

34-36 BROOKHOLLOW AVE, NORWEST

Economic Impact Assessment



Prepared for Visy Dior Pty Ltd

Contents

Executive Summary	5
1.0 Introduction	9
1.1 The subject site	9
1.2 The Study Purpose	10
1.3 Planning Proposal.....	10
1.4 Study Structure	10
2.0 Contextual review	12
2.1 State planning policy	12
2.1.1 Greater Sydney Region Plan.....	12
2.1.2 Central City District Plan	13
2.2 Local planning policy	14
2.2.1 Norwest Station Structure Plan (2013)	14
2.2.2 The Hills Local Environmental Plan (LEP) 2012	14
2.3 Planning considerations	15
3.0 Employment Trends	18
3.1 Employment forecast.....	18
3.2 Commercial market considerations	19
4.0 Residential Need	22
4.1 Population growth	22
4.2 The need for more housing.....	22
4.2.1 Projected dwelling growth.....	22
4.2.2 Changing housing choices	23
4.3 House prices.....	24
4.3.1 The Hills Shire.....	24
4.3.2 Bella Vista.....	25
4.4 Household type projections	25
4.4.1 Underutilisation of dwellings.....	26
4.5 Housing stress and affordability.....	26
4.5.1 Rental growth.....	26
4.5.2 Rental stress.....	26
4.6 Locational considerations	27
5.0 Construction Impacts	29
5.1 Economic impacts during construction.....	29
5.2 Construction related employment.....	30
6.0 Economic Impacts	33
6.1 The base case	33
6.1.1 The current use	33
6.1.2 Potential under the LEP	33
6.1.3 Potential under the Structure Plan	33
6.2 Employment generation	34
6.3 Workers remuneration	34
6.4 Gross value added.....	35

6.5	Expenditure from residents and workers	35
6.6	Summary of quantified economic impacts	36
6.7	Other economic benefits	36
6.7.1	Investment Stimulus	36
6.7.2	Jobs closer to home	36
6.7.3	Housing supply and affordability	37
6.7.4	Housing choice	37
6.7.5	Improving the visual appeal of the locality	37
6.7.6	Transit Orientated Development	37

Tables

Table 1:	Relevant directions and objectives – Greater Sydney Region Plan	12
Table 2:	Relevant themes – Central City District Plan	13
Table 3:	Employment Forecasts Norwest Business Park.....	18
Table 4:	Recent Industry Trends.....	20
Table 5:	Proportion of households living in apartments by household type	23
Table 6:	Median sale price (\$'000)	24
Table 7:	Household type projections The Hills Shire LGA.....	25
Table 8:	Dwelling Underutilisation	26
Table 9:	Median weekly rental growth 2006-2016	26
Table 10:	Rental Affordability in The Hills Shire (2006- 2016).....	27
Table 11:	Estimated construction costs	29
Table 12:	Construction Output Multipliers	30
Table 13:	Construction employment.....	30
Table 14:	Forecast employment on site	34
Table 15:	Total salaries from development.....	35
Table 16:	Gross Value Added from Development	35

Figures

Figure 1:	Subject site	9
Figure 2:	Proposed Location of the Business Park.....	14
Figure 3:	The Hills Shire by age cohort	22
Figure 4:	The Hills Shire LGA occupied dwelling by structure.....	23
Figure 5:	Bella Vista median house and strata price	25
Figure 6:	Summary of quantified economic impacts (\$m/ann in constant 2019 dollars).....	36

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Quality Control

This document is for discussion purposes only unless signed and dated by a Principal of HillPDA.

Reviewer

Signature			Dated	28/08/20
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EXECUTIVE SUMMARY

This Economic Impact Assessment (EIA) report was prepared by HillPDA as commissioned by Visy Dior Pty Ltd for 34-36 Brookhollow Avenue Norwest (hereafter referred to as the subject site). The subject site fronts Windsor Road, a major arterial road in the locality and is located with the Norwest Business Park.

The Planning Proposal seeks to redevelop the site into an employment focused development comprising retail, commercial, tavern hotel and child care centre uses, with a residential component permissible based on incentive provisions.

The proposed development includes:

- 1,032sqm GFA of retail
- 1,460sqm GFA of tavern hotel
- 650sqm indoor/600sqm outdoor child care centre
- 45,147sqm of commercial office space
- 91 residential apartments (subject to meeting incentive conditions).

The base case

The current use of the site is three office buildings with a combined GFA of around 8,000sqm and a workforce estimated at around 300.

If the site was developed to its maximum permissible floor space under the Local Environmental Plan (LEP) it would provide around 16,000sqm of additional employment uses. This would increase employment on site to around 742 workers. GVA would increase to around \$82m per annum. The feasibility of this scenario has not been tested.

Key economic impacts of the planning proposal

The proposed development would provide additional retail, commercial, entertainment and employment uses on the site. The additional development on the subject site would encourage Norwest to grow and provide impetus for further investment. These outcomes align with the goals and directions of the Greater Sydney Region Plan, Central District Plan and Norwest Station Structure Plan.

The proposed development would provide almost nine times more jobs than the existing uses. With a commercial FSR of 3:1 it will provide twice as many jobs than could potentially be delivered under the current LEP zoning. Proportionately this more than meets the 63 per cent increase in the number of jobs targeted for Norwest in the District Plan to 2036. Furthermore the proposed commercial component at FSR of 3:1 will more than meet the 2:1 FSR of employment floor space recommended in the structure plan for Norwest.

The Region and District Plans give impetus to the need to create housing and employment opportunities. The Plans also emphasise the need to increase the productivity of Central City through growth and investment support. Meeting this need requires increased housing in centres, close to centres and close to public transport. Evidently the Planning Proposal will contribute to providing additional housing stock within close proximity to the Norwest Metro train station on the North West Rail Line.

Construction Jobs

- Construction is estimated at \$270m. This will facilitate the creation of around 675 jobs years directly in construction on site.
- A further 2,035 job years across Australia would be generated through production and consumption induced multiplier impacts.

Employment

- Post construction the employment uses on site would provide 2,456 jobs – some 2,156 more jobs than currently provided and 1,650 jobs more than its potential under the current LEP controls.





Gross value Added

- The Gross Value Added (GVA) of the current use on site is estimated to be \$43.6m. Development will provide for employment uses contributing \$347m every year to the economy (measured in current 2019 dollars) – an eight fold increase over the current uses. This further equates to \$240m more than if the site was developed to its maximum allowable floor space under the current LEP controls every year.

Increased Expenditure

- New residents and workers would generate expenditure on local retail and commercial goods and services thereby contributing to their viability of existing and future businesses. Expenditure on retail goods and services generated by the residents on site will amount to \$3.0m per annum (\$2018).
- Workers on site are likely to spend a further \$8.6m every year on goods and services in the Norwest Business Park.

Summary of quantified economic impacts (\$m/ann in constant 2018 dollars)

	Jobs on Site 	Staff Remuneration 	Gross Value Added 	Residents & Workers Spend 
Existing Offices	300	\$24.8	\$43.6	\$1.0
L.E.P. Allowable	806	\$62.1	\$107.5	\$5.2
Planning Proposal	2,456	\$198.1	\$347.0	\$11.5
Above L.E.P.	1,650	\$136.0	\$239.6	\$6.3
Above Existing Offices	2,156	\$173.4	\$303.4	\$10.5

Increased Housing Supply

- The Central City District Plan projects that the LGA would require an additional 8,550 dwellings over a five year period from 2016. This equates to an additional 1,710 dwelling per annum. The Planning Proposal will contribute to meeting these targets through delivering 91 new residential apartments in a highly sought after location.
- Affordable housing supply would be increased, with 5 per cent of dwellings (5 apartments) to be provided as affordable housing for key workers.

