

PLANNING



BUILDING



HERITAGE



URBAN DESIGN

Submission in response to the Draft Bayside West Precinct Land Use and Infrastructure Strategy Cover Subtitle

272 - 288 Princes Highway, Banksia

Submitted to Department of Planning and Environment
On Behalf of Land owners 272 - 288 Princes Hwy Banksia

SUITE 6.02, 120 SUSSEX ST, SYDNEY NSW 2000
TEL +61 2 8270 3500 FAX +61 2 8270 3501 WWW.CITYPLAN.COM.AU
CITY PLAN STRATEGY & DEVELOPMENT P/L ABN 58 133 501 774

Report Revision History

Revision	Date Issued	Prepared by	Reviewed by	Verified by
01	24/02/17	LM <i>Senior Planner</i>	DR <i>Executive Director</i>	David Ryan <i>Executive Director</i>
02	28/02/17	LM	DR	

This document is preliminary unless approved by a Director of City Plan Strategy & Development

CERTIFICATION

This report has been authorised by City Plan Strategy & Development, with input from a number of other expert consultants, on behalf of the Client. The accuracy of the information contained herein is to the best of our knowledge not false or misleading. The comments have been based upon information and facts that were correct at the time of writing this report.

Copyright © City Plan Strategy & Development P/L
ABN 58 133 501 774

All Rights Reserved. No material may be reproduced without prior permission. While we have tried to ensure the accuracy of the information in this publication, the Publisher accepts no responsibility or liability for any errors, omissions or resultant consequences including any loss or damage arising from reliance in information in this publication

Table of Contents

1. Summary of Submission.....	5
2. Sites the Subject of this Submission	6
2.1 Site descriptions	6
3. Site analysis.....	9
3.1 Opportunities and constraints analysis.....	9
3.1.1 Opportunities	9
3.1.2 Constraints.....	10
3.2 Summary of development potential.....	10
3.3 Strategic planning setting	10
3.3.1 Central District Plan.....	10
3.3.2 Housing Target	11
3.3.3 Princes Highway Corridor Strategy	11
4. Critique of draft Strategy.....	12
5. Alternative planning controls to stimulate redevelopment	14
5.1 Land Use Zoning	14
5.2 FSR and Height	15
5.3 Active Street Frontages	16
6. Recommended land use and built form amendments	17
7. References	17

Figures

Figure 1. Cadastral Map – subject site outlined in red (Source: Six Maps).....	7
Figure 2. Street frontage for 272 Princes Highway Street Frontage (Google Maps).....	7
Figure 3. Street frontage for 274-284 Princes Highway Street Frontage (Google Maps).	8
Figure 4. Street frontage for 286 Princes Highway Street (Source: Google Maps).....	8
Figure 5. Street frontage for 288 Princes Highway Street Frontage, Banksia Avenue is to the left of the site. (Google Maps).....	9
Figure 6. The land use zoning under the draft Strategy. The subject site is outlined in red.	12
Figure 7. Building envelopes for commercial development under the draft Strategy.	15
Figure 8. Building envelope for mixed use development under our recommended controls.	16
Figure 9. Extract from the Arncliffe and Banksia rezoning report - Sites shown with red outline	16

Tables

Table 1. The sites the subject of this submission showing their Lot, deposited plan numbers and site area.	6
Table 2. The existing LEP controls and controls proposed in the Strategy for subject sites	12
Table 3. Indicative residual land values under different development control options	13
Table 4. Recommended LEP controls for 272 - 288 Princes Highway	17

1. Summary of Submission

This submission is made on behalf of the property owners for 272 - 288 Princes Highway Banksia in response to the 'Bayside West Precinct - Arncliffe, Banksia and Cooks Cove Draft Land Use and Infrastructure Strategy' (the Strategy).

The sites are in the Banksia precinct within an area that is part of the 'Princes Highway Corridor'. The Princes Highway Corridor extends for the length of the Arncliffe and Banksia precincts and is identified in the Strategy and by the former Rockdale City Council in 2013 as *"a highly attractive location for people wishing to live, work and locate business in proximity to the CBD"*.

The Strategy states that it *"provides a framework for revitalisation, change and renewal for the highway corridor"*. Our analysis of the subject sites demonstrates that due to their close proximity to Banksia Station, low quality of existing improvements and lack of development constraints, they are ideally placed to contribute to these objectives.

However, the Strategy proposes to retain the existing B6 land use zoning and FSR (1.5:1) and only marginally increase maximum building heights for most of the Banksia precinct, including the subject sites.

We agree with the identification of the Banksia precinct as a place highly suitable for revitalisation, which will support key NSW strategic planning objectives for housing and jobs outlined in the Plan for Growing Sydney and the Draft Central District Plan. However, we submit that by effectively retaining the existing land use and density controls that have not so far encouraged redevelopment, the objectives of the Strategy cannot possibly be achieved.

Economic analysis undertaken by Hill PDA accompanying our submission concludes that

"B6 zone along the highway is undermining Transit Orientated Development and urban renewal because it is not viable to replace the existing buildings with new commercial spaces that are limited to the range of land uses permissible in the zone."

"Commercial uses can be encouraged and the number of jobs on site can increase as a result of redevelopment but only in a mixed-use zone where shop top housing is necessary to ensure the viability of redevelopment."

To effectively implement the objectives of the Strategy, we recommend that the following amendments to the draft planning controls are necessary and appropriate:

Land Use Zone: B4 Mixed Use

Height of Buildings: 31 metres

Floor Space Ratio: 2.5:1

Local Clause: Clause 6.11 *Active street frontages* to apply all properties

2. Sites the Subject of this Submission

This submission has been commissioned by the owner of No. 280A - 286 Princes Highway, Banksia (vacant car yard site). However, we have assessed that the circumstances and conditions relating to that site are common to all of the adjoining sites fronting the Highway between Spring Street and Banksia Avenue. As such, this forms a logical planning boundary within which to consider appropriate planning strategies and controls. Consequently, we have been authorised by all of these landowners to prepare this submission on their behalf.

2.1 Site descriptions

Property details for all the properties that are the subject of this submission are in Table 1.

Table 1. The sites the subject of this submission showing their Lot, deposited plan numbers and site area.

Address	Lot	DP	Site Area (m2)
272 Princes Highway	1	432206	1, 858
	14	5377	
	2	432206	
	3	432206	
274 Princes Highway	4	5377	345
282 Princes Highway	1	660238	203
284 Princes Highway	5	663378	217
286 Princes Highway	1	106726	2 ,834
	1	135035	
	2	135035	
	3	135035	
	35	5377	
	36	5377	
	B	366988	
288 Princes Highway	A	366988	1, 047

As Figure 1 shows, the sites vary in size, however No's 272, 286 and 288 are larger and contain single site developments, KFC (Figure 2), vacant car yard (Figure 4) and hotel (Figure 5) respectively, whereas Nos 274 - 284 (Figure 3) consist of smaller frontage premises currently occupied by retail shops, offices and light industry in the form of a car garage.

From the Princes Highway, site depths vary from about 28m to 47m and the rear boundaries of all of the sites adjoin residential properties to the east.

Apart from Nos 272 (Figure 2) and 288 (Figure 5), which gain access from the side streets, all sites currently gain access only from the Highway.



Figure 1. Cadastral Map – subject site outlined in red (Source: Six Maps)



Figure 2. Street frontage for 272 Princes Highway Street Frontage (Google Maps).



Figure 3. Street frontage for 274-284 Princes Highway Street Frontage (Google Maps).

