as a result of an increase in residential density.

8. Opportunities for walking, cycling and public transport have been increased and the number of car journeys to access services have been decreased

The proposal is inclusive of a pedestrian access way through the site linking Parramatta Road with the Granville Train Station. As such, cycling and walking to public transportation will be supported through redevelopment. Its close proximity to public transport will also reduce car dependency.

9. Social infrastructure is appropriate, adequate and accessible

The site is within close proximity to a range of social infrastructure. This includes the range of public and private social facilities within the adjoining Parramatta CBD and Granville Town Centre. There also exists open space including and waterways directly beneath the nearby M4 together with bike way and pocket parks. Further, the site is within walking distance to several railway stations, offering connections to a range of other social infrastructure.

The proposed development comprising 4,085m² of commercial and retail floorspace and up to 488 dwellings will achieve the objectives set for the Granville Town Centre, as prescribed by the state government under the Granville Urban Renewal State Environment Planning Policy (2010).

2.3 Metropolitan Strategy 2031 – ‘A Plan for Growing Sydney’ (2014)

Released in December 2014, ‘A Plan for Growing Sydney’ will be used as a cornerstone reference for land-use planning decisions over the next 20 years. It will provide guidance on decisions regarding where people will live and work, and how we move around the

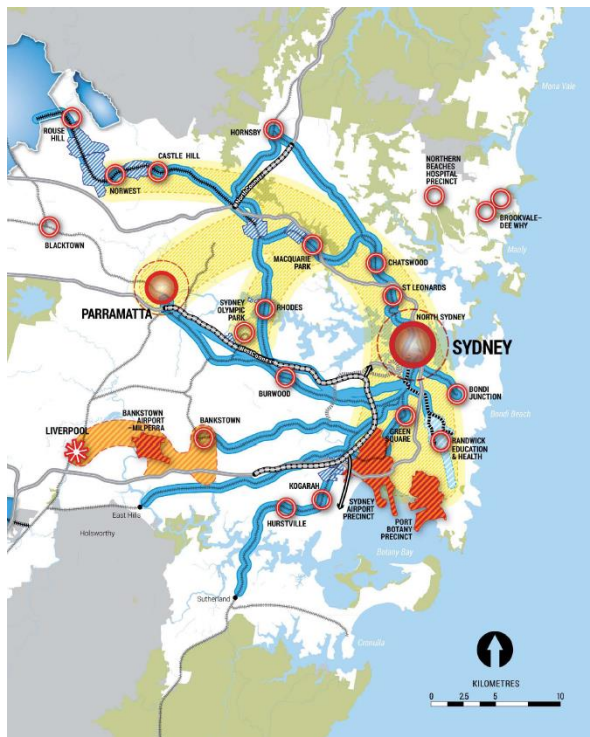
city. It sets a path for governments to work collaboratively to deliver housing where people want to live and jobs that are easy to get to.

Essentially, the plan presents a strategy for accommodating Sydney's future population growth. It balances the need for more housing, but also cultivates the creation of strong and resilient communities within a highly-liveable city whilst protecting the natural environment and biodiversity.

New housing will be located close to jobs, public transport, community facilities and services. It acknowledges the need to offer choice in housing location, size and typologies, to better suit our lifestyles and budgets. Most importantly, more intensive housing development across the city will be matched with investment in infrastructure and services, culture and the arts, a 'green-grid' of open spaces and renewed bushland to support healthy lifestyles and community life.

A Plan for Growing Sydney will also provide a framework for strengthening the global competitiveness of Sydney, in order to facilitate strong investment and jobs growth. It considers infrastructure projects and improvements to public transport, freight routes and other key assets such as airports.

A Vision for Sydney – 'A plan for Growing Sydney'



Source: DP&E (2014)

Specifically, Granville is located within the West Central subregion, earmarked for significant infrastructure investment and intensive growth over the next 20 years.

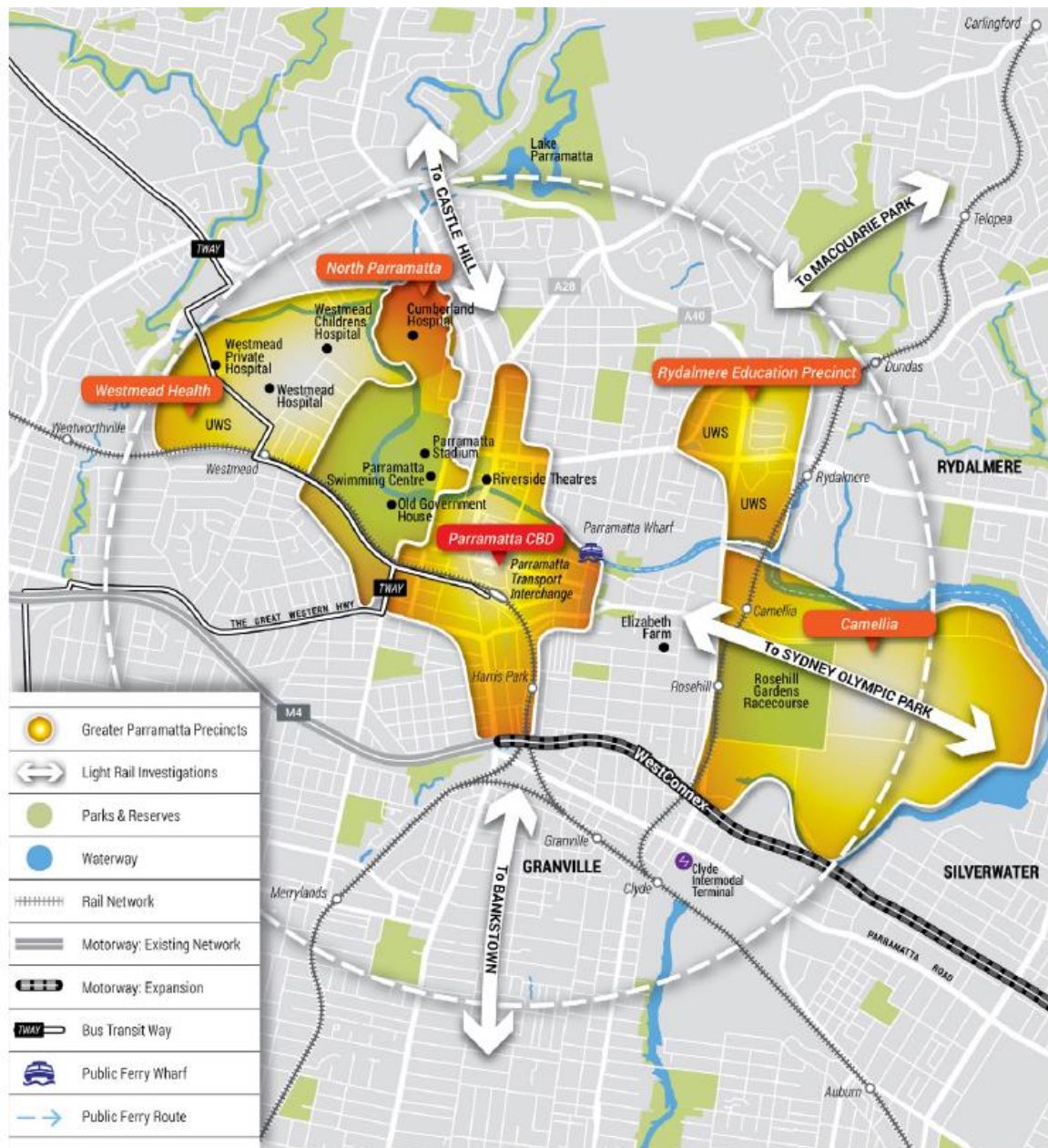
With particular regard for the West Central subregion, the strategy outlines the need to:

- **“Identify suitable locations for housing and employment growth coordinated with infrastructure delivery (urban renewal), including around priority precincts, established and new centres, and along key public transport corridors” (Pg. 114, Sydney Metropolitan Strategy 2014);**
- Identify opportunities to revitalise suburbs and reduce concentrations of disadvantage.

Moreover, Granville is in close proximity to the Parramatta CBD and its surrounds. Parramatta has been earmarked to become Sydney’s second CBD within the Sydney Metropolitan Strategy. Priorities for Parramatta are outlined below.

- Parramatta as a transformational place with the potential to reach 100,000 jobs over the next 20 years;
- Plan Greater Parramatta as Sydney’s second CBD and Western Sydney’s number one location for employment, supported by a vibrant mixture of land uses; and
- Provide capacity for long-term employment growth in Greater Parramatta, particularly in its CBD.

Granville in close proximity to the Parramatta CBD and Greater Parramatta



Source: DP&E (2014)

More broadly, the strategy outlines a number of directions.

