

# Peakhurst Neighbourhood Centre

Economic Assessment for Planning Submission

Prepared for The Rider Family  
30 January 2020



**Deep End Services**

Deep End Services is an economic research and property consulting firm based in Melbourne. It provides a range of services to local and international retailers, property owners and developers including due diligence and market scoping studies, store benchmarking and network planning, site analysis and sales forecasting, market assessments for a variety of land uses, and highest and best use studies.

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This report should be read in its entirety, as reference to part only may be misleading.

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# 1

## Introduction

### 1.1 Background

This report has been prepared on behalf of The Rider Family, owners of five properties situated at the intersection of Forest Road and Boundary Road, adjacent to the Peakhurst activity centre.

The properties are currently within the R2 Low Density Residential Zone pursuant to the Hurstville Local Environmental Plan 2012 (LEP 2012). Three of the lots contain residential dwellings, while the remaining two are vacant. The adjacent property to the west is the School of Arts building, which is also within the R2 Zone.

A Planning Proposal has been prepared for the site that seeks to amend planning controls to facilitate a mixed-use development outcome containing commercial tenancies at ground level with apartments above.

Georges River Council is currently in the process of preparing a new Local Environmental Plan (LEP 2020), with a draft Local Strategic Planning Statement (LSPS 2040) having been adopted by council and awaiting final assurance from the Greater Sydney Commission.

### 1.2 Report scope

This economic report has been prepared on instruction by Knight Frank Town Planning to examine the economic impacts arising from the Planning Proposal, and includes the following components:

- Summary of the location and centres context for the site
- Description of the proposed development that would be facilitated by the changes to planning controls
- Assessments of the uses likely developed on the site, including effects on other centres
- Analysis of economic outcomes including capital investment, employment and expenditure flows.

# 2

## Context analysis

### 2.1 Local context

The subject site is located on the south-west corner of the intersection of Forest Road and Boundary Road in the suburb of Peakhurst, approximately 4km to the west of Hurstville and 25km from central Sydney.

The site consists of five properties owned by The Rider Family that are adjacent to the Peakhurst School of Arts. The parcels have an aggregate area of 1,983 sqm.

Forest Road is an important east-west travel route which connects Hurstville and Kogarah to the east with suburbs in the west including Peakhurst Heights and Lugarno (via the extension to Forest Road), and across Salt Pan Creek to Padstow Heights and Revesby Heights. Boundary Road is a north-south road from Oatley north to Riverwood.

The site is immediately to the east of the Peakhurst activity centre which consists of a small range of retailers on both sides of Forest Road. Businesses on the south side of the road, adjacent to the subject site, include an IGA supermarket (1,000 sqm) which underpins the centre's convenience retail role, and a Mitre 10 store. Further to the west is the Peakhurst Inn which is currently being expanded.

A two-level commercial development on the northern side of Forest Road accommodates a range of retailers including newsagent and various food dining establishments, as well as other personal and commercial service businesses.

Land to the north and east is zoned residential although opposite the site is a church and aged care facility. An industrial and service business precinct is located to the south.

The location of the site is shown in Figure 1, with surrounding uses indicated in Figure 2.



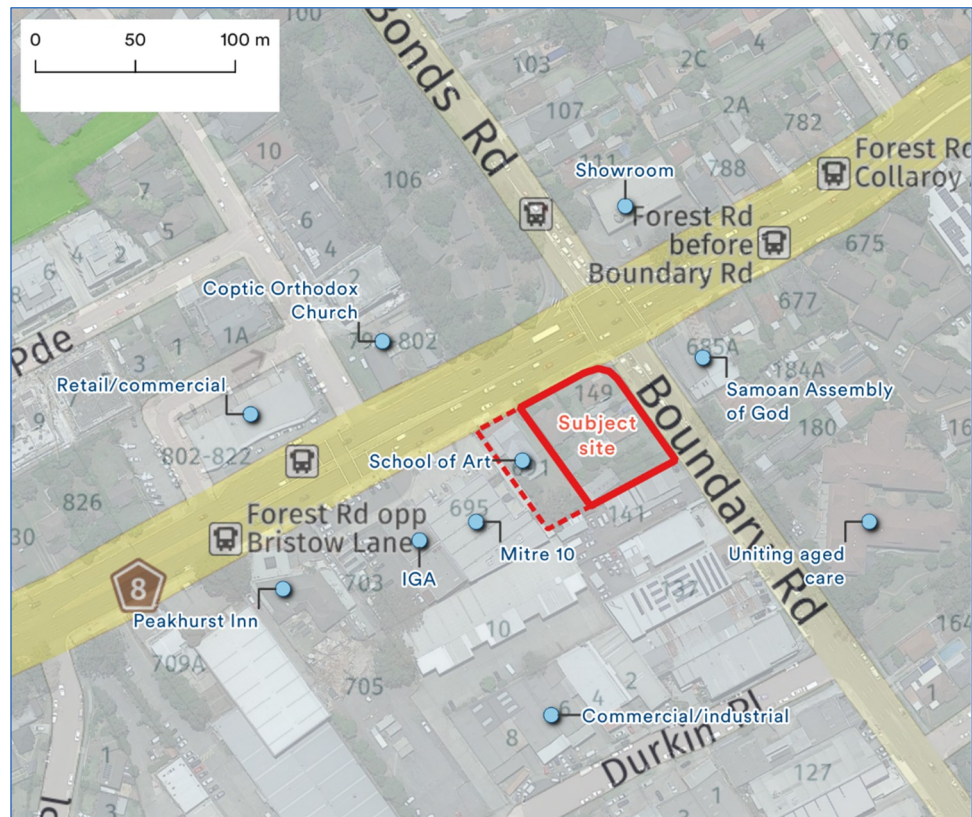
**Figure 1—Site location**

Source: Deep End Services; HERE; Google Maps



**Figure 2—Local context**

Source: Deep End Services; HERE; Google Maps



## 2.2 Centres context

Peakhurst operates as a small neighbourhood shopping facility anchored by an IGA supermarket. Other relevant centres in the surrounding region comprise:

- Hurstville, which is a higher-order centre that includes a Westfield undercover shopping centre with Kmart, Big W, Coles, Woolworths and Aldi, and street-based retailing around a train station
- Riverwood, which is an urban renewal area centred around a train station, with retail elements including Woolworths and Aldi supermarkets located within the Riverwood Plaza shopping centre
- Mortdale Plaza, which is a supermarket-based centre within the industrial precinct
- Oatley, which is a smaller centre with Coles and IGA supermarkets
- Various smaller IGA-anchored centres at Beverley Hills, Penshurst, Mortdale and Lugarno.

