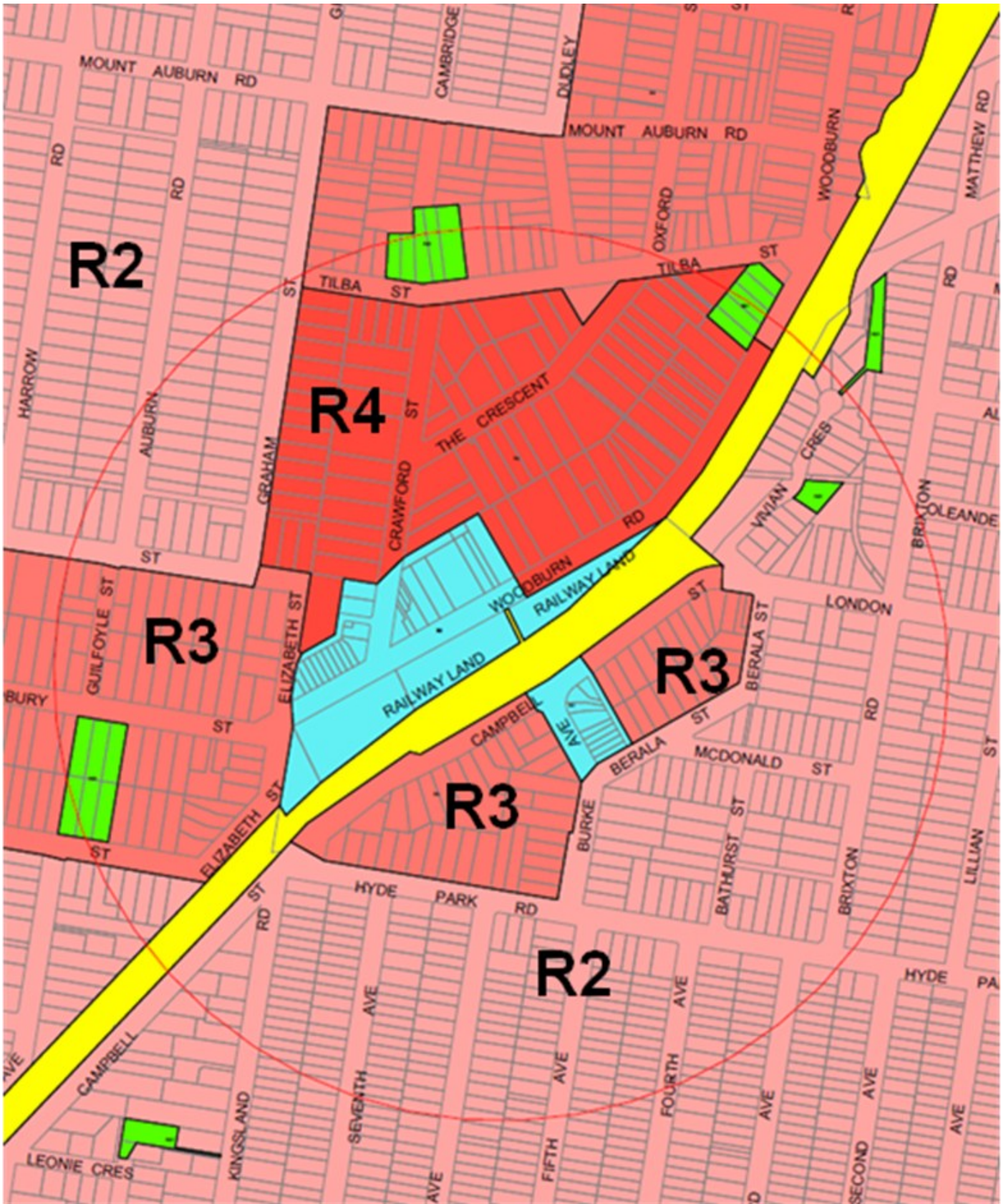


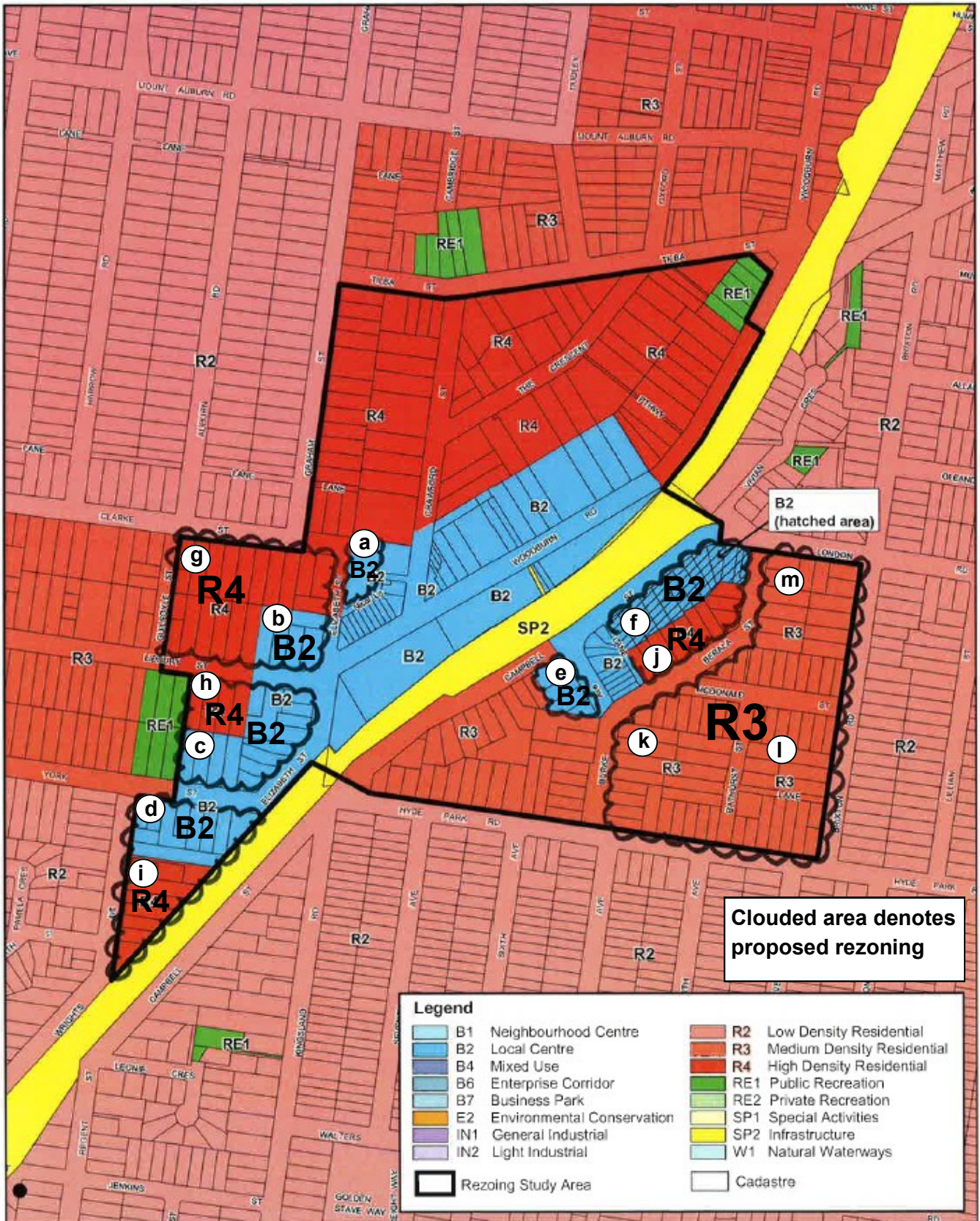
ATTACHMENT 1

Berala - Existing Zoning (ALEP 2010)



