



# Tennyson Rd, Gladesville

## Economic Impact Assessment

Prepared for Darcsol Pty Ltd

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## QUALITY ASSURANCE

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This document is for discussion purposes only unless signed and dated by a Principal of HillPDA.

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## CONTENTS

Executive Summary .....	5
Section 117 Direction 1.1 business and industrial zones .....	5
A Plan for Growing Sydney .....	6
Economic assessment .....	7
1 Introduction.....	11
2 Contextual Review .....	14
3 Increased Residential Provision.....	20
Dwelling price growth .....	20
Need for increased capacity .....	21
Increased dwelling choice .....	22
Housing stress and affordability.....	24
Key findings .....	27
4 Economic Impact Assessment .....	29
Current economic contribution.....	29
Construction Economic Benefits .....	31
Economic Impacts of the Planning Proposal .....	34
Other economic benefits.....	36
Conclusion .....	37

## TABLES

Table 1: Consistency of planning proposal with Ministerial Direction 1.1 business & industrial zones.....	18
Table 2: Median sale price (\$'000) by September quarter .....	21
Table 3: Projected dwellings Ryde LGA .....	21
Table 4: Historic dwelling structure, occupied dwellings, Ryde LGA.....	22
Table 5: Apartment dwellings by household composition .....	23
Table 6: Median rental growth 2006-2016.....	24
Table 7: Rental and mortgage stress .....	24
Table 8: Household income and affordability Ryde LGA .....	25
Table 9: Rental affordability against Ryde LGA median household income - 2016/26	
Table 10: Estimated current salary contribution (\$2017m) .....	30
Table 11: Estimated industry value add (\$2017m).....	30
Table 12: Capital investment estimation.....	31

Table 13: Construction multipliers (\$m).....	32
Table 14: Construction employment.....	33
Table 15: Estimated employment generation of PP.....	34
Table 16: Estimated salaries (\$2017).....	35
Table 17: Estimated industry value add of proposal (\$2016).....	35
Table 18: Impact on whole-of-government revenue .....	36

## FIGURES

Figure 1: Subject site boundary (red) .....	12
Figure 2: Residential pipeline (strata).....	22
Figure 3: Household type projections Ryde LGA .....	23
Figure 4: Surrounding characteristics of subject site .....	27
Figure 5: ATP travel zone 1518.....	29

## EXECUTIVE SUMMARY

HillPDA was commissioned by Darcsol Pty Ltd to undertake an economic impact assessment (EIA) in relation to a Planning Proposal (PP) for a site located at 2-12 and 14 Tennyson Road, Gladesville (subject site).

HillPDA previously completed an EIA for the subject site in 2013 (2013 EIA). The 2013 EIA had a particular focus on assessing the effects that the amount of retail floorspace proposed would have on the surrounding retail hierarchy.

The 2013 EIA also concluded that increased residential supply within the local area would increase housing affordability and contribute towards the LGA meeting housing targets. A range of economic benefits such as employment, retail expenditure and construction multipliers were also quantified.

The PP has now been amended. Of particular note, there is a significant reduction in amount of retail floorspace and number of apartments proposed.

On the 20th of June 2016, a letter was received from the City of Ryde (Council) which detailed a number of additional conditions that the PP would need to address for the PP to proceed to public exhibition.

Of relevance to this EIA were the following conditions:

- Address the inconsistency with Section 117 Direction 1.1 Business and Industrial Zones; and
- Demonstrate consistency with *A Plan for Growing Sydney*.

This EIA addresses the above conditions and assesses the economic contribution of the amended scheme.

### Section 117 Direction 1.1 business and industrial zones

The Section 117 Ministerial Directions apply to industrial and business zoned land. The objectives of the direction are as follows:

- a) Protect employment land in business and industrial zones;
- b) Encourage employment growth within suitable locations; and
- c) Support the viability of identified strategic centres.

The PP would **NOT** result in any net loss of land zoned for business purposes. Rather, it seeks the transition of an existing employment zone, that of an IN2 – General Industrial, to a B4 -Mixed Use zoning (business zoning). This reclassification would allow for an “intensification” of employment uses on site.

Providing more flexible planning frameworks that increase the opportunity for the development of more “intensive” commercial activities, such as that sought in the PP, is in accordance with the directions within the *A Plan for Growing Sydney*.

The subject site is a small proportion of the Gladesville industrial precinct on the south side of Victoria Road. The TPA forecasts that this section of the precinct would accommodate **no additional employment** related to traditional industrial industries (manufacturing and transport/warehousing) between 2016 and 2031.

Redevelopment of the subject site for a complying industrial use is problematic due to the sloping topography, site attributes, locational disadvantages, lack of agglomeration with existing businesses, sloping access issues through residential areas and hence land use conflicts with residential immediately surrounding the site on three sides. Rezoning to mixed use would allow more flexibility and incentivise redevelopment for more intensive employment and housing.

This would reduce future land use conflict, provide employment opportunities and increase the viability and vibrancy of Gladesville and Ryde local centres through increased resident retail expenditure.

## A Plan for Growing Sydney

The PP is in accordance with several directions and actions identified within *A Plan For Growing Sydney* (the Plan). Specifically the PP is in accordance with:

- *Direction 2.1 – Accelerate housing supply across Sydney*

This direction emphasises accelerating the delivery of housing across Sydney. The direction aims to achieve this through identifying where development is feasible, where there is existing infrastructure and the targeting of areas where the delivery of homes is in close proximity to employment areas. The subject site is in close proximity to surrounding employment precincts and Gladesville local centre.

Furthermore, the existing public transport in the area links the site to the Parramatta CBD, Sydney CBD and Macquarie Business Park. As such the development of residential uses on the site further is in line with this direction;

- *Direction 2.2 – Accelerate urban renewal across Sydney*

This direction focuses housing within centres with high connectivity through public transport. The subject site is in close proximity to Victoria Road which provides frequent bus services to Parramatta and

Sydney CBD. Additionally, services to Macquarie Business Park and Macquarie University are also provided. Transport for NSW is investigating a Bus Rapid transit along Victoria Road which would provide increased public transit services to the area.

The connectivity of the subject site to surrounding economic centres emphasises the sites suitable candidacy to provide urban renewal opportunities for additional housing;

- *Direction 2.3 – Improve housing choice to suit different needs and lifestyle*

This direction emphasises increased housing diversity across Sydney. The provision and mixture of apartments within the PP would increase dwelling diversity within the area, providing a range of housing options and price points for persons downsizing or entering the market;

- *Action 2.3.3 – Deliver more opportunities for affordable housing*

The action recognises that the Government needs to be more proactive in ensuring that more is done to meet the housing needs of persons on very low, low and moderate income. The action requires local councils to include affordable housing in their local housing strategies, to respond to local demand. Of the 383 dwelling proposed in the PP, it's likely that a proportion of 5% or more would be provided as affordable housing for low income households.

- *Action 1.9.2 - Support key industrial precincts with appropriate planning controls*

The Action states that the Government “*would identify where improved and innovative planning controls would allow for the ongoing evolution of industrial activities to more intensive commercial activities*”.

Employment projections for the site forecast no additional industrial jobs over the next 15 years. As such, the more flexible planning controls in a B4 – Mixed Use zoning would allow for the ongoing evolution of the site, allowing for the development of more intensive commercial and retail uses.

## Increased residential provision

### Increased housing affordability (sale value)

Analysis of median end sale values highlights the affordability of apartment style dwellings within Ryde LGA, compared to separate houses. This is evident in the median sale value for strata dwellings being

\$733,000 or half the median price for non-strata dwellings (\$1.5 million in 2016). The median sale value of apartments in the LGA in 2016 was also 5% higher than Greater Sydney of \$700,000.

