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Carolyn McNally  
Secretary  
Department of Planning and Environment  
320 Pitt Street  
Sydney NSW 2000

Dear Ms McNally,

**Submission in response to the proposed amendments to the Standard Instrument LEP**

This submission has been prepared by CBRE in response to the NSW Department of Planning and Environment's (DP&E) proposed amendments to the '*Standard Instrument Local Environmental Plan*' (Standard Instrument LEP). We would like to take the opportunity to share our experience in relation to the challenges that CBRE has faced in developing sites in metropolitan Sydney and NSW generally and reflect on the current planning system and in particular, the land use descriptions and controls.

CBRE are platinum members of the Large Format Retail Association (LFRA) and have been supporters of the industry body since its creation in 1999. I personally have been involved with CBRE's Large Format Retail department for over 10 years have been on the ground day in day out since 2008. As a result, we deal directly with major land holders of Large Format Retail assets and national Large Format Retailers in their pursuit for business investment and store growth into the NSW retail market.

We strongly endorse all definitions exhibited as part of the proposed amendments to the Standard Instrument LEP, particularly the definition of '*Specialised Retail Premises*' to allow further flexibility and certainty in the planning process.

We are very concerned about the inconsistency among NSW Councils in how they define some Large Format Retailers which provides significant uncertainty for CBRE seeking to secure those operators as tenants as there is no 'deemed to comply list' of products or any practice note to assist Councils in interpreting the existing 'Bulky Goods Premises' definitions.

We have found that the current legislation is confusing as to what is and what is not permissible under the '*Bulky Goods Premises*' definitions due to inconsistent application of the definition across the various LEP's and each local Council's own interpretation.

For example, we have experience where a Council has taken a view that a certain retailer, which has consistently been recognized as a '*Bulky Goods Premises*' use in most NSW Council areas, is not considered to be a '*Bulky Goods Premises*' by that particular Council. The only option to rectify this was to undertake a lengthy a costly rezoning application. This reduces our feasibility to acquire new tenants and invest in additional homemaker centres.

Further, we have had examples whereby a major national brand was knocked back by a local Council on their proposed large format use, however, that retailer is also located in the same B5 zoning that the majority of other Large Format Retail Centres enjoy across NSW.

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Accordingly, our experience is that new Large Format Retail developments in NSW are at a higher risk and undergo an uncertain and lengthy planning process.

We are constantly told by Large Format retailers that NSW continues to outperform other states with regards to store turnover, however, unfortunately NSW have seen strong national brands re-divert their roll-out strategies to other states and major cities such as Melbourne where the availability of appropriately zoned land is more accessible, and the DA approval process is more streamlined. I note that the time it takes to process a retailer's DA application in NSW is unnecessarily drawn out which in turn creates longer downtime on a Centre's vacancies. We believe this is due to the uncertainty and complexity surrounding Large Format Retailing.

Finally, Large Format Retail customer traffic is generally skewed towards weekend trade due to the restrictive uses under the current planning system. We find this means most Centres are extremely quiet and struggle to perform to their full capacity during the weekday trading.

## Conclusion

The proposed amendments to the Standard Instrument LEP proposed by the DP&E should be enacted without delay and the DP&E should immediately progress further retail planning policy reform.

There is a need to allow bricks and mortar Large Format Retailers to trade in an environment that provides clarity, consistency and certainty. By progressing retail planning policy reform and introducing a new 'Large Format Retail Premises' definition along with expanding the number of zones that permit the Large Format Retail land uses, CBRE are strongly of the view that it will be delivering on these fundamental needs.

We thank you for the opportunity to provide a submission to the proposed amendment to the Standard Instrument LEP. CBRE would welcome any further opportunities to work collaboratively with the DP&E in contributing to the refinement of the definitions.

Yours sincerely,



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Investor Leasing, Large Format Retail  
CBRE