



68-80 O'Connell St, Kingswood

Economic Impact Assessment

Caddens Estate  
Development Pty Ltd

February 2024

# Document Control

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Project Manager: Esther Cheong  
Email: Esther.cheong@atlaseconomics.com.au  
Telephone: +61 1300 149 151

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Client Contact: Marvin Huang

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# Executive Summary

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## BACKGROUND

Caddens Estate Development Pty Ltd (**Caddens Estate**) are proposing a mixed-use development at 68-80 O'Connell Street, Kingswood (**the Site**) - located approximately 50km west of the Sydney CBD, within the Penrith Local Government Area (**LGA**). The proposed multi-level development comprises a mix of land uses including:

- 1,417sqm of retail floorspace across the ground floor
- 469 residential apartments across the upper levels.

The Site is situated within the Werrington Enterprise Living and Learning Precinct (**WELL Precinct**). The WELL Precinct accommodates the Caddens Corner Shopping Centre (**Caddens Corner**), which occupies a portion of the site at 68 O'Connell Street, immediately forming the western boundary of the Site. Caddens Corner was constructed circa 2020 with an approved retail GFA of 10,127sqm. Upon completion of the Proposal, the WELL Precinct will comprise 11,544sqm of retail floorspace, exceeding the permitted retail GFA by 1,544sqm.

Atlas Economics (**Atlas**) has been engaged by Caddens Estate to carry out an Economic Impact Assessment (**the Assessment**) to investigate demand for retail uses across the broader Penrith LGA and the potential role of the Site in accommodating some of this demand. The Assessment will specifically examine the quantum of retail uses proposed at the Site and the likelihood of these impacting the economic viability of neighbouring centres.

In April 2023, a development application was submitted to progress the Proposal (**DA23/0281**). Council responded with a request for information (RFI) noting further consideration of the adjoining development at 44-66 O'Connell Street was required (**Clause 4.6 – Commercial Floor Area**). In particular, to examine if the proposed retail floorspace could potentially impact the development viability of 44-66 O'Connell Street. The RFI required examination of the overall retail/commercial floorspace likely to be accommodated within the WELL Precinct, in consideration of the 10,000sqm cap.

In response, Atlas has examined the suitability of the retail cap in this revised report issued in February 2024.

To this end, Atlas has examined the projections and assumptions (i.e. population/dwelling forecasts) that underpinned the basis of the 10,000sqm retail cap which was implemented in 2008. By comparing the projected population estimates (2008) to recent information, the revised report examines if the retail cap remains relevant in the current context. This includes consideration of future residential and retail uses at 44-66 O'Connell Street.

## THE WELL PRECINCT

### Background and Population Projections

In 2004 Council adopted the WELL Precinct Strategy (**The Strategy**) which identified the WELL Precinct as key strategic land within the LGA. Subsequently the WELL Precinct Development Contributions Plan (**DCP**) 2008 was prepared which introduced a retail floorspace cap of 10,000sqm within the WELL Precinct, based on:

- An additional **2,463 dwellings** across the WELL Precinct.
- A projected population of **6,650 residents**, based on an assumed avg. occupancy rate of 2.7 persons/expected dwelling.
- Based on the population projections, a likely requirement of **10,000sqm of retail floorspace in the Precinct Centre**.

These projections were subsequently incorporated into the Penrith LEP as specified development controls. This includes the 10,000sqm retail and commercial floorspace limit applied to the Precinct Centre as per Part 7.12 of the LEP (2010).

## Initial Projections v Recent Development and Population Growth

New, large-scale residential developments are progressing across the WELL Precinct. Population growth is expected to grow rapidly as these new dwellings reach completion. This includes new dwellings within the Proposal and surroundings development sites. Despite this, no technical studies have been recently undertaken to update the population projections (and retail floorspace demand) since the DCP 2008.

In 2021, the WELL Precinct recorded **some 5,490 residents**. A review of planned developments indicates that this will likely grow notably in the coming years, including:

- An additional **~2,520 residents** within some **975 new dwellings**. New dwellings will reflect a mix of separate houses and higher density housing (medium density and apartments). This includes the additional ~469 dwellings delivered through the Proposal, likely to accommodate ~940 residents.
- The neighbouring development at 29 & 44-66 O'Connell St will deliver an additional 119 medium density dwellings, likely to accommodate nearly 300 residents.

The WELL Precinct will therefore accommodate a population base of **8,010 residents**, significantly larger compared to the estimated 6,650 residents in the DCP 2008. Accordingly, this demonstrates that the 10,000sqm retail limit is no longer relevant in the current context.

## **SOCIO-ECONOMIC PROFILE**

To understand the quantum of demand for retail uses within the WELL Precinct, the socio-economic characteristics of Kingswood residents were analysed. Based on the most recent 2021 Census data, the following insights are identified:

- The Kingswood resident population recorded significant population growth. In 2017, ~11,620 residents were recorded. By 2021, the resident population grew to ~14,260. This implies an average annual growth of 5% over 2017-2021 - notably higher than that of the broader Penrith LGA at 2%.
- Most Kingswood residents were relatively young, with the 25-49 year cohorts representing almost 40% of the population in 2021. Over the 2016-2021 period, Kingswood recorded an increased number of middle-aged adults (35-49 years) and young children (5-11 years).
- In 2016, the majority of households were couples with children (28%). Lone person households were also well represented. In 2021, the mix of household compositions remained largely unchanged, with additional couples with children and lone person households recorded.
- Kingswood residents are increasingly more educated. In 2016, 17% of residents held a Bachelor or Higher degree. By 2021, this grew to 23%. Conversely, the proportion of residents without formal education fell from 43% in 2016 to 37% in 2021.
- New households are also increasingly more affluent. Over the 2016-2021 period, an additional 2% of households were within the highest income quartile.
- Unsurprisingly, there were more white-collar workers and fewer blue-collar workers recorded in Kingswood over the 2016-2021 period. This is aligned with the increasing levels of household income and education.
- In 2021, 55% of Kingswood residents travelled outside the Penrith LGA for work, most of whom were employed in the neighbouring Blacktown LGA.

The socio-economic profile of Kingswood residents suggests that the WELL Precinct is increasingly attractive to highly educated working professionals and skilled young families. With most Kingswood residents employed in areas outside the Penrith LGA, there is further pressure to provide local services that afford greater conveniences to the community.

## POPULATION AND EMPLOYMENT PROJECTIONS

Population and employment projections have been sourced from the NSW Department of Planning and Environment (DPE) and Transport for NSW respectively. These projections have been analysed at a broader Penrith LGA level, from which the following observations are made:

- The Penrith LGA is expected to accommodate an additional ~20,900 residents by 2031, and a further ~33,000 residents by 2041. Projected population growth is especially significant in the longer term, driven by the expected delivery of major infrastructure projects. This is reflected by the 1.4% projected average annual growth rate over the 2031-2041 period, notably higher than that of Greater Sydney at 0.9%.
- Household profiles are likely to remain unchanged, with couples with children to be at least a third of households in the coming two decades. Lone person households are anticipated to account for a growing proportion of household types.
- The median age of residents in the Penrith LGA is expected to remain young (37 years in 2031 and 38 years in 2041).
- The Penrith LGA is poised for significant employment growth in the coming two decades, with some 12,200 additional jobs expected by 2031 and further ~13,000 jobs by 2041. Population-serving industries are expected to account for approximately 20% of this growth over the 2021-2041 period.

The population and employment projections indicate that the Penrith LGA is expected to accommodate significant growth over the coming decades. This will have implications on the demand for various land uses, including retail floorspace.

## DEMAND FOR RETAIL USES

Based on the employment projections and analysis of recent market activity in the WELL Precinct and broader Penrith LGA, demand for retail uses can be inferred.

In order to quantify the impact of population and employment growth anticipated over the coming decades, employment projections have been converted into floorspace, based on benchmark workspace ratios (Landcom, 2018) and Atlas's past experience. Over the coming decade, expected employment growth could require an additional:

- ~120,000sqm for population-serving industries;
- ~72,000sqm for knowledge-intensive industries;
- ~62,000sqm for the health and education industries;
- ~380,000sqm for industrial sectors will be required.

The conversion of employment projections into floorspace suggests that the Penrith LGA could require an additional ~640,000 square metres of employment floorspace over the coming decade to 2031. Of this, approximately 120,000 sqm of population-serving floorspace could be required to accommodate the growth in population-serving industries by 2031.

### Recent Market Activity

Retail activity in the Penrith LGA has been strong in the last 18-24 months, with record low vacancy levels at 1%. Retail floorspace is tightly held, with limited leasing and sales activity. This suggests a shortage of available retail floorspace.

Take up of leasing vacancies within the recently constructed Caddens Corner has been swift, with the local centre recording an occupancy level of ~90%. This indicates the strong demand for retail floorspace within the WELL Precinct.

## RETAIL SUPPLY

In order to understand how the anticipated demand for retail uses are being met, a supply audit of existing and future retail floorspace across the Penrith LGA was undertaken.

Existing retail uses in the WELL Precinct is limited to the recently constructed Caddens Corner. In the immediate surrounding localities, retail floorspace is dispersed across neighbourhoods through small-scale local centres. At present, the Penrith City Centre is the largest retail precinct within the LGA, accommodating a significant volume of retail floorspace which is anchored by Westfield Penrith shopping centre.

## Development Pipeline

The development pipeline indicates the potential for some 59,000sqm of retail floorspace in the Penrith LGA over the next 5 years. Most of this supply will be delivered through mixed-use developments in the Penrith City Centre, including:

- 29 & 44-66 O'Connell Street, Kingswood - ~9,230sqm
- 182-190 & 252 Great Western Highway, Kingswood - ~1,100sqm of retail floorspace by 2024.
- Penrith Panthers precinct development (Mulgoa Road, Penrith) - ~12,500sqm of retail floorspace by 2025.
- Thornton Estate (Penrith) - ~8,500sqm of retail floorspace by 2023.

## Planned Supply

Several large-scale developments are being planned across the Penrith LGA (part of the Western Sydney Aerotropolis). This includes the proposed Sydney Science Park in Luddenham and Orchard Hills North – both of which are large-scale projects which could collectively deliver up to 38,000sqm of retail floorspace. Whilst the scale of these planned projects appears substantial; these centres are expected to be developed in stages over the longer term, and primarily service demand from new housing being delivered within each precinct.

## SUPPLY SHORTFALL

A comparison of projected demand for population-serving employment floorspace against the current development pipeline suggests there is a shortfall in supply to 2031 of some 60,000sqm. This shortfall is exacerbated post-2031.