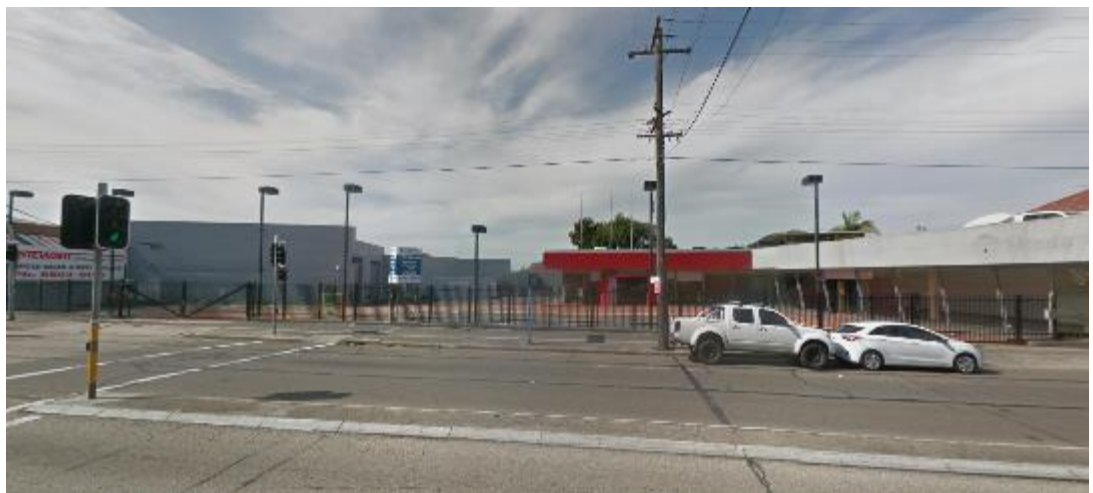


Figure 4. Street frontage for 286 Princes Highway Street (Source: Google Maps).



Figure 5. Street frontage for 288 Princes Highway Street Frontage, Banksia Avenue is to the left of the site. (Google Maps).

3. Site analysis

The Strategy includes an opportunities and constraints analysis of the whole area. Whilst we accept much of that analysis, we fail to understand how the proposed land use strategy and built form controls in the Strategy have been informed by the analysis.

Consequently, whilst we do not think it necessary to fully replicate the Strategy's analysis in this submission, we will briefly outline our own 'finer grain' analysis of the sites the subject of this submission, from which we derive very different conclusions about appropriate land use and built form controls for those sites.

3.1 Opportunities and constraints analysis

3.1.1 Opportunities

The sites are effectively part of an existing local centre, focused on the Banksia rail station. The sites are between 140m and 250m walking distance from Banksia Railway station via a level pedestrian path and crossing. From Banksia Railway Station, transport to the Sydney CBD is about 17 minutes. During peak hours, trains depart Banksia Railway Station to the Sydney central business district and Kogarah every 10 minutes. Outside peak times, trains leave Banksia every 30 minutes. The airport is only three stations from Banksia. Banksia Railway Station supports high level heavy rail and bus transport with excellent access to the city, surrounding suburbs of Kogarah and Hurstville, and is close to the airport (Hill PDA Consulting, 2017). In addition, the Princes Highway, which the sites front, is a dual carriage road and a major transport thoroughfare with connections to the airport and to the south of Sydney. The sites therefore have excellent access to public transport infrastructure.

As shown above, the sites vary in size, but most are developable in their own right or are readily amalgamated into one or more reasonable sized development sites, which would enable greater efficiencies in terms of basement parking, larger floor plates and access and servicing, potentially from side roads.

Recent improvements on the sites, with the possible exception of the Hotel, are generally limited and only fair to average quality, making them relatively attractive for redevelopment.

The properties are not subject to any heritage or other environmental constraints under the Rockdale Local Environmental Plan 2011 (RLEP), and all are zoned for (albeit a limited range of) urban development

High level infrastructure analysis of Nos. 280A - 286 Princes Highway undertaken in 2014 by Aurecon, demonstrated that subject to an allowance across that site for overland flow and relocation of a sewer main, there were no unmanageable infrastructure constraints to that site's development. Given that that site is more susceptible to flood issues, it follows that all other sites subject to this submission will also be highly suitable for redevelopment.

ANEF levels for the site do not restrict residential developments subject to appropriate design measures to mitigate noise.

The sites are within the Airport Obstacle Limitation Surface (OLS). That is the maximum height of the subject site will require authorisation if greater than 42m above the AHD; however, this is not a restriction for mid-rise buildings up to at least 31m.

3.1.2 Constraints

As indicated above, whilst some potential constraints to the redevelopment of individual sites exist, including aircraft impacts, vehicular access to the Highway and flooding, these are all manageable through site amalgamations, height limitations and detailed site and building design. As such they are not fundamental constraints to redevelopment, as demonstrated by the Strategy's proposal to allow more intensive redevelopment on the properties directly opposite these sites on the Highway.

A similar situation applies to issues such as traffic noise from the Highway.

Another potential constraint includes the depth of some of the sites and the direct relationship to the proposed medium density residential properties to the east. This proximity to potentially 'sensitive receivers', creates something of a constraint to high intensity non-residential development, due to operational and plant noise, traffic, parking, servicing and building bulk and scale, however, this could be mitigated by allowing more compatible land uses such as shop top housing.

3.2 Summary of development potential

The sites are effectively part of a town centre, having excellent access to public transport either by train or bus at Banksia Railway Station. The Princes Highway also has excellent access to Port Botany, the Sydney CBD and other key employment areas. Underutilised sites in established areas with such good access to transport and facilities provide an opportunity for redevelopment and urban renewal. In the absence of fundamental environmental or other constraints to their development, we consider these sites are highly suitable for redevelopment.

We suggest that the sites should have the opportunity to develop to their optimum economic potential, supporting local market demands and consistent with the Draft District Planning Principles. This is discussed in the next section.

3.3 Strategic planning setting

3.3.1 Central District Plan

Banksia is within the Greater Sydney Commission's draft Central District Plan. Key priorities for this District are to improve employment opportunities in service industries, finance and innovation supported by strong transport connections to Sydney Airport and Port Botany and Randwick Health and Education and a diverse housing choices that support the current and future populations. Under the draft Central District Plan, the Banksia area is identified as a

priority precinct for urban renewal (p92 & 97) and is considered to have the potential for garnering housing opportunities as part of its strategy for urban renewal.

Planning priorities that directly apply to the sites are:

- Enable greater housing choice, education and health services to support children and adults over 65.
- Provide a range of affordable housing that supports key workers, people who live on their own, older residents and families.
- Support the development of a network of liveable centres and community hubs with good links to public transport and green spaces.

3.3.2 Housing Target

Under the Central District Plan, the 2016 - 2021 housing target for the Bayside Local Government Area is 10,150 dwellings. To support this housing target the Central District Plan has tasked local councils to increase housing capacity across the district. For the Banksia precinct, opportunities for urban renewal are being investigated for improving local housing outcomes.

3.3.3 Princes Highway Corridor Strategy

The catalyst for the current Strategy was the Princes Highway Corridor Strategy (Rockdale City Council, 2013). Under Council's Strategy, development in the Banksia area along the Princes Highway aimed to revitalise the B6 Enterprise Corridor (Figure 6), by:

- Widening the range of permissible employment and service related land uses to attract new businesses to the corridor. These included more employment intensive land uses such as a food and drink premises, function centres, and industrial retail outlets.
- Allowing for increased development potential for employment related land uses. In this regard, Council resolved to increase the maximum building height from 14.5 to 18 metres, and increase the density from 1.5:1 to 2.5:1.

The Council Strategy also identified that "*the rail station makes Banksia an attractive precinct for future transit orientated development.*" However, it stated that due to existing, principally aircraft noise, constraints, this role should not be pursued until the role and form of residential development can be "*considered as part of a holistic strategy for both ...sides of Banksia.*"

We submit that the current Strategy represents that "*holistic strategy*" and it is therefore appropriate and consistent with Council's previous Strategy to give serious consideration to the suitability of the subject sites for transit orientated development (TOD).

4. Critique of draft Strategy

The Strategy suggests that retaining the B6 zoning and FSR (1.5:1) with a 4metre increase in maximum building height, is to preserve employment lands within the area and provide opportunities for large retail operations such as car dealerships and showrooms. While the Strategy recognises that for redevelopment to occur, development must be viable enough to displace existing uses, it does not adequately explain how proposing no change to existing planning controls other than increasing the maximum building height from 14.5m to 18m (Table 2) will achieve this outcome. We submit that it will not.

