



CREATIVE**PLANNING**SOLUTIONS

Economic Impact Assessment

Provision of 8 commercial premises as part of a development containing 6 x four-storey residential flat buildings, containing a total of 367 apartments



84 Tallawong Road, Rouse Hill NSW 2155
Lot 63 DP 30186

Project No: C490
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1.0 Introduction

1.1 Background

Three (3) separate development applications have been lodged with Blacktown Council (“Council”) seeking consent for the demolition of all existing structures on the site and construction of 6 x four-storey residential flat buildings, containing a total of 367 apartments, 8 commercial premises, 3 basement car parks each containing two levels, stormwater works, landscaping, and subdivision of the existing allotment into 3 lots, each containing 2 residential flat buildings, at 84 Tallawong Road, Rouse Hill.

This Economic Impact Assessment (EIA) is to supplement the Development Application (DA) package that was lodged with Council.

1.2 Purpose of the Economic Impact Assessment

Section 79C of the *Environmental Planning and Assessment Act 1979*, outlines the matters for consideration that are to be considered by a consent authority in the assessment of a development application.

Section 79C(b) indicates that the consent authority must consider the economic impacts of the DA in the locality. Concerns have also been raised by Council about the long-term viability of the retail premises due to the proximity of the subject site to the town centre and a perceived lack of parking provision.

An Economic Impact Assessment (EIA) refers to the assessment of the economic consequences of a proposed decision or action (development proposals, plans, policies, and projects); namely the impacts on affected groups, communities, and economies. Environmental planning decisions create economic impacts. These impacts are far ranging and can include the impact on the local construction industry associated with the completion of approved works, as well as the impact on entire towns and regions as a consequence of decisions on major infrastructure.

With respect to land use planning, the layout of cities and towns can affect the entire functioning of the town. Economic activity within cities is often focussed on places of necessity, such as transport terminals, supermarkets, offices, and places of leisure, such as regional recreational facilities or entertainment precincts. The economic activity that is generated from prominent uses, organically create further economic opportunities for smaller operators, who in turn can contribute to the economic activity of an area. Land use planning decisions must consider the broader economic impact of individual decisions, and the capacity of a locality to sustain its economic activity.

The EIA has been prepared to accompany the development application and will provide Council and the applicant with information that includes:

- A site analysis including site location and context, site description, description of surrounding development, and an overview of the proposed development;
- Demographic overview of the existing and anticipated future residents of the commercial catchment;
- Identification and evaluation of the economic impacts that may occur;
- Based on the evaluation of each of the economic changes/impacts, an analysis of the impacts is undertaken, taking into consideration the demographic overview;
- Plans and strategies for mitigating the impacts of the proposed development if it proceeds; and,
- Conclusion summarising the economic impact assessment and findings of this report.

1.3 Preparation of the Economic Impact Assessment

This EIA has been prepared by Creative Planning Solutions Pty Limited (CPS) on behalf of the client, Benefit Property Corporation, and is based on the architectural plans and information prepared by Archidrome and other supporting documentation included in the DA package.

This EIA describes the site, its surrounds, the proposed development, and provides a consideration of the economic impacts of the proposal in accordance with the matters for consideration under Section 79C(b) of the *Environmental Planning and Assessment Act 1979*.

The EIA is based on the following:

- Site/locality inspections;
- Review of draft plans for the proposed development;
- 2006, 2011 and 2016 ABS Census data;
- *Environmental Planning and Assessment Act 1979*; and,
- Case studies of nearby similar commercial premises.

1.4 CPS Qualification for Project

Creative Planning Solutions Pty Limited (CPS) is a Corporate Member of the Planning Institute of Australia (PIA) and listed under PIA's consultant planners group as specialists in the provision of economic planning services. CPS brings together over 40 years' experience in urban planning which has involved the use and application of the relevant planning skills.

The author of this report, Brendon Clendenning, is a Principal Planner at Creative Planning Solutions (CPS). Brendon holds a Bachelor of Economics from the University of Sydney, and a Master of Planning

from the University of New South Wales. Both Brendon and the authoriser of this report, Ben Tesoriero, have a broad range of experience in the planning and delivery of local and state government projects, and in the analysis of the economic implications of the decision making in the planning system.

2.0 Site Analysis

2.1 Site Description

The subject site is legally described as Lot 63 in DP 30186 and addressed as 84 Tallawong Road, Rouse Hill. The site is located on the north-eastern side of Tallawong Road near the junction with Macquarie Road. The site is generally oriented northeast-southwest with the southwest being the Tallawong Road frontage. The subject site is regular in shape with an area of 20,236.3m² (survey), is 82.105m wide and has a length of 246.47m.



Figure 1 – Cadastre of the subject site and surrounds

Source: sixmaps.nsw.gov.au



Figure 2 – Aerial image of the subject site

Source: sixmaps.nsw.gov.au

2.2 Locality description

The subject site is in the suburb of Rouse Hill which is located 46km northwest of the Sydney CBD (**Figure 7**). The site is located 600m to the north-east of the western end of the Cudgegong Road Railway Station. The Cudgegong Road train station is on the Sydney Metro Northwest line, currently under construction to provide direct train services to the Sydney CBD, Chatswood and the Norwest Business Park. Windsor Road is 1.7km to the east which provides main road access to the Sydney CBD via the M2 motorway. Rouse Hill is within the local government area of Blacktown City Council. Cudgegong Road train station is due to commence operations in the first half of 2019.

Development in the vicinity of the site is generally characterised by single dwellings on similarly sized semi-rural allotments, with a mixture of rural outbuildings and varying levels of vegetation concentration. The area is within the Riverstone East precinct, and redevelopment of the precinct is within its preliminary stages. Cudgegong Road Station is surrounded by B2 and B4 zoned land, with the subject site falling within the R3 zoned land which surrounds the business zones.

Adjoining to the north-western side of the site is No. 100 Tallawong Road (**Figures 6 and 7**). This property contains two double storey dwellings of brick construction with associated outbuildings.

Adjoining to the south-eastern side of the site is No. 74 Tallawong Road (**Figure 8**). This property contains two single storey dwellings, one of brick construction and one constructed of lightweight cladding, with associated outbuildings also located on the site.

Adjoining to the northeast of the site are the rear boundaries of No. 97A Cudgegong Road and No. 105 Cudgegong Road. These properties also contain rural-residential uses.

A full range of services and facilities are located in the Rouse Hill Town Centre which is a short 3km drive from the subject site. The centre contains a wide range of businesses and community facilities including supermarkets, cafes, restaurants, clothing stores, bank branches, a post office, churches, hotels, and medical centres.

Nearby public open space includes the Rouse Hill Regional Park and surrounding parklands located approximately 1km to the northwest of the site.

