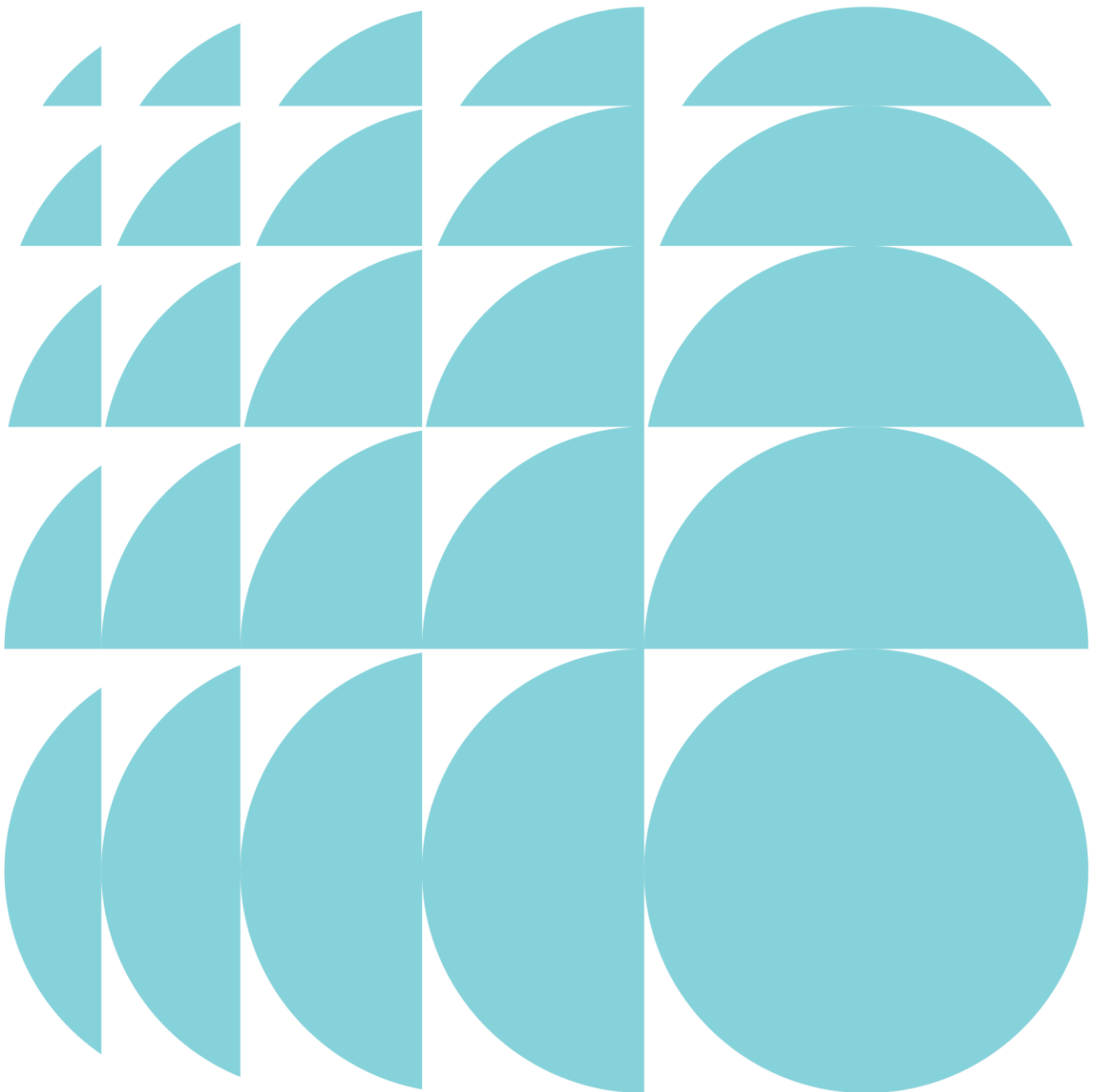


## **Appendix L**

**Economic Assessment  
prepared by  
Ethos Urban**

Prepared for Fresh Hope Care

March 2020



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### *Disclaimer*

Every effort has been made to ensure the accuracy of the material and the integrity of the analysis presented in this report. However, Ethos Urban Pty Ltd accepts no liability for any actions taken on the basis of report contents.

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## Introduction

Fresh Hope Care (FHC) currently operate a seniors living facility comprising residential aged care and independent retirement village units at Dunmore Street, Pendle Hill (the 'subject site'), and are proposing a redevelopment of the site and a number of adjacent properties owned by FHC along Pendle Way. The redevelopment will include demolition of existing retirement living dwellings and construction of new independent living units, additional residential aged care suites, affordable key worker housing, community facilities and commercial uses including medical consulting suites and a café.

Ethos Urban was engaged by FHC to assess the market potential and the economic implications of the proposed redevelopment.

### ***Objective***

To provide an assessment of the market potential for additional seniors living facilities as well as the likely economic impact of affordable key worker housing and commercial uses such as medical consulting suites and a café.

### ***This Report***

This report contains the following sections:

- Section 1: Context Analysis
- Section 2: Economic and Demographic Overview
- Section 3: Market Assessments
- Section 4: Case Studies
- Section 5: Economic Impacts
- Section 6: Summary of Main Findings

# 1 Context Analysis

This Section provides an overview of the subject site, the local context, the proposed development and planning policy relevant to the site and proposed redevelopment.

## 1.1 Subject Site and Local Context

The 7.3ha subject site is located approximately 300m south of Pendle Hill Station and Pendle Hill town centre, and 4.4km west of the Parramatta CBD. Situated in Cumberland Council, the subject site already supports a 190-bed residential aged care facility, an 86-unit independent retirement living facility, several single residential dwellings and two heritage buildings.

Medium-density housing of two to four-storeys is situated to the north of the subject site along Dunmore Street. To the west is a mix of one to two-storey dwellings while one three-storey apartment building has recently been developed. Traditional one to two-storey residential dwellings occupy land to the south. To the east side of the subject site is a largely unused former Bonds Factory which was rezoned in 2017 for high density and has development approval for 1,600 dwellings, commercial and retail uses. According to Cordell Connect construction is expected to begin in May 2020 and completion in May 2025.

Pendle Hill local town centre is located directly adjacent to the Pendle Hill Train Station, approximately 300m north of the subject site. Anchored by a small Woolworths Metro store, the centre provides a limited array of convenience retailing and take away food services for the surrounding community.

The centre appears to be successfully performing its role as a local centre and benefits from having a train station, being located within a medium-density residential area which is experiencing some infill development, and also being accessible to an employment area located to the immediate north of the train station. Based on ABS Census data for 2016, this employment area accommodates approximately 950 jobs.

Wentworthville town centre is located directly adjacent to the Wentworthville Train Station, approximately 1.2km east of the subject site. The centre offers a wide range of commercial and retail services including a post office, take away foods, medical centre, allied health uses, chemist, etc. The centre appears to be performing relatively well with a low vacancy rate of only 3% of shopfronts.

Figure 1.1 Local context



Source: Ethos Urban



## 1.2 Proposed Redevelopment

The proposed redevelopment of the subject site is planned to occur in multiple stages. The indicative masterplan yields approximately 650 independent living and affordable key worker housing units and a 240-bed age care facility. In addition, complementary community and commercial services such as medical consulting suites, and a café is proposed to be incorporated into Dunmore House and Ashwood House, respectively.

The proposed redevelopment represents a net increase of 564 units and 50 residential aged care beds.

Figure 1.2 illustrates the proposed masterplan for the proposed redevelopment.