Other impacts:

- Providing a diverse range of housing options suiting a wide variety of household types, including apartment living will also promote a more diverse community which is arguably more sustainable in the long term.
- Provision of work/study areas in 40 per cent of apartments would provide a response to increased work-from-home requirements in response to anticipated post-COVID 19 housing needs.
- Apartments also offer a more affordable housing alternative to detached housing and will contribute to housing affordability.
- The presence of the Norwest Metro Station, together with bus services, provide genuine alternatives to private motor vehicles for local residents and workers to access jobs, shops and services thereby improving transport safety and sustainability.
- Consistency with the “transit orientated development” planning principle to increase residential and employment densities near public transport services thereby reducing private motor vehicle dependency.
- Provision of limited residential uses within a primarily employment-focused development would leverage the benefits of transport sustainability, live/work synergies, improved work-life balance with jobs closer to home, attraction of high profile businesses and the delivery of a high quality living and working environment with community benefits through the provision of substantial public spaces and community facilities.

INTRODUCTION

1.0 INTRODUCTION

HillPDA was commissioned by Visy Dior Pty Ltd to undertake this Economic Impact Assessment ('the Study') of the Planning Proposal relating to 34-46 Brookhollow Avenue, Norwest (referred to the subject site hereafter).

1.1 The subject site

The subject site occupies over 1.6Ha of land in Norwest Business Park in the Hills Shire. The site is on the corner of Brookhollow Avenue and Norwest Boulevard which is the main collector road in the business park between Windsor Road and Old Windsor Road.

The new Norwest Station on the North West Rail Line (NWRL) which is currently under construction is directly opposite the site on the other side of Brookhollow Avenue.

Figure 1: Subject site



Source: Nearmaps 2019

The subject site currently accommodates three commercial office buildings – predominantly two storeys. Total floor area is around 8,000sqm GFA. Estimated number of workers on site is 320 based on 1 worker per 25sqm of GFA.

The subject site is strategically positioned opposite the Norwest Metro Station and Hillsong Church and diagonally opposite the Norwest Marketown shopping centre. Significant future redevelopment is planned in the area including the Station site and the Norwest Marketown.

The metro line currently takes commuters to Chatswood Station with trains operating every 4 minutes in peak times. At Norwest train station commuters can arrive at Wynyard Station (including interchange) in less than 50 minutes. When the metro line extension is complete commuters will be able to arrive at the new Martin Place Station in less than 40 minutes with trains expected to be running every four minutes.

The subject site is in close proximity to educational establishments including Crestwood Public School, Masters Builders Education centre and Bella Vista North Shore Coaching College, medical services including Norwest Private Hospital (one of NSW's largest private hospitals providing an extensive range of surgical and medical services for patients in The Hills Shire and surrounding suburbs) as well as recreational uses such as Castle Hill Golf Course and Bella Vista Farm/Oval.

While the planning proposal envisions a primarily employment-focused outcome, the limited residential component would be ideally located as part of a transit orientated diversified centre. The location of the residential component, at the westernmost portion of the site and with stepped down height from the future Landcom development would act as a natural transition to the residential development to the south.

1.2 The Study Purpose

The purpose of this Study is to provide a market and economic assessment of the Planning Proposal. As part of this assessment the Study explores the market drivers for residential uses as well as the economic viability / impact of retaining the current planning controls versus amending the controls to facilitate increased employment focused uses and potential residential uses.

1.3 Planning Proposal

The Planning Proposal would facilitate a employment focused precinct (primarily office space and some retail), with a residential component, subject to meeting incentive requirements. Assuming incentive requirements are met, the land uses would be approximately 80 per cent employment focuses and 20 per cent residential. The total floor space ratio would 3.8:1. Combined, Employment uses would amount to 48,289sqm GFA accommodating 2,456 jobs. Total residential floor space would be around 12,407sqm GFA providing 91 apartments.

1.4 Study Structure

To meet the requirements of the project brief and fully consider the economic impact associated with the Planning Proposal, the Study is set out in the following manner:

- **Chapter 2** undertakes a review of the planning and legislative background and assesses the economic principles for the shift in the composition of the floor space offering in the context of the planning policies reviewed earlier
- **Chapter 3** considers employment trends as it relates to the future of Norwest
- **Chapter 4** undertakes a review and analysis of the demographic and housing characteristics in the Hills Shire. The chapter provides justification for the provision of additional residential supply within the LGA to meet the current and future needs of the resident population
- **Chapter 5** considers and quantifies the economic impacts associated with the construction of the proposed development
- **Chapter 6** assesses, and where possible quantifies, the potential economic benefits of developing the subject site in accordance with the Planning Proposal against the base case or “do nothing” option against key economic performance indicators including jobs and contribution to economic output.

CONTEXTUAL REVIEW

2.0 CONTEXTUAL REVIEW

This Chapter undertakes an appraisal of the planning and legislative context for the proposed rezoning based on State, Subregional and local planning guidelines. It considers matters relating to the Planning Proposal and development from an economic perspective only.

2.1 State planning policy

2.1.1 Greater Sydney Region Plan

The *Greater Sydney Region Plan* (Region Plan) was developed by the Greater Sydney Commission (GSC) and released in March of 2018. The Region Plan sets out a vision, objectives, strategies and actions for a metropolis of three cities across Greater Sydney over the next 40 years. These three cities are referred to as the Eastern Harbour City, Central River City and Western Parkland City.

The subject site is located in the Central River City. This region is identified for considerable investment in infrastructure, with the key catalysts being the focus on growing Parramatta as a city. Within the Plan, the Norwest is recognised for its commercial office precinct and Norwest train station that will provide access to additional jobs in the Sydney CBD. Key components of the Region Plan are listed in table below.

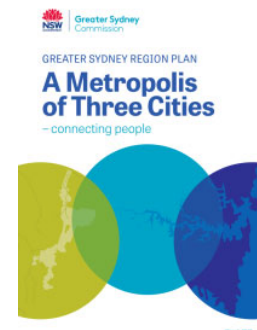


Table 1: Relevant directions and objectives – Greater Sydney Region Plan

Relevant directions	Relevant objectives
A city supported by infrastructure	<ul style="list-style-type: none"> Infrastructure supports the three cities Infrastructure aligns with forecast growth – growth infrastructure compact Infrastructure adapts to meet future needs Infrastructure use is optimised
A city for people	<ul style="list-style-type: none"> Services and infrastructure meet communities’ changing needs Communities are healthy, resilient and socially connected Greater Sydney’s communities are culturally rich with diverse neighbourhoods Greater Sydney celebrates the arts and supports creative industries and innovation
Housing the city	<ul style="list-style-type: none"> Greater housing supply Housing is more diverse and affordable
A city of great places	<ul style="list-style-type: none"> Great places that bring people together Environmental heritage is identified, conserved and enhanced
A well-connected city	<ul style="list-style-type: none"> A Metropolis of Three Cities – integrated land use and transport creates walkable and 30-minute cities Western Economic Corridors are better connected and more competitive

Source: Greater Sydney Regional Plan, Greater Sydney Commission, 2018

Delivery of these directions and objectives will mean that homes in Western Sydney will become increasingly connected to jobs and essential services. These jobs and essential services will be concentrated within the following centre hierarchy identified in the Region Plan:

2.1.2 Central City District Plan

The Greater Sydney Commission released the *Central City District Plan* (District Plan) in March 2018. The District Plan supports the actions and outcomes of the Greater Sydney Region Plan with additional ‘Planning Priorities’ that are focussed on the Central City District. These two plans are coordinated and integrated, particularly in relation to key objectives, strategies and priorities.

The subject site is part of the Central City District and is identified as being at the core of the Greater Parramatta Metropolitan Centre.

In relation to the Central City District, the District Plan states that it *“will grow substantially, capitalising on its location close to the geographic centre of Greater Sydney. Unprecedented public and private investment is contributing to new transport and other infrastructure leading to major transformation.”*

Through its objectives, strategies and corresponding analysis, the Greater Sydney Commission, promotes a range of considerations that are particularly important to consider in the context of this analysis.

