INNER WEST COUNCIL

Contact: Leah Chiswick
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Date: 1 September 2016

PCU066887

Ms Carolyn McNally
Secretary
NSW Department of Planning and Environment
GPO Box 39
SYDNEY NSW 2001

Department of Planning
Received
6 SEP 2016
Scanning Room

Attn: Martin Cooper
A/Team Leader, Sydney Region East

Dear Ms McNally,

RE: Application for Site Compatibility Certificate under *State Environmental Planning Policy (Affordable Rental Housing) 2009* – 5-7 White Street, Lilyfield

I write in response to your letter dated 23 August 2016 advising that an application for a site compatibility certificate has been received for Lot 2 DP 434069, 5-7 White Street, Lilyfield, under *State Environmental Planning Policy (Affordable Rental Housing) 2009* (ARHSEPP).

The application has been reviewed by Council officers and the following comments are made:

1. The Leichhardt area is forecast to have a substantial industrial floorspace deficit

The 2014 Leichhardt Industrial Lands Study, undertaken by SGS Economics and Planning, identifies that in light of future population and employment growth in the former Leichhardt LGA there will be an industrial floorspace deficit of between 7,500sqm and 55,000sqm by 2036. A key recommendation of the Study is to protect Leichhardt's industrially-zoned precincts for their important employment and service functions. A number of actions to assist in the delivery of the recommendation are identified:

Action 1.1 – Refuse any proposal to rezone land from Council's small pool of industrial land within any of the industrial precincts.
Action 1.2 – Protect the industrial nature of the key precincts of Moore Street South, White Bay and Camperdown from rezoning and non-industrial redevelopment that may be a permitted use within IN2 zoning.
Action 1.3 – Rezone the key industrial precinct of Moore Street South from IN2 to IN1 to maximise its industrial nature.

2. Moore Street South is a key industrial precinct

The Study identifies the Moore Street South precinct as one of the key industrial precincts in the Leichhardt area due to its size and the mix of uses it accommodates. It also established that the precinct serves an important population-serving function within the broader subregion.

The Moore Street South precinct is the third largest by Gross Floor Area (GFA) in the former Leichhardt LGA and the majority of the precinct contains a mix of light industrial and light manufacturing uses with a local service function. SGS suggests that these industries are likely to remain attracted to the precinct with the layout and the built form appealing to uses seeking affordable rent and traditional industrial building stock. The most substantial amount of floorspace is occupied by freight and logistics, being 11,375sqm, or 73% of the total freight and logistics GFA in the former LGA, along with high proportions of light manufacturing uses, bulky goods retail and office floor space. The precinct is well located, being in close proximity to City West Link and surrounded by residential uses which comprise the principal catchment for the local-light industry mix of the precinct.

Following on from the Industrial Lands Study, the former Leichhardt Council commissioned work to further profile and plan for the industrial precincts. Consistent with the Study, the 2015 Leichhardt Industrial Precinct Planning report also recommends that the Moore Street South industrial precinct be rezoned to IN1 General Industrial. This recognises Moore Street South as Leichhardt's largest 'traditional' industrial precinct with regards to role and function. In this respect, SGS's report stated that "a rezoning to IN1 (General Industrial) zone would signal that this precinct is not one to consider peripheral industrial uses and will not be a location for alternative uses such as commercial or residential" (p.78).

Following the applicant's initial enquiries with Council in July 2015 regarding a prospective site compatibility certificate application to facilitate affordable housing on the site, Council requested advice from SGS in the context of the recently completed Leichhardt Industrial Lands Study. The advice is attached. In summary, it makes the following points:

- With the loss of a substantial amount of industrial floorspace in recent years, e.g. Kolotex and Labelcraft sites, Leichhardt has a relatively small stock of industrial land remaining which is under increasing pressure to develop for non-industrial uses, in particular residential. While residential development is important across Metropolitan Sydney, so too is the protection of industrial land to serve a growing population. It is essential that sufficient industrial zoned land is retained within the Leichhardt LGA to ensure that the current and future needs of the local area are met.
- The most immediate risk presented by a change of use to residential at the subject site is the further erosion of industrial land stocks leading to a supply shortage and impacting the ability of the area to maintain appropriate local industrial activity to meet the needs of the resident population and support local commercial activity. The other significant risk is that residential use at the subject site may lead to land use conflicts with more traditional industrial neighbours, both current and future. The contraction of the Moore Street South precinct and the potential impact on neighbouring uses would threaten the integrity of the precinct and compromise its role and function as a whole.
- The justification for the protection of inner-city industrial areas is clear and centres on the fact that industrial businesses provide crucial support to mixed use and residential areas; that close proximity is important to the provision of that support; and that industrial uses are highly sensitive to rent levels. Without protection, marginal demand for residential and mixed use development can crowd out industrial uses and this can negatively affect all users.

The advice concluded that any application for a site compatibility certificate under the ARHSEPP should be opposed.

While there may be comparable industrial precincts within the Inner West LGA and wider subregion, the uses identified as having persistent demand for Leichhardt's industrial land, including population serving industries, urban manufacturers, CBD 'backroom' operations and creative industries, are characterised by a strong local customer base and are attracted to the building and locational qualities of the area, including proximity to the CBD. Consequently, they are not easily transferable and any additional deficit created by the loss of land in the Moore Street South precinct could not be offset in other locations in the inner city subregion.

3. Erosion of industrial land supply and introduction of land use conflict

With Moore Street South being the most traditional industrial precinct in the Leichhardt area, introducing residential development risks jeopardising its role and function by eroding industrial land supply and potentially creating land use conflicts associated with noise, access and amenity. Such conflict is likely to be more prevalent with uses that might locate in the precinct should Council proceed with the recommended rezoning to IN1 General Industrial. Accordingly, the proposed residential development is considered incompatible with the existing and future surrounding land uses.

The applicant's assessment of the scheme against the Desired Future Character Controls for the Moore Street Industrial Sub Area (should be Piperston Distinctive Neighbourhood Industrial Sub Area) contained within Leichhardt DCP 2013 assumes that the existing development in the industrial precinct will remain and that there will be no intensification of use. Conversely, the Industrial Precinct Planning work undertaken by SGS and urban design consultants, Architectus, recommends that the subject precinct be rezoned to IN1 General Industrial and that the controls be amended to facilitate intensification of development. The urban design work identifies the potential for the precinct to accommodate an FSR of 2:1 (up from the existing maximum permitted FSR of 1:1) with the creation of new street/laneway connections.

While the proposed scheme would go some way to reducing the affordable housing deficit in the area, it will inhibit future industrial floorspace and employment growth in the precinct and place pressure on remaining floorspace both within the precinct and the local area.

Residential development, including affordable housing, has a degree of flexibility in where it locates, while industrial uses are less flexible, requiring strategically-located land suitable for and allocated to such purposes and capable of accommodating growth and intensification. While the subject site may be a suitable location for residential development in terms of its proximity to transport and services, this should not outweigh the importance of the land's industrial function. Preserving the land for industrial purposes will facilitate the provision of additional industrial floorspace to accommodate uses identified as having increasing demand for the area's industrial land which will be crucial in addressing the forecast deficits.

The proposed loss of industrial land should also be considered in light of the likely future loss of other industrial land in the LGA at Lords Road and under UrbanGrowth NSW's strategies for Parramatta Road and the Bays Precinct. The draft Parramatta Road Urban Transformation Strategy proposes the loss of the Tebbutt Street/Parramatta Road (Taverners Hill) and Camperdown industrial precincts in their entirety.

4. Provision of affordable housing

While the importance of the provision of affordable housing is acknowledged, it should not be at the detriment of industrial land and the ability of the area to adequately provide for industrial uses, particularly given that this important land use is already under persistent threat from other land uses across the subregion.

The applicant's submission concludes that the proposed scheme will not establish an adverse precedent, assuming that it is unlikely that any other sites in the precinct are owned by community housing providers and therefore in a position to utilise Division 5 of ARHSEPP. This is ill-considered as clause 35 does not require land to be owned by a community housing provider but that development be carried out by or on behalf of a public authority or social housing provider or in collaboration with the Land and Housing Corporation. It is therefore possible that the owner of any land in the precinct that satisfies the locational criteria of clause 34 could collaborate with a community housing provider on a proposal for a residential flat building with 50% of the accommodation being used as affordable housing for a minimum of 10 years as required by clause 38.

Accordingly, while the unique nature of the proposal is recognised, concern is raised that if the Secretary were satisfied that the development is compatible with surrounding land uses and the site suitable because of its location on the periphery of the industrial precinct, this could lead to the gradual encroachment of residential development and deterioration of the precinct's industrial function.

The Inner West Council is actively working to facilitate the provision of affordable housing within the LGA. The former Leichhardt Council adopted a Housing Action Plan 2016-2025 on 8 March 2016 and is now working with the former Ashfield and Marrickville Councils towards adopting an Inner West Council policy on Affordable Housing and Value Capture as a matter of priority. The Inner West Council is proactive in negotiating Voluntary Planning Agreements with developers to provide affordable housing and an Affordable Housing and Value Capture Policy will aid in this process.

Additionally, the former Leichhardt Council has sought expressions of interest from community housing providers to develop affordable housing above a Council car park in Hay Street, Leichhardt. This project is progressing and Council is now working with the selected community housing provider and architects to finalise DA documentation.

Should you have any queries in relation to this matter, please contact Leah Chiswick, Executive Strategic Planner on 9367 9232 or leah.chiswick@innerwest.nsw.gov.au.

Yours sincerely,

Phil Sarin
Director Planning and Environment

Encl:
1. Leichhardt Industrial Lands Study Final Report – December 2014
2. Leichhardt Industrial Precinct Planning Final Report – April 2016
3. Advice from SGS Economics and Planning for 5 White Street, Lilyfield – undated but received on 21 July 2015

Leichhardt industrial lands study

Final report

Leichhardt Council

December 2014

SGS Economics & Planning

Independent insight.

Independent
insight.

This report has been prepared for Leichhardt Council. SGS Economics and Planning has taken all due care in the preparation of this report. However, SGS and its associated consultants are not liable to any person or entity for any damage or loss that has occurred, or may occur, in relation to that person or entity taking or not taking action in respect of any representation, statement, opinion or advice referred to herein.

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TABLE OF CONTENTS

EXECUTIVE SUMMARY		**2**
1.1	Differences in reporting outputs	4
2	**INTRODUCTION**	**6**
2.1	Context	6
2.2	Scope of the study	6
2.3	Report contents	8
3	**STRATEGIC CONTEXT**	**9**
3.1	Local context	9
3.2	Transport context	13
3.3	Strategies and policies	15
3.4	Subregional context, trends and drivers	27
3.5	Implication of macro and subregional trends on Leichhardt's industrial precincts	32
3.6	Summary and implications	33
4	**CURRENT POSITION ASSESSMENT**	**36**
4.1	Economic profile	36
4.2	Summary and implications	43
5	**CAPACITY ASSESSMENT**	**44**
5.1	Land audit results	44
5.2	Floorspace by precinct	47
5.3	Current capacity summary	69
5.4	Capacity analysis	69
5.5	Opportunities and constraints analysis	71
5.6	Summary	77
6	**DEMAND AND GAP ANALYSIS**	**78**
6.1	Base case employment forecast	78
6.2	Floorspace forecasts	79
6.3	Supply-demand gap analysis	81
6.4	Population-driven forecasts	82
6.5	Future industry dynamics within Camperdown precinct	83
6.6	Summary	83
7	**FINDINGS AND RECOMMENDATIONS**	**85**
7.1	Review of findings and issues	85
7.2	Review of industrial precincts against relevant Employment and Economic Development Plan (EEDP) Actions	88
7.3	Strategies and actions	92
7.4	Timeframes	96

EXECUTIVE SUMMARY

Leichhardt has eleven identified industrial precincts scattered throughout the LGA. These vary both in their size and mix of uses, however the predominant characteristic of Leichhardt's industrial lands is their servicing of local industrial need.

Across all precincts, Leichhardt currently has 308,902 sqm of floorspace within industrially-zoned land, split across broad land-use categories (BLCs).

In order to determine whether Leichhardt has sufficient industrially-zoned land to satisfy future demand, employment projections are used to forecast how much additional floorspace will be required. This enables Leichhardt Council to assess whether other complimentary uses (such as creative industries) could be accommodated within the existing precincts.

Given Leichhardt's relatively low provision of industrial land, it is forecast that the LGA will not have sufficient land within existing precincts to accommodate the future demand of 63,094 sqm by 2036. Even within various scenarios that test degrees of development within these precincts, **Leichhardt is projected to have a shortfall of between 7, 570sqm and 54,965sqm by 2036**. Table 1 identifies each precinct in different development scenarios, with floorspace shortfalls in red. The two outlying scenarios – minimum and maximum – assume no additional development to increase floorspace and development to 100% of the current 1:1 FSR respectively. The maximum scenario in particular is unlikely and the minimum scenario acts as a conservative baseline.

TABLE 1. LEICHHARDT INDUSTRIAL ZONES FLOORSPACE SUPPLY-DEMAND GAP 2014-2036 (SQM)

	Development scenarios			
Precinct	Min	Med (40%)	Med (60%)	Max
Balmain East industrial	(637)	824	824	1,144
Terry St	(3,060)	(2,279)	(1,562)	1,873
White Bay	(15,371)	(13,656)	(11,192)	(7,709)
Balmain Rd	(3,297)	(3,297)	(2,886)	(2,886)
Lilyfield Rd	(669)	(669)	(669)	(169)
Moore St North	(1,502)	(1,502)	(1,502)	(976)
Moore St South	2,285	11,151	13,455	16,518
Allen Street[1]	(6,778)	(6,778)	(6,778)	(6,778)
Marion St	(1,788)	(1,788)	(296)	(296)
Lords Rd	(10,704)	(10,704)	(10,704)	(10,704)
Tebbutt St/ Parramatta Rd	(5,283)	(1,325)	(549)	1,950
Camperdown	(8,161)	(3,788)	(476)	465
TOTAL	**(54,965)**	**(33,811)**	**(22,334)**	**(7,570)**

[1] Although Allen Street has been re-zoned away from IN2, it is included in the modelling from a demand-side point of view. Although it no longer provides capacity, it is assumed that the current industrial floorspace will need to be accommodated elsewhere in the LGA. It therefore shows as a 'gap' of 6,778sqm, contributing to Leichhardt's overall total.

Source: SGS Economics and Planning, 2014

Separate forecasting methods, using population growth projections, project that those industries servicing local populations will see demand increase by 33,909sqm by 2036 within the LGA. The employment and population-driven demand forecasts are based on Bureau of Transport Statistics (BTS) 2014 release and do not consider the potential redevelopment of the Bays Precinct or Parramatta Road urban renewal corridor.

Leichhardt's proximity to the Sydney CBD, improving transport links and identified development possibilities within the Bays Precinct and the Parramatta Road Corridor, means that the LGA's remaining industrial land is under increased pressure to develop for non-industrial uses, in particular residential. While residential development is important right across Metropolitan Sydney, so too is the protection of industrial land to service a growing population.

In light of these competing pressures and Council's desire to explore additional uses such as creative industries within these precincts, this report makes a number of recommendations. In summary, these include all of Leichhardt's industrial lands being retained and protected from re-zoning, that additional industrial floorspace be provided and that Council's planning controls be revised to facilitate the protection and growth of industrial precincts.

The table below outlines in greater detail six recommendations for the management of Leichhardt's industrial lands, of which a number of actions are aimed to assist in the delivery of these. These are:

Recommendation 1: **Protect Leichhardt's industrially-zoned precincts for their important employment and service functions.**	
Action 1.1	Refuse any proposal to rezone land from Council's small pool of industrial land within any of the industrial precincts
Action 1.2	Protect the industrial nature of the key precincts of Moore Street South, White Bay and Camperdown from rezoning and non-industrial redevelopment that may be a permitted use within IN2 zoning.
Action 1.3	Rezone the key industrial precinct of Moore Street South from IN2 to IN1 to maximise its industrial nature
Action 1.4	Amend the clause within the Leichhardt LEP that allows for the continued provision of creative industries within any IN2 land and identify specific precincts in which it is permitted.
Recommendation 2: **Develop a profile and plan for each industrial precinct**	
Action 2.1	Develop a profile of each precinct to assist in planning for their future function, including: i. Precinct context and current mix of land uses ii. Physical characteristics of precincts & lots (size, configuration etc) iii. Available floorspace and development potential
Action 2.2	Develop a coherent vision for each precinct, as part of a broader industrial land strategy, which: i. Considers the pressures and potential demands the precinct may face ii. Considers each precinct's ability to support particular industrial uses or mix of uses iii. Includes specific detail on zoning, controls and permitted uses iv. Can be incorporated into the Development Control Plan or similar policy document
Action 2.3	Facilitate intensification of existing precincts, where possible, to make better use of the LGA's existing industrial land supply
Action 2.4	Develop an LGA-wide industrial land strategy that encapsulates the findings of precinct plans and provides a clear position with regards to Council's approach to industrial land protection and development
Action 2.5	Consult with industry groups to ensure future precinct development meets the needs of users

Recommendation 3: **Develop clear vision for the future of the Camperdown precinct and maintain industrial zoning**	
Action 3.1	Maintain current IN2 zoning for Camperdown precinct
Action 3.2	Permit no further retail use (including large-format retail) within Camperdown precinct
Recommendation 4: **Ensure adequate provision of industrial land for population-serving industries**	
Action 4.1	Maintain current provision of IN2-zoned land
Action 4.2	Provide an additional 33,909 sqm of IN2 floorspace by 2036
Action 4.3	Prohibit large-format retail in industrial zones
Action 4.4	Consider the establishment of a B5 and/or B6 zone along major arterial roads to accommodate the demand for large-format retail
Recommendation 5: **Ensure the vision for Leichhardt's industrial lands considers possible impacts of the Bays Precinct redevelopment**	
Action 5.1	Advocate as a key stakeholder on behalf of the Leichhardt LGA community, including local businesses, to protect and enhance their interests
Action 5.2	Adopt urban design/strategic plan framework to respond to the Bays Precinct redevelopment
Action 5.3	Ensure Council is a key stakeholder in discussions regarding the redevelopment of the Bays Precinct
Action 5.4	Maintain industrial zoning of White Bay industrial precinct
Recommendation 6: **Work with neighbouring councils to ensure a sub-regional approach to industrial land provision**	
Action 6.1	Engage with Marrickville Council and state agencies on Parramatta Road-focused renewal schemes

1.1 Differences in reporting outputs

This study examines Leichhardt's existing supply of industrial lands (lands zoned IN2) and the forecast demand for this land out to 2036. An earlier study by SGS in 2008 (updated in 2010) examined supply and demand for commercial and industrial land in the LGA.

In terms of industrial zoned land, the 2010 and 2014 SGS reports differ in their assessment of industrial floorspace demand and the subsequent demand-capacity gap assessment. This 2014 report suggests that there is a shortage of industrial land in the LGA. Differences in the demand-capacity conclusions in the two SGS reports are driven by the following:

- **Differences in underlying data sets.** To forecast demand for employment floorspace SGS uses employment projections by industry type, which are then converted to floorspace forecasts.

  The 2014 report uses Bureau of Transport Statistics (BTS) employment forecasts released in September 2014. These forecasts use 2011 census data as the base to forecast from. The 2010 report used the 2009 Transport Data Centre (TDC) forecasts (the TDC was subsumed into the BTS in 2010). These forecasts use 2006 census data as the base to forecast from.

  The 2014 BTS employment forecasts show a different profile for forecast employment in the LGA compared to the 2009 TDC numbers. In broad terms this can be summarised as follows - employment in industries that require industrial zone locations are forecast to increase and consequently, so too is the demand for the floorspace that they require.

This is witnessed in the larger forecast growth in construction and wholesale trade and to a lesser extent, the reduction in forecast manufacturing job decline between the two reporting periods. These types of industry growth changes mean that there is an overall increase in demand for floorspace in the LGA to accommodate these types of industry. These are the types of industry that locate in industrial lands. This contributes to an overall greater forecast demand for industrial floorspace which is reflected in the 2014 SGS report.

- **Differences in floorspace capacity.** The 2014 SGS report assessed the same industrial precincts as in the 2010 SGS report (with the exception of the Allen Street precinct which was excluded from the 2014 report due to its proposed rezoning from industrial). Changes throughout Leichhardt's overall industrial lands supply, such as the rezoning of precincts or the development of specific sites resulted in a change to industrial floorspace figures between the two reporting years. This has a flow-on impact on the capacity-demand gap identified in the 2014 report.

- **Development within the broader inner Sydney environment.** Neither the 2012 nor the 2014 BTS employment and population forecasts indicate that they have factored in development of the Bays Precinct or the Westconnex project. The Bays Precinct will have a particularly significant effect on Leichhardt LGA. A conservative approach to the retention of existing industrial precincts is therefore recommended in the 2014 report given the likely increase in demand once these projects' impacts are considered.

2 INTRODUCTION

2.1 Context

Changes in the global economy have reshaped metropolitan Sydney's industrial structure, in particular the traditional inner city industrial areas that are now characterised by new types of commercial and industrial development, or have been converted for residential use. In Leichhardt LGA, around 40 hectares of employment lands have been rezoned over the past 20 years, including the recent rezoning of the former 'Kolotex' and 'Labelcraft' sites at 22 and 30-40 George Street (from IN2 Light Industrial to B4 Mixed Use Zone and R3 Medium Density Residential respectively).

Leichhardt Council (Council) has a relatively small stock of industrial land remaining, all zoned IN2 Light Industrial, which is under increasing pressure to be rezoned for residential purposes due to factors such as access to the city and harbour views. While some of this land might be better suited to other uses and zonings, it is essential that sufficient industrial zoned land is retained within the Leichhardt Local Government Area (the LGA) to ensure that the current and future needs of the local area are met.

In particular, Council must reconcile significant land-use pressures with regard to the industrial zoned land within the LGA, namely:

- The need to retain viable industrial lands to serve the population
- The long-standing direction of the NSW Government that requires significant employment lands be protected and retained
- The aspirations of landowners that advocate for zoning that allows higher order uses such as residential or retail
- Determining if/ how higher order uses can proceed within industrial zones without undermining their ongoing functioning as industrial areas.

2.2 Scope of the study

SGS Economics and Planning (SGS) were commissioned by Leichhardt Council to undertake an industrial lands study for the Leichhardt Local Government Area. The study area, shown in the figure below, is all land zoned IN2 Light Industrial under the *Leichhardt Local Environmental Plan 2013* (LLEP 2013).

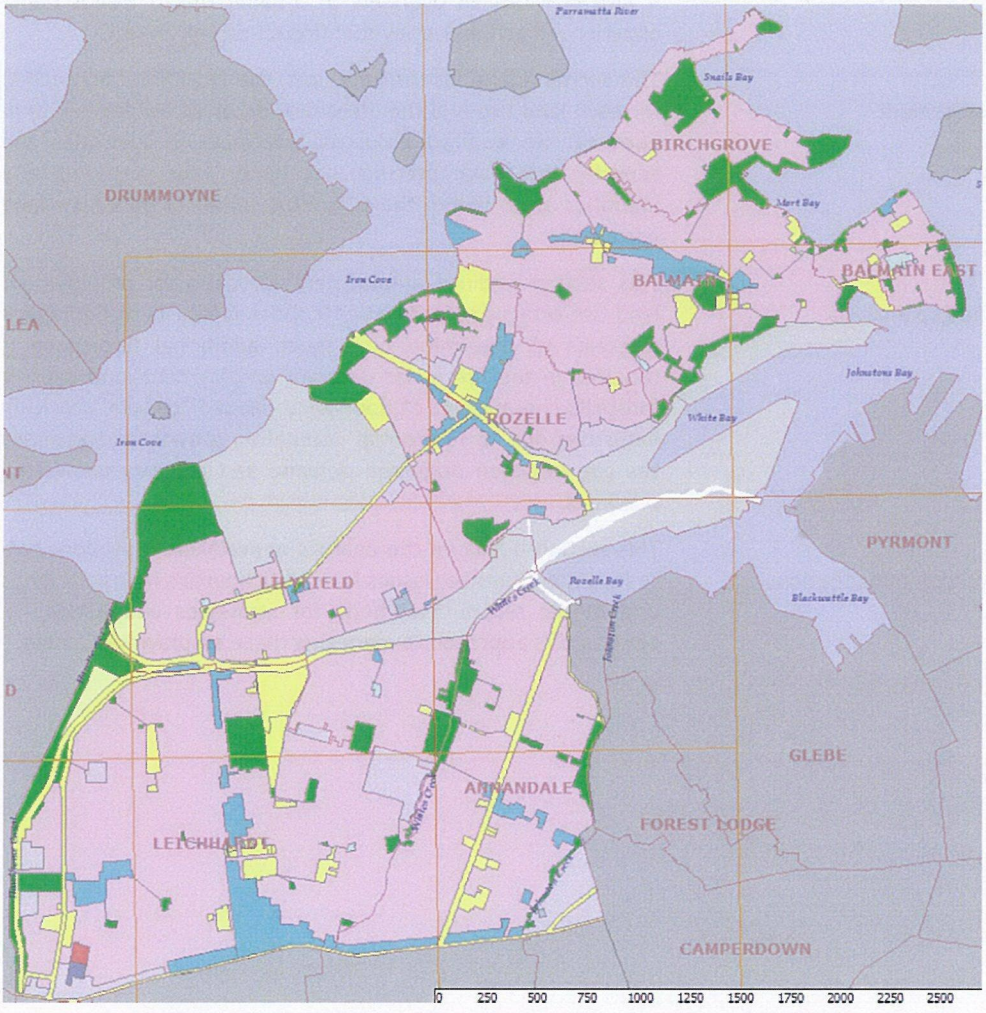
This study provides Council with baseline information against which to assess future proposals to rezone industrial land, in line with the state and local planning policy context, and changing economy, infrastructure and demographics. It will also be used to inform Council's Strategic Sites, Centres and Corridors Project which aims to develop a masterplan for the area bounded by Parramatta Road and Catherine, Albion, Susan, Chester, Taylor, Booth and Mallett Streets to inform the future direction of the development of the area.

Council's brief for the project states that the purpose of this study is to:

- Provide Council with baseline information against which to consider proposals for the rezoning of industrial land
- Identify the trends and long-term demand and supply for industrial zoned land in the context of the LGA and the subregion
- Establish the relative strategic positioning of the industrial precincts within the LGA
- Consider the LGAs industrial zoned land against criteria for the rezoning of industrial land
- Assess the capacity of the industrial zoned land within the LGA to accommodate future demand for industrial land

- Establish if there is a basis for change in the Study Area
- Consider what uses may need to be accommodated in Leichhardt's industrial zoned land in the future
- Guide future decision making in relation to industrial land within the LGA
- Understand the implications of WestConnex on industrial zoned land within the LGA, in particular the Camperdown Industrial Precinct
- Make recommendations for the Camperdown Industrial Precinct to inform the direction of the Strategic Sites, Centres and Corridors Project and future amendments to the LLEP 2013 and DCP 2013
- Make recommendations for the industrial precincts of Moore Street Industrial Precinct (Leichhardt); Lords Road Industrial Precinct (Leichhardt); Leichhardt A Industrial Precinct (Marion Street); Balmain Road Industrial Precinct (Lilyfield); Victoria Road South/White Bay Industrial Precinct (Rozelle); and Terry Street Industrial Precinct (Rozelle).

FIGURE 1. STUDY AREA



Source: Leichhardt Council, 2014

2.3 Report contents

This report is structured in to the following sections:

Section 1 Introduction	Provides an overview of the report context and scope of study
Section 2 Strategic context	Identifies the locational, infrastructure and policy context of Leichhardt and the key issues facing the subregion.
Section 3 Current position assessment	Provides a profile of the local economy with a focus on employment profiles and industrial real estate market trends. It also provides an overview of broader macro trends being experienced across Sydney that impact on Leichhardt.
Section 4 Capacity assessment	This section identifies the land uses, the gross floor area (GFA) for each land use and the identification of vacant lands within each of the audited industrial precincts. It identifies the capacity that each precinct has under four scenarios and identifies areas within the LGA most suited to particular land use types.
Section 5 Demand and gap analysis	This section outlines employment forecasts for employment land use categories and converts these forecasts to floorspace forecasts to determine how much additional floorspace is required in the future for different employment land uses. It forecasts the amount of floorspace needed for local servicing industries due to residential population growth and assesses the gap between projected demand and capacity across the precincts.
Section 6 Findings and recommendations	This section builds on the analysis undertaken in sections two to five. It outlines key issues facing Leichhardt's industrial lands and makes recommendations for strategies and actions in Leichhardt's approach to managing these employment assets.

3 STRATEGIC CONTEXT

3.1 Local context

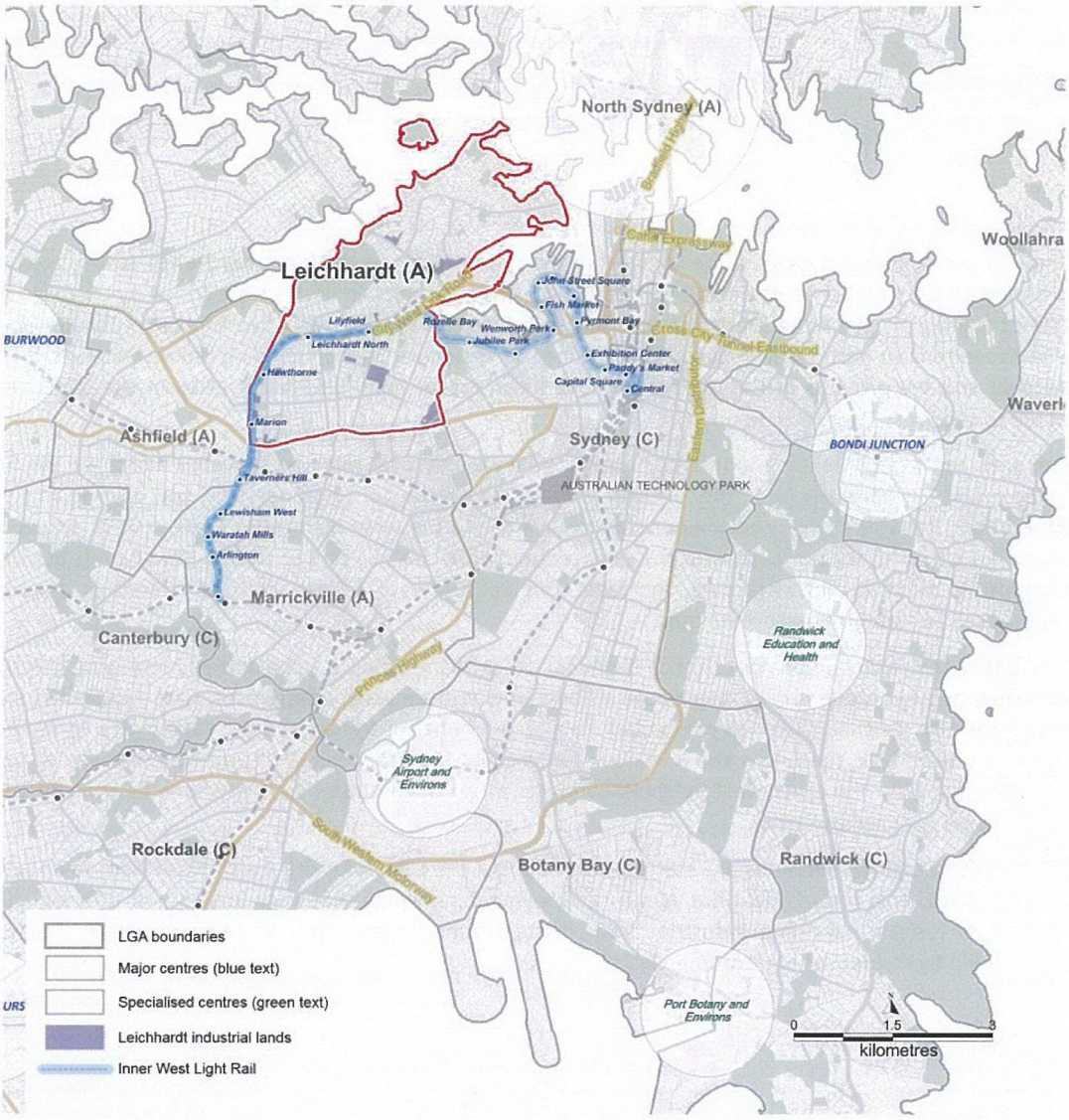
The LGA of Leichhardt is located directly west of the Sydney CBD, on the inner reaches of Sydney Harbour. It is bound by the harbour to its north and Parramatta Road to its south and is surrounded by the LGAs of the City of Sydney, Ashfield and Marrickville. It is also connected via the Iron Cove Bridge to Canada Bay. The LGA has extensive harbour frontage and a number of foreshore parks, including Ballast Point Park, Illoura Reserve and the grounds of Callan Park and the Dawn Fraser Pool. Leichhardt Oval, in the LGA's west, is home to the West Tigers NRL team.

The area has a long-standing industrial history. Sydney's only coal mine was located along the Birchgrove Ridge and it has variously been the location of maritime production, port services, coal mining and power generation. The area's large working population gave rise to the Australian Labor Party in 1891. Much of the area's industrial legacy remains, with the now redundant White Bay power station dominating the skyline. Supporting industrial infrastructure, including the Rozelle train sidings and port facilities, have been repurposed to support newer industries.

The LGA has a number of educational facilities; 16 primary schools (nine government and seven non-government), two government secondary schools and two university campuses. One hospital is located within the LGA. Leichhardt is well connected through a number of transport links. Parramatta Road, Victoria Road, City West Link, the Anzac and Iron Cove bridges and the proposed Westconnex motorway all provide good road access. The inner west light rail connects much of the LGA's southern area to the city and the north is well serviced by ferries.

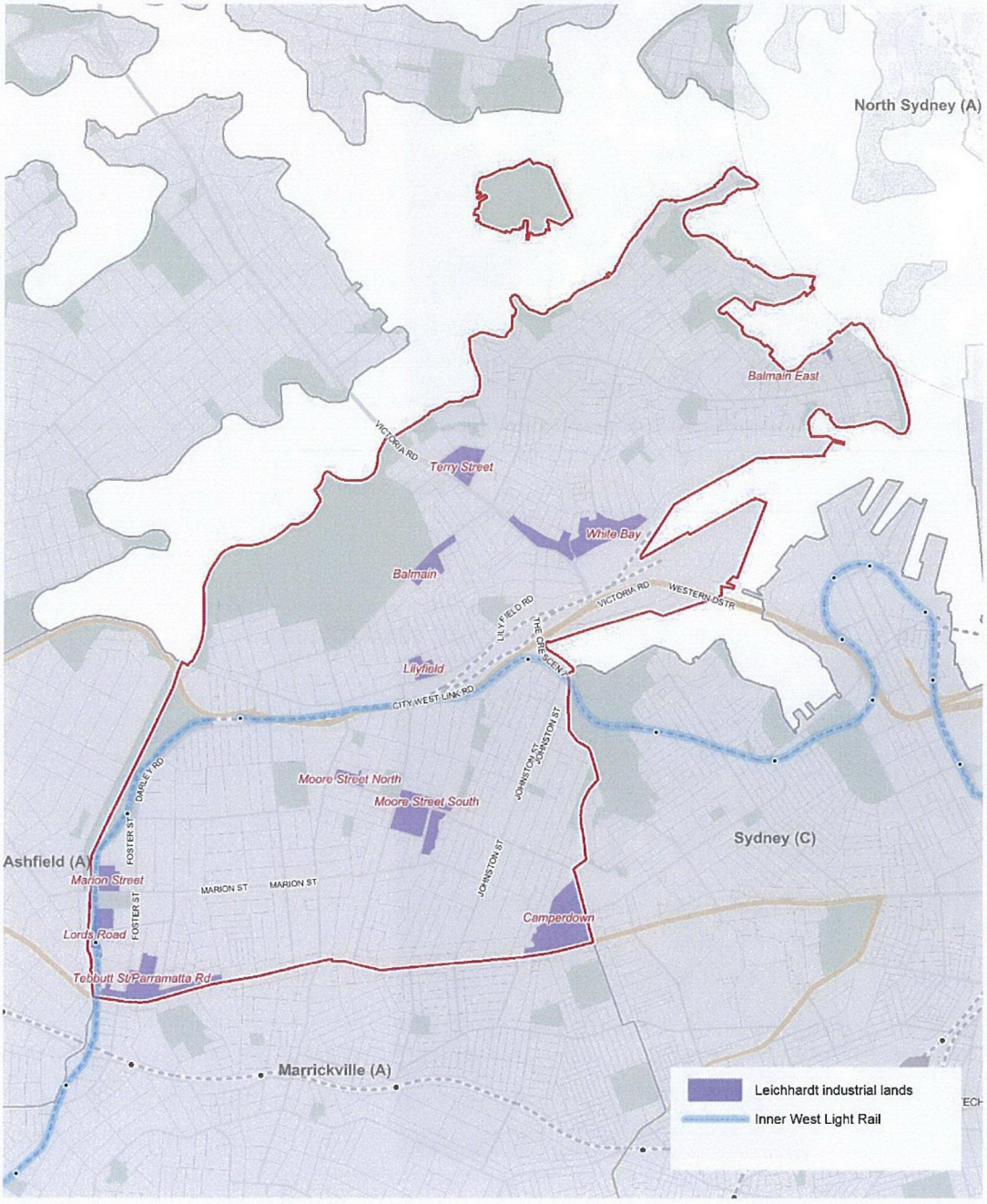
Leichhardt's employment lands are scattered throughout the LGA, with the majority located on or south of Victoria Road. This report identifies eleven employment precincts that vary in size and offering. A large amount of residual maritime industrial lands exists around Rozelle and White bays, whilst the rest are surrounded by residential and commercial land uses.

FIGURE 2. LEICHHARDT LGA IN CONTEXT



Source: SGS Economics and Planning, 2014

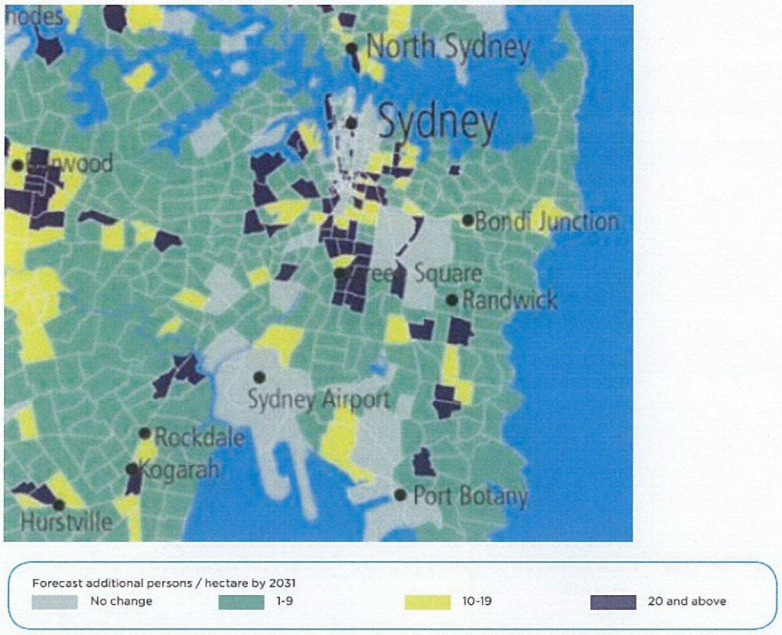
FIGURE 3. LEICHHARDT INDUSTRIAL PRECINCT LOCATIONS



Source: SGS Economics and Planning 2014

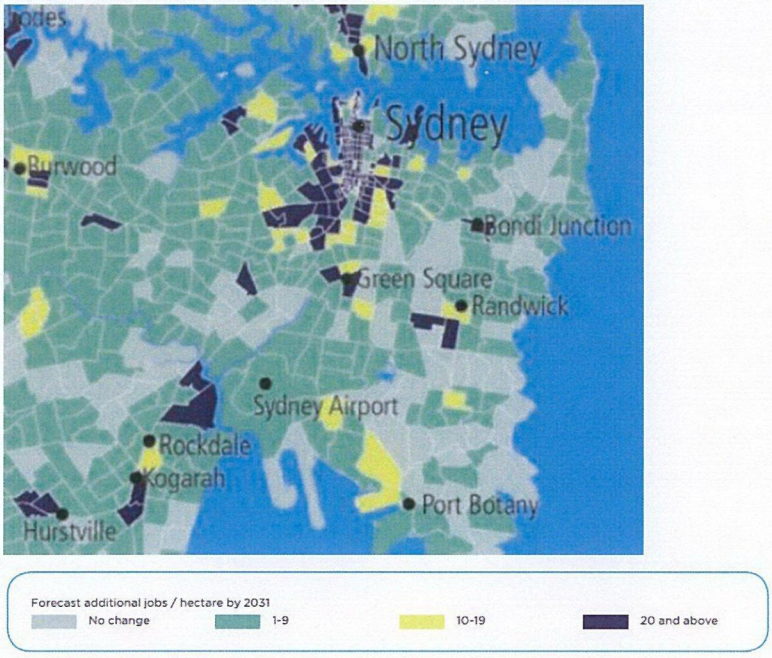
The NSW *Long Term Transport Master Plan* provides projections for residents and jobs to 2031. The figures below show that Leichhardt LGA is expected to accommodate few additional residents (no more than nine additional people shown per hectare, with no change in some areas), and higher levels of employment growth in some parts of the LGA.

FIGURE 4. SYDNEY'S POPULATION GROWTH FORECAST, 2011 TO 2031



Source: TfNSW, 2012

FIGURE 5. SYDNEY'S JOBS GROWTH FORECAST, 2011 TO 2031



Source: TfNSW, 2012

3.2 Transport context

Sydney context

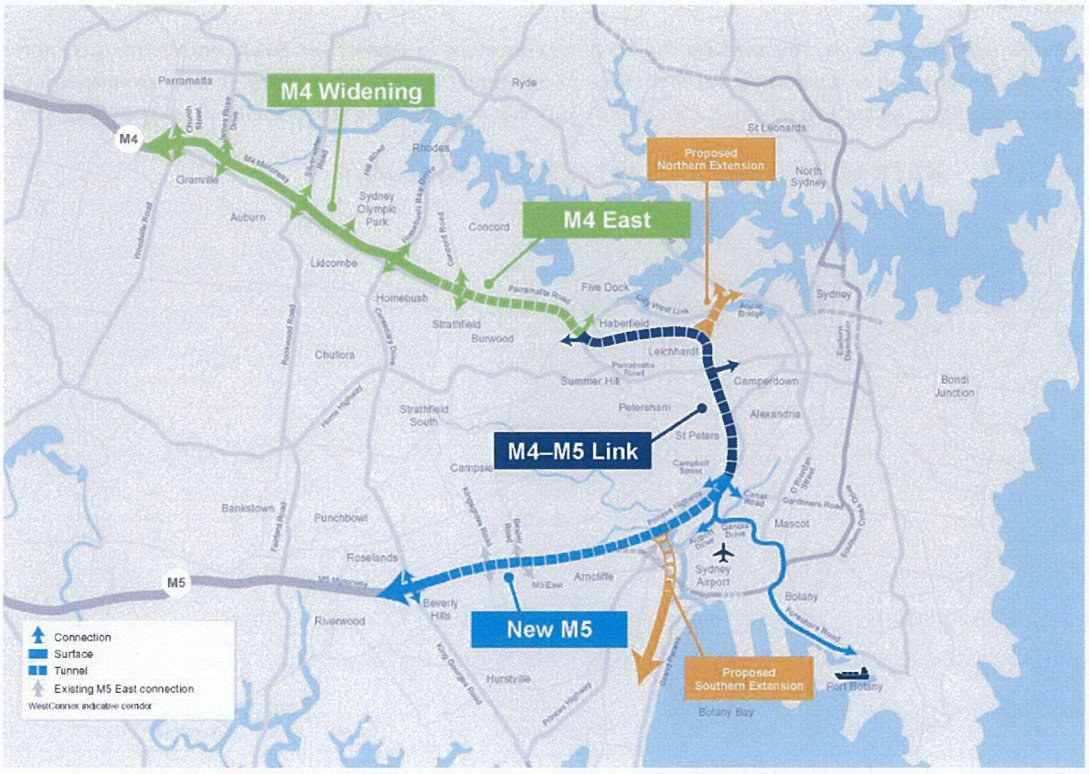
The NSW *Long Term Transport Master Plan* identified major transport challenges facing Sydney, including congestion issues in inner Sydney (especially on Parramatta Road, Oxford Street and Victoria Road), and proposed a coordinated and integrated approach to address these. With Sydney's population forecast to increase from 4.3 million to 5.6 million by 2031, and the number of trips made each day around the city expected to increase by 31% from 16 to 21 million, significant pressure is likely to be placed on the existing transport network.

WestConnex and Parramatta Road

WestConnex will be a continuous 33km motorway, linking Sydney's west with the CBD, Sydney Airport and Port Botany that will include the widening of the M4 and M5 motorways and the construction of a connecting tunnel.

The 2014 publicised conceptual route is provided below, with the Leichhardt section currently identified as Stage 3 with a construction date of 2018-23.

FIGURE 6. WESTCONNEX ROUTE



Source: www.westconnex.com.au, 2014

WestConnex was identified as an immediate priority in the NSW *Long Term Transport Master Plan* to complete links in Sydney's motorway network and address the following challenges:

- Keeping the city's most important transport corridors moving
- Improving connections across an expanded Sydney CBD
- Building a fully integrated city-wide transport system
- Providing better connections and services to Sydney's growth areas.

The NSW Government also proposes that the motorway will provide an opportunity for urban renewal along the Parramatta Road corridor, with better links between local centres and improved connections along and across the road. The *Draft Metropolitan Strategy for Sydney* identified Parramatta Road as a 'City Shaper' because it presents significant opportunities to influence how the city functions. Priorities include:

- revision of current planning controls (10 councils along a 24km corridor)
- investigation of streetscape improvements, improved cycling pedestrian crossing points and reinstatement of selected right turn bays along Parramatta Road
- Provision of 10km of additional bus lanes on Parramatta Road, from Burwood to the CBD.

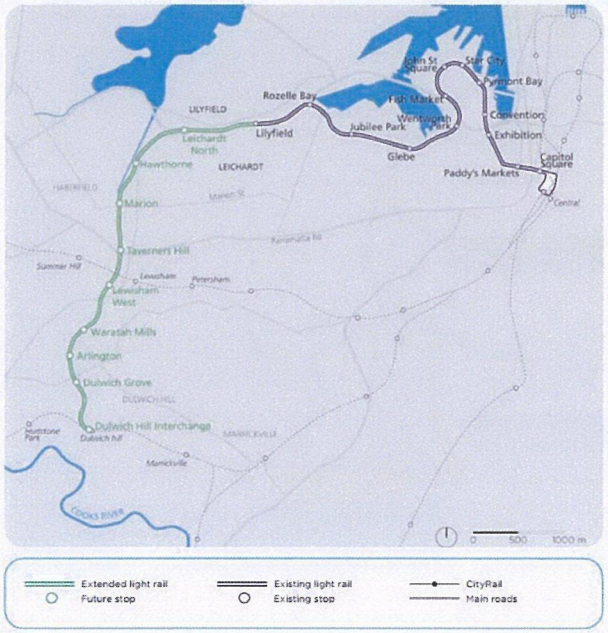
Investment in WestConnex was also recommended by the *State Infrastructure Strategy*, which identified the benefits as:

- relieving congestion on the existing M4/Parramatta Road and M5 East
- supporting freight movements between Sydney's Gateways and the logistics hubs in western and south western Sydney
- supporting people movements to Sydney Airport
- acting as a catalyst for urban regeneration along key corridors, particularly Parramatta Road
- enhancing orbital road connectivity south and west of the CBD
- Facilitating improvements in public transport, particularly on the Parramatta Road corridor.

Light rail

Sydney's Light Rail Future, released by the NSW Government in December 2012, noted the 5.6 kilometre Inner West Light Rail extension as the first stage of extending light rail in Sydney. It was completed in 2014 and extends light rail services through Leichhardt and Marrickville LGAs to Dulwich Hill, as shown below.

FIGURE 7. INNER WEST LIGHT RAIL EXTENSION ROUTE MAP



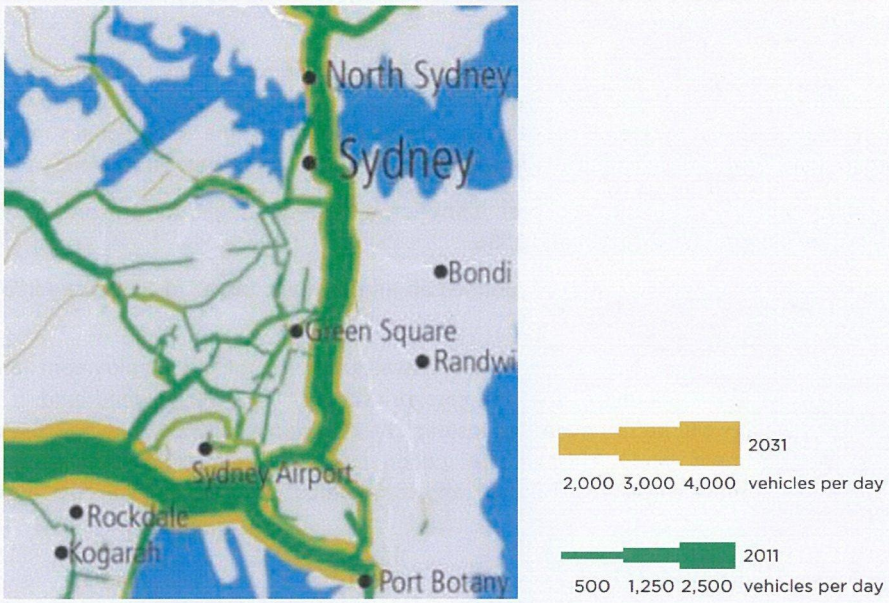
Source: TfNSW, 2012

Heavy vehicles

The NSW *Long Term Transport Master Plan* highlighted where heavy vehicle traffic is concentrated, in the vicinity of Leichhardt's industrial areas, namely along the Parramatta Road in Leichhardt LGA.

The construction of WestConnex may divert some heavy vehicles from local roads in the LGA, which may lead to improvements in local travel speeds and reliability, urban amenity, and public transport services, although in the short term.

FIGURE 8. HEAVY VEHICLE MOVEMENTS, 2011 AND 2031



Source: TfNSW, 2012

3.3 Strategies and policies

State and metropolitan

The NSW Government's *Metropolitan Plan for Sydney 2036 (2010),* draft *Inner West Subregional Strategy (2008)* and the draft *Metropolitan Strategy for Sydney to 2031* (2013) have all placed emphasis on the retention of significant strategic industrial lands and contain strategies and policies that effectively prevent the loss of industrial land where it cannot be clearly justified. This emphasis is echoed in the reinstatement of the Employment Lands Development Program in 2008, to monitor supply and demand for employment lands and plan for new employment lands. The ELDP is the State Government's key program for managing the supply of Employment Lands for the Sydney Region and assisting associated infrastructure coordination, and its 2010 report and 2011 report update provide important baseline data for monitoring the supply and utilisation of employment lands across the Sydney region.

NSW 2021

NSW 2021 is the State-wide 10–year plan to guide policy and budget decision making and, in conjunction with the NSW Budget, to deliver on community priorities. It sets long–term goals and measurable targets, and outlines actions that will help achieve the set goals. "Growing critical industries and investment" is a core objective, along with making more land available for housing and jobs. A key priority was to increase the percentage of the population living within 30 minutes by public transport of a city or major centre in metropolitan Sydney, through ensuring planning policy encourages job growth close to where people live (p.40).

Industry Action Plans developed as part of NSW 2021 cover the following industries:

- the visitor economy (tourism)
- creative industries

- the digital economy (such as information communications technology)
- professional services
- manufacturing
- International education and research.

Metropolitan Plan for Sydney 2036

In 2010, the NSW Government released its Metropolitan Plan for Sydney 2036 – a guiding strategic planning document for Metropolitan Sydney. It provides directions for making Sydney more connected, sustainable and competitive and sets residential and employment targets for the subregions. The subregional strategies have been maintained in draft form. The Leichhardt LGA is located within the Inner West Subregion.

Table D1 in the Housing Sydney's Population chapter identifies a housing target for the Inner West Subregion of 35,000 new dwellings between 2006 and 2036.

Table E1 in the Growing Sydney's Economy chapter identifies an employment target of 25,000 additional jobs for the Inner West Subregion.

Action E3.2 of the Metropolitan Plan is to identify and retain strategically important employment lands. Under this Action, the Metropolitan Plan advises that the categorisation of industrially zoned land in the current draft subregional strategies will be removed and instead the subregional strategies will assess the strategic importance of employment lands. This will be guided by a strategic assessment checklist, summarised below, to provide a more consistent approach and common set of criteria to consider a site's strategic importance.

FIGURE 9. METROPOLITAN PLAN ACTION E3.2

SUMMARY OF THE STRATEGIC ASSESSMENT CHECKLIST

- Consistency with Subregional Strategies
- Current use of the area, and existing transport infrastructure
- Impacts on the long-term viability of the employment land precinct and any industry clusters in the precinct or surrounding area
- Whether the employment lands support national or state significant infrastructure
- Trends in local land use activity
- Suitability and extent of measures implemented to improve an area's employment lands viability
- Potential to redevelop for industrial uses and/or new industrial uses (e.g., creative industries)
- Impacts on stocks of local employment lands and the ability of remaining stocks to meet future local industrial needs

Source: Department of Planning and Infrastructure, 2010

Draft Inner West Subregional Strategy

The draft Inner West Subregional Strategy was released in July 2008. The purpose of the subregional strategies is to provide for targeted and specific regional responses to the state level strategic objectives and aims set for Metropolitan Sydney.

The draft strategy identifies a housing target for Leichhardt of 2,000 new dwellings to 2031 and an employment target of 500 new jobs to 2031.

Action 1.2.3 of the draft strategy, Council to ensure retention of sufficient small Employment Lands parcels to support local service industries, notes that across the subregion, especially in Leichhardt, Ashfield and Canada Bay, there are many smaller parcels of employment lands which provide for a range of local

economic services. It identifies that these sites should be retained for industrial uses unless it can be clearly illustrated that they are not required to meet future demand for employment lands.

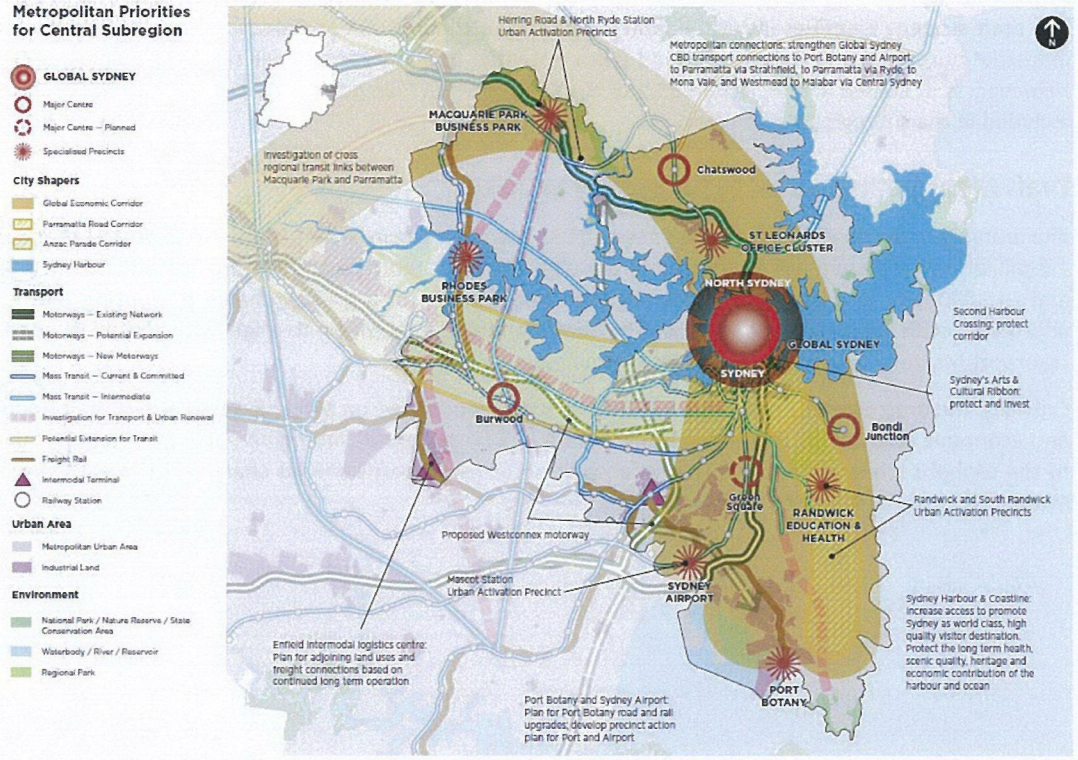
The draft strategy identifies industrial land within the Leichhardt LGA as Category 1 land (to be retained for industrial purposes) and Category 2 land (with potential to allow for a wider range of employment uses). However, as discussed above, Action E3.2 of the Metropolitan Plan advises that categories will no longer be included in the subregional strategies.

Draft Metropolitan Strategy for Sydney to 2031

The draft Metropolitan Strategy for Sydney to 2031 was released in March 2013. It is expected that by 2031, 1.3 million more people will be located in the city. The draft Strategy aims to provide 545,000 new homes and 625,000 new jobs across the metropolitan area, aiming for a greater choice of housing that is more affordable, with jobs closer to homes. The draft Strategy is intended to align with the NSW Long Term Transport Master Plan and the NSW State Infrastructure Strategy.

Critically, the draft Strategy redefines the Sydney subregions based on a new assessment of their population and economic catchments, placing Leichhardt LGA in a large Central subregion (Figure 10) and forming part of the Global Economic Corridor. This is recognition of Leichhardt's shared characteristics with the central Sydney CBD, and depth of economic linkages.

FIGURE 10. DRAFT METROPOLITAN STRATEGY FOR SYDNEY TO 2031 - CENTRAL SUBREGION - PRIORITIES



Source: Dept. of Planning, NSW (2013)

Priorities for this region relevant to Leichhardt include enabling housing intensification within established centres and along key transport corridors, as well as enhancing the role of the subregion as Sydney's global economic driver. This includes strengthening connections within the identified Global Sydney metropolitan centre (covering the CBD and North Sydney) and Global Economic Corridor city shaper (p.83), both of which Leichhardt sits immediately next to

There is a strong focus on supporting the land use requirements of industries with high potential and providing a well-located supply of industrial lands (Objectives 11 and 13), which in turn supports Goal 4 of NSW 2021 to increase the competitiveness of doing business in NSW and Goal 20, to encourage growth close to where people live. Supporting business innovation and growing knowledge industries is a particular focus, with Strategic Centres, Specialised Precincts and industrial lands earmarked as the prime location for new clusters and agglomeration economies.

The draft Strategy identifies that existing industrial lands, especially in established areas, are under pressure to be rezoned to other uses. The Draft Metropolitan Strategy identifies a "noticeable increase in rezoning of employment lands to non-industrial and wider employment uses" (NSW Department of Planning & Environment, Draft Metropolitan Plan for Sydney to 2031, p48).

To provide a framework to assess proposals to rezone industrial land, the draft Strategy includes a strategic assessment checklist, developed in consultation with key stakeholders on the NSW Government's Employment Lands Task Force. It continues the 2010 Metropolitan strategy's identification of the need for assessment when rezoning industrial land. Proposals to rezone existing industrial lands must be consistent with the Industrial Lands Strategic Assessment Checklist, copied below.

- Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?
- Is the site:
- Near or within direct access to key economic infrastructure?
- Contributing to a significant industry cluster?
- How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?
- How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?
- Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?
- Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?

Source: NSW Department of Planning and Environment, 2013

Ministerial Directions

Pursuant to section 117(2) of the *Environmental Planning and Assessment Act 1979* (EP&A Act), the Minister for Planning issues directions that must be followed in the preparation of Planning Proposals. Should this study make recommendations regarding rezoning, development standards, local clauses and the like, it would be necessary for the following directions to be considered:

- Direction 1.1 – Business and Industrial Zones
- Direction 2.3 – Heritage Conservation
- Direction 3.1 – Residential Zones
- Direction 3.4 – Integrating Land Use and Transport
- Direction 7.1 – Implementation of the Metropolitan Plan for Sydney 2036.

Employment Lands Development Program

The Employment Lands Development Program is the NSW Government's key program for managing the supply of Employment Lands zoned for industrial and business park uses in the Sydney Region and assisting associated infrastructure coordination. The program has a strategic objective of supporting job creation and economic growth across Sydney, as part of the State Plan target to get 'Jobs Closer to Home'.

The Employment Lands Development Program 2010 Report (the 'ELDP 2010 Report'), released in March 2011, provides a preliminary assessment of Employment Lands across the Sydney Region. A key finding was that there were approximately 900 hectares (or three years supply) of undeveloped zoned and serviced Employment Lands available across the Sydney region in 2010, which is below the desirable minimum standard of 5-7 years stock (based on a high-take-up scenario of 300 hectares per annum). The report notes that maintaining an adequate stock of Employment Lands is essential in providing for economic growth and competitiveness as well as the affordability of Employment Lands and that for adequate land stocks to be maintained, it is necessary to have stocks of land at progressive stages in the planning and development process.

While the majority of jobs in Employment Lands are concentrated in the middle and outer suburbs of the Sydney Region, it was noted that inner suburbs contribute significantly to the share of jobs in Employment Lands, especially in the higher-value and high-technology industries. They tend to have a disproportionately greater share of jobs, compared to land stock, due to the more intensive nature of industrial activity. For example, the Inner North has only 1 per cent of total Employment Lands stock but 6 per cent of all jobs located in Employment Lands.

The report further noted that demand for industrial space in Sydney is expected to continue to grow in the short to medium term, driven by: forecast economic growth; ongoing efficiency drives in the logistic sectors and growth in imports.

In 2012, the NSW Government released the 'ELDP 2011 Update Report'. It provides data down to a precinct level (320 employment land precincts in total) that are defined as contiguous areas of zoned industrial land, which form the basis of data collection for the ELDP.

Overall the ELDP 2011 Update Report found a modest increase in zoned employment lands over the Sydney region of 205 hectares in 2010 (p.5). This was driven heavily by an expansion of industrial land in the north-west subregion (2058 hectares), while the majority of subregions saw a decline. The 2011 ELDP also identifies a decrease in approved industrial building activity, down from $574 million in 2008/09 to $400 million in 2009/10. There was also a decrease in land taken up by industrial development, from 205 hectares in 2009 and 264 hectares in 2008 to 153 hectares in 2010.

The Inner West was found to have a higher than average job density in Employment Land, of approximately 65 jobs/ha, compared to the Region average of 43 jobs/ha. This is significantly higher than job densities in the North West (31 jobs/ha) and South West (23 jobs/ha) but lower than the highest densities of 146 jobs/ha in the Inner North and 131 jobs/ha in Sydney City. These highest density areas are characterised by a longer history of development, higher land values and supply constraints. They also support a large proportion of high-tech and high-office component developments.

Overview of Neighbouring Industrial Lands

Marrickville Council

Marrickville adjoins the Leichhardt LGA. It contains fragmented light industrial land, as well as a strategically important, coherent industrial land parcel, north-west of the airport. Marrickville is partially covered by the Global Economic Corridor, with important linkages to the CBD, Sydney Airport and Ports.

