

Demographic and Property Market Report Planning Proposal



152-206 Rocky Point Road, Kogarah Planning Proposal

Submitted to Rockdale City Council
On Behalf of DLN Pty Ltd

August 2013 ■ 12740

Reproduction of this document or any part thereof is not permitted without prior written permission of JBA Urban Planning Consultants Pty Ltd.

JBA Urban Planning Consultants Pty Ltd operates under a Quality Management System. This report has been prepared and reviewed in accordance with that system. If the report is not signed below, it is a preliminary draft.

This report has been prepared by:

Lindsey Noble

A handwritten signature in black ink, appearing to read 'L Noble'.

Date 27/08/13

This report has been reviewed by:

Julie Bindon

A handwritten signature in blue ink, appearing to read 'Julie Bindon'.

Date 27/08/13

Contents

Executive Summary	i
1.0 Introduction	1
1.1 Project Purpose and Methodology	1
2.0 The Site	2
3.0 Planning Context	4
3.1 Planning Strategies	4
3.2 Planning Controls	4
4.0 Residential Market Analysis	5
4.1 Price Analysis	5
4.2 Affordability Analysis	7
4.3 Demographic Analysis	10
4.4 Future Housing Supply Analysis	15
4.5 Conclusion	18
5.0 Workforce Analysis	19
5.1 Existing Workforce Analysis	19
5.2 Workforce Projections	21
5.3 Conclusion	23
6.0 Planning Proposal	25
7.0 Assessment	26
7.1 Land Use Mix	26
7.2 Residential Mix	27

Figures

1 Figure 1 – Location plan	2
2 Figure 2 – Aerial photograph of the site	3
3 Figure 3 – Building approvals Rockdale LGA 2001/02 – 2011/12	16
4 Figure 4 – Additional Employment Opportunities in Rockdale LGA (Top Ten)	22
5 Figure 5 – Indicative masterplan	25

Tables

1 Table 1 – Relevant planning strategies	4
2 Table 2 – Unit sales prices by suburb (median)	6
3 Table 3 – Townhouse price examples	7
4 Table 4 – Affordability analysis – Rockdale LGA first home buyers	8
5 Table 5 – Affordability analysis – Kogarah LGA first home buyers	8

Contents

6	Table 6 – Affordability analysis – Rockdale LGA second home buyers	9
7	Table 7 – Affordability analysis – Kogarah LGA second home buyers	9
8	Table 8 – Population Snapshot (2011)	10
9	Table 9 – Dwelling Projections (2011-2031)	16
10	Table 10 – Current and future residential developments	17
11	Table 11 – Employment projections in Rockdale LGA (2011 to 2031)	22
12	Table 12 – Indicative yield	Error! Bookmark not defined.

Executive Summary

This demographic and market analysis report has been prepared by JBA on behalf of DLN Pty Ltd to support a Planning Proposal for the former Darrell Lea Factory site at 152-206 Rocky Point Road, Kogarah.

The Site

The former Darrell Lea Factory site (DLF site) is located at 152-206 Rocky Point Road, Kogarah. The DLF site has a total area of 33,100m² and is presently occupied by a number of one to three storey industrial buildings and a small number of residential dwellings that front onto Rocky Point Road.

The DLF Site is currently zoned IN2 Light Industrial and is used by VIP Petfoods who are expected to vacate the site in 2014, which would cause the site to become redundant for its existing use.

Residential Market Review

There has been strong price growth in all housing products in the Rockdale LGA over recent years. Price growth in apartments has been strong, reflecting growing demand in the local area. Apartments continue to be the most affordable housing type in the Rockdale LGA at a median of \$450,000 - \$500,000 while townhouses and houses achieve a median of approximately \$700,000 and \$800,000, respectively.

Future occupants of apartments on the DLF Site are likely to be predominantly young; in single, couple or group households; and many will be overseas born. These groups are most price constrained and favour apartments for their relative affordability.

Demand for housing in the Rockdale LGA will continue to grow over the coming years. With limited opportunity for new low density housing sites, future supply will be predominantly provided as apartments. The majority of known future apartment developments are within the northern suburbs of the Rockdale LGA, with very few opportunities for new apartments in the southern suburbs. This may result in unmet demand and increase prices in the southern suburbs.

Employment Market Review

The nature of employment opportunities in the Rockdale LGA is moving away from industrial and trade based employment to favour office based employment. This has been demonstrated in recent years, and is projected to continue in the future.

The majority of workers in Rockdale LGA are locally based, from either Rockdale LGA or neighbouring LGAs. As the workforce in Rockdale LGA (and surrounds) evolves to include more office based workers, so will demand for office based employment.

Office based employment generally achieves a significantly higher employment density than industrial and manufacturing based employment. As a result, less land is generally required to accommodate office workers and the form of employment buildings is likely to change from factories/warehouses to commercial office buildings. The resulting demand for employment land will also change, with office based employment favouring CBD based locations, close to public transport and other services.

Planning Proposal

The Planning Proposal is seeking to rezone the DLF site from IN2 Light Industrial to part B6 Business Enterprise and part R4 High Density Residential, permitting a mix of commercial and residential land uses. Broadly, the Planning Proposal aims to:

- accommodate 350 to 450 dwellings;
- provide a variety of different housing typologies and products, including apartments and townhouses;
- provide up to 18,000m² of employment generating floor space predominately in form of office premises and warehouse/showrooms;
- provide for up to 400 jobs.

Assessment

Land Use Mix

The proposed land use mix and quantum of B6 Enterprise Corridor is appropriate for the DLF Site for the following reasons:

- The B6 Enterprise Corridor zone will allow for greater employee densities than currently accommodated, increasing capacity to 400 jobs (from the existing 85 accommodated on site).
- The B6 Enterprise Corridor zone permits a range of light industrial and office based jobs, which responds to the changing nature of employment land in the Rockdale LGA.
- The B6 Enterprise Corridor zone will provide employment opportunities that are more closely aligned to the skills and expertise of the future population.
- The proposed number of employees to be accommodated on the DLF Site is suitable given its distance from commercial centres and key employment precincts in the Rockdale LGA.
- The use of the residual land for residential purposes is ideal due to the residential nature of the surrounding area and its proximity to Scarborough Park, Ramsgate Beach, Botany Bay and nearby centres (i.e. Ramsgate, Kogarah).

Residential Mix

The proposed residential mix and density is appropriate for the DLF Site for the following reasons:

- The DLF Site also provides a unique opportunity in this part of the Rockdale LGA to provide a significant number of additional dwellings on one consolidated site.
- Apartments are the most affordable housing option for the majority of the local residential population.
- A range of apartment types and townhouses will be provided to ensure housing choice and diversity is achieved.
- Local demand for apartments is increasing and the proposed dwelling capacity at the DLF Site will contribute significantly to the Rockdale LGA's housing target and improve competition and affordability for local residents.

1.0 Introduction

This demographic and market analysis report has been prepared by JBA on behalf of DLN Pty Ltd to support a Planning Proposal for the former Darrel Lea Factory site at 152-206 Rocky Point Road, Kogarah.

1.1 Project Purpose and Methodology

Purpose

This report has been prepared to:

- Identify the key population and residential market characteristics that inform the demand analysis for residential typologies in Rockdale;
- Analyse the likely future housing supply in Rockdale, and ability for the future known projects to cater for future demand and targets;
- Inform the selection of residential dwelling typology mix proposed for the site;
- Identify the key working population characteristics of Rockdale; and
- Identify suitable employment typologies for the site to ensure the future employment floor space caters for the local workforce.

Methodology

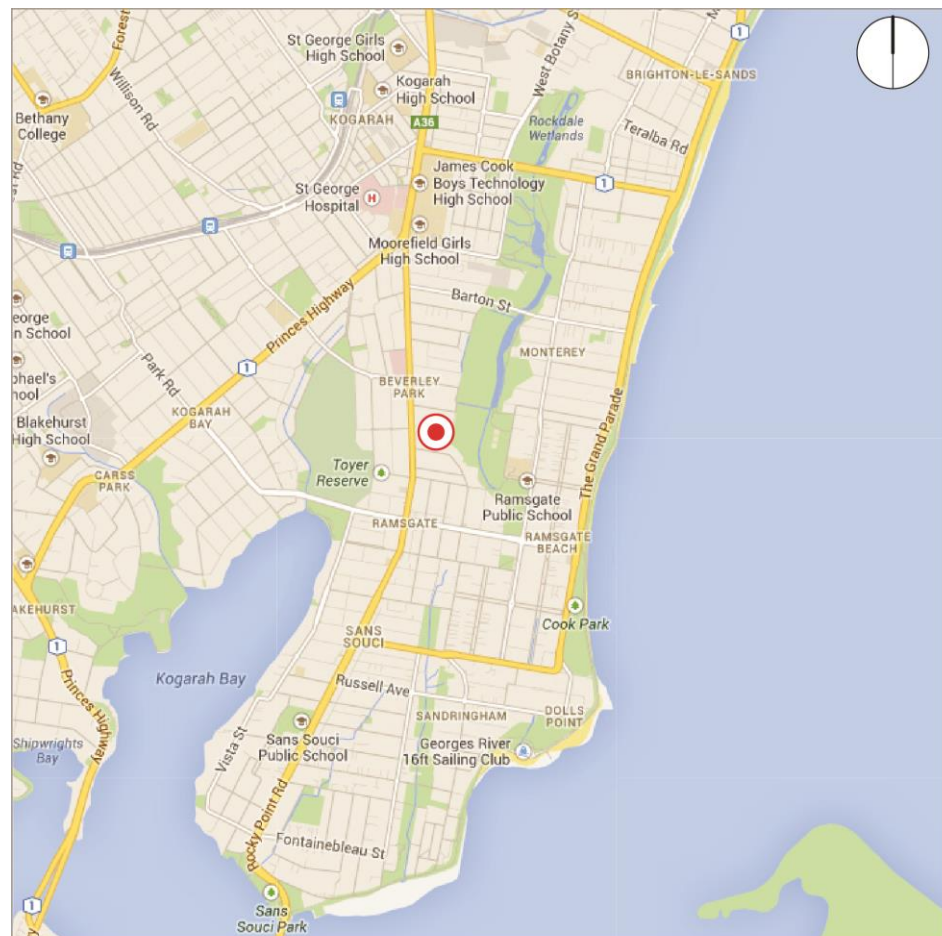
The following methodology was used to prepare this report:

- Review of material describing the Planning Proposal;
- Population analysis – based on ABS Census data (2001-2011) to identify the key trends and characteristics of the population in Rockdale and the likely buyers of residential accommodation on the site;
- Residential price analysis – based on research of recent price trends in and around the Rockdale area to identify the relative demand for apartments and townhouses;
- Affordability analysis – based on price comparisons between apartments/townhouses and houses in the local area to demonstrate affordability of the proposed product by comparison to the predominant housing form in the local market (i.e. houses);
- Future housing supply analysis – informed by an analysis of relevant housing targets (DP&I), population projections (ABS), known future developments (various) and recent building approvals (ABS) to identify the likelihood of Rockdale Council providing sufficient housing to meet the relevant targets; and
- Workforce analysis – based on ABS Census data (2006-2011) to identify where workers of different employment typologies (eg. white collar vs blue collar workers) reside.