**Table ES.1.1** demonstrates the projected shortfall in population-serving floorspace across the Penrith LGA.

**Table ES.1.1: Supply Shortfall (2021-2041), Penrith LGA**

		2021-2031	2031-2041
Demand for Centre Floorspace (population-serving industries)	(a)	120,000sqm	150,000sqm
Cumulative Demand	(b)	120,000sqm	270,000sqm
<b>Long Term (2021-2041)</b>			
Potential Planned Supply	(c)		38,000sqm
Surplus (Shortfall)	(d) = (c - b)		(232,000sqm)
<b>Short Term (2021-2031)</b>			
Development Pipeline	(e)	59,000sqm	
Surplus (Shortfall)	(f) = (e - b)	(61,000sqm)	
<b>The Proposal</b>	(g)	<b>1,420sqm</b>	
Surplus (Shortfall)	(h) = (f + g)	(59,580sqm)	

Source: Atlas

## ROLE FOR THE SITE

Based on the research and analysis, there is an economic case for the Proposal to be progressed. Western Sydney is undergoing transformative change, with construction of the new airport and Metro line driving significant growth.

The implications of expected population and employment growth are significant, with an anticipated 120,000sqm of additional population-serving floorspace required to service the Penrith LGA by 2031. Whilst several projects are planned to meet some of this demand, the Penrith LGA is still likely to experience a critical supply shortfall of ~60,000sqm by 2031.

The Proposal is situated within an established health and education precinct, with new residential development creating further demand for local services for the growing worker, student and resident population. The WELL Precinct catchment area contains a highly skilled workforce and young families, which translates into need for convenience-based retail offerings. The Proposal will therefore service the needs of local residents, unlikely to compete with neighbouring centres given the depth of existing and future demand for population-serving floorspace.

Overall, the Proposal will deliver a small quantum of retail floorspace within the WELL Precinct, which will have an immaterial impact on the broader market, whilst helping to meet the needs of a growing neighbourhood population.



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# 1. Introduction

## 1.1 Background

Caddens Estate Development Pty Ltd (**Caddens Estate**) are progressing a development application for a mixed use project at 68-80 O'Connell Street, Kingswood (**the Site**). The proposed development (**the Proposal**) forms part of the Werrington Enterprise Living and Learning Precinct (**WELL Precinct**), and includes ground floor retail of approximately 1,420sqm within the E1 Local Centre land zone.

In summary, the Proposal comprises:

- Basement: residential and retail car parking bays;
- Ground Level: retail car parking bays and ~1,420sqm retail floorspace;
- Upper Levels: 469 residential apartments comprising mix of 1-4 bedrooms.

The WELL Precinct is situated within the Penrith LGA and has been identified by the Penrith City Council (**Council**) as a local centre. Its status as a local centre restricts retail Gross Floor Area (GFA) to a maximum of 10,000sqm, as per the Penrith Local Environmental Plan 2010 (**Penrith LEP**).

Caddens Corner Shopping Centre (**Caddens Corner**) was constructed within the WELL Precinct circa 2020, with an approved GFA of ~10,130sqm (surpassing the 10,000sqm retail GFA limit). The centre features a full-line Woolworths supermarket and 35 specialty shops including a childcare centre, medical centre, dental clinic and gym. The Proposal seeks to supply an additional ~1,420sqm of retail floorspace within the WELL Precinct.

Atlas Economics (**Atlas**) has been engaged by Caddens Estate to carry out an Economic Impact Assessment (**the Assessment**) to investigate demand for retail uses across the broader Penrith LGA and the potential role of the Site in accommodating some of this demand. The Assessment will specifically examine the quantum of retail uses proposed at the Site and the likelihood of these impacting the economic viability of neighbouring centres.

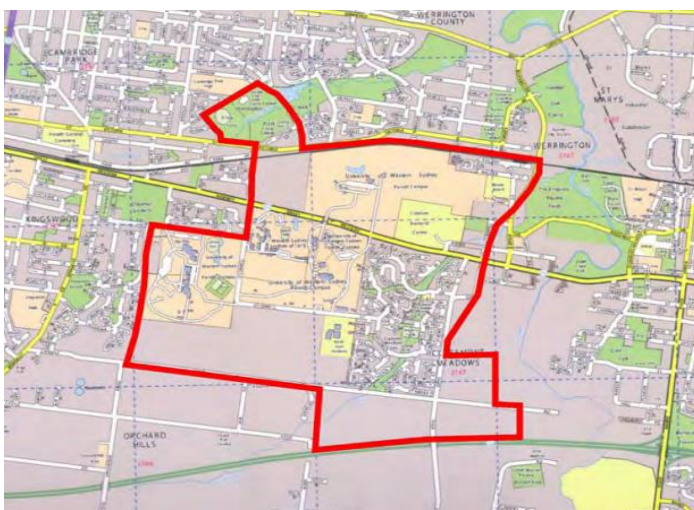
## 1.2 WELL Precinct

### The WELL Precinct Strategy

The WELL Precinct Strategy (the Strategy) was adopted by Council in November 2004. It defines the location of the WELL Precinct, broadly bound by the rail line to its north and encompasses the University of Western Sydney (UWS) as well as the Western Sydney Institute of Tertiary and Further Education (TAFE). The WELL Precinct is situated some 4km east of the Penrith CBD and largely includes the suburbs of Werrington, Kingswood and Caddens.

**Figure 1.1** illustrates the locational context and area boundaries of the WELL Precinct as defined in the Strategy.

**Figure 1.1: WELL Precinct Boundaries**



Source: WELL Precinct Strategy (2004)



Overall, the WELL Precinct measures approximately 670ha of site area. The Strategy identifies the WELL Precinct as key strategic land within the Penrith LGA and broader region; given its scale, proximity to established infrastructure and co-location with tertiary educational facilities.

The Strategy identifies several sub-precincts to analyse opportunities as part of the WELL Precinct concept plan. These include the Caddens Release Area and Precinct Centre sub-precincts, in which the Site forms part of. The Strategy envisions the sub-precincts as a vibrant 'front door' anchor to the adjoining UWS and TAFE campuses. Proposed land uses included a mix of neighbourhood-scale retail uses, community services, small-scale offices and higher density housing.

In particular, the Strategy highlights the challenges of understanding the likely quantum of demand for land uses within the Precinct Centre (E1 Local Centre zoned land). Further technical studies were subsequently carried out to understand the likely nature of demand for employment land uses in the Precinct Centre. Findings were incorporated into the WELL Precinct Development Contributions Plan (DCP) 2008.

### WELL Precinct DCP 2008

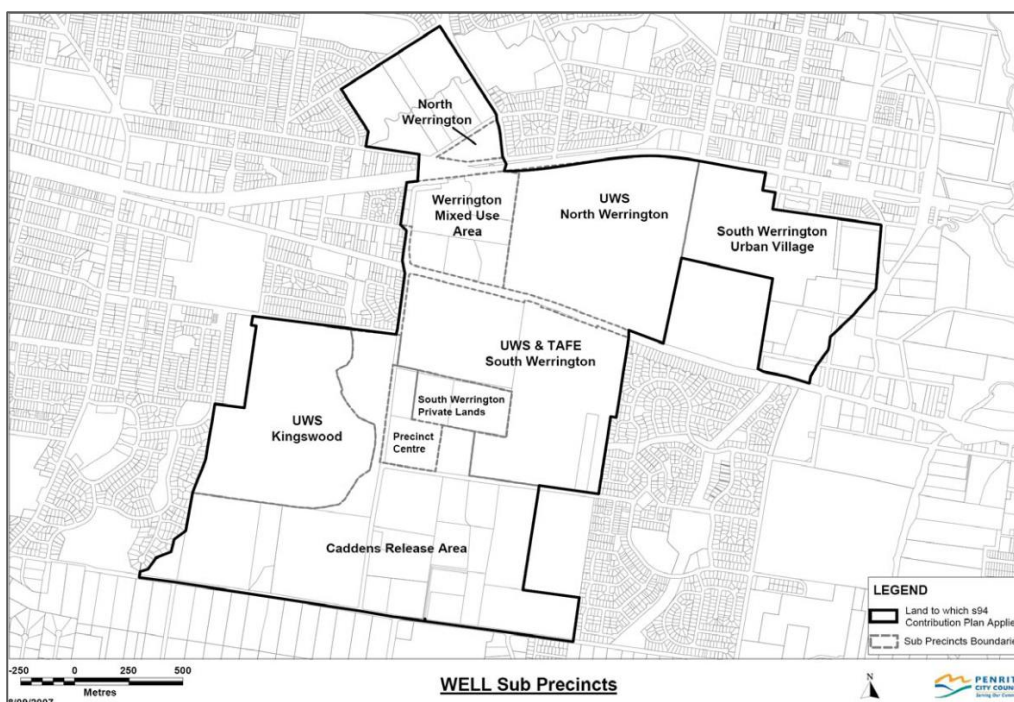
The WELL Precinct DCP (the DCP) was adopted by Council in June 2008. It was prepared in response to the need for coordinated infrastructure planning in the WELL Precinct, following Council's adoption of the WELL Precinct Strategy in 2004. Population and employment projections were carried out to anticipate the likely demand for residential and employment land uses across the precinct. Key projections included:

- An **additional 2,463 dwellings across the WELL Precinct**, envisaged at the time of DCP preparation. Most of this future dwelling supply was anticipated within the Caddens, South Werrington and Werrington Mixed Use Area sub-precincts.
- A projected population of **6,650 residents**, based on an assumed avg. occupancy rate of 2.7 persons/expected dwelling.
  - Of these additional dwellings, **1,247 dwellings** were planned within the '**Caddens Release Area (inc. Precinct Centre)**' sub-precinct. The Site falls within this sub-precinct.
- Based on the population projections, the DCP indicated a likely requirement of 664,199sqm of employment floorspace across the WELL Precinct. This includes **10,000sqm of retail/ commercial floorspace in the Precinct Centre**.

These projections were subsequently incorporated into the Penrith LEP as specified development controls. This includes the 10,000sqm retail and commercial floorspace limit applied to the Precinct Centre as per Part 7.12 of the LEP (2010).

**Figure 1.2** illustrates the WELL Precinct DCP Area including sub-precinct area boundaries.

**Figure 1.2: WELL Precinct DCP Area Boundary including Sub-Precincts (2008)**



Source: WELL Precinct DCP (2008)

### 1.3 The Site and Proposal

The Site is situated in Kingswood, located some 52km west of the Sydney CBD and 6km east of the Penrith City Centre.

The Site spans two lots, immediately adjoining Caddens Corner to its west including:

- part of 68 O'Connell Street zoned E1 Local Centre (~21,000sqm in site area);
- 80 O'Connell Street zoned R4 High Density Residential (~33,000sqm in site area).

The proposed retail floorspace within the Proposal will be located in the E1 portion of the Site, as illustrated in **Figure 1.3**.

**Figure 1.3: The Site**



Source: Atlas/Metro map

The Site is situated in proximity to several major education facilities, namely Western Sydney University and TAFE in Kingswood. The locality is governed by planning policies under the WELL Precinct Strategy, that promotes the development of land uses to complement the growth in health and education uses. It is also situated immediately south of large-scale residential developments at 29 and 46-66 O'Connell Street.

The Proposal will, upon completion, provide a 4-9 storey mixed use development including shop top housing, multi-unit housing and retail premises. Delivery of the proposed development is anticipated to occur over several stages.

