



APPLICATION FOR REZONING OF SITE 37-39 MT DRUITT ROAD MT DRUITT VILLAGE

vynedar pty limited Architects Town Planners Environmental Consultants

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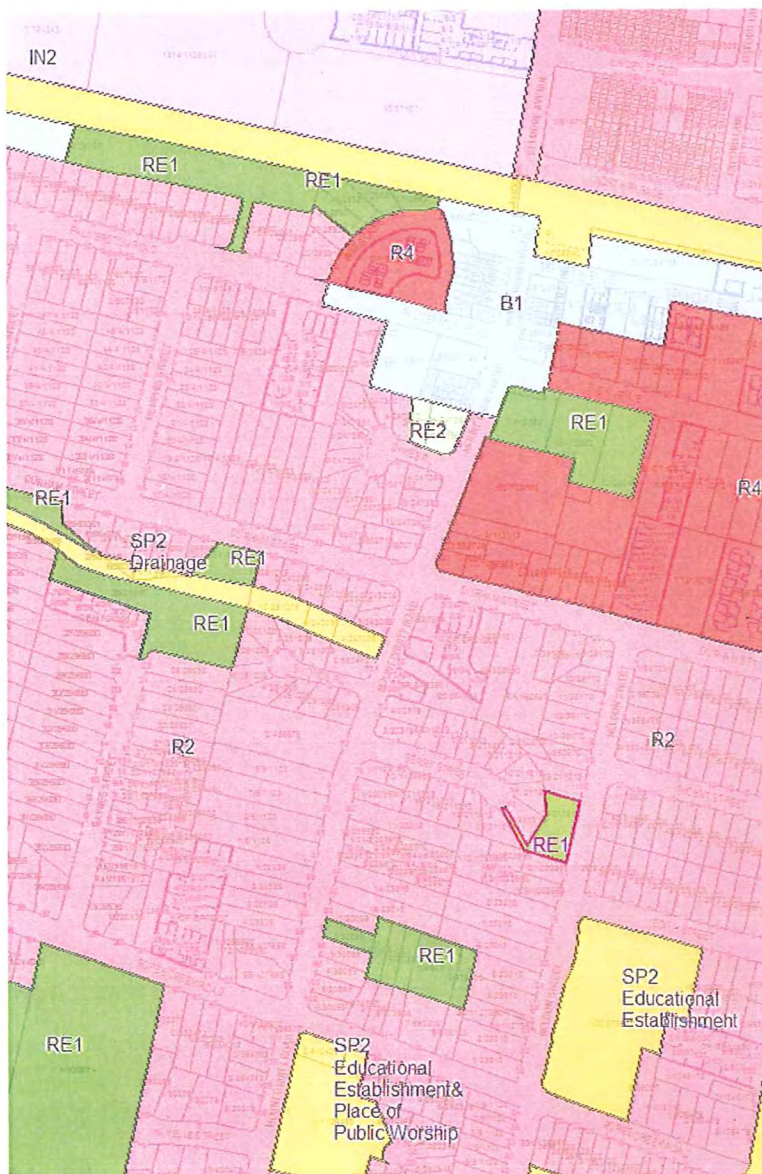
TABLE OF CONTENTS

PREAMBLE:	<i>page 3</i>
Existing Zoning Map	<i>page 3</i>
 1. INTRODUCTION:	 <i>page 4</i>
• 1.1 The site	<i>page 4</i>
• 1.2 Applicants	<i>page 4</i>
• 1.3 Present Use	<i>page 4</i>
• 1.4 Proposal	<i>page 4</i>
• 1.5 Neighbourhood	<i>page 5</i>
• 1.6 Population of the neighbourhood	<i>page 5</i>
• 1.7 Retail Sales of Mt Druitt Village Centre	<i>page 5</i>
• 1.8 Traffic Impacts	<i>page 6</i>
2. PROPOSED REZONING:	<i>page 7</i>
• 2.1 Sec 55(2)(a) Objectives of proposed rezoning	<i>page 7</i>
• 2.2 Sec 55(2)(b) Proposed outcomes achieved by	<i>page 7</i>
• 2.3 Sec 55(2)(c) Justification for rezoning	<i>page 7</i>
• 2.4 Sec 55(2)(c) Consistency with Sec 117 directions	<i>page 9</i>
• 2.5 Sec 55(2)(d) Maps	<i>page 12</i>
• 2.6 Economic impact	<i>page 12</i>
• 2.7 Social impact	<i>page 13</i>
• 2.8 Environmental impact	<i>page 14</i>
• 2.9 Necessity for spot rezoning	<i>page 14</i>
• 2.10 Relationship to strategic planning frameworks	<i>page 14</i>
• 2.11 Any inconsistency with SEPP	<i>page 15</i>
ATTACHMENT 1: Proposed zoning map	<i>page 16</i>
ATTACHMENT 2: Building Height Limit map	<i>page 17</i>
ATTACHMENT 3: Retail Assessment – Essential Economics	<i>page 18</i>
ATTACHMENT 4: Traffic Study – ML Traffic Engineers	<i>page 19</i>

PREAMBLE:

This is an application for rezoning of the subject property at 37-39 Mt Druitt Road Mt Druitt Village situated at the north western corner of Mt Druitt Road and Sykes Place Mt Druitt Village. This report is prepared on behalf of the applicants by Vynedar Pty Limited Architects; Town Planners and Environmental Consultants. Attached are supporting documents:

- Retail Trade Assessment by Essential Economics - Attachment 3
- Traffic Impact Study by ML Traffic Engineers – Attachment 4



EXISTING ZONING OF SUBJECT SITE:
Blacktown Local Environmental Plan 2015
RE2 Private Recreation

1. INTRODUCTION:

1.1 The Site:

The subject land:

- Situated: at Cnr. Sykes Place and Mt Druitt Road Mt Druitt Village.
- Lots: 1, 2 and 3 in DP 247350.
- Area: 1,705.4 m².
- Present Zoning: RE2 Private Recreation under the Blacktown LEP 2015.

1.2 Applicants:

The applicants are Statewide Quality Services Pty Ltd and Yako Investments Pty Ltd who have purchased the property from Private Security Services Pty Limited effective as of 22 January 2016.

1.3 Present Use:

The operator of the existing Squash Courts, Gymnasium, Shop/Refreshment Room and Martial Arts Centre on behalf of Private Security Services Pty Limited is retiring and from settlement date it is expected that the Centre will permanently close.

Originally 10 squash courts, 4 have been converted to gymnasium/martial arts use and just 2 courts are presently usable.

Due to the poor amenity of the facility, poor accessibility, the opening of a better facility nearby several years ago and the general depletion of customers the centre has not been commercially viable for some years and the facility is now redundant to community needs.

1.4 Proposal:

To rezone from RE2 Private Recreation to B1 Neighbourhood Centre.

There are no prospective uses permissible within the present zoning, which could be made commercially viable for the Centre or a use which would provide a material benefit to the community (See Part 2.3 this Report). The rezoning of this gateway site to B1 Neighbourhood Centre would offer an opportunity to provide additional facilities and upgrade of the existing Mt Druitt Village retail/commercial facilities to the material benefit of the centre and the residents of the neighbourhood, a strategy supported by the Plan for Growing Sydney.

Given the currently expanding population of 2.5%pa (See Retail Assessment), which will be supported in due course with development consequent upon the fulfilment of the residential density increases proposed in the Blacktown Council's adopted Mt Druitt Master Plan, this small (7.7%) extension of the Neighbourhood Business zone will be a necessary addition to the Mt Druitt Village Centre; providing additional facilities and a much needed vitality. The Retail Study has assessed that the impact of the proposal will not just provide benefits to the community but will add financial benefits to existing operators by maintaining and marginally increasing the Mt Druitt Village share of its trade area expenditure, much of which could be lost without some added vitality.

The Retail Assessment also advises of no detriment to any other proximate retail facilities including the Mt Druitt Town Centre and surrounding Neighbourhood centres, particularly since the trade area (see 1.5 below) for the Mt Druitt Village is so discreet and tightly defined (see 2.2 Trade Area Analysis – Retail assessment):

- To the north by the Great Western Railway Line. Mostly non permeable the only vehicular connection is Carlisle Avenue and except for an inadequate pedestrian

footpath along Carlisle Avenue the only appropriate pedestrian connection is the pedestrian overbridge at Belmore Avenue.

- To the south by the Great Western Highway - difficult to cross.
- To the West by Ropes Creek and surrounding parklands. The only connection across the creek is via Durham Street.
- To the east by the E2 Environmental Conservation Area and unconnected road pattern of subdivisions to the east of the E2 zone. The only connection is Beames Avenue.