2.0 The Site

The former Darrell Lea Factory site (DLF site) is located at 152-206 Rocky Point Road, Kogarah. The DLF site is located approximately 15km south of the Sydney CBD, 5km south-west of Kingsford Smith Airport and 1.4km south of Kogarah town centre and 1km west of Ramsgate Beach. The location of the DLF site is shown at **Figure 1**.

The DLF site has a total area of 33,100m² and is presently occupied by a number of one to three storey industrial buildings and a small number of residential dwellings that front onto Rocky Point Road. The eastern half of the site is covered by surface level car parking, driveways and grassed landscaped areas. The existing development is shown at **Figure 2**.



● The Site

Figure 1 – Location plan



Figure 2 – Aerial photograph of the site

Surrounding Development

Development surrounding the DLF site is:

- To the north - a mix of light industrial and commercial uses including motor vehicle repair shops and warehouse showrooms such as Carpet Court and FGA Granite and Marble.
- To the east - on the opposite side of Production Lane is Leo Smith Reserve, which is a large open space area comprising sporting and recreation playing fields, walking paths and tennis courts. Further east on the opposite side of Leo Smith Reserve is the residential suburb of Monterey.
- To the south - are detached dwellings along Margate Street and Clarkes Road. Further south along Rocky Point Road is the commercial centre of Ramsgate. Further south along Rocky Point Road, within one kilometre, there are several residential flat buildings 4-5 storeys in height.
- To the west - on the opposite side of Rocky Point Road is a four storey residential flat building and detached dwellings. Detached dwellings are located along Carroll Street and Burgess Street, while further to the west is the Beverly Park Golf Club.

3.0 Planning Context

3.1 Planning Strategies

Table 1 identifies the key actions and objectives of the relevant planning strategies that apply to the site.

Table 1 – Relevant planning strategies

Strategy/Issue	Actions/Objectives
Draft Metropolitan Strategy for Sydney (2013)	
Subregion	Rockdale LGA falls within the South Subregion, along with Canterbury, Hurstville, Kogarah and Sutherland LGAs.
Dwelling Target	The South Subregion has a dwelling target of 42,000 additional dwellings between 2011 and 2031 (2,100 dwellings p.a.). This represents an increase of 870 dwellings p.a. from the Draft South Subregional Strategy.
Job Target	The South Subregion has a job target of 43,000 additional jobs between 2011 and 2031 (2,150 jobs p.a.). This represents an increase of 1,200 jobs p.a. from the Draft South Subregional Strategy.
Draft South Subregional Strategy (2007)	
Subregion	At the time, the South Subregion included Rockdale, Canterbury, Hurstville, Kogarah, Sutherland and Marrickville LGAs.
Employment Capacity Target	The South Subregion has an overall target of 29,000 additional jobs between 2001 and 2031, or 28,500 with Marrickville LGA excluded (i.e. 950 dwellings p.a.)
Centres	The site is located approximately 400-500m from Ramsgate, a Small Village as defined by the Draft Strategy.
Housing Target	The South Subregion has an overall target of 35,000 additional dwellings between 2006 and 2031, or 30,850 excluding Marrickville LGA. This equates to 1,230 dwellings p.a. The housing target for Rockdale LGA is 7,000 additional dwellings between 2001 and 2031.
Rockdale Urban Strategy 2010	
Housing and Employment Targets	Rockdale LEP 2011 provides adequate development capacity to meet the relevant housing and employment targets (no details provided). No further details are provided identifying where the dwelling capacity is to be provided.

3.2 Planning Controls

Rockdale LEP 2011

The DLF Site is currently zoned IN2 Light Industrial with a maximum FSR of 1:1 under the Rockdale Local Environmental Plan (LEP) 2011. This zoning permits (with consent) a variety of industrial uses and uses that support industrial development, including:

“Depots; Industrial training facilities; Light industries; Neighbourhood shops; Take away food and drink premises; Warehouse or distribution centres; Any other development not specified in item 2 or 4.”

Residential, retail and commercial development is currently prohibited on the site.

4.0 Residential Market Analysis

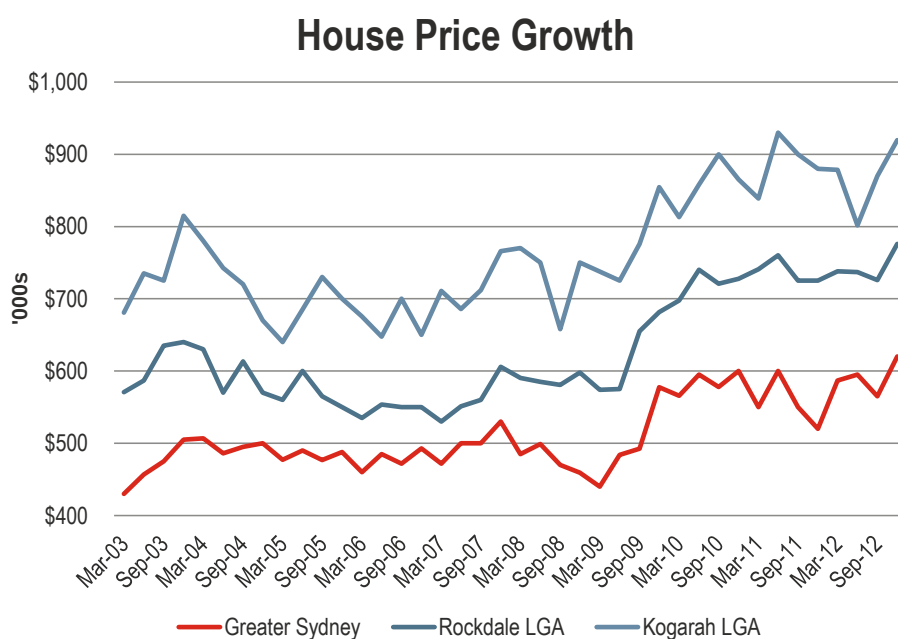
4.1 Price Analysis

This section identifies the key characteristics of recent residential sales in the Rockdale LGA, Kogarah LGA and suburbs immediately surrounding the DLF Site.

House Price Trends

The House Price Growth chart identifies the median house price in Greater Sydney, Rockdale LGA and Kogarah LGA. On average, house prices have risen in Rockdale LGA, Kogarah LGA and Greater Sydney. However, the growth rate has not been steady year to year. House prices in the Rockdale LGA and Kogarah LGA are steadily higher than the Greater Sydney average. Average house prices in Rockdale LGA have increased from \$570,000 in 2003 to \$776,000 in 2012. By comparison average house prices in the Kogarah LGA have also risen significantly during this period, from \$680,000 in 2003 to \$920,000 in 2012.

The growth over the last 10 years represents strong demand for residential housing in the Rockdale and Kogarah LGAs. However, the recent slowdown in price growth, with prices steadying around \$750,000 in Rockdale LGA and between \$800,000 and \$900,000 in Kogarah LGA is likely reflective of an affordability threshold being met in the local market. This ceiling is likely due to a reduced affordability for the local market to absorb continuous price growth.

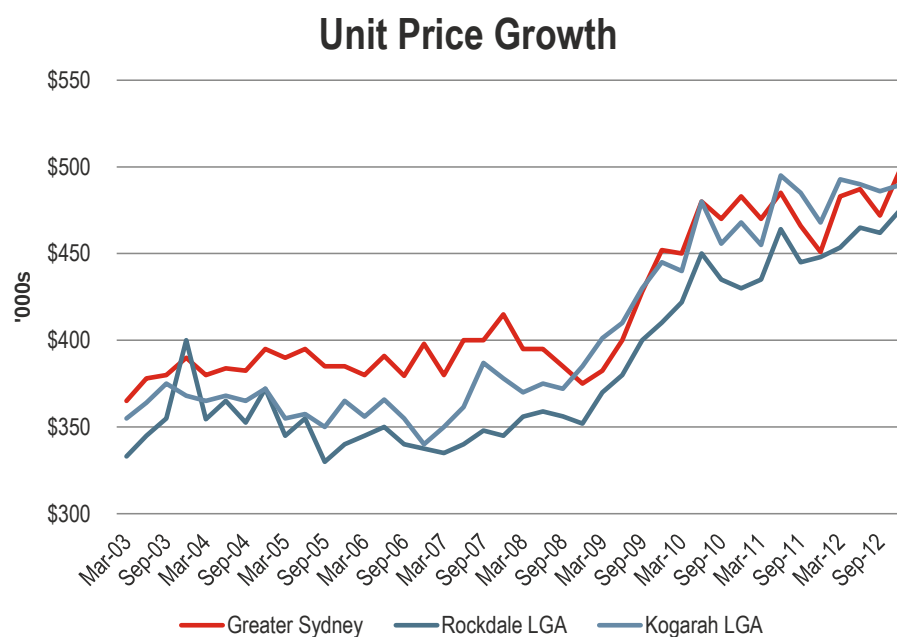


Source: *Housing NSW (2013) and JBA*

Unit Price Growth

In comparison to house prices, unit prices in Rockdale LGA and Kogarah LGA are more similar to the Greater Sydney average. In 2003, unit prices in Rockdale and Kogarah LGAs were lower than the Greater Sydney average. This was the case until late 2008, when unit prices in Kogarah LGA rose to meet the Greater Sydney average. This is likely to reflect the growing acceptance of apartments in the Kogarah LGA, particularly along the train line and in key centres such as Hurstville and Kogarah.

Unit prices in Rockdale and Kogarah LGAs are significantly more affordable than houses, with median prices at \$475,000 and \$490,000, respectively in December 2012.



