

Memorandum

To: Trent Kelly, Senior Development Manager – Property, Greenfields Development Company

From: Nora Farren

Date: 15 July 2021

Subject: Retail advice on planning proposal Pondicherry Precinct

This memorandum provides high-level advice and findings in response to key strategic issues raised by Camden Council following their initial assessment of the Pondicherry Precinct planning proposal. It addresses issues identified in relation to the location of retail facilities within the Pondicherry Precinct.

The report that Macroplan prepared was an assessment of the scale, mix and distribution of retail and employment floorspace that could potentially be supported across the 'Pondicherry Lands' precinct. As such the advice included the amount of business zoned land to support such floorspace, timing and the economic impacts / benefits.

Camden Council have raised the following issues as it relates to the "Neighbourhood Centre".

An extract is as follows:

Neighbourhood Centre - Council officers support the provision of an additional neighbourhood centre in the western portion of Pondicherry to facilitate additional amenity. This is consistent with priorities of the:

- ***Western City District Plan (WCDP) (Planning Priority W6 – Creating and renewing great places and local centres).***
- ***Camden Local Strategic Planning Statement (LSPS) (Local Priority P2 – Creating a network of successful centres and Local Priority L3 – Providing services and facilities to foster a healthy and socially connected community).***
- ***Camden's Draft Centres and Employment Strategy (currently on exhibition until 5 July 2021) which includes an action to identify options to encourage the early development of centres during precinct planning.***

Given the severance of the precinct by the North-South rail link, an additional neighbourhood centre would promote walkability and amenity for residents within the western portion of the precinct. Refer to similar walkability considerations that were reflected in the planning of Oran Park (DCP Figure 4: Neighbourhood Centres and Employment Areas). In terms of feasibility, the Retail Study noted that there is additional demand for retail floorspace generated by the projected population of Pondicherry.

Council officers note the intention to provide a district centre in 'Greenways' – a new residential precinct planned to the north of Pondicherry. Please provide further information on the intention for this district

centre to provide amenities and ensure accessibility to residents within the western portion of Pondicherry.

While Council clearly support Macroplan's recommendations and the provision of a District Centre in 'Greenways', they have raised concerns relating to the need for an additional neighbourhood centre in the west of the precinct. Our analysis concluded around 1,500 – 2,000 sq.m of retail floorspace should be planned for in the eastern part of this precinct. Since completion of the report in March 2021, the Lowes Creek Maryland Precinct Plan has also been approved and confirms the location of centres within that precinct i.e. within proximity to the western portion of Pondicherry.

Executive Summary

Macroplan does not support the addition of a neighbourhood centre in the western portion of Pondicherry. The amount of floorspace which can be supported within the Pondicherry precinct is limited and has been proposed to appropriately meet the needs of this new population. The recommendations are strongly aligned by the location, current size, and expected future size of the Oran Park Town Centre, together with the location of other planned centres (such as Greenway District Centre) across the SWGA.

The supporting analysis contextualised the location of the Pondicherry precinct compared with the surrounding competition. Particularly, the Oran Park Town Centre, which is expected to attract the majority of the retail expenditure of residents in the Pondicherry sector, due to the proximity and road network. It is anticipated that a future retail centre at Pondicherry will serve the convenience retail needs of local residents, with facilities at Oran Park Town Centre primarily providing for their weekly shopping needs.

The economic analysis we prepared clearly summarised that the potential supportable retail floorspace generated by the Pondicherry precinct population would be around 1,500 – 2,000 sq.m of retail floorspace. This floorspace was recommended to be planned for within the precinct, potentially collocated with planned open space, community facilities in the eastern part of this precinct. The location recommendations has regard for the surrounding retail network. The timing of the retail development could commence trading around 2031 and this could potentially consist of a small convenience-based retail centre of around 1,500 sq.m comprising around 8 – 10 tenancies. These floorspace recommendations provide a commercially viable mix.

