

Market Potential and Retail Impact Review

Norwest Marketown, Century Circuit, Norwest

Norwest City Pty Limited (Mulpha)



'Gura Bulga'

Liz Belanjee Cameron



'Gura Bulga' – translates to Warm Green Country. Representing New South Wales.

By using the green and blue colours to represent NSW, this painting unites the contrasting landscapes. The use of green symbolises tranquillity and health. The colour cyan, a greenish-blue, sparks feelings of calmness and reminds us of the importance of nature, while various shades of blue hues denote emotions of new beginnings and growth. The use of emerald green in this image speaks of place as a fluid moving topography of rhythmical connection, echoed by densely layered patterning and symbolic shapes which project the hypnotic vibrations of the earth, waterways and skies.

Ethos Urban acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We acknowledge the Gadigal people, of the Eora Nation, the Traditional Custodians of the land where this document was prepared, and all peoples and nations from lands affected.

We pay our respects to their Elders past, present and emerging.

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All figures and data updated from April 2023. Final version reflects latest development yields as at June 2023.

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Executive Summary

Purpose and background

This report has been prepared on behalf of Norwest City Pty Limited (Mulpha), to support the Norwest Marketown Planning Proposal. The proposal seeks to amend The Hills Local Environmental Plan 2019 (THLEP 2019) to insert revised planning controls for land situated at 4-6 Century Circuit, Norwest (the Subject Site) adjacent to the Norwest Metro Station and within the Norwest Strategic Centre.

The Norwest Marketown Planning Proposal aims to facilitate the long-planned transformation of 46,455m² of strategically important land presently containing the Norwest Marketown Shopping Centre and adjoining lands comprising the Carlile Swimming Centre. The Subject Site is situated along a major regional throughfare in Norwest Boulevard, connecting to Old Windsor Road to the west.

This Planning Proposal will facilitate appropriate planning controls to support the Subject Site's future redevelopment for a contemporary, transit-oriented, mixed-use precinct. The Subject Site has capacity to deliver a range of employment generating uses in support of the surrounding Norwest Business Park, through delivering commercial office, retail, entertainment, tourist and visitor accommodation, and community floorspace. These uses are further enhanced through the proposal's introduction of residential uses and the potential for a diversity of housing typologies. Mulpha's vision for sustainable development practices are at the heart of the concept for the Subject Site.

Development planned for the site will be supported by a range of facilities that will benefit occupants of the site itself and the broader region. Delivering infrastructure improvements as well as generous plazas, public squares and open space, including facilitating enhanced access to the Norwest Lake foreshore.

The purpose of this report is to conduct a market analysis to understand the potential for commercial, retail, and residential uses at the Norwest Marketown (the Subject Site), as well as to present a high-level review of the likely impacts to the retail hierarchy based on the current concept plan.

Summary of findings

Location Context and Proposed Development

- The Subject Site is located within the suburb of Norwest, within the Hills Shire Local Government Area (LGA) approximately 27km to the north west of Sydney CBD (straight line distance). Norwest is identified as a 'strategic centre' under the State Government and Hills Shire Council strategic planning framework and is strategically located on the Metro North West Line. Norwest Business Park, located within Norwest, forms a regionally significant commercial centre providing low to medium density campus style offices.
- The Subject Site has excellent access to public transport, employment opportunities (locally and within the broader region), and a range of community and retail facilities.
- Within the local area, the site connects a strong mix of surrounding land uses such as low, medium and high density residential, industrial and commercial lands in Castle Hill Industrial Area and Bella Vista, recreational space such as Bella Vista Farm and Castle Hill Country Club, and major transport infrastructure including the Sydney Metro Northwest and Westlink M7.
- The Norwest Marketown Planning Proposal includes an indicative master plan and reference scheme, incorporating best practice design initiatives, to achieve an attractive precinct with high amenity. Key features include:
 - A masterplanned urban design scheme including new blocks, public streets, squares and open spaces.
 - A total development density of up to 232,375m² Gross Floor Area (GFA) comprising a Floor Space Ratio of 5.0:1. This includes the following components:
 - 117,330m² of employment generating floorspace comprising commercial, entertainment, retail and hotel accommodation;
 - 102,523m² of residential floorspace comprising approximately 854 apartments; and
 - 12,523m² of community, indoor recreation, civic and education floorspace.
- The Subject Site is located within one of Sydney's major employment precincts and in proximity to number of facilities and key suburban centres, with good accessibility to major transport infrastructure, as well as a range of key

services such as retail, health care and recreation. A future extension of the metro line to the new Western Sydney Airport will also provide the Subject Site with good access to jobs within the future Western Sydney Aerotropolis. Overall, there is considerable opportunity for development at the Subject Site to enhance Norwest's role and function and provide a highly desirable and convenient place to live, work and play.

Strategic Policy Context

- A review of strategic planning documents emphasises a range of key themes of relevance to the proposed development, these include:
 - **Employment:** Hills Shire has a jobs target of between 28,600 - 37,100 additional jobs by 2036, with the majority of these jobs to be accommodated in Norwest, with a baseline jobs target of 16,600 – 20,600 jobs.
 - **Housing:** the population is expected to continue to grow and this will require additional housing to accommodate this future population. In addition, there is need to provide greater housing choice to align with the evolving and shifting demographic profile within this area of Sydney.
 - **Mixed use precincts:** Future housing will be accommodated within mixed use precincts as part of Transit Orientated Developments (TOD) within existing station precincts, such as Norwest, with these locations being the most logical locations to deliver housing. The strategic vision for Norwest is to create a mixed use precinct with high amenity and vibrancy through providing a range of uses including commercial, retail, residential, leisure, entertainment and community facilities.
 - **Role and function:** Norwest is the Hill Shire's economic centre and is identified as a mixed use strategic centre that will continue to provide a range of job opportunities within an established commercial office precinct. Future jobs are anticipated to be accommodated in high density commercial office towers.

The proposed development has the potential to align with the strategic vision for this part of Sydney, highlighted in both Local and State Government policies and strategies. In addition to delivering vital employment opportunities, housing supply and community services, the project has the potential to further enhance Norwest as a regionally significant commercial, retail and residential destination and support long term success by having regard to contemporary resident, tenant and customer requirements.

Economic Context

- For the purposes of this analysis, two study areas have been defined. One which represents the Local Market and other represents the Main Trade Area.
- A review of key demographic and population data indicates that the population has experienced above average growth in recent years, associated with a large provision of new infrastructure and increase in couple families. Looking forward to 2036, official projections indicate that the local area will experience continued significant levels of population growth.
- A review of the 2021 Census data indicates that residents are slightly younger than the Greater Sydney median age, and with a high proportion of working professionals, with 4 in every 5 residents working a white collar occupation. Households generally have higher incomes and comprise a high proportion of couple families with children. Additionally, dwelling supply predominately comprises separate houses, with an average median mortgage repayment being 25.2% of average annual household income, at the time of the 2021 Census.
- Employment levels are projected to remain strong across the Local Market with an additional +54,410 jobs projected over the period to 2041. The Subject Site represents a logical location to accommodate future employment growth including across knowledge workers and traditional office users – two key growth categories. In this context, the proposed development is well placed to support employment growth in Norwest and assist in achieving strategic job targets for the centre.

Overall, key demographic indicators and drivers highlight that the local population would associate strongly with a range of uses at the Subject Site, in particular support greater housing diversity, greater housing choice and the creation of an integrated, walkable transit orientated community. This highlights the opportunity for a greater intensification of uses at the Subject Site, aligned with the planning proposal.

Competitive Context

- **Commercial office:** Norwest is currently a regionally significant suburban commercial centre. Norwest Business Park is a purpose-built commercial precinct typically providing low to medium rise commercial space in a business park and campus style offer. In addition, Norwest has successfully attracted a number of major national tenants including Resmed and Woolworths.

- **Retail:** Norwest is an established local retail destination, with two neighbourhood centres provided (Norwest Marketown and CircaRetail) serving the local resident and worker population. The retail provision is expected to expand and evolve as Norwest continues to grow into a high density mixed use commercial, retail and residential precinct.
- **Residential:** The local area is primarily characterised as a business park, however, a variety of residential uses are provided. In recent years there has been a shift towards medium and higher density residential uses, particularly concentrated around Fairway Drive and Spurway Drive. As new development has not yet started within the immediate Norwest Station precinct, there is opportunity for residential uplift as part of a high-density mixed use offer at the Subject Site.
- **Visitor Accommodation:** There is a small provision of visitor accommodation facilities within Norwest, with two visitor accommodation facilities currently provided. Visitor accommodation facilities are a key component in supporting a vibrant mixed use precinct. As Norwest continues to grow and evolve, greater investment in visitor accommodation will be required if the strategic vision, of a thriving mixed use and key commercial centre is to be achieved.

Like other key transport destinations and precincts such as Hills Showground, Rouse Hill and Tallawong, Norwest has a large amount of development investment activity within close proximity to Norwest Station and the Subject Site. Other key sites such as at CircaRetail could also provide additional employment development uplift. The outlook for Norwest indicates that the local area will continue to transition towards medium and higher density uses, including a residential component, reflecting favourable locational attributes.

Commercial Market Potential

- Norwest is currently the largest commercial office market within the Hills Shire with an estimated 500,000m² of commercial office floorspace. Most of this floorspace comprises low to medium rise campus style commercial offices.
- As cost of land and scarcity of available land increases, the opportunity to deliver higher density office uses around key station precincts will become more desirable. This opportunity for higher density commercial offices is identified in the draft 2022 Norwest Precinct Plan which identifies the Norwest Central Precinct (which encompasses the Subject Site and Norwest Station) as a high density commercial core which is close to the station and comprises a mixed-use 'heart' at the Norwest Marketown site.
- There is potential for commercial office development to accommodate future jobs growth and align Norwest with its strategic vision as a high density commercial and mixed use precinct and a key destination within the region. The Local Strategic Planning Statement (LSPS) identifies a baseline jobs target of 16,600 – 20,600 jobs for Norwest by 2036.
- Norwest is well positioned to accommodate growth in commercial office uses, with the Subject Site ideally positioned to deliver modern, prime grade office floorspace.

The proposed development is aligned with the strategic vision for the Subject Site and Norwest. The mix of uses proposed as part of the proposed development will create a vibrant and high amenity mixed use precinct that will enhance the ability for Norwest to attract and retain key tenants and workers and improve Norwest's competitive commercial offer in the long term.

Retail Market Potential

- A Main Trade Area has been defined to reflect the area most likely to associate with any proposed retail offer at the Subject Site. The trade area takes into account the retail provision planned at the proposed development and the existing retail hierarchy. For the most part, the trade area reflects the region from which the proposed retail uses will generate consistent customer patronage.
- A review of retail trends indicates that the context and drivers for retail development has changed significantly over the past decade. Society's fast paced lifestyle and flexible work and life arrangements means that modern consumers have more diverse preferences when it comes to retail experiences and shopping requirements. For strategic centres, such as Norwest it is critical to ensure that key locations deliver a critical mass of tenancies and operators that provide high levels of amenity, quality and experiences in order to create a successful retail destination.
- A review of competing centres and the proposed quantum of retail floorspace planned at the Subject Site suggest that the proposed offer will be appropriate to support Norwest's position within the retail hierarchy and to serve future employment and residential growth. While the specific mix of retail uses is yet to be determined, it is understood that the retail offer at the Subject Site will be focused on provided convenience based retail anchor

tenants, alongside food catering and services that will serve the local worker and resident population. The proposal is planned to deliver a net gain of +19,760m² of retail floorspace (reflecting the redevelopment of the existing Norwest Marketown site). The proposed retail provision planned at the Subject Site is appropriate to serve the needs of the growing local population while ensuring a stable retail hierarchy, with Rouse Hill and Castle Hill identified as the other strategic centres within the Hills Shire and currently accommodating larger retail centres.

- There is an identified need for additional retail floorspace within Norwest to serve the planned future population. In addition, the draft 2022 Norwest Precinct Plan highlights the need to support higher levels of amenity and activation in order to attract and retain businesses and workers. In this respect the proposed retail provision at the Subject Site will assist in enhancing amenity for Norwest.

The Subject Site is well positioned on a high profile and easily accessible location adjacent to Norwest Station, within a strategic area designated for substantial growth, including an intensification of employment and residential uses. The anticipated growth would support demand for a wide range of uses including convenience based retail uses.

The retail component of the proposed development is aligned with the strategic vision for the Subject Site and Norwest's position in the broader retail hierarchy. The mix of uses proposed as part of the proposed development will deliver a vibrant and high amenity mixed use precinct that will enhance the ability of Norwest to attract and retain key tenants and workers in the longer term. The proposed retail offer will improve Norwest's appeal as a strategic centre without impacting on the retail hierarchy or viability of other strategic centres within the region.

Residential Market Potential

- A review of house and unit sales demonstrates the strong demand and potential for high density living in Norwest. House and unit price trends indicate strong demand to live within the defined Local Market, with a premium attached to house prices within both the Local Market and the Hills Shire overall. Unit prices within the Local Market are considered relatively affordable against income levels when compared to the Greater Sydney benchmark.
- Delivery of high density developments has mostly taken the form of TOD which seeks to provide residential and other supporting uses in proximity to existing transport nodes or stations. The shift towards TOD and higher density living is evident in Greater Sydney and has been concentrated in urban renewal and established areas of the city that have good access to public infrastructure, employment nodes, retail facilities and other services. By contrast, low density approvals are overwhelmingly concentrated in residential growth areas (such as the North West and South West Growth Areas) and on the urban fringe of Sydney. The Hills Shire has also anticipated this shift in the LSPS, with Greenfield Areas anticipated to account for less than 10% of housing delivery by 2031.
- Implied dwelling demand, which is a measure of dwelling need based on household formation and projected population growth, indicates strong demand for housing with the Local Market with an additional +106,400 dwellings estimated to be required for the period 2023 to 2041. Much of this dwelling demand will be focused on the greenfield areas and station precincts within the defined Local Market.
- A review of recent trends in housing supply indicate strong market interest and demand to deliver housing within the Local Market and the Hills Shire. There has been a shift towards multi-unit dwellings, likely driven by price growth as well as the relative scarcity and cost of land as Greater Sydney's urban frontier continues to expand. Looking forward, and based on the NSW Department of Planning and Environment (DPE) housing supply forecasts, future delivery of housing will be concentrated within station precincts at a much faster rate than anticipated by the Hills Shire LSPS.
- A review of greenfield residential capacity, based on current dwelling potential under existing controls, indicates that in the next 12 to 17 years, dwelling demand will fill all identified capacity within greenfield areas. The current residential pipeline within remaining residual area (or non-Greenfield areas) will be fully absorbed in the next four to six years. In addition, once greenfield capacity has been absorbed, this unmet demand will need to be redirected to non-greenfield locations, including infill sites. While additional greenfield capacity can be created through changing land use controls, this highlights the need to plan for much greater delivery of housing within existing high amenity and accessible locations, such as station precincts and the Subject Site.

The Subject Site represents a logical location for residential development providing a range of attributes suitable for high density residential uses, including access to public transport infrastructure, access to key employment centres (both Norwest and the broader region) and proximity to retail facilities and a range of amenities.

The proposed development and residential offer will respond to market drivers and demand for much needed high density residential development at high amenity and accessible locations, including station precincts within the Hills Shire. Complementary uses proposed at the Subject Site including commercial, retail, leisure and entertainment will help to create a true live, work and play mixed use precinct that will benefit future residents at the Subject Site. In this sense, the proposed development aligns with the strategic vision for Norwest as a mixed use precinct as identified in the draft 2022 Norwest Precinct Plan.

Visitor Accommodation Potential

- Visitor accommodation uses, specifically hotels, are well suited to major mixed-use precincts, with visitor accommodation being highly complementary to land uses including employment, health, education, retail and other areas that act as a destination for visitors.
- Across the North West of Sydney, the visitor accommodation facilities are provided to complement commercial office uses at employment precincts, and are in major community hubs and centres and along major arterial roads such as at Rouse Hill, Pennant Hills and Norwest.
- While COVID-19 has had a dramatic impact on tourism and the visitor accommodation sector in the short term, the long term potential for these uses is likely to remain. This is particularly the case as demand for domestic travel and business travel improves in the post-COVID-19 environment.
- Tourism Research Australia (TRA) data for visitors to the Norwest local area (defined using statistical area level 2 boundaries) indicates that in the years leading up to 2020, the number of visitors to Norwest and surrounding area was steadily increasing. An average of 51,800 visitor nights were estimated for Norwest and the surrounding area over the last ten years. A return to trend growth is expected in the medium term.
- As Norwest continues to grow and emerge as a mixed use strategic centre and employment precinct there will be an opportunity to provide additional visitor accommodation facilities.

In this regard, there is potential for additional visitor accommodation facilities in Norwest in the future. A visitor accommodation component of the proposed development will respond to this market potential, and will help to achieve the vision for Norwest as a vibrant strategic centre. The Subject Site represents a logical location for visitor accommodation uses given its strategic location and accessibility, including co-location with complementary uses including commercial, retail, and residential.

Land Use and Retail Impact Review

- There is clear market demand for the project, with the proposal supporting the strong focus on employment within Norwest, while responding to market need and opportunity for higher density mixed use developments in key precincts. The Local Market is anticipated to experience substantial levels of growth in both employment and local residents, and this additional population will require access to additional and well located residential, commercial, visitor accommodation and retail facilities. The proposed development is ideally positioned to satisfy a proportion of this future market demand and in the process, help to support the continued growth and evolution of Norwest as a mixed use and key commercial centre.
- The retail component of the proposed development would appeal to the local market, enhancing the retail offer and level of amenity in Norwest, supporting activation during the week as well as after-hours and on weekends. Any impact from the retail component of the proposed development on surrounding centres or development will be minimal, and will not impact on ongoing operation or viability of any existing or proposed facility. The provision will reinforce and support the existing retail hierarchy and vision for Norwest as a strategic centre.

The proposed development is likely to result in a range of economic and community benefits, supporting existing and future residents, workers and visitors of Norwest and the surrounding community.

A summary of key metrics and uplift associated with the proposed development is summarised below.

Summary of Uplift Associated with the Proposed Development

Category	Value
Commercial	+80,590m ²
Retail	+19,150m ²
Residential	+854 dwellings
New onsite residents	+1,790 residents
Retail expenditure from residents <i>per annum</i>	+\$30,036,200
Visitor accommodation	+8,580m ²

NOTE: This report should be read in conjunction with the Economic Impact Assessment also submitted with the planning proposal. The Economic Impact Assessment considers the impacts from the overall development, while this report refers to the market potential for the proposed uses and high-level impacts associated with the retail component only.

1. Introduction

This report has been prepared, on behalf of Norwest City Pty Limited (Mulpha), to support the submission and assessment of the Norwest Marketown Planning Proposal. The proposal seeks to amend *The Hills Local Environmental Plan 2019* (THLEP 2019) to insert revised planning controls for land situated at 4-6 Century Circuit, Norwest (the Subject Site) adjacent to the Norwest Metro Station and within the Norwest Strategic Centre.

The Norwest Marketown Planning Proposal aims to facilitate the long-planned transformation of 46,455m² of strategically important land presently containing the Norwest Marketown Shopping Centre and adjoining lands comprising the Carlile Swimming Centre. The site is situated along a major regional throughfare in Norwest Boulevard, connecting to Old Windsor Road to the west.

This Planning Proposal will facilitate the appropriate planning controls to facilitate the site's future redevelopment for a contemporary transit-oriented and truly mixed-use precinct. The site has a capacity to deliver a range of employment generating uses in support of the surrounding Norwest Business Park, through commercial office, retail, entertainment, tourist and visitor accommodation and community floorspace. These uses are further enhanced through the proposal's introduction of residential uses and the potential for a diversity of future emerging housing typologies. Mulpha's vision for sustainable development practices are at the heart of the concept for the site.

Development planned for the site will be supported by a range of facilities that will benefit occupants of the site and the broader region, together with infrastructure improvements and upgrades and the delivery of generous plazas, public squares and open space, facilitating access to an enhanced Norwest Lake foreshore.

Mulpha's vision for the Subject Site is a revitalised and vibrant mixed-use precinct that increases the productivity of employment generating land, provides essential services and increases the provision of housing close to transport. The precinct will provide essential services and a range of new community facilities and open space areas that will benefit the broader community. This will enable the creation of a vibrant and rejuvenated centre that fosters an attractive place to live, work and play.

The Norwest Marketown Indicative Reference Scheme, as prepared by FJC Studio, represents an optimised and refined reference scheme, to guide best practice design and the preparation of detailed planning controls to achieve an attractive transit-oriented development precinct with high amenity.

Key features of the Norwest Marketown Indicative Reference Scheme are:

- A masterplanned urban design of new building blocks, public streets, squares and open spaces.
- A total development density of up to 232,375m² Gross Floor Area (GFA) comprising a Floor Space Ratio of 5.0:1. This includes the following components:
 - 117,330m² of employment generating floorspace comprising commercial, entertainment, retail and hotel accommodation;
 - 102,523m² of residential floorspace comprising approximately 854 apartments; and
 - 12,523m² of community, indoor recreation, civic and education floorspace.
- Building heights above ground ranging from 5 storeys to 36 storeys.
- A Lower Ground level providing a direct connection to Norwest Metro through to Norwest Lake at grade with retail and food and beverage opportunities.
- Basement parking, loading and servicing across 4 subterranean levels, with spaces for some 2,600 cars, which are intended to be allocated by way of a parking management system.
- Substantial open space provisions including:
 - Lake Avenue – pedestrian linkage connecting Norwest Boulevard to Norwest Lake
 - Garden Terrace – cascading open space, providing an enhanced Norwest Lake Foreshore
 - Norwest Public Square – local passive open space and alfresco dining.
- Community and civic buildings such as the Glass House.
- Significant enhancements to the existing Century Circuit, including intersections with Norwest Boulevard, the provision of internalised local streets and pedestrian connections and staged contribution within the site boundary to a future northern connection to Fairway Drive.
- Complementary on and off-site infrastructure to be delivered by way of a future Planning Agreement.

The purpose of this report is to conduct a market analysis to understand the potential for commercial, retail, residential, visitor accommodation uses at Norwest Marketown.

The structure of this report is outlined below :

- **Chapter 1.** Introduction
- **Chapter 2.** Location Context and Proposed Development
- **Chapter 3.** Strategic Policy Context
- **Chapter 4.** Economic Context
- **Chapter 5.** Competitive Context
- **Chapter 6.** Commercial Market Potential
- **Chapter 7.** Retail Market Potential
- **Chapter 8.** Residential Market Potential
- **Chapter 9.** Visitor Accommodation Potential
- **Chapter 10.** Land Use and Retail Impact Review

2. Location Context and Proposed Development

This Chapter provides a summary of the local and regional context of the Subject Site and the proposed development.

Key findings:

- The Subject Site is located within the suburb of Norwest, within the Hills Shire Local Government Area (LGA) approximately 27km to the north west of Sydney CBD (straight line distance). Norwest is identified as a 'strategic centre' under the State Government and Hills Shire Council strategic planning framework and is strategically located on the Metro North West Line. Norwest Business Park, located within Norwest, forms a regionally significant commercial centre providing low to medium density campus style offices.
- The Subject Site has excellent access to public transport, employment opportunities (locally and within the broader region), and a range of community and retail facilities.
- Within the local area, the site connects a strong mix of surrounding land uses such as low, medium and high density residential, industrial and commercial lands in Castle Hill Industrial Area and Bella Vista, recreational space such as Bella Vista Farm and Castle Hill Country Club, and major transport infrastructure including the Sydney Metro Northwest and Westlink M7.
- The Norwest Marketown Planning Proposal includes an indicative master plan and reference scheme, incorporating best practice design initiatives, to achieve an attractive precinct with high amenity. Key features include:
- A masterplanned urban design scheme including new blocks, public streets, squares and open spaces.
- A total development density of up to 232,375m² Gross Floor Area (GFA) comprising a Floor Space Ratio of 5.0:1. This includes the following components:
 - 117,330m² of employment generating floorspace comprising commercial, entertainment, retail and hotel accommodation;
 - 102,523m² of residential floorspace comprising approximately 854 apartments; and
 - 12,523m² of community, indoor recreation, civic and education floorspace.
- The Subject Site is located within one of Sydney's major employment precincts and in proximity to number of facilities and key suburban centres, with good accessibility to major transport infrastructure, as well as a range of key services such as retail, health care and recreation. A future extension of the metro line to the new Western Sydney Airport will also provide the Subject Site with good access to jobs within the future Western Sydney Aerotropolis.
- Overall, there is considerable opportunity for development at the Subject Site to enhance Norwest's role and function and provide a highly desirable and convenient place to live, work and play.

2.1 Subject Site Description

The Subject Site, known as Norwest Marketown, is located at 4-6 Century Circuit, Norwest. It is immediately north of the Norwest Station in an area identified as the Norwest Central sub-precinct and considered the 'heart' of Norwest, in the western part of The Hills Shire Local Government Area (LGA). It is approximately 27 kilometres northwest of the Sydney Central Business District (CBD) and 10km northwest of Parramatta. The Subject Site on Century Circuit is considered to be within the Norwest Central sub-precinct, as outlined in The Hills Local Strategic Planning Statement.

Norwest is identified as a 'strategic centre' under the State Government and Hills Shire Council strategic planning framework and is strategically located on the Metro North West Line. Norwest Business Park located within Norwest forms a regionally significant commercial centre providing low to medium density campus style offices.

The Subject Site is owned by Mulpha Norwest Pty Ltd (the applicant) and is approximately 4.6 ha in size. The Subject Site has a frontage of approximately 185m to Norwest Boulevard and incorporates Century Circuit which extends eastward within the southern portion of the Subject Site. The Subject Site was formerly part of the North Sydney Brick and Tile Company's Brick Works Holding and now forms part of the Norwest Business Park. The Subject Site is primarily occupied by Norwest Marketown, a neighbourhood centre.

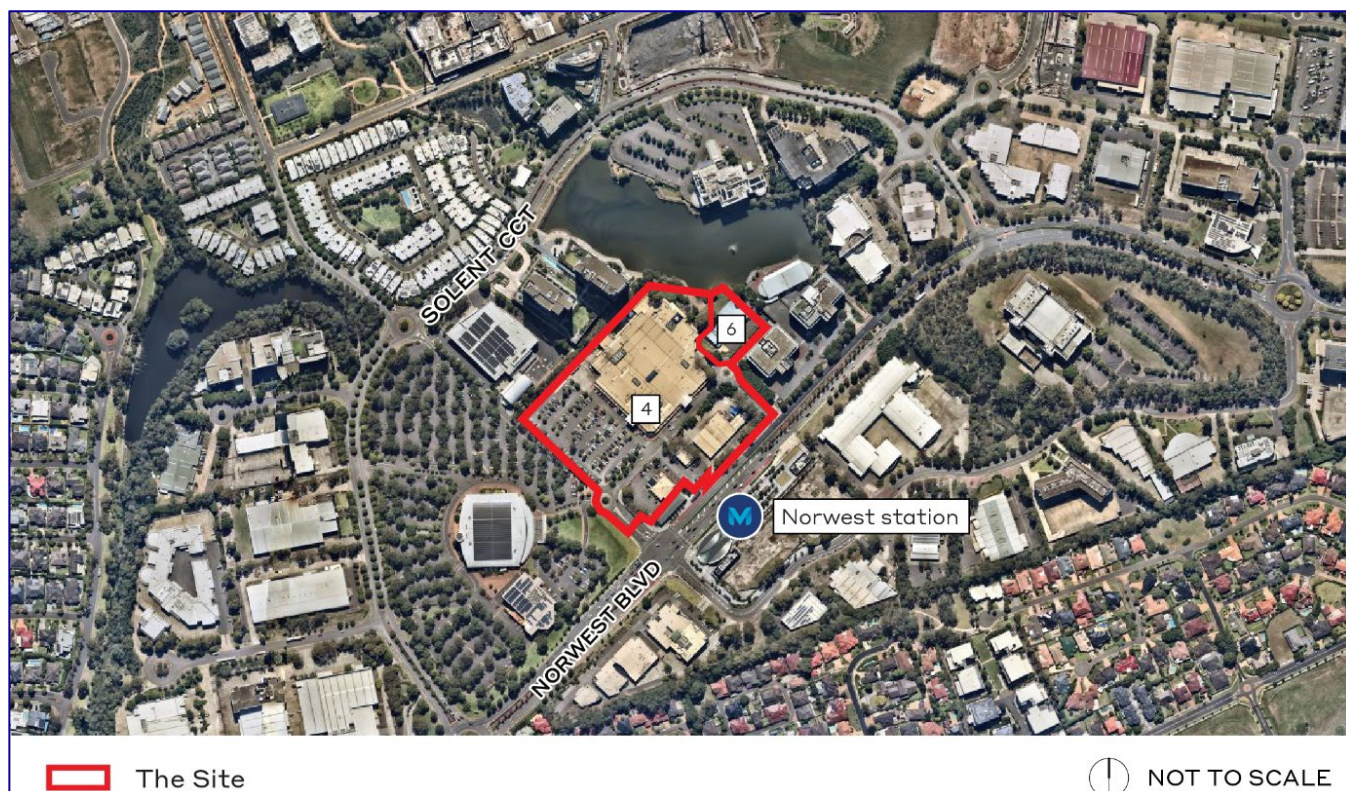


Figure 1 Subject Site Aerial Photograph

Source: Nearmap; Ethos Urban

2.2 Local Context

The development surrounding the Subject Site includes a range low to medium rise campus style commercial buildings and high density residential apartments and low density housing. A mix of commercial and residential space are the primary land uses in Norwest. The original intention of Norwest was to operate as a business park to serve The Hills Shire and City of Blacktown areas and hence, development in Norwest has largely comprised of medium to high density commercial uses. More recently, various forms of residential densities have arisen, with low and medium density residential being developed northwest of the Subject Site around Fairway Drive, and higher density residential arising around Norwest Lake and north of the Subject Site around Solent Circuit. This was a planned development guided by the original DCP for Norwest which envisaged the Norwest Town Centre as having a residential "heart".

A number of neighbourhood and convenience based retail operators are located on the Subject Site, with other smaller restaurants and cafes around Norwest Lake, Solent Circuit and Norwest Boulevard. While to the east and west of the Subject Site, higher intensity employment uses such as commercial office exist. A summary of key facilities include:

- **North.** To the immediate north is Lakeview Private Hospital and Norwest Lake. The lake is surrounded by higher density mixed use developments which include commercial, retail, and residential. Further north is Castle Hill Country Club which is surrounded by undeveloped parcels of land as well as some medium and low density housing. One kilometre northwest of the Subject Site lies the newly built Bella Vista Public School.
- **East.** To the immediate east of the Subject Site are low and medium density commercial buildings that house organisations including Rydges Hotel, The Hills Shire Council and IBM. Further east lies Castle Hill light industrial area which is a highly active light industrial-commercial area that accommodates a large homemaker centre and several car dealerships.
- **South.** To the immediate south is the Norwest Station. The proposed development will be connected directly to the Norwest Station from the existing station underpass. Further south beyond the station, low density detached dwellings exist.
- **West.** To the immediate west is the Hillsong Church Campus, which also has an adjoining college and chapel on site. Further west, beyond Solent Circuit, are low and medium density commercial buildings with business park character and low density residential developments within the Bella Vista Waters residential estate. Norwest Business Park extends further west and incorporates campus style commercial and retail buildings which includes the Woolworths Group headquarters. There is a T-way which runs parallel with Old Windsor Road. Southwest of the Subject Site also lies Bella Vista Farm, a heritage-listed parkland reserve. To the southwest is the Circa commercial precinct which is also part of Norwest Business Park.



