Bella Vista Priority Precinct

Retail and Commercial Markets Strategy

NSW Department of Planning & Environment

Final



AECgroup

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1. Introduction

1.1 Background and Context

This report has been prepared by AEC Group (AEC) and provides an assessment of retail and commercial markets relating to the proposed rezoning of the Bella Vista Station Precinct.

The Bella Vista Station Precinct was announced by the NSW Government in August 2014. The precinct is one of a number of Priority Precincts which aim to provide for more homes, jobs and improved public spaces close to transport and services. One of the key goals for Priority Precincts is to increase housing choice and affordability by delivering increased housing supply in an environmentally, socially and economically sustainable manner.

The Bella Vista Station Precinct covers approximately 472 hectares, and includes the area within an 800 metre radius, or roughly a 10 minute walk, of the new Bella Vista Station. The boundary has also taken into account the surrounding road network, natural features, and the development pattern of the area.

The precinct covers two local government areas. Land on the eastern side of Old Windsor Road is located within the Hills Local Government Area, and land on the western side of Old Windsor Road is within the Blacktown Local Government Area.

The vision for the Bella Vista Station Precinct is for a business and commercial destination, as well as providing for a mix of housing types within walking distance of the new station, and ensuring the heritage, open space network and natural environment is protected.

The Bella Vista Station Precinct is a long term project that will be delivered over the next 25 years.

Figure 1.1 - Aerial View of the Bella Vista Station Precinct

Source: Nearmap (2014)

1.2 Brief and Methodology

AEC's role in the project was to carry out economic and market analysis to inform the formulation of a development scenario for structure planning and rezoning of the Bella Vista Station Precinct (referred to as the Precinct). Specifically, AEC's scope involved the following tasks:

- Review of previous studies, building upon those findings as relevant.
- Identification of trends and influences for future employment and floorspace requirements.
- Projection of future employment and demand for floorspace.
- Collaboration with the project team to evaluate opportunity sites within the Precinct and their ability to accommodate employment growth.
- Examination of the feasibility of various development typologies, i.e. land use splits and density thresholds that would promote development on opportunity sites earlier identified.
- Following refinement of a preferred development scenario, assess:
  - 'Deliverability" and likely development period.
  - Issues and challenges, implications for take-up.
- Recommendations for appropriate planning controls that would facilitate and accommodate employment growth within the Precinct.

1.3 Review of Previous Studies

A number of technical studies have been carried out for the purposes of land use planning around NWRL station precincts. Key studies reviewed include:

- The North West Rail Link Corridor Strategy.
- North West Rail Link Market Research and Advice.

North West Rail Link Corridor Strategy

The NWRL Strategy (TfNSW, 2013) was prepared to help guide development within the six station precinct areas over the next 25 years. During the preparation of the Strategy engagement with the community, landowners, State and Local Government agencies was undertaken to inform the future vision for those precincts surrounding the NWRL stations. This led to recommendations for land use zones, densities and floorspace to guide future land use and development.

The NWRL Corridor Strategy identifies the Bella Vista Precinct as having the potential to develop into a business and commercial destination complemented by residential development. This would be achieved through a commercial core centred around the station with associated commercial and retail floorspace.

The Strategy identifies new commercial developments to be in the order of 4-6 storeys and a mix of floorplate sizes to promote greater diversity of commercial activity. Significantly, the Strategy envisages a shift away from car dependent office development with large areas of surface parking to a more transit-oriented development with lower car parking provision.

The Strategy identifies a requirement for an additional 4,400 dwellings between 2012 and 2036 with over 50% being in the form of multi-storey apartment blocks ranging from 3 to 22 storeys. In the same period, the Strategy identifies growth of an additional 10,550 jobs within the Bella Vista Precinct.

North West Rail Link Market Research and Advice

A Market Research and Advice report (Hill PDA, 2011) examined the population and employment forecasts contained in the NWRL Corridor Strategy. The key findings of this report with respect to Bella Vista precinct are that:

- A total of 5,480 dwellings will be required between 2016 and 2041.
- There will be an increase in population of 7,328 between 2019 and 2041.
- There will be growth of 7,077 additional workers in the Bella Vista and Norwest precincts by 2041. This has implications for floorspace demand:
    - Cumulative demand for an additional 5,926sqm of retail floorspace by 2041.
    - Cumulative demand for an additional 118,612sqm of commercial floorspace for the Bella Vista and Norwest precincts by 2041.

2. Socio-Economic Analysis

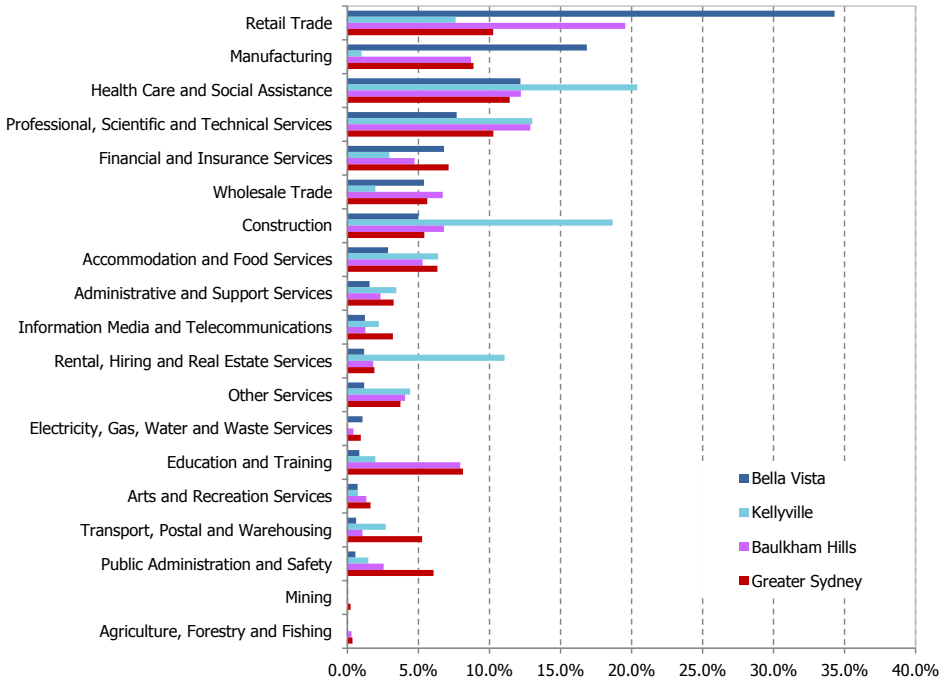
This Chapter provides an overview of employment structure of the Bella Vista Precinct in comparison to adjacent Kellyville Precinct and broader regions of Baulkham Hills SA3 and Greater Sydney region.

2.1 Employment Profile

In Bella Vista, retail trade and manufacturing are significant employers, accounting for over half of the local workforce (51.1% or 4,666 workers).

Occupations in Bella Vista primarily consist of white collar jobs with a high proportion of professionals (32.2% and 21.7% respectively) and clerical and administrative workers (18.9% and 17.7% respectively).