3.0 Development

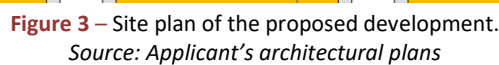
3.1 Summary of the Proposed Development

The overall development is for the demolition of all existing structures on the site and construction of 6 x four-storey residential flat buildings, containing a total of 367 apartments, 8 commercial premises, 3 x basement car parks each containing two levels, stormwater works, landscaping, and subdivision of the existing allotment into 3 lots, each containing 2 residential flat buildings, at 84 Tallawong Road, Rouse Hill. `

Table 2 - Development particulars

Element	Proposed
Site Area	20,236.3m ² (Survey)
Total Apartments	367 (including 39 adaptable)
Studio Apartments	54 (14.6%)
1-Bedroom Apartments	48 (13%)
2-Bedroom Apartments	226 (61.2%)
3-Bedroom Apartments	39 (10.6%)
Car Parking Spaces	487 spaces comprising: <ul style="list-style-type: none"> • 466 residential spaces across three separate basements • 24 non-residential spaces within Lot 1

An overview of the development is provided in **Figure 3** below. The development consists of six residential flat buildings, with two provided to each of the proposed three new allotments. Each allotment contains one building situated on the northern side of the site, and one on the southern side of the site, with all apartment buildings oriented approximately east/west, and with each building façade parallel to the site's boundaries. Within each site, the buildings are separated by a central communal open space area which continues through the entire development from Tallawong Road through to the rear of the site. Common vehicular entries, basements, and ground floor communal open spaces, are provided to each pair of buildings.



Lot 1 is the only lot which contains non-residential uses, with eight (8) commercial units proposed at the existing street frontage to Tallawong Road.

3.2 Commercial Units

The commercial units are shown within the image below.

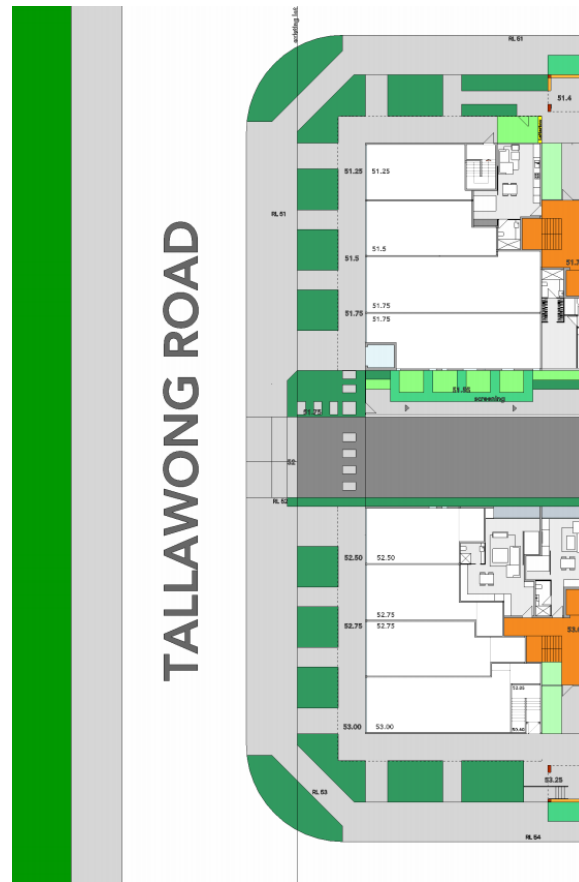


Figure 4 – Ground floor plan of the proposed development showing proposed commercial units in white.
Source: Applicant's architectural plans

The total leasable floor area of each commercial unit are detailed within the following table:

Commercial Unit	Leasable Area (sqm)
1	42
2	49
3	76
4	68
5	45
6	49
7	56
8	68

Each commercial unit is provided with a frontage to Tallawong Road, and an individual pedestrian entry from the street. Four units are located on the northern side of the vehicular entry for Lot 1, and four are located on the southern side of this vehicular entry.

The majority of the units are narrow, which is typical of units of this size and location, so as to provide a well dimensioned customer or client area toward the street, and a 'back of house' area towards the rear. The rear of each commercial unit is provided with walls to separate the commercial units from the adjoining residential components of the development, including the circulation spaces.

A total of 24 parking spaces are provided for the exclusive use of the commercial units. The required car parking rates for commercial premises are not specified within the Blacktown City Council Growth Centres Development Control Plan 2010 (BGCDP 2010). The most applicable car parking rates are from Table 5-1, being 1 space per 40m² of commercial space. The proposal is comfortably able to comply with this requirement.

The parking area lies within the uppermost level of the basement car park, and is immediately accessible from the entry into the basement car park. Stairs are available from the commercial parking spaces, which provide access to the ground level at the rear of Shop 1. Elevator access is also available from the basement parking area.

3.3 Potential Land Uses

The proposal seeks consent for residential flat buildings, and shop top housing which are listed as permissible with consent within the R3 — Medium Density Residential zone., pursuant to *State Environmental Planning Policy — Sydney Region Growth Centre 2006* (the GCSEPP).

Shop top housing means one or more dwellings located above (or otherwise attached to) ground floor retail premises or business premises.

No specific uses are proposed within the 8 individual commercial units, with future uses to be determined by marketability and the requirements of future occupants. It is noted that 'office premises' will not be permitted in this location, given they are not included within the definition for 'shop top housing'. Therefore, the uses will either be retail premises or business premises, which are each defined below.

retail premises means a building or place used for the purpose of selling items by retail, or for hiring or displaying items for the purpose of selling them by retail or hiring them out, whether the items are goods or materials (or whether also sold by wholesale).

business premises means a building or place at or on which:

(a) an occupation, profession or trade (other than an industry) is carried on for the provision of services directly to members of the public on a regular basis, or

(b) a service is provided directly to members of the public on a regular basis,

and may include, without limitation, premises such as banks, post offices, hairdressers, dry cleaners, travel agencies, internet access facilities, medical centres, betting agencies and the like, but does not include sex services premises.

Each of the land uses described above encompass a wide range of potential land uses that could occupy the proposed commercial units. The definition for business premises describes a wide range of potential occupants of a commercial unit. This list is not intended to be exhaustive, but provides examples of some of the businesses that could occupy the premises.

Other definitions within the Dictionary to the GCSEPP, provide specific references to either 'retail premises' or 'business premises', which indicate that the individual use described by the definition belongs to both the defined use itself, as well as to the land use described within the definition.

For example, the definition for medical centre is described below:

medical centre means business premises used for the purpose of providing health services (including preventative care, diagnosis, medical or surgical treatment, counselling or alternative therapies) to out-patients only, where such services are principally provided by health care professionals, and may include the ancillary provision of other health services.