Figure 2 Local Context

Source: Mapinfo, Nearmap; OpenStreetMaps; PCA

2.3 Regional Context

A diverse range of uses are present within the broader region, including industrial, recreational, retail, educational and commercial. Residential is the primarily land use within the Subject Site. Further residential and commercial land uses as well as several varying networks of infrastructure (see **Figure 3**)

There are a number of major transport corridors located within proximity to the Subject Site:

- **The M7 Motorway and M2 Hills Motorway** are the major arterial roadways providing east to west, and north to south connectivity and linking north west Sydney with Sydney CBD.
- **Metro North West** is a recently completed metro line connecting north west Sydney to Sydney CBD. Key stations along the line include Norwest, Castle Hill, Cherrybrook, Epping, and Chatswood. While undergoing works will connect the line directly to Sydney CBD, while future works will extend the line to Western Sydney Aerotropolis.

There are a range of regionally significant centres within proximity to the Subject Site. These centres provide a range of higher order goods and services, with access employment opportunities, retail facilities, and health and education services. A summary of some of the key nearby centres is summarised below:

- **Castle Hill** is located 4 km to the east of the Subject Site. Identified as a Strategic Centre, Castle Hill provides a range of retail and community services to a large population catchment in Greater Sydney's northwest. The centre operates as a mixed use centre with an extensive provision of retail provided by Castle Towers Shopping Centre.
- **Epping** is a strategic centre located 11.9 km to the south east. Epping is an important mixed use centre and provide a range of retail facilities, food and beverage retail, and health and education facilities. Two train lines intersect at Epping Station which includes the Metro North West and the T9 Northern Line. A moderate level of commercial offices are located at Epping providing services to local households and businesses.
- **Westmead Health and Education Precinct** is located some 8 km to the south of the Subject Site and contains Westmead Hospital, Westmead Private Hospital, and the Children's Hospital at Westmead. In addition there are a range of health care providers clustered within the precinct as well as education facilities and university campuses.
- **Parramatta** is one of Sydney's metropolitan centres and earmarked as Sydney's second CBD. Located 10.1km to the south west, Parramatta provides access to a range of good and services, employment services, education and community facilities. In recent years there has been an extensive level of investment from both the public and private sector that is transforming the CBD. Major projects include key infrastructure projects such as the light rail, metro west, as well as key commercial and residential developments. In order to secure its future, Parramatta CBD will require access to a range of workers within its regional catchment to continue to grow.
- **Macquarie Park** is located 15.2 km to the east, and is a major mixed-use employment centre with residential, education, retail and commercial components. Macquarie Park is one of the key employment precincts in suburban Sydney and is located the western end of the 'Global Arc' of professional service jobs linking Macquarie Park to the Sydney CBD. Macquarie university is located adjacent to Macquarie Centre a Super Regional Shopping Centre with 12 major tenants, and around 320 speciality stores. There is also hospital and healthcare facilities provided within Macquarie Park.

More broadly, the Subject Site is within a region of Greater Sydney that is undergoing significant transformation and uplift. There are a number of key developments immediately surrounding the Subject Site, including Norwest Quarter and The Orchards, as well as several strategic areas in close proximity such as the Sydney Metro North West Station precincts and the North West Growth Corridor.

Much of the land along the Northwest metro line has been rezoned as a part of the Sydney Metro Northwest Urban Renewal Corridor. These station precincts have primarily been re-zoned for primarily high density residential uses with some precincts offering more of a mix of uses such as retail, commercial, light industrial and large format retail.

Overall, the Subject Site is located within one of Sydney's major employment precincts and in proximity to number of facilities and key suburban centres, with good accessibility to major transport infrastructure, as well as a range of key services such as retail, health care and recreation. An extension of the metro line to the new Western Sydney Airport also provides the site with good access to jobs within this future aerotropolis. These factors combine to make the Subject Site and the local area an attractive and well connected place to live that fits the ideal 30-minute city.

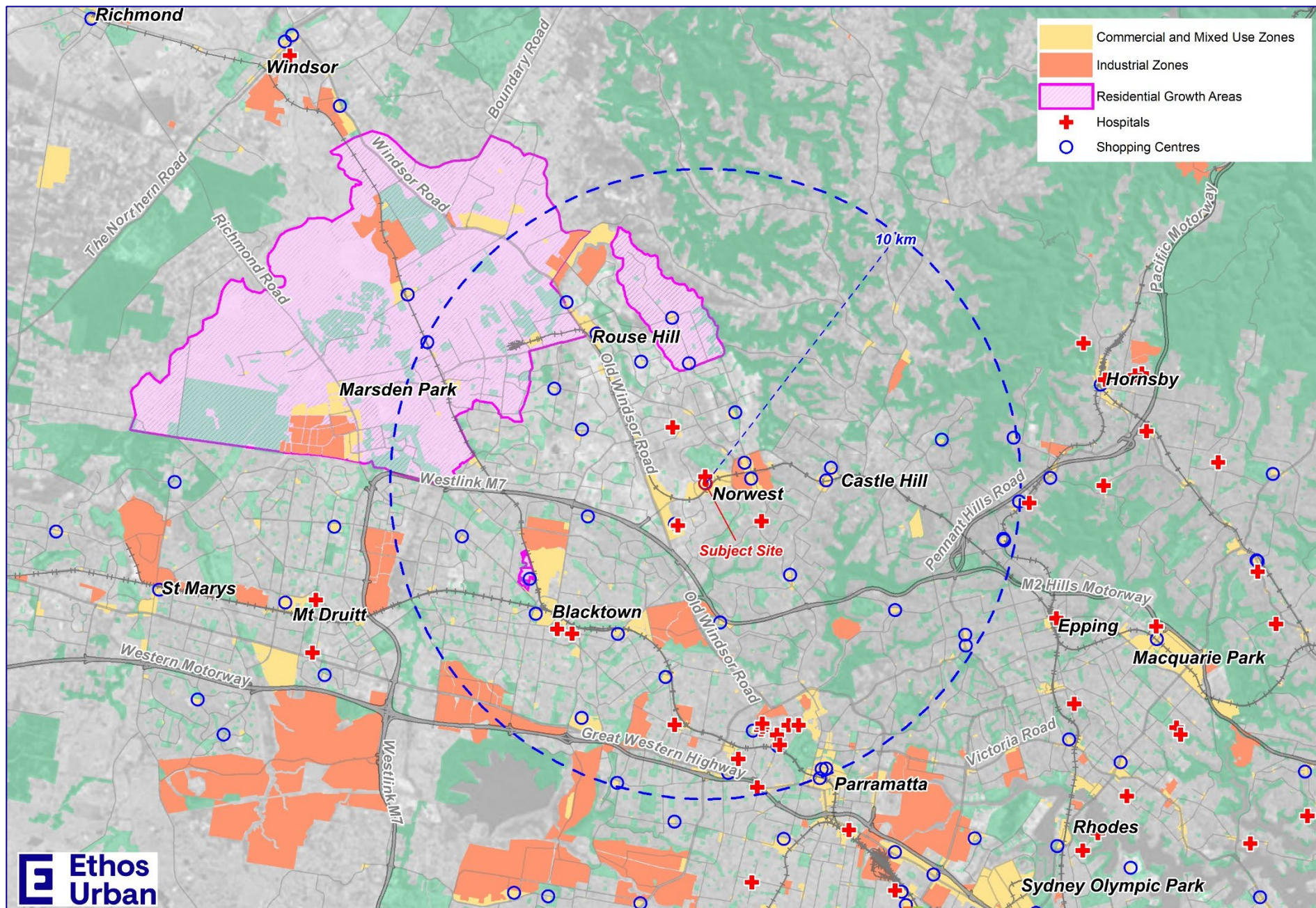


Figure 3 Regional Context

Source: Mapinfo; BingMaps; OpenStreetMaps

2.4 Proposed Development

Mulpha's vision for the Subject Site is a revitalised and vibrant mixed-use precinct that increases the productivity of employment generating land, provides essential services and increases the provision of housing close to transport. The precinct will provide essential services and a range of new community facilities and open space areas that will benefit the broader community. This will enable the creation of a vibrant and rejuvenated centre that fosters an attractive place to live, work and play.

The Norwest Marketown Indicative Reference Scheme, as prepared by FJC Studio architects and urban designers, represents an optimised and refined reference scheme, to guide best practice design and the preparation of detailed planning controls to achieve an attractive transit-oriented development precinct with high amenity.

Key features of the Indicative Reference Scheme are:

- A masterplanned urban design of new building blocks, public streets, squares and open spaces.
- A total development density of up to 232,375m² Gross Floor Area (GFA) comprising a Floor Space Ratio of 5.0:1. This includes the following components:
 - 117,330m² of employment generating floorspace comprising commercial, entertainment, retail and hotel accommodation;
 - 102,523m² of residential floorspace comprising approximately 854 apartments;
 - 12,523m² of community, indoor recreation, civic and education floorspace;
- Building heights above ground ranging from 5 storeys to 36 storeys.
- A Lower Ground level providing a direct connection to Norwest Metro through to Norwest Lake at grade with retail and food and beverage opportunities.
- Basement parking, loading and servicing across 4 subterranean levels, with spaces for some 2,597 cars, which are intended to be allocated by way of a parking management system.
- Substantial open space provisions including:
 - Lane Avenue – pedestrian linkage connecting Norwest Boulevard to Norwest Lake
 - Garden Terrance – cascading open space, providing an enhanced Norwest Lake Foreshore
 - Norwest Public Square – local passive open space and alfresco dining.
- Community and civic buildings such as the Glass House and Librarium.
- Significant enhancements to the existing Century Circuit, including intersections with Norwest Boulevard, the provision of internalised local streets and pedestrian connections and staged contribution within the Subject Site boundary to a future northern connection to Fairway Drive with the adjoining land owner; and
- A comprehensive infrastructure strategy to address complementary on and off-site infrastructure by way of Planning Agreements and future development applications.

A breakdown of the proposed development floorspace figures to be used within this report are detailed in **Table 1**. While **Figure 4** illustrates the proposed layout and distribution of uses at ground level.

Table 1 *Proposed Development - Breakdown of Key Uses*

Uses	Total Area	Efficiency	GFA
Office	100,740m ²	80%	80,590m ²
Retail	24,600m ²	80%	19,680m ²
Residential	136,700m ²	75%	102,520m ²
Cinema	6,220m ²	50%	3,110m ²
Public	11,760m ²	80%	9,410m ²
Hotel	10,730m ²	80%	8,580m ²
Supermarket	10,590m ²	80%	8,470m ²

Source: FJC Studio; Ethos Urban



Figure 4 Norwest Markettown, Proposed Landscape Masterplan

Source: Realm

3. Strategic Policy Context

This Chapter will consider strategic context of the Subject Site is identified and described. The purpose of this Chapter is to identify the strategic intention for the Subject Site and its role and function within broader region. A more detailed overview of the planning policy context is provided in the Planning Proposal Justification Report.

Key findings:

- A review of strategic planning documents emphasises a range of key themes of relevance to the proposed development, these include:
 - **Employment:** Hills Shire has a jobs target of between 28,600 - 37,100 additional jobs by 2036, with the majority of these jobs to be accommodated in Norwest, with a baseline jobs target of 16,600 – 20,600 jobs.
 - **Housing:** the population is expected to continue to grow and this will require additional housing to accommodate this future population. In addition, there is need to provide greater housing choice to align with the evolving and shifting demographic profile within this area of Sydney.
 - **Mixed use precincts:** Future housing will be accommodated within mixed use precincts as part of Transit Orientated Developments within existing station precincts, such as Norwest, with these locations being the most logical locations to deliver housing. The strategic vision for Norwest is to create a mixed use precinct with high amenity and vibrancy through providing a range of uses including commercial, retail, residential, leisure, entertainment and community facilities.
 - **Role and function:** Norwest is the Hill Shire's economic centre and is identified as a mixed use strategic centre that will continue to provide a range of job opportunities within an established commercial office precinct. Future jobs are anticipated to be accommodated in high density commercial office towers.
- The proposed development has the potential to align with the strategic vision for this part of Sydney, highlighted in both Local and State Government policies and strategies. In addition to delivering vital employment opportunities, housing supply and community services, the project has the potential to further enhance Norwest as a regionally significant commercial, retail and residential destination and support long term success by having regard to contemporary resident, tenant and customer requirements.

3.1 Key Themes and Drivers

At a high level there are several policies that have been adopted and released that are of relevance to the economic context of the Subject Site, the role and function and strategic intent of Norwest and its future redevelopment. A summary of key themes and drivers are summarised in **Table 2**.

The below summary also includes the draft 2022 Norwest Precinct Plan that has been prepared by Council and sets the framework for role and function of Norwest building on previous strategic work by Council and the NSW Government.

Table 2 Strategic Policy Review – Key Themes

Theme	Summary	Relevant Document
Growing population	<ul style="list-style-type: none"> • The Hills Shire Council is set to experience significant population growth. By 2036, it is anticipated that an additional +128,000 residents will be living within the (LSPS). • The draft 2022 Norwest Precinct Plan identifies a growth forecast of 45,640 residents within Norwest by 2041 	<ul style="list-style-type: none"> • Local Strategic Planning Statement (The Hills Shire "The Hills 2036") • draft 2022 Norwest Precinct Plan
Employment	<ul style="list-style-type: none"> • The LSPS identifies a baseline jobs target of between 28,600 - 37,100 additional jobs by 2036. • Majority of these jobs will be accommodated in Norwest, with a baseline jobs target of 16,600 – 20,600. The LSPS notes that Norwest has sufficient capacity to go beyond the jobs targets with capacity to accommodate 23,900 additional jobs (LSPS). • The Productivity and Centres Strategy notes that the local workforce is highly skilled but currently there is a gap between the types of jobs suited for high skilled residents and the types of local jobs available. 	<ul style="list-style-type: none"> • Local Strategic Planning Statement (The Hills Shire "The Hills 2036") • Productivity and Centres Strategy (The Hills Shire, 2019) • North West Rail Link Corridor Strategy

Theme	Summary	Relevant Document
	<ul style="list-style-type: none"> According to the Productivity and Centres Strategy, it is said that Norwest could accommodate overflow demand from Parramatta and Macquarie Park when rents get too expensive, with Norwest having 272,474m² of commercial floorspace as of 2017. Norwest is also poised to benefit from the potential of a health precinct, with approximately half of local jobs in the medical sector being concentrated in Norwest Strategic Centre (PCS). The draft 2022 Norwest Precinct Plan identifies Norwest Central precinct (which encompasses the Subject Site) as a key employment destination with a high density commercial core. The plan forecasts that there will be 64,277 jobs within Norwest by 2041. The draft 2022 Norwest Precinct Plan identifies that by 2041, Norwest will be a prime location for knowledge intensive businesses that focus on health, education, science, technology and advanced manufacturing. Hills Shire Commercial Floorspace demand report identifies there is an industry expectation to deliver A grade offices in Norwest as a result of the delivery of the Sydney Metro. Currently there is unmet A grade office space in Norwest. 	<ul style="list-style-type: none"> Hills Shire Commercial Floorspace Demand in Strategic Centres (2021)
Housing Choice and Diversity; dwelling targets	<ul style="list-style-type: none"> The Hills Shire LSPS and Housing Strategy identifies that the Hills Shire has housing capacity for an 38,000 new dwellings for the period 2016 to 2036, with an additional capacity of 38,100 dwellings beyond 2036. A significant proportion of additional dwellings will be high density units as zoned greenfield land Hills Shire Council indicate that they do not expect housing supply to be an issue for the next 20 to 40 years. The Hills recognises that a significant proportion of housing supply to 2036 will be high density units, with apartments taking up a 30% share of total dwelling types. By 2036, 2,100 dwellings are to be completed in Norwest, with total capacity at 5,500 dwellings. In order to deliver the 20 year strategic housing target, set out by the district plan, areas mentioned in the North West Rail Link Corridor Strategy (NWRLCS) have identified suitable locations for high density residential surrounding the commercial/retail core to the immediate north of Norwest Station. The Norwest Station Draft Structure Plan has completed an assessment on the current controls on opportunity sites which revealed that the capacity for future growth within Norwest is predominately within the residential market. The NWRL has potential to exploit and facilitate this future growth through increased residential densities within walking distance of the station (NSDSP). The draft 2022 Norwest Precinct Plan identifies a growth forecast of 22,820 dwellings within Norwest by 2041 within a mixed use precinct. 	<ul style="list-style-type: none"> Local Strategic Planning Statement (The Hills Shire "The Hills 2036") Housing Strategy (The Hills Shire, 2019) Productivity and Centres Strategy (The Hills Shire, 2019) Central City District Plan (Greater Sydney Commission, 2018) North West Rail Link Corridor Strategy (NSW Department of Planning, 2013) Norwest Station Draft Structure Plan (NSW Department of Planning, 2013) draft 2022 Norwest Precinct Plan
Mixed use precincts	<ul style="list-style-type: none"> Norwest Marketown and immediate surrounds are considered to be the core of the Norwest Central sub-precinct, with a mix of retail, business, office, leisure, entertainment and community uses, and some higher density housing, with "Norwest Station and Marketown [to] be the vibrant and active heart of the strategic centre". (p. 37 LSPS) Within The Hills PCS, Norwest has been identified as a higher order retail and destination shopping location, suitable for higher density residential and mixed use developments and suitable for recreation and entertainment facilities that is capable of accommodating to day and night-time trading. The NSW Housing Strategy aims for "more mixed-use, medium-density developments to create self-contained, walkable and highly liveable communities that replicate village lifestyle, providing residents daily needs within walking distance". The planned renewal around 7 Sydney metro stations is said to "bring greater housing choice, more opportunities to work closer to home and easier access to services" (p.13 LSPS) and that commute times and congestion will lessen, helping to meet the vision of Greater Sydney as a 30-minute city. 	<ul style="list-style-type: none"> Local Strategic Planning Statement (The Hills Shire "The Hills 2036") Productivity and Centres Strategy (The Hills Shire, 2019) Norwest Station Draft Structure Plan (NSW Department of Planning, 2013) NSW Housing Strategy ("Housing 2041" DPIE, 2021) draft 2022 Norwest Precinct Plan

Theme	Summary	Relevant Document
	<ul style="list-style-type: none"> Norwest Marketown and immediate surrounds are considered to be the core of the Norwest Central sub-precinct, with a mix of retail, business, office, leisure, entertainment and community uses, and some higher density housing, with “Norwest Station and Marketown [to] be the vibrant and active heart of the strategic centre”. (p. 37 LSPS) The draft 2022 Norwest Precinct Plan identifies Norwest as a thriving mixed use strategic centre with a highly competitive employment precinct within Greater Sydney. Furthermore, an area which encompasses the Subject Site as be the active heart, providing for a carefully planned balance of business, office, leisure, entertainment, community uses and some higher density housing, and a focus on serving the needs of locals and visitors with a diverse mix of retail, business, office, leisure, entertainment and community uses. 	
Transit orientated developments	<ul style="list-style-type: none"> Most new homes built over the next 20 years will be high density dwellings located close to public transport hubs. These include places like Norwest Strategic Centre which is supposed to deliver on the second highest uplift of dwelling growth in The Hills, with +2,100 dwellings. The Hills LSPS says that when shaping future growth in the Hills, that “higher density housing will integrate with busy, walkable neighbourhoods focused on the transport hubs to take advantage of services and infrastructure” (p. 51 LSPS) Transit-oriented development around station precincts will create walkable, liveable communities adjacent to the Sydney Metro Northwest, where people are less reliant on private transport (LSPS) The Norwest Station Draft Structure Plan has said that “metropolitan planning also supports residential intensification within the walking catchment of the train station that strengthens the role of the specialised centre to provide vital economic and employment opportunities for Sydney”. (NSDSP) 	<ul style="list-style-type: none"> Local Strategic Planning Statement (The Hills Shire “The Hills 2036”) Central City District Plan (Greater Sydney Commission, 2018) Integrated Transport and Land Use Strategy (The Hills Shire, 2019) Norwest Station Draft Structure Plan (NSW Department of Planning, 2013)
Vibrancy and amenity	<ul style="list-style-type: none"> According to The Hills Shire LSPS, “Norwest station and Marketown will be the vibrant and active heart of the strategic centre”, with work locations that are rich in opportunities for meeting and connection, convenience retail, events and dining. “A focus on the night-time economy will make it easier for workers to blend their work commitments and lifestyle” (LSPS) The Hills LSPS also outlines aims to build strategic centres to realise their potential and renew and create great places by coordinating the planning for transport, infrastructure and land use to shape and support population growth in The Hills, allowing residents to benefit from the 30 minute city and a network of great places (ITLUS). The draft 2022 Norwest Precinct Plan identifies the need for a high amenity and vibrant mixed use precinct at Norwest located in the area near the station and around the lake. This area will be the ‘active heart’ providing locals and visitors with a diverse mix of retail, businesses, offices, leisure, entertainment and community uses. The draft 2022 Norwest Precinct Plan identifies the need for greater vibrancy more vibrancy to support commercial uses] 	<ul style="list-style-type: none"> Local Strategic Planning Statement (The Hills Shire “The Hills 2036”) Productivity and Centres Strategy (The Hills Shire, 2019) draft 2022 Norwest Precinct Plan
Retail	<ul style="list-style-type: none"> Ensuring the provision of social infrastructure and retails services keeps pace with population growth and meets the needs of existing and future residents. The Hills will require at least 335,000m² of new retail floorspace to meet projections, with the Productivity and Centres strategy as well as precinct planning estimating potential need for additional retail floorspace as a supermarket with additional speciality retail Within Norwest, the existing commercial and retail premises adjacent to the station have been enveloped in a commercial core, to create a more flexible centre that can provide for a variety of uses over the short to medium term. This intensive, mixed commercial and retail core is to be set around the shores of Norwest Lake. (NSDSP). 	<ul style="list-style-type: none"> Productivity and Centres Strategy (The Hills Shire, 2019) draft 2022 Norwest Precinct Plan

Theme	Summary	Relevant Document
	<ul style="list-style-type: none"> draft 2022 Norwest Precinct Plan identifies the need for retail, leisure and entertainment facilities to create a vibrant and high amenity mixed use precinct for locals and visitors to Norwest. The draft 2022 Norwest Precinct Plan identifies the need for greater vibrancy more vibrancy to support commercial uses. Around 50,000m² of additional retail floorspace is anticipated for Norwest under the draft 2022 Norwest Precinct Plan. One new supermarket identified for Norwest along with specialty retail and hospitality. 	

3.2 Suitability of the Proposed Development

The Subject Site is well located in an easily accessible location opposite to the metro station. This results in a site that is ideally located to support a range of uses on a large scale including commercial, retail, residential, and community facilities. These types of uses would assist Council in achieving its dwelling and jobs targets. Furthermore, the Subject Site provides the potential to satisfy a number of government priorities through increased densities and mixed use precincts that optimise the physical attributes of the Subject Site, including taking advantage of the proximity to public transport connections.

The proposed development has the potential to align with the strategic vision for this part of Sydney, highlighted in both Local and State Government policies and strategies. In addition to delivering vital employment, housing supply, and community services, the project has the potential to further enhance Norwest as a regionally significant commercial, retail, and residential centre through the development and Norwest for long term success having regard to contemporary resident, tenant and customer requirements.

A summary of the attributes and suitability of the Subject Site for redevelopment is outlined in **Table 3**.

Table 3 *Suitability of the Subject Site for Development*

Site Attributes	Locational Attributes	Alignment with Strategic Policy
Currently underutilised	Located within growing region of Sydney	Creates an 'active heart' within Norwest, with a balanced mixed use (commercial, retail, residential) development.
Large lot, under single ownership allows for whole of site approach to masterplanning and development	Easily accessible by road and metro network	Enhances vibrancy and amenity through a mixed use development providing leisure, entertainment and community uses for the benefits of locals and visitors.
Site is generally unconstrained and suitable for infill development	High amenity precinct	
Easily accessible via road and public transport	Access to high skilled workers	Supports Norwest as a key employment destination by providing high density commercial uses.
Size allows for a high amenity outcome and delivery of open space for local community and future residents	Established suburban commercial office precinct	Highest and best use of a strategic site
	Excellent access to existing retail, business, health, education and community facilities	Supports growing residential and worker growth within the local area
	Supports a liveable mixed use community	Supports the vision for a mixed use live/work/play precinct
	Recreational and open space	Supports Transit Orientated Development
		Supports the vision for walkability and 30-minute cities
		Improves supply and diversity of housing within the local market
		Improves housing diversity in the local market by responding to market demand

4. Economic Context

This Chapter will assess demographic, population trends and projections, employment trends and projections to understand future growth drivers, including employment demand and housing needs. These trends and drivers will inform the suitability of the proposed development at the Subject Site.

Key findings:

- For the purposes of this analysis, two study areas have been defined. One which represents the Local Market and other represents the Main Trade Area.
- A review of key demographic and population data indicates that the population has experienced above average growth in recent years, associated with a large provision of new infrastructure and increase in couple families. Looking forward to 2036, official projections indicate that the local area will experience continued significant levels of population growth.
- A review of the 2021 Census data indicates that residents are slightly younger than the Greater Sydney median age, and with a high proportion of working professionals, with 4 in every 5 residents working a white collar occupation. Households generally have higher incomes and comprise a high proportion of couple families with children. Additionally, dwelling supply predominately comprises separate houses, with an average median mortgage repayment being 25.2% of average annual household income, at the time of the 2021 Census.
- Employment levels are projected to remain strong across the Local Market with an additional +54,410 jobs projected over the period to 2041. The Subject Site represents a logical location to accommodate future employment growth including across knowledge workers and traditional office users – two key growth categories. In this context, the proposed development is well placed to support employment growth in Norwest and assist in achieving strategic job targets for the centre.
- Overall, key demographic indicators and drivers highlight that the local population would associate strongly with a range of uses at the Subject Site, in particular support greater housing diversity, greater housing choice and the creation of an integrated, walkable transit orientated community. This highlights the opportunity for a greater intensification of uses at the Subject Site, aligned with the planning proposal.

4.1 Study Area Definition

For the purposes of this analysis two study areas have been defined in order to analyse both the immediate surrounds of the Subject Site, as well as the broader region. The defined study area captures the population most likely to associate with the uses planned at the Subject Site.

- **Local Market (Primary).** Reflects the 'market' which will influence the demand and competition to deliver housing and employment uses at the Subject Site from a consumer perspective as well as key employment centres along the North West Metro. This study area has been defined taking into account existing and future residential developments and growth areas, existing and future transport infrastructure, as well as natural and engineering boundaries. The Local Market incorporates much of the urban area within the Hills Shire, and extends further to the east to capture areas around Cherrybrook Station, and extends to the west to capture the majority of the North West Growth Area.
- **Main Trade Area (Retail).** Has been defined taking into account the expected trading characteristics of the proposed retail uses at the Subject Site. This trade area takes into account the region from which the proposed retail uses will generate consistent customer patronage. Other competing retail centres have been taken into account when defining this trade area, as well as physical and psychology barriers and major transport routes.

In addition, Hills Shire and Greater Sydney have been adopted as relevant benchmarks.

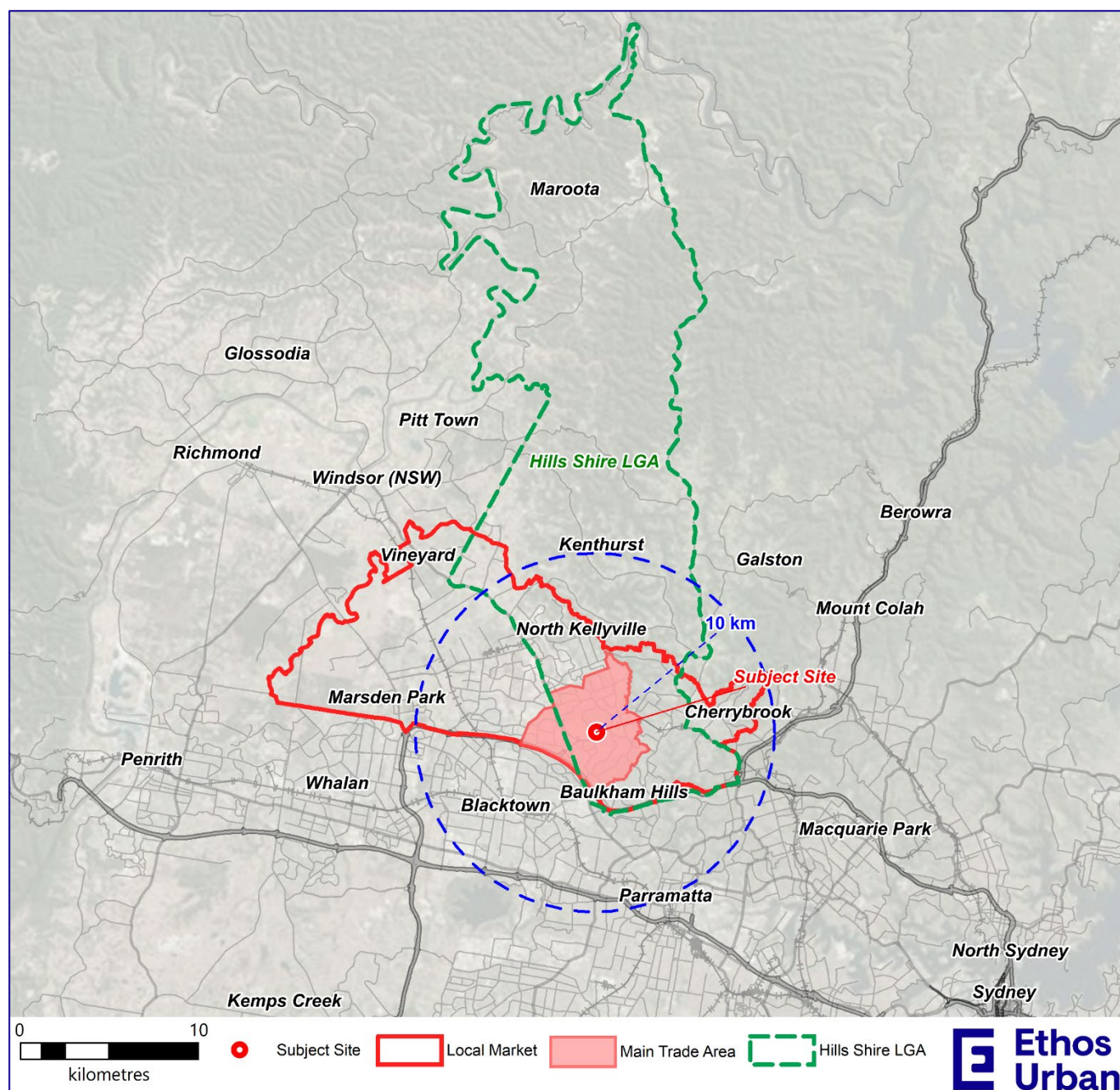


Figure 5 Study Areas

Source: Mapinfo; Nearmap; OpenStreetMaps

4.2 Residential Demographic Profile

This sub-section provides a summary of the resident demographic profile for the Local Market. The demographic data has been drawn from the Australian Bureau of Statistics (ABS) 2021 Census of Population and Housing. The data analysis provides a general overview of the demographic characteristics of residents.