**Figure 1.2 Proposed Master Plan**



Source: Taylor Brammer Landscape Architects, GMU Urban Design and Architecture, Thomson Adseett Architects, February 2020

## 1.3 Policy Context

A range of government policies support the growth and development of the local area with projects such as the proposed redevelopment of the Pendle Hill site in line with these strategies. A high-level



summary of the most relevant policies adopted and proposed that would support the redevelopment of the Pendle Hill site are outlined below.

The **Central City District Plan** underpins the Greater Sydney Region Plan, A Metropolis of Three Cities, and is a key component of the vision to boost Greater Sydney's liveability, productivity and sustainability by spreading the benefits of growth.

One of the key objectives of the Plan is to promote and increase liveability stating:

*Central City District will be the fastest growing District over the next 20 years with demand for an additional 207,500 dwellings. This will be provided through urban renewal, land release and infill development.*

*The focus of growth will be on well-connected walkable places that build on local strengths and deliver quality public places (p8).*

The Central City District Plan outlines future population growth of 550,500 persons over the period to 2036 with the fastest growing age groups being 65-84 years (+96,600 persons, a +95% increase) and 85+ years (+25,500 persons, a +183% increase). This ageing population will require additional accommodation facilities as well as supporting amenities such as those proposed at the Pendle Hill site.

In response to the ageing population, the Plan outlines the following:

*More diverse housing types and medium density housing, as well as the design of walkable neighbourhoods, will create opportunities for older people to continue living in their community, where being close to family, friends and established health and support networks improves people's wellbeing.*

*Coordinated and additional health, social and aged care services and collaborative responses across government and industry are needed to meet the expected increase in demand for local aged care facilities and respite services, including home care options (with associated visitor parking). This approach will also need to address care for people with specific needs such as those with dementia and the frail aged.*

*The NSW Ageing Strategy 2016–2020, prepared by the NSW Department of Family and Community Services, responds to the opportunities and challenges of the ageing population. This strategy focuses on five priority areas including health and wellbeing, working and retiring, housing choices, getting around and inclusive communities (p28).*

The proposed redevelopment of the Pendle Hill site will assist in promoting additional population growth, housing choice and increased amenity through urban renewal and promoting a walkable, well-connected neighbourhood benefiting from existing access to the transport, infrastructure and services.

The proposed redevelopment of the Pendle Hill site outlines plans to include a provision of affordable key worker housing units targeting key workers, likely to be on-site workers. This provision is also in line with objectives in the Plan to allow opportunities to support housing affordability and diversity measures including “*more compact housing, either on smaller land lots or through a proportion of smaller apartments of innovative design to support moderate-income households and particularly key workers and skilled workers in targeted employment areas such as health and education precincts*” (p44).

The Plan highlights that the Cumberland Council's draft Employment and Innovation Lands Strategy and Land Use Planning Framework outlines the desire to grow in key sectors including allied health, further supporting projects such as the Pendle Hill redevelopment.

The proposed redevelopment of the Pendle Hill site will help to serve the ageing community and will assist in meeting the objectives outlined the Central City District Plan.

The **Cumberland 2030: Our Local Strategic Planning Statement Draft** highlights plans for the region's economic, social and environmental land use needs over the next 10 years.

The population within the Cumberland municipality is projected to grow from around 225,700 in 2016 to over 300,000 by 2036. This population is estimated to require almost 30,000 additional dwellings over this period.

Key planning priorities in the Housing and Community and Economy, Employment and Centres categories have been outlined that align to the redevelopment of the Pendle Hill site including:

- 5. Delivering housing diversity to suit changing needs*
- 6. Delivering affordable housing suitable for the needs of all people at various stages in their lives*
- 9. Providing high quality, fit-for-purpose community and social infrastructure in line with growth and changing requirements*
- 11. Promoting access to local jobs, education opportunities and care services (p30)*

The Statement also specifically outlines a key action being *“Development focused on housing diversity around centres and transit node/rail stations – 800 m walking catchment” (p35)*. The proposed redevelopment is consistent with this action being some 300 metres from the Pendle Hill Train Station.

The Statement also outlines a hierarchy of centres within the municipality; with Pendle Hill identified as a 'local centre' - providing services and facilities to meet the needs of the local community. The nearby Wentworthville centre is designated as a higher 'principal local centre' (along with Auburn, Granville and Lidcombe) - providing services and facilities to meet the needs of the broader local community.

The proposed redevelopment of the Pendle Hill site would be consistent with the centre hierarchy, whereby additional facilities and services planned to be provided at the site will primarily focus on serving the immediate population within the site itself, and will not impact on remaining facilities within the Pendle Hill local centre. As a result, any impact would be even more limited on the principal local centre at Wentworthville, which will continue to serve the broader community (this will be discussed in more detail in Section 5).

Taking the above into account, the proposed redevelopment of the Pendle Hill site is well supported by the existing and proposed government policies and strategic framework.

## 2 Economic and Demographic Overview

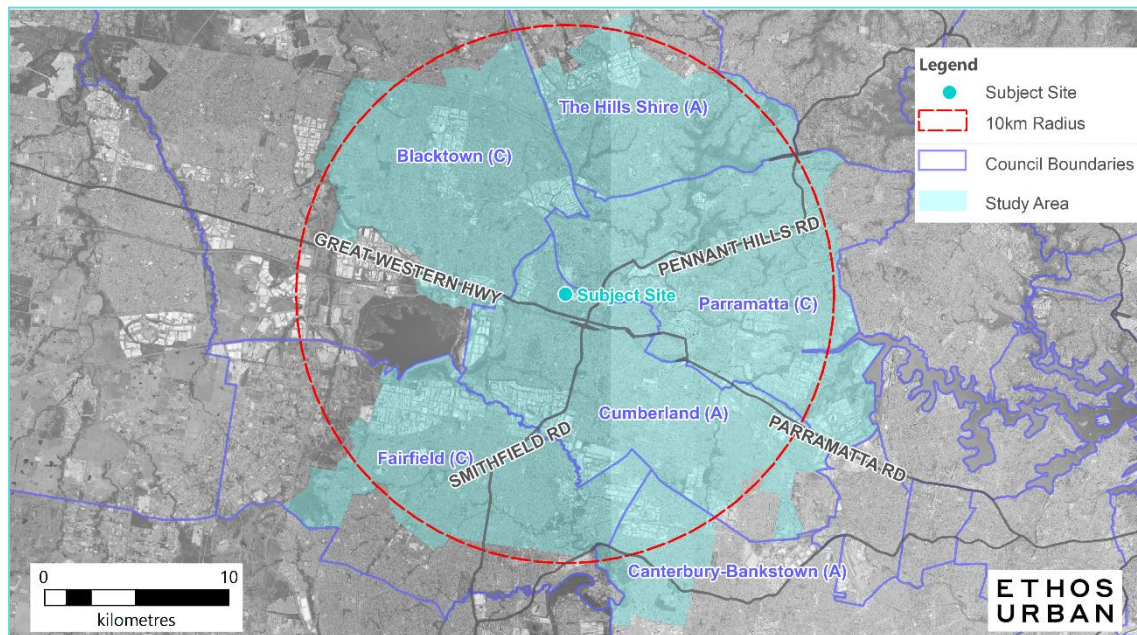
This Section provides an overview of the economic and demographic trends within the surrounding area relevant to the proposed redevelopment including population, demographics, residential development and employment trends.