Key findings from the Marrickville Employment Land study (2008) were that in order to address future land demand and address industry and policy trends Marrickville LGA should:

- Preserve current employment lands in the core employment lands and in proximity to the Airport in recognition of their importance to freight and logistics sectors and local industrial land needs;
- Intensify employment land use on fragmented employment land sites and appropriate sections of the core employment lands; and
- Rezone isolated industrial lands to mixed use land uses in the large fragmented employment land sites and land located within centres.

The Study acknowledged that there was potential in some locations to support both employment uses and additional new uses, such as residential development and open space, and suggested an approach whereby some sites could work towards a hybrid approach of generating new employment uses for land, whilst also investigating new housing opportunities. These sites included Meeks Road and Alice Street in Marrickville, and, to a more limited extent, Bridge Road in Stanmore, and Trafalgar Street in Petersham.

The study also noted that while in general employment land should be preserved, declining manufacturing sectors and increasing advanced professional and service sector employment, suggests provision be made to allow a wider range of uses on sites where manufacturing land uses are minimal or that more intensive employment activity would be suited. This would facilitate a smoother transition for older industrial stock.

Marrickville contains a significant industrial precinct along Victoria Road. The precinct provides 66 hectares of industrially-zoned land and like Leichhardt, the precinct faces pressure to redevelop for other uses such as residential. The hypothetical rezoning of this precinct would place significant pressure on other nearby inner-city industrial precincts. This would include Camperdown and possibly Moore Street South in Leichhardt.

City of Botany Bay

The City of Botany Bay contains significant strategically important industrial lands, in particular the airport and ports precincts.

This significance is recognised and reinforced in the draft Metropolitan Strategy for Sydney to 2031 which recognises the importance of Sydney Airport and Port Botany and recommends industrial lands be protected to support the Port and Airport activities. Guidelines are being developed to provide principles and mitigation measures for development adjoining residential uses and zone boundaries. The Botany Bay Local Environmental Plan 2013 has protected some industrial land for airport related uses by zoning land north of the Sydney Airport as IN1 — General Industrial, B5 — Business Development and B7 — Business Park. However, major areas in this airport precinct have been converted to residential. This has severely reduced the stock of industrial or business land with immediate access to the airport. Airport-related freight and logistics uses are moving to larger sites near the port or in the Marrickville LGA.

Constraints to the further development of this area have been identified and are being addressed, including issues of congestion. One of the priorities within the draft Metropolitan Strategy for Sydney to 2013 is to "implement works to relieve major congestion around Sydney Airport and Botany Bay and improve public transport access to the Airport".

City of Sydney

A new employment lands strategy was adopted by the City of Sydney in June 2014. This strategy covers land currently zoned for business or industrial purposes and has informed the proposed changes to zoning and planning controls for much of the City of Sydney's employment lands. These changes are on exhibition until mid-December 2014 and seek to align planning controls with a more contemporary understanding of the role of the employment lands in the wider Sydney context.

Some industrial areas are expected to be retained for traditional uses, while other zones are to be introduced or expanded. This includes changes to the land uses within the B6 Enterprise Corridor and B7 Business Park zone.

The following key changes were proposed:

- A core industrial zone in the South West that will continue to accommodate 'traditional industrial' uses;
- A flexible enterprise corridor zone through the centre part that will accommodate lower density industrial and commercial uses; and
- Business park zones in the North West and South East parts that are close to transport, services and amenities that will provide for denser commercial activity over time.

There is an express intent in this strategy to ensure that land value remains relatively affordable, allowing non-residential uses to locate in the area. The City of Sydney is committed to providing opportunities for innovative, creative and cultural industries to locate in the City.

Private residential development will be restricted on employment lands. Affordable housing opportunities will be provided in the proposed B7 Business Park zone, along with an affordable housing development contribution scheme. This is similar to Green Square. It also includes a potential site-specific planning proposal where affordable housing and other public benefits are provided. This will ensure that there is provision made for housing to suit the 'key workers' needed to complement the high-value, higher paid technical skills that will be employed in the area.

To ensure future development is supported by adequate infrastructure, the City intends to prepare the Southern Employment Lands Infrastructure Plan in conjunction with the NSW Government. The plan is to identify a delivery path for public infrastructure (roads, sustainable transport, open space, flood management works and social infrastructure), indicative costs, funding, staging and responsibility for delivery.

FIGURE 11. CITY OF SYDNEY EMPLOYMENT LANDS STUDY MAP

Source: City of Sydney, 2011

Leichhardt Council planning framework

Leichhardt 2025+

Leichhardt 2025+ is the strategic plan for the Leichhardt Local Government Area that identifies the community's main priorities and aspirations for the future and guides the delivery of Council services over the next ten years.

The vision statement from Leichhardt 2025+ is:

> *Community and Council will work together to promote and develop Leichhardt as a sustainable, liveable and connected community.*

The Leichhardt 2025+ further refines this vision by identifying the following goals:

- A Leichhardt community that is equitable, cohesive, connected, caring, diverse, healthy, safe, culturally active, creative and innovative, and has a strong sense of belonging and place
- Easy access for people, services, information and facilities that promotes the amenity, health and safety of the community and that reduces private car dependency for all travel
- A liveable community – socially, environmentally and economically
- A sustainable environment created by inspiring, leading and guiding our social, environmental and economic activities
- Thriving businesses and a vibrant community working together to improve the local economy
- Accountable civic leadership that delivers services and assets to support the community now and in the future.

A strategic and integrated approach to planning and reporting enables local government to achieve multiple outcomes for the community through cross-Council and community planning.

The Leichhardt Community Strategic Plan, Leichhardt 2025+, is supported by 10 Year Strategic Service Plans (Community and Cultural Plan; Environmental Sustainability Strategy; Employment and Economic Development Plan; Integrated Transport Plan; Long Term Financial Plan; and LLEP 2013), and 4-Year Service Delivery Plans.

10 year Strategic Service Plans and 4 year Service Delivery Plans

The Leichhardt 10-year Community and Cultural Strategic Service Plan 2011 - 2021 (the Plan) was the first of Leichhardt Council's integrated strategic service plans to sit under Leichhardt 2020+. The Leichhardt 2020+ plan has since been replaced by Leichhardt 2025+. The Plan informs other key Council documents, including the Employment and Economic Development Strategy.

The Plan identifies five Strategic Objectives for social inclusion, equity, access, creative expression, cultural engagement and community wellbeing:

1. Connecting people to each other
2. Connecting people to place
3. Developing community strengths and capabilities
4. Enlivening the arts and cultural life
5. Promoting health and wellbeing.

For each of these five Strategic Objectives the Plan identifies Outcomes and Strategies to achieve the community and cultural aspirations of the Leichhardt community to 2021. Actions to address the Outcomes and Strategies identified in this 10-year Plan are articulated in four-year Service Delivery Plans for the key Council sectors.

The Plan places a strong emphasis on community building and sustainability to reach the vision of "Sustainable and Liveable Community", recognising the interrelationship between a safe and vibrant community, and a thriving business sector with strong delivery of services and assets to support the community. Relevant "Key Service Areas" of the Plan are "Place where we live and work" and "A Sustainable Environment + Business in the Community".

Leichhardt Employment and Economic Development Plan

The Leichhardt Employment and Economic Development Plan (EEDP) is a 10-year strategy for the future economic development of Leichhardt LGA. Its purpose is to identify initiatives that can make a fundamental improvement to Leichhardt's economy.

The EEDP identifies significant barriers to renewing the LGA's industrial precincts, including:

- the ongoing shift of light industrial, manufacturing and logistical businesses to Western Sydney locations that can offer better value premises that suit their needs (e.g. larger floorplates, better access for trucks)
- a mismatch between the needs of contemporary light industrial businesses and the characteristics and quality of the available space in the LGA
- relatively small lots and fragmented land ownership
- Limited feasibility of making improvements to existing industrial sites due to low rental returns and significant capital expenditure requirements.

The EEDP suggests that Council can help the LGA's industrial areas adapt to changing market forces by permitting a broader range of uses in them. It acknowledges, however, that any policy decisions on increasing the flexibility of uses in nominated industrial precincts should be approached strategically and informed by thorough market research. It should also consider criteria such as amenity, privacy, traffic generation and urban design with full consideration being given to the protection of key industrial lands.

In practical terms, this recommendation has three key components:

1. A co-ordinated approach to reviewing sites (and where possible concurrent approach) to ensure an LGA wide perspective is maintained particularly in relation to the need for, and suitability of, the sites for various uses both today and in the future
2. A consistent approach is achieved by reviewing the sites against standard criteria
3. Where sites are found to be surplus to requirements and proposed to be rezoned, their suitability against a range of alternative uses is considered. For example, their potential rezoning and use for creative industries, commercial office space or affordable housing.

As noted above, the EEDP advocates the use of standardised criteria which has been designed to qualify the suitability of sites from a quantitative perspective (i.e. is there enough industrial land to meet current and forecast demand), a qualitative perspective (i.e. does the industrial land have the attributes required by potential tenants) and from the perspective of economic viability (i.e. are industrial uses viable on the land).

The EEDP establishes the following criteria against which proposed rezoning of industrial land should be assessed:

- Would the rezoning result in insufficient land industrial land being available for current and future demand for industrial land in the LGA, at a minimum?
- Would the rezoning of the site result in the fragmentation of a larger industrial precinct or erode the viability of a locally or regionally significant industrial precinct?
- Would the rezoning be consistent with adopted Council and/or State Government Policy regarding the future role and demand for industrial land? What impact would it have on Council's employment targets?
- Does the site(s) have characteristics required by light or high tech industrial uses and other uses permitted in the zone/seeking floorspace in the LGA or subregion (e.g. floorspace, access, proximity to economic infrastructure, parking, infrastructure, storage, building configuration and land value)?
- Would it be economically viable to improve the site to attract new tenants or to adapt to changing industry requirements and to ensure that the land uses on the site address compatibility with surrounding uses?
- Would the retention of industrial uses on the site result in a positive net benefit to the community as a whole?

Rezoning proposals that can best respond to the criteria may be considered to have merit.

The following Actions of the EEDP 4-Year Service Delivery Plan are considered relevant to this study:

Outcome 3: The LGA is a place that supports and shares innovation and creativity.

Strategy 3.3: Support the growth of creative industries.

Action

1 Amend LEP to permit creative industries in the LGA's business and industrial zones and, once implemented, promote the policy to land owners and real estate agents.

Outcome 4: The LGA's economic assets are strategically managed for current and future generations

Strategy 4.1: Protect and enhance key employment lands

Action

1 Protect existing employment lands that are of good quality and in locations that are highly accessible and close to magnet infrastructure (such as hospitals and universities).

2 Facilitate an oversupply or surplus of employment-zoned land in order to provide a range of opportunities and types of sites for businesses.

4 Discourage residential uses in industrial zones, Victoria Road and Parramatta Road corridors unless an evidence-based assessment confirms the suitability of specific sites for student, key worker or aged care accommodation.

5 Increase the range of uses permitted with consent in industrial zone in order to encourage greater flexibility of land use and to attract a range of suitable businesses to the LGA – particularly creative industries.

Local Environmental Plan and Development Control Plan

The Leichhardt Local Environmental Plan 2013 (LLEP 2013) and Development Control Plan 2013 (DCP 2013) commenced on Monday 3 February 2014.

The Local Environmental Plan 2013 represents a 'translation' of the former Leichhardt Local Environmental Plan 2000. This means, wherever practicable, zones, provisions and controls were matched with an equivalent under the NSW Government's Standard Instrument.

DCP 2013 largely consolidates the provisions of the former DCPs, with the exception of outdated controls that were removed or updated and other changes to reflect Council's adopted strategic plans and policies.

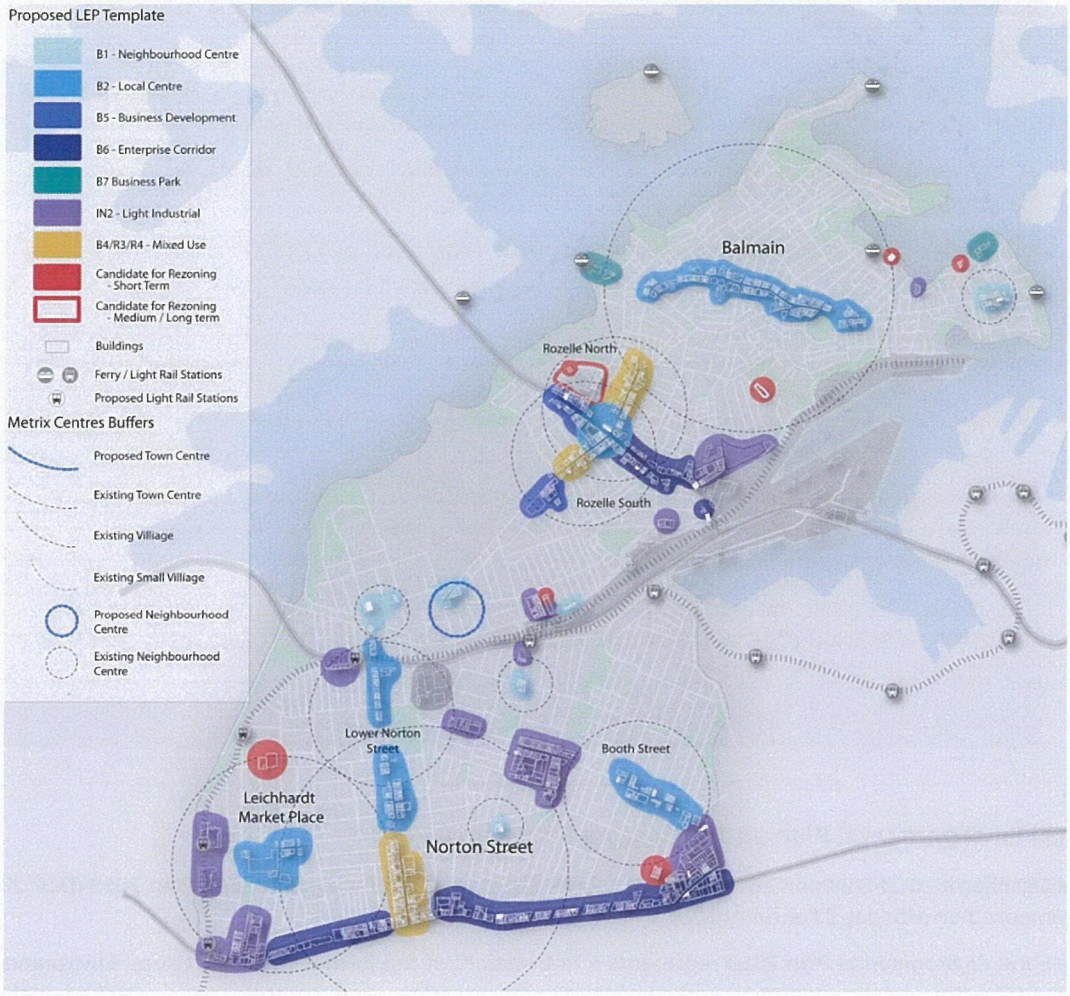
Leichhardt Employment Lands Study (2011)

This Study, prepared by SGS Economics and Planning on behalf of Council, noted the proximity of Leichhardt to the Sydney CBD, and the fragmentation of industrially zoned land that had occurred over the previous 30 years as a result of steady gentrification. At the time this report was drafted, it was expected that Leichhardt would accommodate 2,000 new homes and 500 new jobs to 2031. The 2007 Employment Lands Action Plan for Sydney identified 118 hectares of employment lands within the LGA (although this included land in Glebe that has since become part of the City of Sydney).

This study recommended an integrated strategy for Leichhardt that would work to preserve and reinforce existing industrial clusters and support emerging competitive industries. Strategies included increasing the attractiveness for creative industry activity (Strategy 1) and protecting and improving strategic industrial

lands (Strategy 4). These actions emphasised the importance of maintaining strategic and well connected areas for industrial uses in order to maximise their effectiveness. Figure 12 illustrates these strategies in terms of possible future zoning and centre designation.

FIGURE 12. LEICHHARDT EMPLOYMENT LANDS STUDY (2011) MAP



Source: SGS Economics and Planning, 2011

Leichhardt Community and Cultural Plan 10 year Strategic Plan (2011- 2021)

The Leichhardt Community and Cultural Plan 10 year Strategic Plan (2011- 2021) is a Strategic Service Plan under Leichhardt 2025+. Relevantly, Strategic Objective 4: Enlivening the Arts and Cultural Life emphasises supporting and developing local creative industries and business in creative clusters and hubs (Strategy 4.2.1) as well as promoting and supporting the growth of local creative industries (Strategy 4.2.2). It notes that Creative industries are one of the fastest growing sectors in the inner city areas and Leichhardt has a rich arts and cultural community as well as important education and cultural assets such as Callan Park, film production facilities and studios (p.45).

3.4 Subregional context, trends and drivers

Manufacturing's role in the knowledge economy

Manufacturing's decline in Australian cities over the last half century has been well documented, with the process of globalisation and the decoupling of the value chain (the physical separation of processes along the value chain) and movement of production activities across national borders has had a profound impact on the structure of Australia's economy resulting in many manufacturing processes relocating overseas to lower cost countries. In more recent times, the impact of this macroeconomic restructuring has been compounded by a high Australian dollar and globally soft economic conditions that have reduced aggregate demand (Adonis, 2013). However, the experience of other manufacturing nations has been that manufacturing can still play a relevant role in the economy if, much like other sectors of the economy, production moves up the value chain.

In the global value chain, developing nations (for example China) initially utilise their relatively cheap labour to manufacture less sophisticated, more labour intensive products. Over time, as their manufacturing base expands there is a move towards robotics, intellectual property and other attributes to produce goods and services with a greater degree of sophistication (as witnessed in Germany, Japan and Korea). This specialisation in industries of comparative advantage is impacting all economies and industries, acting as a catalyst for them to evolve from their historical economic configuration into dynamic, adaptive and internationally competitive industries.

Slowing manufacturing jobs growth

At a Greater Sydney Metropolitan level the proportion of jobs in the industrial sector is predicted to decline although the actual number of jobs is still expected to increase through to 2036. Job growth is not expected in traditional industrial sectors but rather the highly specialised and technological manufacturing (advanced manufacturing). As a consequence an increasingly skilled workforce will be required.

Supply-chain fragmentation

Greater efficiencies of technology and mechanisation are changing the way that traditional industrial businesses operate. The global economy today consists of sophisticated linkages between businesses, which are designed to enable the efficient sharing of information and the delivery of goods through a global supply chain. Supply-chains have become more fragmented and business components are often scattered across wide areas – sometimes internationally. An example of this change can be seen in the motor industry. Once concentrated in cities, the motor industry has evolved into a process where design, manufacture, and assembly occur in many different locations worldwide. All this has heightened time-based competition and flexibility, with implications for the functional characteristics and spatial disposition of industrial activity.

Agglomeration economies

'Agglomeration economies' is a term used in spatial economics to describe the benefits that flow to firms from locating in areas that have a high density of economic activity. The benefits that arise from locating in a denser economy include:

- **Economics of scale and scope.** With a larger customer base firms are able to develop efficiencies through operating at a large scale. This also enables firms to focus the scope of their expertise in a particular field, gaining improved efficiencies through specialisation.
- **Deep and diverse pool of clients/employers/employees**. A competitive marketplace presents people and firms with a multitude of potential options. This frees them from reliance on a single

(or limited) client or employer base, allowing firms to better align their specific skills, again improving productivity.

- **Technological spillovers**. With multiple firms located together there will be a higher level of technological and knowledge spillovers and transfers, which will help bolster innovation. This transfer occurs both directly, through stronger supply chain linkages and connections between local firms, and indirectly, when skilled labour moves between firms and transfers knowledge, as well as through incidental exchanges.

These benefits, while experienced by all firms and residents, have particularly benefitted those in the advanced business services sectors. This is due in part to macroeconomic conditions and Australia's position in the world economy allowing these sectors to be competitive; producing services higher up the global value chain.

Growing service economy

The decoupling of the value chain and movement of production activities across national borders has had a profound impact on the structure of Australia's economy. Australia's economic backbone has moved from agriculture and manufacturing to services. We used to produce much of what we consumed but this is no longer the case. In this transition, competitive advantage has increasingly been gained through specialising in activities higher up the value chain where high levels of innovation and creativity are central to business identity and differentiation.

This movement up the value chain has been most prominent (and indeed profitable) in the advanced business services sector, particularly in the Finance and insurance, and Professional, scientific and technical service industries. These advanced business services are therefore often dubbed 'knowledge industries' and the backbone of the 'knowledge economy'.

In these high value-add sectors, competitive advantage is gained and maintained by offering environments that promote innovation and creativity. They are able to attract highly skilled labour required to enable high productivity firms to flourish. These environments are known as agglomeration economies.

Growing need for space to house 'office' functions

Research into business parks shows that in line with the increasingly advanced nature of manufacturing, the buildings housing these activities have moved from a split of 50/50 (office/warehousing) to 80/20. Another contributing factor to this shift was that office occupiers tend to be more reactive, only being attracted to a new location once it had been established and gained momentum. Ample car parking and good access to major road infrastructure were stated as key requirements.

Urban manufacturers

Contemporary urban manufacturers can gain competitive advantage from their focus on innovation, creativity and specific location. Their location within dense urban networks allows them to capitalise on sophisticated design and local market insights, attract and retain valuable labour, and adjust quickly to shifts in local demand (Friedman and Byron, 2012). The urban manufacturing sector therefore appears to operate and prosper on many of the same attributes central to the success of advanced business services, namely the benefits gained through agglomeration.

Taking advantage of these competitive edges, urban manufacturers tend to be: small (generally employing fewer than 20 people); provide a highly specialised or niche product; have fast turnarounds; and be horizontally integrated in networks of numerous clients, suppliers, distributors, and subcontractors (Pratt Centre, 2013). This embeds manufacturers in place, as does the nature of their work, which due to its often customised nature, requires frequent face-to-face contact.

These modern manufacturers of high-value add design orientated products resemble pre-industrial revolution producers or makers. Their products range from fashion textiles and jewellery to food and

beverage, print and media, auto and bike customisation, musical equipment, and niche electronics, to name but a few.

Small urban manufacturers typically operate in networks with other manufacturers. The flexibility of these networks and temporary partnerships/collaborations means small firms are not required to carry the large fixed overhead costs for all the equipment, space or labour required to make an entire product. This networking is reflected in the preference of these enterprises to lease space in multi-tenant workspaces, with large traditional industrial premises often partitioned to create multiple smaller production spaces. This presents the possibility of developing high value-add manufacturing precincts at greater densities. Such an approach has been realised in Singapore, where lighter and cleaner manufacturing activities have been funnelled into medium-rise industrial complexes (Chan, 2011).

Against the macroeconomic trends driving a resurgence in urban manufacturing, these manufacturers occupy a lower rung on the value add ladder and do not command the same rent as residential or commercial uses. As such they are at significant risk of displacement from the locations that nurture them, most obviously through rezoning, but also through land speculation associated with possible rezoning and the erosion of industrial zones for non-industrial uses.

These activities bid up rents and erode the productivity of the remaining industrial firms, not because firms become any less efficient, but because of the cost of their inputs (most notably the land upon which they produce) increases at a faster rate than their improvements in internal productivity. Furthermore, without a degree of certainty regarding the long-term zoning of industrial land the owners of such land may have a perverse incentive not to invest in their property in the hope that rezoning will occur in the imminent future.

The growth of large-format retail

Another threat to inner city industrial lands, associated with residential growth in Inner Sydney, is pressure from large format retailers and factory outlets. The emergence of these forms of retailing can be attributed to various social and demographic trends, increased disposable income, house price inflation and availability of credit along with the increasing popularity of 'Do-it-Yourself' home improvement products. These retailers need large sites typically only found in industrial areas.

Traditional users of urban industrial zones

In addition to these contemporary manufacturers, industrial zones house a raft of essential population servicing industries, including panel beaters, depots requiring an inner city location to service construction sites, distribution centres, utilities provision, plant hire, builders merchants, storage and facilities for concrete batching and waste management. In the more connected global economy, there are strategic industries (particularly logistics) deriving advantages from locating close to the port and airport. Furthermore, the placement of particular industries, firms and facilities (such as Council depots) on the fringe of the CBD is vital to providing essential support services to large population centres.

Changing economic geography

In response to the changing format of industrial activities and the growth of inner metropolitan land values, there has been a spatial redistribution of more traditional forms of industrial activity. Activities with rent sensitivities have relocated to less expensive land often on the urban periphery. Others have simply stopped operations in Sydney altogether.

The emerging trend is for many new industries to favour locations that allow the development of large modern industrial facilities while maintaining low cost operations. The most sought after characteristics include:

- Undeveloped large vacant and unencumbered land for purpose built operations
- Low priced and serviced industrial zoned land
- Availability of an appropriately skilled local workforce

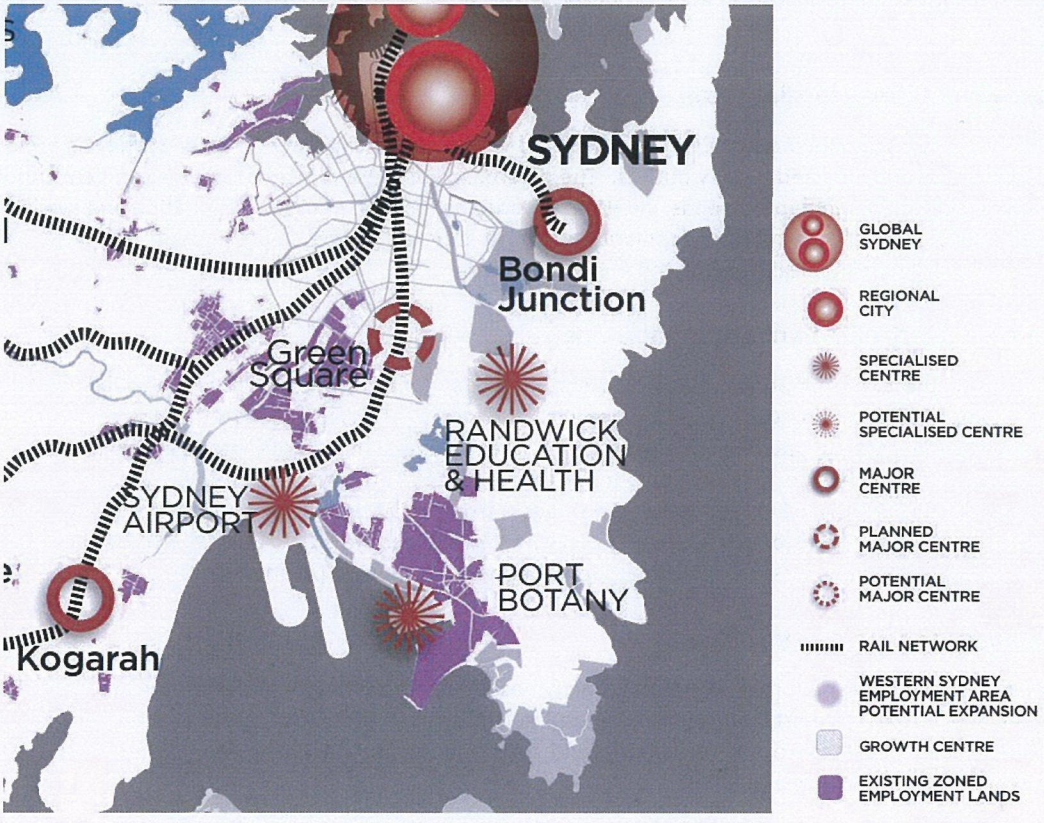
- Agglomeration or synergies with other industries in the area
- Good access to major arterial road and transport infrastructure

Land with these characteristics is largely found on the fringe of metropolitan Sydney, such as Eastern Creek and Erskine Park, where a large amount of recent industrial development has been occurring. This land is more affordable, developing in these areas is cheaper, and the large tracts of vacant land available provide a range of flexible subdivision options.

Simultaneously, there is a trend for creative industries such as architecture and design to favour older-style warehouses found in inner-city industrial areas such as Leichhardt's. This desire is driven in part by the identity that such buildings lend to a creative industry organisation, or more simply for the aesthetic and practical purposes of open plan, high-ceilinged office spaces. This is coupled by the lower rent and relative proximity to clients that such buildings and locations present.

Leichhardt forms part of a broader Inner Sydney subregion of the metropolitan region. This area (shown in Figure 13) includes the LGAs of Sydney, Randwick, Waverley, Woollahra, Botany Bay, Leichhardt and Marrickville and is in many ways the powerhouse of the national economy. A number of macroeconomic trends are impacting on inner urban industrial lands. These trends are being seen across Australia and other developed countries, and have a direct impact on Sydney's industrial lands.

FIGURE 13. SUBREGIONAL INDUSTRIAL LANDS



Source: NSW Department of Planning & Environment, 2010

Subregional character

Within this inner city area there is an interplay of high value job concentrations, cultural and tourism assets and activities, universities, natural amenities, dockland and old industrial areas in transition and in general a highly educated, professional resident population making for a highly productive urban environment.

Features of this subregion include:

- The Sydney CBD which is Australia's premier commercial hub containing in the order of 300,000 jobs across a range of high value sectors.
- Sydney Airport which handles around 36 million domestic and international passengers per annum and 470,000 tonnes of freight per year.
- The Port of Sydney, three kilometres to the south east from the airport, is Australia's second largest port in terms of freight volumes (behind Melbourne).
- UrbanGrowth NSW is the state government's renewal authority and is now responsible for major inner Sydney renewal projects including Green Square, Central to Eveleigh, the Bays Precinct and Parramatta Road to Broadway (as part of WestConnex-related renewal) providing 20,000 to 40,000 new residents and a similar number of jobs over the next 20 to 30 years.
- Barangaroo, on the western edge of the CBD, is now taking shape and will accommodate over 20,000 jobs in the next 5 to 10 years.
- The subregion contains major educational and health assets including three universities and two major hospitals.
- Major new transport infrastructure including the inner west light rail extension and planned infrastructure including the CBD and South East Light Rail and WestConnex motorway. The WestConnex motorway in particular will have an impact on Leichhardt's industrial land by better connecting it to the broader Sydney metropolitan region through its motorway network.

The Inner Sydney region – at the southern end of the so-called Global Economic Corridor – has a concentration of high value jobs and economic activity, accommodating more than half of all metropolitan Sydney's new jobs over the last decade (see Table 2).

TABLE 2. EMPLOYMENT GROWTH IN SYDNEY REGIONS, 2007-08 TO 2012-13

Subregion	2007-08	2012-13	Annual Growth Rate	Contribution to Growth
Inner Sydney	778,990	855,872	1.9%	54%
Eastern remainder	590,755	619,316	1.10%	20%
Western Sydney	776,708	808,610	2.30%	22%
Central Coast	113,683	119,105	0.9%	4%
Sydney	**2,260,136**	**2,402,904**	**1.2%**	**100%**

Source: SGS Economics and Planning

The economic significance of this strong Inner Sydney employment growth is the way it enables 'agglomeration' economies to be generated. Driven by globalisation, it is likely to continue driving the separation between the 'thinking' part of the value chain (namely design, brokerage, marketing, strategy formulation) and the manufacturing and distribution part, in the form of transport, logistics, and after sales service. Inner Sydney, as shown in the growth of professional services employment, is home to a concentration of knowledge related jobs (in the 'thinking part' of the value chain). Productivity in this employment sector is particularly driven by agglomeration economies.

Changing nature of employment lands in Inner Sydney

The industrial or employment lands that remain in inner Sydney are a product of early relationships between central Sydney and its hinterland. Generally speaking the 'ring' of employment lands around the CBD – particularly to the west and south – were the locations for the city's production, distribution and 'heavy' industry activities until around the time of the Second World War. These old industrial areas are rapidly transforming as the pressure for inner city residential development grows and commercial districts expand.

Employment lands now face pressure from a range of competing land uses. The most obvious pressure on employment lands in Inner Sydney is from residential development. Intense demand for housing sites is driven by a desire from residents to access the significant and diverse employment on offer nearby, particularly in the City of Sydney. Planning proposals are in progress to rezone industrial lands in precincts such as at Eastgardens, Botany Bay, which may potentially reduce stocks of industrial lands in surrounding LGAs.

Existing communities sometimes resist this residential growth, however, decisions to re-zone employment land areas for residential should not necessarily be resisted 'across the board'. There are major sustainability and economic productivity gains to be had from having more resident workers close to the pool of jobs available in central Sydney. However, this needs to be sensibly weighed up against any economic role that the employment lands still fulfil. This study will inform these decisions and trade-offs.

3.5 Implication of macro and subregional trends on Leichhardt's industrial precincts

A typology for subregional employment lands planning

It is important that a coordinated and strategic approach to planning the Inner Sydney employment lands be undertaken. A new typology may be required to inform this approach. The categories of 'strategic', 'subregional' and 'local services and enterprise' may assist in clarifying and simplifying the approach to employment lands planning. The residual category of 'contested' (where conversions to residential might be contemplated) could also be introduced.

- **Strategic activities** - Land uses of metropolitan or state significance, which are tied to particular infrastructure or assets such as the port, the airport and major transport infrastructure such as the motorway network. (Clearly, industrial land near the port and airport - where the 'freight and logistics' clusters are identified in Figure 13 - might be considered 'strategic').
- **Subregional activities** - Activities that need to have access to clients in more tightly defined subregions throughout the metropolitan area such as postal warehouses, concrete batching plants and council depots. It may be that Leichhardt does not host many of these activities (and subregional activities are more appropriately located in the City of Sydney or Marrickville).
- **Local service and enterprise activities** - Uses dependent on resident populations and local business connections and typically servicing local catchments, including domestic storage, some minor local or 'urban' manufacturing and motor repairs. In Leichhardt LGA it is expected that low impact but innovative enterprises and service activities will continue to develop in this category.
- **Contested** - Any land not identified or allocated to the above categories would be considered for residential or a mixed-use conversion. Typically the contest will be with the local services and enterprise activity category because the other two categories (strategic and subregional) are considered more significant. Conversions would be expected only after a comprehensive local review of need.

Implications for Leichhardt

Leichhardt, situated close to the core of metropolitan Sydney, offers a dense urban environment, populated with a relatively affluent and highly skilled resident workforce, well served by major transport routes and within relatively close proximity to the economic hubs of the Sydney CBD, Sydney Airport, and Port Botany.

In very basic terms, Leichhardt's character and position translate to high land values, which make it difficult for some industrial activities to find suitable sites.

Activity with declining demand for Leichhardt's industrial land:

- **Traditional manufacturing and open storage.** High land values threaten the existence of lower value traditional industrial activity (especially those requiring larger floor areas) that is increasingly looking further west for lower cost land. Demand may also come from specific industries that derive advantage from locating close to the CBD, port, and airport and can therefore absorb the higher land values. Major destination hubs prefer ready access to motorways and many parts of Leichhardt's industrial areas are not suited to this type of activity.

Activity with persistent or growing demand for Leichhardt's industrial land

- **Population serving industry.** Leichhardt will need to maintain a stock of industrial land that is focussed on providing for the needs of the local resident population. These industrial areas are typically characterised as 'local service industrial' and include uses such as automotive repairs, trade supplies, household storage, etc. Although WestConnex would improve accessibility of Leichhardt's industrial lands, we would suggest that port and airport related opportunities are still limited given the relative distance of Leichhardt's industrial lands compared with areas in Marrickville, Botany and the City of Sydney.
- **Urban manufacturers.** These are manufacturing firms for whom innovation and creativity are at the core of their business. These firms benefit greatly from the agglomeration benefits presented by Leichhardt's location and urban environment. Additionally, with the attraction and retention of quality staff of growing importance (Colliers, 2014), being in close proximity to residential areas is increasingly appealing to manufacturers when choosing where to locate. Furthermore, owners of and investors in businesses are increasingly drawn from the young, inner city-based entrepreneurial class. They will be seeking an inner urban location (like Leichhardt) for their business.
- **CBD 'backroom' operations.** Activities that support Sydney's 'global' centre, such as freight and logistics use, storage and archiving.
- **Creative industries.** Creative industries in particular may look to start up in Leichhardt in some of the transitioning industrial areas or may migrate there after being priced out of the more established creative precincts on the city-fringe such as Surry Hills and Ultimo-Pyrmont.

These activity types can be mostly accommodated within existing industrial precincts under current planning controls as they typically require the building stock, floorplates and permitted uses that industrial zoning enables.

A key challenge for Leichhardt Council is to effectively and efficiently allow its employment locations to respond to industry and market trends and meet the ever-changing requirements of occupiers. To achieve this, a significant degree of flexibility is important, both in terms of the design of the buildings and also the planning policy framework. This may include increasing the flexibility of industrial zones by increasing the range of permissible uses, allowing additional local uses in specialised locations.

3.6 Summary and implications

Key policies and strategies guiding metropolitan development in Sydney set out broad-based strategic support for preservation of industrial and employment lands, and an agreed focus on ensuring that fragmentation of well-sited industrial lands is minimised in order to ensure the long-term economic sustainability of inner urban areas. These include s.117 Ministerial Directions that seek to safeguard employment land.

Industrial and employments lands, and particularly those in inner urban areas, are increasingly under threat from residential re-zoning, which attracts higher land values and which meets the competing strategic objective of housing Sydney's growing population. The City of Sydney's most recent Employment Lands

Strategy – the Employment Lands and Associated Draft Development Control Plan Amendment (14 June 2014) – demonstrates a potential way forward in negotiating this tension, in particular through planning for affordable housing opportunities in the proposed B7 Business Park zone, coupled with an affordable housing contribution scheme. This will provide housing for 'key workers' needed to complement the high-value, higher paid technical skills that will be employed in the area.

Importantly, this strategy sits alongside a commitment to maintaining a core industrial zone in the South West part of the City of Sydney that will continue to accommodate 'traditional industrial' uses.

In terms of regional performance, the Employment Lands Development Program 2010 Report found that the Inner West, in which Leichhardt sits (though set to change to the Central subregion), was found to have a higher than average job density in Employment Land compared not only to the subregion but to other subregions, including the north west and south west – two areas where manufacturing is moving to.

The ELDP 2011 Update Report identified 106.6 hectares of employment land (both developed and undeveloped) in Leichhardt, representing just under a third of such land in the Inner West region (total 345.8 hectares). However, the land within the Bays Precinct, totalling 73 hectares, is not in the control of Leichhardt Council and has not been used in the modelling in this report.

Over the past five years, Leichhardt Council has developed a series of interrelated strategies and plans that aim to protect and enhance the use of industrial and employment lands, including implementing standardised criteria to determine the suitability of sites from a quantitative perspective (i.e. is there enough industrial land to meet current and forecast demand), a qualitative perspective (i.e. does the industrial land have the attributes required by potential tenants) and from the perspective of economic viability (i.e. are industrial uses viable on the land). These criteria are precautionary, requiring that employment lands be appraised with future potential demand in mind, as well as the potential for alternative light industrial uses such as creative industries.

These plans and policies should be reviewed on a regular basis, to determine whether the Leichhardt Council's strategic objectives have been achieved and whether there is evidence of a decline or maintenance of industrial activity. Further, this study will investigate the potential for introducing planning controls that can meet the twin objectives of preserving and enhancing the use of industrial land, whilst maintaining a supply of housing for key workers in the sector.

The complex nature of inner urban employment land use and the various competing pressures placed upon them makes for an oft-confusing policy landscape. Metropolitan objectives simultaneously seek the retention of strategically important employment lands whilst recognising that unconstrained operating environments are key to attracting other uses and activities. Increasing this complexity is the need to intensify housing provision, in particular in central locations near good public transport opportunities. Leichhardt's central location on key existing and proposed motorway infrastructure, high degree of public transport accessibility and its desirable inner-city amenity make the determination of best use of its employment lands a complex issue.

Although fragmented, much of Leichhardt's industrial zoned land is located towards the LGA's south-western boundary, between Parramatta Road and the City West Link. The construction of the Westconnex Motorway will provide connection opportunities for these industrial lands to the Sydney motorway network and, by extension, the Greater Metropolitan Area. Better accessibility resulting from these infrastructure improvements will improve business supply-chain links and access to customers for population-serving industries. This will increase the competitive position of these areas and will likely result in increased demand.

The Draft Metropolitan Strategy identifies housing intensification in the area as a priority. Increased passenger capacity along the extended Inner West Light Rail line (identified in the NSW Long Term Transport Master Plan) further supports this priority, given the number of people living in the LGA and working in the City of Sydney. This will be a cause of tension between land uses, given the fragmented nature of Leichhardt's industrial land and much of its proximity to the light rail corridor.

The goals set out in Leichhardt's 2025+ Plan support Council's intention to attract new, creative industries into the LGA, in particular the desire to foster a 'sustainable environment created by inspiring, leading and

guiding our social, environmental and economic activities'. The strict application of commitments to protect industrial land for industrial uses does not appear to have been successful in inducing the creative and emerging industries to take root within the LGA. The Council's Employment and Economic Development Plan recommends a broadening of market uses within these lands to enable them to evolve past traditional industrial uses that are moving westward. This recommendation is in line with some State strategic thinking. It is tempered, however, by the understanding that such a shift in policy must be met with a good understanding of market need (at a subregional or as well as a local level and accounting for the requirement of the LGA population), a thorough understanding of industrial land provision and a consistent approach to reviewing applications.

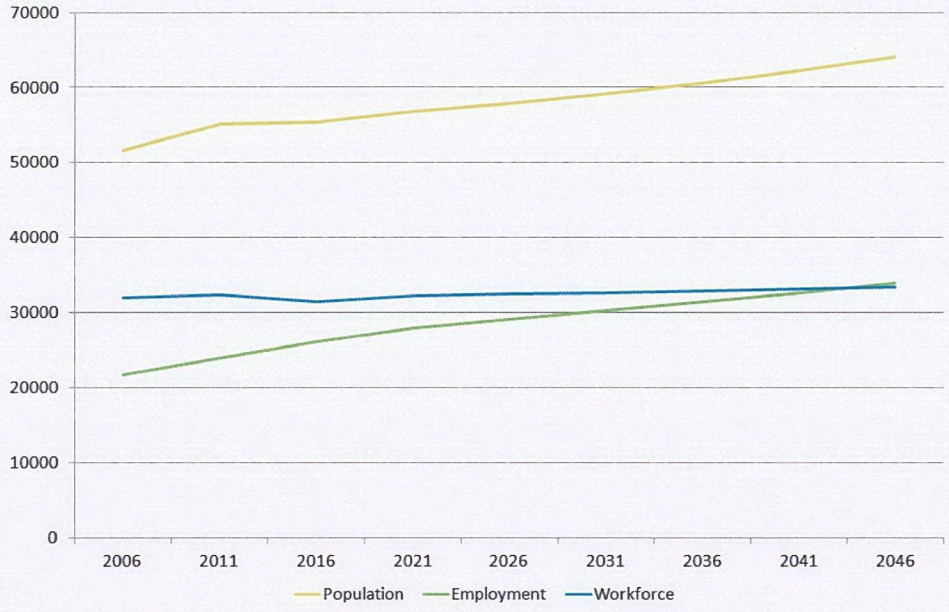
4 CURRENT POSITION ASSESSMENT

4.1 Economic profile

Socio-economics

Between 2006 and 2011, the population of Leichhardt LGA grew by 3,500 people, or 6.8%. Between 2011 and 2046 the population is projected to grow by 9,000 people, or 16% – an annual average growth rate of 0.4%, as shown in Figure 14.

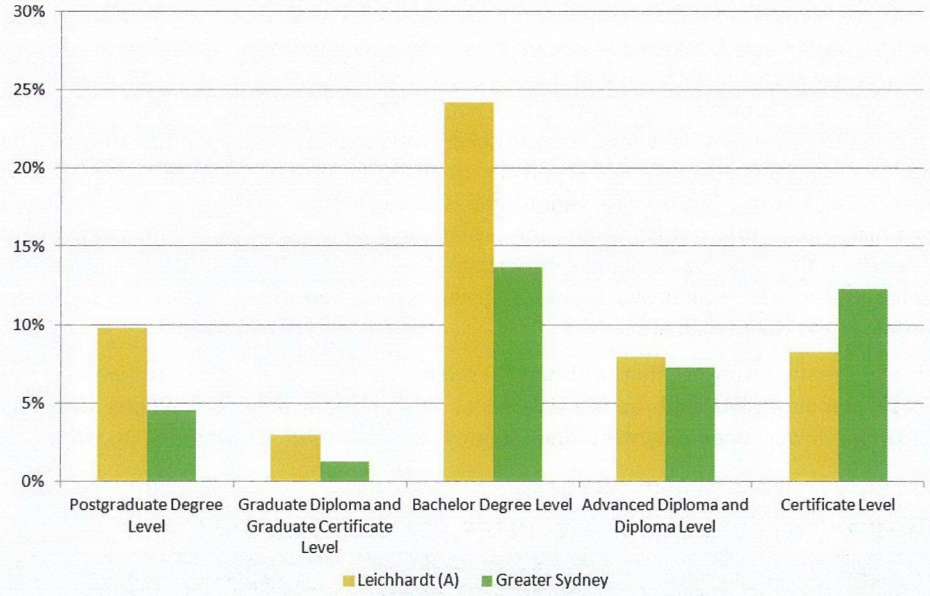
FIGURE 14. POPULATION, EMPLOYMENT AND WORKFORCE PROJECTIONS



Source: Bureau of Transport Statistics, NSW

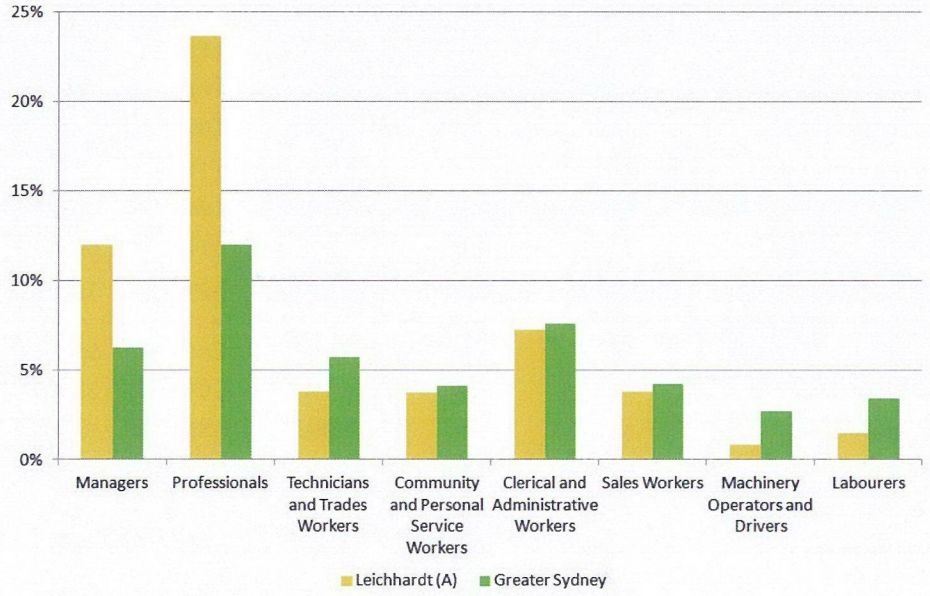
The resident population of Leichhardt LGA is relatively more educated than that of Sydney as a whole. As shown in Figure 15, around 37% of Leichhardt residents have some tertiary education, compared to 19% of Greater Sydney residents; with 10% of Leichhardt residents holding a postgraduate degree compared to 5% of Greater Sydney residents. Similarly, Leichhardt residents are more likely to be employed in professional or managerial occupations, and less likely to be tradespeople or labourers. This reflects the LGA's location close to the higher value employment of the CBD.

FIGURE 15. SKILL COMPOSITION BETWEEN LEICHHARDT AND GREATER SYDNEY, 2011



Source: ABS Census Data 2011

FIGURE 16. OCCUPATION COMPOSITION BETWEEN LEICHHARDT AND GREATER SYDNEY, 2011



Source: ABS Census Data 2011

Employment profile

The labour force participation rate for residents in Leichhardt LGA, defined as the proportion of people of working age either currently employed or seeking work, is 72%. This is somewhat higher than the participation rate in Greater Sydney (62%). The unemployment rate in Leichhardt LGA is 4.1%, lower than the 5.7% figure in Greater Sydney, and also lower than the comparison LGA of neighbouring Marrickville,

where the unemployment rate is 5.3%. This is likely due to the relatively more educated population of Leichhardt.

The resident workforce profile in Leichhardt LGA is spread over a range of industry sectors. As shown below, the most common industry sector of employment is Professional, Scientific and Technical Services (17.2%), followed by Financial and Insurance Services (10.1%), Health Care and Social Assistance (10%), and Education and Training (9.7%) – indicating a mostly white collar workforce. By comparison, Marrickville has a smaller percentage of workers in the professional services or finance sectors, but more in the healthcare and education sectors. Leichhardt LGA's employment profile is also similar to Randwick LGA's, although the former has a much higher proportion of workers in the professional services sector. When compared with Botany Bay LGA, however, the latter has a higher proportion of workers in the Retail Trade and Transport, Postal and Warehousing sectors. Greater Sydney has a smaller proportion of workers in the professional services and financial sectors than Leichhardt.

Taken together, this information suggests that Leichhardt residents are more likely to be economically better off than those in surrounding LGAs such as Marrickville or in Greater Sydney as a whole, with higher workforce participation, lower unemployment and greater concentration of workers in white collar industries.

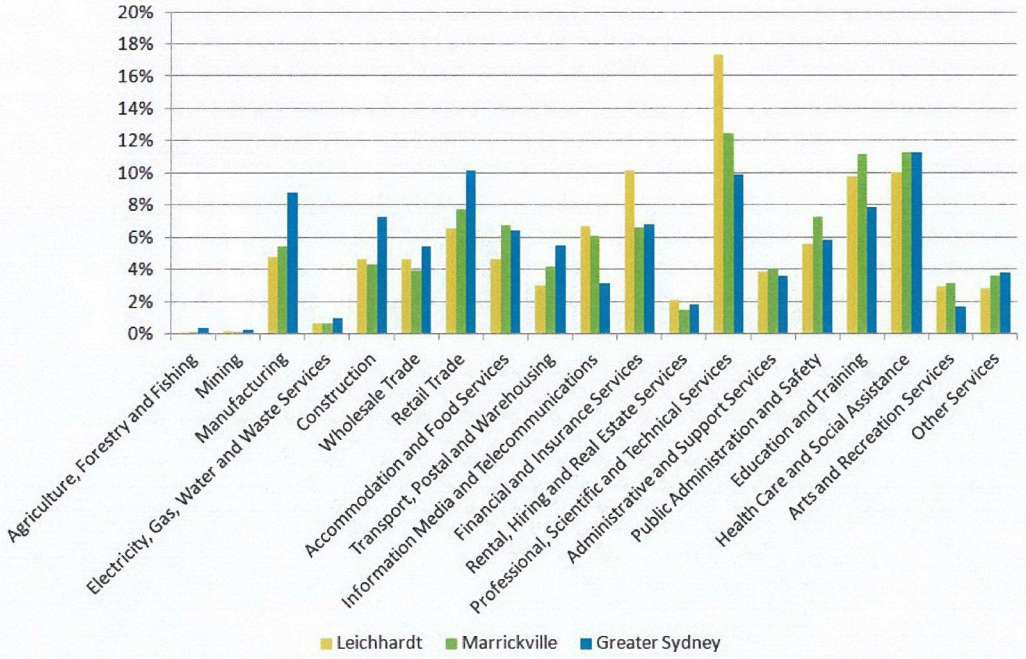
TABLE 3. INDUSTRY EMPLOYMENT SHARE: INTER-LGA COMPARISONS*

ANZSIC	Leichhardt	Marrickville	Botany Bay	Randwick	Greater Sydney
Agriculture, Forestry and Fishing	0.1%	0.1%	0.1%	0.1%	0.4%
Mining	0.2%	0.1%	0.1%	0.2%	0.2%
Manufacturing	4.7%	5.4%	7.5%	4.4%	8.7%
Electricity, Gas, Water and Waste Services	0.6%	0.6%	0.7%	0.7%	0.9%
Construction	4.6%	4.3%	5.9%	6.1%	7.2%
Wholesale Trade	4.6%	3.9%	5.4%	3.8%	5.4%
Retail Trade	6.5%	7.7%	10.4%	7.9%	10.1%
Accommodation and Food Services	4.6%	6.7%	7.6%	6.8%	6.4%
Transport, Postal and Warehousing	3.0%	4.2%	10.3%	5.1%	5.4%
Information Media and Telecommunications	6.6%	6.1%	2.5%	4.0%	3.1%
Financial and Insurance Services	10.1%	6.6%	5.6%	7.7%	6.7%
Rental, Hiring and Real Estate Services	2.1%	1.5%	1.9%	2.2%	1.8%
Professional, Scientific and Technical Services	17.2%	12.4%	7.1%	12.2%	9.9%
Administrative and Support Services	3.9%	4.0%	4.1%	3.6%	3.6%
Public Administration and Safety	5.6%	7.2%	6.9%	6.5%	5.8%
Education and Training	9.7%	11.1%	6.5%	10.4%	7.8%
Health Care and Social Assistance	10.0%	11.3%	11.5%	12.6%	11.2%
Arts and Recreation Services	2.9%	3.1%	2.1%	2.6%	1.6%
Other Services	2.8%	3.6%	3.8%	3.2%	3.8%

Source: ABS Census Data 2011

* Top three industry sectors are highlighted in red

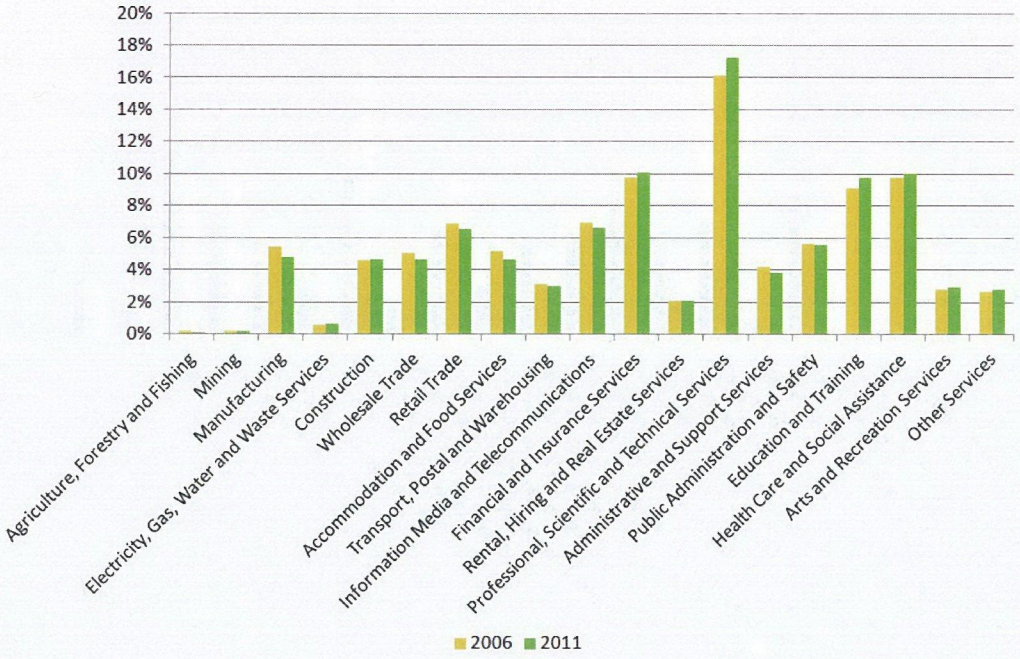
FIGURE 17. RESIDENTIAL WORKFORCE INDUSTRY EMPLOYMENT SHARE – LEICHHARDT, MARRICKVILLE, GREATER SYDNEY, 2011



Source: ABS Census Data 2011

Between 2006 and 2011, five industry sectors have experienced a contraction in terms of employment numbers within Leichhardt. The largest contraction occurred in the Agriculture, Forestry and Fishing sector (a change of 8.5%), followed by the Manufacturing sector (a decrease of 1.7%) and the Accommodation and Food Services sector (a decrease of 1.0%). On the other hand, the Electricity, Gas, Water and Waste Services sector had the largest employment growth rate (an increase of 4.1%), followed by the Professional, Scientific and Technical Services sector (an increase of 2.5%) and the Education and Training sector (an increase of 2.5%). This is shown in Figure 18.

FIGURE 18. LEICHHARDT RESIDENTIAL WORKFORCE CHANGE IN INDUSTRY OF EMPLOYMENT BETWEEN 2006 AND 2011



Source: ABS Census Data 2006 and 2011

Although the manufacturing sector experienced a decline over the five years to 2011, it is still accounts for 4.7% of the workforce participation in Leichhardt and is the 8th highest sector.

Leichhardt has seen an increase in the percentage of the workforce doing home-based work, significantly lower than neighbouring Marrickville although higher than other nearby LGAs. The proportion of the workforce engaged in home-based work increased between 2006 and 2011 for Leichhardt, Marrickville, Botany Bay and Randwick LGAs.

TABLE 4. HOME-BASED WORK (% OF WORKFORCE)

LGA	2006	2011
Botany Bay	1.8%	1.9%
Leichhardt	4.9%	5.6%
Marrickville	11.7%	13.9%
Randwick	3.1%	3.3%

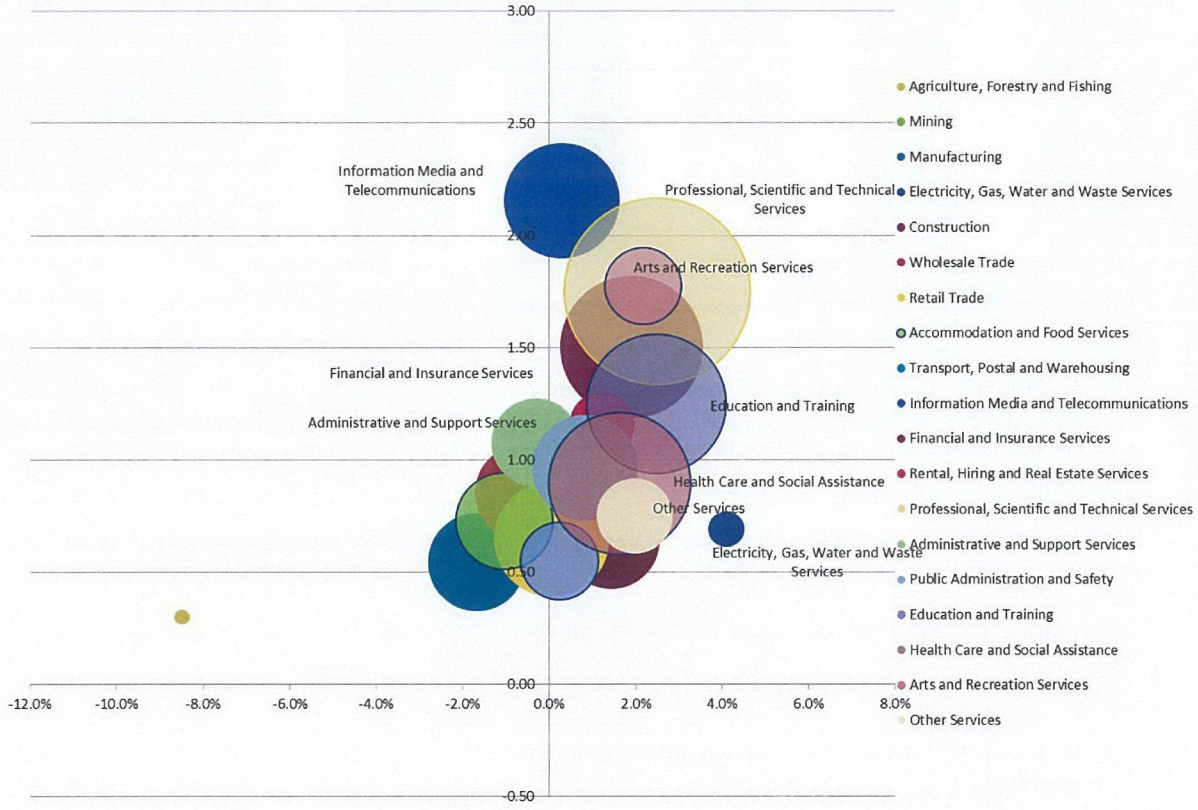
Source: ABS Census Data 2006 and 2011

Growth-share analysis involves an assessment of the relative size and specialisation of key industries, or industry clusters, and their recent change relative to the benchmark total growth in employment. Progression can be understood and assessed by comparing the recent relative growth against the benchmark, specialisation and size of key industries. Analysing industries or clusters in this way assists in the understanding of appropriate policies to guide their further growth and development, or to prioritise actions for economic development facilitation across various industry sectors.

The Location Quotient[2], which shows the relative prominence or importance of particular industries compared to others in the LGA (and therefore sectors of comparative strength), is shown on the vertical axis, while the change in employment from 2006 to 2011 is on the horizontal axis. The size of the circle represents the relative size of the industry within the LGA. The 'north-eastern' quadrant shows specialised industries experiencing growth in employment, while the 'south-eastern' quadrant shows employment growth and low specialisation. The left half of the diagram shows industries experiencing a decline in employment with the 'north-western' quadrant indicating high specialisation and the south-western quadrant indicating low specialisation.

Figure 19 presents a growth-share matrix for the Leichhardt LGA. In producing this matrix, the LGA's location quotient is compared to Greater Sydney as the benchmark. The matrix shows that the industry sectors likely to be in the expanding stage of the industry cycle (north-east quadrant), i.e. high employment growth rate and high industry concentration (LQ > 1), include: (i) Professional, Scientific and Technical Services; (ii) Education and Training; and (iii) Arts and Recreation Services.

FIGURE 19. GROWTH-SHARE MATRIX OF LEICHHARDT



Source: SGS Economics and Planning, 2014

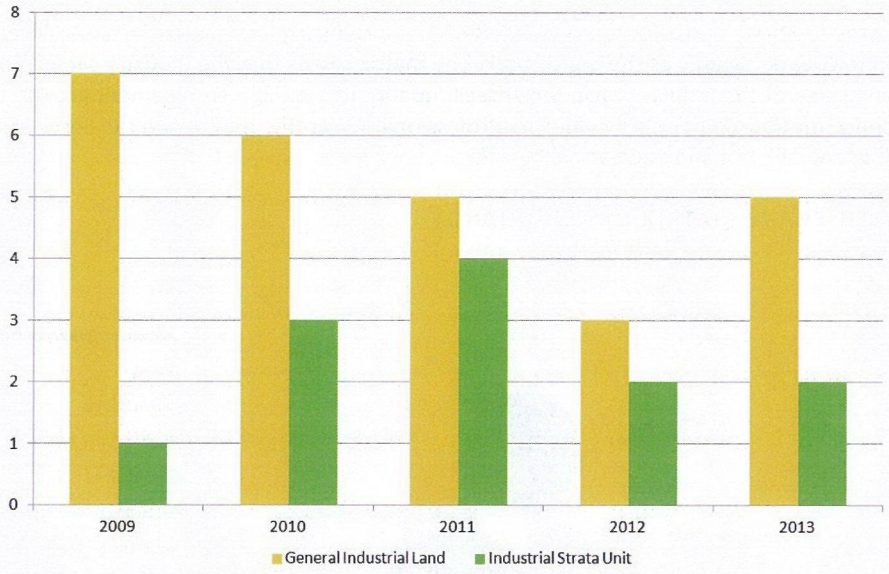
The industries likely to be in the emerging stage of the industry cycle (south-east quadrant), i.e. high employment growth rate and low industry concentration (LQ < 1), include: (i) Electricity, Gas, Water and Waste Services; (ii) Health Care and Social Assistance; and (iii) Other Services.