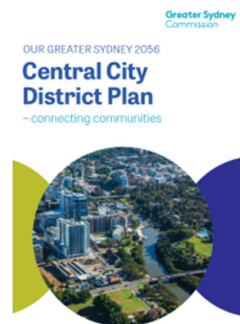


Table 2: Relevant themes – Central City District Plan

Theme	Reference	Summary
Delivering integrated land use and transport planning and a 30-minute city	Planning Priority C9	Mixed use and transit orientated development is the co-location of residential, commercial and recreational spaces adjacent to a major transport node, coupled with open and accessible design principles effectively support the creation of a 30 minute city.
Growing investment, business opportunities and jobs in strategic centres	Planning Priority C10	Employment growth is the principal underlying economic goal for metropolitan and strategic centres. The new station at Norwest will provide the opportunity to transform the traditional 1990s-style business park model into a transit-oriented, more vibrant and diversified centre with higher employment densities and a mix of residential uses and supporting services.
Establishing a target for housing provision in the right locations	Planning Priority C5	The District Plan identifies a “priority in providing housing supply, choice and affordability, with access to jobs, services and public transport”. New housing must be in the right places to meet demand for different housing types, tenure, price points, preferred locations and design. Housing supply must be coordinated with local infrastructure to create liveable, walkable and cycle-friendly neighbourhoods with direct, safe and universally designed pedestrian and cycling connections to shops, services and public transport.
Providing housing supply, choice and affordability, with access to jobs, services and public transport	Planning Priority C5	The District Plan stresses that, <i>“Planning for housing needs to consider the type of dwellings required to respond to expected changes in household and age structures. The number of single person households is expected to increase by 81 per cent over the 20 years to 2036.”</i> It also identifies a five year housing supply target for Hills Shire LGA of 8,550 to 2021.

Source: Norwest Station Structure Plan p27

The proposed development is consistent with the policy directions of the District Plan by contributing to the delivery of employment focused development, transit orientated development and increased housing supply.

2.2 Local planning policy

2.2.1 Norwest Station Structure Plan (2013)

This document assesses the challenges and opportunities the new station will present to Norwest culminating in a collective vision and Structure Plan for the station precinct. The Plan suggests the new station will provide further impetus for Norwest to evolve as a vibrant and active Centre of business for the region, comprising offices, retailing, community facilities, recreation, cultural, education and housing to serve the 650,000 people of the North West by 2036.

The Plan targets an additional 15,000 jobs in Norwest by 2031 which equates to approximately 225,000-375,000sqm of commercial floor space, in a variety of grades, to be delivered by 2031. Underpinning this vision is the facilitation of Transit Oriented Development (TOD) which is a mixed use live/work community within walking distance of a major transit node providing a range of residential, commercial, retail and public facilities. The Plan also identifies the following two sites indicated in the map below as preferred locations for Business Parks. The subject site is featured as one of the proposed locations for expansion/intensification of the Business Park.

Figure 2: Proposed Location of the Business Park



Source: Norwest Station Structure Plan p27

2.2.2 The Hills Local Environmental Plan (LEP) 2012

The HLEP 2012 is the statutory planning instrument for the Hills Shire LGA and generally governs development standards such as zoning, building height, floor space, lot size and permissibility, amongst others. The HLEP 2012 aims to:

- guide the orderly and sustainable development of The Hills, balancing its economic, environmental and social needs,
- provide strategic direction and urban and rural land use management for the benefit of the community,
- provide for the development of communities that are liveable, vibrant and safe and that have services and facilities that meet their needs,

- provide for balanced urban growth through efficient and safe transport infrastructure, a range of housing options, and a built environment that is compatible with the cultural and natural heritage of The Hills,
- preserve and protect the natural environment of The Hills and to identify environmentally significant land for the benefit of future generations,
- contribute to the development of a modern local economy through the identification and management of land to promote employment opportunities and tourism.

As stated previously the subject site is currently zoned B7 Business Park. The objectives of the B7 zone are described below.

- To provide a range of office and light industrial uses.
- To encourage employment opportunities.
- To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area.
- To make provision for high technology industries that use and develop advanced technologies, products and processes.

Development Permitted with consent:

Building identification signs; Business identification signs; Business premises; Centre-based child care facilities; **Food and drink premises**; Garden centres; Hardware and building supplies; Heliports; **Hotel or motel accommodation**; Landscaping material supplies; Light industries; **Neighbourhood shops**; **Office premises**; Passenger transport facilities; Plant nurseries; Roads; Respite day care centres; Self storage units; Serviced apartments; Timber yards; Vehicle sales or hire premises; Warehouse or distribution centres; Any other development not specified in item 2 or 4

Development Prohibited

Agriculture; Air transport facilities; Airstrips; Amusement centres; Animal boarding or training establishments; Boat building and repair facilities; Boat launching ramps; Boat sheds; Camping grounds; Caravan parks; Cemeteries; Charter and tourism boating facilities; **Commercial premises** (other than office premises); Correctional centres; Crematoria; Depots; Eco-tourist facilities; Electricity generating works; Entertainment facilities; Environmental facilities; Exhibition homes; Exhibition villages; Farm buildings; Forestry; Freight transport facilities; Heavy industrial storage establishments; Highway service centres; Home-based child care; Home businesses; Home occupations; Home occupations (sex services); Industrial training facilities; Industries; Jetties; Marinas; Mooring pens; Moorings; Open cut mining; Port facilities; Recreation facilities (major); Research stations; **Residential accommodation**; Resource recovery facilities; Restricted premises; Rural industries; Sewerage systems; Sex services premises; Signage; Storage premises; Tourist and visitor accommodation; Transport depots; Waste disposal facilities; Water recreation structures; Water supply systems; Wharf or boating facilities

2.3 Planning considerations

The above strategies and policies give impetus to the need to create housing and employment opportunities. This is evident in the Region and District Plans which emphasise the need to increase the productivity of Central City through growth and investment support. Meeting this need requires increased housing in centres, close to centres and close to public transport. Evidently the Planning Proposal will contribute to providing additional housing stock within close proximity to the train station.

The Planning Proposal is consistent with relevant strategic and statutory planning controls and will facilitate the development of additional commercial floorspace on the subject site. The Planning Proposal will support a transit-oriented, more vibrant and diversified centre with higher employment densities and will have a number of positive benefits for the surrounding area including increased employment and economic activity during the construction and post-construction phases.



EMPLOYMENT TRENDS

3.0 EMPLOYMENT TRENDS

The following Chapter undertakes a review and analysis of employment trends and forecasts in The Hills Shire and Norwest. The intent of the Chapter is to provide justification for the provision of the scale and mix of uses proposed by the Planning Proposal.

3.1 Employment forecast

Employment growth is a straight indicator of demand for employment uses since most employment land uses will offer employment opportunities. The table below presents the recent projected employment growth within Norwest Business Park by industry type out to 2036. Norwest Business Park employs over 44,000 workers with this projected to increase to almost 72,000 workers by 2036.

The industries forecast with the strongest growth from 2016 to 2036 include education, public administration, arts and professional services. The demand for these industries will require commercial floorspace in well located areas in close proximity to services including retail and public transport.

Table 3: Employment Forecasts Norwest Business Park

Industry	2016	2036	Change
Education and Training	283	706	59.9%
Public Administration and Safety	330	802	58.8%
Arts and Recreation Services	277	621	55.4%
Professional, Scientific and Technical Services	2,723	5,247	48.1%
Rental, Hiring and Real Estate Services	343	648	47.1%
Administrative and Support Services	601	1,117	46.2%
Electricity, Gas, Water and Waste Services	171	290	41.1%
Information Media and Telecommunications	329	541	39.2%
Health Care and Social Assistance	2,399	3,942	39.2%
Accommodation and Food Services	788	1,275	38.2%
Financial and Insurance Services	1,784	2,845	37.3%
Transport, Postal and Warehousing	155	245	37.0%
Retail Trade	4,980	7,696	35.3%
Manufacturing	2,496	3,810	34.5%
Other Services	666	1,013	34.2%
Construction	2,479	3,446	28.1%
Mining	14	16	10.9%
Wholesale Trade	1,402	1,564	10.4%
Agriculture, Forestry and Fishing	3	4	5.0%
Printing (including the Reproduction of Recorded Media)	84	87	4.2%
Grand Total	22,305	35,915	37.9%

Source: TfNSW Employment Forecast TZ Codes 4514; 4515; 4516; 4517; 4521

3.2 Commercial market considerations

The Norwest Business Park is a purpose built precinct which was first completed in the early nineties and developed over a number of stages. From 2000 the precinct succeeded in attracting high profile tenancies including and not limited to Woolworths, Reserve Bank of Australia, AAMI, Australia Post. Key drivers of demand included its high accessibility via the M2 and M7, low land and rental costs, the planned infrastructure investment including the North West Rail Link and its perceived reputation as prestigious office location. More recently the supply of commercial space increased rapidly surpassing market demand and competing commercial precincts such as Macquarie Park and Parramatta become increasingly attractive and competitive. Norwest commercial market experienced a period of high vacancy – as high as 10.4 per cent in 2014.

