

1A LITTLE ALFRED ST (LITTLE ALFRED TENNIS)

REVIEW OF RECREATION USE: VIABILITY AND OPTIONS



FINAL SEPTEMBER 18 - 2020

**ETHOS
URBAN**

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1. Executive Summary

This report reviews the current commercial recreation use of 1a Little Alfred St North Sydney (Little Alfred Tennis Courts). A rapid review of previous work and a high-level review of potential commercial recreation uses was undertaken, and an opinion offered as to the viability of these alternatives.

1.1 Conclusions

1. The viability of the current tennis operation on the subject is considered poor without substantial investment in upgrading the courts, lights and amenities. Even with this expenditure the expectation is that the overall operation as a tennis centre would be marginal at best.
2. There is sufficient supply of tennis courts within the LGA and the loss of the three courts at Little Alfred would have limited impact on the sport or tennis participation.
3. A review of competing facilities in the LGA have identified a propensity for high levels of program provision and partnership with health and fitness programs, group fitness and adoption of new participation modes in tennis (such as Cardio Tennis).
4. The existing site is heavily constrained for any potential viable commercial recreation use and there are limited opportunities for a stand-alone commercial recreation use that is viable. Lack of parking, poor access, site shape and size and the surrounding residential uses create multiple challenges for any proposed commercial recreation use.
5. Community based uses such as club courts, parkland, community garden and active and passive recreation, are viable uses for the site, however these are not commercial uses and would not offer a return to the owner. These uses would be viable under a not-for profit model such as council ownership and operation as park or lease to a club.
6. Trend data and population growth do not indicate a strong need for the 3 courts to be retained for tennis use and do not support demand growth as a driver to improve viability of a commercial tennis operation.
7. The best strategy to retain recreation use on the site, is to cross subsidise with a more viable activity.
8. Community recreation benefits can be retained and enhanced on the site with the retention of a single multi-use court and provision of new more viable opportunities such as an indoor exercise and wellness centre. Supporting this outcome via a limited residential component development is expected to be a more viable option.

1.2 Recommended approach

There are few options for the site that would be viable to continue as a standalone commercial recreation use. Some options such as indoor health and wellness may be viable with further investigation. However, the site remains challenging.

Retention of recreation uses on the site may be more viable if the site could be split to provide income from another activity that could resolve overall commercial viability. The proposal to develop the site with a mix of residential and commercial recreation is considered one of the few viable options available.

In this scenario it may be worth considering:

- Retention of a high-quality multi-use outdoor court with lights that can be used for social play (including tennis, volleyball and other compatible uses), group fitness and wellness programs.
- Provision of an indoor program room to support yoga, tai chi, pilates, dance etc.
- Shower and change facilities along with a small café and reception area
- Consulting rooms for allied health practitioners such as massage
- Fully accessible facilities
- Management and operation of the sport and wellness centre could combine membership/ subscriptions with casual access fees for program participation or court hire.

2. Introduction

2.1 Project Background

1A Little Alfred Street is zoned RE2 (private recreation) and is a privately owned facility in North Sydney which currently supports a limited commercial tennis operation of 3 courts, known as Little Alfred Tennis (also Kirribilli Courts).

The site details are: Lot 1051 DP812614. The site area is 1892 m² and it has very little road frontage with access off Little Alfred St.

Figure 1 below illustrates.



Figure 1- 1A Little Alfred St. (Nearmap and Ethos Urban)

The current owners of this property are reviewing the prospects for the site and as part of an ongoing discussion with North Sydney Council regarding development options, they have commissioned Otium Planning Group to prepare this brief report.

2.2 Purpose of this Report

This report reviews the prior Recreation Needs Analysis (Ethos Urban March 2019), the current context of the tennis operation and viability of any likely commercial recreation options for the site. The report has been commissioned to assist in discussions regarding the future use of the site.

2.3 Methodology

The methodology for this review includes the following:

1. Review of the Recreation Needs Analysis and Planning Report to summarise the key issues for consideration
2. Undertake a rapid review of the current provision of tennis courts in Northern Sydney LGA, Market trends and likely demand for small operations such as the facility at Little Alfred.
3. Review the subject facility, site constraints, and provide an opinion as to the ongoing viability of the current operation.
4. Undertake a rapid review of the other potential roles the site could play as a private Sport and Recreation land and what **viable** options might exist and the implications of these regarding provision of active sport.
5. Our conclusion as to:
 - a. Any ongoing need for the current 3 court operation
 - b. The viable and financially sustainable options for a continued use of the whole site for sport and recreation
 - c. A recommended approach for a viable alternative that retains an active recreation benefit for the local community that is commercially viable, given it is to remain private land.

2.4 Site Overview

The site is 1a Little Alfred St, North Sydney and is located in between North Sydney and Milsons Points train stations and is approximately 500m from North Sydney CBD.

The site has residential properties on three sides and a park on the fourth. It is the centre of the block bound by Whaling Road, High Street, Pile Lane and Little Alfred Street. Land to the north is predominantly R2 and to the south R3 residential zones.

The three tennis courts are operational between the hours of 6am to 10pm, 7 days a week. Bookings and payments are made online via the website. www.littlealfredtennis.com.au.

Figure 2 and Figure 3 below indicates aerial photography of the site. These show clearly the surrounding residential, the adjoining park and the major road network.

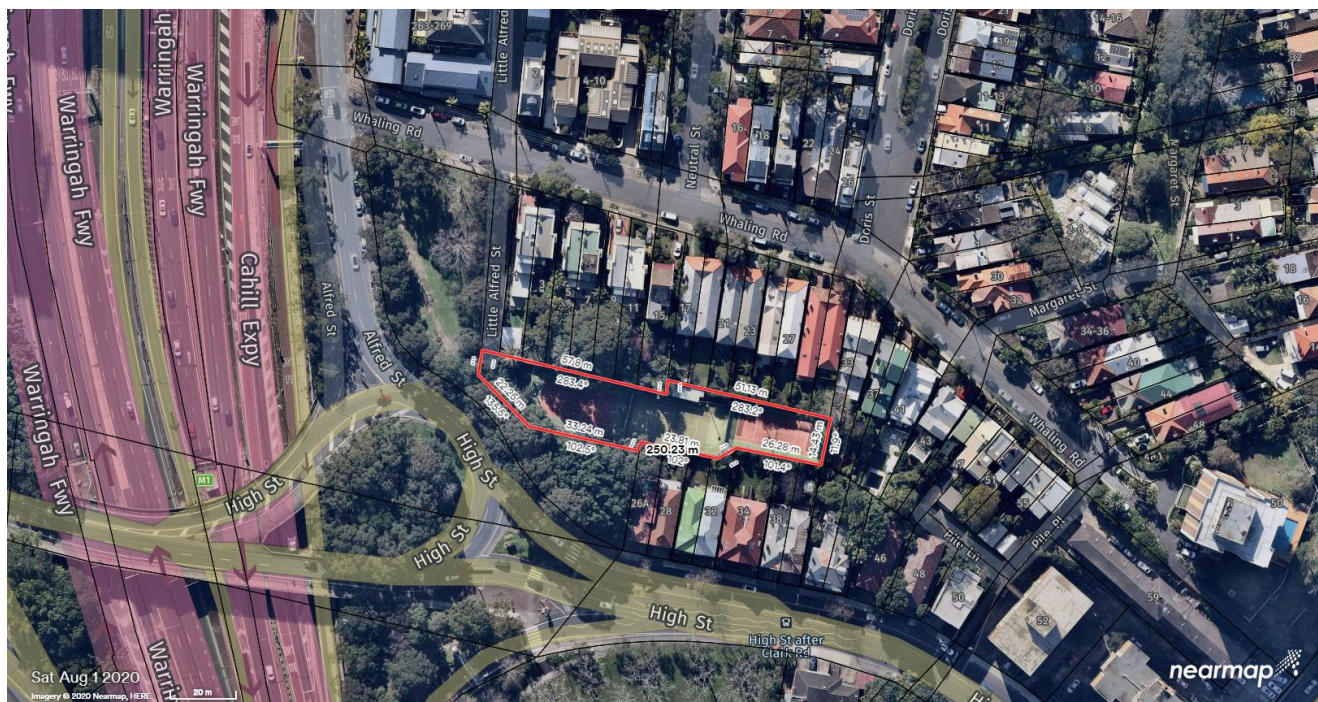


Figure 2 - Site Context (Nearmap)