[2] A Location Quotient (LQ) is calculated by dividing the proportion of local jobs within a particular industry by the proportion of jobs within that industry in a benchmark area. If the proportion of jobs in a local industry is higher than that of the benchmark area, the industry will show a location quotient of greater than 1. The LQ analysis indicates the relative proportion of an industry given the nature of the local economy.

Market data

Analysis of the industrial property sales number data shows a downward trend in sales number for general industrial land between 2009 and 2012. This was followed by a rise of 2 units in 2013. Although sales number for industrial strata units went up from 2009 and 2011, the number declined in 2012 and remained stable since.

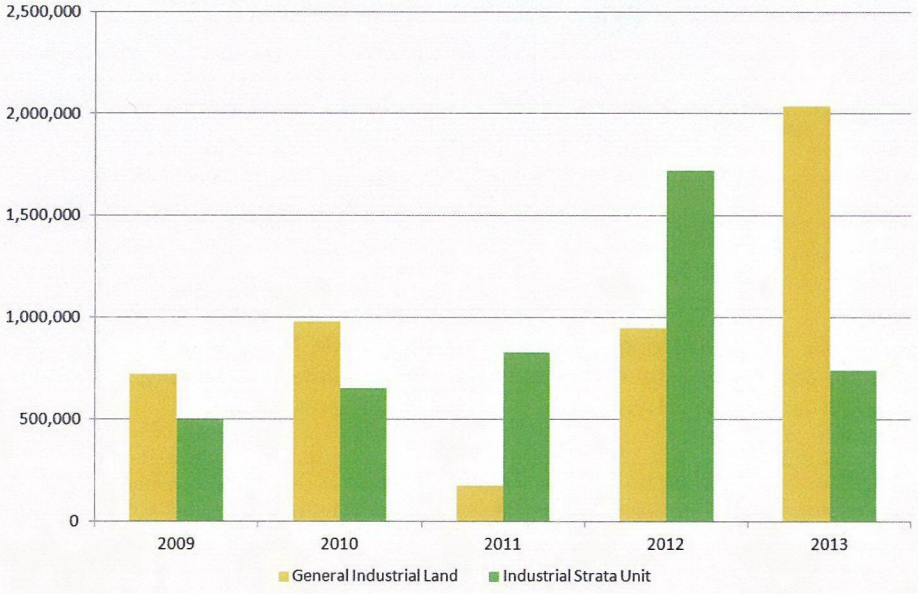
FIGURE 20. INDUSTRIAL PROPERTY SALES NUMBER. LEICHHARDT LGA



Source: RP Data, 2014

Analysis of the median price of industrial property sold indicates high volatility in the median price of general industrial land with a significant fall in 2011 followed by a sharp upward trend in subsequent years. On the other hand, the median price of industrial strata units consistently rose between 2009 and 2012 before recording a greater than 50% fall in 2013.

FIGURE 21. INDUSTRIAL PROPERTY SALES MEDIAN PRICE ($), LEICHHARDT LGA



Source: RP Data, 2014

Implications

The volatility experienced in Leichhardt's industrial lands market can be attributed, at least in part, to the relatively small pool of industrial lands in the LGA. Although a downward trend is seen in number of sales from 2006 to 2012, in real terms this is a decrease from seven units sold in 2006 to three units sold in 2012. Because of this small pool and the volatility that can be caused by a small increase or decrease in sales numbers, it is difficult to determine a driver behind these fluctuations.

Sales volume data for 2013 from RP Data show that 1,082sqm of general industrial land was sold in 2013 across five properties. Notwithstanding the possibility of one lot accounting for a significant amount of this, with only five general industrial units sold in 2013, this suggests an average general industrial lot of slightly over 200sqm. This is small in terms of what traditional manufacturing require, however, it may better suit niche urban manufacturing or emerging industries requiring the type of building structure and open floorspace industrial lands tend to provide.

4.2 Summary and implications

The volatility of Leichhardt's recent industrial land sales history highlights the relatively small-scale nature of the LGA's industrial precincts and the value of land within its boundaries. Five general industrial units were sold in 2013 with an average price in excess of $2 million. Such high property prices indicate the value of land in the area and the pressure that non-employment uses are putting on the remnants of this fragmented land use in driving up property value. If this trend continues, some of the existing industrial uses within the LGA may be forced to move further way from the inner city, reinforcing the trend seen with industrial lands in recent years.

In light of high property costs and relatively small floorplates, higher value industries that rely on inner city locations to maximise supply chain and customer and supplier networks may be suited to these locations. Their location both in relation to the knowledge centre of the CBD and, more locally, to improved public transport, regional motorway access and a highly skilled resident population mean that they are well suited to leveraging these surrounding assets.

The Location Quotient matrix indicates that Professional services, Education and training and Arts and recreation are industries experiencing high growth in the area. Additionally, infrastructure services (such as electricity, water & gas) and health services are emerging as growth sectors. Elements of these industries may be well suited to employment lands within the LGA.

Whilst many inner city industrial precincts are shedding traditional manufacturing services due to changing economic geography and land use pressures, some traditional uses need to be retained. Local service providers such as panel beaters, printers and council depots are required throughout the city, irrespective of land values and cannot simply be relocated to the urban fringe, as they depend on proximity to the population they serve.

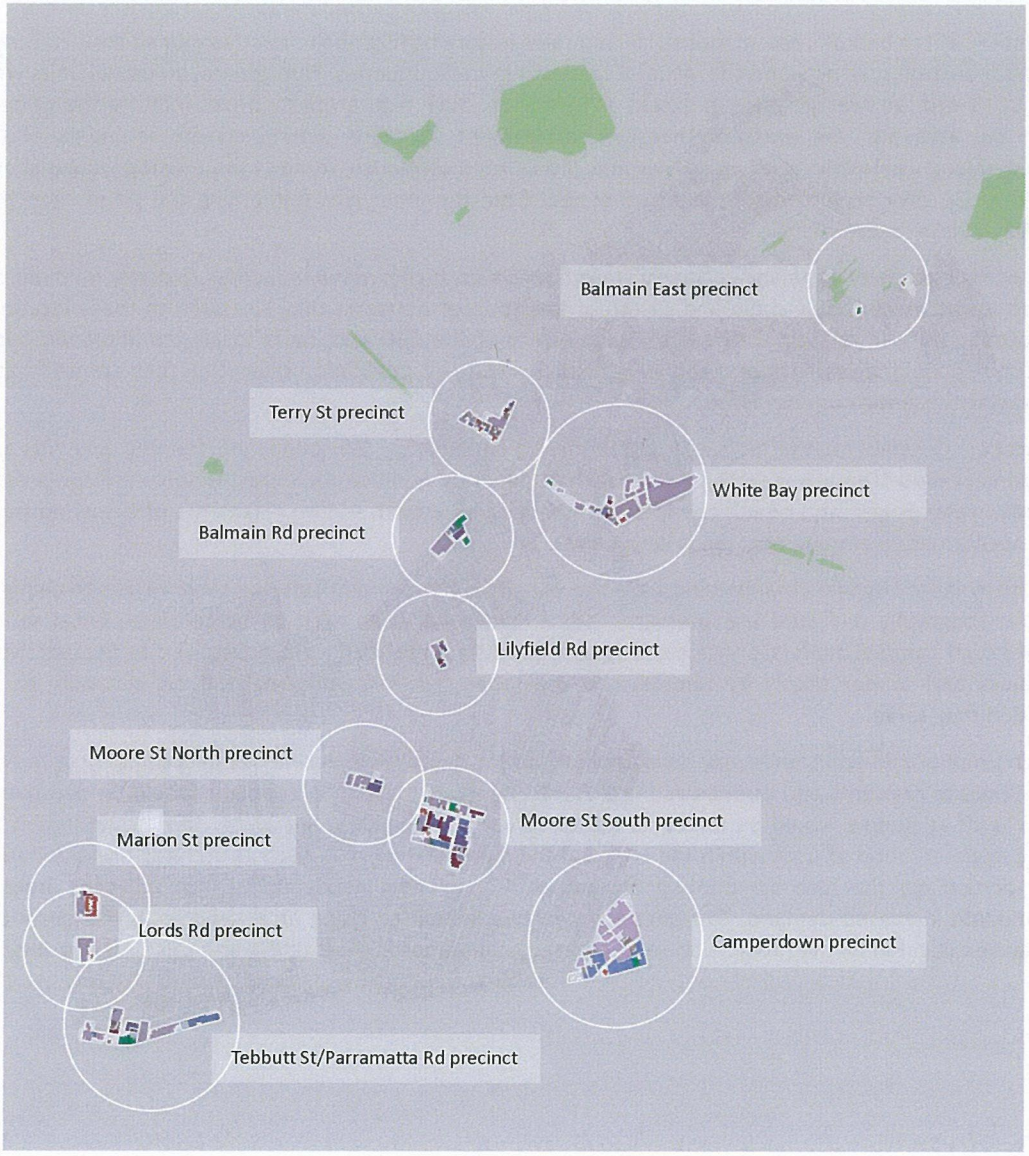
The high value of industrial lands may have implications for these small businesses in continuing to provide local services to residents and businesses in Leichardt. A loss of these local suppliers would be detrimental to Leichhardt as people would be forced to locate services in neighbouring areas. This would inhibit the growing agglomeration of uses within the LGA, around creative industries such as architecture and design. This is particularly the case for printing companies. It may also place pressure on adjacent areas to accommodate increased demand. The potential negative impact of losing local services in the Leichhardt LGA may be mitigated by their relocation to suitable adjacent areas in Marrickville and the City of Sydney.

5 CAPACITY ASSESSMENT

5.1 Land audit results

A land audit of eleven industrial precincts across Leichhardt was undertaken by SGS for this study. The audit assessed the predominant type of land use, the gross floorspace for each lot and the amount of vacant land or vacant units in each precinct. The following section details the make-up and GFA for each precinct.

FIGURE 22. OVERVIEW OF INDUSTRIAL PRECINCTS



Source: SGS Economics and Planning, 2014

The floorspace audit undertaken by SGS was conducted using both ANZSIC industry categories and SGS's own broad land-use categories (BLCs). ANZSIC categories are standardised industry classifications used in Australia and New Zealand to capture employment data for censuses and other formal studies. BLCs are broad groupings of employment land use developed by SGS to standardise our employment land study results.

Table 5 and Table 6 outline both ANZSIC and BLC categories.

Each precinct is addressed in the following section. This assessment provides a map of each precinct and identifies the dominant BLC of each building. The breakdown of floorspace by ANZSIC and BLC is also provided along with a short commentary of the precinct's use and context.

Additionally, each precinct has been reviewed against the 2013 Draft Metropolitan Strategy's industrial land assessment criteria checklist to determine its value as industrial land. This has been used given its similarity to the 2010 criteria and assumes that each precinct is being considered for rezoning as one, rather than individual lots within it.

TABLE 5. AUSTRALIAN AND NEW ZEALAND STANDARD INDUSTRIAL CLASSIFICATION (ANZSIC) DEFINITION

ANZSIC categories
Agriculture, Forestry and Fishing
Mining
Manufacturing
Electricity, Gas, Water and Waste Services
Construction
Wholesale Trade
Retail Trade
Accommodation and Food Services
Transport, Postal and Warehousing
Information Media and Telecommunications
Financial and Insurance Services
Rental, Hiring and Real Estate Services
Professional, Scientific and Technical Services
Administrative and Support Services
Public Administration and Safety
Education and Training
Health Care and Social Assistance
Arts and Recreation Services
Other Services
Inadequately described and Not Stated

Source: ABS, 2013

TABLE 6. BROAD LAND USE CATEGORIES (BLC) DEFINITION AND CONTEXT

Land use	Description
Freight and logistics (FL)	Warehousing and distribution activities: includes buildings with a number of docking facilities, 'hard stand' areas with trucks or goods awaiting distribution, and large storage facilities. Warehousing and distribution is a metro level issue with activities preferably locating close to air, sea and inter-modal inland ports, or with access to the motorway system.
Local light industrial (LL)	Includes a wide range of businesses that service other business (components, maintenance and support) and subregional populations. For example, car service and repair, joinery, construction and building supplies, and domestic storage.
Heavy manufacturing (MH)	Large scale production activity: likely to be characterised by high noise emission, emission stacks, use of heavy machinery, and frequency of large trucks. Heavy manufacturing is best positioned in industrial areas away from populated areas given its impacts. It will often require motorway access and access to a rail spur. There are strong arguments for co-location in terms of raw material delivery and to concentrate externalities (though impacts on surrounding uses are generally moderate).
Light manufacturing (ML)	Small scale production with lower noise and emission levels than heavy manufacturing. For example, clothing manufacturing, boat building. Light manufacturing is less likely to be found in populated areas and requires proximity to motorway on/ off ramps. Suited to industrial areas but with a lower requirement for distance from population than heavy manufacturing.
Urban services (US)	Concrete batching, waste recycling and transfer, construction and local and state government depots, sewerage, water supply, electricity construction yards. These typically have noise, dust and traffic implications and need to be isolated or buffered from other land uses. Needed in each sub-region.
Office (O)	Administration, clerical, business services, research. Office uses are heavily influenced by transport accessibility and as a result the most suitable areas are clustered around designated centres – especially those on transport nodes and with railway stations to provide good accessibility for office workers.
Business/office parks (BP)	Integrated warehouse, storage, R&D, 'back-room' management and administration with typically a higher office component.
Retail – main street (RM)	Retailing services traditionally found in main street locations (such as supermarkets) and small cluster or strips of stores located next to a street or road.
Retail – big box (RB)	Large shopping complexes, including Westfield.
Retail – bulky goods (RBG)	Typically large, one-storey buildings surrounded by car-parking, usually located out of centre and in high exposure (main road) locations. Bulky goods retail is generally dependent on arterial road access and high visibility but also requires large lots.
Special Activities (S)	Tertiary level education, health, and community services. Typically require strategic locations and needed in each sub-region.
Dispersed Activities (D)	Primary and secondary education, lower level health, social and community services, trades construction, other 'nomads'.
Residential (RES)	Residential development.
Accommodation (short term) (AST)	Hotels and motels (not including pubs), backpacker establishments.
Car park (CP)	Stand-alone car parking stations.
Vacant sites/lots (VSI)	Vacant sites.
Vacant buildings (VBL)	Vacant buildings.

5.2 Floorspace by precinct

Precinct profile: Balmain East

FIGURE 23. AUDIT MAP

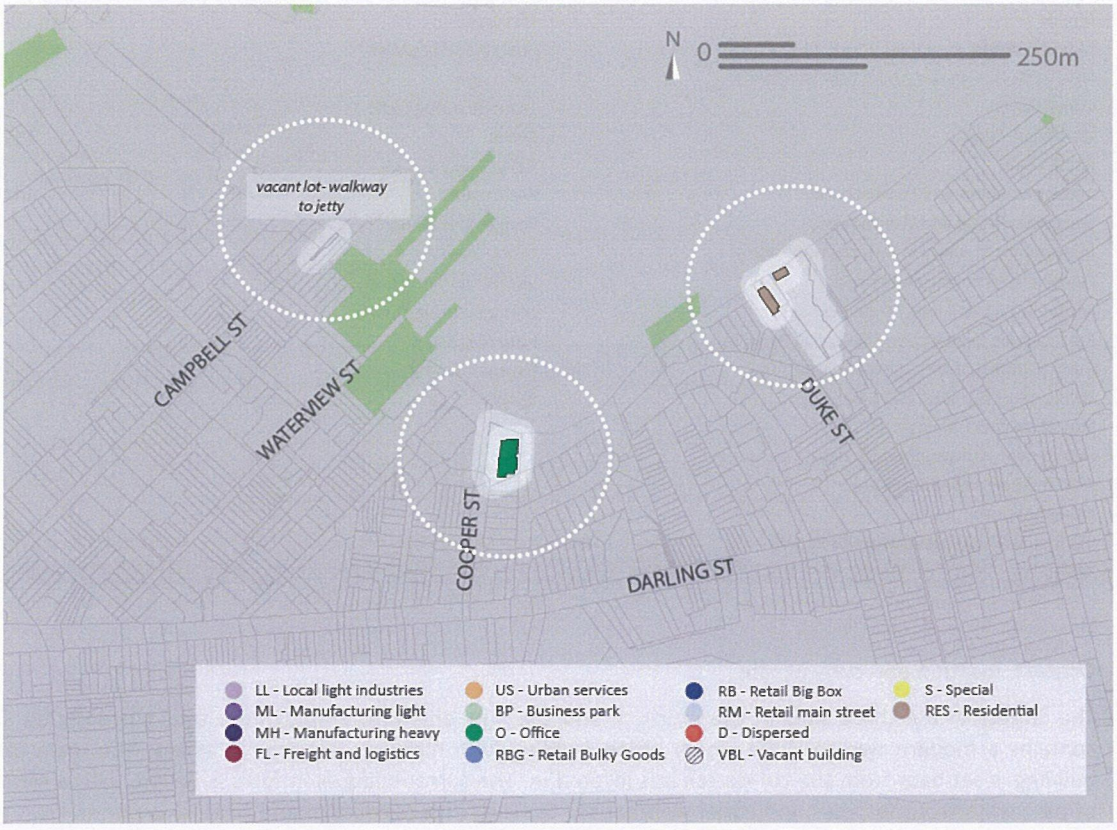


TABLE 7. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	No
Is the site contributing to a significant industry cluster?	No
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Non-core industrial uses currently, although loss of industrially-zoned land would place increased pressure on LGA
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of office floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	Not currently used for industrial use; awkward road access for vehicles, although the precinct serves a marine function and requires water access
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 8. FLOORSPACE AUDIT

Total floorspace 1,398 sqm

Developed 1,398 sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing		Business Park	-
Mining		Dispersed	-
Manufacturing		Freight and Logistics	-
Electricity, Gas, Water and Waste Services		Local Light	-
Construction		Manufacturing Light	-
Wholesale Trade		Office	916
Retail Trade		Retail Bulky Goods	-
Accommodation and Food Services		Residential	482
Transport, Postal and Warehousing		Retail Main Street	-
Information Media and Telecommunications		Urban Services	-
Financial and Insurance Services		Vacant Block of Land	-
Rental, Hiring and Real Estate Services		Manufacturing Heavy	-
Professional, Scientific and Technical Services		Retail Big Box	-
Administrative and Support Services	916	Vacant building	-
Public Administration and Safety		Special	-
Education and Training			
Health Care and Social Assistance			
Arts and Recreation Services			
Other Services			
Inadequately described and Not Stated	482		
Totals*	**1,398**		**1,398**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The largest of the three sites in the precinct, and the only one with employment uses currently on site, contains a modern two to three storey office building with maritime services attached. The main office building is set back from the cul-de-sac it is located in. The surrounding built form is varied, with a mixture of new waterfront terraces, industrial warehouses converted to residential and original weatherboard and brick workers cottages.

The main site is located on Mort Bay and provides industrial land with direct water access and contains employment (office) uses. It is adjacent to a small foreshore park and at the end of a narrow street, which is indicative of the area.

The precinct also consists of two other separate industrially-zoned sites, one of which houses residential uses and the other is an easement with no building on it. The fragmented precinct is small and contributes little in terms of floorspace to true industrial uses in the LGA.

Precinct profile: Terry Street

FIGURE 24. AUDIT MAP

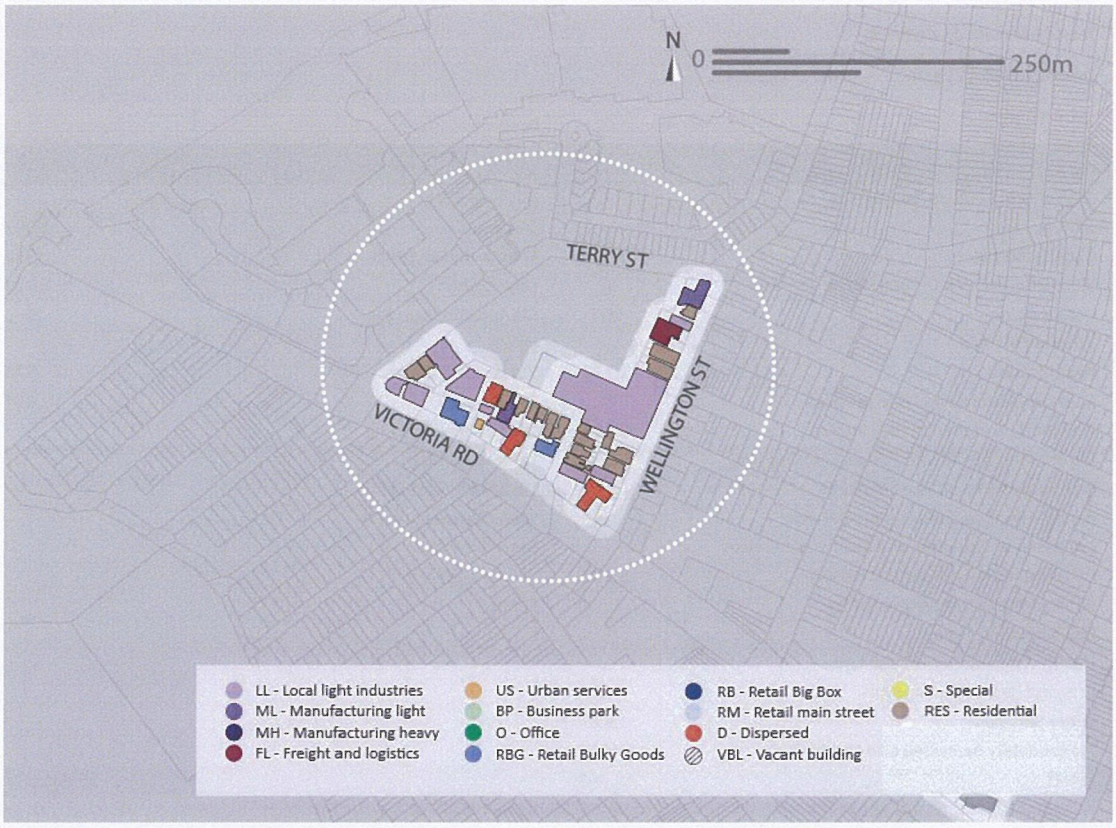


TABLE 9. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Yes – Victoria Road corridor
Is the site contributing to a significant industry cluster?	No
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Some impact on light industrial provision in LGA and pressure on remaining precincts to accommodate displaced uses as a result of the loss
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	Dispersed nature of the precinct and mix with residential may cause conflict
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 10. FLOORSPACE AUDIT

Total floorspace 15,161 sqm

Developed 15,161 sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	1,007
Manufacturing	1,937	Freight and Logistics	560
Electricity, Gas, Water and Waste Services	52	Local Light	8,929
Construction	203	Manufacturing Light	976
Wholesale Trade	-	Office	-
Retail Trade	1,122	Retail Bulky Goods	728
Accommodation and Food Services	77	Residential	2,907
Transport, Postal and Warehousing	5,498	Retail Main Street	-
Information Media and Telecommunications	-	Urban Services	52
Financial and Insurance Services	-	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	-	Retail Big Box	-
Administrative and Support Services	3,863	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	-		
Arts and Recreation Services	314		
Other Services	1,629		
Inadequately described and Not Stated	464		
Total*	**15,161**		**15,161**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The Terry Street precinct is a local service industrial precinct consisting of auto repairs, auto parts, trade supplies, car sales and household storage, etc. and adjoins Victoria Road. The built form is varied, with the major industrial site being a two-storey brick storage facility. The industrial functions are interspersed with several residential dwellings of what appear to be original building stock (consisting of workers cottages and terraces). The more modern light industrial site on Terry Street is the largest in scale with three storeys.

The northern part of the site (the former Carrier site) has been rezoned and is currently under development for residential use.

Along with White Bay, the precincts are the only ones in the LGA with direct Victoria Road frontage. Given the road's arterial nature and location at the edge of the predominantly residential area, it is an important precinct as it has good transport access and the ability to operate with minimal direct contact with residential uses.

A small number of submissions have been made to Council requesting that all or part of the precinct be rezoned from industrial. Suggestions for use include residential or mixed-use development. The current amount of residential uses within the precinct are used to support these claims, as are the site's transport accessibility and inability to further develop as an industrial precinct, given its fragmented nature. The arguments for accessibility however also stand for the retention of current industrial uses.

Precinct profile: White Bay

FIGURE 25. AUDIT MAP

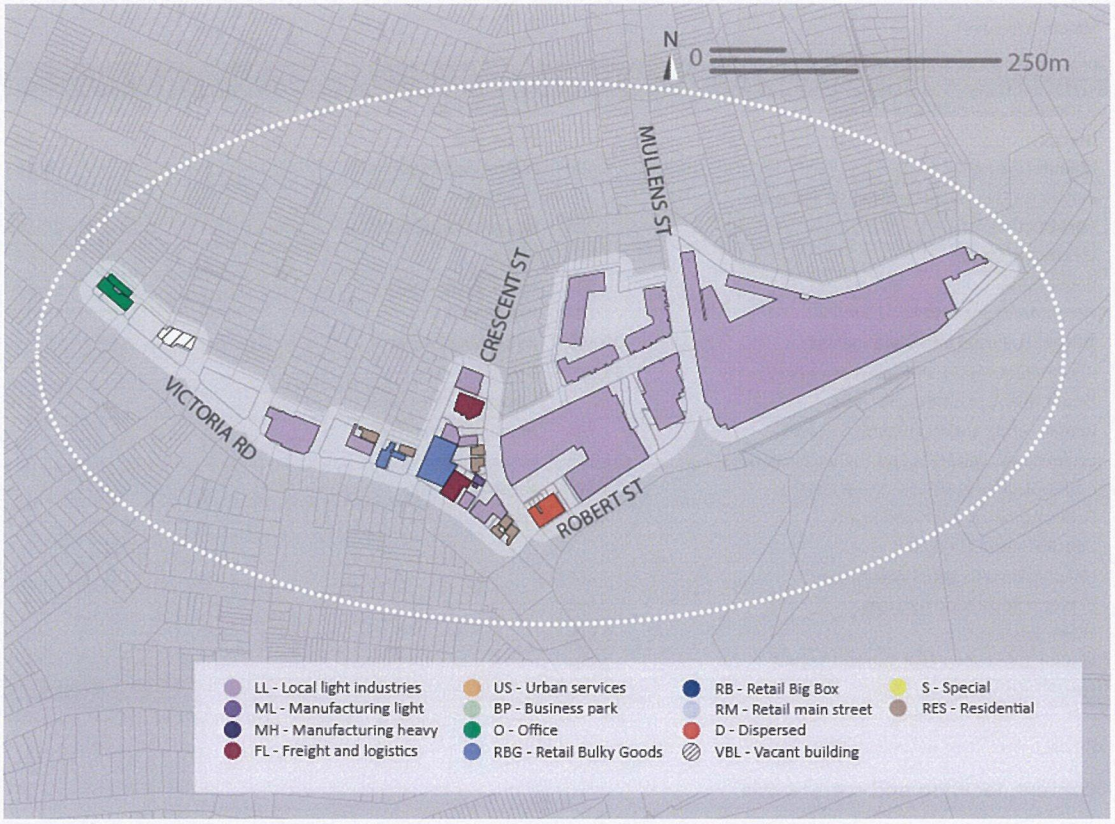


TABLE 11. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Yes – Bays precinct and ports
Is the site contributing to a significant industry cluster?	Yes – one of the largest in the LGA
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Significant pressure on remaining industrial precincts to accommodate White Bay's local light industrial services
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	Yes – the redevelopment of the Bays Precinct may see the zoned land increase in value and attract pressure for alternative uses

TABLE 12. AUDIT FLOORSPACE

Total floorspace 60,075 sqm

Developed 59,699 sqm

Vacant 376 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	480
Manufacturing	6,679	Freight and Logistics	1,483
Electricity, Gas, Water and Waste Services	-	Local Light	37,948
Construction	181	Manufacturing Light	16,393
Wholesale Trade	1,052	Office	897
Retail Trade	919	Retail Bulky Goods	1,650
Accommodation and Food Services	192	Residential	847
Transport, Postal and Warehousing	20,101	Retail Main Street	-
Information Media and Telecommunications	11,091	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	376
Rental, Hiring and Real Estate Services	388	Manufacturing Heavy	-
Professional, Scientific and Technical Services	1,716	Retail Big Box	-
Administrative and Support Services	3,126	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	288		
Arts and Recreation Services	2,392		
Other Services	9,565		
Inadequately described and Not Stated	2,384		
Total*	**60,075**		**60,075**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The White Bay industrial precinct is one of the LGA's largest and contains industrial buildings with some of the largest footprints. It has some presence along Victoria Road, although access is better along Mullens and Robert Streets. Surrounding residential is low-density in scale, with original workers cottages the prevailing architectural style – giving Balmain its distinctive urban character. The precinct currently faces onto maritime-servicing land and therefore has few competing land uses. The large warehouse buildings vary in age but are consistent in their form – brick and three to four storeys.

The large lots and proximity to port and arterial road infrastructure mean that the precinct is currently one of the most important in the LGA.

Businesses in this location are diverse and include a gym and film studio. There are numerous auto-repairers such as along Mullens Street, as well as show room uses along Victoria Road. Port facilities at Glebe Island and White Bay are the primary adjacent land uses. Current and future operations at this location have the potential to impact upon amenity in the area, and previous proposals for widening the range of uses in this area have not been supported by State Government. Residential areas are located to the north and west of this employment land precinct.

This precinct will be affected by the proposed adjacent Bays Precinct Urban Transformation Program which covers around 80 hectares of Government owned land including sites such as the heritage-listed White Bay Power Station, Glebe Island, White Bay, Rozelle Bay, Rozelle Rail Yards and Blackwattle Bay, including the Sydney Fish Market.

There have been a couple of submissions made to enquire about rezoning of the sites along Victoria Road, given the difficulty in accessing the units and the surrounding residential use. The linear nature of the Victoria Road frontage and small lots would make any precinct-wide industrial redevelopment difficult along this stretch.

Precinct profile: Balmain Road

FIGURE 26. AUDIT MAP

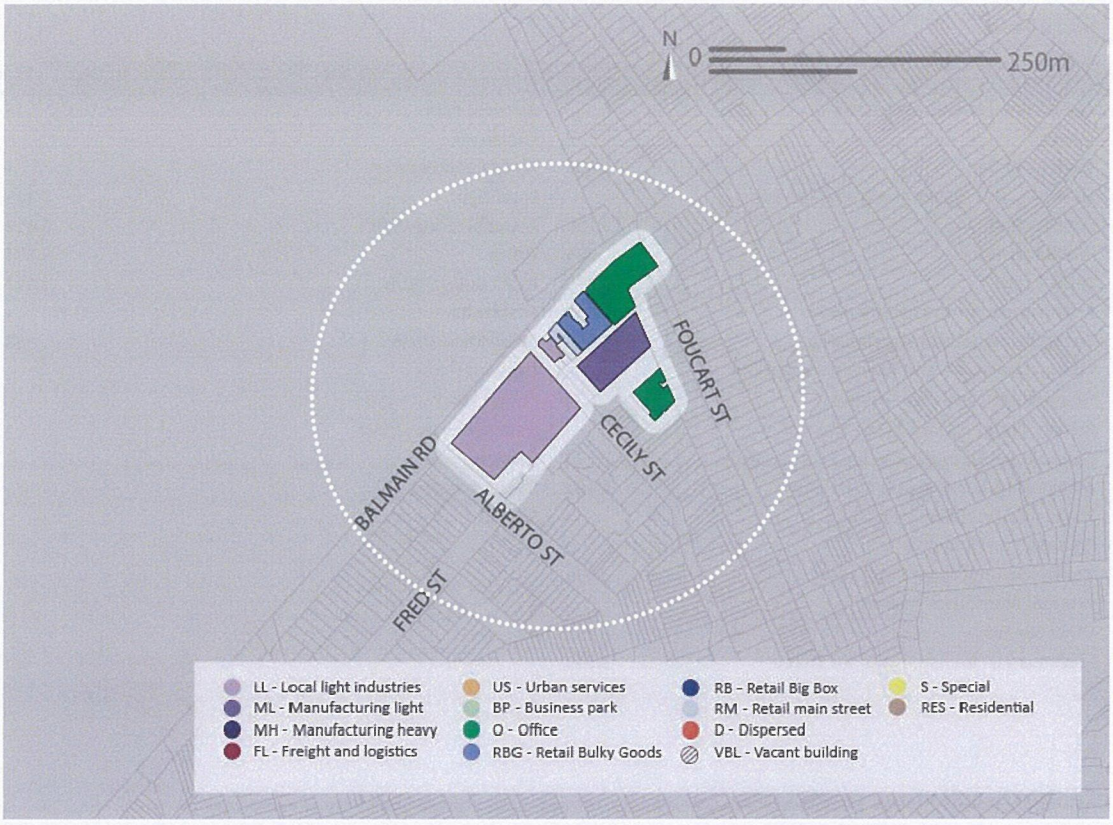


TABLE 13. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Close proximity to Victoria Road and opposite regionally significant Callan Park
Is the site contributing to a significant industry cluster?	No
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Place pressure on remaining precincts to provide for loss of industrial land
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 14. AUDIT FLOORSPACE

Total floorspace 18,072 sqm

Developed 18,072 sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	-
Manufacturing	1,307	Freight and Logistics	-
Electricity, Gas, Water and Waste Services	-	Local Light	7,365
Construction	293	Manufacturing Light	3,613
Wholesale Trade	704	Office	5,534
Retail Trade	1,496	Retail Bulky Goods	1,027
Accommodation and Food Services	133	Residential	-
Transport, Postal and Warehousing	5,833	Retail Main Street	533
Information Media and Telecommunications	-	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	2,578	Retail Big Box	-
Administrative and Support Services	3,101	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	495		
Arts and Recreation Services	-		
Other Services	293		
Inadequately described and Not Stated	1,840		
Total*	**18,072**		**18,072**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The Balmain Road precinct is predominantly a local service industrial trade supplies, with small scale manufacturing, retail and office functions. Its built form is varied, with detailed brick two-storey buildings with Edwardian-style facades adjacent more modern brick buildings of the same height. Further west, along Balmain Road, single-storey brick buildings with little street character present a long blank wall. The frontage to Alberto Street presents an attractive ivy-covered green wall with vehicular access to the industrial buildings. The two to three storey blank brick facades facing Cecily and Fred Streets enable industrial functionality within the building but present a bland street frontage opposite the vernacular working cottages. Additional car parking is located to the rear off Alberto Street.

The precinct has large floorplates considering the relatively small size of the precinct and the clear vehicular access around three of the precinct's sides are an important attribute, especially as vehicles do not have to travel along many local roads to access the precinct.

A submission to Council has been made to increase the permissible uses to accommodate community uses such as educational facilities and markets as well as storage facilities. The community uses in particular could link to any redevelopment of Callan Park, existing industrial uses notwithstanding.

Precinct profile: Lilyfield Road

FIGURE 27. AUDIT MAP

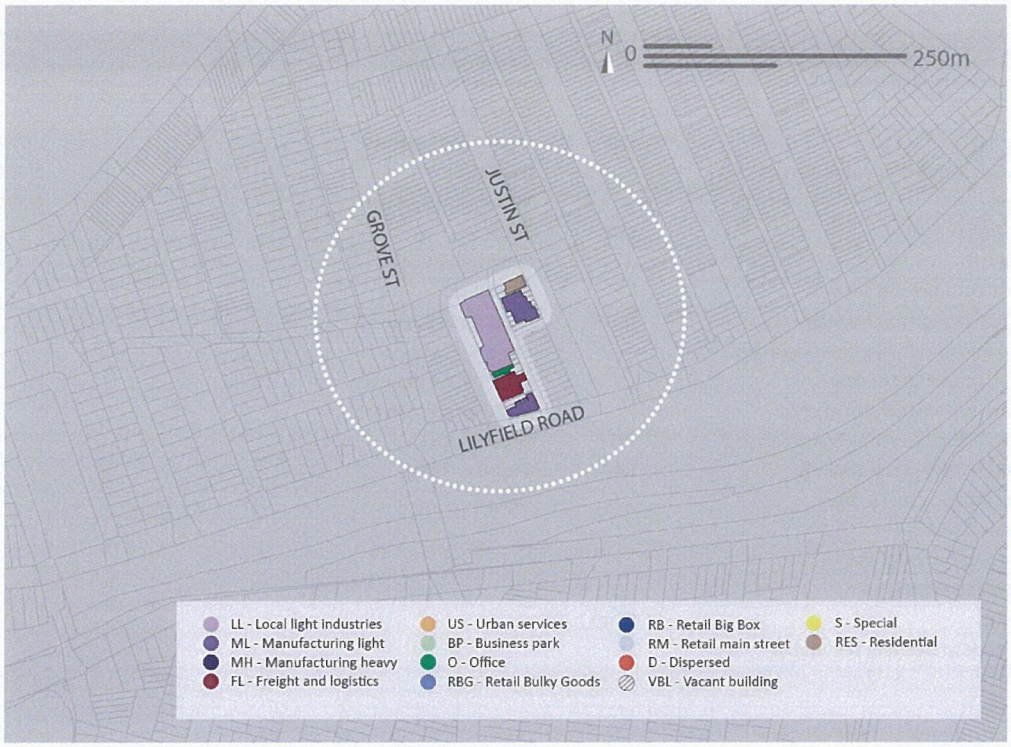


TABLE 15. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Close to city west link and proposed WestConnex route
Is the site contributing to a significant industry cluster?	No
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Place pressure on remaining precincts to provide for loss of industrial land
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No, although recent rezoning of 55 Justin Street suggests that the site is not deemed a high industrial priority
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 16. AUDIT FLOORSPACE

Total floorspace 5,364 sqm

Developed 5,364sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	-
Manufacturing	538	Freight and Logistics	779
Electricity, Gas, Water and Waste Services	-	Local Light	2,794
Construction	-	Manufacturing Light	1,150
Wholesale Trade	223	Office	214
Retail Trade	-	Retail Bulky Goods	-
Accommodation and Food Services	-	Residential	428
Transport, Postal and Warehousing	1,079	Retail Main Street	-
Information Media and Telecommunications	-	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	107	Retail Big Box	-
Administrative and Support Services	1,474	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	-		
Arts and Recreation Services	-		
Other Services	1,943		
Inadequately described and Not Stated	-		
Total*	**5,364**		**5,364**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The Lilyfield Rd precinct is characterised as local service industrial – consisting of plumbing and other trade supplies, automotive services, textiles, with some creative industries (furniture manufacture, jewellery, glass, textiles), and some small scale professional services. The area is surrounded by residential development comprising of medium density walk up flats and workers cottages. The recently-rezoned Justin Street lots reduce the size of the precinct, however the laneway access along the eastern edge provides good frontage for the multiple site users.

The small precinct's built form is characterised by predominantly double-height garage-fronted light-industrial units, with regular openings for vehicle access. Some units have been redeveloped, however the scale remains predominately two storeys. Halloran Street's width and the mix of residential building heights on the opposite side of the road mean the precinct fits comfortably into the surrounding residential area.

Precinct profile: Moore Street North

FIGURE 28. AUDIT MAP

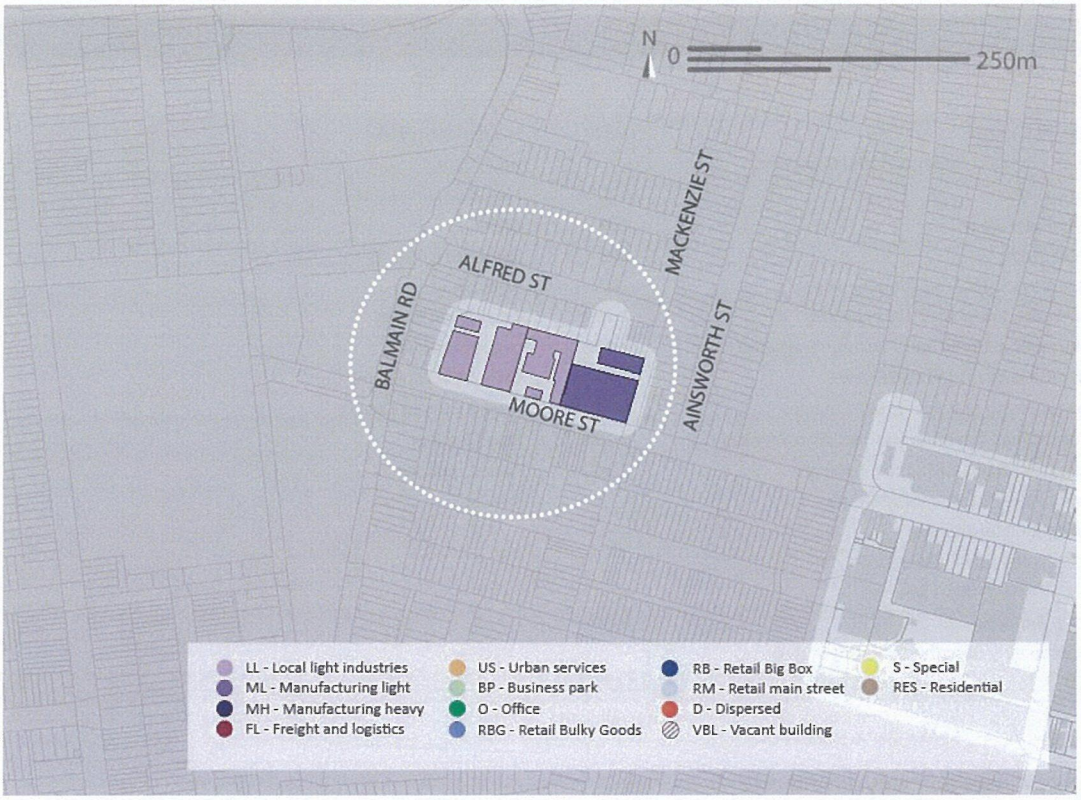


TABLE 17. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Close to city west link and proposed WestConnex route
Is the site contributing to a significant industry cluster?	No
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Place pressure on remaining precincts to provide for loss of industrial land, especially locally-servicing industries
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 18. AUDIT FLOORSPACE

Total floorspace 11,616 sqm

Developed 11,616sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	-
Manufacturing	1,822	Freight and Logistics	-
Electricity, Gas, Water and Waste Services	-	Local Light	6,360
Construction	445	Manufacturing Light	5,256
Wholesale Trade	296	Office	-
Retail Trade	390	Retail Bulky Goods	-
Accommodation and Food Services	117	Residential	-
Transport, Postal and Warehousing	2,294	Retail Main Street	-
Information Media and Telecommunications	1,230	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	2,164	Retail Big Box	-
Administrative and Support Services	2,160	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	-		
Arts and Recreation Services	-		
Other Services	698		
Inadequately described and Not Stated	-		
Total*	**11,616**		**11,616**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The Moore Street North precinct contains a small cluster of industrial uses with a mixture of local light industrial and light manufacturing activity. The building stock varies in age but the precinct maintains a consistent one to two-storey presence along Moore Street and Mackenzie Street. Long blank walls along Moore Street are punctuated by vehicle access points into the precinct along its southern and eastern perimeter. Street art along some walls provides visual relief from these long stretches. The age of the building stock varies throughout the precinct, with early twentieth century brick buildings interspersed with stock from the late twentieth century. The building heights are consistent with the surrounding residential building stock, which are predominantly small detached cottages.

The precinct's importance lies in its local servicing uses and surrounding residential population that it serves. The light manufacturing uses within the precinct are in close proximity to the City West Link and therefore distribution channels for products.

Precinct profile: Moore Street South

FIGURE 29. AUDIT MAP

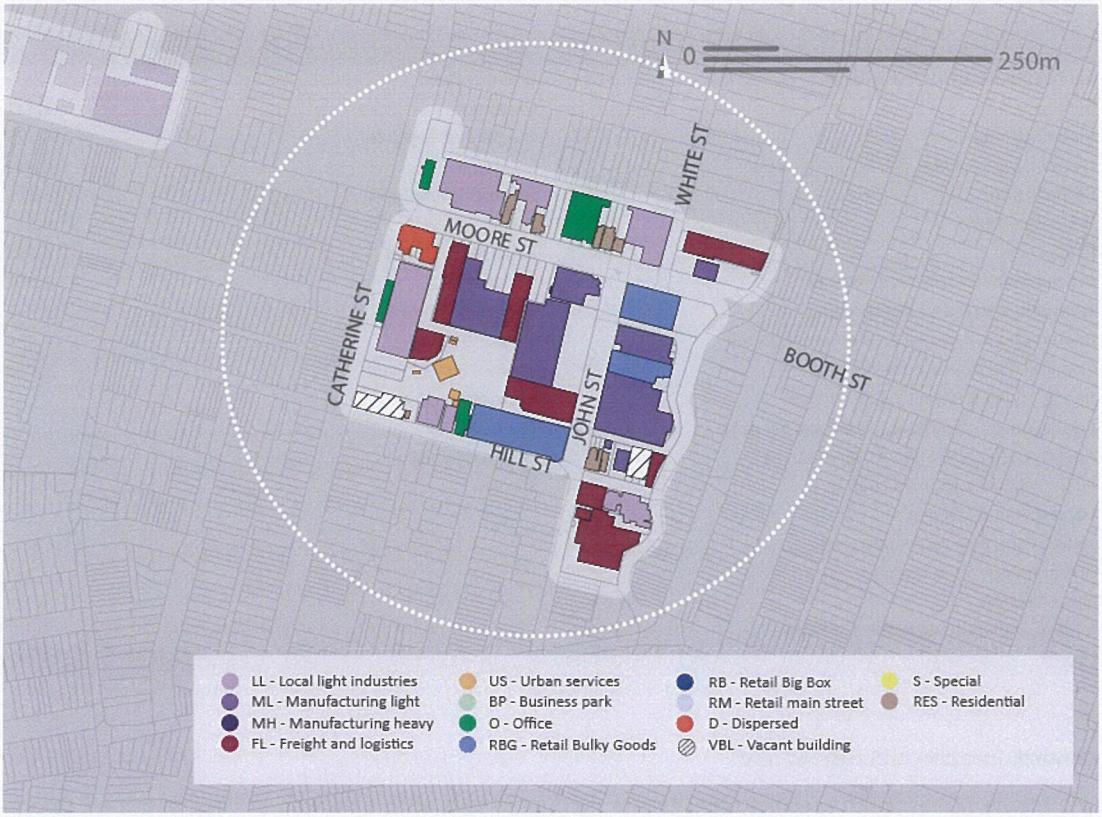


TABLE 19. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Close to city west link and proposed WestConnex route
Is the site contributing to a significant industry cluster?	Yes – one of the largest in the LGA
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Place pressure on remaining precincts to provide for loss of industrial land, especially locally-servicing industries
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 20. AUDIT FLOORSPACE

Total floorspace 49,490 sqm

Developed 47,530 sqm

Vacant 1,960 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	1,111
Manufacturing	7,362	Freight and Logistics	11,375
Electricity, Gas, Water and Waste Services	-	Local Light	10,216
Construction	3,968	Manufacturing Light	13,875
Wholesale Trade	114	Office	3,314
Retail Trade	4,426	Retail Bulky Goods	6,098
Accommodation and Food Services	-	Residential	1,107
Transport, Postal and Warehousing	14,914	Retail Main Street	-
Information Media and Telecommunications	-	Urban Services	434
Financial and Insurance Services	440	Vacant Block of Land	1,960
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	3,468	Retail Big Box	-
Administrative and Support Services	8,005	Vacant building	-
Public Administration and Safety	434	Special	-
Education and Training	-		
Health Care and Social Assistance	2,404		
Arts and Recreation Services	-		
Other Services	1,969		
Inadequately described and Not Stated	1,985		
Total*	**49,490**		**49,490**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The Moore Street South precinct consists of a number of lots, with a mixture of large and small floorplate units. The precinct has good vehicular access with John Street acting as an internal access road, in addition to the formal internal road along the precinct's eastern edge. The precinct has a diverse mix of office-based, industrial and bulky goods retail activities. Activities with high shares include Building and Construction Services and Warehousing. It is one of the most important precincts in the LGA as well as playing an important population-serving use within the broader subregion.

The majority of the Moore Street South precinct currently contains a mixture of local light industrial and light manufacturing. Smaller land uses include dispersed land uses and freight and logistics activities. Office uses and some detached residential are located on Moore Street. There are also residential properties located in the vicinity of Hill Street.

The built form varies, with large open warehouse structures and smaller brick industrial buildings along Moore Street. The building setback, two to three storey unit heights and consistent street tree presence along Moore Street mean that the precinct effectively retreats from the road. Given the large size of the precinct, it is discreetly situated. The building setback is quite large along John Street, with a large concrete parking forecourt along its western edge. The precinct is not far from the City West Link. It is surrounded by residential uses, which is important given its predominantly local-light industry mix that often services local catchments. The precinct's size and mix of uses identifies it as one of the key industrial precincts in the LGA.

A submission has been made to consider affordable housing at the north-eastern corner of the precinct as an expansion to the current St Vincent de Paul operations at 5 White Street. Separate submissions have requested the precinct be rezoned to B7 Business Park due to road access issues and proximity to residential development and more broadly rezoned to mixed use residential uses given the close interaction with surrounding residential development.

Precinct profile: Marion Street

FIGURE 30. AUDIT MAP

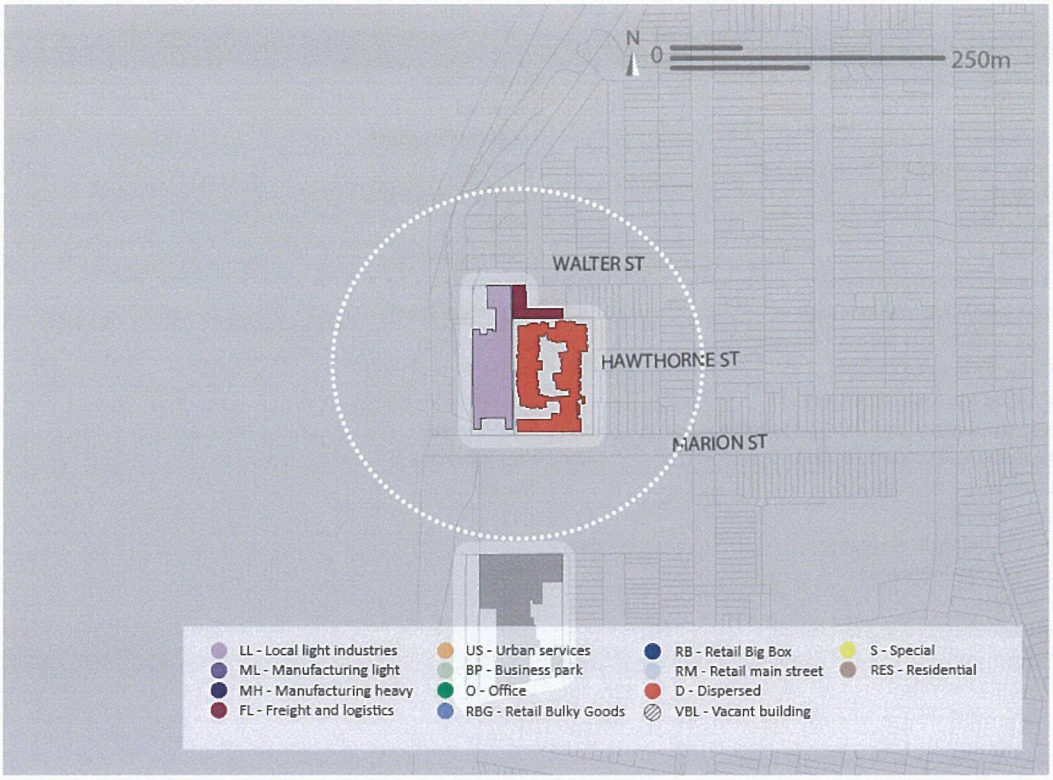


TABLE 21. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Close proximity to Inner West Light Rail
Is the site contributing to a significant industry cluster?	No (significant proportion not industrial use)
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Some impact on light industrial provision in LGA and pressure on remaining precincts to accommodate its loss
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	Current residential care home suggests land not highly valued for industrial use
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 22. AUDIT FLOORSPACE

Total floorspace 12,844 sqm

Developed 12,844sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	8,441
Manufacturing	-	Freight and Logistics	651
Electricity, Gas, Water and Waste Services	-	Local Light	3,752
Construction	-	Manufacturing Light	-
Wholesale Trade	-	Office	-
Retail Trade	-	Retail Bulky Goods	-
Accommodation and Food Services	211	Residential	-
Transport, Postal and Warehousing	521	Retail Main Street	-
Information Media and Telecommunications	-	Urban Services	-
Financial and Insurance Services	2,626	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	1,256	Retail Big Box	-
Administrative and Support Services	422	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	7,808		
Arts and Recreation Services	-		
Other Services	-		
Inadequately described and Not Stated	-		
Total*	**12,844**		**12,844**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

This small precinct is dominated by an aged care facility and Mazda car service centre fronting Marion Street. The service centre is set back from the road to allow car parking for serviced vehicles. The building itself is low in profile, with a high-ceilinged single storey workshop. The aged-care facility is a two-storey building, stepping up to three storeys and built to the lot boundary. It has slight indentations along its length to allow for incidental planting but presents a strong presence to Marion Street. Both buildings sit opposite Lambert Park, which provides a long blank façade to Marion Street that has been covered in street art. There are some small scale creative businesses and light industrial businesses on the Walter Street side of the precinct.

More than half of the site is given to the aged care facility, suggesting a previously determined lack of industrial need. The car service centre however is an important local (and possibly subregional) light – industrial use, given its specific servicing of Mazda vehicles. Both facilities would benefit from good road access, proximity to the newly opened Marion Light Rail stop and the Market Place shopping centre further to the east. Although small, it serves an important function with its current usage.

A submission has been made arguing for the motor repair site to be rezoned to accommodate B4 Mixed Use or R4 High Density Residential uses suggested as more in keeping with the surrounding area. Such a use would benefit from proximity to the light rail and local shopping centre access.

Precinct profile: Lords Road

FIGURE 31. AUDIT MAP

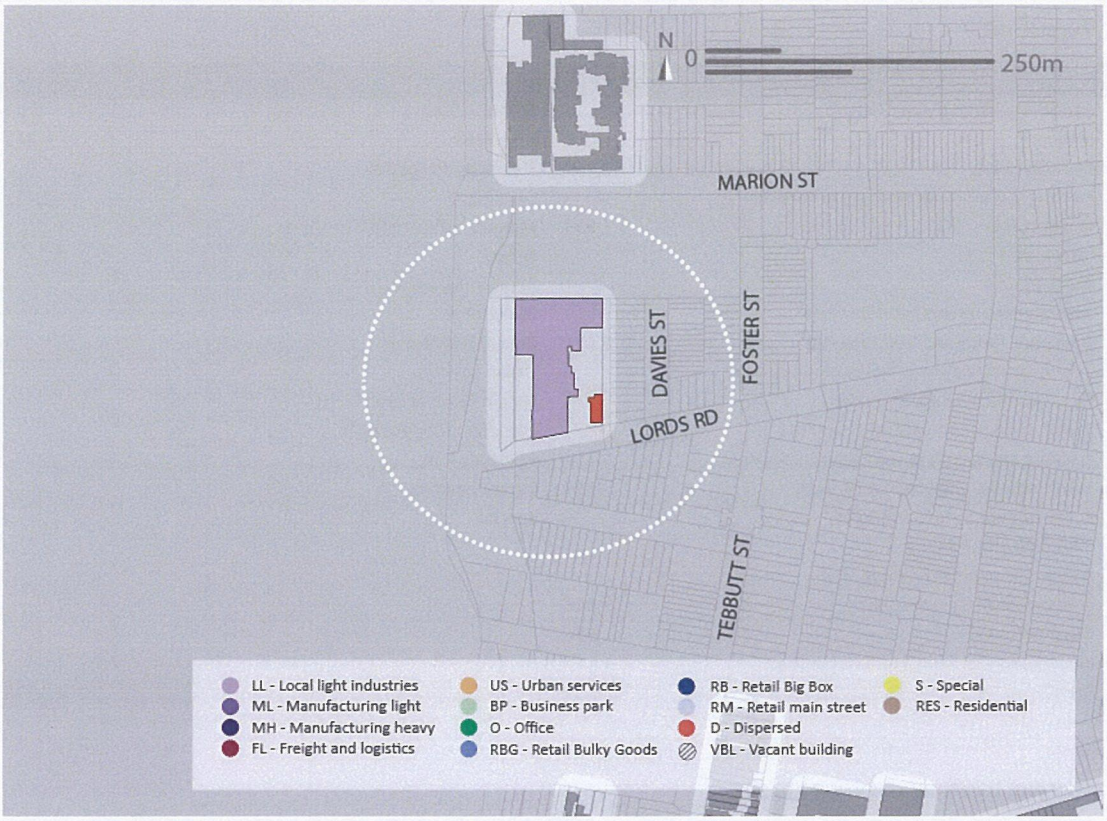


TABLE 23. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Close to Inner West Light Rail
Is the site contributing to a significant industry cluster?	No
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Some impact on light industrial provision in LGA and pressure on remaining precincts to accommodate its loss
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No

TABLE 24. AUDIT FLOORSPACE

Total floorspace 11,354 sqm

Developed 11,354 sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	243
Manufacturing	1,278	Freight and Logistics	-
Electricity, Gas, Water and Waste Services	-	Local Light	11,111
Construction	556	Manufacturing Light	-
Wholesale Trade	-	Office	-
Retail Trade	-	Retail Bulky Goods	-
Accommodation and Food Services	-	Residential	-
Transport, Postal and Warehousing	6,111	Retail Main Street	-
Information Media and Telecommunications	-	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	-	Retail Big Box	-
Administrative and Support Services	556	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	-		
Arts and Recreation Services	2,298		
Other Services	556		
Inadequately described and Not Stated	-		
Total*	**11,354**		**11,354**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

This precinct is a small light industrial complex at the western end of Lords Road. It consists of a number of units within a single building complex, with vehicular access at two points running into the site at either side of the building. The low profile and mature street trees along Lords Road effectively screen the precinct from the street. Current uses are predominantly local service industrial (warehousing, small scale manufacturing) with some 'dispersed' activities (such as a martial arts school, church, arts auction rooms).

The precinct backs onto a sportsfield and the light rail line, meaning that its industrial functions have minimal impact on the surrounding residential area. This makes the site ideal for a range of industrial functions.

Although small, the Lords Road Precinct contributes a large floorplate site to the light industrial make up of Leichhardt's employment lands. In a predominantly residential area, this lot and building size, coupled with its relative isolation from surrounding residential uses, makes it an important precinct to accommodate the future industrial demands within the LGA.

A submission to Council has requested the site be rezoned to accommodate residential uses.

Precinct profile: Tebbutt Street/Parramatta Road

FIGURE 32. AUDIT MAP

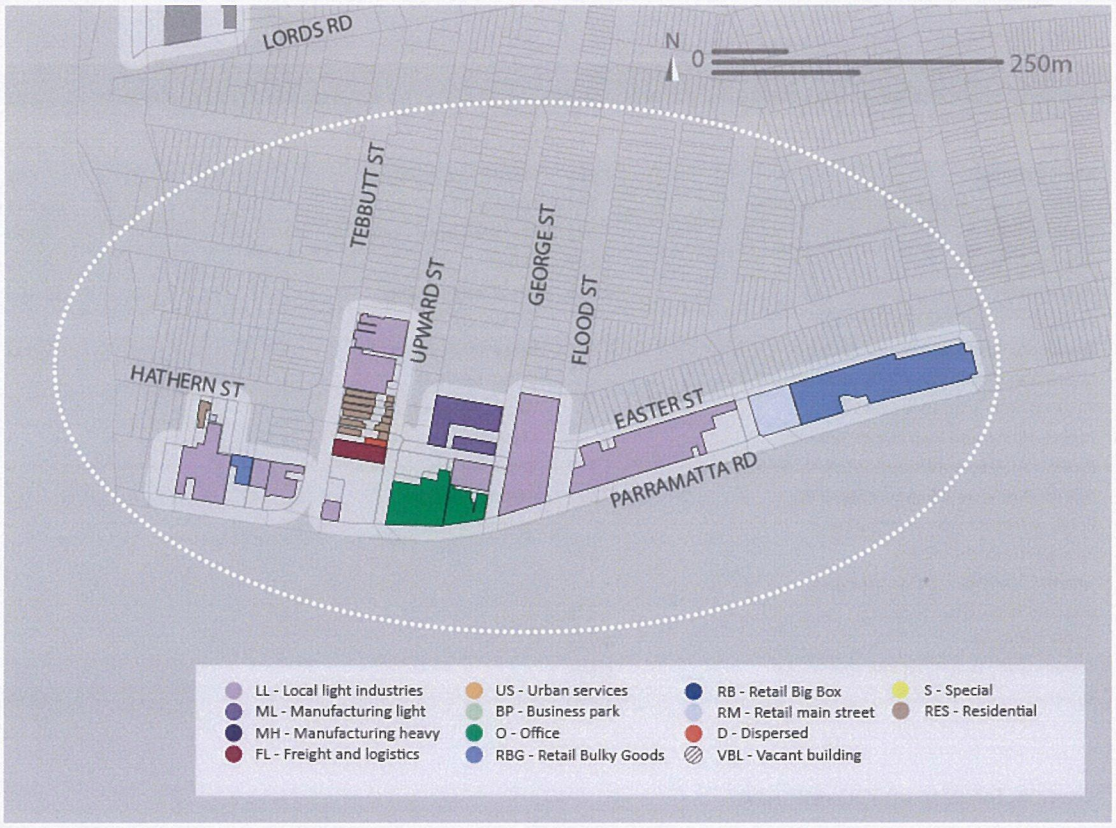


TABLE 25. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	No
Is the site near or within direct access to key economic infrastructure?	Yes. Parramatta Road corridor
Is the site contributing to a significant industry cluster?	One of the larger precincts in the LGA
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Some impact on light industrial provision in LGA and pressure on remaining precincts to accommodate its loss
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	Loss of some industrially-zoned land to retail and office functions
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	Dependent upon long-term vision for Parramatta Road Corridor

TABLE 26. AUDIT FLOORSPACE

Total floorspace 47,196 sqm

Developed 47,196 sqm

Vacant 0 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing		Business Park	-
Mining		Dispersed	104
Manufacturing	4,938	Freight and Logistics	639
Electricity, Gas, Water and Waste Services	104	Local Light	21,142
Construction	823	Manufacturing Light	3,130
Wholesale Trade	2,999	Office	7,776
Retail Trade	10,019	Retail Bulky Goods	11,108
Accommodation and Food Services	-	Residential	1,205
Transport, Postal and Warehousing	7,504	Retail Main Street	2,092
Information Media and Telecommunications	-	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	-
Rental, Hiring and Real Estate Services	-	Manufacturing Heavy	-
Professional, Scientific and Technical Services	1,417	Retail Big Box	-
Administrative and Support Services	9,529	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	577		
Health Care and Social Assistance	-		
Arts and Recreation Services	371		
Other Services	4,229		
Inadequately described and Not Stated	4,688		
Total*	**47,196**		**47,196**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The precinct is a long precinct extending along Parramatta Road. It contains street frontage properties to Parramatta Road and properties with frontage to Tebbutt Street. The precinct is bounded by residential areas to the north and some residential development has occurred within the industrial zoned area.

The built form along Parramatta Road is varied, with a number of different uses, building forms and setbacks. This is consistent with the variety of uses and the precinct as a whole retains the prevailing building height of this section of Parramatta Road.

The precinct's location along Parramatta Road and Tebutt Street (which is an important north-south link to the City West Link) gives the precinct a strategic location to service both a local and subregional catchment. This location also means that there is a mix of uses relating to other stretches of Parramatta Road, including office and retail functions. It is one of the larger industrial precincts in Leichhardt.

