

26 February 2016

Ann-Maree Carruthers
Director, Urban Renewal
Department of Planning & Environment
GPO Box 39
SYDNEY NSW 2001

Dear Ms Carruthers,

Showground Station Precinct Proposal – Submission on behalf of Boyded Industries for 1 Packard Avenue, Castle Hill

This submission on the Showground Station Precinct proposal has been prepared on behalf of Boyded Industries, as the owner of the 2.24 hectare Heartland car showroom site at 1 Packard Avenue, Castle Hill.

We commend the Department of Planning & Environment's (the Department) initiative to release land surrounding the Sydney Metro Northwest stations, and welcome the opportunity to be involved now and in the future in the planning process.

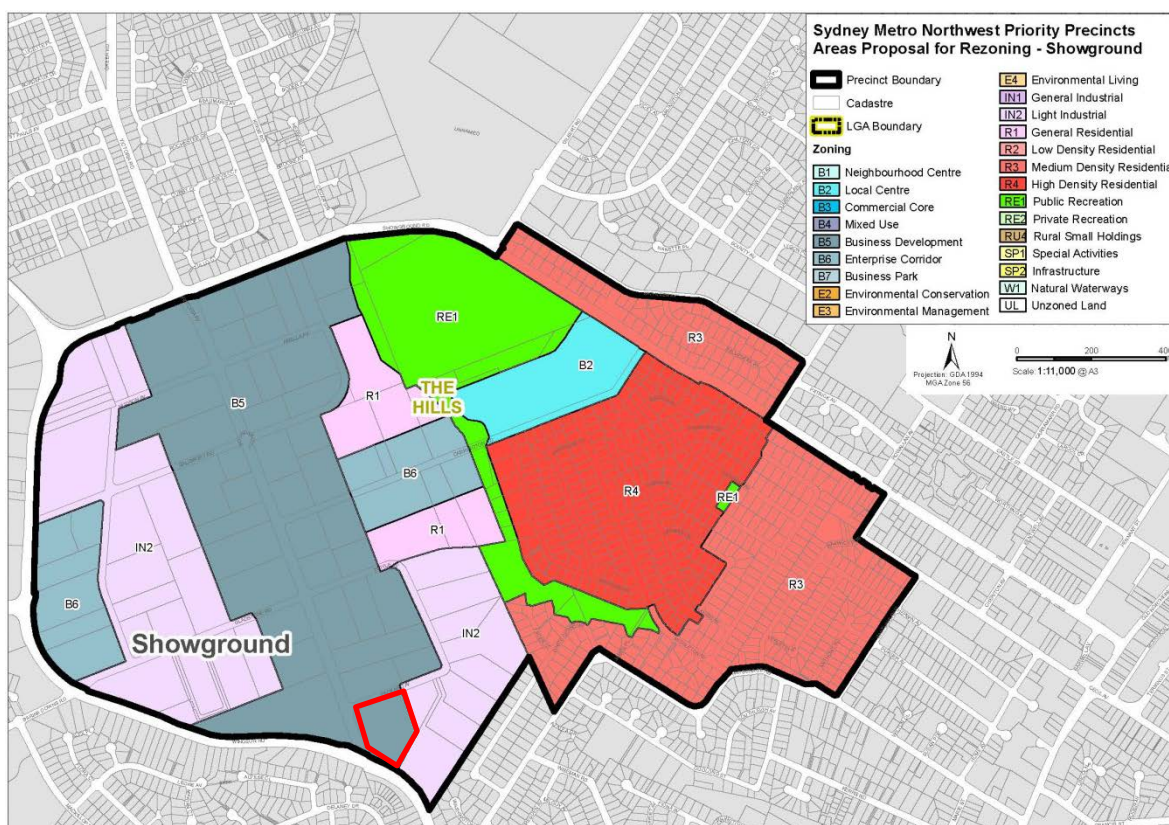
Context

The subject site is located at 1 Packard Avenue, Castle Hill and has exposure to both Windsor Road and Victoria. The site is located the Castle Hill Trading Zone, which comprises a mix of showrooms, bulky goods and trading units. The site's location on one of the highest points in the area and at the intersection of Windsor Road and Victoria Road makes it the Southern Gateway to the Showground Station Precinct.

As discussed and documented in a vision document with the Department in October 2014, we consider that there could be opportunities to change the area into a more vibrant and urbane environment that mixes, showrooms, retail, employment, recreation and residential uses. These uses can be delivered while retaining or increasing the amount of jobs in the area. Urban environments as the one we envisage for the Castle Hill Trade Zone are being delivered in Zetland and Alexandria in Sydney and Fortitude Valley in Brisbane.