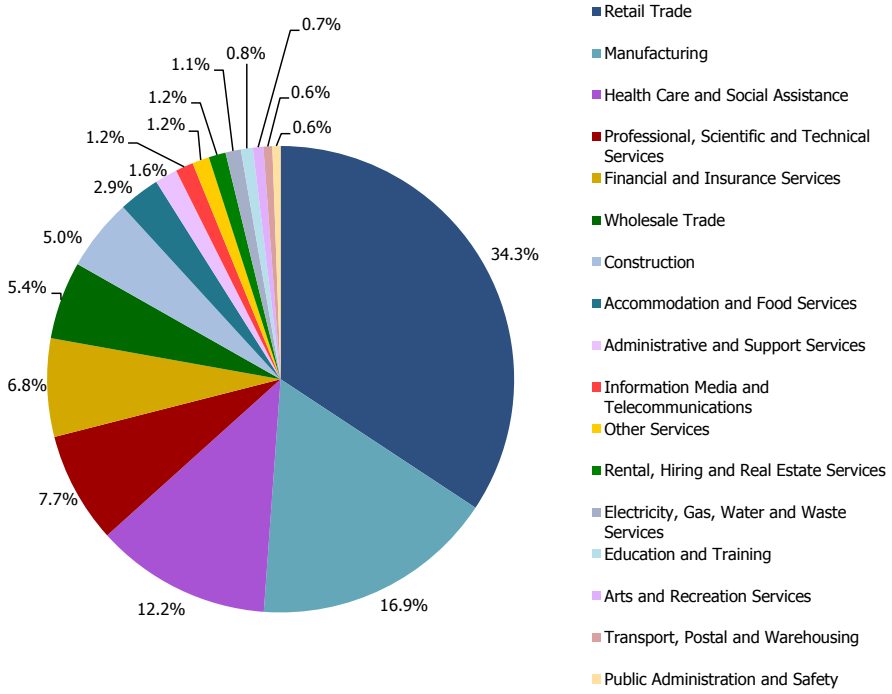
Figure 2.1: Employment by Industry, 2011



Source: ABS (2012)



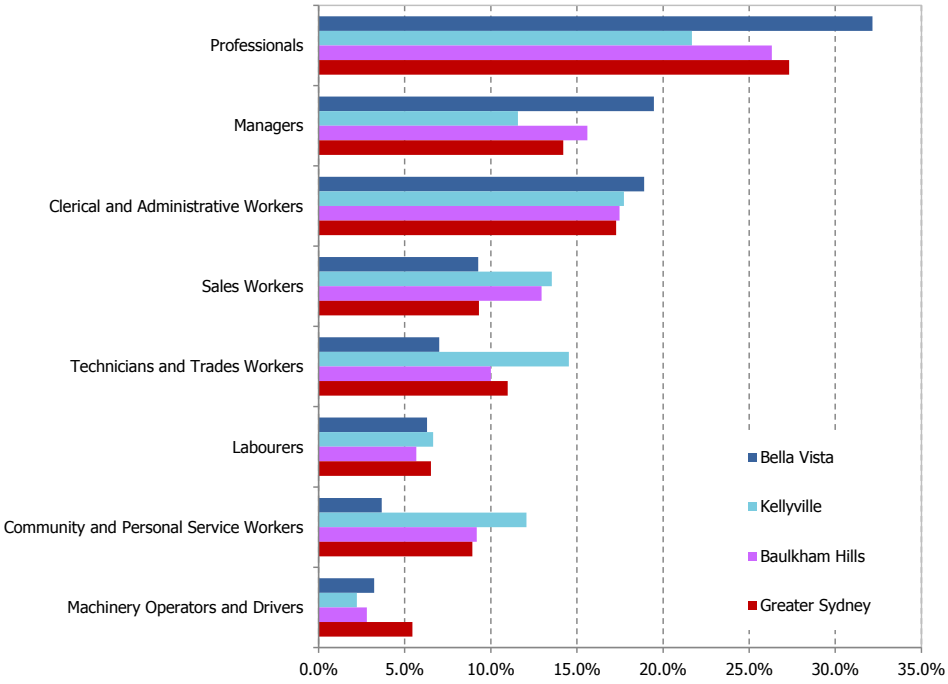
Figure 2.2: Employment by Industry, 2011, Bella Vista



Source: ABS (2012)

When compared with Greater Sydney, Bella Vista accommodates a considerably higher number of white collar jobs (75%), with a high proportion of professionals (32%) and clerical and administrative workers (19%).

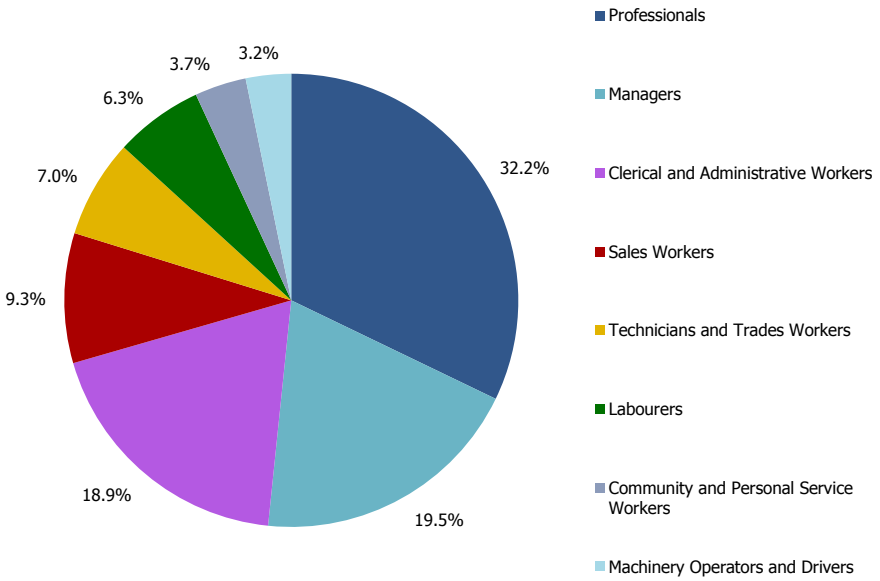
Figure 2.3: Employment by Occupation, 2011



Source: ABS (2012)



Figure 2.4: Employment by Occupation, 2011, Bella Vista



Source: ABS (2012)

The Bella Vista workforce is notably highly self-contained with the majority of workers residing within the Hills Shire LGA or neighbouring Blacktown LGA.

Table 2.1: Origin of workers by Top 10 LGAs, Place of Work, Bella Vista

LGA (PoUR*)	Number of workers in Bella Vista
The Hills Shire (A)	2,199
Blacktown (C)	2,191
Parramatta (C)	280
Hornsby (A)	423
Penrith (C)	301
Holroyd (C)	481
Hawkesbury (C)	610
Ryde (C)	199
Fairfield (C)	88
Liverpool (C)	97

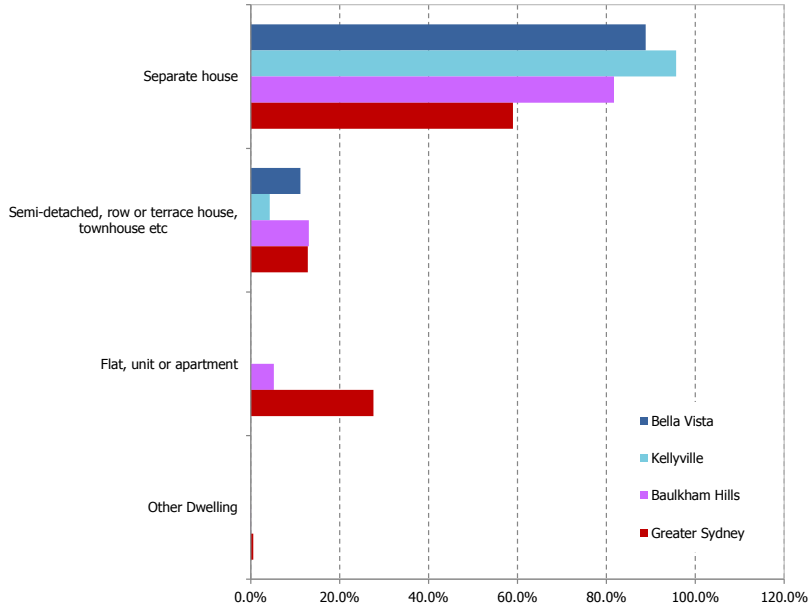
*Place of Usual Residence
Source: ABS (2012)

2.2 Households and Dwellings

Significantly, Bella Vista currently has almost 90% of its residents living in a separate dwellings, reflective of the dominant dwelling structure for the Precinct. There are also very few existing units or apartments in the Bella Vista Precinct which reflects the low density nature of the area.