A summary of the local resident population characteristics of the identified Study Areas is presented in **Table 4**. Demographic data has been drawn from the ABS Census of Population and Housing 2021. The data analysis provides a general overview of the demographic characteristics of residents within the Study Areas and is compared to the Greater Sydney benchmark. Key demographic characteristics of the Local Market include:

- **Household Income:** Median household income in the Local Market was \$146,790, with the Hills Shire annual median household income sitting slightly above at \$147,580. These figures are +35.0% and +35.7% above the annual median household income of \$108,750.
- **Age Structure:** The median age of residents in the Local Market was 36.5 years, which was below the Greater Sydney benchmark of 37.3 years. Majority of residents were aged between 35-64 years (40.8%), which was above the share within Greater Sydney (38.7%). The median age of residents within the Hills Shire was 38.3 years.

- **Household Composition:** Within the Local Market, majority of households are couple family with children (55.5%), which is well above the Greater Sydney benchmark of 36.1%. The share of couple families within the Hills Shire was slightly lower at 53.1% of households. Overall, family households accounted for 86.7% of households within the Local Market, which was comparable to the Hills Shire benchmark (86.4%) and well above the Greater Sydney benchmark (72.6%). In both the Local Market and The Hills Shire, lone person households were significantly lower than the Greater Sydney benchmark, while Group households comprised 1.4% of the overall share, below the Greater Sydney benchmark of 4.1% of households.
- **Dwelling Type:** Separate houses were the most common dwelling type within the Local Market, accounting for 81.9% of dwellings. This share was above the Greater Sydney benchmark of 56.1% and below the Hills Shire benchmark of 89.3%. Flats, units and apartments on the other hand, accounted for only 7.8% of dwellings within the Local Market and 9.8% of dwellings within the Hills Shire. These shares were significantly below the Greater Sydney share of apartments at 30.7%. Reflecting the higher share of family households, the average household size of the Local Market was 3.2 persons per households, which was comparable to the Hills Shire benchmark at 3.1 persons per household, while well above the Greater Sydney benchmark of 2.7 persons per household.
- **Tenure Type:** In both the Local Market and Hills Shire, a higher share of dwellings are being purchased with a mortgage 50.2% and 46.6%, respectively compared to Greater Sydney (34.0%). This pattern reflects the situation where households are moving to the area purchasing properties with a mortgage. A lower share of households rent their dwelling in the Local Market (23.0%) and Hills Shire (20.5%) compared Greater Sydney (36.1%).
- **Housing costs:** Within the Local Market, median monthly mortgage repayments was \$2,926, which is +16.6% higher than Greater Sydney's benchmark. Median weekly rent was also higher than Greater Sydney benchmark with the median weekly rent recorded at \$570, which was +18.8% higher than the Greater Sydney benchmark. These estimates of weekly rents likely underestimate current median rents with significant rental growth recorded since 2021 within Greater Sydney.
- **Occupation:** Residents of the Local Market and Hills Shire tended to work in white collar occupations (at 81.6% and 83.0%, respectively). This share was larger than the Greater Sydney benchmark (76.8%).

Within the **Main Trade Area**, a similar demographic profile is also present, although the following distinctions with the Main Trade Area are relevant:

- A higher income profile and an older age profile
- A much lower share of higher density housing formats
- A lower share of rented dwellings
- Higher overall housing costs.

A review of key changes in the Local Market demographic profile can be undertaken by investigating trends which have occurred between the 2016 and 2021 Census. Key findings include:

- **Household incomes have increased rapidly:** Between 2016 and 2021, annual household income within the Local Market increased by +\$25,400. By comparison, median household incomes within Greater Sydney have risen by \$16,550.
- **Increase of lone person households:** Lone person households as a share of dwellings between 2016 and 2021 increased by +0.7%, whilst family households decreased by -0.8%.
- **An increase in separate houses and high density dwellings:** The share separate houses as well as flats, units and apartments increased by +5.1% and +2.7%, respectively. This reflects the ongoing development of the North West Growth Corridor as well as the densification around the North West Rail Link corridor precincts.
- **More dwellings being rented and less owned outright:** Between 2016 and 2021, the share of dwellings being rented increased by +3.2%, while the share of dwellings owned outright declined by -3.9%.

The above demographic data highlights that the resident profile of the local area is largely characterised by households comprising a higher share of couples with children and professionals who work in white collar occupations. Residents typically live in separate houses, have high rates of owner-occupier dwelling tenure, and earn well above average incomes compared to the Greater Sydney benchmark.

Overall, the local population of both study areas would associate strongly with a range of uses at the Subject Site including residential, employment, convenience based retail and community uses, highlighting the opportunity for a greater intensification of uses at the Subject Site that will align with the needs of the local community.

Table 4 Residential Demographic Profile, 2021 Census

Category	Local Market	Main Trade Area	Hills Shire	Greater Sydney
Income				
Median household income (annual)	\$146,790	\$158,180	\$147,580	\$108,750
<i>Variation from Greater Sydney median</i>	+35.0%	+45.5%	+35.7%	n.a.
Age Structure				
Median Age (years)	36.5	38.3	38.3	37.3
Country of Birth				
Australia	55.4%	56.0%	59.5%	61.1%
Other Major English Speaking Countries	6.1%	6.0%	7.1%	7.1%
Other Overseas Born	38.4%	38.0%	33.4%	31.8%
<i>% speak English only at home</i>	54.1%	54.4%	60.2%	61.0%
Household Composition				
<i>Couple family with no children</i>	21.7%	22.2%	23.9%	24.5%
<i>Couple family with children</i>	55.5%	57.4%	53.1%	36.1%
Couple family - Total	77.2%	79.6%	77.0%	60.5%
One parent family	9.0%	8.6%	8.7%	11.0%
Other families	0.5%	0.4%	0.7%	1.1%
Family households - Total	86.7%	88.6%	86.4%	72.6%
Lone person household	11.9%	10.1%	12.2%	23.3%
Group household	1.4%	1.3%	1.4%	4.1%
Dwelling Structure (Occupied Private Dwellings)				
Separate house	81.9%	86.8%	81.3%	56.1%
Semi-detached, row or terrace house, townhouse etc.	10.2%	6.7%	8.9%	12.8%
Flat, unit or apartment	7.8%	6.5%	9.8%	30.7%
Other dwelling	0.1%	0.0%	0.0%	0.4%
<i>Occupancy rate</i>	95.6%	96.0%	95.2%	91.8%
Average household size	3.2	3.2	3.1	2.7
Tenure Type (Occupied Private Dwellings)				
Owned outright	25.2%	30.4%	31.3%	28.3%
Owned with a mortgage	50.2%	49.7%	46.6%	34.0%
Rented	23.0%	18.5%	20.5%	36.1%
Other tenure type	1.5%	1.4%	1.6%	1.6%
Housing Costs				
Median monthly mortgage repayment	\$2,926	\$3,074	\$3,082	\$2,510
<i>Variation from Greater Sydney median</i>	+16.6%	+22.5%	+22.8%	n.a.
Median mortgage as a share of median household income	23.9%	23.3%	25.1%	27.7%
Median weekly rents	\$570	\$621	\$589	\$480
<i>Variation from Greater Sydney median</i>	+18.8%	+29.3%	+22.6%	n.a.
Median rent as a share of median household income	20.2%	20.4%	20.7%	23.0%
Occupation				
Blue-collar	18.4%	16.3%	17.0%	23.2%
White-collar	81.6%	83.7%	83.0%	76.8%

Source: Australian Bureau of Statistics (ABS) 2021 Census of Population and Housing

Note: interpretation of small area data from the 2021 ABS Census should consider potential outcomes from the COVID-19 pandemic

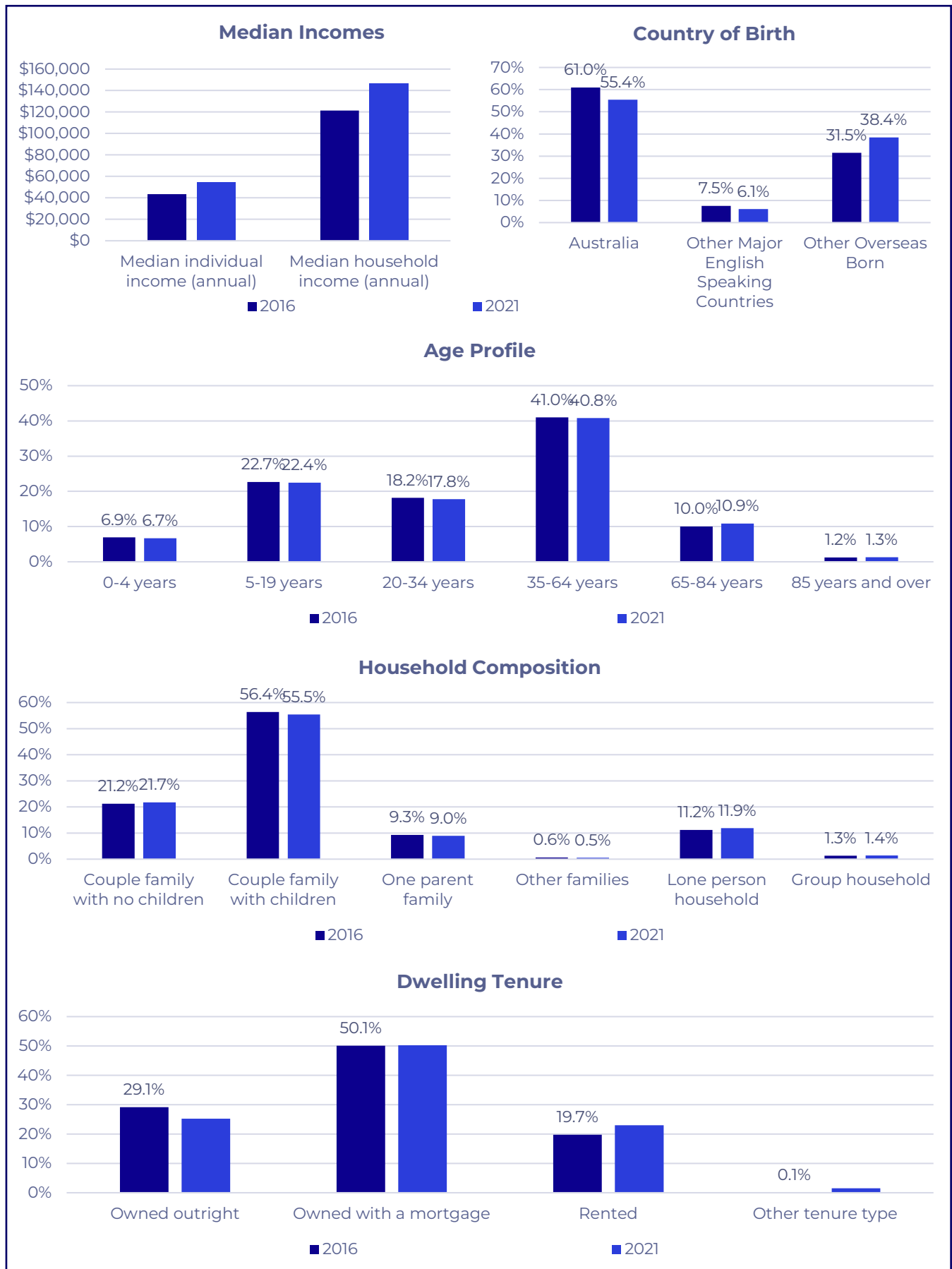


Figure 6 Trends Between 2016 and 2021 Census, Local Market

Source: ABS 2016 and 2021 Census of Population and Housing // Note: interpretation of small area data from the 2021 ABS Census should consider potential outcomes from the COVID-19 pandemic

4.3 Official Population Projections

Policy responses to the COVID-19 pandemic, including border closures, has led to considerable uncertainty in regard to the near term population growth. Australia's population growth has historically included a large net overseas migration component, however, during the COVID-19 pandemic, net overseas migration was negative (-84,940 persons in 2021), the first time since the end of World War 2. More recent net overseas migration data has indicated that migration levels have returned to normal quicker than anticipated, and this has resulted to higher short term population growth than has been expected during the pandemic.

Given the contribution of net overseas migration to Australia's population growth, estimates of future population growth are highly dependent on when net overseas migration levels will return to normal. Given the uncertainty surrounding the timing of when this may occur, this has resulted in different views on short term population growth.

Within NSW there are two sets of official population projections produced by the NSW Government (used by Treasury, DPE and TfNSW) and the Centre for Population.

- **2022 NSW DPE projections** published in May 2022 and does not incorporate the most recent available data including the 2021 Census results, or recent estimates of population or net overseas migration data. This series has a base year of 2020.
- **2022 Centre for Population** published in December 2022 (and updated January 2023), this series presents the most recently updated set of official population projections that incorporates latest 2021 Census data, population data as well as latest estimates of components of population growth.

There are key differences between the two series:

- By 2031, there is a difference of around 100,700 projected residents in Greater Sydney between DPE and Centre for Population series. By 2031, there is a difference of 8% between the two series.
- Centre for Population have projected average annual growth of +69,300 residents for the period 2022 to 2031. While DPE have projected average annual growth of +55,220 residents over the same period (see **Figure 7**).

The key driver behind the differences in official projections is that the Centre for Population makes use of more recently released data (2021 Census and Net Overseas Migration) to have a more up-to-date view on population growth.

In this context, the NSW DPE Projections have adopted a low growth scenario throughout the state of NSW, with the projections demonstrating significant discrepancies between recently released Centre for Population projections. The implications from the DPE projections is that the projections reflect lower housing requirements throughout the state, to what is actually required based on the latest available data. Until these projections are updated, reliance on the DPE projections to estimate housing need would result in a significant under supply of dwelling delivery, to the detriment of households and housing affordability.

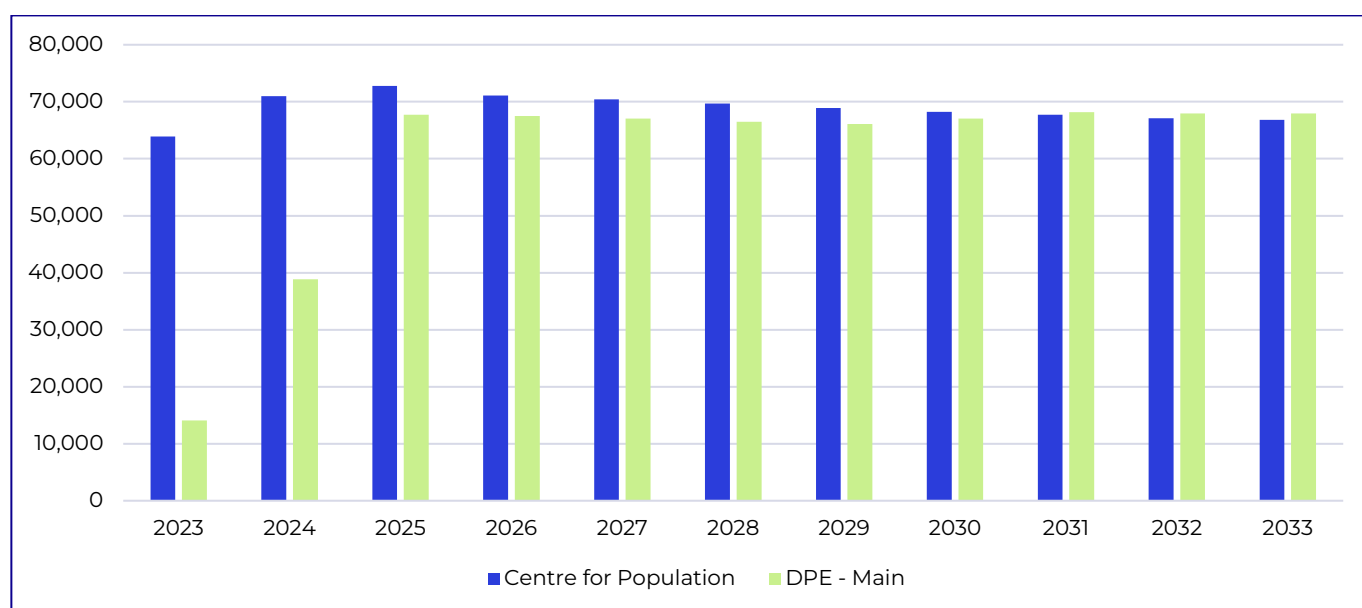


Figure 7 Comparison of Projected Population Growth in Greater Sydney, 2022 to 2033

Source: DPE, 2022; Centre for Population 2022

4.4 Population Trends and Projections

Population projections have been prepared using latest official projections from Department of Planning and Environment, historic population estimated from the ABS Estimated Residential Population series and an examination of historic trends and recent building approvals, completions and future residential pipeline, as well as strategic planning population and dwelling targets.

Historically, the population of the Housing Market Study Area's population growth has performed well above the Greater Sydney average annual growth rate. Between 2016 and 2023, the population of the Local Market increased by around +80,170 persons. This growth is likely driven by significant greenfield and infill developments occurring within the local area. Population estimates are summarised in **Table 5**.

It is expected that the population of the Housing Market Study Area will grow and is projected to reach 589,860 residents by 2041. This represents an increase of +240,470 residents. Greater opportunity for residential development, and a large pipeline of resident investment will accommodate this future population growth in the long term. While current supply and pre-existing infrastructure works such as the North West Metro means that the proposed development has potential to support the larger amounts of population growth in the short term.

Similarly, The Hills Shire Council (which includes parts of the Housing Market Study Area) has historically experienced relatively strong growth. While the impacts of COVID-19 has slightly reduced population growth, it is expected that Hills Shire will experience strong population growth in the future. By 2041, the population is anticipated to reach 278,960 persons, an increase of +171,330 residents between 2023 to 2041.

In the context of recent approvals data and the pipeline of residential developments, the adopted population projections represent a conservative estimate of future population across the study areas.

In addition, a growing residential population is anticipated to lead to a growing visitor population. A large component of the visitor market are visitors who travel to a destination due to visiting friends and family. In addition, some of these visitors will also visit local facilities within the Local market and Main Trade Area.

Table 5 Residential Trends and Projections, 2016-2041

Table 5 Residential Trends and Projections, 2016-2041						
Population (no.)	2016	2023	2026	2036	2041	2023 - 2041
Local Market	269,220	349,390	389,900	530,120	589,860	+240,470
Main Trade Area	69,240	74,860	84,470	119,610	129,370	+54,510
Hills Shire	163,040	195,470	216,260	285,540	307,730	+112,260
Greater Sydney	5,024,920	5,393,520	5,606,000	6,286,680	6,633,180	+1,239,660
Average Annual Growth (no.)	2016 - 2023	2023 - 2026	2026 - 2036	2036 - 2041	2023 - 2041	
Local Market	+11,450	+13,500	+14,020	+11,950	+13,360	
Main Trade Area	+800	+3,200	+3,510	+1,950	+3,030	
Hills Shire	+4,630	+6,930	+6,930	+4,440	+6,240	
Greater Sydney	+52,657	+70,827	+68,068	+69,300	+68,870	
Average Annual Growth Rate (%)	2016 - 2023	2023 - 2026	2026 - 2036	2036 - 2041	2023 - 2041	
Local Market	3.8%	3.7%	3.1%	2.2%	3.0%	
Main Trade Area	1.1%	4.1%	3.5%	1.6%	3.1%	
Hills Shire	2.6%	3.4%	2.8%	1.5%	2.6%	
Greater Sydney	1.0%	1.3%	1.2%	1.1%	1.2%	

Source: Ethos Urban, ABS, DPE

Note: figures rounded

4.5 Employment Trends and Projections

Employment projections have been prepared using latest official projections from Transport for NSW (TfNSW) and consideration of historic trends and the strategic vision for Norwest and other centres within the study areas.

Broad industry classification definition

The ABS groups employment into industries using the Australian and New Zealand Standards Industrial Classification (ANZSIC) framework. This framework classifies industries according to their productive activities.

For the purposes of estimating employment projections, these ANZSIC industries are grouped into Broad Industry Categories, as these Broad Industry Categories have similar economic drivers (see **Table 6** for classification). For instance, many industries provide population services, such as household services, and construction services. As population growth increases so too does the demand for employment within these industries – all else being equal.

For other industry groupings, such as, 'industrial', technological trends are changing the way these businesses operate by utilising more equipment and machinery and less labour, these businesses are reducing their overall demand for labour as a proportion of output, and as such, jobs growth is expected to be proportionately lower going forward (see **Table 6** below).

The key drivers and an overview of each category is defined below:

- **Population serving:** Industries within this category tend to provide services to households and individuals. As population grows, so does employment to respond to increased demand for population services.
- **Knowledge workers:** For industries within this category a key factor is the ability to attract and retain high skilled workers. As such, locational and regional factors play a key role as well as the areas access to a highly skilled labour market.
- **Traditional office workers:** Industries within this location tend to be driven by availability of commercial space and demand from both residents and local businesses.
- **Industrial:** Broad industrial trends, such as economic growth, technology, automation and land use capacity are the main economic drivers for this category
- **Health, Education, and Other:** Often reliant on population growth to drive demand; however, employment in these industries can also be 'lumpy' and is influenced by major projects (e.g. universities and hospitals). For the purposes of this analysis, the growth outlook is tied to population growth.

A growth outlook and growth projection is applied to each of the Broad Industry Categories and is summarised in **Table 6**.

Employment Projections

The employment projections adopted for the Study Areas have been through an iterative approach that has considered official employment estimates from Transport for NSW, as well as growth estimates outlined within the planning documents. The projections prepared also reflect known developments in Norwest in the short to medium term in order to understand the immediate employment growth context of Norwest Business Park. Key inputs in determining employment projections are as follows:

- The draft 2022 Norwest Precinct Plan anticipates that there will be around 64,277 jobs within Norwest. This implies an additional +24,570 jobs for the period 2021 to 2041.
- Worker to resident ratios and the future role and function of Norwest and other key centres within the Local Market. These ratios have been maintained to ensure alignment with official projections.
- Norwest's role and function as a key commercial centre

Employment projections for the Study Area are presented in **Table 6**. In the Housing Market Study Area, employment is projected to increase from 127,030 in 2023 to 230,720 by 2041, an increase of + 103,690 jobs. This includes an increase in the number of population servings occupations by + 37,910 jobs. The proposed development will support construction jobs during the construction phase of the project, and retail employment once complete and fully occupied.

Other key growing industries include the health and education sector of + 27,410 jobs by 2041. Health and education would likely be a significant source of jobs growth within the Housing Market Study Area due to the ongoing creation and expansion of major health facilities within the catchment such as Rouse Hill Hospital, Well-Being Private Hospital and The Bond, a commercial building currently under construction, which is two house two major leading specialist medical innovators.

Knowledge worker industries that include employment in activities such as media, finance and professional services are estimated to increase by +17,140 workers by 2041. While a proportion of local residents are also likely to work within Norwest, the above highlights the continued focus on Norwest as a regionally significant mixed use centre, catering more towards commercial, retailing and a resident population.

Overall, employment projections highlight strong employment growth across the Local Market. The Subject Site represents a logical location to accommodate future employment growth in employment growth in Knowledge Workers, and Traditional office. In this context, the proposed development is well placed to support this employment growth in Norwest and assist in achieving strategic job targets.

The above employment projections, there will be a visitor population component that will be driven in part knowledge intensive and other higher order businesses locating in Norwest. Key multinational and national tenants that operate in higher order industries will typically seek locations with access to high quality visitor accommodation facilities for workers that are travelling as well as function spaces.

In addition, some businesses will specifically target and seek to attract visitors to their business (e.g. café and restaurant, dining, entertainment and leisure facilities).

In both instances, the visitor population is expected to grow as a result of employment growth in the Local Market.

Table 6 *Employment Trends and Projections, 2016-2041*

ANZSIC industry	Broad Industry Categories	2023		2041		Change (2023 - 2041)
<ul style="list-style-type: none"> Agriculture, Forestry and Fishing Mining Manufacturing Electricity, Gas, Water and Waste Services Wholesale Trade Transport, Postal and Warehousing 	Industrial	15,350	12.1%	28,870	12.5%	+13,520
<ul style="list-style-type: none"> Construction Retail Trade Food and Accommodation Services Arts and Recreation Other Services 	Population Serving	49,900	39.3%	87,810	38.1%	+37,910
<ul style="list-style-type: none"> Information, Media and Telecommunications Financial and Insurance Services Professional, Scientific and Technical Services 	Knowledge workers	21,180	16.7%	38,320	16.6%	+17,140
<ul style="list-style-type: none"> Rental, Hiring and Real Estate Services Administrative and Support Services Public Administration and Safety 	Traditional Office	9,090	7.2%	16,800	7.3%	+7,710
<ul style="list-style-type: none"> Education and Training Health Care and Social Assistance 	Health and Education	31,520	24.8%	58,930	25.5%	+27,410
Total		127,030	100.0%	165,720	100.0%	+103,690

Source: TfNSW; Ethos Urban

Note: figures rounded

4.6 Economic Trends

The trends of most relevance to the future growth and development of Norwest and the Subject Site are summarised and outlined below.

4.6.1 Broad economic trends

- **Transport infrastructure** - Will improve accessibility and alignment between households and key destinations such as workplaces, retail, health and education services. Transport Infrastructure improves accessibility for residents, visitors and workers; and for businesses, it expands access to regional labour markets as well as enables specialist education facilities and campuses in highly accessible locations. In Norwest, the Sydney Metro North West project is of particular relevance.
- **Knowledge economy** – Growth in the information and knowledge sectors are becoming a targeted form of generating economic activity and supporting employment growth. Knowledge economy workers are typically highly skilled, and are less reliant on physical office space given the nature of their skills which are more reliant on them personally, as compared to physical products or machines which enables greater flexibility in terms of when and where they work. Businesses are also seeking to provide well-being services to attract and retain employees in highly competitive markets.
- **Information Communication Technology (ICT)** - Technology will play a vital role in communities, influencing how we live, work, play and interact in the future. From a business point of view, the transition towards an ICT society can enhance automation and connectivity. One key area of impact has been in the support for Work From Home (WFH) capabilities and worker requirements.
- **E-commerce and the experience economy** - Online retail is transforming the way the retail sector operates, with implications for traditional shopping centres and brick and mortar retailers, as well as the logistics sector. Consumers are showing a preference for 'experiences' over 'products' which for physical retail stores suggests an increased focus on food, dining, entertainment and services.
- **Ageing population** – Australia's population (and the developed world) continues to age, with natural increases (births) accounting for a reduced proportion of population growth over time. The growing number of Australians aged over 65+ years will continue as the baby boomer generation transitions into retirement/lifestyle years. This has implications for a range of sectors and health, medical needs. Australia's ageing population will demand greater levels of health and age care services driven in part due to higher incidences of chronic and acute health conditions as a person ages. COVID-19 has also highlighted the need for a robust health care sector that is able to respond rapidly to emerging trends and innovate and adopt new technologies.

A summary of the short term demand effects of these trends, on a range of land uses proposed at the Subject Site is illustrated in **Table 7** below.

Table 7 Trends and Land Uses – short term demand implications

Trend	Residential	Retail	Commercial	Healthcare
Transport Infrastructure	▲	▲	▲	▲
Knowledge Economy	▲	—	▲	▲
Information Communication Technology	▲	—	▲	▲
E-commerce and the experience economy	—	—	▲	—
Ageing population	▲	▼	—	▲

4.6.2 COVID-19 impact on retail

In addition to key changes underway in the retail sector, such as a focus on retail ‘experiences’ and adapting to 24/7 online services and capability, during the COVID-19 pandemic, the operation of retail businesses has changed significantly. There has been an increased emphasis on home delivery and takeaway of groceries and other items, as well as expanded push for online shopping options. This is across all retailers, from major retailers to small restaurants, cafes and bars that adapted to provide takeaway options for customers to support local businesses.

One of the primary impacts of the COVID-19 pandemic has been the increased shift for workers to work-from-home (WFH). Analysis of COVID-19 working patterns has highlighted the importance of the need for the “revitalisation of suburbia”, in which local and suburban business can capture the “redistributive effect” of increased WFH arrangements.

While the long term implications of COVID-19 remain uncertain, the pandemic has reinforced the importance of local community centres and retail precincts, highlighting the benefit of co-locating retail with other services and facilities in local centres, to improve convenience for local residents and reduce the number of trips that need to be taken outside of their immediate region, either by public or private transport.

4.6.3 Higher density living

Sydney is continuing to evolve with areas of medium and high-density, particularly focused around key points such as major retail facilities, services, employment centres, and public transport nodes. This trend will continue as Sydney’s population grows and land remains constrained. The result is increased demand for locations for people to reside that are close to jobs, amenities, as well as community and social infrastructure.

Some of the key success factors attributed to a vibrant higher density precinct include:

- Walkability and access to public transport.
- Adjacent to retail facilities.
- Accessibility to employment centres.
- Accessibility to education and health facilities.
- Vibrancy and amenity.
- Access to quality public open spaces.

4.6.4 Benefits of walkable, mixed-use neighbourhoods

Co-locating housing, employment, social infrastructure, retail, public transport and daily living needs within dense, mixed-use precincts supports urban activation and amenity. Clustering destinations, such as housing, shops, schools, libraries, cafes, medical centres and so on, makes it more convenient for residents to access a variety of needs within one location. Mixed-use precincts encourage walking and active transport, supports the viability of local retail and social infrastructure, as well as increased activity on the street and improved perceptions of safety.

The co-location of housing, social infrastructure, and services has the potential to significantly decrease car dependency and encourage walkability. Walkability can have substantial effects on the health and wellbeing of populations:

*'People who live in a pedestrian-friendly designed environment participate much more in social life and have greater confidence in their environment. That proved a significant gain in 'social capital' and thus a better quality of life... Against this backdrop walkability is understood as a comprehensive approach for a liveable sustainable city and does not only mean walk-friendliness.'*¹

4.6.5 Building approvals and completions

Within Greater Sydney, housing supply has typically followed market cycles, as such when market activity is weak, housing supply tends to fall, while during periods of strong economic growth, housing supply tends to increase. New housing supply is primarily the result of development planning and approval processes in previous years. In this sense, building approvals provide a forward looking indicator as to potential future housing supply. There is typically a lag of two years between approvals and completions although this gap can extend to five years for larger developments. The vast majority of building approvals result in completions.²

In March 2021, building approvals (trend estimate) for detached dwellings peaked in response to record level low interest rates. Since then, building approvals for detached dwellings have fallen. By comparison, approvals for multi-unit dwellings peaked in 2016, before falling in 2017. Building approvals for multi-unit housing has remained below its historic 10-year average while approvals for detached dwellings have declined. More recently, since August 2022, building approvals have continued to fall, indicating potential for delivery of new housing to remain low for the foreseeable future (see **Figure 8**).