### 1.4 Scope and Approach

The core objectives of the Study are to examine the current dynamics of demand and supply of retail floorspace within the Penrith LGA, project the future level of demand and identify the role the Site could play in accommodating that need.

To meet these objectives, the Study has investigated:

- The socio-economic profile of the Precinct Centre and broader Penrith LGA using recently released 2021 Census data;
- The trends and drivers of demand for retail floorspace in the broader Penrith LGA;
- Population and employment projections across the Penrith LGA and the likely implications for retail floorspace demand;
- Nature of retail demand and floorspace requirements;
- The competitive context the Site operates in, including existing and future supply of different retail land uses within the Penrith LGA and their forecast delivery timeframes;
- The likely impact of the Proposal on the neighbouring centres in the context of future demand and supply.

## 1.5 Assumptions and Limitations

Atlas acknowledges several assumptions and limitations associated with this Study.

- At the time of writing, the fallout from the COVID-19 pandemic across the NSW economy is still playing out. The medium to long-term implications for population and employment growth are yet to be fully understood.
- The macro-economic outlook is currently subject to significant uncertainty, with COVID-19, labour shortages, inflation, and war in the Ukraine. Employment projections relied upon were developed by the NSW Government prior to outbreak of COVID-19 and are not reflective of the current economic environment.
- The 2021 Census was administered during the COVID-19 pandemic and at a time of widespread lockdowns across Australia's east coast. Activity recorded at this time may not be accurately representative of employment levels.
- Growth projections relied upon do not necessarily reflect contemporary trends. Population and dwelling projections (by DPE) were released in early 2022 (post-COVID-19) but prior to release of census 2021 data.
- Market research is carried out on a 'desktop' basis without the benefit of site surveys and internal inspections.
- Floorspace supply data is sourced from various third party databases and subscriptions and is not validated.

Notwithstanding the above, all due care, skill and diligence has been applied to this Study as is reasonably expected.

## 2. Socio-Economic Profile

In order to gain an understanding of the local resident profile in the Precinct Centre, demographic data has been selected and analysed at a suburb level (Kingswood), which contains the geographical boundaries of the Precinct Centre. This is referred to as 'the Catchment Area'.

### 2.1 Historical Population Growth

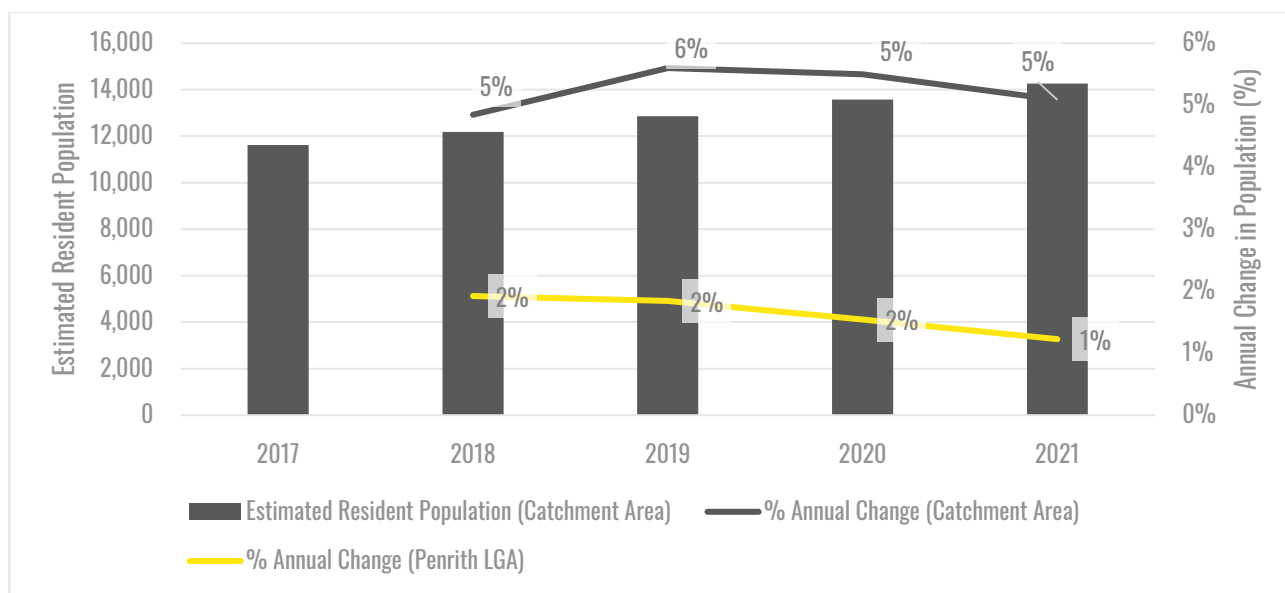
The Catchment Area recorded significant population growth in recent years. In 2017, the resident population was approximately 11,620. By 2021, the number of recorded residents rose to ~14,260, growing notably at an average annual rate of some 5% over the 2017-2021 period.

By comparison, the broader Penrith LGA recorded lower population growth, with an average annual growth rate of approximately 2% over the same period.

Whilst this pace of growth may be reflective of the lower population base in the Catchment Area, the marked rate of population growth has obvious economic implications, most notably demand for local services such as retail.

Figure 2.1 illustrates population growth recorded in the Catchment Area over the 2017-2021 period.

Figure 2.1: Population Growth (2017-2021), Catchment Area



Source: ABS (2021)

### 2.2 Age and Household Profile

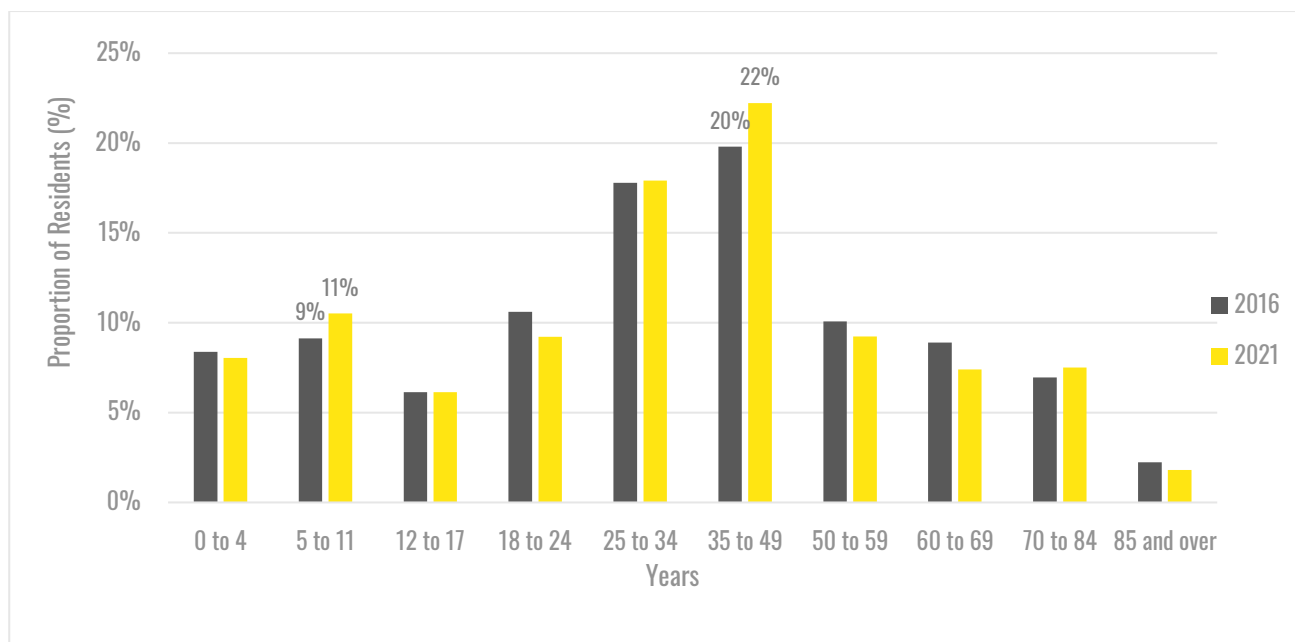
#### 2.2.1 Age Profile

In 2021, the dominant age profile in the Catchment Area were residents aged 35-49 years (22%), characteristic of a middle aged, working population. This was closely followed by the 25-34 years cohort, represented by 18% of residents.

In 2016, the age profile composition of the Catchment Area was largely unchanged, with the young and middle-aged working population forming the largest representation of residents in the Catchment Area. Over the 2016-2021 period, there was a nominal increase in the number of middle-aged residents (35-49 years) and children aged 5-11 years.

The age profile trends suggest that the Catchment Area is increasingly attractive to the middle-aged workforce and their young families, as illustrated in Figure 2.2.

**Figure 2.2: Age Profile (2016-2021), Catchment Area**



Source: ABS (2021)

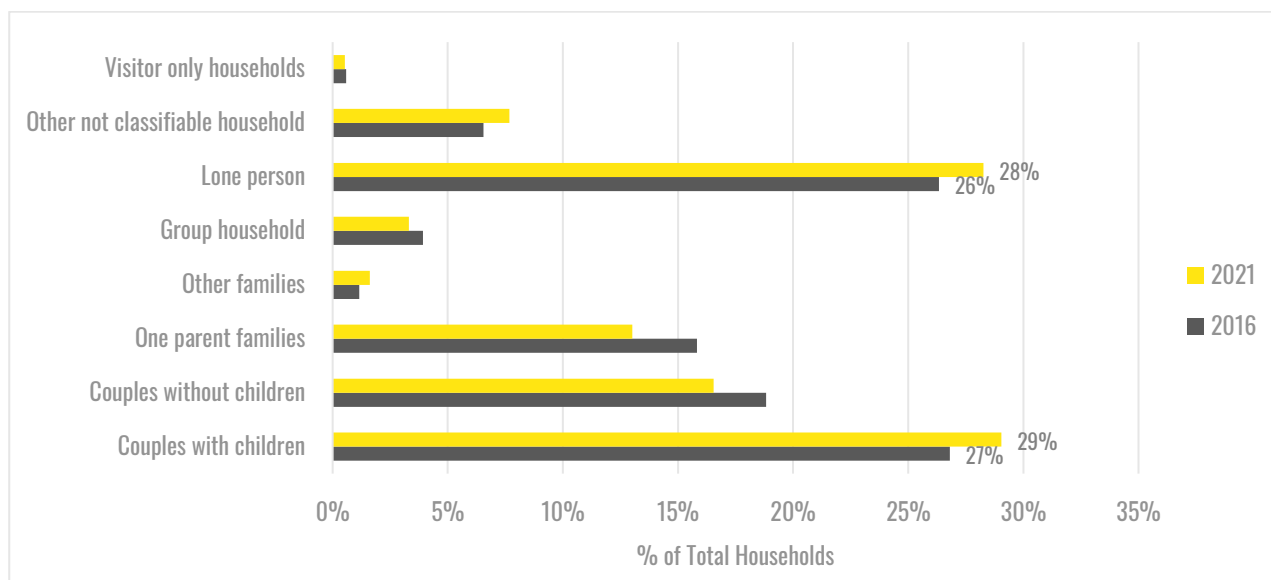
### 2.2.2 Household Profile

In 2016, a 27% majority of households in the Catchment Area were couples with children. Lone person households were also highly represented, accounting for 26% of household types.