The economic analysis clarified the overall retail impacts from the residential growth and new retail floorspace, and it is clear that from our analysis we don't not believe the additional western centre will be viable due to the nearby retail offerings at:

- Oran Park town centre
- Pondicherry Lakeside precinct neighbourhood centre
- Future retail facilities at Greenway district centre, or
- at planned and/or approved centres (western side of The Northern Road) in Lowes Creek Maryland and Creek West precincts

A neighbourhood centre in the western portion of Pondicherry would jeopardise the viability and success of other retail facilities within Pondicherry, and could detract from the core retail amenity of the location. It would create an unacceptable level of commercial risk, whereby retail floorspace could remaining empty, which may create issues around amenity and security risks for local residents. While a neighbourhood centre in the western portion of

Pondicherry cannot be justified as a feasible option, ensuring the land use zoning in Pondicherry West does not preclude the provision of local, convenience shopping/cafes is a rational approach.

The Pondicherry Precinct

The Pondicherry precinct is relatively small as it is positioned between two district centres, Greenway (proposed) to the north and Oran Park (existing) to the south. The two larger centres will be anchored by their individual retail and civic amenity, supported by a broader mix of tenant and land use types. Macroplan has interpreted the masterplan principles to provide connectivity and access, which offer a network of broader services and facilities provide for a healthy and connected community. These centres are accessible along an attractive network of walking and cycle trails (see map 1 below). The proposed north south rail link , will nominally create Pondicherry West, although this area is still close to the existing and proposed retail centres.

It is expected that given the location of the Pondicherry precinct compared with the surrounding retail offering, particularly the Oran Park town centre, the majority of the retail expenditure of residents of the Pondicherry sector will be directed to the higher order shopping centres beyond Pondicherry. This has been addressed in the retail impact assessment. It is anticipated that a future retail centre at Pondicherry Lakeside will serve the convenience retail needs of local residents, with facilities at Oran Park Town Centre, primarily providing for their weekly shopping needs.

Demand for a neighbourhood centre in Pondicherry as a whole

Macroplan believes the masterplan for Pondicherry provides a local neighbourhood centre that is appropriately sized, timed, connected and positioned at Pondicherry Lakeside, providing the amenity required to make it a vibrant and successful place. These locational drivers are further supported by the demand for retail floorspace from the catchment.

Our analysis recommended that around 1,500 – 2,000 sq.m of retail floorspace in a single centre location should be planned for within the Pondicherry precinct, potentially collocated with planned open space, community facilities in the eastern part of this precinct. This advice had regard for the not only the catchment, but the commercial considerations. We suggested that this could potentially consist of a small convenience-based retail centre of around 1,500 sq.m comprising around 8 – 10 tenancies, which could include the following:

- A food store or small independent supermarket of around 500 sq.m;
- 1 - 2 food retailers such as a liquor store, bakery or deli/café.
- 4 – 5 food catering tenants, including fast food and take-away outlets and perhaps 1 – 2 café/restaurants.
- 2 – 3 non-food retailers such as a hairdresser/barber, florist.

In addition to retail floorspace, the centre could also support a small amount of non-retail floorspace such as a real estate agent, accountant or medical/allied health uses. Given the proximity of the Woolworths anchored Oran Park Podium Shopping Centre within the Oran Park town centre, which will help to service most of the convenience

needs of this population, we consider that the timing of this retail floorspace provision would be likely supportable over the longer term (i.e. towards to 2030 or so).

We have recommended a small amount of retail floorspace, within a high amenity location and providing an integrated / single offer. The Pondicherry precinct itself, is equivalent to less than 10% of total retail floorspace demand generated by its projected population of 8,300 at 2036 and on that basis is commercially sustainable in the short and long term. We recognise this because the new residents will be well serviced in the short-term by Oran Park Town Centre as it currently stands, and indeed, as it expands in the future to its proposed 40,000m² of retail floorspace.

Pondicherry Lakeside neighbourhood centre

The ILP for Pondicherry proposes that the neighbourhood centre, designed to meet the demand profile described above, is located at Pondicherry Lakeside. The Pondicherry Lakeside centre is deliberately timed to come to fruition in the later stages of Pondicherry's evolution, when there is enough local population to support a viable, vibrant and successful neighbourhood centre.

Our economic analysis clearly states that the timing of a potential neighbourhood centre in the western portion of Pondicherry would also be likely to occur in the last stage of Pondicherry (stage 5) due to servicing constraints. This is nominally the same time as Pondicherry West is expected to be developing. Therefore, having two neighbourhood centres within Pondicherry come online at the same time could jeopardize the success of both centres and result in unnecessary competition, potentially impacting trading and retail sales, with neither centre being commercially viable.

