NEW PARRAMATTA RD

Parramatta Road Corridor Urban Transformation Strategy

Economic Analysis Report

REFERENCE REPORT

NOVEMBER 2016

urbangrowth.nsw.gov.au

NSW GOVERNMENT

UrbanGrowth NSW

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Executive Summary

Background

The Parramatta Road Corridor extends along Parramatta Road from the CBD to the City of Parramatta, generally between the main western railway line to the south and the Parramatta River to the north. It runs through 10 local government areas which are home to almost 1 million people.

Parramatta Road Urban Transformation Program (PRUTP) is an initiative led by UrbanGrowth NSW in partnership with other State and local government agencies which includes the planning and delivery of the Parramatta Road Corridor Strategy.

AEC Group and Location IQ have been commissioned by UrbanGrowth NSW to carry out a Retail and Commercial Market Demand Study to assist UrbanGrowth NSW in the preparation of the New Parramatta Road Urban Transformation Strategy (NPRUTS). The NPRUTS is a planning document which establishes a long term vision and land use planning framework for the urban renewal of the Parramatta Road Corridor including a suite of planning, transport, infrastructure, public domain and economic measures and actions.

There are eight special areas named in the Parramatta Road Corridor Strategy identified for growth where planning rules and zoning may change in the future. These eight precincts straddle multiple local government areas and are: Granville, Auburn, Burwood, Homebush, Burwood, Kings Bay, Taverners Hill, Leichhardt and Camperdown.

Objectives

The overarching objective of the Retail and Commercial Market Demand Study (this Study) is to assess the nature and quantum of demand for retail and commercial floorspace. This assessment is to assist UrbanGrowth NSW plan for urban renewal of the Parramatta Road Corridor (referred to as “the PRC” or “the Corridor” interchangeably).

The Study recognises that in assembling an evidence base to underpin future strategic planning, an analysis of economic trends and influences is necessary to investigate the nature and requirements of employment growth and how these might impact future expectations of land and floorspace requirements.

Capital in search of investment is mobile, and will gravitate to the most attractive investment opportunity. In order to understand if and how likely capital will be applied to the urban renewal of the Corridor, the Study investigates a number of issues.

Employment activity and trends in each precinct

Understanding the economic structure and employment composition of the PRC and each precinct is important. An analysis of how economic activity and employment trends have changed over time will assist in understanding how macro and micro-economic factors (both structural and cyclical) have, and will influence the nature of land use in the Corridor.

Nature of existing land use composition and property markets

Land use and built form collectively respond to industry need and business/economic activity. The ability of the Corridor to accommodate urban renewal and future employment growth depends on respective property markets and dynamics within those markets.

The impacts of structural and cyclical trends on demand for floorspace are generally translated into, and can be observed from market signals. For example, a decline in traditional manufacturing activity will be accompanied by a commensurate decline in demand for traditional manufacturing floorspace. This decline in demand can be observed from market signals, e.g. declining property rents and values, protracted vacancies and extended letting-up periods.

While metropolitan Sydney and indeed the Corridor may be positioned for growth, property markets have a role to play through provision of floorspace that meets industry need. Planning frameworks support the ability of property markets to respond to this industry need. How precincts within the Corridor are positioned in terms of market acceptance and market activity is therefore an important component of the Study.

Development activity and opportunities

Ongoing development activity and trends are useful in identifying areas of market demand and the nature of industry interest.

Future population growth expectations

Although not the only driver, population growth expectations are a major driver of future demand for retail and commercial services and accordingly floorspace to accommodate those businesses.

Household consumption (more than government expenditure or business consumption) is a key driver in certain industries such as retail trade (e.g. supermarkets, home improvement stores, car showrooms, etc.) and accommodation & food services (restaurants, cafés, pubs, etc.).

Macro-economic and industry specific trends

A broad spectrum of factors influences industry and land use activity along the PRC. While there are significant influences on business and industry activity from outcomes at the global and national level, internal (localised) Parramatta Road factors influence decisions on location and site selection.

The PRC benefits from a strategic location between the Sydney and Parramatta CBDs. Furthermore, it is accessible to areas north and south of Parramatta Road. Owing to this strategic location, businesses are able to tap into a skilled labour pool as well as locate proximate to suppliers and customers.

The PRC is not without its weaknesses. Heavy traffic volumes and land fragmentation have resulted in pockets of the Corridor being disconnected and isolated from the various activity nodes that are found along Parramatta Road. Furthermore, the legacy of traditional manufacturing activity can be observed with some older style industrial buildings lying vacant and disused.

The Study accordingly focuses on macro-economic and industry specific trends (those industries widely observed along the Corridor including automotive-related, retail/ associated bulky goods, wholesale trade/ transport-related, and warehouse/storage), as well as Corridor location-specific factors that influence the growth of business and employment. For example, locational factors such as access, traffic congestion, poor quality building stock and existing business clusters all affect the ability of business and employment to grow.

Potential development types and planning considerations

Investors and developers are typically customer-led and respond to signals from tenants and business on where they would like to be located. Location selection factors are different across land use categories, for example, industrial occupiers have different location selection factors to commercial occupiers.

An understanding into dominant industries and employment profiles across precincts is important as trends in these industries influence future employment growth and their consequent demand for floorspace.

Methodology

In order to assess what floorspace might be required in the future, the Study considers it critical to first have a comprehensive understanding into the nature of current economic and employment activity, strengths and weaknesses, and performance of property markets along the PRC. To this end, the AEC Group and Location IQ project team carried out the following tasks:

- review of State and local planning policies to understand the Corridor's role.
- analysis of macro-economic and industry-specific trends that influence various industries along the Corridor.
- analysis of employment profiles within each precinct to understand historical employment composition and change.
- assessment of property markets within each precinct to understand market desirability and aggregated patterns of supply and demand.
- assessment of retail demand (including large format retail) and future floorspace demand.
- projection of future employment growth to ascertain future floorspace demand (commercial, industrial and institutional floorspace).

Following the assessment of retail and commercial demand, the Study then considers the future of the Corridor, examining how additional retail and commercial floorspace could be accommodated. Potential development typologies and floorspace requirements are also considered, along with the issues and challenges associated with planning for growth along a Corridor that is already occupied by a variety of business and residential functions.

Findings

Employment Profile

In 2011, the Parramatta Road Corridor employed more than 26,000 employees (an increase of 14% from 23,068 in 2006).

Key observations from the 2006-2011 employment analysis are:

- key industries of employment in the Corridor as a whole were retail trade (15.8%) and wholesale trade (12.0%).
- since 2006 manufacturing reduced its share of total employment (and reduced number of workers):
    - almost all precincts recorded declines in manufacturing jobs with the exception of Auburn which

recorded an increase of 184 jobs

- further disaggregation of this growth in manufacturing in Auburn reveals strong growth in 'beverage and tobacco product manufacturing' and 'food product manufacturing'

- large gains in employment were primarily observed in health care & social assistance, accommodation & food services, construction, education & training and retail trade. This employment growth profile of the Corridor is a clear reflection of the response of industry to population growth
- health care & social assistance – this industry is highly represented in Burwood and Taverners Hill (27.6% and 18.8% respectively). All precincts recorded strong proportional growth of between 30% and 50% in the 2006-2011 period
- education & training – an industry of employment observed to be growing in prominence with most precincts recording growth in employment numbers.

The west portion of the Corridor (e.g. Auburn, Granville) is more focused on industrial uses while the eastern portion is more on commercial uses (e.g. Leichhardt, Camperdown). Retail uses are equally represented across the Corridor, from large format retail floorspace in Auburn and Kings Bay to finer grain strip retail in Leichhardt and Camperdown.

Overwhelmingly, across the Corridor employees drive to work. However, the four precincts in the east of the Corridor (Kings Bay, Taverners Hill, Leichhardt and Camperdown) had higher proportions of workers who walk to work or who work at home. Notably, 40%-50% of workers in Kings Bay, Taverners Hill and Leichhardt live locally.

Industry Profile

A diverse range of industry and business activity occurs along the Corridor. As previously identified, the industries of retail trade and wholesale trade are particularly well represented in their proportion of employment.

'Retail trade' covers the retailing of bulky goods, homewares and home improvement supplies, automotive parts and supplies. In property economics terminology, these industries are also referred to as 'large format' retailing. All these retailing sectors require proximity to population and target markets.

Automotive Retailing

The exit of Australian car manufacturers will benefit motor vehicle wholesaling. As the automotive industry transitions into an economy that no longer produces but merely imports, retailing activity will be dominated by car wholesalers and retailers who consequently require associated showroom space. An example of this is the Mercedes Benz dealership on Church Street in Granville which comprises a used and new car showroom as well as servicing/parts premises, demonstrating business diversification.

While robust consumer demand for cheaper imported cars has led to growth for automotive wholesalers and dealerships, so has it led to demand for after-market car parts and servicing, and corresponding demand for floorspace by parts wholesalers and retailers as well as mechanics and service technicians.

The continued growth in automotive retailing (and wholesaling) has contributed to the proliferation of 'large format retail' stores that combine a number of automotive retail and services components, particularly in areas of high population growth.

Bulky Goods and Wholesale Trade

Growth in real household income levels has meant that retail spending capacity has increased. This has driven activity not just in the retail trade industry but also in the wholesale trade industry which provides support to it.

Innovation by the retail sector and the introduction of new retail formats has occurred, with the development of various retail typologies since the mid 1980's including super regional and regional shopping centres, homemaker centres and brand outlet centres.

Online retailing currently comprises around 5%-6% of total retail sales in Australia, and is projected to increase to 12%-14% over the next decade. While the proliferation of online retailing has impacted on the growth of retail floorspace demand, this impact has been particularly notable in certain key categories such as apparel, travel, electronics, etc. Bulky goods retail has been arguably less impacted compared to these other categories.

Locations that offer large sites lend themselves to configuration of showrooms and warehouses, loading and hardstand areas and consumer parking are attractive, yet the availability of numerous such sites in the same location is necessary so as to enable multiple retailers to co-locate to enjoy the benefits associated with clustering.

Wholesale businesses place less importance on high visibility and co-location however have access, loading and potentially large floorspace requirements.

Wholesale Trade and Transport-related Businesses

As the population continues to grow and demand for a range of products continues to increase, wholesale trade and transport-related businesses in some sectors are likely to grow. These types of activities in many instances have replaced traditional manufacturing for local businesses where the company still remains in business but their operations have transitioned from local manufacturing to importation of goods for local distribution.

While overall projected to decline marginally, wholesale trade is notably observed to be increasing in number of jobs, particularly in those sub-sectors that respond to household and business consumption. A fine grain analysis of wholesale trade employment shows strong gains in all precincts in the following sub-sectors over the 2006-2011 period:

- grocery, liquor & tobacco product wholesaling.
- pharmaceutical & toiletry goods wholesaling.
- commission-based wholesaling.

As a corollary of the economy's increasing focus on import activity as well as transition towards higher technology and knowledge based manufacturing, there is corresponding ancillary demand for warehouse and storage purposes.

'Transport, postal & warehousing' is an industry that covers transportation activities (of both passengers and freight). Finer grain analysis reveals that sub-sectors that are active in the Corridor include:

- road freight transport.
- rail passenger transport.

- postal and courier pick-up and delivery services.
- transport support services.
- warehousing and storage services.

Transport, postal & warehousing jobs are also represented in precincts in the east of the Corridor (Burwood, Kings Bay, Taverners Hil, Leichhardt and Camperdown) although not as dominant as compared to Granville, Auburn and Homebush.

Owing to service delivery standards (particularly where there are cold storage requirements), this industry requires accommodation in easily accessible locations proximate to key markets.

Service Industry

There are a number of service industry business within the Corridor that respond to household and business consumption, e.g. food and beverage distributors, coffee roasters and suppliers, hardware wholesalers, panel beaters and car repair shops.

Similar to transport and courier services (previous section), many urban support services have time critical requirements for delivery to inner/middle ring locations. This is especially true for food and beverage manufacturers and distributors.

There are also service-commercial uses which include allied health, professional services, personal services, printing and stationery suppliers, etc. requiring location close to population catchments.

There will always be a role for local service industry to play in the Corridor given its strategic location and position within the heart of population growth. The existing light industrial area in Kings Bay is an example of this. While many properties facing Parramatta Road may be vacant and underutilised, the properties within the light industrial area between Queens Road and Parramatta Road accommodate many local services businesses as well as commercial and office uses. The area is clearly transitioning from an industrial area to an area that accommodates a mix of business activity.

Co-location Trends and Business Clusters along Parramatta Road Corridor

Many businesses seek to cluster with like business in order to benefit from the synergies of co-location, particularly if they have a retail or service component to their business. The co-location of business with like business is expected to underpin the outlook and trajectory of future employment growth along the Corridor.

Bulky Goods and Large Format Retail

Bulky goods and large format retailers serve broad geographic trade areas due to the nature of goods retailed. As a consequence these retail showrooms are suited to locations that convey the ability for numerous retailers to co-locate and cluster, that are accessible by both local and regional trade areas and that benefit from high levels of visibility and exposure. There are a number of such clusters along the Corridor - Figure ES.1 outlines the competitive environment for large format retail stores (including major brand car yard/showrooms) within the defined main trade area and immediately beyond it.

Overall, there is an extensive provision of large format retail/bulky goods facilities throughout the defined Auburn trade area, with the major facilities concentrated along Parramatta Road between St Hilliers Road to Rawson Street. The precinct however, is quite disjointed with a number of separate precincts, free-standing stores and low customer amenity in terms of car parking access and walkability. Consequently, in

terms of providing a modern retail environment for large format retail/ bulky goods shopping, the centre lacks in comparison to major centres such as Supa Centa Moore Park, Super Centre Belrose and Home Hub Castle Hill within the Sydney metropolitan area.

Showroom development has occurred in other precincts such as Burwood, Kings Bay (at Five Dock) and Taverners Hill, where Audi and Jaguar dealerships have been developed in modern showrooms. These existing areas along Parramatta Road around Burwood and Taverners Hill would be logical locations for a range of car showrooms, large format bulky and broad commercial office tenancies. There would be a smaller provision of one-off or a combination of smaller facilities in these locations as compared with the greater concentration in and around Auburn.

Industry and Sectoral Activity

In addition to retail clusters, a clustering of other industry activity is observed in precincts. Precinct specialisations (in 2011) can be observed across the Corridor:

- Granville – from its economic structure, this precinct has a strong association with the automotive industry (retail of cars and parts and the provision of repair and maintenance services). In comparison to some of the other precincts, the types of businesses in Granville accommodate more 'industry-type' and retail showroom floorspace.

- Auburn – the employment structure is highly represented in manufacturing with more than 1,500 jobs, specifically in food and beverage product manufacturing (529 jobs), machinery and equipment manufacturing (300 jobs) and printing (293 jobs).

  The retailing of bulky goods is the next major employment industry (991 jobs), this industry increasing in significance over the 2006-2011 period. The co-location of several large format retailers in the precinct has afforded Auburn the reputation as a regional destination for bulky goods.

- Homebush – more than 25% of employment in the precinct is in wholesale trade, notably in grocery, liquor and tobacco product wholesaling (1,331 jobs). Financial and insurance services as well as retail trade are growing in prominence in this precinct.

  Employment growth in the precinct suggests growth in response to demand for food and beverage is increasing (e.g. cafés, restaurants, delicatessens).

- Burwood – despite the Burwood town centre's reputation as a retail/commercial centre, the precinct in and around the Corridor employs equally high proportions of workers in education & training as well as health care & social assistance. Together these industries account for more than 50% of jobs in the precinct and grew in number over the 2006-2011 period.

  The dominance by these two industries in the precinct's employment structure suggests a specialisation in services based industry.

- Kings Bay – the Kings Bay employment structure is evolving, the significance of automotive car retailing having declined over the 2006-2011 period, following the closure of a number of car dealers. In contrast, employment in services based industry has increased, notably in restaurants, cafés and takeaways as well as in allied health and child care services.

- Taverners Hill – the precinct performs poorly along Parramatta Road and is characterised by disparate and isolated pockets of business activity.

  Employment activity appears to be focused around Marketplace where retail and other population-based services are thriving. Growth in employment in retail trade, health care & social assistance,

education & training are consistent with the local service role that this precinct plays.

- Leichhardt – From its economic structure the precinct appears to resemble that of a retail centre, however its role as a retail employer is declining in significance amid a 6% contraction in jobs over the 2006-2011 period.

  Services based industries like education & training and professional services are also important to the precinct with professional services jobs (architectural, legal, accounting, management consulting, etc.) accounting for more than 300 jobs.

- Camperdown – similar to Leichhardt, Camperdown's employment structure is also well represented in retail trade and professional, scientific & technical services. Professional services jobs (architectural, legal, accounting, management consulting, etc.) account for almost 200 jobs in the precinct.

  Owing to the precinct's proximity to the Sydney CBD, it is anticipated there will be increasing demand for professional office accommodation.

  Respective industry specialisations are a strength that can be leveraged in a precinct to accommodate future employment growth.

Opportunities for Renewal

The Parramatta Road Corridor performs well in parts however pockets along the Corridor are disconnected, isolated and devoid of much activity. Owing to the length of Parramatta Road, a focus on 'activity nodes' will help concentrate, and prevent the dilution of economic activity.

A major challenge in infill and brownfield areas is the tension between land uses and for uses to be accommodated within scarce lands that are not only suitable but available. As a consequence, development feasibility is a major hurdle for large scale renewal in brownfield/infill locations, unless there is a change of use or the site is redeveloped to a 'higher and better use'.

A 'higher and better use' is often associated with residential development, however it is useful to consider this concept in the context of a use that is either a densification or intensification of existing built form.

Densification of Use

This refers to an increase in density, typically associated with greater floorspace or heights. Measures of density can be represented by FSR, building heights and setbacks, site coverage ratios, etc. Building densities vary by geographic region, higher density buildings generally located on higher value lands.

Not all uses respond to density. Industrial uses are not generally one of those uses that respond to density in the manner that residential or commercial uses do. That said, some developers have been able to achieve increased densities by combining various uses within a building including industrial functions.

Intensification of Use

An intensification of use is not necessarily accompanied by an increase in floorspace density. Increased intensification can occur without increased density and can be measured in any one of the following metrics:

- increased economic and employment activity (e.g. more employees per sqm, more output per sqm, etc.)
- more efficient use of land and resources
- extending the lifespan of available industrial lands.

Intensification can occur in different ways for different industries and sectors, from greater use of technology and augmentation with higher building ceilings to more intense employee/floorspace ratios (generally associated with more office-type floorspace).

Potential Role and Function of Parramatta Road Corridor

The Corridor plays an important economic function. It is home to a significant number of businesses, some of whom service a local catchment and others a broader regional catchment.

The central location of Parramatta Road affords businesses located therein the benefit of proximity to key markets, labour force and suppliers. Despite its strategic location, the Corridor is not without its challenges.

Many of the weaknesses associated with the Corridor are linked to traffic congestion. Furthermore, land fragmentation results not only in traffic ingress/egress issues but also presents difficulties in sustaining vibrant economic activity along the entire Corridor. As a consequence portions of the Corridor are isolated, fragmented and separate from portions that sustain a hive of economic activity.

While traffic congestion along some parts of Parramatta Road is expected to ease following the completion of WestConnex, the opportunity exists not only for the Corridor to accommodate new residential communities but also to strengthen its role in servicing retail, business and industry needs of the local and broader Sydney catchment.

Demand for Retail Floorspace

Significant additional demand for retail floorspace is assessed within the Parramatta Road Corridor, particularly in the precincts of Granville, Homebush and Kings Bay. Major tenants such as supermarkets are identified to be supportable in each of these precincts.

Owing to existing facilities and the quantum of population growth projected, retail floorspace demand is assessed to be marginal in the remaining precincts with the following recommended.

- Flemington Markets – A retail facility of around 3,000sqm-3,500sqm (incorporating a convenience store of up to 400sqm, takeaway food and personal services).
- Burwood, Taverners Hill, Leichhardt and Camperdown – Opportunities for retail facilities at these locations are more limited given the close proximity to larger existing retail facilities.

Demand for Large Format Retail Floorspace

Based on growth in population over the period from 2015-2054, the future demand for additional large format retail/bulky goods floorspace is some 394,191sqm which is equivalent to some 10,107sqm per annum.

The location of commercial/showroom facilities together with large format retail/bulky goods developments in the key Auburn/Parramatta Road precinct is a logical location to serve the existing needs for such facilities but also the ongoing demand from substantial additional population within this region. A range of other tenants could also locate within modern commercial showrooms at these locations.

In addition, existing areas along Parramatta Road around Ashfield and Burwood suburbs would also be logical locations for a range of car showrooms, large format bulky and commercial tenancies. There would also be a smaller provision of one-off or a combination of smaller facilities in this location as compared with the greater concentration in and around Auburn.

Given the large quantum of land associated with accommodating large format retailers, where land is a scarce resource in many inner metropolitan locations, these retailers are increasingly being accommodated in more dense mixed use developments.

Demand for Commercial Floorspace

Significant additional demand for commercial floorspace was assessed within the Parramatta Road Corridor. Drivers for this floorspace demand would be a result of local population growth (i.e. within the precinct) as well as a result of broader population and employment growth in the LGA of which it is part. This would mean the additional commercial floorspace would serve both local demand as well as broader regional demand.

A number of factors influence the type and locational requirements of this floorspace:

- Local demand v broader regional demand – commercial uses that are driven by local population growth are generally of a smaller scale and seek to co-locate with retail type uses to be better accessible by customers. In contrast, commercial uses that have a broader regional focus may seek to co-locate with retail type uses more to satisfy staff amenity requirements.
- Proximity to key markets v skilled labour pool – commercial uses that play a service role will seek locations that are proximate to their key markets (generally by road) and to their labour force (generally by public transport). In some instances commercial floorspace will be part of a larger facility that may contain industrial type floorspace.
- Live-work-play – poorly performing retail space in precincts towards the east of the Corridor (e.g. Leichhardt, Camperdown) and on the city fringe are increasingly observed to be occupied by commercial users. Small professional suites can achieve even higher end sale rates than retail floorspace, thereby making it a viable commercial proposition.

As recently as five years ago, as locations in Surry Hills and Paddington saw prices and rents increase, many commercial occupiers were ‘priced out’ and those who required less traditional office space and more ‘creative space’ set their sights on Alexandria and Waterloo where many old warehouses were attractively adapted for reuse. The availability of large scale housing in the Green Square Urban Renewal Area has increased the attractiveness of working in the South Sydney area.

Over time, Leichhardt and Camperdown have the potential to accommodate creative and other commercial users who seek to work close to where they live and have easy access to lifestyle options on offer on the city fringe.

Conversion and redevelopment of poorly performing retail space in Leichhardt and Camperdown would be an opportunity to meet projected commercial floorspace demand. This would also unlock opportunities to accommodate increased demand associated with growth in the health and education precincts of Royal Prince Alfred Hospital and University of Sydney respectively.

Conclusion

In terms of the future location of retail and commercial floorspace in each of the precincts, key factors to consider are:

- the location of existing centres/clusters within precincts and the priority to reinforce existing activity nodes
- access to public transport and accessibility considerations

- accessibility to the identified catchment to be served
- physical barriers that would limit or impede access.

Improving the Attractiveness and Appeal of the Corridor

Catalytic projects both by government on urban amenity improvements along the Corridor and by the private sector on key sites will be key to increasing the profile of the Corridor as an employment and residential destination.

The cumulative impact of lot and ownership patterns, existing uses and a stigma attached to certain parts (i.e. 'dead zones') of the Corridor make large scale non-residential development challenging to feasibly develop. In many cases residential uses are required to cross-subsidise non-residential development.

At present price and rental levels, unless land can be assembled cheaply large scale non-residential development is not feasible. However, catalytic infrastructure projects will assist in lifting the profile of the Corridor, dispelling the stigma associated with pockets of poor performance along Parramatta Road. Numerous examples across Sydney demonstrate the ability of innovative developments that combine a range of uses are able to overcome feasibility issues and succeed.

This Study recognises there are physical limits to the extent infrastructure works can address the weaknesses associated with Parramatta Road. Where there are pockets along the PRC that are unable to significantly improved through intervention (they may be disparate, isolated and poor performers in terms of providing for employment and contributing to the economic vitality of the Corridor), the creation of 'activity nodes' would help focus economic activity and avoid the dilution of active uses.

Clusters of Retail/Commercial Uses

Retail/commercial centres are most successful when clustered/consolidated in one location, thereby creating a vibrant and active area. As is typical of any successful retail development, major tenants are the key customer generators with specialty stores feeding off the customer flows of the major tenants. The location of major tenants, therefore, requires considered thought to ensure a strong speciality component.

It is relevant to note that retail uses are either 'responders', i.e. they respond to a demand from population, or are 'incubators', i.e. they attract their own demand from a broad region. The retail facilities proposed throughout each of the precincts anchored by supermarkets would typically be in response to residential population in the defined catchments.

For individual precincts, small scale facilities could be incorporated in most of the precincts in the short term, with a large sized supermarket supportable at Homebush in the immediate term given the large existing population base. Kings Bay may also support a large sized supermarket in the short term but this would result in some impacts on existing centres. At Granville, a supermarket to the north of the railway line may take some years to be supportable by the Granville population itself, and car parking may be a key feature of any future development in the short term.

Although flexibility is required in planning, designated locations for major supermarkets would help avoid these important generators/anchors located away from the core pedestrian precincts.

In the early stages of residential development in these catchments, the demand for supermarkets may be limited although key sites identified for retail development may be proposed for residential construction. The ownership and timing for key retail sites is critical to the future growth of the precincts.

Overall, retail is lumpy in its delivery in that it is either provide before time, where the retailers themselves have to be subsidised to survive, or retailing is held off until substantial population catchment exists to support it in its own right.

The possible interim use of space may be a possible outcome for retailers, where supermarket facilities are developed at a larger size but operate on a smaller scale. The upfront cost of this infrastructure, however, would need to be funded in some manner.

This Study's research finds some key learnings for the Parramatta Road Corridor:

- A substantial provision of basement car parking is important for the success of emerging retail/commercial centres, particularly in the early years if there is limited population immediate around the site.
- Cafés, restaurants and other food catering facilities are essential to the success of a retail precinct.
- Co-location of pharmacy and fresh produce store has been successful in recent mixed use developments.
- Hairdressing/beauty tenants and other personal services form key parts of development in inner city precincts.
- Incorporation of non-retail elements including gym, medical and the like are important.
- A clear and consistent set of planning controls would help facilitate private investment in the upgraded and improved Corridor.

Industrial Legacy

The Australian economy is in transition. Manufacturing is not dying, rather it is changing. 'Traditional' manufacturing activity (e.g. furniture and textile manufacturing) is declining owing in a large part to the high Australian dollar as well as the high cost of Australian labour. In fact many manufacturing sectors are unable to compete with cheaper locations to compete competitively. However that is not to say we are no longer carrying out manufacturing or industrial activity.

Extensive economic development experience identifies the changing nature of many industries, including an increasing demand for logistics, the changing nature of manufacturing and the trend towards higher value adding products and services. As the economy transitions into one that produces high value products (using knowledge and technology rather than traditional inputs) so too the requirement for floorspace changes.

Large scale logistics and transport based uses (e.g. Linfox, Toll) where heavy articulated vehicles (B-doubles) are used will not find a PRC location suited to their requirements. These users typically gravitate to Western Sydney where the cost of land is cheap and there is direct access to interstate road access.

There are however a wide variety of businesses who respond to household and business consumption needs as well as who export to interstate and international markets. In particular, those industrial businesses that are part of a service industry (e.g. panel beaters, food manufacturers/distributors, clothing distributors, etc.) will seek to be located close to their key markets across metropolitan Sydney.

As well as a shift in the types of manufacturing activity undertaken, Australia is also transitioning to an import economy. As an example, cars will soon no longer be made in Australia but imported from overseas markets. This means that floorspace associated with the automotive industry will be in response to wholesale and retail of imported cars.

This structural shift in Australia's industrial future, has meant that buildings that once accommodate traditional manufacturing activity (e.g. low ceilings, restrictive floorplates) will no longer suit contemporary business requirements. It is no surprise there is poor market demand for these obsolete buildings, with many of these remaining vacant in PRC.

In order to be feasibly redeveloped, these industrial lands will need to achieve either an intensification or densification of use, as described earlier.

In staying competitive in today's economic environment, businesses need to leverage knowledge and technology to be productive, i.e. to produce more with less. As a consequence of an economy in transition, many business activities (e.g. assembly, warehousing, sales and marketing, research and development, administration support) are streamlined under the same roof. These functions and activities could arguably be more effectively accommodated in a business zone, rather than a strictly industrial zone.

Balancing Growth and Existing Employment

The NRUPTS should have regard to and balance the needs of competing uses for the PRC. This will ensure the designation of uses yields the most economic benefit. Those sub-precincts within precincts that are functional and perform well to accommodate business and employment should be identified and nurtured/strengthened as against those precincts that may be suffering from economic obsolescence and where change is appropriate. The premature displacement of business can be a significant cost to the local economy.

A Plan for Growing Sydney envisages the Parramatta Road Corridor as "a focus for increased housing, economic activity and social infrastructure, especially around centres with good public transport access and amenity. Whilst the rezoning of some employment lands (industrial and business lands) would result in less available land to accommodate new employment, the creation of activity nodes along the Corridor would assist in revitalisation which would in turn result in increased appeal of the Corridor as a business destination, leading to increased demand for floorspace and intensification of land use.

A Plan for Growing Sydney outlines the valuable attributes of a consolidated enterprise corridor, any development (and/or rezoning of employment lands) should have regard to:

- Erosion of valuable clusters of employment – A Plan for Growing Sydney considers that a key question for attention is whether a proposed rezoning would prejudice the future of a significant business cluster from continuing to operate effectively.
- Displacement of existing business – Any rezoning should be mindful of the displacement of existing businesses, particularly those who play a local service role and require a central location from which to service their key markets.

  Many inner and middle ring suburban locations are experiencing an incremental rezoning of light industrial lands to facilitate mixed use residential, thereby reducing the pool of potential alternate locations for local service businesses that are displaced.

  The business cluster at Kings Bay should be retained, however its role could be broadened to include a range of mixed business uses including commercial and retail occupiers. This would allow existing occupiers to remain, yet allow an intensification of use. There is presently strong demand for commercial floorspace in that location.

  A business zone would enable existing businesses to continue to operate, permit a variety of new business occupiers as well as have synergistic value with existing commercial uses along Queens Road.

- Augmenting retail, commercial and local service employment opportunities – A Plan for Growing Sydney views favourably a proposal that provides not just for increased retail and commercial but also local service employment opportunities. Ideally, any land that is rezoned to permit additional uses, existing uses should still be able to be accommodated within the new land use zone.

  Land use zones that are flexible and permit a variety of industry and business activity would enable built form to respond and accommodate future growth. For example, business zones could still permit light industrial activities while facilitating a range of mixed businesses. An example where this could be considered is in Kings Bay.

- Strengthening existing centres – The NPRUTS should support rather than detract from nearby established centres. In this regard the retail floorspace demand assessment has regard to minimising impacts on existing retail centres.

Recommendations

Many parts of Parramatta Road have an associated stigma attached, largely due to traffic congestion, poor quality of built form, poor connectivity and lack of public domain amenity. Critical to the success of the PRUTP is government investment in alleviating traffic congestion (WestConnex) and in carrying out amenity improvements along the Corridor. In its current form without any intervention, large scale renewal is unlikely to occur.

This Study recognises that the urban transformation of the Parramatta Road Corridor is a long term process, in that the floorspace across all land use types is to be delivered over the next 20 years and more.

Granville

Overall the precinct performs moderately and whilst it does not attract as many large multi-national tenants compared to Auburn, it plays a role to accommodate smaller and local business.

The main concentration of retail facilities should be provided along Rowell Street and Good Street to the north of the railway line and south of Parramatta Road. Good Street allows for excellent access by residents north of Parramatta Road.

The cluster of industrial lands along Parramatta Road should be allowed to continue, many businesses associated with the automotive industry located therein, e.g. car service and repairs, retail of car parts and accessories, used car yards. The strong cluster of car yards in the precinct is a major employment strength for the precinct.

Auburn

Retail uses (both large format and enclosed centres) are visible and prominent in the precinct. Compared to other precincts in the PRC, Auburn is well sought after, deemed to be the 'premier location' for large format retailers (particularly for outdoor supplies, homewares and home improvement goods).

Any future supermarket based centre in Auburn should be focussed along Parramatta Road, given existing retail facilities on the southern side of the railway station in the Town Centre. The ultimate location of such a facility will be dependent on the likely greatest concentration of the future residential population.

Employment in Auburn is strongly represented in a range of manufacturing activities (including printing and printing support services, beverage manufacturing and professional & scientific equipment manufacturing) as well as retailing activities. As a consequence built form in the precinct is equally diverse, ranging from industrial units and commercial floorspace that is either ancillary to industrial uses or that accommodates standalone commercial uses.

The B6 Enterprise Corridor zone would on the whole, appear to serve the precinct well, facilitating a wide range of uses and business activity. Commercial buildings should continue to be encouraged (presently permissible at an incentive FSR of 3:1) given the commercial development already ongoing in the precinct. Smaller industrial-style units could also meet demand for a range of manufacturing activity, which is likely to incorporate a variety of functions (e.g. administration, sales, marketing, research, etc.).

Flemington Markets

Existing retail facilities at Flemington Markets, near the intersection of Parramatta Road and Flemington Road should be the focus of redevelopment and consolidation to service workers and visitors to the site.

Homebush

The commercial precinct within Homebush (B3 Commercial Core) performs well, an intensification of jobs, particularly in finance and insurance services, wholesale trade and retail trade witnessed over the 2006-2011 period. Low (negligible) vacancies are understood to prevail in the Bakehouse Quarter.

This precinct is increasing in importance as a destination food services destination, both retail and wholesaling activities are well represented in Homebush.

Ideally, any initial retail development should be a consolidation of existing facilities along George Street, from the Bakehouse Quarter in the south to the North Strathfield train station in the north. Further adaptive reuse of the Bakehouse Quarter will contribute to the meeting of projected commercial floorspace demand.

Burwood

The Burwood retail core performs well (in and around the Burwood train station and Westfield Burwood), however fringe areas particularly approaching Parramatta Road is patchy. A number of factors underpin this poor performance, including:

- competition from the town centre and strong retail core
- poor presentation of existing built form and public domain
- distance from the Burwood train station.

Performance of the precinct is distinctly diluted the further away it is from Westfield. This is largely due to an insufficient critical mass of demand to sustain retail/commercial activity for the entire length of Burwood Road.

Notwithstanding, there is an opportunity to strengthen the spine of Burwood Road. The focus of any convenience facilities could be centred around the intersection of Parramatta Road and Burwood Road.

Furthermore, recognising that the volume of retail pedestrian activity would unlikely extend all the way to Parramatta Road, commercial uses such as training centres and social assistance/ support uses could be accommodated closer to Parramatta Road. These types of commercial uses are considered ‘destination commercial’ as opposed to commercial floorspace where patronage is linked to a larger shopping trip.

There is a strong concentration of health care and social assistance industry jobs with employment gains in residential care services and medical care services over the 2006-2011 period. This industry is generally accommodated in hospitals and medical centres however commercial suites and office floorspace would meet some need.

Kings Bay

Properties along Parramatta Road are generally poorly presented (including pockets of strip retail) and approaching the end of their economic useful life with the exception of new car dealerships (e.g. Audi, Volkswagen) and those accommodating large retailers such as Tradelink and Mitre 10.

Spencer Street would make a logical location for a retail strip spine, bounded by Regatta Road at the western end and William Street at the eastern end. The immediate surrounding uses are industrial and could potentially be converted to accommodate mixed retail/ commercial facilities.

The existing industrial area provides functional accommodation to many local service businesses, the ongoing use of service industries within this location plays an important role within the local area.

Owing to its central location, the few commercial buildings in the precinct benefit from strong leasing activity. The portion of the precinct on the northern side of Parramatta Road is distinctly better occupied where there are a high concentration of employment numbers.

Owing to the diverse range of business activity (light industrial, commercial and retail uses) in the precinct as well as strong demand for commercial floorspace in existing buildings along Queens Road, a business zone rather than an industrial zone would facilitate a range of business activity (light industrial, commercial, retail, etc.) and have synergistic value with those other commercial uses along Queens Road. It important that any intervention does not prematurely displace existing businesses as this can be a significant cost to the local economy.

Taverners Hill

The precinct generally performs poorly across asset classes along Parramatta Road. Predominantly occupied by car yards, the intensity of use along Parramatta Road is comparatively low. Furthermore, the ageing nature of many existing buildings can pose difficulties to new tenants from a compliance perspective.

There are pockets of industrial properties within the precinct and although most are occupied, rents are modest, particularly those surrounded by residential uses. Notwithstanding many properties along Parramatta Road appear to be in a state of decline, a site along Parramatta Road in Haberfield has been amalgamated for construction of a 3 storey office building.

Owing to the layout and configuration of this precinct (disparate and poorly connected), uses that require high exposure and visibility are unlikely to be attracted here. Any small convenience facilities would likely be concentrated on Tebbutt Street or Upward Street, to the north of Parramatta Road.

'Destination commercial' premises (where visibility and exposure is not as critical) in this precinct could be provided for. Employment in health care and social assistance made strong gains over the 2006-2011 period, notably residential care services and social assistance services. Small office suites for these businesses could be considered here and accommodated in business zones rather than industrial zones.

Leichhardt

Given the nominal historical population growth and modest population growth anticipated, there is limited demand for additional retail facilities in this precinct, rather initiatives are needed to strengthen the existing Norton Street strip. Nevertheless there is an opportunity to encourage more commercial type uses in the precinct, particular considering its location proximate to the city fringe.

Owing to Leichhardt's close proximity to the CBD and CBD fringe, its future could be as a commercial hub for professional services, offering cheaper non-traditional commercial floorspace (or 'creative floorspace')

to occupiers who may have traditionally sought a ‘Surry Hills’ or ‘Ultimo’ location where rents and prices are increasingly less affordable.

Already observed to be occurring, the conversion/adaption or redevelopment of poorly performing retail uses into commercial type uses (not traditional office) and small professional suites could be an opportunity to transform the portion of the precinct fronting Parramatta Road that suffers from high levels of vacancy.

Owing to the much smaller size, redevelopment into small office-home office (SOHO) units and small professional studio suites would allow achievement of a higher rate per square metre of revenue. This would help counter the issue of high land values.

Camperdown

The opportunity for a new retail strip centre could be along Pyrmont Bridge Road to the north of Parramatta Road and extending up to Mallett Street.

The location of the precinct adjacent to major institutional assets (Royal Prince Alfred Hospital and Sydney University) places it in an excellent position to accommodate floorspace demand for health and education related uses.

Adaptive reuse of warehouses and poorly performing retail space is already observed to be occurring, to accommodate less traditional office users. This represents an opportunity for the precinct to meet commercial demand that flows from activity from the adjacent health and education precincts.

As in the case of Leichhardt, owing to the much smaller size, redevelopment into small office-home office (SOHO) units and small professional studio suites would allow achievement of a higher rate per square metre of revenue. This would help counter the issue of high land values.

1. Part A: The Parramatta Road Corridor Today

1.1 Introduction and Background

The Parramatta Road Corridor (PRC) extends along Parramatta Road from the CBD to the City of Parramatta, generally between the main western railway line to the south and the Parramatta River to the north. It runs through 10 local government areas which are home to almost 1 million people.

Parramatta Road Urban Transformation Program (PRUTP) is an initiative led by UrbanGrowth NSW in partnership with other State and local government agencies which includes the planning and delivery of the Parramatta Road Corridor Strategy.

AEC Group and Location IQ have been engaged by UrbanGrowth NSW to carry out a Retail and Commercial Market Demand Study. This Study will inform the New Parramatta Road Urban Transformation Strategy (NPRUTS). The NPRUTS is a planning document which establishes a long term vision and land use planning framework for the urban renewal of the Parramatta Road Corridor including a suite of planning, transport, infrastructure, public domain and economic measures and actions.

Broadly, the Study Area covers the area of the 10 local government areas adjoining the Parramatta Road Corridor between Parramatta in the west and City of Sydney in the East.

The focus of this Study is on the eight special precincts named in the Parramatta Road Corridor Strategy identified for growth where planning controls and land use zoning could be subject to change in the future. The eight precincts include: Camperdown, Leichhardt, Taverners Hill, Kings Bay, Burwood, Homebush, Auburn and Granville (individually and collectively referred to as the Precinct/s). Unless otherwise stated, these precinct names refer to the Precincts and not suburbs.

1.2 Parramatta Road Urban Transformation Program

A Plan for Growing Sydney (referred to as The Plan) identifies that Sydney's population will grow by 1.6 million people over the next 20 years. To support this growth, Sydney will need to provide more diverse and affordable housing, a broader range of job opportunities aligned with our changing economic structure and easier and more sustainable ways for people and goods to move around the city. As the city grows, we must look to the renewal of our existing urban areas to provide a more sustainable way of meeting increasing demand for housing, transport and services.

Under Direction 2.2 of The Plan (accelerate urban renewal across Sydney – providing jobs closer to home) it is stated that one of key focuses for urban renewal activities is the Parramatta Road Corridor (PRC). The Plan states that the corridor will be a "focus for increased housing, economic activity and social infrastructure, especially around centres with good public transport access and amenity".

The Draft NPRUTS identifies and captures the urban renewal potential of the PRC and establishes a clear vision for its growth and development.

With regard to the Parramatta Road Urban Transformation Program it is understood UrbanGrowth NSW is leading an Integrated Project Team that includes Department of Planning and Environment, Transport for NSW, Roads and Maritime Services and WestConnex Delivery Authority and the local councils along the PRC.

The Integrated Project Team is collaborating with councils along the corridor. One of the key projects apart from the Parramatta Road Urban Transformation Program which will significantly transform the way Parramatta Road is used is Westconnex.

WestConnex is one the NSW Government's key infrastructure projects which aims to ease congestion, create jobs and connect communities. The 33 kilometre WestConnex motorway will run from Parramatta along the M4/Parramatta Road corridor to Rozelle, before heading south through Camperdown to St Peters and Sydney Airport, and then west to Beverly Hills. WestConnex will serve longer distance journeys into, out of and through the corridor – most notably for heavy freight, commercial and business. It will enable key parts of the transport system to be reshaped to better serve existing and new customers from a revitalised corridor. By 2031 a completed WestConnex is expected to remove 4,600 trucks and 20,000 cars per day from Parramatta Road between Concord and Camperdown

WestConnex will be delivered in three stages, with the final stage to open to traffic in 2023. WestConnex Delivery Authority (WDA) has been established to manage the delivery of the 33 kilometre WestConnex motorway.

In order to determine the future potential of the Corridor, dwelling and employment growth over the next 30 years has been established using a complex growth model prepared by AECOM for UrbanGrowth NSW. The model is underpinned by a series of assumptions and is a capacity based tool that provides an indication of the potential growth which could be achieved under the Draft NPRUTS to 2050.

For the purposes of informing the PRUTP and Draft NPRUTS, the model quantifies the Corridor in terms of:

- Precinct area'
- 'Opportunity area' (potentially developable area within the precinct);
- Land use mix (% split between residential and employment uses);
- Residential and employment density (mix of varying residential densities and employment densities in persons or jobs per hectare).

For the purposes of this Study, these population and dwelling growth projections have been utilised for employment and floorspace projections (Chapters 5, 6 and 7), as provided in Table 1.1.

Table 1 Precinct Population and Dwelling Projections

NO.	PRECINCT	POPULATION PROJECTIONS				DWELLING PROJECTIONS			
		2011	2021	2031	2054	2011	2021	2031	2054
1	Granville	836	2,033	6,821	12,806	294	976	3,704	7,114
2	Auburn	1,172	2,043	3,204	4,075	409	965	1,707	2,264
3	Homebush	4,693	12,655	25,925	31,233	1,721	6,410	14,225	17,351
4	Burwood	1,647	2,965	6,920	8,238	612	1,405	3,784	4,577
5	Kings Bay	425	2,735	5,046	6,201	167	1,478	2,789	3,445
6	Taverners Hill	718	1,918	4,317	5,516	313	1,001	2,377	3,064

7	**Leichhardt**	77	501	1,138	2,199	34	272	628	1,222
8	**Camperdown**	720	1,317	2,512	3,110	389	724	1,393	1,728
	Total	**10,288**	**26,167**	**55,882**	**73,377**	**3,939**	**13,231**	**30,607**	**40,765**

1.3 Study Scope and Purpose

UrbanGrowth NSW recognises that in assembling an evidence base to underpin future strategic planning, an analysis of economic trends and influences is necessary to investigate the nature and requirements of employment growth and how these might impact future expectations of land and floorspace requirements.

Led by AEC Group, AEC and Location IQ have been commissioned by UrbanGrowth NSW to carry out a Retail and Commercial Market Demand Study. The overarching objective of this Study is to carry out an economic and property market analysis to assist UrbanGrowth NSW with the preparation of the NPRUTS which will plan for and guide development that will accommodate future growth in the Parramatta Road Corridor.

The Study scope involved the following tasks:

- review of State and local planning policies to understand Parramatta Road Corridor's role as envisaged in strategic land use planning documents
- analysis of macro-economic and industry specific trends influencing the future of the Parramatta Road Corridor and defined precincts therein
- analysis of employment profiles within each precinct using ABS Census data and Bureau of Transport Statistics data to understand historical employment composition and change
- property market assessment of each precinct to ascertain respective performance and role of employment clusters (built form, offer/amenity and market pricing/dynamics) to understand market desirability and aggregated patterns of supply and demand
- assessment of retail demand and implications for future retail floorspace need
- projection of future employment growth of each precinct to ascertain future floorspace demand
- AEC undertook the economic research and analysis (including of property markets and employment floorspace projections) and Location IQ contributed to the retail demand assessment.

1.4 Study Structure

The Study is structured in two parts:

- Part A considers the employment and socio-economic structure of the Parramatta Road Corridor (referred to interchangeably as the PRC or the Corridor). The types of industry and business activity along with patterns of land use, supply and demand of retail and commercial floorspace are examined.
- Part B considers the future of the Parramatta Road Corridor, examining how additional retail and commercial floorspace could be accommodated. This part also considers the issues and challenges associated with planning for growth along a Corridor that is already occupied by a variety of business and residential functions.

The Parramatta Road Corridor Today

Chapter 2 provides an overview of each of the Precincts which are located within the Parramatta Road Corridor. It analyses the different land use types, major occupiers and built form within each precinct. It also provides an overview of the planning legislation context.

Chapter 3 considers influences macro-economic trends and factors that influence industry and business activity. An understanding of these trends and influences is important as the PRC is subject equally to broader macro influences as it is to local-specific factors.

The chapter also considers property specific trends, including those trends that impact on the retail and large format retail sector.

Chapter 4 provides a socio-economic and industry profile by precinct. This is important as it provides an understanding of the employment structure of the PRC and its defined precincts, noting how it has changed over time.

This socio-economic analysis complements the property market analysis which investigates market signals towards existing built form types. This chapter provides important insight into how the evolution of business activity and consequent employment patterns influence the nature of built form and floorspace requirements along the PRC.

Chapter 5 assesses the demand for retail facilities in the PRC. The assessment investigates the demand for additional retail facilities by precinct, by considering trade areas, current and future population expectations and likely impact on current provision.

Chapter 6 assesses the demand for large format retail facilities throughout the PRC, having regard to the presence of significant clusters along the Corridor.

Chapter 7 projects employment and floorspace demand to ascertain the likely nature and quantum of commercial floorspace within the precincts of the PRC.

Part B: The Parramatta Road Corridor Looking Forward

Chapter 8 considers future demand opportunities for the Parramatta Road Corridor having regard to earlier identified trends and influences on the requirements of future floorspace demand. The chapter also considers the competitive context of the PRC with respect to key industry and business activity.

Chapter 9 considers local planning policy and the nature of uses permitted along the PRC. A comparison across land use zones and local government areas by precinct is provided. This chapter also considers examples of the evolution of planning frameworks in response to industry trends and influences.

This chapter examines opportunity locations and various development typologies that could accommodate floorspace demand as identified and projected in Part A of the Study.

1.5 Assumptions, Qualifications and Limitations

Land use planning is a complex matter, long term in nature and ultimately more influenced by structural change rather than market/cyclical factors. As a consequence, planning for immediate needs is categorically less complex than trying to predict what those needs might be in the future.

Population and employment growth as well as industry/economic growth cumulatively underpin future demand for retail and commercial floorspace. It is important to understand market trends and more

specifically, how employment (and industry) has changed and how it is expected to evolve over time as this directly influences the amount and type of retail and commercial floorspace required.

This assessment of retail and commercial floorspace demand for the purposes of land use planning has had regard to past population and employment growth along the PRC as well as future expectations of population and employment growth.

All forecasts and projections are based on certain assumptions which may change. If those assumptions change, projections and estimates may also changes.

AEC and Location IQ acknowledge a number of limitations associated with this Study.

- Population growth projections – future expectations of population growth along the PRC relied upon are prepared by UrbanGrowth NSW.
- Employment growth projections – future expectations of employment growth along the PRC are projected using AEC's NSW econometric model. This model uses a combination of population-based and industry-based coefficients to allocate employment growth of each industry to statistical divisions (SDs) or local government areas (LGAs). Employment growth projections are therefore based not just on population growth, but has regard to the impacts of broader economic growth in the SD or LGA.

  These projections were then disaggregated into travel zones (TZs) which were then adjusted to align with the PRC precincts. This process is referred to as 'small area projections'.

There are limitations with small area projections - while the econometric model has regard to broader economic growth in the SD or LGA, it may not necessarily consider growth and development in a neighbouring LGA. For example, in reality demand for commercial floorspace in the Camperdown precinct will be a function of growth and development in the adjacent Royal Prince Alfred Hospital and University of Sydney, however small areas projections do not consider this broader service hierarchy demand.

This Study's employment projections is a top-down approach which considers employment activity at the NSW state level before disaggregating the projections to an SD, LGA and TZ level. This is a different approach from employment projections carried out by UrbanGrowth NSW which considers land capacity in each precinct, i.e. more a bottom-up approach to estimating future employment.

A detailed description of this Study's employment and floorspace projections methodology is contained in Appendix E.

- Market profiling of each precinct – 'Precinct-wide' observations and site visits were carried out, identifying general precinct characteristics and recent market activity. The objective of profiling each precinct was to identify future land use opportunities which have regard to their current composition and market activity.
- Retail spending estimates – These are based on Marketinfo 2012 and known competitive retail developments are sourced from local government authorities.

In making projections and recommendations, this Study assumes a stable economic environment in Sydney and Australia. This Study is prepared on the instructions for the party to whom it is addressed and is not suitable for use other than by that party.

2. Overview of Parramatta Road Corridor

2.1 Location and Context

The Parramatta Road Corridor (PRC) extends along Parramatta Road from the CBD to the City of Parramatta, generally between the main western railway line to the south and the Parramatta River to the north. It stretches across 10 local government areas which are home to almost 1 million people.

The vision for Parramatta Road is a balanced, high quality multi-use corridor with an improved amenity, better transport choices, more job opportunities and increased quantity and diversity of housing.

The PRUTP will support and take advantage of the $15 billion WestConnex Motorway project. WestConnex will reduce traffic demand on key sections of Parramatta Road, allowing improved public transport services and a better environment. On this basis, Parramatta Road has the potential to deliver 40,000 new dwellings and 50,000 new jobs in the longer term. The population increase in the defined precincts is 3.2% of Sydney's overall expected population growth of 1.6 million people by 2031.