Local Unit Prices

Table 2 identifies the mix and median price of recent unit sales in the suburbs of Kogarah, Rockdale, Ramsgate and Sans Souci (over the past 24 months). The most comparable prices for the DLF Site are apartments sold in Kogarah and Rockdale. A number of sales in Sans Souci and Ramsgate reflect the higher amenity available, particularly due to the proximity to the waterfront. The prices shown at **Table 2** indicate the median of all units, not only new apartments. New apartments are likely to achieve higher prices than the medians.

Table 2 – Unit sales prices by suburb (median)

Suburb	Median Price		
	1 Bedroom Unit	2 Bedroom Unit	3 Bedroom Unit
Kogarah	\$337,500	\$424,000	\$600,000
Rockdale	\$375,000	\$441,880	\$515,000
Ramsgate ¹	-	\$500,000	\$638,000
Sans Souci	\$360,000	\$455,000	\$620,000

Source: *RPdata*

¹ Note – only 11 sales occurred in the past 24 months

Townhouse Prices

Examples of current asking prices for new (or recently constructed) townhouses within the local area surrounding the DLF Site are shown in **Table 3**. Prices for townhouses generally exceed three bedroom apartments, with prices generally between \$650,000 and \$800,000.

Table 3 – Townhouse price examples

Address	Suburb	Bed/Bath/Car	Asking Price	Achieved Price
3/20 Gipps Street	Bardwell Park	3 / 2 / 1	\$669,000	N/A
7/30 Princes Highway	Carrs Park	3 / 2 / 1	\$650,000 +	N/A
7/7A Blakesley Road	Carlton	3 / 3 / 2	\$620,000 +	N/A
7/8 Targo Road	Beverley Park	3 / 1 / 2	-	\$630,000
1/9 Solander Street	Monterey	3 / 2 / 1	-	\$770,000
4/135 Queen Victoria Street	Bexley	3 / 2 / 2	-	\$715,000
5/107 Wolseley Street	Bexley	3 / 2 / 2	-	\$667,000
2-3/30 Albert Street	Bexley	4 / 2 / 2	-	\$780,000
4/30 Albert Street	Bexley	3 / 2 / 2	-	\$780,000

Source: *RealEstate.com.au*, *Domain.com.au*

4.2 Affordability Analysis

This section analyses the relative affordability of housing in Rockdale and Kogarah LGAs by determining the house price that can be afforded by the local community. The analysis addresses first home buyers (with smaller deposits) and second home buyers (or more) where a larger deposit is assumed.

First Home Buyers

At the 2011 Census, the median household weekly income for Rockdale LGA and Kogarah LGA was \$1,276 (\$66,352 p.a.) and \$1,463 (\$76,076 p.a.), respectively. The first home buyer affordability analysis for Rockdale and Kogarah LGA residents are provided at **Tables 4** and **5** (respectively) and are based on the following assumptions:

- the median incomes is adjusted to take into account CPI between 2011 and 2013;
- 20% deposit (i.e. 80% gearing);
- 30 year loan period with monthly repayments; and
- home owners can afford to spend up to 30% of their income on housing before they are in housing stress (noted in red text).

The first home buyer affordability analysis set out in **Tables 4** and **5** demonstrates that the average household in the Rockdale and Kogarah LGAs is only able to afford to pay less than \$450,000 before spending more than 30% of their income on housing. With average house prices significantly higher than the figures shown in **Tables 4** and **5**, first home buyers in the local area are highly unlikely to afford houses and other larger dwelling types.

Table 4 – Affordability analysis – Rockdale LGA first home buyers

Interest Rate	Unit Price						
	\$250,000	\$300,000	\$350,000	\$400,000	\$450,000	\$500,000	\$550,000
Average Household Income: \$69,711							
4.50%	\$1,013	\$1,216	\$1,419	\$1,621	\$1,824	\$2,027	\$2,229
4.75%	\$1,043	\$1,252	\$1,461	\$1,669	\$1,878	\$2,087	\$2,295
5.00%	\$1,074	\$1,288	\$1,503	\$1,718	\$1,933	\$2,147	\$2,362
5.25%	\$1,104	\$1,325	\$1,546	\$1,767	\$1,988	\$2,209	\$2,430
5.50%	\$1,136	\$1,363	\$1,590	\$1,817	\$2,044	\$2,271	\$2,498
5.75%	\$1,167	\$1,401	\$1,634	\$1,867	\$2,101	\$2,334	\$2,568
6.00%	\$1,199	\$1,439	\$1,679	\$1,919	\$2,158	\$2,398	\$2,638
6.25%	\$1,231	\$1,478	\$1,724	\$1,970	\$2,217	\$2,463	\$2,709
6.50%	\$1,264	\$1,517	\$1,770	\$2,023	\$2,275	\$2,528	\$2,781
6.75%	\$1,297	\$1,557	\$1,816	\$2,076	\$2,335	\$2,594	\$2,854
7.00%	\$1,331	\$1,597	\$1,863	\$2,129	\$2,395	\$2,661	\$2,927
7.25%	\$1,364	\$1,637	\$1,910	\$2,183	\$2,456	\$2,729	\$3,002
7.50%	\$1,398	\$1,678	\$1,958	\$2,237	\$2,517	\$2,797	\$3,077
7.75%	\$1,433	\$1,719	\$2,006	\$2,293	\$2,579	\$2,866	\$3,152
8.00%	\$1,468	\$1,761	\$2,055	\$2,348	\$2,642	\$2,935	\$3,229

Table 5 – Affordability analysis – Kogarah LGA first home buyers

Interest Rate	Unit Price						
	\$250,000	\$300,000	\$350,000	\$400,000	\$450,000	\$500,000	\$550,000
Average Household Income: \$79,927							
4.50%	\$1,013	\$1,216	\$1,419	\$1,621	\$1,824	\$2,027	\$2,229
4.75%	\$1,043	\$1,252	\$1,461	\$1,669	\$1,878	\$2,087	\$2,295
5.00%	\$1,074	\$1,288	\$1,503	\$1,718	\$1,933	\$2,147	\$2,362
5.25%	\$1,104	\$1,325	\$1,546	\$1,767	\$1,988	\$2,209	\$2,430
5.50%	\$1,136	\$1,363	\$1,590	\$1,817	\$2,044	\$2,271	\$2,498
5.75%	\$1,167	\$1,401	\$1,634	\$1,867	\$2,101	\$2,334	\$2,568
6.00%	\$1,199	\$1,439	\$1,679	\$1,919	\$2,158	\$2,398	\$2,638
6.25%	\$1,231	\$1,478	\$1,724	\$1,970	\$2,217	\$2,463	\$2,709
6.50%	\$1,264	\$1,517	\$1,770	\$2,023	\$2,275	\$2,528	\$2,781
6.75%	\$1,297	\$1,557	\$1,816	\$2,076	\$2,335	\$2,594	\$2,854
7.00%	\$1,331	\$1,597	\$1,863	\$2,129	\$2,395	\$2,661	\$2,927
7.25%	\$1,364	\$1,637	\$1,910	\$2,183	\$2,456	\$2,729	\$3,002
7.50%	\$1,398	\$1,678	\$1,958	\$2,237	\$2,517	\$2,797	\$3,077
7.75%	\$1,433	\$1,719	\$2,006	\$2,293	\$2,579	\$2,866	\$3,152
8.00%	\$1,468	\$1,761	\$2,055	\$2,348	\$2,642	\$2,935	\$3,229

Second Home Buyers

The second home buyer analysis for Rockdale and Kogarah LGAs are shown at **Tables 6 and 7**. The same assumptions are used, with the exception of the deposit amount. It is assumed second home buyers will have 50% deposit for their second properties. Second home buyers in Rockdale and Kogarah LGAs are able to afford higher property prices, but are unlikely to afford the average house prices in Rockdale LGA or Kogarah LGA (i.e. \$775,000 and \$920,000, respectively).

With houses unaffordable for the average first and second home buyer in Rockdale and Kogarah LGAs, it is likely demand for smaller and more affordable housing products will continue to increase, particularly apartments.

Table 6 – Affordability analysis – Rockdale LGA second home buyers

Interest Rate	Unit Price						
	\$400,000	\$450,000	\$500,000	\$550,000	\$600,000	\$650,000	\$700,000
Average Household Income: \$69,711							
4.50%	\$1,013	\$1,140	\$1,267	\$1,393	\$1,520	\$1,647	\$1,773
4.75%	\$1,043	\$1,174	\$1,304	\$1,435	\$1,565	\$1,695	\$1,826
5.00%	\$1,074	\$1,208	\$1,342	\$1,476	\$1,610	\$1,745	\$1,879
5.25%	\$1,104	\$1,242	\$1,381	\$1,519	\$1,657	\$1,795	\$1,933
5.50%	\$1,136	\$1,278	\$1,419	\$1,561	\$1,703	\$1,845	\$1,987
5.75%	\$1,167	\$1,313	\$1,459	\$1,605	\$1,751	\$1,897	\$2,043
6.00%	\$1,199	\$1,349	\$1,499	\$1,649	\$1,799	\$1,949	\$2,098
6.25%	\$1,231	\$1,385	\$1,539	\$1,693	\$1,847	\$2,001	\$2,155
6.50%	\$1,264	\$1,422	\$1,580	\$1,738	\$1,896	\$2,054	\$2,212
6.75%	\$1,297	\$1,459	\$1,621	\$1,784	\$1,946	\$2,108	\$2,270
7.00%	\$1,331	\$1,497	\$1,663	\$1,830	\$1,996	\$2,162	\$2,329
7.25%	\$1,364	\$1,535	\$1,705	\$1,876	\$2,047	\$2,217	\$2,388
7.50%	\$1,398	\$1,573	\$1,748	\$1,923	\$2,098	\$2,272	\$2,447
7.75%	\$1,433	\$1,612	\$1,791	\$1,970	\$2,149	\$2,328	\$2,507
8.00%	\$1,468	\$1,651	\$1,834	\$2,018	\$2,201	\$2,385	\$2,568