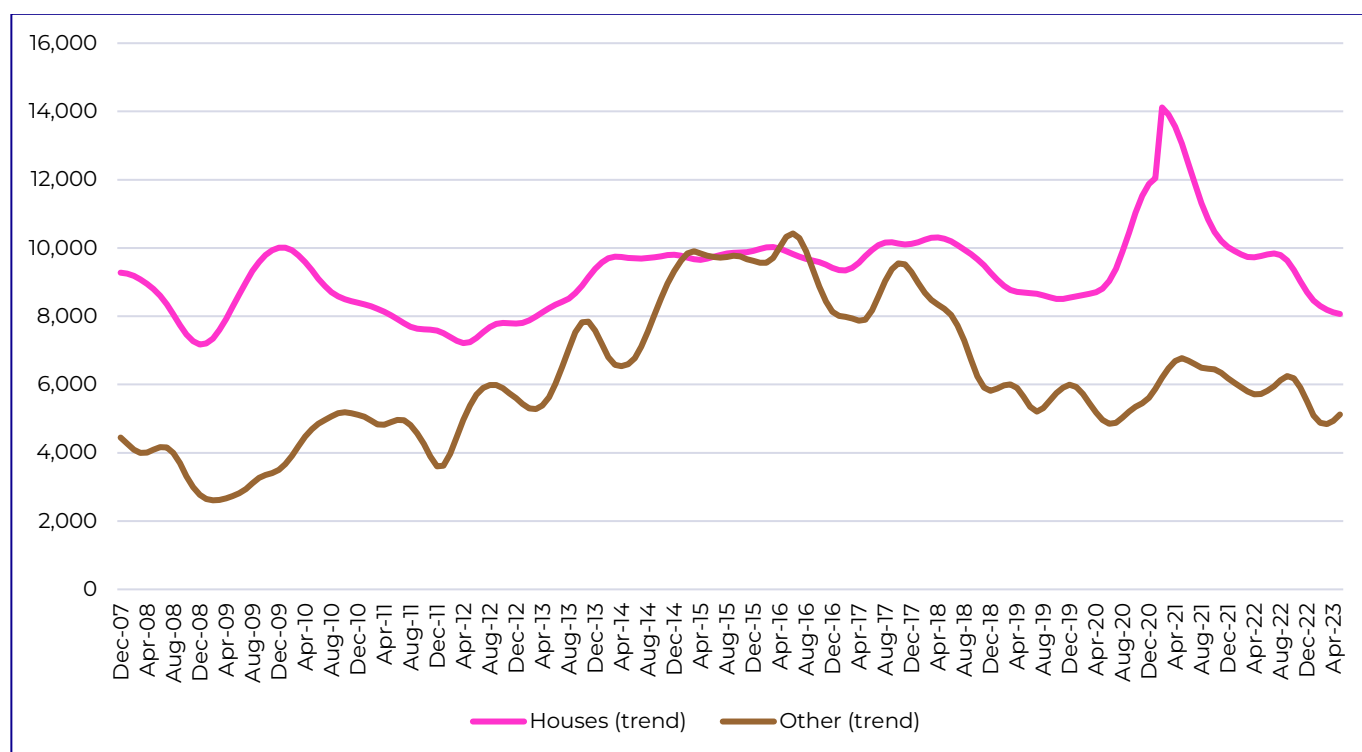


Figure 8 New Dwelling Approvals, National, December 2007 to April 2023

Source: ABS 2022

¹ Tran, M. 2021, 'Healthy cities – walkability as a component of health-promoting urban planning and design', Journal of Sustainable Urbanization Planning and Process, vol. 1, no. 1.

² See DPE (2022) Quarterly Insights Monitor Q1 July to September 2022

4.6.6 Rising costs and housing diversity

Housing affordability in Sydney remains a social, economic and political challenge. The ability to provide for increased housing stock and diversity (across a range of sizes and price points) in key strategic centres and locations, will support affordability and result in increased community benefits.

In the current economic climate, rising inflation and interest rates will further add to pressure on household finances. The ability to provide for increased housing supply and addition dwellings in close proximity to employment centres (such as at Greater Parramatta and Olympic Park, Norwest, Macquarie Park, and Sydney CBD), will help to provide greater housing choice and affordability for the local community.

4.6.7 Housing undersupply

The Productivity Commission 2021 White Paper details how NSW can reboot its economy in a post-COVID-19 world. Of relevance to this report is the analysis and findings related to housing. A key finding of the report is that since 2006, NSW (including metropolitan Sydney) has not kept pace with demand or state targets, resulting in dwelling shortage, as illustrated in **Figure 9**.

The undersupply of housing began to decline around 2014 this was driven by record high residential approvals and completions. More recently, declines in net immigration due to border closures associated with COVID-19 has further reduced the undersupply to 54,000 dwellings in 2020. The Productivity Commission, having published the white paper in May 2021, anticipated that this trend of negative net immigration would likely continue for a few more years, which would further result a reduction in the undersupply of housing.

The Productivity Commission anticipates that once conditions return to normal in a Post-COVID-19 environment, that the undersupply of housing will continue to worsen, with a projected undersupply of 100,000 dwellings by 2038.

A key driver behind the undersupply of housing in NSW is due to the market not being able to quickly respond to shifts in demand for housing. The Productivity Commission notes recent housing market activity in recent years as an example of the inability of the market to respond to increases in demand for housing associated with faster than expected population growth and record low interest rates. In consequence, house prices and rents have increased significantly, and housing affordability has worsened.

Restrictions on the ability of the market to deliver housing in terms of location, typology and density is noted as the primary cause of the market not being able to respond to shifts in housing demand. Furthermore, the Productivity Commission notes that development applications is also further restricting supply, by increasing the length of time it takes for a residential investment to become construction complete and occupied by residents.

In consequence, the undersupply of housing in NSW has raised the cost of living for households and made NSW a less attractive place to live and work. Residents are forced to locate further away from their desired locations, and away from places of work, and other critical retail, community and social facilities and infrastructure.

Overall, the Productivity Commission note the following in regard to housing undersupply and household welfare:

Restrictions on the location, nature and density of housing are limiting choice and leaving people with less income to spend on other goods and services (Productivity Commission 2021 White Paper, 2021, p. 40).

In this context, the proposed development at the Subject Site, can assist in reducing housing undersupply, improve affordability, and improve household welfare.

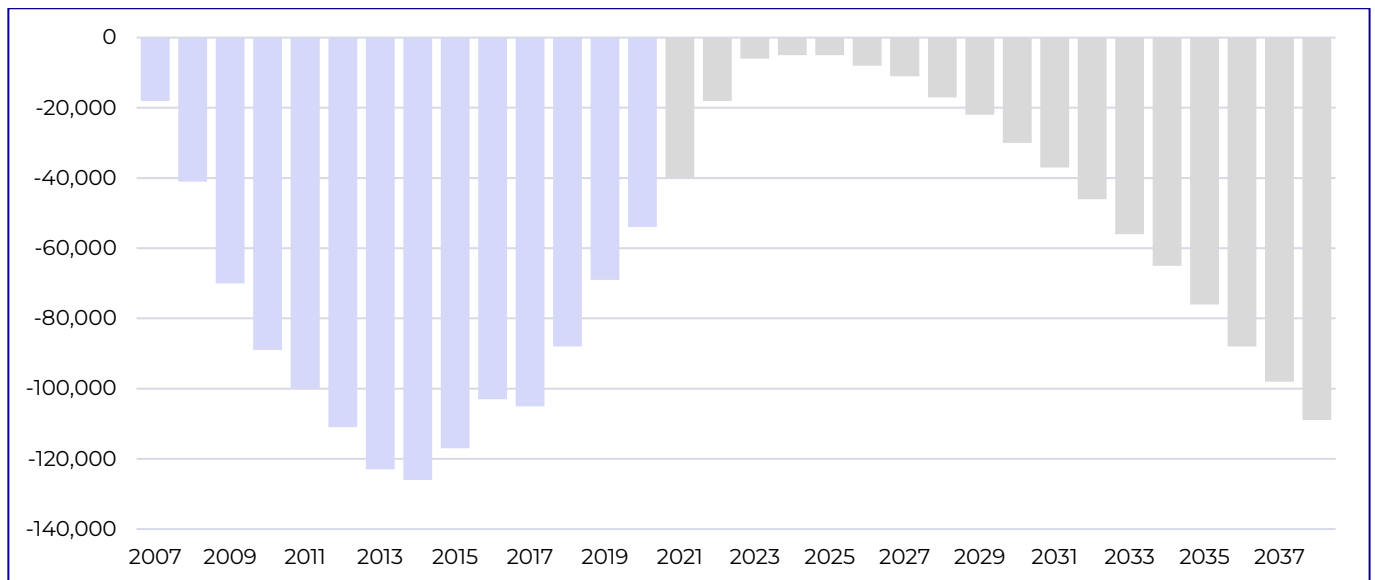


Figure 9 NSW Cumulative Undersupply of Housing, 2006-2038

Source: Productivity Commission 2021 White Paper

4.7 Implications for the Proposed Development

The Subject Site is situated within a highly competitive and rapidly growing housing market with a range of housing types being delivered. The opening of the Northwest Metro has become a catalyst for heightened investment in Norwest, particularly in the residential sector. This has created a key mixed use strategic centre for The Hills Shire and surrounds.

A review of demographic profile for each of the study areas indicates that the local population would associate strongly with a range of uses at the Subject Site including residential, employment, convenience based retail and community uses, highlighting the opportunity for a greater intensification of uses at the Subject Site that will be aligned with the needs of the local community.

The proposed development responds to recent trends in housing delivery and the shift towards high density mixed use precincts that emphasis. Furthermore, rising costs and declining pipeline of housing approvals as well as projected housing undersupply all indicate the need for additional housing and a large pipeline of housing well into the future. In this context, the proposed development responds to these trends and can assist in alleviating current and future housing pressures within the study areas, whilst delivering on strategic planning directives such as a '30-minute cities'.

Overall, the proposed development is well suited to respond to a time of change and evolution in Norwest, and in this regard will offer a true mixed use project that responds to existing and future growth in demand. Implementation of the concept plan will contribute to ongoing investment and reinforce the role of Norwest as a key strategic centre within Greater Sydney. The project will align with, and complement, the evolution of Norwest including investment in commercial and residential projects and investment such as the Metro, health services, accommodation as well as community and recreational facilities.

5. Competitive Context

This Chapter will provide a high level review of the current and future competitive context for Norwest and its role and function. Focus will be on primary uses: residential, commercial, and retail.

Key findings:

- **Commercial Office:** Norwest is currently a regionally significant suburban commercial centre. Norwest Business Park is a purpose-built commercial precinct typically providing low to medium rise commercial space in a business park and campus style offer. In addition, Norwest has successfully attracted a number of major national tenants including Resmed and Woolworths.
- **Retail:** Norwest is an established local retail destination, with two neighbourhood centres provided (Norwest Marketown and CircaRetail) serving the local resident and worker population. The retail provision is expected to expand and evolve as Norwest continues to grow into a high density mixed use commercial, retail and residential precinct.
- **Residential:** The local area is primarily characterised as a business park, however, a variety of residential uses are provided. In recent years there has been a shift towards medium and higher density residential uses, particularly concentrated around Fairway Drive and Spurway Drive. As new development has not yet started within the immediate Norwest Station precinct, there is opportunity for residential uplift as part of a high-density mixed use offer at the Subject Site.
- **Visitor Accommodation:** There is a small provision of visitor accommodation facilities within Norwest, with two visitor accommodation facilities currently provided. Visitor accommodation facilities are a key component in supporting a vibrant mixed use precinct. As Norwest continues to grow and evolve, greater investment in visitor accommodation will be required if the strategic vision, of a thriving mixed use and key commercial centre is to be achieved.
- Like other key transport destinations and precincts such as Hills Showground, Rouse Hill and Tallawong, Norwest has a large amount of development investment activity within close proximity to Norwest Station and the Subject Site. Other key sites such as at CircaRetail could also provide additional employment development uplift. The outlook for Norwest indicates that the local area will continue to transition towards medium and higher density uses, including a residential component, reflecting favourable locational attributes.

5.1 Existing Competitive Context

This sub-section provides an overview of Norwest's *current competitive context for Norwest* compared to other competing centres within the surrounding region. Norwest currently supports a range of employment related uses, including commercial offices, retail facilities, residential, and other community uses. Norwest also houses a number of residents, largely within medium and high density residential apartments within Norwest Central.

A summary of Norwest and other competing centres is provided in **Table 8**.

Table 8 **Competitive Centres**

Centre	Distance	Residential	Retail	Commercial	Health and Education, Visitor Accommodation, and Other
Norwest	-	Major (established) High amenity precincts characterised by predominantly detached housing with newer high density developments concentrated around Norwest Station. Evolving into a high density mixed use (residential, commercial, retail) station precinct following completion of Metro North West.	Major (established) Retail provision focused on local catchment of residents and workers Norwest Marketown , neighbourhood centre one major tenant (Coles supermarket), around 36 speciality stores with around 11,490m ² of retail floorspace (GLA) Circa Retail , a neighbourhood centre with one major tenant (Woolworths) and 18 speciality stores. Totalling around 5,200m ² of retail floorspace (GLA)	Significant (established) Regionally significant commercial centre providing campus style office environment, evolving into higher order commercial mixed use centre. Currently an estimated~ 500,000m ² of Commercial Floorspace Norwest Business Park has been successful in attracting major national tenants, including Woolworths (45,000m ²), ResMed (38,000m ²) and also includes two private hospitals (20,000m ²). A range of small to medium businesses and community facilities are also provided	Major (established) Established health care cluster including Two private hospitals (20,000m ²). A range of small to medium secondary support services within this cluster. Number of nearby primary and high schools. Limited provision with two visitor accommodation facilities– Punthill Norwest (upper mid) and Rydges Hotel (upscale) A range of community and recreational facilities also provided within local area.
		Major (established) Predominantly low density and detached houses with a growing amount of high density residential development located in proximity to Castle Towers and the Castle Hill Station. Evolving into a high density mixed use station precinct following completion of Metro North West.	Significant (established) Significant provision of retail floorspace with range of quality and services Castle Towers , a super regional Shopping Centre that offers an extensive retail provision, including 117,000m ² of retail floorspace (GLA) and anchored by 10 major tenants, including Coles, ALDI, Myer, David Jones and Kmart, in addition to approximately 276 speciality stores Castle Hill Shopping Centre is a neighbourhood centre with one major tenant, and 38 speciality stores, with a total of 7,680m ² of retail floorspace (GLA) In addition to the above centres, strip retail within centre along Old Northern Rd and Terminus Street.	Minor (emerging) There is approximately 143.52 Hectares of Industrial-Commercial land in Castle Hill, most of which is located on the western edge of the suburb. It is mostly mixed use, with some specialised retail.	Major (established) Mix of health and education facilities including primary and high schools and secondary support health care services. The University of Canberra opened up its first Sydney campus based in Castle Hill which offers nursing degrees as of 2022. Limited provision with two visitor accommodation facilities– Mantra (upscale) and Grand Mercure (upscale) A range of community and recreational facilities also provided within local area.
Rouse Hill	6 km	Significant (established) Predominantly low density housing stock with higher density	Significant (established) Established regionally significant retail centre serving growing population	Minor (emerging) Commercial type lands in Rouse Hill are sparse with most of this	Minor (emerging) Rouse Hill Hospital is expected to be \$300 million NSW government project which will drive innovation

Centre	Distance	Residential	Retail	Commercial	Health and Education, Visitor Accommodation, and Other
		<p>concentrated around Rouse Hill Town Centre.</p> <p>An established residential area exists on the eastern side whilst the western side of the suburb is still undergoing transformation.</p> <p>High amenity precinct</p> <p>Evolving into a high density mixed use station precinct following completion of Metro North West.</p>	<p>Rouse Hill Town Centre is a major Regional shopping centre that comprises of several major retailers, cafes, fine dining and entertainment venues. The Centre's total retail floor area is 69,770 with 245 stores and a true "town centre" design, functioning as mixed use precinct. An expansion for the centre has been planned.</p>	<p>development taking place within the Annangrove Road Employment Area</p>	<p>and research in the growing North West Corridor, serving the area and complementing Westmead and Blacktown Health and Education Precincts.</p> <p>Very limited provision with a single visitor accommodation facility – Mercure Sydney Rouse Hill (upper mid)</p> <p>A range of community and recreational facilities also provided within local area.</p>
Blacktown	6.5 km	<p>Significant (established)</p> <p>Blacktown is a large mixed use centre with predominantly low density, and higher density concentrated around Blacktown Station. with existing supply predominately low density detached dwellings.</p> <p>Densities continuing to increase particularly to the north of Blacktown Station</p>	<p>Significant (established)</p> <p>Westpoint is a Major Regional shopping centre with 262 speciality stores and 7 major tenants. The centre has a retail floorspace (GLA) of 96,480m² and borders with Blacktown Train Station.</p> <p>Blacktown Mega Centre is a Bulky Goods centre located on the eastern edge of the suburb and has 20,700m² of retail floorspace (GLA)</p>	<p>Major (established)</p> <p>Commercial lands in Blacktown are predominately found in the central and northern part of the suburb, with a majority of these lands being light industrial.</p>	<p>Significant (established)</p> <p>The Blacktown area is set to benefit from several high density residential towers expected to come to market over the coming years.</p> <p>Blacktown is also home to health and education precinct centred around Blacktown Hospital</p> <p>Limited provision with two visitor accommodation facilities – Mercure (upper mid), and Atura (upper mid). Quest (upscale) currently under construction</p> <p>A range of community and recreational facilities also provided within local area.</p>
Macquarie Park	15 km	<p>Significant (established)</p> <p>High amenity with two metro stations.</p> <p>The Macquarie Park residential market has a high supply of medium and high density dwellings, with pockets found on the western, southern and northern sides of the suburb.</p> <p>Evolving into a high density mixed use station precinct following upgrade of older line to the Metro North West.</p>	<p>Significant (established)</p> <p>Macquarie Centre is a Super Regional shopping centre that offers a wide range of retail facilities, including 119,370m² of retail floorspace (GLA) which is anchored by 10 major tenants in addition to 340 speciality stores.</p> <p>There is also an extensive range of retail offerings found in mixed use developments, business parks and within the Macquarie University Campus.</p>	<p>Significant (established)</p> <p>There is approximately 910,000m² of commercial floorspace in Macquarie Park.</p> <p>Macquarie Park also has the lowest office vacancy rates and the least expensive average net face rents for both primary and secondary grades in the North Shore office market.</p>	<p>Significant (established)</p> <p>Established health and education cluster including hospitals, and secondary healthcare support services and university (Macquarie University). A number of primary and public schools also within local catchment.</p> <p>Significant provision of visitor accommodation facilities with around six upper midscale and above facilities</p>

Centre	Distance	Residential	Retail	Commercial	Health and Education, Visitor Accommodation, and Other
					A range of community and recreational facilities also provided within local area.
Parramatta	10 km	<p>Significant (established)</p> <p>Existing residential supply within the Parramatta CBD is high with many mixed use and high density development taking place across the suburb, particularly around Parramatta commercial core and on the northern side along the banks of the Parramatta River. Medium and low density dwellings dominate the landscape on the eastern and southern side of the suburb.</p>	<p>Significant (established)</p> <p>Westfield Parramatta is a Super Regional shopping centre with an extensive offering with 10 anchor tenants and 457 stores in total. The centre encompasses 137,610m² of retail floorspace (GLA) and is within close proximity to Parramatta Train Station.</p> <p>A considerable amount of ground-floor, mixed use stores and retail exists right across the suburb</p>	<p>Significant (established)</p> <p>There is approximately 960,000m² of commercial floorspace within the Parramatta CBD</p> <p>Parramatta CBD has recently become the second largest CBD in NSW and is home to a large legal community. The office market is considered to be a tightly held market, with large additions of supply continuing to come to market.</p>	<p>Significant (established)</p> <p>Parramatta is currently undergoing significant urban renewal and transformation. In 2019, wharfs were upgraded to accommodate for ferry transport and Parramatta's first stadium was opened.</p> <p>Significant provision of visitor accommodation facilities with over ten upper midscale and above facilities</p> <p>Parramatta's light rail is currently under construction with plans for further stages and an additional station in Parramatta has been planned for Sydney Metro West.</p>

Source: Various

5.2 Future Competitive Context

This section will consider at a high level review of *future competitive context* in relation to Norwest and its future role and function. This section draws upon pipeline of projects within the Cordell Connect database.

A review of the development pipeline activity within the Local Market indicates that there is an significant pipeline of development activity planned and underway in the area, with the North West growth corridor serving as a catalyst for this high volume. A breakdown of development activity by primary use is illustrated in **Figure 10**, which highlights that there is around \$18.84 billion in major development investment activity.

Many of the projects with the highest development value are focused in the North West Growth Corridor and around Northwest metro station precincts (e.g. Rouse Hill Station Precinct, Hills Showground Station Precinct, Norwest Station Precinct, Box Hill Release Area). Taken together, the projects in these four areas alone account for in excess of \$3.1 billion in development investment activity. A summary of projects is also provided in **Appendix A**.

It should be noted that when calculating investment activity, proposed developments have been classified based on primary land uses, and this summary only includes projects with an investment value of \$5 million or more which has been adopted in order to capture major projects only (data sourced from Cordell Connect).

A summary of key findings is as follows:

- Residential projects account for 68.4% of total development investment value. Proposed commercial and retail activity is relatively limited compared to residential uses and reflects the evolving nature of the Housing Market Study Area along with the complementary nature of these uses to residential. Many of the major residential projects also include components of commercial or retail uses to serve the immediate population.
- Total development activity investment values within the Local Market are slightly skewed by the Mixed Use Rouse Hill Town Centre Northern Precinct project and the high density Hills Showground station project at 1-5 Carrington Road. Together, these developments account for 11.5% of development investment activity within the Local Market which is significant considering the extent of the area and the high volume of development activity in the pipeline. There is currently limited investment in visitor accommodation facilities which will be required to support continued growth across key strategic centres across the Local Market.
- Development activity in Norwest represents roughly 10.0% of total development investment activity within the Housing Market Study Area. It is likely that the high level of development investment activity for a single suburb is attributed to both the transition of the area towards high density and mixed use developments as well as a range of undeveloped and underutilised sites that present development potential. In this context, the Subject Site represents a unique opportunity to serve as the core that supports this growth within the local area.
- Within the Local Market, much of the development activity is concentrated North-West of the Subject Site, contained mainly within the suburbs of Rouse Hill, Marsden Park, Schofields, Box Hill and Norwest with concentrations also in Kellyville (North) and Castle Hill (East). This aligns with government strategies where growth is generally focussed in these precincts.

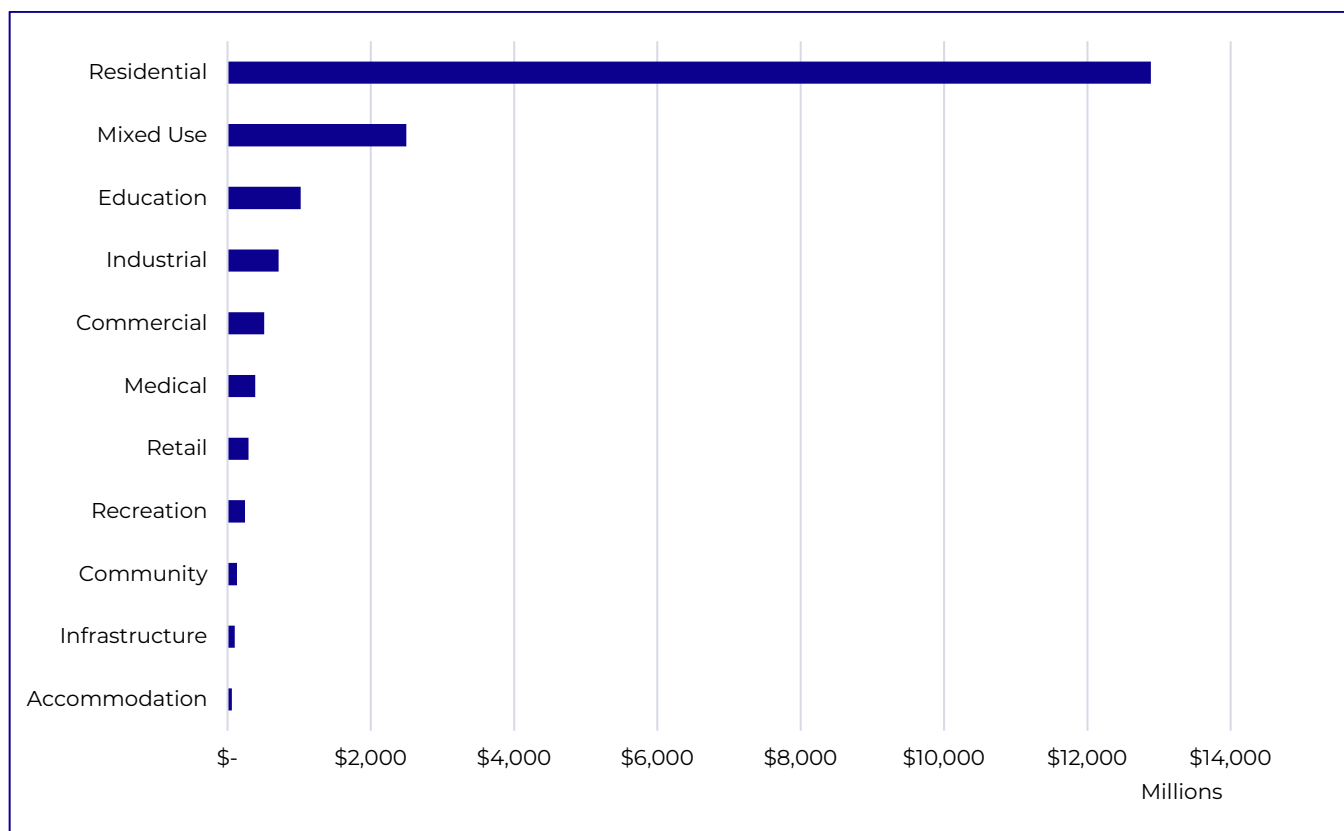


Figure 10 Development Investment Activity (\$m)

Source: Cordell Connect

Notes: Excludes proposed development or projects with an estimated value of less than \$5 million

5.3 Competitive Major Projects

A review of competitive projects of most relevance to the proposal are summarised as follows:

- **Rouse Hill Town Centre – Northern Precinct** : Is a master planned extension of the Rouse Hill Town Centre, being developed by the GPT group. The precinct will be broken up into 3 distinctive neighbourhoods with a range of retail, commercial and community spaces among lower levels and a total of 2,100 apartments to be situated on the upper levels. With an estimated project value of up to \$1.17 billion, the mixed use precinct is expected to be completed by 2030.
- **Showground Station Precinct – 1-5 Carrington Road** : is a primarily residential project with an estimated value of \$996.5 million. The project will encompass 13 buildings, ranging between 3-21 storeys with some retail and commercial premises. The project will include 1,620 residential units and is set to be complete in late 2026.
- **104 Fairway Drive Apartments - The Orchards Stage 4** : is a major project which includes 6 residential buildings ranging from 3-19 stories. Comprising of mostly 2-bedroom apartments as well as some 4-bedroom apartments, the towers will contain on-site facilities for the Orchard Estate including a multipurpose centre with a gymnasium and a swimming pool. The project is said to have an estimated value of \$256.4 million and is roughly 350m north-west of the Subject Site.
- **40 Solent Circuit – Norwest Quarter** : is a development roughly 300m north of the Subject Site, also planned by Mulpha. The project is a diverse mixed-use development catering for residential, commercial, education, medical, retail and recreation. The project will include 9 high rise towers, ranging from 8-26 stories and include 864 apartments, 1,500m² of commercial floorspace and 1,000m² of neighbourhood shops. The project has an estimated value of around \$235 million and is expected to commence July 2023 and finish in early 2026.
- **81 Civic Way Mixed Use Development** : is the northern expansion of the pre-existing Rouse Hill Town Centre. A total of 218 new apartments is to be added to the centre, along with a retail podium of 10,815m² and associated car parking. The project's estimated value is \$216.8 million with work expected to commence in September, subject to council approval.

- **Tallawong Village – Tallawong Station Precinct South** : is a series of predominately residential projects situated between Cudgegong Road and Tallawong Road, surrounding the Tallawong Station. The developments comprise of around 987 apartments, with 9,259m² of retail and commercial space and 3,400m² of open space. The project has been broken down into 5 stages and is expected to commence in September 2023, with project completion estimated around September 2027.
- **Doran Drive Plaza** : Is another major competitive project which includes 431 apartments alongside retail and community space premises. Located in the Doran Drive Sub-Precinct, the 20 storey development has an estimated value of around \$174.8 million, with 4 separate towers that will sit on a 4 storey podium. The podium will provide 11,000m² of retail and commercial space, with Woolworths being listed as a tenant. The project is directly opposite the Hills Showground metro, on the northern side of the station.
- **21 - 23 Lexington Drive** : Located in Bella Vista, the 28,000m² building will be predominately commercial office space (16,50m²), incorporating serviced apartments, retail, food and beverage tenancies as well as a gymnasium. The project is 400m south-east of the Bella Vista Station and is apart of the station precinct. With an estimated value of \$91.3 million, the project is set to commence in March 2024 and completed by October 2027.
- **Sydney Metro Northwest – Bella Vista Station Site A – Stage 1** : 4-10 Celebration Drive is a location in Bella Vista that is set to become home to a large residential and commercial community. The project currently sits in the concept proposal and Stage 1 subdivision phases, with developers Landcom, behind the project. The project originally commenced in October 2021, with the current stage having an estimated value of \$50 million.
- **Norwest Station Site Mixed Use Development** – at 25 – 31 Brookhollow Drive, Norwest located adjacent to the Norwest Station. In December 2018, Landcom, on behalf of Sydney Metro, lodged a Planning Proposal with The Hills Shire Council and in December 2021, the Minister for Planning and Public Spaces approved the Planning Proposal. The proposed development seeks to provide around 52,000m² of floorspace comprising office (39,460m²) ancillary and convenience based retail space (3,900m²), short-term accommodation (8,650m²) and a public plaza. The project is anticipated to be completed sometime in 2027 at an estimated value of \$50 million.

5.4 Implications for the Proposed Development

The above competitive context indicates highlights market drivers towards delivering high density uses in the local area including a transition towards commercial office towers and high density residential uses. Residential projects are the primary development use being delivered within the local area, with many also including a small component of commercial or retail space to provide additional amenity or activation.

In addition, major commercial and retail projects, including the proposed development, will help to further enhance Norwest's role and function as a regionally significant commercial, residential and retail mixed use centre. These projects in Norwest will leverage off the significant investment in transport infrastructure and investment in other station precincts along the North West Metro Line.

Within this context, the proposed development is well suited to respond to the continued growth and evolution of Norwest and the surrounding local area as a growing commercial, retail, and residential mixed use community.