1.5 The Neighbourhood:

The Mt Druitt Village Centre neighbourhood and trade area includes:

- The Mt Druitt Village retail/commercial convenience centre and shop top housing.
- The Mt Druitt Village residential locale with some medium to high density apartment buildings.
- Old Mt Druitt which is comprised wholly of low density housing.

The Retail assessment also identifies an industrial and residential area north of the Great Western Railway line as part of the trade area for the Mt Druitt Village Centre due to the accessibility via the pedestrian overbridge at Belmore Avenue; that trade area however, is restricted to walking only customers.

The area is well served with public rail and bus services.

1.6 Population of the Neighbourhood:

The resident population of the neighbourhood and trade area is presently estimated at 8,370 with an annual growth rate of 2.5% (see Retail Assessment).

The Mt Druitt Master Plan provides for new medium density and new high density residential zones including 9.93 hectares of High Density Zone within the Old Mt Druitt locality along the line of the railway; an additional 15.08 hectares of Medium Density zone within the Mt Druitt Village including land adjoining and to the immediate west of the site; and a further medium density zone in the trade area north of the railway line.

1.7 Retail Sales of the Mt Druitt Village Centre: (Reference Retail Assessment).

Retail sales for the neighbourhood centre are assessed at \$17.6m of which \$15.8m derives from local customers (16.3% of total trade area spending) and \$1.8m from beyond the trade area. No doubt the majority of the \$1.8m derives from:

- Spending by workers from the northern industrial estate (pedestrian traffic).
- Spending from patients attending the Palmerston Street Aboriginal Medical Centre which services a wide area of Blacktown and beyond.

The Retail Assessment forecasts retail spending from the Mt Druitt Village Centre's Trade Area to grow by 30%— from \$96.9m pa. to \$135m pa.- by 2026 and with continued growth to 2031 to \$139.5m pa.

The findings of the Retail assessment are that:

- Mt Druitt Village Centre is in a position to attract a share of this \$42.6m pa. trade area spending growth (to 2031); particularly in relation to convenience style shopping.

- If the subject site is developed wholly for retail (with no commercial component) the income would be forecast at \$3.9m pa. This represents 21% of the forecast Trade Area growth with the balance of the spending growth being available to other retailers including retailers in the Mt Druitt Village Neighbourhood Centre.

Whether the Mt Druitt Village Centre attracts some portion of this additional trade area spending will depend upon its relative attraction for shoppers.

The conclusion of the Retail Assessment is that:

- “the proposed rezoning of the subject site (to B1 Neighbourhood Centre) is consistent with the current convenience retail role of the Mt Druitt Village; and
- will not undermine the trading performance of the balance of the centre.”
- “A high profile single use tenancy or national retailer (such as a major supermarket operator) is not considered feasible for the following reasons:
 - The localised convenience role of the Mt Druitt Village and the lack of exposure to large customer numbers from across a trade area of significant size (say 15,000 plus persons)
 - The relatively small size of the site (1,800m²) and the need for expensive basement or decked parking to support customer visitation
 - Proximity to Westfield Mt Druitt and strong competition from this regional shopping centre
 - The lower-order function of Mt Druitt Village and the lack of main road access and frontage

On this basis any retail and commercial development on the subject site is expected to be consistent with the existing role and function of Mt Druitt Village as a convenience oriented centre.”

Given the forecast Trade Area Growth it would be expected that the Mt Druitt Town Centre would attract most of the trade area spending growth and would be unaffected by the proposed rezoning of the subject site.

1.8 Traffic Impacts:

Utilising the same maximum retail/commercial development of the site but with the addition of shop top housing the Traffic Engineering Assessment has focused its Survey; Assessment and Analyses on two intersections as having the greatest sensitivity to any changes in development density on the subject site. Those intersections are at the Durham Street/Mt Druitt Road roundabout and at the Mt Druitt Road and Beames Avenue “T” intersection. The assessment is that neither intersection will be adversely affected by such a maximum development resulting from a rezoning to B1 Neighbourhood Centre. To the contrary the intersection assessment and analysis show that these intersections presently have a low utilisation rate and that any additional traffic impacts resulting from development of the subject site would be “minimal” for am peak hour and “modest” for pm peak hour. The study also shows that for most traffic movements at the two intersections there will be no additional movements resulting from any maximum development of the subject site. See also 2.3 Below.

2. PROPOSED REZONING:

In accordance with the provisions of Part 55(2) of the Environmental Planning and Assessment Act 1979 No. 203 the following is a statement of objectives or intended outcomes of the proposed rezoning instrument.

2.1 Section 55(2)(a) EPAAct - Objectives of the proposed rezoning are:

- To change the zoning of the subject site specified in the Blacktown Council LEP 2015 for RE2 (Private Recreation) purposes to B1 Neighbourhood Centre purposes and to add the site to the existing B1 Neighbourhood Centre zone.
- To change the present unspecified Maximum Building Height Limit for the site to accord with the Height Limit restrictions for the B1 Neighbourhood Centre zone viz. "N" which provides for a Maximum Building Height of 14metres.
- To adopt without change all other provisions within the Blacktown Council LEP 2015 relative to the B1 Neighbourhood Centre zone.
- To allow for a range of small-scale retail, business and community facilities that serve the needs of people who live or work in the surrounding neighbourhood.
- To allow development that is compatible with the scale and form of the surrounding area. Note: This includes the development of a residential component in the form of shop top housing which is a strategy objective of the plan for Growing Sydney viz. to increase residential density in and around local centres.

It is implicit that the entirety of the Blacktown Development Control Plan provisions, relative to the B1 Neighbourhood Centre, will be adopted for the purpose of any new development proposal for the subject site.

2.2 Section 55(2)(b) EPAAct - Proposed outcomes will be achieved by:

- Amending the Blacktown LEP 2015 Land Zoning Map for the subject site in accordance with the proposed Land Zoning Map shown in Attachment 1.
- Amending the Blacktown LEP 2015 Maximum Building Heights Map in accordance with the proposed Maximum Building Heights Map shown in Attachment 2.
- No further changes are necessary or required as all other instruments and provisions of Blacktown LEP 2015 are intended to apply to the subject site.

2.3 Section 55 (2)(c) of EPAAct - Justification for the proposed rezoning change:

- The present RE2 zoning of the site in the 2015 Blacktown LEP –prepared in 2013 - is and has been for some time redundant in that the use for private recreation purposes is not viable and cannot be sustained.

The findings of the Retail Study are that:

- The current use of the subject site is no longer commercially viable and the existing building is no longer fit-for-purpose as a recreation facility. Rezoning of the site will allow for a new development which ensures that the land generates economic and community benefits.
- The subject site represents a natural extension of the Neighbourhood Business Zone and allows for more intensive use of land in a manner consistent with strategic land use policy objectives of the Mt Druitt Master

Plan. Note: It is also consistent with the policy and strategic directions of the Plan for Growing Sydney.

- Redevelopment of the site will represent new investment in the Mt Druitt Village Centre that creates direct construction employment and improves a key gateway site.
- An estimated 30 jobs could be located on-site assuming a mix of retail and commercial tenants. This represents a significant net increase on the 3 jobs currently accommodated at the subject site.
- Development of additional retail and commercial facilities and residential use on the site will improve the scale and range of services available to local residents and businesses.
- Additional demand for retail and commercial activity in the Mt Druitt Village is expected to be associated with forecast population growth and continued business activity. On this basis, development of the subject site for a combination of retail, commercial and residential uses represents a sensible response to future expected demand.
- The Traffic Engineering Study shows that there will be no adverse affectation to roads and intersections in the locality. Two locations were identified as critical nodal points where any stress on roads and intersections would be shown they are:
 - Durham Street/Mt Druitt Road roundabout where the results are as follows:

Figure 11 of Traffic report AM Peak:

 - South movements along Mt Druitt Road increase 1 movement on existing 83 movements (+1.2%)
 - Left turn Mt Druitt Road to Durham Street increase 1 movement on existing 42 movements (+2.4%)
 - No increase on any other movements

Figure 12 PM Peak

 - South movement along Mt Druitt Road increase 2 movements on existing 77 movements (+2.6%)
 - Left turn Mt Druitt Road to Durham Street increase 2 movements on existing 85 movements (+2.4%)
 - Right turn Mt Druitt Road to Durham Street increase 2 movements on existing 85 movements (+2.4%)
 - Left turn Durham Street to Mt Druitt Road increase 2 movements on existing 70 movements (+3.5%)
 - Right turn Durham Street to Mt Druitt Road increase 3 movements on existing 145 movements (+4.8%)
 - North movement along MT Druitt Road increase 2 movements on existing 201 movements (+1.0%)
 - No increase on any other movements
 - Mt Druitt Road/Beames Avenue T junction where the results are as follows:

Figure 11 Traffic Report AM Peak

- Right turn Mt Druitt Road to Beames Avenue increase 1 movement on 225 existing movements (+0.4%)
- No increase on any other movements

Figure 12 PM Peak

- Left turn Beames Avenue to Mt Druitt Road increase 7 movements in existing 105 movements (+6.7%)
- Right turn Mt Druitt Road to Beames Avenue increase 7 movements on existing 345 movements (+2.0%)

The conclusion of the Traffic Engineering Report is that “The proposed rezoning application is a low net trip generator for the weekly AM Peak hour and a modest trip generator for the PM Peak hour” and “without noticeably affecting intersection performance, delays or queues.”