The centre's position on Forest Road means that a significant share of customer patronage is likely to come from passing motorists travelling through the area, thereby increasing the centre's effective catchment.

## 2.3 Planning context

The subject site is currently within the R2 Low Density Residential zone pursuant to the existing Hurstville LEP 2012 (Figure 3)

The commercial properties immediately to the west of the School of Arts building, along with the commercial development on the northern side of Forest Road, are within the B1 Neighbourhood Centre zone, which has as its overall objective *"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"*. The zone facilitates a wide range of retail and commercial activities and associated uses.

Peakhurst is identified as a Local Centre within the *Our Greater Sydney – South District Plan*. Local centres are identified as important in the context of the '30-minute city', providing essential access to day to day goods and services close to where people live. Local centres are also identified for their potential for urban renewal and mixed-use development including new housing, subject to additional analysis by local councils.

Georges River Council has recently prepared and adopted a draft LSPS 2040 which is waiting for final assurance from the Greater Sydney Commission. Under LSPS 2040, Peakhurst is identified as a Local Centre (consistent with the District Plan) and as a location for investigation for expansion of housing and/or jobs.

Part 1 of the draft Commercial Centres Strategy (CCS) has been completed as part of a suite of studies underpinning LSPS 2040 and the LEP 2020.

The draft CCS classifies Peakhurst as a Village Centre in the Georges River centres hierarchy. Village centres are defined to be those that support a local resident and worker population with 3,000 sqm to 5,000 sqm of retail floorspace and typically including a small supermarket or convenience store.

Analysis undertaken for the CCS indicates that Village Centres and other lower-order centres will need to expand by an average of around 15% to meet future needs.

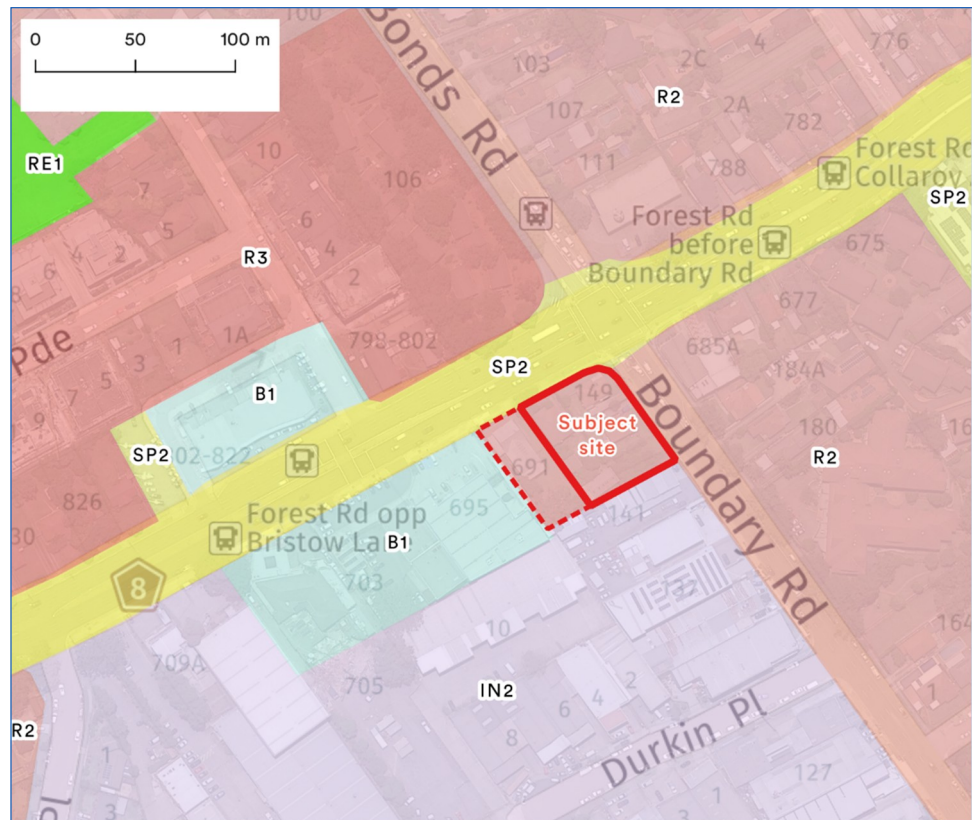


With respect to Peakhurst, the report acknowledges that a greater share of commercial floorspace growth is required due to factors such as local population growth, good visibility and access from passing trade, and spatial separation from other centres.

The CCS recommends that consideration be given to future expansion of Peakhurst where there is demonstrated demand for additional commercial floorspace.

**Figure 3—Zone map**

Source: Department of Planning and Environment



# 3

## Proposal

### 3.1 Planning controls

The proposal for the subject site seeks to amend the planning controls as follows:

- Apply the B1 Neighbourhood Centre zone to the subject site and the adjacent School of Arts site to reflect a logical extension of the Peakhurst centre and to enable a range of uses that will complement and consolidate the existing centre
- Amend the Height of Building (HOB) controls to 15m on the corner properties and 12m on the remainder of the site to enable more intensive development of the site
- Amend the Floor Space Ratio (FSR) controls to 1.7:1 for the subject site and 1.5:1 for the School of Arts site to enable development of shop top housing of a suitable scale for a gateway entry point and local centre setting, and to accommodate expanded commercial activity at ground level
- Removing the minimum Lot Size controls.