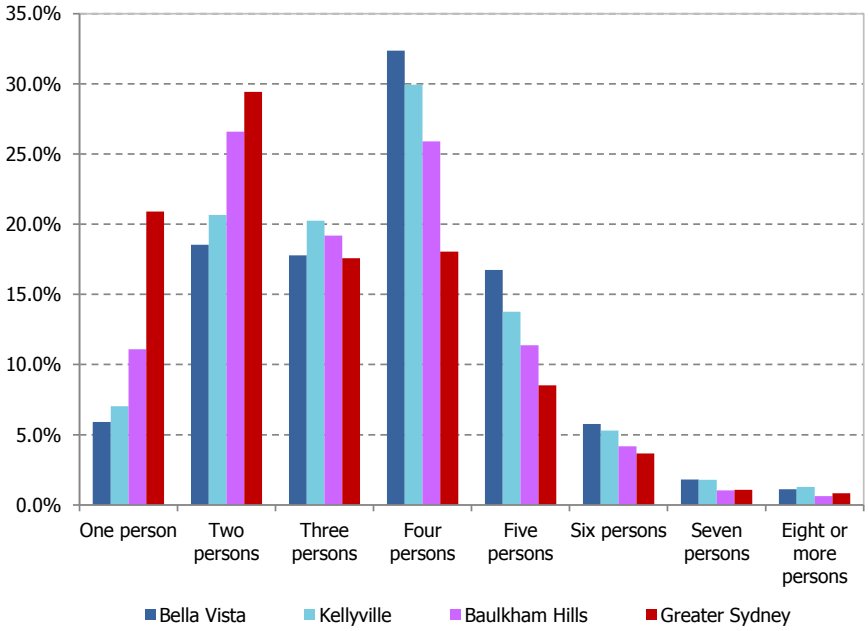
Figure 2.5: Dwelling Structure, 2011



Source: ABS (2012)

Bella Vista also has a significantly higher number of family households when compared to Greater Sydney and Baulkham Hills. The nature of this household composition underpins present and future housing need.

Figure 2.6: Household Composition, 2011, Bella Vista



Source: ABS (2012)

For long term projects such as the NWRL, it is imperative that future employment land along the corridor has flexible planning controls which are able to respond to evolving employment conditions.

3. Employment Floorspace Demand

3.1 Drivers of Employment Growth

The Bella Vista Precinct's economic structure is inextricably linked to that of the Norwest Business Park. Employment growth in Bella Vista *and* Norwest has been considerable (2006-2011), the employment sectors demonstrating the dual role these centres have in providing for both retail and as a corporate/business location. Current economic structure, role and function will to a certain extent influence the future growth potential of a centre.

Bella Vista's future growth and economic potential therefore cannot be divorced from that of Norwest's and any economic analysis should consider Bella Vista and its context within the larger Norwest Business Park. The draft Metropolitan Strategy (DP&I, 2013) also reflects this economic relationship by considering Bella Vista and Norwest collectively as the 'Norwest Specialised Centre'.

The two dominant industries represented in Bella Vista are retail trade and manufacturing. This is reflective of the presence of large occupiers in the Bella Vista Business Park that include Woolworths (headquarters) and a number of manufacturer businesses. Businesses typically tend to cluster with like businesses, the current composition of tenants in the business park will influence the overall appeal for future businesses to locate therein.

Significant population growth is envisaged for the area following the completion of the NWRL. Ahead of construction and indeed completion of the NWRL and stations, ongoing and planned development activity is testament to industry expectation of housing need commensurate with expected population growth.

Looking forward, key drivers of employment growth include:

- **Household consumption**
  This is a function of population growth. As the population grows, so too will demand for goods and services in the industries or retail trade and accommodation and food services. It is also an important contributor, though to a lesser extent, for the industries of education and training, health care and social assistance, arts and recreation services, and other services.

- **Local business**
  As the population grows, the number of local businesses also grow generated by demand for their services. Most commercial-type activities, such as professional, scientific and technical services, rental, hiring and real estate services, administrative and support services, are typically reliant on local demand for goods and services. A notable exception is financial and insurance services, which is more reliant on demand from outside the LGA.

- **Demand from outside the Precinct**
  Demand from outside Bella Vista/Norwest is an important driver for more industrial style industries such as mining, manufacturing, electricity, gas, water and waste services, wholesale trade, and transport, postal and warehousing.

  The presence of major occupiers such as Woolworths, Schneider, IBM and those who have corporate headquarters therein demonstrates demand broader than that of local demand, i.e. demand that is driven from outside the Precinct.

- **Government expenditure**
  Government expenditure is a key driver of demand for most public services, such as public administration and safety, education and training, and health care and social assistance. Underlying this demand by government are the needs of local population and business, which drives government expenditure on these services.

The role and function (past and present) will to a degree influence the future role of Bella Vista - whether it plays a local service role or if it plays a more regionally significantly role in providing employment.

An employment centre that plays a local service role typically is driven by household consumption and local business drivers, while a regional employment hub (like Parramatta) is driven by all the above drivers. Depending on the various drivers, the employment growth profile and growth industries will be different.

3.2 Employment Growth Projections

Methodology

Employment and additional floorspace demand projections for The Hills Shire and Blacktown LGAs and Bella Vista 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, 2014a).
- 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, 2013a)). The aggregate coefficients were rebalanced to ensure the sum of coefficients for each industry equalled 1.
- Employment projections for the Precinct were developed by distributing The Hills and Blacktown 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.
- Employment projections in the Precinct were estimated based on employment in the TZs the precinct is located within. The Precinct does not comprise the entirety of the TZs they are located within, however, information was not available to identify the proportion of employment in each TZ that is located within a precinct. For transparency, if a TZ has a precinct located within its boundary, it was assumed that 100% of employment in the TZ is within the precinct(s) located in the TZ. Some precincts were combined for reporting as they are co-located within the same TZ boundaries. This process is referred to as "small area projections".

The limitations associated with small area projections are acknowledged. While the econometric model has regard to broader economic growth in the SD/LGA, it may not necessarily consider growth and development in a neighbouring LGA and broader service hierarchy demand.

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. retail, commercial, industrial, institutional and other) for reporting.

The Bella Vista Precinct is projected to record more than 21,000 additional jobs to 2036, key growth industries to include:

- Professional, scientific and technical services.
- Healthcare and social assistance.
- Food and accommodation services.
- Finance and insurance services.
- Retail trade.

Key drivers of growth are likely to comprise of a combination of household consumption and local business, as well as a component of demand from outside the Precinct and the LGA, i.e. from general business and industry demand.