Unfortunately, the exhibited controls leave no opportunity for the area to change as there are no incentives neither in the land use zones (B5-Business Development and IN2- Light Industrial) nor the FSR (1.0:1) to promote urban renewal.

It is surprising that when Northwest Metro is being delivered at a cost of over 8 billion dollars, the draft planning controls provide no realistic potential for development uplift for the Castle Hill Trading Zone, which is located between 600 to 1,000 metres from the new station. The draft controls effectively 'lock in' the ongoing use of the site as a low density, low employment generating car yard and showroom. In a speech at a recent Western Sydney First (NSW Business Chamber) boardroom lunch, Rob Stokes, Minister for Planning emphasised the importance of being more flexible and innovative with the NSW planning controls to allow for the integration of uses.



Site location (Reference - Department of Planning – 2015)

Economic Analysis Report

The proposed planning controls seek to promote commercial (office) development at the subject site and across eastern and western portions of the Castle Hill Trading Zone.

Urbis has prepared an Economic Analysis Report that identifies significant impediments to the investment and demand for large-scale commercial office development within Castle Hill Trading Zone (and at the subject site) including:

- Lack of recognition of being an investment grade office precinct
- Lack of clustering of similar and associated office occupiers
- Confused” offering i.e. along similar lines to the challenges of developing office product in Chatswood, St Leonards, Sydney Fringe etc.
- Immediate proximity to high quality alternative office destination (Norwest).

The independent commercial analysis by JLL exhibited with the draft Showground Station Precinct documentation also questions the potential to support large-scale commercial development within the Castle Hill Trading Zone. The impediments to investment listed above were also identified in the JLL report.

Long term vision of the site

Boyded Industries' vision for the site is to retain existing car showroom uses, and to redevelop these as a premium service and showroom mixed use concept, potentially akin to the Audi centre at East Village, Zetland.

In order to fund the commercial redevelopment of the site, and to create a high quality mixed use development outcome, the landowner would ultimately seek to develop an appropriate residential apartment mix on the site.

East Village at Zetland, and other examples have demonstrated that modern car showrooms can be successfully integrated into mixed use developments. The landowner is therefore seeking to utilise the locational advantages of the site, and leverage off increased accessibility afforded by the new Showgrounds metro station, to incorporate residential apartment development within the subject site.

The creation of additional dwellings and employment at the subject site – in close proximity to the Showground metro station - could assist train patronage. This can, in turn assist the payback to NSW state government against the costs of the Sydney Metro project.

At 2.24 hectares, the site offers a significant redevelopment opportunity. The current low density use including open lot car sales under utilise the potential of the site. It currently has some of the lowest development and employment density within the precinct despite being a key gateway site.

Redevelopment could have a transformative effect - not only through providing an enhanced use and design for the subject site – but as a catalyst for future development and investment in the southern part of the precinct. This, combined with investment around the future Showground Metro station, could make a substantial contribution to the revitalisation of physical and economic performance of the precinct.

Economic Benefits

In the absence of demand for large scale commercial office development at the subject site, we consider that there may be broader economic benefits that could be achieved through mixed - use redevelopment in future, subject to detailed planning and design. Ultimately this would require an amendment to the current proposed zoning and FSR controls affecting the subject site.

A mixed use development on the subject site has the potential to deliver a broad range of economic benefits which may include:

- Retention and expansion of current employment uses
- Major capital investment in a gateway site
- Construction employment, related to the proposed development
- Additional retail spending from a future on-site resident market
- The benefits of orderly and efficient use of land
- Contributions to housing affordability
- Investment stimulus
- Increased vibrancy

Recommendations

We seek that the rezoning of the subject site and the extent of the proposed B5 – Business Development and IN2 – Light Industrial in the Showground Station Precinct be **'deferred'** so that we can work with the Department in achieving land uses and planning controls that encourage urban renewal while fostering non-residential uses such as car showrooms, bulky goods and an appropriate level of commercial uses. Alternative land use zones would include a mix of B4 – Local Centre and B6 – Enterprise Corridor (permitting shop top housing).

Attachments

Please find attached:

- Heartland - Castle Hill Gateway Site Redevelopment - Economic Analysis, Urbis 2015
- Heartland Site – Vision Document, Urbis 2014

Yours sincerely,



Carlos Frias
Director