The trade area will be served by future retail facilities at Pondicherry Lakeside and has been defined as the primary Pondicherry sector (i.e. the whole of the Pondicherry precinct) and is located immediately to the north of Oran Park. The precinct is bound by South Creek in the east, Oran Park in south and The Northern Road in the west. This sector represents a smaller, localised catchment that aligns with the Pondicherry precinct. The ILP seeks to reinforce the Pondicherry Lakeside centre by including a highly walkable green link and a pedestrian/cycle link over the rail corridor from Pondicherry West.

Pondicherry West

The amount of retail floorspace within the Pondicherry West precinct required to meet the needs of this new population is strongly influenced by the location, current size, and expected future size of the Oran Park Town Centre, together with the location of other planned centres (such as Greenway immediately to the north) .

The retail catchment for Pondicherry West is contained in the area to the north of Pondicherry Boulevard, The Northern Road, Pivot Drive (Marylands Link Road No.2) and the rail corridor. Approximately 700 lots are proposed in this area. We also note there is an approval for a service station/convenience store on the south western corner of Pondicherry Boulevard and the Northern Road that would also compete with the Pondicherry West walkable catchment. In our opinion, it is unlikely a neighbourhood centre would be successful in Pondicherry West, given its constrained catchment, the competition offered by other larger centres nearby and the competition from other similar offerings approved elsewhere in the walkable catchment.

Under the proposed zoning of residential areas in Pondicherry West, neighbourhood shops are permissible in the R2 zone to a gross retail floor area of 100 sq.m. Therefore, if the market response sought to establish a small retail outlet, then that is possible due to the proposed zoning. Macroplan supports this as an acceptable solution for this location.

Proposed district centre in Greenway (future)

In the preparation of our analysis, we have considered a retail centre being developed as part of the Greenway precinct, consistent with the retail hierarchy of the SWGC and the Council's draft *Centres and Employment Lands Strategy*.

The centres strategy which is established in the SWGC documents, expects that a supermarket anchored local centre would be established in the north of Pondicherry in the Greenway precinct over the longer term. The location and level of retail GFA that could be supported, will address Council's concerns for residents in the western portion.

The proposed extension of the rail line to Oran Park Town Centre from Bradbury includes a new rail station at Greenway (as was shown in early TfNSW maps of the future rail network in this locality). This will further support the delivery and connectivity of the proposed centre / uses.

We have reviewed the available information, which if delivered consistent with the district strategic planning documents, would mean a zoned neighbourhood centre in Pondicherry West would not be recommended. The potential for the proposed R2 zoning in this area to permit small, convenience shopping facilities and or cafes in this area should be considered.