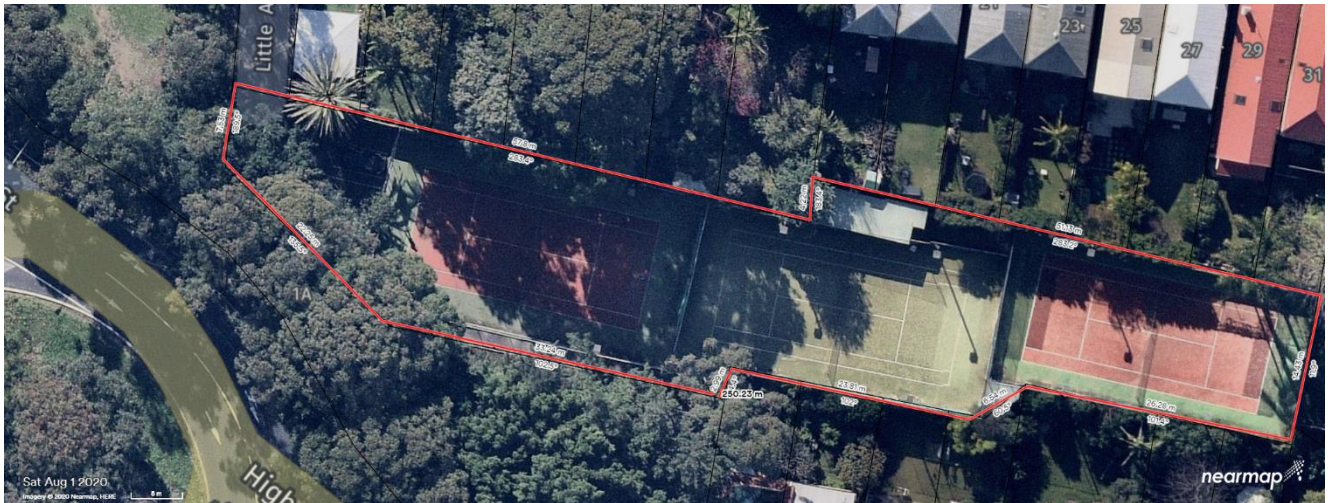


Figure 3 - Site Detail (Nearmap)

3. Current Site Development and Operation

The site is developed with three tennis courts operating as a commercial centre with on-line booking. The site lacks any significant parking and the narrow nature of the site means the courts are a sub-optimal east west alignment and access through the site requires access to preceding courts.

The site has developed residential on most boundaries and a highly constrained shape.

3.1 Overview

Key elements of the site include:

- Three synthetic grass courts in fair condition with evident patch repair work completed
- Two small user huts providing sheltered spaces. These are old, in need of updating and are unlikely to meet contemporary access requirements.
- A single amenities block consisting of male and female shower and toilet- services the site. The building is old, in fair condition and not compliant with access requirements.
- Access is via a narrow lane (Little Alfred St) with limited signage and an anonymous entry.
- Three car spaces are provided on site. Supplemented by on street parking close by. Parking on the adjacent Little Alfred St is restricted to 1 hour (8-6 pm) while other streets are generally 1 -2-hour limits depending on adjacent uses. Competition for on street space is high due to demand from workers in the area.
- The site adjoins open space/ local park with minimal development-(two wooden seats) which acts as thoroughfare for people walking between North Sydney and Milsons point /Kirribilli area. Anecdotal evidence indicates some use of this space for informal exercise and fitness activity.
- To the south part of the site and the adjacent open space joins part of the major road network and the High St interchange linking from the western side of the Cahill expressway/ Warringah Freeway.
- The residential housing on the north is upslope of the courts and an ongoing issue with surface flows and site drainage is causing problems with water run off, particularly onto court 2.
- Residential uses north and south would be directly affected by any court lighting which is in place- however the lighting system is currently not working on courts one or three.
- There is a street sign (wayfinding) on Whaling Rd indicating tennis courts down Little Alfred St.

- Access to the courts are via an on line booking system and pin code gate. This is advertised on the front court and only visible to those passing through the park or at the terminus of Little Alfred St
- Pin code access to courts 1 or 3 also provides access to court 2 which hosts the amenities.

3.2 Site Observations

Brief observations regarding the site are provided below:

3.2.1 Condition

1. Court 1 – has evidence of past vandalism. The hut needs upgrading and there are issues with surface tree roots. Court lighting not functioning.
2. Court 2- is in fair condition and is the only court with functioning lights. This is the most frequently used court. The amenities building adjoins this court and is accessible from the adjacent courts.
3. Court 3- lights currently not working- residential neighbours backyard sits behind the back fence of this court. Patch maintenance of the synthetic grass

3.2.2 Location and Configuration

The site location is generally a poor prospect for any potential commercial recreation uses. Key issues are:

1. The site is hidden from view and has no effective street frontage, making promotion and advertising of any commercial recreation use difficult.
2. There is no substantial parking on the site and the adjacent regulated parking means that on-street parking may assist when outside the 8 am to 6 pm regulation times. While this is a disadvantage for uses such as court sports/tennis which may extend beyond an hour- there is less impact if the main use was for program activities typically running less than 1 hr (such as yoga or group fitness). However, there is significant work hours demand for road parking.
3. The site is narrow around 23 m at the widest point, this significantly limits any potential use.
4. The site is mostly surrounded by established residential uses. Although the tennis use is an existing operation, a number of alternative uses for the outdoor courts- such as small sided social sport (futsal, netball etc) would generate significant noise impact and the lighting required for these to operate viably would have an impact on adjoining homes.
5. Drainage and surface flows from upslope properties is an issue.
6. Surrounding mature trees and adjacent vegetation create challenges in maintaining any outdoor playing surface.
7. Any outdoor recreation use of the site would be expected to generate the following impacts: Noise; Traffic; Lighting. Indoor recreation uses could mitigate the noise and light impacts, however traffic would still be an issue.

Figure 4 - Site Photos (from Recreation Needs Analysis- Ethos Urban 2019)



Site entry and car park located on western boundary of the site



View from Court 1 looking west towards North Sydney CBD



Existing players amenity hut, containing bathrooms and change facilities, located on northern boundary of the site



Existing players hut located on the southern boundary of the site



Looking south down Little Alfred Street towards entry to the site



Existing pedestrian access on site along southern boundary



Looking north from the site towards the rear boundaries of adjoining residences



Looking east from the site

4. Facility Utilisation

Use analysis undertaken for the Recreation needs Analysis (Ethos Urban 2019) indicated longitudinal use for four years (2015-2018) . The analysis showed:

- Maximum utilisation of 47% occurring in February 2018. Average monthly use ranging from 36.5 % to 12.8%.
- Across the 4 years the monthly average is 22.2%
- An increased level of utilisation after the on-line booking system was adopted and some local awareness of the facility was improved.

