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CARRINGTON ROAD

Castle Hill Employment Area, Showground UAP

On behalf of Pitt Street Real Estate Partners

urbis

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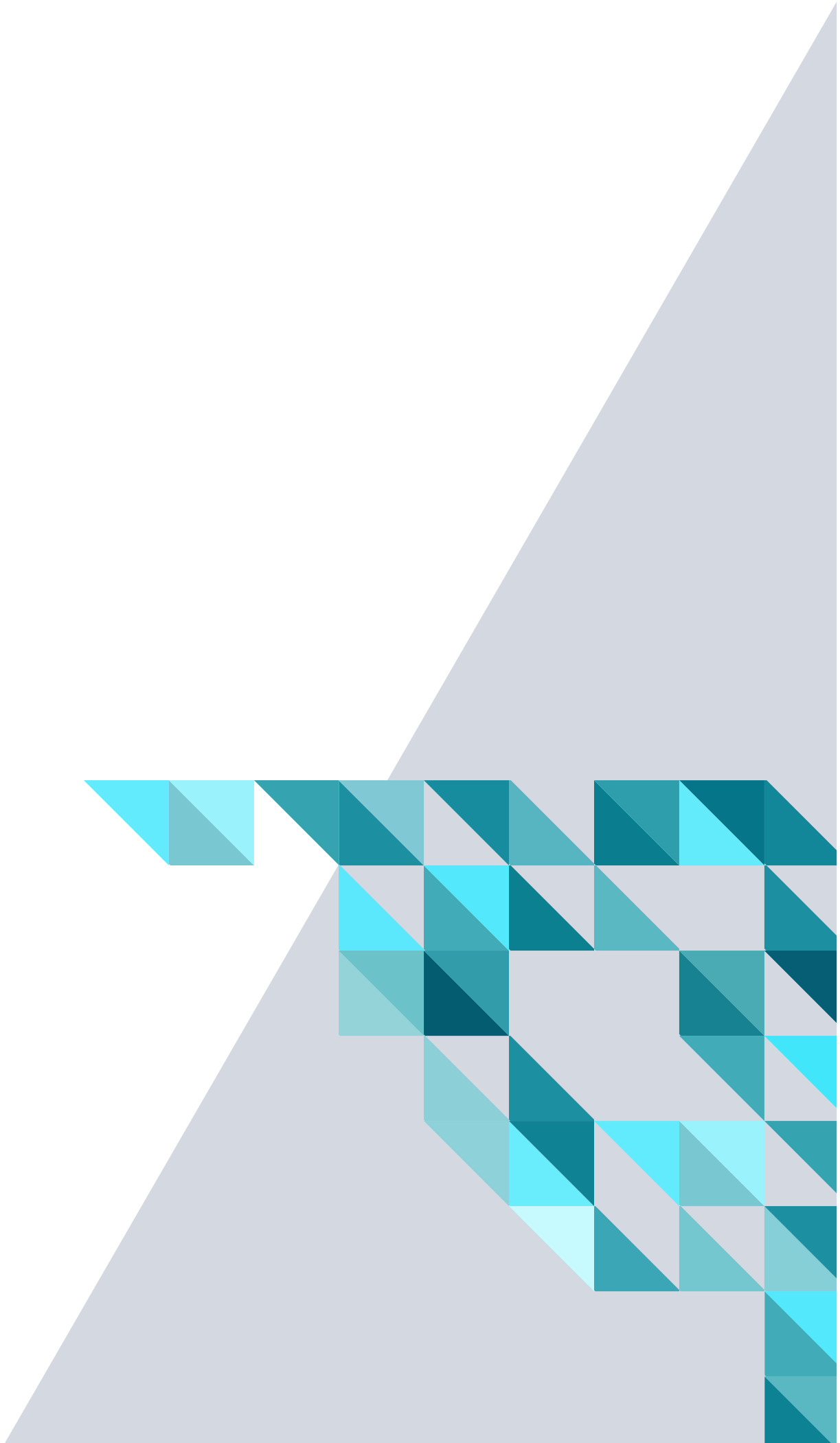
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46

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Contents

1.0	Overview	4
2.0	Drivers of change	6
2.1	NORTH WEST RAIL LINK	6
2.2	GROWTH DRIVERS	6
3.0	Showground Road Station Structure Plan	7
4.0	Commercial office market assessment	9
4.1	COMMERCIAL OFFICE SUPPLY - METROPOLITAN CONTEXT	9
4.2	OFFICE SUPPLY – DEVELOPMENT PIPELINE	11
4.3	HILLS SHIRE EMPLOYMENT PRECINCTS	11
5.0	Hills Shire Employment Growth	14
5.1	FUTURE COMMERCIAL OFFICE LOCATIONS	15
5.2	CASTLE HILL EMPLOYMENT AREA VS NORWEST – SUITABILITY FOR COMMERCIAL FLOORSPACE	15
6.0	The opportunity	17
7.0	Contextual Analysis	19
8.0	Opportunities for Urban Renewal	21
9.0	Concept	23
9.1	Yields	24
9.2	Design Principles	25
10.0	Economic benefits	27
11.0	Case Studies	28
12.0	Recommendation	32
	Appendix A	33
	Appendix B	35

1.0 Overview

Urbis has been engaged by Pitt Street Real Estate to look at opportunities for redevelopment of their site at 46 Carrington Road, Castle Hill and the area on both sides of Carrington Road. The site is located within the Castle Hill Employment Area which forms part of the Showground Station Urban Activation Precinct (UAP), subsequently renamed as a Priority Precinct in the new 'Plan for Growing Sydney'.

The UAP was announced in August 2014 as it is one of the North West Rail Link (NWRL) corridor station precincts that has more potential for urban renewal. The Department of Planning and Environment (DP&E) are now in the process of rezoning the UAP through detailed studies such as urban design and transport planning.

STUDY AREA

A study area along both sides of Carrington Road has been identified to understand the wider opportunities achieved by change to the Showground UAP. The following diagram identifies the three boundaries referred to within this report.



01

The regeneration of the Carrington Road study area would contribute to the Structure Plan increasing its residential yield above the 3,600 dwelling estimate and delivering significant economic benefits.

The Department prepared the Showground Road Station Structure Plan - A Vision for Showground Station Surrounds, in September 2013. The Structure Plan provides a framework for future land uses and allocates potential residential, employment and retail yield targets to the area.

The four hectare site is a strategically important landholding within the Showground Road Station Structure Plan with significant mixed use redevelopment potential.

The site is identified as a short term opportunity site within the Structure Plan. The site is vacant and in single ownership, unconstrained in terms of heritage or physical characteristics and is located approximately 350 metres from the site of the new Showground station.

The regeneration of the Carrington Road study area to create a high quality mixed use development would strengthen the critical mass of activity within the walking catchment of the new station. It would contribute to the Structure Plan increasing its residential yield above the 3,600 dwelling estimate.

This increase in dwellings could substantially enhance the scale of the local workforce and spending market, thereby strengthening the local economy to underpin retail and commercial activity around the train station.

Although the Structure Plan currently identifies the site as being suitable for large floorplate commercial office uses, analysis indicates that commercial development of such a scale is neither a realistic nor a desirable outcome for a number of reasons, notably:

- » The subject site does not rate highly against success factors for commercial development.
- » Within the Hills Shire, Norwest Business Park still has significant capacity and high vacancy rates. As an established office campus, Norwest still has potential to meet the growing demand for white collar employment within the Hills Shire, complemented by office development around NWRL stations.
- » At a local level the volume of vacant commercial floorspace within the Castle Hill Employment Area highlights the lack of demand for office floorspace in the area at present. It also demonstrates the barrier to urban renewal caused by the prevalence of strata titled units limiting land amalgamation opportunities in the Precinct.
- » At a Sydney level, there is an extensive supply of commercial office floorspace with overall vacancy rates sitting at around 9%. Moving forward

the market will be subject to downward pressures on rents and vacancies as a result of a number of major commercial projects in the pipeline (notably Barangaroo).

- » There is no market interest from large single users seeking to occupy the site – areas such as the Western Sydney Employment Area and Marsden Park are more attractive due to their proximity to the motorway network.
- » The NWRL will significantly increase accessibility to existing office locations such as Norwest, Macquarie Park, Chatswood, North Sydney and Sydney CBD for Hills Shire residents. Intensification of development around higher order centres (notably Castle Hill and Rouse Hill) will provide further white collar employment, whilst industrial and business park development at Marsden Park and Box Hill will increase the supply of employment lands.

Across Sydney there are several examples of high quality residential and mixed use developments within former industrial areas. South Sydney in particular is evolving from a blue-collar industrial area to an upmarket, mixed-use precinct with a rapidly growing resident population and an emerging employment base including hospitality, showroom, creative industries and recreational firms. Companies not typically known as industrial users are increasingly occupying industrial space to serve the growing resident population.

There are significant economic benefits associated with permitting mixed use development at the subject site and the Carrington Road study area:

- » More residents, workers and associated spending available within a walk-in catchment to support the provision of a critical mass of services around the Showground station
- » Better leverage investment in the new showground station
- » Major capital investment in the subject site supporting local construction jobs
- » Investment stimulus with transformative potential for the precinct, with the potential to bring forward other redevelopment proposals
- » Reduced transport costs for residents by allowing people to live and work in one place
- » Opportunities for enhance employment retention within the LGA

The new Showground station and structure plan provide a unique opportunity to reposition Castle Hill as a highly liveable, mixed use community with a balanced mix of employment activity. Amending the Structure Plan to support mixed use development rather than blanket commercial would enable the subject site to act as a catalyst for urban renewal in tandem with the Showground lands.

SIGNIFICANT DEVELOPMENT
OPPORTUNITY:

2

Large land parcels under single ownership have a greater potential for early development

1

CATALYST DEVELOPMENT OPPORTUNITY:
No constraints on land surrounding the new rail station

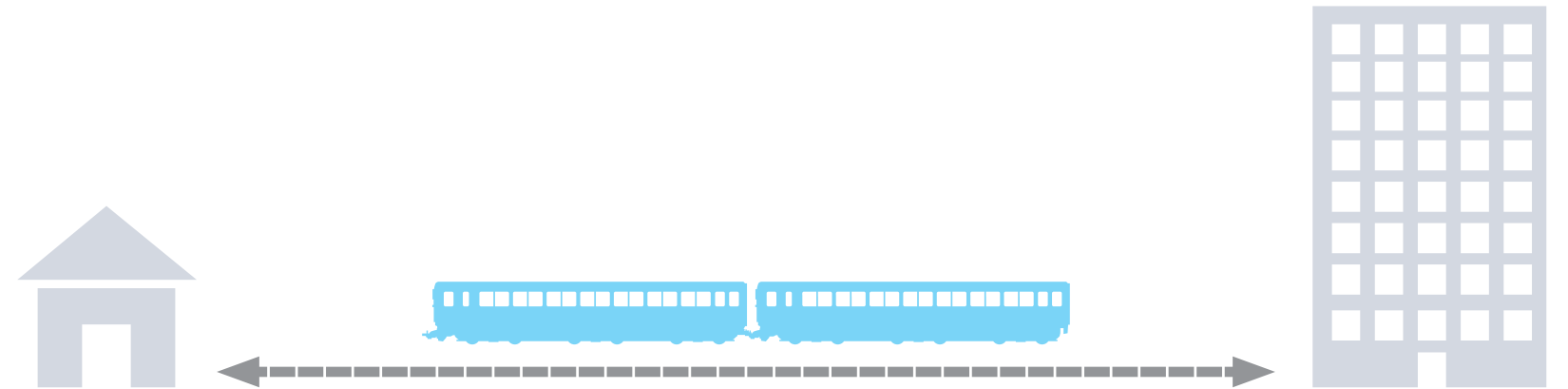
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GRADUAL DEVELOPMENT OPPORTUNITY:
Fragmented residential development likely to develop gradually



The subject site and many of the sites along Carrington Road comprise large lots that are under single ownership making them more likely to redevelop in the short term. While there is a significant area of opportunity for sites to the south east of the station, this area is made up of many small lots under different ownership. It is unlikely that redevelopment in this area will occur rapidly.

2.0 Drivers of change



2.1 NORTH WEST RAIL LINK

The North West Rail Link (NWRL) is a game-changing infrastructure project for north west Sydney. It will deliver eight new stations, with trains operating every four minutes in peak periods.

The NWRL will provide increased connectivity for north west Sydney residents to the major employment areas within metropolitan Sydney. The NWRL provides an opportunity for the development of Transit oriented Development (TOD) nodes around new stations and a chance to re-think urban density within the region.

Structure planning for the Showground Road Station Precinct has identified the subject site as a short term opportunity site. It is unconstrained and within 350 metres of the new Showground station.

The regeneration of the site to deliver high quality mixed use development including apartments would strengthen the critical mass of activity within the walking catchment of the new station. It would enable the Structure Plan to increase its residential yield above the 3,600 dwelling estimate compared to the identified 7,500 dwelling capacity and to provide an appropriate mix of employment uses.

2.2 GROWTH DRIVERS

Solid population and employment growth forecasts for the Hills Shire provide a strong framework within which to plan development activity in the Showground Precinct. Key drivers include:

- » **Population growth** will be driven by residential development within the North West Growth Centre release areas (Box Hill, Rouse Hill, Kellyville) and by a significant uplift in residential density around the NWRL stations at Kellyville, Showground, Castle Hill and Cherrybrook.
- » Department of Planning and Environment (DP&I) forecasts an **additional 103,900** people living in The Hills Shire by 2031, with the population increasing from 177,000 in 2011 to 280,900 by 2031.
- » **Employment growth** in existing and emerging centres and employment areas – Norwest, Castle Hill, Rouse Hill, Box Hill and around the NWRL stations.
- » Bureau of Transport Statistics forecasts that the number of jobs within The Hills Shire could increase from 63,000 in 2011 to 157,000 by 2036, growth of around **71,500 jobs** over the period.
- » Beyond the Hills Shire Boundary, North West Growth Centre planning will accommodate an additional **200,000 residents** in total. It will accommodate 38,000 additional jobs in designated employment lands at Box Hill, Marsden Park and Riverstone West, as well as new jobs in the various centres planned throughout the area.