The amended controls are designed to facilitate more intensive mixed-use development of the subject site along with an increased range of commercial activities, consistent with the draft LSPS 2040 and the draft Part 1 CCS.

### 3.2 Design concept

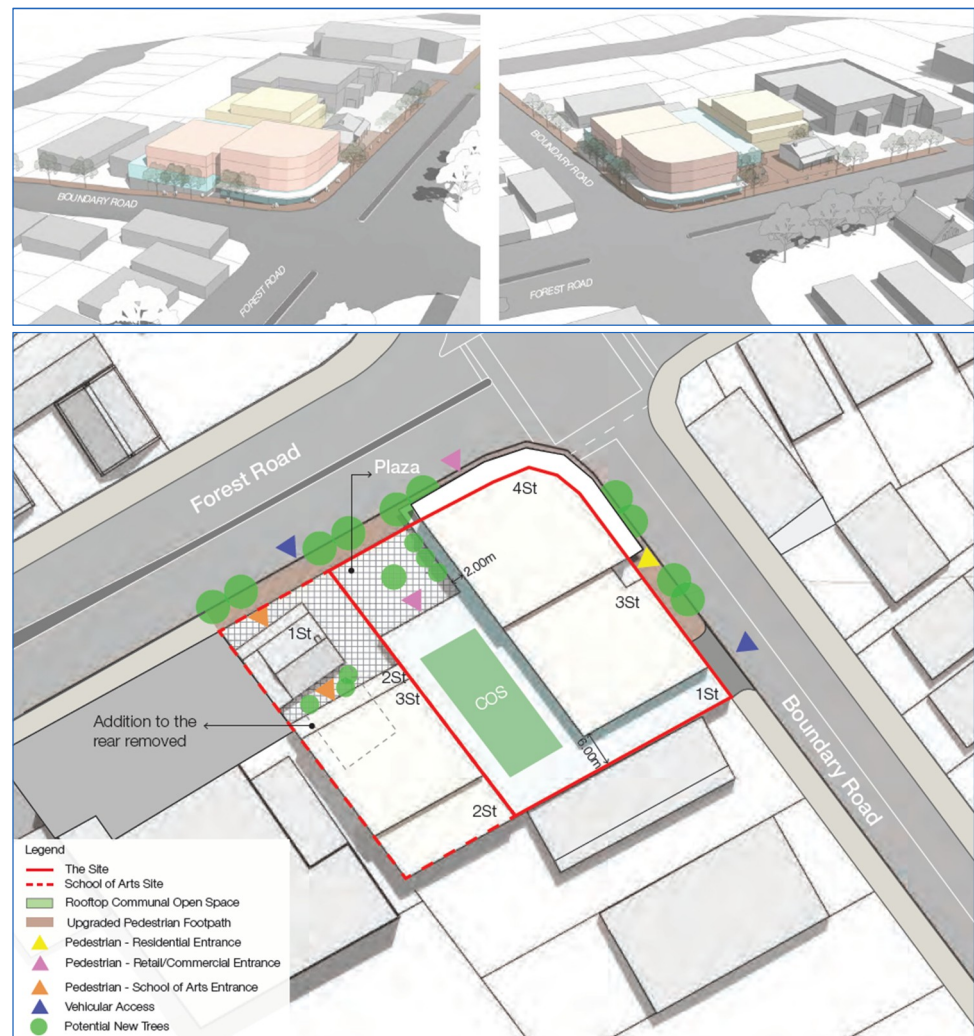
A design concept has been prepared to illustrate the likely development outcomes consistent with the proposed amended controls and is shown below in Figure 4.

The key features comprise:

- A built form consisting of four levels of residential housing above a commercial base at the Forest Road corner, declining in scale to the south
- Car parking would be provided at undercroft and basement levels within the southern section of the site
- A new activated public plaza would be created along Forest Road, adjacent to the School of Arts site
- The proposed design creates an opportunity for redevelopment of the rear of the existing School of Arts building to enable an expanded range of community-related activities and functions (subject to development decisions by the owners of this building), with integration along the activated Forest Road frontage.

**Figure 4—**  
Indicative design  
concept

Source: Conybeare  
Morrison



### 3.3 Development outcomes

According to built-form analysis undertaken by Conybeare Morrison (refer extract at Figure 5 below), the concept plan would realise a total development of 4,163 sqm gross building area across the site, representing an indicative 3,292 sqm of GFA at an FSR of 1.7:1.

Upper levels would be developed for residential apartments, with an indicative yield of 22 dwellings based on a mix of studios, 1-bed, 2-bed and 3-bed housing product.

The ground level would be used for commercial uses, with an indicative GFA of 1,445 sqm, which is used as the basis for subsequent analysis in Section 4.

**Figure 5—  
Development  
parameters**

Source: Conybeare  
Morrison

Site Area* (sqm)	1,983		
	GBA (sqm)	Efficiency	GFA (sqm)**
GF	1,700	85%	1,445
L1	985	75%	739
L2	985	75%	739
L3	493	75%	370
<b>Total</b>	<b>4,163</b>	—	<b>3,292</b>
<b>FSR</b>	<b>1.7:1</b>		
<b>HOB</b>	<b>15m</b>		

The types of uses developed on the site will be determined once a design is finalised and leasing enquiries made. However, the following site and location characteristics are relevant in influencing the interest likely to be shown by retail and other business operators:

- The site occupies a highly exposed intersection carrying around 35,000 vehicles per day (vpd) on Forest Road and around 25,000 vpd on Boundary Road
- The site is not attractive for a significant retail uses such as a supermarket, because of the lack of at-grade car parking, the need for residential entries, and the difficult position on the corner of a major intersection
- The Peakhurst centre has a narrow retail offer, with the only anchor convenience use being the IGA supermarket and a lack of other fresh food operators other than at the rear of the Peakhurst Shopping Centre (north of Forest Road)
- The centre serves an important local worker market of around 4,000 people, mostly to the south in the service business area.