The draft Strategy identifies eight precincts which will accommodate future growth, including amenity improvements and identify development controls and enabling infrastructure to support growth. The draft Strategy will build on the strengths of each precinct, some of which straddle local government boundaries as summarised in Table 2.1, and which have been chosen for their access to public transport, employment and services.

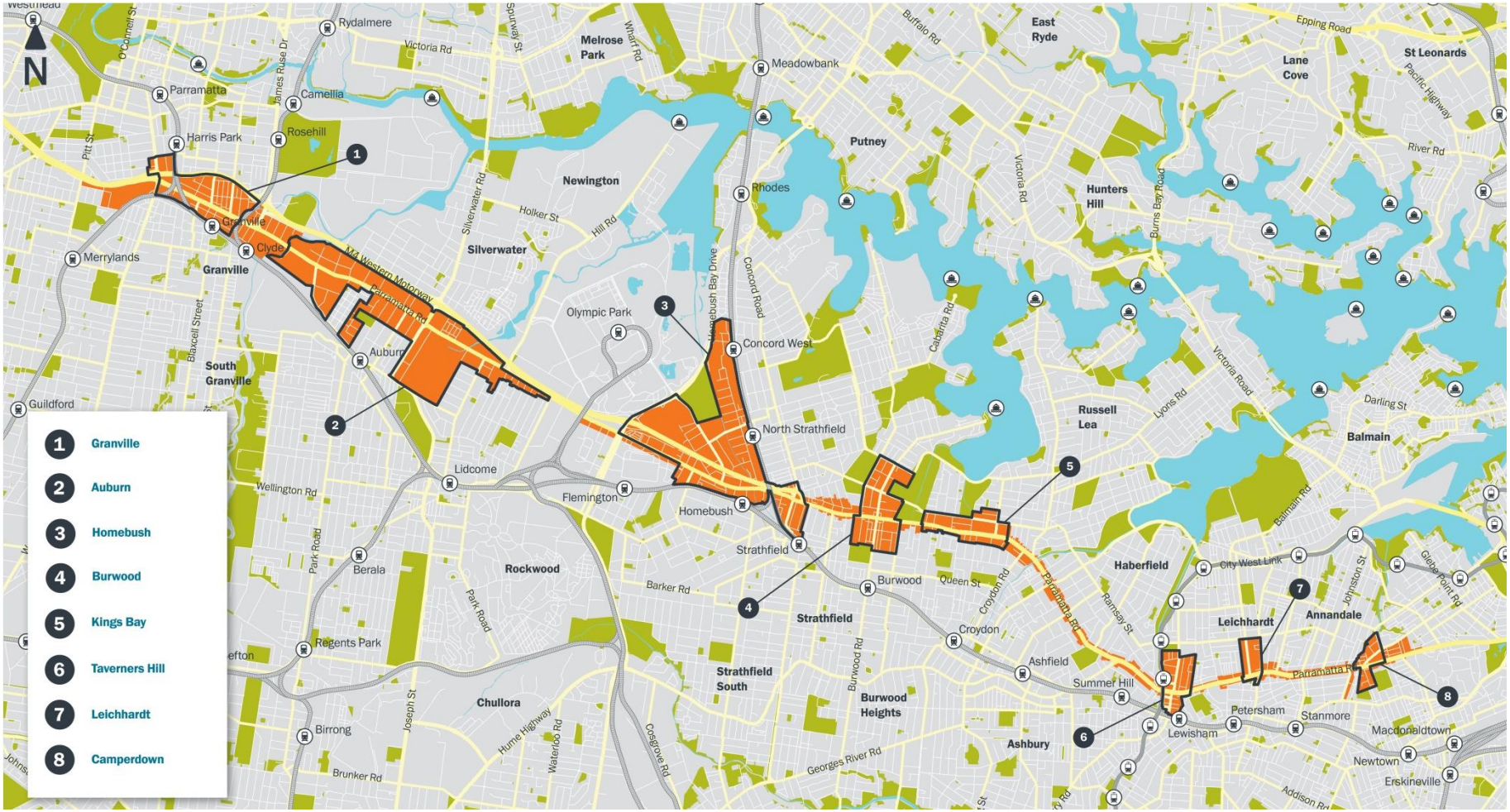
Table 2.1 – Precinct Population and Dwelling Projections

NO.	PRECINCT	SUBURB	LGA
1	**Granville**	Granville Holroyd	Parramatta Holroyd
2	**Auburn**	Auburn Lidcombe	Auburn
3	**Homebush**	Homebush North Strathfield Strathfield Concord West	Strathfield Canada Bay
4	**Burwood**	Burwood Strathfield Concord	Burwood Canada Bay
5	**Kings Bay**	Five Dock Croydon	Canada Bay Burwood Ashfield
6	**Taverners Hill**	Haberfield Leichhardt Lewisham Summer Hill Ashfield	Leichhardt Marrickville Ashfield
7	**Leichhardt**	Leichhardt Annandale Petersham Stanmore	Leichhardt Marrickville
8	**Camperdown**	Camperdown Forest Lodge Annandale Stanmore	City of Sydney Leichhardt Marrickville

As one of Sydney's major arterial roads, Parramatta Road performs an important economic role by connecting the heart of Western Sydney (Parramatta) to Sydney CBD. Major employment areas are found off Parramatta Road, including Silverwater, Auburn/Lidcombe and Sydney Olympic Park/Homebush.

In order to understand the nature of the PRC's economic and employment composition, we have considered separately the distinct precincts along the Corridor. The observations in Table 2.2 correspond with the map in Figure 2.1.

Figure 2.1 – Map of Precincts within the Parramatta Road Corridor



2.2 Precinct Characteristics

The PRC is characterised by a mix of uses and built forms of varying sizes, quality, layout and age, which together typify the growth and evolution of the area over time.

In order to understand the nature of the PRC's composition, it is necessary to consider separately the distinct precincts defined therein. Table 2.2 provides a general overview of each precinct's characteristics.

Table 2.2 – Precinct Characteristics

PRECINCT	BUILDING TYPES	MAJOR OCCUPIERS	LAND USES	VACANCY LEVELS	GENERAL PRESENTATION
Granville	▪ Generally 1 storey warehouse/ offices ▪ Big box retail sheds ▪ Strip retail in northern portion of Granville town centre ▪ 2 storey car showrooms along Church Street	▪ Mitsubishi Motors ▪ Golf Mart ▪ Fitness First ▪ WesTrac ▪ Boral concrete batching plant ▪ Homewares suppliers ▪ Automotive suppliers and repairers	▪ Bulky goods (lighting/ bathroom wholesalers, furniture shops) ▪ Factory retail outlets ▪ Used car dealerships ▪ Retail, food and drink premises ▪ Service stations ▪ Light industrial and warehousing ▪ Residential	▪ Generally well occupied ▪ Portion within northern portion of Granville town centre highest in vacancy levels.	▪ Used car dealerships north of M4 Motorway are well presented. ▪ Portion within Granville town centre is poor and approaching end of economic useful life.
Auburn	▪ Big box retail ▪ Multi-level homemaker centres ▪ Office buildings ▪ Large warehouse/ offices ▪ Strata industrial development	▪ Harvey Norman ▪ Costco ▪ Bunnings ▪ Kennards Self Storage ▪ BevChain Logistics ▪ Tooheys Brewery ▪ Thomas Betts & Co.	▪ Bulky goods ▪ Commercial ▪ Industrial and ancillary office ▪ Self-storage ▪ Warehousing (on streets off Parramatta Road) ▪ Residential	▪ Generally few vacancies with exception of certain pockets of small lots in fragmented ownership ▪ Several vacancies in industrial strata units	▪ Well-presented and destination location particularly for bulky goods retail, particularly Lidcombe Power Centre, Costco and Auburn Megamall.
Homebush	▪ Light industrial warehouses ▪ Strip retail ▪ Office buildings ▪ Generally 1 storey warehouse/offices	▪ Kennards Self Storage ▪ Horse and Jockey Hotel ▪ NRMA ▪ Arnotts Biscuits ▪ DFO ▪ Fraser Motorcycles	▪ Light industrial ▪ Warehouse and storage ▪ Commercial ▪ Strip retail ▪ Used car dealerships ▪ Residential	▪ Generally poor occupancy around Parramatta Road/George Street ▪ Well occupied in Bakehouse Quarter	▪ Poorly presented along Parramatta Road, many old and obsolete buildings ▪ Well presented in Bakehouse Quarter
Burwood	▪ Strip retail ▪ Commercial buildings ▪ 1 storey car	▪ Service stations ▪ Various retailers	▪ Retail ▪ Commercial/ offices ▪ Used car	▪ Generally well occupied ▪ Good patronage	▪ Generally well presented

	showrooms	▪ Dan Murphys ▪ Westfield Shopping Town just south of precinct	dealerships ▪ Hospitality (restaurants, pubs, hotels) ▪ Residential	levels along Burwood Rood as extension of Burwood town centre and major bus/train interchange	
Kings Bay	▪ 1 storey car showrooms ▪ Light industrial sheds/warehouses ▪ Office buildings ▪ Retail showrooms	▪ RentaSpace Self Storage ▪ Jaycar ▪ Tradelink ▪ Officeworks ▪ Mitre 10 ▪ Fantastic Furniture	▪ Car dealerships ▪ Light industrial/warehouse ▪ Self-storage ▪ Retail	▪ Average occupancy levels with several properties for lease	▪ Presentation is mixed ▪ Properties that have been vacant have declined in presentation
Taverners Hill	▪ Small car yards ▪ Cottages ▪ Storage sheds/warehouses	▪ Holden ▪ McDonald's ▪ Phillip Lodge Motel ▪ Automotive related	▪ Bulky goods ▪ Light industrial ▪ Used car yards ▪ Storage/warehousing ▪ Retail ▪ Residential	▪ Western portion of Parramatta Road is sparsely occupied ▪ Area around Lords Road is well occupied by residential uses	▪ Presentation is mixed ▪ Properties in western portion generally poorly presented
Leichhardt	▪ Strip retail/ commercial along Norton Street ▪ 1 storey car/furniture showrooms ▪ Retail showrooms ▪ 2 storey retail/ commercial	▪ Norton Plaza ▪ Italian Forum ▪ Custom Made Rugs ▪ King Furniture ▪ Bridal wear retailers	▪ Strip retail ▪ Car dealerships ▪ Commercial ▪ Retail showrooms ▪ Storage/warehousing ▪ Residential	▪ Occupancy levels are mixed ▪ Italian Forum and some parts of Parramatta Road struggle	▪ Generally well presented with the exception of shops on Parramatta Road that have been vacant for years
Camperdown	▪ High span warehouse buildings ▪ Generally 1 storey warehouse/ offices ▪ Storage sheds/ warehouses ▪ Office buildings	▪ Beaurepaires ▪ Storage King ▪ Coates Hire ▪ Sunshine Kids Day Care ▪ Camperdown Hotel	▪ Retail showrooms ▪ Light industrial ▪ Commercial/ offices ▪ Restaurants/ pubs ▪ Residential	▪ Retail space with less exposure can struggle with vacancy levels, many of which tend to be occupied as offices	▪ Generally well presented

Source: AEC

Vacancy Analysis

AEC carried out a vacancy count along the Parramatta Road Corridor to identify areas and locations within precincts that are experiencing heightened levels of vacancy. Our conclusions are based on external observations and did not include a door knock survey. Accordingly the vacancy count may not be 100% be accurate, e.g. a property may appear vacant but be utilised for storage purposes. Furthermore, a site may be observed as vacant but only a proportion of the building may be vacant (examples in Auburn where a

unit within a large industrial property may appear vacant, however the entire allotment is depicted as vacant) in the map.

Figure 2.2 depicts observed vacancies within the Parramatta Road Corridor, locations on and off Parramatta Road.

Strengths and Weaknesses

A broad spectrum of factors influences business activity along the PRC. Significant influences on industry and business activity originate from outcomes at the global and national level. While some of these are internal factors over which the local authorities (councils and state government) have control, many are not. Understanding the broader context in which PRC's industry sectors operate is essential in identifying future opportunities and demand for retail/ commercial floorspace. These global and Australian trends are discussed further in Chapter 3..

Socio-economic analysis (Chapter 4) demonstrates a diverse employment and industry base along the PRC. Various degrees of specialisation can be observed within various precincts, for example automotive retailing, and repairs and maintenance in Granville, bulky goods (or large format) retailing in Auburn and professional services in Camperdown.

Discussions with various business occupiers, real estate agents and landowners suggest that overall, the PRC has many strengths.

The key strengths of a Parramatta Road location are:

- proximity to highly skilled employment base
- transport links with connections to M4 Motorway and major interchanges with Silverwater Road and Homebush Bay Drive
- accessible location for suppliers, clients and employees
- diverse accommodation types to suit a range of budgets and requirements.

In contrast, the key weaknesses identified along Parramatta Road include:

- limited availability of vacant, unimproved land
- traffic congestion in many parts along the PRC
- limited public transport access making it difficult to attract and retain staff
- disconnected, disparate and isolated pockets.

Figure 2.2 – Map of Vacancy Analysis within Parramatta Road

While benefitting from a strategic location, the overall performance of the PRC is mixed, with some of the challenges facing businesses not unique to the Corridor but due to broader economic and structural issues that confront businesses. On a local level, Parramatta Road's weaknesses are generally a function of its composition and layout, including the issue of land fragmentation.

The price of accommodation (i.e. rents, property prices and land values) is cited to be a disadvantage particularly for large occupiers who require more than 10,000sqm of floorspace space, e.g. for transport and logistics users. Many of these occupiers seek out accommodation in Western Sydney where prices are lower than along the Corridor. Consequently the limited availability of vacant, unimproved land is a constraint to future floorspace growth, particularly with the feasibility of redeveloping existing stock in many cases marginal.

The poor amenity along parts of the PRC results in an impression of isolation and as a consequence detracts from the desirability of the location which affords visibility and exposure. Parts of the Corridor are not pedestrian nor access friendly, many of these parts are disconnected from viable activity clusters and suffer from prolonged periods of vacancy.

2.3 Planning Policy and Context

The PRC straddles the local government areas of Parramatta, Holroyd, Auburn, Strathfield, Canada Bay, Burwood, Ashfield, Leichhardt, Marrickville and City of Sydney and accordingly the respective local environmental plans (LEPS) apply.

The PRC is subject to a mix of land use zones (industrial, business and residential). These include IN1 General Industrial and IN2 Light Industrial, B4 Mixed Use, B5 Business Development, B6 Enterprise Corridor and B2 Local Centre (Leichhardt) and a variety of residential zones away from Parramatta Road (R1, R2, R3, and R4).

Permitted uses vary within the same zones across LEPS, e.g. within the B6 Enterprise Corridor Zone, however different uses are permitted across the LGAs. As an example, the Ashfield LEP 2013 prohibits residential accommodation and retail premises in the B6 Enterprise Corridor zone whereas, the City of Canada Bay LEP 2013 permits residential flat buildings, shop-top housing and serviced apartments.

More detail on the respective planning controls is contained in Appendix A.

3. Economic Trends and Influences

3.1 Macro-Economic Trends and Drivers

Globalisation and increased competition from overseas markets, the high Australian dollar, as well as the changing nature of consumer trends all impact the competitiveness of Australian business. This combined with relatively higher input costs for Australian industry (when compared to other regions such as Asia) has meant that Australian business is facing significant competition and cost pressures from international markets. As a result, many of Australia's businesses seek to leverage productivity gains.

Some businesses have found productivity gains by offshoring production (as has been the case for the Australian automotive and furniture sectors), others gain from the competitive advantage Australia has to offer through higher workforce skills, state of the art technology, relatively stable industrial relations (and traditionally low sovereign risk) and ease of establishing businesses making capital investment more feasible. Overall Australian businesses seek to innovate in response to change.

In the case of businesses in the PRC, in Sydney and nationwide, businesses will look to innovate and diversify their product and market base in order to remain competitive. As business operations evolve so too will their floorspace requirements. In an environment of change, it is important that employment lands are flexible and able to respond to industry need as it continues to evolve.

Industries of Opportunity

Analysis of 2006-2011 national employment trends (ABS, 2012c) shows that key sectors of employment growth have been in the following industries:

- mining and resources industries
- population based industries including health, construction, accommodation & food services, arts and utility services
- knowledge based service industries such as finance & insurance, professional, scientific & technical services
- some industrial sectors such as transport, postal & warehousing and wholesale trade.

With respect to manufacturing activity, growth has generally been focused in downstream resource industry processing activities such as food and beverage manufacturing and machinery and equipment manufacturing.

These industries of growth are consistent with that being observed in the PRC. Notably,

- traditional manufacturing activity has declined, yet employment in beverage and tobacco manufacturing and food product manufacturing has increased (particularly in Auburn).
- there is across the board growth in employment in health, construction, accommodation & food services.
- transport, postal & warehousing activity with a higher representation in the western precincts of the PRC (in Clyde, Auburn and Homebush).

The employment profile analysis in Chapter 4 identifies a clear distinction in business activity between precincts in the western portion of the PRC (e.g. more industrial-focused uses in Granville and Auburn) and eastern precincts such as Taverners Hill, Leichhardt and Camperdown where office-based uses are more prevalent.

Given that industry sectors of growth in the Parramatta Road Corridor align with national industries of opportunity, future growth planning need be cognisant of locational specific factors that influence the growth of business and employment. For example, locational factors such as access, traffic congestion, poor quality building stock and existing business clusters collectively influence the ability of business and employment to grow.

Global and Australian industry and business trends are discussed further in Appendix B.

3.2 Retail Trends and Drivers

Retail is a fast moving and constantly evolving consumer sector. The shopping experience today is very different to that 50 years ago and will continue to change and evolve over the next generation driven by technology, evolving consumer tastes and preference, social and demographic change.

Growth in Retail Floorspace

The estimated provision of retail floorspace in Australia has increased from around 1.5sqm per capita in 1985/86 to around 2.3sqm per capita currently, representing an average annual growth rate of around 1.5%.

Key trends in the growth of retail floorspace include:

Real growth in income levels

The growth in retail floorspace per person has largely been driven by real growth in income levels throughout Australia and consequently increases in retail spending capacity. In addition, new retail formats have been introduced as the retail industry has evolved.

For example, a typical household in Australia would spend 30% of its income on housing repayments in 1996 could spend 50% of its income today on housing repayments and still maintain the same standard of living as enjoyed in 1996. In effect, as Australians have become wealthier, our standard of living has increased as the amount of money devoted to retail shopping has increased.

Diversity of retail formats

As a consequence of growing affluence, Australia has witnessed the extensive development of super regional and regional shopping centres, many more neighbourhood centres anchored by supermarkets, homemaker centres and outlet centres.

Emphasis on convenience

An emerging driver of retail formats is expected to be that of convenience. The once traditional single main food shop every week is being replaced by more frequent convenience shopping but with fewer items purchased per trip, plus a more infrequent large food shopping trip undertaken every three to four weeks. This is particularly true of the younger demographic.

Greater emphasis is therefore being placed on providing food shopping which is convenient and accessible, e.g. supermarkets on public transport hubs, express check outs and extended opening hours.

Online shopping

Assuming the historical growth rate was to continue into the future to 2026, the average per capita provision of retail floorspace throughout Australia would increase to around 2.9sqm. Since the Global Financial Crisis of 2008 and also with new retail formats such as online shopping, the rate of growth in retail floorspace provision has slowed.

Online shopping currently accounts for around 5%-6% of total retail sales and is projected to increase to 12%-14% over the next decade. Online shopping has subdued the ongoing growth rate of 'bricks and mortar' retail floorspace demand. This has particularly been in key categories such as apparel, travel and electronics spending and to a lesser degree in food retail spending, although with all supermarket chains now providing click and collect and online facilities.

Centre Typologies

Our largest centres, regional and super regional centres are anchored by department stores, however, industry is still investigating expansion opportunities to provide a greater mix of uses across retail, non-retail, entertainment and leisure purposes. For example, key centres within the surrounding Parramatta Road Corridor such as Westfield Parramatta, Top Ryde Shopping City and Macquarie Centre have all recently been expanded or proposed for expansion in the future.

Even though department stores such as Myer and David Jones are generally experiencing difficult trading conditions, the expansions of these larger regional shopping centres are based on:

- new international mini-major tenants such as Uniqlo (recently opened in Parramatta), H&M, Zara and Topshop
- large food catering and leisure facilities targeting local and wider region residents and also typically a local worker population
- increased mix of uses including entertainment, commercial, gyms, medical and the like.

Sub-regional shopping centres anchored by discount department stores (i.e. Big W, Kmart and Target) have experienced more difficult trading conditions, particularly as the trading performance of the discount department stores that anchor these shopping centres have experienced difficult conditions over the past 5-10 year period.

At the same time, key apparel specialty stores are rationalising store networks and are looking to locate at regional and super regional centres where they have their highest chance of success and subsequently not locating at sub-regional shopping centres. The best sub-regional shopping centres typically incorporate two supermarkets, driving regular customer visitation to the centres for a wide variety of purposes such as convenience shopping, professional and personal services and medical needs.

There are few new sub-regional shopping centres proposed in Australia, with The Marketplace at Auburn, a redevelopment of the former Lidcombe Power Centre (i.e. larger format retail), being one of only few sub-regional shopping centres under construction in the Sydney metropolitan area.

The Growth and Evolution of Supermarkets

The major supermarket chains, namely Woolworths and Coles, continue to search for new store opportunities, particularly throughout the Sydney metropolitan area where traditionally the supermarket floorspace provision is lower than other capital cities. The preferred store size for Woolworths and Coles has increased in recent years, with both chains now typically seeking stores of 3,500sqm and larger.

The major supermarket chains target a population of 8,000-10,000 persons to support one major full-line supermarket and will locate across a wide variety of centres including neighbourhood, sub-regional and regional centres as well as less commonly free-standing locations.

The major supermarket chains are now competing with Aldi which have opened in-excess of 350 stores on the eastern seaboard of Australia and are now expanding into South Australia and Western Australia. Aldi typically operate stores of around 1,500sqm in size, targeting a resident catchment of 15,000-20,000 persons.

All supermarket chains have typically sought developments with at grade car parking and specialty shops fronting the car parking with good convenience and accessibility. With greater density of development in the Sydney urban area, the chains are understanding the potential opportunities as part of mixed use developments with large walkable catchments around key pedestrian nodes and public transport infrastructure.

Recent examples of mixed use developments such as East Village at Zetland, Stockland Balgowlah, Peninsula Village at Matraville, Central near Broadway at the southern end of the Sydney CBD and the Broadway at Punchbowl reflect the willingness of the supermarket chains to locate as part of mixed use developments in densely populated urban areas, even if some compromises are required around car parking numbers, store design and accessibility are required to secure the store. These will form some of the key opportunities for retail floorspace along the Parramatta Road Corridor.

Key supermarket centres in retail strips are also experiencing a revitalisation as a result of the increasing density in the inner and middle ring urban area of Sydney. The key advantages of these strip precincts over other retail facilities include:

- the ability for fresh food retailers to complement the major supermarkets
- retail strip locations providing the opportunity for food catering facilities to trade over an extended period of the day from morning through to night in a pleasant atmosphere
- other key drivers to these sites such as community (library, Council offices), non-retail and medical facilities providing other reasons for visiting
- proximity to key transport hubs.

On the other hand, key apparel and homewares specialty floorspace typically do not exist as part of new supermarket strip style facilities.

New Entrants in the Parramatta Road Corridor

New international entrants to the Australian market such as Aldi have been discussed, however, Costco is another player which is of relevance to supermarkets in particular.

There is an existing Costco store located along Parramatta Road at Auburn which is the second Costco outlet in Australia and the first in NSW. The Costco model is the development of a free-standing store of typically around 12,000sqm-14,000sqm in size, selling a range of goods but with two thirds on food and grocery items.

These free-standing outlets do not support surrounding retail and specialty stores and typically locate in areas popular with large format and other non-traditional retail facilities. These types of locations are typically on major traffic routes that allow for a broader regional population draw. Given the existence of Costco at Auburn already, the impact on the future provision of floorspace throughout the Parramatta Road Corridor is taken into account. Costco generally attracts low market shares across a very broad area

meaning that its impacts on local centres is spread across a large numbers of centres with no one centre being impacted to any significant degree.

Future Outlook of Retail Floorspace

In summary, there will be opportunities for further retail floorspace as long as there is population growth. However the delivery of new floorspace may be challenged by the lack of suitable and available sites. These are the two key factors that exist within the Parramatta Road Corridor given the substantial increase in population throughout particular precincts and the lack of available opportunity for large format stores such as supermarkets in these locations.

The ability for larger format retail facilities such as regional and sub-regional shopping centres to be provided would be more limited, given the existing provision of such facilities in the surrounding region. Major retail trends such as online shopping will limit the ultimate amount of 'bricks and mortar' retail floorspace growth, however, if retail facilities are provided for a local population together with a range of non-retail uses, these facilities will remain relevant in the longer term.

3.3 Large Format Retail Trends and Drivers

Large format retailing has evolved in recent years in Australia and incorporates bulky goods and retail showroom uses. Large format retailing includes categories such as automotive parts, accessories, repairs and services, camping, outdoor and recreation goods, electric, light fittings, pet supplies, food and window coverings, furniture, bedding, furnishings, fabric, manchester and homewares, household appliances, household electrical goods and home entertainment goods, party supplies, swimming pools, office equipment and supplies, baby and children's play equipment and accessories, hardware and landscape garden supplies, and other items of a bulky nature that require a large area for handling, display or storage, or direct vehicle access to the site or the premises by the public for the purpose of loading goods into a vehicle after purchase or hire.

Examples of large format retail brands include:

- Harvey Norman
- Bunnings Warehouse
- Masters Home Improvement
- IKEA
- Freedom
- Snooze
- Beacon Lighting
- JB Hi-Fi
- Oz Design Furniture
- Forty Winks
- Fantastic Furniture
- Barbecues Galore

- Baby Bunting
- Pet Stock
- Super Cheap Auto

The development of large format retail/bulky goods/homemaker facilities in Australia has been evolving over time. Initially, bulky goods tenants preferred to locate in free-standing facilities along major roads. There has been an increasing trend for bulky goods/ homemaker traders to co-locate within one centre or precinct as bulky goods/homemaker customers seek to compare products and prices across a range of stores, with all traders benefiting from the creation of a strong destination.

Co-location Trends

In recent years, there has been an increasing focus on dedicated homemaker centres, which provide a broad range of tenants as well as easy accessibility and car parking. In addition, the greater convenience and amenity for customers has also contributed to an increase in the development of large format/bulky goods centres in Australia.

In an article titled Homemaker Shopping Centres with Purpose published by Directional Insights it was noted that "enclosed, well-presented Homemaker Centres combine many of the strengths of traditional shopping centres – parking, air-conditioning, and amenable environments – with a specialised product category and customer focus".

Large format retail/bulky goods centres typically serve broad geographic trade areas due to the nature of bulky goods which tend to be purchased by a large number of people on an infrequent basis.

In recent times, the tenants looking to locate in bulky goods/large format areas has expanded, given retail tenants such as Spotlight, toy stores, camping equipment, etc. trade in a similar manner, attracting low market shares across broad regions and purchased on an infrequent basis. Consequently, 'retail showroom' tenants are suited to locations similar to bulky goods centres requiring frontage to a major road with easy access.

Large format retail/bulky goods centres/precincts typically flourish in extremely high profile, main road locations and, therefore, receive excellent exposure to passing traffic and are easily accessible from both a local and regional perspective.

The co-location of facilities in a single centre/precinct results in a benefit to the consumer as well, with customers preferring to cross shop, in order to compare prices and products more easily. This has been an increasing trend within the Australian retail environment.

4. Planning Approach

In order to better understand employment activity occurring in the Parramatta Road Corridor, Australian Bureau of Statistics Census data (ABS, 2012a) and Bureau of Transport Statistics data (BTS, 2014) were examined using statistical geographic boundaries SA1 and TZ respectively.

These boundaries do not map exactly to the boundary of the Parramatta Road Corridor however, provide a greater study catchment area to assist in the analysis. For the purposes of profiling the socio-economic and socio-demographic characteristics of the PRC, these statistical geographies have been manually adjusted to best align with the Parramatta Road Corridor.

This chapter considers the employment profile of workers in the Parramatta Road Corridor by analysing types of employment categorised under Australian and New Zealand Standard Industrial Classification (ANZSIC). The ANZSIC has been developed jointly by the Australian Bureau of Statistics and Statistics New Zealand to improve the comparability of industry statistics between the two countries and the rest of the world.

The ANZSIC is a hierarchical classification of industry with four levels, namely Divisions (the broadest level), Subdivisions, Groups and Classes (the finest level). At the Divisional level (referred to as 1-digit ANZSIC), the main purpose is to provide a limited number of categories which provide a broad overall picture of the economy. The Subdivision (2-digit ANZSIC), Group (3-digit ANZSIC) and Class (4-digit ANZSIC) levels provide increasingly detailed dissections of these categories to enable the compilation of more specific and detailed statistics (ABS, 2006).

4.1 Employment Profile of Workers in Parramatta Road Corridor

In 2011 the Parramatta Road Corridor employed more than 26,000 employees with the highest proportions employed in retail trade (15.8%) and wholesale trade (12.0%). Different precincts reflect different concentrations of industries - Auburn and Granville notably more focused on manufacturing and industrial-type activity compared to Burwood and Kings Bay, and Leichhardt and Camperdown focused on professional, scientific & technical services compared to the precincts in the west of the Corridor. All precincts are well represented by employment in retail trade.

Employment by Industry

In order to understand the finer grain of key industries in the PRC, disaggregation of retail trade and wholesale trade is undertaken Table 4.2). This 2-digit ANZSIC analysis shows that grocery, liquor & tobacco product wholesaling represent about half the overall employment in wholesale trade (particularly due to the contribution of Homebush precinct at 85%). For retail trade, Other Store-Based Retailing[1] represents 63% of employment in retail trade in the PRC, notably high representations in Auburn and Camperdown.

[1] This covers furniture, floor coverings, houseware and textile goods retailing, electrical and electronic goods retailing, hardware, building and garden supplies retailing, recreational goods retailing, clothing, footwear and personal accessory retailing, department stores and pharmaceutical and other store-based retailing.

Table 4.1 – Employment by Industry by Precinct, 2011 (19 sector, 1-digit ANZSIC)

INDUSTRY	GRANVILLE	AUBURN	HOMEBUSH	BURWOOD	KINGS BAY	TAVERNERS HILL	LEICHHARDT	CAMPER DOWN	PRC
Agriculture, Forestry and Fishing	0.3%	0.0%	0.7%	0.0%	0.0%	0.1%	0.1%	0.5%	0.2%
Mining	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Manufacturing	11.5%	23.7%	4.2%	1.0%	3.5%	5.1%	7.4%	8.9%	9.9%
Electricity, Gas, Water and Waste Services	0.2%	0.2%	6.3%	0.0%	1.1%	0.5%	0.0%	0.1%	1.6%
Construction	9.3%	11.7%	6.8%	5.1%	7.6%	6.7%	6.5%	10.0%	8.2%
Wholesale Trade	8.0%	14.1%	26.4%	1.1%	4.9%	4.0%	4.4%	9.8%	12.0%
Retail Trade	17.1%	18.8%	11.6%	7.0%	14.6%	22.3%	20.9%	13.6%	15.8%
Accommodation and Food Services	3.9%	2.3%	3.4%	3.8%	12.6%	5.9%	7.3%	6.5%	4.9%
Transport, Postal and Warehousing	11.3%	8.7%	4.9%	2.2%	7.4%	3.2%	0.8%	0.5%	5.6%
Information Media and Telecommunications	0.5%	1.4%	1.5%	1.1%	0.7%	1.1%	3.0%	4.5%	1.5%
Financial and Insurance Services	1.6%	0.7%	17.2%	4.8%	1.8%	1.3%	1.6%	0.8%	5.1%
Rental, Hiring and Real Estate Services	0.9%	0.9%	1.3%	1.1%	1.2%	0.7%	1.5%	3.3%	1.2%
Professional, Scientific and Technical Services	3.1%	3.1%	3.3%	8.4%	6.4%	8.7%	11.2%	14.3%	5.9%
Administrative and Support Services	3.5%	2.2%	1.6%	3.3%	2.4%	2.5%	2.1%	2.4%	2.4%
Public Administration and Safety	4.2%	1.7%	1.2%	2.9%	7.0%	1.9%	3.3%	2.5%	2.7%
Education and Training	1.5%	2.5%	1.6%	25.9%	8.7%	11.1%	14.7%	6.1%	7.3%
Health Care and Social Assistance	5.5%	3.9%	2.9%	27.6%	8.2%	18.8%	9.0%	8.4%	8.8%
Arts and Recreation Services	0.3%	0.4%	2.3%	2.0%	3.5%	1.1%	2.0%	3.3%	1.6%
Other Services	16.9%	3.8%	2.8%	2.7%	8.4%	5.0%	4.1%	4.5%	5.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Employed	2,470	6,381	5,929	2,591	2,388	2,594	2,723	1,304	26,381

Source: BTS (2014)

Table 4.2 – Employment by Industry by Precinct, 2011 (Wholesale Trade and Retail Trade, 2-digit ANZSIC)

INDUSTRY	GRANVILLE	AUBURN	HOMEBUSH	BURWOOD	KINGS BAY	TAVERNERS HILL	LEICHHARDT	CAMPER DOWN	PRC
WHOLESALE TRADE									
Basic material wholesaling	14.4%	14.0%	3.9%	12.8%	19.1%	8.1%	19.1%	7.5%	8.9%
Machinery and equipment wholesaling	46.0%	32.7%	5.8%	24.0%	8.0%	14.8%	29.2%	25.9%	18.2%
Motor vehicle and motor vehicle parts wholesaling	13.1%	7.3%	1.6%	5.1%	16.3%	15.6%	3.8%	0.0%	5.0%
Grocery, liquor and tobacco product wholesaling	12.9%	24.5%	85.0%	19.4%	20.3%	5.1%	7.3%	10.5%	51.7%
Other goods wholesaling	13.7%	19.6%	2.7%	38.8%	35.3%	54.9%	39.0%	51.0%	14.8%
Commission-based wholesaling	0.0%	2.0%	1.0%	0.0%	1.1%	1.4%	1.6%	5.1%	1.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Employed	**196**	**898**	**1,566**	**28**	**118**	**104**	**120**	**128**	**3,158**
RETAIL TRADE									
Motor Vehicle and Motor Vehicle Parts Retailing	56.1%	8.2%	4.6%	17.8%	36.1%	13.2%	9.0%	4.5%	15.9%
Fuel Retailing	6.0%	1.1%	0.4%	2.2%	4.8%	0.8%	1.1%	0.7%	1.8%
Food Retailing	8.5%	7.7%	41.5%	19.8%	23.6%	18.5%	25.7%	5.9%	19.1%
Other Store-Based Retailing	29.4%	82.6%	53.4%	60.2%	35.4%	67.2%	63.5%	88.8%	63.0%
Non-Store Retailing and Retail Commission-Based Buying and/or Selling	0.0%	0.3%	0.1%	0.0%	0.0%	0.3%	0.7%	0.0%	0.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Employed	**423**	**1,200**	**687**	**182**	**348**	**578**	**570**	**178**	**4,166**

Source: BTS (2014)

Change in Employment by Industry and by Occupation (2006-2011)

In 2011 the area identified for analysis within the PRC collectively employed more than 26,000 workers. This section examines the change in employment structure of each precinct during census period 2006-2011. Disaggregation of the top growth industry/s to understand the more specific nature of employment growth that occurred during the five-year period is contained in Appendix C.

Key observations from the 2006-2011 employment analysis are made:

- local businesses employed around 26,381 workers in 2011, having increased from 23,068 in 2006 (increase of 14%)
- key industries of employment in 2011 were wholesale trade and retail trade (increase of 12.0% and 15.8% respectively from 2006)
- since 2006 manufacturing reduced its share of total employment (and reduced number of workers)
- almost all precincts recorded declines in manufacturing jobs with the exception of Auburn which recorded an increase of 184 jobs. Notwithstanding the growth in number of jobs, as a proportion of total employment manufacturing declined marginally in Auburn
- further disaggregation of this growth in manufacturing in Auburn reveals strong growth in 'beverage and tobacco product manufacturing' and 'food product manufacturing'
- large gains were primarily observed in health care & social assistance, accommodation & food services, construction, education & training and retail trade. Notable observations include:
    - health care & social assistance – this industry of employment is highly represented in Burwood and Taverners Hill (27.6% and 18.8% respectively in 2011). All precincts recorded strong proportional growth of between 30% and 50% in the 2006-2011 period.
    - education & training – an industry of employment is observed to be growing in prominence across the PRC with most precincts recording growth in employment numbers.

A more detailed analysis (precinct by precinct) can be found in Appendix C

The employment growth profile of the PRC is a clear reflection of the response of industry to population growth.

- *Household consumption is a key driver of industry demand, particularly in the industries of retail trade and accommodation & food services.*
- *Government expenditure is a key driver of demand for most public services, including health care & social assistance, education & training and public administration & safety. Underpinning this demand by government are the needs of local population and business.*

Table 4.3 – Change in Employment by Industry by Precinct (2006-2011) (19 sector, 1-digit ANZSIC)

INDUSTRY	GRANVILLE	AUBURN	HOMEBUSH	BURWOOD	KINGS BAY	TAVERNERS HILL	LEICHHARDT	CAMPER DOWN	PRC
Agriculture, Forestry and Fishing	-1	-1	18	-2	-1	0	0	3	16
Mining	6	3	1	0	-1	-1	-1	0	8
Manufacturing	-56	184	-29	-18	-20	-69	4	-12	-16
Electricity, Gas, Water and Waste Services	3	5	12	-1	14	3	0	1	37
Construction	10	187	68	11	40	19	34	26	394
Wholesale Trade	-30	-55	302	3	21	-13	-6	-4	220
Retail Trade	-28	218	186	-1	-5	89	34	31	523
Accommodation and Food Services	5	27	63	11	72	21	40	20	258
Transport, Postal and Warehousing	28	-18	64	37	53	-14	3	1	154
Information Media and Telecommunications	-26	8	22	8	11	2	12	16	55
Financial and Insurance Services	-1	20	195	-21	2	-16	-10	-5	164
Rental, Hiring and Real Estate Services	-10	0	-38	5	2	0	4	7	-29
Professional, Scientific and Technical Services	4	39	55	-86	17	41	40	23	133
Administrative and Support Services	14	45	29	16	15	12	5	5	142
Public Administration and Safety	17	9	-52	6	12	-5	18	5	10

*Totals may not add up due to rounding
Source: BTS (2014)

Table 4.4 – Method of Travel to Work by Precinct*, 2011

METHOD OF TRAVEL	GRANVILLE	AUBURN	HOMEBUSH	BURWOOD	KINGS BAY	TAVERNERS HILL	LEICHHARDT	CAMPER DOWN	PRC
Train	7.6%	4.8%	7.1%	10.3%	1.0%	6.4%	4.7%	5.1%	16
Bus	1.4%	0.9%	0.7%	2.5%	4.2%	2.5%	6.0%	7.3%	8
Ferry	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-16
Tram	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	37
Taxi	0.0%	0.1%	0.3%	0.1%	0.2%	0.1%	0.5%	0.4%	394
Car, as driver	69.8%	73.7%	69.0%	57.6%	63.5%	57.4%	58.1%	49.9%	220
Car, as passenger	4.7%	5.0%	4.2%	3.5%	6.0%	4.5%	3.9%	3.6%	523
Truck	1.0%	1.2%	1.3%	0.6%	0.8%	0.6%	0.3%	0.2%	258
Motorbike/ scooter	0.7%	0.5%	0.5%	0.6%	0.8%	0.4%	0.6%	0.7%	154
Bicycle	0.5%	0.3%	0.4%	0.9%	0.8%	0.7%	1.3%	2.0%	55
Walked only	2.3%	1.5%	1.7%	3.8%	4.6%	5.6%	6.5%	9.4%	164
Worked at home	1.8%	1.5%	1.4%	4.1%	4.8%	8.8%	5.0%	3.5%	-29
Did not go to work	5.3%	5.7%	8.1%	9.1%	9.3%	8.6%	8.6%	10.7%	133
Other^	4.9%	4.9%	5.2%	6.9%	4.0%	4.5%	4.6%	7.2%	142
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	10

*Primary method of travel only

^These refer to responses received to open-ended questions, where respondents may have nominated their method of travel instead of selecting one of the provided options

Source: BTS (2014)

Overwhelmingly, across the PRC employees drive to work. Notably, the four precincts in the east of the PRC (Kings Bay, Taverners Hill, Leichhardt and Camperdown) had higher proportions of workers who walk to work or who worked at home.

Further disaggregation of where workers travel from is presented in Table 4.5. This analysis demonstrates that some precincts employ a large proportion of workers from the local catchment (within 3-5km) while other precincts draw workers from a wider area and thus play a regional employment role.

The precincts that are observed to draw a greater proportion of workers from beyond the local catchment include Auburn, Homebush and Camperdown where less than a quarter of workers live within the local catchment with others travelling from further away.

In contrast, the other precincts could have a third of workers from the local area, however, notably in Kings Bay, Taverners Hill and Leichhardt 40%-50% of workers live locally.

Table 4.5 – Where Workers Travel From (Top 5 Places of Origin), 2011

TOP 5 PLACES OF ORIGIN (SA3*)	% OF TOTAL WORKERS	KEY METHODS OF TRAVEL					
		TRAIN	BUS	CAR AS DRIVER	CAR AS PASSENGER	WALKED ONLY	OTHER METHODS
Granville							
Merrylands-Guildford	12.3%	6.8%	3.1%	61.9%	7.9%	5.9%	14.4%
Parramatta	11.2%	9.8%	2.8%	56.0%	4.1%	13.4%	13.9%
Blacktown	5.3%	16.1%	0.0%	74.8%	0.0%	0.0%	9.1%
Fairfield	5.3%	7.5%	0.0%	78.8%	3.7%	1.2%	8.7%
Baulkham Hills	5.2%	1.3%	2.6%	77.8%	5.6%	0.0%	12.8%
Auburn							
Auburn	11.6%	4.2%	1.7%	55.3%	8.2%	11.5%	19.1%
Merrylands - Guildford	8.2%	11.0%	1.0%	71.4%	8.7%	0.4%	7.5%
Parramatta	5.9%	11.5%	7.1%	63.5%	3.9%	1.2%	12.9%
Fairfield	5.7%	9.9%	0.6%	79.1%	6.7%	0.6%	3.2%
Bankstown	5.3%	3.5%	2.0%	80.9%	4.6%	0.6%	8.5%
Homebush							
Strathfield - Burwood - Ashfield	7.9%	10.8%	4.9%	56.2%	2.7%	9.8%	15.5%
Canada Bay	5.7%	4.5%	1.6%	64.8%	4.1%	9.0%	16.0%
Bankstown	5.2%	2.0%	0.6%	79.1%	5.9%	0.0%	12.4%
Merrylands - Guildford	5.2%	8.1%	0.6%	72.3%	7.9%	0.0%	11.1%
Auburn	4.9%	17.0%	1.9%	56.9%	10.7%	2.3%	11.1%
Burwood							
Strathfield - Burwood - Ashfield	19.1%	9.9%	5.0%	45.4%	5.0%	12.2%	22.5%
Canada Bay	13.9%	3.1%	2.9%	54.8%	5.2%	7.7%	26.2%
Canterbury	4.7%	5.0%	7.3%	71.4%	1.2%	0.0%	15.1%
Ryde - Hunters Hill	4.5%	8.1%	3.7%	67.5%	4.1%	0.0%	16.7%
Bankstown	3.8%	10.1%	1.4%	68.6%	5.8%	1.4%	12.6%
Kings Bay							
Canada Bay	27.0%	1.0%	4.1%	52.2%	7.6%	11.2%	23.9%
Strathfield - Burwood - Ashfield	21.1%	4.8%	7.1%	53.7%	5.5%	6.3%	22.6%
Canterbury	4.5%	4.1%	13.0%	60.9%	7.1%	0.0%	14.8%
Bankstown	3.7%	11.5%	0.0%	82.0%	4.3%	0.0%	2.2%
Leichhardt	3.3%	0.0%	5.0%	71.1%	8.3%	0.0%	15.7%
Taverners Hill							
Strathfield - Burwood -	27.0%	4.6%	4.3%	45.0%	4.7%	10.3%	31.2%

Ashfield							
Leichhardt	8.6%	1.3%	6.8%	43.1%	1.5%	16.8%	30.5%
Canada Bay	7.9%	3.1%	4.3%	71.3%	4.5%	1.4%	15.4%
Canterbury	6.5%	1.7%	8.1%	71.6%	10.5%	0.9%	7.2%
Sydney Inner City	4.1%	16.8%	14.0%	47.1%	4.1%	2.7%	15.4%
Leichhardt							
Leichhardt	14.5%	0.7%	7.2%	32.1%	3.2%	21.2%	35.6%
Strathfield - Burwood - Ashfield	12.8%	6.0%	14.9%	56.3%	4.3%	3.5%	15.0%
Marrickville - Sydenham - Petersham	9.6%	4.3%	5.0%	34.0%	2.9%	21.7%	32.1%
Sydney Inner City	6.9%	6.2%	17.9%	42.3%	3.8%	11.1%	18.8%
Canada Bay	6.4%	1.9%	7.1%	71.6%	5.0%	0.6%	13.8%
Camperdown							
Sydney Inner City	15.1%	1.9%	9.8%	24.1%	3.7%	40.1%	20.3%
Strathfield - Burwood - Ashfield	9.8%	10.1%	20.8%	49.4%	2.9%	0.4%	16.4%
Leichhardt	8.9%	0.0%	12.5%	39.9%	3.7%	13.9%	30.0%
Marrickville - Sydenham - Petersham	8.5%	2.2%	17.1%	32.7%	3.0%	20.7%	24.3%
Canterbury	4.6%	10.4%	10.6%	59.9%	6.4%	0.0%	12.6%

*SA3 place of origin (SA3 is an ABS statistical area which are often the functional areas of regional towns and cities with a population in excess of 20,000 or clusters of related suburbs around urban commercial and transport hubs within the major urban areas)
Source: BTS (2014)

4.2 PRC Industry Profile and Built Form Types

The Parramatta Road Corridor traverses a number of geographic markets and property sectors (industrial, commercial, retail and residential), accommodating a varied range of property types, land uses and built forms.

Following on from the analysis of PRC's employment profile by precinct (section 4.1), this section considers the evolution and growth profile of key industries that are represented in the Corridor. Furthermore, this section considers the types of built form, both currently observed and required by key industries.

Industry Profile

A diverse range of industry and business activity occurs along the Parramatta Road Corridor. As identified in section 4.1, the industries of retail trade and wholesale trade are particularly well represented in their proportion of employment.

Further disaggregation of industry classification (2-digit ANZSIC) reveals 'retail trade' covers the retailing of bulky goods, homewares and home improvement supplies, automotive parts and supplies. In property economics terminology, these industries are also referred to as 'large format' retailing. All these retailing sectors require proximity to population and target markets.

Industry classification of 'wholesale trade' covers businesses in machinery & equipment wholesaling, motor vehicle parts wholesaling as well as grocery, liquor & tobacco product wholesaling. These sectors also require proximity to population and target markets.

This section considers trends and influences in key sectors along PRC (automotive retailing and wholesaling, large format retailing and wholesale trade). This understanding is important for growth planning for several reasons.

Future outlook for employment growth

Many businesses seek to cluster with like business in order to benefit from the synergies of co-location, particularly if they have a retail or service component to their business. The co-location of business with like business will underpin the outlook, direction and trajectory of future employment growth.

Floorspace requirements

Different industry and business activity have different accommodation requirements. These requirements range from type and size of floorspace, parking and access, level of visibility, etc.

Location criteria

There are many factors that influence decisions for business location. Depending on the specific business, industry and nature of the operations will often dictate the specific requirements for its location selection. Some businesses primarily require access to a skilled labour pool while some businesses may first and foremost value access to their market catchment (local catchment of customers/clients).

Automotive Retailing

Automotive retailing is part of the broader automotive industry which includes car manufacturers, parts suppliers, car dealers and mechanics who are collectively involved in the design, research, development, manufacture, sale and maintenance of motor vehicles.

The automotive industry in Australia is in a time of transitional change. Local car manufacturers have struggled over the past decade owing to a number of reasons:

- the high Australian dollar which reduced global competitiveness
- lower import protections increasing the attractiveness of imported cars
- soaring fuel prices causing consumers to shift demand towards smaller imported cars.

These factors culminated in Toyota, GM Holden and Ford each announcing their intention to exit Australian manufacturing over coming years - Ford by 2016, Toyota and Holden by 2017. These departures are expected to impact upstream (already being felt to a large degree) in the supply chain, i.e. reduced demand for locally manufactured vehicle parts and accessories has resulted in low production for parts manufacturers, many of whom have gone into administration over the past five years (IBISWorld, 2015a).

The industry is changing - the withdrawal of Australian car manufacturers will mean a shift to imported vehicles. Import penetration is expected to continue to increase with wholesaling and retailing activities to be the direct beneficiaries of this growth in demand.

Overall, largely positive consumer sentiment and business confidence have resulted not only in increased new car sales but also in increased demand for retail and maintenance services including after-market car parts and servicing.

Bulky Goods and Wholesale Trade

Growth in real household income levels has meant that retail spending capacity has increased. This has driven activity not just in the retail trade industry but also in the wholesale trade industry which provides support to it.

Innovation by the retail sector and the introduction of new retail formats has also occurred, all in the context of an average annual growth rate of 1.5% of per capita floorspace since 1985. In the intervening years since 1985, Australia has witnessed development of super regional and regional shopping centres, homemaker centres and brand outlet centres.

Bulky goods retail showrooms typically associated with homemaker centres and include categories such as household appliances, manchester and homewares, furniture, floor coverings and textiles. Pet supplies, camping equipment and hardware and landscape garden supplies are also in this category, and other items of a bulky nature that require a large area for handling, display or storage or direct vehicle access to the site for the purposes of loading goods onto a vehicle after purchase. Examples of bulky goods retailers include: Harvey Norman, Bunnings, Fantastic Furniture, IKEA, Barbecues Galore, Beacon Lighting, Masters Home Improvement, etc.

Bulky goods and large format retailers serve broad geographic trade areas due to the nature of goods retailed. As a consequence these retail showrooms are suited to locations that convey the ability for numerous retailers to co-locate and cluster as well as those locations that are accessible by both local and regional trade areas and that benefit from high levels of visibility and exposure.

Online retailing currently comprises around 5%-6% of total retail sales in Australia, and is projected to increase to 12%-14% over the next decade. While the proliferation of online retailing has impacted on the growth of retail floorspace demand, this impact has been particularly notable in certain key categories such as apparel, travel, electronics, etc. Bulky goods retailing has been arguably less impacted compared to these other categories.

While demand for bulky goods is population driven and therefore underpinned by population growth, this demand on a specific geographic level is subject to site and spatial requirements. These factors are discussed in greater detail in Chapter 6.

Locations that offer large sites lend themselves to configuration of showrooms and warehouses, loading and hardstand areas and consumer parking are attractive, yet the availability of numerous such sites in the same location is necessary so as to enable multiple retailers to co-locate to enjoy the benefits associated with clustering.

Wholesale businesses place less importance on high visibility and co-location however have access, loading and potentially large floorspace requirements.

Built Form Types

The nature of business activity undoubtedly influences the resultant built form in an area. Observations from the socio-economic profiling (section **Error! Reference source not found.**) affirm the current land use characteristics of precincts in the PRC.

Large Sheds and Warehouses

Western precincts (e.g. Granville and Auburn) are highly represented by employment in industries such as manufacturing, construction, and transport, postal & warehousing. Consequently the built form in these precincts is characterised by large sheds and warehouses, parts of these precincts conveying an industrial character.