### 2.1 Study Area

In suburban settings, retirement living and aged care developments are largely (60% to 70%) occupied by people that have been living within 10km of the site. As such, to understand the market opportunity and economic implications of the proposed redevelopment, a Study Area representing a 10km radius of the subject site has been identified for the purpose of providing an overview of relevant trends.

As shown in Figure 2.1, the Study Area extends to Kellyville in the north, Ermington in the east, Eastern Creek in the west and Cabramatta in the south. This includes parts of the Blacktown, Hills Shire, Cumberland, Parramatta, Canterbury-Bankstown and Fairfield council areas.

**Figure 2.1 Study Area**



Source: Ethos Urban

### 2.2 Population Trends and Forecasts

Benchmarks for independent retirement living are based on persons aged 65 years or older, while for aged care benchmarks are based on persons aged 70 years or older. The following historical and forecast population focuses on these age cohorts and compares them to the overall population in the Study Area.

The Study Area retirement living population (i.e. aged 65 years or over) increased by +3.1% per year over the 2014 to 2018 period, compared with the aged care population at +3.7% per year and the overall population at +2.1% per year. The recent rate of population growth for the total Study Area population is higher compared to the average for Greater Sydney over the same period of 2.0% per

year. The stronger rates of population in the older age cohorts reflects a continued ageing of the population which will support demand for independent retirement living and aged care facilities.

The official demographer of NSW (NSW Department of Planning and Environment) has forecast strong growth in both the retirement living and aged care population to 2036, with forecast growth of an additional 4,620 retirement living and 3,870 aged care persons per year between 2018 and 2036. These trends are outlined in Table 2.1.

**Table 2.1 Study Area Historical and Forecast Population, 2014 – 2036**

	2014	2018	2021	2026	2031	2036
<b><u>Population</u></b>						
Aged 65 and over	96,710	109,340	122,560	146,150	169,680	192,410
Aged 70 and over	64,710	74,830	85,780	104,170	124,850	144,440
Total population	802,160	870,260	929,220	1,015,040	1,100,220	1,184,090
<b><u>Average annual growth (No.)</u></b>						
Aged 65 and over		3,160	4,410	4,720	4,710	4,550
Aged 70 and over		2,530	3,650	3,680	4,140	3,920
Total population		17,030	19,650	17,160	17,040	16,770
<b><u>Average annual growth (%)</u></b>						
Aged 65 and over		3.1%	3.9%	3.6%	3.0%	2.5%
Aged 70 and over		3.7%	4.7%	4.0%	3.7%	3.0%
Total population		2.1%	2.2%	1.8%	1.6%	1.5%

Source: Australian Bureau of Statistics (Cat No 3218.0. ), Department of Planning and Environment, *Population Projections*, 2018

Note: Figures have been rounded

## 2.3 Socio-demographic Profile

The socio-economic profile for the Study Area is summarised in Table 2.2 and compared to the Greater Sydney area. The main points are as follows:

- Median household incomes in Study Area (\$30,750) is significantly lower than the Greater Sydney average (-17.9%).
- Residents born in Australia make up 50.2% of the Study Area population, around 11.7%-points lower than Greater Sydney indicating a diverse resident population.
- Dwelling occupancy of 94.1% is higher than Greater Sydney (92.3%) and reflects a relatively tight housing market with strong demand drivers and limited supply.
- High representation of family households (78.8%) compared to the Greater Sydney average (73.7%).

**Table 2.2: Study Area Socio-demographic Profile, 2016**

Category	Study Area	Greater Sydney
<b>Income</b>		
Median individual income (annual)	\$30,750	\$37,460
Variation from Greater Sydney median	-17.9%	na
% of persons (15 years or older) earning \$1,000pw or more	30.3%	37.3%
Median household income (annual)	\$82,730	\$92,200
Variation from Greater Sydney median	-10.3%	na
% of Households earning \$2,500pw or more	26.1%	31.8%
<b>Age Structure</b>		
Median Age (years)	34.0	36.4
<b>Country of Birth</b>		
Australia	50.2%	61.9%
Other Major English-Speaking Countries	3.9%	7.6%
Other Overseas Born	46.0%	30.5%
% speak English only at home	41.7%	62.0%
<b>Household Composition</b>		
Couple family with no children	20.7%	23.8%
Couple family with children	44.1%	37.5%
Couple family - Total	64.9%	61.3%
One parent family	12.4%	11.1%
Other families	1.5%	1.3%
Family Households - Total	78.8%	73.7%
Lone person household	17.8%	21.7%
Group Household	3.4%	4.6%
<b>Dwelling Structure (Occupied Private Dwellings)</b>		
Separate house	63.5%	57.2%
Semi-detached, row or terrace house, townhouse etc.	14.7%	14.0%
Flat, unit or apartment	21.5%	28.2%
Other dwelling	0.4%	0.5%
Occupancy rate	94.1%	92.3%
Average household size	3.1	2.8
<b>Tenure Type (Occupied Private Dwellings)</b>		
Owned outright	28.4%	30.0%
Owned with a mortgage	34.1%	34.2%
Rented	37.0%	35.1%
Other tenure type	0.6%	0.7%
<b>Housing Costs</b>		
Median monthly mortgage repayment	\$2,130	\$2,240
Variation from Greater Sydney median	-4.9%	0.0%
Median mortgage as a share of median household income	30.9%	29.2%
Median weekly rents	\$410	\$450
Variation from Greater Sydney median	-8.9%	0.0%

Source: Australian Bureau of Statistics, Census of Population and Housing 2016



The ethnic profile of a region can have an influence on the demand for independent retirement living. Analysis of ABS 2016 Census shows that older people born in selected regions such as North-Western Europe or Oceania have a greater propensity to live in retirement living accommodation than older persons born in other regions such as North Africa, Southern and Eastern Europe or Asia. Table 2.3 shows the propensity for older persons to live in retirement living accommodation by country of birth.

In 2016, the Study Area contained a low proportion (48.7%) of residents aged 65 years or over born in regions where there is a high propensity to live in retirement living accommodation. Conversely, the Study Area has a high proportion of older residents born in regions where there is a relatively low share of residents living in retirement living accommodation. These regions include South-East Asia, North Africa and the Middle East.

While the country of birth may reflect a low propensity for Study Area residents to live in retirement living accommodation, demand for such accommodation is also driven by the overall scale of growth in the number of older persons within the Study Area. As shown in Section 2.2, the number of persons aged 65 years or over in the Study Area is currently estimated at approximately 110,000 persons and is forecast to increase by approximately 80,000 persons over the next 18 years – a proportion of which will choose to live in retirement living accommodation.

**Table 2.3: Place of Birth of Study Area Residents Aged 65 and Over, 2016**

Region	Retirement living penetration rate (Australia)	Study Area	Greater Sydney
North-West Europe	7.3%	8.1%	11.5%
Oceania and Antarctica	5.7%	39.5%	52.8%
Sub-Saharan Africa	5.3%	1.0%	1.3%
<b>Sub-total</b>	<b>6.0%</b>	<b>48.7%</b>	<b>65.6%</b>
Americas	3.1%	2.7%	2.0%
Southern and Central Asia	2.6%	4.7%	2.2%
South-East Asia	1.3%	9.2%	5.0%
North Africa and the Middle East	1.0%	10.2%	4.9%
North-East Asia	1.0%	8.5%	6.1%
Southern and Eastern Europe	1.2%	16.0%	14.2%
<b>Sub-total</b>	<b>1.4%</b>	<b>51.3%</b>	<b>34.4%</b>
<b>Total</b>	<b>5.1%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Australian Bureau of Statistics, Census of Population and Housing, 2016

## 2.4 Residential Building Approvals Trends

There is a clear demand and market acceptance for higher density residential living in the Study Area. In 2019 year to August, 59.8% of new building approvals were for flats/apartments with four or more storeys compared to 13.4% for semi-detached/townhouse products with two or more storeys in 2019 year to August and 23.3% for separate houses. Recent trends in the share of new dwelling building approvals are shown in Table 2.4.