Berala - Proposed Draft Rezoning Scenario

(see also over page)

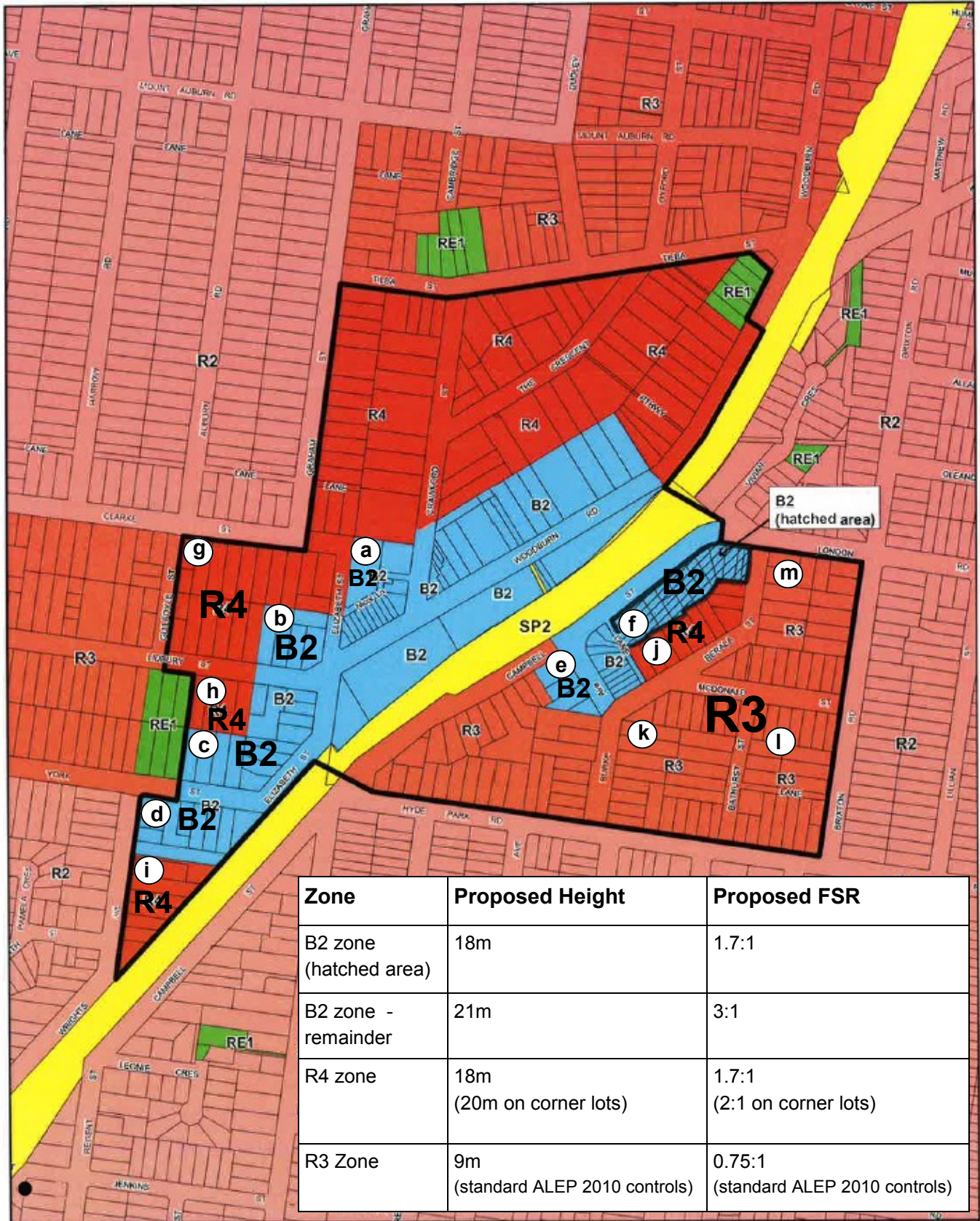


**Draft Berala Village Study -
Proposed Rezoning July 2014**



Map projection, UTM
Coordinate System:
GDA/MGA 1984 Zone 58
For more Proposed Planning to Berala Village Study