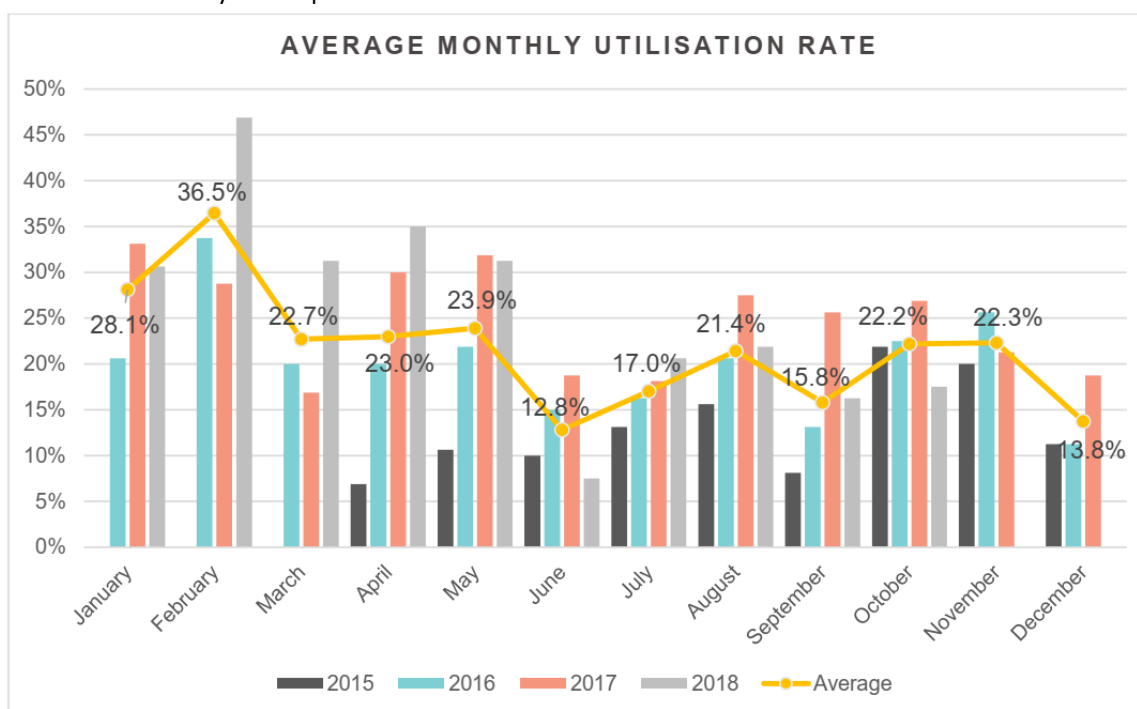


Figure 5 Average Monthly Utilisation (Ethos Urban 2019)

4.1 Current Usage

The current usage data for 2020 was supplied by the owner / operators and is based on bookings information.

4.1.1 Regular bookings

The following time slots are booked regularly

- Wednesday 8pm-9pm (court 2)
- Thursday 5.30 -7 pm (court 2)
- Sunday 8am – 10am and 10am -12pm

Court 2 gets the most usage as it has the best surface and working lights.

4.1.2 Worker use

There is some evidence that worker populations have been accessing the courts intermittently. The Owners believe that some employed within the Bayer building 30m away, have walked to the courts for social games.

Worker use is most likely before 8 am during lunch or after 5 pm. Close and easy access is a key driver and facilities that are within 5-10 minutes safe walking are likely to attract use- especially if they are close to public transport hubs. While not anticipated as significant, the existing offices on Alfred street and existing or new ones within the CBD and no more than a 500m walk could represent potential use.

4.1.3 Schools:

There has been some school use from local schools. One has used the courts for a limited program with parents dropping the children at 6.30 am before school, and students walking from courts to school.

Another school plans to use the courts while rebuilding/renovating their 3 courts and there remains some potential for short periods of use infrequently.

Most of the schools in the area have their own facilities including courts. Some have extensive sporting facility provision.

School use is unlikely to be a significant market given the level of court provision within the surrounding schools.

4.2 Utilisation and Viability

Small tennis facilities less than 4 courts, struggle to be viable as the earning potential is limited due to the maximum of 4 and most often 2 users per court. The market tolerance for court hire rates is sensitive and the income potential for a facility that operates solely as a “courts for hire” business is very low.

Small court complex operations could be considered “lifestyle businesses” in that they support a lifestyle associated with tennis but are marginal. The more successful small complex operations would be likely to have 4 or more courts and have a very active tennis coaching business which generates better revenue than just court hire.

While no courts would be expected to have high utilisation during week days- the viable small court models will have some established day time uses for most week days, usually coaching or social competitions and an evening program that combined social and match play with courts at or close to capacity for at least 3-4 nights a week.

Tennis Australia recognises the challenge that many clubs have with viability and small court complexes and have generally started to encourage larger complexes which can support higher user volumes, multiple programs and additional revenue from secondary spend and match play. The smaller facilities run by clubs can remain viable due to the volunteer management of the facility, the presence of a coach or tennis pro to activate the facility and some additional revenue from casual court hire.

The use data provided for the courts does not suggest that the courts are operating at a viable level. Improving performance would require significant capital investment to upgrade the courts and an active strategy to develop a coaching and social program to improve court revenue.

4.2.1 Use and Revenue analysis for 2019 and 2020.

Bookings data for the period January 2019 to August 2020 has been analysed to understand potential and actual performance.

Due to Covid-19 the data for 2020 is not usual and has been impacted heavily by closures and the general surge in outdoor activity that arose in response to Covid-19 restrictions.

The most reliable data to use would appear to be the 2019 calendar year as most courts were lit and there were the least interruptions.

The qualifications to the following data include:

- All Courts had working lights until 28 November 2019
- After November Court 3 had no lights
- Courts were closed 16-20 Dec due to Sydney Water Activity

Table 1 – Court Utilisation for 2019 Calendar Year

| | Court 1 | Court 2 | Court 3 | Total |
|---|----------|------------|----------|-------------|
| Total Hours Jan 19 - Dec 19 | 647 | 632.5 | 460 | 1739.5 |
| Modelled revenue at \$33/ hour ¹ | \$21,351 | \$20,872.5 | \$15,180 | \$57,403.50 |

Model Court Performance

Ideal operating performance of a court can assume that each court (with lights) could operate till 9 pm each night and that demand/ peak hours are likely to occur with:

- Weekday mornings assume 2 hours
- Weekday afternoons assume 4 pm to 9 pm (5 hours)
- Weekends assume around 12 hours a day

This translates to around 7 hours per day weekdays and 24 hours on a weekend and a total of 59 hours per week per court. For an annual total, it is assumed there are 4 weeks a year of close down/ holidays. So the annual per court total is around 2,832 hours.

However, in actual operations a centre would be very unlikely to achieve 100% of the above hours and an average result of around 50% utilisation of the above peak hours could be considered the lower range of viability.

When considering operational costs, the following average rates have been used based on recent asset management work undertaken for Otium by Sporteng (average annualised costs over 25 years).

- Average annual maintenance and repair costs per court for synthetic grass is **\$17,000** (surface, lights, fencing)
- At absolute minimum assuming just fence and lights maintenance is estimated to be around **\$3,300** per court
- Property costs assumed at \$20,000 per year
- Electricity and services assumed at \$10,000 per year per court

In this scenario the following performance could be expected for a three court (all lit) complex:

Table 2 - Modelled performance at 50%

| | Court 1 | Court 2 | Court 3 | Total |
|---|-------------|-------------|-------------|-----------|
| Utilisation at 50% capacity | 1,416 | 1,416 | 1,416 | 4,248 |
| Modelled revenue at \$33/ hour | \$46,728 | \$46,728 | \$46,728 | \$140,184 |
| <i>General Costs</i> | | | | |
| Average per court high (includes annualised court maintenance costs) | \$33,707 | \$33,707 | \$33,707 | \$101,122 |
| Average per court Low (removes | \$19,999.36 | \$19,999.36 | \$19,999.36 | \$59,998 |

¹ Note that actual revenue is slightly lower for 2019 at \$52,717

| | Court 1 | Court 2 | Court 3 | Total |
|------------------------------|---------|---------|---------|-----------------|
| playing surface maintenance) | | | | |
| Performance High Cost | | | | \$39,062 |
| Performance Low Cost | | | | \$80,186 |

Note: the above has not included staffing, amenities cleaning, advertising, insurances and other management costs. These are highly variable depending on the operational model and could be expected to add up to \$25,000 per court. Even at a very low cost model allowance for a single role to manage, clean and maintain the facility along with some insurance and other costs would be at least \$60,000 to \$80,000 per annum.

Conclusions:

The analysis of current utilisation during a typical year (2019) when most courts were operating with lights was compared with a high-level modelled performance of a 3 court centre operating at around 50% of capacity. The current facility appears to be running at around 20% of ideal capacity.