Given the above, the types of business likely to be attracted to the site include:

- Community and/or personal services such as health (GPs and/or allied practitioners)
- Food and drink operators such as café, restaurant, takeaway food
- General retailers mainly serving convenience retail role, including pharmacy (complementing the medical services), small mixed business or deli, other fresh food (eg bakery), and services such as beauty salon/hairdresser
- Small businesses seeking office space, such as employment agencies, real estate, etc.

# 4

## Assessment of uses

### 4.1 Uses considered

This section of the report presents analysis of the market context and potential impacts associated with the mix of uses likely to be accommodated on the site based on the indicative concept plan.

The indicative use mix adopted for this analysis reflects the analysis presented in Section 3, and consists of the following:

- Retail uses including food & drink premises and other convenience retailers including pharmacy
- Medical centre of around 5 or so GPs with other allied health practitioners
- Upper level residences.

The inclusion of small office uses is also possible, and would generate benefits in terms of higher levels of employment. However, this has not been considered in this analysis in order to understand the ‘upper level’ impacts associated with retail uses.

A breakdown of indicative uses is set out in Table 1 below, indicating a broad distribution of 550 sqm for medical services and 895 sqm for retail uses.

**Table 1—Indicative floorspace by type**

Source: Deep End Services; Conybeare Morrison

Use	Floorspace (sqm)
Medical centre	550
Retail uses:	
Pharmacy	245
Other retail	400
Food & drink	250
<b>Total retail</b>	<b>895</b>
<b>Total commercial uses</b>	<b>1,445</b>



## 4.2 Catchment analysis

For the purposes of analysing each of the above potential uses a catchment has been defined to represent the local area from which Peakhurst local centre generates a significant share of sales or customer visitation.

### Definition

The catchment has been determined with reference to factors that influence retail shopping patterns and visitation to personal services such as medical facilities. These include:

- Surrounding road network and current travel patterns
- Travel time contours, reflecting the fact that the site is likely to mainly serve people within a 3-5 minute travel time
- Barriers to movement including rail lines and water bodies.

Based on the above, the map at Figure 6 defines a catchment consisting of:

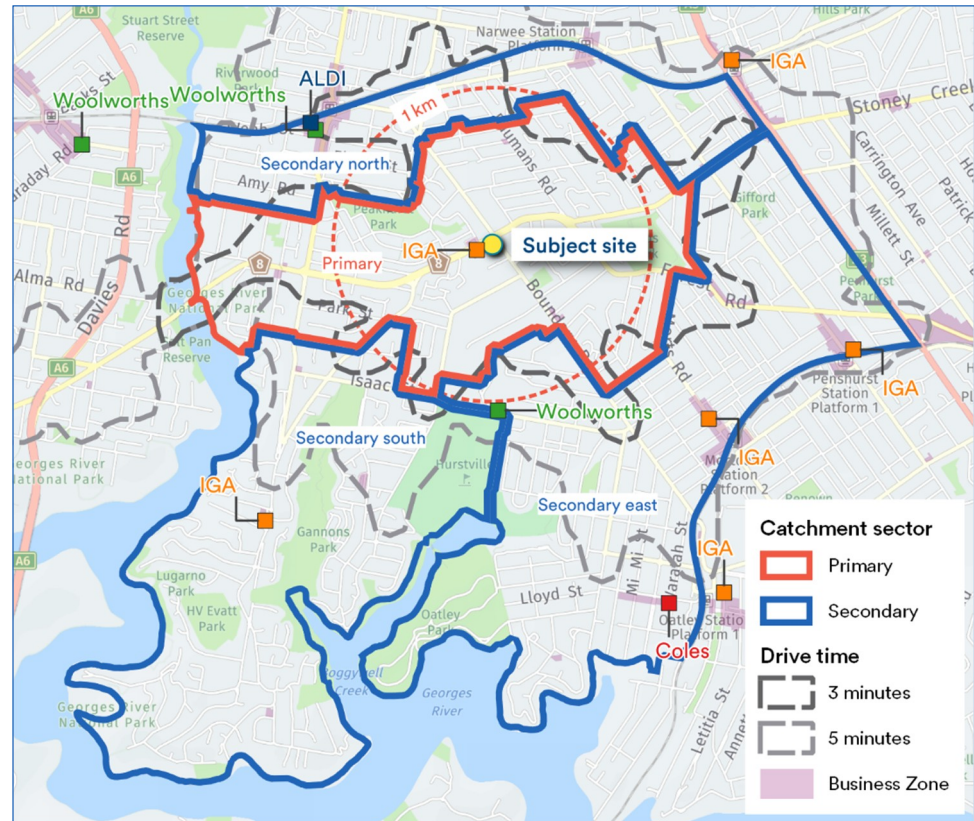
- A Primary sector generally extending around a 3-minute drive time to Salt Pan Creek in the west, in which Peakhurst is the most accessible location for convenience retailing and service provision;
- A Secondary north sector which extends to the South (T8) railway line running from Riverwood to Beverley Hills
- A Secondary east sector which extends to King Georges Road and south to Oatley; and
- A Secondary south sector which extends along Forest Road to Lugarno.

For some retail and service uses, the Primary sector may be a more significant source of sales, while other potential uses may attract visitation from throughout the catchment.

All uses are likely to gain some visitation from people living beyond the catchment, including local workers and people travelling along Forest Road and Boundary Road.

**Figure 6—  
Catchment map**

Source: Deep End  
Services; HERE



### Population trends

The catchment had a total estimated residential population of 57,620 persons as at June 2019, based on the latest available data from the ABS, including 13,510 people living within the Primary sector.

Population growth has occurred throughout the catchment since at least 2011, with the most significant growth occurring within the Primary sector in recent years as a result of consolidation of housing lots for higher density infill development in the area between Peakhurst Park and Forest Road, in close proximity to the Peakhurst Centre.

Development trends are shown in Figure 7 which illustrates the location of new dwelling permits over the period 2014 to 2019, including the large number of approvals close to Peakhurst.