**Table 2.4 Study Area New Dwelling Building Approvals, 2015 – 2019 (year to August)**

Dwelling Type	2015	2016	2017	2018	2019 YT August
Houses	21.2%	22.8%	23.6%	24.1%	23.3%
Semi-detached/ townhouses - One storey	2.2%	2.1%	5.0%	3.0%	3.0%
Semi-detached/ townhouses - Two or more storeys	10.5%	12.1%	12.8%	11.7%	13.4%
Flats/apartments - One to two storeys	1.5%	0.7%	0.6%	0.2%	0.0%
Flats/apartments - Three storeys	2.4%	1.8%	2.0%	2.1%	0.5%
Flats/apartments - Four or more storeys	62.2%	60.5%	56.1%	58.8%	59.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Australian Bureau of Statistics, Building Approvals (Cat. No.8731.0)

## 2.5 Employment and Labour Force Trends

Employment within the Study Area has experienced strong growth over the period 2011 to 2016, with 117,760 jobs added or growth of 60.9% over the 5-year period. The main industries contributing to this growth were the health care and social assistance services (+26,150 jobs), public administration and safety (+15,720 jobs), construction (+14,390 jobs) and financial and insurance services (+10,380 jobs).

Growth in the labour force was more moderate over the period, with an additional +69,610 workers or growth of 28.8% between 2011 and 2016. The health care and social assistance services (+12,870 employed persons), construction (+10,410) and professional, scientific and technical services (+9,600) industries were the largest contributors to growth.

Both the workforce and labour force experienced significant declines in the manufacturing and wholesale trade industries over the period.

**Table 2.5 Study Area Employment Trends (Workforce), 2011 - 2016**

Industry	2011	2016	Change, 2011 - 2016	
	% Share	% Share	No.	% Growth
<b><u>Primary Sector</u></b>				
Agriculture, Forestry and Fishing	0.2%	0.2%	350	116.7%
Mining	0.1%	0.1%	330	300.0%
<b>Sub-Total</b>	<b>0.2%</b>	<b>0.4%</b>	<b>680</b>	<b>165.9%</b>
<b><u>Secondary Sector</u></b>				
Manufacturing	20.0%	12.0%	-1,320	-3.4%
Construction	7.2%	9.1%	14,390	103.7%
<b>Sub-Total</b>	<b>27.2%</b>	<b>21.1%</b>	<b>13,070</b>	<b>24.8%</b>
<b><u>Tertiary Sector</u></b>				
<b><u>Producer Services</u></b>				
Electricity, Gas, Water and Waste Services	1.3%	1.2%	1310	54.1%
Transport, Postal and Warehousing	7.0%	6.0%	4,950	36.4%
Information Media and Telecommunications	1.0%	1.1%	1,360	69.7%
Financial and Insurance Services	3.8%	5.7%	10,380	142.6%
Rental, Hiring and Real Estate Services	1.4%	1.7%	2,420	89.0%
Wholesale Trade	9.9%	5.9%	-830	-4.3%
<b>Sub-Total</b>	<b>24.4%</b>	<b>21.5%</b>	<b>19,590</b>	<b>41.5%</b>
<b><u>Consumer Services</u></b>				
Retail Trade	11.9%	11.0%	11,030	47.9%
Accommodation and Food Services	4.7%	5.3%	7,430	81.9%
Arts and Recreation Services	1.4%	1.4%	1,610	58.5%
Administrative and Support Services	2.4%	3.3%	5,670	123.5%
Professional, Scientific and Technical Services	5.9%	6.3%	8,110	71.3%
Public Administration and Safety	4.7%	7.9%	15,720	174.7%
Education and Training	7.8%	7.6%	8,700	57.9%
Health Care and Social Assistance	9.5%	14.3%	26,150	143.1%
<b>Sub-Total</b>	<b>48.2%</b>	<b>57.1%</b>	<b>84,420</b>	<b>90.6%</b>
<b>Sub-Total Tertiary Sector</b>	<b>72.6%</b>	<b>78.5%</b>	<b>104,010</b>	<b>74.1%</b>
<b>Total</b>	<b>193,300</b>	<b>311,060</b>	<b>117,760</b>	<b>60.9</b>

Source: Australian Bureau of Statistics, *Census of Population and Housing*, 2011 - 2016

**Table 2.6 Study Area Employment Trends (Labour Force), 2011 - 2016**

Industry	2011	2016	Change, 2011 - 2016	
	% Share	% Share	No.	% Growth
<b><u>Primary Sector</u></b>				
Agriculture, Forestry and Fishing	0.3%	0.3%	310	50.8%
Mining	0.1%	0.1%	180	75.0%
<b>Sub-Total</b>	<b>0.4%</b>	<b>0.4%</b>	<b>490</b>	<b>57.6%</b>
<b><u>Secondary Sector</u></b>				
Manufacturing	12.5%	8.3%	-4,430	-14.6%
Construction	8.2%	9.7%	10,410	52.4%
<b>Sub-Total</b>	<b>20.7%</b>	<b>18.0%</b>	<b>5,980</b>	<b>11.9%</b>
<b><u>Tertiary Sector</u></b>				
<b><u>Producer Services</u></b>				
Electricity, Gas, Water and Waste Services	1.1%	0.9%	220	8.6%
Transport, Postal and Warehousing	6.6%	6.4%	3,930	24.7%
Information Media and Telecommunications	2.4%	2.5%	1,800	30.4%
Financial and Insurance Services	6.4%	6.7%	5,200	33.3%
Rental, Hiring and Real Estate Services	1.4%	1.6%	1,620	46.3%
Wholesale Trade	6.7%	4.7%	-1,450	-9.0%
<b>Sub-Total</b>	<b>24.7%</b>	<b>22.8%</b>	<b>11,320</b>	<b>19.0%</b>
<b><u>Consumer Services</u></b>				
Retail Trade	11.4%	11.1%	6,820	24.6%
Accommodation and Food Services	5.8%	6.9%	7,260	51.5%
Arts and Recreation Services	1.2%	1.3%	1,130	38.0%
Administrative and Support Services	3.5%	4.0%	3,850	45.0%
Professional, Scientific and Technical Services	7.4%	8.8%	9,600	53.6%
Public Administration and Safety	6.0%	5.8%	3,530	24.3%
Education and Training	7.0%	7.6%	6,760	40.1%
Health Care and Social Assistance	11.9%	13.4%	12,870	44.8%
<b>Sub-Total</b>	<b>54.3%</b>	<b>58.8%</b>	<b>51,820</b>	<b>39.5%</b>
<b>Sub-Total Tertiary Sector</b>	<b>78.9%</b>	<b>81.6%</b>	<b>63,140</b>	<b>33.1%</b>
<b>Total</b>	<b>241,980</b>	<b>311,590</b>	<b>69,610</b>	<b>28.8%</b>

Source: Australian Bureau of Statistics, *Census of Population and Housing*, 2011 - 2016

## 2.6 Summary

Historical population growth in residents aged 65 years and older has been strong at 3.1% per year between 2014 and 2018, and is forecast to grow by 3.2% per year to 2036, adding 83,070 residents aged 65 years and older to the Study Area. This will contribute to demand for independent retirement living and aged care facilities.