- The possibility of shop top housing in close proximity to the Mt Druitt Railway Station and within the Mt Druitt Village centre will provide material benefits in additional income to the Centre and offer convenience for prospective residents, which is particularly relevant to a community which displays a relatively low level of car ownership (13% households with no access to a car) and it is consistent with the strategic objectives for local centres in the Plan for Growing Sydney.
- The proposed rezoning to B1 Neighbourhood Centre is the most logical way to amend the redundant use. Redundancy arises out of competition from a newer gymnasium in the Village Centre; the significant decline in squash court usage generally and; the poor physical amenity – including poor accessibility - now offered by the centre which is not capable of meeting modern expectations.
- The area is well served by a newer gymnasium and child care centre and there are no other permissible uses under the present RE2 Private Recreation zone which would be economically viable given the relatively remote location which would render it impossible to contemplate uses such as educational, function centre and motel/hotel accommodation or pub. Moreover, a function centre or pub at the site would potentially cause severe disruption to the local community and could not be supported.

2.4 Section 55(2)(c) of EPAAct - Statement of Consistency with Section 117 Ministerial

Directions:

1. Employment and Resources		
Objectives	Compliance	Comments
1.1 Business and Industrial Zones		
<i>Ensure the Objectives of B1 Zone met</i> <i>a. To provide a range of small scale retail, business and community uses that serve the needs of people who live or work in the surrounding neighbourhood</i> <i>b. To allow development that is compatible with the scale and form of the surrounding area.</i>	Yes	The relatively small scale of the site and the findings of the Retail Assessment are that small scale convenience retail/commercial uses are the most likely outcome from the rezoning and the provisions of Clause 7.7 of the Blacktown LEP 2015 will ensure appropriate visual and environmental outcomes are maintained with any new development. To ensure scale compatibility the provision to restrict the maximum height of the building to conform with the current Maximum Height Limits for the B1 zone have been adopted.
1.1 Business and Industrial Zones		

a. <i>encourage employment growth in suitable locations.</i> b. <i>protect employment land in business and industrial zones and</i> c. <i>support the viability of identified strategic centres</i>	Yes	The Retail Assessment has identified that for a retail/commercial development at the site there would be a net increase of 27 direct jobs.
2. Environment and Heritage		
2.1 Environmental Protection Zone		
Protect and conserve environmentally sensitive areas.	Yes	The site is not within an Environmental Protection Zone, however, it is within an area deemed as a sensitive urban environment as defined in the Design Excellence Map pursuant to clause 7.7 of the Blacktown LEP 2015. Accordingly, future development of the site will be guided by the specific provisions for design excellence.
3. Housing Infrastructure and Urban Development		
3.1 Residential Zones		
(a) <i>to encourage a variety and choice of housing types to provide for existing and future housing needs,</i> (b) <i>to make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and</i> (c) <i>to minimise the impact of residential development on the environment and resource lands</i>	Yes	The site is not within a residential zone or a proposed residential zone, however, residential development is permissible within the B1 Neighbourhood Centre Zone. While shop top housing over existing new ground level retail/commercial has occurred the provision for additional shop top housing for a population in which many do not have car access creates a need to be close to shops/commercial and transport facilities, particularly rail.
Ensure that urban structures, building forms, land use locations, development designs, subdivisions and street layouts achieve the following planning objectives: (a) <i>improving access to housing, jobs and services by walking, cycling and public transport.</i> (b) <i>increasing the choice of available transport and reducing the dependence on cars</i> (c) <i>reducing travel demand including the number of trips generated by development and the distances travelled, especially by car</i>	Yes	The proposed rezoning could provide up to an additional net 27 direct new jobs for the locality and will provide up to 27 new shop top apartments with close proximity to public transport including the city rail system as well as providing additional housing in the neighbourhood centre for an area in which car ownership is not available to a relatively high proportion of the population. New retail/commercial facilities in the centre will add to its attraction and encourage local use, thereby helping to reduce car dependence.
4. Hazard and Risk		
4.1 Acid Sulphate soils		

	Yes	The site is not affected by Acid sulphate soils
4.2 Mine subsidence and unstable land		
	Yes	The site is not affected
4.3 Flood Prone Land		
	Yes	The site is not within a flood affected locality
4.4 Planning for Bushfire Protection		
	Yes	The site is not within an area subject to the need for bushfire protection
5. Regional Planning		
5.1 Implementation of Regional Strategies		
	Yes	The Plan for Growing Sydney promotes that "Research has found that focusing new housing within Sydney's established suburbs brings real benefits to communities and makes good social and economic sense.." and for the purpose the Plan for Growing Sydney establishes a number of action strategies including: • "A key strategy is to support efforts to lift housing production around local centres, transport corridors and public transport access points." • Encouraging development around local centres the most suitable being where job opportunities are close and which are serviced by public transport facilities Note: The subject site if rezoned offers an opportunity for shop top housing close to an industrial estate, located on the main western rail link, with immediately available transport, close to major road arteries and close to a wide range of retail and commercial facilities. Such a confluence offers an opportunity for a different style of housing choice, particularly for a community in which car ownership is not available to a significant amount of that population. • Revitalising existing suburbs - "Well-planned and well-designed infill development can improve the feel of a place and sense of community. It can make the local environment more attractive and improve services."
6. Local Plan Making		
6.1 Approval and Referral Requirements		
	Yes	The Mt Druitt Neighbourhood continues to grow as a result of a prior Local Planning Strategy which added Medium Density zones close to the Mt Druitt Village Centre. That population growth will continue as new developments take advantage of the Medium Density zones allocated under that strategy. Population increases are due to continue through the adopted Mt Druitt Master Plan (a strategy now encouraged by the Plan for Growing Sydney). While the increased population has and will continue to give new business to the existing

		retail/commercial businesses in the Mt Druitt Village Centre it will also create pressure for new and an expanded range of facilities.
6.2 Reservation of Land for Public Purposes		
	No	Not Applicable
6.3 Site Specific Provisions		
	Yes	It has been noted that the current undefined Maximum Height Limit for the subject site should be consistent with the existing B1 Neighbourhood centre Limit "N" (14Metres). A Plan to amend the Maximum Height Limit forms part of the Rezoning Application.
7. Metropolitan Planning		
7.1 Implementation of A Plan for Growing Sydney		
<i>Give legal effect to the vision, land use strategy, policies, outcomes and actions contained in the regional strategies</i>	Yes	Principle 1 of the Plan for Growing Sydney is for "Increasing housing choice around all centres through urban renewal in established areas increasing housing close to centres and stations...."
<i>Ensure the LEP provisions encourage the efficient and appropriate assessment of development.</i>	Yes	The Blacktown LEP is adopted in its entirety with the exception of the Rezoning from RE2 Private Recreation to B1 Neighbourhood Centre and for the change from Unlimited Building Height Limit to "N" 14 mete maximum Height Limit

2.5 Section 55(2)(d) of EPAAct – Maps:

- Map Attachment 1 provides for the proposed rezoning change to B1 Neighbourhood Centre.
- Map Attachment 2 provides for the change from an unlimited building height to a maximum building height limit of "N" in accordance with the existing B1 Neighbourhood Centre Zone.

2.6 Economic Impact:

The Retail Assessment sensitivity analysis advises that:

- There will be no negative impacts on the existing commercial or retail traders in the Mt Druitt Town Centre, in fact the growth of the Neighbourhood Trade Area spending will ensure a continued prosperity and growth at least up to 2031 i.e. an "increase from \$97m in 2015 to \$140m in 2031" (+44%).
While the Retail Study expects a growth for the Mt Druitt Village Centre as a result of the proposed rezoning from 16.3% of the total Trade Area spending to 18.9% (Table 3.3) the Retail Assessment notes that trade for a maximum development of the site would represent "just 21% of the forecast increase in sales by trade area residents over the period 2015 to 2021" Accordingly, some 79% of increased trade area spending is available to all other retailers including the Mt Druitt Town Centre retailers.
- There will be no negative impacts on the existing commercial or retail traders in the Mt Druitt Village Centre, to the contrary there will be material benefits an issue supported by the Plan for Growing Sydney. The Retail Assessment advises that "... the total market share of Mt Druitt Village is expected to increase from 16.3% to just

18.9% in 2021. This is well within the typical 15% to 20% market share for convenience-based centres such as Mt Druitt Village, and indicates that any additional retail sales on the subject site can be readily accommodated by available market demand without undermining the sales and viability of other traders in the centre.” The Assessment goes on to conclude that “As a result, the proposed rezoning of the subject site, is consistent with the current convenience retail role of Mount Druitt Village, and will not undermine the trading performance and balance of the centre.” The Assessment also holds out the opportunity that existing traders in the centre have the opportunity to share in the growing trade area spending. That potential can only be enhanced by a new development on the subject site which adds population and new retail/commercial facilities. The Assessment anticipates new spending of \$3.9m for a convenience, style retail development of the site and that axiomatically means attracting customers to the centre.