Table 3.1: Additional Employment Projections by Industry, Bella Vista

Industry	2011-16	2016-21	2021-26	2026-31	2031-36
Agriculture, Forestry and Fishing	0	0	0	0	0
Mining	0	-0	0	0	0
Manufacturing	39	-7	-22	-4	-4
Electricity, Gas, Water and Waste Services	-74	-3	-4	-3	-3
Construction	88	170	138	125	94
Wholesale Trade	-55	-7	3	3	2
Retail Trade	158	179	167	140	109
Accommodation and Food Services	256	211	192	157	136
Transport, Postal and Warehousing	-14	24	33	38	34
Information Media and Telecommunications	113	54	26	25	14
Financial and Insurance Services	71	112	135	135	143
Rental, Hiring and Real Estate Services	-6	35	46	41	37
Professional, Scientific and Technical Services	249	477	532	530	575
Administrative and Support Services	44	51	57	50	51
Public Administration and Safety	52	71	86	67	50
Education and Training	61	103	114	105	105
Health Care and Social Assistance	316	485	559	419	408
Arts and Recreation Services	103	65	67	65	65
Other Services	-9	41	39	32	27
Total	**1,392**	**2,059**	**2,166**	**1,923**	**1,842**

Source: ABS (2013a, 2013b, 2013c, 2014a, 2014b, 2014c, 2014d), BTS (2014).

Employment growth projections found that a total of 21,786 jobs would be accommodated in the various transport zones within the Bella Vista precinct between 2011 and 2036, representing an additional 9,400 jobs over the projection period. This is broadly in line with expectations of the NWRL Corridor Strategy.

Table 3.2: Employment Growth Projections

Employment	2011	2016	2021	2026	2031	2036
Employment	12,403	13,795	15,854	18,020	19,944	21,786
Additional Employment	-	1,392	2,059	2,166	1,923	1,842

Source: AEC (2014)

The NWRL Corridor Strategy included various employment forecasts for the Bella Vista precinct. The Strategy found that in 2012, there were an estimated 9,500 jobs in the precinct. This figure was expected to rise to 20,000 jobs by 2036 – an increase of 10,500 jobs with over 92% included in the commercial sector (TfNSW, 2013).

3.3 Floorspace Demand Projections

Demand for floorspace has been estimated in Gross Floor Area (GFA) terms, using ratios of GFA per employee for each of the 72 industries modelled.

Employment projections and gravity modelling suggest projected demand for an additional 322,375sqm of GFA between 2011 and 2036 in the Bella Vista Precinct, which equates to around 12,895sqm GFA per annum.

The floorspace demand projections are aggregated across retail, industrial, commercial, institutional and 'other' types of floorspace.

Institutional and commercial uses are each projected to account for a third of total GFA demand in the Precinct to accommodate key growth industries, the former principally for health care and social assistance, and the latter for professional, scientific and technical services.

Table 3.3: Additional Floorspace Demand Projections (GFA, sqm)

Land Use	2011-16	2016-21	2021-26	2026-31	2031-36	Change 2011-36
Primary Industries	113.9	3.6	52.4	46.8	34.4	251.2
Industrial	4,643.1	14,387.2	12,184.7	13,124.6	10,470.7	54,810.4
Utilities	-9,915.6	1,182.2	1,738.9	2,213.8	1,993.0	-2,787.6
Retail	12,835.6	14,187.5	13,451.3	11,167.2	9,341.6	60,983.1
Accommodation	479.3	337.5	280.8	270.6	208.4	1,576.6
Office/Commercial	19,983.9	21,374.0	20,863.4	20,154.9	19,987.5	102,363.7
Institutional Uses*	17,651.4	22,159.8	24,706.6	20.577.2	20,083.0	105,178.0
Other^	0.0	0.0	0.0	0.0	0.0	0.0
Total	**45,791.6**	**73,631.9**	**73,278.2**	**67,551.1**	**62,118.7**	**322,375.5**

*'Institutional' refers to floorspace within establishments like hospitals, schools, museums, libraries
^'Other' refers to primary industries (agriculture and mining), utilities, accommodation, and other uses not appropriately captured in other categories (e.g. that may include private households employing staff, or mobile workers such as sub-contractors in the construction industry).
Source: AEC (2014)

Employment projections are carried out by TZ (as outlined in section 3.2) and thereby cover an area larger than the Precinct. As a consequence not all floorspace demand projected is expected to be met in the Precinct, particularly where land use zones in the Precinct do not facilitate certain land uses.

Following is a discussion by key floorspace type and suitability of accommodation within the Precinct.

3.3.1 Retail Floorspace Demand

Retail businesses generally seek to cluster with like business in order to benefit from the synergies of co-location.

Floorspace demand projections for 'retail trade' in Table 3.3 relate to those activities classified by the ABS. Retail trade activities cover traditional retail as well as large format (or bulky goods) retail and include the following:

- Motor vehicle and motor vehicle parts retailing;
- Fuel retailing;
- Food retailing (supermarket and grocery stores, specialised food);
- Other store-based retailing (furniture, floor coverings, hardware, building and garden supplies, department stores, etc.);
- Non-store retailing and retail commission-based buying and/or selling (direct selling of goods, internet retailing, etc.). This class is engaged in retailing goods without the use of a shopfront or physical store presence, including milk vendors, sole e-commerce retailers, etc.

Many of the categories of retail trade activities (e.g. motor vehicle retailing, furniture, floor coverings, building and garden supplies retailing, etc.) are referred to as being part of the bulky goods sector, or large format retail sector. This sector refers to any operator who provides a physically large product. Bulky goods operators require large floorplates and seek to cluster together with other similar uses in order to attract trade, critical to their financial viability.

Owing to the limited provision of large sites capable of supporting bulky goods/large format clusters within or adjacent to centres and because bulky goods/large format retailers trade at relatively lower floorspace per metre rates compared to other (traditional) retail operators, they are usually facilitated in out-of-centre clusters such as along Victoria Avenue in Castle Hill.

Another trend which has been emerging is for non-bulky goods retailers to locate next to bulky goods in out-of-centre locations. This includes discount variety stores, category killers such as liquor, pets, toys, baby supplies as well as supermarkets. Bulky goods/large format clusters offer the ability for retail uses to cluster together and are well serviced by vehicular access, explaining their attraction to non-bulky goods operators. They also offer cheaper land/rents than centres.

Higher order shopping needs like apparel, footwear and household goods are expected to be met in nearby centres such as super regional shopping centre Castle Towers and regional shopping centre Rouse Hill Town Centre.

Considering that bulky goods and higher order retail needs are more suitably met in other locations, a proportion of projected retail floorspace demand (up to 10,000sqm) could be accommodated in the Precinct, including a full line supermarket and associated specialty stores.

3.3.2 Institutional Floorspace

Institutional floorspace demand encompasses demand for institutions such as universities, schools, hospitals and health centres. This is projected to record the largest increase of all floorspace types.

Provision of preschool and school education as well as medical facilities are part of social infrastructure planning with the majority of this floorspace provide by state government agencies such as Department of Education and Ministry of Health. That said, private participation is increasingly significant with the provision of private medical facilities, training centres and child care centres often co-located with retail facilities.

As identified in section 3.2, 'health care and social assistance' is one of the growth industries projected in the Precinct, accordingly driving demand for institutional floorspace in the Precinct.

3.3.3 Commercial Floorspace

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 Bella Vista and Norwest, 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-type 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.

A large proportion of demand for commercial floorspace could be met in the Precinct, particularly in the business zones (B7 Business Park and B2 Local Centre).

3.3.4 Industrial Floorspace

Owing to planning requirements, industrial-type activities are generally located in designated industrial areas. As a consequence the projected demand for industrial floorspace is expected to be met outside the Precinct, including Castle Hill Industrial Area.