Based on small area forecasts prepared by Transport for NSW, adjusted to reflect recent strong growth, the catchment population is forecast to increase to 58,105 persons in 2021 and eventually reach 59,575 persons in 2026. The Primary sector population is forecast to increase from 13,510 in 2019 to 13,720 persons in 2021 and 14,050 persons in 2026.

These projections are considered to be highly conservative, influenced by small area data from Transport for NSW rather than reflecting the rapid urban development and population growth that has occurred in recent years. The forecasts may not accurately reflect the continued housing intensification identified in LSPS 2040.

**Table 2—  
Catchment  
population**

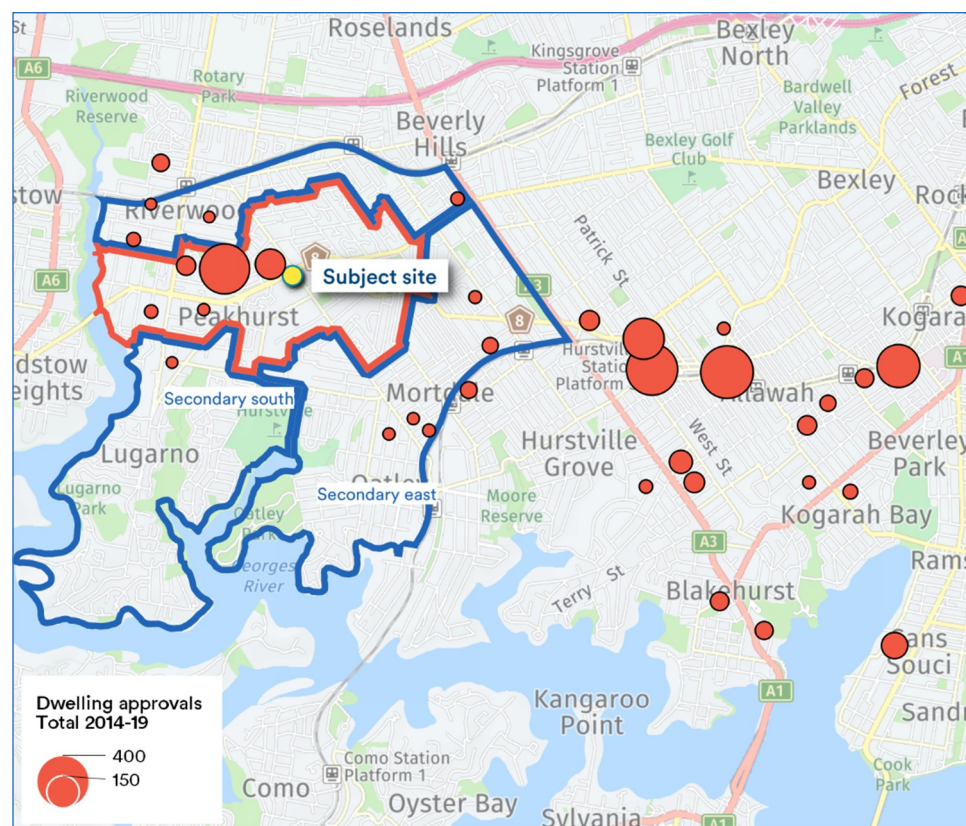
Source: Deep End  
Services; ABS;  
Transport for NSW

Catchment area sector	2011	2016	2019	2021	2023	2026
<b>Population</b>						
Primary	12,335	12,773	13,510	13,720	13,870	14,050
Secondary north	9,169	9,925	10,470	10,745	10,945	11,245
Secondary east	21,165	22,559	23,280	23,550	23,780	24,050
Secondary south	9,501	9,522	10,000	10,090	10,155	10,230
<b>Total</b>	<b>52,170</b>	<b>54,779</b>	<b>57,260</b>	<b>58,105</b>	<b>58,750</b>	<b>59,575</b>
<b>Population growth (No. per annum)</b>						
Primary	-	88	246	105	75	60
Secondary north	-	151	182	138	100	100
Secondary east	-	279	240	135	115	90
Secondary south	-	4	159	45	33	25
<b>Total</b>	<b>-</b>	<b>522</b>	<b>827</b>	<b>423</b>	<b>323</b>	<b>275</b>
<b>Population growth (% per annum)</b>						
Primary	-	0.7%	1.9%	0.8%	0.5%	0.4%
Secondary north	-	1.6%	1.8%	1.3%	0.9%	0.9%
Secondary east	-	1.3%	1.1%	0.6%	0.5%	0.4%
Secondary south	-	0.0%	1.6%	0.4%	0.3%	0.2%
<b>Total</b>	<b>-</b>	<b>1.0%</b>	<b>1.5%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.5%</b>

**Figure 7—New  
Dwelling Approvals**

Notes: Aggregate  
approvals 2014-2019  
by SA1; only shows  
locations where  
aggregate approvals  
> 20

Source: Deep End  
Services; ABS  
Building Approvals  
by SA1 (unpublished)



### 4.3 Retail

This section presents analysis of the opportunity and effects associated with the indicative retail component likely to be developed on the site, and includes consideration of:

- Catchment spending levels
- The existing provision of retail floorspace at Peakhurst and the centre's role in serving catchment residents
- The effect of addition retail uses at the subject site, in terms of any trading impacts on the existing Peakhurst Centre and other centres in the area.

#### Catchment spending

As shown in Table 3, average retail spending by catchment residents is approximately \$15,683 per capita in 2019, which is 2.8% lower than the average total retail spending level across Sydney as a whole but is slightly higher in terms of spending on food & grocery items.

Average spending levels vary across the catchment sectors, with the lowest levels in the Secondary north sector (11% below the Sydney average) and the highest in the Secondary south sector (7.4% above the Sydney average).

These estimates for average retail spending are based on the MarketInfo spending propensity model, developed by MDS, which combines data from the ABS Household Expenditure Survey, Census and other sources to estimate spending by detailed product category at the local area level.