6. Commercial Market Potential

This Chapter will consider the potential for high density commercial office development in Norwest and at the Subject Site as part of the commercial office uses proposed to be delivered as part of the proposed development. This Chapter considers commercial trends market trends, supply, demand and the implications for commercial uses at the Subject Site.

Key findings:

- Norwest is currently the largest commercial office market within the Hills Shire with an estimated 500,000m² of commercial office floorspace. Most of this floorspace comprises low to medium rise campus style commercial offices.
- As cost of land and scarcity of available land increases, the opportunity to deliver higher density office uses around key station precincts will become more desirable. This opportunity for higher density commercial offices is identified in the draft 2022 Norwest Precinct Plan which identifies the Norwest Central Precinct (which encompasses the Subject Site and Norwest Station) as a high density commercial core which is close to the station and comprises a mixed-use 'heart' at the Norwest Marketown site.
- There is potential for commercial office development to accommodate future jobs growth and align Norwest with its strategic vision as a high density commercial and mixed use precinct and a key destination within the region. The Local Strategic Planning Statement (LSPS) identifies a baseline jobs target of 16,600 – 20,600 jobs for Norwest by 2036.
- Norwest is well positioned to accommodate growth in commercial office uses, with the Subject Site ideally positioned to deliver modern, prime grade office floorspace.
- The proposed development is aligned with the strategic vision for the Subject Site and Norwest. The mix of uses proposed as part of the proposed development will create a vibrant and high amenity mixed use precinct that will enhance the ability for Norwest to attract and retain key tenants and workers and improve Norwest's competitive commercial offer in the long term.

6.1 Commercial Supply - North West Sydney Office Market

The Hill Shire accounts for approximately 10% of all suburban office stock in Sydney and 3% of total office market including the Sydney CBD (Knight Frank). Norwest is currently the largest commercial office market within the Hills Shire with an estimated 500,000m² of commercial office floorspace. Most of this floorspace is comprised of low to medium rise campus style commercial offices. Norwest is a highly competitive commercial office precinct, and has been successful in attracting major national tenants, including Woolworths (45,000m²), ResMed (38,000m²) and also includes two private hospitals (20,000m²). A range of small to medium businesses and community facilities are also provided. The recently completed Metro North West significantly improves accessibility of Norwest to the highly educated professional workforce.

The other major sub-markets within the Hills Shire include the strategic centres of Rouse Hill, and Castle Hill. Traditionally, the North West office market has had relatively low vacancy rates associated with the success of Norwest as a major office destination. Although office vacancy rates increased due to the impacts of COVID-19, public health measures and a shift towards working from home, some recovery to office demand is expected to occur in the short to medium term.

Typically, suburban office markets are characterised by:

- Lower density, business park, campus style office developments – typically low to medium rise buildings in landscaped precincts.
- Heavy dependence on cars as the primary mode of travel to work.
- More affordable rents than in the major commercial CBDs.
- A tenancy mix weighted towards smaller corporates and medium to small size businesses (although Norwest does attract major corporate occupiers).

- A mix of traditional tenancy leasehold arrangements in single owner premises, as well owner occupiers and strata-titled office buildings.

As cost of land and scarcity of available land increases, the opportunity to deliver higher density office uses around key station precincts will become more desirable. This opportunity for higher density commercial offices is identified in the draft 2022 Norwest Precinct Plan which identifies the Norwest Central Precinct (which encompasses the Subject Site and Norwest Station) as a high density commercial core which is close to the station and comprises a mixed-use 'heart' at the Norwest Marketown site.

6.2 Modern Tenant Requirements

In order to ensure that the Norwest office market becomes a viable commercial office destination in the future, it is vital that quality commercial office developments are delivered to ensure the Norwest remains a competitive offer and a key employment destination to compete with other commercial office destinations through Greater Sydney.

Tenant demands and requirements within the commercial office market are continually evolving. In recent times, there has been a move towards more open plan, flexible spaces that provide collaborative workspaces, seamless integration with technology and incorporate sustainable initiatives.

There has been a heightened focus on employee and tenant wellness, and the impact that buildings can have on overall human health. This has emerged through initiatives such as the WELL Building Standard (WELL), described as a "performance-based system for measuring, certifying, and monitoring features of the built environment that impact human health and wellbeing, through air, water, nourishment, light, fitness, comfort, and mind" (Well Building Institute).

The attributes of a 'WELL' certified building are important aspects that a new building can offer in a post COVID-19 environment, particularly in capturing and maximising the relationship between people's health and the built environment.

It should be noted that tenant requirements in the post-COVID-19 environment continue to change and include the importance of technology enabled workspaces and the ability to provide a safe and healthy work environment. The result of COVID-19 will mean that the way businesses and office tenants use their space will continue to evolve. In response to the pandemic, commercial office buildings play a central role in the recovery and enhance opportunities to improve the way we work in a safe environment.

The provision of high quality and contemporary office space is paramount in continuing to attract large businesses and corporations to Norwest. Commercial office tenant demands and requirements are continually evolving, with a shift to more open plan and flexible spaces that provide best in class technology, sustainability and wellness initiatives. A critical aspect for tenants is a desire for a 'central hub' for their business, and therefore occupiers are attracted to large floorplates over contiguous levels. Market research shows that modern office occupiers typically seek or require the following:

- Occupiers have a preference for prime quality buildings with available space that provides large contiguous floorplates with efficient building layouts and high quality design.
- Preferred floorplates for major occupiers are whole floors with large floorplates of at least 1,500m² or larger.
- Occupiers want high quality spaces that typically achieve sustainable and wellness outcomes including NABERS, Green Star and WELL ratings.
- Tenants want flexible spaces that allow for up and down scaling, active working spaces that enable collaboration internally and externally, and 24 hour access.
- Clustering benefits including being within activated spaces that offer retail amenities, outdoor open space, and accessibility to public transport.

- Need for flexibility:
 - Floorplates that are efficient and flexible – enabling more collaborative spaces
 - Adjustable spaces based on changing requirements
 - Best in class technology to support a mobile workforce
- Need for sustainability and wellness initiatives.

A key demand driver in metropolitan office markets is the provision of prime office stock across large contiguous floorplates. This is due to requirements of modern occupiers and businesses that typically prefer large contiguous spaces, allowing a company to locate on one, or more interconnected floors rather than across multiple levels. This is beneficial for corporate headquarters and major occupiers who seek to establish a head office and seek improved connectivity, collaboration as well as workplace flexibility that appeals to their broad workforce.

In regional and metropolitan office markets the benefits offered to tenants include large floorplates to enable 'campus style' corporate facilities, including customised fit-outs and experiences that align with the desired corporate culture and vision, all for a more affordable price point than core CBDs. In the Sydney CBD, typical floorplates for modern developments are in the order of 1,300-1,500m². For the Norwest office market, this will mean providing facilities that can compete with other metropolitan office markets where larger floorplates are provided.

The analysis of the office market demonstrates the opportunity exists to provide high quality (premium or A grade) facilities in Norwest at the Subject Site in order to remain competitive and appealing to a wide range of businesses and workers in the future. This is all the more important in the post COVID-19 environment, where attracting businesses and the workforce back into offices is a key consideration for economic activity and recovery. Major tenants currently seek high-quality office space, with large, efficient floorplates that support flexibility and foster collaboration, but also help to attract and retain staff - which is a key consideration for growing businesses.

In this context, the proposed development will attract demand from major occupiers to Norwest through the provision of some +80,590m² of contemporary, prime grade office space within a high amenity precinct, close to workers and community facilities. With additional provision of retail and ground floor activation will further enhance Norwest's amenity and vibrancy. The scale, quality and attributes of the commercial office uses that will be delivered will appeal to major corporate occupiers and support the clustering of businesses and knowledge workers within this part of North West Sydney.

6.3 Implied Commercial Office Demand

This sub-section will draw upon worker projections and worker floorspace ratios to determine commercial floorspace demand to accommodate future workers and achieve employment targets.

The opportunity for commercial office development in Norwest is highlighted by estimates of implied demand derived from official employment projections as highlighted in **Chapter 4**. This approach to estimate implied commercial floorspace demand applies an average commercial office floorspace ratio per office job based on the industry benchmarks. Key insights are summarised below and presented in **Table 9**:

- Employment projections for knowledge workers (+17,140 jobs) and traditional office industries (+7,710 jobs) indicate an additional +24,850 jobs by 2041 across the Local Market, with these industries typically located in commercial office premises.
- Based on an industry benchmark of 16.2m² per office worker, an additional +402,570m² of commercial office floorspace will be required within the Local Market to serve the anticipated growth (assume all growth is a net increase).
- It is anticipated that jobs growth within Norwest account for between 40% to 45% of all broader region projections for knowledge workers and traditional office jobs growth, based on the Transport for NSW (TfNSW) share of employment projections for Norwest. **Taking a mid-point of this range implies**

demand for an additional +171,090m² of commercial office floorspace to be directed to Norwest over the period to 2041.

- Additional commercial office floorspace will also be required to support jobs in other sectors including health and education industries. These jobs will typically be providing secondary and ancillary health and education services to the region's growing population.

This estimate of implied demand is broadly consistent with the Hills Shire Commercial Floor Space Demand Report which informs the draft 2022 Norwest Precinct Plan. The report identified demand for an additional +172,000m² of business park and office floor space uses (which broadly aligns with the classification of knowledge intensive and traditional office adopted in this report) for the period 2016 to 2036.

Overall, the official employment projections suggest that additional commercial office floorspace will be required to accommodate future jobs growth and achieve jobs targets set for Norwest and the region. In this context, the commercial office component of the proposed development will assist in supporting jobs growth in Norwest and achieving the vision for the centre.

Table 9 *Implied Commercial Floorspace Demand, Local Market, 2023 to 2041*

Broad Industry	Additional Commercial Office Jobs (2023 to 2041)	Work-Space Ratio (m ² per worker)	Implied Floorspace Demand by 2041
Knowledge Workers	+17,140	16.2	+277,670
Traditional Office	+7,710	16.2	+124,900
Total	+24,850	16.2	+402,570

Source: 2022 TfNSW; Ethos Urban;

6.4 Success Factors for Commercial Offices

There are a range of attributes that act as key success factors for commercial development and are important for any development to deliver, in order to ensure the attraction and retention of key tenants - including occupiers in target sectors such as technology, innovation and knowledge sectors. Overall, the Subject Site presents a logical location for future commercial office floorspace, and will support the intensification of employment within Norwest and align with a range of key successful factors for commercial office uses, as outlined in **Table 10**.

Table 10 *Subject Site Key Success Factors – Commercial Office Use*

Key Success Factors (proximity to...)	Subject Site Attributes
Public transport	Ease of access to transport facilities including Norwest Station, and bus networks. Provides accessibility to regional labour markets and customer and client base.
Other businesses for clustering/knowledge hubs	<p>Regionally significant commercial centre providing campus style office environment, evolving into higher order commercial mixed use centre.</p> <p>Existing commercial office cluster with high agglomeration benefits. Norwest Business Park has been successful in attracting major national tenants, including Woolworths (45,000m²), ResMed (38,000m²) and also includes two private hospitals (20,000m²). A range of small to medium businesses and community facilities are also provided.</p> <p>The Draft Precinct Plan notes that by 2041, Norwest is anticipated to be a prime location for knowledge intensive businesses focused on health, education, science, technology, finance and advanced manufacturing. Norwest is strategically positioned</p>
Retail and amenities	<p>The Subject Site is located at Norwest Marketown. The proposed development at the Subject Site will provide a range of retail facilities and amenities that will align and be of benefit to the future workers of the Subject Site. In addition, the design of the proposed development will enhance amenity through creating site linkages, creating a distinct and identifiable local character and sense of place.</p> <p>The result is that future commercial office uses will have excellent accessibility to a range of retail services and amenities at the Subject Site and within the local area. These will be important facilities for workers to access throughout the day and outside of hours.</p>

Public open space	<p>The Subject Site includes public open space and a range of amenities that will be attractive for future workers at the Subject Site. The proposed development will enhance access to existing public open space including around Norwest Lake.</p> <p>Future workers will likely use these public open spaces on their lunch breaks and before and after work hours.</p>
Workforce	<p>Direct access to the metro station to the immediate south of the Subject Site, enhance the regional connectivity and appeal to the broader Greater Sydney workforce, particularly residents within the Local Market.</p> <p>The existing residential and worker population within Local Market is projected to continue to increase in the future, supporting growth in the local workforce. In addition, residential uses within station precincts along the north west metro line are expected to intensify in line with residential investment within the broader region.</p> <p>The Productivity and Centres Strategy notes that the local workforce is highly skilled but currently there is a gap between the types of jobs suited for high skilled residents and the types of local jobs available. The proposed development will provide commercial office floorspace that will appeal to industry and occupiers better aligned with the skills of local residents.</p>

Source: Ethos Urban

6.5 Implications for the Proposed Development

As cost of land and scarcity of available land increases, the opportunity to deliver higher density office uses around key station precincts will become more desirable. This opportunity for higher density commercial offices is identified in the draft 2022 Norwest Precinct Plan which identifies the Norwest Central Precinct (which encompasses the Subject Site and Norwest Station) as a high density commercial core which is close to the station and comprises a mixed-use 'heart' at the Norwest Marketown site.

In addition, there is a demonstrated opportunity for commercial office development to accommodate future jobs growth, with the LSPS identifying a baseline jobs target of 16,600 – 20,600 jobs for Norwest. The strategic role and function for Norwest as a high density commercial and mixed use precinct, and a key employment destination within the region supports additional commercial development in the future.

The draft 2022 Norwest Precinct Plan identifies the Subject Site as suitable for high density commercial office and mixed uses with high density housing, people friendly public spaces, and a focus on serving the needs of locals and visitors with a diverse mix of retail.

The proposed development is aligned with the strategic vision for the Subject Site and Norwest. The mix of uses proposed as part of the proposed development will create a vibrant and high amenity precinct that will enhance the ability of Norwest to attract and retain key tenants and workers, and reinforce Norwest's commercial status in the long term.

Strategic advantages of commercial office development at the Subject Site include:

- Situated adjacent to the metro station, providing excellent public transport access.
- Existing commercial office cluster with high agglomeration benefits.
- Existing head offices and high profile tenants (Woolworths, Resmed, Hills Shire Council).
- Mixed use core enhances appeal for commercial tenants.
- In a region with continued population and employment growth objectives as a designated strategic centre.
- Access to high skilled local workers.
- Within walking distance to a large residential population.
- Relative affordability compared with other major employment centres across Sydney.
- Strategic priority for Norwest as a high density commercial mixed used centre and to function as a key employment destination.

Norwest is well positioned to accommodate future commercial office uses, with the Subject Site ideally positioned to provide for modern, prime grade office floorspace in the future, supported by market growth.

7. Retail Market Potential

This Chapter provides a high level review of the potential for retail uses at the Subject Site. The proposed development plans for around 31,260m² of retail GFA, with 19,680m² for speciality shops, 8,470m² for supermarkets, and 3,110m² for cinema facilities. This chapter considers retail trends, retail supply, retail demand, and the implications of retail uses at the Subject Site.

Key findings:

- A Main Trade Area has been defined to reflect the area most likely to associate with any proposed retail offer at the Subject Site. The trade area takes into account the retail provision planned at the proposed development and the existing retail hierarchy. For the most part, the trade area reflects the region from which the proposed retail uses will generate consistent customer patronage.
- A review of retail trends indicates that the context and drivers for retail development has changed significantly over the past decade. Society's fast paced lifestyle and flexible work and life arrangements means that modern consumers have more diverse preferences when it comes to retail experiences and shopping requirements. For strategic centres, such as Norwest it is critical to ensure that key locations deliver a critical mass of tenancies and operators that provide high levels of amenity, quality and experiences in order to create a successful retail destination.
- A review of competing centres and the proposed quantum of retail floorspace planned at the Subject Site suggest that the proposed offer will be appropriate to support Norwest's position within the retail hierarchy and to serve future employment and residential growth. While the specific mix of retail uses is yet to be determined, it is understood that the retail offer at the Subject Site will be focused on provided convenience based retail anchor tenants, alongside food catering and services that will serve the local worker and resident population. The proposal is planned to deliver a net gain of +19,760m² of retail floorspace (reflecting the redevelopment of the existing Norwest Marketown site). The proposed retail provision planned at the Subject Site is appropriate to serve the needs of the growing local population while ensuring a stable retail hierarchy, with Rouse Hill and Castle Hill identified as the other strategic centres within the Hills Shire and currently accommodating larger retail centres.
- There is an identified need for additional retail floorspace within Norwest to serve the planned future population. In addition, the draft 2022 Norwest Precinct Plan highlights the need to support higher levels of amenity and activation in order to attract and retain businesses and workers. In this respect the proposed retail provision at the Subject Site will assist in enhancing amenity for Norwest.
- The Subject Site is well positioned on a high profile and easily accessible location adjacent to Norwest Station, within a strategic area designated for substantial growth, including an intensification of employment and residential uses. The anticipated growth would support demand for a wide range of uses including convenience based retail uses.
- The retail component of the proposed development is aligned with the strategic vision for the Subject Site and Norwest's position in the broader retail hierarchy. The mix of uses proposed as part of the proposed development will deliver a vibrant and high amenity mixed use precinct that will enhance the ability of Norwest to attract and retain key tenants and workers in the longer term. The proposed retail offer will improve Norwest's appeal as a strategic centre without impacting on the retail hierarchy or viability of other strategic centres within the region.

7.1 Retail Provision and Retail Trade Area

A Main Trade Area has been defined with consideration to other nearby centres and retail facilities (see **Figure 11**). This trade area takes into account the retail provision proposed at the Subject Site and the types of retail facilities proposed. For the most part, this trade area takes into account the region from which the proposed retail uses will generate consistent customer patronage.

The existing centre at Subject Site includes 11,490m² of retail floorspace, anchored by a Coles supermarket of 4,050m². Some 36 speciality stores are also provided. As such, with a provision of 31,260m² proposed in the Planning Proposal, this would indicate **an overall net gain in the order of +19,760m² of retail floorspace**.

While the existing plans represent a concept only, the retail trade area has been defined to reflect the local market likely to be served by convenience based retail anchor tenants (i.e. supermarkets), along with consideration to the likely provision of a retail dining offer, convenience based retail specialty stores as well as a potential entertainment offer such as a cinema.

The retail considerations and impact review should be considered a high-level, indicative assessment, as the ultimately trade area and retail impact will be determined by the ultimate tenant mix, including anchor tenants and the entertainment offer. This will be considered further as the project progresses through the planning and approval process.

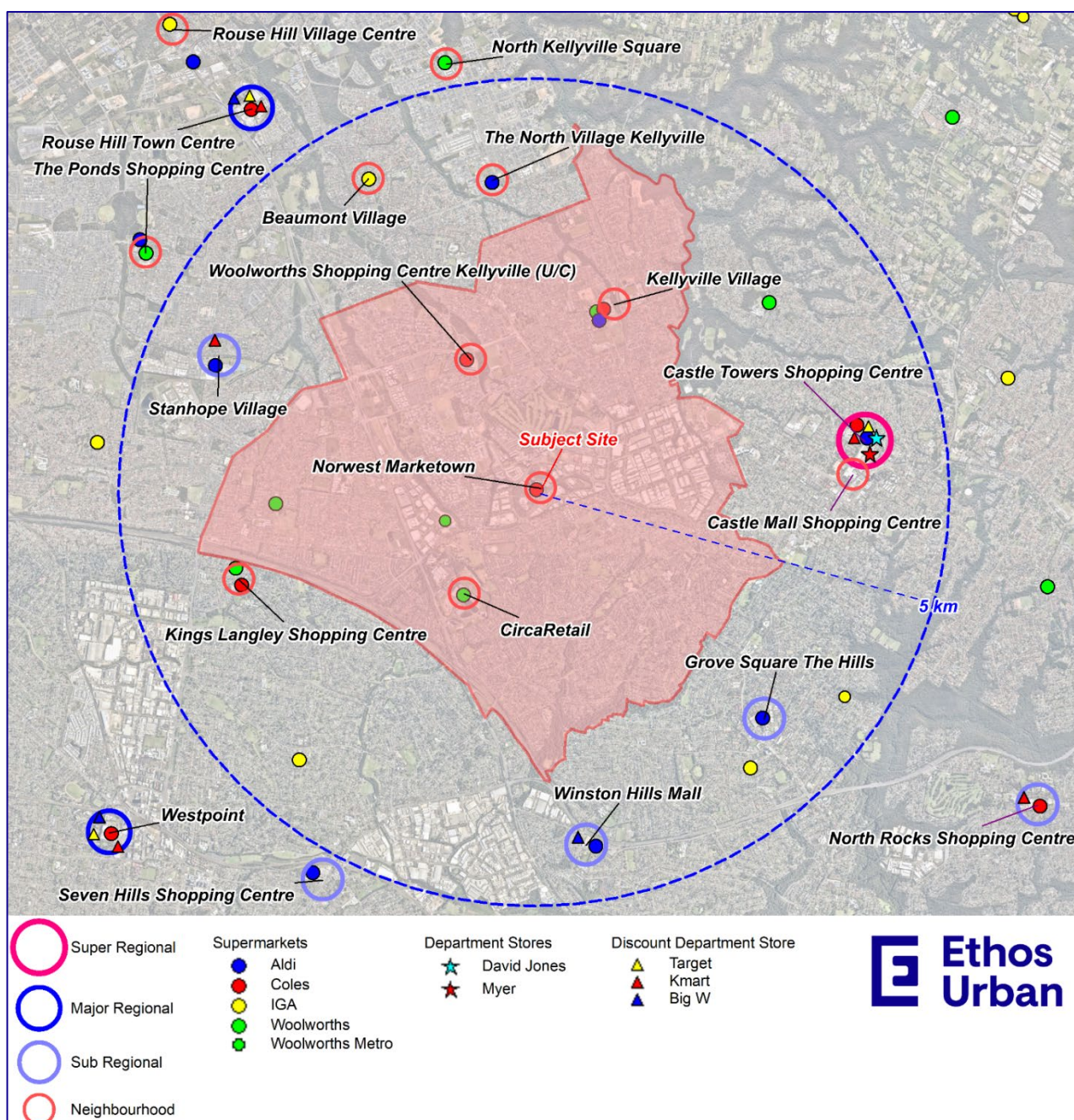


Figure 11 Main Trade Area

Source: Ethos Urban; Bing Maps; Map created using MapInfo

7.2 Retail Trends

The context and drivers for retail development of all kinds has changed significantly over the past decade. The suburban indoor shopping centres that have proliferated since the 1950s – characterised by enclosed, climate controlled designs, large amounts of carparking and chain stores – are increasingly in competition with new forms of retail development that respond to fast-changing customer preferences and new technologies.

The rise of online shopping has led to shop vacancies on high streets and declining department store sales, while retailers and shopping centres are now placing increasing emphasis on the shopper experience, including improved food and beverage offerings, entertainment and services (such as health and education).

Society's fast paced lifestyle and flexible work and life arrangements means that modern consumers have more diverse preferences when it comes to retail experiences and shopping requirements. Consumers increasingly prefer a retail offer that enables or promotes:

- **24/7 shopping** - Consumers want the ability to be able to shop at times that are suitable and convenient for them. Working conditions and lifestyles have changed - consumers want to be able to shop early morning, during the day and late at night.
- **Walkability and accessibility** - Consumers, particularly those living in urban environments, prefer to shop locally at facilities that are easily accessible walking or by private car or public transport.
- **Range of products** - Consumers seek a broad range of products, at various levels of price and quality from a range of sources that can cater to a variety of tastes, cultural and ethnic preferences.
- **Shopping as an experience** - Retailers are increasingly responding to consumer demand for a great retail experience through an increased range of products, quality and integration with technology and services. Retailers are also looking to differentiate themselves by providing better experiences and offers that can attract consumers in highly competitive retail markets.
- **Shopping online** - Consumers have continued to embrace online shopping for retail goods, and its importance has been emphasised during the COVID-19 pandemic. Now, more than ever, a holistic retail network relies on an online presence and offer even for experienced based retail uses such as food, dining, entertainment and services.

For strategic centres, such as Norwest it is critical to ensure that key locations deliver a critical mass of tenancies and operators that provide high level of amenity, quality and experience is critical in being able to form a successful retail destination.

7.3 Competing Centres

This sub-section provides a high level overview of retail centres within the surrounding area. In general terms, the definition of each of major centre type is as follows:

- **Super Regional Centres** a major shopping centre incorporating two full line department stores, one or more full line discount department stores, two supermarkets and around 250 speciality stores. Retail floorspace (GLA) typically range is greater than 85,000m².
- **Major-Regional Centres** are typically a major shopping centre incorporating a full line department store (e.g. Myer or David Jones), one or more full line discount department stores (e.g. Kmart, Big W or Target), and one or more supermarkets and in the order of 150 speciality stores. Retail floorspace (GLA) typically range between 50,000m² to 85,000m².
- **Regional Centres** are typically anchored by at least one full-line department store Retail floorspace (GLA) typically ranges between 30,000m² to 50,000m².
- **Sub-Regional Centres** are generally defined as medium sized shopping centres with at least one full line discount store, a major supermarket, and around 40 speciality stores. Retail floorspace (GLA) typically ranges between 10,000m² to 30,000m².
- **Neighbourhood Centres** are typically local shopping centres with a supermarket and approximately 35 speciality stores. Retail floorspace (GLA) is typically less than 10,000m².

A summary of key centres within the Main Trade Area, the Hills Shire, as well as other key regional centres is summarised in **Table 11**. This table provides a retail centre hierarchy classification for each centre, and a summary of key attributes including estimated retail floorspace, major tenants, speciality stores and cinema provision. Key findings are as follows:

- The key retail centres within the Hills Shire include the strategic centres of Castle Hill and Rouse Hill. Each of these strategic centres include major regional and sub-regional shopping centres including:
 - Castle Towers:** a super-regional shopping centre with some 117,000m² of retail floorspace, with some 276 speciality stores, and is 4.1 km away.
 - Rouse Hill Town Centre:** a major regional with some 60,540m² of retail floorspace, and some 194 speciality stores and is 5.8 km away.
- These centres each include an extensive retail offer including major food and non-food anchor tenants, food and dining facilities and entertainment uses including cinemas. At around 70,000m² and 117,000m², even following the proposed retail uses at the Subject Site both centres will remain more than twice the size of any future retail offer at Norwest Marketown. The major centres of Rouse Hill Town Centre and Castle Towers will remain the major retail destinations for residents within the defined main trade area and within the broader region.

Table 11 *Retail Centres within Surrounding Area*

Centre	Distance	Type	Retail Floorspace (GLA)	Share of proposed development (GLA)	Major Tenants*	Speciality Stores	Entertainment and Leisure Attractors
Main Trade Area							
Circa Retail	1.7 km	Neighbourhood	5,230m ²	478.2%	1	18	-
Woolworths Shopping Centre Kellyville (U/C)	1.7 km	Neighbourhood	7,800m ²	320.6%	1	14	-
Kellyville Village + Woolworths and Aldi	2.4 km	Neighbourhood	17,270m ²	144.8%	3	41	-
Other centres within Hills Shire LGA (key centres)							
Grove Square The Hills	4.0 km	Sub-Regional	17,190m ²	145.5%	3	65	-
Castle Towers Shopping Centre	4.1 km	Super Regional	117,000m ²	21.4%	10	276	Cinema (16 screens)
Winston Hills Mall	4.4 km	Sub-Regional	24,530m ²	101.9%	4	69	-
Rouse Hill Town Centre	5.8 km	Major Regional	69,770m ²	35.8%	6	187	Cinema (9 screens)
Other key regional centres							
Stanhope Village	4.2 km	Sub-Regional	17,970m ²	139.1%	3	64	-
Westpoint, Blacktown	6.8 km	Major-Regional	96,480m ²	25.9%	5	256	Cinema (10 screens)
Westfield Parramatta	10 km	Super Regional	137,610m ²	18.2%	6	366	Cinema (11 Screens)
Westfield Mt Druitt	14 km	Major Regional	60,540m ²	41.3%		194	Cinema (8 screens)
Macquarie Centre	15 km	Super-Regional	119,370m ²	21.0%	12	324	Cinema (16 screens)

Source: PCA, Ethos Urban

7.4 Retail Demand and Supportable Floorspace

As Norwest and the broader region continue to grow, so too will demand for additional retail floorspace. Retail uses are critical in serving the needs of local residents, workers and visitors to Norwest. A successful retail offer helps to support the activation and amenity required to establish a vibrant and attractive destination.

The draft 2022 Norwest Precinct Plan identified an additional 50,000m² of retail floorspace in Norwest including an additional supermarket and speciality stores.

A review of the level of retail expenditure likely to be generated by the local residents within the Main Trade Area and the local worker population within Norwest suggests the following:

- An additional +54,510 residents projected for the MTA by 2041 will generate over \$915.1 million in retail expenditure each year (based on \$16,780 in retail expenditure per capita per annum - MarketInfo).
- An additional +24,570 workers are projected within Norwest by 2041 based on the draft 2022 Norwest Precinct Plan. Assuming workers would spend an average of \$15 per workday by 2041 this would generate retail expenditure of around \$88.4 million each year by 2041.

On the basis of the above, based on market growth only, additional retail expenditure could account for an extra \$1 billion in the Main Trade Area by 2041. (Noting that some local residents would also work within the defined trade area). Assuming an average trading level of \$8,000 per m² across retail uses, this suggests that around 125,000m² of retail floorspace could be required by 2041.

In addition to the above population, Norwest's visitor market is expected to continue to grow and evolve with the visitor population anticipated to grow broadly in line with residential and worker populations.

While it is likely that a proportion of workers will also live in Norwest, it is clear that a substantial provision of retail expenditure would be generated based on future growth alone. Visitors and commuters to Norwest would further add to retail demand as they pass through Norwest.

Each of these customer segments would require access to a wide range of retail facilities including food (take-away and dining options), non-food (apparel, giftware, leisure, general retail stores) and services (hairdressers, dry cleaner, post-office etc.). While higher order retail requirements such as apparel needs would likely be directed to major centres such as Rouse Hill Town Centre and Castle Towers, there will be substantial demand for food, services and convenience based retail and entertainment and leisure facilities throughout Norwest. This includes the Subject Site which will be strategically positioned in a large, centrally located and high-profile site within the CBD.

7.5 Implications for the Proposed Development

The retail component of the proposed development will support the continued growth and development of Norwest as a vibrant and attractive destination for the community, while also complementing other proposed uses (e.g. residential and commercial).

The Subject Site is well positioned on a high profile and easily accessible location adjacent to Norwest Station, within a strategic area planned for substantial growth, including an intensification of employment and housing. The anticipated growth would support demand for a wide range of uses including those proposed at the Subject Site.

The Subject Site and proposed development represents a unique opportunity to leverage off the significant infrastructure investment that has occurred through the delivery of Metro North West and significant population growth projected to occur within North West Sydney over the next two decades.

In addition, delivery of retail and the overall design of the proposed development will assist in providing high levels of amenity at the Subject Site and within the local area. As highlighted in Chapter 7 and in the draft 2022 Norwest Precinct Plan, there is a need to provide high levels of amenity in order to attract and retain businesses and workers to Norwest.