In 2021, the household composition remained largely unchanged, with further increases in the number of lone person and couples with children. Overall, this indicates the growing representation of independent working adults and younger family households in the Catchment Area.

**Figure 2.3** depicts the household composition of the Catchment Area over the 2016-2021 period.

**Figure 2.3: Household Composition (2016-2021), Catchment Area**



Source: ABS (2021)

## 2.3 Education and Income Levels

In 2016, 43% of residents (a majority) in the Catchment Area had no post-school education qualifications, followed by 21% of residents having vocational qualifications. This was aligned with the education profile of the broader Penrith LGA.

Over the 2016-2021 period, there was a notable shift in the education profile in the Catchment Area. By 2021, the proportion of residents with no post-school education qualifications fell to 37%. Conversely, the number of Bachelor or Higher degree holders increased significantly, representing 23% of residents in 2021 (from 17% in 2016).

New Kingswood residents are also increasingly affluent, with a 2% increase in households within the highest income quartile over the 2016-2021 period. Whilst the median weekly household income in Kingswood was below that of the broader Penrith LGA in 2021 (\$1,397 compared to \$1,903), the adjoining Caddens locality recorded a significantly higher median income of \$2,592. The growing affluence of Caddens residents is also reflected in the high prevalence of development activity within the area.

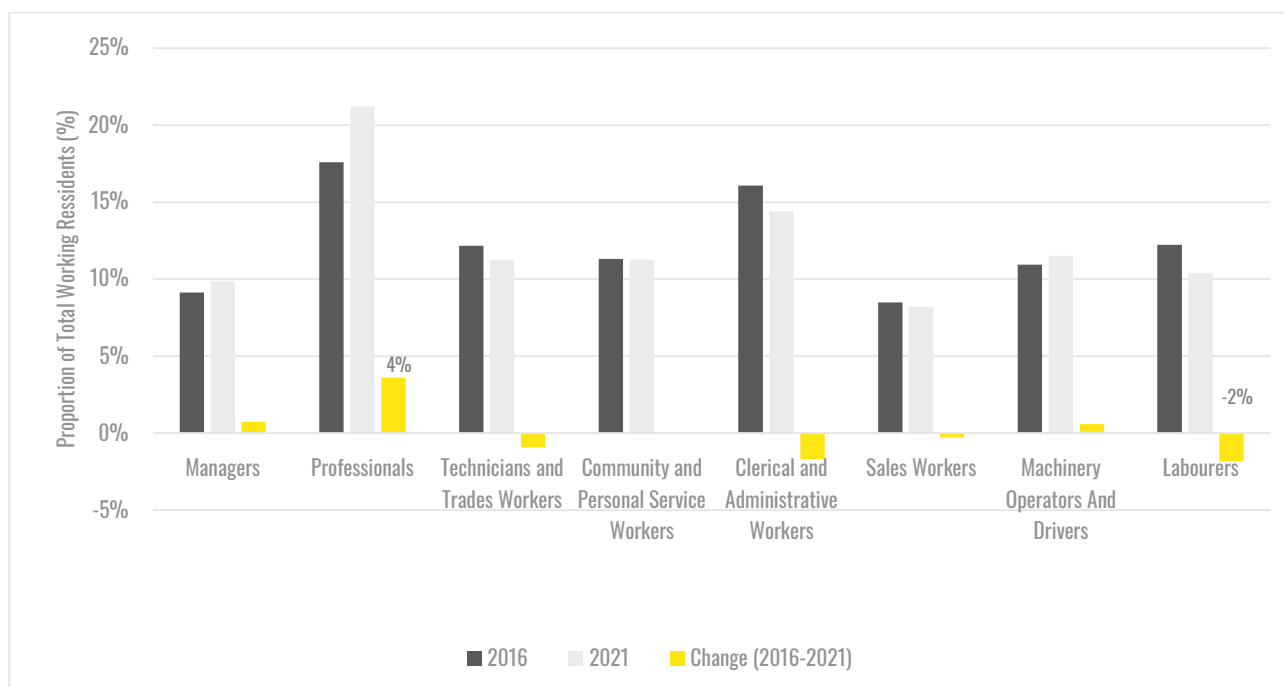
## 2.4 Employment by Occupation

In 2016, 18% of working residents in the Catchment Area were professionals, representing the dominant occupation profile. By 2021, this proportion rose to 21%, representing the largest change in occupation profile over the 2016-2021 period. There was also a nominal decline in the number of labourers.

The evolving resident profile, characterised by the increased number of white-collar workers (and decline in blue-collar workers), was broadly aligned with that of the Penrith LGA. However, the magnitude of change observed in the Catchment Area was greater (4% increase in professionals compared to 2% in Penrith LGA).

**Figure 2.4** depicts the occupation profile of local working residents in the Catchment Area over 2016-2021.

**Figure 2.4: Employment by Occupation (2016-2021), Catchment Area**



Source: ABS (2021)



## 2.5 Implications for the Proposal

A series of implications can be drawn from the review of the socio-economic profile of residents in the Catchment Area. These are summarised below:

- The Catchment Area resident population grew significantly over the 2017-2021 period, recording an average annual growth rate of 5%. This far outpaces the 2% average annual growth rate observed for the broader Penrith LGA.
- In 2021, most residents in the Catchment Area were young and middle-aged adults. This was represented by the 22% and 18% of residents aged 35-49 years and 25-34 years respectively. More middle-aged adults and younger children were also recorded in 2021 compared to 2016.
- Almost a third of households in the Catchment Area were couples with children. Lone person households were also highly represented. Collectively, they accounted for 57% of total households in 2021.
- Residents in the Catchment Area were increasingly educated. Over the 2016-2021 period, the number of residents having a Bachelor or higher degree increased markedly (from ~1,440 residents in 2016 to ~2,530 in 2021, indicating a 76% increase).
- There were more households within the highest income quartile in 2021 (16% of households compared to 14% in 2016). This indicates the increasing affluence of new residents in the Catchment Area.
- Over the 2016-2021 period, there were more white-collar workers and fewer blue-collar workers in the Catchment Area. This is aligned with occupation trends in the broader Penrith LGA. Particularly, the Catchment Area recorded a notable 4% increase in the number of professionals, representing the largest shift in resident occupations.

Overall, the socio-economic profile of the Catchment Area suggests the growing representation of middle-aged working adults, younger families, and a highly skilled workforce.

## 3. Population and Employment Projections

This Chapter analyses population and employment projections to understand future growth trends and consequently, their implications on the demand for retail land uses in the Catchment Area.

### 3.1 Population Projections

Official population and demographic projections in NSW are carried out by the NSW Department of Planning and Environment (DPE). DPE's Demography and Research Unit project population growth on a variety of demographic assumptions, including birth and fertility rates, mortality rates, migration levels and household formation patterns. These projections of population growth are divided by projected household occupancy rates to arrive at the number of dwellings impliedly required to accommodate the projected population.

The most recent set of population projections prepared by NSW DPE were released in Q1 2022, notably prior to the release of the recent 2021 census data.

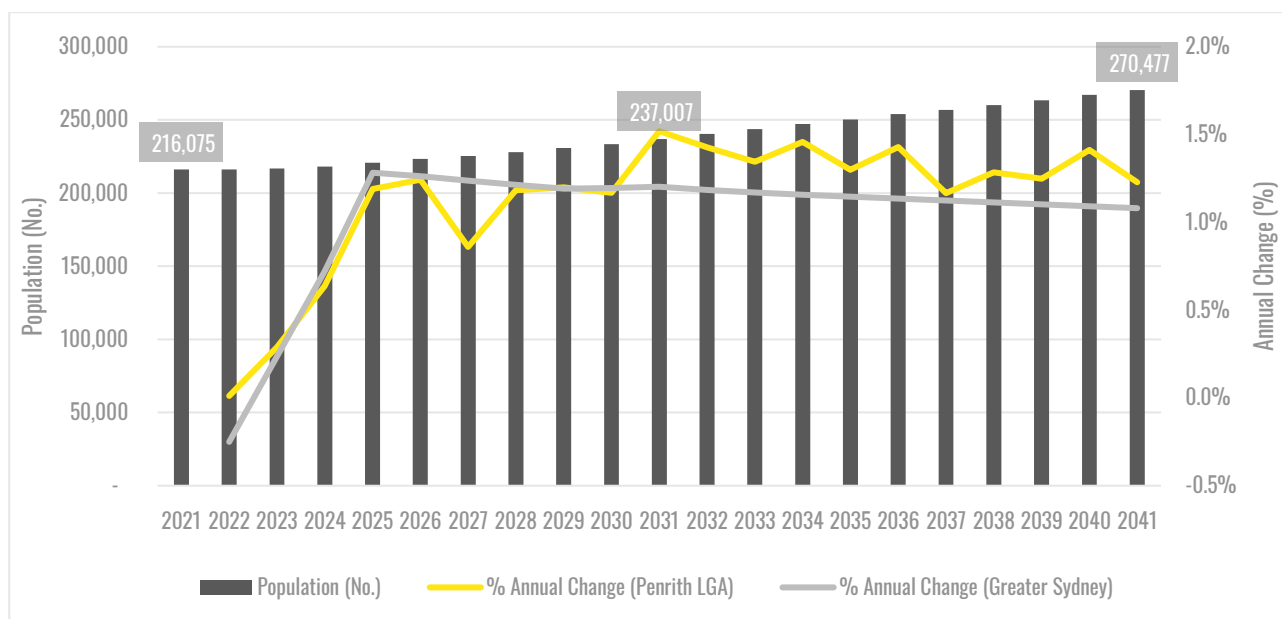
#### 3.1.1 Population Growth

The Penrith LGA forms part of Western Sydney, which is poised for significant population growth driven by major infrastructure projects including the Western Sydney Airport and Aerotropolis.

The NSW DPE's recent population projections indicate that the Penrith LGA is anticipated to accommodate an additional ~20,900 residents in the coming decade to 2031, and a further ~33,000 residents to 2041. This projected growth broadly trends above that of Greater Sydney, with a forecast average annual growth rate of 1.1% over the 2021-2041 period.

Figure 3.1 illustrates the projected population of the Penrith LGA over the coming two decades.