1. If the courts ran at 50% of capacity (i.e. 29.5 hours per court per week) the centre's performance is still likely to be marginal at best, depending on the costs attributed to the facility and the level of investment in maintaining the courts.
2. The current revenue from the courts is not considered viable even at the lowest cost case with a performance gap of around \$2,000 before any staffing, cleaning, insurance and marketing costs are applied. (i.e. that is revenue of \$57,403 versus costs of \$59,998.

5. Tennis Market Analysis

5.1 Tennis Participation Trends

Ausplay is a national survey and monitoring program for physical activity. Data is collected several times each year and as the data sets grow the level of confidence grows. The current program has been building on preceding years data and now offers a reliable indication of participation. The results are now providing reliable trend data and are most useful in tracking comparisons between sports and population wide participation trends.

While tennis participation is higher in North Sydney LGA than state wide, the overall trend data shows that participation has been declining and there is no evidence that demand would increase beyond the rates attributed to normal population growth.

5.2 Current Participation Data

Tennis participation remains reasonably high for both adults and children. Over the last four years Tennis has remained in the top 10 activities for adults in NSW with a slight decline 0.3% over the 2016-2019 period. The most recent data has tennis at 10th with 5% of the NSW population playing tennis. In context this rate is far lower than participation in self directed outdoor fitness and exercise such as walking and running.

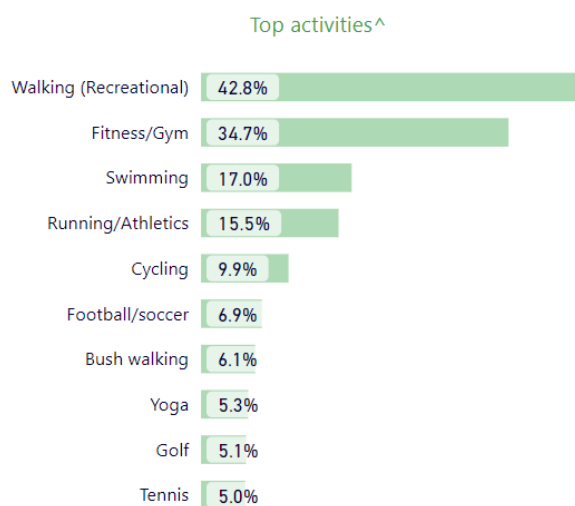


Figure 6 – Latest Ausplay Participation data for NSW Adults (Sept 2020).

For Children, tennis ranks higher at 7th with 5.2% of NSW children playing tennis.



Figure 7 NSW Children's Participation (Ausplay Sept 2020)

Within the North Sydney LGA, tennis enjoys a higher participation rate moving up to 5th for adults.

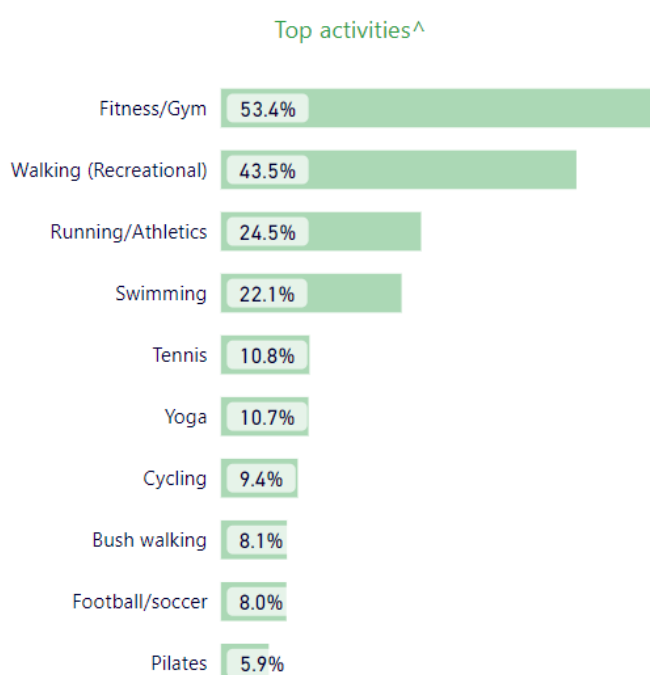


Figure 8 – Adult participation Data for North Sydney LGA (Sept 2020) ²

However, while tennis has a general social and club participation rate of 10.8%, double that of statewide average, the rate for club based (competitive) participation in tennis is 4.1 % of adults, which is also higher than the state average of 2.3%

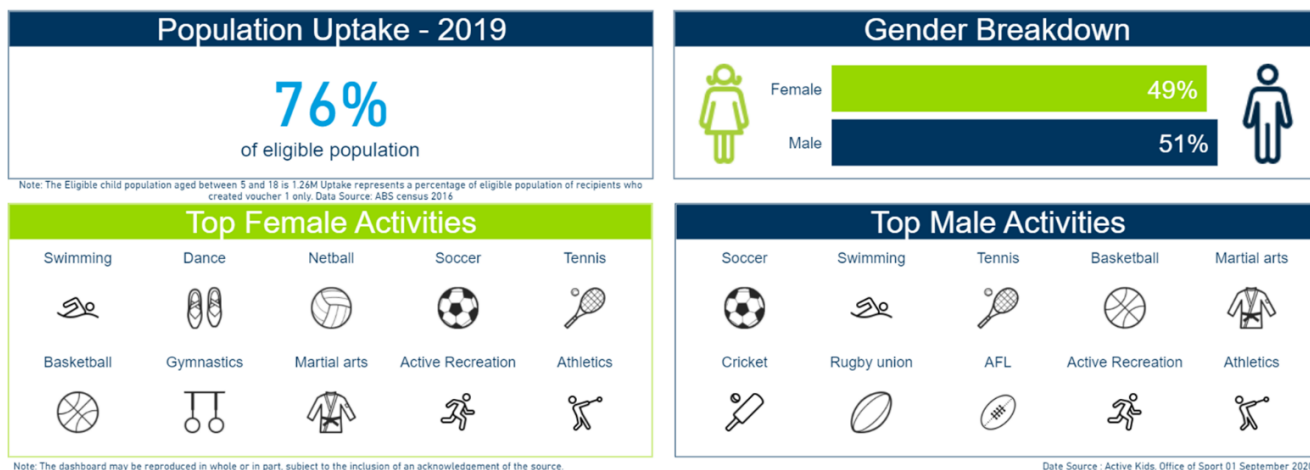
National data indicates that around 44% of those participating in tennis- did so once a week or more. The duration of participation showed 46% spent around 1-2 hours per participation event and only 9% spent less than 1 hour.

² Data for Children's participation not available for North Sydney LGA

5.3 Active Kids Vouchers 2019 North Sydney

Children's participation in tennis is far more likely to be part of a coaching program or club activity than it is informal and social. Participation can be highly variable with trends fluctuating over time in response to multiple influences including media and world sporting events.

The NSW government has a program to support children's participation in sport and the Active Kids Voucher is designed to assist parents in the cost. Data gathered for voucher use by North Sydney residents for children aged between 5 and 18 years of age indicate that the tennis ranked in the top 10 sports for male and females. Tennis ranked fifth for girls and third for boys. Both swimming and soccer ranked higher than tennis for both males and females.



5.4 Comparative Participation Trends

National participation for the top 10 sports over the last 18 years indicates that tennis has declined from 9.3% to 4.1%.



Top 10 sports over the years. Golf and Tennis have seen declines.