- Given the difficulty of access through the northern, southern, western and eastern boundaries of the Mt Druitt Village Trade area the impact of the proposed rezoning on any proximate neighbourhood centre will be minimal. The most proximate neighbourhood centres are:
 - Oxley Park to the east where the trade area boundary separation is Ropes Creek and the associated parklands and where the only road access is Durham Street. Given the difficulty of access between the two trade areas there is likely to be minimal bleed between the respective trade areas.
 - Minchinbury to the south where the trade area boundary separation is the Great Western Highway and where the only direct road access is through the Archbold Street/George Street/Great Western Highway traffic lights. Given the difficulty of access between the two trade areas there is likely to be minimal bleed between the respective trade areas.
 - Rooty Hill to the east where the road pattern discontinuity and the tract of Environmental Conservation land rigidly defines the two trade areas and where the only road access is Beames Avenue there is likely to be minimal bleed between the respective trade areas.
 - Whalan to the North where the trade area boundary separation is the Great Western Railway line crossed only by a pedestrian bridge at the northern end of Mt Druitt Road and a road access at Carlisle Avenue. Given the distance between the two centres, which is over 2km. and by road a customer would have to pass the Mt Druitt Town Centre. Accordingly, it is unlikely that any substantial impacts on the Whalan Neighbourhood Centre would arise as a result of the subject rezoning, notwithstanding, that pedestrian traffic from the southern residential and industrial areas of Whalan are identified in the retail Assessment as users of the Mt Druitt Village Centre.

2.7 Social Impact:

- The proposed rezoning and any subsequent development of the site, arising from such rezoning, is not likely to have an adverse impact on local business or the visiting or residential communities. The only impacts, as elsewhere identified, will be positive a position supported by the Plan for Growing Sydney, which states that

“Research has shown that focusing new housing within Sydney’s established suburbs bring real benefits to communities makes good social and economic sense.” and that “the most suitable areas for significant urban renewal are those areas best connected to employment and include; in and around centres that are close to jobs and are serviced by public transport services...”

- It is particularly important in the Mt Druitt Village where 13% of residents do not have access to a car that as much accommodation as possible is arranged in and around the Village centre where retail/commercial facilities and public transport is readily available. the Plan for Growing Sydney also holds out hope that additional social infrastructure would be available possible for local areas where growth is shown.

2.8 Environmental Impact:

- The Traffic Assessment shows that no street or intersection will be adversely affected by any development arising out of the rezoning including a maximum possible development including the intersections of Beams Avenue and Durham Street with Mt Druitt Road where am peak hour effects are “minimal” and pm peak hour effects are “modest”.
- Given the high number of locals without vehicles and the walking customers from the industrial/residential areas north of the railway line the addition of new facilities will increase the amenity of the Mt Druitt Village Centre.
- The potential for new and revitalising retail/commercial facilities in the Mt Druitt Village Centre will increase the amenity for all neighbourhood residents and visitors.

The present building is located at the southern gateway to the Village Centre and is visually harsh and out of context with surrounding development. While adjoining residential will change over time, with the increase in density proposed via the approved Mt Druitt Master Plan, the subject site without rezoning would remain discordant. A new development on the site, arising out of a rezoning, must comply with the Design Excellence provisions of Clause 7.7 of the Blacktown LEP 2015 either through reconfiguration or demolition and rebuilding and would transition better with this future expected development.

2.9 Why Spot Rezoning is necessary?

While Council has adopted the Mt Druitt Master Plan, which includes the subject neighbourhood, the necessary statutory processes have not yet been implemented to enable the subject rezoning to be incorporated within that plan. Since the premises will be vacated from 22 January 2016 it is imperative that alternative uses be implemented in order to provide a positive outcome for the Mt Druitt Centre and the community at the earliest possible time so that anti-social consequences do not arise as a result of that vacancy.

2.10 Relationship to Strategic Planning Framework/s:

The subject site does not read as a consequence in either the Metropolitan Plan for Sydney 2036 or the Blacktown City Structure Plan 2036. In both strategic planning initiatives the Mt Druitt Town Centre is identified as a **Major Centre** and the lower order retail centres are left for more local planning strategies. The Mt Druitt Master Plan, as adopted by Council, does plan for the Mt Druitt Village Neighbourhood Centre but maintains the previously existing status quo and does not specifically address the need or the lack of need for the subject RE2 Private Recreation Zone. The Retail Study identifies that the rezoning of the subject site to

B1 Neighbourhood Centre will have no adverse affectation on the Mt Druitt Town centre and will only provide material benefits to the village centre and the local community.

A Plan for Growing Sydney supports the proposition of infill development in and around local centres. In particular the Plan stresses that “The Government will support council led urban infill to support local housing production around local centres, transport corridors and public transport access points.” Where the Plan for Growing Sydney is supported in its objectives the advice is that “there will be support by directing local infrastructure to areas where there is growth”.

2.11 Is the proposed rezoning inconsistent with any State Environmental Planning Policy?

The proposed rezoning is not inconsistent with any State Environmental Planning Policy. The site has not been the subject of any use likely to cause contamination and the site is not subject to flooding.





ATTACHMENT 3:
Retail Assessment
Essential Economics



ESSENTIAL ECONOMICS

37-39 Mount Druitt Road, Mt Druitt

Retail Assessment

FINAL

Prepared for

Statewide Quality services Pty Ltd and Yako Investments Pty Ltd

by

Essential Economics Pty Ltd

November 2015

Authorship

Report stage	Author	Date	Review	Date
Draft report	Alex Wilkinson and Sean Stephens	26 November 2015	Sean Stephens	30 November 2015
Final report				

Disclaimer

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Contents

Introduction1

1 Context Analysis2

1.1 Site Location and Description.....2

1.2 Background to Proposed Rezoning3

2 Retail Assessment5

2.1 Mt Druitt Village.....5

2.2 Trade Area Analysis7

2.3 Centre Performance12

3 Market Assessment of Subject Site14

4 Community Benefit Considerations.....17

5 Summary and Conclusions.....18

INTRODUCTION

Background

Statewide Quality services Pty Ltd and Yako Investments Pty Ltd control a site at 37-39 Mount Druitt Road, Mount Druitt which is currently operating as a squash centre and gymnasium. Immediately to the north is the Mount Druitt Village neighbourhood shopping centre, with predominantly residential uses located in the balance of the surrounding area.

The current squash courts and gym are no longer commercially viable, and Statewide Quality services Pty Ltd and Yako Investments Pty Ltd are proposing to rezone the site from the Private Recreation Zone to the Neighbourhood Business Zone to facilitate an appropriate mixed use development on the site.

Objective

To prepare a retail assessment that considers the subject site and the implications of a rezoning of the land to the Neighbourhood Business Zone for the Mount Druitt Village Centre and the balance of the surrounding retail hierarchy.