Table 7 – Affordability analysis – Kogarah LGA second home buyers

Interest Rate	Unit Price						
	\$450,000	\$500,000	\$550,000	\$600,000	\$650,000	\$700,000	\$750,000
Average Household Income: \$79,927							
4.50%	\$1,140	\$1,267	\$1,393	\$1,520	\$1,647	\$1,773	\$1,900
4.75%	\$1,174	\$1,304	\$1,435	\$1,565	\$1,695	\$1,826	\$1,956
5.00%	\$1,208	\$1,342	\$1,476	\$1,610	\$1,745	\$1,879	\$2,013
5.25%	\$1,242	\$1,381	\$1,519	\$1,657	\$1,795	\$1,933	\$2,071
5.50%	\$1,278	\$1,419	\$1,561	\$1,703	\$1,845	\$1,987	\$2,129
5.75%	\$1,313	\$1,459	\$1,605	\$1,751	\$1,897	\$2,043	\$2,188
6.00%	\$1,349	\$1,499	\$1,649	\$1,799	\$1,949	\$2,098	\$2,248
6.25%	\$1,385	\$1,539	\$1,693	\$1,847	\$2,001	\$2,155	\$2,309
6.50%	\$1,422	\$1,580	\$1,738	\$1,896	\$2,054	\$2,212	\$2,370
6.75%	\$1,459	\$1,621	\$1,784	\$1,946	\$2,108	\$2,270	\$2,432
7.00%	\$1,497	\$1,663	\$1,830	\$1,996	\$2,162	\$2,329	\$2,495
7.25%	\$1,535	\$1,705	\$1,876	\$2,047	\$2,217	\$2,388	\$2,558
7.50%	\$1,573	\$1,748	\$1,923	\$2,098	\$2,272	\$2,447	\$2,622
7.75%	\$1,612	\$1,791	\$1,970	\$2,149	\$2,328	\$2,507	\$2,687
8.00%	\$1,651	\$1,834	\$2,018	\$2,201	\$2,385	\$2,568	\$2,752

4.3 Demographic Analysis

This section identifies the key population characteristics of all housing types in the Rockdale LGA, and apartment occupants in the Rockdale LGA and illustrates the likely characteristics of future occupants of apartments on the DLF Site.

Population Snapshot

Table 8 identifies the key median population characteristics of the Kogarah suburb, Rockdale LGA and Greater Sydney. Kogarah is a younger area than the Rockdale LGA and Greater Sydney, with a median age of 33 years. Kogarah and Rockdale LGAs have lower individual and household incomes than Greater Sydney. However, this is not reflected in housing prices (mortgages and rental payments) which are similar to that of Greater Sydney.

The increasing average house and unit prices in the Rockdale and Kogarah LGAs indicate the popularity of the area with buyers and renters, which has the effect of driving up housing prices.

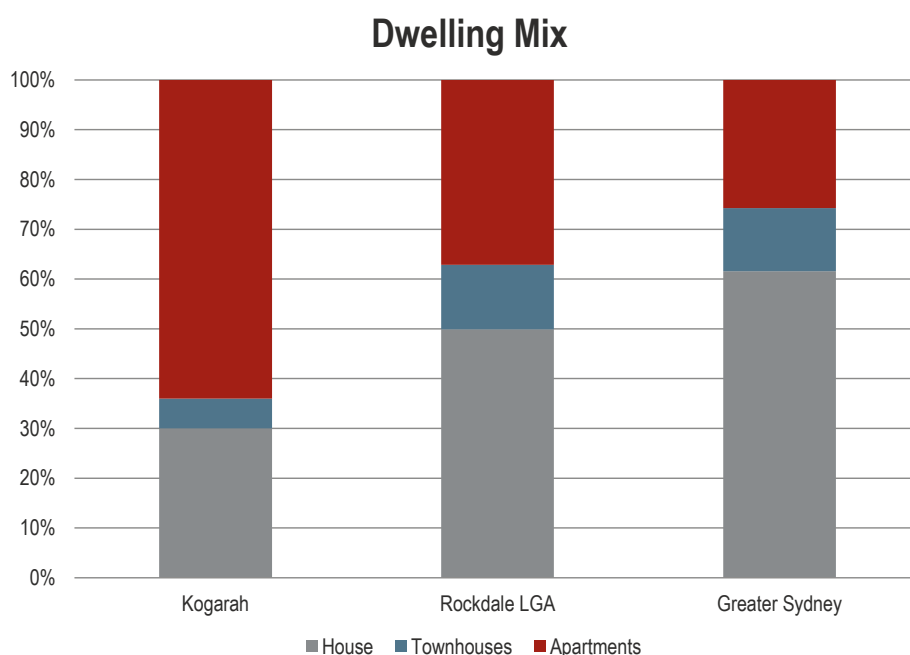
Table 8 – Population Snapshot (2011)

	Kogarah (suburb)	Rockdale LGA	Greater Sydney
Population	12,764	97,339	4,391,676
Median age	33	36	36
Median individual income (\$ weekly)	\$559	\$555	\$619
Median household income (\$ weekly)	\$1,238	\$1,276	\$1,447
Median housing loan repayment (\$ monthly)	\$2,032	\$2,167	\$2,167
Median rent (\$ weekly)	\$360	\$370	\$351
Average number of persons per bedroom	1.3	1.2	1.2
Average household size	2.6	2.7	2.7

Source: ABS (2011)

Dwelling Mix

The dwelling mix in Kogarah (suburb), Rockdale LGA and Greater Sydney is shown on the following chart. There is a significantly greater proportion of apartments in Kogarah (64%) than Rockdale LGA (37%) and Greater Sydney (26%). This percentage for Kogarah has increased from 60% in 2006, demonstrating growing popularity of apartments in the local area.

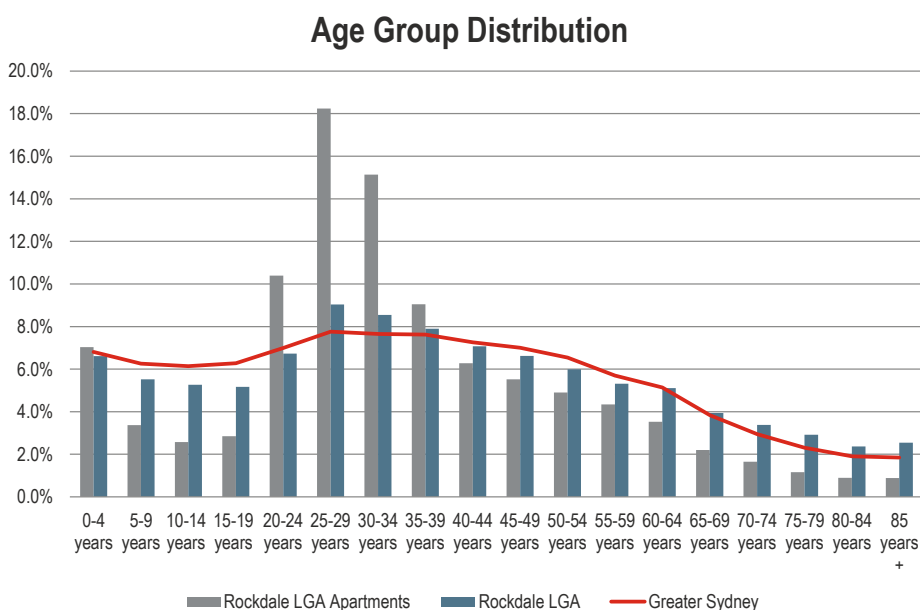


Source: ABS (2011) and JBA

Age Profile

The Age Group Distribution chart (below) compares the age profile of apartment occupants in Rockdale LGA, with the profile of all residents in Rockdale LGA and Greater Sydney. There is a significantly larger proportion of young persons (20-39 years) living in apartments (52%) by comparison to the number of young persons in all dwellings in the Rockdale LGA (32%) which is only slightly higher than the Greater Sydney average (30%). Conversely, there is a significantly lower proportion of children/teenagers and older adults living in apartments by comparison to all dwellings and Greater Sydney.

The age profile data demonstrates the popularity of apartments in the Rockdale LGA with younger households, who are likely attracted to the amenity and accessibility offered in the Rockdale LGA.

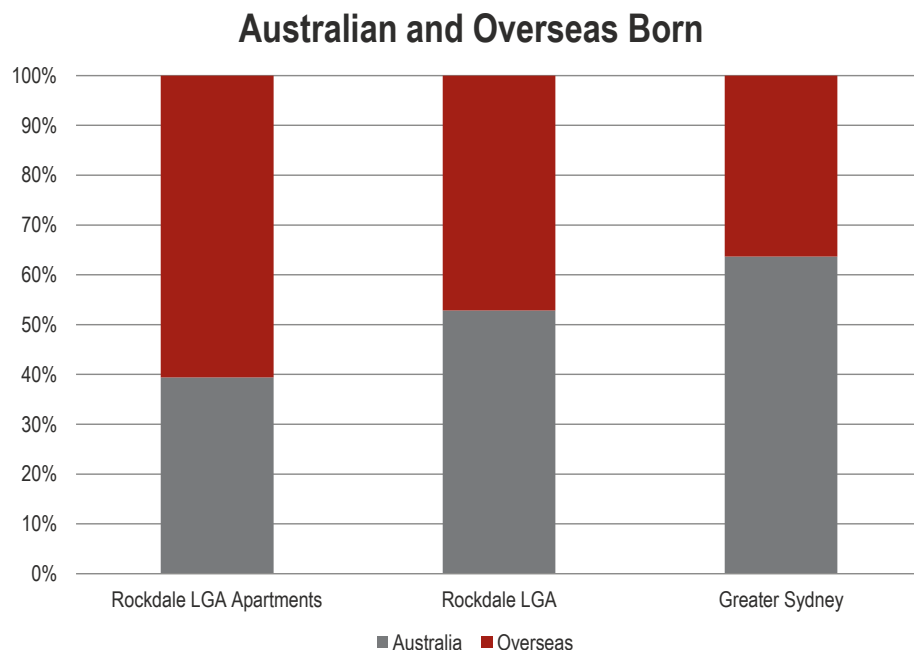


Source: ABS (2011) and JBA

Country of Birth

The Australian and Overseas Born chart (below) compares the proportion of the population living in apartments in the Rockdale LGA that were born in Australia or Overseas with all residents in the Rockdale LGA and Greater Sydney. There is a significantly larger proportion of apartment occupants born overseas (61%) by comparison to all residents in Rockdale LGA (47%) and Greater Sydney (36%). The most common countries of origin for apartment residents in Rockdale LGA include China, Nepal, Bangladesh, India, Philippines and New Zealand.

The large proportion of overseas born apartment residents demonstrates the popularity of apartments with overseas born, potentially due to affordability constraints and/or more acceptance of apartments as a housing form.