The North West Rail link has the potential to significantly alter labour force mobility and journey to work patterns across the north west subregion by:

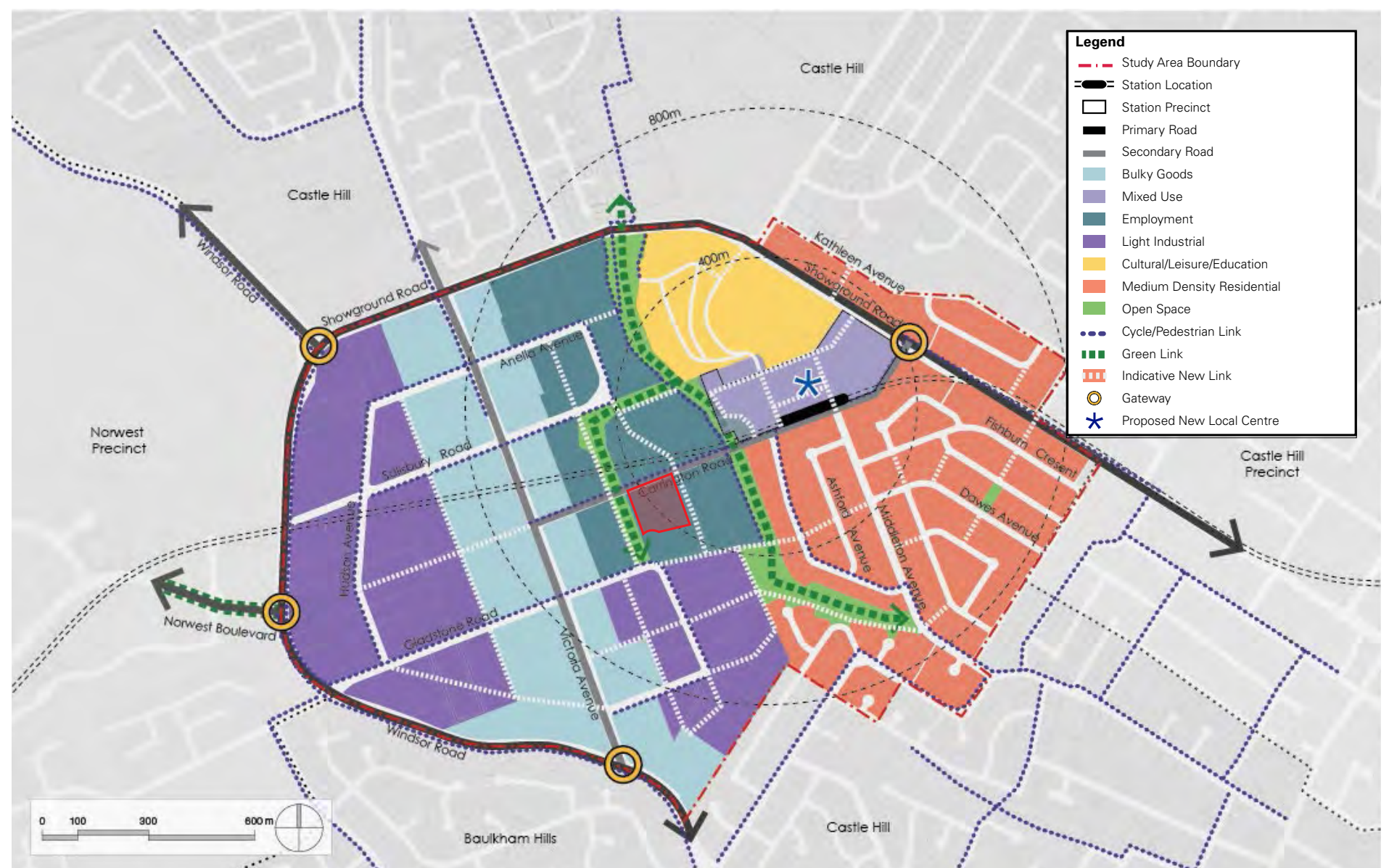
- » Improving connectivity to centres
- » Providing opportunities for multi-modal travel to designated employment lands
- » Increasing accessibility to key employment nodes beyond The Hills Shire, making the Shire a viable opportunity for people wishing to commute using public transport; and
- » Increasing opportunities for people to use public transport to commute into The Hills Shire.

3.0 Showground Road Station Structure Plan

The Showground Structure Plan has been prepared by the New South Wales Government in preparation for the implementation of the North West Rail Link, a new rail service connecting to the Epping to Chatswood Rail Link and to the wider Sydney rail network. The Showground Precinct is one of eight transit oriented precincts that is being reviewed along this corridor. Delivery of the rail link is expected to provide the catalyst for residential and employment growth that will meet future market demands.

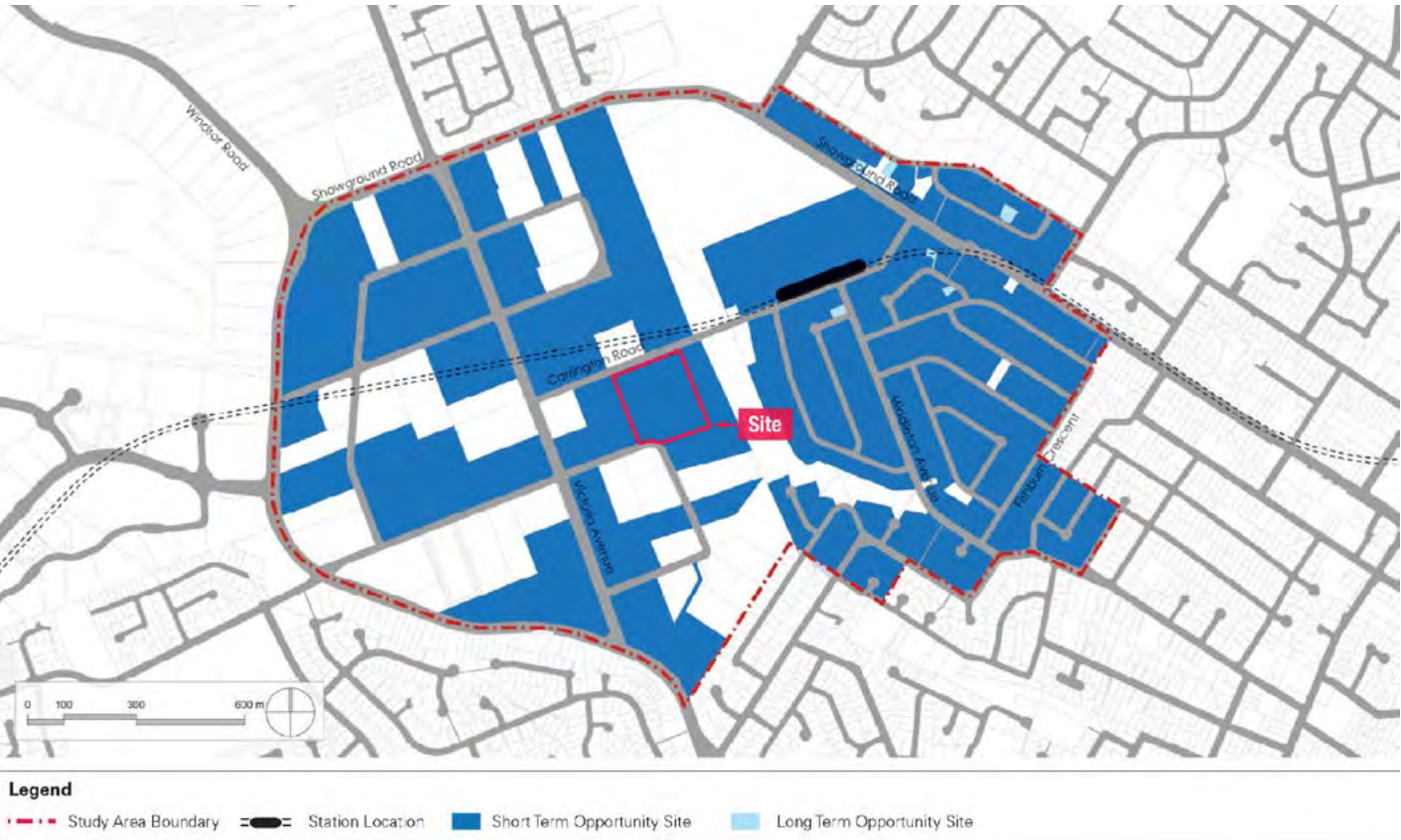
The vision and principles for the Structure Plan are formulated on the principles of a Transit Oriented Development (TOD) which usually encourages a mixed use community within walking distance of a train station. The area surrounding the station generally accommodates a number of community services and facilities, retail and open spaces that are designed in a way that makes walking and cycling attractive for residents and workers.

Contrary to these TOD principles, the Showground Road Structure Plan does not accommodate a mixed-use approach surrounding the station other than allocating a small portion of mixed use zoning to the north of the station and a large area for medium density south of the station, which is characterised by a highly fragmented land ownership pattern. The up-zoning of these fragmented lands may create a distorted capital value appreciation effect, where landowners perceive the market value of their land to be higher than what is the effective redevelopment value. This phenomenon drastically hinders site amalgamation thus significantly delaying the desired redevelopment outcomes.



Structure Plan for the Showground Road Study Area (Source: NWRL)

Mixed use development on the site and the Carrington Road Study Area would deliver a holistic range of economic, social and environmental benefits for the Precinct.



Showground Road Station Structure Plan – Opportunity sites

Without compromising the allocation of commercial uses or showrooms within this UAP there is an opportunity to incorporate other uses including residential, retail and community uses that will ensure an active edge to key corridors such as Carrington Road and Victoria Avenue.

The Structure Plan identifies an open space and green link that connects from the Cattai Creek corridor along the western boundary of the subject site. This is unlikely to be delivered without the significant redevelopment of sites.

The subject site is identified as a short term opportunity site within the Structure Plan. Critically, the site is 350 metres from the site of the planned NWRL Showground train station and has none of the constraints that affect other sites within the precinct including:

- » Heritage
- » Topography
- » Drainage
- » Fragmented land ownership



Showground Road Station Structure Plan – Constraints mapping

In regard to the subject site and lands to the north, the Structure Plan sets out the following desired future character:

It is anticipated that under the vision and Structure Plan that this precinct could accommodate large floorplate commercial offices on sites that are carefully designed to integrate into the cultural/leisure/education area.

Urbis’ analysis, presented in the following sections, demonstrates that there is a body of economic and urban design analysis that confirms that mixed use development on the site and the Carrington Road Study Area would deliver a holistic range of economic, social and environmental benefits for the Precinct.

Large-scale commercial development across the subject site is inconsistent with market fundamentals driving commercial development across metropolitan Sydney.

4.0 Commercial office market assessment

The current structure plan promotes large floorplate commercial office development on the subject site. Our analysis indicates that large-scale commercial development across the subject site is inconsistent with market fundamentals driving commercial development across metropolitan Sydney.

Whilst there may be scope to provide some locally based commercial uses on the site, our view is that the Norwest Business Park is better positioned to absorb the majority of increased demand for commercial floorspace within the Hills LGA in the longer term.

4.1 COMMERCIAL OFFICE SUPPLY - METROPOLITAN CONTEXT

Commercial office floorspace in metropolitan Sydney is clustered around a number of key locations, notably:

- » Sydney CBD
- » North Sydney
- » Crows Nest / St Leonards
- » Chatswood
- » Macquarie Park / North Ryde
- » Parramatta
- » Sydney Olympic Park and
- » Norwest Business Park

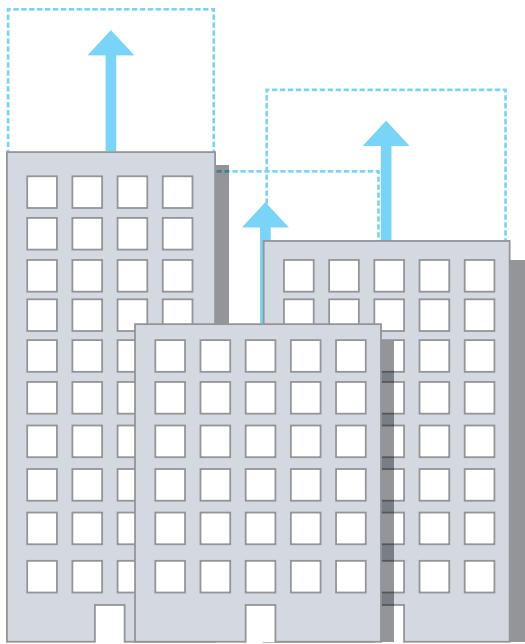
These location are shown on the following page.

The Chart on the following page shows the total commercial floor space in each of the major commercial office markets across Sydney. The chart shows that these office markets combined provide a total commercial floor space of almost **8 million square metres**. The vacancy rates in four of these office markets are sitting above 10%, with only Sydney CBD and Parramatta below 10%.