In line with population growth expectations and current economic/employment structure in Bella Vista, employment growth expectations are commensurate. The next chapter examines how and where this additional growth could be accommodated.

4. Accommodating Future Growth

4.1 Existing Planning Framework

The Bella Vista Precinct straddles the Hills Shire and Blacktown LGAs. Applicable planning instruments include The Hills Local Environmental Plan 2012, Blacktown Local Environmental Plan 1988 and the draft Blacktown Local Environmental Plan 2013.

Existing zones include B5 Business Development, B7 Business Park, R2 Low Density Residential and R3 Medium Density Residential and SP2 (Railway Corridor).

The Precinct is characterised by a mix of low density residential areas which abut the Bella Vista and Norwest Business Parks. The Precinct also has a substantial amount of open space including Bella Vista farm in the south.

4.1.1 Business Park Uses

The Norwest Business Park (and Bella Vista Business Park) is a purpose built precinct first completed in 1992 and has developed over a number of subsequent stages. From the early 2000's the precinct has succeeded in attracting a number of high profile tenancies. Catalytic infrastructure that contributed to its growth include Circa Retail Shopping Centre, Norwest Marketown, Norwest Private Hospital and Bella Vista Waters executive housing estate.

One of the largest commercial developments in the Bella Vista areas is Circa by FKP. As part of the final land release in the North West Business Park, there is approximately 14.5ha of land available for sale ranging in size from 0.8ha to 4.7ha.

Current densities in the B7 Business Park are limited to an FSR of 1:1. This is comparatively low when compared to other business parks such as Macquarie Park which has FSRs ranging from 1.5:1 to 2.5:1, Sydney Olympic Park at FSR 1.5:1 and Rhodes at FSR 2.3:1.

Parking ratios in Bella Vista Business Park presently range from 1:25sqm GFA (non-centre) and 1:40sqm GFA (centre). In comparison, parking ratios in Macquarie Park are less generous and are 'maximums', ranging from 1:80sqm GFA to 1:46sqm GFA further from the train station.

Parking ratios in the Precinct are by comparison more generous in The Hills compared to Ryde. A comparison of parking ratios for The Hills and Ryde is below:

Table 4.1: Comparison of Car Parking Ratios

Use	The Hills DCP Car Parking Requirements	Ryde DCP, LEP Car Parking Requirements
1 bedroom units	1 space	0.6 to 1 space
2 bedroom units	2 spaces (1.5 space in centre)	0.9 to 1.2 space
3 bedroom units	2 spaces	1.4 to 1.6 space
Visitors	2 space per 5 dwellings	1 space per 5 dwellings
Office	1 space per 25sqm GFA (non centre) 1 space per 40sqm GFA (centre)	Macquarie Park 1 space per 80sqm GFA within 400m of train station 1 space per 70sqm GFA along Waterloo Rd Corridor 1 space per 46sqm in all other areas
Retail	1 space per 18.5sqm GFA	1 space per 25sqm GFA

Source: The Hills DCP, Ryde LEP & DCP

4.1.2 Residential Uses

Bella Vista borders the Norwest Business Park and accommodates the premium residential area Bella Vista Waters. Housing within this residential estate is largely targeted towards executives and downsizers with a wide range of local resident amenity and services. The Castle Hill Country Club is in proximate location.

The Bella Vista Precinct is comprised developed residential estates and large blocks capable of future development. Some undeveloped lots are as large as 2.8ha in size with the more recent strata housing developments characterised by lots as small as 160sqm. In the main, the majority of newly developed housing blocks in Bella Vista range from 600sqm to

800sqm. There are a number of development sites capable of accommodating new dwellings to the northern and eastern part of the Precinct. These opportunity sites are investigated in the following section.

4.2 Retail and Commercial Floorspace

4.2.1 Retail Floorspace

Demand for additional retail floorspace has been projected to be in the order of 60,000sqm between 2011 and 2036. In line with commentary in section 3.3.1, not all of the retail floorspace demand is expected to be accommodated within the Precinct for the following reasons:

- Retail floorspace demand projections include traditional retail as well as large format (bulky goods) retailing activities. Activities such as motor vehicle retailing, fuel retailing, homewares and bulky goods retailing do not translate into shopfront retail space in a precinct like Bella Vista. These types of retailers will cluster with other large format retailers in locations such as Victoria Avenue in Castle Hill.
- According to planning principles, the provision of retail floorspace should be accommodated within a hierarchy of centres. As such, higher order centres (e.g. Castle Hill) would accommodate floorspace for comparison shopping (e.g. apparel, footwear and household goods) while lower order centres would address more convenience type shopping needs.

Bulky goods uses should ideally be accommodated in centres but because of their large land area and requirements for accessibility and their need to cluster together with similar uses to ensure viability, they are usually facilitated in edge or out-of-centre land use zonings.

Ultimately the decision to provide for additional lands for retail floorspace depends on a myriad of factors which include availability of capacity in centres, traffic and transport, economic impact, net community benefit and so on. The sequential test as articulated in the Draft Centres Policy (DP&I, 2009)) should be given regard to. Accordingly, the capacity of existing retail centres in the area (i.e. Marketown and at Norbrik Drive) could additionally be considered for future expansion potential.

Subject to the ability of Marketown and the standalone retail centre at Norbrik Drive in the south of the Precinct to accommodate additional retail floorspace, it is recommended that provision for a retail centre of between 5,000sqm and 10,000sqm is made. This would provide for a supermarket, specialities and associated service commercial.

Opportunities to provide appropriate said retail in conjunction with residential development should be explored, noting the requirements of supermarkets for contiguous space.

4.2.2 Commercial Floorspace

The current employment structure of Bella Vista suggests employment in the Precinct is driven not only by household consumption (population growth) and local business, but also by industry-led demand (i.e. demand from industry/business beyond Bella Vista). The presence of national and international businesses in the business park, some of whom have established corporate headquarters is testament to this demand driver. See section 3.1 above for more detailed discussion.

The Norwest Business Park (comprised of both Norwest and Bella Vista) accommodates around 270,000sqm of lettable floorspace (Colliers, 2014). Historic development/take-up in the business park has averaged between 12,000sqm and 30,000sqm per annum (Colliers, 2005-2013).

Demand for additional commercial floorspace has been projected to be in the order of 100,000sqm between 2011 and 2036, equivalent to average annual demand of around 4,000sqm.

The completion and opening of train stations at Bella Vista and Norwest will conceivably be a 'game changer' for the Bella Vista Business Park, and indeed the Norwest Business Park. The completion and opening of train stations in Macquarie Park spurred private investment

in the business park led by increased occupier interest, with significant development activity currently ongoing.

Given the imminent completion of the NWRL, a significant piece of economic infrastructure, it is recommended that planning controls in the B7 Business Park zone be reviewed and considered for higher density. In comparison to other business parks in metropolitan Sydney, Bella Vista Business Park is designated with the lowest density at FSR 1:1.

While lower net rents and current vacancy rates (exceeding 10%) at Bella Vista would suggest modest market appeal compared to its competitors like Macquarie Park, Rhodes and Sydney Olympic Park, the completion and opening of the proposed train stations will conceivably result in the lifting of rental levels and broadening of market appeal. Once this occurs, there would be opportunity for sites within the business park to be developed to respond to market demand.