By reference to the term 'business premises', the definition of 'medical centre' indicates that a doctor's surgery or the like, is both a 'medical centre', and a 'business premises'. It is noted that the reverse occurs; that is, the definition of 'business premises' also cites 'medical centres' as an example of a 'business premises'

The Dictionary to the GCSEPP provides seven (7) additional land uses which make reference to a 'retail premises'. These are reproduced below:

cellar door premises means retail premises that sell wine by retail and that are situated on land on which there is a commercial vineyard, where all of the wine offered for sale is produced in a winery situated on that land or is produced predominantly from grapes grown in the surrounding area.

food and drink premises means retail premises used for the preparation and retail sale of food or drink for immediate consumption on or off the premises, and includes restaurants, cafes, take away food and drink premises, milk bars and pubs.

kiosk means retail premises used for the purposes of selling food, light refreshments and other small convenience items such as newspapers, films and the like.

market means retail premises comprising an open-air area or an existing building used for the purpose of selling, exposing or offering goods, merchandise or materials for sale by independent stall holders, and includes temporary structures and existing permanent structures used for that purpose on an intermittent or occasional basis.

neighbourhood shop means retail premises used for the purposes of selling small daily convenience goods such as foodstuffs, personal care products, newspapers and the like to provide for the day-to-day needs of people who live or work in the local area, and may include ancillary services such as a post office, bank or dry cleaning, but does not include restricted premises.

Note. For controls relating to the retail floor area, see the following:

restricted premises means business premises or retail premises that, due to their nature, restrict access to patrons or customers over 18 years of age, and includes sex shops and similar premises but does not include hotel or motel accommodation, a pub, home occupation (sex services) or sex services premises.

shop means retail premises that sell groceries, personal care products, clothing, music, homewares, stationery, electrical goods or other items of general merchandise, and may include a neighbourhood shop, but does not include food and drink premises or restricted premises.

Of the land uses described above, it is considered that a cellar door premise, market, and restricted premises would not be appropriate for the proposed commercial spaces. In addition, clause 5.4 of Appendix 12 limits the gross floor space of a kiosk to 30sqm, and the retail floor area of a neighbourhood shop to 100 square metres. The smallest unit is currently 42sqm, which exceeds the maximum requirement for a kiosk; however, if necessary, design amendments could be undertaken to accommodate a kiosk.

Therefore, the remaining land uses that could be included as retail premises, included a food and drink premises (which itself includes restaurants, cafes, take away food and drink premises, milk bars and pubs), kiosk (under 30sqm only), neighbourhood shop (which itself, is also a shop), and a shop. Again, this is not an exhaustive list, but indicates the types of retail premises that may be appropriate in this location.

It is evident from the information provided above, that there is a large range of retail premises and business premises that could be accommodated within the proposed commercial units, and the size and location of the proposed are potentially compatible with the types of uses that could occupy each unit.

3.4 Relationship with Surrounding Development

The subject site is located within the North West Priority Growth Area, and specifically within the Riverstone East Precinct. The release of land within the Riverstone East precinct was undertaken through the introduction of new statutory planning controls contained within Appendix 12 of *State Environmental Planning Policy (Sydney Region Growth Centres) 2006* (GCSEPP), and development controls contained within the Blacktown City Council Growth Centres Development Control Plan 2010, which was adopted on 7 September 2016. The redevelopment of the precinct is within its preliminary stages.

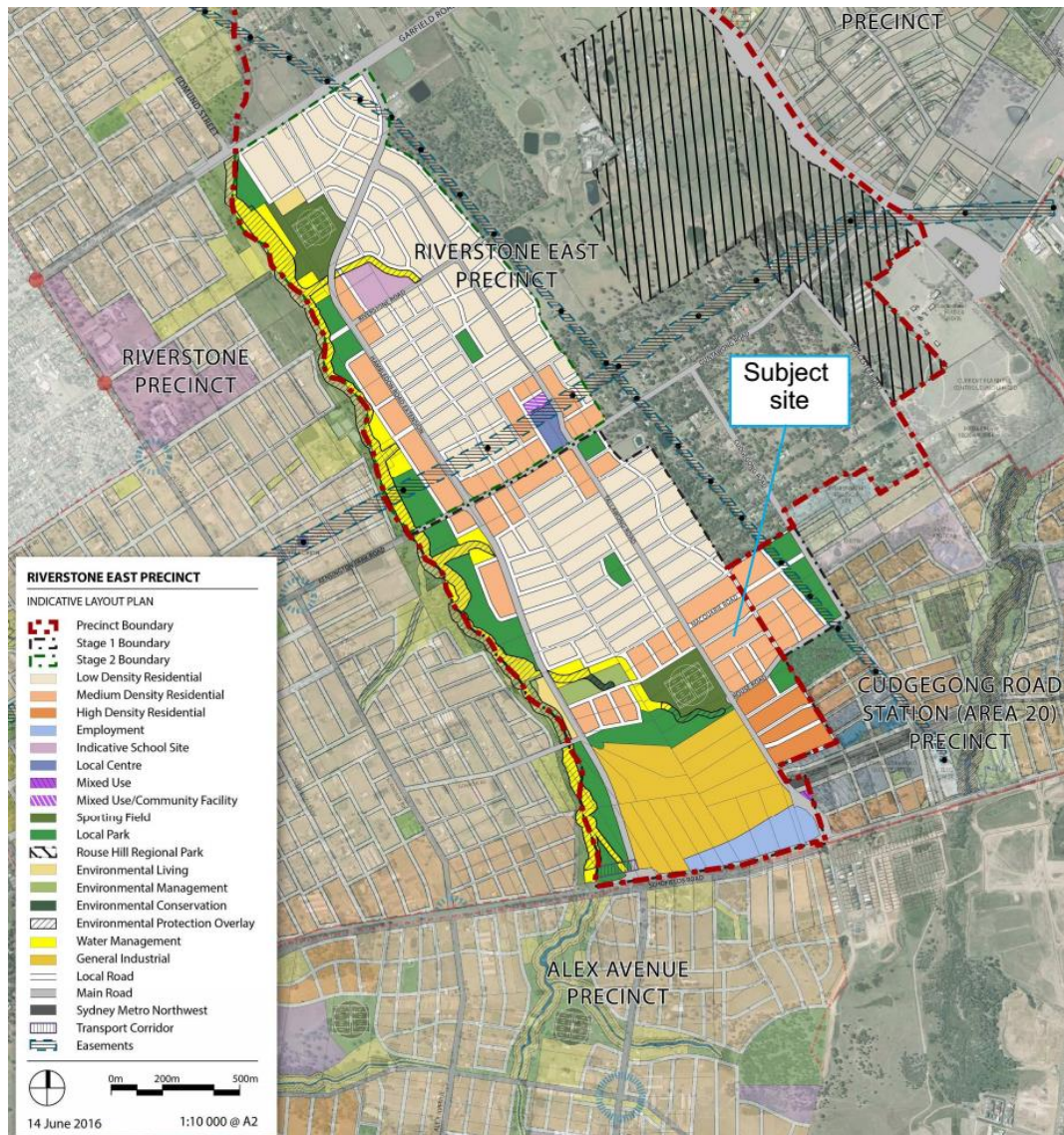


Figure 5 – Location of the subject site within the Riverstone East Precinct

Source: Blacktown Growth Centre DCP 2010

The figure above is adapted from Figure 3-1 of the BGCDP 2010, which is an indicative layout plan. The colour coding used within the image above generally reflects the zoning of the land within the GCSEPP. The image also shows colour coding within neighbouring precincts, including the Cudgegong Road Station (Area 20) Precinct, which adjoins to the east.