Figure 3.1: Population Projections (2021-2041), Penrith LGA



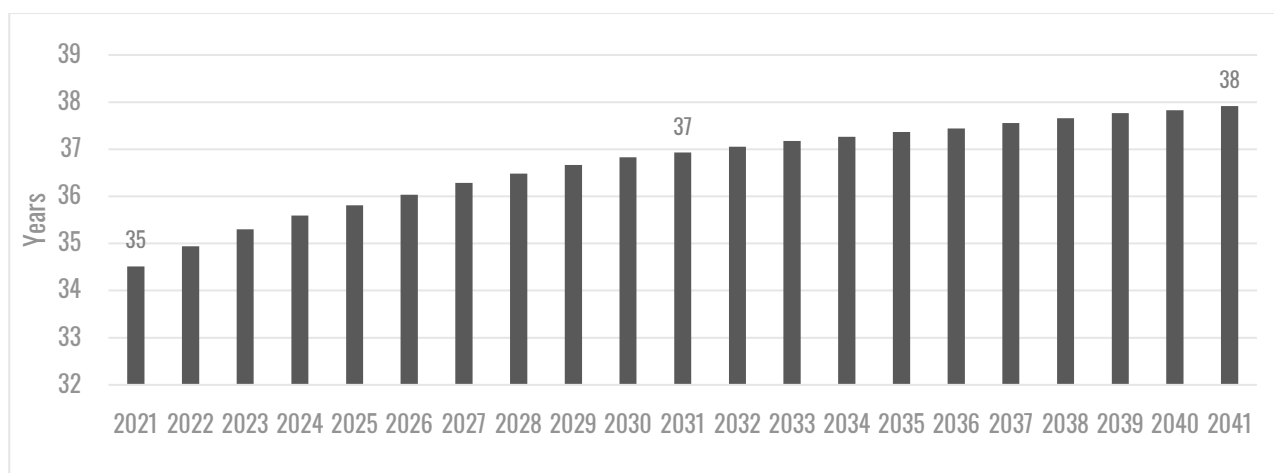
Source: DPE (2022)

#### 3.1.2 Age Profile

The age profile of the Penrith LGA is expected to increase gradually over the coming decades, with the median age of 35 years in 2021 progressively rising to 38 years in 2041. Therefore, the median age of the Penrith Area is expected to remain relatively young and characteristic of a middle-aged, working resident profile.

Figure 3.2 illustrates the age profile projections of the Penrith LGA over 2021-2041.

**Figure 3.2: Age Profile Projections (2021-2041), Penrith LGA**



Source: DPE (2022)

### 3.1.3 Household and Family Composition

The number of households in the Penrith LGA is expected to grow by some 25,000 households over the coming decades to 2041. The household composition is anticipated to remain largely unchanged, with couples with children continuing to represent the dominant household type.

Smaller format households (i.e., lone person and couple only households) are also expected to remain well-represented. Collectively, they are projected to account for almost 50% of households in the Penrith LGA.

**Table 3.1** summarises the projected household composition across the Penrith LGA over the 2021-2041 period.

**Table 3.1: Household Composition Projections (2021-2041), Penrith LGA**

Household Type	2021	2026	2031	2036	2041	2021-2041
Couple only	16,982	18,373	20,302	22,277	24,037	7,055
Couple with children	28,003	28,373	29,433	31,403	33,403	5,401
Single parent	10,674	11,129	11,848	12,748	13,628	2,954
Other family	3,386	3,518	3,768	4,061	4,317	931
Lone person	15,025	16,695	18,722	20,798	22,826	7,801
Group	2,010	2,100	2,267	2,435	2,560	550
Total Households	76,080	80,188	86,339	93,721	100,772	24,691

Source: DPE (2022)

## 3.2 Employment Projections

Employment projections relied upon in this Study are prepared by Transport for NSW's Transport, Performance and Analytics (TPA) Division. A series of Travel Zones (TZs) which align with the boundaries of the Penrith LGA have been selected as the focus of analysis.

### 3.2.1 Broad Industry Classifications (BIC)

The Australian Bureau of Statistics categorise employment activity into 19 industry sectors referred to as ANZSICs (Australian New Zealand Standard Industry Classification). These are the most commonly utilised categories used when analysing the employment profile of a local economy.

That said, it is often more useful to consider employment composition in broader industry terms. Broad industry classifications (BICs) group the 19 ANZSIC sectors into four main industry categories - population-serving, knowledge-intensive, health and education and industrial. These BIC groupings and their corresponding ANZSICs are shown in **Table 3.2**.

**Table 3.2: Broad Industry Classifications (BICs) by 19-Digit ANZSICs**

Population Serving	Knowledge-Intensive	Health and Education	Industrial
<ul style="list-style-type: none"> <li>Construction</li> <li>Retail Trade</li> <li>Accommodation &amp; Food Services</li> <li>Arts &amp; Recreation Services</li> <li>Other Services</li> </ul>	<ul style="list-style-type: none"> <li>Information, Media &amp; Telecommunications</li> <li>Financial &amp; Insurance Services</li> <li>Rental, Hiring &amp; Real Estate Services</li> <li>Professional, Scientific &amp; Technical Services</li> <li>Administrative &amp; Support Services</li> <li>Public Administration &amp; Safety</li> </ul>	<ul style="list-style-type: none"> <li>Education &amp; Training</li> <li>Health Care &amp; Social Assistance</li> </ul>	<ul style="list-style-type: none"> <li>Mining</li> <li>Manufacturing</li> <li>Electricity, Gas, Water &amp; Waste Services</li> <li>Wholesale Trade</li> <li>Transport, Postal &amp; Warehousing</li> </ul>

Source: ABS/Atlas

### 3.2.2 Projected Employment Profile

The staged delivery of major infrastructure projects and the development of new release areas have significant employment implications for the Penrith LGA over the coming decades. Employment is expected to grow by 14% over the 2021-2031 period, with some 12,000 additional jobs projected across the Penrith LGA. This includes:

- 2,900 workers in population-serving industries (e.g. retail, construction, accommodation and food services, etc)
- 3,600 workers in knowledge intensive industries (e.g. office-based industries)
- 3,100 workers in the health and education industries.
- 2,600 workers in traditional industrial sectors (e.g. transport and logistics, manufacturing, etc)

**Table 3.3** provides a breakdown of employment projections by BIC across the Penrith LGA over the 2021-2041 period.

**Table 3.3: Employment Projections (2021-2041), Penrith LGA**

Broad Industry Category	Employment			Change (2021-2031)		Change (2031-2041)		Change (2021-2041)	
	2021	2031	2041	No.	%	No.	%	No.	%
Population-Serving	31,575	34,523	38,341	2,948	9%	3,818	11%	6,766	21%
Knowledge-Intensive	14,967	18,554	22,433	3,587	24%	3,880	21%	7,467	50%
Health and Education	22,011	25,118	27,541	3,107	14%	2,423	10%	5,530	25%
Industrial	18,395	20,954	23,843	2,559	14%	2,889	14%	5,449	30%
<b>Total</b>	<b>86,947</b>	<b>99,148</b>	<b>112,158</b>	<b>12,201</b>	<b>14%</b>	<b>13,010</b>	<b>13%</b>	<b>25,211</b>	<b>29%</b>

Source: TPA (2022)

Employment growth is expected to continue steadily over the longer 2031-2041 horizon, rising by 13%, representing an additional ~13,000 jobs.

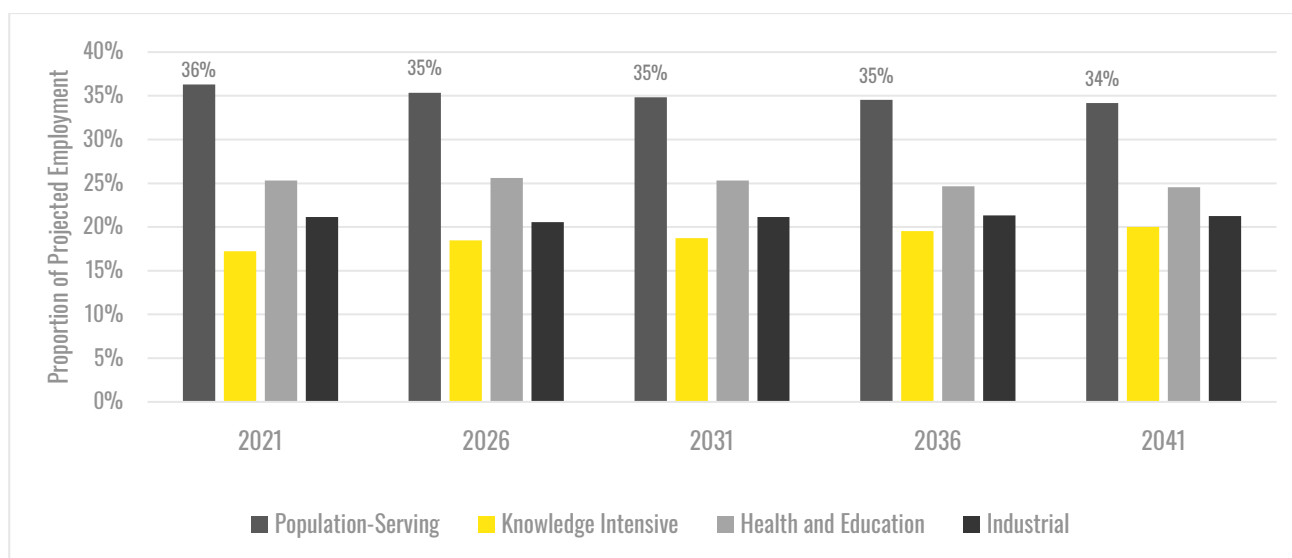
Knowledge-intensive industries are identified as key drivers of employment growth in the Penrith LGA, accounting for 50% of total growth in the coming decades to 2041. Industrial sectors are also expected to account for a notable 30% of future employment growth.

The expansion of the industrial sectors, and associated projected employment growth, can be attributed to the intensification of manufacturing, freight and logistics activity built around the development of Aerotropolis precincts and the Western Sydney International Airport. The planned large-scale infrastructure projects also require the engagement of highly skilled workers, therefore stimulating employment growth in the knowledge-intensive industries. The surge in 'white-collar' residents and shift towards local commercial districts further fuels growth across these industries.

Whilst population-serving industries account for comparatively modest employment growth in the Penrith LGA, it is expected to continue representing the largest proportion of total employment (35% of jobs in 2031).

Figure 3.3 depicts total projected employment by BIC across the Penrith LGA over the coming decades.

Figure 3.3: Projected Employment by BIC (2021-2041), Penrith LGA



Source: TPA (2022)

### 3.3 Demand for Employment Floorspace

The floorspace required to accommodate projected employment growth in the Penrith LGA can be estimated through converting employment (jobs) into floorspace using workspace ratios (i.e. the amount of floorspace occupied per worker).

The NSW Government provides a set of benchmark workspace ratios which can be used across Greater Sydney (Landcom, 2018). Atlas has refined this set based on past experience and industry knowledge.

The conversion of employment projections into floorspace suggests the Penrith LGA could require an additional ~640,000 square metres of employment floorspace over the decade to 2031. This could include:

- ~118,000sqm for population-serving industries;
- ~72,000sqm for knowledge-intensive industries;
- ~62,000sqm for the health and education industries;
- ~380,000sqm for industrial sectors.

Table 3.4 illustrates the potential demand for employment floorspace across the Penrith LGA over 2021-2031.