A lifting of density to FSR 2:1 would provide incentive for intensification to occur. Buildings currently accommodating warehousing and basic office functions could be redeveloped into campus-style office buildings and thereby resulting in a more economically efficient use of land. This development profile characterises a large proportion of development activity that is ongoing in Macquarie Park where older style industrial/warehouse buildings are being demolished and redeveloped into office buildings. A number of existing office buildings in Macquarie Park are also been expanded to accommodate higher floor space ratios.

Designation of a portion of land in and around the Bella Vista station precinct B7 Business Park, particularly the portion fronting Old Windsor Road, would serve to accommodate new campus-style office buildings seeking to locate in close proximity to the new train station.

The challenges of accommodating increased traffic generation in the Precinct are acknowledged. With the augmentation of public transport infrastructure, there is opportunity for reducing current parking ratios from 1 space per 25sqm GFA to 1 space per 70sqm/80sqm GFA as a ceiling. We would caution against any less parking provision as this could impact the future marketability of commercial floorspace within the Precinct. Notwithstanding, if parking ratios are imposed as 'minimums' and 'maximums', industry would have the opportunity to respond to market requirement/need as appropriate.

4.3 Opportunity Sites

Owing to existing built form and lot configuration, the availability of opportunity sites that could accommodate redevelopment in the immediate term is limited. Amalgamation of sites means higher acquisition costs for site assembly, thereby requiring higher residential densities for viable development.

Notwithstanding current land use and built form patterns, the project team identified a number of opportunity sites in the Precinct (in private ownership) as having the potential for development to accommodate future growth as envisaged. Sites already in contiguous government ownership were not tested for financial feasibility, their capacity for accommodating new residential and non-residential uses required primarily to meet urban design, traffic and environmental considerations.

Generic feasibility testing was carried out at a high level, to ascertain the planning controls required to facilitate feasible development of those identified opportunity sites.

4.3.1 Generic Feasibility Testing

The Residual Land Value (RLV) approach has been adopted as the method of assessment, utilising development feasibility software Estate Master in the analysis. The RLV approach involves assessing the value of the end product of the development, allowing for development costs, a making a further deduction for the profit and risk that a developer would require to take on the project.

A key metric for development feasibility is land value, which is a 'residual' after all costs and revenues are taken into account. The figure must be of a sufficient amount to encourage the owner to sell and/or displace the current use. The Residual Land Value must exceed the 'as is' value of the land, i.e. the value of the land in its existing use including all improvements.

Various sites, individual and part of a larger area, have been identified for preliminary feasibility testing. A description of these sites is outlined below based on aerial imagery and desktop observations.

Table 4.2: Opportunity Sites for Generic Feasibility Testing

Site	Address	Site Area (sqm)	Land Use Zone	Existing Improvements*
1	16 Norbrik Drive	8,000	B7	Vacant block, assumed fully serviced. Within Bella Vista Business Park.
2	22 Balmoral Road	16,200	R3	Large residential block with several residential and outbuildings.
3	28-30 Memorial Avenue	48,600	R3	Large residential block with several outbuildings.
4	34 Memorial Avenue	37,000	R4	Gracewood Retirement Village, improved with a number of substantial buildings.
5	31 Fairway Drive	20,300	R2, R3, SP2	Large block with riparian corridor towards front of block. Rear (west) of block is improved with residential buildings and a swimming pool.

*Desktop observation from aerial imagery
Source: AEC

A desktop analysis of historical sales evidence was carried out, enabling a high level assessment of likely site values ('as is') of the individual sites. The 'as is' values plus a premium to incentivise amalgamation of lots are assumed as the 'minimum' land cost amount required by individual landowners, underpinning the cost of land which is necessary for amalgamation of a development block.

After incorporating the 'minimum' land cost deemed required to displace existing uses and facilitate site amalgamation and assembly, developments that then achieve target hurdle rates (development margin and project discount rate) are considered to be financially feasible. The feasibility modelling assumptions are included in Appendix A of this report.

4.3.2 Summary of Results

Nominated sites in the Bella Vista Precinct comprise large site dimensions (in excess of 1ha) and fairly low intensity of development (i.e. only a small portion of which is improved). Accordingly these have a comparatively lower 'as is' value due to present use.

Based on generic feasibility modelling and after allowing for the cost to assemble a development block (including land cost with a 20% premium), the following minimum density thresholds are found to be required to facilitate feasible residential development.

- Site 1 (16 Norbrik Drive) - FSR 1.3-1.5:1.
- Site 2 (22 Balmoral Road) - FSR 1.25:1.
- Site 3 (28-30 Memorial Avenue) - FSR 1.25:1.
- Site 4 (34 Memorial Avenue) - FSR 1.5:1.
- Site 5 (31 Fairway Drive) - FSR 1.25:1.

Development potential is based on site gross development area without considering potential reduction in developable site area due to environmental constraints. Sites that are constrained could require higher densities for feasible development.

Further details on the notional development schemes tested and more detailed discussion of results are included in Appendix B.

4.4 Implications for the Precinct

Based on projections of employment, floorspace demand and generic feasibility testing the following recommendations are made:

- Plan to accommodate a retail/commercial centre 5,000sqm-10,000sqm in and around the new station. Layout and configuration of the retail space should be sufficiently contiguous to accommodate a supermarket.

- Plan for expansion capacity of existing retail centres (Marketown and freestanding centre at Norbrik Drive) consistent with planning principles of accommodating growth within existing retail centres.
- Subject to urban design and traffic/access considerations, consider increasing density in B7 Business Park to between FSR 2:1 and 2.5:1 to facilitate denser development to accommodate future employment growth.
- Consider reviewing parking ratios in B7 Business Park to an upper limit of 1 space per 70sqm/80sqm GFA reflective of the transport modal shift expected to occur following completion of NWRL. Caution is recommended when considering ratios lower than this, as the availability of parking to business occupiers underpins overall desirability. 'Minimum' and 'maximum' parking ratios could be considered to limit traffic generation, while still enabling the market to respond to occupier need.
- Subject to urban design and traffic/access considerations, consider at a minimum the identified density thresholds to facilitate feasible development.

5. Preferred Development Scenario

5.1 Issues and Challenges

Allen Jack and Cottier (AJ+C) have developed a preferred development scheme, a mix of uses and development yields envisaged for a number of opportunity sites within the Precinct.

Site A which is located in and around the train station has been developed in four development blocks, buildings envisaged to range from 4 to 20 storeys. A mix of uses will be accommodated to provide for more than 3,100 new dwellings (more than 7,000 new residents) and 5,800 new jobs (160,000sqm GFA).

Site A is in government ownership and accordingly there are no issues with lot fragmentation and misalignment of ownership objectives. The key risk for this opportunity site 'less established' nature of high density residential living in the area. Dominated by separate houses and low density residential uses, Bella Vista has traditionally accommodated family households. As a consequence there remains a question on the market acceptance of the type of product envisaged. This has obvious implications on the feasibility of future projects and presents a key market risk to developers.

Notwithstanding current dwelling structure and existing built form, property market research suggests it is reasonable to expect that with the completion of the NWRL, the demographic of Bella Vista will shift. Demand from young professionals and investors who see obvious benefits from the NWRL line and proximity to key centres such as Norwest and Rouse Hill are likely to play an increasing role in market demand.

The provision of retail floorspace is considered essential to the success of any transit-oriented development. This results in the activation of ground level floor space and avoids the area transitioning to a residential dormitory suburb outside of working hours.

Development of commercial space in Bella Vista Business Park is at present challenged by relatively modest rents and higher vacancy levels. That said, the completion and opening of the NWRL represents a 'game-changing' opportunity for the business park to reposition itself in the market.