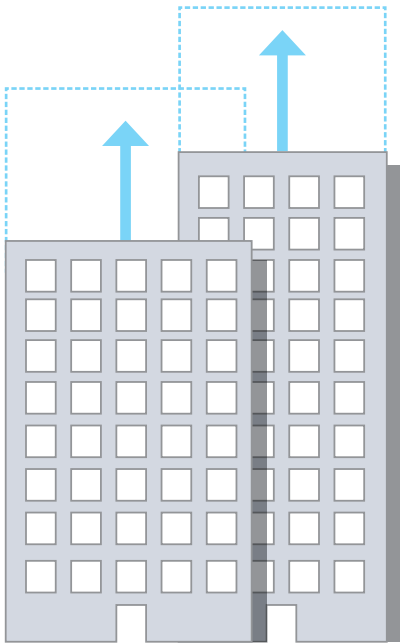
These markets, have collectively added around 680,000 sq.m commercial floorspace since 2006, or around 85,000 sq.m per annum on average. The majority of additional floorspace during this period has been provided at North Ryde (Macquarie Park) and the Sydney CBD.

In addition to these markets, Sydney Olympic Park currently provides around 250,000 sq.m commercial floorspace and Norwest Business Park provides close to 300,000 sq.m.

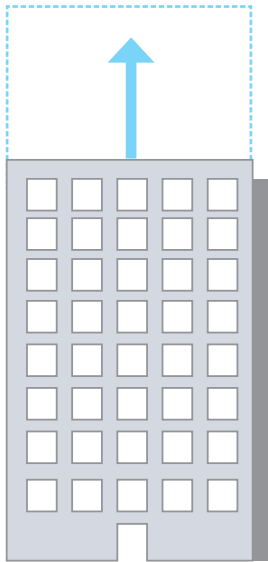
Overall the office vacancy rate within the major office markets in metropolitan Sydney (as identified by the Property Council of Australia, excluding Sydney Olympic Park and Norwest) is sitting at around 9%. The relatively high vacancies in the central locations of Sydney CBD (8.4%) and North Sydney (10.2%) are keeping rents low and incentives high which is resulting in a number of businesses moving from suburban areas to these locations.



Sydney CBD

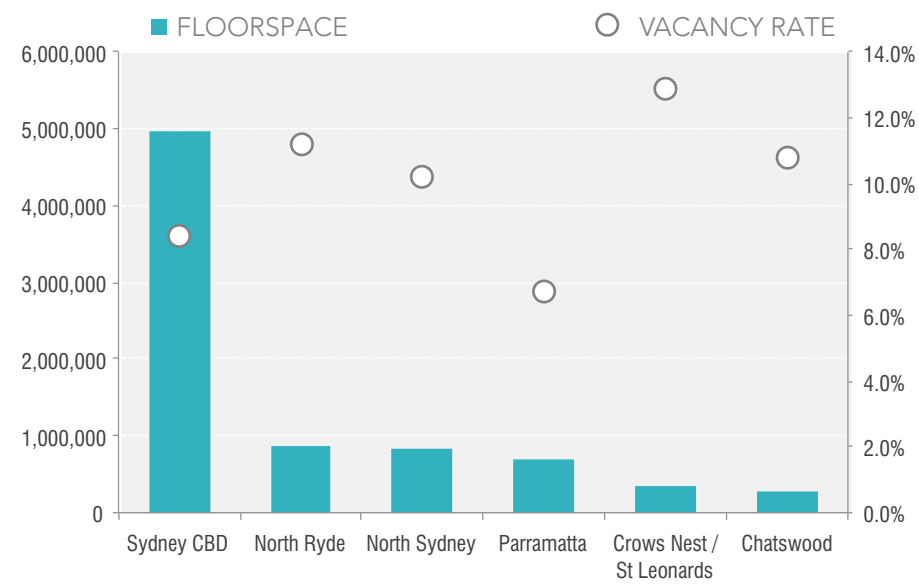


Parramatta

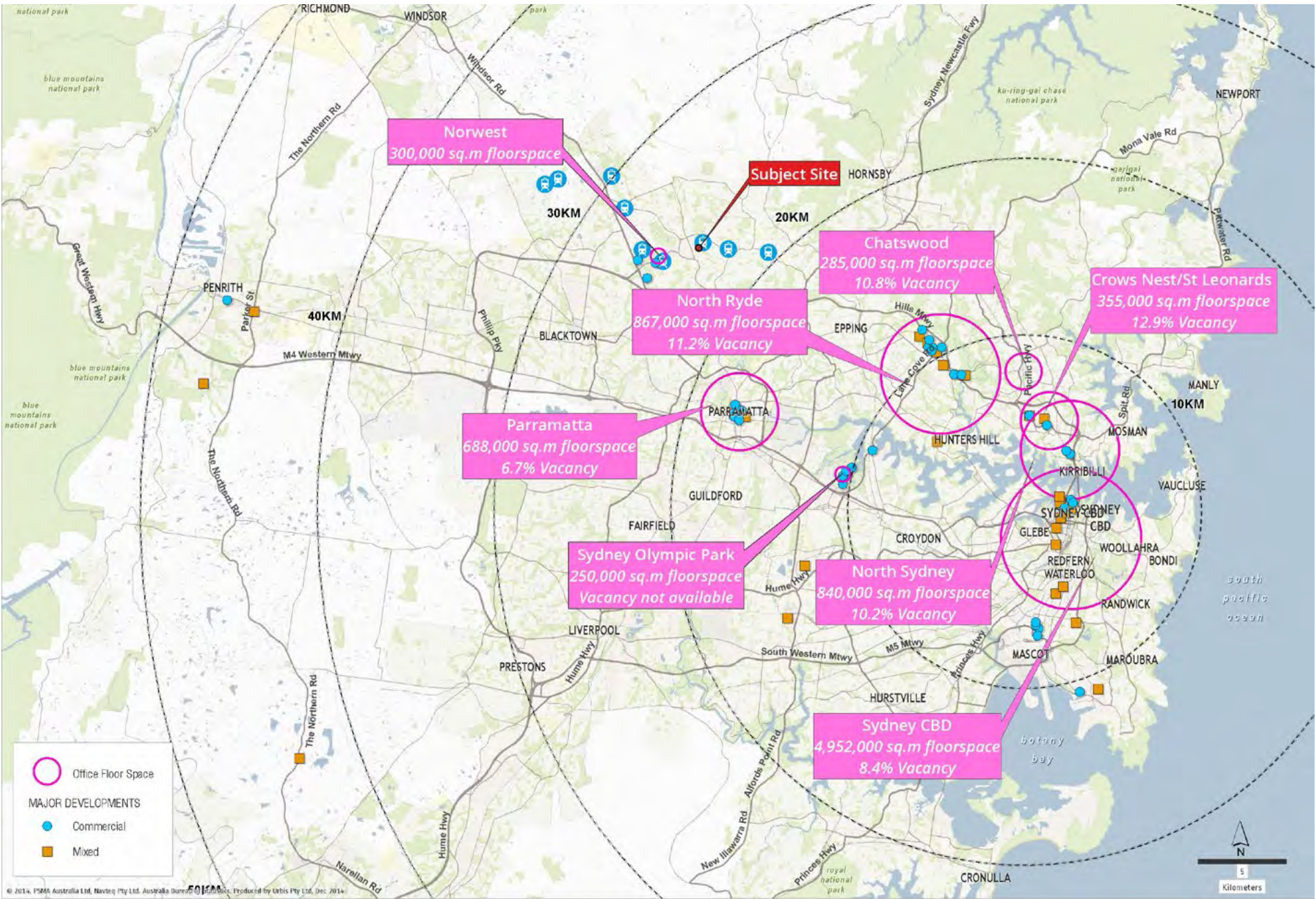


Macquarie Park

COMMERCIAL FLOOR SPACE AND VACANCY RATES
SYDNEY REGION



SYDNEY COMMERCIAL OFFICE MARKETS



Norwest has significant expansion potential and is not affected by residential encroachment.

4.2 OFFICE SUPPLY – DEVELOPMENT PIPELINE

A significant supply of new high quality office space will be built in metropolitan Sydney in the coming years. There is currently in excess of 1 million sq.m of commercial floorspace planned within purely office developments in metropolitan Sydney.

A summary of key commercial developments at the metropolitan level, sharing commercial developments and mixed use developments is provided in **Appendix A**.

There is also a significant amount of commercial floorspace within mixed use developments, including more than 320,000 sq.m additional commercial floorspace in Sydney CBD as part of the Barangaroo development.

The Barangaroo development in particular is expected to have a metropolitan-wide impact on the commercial office market. The resultant churn from companies relocating to Barangaroo from elsewhere in the CBD is expected to increase vacancy rates and incentives to lease within the CBD, with ensuing impacts on other office markets as businesses review opportunities to relocate.

4.3 HILLS SHIRE EMPLOYMENT PRECINCTS

NORWEST BUSINESS PARK

Norwest Business Park is the largest commercial office location within the Hills Shire.

Norwest was rezoned for employment in 1987 with the first major subdivision works occurring in the early 1990s and with the original occupants being Australia Post, Cathay Pacific and the Hillsong Church.

Since this time Norwest has further evolved so that the major land use, apart from residential, is for office purposes rather than industrial warehouse usage. Woolworths, Resmed and Wyeth Australia were “early adopters”, constructing major head office style facilities in the early 2000’s.

Norwest Business Park has grown into a full service, self-sufficient employment precinct and features recreational areas with walking tracks and water features, 2 shopping centres (one sub-regional), restaurants and cafes, child care centres, hotels and the former Bella Vista Totally Home bulky goods centre (which has been demolished to make way for the new NWRL Bella Vista Station).

Norwest is considered as north western Sydney’s largest employment centre, with some 20,000 employees, 800 businesses and 500,000 sq.m of occupied space, of which around 300,000 sq.m is office space.

The Norwest Business Park website states that future expansion has the potential to increase the workforce to 35,000.

The majority of remaining vacant B7 Business Park zoned land at Norwest is located on the southern side of Norwest Boulevard around Nobrik Drive, and there is also potential to develop land currently used for at-grade parking around the Hillsong Church between Norwest Marketown shopping centre and Solent Circuit.

There was no new commercial floorspace supply in Norwest and limited leasing activity reported in the first half of 2014. A lack of construction activity has been a feature in Norwest over the last two years and absorption has occurred at a slow pace.

The development of the new NWRL stations at Bella Vista and Norwest are expected to enable Norwest to position itself as a significant future employment destination. Unlike most other metro markets in Sydney it has significant expansion potential and is not affected by residential encroachment. It will be well served by new residential development linked to the NWRL and the North West Growth Centre, enabling it to make a strong pitch to prospective employers by offering the ability to live and work locally.

Around 1,900 jobs at Castle Hill Employment Area or 28% are in sectors that are typically ‘office based’.

CASTLE HILL EMPLOYMENT AREA

The Castle Hill Employment Area is bounded by Cattai Creek to the East, Windsor Road to the West, the residential properties of White Cedar Drive to the south and Showground Road to the North. Victoria Avenue provides a north south connection through the Trading Zone. Norwest Boulevard connects to Windsor Drive.

The precinct covers approximately 136 hectares (including roads and landscaping) and contains a range of uses including bulky goods outlets, car showrooms and a mix of light industrial and commercial tenancies.

Hills Shire Council (through Remplan) have estimated that there around 6,800 people employed within the precinct, equal to around 12% of the 56,850 jobs within the Hills Shire LGA (identified by Remplan). This equates to a gross employment density of 50 jobs per hectare.

The key employment sectors within the precinct are:

- » Retail trade 1,370 jobs, 20% of precinct total
- » Wholesale trade 1,350 jobs, 20% of precinct total
- » Manufacturing 1,100 jobs, 16% of precinct total

These figures are based on 2013 estimates, and may have changed since then as a result of actions such as the cessation of economic activity on the subject site.

Around 1,900 jobs within the precinct, equal to 28% of precinct total, are in sectors that are typically ‘office based’ (professional and scientific, services, health care and social assistance, public administration and safety, administration and support services, education and training, financial and insurance services, rental hiring and real estate, information media and telecoms). These are typically found in small strata office suites.

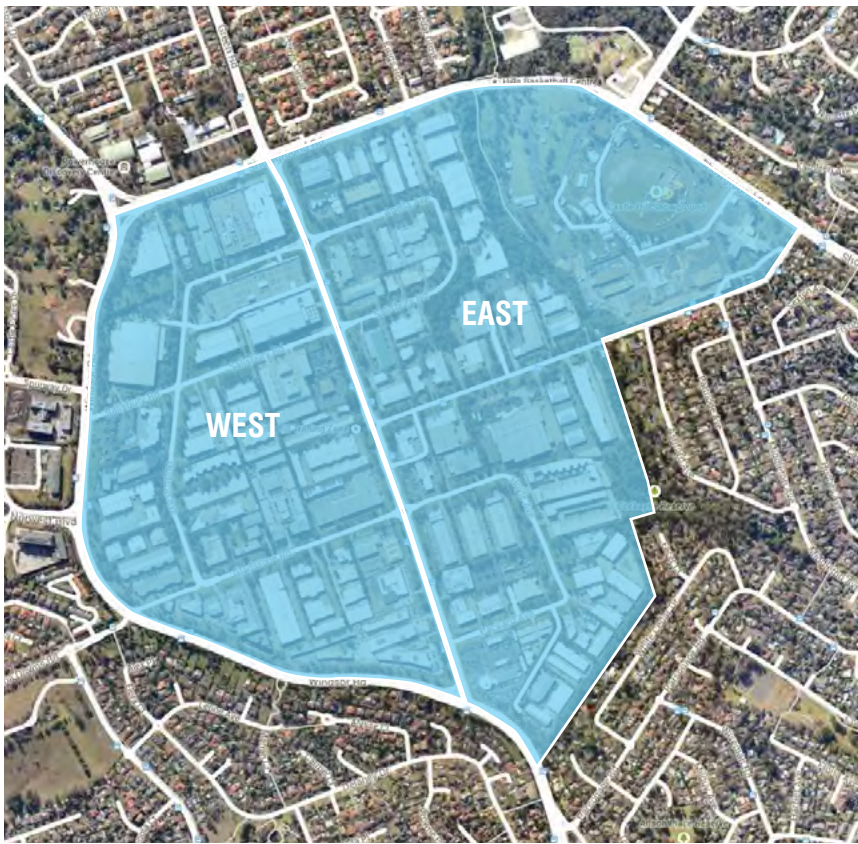
There are a number of commercial offices currently available for lease. These are shown in **Appendix B**.