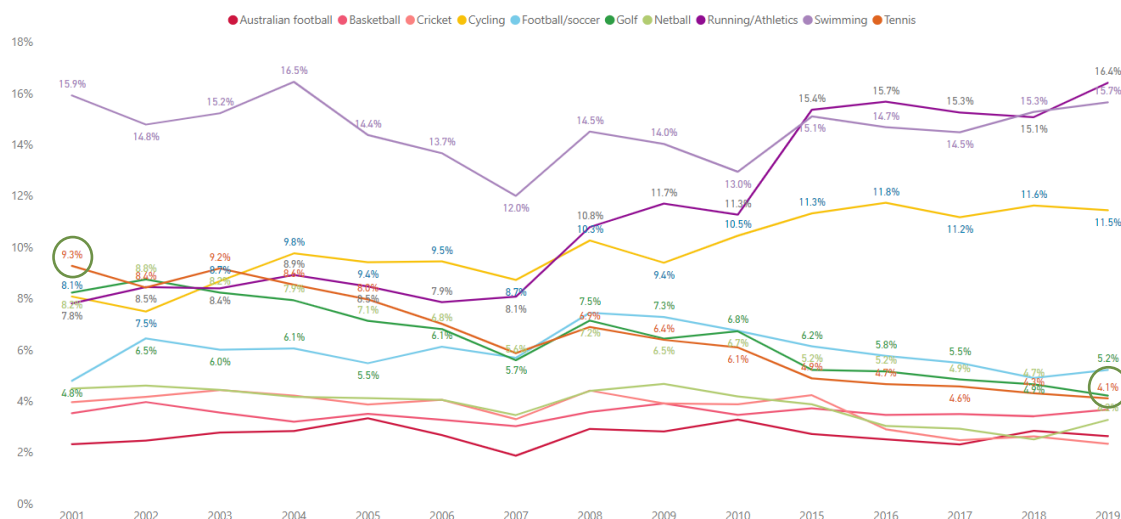


Figure 9 - Participation trends for the top 10 sports (Children- Ausplay 2020)

The top 15 activities participated in by New South Wales adults in 2019 according to AusPlay data are listed in the table below, along with the participation rates for the three years prior. The results indicate that:

- The top 5 activities have remained stable for the past 4 years; these are walking, fitness/ gym, swimming, athletics/ track & field, and cycling.
- Walking (recreational) continues to be by far the most popular activity. This is consistent with previous trends.
- Tennis has declined slightly from 5.2% to 4.9%.
- Participation has increased in seven of the top 15 activities between 2016 and 2019, with the largest increase being in Fitness/ Gym (↑3.2%).
- Decreases were evident in eight of the top 15 activities between 2016 and 2019, with the largest decrease being in Golf (↓1.1%).

Table 3: Top 15 sports activities participated in by NSW Adults in 2019; along with the participation rates for the three years prior (AusPlay reporting April 2017, 2018, 2019 & 2020)

| Activity | Participation Rate (%) & Rank | | | | | | | | Increase (↑)/ Decrease (↓) between 2016 & 2019 (%) |
|--|-------------------------------|----|------|-----|------|-----|------|-----|---|
| | | | | | | | | | |
| Walking (Recreational) | 42.6 | 1 | 44.2 | 1 | 42.1 | 1 | 42.8 | 1 | ↓0.2 |
| Fitness/Gym | 36.2 | 2 | 35.4 | 2 | 34.2 | 2 | 33.0 | 2 | ↑3.2 |
| Swimming | 17.7 | 3 | 18.0 | 3 | 15.8 | 3 | 16.4 | 3 | ↑1.3 |
| Athletics, track, and field (includes jogging and running) | 16.2 | 4 | 14.7 | 4 | 15.3 | 4 | 15.6 | 4 | ↑0.6 |
| Cycling | 9.9 | 5 | 9.9 | 5 | 9.3 | 5 | 10.5 | 5 | ↓0.6 |
| Bushwalking | 6.7 | 6 | 5.9 | 7 | 5.5 | 7 | 6.8 | 7 | ↓0.1 |
| Football/ Soccer | 6.6 | 7 | 6.3 | 6 | 7.3 | 6 | 7.0 | 6 | ↓0.4 |
| Yoga | 5.9 | 8 | 5.6 | 8 | 5.1 | 8 | 4.6 | 10 | ↑1.3 |
| Tennis | 4.9 | 9 | 4.9 | 10 | 5.0 | 9 | 5.2 | 9 | ↓0.3 |
| Golf | 4.6 | 10 | 5.1 | 9 | 5.0 | 9 | 5.7 | 8 | ↓1.1 |
| Surfing | 3.5 | 11 | 3.3 | 11 | 3.4 | 11 | 3.7 | 11 | ↓0.2 |
| Basketball | 2.9 | 12 | 2.3 | 14 | 2.9 | 12 | 2.7 | 12 | ↑0.2 |
| Netball | 2.8 | 13 | N/A | N/A | 2.3 | 14 | 2.5 | 14 | ↑0.3 |
| Pilates | 2.7 | 14 | 3.3 | 11 | N/A | N/A | N/A | N/A | ↑- |
| Touch football | 1.9 | 15 | 2.3 | 14 | 2.4 | 13 | 2.3 | 15 | ↓0.4 |

5.4.1 Gender Differences in Sports Participation

According to Ausplay data, the top 15 activities for New South Wales males and females in 2019-2016 indicates :

- The top 4 activities are the same for males and females.
- Females have a much higher participation rate than males in walking (recreational); 51.1% compared to 33.9%.
- Participation in football/ soccer and golf is much higher amongst males than females, while yoga, Pilates and netball have larger female participation rates.
- Males participation has increased in seven of the top 15 activities since 2016, with the largest increases being in Fitness/ Gym (3.8%).
- Decreases were evident for Males participation in seven of the top 15 activities since 2016, with the largest decrease being in Golf (↓2.4%).
- Females participation has increased in ten of the top 15 activities since 2016, with the largest increases being in Yoga (↑2.9%) and Fitness/ Gym (↑2.7%).
- Slight decreases were evident for Females participation in five of the top 15 activities since 2016, with the largest decrease being in Tennis (↓0.6%) and Touch Football (0.5%).

5.4.2 Ausplay Data (Children 0-14 years)

The top 10 activities participated in by New South Wales children for 2019-2016 are listed in **Error! Reference source not found.** below;. It illustrates that:

- Swimming is consistently the most popular activity for NSW children.
- Football/ soccer, tennis and Australian football are significantly more popular among male children than females, while the reverse is true for dancing, gymnastics, and netball.
- Tennis participation has remained relatively static with a slight increasing trend evident (4.7% to 5.7%)

Table 4: Top 10 sports activities participated in by NSW children in 2019; along with the gender differences and participation rates for the three years prior (AusPlay April 2017, 2018, 2019 & 2020)

| Activity | 2019 Participation Rate (%) | | | 2018 Participation Rate (%) | | | 2017 Participation Rate (%) | | | 2016 Participation Rate (%) | | |
|---|-----------------------------|-------|------|-----------------------------|------|-------|-----------------------------|-------|-------|-----------------------------|-------|-------|
| | | | | | | | | | | | | |
| Swimming | 41.8 | 39.0 | 45.0 | 38.0 | 35.7 | 40.2 | 34.4 | 31.8 | 37.2 | 30.2 | 29.7 | 30.8 |
| Football/soccer | 22.0 | 31.9 | 10.7 | 18.8 | 28.2 | 9.5 | 19.2 | 29.9 | 8.1 | 21.9 | 32.1 | 11.5 |
| Dancing (recreational) | 11.1 | *2.0 | 21.5 | 10.7 | *1.7 | 19.6 | 8.8 | *2.1 | 15.8 | 9.2 | **1.0 | 17.5 |
| Gymnastics | 10.1 | *4.2 | 16.9 | 10.9 | *5.8 | 15.9 | 8.3 | *3.1 | 13.9 | 8.2 | *4.1 | 12.4 |
| Netball | 6.2 | **0.2 | 13.1 | 8.3 | *2.4 | 14.1 | 5.6 | **0.1 | 11.3 | 5.9 | **0.0 | 12.0 |
| Tennis | 5.7 | 7.3 | *3.8 | 6.1 | 7.0 | *5.2 | 4.5 | 6.6 | *2.3 | 4.7 | 5.2 | *4.3 |
| Athletics, track and field (includes jogging and running) | 5.2 | 6.1 | *4.1 | 7.7 | 7.1 | 8.3 | 5.8 | *5.7 | *5.8 | 4.2 | *3.2 | *5.1 |
| Australian football | 5.0 | 7.2 | *2.5 | 5.5 | 9.9 | **1.1 | N/A | N/A | N/A | N/A | N/A | N/A |
| Basketball | 4.8 | 6.2 | *3.3 | 4.4 | *6.2 | *2.6 | 5.5 | 7.4 | *3.5 | 4.2 | 5.8 | *2.5 |
| Cricket | 4.2 | 6.2 | *1.8 | 3.9 | 7.3 | **0.6 | 5.2 | 9.0 | **1.2 | 4.5 | 8.5 | **0.3 |

* Estimate has relative margin of error between 50% and 100% and should be used with caution.