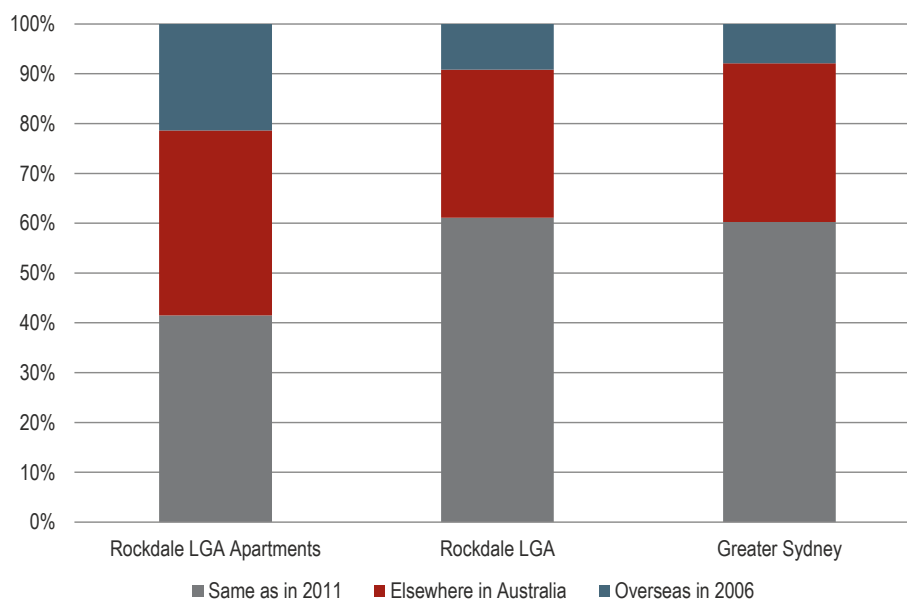
Source: ABS (2011) and JBA

Previous Place of Residence

The Place of Residence in 2006 chart (below) identifies where residents of apartments in Rockdale LGA were living in 2006, by comparison to all residents in Rockdale LGA and Greater Sydney. Approximately 21% of Rockdale LGA apartment residents were living overseas in 2006, which is significantly higher than all Rockdale LGA residents and Greater Sydney.

This demonstrates the popularity of the area with new migrants, which favour apartments as they are a more affordable, accessible and familiar housing form.

Place of Residence in 2006

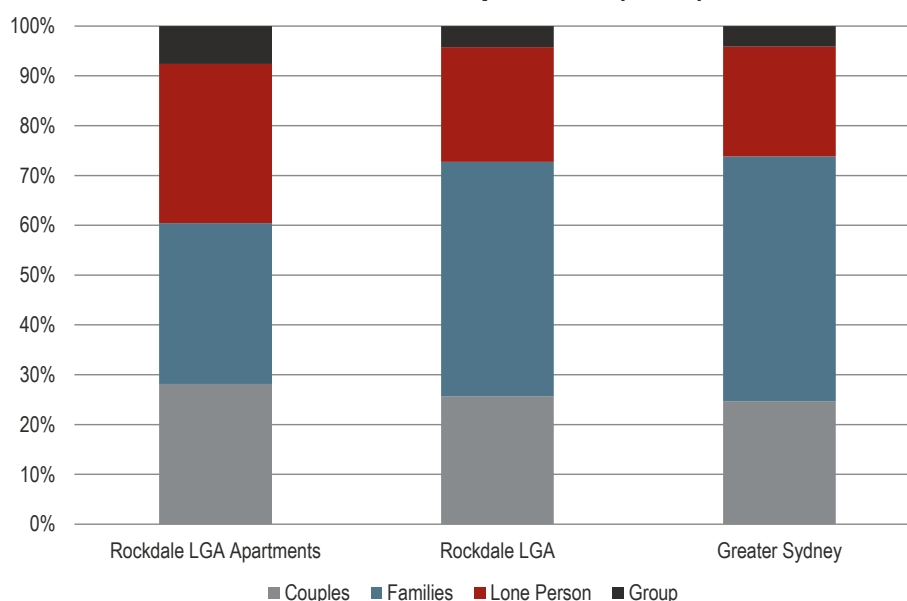


Source: *ANS (2011) and JBA*

Household Type

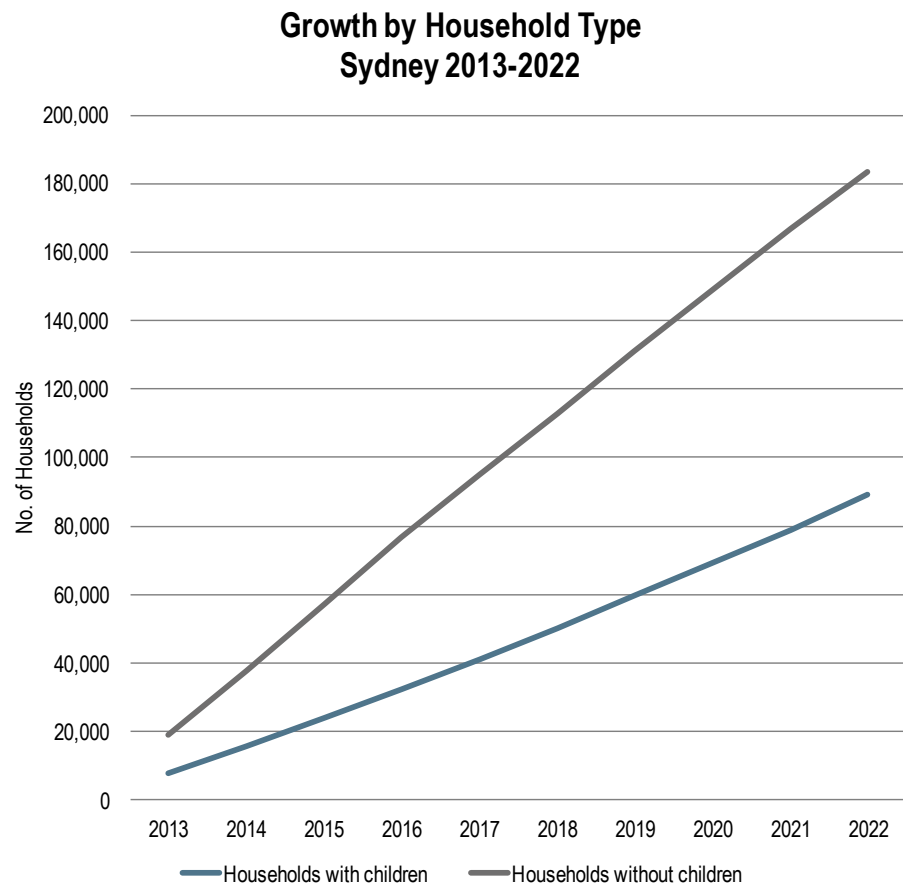
The Household Composition chart (below) identifies the types of households occupying apartments in the Rockdale LGA, all dwellings in Rockdale LGA and Greater Sydney. Only 32% of apartments in Rockdale LGA are occupied by households with children, this is smaller than all dwellings in Rockdale LGA and Greater Sydney (47% and 49%, respectively). This demonstrates the popularity of apartments with smaller household types while also accommodating families (generally with young children).

Household Composition (2011)



Source: *ABS (2011) and JBA*

The Growth by Household Type 2013-2022 shows the projected growth of households with children and households without children across Sydney. Households without children are projected to grow significantly more than households with children. This is likely to result in a growing preference for smaller housing forms, like apartments, in areas with high amenity and accessibility, like Rockdale LGA.

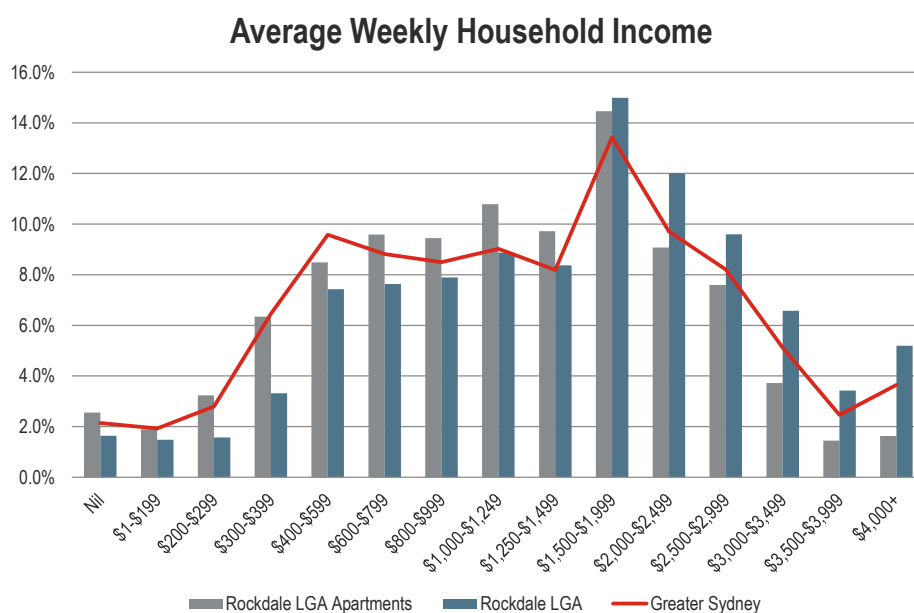


Source: ABS (2012) and JBA

Income

The Income chart (below) identifies the weekly household income of apartment occupants in Rockdale LGA, all residents of Rockdale LGA and Greater Sydney. On average, apartment occupants in Rockdale LGA have lower household incomes than Rockdale LGA as a whole.

This reflects a common trend, whereby apartments are a more affordable housing option and therefore favoured by lower income households. Apartments in Rockdale LGA therefore provide an affordable housing option, which would not otherwise be provided in the larger dwellings types (i.e. houses and townhouses).



Source: ABS (2011) and JBA

Likely Future Demographic Profile

Based on our analysis of ABS data, it is therefore concluded that the likely future demographic profile of apartment occupants on the DLF Site is:

- Young households (20-34 years);
- Singles, couples and group households;
- A small proportion of family households generally consisting of young families with small children;
- A large proportion of overseas born residents, including a significant group of recent migrants; and
- Households with lower incomes, however, this is likely to change as house prices increase and apartments become more popular.

The above groups are most likely to be price constrained and are therefore attracted to lower cost housing options (i.e. apartments). These groups are attracted to areas with high accessibility to public transport, employment, education and recreation opportunities.