- Direction 1.2: Grow Greater Parramatta – Sydney’s Second CBD;
- Direction 1.4: Transform the productivity of Western Sydney through growth and investment;
- Direction 1.7: Grow strategic centres – providing jobs closer to home;
- Direction 2.1: Accelerate housing supply across Sydney;
- Direction 2.2: Accelerate urban renewal across Sydney – providing homes closer to jobs;

- Direction 2.3: Improve housing choice to suit different needs and lifestyles;
- Direction 3.3: Creating healthy built environments.

Collectively, the government would like to see Sydney as:

- A competitive economy with world-class services and transport;
- A city of housing choice with homes that meet our needs and lifestyles;
- A great place to live with communities that are strong, healthy and well connected.

This proposal is congruent with the directions outlined above. The rezoning, associated with the provision of 419 - 488 units (dependent on Design Excellence Bonus Scheme) and 4,085m² of commercial floorspace will support:

- Parramatta as a CBD;
- The growth of Western Sydney;
- Jobs closer to home and homes closer to jobs;
- The acceleration of housing growth;
- An improvement in housing choice and affordability; and
- The creation of healthy built environments by contributing to mixed-use centres, walkable cities and the concepts of 'new urbanism' and 'Transit Oriented Development (TOD's).

2.4 Draft Sub-regional Delivery Plans, West Central Sub-region

It is also important to acknowledge that the now-outdated Draft West Central Sub Regional Strategy (2007) will soon be replaced by a new Strategic Delivery Plan. The new Strategic Delivery Plans will update and augment the strategic direction of all employment lands in the context of the Sydney metropolitan area.

The plan recognises employment lands as an important component of the West Central region's economy. It aims to concentrate employment and economic activity in employment lands and strategic centres to gain advantages of economies of agglomeration and to improve access to transport and services.

The Key Directions identified in the Draft South Sub Regional Strategy are to:

- Provide local employment opportunities;
- Provide greater housing choice and affordability.

Prior to any rezoning of employment uses to alternative uses (category 3), it must be demonstrated that the area:

- Does not provide a strategic local or regional economic role and is therefore not required to meet local future demand for employment land;
- **Through their redevelopment, must contribute towards supporting other planning objectives such as residential growth through mixed use in areas of high accessibility and amenity or renewal of identified local and strategic centres.**

This planning proposal and redevelopment will support other planning objectives. It will supply greater residential through Mixed Use in an area of high accessibility and will increase the employment capacity of the subject site (discussed in section 4); contributing to desirable residential and employment outcomes.

2.5 Parramatta Economic Development Strategy, 2011 – 2016 (2011)

This strategy to 2016 responds to the early visions created in the Draft Sydney Metropolitan Strategy in seeking to create 280,000 net additional jobs in Western Sydney by 2036.

The strategy emphasises the notion that Parramatta will be the “centre of high value-adding employment and the driving force behind the generation of new wealth in Western Sydney. Its economic identity will consist of four specialised and inter-connected employment centres. (Parramatta City Council, 2011).

Specifically,

*“Harris Park and **Granville will continue to grow as vibrant inner-city cultural neighbourhoods heavily influenced by their ethnic concentrations and known by Sydney-siders for their good food and local customs. Both will densify, Granville in particular**” (Parramatta City Council, 2011).*

The plan highlights the need to address unemployment issues within the LGA, in which Granville has been specifically targeted.

Overall, the proposed development at the intersection of Good Street and Cowper Street, Granville is congruent with the Parramatta Economic Development Strategy (2011 - 2016). By providing residential, commercial and retail in close proximity to public transport, the proposed development will support Granville as an inner-city neighbourhood. In addition, the development will support jobs growth within the LGA, through the inclusion of 4,085m² of commercial floorspace, encouraging economic development and economic growth.

2.6 Parramatta 2038 Community Strategic Plan (2013)

This plan outlines visions for Parramatta to 2038 with regard to its economy, environment, connectivity, people, culture and governance.

Employment and residential highlights of the plan include:

- The need for 10,000 new local jobs over the next 5 years and 50,000 over the next 25 years;
- The need to develop the capacity of local firms to grow, specialise and employ more local people;
- Housing growth around centres;
- The provision of a range of housing.

As stated previously, the provision of 4,085m² in commercial floorspace will support jobs growth within the LGA. In addition, the proposal seeks to develop up to 488 residential units, in close proximity to existing businesses along Parramatta Road and Good Street.

An increase in the number of residents will provide an additional source of trade for surrounding businesses, contributing to the capacity of local firms to grow, specialise and employ more local people. Finally, the provision of apartment style dwellings will provide a diverse range of housing whilst also contributing to housing growth within the Granville Town Centre.

Ultimately, the proposed development incorporating residential, commercial and retail space is in alignment with the objectives of the Parramatta 2038 Community Strategic Plan.

2.7 Parramatta CBD Planning Framework Draft Report (2014)

In August of 2014, SGS Economics & Planning (in conjunction with Architectus) released the 'Parramatta CBD Planning Framework: Economic analysis' Draft Report. The underlying purpose of the report is to address three key questions:

1. How can Parramatta compete with other centres to attract employment?
2. How can Parramatta protect its capacity to accommodate employment and housing in the future?
3. What are the implications for Parramatta's planning framework?

Relevant to this discussion, the SGS report (2014) made some key recommendations relating to employment outcomes, as outlined below.

- "Consideration should be given to the potential to accommodate employment growth in other locations in the Greater Central Parramatta", including Granville (pg. 3).
- "Improved transport links will improve access to potential labour markets relative to other centres and enhance the prospects of attracting additional employment to the Parramatta CBD" (pg. 3).
- "Maximising capacity and minimising congestion requires a focus on all 'sustainable transport' options such as mass transit, walking and cycling" (pg. 3).

Specifically, SGS highlighted the complementary centres, neighbourhood and employment nodes located in close proximity to the Parramatta CBD as an asset to the region. These include North Parramatta, Harris Park, Westmead, **Granville**, Rosehill, Camelia and Rydalmere.

"Their role in accommodating future employment and housing or both, might be considered a means of reducing development pressures for say residential land uses in the CBD. Accommodating growth in adjoining areas might also help to reduce the likely traffic and transport burden that will result from residential and employment growth, provided a high degree of self-containment can be achieved. Growth in local neighbourhoods will also provide opportunities for active transport" (pg. 14).

Moreover, the report also found that there is:

- Limited capacity for employment growth within the Parramatta CBD under current planning controls. According to SGS there is capacity for a further 17,500 jobs (pg. 17).

- Capacity for close to 4,000 residential dwellings within the CBD, given various constraints (pg. 17). There is projected to be *"demand for an additional 4,600 dwellings in Parramatta CBD between 2011 and 2036"* (pg. 21).

The proposed development is consistent with the findings and recommendations of the SGS Parramatta CBD Planning Framework - Economic Analysis (Draft Report, 2014). By providing up to 488 residential units and 4,085m² of commercial floorspace, the redevelopment will support the Granville Town Centre as a complementary centre to the Parramatta CBD. As such the proposed development will:

- Support employment and housing growth in complementary locations within the Greater Central Parramatta region, reducing the likely traffic and transport burden that will result from residential and employment growth in the Parramatta CBD;
- Provide opportunities for active transport (the subject site is in walking distance to the Granville Train Station);
- Alleviate employment and particularly residential demand side pressures for the Parramatta CBD to 2036.