Increased dwelling supply, like that proposed within the PP, would further contribute to the relative affordability of apartment dwellings within Ryde LGA.

#### Housing targets

The North District Plan sets a target of 7,600 additional dwellings for the LGA by 2031, while Forecast.id projects an additional 6,640 over the period. Analysis of the development pipeline reveals that without additional supply the LGA is not set to meet either of these targets. The 383 additional dwellings within the PP would make a contribution to the LGA meeting these targets.

#### Increased dwelling choice

Analysis of the last three census periods reveals that in Ryde LGA, the majority of household types are increasingly transition to live in apartments. Of the 15,452 additional households forecast to be accommodated in the LGA by 2031, 66% or 10,147 households will be couples without dependents, one parent families and lone person households. These household types have an increasingly propensity to reside within apartments style dwellings.

The number and bedroom configurations proposed would increase the choice of dwellings for these households.

#### Increased housing affordability (very low and low income households)

A household classified as earning a low income would only be able to afford 95% of the market rent for a one bedroom and 87% of market rent for a two bedroom apartment. A household classified as earning a very low income in Ryde LGA would only be able to afford 59% of the market rent for a one bedroom apartment and 55% of market rent for a two bedroom apartment.

Advancement of the PP would increase dwelling supply and capacity within the LGA helping to alleviate this housing affordability gap and rental stress.

The PP would also directly provide a proportion of dwellings for affordable housing – likely to be 5% or more.

## Economic assessment

### Current economic contribution

The subject site currently provides an estimated 73 jobs related to manufacturing and warehousing. Based on this estimate the subject site currently contributes:

- \$5 million per annum in wages to the workers on site;
- \$10.1 million per annum to the local gross regional product (GRP); and
- \$30,650 in retail expenditure per annum from workers on site.

### Economic assessment of the Planning Proposal

The construction of a mixed use development would provide economic benefits during and post construction phases. These economic benefits are estimated as follows:

#### During construction

- Estimated construction cost of \$160 million;
- Construction would generate a further \$203 million of activity in production induced effects;
- A further \$151 million in consumption induced effects;
- Total economic activity of \$514 million;
- 376 job years generated directly in construction;
- Due to multiplier impacts the proposal is estimated to generate a total of 1,485 job years directly and indirectly; and
- Construction workers are likely to spend \$1.3 million in retail goods and services within the local area during the construction phase. Supporting the viability of Gladesville town centre.

#### Post construction

- The PP would facilitate the creation of an estimated 96 jobs, a net increase of 23 jobs;
- Workers located within the subject site would generate an estimated \$6 million in salaries annually, a net increase of \$1 million;
- Workers would contribute \$7.8 million annually to the local GRP, a net decrease of \$2.3 million;
- The PP would generate a further \$86 million in Government revenue including development contributions, stamp duty and GST;

- Residents and workers on site would generate \$11 million in retail expenditure annually. A large proportion of this would likely be captured in the commercial centres of Gladesville and Ryde – further supporting their viability and vibrancy which is one of the directions of “*A Plan For Growing Sydney*”;
- The development of commercial, retail and residential uses on the subject site would improve street activation. The benefits of this activation would be increased security, increased passing traffic for local retailers and increased investment in the locality;
- Significant property investment decisions are generally viewed as a strong positive commitment for the local area;
- The direct investment proposed by the development would, through a wide range of economic multipliers as outlined above, support investment in associated industries;
- The PP would create additional business opportunities in this locality;
- The PP would facilitate urban renewal and contribute to the LGA meeting its housing targets while also increasing affordability, a direction of *A Plan For Growing Sydney*; and
- The inclusion of the residential component is necessary to ensure development feasibility. Redevelopment for commercial purposes only is highly improbable in the foreseeable future due to the lack of development feasibility.

# 1 INTRODUCTION

HillPDA was commissioned by Darcsol Pty Ltd to undertake an economic impact assessment (EIA) in relation a Planning Proposal (PP) for a site located at 2-12 and 14 Tennyson Road, Gladesville (subject site). The PP would facilitate the mixed use redevelopment of the subject site to accommodate retail and residential uses.

## **Tennyson Road, 2013 EIA**

HillPDA previous completed an EIA for the subject site in 2013 (2013 EIA). The 2013 EIA had a particular focus on assessing the effects that the amount of retail floorspace proposed would have upon the surrounding retail hierarchy.

The 2013 EIA found that there was a historic undersupply of retail floorspace within the trade area for Gladesville, calculated at around 8,200sqm. As such, the proposed development would be addressing some of this undersupply through the provision of 5,800sqm net saleable area (NSA) of retail space.

The 2013 EIA also concluded that increased residential supply within the local area would help address housing affordability and contribute towards the LGA meeting housing targets. A range of economic benefits such as employment, retail expenditure and construction multipliers was also quantified.

Since completion the 2013 EIA, the proposed development scheme has been amended. Of particular note has been the reduction in amount of retail floorspace and number of apartments proposed.

The amount of retail floorspace has reduced from a proposed 5,800sqm NSA to around 1,785sqm NSA, while the number of residential apartments has been reduced from 539 to 383 apartments.

This revised EIA would assess the economic contribution of the amended scheme.

## **The need for a revised EIA**

On the 20th of June 2016, a letter was received from the City of Ryde (Council) which detailed a number of conditions that the PP would need to address to enable the PP to proceed to public exhibition.

Of relevance to this EIA were the following conditions:

- Address the inconsistency with Section 117 Direction 1.1 Business and Industrial zones; and

- Demonstrate consistency with *A Plan for Growing Sydney*.

In response to this letter, this EIA addresses the above conditions. This report further assesses the contribution of the amended scheme to the local and wider economy.

### The subject site

The subject site comprises 2.38ha of land area. It is bounded by existing commercial uses fronting Victoria Road to the north, Tennyson Road to the north east, residential uses fronting Brereton Street to the south and commercial and residential uses to the east. It is situated within the City of Ryde local government area (LGA).

2-12 Tennyson Road currently comprises a two-storey commercial building on the side fronting Tennyson Road and a large portal frame clear span warehouse to the rear, in addition to surface level car parking. Existing tenants include Assetlink and GH Packaging International. 14 Tennyson Road comprises light industrial warehousing and is occupied by Latham Australia.

The location of the Subject Site is shown in the figure below.

**Figure 1: Subject site boundary (red)**



Source: HillPDA

The subject site is zoned IN2 Light Industrial in the Ryde local environmental plan (LEP) 2014. The proposed rezoning seeks to incorporate a B4 - Mixed Use on the subject site.

### Proposed development

The PP seeks to facilitate the redevelopment of the subject site to incorporate the following uses:

- 1,785sqm NSA of employment floorspace;
- 383 residential apartments;
- 723 car spaces; and
- 9,274sqm of open space.

### Report structure

To address the conditions set out in Council's letter, the EIA is set out in the following manner:

- **Chapter 2** | undertakes a review of the planning and legislative background relevant to PP. Particularly the Chapter demonstrates consistency with *A Plan for Growing Sydney* and Section 117 Direction 1.1;
- **Chapter 3** | assesses need for increased housing supply within the locality which satisfy directives set out in the *A Plan for Growing Sydney*; and
- **Chapter 4** | assesses the economic implications of retaining the current zone versus rezoning and developing the site under the PP.

## 2 CONTEXTUAL REVIEW



This Chapter undertakes an appraisal of the planning and legislative context for the proposed rezoning based on State, Subregional and local planning guidelines. It considers matters relating to the proposed rezoning and development from an economic perspective only.