** Estimate has a relative margin of error greater than 100% and is considered too unreliable to use.

5.5 Current Supply of Tennis Courts

The supply of courts available for hire and social play within the LGA and wider catchment was reviewed based on the information on the Recreation Needs Analysis (2019 Ethos Urban) and a rapid scan of other planning sources.

High rate of provision:

According to the Office of Sports “North District Overview” (Feb 2019) the North City District there has 582 tennis courts equating to a provision rate of 1,523. This is a substantially higher provision rate compared to the Greater Sydney average at 1 court to 4,335 residents.

Within North Sydney LGA There are 28 courts for an estimated population of 75 021³ residents equating to a rate of 1: 2,679 higher than the Greater Sydney average but lower than that for North City District.

Table 5 Tennis Facilities in North Sydney

| Facility Name | Address | Suburb | courts |
|---|--------------------------------------|----------------------------|--------|
| Kirribilli tennis courts | 1a Little Alfred | North Sydney | 3 |
| Cammeray Tennis Club | Ernest St, | Cammeray | 4 |
| Green Pk | Cammeray Rd | Cammeray | 2 |
| Primrose park tennis | Matora Lane, off Young Street, | Cremorne | 4 |
| Tennis world north Sydney (and NSBHS ⁴) | 37 Ridge St, Falcon and Miller St | North Sydney Crows Nest | 6 |
| Neutral Bay Tennis | 3 Westleigh St, | Neutral Bay | 4 |
| Grand Slam Tennis | 11 Wheatleigh st | Naremburn | 5 |
| TOTAL | | | 28 |

There are multiple additional facilities surrounding the LGA and within a 5km catchment.

There are also a number of private residential courts and private residential complex courts (such as 4 courts at Wondackiah). All of which contribute to meeting demand for social play.

Larger complexes operating:

The larger tennis complexes operating within the LGA are the Tennis World -NSBSH facility which is 6 courts (4 +2) and Grand Slam which has 5 courts at Wheatleigh St (and also books the 4 courts at Cammeray).

Outside of the LGA, the Northern Suburbs Tennis Association at Naremburn has 8 courts (about 3 km away from Kirribilli courts).

Significant school based provision

The majority of private schools have their own tennis facilities and there are some of these which have clubs operating from the facility or are open for community hire. As indicated in the above table, Tennis World hires courts located at North Sydney Boys High School.

While not all schools allow external use, this adds to available court supply significantly.

The Sydney Church of England Grammar “Shore” School (less than 4 km away) has 9 courts as part of its sports facilities complex on Alpha Rd.

³ Profile ID 2019 population

⁴ North Sydney Boys High School- courts are managed by Tennis World

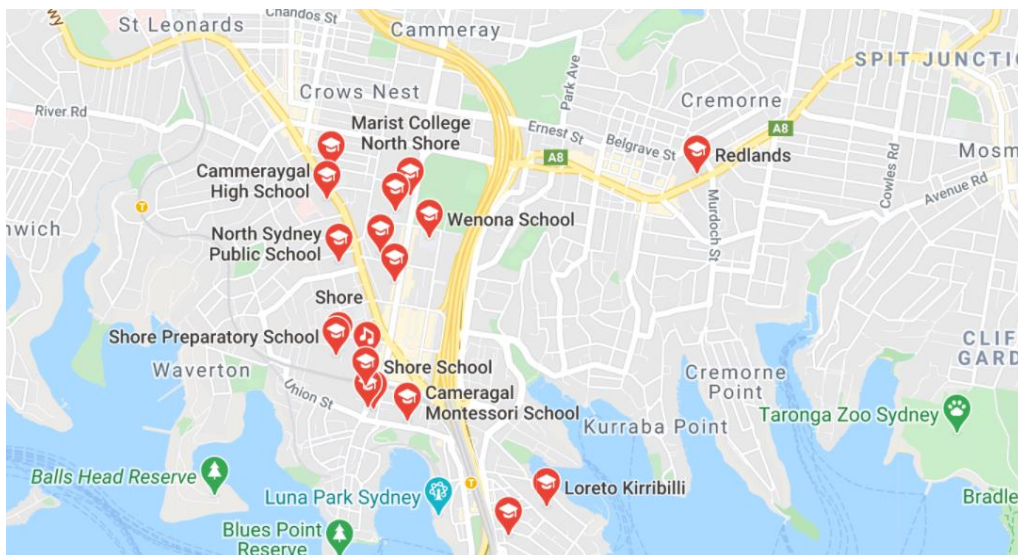


Figure 10 - Schools within the catchment for the subject site (Google maps 2020)

5.6 Tennis Demand and Use

Based on trend data, demand for social tennis play is unlikely to increase beyond that associated with population growth. However, tennis has been evolving its participation model with a number of new “modes” of participation available including:

- Cardio tennis (tennis based fitness program)
- Hot shots (targeting children)
- Fast 4 (a new social competition)

Collectively these new modes are accounting for 2.1% of overall tennis participation and as yet do not indicate a significant driver of growth- rather they may be acting more as retention strategies..

In addition, new sports such as pickleball⁵ have seen rapid growth in North America with local councils converting tennis courts to the smaller pickleball court. If there was a major marketing and growth strategy for Pickleball in Greater Sydney, there is a chance that this would drive growth in participation but would most likely draw from other markets such as tennis and squash. Indications are that growth of participation in pickleball may be more successful in partnership with indoor facilities.

Use of the tennis court for a range of other fitness, social and training uses is possible- but it requires a very active programming model to develop, market and manage activity programs that increase utilisation. The facility needs to be a high standard and provide the supportive infrastructure such as café, change and showers that appeal to the social sport and fitness market.

Added to the challenge of finding a viable program model for a relatively small facility, is the increasing use and development of indoor facilities which can provide a more consistent product that is not impacted by weather. A good example was the impact of the summer fire season and the smoke impacting significantly on use of outdoor facilities. The facility at Little Alfred had significant loss of use during heavy smoke periods.

5.6.1 Facility Demand Analysis Model

Otium Planning Group has a detailed in-house Demand Analysis Model which uses Ausplay data, facility capacity data and likely use modelling to project participation and the number of facilities required to meet this demand.

Based on an LGA population of 75,021 the model projects that around 24 courts would be needed.

⁵ <https://www.pickleballaus.org/>

The current supply of public, club and private courts is 28 (including the Kirribilli courts). This supply is complemented even further by courts within multiple school campuses (often 3 or more courts) and major facilities on the LGA boundary. The effective supply of courts would far exceed the 24 indicated in the demand analysis.

Population growth

Forecast id are projecting the three catchments around the facility to grow by around 2304 residents to 2036.

North Sydney (+1640)

Kirribilli (+175)

Neutral Bay (+489)

Based on current participation trends this would generate demand for 1 additional court. This demand growth would not add any improved prospect for the viability of the Kirribilli courts.

If we considered the whole LGA, growth to 2036 is anticipated at 7,274 additional residents, for a total population of 84,422. The Demand Model indicates that around 27 courts would be needed.

The projection of facility needs based on current participation rates, indicates that North Sydney LGA has a current surplus of courts requiring 24 courts and having a supply 28 (plus numerous additional private and school based courts). The increased demand from population growth will generate demand for an additional 3 courts, still within current capacity.

5.6.2 North Sydney Recreation Needs Study (Leisure Planners 2016)

The Ethos Urban Recreation Needs Analysis (2019) summarised the implications of this report.

This analysis of needs identified the following in regard to Tennis:

- Tennis was one of the most supplied recreational opportunities in North Sydney LGA, with 18 tennis courts available in 2015. Tennis is not identified as having a significant level of demand for additional facilities.
- Tennis was identified as one of the most favoured and/or participated in sports for both those aged below and above 15 years.
- Higher income families are likely to have increased access to private recreation facilities such as swimming pools, tennis courts and gyms, water-based sports, and be members of private clubs. This includes money required to be spent on travel, sports equipment and membership fees.