The Norwest commercial market has bounced back in recent years. Consultation with agents and independent market research¹ reveal that rates per sqm have increased substantially to an average of \$6,500sqm, up from \$4,000sqm in 2015. Rates as high as \$8,400sqm have been achieved for small commercial strata units in newer A grade buildings. Time on the market is low at around one to two months, a marked improvement from two to four months in 2015. Norwest vacancy rate has declined considerably from 2014 to around 6 per cent to date which is generally in line with Sydney suburb office vacancy rate.

Although the Norwest commercial market has shown improvement in recent years and is considered healthy, market indicator levels remain well below those of Parramatta CBD only 12km to the south of Norwest.

Demand for prime office space is exceptionally strong in Parramatta, with a vacancy rate in 2018 of just 1 per cent.² Currently there is a shortage of A Grade office space in Parramatta, particularly for buildings with larger floor plates, within the Parramatta CBD. The market is responding however and a substantial increase in floorspace is expected in the medium term. The emergence of Parramatta as Sydney's second CBD has been accommodated by the availability of land for development. There remains significant tranches of land south of the Parramatta CBD available for future commercial development, including "Auto Alley" on Church Street.

Under the Draft Auto Alley Planning Framework, up to 26,000 jobs could be created in the Auto Alley precinct with a further 2,600 people living there. A development application was lodged in 2014 for a \$600 million commercial and residential complex in the Auto Alley area comprising 779 residential units and 40,000sqm of commercial space.

The traditional 1990s-style business park model of Norwest has become somewhat outdated as the commercial market has orientated towards transit-oriented and diversified centres with higher employment densities. Moreover there are opportunities for Norwest to respond to these changes and to key employment trends which are discussed in the table below. Norwest can complement rather than directly compete with established and growing commercial centres at Parramatta and Macquarie Park which maintain a competitive edge over Norwest.

At an FSR of 3.0:1 the proposed commercial component more than meets the 2:1 FSR of employment floor space recommended for the site in the structure plan for Norwest. It provides 50 per cent more employment floor space and jobs on the site over the zoning potential under the structure plan which more than meets the 63 per cent increase in jobs targeted for Norwest in the District Plan.

Note also that the recent COVID 19 pandemic has catalysed a number of trends in the workplace including a rapid rise in work-from-home. Even following the vaccine and a return to business-as-usual most leading experts and commentators agree that working-from-home will be a preferred and practical choice for many

¹ Commercial iThink, Norwest Office Outlook 2017

² Property Council of Australia

resulting in some decrease in need for some types of employment spaces, particularly office space, and some increase in the need for live/work spaces.

Table 4: Recent Industry Trends

Sector	Trend
Manufacturing Sector	<ul style="list-style-type: none"> Decline of traditional manufacturing over the past two decades. However, more recent economic conditions have accelerated this trend with an annual average decline in manufacturing jobs, sustained high Australian dollar and lower levels of consumer confidence persisting since the GFC in 2008. Changing focus from 'making' to 'creating' An over representation of jobs in the manufacturing sector with areas such as Western Sydney is particularly vulnerable to the decline of this sector.
Transport, Postal and Warehousing Sector	<ul style="list-style-type: none"> Technology leading to larger warehouses with lower employment densities. Consolidation of facilities to achieve economies of scale resulting in larger facilities and in turn sites.
Service Sector	<ul style="list-style-type: none"> This is a rapidly growing sector. Western Sydney economy has seen the effects of this shift, though the employment base remains heavily reliant upon the manufacturing and retail trade sectors as at the last Census. Growth in the services sector within Western Sydney has the potential to create greater job diversity in the region as this sector has a high proportion of 'white collar' or professional roles. Within Western Sydney between 2006 and 2016 'white collar' employment increased substantially.
Agriculture	<ul style="list-style-type: none"> The contribution of the sector is declining, with this trend expected to continue with the shift to a low carbon economy
ICT and Creative Industry Sectors	<ul style="list-style-type: none"> This sector will continue to grow in the future. Businesses in this sector benefit from agglomeration and locations with good access to a range of services, amenities and transport choices.
Health Care and Social Services	<ul style="list-style-type: none"> Growing and ageing population will drive strong growth in demand for health care and in particular, aged care. Growing prosperity of the population also generating demand for health services. Increasing workforce participation amongst female workers will drive demand for childcare services.
Professional Services	<ul style="list-style-type: none"> Rapid growth sector due to restructuring of the economy towards services rather than goods.
Retail Trade	<ul style="list-style-type: none"> Future retail development will continue to be focused around residential growth.

Source: Broader Western Sydney Employment Area, Urbis, 2013; HillPDA

Based on the above the Planning Proposal would include retail and commercial uses that are more aligned with current market industry trends. The retail and commercial will also contribute to meeting the needs of residents within Norwest and the broader area. The Planning Proposal has also been designed to increase the floorspace for employment uses from 8,000sqm to more than 48,000 square metres. This will provide a significant increase in jobs (more than 2,100) within walking distance of a major and frequent public transport service. This is discussed in more detail in Chapter 6 of the report.

A hand holding a pen is positioned over a financial chart. The chart features a grid with a vertical axis labeled '10', '9', '8', '7', '6', '5', '4', '3', '2' and a horizontal axis with dates from '2004-09-28' to '2007-09-28'. Two lines, one blue and one red, represent data trends. In the bottom left corner, a calculator is visible with buttons for '5', '6', '2', '3', '00', '+', 'x', '÷', 'MRC', 'M-', and 'M+'.

RESIDENTIAL NEED

4.0 RESIDENTIAL NEED

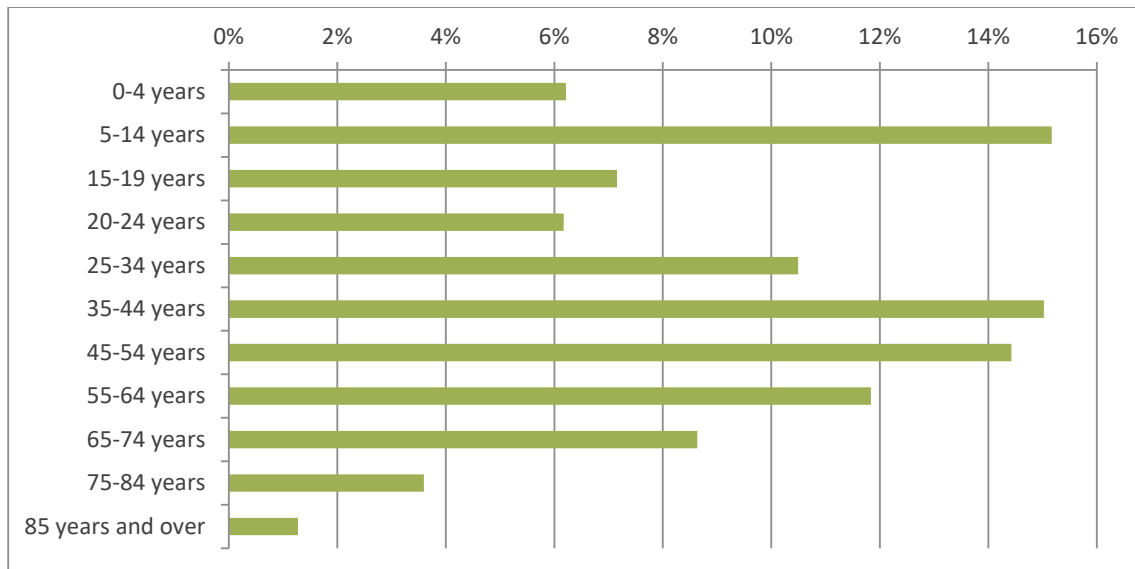
The following Chapter undertakes a review and analysis of the demographic and housing characteristics within The Hills Shire and Norwest. The intent of the Chapter is to provide justification for the provision of additional residential supply in the locality to meet the current and future needs of residents.

