

3 November 2014

The General Manager
Canterbury City Council
P.O. Box 77
CAMPSIE NSW 2194

Email: marceloo@canterbury.nsw.gov.au

Dear Marcelo,

Re: VIABILITY OF COMMERCIAL FLOOR SPACE AT 15 – 23 HOMER STREET, EARLWOOD

We refer to Council's request for advice on the viability of ground floor commercial floor space as part of a proposed redevelopment on the abovementioned land.

Based on the information that has been provided, we understand that Council is currently considering a Planning Proposal that seeks to increase the allowable height of development for a consolidated portion of land (15-23 Homer Street) that is zoned B1 Neighbourhood Business. The proposed use of the site is for a 5 storey mixed used development with ground floor retailing facing Homer Street and residential apartments above and at ground level behind the Homer Street frontage retail floorspace.

The applicant's reasoning for limiting the ground floor commercial uses to the Homer Street frontage relies upon a statement that the provision (and leasing) of commercial floor space at the rear of the site, or opposite the northern boundary, would not be viable.

Council has enquired as to whether it should require all ground floor space (i.e. that situated at the rear of the site) to be used for commercial purposes rather than partly for residential purposes, thereby bringing the project into line with the current definition of shop-top housing (i.e. above ground floor retail or commercial space).

MacroPlan Dimasi is a national economics, retail and planning consultancy which deals with numerous development feasibility proposals on a regular basis. Our firm provides market commentary and insight to many of Australia's largest and most successful retail and residential developers. We are well placed to provide the advice that Council has sought.

In our considered opinion that the ground level floorspace that faces the northern boundary (the rear boundary) of the site is not suited to commercial/retail land uses and that such space would be difficult to lease commercially.

We say this because:

- There is unlikely to be sufficient 'foot fall' or patronage along this section of the site to support commercial floor space. This is despite the public walkway along the adjoining Cooks River.
- The surrounding catchment is not likely to support commercial floor space in this specific location.

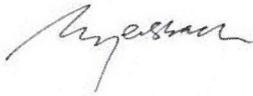
- This section of the site would not be particularly accessible. Accessibility is a key component in encouraging viability of small commercial tenancies.
- The northern boundary is well screened by existing vegetation situated between the site and the Cooks River and to Homer Street. The presence of such vegetation renders this part of the site primarily invisible from potential passing trade and general traffic in the vicinity of the site.

Council may be of a mind to consider that the floorspace has merit as a possible café/restaurant use which overlooks the Cooks River or as an alternate recreational/conference type facility. We note however that on-street visibility is poor, there are adjoining residential land uses and that, whilst on-site parking is provided it is not available in a manner that would appeal to casual visitors, i.e. it is underground. Such land uses therefore, in our opinion, are not suited to the site.

Accordingly, based on our years of experience in dealing with a variety of development scenarios and redevelopment opportunities, it is our view that the commercial use of the ground floor floorspace at the rear of the site is unviable.

We trust this correspondence is of assistance. Should you wish to clarify any aspects of our advice, please contact the undersigned on 9221 5211.

Yours sincerely,



Wayne Gersbach
General Manager - NSW