2.8 Parramatta Road Urban Renewal Strategy Draft Report (updated February 2015)

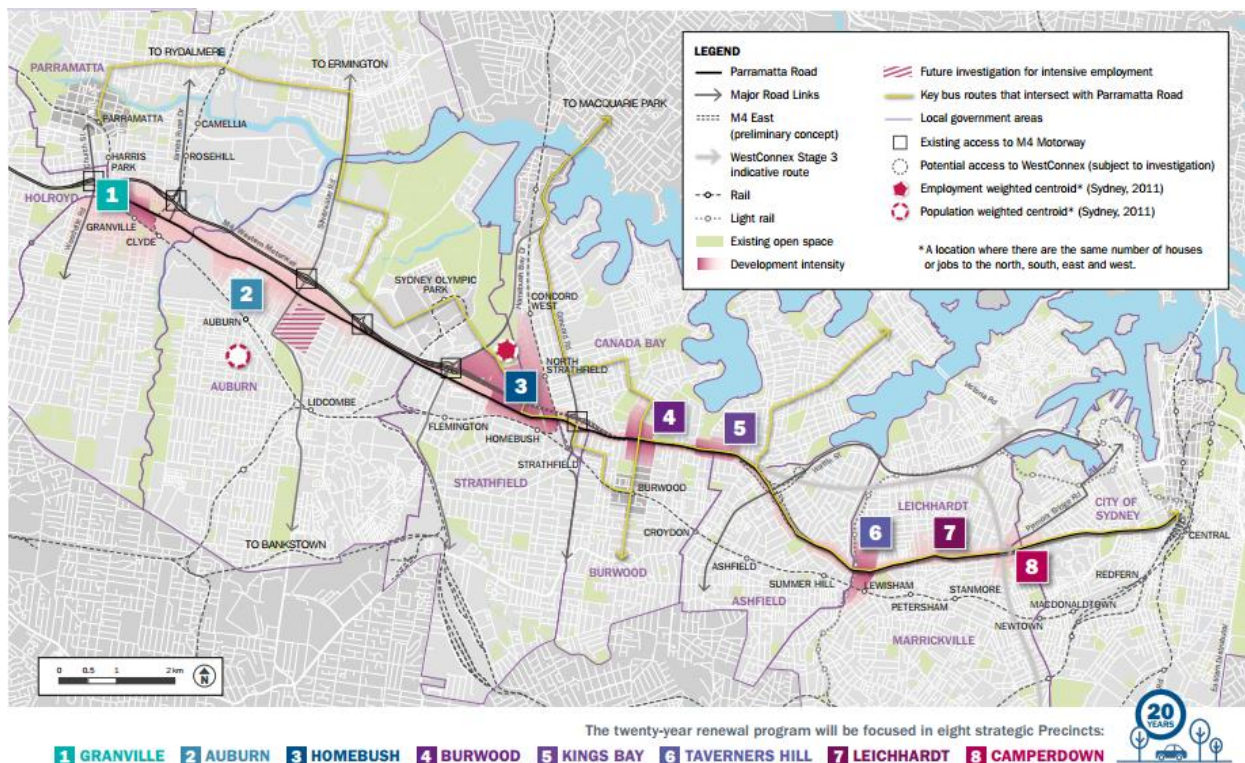
Supported by Urban Growth NSW and the NSW Government, precincts along Parramatta Road are set to undergo significant urban renewal.

"The right combination and balance of density, good design, a mix of land uses, location, house choice and access to public transport create a successful urban environment" (pg. 17).

Precincts identified for urban renewal include **Granville**, Auburn, Homebush, Burwood, Kings Bay, Taverners Hill, Leichhardt and Camperdown.

As defined in the report, 'precincts' are ***"special areas identified for growth and change where planning rules and zonings may change in the future"*** (pg. 4).

Draft Integrated Land Use and Transport Concept



Source: Urban Growth (2015)

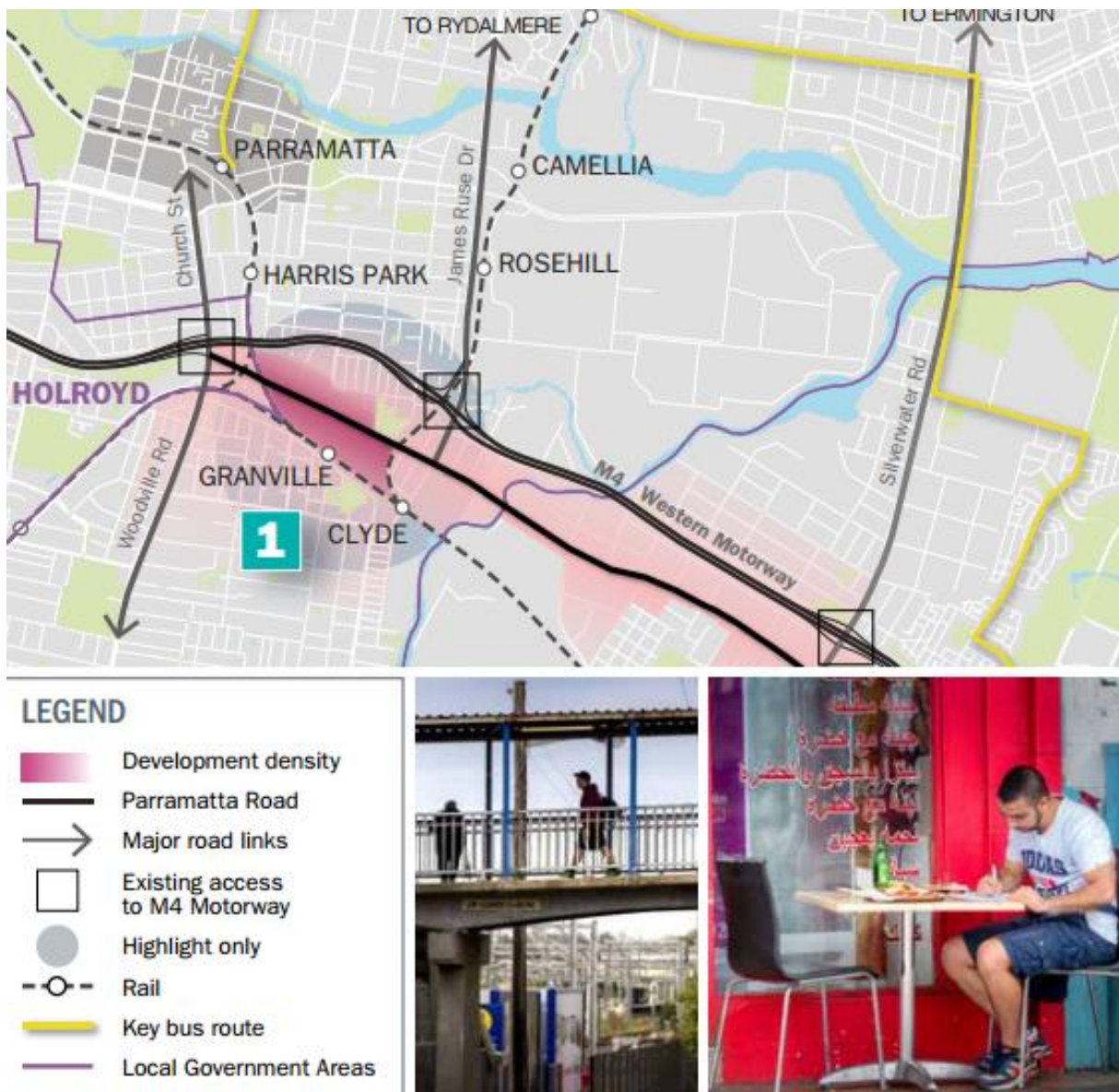
These precincts have been specifically identified for their:

- Proximity to places of employment;
- Accessibility, especially to public transport;
- Capacity to support new housing types;
- Proximity to existing infrastructure;
- Opportunity sites for future development;
- Unique character and diversity;
- Places of interest with potential for new or refreshed linkages.

Specific to Granville, the report notes that:

- *"improvements to streetscape could encourage new development and create a vibrant live/work precinct with access to major services, shops and employment. This precinct could have a similar development intensity to Ultimo"* (pg. 9).
- **The "precinct could evolve to support the Parramatta CBD and have a residential/mixed use focus" (pg.22)**
- The report notes that by 2031, it is anticipated that the Granville Precinct could accommodate 26% of overall population growth in the corridor and could see 16,000 to 19,000 new dwellings over the long terms (2050+).

Granville Area Precinct



Source: Urban Growth (2015)

With up to 488 residential units and 4,085m² of commercial floorspace planned for the subject site, the redevelopment will support the visions outlined within the Draft Parramatta Road Urban Renewal Strategy (2015). Furthermore, this development may act as a catalyst for further commercial and residential development, again supporting the objectives of the strategy.

Section 3: Employment Outcomes

In this section of the report we justify the planning proposal through quantifying the operational employment potential of the subject site under three different scenarios, being:

4. "As is" or "status quo" i.e. no redevelopment
5. Highest-and-best use (HBU) outcome under the current planning controls
6. Redevelop a consolidated site under the proposed B4 mixed use zoning

3.1 "As is" (i.e. no redevelopment)

At present, the subject site comprises a variety of land uses, including:

- Two second-hand car sales yards;
- Office furniture outlet;
- Discount store;
- Café;
- Phone retailer;
- Butcher;
- Vacant lot and
- Single-storey dwelling.

Based on our site inspection, we estimate the set of sites presently accommodates an aggregate of between 15 and 20 operational workers. Given that the site comprises of 4,800m² of floorspace (including car yard), this equates to an employment density of 240-320m² per worker.

Operational Employment Floorspace

Land Parcel	Operational Floorspace (m ²)
Office Furniture outlet	2,200
Large car yard	1,000
Retail along Good Street	1,000
Small car yard	330
Other employment floorspace	270
Total (approximately)	4,800

Source: MacroPlan Dimasi (2015), Six Maps (2015)

Relative to other industries, the observed employment rate is quite low. In fact, it accommodates employment at a lower rate than most industrial uses, which range between 50 – 100m² per worker.