Despite the requirement for large sheds and warehouse space, larger properties (>1,000sqm) can experience prolonged take-up periods, net rents circa $90/sqm-$110/sqm (Granville). This is mirrored in Auburn where there is clear market signalling with floorspace sub-1,000sqm in higher demand and at rents as much as 50% higher.

Retail Showrooms and Retail Facilities

Retail trade employs nearly 16% of workers in the PRC. The further disaggregation of employment in retail trade shows the motor vehicle retailing is particularly dominant in Granville and Kings Bay, while 'other store-based retailing' (which covers household, hardware and clothing retailing) is highly represented in Auburn and Camperdown. Unsurprisingly a variety of retail showrooms are observed in these respective precincts.

Auburn is well sought after, considered to be the premier location for large format retailers (e.g. homewares and home improvement goods, outdoor supplies) comparative to the other precincts. Vacancies are generally low with substantially higher rents for floorspace sub-1,000sqm with larger tenancies achieving lower rents. In contrast, vacancies are higher and rents can be as much as 20%-40% lower in Granville.

While there is not as a significant cluster of large format retailers in Camperdown, these uses appear to be performing well as a destination.

There are limited supermarket-based retail facilities along the PRC with the exception of the Bakehouse Quarter in Homebush and Marketplace Leichhardt in Leichhardt.

Commercial and Institutional Buildings

Industries of employment that have witnessed robust growth include those of health care & social assistance, education & training, and professional, scientific & technical services.

Education & training and health care & social assistance together employ more than 15% of workers in the PRC. Employment in these industries is highly represented in Burwood and Taverners Hill. These industries could be accommodated within an office/commercial building or a school, hospital, medical centre or government facility.

Professional, scientific & technical services are highly represented in Camperdown (nearly 15%) and Leichhardt (11%). Employees in this industry typically specialise and sell their expertise. In most cases equipment and materials are not major inputs. Activities generally require a high level of expertise and training and formal qualifications. Services include scientific research, architecture, engineering, computer systems design, law, accountancy, advertising, market research, management and other consultancy, veterinary science and professional photography (ABS, 2006).

Consistent with the employment profile of the PRC, commercial type floorspace is generally more prevalent in the eastern precincts of the PRC. There are several commercial buildings in Auburn however these typically combine office and light industrial accommodation.

The Bakehouse Quarter can be considered the premier office location within the PRC, followed by Burwood, Leichhardt and Camperdown where rents decline in quantum. Small strata commercial space at Queens Road in Kings Bay precinct is observed to be in good demand. A notable trend in poorly performing strip retail is their occupation by commercial uses. Poorly performing and vacant retail premises in Camperdown and Leichhardt are increasingly being leased to commercial tenants at reduced rents.

Owing to demand by small professional businesses, a number of small office suites are noted to be marketed in Camperdown.

Light industrial Buildings and Units

While a mix of office and light industrial type floorspace suits the construction industry, other key industries such as wholesale trade and manufacturing also require similar floorspace. The western precincts of the PRC (e.g. Granville, Auburn and Homebush) are highly represented by employment in these industries.

As industries transition to incorporate fewer traditional manufacturing functions and more service expertise, the proportional split between office/light industrial floorspace accordingly changes. It is possible that higher proportion of office (>50%) could be required in the future.

An understanding into dominant industries and occupations, as previously identified, is important as developments and trends in these industries influence future employment growth and their consequent demand for floorspace.

That said, given the already developed nature of the PRC, the ability for these industries' future floorspace demand to be accommodated is dependent on existing uses and built form, as well as the property market dynamics that underpin the development of new floorspace.

Specific Precincts

The western portion of PRC (e.g. Clyde, Auburn) is more focused on industrial uses while the eastern portion of PRC focused more on commercial uses (e.g. Leichhardt, Camperdown). Retail uses are equally represented across the PRC, from large format retail floorspace in Auburn and Kings Bay to finer grain strip retail in Leichhardt and Camperdown.

Kings Bay is a poor performer along most of Parramatta Road however the Queens Road precinct is relatively well occupied by local service businesses. Commercial floorspace is reportedly in good demand with 49-51 Queens Road benefiting from comparatively high rents and capital values.

In Taverners Hill, given the disparate nature of lot patterns and existing uses, consolidation of sites to facilitate mixed use development would be required.

In Leichhardt, despite the traditional reputation of 'Norton Street' as a destination for food and entertainment, the precinct as a retail strip has declined in recent years. Numerous vacant shopfront are no longer confined to the Italian Forum but are also prevalent along the main Norton Street strip. As retail destinations elsewhere in inner Sydney have developed (e.g. Danks Street in Waterloo, Alexandria in South Sydney) and with limited population and dwelling growth in the local catchment, the pool of visitors and shoppers to the Leichhardt precinct has declined. This decline in visitation has conceivably been aggravated by imposed parking restrictions. Despite poor demand for retail, new residential growth in and around the precinct will contribute to critical mass required for a viable retail offer. Commercial uses also will grow in demand following growth in residential.

In Camperdown retail uses are challenged, particularly those retail types that rely on foot traffic. Large format retail showrooms that are a destination are reportedly performing well, as are industrial uses that cater to local catchment demand. Demand for commercial floorspace is the standout use in the precinct, with SOHO or small office studios observed to be in demand. The small floor area of each office studio allows a high rate per square metre to be achieved, contributing to improved development feasibility.

Redevelopment Prospects

The availability of Greenfield sites in Western Sydney at competitive prices appeals to large multinational and blue chip tenants in search of large floorplate industrial floorspace. The smaller lot configuration and availability of fewer large contiguous land parcels in the PRC focuses demand more on local and service businesses and less from large multinational operators.

Owing to the high cost to assemble a brownfield/infill site, large scale urban renewal of non-residential uses is not as yet feasible unless a site can be assembled competitively (<$1,500/sqm of site area) or unless there is a transition in use to a higher order use, e.g. mix of uses that when combined result in a higher rate per square metre of revenue.

Lot patterns and fragmented ownership are major challenges for infill development. In the present market environment residential land value expectations (in many cases speculative) is supressing non-residential development activity.

Notwithstanding the challenges for redevelopment across the PRC, regard should be given to the strengths of each precinct as demonstrated by market activity and price signals.

A more detailed property market assessment is contained in Appendix D.

5. Retail Demand Assessment

5.1 Retail Hierarchy

This Chapter presents an assessment of the demand for retail facilities in defined precincts along the Parramatta Road Corridor.

Retail Hierarchy

A Plan for Growing Sydney (DPE, 2014a) outlines a general hierarchy of centres in this region including:

- Parramatta as a CBD
- a range of strategic centres including Burwood, Rhodes and Sydney Olympic Park.

Retail economists typically define retail centres differently to planning documents, although they generally accord with the role and function of such centres as follows:

- regional shopping centres such as Burwood and Parramatta are typically anchored by department stores
- sub-regional shopping centres such as Auburn, Ashfield and Leichhardt anchored by discount department stores
- supermarket and smaller based centres at other locations such as Strathfield, Haberfield and the like.

Each are briefly described below and summarised in Table 5.1.

Table 5.1 – PRC Retail Facilities and Floorspace Provision^

CENTRE	SHOPFRONT GLA (SQM)	PRECINCT	ANCHOR TENANTS
Regional Shopping Centres			
Burwood	*93,420*	Burwood	
○ **Westfield Burwood**	63,300		David Jones (14,658), Kmart (6,121), Target (5,933), Coles (3,919), Woolworths (3,272)
○ **Burwood Plaza**	10,120		Woolworths (4,100)
○ **Retail Strip**	20,000		
Parramatta CBD	*192,500*	Beyond	
○ **Westfield Parramatta**	137,200		Myer (28,272), David Jones (12,905), Target (8,438), Kmart (6,592), Woolworths (4,177), Coles (2,637)
○ **Parramatta Entrada**	4,000		Coles (2,232)
○ **Other**	50,000		Aldi (900)
Sub-regional Shopping Centres			
Auburn	*55,748*	Beyond	
○ **Auburn Central**	18,448		Big W (7,159), Woolworths (3,650)
○ **Auburn Shopping Village**	4,800		
○ **Costco***	14,000		Mix of bulky goods and retail (mostly food)
○ **Markeplace Auburn***	33,210		Kmart (5,016sqm), Woolworths

CENTRE	SHOPFRONT GLA (SQM)	PRECINCT	ANCHOR TENANTS
			(4,211sqm), Mini-major (1,376sqm), shops (4,756sqm), bulky goods (17,851sqm)
○ **Other**	18,500		Aldi (1,550)
Merrylands	*77,600*	Beyond	
○ **Stockland Merrylands**	57,600		Big W (8,444), Kmart (7,814), Target (6,088), Woolworths (3,800), Coles (3,634), Aldi (1,491)
○ **Other**	20,000		
Ashfield Mall	24,928	Beyond	Kmart (7,269), Woolworths (3,784), Coles (3,458), Aldi (1,664)
Leichhardt	*49,793*	Leichhardt	
○ **Marketplace Leichhardt**	17,893		Target (4,097), Woolworths (4,162), Aldi (1,350)
○ **Norton Plaza**	11,900		Coles (3,770)
○ **Other**	20,000		
Chullora Marketplace	17,300	Beyond	Big W (8,159), Woolworths (4,207)
Rhodes Shopping Centre	32,650		Taret (2,650), Coles (3,500), IKEA
Supermarket-based Shopping Centres			
Strathfield	*10,875*	Kings Bay	
○ **Strathfield Plaza**	6,875		Woolworths (2,526)
○ **Retail Strip**	4,000		
Haberfield	3,000	Beyond	IGA (750)
Five Dock	6,500	Kings Bay	Supabarn (3,000)
Breakfast Point	3,337	Beyond	Supa IGA (1,200)
The Monica Centre	6,000	Beyond	Coles (2,475)
The Bakehouse Quarter	40,000	Homebush	Aldi (1,350)
North Strathfield	5,000	Homebush	Woolworths (1,375), Foodworks (500)
Birrong	3,000	Beyond	IGA (1,000)
Sefton	2,000	Beyond	IGA (600)
Newington Marketplace	4,000	Beyond	Woolworths (2,321)
Guildford	10,000	Beyond	Supa IGA (1,567), Aldi (1,410), Foodworks (900)
Granville	*13,100*	Granville	
○ **Arida**	4,500	Beyond	Woolworths (4,185)
○ **Other**	8,600	Granville	FoodWorks (400)
Other			
Flemington Markets		Flemington Markets	
DFO Homebush	25,000	Homebush	100 specialty outlet stores
Birkenhead Point - The Outlet Centre	26,242	Beyond	Coles (3,200), Aldi (1,500)

*Costco and Marketplace Auburn represent a hybrid of bulky goods (large format retail) and retail floorspace in an enclosed shopping centre

^Only centres with supermarket anchors are included in the analysis, as opposed to strip retail-only

Source: Australian Shopping Centre Council, Location IQ

Regional Shopping Centres

The key regional shopping centres are Burwood and Parramatta, both including an extensive array of retail facilities across a number of different components.

Burwood

Burwood comprises in-excess of 90,000sqm of floorspace, with the key component being Westfield Burwood anchored by a David Jones department store, a Kmart discount department store, three full-line supermarkets and in-excess of 300 specialty shops throughout this extensive strip including a range of tenants across all categories.

The Burwood trade area would include the eastern half of the Parramatta Road Urban Growth Area, extending from Strathfield/Rhodes through to Leichhardt as its core trading precinct.

Parramatta CBD

The Parramatta CBD is one of the largest facilities outside of the Sydney CBD incorporating almost 200,000sqm of floorspace.

The largest facility is Westfield Parramatta including both Myer and David Jones department stores, Target and Kmart discount department stores and a wide range of supermarkets, mini-majors and specialty shores.

This centre has recently added a Uniqlo mini-major and is proposed for further expansion including a Big W discount department store and a range of further shops.

Westfield Parramatta has a broad draw throughout central and western Sydney, including serving Strathfield through to Granville in the Parramatta Road Corridor.

Sub-regional Shopping Centres

Auburn Town Centre is the key sub-regional shopping centre just outside the PRC, incorporating around 40,000sqm of space. The largest component is Auburn Central, anchored by Big W discount department store and Woolworths supermarket. The remainder of the Town Centre incorporates an extensive retail strip including an Aldi supermarket.

Just beyond Auburn Town Centre, Costco is provided along Parramatta Road near the intersection with St Hilliers Road. A sub-regional shopping centre is under construction at that site at The Marketplace Auburn (former Lidcombe Power Centre). This centre will be some 33,000sqm, including Kmart, Woolworths and Aldi together with specialty shops and bulky goods facilities.

Immediately beyond the PRC in the inner west, there are key retail facilities at Ashfield and Leichhardt with a range of facilities anchored by discount department stores together with full-line supermarkets and extensive retail strips. Each of these precincts totals in-excess of 30,000sqm.

The remainder of facilities throughout the area typically include supermarket based centres at 10,000sqm or less in size. Most of these precincts do not include full-line supermarkets of over 3,500sqm, with most facilities 2,500sqm or smaller, besides the large Supabarn supermarket at Five Dock.

The difficulty in securing large sites for supermarkets has meant that the typically larger supermarkets are located in the larger regional and sub-regional shopping centres throughout this core region of Sydney.

There are a range of other retail facilities throughout the region, including:

- the Bakehouse Quarter at Homebush is a major retail and entertainment precinct anchored by an Aldi supermarket together with a range of large format restaurants, cinemas and bowling
- Flemington Markets where there is a small convenience precinct servicing workers in an older format style centre including banks, takeaway stores and medical facilities
- there are two large factory outlet centres at Homebush and Birkenhead Point; each are over 25,000sqm in size selling a range of branded and discounted goods and serving a broad area throughout the Sydney metropolitan area given the unique retail offer
- Rhodes Shopping Centre is a mixture of large format retail and traditional retail with the anchor tenant being IKEA together with a small Target, a Coles supermarket and cinemas. This primarily serves the growing Rhodes peninsula but also serves parts of the identified Parramatta Road Urban Growth Corridor.

Table 5.2 outlines proposed centres throughout the surrounding region of relevance, with the most relevant being Sydney Olympic Park which is a major mixed use precinct undergoing substantial growth and regeneration with further population growth also within key precincts such as Wentworth Point and Carter Street precinct.

A retail centre is planned within the location that could ultimately be based on a supermarket but include a broad range of entertainment and retail uses at up to 50,000sqm in size. This would be intended as a key destination throughout Western Sydney for entertainment, leisure and retail purposes.

Table 5.2 – Parramatta Road Corridor Retail Development Pipeline

PROJECT	PRECINCT	ADDITIONAL GLA (SQM)	COMPONENTS		STATUS
B1 Burwood Square	Burwood	2,185	Speciality shops	Construction	2017
Sydney Olympic Park	Homebush	50,000	Supermarket and other elements	Planning	2018

5.2 Demand Assessment

The demand assessment for retail facilities as part of the identified precincts in the Parramatta Road Urban Renewal Corridor incorporates the following methodology:

- *Definition of the relevant customer segments to be served by the proposed facilities, be it local residents and/or workers. For the purposes of this analysis to ensure minimal impacts on the existing retail facilities in the surrounding region, tightly defined trade areas have been adopted.*
- *Preparation of current and future population and retail spending levels across the trade area over the period to 2054, including increments at 2021 and 2031 and based on population projections provided by UrbanGrowth NSW.*
- *A review of the provision of retail floorspace in the immediate precinct and of relevance in the broader region.*
- *Based on all of the above factors and trends in retail development, an assessment of the demand for additional retail floorspace in the key precincts over the key timeframes to 2021, 2031 and 2054.*

The trade area served by any retail facility is based on the following factors:

- the strength of the proposed location in terms of the facilities provided at the site
- the pattern of urban development in the surrounding area
- physical barriers such as rivers, railways and roads
- accessibility to the site.

Trade areas throughout this section of the report have been defined for each site taking these individual factors into account. Consequently, the extent of trade areas differs depending on each of the factors detailed above.

In each section, population data is considered to estimate forecast population within each precinct. Population data considered is based on:

- 2006 and 2011 Census of Population and Housing at SA1 levels
- recent new dwelling approvals ABS data
- population projections prepared by UrbanGrowth NSW in relation to the subject precinct.

Granville

The trade area to be served by future retail facilities at Granville is defined to include two sectors to the north and south of the Granville railway station, generally extending 1km around the site (refer Figure 5.1).

The trade are for the existing cafés and restaurants at Granville would be more extensive than the trade area identified for a future supermarket. The smaller trade area for a supermarket reflects the region which would need to be served to allow minimal impacts on competing surrounding supermarket facilities. This smaller trade area does not correspond with the existing draw of cafés and restaurants at this very popular destination.

Figure 5.1 – Granville Main Trade Area

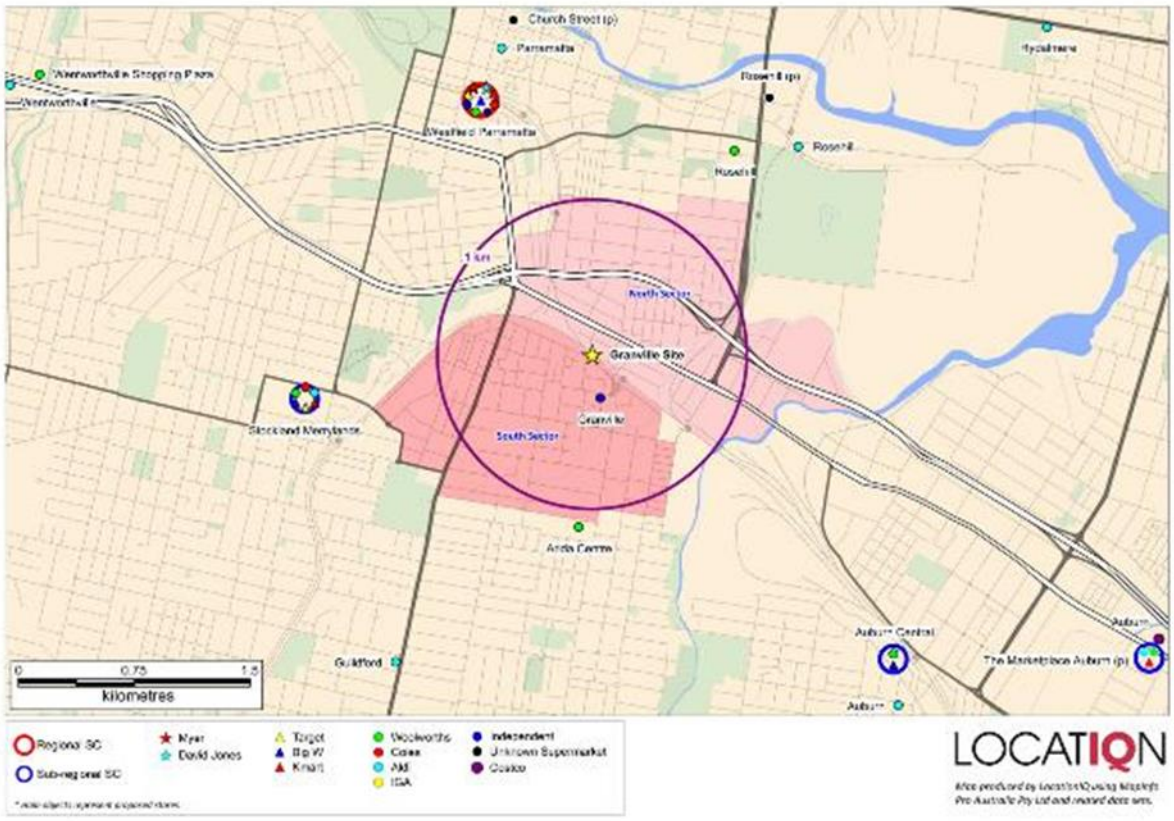


Table 5.3 outlines existing and projected population levels within the Granville trade area over the period from 2006 to 2054. The population is projected to increase from a current level of 16,970 (2015) to 33,010 persons in 2054, or an increase of 16,000 persons. The bulk of the increase will be in the northern sector around the Granville train station.

The key socio-economic characteristics of the Granville trade area population indicate a young, overseas born population who earn lower than average income levels. This profile may change overtime, however, indicatively the current population would demand a high level of convenient services, in close proximity to their homes. This will increase as the population density increases in the immediate precinct.

Figure 5.1 also illustrates the closest retail facilities, with key points to note including:

- The only major retail facility within the trade area is the existing Granville retail strip which includes some 83 tenants across 8,600sqm of floorspace with a FoodWorks of 400sqm being the largest individual component.
- To the immediate south of the trade area, there is a free-standing Woolworths supermarket of 4,400sqm at the Arida Centre which would serve southern sector residents for their supermarket shopping. This store has no supporting specialty shops.
- Beyond the trade area, larger facilities are provided at Stockland Merrylands and Westfield Parramatta and both of these large shopping centres would attract trade area resident spending for a range of facilities across both food and non-food shopping.

Table 5.3 – Granville Main Trade Area Forecast Population, 2006-2054

TRADE AREA SECTOR	ESTIMATED RESIDENT POPULATION		FORECAST POPULATION			
	2006	2011	2015	2021	2031	2054
North Sector	6,130	7,430	8,510	9,710	14,710	22,300
South Sector	7,330	8,060	9,460	9,060	9,560	10,710
Main Trade Area	13,460	15,490	16,970	18,770	24,270	33,010
Average Annual Change (No.)						
		2006-2011	*2011-2015*	*2015-2021*	*2021-2031*	*2031-2054*
North Sector		260	270	200	500	330
South Sector		146	100	100	50	50
Main Trade Area		406	370	300	550	380
Average Annual Change (%)						
		2006-2011	*2011-2015*	*2015-2021*	*2021-2031*	*2031-2054*
North Sector		3.9%	3.5%	2.2%	4.2%	1.8%
South Sector		1.9%	1.2%	1.1%	0.5%	0.5%
Main Trade Area		2.8%	2.3%	1.7%	2.6%	1.3%

Note all figures as at June
All figures are based on 2011 SA1 boundary definition with the exception of 2006 which is based on 2006 CCD boundary definition.
2006 and 2011 ERP is calculated using 2011 enumeration factor.
Source: ABS (2012b), UG, DPE (2014B), Location IQ

Table 5.4 outlines an analysis of floorspace demand within the Granville trade area based on the following steps:

- The existing main trade area population.
- Population growth over the periods to 2021, 2031 and 2054.
- An indicative level of the increase in retail floorspace demand at 1.5sqm per person over that timeframe in line with national benchmarks, based on the total retail floorspace provision at 2.2sqm per person less a provision for bulky goods/large format retail at 0.7sqm per person.
- An allowance of 50% of future floorspace demand is assumed to be accommodated in the likely trade area, effectively reflecting the retention of food and grocery and local services. Spending on non-food goods such as apparel, discount department stores and other facilities is assumed to be accommodated outside the trade area. This information would indicate that there would be demand for an additional 1,350sqm by 2021, increasing to 12,030sqm by 2054.

Table 5.4 – Granville Main Trade Area Forecast Retail Floorspace Demand, 2015-2054

REFERENCE	FACTOR	UNIT	
2015			
(1)	Main Trade Area Population	(No.)	16,970
(2) = (1) * 1.5	Current Retail Floorspace Demand	(sqm)	25,455
2021			
(3)	Main Trade Area Population	(No.)	18,770

(4) = (3) – (1)	Growth in Main Trade Area Population	(No.)	1,800
(5) = (4) * 1.5	Future Retail Floorspace Demand (2015-2021)	(sqm)	2,700
(6)	Future Retail Floorspace Demand in Granville precinct	(%)	50.0%
(7) = (5) * (6)		(sqm)	1,350
2031			
(6)	Main Trade Area Population	(No.)	24,270
(7) = (6) – (1)	Growth in Main Trade Area Population	(No.)	7,300
(8) = (7) * 1.5	Future Retail Floorspace Demand (2015-2031)	(sqm)	10,950
(9)	Future Retail Floorspace Demand in Granville precinct	(%)	50.0%
(10) = (8) * (9)		(sqm)	5,475
2054			
(9)	Main Trade Area Population	(No.)	33,010
(10) = (9) - (1)	Growth in Main Trade Area Population	(No.)	16,040
(11) = (10) * 1.5	Future Retail Floorspace Demand (2015-2054)	(sqm)	24,060
(12)	Future Retail Floorspace Demand in Granville precinct	(%)	50.0%
(13) = (11) * (12)		(sqm)	12,030

Source: Location IQ

It is relevant to note that the floorspace demand assessment only takes into account demand from new residents to the area without specifically considering any existing under supply of retail facilities. In this way, the high level assessment of demand for retail floorspace is on the basis that it will not in effect impact on existing retail facilities due to additional demand being correlated to population growth. In the following sections, we outline where under supply is more relevant in each of the individual circumstances.

The Granville trade area, therefore, would support a very large addition of future retail floorspace, with the key components likely to include:

- A discount department store is typically provided for every 50,000 persons in the Sydney metropolitan area. The Granville trade area will not increase to this size within a 1km radius, but could draw on a broader population. Immediately beyond the trade area, however, discount departments stores are provided at Westfield Parramatta, Stockland Merrylands and Auburn. The need for a further discount department store in this region is unlikely to be sustainable.
- A full-line supermarket such as Coles or Woolworths of 3,500sqm is typically provided for every 8,000-10,000 persons. The increase in population over time could support an additional 2-3 full-line supermarkets. A smaller Aldi supermarket would be supportable immediately.
- As major tenants such as supermarkets are added in each location, there will be ongoing demand for adjoining mini-majors and specialty shop floorspace.

Table 5.5 outlines the recommended retail floorspace additions at Granville as at 2021, 2031 and 2054.

Table 5.5 – Granville Main Trade Area Recommended Retail Floorspace Demand, 2015-2054

COMPONENT	2021		2031		2054	
	NO.	SQM	NO.	SQM	NO.	SQM
Discount Department Store	0	0	0	0	0	0
Supermarket	0	0	1	1,500	2	5,000
Mini-major	1	750	1	750	2	2,000
Speciality	7	600	29	3,225	46	5,030
Total	**8**	**1,350**	**31**	**5,475**	**50**	**12,030**

Source: Location IQ

In the short term, an additional 1,350sqm of floorspace would be supportable by 2021, including a mini-major. By 2031, in-excess of 5,000sqm could be supportable with the tenant being a small supermarket of 1,500sqm, such as Aldi.

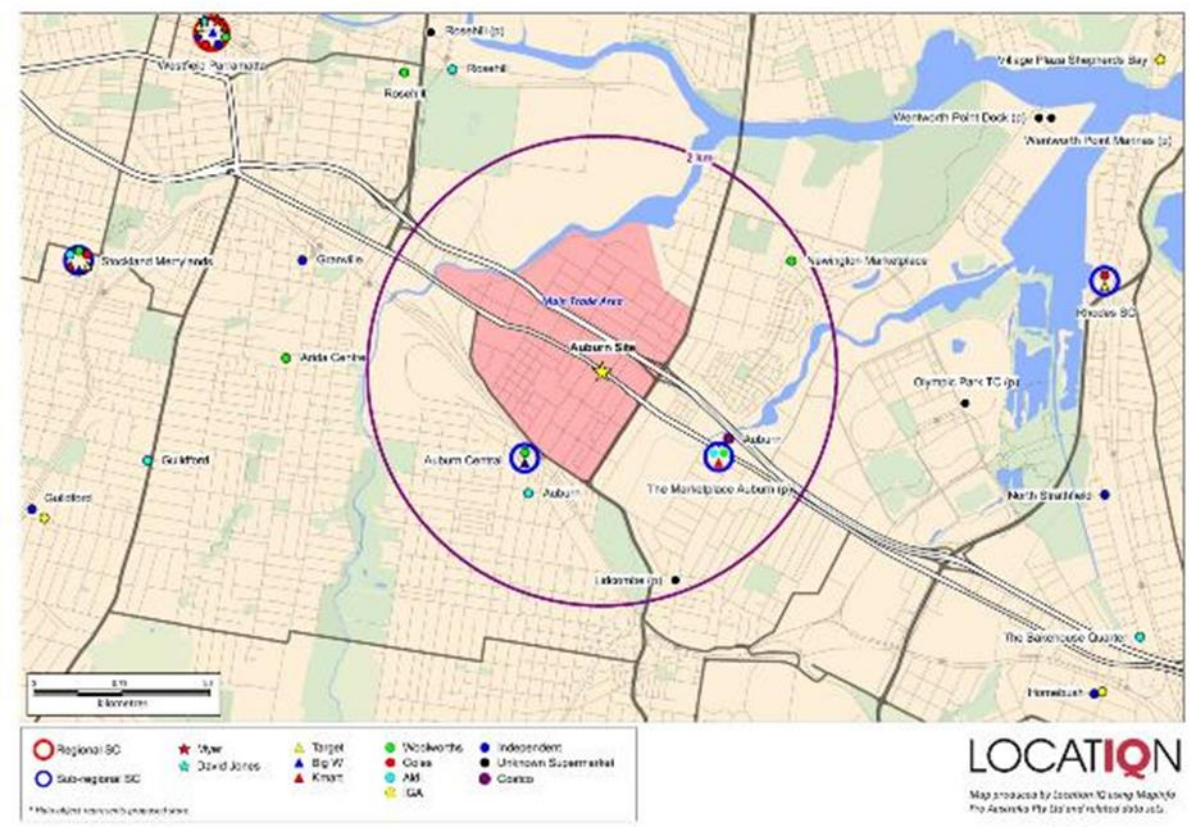
Longer term, up to 10,000sqm-12,000sqm of floorspace could be supportable, with the major tenants including a full-line supermarket such as Woolworths or Coles and a smaller store such as Aldi. The provision of these facilities would also support a further up to 40-50 key specialty stores.

Typically for retail facilities provided with at-grade car parking, the total retail floorspace area is around 35% of the total site area required for such facilities. For example, a 10,000sqm centre would typically require around 30,000sqm of site area. In multi-level centres with undercroft car parking, the ratio is usually around two thirds, meaning a 10,000sqm centre requires around 15,000sqm of site area, allowing for undercroft car parking but also loading, access and other amenities.

Auburn

Figure 5.2 illustrates the defined trade area for retail facilities in the Auburn precinct. The trade area includes an area approximately 750 metres in all directions, restricted by the railway line to the south, St Hilliers Road to the east, industrial areas to the north and Duck River to the west.

Figure 5.2 – Auburn Main Trade Area



Source: Location IQ

A range of competitive retail facilities are located immediately beyond the trade area including The Marketplace Auburn (former Lidcombe Power Centre) and Auburn Central which limit the extent of any trade area. Both of these locations include a major full-line supermarket. Further, the wider Auburn Town Centre encompasses a number of retail and non-retail shopfronts.

Table 5.6 outlines existing and projected population levels within the defined trade area from 2006 to 2054. The current trade area population is estimated at 12,520 and is projected to increase to 17,660 persons by 2054. The majority of growth within the defined region will occur over the next 15 year period.

Table 5.6 – Auburn Main Trade Area Forecast Population, 2006-2054

TRADE AREA SECTOR	ESTIMATED RESIDENT POPULATION		FORECAST POPULATION			
	2006	2011	2015	2021	2031	2054
Main Trade Area	10,470	11,520	12,520	14,140	16,740	17,660
Average Annual Change (No.)						
		2006-2011	*2011-2015*	*2015-2021*	*2021-2031*	*2031-2054*
Main Trade Area		210	250	270	260	40
Average Annual Change (%)						
		2006-2011	*2011-2015*	*2015-2021*	*2021-2031*	*2031-2054*

Main Trade Area		1.9%	2.1%	2.0%	1.7%	0.2%

Note all figures as at June
All figures are based on 2011 SA1 boundary definition with the exception of 2006 which is based on 2006 CCD boundary definition. 2006 and 2011 ERP is calculated using 2011 enumeration factor.
Source: ABS (2012b), UG, DPE (2014b), Location IQ

The socio-economic profile of the trade area population indicates a young, ethnically diverse population who earn substantially lower income levels on both a per person and per household basis.

Figure 5.2 also illustrates the surrounding competitive environment, with the most relevant facilities including:

The Auburn Town Centre is in close proximity to the majority of the population being located directly south of the trade area to the south of the train station. The Town Centre contains in-excess of 40,000sqm of floorspace including Big W and Woolworths at Auburn Central as well as an Aldi store within the strip. The former Coles supermarket in this area has closed.

The Marketplace Auburn (former Lidcombe Power Centre) is currently being redeveloped around 1 km west of this area and on completion will include around 20,000sqm of traditional retail floorspace including a Kmart discount department store as well as Woolworths and Aldi supermarkets. This site is directly opposite the Costco at Auburn along Parramatta Road.

Of less relevance to the north-east of the site, Newington Marketplace is a smaller supermarket based centre anchored by Woolworths.

Overall, residents of the Auburn defined trade area have easy access to a range of supermarkets within 1km-1.5 km of their residence. The major tenant missing in terms of supermarket competitors is a Coles supermarket, with Coles having closed a smaller store in a poorly performing centre in the Auburn Town Centre.

Table 5.7 outlines retail demand increases within the Auburn trade area, indicating from population growth demand would increase from 2,430sqm in 2021 to 7,710sqm by 2054. Relevantly, how much of this additional demand could be incorporated within the Auburn trade area given half of this floorspace demand is in non-food retailing. Assuming a ratio of 50% to be provided locally, this indicates demand of 1,215sqm in 2021, increasing to 3,855sqm by 2054.

Table 5.7 – Auburn Main Trade Area Forecast Retail Floorspace Demand, 2015-2054

REFERENCE	FACTOR	UNIT	
2015			
(1)	Main Trade Area Population	(No.)	12,520
(2) = (1) * 1.5	Current Retail Floorspace Demand	(sqm)	18,780
2021			
(3)	Main Trade Area Population	(No.)	14,140
(4) = (3) – (1)	Growth in Main Trade Area Population	(No.)	1,620
(5) = (4) * 1.5	Future Retail Floorspace Demand (2015-2021)	(sqm)	2,430
(6)	Future Retail Floorspace Demand in Auburn precinct	(%)	50.0%

(7) = (5) * (6)		(sqm)	1,215
2031			
(6)	Main Trade Area Population	(No.)	16,740
(7) = (6) – (1)	Growth in Main Trade Area Population	(No.)	4,220
(8) = (7) * 1.5	Future Retail Floorspace Demand (2015-2031)	(sqm)	6,330
(9)	Future Retail Floorspace Demand in Auburn precinct	(%)	50.0%
(10) = (8) * (9)		(sqm)	3,165
2054			
(9)	Main Trade Area Population	(No.)	17,660
(10) = (9) - (1)	Growth in Main Trade Area Population	(No.)	5,140
(11) = (10) * 1.5	Future Retail Floorspace Demand (2015-2054)	(sqm)	7,710
(12)	Future Retail Floorspace Demand in Auburn precinct	(%)	50.0%
(13) = (11) * (12)		(sqm)	3,855

Source: Location IQ

In the short term (i.e. over the next 10 year period), the demand for additional retail floorspace would be limited. With further population growth to 2031, there may be potential for another supermarket within this precinct, particularly given Coles has little representation.

Table 5.8 outlines the recommended retail floorspace additions at Auburn as at 2021, 2031 and 2054.

Table 5.8 – Auburn Main Trade Area Recommended Retail Floorspace Demand, 2015-2054

COMPONENT	2021		2031		2054	
	NO.	SQM	NO.	SQM	NO.	SQM
Discount Department Store	0	0	0	0	0	0
Supermarket	0	0	1	1,750	1	2,000
Mini-major	1	500	1	500	1	500
Speciality	7	715	8	915	12	1,355
Total	**8**	**1,215**	**10**	**3,165**	**14**	**3,855**

Source: Location IQ

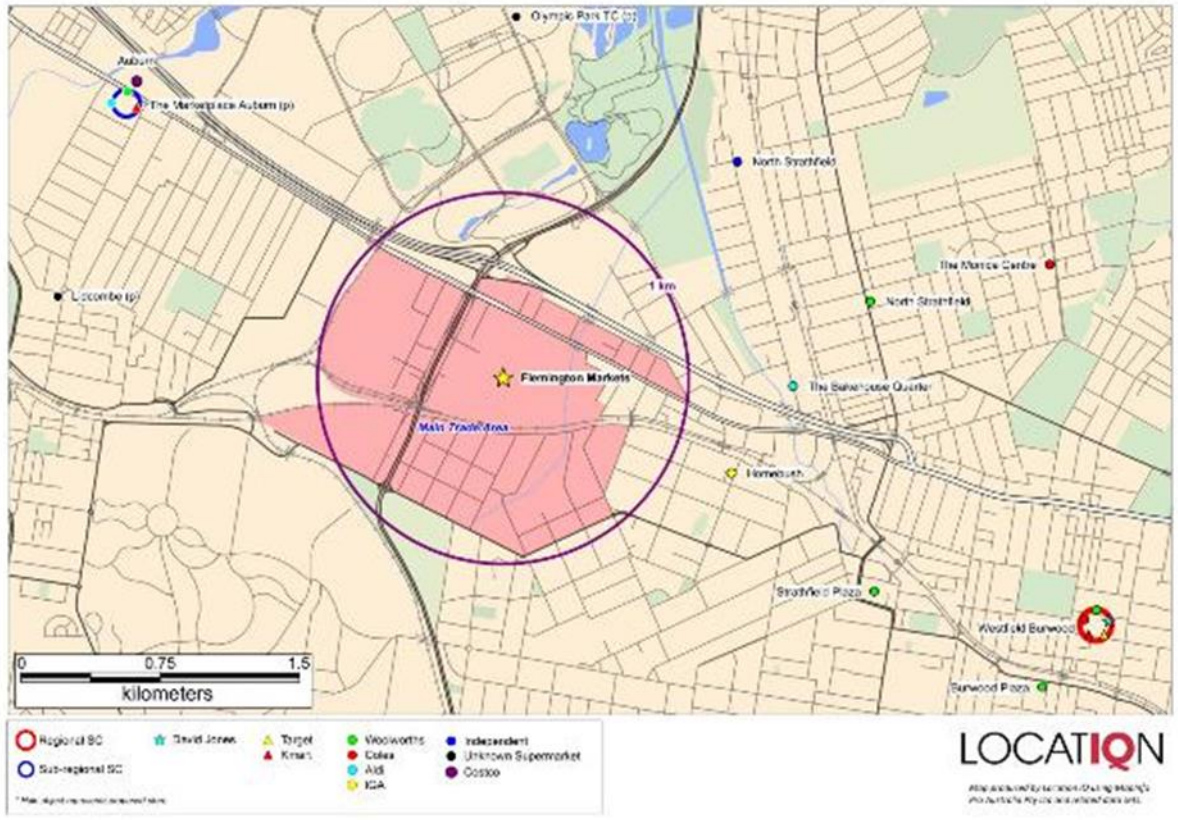
The Marketplace Auburn (i.e. the redevelopment of the Lidcombe Power Centre) is likely to impact on the Auburn Town Centre in the short term. Consequently, any supermarket based development in this precinct is likely to be limited to a total centre of 4,000sqm with a supermarket of around 2,000sqm over the longer term.

Ideally, however, if a new supermarket was to be provided, a location in the Auburn Town Centre would be recommended to strengthen the town centre rather than the addition of a competitive centre that would not reinforce the Town Centre. However, recognising the constraints of existing town centres a new supermarket in an out-of-centre location may have to be considered, thereby creating a new centre.

Flemington Markets

The existing Flemington Markets known as Sydney Markets are recognised internationally for its world class fresh produce and community markets offering an extensive range of produce and merchandise for variety, quality and price. The markets include the Sydney Produce Market, Sydney Flower Market and Sydney Growers Market which comprise more than 700 businesses that sell fresh fruit, vegetables and flowers supplied by over 20,000 local and interstate growers. The site is 42ha and operates 24 hours a day, 7 days a week.

Figure 5.3 – Flemington Markets Main Trade Area



Source: Location IQ

Besides the markets, there is a small shopping facility in the northwestern corner of the site facing Parramatta Road known as Sydney Markets Plaza. It includes 20 tenants - five banks, a newsagency, post office, a small convenience store, three cafes/takeaway stores, hairdresser and the like. The site adjoins a tavern. The Sydney Markets Plaza primarily services workers on site and the markets for some food catering needs.

The total number of workers within the Flemington Markets area as measured in the 2011 Census are some 2,096 workers, who have limited access to retail facilities, particularly to food catering facilities on the site given there are only three in Sydney Markets Plaza.

The closest existing retail facilities to the site are also illustrated on Figure 5.3 indicating they are more than 1km away besides the Flemington retail strip on the southern side of the railway station. This precinct

includes over 55 traders with an emphasis on Asian retailers for convenience and food catering shopping. This is not particularly accessible for workers on the site.

A range of other facilities are located more than 1 km away, which is usually considered outside the typical area workers would travel during their lunchtime which is a 500m or 5 minute walk.

Any expansion of retail facilities at the site should only service workers and visitors the site, given the limited immediate population and only car access to the market.

Ultimately, a retail facility of around 3,000sqm-3,500sqm should be provided at the Flemington Markets site, or up to 30-35 tenants as compared with 20 tenants currently, incorporating the following components:

- A convenience store/foodstore of up to 400 sqm.
- 8-10 takeaway/food catering retailers as compared with three currently.
- A range of specialty traders servicing the needs of workers including hairdressers, optometrists, dry cleaners, newsagency, pharmacy.
- Non-retail services such as banks and medical.

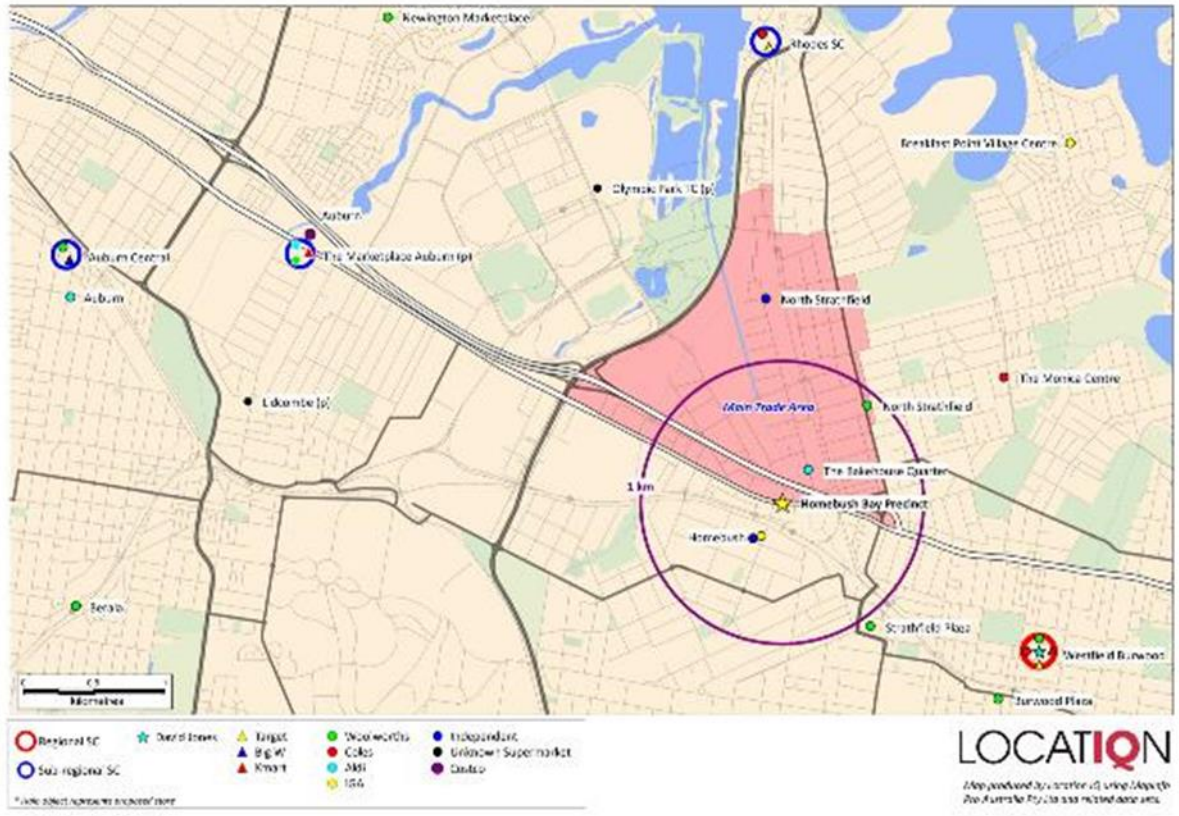
The existing 20 stores at Sydney Markets Plaza could ideally be increased to 30-35 stores with a major addition being a range of food catering facilities. No major tenant such as a supermarket or store greater than 500sqm should be allowable at the markets site.

The proposed retail facility on the site of the existing Sydney Markets Plaza would service workers as well as visitors to the market site but not draw more generally from the defined surrounding residential areas to any significant extent.

Homebush

The defined trade area for the Homebush precinct is illustrated on Figure 5.4 and is generally limited by the railway line to the east, Homebush Bay Road to the west and Parramatta Road to the south. This area is currently primarily a low density residential dwelling area.

Figure 5.4 – Homebush Bay Main Trade Area



Source: Location IQ

Table 5.9 outlines existing and projected population levels within the defined trade area over the period 2006 to 2054. The trade area current population of 13,130 in 2015 is projected to increase substantially to 42,630 persons by 2054, representing a substantial increase of nearly 30,000 persons. This rate of population growth would indicate significant demand for additional retail facilities in the local area.

Table 5.9 – Homebush Main Trade Area Forecast Population, 2006-2054

TRADE AREA SECTOR	ESTIMATED RESIDENT POPULATION		FORECAST POPULATION			
	2006	2011	2015	2021	2031	2054
Main Trade Area	6,670	8,730	13,130	19,730	35,730	42,630
Average Annual Change (No.)						
		2006-2011	*2011-2015*	*2015-2021*	*2021-2031*	*2031-2054*
Main Trade Area		412	1,100	1,100	1,600	300
Average Annual Change (%)						
		2006-2011	*2011-2015*	*2015-2021*	*2021-2031*	*2031-2054*
Main Trade Area		5.5%	10.7%	7.0%	6.1%	0.8%

Source: ABS (2012), UG, DPE (2014b), Location IQ Note all figures as at June
All figures are based on 2011 SA1 boundary definition with the exception of 2006 which is based on 2006 CCD boundary definition. 2006 and 2011 ERP is calculated using 2011 enumeration factor.

Analysis of the socio-economic profile of residents within the Homebush region, indicate a mature population who earn average income levels slightly lower than comparable Sydney benchmarks. In addition to the resident population, there is a substantial worker population around the Bakehouse Quarter precinct along George Street in this area.

Figure 5.4 illustrates the surrounding competitive environment with key existing facilities including:

- The Bakehouse Quarter is a retail/leisure and entertainment destination in western Sydney, comprising a number of facilities including:
  - An Aldi supermarket.
  - A Manelli's IGA supermarket of around 1,000sqm that replaced a Harris Farm Markets.
  - Entertainment and leisure facilities including AMF Bowling and a cinema complex.
  - A range of cafes and restaurants.
  - Fitness First gymnasium.
  - A limited number of convenience specialty stores such as newsagents and pharmacy.
- Within the Bakehouse Quarter precinct, it is relevant to note that a number of specialty stores particularly fresh food and convenience and personal services stores as well as non-retail facilities such as banks and the like are not represented.
- The North Strathfield retail strip is located along Concord Road between Station Street and Correys Avenue and includes some 50 tenants with the largest trader being a Woolworths supermarket of 1,375sqm.
- A small retail centre is located in the base of a residential development at North Strathfield near the intersection of Conway Avenue and George Street. A FoodWorks convenience store of around 400sqm and 3-4 shops anchor this precinct.
- The other large facility within the trade area is DFO Homebush which is in-excess of 20,000sqm in size and has a significant draw throughout the broader Central Western Sydney area but does not provide convenience retail facilities.

Immediately beyond the trade area, the largest facilities are located at Strathfield, Concord and Burwood where there are a range of supermarkets and non-food facilities. In the future, the Sydney Olympic Park Town Centre is also in close proximity to these residents.

Overall, in terms of the provision of retail floorspace, there is no major full-line supermarket provided within the defined Homebush precinct. The closest major full-line supermarkets (over 3,200sqm) are provided at Westfield Burwood, with smaller sized supermarkets at Concord and Strathfield. Given the substantial growth in population, full-line supermarket facilities will be supportable within this precinct over time.

Table 5.10 outlines the future demand for retail floorspace within the Homebush precinct following the methodology outlined for Granville and Auburn. Assuming 50% retention of future floorspace, the level of additional demand from projected population growth would be some 4,950sqm to 2021, increasing to 22,125sqm to 2054.

Table 5.10 – Homebush Main Trade Area Forecast Retail Floorspace Demand, 2015-2054

REFERENCE	FACTOR	UNIT	
2015			
(1)	Main Trade Area Population	(No.)	13,130
(2) = (1) * 1.5	Current Retail Floorspace Demand	(sqm)	19,695
2021			
(3)	Main Trade Area Population	(No.)	19,730
(4) = (3) – (1)	Growth in Main Trade Area Population	(No.)	6,600
(5) = (4) * 1.5	Future Retail Floorspace Demand (2015-2021)	(sqm)	9,900
(6)	Future Retail Floorspace Demand in Homebush precinct	(%)	50.0%
(7) = (5) * (6)		(sqm)	4,950
2031			
(6)	Main Trade Area Population	(No.)	35,730
(7) = (6) – (1)	Growth in Main Trade Area Population	(No.)	22,600
(8) = (7) * 1.5	Future Retail Floorspace Demand (2015-2031)	(sqm)	33,900
(9)	Future Retail Floorspace Demand in Homebush precinct	(%)	50.0%
(10) = (8) * (9)		(sqm)	16,950
2054			
(9)	Main Trade Area Population	(No.)	42,630
(10) = (9) - (1)	Growth in Main Trade Area Population	(No.)	29,500
(11) = (10) * 1.5	Future Retail Floorspace Demand (2015-2054)	(sqm)	44,250
(12)	Future Retail Floorspace Demand in Homebush precinct	(%)	50.0%
(13) = (11) * (12)		(sqm)	22,125

Source: Location IQ

Table 5.10 – Homebush Main Trade Area Recommended Retail Floorspace Demand, 2015-2054

COMPONENT	2021		2031		2054	
	NO.	SQM	NO.	SQM	NO.	SQM
Discount Department Store	0	0	0	0	0	0
Supermarket	1	3,500	2	7,500	3	10,000
Mini-major	0	0	2	2,500	2	2,500
Speciality	13	1,450	63	6,950	88	9,625
Total	14	4,950	67	16,950	93	22,125

Source: Location IQ

In terms of the types of floorspace that could be supported, Table 5.11 outlines the likely demand by category indicating:

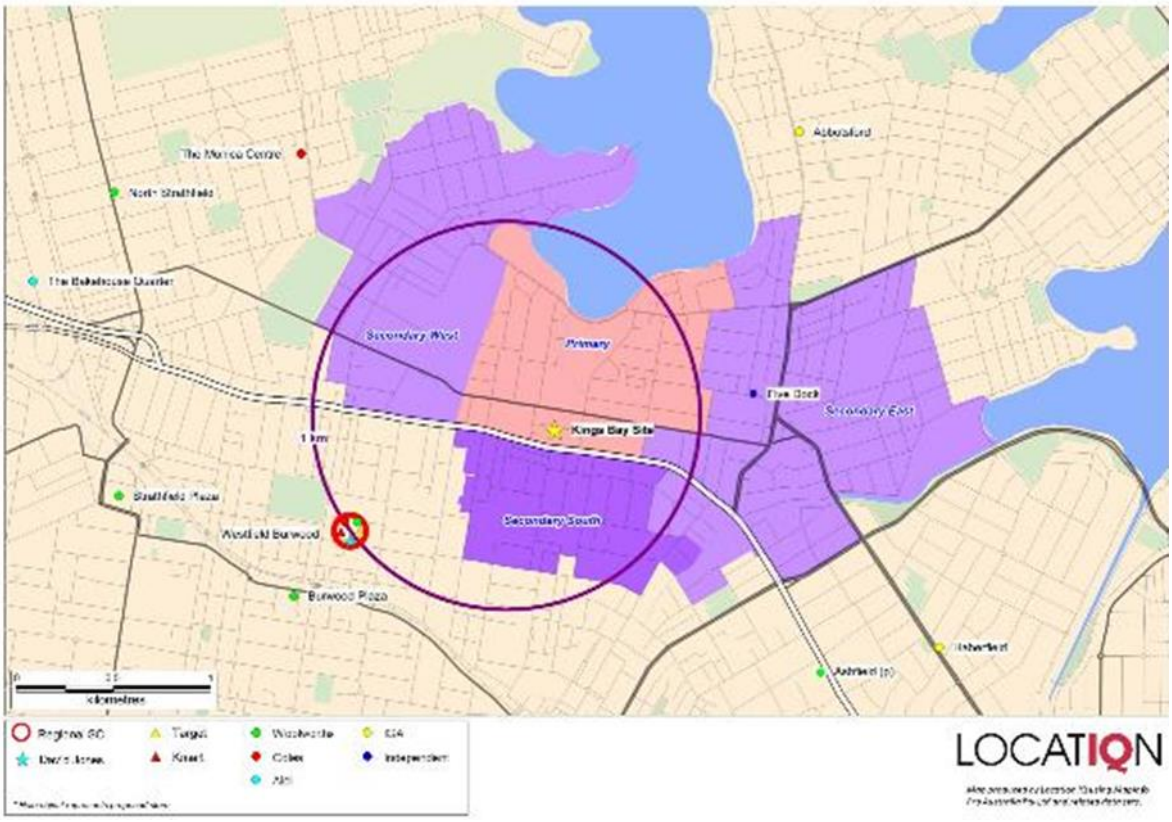
- *There would be limited potential for a discount department store.*
- *Full-line supermarkets would be required, with at least one supermarket by 2021 and a second store by 2031. A third supermarket could be supportable by 2054.*

Ideally, any supermarket based facility within this precinct would be located in close proximity to the Bakehouse Quarter and the existing train station to ensure accessibility and connectivity between the range of retail facilities within this area.