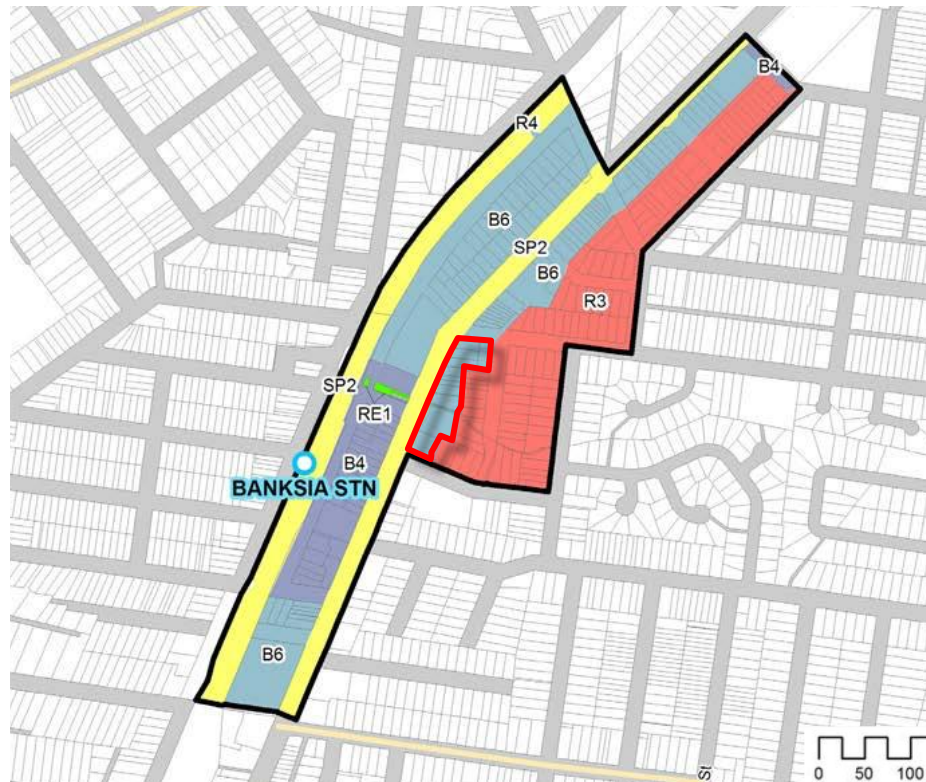


Figure 6. The land use zoning under the draft Strategy. The subject site is outlined in red.

As 286 Princes Highway has been vacant since September 2015, it is reasonable to assume that the existing planning controls do not support the planning objectives for the local area. Therefore, if current zoning and FSR have not stimulated redevelopment of these sites to date, how will retaining these controls stimulate future redevelopment? The addition of an extra storey will have little or no benefit as most of the permitted uses in the current and proposed B6 zone (such as car yards, light industries, transport facilities etc.) are unlikely to viably operate above the ground or on subsequent floors (Table 2).

Table 2. The existing LEP controls and controls proposed in the Strategy for subject sites

LEP control	Existing	Proposed (under strategy)
Land use	B6 Enterprise Corridor	B6 Enterprise Corridor
FSR	1.5:1	1.5:1
Building height	14.5m	18m

Hill PDA was engaged to review the AEC report (that provided the economic analysis for the Strategy) and to undertake its own independent review of economic factors affecting redevelopment in the area. Hill PDA's report accompanies our submission.

Its report challenges some of AEC's findings in relation to the likelihood of car sales and large format retail to provide the economic basis for revitalising the precinct, based on operational and economic trends in those sectors. They cite for example that the automotive retail industry is investing in new retail formats that require less floor space to sell cars than the traditional large automotive retail floor plate. For instance, on O'Riordan Street Alexandria, there are several car showrooms that occupy the ground floor of a mixed-use building

Hill PDA undertook its own high level feasibility assessment of various development options for the sites. Whilst using 286 Princes Highway as the basis for its feasibility analysis, its findings are relevant to all the sites the subject of this submission. The sites are subject to the same zoning, height and FSR controls.

Hill PDA assessed three options in its feasibility analyses:

- Option 1 (base case): the current investment value of the site in its current form. That is, where the site is used as a bulky goods retailer, hardware store or similar.
- Option 2: redevelopment under the Strategy's proposed precinct controls as specified in Table 2. That is, the feasibility for development was considered under B6 land use zoning, FSR 1.5:1 and maximum height is 18m.
- Option 3: A feasibility analyses was conducted for a hypothetical mixed use development with ground floor commercial and residential above. Land use zoning is B4 Mixed Use, FSR is 2.5:1 and maximum height is 31 metres.

Table 3 illustrates the residual land values under each option. Option 3, where land use is zoned B4, FSR is 2.5:1 and the maximum building height is 31 metres, was the most feasible option for development. Option 2 was disregarded as it was not viable.

Table 3. Indicative residual land values under different development control options

	Option 1	Option 2	Option 3
Land use	B6 Enterprise Corridor	B6 Enterprise Corridor	B4 mixed use
FSR	1.5:1	1.5:1	2.5:1
Building height (m)	14.5	18	31
Residual Land Value (less construction costs)	\$5,000,000	-\$1,110,000	\$10,780,000
Employment generation	15 jobs based on 80sqm of internal floor space per worker.	-	50 jobs when the FSR is 2.5:1

Note: The residual land values were calculated using the net revenue less the total project cost, less six per cent the total site transaction costs. Employment for option 1 includes part time and casual workers and assumes that the site at 286 Pacific Highway is fully leased

Table 3 also provides estimates of the potential employment generation from Options 1 and 3, demonstrating that Option 3 provides significantly greater employment opportunities.

Hill PDA also observed that most of the businesses in the B6 zone are low employment generators. The largest employer in the B6 Enterprise Corridor, Lowes, is considering relocating and it is likely to do so if the current planning controls are retained. Employment opportunities will continue to decline as large floor plate businesses vacate this area. In this respect the B6 zone is not preventing employment decline and it is weakening the prospects for urban renewal.

In light of the residual land values and employment patterns in Table 3, Hill PDA conclude that:

"...the B6 zone along the highway is undermining (the potential for) transit oriented development and urban renewal because it is not viable to replace the existing buildings with new commercial spaces that are limited to the range of land uses permissible in the zone.

Commercial uses can be encouraged and the number of jobs on site can increase as a result of redevelopment but only in a mixed-use zone where shop top housing is necessary to ensure the viability of redevelopment."

This analysis demonstrates that the current zoning will not result in urban renewal in the foreseeable future. Under the B6 zoning, the highest and best use of the land is to retain the existing buildings.

A mixed-use zone, however, will support urban renewal, providing both housing and jobs on sites within 140m to 250m of Banksia Railway Station. Hill PDA's findings indicate that it is reasonable to suggest that the B6 zoning impedes the State's ability to maximise its return on its transport infrastructure investment because it is not viable (if B6 zoning is retained) to replace the existing buildings with new commercial spaces.

In short, the sites are eminently suitable for transit oriented development. A mixed use zoning would enable such redevelopment and provide housing and employment in an area close to major public transport infrastructure.

5. Alternative planning controls to stimulate redevelopment

5.1 Land Use Zoning

For the reasons outlined above, the Strategy's proposal to retain the existing B6 zoning will not achieve its aim to revitalise Banksia.

The proposal for the subject sites contrasts with the Strategy's proposed mixed-use zoning directly opposite those sites and other areas north of the subject site, around Arncliffe railway station. Much of the argument for B4 mixed - use zoning around Arncliffe applies equally to such zoning on the Princes Highway near Banksia Railway Station. That is,

"The Strategy recommends changing the land uses adjoining the Princes Highway, through Arncliffe, to allow for a wider range of commercial uses with residential apartments on upper levels. The purpose of this change is to encourage revitalization of the corridor, bringing additional business opportunities whilst providing for additional housing. Buildings within this part of the corridor will typically include apartments with ground floor retail or showrooms."

This is also a clear acknowledgement that the inclusion of residential in a mixed-use development is not a constraint to promoting employment space within redevelopment proposals. Hill PDA has cited various examples of successful mixed use developments, including those incorporating car dealerships; such as the Audi dealership on South Dowling Street in Zetland. This service centre is in a mixed-use building that includes retail, commercial and residential units.