### **A Plan for Growing Sydney 2031 (2014)**

The Department of Planning and Environment (DPE) published the A Plan for Growing Sydney to 2031 (the Plan) in December of 2014. It seeks to achieve the following outcomes:

- A competitive economy with world-class services and transport;
- A city of housing choice, with homes that meet our needs and lifestyles;
- A great place to live with communities that are strong, healthy and well connected; and
- A sustainable and resilient city that protects the natural environment and has a balanced approach to the use of land and resources.

By 2031, Sydney's economic output will almost double to \$565 billion a year, with this economic growth being fuelled partly by an additional 689,000 new jobs over the period. Sydney will also experience a population growth of about 1.6 million persons. To meet this population growth, an additional 664,000 new dwellings will need to be constructed.

Specific to this EIA are:

- *Direction 2.1 – Accelerate housing supply across Sydney*

This direction empathises accelerating the delivery of housing choice across Sydney. The direction aims to achieve this through identifying where development is feasible, where there is existing infrastructure and the targeting of areas where the delivery of homes is in close proximity to employment areas. The subject site is in close proximity to surrounding employment precincts and Gladesville local centre. Furthermore, the existing public transport in the area links the site to the Parramatta CBD, Sydney CBD and Macquarie Business Park. As such the development of residential uses on the site further is in line with this direction;

- *Direction 2.2 – Accelerate urban renewal across Sydney*

This direction focuses housing within centres with high connectivity through public transport. The subject site is in close proximity to Victoria Road which provides frequent bus services to Parramatta and

Sydney CBD. Additionally, services to Macquarie Business Park and university are also provided. Transport for NSW is investigating a Bus Rapid transit along Victoria Road which would provide increased public transit services to the area.

The connectivity of the subject site to surrounding economic centres emphasises the sites suitable candidacy to provide urban renewal opportunities for additional housing;

- *Direction 2.3 – Improve housing choice to suit different needs and lifestyle*

This direction emphasises increased housing diversity across Sydney. The provision and mixture of apartments within the PP would increase dwelling diversity within the area, providing a range of housing options and price points for persons downsizing or entering the market;

- *Action 2.3.3 – Deliver more opportunities for affordable housing*

The action recognises that the Government needs to be more proactive in ensuring that more is done to meet the housing needs of persons on very low, low and moderate income. The action requires local councils to include affordable housing in their local housing strategies, to respond to local demand. Of the 383 dwelling proposed in the PP, a proportion would be provided as affordable rental housing. Increasing the amount of affordable housing within the locality for persons on very low and low household incomes.

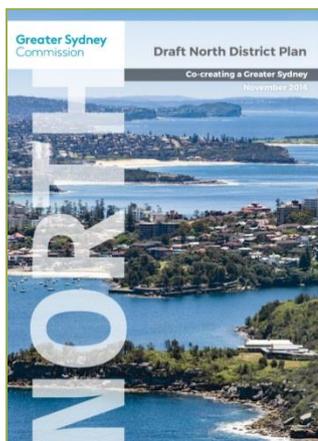
- *Action 1.9.2 - Support key industrial precincts with appropriate planning controls*

Action 1.9.2 within the Plan, states that an industrial lands strategic assessment checklist would be “*developed to guide the proposed rezoning of industrial lands*”. The Action also states that the Government “*would identify where improved and innovative planning controls would allow for the ongoing evolution of industrial activities to more intensive commercial activities*”.

In the absence of this checklist this EIA refers to the criteria set out in the Ministerial Section 117 Direction 1.1.

### **Draft North District Plan (November 2016)**

The draft North District Plan was released by the Greater Sydney Commission (GSC) in 2016. The GSC is leading metropolitan planning to make Greater Sydney more productive, sustainable and liveable. Its role is to coordinate and align the planning that will shape the future of Greater Sydney.



The North District encompasses the LGAs of Hornsby, Hunters Hill, Kuring-gai, Lane Cove, Northern Beaches, Mosman, North Sydney, Ryde and Willoughby. By 2036 it is projected that the District will have a population of 1.08 million residents, representing an additional 196,350 residents over the 20 year period from 2016<sup>1</sup>.

To house this growth an additional 97,000 dwellings are required representing an average annual rate of 4,850 dwellings. Specifically, the District Plan targets an additional 25,950<sup>2</sup> dwellings to be provided within the District over the next five years. Of this 7,600 dwellings or 29% are to be constructed in the City of Ryde, representing an additional 1,520 dwellings per annum.

Direction 4.3 of the District Plan aims to support improved housing choice and capacity through a four pronged approach:

1. Increased delivery: aims to create conditions to support the supply of housing in well planned locations served by sufficient local and regional infrastructure. The subject site is well located in close proximity to Gladesville and Ryde local centres and the three employment centres of Parramatta CBD, Sydney CBD and Macquarie Business Park. The subject site is also along the proposed Victoria Road Rapid Bus transit corridor which would improve its connectivity;
2. Capacity: insure that existing planning controls and new investigation areas are create sufficient opportunity for housing supply targets by 2036. The PP would allow for the development of residential uses on the site contributing to the District meet its dwelling target of 97,000 additional dwellings;
3. Diversity and adaptability: provide increased diversity of housing types including... apartments in a variety of configurations (one, two and three+ bedrooms). The provision of 383 additional residential dwellings comprising 115 one bedroom, 222 two bedroom and 46 the bedroom apartments would increase dwelling diversity within the local area, providing increased options for the District's current and future population;
4. Affordability: building on the Action 2.3.3 in *A Plan for Growing Sydney* a target of 5% to 10% of new residential floorspace would be proportioned to affordable housing and applied to new developments at the rezoning stage.

This provision of affordable rental housing in new urban renewal and land release areas would be set aside for low and very low income households which are the most vulnerable. There should also be

<sup>1</sup> Draft North District Plan, Table 4-1 , page 76

<sup>2</sup> Draft North District Plan Table 4.2 page 89

increased supply of diverse housing types in the private market that are more affordable to key workers.

Of the 383 residential dwellings proposed within the PP, a proportion is likely to be provided for affordable housing, ranging from 19 to 38 dwellings.

Increased dwelling supply would also increase dwelling affordability from an end sale value perspective, further creating a more affordable market for key workers.

The District Plan also states that Council will:

- Monitor and support the delivery of Ryde's five-year housing target of 7,600 dwellings. The PP would contribute to 5% of Ryde's five year housing target; and
- Investigate local opportunities to address demand and diversity in and around local centres and infill areas. The subject site is an infill area that anchors the northern edge of Gladesville local centre. The additional 383 residential dwellings in the PP would contribute to addressing local demand and diversity of housing while also increasing the viability and opportunity for increased revenue capture of local retailers.

### **Ministerial Section 117 Direction 1.1 (2009)**

Section 117 Direction 1.1 relates to Business and Industrial zones. The objectives of the direction are as follows:

- Encourage employment growth in suitable locations;
- Protect employment land in business and industrial zones; and
- Support the viability of identified strategic centres.

This Direction applies when a planning proposal would affect land within an existing or proposed business or industrial zone. As such this report addresses the five key requirements of Direction 117 these being:

- Follow the objectives of the Direction;
- Retention of existing business and industrial zones;
- No net loss of potential floorspace for employment uses and related public services in business zones;
- Not reduce the potential floorspace area for industrial uses in industrial zones; and
- Be in accordance with a Strategy approved by the Director General of DP&I (now DPE).

The following table assesses the consistency of mixed use development on the subject site, against the five key requirements of the Direction for PPs concerning employment lands.