4.4 Future Housing Supply Analysis

Housing Targets

The housing target for the Rockdale LGA under the Draft South Subregional Strategy 2007 was 7,000 additional dwellings to be provided between 2006 and 2031² (or 280 dwellings p.a.). The housing target has not been revised to respond to the increased housing target for the South Subregion in the recently exhibited draft Metropolitan Strategy 2013 (as highlighted in Section 3.1). If the housing target for the Rockdale LGA increases similarly to the South Subregion (i.e. 70%), the housing target for Rockdale LGA would increase to 9,520 dwellings between 2011 and 2031.

² Draft South Subregional Strategy 2007

The Bureau of Transport Statistics (BTS) estimated that Rockdale LGA accommodated 40,200 occupied dwellings in 2011. The potential increased dwelling target for 2031 would set an ambitious objective of increasing the overall number of dwellings in the LGA by approximately 24% (9,520 dwellings) on the actual number of dwellings in 2011. However, if the dwelling target is not increased from the Draft South Subregional Strategy (i.e. 280 dwellings p.a.) the target for 2011 and 2031 would be 5,600 additional dwellings.

Projected Housing

Table 9 identifies the total number of dwellings in the Rockdale LGA over five year periods between 2011 and 2031. BTS projects the number of dwellings in Rockdale LGA to increase by approximately 7,000 dwellings between 2011 and 2031. This equates to approximately 350 dwellings p.a.

Table 9 – Dwelling Projections (2011-2031)

LGA	2011	2016	2021	2026	2031	2011-31
Rockdale	40,200	42,700	44,270	46,630	47,120	+6,920

Source: *BTS (2012)*

Historical Growth Rate

Figure 3 identifies the number of building approvals (i.e. constructed) in the Rockdale LGA between 2001/02 and 2011/12. On average, there have been 475 dwellings constructed per year over the past 11 years. This figure has fallen recently, with 390 dwellings per year. The figures do not only include additional dwellings but are a general indication of the building activity in the LGA.

Although there was a lull in dwelling activity between 2006/07 and 2008/09 (when there was only 169 dwellings approved on average per year), the historical growth rate generally demonstrates there has been steady demand for new dwellings, particularly apartments in 4+ storey developments. If this historical growth rate continues, the dwelling target for Rockdale LGA is likely to be met.

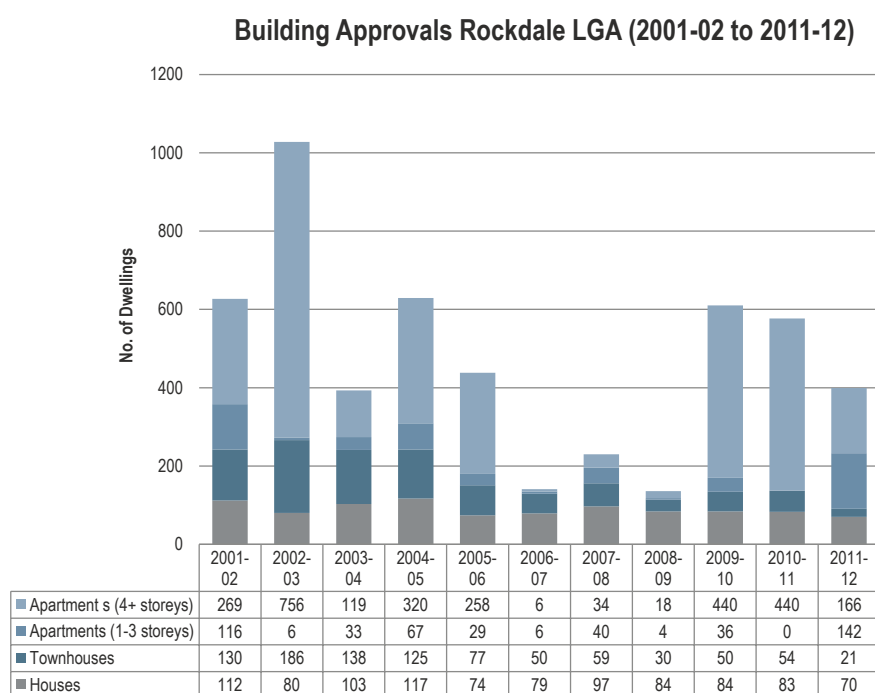


Figure 3 – Building approvals Rockdale LGA 2001/02 – 2011/12

Source: *ABS (2012) and JBA*

Known Future Developments

There are a number of known future developments likely to come into the Rockdale LGA over the coming years. These developments are summarised at **Table 10**. There are a number of potential future projects in the Rockdale LGA that will contribute to the overall housing target. The potential projects contribute 2,817 additional dwellings (approximately 50%) of the Draft South Subregional Strategy dwelling target between 2011 and 2031.

The majority of known future projects are located in the northern suburbs of the Rockdale LGA (i.e. Wolli Creek, Arncliffe and Rockdale). Only 8% of dwellings in known future projects are located in the southern suburbs of the Rockdale LGA, including the DLF Site which may result in an undersupply of future dwellings in the southern suburbs of the Rockdale LGA.

Table 10 – Current and future residential developments

LGA	Address	Suburb	No. of Units	Status
Rockdale	140 The Grand Parade	Monterey	11	DA Approved
Rockdale	158-162 Ramsgate Road	Ramsgate Beach	39	DA Approved
Rockdale	2-4 Dillon Street	Ramsgate	12	DA Lodged
Rockdale	336-340 Rocky Point Road	Ramsgate	22	DA Lodged
Rockdale	112-112A Alfred Street	Sans Souci	52	DA Lodged
Rockdale	44 Montgomery Street	Kogarah	33	DA Lodged
Rockdale	6-14 Princess Street	Brighton-Le-Sands	61	DA Approved
Rockdale	Southern Suburbs		230	
Rockdale	2-10 Garnet Street	Rockdale	71	DA Approved
Rockdale	570 Princes Highway	Rockdale	14	DA Approved
Rockdale	582-586 Princes Highway	Rockdale	48	DA Approved
Rockdale	83-85 Railway Street	Rockdale	10	DA Approved
Rockdale	564 Princes Highway	Rockdale	76	DA Approved
Rockdale	11-15 King Street	Rockdale	31	DA Lodged
Rockdale	1A Lister Avenue	Rockdale	10	DA Lodged
Rockdale	35-37 George Street	Rockdale	47	DA Lodged
Rockdale	7 Wollongong Road	Arncliffe	81	DA Lodged
Rockdale	10-12 Belmore Street	Arncliffe	23	DA Approved
Rockdale	39 Burrows Street and 5-7 Eden Street	Arncliffe	18	DA Approved
Rockdale	1 Princes Highway	Wolli Creek	1,467	DA Approved
Rockdale	32-34 Levey Street	Wolli Creek	60	DA Lodged
Rockdale	9-11 Arncliffe Street	Wolli Creek	39	DA Lodged
Rockdale	1 Guess Ave & 1-3 Willis St	Wolli Creek	47	DA Lodged
Rockdale	20 Levey Street and 34-36 Marsh St	Wolli Creek	316	DA Approved
Rockdale	36-42 Levey Street	Wolli Creek	64	DA Lodged
Rockdale	30-32 Arncliffe Street	Wolli Creek	41	DA Approved
Rockdale	1 Magdalene Tce	Wolli Creek	70	DA Approved
Rockdale	8-20 Sarsfield Cct	Bexley North	28	DA Lodged
Rockdale	130-132 Turrella Street	Turrella	26	DA Lodged
Rockdale	Northern Suburbs		2,387	
Rockdale	Total		2,817	

Source: *Cordells*

4.5 Conclusion

The following conclusions can be made regarding the local residential market:

- House and unit price growth in the Rockdale LGA and suburbs surrounding the DLF Site has been strong over recent years.
- Townhouse and house sales are currently achieving approximately \$700,000 or \$800,000, respectively.
- Apartments provide a significantly more affordable housing opportunity in the local area (two bedroom units generally achieve \$450,000 to \$500,000) and provide opportunities for lower income households to enter the market.
- First home buyers on the median household income in the Rockdale LGA may only afford to purchase property up to \$450,000 before going into housing stress.
- Second home buyers on the median household income in the Rockdale LGA may afford up to \$550,000 before going into housing stress.
- Apartments are likely to continue to make up the main affordable housing product in the Rockdale LGA.

The likely demographic profile of future apartment developments in the local area is likely to include:

- Young households (20-34 years);
- Singles, couples and group households;
- A small proportion of family households generally consisting of young families with small children;
- A large proportion of overseas born residents, including a significant group of recent migrants; and
- Households with lower incomes, however, this is likely to change as house prices increase and apartment become more popular.

There is likely to be strong future demand for apartments in the Rockdale LGA for the following reasons:

- The housing target for the Rockdale LGA from 2006 to 2031 was 7,000 dwellings, most of which is likely to need to be provided as apartments due to a lack of available land for other dwelling forms. This target may increase to 9,520 dwellings between 2011 and 2031, if the Rockdale LGA's target increases proportionately to the South Subregion's housing target;
- The historical growth rate indicates ongoing strong take up of new apartments which is likely to continue with a growing population;
- Known future projects indicate developer confidence in local residential market; and
- Only a small number of known future projects are located in the southern suburbs of the Rockdale LGA (8% of potential new dwellings). This is likely to indicate there will be unmet demand for new dwellings in the southern suburbs.

Recent price growth indicates unmet demand for apartments over recent years (i.e. demand outweighs supply). Any new apartments in the local area will increase housing supply, catering for the local demand, increasing sales competition and improving affordability.

5.0 Workforce Analysis

5.1 Existing Workforce Analysis

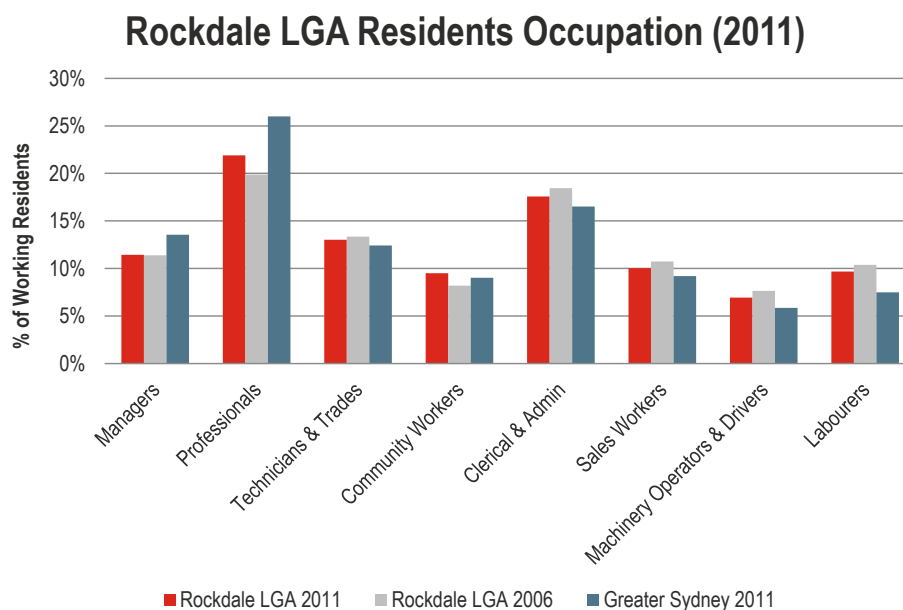
This section identifies the key characteristics of people working in the Rockdale LGA and identifies the key workforce related characteristics of the Rockdale residential population.