Conclusion

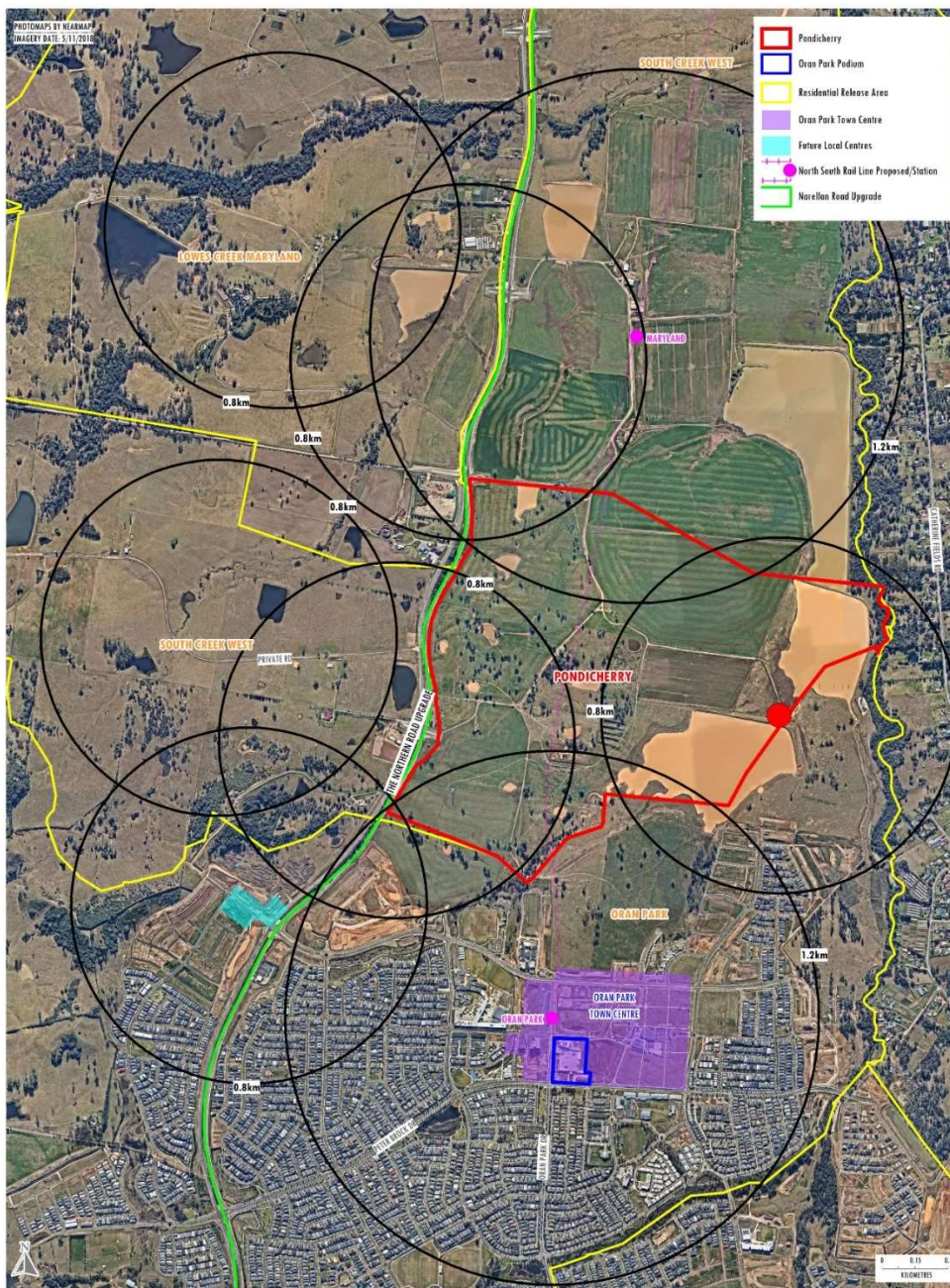
Macroplan has provided a detailed economic analysis to understand the level of supportable retail floorspace for Pondicherry. It provides a clear recommendation, given the size and location between two district centres and the surrounding network. A single centre retail offering at Pondicherry Lakeside should be focused on the daily convenience needs of the immediate surrounding residents and provide a commercially viable centre for the community.

Our analysis considered the role and function of Pondicherry and how it can create a unique environment. There is a strong alignment of the proposed retail approach to be focused around the lake, providing a hub for both social and recreational activities, which can facilitate lifestyle and entertainment uses such as cafes, restaurants, bars and a gym. The provision of retail facilities in one single location will also ensure the critical mass, which is required to make the retail floorspace commercially viable and successful.

Macroplan have considered the comments provided by Camden Council and we recommend the masterplan and statutory controls proposed will have enough flexibility to encourage and not preclude a small daily retail offering in the western position of Pondicherry, if the market determined its viability. We believe that to consider planning controls that enforce an additional neighbourhood centre could create an unacceptable risk to the proposed retail floorspace. Given the above, we do not believe a neighbourhood centre in Pondicherry West is either necessary, feasible or desirable.

Map 1 – Pondicherry walkability to surrounding retail centres

Map 1 shows a map with catchments for retail centres in the vicinity. In consideration of the overlap of catchments, the coverage of retail offerings within the western portion of the precinct demonstrates a neighbourhood centre in this location cannot be supported. The rationale that a neighbourhood centre would promote walkability and amenity for residents, therefore cannot be justified from an economic standpoint. Given the western portions strong east/west pedestrian connection to the lake precinct and north/east to a future town centre at Greenway, it is recommended the low density R2 zone for a gross retail floor area of 100sqm provides enough flexibility. Anything above 100sqm that would require a change to zone is very unlikely to be delivered.



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