Table 3.4: Projected Demand for Employment Floorspace (2021-2031), Penrith LGA

Broad Industry Category	Employment			Workspace Ratio (sqm/job)*	Potential Floorspace Demand (sqm)			
	2021	2026	2031		2021	2026	2031	2021-2031
Population-Serving	31,575	33,050	34,523	35-100	1,263,002	1,321,989	1,380,914	117,912
Knowledge Intensive	14,967	17,255	18,554	20	299,331	345,106	371,073	71,742
Health and Education	22,011	23,937	25,118	50-100	440,213	478,739	502,350	62,138
Industrial	18,395	19,215	20,954	65-150	2,759,216	2,882,247	3,143,126	383,910
<b>Total</b>	<b>86,947</b>	<b>93,457</b>	<b>99,148</b>		<b>4,761,761</b>	<b>5,028,081</b>	<b>5,397,462</b>	<b>635,701</b>

\*Workspace ratio varies by individual industry

Source: Atlas Economics/TPA (202)

Of the ~640,000 square metres of additional employment floorspace potentially needed across the Penrith LGA over the coming decade, some ~120,000sqm could be demanded from population-serving industries. These industries typically require retail floorspace and generally accommodated within local centres. This will be an important metric to consider in the context of the Proposal.

### 3.4 Implications for the Proposal

Based on the population and employment projections, the following implications can be inferred:

- Projected population growth in the Penrith LGA is expected to exceed that of Greater Sydney over the 2031-2041 period. This is reflected by the 1.3% forecast average annual growth rate in Penrith LGA (compared to the projected 1.1% in Greater Sydney).
- The projected median age of residents in the Penrith LGA represent the profile of young and middle-aged adults. Couples with children are likely to continue to form the largest proportion of household types. Lone person households are also projected to increase markedly in the coming decades. Population projections suggest that the resident profile in the Penrith LGA can be broadly characterised as young families and middle-aged working adults.
- Population-serving industries are likely to continue to account for the largest proportion of employment in the Penrith LGA over the coming decade (35% of jobs in 2031).
- Employment projections indicate that an additional ~640,000sqm of potential floorspace may be required by 2031. This includes an additional ~120,000sqm of population-serving floorspace. The floorspace requirements are driven by the anticipated population growth across the Penrith LGA.



## 4. Retail Land Uses

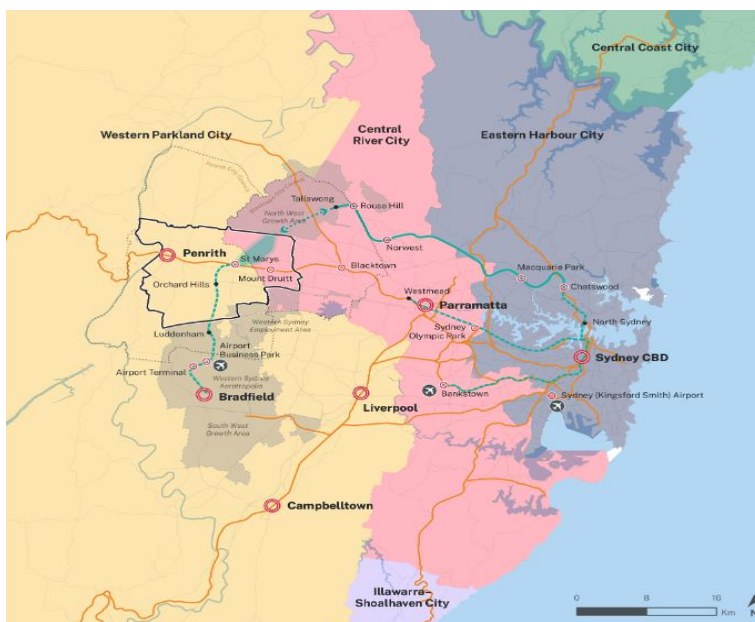
This Chapter carries out an appraisal of retail land uses across the Penrith LGA. Key economic and market trends influencing the retail market are firstly considered, followed by an overview of local market activity and the nature of planned supply.

### 4.1 Trends and Drivers of Demand

Major infrastructure developments are being progressed within Western Sydney, including the Western Sydney International Airport and the Western Sydney Airport Line. The Greater Penrith to Eastern Creek (GPEC) corridor has been identified as a key growth area to leverage infrastructure investment and efficiently integrate the development of complementary land uses. The GPEC area encompasses the Penrith and Blacktown LGAs, connecting the Central River City and Western Parkland City.

**Figure 4.1** identifies the GPEC area in the context of the Six Cities Region.

**Figure 4.1: GPEC Area**



Source: DPE (2022)

The 2022 Draft GPEC Strategic Framework identified two priority areas within the Penrith LGA including St Marys and Orchard Hills. This includes planned housing in Orchard Hills and a mixed use local centre; and urban renewal around transport infrastructure in areas like St Marys. Kingswood has also been identified as a growth precinct for health and education, occupied by key anchors Western Sydney University (Penrith campus), TAFE and Nepean Hospital.

Planned development across the GPEC area will build a critical mass of residents requiring a broad mix of retail and business services within the Penrith LGA. The Penrith LGA is also subject to broader trends and drivers influencing activity at a Greater Sydney level. Some of these trends are briefly considered in turn.

#### Retail Land Uses

The retail sector has been at the forefront of structural change. This is largely the result of the growth in technology and e-commerce penetration, as well as demographic trends which are changing consumption patterns. Some of the key trends influencing Greater Sydney's retail market include:

- Rising online retail penetration rates shifting buying patterns away from bricks and mortar retail outlets in certain retail categories (e.g. fashion, homewares, etc).
- Growing shift in shopping centres to focus on experiential retail offerings and food and beverage precincts.
- Demand from both landlords and tenants for shorter, more flexible leasing arrangements.

- 'Hyper-localism' shopping patterns largely driven by the COVID-19 pandemic which has significantly boosted trading performance of local neighbourhood shopping centres and supported strong growth in capital values.
- Increased delivery of retail floorspace through high density, mixed-use developments.
- Increased consumer desire for accessible, convenience-focused retail offering favouring frequent, smaller convenience shopping trips.

These trends are directly observable across the Penrith LGA with the prevalence of new development activity (i.e. mixed-use developments), enabling developers to meet the contemporary needs and tastes of their trade catchments efficiently.

#### Recent Market Activity

Retail activity in the Penrith LGA is predominantly characterised by smaller-format local and neighbourhood centres; with the largest retail centre being Westfield located in the Penrith CBD. Existing local centres include St Marys Village (St Marys), Southlands Shopping Centre (South Penrith) and Caddens Corner (Precinct Centre). These retail uses are complemented by neighbourhood shopping strips and dispersed around activity centres across surrounding localities.

Demand for retail uses across the Penrith LGA has been strong over the past 18-24 months. This is evidenced by the low 1% vacancy rate observed across the Penrith LGA (Arealytics, 2023). Analysis of market activity also indicates a very tightly held retail market, with limited sale and leasing transactions occurring in the last 12 months. The demand for retail floorspace across the Penrith LGA is a direct reflection of strong population growth and local shopping activity.

## **4.2 Competitive Context**

This section analyses existing and future planned retail centres in the Penrith LGA in order to understand the competitive context of the WELL Precinct.

### **4.2.1 Existing Centres**

There are several existing retail centres surrounding the Site, including the adjacent Caddens Corner, the Penrith CBD, and St Marys town centre. The role and capacity of each centre was considered in turn.

#### Caddens Corner, Kingswood

Caddens Corner is situated at 68 O'Connell Street, Kingswood, abutting the western boundary of the Site. The centre was constructed circa 2020, with an approved GFA of ~10,130sqm. It comprises a broad tenancy mix including a full-line Woolworths supermarket amongst 35 other specialty stores. These include health and beauty services, a fitness centre, and several dining options.

#### Penrith City Centre

The Penrith City Centre is the largest retail precinct within the LGA. It is located approximately 6km west of the Site, with numerous anchor tenants (Myer, Coles, Woolworths, etc.) situated within its large-format Westfield and Nepean Village shopping centres. The precinct accounts for approximately 230,000sqm of retail floorspace, representing ~54% of retail uses across the broader Penrith LGA (Hill PDA, 2020). A centre audit undertaken in 2020 recorded a vacancy rate of ~3%, which was considerably low during the peak of COVID.

Given its focus on experiential retail offerings, the Penrith City Centre represents a destination rather than a convenience-based, local centre.

#### St Marys Town Centre

The St Marys Town Centre is an established centre situated some 5km east of the Site. It comprises the St Marys Village Shopping Centre, several arcades and strip retail along Queen Street. These retail uses collectively occupy approximately 72,000sqm of floorspace (Hill PDA, 2020), and contain key anchor stores Woolworths, Target and BWS.

The proposed Western Sydney Airport Railway line is expected to stimulate significant growth for St Marys, with the precinct identified as a priority centre for urban renewal.

## 4.2.2 Planned Centres

The GPEC draft strategic framework identifies two large-scale developments being progressed within the Penrith LGA, namely the Sydney Science Park and Orchard Hills North precinct development. These projects include the delivery of retail floorspace, appropriately planned to meet the needs of future residents within new housing in the longer term.

### Sydney Science Park

The Sydney Science Park is a proposed specialised centre in Luddenham, approximately 20km south of the Site. It spans a notable ~290ha of land area, forming part of the Northern Gateway Precinct of the Western Sydney Aerotropolis. The centre is set to host a cluster of science-based industries and research facilities as part of its function as a high technology precinct. It will comprise a mix of employment, education, retail and residential uses which includes:

- ~340,000sqm of research and development floorspace;
- ~100,000sqm of education floorspace and associated student accommodation;
- Town Centre accommodating ~30,000sqm of retail floorspace;
- 3,400 dwellings.

The Town Centre is expected to be operational by 2041, supplying retail goods and services to future workers, students and residents of the Science Park. Proposed retail provisions include a broad mix of convenience-based and entertainment offerings, reflecting the socio-demographic diversity of the Science Park.

### Orchard Hills North Local Centre

Orchard Hills is identified as a priority area for urban development under the GPEC Strategic Framework. Orchard Hills North represents a ~152ha site north of the M4 Motorway - approximately 2km south of the Site. The area is being rezoned from rural RU4 Primary Production Small Lots land to suit a mix of land uses including residential and retail provisions as follows:

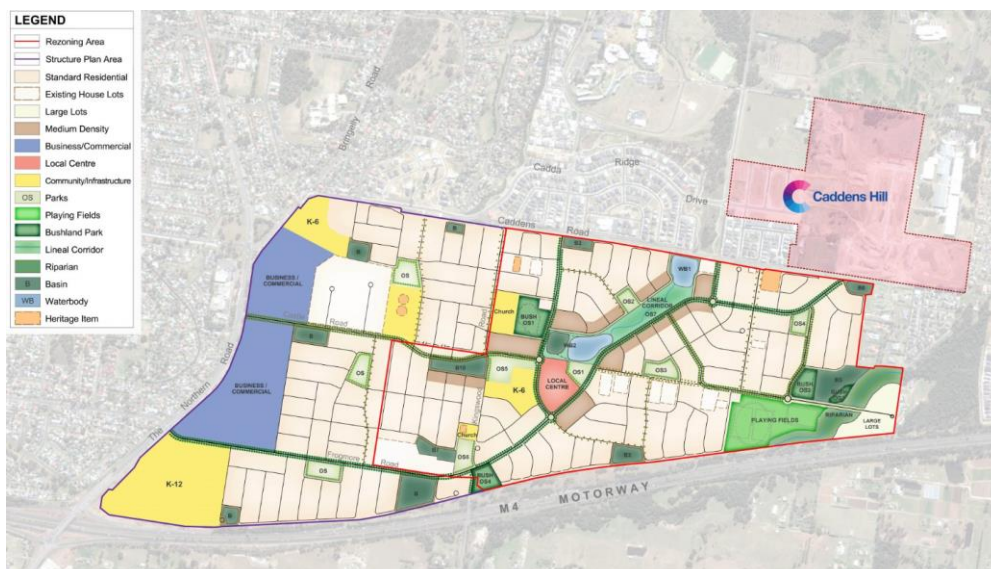
- R1 General Residential Zone: 1,729 new residential lots providing a mix of housing typologies;
- B2 Local Centre: Village Centre providing 6,000-8,000sqm of retail floorspace.