Improved market appeal will underpin improved rents and lower vacancy levels, in turn spurring demand for new development. Given that parts of the business park are already improved, increased densities are thus required to facilitate feasible development/ expansion of floorspace. This type of development activity is being witnessed in Macquarie Park.

Should densities in the existing B7 Business Park zone be doubled from FSR 1:1 to FSR 2:1, theoretically, employment capacity (planning capacity) could be doubled. Note that 'market capacity' could be different, as businesses and industry will seek accommodation that feasibly meets their commercial requirements, which may differ from the planning capacity.

At present, business occupiers in Bella Vista Business Park have relatively high parking requirements. This expectation will conceivably shift once the NWRL is completed and operational. That said, any reduction in parking ratios *should not* undermine overall marketability of new space within the business park to users.

5.2 Staging and Take-up

5.2.1 Residential Uses

Development of Site A is expected to commence immediately following rezoning of the Precinct, enjoying obvious benefits of being located in and around the new station.

The two most important drivers of long term residential demand are population growth and household size. Short term and cyclical variations occur as a result of other factors such as interest rates, employment levels, market confidence, etc.

Based on supply capacity of privately owned opportunity sites in the Precinct, AJ+C have estimated potential supply of new dwellings over time. The limitations of this estimate

should be recognised as it does not account for individual property specifics/circumstances including existing buildings and income streams, landowner intentions, etc. As a consequence it is necessary to temper the estimate of potential dwellings based on theoretical supply capacity against likely demand.

An opportunity exists for a master developer to develop the internal road and open space networks and supporting infrastructure to get the precinct development-ready, specifically Site A which is in government ownership. This has obvious benefits for future integration with the NWRL and avoids piecemeal development. The development blocks can then be sold as 'super lots' to third party developers.

Market research suggests a residential take-up rate of between 12 to 15 units per month or 132 to 180 per annum. When development is progressed on several fronts (offering a diversity of product type and market positioning), overall take-up could approach 300 per annum. Noting market fluctuation throughout the development period, it is expected development of the Bella Vista Precinct will span between 20 and 25 years.

5.2.2 Retail/Commercial Uses

The delivery of retail/commercial floorspace will be driven by the following key factors:

- **Population growth and consequent need for goods and services**
  As discussed in section 3.1, population growth and household consumption drives employment growth. This spurs the formation of new businesses and expansion of existing businesses, which also drive employment growth.
- **Completion of significant economic infrastructure, the NWRL**
  Improved connectivity to the Precinct will increase the appeal of the Precinct as a business location for occupiers otherwise 'unconnected' with the Precinct. For example, Woolworths and a number of national companies have headquarters located in the area; the improved transport connections will no doubt benefit the Precinct's profile as a business location and thus broaden its market appeal.

Retail/commercial floorspace that respond to the former key drivers (household consumption and local business need) typically require critical mass. Accordingly take-up and delivery of these types of retail/commercial uses (e.g. supermarket and specialties and associated urban support commercial floorspace) is expected to follow dwelling take-up.

Commercial floorspace that responds to the latter driver of employment growth is generally less sensitive to new dwelling delivery and completion. Additions to business park space is generally occupier-led, which is responsive to transport connections, amenity improvements (including access and parking, availability of urban support services, etc.) and proximity to labour pool.

In today's environment, developers and lenders generally require pre-commitments to proceed with development which can result in considerable lead-in time to actual delivery. It is expected that Bella Vista's profile in the market will gradually lift over time, particularly as completion of the NWRL approaches.

Like office precincts, business parks thrive when critical mass is reached and exceeded. Incentives particularly to encourage development in the early years is recommended to facilitate critical mass and increased market profile of the Precinct.

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Appendix A: Feasibility Analysis Assumptions

The generic feasibility testing adopts the Residual Land Value approach. This involves assessing the value of the end product of the hypothetical development, and then deducting all of the development costs (including site acquisition costs, site demolition and / or clearance, consultant fees for design and project management, developer levies and taxes, construction costs), and making a further deduction for the profit and risk that a developer would require to take on the project. The land value is the 'residual' that remains, i.e. the amount a developer could afford to pay in exchange for the opportunity to develop the site.

PROJECT TIMING

Development application is assumed to be progressed immediately upon settlement with pre-sales occurring shortly thereafter. Construction is assumed to begin in Month 15 and span for 18 months, sale of remaining units to be completed immediately following.

REVENUE ASSUMPTIONS

- Residential end sale values:
  - 1 bedroom units from $500,000;
  - 2 bedroom units from $700,000; and
  - 3 bedroom units from $850,000.
- Revenue was assumed to escalate at 3.0% per annum.
- It was assumed that 50% of apartments would be pre-sold prior to construction and the balance would be settled after construction at the rate of 10 units per month.
- Other revenue assumptions:
  - GST is included on the residential sales.
  - Sales commission and legal costs on sales was included at 2.5% of gross residential sales and 2.0% of net retail sales.
  - Legal cost on sales was included at 0.3% of gross sales.

COST ASSUMPTIONS

- Land purchase cost is based on existing use and based on comparable site sales within the area and included a 20% premium considered appropriate for site amalgamation. 'As is' site values assumed are:
  - Sites 2 to 5 at $330/sqm to $420/sqm of site area.
  - Site 1 at $720/sqm of site area.
- Legal costs, valuation and due diligence was assumed at 0.5% of land price and stamp duty was included. These costs to be paid at settlement assumed in Month 3.
- Cost escalation of 3% per annum was assumed to commencement of construction.
- Construction of residential units was assumed at $2,500/sqm of GFA with balconies assumed at $1,000/sqm.
- Basement car parking was included at $40,000 per space.
- Demolition and clearing costs were costed at $57 per square metre of site area.
- A further 2.0% of construction cost was included for site works, landscaping and services.
- A further 5% construction contingency allowance (to cover risks) was included.
- Professional fees and application fees at 8.5% of construction costs.
- Development management fee at 2% of project cost (excluding land and finance).
- Section 94A contributions were included at 1.0% of construction costs, development approval fees at 10% of s94A contributions.

- Advertising and marketing costs were included at 1.5% of gross sales.
- Land holding costs including land tax, Council and water rates based on assumed unimproved land values.
- Project contingency of 5.0% (of total project costs net of land and finance).
- Developer's equity is assumed at 25% of land acquisition cost. Equity is progressively injected when required.
- The balance of project cost is assumed to be debt funded with interest capitalised monthly (nominal 7.0% per annum).
- Finance establishment costs at 0.35% of project debt.

HURDLE RATES AND PERFORMANCE INDICATORS

Target hurdle rates are dependent on the perceived risk associated with a project (planning, market, financial and construction risk). The more risk associated with a project, the higher the hurdle rate. A number of performance indicators are relied upon when ascertaining the feasibility or otherwise of a development.

- **Development margin** is the profit divided by total development costs (including selling costs).
- **Residual Land Value** – this has been determined by establishing the maximum land value a developer is willing to pay based on a 20% internal rate of return (IRR) taking into account all other costs and project revenue.
- **Development Profit** – this represents the total revenue less total cost including interest paid and received.
- **Discount Rate** – this refers to the project internal rate of return (IRR) at which the net present values of an investment becomes zero.

Adopted hurdle rates are 20% developer's margin and 20% discount rate, in line with industry expectations.

If the resulting profit from this feasibility analysis is large enough to meet the target hurdles (in this case the discount rate), the project is considered financially viable for redevelopment.