Total spending is detailed in Table 4, showing that total retail spending by catchment residents is estimated at \$895m in 2019, including \$203m by residents within the primary sector. Of relevance is that spending on convenience retail items – comprising the categories food & groceries, liquor, cafés, restaurants and takeaway food shops and other convenience retailers (such as pharmacies, newsagents, hairdressers, etc) – totals \$571m across the catchment, including \$130m by Primary sector residents.

Combining population forecasts with expected growth in per capita spending (based on forecasts by Deloitte Access Economics), total catchment retail spending is forecast to be \$942m in 2021 and will reach \$1,082m in 2026.

Retail spending within the Primary sector is forecast to grow to \$214m in 2021 and \$246m in 2026, representing an increase of nearly \$43m in available spending over the seven years from 2019 to 2026.

Of this, the growth in spending on all convenience-type retail items is estimated at +\$31m over the period 2019 to 2026.

**Table 3—Average catchment retail spending**

Source: Deep End Services; MarketInfo; Deloitte Access Economics

Spending category	Primary	Secondary north	Secondary east	Secondary south	Total	Sydney
Food & groceries	\$5,122	\$4,951	\$5,171	\$5,357	\$5,152	\$5,145
Liquor	\$625	\$551	\$661	\$728	\$644	\$692
Cafés, restaurants & takeaway	\$2,238	\$2,406	\$2,711	\$2,628	\$2,529	\$2,663
Convenience retail	\$1,657	\$1,444	\$1,614	\$1,916	\$1,646	\$1,683
Other retail	\$5,406	\$4,965	\$5,708	\$6,659	\$5,667	\$5,913
<b>Total</b>	<b>\$15,048</b>	<b>\$14,317</b>	<b>\$15,865</b>	<b>\$17,288</b>	<b>\$15,638</b>	<b>\$16,095</b>
<b>Comparison to Sydney average</b>						
Total	-6.5%	-11.0%	-1.4%	7.4%	-2.8%	

**Table 4—Total catchment retail spending**

Source: Deep End Services; MarketInfo; Deloitte Access Economics

Catchment sector/ spending category	Total retail spending (\$m)					Average change (%pa)		
	2016	2019	2021	2023	2026	2019-21	2021-23	2023-26
<b>Primary</b>								
Food & groceries	59.2	69.2	73.0	77.7	85.6	2.7%	3.2%	3.2%
Liquor	7.6	8.4	8.5	8.8	9.5	0.1%	2.2%	2.4%
Cafés, restaurants & takeaway	26.4	30.2	30.2	31.9	34.5	-0.1%	2.8%	2.7%
Convenience retail	20.0	22.4	26.2	28.1	31.4	8.1%	3.7%	3.7%
Other retail	69.8	73.0	76.6	79.4	85.2	2.4%	1.8%	2.4%
<b>Total</b>	<b>182.9</b>	<b>203.3</b>	<b>214.4</b>	<b>226.0</b>	<b>246.2</b>	<b>2.7%</b>	<b>2.7%</b>	<b>2.9%</b>
<b>Secondary north</b>								
Food & groceries	44.4	51.8	55.2	59.2	66.1	3.2%	3.5%	3.7%
Liquor	5.2	5.8	5.8	6.2	6.7	0.6%	2.6%	2.9%
Cafés, restaurants & takeaway	22.1	25.2	25.4	27.0	29.7	0.4%	3.2%	3.2%
Convenience retail	13.5	15.1	17.9	19.4	22.0	8.8%	4.1%	4.3%
Other retail	49.8	52.0	55.1	57.6	62.6	3.0%	2.2%	2.8%
<b>Total</b>	<b>135.0</b>	<b>149.9</b>	<b>159.5</b>	<b>169.4</b>	<b>187.1</b>	<b>3.2%</b>	<b>3.1%</b>	<b>3.4%</b>
<b>Secondary east</b>								
Food & groceries	105.7	120.4	126.5	134.6	148.0	2.5%	3.1%	3.2%
Liquor	14.2	15.4	15.4	16.0	17.2	-0.1%	2.2%	2.3%
Cafés, restaurants & takeaway	56.5	63.1	62.7	66.2	71.6	-0.3%	2.7%	2.7%
Convenience retail	34.4	37.6	43.6	46.8	52.2	7.7%	3.6%	3.7%
Other retail	130.1	132.9	138.9	143.8	153.9	2.2%	1.8%	2.3%
<b>Total</b>	<b>340.8</b>	<b>369.3</b>	<b>387.1</b>	<b>407.5</b>	<b>442.9</b>	<b>2.4%</b>	<b>2.6%</b>	<b>2.8%</b>
<b>Secondary south</b>								
Food & groceries	46.3	53.6	56.2	59.8	65.7	2.5%	3.1%	3.2%
Liquor	6.6	7.3	7.3	7.5	8.0	-0.2%	2.0%	2.2%
Cafés, restaurants & takeaway	23.1	26.3	26.1	27.4	29.5	-0.4%	2.5%	2.5%
Convenience retail	17.3	19.2	22.1	23.6	26.1	7.4%	3.4%	3.4%
Other retail	64.0	66.6	69.3	71.6	76.4	2.0%	1.6%	2.2%
<b>Total</b>	<b>157.3</b>	<b>172.9</b>	<b>180.9</b>	<b>189.9</b>	<b>205.8</b>	<b>2.3%</b>	<b>2.5%</b>	<b>2.7%</b>
<b>Total catchment</b>								
Food & groceries	255.7	295.0	311.0	331.4	365.3	2.7%	3.2%	3.3%
Liquor	33.5	36.9	36.9	38.6	41.4	0.0%	2.2%	2.4%
Cafés, restaurants & takeaway	128.0	144.8	144.4	152.5	165.4	-0.2%	2.8%	2.8%
Convenience retail	85.1	94.2	109.7	117.9	131.6	7.9%	3.7%	3.7%
Other retail	313.7	324.5	339.9	352.5	378.2	2.3%	1.8%	2.4%
<b>Total</b>	<b>816.1</b>	<b>895.4</b>	<b>941.9</b>	<b>992.8</b>	<b>1,082.0</b>	<b>2.6%</b>	<b>2.7%</b>	<b>2.9%</b>



### Peakhurst Centre

Retail businesses within the Peakhurst Centre consists of:

- IGA supermarket, Mitre 10 hardware and building supplies store, and a cake shop on the southern side of Forest Road; and
- Several shops within the 'Peakhurst Shopping Centre' at 802-820 Forest Road on the northern side, including an organic food shop, a liquor store, a number of cafés and restaurants and hair/beauty salons.