Changing the land use zone from B6 to B4 would enable property owners to respond to market demands along with an increasing residential population. A B4 zoning would support the feasibility of a mixed-use redevelopment and enhance opportunities for people to work close to where they live with good public transport connections.

However, we would recommend that the local provision in the Rockdale LEP relating to street activation be applied to these sites to ensure that at least the ground floor frontage would be available for employment related uses, including large format retail, consistent with the employment objectives of the Strategy.

5.2 FSR and Height

As well as proposing a change in land use, we recommend that the proposed density and height controls are also revised in order to stimulate redevelopment. The 'Princes Highway Corridor Strategy (Rockdale City Council, 2013) (p49) suggested that the maximum floor space ratio within the highway Enterprise Corridor be increased from 1.5:1 to 2.5:1. This FSR formed the basis of Hill PDA's Option 3 in its feasibility analysis (Table 3). Hill PDA's analysis indicates that this FSR is necessary for development feasibility. Retaining the current FSR will be inadequate for this purpose.

In terms of appropriate building height, we propose a maximum height to 31 metres and would provide a relatively consistent street wall along both sides of the Highway (as outlined in the Strategy). This height would not contravene the OLS for the sites described in the Strategy and in the absence of other factors that would warrant lower heights (such as overshadowing of sensitive areas that is not relevant here), optimising height is appropriate in this location.

Revising height and FSR to increase development yield would facilitate redevelopment of the sites and support increased opportunities for employment and housing.

Figure 7 and Figure 8 illustrate indicative building envelopes under the controls proposed in the Strategy and our recommended controls, respectively. Under our recommended controls, the envelope incorporates high ceiling commercial space at ground level and allowance has been made for setbacks, building depths and the like, consistent with SEPP 65 Apartment Design Guide for upper level apartments.

Our envelope analysis indicates that the 31 metre building height is necessary to accommodate the 2.5:1 FSR that Hill PDA indicates is necessary to support viable redevelopment.

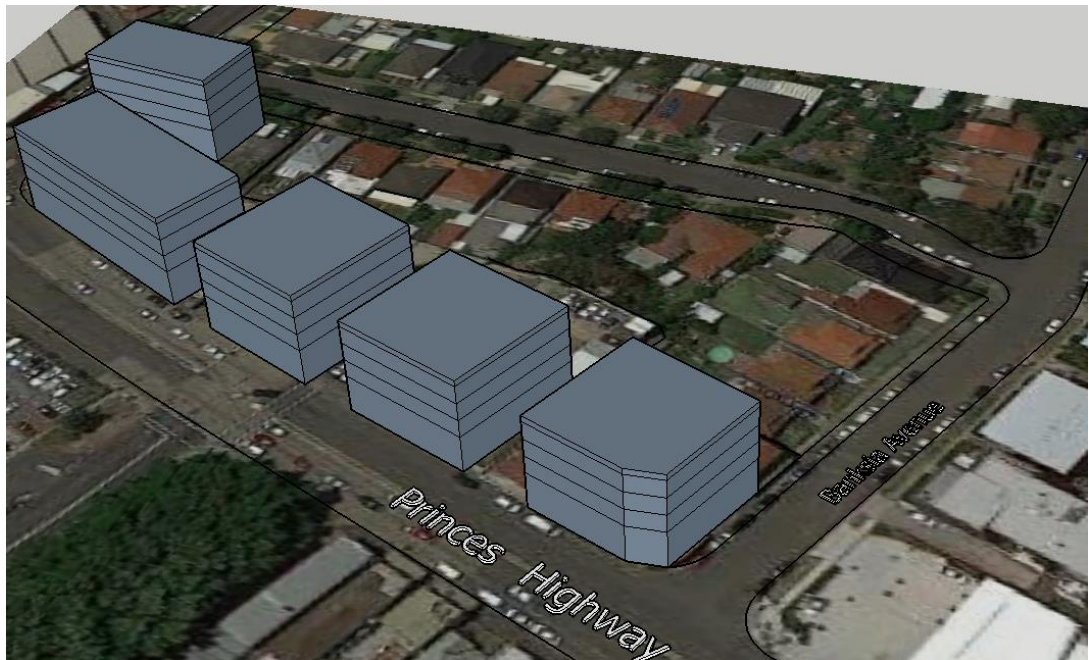


Figure 7. Building envelopes for commercial development under the draft Strategy.

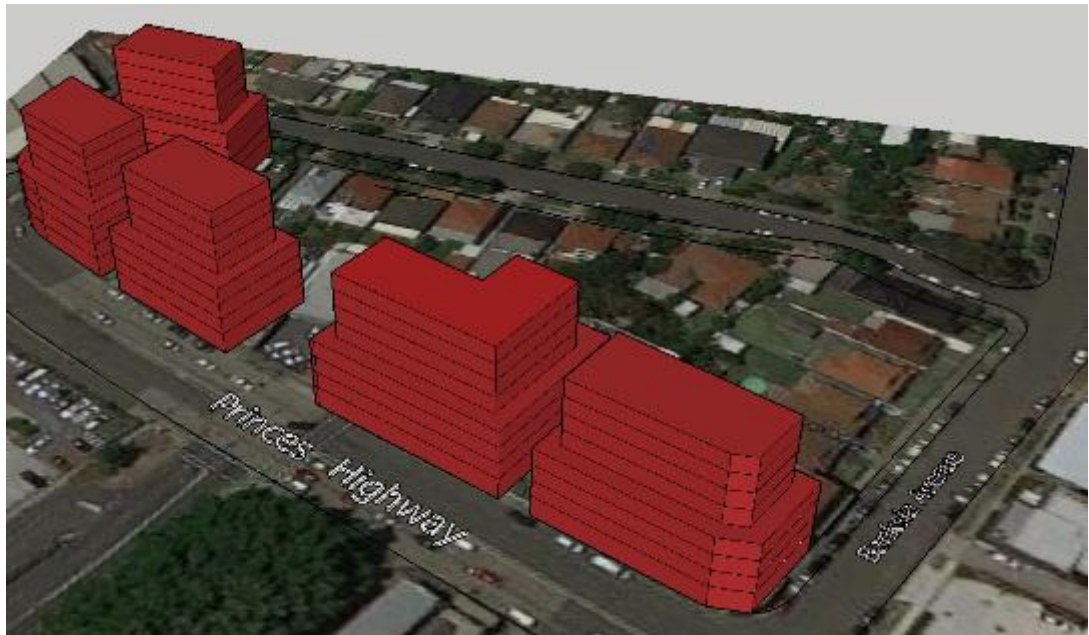


Figure 8. Building envelope for mixed use development under our recommended controls.

5.3 Active Street Frontages

In allowing mixed-use development, we consider it essential to ensure that the objective of promoting employment related development along the corridor is genuinely met. We would therefore recommend that a requirement for active street frontages be incorporated in any redevelopment of the sites.

We observe that the controls recommended above appear to be consistent with *Figure 22: Built Form Plan* in the Strategy, the relevant excerpt of which is reproduced below in Figure 9. Whilst acknowledging that this Figure does not conform with subsequent sections of the Strategy, it appears to at least provide some acknowledgement of the credibility and logic behind our recommendations.



6. Recommended land use and built form amendments

For the reasons outlined in this submission, we conclude that in order to meet the aims of the Strategy to revitalise Banksia, it is necessary to amend proposed land use and built form controls applying to the subject sites.

We recommend the following controls are adopted (Table 4):

Table 4. Recommended LEP controls for 272 - 288 Princes Highway

LEP	Draft Strategy Control	Recommended Control
Land use	B6 Enterprise Corridor	B4 mixed use
FSR	1.5:1	2.5:1
Building height	18m	31m
Street activation	N/A	Clause 6.11 <i>Active street frontages</i> to apply to all sites

7. References

Hill PDA Consulting. (2017). *Critical assessment of the economic analysis supporting the draft Bayside West Precinct Plan*. Level 3, 234 George Street Sydney NSW 2000: Hill PDA Consulting.