Mulpha are committed to actively managing the retail uses, delivering a vibrant retail offer that will ensure an attractive precinct is established that will act as a destination for the long term. The nature of retail uses and physical space will ensure that the retail provision remains relevant to the local community over time, with a dynamic and complementary retail offer that will adapt and respond to changing preferences, tastes and styles of the community for years to come.

8. Residential Market Potential

This Chapter will consider the potential for high density residential development in Norwest and at the Subject Site as part of the residential uses proposed to be delivered as part of the proposed development. This Chapter considers residential market trends, residential dwelling supply, residential demand, to determine likely future dwelling need in terms of housing undersupply or oversupply, and the implication for residential uses at the Subject Site.

Key findings:

- A review of house and unit sales demonstrates the strong demand and potential for high density living in Norwest. House and unit price trends indicate strong demand to live within the defined Local Market, with a premium attached to house prices within both the Local Market and the Hills Shire overall. Unit prices within the Local Market are considered relatively affordable against income levels when compared to the Greater Sydney benchmark.
- Delivery of high density developments has mostly taken the form of TOD, which seeks to provide residential and other supporting uses in proximity to existing transport nodes or stations. The shift towards TOD and higher density living is evident in Greater Sydney and has been concentrated in urban renewal and established areas of the city that have good access to public infrastructure, employment nodes, retail facilities and other services. By contrast, low density approvals are overwhelmingly concentrated in residential growth areas (such as the North West and South West Growth Areas) and on the urban fringe of Sydney. the Hills Shire has also anticipated this shift in the LSPS, with Greenfield Areas anticipated to account for less than 10% of housing delivery by 2031.
- Implied dwelling demand, which is a measure of dwelling need based on household formation and projected population growth, indicates strong demand for housing with the Local Market with an additional +106,400 dwellings estimated to be required for the period 2023 to 2041. Much of this dwelling demand will be focused on the greenfield areas and station precincts within the defined Local Market.
- A review of recent trends in housing supply indicate strong market interest and demand to deliver housing within the Local Market and the Hills Shire. There has been a shift towards multi-unit dwellings, likely driven by price growth as well as the relative scarcity and cost of land as Greater Sydney's urban frontier continues to expand. Looking forward, and based on DPE housing supply forecasts, future delivery of housing will be concentrated within station precincts at a much faster rate than anticipated by the Hills Shire LSPS.
- A review of greenfield residential capacity, based on current dwelling potential under existing controls, indicates that in the next 12 to 17 years, dwelling demand will fill all identified capacity within greenfield areas. The current residential pipeline within remaining residual area (or non-Greenfield areas) will be fully absorbed in the next four to six years. In addition, once greenfield capacity has been absorbed, this unmet demand will need to be redirected to non-greenfield locations, including infill sites. While additional greenfield capacity can be created through changing land use controls, this highlights the need to plan for much greater delivery of housing within existing high amenity and accessible locations, such as station precincts and the Subject Site.
- The Subject Site represents a logical location for residential development providing a range of attributes suitable for high density residential uses, including access to public transport infrastructure, access to key employment centres (both Norwest and the broader region) and proximity to retail facilities and a range of amenities.
- The proposed development and residential offer will respond to market drivers and demand for much needed high density residential development at high amenity and accessible locations, including station precincts within the Hills Shire. Complementary uses proposed at the Subject Site including commercial, retail, leisure and entertainment will help to create a true live, work and play mixed use precinct that will benefit future residents at the Subject Site. In this sense, the proposed development aligns with the strategic vision for Norwest as a mixed use precinct as identified in the draft 2022 Norwest Precinct Plan.

8.1 Residential Market Trends

This sub-section considers residential market trends including house and unit prices, the shift towards higher density living particular through transit orientated developments. The purpose of this sub-section is to determine the potential for high density residential development at the Subject Site.

8.1.1 Residential prices

A review of house and unit sales price trends within the Local Market and Hills Shire has been sourced from Pricefinder and shows the following key trends since 2011 to 2022. Current estimates of median prices for houses and units for 2023 indicate that prices have continued to decline over the current 2023 period in line with interest rate increases. Key insights of the data are illustrated in **Figure 12** and **Figure 13** and summarised as follows:

- As of 2022, the median sales price for a house in the Local Market was \$1,530,000, above the Greater Sydney median price of \$1,300,000, although below the Hills Shire median of \$1,775,000.
- Residential house and unit prices follow market cycles, with interest rates being a key determinant of demand. In this context, significant price increases from 2020 are indicative of strong demand from the low interest rate environment during the COVID-19 period. More recently, and on the back of interest rate increases, median house prices have declined.
- Relative differences in median prices between the different study areas provides an insight into the premium and relative demand attached to houses within the local area. In this context, there is a large premium attached to houses in both the Local Market and the Hills Shire compared to median house prices within Greater Sydney.
- Units prices within the Local Market are more affordable compared to Greater Sydney benchmark overall, with the median sales price for a unit of \$760,000 in Local Market was comparable to the in Greater Sydney of \$759,050 in the year 2022. By comparison, the median unit price in the Hills Shire was \$865,000. Indicating a significant premium for units within the Hills Shire.
- Across both the Local Market and the Hills Shire, unit prices have typically followed similar trend to Greater Sydney. Median unit price growth picked up from 2019, and since 2021, median prices have declined.
- The median unit price within the Local Market has typically been below the Greater Sydney median unit price benchmark. However, this relatively difference has largely been driven by unit sales within the City of Blacktown region of the Local Market. When excluding these unit sales in City of Blacktown, the median unit price of the Local Market closely mirrors the Hills median price. This indicates significant demand for units within the Hills Shire region of the Local Market.

House and unit price trends indicate strong demand to live within the Local Market with a premium attached to house prices within both the Local Market and the Hills Shire. Unit prices are relatively affordable when compared to the Greater Sydney benchmark, with more affordable units available in the City of Blacktown region of the Local Market.

Significant premiums compared to the Greater Sydney benchmark can also potentially indicate excess or unmet demand. In this context, median prices for house, and unit within the Hills region of the Local Market are indicative of excess or unmet demand with premiums likely to continue to rise without significant delivery of housing.

Overall, a review of house and unit sales demonstrates the strong potential for high density living at the Subject Site and for the delivery of high density housing within the Hills Shire region of the Local Market.

The proposed development responds to this demand through the delivery of a high density residential community within a transit orientated development. The Subject Site represents a logical location for residential development within proximity to the Norwest Station, and with access to retail, and social services and facilities.

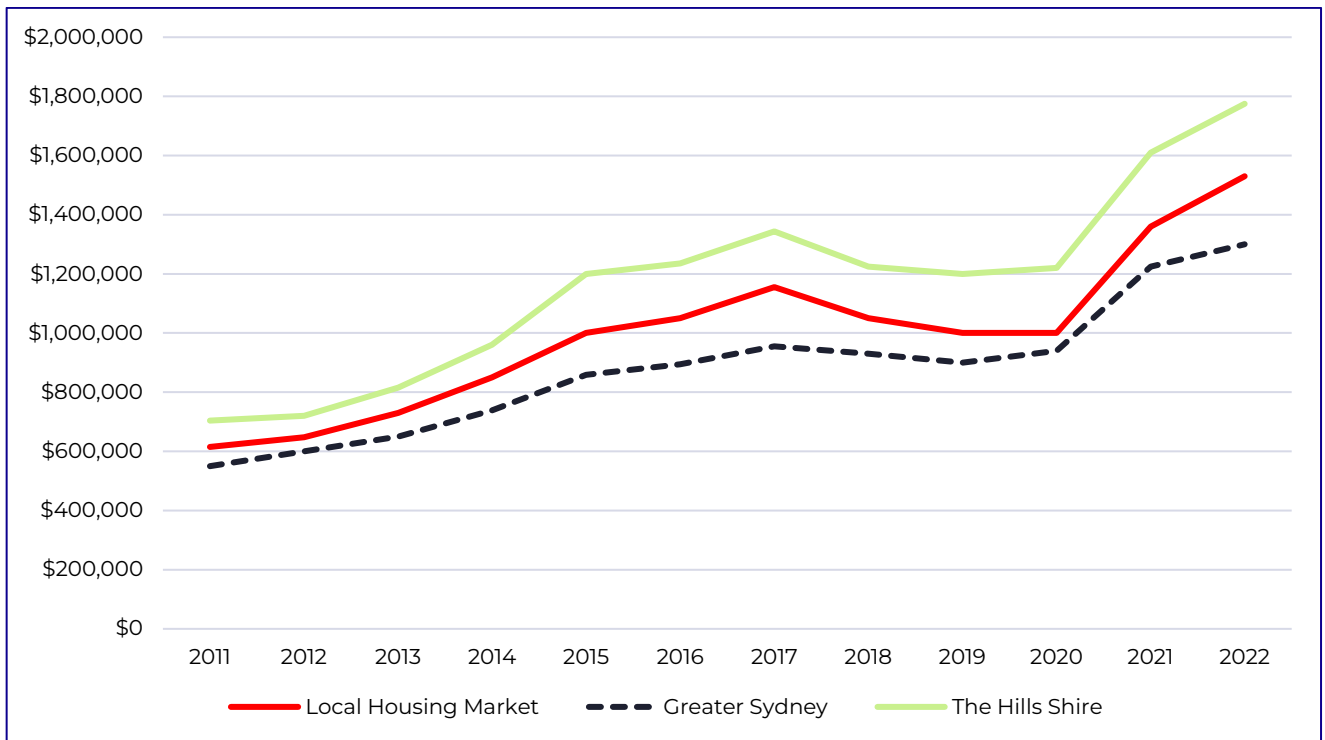


Figure 12 Median House Prices, 2011 to 2022

Source: Pricefinder; Ethos Urban

Note: late 2022 should be consider incomplete. 2023 figures have been excluded due to low reliability and incomplete sales recorded. However, current estimates indicate sustained price declines in line with rising interest rates.

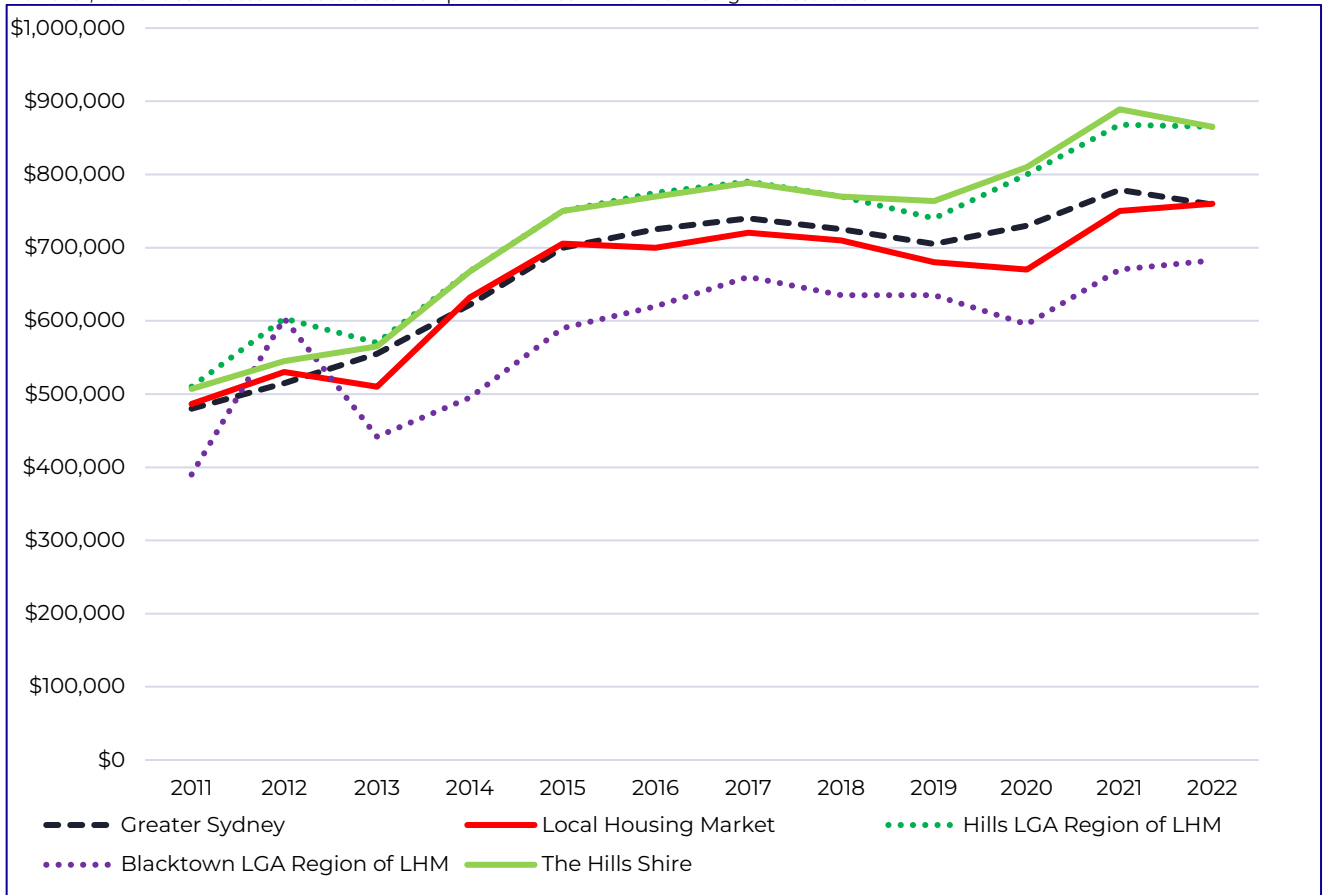


Figure 13 Median Unit Prices, 2011 to 2023 (YTD)

Source: Pricefinder; Ethos Urban

Note: late 2022 should be consider incomplete. 2023 figures have been excluded due to low reliability and incomplete sales recorded. However, current estimates indicate sustained price declines in line with rising interest rates.

8.1.2 Transit orientated developments and higher density residential living

Greater Sydney is currently experiencing a rail infrastructure 'boom' with significant investment activity in new metro lines and light rail services. This includes the development of the Sydney Metro North West and South lines, and the Sydney Metro West line from the Sydney CBD to Westmead. Significant transport investment can support a shift towards high density residential living in close proximity to these major transport nodes, with this encouraged as an appropriate way to support residential growth by leveraging public transportation services.

Delivery of high density developments has mostly taken the form of transit oriented developments (TOD) which seek to provide residential and other supporting uses in proximity to existing transport nodes or stations. This form of high density development is a strategic way to deliver housing within highly accessible locations that are walkable, supported by amenities and well connected to services and jobs.

The shift towards TOD and higher density living is evident in Greater Sydney when reviewing building approvals data. Since FY2017, medium and high density building approvals have been concentrated in urban renewal and established areas of the city that have good access to public infrastructure, employment nodes, retail facilities and other services – examples being in key station precincts such as Macquarie Park, St Leonards, Sydney Olympic Park, Burwood, Blacktown, Norwest, Tallawong, Castle Hill, Homebush, Rhodes, and Parramatta (see **Figure 14**). By contrast, low density approvals are overwhelmingly concentrated in residential growth areas (such as the North West and South West Growth Areas) and on the urban fringe of Sydney.

The Committee for Sydney estimates that TOD projects could have the capacity to deliver up to 45% of total projected dwellings required in Sydney over the next two decades (Committee for Sydney, 2022, Rethinking Station Precincts). Key benefits of TOD include:

- Enhancing access to community and retail amenities, with train stations functioning as focal points for the community;
- More efficiently moving a large number of people around the city, with rail infrastructure more effectively able to move larger number of residents than other modes of travel such as buses and private vehicles;
- Reducing reliance on private vehicles and incentivising active and public transport modes of travel. In turn this will reduce the impact on traffic of additional residents in Greater Sydney;
- Better integrating train stations within the broader precinct; and
- Improving liveability by creating vibrant and active places.

In this context, the Subject Site represents a logical location for high density residential development which will result in a range of benefits, and is consistent with recent trends and government objectives.

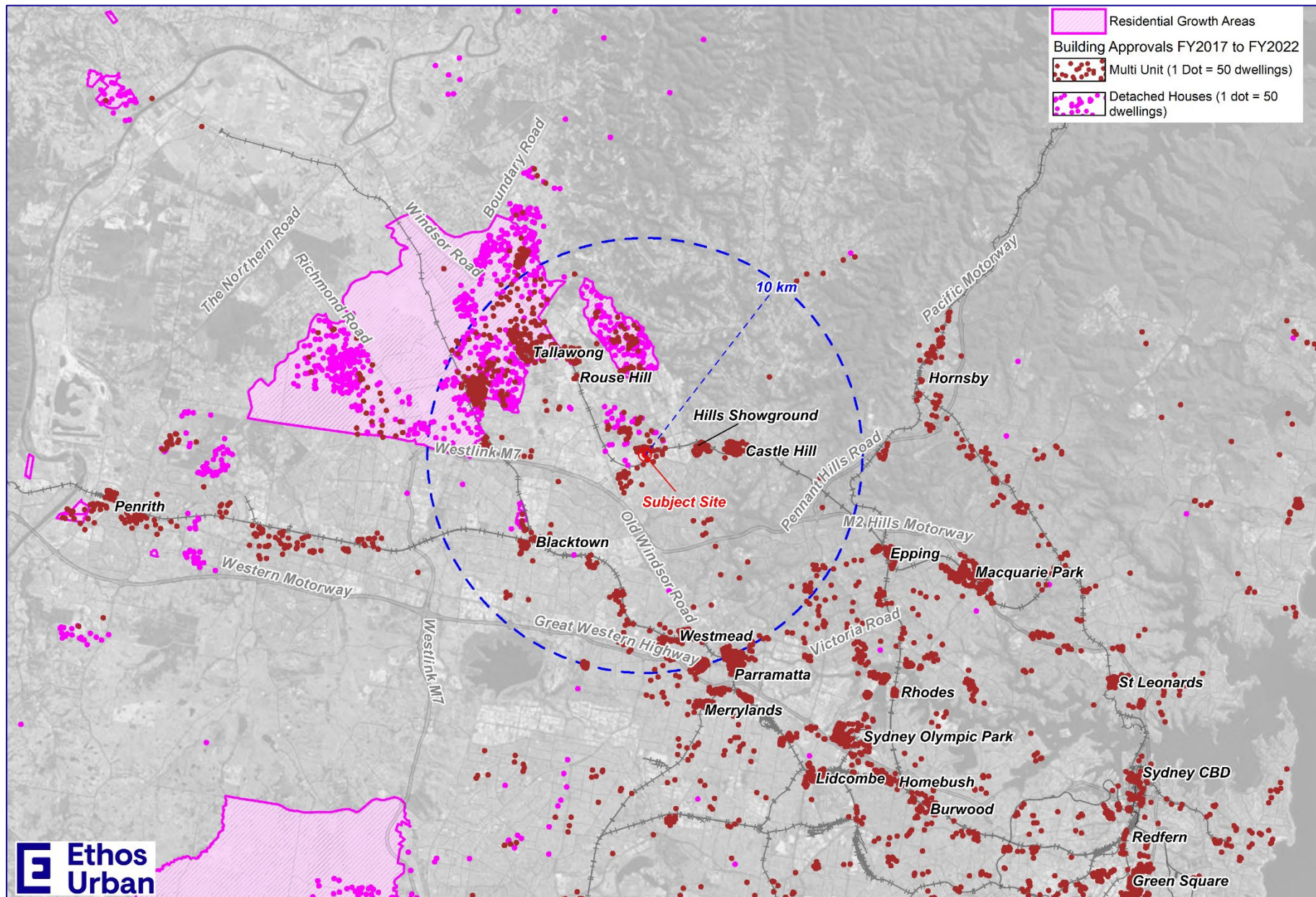


Figure 14 Indicative Location of Building Approvals, FY2017 to FY2022

Source: Ethos Urban using MapInfo, Bingmaps and ABS, Building Approvals data // Notes: Dots represent indicative location only. Data is based on SA1 geography.

The trend towards transit orientated developments has been highlighted into the Hills Shire LSPS which anticipates that a diminished role for greenfield areas to deliver future housing, as these greenfield areas are developed. By contrast, station precincts are anticipated to play a more significant role in housing delivery. This is illustrated in **Figure 15**, which is adapted from the Hills Shire LSPS. Key insights are as follows:

- Historically, the majority of new housing has been in greenfield areas, however, the share of new dwellings in station precincts is anticipated to increase.
- For the period 2022 to 2026, new housing in greenfield areas is anticipated to account for almost 80% of all housing delivery in the Hills Shire.
- For the period 2027 to 2031, the role of greenfield areas in housing delivery is anticipated to diminish to below 40% by 2031, greenfield areas are anticipated to contribute below 10% of new housing with the vast majority of new houses anticipated to be delivered within and around station precincts.
- A pipeline of 10,300 dwellings in Greenfield areas is anticipated to be delivered for the period 2023 to 2036.

Overall, there has been a trend towards deliver of high density housing in the form of transit orientated development. This trend is evident in building approvals data, and has been identified in Hills Shire LSPS. In this context, the proposed development aligns with this trend and shift towards delivery of high density housing at station precincts and consistent with the

In addition, delivery of high density housing at the Subject Site will also provide a range of benefits for locals within Norwest and surrounding region consistent with benefits provided by transit orientated developments and the associated access and amenity benefits.

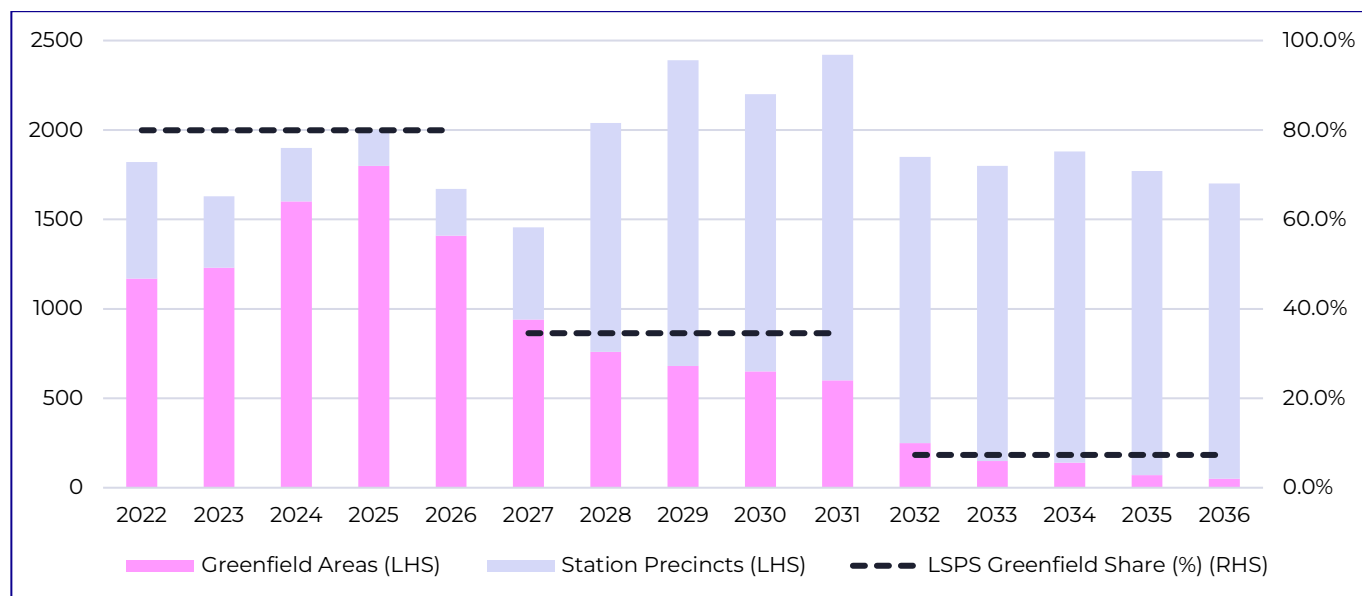


Figure 15 *Estimated Rate of Development to 2036, Hills Shire*

Source: adapted from Hills Shire LSPS

Note: financial year figures taken as at June of each calendar year.

8.2 Residential Supply Review

This sub-section considers historic building approvals within the study areas and existing capacity for low density development with a focus on north west growth area. This capacity analysis will primarily draw upon official estimates of capacity.

8.2.1 Dwelling supply

The rate of new housing supply within the Local Market and Hills Shire can be measured using DPE new completions data. Net Completions data is currently available for the period September 2012 to September 2022. Key findings are as follows (see **Figure 16** and **Figure 17**):

- Rate of new housing supply has been steadily increasing since September quarter 2012 across both the Local Market and Hills Shire indicating strong demand for housing within both study areas.
- Detached dwellings are the primary type of housing being delivered; however, the share of multi-unit dwellings has been steadily increasing across both study areas.

- Since 2018, the rate of new dwellings has been above the period average of +3,830, indicating strong demand and market interest to deliver new housing. Similarly, in the Hills Shire, in 2018, new dwelling supply has consistently been above the period average of +1,750 additional dwellings. This trend indicates strong market demand for housing in both the Local Market and the Hills.

Overall, recent trends in housing supply indicate strong market interest and demand to deliver housing within the Local Market and the Hills Shire. This trend has been broad based across both detached housing and multiunit dwellings. In addition, there has been a shift towards multi-unit dwellings likely driven by relative scarcity and cost of land as Greater Sydney's urban frontier continues to expand. Going forward, it is likely that the shift towards multi-unit housing will continue.

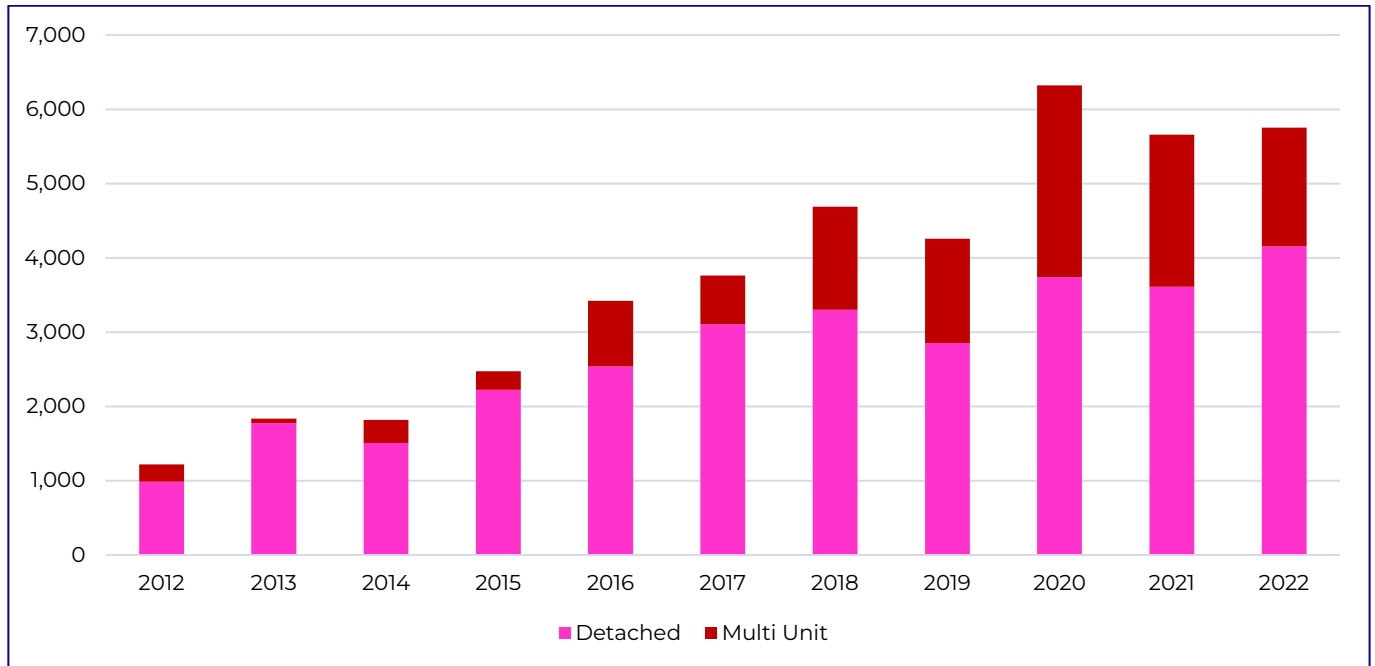


Figure 16 *New Housing Supply, Local Market, Q3 2012 to Q3 2022*

Source: DPE

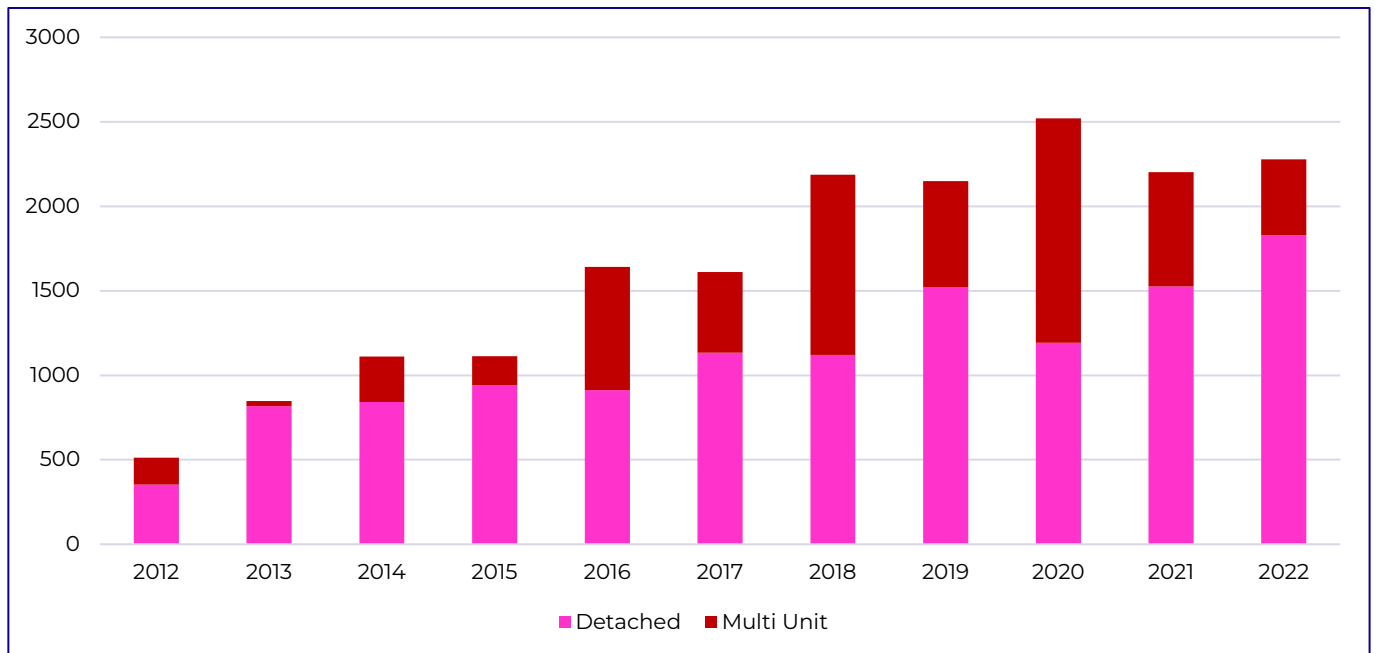


Figure 17 *New Housing Supply, Hills Shire, Q3 2012 to Q3 2022*

Source: DPE

The DPE provide five year housing supply forecasts across for Greater Sydney and were last released in December 2021. The housing supply forecasts are an estimate of the number of new dwellings that could be built under existing

controls (dwelling capacity) and takes into account current projects in the pipeline, market conditions and demand factors. Importantly, DPE emphasise that the housing supply forecasts are not an indicator of demand.