It would therefore require a significant repositioning and major capital investment for the Castle Hill Employment Area to establish a critical mass of large floorplate commercial offices.

EMPLOYMENT BY CATEGORY
CASTLE HILL EMPLOYMENT AREA

INDUSTRIES	TRADING ZONE		TOTAL	
	WEST	EAST	NO.	%
Retail Trade	725	645	1,370	20%
Wholesale Trade	595	757	1,352	20%
Manufacturing	557	544	1,101	16%
Construction	291	280	571	8%
Professional, Scientific and Technical Services	194	285	479	7%
Other Services	153	307	460	7%
Health Care and Social Assistance	278	67	345	5%
Accommodation and Food Services	108	153	261	4%
Public Administration and Safety	42	160	202	3%
Administrative and Support Services	69	48	117	2%
Education and Training	55	60	115	2%
Arts and Recreation Services	75	32	107	2%
Transport, Postal and Warehousing	28	65	93	1%
Financial and Insurance Services	25	49	74	1%
Rental, Hiring and Real Estate Services	45	28	73	1%
Electricity, Gas, Water and Waste Services	19	27	46	1%
Information Media and Telecommunications	21	23	44	1%
Mining	2	2	4	0%
Agriculture, Forestry and Fishing	-	-	-	0%
Total Employment	3,282	3,532	6,814	100%

CASTLE HILL EMPLOYMENT AREA



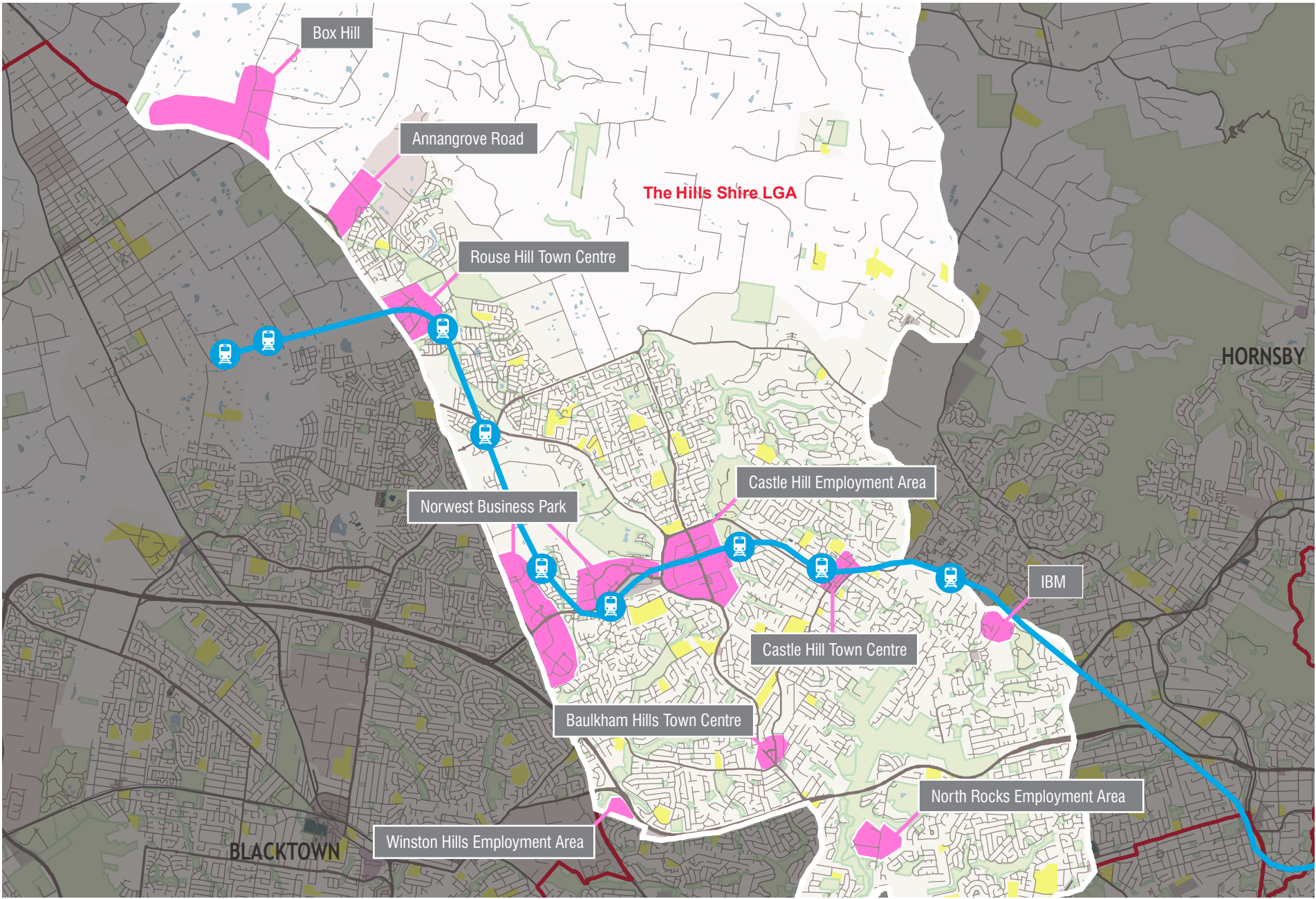
HILLS SHIRE EMPLOYMENT NODES

OTHER EMPLOYMENT AREAS

Additional commercial floorspace is provided within the Castle Hill Town Centre (around 5,500 workers in total currently across all sectors) and Rouse Hill Town Centre (around 2,000 workers in total currently across all sectors). The predominant land use in each of these centres is retailing, there is nevertheless an ancillary commercial floorspace component and this has the potential to increase in future as the range of uses in the centres expand.

Beyond these centres key employment areas within the Hills Shire are:

- » Light Industrial Areas at Annangrove Road (including a recent Bunnings Warehouse development), Northmead (local services including car repairs), North Rocks (a 1970's warehouse development) and Winston Hills (a 14 hectare triangular precinct adjacent to a residential area).
- » The IBM headquarters at Coonara Avenue



Sectors that would typically require commercial office accommodation are forecast to add around 45,000 jobs within the Hills LGA between 2011-2036.

5.0 Hills Shire Employment Growth

The Bureau of Transport Statistics forecasts that the number of jobs within The Hills Shire could increase from 73,700 in 2011 to 150,400 by 2036, growth of around 77,000 over the period.

The key growth sectors are expected to add the following jobs if the target is met:

- » Retail Trade increasing by around 15,000 jobs
- » Professional, Scientific and Technical Services increasing by around 11,000 jobs
- » Health Care & Social Assistance increasing by around 7,500 jobs
- » Accommodation and Food services increasing by around 5,500 jobs
- » Education and Training increasing by around 5,000 jobs

Importantly, three of these five key growth sectors (retail trade, health care & social assistance, accommodation and food) are industries that do not typically require a high proportion of commercial office floorspace. The other two – health care and social assistance and education and training – typically require an office component which can be ancillary to their primary client-facing role.

Sectors that would typically require commercial office accommodation include:

- » Professional, scientific and technical services
- » Administrative and support services
- » Financial and insurance services
- » Public administration and safety
- » Rental, hiring and real estate services
- » Information media and telecommunications, as well as
- » Education and training (in part) and
- » Health care and social assistance (in part).

Collectively these sectors are forecast to add around 38,000 jobs within the Hills LGA between 2011-2036.

JOBS BY INDUSTRY – FORECAST HILLS SHIRE LGA 2011-2036

INDUSTRIES	2011		2016		2021		2026		2031		2036		2011–2036	
	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%	TOTAL CHANGE	ANNUAL GROWTH %
Retail Trade	4,164	19%	17,110	20%	1,037	20%	23,539	20%	26,266	19%	28,958	19%	14,794	3%
Professional, Scientific and Technical Services	7,808	11%	8,425	10%	2,713	12%	14,436	12%	16,406	12%	18,687	12%	10,879	4%
Health Care and Social Assistance	7,388	10%	8,373	10%	0,350	10%	11,828	10%	13,401	10%	14,814	10%	7,426	3%
Accommodation and Food Services	4,342	6%	4,992	6%	6,205	6%	7,330	6%	8,615	6%	9,810	7%	5,468	3%
Education and Training	6,688	9%	7,093	8%	8,450	8%	9,568	8%	10,781	8%	11,683	8%	4,996	2%
Construction	5,926	8%	6,828	8%	7,908	7%	8,599	7%	9,519	7%	10,333	7%	4,406	2%
Administrative and Support Services	1,797	2%	2,277	3%	3,163	3%	3,925	3%	4,616	3%	5,222	3%	3,425	4%
Public Administration and Safety	1,504	2%	1,999	2%	2,906	3%	3,525	3%	4,257	3%	4,834	3%	3,330	5%
Other Services	3,309	4%	3,669	4%	4,609	4%	5,170	4%	5,924	4%	6,414	4%	3,105	3%
Financial and Insurance Services	2,849	4%	3,046	4%	3,787	4%	4,412	4%	5,128	4%	5,836	4%	2,987	3%
Wholesale Trade	4,646	6%	5,285	6%	6,046	6%	6,314	5%	7,202	5%	7,592	5%	2,946	2%
Information Media and Telecommunications	823	1%	1,325	2%	1,965	2%	2,549	2%	2,993	2%	3,351	2%	2,529	6%
Manufacturing	5,840	8%	6,337	8%	7,043	7%	7,427	6%	7,974	6%	8,352	6%	2,512	1%
Rental, Hiring and Real Estate Services	1,284	2%	1,605	2%	2,243	2%	2,602	2%	3,103	2%	3,411	2%	2,127	4%
Arts and Recreation Services	977	1%	1,208	1%	1,846	2%	2,155	2%	2,668	2%	2,973	2%	1,995	5%
Transport, Postal and Warehousing	1,035	1%	1,289	2%	1,864	2%	2,081	2%	2,754	2%	2,959	2%	1,924	4%
Unclassified	1,876	3%	1,966	2%	2,325	2%	2,518	2%	2,856	2%	3,019	2%	1,143	2%
Electricity, Gas, Water and Waste Services	343	0%	426	1%	573	1%	619	1%	861	1%	905	1%	562	4%
Mining	102	0%	120	0%	136	0%	148	0%	161	0%	175	0%	72	2%
Agriculture, Forestry and Fishing	740	1%	723	1%	731	1%	746	1%	761	1%	778	1%	38	0%
Printing (including the Reproduction of Recorded Media)	268	0%	296	0%	304	0%	302	0%	291	0%	290	0%	22	0%
Total	73,710	100%	84,392	100%	106,204	100%	119,793	100%	136,536	100%	150,397	100%	76,687	3%

5.1 FUTURE COMMERCIAL OFFICE LOCATIONS

The North West Rail Link is a catalytic project for the north west region. It will significantly increase accessibility to existing Hills Shire office locations such as Norwest, as well as Castle Hill and Rouse Hill Town Centres.

The NWRL will also increase ease of accessibility to other established centres such as Macquarie Park, Chatswood, North Sydney and Sydney CBD for Hills Shire residents.

In addition, industrial and business park developments at Marsden Park and Box Hill will increase the supply of employment lands in the region.

Structure planning focuses the majority of Hills Shire commercial employment growth around Norwest Business Park. This is a logical approach to maximise agglomeration effects around existing and planned infrastructure, namely:

- » Leveraging the strength of an established business park location
- » Utilising undeveloped appropriately zoned and serviced land, and
- » Taking full advantage of the provision of two new train stations to service the precinct.

Historically, Norwest has under-performed as a business park relative to other commercial centres in Metropolitan Sydney. Planning policies which direct future commercial development to Norwest can assist in increasing demand for floorspace. An expanded Norwest with enhanced connectivity, resulting from the NWRL, would enable it to compete more effectively against other metropolitan business parks such as Macquarie Park, Chatswood and St Leonards.

Norwest Business Park has significant capacity for expansion. The majority of vacant land is located on the lands to the south of Norwest Boulevard around Centra Norwest. In addition to this developable land, the NWRL Structure Planning process has identified additional commercial employment uplift potential as follows:

- » Around **14,000** commercial jobs around Norwest Station (adjacent to Norwest Shopping Centre) and
- » Around **10,250** commercial jobs around Bella Vista station at the site of former bulky goods centre to the north of the Business Park.

The residual capacity at Norwest, combined with the anticipated commercial uplift around the Norwest and Bella Vista stations has the capacity to provide in excess of **25,000** additional commercial jobs.

This clustering of commercial jobs around the existing business park precinct would represent effective and efficient use of land and would leverage the increased accessibility afforded by the development of two new NWRL stations. Additional commercial development would also be provided as part of the expansion of activities at Castle Hill and Rouse Hill Town Centres.

In our view targeting commercial employment in these locations maximises the net benefit to The Hills Shire and increases the prospects for employment retention.



NORWEST EXPANSION POTENTIAL

5.2 CASTLE HILL EMPLOYMENT AREA VS NORWEST – SUITABILITY FOR COMMERCIAL FLOORSPACE

The table below provide an assessment of the suitability of the Castle Hill Employment Area to accommodate large scale commercial development based on key indicators. The Showground precinct is an untested commercial market, and whilst its accessibility will be enhanced by the NWRL, we consider that it is a sub-optimal location for major commercial development relative to Norwest and established business parks. Norwest, by contrast, is ideally positioned to be the focus for commercial development within the Hills Shire moving forward.