Other key findings in regard to recreation demand were:

- There is a good range of recreation facilities in the North Sydney area, however maintaining an adequate supply; quality and diversity of opportunity will be an ongoing challenge.
- More affluent and educated residents are likely to higher awareness of benefits associated with recreation and physical exercise. This is likely to result in increased motivation by these individuals to participate, as well as appreciate the provision open space. This likewise influences higher demand for recreational facilities and spaces within the locality.
- While most schools in the LGA have some recreation facilities, it is noted that nearly all schools rely on access to Council owned grounds in order to fulfil their sporting and recreation needs.
- The following recreation facilities are currently not provided in the Council area: Athletics / track and field; Australian rules football; Baseball; Equestrian activities; BMX (track competition); MTB; Motor sports; Rock climbing; Shooting sports; Softball / tee ball; Triathlon; Cycle sports; Volleyball; Cricket (indoor); Hockey (indoor and competition outdoor); and Tenpin bowling.
- Online survey conducted as part of consultation for the Council's Recreational Needs Study, indicated results highlighting a demand for: additional sports fields (hockey, soccer, football and rugby touch), cycling, park- based activities (such as yoga, Pilates etc), outdoor fitness (equipment), and water-based recreation facilities.
- It is noted that facilities are additionally available in the neighbouring Councils of Mosman and Willoughby.

- The Study identifies opportunities for providing sport might include industrial areas, central activity centre developments (e.g. Willoughby Leisure Centre) brownfield sites, and importantly, car parks. The provision of these additional recreational facilities should be located in strategic locations, within proximity to future residents, employees and educational institutions.

Actions:

- *Racquet sports are small footprint sports, and the potential to accommodate these in the North Sydney CBD should be investigated.*
- *Work with Tennis NSW and local providers to further investigate the state of tennis in North Sydney. This should include assessing the high demand for tennis and impact of the management on delivering opportunities, as well as opportunities to enhance service offer, pathways for juniors to high levels of competition, non-club and social competitions. Co-operatively develop different products, more sports development programs and utilise courts for workers and students.*
- Provide sporting facilities within proximity to the St Leonards and North Sydney CBD.
- *Seek to retain the range of current sports activities in the LGA and adopt a “no net loss” principle for sports land use.*
- *Provide additional green spaces in the North Sydney Area to provide for social gathering, play and events, sport and physical activities and horticulture, and to provide restorative benefits.*

Implications:

The implications of the Recreation Needs Analysis for this report are:

- A strong desire to retain a diversity of activities and have no net loss of sporting land
- Tennis was identified as a popular sport but there is no indicated demand for additional tennis courts or expressed latent (unmet) demand for courts
- The priority needs appear to be for field sport and other large area outdoor recreation provision.
- Needs identified that could be considered for the subject site include: Volleyball; park based activities and park based fitness and exercise equipment.
- There is recognition that an overall strategy for tennis court provision for the LGA should be prepared with Tennis NSW and that there is a role for tennis facilities to meet needs of workers and students.
- There is a need for more parks and green space in the CBD and areas of growth.
- Increase consideration of industrial areas and re-use of carparks and built spaces for sport and recreation facilities. Locations for new facilities should be strategic and highly accessible to mixed populations including workers and residents.

6. Possible Commercial Recreation Uses of the Site

Council has indicated that it would like to see the site remain as RE2 (private recreation) use. The site has multiple constraints that impact on a strategy for a viable commercial use.

The following analysis reviews the issues with the site and a range of potential uses for the site. The review offers an opinion as to the viability of the alternative use.

6.1 Advantages and Disadvantages of the Site

Apart from the planning issues and scheme constraints, the potential commercial recreation use may be more viable due to the proximity of the North Sydney CBD and the high day time population of workers and students. The site is within walking distance for the southern part of the CBD. However, there may be some perceptual barriers operating with a crossing of the major freeways required over High St. The locational advantages are quite possibly neutralised by the site's constraints particularly size, access, visibility and surrounding residential uses.

The following table summarises the advantages and disadvantages.

Table 6 Site Advantages and Disadvantages

| Advantages | Disadvantages |
|---|--|
| <ul style="list-style-type: none">• Close to North Sydney CBD with potential to attract workers to social programs and several office buildings within 500m walk.• Site is close to the North Sydney Station and about 500m walk.• Site is already developed with court sport uses and is an existing approved use• A surrounding residential area within walking distance | <ul style="list-style-type: none">• Narrow site, highly constrained with no ability to modify boundaries• Small site and difficult to accommodate enough users to make a court based business viable• Residential uses on most boundaries and outdoor court uses will generate light and noise impacts• Poor visibility into the site or the entry• Very limited on site parking and surrounding parking regulated from 8 am to 6pm• Slope and drainage issues make management of playing surfaces challenging• A number of adjacent large mature trees impact on playing surfaces• Any sport or commercial recreation use likely to have impacts on neighbouring residences. |

6.2 Potential Use Options

The following summary and assessment of options is high level and does not constitute a feasibility analysis- rather it is the professional opinion of Otium Planning Group based on our knowledge of the Sydney market and experience in preparing feasibility for a diverse range of facilities.

Overall, the Local Environment Plan places significant constraints for use on the site - as found by Ethos Urban in the Recreation Needs Analysis (page 19):

Clause 6.7 of the NSLEP 2013, restricts the development of permissible uses within the RE2 zone to the most restrictive development standards of the adjoining R2 and R3 residential zones. As such, regardless of the potential for alternative recreational uses on site, any future development on the site will be highly restricted by the adjoining development standards and therefore are unviable for future redevelopment opportunities.

6.2.1 Possible recreation uses

The site's size, shape and location are major impediments to many viable uses. The following tables provide an overview.

Table 7 – Potential Outdoor Recreation Use

| Use | Observations | Viability Considerations |
|--|--|---|
| Tennis | <ul style="list-style-type: none"> • 3 courts maximum • Would need upgraded playing surfaces and lights for all 3 courts • Lack of parking • Player facilities/ amenities in need of upgrade • Weather dependant for operation | <p>Unlikely to be viable as this is the current use and the facility has not been able to operate successfully.</p> <p>A major refurbishment would increase use and centre performance. However, there is substantive doubt that an investment in a tennis only facility would generate sufficient use to repay the capital and cover operating costs over a reasonable period.⁶</p> |
| Field sports | <ul style="list-style-type: none"> • Site is too small | Not viable |
| Basketball, Volleyball and Netball | <ul style="list-style-type: none"> • Could only provide 3 courts • Requires a full redevelopment to 3 new lit courts • Weather dependant for operation • Lack of parking • Volleyball and netball involve more players per court so could increase site use | <p>Unlikely to be viable for volleyball as participation demand lower than tennis.</p> <p>Commercial netball provision is focused on social programs as part of other facility uses and is heavily dominated by indoor court facilities.</p> <p>3 outdoor basketball courts not viable for commercial operation.</p> <p>Might be viable for a club-based operation under a not for profit basis.</p> <p>Lack of parking would be a major impediment.</p> <p>Redevelopment would increase residential impacts.</p> |
| Outdoor group fitness | <ul style="list-style-type: none"> • Operation would be weather dependant • May have some attraction for surrounding residential market • May be able to access day population (worker) market for before or after work programs • Hours may generate undesirable noise for adjacent residents | <p>Viability questionable as it would be difficult to run enough programs and attract enough participants to become viable.</p> <p>Could be a good secondary use with court space leased by boot camp/ group fitness providers in the down times.</p> |
| Community parkland with a mix of active and passive elements | <ul style="list-style-type: none"> • There is existing open space adjacent and council has previously declined acquisition. | Not a commercial use and would only be viable if purchased by council to add to the public open space estate. |

⁶ This is not a feasibility report and a detailed business case would be recommended before such a strategy is considered.