1 CONTEXT ANALYSIS

1.1 Site Location and Description

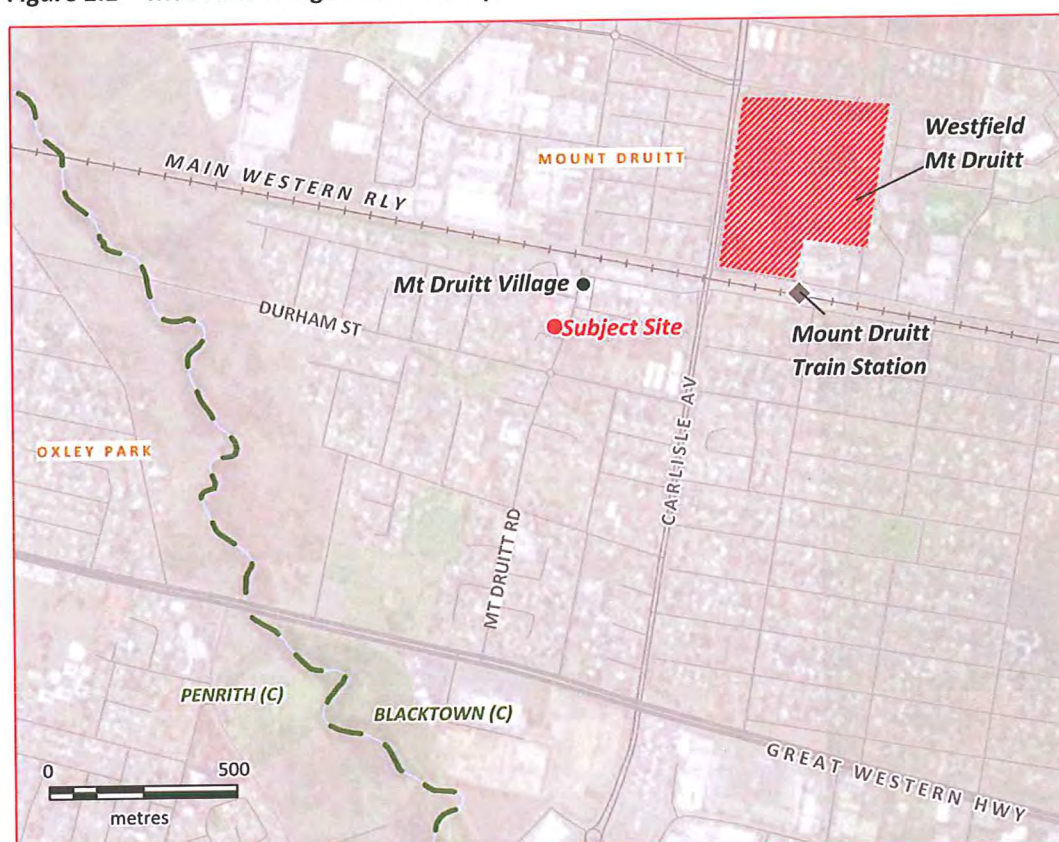
Locational Context

The suburb of Mount DrUITt is located approximately 43 kilometres west of the Sydney central business district.

Mount DrUITt Village is the traditional town centre serving the suburb, although in the 1970s a new town centre including the Westfield Mount DrUITt shopping centre and adjacent community and administrative functions was developed to the north of the Main Western Railway Line. At this time the Mount DrUITt Train Station was re-located approximately 500 metres to the east from Mt DrUITt Village to the new town centre.

Subsequent to these changes, Mt DrUITt Village has evolved to become a centre primarily meeting the basic convenience and other needs of surrounding residents. Higher-order retail, commercial and other functions are concentrated in the nearby Mt DrUITt town centre.

Figure 1.1 Mt DrUITt Village Location Map



Source: Essential Economics using MapInfo and StreetPro

Subject Site

The subject site is located on the north-west corner of Mt Druitt Road and Sykes Place, on the southern edge of Mount Druitt Village.

Developed in the early 1960s, the existing building is a prominent gateway to Mt Druitt Village. Occupying a total site size of approximately 1,800m², the purpose-built squash centre now functions as a combined gym, martial arts, and squash centre.

The Mount Druitt Village shopping strip extends immediately north of the subject site, with a pedestrian footpath providing a high level of connectivity. On this basis, the existing building and use represents a continuous extension of commercial uses from the Mount Druitt Village centre, despite the current application of the Private Recreation Zone.

1.2 Background to Proposed Rezoning

In general terms, the current building is no longer considered 'fit for purpose' as squash, gym and martial arts centre. The number of functioning squash courts is now just two (down from seven), and the level of accessibility and amenity for users is well-below modern expectations of regular gym users. An example of this is the absence of any disabled access points (see appendix photos).

The existing on-site business on site has experienced a long-term decline in trading conditions due to the building's outdated fittings and layout, as well as increased competition from another health and fitness centre in Mt Druitt Village.

Another factor is the long-term decline in the popularity of squash as a sport. Squash participation in Australia peaked in the 1980s and 1990s, with the sport featuring in the top 10 highest participated sports in Australia during 1997-98.

However, in the 14 years following, participation has fallen by nearly 50% or 157,000 persons, as shown in Table 1.1.

Table 1.1 Squash Participation in Australia

	No. Participants ('000s)	Participation Rate (%)
1997-98	321.2	2.4
2011-12	164.2	0.9
Change	-157	-1.5

Source: ABS, Australian Sports Commission

As a result of the above factors, the current use of the subject site is now effectively redundant and not economically viable.

In response, a rezoning of the site to a neighbourhood business zone (B1) is proposed. This would effectively integrated the subject site into the adjoining Mt Druitt Village, recognising that in functional terms the building has always been an active part of the centre (see also Map

2.1). Rezoning the subject site would represent a less than 10% increase in total business zoned land in Mount Druitt Village.

Although no specific future development outcome is currently proposed for the site, it is our understanding that the opportunity to renovate and reconfigure the existing building to accommodate ground floor retail/commercial uses and residential dwellings above is currently being actively considered. Any future development proposal within the B1 Zone would need to be consistent with the relevant planning assessment framework.

The draft Mount Druitt Village Master Plan, which has been adopted by Council, includes opportunities for higher density residential development at specific locations within and adjacent to Mount Druitt Village in a manner consistent with Council and metropolitan policy objectives.

2 RETAIL ASSESSMENT

2.1 Mt Druitt Village

Description

Mt Druitt Village is located immediately south of the Main Western Railway line, with shopfront tenancies concentrated along Mt Druitt Road and Beames Avenue.

The core retailing precinct is along Mt Druitt Road, with some selected retail tenancies on Palmerston Road, The Avenue, Mt Druitt Place, and Beames Avenue. Office and other commercial uses are predominantly located on Beames Avenue.

A detailed breakdown of individual tenancies by type in Mt Druitt Village is shown in Table 2.1.

Table 2.1 Mt Druitt Village Floorspace Survey

Tenancy Type	No. Tenancies	Floorspace
Food & Groceries	12	1,180m ²
Liquor	1	120m ²
Food Catering	11	1,080m ²
Food	24	2,380m²
Non-Food	4	335m²
Services	7	650m²
Total Retail	35	3,385m²
Office Shopfront	13	1,075m ²
Vacant Shopfront	2	130m ²
Total Shopfront	50	4,590m²
Other Non-Retail	8	3,110m ²
Total Floorspace	58	7,700m²

Source: Essential Economics

Mount Druitt Village contains less than 5,000m² in retail floorspace and is therefore considered a small neighbourhood centre according to the Blacktown Development Control Plan (Part D – 7).

Food retailing dominates the retail offer in the centre, with a total of 12 stores selling food and groceries including a significant component of specialised ethnic food sales. A further 11 traders are food catering outlets, primarily takeaway food.

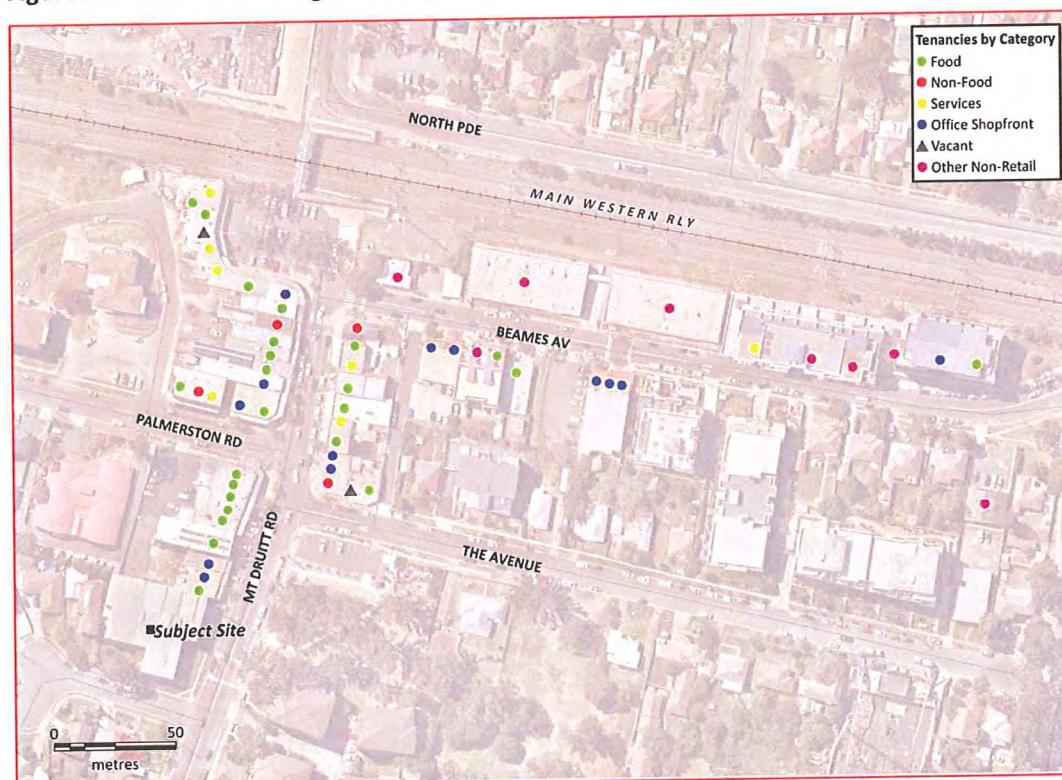
Just two vacant shopfront tenancies were identified during the course of a centre floorspace survey undertaken on 29th October 2015. This represents a vacancy rate of just 3% of

shopfront floorspace in Mount Druitt Village which is within the range (4% to 6%) widely noted within the industry as an acceptable vacancy share for a healthy retail centre.