Total retail floorspace is estimated to be approximately 2,875 sqm across the centre, with another 2,200 sqm or so of other commercial activities including the Peakhurst Inn, commercial businesses and some vacant floorspace.

Total sales generated by these retail businesses is broadly estimated at approximately \$15-17m, based on likely sales achieved by the IGA, and the typical sales performance for the types of retailers present within the centre.

Assuming that around 70-80% of sales is generated from spending by catchment residents, this represents only around 1.5% of total available spending by residents in the catchment.

Even if 40-50% of the total sales at Peakhurst is generated only by residents in the Primary sector, this represents sales of around \$6-8m, or just 3-4% of the total available spending by residents in this catchment sector.

On any measure, it is clear that the existing Peakhurst Centre underperforms as a Village centre when estimated sales performance is compared against available spending levels in the surrounding community.

### Development opportunity

The Planning Proposal will generate a new opportunity for additional retailers to be attracted to Peakhurst to better serve local residents.

The types of retailers likely to be attracted to the site include:

- A pharmacy operating in associated with a medical centre which is also a likely use
- One or two cafés or other food and drink business (takeaway, etc)
- A small section of food retailers such as a bakery, deli etc
- Local services such as hairdresser/beauty salon.

These types of businesses would complement and extend the offer currently available at Peakhurst, helping to consolidate its role as a Village centre under the draft Part 1 CCS.

Assuming a floorspace breakdown as indicated in Table 1, and applying typical sales performance for each retail type, the additional 895 sqm of retail floorspace is likely to generate total retail sales of approximately \$6m.

Of this, around \$4.5m is likely to be attributable to spending by catchment residents, and \$2.5-3.0m is likely to be attributable to residents within the Primary sector.

These sales performance estimates can be compared against available spending in 2021 to show that the new retail element would achieve the following market shares:

- Approximately 0.5% share of total retail spending by catchment residents
- Approximately 1.2% share of total retail spending by residents in the Primary sector.

### Effects

Based on the analysis described above, the following conclusions can be made:

- Peakhurst currently captures only a small share of spending by residents in its Primary catchment
- There is potential to add new retailers that would widen the offer within the centre, help to attract additional customer visitation, and complement the uses currently available within the centre
- The additional retail uses facilitated by the Planning Proposal would help to better serve the local catchment, increasing the centre's performance in terms of the share of spending captured by the centre
- The type and scale of additional retail uses would therefore have a positive rather than competitive or adverse effect on the performance of existing businesses at Peakhurst
- The small increase in market share captured by the additional retail businesses would be drawn from a wide range of other location, and would have no discernible effect on the operation of other nearby centres.

#### 4.4 Medical

The proposed inclusion of a medical centre responds to a lack of such facilities within the surrounding area to serve local residents, people working in the industrial precinct, and those travelling along Forest Road.

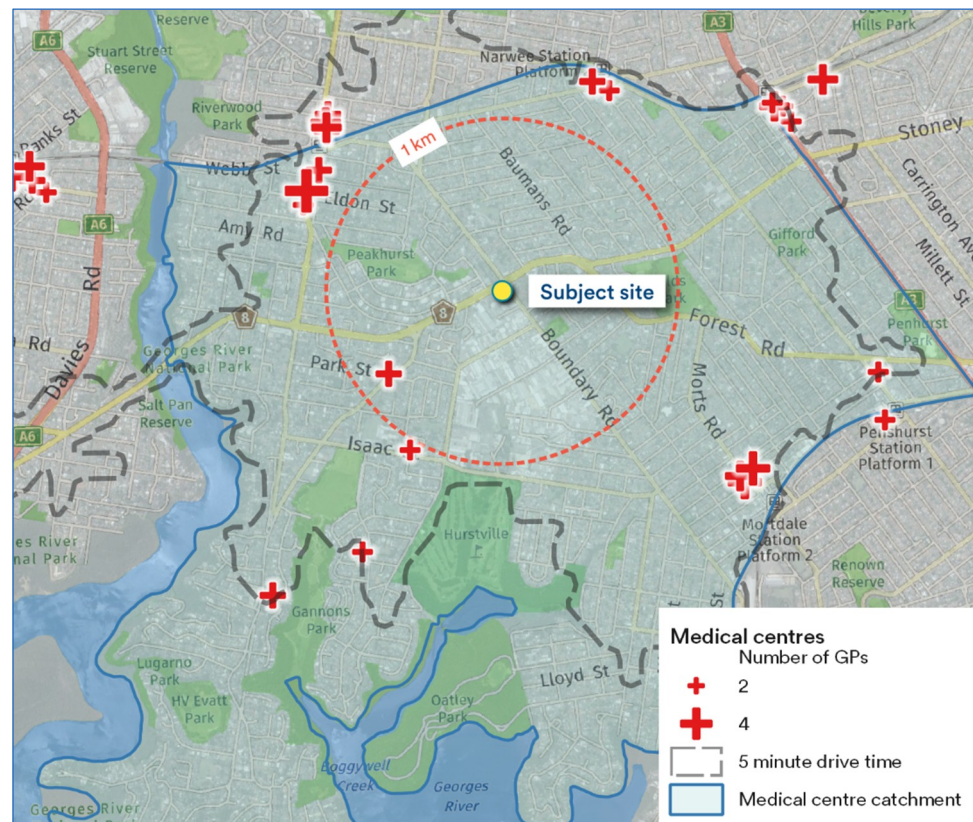
According to national health registers a total of 31 GPs operate from medical centres situated within the defined catchment. Many of these existing GPs are single operators or are in small centres of less than five GPs.