This observed outcome is synonymous with an underperforming site (from an employment perspective). Essentially, it is entirely tenanted by businesses that employ few workers. Overall, this low employment outcome suggests:

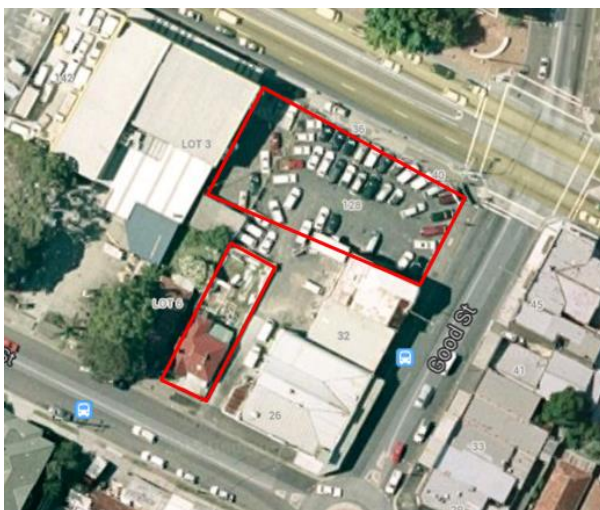
- The current built form is not suitable for contemporary practices or businesses;
- Redevelopment is required to encourage more employment;

Therefore, in the absence of redevelopment, the current employment outcome of 15-20 operational workers is considered a maximum outcome for the subject site. Moreover, as the quality of existing premises continues to age, so will its employment potential. Overall, MacroPlan Dimasi envisages that the subject site's employment relevance, in the absence of redevelopment, will diminish over time.

3.2 Redevelop underutilised land

Under the current fragmented planning scheme, with the exception of the car yard, single detached dwelling and vacant land sites, the remainder of the site is at its highest and best use (HBU). Under this scenario, redevelopment of the car yard and single storey detached dwelling is required to achieve a HBU outcome for the greater site.

Car yard and single detached dwelling



Source: Google Maps (2015), MacroPlan Dimasi (2015)

With regard to the detached dwelling and vacant lot, from a residential perspective, the current B4 Mixed Use zoning permits a better outcome, incorporating residential and commercial uses. However, given the size of the site (small at approximately 650m²), redevelopment is unforeseeable. Moreover, located on Cowper Street, the site is in an inferior location, relative to the Enterprise Corridor along Parramatta Road and existing local centre provision on Good Street. As such, the employment outcome would be negligible.

Having regard for permissible uses and its B2 – Local Centre zoning, the HBU outcome for the car yard is commercial floorspace. Given planning restrictions; an FSR of 2:1 and a height limit of 15m, the maximum employment floorspace that could be attained is 2,000m². Commercial employment densities are in the order of 30 – 50m² per worker (a conservative floorspace ratio). Subsequently, we have derived an employment outcome of 40 – 67 workers for the car yard.

We have derived an employment outcome of 52 – 82 workers under a HBU scenario for the entire site, under current planning controls.

3.3 Post-development Employment Considerations

The planning proposal seeks to rezone the entire subject site from B2 Local Centre and B6 Enterprise Corridor to B4 Mixed Use. Consistent with the current setting, a primary objective of the proposed zoning is the integration of suitable land uses. In total there are three core objectives for a B4 Mixed Use zoning, as show below.

B4 Mixed Use – Objectives of the Zone

- To provide a mixture of compatible land uses;
- To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling;
- To encourage development that contributes to an active, vibrant and sustainable neighbourhood.

The proposed development indicates a commercial floorspace yield of 4,085m².

Specific uses are as follows.

1. 1,130m² of ground level showroom/bulky goods;
2. 1,660m² of ground level retail;

3. 670m² of level one commercial suites; and
4. 625m² of level two commercial suites.

The provision of superior quality commercial floorspace is expected to achieve a higher employment outcome for the subject site. Additionally, it will attract a different profile of tenants and businesses, which typically engage more workers per square metre.

Average Employment Densities, Candidate Uses

Potential Land Use Type	m ² /employee
Bulky goods retail	60 - 70
Convenience retail	40 - 50
Food catering/eateries	15 - 20
Commercial offices	20 - 30

Source: MacroPlan Dimasi (2015)

Overall, the employment outcome from redevelopment of the subject site would more than double the HBU redevelopment scenario (52 – 82 workers). A mixed use format, encompassing 4,085m² of new commercial floorspace would result in a superior employment outcome. With regard for the proposed uses and the average employment densities identified, **the redevelopment has the capacity to engage 118 – 160 workers.**

Operational Employment Outcome (post-development)

Potential Land Use Type	Employment Density	Proposed Floorspace	Employment Outcome
Bulky goods retail	60 - 70	1,130	16 - 19
Convenience retail	40 - 50	830 (approx.)	17 - 21
Food catering/eateries	15 - 20	830 (approx.)	42 - 55
Commercial offices	20 - 30	1,295	43 - 65
Total		4,085	118 - 160

Source: MacroPlan Dimasi (2015)

This employment outcome can only be achieved through redevelopment of the entire site. It is clear that redevelopment of the subject site to B4 Mixed Use will provide a superior outcome relative to an “as is” scenario and a HBU scenario given current planning controls.

Employment Outcome Comparison – Onsite Jobs

Scenario	Employment Outcome
"As is" i.e. no redevelopment	15 - 20
Highest-and-best use (current planning controls)	52 - 82
Redevelopment to B4 Mixed Use	118 - 160

Source: MacroPlan Dimasi (2015)

3.4 Other Employment Based Benefits

In addition to direct employment benefits outlined, there are also a number of indirect employment outcomes that would be derived from the proposed development. These benefits include:

- The proposed development includes up to 488 residential units, resulting in an increased number of households and subsequently, greater overall expenditure within the Granville Town Centre;
- Supporting various professional service industries during the planning and design phase e.g. consulting, architecture, engineering, planning and so forth.
- Support a large and diverse range of trade, professional and construction-based businesses e.g. construction managers, labourers, bricklayers, surveyors as well as plumbers, electricians, heating and ventilation trades.
- Support maintenance and trade service employment once operational.

Moreover, with regard to a simple multiplier, indirect employment outcomes tend to be higher in service-oriented businesses (e.g. food catering; cleaning services; support services) than in businesses that trade (produce) goods (e.g. supermarkets).

3.5 Conclusion

Overall, it is our professional opinion that the proposed rezoning and redevelopment format would deliver a superior employment outcome (compared to the current outcome), accommodating between 118 and 160 jobs on the site as well as indirect employment. This would, in our view, have direct benefits to the Granville Town Centre.

From an employment-generating standpoint, we note that the current development plan incorporates 1,130m² of ground level showroom/bulky goods floorspace, 1,660m² of ground level retail and 1,295m² dedicated to commercial suites on level one and two.

Using average employment densities for the proposed uses, the operational employment outcome from the proposed configuration surpasses that currently achieved at the site. Through redevelopment, **the site could accommodate between 118 - 160 operational jobs, increasing its operational employment by between 103 - 140 jobs.**

It is clear therefore that the development, as proposed, will provide a far superior employment outcome, emphasising the need for a rezoning.

Section 4: Residential Justification

This section identifies and justifies the need for increased residential accommodation within the locality of the subject site. The case for residential accommodation on the subject site is outlined below.

In addition to direct housing supply, there are other considerations to support the case for residential accommodation. The inclusion of residential uses would:

- Complement the character of the immediate region, which will be predominantly residential in nature to the south;
- Be supplemented by ample car parking provision for new residents, due to the size of the subject site;
- Provide development contributions which could be used to improve public and open space provision around the subject site.

Overall, the provision of residential accommodation at this site adheres to the principles of the new Metropolitan Strategy and is consistent with the directions pertaining to housing supply. The subject site promotes an optimal outcome for Granville and its town centre as well as the Parramatta LGA as a whole.

4.1 The need for more housing

According to the ABS, population growth in the Parramatta LGA has been solid, expanding at an average rate of 2.7% over the five years to 2011 – significantly above the Greater Sydney average of 1.2% per annum. In level terms, this equates to a net increase of 21,835 residents.

Estimated Resident Population, Parramatta LGA (2006-2011)

Age Cohort	2006	2011	Change
0 - 19	38,207	42,114	3,907
20 - 34	40,242	49,685	9,443
35 - 49	33,402	36,008	2,606
50 - 64	22,643	26,556	3,913
65 +	18,454	20,420	1,966
Total	152,948	174,783	21,835

Source: ABS (2006 & 2011)

Over the corresponding period, the number of private occupied dwellings in the Parramatta LGA expanded by 4,872 dwellings. Comparing the rise in the number of private occupied dwellings against population growth it is evident that supply has not kept up with demand over this period. Utilising the average household size of 2.7 persons per dwelling¹, a shortage of 2,500-3,000 dwellings would have accumulated during this period.