The Study Area has an above average proportion of overseas born residents (49.8%), family households (78.8%) and below lower median personal incomes (\$30,750) compared to Greater Sydney benchmarks.

There is a clear preference for higher density dwelling types in the Study Area, with 59.8% of new building approvals for flats/apartments with four or more storeys, and 13.4% for semi-detached/townhouse products with two or more storeys in 2019 year to August.

Employment growth in the Study Area's workforce and labour force was led by the health care and social assistance industry, which added +26,150 jobs and +12,870 workers to the area respectively, between 2011 and 2016.



### 3 Market Assessments

This Section provides market and demand assessment for the various components of the redevelopment including aged care, retirement living and complementary commercial uses.

#### 3.1 Residential Aged Care

Section 2.2 outlined the strong growth in the aged care population (population aged 70 years and over) over the 18 years to 2036. The Department of Health has indicated that the target benchmark provision rate of residential aged care services is 78 beds per 1,000 residents over the age of 70.

Demand for residential aged care beds in the Study Area was 6,110 beds in 2019 and is expected to grow at an average annual rate 300 beds per year to approximately 11,270 beds by 2036. As at June 2019 and according to Department of Health data, 6,405 residential aged care beds existed in the Study Area. An additional 550 beds (not including Fresh Hope Care's redevelopment) across five projects are under construction or have development approval to 2025, according to Cordell Connect. Assuming all projects with development approval are delivered, the Study Area will be undersupplied by 40 beds by 2021 and by 2036 will be undersupplied by 4,320 beds. These projections are outlined in Table 3.1.

A further six projects with an estimated yield of 680 beds have development applications submitted, it is uncertain whether these projects will be delivered and have been excluded from the analysis in Table 3.1. However, even assuming these projects are delivered in-line with their current yield estimates additional demand for aged care beds will be approximately 3,640 beds by 2036.

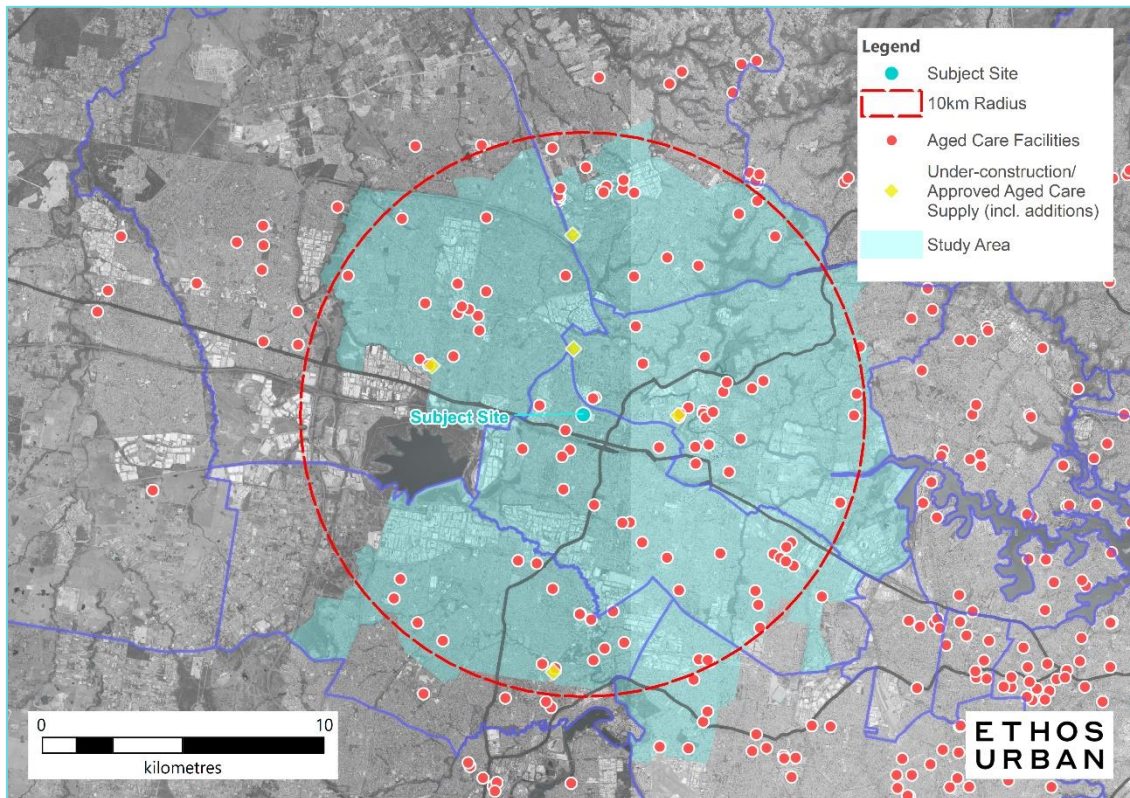
The indicative master plan for Fresh Hope Care's proposed redevelopment will deliver an additional 50 residential aged care beds; these additional beds will help to service the increasing demand for aged care services in the Study Area.

**Table 3.1 Aged Care Demand and Supply Forecast, 2019 - 2036**

	2019	2021	2026	2031	2036
Residents aged 70 and over	78,320	85,780	104,170	124,850	144,440
Aged care requirement per 1,000 people 70 and over	78	78	78	78	78
Study Area demand	6,110	6,690	8,130	9,740	11,270
Available residential beds	6,405	6,654	6,954	6,954	6,954
<b>Net demand</b>	<b>-295</b>	<b>40</b>	<b>1,180</b>	<b>2,790</b>	<b>4,320</b>

Source: NSW Department of Planning and Environment, *Population Projections 2018*; Department of Health, *Aged Care Service List*, 2019, Cordell Connect

**Figure 3.1 Aged Care Supply, as at June 2019**



Source: Department of Health, *Aged Care Service List*, 2019; Cordell Connect

### 3.2 Independent Retirement Living

The proposed redevelopment will result in a net increase of 564 dwellings, mostly comprising of independent living units. The subject site is well suited to this form of development having regard to a number of key features typically desired by retirement living residents including the public transport (Pendle Hill train station) and local convenience retailing (Pendle Hill local centre, future retailing at the Bonds site) both within easy walking distance from the subject site. A range of higher-order health facilities, including hospitals, are also located nearby in Parramatta and Westmead. Furthermore, the market has illustrated a strong acceptance for medium and higher-density dwellings as evidenced by the majority of new dwelling building approvals being for dwellings of four or more storeys (refer Section 2.4).

In 2016, the Study Area had a retirement living penetration rate of 2.6%, that is 2.6% of residents aged 65 years and older living in retirement living accommodation, which is below the national average of approximately 5.0%.

Furthermore, the Study Area has a high proportion of older residents born overseas, particularly from China, India, and South East Asia all of which have a relatively low propensity to live in retirement living accommodation.

Another factor contributing to the relatively low penetration rate is the limited number of sites available for 'traditional' retirement living development in the Study Area compared to outer suburban areas. In the past, the retirement living industry has largely preferred single-storey development, which requires significant areas of land. However, this has changed in recent years with the industry now developing more 'vertical' developments. The Property Council of Australia Retirement Village Census for 2018 indicated that 13% of new retirement living developments were 'vertical' and a

further 16% were a combination of vertical and single-storey developments. This compared to 9% of new developments in 2017 being vertical and 6% being a combination of vertical and single storey.