Cudgegong Road Station is adjoined to the north by land within the B2 Local Centre zone. Further to the north, and adjoining to the south and east is land that lies within the B4 Mixed Use zone. Land shown in Figure 5 within the B2 and B4 zones, would constitute the local town centre. Much of the land within the remainder of the Cudgegong Road Station (Area 20) Precinct lies within the R3 Medium Density Residential zone, with Second Ponds Creek creating a natural barrier to the east of the town centre precinct. The Sikh Grammar School is expected to be provided within the Riverstone East Precinct, and a local school is expected to be provided within the northern portion of the Cudgegong Road Station (Area 20) Precinct. This is in addition to the existing Rouse Hill Anglican College. Each of these schools are

Within the Riverstone East precinct, higher density residential zoning is focussed between Tallawong Road and the new north-south road to lie between Tallawong Road and Cudgegong Road. In the southern end of the precinct, to the north of Schofields Road, lies a large section of land that is zoned for industrial purposes. A local park and sporting field is intended to be provided directly opposite the subject site, on the western side of Tallawong Road. It is understood that a nature reserve will also be provided surrounding the tributary to First Points Creek, which would sit to the south of the local park.

The Indicative Layout Plan indicates that Cudgegong Road and Tallawong Road are expected to be the two north-south main roads that provide vehicular and pedestrian access to the new station, and further through to Schofields Road.

Figure 6 below provides an indication of the walking catchment associated with the Cudgegong Road Railway Station. The map indicates that the town centre which surrounds the train station, and lies within the B2 and B4 zones, is generally within a walking distance of less than 5 minutes. Further, parts of Cudgegong Road, Tallawong Road, and Schofields Road are shown to be between 5-10 minutes walking distance, and the map shows that the subject site is between 10-20 minutes walking distance from Cudgegong Road Railway Station. Parts of Schofields Road, Macquarie Road, Cudgegong Road, Schofields Road, Rouse Road, Worcester Road, as well as a small portion of land on the southern side of Schofields Road, are also identified as being within 10-20 minutes walking distance of the Cudgegong Road Railway Station. It would be expected that the subject site is less than 15 minutes walking distance from the Cudgegong Road Railway Station.



Figure 6 – Walking catchment surrounding Cudgegong Road Station

Source: NSW Department of Planning and Environment

The entire walking catchment identified on the map lies within either the Riverstone East Precinct or the Cudgegong Road Station (Area 20) Precinct.

Land on the southern side of Schofields Road comprises predominately of low density residential dwellings, characterised by much lower residential densities than can be expected to the north of the Schofields Road, and this area is likely to represent a smaller proportion of patronage to the town centre precinct.

The Rouse Hill Town Centre lies approximately 2.5km to the east of the subject site, and the future Rouse Hill Railway Station sits at the western end of the town centre, adjacent to Windsor Road. The Rouse Hill Town Centre contains supermarkets, department stores and a cinema complex, amongst smaller retail stores and restaurants.

Other commercial precincts within the area include (note that all measurements below relate to the distance from the subject site):

- Riverstone shops (approximately 3.6kms to the north-west, and adjacent to the Riverstone Railway Station) – small shopping precinct containing IGA, post office, banks and takeaway food.
- Schofields shops (approximately 2.9kms to the south-west, and adjacent to the Schofields Railway Station) – small shopping precinct containing Woolworths, real estate agent, and takeaway food.
- Aldi Quakers Hill (approximately 3.4kms to the south) – standalone supermarket
- The Ponds Shopping Centre (approximately 2.3kms to the south-west) - small shopping centre containing Woolworths, Priceline, Medical Centre, and other stores and restaurants.
- Stanhope Village Shopping Centre (approximately 4kms to the south) – small to medium sized shopping centre containing Coles, Kmart, Aldi, and other specialty stores.
- Viaggio Development (approximately 4kms to the south-west) – uncompleted large mixed use development, containing some retail at lower levels.

The majority of commercial floor space within the locality sits to the south of the subject site, and the Cudgegong Road Railway Station.

Commercial space within the subject site is expected to be within the walking catchment of a number of high-density residential developments and employment locations. Several large mixed use and developments, commensurate with the subject proposal, have either been approved, or are proposed, on other medium density land shown on Figure 5. In addition, the locality will feature a number of schools, including the Sikh Grammar School, approved at 151-161 Tallawong Road, and situated approximately 500m walking distance from the subject site. The school is the first Sikh school in Australia, and is therefore expected to accommodate students from a wide catchment area. The school is expected to open in either 2020 or 2021 and eventually accommodate over 1200 students, and provide employment for up to 200 people, also from a wide catchment area. The existing Rouse Hill Anglican College will be approximately 800m walking distance from the rear of the site, and the

future school envisioned within the Cudgegong Road Station (Area 20) Precinct will be approximately 500m walking distance of the subject site. Each of these schools will also generate significant employment, and increase the number of people in the locality during ordinary business hours.

4.0 Demographic Changes

The locality of Rouse Hill is undergoing rapid transformation and growth with the Riverstone East – Area 20 expected to experience significant change in the size and composition of its population. As identified in **Figure 7** the area is forecast to attract a large number of couples with families which is evidenced by the number of households meeting this definition increasing from 92 to 3,908 in absolute numbers from 2016 to 2036, whilst rising from 33.3% of households to 48.0% over the same period. Although it is noted all other household categories are expected to decrease as a percentage; growth in absolute numbers is expected to be significant for both couples without dependents and lone person households. These categories are to increase by 1,757 and 1,318 households respectively over the 2016 to 2036 period.