**Table 1: Consistency of planning proposal with Ministerial Direction 1.1 business & industrial zones**

Relevant Matters	Comment and Consistency
Objectives of the Direction	<p>The development of a mixed use development on the subject site would not result in a net loss in land zoned for employment uses. The PP seeks a rezoning to B4 - Mixed Use which would allow for the provision of employment floorspace within the development.</p> <p>This zoning further provides a more flexible planning framework increasing the opportunity for the development of more “intensive” commercial activities. This is in accordance with the directions within the <i>A Plan for Growing Sydney</i>.</p> <p>The proposed development would also generate additional demand for retail and business services which would help to support the viability of Gladesville and Ryde local centres.</p>
Retain existing business and industrial zones	<p>The proposed rezoning would result in a loss in industrial zoned land (specifically IN2- Light Industrial). However, the PP seeks the rezoning of the subject site to B4 – Mixed Use. This would <b>not</b> result in loss of employment zoned land within the Ryde LGA.</p> <p>As stated above, the more flexible planning framework under a B4 zoning would allow for more intensive employment uses on the subject site which are more compatible with the surrounding land uses (i.e. residential uses).</p> <p>The subject site is also unlikely to be redeveloped for traditional industrial uses as a consequence of the subject site being surrounded by residential uses. The sloping topography of the site is also not ideal for industrial uses, which predominantly prefer level ground for warehousing and manufacturing. The site is further accessed by local residential roads which would increase land use conflicts if heavy vehicles needed to access the site.</p> <p>The subject site is located within the Gladesville industrial precinct as identified within the 2016 employment lands development monitor (ELDM). As of 2016, the Gladesville precinct comprised 20.1ha of land, of which, 0.1ha was undeveloped. The subject site accounts for 1% of the precinct. The Transport Performance and Analytics (TPA) projects that the precinct is forecast to increase employment by 905 jobs between 2011 and 2031<sup>3</sup>. Of these only 24 jobs or 3% of additional jobs are attributed to the industries of manufacturing and transport/warehousing.</p> <p>To meet the projected increase in employment, flexible planning controls are needed that would encourage redevelopment of existing buildings to allow more intensive employment uses, such as commercial and retail uses, are likely to be needed. As such, rezoning of the subject site to allow the proposed development would be addressing both of these issues while absorbing some of this projected employment growth.</p>

<sup>3</sup> The precinct is comprised of the travel zones 1516 and 1518

Relevant Matters	Comment and Consistency
No net loss of potential floorspace for employment uses and related public services in business zones	The PP is not currently within a business related zone and would <b>not result in any net loss</b> of floorspace related to public services. However, the PP proposes a transition of the subject site to a B4 - Mixed Use zone, as such, the PP would increase the amount of business related zoned land within the LGA.
Not reduce the potential floorspace area for industrial uses in industrial zones	<p>The proposed rezoning would result in the loss of floorspace that could be utilised for traditional industrial uses. Despite this, industrial redevelopment on the subject site is problematic as a result of the slopping topography of the land, surrounding residential uses and access issues that would increase the potential for land use conflicts.</p> <p>As stated, the subject site is located within the Gladesville industrial precinct. The southern section of the precinct, that is, the proportion south of Victoria Road, is located within the travel zone<sup>4</sup> known as 1518 (refer to Figure 5). The TPA forecasts that the precinct would accommodate no additional employment within the industries of manufacturing and transport/warehousing between 2016 and 2031<sup>5</sup>.</p> <p>Given that the subject site has reached its development potential under its current zoning, there is no forecast increase in related employment and that redevelopment for traditional industrial uses is unlikely. Rezoning of the subject site to allow more flexible planning controls, would incentivise redevelopment of the site to include more intensive employment and residential use. This would reduce future land use conflict, provide employment opportunities and increase the viability of Gladesville and Ryde local centres through increased resident retail expenditure.</p>
In accordance with a Strategy approved by the Direction General of DPE	The proposed rezoning and subsequent mixed use development responds and accords with Directive 2.1, 2.2, 2.3 and Action 1.9.2 of the <i>A Plan to Growth Sydney 2031</i> as well as supporting the indicative targets for population, housing and employment growth.

<sup>4</sup> Travel Zones (TZs) are the spatial base of the TPA data collection, transport modelling and analysis

<sup>5</sup> TPA September 2014 Release Employment Forecasts by Industry

### 3 INCREASED RESIDENTIAL PROVISION

The following Chapter undertakes a review and analysis of the demographic and housing characteristics within Ryde LGA. The intent of the Chapter is to provide justification for the provision of additional residential supply within the LGA to meet the current and future needs of the resident population.

The basis for this justification is sourced from the *A Plan for Growing Sydney* which provides there core directions in the provision of housing within Sydney. These directions are:

1. Direction 2.1: Accelerate housing supply across Sydney;
2. Direction 2.2: Accelerate urban renewal across Sydney; and
3. Direction 2.3: Improve housing choice to suit different needs and lifestyles.

#### Dwelling price growth

*A Plan for Growing Sydney* acknowledges that Sydney's housing prices are high compared to other Australian capital cities. The Plan highlights that governments can “*help to put downward pressure on prices (by) accelerating the supply and the variety of housing across Sydney, such as apartments and townhouses, will make it easier for people to find homes to suit their lifestyle and budget.*”

*Delivering houses in greenfield and urban renewal locations will help people to live closer to family and friends, to workplaces and schools, and to the services they use on a daily or weekly basis”.*

In 2016, the median sale price for non-strata dwellings within Ryde LGA reached over \$1.5 million. This was \$670,000 or 77% higher than the median non-strata dwelling in Greater Sydney (\$865,000).

Regarding strata dwellings, the median sale price in the LGA in 2016 was \$733,000. Although the median price had increased at a greater proportion when compared to Greater Sydney, it was still comparable, being only \$33,000 or 5% higher than Greater Sydney.

Strata dwelling provide a more affordable option for LGA residents and key workers. This is evident with strata dwellings having a median value of \$733,000 in 2016 which was half the median price of non-strata dwellings.

**Table 2: Median sale price (\$'000) by September quarter**

	2010	2016	Growth (\$)	Growth (%)
Ryde LGA (non-strata)	890	1,535	645	72%
Ryde LGA (strata)	457	733	276	60%
Greater Sydney (non-strata)	578	865	287	50%
Greater Sydney (strata)	479	700	221	46%

Source: NSW Rent and Sales Report

## Need for increased capacity

### Projected dwelling growth

Forecast .id project that Ryde LGA would require an additional 16,434 dwellings between 2016 and 2031, to house the additional 37,108 residents projected to reside within the LGA by 2031.

This represents an annual dwelling increase of 1,090 dwellings need to be completed each year to meet this target.

Additionally, 1,328 dwellings per annum would need to be completed over the five years between 2016 and 2021. This is 192 dwellings less per annum than that projected in the North District Plan.