With the opportunity to provide additional commercial floorspace at Norwest and as part of mixed use development at Rouse Hill Town Centre, Castle Hill and immediately around the Showground station, large scale commercial development within the Castle Hill Employment Area is likely to be a long term proposition.

In the medium term, the locations listed above, and established business park locations elsewhere in metropolitan Sydney will offer a greater competitive advantage.

The challenge therefore for the Showground Structure planning precinct is to ensure that the subject site and other “short term opportunity sites” within the precinct can contribute to the precinct dwelling and employment targets and, importantly, ensuring that they deliver a critical mass of economic activity to support Transit Oriented Development around the new train Station.

Planning strategy which supports fragmentation of commercial activity across the LGA has the potential to undermine future take up of commercial space at Norwest.

SUCCESS FACTORS FOR COMMERCIAL DEVELOPMENT
CASTLE HILL EMPLOYMENT AREA

FACTORS	COMMENTS	IMPLICATIONS FOR THE SUBJECT SITE	SUBJECT SITE RATING
Access to transport infrastructure	Access to efficient public transport and road networks, particularly links to the CBD, airport and other major employment centres are important to potential tenants and employees.	Limited connectivity at present. Road connections to Sydney CBD take around 35 minutes in moderate traffic and around 50 minutes to the airport. This compares to 20 minutes to Sydney CBD and 35 minutes to the airport for workers at Macquarie Park. Current road connections to the site of the proposed Badgerys Creek Airport in Western Sydney take around 35 minutes. There are east-west bus stops immediately outside of the subject site providing connections between Blacktown and Castle Hill and Castle Hill and Rouse Hill. The new Showground NWRL station will be located 400 metres from the subject site which will significantly improve public transport connectivity – north to Norwest, Rouse Hill and the NW Growth Centre; and south to Chatswood with connections to Macquarie Park, North Sydney and Sydney CBD.	Moderate
Access to workers	Commercial tenants consider where workers live in choosing an office location.	Large and growing population in Sydney's North West region provides a large employment pool for potential office tenants. Potential to increase the resident worker population around the Showground station can assist with local labour market retention.	Moderate
Existing commercial office hub	Large scale commercial tenants look for established commercial areas where there is a clustering of other reputable companies.	The subject site is not part of a recognised commercial market / precinct limiting its potential to attract major commercial tenants. Current uses within Castle Hill Employment Area are focused on showrooms, bulky goods retailing and light industrial uses.	Weak
Services and amenities	Locations that have easy access to retail and other amenities will be highly sought after as office locations.	Limited services and amenities provided around the subject site at present. The Showground NWRL development will provide local-scale retail and service activity which will boost local service provision.	Weak
Competing supply	Competing commercial space provide an indication of market preferences in terms of location and product. The quantum of better located supply can also limit the market potential to support commercial uses on the subject site.	There are already a number of better located commercial precincts elsewhere in Sydney. Norwest Business Park is an established commercial centre within the Hills Shire, currently accommodating around 20,000 employees and the potential to add at least 25,000 additional jobs. Beyond Norwest, a significant supply of additional commercial floorspace is planned in existing commercial nodes in Metropolitan Sydney including over 320,000sq.m of A Grade net leasable office floorspace at Barangaroo in Sydney CBD, together with additional developments at Sydney Olympic Park, Parramatta CBD, Macquarie Park and North Sydney. This supply pipeline is expected to put downward pressure on rents and vacancy rates, providing greater opportunities for businesses to relocate closer to Sydney CBD. This puts outer metropolitan locations such as The Hills Shire at a geographic disadvantage, particularly as the NWRL will increase accessibility to these competitor locations. Overall this limits the market potential for commercial development at untested locations like the subject site, particularly in the short-medium term.	Weak

Compared to the assessment of Castle Hill Employment Area, Norwest performs higher against the following key criteria:

- » Ability to leverage growth off an established commercial hub, with the potential to add at least an additional 25,000 workers
- » Access to a broad range of services to meet the needs of the worker and surround resident market. This includes access to supermarket-based shopping centres – Norwest Marketown and Centra Norwest, Virgin Active Gym, and a range of retail services restaurants, bars and cafes and recreational lakes, walking and bicycle tracks.

Norwest has taken several years to become an established commercial centre, due to its location on the edge of metropolitan Sydney and competition from other business parks in more central locations (e.g. Macquarie Park, Sydney Olympic Park). The metropolitan Sydney office supply pipeline will increase the competitive environment for all existing business park. If Norwest is maintained as the primary commercial office location for the Hills Shire, its outlook should be positive, benefitting from the NWRL and population growth within the NWGC. A planning strategy which supports fragmentation of commercial activity across the LGA has the potential to undermine future take up of commercial space at Norwest.

6.0 The opportunity

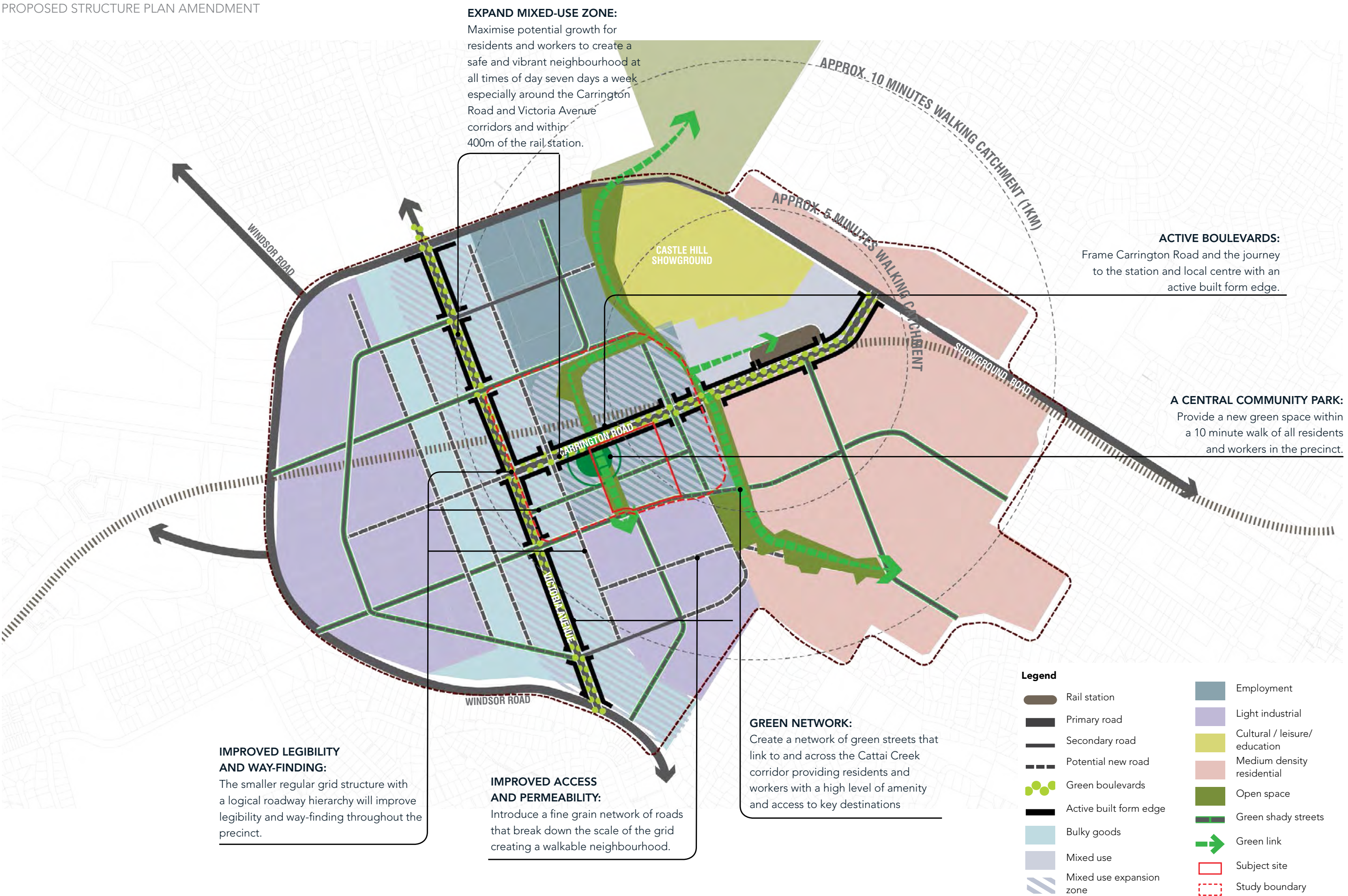
The Carrington Road site will be transformed into an active mixed-use precinct with amenity and transport connectivity on its doorstep. The site, positioned at the heart of the Showground precinct is where business meets living. Residential apartments provide housing diversity and are set alongside an active urban street comprised of commercial and retail uses. Carrington Road is a friendly street with a leafy character that is attractive for walking and cycling, making the commute between Victoria Avenue and the station a comfortable every day journey.

A new community park is widely celebrated by residents and workers alike. In addition, shady streets and shared pathways connect the precinct to the valued Cattai Creek corridor where fitness loops and natural recreational spaces support the resident and worker population.

The site will be a catalyst for precinct renewal and will support economic activity around the Showground NWRL station.

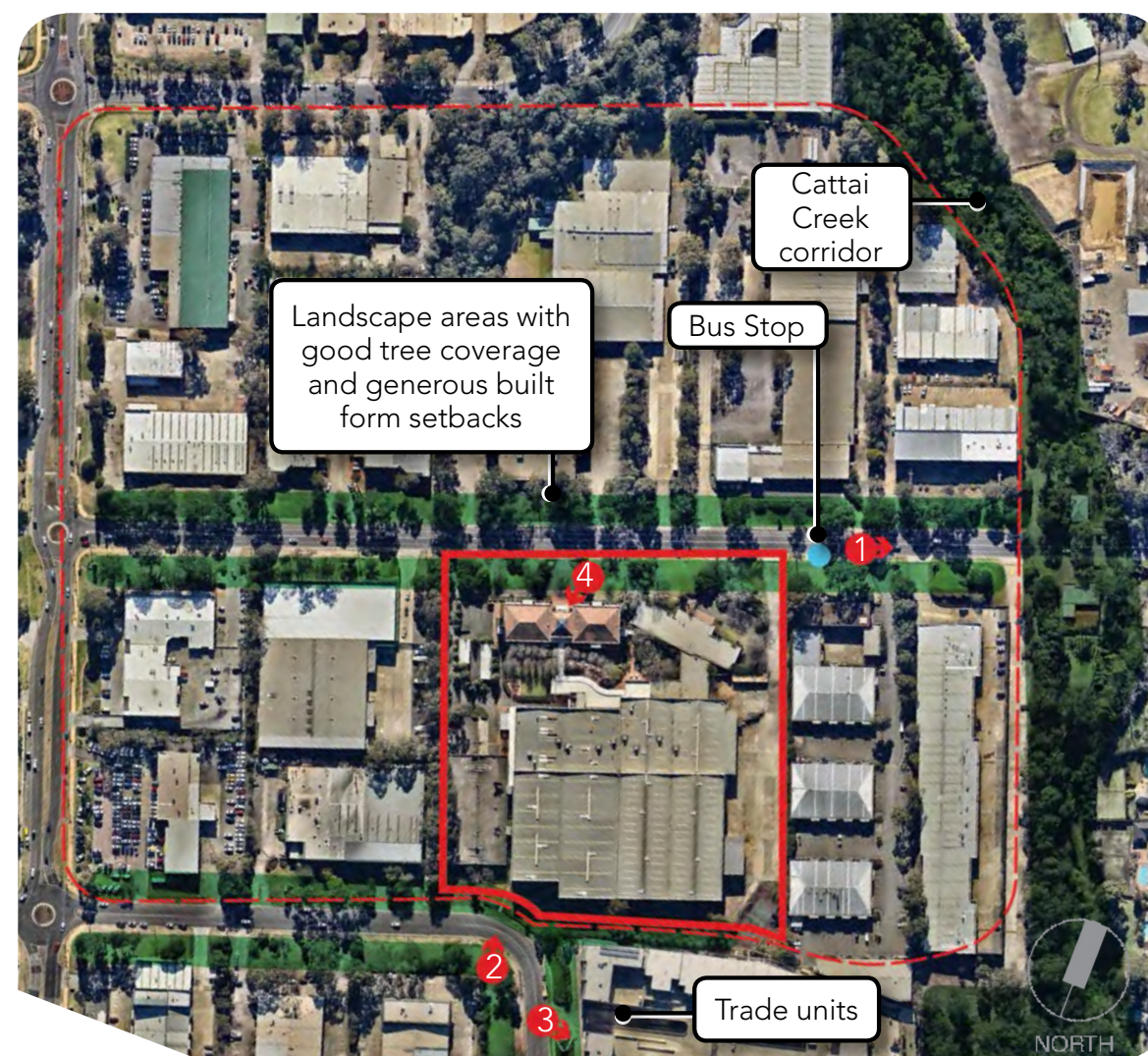
We therefore propose that the subject site and lands to the north and south of Carrington Road - between Salisbury Road in the north and Gladstone Road in the south- be permitted to allow mixed use development including residential and employment uses. This modification is illustrated in the amended Structure Plan.





7.0 Contextual Analysis

A number of existing conditions surrounding the site contribute to its immediate redevelopment potential.



LAND USES & EXISTING CHARACTER:

The area surrounding the site has a leafy suburban character with large built form setbacks from the street. The built form character is generally of a low form warehouse and commercial office style format between one and three storeys. Carrington Road consists predominantly of light industrial uses with bulky goods located to the west of the site along the Victoria Avenue corridor. These are characteristics which lack a human scale and do not provide a high level of interaction with the street.