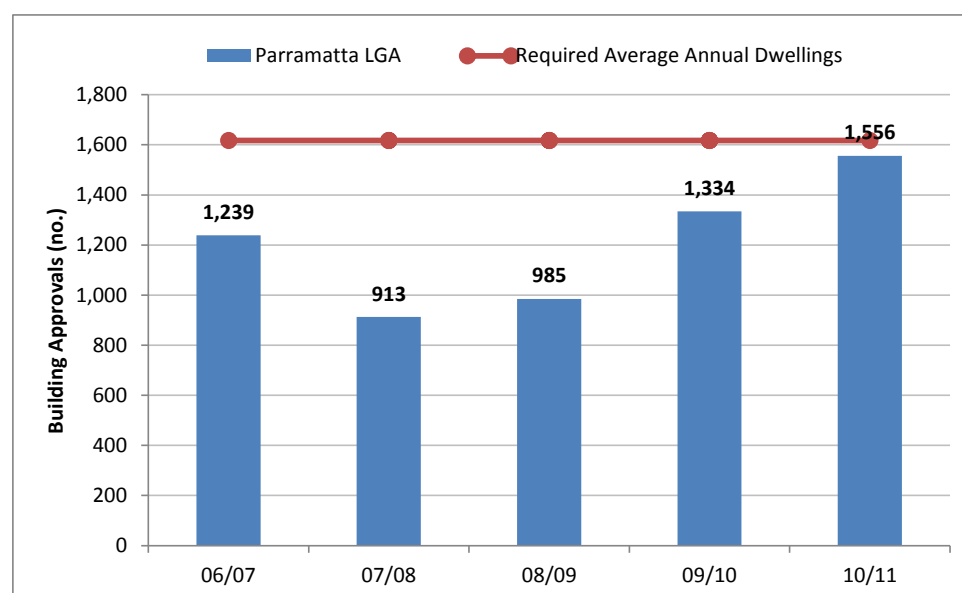
Private Occupied Dwellings, Parramatta LGA (2006-2011)

Year	Dwellings
2006	58,612
2011	63,484
Change	4,872

Source: ABS (2006 & 2011)

Building approvals data also attests to a rising dwelling shortage in Parramatta LGA. As presented in the chart below, the number of dwellings approved in any given year during the 2006-2011 period did not match the average dwelling target for Parramatta LGA.

Buildings Approvals vs Required Average Annual Dwellings, Parramatta LGA (2006 – 2011)



Source: ABS (2006 & 2011), Macroplan Dimasi (2015)

A shortfall in supply has resulted in house price escalation. In fact, solid rental and median house price growth are symptoms of an undersupplied market. According to

¹ ABS Census of Population and Housing (2011) – Parramatta LGA Census QuickStats

Census 2011, approximately 39.3% of private dwellings in Parramatta LGA are tenanted by renters, which is significantly higher than that observed in New South Wales (30.1%) and Australian (29.6%).

While rental growth has been solid throughout most of Greater Sydney, rental growth in Parramatta LGA has been more pronounced. Over the seven years to 2014, median weekly rents increased from \$227 to \$340 per week, equating to average annual growth of 8.4%. In comparison, average rents in Greater Sydney expanded by 7.0% per annum over this period.

Rental Growth, Parramatta LGA and Greater Sydney (2006 & 2011)

Year	Parramatta LGA	Greater Sydney
2006	\$227	\$250
2011	\$340	\$351
CAGR (% pa)	8.4%	7.0%

Source: ABS

*Note, CAGR = Compound Annual Growth Rate

More importantly, rental escalation has exceeded household income growth in Parramatta LGA over this five year period. As a result, the share of household income attributed to covering rents increased from 22% to 26% over the five years to 2011. Given that 39.3% of private dwellings are occupied by renters, the impact from deteriorating rental affordability is expected to be significant in the Parramatta LGA relative to Greater Sydney.

Rental Affordability, Parramatta LGA (2006-2011)

Rental Affordability	2006	2011
Annual household rental cost	11,804	17,680
Annual household income	54,236	66,976
Rent share of income (%)	22%	26%

Source: Census 2011

Furthermore, in the absence of adequate new dwelling additions, median rents will continue to climb over the forecast period. Through new apartment additions, the proposed redevelopment will help alleviate rental pressures.

Affordability issues can be extended to consideration of prices facing current and future owner-occupiers. According to RP Data, the median house price in Parramatta is

\$886,000 (Dec, 2014), which is some \$66,000 above Sydney's median price (\$820,510²). However, considering that the average annual income for residents in Parramatta LGA (\$66,976³) is approximately 11% below the Sydney average (\$75,244⁴), it would be reasonable to presume that home ownership is a challenging proposition in the Parramatta LGA.

Relative to the historical experience, government population projections suggest a period of higher population growth for the Parramatta LGA. According to DP&E projections, the resident population of the Parramatta LGA is projected to increase by 36,600 persons in the ten years to 2021. Without a corresponding surge in housing construction, higher population growth will intensify the rate of housing affordability deterioration.

DP&E Population and Housing Projections, Parramatta LGA (2011, 2021, 2031)

	2011	2021	2031	2011-2021	2021-2031
Population (residents)	174,800	211,400	253,900	36,600	42,500
Households (no.)	63,400	77,450	93,750	14,050	16,300
Dwellings (no.)	67,300	82,250	99,550	14,950	17,300
Household formation					
Number of occupants (persons per dwelling)	2.60	2.57	2.55	2.45	2.46
Average household size (persons per household)	2.76	2.73	2.71	2.60	2.61

Source: DP&E (2014), MacroPlan Dimasi (2015)

To accommodate this population growth trajectory, DP&E projections suggest net additions of 1,613 dwellings per annum. Notably, while it is questionable whether this level of provision is adequate, the suggested level of additions has been achieved just twice in FY 2013 (2,416 dwelling approvals) and FY 2014 (1,833 dwelling approvals).

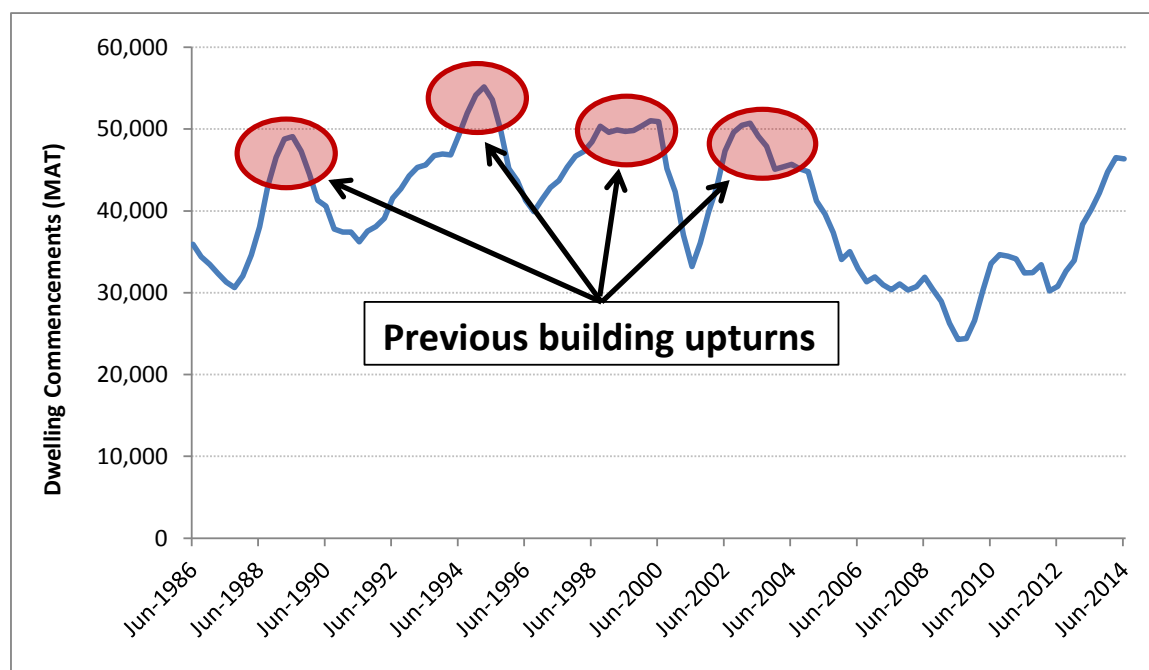
The recent spur in construction activity coincides with a broader construction recovery in NSW. The prospect of an extended, decade-long construction boom is remote, with previous upturns not extending beyond 3-4 years (as shown in the chart below). As such, it is unlikely that the projected 1,865 dwelling additions per annum will be achieved.

² Corelogic RP Data (2014)

³ Census 2011 – Median Household Income for Parramatta LGA

⁴ Census 2011 – Median Household Income for Greater Sydney

NSW Dwelling Commencements (no.), MAT (1986-2014)



Source: ABS Catalogue: 8752.0 - Building Activity, Australia

Moreover, there are demographic drivers which are expected to result in a greater rate household formation, supporting higher levels of housing demand in The Parramatta LGA. Key trends that are expected to influence housing demand include:

- Higher participation from single parent, lone-person and couple families without children (including young couples and retiree households) at the expense of traditional household structures such as couple families with children.
- Sustained levels of strong population growth amongst senior age cohorts, as well as in young working cohorts.