4.1 Population growth

The Hills Shire LGA region has seen a continued population increase in the last 10 years. As at the 2011 Census, the Hills Shire LGA population was 141,995; in 2016 the population was 157,243 showing a 9.7 per cent increase in the last four years. By 2036 the population is expected to increase to 290,900.

In 2016 the population by age group has two distinct cohorts, 5 to 14 years old and 35 to 54 years old. Of the population, 40 per cent was above 45 years old shown in the chart immediately below.

Figure 3: The Hills Shire by age cohort



Source: ABS Time Series Profile - The Hills Shire LGA 2016

4.2 The need for more housing

4.2.1 Projected dwelling growth

According to 2016 population projections, the (then) Department of Planning and Environment projected that the Hills Shire would require an additional 35,250 dwellings between 2016 and 2036, to house the additional 125,350 residents projected to reside within the LGA over the period.

Assuming an occupancy rate of 3.6 persons per dwelling this represents an annual dwelling increase of 1,763 to meet this target.

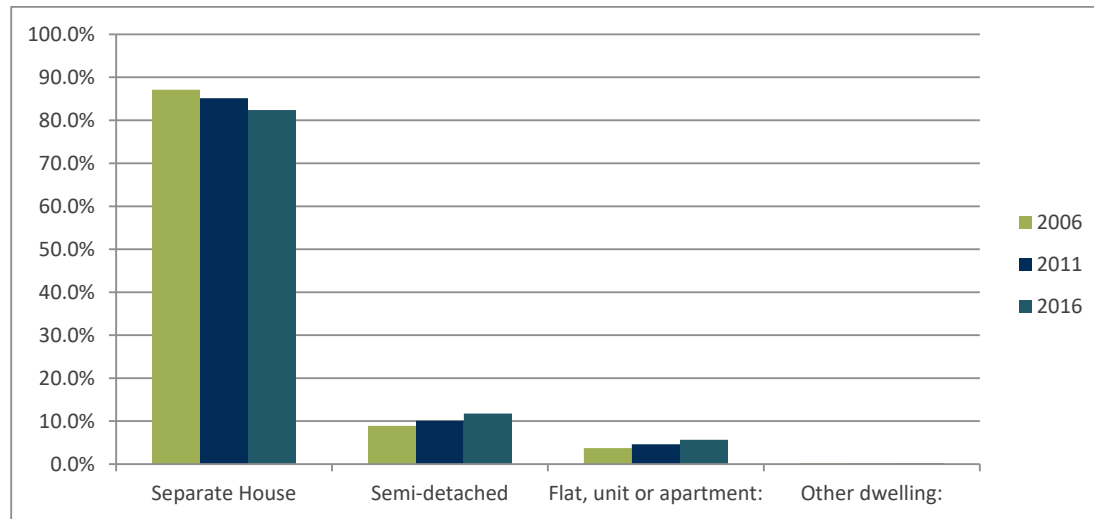
Additionally, the District Plan projects that the LGA would require an additional 8,550 dwellings over a five year period from 2016. This equates to an additional 1,710 dwellings per annum.

The Planning Proposal will contribute to meeting these targets and accelerate this process through introducing another housing provider in the Norwest market.

4.2.2 Changing housing choices

Detached dwellings remain the dominate dwelling type in The Hills Shire. However, the proportion of detached dwellings has decreased over the past two inter-censual periods (85 per cent in 2006 compared to 82 per cent in 2016).

Figure 4: The Hills Shire LGA occupied dwelling by structure



Source: ABS 2016 Time Series Data

There has been a corresponding trend in each household type towards living in apartments. The table below demonstrates the significant proportional increase in couples with dependants residing in apartments from 10 per cent in 2006 to 23 per cent in 2016. It should be noted that there is an increase of people living in apartments across all household types.

The Planning Proposal would provide additional dwelling types to meet the changing preferences of local residents.

Table 5: Proportion of households living in apartments by household type

Household type	2006	2011	2016	% increase
Couple families with no children	29%	27%	26%	-3%
Couples families with children	10%	16%	23%	13%
One parent families	7%	9%	10%	3%
Other families	2%	1%	2%	0%
Lone person households	41%	35%	30%	-11%
Group households	5%	5%	4%	-1%
Other households	6%	6%	5%	-1%

Source: ABS 2016 Time Series Data

In response to these social trends there are four housing submarkets that are driving the need for smaller dwellings:

- The first sub-market comprises young adults that grew up in the local government area that are looking to move out of home. These households will generally be single persons or couples without children. Without housing choices these people are usually forced to locate further outside the LGA. A large proportion of buyers in the Blacktown LGA come from the Hills Shire.

- The second sub-market refers to office commuters, both owner occupiers and renters, that select Norwest because of its connection to the Macquarie Park / North Ryde Employment Area, North Sydney and Sydney CBD and the high level of public transport options available including the high frequency of metro trains on the NWRL (every 4 or 5 minutes). Many of these commuters will also be in the first sub-market.
- The third sub-market comprises older people who have been living in the area for some time. Now that their children have left these people are in a position to release capital in their property and downsize into a smaller dwelling to meet their changing lifestyle needs including closer proximity to retail, medical, other commercial services and public transport.
- The last sub-market relates to property investors. The continued strong demand within the Northern Sydney suburbs and the strong capital gains experienced in the suburb makes investment in this area attractive.

Providing a diverse range of housing options suiting a wide variety of household types, including apartment living will also promote a more diverse community which is arguably more sustainable in the long term, as they are able to maintain a range of services and facilities useful to all age groups.

4.3 House prices

4.3.1 The Hills Shire

The Region Plan acknowledges that many households in Sydney face housing diversity and affordability challenges, with housing affordability being a key issue for housing policy to address. Sydney’s housing prices are high compared to other Australian capital cities, with the Region Plan noting that about half of young Greater Sydney residents are considering leaving within five years.

In response, the Region Plan puts forward that a diversity of housing types, sizes and price points can help improve affordability, with supply to be located in areas well supported by existing or planned services and amenity. Particular stress is placed on immediate access to public transport.

In the March quarter of 2020, the median sale price for strata dwellings within the Hills Shire LGAs was \$795,000. This was \$338,000 higher than the median strata dwelling recorded in 2010 and 9 per cent higher than the Greater Sydney median (\$730,000). The median sale price for non-strata dwellings was close to \$1.58 million in 2017 when the market reached its peak – double the median price in 2010.

Strata dwellings provide a more affordable option for residents and key workers within the LGA. This is evident with strata dwellings having a median price well below the median price of non-strata dwellings in 2020 (\$505,000 or 39 per cent). Accordingly the Planning Proposal will offer a more affordable housing alternative and will contribute to improving housing affordability.