| Use | Observations | Viability Considerations |
|-----------------------------|---|---|
| | <ul style="list-style-type: none"> Space is large enough to complement that adjoining open space and provide for a mix of uses. Could provide outdoor exercise equipment and informal fitness areas. Could support a community court for basketball and multi-use Would support picnic or play facilities Has very poor casual surveillance and visibility | Poor visibility and surrounding residential means that proposals for active uses such as community courts, youth spaces, exercise and fitness zones, might not be supported by surrounding property owners. |
| Other outdoor | <ul style="list-style-type: none"> The site could support other uses such as: <ul style="list-style-type: none"> Parkour Model cars Practice nets for cricket or baseball/softball Community gardens | <p>None of these are a commercially viable activity and would only be viable as a club managed use (not for profit).</p> <p>Most likely could only occur under council land ownership.</p> |
| Outdoor entertainment venue | <ul style="list-style-type: none"> Site is too small and surrounded by residential | Not viable |

Table 8 - Indoor and built facility Uses

| Use | Observations | Viability Considerations |
|---|--|---|
| Indoor court sport and fitness | <ul style="list-style-type: none"> Site is very small and narrow. Insufficient parking for an indoor sports centre A multi-storey development may fit 2-3 courts. Significant impact on neighbouring uses | <p>Indoor sport courts and fitness may not be viable due to site constraints and inability to provide enough courts to support commercial use.</p> <p>Use as a commercial gym fitness facility might be viable however there is substantial competition in the surrounding catchment with 6 facilities within 1-2 km and 5 of these in the North Sydney CBD where the market is strongest.</p> <p>Lack of parking would be the major barrier.</p> |
| Other Indoor sport | <p>Other indoor sports could include:</p> <ul style="list-style-type: none"> Table tennis Badminton squash | <p>Unlikely to be viable as a commercial prospect due to low participation.</p> <p>Squash has some commercial prospect but is in decline and the site would not support enough courts for a viable facility.</p> |
| Indoor wellness and recreation programs | <ul style="list-style-type: none"> Indoor wellness and recreation could include: <ul style="list-style-type: none"> Dance Yoga Pilates Beauty and wellness Allied health Massage | <p>Maybe viable if a large enough facility can be developed and parking resolved.</p> <p>Market is competitive a smaller facility may struggle to compete with large commercial facilities located in high</p> |

| Use | Observations | Viability Considerations |
|--|---|---|
| | <ul style="list-style-type: none"> ○ Group fitness • Parking would be a challenge • Significant impact on neighbouring uses | <p>use zones in the CBD or in shopping districts.</p> <p>Some uses are more commercial and not considered for the RE2 zone.</p> |
| Other large footprint indoor sports | <p>Could include</p> <ul style="list-style-type: none"> • Indoor shooting • Ice sports • Ten pin bowling • Gymnastics • Trampolining | <p>Site size would preclude most of these uses.</p> |
| Aquatic Centre | <ul style="list-style-type: none"> • Site not large enough for a full centre • Could fit a small learn to swim and program pool as an indoor facility • Major aquatic facility nearby about to have substantial upgrade • Lack of parking | <p>Unlikely to be viable given the current market and proposed upgrade of North Sydney Pool.</p> |
| Big box recreation | <p>Big box recreation includes:</p> <ul style="list-style-type: none"> • Laser tag • Indoor ninja and challenge courses • Indoor trampoline • Indoor adventure or structured play facilities • Indoor climbing • Indoor paintball • Axe throwing • Indoor driving range • Indoor archery | <p>Site is too small to be developed for many of these uses.</p> <p>Lack of parking and location is a major impediment as these commercial uses require high volumes and other location attractors.</p> <p>Indoor climbing, Laser tag, indoor play centre may be possible, but viability of a purpose-built centre in this location would be questionable</p> |
| Commercial sport and recreation club/ indoor entertainment | <ul style="list-style-type: none"> • Site is small and would not be able to provide sufficient parking. • Poor location for a commercial club indoor entertainment. | <p>Not viable – would need to be located in commercial areas and the market is highly competitive.</p> |

Summary

There are few options for the site that would be viable to continue as a standalone commercial recreation use. Some options such as indoor health and wellness, or gym fitness operation may be viable with further investigation of the competitive market. However, the site remains challenging for any use and the development of a building to house indoor activity is likely to minimise ongoing impact on adjacent uses and allow for creative solutions to use of the site.

Retention of recreation uses on the site may be more viable if a cross subsidy can operate with another site use. If the site could be split to provide income from another activity that could resolve overall commercial viability, then this could support a recreation use.

The tennis operation is not considered viable and even if a major upgrade and refurbishment was undertaken, it is doubtful the performance of the facility would be sufficient to justify the investment.

The site can contribute to recreation and possibly open space provision in the locality- however this might only be achieved sustainably under a club/not for profit or council ownership model. As a private facility there are limited options for a commercially viable use.

Otium understands that there is a current proposal to develop the site with a mix of residential and commercial recreation. This may be one of the few viable options available to retain recreation on the site if it is to remain in private ownership.

In this scenario it may be worth considering:

- Retention of a high quality multi-use outdoor court with lights that can be used for social play (including tennis, volleyball and other compatible uses), group fitness and wellness programs.
- Provision of an indoor program room to support yoga, tai chi, pilates, dance etc.
- Shower change and social space
- A small café and reception area
- Small consulting rooms for allied health practitioners such as massage
- Design for full access compliance to allow the broadest market appeal
- The built components could form part of a ground floor of any residential use
- Management and operation of the sport and wellness centre could combine membership/ subscriptions with casual access fees for program participation or court hire.

7. Conclusions

Based on the preceding analysis, the following conclusions are offered:

1. The viability of the current tennis operation on the subject is considered poor without substantial investment in upgrading the courts, lights and amenities. Even with this expenditure the expectation is that the overall operation as a tennis centre would be marginal at best.
1. There is sufficient supply of tennis courts within the LGA and the loss of the three courts at Little Alfred would have limited impact on the sport or tennis participation.
2. A review of competing facilities in the LGA have identified a propensity for high levels of program provision and partnership with health and fitness programs, group fitness and adoption of new participation modes in tennis (such as Cardio Tennis).
3. The existing site is heavily constrained for any potential viable commercial recreation use and there are limited opportunities for a stand-alone commercial recreation use that is viable. Lack of parking, poor access, site shape and size and the surrounding residential uses create multiple challenges for any proposed commercial recreation use.
4. Community based uses such as club courts, parkland, community garden and active and passive recreation, are viable uses for the site, however these are not commercial uses and would not offer a return to the owner. These uses would be viable under a not-for profit model such as council ownership and operation as park or lease to a club.
5. Trend data and population growth do not indicate a strong need for the 3 courts to be retained for tennis use and do not support demand growth as a driver to improve viability of a commercial tennis operation.
6. The best strategy to retain recreation use on the site, is to cross subsidise with a more viable activity.
7. Community recreation benefits can be retained and enhanced on the site with the retention of a single multi-use court and provision of new more viable opportunities such as an indoor exercise and wellness centre. Supporting this outcome via a limited residential component development is expected to be a more viable option.

8. Warranties and Disclaimers

The information contained in this report is provided in good faith. While Otium Planning Group has applied their own experience to the task, they have relied upon information supplied to them by other persons and organisations.

We have not conducted an audit of the information provided by others but have accepted it in good faith. Some of the information may have been provided 'commercial in confidence' and as such these venues or sources of information are not specifically identified. Readers should be aware that the preparation of this report may have necessitated projections of the future that are inherently uncertain and that our opinion is based on the underlying representations, assumptions and projections detailed in this report.

There will be differences between projected and actual results because events and circumstances frequently do not occur as expected and those differences may be material. We do not express an opinion as to whether actual results will approximate projected results, nor can we confirm, underwrite or guarantee the achievability of the projections as it is not possible to substantiate assumptions which are based on future events.

Accordingly, neither Otium Planning Group, nor any member or employee of Otium Planning Group, undertakes responsibility arising in any way whatsoever to any persons other than client in respect of this report, for any errors or omissions herein, arising through negligence or otherwise however caused.