Forecast household types

Riverstone East - Area 20		2016		2026		2036		Change between 2016 and 2036
Type		Number	%	Number	%	Number	%	Number
Couple families with dependents		92	33.3	1,590	49.6	3,908	48.0	+3,816
Couples without dependents		78	28.3	767	23.9	1,835	22.5	+1,757
Group households		4	1.4	46	1.4	106	1.3	+102
Lone person households		57	20.7	470	14.7	1,375	16.9	+1,318
One parent family		30	10.9	242	7.6	701	8.6	+671
Other families		15	5.4	90	2.8	216	2.7	+201

Figure 7 – Table indicating forecast household types within Riverstone East (Area 20)

Source: *profile.id.com.au*

The proposed development is likely to predominantly attract a large number of lone person households and couples without dependents of a younger age, and some smaller families with dependents. Development applications for surrounding development such as 50 Tallawong Road with 110 units, 95 Tallawong Road with 227 units, and 172 Tallawong Road with 115 units are expected to attract a similar demographic. This is partly evidenced through the very notable changes in age structure over the period from 2016 to 2036. In 2016, the 0 to 44 year age group comprised 56.6% of the population, the 45-64 year age group comprised 22.7%, whilst those aged 65 years and over accounted for 20.7% (**Figure 8**). Very significant changes are expected to the year 2036 where these age ranges will comprise 74.1%, 19.2%, and 6.8% respectively.

Age Group (years)	2016		2026		2036	
	Q	%	Q	%	Q	%
0 – 44	399	56.6	8,079	78.8	19,009	74.1
45 – 64	160	22.7	1,631	15.9	4,916	19.1
65+	147	20.7	538	5.3	1,736	6.8
Total	706	100	10,248	100	25,661	100

Figure 8 – Table indicating forecast age structure within Riverstone East (Area 20)

Source: *profile.id.com.au*

A Retail and Employment Study was undertaken by SGS Economics & Planning in 2010 for the former Area 20 which formed a 245ha area around the proposed Cudgegong Road Town Centre. This area will be predominantly comprised of medium and high density residential development and is likely to attract a similar demographic to that forecast for the proposed buildings at 84 Tallawong Road and surrounding apartment development.

Forecasting indicates that retail expenditure per capita in 2031 within Area 20 is to be \$14,682, approximately 20.38% greater than that of NSW for the same period at \$12,196 (**Figure 9**). The most significant difference in expenditure is noted within the ‘hospitality and services’ category where the average resident of Area 20 is expected to spend 28.82% more than that of the average NSW resident at \$1,642 and \$1,281 respectively.

	Supermarkets	Department Stores	Other Food	Clothing	Household Goods	Other Retail	Hospitality and Services	Total
Retail Expenditure capita per annum -- Area 20 @ 2031	\$4,912	\$1,343	\$775	\$1,152	\$2,333	\$2,525	\$1,642	\$14,682
Retail Expenditure capita per annum -- NSW Average @ 2031	\$4,262	\$1,089	\$673	\$905	\$1,955	\$2,031	\$1,281	\$12,196

Figure 9 – Table indicating forecast retail expenditure per capita within the former Area 20 boundary.

Source: *SGS Economics & Planning*

4.1 Shifts in Dwelling Typology

The types of dwellings that are common to areas are important determinants in the role and function that the area plays within commercial activities. A greater concentration of higher density dwellings is likely to attract more young adults and smaller households; while larger, detached or separate dwellings are more likely to attract families and prospective families, although this is not a mutually exclusive pattern. The residential built form often reflects market opportunities or planning policy, such as the building of denser forms of housing around public transport nodes or employment centres.

The Growth Centres precincts are to experience rapid population growth as a consequence of new development. The Cudgegong Road Town Centre is also likely to experience rapid demographic change as a consequence of low density semi-rural properties being replaced with medium and high density living.

The following demographic trends associated with apartment living were observed by the Australian Bureau of Statistics (ABS):

Age

The median age of males and females who usually lived in an apartment is historically lower than the medians recorded for all ages. In Australia, the median age for males living in apartments is 37 years, and the median age for females living in apartments is 38 years. The median age of those living in apartments is 33 years, for both genders. The common age group represented by people living in apartment, is the 25-34 years age group. In 2016, 21% of all people aged 25-34 years (and living in private dwellings) were residing within apartments. The dispersion of age groups is shown **Figure 10** below.

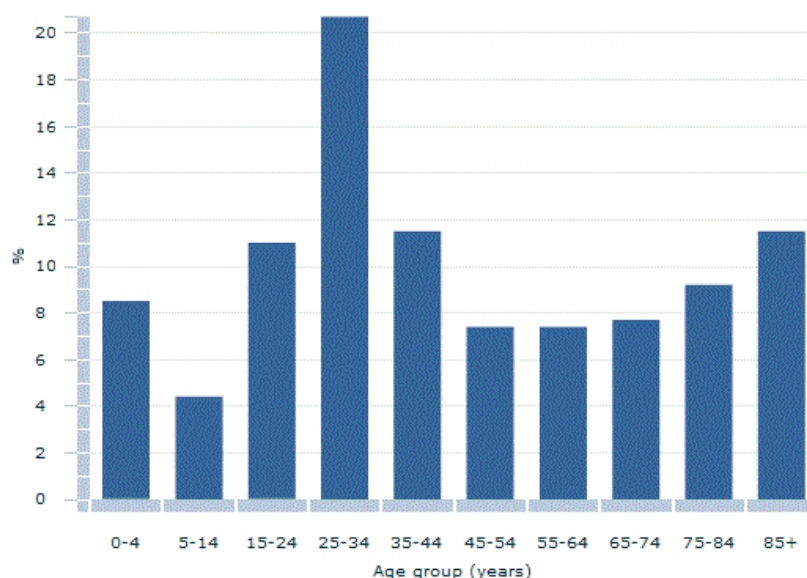


Figure 10 – Proportion of Total Population(a) per Age Group, Living in Apartment Homes, 2016
Source: ABS Census of Population and Housing, 2016.

Apartments Tenure

There is a greater probability of apartments being rented than separate dwellings. This is evidenced with data provided which identifies that in 2016, 59% of all apartments were being rented in comparison to only 21% of separate houses being rented (**Figure 11**).

The data shows that across all states and territories, apartments are far more likely to be rented than occupied by an owner.