Unlike the remainder of the Parramatta Road corridor, this precinct is not affected by a heritage conservation overlay nor does it contain any heritage items.

There is however, a heritage conservation area to the north of some of the Parramatta Road frontage properties. Tebbutt Street provides access to the Brown Street Parramatta Road overpass and experiences heavy traffic. Back from Parramatta Road, land uses are mostly 'local service industrial' in nature such as equipment hire, storage, automotive parts, etc. Fronting Parramatta Rd, activities are more retail/ trade supplies focussed with uses such as electrical equipment supplies, DJ equipment supplies as well as automotive services. There are also significant printing operations in this location.

Precinct profile: Camperdown

FIGURE 33. AUDIT MAP

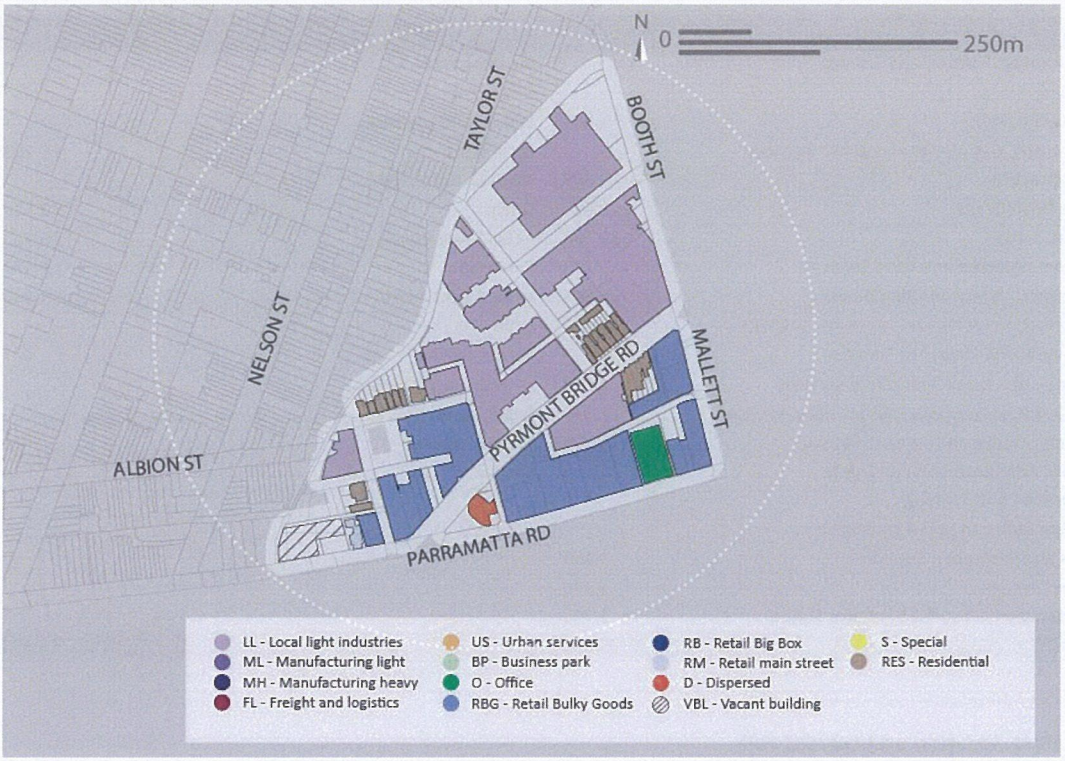


TABLE 27. INDUSTRIAL LANDS ASSESSMENT CHECKLIST

Assessment criteria	Met?
Is the proposed rezoning consistent with state and/or council strategies on the future role of industrial lands?	Re-zoning to residential would be consistent with state government desire to increase housing stock in areas with public transport accessibility
Is the site near or within direct access to key economic infrastructure?	Yes – Parramatta Road corridor, Sydney University, Sydney CBD
Is the site contributing to a significant industry cluster?	Yes – largest in LGA
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	Some impact on light industrial provision in LGA and pressure on remaining precincts to accommodate its loss
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	Loss of floorspace would impact on LGA capacity and place pressure on other limited industrial and business zones to deliver employment increases
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	No, although turn-over of some land to large-format retail suggests higher value uses are in demand
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	Dependent upon Parramatta Road Corridor development

TABLE 28. AUDIT FLOORSPACE

Total floorspace 75,523 sqm

Developed 74,846 sqm

Vacant 677 sqm

ANZSIC (GFA) (sqm)		BLC (GFA) (sqm)	
Agriculture, Forestry and Fishing	-	Business Park	-
Mining	-	Dispersed	474
Manufacturing	3,065	Freight and Logistics	-
Electricity, Gas, Water and Waste Services	-	Local Light	40,983
Construction	367	Manufacturing Light	-
Wholesale Trade	2,621	Office	2,587
Retail Trade	12,668	Retail Bulky Goods	26,339
Accommodation and Food Services	179	Residential	4,134
Transport, Postal and Warehousing	31,724	Retail Main Street	330
Information Media and Telecommunications	-	Urban Services	-
Financial and Insurance Services	-	Vacant Block of Land	677
Rental, Hiring and Real Estate Services	2,578	Manufacturing Heavy	-
Professional, Scientific and Technical Services	2,945	Retail Big Box	-
Administrative and Support Services	13,206	Vacant building	-
Public Administration and Safety	-	Special	-
Education and Training	-		
Health Care and Social Assistance	-		
Arts and Recreation Services	3,156		
Other Services	1,238		
Inadequately described and Not Stated	1,775		
Total*	**75,523**		**75,523**

* The figures in the table are rounded to the nearest integer. This may result in a difference of one or two sqm when the full numbers for each ANZSIC or BLC are totalled.

Context, location and current role

The precinct is located on Parramatta Road, and is dissected by Pyrmont Bridge Road in close proximity to Sydney University and is adjacent to new high-density housing developments south of Parramatta Road in Marrickville LGA. It is the largest industrial precinct in the LGA and one of the closest industrial precincts to the CBD. The precinct fronts Pyrmont Bridge and Parramatta Roads. Its proximity to the CBD and surrounding retail functions has influenced the current land uses within the precinct with a strong bulky goods retail (kitchen showroom, furniture, etc.) presence along main roads and a significant amount of storage floorspace.

The Parramatta Road frontage is consistent in height (two storeys) and building setback, with all buildings presenting a unified building line abutting the footpath. The building facades, however, differ throughout.

The precinct's internal streets are narrow and irregular block shapes contain large floorplate warehouse-style buildings, varying in height between one to two storeys. The build stock age varies from early twentieth century warehouses to late century local industrial parks. A recurring characteristic is the narrow footpaths and lack of active frontages within the precinct's internal streets.

The precinct's proximity to the CBD and good arterial road access, coupled with its size and large floorplate units, mean that the Camperdown precinct is a strategically important light industrial area for both Leichhardt and the wider central subregion.

Leichhardt Council has received a number of submissions requesting that the precinct, or lots thereof, be rezoned to increase flexibility. These requests primarily relate to mixed-use and residential uses (including affordable housing), as well as increased FSRs, with access and serviceability cited as a deterrent for industrial development and the site's location cited as a reason for a mixed-use scheme.

5.3 Current capacity summary

In total, Leichhardt currently has 308,092sqm of land zoned for industrial land use.

TABLE 29. SUMMARY OF CURRENT PRECINCT FLOORSPACE, 2014

	Broad Land Use Categories (BLCs) (sqm)											
Precincts	**BP**	**D**	**FL**	**LL**	**ML**	**O**	**RBG**	**RES**	**RM**	**US**	**VBL**	**Total**
Balmain East	-	-	-	-	-	916	-	482	-	-	-	**1,398**
Balmain Road	-	-	-	7,365	3,613	5,534	1,027	-	533	-	-	**18,072**
Camperdown	-	474	-	40,983	-	2,587	26,339	4,134	330	-	677	**75,523**
Marion Street	-	8,441	651	3,752	-	-	-	-	-	-	-	**12,844**
Lilyfield Road	-	-	779	2,794	1,150	214	-	428	-	-	-	**5,364**
Lords Road	-	243	-	11,111	-	-	-	-	-	-	-	**11,354**
Moore Street South	-	1,111	11,375	10,216	13,875	3,314	6,098	1,107	-	434	1,960	**49,490**
Moore Street North	-	-	-	6,360	5,256	-	-	-	-	-	-	**11,616**
Tebutt Street/ Parramatta Rd	-	104	639	21,142	3,130	7,776	11,108	1,205	2,092	-	-	**47,196**
Terry Street	-	1,007	560	8,929	976	-	728	2,907	-	52	-	**15,161**
White Bay	-	480	1,483	37,948	16,393	897	1,650	847	-	-	376	**60,075**
Total	**-**	**11,860**	**15,487**	**150,600**	**44,393**	**21,238**	**46,951**	**11,109**	**2,955**	**487**	**3,013**	**308,092**

Source: SGS Economics and Planning, 2014

5.4 Capacity analysis

Following the audit of each precinct, the total current capacity of Leichhardt's industrial lands can be determined. The precinct audits identify the existing floorspace for each land use type. In order to determine how much land is likely to be available in the future, a series of scenarios are used that consider varying degrees of development and intensity of use on these industrial lands. The capacity analysis indicates the capacity in each precinct to accommodate growth. In this analysis we have included four capacity scenarios:

- **Minimum**. Vacant floorspace plus floorspace on vacant sites assuming these will be developed up to the maximum allowable under current controls
- **Medium (40%)**. The 'minimum' capacity scenario plus capacity on occupied sites. In this scenario we only include capacity on occupied sites where the current FSR is less than 40% of the existing observed FSRs in that precinct. On these sites we assume that capacity exists up to the current average FSR in that particular precinct. If a site's existing FSR is 40% or more than the current average FSR we assume that it has no capacity.
- **Medium (60%)**. The 'minimum' capacity scenario plus capacity on occupied sites. In this scenario we only include capacity on occupied sites where the current FSR is less than 60% of the existing observed FSRs in that precinct. On these sites we assume that capacity exists up to the current average FSR in that particular precinct. If a site's existing FSR is 60% or more than the current average FSR we assume that it has no capacity.
- **Maximum**. Again, this includes the 'minimum' capacity scenario plus capacity on occupied sites. However, in this case, all occupied sites are included and capacity is the difference between existing floorspace and the maximum allowable under current controls.

These scenarios do not consider the feasibility of development or utilise market assessments within each scenario. They are used as an incremental examination into the theoretical ability for Leichhardt's industrial lands to accommodate any future growth. However, they have been established with consideration to realistic development possibility.

In order to calculate these scenarios, an average FSR was derived for each precinct.

TABLE 30. LEICHHARDT INDUSTRIAL LANDS AVERAGE PRECINCT FSR

Precinct	Ave. FSR
Balmain East	0.9
Terry St	0.7
White Bay	1.0
Balmain Rd	1.5
Lilyfield Rd	0.8
Moore St North	1.2
Moore St South	1.1
Marion St	1.2
Lords Rd	1.2
Tebbutt St/ Parramatta Rd	1.1
Camperdown	1.0

Source: SGS Economics and Planning, 2014

Some precincts have observed average FSRs greater than the maximum permissible 1:1. The medium scenarios use this as their basis because it is an accurate reflection of prevailing conditions within precincts. The maximum scenario is more hypothetical, giving an indication of what could be delivered if all industrially zoned land was re-developed in accordance with current policy. This approach allows realistic scenarios to be compared with hypothetical policy scenarios.

TABLE 31. LEICHHARDT INDUSTRIAL LANDS CAPACITY SUMMARY

Precinct	Min	Med (40)	Med (60)	Max
Balmain East	145	1,606	1,606	1,926
Terry St	-	781	1,498	4,933
White Bay	2,502	4,217	6,682	10,164
Balmain Rd	-	-	411	411
Lilyfield Rd	-	-	-	500
Moore St North	-	-	-	527
Moore St South	3,612	12,477	14,782	17,844
Marion St	-	-	1,491	1,491
Lords Rd	-	-	-	-
Tebbutt St/ Parramatta Rd	-	3,958	4,734	7,233
Camperdown	677	5,050	8,362	9,303
TOTAL	**6,936**	**28,090**	**39,567**	**54,331**

Source: SGS Economics and Planning, 2014

The capacity analysis in Table 31 shows that with minimal development of industrial lands within Leichhardt, there is very little surplus capacity within the existing industrial precinct profiles (just under 7,000sqm). Under two medium capacity scenarios, which considered varying levels of site redevelopment potential, excess capacity rises by 28, 090sqm or 39, 567sqm. When compared to the total floorspace within Leichhardt's industrial precincts, these scenarios demonstrate that even with some degree of development, only 9% or 13% of the floorspace would be in excess of demand, or 'spare' floorspace.

5.5 Opportunities and constraints analysis

Precincts face a number of pressures from competing land uses. In order to determine what pressures each precinct may face, it is useful to determine what type of land use activities may be suited to locating there. The following maps assess the suitability of each lot within the Leichhardt LGA for particular land uses. This analysis uses a number of attributes to determine how suitable a site is for these land uses. These attributes include lot size, the lot's proximity to infrastructure and its proximity to population density. The attributes are given greater or lesser influence depending on the importance they have for the land use being analysed.

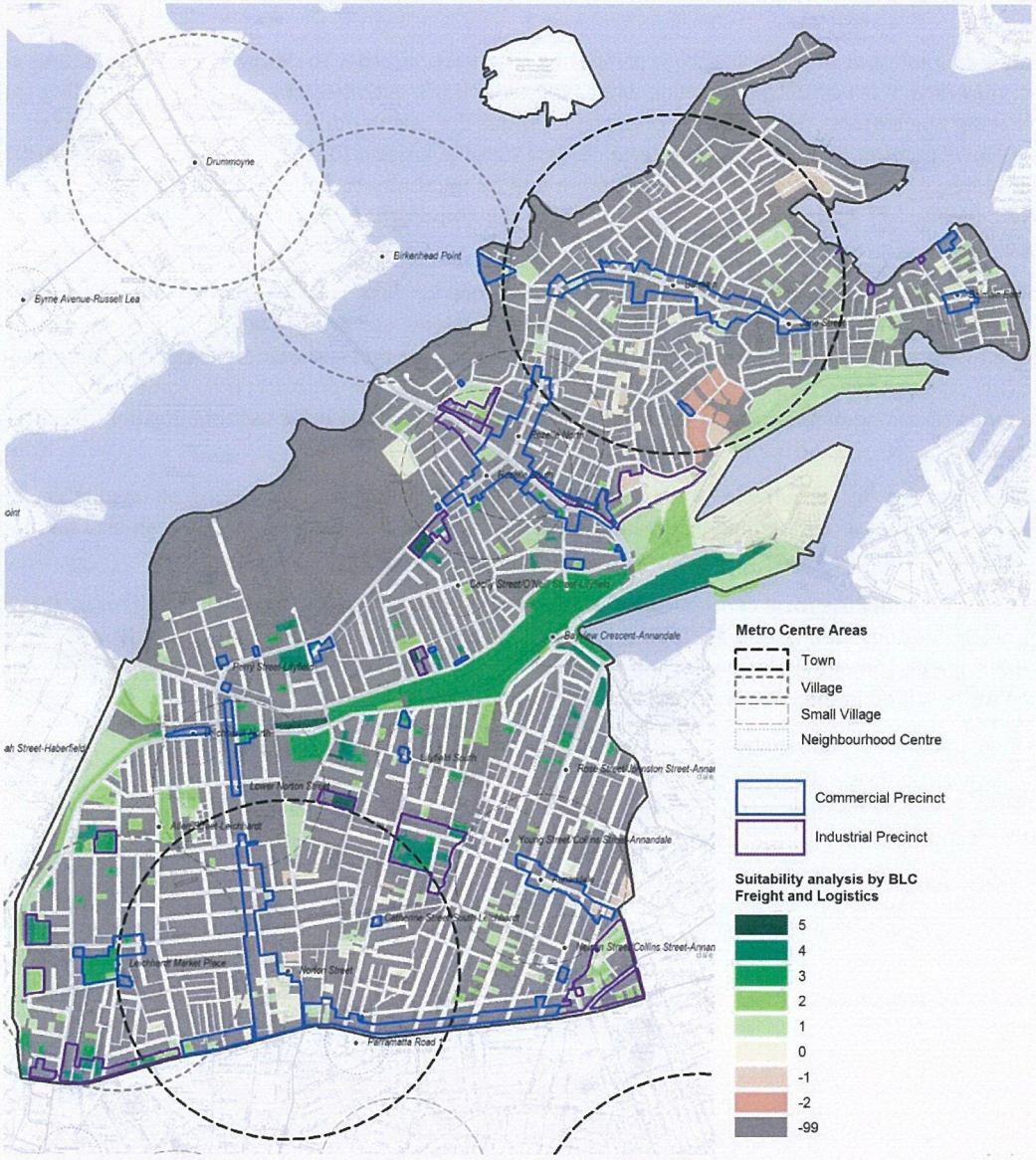
The following maps provide an overall picture of areas 'more' or 'less' suitable to each land use type. Lots given a dark green are assessed to be most suitable for the land use being assessed. This does not mean that the lot is currently zoned for such a use. Nor does it determine that it should be located in this area. It is used in this case as a means to assess what likely land use pressures the precincts may come under and may help to guide re-zoning of precincts or decision-making in relation to the most suitable location for different industries.

A site rated 5 or 6 is 'more' suitable. A site rated around 0 or -1 is neutral or bordering on unsuitable. A site rated -99 is a site that is deemed highly unsuitable for the land use being assessed. This can also be read as 0-5 increasing in suitability and -99 being highly unsuitable.

The maps also identify the local centres within and surrounding Leichhardt. These are classified by the 2010 Metropolitan Strategy definitions as Towns, Villages, Small Villages or Neighbourhood centres and are reflected in the catchment circles on each of the maps. These circle radii are based on approximate walking catchments identified in the 2010 Metropolitan Strategy and are as follows:

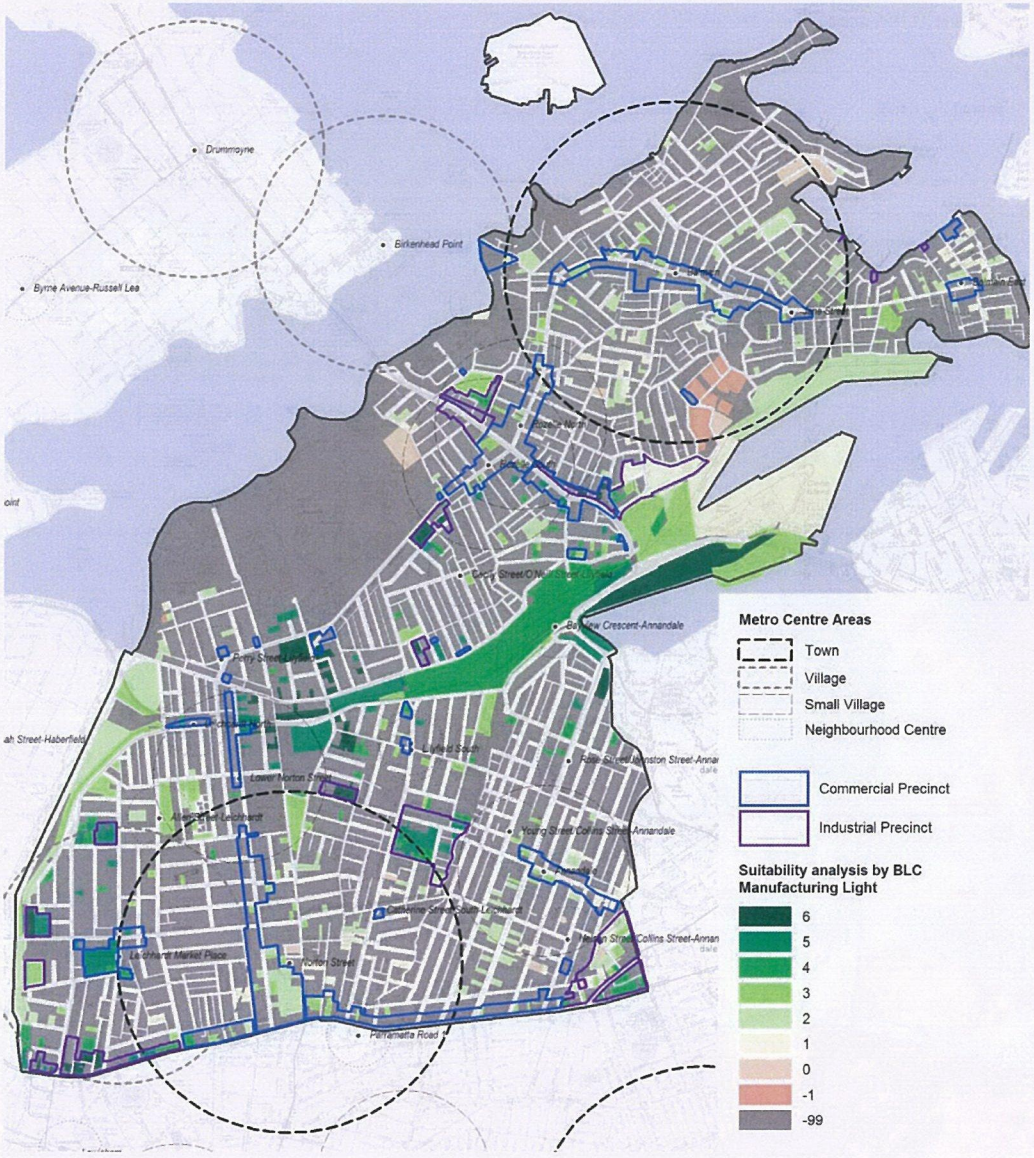
- Town Centres – 800 metres
- Village Centres – 600 metres
- Small Village Centres – 400 metres
- Neighbourhood Centres – 150-200 metres.

FIGURE 34. SUITABILITY ANALYSIS: FREIGHT & LOGISTICS



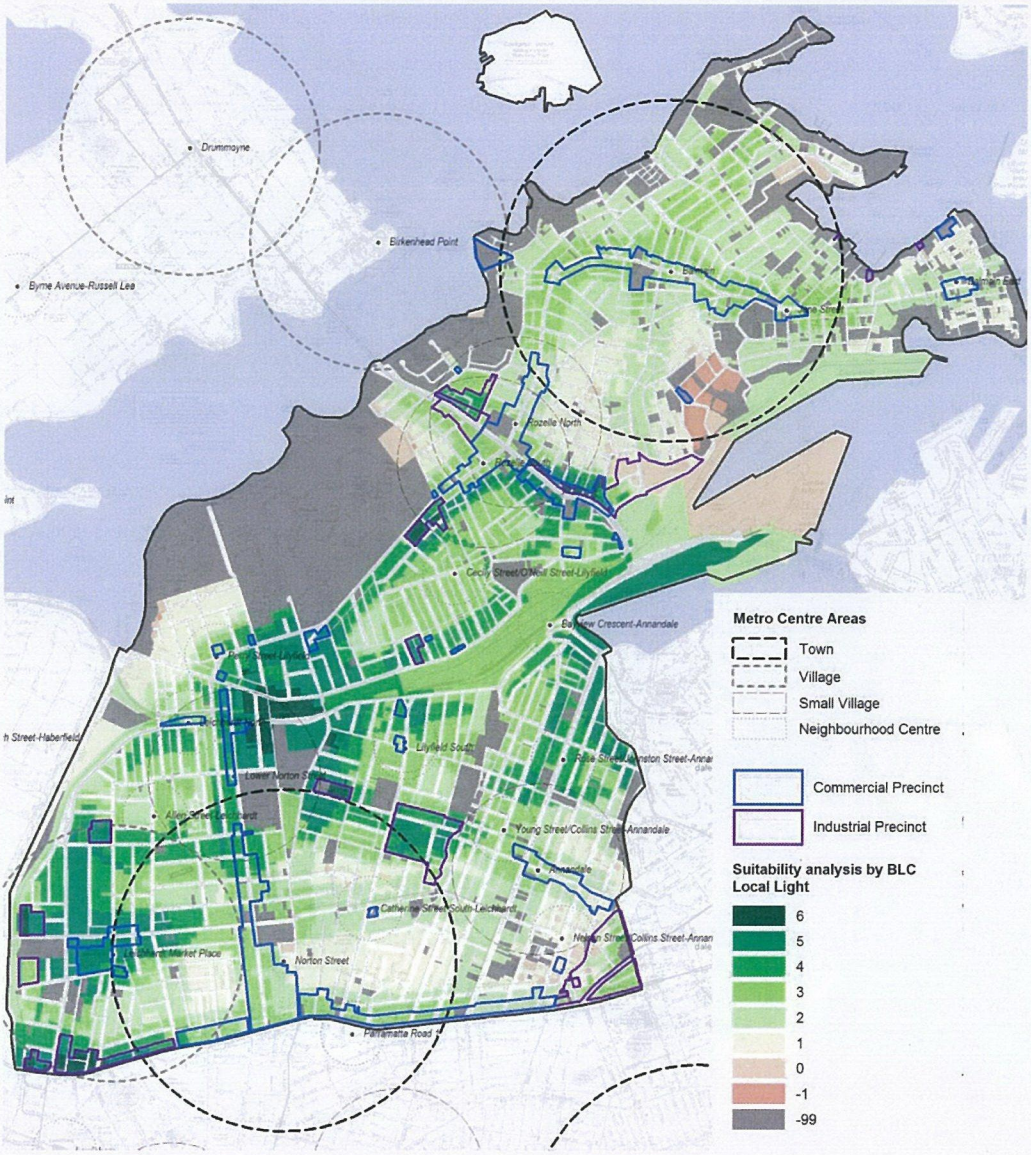
Source: SGS Economics and Planning, 2014

FIGURE 35. SUITABILITY ANALYSIS: LIGHT MANUFACTURING



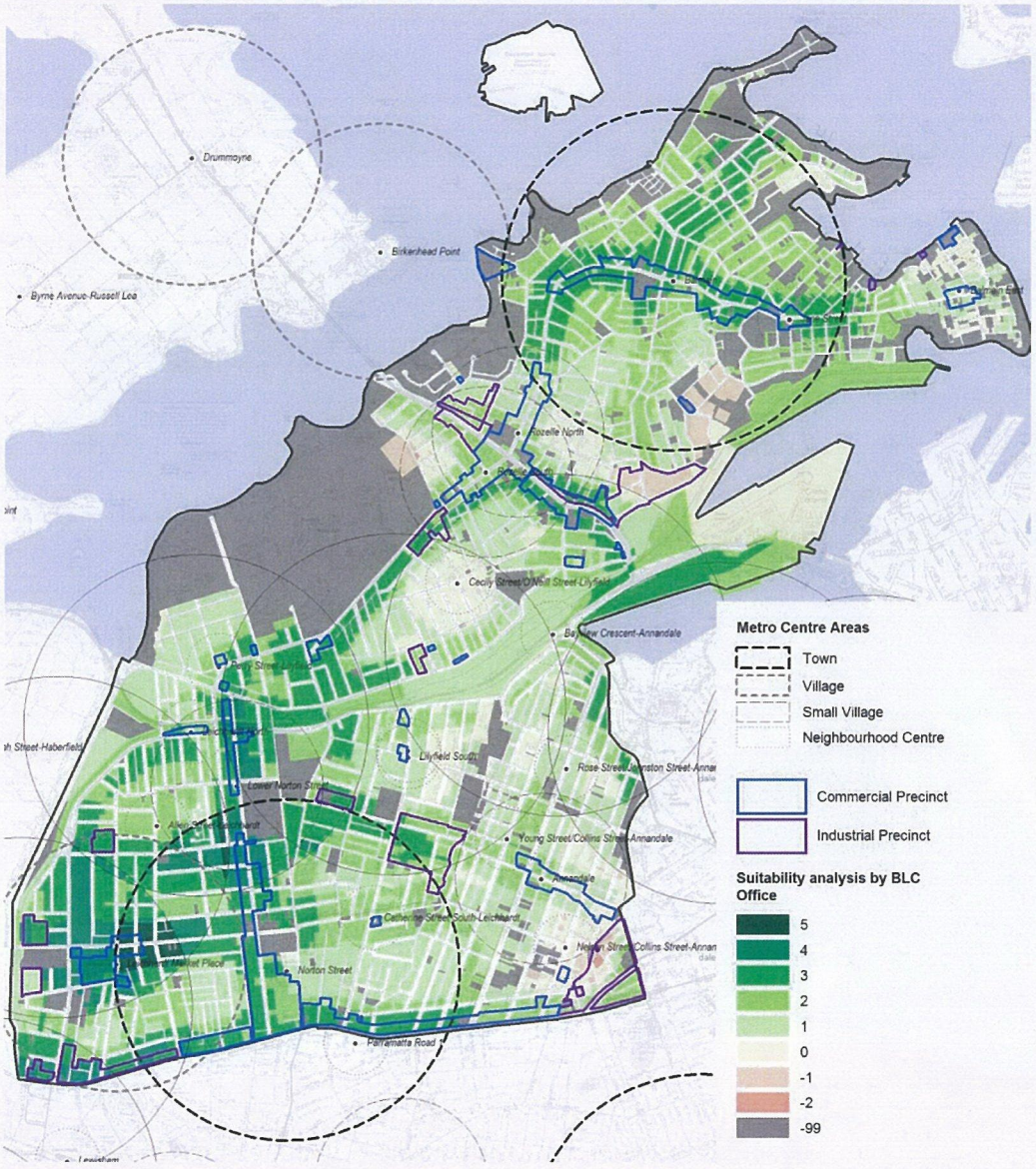
Source: SGS Economics and Planning, 2014

FIGURE 36. SUITABILITY ANALYSIS: LOCAL SERVICE INDUSTRY



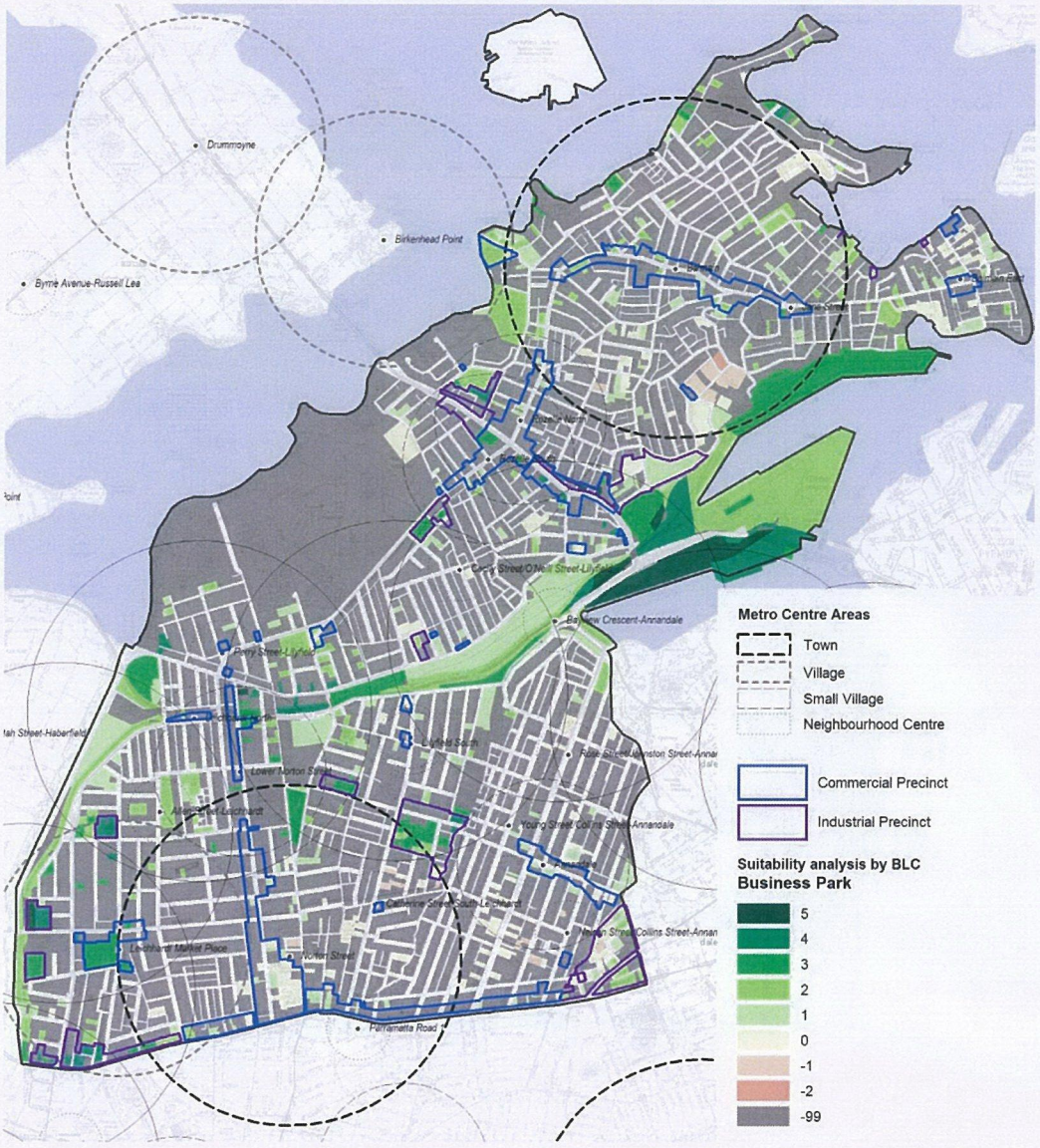
Source: SGS Economics and Planning, 2014

FIGURE 37. SUITABILITY ANALYSIS: OFFICE



Source: SGS Economics and Planning, 2014

FIGURE 38. SUITABILITY ANALYSIS: BUSINESS PARK



Source: SGS Economics and Planning, 2014

5.6 Summary

From the capacity analysis and profiling it is possible to broadly categorise Leichhardt's industrial precincts.

- **One large mixed industrial precinct**. The Moore Street South is Leichhardt's most significant industrial precinct in industrial profile mix (49,490sqm). It has within it floorspace for all BLCs except business park and retail main street use. Camperdown is the LGA's largest in terms of size (75,523sqm) followed by White Bay (60,075sqm). However, both of these are dominated by light industrial uses.
- **Four small population-serving light industrial precincts**. Local light industrial uses make up a significant amount of several precincts. These include Terry Street (59%), Lilyfield Road (52%), Lords Road (98%) and Moore Street North (55%); all of which are small precincts dominated by local service industries.
- **One large population-servicing precinct facing significant change.** The White Bay industrial precinct is predominantly local industry but is facing major change from the proposed redevelopment of the adjacent Bays Precinct. Although not in the Bays Precinct, this land will face pressures for re-zoning when adjacent land is developed for residential and commercial functions.
- **One small maritime-servicing precinct**. The Balmain East precinct is a small precinct focusing exclusively on maritime uses around Mort Bay.
- **Four mixed commercial-industrial precincts.** Marion Street, Lords Road and Tebutt Street Precincts feature a mix of local industry mixed with a range of commercial and entertainment facilities. The Camperdown precinct is larger and also includes instances of large format retail.

The assessment of land suitability for industrial land uses shows a pattern of suitable land along several major corridors and at key nodes. The City West Link and light rail corridor, Norton Street and, to a lesser extent, Johnson Street show a recurrence of suitability for industrial land uses. The nodes of the Victoria Road/Mullens Street /City West Link and the intersection of Norton Street and the light rail corridor also show as suitable locations for these uses. The recurrence of these areas in the analysis primarily stems from their access to residential population, transport accessibility and lot sizes.

6 DEMAND AND GAP ANALYSIS

6.1 Base case employment forecast

In order to determine how much industrial land there is likely to be within the LGA in the future, demand for this land is the next piece of information to establish after existing capacity. Table 32 shows the BTS employment forecasts for the LGA at 1 digit ANZSIC level. This data projects future employment by ANZSIC categories. In total, employment in the LGA is forecast to grow by 5,383 jobs by 2036. However, within this total growth there is a sharp decline in manufacturing of 34 jobs (28%). The reason for the discrepancy between these figures and those outlined in the Location Quotient (Figure 19) is due to these figures being absolute changes to employment numbers, whereas the location quotient is comparing the relative growth or decline of Leichhardt's industries against the whole of Sydney. Note that although 2014 forecasts do not exist in BTS data, they have been extrapolated for the purposes of this report to be commensurate with the year in which the land audit was undertaken.

TABLE 32. EMPLOYMENT FORECASTS (1 DIGIT ANZSIC), LEICHHARDT LGA

	ANZSIC	2011	2014	2016	2021	2026	2031	2036	Change
A	Agriculture, Forestry and Fishing	51	56	59	73	87	102	116	60
B	Mining	3	4	4	4	5	6	6	3
C	Manufacturing	1,216	1,188	1,169	1,148	1,140	1,142	1,154	(34)
D	Electricity Gas, Water and Waste Services	33	43	50	50	52	53	55	12
E	Construction	1,488	1,590	1,659	1,748	1,842	1,939	2,036	446
F	Wholesale Trade	863	919	957	981	1,022	1,075	1,139	220
G	Retail Trade	2,946	3,029	3,083	3,287	3,464	3,647	3,844	816
H	Accommodation and Food Services	1,821	1,937	2,014	2,129	2,252	2,378	2,519	582
I	Transport, Portal and Warehousing	630	653	668	658	673	696	730	77
J	Information, Media and Telecommunications	643	735	796	813	830	849	872	137
K	Financial and insurance Services	442	478	503	523	556	588	623	145
L	Rental, Hiring and Real Estate Services	521	544	559	587	616	645	681	137
M	Professional, Scientific and Technical Services	2,850	2,813	2,787	2,802	2,870	2,968	3,074	262
N	Administrative and Support Services	1,112	1,144	1,166	1,242	1,320	1,411	1,517	373
O	Public Administration and Safety	1,383	1,296	1,239	1,303	1,372	1,436	1,497	200
P	Education and Training	1,652	1,719	1,763	1,921	2,087	2,250	2,415	696
Q	Health Care and Social Assistance	3,269	3,467	3,600	3,838	4,030	4,215	4,410	942
R	Arts and Recreation Services	546	547	547	545	562	580	600	53
S	Other Services	1,070	1,089	1,102	1,126	1,162	1,202	1,242	153
X	Inadequately Described/ Not Stated	600	658	697	714	733	747	762	103
	TOTAL	**23,138**	**23,908**	**24,421**	**25,494**	**26,675**	**27,928**	**29,291**	**5,383**

Source: BTS 2014

6.2 Floorspace forecasts

The BTS employment forecasts are translated into floorspace forecasts in Table 33 by applying percentage growth observed in BTS forecasts to audited floor space in industrial precincts. Although there is a decline in manufacturing jobs and therefore forecast floorspace (totalling 823sqm), Leichhardt's industrial precincts will see a significant total increase in floorspace of 63,094 sqm (GFA).

TABLE 33. FLOORSPACE FORECAST (SQM) 2014-2036 (1 DIGIT ANZSIC), LEICHHARDT INDUSTRIAL ZONES

	ANZSIC	2014	2036	Change
A	Agriculture, Forestry and Fishing	-	-	-
B	Mining	-	-	-
C	Manufacturing	28,927	28,105	-823
D	Electricity Gas, Water and Waste Services	156	199	42
E	Construction	6,529	8,753	2,224
F	Wholesale Trade	6,964	9,923	2,960
G	Retail Trade	29,150	39,400	10,250
H	Accommodation and Food Services	820	1,183	363
I	Transport, Portal and Warehousing	93,322	106,897	13,575
J	Information, Media and Telecommunications	12,321	14,623	2,302
K	Financial and insurance Services	3,066	3,997	930
L	Rental, Hiring and Real Estate Services	2,966	3,711	745
M	Professional, Scientific and Technical Services	15,343	17,106	1,763
N	Administrative and Support Services	41,146	60,870	19,724
O	Public Administration and Safety	434	501	67
P	Education and Training	577	810	234
Q	Health Care and Social Assistance	10,995	13,982	2,987
R	Arts and Recreation Services	8,405	9,364	959
S	Other Services	22,119	25,227	3,108
X	Inadequately Describes/ Not Stated	10,728	12,411	1,683
	TOTAL	**293,970**	**357,064**	**63,094**

Source: SGS Economics and Planning, 2014

The floorspace forecast by ANZSIC is converted to Broad Land Use Categories (BLCs) in Table 34. Although a decline in some industries is present in the ANZSIC forecasts, they are amalgamated into BLCs and hence the losses originally seen are counterbalanced by growth in similar industries. Because of this, the BLC forecasts show growth in all land use categories. There is no change shown in residential or vacant buildings because are not relevant to the industrial use floorspace forecasts and would not be considered to grow.

TABLE 34. LEICHHARDT INDUSTRIAL ZONES FLOORSPACE FORECAST (SQM) 2014-2036 (BLC)

	BLC	2014	2036	Change
1	Retail bulky goods	46,951	59,600	12,649
2	Office	21,238	26,117	4,879
3	Main Street Retail	2,955	3,543	588
4	Residential	11,109	11,109	0
5	Freight and Logistics	15,487	18,149	2,662
6	Local Light Industrial	150,600	183,716	33,115
7	Dispersed	11,860	15,422	3,195
8	Vacant Buildings	3,013	3,013	0
9	Light Manufacturing	44,393	50,317	5,924
10	Urban Services	487	568	81
	TOTAL[3]	**293,970**	**357,064**	**63,094**

Source: SGS Economics and Planning, 2014

Figure 39 demonstrates the method by which floorspace forecasts are calculated between 2014 and 2036. Floorspace demand is derived by applying LGA-level employment growth rates by BLC (converted from ANZSIC categories used in Bureau of Transport Statistics employment projections using SGS's in-house ANZSIC-BLC conversion matrix) to current precinct floorspace by BLC.

Once applied to each precinct, their unique mix of BLC floorspace will mean each precinct grows in a different way. BLCs with larger increases (at an LGA level) therefore see greater increases in demand than BLCs that have a lower level of growth. In the instance of residential and vacant buildings, which are not desirable within IN2-zoned land, they are not projected to grow.

It is important to note that although the precinct demand forecasts are calculated based on their individual BLC mix, they use LGA-wide BLC forecasts and assume the following:

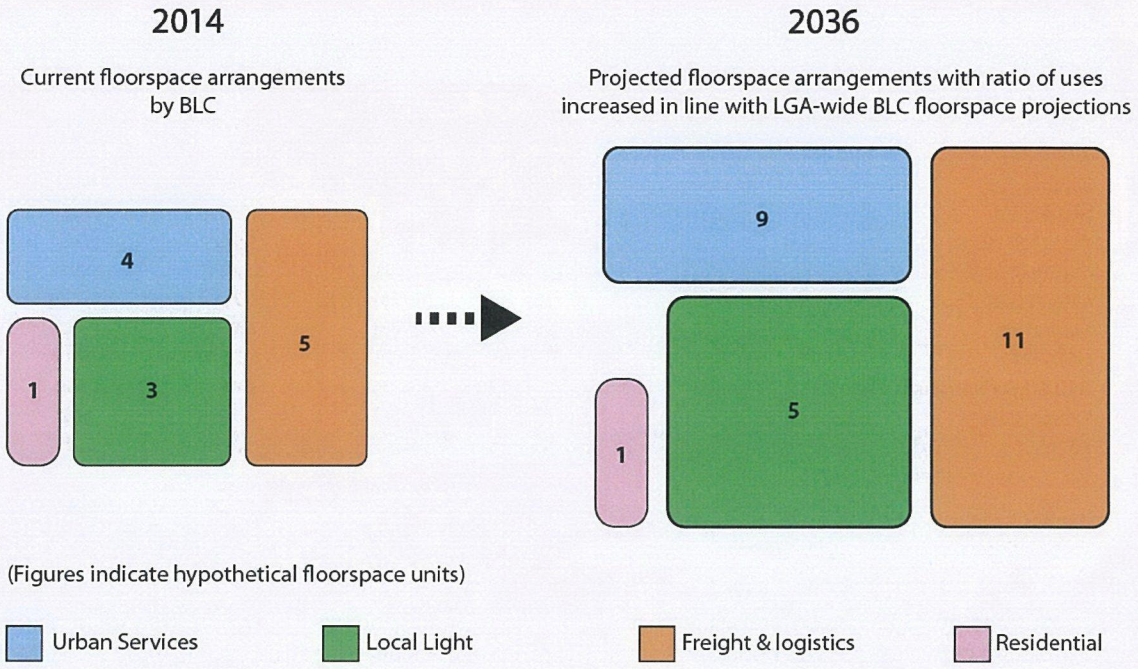
- The relationship between ANZSIC and BLC is constant over the forecast timeframe

- That there are no sub-LGA dynamics favouring one precinct over another

- That there is a constant relationship between jobs and required floorspace for each BLC.

[3] This total excludes residential buildings in industrial zones

FIGURE 39. EXPLANATION OF FLOORSPACE DEMAND BY PRECINCT FORECAST PROCESS



Source: SGS Economics and Planning, 2014

6.3 Supply-demand gap analysis

Table 35 shows the relationship between the demand forecast and the capacity analysis for each precinct. It assesses the projected increase in demand for floorspace within each precinct between 2014 and 2036 and compares this to the LGA's industrial land capacity within each scenario. Where demand is greater than capacity, a negative floorspace figure is shown. Where there is a surplus (where capacity is greater than demand), the figure is shown as positive.

Given the degree of demand projected over the timeframe and the relatively small amount of existing industrial land, in every scenario, the majority of precincts show a gap, or an undersupply of land to accommodate demand. Approximately half of the precincts (Balmain East, Terry Street, Lilyfield Road, Moore Street South, Tebbutt Street and Camperdown) do have some capacity in a maximum development scenario, and Moore Street South indicates surplus land across all scenarios. This, however, is the exception and is due to some existing capacity being extended out through the forecasting process.

Although the Allen Street precinct is in the process of being rezoned from IN2 to R1 General Residential, and can therefore provide no additional capacity, the existing uses must be accommodated elsewhere in the LGA. As a consequence, it is included in the gap analysis on the demand side only.

Overall, it is projected that irrespective of development scenario, Leichhardt will not have enough industrial land to accommodate demand with the deficit ranging from 7,570sqm under a maximum development scenario to 54,965sqm under a conservative minimal development scenario.

TABLE 35. LEICHHARDT INDUSTRIAL ZONES FLOORSPACE SUPPLY-DEMAND GAP 2014-2036 (SQM)

	Development scenarios			
Precinct	Min	Med (40%)	Med (60%)	Max
Balmain East industrial	(637)	824	824	1,144
Terry St	(3,060)	(2,279)	(1,562)	1,873
White Bay	(15,371)	(13,656)	(11,192)	(7,709)
Balmain Rd	(3,297)	(3,297)	(2,886)	(2,886)
Lilyfield Rd	(669)	(669)	(669)	(169)
Moore St North	(1,502)	(1,502)	(1,502)	(976)
Moore St South	2,285	11,151	13,455	16,518
Allen Street	(6,778)	(6,778)	(6,778)	(6,778)
Marion St	(1,788)	(1,788)	(296)	(296)
Lords Rd	(10,704)	(10,704)	(10,704)	(10,704)
Tebbutt St/ Parramatta Rd	(5,283)	(1,325)	(549)	1,950
Camperdown	(8,161)	(3,788)	(476)	465
TOTAL	**(54,965)**	**(33,811)**	**(22,334)**	**(7,570)**

Source: SGS Economics and Planning, 2014

6.4 Population-driven forecasts

Another method SGS uses to forecast land use demand is to apply ratios to each BLC derived from the correlation between an area's population and the amount of floorspace that exists for each category. These are separate from the employment-driven forecasts outlined in section 5.2 and act as a 'second opinion' in assessing demand for certain industries.

By assessing these relationships at a metropolitan level, a series of ratios have been derived that are applied to the population of Leichhardt. These forecasts are particularly important for industries whose customer base is the local community. For example, a car servicing garage or a storage facility relies on a relatively close customer base for business. As populations increase, the demand for these services will increase commensurately. Population projections forecast Leichhardt to increase by 13,440 people between 2014 and 2036. Table 36 shows the growth from 2014 to 2036 and the increased floorspace required to service the Leichhardt population over this time. Of particular focus are the population-servicing industries highlighted in green. This forecasts an increase of 33,909 sqm of population-servicing industrial land over this time and should be used as a bare minimum target for accommodating industrial land demand within Leichhardt.

The figures in Table 36 differ from those in Table 34 because they are derived from forecast increases in Leichhardt's residential population. The figures in Table 34 use forecast growth in employment to calculate their projected demand. It is noted however, that although the two forecasting methods use different data (employment forecasts versus population forecasts), the total gap is similar in both (63,094sqm with employment forecasts and 63,551sqm with population forecasts).

With the redevelopment of the Bays Precinct by the NSW Government, population-driven employment projections will increase commensurate with the level of residential development. There are as yet no specific residential forecasts for the development, but any growth in the local population will increase the demand for local services using this modelling tool.

TABLE 36. LEICHHARDT LGA POPULATION-DRIVEN FORECAST (SQM) 2014-2036 (BLC)

BLC	Population-driven floorspace projections (sqm)		
	2014	2036	Change 2014-2036*
Short-term Accommodation	143	176	34
Business Park	1,429	1,765	336
Freight and Logistics	14,287	17,647	3,360
Local light	39,432	48,706	9,274
Manufacturing - Heavy	-	-	-
Manufacturing - Light	40,232	49,694	9,462
Office	6,001	7,412	1,411
Retail - Big Box	35,603	43,976	8,373
Retail Bulky Goods	18,516	22,870	4,355
Retail - Main Street	23,831	29,435	5,604
Urban Services	30,288	37,412	7,123
Dispersed	60,462	74,682	14,219
TOTAL	**270,224**	**333,774**	**63,551**
POPULATION-SERVICING INDUSTRIAL TOTAL	**144,184**	**178,093**	**33,909**

Source: BTS 2014, SGS Economics and Planning, 2014

* The figures in this table are rounded to the nearest integer. There may be a discrepancy of 1 in the change figures

6.5 Future industry dynamics within Camperdown precinct

The Camperdown precinct's location makes it an important industrial precinct due to its proximity to the CBD. The continued need for supporting or 'backroom' operations close to the business district is likely to see demand for the existing storage facilities within the precinct continue.

The increase in residential development in this part of the city (and more generally within the CBD) is also likely to see large-format retail demand grow. This demand will be furthered by the Parramatta Road Urban Renewal project, as more residents require access to retail outlets in close proximity to homes.

The proximity to the CBD will almost certainly see pressure increase for the precinct to accommodate residential development and this tension between residential and industrial functions is something that the precinct must reconcile.

It is unlikely that the precinct will attract more traditional industrial uses due to its narrow street network, however it may see an increase in newer higher-value industries seeking to locate there due again to its CBD proximity.

6.6 Summary

Across all industries, BTS figures forecast a total increase of 5,383 jobs across Leichhardt to 2036; the exception being the manufacturing sector where a reduction is forecast. Converting these job forecasts into floorspace forecasts and categorising them by Broad Categories of Land-use (BLCs), across all industries, Leichhardt will require an additional 63,094sqm of employment floorspace by 2036.

Certain industries are dependent upon their surrounding residential population as a major source of customers. Referred to as population-servicing industries, an increase in residential population will drive up the floorspace for these industries. Within Leichhardt, the population-driven forecast separately estimates

that 33,909sqm of floorspace will be required to adequately service the local population. Although derived through a separate forecasting method, this figure would form some part of the total floorspace demand.

A comparison between capacity and projected demand (outlined in Section Four) highlights whether there is sufficient capacity in Leichhardt LGA's audited industrial precincts to accommodate the BTS forecast employment growth. Using the latest BTS figures, released in 2014, it is clear that even under an optimistic redevelopment scenario, the growing demand for industrial uses within Leichhardt outweighs capacity, with a gap of 7,570sqm projected. When compared to the current scenario (of minimal development), this situation is significantly worse, with a shortfall of over 54,965sqm forecast.

The medium capacity scenarios are more likely to reflect future development patterns than the maximum scenario, due to unlikelihood of landowners redeveloping their site to capture only an incremental increase of floorspace. However, given the significant shortfall in the minimum scenario (that assumes a continuation of current industrial development patterns), the minimum scenario should be the focus for strategic planning purposes as it is the most conservative. In the medium scenario where sites under 40% of their capacity are redeveloped, there is forecast to be a deficit of floorspace by 33,811sqm. In a medium scenario where sites with under 60% of capacity, the forecast gap falls to 22,334sqm.

Given the unlikelihood of all sites being redeveloped to full capacity under existing FSR conditions (as is modelled in the maximum capacity scenario), the 40% to 60% scenarios are more realistic. This suggests that within Leichhardt's existing industrial land supply, there is a significant shortfall of industrial lands to accommodate future demand. Due to the predominantly local-servicing nature of Leichhardt's employment lands and the small amount of zoned land that exists, this highlights the importance of protecting this land for industrial and employment land uses.

Although some precincts do have surplus capacity under several of the scenarios, only Moore Street South is forecast to have any significant amount of development capacity (up to 16,518 under a maximum development scenario). Overall, however, the availability of land is scant and demand will continue to rise between 2014 and 2036.

7 FINDINGS AND RECOMMENDATIONS

7.1 Review of findings and issues

TABLE 37. EMERGING ISSUES

Emerging Issue	Supporting evidence
Leichhardt's industrial lands are 'local service' in character	– The lot sizes and land use profile of Leichhardt's industrial land precincts demonstrate that it is predominantly focused on local services. 49% of the existing land uses are local light industry, which tends to have strong local customer bases.
Supply of industrial lands in Leichhardt is minimal and stocks are dwindling	– Under a minimum capacity scenario (including only vacant floorspace plus max potential on vacant sites), there is 3,013sqm of currently available capacity in the LGA. – Even under the two medium capacity scenarios, there would be a capacity shortfall of between 22,334sqm and 33,811sqm in the LGA. This takes into account some degree of redevelopment opportunity in industrial lands and is a more likely scenario than the maximum development scenario. – According to ELDP data, between January 2010 and January 2013, Leichhardt has actually seen an overall increase in industrial land of 8.3 hectares of employment land. This occurred in the Bays Precinct; however, the Bays precinct is not under the control of Leichhardt Council, given its state significance. Across the rest of the LGA, there was a slight decline in the provision of employment lands by 0.1 hectare.
Demand for industrial lands is increasing	– Total floorspace demand for employment land is projected to increase by 63,094sqm (21%) to 357,064sqm by 2036. – Demand for local light industrial land is forecast to grow by 22% to 183,716sqm, Freight and logistics by 17% to 18,149sqm and Light manufacturing by 13% to 50,317sqm. – Growing demand may increase the value of industrial land for some industrial uses in future market scenarios. Increased demand may enable development of this land to improve the intensity of its land-use (which may increase job density) as development becomes more feasible. Currently, the land is viewed as more financially valuable under alternative land uses such as residential. Some industrial uses may be able to intensify their operations. Others, however, cannot (for example storage) and may be forced out of precincts or the LGA.
Surplus industrial land is non-existent	– There is no surplus industrial land forecast in any development scenario. This ranges from a deficit of only 334sqm under a maximum development scenario through

Emerging Issue	Supporting evidence
	to a 48,187sqm deficit under a minimum development scenario. – If no intensification of existing industrial land takes place, the shortage of industrial land is only going to increase by 2036. Even with optimistic development scenarios, demand still outweighs supply.
Key projects within the LGA and inner Sydney subregion are changing the industrial landscape – and are likely increase demand for industrial land	– Local demand for industrial land uses is likely to be affected by proposed redevelopment of the Bays Precinct around White Bay and Rozelle Bay. We would anticipate some spill-over effects from development – through supply chain linkage arising from the construction phase and the increased population once developed. The study does not include the Bays Precinct in the modelling so there will be no direct loss of LGA industrial land. A loss of industrially-zoned land may come from increased pressure on neighbouring land from increased property values as the Bays Precinct develops. If lost, this will place additional pressure on remaining locally-servicing precincts. – The construction of the Westconnex motorway (in particular Stage three scheduled between 2018-2023) may increase the value of Leichhardt's industrial land as a strategic location for CBD-servicing land uses requiring access to Sydney's motorway network. In particular this could impact the Marion Street, Lords Road, Tebbutt Street and Camperdown precincts. – The extension of the inner west light-rail service to Dulwich Hill via Lilyfield increases public transport accessibility along Leichhardt's western boundary. Prevailing planning ideology encourages residential development in close proximity to public transport infrastructure. This may place increased pressure, due to station locations, on the precincts of Tebbutt Street, Lords Road, Marion Street, Moore Street North and Lilyfield Road. Retention of employment lands would increase the precincts' role as employment centres, however their relatively small size would not generate any significant 'reverse commuting' patterns. – Expanded port operations at Port Botany, Sydney airport's continuing role as a key freight port and the LGA's proximity to both of these and the CBD mean that Leichhardt's industrial lands are well placed to increase their strategic function within the city. – In combination these effects may well lead to higher employment projections for the LGA than the current BTS forecasts.
Inner urban industrial land use is changing	– Traditional industrial uses are moving away from inner urban areas to undeveloped large vacant and unencumbered land for purpose built operations with lower ground rent charges and fewer land use conflicts. – Increased land values in inner urban areas are increasing competition for centrally-located industrial land. – The LGA's location close to Sydney CBD, airport and port facilities and future link to Sydney's motorway network provide high levels of customer and service accessibility, in particular to higher value add industries.

Emerging Issue	Supporting evidence
New opportunities are emerging within industrial lands	– A cross-LGA reference group was established to explore the opportunity of developing a music and cultural precinct on the back of existing venues in the Camperdown area along Parramatta Road. Their intention is to attract a wider cultural base to the area, built on current characteristics, vacancy rates and floorspace opportunities that the precinct provides. – Creative industries, from architectural and design to media firms see industrial lands as desirable from a characteristic and locational point of view. Close access to partner manufacturers, print firms and other creatives is desirable and a manifestation of broader knowledge sharing and collaboration forces within these industries. Many creative industries are attracted to these areas simply due to low rents. Care must be taken not to attract these office-based firms who would otherwise locate in centres. Rather, creative industries that require the type of floorspace structure that industrial precincts provide should be targeted. – Niche manufacturing higher value-chain industries are replacing traditional industrial uses due to proximity to clients, access to highly skilled workforce and agglomeration opportunities. The LGAs employment profile shows a strong shift away from traditional industrial uses towards a service based economy.
There is strong population-driven demand for industrial land in Leichhardt	– A correlation exists between an LGA's resident population and the provision of services that support local populations. Population projections forecast Leichhardt to increase by 13,440 people between 2014 and 2036. Demand for population-driven services will increase in line with this, with an additional 33,909 sqm for local population-servicing industries forecast to be required by 2036. This does not take into consideration the Bays Precinct and Parramatta Road revitalisation as no specific development yield figures have been produced. The BTS population forecasts do, however, factor in increased overall trend-based development within the LGA that would affect the population.
Low availability and high land values narrow the type of industries attracted to Leichhardt	– According to sales data, only 38 industrial properties were sold between 2009 and 2013. – In 2013, the median sales price was over $2 million for the five general industrial properties sold. – High land prices force traditional industrial land users away and reduce the type of business that can afford to buy or rent in the area.
The provision of creative industries and complementary land uses within precincts is desirable but difficult to achieve	– Given the current demand forecasts and lack of industrial lands, the retention of IN2 land for industrial uses must take precedence. The shortfall of between 7,570sqm and 54,965sqm by 2036 highlights this need.

7.2 Review of industrial precincts against relevant Employment and Economic Development Plan (EEDP) Actions

Leichhardt's industrial precincts face constant and increased pressure to rezone to higher value land uses, in particular residential. These pressures come from a number of angles, with state government requirements to justify their industrial value, local residents and developers seeking to maximise land values of inner Sydney lots and from broader market pressures, with the continued demand for residential development to satisfy housing shortages.

In addition to the State government assessment of industrial lands undertaken for each precinct, Leichhardt Council's employment and Economic Development Plan outlines a number of actions to ensure the sustained development of the local economy. The following table assesses Leichhardt's industrial lands in total against the actions.

TABLE 38. REVIEW OF LEICHHARDT'S INDUSTRIAL LANDS AGAINST EEDP ACTIONS

Relevant EEDP Action	Response
Outcome 3: The LGA is a place that supports and shares innovation and creativity *Strategy 3.3: Support the growth of creative industries*	
Action 1: Amend LEP to permit creative industries in the LGA's business and industrial zones and, once implemented, promote the policy to land owners and real estate agents.	There are already some creative industries within Leichhardt's industrial precincts. The demand forecasting assumes that the current proportion of these uses will grow over time in line with demand for other industrial uses within Leichhardt. The demand modelling also shows that demand for industrial floorspace is growing considerably between 2014 and 2036. Permitting additional creative industries within the LGA's industrial zones would reduce the amount of floorspace available for traditional industrial uses. Amending the LEP to permit these creative industries will therefore place additional pressure on the LGA's industrial precincts and impact on their ability to adequately provide population-serving uses, which according to the demand-capacity gap analysis already face a significant shortfall in land by 2036, even within an optimistic redevelopment scenario.
Outcome 4: The LGA's economic assets are strategically managed for current and future generations *Strategy 4.1: Protect and enhance key employment lands*	
Action 1: Protect existing employment lands that are of good quality and in locations that are highly accessible and close to magnet infrastructure (such as hospitals and universities).	Leichhardt's industrial lands are scattered throughout the LGA and vary in size. Some precincts already have non-industrial uses within them (including Marion Street, Terry Street and Balmain East) with residential and dispersed uses within precinct boundaries. Some precincts continue to be re-zoned from industrial to other uses, including 55 Justin Street within the Lilyfield Road precinct and the entire Allen Street precinct. Given the significant demand for industrial land between 2014 and 2036, all industrial land in the LGA is therefore important and should be protected.

Relevant EEDP Action	Response
	Smaller sites with locally-servicing uses are important for the LGA as they provide services such as car repairs, storage, manufacturing and repairs that are used by local populations. Larger precincts such as White Bay, Moore Street South and Camperdown have a wider reach, given their road accessibility, larger precinct size and larger lot sizes. Each of these characteristics is desirable for industries seeking to serve a larger consumer base across a wider area. Irrespective of size, the protection of these precincts should extend beyond just those near magnet infrastructure, as the locally – servicing industries play an important role in the functioning and development of suburbs. All of Leichhardt's industrial precincts are in close proximity to major arterial roads.
Action 2: Facilitate an oversupply or surplus of employment zoned land in order to provide a range of opportunities and types of sites for businesses.	Leichhardt's limited industrial land and significant demand for this land between 2014 and 2036 mean that even in an optimistic development scenario, no oversupply or surplus of industrial land is forecast.
Action 4: Discourage residential uses in industrial zones, Victoria Road and Parramatta Road corridors unless an evidence based assessment confirms the suitability of specific sites for student, key worker or aged care accommodation.	Some residential development already exists in some industrial precincts, such as Camperdown, Tebutt Street and Terry Street. As with the above actions, irrespective of evidence supporting the promotion of residential development, there is an equally important need to protect remaining industrial stock in Leichhardt. Innovative design solutions could be implemented to develop residential above some current uses in the industrial precincts and this has precedent in other cities. Any residential development, however must be thoroughly examined and not reduce the opportunity for further industrial development within the precincts. In practice, this is extremely difficult, given that once non-industrial uses are in a precinct, precedent is set and it is difficult to further develop industrial uses. There is already pressure on Council to rezone a number of the area's industrial precincts to accommodate residential development. With the obvious increase in land values central to these submissions, Council must be very cautious in adopting such recommendations.
Action 5: Increase the range of uses permitted with consent in industrial zone in order to encourage greater flexibility of land use and to attract a range of suitable businesses to the LGA – particularly creative industries.	As with Action 1 of Outcome 3, the finite (and diminishing) industrial land in the LGA means that non-core industrial uses should not be encouraged, outside their current ratios. The demand for 'traditional' industrial uses to serve local and sub-regional populations are such that increasing land use competition will undermine the LGA's ability to accommodate future industrial demand.