Although some individual tenancies in the centre are relatively rundown in appearance, on an overall basis the centre has a relatively high standard of appearance and vibrancy.

Importantly, the centre has a genuine mix of uses in addition to retail, including medical, office, community and fitness functions. This is shown in Figure 2.1.

Figure 2.1 Mt Druitt Village Tenancy Mix



Source: Essential Economics using MapInfo and StreetPro

Centre Role and Function

Mount Druitt Village performs a convenience-oriented role in meeting the basic day-to-day needs of the surrounding resident population.

However, patronage to Mount Druitt Village is impacted by a location which is geographically self-contained.

For example, access to Westfield Mount Druitt and the balance of the new town centre is limited by physical barriers including the Main Western Railway Line and the arterial road Carlisle Avenue. On this basis, Mount Druitt Village has a very distinct role and function in

serving the needs of surrounding residents relative to the higher-order role served by the Westfield centre.

The focus of Mount Druitt Village on meeting only the basic day-to-day needs of residents living in proximity to the centre is evidenced by relatively low rental costs for shops and a lack of national brand retailers. At present, no national brand retailers are located in Mount Druitt Village with the exception of an IGA branded small independent supermarket .

2.2 Trade Area Analysis

Trade Area Definition

A trade area describes the geographic region within which a centre is an important destination for the type of retail and other facilities present at that centre. Trade areas are defined with reference to a number of factors that typically influence shopping and visitation patterns.

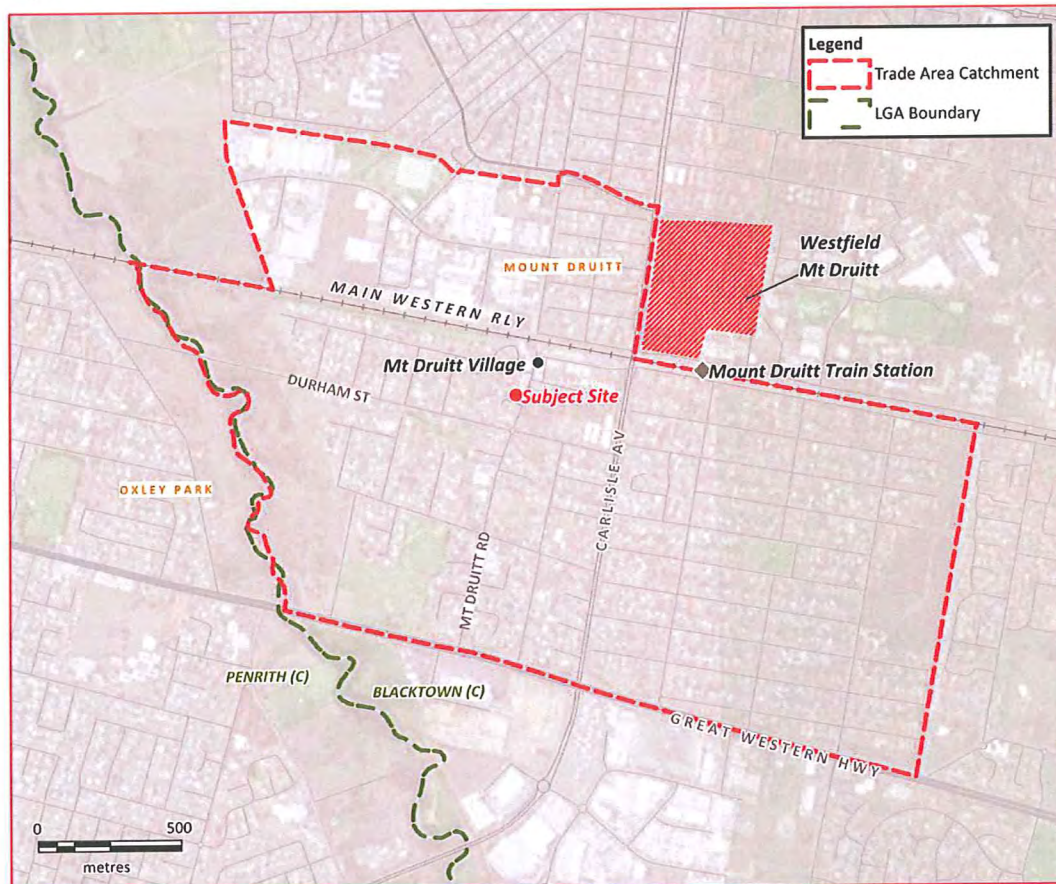
These factors include (among others):

- The extent of road access to the centre, including consideration of barriers such as rail lines, freeways, etc
- The presence or otherwise of physical barriers such as rivers, major roads, farmland etc
- The location and relative attractiveness of competing shopping centres/outlets
- Public transport access (noting that this typically accounts for only a small proportion of trade for lower-order neighbourhood convenience such as Mt Druitt Village)
- Exposure to passing traffic
- Existing travel patterns such as travel to work.

The Mt Druitt Village trade area has been defined to include the area bounded by the Greater Western Highway to the south, parks and reservations associated with Ropes Creek to the west, Doctor Charles Mackay reserve to the east, and the Main Western Railway and Westfield Shopping Centre to the north.

The trade area reflects the lower-order convenience retail role performed by Mt Druitt Village and is shown in Figure 2.2.

Figure 2.2 Mt Druitt Village Trade Area



Source: Essential Economics using MapInfo and StreetPro

Population Trends and Forecasts

At present, the resident population of the Mt Druitt Village trade area is estimated at 8,370 persons in 2015, representing an increase of some 2,000 persons from the 2004 level. This represents a rate of population growth of +2.5% per annum relative to the comparable average growth rate of +1.9% per annum for Blacktown City and 1.5% for Greater Sydney over the same period. The historical population of the trade area is shown in Table 2.2.

Table 2.2 Historical Population Growth

	2004	2015	Annual Growth (No.)	Annual Growth (%)
Trade Area	6,370	8,370	+182	2.5%
Blacktown City	271,580	332,520	5,540	1.9%
Greater Sydney	3,884,690	4,583,610	63,538	1.5%

Source: NSW Government; ABS Population Growth 3218.0

Population projections for the trade area have been prepared taking into account a range of inputs including official NSW Government population forecasts and are shown in Table 2.3.

On the basis of these forecasts, the population of the Mt Druitt Village trade area is forecast to increase from an estimated 8,370 persons in 2015 to reach 9,210 persons by 2021, and then further increase to 10,210 persons by 2031. This represents an overall increase of +1,840 persons at an average of +1.2% per annum over this 16 year period.

Table 2.3 Forecast Population Growth

	2015	2021	2026	2031	Annual Growth (No.)	Annual Growth (%)
Trade Area	8,370	9,210	9,710	10,210	115	1.2%
Blacktown City	332,520	366,110	393,840	420,970	5,528	1.5%
Greater Sydney	4,583,610	5,064,200	5,467,200	5,861,750	79,884	1.5%

Source: NSW Government; id Forecasts; Essential Economics

The strong rate of population growth in the trade area is evidenced by a recent increase in building approvals for new dwellings in the Mt Druitt area.

According to ABS Building Approvals data, total new dwelling approvals in the trade area increased from 53 in 2012/13 to 81 in 2013/14 and 91 and 2014/15.

This outcome is consistent with strategic policies at Local and State Government seeking increased residential density around activity centres and train stations.

Socio-Economic Trends

A summary of socio-economic characteristics of trade area residents is provided in Table 2.4 including comparisons with the City of Blacktown and Greater Sydney. The table incorporates data from the 2011 ABS Census of Population and Housing.

Socio-economic data reveals the following features in regard to the demographic and socio-economic profile of trade area residents:

- **Income:** the median individual income in the trade area (\$21,430) is well below the City of Blacktown (\$29,380) and Greater Sydney (\$32,270) median figures.
- **Origin:** the trade area has a significantly higher than average proportion of residents born overseas (approximately 40%) compared to Blacktown City (33%) and Greater Sydney (28%).
- **Family Composition:** a higher proportion of one parent families live in the trade area (20.8%) compared to both the City of Blacktown (19.4%) and Greater Sydney (15.7%) averages.