Having regard for the cultural influences in the Study Area, it may be unreasonable to expect the market penetration of retirement living in the Study Area to increase to the national average of approximately 5%. However, it would be reasonable to assume that the penetration rate of retirement living in the Study Area will increase with the increased market acceptance of medium and higher-density (or vertical) retirement living facilities.

An analysis of the potential demand for retirement living in the Study Area is shown in Table 3.2 and assumes a market penetration of 3.9%, which represents the mid-point between the estimated market penetration in 2016 in the Study Area and the national average.

With a retirement living population of 109,340 persons aged 65 years or over in 2018, demand for retirement living in the Study Area is estimated at approximately 3,010 dwellings. This assumes an average household size of 1.4 persons per retirement living dwelling. Based on the population forecasts presented in Section 2.2 and the above assumptions, demand for retirement living dwellings is forecast to increase to approximately 4,660 dwellings by 2031.

The Study Area had an estimated supply of approximately 2,440 retirement living dwellings in 2018 and a further 740 retirement living dwellings are under-construction or have development approval (excluding the proposed redevelopment). On this basis, an undersupply of approximately 640 retirement living dwellings will exist in the Study Area by 2021. Fresh Hope Care's proposed redevelopment will provide an additional 564 dwellings comprising mostly of independent living units that offer an opportunity to meet a share of this forecast demand.

A further two projects have submitted development applications with a total estimated yield of 640 retirement living dwellings. There is a level of uncertainty as to whether these projects will be delivered, however, even assuming they are delivered there would still be unmet demand for 200 dwellings by 2026 and 840 dwellings in 2031.

It should be noted that this analysis assumes a relatively low market penetration rate of 3.9% compared to the national average of approximately 5%.

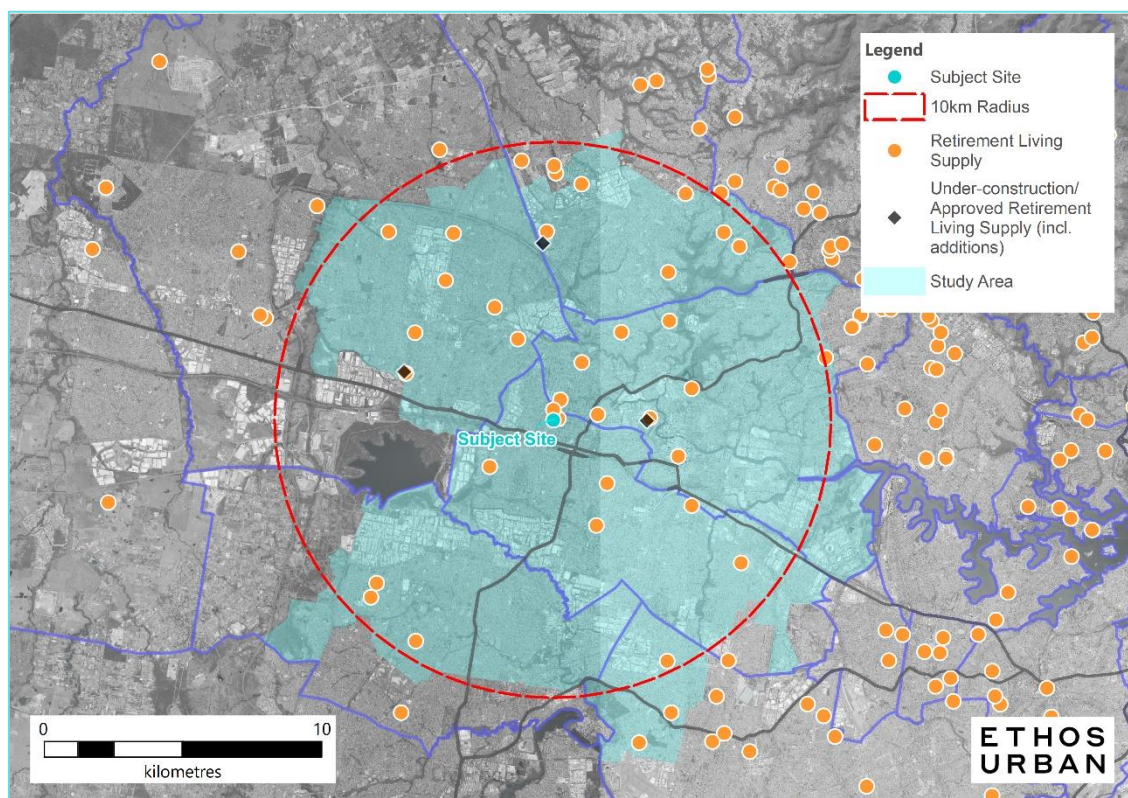
**Table 3.2: Retirement Living Demand and Supply Forecast, 2018 - 2036**

	2018	2021	2026	2031	2036
Aged 65 and over	109,340	122,560	146,150	169,680	192,410
Assumed penetration rate	3.9%	3.9%	3.9%	3.9%	3.9%
Retirement living demand (persons)	4,210	4,720	5,630	6,530	7,410
Household size	1.4	1.4	1.4	1.4	1.4
Retirement living demand (dwellings)	3,010	3,370	4,020	4,660	5,290
Supply	2,440	2,732	3,181	3,181	3,181
<b>Net demand</b>	<b>570</b>	<b>640</b>	<b>840</b>	<b>1,480</b>	<b>2,110</b>

Source: NSW Department of Planning and Environment, *Population Projections 2018*, Ethos Urban, Cordell Connect



**Figure 3.2 Study Area Retirement Living Supply, as at 2018**



Source: Ethos Urban; MapInfo; Cordell Connect

### 3.3 Other Complementary Uses

#### ***Affordable Key Worker Housing***

Since 2006, some inner and middle ring subregions of metropolitan Sydney have experienced a net loss of key workers, meaning that more key workers left the subregion than moved in according to the *Key Worker Housing Affordability in Sydney* report prepared by the University of Sydney in 2018.

With median mortgage repayments and rents largely in-line with the Greater Sydney median and a tight housing market at 94.3% occupancy (refer to Table 2.2), the affordable key worker housing component of the proposed redevelopment will provide a secure housing alternative for key workers that will be supported at the subject site.

Furthermore, the health care and social assistance industry has accounted for both the highest growth in the number of jobs and employed residents in the Study Area in recent years (refer Section 2.5). Providing affordable key worker housing to accommodate health and related professionals will continue to be a key challenge for the broader area. The proposed development of affordable key worker housing at the subject site provides an opportunity to meet this need in a location that is well serviced by public transport and close to a large number of health-related jobs.

#### ***Retail (café) Assessment***

The Study Area has an average per capita food catering expenditure of approximately \$1,790 per year in 2019 based on MarketInfo, which is a micro-simulation model which estimates per capita retail spending at a small area level based on a variety of official data sources. MarketInfo is commonly used in the field of retail-economics.

Accounting for the development of 650 dwellings, comprising mostly of retirement living units, it is assumed approximately 1,000 permanent residents will live at the Subject Site once the proposed redevelopment is completed (excluding aged care residents). These residents will spend approximately \$1.8 million a year on food catering.

The market share of this resident spending on food catering which could be captured by a café at the subject site would depend on a large variety of factors including the quality of the operator, its opening hours, the extent to which it caters to the desires of its customers, marketing, etc. The proposed location within a heritage building, specifically Ashwood House, would provide an attractive setting for a café.

Assuming a café could capture a market share of 20% of food catering spending of residents, this equates to approximately \$360,000 in sales from residents on the subject site, or approximately a dollar a day. This level of market share is considered achievable.