Additionally, the EEDP outlines six criteria for individual industrial sites to be assessed against when proposed for rezoning. These criteria are specific to individual lots, whilst this report is assessing Leichhardt's industrial lands at a precinct and LGA level. As many of the criteria responses are relevant irrespective of location, they have been addressed at an LGA level in Table 39 for the purposes of this report.

TABLE 39. REVIEW OF LEICHHARDT'S INDUSTRIAL LANDS AGAINST EEDP ASSESSMENT CRITERIA

Assessment criteria	Response
Would the rezoning result in insufficient land industrial land being available for current and future demand for industrial land in the LGA, at a minimum?	There is forecast to be demand for an additional 63,094sqm of industrial floorspace in Leichhardt by 2036. With limited supply, even in optimistic development scenarios, capacity is forecast to be less than demand by 2036. Consequently, rezoning of any lot or precinct within Leichhardt away from industrial use would exacerbate this industrial land shortfall.
Would the rezoning of the site result in the fragmentation of a larger industrial precinct or erode the viability of a locally or regionally significant industrial precinct?	The degree of impact that a rezoning would have on a precinct is dependent upon which precinct it is in and how large the site is. A number of Leichhardt's precincts (Balmain East, Terry Street, Balmain Road, Lilyfield Road, Moore Street North, Marion Street, Lords Road and Tebutt Street) are small precincts which would see a large proportion of their floorspace lost if a site (or sites) were to be rezoned. The larger precincts (White Bay, Moore Street South and Camperdown) would see proportionally less land lost through a rezoning. However, given their strategic importance to a wider subregion, such fragmentation could have an adverse impact on their ability to function effectively. Irrespective of precinct and size, any loss of industrial land use would impact on the precinct's and the LGA's ability to accommodate future demand for industrial land.
Would the rezoning be consistent with adopted Council and/or State Government Policy regarding the future role and demand for industrial land? What impact would it have to Council's employment targets?	Both local and state policy requires the protection of industrial lands as a priority. Assessment criteria checklists in both the 2013 draft Metropolitan Strategy and the 2010 Metropolitan Plan outline what considerations should be made when assessing such rezonings. Given Leichhardt's low supply and forecast demand, any loss of industrial land would be detrimental to the LGA and wider subregion. The 2007 draft subregional plan for the inner west subregion (of which Leichhardt was included) identifies an additional job target of 500 jobs in Leichhardt by 2031. Intensification of these employment lands would help to achieve this, especially considering Leichhardt does not have a significant commercial centre where these jobs may cluster.
Does the site(s) have characteristics required by light or high tech industrial uses and other uses permitted in the zone/seeking floorspace in the LGA or subregion (e.g. floorspace, access, proximity to economic infrastructure, parking, infrastructure, storage, building configuration and land value)?	The varied nature of Leichhardt's precincts, in terms of size and location, suggests that some sites and precincts are more conducive to accommodating emerging and high tech industries than others. Such a comparison must also be weighed up against whether the site or precinct characteristics remain suitable to more traditional population-serving industries. If the LGA does attract an increasing number of high-tech industries, these businesses may compete with traditional industries for floorspace as not all traditional industries will be in decline or wishing to relocate outside the LGA.

Assessment criteria	Response
Would it be economically viable to improve the site to attract new tenants or to adapt to changing industry requirements and to ensure that the land uses on the site address compatibility with surrounding uses?	Economic viability is something that must be undertaken at a more detailed precinct or lot level. The four capacity scenarios outlined in this report consider varying degrees of development likelihood, which factor in consideration of viability at a broad level.
Would the retention of industrial uses on the site result in a positive net benefit to the community as a whole?	The retention of population-serving industries within the LGA is important as it retains various functions required by local residents, businesses and people operating in the area. Although there are benefits to be gained from increasing diversity of uses within industrial precincts, given the acute lack of capacity within Leichhardt, priority must be given to the retention of land that can facilitate such local services. There would be a significant disbenefit to residents and businesses who are forced to go further afield to source services currently contained within the LGA's industrial precincts if these sites were developed as residential precincts. For businesses in particular that rely on these business-to-business relationships, it may require them to move to areas where they can continue such associations. This disbenefit, at both a local and subregional level, would outweigh the benefit of locating residential development in these locations.

7.3 Strategies and actions

A number of possible strategies and actions have been developed following SGS's analysis of land use, forecast demand and future capacity scenarios and the subsequent identification of key issues affecting Leichhardt's industrial lands. These strategies and actions are outlined in Table 40.

The table is structured so that strategies are listed in order of priority. It is imperative that, due to the relatively low amount of employment lands in Leichhardt, precedence is given to forecast demand for industrial land use, population-driven demand and employment targets when considering the future use of Leichhardt's industrial lands. Furthermore, maintaining the integrity of industrial precincts is of paramount importance when considering their long-term viability.

TABLE 40. STRATEGIES AND ACTIONS

Strategy 1: Acknowledge the role and function of key industrial precincts	
Recommendation 1: **Protect Leichhardt's industrially-zoned precincts for their important employment and service functions.**	
Action 1.1	Refuse any proposal to rezone land from Council's small pool of industrial land within any of the industrial precincts
Action 1.2	Protect the industrial nature of the key precincts of Moore Street South, White Bay and Camperdown from rezoning and non-industrial redevelopment that may be a permitted use within IN2 zoning.
Action 1.3	Rezone the key industrial precinct of Moore Street South from IN2 to IN1 to maximise its industrial nature
Action 1.4	Amend the clause within the Leichhardt LEP that allows for the continued provision of creative industries within any IN2 land and identify specific precincts in which it is permitted.

Supporting justification

Leichhardt has a number of industrial precincts scattered throughout the LGA with varying sizes, locations or mix of lot sizes and land uses. As the forecast demand for IN2 zoned land significantly outweighs current capacity, it is important that all of this land be protected.

Several key precincts have locational and operational characteristics that make them important to Leichhardt and the broader inner Sydney subregion. These precincts are:

- Moore Street South
- White Bay
- Camperdown

The small pool of industrial lands within Leichhardt and the forecast demand for this land means that all of it is necessary to meet future demand. Any proposal to rezone this land from current industrial use should be refused. Notwithstanding this, **the precincts identified above are the most valuable now and in the future** and whose industrial function should be most highly valued.

By rezoning the strategically important Moore Street South precinct to IN1 General Industrial, it would set the Council's intention for this precinct to act as a subregionally valuable industrial area close to the city. Such a rezoning would require non-industrial uses currently within the precinct to move elsewhere within the LGA. This in turn would facilitate the agglomeration of some non-industrial uses that require IN2 land in some of the LGA's smaller precincts that are less suitable for industrial use agglomeration.

Recommendation 2: **Develop a profile and plan for each industrial precinct**	
Action 2.1	Develop a profile of each precinct to assist in planning for their future function, including: i. Precinct context and current mix of land uses ii. Physical characteristics of precincts & lots (size, configuration etc) iii. Available floorspace and development potential
Action 2.2	Develop a coherent vision for each precinct, as part of a broader industrial land strategy, which: i. Considers the pressures and potential demands the precinct may face ii. Considers each precinct's ability to support particular industrial uses or mix of uses iii. Includes specific detail on zoning, controls and permitted uses iv. Can be incorporated into the Development Control Plan or similar policy document
Action 2.3	Facilitate intensification of existing precincts, where possible, to make better use of the LGA's existing industrial land supply
Action 2.4	Develop an LGA-wide industrial land strategy that encapsulates the findings of precinct plans and provides a clear position with regards to Council's approach to industrial land protection and development
Action 2.5	Consult with industry groups to ensure future precinct development meets the needs of users

Supporting justification

Developing a profile of each of the key industrial precincts will assist in planning for their future. By understanding the current mix of land uses within the precinct and its surrounds, as well as the potential for change, due to lot configuration, floorspace availability and emerging industries, a coherent vision for each precinct can be developed.

A plan for each precinct would ensure sufficient industrial land is preserved for current, emerging and population-driven industries. Precinct-specific plans, rather than a single LGA-wide approach to industrial lands, will consider the different pressures facing each precinct and the opportunities their location or floorspace mix and availability allows. These may form part of Development Control Plans or similar policy documents and include specific detail on zoning controls and permitted uses.

Some existing industrial uses may be able to increase the intensity of their operations by fitting more on existing lots or reducing the size of their operations whilst maintaining output. Such moves would potentially open up more useable land and increase land-use efficiency.

This approach must be cognisant of the fact that some land uses, such as storage, cannot easily increase the intensity of their operations or operate as effectively within a smaller footprint.

This requires a detailed understanding of the profiles of different industries as well as of each precinct's characteristics and would require a more detailed precinct-level strategy.

In order to attract emerging industries to relevant precincts, consultation with industry groups and existing occupants will provide an insight into the physical and locational aspects these industries seek when locating. This will assist the Council in better understanding the ability for the LGA's employment lands to accommodate these changing uses; where best to accommodate them and, if viable, how development of certain parts of identified precincts can be tailored to suit these needs.

Recommendation 3: **Develop clear vision for the future of the Camperdown precinct and maintain industrial zoning**	
Action 3.1	Maintain current IN2 zoning for Camperdown precinct
Action 3.2	Permit no further retail use (including large-format retail) within Camperdown precinct

Supporting justification

The Camperdown precinct is important to both Leichhardt and the central sub-region, as it is one of the closest industrial areas to the CBD. It currently supports a range of uses, with large format retail fronting the main roads and a number of storage facilities internally.

The proximity to the CBD has placed pressure for some or all of the precinct to be developed for residential or mixed use. The internal road network is narrow and dominated by cul-de-sacs, making access for large vehicles to service

the industrial lots difficult.

Notwithstanding the obvious value large sites with close CBD proximity would have to residential uses, the precinct should maintain its current zoning. This is due to the overwhelming demand for industrial space in the LGA, but also because the precinct offers strategically important functions that support CBD operations – in particular storage.

It is acknowledged that some of the precinct has allowed large-format retail, however given the demand for traditional industrial uses in the future (both within the precinct and throughout the LGA), it is recommended that no further retail uses be permitted in order to prevent the precinct from losing further lots to non-industrial uses.

There may be an opportunity to maintain existing industrial uses whilst developing residential or commercial above. This must be approached with caution, however, as once residential is located there, it increases the risk of land use conflicts as well as setting a precedent for residential uses within the precinct. Any non-industrial development would also constrain the precinct's ability to intensify its industrial uses in the future.

As the precinct is the largest in the LGA and a significant industrial precinct in the subregion, the risk of losing this amount of industrially-zoned land would have significant ramifications for other precincts in Leichhardt, Marrickville and the City of Sydney as these required uses would need to relocate nearby.

Strategy 2 Protect population-servicing industrial land

Recommendation 4:
Ensure adequate provision of industrial land for population-serving industries

Action 4.1	Maintain current provision of IN2-zoned land
Action 4.2	Provide an additional 33,909 sqm of IN2 floorspace by 2036
Action 4.3	Prohibit large-format retail in industrial zones
Action 4.4	Consider the establishment of a B5 and/or B6 zone along major arterial roads to accommodate the demand for large-format retail

Supporting justification

Certain industrial and employment uses need to be located throughout urban areas, irrespective of the broader trend of industrial land uses moving to the city's western edge. This is due to their role as population-servicing industries. With Leichhardt's population expected to increase by 24% to 70,588 by 2036, there will be an increased demand for these local industrial services. Although the BTS forecasts do not specifically reference the impact of development within the Bays Precinct and within the Parramatta Road corridor (due to figures not being available), these additional populations will place further pressure on industrial land to provide locally-servicing uses.

At a minimum, the projected increase in population-servicing industrial land of 33,909sqm, based on population growth forecasts, should be the bare minimum target for Leichhardt to achieve by 2036. This aligns closely with the 40% development scenario.

Large-format retail development favours locating in industrial lands due to their large lot sizes. Due to the low excess capacity of Leichhardt's industrial lands once population-driven services are factored in, there is minimal land available to accommodate large-format retail.

In larger precincts, where large-format retail already exists (for example, Camperdown), further fragmentation of remaining industrial lands can impact on the ability for the precincts to function in a coherent way.

Large-format retail centres increase vehicle traffic due to their retail function and the need for private vehicles to transport bought goods. The location of many of Leichhardt's industrial precincts, away from arterial roads, will increase traffic volumes through residential and commercial areas. Large-format retail also drives up surrounding land values, increasing pressure on lower value industrial lands to change to other uses.

Any additional large-format retail required in Leichhardt should be located in areas zoned for business uses (for instance, B5 or B6) along or near major arterial roads. This, however, must be done with due consideration to the proximity to established business and retail centres (for instance, Norton Street) with the express intent that it does not draw businesses and customers away from these important community centres. Instead, any large-format retail should be complimentary to offerings within established centres.

While the additional industrial floorspace required is based on BTS 2014 population forecasts, it does not take into account the additional population that may result from the Parramatta Road Urban Renewal and the redevelopment of the Bays Precinct (due to figures not being available) which will create further demand for population-serving industrial floorspace.

Strategy 3 Planning for the redevelopment of Parramatta Road and the Bays Precinct

Recommendation 5:
Ensure the vision for Leichhardt's industrial lands considers possible impacts of the Bays Precinct redevelopment

Action 5.1	Advocate as a key stakeholder on behalf of the Leichhardt LGA community, including local businesses, to protect and enhance their interests
Action 5.2	Adopt urban design/strategic plan framework to respond to the Bays Precinct redevelopment
Action 5.3	Ensure Council is a key stakeholder in discussions regarding the redevelopment of the Bays Precinct
Action 5.4	Maintain industrial zoning of White Bay industrial precinct

Supporting justification

Due to the complexity and timeframe for delivery of a redevelopment of the Bays precinct, communication channels between the major stakeholders (Department of Planning and Environment, UrbanGrowth NSW, Roads and Maritime Services, Leichhardt Council and so on) should be established as a priority.

The importance of the White Bay industrial precinct's current functions should not be underestimated. It contains a mix of industrial uses totalling 60,075sqm of floorspace, 63% of which is used for local population-servicing light industry. The redevelopment of the Bays Precinct is likely to place pressure on the adjacent industrial-zoned land through increases to property values. Maintaining current zoning will protect these lands, however in light of these anticipated pressures, establishing multi-stakeholder engagement at the commencement of the Bays precinct project will make clear the importance of this precinct, anticipate the effects it will have and aid the redistribution of local services, where required, throughout the rest of the LGA.

A strategic plan for the Bays Precinct redevelopment will identify the mix of residential and commercial development likely to take place around the foreshore. A coordinated development vision for the area will enable the viability of the adjacent White Bay industrial precinct over the long term to be assessed. The confirmation of residential population increases as a result of the development will enable population-servicing industrial land demand to be calculated and planned for as part of a wider industrial lands plan.

Recommendation 6:
Work with neighbouring councils to ensure a sub-regional approach to industrial land provision

Action 6.1	Engage with Marrickville Council and state agencies on Parramatta Road-focused renewal schemes

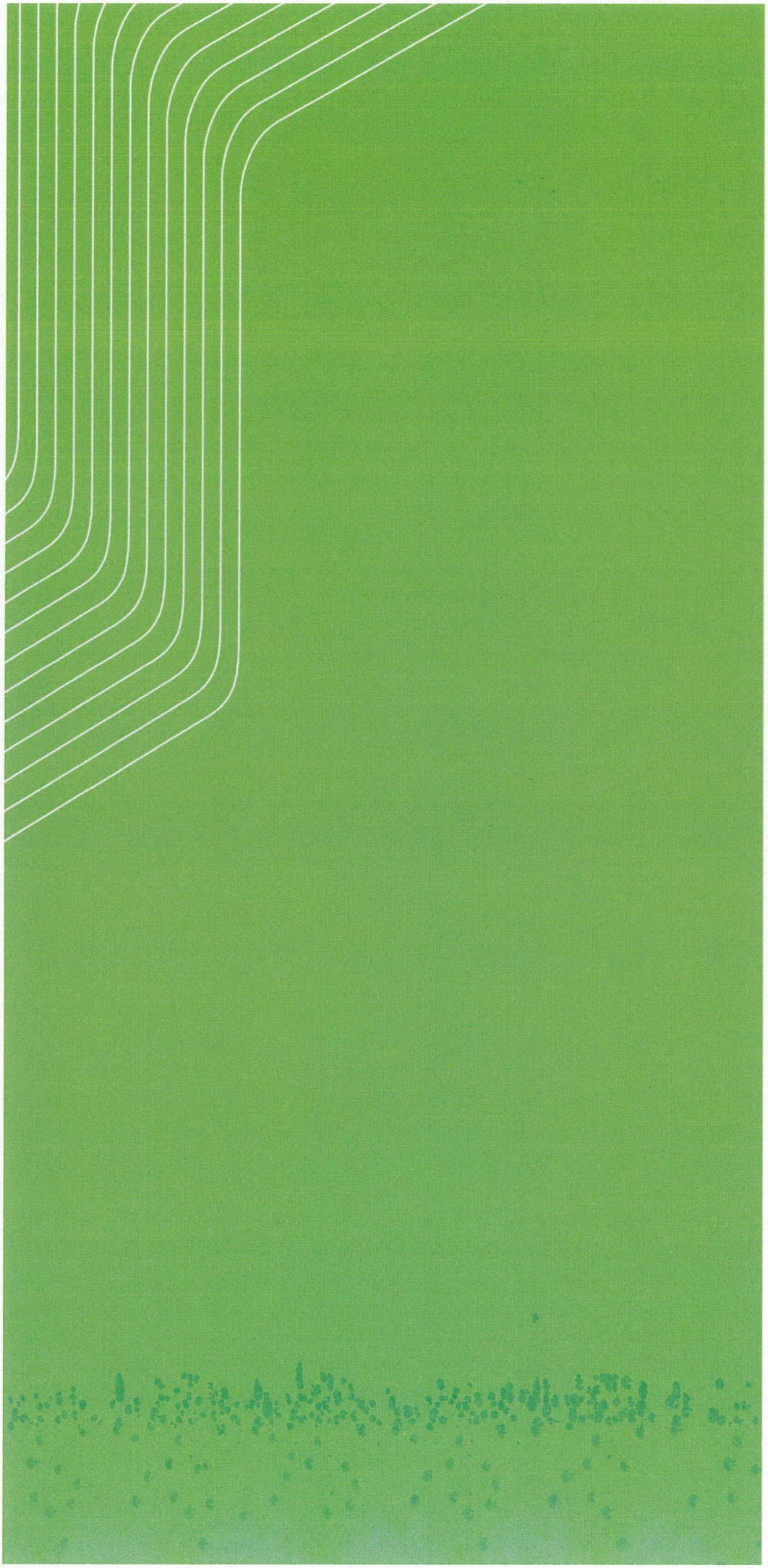
Supporting justification

LGA boundaries often run along major roads. In Leichhardt's case, Parramatta Road forms its boundary with the Marrickville LGA. Given the strategic interest in the Parramatta Road corridor from a state and local viewpoint, any renewal strategy stemming from the development of proximate industrial lands (Tebbutt Street and Camperdown) must consider the inclusion of and impact on both sides of Parramatta Road.

This can only be done in close consultation and agreement with Marrickville Council and state agencies such as Department of Planning and Environment and the Roads and Maritime Services, to ensure that schemes build upon broader visions for the road and effectively cross LGA boundaries. An example of this is the 'Off Broadway' Live Music Reference Group report prepared for both Leichhardt and Marrickville Councils in response to a council and music industry push for the formalisation of a precinct in inner Sydney.

7.4 Timeframes

In light of the changing nature of the central subregion over the coming years, particularly with the redevelopment of the Bays Precinct, proposals for the Parramatta Road corridor and construction of the WestConnex motorway, it is prudent that a review of industrial land demand and the function of individual precincts be undertaken within two to three years of this report (and a maximum of five). This is due to the current uncertainty over residential and commercial growth across the area. The increased demand for industrial use between the 2012 and 2014 versions of the BTS employment forecasts attest to the potential for significant change over a short period.



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SGS Economics & Planning

Leichhardt Industrial Precinct Planning

Final report

Leichhardt Municipal Council

April 2016

SGS Economics & Planning

Independent insight.

This report has been prepared for Leichhardt Municipal Council. SGS Economics and Planning has taken all due care in the preparation of this report. However, SGS and its associated consultants are not liable to any person or entity for any damage or loss that has occurred, or may occur, in relation to that person or entity taking or not taking action in respect of any representation, statement, opinion or advice referred to herein.

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TABLE OF CONTENTS

EXECUTIVE SUMMARY		**5**
Introduction		5
Economic context		5
Precinct profiling		6
Feasibility testing		6
Multi-Criteria Analysis		7
Risk assessment		7
Recommendations		8
1	**SUMMARY OF INDUSTRIAL LAND STUDY**	**10**
2	**ECONOMIC CONTEXT**	**11**
2.1	Industry trends and drivers	11
2.2	Subregional snapshot	12
2.3	Future growth	14
2.4	Key messages	18
3	**PRECINCT PROFILES**	**19**
3.1	Introduction	19
3.2	Current capacity summary	20
3.3	Future potential capacity	20
3.4	Camperdown precinct	22
3.5	Tebbutt Street/Parramatta Road precinct	24
3.6	White Bay precinct	27
3.7	Moore Street South precinct	30
3.8	Moore Street North precinct	33
3.9	Lords Road precinct	35
3.10	Marion Street precinct	37
3.11	Lilyfield Road precinct	39
3.12	Balmain Road precinct	41
3.13	Terry Street precinct	43
3.14	Balmain East precinct	45
3.15	Summary of issues	47
4	**FEASIBILITY TESTING**	**48**
4.1	Introduction	48
4.2	The need for sequential testing	48
4.3	Method	49
4.4	Assumptions	49
4.5	Precincts and lots	50
4.6	Camperdown precinct	52

4.7	Tebbutt Street/Parramatta Road precinct	55
4.8	Moore Street South precinct	58
4.9	Summary of findings	60
5	**MULTI-CRITERIA ANALYSIS**	**62**
5.1	Purpose	62
5.2	Method	62
5.3	Policy context	63
5.4	Camperdown precinct	64
5.5	Tebbutt Street/Parramatta Road precinct	67
5.6	Moore Street South precinct	70
5.7	Summary of MCA	73
6	**RISK ASSESSMENT**	**74**
6.1	Introduction	74
6.2	Industrial only option	74
6.3	Industrial + Commercial option	75
6.4	Industrial + Commercial + Residential option	76
7	**RECOMMENDATIONS**	**77**
7.1	Introduction	77
7.2	Option 1: Business as usual approach	78
7.3	Option 2: Policy change for key precincts	79
7.4	Summary	86
APPENDIX ONE		**87**
BLC categories		87
ANZSIC categories		87
Camperdown precinct		88
Tebbutt Street/Parramatta Road precinct		91
White Bay		94
Moore Street South		97
Moore Street North		100
Lords Road		100
Marion Street		101
Lilyfield Road		101
Balmain Road		101
Terry Street		102
Balmain East		102
APPENDIX TWO		**103**

EXECUTIVE SUMMARY

Introduction

SGS Economics and Planning have been engaged by Leichhardt Municipal Council to undertake an investigation into Leichhardt's industrial precincts and provide recommendations for the future planning and management of the local government area's (LGA's) industrial-zoned (IN2) land. This report builds on the *Industrial Lands Study* produced by SGS in 2014.

This report includes five main components that have shaped the recommendations. These components are:

- An overview of the economic context and influences on industrial land in the LGA and inner-Sydney
- A detailed profile of each precinct
- A high-level feasibility analysis of built form options defined by co-consultants Architectus
- A Multi-Criteria Assessment of development options within three key precincts – Camperdown, Tebbutt Street/Parramatta Road and Moore Street South
- An assessment of risk that considered the implication of multiple land use scenarios within each of these key precincts

The intention is to guide Leichhardt Council's decision-making when planning for the future of these industrial lands in the face of increased pressure for redevelopment.

Economic context

There are a number of internal and external factors that influence the role and function of industrial precincts and the pressures they face:

- **Inner city industrial precincts are evolving.** Inner city precincts are still important for a number of industries.

- **Maintaining the status quo either side of Parramatta Road will not be sufficient.** Simply protecting industrial land with current floorspace provision will not meet future demand.

- **Many traditional industries are moving westward.** Across Sydney, there is competition for land coupled with the need for some industries to operate on large lots with few encumbrances. This has meant that some industries are seeking to locate in the larger industrial land releases of western Sydney that are more attractive to these uses.

- **Industries that remain do so for a reason.** Many businesses that remain in inner city precincts do so as they have strong links to surrounding business networks and are important parts of the supply chain.

- **Industrial land is being rezoned, but not necessarily to residential.** Although demand for new housing places significant pressure on inner city industrial lands, the need for other commercial uses to operate in areas other than commercial cores is driving rezoning away from industrial uses.

- **A growing population needs service provisions.** Future population growth, coupled with major urban renewal projects, will place pressure on remaining industrial lands to turn over to higher value land uses whilst simultaneously increasing demand for population-serving industries.

Precinct profiling

A review of industry and lot size profiling of Leichhardt's industrial precincts identified the following key issues:

- **There is a shortage of industrial land at a subregional level.** Local development patterns and long-term growth limit the ability for these precincts to expand. This pressure is most acute for industrial uses that require larger floorplate sites, such as subregionally-oriented industries such as freight and logistics, as these sites are increasingly rare in the inner city.

- **There is a shortage of local services within Leichhardt.** The 2014 *Industrial Lands Use Study* undertaken by SGS identified an industrial floorspace shortfall of between 7,000sqm and 55,000sqm by 2036. These are services that are traditionally found within local industrial estates, close to their local market.

- **There is a need to provide sufficient floorspace and appropriate built form configurations to support emerging uses.** Inner city industrial estates must retain a degree of agility, such as flexible floorspace sizes, in order to transition from 'traditional' functions and accommodate a range of evolving industries and businesses who require industrial precinct characteristics to operate.

- **Industrial precincts are under threat from other uses.** Competition for inner city land is placing pressure on industrial precincts to turn over to 'higher value' uses. This pressure comes from a number of land-uses, including residential, bulky goods retail and commercial.

Feasibility testing

The feasibility testing of development options focused on three precincts: Camperdown, Tebbutt Street/Parramatta Road and Moore Street South. For each, three development scenarios were considered: Industrial only, industrial + commercial, and industrial + commercial + residential. This was done to ensure that a sequential logic test was applied to determine what may need to be introduced in order to return a feasible result. This analysis identified the following:

- **Industrial development alone will not provide additional industrial floorspace.** The cost of redeveloping industrial buildings with the sole intent of increasing industrial floorspace exceeds the revenues that would be generated through retained industrial uses. For developments to be feasible, the rent per square metre would need to at least double from the local market average, or, significantly more industrial floorspace would need to be provided to achieve financial economies of scale. This is constrained by the size of the precincts, lots and floorspace configurations industrial uses require.

- **The addition of commercial floorspace brings the result closer to feasible.** Adding commercial floorspace to the floorspace mix of buildings increases development costs and requires taller buildings, however the higher rent per square metre can, in some instances, enable a development to cross the feasibility threshold. This option would require a significant amount of commercial floorspace to achieve this.

- **Residential is the easiest way to generate additional industrial floorspace.** Residential returns the highest land values on a per square metre basis and it is therefore the most efficient at returning a feasible result. It also does not necessarily require a significant proportion of total gross floor area (GFA), however it does necessitate the construction of taller buildings. The introduction of residential uses, however creates the greatest land use conflict of the alternative land uses considered.

- **Residential does not need to dominate.** Although it varies from site to site and by precinct, the introduction of residential to generate a feasible result may only require in the order of 20-30% of total floorspace. This is also based on a conservative price assumptions of $790,000.

- **Lot size does not appear to matter.** In the scenarios and sites tested, there does not appear to be a pattern where lot size provides a better or worse feasibility result.

Multi-Criteria Analysis

The multi-criteria analysis (MCA) assesses the options for each precinct tested in the feasibility model against a series of criteria and indicators. This helps to determine what options are stronger and which are weaker. The MCA summarised these into positives (+) and negatives (-).

Industrial only option
+ Increase industrial floorspace to provide additional support for future uses

- Increase impact on local road network
- Lack of feasibility

Industrial + commercial option
+ Commercial floorspace will provide for future commercial needs and support additional local services
+ Commercial floorspace is not necessarily a land-use conflict with industrial uses
+ Commercial activity could attract new uses to Camperdown

- Increased accessibility and parking issues
- Increase in rents
- Change in identity and intent of precincts
- Feasibility requires significant quantum of floorspace

Industrial + commercial + residential option
+ Residential development will increase housing supply and there is demand in the area
+ Development is likely to be attractive and can provide development contributions

- Residential will have a significant impact on the ongoing industrial function
- Residential can fragment the precinct to the point that it no longer can operative effectively
- Introduction of residential development sets a precedent for future precincts.

Risk assessment

Development within existing industrial areas provides a number of risks to the ongoing function of the precincts. In general, the risk to the ongoing function increases as additional land uses are introduced. The risks for each development option are summarised as follows:

Industrial only option
- LGA continues to have a shortage of industrial lands
- Demand for residential development continues to place pressure on IN2 zones

Industrial + commercial option

- Higher land values may drive lower value land uses (such as traditional industrial) out of the precinct
- Introduction of commercial may alter the intent and function of the precinct
- Would likely mean uses such as car repair workshops are driven out due to noise and amenity issues
- May encourage commercial development in areas that are less suitable than others in the area

Industrial + commercial + residential option

- High risk of precinct fragmentation and significant inhibitor of traditional industrial uses due to noise and amenity
- Increase land values that force other users out
- Encourages land speculation, placing further pressure on any remaining IN2 land
- Encourages industrial land owners not to continue to invest in their properties

Recommendations

SGS has identified a number of recommendations to provide guidance for the future planning of Leichhardt's industrial precincts. As this is predicated on the desire to protect or increase industrial floorspace to meet future demand, the recommendations are categorised into two options:

Option 1: Business as Usual approach

This option assumes that the risk of development outweighs the reward in terms of increased industrial floorspace and provides recommendations geared towards protection of remaining precincts:

Strategy 1: Retain industrial (in2) categorisation in majority of industrial precincts

Action 1.1 Retain IN2 Light Industrial zoning and continue to protect the following precincts from rezoning:

- Balmain East
- Balmain Road
- Lilyfield Road
- Marion Street
- Moore Street North
- Terry Street
- White Bay
- Camperdown
- Moore Street South
- Tebbutt Street
- Lords Road

Strategy 2: Differentiate between industrial uses in the LGA

Action 2.1 Introduce IN1 General Industrial zoning into the Local Environment Plan (LEP) land use table.

Action 2.2 Rezone Moore Street South industrial precinct to IN1 General Industrial

Option 2: Policy change

This option assumes that there is continued pressure on Leichhardt to redevelop its precincts, perhaps driven by development aspiration for the Parramatta Road Corridor. The desire for an alternative approach may also come from Council seeking to reduce their industrial floorspace deficit in light of the potential risks that would entail.

Strategy 3a: Development of Camperdown as a distinct commercial precinct

Action 3.1 Introduce B5 (Business Development) zone into LEP 2013 and prohibit 'Residential Accommodation'

NB: Strategy 3a is predicated on the precinct forming a direct relationship with a partnering institution such as RPA or the University of Sydney. Without such an alliance, this strategy is not recommended. As an alternative to Strategy 3a, Strategy 3b presents a more mixed-use, but potentially riskier approach to planning the future of the Camperdown precinct.

Strategy 3b: Development of Camperdown as an industrial mixed-use precinct

Action 3.2 Introduce B5 (Business Development) into LEP 2013 and include 'Residential Accommodation' as a permitted use with consent.

Action 3.3 Provide additional direction with regards to floorspace proportions and height of buildings for the B5 Business Development zone in either the LEP or Development Control Plan (DCP) if they are unable to be included in the LEP. This would limit the total amount of residential GFA to approximately 20% to 30% of total GFA for individual development and control the minimum ceiling height on the ground floor of buildings in the B5 (Business Development) zone to at least 4 metres.

Strategy 4: Re-configure the zoning of the Camperdown precinct

Action 4.1 Re-zone the outer fringe of the precinct to B5 Business Development (see map in Recommendations chapter).

Action 4.2 Retain existing IN2 zone in core of precinct (see map in Recommendations chapter).

Action 4.3 Set a clear vision for the future industry identity of the Camperdown Precinct

Strategy 5: Be proactive in aligning Tebbutt Street/Parramatta Road precinct with the future of the Parramatta road strategy

Action 5.1 Re-zone eastern edge of Tebbutt Street to B4 Mixed Use north of Number 7 Tebbutt Street (see map in Recommendations chapter).

Action 5.2 Re-zone IN2 Light Industrial zoned land in precinct between Tebbutt Street and Hathern Street and between Flood Street and Elswick Street to B6 (Enterprise Corridor) (see map in Recommendations chapter).

Action 5.3 Retain IN2 Light Industrial zoning between Flood Street and Upward Street (see map in Recommendations chapter).

Strategy 6: Retain and protect all other industrial precincts

Action 6.1 All other precincts, with the exception of Camperdown and Tebbutt Street/Parramatta Road will be retained as per Strategies 1 and 2 under Option 1.

1 SUMMARY OF INDUSTRIAL LAND STUDY

In 2014, SGS were commissioned by Leichhardt Municipal Council to undertake an Industrial Lands Study for all industrially-zoned land in the LGA. This report was underpinned by a land-use audit that determined the floorspace, industry type and broad land-use categorisation of each lot across the LGA's industrial precincts.

Future demand for industrial floorspace was forecast from employment projections for Leichhardt produced by the Transport for NSW's Bureau of Transport Statistics (BTS). These were converted to floorspace projections using SGS's in-house modelling, derived from land-use audits undertaken across Sydney.

The report concluded that in light of future population and employment growth in the LGA, Leichhardt would see a deficit of between 7,500sqm and 55,000sqm by 2036. The range is due to a number of scenarios being tested. The most conservative of these was that no additional development would take place in industrial precincts to provide more floorspace, while the most optimistic assumed that all lots in all precincts would be developed to the maximum theoretical capacity under existing planning controls (floorspace ratio and building height).

The study was adopted by Council in early 2015.

2 ECONOMIC CONTEXT

2.1 Industry trends and drivers

The story of Sydney's inner city industrial lands

Businesses and industries that locate within inner city industrial lands play an important role in the functioning of cities. These precincts vary in size and make-up. They support commercial centres and the businesses that locate in them, through functions such as archiving, print, wholesale retail and food and beverage preparation. These precincts also serve the needs of surrounding local and subregional populations by accommodating uses such as panel beaters, specialised retailers (for example builders' merchants), storage facilities, and works depots of municipal councils.

Aside from simply providing appropriate land to accommodate these functions, industrial zones IN1 General Industrial and IN2 Light Industrial also serve to supress land values. This is especially significant in cities such as Sydney, where inner city land values have risen dramatically in recent years. In Leichhardt, the median house and apartment price is $1,367,500 and $852,500 respectively (compared to a Sydney-wide median of $900,000 and $650,000 respectively), highlighting the demand for land and the premium that is placed on proximity to the CBD.

The suppression of land values through zoning mechanisms is an important function of planning. On face value, industrial land uses cannot compete on a dollar per square metre basis against higher value uses such as residential. This, however, masks the value-add that industrial land contributes when proximate to commercial centres and residential populations. Businesses that operate in industrial precincts can do so due to the lower cost environment that industrial zoning permits. Without the suppression of land values through zoning, a plumbing supplier or storage facility could not compete with the returns that residential would provide on that land. These uses would be forced away from the area, increasing the operating cost of the business.

It is important to note that there are two distinct functions that businesses operating in inner city industrial precincts tend to serve. The first is of a subregional nature, with the business (or collection of complementary businesses within an industrial precinct) providing a service that supports the operation of the subregion or even metropolitan region. These include secondary freight and logistics distribution facilities such as Australia Post depots that support a wide range of LGAs.

The second function is of a more local nature, with a precinct's operations servicing a smaller network. These include council depots, storage facilities, or print operations and differ depending on whether their local network is predominantly business or residentially-oriented.

Multi-functional precincts

Industrial lands deliver a diverse mix of jobs. Across Sydney, almost two-thirds of jobs in industrial lands relate to five industrial sectors collectively referred to as 'production and manufacturing'[1].

This, however, means that one third of Sydney's industrial lands comprise of a range of other activities. These vary significantly across districts and precincts but can include arts and recreation, financial and insurance services and education and training.

[1] These industries are Manufacturing, Wholesale Trade, Transport, Postal and Warehousing, Construction and Electricity, Gas Water and Waste Services. (ELDP, 2015)

While production and manufacturing reflect common perceptions of industrial precincts, they are in transition from traditional production and manufacturing uses and adapting to meet the needs of Sydney's global economy. These transitions are resulting in:

- an increasing demand for larger floor space to accommodate freight/logistics
- increasing competition from other land uses, such as residential, in inner city districts
- a greater need to maximise transport accessibility to link to customers and distributors
- a greater emphasis on the economic value of agglomeration opportunities.

The distinction between large industrial lands in Sydney's west and more concentrated inner city precincts is also growing. The inner city industrial lands, in particular, contain a complex mix of local services and businesses locating near clients in strategic centres and customers in surrounding areas. The mix of activities in industrial precincts varies greatly. Against the Sydney-wide figure of one-third, fifty percent of jobs located in inner-city industrial precincts are something other than 'traditional' industrial uses.

The evolving functions

The role of inner city industrial precincts is evolving alongside the industries locating within them. Changing business models that promote 'factory door' shops fronting a production facility have begun to attract people to precincts that were previously utilitarian in nature. This adds a degree of activity to precincts and supports businesses but can impact on more traditional operations that require, for instance, regular heavy vehicle access. Urban manufacturing has also shifted the focus from large floorplate manufacturing techniques towards smaller-scale operations. This has coincided with the rise of strata-subdivided business park-style industrial developments. The rise of 3D printing is expected to continue the growth of small-scale, higher-value production in precincts close to clients.

Land use contestability

Competition for industrial lands in the inner city is high. These lands are often well located near public transport, main roads and, in the case of Leichhardt in particular, close to services and local amenities such as shopping centres and high streets. These characteristics are attractive to residential development in particular because the land values under industrial zoning are lower than surrounding residential land values. This often leads to land holdings being speculatively acquired in the hope that sustained pressure will see land values turn over to higher-value residential use.

Industrial lands also face pressure from other business and retail sectors. The transition of many traditional 'heavy' manufacturing businesses to larger, unencumbered precincts in Sydney's west has seen many of the remaining buildings filled with emerging industries as well as opportunistic businesses with no real need to locate in industrial precincts aside from the versatility of the building floorplates and lower rents. Retail use, particularly bulky-goods retail is also drawn to these precincts – again due to lot sizes and lower land values.

2.2 Subregional snapshot

As an LGA within Sydney's Central subregion, Leichhardt has a relatively small amount of industrially-zoned land. Its approximately 100 hectares equates to 7 percent of the subregion's total. Although already small, Leichhardt's industrially-zoned land is continuing to reduce. Between 2011 and 2015, Leichhardt saw a net loss of almost 5 hectares, 4.5% of the LGA's 2011 total (Table 1). This loss, coupled with Leichhardt's small amount of industrial land and neighbouring Marrickville's similar amount (170 hectares in 2015) has meant that continued demand, in particular for population-serving industries such as self-storage services or automobile maintenance and repairs, are facing increasing pressures.

TABLE 1. CHANGE IN INDUSTRIALLY-ZONED LAND BY LGA, 2011-2015

LGA	Total Industrial lands 2011 (Ha)	Total industrial lands 2015 (Ha)	Net change (2011 to 2015) (Ha)
Ashfield	7.9	7.0	-0.9
Botany Bay*	398.6	483.1	84.5
Burwood	1.2	0.7	-0.5
Canada Bay	31.1	30.4	-0.7
Leichhardt	106.6	101.7	-4.9
Marrickville	167.2	169.2	2.0
Randwick	234.7	204.3	-30.4
Strathfield **	198.7	287.0	88.3
City of Sydney	154.1	161.1	7.0
Waverley	0.0	0.0	0.0
Woollahra	0.0	0.0	0.0
TOTAL	**1,300.1**	**1,444.5**	**144.4**

Source: NSW Department of Planning and Environment Employment Lands Development Program, 2011-2015
* In 2012, Port Botany expanded its capacity by over 100 hectares through land reclamation in Botany Bay
** In 2014, Strathfield rezoned over 100 hectares of land for the development of the Enfield Intermodal Freight interchange terminal

Demand for these lands is evident when examining vacancy rates for each LGA in the Central subregion. Vacancy rates are measured by the proportion of undeveloped land as a percentage of an LGA's total industrial lands (developed plus undeveloped land). This is defined through the NSW Department of Planning and Environment's Employment Lands Development Program (Table 2).

TABLE 2. INDUSTRIAL LANDS VACANCY RATE, 2015

LGA	Vacancy rate (percentage of undeveloped land)
Ashfield	1%
Botany Bay	5%
Burwood	0%
Canada Bay	1%
Leichhardt	3%
Marrickville	4%
Randwick	0%
Strathfield	8%
City of Sydney	4%
Waverley	0%
Woollahra	0%
SUBREGIONAL TOTAL	4%

Source: NSW Department of Planning and Environment Employment Lands Development Program, 2011-2015

As discussed in section 2.1, competition for inner city industrial land comes from a number of alternate land uses. Table 3 identifies what zone industrial land in the subregion has been rezoned to between 2011 and 2014. Although residential is cited as the largest threat to industrial lands, employment and business rezoning's clearly dominate.

This suggests that inner city councils, landowners and businesses are seeing continued demand for the type of floorspace and location that these precincts provide and are seeking to adapt them to meet emerging needs of a diverse set of industries.

TABLE 3. LAND REZONING AWAY FROM INDUSTRIAL, CENTRAL SUBREGION, 2011-2014

	Subregional rezonings (Hectares)		
Year	**Total rezoned to residential**	**Total rezoned to business (B1, B2, B4)**	**Total rezoned to employment (B5, B6, B7)**
2014	0.8	0.7	0.5
2013	11.7	0.7	0
2012	0.7	1	0
2011	5	2.5	26.7
Total	**18.2**	**4.9**	**27.2**

Source: NSW Department of Planning and Environment Employment Lands Development Program, 2012-2015

This transition away from industrial uses to other employment uses reflects the observation made in the 2015 Employment Lands Development Program (and discussed in Section 2.1) that a significant proportion of industrial land use is outside of what many people would consider 'traditional' industry. This important distinction highlights the transition that many industrial precincts are undergoing, in particular in inner city industrial precincts where competition for alternate uses is high.

2.3 Future growth

Subregional population growth

Demand for inner city living and the benefits many derive from it will see the population of the central subregion continue to grow. Across the subregion, Bureau of Transport Statistics (BTS) population projections indicate an overall growth of 40% above 2011 population levels by 2036 (Table 4). Leichhardt is forecast to grow by 27% over this period.

TABLE 4. PROJECTED SUBREGIONAL POPULATION GROWTH BY LGA

Ashfield	43,538	55,245	27%
Botany Bay	41,504	59,456	43%
Burwood	34,176	49,942	46%
Canada Bay	80,065	117,002	46%
Leichhardt	55,642	70,588	27%
Marrickville	81,121	107,594	33%
Randwick	137,792	182,537	32%
Strathfield	37,239	53,411	43%
City of Sydney	183,281	291,878	59%
Waverley	68,698	85,427	24%
Woollahra	56,320	70,109	24%
TOTAL	**819,376**	**1,143,189**	**40%**

Source: Bureau of Transport Statistics, 2014

Major subregional development

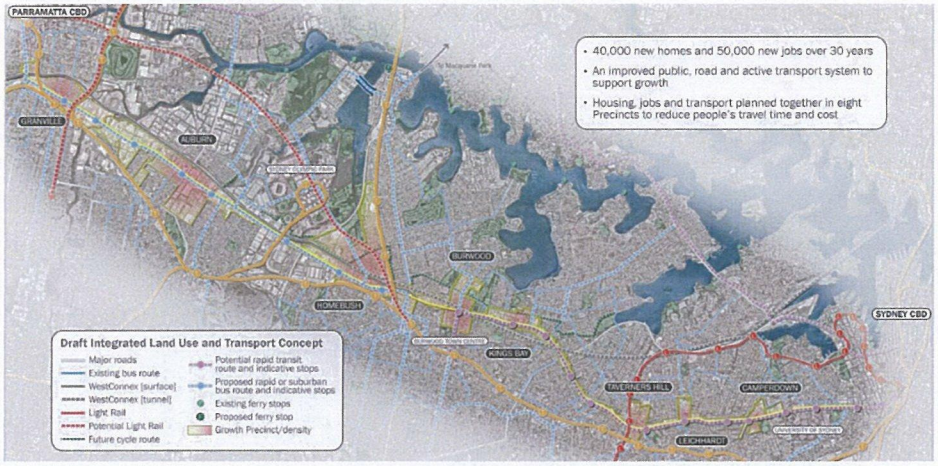
In addition to BTS projections, a number of significant urban renewal projects are in various stages of planning. These will directly impact Leichhardt with concentrated population growth in specific areas. They are also likely to increase demand for local services in centres such as Norton Street.

Parramatta Road Corridor

UrbanGrowth NSW recently released their *Draft Parramatta Road Urban Renewal Strategy* (September 2015). This provides a planning framework and Vision for the entire length of Parramatta Road, driven by the need to better utilise the major transport corridor. The corridor's development is precipitated by the delivery of the WestConnex Motorway which UrbanGrowth NSW contend will reduce vehicular movements along Parramatta Road and facilitate mixed use development.

The draft strategy proposes 70,000 additional residents in 40,000 new dwellings, along with 50,000 new jobs along the corridor. Three of the corridor's eight precincts; Taverner's Hill, Leichhardt and Camperdown are partially located in the Leichhardt LGA. Collectively, UrbanGrowth NSW propose that these precincts could accommodate up to 9,310 new residents and a net loss of 164 jobs by 2050.

FIGURE 1. PARRAMATTA ROAD URBAN TRANSFORMATION STRATEGY



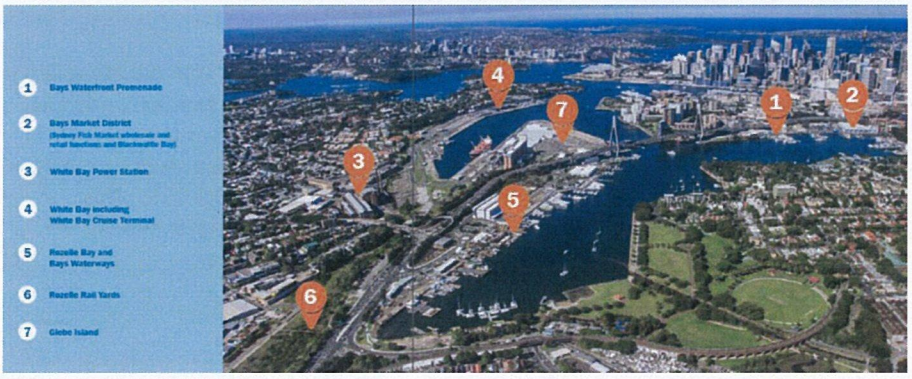
Source: UrbanGrowth NSW, 2015

These proposed precincts will place significant pressure on Leichhardt's existing industrial lands, in particular Tebbutt Street and Camperdown. Camperdown in particular is of concern as it still retains a strong industrial character which the draft strategy proposed to supplant with more mixed use and residential land use.

Bays Precinct

UrbanGrowth NSW are also in the process of developing a plan for the renewal of the Bays Precinct, an 80 hectare site with over five kilometres of waterfront stretching around White, Rozelle and Blackwattle Bays. The plan is in its infancy and will be delivered over the next 30 years. The nature of the project is such that no firm population or job numbers have been provided at the time of writing. However, it can be expected that across the precinct, in both Leichhardt and the City of Sydney, the Bays Precinct will provide new homes and places of work for thousands of people.

FIGURE 2. BAYS PRECINCT TRANSFORMATION AREA



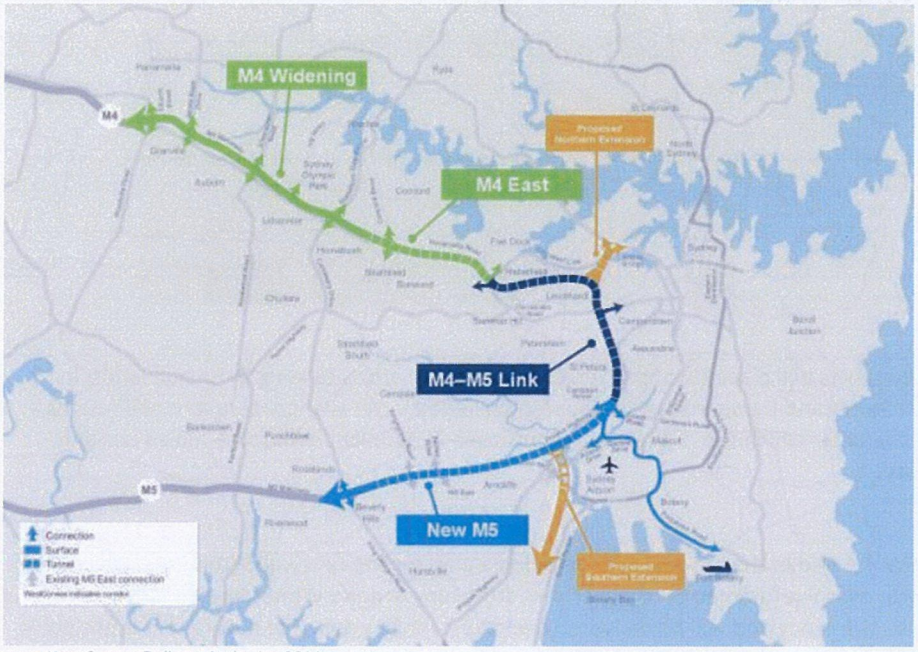
Source: UrbanGrowth NSW, 2015

The Bays Precinct incorporates or sits adjacent to some of Leichhardt's last remaining significant industrially-zoned lands. The White Bay industrial precinct may face pressure from development that occurs along the White Bay foreshore.

WestConnex

WestConnex is a 33 kilometre motorway project, adopted by the State Government in 2012 and scheduled for staged completion between 2019 and 2023. The motorway is proposed to deliver vehicles into the CBD from the west and help to alleviate congestion along Parramatta Road. As mentioned above, it is identified by UrbanGrowth NSW as a piece of catalytic infrastructure that will enable the revitalisation of the Parramatta Road Corridor.

FIGURE 3. WESTCONNEX CONCEPT DESIGN



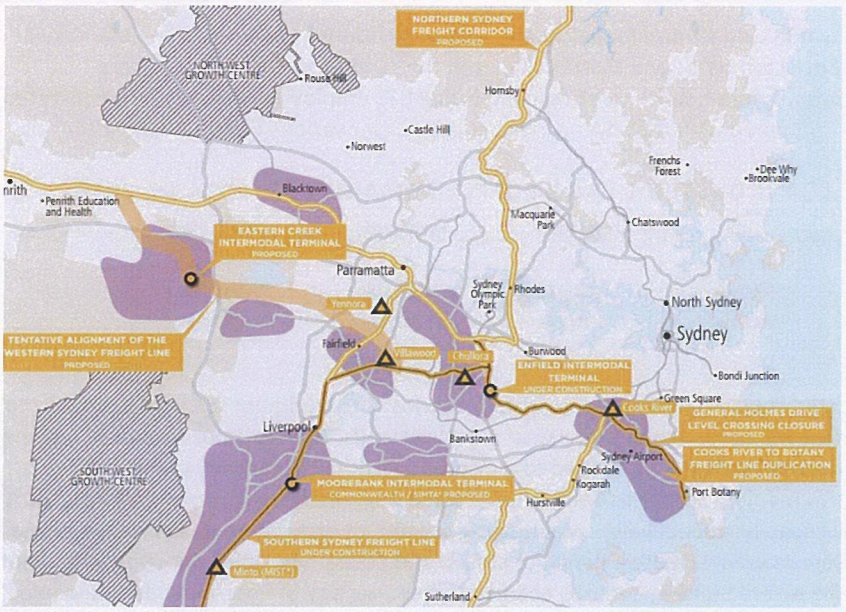
Source: WestConnex Delivery Authority, 2014

The final alignment of Stage Three of the WestConnex project is yet to be confirmed. This is the section that would go under Leichhardt and the uncertainty regarding any potential on/off ramps makes planning for future land use more difficult due to a lack of clarity regarding potential land acquisition requirements.

Port Botany and Sydney Airport

Port Botany and Sydney Airport are critical pieces of freight infrastructure for NSW. Both are identified in *A Plan for Growing Sydney* as Transport Gateways. Between 2011 and 2015, Port Botany expanded its operational area by over 80 hectares in order to accommodate future growth. This has been driven, in part, by a State-identified need to increase the proportion of freight containers transported by rail from 20% to 40% in an attempt to better utilise freight rail networks and reduce road congestion. This expansion of freight networks is supported by improvements to and delivery of new intermodal terminals across Sydney, such as Enfield and Moorebank.

FIGURE 4. SYDNEY'S FREIGHT PRECINCTS AND FREIGHT NETWORK

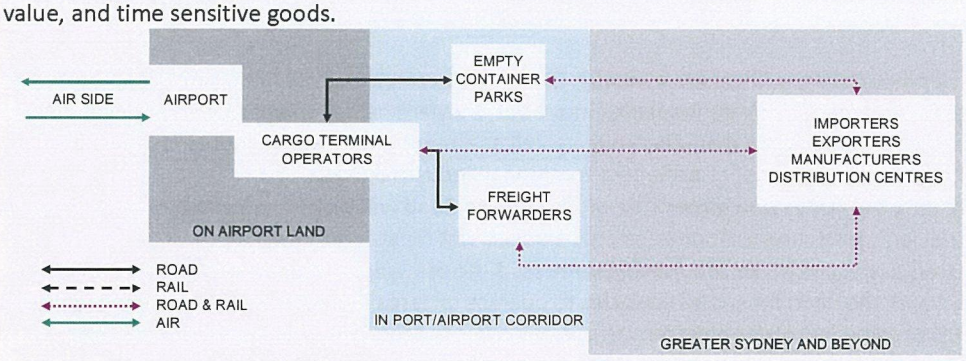


Source: WestConnex Delivery Authority, 2014

Both the port and airport precincts, however, suffer from an inability to dramatically expand due to constraints presented by surrounding land uses. As freight requirements continue, industrial precincts in surrounding LGAs such as Leichhardt and Marrickville may see an increase in demand for port and airport-related services, due to their proximity.

The Sydney Airport logistics chain

The figure below shows a simplified logistics chain linking Kingsford Smith Airport with the Sydney region. Around 80 percent of airfreight arrives and leaves in the belly of passenger aircraft. The remaining 20 percent is carried on dedicated freight aircraft. Air freight tends to be low volume, high value, and time sensitive goods.



Cargo Terminal Operations (CTOs) currently reside within the Airport's Freight Precinct. CTOs include Qantas, Auspost, DHL and Patrick. The onsite location offers a contiguous airside-landside interface. CTOs bring freight in, and move it onto the plane, and vice versa. Due to space constraints on the airport site, some CTO operations overlap onto the surrounding land area, for example Qantas' landholdings in Botany Bay LGA, which include private road access to the Airport.

Airfreight forwarders are located close to the airport, and pack/unpack consignments into air freight containers referred to in the industry as Unit Load Devices (ULDs). Consignments that are not processed by airfreight forwarders are transported directly between CTOs and importers, exporters, manufacturers, and distribution centres. Because of the low volume, high value, time sensitive characteristics of air freight, small truck transport tends to be favoured over rail. Empty ULDs are returned to container parks near the airport for repacking or empty export.

Source: Sydney Airport (2009) and SGS Economics and Planning (2008)

Subregional supply and demand

SGS has undertaken industrial land studies for Leichhardt and neighbouring LGAs, including Marrickville and the City of Sydney. Both Leichhardt and Marrickville used the same methodology and were undertaken in 2014. In both, future employment demand (using BTS employment projections converted to floorspace) has been compared with the LGA's current supply under various development scenarios.

TABLE 5. FORECAST LGA INDUSTRIAL LAND SUPPLY-DEMAND GAP, 2014 TO 2036

	Min	Med (40%)	Med (60%)	Max
Leichhardt	-54,965	-33,811	-22,335	-7,568
Marrickville	-39,932	168,522	249,985	750,452
TOTAL	**-94,897**	**134,711**	**227,650**	**742,884**

Source: SGS Economics and Planning, 2014

Table 5 shows the projected supply-demand gap in three scenarios. The minimum scenario assumes that no additional development will occur across both LGAs' industrial lands. The maximum scenario assumes that theoretically, all industrial lands are developed to maximum permissible capacity under existing planning controls. The two medium scenarios each assume some degree of development (40% and 60% of maximum theoretical capacity respectively). Maintaining current lot arrangements and usage across both LGAs industrial precincts would create a deficit of almost 100,000sqm by 2036. Some development, particularly in Marrickville where building controls enable greater intensity of floorspace per lot would, however, return a surplus. This is precipitated on Marrickville retaining its industrial lands, however it too is facing increasing pressure for residential and mixed use development within its precincts.

A study was undertaken by SGS for the City of Sydney's industrial and employment lands in 2013. This found that there was sufficient zoned land to accommodate the LGA's future demand, however the precinct's proximity to the airport and port mean that industries requiring this proximity will look to locate in the City of Sydney and possibly push industries without such a tie to nearby precincts such as Marrickville and Leichhardt. It is also important to note that much of Leichhardt's uses are local in nature and not easily transferable to other LGAs.

2.4 Key messages

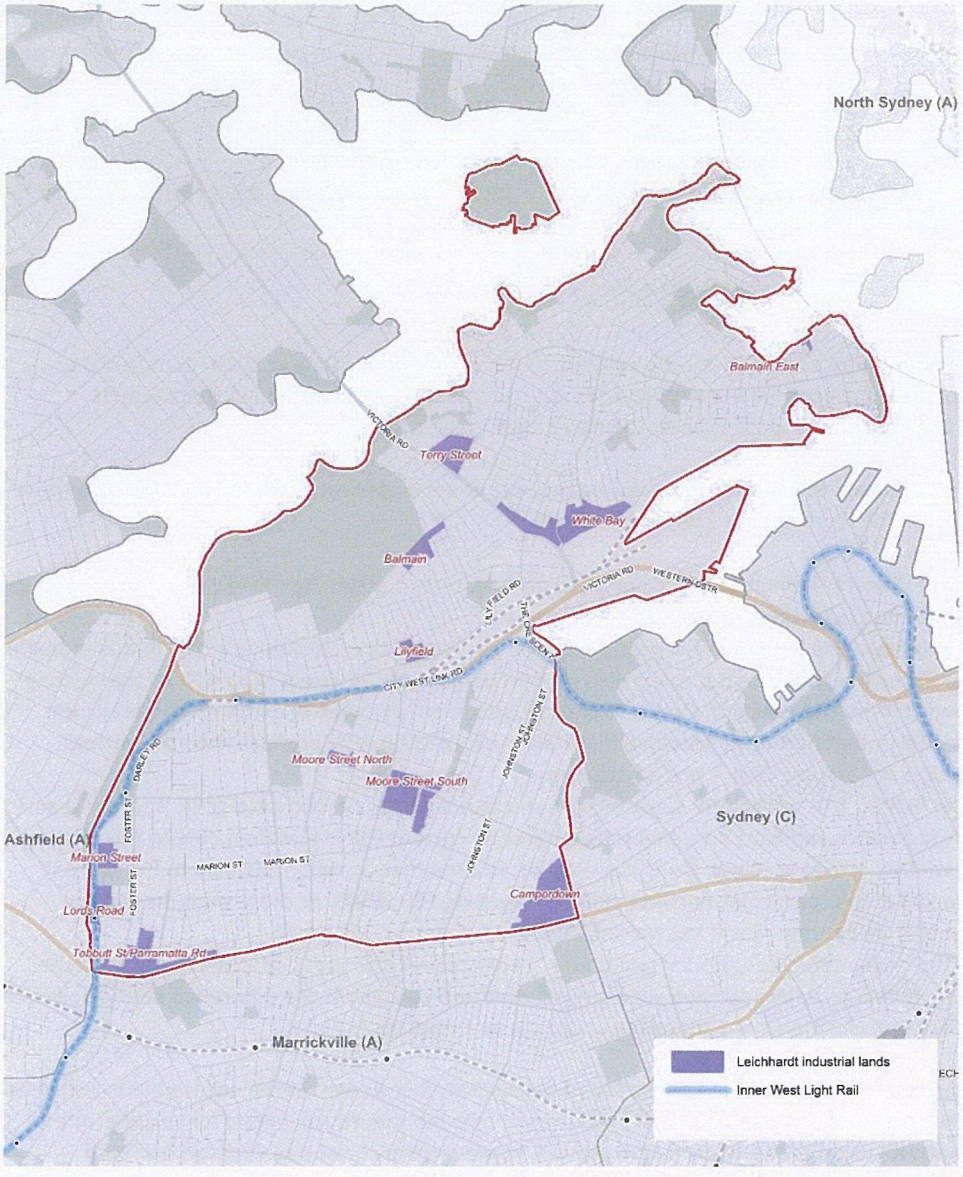
- **Inner city industrial precincts are evolving.** Inner city precincts are still important for a number of industries. As larger floorplate industries move out, they are being replaced by emerging industries such as higher value urban manufacturing as well as a number of creative industries that require large floorspace but are not classified as 'traditional' industrial uses.
- **Maintaining the status quo either side of Parramatta Road will not be sufficient.** Simply protecting industrial land with current floorspace provision will not meet future demand.
- **Many traditional industries are moving westward.** Across Sydney, there is competition for land coupled with the need for some industries to operate on large lots with few encumbrances. This has meant that some industries have moved out of inner city precincts. The large industrial land releases of western Sydney are more attractive to these uses.
- **Industries that remain do so for a reason.** Many businesses that remain in inner city precincts do so as they have strong links to surrounding business networks and are important parts of the supply chain. They may support the operations of a nearby centre, rely on infrastructure to operate or act as a subregional distribution point for goods and services that cannot locate away from their market.
- **Industrial land is being rezoned, but not necessarily to residential.** Although demand for new housing places significant pressure on inner city industrial lands, the need for other commercial uses to operate in areas other than commercial cores is driving rezoning away from industrial uses. These tend to be towards B5 Business Development, B6 Enterprise Corridor or B7 Business Park.
- **A growing population needs service provision.** Future population growth, coupled with major urban renewal projects, will place pressure on remaining industrial lands to turn over to higher value land uses whilst simultaneously increasing demand for population-serving industries.

3 PRECINCT PROFILES

3.1 Introduction

Leichhardt has eleven industrial precincts scattered throughout the LGA. These vary in size and function. The following profiles provide a snapshot of each precinct's land use, built form and industry characteristics. Information is also provided regarding floorspace by industry for the four largest precincts.