The site is a vacant four hectare parcel of land with immediate redevelopment potential. It is one of the largest parcels in single ownership within the precinct. The site contains two office building and a warehouse. At its peak the site employed 120 workers.

Located just 350 metres from the new Showground NWRL train station, development on the site can be seamlessly integrated with existing and future uses within the precinct.

CONNECTIVITY

The existing street grid structure west of the Cattai Creek corridor is of a large scale and does not connect well with the Showground Station or the Castle Hill Showground. As a result, walking distances to the future train station and the mixed used centre are largely increased.

Carrington Road is an important east-west connector for pedestrians, cyclists and vehicles, providing linkages to the Showground Station and Norwest Business Park. Currently it lacks formalised on-street cycle capacity and only one side of the street has a pedestrian footpath.

Connections to open space amenity in the area are limited. The Cattai Creek Corridor offers great natural green amenity but is currently underutilised with Carrington Road providing the only cross corridor connection. The Structure Plan highlights the importance of additional pedestrian connections and suggests the use of the corridor for fitness and recreation.

SITE PHOTOGRAPHS

PROVISION OF ACTIVE TRANSPORT:

There is an existing bus service operating along Victoria Avenue, Windsor Road and Carrington Road with a bus stop currently located outside of the subject site. The implementation of the North West Rail Link will introduce train services within a 400m catchment of the site. The absence of dedicated cycle lanes and continuous footpaths creates a hostile environment for pedestrians and cyclists.

OPEN SPACE AND AMENITY

The Cattai Creek corridor connects to the Castle Hill Showground and beyond to the Fred Caterson Recreation Reserve. The Structure Plan identifies the importance of protecting this corridor whilst highlighting the opportunity to make it more accessible to the community through sensitive delivery of active cycle and pedestrian pathways and landscaped areas.

There is generally good coverage of trees throughout the precinct, however there is little in the way of formalised street tree planting. The presence of generous landscaped areas and trees creates a lush green character which future development should strive to retain. The existing character surrounding the light industrial uses to the south of the subject site is unusually leafy in character and would not require a buffer were residential uses to be introduced.

The redevelopment of sites within the Castle Hill Employment Area would provide the opportunity to provide a network of open spaces that link the whole UAP to the Showground Station and the Castle Hill Showground.

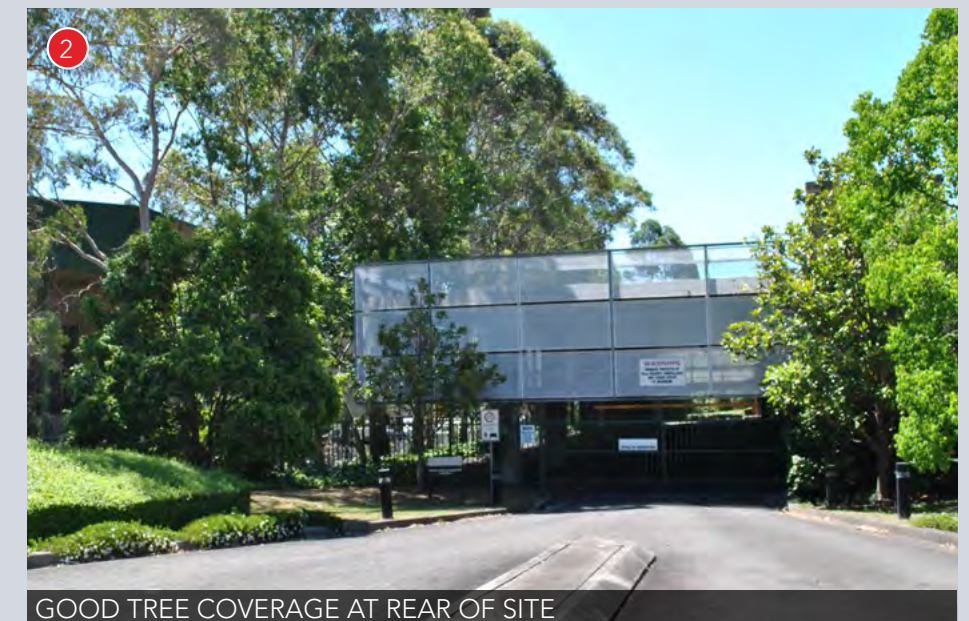
LAND OWNERSHIP

Most of the single ownership sites in the Castle Hill Employment Area have areas above two hectares. Current market movements show that there are prospects to amalgamate some these landholdings to create substantial redevelopment sites.

The subject site is one of the larger sites under single ownership in the precinct, making it an ideal site to develop in the short term.



CARRINGTON ROAD



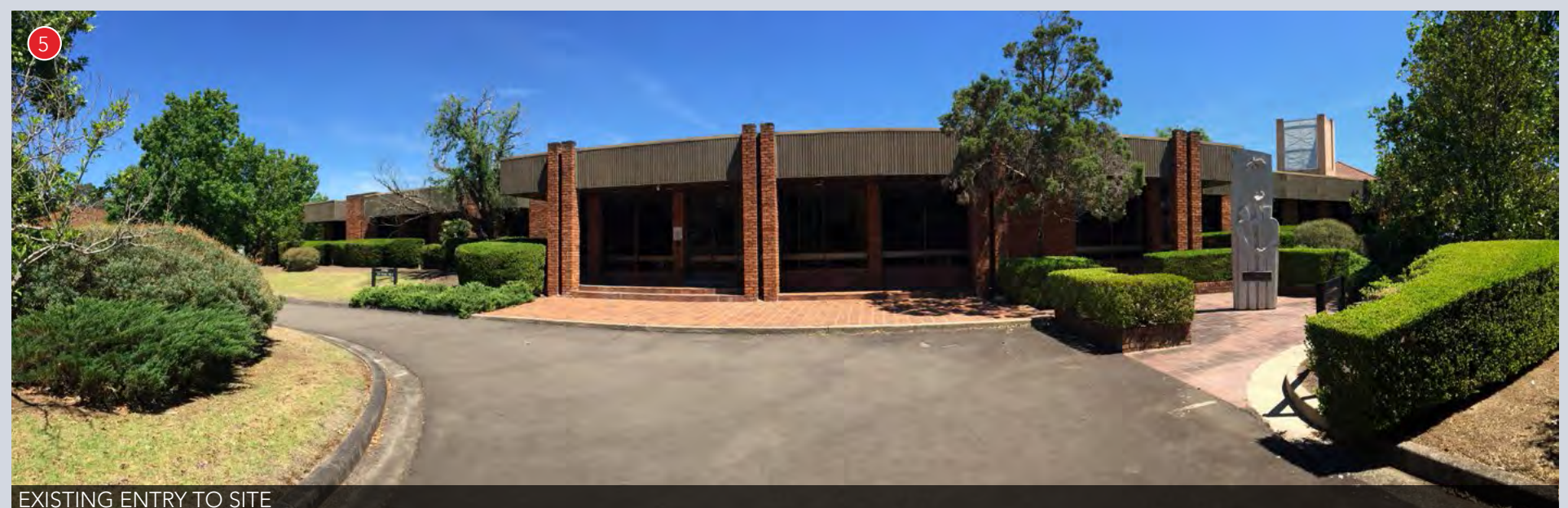
GOOD TREE COVERAGE AT REAR OF SITE



EXISTING BUS NETWORK ALONG CARRINGTON ROAD



TRADE UNITS ADJACENT TO THE SITE



EXISTING ENTRY TO SITE

8.0 Opportunities for Urban Renewal

A number of opportunities for the Showground Precinct have already been identified within the Showground Station Draft Structure Plan. The following section builds upon these and looks in more detail at the land surrounding Carrington Road to provide additional opportunities that will enhance this offer even further, ultimately creating a vibrant and well-connected community.

A LIVELY GREEN BOULEVARD:

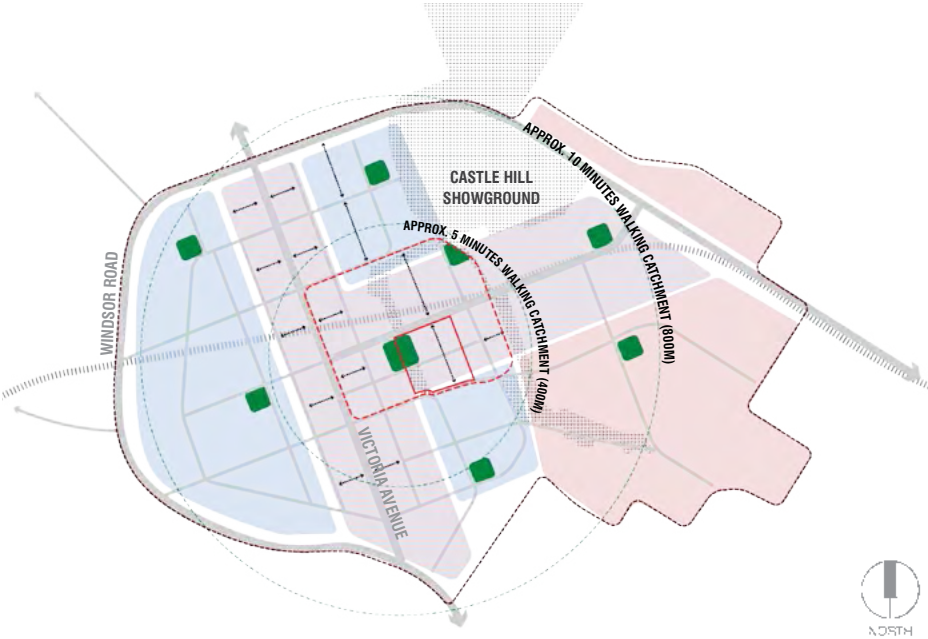
The Carrington Road Corridor will become a walkable green street connecting the wider precinct to the new train station and local centre. A mix of residential, commercial and retail uses with active uses concentrated on the ground floor and a reduced street setback ensure a safe and engaging journey. Relative to its importance as a key connecting street for the precinct, Carrington Road will accommodate a higher density and diverse mix of uses.

AMENITY FOR A LIVING AND WORKING COMMUNITY

A number of community parks are distributed around the precinct to provide easily accessible amenity for workers and residents, including one centrally located on Carrington Road. Car parking will be located below ground where possible to provide additional public realm areas such as gardens and courtyards that can be utilised as cross block links connecting through the mixed use areas.



- Legend**
- Active edge
 - Green boulevard
 - Transport interchange
 - Mixed use zone
 - Local Centre
 - Subject site
 - Study boundary
 - Showground Road Structure Plan boundary



- Legend**
- Community park (indicative location)
 - Cross block links
 - Living and working
 - Working
 - Living
 - Subject site
 - Study boundary
 - Showground Road Structure Plan boundary

OPEN SPACE CONNECTIONS:

Building upon the amenity of the Cattai creek corridor, key locations along the corridor will incorporate landscaped areas which will make this natural asset usable and accessible. A number of key locations will provide pedestrian connections across the corridor.



- Legend**
- Green boulevard
 - Local shady links
 - Creek Corridor and shared pathway
 - Community park (indicative location)
 - Showgrounds
 - Subject site
 - Study boundary
 - Showground Road Structure Plan boundary

A PERMEABLE AND CONNECTED COMMUNITY:

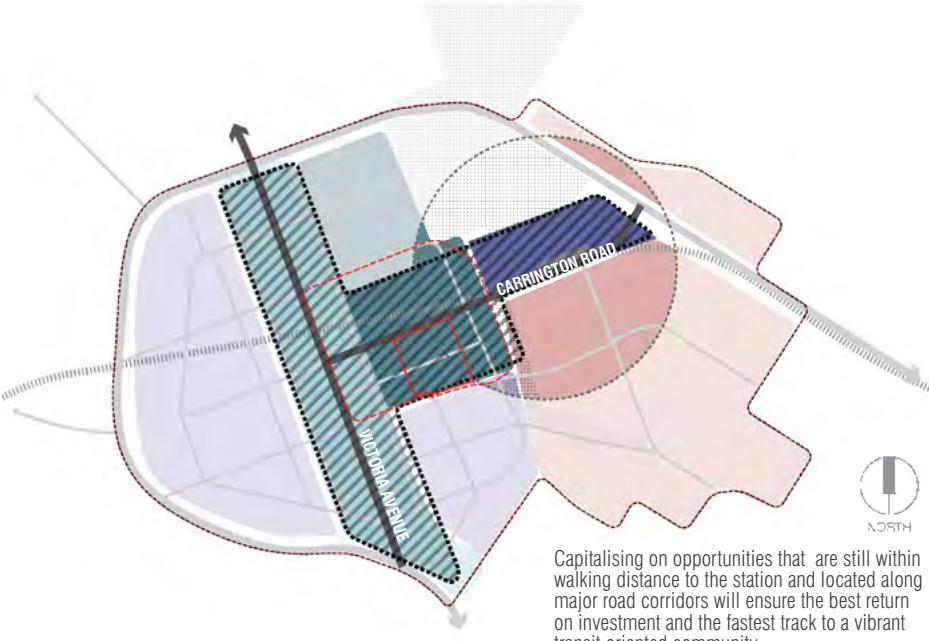
A finer grain permeable street network will be introduced, significantly increasing the walking catchment to the station, Carrington Road bus network and local centre. The smaller regular grid structure with a logical roadway hierarchy will improve legibility, permeability and way-finding throughout the precinct. Bus and rail services as well as active transport paths will support the transport needs of the community.



- Legend**
- Local street
 - Major road
 - Bus network and interchange
 - Rail station and line
 - Active transport connections
 - Subject site
 - Study boundary
 - Showground Road Structure Plan boundary

PROVISION OF A BALANCED MIX OF USES

A diverse mix of residential, commercial and retail will be incorporated on the site. Active uses will be dedicated to the Carrington Road corridor where they will ensure there is a high level of activity 18 hours a day, seven days a week. Provision of a mixed-use approach will ensure a vibrant and liveable neighbourhood with passive surveillance that increases safety for residents and workers. Given the inoffensive nature of surrounding light industrial uses, there are no perceived conflicts between these uses being adjacent.