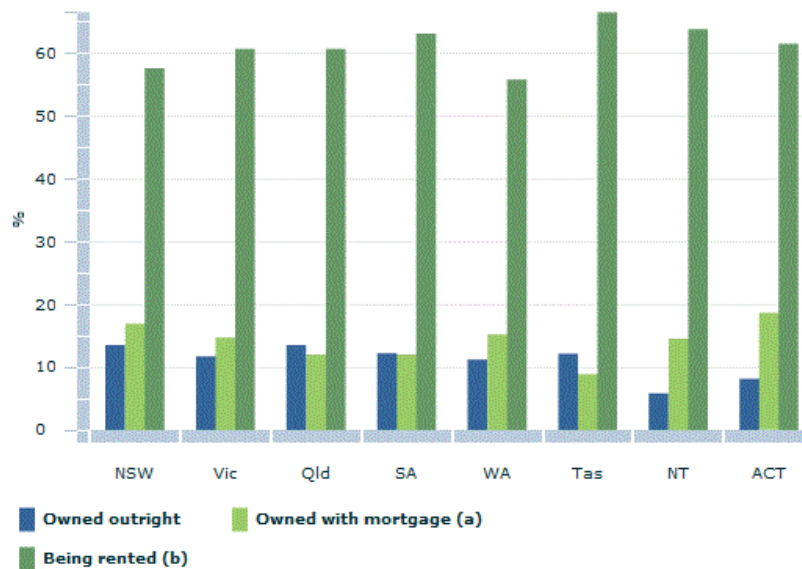


Figure 11 – Apartment by Tenure Type – Percentage Distribution(a) by State & Territory, 2016
Source: ABS Census of Population and Housing, 2016.

The proportion of income spent on housing has historically been similar for renter and owner-occupiers with mortgages. However, with increasing property values, the growth in the proportion of income spent on housing by property owners with mortgages is beginning to outpace the growth in the proportion of income spent on housing by renters. In the medium to long term it would be expected that renters would have a higher proportion of their income available for discretionary spending.

Motor Vehicles

Forty-seven percent (47%) of households living in apartments had one motor vehicle registered as either garaged, parked on-site or near their home in 2016 whilst only 16% of apartment dwellers had two motor vehicles registered (**Figure 12**).

This compares with only 28% of households in separate houses having one vehicle, and 39% for two vehicles.

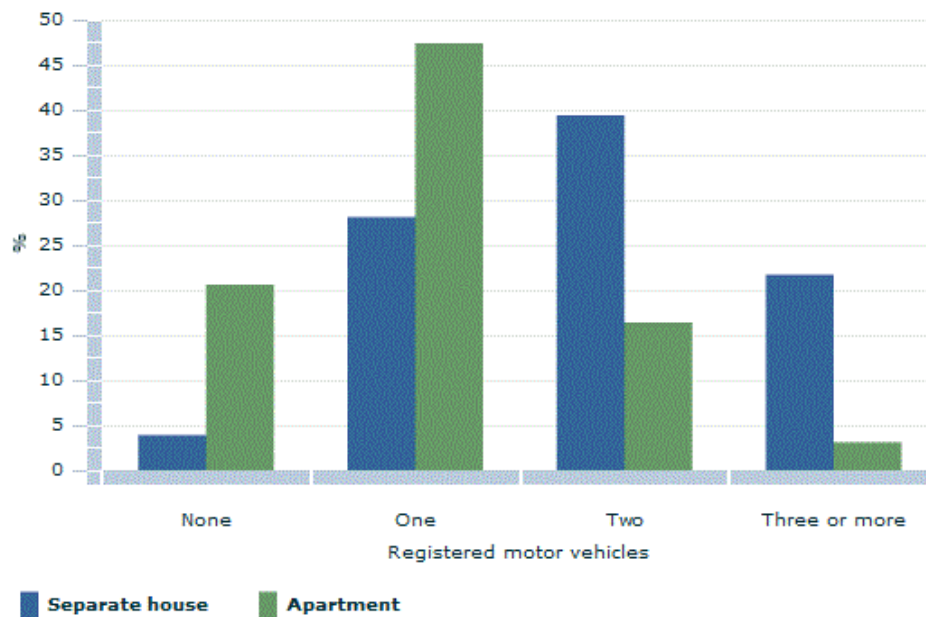


Figure 12 – Motor Vehicles per Apartment(a) or Separate House, Percentage Distribution(b) – Australia, 2016.
 Source: ABS Census of Population and Housing, 2016.

In summary, the population of Riverstone East (Area 20) is expected to see a significant change to the composition of the population with a large proportional increase in those aged 0-44 years which is representative of families with dependents, childless couples, and singles all predominantly of younger ages moving to the area.

Those living within apartments, such as the proposed development at 84 Tallawong Road, and other surrounding apartments, will be predominantly lone person households and couples without dependents of a younger age, and some smaller families with dependents. Rates of car ownership will be lower while it is likely they will be predominantly be rented, with renters likely to have a greater proportion of income available for discretionary spending. Furthermore, as identified by SGS Economics & Planning, retail spending is to be considerably higher per capita than the NSW average. Resultantly, low order retail such as convenience stores, bakeries, hairdressers, etc. will be demanded to a greater extent and within a short walking distance from places of residence.

It is likely to be the case that parking near the future Cudgegong Road Railway Station will be constrained, and smaller commercial premises located away from the railway station are likely to hold greater appeal for apartment residents, particularly those without cars, and those that walk to and from the railway station. Furthermore, the location of the park and playing fields directly to the west of the site will create even further demand for retail / commercial space particularly for food and drink premises and convenience stores with many visitors passing the site.

4.2 Population Growth

The population within Riverstone East (Area 20) (**Figure 13**) is forecast to grow exponentially over the proceeding decades from approximately 706 persons in 2016 to 25,661 persons in 2036, representing an increase of 24,955 persons or 3,500%. The pace of growth in absolute numbers will continue to rise over this period with the five year change in population forecast to rise from 3,547 persons between 2016 and 2021 whilst then rising 5,994 and 7,113 persons respectively over the two proceeding five year periods. A five year rise of 8,301 persons is expected for the final five year period recorded from 2031 to 2036 (**Figure 14**).

Average household size is forecast to increase from 2.55 persons/dwelling in 2016 to 3.15 persons/dwelling in 2036. A peak of 3.20 persons a dwelling is expected to occur from 2026 to 2031. The number of dwellings within the area are to rise in line with population and average household size, increasing from 317 dwellings in 2016 to 8,307 dwellings in 2036.