**Table 3: Projected dwellings Ryde LGA**

	2016	2021	2026	2031	Growth	Growth %	Annual increase
Ryde LGA	46,554	53,194	58,481	62,897	16,343	35%	1,090

Source: Forecast .id

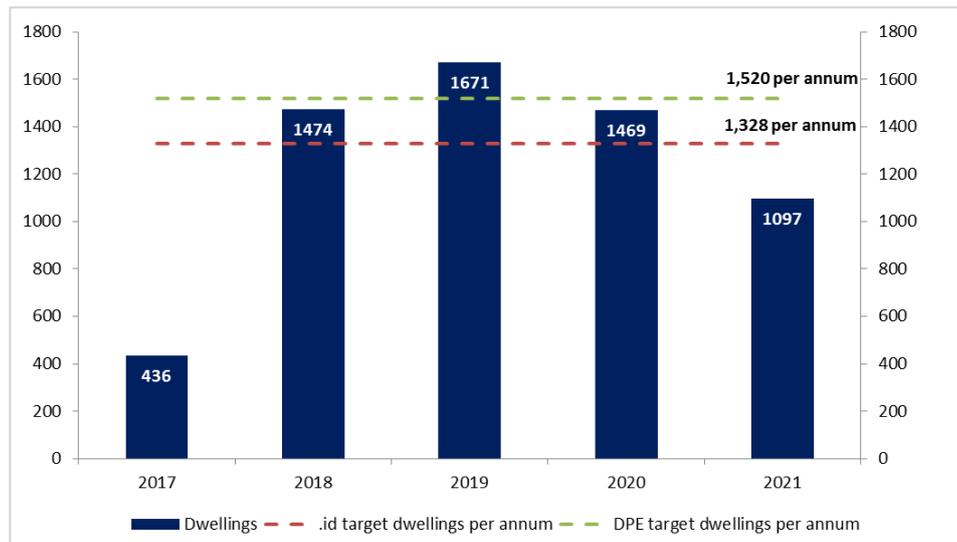
### Residential dwelling pipeline

As discussed previous the LGA would need to provide 1,328 to 1,520 dwellings per annum to meet the targets of Forecast.id and the North District Plan over the five year period from 2016.

If all dwellings that are either completed (2017), under construction, approved or DA submitted were constructed the LGA would be around 500 to 1,450 dwellings short of its targets.

As such, increased residential supply is needed in order for the LGA to meet its dwelling targets. This can be achieved through accelerating urban renewal area, including the subject site.

**Figure 2: Residential pipeline (strata)**



Source: CordellsConnect, HillPDA – count of dwellings stated as completed (2017), under construction, development application or development approval

## Increased dwelling choice

### Dwelling composition Ryde LGA

Separate houses have remained the dominant dwelling type within the LGA, comprising 48% of all dwellings in 2016.

Despite this, there has been strong growth in apartments increasing from 29% of dwelling stock in 2006 to 36% in 2016, while separate houses experienced a 9% decrease over the period.

In fact between the census periods, of the 5,606 additional occupied dwellings, 4,514 dwellings or 81% were apartments.

The strong growth in apartments has likely been one factor contributing to the affordability of housing in the LGA. The PP would further continue this trend by increasing supply.

**Table 4: Historic dwelling structure, occupied dwellings, Ryde LGA**

	2006	2011	2016	Growth #	Growth %
Separate house	20,011	19,884	19,528	-483	-2%
Semi-detached	5,387	5,689	6,739	1,352	25%
Apartment	10,162	12,019	14,676	4,514	44%

Source: 2016 Census, excludes other dwelling and not stated categories

### Apartment dwellings by household type

The 2016 Census reveals that the majority of household types have increasingly been transitioning to living within apartment style dwellings.

Of note is the significant proportional increase in couples without dependants, where 42% of households resided in apartment dwellings – up from 26% in 2006.

Around half of ‘group households’, ‘lone person households’ and ‘other families’ households lived in apartments in 2016. The PP would be providing a dwelling type and mixture that would be catering to the changing preferences of the local community.

**Table 5: Proportion of households living in Apartments by Household Type**

Household type	2006	2011	2016
Couple families with dependents	11%	15%	20%
Couples without dependents	26%	34%	42%
Group households	49%	53%	55%
Lone person households	50%	51%	50%
One parent family	21%	25%	29%
Other families	42%	43%	48%

Source: 2016 Census, occupied apartment dwellings

One parent families have also increasingly been moving towards apartments, from 21% in 2006 to 29% in 2016. Even couples with dependents have moved towards apartments largely due to affordability reasons.

### Household type projections

Forecast.id projects that the LGA will accommodate an additional 15,452 households by 2031. Of this growth, 66% or 10,147 households is attributed to couples without dependents, one parent families and lone person households. As identified above, these household types have an increasingly propensity to reside within apartments style dwellings. This propensity would also be reasons of affordability, as discussed previously.

The PP would be providing a product with a range of bedroom types and configurations that would be catering for these future household types.

**Figure 3: Household type projections Ryde LGA**

Household type	2016	2021	2031	Growth #	Growth %
Couples with dependents	15,010	16,764	18,593	3,583	24%
Couples without dependents	11,355	13,217	15,802	4,447	39%
Group households	2,497	3,028	3,733	1,236	49%
Lone person households	11,048	12,533	15,685	4,637	42%
One parent family	3,809	4,193	4,872	1,063	28%
Other families	1,704	1,936	2,190	486	29%
<b>Total</b>	<b>45,423</b>	<b>51,671</b>	<b>60,875</b>	<b>15,452</b>	<b>34%</b>

Source: Forecast .id

## Housing stress and affordability

### Rental growth

Analysis reveals that median rents within the LGA have increased at a faster proportion when compared to the wider Greater Sydney Region. Increased

**Table 6: Median rental growth 2006-2016**

	2006	2016	Growth	Growth %
Ryde LGA	\$255	\$460	\$205	80%
Greater Sydney	\$250	\$440	\$190	76%

Source: 2016, time series data

### Rental and mortgage stress

Housing stress is a metric used to describe a situation where the cost of housing is high relative to the household income. As a rule of thumb, housing stress is defined as where housing costs (rent or mortgage repayments) are 30% or more of gross household income<sup>6</sup>.

While this figure provides a useful benchmark of housing affordability, the definition of affordability varies according to a household's individual circumstances.

As seen in the table below, housing mortgage stress within Ryde LGA has decreased from 2006 to 2016. As of 2016 the median mortgage repayment is just below 30% of the median household income. Of course with the median cost so close to the 30% benchmark there will be a fair proportion of households under stress.

The trend in the rental market is considerably more negative with rents increasing at a faster rate than household income as shown in the table below.

**Table 7: Rental and mortgage stress**

	2006	2016
Ryde LGA median household income	\$61,412	\$92,612
Ryde LGA median mortgage repayment	\$22,884	\$26,400
Ryde LGA mortgage repayment as proportion of income	37%	29%
Greater Sydney median mortgage repayment as % of income	35%	29%
Ryde LGA median rent	\$13,260	\$23,920
Median rent repayment as proportion of median income	22%	26%

Source: 2016 ABS time series data, HillPDA

<sup>6</sup> NSW Affordable Housing Ministerial Guidelines 2016-2017

Although increased dwelling supply is not a silver bullet in addressing housing stress, as recognised in “*A Plan for Growing Sydney*” increased supply can put downward pressure on dwelling prices and the number of households experiencing stress.

### Rental affordability

NSW Family and Community Services outline the eligibility criteria for affordable housing in their 2016/17 NSW Affordable Housing Ministerial Guidelines. In this document household income is the defining criteria for affordable housing eligibility, with the median income for Greater Sydney used as a bench mark.

The 2016/17 Guidelines define affordable housing for very low, low, and moderate income households. These categories have been applied to this analysis and are as follows:

- Very low-income household is less than 50% of Greater Sydney median household income;
- Low-income household is more than 50% but less than 80% of Greater Sydney median household income; and
- Moderate income household is between 80% and 120% of Greater Sydney median household income.

The median household income for Ryde LGA was \$92,612 per in 2016<sup>7</sup>. Based household income the affordable housing thresholds have been calculated as follows.

**Table 8: Household income and affordability Ryde LGA**

Category	Household income	
	Weekly	Yearly
Median income	\$1,781	\$92,612
Very low household income (50% of median household income)	\$891	\$46,306
Low household income (80% of median household income)	\$1,425	\$74,090
Moderate income household (120% of median household income)	\$2,137	\$111,134

Source: 2016 ABS Census, HillPDA

To assess the ability of very low income and low income household's to meet the median rental repayment for the LGA, we applied the following methodology:

- Multiplied household incomes by 30% and divide by 52 to calculate the weekly rent that household can reasonably afford to pay without experiencing housing stress; and
- Compared Step 1 to the LGA market rent in that year.