- Legend**
- Light industrial
 - Bulky goods
 - Employment
 - Residential
 - Mixed use
 - Intensify development around major road corridors
 - Intensify development within 400m walking catchment
 - Subject site
 - Study boundary
 - Showground Road Structure Plan boundary

9.0 Concept

A draft concept plan has been prepared which demonstrates the ability of the subject site to deliver the inherent mixed use renewal opportunity for the subject site. The regeneration of the site to create a high quality mixed use development would strengthen the critical mass of activity within the walking catchment of the new station. The concept plan examines the subject site and adjoining areas and presents a mixed use outcome with active uses focused along the Carrington Road corridor.

Legend

- 1 Residential apartments
- 2 Commercial with retail at ground floor
- 3 New community park
- 4 A generous central pedestrian spine
- 5 Residential courtyards provide additional cross block links
- 6 Driveway entrances located to the rear of lots
- 7 New roads introduced to create a fine grain network
- Subject site
- Study boundary

09



9.1 Yields

Based on this concept the following yields can be achieved.

SUBJECT SITE	
Subject Site (sqm)	40,140
Study Area (ha)	4.01
Commercial GFA (sqm)	12,800
Total Potential jobs/employment	640
Total Residential GFA (sqm)	70,376
Total Residential units	1,005
Total GFA (sqm)	83,176
Total FSR	2.07:1
Height of Building Range (m)	12.0-46.5

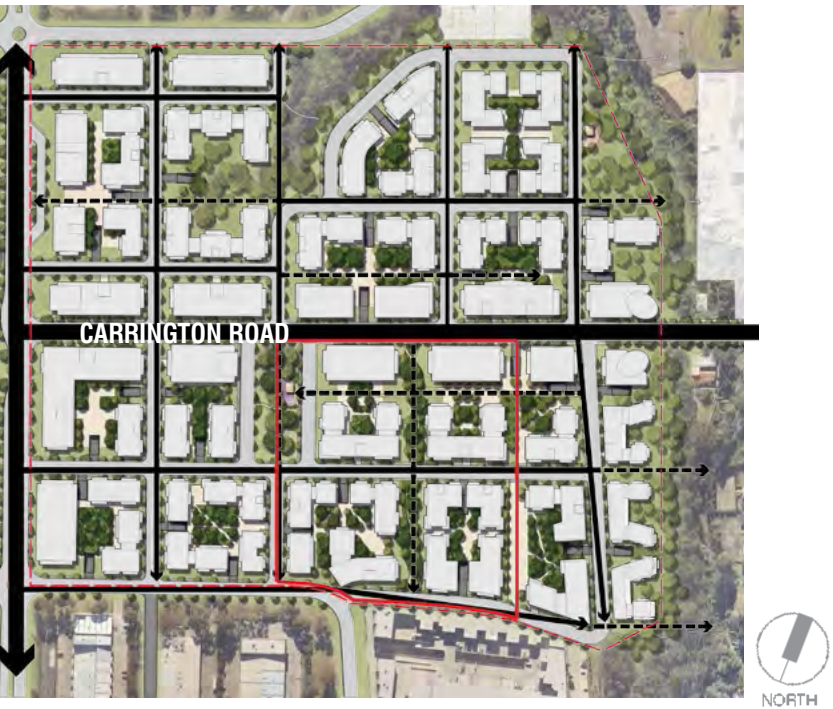
STUDY BOUNDARY	
Study Area (sqm)	236,366
Study Area (ha)	23.64
Commercial GFA at 0.32:1 FSR	75,374
Total Potential jobs/employment	3,769
Total Potential Dwellings at 1.68:1 FSR	5,920



9.2 Design Principles

URBAN STRUCTURE:

- Legend**
- Carrington Road and Victoria Avenue perform higher order functions.
 - Landscape treatments and the introduction of more engaging built form to these corridors ensure they are recognised as key streets.
 - A regular street grid is introduced to improve permeability and pedestrian way-finding. Roads are located along property boundaries.
 - Pedestrian links through parks and residential courts connect with the street grid to form a fine grain network.
 - Study boundary
 - Subject site



LAND USES:

- Legend**
- Commercial with retail uses at ground level address the Carrington Road corridor to provide a higher level of street activity.
 - Residential apartments are located to the rear of the lots where they experience convenience of proximate services with an appropriate level of privacy.
 - Bulky goods with either commercial or residential uses front Victoria Road
 - Study boundary
 - Subject site



OPEN SPACE:

- Legend**
- A highly accessible central green space is provided creating new amenity and outlook for residents and workers. A second park is located adjacent the Cattai Creek corridor.
 - The amenity of the Cattai Creek corridor is valued by providing residential uses along its edge.
 - New opportunities for crossing the Cattai Creek corridor are created to encourage greater visitation.
 - Valued environmental corridors, trees and landscape areas are maintained where possible to retain the leafy urban character.
 - Underground car parking is utilised where possible to increase opportunities for residential courts and landscape spaces.
 - Study boundary
 - Subject site



PUBLIC AND ACTIVE CONNECTIONS:

- Legend**
- Cycling is encouraged through provision of dedicated on-street cycle lanes along key streets.
 - A finer grain road network is introduced to improve precinct permeability.
 - A network of cross block pedestrian connections are facilitated through parks and courtyards.
 - A shared cycle and pedestrian pathway is provided within the Cattai Creek corridor
 - Precinct bus network
 - Study boundary
 - Subject site



HEIGHT OF BUILDINGS:

- Built form is stepped back from the Carrington Road corridor to retain human scale and sight lines.
- Buildings at the rear of lots within the mixed use zone and on key corners are suited to taller forms.
- Lower forms are located along the east west axis to minimise impact of overshadowing on open space areas.

- Legend**
- 10-15 storeys
 - 5-9 storeys
 - 1-4 storeys
 - Study boundary
 - Subject site



ACCESS, PARKING AND SERVICING:

- Legend**
- Access is generally encouraged from the rear of the lots minimising driveway entrances from Carrington Road
 - Car parks are generally located below grade
 - Study boundary
 - Subject site



10.0

Economic benefits

The draft concept plan for the subject site would deliver around **1,000 apartments** and around **12,800 sq.m commercial floorspace**. Redeveloping the site in this manner would deliver significant economic benefits for the Hills Shire LGA and for the Showground Precinct in particular. These include:

- » An additional **2,000 residents** living within 350 metres of the Showground Station (based on an assumed average 2 persons per dwelling)
- » An additional **\$30.4 million** in available retail spending by 2019 to support new retail facilities around the station (assuming that the site is fully developed by the opening of the NWRL in 2019 and based on current per capita spending across The Hills Shire)
- » Around **1,000 additional workers** living on the subject site (based on existing labour force participation across The Hills Shire)
- » The potential for around **640 jobs** to be accommodated on site, compared to the zero jobs at present (based on an indicative 20 sq.m per worker employment density)
- » Major capital investment in the subject site supporting local construction jobs.

- » Investment stimulus with transformative potential for the precinct, with the potential to bring forward other redevelopment proposals
- » A balanced approach to employment uses on site, delivering a net increase of 640 jobs compared to current at an overall employment density of **160 jobs per hectare**, compared to the 50 jobs per hectare being achieved across the precinct at present, without undermining future large scale development at Norwest
- » Agglomeration benefits associated with concentrating development in proximity to the Showground station
- » Reduced transport costs for residents by allowing people to live and work in one place
- » Opportunities for enhance employment retention within the LGA

Extrapolating these benefits across the balance of the proposed Mixed Use zone in the revised concept plan could deliver the following benefits:

- » Around **5,900 apartments** and around 75,000 sq.m commercial floorspace.
- » An additional **11,800 people** living within walking distance of the Showground Station (based on an assumed average 2 persons per dwelling)
- » An additional **\$179 million** in available retail spending by 2019 to support new retail facilities around the station (assuming that the precinct is fully developed by the opening of the NWRL in 2019 and based on current per capita spending across The Hills Shire)
- » Around **5,900 additional workers** living within the Mixed Use Zone based on existing labour force participation across The Hills Shire)
- » The potential for around **3,750 jobs** to be accommodated within the precinct.



More residents



More workers



More spending

11.0 Case Studies

Across Sydney and elsewhere in Australia, a number of areas that were once solely industrial precincts have been progressively re-imagined as mixed use precincts. Using sensitive urban design, and leveraging off critical mass of public transport infrastructure, areas such as South Sydney around Alexandria and Zetland, as well as Mascot in Sydney, and Fortitude Valley in Brisbane have emerged as dynamic urban places incorporating a mix of residential and employment generating activities.

A recent study by Jones Lang Lasalle “The Rise of “New Industrial” in South Sydney” highlighted the following trends across Alexandria and Mascot in particular:

- » “New industrial” occupiers are increasingly taking-up once traditional industrial space for showroom, hospitality, creative office, and recreational use in order to service the growing local residential population.
- » Competition between New Industrial and traditional industrial occupiers is driving change in market pricing dynamics.

- » Owners are repositioning assets to cater for smaller occupier space requirements, while developers are also adapting with smaller strata plan projects.
- » There are significant rent and value differences between New Industrial and traditional industrial premises, reinforcing the lifecycle of industrial property, and creating capital value growth and re-rating of the area as an adaptive re-use precinct.
- » The expanding local residential population will continue to support further up-take of industrial space by New Industrial occupiers.

In South Sydney, the most active New Industrial occupiers are:

- » Showroom / bulky goods retailers
- » Hospitality companies
- » Alternative office boutiques
- » Recreational firms

In view of the rapidly expanding local resident population – driven by apartment development close to amenities and train stations in particular, the need for services provided by New Industrial occupiers is mounting.

SOUTH SYDNEY

The character of South Sydney has changed significantly over the past decade from a traditional industrial area accommodating heavy industry separated from the central business district (CBD) to a mixed use business and residential precinct providing for a variety of light industrial, commercial, creative and niche industries with growing linkages to the CBD.

The area is undergoing substantial transition, which will be further accelerated by the development of Green Square.

- » NSW Bureau of Transport Statistics estimate that there were around 35,000 jobs in the South Sydney Area in 2011, **an increase of around 2,000** from 33,000 in 2006.
 - » The resident population grew by **8,500 people** from 20,500 to 29,000 over the same period.
- Employment growth has therefore occurred in tandem with population growth as the area has transitioned from predominantly industrial uses to a mixed use precinct.
- » Moving forward BTS forecasts the number of jobs in the area to **grow by 11,000** to 46,000 by 2036.
 - » The population is forecast to **grow by around 30,000** over the same period from 29,000 to 60,000.

The renewal of South Sydney is being driven by a combination of high density residential development which in turn creates demand for, and broadens the range of, employment in the area. This has been made possible in the main through the availability of large vacant industrial site.

The new development provides opportunities for people to live and work in the South Sydney area, as well as utilise public transport infrastructure and new cycle ways to get to Sydney CBD.

Overall, higher employment densities are driving employment growth in emerging sectors, as many traditional light industrial, warehousing and distribution users choose alternative locations that better meet their requirements in terms of premises and road connectivity to markets.

The renewal of the area is still managing to deliver a broad mix of employment activity – creating new opportunities for leisure, retail and services, as well as retaining local service providers such as auto repairs.



MASCOT

Mascot occupies the space between South Sydney and Sydney Airport. Like South Sydney, it has been the focus of significant residential apartment development in recent years, leveraging off access to Mascot Train Station and improved cycleway connectivity to Sydney CBD.

Land to the west of Botany Road, to the south of Gardeners Road has been the focus for new apartment development. Historically, employment uses have been concentrated on the western side of O’Riordan Street, with a mix of employment and residential uses between O’Riordan Street and Bourke Road.

- » NSW Bureau of Transport Statistics estimate that there were around 22,000 jobs in Mascot in 2011. This figure is around 2,300 higher than the 2006 figure (19,700). Around 85% of employment was in the western portion of Mascot.
- » The resident population grew from 3,800 to almost 7,300 over the same period. Almost 90% of this population growth was also in the western portion of Mascot, demonstrating that this area, between O’Riordan Street and the Alexandra Canal has been the subject of significant mixed use development.
- » Moving forward BTS forecasts the number of jobs in the area to **increase by 2,000** to around 24,000 by 2036.
- » The population is forecast to **grow by 2,700** to almost 10,000 over the same period.

As with South Sydney urban renewal in Mascot is being delivered through a combination of increased residential density and job growth and diversification.



FORTITUDE VALLEY, BRISBANE

As a result of a spike in the demand for inner city residential dwellings and more affordable commercial office rents, the Fortitude Valley region has recently had a renewed focus from industrial land use activities towards mixed use business, residential development and retail trade.

The Australian Bureau of Statistics Place of Work Data estimates that the number of people travelling to Fortitude Valley for employment between 2006 and 2011 increased from 15,270 people in 2006 to 20,100 people. This represents a total increase of around 4,830 people over the 5 year period.

Rapid population growth took place from the early 1990s, with the population more than trebling between 1996 and 2006, a result of large numbers of new dwellings being added to the area, from urban renewal projects resulting in higher density housing. Over the last 5 year period, the Fortitude Valley region has been relatively stable, increasing by approximately 460 people between the 2006 and 2011 Censuses.

Given the proximity to the Brisbane CBD, the number of employment opportunities in Fortitude Valley has increased faster than population growth. According to the National Institute of Economic and Industry Research, employment within Fortitude Valley is expected to increase to a total of 31,600 positions, an increase of 11,500 positions from 2011.