Planning of the precinct is primarily built around creating a self-contained community within Orchard Hills. Retail provisions are focused on servicing local residents within its planned neighbourhoods (Penrith City Council, 2022).

The project is in its rezoning phase at present, with associated retail floorspace likely to be realised only in the longer term.

Figure 4.2 depicts the Orchard Hills North Masterplan.

**Figure 4.2: Orchard Hills North Proposal**



Source: Legacy Property (2022)

### 4.2.3 Development Pipeline

A review of the development pipeline indicates that there are several retail developments being progressed across the Penrith LGA, mostly located around the Penrith City Centre. Development activity in areas surrounding the Site such as Kingswood and Caddens is comparatively limited. This mainly includes the development at 29 & 44-66 O'Connell Street.

Collectively, these developments could deliver ~59,000sqm of retail floorspace in the coming decade. Most of this supply will be achieved within mixed use developments, with around 21,000sqm at Panthers Precinct and Thornton Estate.

**Table 4.1** summarises proposed developments in Kingswood and notable projects across the broader Penrith LGA.

**Table 4.1: Major Retail Developments in the Pipeline, Penrith LGA**

Address	Description	Retail Floorspace	Estimated Completion
Mulgoa Road, Penrith	The proposed project forms part of the Penrith Panthers commercial and residential precinct redevelopment. The development will deliver a range of land uses including aged care facilities, hotel suites, residential apartments and general retail.	12,500 sqm	2025
1196 Sydney Smith Drive, Coreen Av & Lord Sheffield Circuit, Penrith (Thornton Estate)	The proposed mixed-use development will provide a variety of uses including 1,012 residential units, general retail, specialty shops, medical centre, gym and childcare facility.	8,500 sqm	2023
182-190 Great Western Highway, Kingswood (Bentley Apartments)	The proposed 6-storey development is situated approximately 2km northwest of the Site. Upon completion, it will feature 51 apartments and ground floor retail. Construction has not yet commenced.	890 sqm	2024
252 Great Western Highway, Kingswood	The proposed development comprises a 8-storey mixed-use development, situated some 3km northwest of the Site. The development will feature 40 apartments and ground floor retail.	218 sqm	2023
29 & 44-66 O'Connell Street	Situated immediately north of the Proposal, it is DA-approved for 119 medium density housing, apartments and retail uses within a residue lot (identified as a future DA). Theoretical estimates indicate the potential to deliver up to 9,233sqm of retail floorspace.	9,233sqm	2031

Source: BCI

### 4.3 Implications for the Proposal

Based on the analysis of market demand and supply of retail land uses across the Penrith LGA, the following implications can be drawn:

- Demand for retail uses across the Penrith LGA is expected to surge in the coming decades. This is led by major infrastructure developments and associated population growth in the broader Western Sydney region.
- Local retail centres have become increasingly important, driven by changes in consumer behaviour following the pandemic. This is also reflected in local planning strategies, encouraging integrated mixed-use developments around transport nodes.
- Existing retail provision across the Penrith LGA is predominantly located within dated, neighbourhood shopping strips or smaller-scale local centres.
- New retail offerings proximate to the Site (i.e., Caddens Corner) have been received very positively by the market – driven by the growing appetite for local facilities as well as the increasingly skilled and affluent resident population.
- Whilst the development pipeline suggests the delivery of ~59,000sqm retail floorspace across the Penrith LGA by 2028, most of these developments service trade catchments beyond the Site.

There is positive market demand for retail land uses across the Penrith LGA. Based on the volume of future supply, there is a clear gap in market need, which presents an opportunity the Proposal to serve as a neighbourhood retail centre in the near future.



## 5. Impact of the Proposal

Based on the analysis of the socio-economic profile, population and employment projections, and market appraisal, this Chapter concludes the likely role for the Site and potential impact of the Proposal on neighbouring centres.

### 5.1 Matters for Consideration

The WELL Precinct is currently subject to a 10,000sqm retail floorspace cap. This is specified in part 7.12 of the LEP, based on population and dwelling forecasts carried out as part of the WELL Precinct Strategy in 2008. The projections indicated an expected population of 6,650 residents within the WELL Precinct. No technical studies have been recently undertaken to update these projections to reflect current population and dwelling data. Therefore, it is unclear if the 10,000sqm retail floorspace cap remains relevant in meeting current market need.

This section examines the current and future population of the WELL Precinct in the coming years. This includes analysis of any planned residential developments in the locality, and the associated population growth as residents occupy these new dwellings. In doing so, the analysis seeks to understand if the WELL Precinct population is aligned with previous projections (6,650 residents).

#### 5.1.1 WELL Precinct Residential Development Overview

To examine and compare actual and projected population growth in the WELL Precinct, a series of ABS geographies known as Statistical Area Level 1 (SA1) were chosen which broadly align with the boundaries defined in the WELL DCP (2008). This is referred to as 'the Study Area'.

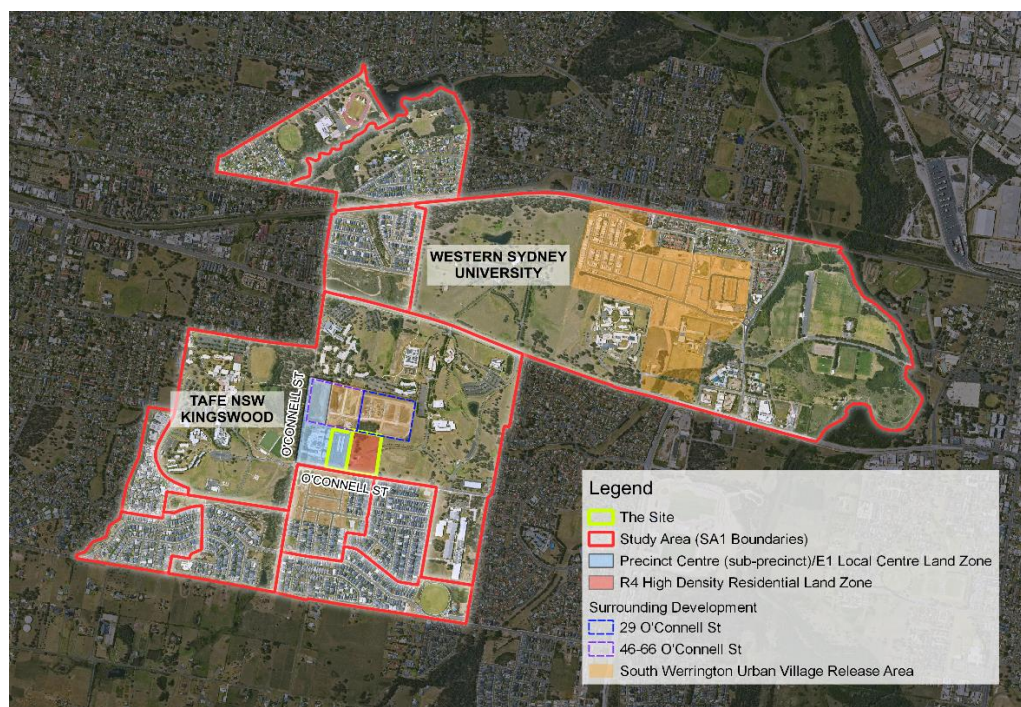
The Study Area accommodates the Proposal and other residential developments planned in the surrounding area, namely:

- **The Proposal:** To deliver 469 residential apartments in a mix of 1-4 bedrooms.
- **29 & 46-66 O'Connell Street, Caddens:** Approved DA for 119 medium density residential lots.
- **South Werrington Urban Release Area:** Minimum yield of 414 dwellings (Penrith DCP 2014).

This indicates that new projects in the Study Area will deliver at least **1,002 dwellings** over the coming years.

Figure 5.1 illustrates the Study Area boundaries and identifies planned residential developments in the locality.

Figure 5.1: Study Area Boundaries and Surrounding Residential Developments



Source: Atlas

As at the most recent 2021 Census data, the Study Area accommodated **5,490 residents**. Importantly, this does not include residents who will occupy the ~1,000 new dwellings as planned residential developments reach completion.

The following sections further details major residential developments planned in the Study Area.

### 5.1.2 29 & 44-66 O'Connell Street, Kingswood

The site at 29 & 44-66 O'Connell Street is situated immediately north of the Proposal. A DA was recently granted by Council for a mixed use development (DA/21/0323) through the Land and Environmental Court (LEC). The Section 34 Agreement was executed in June 2022 for an approved staged Community Title Subdivision including:

- 119 medium density residential lots.
- 1 residue lot for retail uses within the E1 Local Centre land zone.
- 4 super lots for future medium density development.

The residue lot and super lots were identified as future DAs, with detailed land use specifications unknown at this stage. This includes retail uses on the residue lot zoned E1 Local Centre. For the purposes of understanding the potential retail floorspace which could be accommodated at 29 & 44-66 O'Connell Street, a theoretical estimate was carried out.

**Table 5.1** calculates the potential retail floorspace and estimated population accommodated at 29 & 44-66 O'Connell Street.

**Table 5.1: Estimated Retail Floorspace and Population, 29 & 44-66 O'Connell Street**

Land Use		
Retail		
E1 Local Centre portion	(a)	18,465sqm
Site Coverage	(b)	50%
Retail Component	(c)	Ground level only
<b>Potential Retail Floorspace</b>	<b>(d) = (a x b)</b>	<b>9,233sqm</b>
Residential		
Approved Dwellings	(e)	119
Assumed Occupancy Rate	(f)	2.5 persons/dw
<b>Estimated Population</b>	<b>(g) = (e x f)</b>	<b>298 residents</b>

Source: Atlas

Based on theoretical assumptions including site coverage and building density, the site at 29 & 44-66 O'Connell Street could potentially accommodate some **9,233sqm of retail floorspace**. This estimate assumes that the existing retail floorspace cap does not apply.