<sup>7</sup> 2016 Ryde LGA time series data

### Very low income household rental affordability

A very low income household within Ryde LGA, that is, a household that earns 50% of the median household income could afford to pay \$267/week<sup>8</sup> on rental repayments in 2016.

This was only 59% of the median market rent for a one bedroom apartment in and 55% of market rent for a two bedroom apartment within the LGA.

### Low income household rental affordability

A low income household, that is, a household that earns 80% of the household median income could afford to pay \$427/week<sup>9</sup> on rental repayments.

This was only 95% of the median market rent for a one bedroom apartment and 87% of market rent for a two bedroom apartment within the LGA.

**Table 9: Rental affordability against Ryde LGA median household income - 2016**

Year	Median household income (2016)	Median household at affordability category	Rental affordability at 30% of median income	1 bedroom apartment market rent	Rental affordability as proportion of market rent	2 bedroom apartment market rent	Rental affordability as proportion of market rent
Very low household income at 50% of median household income	\$92,612	\$46,306	\$267	\$450	59%	\$490	55%
Low household income at 80% of median household income	\$92,612	\$74,090	\$427	\$450	95%	\$490	87%

Source: 2016 ABS, NSW Department of Housing rent tables, HillPDA \*30% of household income directed towards rental repayment

If left unabated the housing affordability gap will continue to widen. Increased residential supply can place downward pressure on housing prices and rents as acknowledged in the “A Plan For Growing Sydney”. Advancement of the PP would increase dwelling supply and capacity within the LGA helping to alleviate the housing affordability gap and rental stress.

### Locational considerations

In providing justification for the provision of residential dwellings on the subject site, there are a few other locational factors for consideration. These include the following:

- The subject site is located in close proximity to existing transport infrastructure, this is the subject site is within 1km of 55 state bus stops. The site is also in close proximity to Victoria Road which is being

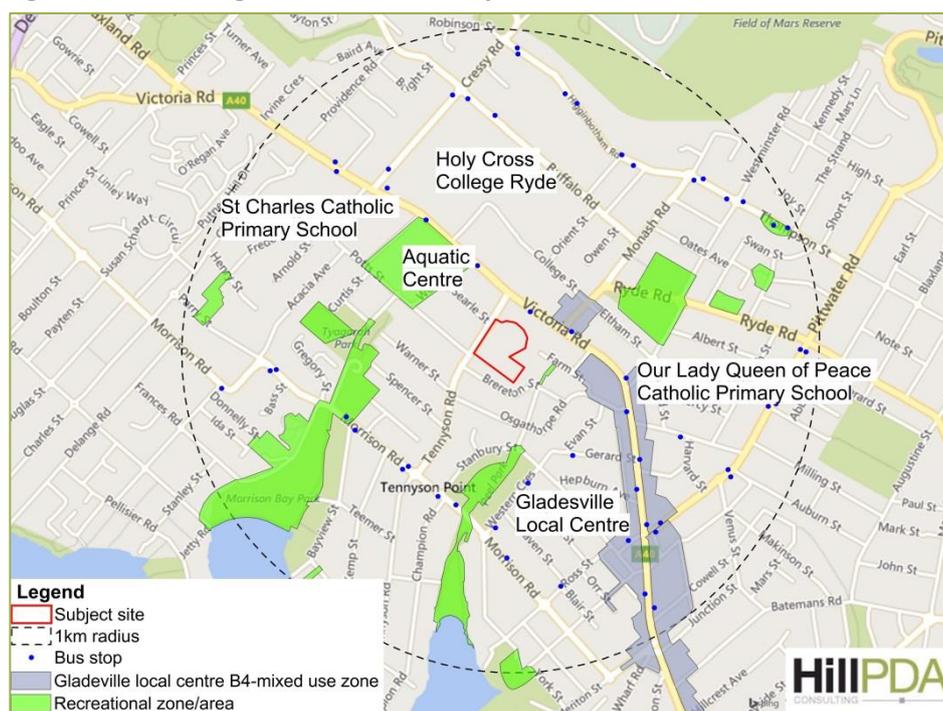
<sup>8</sup> 30% of annual income directed towards rental repayment

<sup>9</sup> 30% of annual income directed towards rental repayment

considered for a rapid bus transit route. The connectivity of the subject site through existing transport infrastructure allows future residents increased accessibility to employment, retail facilities and public infrastructure;

- The subject site is within 1km of surrounding schools including St Charles Catholic Primary School, Our Lady Queen of Peace Catholic Primary School and Holy Cross College.
- The subject site anchors the northern edge of Gladesville Local Centre. increased residential densities within the local area would increase the potential for the local centre to capture additional retail expenditure, increasing its viability and attracting investment;
- The site is in close proximity to surrounding public and private recreation areas such as the Ryde Aquatic Centre, Tyagarah Park, Bremner Park, Monash Park, Westminster Park, Putney Park, Grove Creek Park, Bill Mitchell Park and Peel Park.

**Figure 4: Surrounding characteristics of subject site**



Source: HillPDA

## Key findings

- The median sale value for a non-strata dwelling was within Ryde LGA was \$1.5 million in 2016, this was \$670,000 or 72% higher than the median recorded for Greater Sydney;

- Compared to non-strata dwellings, strata dwellings were more affordable with a median value of \$733,000 in 2016. This was comparable to the wider Greater Sydney region (\$700,000);
- Over the next five years the LGA would need to complete 1,328 to 1,520 dwelling per annum to achieve the targets/projections provided by Forecast .id and the DPE;
- Analysis of the development pipeline reveals that without an increase in supply, the LGA is currently unlikely to meet its five year dwelling targets;
- Over the last ten years apartment dwellings have increased by 4,514 dwellings or 44%. The increase in supply has contributed to the improving housing affordability;
- Couples without dependants have increasingly transitioned into living within apartment dwellings over the ten year period from 2006. One parent families and couples with dependents have also increasingly been moving into apartments;
- Around half of group households, lone person households and other family households are living in apartments;
- By 2031 the LGA would accommodate 15,452 households with, 66% or 10,147 households being classified as couples without dependents, one parent families and lone person households. As identified above, these household types have an increasingly propensity to reside in apartments largely due to affordability;
- The PP would provide housing with a range of bedroom mix and configurations that would cater for these future household types;
- Advancement of the PP would increase dwelling supply and capacity within the LGA helping to alleviate this housing affordability gap and rental stress.

## 4 ECONOMIC IMPACT ASSESSMENT

This Chapter examines the economic impacts of the planning proposal against the base case (or “do nothing” option). Economic impacts include employment generation, increased spend from workers and local residents, economic multipliers and impacts on government revenue.

### Current economic contribution

#### Employment generation

To assess the current employment generation on site HillPDA has used TPA journey to work data 2011. The subject site forms part of a wider industrial precinct known as Gladesville. As seen in Figure 5, the part of the Gladesville industrial precinct, south of Victoria Road, forms part of the TPA TZ known as 1518.

HillPDA has used 2011 JTW data to calculate the number of persons working within the industries of manufacturing and transport, postal and warehousing in the TZ.

Given that the subject site contains the majority of warehousing and industrial floorspace, with the only other building within the IN2 zoning being a commercial building, it has been assumed that persons working in these industries within the TZ are employed on the subject site.

Figure 5: TPA travel zone 1518



Source: HillPDA

Using this methodology it is estimated that 73 persons are employed on the subject site. That is, 67 working within manufacturing and 6 within transport, postal and/or warehousing.