The Queensland Government is expecting the resident population to increase from 5,710 people in 2013 to 15,160 people in 2031. This represents a total increase of 9,450 people or an average annual growth rate of 5.6% per annum. Comparatively, the Brisbane Inner City region is only expected to experience an average annual population growth rate of 1.5% over the same period.

The strategic location, proximity to the CBD and strong infrastructure links to other Brisbane areas has been a significant driver of the commercial office market and population growth in Fortitude Valley. This increase has led to a strong demand for additional retail, service and entertainment based activities.

As industrial warehouses and logistic based companies seek alternative locations that better suit their needs and requirements, the availability of development sites within Fortitude Valley will continue to occur. These sites provide opportunities to create additional commercial office floorspace and residential dwellings further contributing to the vibrancy, activity and demand for employment within the region.



12.0 Recommendation

Urbis recommends that the Department of Planning and Environment consider the permissibility of mixed uses, including residential and retail, in areas within the Castle Hill Industrial Area as shown in this report. We propose that this broadening of uses should be limited to the subject site, and lands to the north and south of Carrington Road - between Salisbury Road in the north and Gladstone Road.

This modification is illustrated in the amended Structure Plan in Section 9.

The subject site at 46 Carrington Road, Castle Hill offers a unique regeneration opportunity which can deliver a substantial residential uplift together with a range of employment uses. The current blanket proposal for large floorplate commercial uses on the site is not sustainable, as the site does not score highly against success factors for current development.

From a strategic perspective, facilitating mixed use development within the walk-in catchment of the new Showground Road train station offers substantial benefits, notably:

- » More residents, workers and associated spending available to support the provision of a critical mass of services around the Showground station
- » Major capital investment in the subject site supporting local construction jobs
- » Investment stimulus with transformative potential for the precinct, with the potential to bring forward other redevelopment proposals
- » Reduced transport costs for residents by allowing people to live and work in one place
- » Opportunities for enhance employment retention within the LGA.

Appendix A

Commercial office space pipeline – Metropolitan Sydney

NAME	SUBURB	FLOOR AREA (SQ. M)	PROJECT TYPE	COMPLETION (EST.)
200 George Street	Sydney	43,000	Commercial tower	2016
Hassall St Office - Eclipse	Parramatta	27,000	20 storey office tower	2016
Rhodes Corporate Business Park	Rhodes	18,000	6 storey commercial office building	2016
Gore Hill Technology Park	Artarmon	14,000	5 storey office building	2016
Sydney Olympic Park - Parkview Place	Sydney Olympic Park	13,000	5 storey commercial development	2016
Qantas Campus Hub	Mascot	44,000	Additions to Qantas building	2017
Penrith Australian Taxation Office	Penrith	13,000	Office building for ATO	2017
Office Development - Links Business Park	Macquarie Park	10,000	7 storey office	2017
The Park Commercial Building	Macquarie Park	28,000	5 storey commercial building	2018
Talavera Rd Commercial Development	Macquarie Park	13,000	6 storey commercial office building	2018
Strang Site Motorcade Development	Mascot	34,000	3 office buildings up to 11 storeys	2019
Axis @ Sydney Olympic Park	Sydney Olympic Park	16,000	8 storey commercial building	2019
Pinnacle Office Park	Macquarie Park	12,000	6 storey commercial office building	2019
Circa - The Works	Bella Vista	12,000	3 storey commercial office building.	2019
North Sydney Commerce Centre	North Sydney	40,000	30 storey commercial building	2020
St Leonards Commerce Centre	St Leonards	30,000	18 storey commercial building	2020
Axis @ Sydney Olympic Park	Sydney Olympic Park	17,000	8 storey commercial building	2020
O'Riordan St Commercial Building	Mascot	15,000	12 storey commercial building	2020
Sydney Olympic Park Office	Sydney Olympic Park	14,000	5 storey commercial building	2020

NAME	SUBURB	FLOOR AREA (SQ. M)	PROJECT TYPE	COMPLETION (EST.)
Sydney Olympic Park Office Development	Sydney Olympic Park	14,000	5 storey commercial development	2020
George St Mixed Development	Parramatta	12,000	13 storey office block	2020
Khartoum Rd Office Building	Macquarie Park	12,000	7 storey office building	2020
Macquarie Park Commerce Centre	Macquarie Park	83,000	4 commercial buildings	2021
Mount St Commercial Development	North Sydney	45,000	36 storey office building	2021
Church & Macquarie Sts Office Building	Parramatta	28,000	13 levels of office additions	2021
Sydney Olympic Park - Duo South	Homebush Bay	26,000	10 storey office building	2021
Phillip St Office	Parramatta	20,000	14 storey office building	2021
Parkview Precinct Sydney Olympic Park	Sydney Olympic Park	16,000	6 storey commercial office building	2021
Eclipse Norwest	Bella Vista	10,000	Commercial office building	2021
Westfield Parramatta	Parramatta	35,000	20 storey commercial tower	2022
One Rivett Rd	North Ryde	11,000	Commercial office building	2022
Century Estate Stage 7	Baulkham Hills	11,000	Office building	2022
Parramatta Square Stages 5 & 6	Parramatta	140,000	Duel 53 storey commercial towers	2023
Riverside Corporate Park - Epicentre	North Ryde	34,000	3 campus style office buildings	2023
Chalmers Cr Commercial Buildings	Mascot	69,000	Five 10 storey office buildings	2024
Botany Rd Office & Warehouse Building	Banksmeadow	11,000	10 storey mixed use development	2024
Parramatta Square - Stage 1	Parramatta	28,000	15 storey commercial building	2025
Sub Total		1,018,000		

Appendix A

Proposed Major Mixed Use Developments (incorporating commercial floorspace)

NAME	SUBURB	FLOOR AREA (SQ. M)	PROJECT TYPE	COMPLETION (EST.)
Barangaroo South	Sydney CBD	Office 320,000 Retail 20,000 Resi 860 units	Barangaroo Precinct	2016-2019
Barangaroo Central	Sydney CBD	Office 2,000 Retail 4,000	Barangaroo Precinct	2016
IMAX Redevelopment	Sydney CBD	Office 38,000 Resi 1260	Darling Harbour Precinct	2016
Central Park	Sydney CBD	Office 50,000 Retail 20,000 Resi 2,800 units	Haymarket tower development	2013-2017
One Carrington	Sydney CBD	Office 75,000 Retail 7,000	Wynyard station redevelopment	2017
Gore Hill Mixed Use Technology Park	Artarmon	Office 28,000 Retail 8,000	4 mixed use building complex	2017
Green Square - Overall Project	Alexandria	Office 60,000 Retail 12,000	Green Square Town Centre redevelopment	2017
The Cumberland Media Centre	Parramatta	38,000	Mixed commercial and retail building	2019
Oran Park Town Centre - Woolworths	Oran Park	14,000	Construction of shopping centre	2019
O'Riordan St Travel Superstore	Alexandria	Office 10,000	3 storey office addition	2020
The Cumberland Media Centre	Parramatta	12,000	5 storey retail/commercial building	2020
Blocks 1 & 4N - Central Park	Chippendale	50,000	Two 15 storey office buildings	2020

NAME	SUBURB	FLOOR AREA (SQ. M)	PROJECT TYPE	COMPLETION (EST.)
Parramatta Square Stage 3	Parramatta	22,000	16 storey commercial building	2020
Bankstown Sports Club - Tower	Bankstown	11,000	10 storey office building	2020
Denison Place	North Sydney	59,000	32 storey retail/commercial building	2021
Glenmore Park Town Centre	Glenmore Park	15,000	Glenmore Park Town Centre retail	2021
Sita Chullora Office Complex	Chullora	34,000	4 office buildings	2021
Church & Macquarie Sts Office Building	Parramatta	28,000	Mixed retail and commercial building	2021
Eastlakes Town Centre	Eastlakes	14,000	Retail and residential development	2021
Gladesville Shopping Village	Gladesville	29,000	Gladesville Shopping village redevelopment	2021
Commercial Development Mcentral	Macquarie Park	12,000	2 x 8 storey commercial/ retail buildings	2023
The Cumberland Media Centre	Parramatta	38,000	Mixed commercial & retail building	2023
Lane Cove Rd Mixed Development	Macquarie Park	11,000	3 buildings for mixed uses	2023
Riverside Corporate Park	North Ryde	30,000	2 commercial/retail buildings	2024
Royal North Shore Hospital	St Leonards	Office 108,000 Retail 11,000	Mixed use redevelopment	2024
Nepean Health Precinct	Kingswood	Office 11,000	Overall concept plan	2024
Harvey Norman Mixed Development	Macquarie Park	200,000	3 mixed use towers	2026
Macquarie University Concept Plan	Macquarie Park	400,000	Mixed use development	2035

Source : Cordell Connect; Urbis

Appendix B

Commercial Space Available for Lease

CASTLE HILL TRADING ZONE AS AT NOVEMBER 27, 2014

NAME	SUBURB	FLOOR AREA (SQ. M)	PROJECT TYPE
20 Anella Avenue, Castle Hill	1,400-2,800	N/A	Unit 3 - 1,021.9 sq.m warehouse with 351.9 sq.m office Unit 4 - 1,119.4 sq.m warehouse with 319.2 sq.m office On-site parking and truck access
50/5 Gladstone Road	530	\$202	Corporate office and warehouse. 440sq.m office (or office with showroom), 90sqm Warehouse (temperature controlled)
N/A	2,056	\$145	Industrial/Warehouse. High clearance warehouse facility. Truck Access, loading/unloading area, on site parking
Unit 16, 5 Hudson Avenue	245	\$153	Industrial/warehouse. A 245sqm industrial unit with 207sqm of warehouse and 38sqm of office
2 Packard Avenue	204	\$195	Office with on-site parking
17, 7 Hoyle Avenue	182	\$204	Warehouse unit with onsite parking
4/7 Hoyle Avenue	238	\$252	Offices with onsite parking
12/7 Hoyle Avenue	232	\$200	Office with on-site parking
8/7 Packard Avenue	144	\$174	Office and warehouse with on-site parking
14/5-7 Anella Avenue	100	\$235	Office space
22 Hudson Avenue	50	\$300	Office space
15a/10 Gladstone Road	80	\$270	Office space
36, 5-7 Anella Avenue	35	\$429	Office space
4/5-7 Anella Avenue	285	\$220	Office areas and technical area with onsite parking

NAME	SUBURB	FLOOR AREA (SQ. M)	PROJECT TYPE
9 Packard Avenue	205	\$193	3 offices, reception area and boardroom with onsite parking
N/A	929	\$159	Office/warehouse, truck/conatiner acces, showroom over two levels, child care centre and café on-site
16/5 Hudson Avenue	245	\$154	Warehouse and office area
1/7 Carrington Road	129	\$170	Small warehouse with on-site parking
6 Gladstone Road	328	\$168	150-190sq.m warehouse with 138 sq.m office
7/15 Carrington Road	637	\$149	140 sq.m ground floor showroom, 355 sq.m high clearance warehouse with 142 sq.m of offices
19 Victoria Avenue	230	\$328	Bulky goods showroom
6/11 Packard Avenue	1,357	\$115	office/showroom, warehouse and loading/unloading area
4/2 Anella Avenue	427	\$179	Warehouse, ground floor showroom area and onsite parking
16/5 Hudson Avenue	245	\$153	Warehouse with office, onsite parking and truck access
8/9 Salisbury Road	399	\$175	Showroom/warehouse
40-42 Carrington Road	1,466	\$135	Office and warehouse with on-site parking
5-7 Anella Avenue	284	\$213	Ground floor showroom/office space

Appendix B

Proposed Commercial Developments

THE HILLS SHIRE LOCAL GOVERNMENT AREA

PROPOSED	ADDRESS	STAGE	BUILDING HEIGHT (STOREYS)	COMMERCIAL/INDUSTRIAL NLA (NET LETTABLE AREA SQ.M)	ESTIMATED COMPLETION
Offices					
Circa - Building A - The Works	6012 Norbrik Drive, Bella Vista	Early Stages	3	10,620	2016
Century Estate	50 Norwest Blvd and 2-12 Inglewood Place, Baulkham Hills	Development Approval	6	8,180	2016
Busyways Bus Depot	338-340 Annangrove Road, Rouse Hill	Development Approval	2	1,736	2017
North West Rail Link - Rapid Transit Train Facility	Between Tallawong and Schofields Road and First Ponds Creek, Schofields	Development Approval	N/A	2,400	2017
The Glasshouse Village	2-4 Barry Road, Kellyville	Development Approval	4	1,800	2017
Eclipse Norwest	21-23 Lexington Drive, Bella Vista	Possible	N/A	10,000	2019
Northwest Growth Centre - North Kellyville Precinct - Overall Project	Bounded by Samantha Riley Drive, Second Ponds, Caddies and Small Creeks and Cattai Creek	Rezoning Approval	N/A	3,000	2020
Northern Precinct Plan Rouse Hill Regional Centre	13 Windsor Road, Rouse Hill	Early Stages	N/A	3,000	2022
Warehouse / Factory					
Gibbon Road Industrial Development	11 Gibbon Road, Winston Hills	Contract Let	2	12,553	2015
Unilever Factory - Project Middle Earth	219 North Rocks Road, North Rocks	Development Application	2	496	2015
Loyalty Road Industrial Units	14 Loyalty Road, North Rocks	Development Approval	2	14,346	2016
Oz Design Distribution Facility	2 Mile End Road, Rouse Hill	Contract Under Negotiation	4	45,482	2016
Bulky Goods					
Spotlight Castle Hill	12 Victoria Avenue, Castle Hill	Development Application	N/A	3,598	2016
Masters Castle Hill	21-23 Victoria Avenue, Castle Hill	Development Application	1	15,902	2016
Windsor and Seven Hills Road Mixed Development	346-350 Windsor Road, Seven Hills	Development Approval	16	1,185	2017

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