Overall, there is a compelling case for more housing supply in the Parramatta LGA to satisfy current population trends of growth and household formation.

4.2 Promoting Housing Diversity

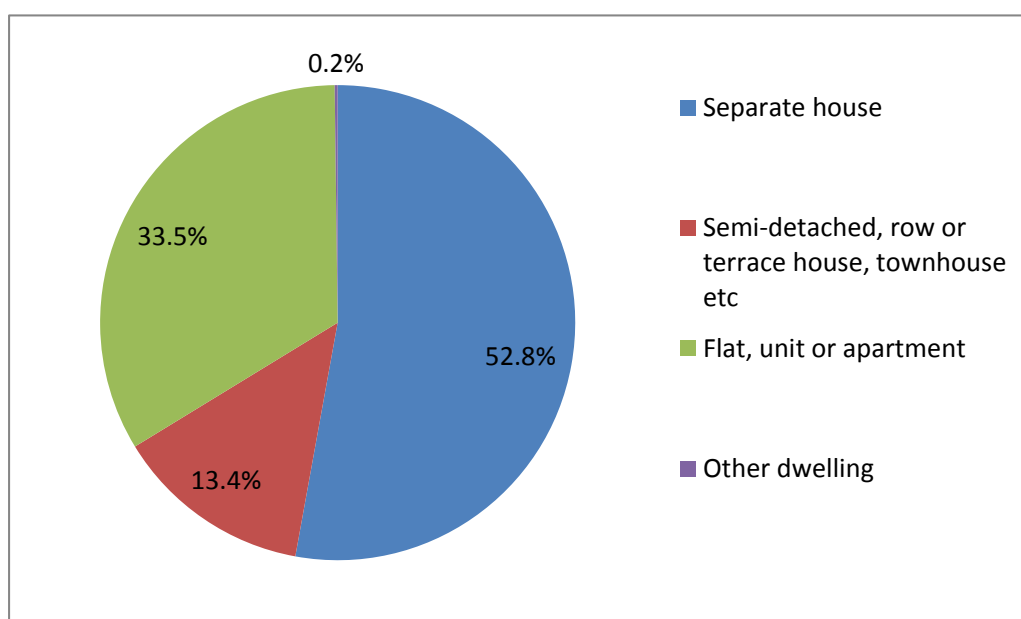
The new Metropolitan Strategy states the need to “improve housing choice to suit different needs and lifestyles”, as prescribed by Direction 2.3. The objective of this direction is to promote greater housing diversity for the purpose of accommodating Sydney’s growing population and demographic projections.

The strategy notes that there is “a current shortage of semi-detached houses across Sydney and a shortage of apartments in the middle and outer areas of the city. This is

affecting the capacity of people to buy or rent a home". The demand for more apartments close to public transport is increasing, reflective of consumer demand for housing to meet budget and lifestyle requirements.

According to Census 2011 data, detached/separate houses are the dominant dwelling structure in the Parramatta LGA, accounting for an estimated 52.8%% of total dwellings. Conversely, the allocation attributed to apartments and other medium-density dwellings was just 33.5% (as at 2011).

Dwelling Composition by Structure, Parramatta LGA (2011)



Source (ABS, 2011)

As apartments tend to be more cost-effective than detached housing, limited apartment supply is expected to mostly impact first home buyers. Moreover, given that the movement of owner-occupier households from inner and middle ring locations has increased, a lack of suitable dwelling accommodation will stymie activity. Given that these groups tend to be the most price-sensitive, a lack of affordable provision (in the form of new apartments) may stem growth in young working residents. A lack of housing choice is expected to have an adverse impact on existing and future mature households.

Trade-down activity is also facilitated by new apartment development. Through the sale of their existing dwelling, retirees purchase new smaller dwellings which require less maintenance, and invest the residual capital for income-generating purposes.

The apparent shortfall in higher-density stock additions means that local residents are denied an opportunity to trade down within their locality. With an appropriate housing

option, these residents may opt for neighbouring locations where apartment construction has occurred.

The overall impact of a lower number of first home buyer and retiree households in the region is expected to have direct consequences on the viability of existing businesses and an array of future businesses. It is through consumption of services and goods in a given area, that a maximum number of local jobs are supported.

Moreover, the household and population growth profile for the Parramatta LGA is expected to lead to greater demand for apartments in the future. In addition to DP&E projections, this view is constructed having regard for observed housing trends, such as:

- 1. The contribution from couples with no children, one-parent family households increased by 2,473 persons in the Parramatta LGA between 2006 and 2011. Based on DP&E household projections, the observed composition is expected to persist over the forecast period.*
- 2. By age, population growth has been most pronounced amongst senior residents. Between 2008 and 2013, the number of 65+ persons expanded on average 2.6% per annum. According to DP&E population projections, strong growth is expected to continue (3.3% per annum out to 2021).*

Population Projections by Age, Parramatta LGA (2011-2021)

Age Cohort	2011	2021	Annual Change	CAGR (% p.a.)
0 -19	42,114	52,950	1,084	2.3%
20 - 34	49,685	52,000	232	0.5%
35 - 49	36,008	46,600	1,059	2.6%
50 - 64	26,556	31,600	504	1.8%
65+	20,420	28,250	783	3.3%
Total	174,783	211,400	3,662	2.1%

Source: Department of Planning & Environment

*CAGR = Compound Annual Growth Rate

Overall, it is evident that the need for greater housing diversity in the Parramatta LGA is significant. Through the provision of up to 488 apartments, the proposed redevelopment will deliver on much needed apartment stock, in close proximity to public transport. It will be very suitable for downsizers and retirees, who wish to remain in their local community. In turn, diversity of residents provides a better spread of retail spending across the day and night. This distribution is preferable for local retail businesses.

4.3 Jobs closer to home; homes closer to jobs

"Grow strategic centres – providing jobs closer to home" - (Direction 1.7)

&

"Accelerate urban renewal across Sydney – providing homes closer to jobs" - (Direction 2.2)

Essentially, the objective of these directions is to deliver new housing close to jobs, transport, community facilities and services, providing the following outcomes/benefits:

1. Higher productivity through reduced congestion;
2. Lower infrastructure costs due to reduced commuting distances for work;
3. Exercise and health-related benefits;
4. Increased job opportunities.

In relation to Granville, delivering homes in and around the Granville Town Centre and train station is expected to alleviate road capacity constraints for business functions, support increased job-containment and promote alternative travel to work modes.

Having regard for traffic issues, the delivery of housing (as proposed) within a reasonable distance to workplace destinations and public transportation would reduce private vehicle utilisation, as well as, promoting alternative and healthier modes of transport, including walking and cycling.

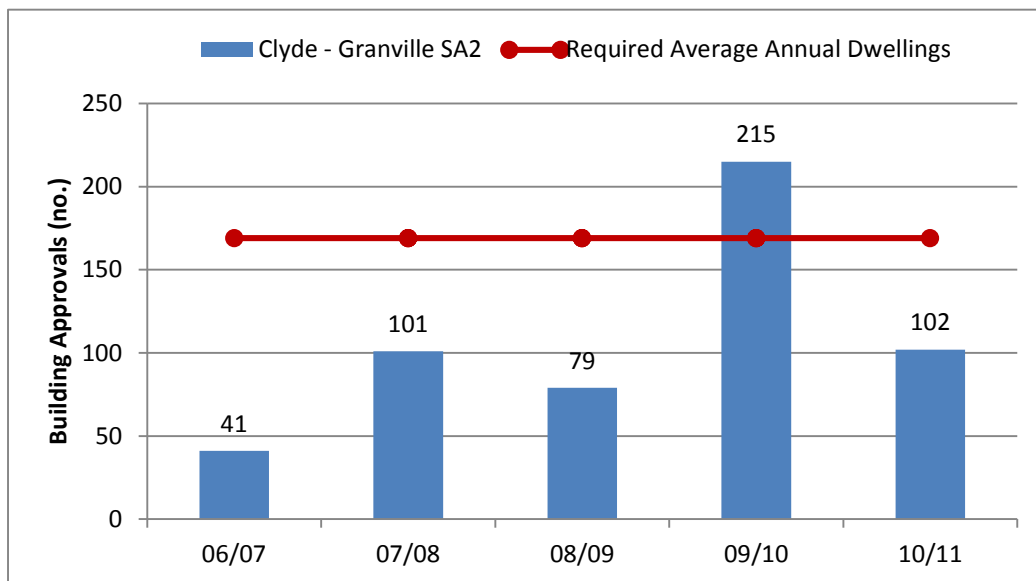
4.4 Residential Provision in the Granville – Clyde SA2

There is also a particular need for increased residential accommodation within the locality of the subject site, Granville.

The provision of up to 488 residential units will contribute to much needed dwelling stock. According to the ABS, population growth in the Clyde - Granville SA2 has been solid, expanding by 2,625 persons at an average rate of 3% per annum between 2006 and 2011 (above the Parramatta LGA average). As a relatively affordable location, it has proven to be an attractive location for rental households.