### Salaries

Based on ABS average weekly earnings, HillPDA has estimated the currently annual worker salary generated for workers within the subject site at approximately \$5.1 million. The details are shown in the table below.

**Table 10: Estimated current salary contribution (\$2017m)**

Industry	No. Workers	Average Wage	Total Remuneration
Manufacturing	67	\$68,911	\$4.62
Transport, Postal and Warehousing	6	\$75,125	\$0.45
<b>Total</b>	<b>73</b>		<b>\$5.07</b>

Source: HillPDA, ABS Average Weekly Earnings, Australia, Nov 2016, indexed against CPI

### Industry Value Added

Industry value added (IVA) of an industry refers to the value of outputs less the costs of inputs. It measures the contribution that the industry makes to the country's wealth or gross domestic product (GDP). We estimate that the current land uses potentially contribute \$10.2 million every year based on the following table.

**Table 11: Estimated industry value add (\$2017m)**

Industry	No. Workers	Industry / Value Add / Worker	Industry Value Add (\$m)
Manufacturing	67	\$142,012	\$9.51
Transport, Postal and Warehousing	6	\$106,451	\$0.64
<b>Total</b>	<b>73</b>		<b>\$10.15</b>

Source: Forecast .id economy, , indexed against CPI

### Expenditure from workers

A recent survey conducted by URBIS found that Sydney CBD workers spend an average of \$230 a week or \$11,000 per annum on retail goods and services in the CBD. For centres outside of the CBD average spend is likely to be lower due to the reduced retail offer. Gladesville local centre provides some range of retail offering from food, restaurants, cafes and takeaway food. The ALDI store is within 200m and the Coles supermarket is 900m from the subject site.

For the purpose of the assessment HillPDA has made a more conservative assumption of \$50 spend per worker on site per week in the locality.

The combined total retail expenditure generated by workers on site is approximate \$30,650 per annum. This would likely be captured by surrounding retailers and would comprise predominately food and beverage expenditure.

## Construction Economic Benefits

### Estimated Construction Cost

Construction cost is estimated at \$160 million based on the following:

**Table 12: Capital investment estimation**

Component	Units	\$/unit	\$m
Demolition and clearing (sqm)	8,800	150	1
Residential apartments (units)	383	300,000	115
Non-residential (sqm)	1,785	2,000	4
Car Parking (spaces)	723	50,000	36
Site Costs, External works, Misc.	1	4,000,000	4
<b>Total</b>			<b>160</b>

Source: Rawlinsons Construction Handbook 2017, RLB Digest 2017 and HillPDA

### Construction Multiplier Effects

The construction industry is a significant component of the economy accounting for 6.7% of Gross Domestic Product (GDP) and employing almost one million workers across Australia.<sup>10</sup> The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction. Multipliers refer to the level of additional economic activity generated by a source industry.

There are two types of multipliers:

- **Production induced:** which is made up of:
  - first round effect: which is all outputs and employment required to produce the inputs for construction; and
  - an industrial support effect: which is the induced extra output and employment from all industries to support the production of the first round effect; and
- **Consumption induced:** which relates to the demand for additional goods and services due to increased spending by the wage and salary earners across all industries arising from employment.

The source of the multipliers adopted in this report is ABS Australian National Accounts: Input-Output Tables 2012-13 (ABS Pub: 5209.0). These

<sup>10</sup> Source: IBIS World Construction Industry Report 2015

tables identify first round effects, industrial support effects and consumption induced multiplier effects at rates of \$0.65, \$0.67 and \$0.99 respectively to every dollar of construction.

The table below quantifies associated economic multipliers resulting from the construction process.

**Table 13: Construction multipliers (\$m)**

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Output multipliers	1	0.620	0.647	0.945	3.212
Output (\$million)	\$160	\$98.8	\$103.2	\$150.8	\$512.4

Source: HillPDA Estimate using data from ABS Australian National Accounts: Input-Output Tables 2012-13 (ABS Pub: 5209.0)

The estimated direct construction costs will generate a further \$203 million of activity in production induced effects and \$151 million in consumption induced effects. Total economic activity generated by construction of the proposal is estimated at \$514 million.

Note that the multiplier effects are national, and not necessarily local. The ABS states that:

*“Care is needed in interpreting multiplier effects; their theoretical basis produces estimates which somewhat overstate the actual impacts in terms of output and employment. Nevertheless, the estimates illustrate the high flow-on effects of construction activity to the rest of the economy. Clearly, through its multipliers, construction activity has a high impact on the economy.”*

In particular the multiplier impacts can leave the impression that resources would not have been used elsewhere in the economy had the development not proceeded. In reality many of these resources would have been employed elsewhere. Note that the NSW Treasury guidelines state:

*“Direct or flow on jobs will not necessarily occur in the immediate vicinity of the project – they may be located in head office of the supplier or in a factory in another region or State that supplies the project”.<sup>11</sup>*

<sup>11</sup> Source: Office of Financial Management Policy & Guidelines Paper: Policy & Guidelines: Guidelines for estimating employment supported by the actions, programs and policies of the NSW Government (TPP 09-7) NSW Treasury

Nevertheless, economic multiplier impacts represent considerable added value to the Australian economy.

### Construction Related Employment

Every one million dollars of construction work undertaken generates 2.35 job years directly in construction<sup>12</sup>. Based on \$160 million estimated construction cost 376 job years<sup>13</sup> would be directly generated by the PP as shown in the table below.

**Table 14: Construction employment**

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support		
Multipliers	1	0.620	0.647	0.945	3.212
Employment No. per \$million	2.352	1.713	1.869	3.347	9.280
Total job years created	376	274	299	535	1,485

Source: Hill PDA Estimate using data from ABS Australian National Accounts: Input-Output Tables 2008-09 (ABS Pub: 5209.0) adjusted by CPI to 2014

The ABS Australian National Accounts: Input-Output Tables 2012-13 identified employment multipliers for first round, industrial support and consumption induced effects of 0.64, 0.70 and 1.34 respectively for every job year in direct construction. Including the multiplier impacts the PP is estimated to generate a total of 1,485 job years directly and indirectly.

### Retail expenditure from construction workers

Construction workers on site would generate additional sources of retail expenditure. This would be spent predominately on convenience-related items such as lunches, coffees, snacks and so on. A recent survey conducted by URBIS found that workers in Sydney CBD on average spent \$230 per week on retail items. This average spend encompasses clothing, internet and supermarket purchases. For construction workers HillPDA has applied a more conservative spend of \$15 a day or \$75 a week for 46 working weeks generated by each worker during the construction period.

We have estimated that:

- 375 construction job years would be directly supported on the subject site over the course of the development; and
- The workers on site will spend an average of \$3,450 per annum in the Gladesville / Top Ryde locality.

<sup>12</sup> Source: ABS Australian National Accounts: Input – Output Tables 2012-13 (ABS Pub: 5209.0) adjusted to 2016 dollars

<sup>13</sup> Note: One job year equals one full-time job for one year

On this basis existing retailers in the local area of the subject site would enjoy \$1.3 million revenue from construction workers on site during the period of construction.

### Other Construction Impacts

The construction process may lead to short-term negative impacts in the locality such as increased traffic, noise, dust and so on. We have assumed that the development would take necessary steps to mitigate the extent of these impacts.

## Economic Impacts of the Planning Proposal

Following construction, the PP would provide around 1,785sqm of employment floorspace. We have assumed that half of this would be occupied by retail services while the remaining half would be commercial services. This floorspace would generate employment onsite.