In addition, a café at the subject site would also attract sales from residents, visitors and workers at the aged care facility, plus sales from residents in the immediate surrounding area. Assuming 20% of café sales were from these sources, total estimated sales at the café would be in the order of \$450,000 a year. This is considered a viable level of sales for a café at this location.

Importantly, more than 80% of sales would be sourced from within the proposed development at the subject site, meaning the development of a café would not have an impact on the viability of nearby centres including Pendle Hill, the Bonds site and Wentworthville.

### ***Medical and Healthcare***

To maintain competitiveness, the inclusion of space for visiting allied healthcare services at the proposed redevelopment is critical. This is a common feature of many retirement living and aged care developments throughout Australia as evidenced by the case studies outlined in Section 4. Many of the approved retirement living developments in the region also include such facilities (e.g. St Hedwig Village, Blacktown and Aveo Norwest/Bella Vista, Bella Vista).

The facilities will consist of small, flexible space capable of accommodating visiting medical and healthcare practitioners, many of whom are likely to operate in the nearby region thereby supporting viability of local medical and healthcare businesses. Complementary allied health services such as pathology, massage therapy, physiotherapy and other health and wellness facilities will also use the space.

While the proposed medical consulting suites will not affect nearby facilities, there are five medical centres and three dental clinics in the Pendle Hill and Wentworthville Local Town Centres. One of these medical centres offers five allied health services (ultrasound, podiatry, physiotherapy, cardiology and dietary); however, residents living on-site with limited mobility will not be able to access these services, further underpinning the need for medical consulting suites on site. Existing facilities in the surrounding area are largely small businesses with two to three GPs.

### ***Conclusions***

There are significant opportunities for aged care and retirement living in the Study Area, with unmet demand of 4,320 residential aged care beds and 2,110 retirement living dwellings to 2036. The proposed redevelopment's net addition of 50 aged care beds and 564 dwellings, comprising of mostly retirement living units, will help to meet a share of this forecast demand.

A tight housing market, strong growth in the healthcare and social services, public administration and safety industries, and 190 ongoing direct-care jobs (outlined in Section 5.3) supported onsite indicate a strong opportunity for affordable key worker housing at the subject site.



Potential exists for a café at this subject site. The success of the café will largely rely on the quality of the operator; however, preliminary sales analysis indicates potential for a café to achieve sales in the order of \$450,000 a year. The majority of these sales will be derived from residents, workers and visitors to the subject site.

Medical consulting suites are a standard requirement to be competitive in the retirement living and aged care industry, such facilities focus on servicing the needs of the aged care and retirement living residents on site, ensuring residents receive the level of care they need while also providing a level of flexibility for doctors and allied health professionals.

## 4 Case Studies

### 4.1 Uniting Care Westmead

Table 4.1 Uniting Care Westmead

Facility name	Uniting Care Westmead
Suburb	Westmead
Status	Under construction (estimated to be completed late 2020)
Number of ILUs	217
Number of residential care places	114
Onsite facilities	Consulting rooms for health professionals, centre for healthy ageing, club room, library and café.
Notes	Residents move in Sept 2020

Source: Ethos Urban Research



Source: NearMaps, Uniting Care



4.2 Aveo Bella Vista

Table 4.2 Aveo Bella Vista

Facility name	Aveo Bella Vista
Suburb	Bella Vista
Status	Construction ongoing (Staged over the next 5 to 6 years)
Number of ILUs	446
Number of residential care places	144
Onsite facilities	Resident bistro and bar, health and wellness suite including physiotherapy and remedial massage
Notes	First stage (64 villas) completed

Source: Ethos Urban Research



Source: NearMaps, Aveo



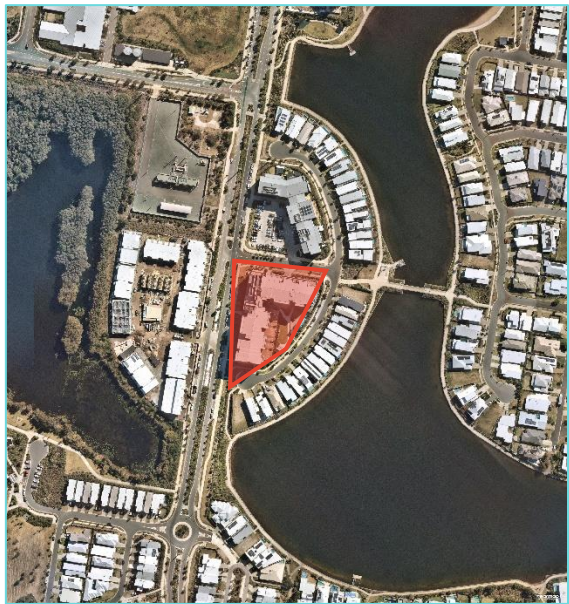


4.3 Shine Birtinya (Stockland)

Table 4.3 Shine Birtinya

Facility name	Shine Birtinya
Suburb	Birtinya
Status	Completed
Number of ILUs	140
Number of residential places	-
Onsite facilities	Wellness centre, medical consulting room, resident bar
Notes	-

Source: Ethos Urban Research



Source: NearMaps, Stockland



## 5 Economic Impacts

This Section provides an overview of the potential economic impacts and implications of the proposed redevelopment at the subject site.

### 5.1 Investment Attraction and Construction Employment

As this report is to support a planning proposal application only, detailed estimates of construction-related investment at the subject site are yet to be finalised; however, given the scale of the redevelopment, it is likely the construction costs will be in the order of hundreds of millions of dollars, staged over a number of years.

Based on industry benchmarks and the consultant's experience, construction costs associated with the redevelopment of the Fresh Hope Care retirement living, affordable key worker housing and aged care facility would generate an estimated 1,400 direct construction job years (job years refers to the total number of jobs supported over the construction period). Assuming development is phased over five to ten years, an average of approximately 70 to 140 jobs per year would be directly involved throughout the construction period. These jobs would support the local construction industry.

In terms of indirect (or flow-on) construction employment, the ABS multiplier for 'residential construction' (4.1) has been used for the purpose of this analysis. On this basis, the 1,400 direct construction job years (staged over a period) would generate a further 4,300 indirect job years in the local and wider economy over the life of the construction project.

These indirect jobs associated with construction would be spread throughout the local, regional, State and national economies, and in a wide range of industries which represent the complex linkages between industries that supply the construction sector.

In total, over the staged construction phase of the project an estimated 5,700 job years would be supported.

### 5.2 Ongoing Employment Opportunities

#### ***Direct Employment***

The proposed aged care facility will directly employ an estimated 290 persons on an ongoing basis, including full-time, part-time and casual positions. These jobs will comprise both 'direct care' and 'non-direct care' positions.

Approximately 65% of jobs (or around 190 jobs) will be involved in 'direct care' occupations which include personal care attendants, registered nurses, enrolled nurses, personal care and allied health professionals. These include full-time, part-time and casual positions.

The balance of the 100 jobs will be involved in 'non-direct care' which largely includes ancillary care occupations such as cleaning rooms, providing meals and other services that support the personal care provided by direct care staff, and employees who have responsibility for ensuring that the buildings, property and gardens are maintained.

These employment estimates are based on benchmarks derived from the *National Aged Care Workforce Census and Survey, 2016* prepared by the National Institute of Labour Studies for the Department of Health and other industry research.



A retirement living facility comprising approximately 650 dwellings will employ approximately 30 persons including full-time and part-time employees. These jobs will cover a range of roles typically provided in independent retirement living facilities including village manager, social manager, maintenance managers and personnel, food services for the village-run café, sales and marketing, contracts and account managers.