The development is also likely to accommodate **298 residents** within its 119 approved medium density lots.

### 5.1.3 South Werrington Urban Village

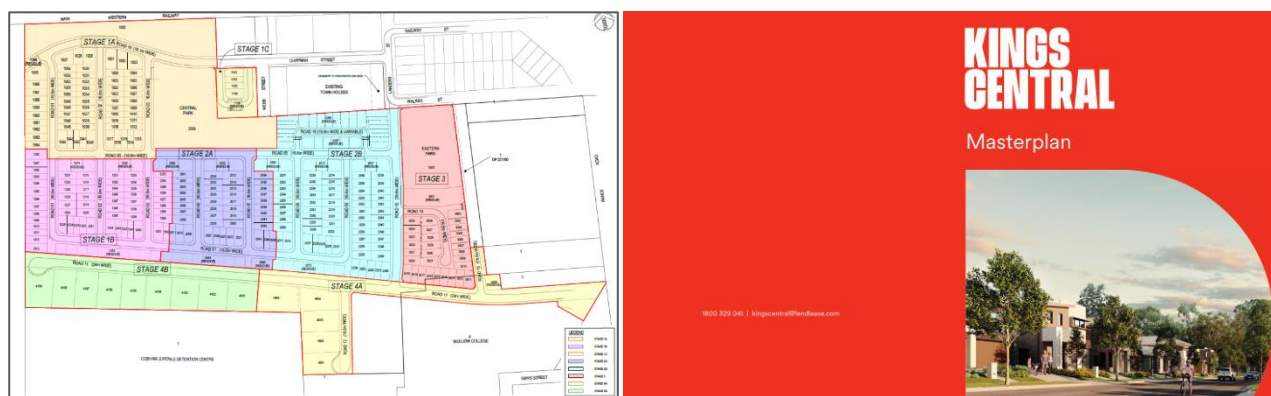
The South Werrington Urban Village (SWUB) is a sub-precinct which forms part of the WELL Precinct. The SWUB area is broadly bound by WSU to its west, Werrington train station to its north, the Kingsway field to its east and the Great Western Highway to its south.

It measures approximately 48ha of land identified for urban development, including residential and employment uses. This reflects its mix of land use zones, including R1 General Residential, R4 High Density Residential and E4 General Industrial.

The Penrith DCP (2014) outlines development controls specific to the SWUB sub-precinct. In particular, a minimum requirement of **414 dwellings** is applicable to the SWUB area, outlined in section 12.8.2.4 'Dwelling Yields'. Two notable residential projects are being progressed in the SWUB, namely the Kings Central Estate and 25 Rance Road in Werrington.



## 'Kings Central Estate', 16 Chapman St & 2 Gipps St, Werrington



Source: Various

The Kings Central Estate by Lendlease is situated at 16 Chapman Street in Werrington. A review of the masterplan and DA documents indicate the delivery of nearly 390 residential dwellings over four stages. This includes a mix of standard residential lots (356 dwellings) and apartments (33 units). A total of **265 residential lots** are approved to date, with marketing material noting that **some 1,000 residents** are anticipated upon completed of the estate (Lendlease).

**Table 5.2** summarises the dwelling yield proposed within the Kings Central Estate.

**Table 5.2: Kings Central Estate Residential Masterplan**

Stages	RESIDENTIAL LOTS (No)		APARTMENTS (No)	
	This DA	Future DA	This DA	Future DA
Stage 1A	64	0	0	0
Stage 1B	60	16	0	0
Stage 1C and 1D	4	14	0	0
Stage 2A	44	16	0	0
Stage 2B	63	45	0	0
Stage 3	30	0	0	33
Stage 4A	0	0	0	0
Stage 4B	0	0	0	0
<b>TOTAL</b>	<b>265</b>	<b>91</b>	<b>0</b>	<b>33</b>

Source: Penrith City Council (DA Tracker)

## 25 Rance Road, Werrington

The development at 25 Rance Road in Werrington is approved for an 83 residential lot subdivision and one residue lot for future high density development. The site is zoned R4 High Density Residential and represents Sub-Precinct D in section 12.8.2.4 of the Penrith DCP, where a minimum yield of **122 dwellings** is applicable.

To understand the likely resident population within the site, a theoretical estimate was carried out based on the expected dwelling yield. Assuming that the development will deliver the minimum of 122 dwellings, this implies that the residue lot will accommodate at least 39 apartments. **Table 5.3** applies a suitable occupancy rate to each dwelling type (and yield) to estimate the likely resident population.

**Table 5.3: Estimated Resident Population, 25 Rance Road**

Dwelling Type	Dwelling Yield	Assumed Occupancy Rate (Persons/dw)	Estimated No. of Residents
Standard Lot	83	2.5	208
Apartment	39	2	78
<b>Total</b>	<b>122</b>		<b>286</b>

Source: Atlas

Overall, **an estimated 286 residents** are expected to reside within the development at 25 Rance Road upon completion. Additionally, **no retail uses** are proposed or permitted within the site based on its current residential land zoning.

### 5.1.4 Implications for Retail Demand

In 2021, the WELL Precinct accommodated **some 5,490 residents**. It also **comprises 10,127sqm of retail floorspace** within the Caddens Corner Shopping Centre, implying a total of **some 11,544sqm of retail floorspace** upon completion of the Proposal. Several large-scale developments are being progressed, which will deliver a notable volume of dwellings across the precinct. This will in turn drive population growth as residents occupy these new dwellings upon completion.

**Table 5.4** summarises key developments across the WELL Precinct and the estimated resident population upon completion.

**Table 5.4: Key Developments and Population Estimates**

Address	Project	Estimated Dwelling Yield	Estimated No. of Residents	Proposed/Theoretical Retail Floorspace (sqm)
The Proposal	-	469	938	1,417
29 & 44-46 O'Connell Street, Kingswood	-	119	298	9,233
16 Chapman St, Werrington	Kings Central	265	1,000	-
25 Rance Rd, Werrington	-	122	286	-
<b>Total</b>		<b>975</b>	<b>2,522</b>	<b>10,650</b>

Source: Atlas

These estimates assume that the existing retail floorspace cap does not apply.

The WELL Precinct will likely accommodate **an additional ~2,520 residents** in the coming years; based on the 975 additional dwellings expected in the precinct. This includes the 387 dwellings in Werrington, which is below the minimum yield of 414 dwellings required in the SWUB sub-precinct. This implies that the WELL Precinct will accommodate a higher dwelling yield and larger resident population than estimated in **Table 5.4**.

**Table 5.5** compares the DCP projected population against recent population estimates to understand if the retail floorspace cap remains relevant.

**Table 5.5: Comparison of DCP Population Projections and Recent Population Estimates**

No. of Residents	Retail Floorspace (sqm)
<b>DCP Projections as at 2008 (Projected)</b>	
6,650	10,000
<b>Recent Estimates</b>	
5,490 (2021 ABS Census)	11,544
2,522 (Future Development)	9,233
8,012 (Total)	20,777 (Total)
<b>Difference between Projected and Recent Estimates</b>	
+1,362 residents	+10,777

Source: Atlas

Upon completion of new developments, the WELL Precinct will likely accommodate **some 8,010 residents** in the near future. This is notably higher than the estimated **6,650 residents** in the DCP.

This shows the WELL Precinct will require a larger volume of retail floorspace (than initially anticipated) to meet the needs of a rapidly growing resident population. Accordingly, this demonstrates that the 10,000sqm retail limit is no longer relevant in the current market context.

The next section will examine the supply shortfall should the current retail floorspace cap of 10,000sqm remain in place.

## 5.2 Remaining Supply Shortfall with Current Floorspace Cap

By comparing the floorspace demand projections carried out in Chapter 3 against planning supply identified in Chapter 4, the potential need and impact of the Proposal can be inferred. These can be summarised as follows:

- Employment projections suggest there could be demand for an additional ~120,000 sqm of population-serving floorspace across the Penrith LGA over the coming decade to 2031.
- There is likely to be a shortfall in supply to meet this demand over the coming decade, even when assuming the entirety of planned supply is delivered (~88,000sqm).
- The short-term supply outlook (~59,000sqm) will be **insufficient** to meet projected demand, with demand for a further ~150,000sqm of floorspace expected over the 2031-2041 period.
- The Proposal (~1,420sqm retail floorspace) represents 2% of the projected floorspace needed over the 2021-2031 period, which will mitigate the shortfall in the short and medium term.

Table 5.6 summarises the demand and supply of retail floorspace across the Penrith LGA over the coming decades.

**Table 5.6: Summary of Centre Floorspace Demand and Supply Shortfall, Penrith LGA**

		2021-2031	2031-2041
Demand for Centre Floorspace <sup>1</sup>	(a)	120,000sqm	150,000sqm
Cumulative Demand	(b)	120,000sqm	270,000sqm
<b>Long Term (2021-2041)</b>			
Potential Planned Supply	(c)		38,000sqm
Surplus (Shortfall)	(d) = (c - b)		(232,000sqm)
<b>Short Term (2021-2031)</b>			
Development Pipeline	(e)	59,000sqm	
Surplus (Shortfall)	(f) = (e - b)	(61,000sqm)	
<b>The Proposal</b>	(g)	<b>1,420sqm</b>	
Surplus (Shortfall)	(h) = (f + g)	(59,580sqm)	

Source: Atlas

<sup>2</sup>Population-serving employment floorspace demand

### 5.3 Impact of the Proposal on Neighbouring Centres

Based on the projected demand for retail floorspace over the coming decades, there is an apparent supply shortfall across the Penrith LGA. This is especially critical in areas outside the Penrith City Centre, with limited retail developments in the pipeline to service the growing population.

Whilst new centres are being planned within priority areas such as St Marys and Orchard Hills, they will accommodate demand generated by future residents within those precincts. Furthermore, development at St Marys and Orchard Hills is not anticipated to occur in the short-term.

The Site is situated within an established health and education precinct, with local workers and students forming a large proportion of its population base. Furthermore, the Proposal includes the delivery of new housing, contributing to the increase in its resident population. The additional ~1,420sqm of retail floorspace proposed within the Site will be important in servicing the anticipated population growth in Kingswood.

Overall, the Proposal is economically appropriate in meeting demand for retail floorspace at a neighbourhood-scale. Based on the magnitude of retail supply shortfall, it is unlikely that the Proposal will have a material impact on surrounding centres. Rather, the Proposal will play a supporting role to the larger neighbouring centres where more intensive growth is anticipated.

The Proposal will enable planned precinct growth to be accompanied by a balanced provision of retail amenities, distributed equitably across precincts. This will afford greater conveniences to the evolving needs of local residents, thereby generating a positive impact for the future Kingswood community.

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## **SYDNEY**

Level 12, 179 Elizabeth Street  
Sydney NSW 2000

## **MELBOURNE**

Level 7, 333 Collins Street  
Melbourne VIC 3000

T: 1300 149 151

E: [info@atlaseconomics.com.au](mailto:info@atlaseconomics.com.au)

W: [www.atlaseconomics.com.au](http://www.atlaseconomics.com.au)