FIGURE 5. LEICHHARDT'S INDUSTRIAL PRECINCTS



Source: SGS Economics and Planning, 2014

3.2 Current capacity summary

Table 6 identifies the current floorspace capacity of the industrial zoned precincts in Leichhardt. In total, Leichhardt currently has 308,092sqm of floorspace within its industrial precincts. Appendix 1 defines the Broad Land Use Categories (BLCs).

TABLE 6. SUMMARY OF CURRENT PRECINCT FLOORSPACE, 2014

	Broad Land Use Categories (BLCs) (sqm)											
Precincts	**BP**	**D**	**FL**	**LL**	**ML**	**O**	**RBG**	**RES**	**RM**	**US**	**VBL**	**Total**
Balmain East	-	-	-	-	-	916	-	482	-	-	-	**1,398**
Balmain	-	-	-	7,365	3,613	5,534	1,027	-	533	-	-	**18,072**
Camperdown	-	474	-	40,983	-	2,587	26,339	4,134	330	-	677	**75,523**
Marion	-	8,441	651	3,752	-	-	-	-	-	-	-	**12,844**
Lilyfield Road	-	-	779	2,794	1,150	214	-	428	-	-	-	**5,364**
Lords Road	-	243	-	11,111	-	-	-	-	-	-	-	**11,354**
Moore Street South	-	1,111	11,375	10,216	13,875	3,314	6,098	1,107	-	434	1,960	**49,490**
Moore Street North	-	-	-	6,360	5,256	-	-	-	-	-	-	**11,616**
Tebbutt St/ Parramatta	-	104	639	21,142	3,130	7,776	11,108	1,205	2,092	-	-	**47,196**
Terry Street	-	1,007	560	8,929	976	-	728	2,907	-	52	-	**15,161**
White Bay	-	480	1,483	37,948	16,393	897	1,650	847	-	-	376	**60,075**
Total	**-**	**11,860**	**15,487**	**150,600**	**44,393**	**21,238**	**46,951**	**11,109**	**2,955**	**487**	**3,013**	**308,092**

Source: SGS Economics and Planning, 2014

3.3 Future potential capacity

The land audit undertaken by SGS for the *Leichhardt Industrial Lands Study* in 2014 identified the existing floorspace for each land use type. A series of scenarios were identified in that study to determine how much floorspace is likely to be available in the future.

The scenarios are used to consider the possible degrees of development and intensity of use on these industrial lands. The four capacity scenarios include:

- **Minimum**. Vacant floorspace plus floorspace on vacant sites assuming these will be developed up to the maximum allowable under current controls
- **Medium (40%)**. The 'minimum' capacity scenario plus capacity on occupied sites. In this scenario we only include capacity on occupied sites where the current FSR is less than 40% of the existing observed FSRs in that precinct. On these sites we assume that capacity exists up to the current average FSR in that particular precinct. If a site's existing FSR is 40% or more than the current average FSR we assume that it has no capacity.
- **Medium (60%)**. The 'minimum' capacity scenario plus capacity on occupied sites. In this scenario we only include capacity on occupied sites where the current FSR is less than 60% of the existing observed FSRs in that precinct. On these sites we assume that capacity exists up to the current average FSR in that particular precinct. If a site's existing FSR is 60% or more than the current average FSR we assume that it has no capacity.
- **Maximum**. Again, this includes the 'minimum' capacity scenario plus capacity on occupied sites. However, in this case, all occupied sites are included and capacity is the difference between existing floorspace and the maximum allowable under current controls.

These scenarios do not consider the feasibility of development or utilise market assessments within each scenario. They are used as an incremental examination into the theoretical ability for Leichhardt's industrial lands to accommodate any future growth. However, they have been established with consideration to realistic development possibility. In order to calculate these scenarios, an average FSR was derived for each precinct (refer to Table 7).

TABLE 7. LEICHHARDT INDUSTRIAL LANDS AVERAGE PRECINCT FSR

Precinct	Ave. FSR
Balmain East	0.9
Terry St	0.7
White Bay	1.0
Balmain Rd	1.5
Lilyfield Rd	0.8
Moore St North	1.2
Moore St South	1.1
Marion St	1.2
Lords Rd	1.2
Tebbutt St/ Parramatta Rd	1.1
Camperdown	1.0

Source: SGS Economics and Planning, 2014

Some precincts have observed average FSRs greater than the maximum permissible 1:1. The medium scenarios use this as their basis because it is an accurate reflection of prevailing conditions within precincts. The maximum scenario is more hypothetical, giving an indication of what could be delivered if all industrially zoned land was re-developed in accordance with current policy. This approach allows realistic scenarios to be compared with hypothetical policy scenarios.

The capacity analysis in Table 8 shows that with minimal development of industrial lands within Leichhardt, there is very little surplus capacity within the existing industrial precinct profiles (just under 7,000sqm). Under two medium capacity scenarios, which considered varying levels of site redevelopment potential, excess capacity rises by 28,090sqm or 39,567sqm. When compared to the total floorspace within Leichhardt's industrial precincts, these scenarios demonstrate that even with some degree of development, only 9% or 13% of the floorspace would be in excess of demand, or 'spare' floorspace.

TABLE 8. LEICHHARDT INDUSTRIAL LANDS CAPACITY (SQM)

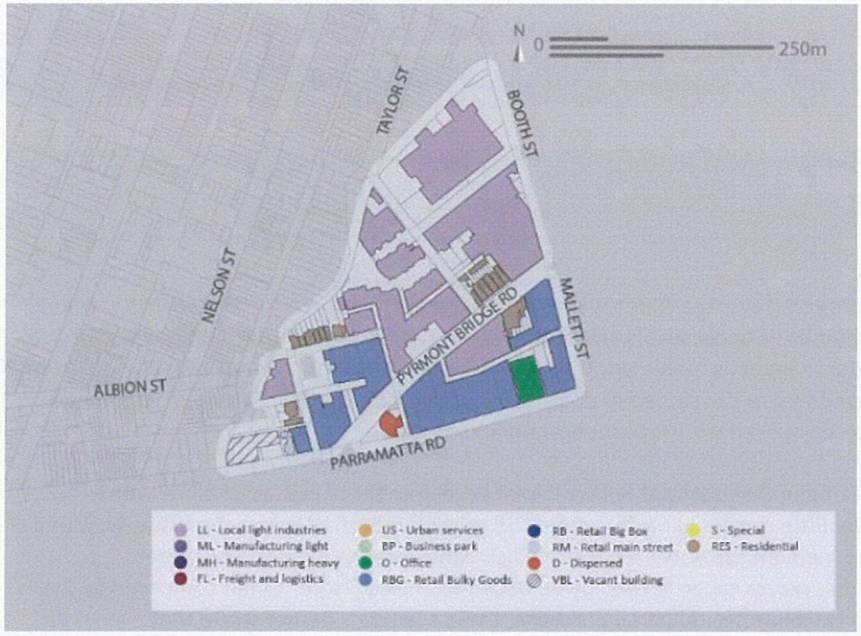
Precinct	Min	Med (40%)	Med (60%)	Max
Balmain East	145	1,606	1,606	1,926
Terry St	-	781	1,498	4,933
White Bay	2,502	4,217	6,682	10,164
Balmain Rd	-	-	411	411
Lilyfield Rd	-	-	-	500
Moore St North	-	-	-	527
Moore St South	3,612	12,477	14,782	17,844
Marion St	-	-	1,491	1,491
Lords Rd	-	-	-	-
Tebbutt St/ Parramatta Rd	-	3,958	4,734	7,233
Camperdown	677	5,050	8,362	9,303
TOTAL	**6,936**	**28,090**	**39,567**	**54,331**

Source: SGS Economics and Planning, 2014

In order to identify future potential capacity, it is important to understand the nature of the industrial precincts. The following sections will identify the current land use and built form of each precinct.

3.4 Camperdown precinct

FIGURE 6. CAMPERDOWN PRECINCT



Land use and built form

The Camperdown precinct is dominated by local light and bulky goods retail land uses. The large proportion of floor space within the local light category is aligned with the significant amount of large floorplate self-storage buildings located within the precinct. The precinct has the greatest total gross floor area (GFA), as well as the greatest GFA in the local light, bulky goods retail and residential Broad Land Use Categories (BLCs). The precinct contains 27% of the LGA's supply of local light floorspace and 56% of the supply of bulky goods retail floorspace across the entire study area.

The precinct is located in close proximity to Sydney University and adjacent to new high-density housing developments in the City of Sydney LGA and south of Parramatta Road in Marrickville LGA. The Parramatta Road frontage is consistent in height (two storeys) and building setback, with all buildings presenting a unified building line abutting the footpath. The building facades, however, differ throughout.

The precinct's internal streets are narrow and irregular block shapes contain large floorplate warehouse-style buildings, varying in height between one to two storeys. The build stock age varies from early twentieth century warehouses to late century local industrial parks. A recurring characteristic is the narrow footpaths and lack of active frontages within the precinct's internal streets.

The precinct's proximity to the CBD and good arterial road access, coupled with its size and large floorplate units, mean that the Camperdown precinct is a strategically important light industrial area for both Leichhardt and the wider Central subregion.

TABLE 9. CAMPERDOWN PRECINCT SUMMARY TABLE

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Total floorspace (sqm)	26,339	2,587	330	4,134	-	40,983	474	677	-	-
Number of lots	35	1	1	31	-	38	2	2	-	-
Number of buildings	7	1	2	18	-	10	1	-	-	-
Average FSR	1.2	1.5	0.5	0.8	-	1.1	0.4	1.2	-	-

Camperdown has a range of lot sizes accommodating a diverse group of land uses. Most lots within the precinct fall between 100sqm and 500sqm, however the Camperdown precinct contains the highest total amount of lots with size in excess of 1,000sqm.

FIGURE 7. CAMPERDOWN PRECINCT LOT SIZE RANGE

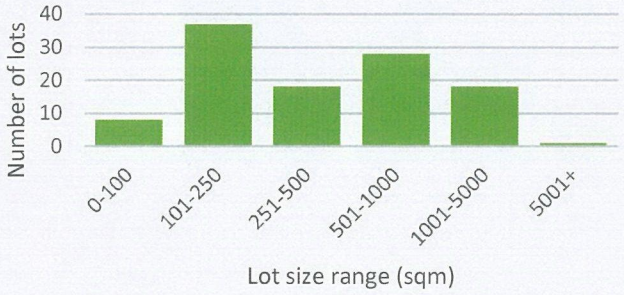


TABLE 10. CAMPERDOWN PRECINCT ACCESSIBILITY

Distance to transport	Distance to road corridors	Distance to local centres
Booth Street bus stop: 210m	Parramatta Road: 350m	Booth Street: 450m
Parramatta Road bus stop: 350m	Booth Street: 300m	Norton Street: 1.8 km
Newtown and Stanmore train stations: 1.7 km	Princes Highway (King Street): 1.6 km	
Jubilee Park light rail station: 1.4 km	City West Link: 2 km	

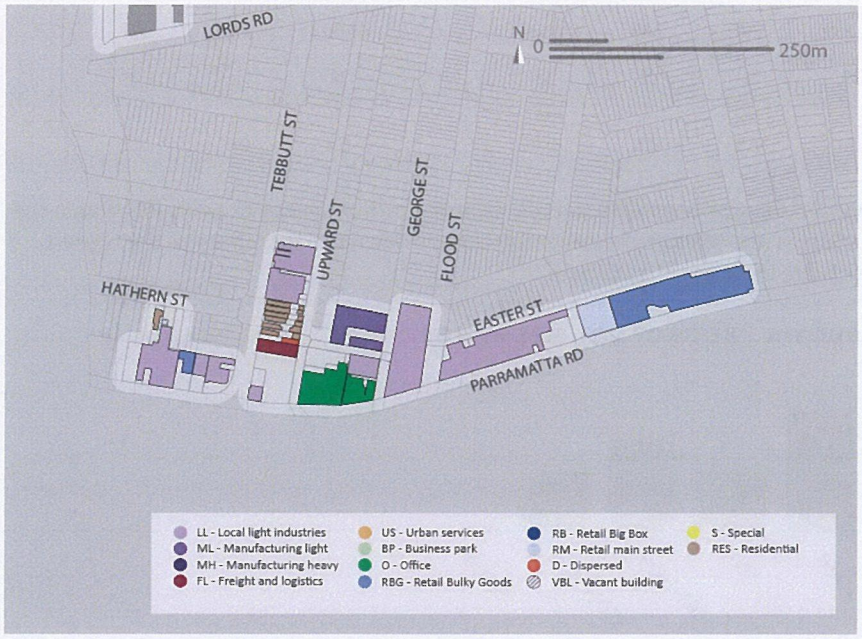
Employment profile

The industries locating within the Camperdown precinct are largely dominated by retailing and wholesaling, reflecting the prominence of floorspace utilised by bulky goods retail. The precinct consists of the following industries (at a three-digit ANZSIC level). More information is contained in Appendix 1.

- Beverage Manufacturing
- Printing and Printing Support Services
- Building Installation Services
- Other Machinery and Equipment Wholesaling
- Motor Vehicle and Motor Vehicle Parts Wholesaling
- Textile, Clothing and Footwear Wholesaling
- Fuel Retailing
- Furniture, Floor Coverings, Houseware and Textile Goods Retailing
- Electrical and Electronic Goods Retailing
- Clothing, Footwear and Personal Accessory Retailing
- Pharmaceutical and Other Store-Based Retailing
- Cafes, Restaurants and Takeaway Food Services
- Warehousing and Storage Services
- Motor Vehicle and Transport Equipment Rental and Hiring
- Real Estate Services
- Architectural, Engineering and Technical Services
- Legal and Accounting Services
- Sports and Physical Recreation Activities
- Automotive Repair and Maintenance
- Recreational Goods Retailing

3.5 Tebbutt Street/Parramatta Road precinct

FIGURE 8. TEBBUTT STREET/PARRAMATTA ROAD PRECINCT



Land use and built form

The precinct is a long precinct extending along Parramatta Road. It contains street frontage properties to Parramatta Road and properties with frontage to Tebbutt Street. The precinct is bounded by residential areas to the north and there is some residential development within the industrial zoned area.

The built form along Parramatta Road is varied, with a number of different uses, building forms and setbacks. This is consistent with the variety of uses and the precinct as a whole retains the prevailing building height of this section of Parramatta Road.

The precinct's location along Parramatta Road and Tebbutt Street (which is an important north-south link to the City West Link) gives the precinct a strategic location to service both a local and subregional catchment. This location also means that there is a mix of uses relating to other stretches of Parramatta Road, including office and retail functions. It is one of the larger industrial precincts in Leichhardt. Unlike the remainder of the Parramatta Road corridor, this precinct is not affected by a heritage conservation overlay nor does it contain any heritage items. There is however, a heritage conservation area to the north of some of the Parramatta Road frontage properties.

Tebbutt Street provides access to the Brown Street Parramatta Road overpass and experiences heavy traffic. Back from Parramatta Road, land uses are mostly 'local service industrial' in nature such as equipment hire, storage, automotive parts, etc. Fronting Parramatta Rd, activities are more retail/ trade supplies focussed with uses such as electrical equipment supplies, DJ equipment supplies as well as automotive services. There are also significant printing operations in this location.

TABLE 11. TEBBUTT STREET/PARRAMATTA ROAD PRECINCT SUMMARY TABLE

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Total floorspace (sqm)	11,108	7,776	2,092	1,205	639	21,142	104	-	3,130	-
Number of lots	3	9	5	8	3	42	1	-	1	-
Number of buildings	2	2	2	7	1	9	1	-	2	-
Average FSR	1.4	1.7	0.5	0.6	0.2	1.0	0.4	-	1.2	-

There are a range of lot sizes contained within the Tebbutt Street precinct, with the majority being of small-medium size (100-500sqm). There is also a substantial proportion of lots greater than 1000sqm.

FIGURE 9. TEBBUTT STREET/PARRAMATTA ROAD PRECINCT LOT SIZE RANGE

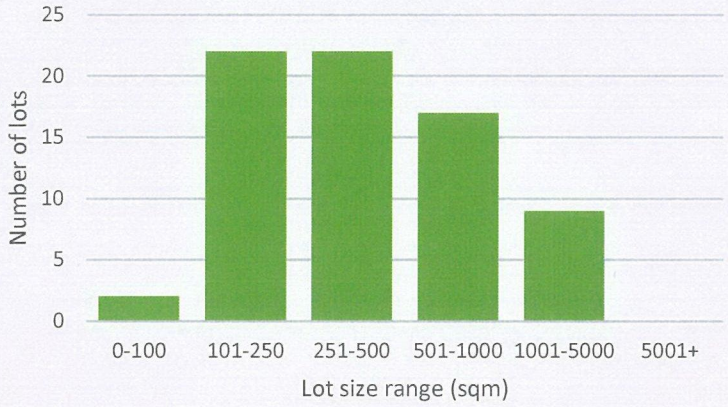


TABLE 12. TEBBUTT STREET/PARRAMATTA ROAD PRECINCT ACCESSIBILITY

Distance to transport	Distance to road corridors	Distance to local centres
Lords Road bus stop: 500m	Parramatta Road: 40m	Market Place: 520m
Parramatta Road bus stop: 200m	Livingstone Road: 1 km	Norton Street: 850m
Taverners Hill light rail: 400m	City West Link: 2 km	
Lewisham train station: 500m	New Canterbury Road: 1 km	

Employment profile

The employment profile of the area reflects the prominence of local light services and bulky goods retail within the precinct. There are also professional services located within the precinct, reflecting its relatively substantial office floorspace. The precinct consists of the following industries (at a three-digit ANZSIC level):

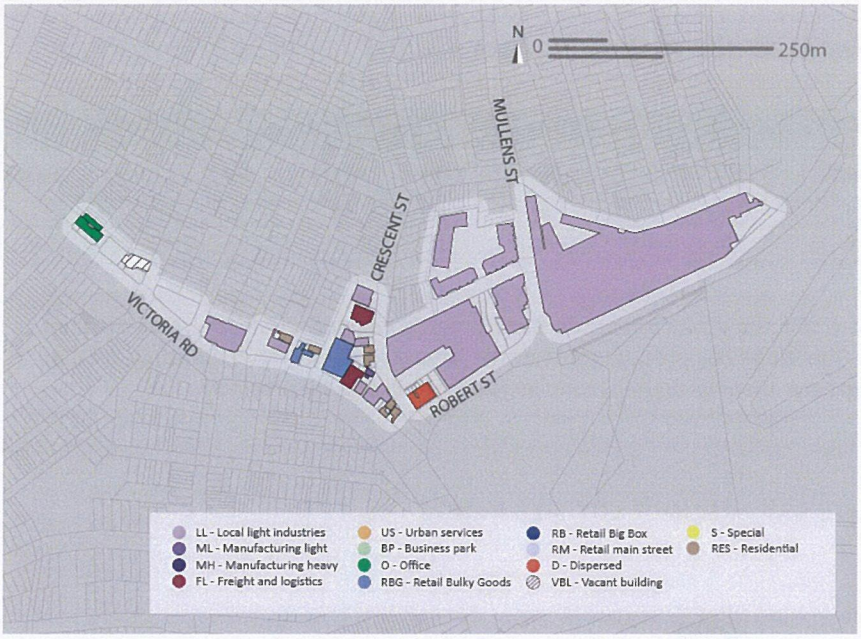
- Other Food Product Manufacturing
- Printing and Printing Support Services
- Specialised Machinery and Equipment Manufacturing
- Furniture Manufacturing
- Electricity Distribution
- Building Installation Services
- Mineral, Metal and Chemical Wholesaling
- Building Installation Services
- Mineral, Metal and Chemical Wholesaling
- Other Machinery and Equipment Wholesaling
- Motor Vehicle Retailing
- Motor Vehicle Parts and Tyre Retailing
- Specialised Food Retailing
- Recreational Goods Retailing
- Pharmaceutical and Other Store-Based Retailing

- Other Machinery and Equipment Wholesaling
- Motor Vehicle Retailing
- Motor Vehicle Parts and Tyre Retailing
- Specialised Food Retailing
- Specialised Machinery and Equipment Manufacturing
- Furniture Manufacturing
- Electricity Distribution
- Warehousing and Storage Services
- Legal and Accounting Services
- Advertising Services
- Other Professional, Scientific and Technical Services
- Other Administrative Services
- Educational Support Services
- Creative and Performing Arts Activities
- Automotive Repair and Maintenance

More information is contained in Appendix 1.

3.6 White Bay precinct

FIGURE 10. WHITE BAY PRECINCT



Land use and built form

The White Bay industrial precinct is one of the LGA's largest and contains industrial buildings with some of the largest footprints. It provides the second largest amount of gross floor area (GFA) within the LGA's precincts. It contains a substantially high proportion of the LGA's supply of local light floorspace (25%), similar to the Camperdown precinct. The precinct has the highest total GFA for the light manufacturing Broad Land Use Categories (BLC) within Leichhardt's precincts, comprising 37% of supply.

It has some presence along Victoria Road, although access is better along Mullens and Robert Streets. Surrounding residential is low-density in scale, with original workers cottages the prevailing architectural style – giving Balmain its distinctive urban character. The precinct currently faces onto maritime-servicing land and therefore has few competing land uses.

The large warehouse buildings vary in age but are consistent in their form – brick and three to four storeys. The large lots and proximity to port and arterial road infrastructure mean that the precinct is currently one of the most important in the LGA.

Businesses in this location are diverse and include a gym and film studio. There are numerous auto-repairers such as along Mullens Street, as well as show room uses along Victoria Road. Port facilities at Glebe Island and White Bay are the primary adjacent land uses. Current and future operations at this location have the potential to impact upon amenity in the area, and previous proposals for widening the range of uses in this area have not been supported by State Government. Residential areas are located to the north and west of this employment land precinct.

This precinct will be affected by the proposed adjacent Bays Precinct Urban Transformation Program which covers around 80 hectares of Government owned land including sites such as the heritage-listed White Bay Power Station, Glebe Island, White Bay, Rozelle Bay, Rozelle Rail Yards and Blackwattle Bay, including the Sydney Fish Market.

Council has received submissions enquiring about the potential to rezone sites along Victoria Road given the difficulty in accessing the units and the surrounding residential use. The linear nature of the Victoria Road frontage and small lots would make any precinct-wide industrial redevelopment difficult along this stretch.

TABLE 13 WHITE BAY PRECINCT SUMMARY TABLE

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Total floorspace (sqm)	1,650	897	-	847	1,483	37,948	480	376	16,393	-
Number of lots	3	3	-	8	3	49	7	3	-	-
Number of buildings	-	-	-	-	-	-	-	-	-	-
Average FSR	0.7	1.3	-	0.7	1.2	1.1	0.6	0.5	-	-

The lot sizes contained within the White Bay precinct are largely contained within the small-medium ranges (100-500sqm). The White Bay precinct contains the largest sized lot within the study area, in excess of 19,000sqm, greater than twice the second largest (in the Lords Rd precinct).

FIGURE 11. WHITE BAY PRECINCT LOT SIZE RANGE

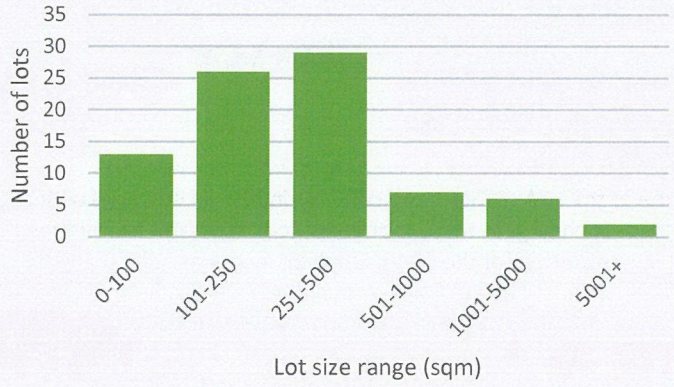


TABLE 14. WHITE BAY PRECINCT ACCESSIBILITY

Distance to transport	Distance to road corridors	Distance to local centres
Victoria Road bus stop: 290m	Victoria Road: 150m	Rozelle: 590m
Rozelle Bay light rail station: 750m	City West Link: 710m	Darling Street: 1.3 km
	Anzac Bridge: 750m	Johnson Street: 1.75 km
	Parramatta Road: 2.5 km	

Employment profile

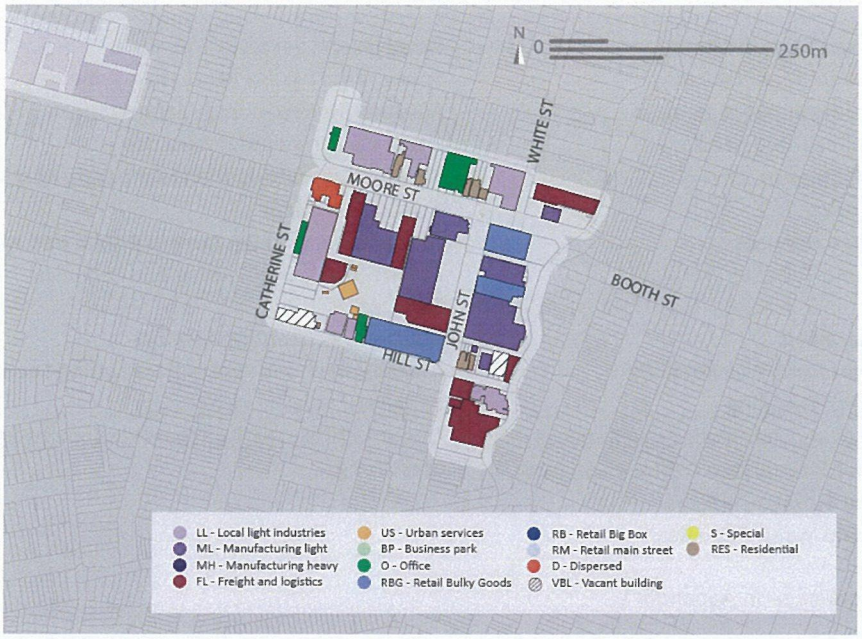
The precinct accommodates a diverse range of industries, including various manufacturing uses. There are also mix of motor vehicle repair and retailing services located within the precinct. The precinct consists of the following industries (at a three-digit ANZSIC level):

- Other Food Product Manufacturing
- Other Wood Product Manufacturing
- Printing and Printing Support Services
- Reproduction of Recorded Media
- Furniture Manufacturing
- Other Manufacturing
- Other Construction Services
- Grocery, Liquor and Tobacco Product Wholesaling
- Motor Vehicle Retailing
- Motor Vehicle Parts and Tyre Retailing
- Recreational Goods Retailing
- Cafes, Restaurants and Takeaway Food Services
- Postal and Courier Pick-up and Delivery Services
- Warehousing and Storage Services
- Motion Picture and Video Activities
- Allied Health Services
- Sports and Physical Recreation Activities
- Automotive Repair and Maintenance
- Other Repair and Maintenance
- Funeral, Crematorium and Cemetery Services
- Religious Services
- Other Goods and Equipment Rental and Hiring
- Architectural, Engineering and Technical Services
- Legal and Accounting Services
- Management and Related Consulting Services
- Other Administrative Services
- Motor Vehicle and Transport Equipment Rental and Hiring

More information is contained in Appendix 1.

3.7 Moore Street South precinct

FIGURE 12. MOORE STREET SOUTH PRECINCT



Land use and built form

The Moore Street South precinct is one of the most important precincts in the LGA as it plays an important population-serving use within the broader subregion. The precinct consists of a number of lots, with a mixture of large and small floorplate unit and a diverse mix of office based, industrial and bulky goods retail activities. The precinct has good vehicular access with John Street acting as an internal access road.

The majority of the precinct currently contains a mixture of local light industrial and light manufacturing. The most substantial amount of floorspace is occupied by freight and logistics land uses, being 11,375sqm, or 73% of the total GFA in the study area, along with a high proportion of light manufacturing uses (13,875sqm, or 31% of the BLC's GFA within the LGA). Smaller land uses include dispersed land uses and freight and logistics activities. Office uses and some detached residential are located on Moore Street. There are also residential properties located in the vicinity of Hill Street.

The built form varies, with large open warehouse structures and smaller brick industrial buildings along Moore Street. The building setback, two to three storey unit heights and consistent street tree presence along Moore Street mean that the precinct effectively retreats from the road. Given the large size of the precinct, it is discreetly situated. The building setback is quite large along John Street, with a large concrete parking forecourt along its western edge.

The precinct is not far from the City West Link. It is surrounded by residential uses, which is important given its predominantly local-light industry mix that often services local catchments. The precinct's size and mix of uses identifies it as one of the key industrial precincts in the LGA.

A submission has been made to consider affordable housing at the north-eastern corner of the precinct as an expansion to the current St Vincent de Paul operations at 5 White Street. Separate submissions have requested the precinct be rezoned to B7 Business Park due to road access issues and proximity to residential development and more broadly rezoned to mixed use residential uses given the close interaction with surrounding residential development.

TABLE 15: MOORE STREET SOUTH PRECINCT SUMMARY TABLE

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Total floorspace (sqm)	6,098	3,314	-	1,107	11,375	10,216	1,111	1,960	13,875	434
Number of lots	2	5	-	11	13	16	7	4	23	1
Number of buildings	3	4	-	8	9	7	1	2	6	1
Average FSR	0.8	1.6	-	0.4	2.6	0.8	1.0	1.6	0.9	3.2

The vast majority of lots within the Moore Street South precinct fall in to the medium size category (250-500sqm). Despite being dominated by lots of this size, there is a substantial proportion of lots which are in excess of 1000sqm.

FIGURE 13. MOORE STREET SOUTH PRECINCT LOT SIZE RANGE

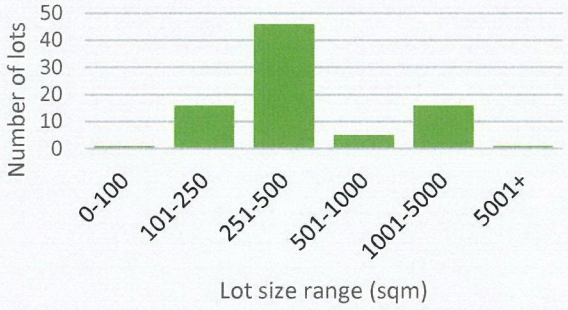


TABLE 16. MOORE STREET SOUTH PRECINCT ACCESSIBILITY

Distance to transport	Distance to road corridors	Distance to local centres
Booth Street bus stop: 240m	Parramatta Road: 1 km	Market Place: 1.9 km
Moore Street bus stop: 100m	City West Link: 700m	Norton Street: 1.5 km
Lilyfield light rail station: 500m	Stanmore Road: 2.2 km	Booth Street: 500m

Employment profile

There is a diverse mix of industries located within the Moore Street South precinct. There are a range of manufacturing activities, along with a small mix of retailing, professional and technical services, and maintenance services. The precinct consists of the following industries (at a three-digit ANZSIC level):

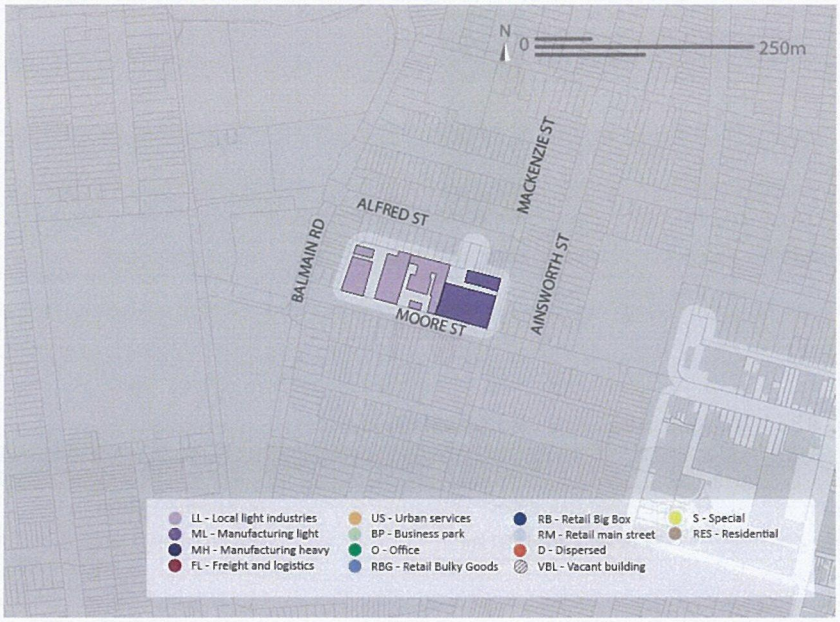
- Seafood Processing
- Other Food Product Manufacturing
- Textile Product Manufacturing
- Pulp, Paper and Paperboard Manufacturing
- Glass and Glass Product Manufacturing
- Other Non-Metallic Mineral Product Manufacturing
- Basic Ferrous Metal Product Manufacturing
- Furniture Manufacturing
- Other Manufacturing
- Residential Building Construction
- Building Installation Services
- Building Completion Services
- Mineral, Metal and Chemical Wholesaling
- Warehousing and Storage Services
- Financial Asset Investing
- Architectural, Engineering and Technical Services
- Management and Related Consulting Services
- Veterinary Services
- Other Professional, Scientific and Technical Services
- Computer System Design and Related Services
- Other Administrative Services
- Local Government Administration

- Motor Vehicle Parts and Tyre Retailing
- Furniture, Floor Coverings, Houseware and Textile Goods Retailing
- Recreational Goods Retailing
- Pharmaceutical and Other Store-Based Retailing
- Other Social Assistance Services
- Automotive Repair and Maintenance
- Other Repair and Maintenance

More information is contained in Appendix 1.

3.8 Moore Street North precinct

FIGURE 14. MOORE STREET NORTH PRECINCT



Land use and built form

The Moore Street North precinct is comprised of only three lots and seven buildings, split between local light and light manufacturing land uses. The light manufacturing within the precinct comprises 12% of the GFA of this BLC within the LGA's precincts. The building stock varies in age but the precinct maintains a consistent one to two-storey presence along Moore Street and Mackenzie Street.

The age of the building stock varies throughout the precinct, with early twentieth century brick buildings interspersed with stock from the late twentieth century. The building heights are consistent with the surrounding residential building stock, which are predominantly small detached cottages.

The precinct's importance lies in its local servicing uses and surrounding residential population that it serves. The light manufacturing uses within the precinct are in close proximity to the City West Link and therefore distribution channels for products.

TABLE 17: MOORE STREET NORTH PRECINCT SUMMARY TABLE

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Total floorspace (sqm)	-	-	-	-	-	6,360	-	-	5,256	-
Number of lots	-	-	-	-	-	2	-	-	1	-
Number of buildings	-	-	-	-	-	5	-	-	2	-
Average FSR	-	-	-	-	-	0.9	-	-	1.3	-

The allotments within the Moore Street North precinct are all large in size, ranging from 2,798 to 4,059sqm.

FIGURE 15. MOORE STREET NORTH PRECINCT LOT SIZE RANGE

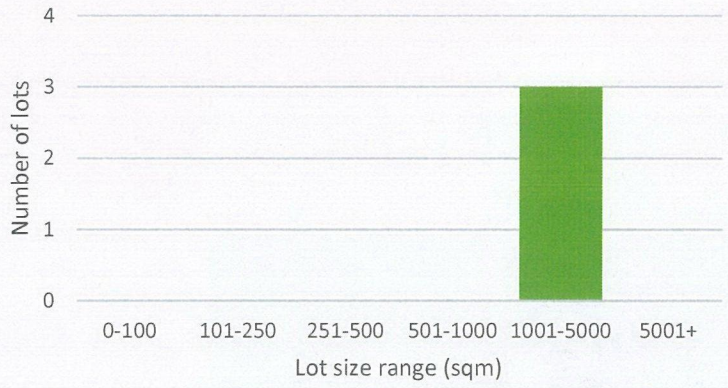


TABLE 18. MOORE STREET NORTH PRECINCT ACCESSIBILITY

Distance to transport	Distance to road corridors	Distance to local centres
Balmain Road bus stop: 250m	City West Link: 800m	Lilyfield (IGA): 800m
Lilyfield light rail station: 800m	Parramatta Road: 1.2 km	Norton Street: 1 km

Employment profile

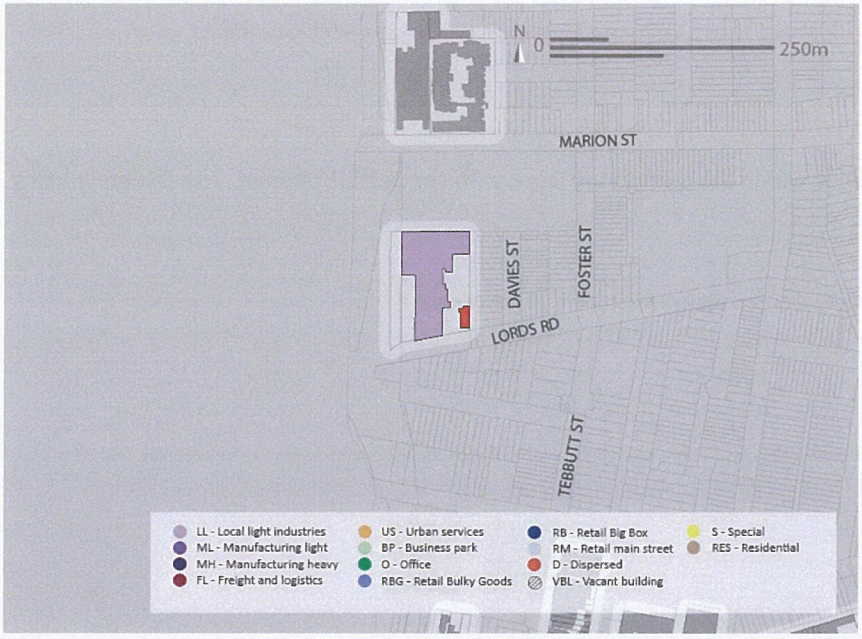
The industries within the precinct reflect its role in manufacturing floor space provision within the LGA, along with its provision of space for local light land uses. The precinct consists of the following industries (at a three-digit ANZSIC level):

- Bakery Product Manufacturing
- Textile Manufacturing
- Printing and Printing Support Services
- Furniture Manufacturing
- Building Installation Services
- Textile, Clothing and Footwear Wholesaling
- Pharmaceutical and Toiletry Goods Wholesaling
- Hardware, Building and Garden Supplies Retailing
- Recreational Goods Retailing
- Clothing, Footwear and Personal Accessory Retailing
- Cafes, Restaurants and Takeaway Food Services
- Warehousing and Storage Services
- Motion Picture and Video Activities
- Sound Recording and Music Publishing
- Other Professional, Scientific and Technical Services
- Other Administrative Services
- Building Cleaning, Pest Control and Gardening Services
- Automotive Repair and Maintenance
- Civic, Professional and Other Interest Group Services
- Architectural, Engineering and Technical Services

More information is contained in Appendix 1.

3.9 Lords Road precinct

FIGURE 16. LORDS ROAD PRECINCT



Land use and built form

The Lords Road precinct is comprised of two lots and two buildings, one being a large floorplate development with a local light BLC. The 11,111sqm of local light floorspace equates to 7% of the local supply.

The trees along Lords Road effectively screen the precinct from the street. Current uses are predominantly local service industrial (warehousing, small scale manufacturing) with some 'dispersed' activities (such as a martial arts school, church, arts auction rooms). The precinct backs onto a sportsfield and the light rail line, meaning that its industrial functions have minimal impact on the surrounding residential area. This makes the site ideal for a range of industrial functions.

Although small, the Lords Road Precinct contributes a large floorplate site to the light industrial make up of Leichhardt's employment lands. In a predominantly residential area, this lot and building size, coupled with its relative isolation from surrounding residential uses, makes it an important precinct to accommodate the future industrial demands within the LGA.

A planning proposal has requested the site be rezoned to accommodate residential uses. While the planning proposal was not supported by Council, the Department of Planning and Environment determined that it should proceed to Gateway determination stage.

TABLE 19: LORDS ROAD PRECINCT SUMMARY TABLE

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Total floorspace (sqm)	-	-	-	-	-	11,111	243	-	-	-
Number of lots	-	-	-	-	-	2	-	-	-	-
Number of buildings	-	-	-	-	-	1	1	-	-	-
Average FSR	-	-	-	-	-	1.1	-	-	-	-

Both of the lots contained within the precinct are large, with one being 1,599sqm, with the other being 9,025sqm.

FIGURE 17. LORDS ROAD PRECINCT LOT SIZE RANGE

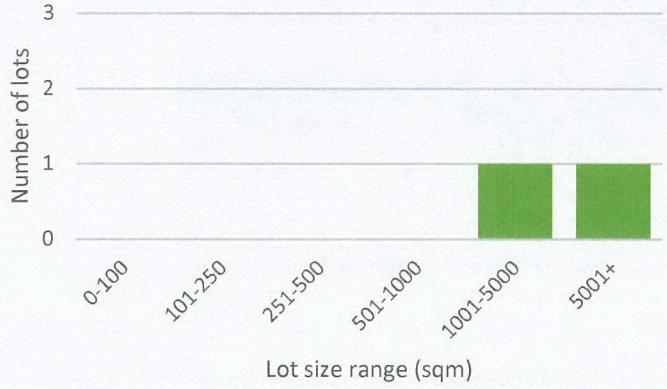


TABLE 20. LORDS ROAD PRECINCT ACCESSIBILITY

Distance to transport	Distance to road corridors	Distance to local centres
Marion Street bus stop: 300m (via Greenway)	City West Link: 1.6 km	Leichhardt Marketplace: 130m
Marion light rail station: 300m (via Greenway)	Parramatta Road: 500m	Norton Street: 1 km
Lewisham train station: 950m	New Canterbury Road: 1.4 km	
Taverners Hill light rail station: 550m (via Greenway)		

Employment profile

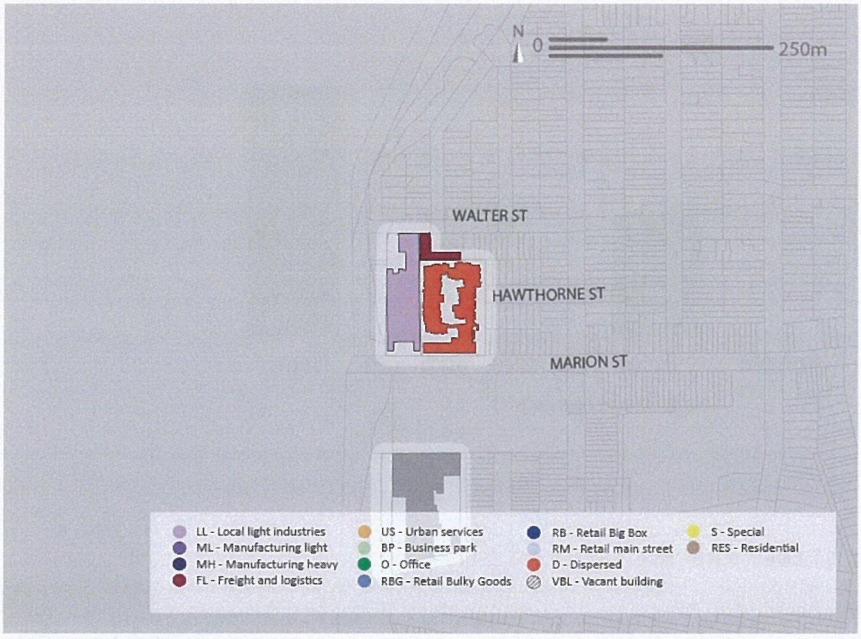
Given the small scale nature of the precinct, there is minimal diversity in the industries which occupy this land; the dominant class of industry are local services. The precinct consists of the following industries (at a three-digit ANZSIC level):

- Furniture Manufacturing
- Building Installation Services
- Warehousing and Storage Services
- Other Administrative Services
- Creative and Performing Arts Activities
- Sports and Physical Recreation Activities
- Civic, Professional and Other Interest Group Services

More information is contained in Appendix 1.

3.10 Marion Street precinct

FIGURE 18. MARION STREET PRECINCT



Land use and built form

This small precinct is dominated by an aged care facility and Mazda car service centre fronting Marion Street. The service centre is set back from the road to allow car parking for serviced vehicles. The building itself is low in profile, with a high-ceilinged single storey workshop. The aged-care facility is a two-storey building, stepping up to three storeys and built to the lot boundary. It has slight indentations along its length to allow for incidental planting but presents a strong presence to Marion Street. Both buildings sit opposite Lambert Park, which provides a long blank façade to Marion Street that has been covered in street art. There are some small scale creative businesses and light industrial businesses on the Walter Street side of the precinct.

More than half of the site is given to the aged care facility, suggesting a previously determined lack of industrial need. The car service centre however is an important local (and possibly subregional) light – industrial use, given its specific servicing of Mazda vehicles. Both facilities would benefit from good road access, proximity to the newly opened Marion Light Rail stop and the Market Place shopping centre further to the east. Although small, it serves an important function with its current usage.

A submission has been made arguing for the motor repair site to be rezoned to accommodate B4 Mixed Use or R4 High Density Residential uses suggested as more in keeping with the surrounding area. Such a use would benefit from proximity to the light rail and local shopping centre access.

TABLE 21 MARION STREET PRECINCT SUMMARY TABLE

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Total floorspace (sqm)	-	-	-	-	651	3,752	8,441	-	-	-
Number of lots	-	-	-	-	1	1	1	-	-	-
Number of buildings	-	-	-	-	1	1	1	-	-	-
Average FSR	-	-	-	-	1.7	0.7	1.1	-	-	-

FIGURE 19. MARION STREET PRECINCT LOT SIZE RANGE

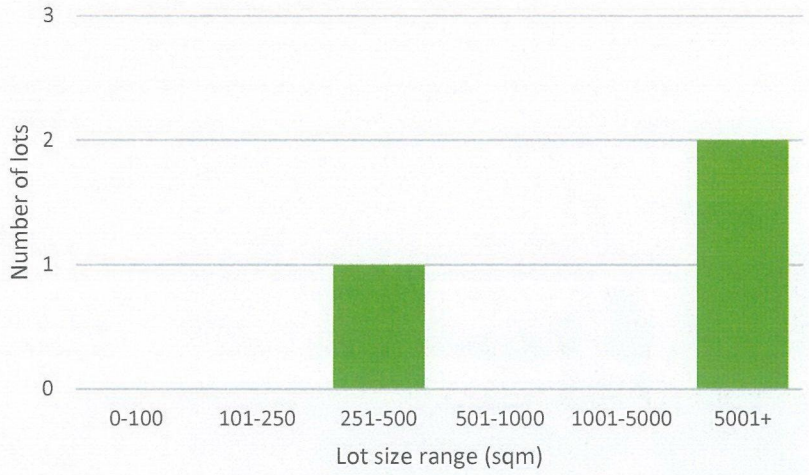


TABLE 22. MARION STREET PRECINCT ACCESSIBILITY

Distance to transport	Distance to road corridors	Distance to local centres
Marion Street bus stop: 100m	City West Link: 1.6 km	Leichhardt Marketplace: 350m
Marion light rail station: 75m	Parramatta Road: 900m	Norton Street: 1 km
Lewisham train station: 1.4 km	New Canterbury Road: 1.9 km	

Employment profile

The precinct consists of the following industries (at a three-digit ANZSIC level):

- Cafes, Restaurants and Takeaway Food Services
- Warehousing and Storage Services
- Auxiliary Finance and Investment Services
- Architectural, Engineering and Technical Services
- Other Professional, Scientific and Technical Services
- Other Administrative Services
- Residential Care Services
- Other Social Assistance Services

More information is contained in Appendix 1.

3.11 Lilyfield Road precinct

FIGURE 20. LILYFIELD PRECINCT

Land use and built form

The Lilyfield Road precinct is comprised of small scale lots, with dominant land uses being local light industries and light manufacturing (being 2% and 3% of local supply respectively). The precinct is characterised as local service industrial – consisting of plumbing and other trade supplies, automotive services, textiles, with some creative industries (furniture manufacture, jewellery, glass, textiles), and some small scale professional services. The area is surrounded by residential development comprising of medium density walk up flats and workers cottages. The recently-rezoned Justin Street lots reduce the size of the precinct, however the laneway access along the eastern edge provides good frontage for the multiple site users.

The small precinct's built form is characterised by predominantly double-height garage-fronted light-industrial units, with regular openings for vehicle access. Some units have been redeveloped, however the scale remains predominately two storeys. Halloran Street's width and the mix of residential building heights on the opposite side of the road mean the precinct fits comfortably into the surrounding residential area.

TABLE 23: LILYFIELD ROAD PRECINCT SUMMARY TABLE

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Total floorspace (sqm)	-	214	-	428	779	2,794	-	-	1,150	-
Number of lots	-	2	-	5	1	2	-	-	9	-
Number of buildings	-	1	-	2	1	1	-	-	2	-
Average FSR	-	0.6	-	0.5	1.2	1.3	-	-	0.8	-

Almost all of the allotments within the Lilyfield Rd precinct fall within the small size category (100-250sqm).

FIGURE 21. LILYFIELD ROAD PRECINCT LOT SIZE RANGE

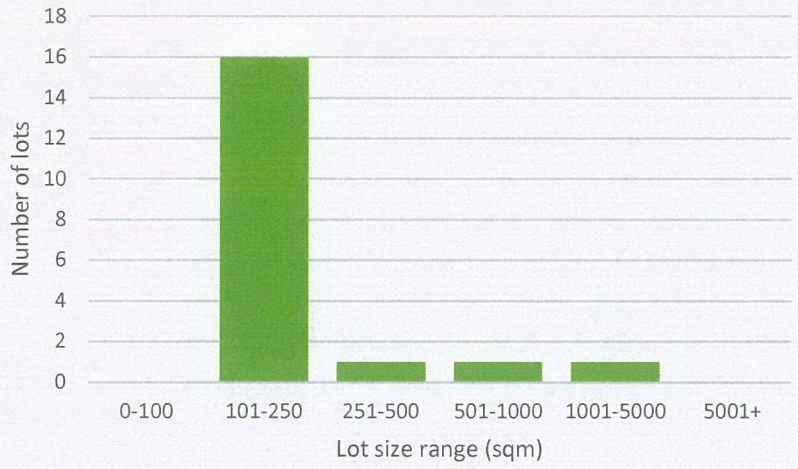


TABLE 24. LILYFIELD ROAD PRECINCT ACCESSIBILITY

Distance to transport	Distance to road corridors	Distance to local centres
Lilyfield Road bus stop: 250m	City West Link: 240m	Norton Street: 1.8 km
Lilyfield light rail station: 240m	Victoria Road: 1.4 km	Booth Street: 1.4km

Employment profile

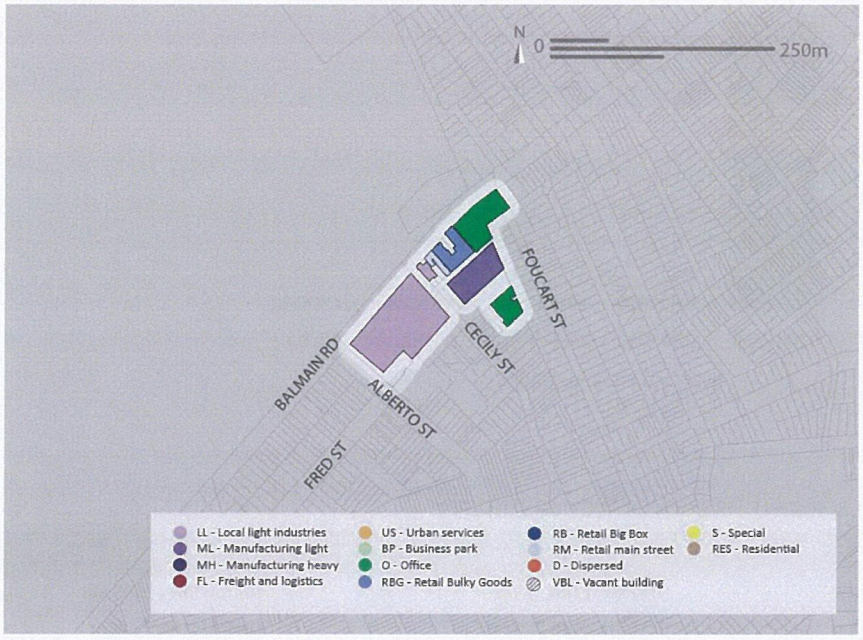
The most significant industry within the precinct is Automotive Repair and Maintenance, occupying just under 1,800sqm of floorspace within the precinct (under a local light BLC). The precinct consists of the following industries (at a three-digit ANZSIC level):

- Textile Product Manufacturing
- Printing and Printing Support Services
- Textile, Clothing and Footwear Wholesaling
- Warehousing and Storage Services
- Other Professional, Scientific and Technical Services
- Other Administrative Services
- Packaging Services
- Automotive Repair and Maintenance
- Other Repair and Maintenance

More information is contained in Appendix 1.

3.12 Balmain Road precinct

FIGURE 22. BALMAIN ROAD PRECINCT



Land use and built form

The Balmain Road precinct is predominantly a local service industrial trade supplies, with small scale manufacturing, retail and office functions. Its built form is varied, with detailed brick two-storey buildings with Edwardian-style facades adjacent more modern brick buildings of the same height. Further west, along Balmain Road, single-storey brick buildings with little street character present a long blank wall. The frontage to Alberto Street presents an attractive ivy-covered green wall with vehicular access to the industrial buildings. The two to three storey blank brick facades facing Cecily and Fred Streets enable industrial functionality within the building but present a bland street frontage opposite the vernacular working cottages. Additional car parking is located to the rear off Alberto Street.

The precinct has large floorplates considering its relatively small size. The clear vehicular access around three of the precinct's sides are an important attribute, especially as vehicles do not have to travel along many local roads to access the precinct.

A submission to Council has been made to increase the permissible uses to accommodate community uses such as educational facilities and markets as well as storage facilities.

TABLE 25: BALMAIN ROAD PRECINCT SUMMARY TABLE

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Total floorspace (sqm)	1,027	5,534	533	-	-	7,365	-	-	3,613	-
Number of lots	6	12	3	-	-	3	-	-	4	-
Number of buildings	1	2	1	-	-	2	-	-	1	-
Average FSR	0.8	1.9	1.3	-	-	0.8	-	-	1.8	-

The precinct is comprised predominantly of small lots (100-250sqm), however there are some lots within the precinct which are of larger size, with the largest being 6,874sqm.

FIGURE 23. BALMAIN ROAD PRECINCT LOT SIZE RANGE

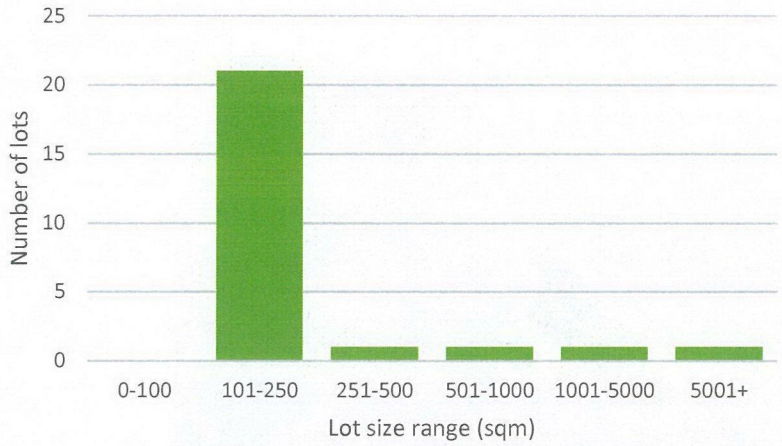


TABLE 26. LILYFIELD ROAD PRECINCT ACCESSIBILITY

Distance to transport	Distance to road corridors	Distance to local centres
Balmain Road bus stop: 150m	City West Link: 1 km	Norton Street: 2.5 km
Lilyfield light rail station: 1 km	Victoria Road: 600m	Darling Street: 400m

Employment profile

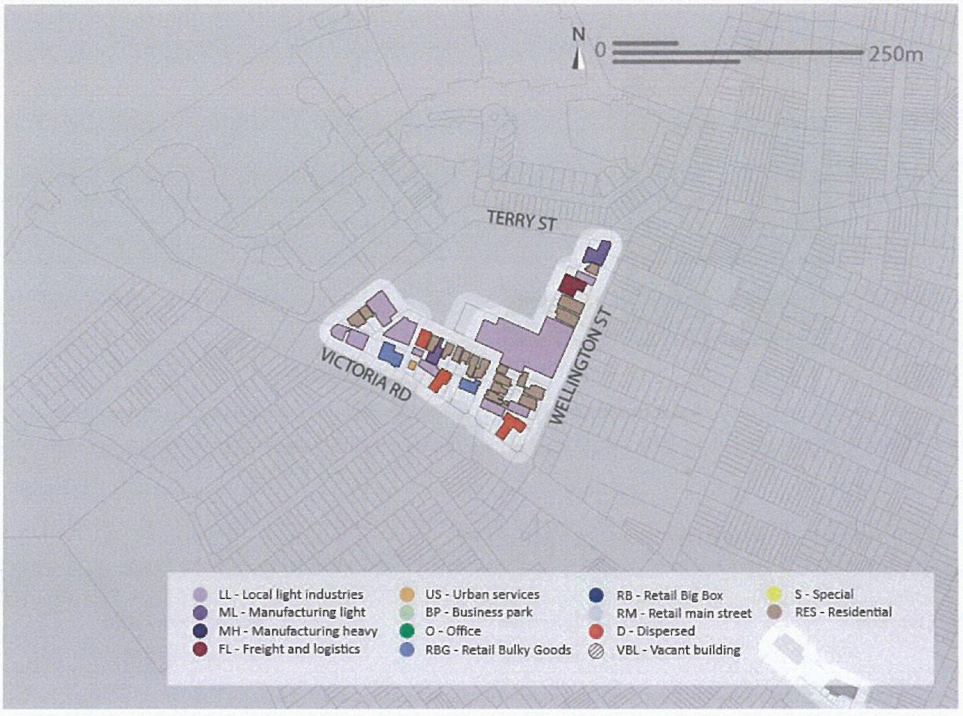
Reflecting the precinct's high office component, there are a range of technical and consulting services within the precinct's industry profile, along with some manufacturing and wholesaling activities. The precinct consists of the following industries (at a three-digit ANZSIC level):

- Other Wood Product Manufacturing
- Other Fabricated Metal Product Manufacturing
- Building Installation Services
- Timber and Hardware Goods Wholesaling
- Other Machinery and Equipment Wholesaling
- Furniture, Floor Coverings, Houseware and Textile Goods Retailing
- Cafes, Restaurants and Takeaway Food Services
- Warehousing and Storage Services
- Architectural, Engineering and Technical Services
- Management and Related Consulting Services
- Other Professional, Scientific and Technical Services
- Computer System Design and Related Services
- Other Administrative Services
- Allied Health Services
- Other Repair and Maintenance

More information is contained in Appendix 1.

3.13 Terry Street precinct

FIGURE 24. TERRY STREET PRECINCT



Land use and built form

The Terry Street precinct is a local service industrial precinct consisting of auto repairs, auto parts, trade supplies, car sales and household storage, etc. and adjoins Victoria Road. The dominant BLC in the Terry Street precinct is Local Light, with 8,929sqm of floorspace, and most allotments within the precinct (90.7%) fall within the ranges of 100sqm to 500sqm.

The built form is varied, with the major industrial site being a two-storey brick storage facility. The industrial functions are interspersed with several residential dwellings which appear to be original building stock (consisting of workers cottages and terraces). The more modern light industrial site on Terry Street is the largest in scale with three storeys. The northern part of the site (the former Carrier site) has been rezoned and is currently under development for residential use.

Along with White Bay, the precincts are the only ones in the LGA with direct Victoria Road frontage. Given the road's arterial nature and location at the edge of the predominantly residential area, it is an important precinct as it has good transport access and the ability to operate with minimal direct contact with residential uses.

TABLE 27: TERRY STREET PRECINCT SUMMARY TABLE

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Total floorspace (sqm)	728	-	-	2,907	560	8,929	1,007	-	976	52
Number of lots	2	-	-	21	2	13	10	-	5	1
Number of buildings	2	-	-	18	1	9	3	-	2	1
Average FSR	0.5	-	-	0.6	1.0	0.8	0.3	-	0.4	0.2

FIGURE 25. TERRY STREET PRECINCT LOT SIZE RANGE

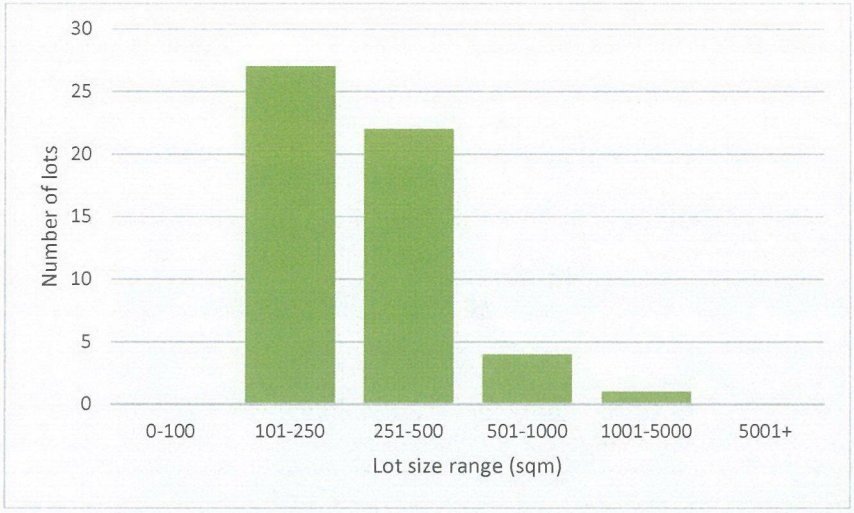


TABLE 28. TERRY STREET PRECINCT ACCESSIBILITY

Distance to transport	Distance to road corridors	Distance to local centres
Victoria Road bus stop: 80m	City West Link: 6 km	Norton Street: 4 km
	Victoria Road: 80m	Darling Street: 500m

Employment profile

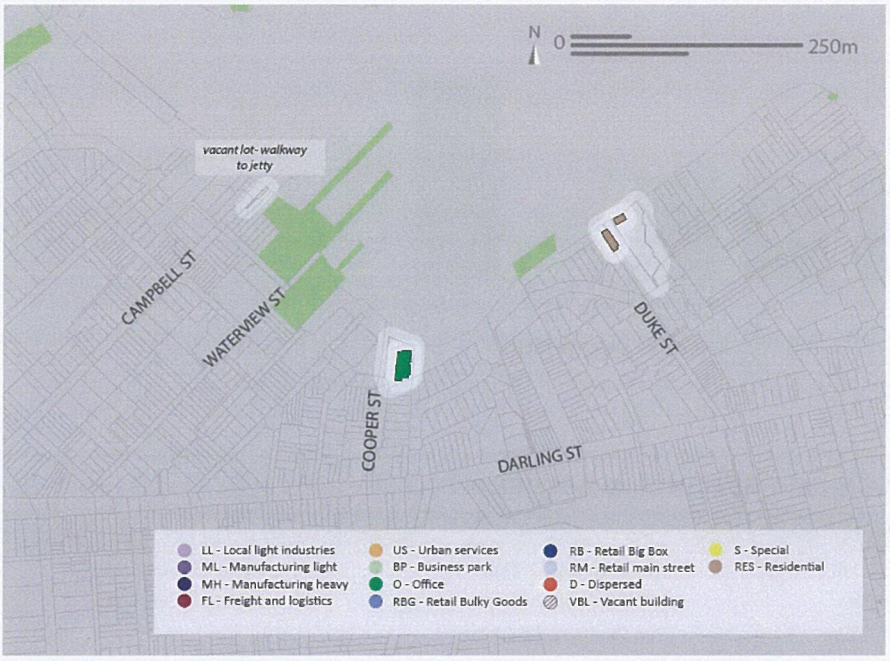
The precinct has an employment profile which reflects the dominance of the small scale, local light BLC allotments, with a range of activities including local services and small scale manufacturing. The precinct consists of the following industries (at a three-digit ANZSIC level):

- Sugar and Confectionery Manufacturing
- Other Food Product Manufacturing
- Printing and Printing Support Services
- Other Fabricated Metal Product Manufacturing
- Electricity Distribution
- Building Installation Services
- Motor Vehicle Retailing
- Automotive Repair and Maintenance
- Other Repair and Maintenance
- Fuel Retailing
- Furniture, Floor Coverings, Houseware and Textile Goods Retailing
- Cafes, Restaurants and Takeaway Food Services
- Warehousing and Storage Services
- Other Administrative Services
- Sports and Physical Recreation Activities
- Other Personal Services

More information is contained in Appendix 1.