Kings Bay

The trade area which would be served by retail facilities at Kings Bay is illustrated in Figure 5.5. The defined trade area includes a primary a number of secondary sectors, reflecting the accessibility of the site but also the location of competitive facilities at Five Dock, Concord and Burwood.

Figure 5.5 – Kings Bay Main Trade Area



Source: Location IQ

Table 5.12 outlines existing and projected population growth indicating the trade area current population of 18,700, including 4,330 persons in the primary sector. The trade area is projected to increase to 33,250 by 2054, including 11,930 persons in the primary sector. The overall projected rate of new dwelling activity in this precinct is lower than precincts around Granville and Homebush.

Table 5.12 – Kings Baa Main Trade Area Forecast Population, 2006-2054

TRADE AREA SECTOR	ESTIMATED RESIDENT POPULATION		FORECAST POPULATION			
	2006	2011	2015	2021	2031	2054
Primary Sector	3,700	3,770	4,330	5,890	8,940	11,930
Secondary Sectors						
East	7,020	7,330	7,570	8,050	9,650	13,790
South	2,200	2,120	2,160	2,400	2,500	2,500
West	4,810	4,640	4,640	4,700	4,800	5,030
Total Secondary	14,030	14,090	14,370	15,150	16,950	21,320
Main Trade Area	6,670	8,730	13,130	19,730	35,730	42,630
Average Annual Change (No.)						
		2006-2011	*2011-2015*	*2015-2021*	*2021-2031*	*2031-2054*
Primary Sector		14	140	260	305	130
Secondary Sectors						
East		62	60	80	160	180
South		-16	10	40	10	0
West		-34	0	10	10	10
Total Secondary		12	70	130	180	190
Main Trade Area		412	1,100	1,100	1,600	300
Average Annual Change (%)						
		2006-2011	*2011-2015*	*2015-2021*	*2021-2031*	*2031-2054*
Primary Sector		0.4%	3.5%	5.3%	4.3%	1.3%
Secondary Sectors						
East		0.9%	0.8%	1.0%	1.8%	1.6%
South		-0.7%	0.5%	1.8%	0.4%	0.0%
West		-0.7%	0.0%	0.2%	0.2%	0.2%
Total Secondary		0.1%	0.5%	0.9%	1.1%	1.0%
Main Trade Area		0.1%	1.2%	2.0%	2.1%	1.1%
Main Trade Area		5.5%	10.7%	7.0%	6.1%	0.8%

Source: ABS (2012b), UG, DPE (2014b), Location IQ Note all figures as at June
All figures are based on 2011 SA1 boundary definition with the exception of 2006 which is based on 2006 CCD boundary definition. 2006 and 2011 ERP is calculated using 2011 enumeration factor.

Analysis of the socio-economic profile of the trade area population indicating an older population who earn higher than average income levels as compared with Sydney average.

Figure 5.5 illustrates the key competitive environment with the major centres including: The Five Dock retail strip along Great North Road includes some 8,400sqm of floorspace across 70 tenants. The major tenant is a Supabarn supermarket of 3,000sqm.

Immediately beyond the trade area to the south-west is the Burwood Town Centre with more than 90,000sqm of floorspace including department stores, discount department stores and three full-line supermarkets in addition to an array of specialty shop floorspace. This would remain the key non-food destination for Kings Bay residents.

To the north-west of the site, the Concord retail strip contains 9,300sqm of floorspace with the major component being a small Coles supermarket of 2,475sqm. Further afield, a range of other facilities at Haberfield, Abbotsford, North Strathfield and Ashfield which are of less competitive relevance.

Table 5.13 outlines the demand for retail floorspace in the Kings Bay trade area assuming 50% would be provided locally. As shown, projected growth is 1,755sqm by 2021, increasing to over 10,913sqm by 2054.

Table 5.13 – Kings Bay Main Trade Area Forecast Retail Floorspace Demand, 2015-2054

REFERENCE	FACTOR	UNIT	
2015			
(1)	Main Trade Area Population	(No.)	18,700
(2) = (1) * 1.5	Current Retail Floorspace Demand	(sqm)	28,050
2021			
(3)	Main Trade Area Population	(No.)	21,040
(4) = (3) – (1)	Growth in Main Trade Area Population	(No.)	2,340
(5) = (4) * 1.5	Future Retail Floorspace Demand (2015-2021)	(sqm)	3,510
(6)	Future Retail Floorspace Demand in Kings Bay precinct	(%)	50.0%
(7) = (5) * (6)		(sqm)	1,755
2031			
(6)	Main Trade Area Population	(No.)	25,890
(7) = (6) – (1)	Growth in Main Trade Area Population	(No.)	7,190
(8) = (7) * 1.5	Future Retail Floorspace Demand (2015-2031)	(sqm)	10,785
(9)	Future Retail Floorspace Demand in Kings Bay precinct	(%)	50.0%
(10) = (8) * (9)		(sqm)	5,393
2054			
(9)	Main Trade Area Population	(No.)	33,250
(10) = (9) - (1)	Growth in Main Trade Area Population	(No.)	14,550
(11) = (10) * 1.5	Future Retail Floorspace Demand (2015-2054)	(sqm)	21,825
(12)	Future Retail Floorspace Demand in Kings Bay precinct	(%)	50.0%
(13) = (11) * (12)		(sqm)	10,913

Source: Location IQ

Table 5.14 – Kings Bay Main Trade Area Recommended Retail Floorspace Demand, 2015-2054

COMPONENT	2021		2031		2054	
	NO.	SQM	NO.	SQM	NO.	SQM
Discount Department Store	0	0	0	0	0	0
Supermarket	1	1,500	1	3,500	2	5,000
Mini-major	0	0	0	0	1	500
Speciality	2	255	17	1,893	49	5,413
Total	**3**	**1,755**	**18**	**5,393**	**52**	**10,913**

Source: Location IQ

The demand for further retail facilities in this precinct, therefore, will not result from population growth but more from an absence of full-line supermarkets within this immediate precinct.

Potential options for retail facilities at the site could include:

An Aldi supermarket based centre with Aldi of 1,500sqm together with 15-20 shops. Aldi is not represented within the immediate precinct and would be demanded by the local population.

A neighbourhood centre anchored by a full-line supermarket of at least 3,500sqm together with 20-30 specialty shops. The timing for such a facility based on new population growth alone would be 2031. If it was to be developed at an earlier stage, there would be impacts on competitive facilities (discussed in Section 5.3, although this is unlikely to be detrimental to the overall retail hierarchy and the success and viability of other facilities in the region. The earliest that a full-line supermarket is likely to be supportable would be after 2021 and closer to 2026.

5.3 Other Precincts

There are precincts in the PRC including Burwood, Taverners Hill, Leichhardt and Camperdown which are in close proximity to existing retail facilities.

Figure 5.6, Figure 5.7 and Figure 5.8 outline the location of these precincts in relation to existing retail facilities, noting that each is closely located to existing major shopping centres include:

- Burwood Road strip including Westfield Burwood (Burwood precinct)
- Norton Street strip including Leichhardt Marketplace (Leichhardt precinct)
- Broadway and the King Street strip at Newtown (Camperdown precinct)

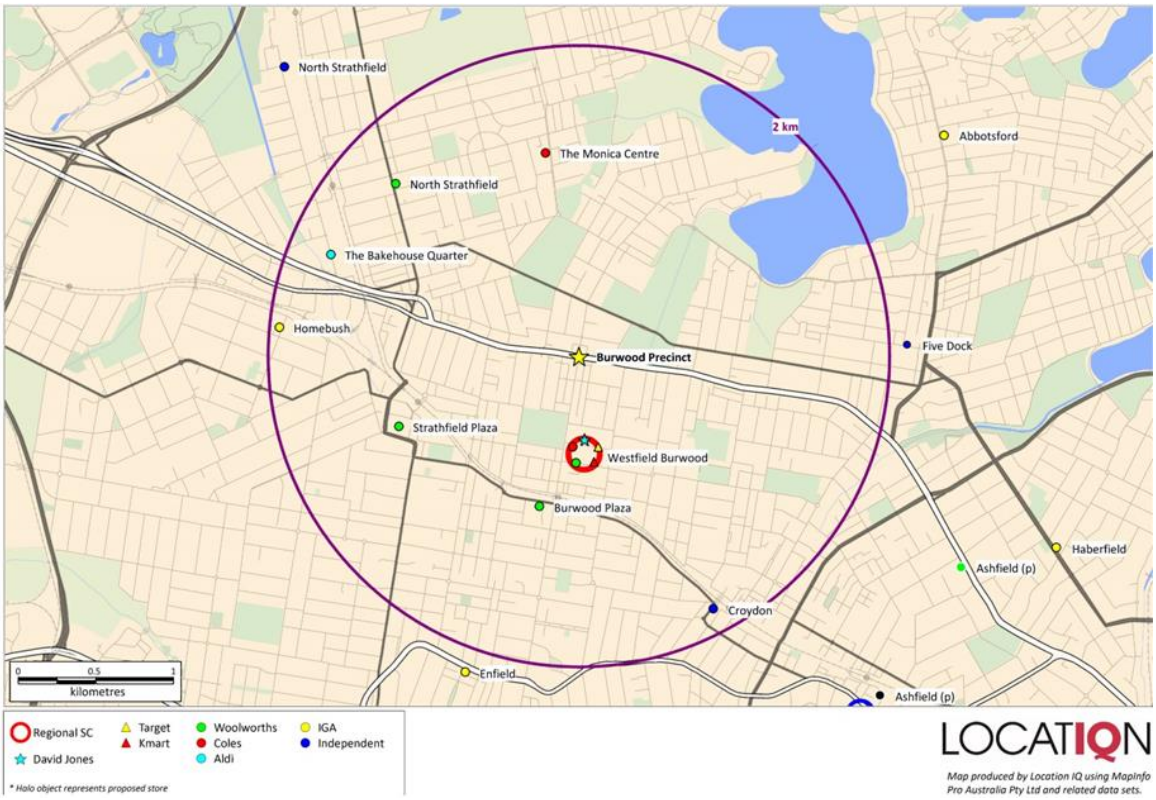
The opportunities for retail facilities at these locations would be more limited given the close proximity to larger facilities provided at each of these locations which would serve the retail needs of future residents in these immediate areas.

In Burwood, Taverners Hill and Camperdown, small convenience based facilities of up to 1,500sqm including supermarkets no more than 500sqm in size are likely to be supportable at each of these precincts.

In the case of the Leichhardt precinct, owing to limited population growth projected (an additional 2,122 persons to 2054) there is limited demand for additional retail facilities..

In line with additional full-line supermarkets, up to 80-100 additional specialty stores would be required over time to total 22,125sqm of retail floorspace.

Figure 5.6 – Burwood Precinct and Existing Surrounding Retail Facilities



Source: Location IQ

Figure 5.7 – Taverners Hill Precinct and Existing Surrounding Retail Facilities

Figure 5.6 – Camperdown Precinct and Existing Surrounding Retail Facilities

Source: Location IQ

5.4 Impact Assessment

This section presents a high level overview of the likely impacts from the proposed recommendations in relation to the PRC precincts.

In general, retail is an important element of mixed use precincts and urban regeneration in terms of providing access to services in close proximity to residents' homes but also employment opportunities for local residents. In addition, retail development provides additional competition to existing facilities to the benefit of consumers and local residents.

At a high level, the recommendations for future retail floorspace in the PRC do not include those for major non-food traders. The impact implications for larger regional and sub-regional shopping centres is limited besides impacts on supermarket traders/floorspace.

Typically in economic terms, impacts are classified as follows:

- Under 10% are within the normal competitive range.
- In the range of 10%-15% are considered high, but generally acceptable.
- Impacts above 15% are considered very high and not sustainable unless there are factors such as high trading levels for existing stores or significant population growth.

In the case of Granville and Homebush precincts, the demand for additional supermarket and retail floorspace is predicated almost entirely on additional residents (population growth). The impacts, therefore, will be negligible for surrounding facilities on the basis that new floorspace will service the future

population growth and will be developed in-line with general rules such as an additional supermarket for every new 8,000-10,000 persons.

Existing supermarkets in the surrounding area of Granville are typically located at the larger Westfield Parramatta or Stockland Merrylands, besides the Woolworths supermarket at the Arida Centre at Granville. This is a free-standing full-line supermarket which appears to trade very successfully and will continue to serve a resident catchment to the south of the railway line if new supermarkets are developed to the north of the railway line at Granville.

In the case of Homebush, a full-line supermarket would complement the existing Aldi supermarket and retail strip. The main implications may be for the existing Woolworths supermarket at North Strathfield, although this is located on the eastern side of the railway line, separate from where new retail facilities which will be provided on the western side of the railway line. Further, this North Strathfield supermarket sits quite separate from the majority of specialty stores within the strip and does not appear to be a crucial element in the trade for those stores. In any case, the implications for new full-line supermarkets if developed at Homebush in-line with additional population should be negligible for existing stores.

Similarly in relation to Flemington Markets, food catering tenancies servicing workers at the site would have limited implications for surrounding retail facilities.

The key potential impacts relating to the development of full-line supermarkets in both the Auburn and Kings Bay precinct.

Auburn

Given the development of the former Lidcombe Power Centre with new supermarkets, the demand for supermarkets in this precinct in the short term in our view would be low. The need for a full-line supermarket within this precinct over the next 5-10 years would be limited without impacts on existing facilities in the Auburn Town Centre and also The Marketplace Auburn (i.e. the former Lidcombe Power Centre).

If a new supermarket was to be developed in the short term, the impact from this development combined with the impact from The Marketplace Auburn would most likely result in an impact greater than 15% on the Auburn Town Centre. Consequently, the cumulative impacts in the short term would not be sustainable.

With further population growth within the defined Auburn precinct, a supermarket centre may be supportable, most likely by 2026-2031. The greater preference would be for additional supermarket within this precinct to locate within the Auburn Town Centre and reinforce this Town Centre rather than fragment the location with new retail facilities along Parramatta Road. Residents within the defined Auburn catchment are located within 0.5km-1 km of three supermarket centres including Woolworths and Aldi stores. The only tenant missing from the mix is Coles.

Kings Bay

In the short term if an Aldi supermarket together with shops was constructed over the period to 2021, the implications for surrounding retail centres would be limited and well below 10%. If a full-line supermarket as part of a retail centre of 6,000sqm-7,000 sqm was developed in the short term, this would likely result in impacts greater than 10%-15% at locations such as Five Dock and Concord.

To help mitigate these impacts, a delay in the potential for a full-line supermarket should occur until some residential development has occurred within the region, most likely post 2026. By that time, additional population growth will offset the likely impacts on competitive centres.

As a guide to planned employment growth, Table 5.15 outlines the likely levels of employment associated with a new full-line supermarket centre of 6,000sqm-7,000sqm.

Table 5.15 – Retail Jobs, Supermarket Centre

COMPONENT	ESTIMATED EMPLOYMENT (PER SQM)	SUPERMARKET CENTRE	
		CHANGE IN GLA (SQM)	EMPLOYMENT (PERSONS)
Supermarket	50	4,500	225
Mini-majors	20	1,000	20
Retail Specialty Shops	60	3,500	210
Total Centre[1]	51	9,000	455
Net Increase[2]			**410**

1 - Excludes non-retail components, 2 - Net increase includes an allowance for reduced employment levels at impacted centres estimated at 10% of the total increase
Source: Location IQ

6. Large Format Demand Assessment

6.1 Demand Assessment

The PRC has a significant concentration of large format retail facilities around Auburn/ Homebush. For the purposes of this Study, therefore, the major assessment of demand is prepared on a trade area centrally located around Auburn, but including the entire Corridor, with opportunities outlined for the PRC as a whole.

The trade area defined for bulky goods facilities is extensive and can often include up to a 30 minute drive time. For the purposes of this Study, the large format retail trade area is approximated by a 30 minute drive time which generally extends 10km-15km.

The trade area is limited by the following factors:

- Competitive facilities as described below.
- Physical barriers such as rivers, roads and railways.
- Accessibility to the site from a regional and local perspective.

The 30 minute drive time, therefore, is indicative of the trade area to be served by retail facilities within the PRC and is not impacted by future road networks such as WestConnex.

Figure 6.1 outlines the competitive environment for large format retail stores within the defined main trade area and immediately beyond it.

It also outlines the location of existing large format retail. The larger the number of stores within the area, the bigger the pinwheel. Consequently, a greater concentration of store numbers is indicated at locations such as Carnes Hill, Artarmon, Moore Park, Homebush and Auburn.

The trade area is restricted by facilities such as Alexandria in the east, Bankstown in the south, Liverpool to the south-west, Mt Druitt and Blacktown to the west and Castle Hill to the north and north-west. This area is illustrated in Figure 6.1 and generally includes the Local Government Areas of Auburn, Holroyd, Parramatta, Ryde, Strathfield, Burwood, Ashfield and parts of Liverpool and Bankstown, this area is illustrated in orange in Figure 6.1.

Figure 6.1 – Large Format Retail Trade Area

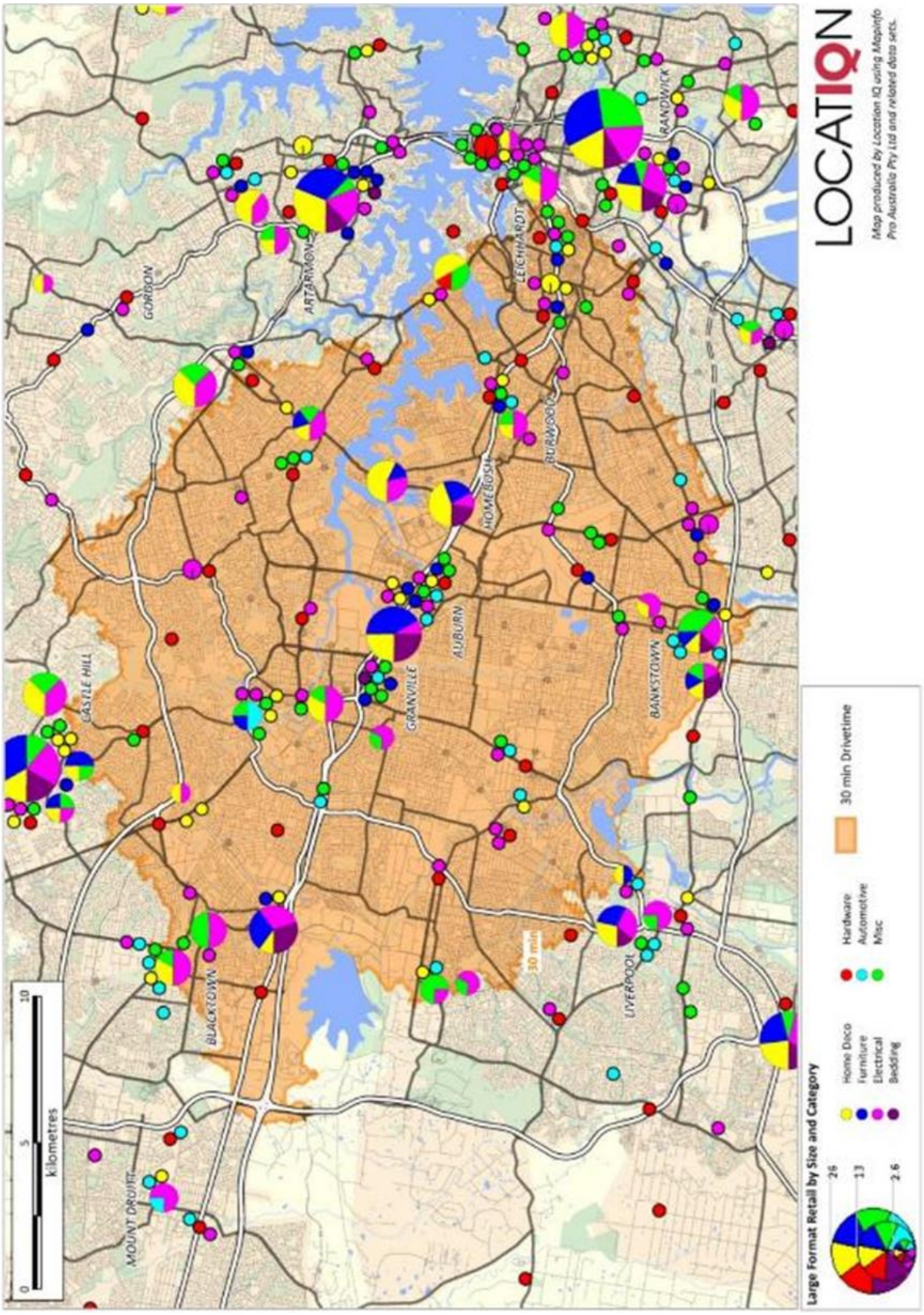


Table 6.1 details the current and projected population levels for the defined large format retail trade area over the period from 2006-2054. The current trade area population is some 1.3 million people in 2015 and projected to increase to 1.9 million by 2054, at an average annual growth rate of 1.0% or 15,000 persons annually.

These population projections are based on:

- 2006 and 2011 Census of Population and Housing at a small area level.
- New dwelling approvals ABS data over the period from 2006/07 to 2013/14.
- UrbanGrowth NSW population projections for the PRC.
- NSW Department of Planning and Environment population projections at a local government area level.
- Research by Location IQ in relation to major residential projects within the surrounding area.

Table 6.1 – Large Format Retail Trade Area Forecast Population, 2006-2054

TRADE AREA SECTOR	ESTIMATED RESIDENT POPULATION		FORECAST POPULATION			
	2006	2011	2015	2021	2031	2054
Auburn 30M in DT*	1,144,920	1,247,840	1,328,080	1,428,460	1,574,960	1,891,210
Average Annual Change (No.)						
		2006-2011	*2011-2015*	*2015-2021*	*2021-2031*	*2031-2054*
Auburn 30M in DT*		20,584	20,060	16,730	14,650	13,750
Average Annual Change (%)						
		2006-2011	*2011-2015*	*2015-2021*	*2021-2031*	*2031-2054*
Auburn 30M in DT*		1.7%	1.6%	1.2%	1.0%	0.8%

*Note all figures as at June, DT refers to drive time
All figures are based on 2011 SA1 boundary definition with the exception of 2006 which is based on 2006 CCD boundary definition.
2006 and 2011 ERP is calculated using 2011 enumeration factor.
Source: ABS (2012b), UG, DPE (2014B), Location IQ

The trade area for large format retail facilities is much larger than trade areas of traditional shopping centres such as Westfield Parramatta (700,000 persons) and Westfield Burwood (300,000 persons).

The significant growth in population throughout this area reflects a number of major precincts and urban density programs including existing developments such as Wentworth Point at Sydney Olympic Park, together with proposed urban density around the Parramatta Road urban corridor. The Carter Street precinct is also another area of substantial growth within close proximity to PRC.

Table 6.2 summarises the socio-economic characteristics of the large format retail trade area population which indicates a younger, overseas born, family orientated population who earn lower than average income levels.

Table 6.2 – Large Format Retail Trade Area Socio-Economic Profile, 2011

PRECINCT			LOCAL GOVERNMENT AREA
Income Levels			
Average per capita income	$32,624	$36,941	$34,201
Per Capita Income Variation	-11.7%	N/A	N/A
Average Household Income	$91,102	$99,586	$87,928
Household Income Variation	-8.5%	N/A	N/A
Average Household Size	2.8	2.7	2.6
Age Distribution			
Aged 0-14	19.1%	19.2%	19.3%
Aged 15-19	6.0%	6.3%	6.5%
Aged 20-29	16.2%	14.7%	13.8%
Aged 30-39	16.0%	15.3%	13.8%
Aged 40-49	13.9%	14.2%	14.2%
Aged 50-59	11.7%	12.3%	12.8%
Aged 60+	17.1%	18.0%	19.6%
Average Age	36.6%	37.2%	37.9%
Housing Status (% of Households)			
Owner/Purchaser	63.6%	67.4%	69.3%
Renter	36.4%	32.6%	30.7%
Birthplace (% of Population)			
Australian born	52.7%	63.7%	73.9%
Overseas born	47.3%	36.3%	26.1%
• Asia	22.4%	13.7%	7.6%
• Europe	8.0%	9.1%	9.4%
• Other	16.9%	13.6%	9.1%
Family Type (% of Population)			
Couple with dependent children	49.0%	48.2%	45.3%
Couple with non-dependent children	9.4%	9.1%	7.7%
Couple without children	18.9%	20.1%	23.0%
Single with dependent children	8.6%	8.5%	9..2%
Single with non-dependent children	4.3%	3.9%	3.5%
Other family	1.5%	1.2%	1.1%
Lone person	8.3%	9.0%	10.2%

Source: ABS (2012b), Location IQ

The estimated retail expenditure capacity of the PRC main trade area population is based on information sourced from MDS Market Data Systems. MDS utilises a detailed micro simulation model of household expenditure behaviour for all residents of Australia. The MDS model takes into account information from a wide variety of sources, including the regular ABS Household Expenditure Survey, National Accounts Data, Census data and other information.

Table 6.3 presents a breakdown of retail spending by key commodity group throughout the trade area, including household goods which is the main category of spending targeted by large format retail stores.

This market is significant at $3.1 billion currently and projected to increase to $7.4 billion by 2054 (allowing for PRC projected growth), expressed in constant dollar terms.

Table 6.3 – Retail Trade Area Spending by Key Commodity Group, 2015-2054*

YEAR ENDING JUNE	FOOD & LIQUOR	FOOD CATERING	APPAREL	HOUSEHOLD GOODS	LEISURE	GENERAL RETAIL	RETAIL SERVICES
2015	7,514.6	2,671.1	1,943.5	3,052.0	834.1	1,264.2	507.7
2021	8,485.0	3,094.6	2,251.7	3,535.9	966.3	1,464.7	588.2
2031	10,324.6	3,917.4	2,850.3	4,476.0	1,223.2	1,854.1	744.6
2054	15,586.0	6,476.5	4,712.4	7,400.1	2,022.3	3,065.3	1,231.0
Expenditure Growth							
2015-2021	970.4	423.6	308.2	483.9	132.3	200.5	80.5
2021-2031	1,839.6	822.8	598.7	940.1	256.9	389.4	156.4
2031-2054	5,261.4	2,559.1	1,862.0	2,924.1	799.1	1,211.2	486.4
2015-2054	8,071.4	3,805.4	2,768.9	4,348.1	1,188.3	1,801.1	723.3
Average Annual Growth Rate							
2015-2021	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
2021-2031	2.0%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
2031-2054	1.8%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
2015-2054	1.9%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%

*Constant 2013/14 dollars and including GST
Source: Marketinfo (2012), Location IQ

Table 6.4 lists the key bulky goods/homemaker shopping centres, while Table 6.5 presents a gap analysis of key tenants in a large format retail environment and whether they are located in the trade area and the number of stores within that region.

The tenants identified in **Error! Reference source not found.** 6.5 are generally accepted in the retail industry as large format retail stores that locate at bulky goods/homemaker centres.

Table 6.4 – Large Format Retail Competition

CENTRE NAME	SUBURB	GLA (SQM)	NO. OF TENANTS
Auburn Home Mega Mall	Auburn	32,349	32
Red Yard	Auburn	11,407	8
Home Central Bankstown	Bankstown	17,058	15
Homemaker City Bankstown	Bankstown	18,000	21
Blacktown Mega Centre	Blacktown	26,031	15
The Junction	North Parramatta	5,770	4
Homebase Prospect	Prospect	25,913	23
Warwick Farm Hometown	Warwick Farm	14,502	6
The Greenway Supa Centre	Wetherill Park	18,000	14

Source: Location IQ

Table 6.5 – Large Format Retail Gap Analysis

RETAILER	AUBURN 30 MIN DRIVE TIME	
	WITHIN DRIVE TIME	FREQUENCY
Adairs	X	5
Amart Sports	X	1
Anaconda	X	1
Aussie Living		
Auto Barn	X	2
Auto One	X	1
Auto Pro	X	2
Babyco		
Barbeques Galore	X	3
Bay Leather Republic	X	1
BCF	X	4
Beacon Lighting	X	3
Bed Bath N Table	X	7
Bedshed		
Berkowitz Furniture		
Betta Home Living	X	3
Bing Lee	X	10
Bunnings	X	1
Bunnings Trade Centre		
Bunnings Warehouse	X	7
Carpet Call	X	3
Carpet Court	X	7
Carpet One	X	1
Choices Flooring	X	2
Clark Rubber	X	3
Curtain Wonderland		
Dare Gallery		
DecoRug	X	3
Dick Smith Electronics	X	13
Domayne	X	1
Early Settler Furniture	X	1
Fantastic Furniture	X	6
Forty Winks	X	2
Freedom	X	4
Godfreys	X	7
Harvey Norman	X	3
Harvey Norman Bathrooms	X	1
Harvey Norman Big Buys	X	
Harvey Norman Carpet & Flooring		
Harvey Norman Clearance		
Harvey Norman Domayne	X	1
Harvey Norman Factory Outlet		
Harvey Norman Superstore		
Home Hardware	X	2
Howards Storage World	X	2
HS Home		

RETAILER	AUBURN 30 MIN DRIVE TIME	
	WITHIN DRIVE TIME	FREQUENCY
IKEA	X	1
Jaycar Electronics	X	4
JB Hi-Fi	X	7
Kathmandu	X	4
King Furniture	X	2
Leading Appliances	X	2
Lincraft	X	3
Lombard The Paper People	X	1
Masters	X	1
Mayne Rugs	X	2
Mitre 10	X	9
MyHouse	X	2
Nick Scali	X	2
Officeworks	X	11
Ox Design	X	2
Pet Stock	X	2
Petbarn	X	7
Pillow Talk	X	1
Plush	X	2
Provincial Home Living	X	1
Rays Outdoors	X	2
Recollections	X	1
Repco	X	6
Retravision		
Robins Kitchen	X	1
RT Edwards		
Rugs a Million		
Samsara		
Sleep Doctor		
Sleepys	X	3
Snooze	X	4
Sofas 2 Go	X	1
Solomons Flooring	X	2
Spotlight	X	3
Super A-Mart	X	3
Super A-Mart Bedding		
Super Cheap Auto	X	8
The Good Guys	X	4
The Outdoor Furniture Specialists	X	1
The Sleeping Giant	X	3
Thrifty Link	X	4
Top 3 By Design		
Toys R Us	X	2
True Value		
Vast Interior		

The major large format retail/bulky goods facilities within the trade area include:

Homemaker Megamall

The largest bulky goods centre within the trade area at over 32,900sqm in size. The centre includes a range of major tenants including The Good Guys, Freedom Furniture, Fantastic Furniture and By Design.

The Marketplace Auburn

Formerly the Lidcombe Power Centre which is being redeveloped to include a range of traditional retail floorspace including Kmart, Woolworths and Aldi, however, key large format retail tenants such as Spotlight and Anaconda will remain.

Red Yard

Located in the same precinct as Homemaker Megamall and Marketplace Auburn and consists of approximately 11,400sqm of floorspace with Kathmandu as the major tenant.

The Junction

Located some 8km to the north-west of Auburn. Major bulky goods tenants within the centre include King Furniture, Officeworks, Repco and Supercheap Auto.

Bankstown

Home Central Bankstown and Homemaker City Bankstown are located adjacent to each other and form a major bulky goods precinct. There is a total of approximately 35,000sqm of bulky goods floorspace in combination, with key tenants including The Good Guys, Fantastic Furniture, Freedom, Bing Lee and BCF.

HomeBase Prospect

This contains Fantastic Furniture, Bing Lee, The Good Guys and Carpet Call as major tenants in a centre which includes 26,000sqm of bulky goods floorspace.

The Blacktown Mega Centre

Located some 16km to the west of Auburn and contains 26,000sqm of bulky floorspace. Key tenants within this centre include Harvey Norman, Bing Lee, POCO and BCF.

The other major large format retail/bulky goods facility within the area is IKEA located as part of Rhodes Shopping Centre together with a range of smaller retail bulky goods facilities. This is one of only two IKEA stores in Sydney with the other having more recently opened at Tempe. A third IKEA is planned at Marsden Park in the North West Growth Centre.

Overall, there is an extensive provision of large format retail/bulky goods facilities throughout the defined Auburn trade area, with the major facilities concentrated along Parramatta Road between St Hilliers Road to Rawson Street. The precinct, however, is quite disjointed with a number of separate precincts, free-standing stores and low customer amenity in terms of car parking access and walkability.

Consequently, in terms of providing a modern retail environment for large format retail/bulky goods shopping, the centre lacks in comparison to major centres such as Supa Centa Moore Park, Super Centre Belrose and Home Hub Castle Hill within the Sydney metropolitan area

6.2 Trade Area of Floorspace Demand

Large Format

Table 6.6 outlines the likely demand for large format retail/bulky goods floorspace throughout the trade area based on a similar methodology to that undertaken in Chapter 5 for retail floorspace, this time concentrating on bulky goods/large format retail floorspace which contributes around 0.7sqm per person.

Table 6.6 – Large Format Demand Analysis, 2015-2054

REFERENCE	FACTOR	UNIT	
2015			
(1)	Main Trade Area Population	(No.)	1,328,080
(2) = (1) * 0.7	Current Retail Floorspace Demand	(sqm)	929,656
2021			
(3)	Main Trade Area Population	(No.)	1,428,460
(4) = (3) – (1)	Growth in Main Trade Area Population	(No.)	100,380
(5) = (4) * 0.7	Future Retail Floorspace Demand (2015-2021)	(sqm)	70,266
2031			
(6)	Main Trade Area Population	(No.)	1,574,960
(7) = (6) – (1)	Growth in Main Trade Area Population	(No.)	246,880
(8) = (7) * 0.7	Future Retail Floorspace Demand (2015-2031)	(sqm)	172,816
2054			
(9)	Main Trade Area Population	(No.)	1,891,210
(10) = (9) - (1)	Growth in Main Trade Area Population	(No.)	563,130
(11) = (10) * 0.7	Future Retail Floorspace Demand (2015-2054)	(sqm)	394,191

Source: Location IQ

Based on the current population, there is currently demand for about 929,656sqm of large format retail/bulky goods floorspace. Based on growth in population over the period from 2015-2054, the future demand for additional large format retail/bulky goods floorspace is some 394,191sqm, comparable to additional demand of some 10,107sqm per year.

- If this 10,000sqm of floorspace was to be provided in the one location with at-grade car parking, typically the floorspace accounts for 50% of the land size. Taking into account car parking and other land uses such as loading and access, the amount of actual land required for bulky goods floorspace is usually double the floorspace amount and therefore at around 20,000sqm.
- If multi-level showrooms are developed, the amount of land per year would be around 15,000sqm.
- If individual tenancies were constructed, the site area would be in the order of 3,000sqm-4,000sqm each.

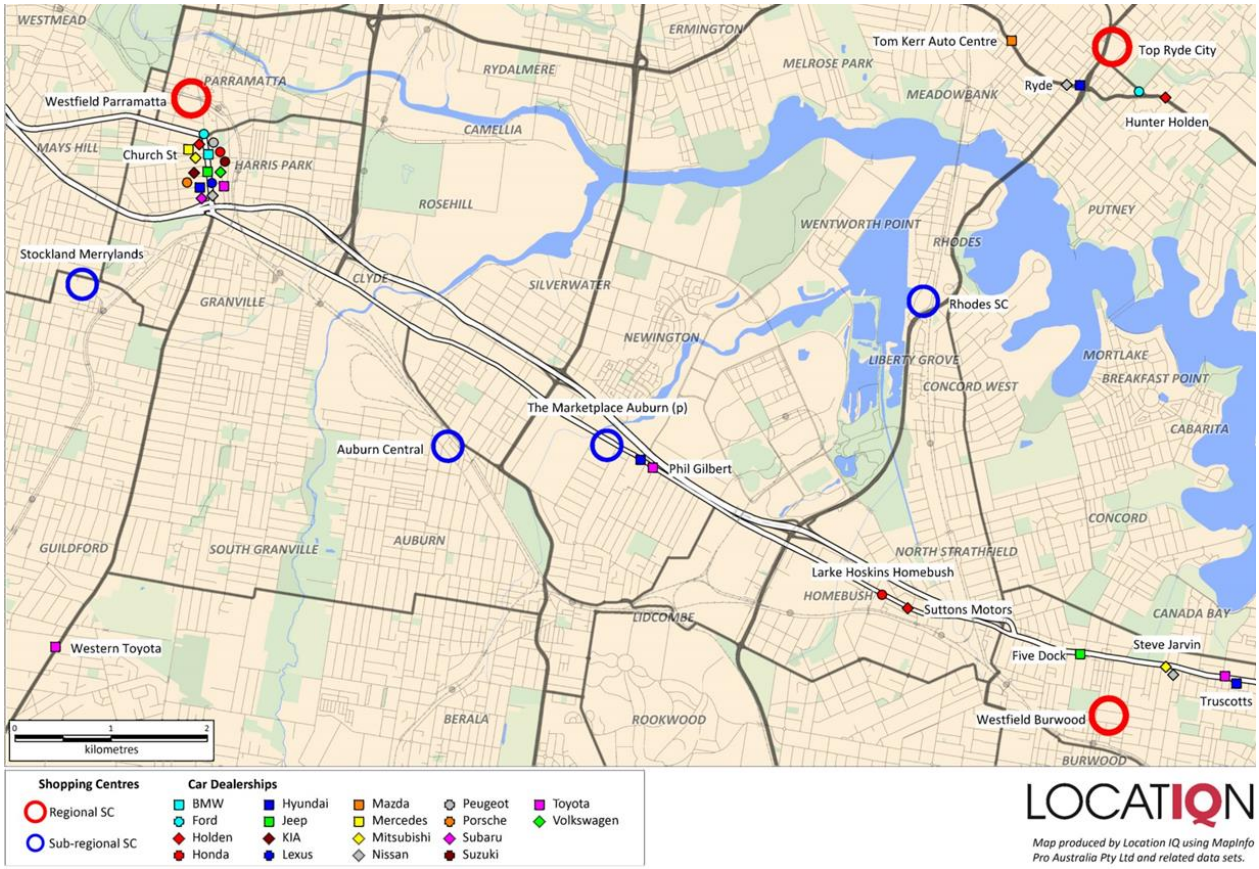
The additional demand for large format retail uses, therefore, at 394,191sqm even in a multi-level development format would at least demand some 500,000sqm-550,000sqm, or 50-55ha of land.

Not all of this floorspace would be demanded or needed in the Auburn precinct, however, with consolidation of facilities from other areas (being redeveloped for residential purposes) and given the high profile nature of the Auburn Parramatta Road location, a large proportion of this future floorspace demand would be required in the immediate precinct.

The logical location for a large amount of this additional floorspace would be in close proximity to existing facilities along Parramatta Road in Auburn, particularly as other areas along Parramatta Road are better placed to serve residential uses in locations such as Burwood and Homebush. This is not to say that some floorspace could be accommodated at locations such as Burwood, however, the majority would be located at Auburn.

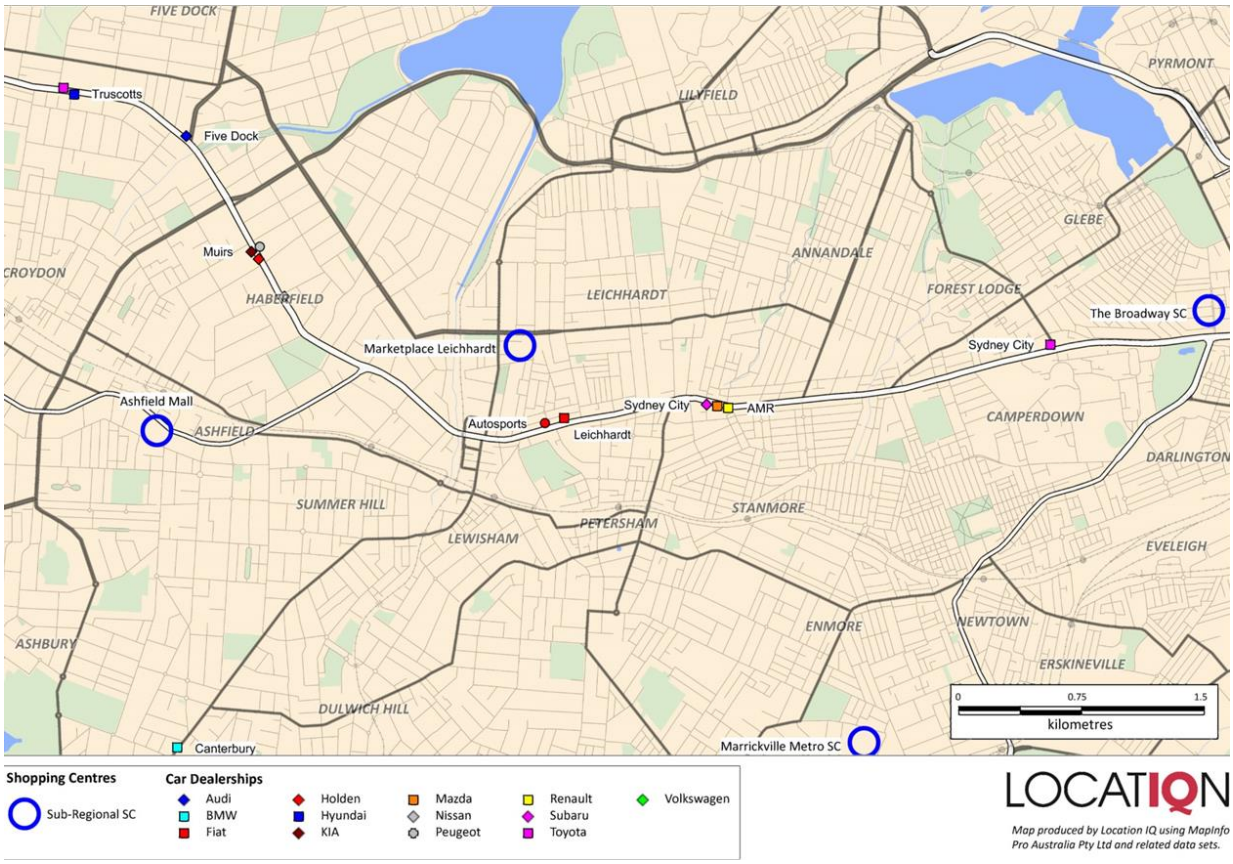
In addition to the demand from large format premises, other commercial premises/ showrooms are also likely to demand floorspace along the Parramatta Road precinct at Auburn. **Error! Reference source not found.**Figure 6.2 outlines the location of commercial car yard facilities. The bulk of existing facilities are located closer to Homebush and also around Auto Alley at Parramatta.

Figure 6.2 – Existing Major Brand Car Yard/Showrooms (PRC west)



Source: Location IQ

Figure 6.3 – Existing Major Brand Car Yard/Showrooms (PRC east)



Source: Location IQ

Designations for car yards/showrooms at locations such as the Auto Alley Parramatta will be overtaken in time with plans for high density residential development at these locations, meaning these car showrooms would have to search for alternate sites. This has been the case in locations in Inner Southern Sydney at places such as Alexandria where multi-level car showrooms have been developed in a modern format as shown in Figure 6.4.

Typically, car showroom facilities comprise at least one hectare of land, even modern facilities over multiple levels. A number of car showroom facilities, together with more broad commercial premises (plumbing supplies, trade supplies, etc.) would at least demand another 100,000sqm, or 10ha of land for this type of usage.

The total amount of floorspace for large format retail uses together with car showrooms and broad commercial uses would be in excess of 550,000sqm including:

- 394,190sqm of large format retail uses as indicated in Table 6.6.
- Another 100,000sqm of car showroom facilities/commercial premises as indicated above.

The actual land requirement would be significantly greater than 550,000sqm or 55ha of land.

Figure 6.4 – Multi-level Car/Retail Showrooms

The location of such commercial/showroom facilities together with large format retail/bulky goods developments in the key Auburn/Parramatta Road precinct is a logical location to serve the existing needs for such facilities but also the ongoing demand from substantial additional population within this region. A range of other tenants could also locate within modern commercial showrooms at these locations.

In addition, existing areas along Parramatta Road around Burwood and Taverners Hill would also be logical locations for a range of car showrooms, large format bulky and broad commercial office tenancies. There would be a smaller provision of one-off or a combination of smaller facilities in this location as compared with the greater concentration in and around Auburn.

6.3 Summary of Findings

In summary, there will be ongoing demand for large format retail/bulky goods and commercial showroom premises facilities within the central region of Sydney around Auburn. High profile locations such as Parramatta Road will be ideal destinations for such facilities.

As redevelopment of existing precincts such as Auto Alley and Homebush would result in tenants within these precincts looking for alternate locations over time, the Parramatta Road precinct at Auburn between St Hilliers Road and Rawson Street is a logical location to continue to consolidate such uses. A modernisation of facilities and better amenity and connections between buildings, however, will be required to encourage investment over time. Key examples of such development include in Alexandria as illustrated in Figure 6.4.

If larger format retail facilities are no longer to be provided at PRC, the nearest facilities are located more than 10km-15 km away in other parts of Sydney, significantly reducing convenience for existing and future residents of the Parramatta Road Corridor.

A clustering of additional large format floorspace along Parramatta Road should have regard to:

- *The existing concentration of facilities within the Auburn precinct. Auburn is therefore a logical location for the greatest concentration of these facilities, but also with opportunities at other precincts such as Burwood and Taverners Hill.*
- *Showroom development occurring in places such as Burwood, Kings Bay/Five Dock and Taverners Hill, where Audi and Jaguar dealerships have been developed in modern showrooms. This Burwood area will be a destination for commercial showroom facilities rather than large format bulky, given limited land sizes and reduced need for car parking in commercial showrooms as compared with large format retail.*

7. Commercial Demand Assessment

7.1 Demand Assessment Methodology

This section outlines projections to ascertain the likely nature and quantum of demand for employment lands within the precincts of the PRC. In order to understand and project future demand for employment lands, employment projections were developed and ratios of gross floor area (GFA) per employee used to identify future GFA demand.

Two sets of projections are carried out:

- Base case – This projection scenario is predicated on past employment trends in the PRC with no consideration for WestConnex or any infrastructure augmentation/upgrade proposed in the PRC.
- With Infrastructure – This projection scenario considers the cumulative impacts of WestConnex, urban amenity improvements and other infrastructure upgrades (e.g. improved connectivty and access, reduced traffic congestion and public domain works, thereby making PRC a more pleasant and friendly location to do business) along the PRC by applying an additional multiplier to coefficients for TZs located in precincts along the PRC. This represents an increased 'pull' of the PRC precincts for employment.

Employment projections carried out in this chapter are a method by which future floorspace demand is estimated.

- Projections of employment across 72 industries for NSW to 2036 were developed using AEC's NSW econometric model. The core projections are to 2031 (to align with DPE data) however these are extrapolated to 2036 for reference purposes.
- The NSW state level projections are then disaggregated to Sydney SD, LGA and Transport Zone (TZ) in order to provide employment projections for each precinct*. The precincts do not completely align with TZ boundaries hence AEC was guided by data from UrbanGrowth NSW (2015) to estimate the proportion of employment in each TZ that is located within each precinct.
- Floorspace demand projections were developed by applying GFA per employee ratios to the employment projections. Floorspace demand projections are aggregated across commercial, industrial, institutional and 'other' floorspace , retail floorspace demand having been considered earlier in Chapter 5.

*The limitations of 'small area projections' are acknowledged. In disaggregating employment to LGA and TZ, the broader service hierarchy has not been explicitly incorporated. For example, assumptions for allocating employment to each LGA in the Sydney SD is based on the population growth projected and industry size within each respective LGA but is not tied to population growth or industry size of neighbouring LGAs.

Similarly, when disaggregating LGA projections to its constituent TZs, growth in neighbouring TZs is not explicitly considered in allocating employment growth to a TZ. In reality, employment growth in one area is not just influenced by growth in the TZ or LGA itself of which it is part but also by growth in other neighbouring TZs or LGAs.

Detailed description of demand assessment methodology is contained in Appendix E.

The employment projections (top down approach) carried out in this chapter are a method by which future floorspace demand is estimated. These are different to UrbanGrowth NSW's employment estimates which are a capacity estimate (bottom up approach) based on target employee densities per hectare.

7.2 Aggregate Employment Projections

In the base case, which assumes no major infrastructure catalyst or urban renewal along the PRC, employment is projected to increase by 9,200 jobs across the eight precincts between 2015 and 2031. Auburn is projected to account for more than one fifth of this growth, with Homebush projected to record the second largest increase in jobs.

All precincts are projected to record an increase in employment compared to the base case through to 2031.

- Auburn is projected to record an increase of almost 4,050 jobs to 2031 in the With Infrastructure scenario, approximately 1,950 more jobs than in the base case.
- Homebush is projected to record the second largest increase in jobs to 2031 of nearly 2,950 jobs, which 1,350 more jobs than in the base case.

Other key employment growth precincts include:

- Granville: An additional 2,150 jobs, approximately 1,050 jobs more than base case.
- Taverners Hill: An additional 1,700 jobs, approximately 650 jobs more than base case.
- Burwood: An additional 1,550 jobs, approximately 600 jobs more than base case.