- **Housing Type:** the proportion of flats, units and apartments is significantly higher in the trade area (15.3%) than the City of Blacktown (5.2%), although lower than the Greater Sydney average (25.8%).
- **Car Ownership:** over 13% of trade area households don't own a car. This is 4% higher than for the City of Blacktown overall.
- **Education Attainment:** Just 41.5% of adult trade area residents have completed Year 12 or equivalent, relative to 50.7% of City of Blacktown residents.

In summary, trade area residents have a relatively low income profile, are more likely to be born overseas, and form part of a single-parent family relative to relevant benchmarks.

Table 2.4 Trade Area Socio-Economic Characteristics

Category	Trade Area	City of Blacktown	Greater Sydney
<u>Income</u>			
Median individual income (annual)	\$21,430	\$29,380	\$32,270
Variation from Greater Sydney median	-33.6%	-9.0%	0.0%
% of persons (15 years or older) earning \$1,000pw or more	16.1%	25.6%	31.6%
Median household income (annual)	\$54,850	\$72,290	\$75,410
Variation from Greater Sydney median	-27.3%	-4.1%	0.0%
% of Households earning \$2,500pw or more	10.4%	19.8%	26.4%
<u>Country of Birth</u>			
Australia	54.1%	60.6%	63.7%
Other Overseas Born	40.1%	33.1%	27.9%
% speak English only at home	51.8%	61.5%	65.7%
<u>Family Composition</u>			
Couple family with no children	24.8%	25.4%	33.5%
Couple family with children - Total	51.7%	53.6%	48.9%
Couple family - Total	76.5%	79.0%	82.4%
One parent family - Total	20.8%	19.4%	15.7%
<u>Dwelling Structure (Occupied Private Dwellings)</u>			
Separate house	77.4%	83.0%	61.0%
Semi-detached, row or terrace house, townhouse etc.	7.1%	11.4%	12.8%
Flat, unit or apartment	15.3%	5.2%	25.8%
Other dwelling	0.3%	0.4%	0.5%
Occupancy rate	95.6%	95.5%	92.8%
<u>Car Ownership per Dwelling</u>			
None	13.4%	9.4%	12.5%
One	40.9%	36.5%	39.6%
Two	31.0%	38.1%	33.9%
Three or more	14.8%	16.0%	14.0%
<u>Highest Year of School Completed (% of population aged 15 years and over)</u>			
Year 12 or equivalent	41.5%	50.7%	57.0%

Source: 2011 ABS Census of Population and Housing

According to the ABS Small Area Labour Market calculations, 14% of the Mt Druitt – Whalan labour force (the areas of most relevance to Mt Druitt Village) was unemployed in the June quarter, 2015. This is in comparison to the considerably lower figure of 6.2% for the City of Blacktown for the same period.

Retail Spending

Per Capita

Estimates of per capita spending by trade area residents have been prepared with reference to the *MarketInfo* retail spending model. MarketInfo is a micro-simulation model prepared by MDS Pty Ltd which uses data from the ABS Household Expenditure Survey (HES), ABS Census of Population and Housing 2011, ABS Australian National Accounts and other relevant sources.

Table 2.5 provides estimates of per capita retail spending in 2015 by trade area residents and compares this with the Greater Sydney average. The spending data is presented in five major product category groupings, as follows:

- **Food and Groceries** – spending on fresh food and groceries
- **Liquor** – spending on liquor intended for consumption at-home
- **Food Catering** – spending on cafes, restaurants and takeaway food
- **Non-Food** – spending on apparel, homewares, bulky merchandise and general merchandise
- **Services** – spending on retail services such as hairdressers, beauty salons etc.

Retail spending per capita by trade area residents is, on average, slightly lower than the Greater Sydney average for the Food & Groceries, and significantly lower in all other retail categories. This reflects the socio-economic and demographic characteristics of the MTA population, as earlier shown in Table 2.5.

Table 2.5 Trade Area Per Capita Retail Spending, 2015 (\$2014/15)

Trade Area	Food & Groceries	Liquor	Food Catering	Non-Food	Services	Total Retail
Per Capita Retail Spending (\$2015)						
Trade Area	\$4,420	\$650	\$1,420	\$4,610	\$470	\$11,570
Greater Sydney	\$4,570	\$820	\$2,080	\$5,970	\$610	\$14,050
Variation from Greater Sydney Average (%)						
Trade Area	-3.5%	-25.2%	-45.9%	-29.5%	-30.8%	-21.4%

Source: MarketInfo; Essential Economics
Note: Figures are in constant 2015 dollars

Spending on Food & Groceries is typically less influenced by socio-economic factors such as income and household type given that it reflects spending on basic household needs.

Forecasts of total spending by trade area residents are shown in Table 2.6 and are based on the application of per capita spending levels described in Table 2.5 to the population estimates and forecasts in Table 2.3, with an allowance for real spending growth consistent with historical averages.

Note that all figures are represented in constant 2015 dollars and therefore the effects of price inflation are excluded from the analysis.

Table 2.6 Trade Area Retail Spending Forecasts, 2015-2031 (\$2015)

Category	2015	2021	2026	2031	Average Growth per annum
Trade Area					
Food & Groceries	\$37.0m	\$41.5m	\$44.3m	\$47.2m	1.5%
Liquor	\$5.4m	\$6.2m	\$6.7m	\$7.3m	1.8%
Food Catering	\$11.9m	\$13.6m	\$14.9m	\$16.2m	1.9%
Non-Food	\$38.6m	\$47.1m	\$54.4m	\$62.6m	3.1%
Services	<u>\$3.9m</u>	<u>\$4.7m</u>	<u>\$5.5m</u>	<u>\$6.3m</u>	<u>2.9%</u>
Total Retail	\$96.9m	\$113.2m	\$125.7m	\$139.5m	2.3%

Source: Essential Economics with MarketInfo

Note: Figures rounded.

Total spending by trade area residents is forecast to increase from \$97 million in 2015 to \$140 million in 2031 at an annual growth rate of 2.3%.

Spending on Food & Groceries by trade area residents is forecast to increase from \$37 million to \$47 million over the same period at a growth rate of 1.5% per annum.

On the basis of this analysis, the trade area served by the Mt Druitt Village centre is expected to generate significant growth in retail spending over the period to at least 2031. An opportunity exists for a share of this growth to be directed to retailers and businesses within Mt Druitt Village.

2.3 Centre Performance

At present it is estimated that total retail sales in the Mt Druitt Village are in the order of \$17.6 million per annum. This represents an average trading level of \$5,190/m² which represents a reasonable trading performance for a centre with a basic convenience-oriented role and function.

This trading estimate has been prepared by applying appropriate estimates of average turnover productivity (i.e. dollar sales per sq. metre) to the retail floorspace estimates shown in Table 2.1. The estimate should be regarded as a fair and reasonable approximation of existing trading conditions in Mt Druitt Village.

Of total sales of \$17.6 million, an estimated \$15.8 million or 90% is derived from residents of the trade area with the balance of \$1.8 million or 10% of total sales from non-trade area residents. This is summarised in Table 2.7.

Table 2.7 Mt Druitt Village Retail Turnover, 2015 (\$2015)

Total Retail Sales	\$17.6m
Retail Sales from beyond Trade Area (10%)	\$1.8m
Retail Sales from within Trade Area (90%)	\$15.8m
Trade Area Retail Spending	\$96.9m
Market Share of Trade Area Retail Spending	16.3%

Source: Essential Economics

A measure of the relative trading performance of the retail tenancies in Mt Druitt Village is the 'market share' of total retail spending by residents that live in the trade area. A relatively low market share means that a market opportunity may exist for increased or improved retail facilities to better reflect local demand.

At present, the Mt Druitt Village centre generates a market share of 16.3% of trade area residents' total retail spending. That is, of every dollar spent on retail goods and services by trade area residents, 16.3 cents is spent on traders in Mt Druitt Village.

This market share is within the 15-20% industry average market share range for healthy, functioning convenience-oriented centres. Given the proximity of Westfield Mt Druitt and the balance of the new town centre, this is an excellent result for Mt Druitt Village.

Socio-economic factors that have a positive influence on the centre's market share include the spending habits of one parent families and no car households, both of which are more common in the trade area as a proportion of total households than the Blacktown City and Greater Sydney averages.

One parent families are quite often geared toward minimising spending associated with food and household items due to a combination of single incomes and high overall household costs. Given Mt Druitt village is a lower-order centre with a large number of budget-oriented retailers, much of the spending on food and household items by one parent families living in the trade area is likely to be directed to Mt Druitt Village.