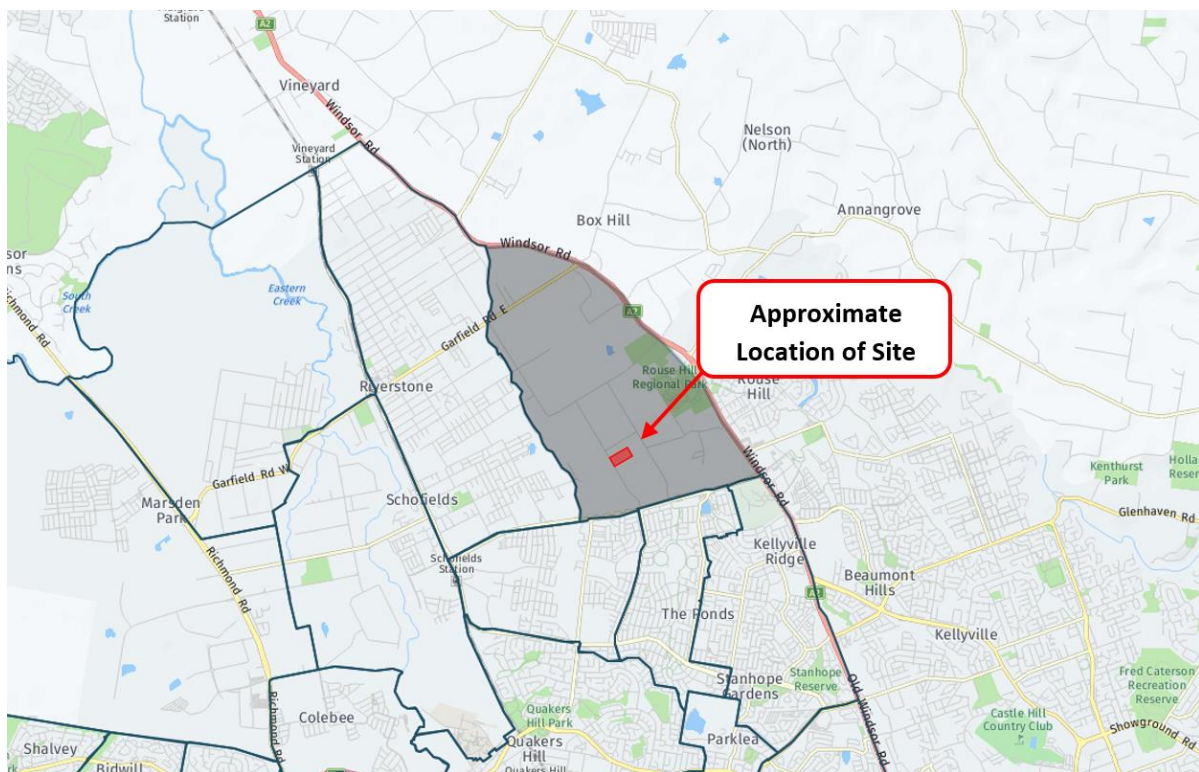


Figure 13 – Aerial image of the subject site within Riverstone East – Area 20 (shaded in grey)

Source: profile.id.com.au

Forecast population, households and dwellings

export

Riverstone East - Area 20	Forecast year				
Summary	2016	2021	2026	2031	2036
Population	706	4,253	10,247	17,360	25,661
Change in population (5yrs)	--	3,547	5,994	7,113	8,301
Average annual change	--	43.22%	19.23%	11.12%	8.13%
Households	276	1,366	3,205	5,423	8,141
Average household size	2.55	3.11	3.20	3.20	3.15
Population in non private dwellings	1	1	1	1	1
Dwellings	317	1,477	3,287	5,547	8,307

Figure 14 – Table of forecast population, households and dwellings within Riverstone East – Area 20Source: profile.id.com.au

Within the subject development itself, the overall population is able to be estimated through consideration of the expected occupancy rates. Assumed occupancy rates from Blacktown City Council's Section 94 Contributions Plan were utilised for this exercise (**Figure 15**). It is noted that a rate was not provided for studio apartments, as such the rate for 1 bedroom apartments has been used. The estimates forecast that the proposal will have a population of approximately 665 persons throughout the 367 unit development.

	Qty	Assumed Occupancy Rate	Population
Studio	54	1.2	64.8
1 Bedroom	48	1.2	57.6
2 Bedroom	226	1.9	429.4
3 Bedroom	39	2.9	113.1
Total Population =			664.9

Figure 15 – Table of forecast building population.

Source: Blacktown City Council Section 94 Contributions Plan

5.0 Case Study

To further ascertain the economic sustainability of the eight proposed commercial units, a study of comparable development was completed. This was undertaken to identify whether retail and commercial space located approximately 600m – 800m from a major centre is commercially sustainable. The case studies below discuss this in the context of being provided in conjunction with shop top housing and also a standalone retail / commercial neighbourhood centre.

5.1 Woodville Road, Merrylands

Existing development with similar characteristics to the proposed is located throughout Sydney with such an example within the Western Sydney suburb of Merrylands across three buildings at 128-132, 134-136, and 142-146 Woodville Road, Merrylands (**Figure 16**). In conjunction, these buildings contain seventy-eight apartments and fourteen retail / commercial units in a small to medium sized format. As per the proposed development at 84 Tallawong Road, these buildings are located within the R3 – Medium Density Zone and are located approximately 800m from the Merrylands Commercial Centre. They are also located approximately 1.5km from Granville Commercial Centre and 3.0km from the major centre of Parramatta.

The retail / commercial units are occupied with uses such as a hairdressers, real estate agency, speciality clothing stores, a massage therapy, and small property development company that predominantly provide low order services to the Merrylands population of approximately 30,000. As of 16 February 2017, none of the retail / commercial units appear for lease after an extensive desktop search. Accordingly, it is apparent that these units are economically viable, even in the context of being located within proximity to existing major centres.



Figure 16 – Location of the 128-132, 134-136, and 142-146 Woodville Road, Merrylands in relation to Merrylands Town Centre.
Source: sixmaps.nsw.gov.au, adapted by CPS.

5.2 Neighbourhood Centres

Successful neighbourhood centres located a short distance from major centres are also a common feature throughout Sydney. Two examples within Western Sydney have been selected that exhibit similar characteristics to the proposed development due to their relative distance from the nearest centre (600m to 800m) and due to the quantity of leasable space. Refer to the examples provided below

8-14 Hume Highway, Warwick Farm – Figure 17

- Located approximately 600m from Liverpool Commercial Centre.
- Nine retail / commercial units within the complex.
- Uses such as a newsagent, convenience store, florist, multiple restaurants and takeaway food outlets.
- As of 16 February 2017, only one of the units is offered for lease.



Figure 17 – Location of Neighbourhood Centre along Hume Highway in relation to Liverpool Commercial Centre
Source: sixmaps.nsw.gov.au, adapted by CPS.

Intersection of Merrylands and Fowler Road, and Burnett Street – Figure 18

- Located approximately 800m from Merrylands Commercial Centre
- Ten retail / commercial units.
- Uses such as hairdressers, massage parlour, florist, restaurant, taxation office, real estate agency, and liquor store.
- As of 16 February 2017, there are no units offered for lease.



Figure 18 – Location of Neighbourhood Centre along Hume Highway in relation to Liverpool Commercial Centre
Source: sixmaps.nsw.gov.au, adapted by CPS.