Rockdale City Council. (2013). *Princes Highway Corridor Strategy*. Rockdale.

David Ryan
Executive Director, Planning
City Plan Strategy & Development
120 Sussex Street
Sydney NSW 2000

22 February 2017

Dear David,

Subject: Assessment of the economic analysis supporting the draft Bayside West Precinct Plan

As per our letter of engagement dated 19 January 2017, HillPDA has been engaged by City Plan Strategy & Development (on behalf of Janside Pty Ltd; "the Client") to undertake a critical assessment of the economic analysis supporting the draft Bayside West Precinct Plan.

Specifically, the scope of our work included:

- Critically reviewing the AEC Banksia Priority Precinct Feasibility Analysis;
- Conducting a high level economic analysis of the site and its potential to contribute to urban activation within the Precinct;
- Analysing economic trends and drivers within the Precinct, focusing on:
 - Employment and broad macro-economic trends;
 - Trends in motor vehicle retailing;
 - Trends in large format retailing ; and
- Formulating recommendations with respect to economic development in the Precinct.

The following details the findings of our analysis.

Background

In November 2016, the NSW Department of Planning and Environment (DPE) released the Bayside West Precincts (Arncliffe, Banksia and Cooks Cove) Draft Land Use and Infrastructure Strategy (the Draft Plan) with subsequent planning control changes in the area.

The Draft Plan proposes no change to the current B6 zoning (retail premises and residential prohibited) and FSR (1.5:1) and a minor increase in maximum building height (to 18 metres).

The primary reason given in the Draft Plan for these recommendations was to preserve employment lands within the area, specifically "to allow for a range of commercial uses, particularly showrooms and car dealerships which are expected to grow in demand in tandem with population growth"¹.

The Client owns a property located at 280A - 286 Princes Highway, Banksia (included in the B6 zoning). The property, until recently, operated as a car retail yard, but is currently vacant.

The Client considers that the proposed planning controls will not achieve the intended purpose and will unreasonably undermine urban renewal along the corridor.

Critical assessment of the AEC report

The Banksia Priority Precinct Economic & Feasibility Analysis (the Report), supporting the Draft Plan, was prepared by AEC Group.

Overall, in our view, the Report suffers from a number of issues, including:

- Characterisations or commentary not adequately supported by research and analysis.
- Minimal research and analysis into automotive retailing, 'bulk' goods retailing, construction and other key industries.
- Minimal commentary concerning the methodology or data sources (either in footnotes or an appendix).
- Potential computational errors with respect to some of data and data tables.
- No definition of the Precinct.²
- No citations or other linkage to related technical reports.

We are of the view that the Report does not sufficiently analyse drivers of economic growth.

¹ NSW Department of Planning and Environment (2016). "Bayside West Precincts, Draft Land Use & Infrastructure Strategy, part 2". p.26

² The Report does not specify the BTS Travel Zones used to define the Precinct. Reviewing the Department of Planning and Environment demographic profile information, we assume that the Precinct is defined as travel zones 2703, 2705, 2706, 2707, 2711, 2712, 2713 2761, 2762, 2763, and 2764.

Employment profile

We concur that retailing will continue to represent an important source of economic activity within the Precinct. However, we do not concur with the approach or the conclusions with respect to land use.

First, the Report has limited its analysis to only three industries being automotive retailing, 'bulk' goods retailing and construction. While there may be a valid reason for this, it is not made clear in the Report. In our view, the omission of other industries has implications for land use decisions.

Next, the Report examines the historical change in employment between 2006 and 2011, but does also consider forward looking employment projections.

According to BTS employment forecasts, the retail industry is expected to grow by an average rate of 0.9%, representing 18.7% of employment by 2026. The construction industry is forecast to grow by an average rate of only 0.4%, representing 9.8% of employment by 2026³ (down from 10.4% of employment in 2016).

The Report makes no mention of health care and social assistance or accommodation and food services industries. Health care and social assistance is forecast to grow by an average rate of 0.6% representing 15.7% of jobs by 2026. Similarly, accommodation and food services industry is forecast to grow by an average rate of 0.7% representing 6.1% of jobs by 2026, up from 5.9%⁴.

Table 1 Estimated Employment by Industry, Top 5 (2016-2026)

Industry	2016		2021		2026		CAGR (2016-2026)
	No.	% Total	No.	% Total	No.	% Total	
Retail Trade	603	16.6%	730	18.2%	800	18.7%	0.9%
Health Care and Social Assistance	559	15.3%	620	15.4%	670	15.7%	0.6%
Construction	378	10.4%	399	9.9%	421	9.8%	0.4%
Education and Training	282	7.7%	300	7.5%	321	7.5%	0.4%
Other Services	245	6.7%	253	6.3%	264	6.2%	0.2%

Source: BTS 2012

³ Bureau of Transport Statistics (2012).

⁴ Bureau of Transport Statistics (2012).

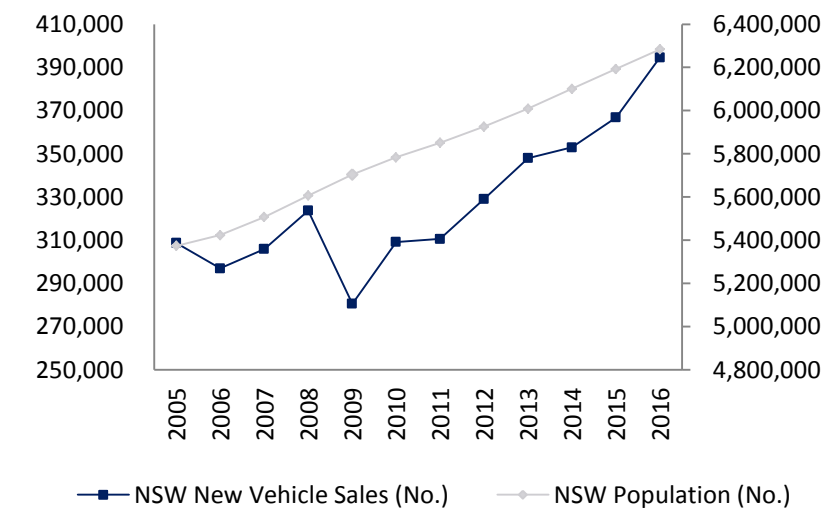
Similar to the wider Australian economy, there is an increasing transition towards a services based economy, which may necessitate a demand for more flexible types of space. For example, within the broader Precinct, Rockdale is projected "to have a lower proportion of young people aged 0-29 years, a greater number of people aged between 30-44 and 75+ and a similar number of people aged 45-74 years compared to Sydney as a whole by 2036".⁵ This will mean an increase in health and social services (and appropriate space) over the longer term.

Automotive retailing

We concur that automotive retailing is an important sector for the Precinct. However, we think that the Report does not sufficiently analyse trends in the automotive retailing industry.

First, based data from the ABS, roughly more than 350,000 new vehicles are sold annually.⁶ It appears that vehicles sales are growing in relation to population growth⁷. With strong population growth expected over the short to medium term, it would be reasonable to expect this trend to continue.

Figure 1: NSW New Vehicle Sales & Population Growth



Source: ABS 2016

⁵ Department of Planning and Environment (2016). "Arncliffe Precinct Demographic Profile". Retrieved from <http://www.planning.nsw.gov.au/Plans-for-your-area/Priority-Growth-Areas-and-Precincts/Bayside-West-Precincts/~media/73AE632859304E24A017EEE613C7423A.ashx>

⁶ Australian Bureau of Statistics (2016).

⁷ A simple log-log regression analysis of new vehicle sales to population suggests an adjusted R2 of 0.647 and a p-value of 0.00098.

However, it is important to note that new vehicle sales have occurred during a period of high employment and low interest rates. As illustrated in Figure 1, between 2008 and 2011, the Australian economy experienced the impact of the Global Financial Crisis. From 2011 to 2015 the Australian economy experienced a period of strong economic growth due to strong commodity demand from China.

Next, the decision of the car manufacturers was largely driven by domestic cost pressures. It is not clear in the Report how changes to automotive manufacturing will impact on automotive retailing.