According to ABS Census data, the working population in Rockdale LGA (i.e. people who work in Rockdale) decreased from approximately 23,800 workers in 2006 down to 21,300 in 2011. This is likely to reflect the changing nature of Rockdale as more of a residential area rather than an employment destination.

Occupation of Rockdale LGA Residents

The chart below identifies the occupation of residents in Rockdale LGA in 2006 and 2011 by comparison to Greater Sydney in 2011. A large proportion of workers are Managers or Professionals in 2011 (33%), which is an increase on 2006 (31%) but less than the Greater Sydney average (40%). Rockdale LGA has a slightly higher proportion of Technician and Trades Workers, Machinery Operators and Drivers (20%) than Greater Sydney (18%), however this has fallen from 2006 (21%).

The occupation of residents in the Rockdale LGA reflects the changing nature of the local economy, with the area becoming more popular with residents working in office based jobs, where previously it was popular with more residents working in industrial or trades based jobs.

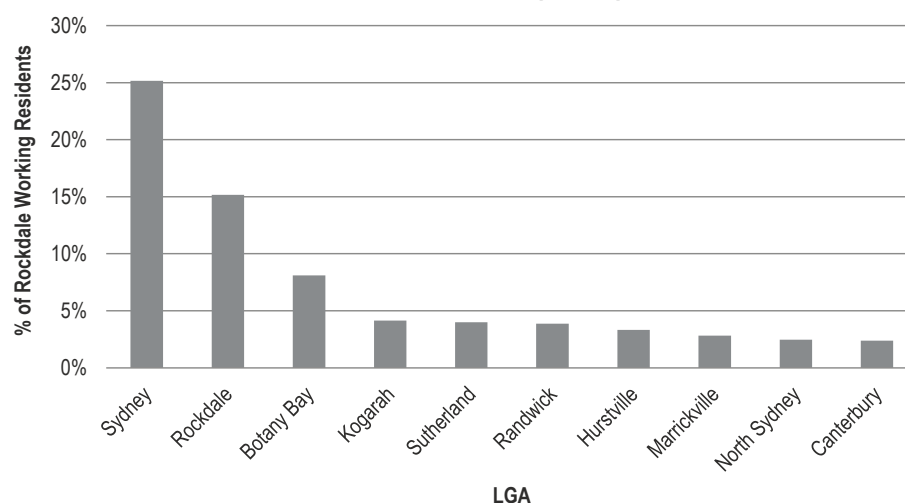


Source: ABS (2011) and JBA

Place of Work of Rockdale LGA Residents

The Rockdale LGA Residents – Place of Work chart identifies the place of work of Rockdale LGA residents in 2011. The largest group travel to the Sydney CBD (25%) while the next largest group work in Rockdale LGA (15%). A large proportion of the residents work in the surrounding LGAs, namely Botany Bay, Kogarah, Sutherland and Hurstville.

Rockdale LGA Residents Place of Work (2011)

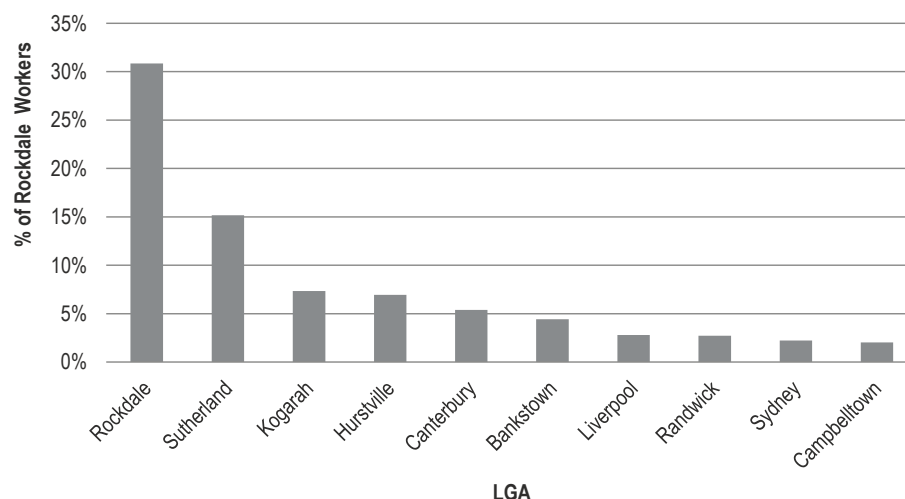


Source: ABS (2011) and JBA

Origin of Workers

In 2011, there were approximately 23,000 workers in the Rockdale LGA (ABS Census 2011). Of these workers, approximately 31% also live in Rockdale LGA. A large proportion of workers live in neighbouring or nearby LGAs, including Sutherland, Kogarah, Hurstville and Canterbury (35% combined).

Rockdale LGA Workers Place of Residence (2011)

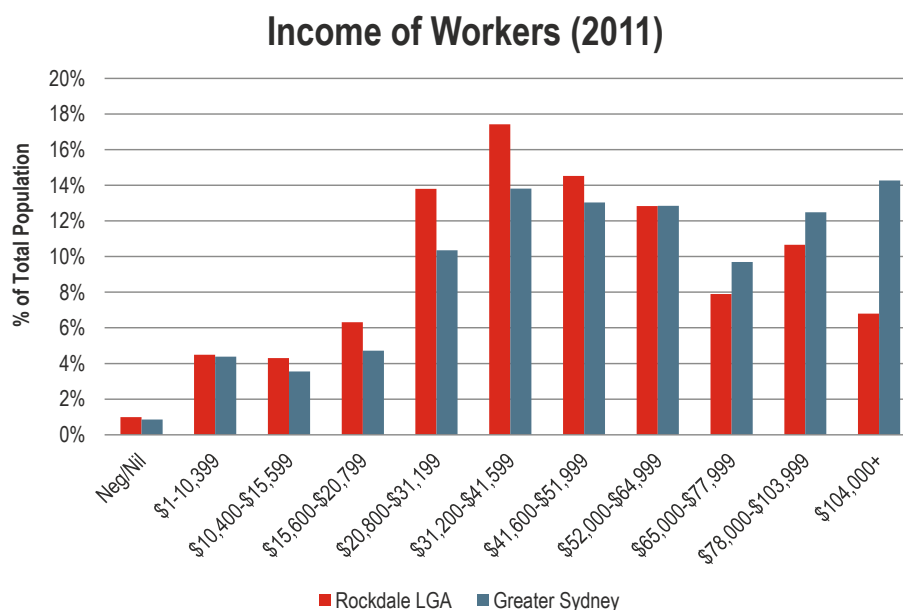


Source: ABS (2011) and JBA

Income

The Income of Workers chart identifies the distribution of individual incomes of workers in Rockdale LGA and Greater Sydney. Rockdale LGA workers generally have lower individual incomes than Greater Sydney, which is typical of an area with lower proportion of white collar workers (i.e. Managers and Professionals). Greater Sydney has a large proportion of workers earning over \$78,000 p.a. (26%) which is much higher than Rockdale LGA (18%). By comparison, Rockdale

LGA has a much higher proportion of low income earners (\$20,000 to \$52,000 p.a.) with 46%, compared to Greater Sydney (37%).



Source: ABS (2011) and JBA

Conclusion

The characteristics of the workforce in the Rockdale LGA have changed over recent years. The number of office based workers has increased significantly, by approximately 14% between 2006 and 2011. This indicates the changing nature of employment opportunities in the Rockdale LGA, moving away from industrial and trade based employment to favour office based employment.

The majority of workers in Rockdale LGA are locally based, from either Rockdale LGA or neighbouring LGAs. As the workforce in Rockdale LGA (and surrounds) evolves to include more office based workers, so will demand for office based employment. This movement towards more office based work will lead to increasing incomes, which has also started to occur in Rockdale LGA.

5.2 Workforce Projections

The NSW Bureau of Transport Statistics (BTS) released updated employment projections for the Greater Metropolitan Area in August 2012. The projections are broken down in five year periods between 2006 and 2046. This report focuses on the time period relevant to the Draft Metropolitan Strategy for Sydney 2031 (i.e. 2011 to 2031).

Table 11 identifies the industries analysed by BTS, and the projected number of jobs by industry in 2011 and 2031. BTS projects the number of jobs in Rockdale LGA will increase by approximately 11,700 jobs between 2011 and 2031. The majority of the growth is projected to occur in retail and office based employment, as shown at **Figure 4**. The industries that are projected to decline over the next 20 years are generally manufacturing and industrial based uses.

These projections demonstrate the following:

- The changing nature of employment in the Rockdale LGA;
- The strategic shift of industrial and manufacturing business to locations that more closely align with their employment base and have better access to

transport facilities, consolidated employment precincts and larger development sites; and

- The growing preference and prominence for office based employment across Metropolitan Sydney.