Neighbourhood centres that are located 600m to 800m from major centres are a common feature throughout Sydney suburbs and provide a significant benefit to their respective catchments and business owners. The retail and commercial spaces within the neighbourhood centres are generally occupied by low order shops and services such as hairdressers, convenience stores, bakeries, etc., which require smaller population catchments for their successful operation. They allow for the provision of small businesses that are attracted to the rents which are often 30% cheaper than an equivalent space within the major centre.

6.0 Assessment of Economic Impacts

In considering economic impacts under section 79C(b) of the Act, it is generally regarded that the consideration of “economic impacts” does not require the consideration of the economic impact on individual competitors or on the viability of a business, except to the extent that any such impact may demonstrate an economic impact in the locality as an environmental or planning matter. In this sense, it is necessary to consider whether there are any economic impacts, and whether these impacts are of an environmental planning nature.

It has been demonstrated that there is sufficient evidence to suggest that the eight commercial tenancies at 84 Tallawong Road are capable of economic viability; providing space to uses and tenancies that may be less suitable within the major centre around Cudgegong Road Station.

The proposed commercial units will be located within the immediate catchment of high density residential development, other commercial premises, several schools, including two regional denominational schools (including the first Sikh school in Australia), playing fields, a local park, and will be located within 5-10 minutes walking distance of a large regional railway station which will provide a large number of potential customers / clients. The future increased population, both at the subject site, and within the wider locality, will be pronounced, and the demographic profile of the future residents is expected to be vastly different to that of the small number of people that currently reside within the locality.

Smaller food and drink premises and smaller service operators such as hairdressers will likely be able to rely on the future population within walking distance from the site for viability. Other suitable tenants such as business services in the form of accounting firms, legal firms, and other professional services, can attract people from within the driving catchment. The basement car parking is suitably located, such that small professional firms would be able to make some portion of these parking spaces available for clientele. The provision of parking is compliant with the minimum rates required by the relevant BGCDP 2010.

With respect to access, as Tallawong Road is identified within BGCDP 2010 as a main road providing access to a large train station, and given Tallawong Road itself, and other streets that intersect with Tallawong Road, are likely to accommodate a high density residential population within the near future, it is expected that Tallawong Road will experience a substantial increase in pedestrian traffic. This will be true both on weekdays, when residents are likely to commute towards the Sydney CBD for journeys to work, and employees of local schools and businesses are likely to visit the park for lunch, and on weekends, when spaces such as the sporting fields which sit opposite the site are likely to be used for local recreation, and when residents are likely to utilise public transport for other recreation and entertainment purposes.

As identified within this report, new residents, within the subject development and within surrounding high-density developments, are more likely to be younger people without children, and are less likely to own vehicles. This would increase the overall likelihood of Tallawong Road being a highly utilised

pedestrian route, and would increase the exposure to prospective businesses with the subject development.

Outside of the immediate walking catchment, the continued and exponential population growth forecast in the immediate and surrounding area in the coming decades will undoubtedly provide continued growth in the number of potential customers and clients to the businesses. This is particularly true when considered in the context of forecast retail spending per capita in the area exceeding the average of NSW by 20.38%.

Furthermore, impacts on the major commercial centre concentrated around Cudgegong Road Station are expected to be negligible. This is as the proposed commercial units proposed at 84 Tallawong Road are mostly likely to be attractive to future uses and formats that would otherwise not be viable within the major commercial precinct. This could include:

- Convenience stores which require separation from major supermarkets to compete;
- Bakeries or take away food premises looking to take advantage of the proximity to the park;
- Boutique and specialty shops which require lower rents to be commercially viable.
- Small services firms, with business models that do not need a central location to generate new customers. For instance, computer repairs, tax accountants, hairdressers, migration agents.

It is also recognised that the commercial units at a combined GFA of 453m², will not be of a scale which would undermine the competitiveness with the major commercial centre located by Cudgegong Road Station. It is noted that there are a variety of commercial areas that are located within the driving catchment of the subject site, and the future Cudgegong Road Railway Station, and that these commercial areas are typically located amongst low density residential development. The future Cudgegong Road Railway Station precinct is likely to draw a customer base for a smaller geographical area living within a denser residential environment, and that the majority of the demand for commercial leases near the railway station, will be driven by the growth of the residential population. Given the expected size and location of the Cudgegong Road Railway Station precinct, it is likely that this precinct will have a competitive advantage over the proposed development at the subject site.

However, there is sufficient evidence to indicate that the population growth will be so pronounced as to require further non-residential uses outside of the centralised precinct, and it is likely that these spaces will appeal to particular tenants, given their size, location, and likely lower rent. Although these premises will receive less exposure than those closer to the station, it is likely that they will receive sufficient exposure from their location on Tallawong Road, amongst high density development.

Reference should be made to the case studies in Section 5.0 for evidence of commercial tenancies located within close proximity to major commercial centres that are both successful and do not endanger the viability or activity within the major commercial centre.

7.0 Recommendations

The information contained within this report demonstrates that the proposed commercial units would be commercially viable, and would not detract from the importance of the commercial hub to be located adjacent to Cudgegong Road Railway Station. However, to address any potential future concerns in this regard, the following recommendations are made:

- Inter-tenancy walls are able to be constructed so as to be easily adaptable for the purpose of creating larger commercial units and appealing to a broader segment of the market. In the event that there is a limited market for smaller spaces, this recommendation may allow for the easy removal of walls which separate individual units, in order to create larger commercial spaces. This could be achieved through combining only 2 units to create a space of between 90-150sqm, or through the creation of larger spaces, with the largest commercial space that is theoretically available being a 235sqm space created through the amalgamation of each of the four units to the north of the driveway. Given the long narrow dimensions of each unit, any proposed amalgamation would not undermine the utility of each space, and would allow for a suitably sized shopfront to be retained.
- The design of the first floor slab above the proposed commercial units shall be designed in accordance with the Association of Australian Acoustical Consultants (AAAC) Star Rating system, in order to ensure that the commercial space can cater for a broad range of uses without unduly impacting upon residential tenancies above.
- A portion of parking dedicated to commercial units shall be maintained for visitors, such as customers, clients, suppliers, etc.
- Access to commercial parking within the proposed basement shall be made available via an intercom system to allow for visitors of the commercial premises to easily find parking. In order to maintain the security of the basement, a separate physical barrier shall be in place to prevented unsolicited access to the residential parking areas.
- The use of mid-storey tree planting along Tallawong Road should be avoided in order to maintain the prominence of the shopfronts within the commercial premises.

8.0 Conclusion

This Economic Impact Assessment has undertaken an analysis of the urban structure and future demographic of those areas surrounding the proposed eight (8) commercial units. The report concludes, subject to the implementation of the recommendations of this report, that the proposal is acceptable with regards to economic impacts, and the proposed viability of the proposed commercial units their relationship with the nearby commercial areas, are not of sufficient economic impact to warrant their removal from the proposal.