Table 6: Median sale price (\$'000)

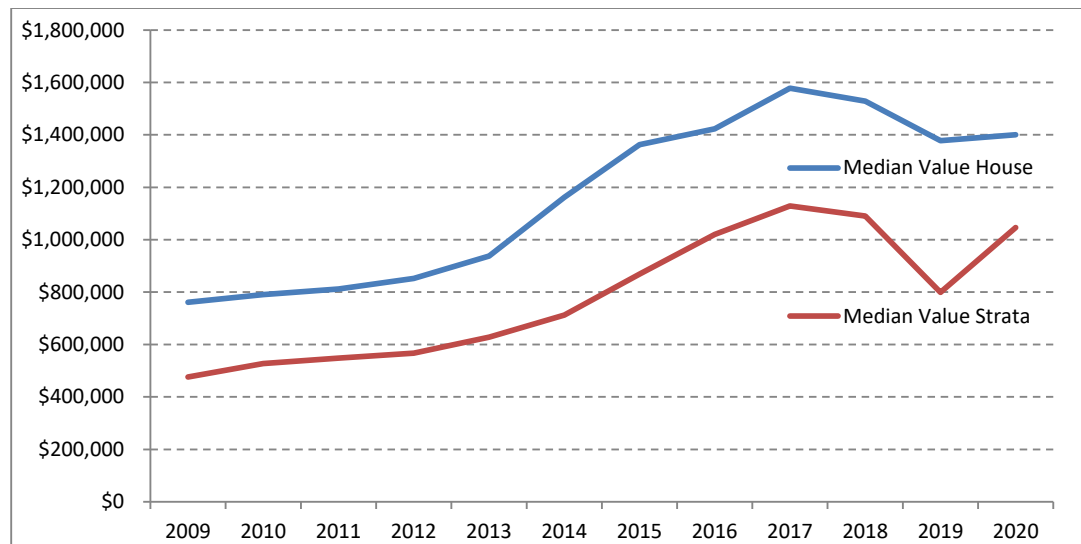
	2010	2020	Growth (\$)	Growth (%)
The Hills Shire (strata)	457	795	338	74%
Greater Sydney (strata)	437	730	293	67%
The Hills Shire (non-strata)	682	1,300	618	91%
Greater Sydney (non-strata)	552	981	492	78%

Source: NSW Rent and Sales Report March Quarter 2020

4.3.2 Bella Vista

Residex property data (March 2020) shows that over the last ten years the residential median dwelling price for strata dwellings in Bella vista suburb rose by 52 per cent per cent, compared to a 42 per cent increase in the median house prices. The median house price was recorded as \$1,159,000 and the median strata price as \$1,090,000.

Figure 5: Bella Vista median house and strata price



Source: Residex Suburb Report March 2020

The spread between house and unit prices will naturally shift demand towards apartments. However, a shortage of smaller units results in high prices for an entry level unit in the LGA. The median strata price is 46 per cent higher than Greater Sydney which demonstrates strong desirability for strata dwellings in Norwest.

4.4 Household type projections

The 2016 population projections indicate that the LGA will accommodate almost 47,800 more households by 2036 (from 2016). Of this growth, 44 per cent or 21,241 households will be couples with children households who, as identified above, have shifted towards apartment style living. There are several reasons for this shift including affordability (lower prices compared to detached houses), better access to employment hubs and amenities, two working parent households creating a spatial leash and compelling working parents to live closer to home and shifting preferences.

The Planning Proposal would be providing a product with a range of bedroom types and configurations that would respond to current demand and shifting preferences.

Table 7: Household type projections The Hills Shire LGA

	2016	2021	2026	2031	2036	Growth	Growth (%)
Couple only	11,752	15,161	18,804	21,821	24,507	12,755	109%
Couple with children	27,889	33,347	39,543	44,917	49,130	21,241	76%
Single parent	3,651	4,547	5,579	6,593	7,543	3,892	107%
Other & multiple family households	2,186	2,701	3,262	3,733	4,173	1,986	91%
Lone person	5,058	6,706	8,604	10,456	12,373	7,315	145%
Group	745	917	1,087	1,199	1,354	609	82%
Total	51,280	63,379	76,880	88,719	99,079	47,799	93%

Source: NSW DP&E 2019

4.4.1 Underutilisation of dwellings

Table 8 provides an indication of the level of underutilisation of dwellings within The Hills Shire, where an underutilised dwelling is defined by the Australian Institute of Health and Welfare as having two or more bedrooms surplus to the household requirements. From Census data this is defined as a dwelling which has one or more bedrooms more than the number of occupants.

Table 8: Dwelling Underutilisation

	Households under-occupying dwellings	Total Households*	Under-occupancy
1 person	4,820	5,138	94%
2 persons	10,925	12,285	89%
3 persons	6,016	8,958	67%
4 persons	2,488	12,249	20%
5+ persons	326	8,269	4%
TOTAL	24,575	46,899	52%

* Excludes missing data (where number of bedrooms is unknown or not stated)

Source: ABS Census 2016 Table Builder for the Hills Shire

Table 8 shows that more than half the dwellings in the LGA are under-occupied meaning that the number of bedrooms exceeds the number of occupants. Of all occupied dwellings in the Shire, 27 per cent two or more bedrooms than the number of occupants.

4.5 Housing stress and affordability

4.5.1 Rental growth

Analysis reveals that median rents in the LGA have remained higher than Greater Sydney over the last two inter-censal periods. In 2016, rents in the LGA were \$120 per week or 27 per cent higher than that recorded for Greater Sydney.

Table 9: Median weekly rental growth 2006-2016

	2006	2011	2016	Growth (#)	Growth %
The Hills Shire	320	455	560	240	75%
Greater Sydney	250	355	440	190	76%

Source: 2016 Census - Time Series Data

Increased dwelling supply can help place downward pressure on rents, helping increase rental affordability within the area.

4.5.2 Rental stress

A shortage in the supply of houses has resulted in the escalation of house prices in The Hills Shire. This in part accounts for the increasing renter market in the Hills Shire with 17 per cent of all private dwellings in the LGA tenanted in 2016.

In the Hills Shire over the ten years to 2016 the median weekly rent increased from \$320 to \$560, representing a compound annual growth rate of 5.7 per cent which is generally in line with the Greater Sydney.

In addition to the above, the rental price growth has exceeded household income growth in the Hills Shire over this ten year period, with rent as a share of annual household income increasing from 18 per cent in 2006 to 24 per cent in 2011 (refer to table below).

Table 10: Rental Affordability in The Hills Shire (2006- 2016)

Indicator	2006	2016
Annual Median Household Rent	\$16,640	\$29,120
Annual Median Household Income	\$93,288	\$122,668
Rent share of income (%)	18%	24%

Source: Census 2006 & 2016; HillPDA 2019

With significant population growth anticipated in the LGA over the next decade, the absence of additional new residential stock would only exacerbate increasing rental prices. As such the Planning Proposal will facilitate in alleviating some of the rental pressure experienced in this locality by increasing supply.

4.6 Locational considerations

In providing justification for the provision of residential dwellings on the subject site, there are a few other locational factors for consideration. These include the following:

- The subject site is next to Norwest Metro Station on the metro line 'turn up and go' services each direction during peak times. The subject site's proximity to the station provides future residents with excellent accessibility to employment, retail facilities and public infrastructure.
- The subject site is in close proximity to Norwest Marketown. Increased residential densities within the local area would increase the potential for the centre to capture additional retail expenditure, increasing its viability.
- Access to urban amenities is strongly related to the desirability of an area and is a key aspect in contributing to the liveability of a built environment. The Planning Proposal includes more than 48,000sqm of commercial, hotel and retail to service the new and existing residents within Norwest. As such, employee and residents on site will benefit from access to strong amenities provided on and within walking distance of the site (i.e. Norwest Marketown) which will increase the desirability of Norwest as a place to live and work.
- The Planning Proposal meets many of the transit orientated development (TOD) objectives including reduced usage of private motor vehicle trips, increased use of public transport, increased liveability and local employment opportunities within a walkable distance and improved environmental sustainability.
- Proximity to a medical precinct, campuses including Norwest Private Hospital as well as public and private recreation areas such as Bella Vista Farm, Castle Hill Golf Course and Bella Vista Oval makes the site both a suitable and desirable location to live.



CONSTRUCTION IMPACTS

5.0 CONSTRUCTION IMPACTS

This Chapter considers and where possible quantifies economic impacts associated with the construction of the proposed development.