For example, the Australian Motor Industry Federation (AMIF) highlighted in its submission to the Productivity Commission inquiry into the automotive industry:

*"Some have suggested that the cessation of local manufacturing might have less influence on sustainable dealership operations than other changes impacting the industry including dealership consolidation, the increasing role and influence of public dealership entities, and increased manufacturer direct retailing."*⁸

Further, with respect to demand side factors, the traditional automotive retail format is not in keeping with changes in preference with how consumers purchase a vehicle. For example, McKinsey Consulting suggests that retailers are developing and experimenting with new and innovative retail formats to better meet consumer demands.⁹

⁸ Australian Motor Industry Federation (2014). "Submission to the Productivity Commission Review of the Australian Automotive Manufacturing Industry". Page 6. Retrieved from <http://www.mtaa.com.au/images/docs/PC%20Review.pdf>

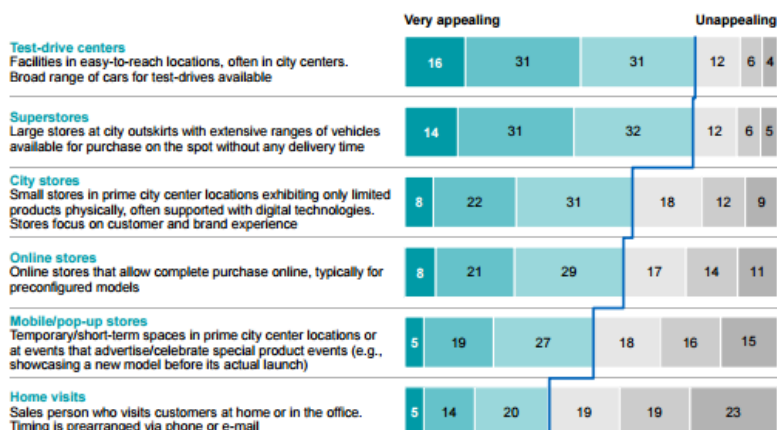
⁹ McKinsey Consulting (2014). "Innovating automotive retail Journey towards a customer-centric, multi-format sales and service network". Retrieved from <http://www.mckinsey.com/industries/automotive-and-assembly/our-insights/innovating-automotive-retail>.

Figure 2 Consumer Attitudes Towards New Retailing Formats

Customers strongly desire new formats

Appeal of new store formats to customers

Percent of respondents scored format on a 6-point scale



SOURCE: McKinsey 2013 Retail Innovation Consumer Survey

Source: McKinsey Consulting 2014

Lastly, because the report does not fully disclose its methodology, we are unable to ascertain how the Report determined that motor vehicle retailing represents 23.1% of employment¹⁰. Based on our analysis, motor vehicle and motor vehicle parts retailing represent around 4.7% of employment in 2012. As such, we do not concur that automotive retailing is as significant to the broader Precinct.

Going forward, it may be that automotive retail industry requires the same (or less) space as it looks to consolidate brands, rationalise product lines and invest in new retail formats. This could particularly be the case should underlying economic conditions deteriorate.

The changing nature of automotive retail is demonstrated by a number of case studies. The new Tesla showroom in Sydney CBD is a good example of a new format. In 2015, Tesla Motors opened its Australian flagship store on 20 Martin Place leasing 1,654sqm in an A-Grade building. The retail space is at grade with only pedestrian access. Discussions with a Tesla representative revealed the company only requires a small retail space. It is a small area but has very high flow thoroughfares suited to their target market. Within the small retail space there are between two and three cars on display with a number of test cars held in basement parking.



Source: D'Marge 2016

¹⁰ The call-out box on page 12 indicates that the analysis is specific to "key industries within the precinct and broader catchment".

The supply chain logistics of the small space does require ancillary locations for service centres and holding yards but these are strategically located based on their customers and market expansion strategy. In the case of Sydney's Tesla Company their service centre is located in St Leonards and cars holding yards close to ports of debarkation. The total time from ordering a new car to a customer receiving it is approximately 3 months. Tesla's business model shows by locating a showroom with high pedestrian access, but no vehicle access is an effective new business model.

Discussions with a number of retail leasing agents confirmed car retailers don't necessarily require large space to showcase models. In the last two years the leasing agent is seeing a trend in automotive retailers and servicing centres moving away from the traditional large format business model. This has enabled businesses to maximum their use of space and ultimately decrease overheads

On O'Riordan Street, Alexandria in the Sydney Corporate Park are several showrooms including Harley Davidson, Bentley, Jaguar, McLaren and Aston Martin occupying the ground floor area of a mixed use building (commercial suites above).

The Audi dealership on South Dowling Street in Zetland is another example. The service centre just north of the showroom is in a mixed use building which includes retail, commercial and residential units.

Bulky goods

Similar to automotive retailing, we concur that bulky goods retailing is an important sector for the Precinct. However, we think that the Report does not sufficiently analyse trends in the industry.

First, we estimate that in 2016 bulky goods¹¹ retail turnover could be as high as \$33.9 billion¹², or 35%¹³ of total non-food retail turnover in NSW. Over the past 10 years, bulky goods retail has grown by an average annual rate of 4.2%.

As highlighted in Figure 3, there appears to be a strong relationship between population growth and bulky goods retail spending. As with

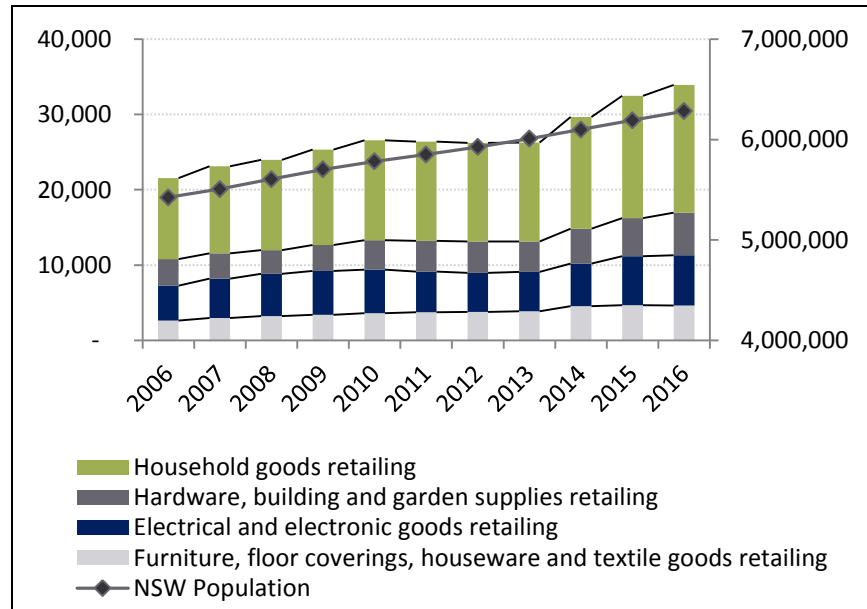
¹¹ We have included furniture, floor coverings, houseware and textile goods retailing, electrical and electronic goods retailing hardware, building and garden supplies retailing, and household goods retailing within this definition.

¹² Comparatively, the Large Format Retailers Associations suggests that large format retailing generates total sales of \$63 billion in 2014-15 and accounts for a 22% of all retail activity nationally.

¹³ Australian Bureau of Statistics (2016). "8501.0 - Retail Trade, Table 13: Retail Turnover, State by Industry Subgroup, Trend"

automotive sales, with strong forecast population growth it is likely that sales will remain strong into the short and medium term.

Figure 3: NSW Bulky Goods Turnover (\$m) and Population



Source: HillPDA analysis; ABS

Second, demand for large format retail space appeared strong¹⁴ driven by strong growth in hardware, building and garden supplies retailing and electrical and electronic goods retailing. A survey of 25 centres¹⁵ estimated that the vacancy rate was 5.7%, compared to the high of 16.0% in March 2011.