Rockdale LGA Employment Projections (2011-2031)

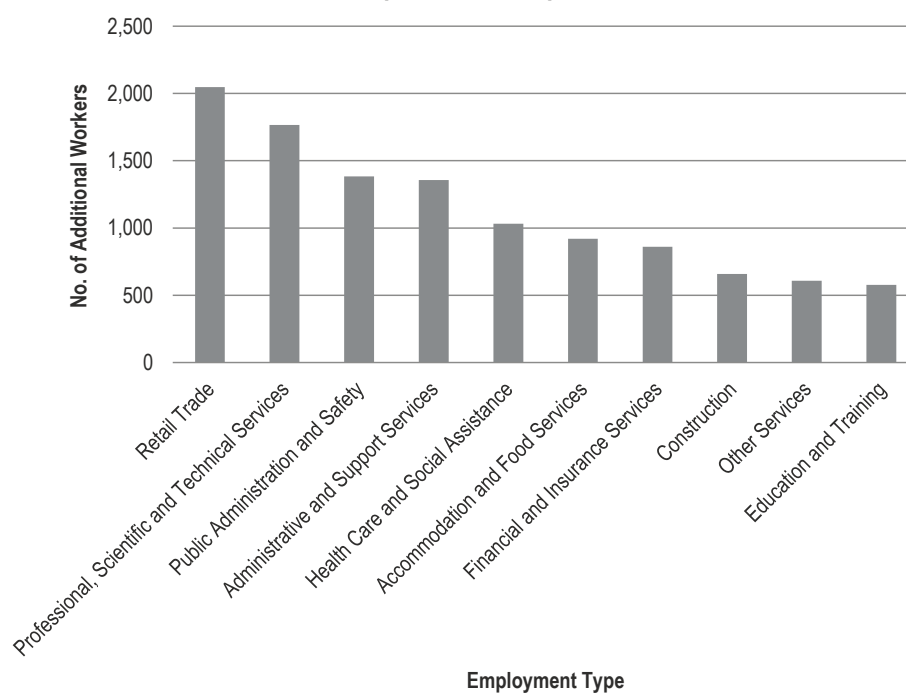


Figure 4 – Additional Employment Opportunities in Rockdale LGA (Top Ten)

Source: *BTS (2012) and JBA*

Table 11 – Employment projections in Rockdale LGA (2011 to 2031)

Employment Type	2011	2031	2011-2031
Office based jobs (Blue text)			
Industrial based jobs (Red text)			
Other (Black text)			
Retail Trade	4,109	6,155	2,047
Professional, Scientific and Technical Services	1,456	3,222	1,766
Public Administration and Safety	2,723	4,106	1,383
Administrative and Support Services	1,331	2,687	1,356
Health Care and Social Assistance	2,659	3,691	1,032
Accommodation and Food Services	2,602	3,522	920
Financial and Insurance Services	649	1,509	860
Construction	1,838	2,497	659
Other Services	1,303	1,910	607
Education and Training	2,181	2,758	577
Transport, Postal and Warehousing	3,563	3,970	407
Information Media and Telecommunications	217	580	363

Rental, Hiring and Real Estate Services	535	864	330
Unclassified	770	930	159
Wholesale Trade	734	858	124
Arts and Recreation Services	377	382	5
Mining	25	30	4
Beverage and Tobacco Product Manufacturing	0	0	0
Agriculture, Forestry and Fishing	29	26	-3
Petroleum and Coal Product Manufacturing	14	8	-7
Non-Metallic Mineral Product Manufacturing	17	9	-8
Primary Metal and Metal Product Manufacturing	43	33	-10
Pulp, Paper and Converted Paper Product Manufacturing	21	5	-16
Basic Chemical and Chemical Product Manufacturing	32	16	-16
Fabricated Metal Product Manufacturing	220	183	-37
Wood Product Manufacturing	60	22	-38
Transport Equipment Manufacturing	96	45	-52
Electricity, Gas, Water and Waste Services	86	28	-57
Polymer Product and Rubber Product Manufacturing	101	39	-62
Printing (including the Reproduction of Recorded Media)	235	167	-68
Textile, Leather, Clothing and Footwear Manufacturing	139	62	-77
Machinery and Equipment Manufacturing	216	107	-109
Furniture and Other Manufacturing	436	292	-144
Food Product Manufacturing	496	330	-166
Total	29,315	41,044	11,729

Source: *BTS (2012)*

5.3 Conclusion

The following observations can be made regarding workers in the Rockdale LGA:

- The characteristics of the workforce in the Rockdale LGA have changed over recent years. The number of office based workers has increased significantly, by approximately 14% between 2006 and 2011.
- This indicates the changing nature of employment opportunities in the Rockdale LGA, moving away from industrial and trade based employment to favour office based employment.
- The majority of workers in Rockdale LGA are locally based, from either Rockdale LGA or neighbouring LGAs. As the workforce in Rockdale LGA (and surrounds) evolves to include more office based workers, so will demand for office based employment.

The future demand for employment in the Rockdale LGA will be predominantly in the form of office based jobs, which continues the existing trend. Office based employment generally achieves a significantly higher employment density than

industrial and manufacturing based employment. As a result, less land is generally required to accommodate office workers and the form of employment buildings is likely to change from factories/warehouses to commercial office buildings. The resulting demand for employment land will also change, with office based employment favouring CBD based locations, close to public transport and other services.

6.0 Planning Proposal

The Planning Proposal is seeking to rezone the DLF site from IN2 Light Industrial to part B6 Business Enterprise and part R4 High Density Residential, permitting a mix of commercial and residential land uses. The Planning Proposal will provide a maximum FSR of 1.8:1 on the B6 land and 2:1 on the R4 land, and a maximum building height of 22m on the B6 land and 46m on the R4 land.

Broadly, the Planning Proposal aims to:

- accommodate 300 to 400 dwellings (39,100 GFA on the R4 land);
- provide a variety of different housing typologies and products, including apartments and townhouses;
- provide up to 18,000m² of employment generating floor space predominately in form of office premises and warehouse/showrooms;
- provide for up to 400 jobs (an increase of circa 315 jobs from the existing development).

An indicative masterplan (prepared by Lippman Partnership Architects) is provided at **Figure 5**.



Figure 5 – Indicative masterplan

7.0 Assessment

7.1 Land Use Mix

The DLF Site is currently zoned IN2 Light Industrial and is used by VIP Petfoods who acquired the Darrel Lea confectionary business, accommodating approximately 85 employees. VIP Petfoods are expected to vacate the site in 2014, which would cause the site to become redundant for its existing use.

The Planning Proposal aims to rezone part of the site to the B6 Enterprise Corridor zone. The B6 zone permits a range of employment generating purposes, and specifically prohibits retail premises and all forms of residential accommodation. The envisaged future use for the B6 zoned area is a combination of commercial office premises and warehouse/showroom uses of approximately 18,000m².

The assessment considers the ability of the proposed zoning framework to provide increased employment opportunities that are better aligned with the existing and future employment typologies.

Employee Density

In this location, the expected employee density for the office premises will be 25m²/employee. The employee densities for warehouse/showroom uses are much lower, with between 50-100m²/employee for showrooms and 200m²/employee for warehouses. If all the development potential in the B6 Enterprise Corridor zone is utilised for office premises, the theoretical total capacity for employees is 720 jobs. It is noted that it is not envisaged that the entire site would be used for office purposes.

It is envisaged the DLF Site will accommodate a mix of non-residential uses, and therefore an average of 45m²/employee is used to determine the projected number of jobs to be accommodated on the site (i.e. 400 jobs). This is a significant increase in employee density from the existing development on the site and will result in a surplus in the number of jobs created by the DLF Site.

Employee Typologies

Recent trends in employee characteristics have demonstrated a transition from trade and industry based employment to more office based employment. This is also projected to continue in the future, with the majority of new jobs projected to 2031 expected to be in office based environments. The industrial based industry forecast to increase in the Rockdale LGA is transport, postal and warehousing.

The proposed B6 Enterprise Corridor zone will permit the land uses projected to make up the majority of employment based growth in the Rockdale LGA to 2031, in particular the commercial office and warehousing employment types.

The proposed B6 Enterprise Corridor zone will also provide employment opportunities that are more closely aligned to the skills and expertise of the future population, with a growing proportion of office based employees in the local area. This will ensure the DLF Site is able to provide local opportunities for the growing Rockdale LGA residential base.

Quantum of Employment Land

The proposed B6 Enterprise Corridor land (i.e. 10,000m²) is able to achieve the above benefits (i.e. increased employment opportunities that better respond to employment demands in the local area) while making available 23,000m² of land for alternative land uses on the DLF Site.

The proposed number of employees to be accommodated on the DLF Site is suitable given its distance from commercial centres and key employment precincts in the Rockdale LGA. The DLF Site is not ideal for more dense forms of employment uses, such as office towers but may attract smaller scale office and employment developments.

Local office businesses are more likely to be attracted to the centres in Rockdale LGA, particularly immediately adjoining rail infrastructure. The Site's access and distance to major road connections make it unattractive for large warehousing businesses (which are also unlikely to achieve significant employee densities on the Site). The proximity of the Site to low density residential uses also make it unattractive for light industrial businesses which are more likely to prefer sites surrounded by like uses that will not result in land use conflict.

Use of the Residual Land

The residual area of the DLF Site is ideal for residential development, particularly due to the residential nature of the surrounding area and its proximity to Scarborough Park, Botany Bay and nearby centres (i.e. Ramsgate, Kogarah). Recent price growth and activity in the local market demonstrate strong demand for additional residential development.

The DLF Site also provides a unique opportunity in this part of the Rockdale LGA to provide a significant number of additional dwellings on one consolidated site. Most residential growth is proposed for the northern areas of the Rockdale LGA (i.e. Arncliffe, Wolli Creek and Rockdale). The DLF Site will provide housing for those residents wanting to live in the southern areas of the LGA. Based on our initial review, there are no other large residential sites in the southern area of the Rockdale LGA that will provide similar opportunities.

7.2 Residential Mix

The key driver for residential density and forms on the DLF Site is housing affordability and providing adequate density to ensure financial viability. The Planning Proposal aims to zone an area of circa 23,000m² as R4 High Density Residential. This will permit the development of residential flat buildings, shop top housing and multi dwelling housing (i.e. townhouses).

The Indicative Masterplan envisages a mix of apartments and townhouses. The townhouses aim to provide housing diversity on the Site and a transition from the taller buildings. However, the majority of residential development is expected to be provided as apartments buildings from 3 storeys and up to 12 storeys in height.

Affordability

The critical market driver for apartments on the DLF Site is affordability. From a market perspective, apartments are the ideal predominant housing form for the DLF Site for the following reasons:

- With average resale prices of around \$450,000 to \$500,000 for apartments (new sales are likely to achieve higher prices), apartments are the most affordable housing option for the majority of the local residential population;
- Houses and townhouses, with median prices of approximately \$700,000 to \$800,000 are less affordable for the broader community and would not improve housing affordability;
- Local demand for apartments is increasing and the proposed dwelling capacity at the DLF Site will contribute significantly to the Rockdale LGA's housing target and particularly new housing supply in the southern areas of the LGA;
- The local supply of apartments will increase by 300 to 400 apartments, improving competition and affordability for local residents; and

- The proposed apartments will broaden choice in the local dwelling supply, which is currently dominated by houses and townhouses.