Table 7.1 – Employment Projections by Precinct

PRECINCT	2015	2016	2021	2026	2031	CHANGE, 2015 TO 2031	2036
Base Case							
Granville	2,689	2,743	3,100	3,444	3,808	*1,119*	4,106
Auburn	6,814	6,922	7,574	8,229	8,918	*2,104*	9,516
Homebush	6,191	6,257	6,881	7,356	7,804	*1,613*	8,204
Burwood	2,838	2,899	3,211	3,509	3,783	*945*	4,018
Kings Bay	2,607	2,661	2,980	3,264	3,531	*925*	3,755
Taverners Hill	2,773	2,817	3,202	3,515	3,828	*1,055*	4,084
Leichhardt	2,875	2,913	3,152	3,378	3,620	*745*	3,833
Camperdown	1,452	1,489	1,717	1,928	2,148	*696*	2,340
Total	**28,238**	**28,702**	**31,817**	**34,624**	**37,440**	***9,202***	**39,858**
With Infrastructure							
Granville	2,689	2,979	3,596	4,207	4,844	*2,155*	5,359
Auburn	6,814	7,327	8,459	9,651	10,861	*4,047*	11,867
Homebush	6,191	6,503	7,427	8,298	9,155	*2,963*	9,720

PRECINCT	2015	2016	2021	2026	2031	CHANGE, 2015 TO 2031	2036
Burwood	2,838	3,037	3,501	3,973	4,404	*1,566*	4,741
Kings Bay	2,607	2,788	3,244	3,676	4,088	*1,481*	4,402
Taverners Hill	2,773	2,917	3,500	3,994	4,481	*1,708*	4,849
Leichhardt	2,875	3,000	3,373	3,750	4,138	*1,263*	4,458
Camperdown	1,452	1,564	1,894	2,208	2,532	*1,080*	2,805
Total	**28,238**	**30,114**	**34,996**	**39,755**	**44,501**	***16,263***	**48,200**

Source: ABS (2012a, 2013, 2014), UG (2015), BTS (2014), AEC.

Key Industries of Growth

In terms of employment projections by industry for the precincts along the PRC, key industries of growth in the base case are expected to be health care & social assistance, professional, scientific & technical services, retail trade, education and training, accommodation & food services, and construction. These six industries are projected to account for around 7,150 new jobs to 2031 in the base case.

In the With Infrastructure scenario, key industries of growth in the precincts along the PRC are projected to be health care & social assistance, retail trade, education & training, accommodation & food services, professional, scientific & technical services, construction, and public administration & safety. These seven industries are projected to account for over 13,900 new jobs to 2031 in the With infrastructure scenario.

When compared to the base case, the development of WestConnex and other key infrastructure along the PRC is projected to result in additional employment within the PRC precincts primarily in the following industries:

- Health care and social assistance: Approximately 2,100 additional jobs.
- Retail trade: Approximately 1,100 additional jobs.
- Education and training: Approximately 950 additional jobs.
- Accommodation and food services: Approximately 800 additional jobs.
- Public administration and safety: Approximately 650 additional jobs.

These key industries of growth align with the national industries of opportunity as outlined in section 3.1, which are largely driven by population growth leading to increased household consumption and government expenditure. Table 7.2 outlines the aggregate employment projections by industry.

Table 7.2 – Employment Projections by Industry

INDUSTRY	BASE CASE				WITH INFRASTRUCTURE			
	2015	2031	CHANGE, 2015-2031		2015	2031	CHANGE, 2015-2031	
Agriculture, Forestry and Fishing	45	35	-11	-23.7%	45	34	-12	-25.6%
Mining	18	18	0	-1.3%	18	18	0	-1.3%
Manufacturing	2,511	2,058	-452	-18.0%	2,511	2,048	-463	-18.4%
Electricity, Gas, Water and Waste Services	349	316	-33	-9.5%	349	315	-34	-9.6%
Construction	2,339	3,284	945	40.4%	2,339	3,591	1,252	53.5%
Wholesale Trade	2,969	2,914	-55	-1.8%	2,969	2,864	-105	-3.5%
Retail Trade	4,496	5,501	1,005	22.4%	4,496	6,587	2,091	46.5%
Accommodation and Food Services	1,637	2,418	781	47.7%	1,637	3,241	1,605	98.0%
Transport, Postal and Warehousing	1,393	1,761	368	26.4%	1,393	1,851	458	32.9%
Information Media and Telecommunications	575	777	202	35.1%	575	909	333	58.0%
Financial and Insurance Services	1,441	1,885	444	30.9%	1,441	2,070	629	43.7%
Rental, Hiring and Real Estate Services	312	498	187	60.0%	312	634	323	103.7%
Professional, Scientific and Technical Services	1,771	3,096	1,325	74.8%	1,771	3,354	1,583	89.4%
Administrative and Support Services	694	973	279	40.3%	694	1,036	342	49.3%
Public Administration and Safety	861	1,485	623	72.4%	861	2,118	1,257	146.0%
Education and Training	2,141	3,237	1,096	51.2%	2,141	4,190	2,049	95.7%
Health Care and Social Assistance	2,775	4,755	1,981	71.4%	2,775	6,856	4,081	147.1%
Arts and Recreation Services	571	813	242	42.4%	571	997	426	74.7%
Other Services	1,342	1,617	275	20.5%	1,342	1,788	446	33.3%
Total	**28,238**	**37,440**	**9,202**	**32.6%**	**28,238**	**44,501**	**16,263**	**57.6%**

Source: ABS (2012a, 2013, 2014), UG (2015), BTS (2014), AEC.

7.3 Commercial Floor Space Demand

Auburn and Homebush currently accommodate the largest number of workers at 6,800 and 6,200 respectively compared to the other precincts that accommodate between 1,450 and 2,900 workers. Accordingly, Homebush at 23,100sqm and Auburn at 22,300sqm are projected to record the largest additional demand for commercial GFA in the With Infrastructure scenario.

The nature of commercial floorspace demand can be distinguished into the types of activity that it accommodates:

Local and regional business, professional services offices

A range of businesses are currently accommodated in office buildings in Homebush and Auburn, these uses expected to continue. Additionally, professional services offices that accommodate accountants,

architects, interior and graphic designers, etc. in locations that are accessible by public transport and benefit from amenity and services offer will increasingly be in demand.

Services industry

Real estate agents, tax agents, financial advisors, etc. are driven by population growth and require commercial type floorspace within retail centres/population catchments.

Floorspace that complements an industrial activity

Most industrial activities have an office/administrative component for administering marketing, distribution and sales as well as packaging and distribution, and research and development. Industries such as food and beverage manufacturing, construction and building activities, etc. typically have a commercial floorspace requirement.

As the Australian economy continues its transition into one that is a net importer of goods, local industry functions and floorspace requirements will also evolve. As a proportion of total floorspace requirement, there is an increasing need by industry for a greater component of commercial-type floorspace.

This type of commercial floorspace is typically attached to a larger industrial facility and in some cases combine a variety of functions in the same building, e.g. sales and marketing staff, admin and clerical as well as product research and development.

The transition of business activity has also resulted in the evolution of planning frameworks, discussed further in section 9.2.

Table 7.3 outlines projected demand for commercial space across precincts.

Table 7.3 – Commercial Floorspace Demand Projections by Precinct (sqm GFA)

PRECINCT	2015-16	2016-21	2021-26	2026-31	CHANGE, 2015-31	2036
Base Case						
Granville	500	2,100	1,900	2,100	6,600	1,700
Auburn	1,400	4,400	3,800	4,100	13,700	3,400
Homebush	1,600	6,100	4,700	4,900	17,200	4,200
Burwood	700	2,700	2,400	2,500	8,200	2,100
Kings Bay	500	2,200	1,900	2,000	6,600	1,700
Taverners Hill	600	3,000	2,600	2,700	8,900	2,300
Leichhardt	800	3,200	2,700	3,000	9,800	2,600
Camperdown	800	3,000	2,600	2,800	9,200	2,500
Total	6,900	26,700	22,600	24,000	80,300	20,600
With Infrastructure						
Granville	1,000	3,300	3,100	3,300	10,700	2,600
Auburn	2,400	6,900	6,400	6,700	22,300	5,100
Homebush	2,200	7,500	6,500	6,900	23,100	5,000
Burwood	1,100	3,600	3,400	3,400	11,500	2,700
Kings Bay	800	2,800	2,600	2,600	8,800	2,100
Taverners Hill	800	4,100	3,700	3,800	12,500	3,000
Leichhardt	1,100	4,200	3,800	4,100	13,300	3,300
Camperdown	1,200	3,900	3,400	3,700	12,200	3,100
Total	10,600	36,300	32,900	34,500	114,300	26,800

Source: ABS (2012a, 2013, 2014), UG (2015), BTS (2014), AEC

7.4 Industrial Floorspace Demand

Additional demand for industrial floorspace is projected to be relatively modest through to 2031 in the base for all precincts.

While demand for industrial floorspace is projected to be greater in the With Infrastructure scenario compared to the base case, industrial floorspace demand is still projected to be relatively modest in all precincts to 2031. Homebush is projected to record the largest increase in industrial floorspace of demand of 14,900sqm GFA between 2015 and 2031.

Table 7.4 – Base Case Industrial Floorspace Demand Projections by Precinct (sqm GFA)

PRECINCT	2015-16	2016-21	2021-26	2026-31	CHANGE, 2015-31	2036
Base Case						
Granville	-700	3,300	2,900	3,300	8,800	2,300
Auburn	-1,900	1,600	1,100	2,400	3,300	1,000
Homebush	-1,500	4,000	4,000	4,100	10,700	3,300
Burwood	100	2,200	2,000	1,900	6,100	1,500
Kings Bay	-200	3,000	2,600	2,700	8,000	2,100
Taverners Hill	-200	2,200	1,600	1,700	5,300	1,300
Leichhardt	-400	400	200	400	600	100
Camperdown	-200	1,200	1,000	1,000	3,000	700
Total	-5,000	17,800	15,400	17,700	45,800	12,300
With Infrastructure						
Granville	-700	4,500	4,100	4,500	12,400	3,300
Auburn	-2,200	3,600	3,100	4,600	9,200	2,800
Homebush	-1,800	5,200	5,600	5,900	14,900	4,300
Burwood	0	2,700	2,600	2,500	7,800	1,900
Kings Bay	-200	3,500	3,100	3,300	9,700	2,500
Taverners Hill	-200	2,800	2,200	2,400	7,200	1,700
Leichhardt	-400	800	700	1,000	2,000	600
Camperdown	-200	1,500	1,300	1,400	3,900	900
Total	-5,800	24,600	22,700	25,500	67,100	18,000

Source: ABS (2012, 2013, 2014), UG (2015), BTS (2014), AEC.

The demand for industrial floorspace across the PRC whilst modest in comparison to other land use categories, is nevertheless still important to support businesses that play a local service role.

These businesses could include food manufacturers and suppliers, smash repairers, alarm and security systems installers and technicians, construction businesses, etc. and in most cases require accessible locations proximate to their key markets and suppliers.

7.5 Institutional Floorspace Demand

Institutional floorspace demand, which encompasses demand for institutions such as universities, schools, hospitals and health centres, is projected to record the largest increase across the PRC precincts of all floorspace types. An additional 136,800sqm of institutional GFA is projected to be demanded between 2015 and 2031 in the base case.

Provision of preschool and school education as well as medical facilities are part of social infrastructure planning. While large components of this floorspace will be provided by state government agencies such as

Department of Education and Ministry of Health, private sector participation is increasingly significant with the provision of private medical facilities, training centres and child care centres. Some of these uses are sensitive land uses (e.g. preschool and child care centres) and are not considered suited to a Parramatta Road frontage.

The private sector could deliver a proportion of the projected floorspace, to include:

Floorspace for health and allied health practitioners

Medical specialists and surgeons tend to consult from medical centres in close proximity to private and public hospitals, generally within walking distance. They could consult and receive pre-operation patients in the morning at the hospital and attend consulting rooms in the afternoon.

Other health/allied health practitioners, e.g. physiotherapists, general practitioners, chiropractors, etc. tend to target retail locations including major shopping centres where people can visit as part of a larger trip.

Training centres and other education

As the population grows, so too will the need for skills training. There are many levels to the industry of 'education and training', which includes preschool and school education as well as tertiary education. This industry also includes adult, community and other education sectors.

As with allied health practitioners, training centres are typically located within retail and commercial centres, accessibility by public transport is critical.

Table 7.5 – Institutional Floorspace Demand Projections by Precinct (sqm GFA)

PRECINCT	2015-16	2016-21	2021-26	2026-31	CHANGE, 2015-31	2036
Base Case						
Granville	1,000	5,400	5,500	5,600	*17,500*	4,900
Auburn	2,000	10,200	11,000	11,000	*34,300*	10,500
Homebush	1,400	8,700	6,200	5,300	*21,600*	5,100
Burwood	1,100	5,100	5,000	4,300	*15,500*	3,800
Kings Bay	1,000	4,600	4,100	3,700	*13,400*	3,200
Taverners Hill	700	5,700	4,600	4,400	*15,400*	3,700
Leichhardt	600	3,200	3,200	3,300	*10,300*	3,000
Camperdown	500	2,900	2,700	2,700	*8,800*	2,400
Total	**8,300**	**45,900**	**42,400**	**40,200**	***136,800***	**36,600**
With Infrastructure						
Granville	2,600	10,100	10,400	10,600	33,800	9,300
Auburn	4,900	18,700	20,500	20,300	64,400	18,600
Homebush	3,200	14,100	13,500	12,600	43,500	8,200
Burwood	2,000	7,900	8,200	7,100	25,300	5,700
Kings Bay	1,900	7,100	6,900	6,300	22,300	5,000
Taverners Hill	1,300	9,000	7,500	7,200	25,100	5,700
Leichhardt	1,200	5,500	5,600	5,600	17,900	4,900
Camperdown	1,000	4,600	4,400	4,300	14,400	3,900
Total	18,300	77,000	77,200	74,100	246,600	61,300

Source: ABS (2012a, 2013, 2014), UG (2015), BTS (2014), AEC.

Auburn is projected to record the largest share of additional demand for institutional floorspace to 2031 (64,400sqm GFA), followed by Homebush at 43,500sqm GFA and Granville at 33,800sqm GFA in the With Infrastructure scenario.

The disaggregation of LGA employment projections into small areas, i.e. TZs which are then adjusted/aligned with the PRC precincts means that population growth in the broader LGA has an impact on employment projected in the precinct, accordingly Auburn LGA's strong projected population growth accordingly influences the precinct's projected institutional floorspace demand.

The limitations of projecting institutional floorspace demand based on 'small areas' are acknowledged as this approach considers population growth within the small area without regard for the broader service hierarchy. For example, in reality demand for institutional floorspace in the Camperdown precinct will be a function of growth and development in the adjacent Royal Prince Alfred Hospital precinct and University of Sydney however small area projections do not consider this broader service hierarchy demand.

7.6 Implications for Future Growth

In an environment where significant growth (both population and employment) is to be accommodated on land which is a finite resource, tensions between land uses will certainly result. Innovation and flexibility in the planning process is required.

The modest requirements for industrial floorspace is indicative of the decline of traditional manufacturing functions (which the PRC has accommodated in the past). Notwithstanding the decline of traditional manufacturing activity, industrial activity as an overall is still significant but it is changing. Therefore, there is a need for floorspace to accommodate the evolving needs of industry. For example, while there is no longer any need for floorspace for automotive manufacturing, there is a growing need for floorspace to accommodate wholesaling and retailing functions. Furthermore, local services business (e.g. panel beaters, appliance repairs, etc.) require industrial floorspace in proximity to their key markets.

While institutional floorspace is in many instances subject to different planning/provision considerations (e.g. schools and hospitals), the floorspace demand projections are included as they provide context and could assist in the overall planning for the PRC.

It is important to recognise the co-location requirement of certain uses, the following considerations relevant in planning for additional floorspace projected.

- Retail and commercial uses require co-location with similar uses to be viable.
- Industrial uses require good vehicular access and the ability to operate in a conflict-free environment (including conflicts with sensitive uses such as residential).
- Institutional space that is privately delivered will require co-location with retail and commercial uses.

Part B of the Study provides recommendations to accommodate assessed floorspace demand and ways in which growth can be facilitated in the precincts.

8. Part B: The Parramatta Road Corridor Looking Forward

8.1 Future Demand and Opportunities

Existing Land Uses and Context

There are a number of new developments that are ongoing in the PRC. While mostly dominated by residential mixed use developments, there are several notable non-residential developments that are in the pipeline. These include 3 storey commercial buildings, hotels/serviced apartments and expansions to existing large format buildings to include more retail tenancies.

The patterns of supply and demand in some parts of the PRC illustrate its history and traditional focus on manufacturing activity. Notwithstanding, there is a diverse range of uses and built forms that currently exist, these generally responding to market need commensurate with business and industry activity.

While market activity is generally moderate, rents and capital values achieved suggest a clear market segmentation for prime grade over secondary grade space. Older industrial stock (aged more than 25 years) that is obsolete struggles to be filled even at discounted rents.

Notwithstanding soft market conditions for aged stock, market analysis suggest steady demand for modern and affordable accommodation.

Precinct Employment Summary Analysis

In addition to retail clusters (as demonstrated in Figure 6.1), a clustering of other industry activity is observed in precincts. Precinct specialisations (in 2011) can be observed across the Corridor:

Granville

From its economic structure, this precinct has a strong association with the automotive industry (retail of cars and parts and the provision of repair and maintenance services). In comparison to some of the other precincts, the types of businesses in Granville accommodate more 'industry-type' and retail showroom floorspace.

Auburn

The employment structure is highly represented in manufacturing with more than 1,500 jobs, specifically in food and beverage product manufacturing (529 jobs), machinery and equipment manufacturing (300 jobs) and printing (293 jobs).

The retailing of bulky goods is the next major employment industry (991 jobs), this industry increasing in significance over the 2006-2011 period. The co-location of several large format retailers in the precinct has afforded Auburn the reputation as a regional destination for bulky goods.

Homebush

More than 25% of employment in the precinct is in wholesale trade, notably in grocery, liquor and tobacco product wholesaling (1,331 jobs). Financial and insurance services as well as retail trade are growing in prominence in this precinct.

Employment growth in the precinct suggests growth in response to demand for food and beverage is increasing (e.g. cafés, restaurants, delicatessens).

Burwood

Despite the Burwood town centre's reputation as a retail/commercial centre, the precinct in and around the Corridor employs equally high proportions of workers in education & training as well as health care & social assistance. Together these industries account for more than 50% of jobs in the precinct and grew in number over the 2006-2011 period.

The dominance by these two industries in the precinct's employment structure suggests a specialisation in services based industry.

Kings Bay

The Kings Bay employment structure is evolving, the significance of automotive car retailing having declined over the 2006-2011 period, following the closure of a number of car dealers. In contrast, employment in services based industry has increased, notably in restaurants, cafés and takeaways as well as in allied health and child care services.

Taverners Hill

The precinct performs poorly along Parramatta Road and is characterised by disparate and isolated pockets of business activity.

Employment activity appears to be focused around Marketplace where retail and other population-based services are thriving. Growth in employment in retail trade, health care & social assistance, education & training are consistent with the local service role that this precinct plays.

Leichhardt

From its economic structure the precinct appears to resemble that of a retail centre, however its role as a retail employer is declining in significance amid a 6% contraction in jobs over the 2006-2011 period.

Services based industries like education & training and professional services are also important to the precinct with professional services jobs (architectural, legal, accounting, management consulting, etc.) accounting for more than 300 jobs.

Camperdown

Similar to Leichhardt, Camperdown's employment structure is also well represented in retail trade and professional, scientific & technical services. Professional services jobs (architectural, legal, accounting, management consulting, etc.) account for almost 200 jobs in the precinct.

Owing to the precinct's proximity to the Sydney CBD, it is anticipated there will be increasing demand for professional office accommodation.

Built form responds to industry need. Accordingly and consistent with respective precinct specialisations, the western portion of the Corridor (e.g. Auburn, Granville) is more focused on industrial uses while the eastern portion is more on commercial uses (e.g. Leichhardt, Camperdown).

Retail uses are equally represented across the Corridor, from large format retail floorspace in Auburn and Kings Bay to finer grain strip retail in Leichhardt and Camperdown.

Respective industry specialisations are a strength that can be leveraged in a precinct to accommodate future employment growth.

8.2 Competitive Environment

A broad spectrum of factors influences business activity along the Parramatta Road Corridor. While there are significant influences on business and industry activity from outcomes at the global and national level, internal (localised) Parramatta Road factors influence decisions on location and site selection.

The Parramatta Road Corridor benefits from its strategic location between the Sydney CBD and Parramatta CBD. Furthermore, it is accessible to areas north and south of Parramatta Road. Owing to this strategic location, businesses are able to tap into a skilled labour pool as well as locate proximate to suppliers and customers.

The Corridor is not without its weaknesses. Heavy traffic volumes and land fragmentation have resulted in pockets of the PRC being disconnected and isolated from the various activity nodes that are found along Parramatta Road. Furthermore, the legacy of traditional manufacturing activity can be observed with some older style industrial buildings lying vacant and disused.

Owing to its locational characteristics, Parramatta Road is not expected to appeal to traditional office park users. These office park users are more likely to be attracted to an office park setting (e.g. Sydney Olympic Park, Macquarie Park) where there is a critical mass of similar commercial tenants. That said, those commercial businesses that are part of a service industry (e.g. real estate agents, tax agents, financial advisors, etc.) would seek to be located close to population catchments.

Large floorplate industrial users (e.g. logistic and transport based uses) are increasingly locating in Greenfield locations such as Eastern Creek and Erskine Park, whether there is good access to major transport corridors and the cost of land is low enough to allow for development of large land parcels. That said, those industrial businesses that are part of a service industry (e.g. panel beaters, food and beverage manufacturers, clothing distributors, etc.) would seek to be located close to their key markets across metropolitan Sydney. These users still require good and unimpeded access as well as the ability to operate in a conflict-free environment.

Key Industry Profiles and Clusters

Section 7.2 identified key industries of growth for the Parramatta Road Corridor. These industries include:

- Health care & social assistance;
- Retail trade;
- Education & training;
- Accommodation & food services;
- Public administration safety.

Many of these industries of growth are consistent with national industries of opportunity identified in section 3.1. This section considers key industries that are represented along the PRC, their growth profiles and implications for future floorspace demand.

Automotive-related industry

This industry is changing. The withdrawal of Australian car manufacturers will mean a shift to imported vehicles. Import penetration is expected to continue to increase with wholesaling and retailing activities to be the direct beneficiaries of this growth in demand.

The evolution of the industry means there will be less need for manufacturing floorspace yet increased need for wholesale and retail floorspace as more vehicles are imported for sale into the Australian market. The sale of after-market parts and servicing of imported vehicles will also translate into a need for associated space.

As with other large format retailers, automotive retailers require co-location and will seek out opportunities to cluster. Consolidation of these uses where they are already present is logical.

Brand car showrooms are notable in Burwood, Kings Bay and Taverners Hill and would be logical locations for additional showrooms. As noted in section 6.3, Burwood is expected to be a destination for commercial showroom facilities rather than large format bulky, given the limited land sizes and reduced need for car parking.

Auburn should continue to see consolidation of car showroom facilities, particularly if Auto Alley in Parramatta undergoes redevelopment and car showrooms leave that precinct.

General Manufacturing

Manufacturing is not 'dying', it is simply changing. While traditional manufacturing functions are notably in decline, many companies are transitioning their business to focus more on higher value activities, e.g. service, design, engineering, transport, warehouse, sales and other activities in order to remain competitive. It is likely that many of these businesses will remain in operations with many choosing to stay in order to access local markets, supply chains and workforce. Given the likely change in nature of activities on-site, floorspace requirements are likely to evolve (to incorporate office and retail space), in order to businesses to adapt and compete effectively.

As an industry, manufacturing declined across the PRC with the exception of Auburn where notable increases in food manufacturing and beverage & tobacco product manufacturing was observed.

These businesses conceivably serve the household consumption needs of both local and broader catchments and require a central location from which to service their clients. Smaller scale industrial units are increasingly popular as they can accommodate a range of business types.

These businesses don't typically require high visibility of exposure but require the ability to operate in a conflict-free environment (e.g. truck access and buffered from sensitive uses such as residential).

Many industrial areas that are located off the PRC continue to be viable and experience employment intensification. Examples include Silverwater, Rydalmere and Lidcombe employment precincts.

Wholesale Trade and Transport-related Businesses

As the population continues to grow and demand for a wide range of products continues to increase, wholesale trade and transport related businesses in some sectors are likely to grow. These types of activities in many instances have replaced traditional manufacturing for local businesses where the company still remains in business but their operations have transitioned from local manufacturing to importation of goods for local distribution.

A key example is that of the automotive-related industry where cars are no longer manufactured and local wholesalers (typically Australian subsidiaries of international carmakers such as Toyota, Mazda and Hyundai) import vehicles for distribution to local dealers. This shift to imports has corresponding demand for storage/warehousing as well as showroom floorspace.

While overall projected to decline marginally, wholesale trade is notably observed to be increasing in the number of jobs represented particularly in those sub-sectors that respond to household and business consumption. As an example, 3-digit ANZSIC analysis of wholesale trade shows strong employment gains across all precincts in the following sub-sectors over the 2006-2011 period:

- Grocery, liquor and tobacco product wholesaling.
- Pharmaceutical and toiletry goods wholesaling.
- Commission-based wholesaling.

Warehouse and Storage

As a corollary of the economy's increasing focus on import activity (as discussed in section 3.1 and depicted in Figure B.2) as well as transition towards higher technology and knowledge based manufacturing, there is a corresponding demand for warehouse and storage purposes.

'Transport, postal and warehousing' is the ANZSIC category that covers transportation activities (of both passengers and freight). Analysis of 3-digit ANZSIC reveals that sub-sectors that are active in the PRC include:

- Road freight transport (418 jobs and 172 jobs in Auburn and Homebush respectively).
- Rail passenger transport (83 jobs and 51 jobs in Granville and Auburn respectively).
- Postal and courier pick-up and delivery services (54 jobs and 35 jobs in Granville and Auburn respectively).
- Transport support services (29 jobs and 23 jobs in Granville and Auburn respectively).
- Warehousing and storage services (26 jobs and 17 jobs in Granville and Auburn respectively).

Transport, postal & warehousing jobs are also represented in the precincts in the east of the PRC (Burwood, Kings Bay, Taverners Hill, Leichhardt and Campderdown) although not as dominant as compared to Granville, Auburn and Homebush.

Owing to service delivery standards (particularly where there are cold storage requirements), this industry requires accommodation in easily accessible locations.

Service Industry

There are numerous service industry businesses within the PRC that respond to household and business consumption, e.g. food and beverage distributors, coffee roasters and suppliers, hardware wholesalers, panel beaters and car repair shops. These businesses are likely to remain viable and it is probable that they will remain in their existing locations, as most of these businesses are locally owned and operated by small businesses.

Similar to transport and courier services (previous section), many urban support services have time critical requirements for delivery to inner/middle ring locations. This is especially true for food and beverage manufacturers and distributors.

There are also service-commercial uses which include allied health, professional services, personal services, printing and stationery suppliers, etc., requiring location close to population catchments.

Service industry is present in pockets throughout population and local catchments in inner, middle and outer ring suburbs alike. There are countless examples of these across Sydney and Melbourne. While many

of these service industries are traditionally accommodated within industrial zones, many of these businesses can be and are increasingly being accommodated in business zones. For example, in Green Square Southern Employment Lands, large areas of industrial has been rezoned to B6 Enterprise Corridor and B7 Business Park where a range of business, office, retail and light industrial uses are permitted. This is and other zone changes are discussed in greater detail in section 9.2.2.

There will always be a role for local service industry to play in the PRC, given its strategic location and position within the heart of population growth. The existing IN2 Light Industrial area in Kings Bay is an example of this.

While many properties facing Parramatta Road may be vacant and underutilised, the properties within the industrial area sandwiched between Queens Road and Parramatta Road accommodate many local service businesses as well as commercial and office uses. The area is clearly transitioning from an industrial area to an area that accommodates a mix of business activity.

Retail and Associated Bulky Goods

Over the last decade, a wide variety of retail oriented businesses have developed operations along Parramatta Road, given its access, catchment and visibility. It is natural for older employment areas with strong transport links and significant local catchments to develop a bulky goods oriented retail sector along major transport routes.

As the population of the surrounding area continues to grow, these businesses will not only remain but thrive.

As retail floorspace requires high degrees of visibility and exposure, equally important is vehicular and pedestrian access.

Businesses typically tend to cluster, with retail businesses benefiting from co-location with like businesses. Accordingly locations with existing clusters of business activity are expected to be attractive to businesses for growth and expansion. It is therefore important that opportunities to accommodate further employment growth be leveraged where there are existing clusters.

Notwithstanding the opportunity for the large format retail cluster to be further strengthened in Auburn, the focus of retail activity in 'activity nodes' along the PRC would promote the clustering of retail uses and avoid the dilution of economic activity.

Local v Regional Employment Role

In line with the employment profile analysis of precincts within the PRC in section 4.1, owing to the kinds of businesses/industry located therein and where employees travel from, it is apparent that the various precincts have different employment roles.

A high proportion of workers (40%-50%) in Kings Bay, Taverners Hill and Leichhardt are observed to live locally (within 3-5km) while in Auburn and Homebush less than a quarter of workers live locally. Whilst car travel still dominates, the proportion of workers who walk to work is notably higher in Kings Bay, Taverners Hill, Leichhardt and Camperdown.

Auburn and Homebush are precincts with the largest clusters of large format retailers as well as precincts with the highest number of existing workers and projected employment. As discussed in chapter 6.2 large format retailers draw from beyond the local catchment.

8.3 Opportunities for Renewal

The Parramatta Road Corridor performs well in parts however pockets along the Corridor are disconnected, isolated and devoid of much activity. Owing to the length of Parramatta Road, a focus on 'activity nodes' will help prevent the dilution of economic activity.

In line with broader economic and sectoral trends industrial type floorspace is still required, however there is likely to be a greater requirement for office content for greater levels of sales and professional services (scientific, engineering, other professional services) types of activities. Buildings that once accommodated traditional manufacturing functions will need to be adapted and re-purposed if they are to continue to accommodate employment.

A major challenge in infill and brownfield areas is the tension between land uses and for uses to be accommodated within scarce lands that are not only suitable but available. Land fragmentation often means that development sites are challenging to assemble.

As a consequence development feasibility is a major hurdle for large scale renewal in brownfield/infill locations, unless there is a change of use or the site is redeveloped to a 'higher and better use'..

A 'higher and better use' is often associated with residential development, however it is useful to consider this concept in the context of a use that is either a densification or intensification of existing built form.

Densification

This refers to an increase in density, typically associated with greater floorspace or heights. Measures of density can be represented by FSR, building heights and setbacks, site coverage ratios, etc. Building densities vary by geographic region, higher density buildings generally located on higher value lands.

Not all uses respond to density. Industrial uses are not generally one of those uses that respond to density in the manner that residential or commercial uses do. That said, some developers have been able to achieve increased densities by combining various uses within a building including industrial functions.

Intensification

An intensification of use is not necessarily accompanied by an increase in floorspace density. Increased intensification can occur without increased density and can be measured in any of the following metrics:

- Increased economic and employment activity (e.g. more employees per sqm, more output per sqm, etc.).
- More efficient use of land and resources.
- Extending the lifespan of available industrial lands.

Intensification can occur in different ways for different industries and sectors, from greater use of technology and automation with higher building ceilings to more intense employee/floorspace ratios (generally associated with more office-type floorspace). Examples of how densification and intensification has translated into feasible redevelopment is discussed next.

Feasiblity Considerations

In order for redevelopment to occur on brownfield/infill sites, the redeveloped use must translate into a higher value than the existing use including any improvements (or 'As Is' value). Development will only occur if the proposed use is valuable enough to displace existing uses.

In many established areas across Sydney, even though properties may be aged, existing values (or 'As Is' values) can be quite high as the buildings still offer a degree of functional utility and consequently are valuable.

As a response to high land values in inner suburban locations many new developments are observed to combine a range of uses. Examples include:

- Enterprise Industrial Estate (Alexandria, Marrickville) where a combination of uses (retail showroom, industrial strata units, self-storage units) are effective in yielding a feasible development.

  The intensification of use (note FSR is only moderate at around 1:1) allows achievement of a higher rate per square metre of revenue. Sites are typically acquired in the order of $1,000/sqm-$1,200/sqm of site area.

- East Village where a combination of uses are incorporated in densification of development (over numerous levels) to combine car retail and service functions as well as consumer retail and services has allowed the achievement of a higher rate per square metre. We are aware that the site was acquired for in excess of $5,000/sqm of site area.

8.4 Potential Role and Function of Parramatta Road Corridor

The Parramatta Road Corridor plays an important economic function. It is home to a significant number of businesses, some of whom service a local catchment and others a broader regional catchment.

Weaknesses

The central location of Parramatta Road affords businesses located therein the benefit of proximity to key markets, labour force and suppliers. Many of the weaknesses associated with the PRC are linked to traffic congestion.

Furthermore land fragmentation not only results in traffic ingress/egress issues but also presents difficulties in sustaining vibrant economic activity along the entire Corridor. As a consequence portions of the PRC are isolated, fragmented and separate from portions that sustain a hive of economic activity.

While traffic congestion along some parts of Parramatta Road is expected to ease following the completion of WestConnex, the opportunity exists not only for the Corridor to accommodate new residential communities but also to strengthen its role in servicing retail, business and industry needs of the local and broader Sydney catchment.

Demand from Industry and Business

Overall, the PRC is a key provider of services and employer of many industries that are projected to grow in importance as the population continues to grow. Continued demand for retail and large format retail floorspace is a given with population growth.

Investors and developers are typically customer-led and respond to signals from tenants and business on where they would like to be located. Location selection factors are different across land use categories, for example, industrial occupiers have different location selection factors to commercial occupiers.

Large floorplate industrial users (e.g. large logistics and transport based uses that rely on heavy articulated vehicles such as B-doubles) seek Greenfield locations such as Eastern Creek and Erskine Park, where there is good access to major transport corridors and land is cheap. These types of users are unlikely to be attracted to a PRC location.

That said, those industrial businesses that are part of a service industry (e.g. food manufacturers/distributors where cold storage requirements dictate critical delivery times, clothing distributors, panel beaters and security systems installers, etc.) will seek to locate close to their key markets across metropolitan Sydney. These users would be attracted to the centrality of a PRC location.

Traditional office users are not expected to be attracted to a Parramatta Road location. These users are likely to be attracted to established commercial markets such as Macquarie Park, Norwest Business Park, etc. where there is a critical mass of similar commercial tenants and associated worker amenity and services.

That said, those commercial users that are part of a service industry (e.g. training centres, professional services, allied health practitioners, etc.) and SMEs seek to be located close to population catchments and established retail/activity centres. These types of users continue to require space in Parramatta Road.

9. Accommodating Future Growth

9.1 Local Planning Policy

The Parramatta Road Corridor straddles 10 local government areas and is subject to respective local planning policy. As a consequence a variety of permissible uses and planning controls apply within the same zone along different parts of the PRC.

Principal employment land use zones along the PRC include B6 Enterprise Corridor, B5 Business Development, B4 Mixed Use, B2 Local Centre, IN1 General Industrial and IN2 Light Industrial.

Key differences in land use permissibility by zone and local government area include the following (note that references relate to local government areas):

B6 Enterprise Corridor (Parramatta, Auburn, Burwood, Ashfield, Strathfield, Canada Bay, Marrickville)

- Retail premises are not permitted in Parramatta, Auburn (although permissible with consent in the commercial precinct), Burwood and Ashfield but permitted in Strathfield, Canada Bay and Marrickville.
- Shop top housing is not permitted in Parramatta, Auburn, Strathfield, Marrickville and Ashfield (in Taverners Hill precinct) but permitted in Canada Bay, Burwood and Ashfield (in the Kings Bay precinct).
- Residential flat buildings are not permitted in all the B6 zones with the exception of Canada Bay.

B5 Business Development (Holroyd, Marrickville)

- Commercial premises are not permitted in Holroyd but permitted in Marrickville.
- Retail premises are not permitted in Marrickville but permitted in Holroyd.

B4 Mixed Use (Parramatta, Strathfield, Canada Bay, Burwood, Leichhardt, Marrickville, City of Sydney)

- Shop top housing is not permitted in Strathfield only.
- Light industries is not permitted in Parramatta, Strathfield, Burwood and Leichhardt but permitted in Canada Bay, Marrickville and City of Sydney.
- Hotel/motel accommodated is not permitted in Canada Bay only.
- Residential flat buildings is not permitted in Marrickville only.

B2 Local Centre (Parramatta, Strathfield, Leichhardt, Marrickville)

- Light industries is not permitted in Parramatta, Strathfield and Marrickville but permitted in Leichhardt.
- Residential flat buildings are permitted in Strathfield only.

IN1 General Industrial (Parramatta, Auburn, Strathfield, Canada Bay)

- Food and drink premises are not permitted in Strathfield only.

- Child care facilities are permitted in Parramatta and City of Sydney but not in Auburn, Strathfield and Canada Bay.

IN2 Light Industrial (Canada Bay, Leichhardt, Marrickville)

- Retail premises are not permitted in Canada Bay and Marrickville but permitted in Leichhardt.
- Child care facilities are not permitted in Leichhardt only.
- Business premises are not permitted in Strathfield only.

In addition to differences in permissible land uses, floorspace ratio (FSR) and height controls also vary across zones and LGAs.

Prevailing planning controls are observed to influence built form along the PRC.

- In the B6 zone 'shop top housing' is not permitted in Taverners Hill (Ashfield and Marrickville LGAs) whereas in adjoining Kings Bay (Canada Bay, Burwood, Ashfield LGAs) it is permitted. Prevailing FSRs in Kings Bay presently do not incentivise large scale redevelopment however they do facilitate shop top housing, albeit in incremental fashion.
- The permissibility of retail uses is notably divergent across precincts, land use zones and LGAs.
- Light industries are permitted in certain B4 zones (Canada Bay, Marrickville and City of Sydney) but not in the B4 zones of Parramatta, Strathfield, Burwood and Leichhardt.

From a policy perspective, a review and consolidation of planning controls is required, particularly considering that in order to be feasible, new development is likely required to combine a range of uses. This is discussed further in section 9.4.4.

For information and context, a table detailing the permissibility of key land uses by zone and LGA is contained in Appendix A.

Table 9.1 – PRC Permissibility by Precinct

PRECINCT/LGA	BULKY GOODS	BUSINESS PREMISES	COMMERCIAL PREMISES	LIGHT INDUSTRIES	RETAIL PREMISES	CHILD CARE	HOTEL/ MOTEL	FOOD & DRINK	WAREHOUSE/ DISTRIBUTION	SHOP TOP HOUSING	RESIDENTIAL FLAT BLDGS	MULTI-DWELLING HOUSES
B6 Enterprise Corridor												
Granville												
Parramatta	Y	Y		Y	N					N	N	N
Holroyd	LGA does not contain this zone											
Auburn												
Auburn	Y	Y		Y	N*					N	N	N
Homebush												
Strathfield	Y	Y		Y	Y					N	N	N
Canada Bay	Y	Y		Y	Y					Y	Y	N
Burwood												
Burwood	Y	Y		Y	N					Y	N	N
Canada Bay	Y	Y		Y	Y					Y	Y	N
Kings Bay												
Canada Bay	Y	Y		Y	Y					Y	Y	N
Burwood	Y	Y		Y	N					Y	N	N
Ashfield	Y	Y		Y	N					Y	N	N
Taverners Hill												
Marrickville	Y	Y		Y	Y					N	N	N
Ashfield	Y	Y		Y	N					N	N	N
Leichhardt												
Leichhardt	LGA does not contain this zone											
Marrickville	Y	Y		Y	Y					N	N	N
Camperdown	Precinct does not contain this zone											
B5 Business Development												
Granville												
Parramatta	LGA does not contain this zone											
Holroyd	Y		N	Y	N	Y					N	N

PRECINCT/LGA	BULKY GOODS	BUSINESS PREMISES	COMMERCIAL PREMISES	LIGHT INDUSTRIES	RETAIL PREMISES	CHILD CARE	HOTEL/ MOTEL	FOOD & DRINK	WAREHOUSE/ DISTRIBUTION	SHOP TOP HOUSING	RESIDENTIAL FLAT BLDGS	MULTI-DWELLING HOUSES
Leichhardt												
Leichhardt	LGA does not contain this zone											
Marrickville	Y		Y	Y	N	Y					N	N
B4 Mixed Use Zone												
Granville												
Parramatta			Y	N	Y		Y			Y	Y	Y
Holroyd	LGA does not contain this zone											
Homebush												
Strathfield			Y	N	Y		Y			N	Y	Y
Canada Bay			Y	Y	Y		N			Y	Y	N
Burwood												
Burwood			Y	N	Y		Y			Y	Y	N
Canada Bay	LGA does not contain this zone											
Taverners Hill												
Leichhardt			Y	N	Y		Y			Y	Y	N
Marrickville	LGA does not contain this zone											
Camperdown												
Leichhardt	LGA does not contain this zone											
Marrickville			Y	Y	Y		Y			Y	N	N
City of Sydney			Y	Y	Y		Y			Y	Y	Y
B3 Commercial Core												
Homebush												
Canada Bay	N	Y	Y	N	Y	Y	Y	Y	N	N	N	N
B2 Local Centre												
Granville												
Parramatta LGA			Y	N	Y	Y	Y			Y	N	N
Holroyd	LGA does not contain this zone											
Homebush												
Strathfield			Y	N		Y	Y			Y	Y	N

PRECINCT/LGA	BULKY GOODS	BUSINESS PREMISES	COMMERCIAL PREMISES	LIGHT INDUSTRIES	RETAIL PREMISES	CHILD CARE	HOTEL/ MOTEL	FOOD & DRINK	WAREHOUSE/ DISTRIBUTION	SHOP TOP HOUSING	RESIDENTIAL FLAT BLDGS	MULTI-DWELLING HOUSES
Canada Bay	LGA does not contain this zone											
Leichhardt												
Leichhardt			Y	Y	Y	Y	Y			Y	N	N
Marrickville	LGA does not contain this zone											
Camperdown												
Leichhardt			Y	Y	Y	Y	Y			Y	N	N
Marrickville			Y	N	Y	Y	Y			Y	N	N
City of Sydney	LGA does not contain this zone											
IN1 General Industrial												
Granville												
Parramatta LGA			N	Y		Y		Y	Y		N	N
Holroyd	LGA does not contain this zone											
Auburn												
Auburn			N	Y		N		Y	Y		N	N
Homebush												
Strathfield			N	Y		N		N	Y		N	N
Canada Bay			N	Y		N		Y	Y		N	N
Kings Bay												
Canada Bay			N	Y		N		Y	Y		N	N
Burwood	LGA does not contain this zone											
Ashfield	LGA does not contain this zone											
Camperdown												
Leichhardt	LGA does not contain this zone											
Marrickville	LGA does not contain this zone											
City of Sydney			N	Y		Y		Y	Y		N	N
IN2 Light Industrial												
Homebush												
Strathfield		N		Y	N	Y			Y		N	N
Canada Bay	LGA does not contain this zone											

PRECINCT/LGA	BULKY GOODS	BUSINESS PREMISES	COMMERCIAL PREMISES	LIGHT INDUSTRIES	RETAIL PREMISES	CHILD CARE	HOTEL/ MOTEL	FOOD & DRINK	WAREHOUSE/ DISTRIBUTION	SHOP TOP HOUSING	RESIDENTIAL FLAT BLDGS	MULTI-DWELLING HOUSES
Taverners Hill												
Leichhardt		Y		Y	Y	N			Y		N	N
Marrickville	LGA does not contain this zone											
Ashfield	LGA does not contain this zone											
Camperdown												
Leichhardt		Y		Y	Y	N			Y		N	N
Marrickville		Y		Y	N	Y			Y		N	N
City of Sydney	LGA does not contain this zone											

*Retail premises (permissible with consent in commercial precinct)
Source: Various LEPs, AEC

9.2 Evolution of Planning Frameworks

Recent zoning reforms have occurred in a number of states, responding to economic trends and evolving industry requirements. Some of these evolving requirements include:

- High level of demand for 'retail showroom' tenants to locate within bulky goods centres/precincts rather than traditional retail centres, combined with the limited provision of land available for such development. Traditionally 'retail premises' have been excluded from those zones that permit bulky goods centres/large format retailers.
- Transition away from traditional manufacturing activity to more knowledge based and technology based activities, resulting in a need for more commercial-type floorspace to accommodate a range of functions and activity.
- Consolidation of functions 'under the one roof' to accommodate import activity, wholesaling and retailing, marketing and sales, research and development as well as warehouse and storage.

A review of these reforms is provided below.

Permissiblity of Retail and Large Format Retail

Victorian Retail Planning Reform

The classification of large format retail operators who typically locate at bulky goods centres/precincts are defined as 'restricted retail' operators within the Victorian planning scheme.

In January 2012, reforms to Victoria's retail planning regime relating to the retail sector (Victorian Planning Provisions) were made under the Baillieu Government. The Planning Scheme Amendment VC88 came into effect on the 20 January 2012, amending the Victorian Planning Provision definition of 'restricted retail' premises and removing associated floorspace thresholds in the zone controls (Allens, 2012).

The amended Victorian Planning Provisions (VPP) state that restricted retail premises includes:

"*Land used to sell or hire:*

- *Automotive parts and accessories;*
- *Camping, outdoor and recreation goods;*
- *Electric light fittings;*
- *Animal supplies including equestrian and pet goods;*
- *Floor and window coverings;*
- *Furniture, bedding, furnishings, fabric and Manchester and homewares;*
- *Household appliances, household electrical goods and home entertainment goods;*
- *Party supplies;*
- *Swimming pools;*
- *Office equipment and supplies;*
- *Baby and children's goods, children's play equipment and accessories;*

- *Sporting, cycling, leisure, fitness goods and accessories; or*
- *Goods and accessories which:*
    - *Require a large area for handling, display and storage of goods; or*
    - *Require direct vehicle access to the building by customers for the purpose of loading or unloading goods into or from their vehicles after purchase or hire.*
- *It does not include the sale of food, clothing and footwear unless ancillary to the primary use*."

'Restricted retail' premises previously only allowed bulky goods retailers to locate on industrial lands. Planning Scheme Amendment VC88 broadened the definition to also include outdoor equipment, recreational supplies, pet supplies as well as sporting equipment and the like. In addition, the Amendment has removed the previous Labor Government's prohibition of bulky goods retailers on industrial lands.

The requirement to obtain a planning permit where one is currently required to sell bulky goods has not been removed from the planning scheme. Councils will still need to review the merits of each permit application for a 'restricted retail' premises in the relevant zones.

The reforms allow large scale retailers such as sporting retailers and the like to locate in areas that are typically subject to lower rents. According to a summary of the changes outlined by Allens Lawyers, "many of these stores are already located in areas outside strip and big box retail centres, where by permit or otherwise, so Amendment VC88 in some ways formalises what has already occurred in the marketplace."

Given that over 20% of Australian retail sales are of "bulky goods" (Large Format Retailers Association, 2012), the reforms are likely to have significant effect on the VIC retail sector.

Some of the positive impacts that have resulted and are likely to result from the changes in the planning legislation include:

- Improved store offer.
- Increased competition.
- Rental levels are likely to become more competitive in bulky goods centres.
- Increased investment in retail property in Victoria because of the more flexible planning legislation.
- Opportunities to develop retail centres with a greater range of available tenants.

Supermarkets within Business/Industrial Zones

A number of states have been undertaking planning reforms to standardise zonings, but also allow small scale retail facilities within bulky goods and industrial zoned land.

Changes to the NSW land zonings were aimed at standardising land zoning classifications across Local Government Areas (LGAs). The B6 Enterprise Corridor land zoning allows for retail showroom uses in NSW. The permissible uses within this zone are generally dependent on Council's exact definitions within different locations. In the case of the PRC, the variability of retail uses permissibility is dependent on the respective LEP and LGA (as demonstrated in section 9.1).

Over time, there will be continued demand in these enterprise corridors for a range of uses as long as they do not impact on the retail hierarchy of established centres.

Business Zones v Industrial Zones

In Victoria planning zones were reformed in 2013 to ensure they are still relevant and adequately reflect the needs of the community and industry. Broadly, the zone reforms incorporate simplified requirements and allow a broader range of activities to be considered.

Industrial Zones

These zones were reformed to ensure they better respond to present-day requirements. They will support business investment and activity by responding to new and emerging trends regarding the mix of industry and office, and provide greater incentive for business investment. Amendment VC100 was gazetted on 15 July 2013.

- Default floor area restriction for an office of 500sqm in the Industrial 1, Industrial 2 and Industrial 3 zones was removed.
- A new purpose was included in the Industrial 3 zone allowing limited retail opportunities including convenience shops, small scale supermarkets and associated shops in appropriate locations.
- In the Industrial 3 zone, small scale supermarkets of up to 1,800sqm and associated shops of up to 500sqm in all metropolitan planning schemes are exempt from a permit, while supermarkets greater than 1,800 square metres and shops without an associated supermarket are prohibited in metropolitan planning schemes in the Industrial 3 zone.

Commercial Zones

Two new commercial zones were introduced (to convert previous Business 1, Business 2, Business 3, Business 4, Business 5 zones) by Amendment VC100 gazetted on 15 July 2013.

The new Commercial 1 zone broadens the range of activities that land can be used for without the need for a planning permit and removes floor area restrictions.

The new Commercial 2 zone provide more opportunities for office, commercial business, restricted retail premises, trade supplies and some limited retail activity. Floor area restrictions for office and some retail uses have been removed to create new opportunities for office and retail growth.

Industrial Zones to Business Zones

The Victorian zoning reforms were to ensure land use zones evolved with the needs of industry and business. They recognise that a broad range of activities should be permitted as businesses are increasingly combining a multitude of functions in the same location. Furthermore, worker amenity and convenience is increasingly becoming important and accordingly the provision of retail facilities even within industrial zones is now allowed.

Closer to home, parts of the Green Square Southern Employment Lands have recently been rezoned from industrial (IN1 General Industrial and IN2 Light Industrial) to business (B6 Enterprise Corridor and B7 Business Park). This is a recognition by the City of Sydney of the emergence of new forms of business and enterprise, including high tech industry, creative spaces and retail and distribution facilities that require flexible environment to locate and grow close to their customers at the airport and inner city.

The new planning controls gazetted are expected to allow for the transition of the employment lands from areas of traditional industrial uses and low density employment to places of more diverse business activity and employment opportunities.

Overall Policy Approach in Parramatta Road Corridor

Given the broad nature of definitions of land use terms such as industry, warehouse, retail premises, commercial premises and business premises which can provide for a wide range of business within each term, the details of any given proposal and characteristics of any given site will also play an important part in determining whether a new use or development is appropriate within any given location.

Recognising the development feasibility will be critical (not unlike urban renewal areas), any policy changes should provide for a level of certainty for business but should not be too restrictive or prescriptive.

In order for the Parramatta Road Corridor to be an attractive precinct for businesses to establish, adapt and grow over time, policy also needs to provide for a level of flexibility and avoid making it 'too hard' to engage with the planning system.

The current suite of local planning policy with different controls and requirements does present a complex situation for businesses/ developers seeking to invest in the area. To this end, a strategic planning document akin to a structure plan would clearly articulate the vision for the PRC, sending a clear message to industry and community the nature of anticipated renewal and development in the future. The NPRUTS will seek to achieve this.

9.3 Major Projects and Catalytic Infrastructure

The fragmented nature of land in many parts of the Parramatta Road Corridor poses challenges for development feasibility.

The process of site assembly in these circumstances can be one of high risk and high resource for developers. As a consequence and due to high land values, it is unlikely for large scale redevelopment to occur along Parramatta Road unless residential uses are available to cross-subsidise development.