Table 5.2 summarises the estimated direct employment associated with the proposed Fresh Hope Care retirement living and aged care facility.

**Table 5.2 Estimated Direct Ongoing Employment**

Type of job	Jobs
Aged Care	290
Retirement living	30
<b>Total employment</b>	<b>320</b>

Source: Department of Health - National Aged Care Workforce Census and Survey, 2016; Ethos Urban

Note: Figures have been rounded

Additional employment would also be generated by any of the potential complementary uses such as visiting health consultant suites and community facilities.

### ***Indirect Employment***

In addition to ongoing direct employment, indirect or 'flow-on' employment benefits would be generated for the wider economy. According to Australian National Accounts information, the employment multiplier for the health services sector is 1.9. Thus, for every 10 health-service jobs directly created, another nine are indirectly created in the wider economy through the multiplier effect.

On this basis, an estimated 290 indirect jobs would be created in the local and wider economy as a result of the proposed redevelopment. These jobs would be supported throughout the wider economy as a result of the employment multiplier effect and the complex linkages between industries that supply the aged care industry.

In total, the proposed Fresh Hope Care retirement living, and aged care facility would generate approximately 610 ongoing direct and indirect jobs.

## **5.3 Impacts on Pendle Hill and Wentworthville Town Centres**

### ***Aged Care***

The median annual wage for an employee in the residential aged care sector (direct care employee) is estimated at approximately \$47,100 (in 2018/19 dollars), noting that many aged care jobs are permanent part-time positions. This estimate is based on information provided in the National Aged Care Workforce Census and Survey, 2016 adjusted using the CPI.

Having regard for the estimated direct employment of 290 jobs at the proposed Fresh Hope Care aged care facility, an estimated \$13.7 million in direct and ongoing wages would be generated by the aged care component of the development. A proportion of these wages would be spent locally on retailing and services, housing and so on.

### ***Retirement Living and Affordable Housing***

The proposed redevelopment will add a net additional 564 retirement living and affordable housing units and will support a total population of approximately 1,000 persons (excludes aged care

residents). Currently, 74 residents reside in independent retirement living on the site, therefore, the proposed development will add an additional 926 persons (or approximately 930 persons) to the site (excluding those living in aged care).

The spending of these residents supports local businesses. In communities such as Pendle Hill and Wentworthville, retiree-populations are important for many small businesses providing a source of customer revenue throughout business-hours on a year-round basis.

Study Area residents have an average total retail spending of approximately \$12,200 per capita; retail spending of additional residents living at the subject site will amount to approximately \$11.3 million a year on this basis. A large proportion of this spending will be directed to local retailers at Pendle Hill, Wentworthville and the nearby Bonds site. Assuming 80% of retail spending is retained within the Cumberland municipality, this equates to approximately \$9.0 million in local retail sales.

Based on industry benchmarks, one full-time retail job is created for every \$175,000 in retail spending, therefore, the total retail spending by additional residents at the subject site would support approximately 50 retail jobs, many of which would be provided locally.

Retail spending accounts for approximately 35% of total household spending; therefore, the eventual population at the subject site would contribute to total household spending of approximately \$32.3 million a year. A proportion of this total household spending would be directed to local businesses at Pendle Hill and Wentworthville including businesses/operators associated with travel, health, insurance, financial advice etc.

Retail spending and total household spending estimates are based on analysis of the MarketInfo retail spending model and the ABS Household Expenditure Survey figures outlined above are expressed in constant 2018/19 dollars.

### **Café**

As outlined in Section 3.3, the proposed café at the subject site will have a minimal impact on surrounding centres, given it is estimated to achieve sales of only \$450,000 and more than 80% (or approximately \$360,000) would be sourced from residents, workers and visitors to the subject site.

The café sales analysis assumes only 20% of the total available spending on food catering by residents at the subject site is directed to the proposed café (\$1,790 per person, as outlined in Section 3.3). This means 80% of spending by residents at the subject site, estimated at approximately \$1.4 million a year, will be directed to food catering retailers elsewhere. It is likely food catering retailers in Pendle Hill, Wentworthville and the Bonds site will benefit from this uplift in spending.

### **Medical Suites**

Medical suites (or consulting rooms) at the proposed re-development will host visiting GPs and allied health professionals by appointment (usually organised by the facility's management on a set schedule) and as such will not be utilised by non-residents. Hence, there will be no negative impact on the various medical facilities in Pendle Hill and Wentworthville. In fact, the visiting GPs and allied health professionals are likely to be sourced from existing centres in Pendle Hill and Wentworthville supporting the long-term sustainability of local medical and allied health businesses.

## **5.4 Summary**

Table 5.3 summarises the economic impacts generated by the proposed retirement living and aged care development.

**Table 5.3 Economic Impacts Summary**

<b>Estimated impacts</b>	<b>Value</b>
<i><b>Investment attraction</b></i>	<i><b>In the order of hundreds of millions</b></i>
<i><b>Construction employment</b></i>	<i><b>5,700</b></i>
Direct	1,400
Indirect	4,300
<i><b>Ongoing employment (aged care and retirement living)</b></i>	<i><b>610</b></i>
Direct	320
Indirect	290
Additional aged care wages	\$13.7m
<i><b>Impacts on local centres</b></i>	
Additional retail spending by residents (excluding aged care) at the subject site (after accounting for turnover at on-site café)	\$10.9m
Retail jobs created by additional resident spending	50
<i><b>Other</b></i>	
Contributing to training and up-skilling of aged care workers	
Opportunity for seniors to 'age in place'	
Opportunity for inter-generational connections with key workers	

Source: Ethos Urban

Note: Figures have been rounded.

## 6 Summary of Main Findings

The main findings from the analysis presented in this report are as follows:

- Significant growth in the older population is forecast in the Study Area, with approximately 83,700 additional residents aged 65 years between 2018 and 2036.
- Significant opportunities for aged care and retirement living in the Study Area exist, with unmet demand for 4,320 aged care beds and 2,110 retirement living dwellings by 2036. The proposed redevelopment's net addition of 50 aged care beds and approximately 564 dwellings, comprising mostly of retirement living units will help to meet this forecast demand.
- Given the tight housing market, strong growth in the health care and social services sectors, public administration and safety industries, and 290 ongoing aged care jobs at the subject site, an opportunity for affordable key worker housing for key workers at the subject site exists.
- A café offering at the proposed redevelopment would be largely supported by the resident and worker community and would have limited impact on nearby town centres.
- Medical consulting suites that provide flexible spaces for visiting medical and allied health services (e.g. physiotherapy, massage therapy, podiatry, and other health and wellness services) are required for retirement living and aged care facilities to be competitive. These facilities are supported entirely by the resident community. As the consulting suites are for visiting practitioners, they will support the viability of nearby medical and allied health businesses, as opposed to creating additional competition.
- Construction costs of the redevelopment are estimated to be in the hundreds of millions and staged over a number of years. This level of investment would support an estimated 1,400 FTE direct construction-related job years. A further 4,300 FTE indirect job years would be supported elsewhere in the economy.
- The retirement living, and aged care facility would generate approximately 320 direct ongoing jobs, plus a further 290 indirect jobs located in the wider economy.
- The proposed development will add approximately 930 (excluding aged care residents) new permanent residents to the area plus approximately 320 workers. A large proportion of the spending of these residents and workers will be directed to centres nearby, including Pendle Hill, Wentworthville and the nearby Bonds site. With a café provided at the subject site only attracting a very small proportion of this spending, the overall impact on the trading performance of nearby centres resulting from the proposed development will be positive.