Appendix B: Key Sites Tested (Bella Vista)



SITE 1 - 14 NORBRIK DRIVE

This vacant site (8,000sqm) is currently zoned B7 Business Park and is one of a number of vacant sites in the southern portion of Bella Vista Business Park. Historical site transactions suggest 'as is' land values to be in the order of $600/sqm of site area.

Figure A1: Aerial Photograph of 16 Norbrik Drive (Site 1)

Source: Nearmap

The site is located between Bella Vista Farm Park/Bella Vista Oval and Norwest Private Hospital. The following notional development yields are subject to feasibility testing to ascertain the minimum density thresholds required to accommodate feasible residential development.

Table A1: Site 1 Notional Development Option

Site 1	
Site Area	8,000sqm
Density (FSR)	1.3:1
Indicative Development Yield (GFA)	8,320sqm
Number of Units	110
Basement parking	110
Performance Indicators	
Project IRR	23.4%
Development Margin	19.9%
Residual Land Value (RLV)	$5,739,878
RLV ($/sqm of site area)	$717
Assumed 'as is' value ($/sqm of site area)	$720
Feasibility	Marginally Feasible

Source: AEC

Development to FSR 1.3:1 is marginally feasible on Site 1, with performance indicators achieving minimum hurdle rates. The current zoning on the Site and absence of any existing improvements facilitate residential development at a relatively low density threshold. Subject to urban design, traffic and other considerations, there could be an opportunity to accommodate development beyond the minimum threshold of FSR 1.3:1.



SITE 2 - 22 BALMORAL ROAD

This large residential site (16,200sqm) is currently zoned R2 Low Density Residential and is characterised by several residential buildings and outbuildings and mature vegetation. Historical site transactions suggest 'as is' land values to be in the order of $350/sqm of site area.

Figure A2: Aerial Photograph of 22 Balmoral Road (Site 2)

Source: Nearmap

The site is located approximately 700m to the east of the proposed North West Rail Corridor. The majority of properties on the southern side of Balmoral Road are largely undeveloped. The following notional development yields are subject to feasibility testing to ascertain the minimum density thresholds required to accommodate feasible residential development.

Table A2: Site 2 Notional Development Option

Site 2	
Site Area	16,200sqm
Density (FSR)	1.25:1
Indicative Development Yield (GFA)	16,200sqm
Number of Units	215
Basement parking	215
Performance Indicators	
Project IRR	26.7%
Development Margin	28.2%
Residual Land Value (RLV)	$11,558,796
RLV ($/sqm of site area)	$714
Assumed 'as is' value ($/sqm of site area)	$430
Feasibility	Feasible

Source: AEC

Development to FSR 1.25:1 is feasible on Site 2, with performance indicators achieving minimum hurdle rates. The current zoning on the Site and the overall size of the Site facilitate residential development at a relatively low density threshold. Subject to urban design, traffic and other considerations, there could be an opportunity to accommodate development beyond the minimum threshold of FSR 1.25:1.



SITE 3 - 28 TO 30 MEMORIAL AVENUE

This large residential site (48,600sqm) is currently zoned R3 Medium Density Residential and is characterised by several residential buildings and outbuildings, large tracts of open space and mature vegetation. Historical site transactions suggest 'as is' land values to be in the order of $275 to $350/sqm of site area.

Figure A3: Aerial Photograph of 28-30 Memorial Avenue (Site 3)

Source: Nearmap

The site is located approximately 700m east from the North West Rail Corridor. The majority of properties on the southern side of Memorial Avenue are largely undeveloped. The following notional development yields are subject to feasibility testing to ascertain the minimum density thresholds required to accommodate feasible residential development.

Table A3: Site 3 Notional Development Option

Site 3	
Site Area	48,600sqm
Density (FSR)	1.25:1
Indicative Development Yield (GFA)	48,600sqm
Number of Units	645
Basement parking	645
Performance Indicators	
Project IRR	25.5%
Development Margin	30.6%
Residual Land Value (RLV)	
RLV ($/sqm of site area)	$586
Assumed 'as is' value ($/sqm of site area)	$330
Feasibility	Feasible

Source: AEC

Development to FSR 1.25:1 is feasible on Site 3, with performance indicators achieving minimum hurdle rates. The current zoning on the Site as well as the overall size of the Site facilitate residential development at a relatively low density threshold. Subject to urban design, traffic and other considerations, there could be an opportunity to accommodate development beyond the minimum threshold of FSR 1.25:1.



SITE 4 - 34 MEMORIAL AVENUE

This residential site (37,000sqm) is currently zoned R4 High Density Residential and is characterised by newly formed streets and a large multi storey retirement village known as Gracewood located towards the rear of the block. Historical site transactions suggest 'as is' land values to be in the order of $350/sqm of site area. A higher rate of $400/sqm of site area is assumed to reflect current improvements on the site.

Figure A4: Aerial Photograph of 34 Memorial Avenue (Site 4)

Source: Nearmap

The site is located approximately 400m east of the North West Rail Corridor. This site is one of the few sites that has been developed on the southern side of Memorial Avenue. The following notional development yields are subject to feasibility testing to ascertain the minimum density thresholds required to accommodate feasible residential development.

Table A4: Site 4 Notional Development Option

Site 4	
Site Area	37,000sqm
Density (FSR)	1.5:1
Indicative Development Yield (GFA)	44,400sqm
Number of Units	589
Basement parking	589
Performance Indicators	
Project IRR	24.1%
Development Margin	28.7%
Residual Land Value (RLV)	$26,427,433
RLV ($/sqm of site area)	$714
Assumed 'as is' value ($/sqm of site area)	$420
Feasibility	Feasible

Source: AEC

Development to FSR 1.5:1 is feasible on Site 4, with performance indicators achieving minimum hurdle rates. This assumes Site 4 will be redeveloped in its entirety. In reality, the undeveloped portion of the site would be subdivided for development. Subject to urban design, traffic and other considerations, there could be an opportunity to accommodate development beyond the minimum threshold of FSR 1.5:1.



SITE 5 - 33 FAIRWAY DRIVE

This large residential site (23,300sqm) is currently zoned R2 Low Density Residential, SP2 Stormwater Management System and R3 Medium Density Residential. The site is a long east-west facing block characterised by riparian corridor towards the eastern side of the block with residential buildings and a swimming pool located towards the western side of the block. Historical site transactions suggest 'as is' land values to be in the order of $350/sqm of site area.

Figure A5: Aerial Photograph of 33 Fairway Drive (Site 5)

Source: Nearmap

The site is located approximately 300m north of the Bella Vista Business Park and is well located to facilitate higher residential densities than currently permitted. The following notional development yields are subject to feasibility testing to ascertain the minimum density thresholds required to accommodate feasible residential development.

Table A5: Site 5 Notional Development Option

Site 1	
Site Area	23,200sqm
Density (FSR)	1.25:1
Indicative Development Yield (GFA)	23,200sqm
Number of Units	270
Basement parking	270
Performance Indicators	
Project IRR	28.4%
Development Margin	25.4%
Residual Land Value (RLV)	$13,566,758
RLV ($/sqm of site area)	$668
Assumed 'as is' value ($/sqm of site area)	$420
Feasibility	Feasible

Source: AEC

Development to FSR 1.25:1 is feasible on Site 5, with performance indicators achieving minimum hurdle rates. While feasibility testing shows that development of the site is feasible at relatively low density thresholds, the riparian corridor and environmental constraints could have implications for the developability of the site. Subject to urban design, traffic and other considerations, there could be an opportunity to accommodate development beyond the minimum threshold of FSR 1.25:1.

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