The residential component would also accommodate some jobs. According to ABS 7.6% of workers undertake the majority of work at home (ABS Locations of Work 2008, Cat 6275.0). Given that there are an average of 1.3 working residents per household in Ryde LGA (ABS Census 2011) then almost one in 10 dwellings is expected to provide employment.

HillPDA has applied a more conservative rate of 1.1 workers per household given smaller household sizes living in apartments.

The table below provides an estimate of the number of jobs that would be supported on site following construction and occupation.

**Table 15: Estimated employment generation of PP**

	Floorspace (NLA)	Sqm/Employee	No. of Workers
Retail general	893	30	30
Commercial general	893	25	36
Home Based Businesses	364 apartments*	1 worker / 8.4 apartments	30
<b>Total Employment</b>			<b>96</b>

Source: HillPDA \*assumes 5% vacancy rate

As indicated in the table above, the proposed development would facilitate the creation of 96 jobs on site, an increase of 23 jobs more than the current uses on site.

## Salaries

Based on IBIS World Industry Reports, HillPDA has estimated a combined annual remuneration at approximately \$6 million for workers on site, which is \$1 million more than the remuneration of current workers on site. The details by land use are provided in the table below.

**Table 16: Estimated salaries (\$2017)**

Land use	No. of Workers	Average Wage	Remuneration (\$m)
Retail general	30	\$34,007	\$1.01
Commercial general	36	\$90,305	\$2.71
Home Based Businesses	30	\$62,400	\$2.25
<b>Total</b>	<b>96</b>		<b>\$5.97</b>

Source: IBIS World Industry Reports 2015; and ABS Average Weekly Earnings (Cat 6302), indexed to CPI

## Industry value added

Based on IBIS World Industry Reports, HillPDA has estimated the combined IVA from land uses proposed in the Planning Proposal at approximately \$7.8 million per annum, representing a decrease of \$2.3 million from that currently generated. Notwithstanding an increase in jobs on site the IVA is a little lower due to the nature of the businesses – away from manufacturing (which has a high IVA impact) and towards service industries.

**Table 17: Estimated industry value add of proposal (\$2017)**

	No. of Workers	Industry / Value Add / Worker	Industry Value Add (\$m)
Retail general	30	\$48,550	\$1.44
Commercial general	36	\$119,973	\$3.60
Home Based Businesses	30	\$77,376	\$2.79
<b>Total</b>	<b>96</b>		<b>\$7.83</b>

Source: IBIS World Industry Reports, indexed against CPI

## Expenditure from workers

HillPDA has applied a \$10 per day retail expenditure for retail workers and \$15 per day for commercial workers, the combined total retail expenditure for non-residential workers is an estimated \$35,200 an increase of approximately \$4,550 from that currently generated.

## Expenditure from residents

The PP would benefit Gladesville local centre and its existing retailers by increasing the resident population and hence retail expenditure. HillPDA

estimates an additional 764 residents would live on site based on an average occupancy of 2.1<sup>14</sup> and a 5% vacancy rate.

Assuming an average spend of \$14,305<sup>15</sup> total retail spend generated by residents on site would be \$10.9 million (\$2016).

Of course not all of this expenditure will be captured by existing retailers in the locality (Gladesville, Putney and Top Ryde), but HillPDA would expect a rate of around 60% would be captured in the local area.

When combined with workers on site, the PP would provide sources for an increase in retail sales captured by Gladesville, Putney and Top Ryde retailers in the order of \$6 million to \$7 million per annum.

### Impact on whole-of-government revenue

Based on the table below the PP is likely to contribute an additional \$86 million to government revenue.

**Table 18: Impact on whole-of-government revenue**

Source of Revenue	Total (\$m)
GST from Residential Apartments <sup>*1</sup>	31.3
Stamp Duty Revenue <sup>*2</sup>	29.2
Developer Contributions <sup>*3</sup>	12.5
Payroll Tax during Construction <sup>*4</sup>	2.8
Payroll Tax over 10yrs post construct <sup>*5</sup>	1.0
Land Tax Revenue (over 10yrs) <sup>*6</sup>	9.2
<b>Total</b>	<b>86.0</b>

\*1 Assuming average apartment sale price of \$900,000

\*2 Assuming average apartment sale price of \$900,000

\*3 Section 94 (Ryde Council Section 94 Plan)

\*4 Assuming 50% of workers do not attract payroll tax due to varying business sizes

\*5 Assuming 50% of workers do not attract payroll tax due to varying business sizes

\*6 Assuming 20% of buyers are subject to land tax

## Other economic benefits

### Investment stimulus

Where a significant property investment decision has been made, it is generally viewed as a strong positive commitment for the local area. Such an investment can in turn stimulate and attract further investment. The direct investment in the Planning Proposal would support a wide range of economic multipliers which would in turn support investment in

<sup>14</sup> ABS 2016 Ryde LGA community profile – average number of persons in occupied apartments

<sup>15</sup> Mapinfo Anysite 2016 Expenditure Data – assumed impact year of 2021

associated industries. It would also raise the profile of Gladesville and Ryde LGA to potential investors.

The provision of a mixed use development on the subject site would increase the economic benefits of the scheme to surrounding businesses, services and the financial feasibility of public transport. The benefits of residential uses in the Ryde LGA are recognised in increasing the demand for retail, commercial and transport services and hence increasing the viability of these services.

The PP would create additional business opportunities in this locality associated with future residents and employment floorspace on site. It would increase the profile of this area and, in so doing, increase the financial feasibility of mixed use developments, potentially acting as a catalyst on surrounding sites.

### **Street activation**

The construction of a mixed use development comprising uses such as commercial, retail and residential located on the subject site would create increased pedestrian traffic having the effect of further activating the local area. This street activation would have the benefits of increasing security, increasing trade for retailers through increased passing trade and increase investment within the local area.

### **Replacing old with new**

The redevelopment of the subject site would replace existing industrial and warehouse buildings with a modern mixed use development which is in line with the planning objectives of urban renewal projects. The new employment floorspace would be more attractive to potential tenants while increasing worker densities through increased efficiencies.

## **Conclusion**

The PP would create opportunities for local employment and increase housing supply and choice. As such, the Planning Proposal is in accordance with State and local planning strategies (reviewed in Chapter 2) for Greater Sydney.

Increased residential densities in the area would also increase the opportunity of local retailers to capture additional retail expenditure, further increasing their viability and the vibrancy of the area.

Furthermore, upon completion, the PP would advance the profile of the Gladesville and Ryde LGA and, in so doing, increase the financial feasibility of mixed use developments, potentially acting as a catalyst on surrounding sites.

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5. Due care has been taken to prepare the attached financial models from available information at the time of writing, however no responsibility can be or is accepted for errors or inaccuracies that may have occurred either with the programming or the resultant financial projections and their assumptions.
6. This report does not constitute a valuation of any property or interest in property. In preparing this report HillPDA has relied upon information concerning the subject property and/or proposed development provided by the Client and HillPDA has not independently verified this information except where noted in this report.
7. In relation to any valuation which is undertaken for a Managed Investment Scheme (as defined by the Managed Investments Act 1998) or for any lender that is subject to the provisions of the Managed Investments Act, the following clause applies:

This valuation is prepared on the assumption that the lender or addressee as referred to in this valuation report (and no other) may rely on the valuation for mortgage finance purposes and the lender has complied with its own lending guidelines as well as prudent finance industry lending practices, and has considered all prudent aspects of credit risk for any potential borrower, including the borrower's ability to service and repay any mortgage loan. Further, the valuation is prepared on the assumption that the lender is providing mortgage financing at a conservative and prudent loan to value ratio.

8. HillPDA makes no representations or warranties of any kind, about the accuracy, reliability, completeness, suitability or fitness in relation to maps generated by HillPDA or contained within this report.



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