Notwithstanding, there are likely to be opportunities within the PRC (that do not necessarily front Parramatta Road) where large sites could deliver redevelopment that represents an intensification of use (discussed further in section 9.4.4).

The lot and ownership patterns along the PRC and high cost of land are not the only challenges to redevelopment. Disparate and disconnected portions of the Corridor along with heavy traffic congestion and non-pedestrian friendly environments in many parts cumulatively contribute to the PRC not being a pleasant place to do business in.

Accordingly, investment in infrastructure to improve pedestrian and vehicular accessibility as well as the urban amenity of the PRC will help make the Corridor more appealing to private investment.

As a consequence, the role of WestConnex to improving urban amenity along the PRC will be critical, not just from the perspective of alleviating traffic congestion but also from the injection of capital expenditure towards amenity and infrastructure improvements along the PRC.

In the early years of the Parramatta Road Urban Transformation Program (PRUTP), a focus on key sites will help generate momentum and private sector interest in the PRC as a destination for employment and residential growth.

9.4 Retail and Commercial Floorspace

Demand for Retail Floorspace

Chapter 5 assessed significant additional demand for retail floorspace within the Parramatta Road Corridor, particularly in the precincts of Granville, Homebush and Kings Bay. Major tenants such as supermarkets were identified to be supportable in each of these precincts.

A summary of assessed demand for retail floorspace is outlined in Table 9.2.

Table 9.2 – PRC Recommended Retail Floorspace Demand, 2021-2054

PRECINCT/RETAIL COMPONENT	2021		2031		2054	
	NO.	SQM	NO.	SQM	NO.	SQM
Granville						
Discount Department Store	0	0	0	0	0	0
Supermarket	0	0	1	1,500	2	5,000
Mini-major	1	750	1	750	2	2,000
Speciality	7	600	29	3,225	46	5,030
Total	**8**	**1,350**	**31**	**5,475**	**50**	**12,030**
Auburn						
Discount Department Store	0	0	0	0	0	0
Supermarket	0	0	1	1,750	1	2,000
Mini-major	1	500	1	500	1	500
Speciality	7	715	8	915	12	1,355
Total	**8**	**1,215**	**10**	**3,165**	**14**	**3,855**
Homebush						
Discount Department Store	0	0	0	0	0	0
Supermarket	1	3,500	2	7,500	3	10,000
Mini-major	0	0	2	2,500	2	2,500
Speciality	13	1,450	63	6,950	88	9,625
Total	**14**	**4,950**	**67**	**16,950**	**93**	**22,125**
Kings Bay						
Discount Department Store	0	0	0	0	0	0
Supermarket	1	1,500	1	3,500	2	5,000
Mini-major	0	0	0	0	1	500
Speciality	2	255	17	1,893	49	5,413
Total	**3**	**1,755**	**18**	**5,393**	**52**	**10,913**

Source: Location IQ

Owing to existing facilities and the quantum of population growth projected, retail floorspace demand is assessed to be marginal in the remaining precincts with the following recommended.

- Flemington Markets - A retail facility of around 3,000sqm-3,500sqm (incorporating a convenience store of up to 400sqm, takeaway food and personal services).
- Burwood, Taverners Hill, Leichhardt and Camperdown - Opportunities for retail facilities at these locations are more limited given the close proximity to larger existing retail facilities.

Demand for Large Format Retail Floorspace

Chapter 6 assessed significant additional demand for large format retail floorspace within the Parramatta Road Corridor (incorporating bulky goods retailers as well as retail car showrooms).

Based on growth in population over the period from 2015-2054, the future demand for additional large format retail/bulky goods floorspace is some 394,191sqm which is equivalent to some 10,107sqm per annum.

Parramatta Road at Auburn is the logical location for the consolidation and improvement of facilities in the PRC given its centrality to the large population base to support such facilities, existing provision of large format retail/commercial in the precinct and the opportunity to accommodate car showrooms, etc. which may relocate from Auto Alley at Parramatta.

In addition, existing areas along Parramatta Road around Ashfield and Burwood suburbs would also be logical locations for a range of car showrooms, large format bulky and commercial tenancies. There would also be a smaller provision of one-off or a combination of smaller facilities in this location as compared with the greater concentration in and around Auburn.

Given the large quantum of land associated with accommodating large format retailers, where land is a scarce resource in many inner metropolitan locations, these retailers are increasingly being accommodated in more dense mixed use developments. These building types are discussed in section 9.4.4.

Demand for Commercial Floorspace

Chapter 7 assessed significant additional demand for commercial floorspace within the Parramatta Road Corridor. Drivers for this floorspace demand would be a result of local population growth (i.e. within the precinct) as well as a result of broader population and employment growth in the LGA of which it is part. This would mean the additional commercial floorspace would serve both local demand as well as broader regional demand.

A number of factors influence the type and locational requirements of this floorspace:

Local demand v broader regional demand

Commercial uses that are driven by local population growth are generally of a smaller scale and seek to co-locate with retail type uses to be better accessible by customers. In contrast, commercial uses that have a broader regional focus may seek to co-locate with retail type uses more to satisfy staff amenity requirements.

Proximity to key markets v skilled labour pool

Commercial uses that play a service role will seek locations that are proximate to their key markets (generally by road) and to their labour force (generally by public transport).

In some instances commercial floorspace will be part of a larger facility that may contain industrial type floorspace.

Live-work-play

Poorly performing retail space in precincts towards the east of the PRC (e.g. Leichhardt, Camperdown) and on the city fringe are increasingly observed to be occupied by commercial users. Small professional suites can achieve even higher end sale rates than retail floorspace, thereby making it a viable commercial development proposition.

As recently as five years ago, as locations in Surry Hills and Paddington saw prices and rents increase, many commercial occupiers were ‘priced out’ and those who required less traditional office space and more ‘creative space’ set their sights on Alexandria and Waterloo where many old warehouses were

attractively adapted for reuse. The availability of large scale housing in the Green Square Urban Renewal Area has increased the attractiveness of working in the South Sydney area.

Over time, Leichhardt and Camperdown have the potential to accommodate creative and other commercial users who seek to work close to where they live and have easy access to lifestyle options on offer on the city fringe.

Owing to limited demand assessed for retail floorspace, conversion and redevelopment of poorly performing retail space in Leichhardt and Camperdown would be an opportunity to meet projected commercial floorspace demand.

This would also unlock opportunities to accommodate increased demand associated with growth in the health and education precincts of Royal Prince Alfred Hospital and University of Sydney respectively.

Potential Development Typologies

This section reviews recent developments which have occurred in brownfield/infill locations. Supermarket based high density developments in Sydney and Brisbane (East Village at Zetland and Gasworks at Newstead) are reviewed as well as hybrid industrial/commercial developments in Alexandria and Marrickville (Enterprise Industrial Estate).

East Village at Zetland, Sydney

East Village opened in late 2014 and is the new designated supermarket centre serving residents in the developing Zetland area in the Green Square Urban Renewal Area, approximately 3km south of the Sydney CBD.

Comprising a total floorspace area of some 32,570sqm (excluding residential), the main retail component of just under 10,000sqm is anchored by a Coles supermarket of over 4,000sqm together with two large format traders East Phoenix Chinese Restaurant (over 1,000sqm) and Taste Growers Market produce store (910sqm). A further 35 specialty shops are provided with the largest category being food catering.

In addition to the retail components, East Village also incorporates a Virgin Active health club of almost 5,000sqm on an upper level, together with other non-retail tenants including My Health Medical Centre, Aldi car dealership, Montessori academy, Westpac Bank, Flight Centre, Fine Wash car wash and the like.

Some 700 car spaces are provided in two basement levels with travelator access from the basement car park into the centre, and thereby offering a high degree of customer amenity.

This is part of the dichotomy of retailers requiring large car parking to locate in high density locations at an early stage.

It is understood that Audi paid approximately $4,000/sqm for the site in 2008.

Gasworks at Newstead, Brisbane

Gasworks Plaza is located approximately 3km northeast of the Brisbane CBD and forms part of the broader Newstead river park precinct incorporating some 7ha of land. The centre opened in late 2013 and similar to East Village is a mixture of commercial and retail floorspace comprising some 17,000sqm of floorspace, including a retail component of 7,430sqm.

The retail centre is anchored by a Woolworths supermarket of just under 4,000sqm with a large fresh produce trader and a Terry White Chemist. In addition, there are a further 20 speciality shops also with a heavy focus towards food catering.

Non-retail floorspace includes a Healthworks Fitness Centre, Suncorp Bank and office floorspace on upper levels in excess of 9,000sqm.

The provision of car parking is some 334 car spaces provided in a basement level equating to 4 spaces per 100sqm of retail floorspace.

Table 9.3 – New Urban Village Precincts

SEGMENT	EAST VILLAGE			GASWORKS		
	NO. OF STORES	GROSS LETTABLE AREA (GLA)		NO. OF STORES	GROSS LETTABLE AREA (GLA)	
		SQM	% OF TOTAL		SQM	% OF TOTAL
Major						
Supermarket	1	4,015	41.4%	1	3,966	54.0%
Mini-major						
Fresh produce	1	910	9.4%	1	787	10.7%
Large restaurant	1	1,280	13.2%	0	0	0.0%
Chemist	0	0	0.0%	1	500	6.8%
Total	**2**	**2,190**	**22.6%**	**2**	**1,287**	**17.5%**
Food						
Food retail	6	693	7.1%	0	0	0.0%
Liquor	0	0	0.0%	1	151	2.1%
Takeaway food	5	333	3.4%	3	288	3.9%
Café/restaurant	7	1,028	10.6%	6	1,006	13.7%
Total	**18**	**2,054**	**21.2%**	**10**	**1,445**	**19.7%**
Non-food						
Women's apparel	1	96	1.0%	2	209	2.8%
Children's apparel	0	0	0.0%	0	0	0.0%
Men's apparel	0	0	0.0%	0	0	0.0%
Jeaneries and Unisex	0	0	0.0%	0	0	0.0%
Footwear	0	0	0.0%	0	0	0.0%
Fashion accessories	0	0	0.0%	0	0	0.0%
Jewellery	0	0	0.0%	0	0	0.0%
Electrical/sound/computers	0	0	0.0%	0	0	0.0%
Furniture and hardware	0	0	0.0%	0	0	0.0%
Homewares	1	138	1.4%	1	91	1.2%
Sporting goods	0	0	0.0%	0	0	0.0%
Music/video/games	0	0	0.0%	0	0	0.0%
Books	0	0	0.0%	0	0	0.0%
Newsagents and stationery	0	0	0.0%	1	65	0.9%
Film processing/photography	0	0	0.0%	0	0	0.0%
Giftware	0	0	0.0%	0	0	0.0%
Pharmacy and cosmetics	2	359	3.7%	0	0	0.0%
Discount variety	0	0	0.0%	0	0	0.0%
Florists/pets/toys/misc.	1	25	0.3%	1	24	0.3%
Phones and mobile comm.	2	119	1.2%	1	39	0.5%
Total	**7**	**737**	**7.6%**	**6**	**428**	**5.8%**
Retail Services						
Key cutting, shoe/watch repairs	0	0	0.0%	0	0	0.0%
Optometrist	1	87	0.9%	1	59	0.8%

SEGMENT	EAST VILLAGE			GASWORKS		
	NO. OF STORES	GROSS LETTABLE AREA (GLA)		NO. OF STORES	GROSS LETTABLE AREA (GLA)	
		SQM	% OF TOTAL		SQM	% OF TOTAL
Hairdressing and beauty	6	503	5.2%	2	125	1.7%
Other retail services	2	110	1.1%	1	37	0.5%
Total	**9**	**700**	**7.2%**	**4**	**221**	**3.0%**
Total Retail Specialties	**34**	**3,491**	**36%**	**20**	**2,094**	**29%**
Total Retail	**37**	**9,696**	**100%**	**23**	**7,347**	**100%**

Common features between East Village and Gasworks mixed use developments are that:

- Both centres are anchored by a full-line supermarket of around 4,000sqm.
- A mini-major tenant, being a large fresh produce trader is incorporated.
- There is a large provision of food catering floorspace.
- Retail services and non-retail facilities also play an important role in convenience centres.
- Overall the provision of retail floorspace at both centres is around 8,000sqm-10,000sqm.

Enterprise Industrial Estate

The Enterprise Industrial Estate (EIE) is an innovative industrial estate model which has been delivered across Sydney, including in areas of high land values such as Alexandria and Marrickville.

There are two in Alexandria, on Bourke Road and Burrows Road. On Bourke Road, the EIE is a two level mixed use strata development comprised of retail showrooms (20%), high-tech industrial units (50%) and self-storage units (30%). Development is to a density of FSR 1.1:1 and a height of less than 15m.

The retail showrooms address the frontage street while industrial strata units are located to the rear and are accessible via a ramp, as are the self-storage units which are effectively 'sleeved' from the street.

While this model would suit industrial areas (where land values are no greater than $1,200/sqm of site area), it nevertheless demonstrates the value in combining a range of uses within a single development to overcome the challenges of high land values and feasibility in infill locations.

Figure 9.1: Enterprise Industrial Estate, Bourke Road

Figure 9.1 – Enterprise Industrial Estate, Bourke Road

competitiveness and attractiveness with respect to physical characteristics and market appeal.

The capacity of urban zoned land to accommodate new development can be categorised in two: planning capacity and market capacity. Planning (or theoretical) capacity refers to the physical ability of land to be developed, taking into account permissibility under the planning framework, heritage, environmental and infrastructure constraints, etc. Market capacity refers to issues of commercial viability whether market interest, pricing levels, development costs, etc. make development a commercial proposition, i.e. if development is financially feasible.

In some instances constraints to development could be as a result of market capacity, relating to market and economic factors, in which case those impediments are beyond the control of planning authorities. Hypothetically speaking, if the Granville precinct were subject to a B3 Commercial Core land use zone with permissible FSRs at 10:1, even though the planning capacity could accommodate an office tower, it is unlikely that there is market capacity for an office tower in the Parramatta Road Corridor at Granville.

In order to understand each precinct's challenges, a matrix is prepared to synthesise the key issues facing the retail/commercial development in each precinct. The issues considered have been broadly defined as:

- Physical challenges
    - Proximity to employment.
    - Accessibility to existing transport networks.
    - Pedestrian walkability.
- Market challenges
    - Lot sizes and ownership.
    - Development activity
    - Price growth.

- Existing viable clusters.
- Vacancies.
- Parking.

It should be noted that the challenges for development of retail/commercial in each precinct are multi-faceted and complex.

While the matrix (refer to Table 9.4) seeks to capture some of the key challenges facing each precinct, the issues listed below are not definitive by any means. Rather, it captures some of the main issues and scores each one according the criteria in Appendix F.

In summary, the prospects for redevelopment in Auburn, Homebush and Burwood are good, largely owing to the presence of existing viable clusters and the already present concentration of employment activity.

Table 9.4 – Matrix of Precinct Challenges

PRECINCT REDEVELOPMENT CHALLENGES MATRIX	PRECINCT SCORE							
	GRANVILLE	AUBURN	H'BUSH	B'WOOD	KINGS BAY	T'NERS HILL	L'HARDT	C'DOWN
Physical								
Proximity to Employment	2	3	3	3	2	2	2	3
Accessibility to Existing Transport Networks	3	3	3	3	2	2	2	3
Pedestrian Walkability	2	1	2	2	2	1	2	2
Market								
Lot Sizes and Ownership	1	2	1	2	2	1	1	2
Development Activity	3	3	3	3	2	1	1	2
Price Growth	2	3	3	2	2	2	2	3
Existing Viable Retail Clusters	1	3	2	3	1	1	2	2
Vacancies	2	1	2	2	2	2	1	1
Parking	2	2	2	2	2	2	1	1
Total Score	18	21	21	22	17	14	14	19

Source: AEC

Summary of Indicators and Overall Score		
Rating	Score	Description
Good	>20	Prospects for redevelopment are positive with some challenges
Average	16-20	Prospects for redevelopment are moderate with some intervention needed
Weak	<16	Prospects for redevelopment are challenged with significant intervention needed

Opportunity Locations within the Precincts

Having regard to the foregoing, the following recommendations are made for each precinct.

Granville

Overall the precinct performs moderately and whilst it does not attract as many large multi-national tenants compared to Auburn, it plays a role to accommodate smaller and local business.

The main concentration of retail facilities should be provided along Rowell Street and Good Street to the north of the railway line and south of Parramatta Road. Good Street allows for excellent access by residents north of Parramatta Road.

The cluster of industrial lands along Parramatta Road should be allowed to continue, many businesses associated with the automotive industry located therein, e.g. car service and repairs, retail of car parts and accessories, used car yards. The strong cluster of car yards in the precinct is a major employment strength for the precinct.

Auburn

Retail uses (both large format and enclosed centres) are visible and prominent in the precinct. Compared to other precincts in the PRC, Auburn is well sought after, deemed to be the 'premier location' for large format retailers (particularly for outdoor supplies, homewares and home improvement goods).

Any future supermarket based centre in Auburn should be focussed along Parramatta Road, given existing retail facilities on the southern side of the railway station in the Town Centre. The ultimate location of such a facility will be dependent on the likely greatest concentration of the future residential population.

Employment in Auburn is strongly represented in a range of manufacturing activities (including printing and printing support services, beverage manufacturing and professional & scientific equipment manufacturing) as well as retailing activities. As a consequence built form in the precinct is equally diverse, ranging from industrial units and commercial floorspace that is either ancillary to industrial uses or that accommodates standalone commercial uses.

The B6 Enterprise Corridor zone would on the whole, appear to serve the precinct well, facilitating a wide range of uses and business activity.

Commercial buildings should continue to be encouraged (presently permissible at an incentive FSR of 3:1) given the commercial development already ongoing in the precinct. Smaller industrial-style units could also meet demand for a range of manufacturing activity, which is likely to incorporate a variety of functions (e.g. administration, sales, marketing, research, etc.).

Flemington Markets

Existing retail facilities at Flemington Markets, near the intersection of Parramatta Road and Flemington Road should be the focus of redevelopment and consolidation to service workers and visitors to the site.

Homebush

The commercial precinct within Homebush (B3 Commercial Core) performs well, an intensification of jobs, particularly in finance and insurance services, wholesale trade and retail trade witnessed over the 2006-2011 period. Low (negligible) vacancies are understood to prevail in the Bakehouse Quarter.

This precinct is increasing in importance as a destination food services destination, both retail and wholesaling activities are well represented in Homebush.

Ideally, any initial retail development should be a consolidation of existing facilities along George Street, from the Bakehouse Quarter in the south to the North Strathfield train station in the north. Further adaptive reuse of the Bakehouse Quarter will contribute to the meeting of projected commercial floorspace demand.

Burwood

The Burwood retail core performs well (in and around the Burwood train station and Westfield Burwood), however fringe areas particularly approaching Parramatta Road is patchy. A number of factors underpin this poor performance, including:

- Competition from the town centre and strong retail core.
- Poor presentation of existing built form and public domain.
- Distance from the Burwood train station.

Performance of the precinct is distinctly diluted the further away it is from Westfield. This is largely due to an insufficient critical mass of demand to sustain retail/commercial activity for the entire length of Burwood Road.

Notwithstanding, there is an opportunity to strengthen the spine of Burwood Road. The focus of any convenience facilities could be centred around the intersection of Parramatta Road and Burwood Road.

Furthermore, recognising that the volume of retail pedestrian activity would unlikely extend all the way to Parramatta Road, commercial uses such as training centres and social assistance/ support uses could be accommodated closer to Parramatta Road. These types of commercial uses are considered 'destination commercial' as opposed to commercial floorspace where patronage is linked to a larger shopping trip.

There is a strong concentration of health care and social assistance industry jobs with employment gains in residential care services and medical care services over the 2006-2011 period. This industry is generally accommodated in hospitals and medical centres however commercial suites and office floorspace would meet some need.

Kings Bay

Properties along Parramatta Road are generally poorly presented (including pockets of strip retail) and approaching the end of their economic useful life with the exception of new car dealerships (e.g. Audi, Volkswagen) and those accommodating large retailers such as Tradelink and Mitre 10.

Spencer Street would make a logical location for a retail strip spine, bounded by Regatta Road at the western end and William Street at the eastern end. The immediate surrounding uses are industrial and could potentially be converted to accommodate mixed retail/ commercial facilities.

The existing industrial area provides functional accommodation to many local service businesses, the ongoing use of service industries within this location plays an important role within the local area.

Owing to its central location, the few commercial buildings in the precinct benefit from strong leasing activity. The portion of the precinct on the northern side of Parramatta Road is distinctly better occupied where there are a high concentration of employment numbers.

Owing to the diverse range of business activity (light industrial, commercial and retail uses) in the precinct as well as strong demand for commercial floorspace in existing buildings along Queens Road, a business zone rather than an industrial zone would facilitate a range of business activity (light industrial, commercial, retail, etc.) and have synergistic value with those other commercial uses along Queens Road.

It important that any intervention does not prematurely displace existing businesses as this can be a significant cost to the local economy.

Taverners Hill

The precinct generally performs poorly across asset classes along Parramatta Road. Predominantly occupied by car yards, the intensity of use along Parramatta Road is comparatively low. Furthermore, the ageing nature of many existing buildings can pose difficulties to new tenants from a compliance perspective.

There are pockets of industrial properties within the precinct and although most are occupied, rents are modest, particularly those surrounded by residential uses. Notwithstanding many properties along Parramatta Road appear to be in a state of decline, a site along Parramatta Road in Haberfield has been amalgamated for construction of a 3 storey office building.

Owing to the layout and configuration of this precinct (disparate and poorly connected), uses that require high exposure and visibility are unlikely to be attracted here. Any small convenience facilities would likely be concentrated on Tebbutt Street or Upward Street, to the north of Parramatta Road.

'Destination commercial' premises (where visibility and exposure is not as critical) in this precinct could be provided for. Employment in health care and social assistance made strong gains over the 2006-2011 period, notably residential care services and social assistance services. Small office suites for these businesses could be considered here and accommodated in business zones rather than industrial zones.

Leichhardt

Given the nominal historical population growth and modest population growth anticipated, there is limited demand for additional retail facilities in this precinct, rather initiatives are needed to strengthen the existing Norton Street strip. Nevertheless there is an opportunity to encourage more commercial type uses in the precinct, particular considering its location proximate to the city fringe.

Owing to Leichhardt's close proximity to the CBD and CBD fringe, its future could be as a commercial hub for professional services, offering cheaper non-traditional commercial floorspace (or 'creative floorspace') to occupiers who may have traditionally sought a 'Surry Hills' or 'Ultimo' location where rents and prices are increasingly less affordable.

Already observed to be occurring, the conversion/adaption or redevelopment of poorly performing retail uses into commercial type uses (not traditional office) and small professional suites could be an opportunity to transform the portion of the precinct fronting Parramatta Road that suffers from high levels of vacancy.

Owing to the much smaller size, redevelopment into small office-home office (SOHO) units and small professional studio suites would allow achievement of a higher rate per square metre of revenue. This would help counter the issue of high land values.

Camperdown

The opportunity for a new retail strip centre could be along Pyrmont Bridge Road to the north of Parramatta Road and extending up to Mallett Street.

The location of the precinct adjacent to major institutional assets (Royal Prince Alfred Hospital and Sydney University) places it in an excellent position to accommodate floorspace demand for health and education related uses.

Adaptive reuse of warehouses and poorly performing retail space is already observed to be occurring, to accommodate less traditional office users. This represents an opportunity for the precinct to meet commercial demand that flows from activity from the adjacent health and education precincts.

As in the case of Leichhardt, owing to the much smaller size, redevelopment into small office-home office (SOHO) units and small professional studio suites would allow achievement of a higher rate per square metre of revenue. This would help counter the issue of high land values.

9.6 Development Typologies and Planning Considerations

In terms of the future location of retail and commercial floorspace in each of the precincts, key factors to consider are:

- The location of existing centres/clusters within precincts and the priority to reinforce existing activity nodes.
- Access to public transport and accessibility considerations.
- Accessibility to the identified catchment to be served.
- Physical barriers that would limit or impede access.

Locating Clusters

Most importantly, retail/commercial centres are most successful when clustered/ consolidated in one location, thereby creating a vibrant and active area. As is typical of any successful retail development, major tenants are the key customer generators with specialty stores feeding off the customer flows of the major tenants. The location of major tenants, therefore, requires considered thought to ensure a strong speciality component.

Although flexibility is required in planning, designated locations for major supermarkets would help avoid these important generators/anchors located away from the core pedestrian precincts, for example in Green Square where a proposal for a supermarket centre to the north of the identified Town Centre has been contrary to trying to activate a core precinct.

In the early stages of residential development in these catchments, the demand for supermarkets may be limited although key sites identified for retail development may be proposed for residential construction. The ownership and timing for key retail sites is critical to the future growth of the precincts. This issue is discussed further at section 9.7.

Mixed Use Development

In mixed use developments, creating active street frontages is important, however, noting that not every building will be able to contain successful retail at ground level. The consolidation of retail space is more important than active frontages to every building in one area.

The provision of commercial space within mixed use developments needs to have regard to the ability of its siting and location to facilitate pleasant worker amenity. Many a commercial building along the PRC has suffered from extensive periods of vacancy and decline in rents owing to isolation, poor public transport access and poor worker amenity.

Supermarket and Car Parking Requirements

Key supermarket requirements are as follows:

- Supermarkets are typically large in size, requiring sites of at least 5,000sqm-10,000sqm. These sites need to be in a single ownership rather than multiple ownership to be delivered on time.
- In the absence of substantial residential population in the short term, the major chain supermarkets may not be willing to locate in the new precincts unless significant parking is provided on site. Supermarkets generally seek car parking at a rate of 4 spaces per 100sqm.
- Supermarkets would accept a lower provision of car parking if there is substantial density around the site. Again, this presents a difficulty of waiting for density to build before key sites identified to incorporate retail facilities could be developed. This would be at the expense for site owners.

The key consideration in planning for the supermarkets within the defined precincts, is therefore, to weigh up the requirement for retail to be provided early to provide amenity and character for the local area, against the retailer demands for car parking to attract customers from a wide catchment to support a supermarket in the early stages in the absence of substantial dense population immediately around the site.

Examples within the Sydney market of such situations include:

- Green Square, where a supermarket in the Town Centre is now of diminishing importance given the provision of supermarkets with car parks at locations such as East Village.
- The burgeoning population around Mascot train station without the provision of amenities in the local area such as a supermarket.

Overall, retail is lumpy in its delivery in that it is either provide before time, where the retailers themselves have to be subsidised to survive, or retailing is held off until substantial population catchment exists to support it in its own right.

The possible interim use of space may be a possible outcome for retailers, where supermarket facilities are developed at a larger size but operate on a smaller scale. The upfront cost of this infrastructure, however, would need to be funded in some manner.

Other Planning Considerations

This Study's research finds some key learnings for the Parramatta Road Corridor:

- A substantial provision of basement car parking is important for the success of emerging retail/commercial centres, particularly in the early years if there is limited population immediate around the site.
- Cafés, restaurants and other food catering facilities are essential to the success of a retail precinct.
- Co-location of pharmacy and fresh produce store has been successful in both Gasworks and East Village.
- Hairdressing/beauty tenants and other personal services form key parts of development in inner city precincts.
- Incorporation of non-retail elements including gym, medical and the like are important.

The varied and disparate nature of local planning policy is an impediment to the Corridor's future growth. A clear and consistent set of planning controls would help facilitate private investment in the upgraded and improved PRC.

9.7 Staging and Take-up Considerations

Improving the Attractiveness and Appeal of the Parramatta Road Corridor

Catalytic projects both by government on urban amenity improvements along the PRC and by the private sector on key sites within the PRC will be key to increasing the profile of the PRC as an employment and residential destination.

The viability of new development along the PRC has been discussed. The cumulative impact of lot and ownership patterns, existing uses and a stigma attached to certain parts (i.e. 'dead zones') of the PRC make large scale non-residential development challenging to feasibly develop. In many cases residential uses are required to cross-subsidise non-residential development.

At present price and rental levels, unless land can be assembled cheaply (<$1,500/sqm of site area) large scale non-residential development is not feasible. However, catalytic infrastructure projects will assist in lifting the profile of the PRC, dispelling the stigma associated with pockets of poor performance along Parramatta Road.

Numerous examples across Sydney demonstrate the ability of innovative developments that combine a range of uses are able to overcome feasibility issues and succeed.

This Study recognises there are physical limits to the extent infrastructure works can address the weaknesses associated with Parramatta Road. Where there are pockets along the PRC that are unable to significantly improved through intervention (they may be disparate, isolated and poor performers in terms of providing for employment and contributing to the economic vitality of the Corridor), the creation of 'activity nodes' would help focus economic activity and avoid the dilution of active uses.

Retail Floorspace

It is relevant to note that retail uses are either 'responders', i.e. they respond to a demand from population, or are 'incubators', i.e. they attract their own demand from a broad region. The retail facilities proposed throughout each of the precincts anchored by supermarkets would typically be in response to residential population in the defined catchments.

For individual precincts, small scale facilities could be incorporated in most of the precincts in the short term, with a large sized supermarket supportable at Homebush in the immediate term given the large existing population base. Kings Bay may also support a large sized supermarket in the short term but this would result in some impacts on existing centres. At Granville, a supermarket to the north of the railway line may take some years to be supportable by the Granville population itself, and car parking may be a key feature of any future development in the short term.

Industrial Legacy

The Australian economy is in transition. Manufacturing is not dying, rather it is changing. 'Traditional' manufacturing activity (e.g. furniture and textile manufacturing) is declining owing in a large part to the high Australian dollar as well as the high cost of Australian labour. In fact many manufacturing sectors are unable to compete with cheaper locations to compete competitively. However that is not to say we are no longer carrying out manufacturing or industrial activity.

Extensive economic development experience identifies the changing nature of many industries, including an increasing demand for logistics, the changing nature of manufacturing and the trend towards higher value adding products and services. As the economy transitions into one that produces high value products

(using knowledge and technology rather than traditional inputs) so too the requirement for floorspace changes.

Large scale logistics and transport based uses (e.g. Linfox, Toll) where heavy articulated vehicles (B-doubles) are used will not find a PRC location suited to their requirements. These users typically gravitate to Western Sydney where the cost of land is cheap and there is direct access to interstate road access.

There are however a wide variety of businesses who respond to household and business consumption needs as well as who export to interstate and international markets. In particular, those industrial businesses that are part of a service industry (e.g. panel beaters, food manufacturers/distributors, clothing distributors, etc.) will seek to be located close to their key markets across metropolitan Sydney.

As well as a shift in the types of manufacturing activity undertaken, Australia is also transitioning to an import economy. As an example, cars will soon no longer be made in Australia but imported from overseas markets. This means that floorspace associated with the automotive industry will be in response to wholesale and retail of imported cars.

This structural shift in Australia's industrial future, has meant that buildings that once accommodate traditional manufacturing activity (e.g. low ceilings, restrictive floorplates) will no longer suit contemporary business requirements. It is no surprise there is poor market demand for these obsolete buildings, with many of these remaining vacant in PRC.

In order to be feasibly redeveloped, these industrial lands will need to achieve either an intensification or densification of use, as described in section 8.3.

In staying competitive in today's economic environment, businesses need to leverage knowledge and technology to be productive, i.e. to produce more with less. As a consequence of an economy in transition, many business activities (e.g. assembly, warehousing, sales and marketing, research and development, administration support) are streamlined under the same roof. These functions and activities could arguably be more effectively accommodated in a business zone, rather than a strictly industrial zone.

Balancing Growth and Existing Employment

The NRUPTS should have regard to and balance the needs of competing uses for the PRC. This will ensure the designation of uses yields the most economic benefit. Those sub-precincts within precincts that are functional and perform well to accommodate business and employment should be identified and nurtured/strengthened as against those precincts that may be suffering from economic obsolescence and where change is appropriate for consideration. The premature displacement of business can be a significant cost to the local economy.

A Plan for Growing Sydney (DPE, 2014) envisages the Parramatta Road Corridor as "a focus for increased housing, economic activity and social infrastructure, especially around centres with good public transport access and amenity. Whilst the rezoning of some employment lands (industrial and business zoned lands) would result in less available land to accommodate new employment, the creation of activity nodes along the PRC would assist in the revitalisation of the Corridor which would in turn result in increased appeal of the PRC as a business destination, leading to increased demand for floorspace and intensification of land use.

A Plan for Growing Sydney outlines the valuable attributes of a consolidated enterprise corridor. Accordingly any development (and/or rezoning of employment lands) should have regard to:

Erosion of valuable clusters of employment

A Plan for Growing Sydney considers that a key question for attention is whether a proposed rezoning would prejudice the future of a significant business cluster from continuing to operate effectively. For example, there is a sizable cluster of IN2 zoned land in Kings Bay and no less important in Auburn, a cluster of viable large format retailers. These clusters should be retained.

Displacement of existing business

Any rezoning should be mindful of the displacement of existing businesses, particularly those who play a local service role and require a central location from which to service their key markets.

Many inner and middle ring suburban locations are experiencing an incremental rezoning of light industrial lands to facilitate mixed use residential, thereby reducing the pool of potential alternate locations for local service businesses that are displaced.

The cluster at Kings Bay should be retained, however its role could be broadened to include a range of mixed business uses including commercial and retail occupiers. This would allow existing occupiers to remain, yet allow an intensification of use. There is presently strong demand for commercial floorspace in that location.

A business zone would enable existing businesses to continue to operate, permit a variety of new business occupiers as well as have synergistic value with existing commercial uses along Queens Road.

Augmenting retail, commercial and local service employment opportunities

A Plan for Growing Sydney views favourably a proposal that provides not just for increased retail and commercial but also local service employment opportunities. Ideally, any land that is rezoned to permit additional uses, existing uses should still be able to be accommodated within the new land use zone.

Land use zones that are flexible and permit a variety of industry and business activity would enable built form to respond and accommodate future growth. For example, business zones could still permit light industrial activities while facilitating a range of mixed businesses. An example where this could be considered is in Kings Bay.

Strengthening existing centres

The NPRUTS should support rather than detract from nearby established centres. In this regard the retail floorspace demand assessment in Chapter 5 has regard to minimising impacts on existing retail centres.

9.8 Conclusion

Many parts of Parramatta Road have a stigma associated with them, largely brought about by traffic congestion, poor quality of built form, poor connectivity and lack of public domain amenity. Critical to the success of the PRUTP is government investment in alleviating traffic congestion (WestConnex) and in carrying out amenity improvements along the Corridor. In its current form without any intervention, large scale renewal is unlikely to occur.

This Study recognises that the urban transformation of the Parramatta Road Corridor is a long term process, in that the floorspace across all land use types is to be delivered over the next 20 years and more.

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Appendix A: Overview of Planning Controls

The Parramatta Road Corridor straddles 10 LGAs. A summary of planning controls in the various local environmental plans is as follows.

Table A.5. Summary of Permitted Land Uses, Various LEPs

LGA	Land Use Zone (Location)	Permitted Uses with Consent*	Prohibited Uses**	Height
Granville				
Parramatta	IN1 General Industrial (Clyde)	• Light Industries	• Commercial premises • Residential accommodation • Retail Premises	Height: 12m FSR: 1:1
	B4 Mixed Use (Along Bridge Street between Western Line and Carlingford Line / Duck Creek)	• Commercial premises • Shop top housing	• Industries • Industrial retail outlets	Height: 15m, 21m, 39m, 52m FSR: 1.5:1, 3.5:1, 4.5:1 & 6:1
	B6 Enterprise Corridor (Southern and northern sides of Parramatta Road)	• Bulky goods premises • Business premises • Light industries • Neighbourhood shops	• Industrial retail outlets • Industries • Residential accommodation • Retail premises	Height: 15m, 21m FSR: 2:1, 3:1
	B2 Local Centre (Along Good Street (between Bridge St and Parramatta Rd)	• Commercial premises • Shop top housing	• Industrial retail outlets • Industries • Residential accommodation	Height: 10m, 15m FSR: 1:1, 2:1
	R2 Low Density (North eastern section of precinct, between M4 viaduct and RE1 - FS Garside Park)	• Dwelling houses • Neighbourhood shops	• Residential Flat Buildings • Shop Top Housing • Business Premises • Bulky Goods • Light Industries	Height: 9m FSR: 0.5:1
	R3 General Residential (North western section of precinct, between M4 viaduct and Parramatta Road)	• Dwelling houses • Multi Dwelling Units • Neighbourhood shops	• Residential Flat Buildings • Shop Top Housing • Business Premises • Bulky Goods • Light Industries	Height: 11m FSR: 0.6:1

	R4 Medium Density Residential (Small section along Victoria Street, near Good St)	• Dwelling houses • Residential Flat Buildings • Shop Top Housing • Multi Dwelling Housing • Neighbourhood shops	• Business Premises • Bulky Goods • Light Industries	Height: 14m FSR: 1.1:1
Holroyd	B5 Business Development (Along Crescent Road, Woodville Road and Church Street)	• Bulky goods premises • Light Industries • Neighbourhood shops	• Commercial premises • Residential accommodation • Heavy industrial storage	Height: 15m FSR: 1:1
	R4 High Density Residential (Along High Street)	• Multi-dwelling housing • Residential flat buildings • Neighbourhood shops • Shop top housing	• Business premises • Bulky Goods • Light Industries	Height: 15m FSR: 1.2:1
	IN2 Light Industrial (Fox Street, Peel Street and part of Walpole Street)	• Light Industries • Neighbourhood shops	• Residential accommodation • Commercial premises	Height: N/A FSR: N/A
	R2 Low Density Residential (Robert Street, Gough Street, Tottenham Street)	• Dual occupancies • Dwelling houses	• Residential Flat Buildings • Shop Top Housing • Multi Dwelling Housing • Business Premises • Bulky Goods • Light Industries	Height: 9m FSR: 0.5:1
Auburn				
Auburn	B6 Enterprise Corridor (Between M4 and Parramatta Road, immediately south of Parramatta Road)	• Bulky goods premises • Business premises • Neighbourhood shops • Light industries • Retail premises (permissible with consent in	• Residential accommodation • Retail premises	Height: 27m under Clause 4.3(2A)(a) - refers to office and hotel uses.

		commercial precinct)		FSR: 1:1 (bulky goods, retail, clubs) FSR 3:1 (office, hotel, motel)
	IN1 General Industrial (Triangle between Highgate Street and Rawson Street)	• General industries • Light industries • Neighbourhood shops • Restaurants or cafes	• Heavy industries • Residential accommodation • Retail premises	Height: N/A FSR: 1:1
	R2 Low Density Residential (South of B6 zone, generally between Hampstead Road and Karrabah Road)	• Dual occupancies • Dwelling houses • Semi-detached dwellings • Neighbourhood shops	• Commercial premises • Industries • Residential accommodation	Height: 9m FSR: nil (refer to DCP)
	R3 General Residential (Two precincts. Generally, north of Simpson Street; and between Karrabah Road and Gibbons Street)	• Dual occupancies • Dwelling houses • Semi-detached dwellings • Multi dwelling housing • Neighbourhood shops	• Commercial premises • Industries • Residential accommodation	Height: 9m FSR: 0.75:1
Homebush				
Strathfield	B4 Mixed Use (Along Parramatta Road)	• Commercial premises • Multi dwelling housing • Residential flat buildings • Shop top housing	• Industries	Height: 11m-22m FSR: 1.2:1-2:1
	R4 High Density Residential (Behind the B4 zone)	• Hotel or motel accommodation • Business premises • Neighbourhood Shops • Light Industries • Serviced apartments	• Commercial premises • Residential accommodation	Height: 16m FSR: 1.5:1

	R3 - General Residential (Generally east and west of Underwood Road)	• Residential Flat Buildings • Neighbourhood shops • Shop top housing	• Commercial premises • Dual occupancies • Dwelling houses • Industries	Height: 16-38m FSR: 1.2:1-1.65:1
	IN1 General Industrial (Northern part of Underwood Road, with some IN2 zone)	• Light industries • Industrial retail outlets • Neighbourhood shops	• Residential Flat Buildings • Shop Top Housing • Multi Dwelling Housing • Business Premises • Bulky Goods	Height: 12m FSR: 1:1
	IN2 Light Industrial (Northern part of Underwood Road, with some IN1 zone)	• Light industries • Neighbourhood shops • Industrial retail outlets	• Residential Flat Buildings • Shop Top Housing • Multi Dwelling Housing • Business Premises	Height: 12m FSR: 1:1
Canada Bay	IN1 General Industrial (Part of George Street, Concord Avenue)	• Light industries • Neighbourhood shops	• Residential Flat Buildings • Shop Top Housing • Multi Dwelling Housing • Business Premises • Bulky Goods	Height: 8.5m, 12m FSR: 1:1
	R2 Low Density Residential (Predominately west of George Street)	• Dwelling houses • Semi-detached dwellings	• Residential Flat Buildings • Shop Top Housing • Multi Dwelling Housing • Business Premises • Retail Premises • Office Premises • Bulky Goods • Light Industries	Height: 8.5m FSR: 0.5:1
	R3 Medium Density Residential (East of George Street)	• Multi Dwelling Units • Neighbourhood shops	• Business Premises • Bulky Goods • Light Industries • Shop Top Housing	Height: 16m FSR: 1:1
	B3 Commercial Core (Southern end of George Street)	• Commercial premises	• Industries • Residential accommodation	Height: 27m FSR: 0.75:1
	B6 Enterprise Corridor (Parramatta	• Business Premises	• Industries	Height: 8.5m, 12m,

	Road)	• Light Industries • Residential Flat Buildings • Shop top housing	• Residential accommodation	18m FSR: 0.75:1, 1:1, 1.35:1
	R4 High Density Residential (South of Parramatta Road)	• Multi Dwelling Units • Residential flat buildings • Neighbourhood shops • Shop top housing	• Light Industries • Business Premises • Bulky Goods • Light Industries	Height: 17m-59m FSR:N/A
• Burwood				
Burwood	B6 Enterprise Corridor (Parramatta Road)	• Bulky goods premises • Business premises • Neighbourhood shops • Shop top housing	• Commercial Premises • Industries • Residential accommodation	Height: 15m FSR: 1.75:1 (with Max Resi 0.2)
	B4 Mixed Use (Burwood Road)	• Commercial premises • Residential flat buildings • Shop top housing	• Residential accommodation • Industrial retail outlets • Light Industries	Height: 30m FSR: 3:1 (with Max Resi 2.7)
	R2 Low Density Residential (South of Parramatta Road)	• Dwelling houses • Dual occupancies • Neighbourhood shops	• Residential Flat Buildings • Shop Top Housing • Multi Dwelling Housing • Business Premises • Retail Premises • Office Premises • Bulky Goods • Light Industries	Height: 8.2m FSR: 0.55:1
Canada Bay	B6 Enterprise Corridor (Parramatta Road)	• Business premises • Light industries • Residential Flat Buildings	• Residential Flat Buildings • Multi Dwelling Housing • Retail Premises • Office Premises	Height: 12m FSR: 1:1-2:1
	R2 Low Density Residential (North of Parramatta Road)	• Dwelling houses	• Residential Flat Buildings • Shop Top Housing • Multi Dwelling Housing	Height: 8.5m FSR: 0.5:1

			• Business Premises • Retail Premises • Office Premises • Bulky Goods • Light Industries	
	R3 Medium Density (North of Parramatta Road)	• Attached dwellings • Multi-dwelling houses • Neighbourhood shops	• Business Premises • Retail Premises • Office Premises • Bulky Goods • Light Industries • Shop Top Housing	Height: 8.5m FSR: 0.5:1
Kings Bay				
Canada Bay	B6 Enterprise Corridor (Parramatta Road)	• Business premises • Light industries • Residential flat buildings • Shop top housing • Light industries	• Multi Dwelling Housing • Retail Premises • Office Premises	Height: 12m FSR: 1:1
	IN1 General Industrial (Parramatta Road, north of Parramatta Road)	• Light industries • Neighbourhood shops	• Shop Top Housing • Multi Dwelling Housing • Business Premises • Bulky Goods	Height: 12m FSR: 1:1
	R2 Low Density Residential (North of Kings Road)	• Dwelling houses • Semi-detached dwellings	• Residential Flat Buildings • Shop Top Housing • Multi Dwelling Housing • Business Premises • Retail Premises • Bulky Goods • Light Industries	Height: 8.5m FSR: 0.5:1
	R3 Medium Density Residential (North of Kings Road)	• Multi-dwelling houses • Residential accommodation • Neighbourhood Shops	• Business Premises • Bulky Goods • Light Industries • Shop Top Housing	Height: 8.5m FSR: 0.5:1
Burwood	B6 Enterprise Corridor (Parramatta Road)	• Business premises • Bulky goods premises	• Commercial premises • Residential accommodation	Height: 15m FSR: 1.75:1

		• Light industries • Neighbourhood shops • Shop top housing		
Ashfield	B6 Enterprise Corridor (Parramatta Road)	• Bulky goods premises • Light Industries • Shops	• Residential accommodation • Retail premises	Height: 8.5m-29m FSR: 0.7:1-2:1
• Taverners Hill				
Leichhardt	R1 General Residential (East of the railway line)	• Dwelling houses • Multi dwelling housing • Neighbourhood Shops • Residential Flat Buildings • Shop top housing • Shops	• Light Industries • Business Premises	Height: N/A FSR: 0.5:1
	R3 Medium Density Residential (Part of Upward Street)	• Multi dwelling housing • Residential flat buildings • Neighbourhood shops	• Light Industries • Industrial retail outlets • Business Premises	Height: 16m-32m FSR: 2.15:1
	B4 Mixed Use (Part of Upward Street)	• Commercial premises • Residential flat buildings • Shop top housing	• Light Industries • Industrial retail outlets	Height: 32m FSR: 2.15:1
	IN2 Light Industrial (Pocket on Parramatta Road and pocket on Lords Road)	• Light industries • Neighbourhood shops	• Residential accommodation • Restaurants or cafes • Shops	Height: N/A FSR: 1:1
Marrickville	B6 Enterprise Corridor (Parramatta Road)	• Business premises • Dwelling houses • Light industries • Neighbourhood shops	• Commercial premises • Residential accommodation	Height: N/A FSR: 0.95:1

	R2 Low Density Residential (south of Parramatta Road)	• Attached Dwellings • Dwelling houses • Semi-detached dwellings	• Bulky goods premises • Light Industries • Business Premises	Height: 9.5m FSR: 0.6:1
	R1 General Residential (south of Parramatta Road)	• Dwelling houses • Neighbourhood Shops • Residential Flat Buildings • Shop top housing	• Light Industries • Business Premises	Height: 9.5m FSR: 0.6:1
	R4 High Density Residential (south of Parramatta Road)	• Residential flat buildings • Neighbourhood shops • Shop top housing	• Light Industries • Business Premises	Height: 17m FSR: 1:1-1.1:1
Ashfield	B6 Enterprise Corridor (Parramatta Road)	• Bulky goods premises • Light Industries • Shops	• Residential accommodation	Height: 10m-15m FSR: 1.5:1-2:1
Leichhardt				
Leichhardt	B2 Local Centre (Parramatta Road and Norton Street)	• Commercial premises • Shop top housing	• Dual occupancies • Dwelling houses • Multi dwelling housing	Height: N/A FSR: 1:1
	R1 General Residential (North of Parramatta Road)	• Dwelling houses • Multi dwelling housing • Residential flat buildings • Neighbourhood shops • Restaurants or cafes	• Light Industries • Business Premises • Bulky goods premises	Height: N/A FSR: 0.5:1
Marrickville	B2 Local Centre (Parramatta Road)	• Commercial premises • Shop top housing	• Light Industries • Bulky goods premises • Residential accommodation	Height: 14m FSR: 1.5:1
	B6 Enterprise Corridor (Pocket along Parramatta Road)	• Business premises • Dwelling houses • Neighbourhood shops	• Commercial premises • Light Industries • Residential accommodation	Height: N/A FSR: 0.95:1
Camperdown				

Leichhardt	IN2 Light Industrial (north side of Parramatta Road)	• Light industries • Neighbourhood shops	• Residential	Height: N/A FSR: 1:1
	B7 Business Park (small pocket north of Parramatta Road)	• Light industries • Neighbourhood shops • Office premises	• Residential	Height: N/A FSR: 1:1
	B2 Local Centre (north of Parramatta Road)	• Commercial premises • Shop top housing	• Residential flat buildings • Light Industries • Bulky goods premises	Height: N/A FSR: 1:1
	R1 General Residential (north of Parramatta Road)	• Multi dwelling housing • Residential flat buildings • Neighbourhood shops • Shop top housing • Shops	• Light Industries • Bulky goods premises	Height: N/A FSR: 1:1
Marrickville	B4 Mixed Use (along Parramatta Road – southern side)	• Commercial premises • Light industries • Shop top housing	• Bulky goods premises • Residential accommodation	Height: 14m FSR: 1.5:1
	B2 Local Centre (along Parramatta Road – southern side)	• Commercial premises • Shop top housing	• Residential accommodation • Light industries	Height: 14m-23m FSR:1.5:1-2.05:1
	IN2 Light Industrial (south of Parramatta Road)	• Dwelling houses • Neighbourhood shops • Light industries	• Retail premises • Residential accommodation	Height: N/A FSR: 0.95:1
	R1 General Residential (south of Parramatta Road)	• Attached dwellings • Multi dwelling housing • Residential flat buildings • Shop top housing	• Light Industries • Bulky goods premises	Height: 20m FSR: 1.5:1
	R2 Low Density Residential (south of	• Dwelling houses • Semi-detached	• Neighbourhood shops • Shop top housing	Height: 9.5m FSR:

	Parramatta Road)	dwelling	• Light Industries • Bulky goods premises	0.6:1
	R4 High Density Residential (south of Parramatta Road)	• Residential flat buildings • Neighbourhood shops • Shop top housing	• Light Industries • Industrial retail outlets • Residential accommodation	Height: N/A FSR: 0.6:1
City of Sydney	B4 Mixed Use (along Parramatta Road, as well as north and south of Parramatta Road)	• Commercial premises • Shop top housing	• Bulky goods premises	Height: 12-22m FSR: 1.25:1-3:1
	IN1 General Industrial (north of Parramatta Road)	• Light industries • Neighbourhood shops	• Commercial premises • Residential accommodation	Height: 6-22m FSR: 0.8:1-2.75:1

*Key permissible uses. LEPs list many more permitted uses than are listed in the table.
*Key prohibited uses. LEPs list many more prohibited uses than are listed in the table.
Source: Various LEPs, AEC

Appendix B: Economic Trends and Opportunities

Appendix B provides an overview of the key drivers and trends impacting Australian industry and the implications for business and industry located in the Parramatta Road Corridor (PRC).

Global Macro-economic Trends

A broad spectrum of factors influences industrial activity in the PRC. While some of these are internal factors over which the local area have control, many are not. Significant influences on industrial and business activity come from outcomes at the global and national level. Understanding the broader context in which PRC's industrial and business sector operates is essential in identifying future opportunities and demand for employment lands.