5.1 Economic impacts during construction

Total construction cost has been estimated at \$270m based on the following assumed rates:

Table 11: Estimated construction costs

	GFA (sqm)	\$/sqm	\$m
Residential	12,407	3,625	45
General Retail	1,032	2,800	3
Commercial (office)	45,147	2,800	126
Mullanes Hotel	1,460	3,000	4
Child Care Centre	650	2,800	2
Fitout	38,631	1,000	39
Car Parking (spaces)	780	56,000	44
Site costs, Landscaping, etc	1	7,000,000	7
TOTAL	60,696	4,452	270

Source: Rawlinsons Construction Handbook 2020, RLB Digest 2017, HillPDA estimate

The construction industry is a significant component of the economy accounting for 5.96 per cent of Gross Domestic Product (GDP) and employing just over one million workers across Australia.³ The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction. Multipliers refer to the level of additional economic activity generated by a source industry.

There are two types of multipliers:

Production induced: which is made up of:

- first round effect: which is all outputs and employment required to produce the inputs for construction, and
- an industrial support effect: which is the induced extra output and employment from all industries to support the production of the first round effect.

Consumption induced: which relates to the demand for additional goods and services due to increased spending by the wage and salary earners across all industries arising from employment.

The source of the multipliers adopted in this report is ABS Australian National Accounts: Input-Output Tables 2016-17 (ABS Pub: 5209.0). These tables identify first round effects, industrial support effects and consumption induced multiplier effects at rates of \$0.63, \$0.68 and \$0.93 respectively to every dollar of construction.

The table below quantifies the associated economic multipliers resulting from the construction process. The estimated construction cost for the proposed scheme of \$270m will generate further economic activity described as:

³ Source: IBIS World Construction Industry Report 2018

- First round effects of \$169m;
- Industrial supported effects of \$183m; and
- Consumption induced effects of \$252m

The table below quantifies associated economic multipliers resulting from the construction process.

Table 12: Construction Output Multipliers

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Output multipliers	1	0.626	0.679	0.934	3.239
Output (\$million)	270	169	183	252	875

Source: HillPDA Estimate using data from ABS Australian National Accounts: Input-Output Tables 2016-17 (ABS Pub: 5209.0)

Note that the multiplier effects are national, and not necessarily local. The ABS states that:

“Care is needed in interpreting multiplier effects; their theoretical basis produces estimates which somewhat overstate the actual impacts in terms of output and employment. Nevertheless, the estimates illustrate the high flow-on effects of construction activity to the rest of the economy. Clearly, through its multipliers, construction activity has a high impact on the economy.”

In particular the multiplier impacts can leave the impression that resources would not have been used elsewhere in the economy had the development not proceeded. In reality many of these resources would have been employed elsewhere. Note that the NSW Treasury guidelines state:

“Direct or flow on jobs will not necessarily occur in the immediate vicinity of the project – they may be located in head office of the supplier or in a factory in another region or State that supplies the project.”⁴

Nevertheless, economic multiplier impacts represent considerable added value to the Australian economy.

5.2 Construction related employment

Every one million dollars of construction work undertaken generates 2.5 job years directly in construction.⁵ Based on the estimated construction cost 675 job years.⁶ would be directly generated by the proposed development as shown in the table below.

Table 13: Construction employment

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Multipliers	1	0.731	0.851	1.433	4.015
Employment No. per \$million	2.498	1.826	2.125	3.581	10.030
Total Job Years Generated	675	494	574	968	2,710

Source: HillPDA Estimate using data from ABS Australian National Accounts: Input-Output Tables 2016-17 (ABS Pub: 5209.0)

⁴ Source: Office of Financial Management Policy and Guidelines Paper: Policy and Guidelines: Guidelines for estimating employment supported by the actions, programs and policies of the NSE Government (TPP 09-7) NSW Treasury

⁵ Source: ABS Australian National Accounts: Input – Output Tables 2012-13 (ABS Pub: 5209.0) adjusted to 2019 dollars

⁶ Note: One job year equals one full-time job for one year

The ABS Australian National Accounts: Input-Output Tables 2016-17 identified employment multipliers for first round, industrial support and consumption induced effects of 0.73, 0.85 and 1.43 respectively for every job year in direct construction. Including the multiplier impacts the proposal is forecast to generate a total of 2,710 job years directly in construction and indirectly through multiplier impacts.

A blue-tinted photograph of people's legs and feet on a grassy field. The image is overlaid with a white rectangular box containing the text "ECONOMIC IMPACTS".

ECONOMIC IMPACTS

6.0 ECONOMIC IMPACTS

This Chapter examines the economic benefits of the proposal such as employment generation, tourism expenditure, increased workers' expenditure, other economic multipliers as well providing a high level review of the non-monetary attributes and social benefits associated with the proposal.

6.1 The base case

The base case is referred to as the do nothing option although in this case there is potential to increase floor space to the maximum allowed under the LEP which is a FSR of one to one (1:1).

6.1.1 The current use

The existing use on the site is three commercial buildings with a total estimated floor area of 8,000sqm GFA⁷ employing around 300 workers. Total remuneration of staff is estimated at \$24.8m per annum based on an average remuneration of \$82,500 per worker.⁸ Gross value added (GVA) of an industry refers to the value of outputs less the costs of inputs. It also measures the contribution that the industry makes to the country's wealth or gross domestic product (GDP). At an average of \$145,400 per worker total GVA is estimated at \$43.6m.

6.1.2 Potential under the LEP

The existing building area is approximately 8,000sqm which is around half the site area. The L.E.P. allows around 16,000sqm of floor space that could house as many as 742 workers on site. Assuming the Mullane's Hotel and child care centre is part of the mix we estimate that total staff remuneration would be \$57m per annum and GVA would be \$98m.⁹

The above is a hypothetical scenario which would involve demolition of the existing buildings and construction of new buildings at twice the size. This is a hypothetical scenario that we believe is highly improbable. It is just not feasible given the value of the existing buildings, the costs of demolition and construction, project timing / cost of money and the sale value of the completed buildings. Replacing relatively modern commercial buildings with new commercial buildings at a ratio of 2:1 in this location is considered not to be viable.

Note that we have not tested the development feasibility of this option. We merely provide this scenario to measure the impacts of the planning proposal against.

6.1.3 Potential under the Structure Plan

The structure plan will allow replacing the existing buildings with new A-grade office space up to 2:1 FSR which is around four times the floor area of the existing buildings. This is double the FSR of the LEP. However the improvement in feasibility is unlikely to be so significant. It may still not be feasible to redevelop given the existing buildings on the site. Increasing the density of commercial office development adds to construction cost (dollar per square metre) with additional building height and basement car parking. This further increases the time it takes to build which increases interest and other financing costs and reduces the floor space efficiency ratio (net saleable area to gross building area). In stronger markets such as Parramatta this is feasible

⁷ Measured from Six Viewer

⁸ IBIS World Reports 2018, HillPDA estimate

⁹ Ibid

but in Norwest the market is probably not strong enough to provide an adequate return on these high costs.¹⁰ Again we have not tested the feasibility of this option but provide this scenario to measure the impacts of the planning proposal against.

6.2 Employment generation

Development under the planning proposal would support permanent employment post-construction through the operation of hotel and commercial/retail uses. The table below provides an estimate of the number of jobs that would be accommodated on site.

Table 14: Forecast employment on site

Land Use	Employment Density* ¹	NLA (sqm)	Units	Forecast Jobs	Employment Density Jobs/sqm (GFA)
General Retail* ²	1 / 24 sqm	929	sqm	39	1 / 27 sqm
Commercial (office)* ³	1 / 17 sqm	40,632	sqm	2,339	1 / 19 sqm
Mullanes Hotel* ²	1 / 27 sqm	1,314	sqm	49	1 / 30 sqm
Child Care* ²	1 / 25 sqm	585	sqm	23	1 / 28 sqm
Work at Home* ⁴	1 / 13 units	87	units	6	
Total				2,456	

*1. Sources include ABS Retail Survey 1998-99, IBIS World reports, National Quality Framework and Hill PDA Research;

*2. Assumes net lettable area = 90% of GFA and fully occupied.

*3. Assumes net lettable area = 90% of GFA and 95% occupied (average 5% vacancy).

*4. Work at Home: 7.6% of workers undertake majority of their work at home (ABS Locations of Work 2008 Cat 6275.0) and assuming 1.05 working residents per household and 4% of apartments are vacant (The Hills Shire Community Profile ABS Census 2016) translates to 1 job per 13 occupied dwellings.