With a population of 57,260 persons within the defined catchment, the GP provision rate is around one GP per 1,850 residents. This compares to the average provision rate of one GP per 1,500 persons within Georges River Shire and an overall average of one GP per 1,060 persons across Sydney.

The analysis shows that there is a lower provision of GPs in the local catchment, supporting the establishment of a new medical centre of approximately 5-10 GPs.

**Figure 8—Medical centre context**

Source: Deep End Services; Human Services Directory; Health Engine



#### 4.5 Residential

The proposed planning controls would enable a development yield of approximately 22 units.

Although the eventual yield may differ depending on the mix of product at development application stage, the characteristics of the area support delivery of a range of product types (in terms of size and number of bedrooms) to reflect potential demand from both investors and owner-occupiers, and with residents likely to comprise a mix of younger occupants (including some young families) and empty nesters.

Residential development is consistent with planning policies that seek to encourage higher density living close to designated centres, and will help to support existing and future commercial elements within the Peakhurst centre.

Multi-level residential development is already a feature of infill development that is occurring within the R3 Medium Density Residential zone that applies to the north of Forest Road, as shown in the recent dwelling approval data displayed in Figure 7 (refer p12).

Ongoing demand for units in Peakhurst is reflected in strong price growth within the suburb, from a median of \$649,500 per unit in 2015 to \$717,500 in 2018.

#### 4.6 Conclusion

The proposed development would provide an opportunity for new types of businesses to be established within the Peakhurst centre, complementing the existing retail and business mix and consolidating its role as a Village centre within the activity centre hierarchy.

Retail effects on other businesses within the centre are likely to be positive as a result of additional customer visitation, and the increase in retail floorspace would have little or no effect on the role or performance of other centres in the region.

Importantly, the inclusion of a medical centre would fill a gap in the provision of such services, especially having regard to the advantageous position within an employment precinct and on a major travel route.

# 5

## Economic outcomes

### 5.1 Items assessed

This section presents analysis of potential economic outcomes arising from the proposed development in terms of:

- Capital investment on the site
- Employment generation during construction
- Ongoing employment generation
- Financial transfers including rates revenue to Council
- Local expenditure flows associated with new residents
- Other effects such as support for local businesses within the immediate environs.

### 5.2 Capital investment

Based on typical construction cost rates for multi-level residential development and low-scale commercial uses, the proposed development would have a total construction cost of approximately \$9 million.

This represents a significant investment that will improve the value and amenity of the property and lead to more intensive use of the land.

### 5.3 Construction employment

An estimated 45 construction-related full-time equivalent (FTE) jobs will be directly created on-site over the life of the project, with another 130 jobs created indirectly throughout the local and wider economy as a result of assessed consumption and production multiplier effects.

The calculations are shown in Table 5.



**Table 5—  
Construction  
employment  
estimates**

Source: Deep End  
Services; ABS

Item	Measure
Construction cost	\$9.1m
Labour component	45%
Labour cost	\$4.1m
Average construction wage (FTE)	\$90,000
Direct employment (FTE)	45
Employment multiplier (Type 2B)	2.8
Indirect employment (FTE)	130

#### 5.4 Ongoing employment

The type of development facilitated by the amended planning controls would generate a total of approximately 33 or so employment positions, based on the adopted breakdown of uses.

This represents approximately 28 FTE jobs given typical patterns of employment for each sector. Another 36 FTE jobs would be created in the wider economy through the employment multiplier.

These employment estimates do not incorporate new opportunities likely to be developed in the local area as a result of additional spending by new residents on retailing, personal and business services and other activities in the region.

**Table 6—Ongoing  
employment**

Source: Deep End  
Services; ABS

Use	GFA (sqm)	Jobs	FTE - direct	FTE - indirect
Medical centre	550	10	10	14
Pharmacy	245	6	5	6
Other retail	250	8	6	7
Food & drink	400	9	7	9
<b>Total</b>	<b>1,445</b>	<b>33</b>	<b>28</b>	<b>36</b>

#### 5.5 Rates and charges

The development would generate an increase in rates revenue for Georges River Council as a result of the uplift in the capital improved value of the site.

According to estimates based on likely unit sale prices and evidence from commercial transactions in the area, the completed project would have a total capital value of approximately \$35m. Assuming that this is equivalent to the land value used for the purposes of calculating rates, the development would generate a total of approximately \$85,000 per annum in rates revenue to Council, noting that this is based on the current published rate in the dollar for residential and commercial property.

## 5.6 Expenditure flows

The development would introduce a new resident population of around 50-60 persons based on an average household size of around 2.3 residents per dwelling.

These residents will generate total retail spending of around \$0.84m, a share of which will be directed to the IGA and existing local retailers as well as the new shops introduced on-site.

Approximately another \$1.9m in expenditure on non-retail goods and services would also be generated, but a large share of this spending (eg on financial services, household energy retailing, etc) will accrue to the wider national economy.

Nevertheless, local businesses such as health and personal service providers, personal services, and businesses offering financial planning and taxation advice, would stand to benefit from this additional spending in the local area

## 5.7 Other outcomes

In addition to the outcomes described above, several other effects can be identified:

- Support for local businesses which may capture a share of the estimated \$0.84m in retail spending by residents
- Opportunities for other businesses in health, personal and business services
- Increased activity and support for retailing and dining establishments in the Peakhurst centre
- Opportunity to establish an activated public open space within the identified plaza area, to be used for community gatherings, local market, or outdoor dining, etc, and potentially extended to incorporate the School of Art site
- Support for local policy which anticipates expanded demand for retail and other centre-based services in Peakhurst
- Increased employment intensity in accordance with planning policy
- Increased residential density close to shops and services, in accordance with planning policy.