Furthermore, over 13% of trade area households do not own a car. The frequency of food and groceries shopping visits is quite often higher for these residents given the difficulty in transporting large quantities of groceries at one time without the use of a car. On this basis, a high share of spending on food and household items by no car households living in the trade area is likely to be directed to Mt Druitt Village which is readily accessed by pedestrians and by bicycle.

3 MARKET ASSESSMENT OF SUBJECT SITE

Potential Development Outcomes

Although the subject site building presently functions as a gym, martial arts, and squash centre, it is not well-suited to a modern recreational commercial use due to its dated fittings and layout.

As such, it is difficult to identify an alternative retail or commercial use that could transition directly into the existing building without a significant refurbishment and upgrade.

On this basis, two potential development outcomes are expected to be associated with the proposed change in the zoning of the site from the Private Recreation Zone to the Neighbourhood Business Zone. These are:

- Significant modification and redevelopment of the existing building to suit a mix of commercial and residential uses (subject to zone requirements)
- Demolition and replacement of the existing building to better suit any future retail or mixed-use development outcome (subject to zone requirements).

Either option would deliver an outcome

Future Retail and Commercial Use of Site

A high-profile single use tenancy or national brand retailer (such as a major supermarket operator) is not considered feasible for the subject site for the following reasons:

- The localised convenience-role of the Mt Druitt Village and the lack of exposure to large customer numbers from across a trade area of significant size (say 15,000 plus persons)
- The relatively small size of the site (1,800m²) and the need for expensive basement or decked parking to support customer visitation
- Proximity to Westfield Mt Druitt and strong competition from this regional shopping centre
- The lower-order function of Mt Druitt Village and lack of main road access and frontage.

On this basis, any retail and commercial development on the subject site is expected to be consistent with the existing role and function of Mt Druitt Village as a convenience-oriented centre.

Assuming a redevelopment scheme which involved demolition of the existing building and replacement with a ground floor retail use, no more than approximately 600m² of leasable floorspace is likely to be developed once car parking, loading and building setback requirements are met.

While examples of successful independent supermarket stores of 600m² exist, it is very unlikely that the dominant independent chain IGA would consider opening a store in direct competition with the existing IGA Friendly Grocer store located in Mt Druitt Village.

Likely Development Outcome

The most likely development scenario following a rezoning of the subject site to the Neighbourhood Business Zone is a multi-tenancy retail and commercial development on ground floor, with the possibility of above-shop residential development.

Such a development outcome is considered likely regardless of whether the current building is modified or demolished.

Total leasable floorspace for ground floor uses would be in the order of 600m², dependent upon detailed design considerations. It is anticipated that the tenant mix would include a small number of retail shops in association with some commercial office suites or a specific commercial use (such as a small medical centre).

Economic Impact

Market Demand

As identified in Chapter 3, total retail spending by trade area residents is forecast to increase in real terms by +30% in over the period from 2015 (\$97 million) to 2026 (\$126 million).

As a result, Mt Druitt Village is in a position to attract a share of this spending growth. This is particularly in relation to convenience-oriented retailing.

In terms of considering economic impact, a relevant development scenario for the subject site is approximately 600m² of new retail shops (say between 3 and 5 new shops). These shops could potentially be occupied by convenience-oriented tenants including restaurant, takeaway food, fresh food, hairdresser/beauty etc. It is also possible one or more of these tenants could be a non-retail office use.

Total retail sales generated by these traders (assuming all are retail) would be approximately \$3.9 million. The average trading performance of \$6,500/m² represents a 25% premium on current trading levels in Mt Druitt Village of approximately \$5,190/m², and is thus a realistic assessment of possible retail sales.

Total sales for the overall Mt Druitt Village centre would increase from \$17.6 million currently to \$23.8 million in 2021. Overall sales in 2021 include retail sales at the subject site of \$3.9 million (as described above) and \$19.9 million of retail sales in the existing Village Centre that allows for market growth with a small allowance for any trading impacts on new retailers at the subject site.

This is summarised in Table 3.1.

Table 3.1 Mt Druitt Village Market Share, Current and 2021 (\$2015)

	Current	2021
Mt Druitt Village Existing - Sales	\$17.6m	\$19.9m
Subject Site - Sales	-	\$3.9m
Total Mt Druitt Village - Sales	\$17.6m	\$23.8m
Sales to Trade Area Residents	\$15.8m	\$21.4m
Trade Area Retail Spending	\$96.8m	\$113.2m
Mt Druitt Village Market Share	16.3%	18.9%

Source: Essential Economics

On this basis, the total market share of Mt Druitt Village is expected to increase from approximately 16.3% currently to just 18.9% in 2021. This is well within the typical 15% to 20% market share for convenience –based centres such as Mt Druitt Village, and indicates that any additional retail sales on the subject site can be readily accommodated by available market demand without undermining the sales and viability of other traders in the centre.

In overall terms, new retail floorspace of approximately 600m² on the subject site would attract just 21% of the forecast increase in sales by trade area residents over the period 2015 to 2021. The balance of this spending growth is available to all other retailers, including other traders in the Mt Druitt Village centre.

As a result, the proposed rezoning of the subject site is consistent with the current convenience retail role of Mount Druitt Village, and will not undermine the trading performance of the balance of the centre.

4 COMMUNITY BENEFIT CONSIDERATIONS

A range of community benefit considerations are relevant to the proposed rezoning of the subject site at 37-39 Mt Druitt Road to the Neighbourhood Business Zone, including:

- **Productive Use of Land.** The current use of the subject site is no longer economically viable and the existing building is no longer fit-for-purpose as a recreation facility. Rezoning of the site will allow for a new development which ensures that the land generates economic and community benefits.
- **Strategic Land Use Policy.** The subject site represents a natural extension of the existing Neighbourhood Business Zone and allows for more intensive use of land in a manner consistent with strategic land use policy objectives.
- **Investment.** Redevelopment of the site will represent new investment in the Mt Druitt Village centre that creates direct construction employment and improves a key gateway site to the centre.
- **Ongoing Employment.** Assuming an average of one job per 20m² of floorspace, an estimated 30 jobs could be located on-site assuming a mix of retail and commercial tenants. This represents a significant net increase on the 3 jobs currently accommodated at the subject site.
- **Consumer Choice.** Development of additional retail and commercial facilities on the subject site will improve the scale and range of services available to local residents and businesses.
- **Market Demand.** Additional demand for retail and commercial activity in the Mt Druitt Village is expected to be associated with forecast population growth, and continued business activity in the surrounding region. On this basis, development of the subject site for a combination of retail, commercial and residential uses represents a sensible response to future market demand.

5 SUMMARY AND CONCLUSIONS

This economic assessment shows that the proposed rezoning of the subject site at 37-39 Mt DrUITT Road from the Private Recreation Zone to the Neighbourhood Business Zone is supported by market demand, and would not undermine the role and function of the Mt DrUITT Village Centre.

The total market share of the Mt DrUITT Village Centre would increase marginally with any retail development on the subject site, although remain well within realistic and achievable levels. This can be achieved without undermining the trading performance of existing traders.

On this basis, the proposed rezoning represents a sensible adjustment to planning policy which reflects:

- The redundant existing use of the site for a squash court and gym
- The opportunity for future development of the site to integrate directly into the Mt DrUITT Village Centre
- Growth in market demand for retail, commercial and residential land uses in Mt DrUITT Village and the immediately surrounding area.

In terms of economic outcomes, the proposed rezoning would provide a positive net community benefit having regard for its contribution to investment, employment and consumer choice.

ATTACHMENT 4:
Traffic Study
Prepared by ML Traffic Engineers

**APPLICATION FOR REZONING FROM RE2
(PRIVATE RECREATION) TO B1
(NEIGHBOURHOOD CENTRE)**

37-39 Mount Druitt Road in Mount Druitt

***Prepared for: Statewide Quality Service Pty and
Yoko Investments Pty Ltd***

A1515069N (Version 1b)

December 2015

1. INTRODUCTION

ML Traffic Engineers was commissioned by Statewide Quality Service Pty and Yoko Investments Pty Ltd to undertake a traffic and parking impact assessment of proposed mixed-use REZONING application at 37-39 Mount Druitt Road in Mount Druitt. The site is located in the Mount Druitt Village. The site has frontage to Mount Druitt Road and Sykes Place.

This traffic report focuses on the proposed rezoning application and changes in car usage and car park utilisation and additional trips from the proposed rezoning application.

In the course of preparing this assessment, the subject site and its environs have been inspected, plans of the development examined, and all relevant traffic and parking data collected and analysed.

2. BACKGROUND AND EXISTING CONDITIONS OF THE PROPOSED LOCATION

2.1 Location and Land Use

Currently the site is comprised of the following businesses:

- Squash Court Centre
- Gym
- Karate studio
- Photography studio

Figures 1 show the location of the Rezoning Site from the aerial perspective. Figure 2 shows the site from a street perspective.