Buildings approvals data confirms there have not been significant additions to private dwelling stock between 2006 and 2011. In total, approximately 538 new dwellings have been approved in the Clyde – Granville SA2. With regard for population growth and the average household size (3.1 persons per household) a net shortage of 309 dwellings would have accumulated over this period.

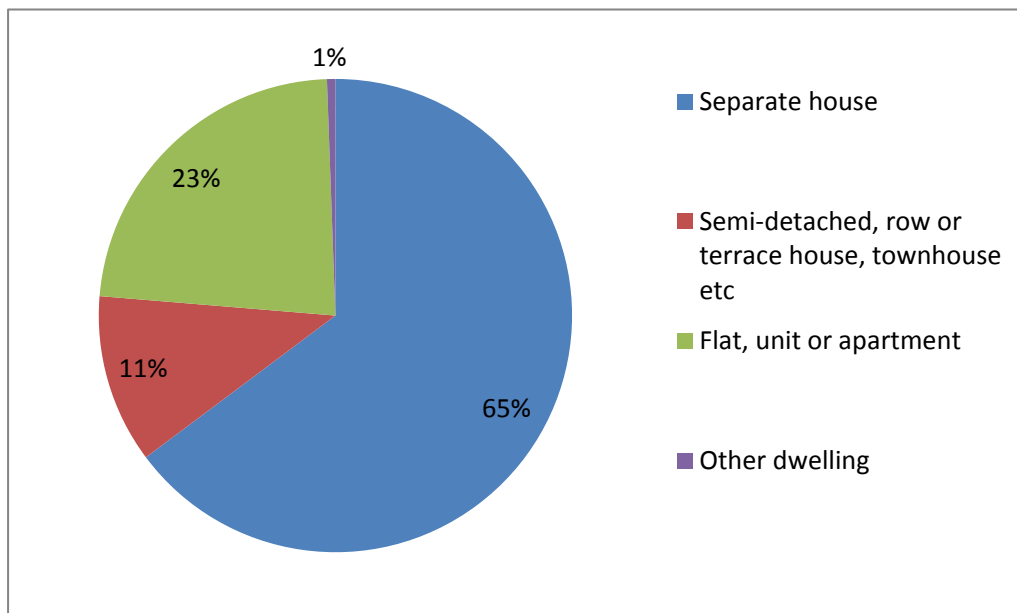
Building Approvals – Granville – Clyde SA2 (2006 – 2011)



Source: 8731.0 – Building Approvals, Australia

Moreover, according to Census 2011 data, detached/separate houses are the dominant dwelling structure in the Granville – Clyde SA2, accounting for an estimated 65% of total dwellings. Conversely, the allocation attributed to apartments and other medium-density dwellings was just 23% (as at 2011).

Dwelling Composition by Structure, Granville – Clyde SA2 (2011)

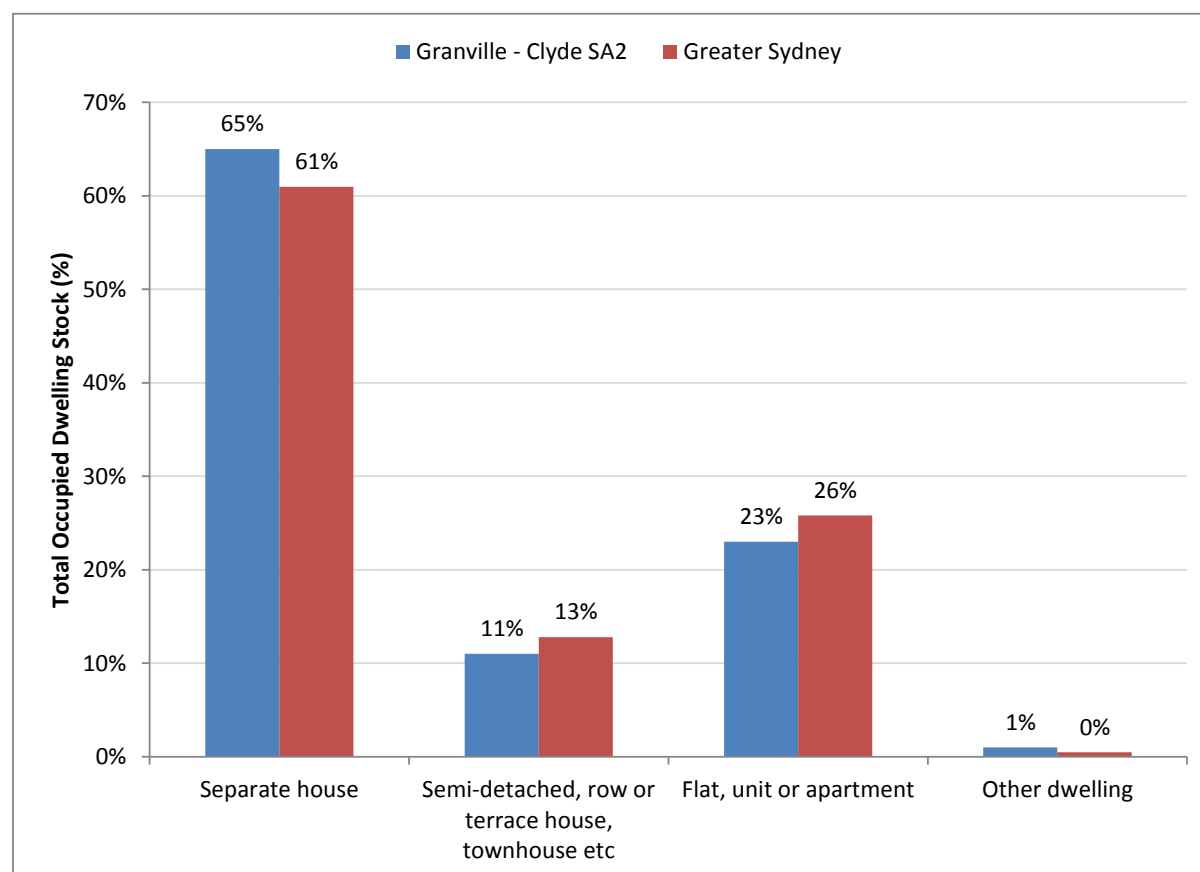


Source: ABS (2006 & 2011)

Compared to Greater Sydney, where flats, unit and apartments make up 26% of private dwelling stock, apartment housing “options” are limited in the Granville – Clyde SA2 (constituting 23% of all private dwelling stock). On this basis, there is a strong need for

greater housing diversity in the Granville – Clyde SA2. This is supported by Direction 2.3 of the Sydney Metropolitan Strategy (2014) – “improving housing choice to suit different needs and lifestyles”, and Objective 2 of the Granville Urban Renewal SEPP (2010) – “greater dwelling diversity is provided”.

Dwelling Structure Composition, Granville–Clyde SA2 & Greater Sydney (2011)



Source: ABS (2006 & 2011)

Furthermore, the value of apartment at the proposed development is expected to be more affordable than that presented at Parramatta CBD. Asking prices for new apartments in Parramatta are in the order of \$600,000 to \$700,000 for a one bedroom apartment and \$700,000 to \$850,000 for a two bedroom apartment – ranging between \$9,800 and \$13,200 per m². MacroPlan Dimasi expects that the price of residential apartments in Granville will be less. The delivery of up to 488 residential units will provide much needed and more affordable housing to Parramatta LGA.

Asking Prices of Major Parramatta Apartment Projects

Project	Attributes	Price	Size	\$/m ²
Altitude - Church Street	1 bedroom, 1 bathroom	\$635,000	50	\$12,700
	1 bedroom, 1 bathroom, 1 car space	\$660,000	50	\$13,200
	2 bedrooms, 2 bathrooms, 1 car space	\$785,000	80	\$9,813
	3 bedrooms, 2 bathrooms, 2 car spaces	\$1,100,000	110	\$10,000
V by Crown - Marsden St	Studio	\$490,000		
	1 bedroom, 1 car space	\$628,000	50	\$12,560
	2 bedrooms, 2 bathrooms, 1 car space (lower levels)	\$848,000	87	\$9,747
	2 bedrooms, 2 bathrooms, 1 car space (higher levels)	\$975,000	95	\$10,263
Promenade	1 bedroom, 1 car space	\$510,000		
	2 bedrooms, 2 bathrooms, 1 car space (lower levels)	\$595,000		
	2 bedrooms, 2 bathrooms, 1 car space (higher levels)	\$660,000		
	3 bedrooms, 2 bathrooms, 2 car spaces	\$950,000		

Source: realestate.com.au (2014), Macroplan Dimasi (2014)

Overall, the proposed development comprising up to 488 residential units will provide diverse and affordable apartment stock to a market deprived of supply. This will:

- Assist workers, students and migrants in finding affordable rental accommodation;
- Deliver affordable housing for potential owner occupiers such as young professionals;
- Provide opportunities for older residents in the area to "trade down".