The DPE forecasts anticipate that an additional +21,850 new homes could be delivered in the Local Market over the next five years, while within the Hills Shire +11,450 new homes could be delivered.

This information is presented in **Table 12** along with historic housing supply to illustrate trends in supply and the role of greenfield areas in the delivery of historic and future housing. While **Figure 18** highlights the forecast share of housing delivery in greenfield areas compared to anticipated share in the Hills Shire LSPS.

A summary of the key findings are as follows:

- The rate of housing delivery is expected to increase. In the Local Market, the average annual rate of new housing is forecast to increase to +5,460 dwellings compared to +3,830 over the last ten years. Similarly, within the Hills Shire, rate of new housing supply is forecast to increase to an annual average of +2,860 new dwellings from historic average annual rate of +1,740 dwellings.
- Historically, a significant share of dwellings have been delivered in Greenfield Areas. In the Local Market, the share of dwellings to be delivered in Greenfield Areas is anticipated to decline from 80.9% to 39.3% over the forecast period.
- A similar trend is anticipated in Hills Shire with the share of dwellings to be delivered expected to decline from 54.9% to 43.8%. This is in contrast to the expectation, as outlined in the Hills Shire LSPS, where it was anticipated that Greenfield Areas would deliver in the order of 80% of dwelling supply in the future.

This trend towards infill development is occurring faster than anticipated as illustrated in **Figure 18**. In conjunction with the price premium for units within the Hills Shire, this indicates that market interest and demand for housing in 'station precincts' has been greater than expected.

In this context, the proposed development represents a potential pipeline of future housing supply within an emerging high amenity station precinct. The proposed development has the potential to add to much needed housing supply for the Local Market and the Central City District as well as alleviate housing affordability pressures resulting from projected housing undersupply as outlined in **Chapter 4**.

Table 12 *Historic and Forecast Supply and Greenfield Area Share*

Study Area	Historical Supply Q3 2012 to Q32022		Forecast Supply 2022/23 to 2025/26	
	Total	Annual Average	Total ^b	Annual Average
Local Market	41,220	3,830	27,850	5,460
Hills Shire	18,690	1,740	11,450	2,860
Supply in Greenfield Areas				
Within Local Market ^a	33,360	3,100	8,580	2,140
Within Hills Shire	10,260	950	5,010	1,250
Greenfield Area Share				
Within Local Market	80.9%		39.3%	
Within Hills Shire	54.9%		43.8%	

Source:

Notes: Figures rounded.

a. includes Box Hill North

b. are estimated by estimate forecast supply that has already been delivered.

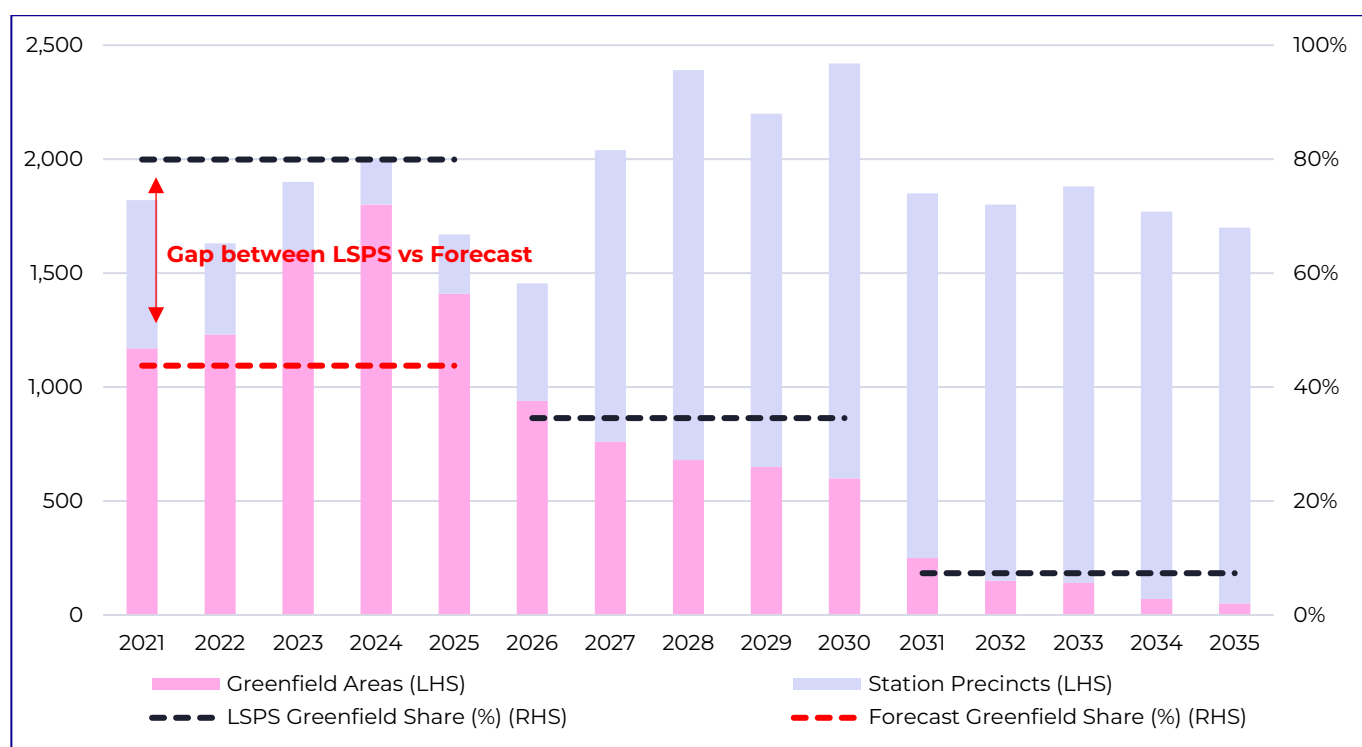


Figure 18 Future Housing Supply in Greenfield Areas, Hills Shire, Q3 2012 to Q3 2022

Source: adapted from Hills Shire LSPS; 2021 DPE Forecast Housing; Ethos Urban

8.2.2 Current dwelling supply (capacity) within greenfield areas

In this sub-section, existing and remaining dwelling capacity of greenfield areas, in and surrounding, the North West Growth Area is identified, including council led greenfield developments such as Box Hill North. Estimates of capacity, rate of development and future housing supply are sourced from the DPE.

There are around 20 precincts within the within the North West Growth Area this includes precincts that have been rezoned, planning underway, or not released. Five of these precincts are located in the Hills Shire, two within Hawkesbury City Council and remaining 14 within the City of Blacktown. All of the precincts are within the Local Market with the exception of Box Hill North.

Within the Hills Shire all identified greenfield areas have been released, this includes Box Hill (Box Hill and Box Hill Industrial), Box Hill North, North Kellyville and balmoral Road. Within City of Blacktown a number of precentcs have not yet been released including Marsden Park North, Vineyard Stage 2, Riverstone East Stage 3, and West Schofields. In this context, once these precincts have been rezoned, the overall dwelling capacity for the North West Growth Area will be released. However, it is understood that there are no additional greenfield precincts to be identified as release areas within Hills Shire.

This information is summarised in **Table 13**, with key findings summarised as follows:

- Estimated dwelling potential for the North West Growth Area and surrounding greenfield precincts is in the order of 89,330 dwellings. The vast majority of this dwelling capacity is within the Local Market, which accounts for 96.4% total capacity, while the Hills Shire municipality accounts for 27.6% of dwelling capacity. Of the greenfield precincts, Riverstone, Box Hill and Box hill Industrial, and Marsden Park all have the largest dwelling capacity.
- Since Q3 2012, there has been an estimated delivery of 34,480 new dwellings which has absorbed almost 39% of capacity leaving an estimated remaining capacity of 54,850 dwellings. Most the housing delivery has been in Alex Avenue (+6,090 dwellings), Marsden Park (+5,510 dwellings), Riverstone (+4,960 dwellings) and North Kellyville (+4,910 dwellings).
- Current estimated dwelling capacity is in the order of 54,850 dwellings, which suggests remaining capacity is around 61%.
- Of the remaining total capacity, 96.2% is within the Local Market, and 25.6% is within the Hills Shire. This dwelling capacity is primarily within Box Hill and Box Hill Industrial (10,230 dwellings), Riverstone (9,050 dwellings), and Marsden Park (7,180 dwellings). Together these precincts account for almost half of the

remaining capacity. This estimate of capacity is slightly above estimated capacity highlighted in **Figure 17** above.

Note estimates of capacity in **Table 13** represent a conservative estimate of future capacity as data in the series only available from Q3 2012, while development in some of the below greenfield precincts began prior to 2012.

Table 13 North West Growth Area Remaining Capacity (Q4 2022)

Precinct	LGA	Status	Dwelling Potential	New housing (Q32012 to Q32022)	Remaining Capacity (no.)	Remaining Capacity (%)
40 Solent Circuit, Baulkham Hills	Hills Shire	Council led Greenfield	860	80	780	90.7%
Alex Avenue	City of Blacktown	Rezoned	8,510	6,090	2,420	28.4%
Balmoral Road ^a	Hills Shire	Council led Greenfield	3,600	3,630	-30	-0.8%
Box Hill & Box Hill Industrial	Hills Shire	Rezoned	13,280	3,050	10,230	77.0%
Box Hill North ^a	Hills Shire	Council led Greenfield	3,200	1,120	2,090	65.3%
Colebee	City of Blacktown	Rezoned	1,000	1,090	-90	-9.0%
Marsden Park	City of Blacktown	Rezoned	12,690	5,510	7,180	56.6%
Marsden Park Industrial	City of Blacktown	Rezoned	1,260	390	870	69.0%
Marsden Park North	City of Blacktown	Planning underway	6,200	-	6,200	100.0%
North Kellyville	Hills Shire	Rezoned	7,740	4,910	2,830	36.6%
Riverstone	City of Blacktown	Rezoned	14,010	4,960	9,050	64.6%
Riverstone East Stage 1-2	City of Blacktown	Rezoned	3,500	310	3,190	91.1%
Riverstone East Stage 3	City of Blacktown	Planning underway	-	-	-	-
Riverstone West	City of Blacktown	Rezoned	-	-	-	-
Schofields	City of Blacktown	Planning underway	3,880	1,660	2,220	57.2%
Shanes Park	City of Blacktown	Not released	-	-	-	-
Tallawong Station	City of Blacktown	Rezoned	4,960	1,430	3,530	71.2%
Townson Road	City of Blacktown	Rezoned	340	250	90	26.5%
Vineyard Stage 1	Hawkesbury City Council	Rezoned	-	-	-	-
Vineyard Stage 2	Hawkesbury City Council	Planning underway	-	-	-	100.0%
West Schofields	City of Blacktown	Planning underway	4,300	-	4,300	90.7%
Total	-	-	89,330	34,480	54,850	61.4%
Local Market	-	-	86,130	33,360	52,770	61.3%
Hills Shire	-	-	23,790	10,260	13,530	56.9%

Source: DPE; Hills Shire LSPS; Ethos Urban

Notes: a. rezoned dwelling capacity sourced from Hills Shire LSPS, all other capacity estimates are sourced from DPE rezoned dwelling potential. Figures rounded.

Note new housing based on DPE net dwelling completions from Q3 2012.

8.2.3 Anticipated supply outside greenfield growth areas (infill development)

The approach to the supply of housing outside greenfield growth areas differs from estimates of supply within greenfield areas because housing delivery outside greenfield areas will primarily take the form of infill development. In

this context, the Cordell Connect database of projected developments has been used to provide an estimate of this residential pipeline of infill developments.

A review of Cordell Connect database indicates that there is a pipeline of 12,060 units within the Local Market excluding greenfield areas; while within the Hills Shire, there is a pipeline of 11,500 units. Most of this dwelling pipeline is expected to be complete over the next five years. It should be noted that there is uncertainty on the delivery of housing beyond this period, as new (currently unknown) residential projects will likely be added in the coming years, and existing projects could be modified, both of which will alter the total pipeline in the future. Existing information on the current pipeline is illustrated in **Figure 19**.

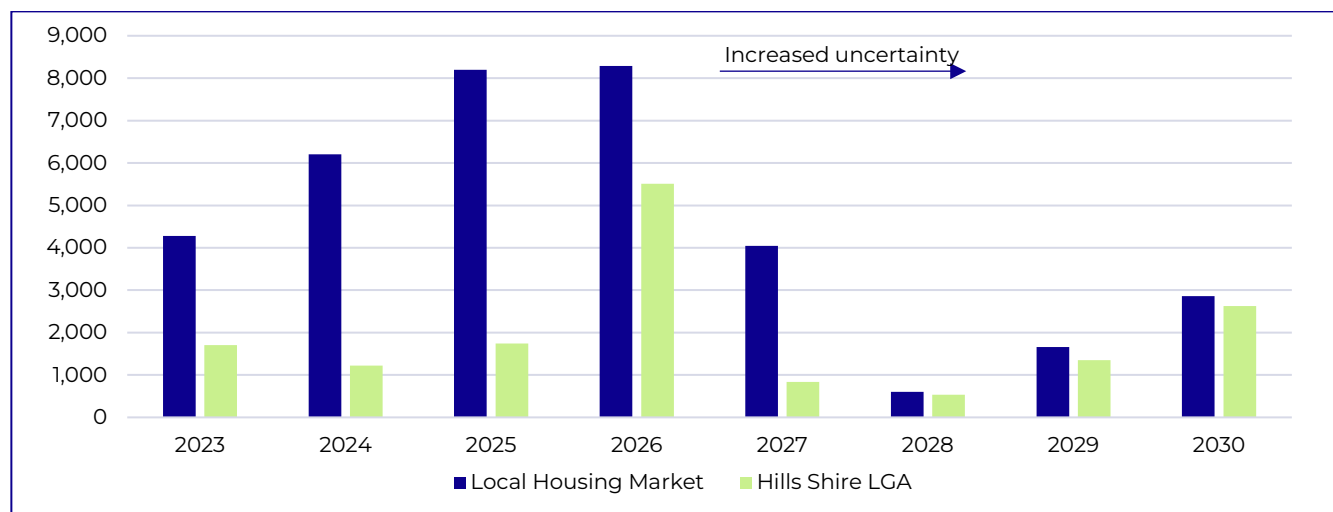


Figure 19 Residential Unit Pipeline, 2023-2030

Source: Cordell Connect; Ethos Urban

8.3 Dwelling Demand Review

This sub-section considers implied dwelling demand to determine future dwelling requirements needed to accommodate anticipated future housing growth in the region.

8.3.1 Implied dwelling demand

Estimates of implied demand are derived using a demographic approach factoring in population projections, household sizes and occupancy rates. These estimates adopt 2022 DPE projections and have been rebased using updated population estimates from **Chapter 4**. Population projections have been split between implied dwelling demand directed towards greenfield growth areas and outside greenfield areas (infill or residual development). This allocation is based on DPE implied dwelling demand at a Statistical Area 2 (SA2) level. The distinction between types can be summarised as follows:

- **Greenfield Growth Areas.** Aligns with SA2s that best represent the North West Growth Area and council-led greenfield areas such as Box Hill North and Balmoral Rd.
- **Residual (includes infill).** Remaining SA2s used to define the study areas and includes housing demand not directed towards greenfield growth areas.

Based on the above distinction, implied demand estimates are presented in **Table 14** for the Local Market and Hills Shire. This analysis assumes supply and demand is close to equilibrium for the period up to 2022. Key findings are as follows:

- In 2022, with the market close to equilibrium, there was implied dwelling demand for 130,690 dwellings within the Local Market compared to 76,220 dwellings in the Hills Shire.
- By 2041, it is anticipated that there will be demand for an additional +109,170 dwellings in the Local Market. While within the Hills Shire, there is anticipated to be demand for an additional +50,930 dwellings by 2041.
- Within the Local Market, just over half of implied dwelling demand is concentrated in growth areas (52.7%), while within the Hills Shire, around a third of implied housing demand is concentrated in greenfield growth areas (31.8%).

Overall, implied dwelling demand estimates indicate strong demand for dwellings within both the Local Market and Hills Shire. Future housing demand is expected to be greater than historic dwelling demand levels, in line with Greater Sydney's population continued growth and as the urban development frontier continues to expand Sydney's fringe.

In this context, the proposed development represents a response to absorb some of this future demand in a high amenity location and strategic centre; however, additional housing delivery will still be required to meet this future dwelling demand.

Note that estimates of demand can be influenced by household formations, which in turn can be influenced by housing affordability pressures. For example, household sizes fell during the COVID-19 period in response to higher than anticipated rental vacancies, and historic low interest rates. Recent interest rate rises as well as historic low rental vacancies could lead to volatility in household sizes. In addition, overflow demand from other regions of Sydney could be redirected to the Local Market at either end of the price spectrum.

Table 14 Implied Dwelling Demand, Local Market and Hills Shire, 2016 to 2041

Implied Dwelling Demand (no.)	2022	2041	Additional Demand by 2022- 2041
Local Market	127,920	237,090	+109,170
<i>Growth Area (LM)</i>	<i>31,290</i>	<i>88,770</i>	<i>+57,480</i>
<i>Residual (infill)</i>	<i>96,630</i>	<i>148,320</i>	<i>+51,690</i>
Hills Shire	74,950	125,880	+50,930
<i>Growth Area (Hills Shire)</i>	<i>8,590</i>	<i>24,810</i>	<i>+16,220</i>
<i>Residual</i>	<i>66,360</i>	<i>101,070</i>	<i>+34,170</i>

Source: ABS, ERP, Ethos Urban

Notes: Figures rounded. Additional demand adopts 2022 as the base year to account for implied dwelling growth in 2023.

8.4 Residential Dwelling Need

This Sub-section considers the interaction of demand and supply to determine future housing need and the potential for housing undersupply or oversupply in the market.

8.4.1 Projected oversupply/undersupply

Based on implied dwelling demand and known supply (CordellConnect database and existing estimates) the projected oversupply or undersupply can be estimated over the period to 2041. This information is summarised in **Table 15**. Key take outs are as follows:

- **Within the Local Market, by 2041, there is an estimated undersupply of -44,350 dwellings.** The vast majority of this undersupply is focused outside the greenfield growth areas and would predominantly comprise infill development. An estimated undersupply of -39,630 dwellings of infill development is anticipated.
- **Similarly, within the Hills Shire, an anticipated undersupply of -25,900 dwellings by 2041,** with the vast majority of this anticipated undersupply occurring in infill locations (outside greenfield growth areas).

Note: estimates of capacity adopted in 2023 represent an conservative estimate of future need, as data in the series is only available from Q3 2012, while development in some of the greenfield precincts began prior to 2012. As such, remaining capacity may be lower that indicated.

While this analysis is based on current developments and remaining capacity, additional supply could be delivered through infill developments approvals and rezoning of land to greenfield. However, the key point from the above analysis is that due to a limitation on the available greenfield areas, there is a need for additional housing supply to be focused around infill development, with station precincts ideally positioned to accommodate required growth.

This analysis indicates that there is significant need for additional housing supply, with much of this housing need located in infill locations (outside greenfield growth areas). Consistent with strategic planning priorities, these developments should be higher density developments located within station precincts. In this context, the Subject Site represents a logical location to deliver this needed housing supply and reduce projected housing undersupply.

Table 15 **Estimated Oversupply/Undersupply by 2041**

Implied Dwelling Demand (no.)	Additional Demand by 2041 ^a	Estimated Supply (as at 2022)	Estimated oversupply (-)/undersupply (+) by 2041
Local Market	+109,170	+64,820	-44,350
<i>Growth Area (Greenfield)</i>	<i>+57,480</i>	<i>+52,770</i>	<i>-4,720</i>
<i>Residual (includes infill)</i>	<i>+51,690</i>	<i>+12,060</i>	<i>-39,630</i>
Hills Shire	+50,930	+25,030	-25,900
<i>Growth Area (Greenfield)</i>	<i>+16,220</i>	<i>+13,530</i>	<i>-2,690</i>
<i>Residual (includes infill)</i>	<i>+34,710</i>	<i>+11,500</i>	<i>-23,210</i>

Source: DPE; ABS; Ethos Urban

Note: additional demand as starting from and including implied growth from 2023 onwards.

8.4.2 Timing of anticipated undersupply

The timing of the anticipated undersupply can be estimated by adopting annual implied dwelling demand growth and current estimates of dwelling supply. This analysis is illustrated in **Figure 20** and **Figure 21**. Key insights are summarised as follows:

Greenfield growth areas:

- Based on implied demand for housing within Greenfield areas, it is expected that dwelling capacity will be exceeded in the Local Market by 2040, with a shortfall of -1,530 dwellings. While within the Hills Shire, dwelling capacity will be exceeded by the year 2035, with a shortfall of -230 dwellings.
- By 2041, this shortfall will reach -12,160 dwellings within the Local Market, and -3,110 dwellings within the Hills Shire (see also **Table 15**).

Residual (including infill):

- Based on implied demand for housing within residual areas, it is expected that the current pipeline of residential dwellings will be exceeded in the Local Market by 2027, with a shortfall of -970 dwellings. While within the Hills Shire, the residential pipeline will be exceeded by 2029, with a shortfall of -1,050 dwellings.
- By 2041, this shortfall will reach -39,630 dwellings within the Local Market, and -23,210 dwellings within the Hills Shire (see also **Table 15**).

The timing of anticipated undersupply will vary depending on new projects being added to the residential pipeline, which could help push out the timing of the undersupply. However, on the other hand, projected housing undersupply conducted by the Productivity Commission and summarised in **Chapter 4** highlight significant risk to housing affordability over the next twenty years. Projected undersupply will likely add upward pressure to house and unit prices across Sydney and could force residents to relocate to more affordable parts of the Local Market and the Hills Shire. This additional demand could offset any benefits of new housing supply being added to the Local Market.

Timing of undersupply within greenfield growth areas of the Local Market and the Hills Shire indicates that existing dwelling capacity under current controls and proposals will be exhausted in the next 12 to 17 years. Once dwelling capacity is reached delivery of future housing will need to be met through either further rezoning of land to greenfield areas or through increasing dwelling densities through infill developments.

The current residential pipeline within residual areas will be fully absorbed in the next four to six years. In addition, once greenfield capacity is absorbed, this unmet demand will be redirected to infill developments.

This highlights the need to plan for much greater delivery of housing within high amenity, station precincts. Station precincts such as the Subject Site represent logical locations to provide future housing. While additional capacity can be created through changing land use controls, this highlights the need to plan for much greater delivery of housing within high amenity, station precincts such as the Subject Site.

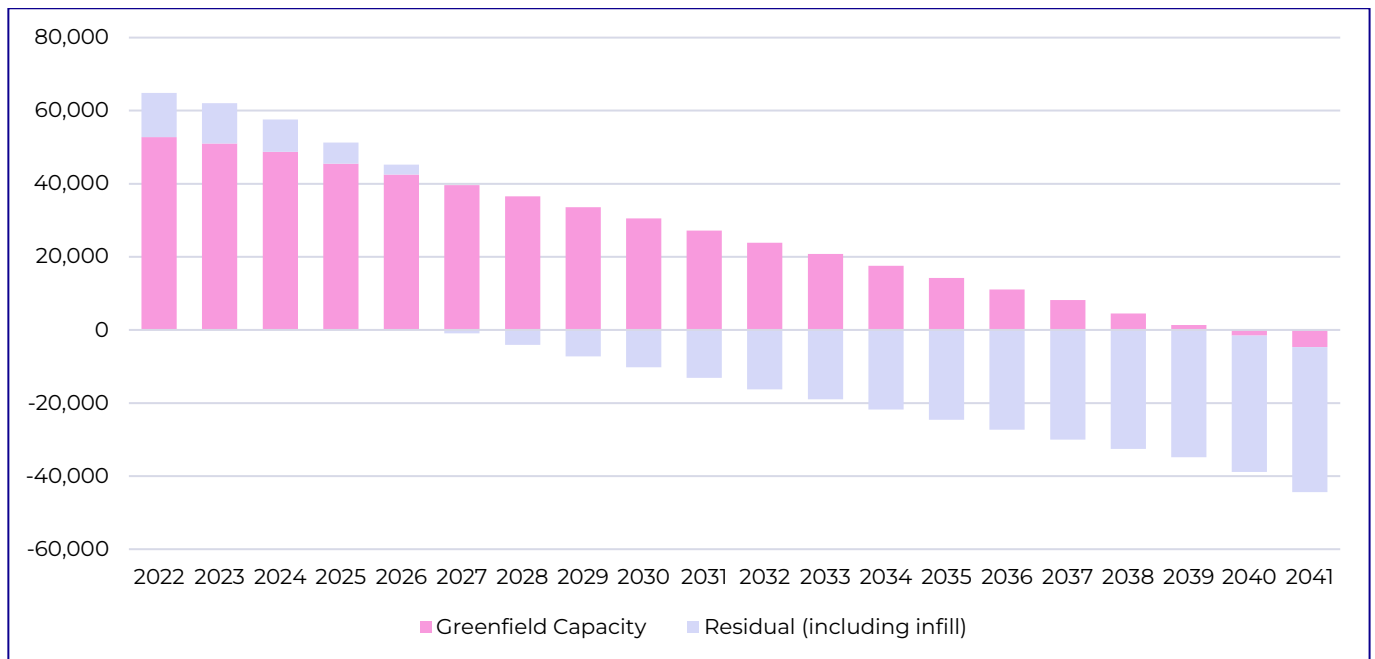


Figure 20 Local Market Estimated Undersupply Timing, 2022 to 2041

Source: adapted from Hills Shire LSPS; 2021 DPE Forecast Housing; Ethos Urban

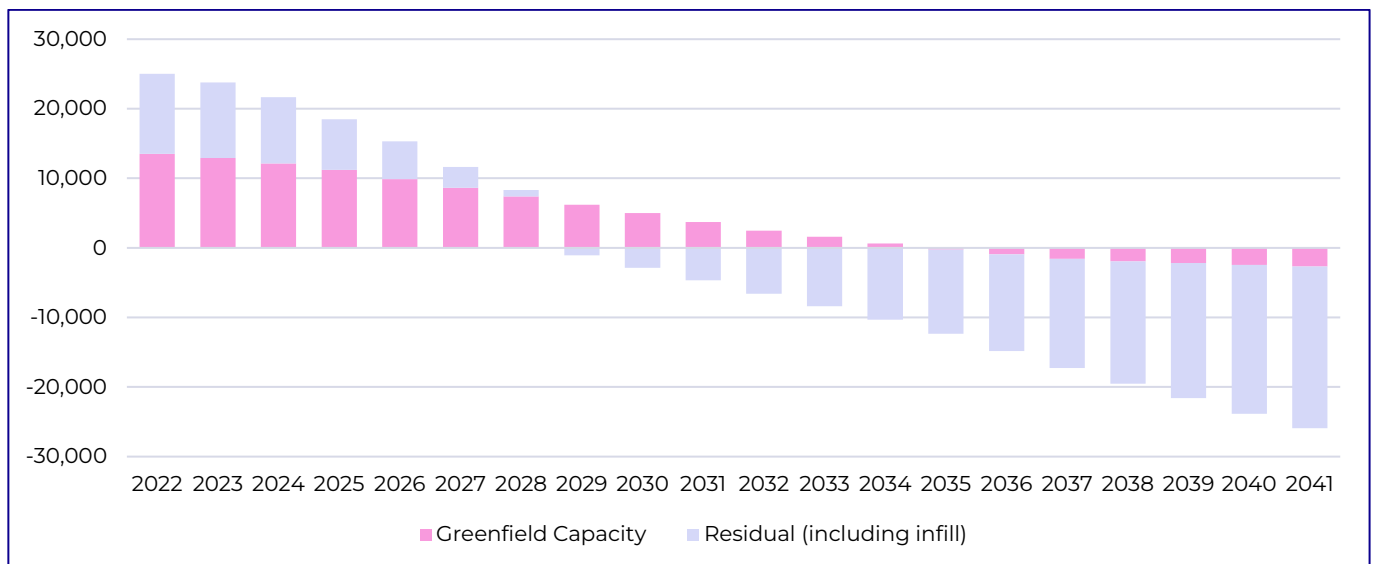


Figure 21 Hills Shire Estimated Undersupply Timing, 2022 to 2041

Source: adapted from Hills Shire LSPS; 2021 DPE Forecast Housing; Ethos Urban

8.5 Implications for Residential Uses/Norwest

There is significant demand for housing and potential for higher density residential at the Subject Site. House and unit price trends indicate that there is strong demand to live within the Local Market, particularly the Hills Shire region of this market. This is indicated by a significant premium in median prices compared to the Greater Sydney benchmark.

Furthermore, projected strong population growth will likely drive increased demand for residential uses within both the Local Market and Hills Shire.

In Greater Sydney, housing delivery has shifted towards higher density living, with much of this housing concentrated in transit orientated developments within station precincts. Analysis in this Chapter indicates that this trend has accelerated within both the Local Market and Hills Shire, and faster than anticipated by the Hills Shire in its LSPS.

A review of greenfield capacity, based on current dwelling potential under existing controls, indicates that in the next 12 to 17 years, dwelling demand will absorb all dwelling capacity within greenfield areas. The current residential pipeline

within residual areas will be fully absorbed in the next four to six years. In addition, once greenfield capacity is absorbed, this unmet demand will need to be redirected to infill locations.

While additional capacity can be created through changing land use controls, this highlights the need to plan for much greater delivery of housing within high amenity, station precincts. Station precincts, such as the Subject Site, represent logical locations to provide future housing.

In this context, the proposed development is responding to these market drivers and need for housing. The Subject Site represents an ideal location to support high density residential development due to factors including:

- Walkability and access to public transport.
- Adjacent to retail facilities.
- Accessible to key employment centres including Norwest as well as Sydney CBD, Parramatta CBD and Macquarie Park.
- Close to education and health facilities.
- Adjacent to amenities such as community services.

The delivery of high density residential is well suited for inclusion in the proposed development due to its strong locational attributes, including high amenity, access to public transport infrastructure, access to key employment centres (both within Norwest and within the broader region) and proximity to retail facilities and a range of amenities. The inclusion of high density residential uses at the Subject Site is also aligned with the draft 2022 Norwest Precinct Plan which identifies the site as a mixed use "heart" of Norwest.

9. Visitor Accommodation Potential

This Chapter provides a review of visitor accommodation trends and attributes of the Subject Site. The proposed development includes a hotel tower comprising 8,580m² of visitor accommodation floorspace.