3.14 Balmain East precinct

FIGURE 26. BALMAIN EAST PRECINCT



Land use and built form

There are three industrial sites in the Balmain East precinct. The largest of the three sites in the precinct, and the only one with employment uses currently on site, contains a modern two to three storey office building with maritime services attached. The main office building is set back from the cul-de-sac it is located in. The surrounding built form is varied, with a mixture of new waterfront terraces, industrial warehouses converted to residential and original weatherboard and brick workers cottages.

The main site is located on Mort Bay and provides industrial land with direct water access and contains employment (office) uses. It is adjacent to a small foreshore park and at the end of a narrow street, which is indicative of the area.

The precinct also consists of two other separate industrially-zoned sites, one of which houses residential uses and the other is an easement with no building on it. The fragmented precinct is small and contributes little in terms of floorspace to true industrial uses in the LGA.

TABLE 29: BALMAIN EAST PRECINCT SUMMARY TABLE

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Total floorspace (sqm)	-	1,298	-	2,033	272	-	-	-	-	-
Number of lots	-	1	-	3	1	-	-	-	-	-
Number of buildings	-	1	-	2	-	-	-	-	-	-
Average FSR	-	0.6	-	1.1	1.4	-	-	-	-	-

FIGURE 27. BALMAIN EAST PRECINCT LOT SIZE RANGE

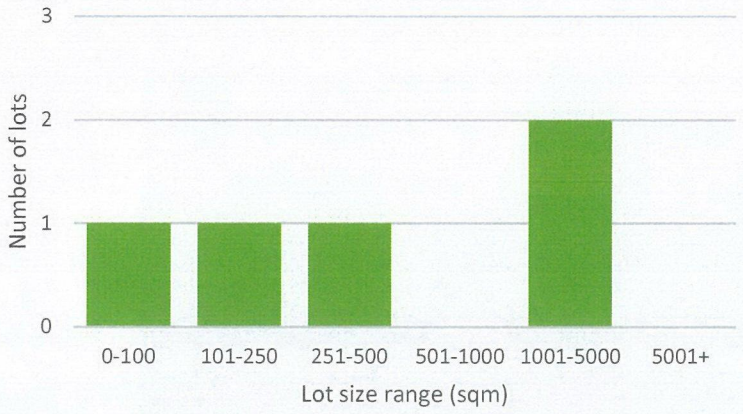


TABLE 30. BALMAIN EAST PRECINCT ACCESSIBILITY

Distance to transport	Distance to road corridors	Distance to local centres
Victoria Road bus stop: 2.2 km	City West Link: 2.2 km	Norton Street: 5.2 km
Darling Street bus stop: 400m	Victoria Road: 2.2 km	Darling Street: 1 km
Balmain East ferry wharf: 750m	Parramatta Road: 4.8 km	

Employment profile

Data relating to the specific industries of employment within the precinct is not available from the land study. More information is contained in Appendix 1.

3.15 Summary of issues

The review of trends and influences affecting inner city industrial lands as well as the precinct-level analysis undertaken in the previous chapters has identified four key issues that impact on Leichhardt's industrial precincts and how they are perceived into the future.

1. **There is a shortage of industrial land at a subregional level**. The nature of inner city industrial lands and the patterns of urban growth that have grown around them limit the ability for these precincts to expand. This constrains the ability of inner city industrial lands to meet the future demand for industrial uses. This is most acute in subregionally-oriented uses that often require larger floorplate sites, which are increasingly rare in the inner city.

2. **There is a shortage of local services within Leichhardt.** The 2014 *Industrial Lands Study* undertaken by SGS identified an industrial floorspace shortfall of between 7,000sqm and 55,000sqm by 2036. These are services that are traditionally found within local industrial estates, are necessarily located to service a local community and could not operate if forced to move away from this market.

3. **There is a need to provide sufficient floorspace and appropriate built form configurations to support emerging uses.** Inner city industrial estates must retain a degree of agility in order to transition from 'traditional' functions and accommodate a range of evolving industries and businesses who require industrial precinct characteristics to operate. These businesses may require the floorplate characteristics, ability to manufacture products or benefit from the lower rents in order to establish themselves.

4. **Industrial precincts are under threat from other uses.** Competition for inner city land is placing pressure on industrial precincts to turn over to 'higher value' uses. Residential development is a persistent threat, due to continued demand for inner city living. However, industrial lands also face a threat from other employment uses that compete for larger floorplates and locations but aren't necessarily defined as 'industrial'.

4 FEASIBILITY TESTING

4.1 Introduction

Following the profiling of Leichhardt's industrial precincts, Leichhardt Council engaged an urban design firm (Architectus) to develop built form options that tested how three of the larger precincts may be redeveloped in order to increase industrial floorspace. As detailed above, the precincts tested were Camperdown, Tebbutt Street/Parramatta Road and Moore Street.

This is driven by the *Industrial Land Use Strategy* prepared by SGS in 2014 that identified a shortfall of nearly 55,000sqm of industrial floorspace by 2036.The driving force for this is the desire to increase floorspace provision in the LGA and attempt to reduce or eliminate the forecast industrial floorspace deficit.

With this in mind, a feasibility testing process has been applied to Architectus' built form options in order to establish how additional industrial floorspace might be delivered. Feasibility testing is a useful approach as it examines the costs and revenues of a development. Broadly, development where revenues exceed costs is feasible and developments where costs exceed revenues are not feasible.

It is important to note that the feasibility testing process for this report is necessarily high-level. This is because it is limited to only a few sites in a few precincts. The intent is that running several tests on identified sites will reveal sufficient information to guide the development of recommendations that are applicable across the LGA.

4.2 The need for sequential testing

The 2014 *Industrial Lands Use Study* identified that the forecast deficit in industrial lands should be reduced. In order to do this, more industrial floorspace is required to be developed because there is almost no chance that additional land within the LGA will be rezoned to IN2. As such, this report examines *how* this floorspace may be provided, through the lens of feasibility.

It is critical that a logical sequence of options testing is undertaken to provide a strong evidence base for any future policy recommendations. The relatively 'low value' of industrial land (when compared with alternative uses such as commercial or residential) means that it is unlikely that an increase in industrial floorspace alone will deliver a feasible return.

This testing process therefore uses three land-use scenarios to test what can feasibly deliver an increase in industrial floorspace. Throughout this process, both the increase in industrial floorspace and the protection of the existing industrial precincts is central to the development of recommendations. These three scenarios are:

- Industrial only – additional industrial floorspace for industrial only
- Industrial + commercial – includes some commercial floorspace as a higher value land use lever to increase feasibility
- Industrial + commercial + residential – includes all three land uses as a means of further increasing the likelihood of feasible development

It is important that this sequence be tested because the introduction of alternative land uses to industrial within these precincts increases the risk of land use conflict and potential precinct fragmentation.

4.3 Method

The testing of feasibility in this report uses a Residual Land Value (RLV) model in order to compare costs (construction, land acquisition, professional fees, taxes etc.) and revenues (rents) to calculate whether a development option is feasible or not. It also includes consideration of developer profit margins in the equation. Where a development's total revenues exceed costs and profit margins, a development will have a feasibility ratio of 1 and therefore be deemed feasible.

In order to try and achieve a degree of understanding regarding a precinct's development potential, three sites of varying sizes (broadly small, medium and large) were tested in each precinct.

Once initial design options were tested, SGS undertook a 'goal seeking' exercise to determine what floorspace quantum in each scenario needed to change in order to get closer to a feasible result. These were then tested through further design work by Architectus prior to further feasibility testing by SGS.

The purpose was not to necessarily identify the exact amount required to feasibly develop, but to identify patterns that could inform policy recommendations.

Given the number of precincts throughout the LGA, this report tested three of the major precincts only. The results were then extrapolated across the LGA where relevant and applicable.

4.4 Assumptions

A number of inputs go into the feasibility testing process. The following tables outline broadly these inputs and the assumptions that are made in order to enable the model to run. The inputs and assumptions apply to each precinct.

TABLE 31: FEASIBILITY MODEL COST INPUTS AND ASSUMPTIONS

Input	Source	Value
Construction and demolition costs	*Rawlinson's Construction Handbook 2015*	Varies
Land acquisition costs	Localised median sales value analysis for industrial land	Varies
Professional fees	Various sources using industry standards	Varies

TABLE 32: FEASIBILITY MODEL REVENUE INPUTS AND ASSUMPTIONS

Input	Source	Value
Industrial rents ($/sqm)	Agency consultation – same across all precincts	$200/sqm
Commercial rents ($/sqm)	Agency consultation and market analysis	$350/sqm
Median sales values	Median prices for 2-bed units in the immediate area	$790,000

Given the high-level nature of the feasibility testing, the same prices have been used across all of the precincts. This is because the product that is being tested is simply floorspace and not precinct-specific urban design outcomes. In reality, there is likely to be some variance between precincts due to the type or age of the building stock, its location in the precinct, or the location of the precinct itself. The median sales value of residential units is a conservative number, based on median sales values in the area. If these were to be new-builds, this is likely to be higher. However, as this is for comparative purposes, these inputs are kept consistent.

It is important to note that the consideration of residential has assumed that land values are based on the existing land use (i.e. industrial zone) and not residential. In practice, if the Council were to signal

that residential development were to be permitted, it would result in an underlying land value uplift and this would alter the feasibility proposition.

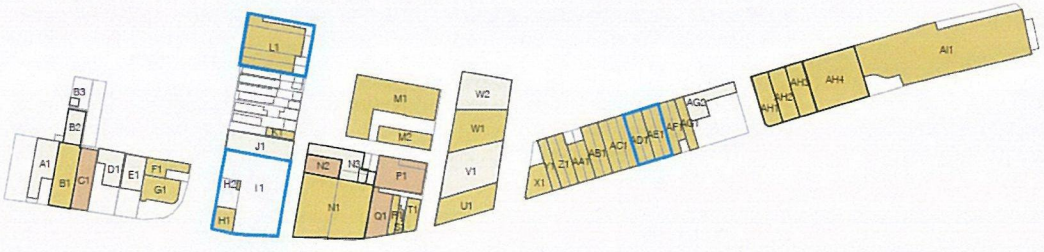
4.5 Precincts and lots

The following maps identify the three tested precincts and the theoretical lot configurations.

FIGURE 28. CAMPERDOWN TESTED LOTS

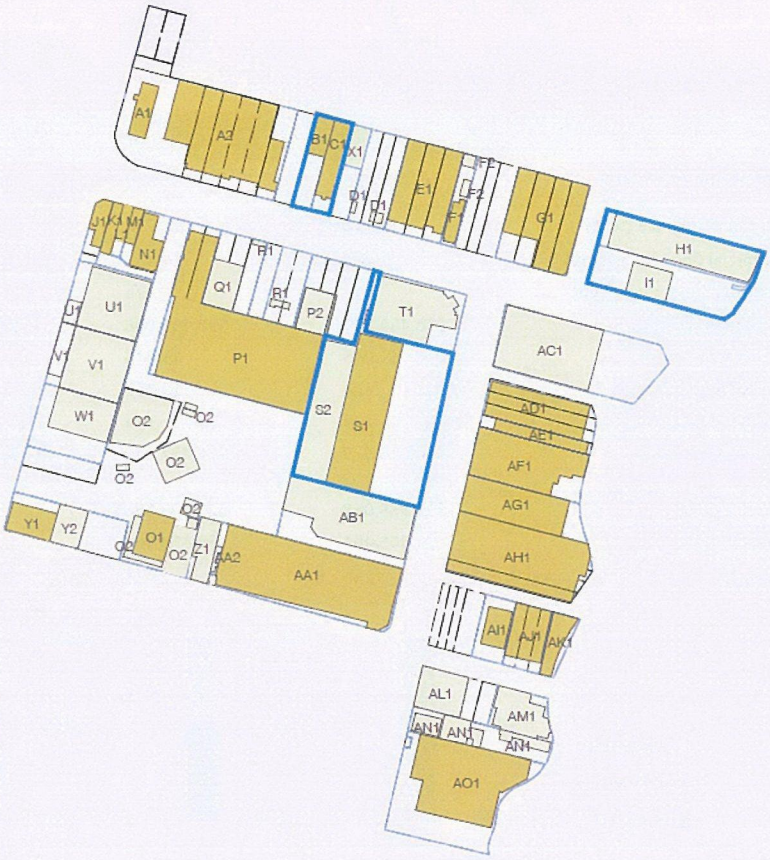
Source: Architectus, 2015

FIGURE 29. TEBBUTT STREET/PARRAMATTA ROAD TESTED LOTS



Source: Architectus, 2015

FIGURE 30. MOORE STREET SOUTH TESTED LOTS

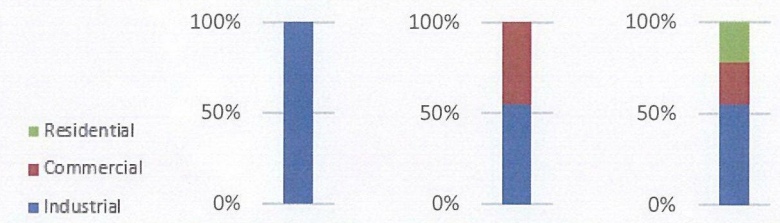


Source: Architectus, 2015

4.6 Camperdown precinct

Lot A

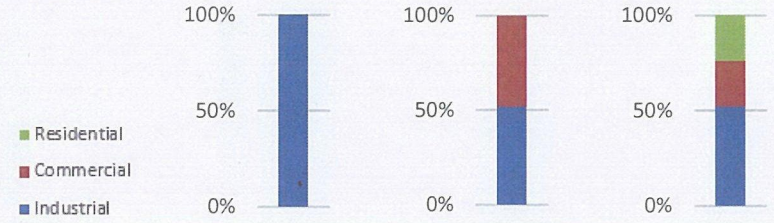
TABLE 33. FEASIBILITY TESTING – LOT A (1-19 BOOTH STREET)

		Option 1	Option 2	Option 3
Lot A	**Existing amalgamated lot area**	12,536 sqm	12,536 sqm	12,536 sqm
Development Costs	Total Industrial floorspace (sqm)	17,718	17,718	17,718
	Total Commercial floorspace (sqm)	n/a	14,508	7,512
	Total Residential floorspace (sqm)	n/a	n/a	6,996
	Total development costs	$50,454,378	$98,196,008	$108,677,173
Revenues	Industrial GFA (sqm)	15,946	15,946	15,946
	Commercial GFA (sqm)	n/a	13,057	6,761
	Residential (no. of apartments)	n/a	n/a	62
	Total revenues (excl. sales expenses)	$30,616,320	$74,487,840	$100,354,080
	Residual Land Value	-$19,838,058	-$23,708,168	-$8,323,093
Acquisition costs	**Estimated land costs**	$9,868,464	$9,868,464	$9,868,464
	Feasibility Ratio	-2.01	-2.40	-1.37
Land use mix				

Source: SGS Economics and Planning, 2015

Lot I & J

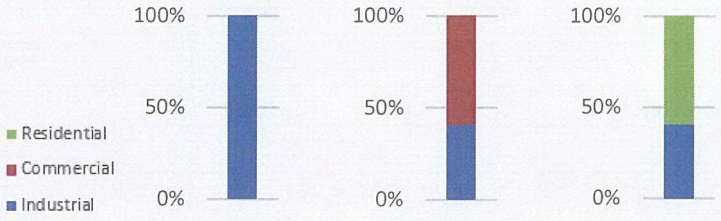
TABLE 34. FEASIBILITY TESTING – LOT I & J (176- 182 PARRAMATTA ROAD)

		Option 1	Option 2	Option 3
Lot I & J	**Existing amalgamated lot area**	2,170 sqm	2,170 sqm	2,170 sqm
Development Costs	Total Industrial floorspace (sqm)	4,330	4,330	4,330
	Total Commercial floorspace (sqm)	n/a	3,984	1,992
	Total Residential floorspace (sqm)	n/a	n/a	1,992
	Total development costs	$12,282,197	$27,872,458	$29,916,220
Revenues	Industrial GFA (sqm)	3,897	3,897	3,897
	Commercial GFA (sqm)	n/a	3,586	1,793
	Residential (no. of apartments)	n/a	n/a	18
	Total revenues (excl. sales expenses)	$7,482,240	$19,531,200	$27,157,920
Acquisition costs	Residual Land Value	-$4,799,957	-$8,341,258	-$2,758,300
	Estimated land costs	$5,954,269	$5,954,269	$5,954,269
	Feasibility Ratio	**-0.81**	**-1.40**	**-0.46**
Land use mix				

Source: SGS Economics and Planning, 2015

Lot AC

TABLE 35. FEASIBILITY TESTING – LOT AC (206 PARRAMATTA ROAD)

		Option 1	Option 2	Option 3
Lot AC	**Existing amalgamated lot area**	1,001 sqm	1,001 sqm	1,001 sqm
Development Costs	Total Industrial floorspace (sqm)	2,002	2,002	2,002
	Total Commercial floorspace (sqm)	n/a	2,912	n/a
	Total Residential floorspace (sqm)	n/a	n/a	2,912
	Total development costs	$6,280,019	$15,229,351	$18,216,437
Revenues	Industrial GFA (sqm)	1,802	1,802	1,802
	Commercial GFA (sqm)	n/a	2,621	n/a
	Residential GFA (sqm)	n/a	n/a	26
	Total revenues (excl. sales expenses)	$3,459,840	$12,266,400	$22,946,259
	Residual Land Value	-$2,820,179	-$2,962,951	$4,729,822
Acquisition costs	**Estimated land costs**	$2,740,099	$2,740,099	$2,740,099
	Feasibility Ratio	**-1.03**	**-1.08**	**1.73**
Land use mix				

Source: SGS Economics and Planning, 2015

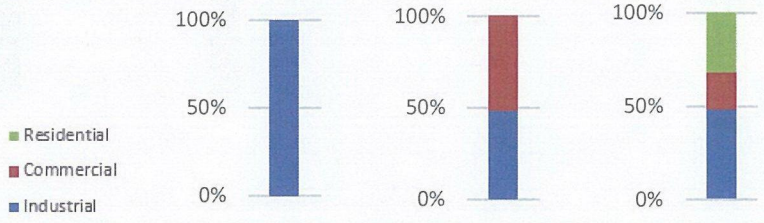
4.7 Tebbutt Street/Parramatta Road precinct

Lot H, I & J

TABLE 36. FEASIBILITY TESTING – LOT H, I&J (687 PARRAMATTA ROAD AND 5-9 TEBBUTT STREET)

		Option 1	Option 2	Option 3
Lot H, I & J	**Existing amalgamated lot area**	3,110 sqm	3,110 sqm	3,110 sqm
Development Costs	Total Industrial floorspace (sqm)	4,764	4,764	4,764
	Total Commercial floorspace (sqm)	n/a	5,072	1,988
	Total Residential floorspace (sqm)	n/a	n/a	3,156
	Total development costs	$13,757,444	$30,448,840	$35,889,173
Revenues	Industrial GFA (sqm)	4,288	4,288	4,288
	Commercial GFA (sqm)	n/a	4,565	1,789
	Residential GFA (sqm)	n/a	n/a	28
	Total revenues (excl. sales expenses)	$8,232,960	$23,571,360	$35,479,200
	Residual Land Value	-$5,524,484	-$6,877,480	-$409,973
Acquisition costs	**Estimated land costs**	$9,686,131	$9,686,131	$9,686,131
	Feasibility Ratio	**-0.57**	**-0.71**	**-0.04**

Land use mix



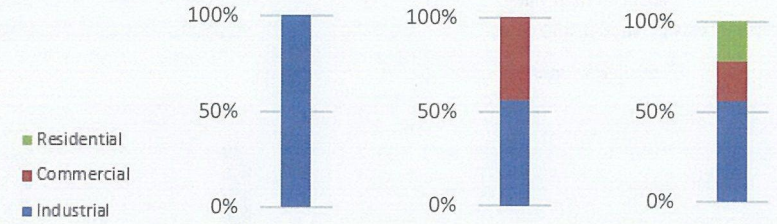
Source: SGS Economics and Planning, 2015

Lot L

TABLE 37. FEASIBILITY TESTING – LOT L (49-59 TEBBUTT STREET)

		Option 1	Option 2	Option 3
Lot L	**Existing amalgamated lot area**	1,592 sqm	1,592 sqm	1,592 sqm
Development Costs	Total Industrial floorspace (sqm)	3,180	3,180	3,180
	Total Commercial floorspace (sqm)	n/a	2,496	1,252
	Total Residential floorspace (sqm)	n/a	n/a	1,244
	Total development costs	$9,122,176	$18,888,829	$20,164,707
Revenues	Industrial GFA (sqm)	2,862	2,862	2,862
	Commercial GFA (sqm)	n/a	2,246	1,127
	Residential GFA (sqm)	n/a	n/a	11
	Total revenues (excl. sales expenses)	$5,495,040	$13,041,600	$17,624,160
	Residual Land Value	-$3,627,136	-$5,847,229	-$2,540,547
Acquisition costs	**Estimated land costs**	$4,423,511	$4,423,511	$4,423,511
	Feasibility Ratio	**-0.82**	**-1.32**	**-0.57**

Land use mix

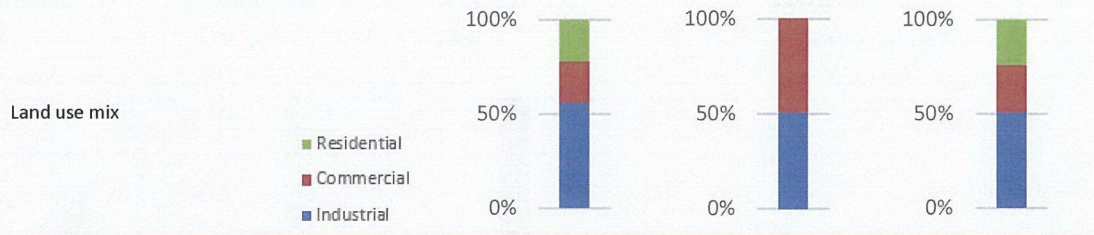


Source: SGS Economics and Planning, 2015

Lot AD & AE

TABLE 38. FEASIBILITY TESTING – LOT AD & AE (603-609 PARRAMATTA ROAD)

		Option 1	Option 2	Option 3
Lot AD & AE	**Existing amalgamated lot area**	887 sqm	887 sqm	887 sqm
Development Costs	Total Industrial floorspace (sqm)	4,794	4,794	4,794
	Total Commercial floorspace (sqm)	n/a	4,668	2,408
	Total Residential floorspace (sqm)	n/a	n/a	2,260
	Total development costs	$13,472,131	$20,923,220	$24,783,837
Revenues	Industrial GFA (sqm)	4,315	4,315	4,315
	Commercial GFA (sqm)	n/a	4,201	2,167
	Residential GFA (sqm)	n/a	n/a	20
	Total revenues (excl. sales expenses)	$8,284,800	$22,400,160	$30,689,308
	Residual Land Value	-$5,187,331	$1,476,940	$5,905,471
Acquisition costs	**Estimated land costs**	$2,870,048	$2,870,048	$2,870,048
	Feasibility Ratio	**-1.81**	**0.51**	**2.06**



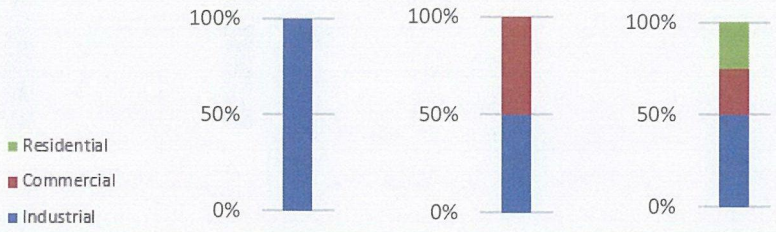
Source: SGS Economics and Planning, 2015

4.8 Moore Street South precinct

Lot B & C

TABLE 39. FEASIBILITY TESTING – LOT B&C (31-33 MOORE STREET)

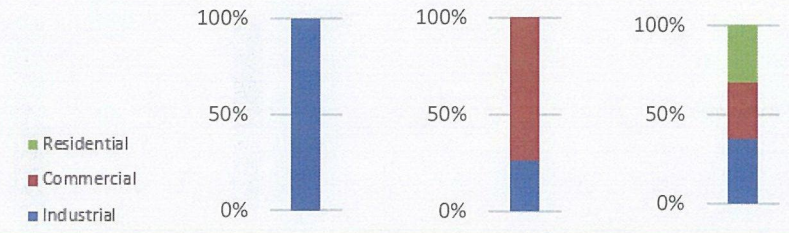
		Option 1	Option 2	Option 3
Lot B & C	**Existing amalgamated lot area**	828 sqm	828 sqm	828 sqm
Development Costs	Total Industrial floorspace (sqm)	1,656	3,312	3,312
	Total Commercial floorspace (sqm)	n/a	1,490	828
	Total Residential floorspace (sqm)	n/a	n/a	621
	Total development costs	$4,671,777	$13,797,350	$14,629,457
Revenues	Industrial GFA (sqm)	1,490	1,490	1,490
	Commercial GFA (sqm)	n/a	1,490	745
	Residential GFA (sqm)	n/a	n/a	7
	Total revenues (excl. sales expenses)	$2,860,800	$7,867,200	$10,672,800
	Residual Land Value	-$1,810,977	-$5,930,150	-$3,956,657
Acquisition costs	**Estimated land costs**	$2,889,300	$2,889,300	$2,889,300
	Feasibility Ratio	**-0.63**	**-2.05**	**-1.37**
Land use mix				



Source: SGS Economics and Planning, 2015

Lot H & I

TABLE 40. FEASIBILITY TESTING – LOT H&I (5-7 WHITE STREET)

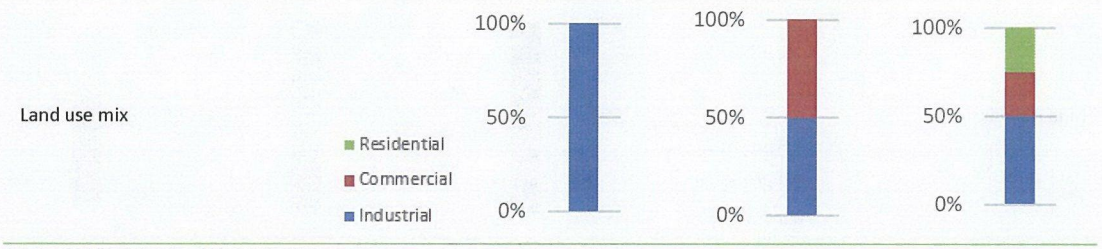
		Option 1	Option 2	Option 3
Lot H & I	**Existing amalgamated lot area**	2,682 sqm	2,682 sqm	2,682 sqm
Development Costs	Total Industrial floorspace (sqm)	2,682	1,692	2,692
	Total Commercial floorspace (sqm)	n/a	4,740	2,370
	Total Residential floorspace (sqm)	n/a	n/a	2,370
	Total development costs	$7,619,829	$23,747,086	$28,626,126
Revenues	Industrial GFA (sqm)	2,423	2,423	2,423
	Commercial GFA (sqm)	n/a	4,266	2,133
	Residential GFA (sqm)	n/a	n/a	21
	Total revenues (excl. sales expenses)	$4,652,160	$18,985,920	$27,745,440
	Residual Land Value	-$2,967,669	-$4,761,166	-$880,686
Acquisition costs	**Estimated land costs**	$3,096,635	$3,096,635	$3,096,635
	Feasibility Ratio	**-0.96**	**-1.54**	**-0.28**
Land use mix				

Source: SGS Economics and Planning, 2015

Lot S

TABLE 41. FEASIBLITY TESTING- LOT S (56-72 JOHN STREET)

		Option 1	Option 2	Option 3
Lot S	**Existing amalgamated lot area**	4,733 sqm	4,733 sqm	4,733 sqm
Development Costs	Total Industrial floorspace (sqm)	9,466	9,466	9,466
	Total Commercial floorspace (sqm)	n/a	9,466	4,733
	Total Residential floorspace (sqm)	n/a	n/a	4,733
	Total development costs	$26,682,311	$43,024,503	$47,878,598
Revenues	Industrial GFA (sqm)	8,519	8,519	8,519
	Commercial GFA (sqm)	n/a	8,519	4,260
	Residential GFA (sqm)	n/a	n/a	42
	Total revenues (excl. sales expenses)	$16,356,480	$44,980,320	$62,342,202
	Residual Land Value	-$10,325,831	$1,955,817	$14,463,604
Acquisition costs	**Estimated land costs**	$5,475,810	$5,475,810	$5,475,810
	Feasibility Ratio	**-1.89**	**0.36**	**2.64**



Source: SGS Economics and Planning, 2015

4.9 Summary of findings

The feasibility testing process has identified several headline findings.

Industrial development alone will not provide additional industrial floorspace

Industrial rental rates have been used within the feasibility model. The cost of development in all instances was above the revenues generated by industrial floorspace rents. This is because even though development costs are low relative to those of more complicated (or taller) buildings, industrial uses are rarely high-value and therefore cannot afford high rents. This is exacerbated when land acquisition costs are factored in.

Across all precincts, regardless of lot sizes, the industrial only development options uphold a negative feasibility ratio. For development on industrial only sites to be feasible, the rent must increase from $200 per square metre to over $400 per square metre and in some cases significantly more than $400. This creates implications for the industrial rental market as increasing the cost of rent per square metre, means that renting becomes unaffordable.

Alternatively, to achieve a feasible result, the amount of additional industrial floorspace must be increased. This creates issues with urban design outcomes, particularly on smaller lots, which in some cases require an increase from 4,000 square meters to 11,300 square meters for development to return a feasible result.

The addition of commercial floorspace brings the result closer to feasible

Adding commercial floorspace to the floorspace mix of buildings increases development costs and requires taller buildings, however the higher rent per square metre can, in some instances, enable a development to cross the feasibility threshold. However, this tends to require a significant amount of commercial floorspace in order to achieve this.

Residential is the easiest way to generate additional industrial floorspace

Residential returns the highest land values on an as per square metre basis and it is therefore the most efficient at returning a feasible result. It also does not necessarily require a significant proportion of total GFA, however it does necessitate the construction of taller buildings.

In some cases, the introduction of residential floorspace resulted in a feasible outcome for development. The findings indicate that there are no patterns associated with land size as the smallest lot in Camperdown, Lot AC stands at a feasibility ratio of 1.73. This lot achieved a feasible outcome by providing 1,802 sqm of industrial floorspace and 2,184 sqm of residential floorspace with 26 units. Notably, the site achieved a feasible outcome without commercial floorspace. However, in Camperdown, the largest lot, Lot A, did not result in a feasible outcome. For Lot A to be feasible, the additional commercial and industrial floorspace must more than double, the median residential sales price must increase from $790,000 to $1,095,638 and the development must supply 80 units.

Residential does not need to dominate

The introduction of residential as a feasibility lever does not mean that residential becomes the dominant land use. Although it varies from site to site and by precinct, the introduction of residential to generate a feasible result may only require in the order of 20-30% of total floorspace. This is also based on a conservative unit price assumption of $790,000.

Lot size does not appear to matter

In the scenarios and sites tested, there does not appear to be a pattern where lot size provides a better or worse feasibility result.

5 MULTI-CRITERIA ANALYSIS

5.1 Purpose

To arrive at recommendations for the future planning of Leichhardt's industrial precincts, options have been assessed through a Multi-Criteria Analysis (MCA) framework. This framework brings together the findings of feasibility modelling, urban design assessment and policy/ strategy assessment. The purpose of the MCA is to determine which option is most suitable to address the problem of Leichhardt LGA's forecast industrial floorspace supply deficit.

5.2 Method

The MCA tests each option against the following criteria:

- Feasibility ratio
- Total floor space demand
- Depth within the likely target market segment
- Impact on the role and function of the precinct
- Impact on the surrounding precinct and broader economy
- Urban design considerations

MCA Structure

Given the number of sites, the MCA has been distilled into tables by precinct. The tables are to be read as a cumulative assessment. For instance, the analysis in Option 1 focuses on industrial only use against the MCA criteria, whereas Option 2 (which builds on Option 1) focuses on the introduction of commercial floorspace. Finally, the analysis of Option 3 focuses on the introduction of residential floorspace. This is to avoid repetition.

In addition to the industrial supply-demand gap work undertaken in SGS's 2014 study, this report has done high level commercial floorspace forecasts to provide an indication of what additional commercial floorspace is required to accommodate future demand. This is predominantly for comparative purposes and is not done to the same degree of analysis as the 2014 *Industrial Lands Study* provided. This assumes a deficit somewhere between 40,000 and 50,000 sqm of commercial floorspace by 2036 and is based on employment projections from BTS. It also uses typical floorspace to job ratios based on previous SGS audit data.

Market analysis and feasibility

An analysis of market conditions, feasibility outputs and data reported in SGS's 2014 *Industrial Lands Study* has been included in the MCA. It also includes a qualitative assessment of urban design and risk issues that such developments may present.

Following the feasibility ratio reported in Section 4, the MCA undertakes a goal seeking exercise to determine what additional floorspace requirements or per square metre value would be needed to return a feasible result. The feasibility ratio for each lot is presented in Chapter 5 under the MCA tables. For lots that resulted in a negative feasibility ratio, the feasibility ratio column has assessed the amount

of additional floorspace or an increase in rent required to achieve a feasibility ratio of 1. Notably, the feasibility model does not account for the construction and associated costs involved with additional floorspace. Under the floorspace demand column, the additional floorspace for each land use has been calculated as a total of all lots for each precinct.

There is a total industrial floorspace deficit of 54,965 sqm and between 40,000 sqm and 50,000 sqm commercial floorspace deficit at the LGA level. Overall, the average annual growth rate (based on BTS employment projections) for industrial floorspace is 3% to 2036 and 0.6% for commercial floorspace to 2036 at the LGA level.

When any net increase in floorspace is identified in the precincts, this is removed from the overall deficits noted above to give a net deficit.

Scoring

Each criteria has been given a positive, negative or neutral score (see below) against a number of criteria to determine whether, on balance, the tested land use mix is of benefit to the LGA. This is considered in terms of its ability to deliver additional industrial floorspace as well as the impact that it will have on the ability to protect the industrial precincts.

√	Positive
-	Neutral
X	Negative

While each criteria has different characteristics and inputs, the 'floorspace demand' and 'depth within the market segment' criteria are inter-related and therefore marked as one.

While some scenarios may be able to deliver on the provision of new industrial floorspace indicator, this may need to be done through the provision of other, non-industrial floorspace in order to deliver it. This may have an adverse effect on the role and function of the precinct and therefore score negatively.

Where the ability to deliver the floorspace is dictated by significant cost to the rent per square metre (to the extent that it would price out the intended market), this is considered in the scoring against the provision of new floorspace.

5.3 Policy context

The NSW Government's *A Plan for Growing Sydney* provides strategic guidance for the future of industrial lands in Sydney. Key directions from the Plan outline the need to:

- Support key industrial precincts with appropriate planning controls.
- Identify and protect strategically important industrial-zoned land.

The *Industrial Lands Use Study* completed by SGS for Leichhardt Council in 2014 contained a series of recommendations to protect industrial lands in the LGA. The recommendations included:

- Protect Leichhardt's industrially-zoned precincts for their important employment and service functions.
- Develop a profile and plan for each industrial precinct.
- Develop a clear vision for the future of the Camperdown precinct and maintain industrial zoning.
- Ensure adequate provision of industrial land for population-serving industries.
- Ensure the vision for Leichhardt's industrial lands considers possible impacts of the Bays Precinct.
- Work with neighbouring councils to ensure a sub-regional approach to industrial land provision.

5.4 Camperdown precinct

Option 1: Industrial only

Feasibility ratio	Floorspace demand	Depth within the market segment	Impact on the role and function of the precinct	Impact on the surrounding area and broader economy	Urban design considerations
Lot A – Feasibility ratio -2.01 – With all other factors being equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $450 or the amount of additional industrial floorspace from 15,946 sqm to 31,148 sqm. Lot I and J – Feasibility ratio -0.81 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $487 or the amount of additional industrial floorspace from 3,897 sqm to 9,498 sqm. Lot AC – Feasibility ratio -1.03 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $521 or the amount of additional floorspace must increase from 1,802 sqm to 4,698 sqm.	– Net additional industrial floorspace for total lots tested under this option is 21,645 sqm. – The industrial floorspace deficit for the LGA is 54,965 sqm (2036). The net additional industrial floorspace for Camperdown results in a reduction in the deficit of industrial floorspace to 33,320 sqm. – The additional supply of industrial floorspace will provide 22 years of floorspace.	– 27% of the LGA's supply of local light floorspace and 56% of the supply of bulky goods retail floorspace across the LGA. – Growth of residential developments in the area (for instance City Quarter) and proximity to CBD is driving some demand for industries that service a localised need – Industrial rent is higher in the Camperdown precinct (average $270/sqm) in comparison to Moore Street and Tebbutt Street precincts ($200/sqm). Therefore, the types of businesses locating in Camperdown industrial precinct will be relatively high value. This also suggests greater demand for floorspace in Camperdown.	– Maintaining and increasing industrial floorspace will have a positive impact on the precinct's role and function by reaffirming its primary function. This provides a strong signal to existing owners and the market that industrial use will continue in the precinct. – In turn, this may encourage investment in building improvement.	– Additional industrial floorspace will likely increase the volume of heavy vehicle traffic accessing the precinct, placing pressure on the local road network and potentially increasing conflict with surrounding land uses. – More industrial floorspace in the Camperdown precinct will serve the growing local population and business demand in the CBD.	– Architectus has determined that the industrial development options will consist of a two storey building. – Given that the existing built form is two storeys, it is unlikely that there will be implications with building height such as overshadowing and solar access.

INDICATORS	SCORING					RESULTS
Provision of new industrial floorspace	✓	✓	✓	-	✓	✓✓✓-✓
Safeguarding of precinct's economic role and function	✓	✓	✓	✓	✓	✓✓✓✓✓

Option 2: Industrial + Commercial

Feasibility ratio	Floorspace demand	Depth within the market segment	Impact on the role and function of the precinct	Impact on the surrounding area and broader economy	Urban design considerations
Lot A – Feasibility ratio -2.4 – With all other factors being equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $450 or the amount of additional industrial floorspace from 15,946 to 33,434 sqm. OR, – The commercial rent per square metre must increase from $350 to $618 or the amount of additional commercial floorspace from 13,057sqm to 23,050 sqm. Lot I and J – Feasibility ratio -1.40 – With all other factors being equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $582 or the amount of additional industrial floorspace from 3,897 to 11,343 sqm. OR, – The commercial rent per square metre must increase from $350 to $765 or the amount of additional commercial floorspace from 3,856 sqm to 7,841 sqm. Lot AC – Feasibility ratio -1.08 – With all other factors being equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $530 or the amount of additional industrial floorspace from 1,802 sqm to 4,772 sqm. OR, – The commercial rent per square metre must increase from $350 to $577 or the amount of additional commercial floorspace from 2,621 to 4,318 sqm.	– Net additional industrial floorspace for total lots tested under this option is 21,645 sqm – Net additional commercial floorspace for total lots tested under this option is 9,573 sqm. – The industrial floorspace deficit for the LGA is 54,965 sqm (2036). The net additional industrial floorspace for Camperdown results in a reduction in the deficit of industrial floorspace to 33,320 sqm – The additional supply of industrial floorspace will provide 22 years of floorspace. – The commercial floorspace deficit for the LGA is between 40,000 and 50,000 sqm (2036). The net additional commercial floorspace for Camperdown results in a reduction in the deficit of the LGA's commercial floorspace to between 30,427 and 40,427 sqm. – The additional supply of commercial floorspace will provide approximately 4 years of floorspace.	– The Health Care and Social Assistance industry and retail industries are expected to experience significant growth to 2036 (BTS 2015). – The precinct's proximity to RPA Hospital may enable larger-scale health and allied services to develop and link into the hospital network. – The commerical market segment of Camperdown is likely to attract fringe CBD seeking premium office space. – The precinct is also likely to attract creative industries drawn to its built form and character. – Given that the retail industry is forecast to experience signifcant growth to 2036, the large scale industrial floor plan and premium offices, central location of Camperdown will be attractive to retail investors. – The introduction of premium commerical floorspace is likely to compete with other commercial centres that are located on the periphery of the CBD such as Pyrmont, Ultimo and Darlinghurst.	– Introducing commercial uses will likely redefine the precinct. This is dependent on both the type and scale of commercial use, and may position the precinct as something other than industrial. – The Sydney CBD requires an average of 24sqm of commercial floorspace per job. This would create approximately 400 additional jobs. This level of employment would affect local traffic movement within the precinct– particularly at peak times.	– Commercial floorspace in the Camperdown precinct will increase supply in the LGA in areas that have not traditionally had significant commercial floorspace. This may contribute to a shift in the commercial centre of gravity for the LGA, depending on the type of commercial market the precinct is likely to attract. The additional workforce will create accessibility and parking issues and impact the local road network. – The inclusion of additional commercial floorspace in Camperdown has the potential to attract industries and organisations that do not currently seek a Leichhardt location such as high-value manufacturing and research firms. This would place Camperdown in market competition with other CBD-fringe locations such as Alexandria.	– Architectus has determined that the building structure would likely be four storeys consisting of two storeys of industrial use and two storeys of commercial use. While not out of scale, this type of built form is less of an impact in areas of low topography. – There may be implications associated with solar access and overshadowing. This is likely to impact the surrounding residential uses. This would require further urban design assessment.

INDICATORS	SCORING					RESULTS
Provision of new industrial floorspace	✓	✓	✓	-	-	✓✓✓--
Safeguarding of precinct's economic role and function	-	-	✗	✓	✓	--✗✓✓

Option 3: Industrial + Commercial + Residential

Feasibility ratio	Floorspace demand	Depth within the market segment	Impact on the role and function of the precinct	Impact on the surrounding area and broader economy	Urban design considerations
Lot A – Feasibility ratio -1.37 – With all other factors being equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $384 or the amount of additional industrial floorspace from 13,246 to 25,421 sqm. OR, – The commercial rent per square metre must increase from to $350 to $710 or the amount of additional commercial floorspace from 6,761 sqm to 25,421 sqm. OR, – The median residential sales price must increase from $790,000 to $4,462,155 or increase the number of residential units from 18 to 80. Lot I and J – Feasibility ratio -0.46 – With all other factors being equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $441 or the amount of additional industrial floorspace from 3,897 sqm to 8,435 sqm. OR, – The commercial rent per square metre must increase from $350 to $875 or the amount of additional commercial floorspace from 1,793 sqm to 4,386 sqm. OR, – The median residential sales price must increase from 790,000 to $1,325,000 or increase the number of residential units from 26 to 29. Lot AC – The Lot achieves a positive feasibility ratio of 1.73	– Net additional industrial floorspace for total lots tested under this option is 18,945 sqm – There will be a net loss of 221 sqm for total lots tested under this option. – The industrial floorspace deficit for the LGA is 54,965 sqm (2036). The net additional industrial floorspace for Tebbutt Street/Parramatta Road results in a reduction of the deficit to 36,020 sqm. – With additional industrial floorspace supplied, it will provide 19 years of floorspace. – With the additional commercial floorspace supplied, it will provide approximately 4 years of floorspace. – The commercial floorspace deficit for the LGA is between 40,000 sqm and 50,000 sqm (2036). This would slightly increase the deficit to between 40,221 and 50,221 sqm. This is due to the fact that under this scenario, there would be 221sqm less commercial floorspace than currently.	– It is evident that there is demand for housing in Sydney. The NSW Government has identified the need for housing under *A Plan for Growing Sydney* Direction 2.1 "accelerate housing supply across Sydney". – Recent residential development along Pyrmont Bridge Road and Mallett Street have typically been the conversions of old industrial stock for contemporary living. This indicates that the housing market want the industrial inner city character of the built form. – There are opportunities in Camperdown to respond to this niche market by utilising the existing building stock. – As the land value of the Camperdown precinct is high, the demand will be driven by the medium to high income households attracted to inner city locations.	– The introduction of residential use to industrial areas should be treated with extreme caution. Residential development will send a strong signal to existing owners and the market that the area is in transition away from industrial use or no longer has an industrial future. – Residential development within the precinct would likely increase property values and rents, driving out existing tenants. – Residential development is likely to result in significant land use conflicts given there are fundamental difference in operation for each land use type. – Residential use in particular will have a negative effect if it is located in the core of the precinct. – Residential needs to be located on the periphery of each site for commercial, residential and industrial uses to function effectively on each site.	– Integrating industrial, commercial and residential land uses will increase the volume of traffic and place pressure on the surrounding road network. – Introducing commercial and residential floorspace into the precinct will increase the local resident and employment population. This will likely increase public transport demand. – Introducing commercial and residential floorspace into a previous industrial precinct will create land use conflicts predominately associated with noise, access and amenity. – The amenity of the public domain may be impacted given the urban design outcome, particularly around building heights. – Introducing residential floorspace in the precinct will drive demand for an increase in services that support the local population such as social infrastructure and retail services and to a lesser extent, industrial services. – Intensification of use will likely deliver Section 94 contributions that can be used to fund capital improvements in surrounding areas. – Residential development will assist in the provision of additional housing stock.	– Given the size of Lot A, it may have the potential to accommodate the three land use types. – There may be implications associated with solar access and overshadowing. This is likely to impact the surrounding residential uses. – Architectus has suggested that the smaller lots including AC and I&J can accommodate four storey buildings. – There will be urban design implications for the smaller lots such as overshadowing, solar access, vehicle access, parking and consistency with the built form.

INDICATORS	SCORING					RESULTS
Provision of new industrial floorspace	✓	✓	✓	-	-	✓✓✓--
Safeguarding of precinct's economic role and function	-	✗	-	✓	✗	-✗-✓✗

5.5 Tebbutt Street/Parramatta Road precinct

Option 1: Industrial only

Feasibility ratio	Floorspace demand	Depth within the market segment	Impact on the role and function of the precinct	Impact on the surrounding area and broader economy	Urban design considerations
Lot H, I, J – Feasibility ratio -0.57 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $570 or the amount of additional industrial floorspace from 4,288 sqm to 12,210 sqm. Lot L – Feasibility ratio -0.82 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $493 or the amount of additional floorspace must increase from 2,862 sqm to 7,055 sqm. Lot AD, AE, AF, AG – Feasibility ratio -1.81 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $395 or the amount of additional industrial floorspace from 4,315 sqm to 8,512 sqm.	– Net additional industrial floorspace for total lots under this option is 11,465 sqm. – The industrial floorspace deficit for the LGA is 54,965 sqm (2036). The net additional supply of industrial floorspace for Tebbutt Street results in a reduction of this deficit to 43,500 sqm. – With the additional industrial floorspace supplied, it will provide 11 years of floorspace.	– There are a range of lot sizes contained within the Tebbutt Street precinct, with the majority being of small-medium size (100-500sqm). This is likely to attract smaller tenancies. – The precinct is the fourth largest industrial precinct in the LGA by GFA. – Tebbutt Street contains a high proportion of local light and bulky goods retail. – Industrial rent in the Tebbutt Street precinct is typically more affordable than Camperdown at approximately $200/sqm. – The layout of the built form in the Tebbutt Street precinct is attractive for industries seeking affordable rent and close proximity to arterial roads. – The type of industries that are likely to locate in the precinct will predominately be bulky goods retail and local population-driven services due to the increasing population.	– Maintaining and increasing industrial floorspace will have a positive impact on the precinct's role and function by reaffirming its primary function. This provides a strong signal to existing owners and the market that industrial use will continue in the precinct. – In turn, this may encourage investment in building improvement.	– The precinct is located within close proximity to residential uses, if additional industrial floorspace is provided, land use conflicts may arise due to increased traffic volume and noise. – The LGA is experiencing growth in the local residential population. Industrial floorspace will increase the demand for population driven industrial uses such as storage facilities and local services. – Additional industrial floor space will likely increase the volume of heavy vehicle traffic accessing the precinct, placing pressure on the local road network.	– Architectus has determined that the industrial site will consist of a two storey building. – There may be urban design implications for Lot H, I & J as the site adjoins residential land uses to the rear and other side of Tebbutt Street.

INDICATORS	SCORING					RESULTS
Provision of new industrial floorspace	-	✓	✓	-	✓	-✓✓-✓
Safeguarding of precinct's economic role and function	-	✓	✓	✓	✓	-✓✓✓✓

Option 2: Industrial + Commercial

Feasibility ratio	Floorspace demand	Depth within the market segment	Impact on the role and function of the precinct	Impact on the surrounding area and broader economy	Urban design considerations
Lot H, I, J – Feasibility ratio -0.71 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $602 or the amount of additional industrial floorspace from 4,288 sqm to 12,915 sqm. OR, – The commercial rent per square metre must increase from $350 to $728 or the amount of additional commercial floorspace from 4,565 sqm to 9,495 sqm. Lot L – Feasibility ratio -1.32 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $574 or the amount of additional industrial floorspace from 2,862 sqm to 8,211 sqm. OR, – The commercial rent per square metre must increase from $200 to $826 or the amount of additional commercial floorspace from 2,246 sqm to 5,303 sqm. Lot AD, AE, AF, AG – Feasibility ratio 0.51 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $234 or the amount of additional industrial floorspace from 4,315 sqm to 5,041 sqm. OR, – The commercial rent per square metre must increase from $350 to $385 or the amount of additional commercial floorspace from 4,201 sqm to 4,616 sqm.	– Net additional industrial floorspace for total lots tested under this option is 11,465 sqm. – Net additional commercial floorspace for total lots tested under this options is 6,646 sqm. – The industrial floorspace deficit for the LGA is 54,965 sqm (2036). The net additional industrial floorspace for Tebbutt Street/Parramatta Road results in a reduction of this deficit 43,500 sqm. – The additional industrial floorspace supplied will provide 11 years of floorspace. – The commercial floorspace deficit for the LGA is between 40,000 and 50,000 sqm (2036). The net additional commercial floorspace for Tebbutt Street/Parramatta Road results in a reduction of this deficit to between 33,354 and 43,354 sqm. – The additional commercial floorspace supplied will provide approximately 3 years of floorspace.	– The type of tenants attracted to a suburban office centre include real estate agents, accountants and legal services and creative industries. – The proximity to the arterial road network, public transport and other commercial centres provides an opportunity for suburban commercial floorspace to be introduced to the precinct.	– Introducing commercial uses will define the precinct. However, this is dependent on the type of commercial use. – Commercial floorspace typically requires 24 sqm/ job. If this scenario was applied to Tebbutt Street/Parramatta Road, it would mean close to 275 jobs. This level of employment would affect local traffic movement within the precinct– particularly at peak times. – Given that the lots in the precinct are small, there will be implications associated with accessibility and parking as each land use operates differently. This is dependent on the layout and function of the development.	– Commercial floorspace in the Tebbutt Street precinct will increase supply in the LGA in areas that have not traditionally had significant commercial floorspace. This may contribute to a shift in the commercial centre of gravity for the LGA, depending on the type of commercial market the precinct is likely to attract. – Additional commercial floorspace will increase the total workforce travelling to the precinct. This will create accessibility and parking issues given the relative distance from major transport arteries. It is also likely to impact the local road network. – Additional commercial floorspace will increase the total workforce travelling to the precinct. However, there is light rail, heavy rail and bus services.	– Work undertaken by Architectus identified that the building structure would likely be four storeys consisting of two storeys of industrial use and two storeys of commercial use. – There will be vehicle access and parking issues given the nature and size of Lot L. – The precinct is located within close proximity to public transport networks (bus and rail) and major arterial roads.

INDICATORS	SCORING					RESULTS
Provision of new industrial floorspace	-	✓	✓	-	-	-✓✓--
Safeguarding of precinct's economic role and function	✘	-	✘	✓	✓	✘-✘✓✓

Option 3: Industrial + Commercial + Residential

Feasibility ratio	Floorspace demand	Depth within the market segment	Impact on the role and function of the precinct	Impact on the surrounding area and broader economy	Urban design considerations
Lot H, I, J – Feasibility ratio -0.04 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $448 or the amount of additional industrial floorspace from 4,288 sqm to 9,607 sqm. OR, – The commercial rent per square metre must increase from $350 to $945 or the amount of additional commercial floorspace from 1,798 sqm to 4,828 sqm. OR, – The median residential sales price must increase from $790,000 to $1,172,000 or increase the number of residential units from 28 to 41. Lot L – Feasibility ratio -0.57 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $454 or the amount of additional industrial floorspace from 2,862 sqm to 6,498 sqm. OR, – The commercial rent per square metre must increase from $350 to $995 or the amount of additional commercial floorspace from 1,127 sqm to 3,205 sqm. OR, – The median residential sales price must increase from $790,000 to $1,452,000 or increase the number of residential units to 20. Lot AD, AE, AF, AG – The Lot achieves a positive feasibility ratio of 2.06	– Net additional industrial floorspace for total lots tested under this option is 11,465 sqm. – Net additional commercial floorspace for total lots tested under this option is 717 sqm (due to the amount of existing commercial floorspace on site). – The industrial floorspace deficit for the LGA is 54,965 sqm (2036). The net additional industrial floorspace for Tebbutt Street/Parramatta Road results in a reduction of the deficit to 43,500 sqm. – The additional industrial floorspace will provide 11 years of floorspace. – The commercial floorspace deficit for the LGA is between 40,000 and 50,000 sqm (2036). The net additional commercial floorspace for Tebbutt Street/Parramatta Road results in a reduction in the deficit to between 39,283 and 49,283 sqm. – The additional commercial floorspace will provide less than one year's worth of floorspace.	– It is evident that there is demand for housing in Sydney. The NSW Government has identified the need for housing under *A Plan for Growing Sydney* Direction 2.1 "accelerate housing supply across Sydney". – There has been recent residential development and investment surrounding the precinct. This reflects a strong market demand for residential. This is only going to increase with UrbanGrowth NSW's vision for Parramatta Road. – It is likely that the introduction of residential floorspace will be new building stock. – Tebbutt Street/Parramatta Road presents an opportunity to supply housing for key workers given and affordable housing. This may be achieved on Lot H I J as it is a larger lot enabling greater density and a feasible return.	– Residential use will have a negative effect on the positioning of the precinct as an industrial area – If residential is located in the precinct, it should be on the periphery so as to not impact on the industrial core. – Developing industrial, commercial and residential land uses is likely to lead to land use conflicts that arise from accessibility issues and noise.	– Integrating industrial, commercial and residential land uses on one site will increase the volume of traffic and essentially place pressure on the surrounding road network. – Introducing commercial and residential floorspace into the precinct will increase the local resident and employment population. This will likely increase public transport demand. – Introducing commercial and residential floorspace into a previous industrial precinct will create land use conflicts predominately associated with noise, access and amenity. – The amenity of the public domain may be impacted given the urban design outcome. – Introducing residential floorspace in the precinct will drive demand services that support the local population such as social infrastructure and retail services and to a lesser extent, industrial services. – Introducing residential floorspace into Tebbutt Street Precinct may set a precedent for surrounding sites to be developed.	– Given the size of the amalgamated Lot AD, AE, AF, AG, it may have the potential to accommodate the three land use types. – There will be urban design implications for the smaller lots such as overshadowing, solar access, vehicle access, parking and consistency with the built form. Depending on the nature of the lot and the urban design outcome, the design implications may be addressed through site amalgamation. – The precinct is located within close proximity to public transport networks (bus and rail) and major arterial roads.

INDICATORS	SCORING					RESULTS
Provision of new industrial floorspace	✓	✓	✓	✗	-	✓✓✓✗-
Safeguarding of precinct's economic role and function	✗	✗	✗	✗	✗	✗✗✗✗✗

5.6 Moore Street South precinct

Option 1: Industrial only

Feasibility ratio	Floorspace demand	Depth within the market segment	Impact on the role and function of the precinct	Impact on the surrounding area and broader economy	Urban design considerations
Lot B & C – Feasibility ratio -0.63 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $529 or the amount of additional industrial floorspace from 1,390 sqm to 3,938 sqm. Lot H & I – Feasibility ratio -0.96 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase to from $200 to $461 or the amount of additional industrial floorspace from 2.243 sqm to 6,083 sqm. Lot S – Feasibility ratio -1.89 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $393 or the amount of additional floorspace must increase from 8,519 sqm to 16,749 sqm.	– Net additional industrial floorspace for total lots tested under this option is 12,432 sqm. – The industrial floorspace deficit for the LGA is 54,965 sqm (2036). The net additional industrial floorspace for Moore Street results in a reduction in this deficit to 42,533 sqm. – The additional industrial floorspace supplied will provide 12 years of floorspace.	– The Moore Street precinct is the third largest by GFA within the study area. It contains the most substantial amount of floorspace occupied by freight and logistics land uses, being 11,375sqm, or 73% of the total freight and logistics GFA in the LGA, along with a high proportion of light manufacturing uses (13,875sqm, or 31% of the BLC's GFA within the LGA). – There are also notable proportions of bulky goods retail and office floor space. – Industrial rent in the Moore Street precinct is typically more affordable than Camperdown at $200/sqm (based on agency consultation). – The layout and the built form in the precinct is attractive for industries seeking affordable rent and traditional industrial building stock. – The function of the precinct is predominately local service industries which are likely to remain attracted to it.	– Maintaining and increasing industrial floorspace will have a positive impact on the precinct's role and function by reaffirming its primary function. This provides a strong signal to existing owners and the market that industrial use will continue in the precinct. – In turn, this may encourage investment in building improvement.	– The precinct is located in close proximity to residential uses, if additional industrial floorspace is provided, land use conflicts may arise due to increased traffic volume and noise. – The locality is experiencing growth in the local residential population. Industrial floorspace will increase the demand for population driven industrial uses such as storage facilities. – Additional industrial floor space will be likely to increase the volume of heavy vehicle traffic accessing the precinct, placing pressure on the local road network.	– Architectus has determined that the industrial site will consist of a two storey building. – There may be urban design implications for Lot H & I as the site is surrounded by residential uses.

INDICATORS	SCORING					RESULTS
Provision of new industrial floorspace	-	✓	✓	-	✓	-✓✓-✓
Safeguarding of precinct's economic role and function	-	✓	✓	✓	✓	-✓✓✓✓

Option 2: Industrial + Commercial

Feasibility ratio	Floorspace demand	Depth within the market segment	Impact on the role and function of the precinct	Impact on the surrounding area and broader economy	Urban design considerations
Lot B & C – Feasibility ratio -2.05 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $816 or the amount of additional industrial floorspace from 1,490 sqm to 6,083 sqm. OR, – The commercial rent per square metre must increase from $350 to $967 or the amount of additional commercial floorspace from 1,490 sqm to 4,115 sqm. Lot H & I – Feasibility ratio -1.54 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $538 or the amount of additional industrial floorspace from 2,423 sqm to 6,516 sqm. OR, – The commercial rent per square metre must increase from $350 to $542 or the amount of additional commercial floorspace from 4,266 sqm to 6,605 sqm. Lot S – Feasibility ratio 0.36 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $243 or the amount of additional industrial floorspace from 8,519 sqm to 10,352 sqm. OR, – The commercial rent per square metre must increase to $393 or the amount of additional commercial floorspace from 8,519 sqm to 9,567 sqm.	– Net additional industrial floorspace for total lots tested under this option is 12,432 sqm. – Net additional commercial floorspace for total lots tested under this option is 9,679 sqm. – The industrial floorspace deficit for the LGA is 54,965 sqm (2036). The net additional supply of industrial floorspace for Moore Street South results in a reduction of this deficit to 42,533 sqm. – The additional industrial floorspace provided 12 years of floorspace. – The commercial floorspace deficit for the LGA is between 40,000 and 50,000 sqm (2036). The net additional commercial floorspace for Moore Street South results in a reduction in this deficit to between 30,321 and 40,321 sqm. – With the additional commercial floorspace supplied, it will provide approximately 4 years of floorspace.	– The commercial market segment of Moore Street South is likely to be suburban office floorspace given its distance from strategic centres. – The type of tenants attracted to a suburban office centre include real estate agents, accountants and legal services as well as the office component of industrial businesses in the precinct.	– Introducing commercial uses will likely redefine the precinct. This is dependent on both the type and scale of commercial use, and may position the precinct as something other than industrial. – The Sydney CBD averages requires 24sqm of floorspace per job. This would create approximately 400 additional jobs. This level of employment would affect local traffic movement within the precinct – particularly at peak times.	– Commercial floorspace in the Moore Street South precinct will increase supply in the LGA in areas that have not traditionally had significant commercial floorspace. This may contribute to a shift in the commercial centre of gravity for the LGA, depending on the type of commercial market the precinct is likely to attract. Particularly with Moore Street South, this is away from established centres such as Norton Street, parts of Parramatta Road and centres in the north of the LGA such as Rozelle and Balmain. – Additional commercial floorspace will increase the total workforce travelling to the precinct. This will create accessibility and parking issues given the relative distance from major transport arteries and public transport networks. It is also likely to impact the local road network.	– Architectus has determined that the building structure would likely be four storeys consisting of two storeys of industrial use and two storeys of commercial use. – There may be implications associated with solar access and overshadowing. This is likely to impact the surrounding residential uses. – There will be vehicle access issues and parking given the nature of the Lot B & C as it is a smaller lot.