4.5 Other Considerations

There are a host of other considerations that support the case for greatly increasing the residential accommodation at the subject site.

- Located within 150 metres of Granville Train Station (within a two-minute walk/commute), access to multiple bus services along Parramatta Road, in proximity to community and public amenity and most importantly employment opportunities means the proposed development contributes to self-containment and adheres with transport oriented development (TOD) principles, as promoted in the Sydney Metropolitan Strategy (2014).
- Upon rezoning and occupation, the future residents and new workers will provide an additional source of trade and support for existing and future surrounding uses. Obvious beneficiaries include business along Parramatta Road and within the broader Granville Town Centre precinct, as well as commercial tenants within the proposed development. Moreover, access to the rail station will provide workers with an easy point of entry to work.

- The land owner is committed to an immediate development outcome for the subject site, and the delivery of a housing format that is presently in short supply within the locality (and business floorspace that will support the strategic function of the town centre.) This can be achieved within a short timeframe (i.e. approximately 24-36 months).

Overall, the case for residential uses at the subject site is compelling. It achieves the intended government policy objectives for the Granville Town Centre under the SEPP, and assists in fulfilling those for Greater Sydney in the new Sydney Metropolitan Plan.

Section 5: Planning Proposal – Economic Summary

In this section we confirm that this planning proposal is consistent with Section 117 Directions with regard for the Sydney Metropolitan Strategy (2014). Specifically, we assess the planning proposal against:

- Direction 1.1: Business and Industrial Zones
- Direction 3.1: Residential Zones
- Direction 7: Implementation of A Plan for Growing Sydney

5.1 Direction 1.1 – Business and Industrial Zones

The objectives of Direction 1.1 – Business and Industrial Zones are:

- (a) encourage employment growth in suitable locations,*
- (b) protect employment land in business and industrial zones, and*
- (c) support the viability of identified strategic centres.*

We now individually address each of the objectives with findings from our report.

(a) encourage employment growth in suitable locations

At present, the subject site accommodates 15 - 20 workers. Despite the priority of the Granville Town Centre as a precinct to undergo significant urban renewal by the state government, there has been no interest from developers, businesses and investors to redevelop the entire site.

Much of the site is currently at its HBU with the exception of the single detached dwelling (zoned B4 Mixed Use) and the large car yard (zoned B2 Local Centre). Given frontage, size and location, redevelopment of the single detached dwelling for residential and commercial uses is unlikely.

Having regard for permissible uses and its B2 – Local Centre zoning, the HBU outcome for the car yard is commercial floorspace. We have derived an employment outcome of 40 – 67 workers for this parcel of land.

We have derived an employment outcome of 52 – 82 workers under a HBU scenario for the entire site, under current planning controls.

Comprising 1,130m² of ground level showroom, 1,660m² of ground level retail and 1,295m² of commercial office suites, employment uses associated with the proposed development could support an operational workforce of 118 - 160 workers – a superior employment outcome.

Employment Outcome Comparison – Onsite Jobs

Scenario	Employment Outcome
"As is" i.e. no redevelopment	15 - 20
Highest-and-best use (current planning controls)	52 - 82
Redevelopment to B4 Mixed Use	118 - 160

Source: MacroPlan Dimasi (2015)

Essentially, the development will encourage employment growth in close proximity to amenity, residential and public transport.

(b) protect employment land in business and industrial zones

This planning proposal seeks rezoning to B4 Mixed Use, with the development comprising a mix of employment-generating uses. As such, there will be no change to the aggregate stock of employment space, rather a conversion to another employment facilitating land use zone i.e. the stock of zoned employment land will not be depleted.

In fact, the proposed development will improve the employment outcome of the subject site and essentially, deliver an outcome that it is better aligned with market need. Through redevelopment of old stock, the employment potential of the subject site will be maximised.

(c) support the viability of identified strategic centres

Granville Town Centre has been identified as a precinct set to undergo significant urban renewal under the Granville Town Centre SEPP. The proposed development including

commercial and residential floorspace is in line with the visions outlined under the SEPP and may act as a catalyst for further development.

Commercial floorspace (4,085m²) has been proposed for the development which will add increased 'activity' to the centre. Moreover, up to 488 units have been proposed which will support existing businesses and assist in activating the precinct. Increasing residential densities will also support existing infrastructure, and will contribute to the objectives of the Sydney Metropolitan; to support mixed use precincts, and essentially provide residential, amenity and employment in close proximity to public transport.

Moreover, the subject site, in close proximity to the Parramatta will assist the Strategic Centre in realising its goal as Sydney's second CBD. The development will provide an increased residential market for existing and future businesses, whilst also providing additions to the "labour pool".

5.2 Direction 3.1 – Residential Zones

The objectives of Direction 3.1 – Residential Zones are:

- (a) *Encourage a variety and choice of housing types to provide for existing and future housing needs;*
- (b) *make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and;*
- (c) *minimise the impact of residential development on the environment and resource lands.*

We now individually address each of the objectives.

(a) encourage a variety and choice of housing types to provide for existing and future housing needs

Existing and emerging demographic and market trends that are expected to influence housing demand in the Parramatta LGA, including:

- Higher participation from single parent, lone person and couple families without children (i.e. young couple and retiree households) at the expense of traditional household structures such as couple families with children.
- Sustained levels of strong population growth amongst senior age cohorts, young working cohorts and migrants.

- Positive net overseas migration, accustomed to high density residential living.

The planning proposal seeks to provide high density residential dwellings, within proximity to public transport and necessary services. Through this diversity, it is expected that some of the existing and future housing needs of Parramatta LGA can be accommodated at the subject site.

(b) make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services

The development of a mixed use format within proximity to existing infrastructure (e.g. Granville Train Station, Granville Town Centre and Parramatta CBD) will ensure that the future residents will have access to public transport infrastructure, services, public amenity, open space and other necessary services. The co-location of local business services and convenience retailing also provides direct access to necessary services.

(c) minimise the impact of residential development on the environment and resource lands

The development will have minimal impact on the environment and resource lands.

5.3 Direction 7.1 – Implementation of A Plan for Growing Sydney

The objective of Direction 7.1 – Implementation of A Plan for Growing Sydney is to:

(1) Give legal effect to the planning principles; directions; and priorities for subregions, strategic centres and transport gateways contained in A Plan for Growing Sydney.

This objective seeks to ensure that Planning Proposals are consistent with the strategic planning outcomes identified in the Sydney Metropolitan Strategy – ‘A Plan for Growing Sydney’. As identified earlier in Section 2.3 of this report, the proposal has been found to be consistent with those aspects of the plan which are of relevance to this report.

Overall, the case for rezoning is compelling. It is imperative that government endorses the proposed development, which will support the transition of the subject site, and deliver employment and housing opportunities to existing and future residents of the Parramatta LGA. The proposed development will support the functional role of the Granville Town Centre and deliver on other

government objectives pertaining to promoting public transport utilisation and providing greater housing choice and diversity as well as the delivery of homes closer to jobs.

5.4 Concluding Remarks

Our examination has demonstrated that the proposed development, comprising 4,085 m² of commercial and retail floorspace as well as 419 – 488 units (dependent on the Design Excellence Bonus Scheme), will provide a superior employment and residential outcome for the Granville Town Centre and the Parramatta LGA.

At present, the subject site accommodates 15 - 20 workers. Despite the priority of the Granville Town Centre as a precinct to undergo significant urban renewal by the state government, there has been no interest from developers, businesses and investors to redevelop individual lots.

Aside from the single detached dwelling, vacant lot and the large car yard, much of the subject site is currently at its highest-and-best use, under current planning controls. Given frontage, size and location, redevelopment of the detached dwelling congruent with B4 Mixed Use is unforeseeable.

The maximum employment outcome that could be derived for the large car yard is in the order of 40 – 67 workers under a highest-and-best use scenario, with regard for B2 Local Centre planning controls.

As such, an employment outcome of 52 – 82 workers has been derived under a HBU scenario for the entire site, given current planning controls.

Comprising 1,130m² of ground level showroom, 1,660m² of ground level retail and 1,295m² of commercial office suites, employment uses associated with the proposed development could support an operational workforce of 118 - 160 workers – a superior employment outcome.

The proposed mixed use development is expected to accommodate a far greater employment outcome for the subject site. The planning proposal comprises 4,085m² of commercial floorspace and between 419 – 488 residential dwellings (based on the Design Excellence Bonus Scheme). With regard for average employment to floorspace densities we anticipate a superior employment outcome of 118 – 160 workers.

The proposed development will also improve housing choice and present affordable dwelling options for existing and future residents of the Parramatta LGA. More specifically, it may assist future residents in regards to owning their own home, and provide trade-down activity for existing mature residents of the LGA.

Overall, the case for the planning proposal is compelling.