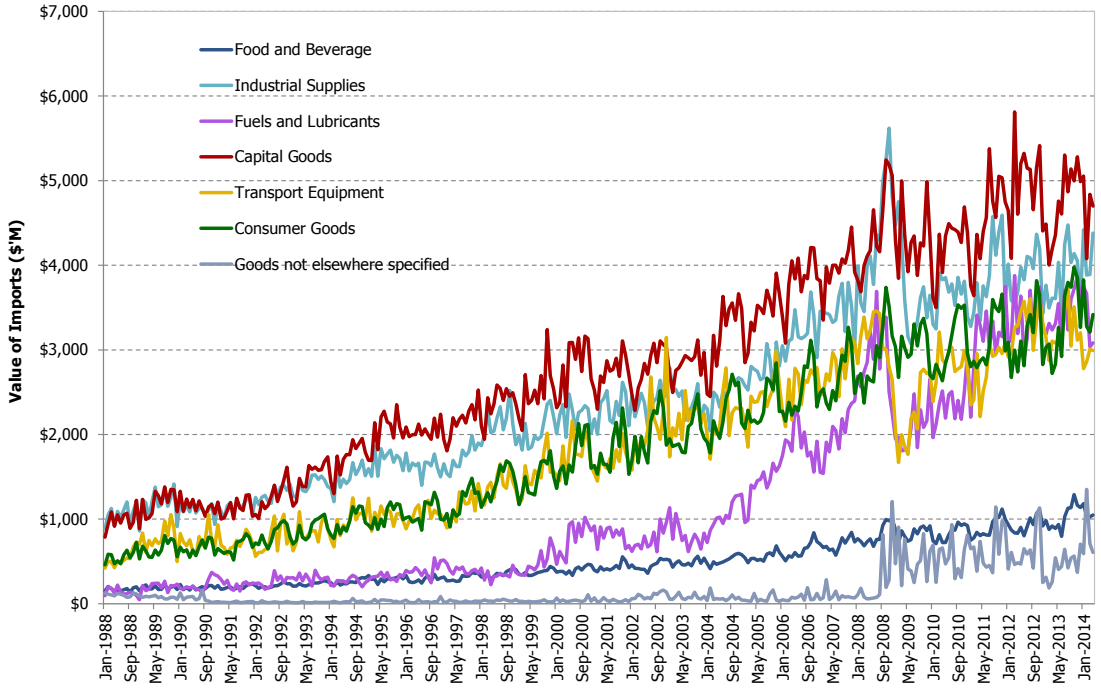
Globalisation and increased competition from overseas markets, the high Australian dollar, as well as the changing nature of consumer trends are all impacting the competitiveness of the Australian industrial sector. This combined with relatively higher input costs for Australian industry (when compared to other regions such as Asia) has meant that Australian business is facing significant competition and cost pressures from international markets.

Figure B.2 and Figure B.3 demonstrates how the Australian trade profile is changing in response to changes in global competition and consumer trends. Over the last 20 years, Australian imports have increased significantly for industrial, capital goods and transport equipment. In contrast, Australian exports growth has been primarily focussed on resource based and associated export commodity groups such as fuels and industrial supplies. Food and beverage exports have also sustained moderate levels of export growth.

These changes to Australian trade trends have been brought about by increased globalisation and competitiveness which has resulted in many of Australia's traditional industrial sectors becoming high cost and non-competitive with businesses located in lower cost emerging economies. This structural shift in Australian business is further demonstrated through the historical declines in Australian employment in traditional industry sectors and the rise of employment in the service sectors (refer to Figure B.4). This change signals the rise of the knowledge-based economy in Australia and highlights the importance that adaptability and innovation will play in future productivity and competitiveness of Australian business.

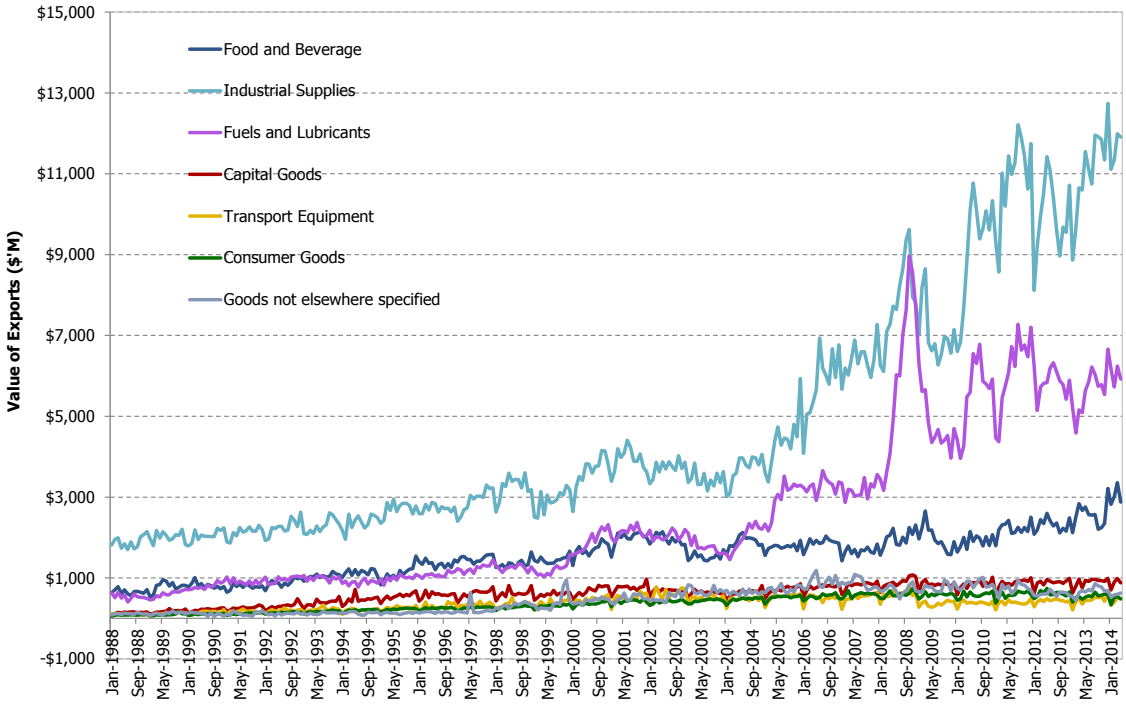
As this shift occurs many Australia's businesses are seeking productivity gains. While some businesses have found productivity gains by offshoring production (as has been the case for the Australian automotive sector), others will gain from the competitive advantage Australia has to offer through higher workforce skills, state of the art technology, relatively stable industrial relations (and traditionally low sovereign risk) and ease of establishing businesses making capital investment more feasible. Overall, Australian businesses will seek to innovate in response to change.

Figure B.2. Value of Imports, Australia (by broad commodity grouping)



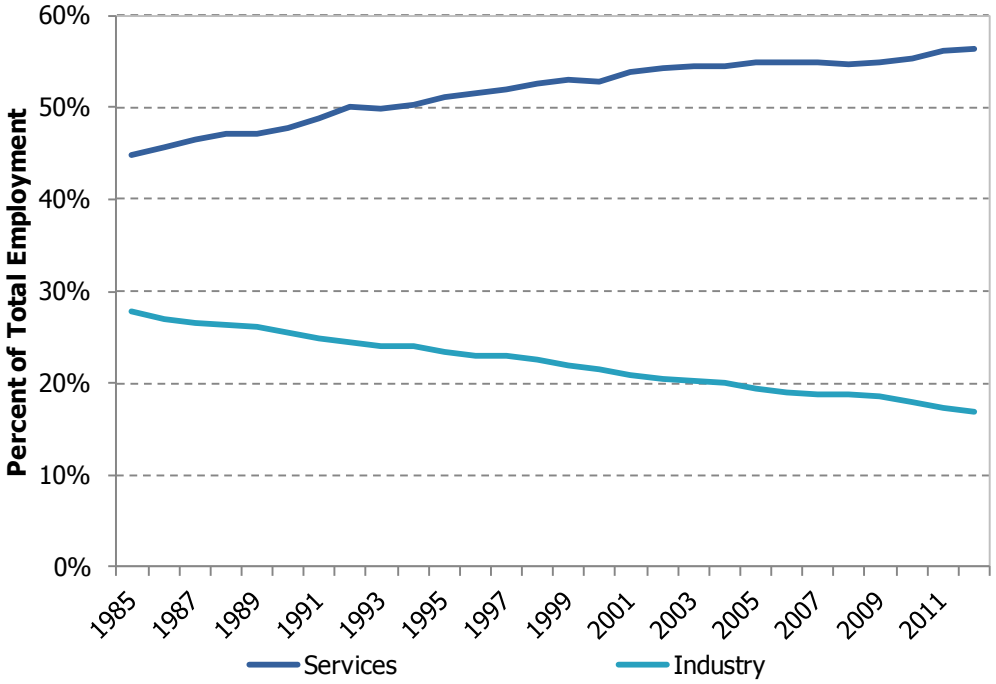
Source: ABS (2013a)

Figure B.3. Value of Exports, Australia (by broad commodity grouping)



Source: ABS (2013a)

Figure B.4. Employment, 1985-2012



Source: ABS (2012c)

Australian Industries of Opportunity

Analysis of 2006-2011 employment trends (ABS, 2012c) shows that key sectors of employment growth over the past five years have been (refer to Figure B.5):

- Mining and resource industries.
- Population based industries including health, construction, accommodation and food services, the arts and utility services.
- Knowledge based service industries such as finance and insurance, professional scientific and technical services.
- Some industrial sectors such as transport, postal and warehousing and wholesale trade.

Total employment across the manufacturing sector declined between 2006 and 2011.

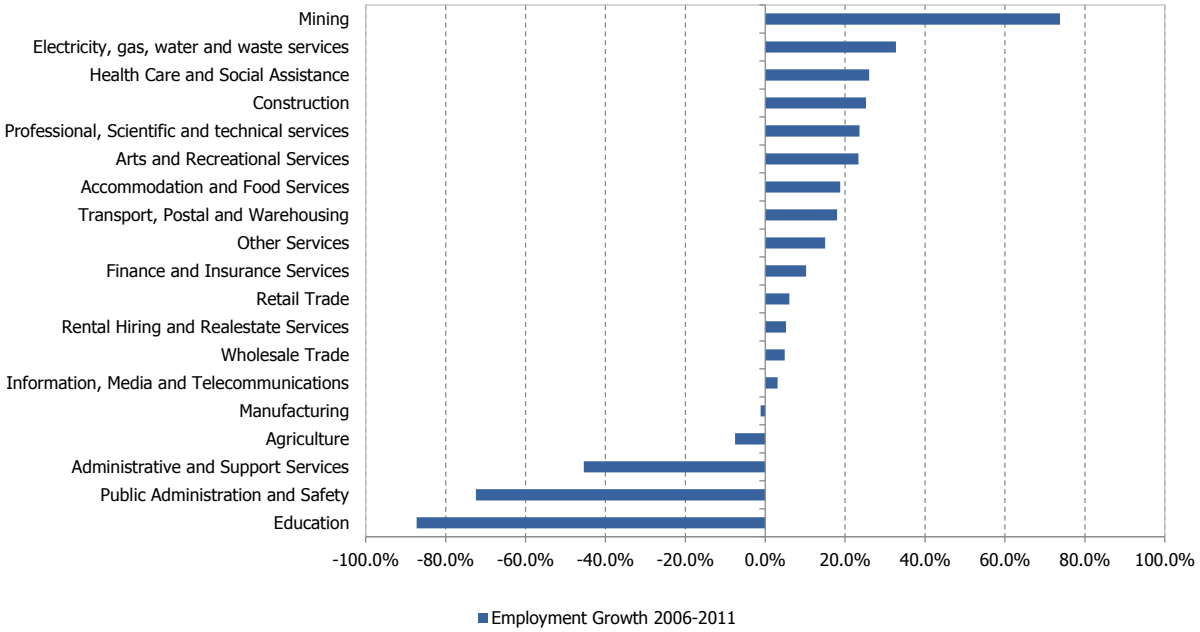
Further breakdown of the historical manufacturing sector employment (refer to Figure B.6) shows that manufacturing sector growth has occurred in downstream resource industry processing activities as well as food and beverage manufacturing and machinery and equipment manufacturing.

Key sectors of decline in manufacturing have been:

- Transport equipment.
- Fabricated metal products.
- Wood products.
- Furniture and other products.
- Polymer and other products.
- Pulp, paper and converted paper products.
- Printing.

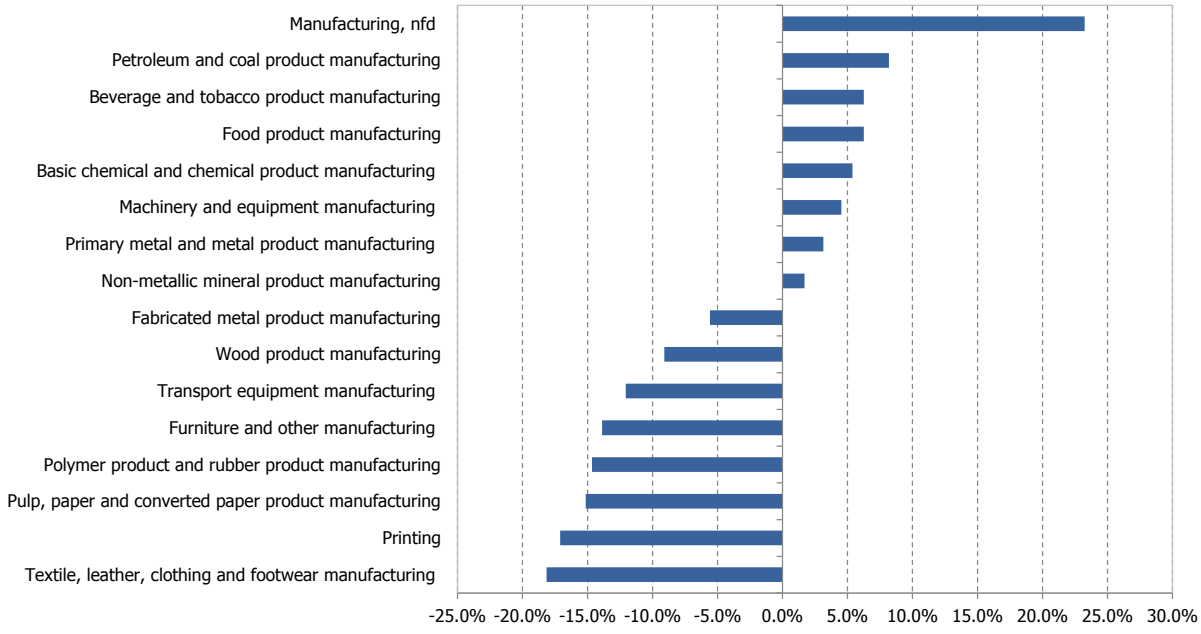
Looking ahead Australian industrial sector opportunities are likely to lie with businesses that that are able to take advantage of locational factors (e.g. proximity to primary product or population centres) and/or diversify product lines to leverage increasing knowledge and high-technology to gain a market edge.

Figure B.5. Australian Employment Growth, 2006-11



Source: ABS (2007), ABS (2012c)

Figure B.6. Australian Manufacturing Employment Growth, 2006-11



Source: ABS (2007), ABS (2012c)

Implications for Parramatta Road Corridor

Historically a high proportion of the Parramatta Road Corridor's activity has been centred on manufacturing and wholesaling activity. With the shift in the nature of the Australian industrial sector towards a knowledge based service economy many of the jobs that have traditionally occupied the PRC have departed. In their place, service based jobs in the retail, health care & social assistance, education & training have grown.

Manufacturing jobs are still present in the PRC, albeit less of those in traditional manufacturing functions. Many manufacturing businesses now combine a range of functions within their premises, including distribution and wholesaling, marketing and sales, assembly and storage.

Owing to PRC's central and strategic location within metropolitan Sydney, future accommodation of businesses that play a service role to the burgeoning population is expected to continue. Businesses such as local smash repairers, food wholesalers and suppliers, food and non-food retailers, household appliance repairers, textile importers and distributers, etc. will require strategic locations from which to service their key population markets.

Appendix C: Precinct Employment Profiles

In order to better understand employment activity occurring in the Parramatta Road Corridor, Australian Bureau of Statistics Census data (ABS, 2012a) and Bureau of Transport Statistics data (BTS, 2014) was examined using statistical geographic boundaries SA1 and TZ respectively.

These boundaries do not map exactly to the boundary of the Parramatta Road Corridor however, provide a greater study catchment area to assist in the analysis. For the purposes of profiling the socio-economic and socio-demographic characteristics of the PRC, these statistical geographies have been manually adjusted to best align with the Parramatta Road Corridor.

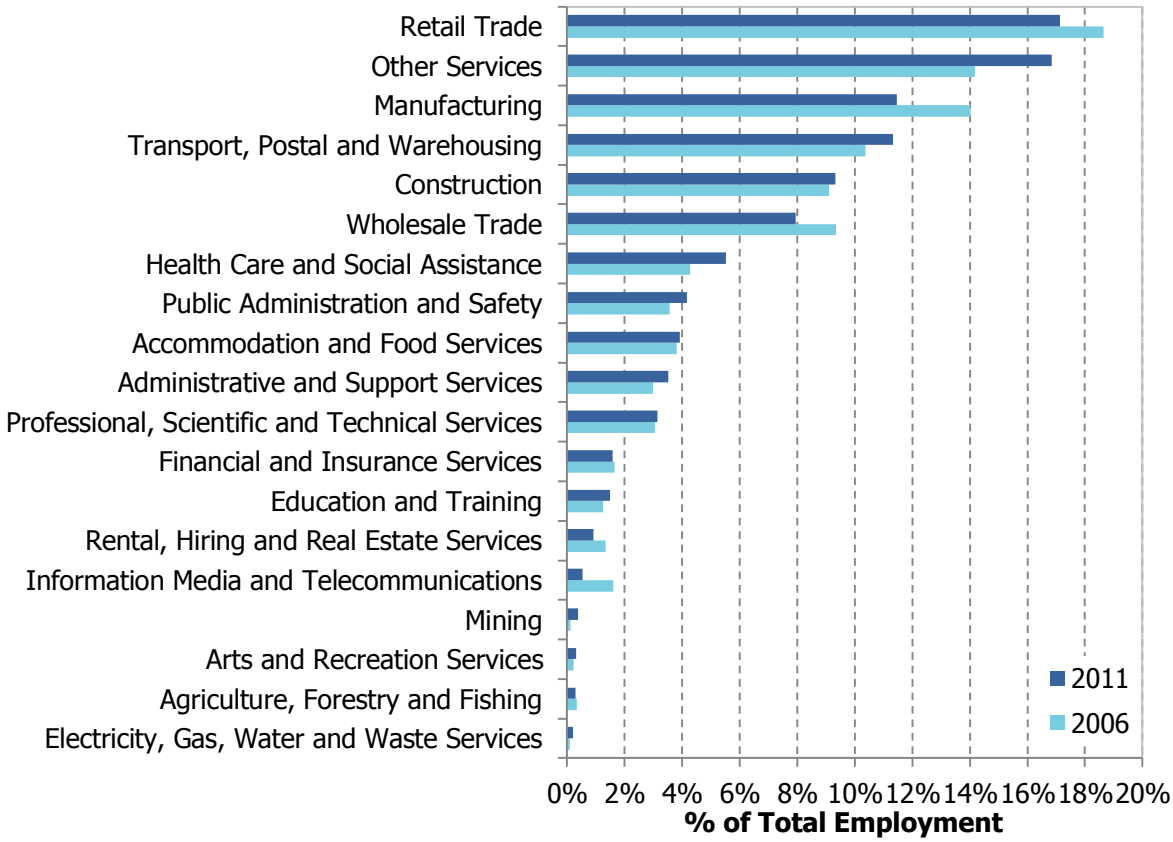
The limitations of small area analysis are acknowledged, i.e. manual adjustments to statistical geographies do not necessarily reflect actual employment. In instances where the manually adjusted geographies result in a distorted representation of proportional employment by industry, the socio-economic profile of the wider employment area of which it is part is also discussed. All the PRC precincts (after manual adjustment) reflect the employment structure proportions of the broader geographic boundary of which it is part, with the exception of Camperdown.

In 2011 the PRC analysis area collectively employed more than 26,000 workers. This section examines the change in employment and occupational structure of each precinct during census period 2006-2011 and disaggregates the top growth industry/s to understand the nature of employment growth that occurred during that five-year period.

Precinct 1 – Granville

In 2011 the Granville precinct employed 2,470 employees, with nearly 18% in retail trade.

Figure C.1: Change in Employment by Industry, Granville (2006-2011)



Source: BTS (2014)
Note: Small areas can experience volatile changes in employment over 5 year periods. Outcomes should be read with caution.

Over 2006-2011 employment experienced a net increase of 47 jobs. Other services[3] grew by 73 jobs (an increase of 21.3%). By contrast retail trade, and manufacturing contracted, each by less than 60 jobs. Further disaggregation of Other Services (refer to table below) shows that Repair and Maintenance grew in large proportions of employment.

Table C.1. Employment by Industry, Granville, 2006-2011 (Other Services, 2-digit ANZSIC)

Industry	2006		2011		Change, 2011-2006	
Other Services						
Repair and Maintenance	227	9.4%	289	11.7%	62	27.2%
Personal and Other Services	116	4.8%	128	5.2%	11	9.6%
Private Households Employing Staff	0	0.0%	0	0.0%	0	0.0%
Total	**343**	**14.2%**	**416**	**16.9%**	**73**	**22.2%**

Source: BTS (2014)

The table below shows that technicians and trade workers were the most prominent occupation in the precinct (22.0%), followed by clerical and administration workers (16.5%). This highlights a bias towards blue collar rather than white collar occupations.

Table C.2. Change in Employment by Occupation, Granville (2006-2011)

Industry	2006		2011	
Managers	319	13.2%	329	13.3%

[3] This includes a broad range of personal services, religious, civic, professional and other interest group services, selected repair and maintenance activities (equipment and machinery), and private households employment staff.

Professionals	270	11.2%	299	12.1%
Technicians and Trades Workers	542	22.4%	545	22.0%
Community and Personal Service Workers	131	5.4%	145	5.9%
Clerical and Administration Workers	385	15.9%	407	16.5%
Sales Workers	202	8.3%	185	7.5%
Machinery Operators and Drivers	294	12.1%	298	12.1%
Labourers	279	11.5%	261	10.6%
Total Employed	**2,423**	**100.0%**	**2,470**	**100.0%**

Source: BTS (2014)

From its economic structure it can be observed that the precinct has a strong association with the automotive industry (retail of cars and parts and the provision of repair and maintenance services).

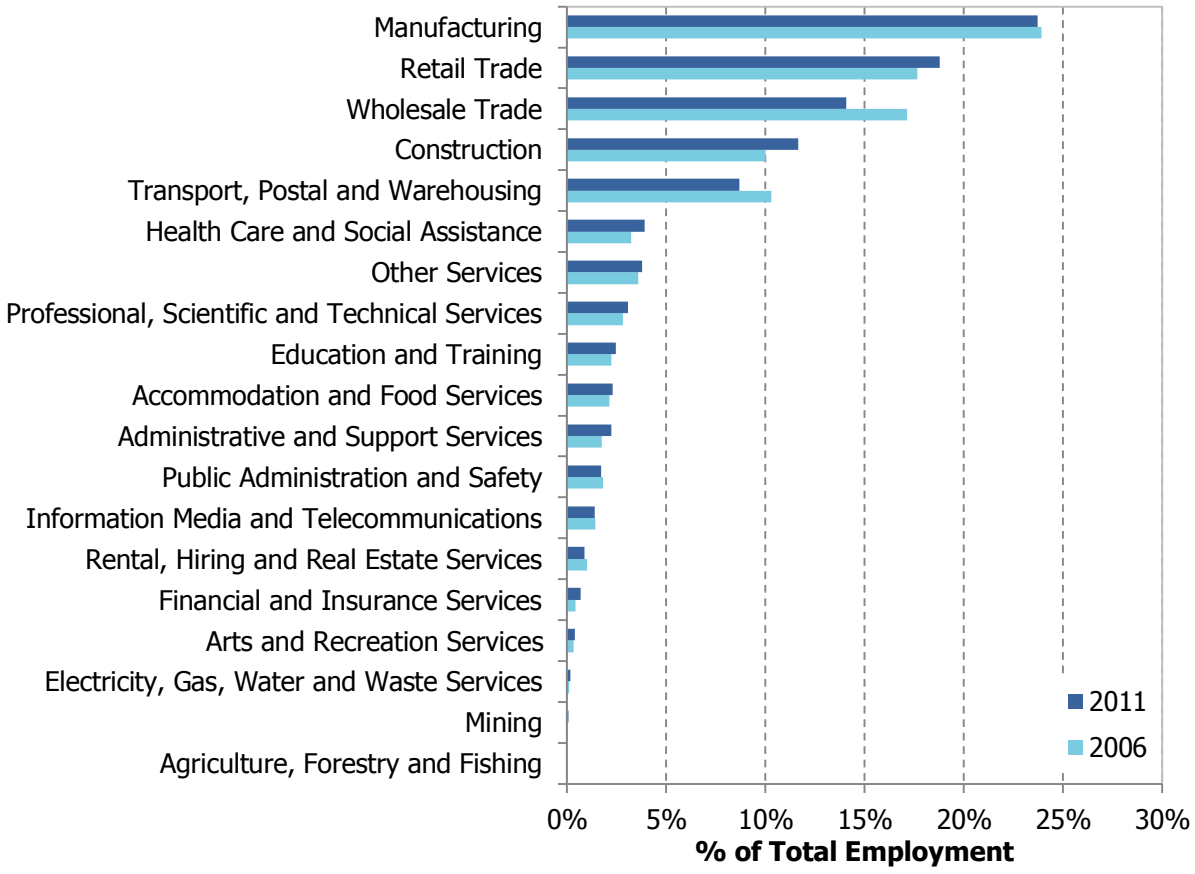
In comparison to some of the other precincts, the types of businesses in Granville accommodate more 'industrial-type' and retail showroom floorspace.

This precinct is strategically located at the gateway to Parramatta City.

Precinct 2 – Auburn

In 2011 the Auburn precinct employed 6,381 employees with high proportions employed in manufacturing and retail trade (23.7% and 18.8% respectively). The industries of wholesale trade and construction were also well represented as percentages of total employment (14.1% and 11.7% respectively).

Figure C.2: Change in Employment by Industry, Auburn (2006-2011)



Source: BTS (2014)

Note: Small areas can experience volatile changes in employment over 5 year periods. Outcomes should be read with caution.

Over 2006-2011 employment in this precinct experienced a net increase of 823 jobs.

The precinct witnessed strong gains in retail trade and construction jobs over the 2006-2011 period. In contrast the number of jobs in transport, postal and warehousing, wholesale trade declined.

Further disaggregation of construction shows that construction services made strong gains in employment numbers.

Table C.3. Employment by Industry, Auburn, 2006-2011 (Construction, 2-digit ANZSIC)

Industry	2006		2011		Change, 2011-2006	
Construction						
Building Construction	145	2.6%	196	3.1%	51	34.9%
Heavy and Civil Engineering Construction	25	0.4%	60	0.9%	35	141.0%
Construction Services	387	7.0%	488	7.6%	101	26.1%
Total	**557**	**10.0%**	**744**	**11.6%**	**187**	**33.6%**

Source: BTS (2014)

The table below shows that technicians and trade workers were the most prominent occupation in the precinct (17.2%), followed by sales workers (16.4%) and managers (15.2%). This highlights a bias towards blue collar rather than white collar occupations. Furthermore, over the 2006-2011 period the proportion of technicians and trades workers increased in prominence.

Table C.4. Change in Employment by Occupation, Auburn (2006-2011)

Industry	2006		2011	
Managers	816	14.7%	971	15.2%
Professionals	492	8.9%	685	10.7%
Technicians and Trades Workers	931	16.8%	1,096	17.2%
Community and Personal Service Workers	164	2.9%	208	3.3%
Clerical and Administration Workers	817	14.7%	959	15.0%
Sales Workers	966	17.4%	1,047	16.4%
Machinery Operators and Drivers	717	12.9%	709	11.1%
Labourers	655	11.8%	708	11.1%
Total Employed	**5,558**	**100.0%**	**6,381**	**100.0%**

Source: BTS (2014)

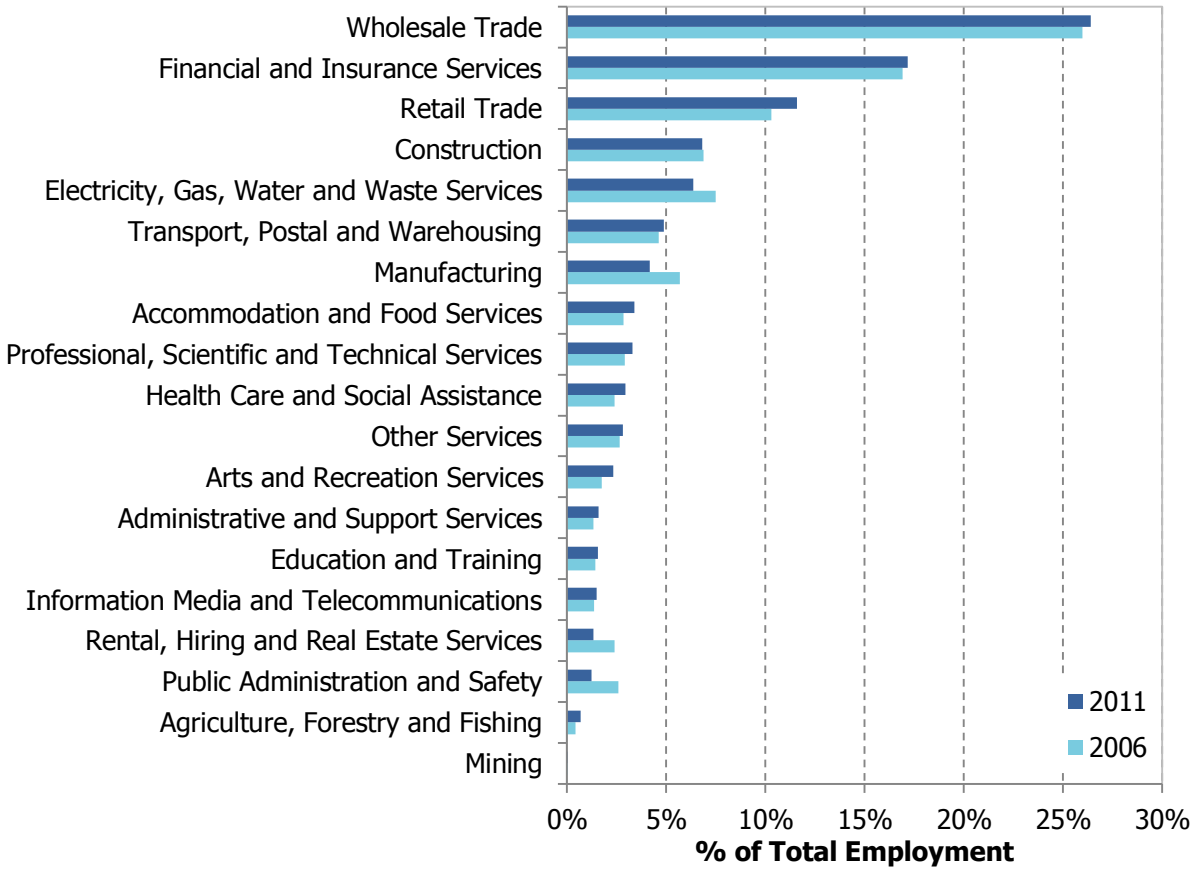
The employment structure (2011) in Auburn is highly represented in manufacturing with more than 1,500 jobs, specifically in food and beverage product manufacturing (529 jobs), machinery and equipment manufacturing (300 jobs) and printing (293 jobs).

The retailing of bulky goods is the next major employment industry (991 jobs), this industry increasing in significance over the analysis period. The co-location of several large format retailers in this precinct has afforded Auburn the reputation as a regional destination for bulky goods.

Precinct 3 – Homebush

In 2011 the Homebush precinct employed 5,929 employees with the top three industries of employment those of wholesale trade, financial and insurance services and retail trade (26.4%, 17.2% and 11.6% respectively).

Figure C.3: Change in Employment by Industry, Homebush (2006-2011)



Source: BTS (2014)
Note: Small areas can experience volatile changes in employment over 5 year periods. Outcomes should be read with caution.

Over 2006-2011 employment in this precinct experienced a net increase of 1,065 jobs.

The precinct witnessed strong gains in financial and insurance services, retail trade, accommodation and food services over the 2006-2011 period. In contrast the number of jobs in manufacturing declined substantially.

Further disaggregation of retail trade as well as accommodation and food services shows that food and beverage services made strong gains in employment numbers.

Table C.5. Employment by Industry, Homebush, 2006-2011 (Retail Trade, Accommodation and Food Services, 2-digit ANZSIC)

Industry	2006		2011		Change, 2011-2006	
Retail Trade						
Motor Vehicle and Motor Vehicle Parts Retailing	30	0.6%	32	0.5%	2	6.2%
Fuel Retailing	4	0.1%	3	0.0%	-1	-34.0%
Food Retailing	192	3.9%	285	4.8%	93	48.3%
Other Store-based Retailing	274	5.6%	367	6.2%	93	34.0%
Non-store Retailing and Retail Commission-based buying and/or selling	1	0.0%	1	0.0%	0	0.0%
Total	**500**	**10.2%**	**687**	**11.5%**	**187**	**37.4%**
Accommodation and Food Services						
Accommodation	17	0.4%	23	0.4%	6	33.0%
Food and Beverage Services	121	2.5%	178	3.0%	57	47.4%
Total	**138**	**2.9%**	**201**	**3.4%**	**63**	**45.6%**

Source: BTS (2014)

The table below shows that clerical and administration workers were the most prominent occupation in the precinct (24.7%) followed by managers (16.0%). This highlights a mix of white collar and blue collar occupations.

Table C.6. Change in Employment by Occupation, Homebush (2006-2011)

Industry	2006		2011	
Managers	780	16.0%	950	16.0%
Professionals	500	10.3%	673	11.3%
Technicians and Trades Workers	566	11.6%	636	10.7%
Community and Personal Service Workers	242	5.0%	302	5.1%
Clerical and Administration Workers	1,234	25.4%	1,464	24.7%
Sales Workers	625	12.8%	777	13.1%
Machinery Operators and Drivers	528	10.9%	685	11.6%
Labourers	389	8.0%	442	7.5%
Total Employed	**4,864**	**100.0%**	**5,929**	**100.0%**

Source: BTS (2014)

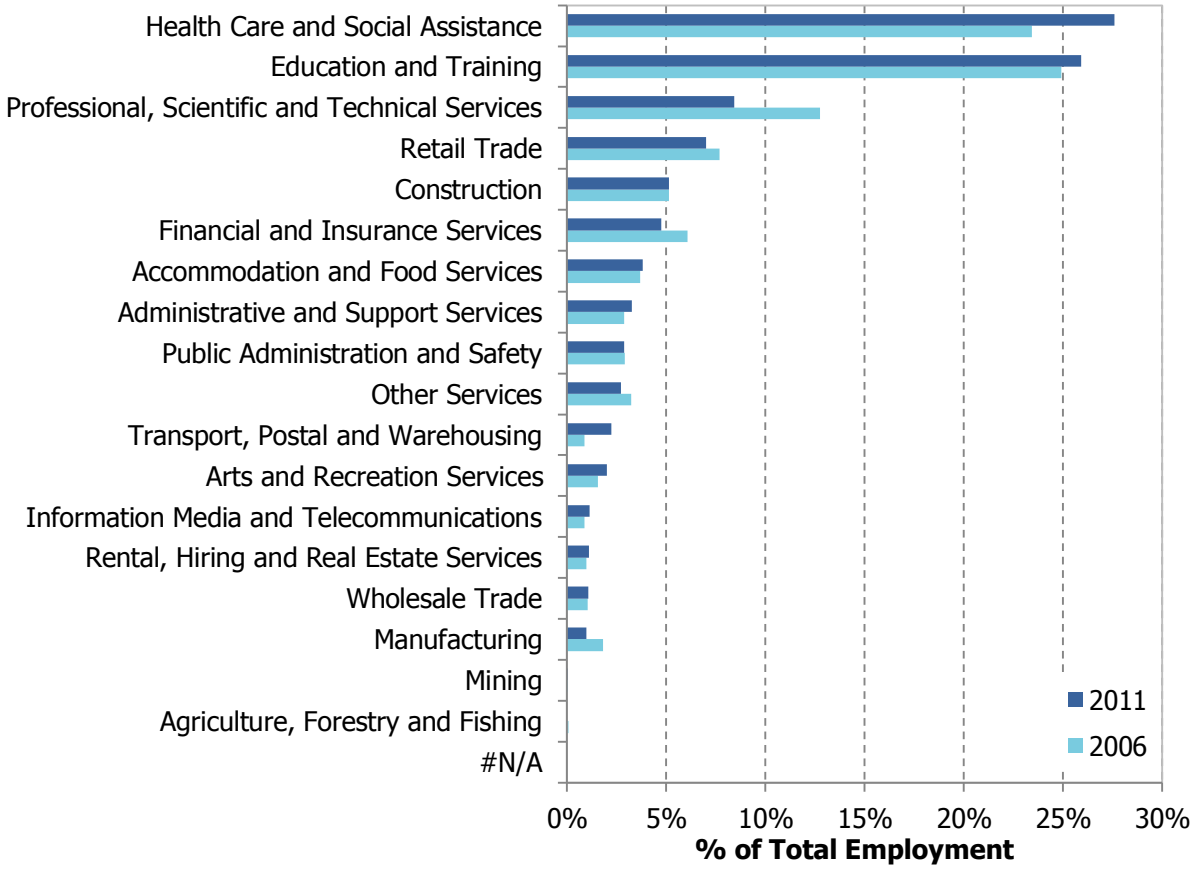
More than 25% of employment in this precinct is in wholesale trade, notably in grocery, liquor and tobacco product wholesaling (1,331 jobs). Financial and insurance services as well as retail trade are growing in prominence in this precinct.

Employment growth in this precinct suggests growth in response to demand for food and beverage is increasing (e.g. cafés, restaurants, delicatessens).

Precinct 4 – Burwood

In 2011 the Burwood precinct employed 2,591 employees with almost equal proportions in health care and social assistance and education and training.

Figure C.4: Change in Employment by Industry, Burwood (2006-2011)



Source: BTS (2014)
Note: Small areas can experience volatile changes in employment over 5 year periods. Outcomes should be read with caution.

Over 2006-2011 employment in this precinct experienced a net increase of 212 jobs.

Health care and social assistance grew by 158 jobs (an increase of nearly 30%). Employment in education and training also grew strongly. There were losses in professional, scientific and technical services jobs in the order of 86 jobs.

Further disaggregation of health care and social assistance shows that residential care services grew in large proportions of employment.

Table C.7. Employment by Industry, Burwood, 2006-2011 (Health Care and Social assistance, 2-digit ANZSIC)

Industry	2006		2011		Change, 2011-2006	
Health Care and Social Assistance						
Hospitals	233	9.8%	297	11.5%	63	27.2%
Medical and Other Health Care Services	217	9.1%	245	9.4%	28	12.9%
Residential Care Services	77	3.2%	125	4.8%	48	62.5%
Social Assistance Services	30	1.3%	48	1.9%	18	61.2%
Total	**557**	**23.4%**	**715**	**27.6%**	**158**	**28.4%**

Source: BTS (2014)

The table below shows that professionals were the most prominent occupation in the precinct (38.9%), followed by clerical and administration workers (17.1%). This highlights a

bias towards white collar rather than blue collar occupations. That said, over the 2006-2011 period the proportion of community and personal service workers increased in prominence.

Table C.8. Change in Employment by Occupation, Burwood (2006-2011)

Industry	2006		2011	
Managers	236	9.9%	236	9.1%
Professionals	916	38.5%	1,008	38.9%
Technicians and Trades Workers	249	10.5%	255	9.9%
Community and Personal Service Workers	255	10.7%	327	12.6%
Clerical and Administration Workers	408	17.1%	442	17.1%
Sales Workers	161	6.8%	167	6.5%
Machinery Operators and Drivers	41	1.7%	39	1.5%
Labourers	113	4.7%	117	4.5%
Total Employed	**2,379**	**100.0%**	**2,591**	**100.0%**

Source: BTS (2014)

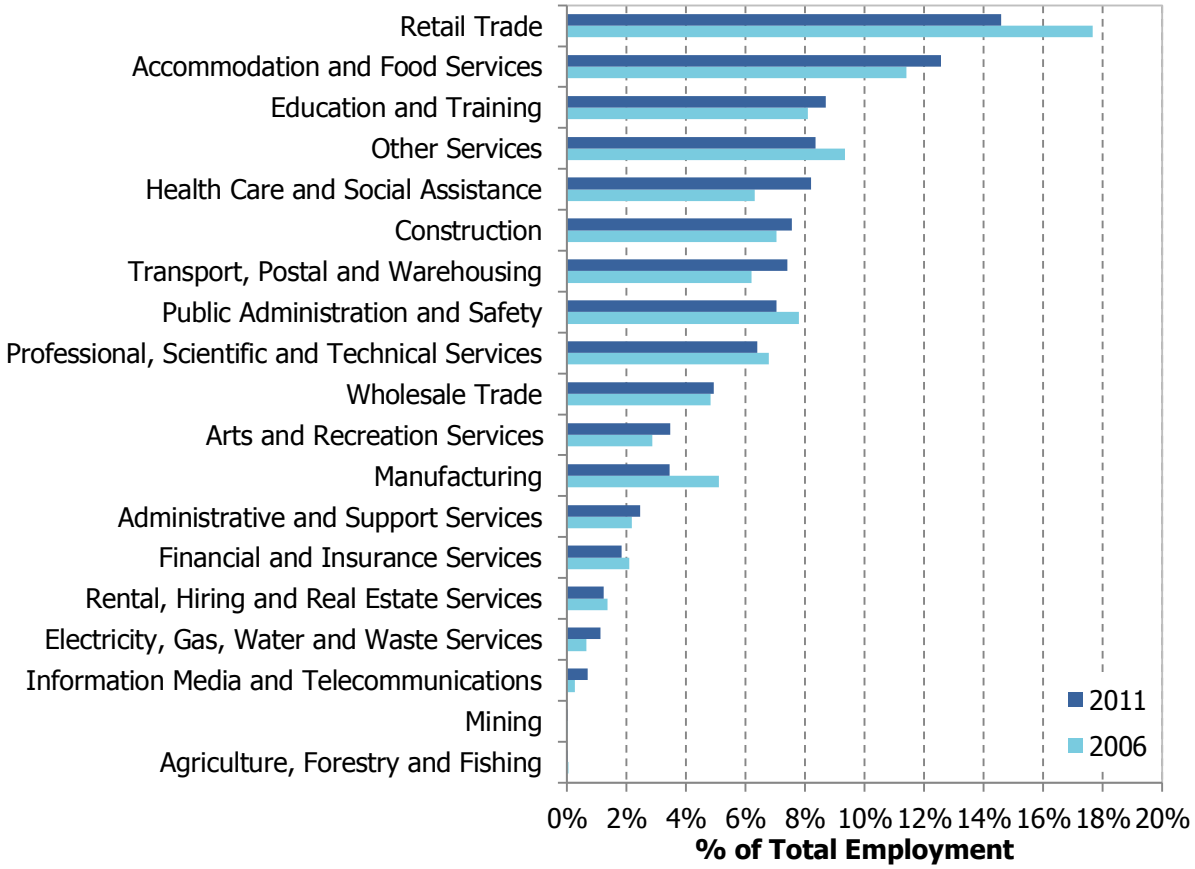
Despite the Burwood town centre's reputation as a retail/commercial centre, the area of analysis in and around the Parramatta Road Corridor employs equally high proportions of workers in education and training as well as health care and social assistance. Together these industries account for more than 50% of jobs in the precinct and grew in number over the analysis period.

The dominance by these two industries in the precinct's employment structure suggests a specialisation in services based industry.

Precinct 5 - Kings Bay

In 2011 the Kings Bay precinct employed 2,388 employees with retail trade and accommodation and food services the dominant industries of employment (14.6% and 12.6% respectively).

Figure C.5: Change in Employment by Industry, Kings Bay (2006-2011)



Source: BTS (2014)
Note: Small areas can experience volatile changes in employment over 5 year periods. Outcomes should be read with caution.

Over 2006-2011 employment in this precinct experienced a net increase of 386 jobs.

Accommodation and food services grew by 72 jobs (an increase of 31.6%). Employment in construction, education and training, health care and social assistance and transport, postal and warehousing also grew. There were losses in retail trade and public administration and safety jobs.

Further disaggregation of accommodation and food services shows that food and beverage services made strong gains in employment numbers.

Table C.9. Employment by Industry, Kings Bay, 2006-2011 (Accommodation and Food Services, 2-digit ANZSIC)

Industry	2006		2011		Change, 2011-2006	
Accommodation and Food Services						
Accommodation	1	0.1%	2	0.1%	1	100.0%
Food and Beverage Services	227	11.3%	298	12.5%	71	31.2%
Total	**228**	**11.4%**	**300**	**12.6%**	**92**	**40.4%**

Source: BTS (2014)

The table below shows that all occupations are almost equally represented (11%-16%) with the exception of labourers at 7.4%.

Table C.10. Change in Employment by Occupation, Kings Bay (2006-2011)

Industry	2006		2011	
Managers	227	11.3%	278	11.6%
Professionals	281	14.0%	373	15.6%
Technicians and Trades Workers	360	18.0%	402	16.8%
Community and Personal Service Workers	179	9.0%	262	11.0%
Clerical and Administration Workers	254	12.7%	302	12.7%
Sales Workers	264	13.2%	317	13.3%
Machinery Operators and Drivers	274	13.7%	276	11.5%
Labourers	163	8.1%	177	7.4%
Total Employed	**2,003**	**100.0%**	**2,388**	**100.0%**

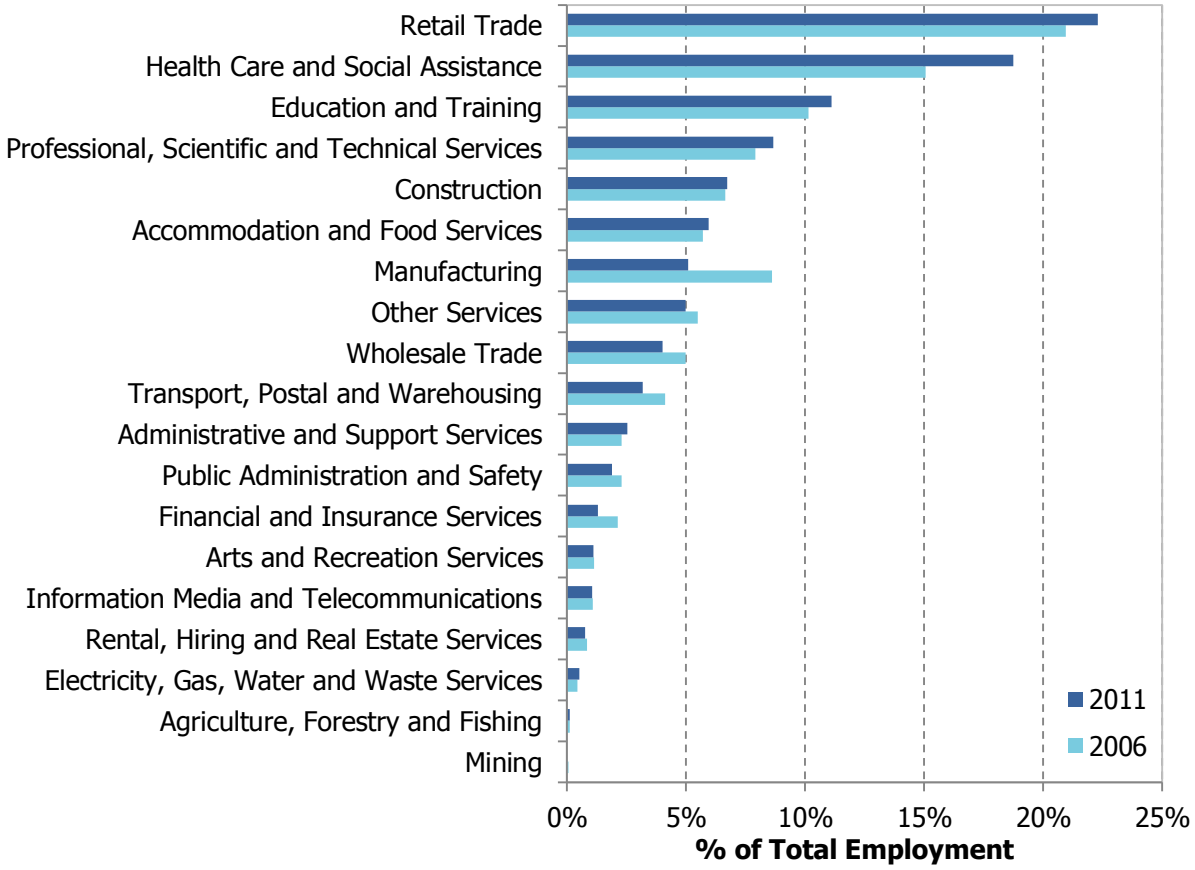
Source: BTS (2014)

Kings Bay employment structure is evolving, the significance of automotive car retailing having declined over the analysis period, following the closure of a number of car dealers. In contrast employment in serviced-based industry has increased, notably in restaurants, cafés and takeaways as well as in allied health and child care services.

Precinct 6 - Taverners Hill

In 2011 the Taverners Hill precinct employed 2,594 employees with retail trade the dominant industry of employment (22.3%). The industries of health care & social assistance and education & training are also well represented (18.8% and 11.1% respectively).

Figure C.6: Change in Employment by Industry, Taverners Hill (2006-2011)



Note: Small areas can experience volatile changes in employment over 5 year periods. Outcomes should be read with caution.
Source: BTS (2014)

Over 2006-2011 employment in this precinct experienced a net increase of 260 jobs.

Health care and social assistance grew by 135 jobs (an increase of 38.4%). Employment in retail trade, accommodation and food services, education and training, professional, scientific and technical services also grew. There were large losses in manufacturing and wholesale trade jobs.

Further disaggregation of health care and social assistance shows that with the exception of hospitals all other sectors grew strongly in employment numbers.

Table C.11. Employment by Industry, Taverners Hill, 2006-2011 (Health Care and Social Assistance, 2-digit ANZSIC)

Industry	2006		2011		Change, 2011-2006	
Health Care and Social Assistance						
Hospitals	2	0.1%	2	0.1%	0	1.4%
Medical and Other Health Care Services	53	2.3%	72	2.8%	20	37.3%
Residential Care Services	158	6.8%	209	8.1%	51	32.1%
Social Assistance Services	138	5.9%	203	7.8%	64	46.5%
Total	**351**	**15.1%**	**486**	**18.8%**	**135**	**38.5%**

Source: BTS (2014)

The table below shows that professionals were the most prominent occupation in the precinct (23.6%), followed almost equally by the other occupations except machinery operators & drivers and labourers. This highlights a bias towards white collar rather than blue collar occupations.