However, similar to automotive sales, retail turnover has been robust more recently in response to low interest rates. Indeed, there is some concern in the short to medium term given increasing slow overall economic growth more generally, as retail activity remains buoyed by low interest rates, high house prices boosting household wealth, and accommodating monetary policy.¹⁶

Additionally, unlike automotive retail though, bulky goods retail is facing a number of specific challenges related to online retail and industry disruption. The Large Format Retailers Association noted in its recent submission to the Productivity Commission that it is facing

¹⁴ Comm3ntary Autumn 2016 – National Large Format Retail Page 3 <http://www.m3property.com.au/wp-content/uploads/2016/05/National-LFR-report-Autumn-May-2016.pdf>

¹⁵ Comm3ntary Autumn 2016 – National Large Format Retail Page 3 <http://www.m3property.com.au/wp-content/uploads/2016/05/National-LFR-report-Autumn-May-2016.pdf>

¹⁶ Jones Land LaSalle (2016). "Australian Shopping Centre Investment Review & Outlook". Page 25. Retrieved from http://www.jll.com.au/australia/en-au/Research/jll-australian_shopping_centre_investment_review_and_outlook_2016.pdf

specific challenges with respect to adapting to new business models¹⁷ in response to changing market condition, which are often ahead of government with respect to permitted uses of land.

In the face of technological change and potential economic uncertainty, flexibility with respect to land use may be more appropriate to the retail sector. Particularly as the composition of the local economy changes, there may be little net change as workers move laterally into other sectors.

Bulky goods retailing first appeared as showrooms attached to distribution and warehousing industries. Over time bulky goods strip retailing and centres have attracted a number of furniture, appliance retailers and hardware stores such as Harvey Norman, Domayne, Bing Lee, BabyCo, Bunnings, bedding shops, lighting shops, etc.

Bulky goods can take the form of strip retailing along a major highway (eg Parramatta Road Auburn, Mulgoa Road Penrith, King Street Warrawong and The Entrance Road Erina). Alternatively it can be in a standalone building or “power centre” such as Tuggerah Supacentra, Moore Park Supacentra and Auburn MegaMall.

Requirements for successful bulky goods centres generally include:

- Having a large and extensive trade area of 100,000 or more people;
- Being in a central position in the trade area or near the main entry point of a large trade area;
- Cheap and plentiful land to enable plentiful parking and loading and unloading facilities;

Desirable requirements include:

- Location on a major road with high visibility and accessibility.
- Having a trade area that is expanding as new homes generate higher demand for bulky goods than established homes;
- Having a wealthy trade area with high disposable incomes. Higher income households spend considerably more on bulky goods than lower income households.

Successful destination centres will have at least 30,000sqm of leasable space with a range of store types including furniture, bedding, electrical goods and appliances, home entertainment,

¹⁷ Large Format Retail Association (2016). "Submission on the Productivity Commission Research Project on Disruptive Technologies". Page 8. Retrieved from <http://www.pc.gov.au/research/completed/digital-disruption/comments/submissions-test/submission-counter/comment012-disruptive-technologies.pdf>

DIY/hardware, lighting and flooring, soft furnishings, etc to attract a wide field of customers.

Many stand-alone retailers and smaller centres have failed to attract sufficient customers. Shoppers prefer competition and it is not unusual that they choose destinations that have multiple retailers selling the same or similar product range.

The Supa Centa Moore Park is a good example of a very successful destination centre because it achieves all the above attributes.

Site Attributes

The subject site on the Princes Highway has a number of limitations to being a successful car dealership or bulky goods centre.

Firstly the site is far too small to be developed as a bulky goods destination centre. Even if all the commercial sites fronting the highway between Spring Street and Banksia Avenue were amalgamated it could not accommodate more than around 8,000sqm of bulky goods space.

Secondly the site and access constraints including the “no right turns” along the Princes Highway undermines the site’s trading potential. This is why the car dealerships that are currently trading in the area are on the other side of the road.

Planning Considerations

NSW Department of Planning and Environment (NSW DPE) published the A Plan for Growing Sydney in December of 2014. It seeks to achieve the following outcomes¹⁸:

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

By 2031, Sydney’s economic output will almost double to \$565 billion a year, with this economic growth being fuelled partly by an

¹⁸ NSW Department of Planning and Environment. "A Plan for Growing Sydney". December 2014.

additional 689,000 new jobs¹⁹ over the period. Sydney will also experience a population growth of about 1.6 million persons, with 900,000 of this population growth occurring in Western Sydney. To meet this population growth, an additional 664,000 new dwellings²⁰ will need to be constructed.

State planning policy encourages urban renewal of areas with good connectivity to transport and strategic centres with the aim of providing housing and employment opportunities.

The benefit of providing greater residential densities closer to centres of employment and services is recognised in State planning policies for reducing commute times and congestion, while increasing productivity and access to, and patronage of, social and public transport infrastructure.

Banksia Centre

Banksia is a centre that is serviced by heavy rail station. Trains from Banksia leave every 10 minutes during the morning and afternoon peak times to the city – a 17 minute trip. Outside the peak times the service is every half hour. The same frequency of trips is provided in the opposite direction towards Kogarah and Hurstville which are 4 minutes and 10 minutes away respectively. The airport is only three stations from Banksia.

Limitations of B6 Enterprise Zones

The B6 zone along the Princes Highway *underutilises* the valuable land parallel to the train line, airport and the city, and impedes the State's ability to maximise its return on its transport infrastructure investments.

The increased population within the redevelopment would also increase employment opportunities for local residents and demand for retail and commercial services. The major proportion of this floor space demand would be directed along the Princes Highway corridor, further providing impetus for investment and urban renewal.

Further, the B6 zone is somewhat inflexible because it specifies specific retail restrictions. Many of these restrictions represent 'old economy' jobs and do not keep pace with the nature of the changing economy. For example, one of the stated objectives of the zone is

¹⁹ NSW Department of Planning and Environment. "A Plan for Growing Sydney". December 2014.

²⁰ NSW Department of Planning and Environment. "A Plan for Growing Sydney". December 2014.

to limit retailing²¹ to formats such as vehicle sales, bulk goods retailing, timber yards, etc. Based on the economic analysis, retailing broadly is expected to lead jobs growth; however, this type of retailing represents less than 20% of total retail sales.

By contrast, the B4 zone includes a more flexible zone that can better accommodate the changing nature of local economy. The zone allows a broad class of commercial premise, which can include a variety of retail premises²² *including* bulky goods premises, garden centres, hardware and building supplies, and vehicle sale or hire premises. Indeed, the B4 zone can accommodate many of the 'heavy' or 'bulky' retail purposes, but does not place specific restrictions on certain uses.

An example of urban renewal is the Parramatta Road corridor. In 2016 Urban Growth NSW adopted the Parramatta Road Transformation strategy which focuses on the urban renewal from Holroyd to Camperdown. There are a number of precincts along the corridor that are being rezoned for high density mixed use development. This includes Kings Bay Precinct which was traditionally a light industrial zone that accommodated vehicle sales and services centres. Due to changes in business industries and the area not being suitable for light industrial zoning the decision was made to rezone the precinct to high density mixed use that activates open space with strong links to transport and the Sydney Harbour. The activity and commercial zone requirements ensure the ground and first levels of development are non-residential use.

Redevelopment feasibility

To assess development feasibility in the precinct, we considered three options for the site at 286 Princes Highway being the former Kia and Skoda car dealership. These options are:

- Option 1 (Base case): indicative current investment value (i.e. as a motor vehicle sale yard, service centre or alternative use that can occupy the existing building. This could be a bulky goods retailer, pool retailer or similar for example.
- Option 2 (redevelopment): Hypothetical retail development based on the proposed draft Bayside West Precinct Planning

²¹ Rockdale Local Environmental Plan 2011. "Zone B6 Enterprise Corridor". Current to October 2016. Clause 1.

²² Rockdale Local Environmental Plan 2011. "Dictionary,". Current to October 2016. Definition "commercial premises. Sub-clause (c).

constraints being zoned B6 Enterprise Corridor, FSR 1.5:1 with increased height limit to 18 meters.

Option 3 (Mixed use development): Hypothetical mixed use development being residential above ground floor commercial. The planning constraints tested would be assumed from the proposed planning constraints to the north of the subject site. These planning constraints are B4 Mixed Use with an FSR of 2.5:1 and height limit of 31 meters. Table 2 summarises the relative residual land values under the different options.