INDICATORS	SCORING					RESULTS
Provision of new industrial floorspace	-	✓	✓	-	-	-✓✓--
Safeguarding of precinct's economic role and function	✗	-	✗	✓	✓	✗-✗✓✓

Option 3: Industrial + Commercial + Residential

Feasibility ratio	Floorspace demand	Depth within the market segment	Impact on the role and function of the precinct	Impact on the surrounding area and broader economy	Urban design considerations
Lot B & C – Feasibility ratio -0.6 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $523 or the amount of additional industrial floorspace from 1,490 sqm to 4,015 sqm. OR, – The commercial rent per square metre must increase from $350 to $995 or the amount of additional commercial floorspace from 745 sqm to 2,188 sqm. OR, – The median residential sales price must increase from $790,000 to $1,511,488 or increase the number of residential units from 7 to 13. Lot H & I – Feasibility ratio -0.28 – With all factors equal, to achieve a feasibility ratio of 1, the industrial rent per square metre must increase from $200 to $374 or the amount of additional industrial floorspace from 2,423 sqm to 4,529 sqm. OR, – The commercial rent per square metre must increase from $350 to $548 or the amount of additional commercial floorspace from 2,133 sqm to 3,337 sqm. OR, – The median residential sales price must increase from $790,000 to $991,000 or increase the number of residential units from 21 to 26. Lot S – The Lot achieves a positive feasibility ratio of 2.64	– Net additional industrial floorspace for total lots tested under this option is 12,432 sqm. – Net additional commercial floorspace for total lots tested under this option is 2,542 sqm. – The industrial floorspace deficit for the LGA is 54,965 sqm (2036). The net additional industrial floorspace for Moore Street South results in a reduction of this deficit to 42,533 sqm. – The additional industrial floorspace will provide 12 years of floorspace. – The commercial floorspace deficit for the LGA is between 40,000 and 50,000 sqm (2036). The net additional commercial floorspace for Moore Street South results in a reduction of this deficit to between 37,458 and 47,458 sqm. – The additional commercial floorspace will provide approximately 1 year of floorspace.	– It is evident that there is demand for housing in Sydney. The NSW Government has identified the need for housing under *A Plan for Growing Sydney* Direction 2.1 "accelerate housing supply across Sydney". – It is likely that the introduction of residential floorspace will be new building stock. However, given that surrounding residential is low density, it is important that the new stock is consistent with the existing character. – Moore Street South presents an opportunity to supply housing for key workers and affordable housing. This may be achieved on Lot S as it is a larger lot enabling greater density and a feasible return.	– With Moore Street South being the most traditional industrial precinct, introducing residential risks jeopardising its industrial role and function. – If residential is located in the precinct, it should be on the periphery (rather than the core) so as to limit the operational impact on the industrial core. – Developing industrial, commercial and residential land uses is likely to lead to significant land use conflicts.	– Integrating industrial, commercial and residential land uses will increase the volume of traffic and place pressure on the surrounding road network. – Introducing commercial and residential floorspace into the precinct will increase the local resident and employment population. This will likely increase public transport demand. – Introducing commercial and residential floorspace into a previous industrial precinct will create land use conflicts predominately associated with noise, access and amenity. – The amenity of the public domain may be impacted given the urban design outcome. – Introducing residential floorspace in the precinct will drive demand for an increase in services that support the local population such as social infrastructure and retail services and to a lesser extent, industrial services. – Intensification of use will likely deliver Section 94 contributions that can be used to fund capital improvements in surrounding areas.	– Given the size of Lot S, it may have the potential to accommodate the three land use types. – There may be implications associated with solar access and overshadowing. This is likely to impact the surrounding residential uses. – Work undertaken by Architectus suggests that B & C could accommodate four storey buildings. – There will be urban design implications for the smaller lots such as overshadowing, solar access, vehicle access, parking and consistency with the built form.

INDICATORS	SCORING					RESULTS
Provision of new industrial floorspace	-	✓	✓	✗	-	-✓✓✗-
Safeguarding of precinct's economic role and function	✗	✗	✗	✗	✗	✗✗✗✗✗

5.7 Summary of MCA

Table 42 provides an overview of the positives and negatives of each development option. This consolidates each of the scenarios tested. Key issues are identified based on the potential land-use mix.

TABLE 42. SUMMARY OF OPTIONS

Options	Positives	Negatives
Industrial only	– Increase in industrial floorspace within the precinct supports existing industrial function. – Additional industrial floorspace will provide support for the local population and businesses served by the industrial tenants.	– Additional floorspace is likely to increase the volume of traffic and impact on the local road network. – For the development of additional floorspace to be feasible, the rent per square metre has to increase. Increased rents will put pressure on the more traditional existing industrial businesses.
Industrial and commercial	– Increasing commercial floorspace will provide an opportunity for a range of different commercial types including creative, health services, university and CBD fringe office space. – Supplying commercial floorspace will reduce the commercial floorspace deficit (forecast to be between 40,000 and 50,000 sqm by 2036) for the LGA. – The demand for commercial floorspace is aligned with population and employment growth. – Commercial floorspace conflicts less with industrial activity than it does with residential activity especially where precincts already have a mix of commercial and industrial activity (e.g. Camperdown). – There is the potential to attract new tenants to the Camperdown precinct given proximity to Sydney University and RPA.	– Potential to shift the commercial gravity away from other commercial centres (e.g. Norton Street). – Likely to give rise to increased parking and accessibility problems. – High increase in commercial rents. – The introduction of commercial floorspace has the potential to change the industrial sense of address in the precincts – jeopardising the continued operation of industrial business as well as the attraction of new industrial activity. – Feasible development requires significant commercial floorspace which will fundamentally reshape the precinct.
Industrial, commercial and residential	– Introducing residential floorspace will contribute to the overall supply of housing. – There is market demand for residential floorspace in the LGA. There is an opportunity to provide affordable housing and housing for key workers and students in these precincts. – Council can benefit from Section 94 contributions and add value to the surrounding area.	– Integrating three land use types on one site will be likely to generate land use conflicts. – Introducing residential land uses will create long term implications as residential is a competing land use and could potentially dominate the site and push industrial uses out of the precinct. – Pressure on social infrastructure and local services with an increasing residential and business population. – If residential is developed in the core of a site, it will be especially harmful to the function of the precinct. Residential needs to be developed on the periphery.

6 RISK ASSESSMENT

6.1 Introduction

Based on the precinct profiling, feasibility analysis and MCA process, a number of potential outcomes are available to Council in the planning for the future of IN2 land. These outcomes have been considered both in terms of their ability to deliver additional industrial floorspace and the respective risks that actions present to a precinct or the overall supply of industrial floorspace.

Actions are identified with regard to their risk using the following consideration:

Low risk	Likely to be suitable for the LGA
Medium risk	Careful consideration should be paid to whether action is considered appropriate
High risk	Highly likely to fundamentally and adversely impact future industrial floorspace supply

These scenarios inform the recommendations in Chapter 7.

6.2 Industrial only option

This option assumes that the current IN2 zoning remains in place and the focus is on retaining the predominantly industrial nature of the precinct

Potential action	Justification	Risk assessment
Do nothing	Redevelopment of industrial floorspace simply through the increase of industrial floorspace is not feasible under any scenario tested. To achieve a feasible result would require significant amounts of non-industrial floorspace to be introduced, compromising the primary role of the precincts.	– LGA continues to have a shortage of industrial floorspace into the future. The protection of the remaining industrial area limits the ability of new land uses to erode the primary role of industrial precincts. – The demand for residential use will continue to place pressure on industrial land under the do nothing scenario.
Stronger focus on preservation of remaining industrial land	With no ability to increase floorspace, the remaining industrial area is critical in providing floorspace for businesses that require industrial space to provide services for the local population and other businesses in commercial centres and the CBD. This industrial floorspace should continue to be protected.	– As above. – Stronger focus on the preservation of remaining industrial land through policy will reduce the risk of losing industrial land.
Tighten range of permitted uses in IN2	If no additional floorspace can be induced through development, a longer-term strategy to gradually 'claw back' industrial floorspace from non-industrial users could help to reduce the deficit, albeit marginally. This may include limiting non-industrial uses such as offices that seek to locate in industrial precincts due to the character and identity, rather than a specific need.	– Unlikely to significantly increase floorspace – May lead to conflict of industrial land uses requiring an office component – May limit uses that require industrial space but have a legitimate commercial function

6.3 Industrial + Commercial option

This option introduces commercial floorspace as a development feasibility lever to aid the delivery of additional industrial floorspace. Commercial is introduced as a lower impact alternative land use than residential.

Potential action	Justification	Risk assessment
Re-zone all IN2 land to a business zone (for example B5 or B6)	In acknowledgement of the dynamic nature of inner city industrial precincts, a wider business-focussed zone will encourage commercial development.	– Higher land values may drive 'lower value' uses out with potential flow on effects to the businesses they serve in existing commercial centres and the CBD – The introduction of commercial activity may alter the precinct role and function. This is most pronounced for Moore Street South being the most traditional industrial precinct in the LGA. – Prohibits fundamental light industrial uses such as car repair workshops
Rezone all IN2 land, or particular precincts, to a business zone (B5, B6 or B7) with tailored permissible land uses	No B5 or B6 zone currently exists in the LGA. As such, a tailored permissible uses list could be considered that focuses on industrial as the primary land use whilst enabling some office-related floorspace as a means of inducing development feasibility.	– Council amalgamations may remove the nuance of using multiple business zones to differentiate precincts as each LGA's zoning will need to be rationalised under a single planning instrument. – Still exposes precincts to non-industrial uses – Feasibility testing suggests that significant commercial floorspace is still required to deliver industrial floorspace – This may encourage commercial development in areas that are less suitable than local centres (such as Norton Street)
Retain IN2 zoning, but allow commercial floorspace with a proportional cap	The intention is to increase industrial floorspace. If commercial uses are necessary to do this, the primary function of the precinct can be maintained by capping the amount of commercial floorspace (either by site or precinct) at a proportion of total floorspace, for instance 25%.	– Cap may need to be high to reach a development feasibility threshold – Permitting commercial floorspace may result in a loss of the defined industrial precinct and a poor urban design outcome.

6.4 Industrial + Commercial + Residential option

This option introduces residential in addition to commercial floorspace as the most intensive means of delivering development feasibility. Allowing residential development within industrial precincts increases the risk of precinct fragmentation and land-use conflict.

Potential action	Justification	Risk assessment
Re-zone Camperdown to a business zone such as B6 or B7 and allow residential flat buildings as a permitted use, as long as industrial floorspace is a majority floorspace component	The inclusion of residential in precincts suited to this land use is likely to support the inclusion of additional industrial floorspace from a feasibility point of view. Given the housing agenda of the NSW Government with major state significant projects in the pipeline, it would be in Council's interest to get on the front foot and identify the future use of the Camperdown precinct. To respond to pressure for residential development in the Camperdown precinct, Council must permit residential and commercial uses within industrial lands. This will require Council to implement policies that allow the introduction of residential and commercial floorspace, yet protect industrial floorspace. As residential is a dominant land use, the LEP and DCP must be amended to implement controls that protect employment land uses.	– High risk of precinct fragmentation or dilution due to conflicting land use – Sets a precedent for future industrial lands to undergo similar rezoning process – Increases land values to such an extent that industrial uses are priced out
Spot-rezone identified sites on periphery of industrial precincts to allow residential development	In some precincts, some candidate sites are separated from the main part of a precinct to the extent that residential uses would be unlikely to significantly impact on the industrial function, while still enabling increased industrial floorspace in an industrial area.	– Individual site rezonings are not strategic in their nature and can lead to increased requests for rezoning on other sites that have more adverse impacts
Develop specific criteria for site consideration, allowing residential use within IN2 if it: - Significantly increases industrial floorspace - Ensures residential is less than 20% of total GFA - Is on a peripheral site - Is a lot size over 1,000sqm	These particular criteria could be applied on a case-by-case basis where there is demonstrated focus on increasing industrial floorspace, using residential as a lever.	– Gradual erosion of precincts – Encourages land speculation and land banking – Encourages land owner not to invest in industrial land upkeep

7 RECOMMENDATIONS

7.1 Introduction

It is clear that there is a need within Leichhardt to provide additional industrial floorspace to meet the LGA's future demands. However, this objective must be tempered against the risks involved in seeking this additional floorspace. Ultimately, the decision to consider redevelopment within any of Leichhardt's industrial precincts as a means to increasing supply must be considered against a fundamental question:

"Do the risks of development outweigh the reward?"

In this light, the reward is the increase of industrial floorspace while the risks are those listed in the assessments above.

Industrial development alone will not facilitate the provision of increased industrial floorspace supply as the cost of development outweighs the revenues received. As a consequence, other land uses are required to improve the feasibility aspect of protecting and increasing the supply of industrial floorspace.

The consideration of commercial and/or residential uses as levers in increasing industrial floorspace supply present a number of risks. The volume of commercial floorspace required to cross the feasibility threshold is likely to fundamentally alter the function of the subject precinct and shift the commercial gravity of the LGA away from its identified commercial centres.

The introduction of residential development would have extremely high risks of precinct fragmentation and land use conflicts that would significantly limit the ongoing function of the precincts concerned. The extreme end of this scenario is that within a relatively short period of time, the pressure of residential development will lead to the complete loss of precincts.

With this in mind, the strategies below are split into two options that recognise the risks inherent in any rezoning attempt within the precincts.

7.2 Option 1: Business as usual approach

This option assumes that based on the risk equation articulated above, the risk of precinct fragmentation and land use conflict that comes with encouraging additional uses is too great to entertain. As such, it recommends no change to any zoning within the LGA's IN2 (Light Industrial) zoned land.

Protection

Strategy 1 : Retain industrial (IN2) categorisation in majority of industrial precincts	
ACTION 1.1	Retain IN2 (Light Industrial) zoning controls and continue to protect from rezoning for the following precincts: – Balmain East – Balmain Road – Lilyfield Road – Marion Street – Moore Street North – Terry Street – White Bay – Camperdown – Tebbutt Street – Lords Road If this action is to be pursued, the existing controls are to remain.
Rationale	*The Industrial Lands Study (2014) identified a shortage of industrial floorspace in the LGA by 2036. The retention of all IN2 (Light Industrial) zoned land and active protection of it against future development or adjacent development that may lead to land-use conflicts will not increase industrial floorspace. However, it is the best way to ensure that there is no continual erosion of remaining stock.*

Strengthening of industrial character

Strategy 2 : Differentiate between industrial uses in the LGA	
ACTION 2.1	Introduce IN1 zoning into LEP 2013.
Rationale	*There are subtle differences in the role of Leichhardt's industrial precincts and many of the precincts are small clusters of industrial units which fit into the IN2 (Light Industrial) category.* *There are some precincts, however, that due to their size and role, are more 'traditional' industrial precincts. The introduction of an IN1 (General Industrial) zone would add weight to the precincts that have such a zoning. This would send a clear message of intent regarding these precincts.*
ACTION 2.2	Rezone Moore Street South industrial precinct to IN1, while retaining the current IN2 zone for all other precincts
Rationale	*Moore Street South is Leichhardt's largest 'traditional' industrial precinct with regards to role and function. A rezoning to IN1 (General Industrial) zone would signal that this precinct is not one to consider peripheral industrial uses and will not be a location for alternative uses such as commercial or residential.* *Although feasibility testing suggested that in some instances, the introduction of commercial and/or residential could deliver an increase in floorspace, the possible loss of this precinct due to land-use conflicts is too great to contemplate seeking a marginal increase in floorspace.*

7.3 Option 2: Policy change for key precincts

This option assumes a scenario where:

a) Pressure from the State Government to redevelop the Parramatta Road Corridor requires Council to take a lead in considering alternative land use arrangements; OR
b) Council wishes to consider options that may deliver additional floorspace.

As such, it is mutually exclusive of Option 1's Action 1 and seeks to reconceive the future roles of the Council's major industrial precincts.

The recommendations that follow are predicated on the following visions for how Camperdown and Tebbutt Street/Parramatta Road precincts may function as non-traditional industrial precincts.

Two potential futures for the Camperdown precinct

Camperdown's location in relation to the CBD and other neighbouring institutions such as the University of Sydney and Royal Prince Alfred Hospital means it is well positioned to accommodate supporting industries. The Camperdown precinct could accommodate higher-value industrial and commercial operations that support the operations of nearby institutions and businesses operating in the CBD. Given that Camperdown is located on the fringe of the CBD, there is also the opportunity for the precinct to compete in the CBD fringe market, with areas such as Alexandria, to accommodate businesses priced out of the CBD market but still needing CBD proximity.

The existing building stock of Camperdown may be attractive to a range of businesses, particularly creative industries that tend to seek warehouse type offices with larger floor plans. Leichhardt Council aspires to attract and nurture creative industries with an identity that supports physical production in partnership with aligned commercial interests. Camperdown could define itself as the inner city precinct that attracts and accommodates these functions.

This option provides two alternate plans for the Camperdown precinct's future. This method has been implemented to ensure that the sequential logic test that underpins the feasibility modelling and MCA continues through into the recommendations. Commercial is favoured as an alternate land use due to its potential to be more complementary than conflicting. It may also be able to attract high value uses aligned with institutions such as the university and hospital. However, the feasibility testing suggests that residential can deliver additional industrial floorspace due to its ability to deliver higher land values. This introduction of residential however also increases the risk of precinct fragmentation and therefore should be carefully considered. As such, strategies 3a and 3b are to be considered as alternatives to one another.

Strategy 3a : Development of Camperdown as a distinct commercial precinct	
ACTION 3.1	Introduce B5 (Business Development) zone to LEP 2013 and prohibit the use of 'Residential Accommodation'. Under the LEP 2013, the objectives of the zone should seek to: – Enable a mix of business, warehouse and related land uses that require a large floor area, in locations that are close to, and that support the viability of centres. – Encourage strategic employment opportunities and to support the viability of industrial centres. – Promote uses with active street frontages.
Rationale	*Leichhardt currently has four Business zones identified in its LEP 2013. The introduction of B5 (Business Development) will enable Council to provide a more nuanced set of business-oriented centres.* *B5 (Business Development) provides Council with an additional business zoning that aligns with a number of the uses currently found in the IN2 (Light Industrial) zone. This provides Council with a more refined set of zones to address future land-use pressures, particularly in the Camperdown precinct. Camperdown presents an opportunity for the precinct to form an alliance and attract uses associated with Sydney University and Royal Prince Alfred Hospital which may be accommodated in the B5 (Business Development) zone.* *Applying the B5 (Business Development) zone will build on the unique potential of the Camperdown precinct. The proximity to the CBD and major institutions (Prince Alfred and Sydney University) will enable the precinct to leverage commercial office floorspace whilst maintaining the current industrial uses.*

Strategy 3a is predicated on the precinct forming a direct relationship with a partnering institution such as RPA or the University of Sydney. Without such an alliance, this strategy is not recommended. As an alternative to Strategy 3a, Strategy 3b presents a more mixed-use, but potentially riskier approach to planning the future of the Camperdown precinct.

Strategy 3b : Development of Camperdown as an industrial mixed-use precinct	
ACTION 3.2	Introduce B5 (Business Development) into LEP 2013 and include 'Residential Accommodation' as a permitted use with consent. Under the LEP 2013, the objectives of the zone should seek to: – Enable a mix of business, warehouse and related land uses that require a large floor area, in locations that are close to, and that support the viability of centres. – Provide for limited residential development in conjunction with permissible active ground floor uses. – Encourage strategic employment opportunities and to support the viability of industrial centres. – Promote uses with active street frontages. While this Action proposes to include 'Residential Accommodation' in the B5 (Business Development) zone, the intent would be to prohibit low and medium density residential uses.
Rationale	*Allowing some residential development within business zones will encourage a mix of uses where it is applied. It will also assist with the feasibility equation of new developments where this use is being encouraged.* *Unlike B4 (Mixed Use), which usually has residential providing a significant proportion of floorspace in developments, the intent of introducing B5 (Business Development) is to retain the predominant land use as business-focus. A Local Provision needs to be introduced to the LEP 2013 to provide legislative weighting for limiting residential*

	accommodation in the B5 (Business Development) zone. The Local Provision clause should seek to include the following: – *The objective of this clause is to provide for the use of purpose built residential accommodation in the B5 (Business Development) zone.* – *This clause applies to land in zone B5 (Business Development).* – *Development consent must not be granted to development for residential purposes on land to which this clause applies unless the consent authority is satisfied that:* – *It is part of a mixed use development where office premises or light industries are the dominant land use.* – *The development includes office premises or light industries on the ground floor.* *Appendix One details the types of uses operating in the IN2 (Light Industrial) zone. There are non-industrial uses currently operating on the perimeter and within Leichhardt's industrial precincts which are not impacting the key function of the industrial precincts. Given this, rezoning from IN2 (Light Industrial) to B5 (Business Development) will result in a loss of the industrial zone, however not necessarily a complete loss of land use as most of the current land uses are permitted to operate in the B5 (Business Development) zone.* *The DCP must be amended to control the introduction of residential use to ensure office premises or light industrial uses remain the dominant land use within the precinct.*
ACTION 3.3	Provide additional direction with regards to floorspace proportions and height of buildings for the B5 (Business Development) zone in either the LEP or DCP. This would limit the total amount of residential GFA to approximately 20-30% of total GFA for individual development and control the minimum ceiling height on the ground floor of buildings in the B5 (Business Development) zone to at least 4 metres.
Rationale	*The intent of the B5 (Business Development) zoning is to accommodate a broad range of industries and businesses that may seek to locate in the Camperdown Precinct. To ensure that residential does not dominate the development and alter the intent of the precinct, additional directions can be added under the local provisions in the LEP (described in Action 3.2) to limit floorspace to a minimal proportion. This will provide clear controls to those seeking to include residential floorspace in developments within a B5 zoning. A weaker approach would be to include these in the DCP as it has less weight than the LEP.* *The identification of 20-30% is based on scenario testing to ascertain what proportion of the total floorspace needs to be residential in a mixed-use development in order to return a feasible result.*

Irrespective of whether Strategy 3a or Strategy 3b is deemed more appropriate for the precinct, the same area is identified as for rezoning in Strategy 4.

Strategy 4 : Re-configure the zoning of the Camperdown precinct

ACTION 4.1 Re-zone the identified area to B5 (Business Development).

Rationale

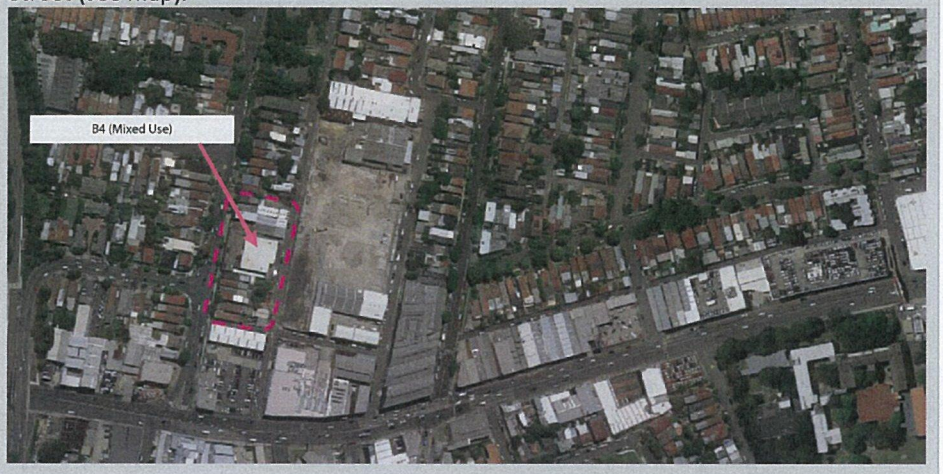
The Camperdown Precinct's location in relation to the CBD and other neighbouring institutions such as the University of Sydney and Royal Prince Alfred Hospital means it is well positioned to accommodate supporting industries. A B5 (Business Development) zone would permit a more commercial focus while retaining much of the existing industrial uses. If Strategy 3b is preferred, the introduction of capped residential development would act as a lever to increase industrial and commercial floorspace.

A B5 (Business Development) zone on the precinct's periphery will capture much of the existing land use profiles such as Bulky Goods Retail that currently line Parramatta Road.

ACTION 4.2	Retain existing IN2 (Light Industrial) zone and current controls in identified area (below).
Rationale	*This industrial precinct needs protection from the encroachment of non-industrial uses. These non-industrial land uses may require industrial-style floorspace but not be 'traditional' industrial uses. They are better located on the periphery so that the core of the precinct can continue to serve an industrial role, while being buffered from surrounding residential land uses. Retaining the IN2 (Light Industrial) zone will minimise the potential loss of current industrial issues to development. The encroachment of non-industrial uses can lead to land-use conflicts within inner city industrial precincts.* *Any form of residential development within or surrounding the precinct may set a precedence for further development resulting in a loss industrial floorspace. Therefore, the industrial core of the precinct will continue to support the light industrial uses that seek to locate close to the CBD. It will also help to retain the overall intention of the precinct.* *The identification of this IN2 (Light Industrial) zone is in acknowledgement of the desire to retain as much industrial floorspace as possible.*
ACTION 4.3	Set a clear vision for the future industry identity of the Camperdown Precinct
Rationale	*In order for the strategic intent of any changes to Camperdown to be made clear, a statement in the DCP that outlines what type of precinct Camperdown will be should be made. This can build off the statement in this section about the intent of Camperdown's proposed rezoning.*

Vision for Tebbutt Street/Parramatta Road Precinct

Tebbutt Street/Parramatta Road's identification as a centre in the Draft Parramatta Road Urban Transformation Strategy and its location near to the Taverners Hill Light Rail station make it a logical place for mixed use development. A concentrated residential component, with a mix of business and industrial uses could enable a range of land uses to co-exist with minimal conflict. Each of these benefit from the precinct's location and transport access.

Strategy 5 : Be proactive in aligning the Tebbutt Street/Parramatta Road Precinct with the future of the Parramatta Road Strategy	
ACTION 5.1	Re-zone eastern edge of Tebbutt Street to B4 (Mixed Use) north of Number 7 Tebbutt Street (see map). 
Rationale	*The intention of UrbanGrowth NSW to redevelop this precinct as part of the Parramatta Road Urban Transformation Strategy puts pressure on Tebbutt Street/Parramatta Road to remain as an industrial precinct. This stretch already has a B4 (Mixed Use) zone to its east and its location near the Taverners Hill Light Rail Station makes it suitable for residential.* *This approach also demonstrates a proactive approach by Council to work with UrbanGrowth NSW and may help to protect more of the industrial precinct than otherwise would have.*
ACTION 5.2	Re-zone IN2 (Light Industrial) zoned land in precinct between Tebbutt Street and Hathern/Brown Street and between Flood Street and Elswick Street to B6 (Enterprise Corridor).

Rationale	*A B6 (Enterprise Corridor) zoning aligns with much of the current uses along Parramatta Road and still retains opportunity for some industrial uses. It does provide a more commercial opportunity to support any future residential development in the area, particularly for affordable and key worker housing. A snapshot of the existing uses is contained in Appendix 2. It is likely that most of the existing uses will be permitted in the B6 (Enterprise Corridor) zone.* *A B5 (Business Development) zoning (including a residential component) has not been considered due to the desire to concentrate any residential activity around Tebbutt Street/Parramatta Road in the short-to-medium term. If development does take place in this precinct in the future, residential within the identified B6 (Enterprise Corridor) zone may be a consideration for Council.*
ACTION 5.3	Retain IN2 zoning and current controls between Flood Street and Upward Street.
Rationale	*This part of the precinct retains a cluster of larger lots that centre on the newly built Best and Less distribution facility. Given that Best and Less has committed to the precinct, it suggests that this warehousing and supply chain role is still relevant in this location. While these could likely operate under a B6 (Enterprise Corridor) zoning, the intention to retain some IN2 (Light Industrial) land in the precinct is why this is not included with the other proposed B6 (Enterprise Corridor) land identified in Action 5.2.*

Strategy 6 : Retain and protect all other industrial precincts	
ACTION 6.1	All other precincts, with the exception of Camperdown and Tebbutt Street/Parramatta Road will be retained as per Strategies 1 and 2 under Option 1. This refers to the following precincts: – Balmain East – Balmain Road – Lilyfield Road – Marion Street – Moore Street North – Terry Street – White Bay – Moore Street South* – Lords Road *The application of Strategy 2 should be considered separately from this strategy. Irrespective of whether Strategy 1 or 2 is adopted, this strategy seeks to ensure that all other industrial land, with the exception of Tebbutt Street/Parramatta Road and Camperdown are retained.
Rationale	*Camperdown and Tebbutt Street/Parramatta Road have an opportunity to evolve and also face the greatest pressure to be rezoned. The remaining precincts in the LGA are*

too small to accommodate additional, non-industrial uses within them without risking the function of the precinct's current role.

In order to retain as much industrial floorspace as possible, it is important that these remaining precincts are not gradually eroded through spot rezonings or the introduction of competing land uses. This is in recognition of the continued need for IN2 (Light Industrial) zoned land, as identified in the 2014 industrial lands study. As a consequence, the remaining smaller precincts need protection from development competition. Should one be rezoned, it would set a precedent that would likely see the remaining precincts follow suit.

7.4 Summary

There are clear risks if new zones and land uses are introduced to Leichhardt's existing industrial precincts. Previous studies have indicated that the LGA's industrial floorspace deficit is projected to increase. The need to therefore protect what remains is strong.

However, two of the larger precincts in the LGA – Camperdown and Tebbutt Street/Parramatta Road - are already facing pressure to redevelop as part of the Draft Parramatta Road Urban Transformation Strategy. In light of this, Option 2 (and its subsequent strategies and actions) would enable Leichhardt Council to be proactive in controlling the future of these precincts. The option would help Council to lead discussion on the future of these two major precincts, rather than see them be forcibly rezoned as part of a wider urban renewal strategy. The option recognises the wider context that these two precincts operate within and seeks to articulate a logical future for them.

This option is not without risk and it seeks to safeguard the remaining smaller precincts across the LGA from redevelopment. Should Council not wish to take this risk, then Option 1, which protects all industrial zoning across the LGA, may then be a more palatable approach to the future of Leichhardt's industrial lands.

APPENDIX ONE

BLC categories

In section 4.2 and 4.3, the current and future capacity of industrial floorspace was identified. The tables below detail the Broader Land Use Categories (BLCs) and ANZSIC (1 digit) codes.

BLCs	Name
BP	Business Park
D	Dispersed
FL	Freight and logistics
LL	Local light
ML	Metropolitan light
O	Office
RBG	Retail bulky goods
RES	Residential
RM	Main street retail
US	Urban services
VBL	Vacant block of land

ANZSIC categories

ANZSIC 1 Digit	Name
A	Agriculture, Forestry and Fishing
B	Mining
C	Manufacturing
D	Electricity, Gas, Water and Waste Services
E	Construction
F	Wholesale Trade
G	Retail Trade
H	Accommodation and Food Services
I	Transport, Postal and Warehousing
J	Information Media and Telecommunications
K	Financial and Insurance Services
L	Rental, Hiring and Real Estate Services
M	Professional, Scientific and Technical
N	Administrative and Support Services
O	Public Administration and Safety
P	Education and Training
Q	Health Care and Social Assistance
R	Arts and Recreation Services
S	Other Services
X	Inadequately Described and Not Stated

The following section details further information on the precinct profiles in Chapter Three.

Camperdown precinct

TABLE 43. CAMPERDOWN PRECINCT LOT SIZES (SQM)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	75	1,691	451	89	-	23	54	683	-	-
Max	1,583	1,691	451	793	-	5,420	1,050	1,079	-	-
Average	577	1,691	451	227	-	1,082	552	881	-	-

TABLE 44. CAMPERDOWN PRECINCT BUILDING HEIGHTS (STOREYS)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	1	2	1	1	-	1	1	-	-	-
Max	2	2	2	2	-	2	1	-	-	-
Average	2	2	2	1	-	2	1	-	-	-

FIGURE 31. FLOORSPACE RANGE OF TOP THREE PRECINCT INDUSTRIES (BY NUMBER OF BUSINESSES) COMPARED WITH TOTAL PRECINCT FLOORSPACE ANZSIC 1 DIGIT

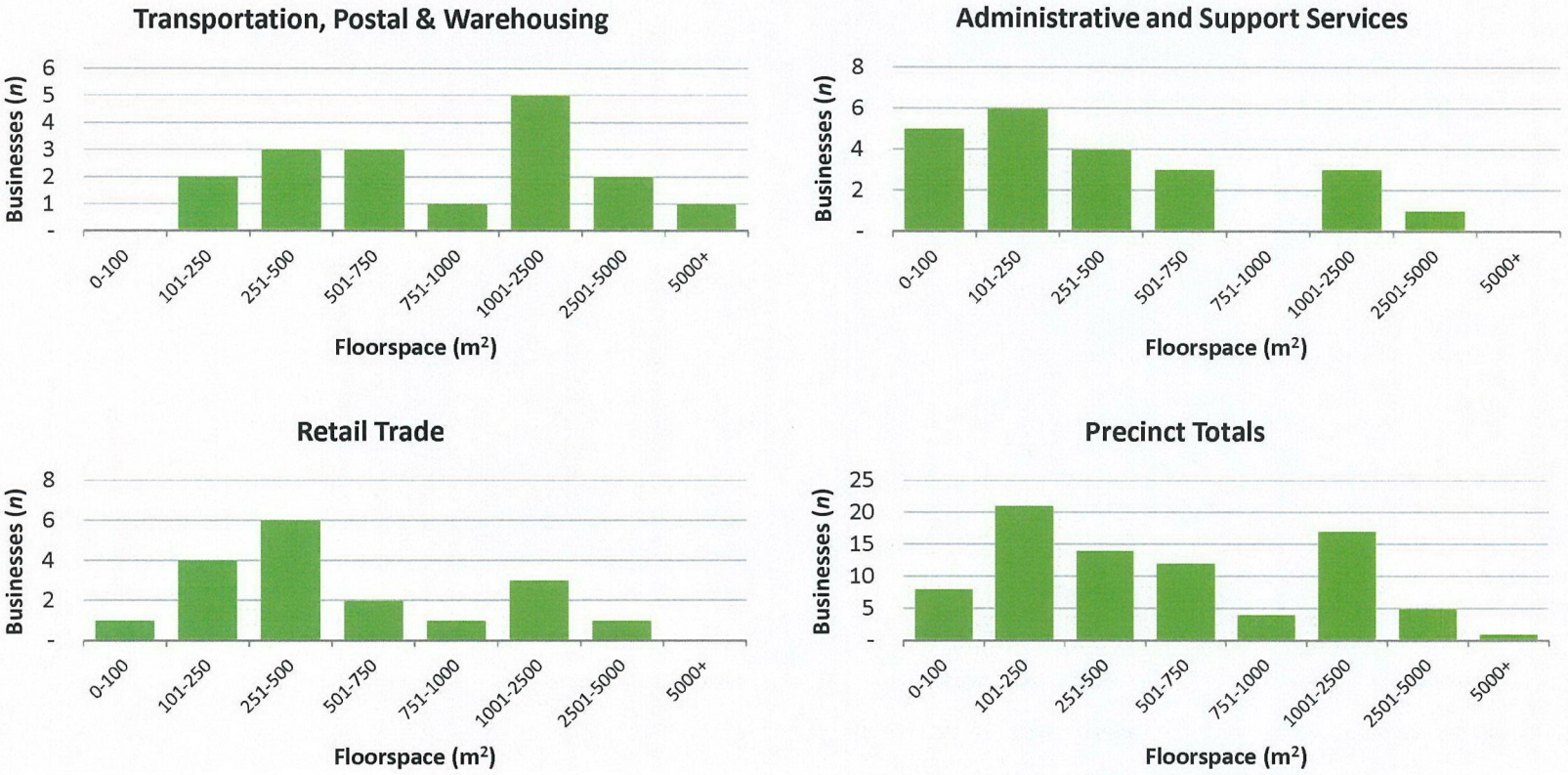


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TABLE 45. FLOORSPACE BY ANZSIC CODE (SQM)

This should be read in conjunction with the list of 1-digit ANZSIC codes outlined above.

ANZSIC	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	X	Precinct
Total floorspace	-	-	3,065	-	367	2,621	11,943	179	31,724	-	-	2,578	2,945	13,206	-	-	-	3,156	1,238	1,775	*74,798*
Average floorspace	-	-	613	-	184	874	663	90	1,866	-	-	1,289	982	600	-	-	-	1,578	413	592	*487*

Tebbutt Street/Parramatta Road precinct

TABLE 46. TEBBUTT STREET/PARRAMATTA ROAD PRECINCT LOT SIZES (SQM)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	804	119	92	268	154	48	283	-	2,513	-
Max	4,257	1,093	740	518	1,981	1,742	283	-	2,513	-
Average	2,583	526	440	344	916	446	283	-	2,513	-

TABLE 47: TEBBUTT STREET/PARRAMATTA ROAD PRECINCT BUILDING HEIGHTS (STOREYS)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	1	3	1	1	1	1	1	-	2	-
Max	3	3	2	1	1	3	1	-	2	-
Average	2.0	3.0	2.0	1.0	1.0	2.0	1.0	-	2.0	-

FIGURE 32. FLOORSPACE RANGE OF TOP THREE PRECINCT INDUSTRIES (BY NUMBER OF BUSINESSES) COMPARED WITH TOTAL PRECINCT FLOORSPACE ANZSIC 1 DIGIT

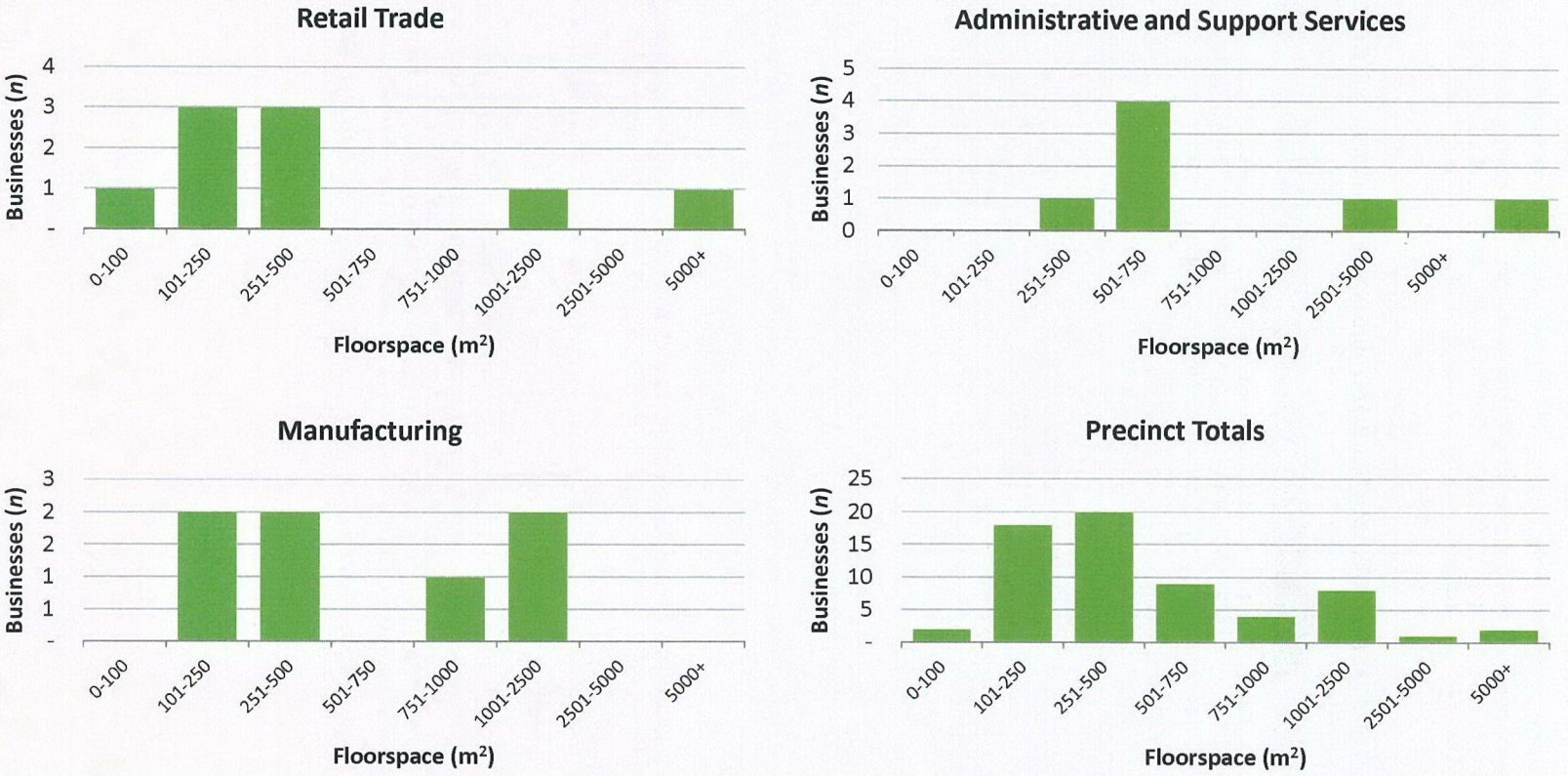

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TABLE 48. FLOORSPACE BY ANZSIC CODE (SQM)

This should be read in conjunction with the list of 1-digit ANZSIC codes outlined above.

ANZSIC	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	X	Precinct
Total floorspace	-	-	4,092	104	823	2,999	10,019	-	7,504	-	-	-	1,417	9,529	-	577	-	371	4,229	4,688	*46,350*
Average floorspace	-	-	585	104	411	300	1,113	-	625	-	-	-	472	1,361	-	577	-	371	846	781	*377*

White Bay

TABLE 49: WHITE BAY PRECINCT LOT SIZES (SQM)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	259	135	-	80	260	27	65	120	-	-
Max	1,077	395	-	293	997	19,820	188	298	-	-
Average	543	231	-	168	506	911	123	238	-	-

TABLE 50: WHITE BAY PRECINCT BUILDING HEIGHTS (STOREYS)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	1	2	-	1	2	1	1	1	1	-
Max	2	2	-	2	2	4	1	1	1	-
Average	1.5	2.0	-	1.3	2.0	2.2	1.0	1.0	1.0	-

FIGURE 33. FLOORSPACE RANGE OF TOP THREE PRECINCT INDUSTRIES (BY NUMBER OF BUSINESSES) COMPARED WITH TOTAL PRECINCT FLOORSPACE ANZSIC 1 DIGIT (SEE APENDIX ONE FOR ANZSIC CODES)

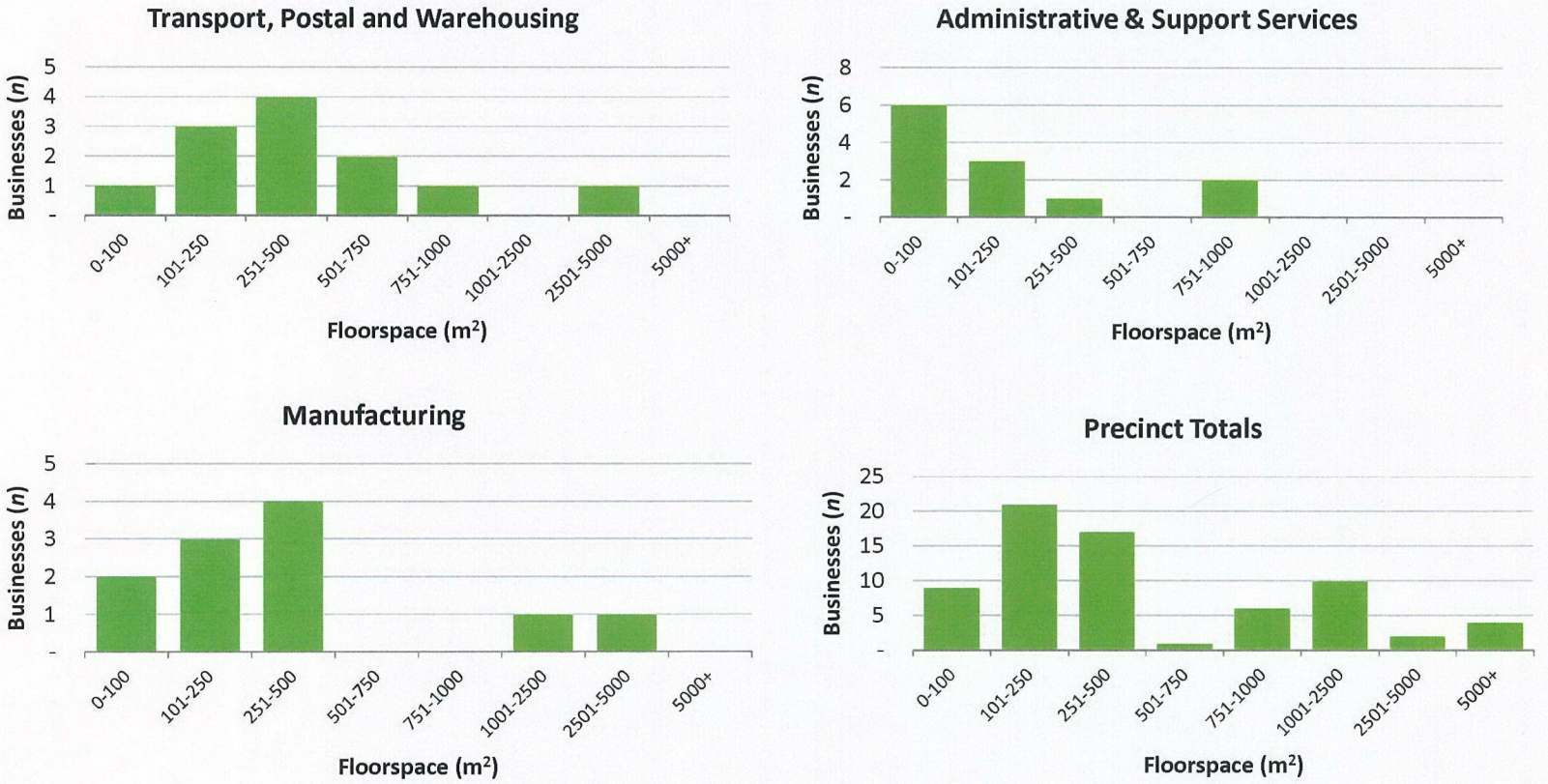

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TABLE 51. FLOORSPACE BY ANZSIC CODE (SQM)

This should be read in conjunction with the list of 1-digit ANZSIC codes outlined above.

ANZSIC	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	X	Precinct
Total floorspace	-	-	6,372	-	181	1,052	919	192	20,101	22,183	-	388	1,716	3,126	-	-	288	4,237	9,565	2,384	*72,705*
Average floorspace	-	-	579	-	181	1,052	306	192	1,546	11,091	-	194	286	260	-	-	288	1,412	957	596	*947*

Moore Street South

TABLE 52: MOORE STREET SOUTH PRECINCT LOT SIZES (SQM)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	2,371	332	-	122	264	132	31	180	273	352
Max	2,794	1,127	-	413	2,662	6,998	372	695	4,735	352
Average	2,582	540	-	265	765	1,099	164	313	859	352

TABLE 53: MOORE STREET SOUTH PRECINCT BUILDING HEIGHTS (STOREYS)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	1	1	-	1	1	1	2	2	1	1
Max	2	2	-	1	3	2	2	2	2	1
Average	1.7	1.5	-	1.0	1.4	1.3	2.0	2.0	1.5	1.0

FIGURE 34. FLOORSPACE RANGE OF TOP THREE PRECINCT INDUSTRIES (BY NUMBER OF BUSINESSES) COMPARED WITH TOTAL PRECINCT FLOORSPACE ANZSIC 1 DIGIT (SEE APENDIX ONE FOR ANZSIC CODES)

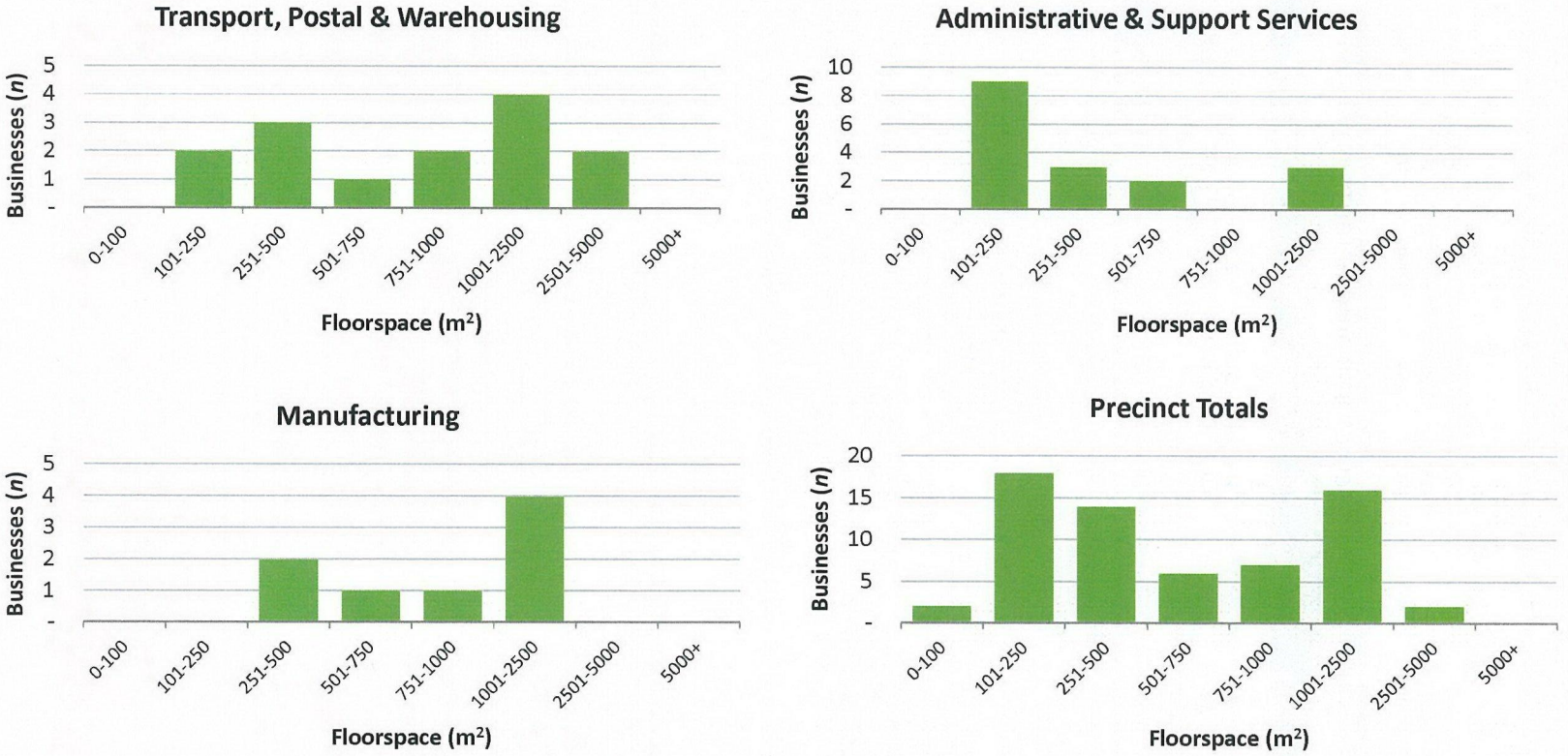

TABLE 54: FLOORSPACE BY ANZSIC CODE (SQM)

This should be read in conjunction with the list of 1-digit ANZSIC codes outlined above.

ANZSIC	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	X	Precinct
Totals	-	-	6,860	-	3,968	114	4,426	-	14,914	-	440	-	3,468	8,005	434	-	2,404	-	1,721	1,985	*48,739*
Average	-	-	857	-	496	114	738	-	1,065	-	440	-	694	471	434	-	2,404	-	574	662	*447*

Moore Street North

TABLE 55: MOORE STREET NORTH PRECINCT LOT SIZES (SQM)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	-	-	-	-	-	2,798	-	-	4,059	-
Max	-	-	-	-	-	3,851	-	-	4,059	-
Average	-	-	-	-	-	3,324	-	-	4,059	-

TABLE 56: MOORE STREET NORTH PRECINCT BUILDING HEIGHTS (STOREYS)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	-	-	-	-	-	1	-	-	2	-
Max	-	-	-	-	-	2	-	-	3	-
Average	-	-	-	-	-	1.8	-	-	2.5	-

Lords Road

TABLE 57: LORDS ROAD PRECINCT LOT SIZES (SQM)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	-	-	-	-	-	1,599	-	-	-	-
Max	-	-	-	-	-	9,025	-	-	-	-
Average	-	-	-	-	-	5,312	-	-	-	-

TABLE 58: LORDS ROAD PRECINCT BUILDING HEIGHTS (STOREYS)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	-	-	-	-	-	2	1	-	-	-
Max	-	-	-	-	-	2	1	-	-	-
Average	-	-	-	-	-	2.0	1.0	-	-	-

Marion Street

TABLE 59: MARION STREET PRECINCT LOT SIZES (SQM)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	-	-	-	-	372	5,240	7,852	-	-	-
Max	-	-	-	-	372	5,240	7,852	-	-	-
Average	-	-	-	-	372	5,240	7,852	-	-	-

TABLE 60: MARION STREET PRECINCT BUILDING HEIGHTS (STOREYS)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	-	-	-	-	1	1	2	-	-	-
Max	-	-	-	-	1	1	2	-	-	-
Average	-	-	-	-	1.0	1.0	2.0	-	-	-

Lilyfield Road

TABLE 61: LILYFIELD ROAD PRECINCT LOT SIZES (SQM)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	-	145	-	144	651	154	-	-	143	-
Max	-	233	-	195	651	1,978	-	-	284	-
Average	-	189	-	160	651	1,066	-	-	165	-

TABLE 62: LILYFIELD ROAD PRECINCT BUILDING HEIGHTS (STOREYS)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	-	2	-	1	2	2	-	-	1	-
Max	-	2	-	2	2	2	-	-	2	-
Average	-	2.0	-	1.5	2.0	2.0	-	-	1.5	-

Balmain Road

TABLE 63: BALMAIN ROAD PRECINCT LOT SIZES (SQM)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	197	152	197	-	-	189	-	-	215	-
Max	234	816	204	-	-	6,874	-	-	1,483	-
Average	215	260	201	-	-	2,421	-	-	653	-

TABLE 64: BALMAIN ROAD PRECINCT BUILDING HEIGHTS (STOREYS)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	1	2	2	-	-	1	-	-	2	-
Max	1	2	2	-	-	2	-	-	2	-
Average	1.0	2.0	2.0	-	-	1.5	-	-	2.0	-

Terry Street

TABLE 65: TERRY STREET PRECINCT LOT SIZES (SQM)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	616	-	-	105	282	115	121	-	113	216
Max	701	-	-	372	284	4,627	306	-	252	216
Average	659	-	-	215	283	621	247	-	207	216

TABLE 66: TERRY STREET PRECINCT BUILDING HEIGHTS (STOREYS)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	1	-	-	1	2	1	1	-	1	1
Max	2	-	-	2	2	3	2	-	2	1
Average	2.0	-	-	1.0	2.0	1.0	1.0	-	2.0	1.0

Balmain East

TABLE 67: BALMAIN EAST PRECINCT LOT SIZES (SQM)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	-	1,298	-	13	272	-	-	-	-	-
Max	-	1,298	-	1,789	272	-	-	-	-	-
Average	-	1,298	-	678	272	-	-	-	-	-

TABLE 68: BALMAIN EAST PRECINCT BUILDING HEIGHTS (STOREYS)

	Retail – Bulky Goods	Office	Retail – Main Street	Residential	Freight & Logistics	Local Light	Dispersed Activities	Vacant	Light Manu	Urban Services
Min	-	2	-	1	-	-	-	-	-	-
Max	-	2	-	2	-	-	-	-	-	-
Average	-	2.0	-	1.5	-	-	-	-	-	-

APPENDIX TWO

As part of identifying the nature of the precincts (Chapter 4), a desk top analysis was undertaken to understand the types of uses operating in the IN2 (Light Industrial) zone. Some of the current uses operating in Leichhardt's industrial precincts are listed in Table 69. It is likely that the majority of uses will be permitted in B5 (Business Development) and/or B6 (Enterprise Corridor) zones. The table below and the data reported in Chapter 4 have informed the development of the recommendations outlined in Chapter 7.

TABLE 69. TYPES OF LAND USES CURRENTLY LOCATED IN THE IN2 ZONE

Camperdown	Tebbutt Street/ Parramatta Road	Moore Street South
Furniture	Motorcycle repair	Auctioneers and valuers
Pet supplies	Stone mason	Glass manufacturing
Photography studio	Building (rendering)	Pharmacy
Music studio and retail	Used car sale yard (vicinity)	Car mechanics
Baby retail	Car mechanics	Sandstone and marble
Car mechanics	Wholesale electrical	Kitchen showroom
Brewery	Retail	Vet
Construction (building supplies and design)	Early childcare	Pet supplies
Plumbing	Kitchen showroom	
Kitchen showroom	Meat retail	
Storage	Marketing	
Digital media	Newtown Football Club	
Dance studio	Petersham-Marrickville Cricket Club	
Food services and catering		
Electrical mechanic		
Tourism- bike tours		
Service station		
Church		

Source: SGS Economics and Planning, 2015

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SGS Economics & Planning

Independent insight.

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Re: Rezoning proposal for 5 White Street, Lilyfield

I understand that Council have received a submission from a proponent in relation to 5 White Street, Lilyfield indicating their intent to lodge an application with the Department of Planning and Environment for a site compatibility certificate under clause 37 of the Affordable Rental Housing SEPP. The plans provided to Council indicate a part two/part three storey RFB comprising 24 one- and two-bed units and a basement accommodating 12 vehicles

This letter has been prepared to inform Council's response to the application, Council is seeking advice from SGS regarding the proposal in the context of the Leichhardt Industrial Lands Study, with particular reference to:

- the loss of industrial floor space
- fragmentation of the precinct
- the potential for land use conflict between residential development and nearby industrial uses

Context

In broad terms imperative for protecting industrial land rests on three primary findings. First, industrial businesses provide crucial support to mixed use and residential areas. Second, close proximity is important to the provision of that support. Third, industrial uses are highly sensitive to rent levels. Without protection, marginal demand for residential and mixed use development can crowd out industrial uses, negatively affecting all users.

The evolving role of Leichhardt's industrial lands

Leichhardt's proximity to the Sydney CBD, improving transport links and development possibilities within the Bays Precinct and the Parramatta Road Corridor, means that the LGA's remaining industrial land is under increasing pressure to develop for non-industrial uses and in particular for residential use. While residential development is important across Metropolitan Sydney, so too is the protection of industrial land to serve a growing population.

At a Greater Sydney Metropolitan level the proportion of jobs in the industrial sector has been falling and is predicted to decline further. However the actual number of jobs is still expected to increase through to 2036. Job growth is not expected in traditional industrial sectors but rather in the more specialised and niche manufacturing sectors and these often seek out locations closer to populated areas and the markets they serve.

These niche industrial businesses tend to be: small (generally employing fewer than 20 people); provide a highly specialised or niche product; have fast turnarounds; and be horizontally integrated in networks of numerous clients, suppliers, distributors, and subcontractors[1] This along with a customised nature of the work that requires frequent face to face contact embeds these businesses in place. These operations occupy a lower rung on the value-add ladder and do not command the same rent as residential or commercial uses. As a result of this, they are at significant risk of displacement from the locations that nurture them, most obviously through rezoning, but also through land speculation associated with possible rezoning and the erosion of industrial zones for non-industrial uses.

In addition to these niche manufacturing operations, industrial zones house a raft of essential industries that serve both the local population and other local businesses, including panel beaters, depots requiring an inner city location to service construction sites, distribution centres, utilities provision, plant hire, builders merchants, storage and facilities for concrete batching and waste management. In an increasingly connected economy, there are also often 'strategic industries' (particularly logistics) in these industrial precincts that serve a broader subregional catchment. The placement of particular industries, firms and facilities (such as Council depots) on the fringe of the CBD is vital to providing essential support services to large population centres.

Leichhardt's industrial land shortage

Changes in the global economy have reshaped metropolitan Sydney's industrial structure, in particular the traditional inner city industrial areas that are now characterised by new types of commercial and industrial development, or have been converted for residential use. In Leichhardt LGA, around 40 hectares of employment lands have been rezoned over the past 20 years, including the recent rezoning of the former 'Kolotex' and 'Labelcraft' sites at 22 and 30-40 George Street (from IN2 Light Industrial to B4 Mixed Use Zone and R3 Medium Density Residential respectively).

Leichhardt LGA has a relatively small stock of industrial land remaining and this is all zoned IN2 Light Industrial. This land is under increasing pressure to be rezoned for residential use due to persistent demand as well as supply-side factors such as city accessibility and harbour views. While some of these areas may be good prospects for non-industrial uses at face value, it is essential that sufficient industrial zoned land is retained within the Leichhardt LGA to ensure that the current and future needs of the local area are met. In particular, Council must reconcile significant land-use pressures with regard to the industrial zoned land within the LGA, namely:

- The need to retain viable industrial lands to serve the population
- The long-standing direction of the NSW Government that requires significant employment lands be protected and retained
- The aspirations of landowners that advocate for zoning that allows higher order uses such as residential or retail
- Determining if/ how higher order uses can proceed within industrial zones without undermining their ongoing functioning as industrial areas.

[1] Pratt Center for Community Development (2013) Urban Manufacturing Alliance 2nd National Convening Summary Report

Leichhardt has eleven identified industrial precincts scattered throughout the LGA. These vary both in their size and mix of uses. Given Leichhardt's relatively low level of provision of employment land it is forecast that the LGA will not have sufficient stocks of employment land within existing precinct to accommodate the forecast demand of 63,094 by 2036. Even after modelling various scenarios that test degrees of development within the industrial precincts Leichhardt is projected to have a floorspace shortfall of between 7,570 sqm and 54,965 sqm by 2036[2].

The role of Moore Street South

The subject site sits at the north-eastern corner of an industrial precinct classified as 'Moore Street South' the 2014 Industrial Lands study. Moore Street South is Leichhardt's most significant industrial precinct in terms of the mix of industrial uses (totaling 49,490sqm). The Moore Street South precinct consists of a number of lots with a mixture of large and small floorplate units. The precinct has good vehicular access with John Street acting as an internal access road, in addition to the formal internal road along the precinct's eastern edge. The precinct has a diverse mix of office-based, industrial and bulky goods retail activities. Activities with high shares include Building and Construction Services and Warehousing. It is one of the most important precincts in the LGA and plays an important population-serving light industrial and urban support function for the LGA.

Risks of rezoning

The most immediate risk resulting from a rezoning at the subject site is the further erosion of industrial land stocks leading to a supply shortage in the LGA. This impacts on the ability of the LGA to maintain appropriate local industrial activity to meet the needs of the resident population in the LGA and to support local commercial activity. This risk is heightened by the fact that zoned industrial land stocks have been shrinking elsewhere in the subregion with industrial land being rezoned to other uses in Botany, Marrickville and the City of Sydney LGAs.

The other significant risk is the potential for flow-on effects on the remaining industrial operations in the Moore Street precinct. Residential use at the subject site may lead to land-use conflicts with more traditional industrial neighbours – in particular the "Prestige Fisheries" business that currently occupies the adjacent lot. We know that businesses that need to locate in industrial areas are particularly sensitive to incompatibility with neighbouring non-industrial uses[3]. Indeed, incompatibility with existing land use has been cited as a reason for refusal even where development otherwise complies with policy. In 'Inghams Enterprises Pty Ltd v Kira Holdings Pty Ltd' the Court of Appeal struck down a consent granted by the Land and Environment Court for a residential development that complied with the Liverpool Environmental Plan. The basis for the decision was that the development was incompatible with existing industrial development nearby.

Summary

There is increasing pressure on Sydney's inner-city industrial areas. Leichhardt has particular pressure on its industrial function – in this case the provision of predominantly small scale production, repair and distribution services given that its current supply of industrial land falls short of meeting forecast demand to 2036. The justification for the protection of inner-city industrial areas is clear and centres on the fact that industrial businesses provide crucial support to mixed use and residential areas; that close proximity is important to the provision of that

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[2] SGS (2014) Leichhardt Industrial Lands study

[3] Dempwolf, C.S (2009) An Evaluation of Recent Industrial Land Use Studies: Do Theory and History Matter in Practice?

support; and that industrial uses are highly sensitive to rent levels. Without protection, marginal demand for residential and mixed use development can crowd out industrial uses and this can negatively affect all users.

Residential development at the subject site would further erode the LGAs industrial land supply, increasing the industrial foorspace supply-demand gap. Residential development would also threaten the integrity of the Moore Street precinct, in the first instance impacting on immediately neighbouring uses but with wider potential to negatively impact on the role and function of the industrial precinct as whole. Insufficient industrial land supply impacts on the ability of the LGA to meet the needs of local residents and businesses. I suggest that residential development on the subject site should be resisted and as such do not support the application for a site compatibility certificate under clause 37 of the Affordable Rental Housing SEPP

Should you need any further information please do not hesitate to contact me,

Kind Regards,

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