Key findings:

- Visitor accommodation uses, specifically hotels, are well suited to major mixed-use precincts, with visitor accommodation being highly complementary to land uses including employment, health, education, retail and other areas that act as a destination for visitors.
- Across the North West of Sydney, the visitor accommodation facilities are provided to complement commercial office uses at employment precincts, and are in major community hubs and centres such as at Hornsby, Rouse Hill, and Pennant Hills.
- While COVID-19 has had a dramatic impact on tourism and the visitor accommodation sector in the short term, the long term potential for these uses is likely to remain. This is particularly the case as demand for domestic travel and business travel improves in the post-COVID-19 environment.
- Tourism Research Australia (TRA) data for visitors to the Norwest local area (defined using statistical area level 2 boundaries) indicates that in the years leading up to 2020, the number of visitors to Norwest and surrounding area was steadily increasing. An average of 51,800 visitor nights were estimated for Norwest and the surrounding area over the last ten years. A return to trend growth is expected in the medium term.
- As Norwest continues to grow and emerge as a mixed use strategic centre and employment precinct there will be an opportunity to provide additional visitor accommodation facilities.
- In this regard, there is potential for additional visitor accommodation facilities in Norwest in the future. A visitor accommodation component of the proposed development will respond to this market potential, and will help to achieve the vision for Norwest as a vibrant strategic centre. The Subject Site represents a logical location for visitor accommodation uses given its strategic location and accessibility, including co-location with complementary uses including commercial, retail, and residential.

9.1 Visitor Accommodation

Visitor accommodation can include a wide range of facilities, from caravan and holiday parks, B&B's, motels, serviced apartments through to premium hotels. In addition, the introduction of AirBnB and other platforms have allowed individuals and small businesses to offer individual homes, as well as smaller, more boutique accommodation to visitors on a scale that was not previously possible. As such, the range and offer of visitor accommodation has expanded rapidly over the last decade or so.

Visitor accommodation uses, specifically hotels, are well suited to major mixed-use precincts, with visitor accommodation being synergistic with other land uses and facilities including business and employment areas, education, retail, cultural attractions as well as tourism and health sectors. Many businesses rely on nearby visitor accommodation to accommodate staff, and use function and event spaces for a range of activities and meetings. The availability of suitable modern hotel accommodation facilities is a key consideration for national and multinational businesses. Visitor accommodation is also an important element in supporting the night-time economy and to provide beds for tourists.

Across the North West of Sydney, the visitor accommodation facilities are provided to complement commercial office uses at employment precincts, and are in major community hubs and centres and along major arterial roads such as at Rouse Hill, Pennant Hills and Norwest.

9.2 Visitor Accommodation Trends

While COVID-19 has had a dramatic impact on tourism and the visitor accommodation sector in the short term, the long term potential for these uses is likely to remain. This is particularly the case as demand for domestic travel and business travel improves in the post-COVID-19 environment.

Tourism Research Australia (TRA) data for visitors to the Norwest local area (defined using statistical area level 2 boundaries) indicates that in the years leading up to 2020, the number of visitors to Norwest and surrounding area was steadily increasing. An average of 51,800 visitor nights were estimated for Norwest and the surrounding area over the last ten years. Over a third (33.1%) of these visitors were estimated to have stayed in commercial accommodation, and just over a third (35.0%) were estimated to be visiting due to business reasons. Visiting friends and relatives accounted for 30.5% of visitors over this same ten year period. In addition, the number of overnight visitors has been steadily growing in Baulkham Hills (West) – Bella Vista SA2, with the number of visitors steadily increasing in the years leading up to 2020. As the economy continues to recover, a return to trend growth is expected in the medium term.

As outlined in **Chapter 5: Competitive Context**, there are two visitor accommodation facilities located in Norwest and one in development and another three visitor accommodation facilities located within 3 km of the Subject Site. These facilities are all classified as providing a mid-tier and above offer for visitors.

As a designated strategic centre, the provision of these type of uses will help to continue to elevate Norwest and better serve existing and future visitors to the precinct.

9.3 Success Factors for Visitor Accommodation

There are a range of locational attributes that act as key success factors for visitor accommodation and are important for any development to consider. Overall, the Subject Site presents an ideal location for visitor accommodation as outlined in **Table 16**.

Table 16 *Subject Site Key Success Factors – Visitor Accommodation Use*

Key Success Factors (proximity to...)	Subject Site Attributes
Prominent location with good exposure	Visitor accommodation relies on having good exposure and profile. The Subject Site is within the heart of Norwest. The site of the hotel development is a prominent location with direct exposure being adjacent and directly connected to Norwest Station.
Tourist facilities	There are some tourist and entertainment facilities within the Hills Shire and more located in the broader surrounding region that can be easily accessed from the Subject Site.
Business and other institutions	<p>Norwest is currently the largest commercial office market within the Hills Shire and there is a strategic vision for Norwest to function as thriving mixed use strategic centre and highly competitive employment precinct within the Greater Sydney region.</p> <p>Most of this floorspace comprising low to medium rise campus style commercial offices. Norwest is a highly competitive commercial office precinct, and has been successful in attracting major national tenants.</p> <p>As Norwest continues to expand and grow, this growth will be supported by business and other institutional investment. The Subject Site has been identified as a key location to accommodate future commercial office investment.</p>
Retail and amenities – inc. night-time facilities	<p>There are a range of night-time focused businesses such as cafes and restaurants, and the proposed development will provide a location for a cinema and support other entertainment facilities.</p> <p>Under the draft 2022 Norwest Precinct Plan the Subject Site is identified as the 'active heart' which will deliver a diverse mix of uses including retail, business, office, leisure, entertainment and community uses that will be highly attractive for visitors to Norwest.</p> <p>As Norwest's night-time economy continues to expand and grow, visitor accommodation at the Subject Site will be key to support this growth and will be required to complement continued commercial office growth in Norwest.</p>
Public transport infrastructure and road network	Ease of access to transport facilities including Norwest Station, and bus and road networks. This infrastructure provides good access for uses of the proposed visitor accommodation including businesses, staff and tourists.

9.4 Implications for the Proposed Development

Norwest currently provides a range of destination tenants and uses that benefit from the provision of visitor accommodation uses, including commercial offices and businesses, existing retail, the various schools, community services and the cultural and night-time facilities.

As Norwest continues to grow and emerge as a thriving mixed use strategic centre and highly competitive employment precinct within the Greater Sydney region there will be an opportunity to provide additional visitor accommodation facilities. In particular, commercial offices will benefit from additional visitor accommodation uses and will add additional demand for visitor accommodation facilities. Importantly, in order to continue to retain and attract existing national and multinational businesses, Norwest may need to expand its visitor accommodation offer.

In this respect, additional visitor accommodation facilities could be considered in order to achieve the vision for Norwest as a thriving mixed use Strategic Centre and highly competitive employment Precinct.

There is potential for additional visitor accommodation in Norwest and the visitor accommodation component of the proposed development responds to market drivers and anticipated strong growth in the local visitor market and the will help to achieve the strategic vision for Norwest. The Subject Site is a logical location for visitor accommodation given its strategic location and future role in accommodating both commercial, residential and retail uses.

10. Land Use and Retail Impact Review

This Chapter provides a review of the land use and retail impacts (including benefits) likely to occur because of the project and provides a summary of the trend towards mixed use centres within Greater Sydney.

The retail considerations and impact review should be considered a high-level, indicative assessment, as the ultimately trade area and retail impact will be determined by the ultimate tenant mix, including anchor tenants and the entertainment offer. This will be considered further as the project progresses through the planning and approval process.

Key findings:

- There is clear market demand for the project, with the proposal supporting the strong focus on employment within Norwest, while responding to market need for higher density mixed use developments in key precincts. The Local Market is anticipated to experience substantial levels of growth in both employment and local residents, and this additional population will require access to additional and well located residential, commercial, visitor accommodation and retail facilities. The proposed development is ideally positioned to satisfy a proportion of this future market demand and in the process, help to support the continued growth and evolution of Norwest as a mixed use and key commercial centre.
- The retail component of the proposed development would appeal to the local market, enhancing the retail offer and level of amenity in Norwest, supporting activation during the week as well as after-hours and on weekends. Any impact from the retail component of the proposed development on surrounding centres or development will be minimal, and will not impact on ongoing operation or viability of any existing or proposed facility. The provision will reinforce and support the existing retail hierarchy and vision for Norwest as a strategic centre.
- The proposed development is likely to result in a range of economic and community benefits, supporting existing and future residents, workers and visitors of Norwest and the surrounding community.

10.1 Economic Impacts

NOTE: This report should be read in conjunction with the Economic Impact Assessment also submitted with the planning proposal. The Economic Impact Assessment considers the impacts from the overall development, while this report refers to the market potential for the proposed uses and high-level impacts associated with the retail component only.

10.1.1 Market demand

Population projections indicate the following growth within the Local Market:

- +240,470 local residents over the period to 2041.
- +103,690 local workers over the period to 2036, including +24,850 office-based workers (knowledge workers and traditional office workers).

In addition, visitors to Norwest are anticipated to continue to grow as the local visitor market continues to evolve alongside employment and residential growth in the Local Market.

The substantial levels of growth in both employment and local residents would require access to additional, well-located and contemporary commercial office, retail facilities, residential and associated amenities. The proposed development is ideally positioned to satisfy a proportion of this future market demand and in the process, help to support the continued growth and evolution of Norwest as a mixed use and key commercial centre.

Proposed retail uses at the proposed development will assist in addressing the identified need to provide greater levels of retail amenity and activation in order to attract and retain key businesses and workers. These uses will encourage a vibrant, attractive destination for a range of customer segments, including residents, workers as well as commuters and visitors to Norwest and the local area.

The proposed residential uses will provide high quality, contemporary mixed use development within a central and highly accessible location, in immediate proximity to Norwest Station. The provision of uses proposed, will help to increase activation and amenity in Norwest including for extended hours into the evening and on weekends. Additional visitor accommodation facilities will also be required to support additional growth and development of Norwest's commercial office market and attract and retain multinational and national tenancies.

Overall, there is an opportunity for a provision for commercial, residential, visitor accommodation and retail uses at the Subject Site. This need is highlighted in the strategic vision for Norwest under the draft 2022 Norwest Precinct Plan which identifies Norwest as a mixed use transient orientated centre and key commercial centre. The Draft Precinct Plan also identifies the need to accommodate and provided additional retail floorspace including convenience based facilities such as a supermarket. The Subject Site represents a logical location for the delivery of a mix of these uses.

10.1.2 Impacts from the proposal (non-retail)

As outlined in **Chapter 6**, there is identified need for +109,170 dwellings in the Local Market over the period to 2041. The Subject Site through the Planning Proposal will account for 854 dwellings, or less than 1% of the future requirement to support anticipated growth targets. As such, the impact from the proposed residential uses will be limited, with the proposed provision to support only a small proportion of future growth. Any existing or proposed residential offer or development in the area will not be detrimentally impacted as a result of the proposal.

The proposed commercial and visitor accommodation uses planned at the Subject Site under the Planning Proposal will support the continued employment growth and appeal of Norwest as a strategic centre. These uses will help to accommodate a proportion of future anticipated growth but also deliver an improved offer for visitors and commercial office occupiers. These visitors and occupiers would be attracted to Norwest through the delivery of the proposed uses in a quality, centralised and high amenity development that will embody a contemporary transit orientated development.

NOTE: Refer to the separate Economic Impact Assessment for additional information on impacts from the proposal.

10.1.3 Impacts from the proposal (retail)

Concept plans for the site indicate that some 31,360m² of retail GFA is planned to as part of the retail component of the proposed development. This represents an estimated **net increase of +19,150m²** and indicative plans suggest that this will include additional supermarket floorspace, additional speciality stores, and a potential cinema component.

Overall, the retail provision of the proposed development will represent an ancillary component of the overall project GFA, accounting for 13.2% of total GFA.

There is potential for additional retail floorspace to be provided in Norwest. This is highlighted in the draft 2022 Norwest Precinct Plan which identifies around +50,000m² of additional retail floorspace including an additional supermarket and speciality stores.

Based on an indicative review of the defined Main Trade Area, around 125,000m² of retail floorspace may be supportable to serve market growth only by 2041.

Whilst the specific retail mix and composition planned to be provided on the Subject Site it is not yet known, it is expected that the mix would incorporate food and dining facilities, convenience based retail uses and retail services. A range of non-retail uses and services are also likely to be provided within the ground floor offer including facilities such as post-office, bank, real estate agencies, tax agencies etc. This type of retail and convenience offer would serve local residents, workers as well as commuters and visitors to Norwest and would enhance the 'destinational appeal' of Norwest.

The proposed retail provision will not impact on the ongoing operation or viability of the current retail hierarchy. At 31,260m² of retail floorspace the Norwest Planning Proposal offer will still represent a provision that is only 20-35% of other strategic centres in the region, including Castle Hill and Rouse Hill. The actual provision at the Subject Site is likely to be even smaller, once allowances are made for any non-retail uses such as shopfront services or offices including population serving uses, health, medical and education facilities.

The proposed retail provision will serve the local community, with larger strategic centres at Rouse Hill and Castle Hill located more than 4km from the Subject Site.

Rouse Hill and Castle Hill will remain the major retail destinations for the broader region, offering a significantly expanded retail offer, including higher order retail uses and major anchor tenants that will continue to provide a point of difference from the Subject Site that will focus on serving the convenience needs and local employment centre.

Strategic policy documents including the draft 2022 Norwest Precinct Plan have highlighted the need for greater levels of amenity to support Norwest as a key employment centre. Greater vibrancy, street activation, and stronger night time economy will all be required to achieve the vision of Norwest as a mixed used employment centre, and continue to attract and retain key businesses and workers.

Based on the above, the proposed net gain in retail floorspace of +19,150m² represents a small component of overall retail demand. Any impact is likely to be limited and in the short term only, with all existing and future retail facilities able to benefit from continued market growth over time.

In this context, the retail component of the proposed development would appeal to the local market, enhancing the retail offer and level of amenity in Norwest, supporting activation during the week as well as after-hours and on weekends. The retail provision will improve the street level amenity on a high profile site that is anticipated to accommodate a high level of pedestrian activity. Importantly, pedestrian linkages combined with ground floor retail uses will unlock the Subject Site for public use, and act as natural extension and gateway to Norwest and surrounding facilities, open spaces and other residential communities.

Taking the above into consideration, any impact from the retail component of the proposed development on surrounding centres or development will be minimal and will not impact on ongoing operation or viability of any existing or proposed facility or centres in alignment with the retail hierarchy.

10.2 Economic Benefits

As outlined throughout this report, the proposed development is responding in market drivers and the opportunity for additional uses in Norwest. This is consistent with the observed trends across Sydney where medium and high density is increasing, particularly focused around key points such as major retail facilities, services, employment centres, and public transport nodes. These trends are likely to continue as Sydney's population grows and land remains constrained.

The strategic role and function for Norwest is as a mixed use high density precinct and a key commercial centre within North West Sydney. The proposed mix of uses at the Subject Site are aligned with the objectives for Norwest as a strategic centre, with the uses highly complementary and able to deliver a vibrant, active and integrated mixed use precinct that can form the "heart" of Norwest, in a high profile and easily accessible location.

The proposed development is likely to result in a range of other economic and community benefits including:

- Support the role of Norwest as a mixed used centre and as a key and commercial centre, by adding some 80,590m² of contemporary office space, at a central, strategic site and within a highly accessible location, that is well connected to public transport and will provide high levels of worker amenity (through the delivery of a mixed use precinct and the retail component of the proposed development). This will contribute to the attraction and retention of high value tenants and businesses to Norwest through the delivery of prime grade commercial office development that aligns with modern tenant requirements.
- Support existing infrastructure investment in the area, including leveraging the delivery of the Sydney Metro North West to support contemporary mixed use development that will serve the needs of a broad range of customers and occupiers.
- The proposed residential component of the project will support the need for more affordable and diverse housing options within Greater Sydney. Residential at this key site will support the concept of transit-oriented development, by enabling residents to live within a high amenity precinct that is well connected to transport.
- Improve public amenity and access through the provision of an active ground floor plan providing a range of retail uses. This provision will help to establish a more vibrant and ground level public interface that will act as a gateway for the public and on-site customers and occupiers. The proposed development will benefit workers, residents, visitors and commuters to Norwest

- The proposed mix of uses at the site will embody the objective and vision for the Norwest as a true live/work/play precinct in the future.
- Support the aspiration for 30-minute cities by providing employment and residential uses alongside public transport and complementary retail facilities, all within a strategic and easily accessible location.
- Add significant reputational benefits for Norwest as an exemplar for mixed use development, activation, amenity and delivery of contemporary transit orientated development. The project has the potential to deliver quality, active uses that will help to elevate Norwest as a key commercial centre within the growing North West region of Sydney.
- Support the objectives of state and local government strategies which seek to provide the following:
 - Reinforce Norwest as a key commercial centre and mixed use transit oriented precinct within North West Sydney
 - Establish a balance of employment and residential uses within the Norwest, to create a liveable, active and highly desirable city destination
 - Provide for a diversity of housing types and sizes to meet community needs into the future.
 - Deliver greater levels of amenity and vibrancy within Norwest to attract and retain businesses and workers, and support the growth of Norwest's night time economy.

Appendix A – Project Pipeline

Projects Pipeline with the Housing Market Study Area by Estimated Value (\$m) (including only projects greater than \$50m)

Project Title	Location	Type	Primary Use	Secondary Uses	Estimated Value (\$m)	Completion Date	Floor Area (GLAR/GLA/NLA)	Residential Units (No. of Apartments)	Status
Rouse Hill Town Centre Northern Precinct	Rouse Hill	Apartments/Commercial/Retail/Community	Mixed Use	Retail	\$ 1,168.0	2030	24,800	2,100	Possible
Showground Station Precinct – 1-5 Carrington Road	Castle Hill	Apartments/Retail/Commercial	Residential	Retail	\$ 996.5	2026	13,940	1,620	Possible
Dancers Square	Norwest	Hotel/Convention Centre/Office/Apartments/Retail	Mixed Use	Accommodation	\$ 500.0	2030	-	311	Possible
Terry Road Mixed Development site	Box Hill	Apartments/Commercial	Residential	-	\$ 472.9	2026	-	1,452	Possible
Schofields Road Apartments	Schofields	Apartments	Residential	Infrastructure	\$ 373.3	2025	-	1,381	Commenced
77 Castle Street Castle Hill RSL Club – Seniors Living	Castle Hill	Independent Living Units/Aged Care Facility	Residential	Seniors Living, Aged Care	\$ 340.1	2025	-	321	Deferred
Tallawong Village - Tallawong Station Precinct	Rouse Hill	Apartments/Commercial/Retail/Park	Residential	Infrastructure	\$ 332.4	2027	9,000	987	Commenced
34-42 Tallawong Road Mixed Use Development	Tallawong	Apartments/Retail	Residential	Retail	\$ 317.8	2027	160	914	Possible
Rouse Hill Hospital – Stage 1	Rouse Hill	Hospital/Car Park/Civil Works	Medical	Infrastructure	\$ 300.0	2028	-	-	Possible
104 Fairway Drive Apartments - The Orchards Stage 4	Norwest	Apartments	Residential	-	\$ 256.4	2029	-	583	Possible
Tallawong Road Mixed Use Development	Rouse Hill	Apartments/Retail	Residential	-	\$ 244.1	-	-	630	No further info available
40 Solent Circuit Norwest Quarter	Norwest	Apartments/Commercial/Child Care/Medical Centre/Recreation Facilities/Shops	Mixed Use	Residential, Retail	\$ 235.0	2026	6,000	864	Early
Box Hill Town Centre Precinct	Box Hill	Apartments/Retail/Commercial	Mixed Use	Retail, Residential	\$ 226.4	2023	22,525	665	Commenced
81 Civic Way Mixed Use Development	Rouse Hill	Apartments/Retail/Food and Beverage	Mixed Use	Retail, Residential	\$ 216.8	2030	24,303	218	Possible
Villa De Ma	Rouse Hill	Apartments	Residential	-	\$ 187.7	2022	-	713	Commenced
Cudgegong Town Centre	Rouse Hill	Apartments/Commercial/Retail/Supermarket	Residential	Retail	\$ 181.9	2027	23,332	456	Possible
Junction Road Units	Schofields	Apartments	Residential	-	\$ 181.4	2025	-	703	Possible
Doran Drive Plaza	Castle Hill	Apartments/Retail/Supermarket/Community space	Residential	Retail	\$ 174.9	2025	11,000	431	Firm
Sikh Grammar School	Rouse Hill	School/Place of Worship	Education	-	\$ 167.6	2026	-	-	Possible

Sydney Business Park - Stage 3	Marsden Park	Warehouses/Distribution Centres/Offices	Industrial	-	\$	157.4	2024	99,961	-	Commenced
55 Coonara avenue units	West Pennant Hills	Apartments	Residential	-	\$	150.0	2026	-	252	Possible
Marsden Park High and Melonba Primary School/s	Marsden Park	School	Education	-	\$	150.0	2026	-	-	Possible
Kew Apartments	Schofields	Apartments	Residential	-	\$	143.1	2022	-	651	Commenced
277-279 Annangrove Road	Rouse Hill	Office Premises/Light Industrial Units	Industrial	Commercial	\$	141.6	2027	46,521	-	Possible
93-107 Cecil & Roger Avenue	Castle Hill	Apartments/Commercial	Residential	Retail	\$	140.0	2028	8,000	460	Possible
Castle Island	Castle Hill	Apartments	Residential	-	\$	134.6	2029	-	294	Possible
Belvedere on York	Kellyville	Apartments/Child Care Centre	Residential	Education	\$	124.0	-	361	311	No further info available
30-32 Advance Street	Schofields	Apartments	Residential	-	\$	122.1	2027	-	587	Deferred
125 -127 Showground Road & 4-10 Carrington Road	Castle Hill	Apartments/Retail	Residential	-	\$	119.1	2027	-	296	Possible
8 Solent Circuit	Norwest	Commercial Office/Showroom/Café	Commercial	Retail	\$	116.1	2025	14,101	-	Possible
Schofields Road residential	Rouse Hill	Apartments	Residential	-	\$	113.8	2026	-	520	Possible
Hughes Avenue apartments	Castle Hill	Apartments	Residential	-	\$	113.7	2029	-	261	Possible
Burdekin Road apartments	Schofields	Apartments	Residential	-	\$	107.1	-	-	353	No further info available
Marsden Park precinct	Marsden Park	Apartments	Residential	-	\$	102.9	2025	-	775	Firm
Central Plaza	Norwest	Commercial/Retail/Hotel/Child Care Centre	Commercial	Accommodation, Education	\$	100.0	2026	40,576	-	Early
Parklea Markets site	Glenwood	Residential/Commercial/Retail	Residential	-	\$	100.0	-	-	-	No further info available
Tallawong Village	Rouse hill	Apartments/Retail/Park	Residential	Retail	\$	100.0	2025	9,000	330	Commenced
Cherrybrook Village	West Pennant Hills	Residential/Parklands/Child Care Centre	Residential	-	\$	100.0	-	-	-	No further info available
Terry Road apartments	Rouse Hill	Apartments	Residential	-	\$	99.6	2025	-	311	Possible
Glenhaven Green – independent living units	Glenhaven	Independent Living Units/Aged Care Facility	Residential	Seniors Living, Aged Care	\$	96.9	2026	-	157	Deferred
Chapman & Dawes Avenues apartments	Castle Hill	Apartments	Residential	-	\$	95.4	2024	-	266	Commenced
Terry Road - Babylon	Rouse Hill	Apartments/Retail	Residential	-	\$	95.1	2024	-	332	Commenced
64 MacKillop Drive	Baulkham Hills	Detached Houses/Apartments	Residential	-	\$	94.2	2027	-	314	Early
Tallawong Road units	Rouse Hill	Apartments	Residential	-	\$	94.1	2025	-	370	Deferred

21 - 23 Lexington Drive	Bella Vista	Office Premises/Service Apartments/Food and Beverage/Gymnasium	Commercial	Accommodation, Retail	\$	91.3	2027	17,551	58	Possible
Anglicare Castle Hill	Castle Hill	Independent Living u=Units/Administration Building/Café	Residential	Seniors Living	\$	90.2	2026	-	66	Possible
Fishburn Crescent – Chateau	Castle Hill	Apartments	Residential	-	\$	90.0	2025	-	296	Commenced
Boundary Road apartments	Schofields	Apartments	Residential	-	\$	87.7	2023	-	318	Firm
Ashford & Partridge Avenues – The Ashford	Castle Hill	Apartments	Residential	-	\$	86.3	2024	-	272	Commenced
Annangrove Road – Commercial and Community Development	Rouse Hill	Bulky Goods/Restaurants/Tavern/Shops/ Food Court	Retail	-	\$	86.0	2027	28,718	-	Possible
Cadman Crescent & Hughes Avenue apartments	Castle Hill	Apartments	Residential	-	\$	85.5	2026	-	255	Possible
971 Richmond Road	Marsden Park	Apartments/Commercial	Residential	Retail	\$	84.5	-	3,401	236	No further info available
51 Terry Road	Rouse Hill	Townhouses	Residential	-	\$	83.5	-	-	157	No further info available
Macquarie Road Mixed Use	Rouse Hill	Apartments/Medical Centre/Retail	Residential	-	\$	83.2	2025	133	320	Commenced
Cudgegong Town Centre - The Rouse	Rouse Hill	Apartments/Retail/Public Domain/Roads	Residential	-	\$	83.1	2025	-	256	Possible
Cudgegong Road apartments	Tallawong	Apartments	Residential	Infrastructure	\$	80.4	2026	-	268	Deferred
Glengarrrie Road residential	Marsden Park	Apartments/Townhouses	Residential	-	\$	80.3	2030	-	230	Possible
Castle Hill Showground	Castle Hill	Showground	Recreation	Infrastructure, Community	\$	80.0	2024	-	-	Possible
60 Pelican Road	Schofields	Apartments	Residential	-	\$	79.9	2029	-	308	Possible
16-30 Dawes Avenue, 2-10 Cadman Crescent & 4-8 Hughes Avenue	Castle Hill	Apartments	Residential	-	\$	79.9	2027	-	315	Possible
1 Hughes Avenue, Middleton Avenue & Dawes Avenue	Castle Hill	Apartments	Residential	-	\$	78.3	2027	-	350	Possible
South Street residential	Marsden Park	Apartments	Residential	-	\$	72.2	2023	-	178	Commenced
Schofields Road apartments	Schofields	Apartments	Residential	-	\$	71.7	2022	-	359	Commenced
Salento residential	Rouse Hill	Apartments/Townhouses	Residential	-	\$	70.5	2026	-	135	Possible
NewCold Sydney Cold Store	Marsden Park	Warehouse	Industrial	-	\$	70.0	2024	36,287	-	Possible
Garthowen Crescent – Grand Reve	Castle Hill	Apartments	Residential	-	\$	69.3	2023	-	196	Commenced
Rouse Road – The Majestic	Rouse Hill	Apartments	Residential	-	\$	68.3	2021	-	243	Firm
34 Spring Mill Avenue	Rouse Hill	Apartments	Residential	-	\$	67.8	2027	-	339	Possible

38 Cudgegong Road	Rouse Hill	Apartments	Residential	-	\$	67.3	2025	-	295	Possible
South Street Warehousing Estate	Marsden Park	Warehouses/Offices	Industrial	-	\$	67.3	2026	43,000	-	Possible
Guntawong Road units	Rouse Hill	Apartments	Residential	-	\$	65.7	2027	-	231	Possible
Pelican Road apartments	Schofields	Apartments	Residential	-	\$	60.4	2024	-	270	Possible
William Clarke College	Kellyville	School	Education	-	\$	60.2	2027	-	-	Possible
Richmond Road apartments	Marsden Park	Apartments	Residential	-	\$	60.2	2024	-	201	Commenced
Cudgegong Road units	Rouse Hill	Apartments	Residential	-	\$	60.1	2025	-	201	Possible
The Orchards Norwest	Norwest	Apartments	Residential	-	\$	60.0	2023	-	130	Commenced
2 Maitland place & Solent circuit	Baulkham Hills	Apartments	Residential	-	\$	59.8	2025	-	131	Possible
Schofields Road – Highbury	Rouse Hill	Apartments	Residential	-	\$	56.7	2026	-	217	Possible
Lotus Apartments – Stage 3	Rouse Hill	Apartments	Residential	-	\$	55.8	2024	-	215	Firm
Nelson Road Village	Box Hill	Apartments/Supermarket/Liquor Store/Retail/Child Care	Residential	Retail	\$	55.2	2021	3,500	187	Deferred
Pelican Road units	Schofields	Apartments	Residential	-	\$	53.9	2024	-	308	Commenced
The Bond - Elizabeth Macarthur Drive	Bella Vista	Office/Retail/Food and Drink Premises/Child Care	Commercial	Education	\$	53.8	2023	10,726	-	Commenced
Terry Road Mixed Use	Rouse Hill	Apartments/Medical Centre/Cafe/Convenience Store	Residential	Retail	\$	53.6	2024	-	310	Firm
Richmond Road dwellings	Marsden Park	Apartments	Residential	-	\$	53.4	2023	-	192	Commenced
Mason Road - Boddington Gardens	Box Hill	Townhouses	Residential	Recreation	\$	52.9	2025	-	111	Firm
338-340 Annangrove Road – busways bus depot	Rouse Hill	Depot/Offices/Car Parking	Infrastructure	-	\$	52.5	2024	-	-	Possible
Lot 106 Mount Carmel Drive – Carmel Village	Box Hill	Offices/Childcare Centre/Gym/Car Park/Cafe	Commercial	Retail	\$	52.5	2026	8,465	-	Possible
South Street units	Marsden Park	Apartments	Residential	-	\$	52.0	2024	-	251	Firm
Terry Road residential	Box Hill	Residential Subdivision	Residential	-	\$	51.7	2029	-	213	Possible
2-22 Larool crescent & 44-50 Carramar Road residential	Castle Hill	Townhouses	Residential	-	\$	50.6	2028	-	112	Possible
Norwest High School	Baulkham Hills	High School	Education	-	\$	50.0	2026	-	-	Possible
Librarium Norwest	Norwest	University/Innovation Hub	Education	-	\$	50.0	2025	-	-	Possible
Nirimba Fields Primary School	Quakers Hill	Primary School	Education		\$	50.0	2026	-	-	Early
Richmond Road – development site	Marsden Park	Showrooms/Bulky Goods	Industrial	-	\$	50.0	-	7,322	-	No further info available

Norwest Station – Mixed Use	Norwest	Commercial/Retail/Hotel	Mixed Use	Accommodation, Commercial	\$	50.0	2027	43,355	-	Early
Sydney Metro Northwest – Bella Vista Station Site A – Stage 1	Bella Vista	Residential/Commercial/Subdivision	Residential	Infrastructure	\$	50.0	-	-	-	No further info available
Samantha Riley Drive mixed Use	Kellyville	Dwellings/Commercial	Residential	-	\$	50.0	-	-	-	No further info available
Sydney Metro Northwest – Kellyville Station Site A – Stage 1	Kellyville	Residential/Commercial	Residential	Infrastructure	\$	50.0	2026	-	-	Early
Balmoral Road – Savant	Kellyville	Apartments	Residential	-	\$	50.0	2021	-	198	Commenced