Table 2: Indicative Residual Land Values

	Option 1 Base Case	Option 2 Redevelopment	Option 3 Mixed Use
Land Use	Lease existing building to car dealership or bulky goods	Redevelop for multi-level car showroom or Bulky Goods Retail	Redevelop for Residential with Ground Floor Commercial
Density and Height		FSR 1.5:1; 3 storeys	FSR 2.5:1; 8 storeys
Site Area (sqm)	3,034	3,034	3,034
FSR		1.5	2.5
GFA		4,551	7,585
NLA @ 85% Efficiency		3,868	6,447
Commercial (sqm)		3,868	1,800
Residential			4,647
PROJECT REVENUE			
Residential			44,148,875
Less Cost on Sales			-\$5,297,865
Commercial Revenue	5,370,000	11,310,000	5,270,000
NET REVENUE	\$5,370,000	\$11,310,000	\$44,121,010
PROJECT COSTS			
Construction Cost		10,000,000	24,100,000
Soft costs & contingencies		\$2,500,000	\$8,435,000
Total Project Cost		12,500,000	32,535,000
Net Residual Land Value	\$5,000,000	-\$1,110,000	\$10,780,000

Notes/Assumptions:

Residential end sale value = \$9,500/sqm

Cost on residential sales = 12% (GST, commissions, etc)

Market rent for site under Option 1 ("as is") = \$115/sqm

Bulky Goods net rent = \$190/sqm

Commercial capitalisation rate = 6.5%

Construction cost of multi-level bulky goods = \$1,800/sqm

Construction cost of mixed use development = \$2,600/sqm

Car parking = \$50,000/space

Soft costs (design and application fees, development contributions, marketing, finance and interest, etc) = 25% to 35% of construction cost
Net residual land value = (Net revenue less Total project cost) less 6% for site transaction costs.

Option 1 Base Case

The results show that under the Base Case the site could be leased “as is” to a car dealership or bulky goods retailer at \$115/sqm of site area giving the land a value of around \$5m.

However, discussions with the leasing agents revealed the site has been on the rental market since Sep 2015. We understand from the owner that the highest rental offer received to date was \$200,000p.a. + GST Gross which is around \$150,000p.a + GST Net which – well below the asking price of \$114/sqm Net. Also, given the state of improvements a significant level of capital expenditure is required over the next five years to bring it to good condition. Overall the current land use on the site proves difficult given the market, site constraints and required capital expenditure.

There are also site constraints such as “no right turns” along the Princes Highway that undermines trade. This is why the car dealerships that are current trading in the area are on the other side of the road.

Option 2 Bulky Goods (complying to the B6 zone)

Redeveloping the site to the maximum FSR for to accommodate land uses that conform to the B6 zone (Scenario 2) is clearly not viable as it results in a negative residual land value. Clearly retaining the existing building is the highest and best use under the B6 zone notwithstanding the limitations of the site.

Scenario 3 Mixed Use Development

The mixed use development option results in a residual land value at around \$11m which is considerably higher than the base case demonstrating a feasible option.

Conclusion

The overall conclusion is that the current zoning on the land will not result in urban renewal in the foreseeable future. The highest and best use of the site under the B6 zone is to retain the existing

buildings. A mixed use zone will facilitate urban renewal providing both housing and jobs in the area close to major public transport.

Employment Generation

We further tested redevelopment options to see what impact it would have in terms of employment in the local area. Given that Option 2 is not viable we only assessed Option 1 (base case) fully leased and Option 3 mixed use development.

If the site at 286 Princes Highway was fully leased under Option 1 it could provide around 15 jobs based on 80sqm of internal floor space per worker²³. This includes part time and casual workers that are likely to make up around half of the staff.

Estimating the number of jobs in Option 3 is more vexed because it depends on the type of businesses that will occupy the spaces. Food retailers will achieve a worker density as high as 20sqm per worker and non-food specialties around 25sqm to 40sqm. If we assume 1,000sqm of showroom space and 800sqm of general retail then around 45 jobs could be provided on the ground floor of the site.

In addition to the ground floor commercial space are residents that work at home. According to an ABS report around 7.6% of workers undertake majority of paid work at home²⁴. Given that, it is likely that a further 5 people would live and work in the building above the ground floor.

To conclude we estimate that redevelopment of the site for mixed uses at a FSR of 2.5:1 would provide around 50 jobs compared to zero jobs (currently as the site is vacant) or 15 jobs if it was re-let as showroom or bulky goods space.

Most of the businesses in the B6 zone along the Highway are low employment generators – auto servicing and repair work, car dealerships, etc. The largest employer is probably Lowes and this business is looking to relocate due to the location being inferior to alternatives. Lowes is likely to close and it is likely the corridor has lost jobs over time. The B6 zone is therefore not protecting the corridor from loss of jobs. It is in fact undermining the feasibility for urban renewal and hence the feasibility to create jobs in the locality.

²³ ABS Retail Survey 1998-99 for showrooms and bulky goods

²⁴ ABS Locations of Work 2008, Cat 6275.0

Conclusions

Transit orientated development (TOD) refers to high density residential and mixed use development close to major public transport nodes meeting urban consolidation objectives. It results in improved efficiencies, reduces dependency on private motor vehicle usage, reduces congestion and encourages the use of public transport.

State planning policies encourages TOD and urban renewal of areas with good connectivity to transport and strategic centres with the aim of providing increased housing density and employment opportunities.

Banksia is a centre with a high level heavy rail transport service 17 minutes from the city and close to the airport. The subject precinct is only 200m from the Station.

Yet the B6 zone along the highway is undermining TOD and urban renewal because it is not viable to replace the existing buildings with new commercial spaces that are limited to the range of land uses permissible in the zone.

Commercial uses can be encouraged and the number of jobs on site can increase as a result of redevelopment but only in a mixed use zone where shop top housing is necessary to ensure the viability of redevelopment.

Sincerely,



ADRIAN HACK

M. Land Econ. B.Town Planning (Hons). MPIA
Principal Urban and Retail Economics
Adrian.Hack@hillpda.com.

DISCLAIMER

1. This report is for the confidential use only of the party to whom it is addressed ("Client") for the specific purposes to which it refers and has been based on, and takes into account, the Client's specific instructions. It is not intended to be relied on by any third party who, subject to paragraph 3, must make their own enquiries in relation to the issues with which this report deals.
2. HillPDA makes no representations as to the appropriateness, accuracy or completeness of this report for the purpose of any party other than the Client ("Recipient"). HillPDA disclaims all liability to any Recipient for any loss, error or other consequence which may arise as a result of the Recipient acting, relying upon or using the whole or part of this report's contents.
3. This report must not be disclosed to any Recipient or reproduced in whole or in part, for any purpose not directly connected to the project for which HillPDA was engaged to prepare the report, without the prior written approval of HillPDA. In the event that a Recipient wishes to rely upon this report, the Recipient must inform HillPDA who may, in its sole discretion and on specified terms, provide its consent.
4. This report and its attached appendices are based on estimates, assumptions and information provided by the Client or sourced and referenced from external sources by HillPDA. While we endeavour to check these estimates, assumptions and information, no warranty is given in relation to their reliability, feasibility, accuracy or reasonableness. HillPDA presents these estimates and assumptions as a basis for the Client's interpretation and analysis. With respect to forecasts, HillPDA does not present them as results that will actually be achieved. HillPDA relies upon the interpretation of the Client to judge for itself the likelihood of whether these projections can be achieved or not.
5. Due care has been taken to prepare the attached financial models from available information at the time of writing, however no responsibility can be or is accepted for errors or inaccuracies that may have occurred either with the programming or the resultant financial projections and their assumptions.
6. This report does not constitute a valuation of any property or interest in property. In preparing this report HillPDA has relied upon information concerning the subject property and/or proposed development provided by the Client and HillPDA has not independently verified this information except where noted in this report.
7. HillPDA makes no representations or warranties of any kind, about the accuracy, reliability, completeness, suitability or fitness in relation to maps generated by HillPDA or contained within this report.