Table C.12. Change in Employment by Occupation, Taverners Hill (2006-2011)

Industry	2006		2011	
Managers	325	13.9%	334	12.9%
Professionals	530	22.7%	611	23.6%
Technicians and Trades Workers	293	12.5%	316	12.2%
Community and Personal Service Workers	276	11.8%	358	13.8%
Clerical and Administration Workers	289	12.4%	316	12.2%
Sales Workers	291	12.5%	328	12.7%
Machinery Operators and Drivers	123	5.3%	132	5.1%
Labourers	207	8.9%	199	7.7%
Total Employed	**2,334**	**100.0%**	**2,594**	**100.0%**

Source: BTS (2014)

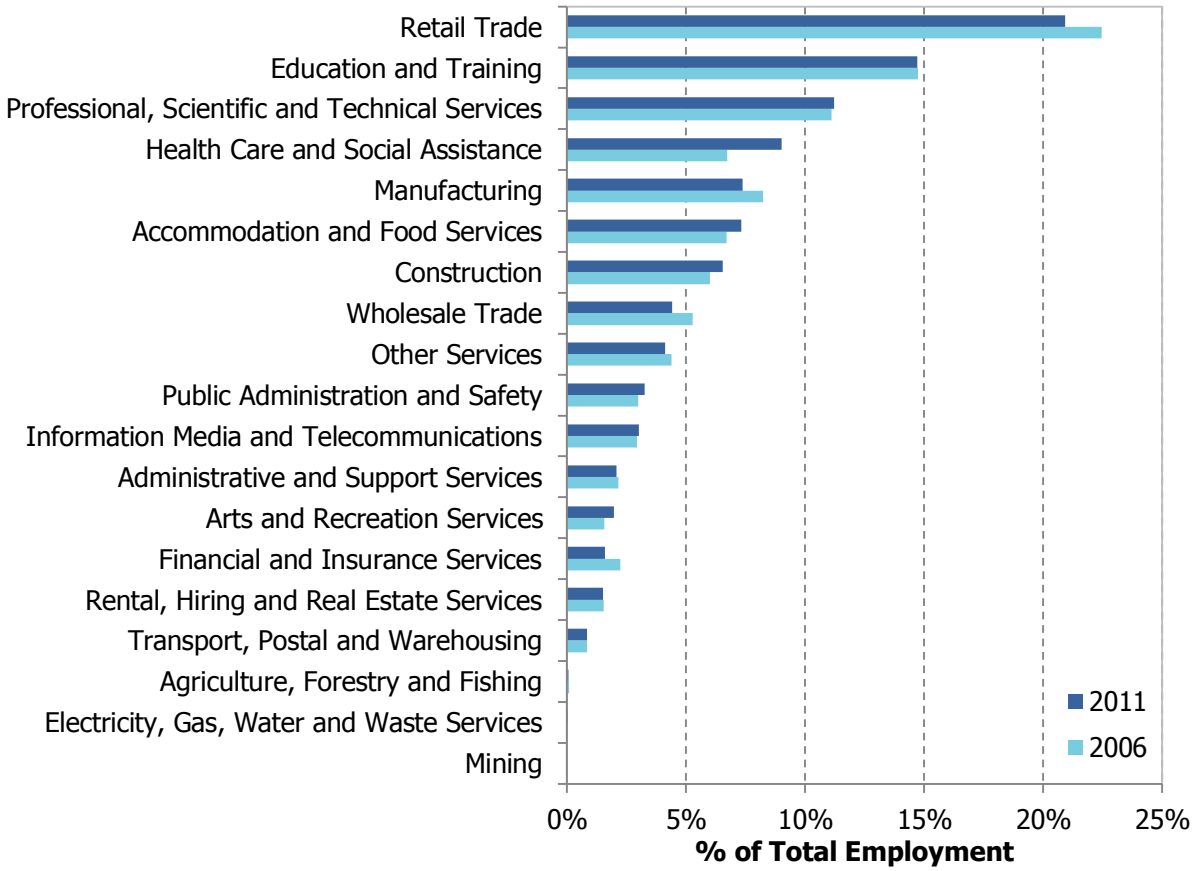
This precinct performs poorly along Parramatta Road and is characterised by disparate and isolated pockets of business activity.

Employment activity appears to be focused around Marketplace where retail and other population-based services are thriving. Growth in employment in retail trade, health care & social assistance, education & training are consistent with the local service role that this precinct plays.

Precinct 7 – Leichhardt

In 2011 the Leichhardt precinct employed 2,723 employees with retail trade the dominant industry of employment (20.9%). The industries of education and training and professional, scientific and technical services are also well represented (14.7% and 11.2% respectively).

Figure C.7: Change in Employment by Industry, Leichhardt (2006-2011)



Source: BTS (2014)
Note: Small areas can experience volatile changes in employment over 5 year periods. Outcomes should be read with caution.

Over 2006-2011 employment in this precinct experienced a net increase of 335 jobs.

Health care and social assistance grew by 85 jobs (an increase of 52.8%). Employment in education and training, accommodation and food services also grew. There were losses in retail trade, manufacturing and wholesale trade jobs.

Further disaggregation of health care and social assistance jobs shows that social assistance services jobs grew in strong proportion.

Table C.13. Employment by Industry, Leichhardt, 2006-2011 (Health Care and Social Assistance, 2-digit ANZSIC)

Industry	2006		2011		Change, 2011-2006	
Health Care and Social Assistance						
Hospitals	4	0.2%	1	0.1%	-2	-60.6%
Medical and Other Health Care Services	62	2.6%	79	2.9%	17	27.4%
Residential Care Services	11	0.5%	16	0.6%	5	44.6%
Social Assistance Services	84	3.5%	149	5.5%	65	77.3%
Total	**161**	**6.7%**	**246**	**9.0%**	**85**	**52.8%**

Source: BTS (2014)

The table below shows that professionals were the most prominent occupation in the precinct (25.5%), followed by sales workers (14.7%) and clerical and administration workers (14.1%). This highlights a bias towards while collar rather than blue collar occupations. The proportions of occupations have largely remained stable over the 2006-2011 period.

Table C.14. Change in Employment by Occupation, Leichhardt (2006-2011)

Industry	2006		2011	
Managers	360	15.1%	399	14.7%
Professionals	617	25.8%	695	25.5%
Technicians and Trades Workers	300	12.5%	342	12.6%
Community and Personal Service Workers	194	8.1%	271	10.0%
Clerical and Administration Workers	350	14.6%	385	14.1%
Sales Workers	346	14.5%	401	14.7%
Machinery Operators and Drivers	56	2.4%	65	2.4%
Labourers	165	6.9%	164	6.0%
Total Employed	**2,388**	**100.0%**	**2,723**	**100.0%**

Source: BTS (2014)

From its economic structure, this precinct appears to resemble that of a retail centre however the role of retail as an employer is declining in significance amid a 6% contraction in jobs over the analysis period.

Service-based industries like education and training and professional services are also important to the precinct with professional services jobs (architectural, legal, accounting, management consulting, etc.) accounting for more than 300 jobs.

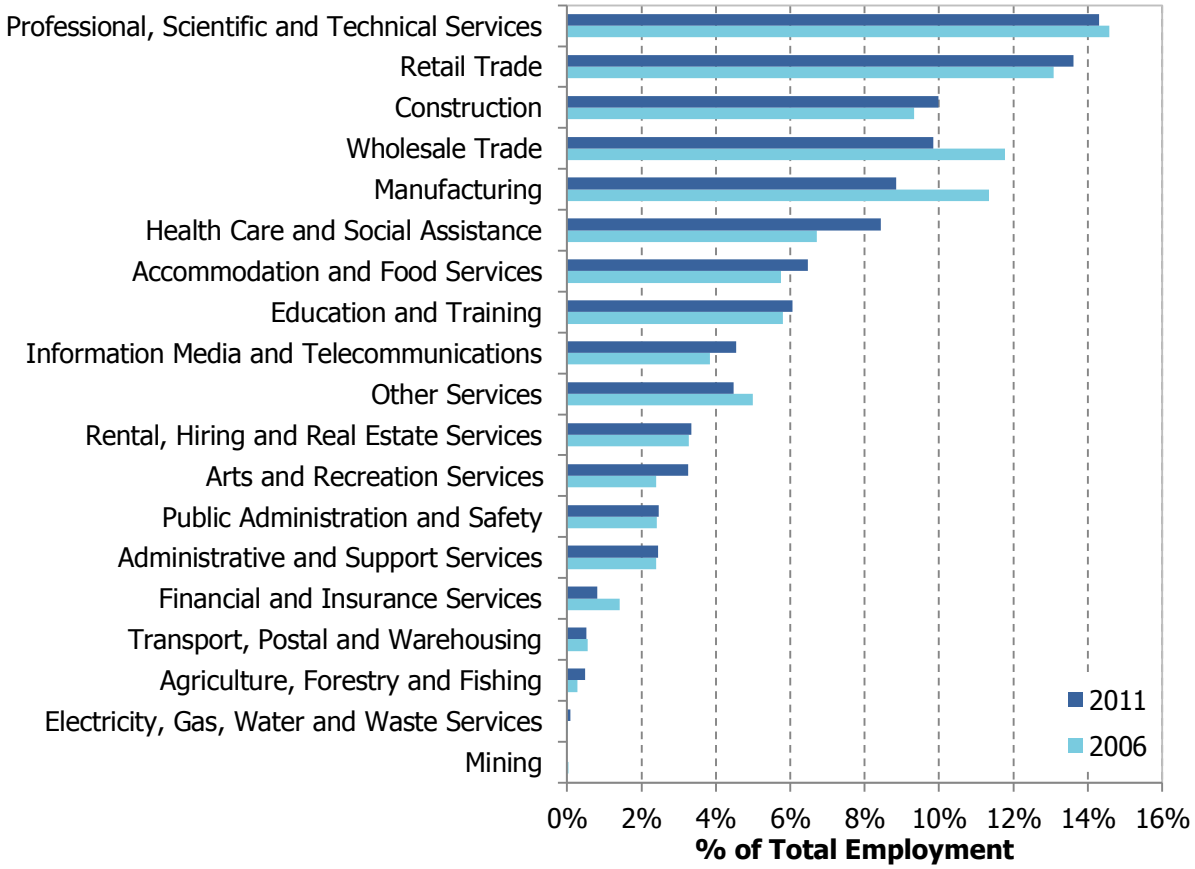
Precinct 8 - Camperdown

The Camperdown precinct (as a defined PRC precinct) is part of a much larger employment area which accommodates major employers such as University of Sydney and Royal Prince Alfred Hospital. Owing to the significance of this employment area, the employment profiling has been carried out for the Camperdown precinct as well as for the larger employment area of which it is part.

Camperdown Precinct

In 2011 the Camperdown precinct employed 1,304 employees with professional, scientific & technical services and retail trade the dominant industries of employment (14.3% and 13.3% respectively).

Figure C.8: Change in Employment by Industry, Camperdown (2006-2011)



Source: BTS (2014)
Note: Small areas can experience volatile changes in employment over 5 year periods. Outcomes should be read with caution.

Over 2006-2011 employment in this precinct experienced a net increase of 183 jobs.

Most industries saw growth with the exception of wholesale trade and manufacturing which experienced strong losses.

Further disaggregation of health care & social assistance jobs shows that social assistance services jobs grew in strong proportion.

Table C.15. Employment by Industry, Camperdown, 2006-2011 (Health Care and Social Assistance, 2-digit ANZSIC)

Industry	2006		2011		Change, 2011-2006	
Health Care and Social Assistance						
Hospitals	0	0.0%	0	0.0%	0	0.0%!
Medical and Other Health Care Services	32	2.8%	39	3.0%	8	24.2%
Residential Care Services	14	1.3%	20	1.6%	6	44.6%
Social Assistance Services	30	2.7%	50	3.9%	21	69.8%
Total	**75**	**6.7%**	**110**	**8.4%**	**35**	**46.7%**

Source: BTS (2014)

The table below shows that professionals dominated the occupation type in the precinct (25.8%), followed by managers (15.4%) and technicians and trades workers (14.1%). This highlights a slight bias towards white collar rather than blue collar occupations. The proportions of occupations have largely remained stable over the 2006-2011 period.

Table C.6. Change in Employment by Occupation, Camperdown (2006-2011)

Industry	2006		2011	
Managers	176	15.7%	200	15.4%
Professionals	291	26.0%	337	25.8%
Technicians and Trades Workers	158	14.1%	185	14.1%
Community and Personal Service Workers	75	6.7%	107	8.2%
Clerical and Administration Workers	157	14.0%	177	13.5%
Sales Workers	136	12.1%	158	12.1%
Machinery Operators and Drivers	42	3.7%	49	3.8%
Labourers	86	7.7%	92	7.0%
Total Employed	**1,121**	**100.0%**	**1,304**	**100.0%**

Source: BTS (2014)

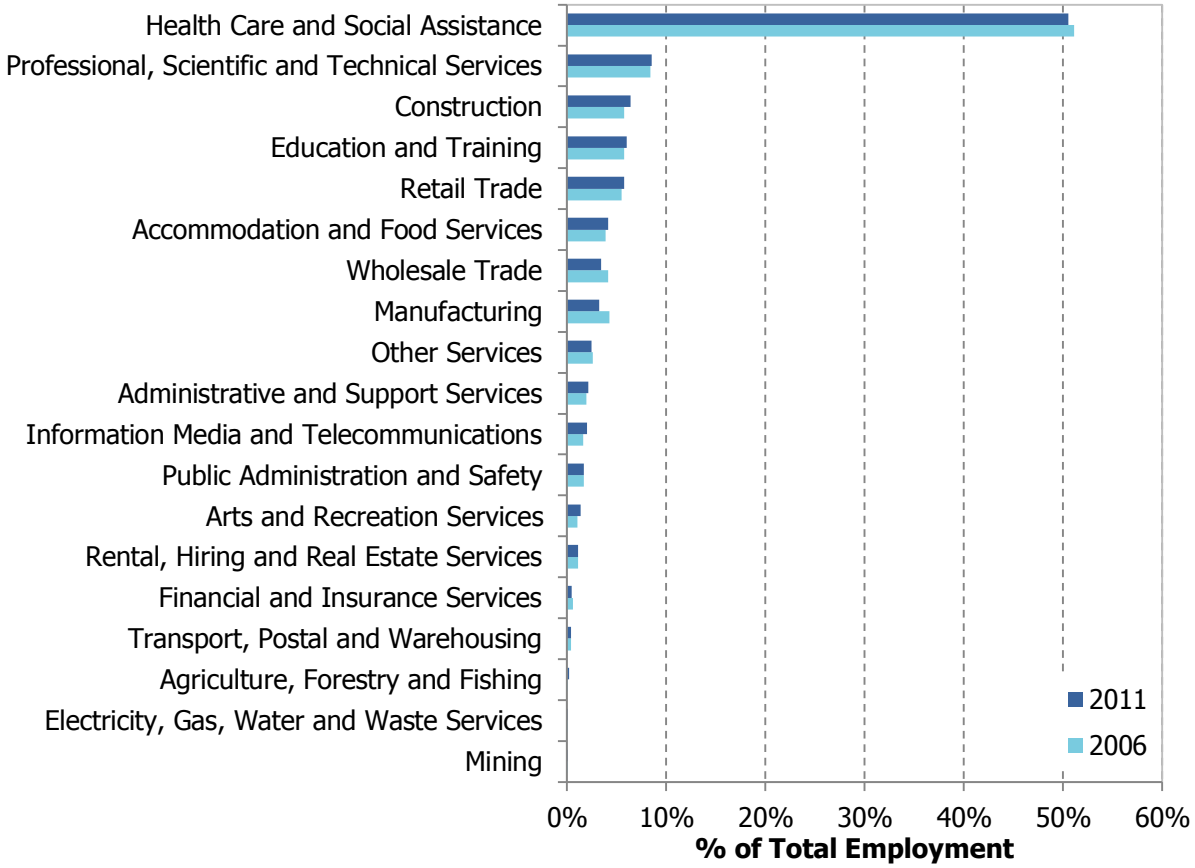
Similar to Leichhardt, Camperdown precinct's employment structure is also well represented in retail trade and professional, scientific & technical services. Professional services jobs (architectural, legal, accounting, management consulting, etc.) account for almost 200 jobs in the precinct.

Owing to the precinct's proximity to the CBD, it is anticipated that there will be increasing demand for professional office accommodation.

Camperdown and Surrounds

In 2011, the employment area surrounding the Camperdown precinct employed 9,640 employees, with health care & social assistance the dominant industry of employment (50.5%) in the area immediately surrounding the Camperdown precinct.

Figure C.9: Change in Employment by Industry, Camperdown and Surrounds (2006-2011)



Source: BTS (2014) Note: Small areas can experience volatile changes in employment over 5 year periods. Outcomes should be read with caution.

Over 2006-2011 employment in this precinct experienced a net increase of 1,355 jobs.

Further disaggregation of health care & social assistance jobs. The table below shows that hospital jobs grew in strong proportion.

Table C.17. Employment by Industry, Camperdown and Surrounds, 2006-2011 (Health Care and Social Assistance, 2-digit ANZSIC)

Industry	2006		2011		Change, 2011-2006	
Health Care and Social Assistance						
Hospitals	3,662	44.2%	4,143	43.0%	481	85.0%
Medical and Other Health Care Services	375	4.5%	443	4.6%	68	9.1%
Residential Care Services	56	0.7%	87	0.9%	32	1.8%
Social Assistance Services	144	1.7%	199	2.1%	54	4.1%
Total	**4,237**	**51.1%**	**4,872**	**50.5%**	**635**	**15.0%**

Source: BTS (2014)

Owing to its proximity to the Royal Prince Alfred Hospital medical precinct, the employment area surrounding the Camperdown precinct demonstrates an overwhelming employment specialisation in medical and related jobs.

It is therefore logical that as health and medical employment numbers grow over time, that the Camperdown precinct should accommodate some of that growth.

Appendix D: Property Market Assessment

Market Overview

The Parramatta Road Corridor traverses a number of geographic markets and property sectors (industrial, commercial, retail and residential), accommodating a diverse range of property types, land uses and built forms.

Sydney's industrial and commercial property markets are defined within geographic regions with consideration to factors such as access to transport and services, key road and transport infrastructure and the nature of existing employment lands.

Investors and developers alike evaluate investment opportunities in the context of regions/ submarkets, hence it is useful for this analysis to have regard for this broad market context.

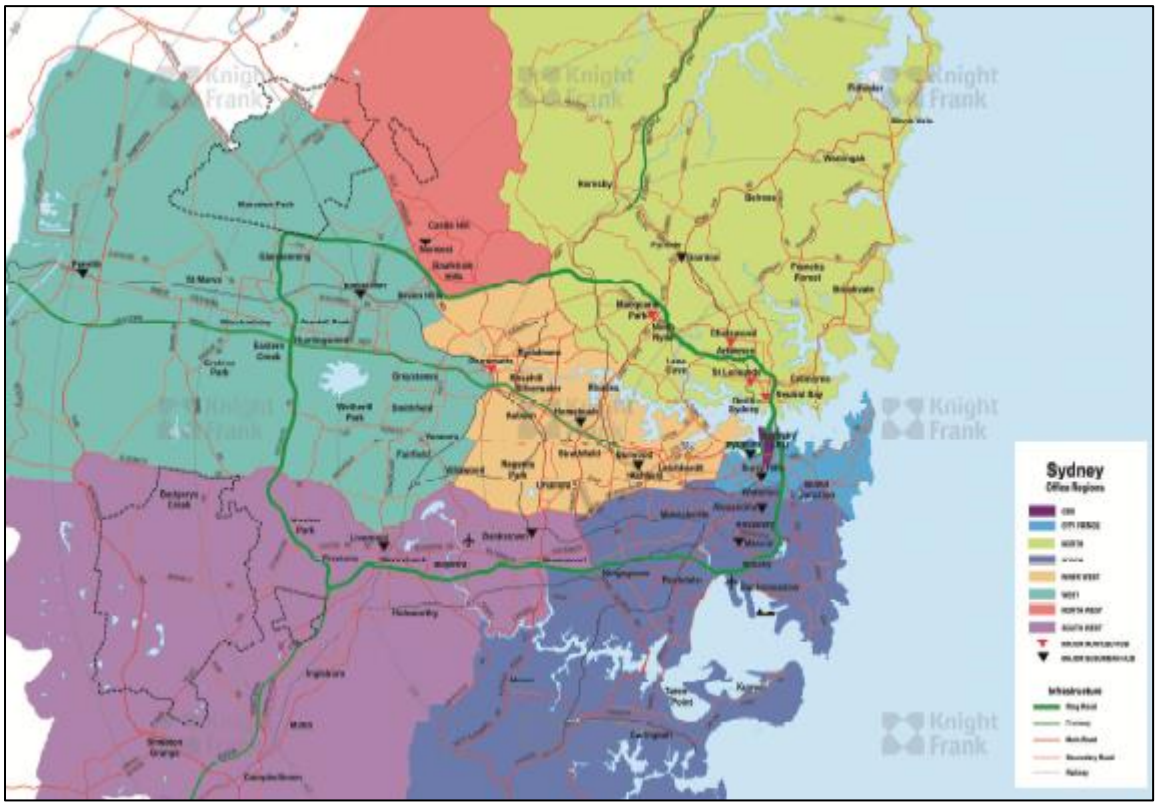
Suburban Commercial Markets

Sydney's suburban commercial markets have evolved into key office destinations, particularly for businesses who do not require a Sydney CBD location. Commercial markets including Sydney Olympic Park, Macquarie Park and Parramatta CBD have grown over the last decade to include premium grade space as occupiers require.

Notwithstanding the overall demand for commercial floorspace outside the Sydney CBD, those commercial buildings in isolated locations offering minimal worker amenity can struggle for market acceptance and consequently suffer from high vacancy rates and incentive levels.

Pricing and demand for office space demonstrates that businesses value being located close to public transport options, worker amenity and in an environment where there is critical mass of similar commercial tenants.

Figure D.1: Map of Sydney Suburban Commercial Markets



Source: Knight Frank (2015)

The Parramatta Road Corridor predominantly falls within the 'Inner West' market as depicted above. Major suburbs in this market include Homebush, Rhodes, Ashfield and Burwood. The forms the competitive context for commercial uses in the PRC.

Development activity in the Sydney's suburban commercial markets has been limited in recent years with the exception of Homebush (Inner West), Macquarie Park (North) and Alexandria (South). More dominant has been the withdrawal of existing floorspace for conversion to residential.

Strong population growth will see commensurate demand for floorspace from new and expanding businesses. There is an expectation that a reduction in vacancy rates of existing floorspace will result, owing to limited supply in the development pipeline and heighted permanent withdrawal of space for conversion to residential (Knight Frank, 2015).

Industrial Markets

While the long term outlook for the Sydney industrial market is good, tenant activity and demand has been tiered and distinct according to market/region. Population growth and consequent retail spending and residential construction are the major factors that have driven activity in the Sydney industrial market.

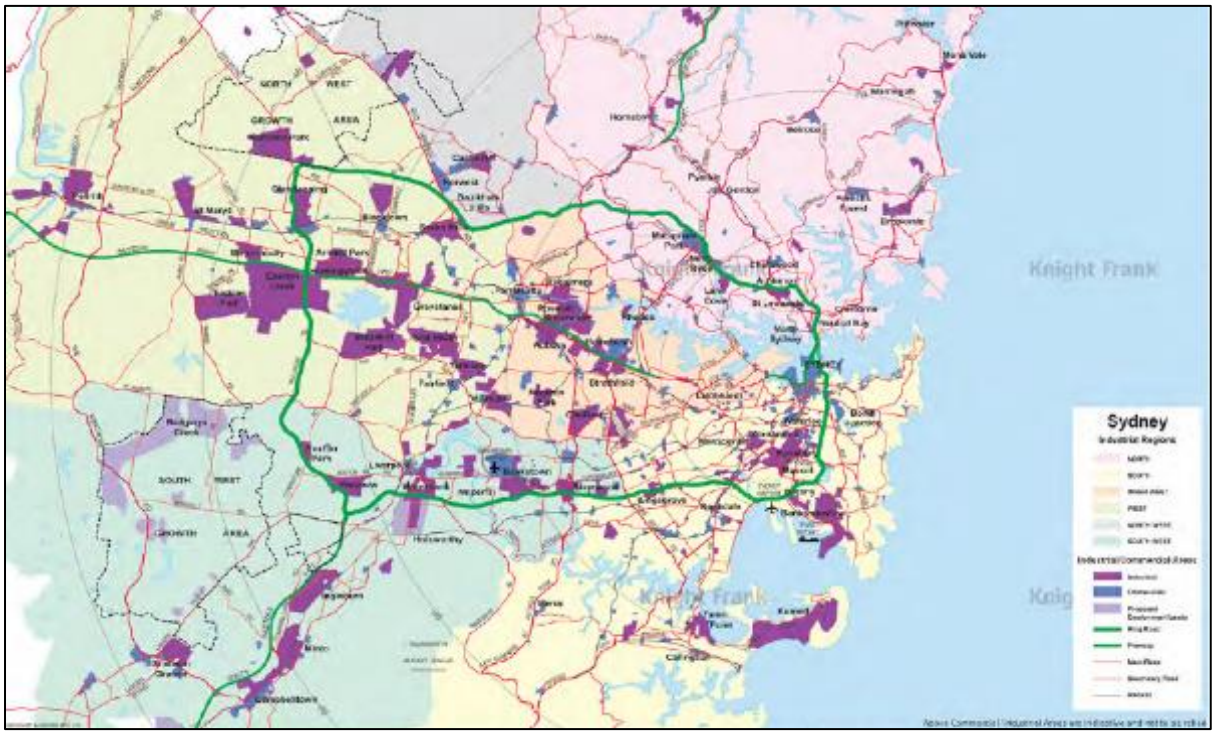
From an occupier perspective (both leased and owner occupied stock), demand from large logistics and warehousing users has driven most of the market activity in the industrial property market.

Despite the softening of market activity since the Global Financial Crisis (GFC), investment from institutional investors has been healthy with strong volumes of capital in search of prime grade assets with strong covenants and long lease durations.

The changing nature of industry drivers and a shift from manufacturing to supply chain logistics has resulted in changing requirements for industrial floorspace. Growing demand for warehouse and distribution facilities has focused activity in regions like the South West and Outer West where large allotments are available at competitive prices.

Notwithstanding the migration of large logistics and transport industry users to the outer areas of Sydney, smaller industrial accommodation is nevertheless still required by businesses who play a local service role.

Figure D.2: Map of Sydney's Industrial Markets/Regions



Source: Knight Frank (2014)

The Parramatta Road Corridor also falls within the 'Inner West' market as depicted above. Land values in inner Sydney markets are in many instances observed to have risen as they are increasingly acquired for rezoning to residential. As a consequence gross supply of industrial space is below the long term average (Knight Frank, 2014).

Notwithstanding the keen interest shown by residential developers, interest shown by developers, institutional investors and owner occupiers in industrial land parcels of varying sizes has been accompanied by a commensurate strong increase in price levels.

The Parramatta Road Corridor in Context

The Parramatta Road Corridor plays a vital role to the broader Sydney metropolitan region. There is a diverse mix of land uses accommodated within an equally diverse range of built forms, many of the older style factories and buildings therein characteristic of some of the PRC's historic focus on traditional manufacturing activity.

While still comprising a large proportion of employment activity (particularly in the western precincts Granville and Auburn), the role and nature of manufacturing has evolved with retail trade and wholesaling functions increasingly complementing this industry. With the decline of traditional manufacturing many an old factory has been re-purposed to accommodate new uses.

There are moderate levels of development activity observed in the PRC, generally dominated by residential unit developments. Small scale alterations and additions to existing commercial/retail/industrial buildings are also observed albeit limited in nature.

Owing to the exposure benefits afforded by a Parramatta Road frontage, many retail showrooms are located along the PRC, showcasing cars, building materials (tiles, air conditioners, roofing materials) and consumer goods (alarm systems, pet supplies, automotive parts).

The evolving dynamics of the marketplace will underpin the types of uses that continue to seek accommodation in the PRC subject to the confines of the planning framework. Each of the PRC precincts are discussed below with reference to each asset class and respective performance.

Granville

Market activity in this precinct is generally dominated by car industry-related activity, including car yards and showrooms.

While there are some bulky goods retailers located in Granville, these retailers are generally small independent businesses. Vacancies are higher and rents ($120/sqm-$150/sqm net) are comparatively cheaper than in Auburn which is considered a premium location over Granville.

Notwithstanding Granville's secondary location for bulky goods retailing, the precinct accommodates many heavier industrial uses. Market demand for smaller industrial units (<600sqm) is reportedly strong with net rents $120/sqm-$130/sqm. Larger properties can experience prolonged take-up periods, net rents $90/sqm-$110/sqm.

The retail area south of the train station in and around the existing town centre is performing well, the retail offer including a small supermarket amid a post office, library and community hall. In contrast, the northern side of the town centre (within the PRC) performs poorly with less shopfront space and more commercial/storage uses. The difference in rents demonstrates this disparity in desirability, rents around the existing town centre achieving at least twice that of space in the north.

Overall the precinct is performing moderately well and whilst it does not attract as many large multi-national tenants compared to Auburn, it plays a role to accommodate smaller and local businesses.

Auburn

The Auburn precinct generally performs well, anchored by many large format retailers which serve as a magnet for the general area. That said, while high profile bulky goods retailers such as Lidcombe Power Centre and Auburn Megamall are able to generate high level of patronage there are isolated pockets within the precinct that are poorer performing with some vacancy observed.

Retail and bulky goods uses are visible and prominent in this precinct. Compared to other precincts in the PRC, Auburn is well sought after, deemed to be the 'premier location' for large format retailers (particularly for outdoor supplies, homewares and home improvement goods). Vacancies are generally low and rents ($170/sqm-$200/sqm net) for floorspace sub-1,000sqm with larger tenancies (>1,000sqm) achieving lower rents ($100/sqm-$150/sqm).

Industrial type space in the precinct is typically for warehousing and storage purposes with rents ($150/sqm-$200/sqm net) for floorspace sub-1,000sqm. Larger properties (>1,000sqm) are in less demand and achieve lower rents, in the order of $100/sqm-$130/sqm net. Overall the industrial leasing market is soft (not unlike the Sydney industrial leasing market) with limited growth witnessed. In contrast, the sales market is strong (underpinned by a low interest environment and strong business confidence) thereby resulting in a market of low investment yields.

There are only a limited number of buildings in the precinct which accommodate commercial floorspace. This includes Bell Tower (191 Parramatta Road) and the modern, 4-star NABERS rated Gateway Business Park (63-79 Parramatta Road) both of which are industrial parks. Net rents are higher in the latter and range from $250/sqm to $280/sqm with capital values from $4,000/sqm to $4,500/sqm of lettable area.

Informal discussions with local agents active in the area suggest there are not many capital transactions as many owners adopting a 'wait and see' attitude following the announcement of the WestConnex and Parramatta Road Revitalisation projects.

Homebush

The Homebush precinct is characterised by a diverse mix of uses and quality of built form. Properties along Parramatta Road are in many instances progressively being developed into

high density residential units. Many properties along Parramatta Road are comprised of dilapidated two storey shops many of which are vacant.

In stark contrast to Parramatta Road is the Bakehouse Quarter in North Strathfield. Serviced by the North Strathfield train station, this commercial precinct is comprised of retail, commercial and some industrial uses.

Prominent occupiers in the Bakehouse Quarter include Arnotts, NRMA as well as a range of smaller tenants in financial and insurances industry. Retail tenants in the Bakehouse Quarter include a range of cafés and restaurants, entertainment and leisure retailers. The success of these businesses is underpinned by demand for local office workers and residents in the surrounding catchment.

Retail rents in the Bakehouse Quarter are in the order of $500/sqm-$600/sqm, retail space generally sought after with minimal vacancy. Commercial rents range from $350/sqm to $450/sqm (net) with tenancies ranging from 20sqm to 8,000sqm.

There are limited industrial transactions in the precinct, with many properties along Parramatta Road having been vacant for years. Informal discussions with local agents active in the area suggest lease rates are generally in the order of $110/sqm-$115/sqm (net). These rates are approximately 10% lower than similar properties in Carter Street, Homebush.

Overall this precinct is performing poorly along Parramatta Road, in glaring contrast to the Bakehouse Quarter which benefits from a coordinated approach to adaptive reuse of the former Arnotts factory.

Burwood

Burwood is generally viewed as a retail destination, comprised of an extensive retail strip along Burwood Road which extends from the retail core (Westfield Burwood) and the Burwood train station to Parramatta Road. Built form is diverse, including newer office buildings, older strip retail and larger buildings on Parramatta Road.

While areas around the retail core generally perform strongly, fringe areas particularly approaching Parramatta Road continue to be patchy. Many ground floor shops closer to Parramatta Road are occupied by commercial uses, achieving lower rents ($300/sqm-$400/sqm net) compared to rents of $1,000/sqm-$2,500/sqm depending on proximity to Westfield.

A number of factors are thought to underpin the poor performance of the precinct:

- Competition from the town centre and retail core.
- Limited population growth in and around the precinct resulting in limited demand for additional goods and services.
- Poor presentation of existing built form and public domain.
- Distance from the Burwood train station.

In contrast, commercial buildings along Burwood Road appear to be well occupied, underpinned by the presence of large and government tenants. Demand from the education and training as well as health care and social assistance industry also results in the various office and medical suites. Rents generally range between $300/sqm and $450/sqm (net) however closer to Parramatta Road they are at the lower end of the range.

Performance of the precinct is diluted the further away it is from Westfield. This is largely due to an insufficient critical mass of demand to sustain retail/commercial activity at sustained levels for the entire length of Burwood Road.

Kings Bay

Properties facing Parramatta Road are generally poorly presented (including pockets of strip retail) and approaching the end of their economic useful life with the exception of new car

dealerships (e.g. Audi, Volkswagen) and those accommodating large retailers such as Tradelink and Mitre 10.

The precinct is characterised by a number of light industrial properties on the northern side of Parramatta Road. Occupiers include automotive repair businesses, wholesale suppliers (e.g. flooring supplies) and food suppliers. Although the industrial properties appear to be well occupied, some of them are occupied at relatively modest rents. The location of the industrial area surrounded by residential poses access issues and could undermine future sustainability of the area.

Owing to its central location, the few commercial buildings in the precinct are reportedly benefiting from keen leasing interest. Commercial strata-titled suites in 49 Queens Road are understood to have been recently sold achieving prices in excess of $5,000/sqm of building area. Selling agents report strong demand from professional services (e.g. accountants, tax agents, lawyers) with few vacancies subsisting in the building.

Overall performance in this precinct is mixed. The northern side of Parramatta Road is distinctly better occupied where employment numbers are conceivably concentrated.

Taverners Hill

This precinct generally performs poorly across all asset classes along Parramatta Road. Predominantly occupied by used car yards, the intensity of use along Parramatta Road is comparatively low. Furthermore, the ageing nature of many existing buildings can pose difficulties to new tenants from a compliance perspective.

There are pockets of industrial properties within the precinct and although most are occupied, rents are modest, particularly those surrounded by residential uses. The light industrial area bounded by Lord Street, Flood Street, Parramatta Road and the light rail line is among these. Former industrial properties on George Street have been rezoned to permit residential development, previously made difficult by access and land use conflict issues being adjacent to residential uses.

While many properties along Parramatta Road appear to be in a state of decline, a site at 231-239 Parramatta Road in Haberfield has been amalgamated for demolition and construction of a 3 storey office building. The cost of site assembly is circa $1,700/sqm of site area and provides sufficient incentive for redevelopment.

Overall this precinct performs poorly, economic and business activity insufficient to be sustained for much of the length of Parramatta Road.

Leichhardt

Market activity in Leichhardt is generally soft, both on Parramatta Road and along Norton Street. A lack of pedestrian/foot traffic and limited parking (and clearways on Parramatta Road) has contributed to limited retail activity. Vacancies and prolonged letting-up periods have become commonplace in the precinct.

Retail premises in the Italian Forum are performing notably poorly in comparison to Norton Street. Despite recent retailer departures from Norton Street, gross rents are $400/sqm-$800/sqm in comparison to Italian Forum where they are approximately half ($250/sqm-$300/sqm gross). Due to high turnover of retailers in recent years, rents along Norton Street are observed to have declined.

In some instances retail space is leased for commercial uses (at commercial rents), these appealing to Leichhardt residents who seek to work close to home. That said, by and large commercial floorspace in the precinct still struggles.

Camperdown

Market activity in Camperdown is mixed. A lack of pedestrian/foot traffic is directly correlated with limited parking facilities and clearways. Poor accessibility to disparate parts of the precinct make it difficult for retail uses to be successful.

The high proliferation of vacancies of shops along Parramatta Road is testament to the difficulties presented by traffic clearways that impact the ability of customers to conveniently park. Discussions with local agents reveal that shops can remain vacant for as long as 12 months, current vacancy suggested by local agents to be around 20%.

While there is not a large amount of bulky goods/large format retail in the precinct, these uses appear to be performing as they are represent a destination. As an example Drummond Golf at 160 Parramatta Road is understood to achieve higher rent (circa $350/sqm gross) in comparison to other retail premises in the precinct.

Light industrial premises in the precinct are occupied by a range of businesses, many of whom have a long connection with the local area. Automotive repair shops (208 Parramatta Road) and increasingly gyms (1-19 Booth Street) and child care centres are among the tenants of industrial/warehouse space. Rents achieved at $230/sqm to $250/sqm (gross).

Commercial floorspace is reasonably buoyant in the precinct. Poorly performing and vacant retail premises are increasingly being leased to commercial tenants at reduced rents, e.g. 8 Australia Street and 176 Parramatta Road, both of which are leased as commercial space.

The precinct has witnessed sales activity of a number of small office studios by small businesses. Owing to the small size of the office suites, prices paid are high and range from $6,000/sqm to $8,000/sqm of floor area. Examples include 68 Alexandria Drive (18sqm office suite) and 156 Parramatta Road (warehouse style studio with living cum office space).

Development Activity

There is moderate amount of development activity ongoing in the PRC. Residential mixed use projects overwhelmingly dominate activity with the majority of projects proposing a mix of uses with retail/commercial on the ground floor and residential above. Additionally there are a number of planning proposals along the PRC at various stages of assessment.

Existing lot and ownership patterns, current land uses and permissibility within the respective planning frameworks cumulatively influence the type and nature of development that is pursued in each precinct. Accordingly, the nature of development activity is distinct and can be profiled according to precinct.

<u>Granville</u>

Development activity in this precinct is characterised by residential mixed use projects with a number of large residential mixed use projects approved and progressed within the B4 Mixed Use zone. These notably include 2-8 East Street and 10 East Street which together have the potential to deliver more than 700 new units.

Several other developments along Cowper Street, Bold Street and Railway Parade cumulatively propose more than 200 residential units. A small mixed use development at 147-149 Parramatta Road in the B6 Enterprise Corridor zone is approved and under construction.

A planning proposal for 171-189 Parramatta Road seeks to rezone the site from B6 Enterprise Corridor (applying to land fronting Parramatta Road) and R3 Medium Density Residential (adjacent to Victoria Street) to B4 Mixed Use. Furthermore, the proposal seeks to increase the maximum building height to 105m (approximately 35 storeys), the maximum floorspace ratio to 6:1 and require a minimum of 5,000sqm of commercial floorspace. The site is currently partly used as a warehouse/showroom.

<u>Auburn</u>

A number of large non-residential developments are at various stages of planning in this precinct, primarily within the B6 Enterprise Corridor zone.

- Bulky goods/retail expansions
  Lidcombe Power Centre (92 Parramatta Road) is currently undergoing major refurbishment to accommodate a new Woolworths and Kmart as well as a range of bulky goods and specialty tenancies.

Red Yard Complex (100 Parramatta Road) is undergoing construction of a new building to accommodate 7 new retail tenancies.

- Commercial
  Construction of a 3 storey commercial building at 88 Adderley Street has been approved. The proposal envisages demolition of two cottages which were acquired some four years ago for $900/sqm to $1,000/sqm of site area.
- Hotel
  Construction of an 8 storey hotel (103 rooms/suites) at 211-217 Parramatta Road has been approved (FSR 2.7:1). The site appears to have been held for a number of years and current improvements comprise an old factory building.

  Development approval has been granted to a 5/8 storey office/hotel building at 188-194 Parramatta Road, 76-80 Macquarie Road (FSR 2.3:1). The development proposes a total of 191 dual key units and 1,036sqm of office floorspace. The portion of the development block fronting Parramatta Road is largely vacant and accommodate a used car yard. The portion of the development block fronting Macquarie Road is improved with several cottages.

In addition, there are several rezoning proposals in the precinct which seek the permissibility of residential uses and retail uses under consideration.

- Notably, a planning proposal at Homemaker Megamall (265 Parramatta Road) seeks to permit the site-specific additional use of up to 4,600sqm of shops within the existing megamall. The proposal does not seek a rezoning (currently zoned B6 Enterprise Corridor).
- A planning proposal of the Highgate precinct (bound by Parramatta Road, Rawson Street, Highgate Street and Hampstead Road) seeks to introduce residential and retail premises (7,500sqm) as permissible land uses in a rezoning of part of the site from B6 Enterprise Corridor to R4 High Density Residential.

<u>Homebush</u>
Development activity in this precinct is characterised by residential mixed use projects with a number of large residential mixed use projects approved and progressed along Parramatta Road within the B4 Mixed Use zone. These notably include 6-18 Parramatta Road (Grand Central), 2-20 Parramatta Road and 11-17 Columbia Lane (Columbia Precinct).

Over 1,600 residential units have been approved within the Homebush precinct plus various development applications being assessed for over 400 units since the gazettal of Strathfield LEP 2012.

<u>Burwood</u>
The majority of development activity in this precinct is focused along Burwood Road in the B4 Mixed Use zone. Many strip retail premises are observed to be assembled and amalgamated for a range of residential mixed use developments.

There is limited activity along Parramatta Road with the exception of 316 Parramatta Road (B6 Enterprise Corridor) which is under construction for a 2-5 storey mixed use development to contain a 2 storey building at front (175sqm commercial space and reception for serviced apartments) and a 4-5 storey building at rear to contain 16 serviced apartments and 20 residential units.

<u>Kings Bay</u>
There is limited development activity in the precinct with the exception of a proposed new block construction at Rosebank College.

A rezoning proposal at 51-73 Parramatta Road and 31A-43 Queens Road proposes more than 600 residential units. Two planning proposals seeking an additional permitted use of “child care centre” have been approved on discrete sites within the IN1 General Industrial zone.

Taverners Hill
A number of alternations are proposed within car workshop premises in the precinct, including Eurotech and AMR Renault.

Notably, a 3 storey commercial building is proposed at 231-239 Parramatta Road (in the B6 Enterprise Corridor zone) wherein 2,570sqm of floorspace is proposed together with two levels of basement parking for 60 vehicles. Development approval has been granted. The site was purchased over the course of 2012-2014 wherein a price of $1,700/sqm of overall site area was paid.

A planning proposal at 22, 30-40 George Street (former Kolotex and Labelcraft sites) seeks to rezone the sites from Industrial 4 zone to allow for a mix of uses.

Leichhardt
Development activity in this precinct is confined to non-residential developments in the B2 Local Centre zone at various stages of planning.

- **Boarding houses**
  Several proposals along Parramatta Road envisage boarding house accommodation above retail/commercial tenancies.
- **Child care centres**
  Several proposals along Norton Street propose expanding the number of child care places in existing facilities.
- **Mixed use**
  A 3 storey mixed use development at 371-375 Parramatta Road proposes 4 commercial tenancies on the ground floor and 10 x 1 bedroom units with floor areas 41sqm-44sqm.

Camperdown
The majority of development activity in this precinct is focused along Parramatta Road in the B4 Mixed Use zone. Many strip retail premises are observed to be assembled and amalgamated for a range of residential mixed use developments.

Majority of development activity in the precinct is progressed by major employer University of Sydney.

Market Findings and Future Demand

Several key themes emerge from our market analysis of the Parramatta Road Corridor and wider area.

- **Local service businesses**
  As the population grows, so too will businesses that service local catchments, who in turn demand associated floorspace that is accessible and close to their key markets. For example, businesses such as automotive and smash repairers, food wholesale suppliers (coffee roasters, food and beverage product packaging), printing and stationery suppliers, etc. all require floorspace that is centrally located that will enable them to service their markets.

  Parramatta Road's central location is attractive to many businesses for this reason, these users typically requiring a combination of industrial and commercial floorspace.

- **Large format retailers**
  Retail and other uses which service a broader catchment and wider Sydney metropolitan, i.e. car showrooms, bulky goods retailers, require co-location opportunities to be viable. These uses are observed to already be clustering in Auburn, Granville and Kings Bay.

  Successful retail floorspace needs the ability to co-locate with similar retail floorspace, customers able to move between retailers with relative ease (whether on foot or by vehicle).

- **Commercial floorspace**
  There is an apparent increase in demand for commercial floorspace (particularly in the eastern portion of PRC) as people seek out options that allow them to work close to/from home. More workers in eastern precincts walk to work or work from home. The precincts of Leichhardt and Camperdown are increasingly perceived as an alternative to the City fringe/Surry Hills office markets.

  Market and development activity (small office studios, apartments that combine live/work) in these precincts is reflective of this trend in demand.

- **Poor performing areas (vacancies and storage)**
  There are numerous examples of isolated and disparate parts of PRC which do not lend themselves to pedestrian access and hence are only able to attract storage uses, typically paying a nominal rent. These areas are prime candidates for redevelopment into residential mixed use uses.

  As a corollary of broader economic and market conditions, the above categories of land use activity are expected to continue.

Residential development overwhelming dominates the nature and scale of development activity at present. Owing to severe pent up demand and rising price levels, the feasibility of residential development significantly outperforms most other land uses.

Although occurring only incrementally, non-residential development is occurring in pockets where land can be assembled competitively. As older stock becomes obsolete and building values decline to approach land values, these properties will be attractive and ready for redevelopment. However, this is unlikely to occur on a larger scale in the short to medium term.

Appendix E: Demand Projections Methodology

Additional floorspace demand projections for Parramatta Road Corridor and each precinct were developed using the following approach:

- Projections of employment across 72 industries for NSW to 2031 were developed using AEC's NSW econometric model. Employment projections for NSW (by 72 industries) were distributed to NSW Statistical Divisions (SDs) and local government areas (LGAs) using a combination of population based and industry based coefficients to allocate employment growth of each industry to SDs/LGAs.
- Population based coefficients were developed based on the proportionate contribution of each SD/ LGA to overall population growth in NSW over each five year time period. Population projections were as per NSW Government population projections (NSW DPE, 2014).
- Industry based coefficients were developed based on the proportionate contribution each SD/LGA made to total employment in NSW in each industry in the previous time period (e.g., for 2016, the coefficient was equal to the proportion the SD/LGA made in 2011 to total NSW employment in that industry).
- The population and industry coefficients were aggregated based on estimates of household (population) versus industry demand for the goods/ services produced by each industry (as outlined in Input-Output transaction tables for NSW (ABS, 2013)). The aggregate coefficients were rebalanced to ensure the sum of coefficients for each industry equalled 1.
- Employment projections for the PRC precincts were developed by distributing SD/LGA projections to Transport Zones (TZs), using the same distribution process as outlined above. For the population coefficient, as no information was available to differentiate growth across TZs, each TZ was allocated an equal population coefficient. Two models were run:
  - A 'base case' model with no adjustments for infrastructure developed in the PRC.
  - A 'with infrastructure' model accounting for the WestConnex development and other anticipated infrastructure, by applying an additional multiplier to coefficients for TZs located in precincts along the PRC (thus representing an increased 'pull' of the precincts for employment).
- Employment projections were estimated based on employment in the TZs each precinct is located within. The precincts do not comprise the entirety of the TZs they are located within. Data from UrbanGrowth NSW (2015) was used to estimate the proportion of employment in each TZ that is located within a precinct.
- For future projections (2016 to 2031), additional employment in each TZ was apportioned to within precinct/outside precinct and added to 2011 estimates. In disaggregating additional employment by TZ, the 2011 splits between within precinct/outside precinct were modified so that outside the precinct was adjusted to 66.67% of the 2011 proportion (e.g., if 30% of a TZ was outside a precinct in 2011, for 2016 to 2031 it was assumed 20% (66.67% of 30%) of additional employment would be outside the precinct and the remainder within the precinct. This reflects an assumption that employment growth would be focused within precincts of the PRC.
- Employment densities for 2015 were developed assuming a linear progression between 2011 and 2016.

Projections of additional floorspace demand were developed using gross floor area (GFA) to employee ratios for each of the 72 industries. These were then aggregated to different land use types (e.g. commercial, industrial, institutional and other) for reporting.

This methodology represents a top-down approach to projecting employment and employment floorspace.

Appendix F: Precinct Challenges Scoring System

The tables set out the criteria for how each issue/challenge was assessed.

Physical Challenges
The physical challenges assessed included:

- Proximity to employment
  Proximity to employment has been considered as a key driver for redevelopment, considering that businesses require proximity to other businesses.
- Accessibility to existing transport network
  Transport infrastructure is also a major driver for redevelopment, making it appealing to workers and enabling businesses to access labour force. This is also critical for the development of retail/commercial uses.
- Pedestrian walkability
  Pedestrian walkability has been considered as retail clusters typically rely on pedestrian footfall in order to be viable.

Table F.7. Proximity to Employment

Rating	Score	Indicator
Good	3	Less than 5km from Sydney CBD or Strategic Centre i.e. Burwood, Homebush etc.
Average	2	Between 5km-10km from Sydney CBD or Strategic Centre i.e. Burwood, Homebush, etc.
Weak	1	Over 10km from Sydney CBD or Strategic Centre i.e. Burwood, Homebush etc.

Source: AEC

Table F.2. Accessibility to Existing Transport Network

Rating	Score	Indicator
Good	3	Good access to trains, buses and motorways and close to employment
Average	2	Inadequate train or bus service, access to motorways and more than 10km from employment
Weak	1	Both inadequate bus and train service, access to motorways and more than 10km from employment

Source: AEC

Table F.3. Pedestrian Walkability

Rating	Score	Indicator
Good	3	This precinct has excellent footpaths and is very walkable
Average	2	The majority of the precinct's pedestrian network is road-side. The walkability of the precinct is at times hindered by low quality footpaths which reduces its permeability
Weak	1	This precinct has narrow footpaths and is dominated by major arterial traffic

Source: AEC

Market Challenges

Market challenges include considerations such as:

- Lot sizes and ownership.
- Development activity.
- Price growth.
- Proximity to viable retail clusters.
- Number of vacancies.
- Parking.

Collectively, these factors underpin the viability of new retail and commercial development.

Table F.4. Lot Sizes and Ownership

Rating	Score	Indicator
Good	3	This precinct contains predominately large lots, with few landowners
Average	2	This precinct contains a mix of large and small lots in both single and fragmented ownership
Weak	1	This precinct predominately contains small lots in fragmented ownership

Source: AEC

Table F.5. Development Activity

Rating	Score	Indicator
Good	3	This precinct has over 5 development applications in the pipeline
Average	2	This precinct has less than 5 development applications in the pipeline
Weak	1	This precinct has no development applications in the pipeline

Source: AEC

Table F.6. Price Growth

Rating	Score	Indicator
Good	3	More than 4% per annum
Average	2	Between 2-4% per annum
Weak	1	Less than 2% per annum

Source: AEC

Table F.7. Existing Viable Retail Clusters

Rating	Score	Indicator
Good	3	Existing viable retail cluster located in the precinct
Average	2	Existing viable retail cluster located in close proximity to the precinct
Weak	1	Existing viable retail cluster located a significant distance from the precinct

Source: AEC

Table F.8. Number of Vacancies

Rating	Score	Indicator
Good	3	Less than 5 vacant premises in the precinct
Average	2	Between 5-15 vacant premises in the precinct
Weak	1	Over 15 vacant premises in the precinct

Source: AEC

Table F.9. Parking

Rating	Score	Indicator
Good	3	High prevalence of parking restrictions which impede parking ability
Average	2	Moderate parking restrictions
Weak	1	Low prevalence of parking restrictions which enable ease of parking

Source: AEC

Summary of Scores

The indicators provide a qualitative way of assessing whether a precinct has the underlying characteristics to facilitate feasible retail and commercial redevelopment.

Planning controls have not been considered as these are among the suite of interventions that will be considered in the draft Strategy. The precincts may undergo further investigation and detailed site feasibility studies to determine the most appropriate planning controls.

Rating	Score	
Good	>20	Prospects for redevelopment are positive with some challenges
Average	16-20	Prospects for redevelopment are moderate with some intervention needed
Weak	<16	Prospects for redevelopment are challenged with significant intervention needed

Source: AEC

For further information:

1300 730 627

info@newparramattard.com.au

urbangrowth.nsw.gov.au