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10 May 2024

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SUBJECT: AMENDED PLANNING PROPOSAL PP-2021-3409 AT 361-365 NORTH ROCKS ROAD, NORTH ROCKS

This letter is to accompany our North Rocks Land Use Economic Assessment, March 2021, which was submitted as part of the Planning Proposal PP-2021-3409 for rezoning at 361-365 North Rocks Road, North Rocks.

The Planning Proposal has progressed through a rezoning review process (ref: RR2022/31) and on 21 March 2024, a Record of Decision to Submit Planning Proposal to Gateway Determination was issued by the Sydney Central Planning Panel. This decision recommends the proposal proceeds to gateway determination, subject to conditions, which included some recommended design modifications.

The Planning Proposal has now been amended to adopt the panel recommendations. Design amendments can be described as follows:

- Minor adjustments to building heights, including a range of 2-6 storeys across the project site,
- Minor amendments to building layouts, and
- A masterplan which may facilitate an approximate 1.1:1 Floor Space Ratio.

The proposed Masterplan is depicted in Figure 1 below:



Figure 1 - North Rocks Masterplan

Source: Hassell

The Planning Proposal will facilitate:

- Approximately 795 new residential dwellings (including apartments, townhouses, and detached dwellings)
- Approximately 130 independent living units and aged care (seniors housing)
- Approximately 4,400m² new community facilities
- Approximately 2,800m² non-residential floor space
- Associated landscaping, road network, public open space improvements, and increased tree canopy cover

We note the yields have reduced for residential uses except aged care. Since then increased migration and fewer pipeline projects proceeding due to business conditions means it is very likely that supply deficits will exist into the future. The updated masterplan makes a positive contribution to housing diversity as the previous masterplan did.

Proposed Development Yields Updated and Previous Masterplan

Land Use	Development Yields 2024	Development Yields 2020
Residential	795 dwellings (560 apartments, 185 underbuilding townhouses, 40 townhouses, 10 detached houses)	935 dwellings (690 apartments, 245 townhouses, terraces and detached houses)
Seniors Living	130 units	145 units
Aged Care	100 beds	60-80 beds
Community space and library	4,400 sq.m	2,700 sq.m
Non-Residential *	2,500-2,800 sq.m	700 s.m

**Note the figure of 2,800m² is a maximum 'cap' as expressed in the proposed local planning provision for medical uses in addition to café and restaurant. In discussions with the proponent this floorspace quantum would also include other non-residential uses such as child-care and administration/office uses*

In our last report demand and supply gap analysis revealed a forecast undersupply of all residential uses, specifically:

- An undersupply of apartments forecast each year from 2020-2031, widening to approximately 5,000 in 2031
- An undersupply of townhouses forecast each year from 2020-2031, widening to approximately 2,000 in 2031
- An undersupply of ILUs in 2020 and 2031 reaching a cumulative undersupply of 704 in 2031
- Yet noting a modest undersupply of 15 in 20021 then increasing to 308 in 2026
- An undersupply of RAC from 2020 to 2031 reaching an estimated undersupply of 1,291 in 2031.

The table below shows the indicative composition of the non-residential floorspace as part of the 2024 update and under the previous masterplan. The non-residential floorspace will be in the order of land uses listed in the below table. The GFA shown underpins the modelled employment assumptions provided in this letter.

Non-Residential Floorspace

Land Use	2024 GFA (sq.m)	2020 GFA (sq.m)
Retail	220	250
Medical	1,580	250
Childcare	500	N/A
Administration & ancillary office	500	200

The key points to note in terms of change since the last masterplan are:

- While there has been an increase in total non-residential floorspace in the new masterplan the retail provision is similar, assumed as 220 sq.m slightly less than the 250 sq.m in the last masterplan
- Additional floorspace is allocated for medical uses, an increase from 250 sq.m to 1,580 sq.m
- Floorspace for medical in 2024 is assumed as 2 different practices, one general medical centre and the other a specialist
- Childcare had not previously been allowed for and has been added in 2024
- An increase in administration and ancillary space of 250 sq.m, a modest increase, that could support medical tenants, aged care or the community centre.

As noted the envisaged retail component is effectively the same as it was in 2021. It would serve primarily as an activation use that would help create a sense of community and on-site lifestyle amenity to residents. It would also benefit staff and visitors associated with medical, retirement living and aged care. It is recognised the shopping centre opposite provides important everyday amenity for the future on-site residents.

Meetings with the current on-site medical operator indicate interest in retaining a presence on the site in future and so floorspace provision is accordingly allowed for.

Economic and Employment Benefits

Since our last report update (March 2021), an update on employment and economic benefits is provided in this letter below.

The development has potential to deliver **a total of 279 direct and indirect jobs during the construction phase. Of the 279 total jobs, 116 are direct and 163 are indirect.**

These job estimates were modelled using Input-output software.

CONSTRUCTION EMPLOYMENT POTENTIAL

	Direct	Indirect	Total
Project Expenditure (\$M)*	\$1,036.2	-	\$1,036.2
Avg Employment Per Annum (Total Jobs)	116 jobs over 14 year	163 jobs over 14 year	279 jobs over 14 year

Source: City of Sydney Floorspace Survey 2017; Land Use and Employment Survey; RLB; REMPLAN Economy; Urbis

*Note: inclusive of GST.

During the operation phase of the development there is potential for up to 295 total jobs to be created from the development. Of the total jobs, 211 are estimated to be direct and 84 indirect.

Ongoing jobs are to be created within the library, commercial facilities and the Retirement and Aged Care facility (RAC) onsite. The community spaces and residential buildings are not expected to be responsible for ongoing job creation.

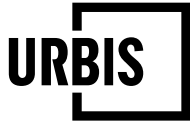
Benchmark floorspace areas have been sourced from internal Shopping Centre benchmarks and from RIDBC. The City of Sydney Floorspace Survey 2017 and other industry sources provide Job Density benchmarks utilised in the modelling.

OPERATIONAL EMPLOYMENT POTENTIAL

Land Use	Floorspace (GFA sq.m)	Job Density (GFA sq.m/job)	Ongoing Jobs - Direct (No.)
Library	1,500	100	15
Retail	220	35	6
Medical	1,580	20	79
Childcare	500	35	14
Administration & ancillary office	500	20	25
	(beds)	(beds/job)	(No.)
RAC Facility	100	1.4	71
Total	-	-	211

Source: Urbis Shopping Centre Benchmarks; City of Sydney Floorspace Survey 2017; Land Use and Employment Survey; REMPLAN Economy; Urbis

	Direct	Indirect	Total
Total Employment Per Annum (Total Jobs)	211	84	295



We have reviewed the documentation made available to us as part of the amended Planning Proposal and confirm that the assessment, findings and recommendations of our report dated March 2021 remain relevant to the amended Planning Proposal.

We note that demand analysis for residential housing, Seniors Living and aged care has not been updated in this report, as well as an economic impact assessment for the retail. Though noting that retail floorspace has not materially changed since the last report.

Sincerely,

A handwritten signature in dark ink, appearing to read "K. Newcombe". The signature is fluid and cursive, with a distinct dot at the end.

Kylie Newcombe

Associate Director

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