Based on the table above, the proposed development is estimated to accommodate 2,456 jobs on site. These are jobs in full, part-time and casual positions.

Current employment on site is estimated at around 300 workers. Hence redevelopment under the planning proposal will provide a net increase of 2,156 jobs, more than an eight-fold increase.

This further equates to 1,650 more workers than what could be achieved if the site was fully developed to its maximum allowable floor space under the current LEP controls.

At an FSR of 3.0:1 the proposed commercial component more than meets the 2:1 FSR of employment floor space recommended for the site in the structure plan for Norwest.

The proposed increase in employment floor space would increase the number of jobs on the site six times more than the existing offices and by twice more than the existing LEP zoning potential, which proportionately more than meets the 63 per cent increase in the number of jobs targeted for Norwest in the District Plan to 2036.

6.3 Workers remuneration

Based on IBIS World Industry Reports, HillPDA has estimated total remuneration of workers at approximately \$198m per annum. A breakdown by land use is shown in the table below.

¹⁰ Net facing rent in Norwest is around \$330/sqm which is about \$200/sqm lower than Parramatta and the yield is at least half a percent higher (sources: Knight Frank Sydney Suburban Office Report 2018 and Colliers International Metro Office 2018)

Table 15: Total salaries from development

Land Use	Jobs	Avg Annual Wage*	Total (\$m)
General Retail	39	\$30,300	\$1.2
Commercial	2,339	\$82,500	\$193.0
Hotel	49	\$49,000	\$2.4
Child Care	23	\$50,350	\$1.2
Work at Home	6	\$61,000	\$0.4
Total	2,456	\$80,653	\$198.1

* Sources include IBIS World reports, PayScale - Salary Research Industry Index (Australia) and HillPDA

The proposed development will increase total remuneration of workers on site by \$173m every year (2019 dollars) – around eight times more than the current level.

This further equates to \$136m more remuneration than what could be achieved by developing the site to its maximum allowable floor space under the current LEP controls.

6.4 Gross value added

We forecast the GVA under the planning proposal to be around \$347m every year (measured in 2019 dollars) based on the following table.

Table 16: Gross Value Added from Development

Land Use	Jobs	GVA / Worker	Gross Value Added (\$m)
General Retail	39	\$43,900	\$1.7
Commercial	2,339	\$145,400	\$340.2
Hotel	49	\$67,000	\$3.3
Community Uses	23	\$61,600	\$1.4
Work at Home	6	\$74,400	\$0.5
Total	2,456	\$141,270	\$347.0

Source: Ibis World Reports; HillPDA 2019

The GVA of the current uses on site is estimated to be \$43.6m. Development would provide a further \$303m every year in GVA (measured in current 2019 dollars), around eight times more than the current uses.

This further equates to an increase of \$240m every year more than if the site was developed to its maximum allowable floor space under the current LEP controls, more than 2.2 times the level.

6.5 Expenditure from residents and workers

The Planning Proposal will provide 91 new residential apartments on site. Assuming 96 per cent of the apartments are occupied and an average occupancy rate of 2.21 persons per apartment¹¹ we estimate 195 residents will live on the subject site.

These residents would generate demand for local retail and commercial goods and services. With an assumed average retail spend of \$15,500 per capita¹² the residents would spend around \$3.02 million every year on

11. ABS Census 2016





retail goods and services. The majority of this would be captured by existing businesses in Norwest and Castle Hill commercial centres.

A recent survey conducted by Urbis found that CBD workers in Australia spend an average of \$230 a week or \$11,000pa on retail goods and services in the CBD. CBDs of course have a much stronger and wider retail offer than suburban locations. For the purpose of the assessment we have assumed a more conservative weekly expenditure of \$75-\$80 / employee /week¹³ for workers on the subject property (annual spend of \$3,500). With 2,579 non-residential workers on site this amounts to a further \$8.6m per annum that would be captured by retail businesses and food service providers in Norwest.

6.6 Summary of quantified economic impacts

A summary of the quantified economic impacts is shown in the diagram below

Figure 6: Summary of quantified economic impacts (\$m/ann in constant 2019 dollars)

	Jobs on Site 	Staff Remuneration 	Gross Value Added 	Residents & Workers Spend 
Existing Offices	300	\$24.8	\$43.6	\$1.0
L.E.P. Allowable	806	\$62.1	\$107.5	\$5.2
Planning Proposal	2,456	\$198.1	\$347.0	\$11.5
Above L.E.P.	1,650	\$136.0	\$239.6	\$6.3
Above Existing Offices	2,156	\$173.4	\$303.4	\$10.5

6.7 Other economic benefits

Other economic benefits of the planning proposal include the following.

6.7.1 Investment Stimulus

Where a significant property investment decision has been made it is generally viewed as a strong positive commitment for the local area. Such an investment can in turn stimulate and attract further investment to the immediate area.

The proposed development would create additional business opportunities in the locality. It would increase the profile of this area and in doing so increase the financial feasibility of future development, potentially acting as a catalyst on surrounding sites to further expand employment uses.

6.7.2 Jobs closer to home

There are many benefits associated with providing jobs closer to home as discussed, most notably a reduced need to travel and the knock on benefits associated with this in terms of reduced pressure on infrastructure. A reduction in the number and length of journeys made, in particular those made in private vehicles, has

12. Bella Vista average resident spend based on Marketinfo 2017 expenditure data.

13. Assumed 46 working weeks

environmental benefits. There are also lifestyle benefits related to increased free time, reduced travel related stress and a reduced likelihood of road related accidents.

6.7.3 Housing supply and affordability

The District Plan seeks to *“Providing housing supply, choice and affordability, with access to jobs, services and public transport.”*¹⁴ With a rapidly growing residential population, the supply of housing (and particularly of low cost housing) is under pressure. The impact of Sydney’s well documented low housing supply and high market demand has been to drive the cost of housing upwards.

The proposed development would deliver 91 new residential apartments in the locality, creating additional housing supply in a highly sought after location.

The Planning Proposal will also contribute to housing supply by introducing another provider in the Norwest market. Multiple producers will ensure the market is not monopolised, encouraging greater competition and a healthy rate of supply.

The Planning Proposal will also contribute to the provision of affordable housing in the LGA by providing 5 per cent of dwellings, or 5 apartments, as affordable housing for key workers.

6.7.4 Housing choice

Providing a diverse range of housing options suiting a wide variety of household types, including apartment living will also promote a more diverse community which is arguably more sustainable in the long term, as they are able to maintain a range of services and facilities useful to all age groups. Apartments also offer a more affordable housing alternative to detached houses.

Furthermore the introduction of high density residential uses on a vacant site will also create activity after work hours and on weekends. This activity improves passive surveillance increasing the sense of security and also encourages local businesses to extend trading hours to capture the additional expenditure generated in the locality.

6.7.5 Improving the visual appeal of the locality

The proposed development will facilitate in rejuvenating and activating this part of Norwest with a contemporary and yet functional urban site and would improve the visual appeal of the area. As such the proposal aligns with planning policy, delivering visual, environment environmental and economic benefit to the locality.

6.7.6 Transit Orientated Development

As mentioned above, the subject site benefits from excellent accessibility. It is located centrally in Norwest and a short walk from the metro train station. Norwest is located some distance from the more congested Centres of Parramatta. Being less congested also provides an opportunity to maximise development potential without exacerbating existing levels of traffic in centres that are already suffering from significant road congestion.

The train station provides a genuine alternative to the private car for local residents and workers in accessing jobs, shops and services. Furthermore, an improved range of shops and services on the Site should help to reduce the number of journeys made by local residents who shop in other Centres due to the lack of a range of goods and services currently on offer.

¹⁴ Central City District Plan p12

The principal of building higher density developments, in locations close to transit nodes is accepted as delivering environmental benefits. These benefits are associated with providing a genuine alternative to the private car, thereby reducing the number of journeys made by private vehicle and thus reducing vehicle emissions. The provision of an improved range of services, the provision of a mix of uses on the site would also support a reduction in vehicle emissions and improve transport safety.

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