Berala - Proposed Draft Rezoning Scenario (associated ALEP 2010 amendments)



Draft Berala Village Study - Proposed Rezoning July 2014



Map projection: UTM
Coordinate System:
GDA/MERS 1994 Zone 56
File Name: Proposed Rezoning/Berala_Village_Study



Revised DRAFT Berala Village Centre Study July 2014

BERALA VILLAGE STUDY

Revision	Date	Trim No.	Document Name
A	2011		Preliminary Draft Berala Village Study
B	February 2012	T015850/2012	Draft Berala Village Study March 2012 (Exhibiton) Parts 1-2
		T015864/2012	Parts 3-5
		Txxxxxxx/2012	Appendices 1-3
C	July 2014	T059799/2014	Revised Draft Berala Village Study July 2014 Parts 1-2
		T059384/2014	Parts 3-5
		T059386/2014	Appendices 1-3 (unchanged)
		T059394/2014	Appendix 4

BERALA VILLAGE STUDY

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Appendix 1 – Activity 1 key sheet – Berala Community Engagement Workshop

Appendix 2 – Table detailing numerical outcomes of Activity 1 – Berala Community Engagement Workshop

Appendix 3 – Activity 2 key sheet – Berala Community Engagement Workshop

Appendix 4 – Consultant Study: Economic Review of Proposed Planning Controls – Berala Village by **Hill PDA**

..

1. INTRODUCTION

1.1 Purpose of the Study

The purpose of this study is to:

- identify opportunities to revitalise and improve Berala;
- inform Council's strategic planning, particularly Council's Delivery Program, and inter agency initiatives;
- bring together information which will inform the future upgrade of Berala's main street area; and
- consider which building types and heights are suitable for Berala in the future.

This study also addresses the resolution of Council on 12 May 2010 which stated.....

'.....That Council resolve to immediately prepare a planning study of Berala Town [sic] Centre and the surrounding Berala residential area to determine what opportunities exist to revitalise the town centre and to provide new residential housing opportunities in the surrounding area'.

The study has been further updated to address Council's resolution of 20 March 2013 [Item 069/13] which stated.....

'.....That Council undertake a further study of the B2 commercial zoning area of the Berala Town [sic] Centre and surrounding area'.

In addressing this second resolution of Council, specialist consultants, Hill PDA, were engaged by Council to undertake a broad economic analysis of the Berala Village Centre and surrounds. The consultant study is included as Appendix 4, and is summarised in Section 2.13 of this study.

- Part 1** defines the study area and purpose of the study. It also provides local and regional context for the study.
- Part 2** describes the Berala village study area as it currently exists. This section includes a brief profile of the demographics of the study area, as well as the existing planning controls. It also includes physical elements such as existing land use, building form and character, topography, landscaping, access and movement, heritage and public domain, and the opportunities and constraints these present.
- Part 3** details the consultation workshops undertaken as part of this study. It also outlines the outcomes of this consultation.
- Part 4** brings together the opportunities and constraints identified in Part 2, and the findings of the community workshops outlined in Part 3 in a concise analysis of issues. This section makes recommendations about how these issues can be addressed. Importantly, it demonstrates how these recommendations align with the broad outcomes in Council's *Community Strategic Plan*.
- Part 5** summarises the likely anticipated change for Berala over the next 5-10 years and highlights the priority recommendations.

1.2 Link to Council's Integrated Planning Framework

The Berala Village study has been undertaken to address the following key outcomes identified in Council's *Auburn City Community Strategic Plan 2013-2023 (CSP)*:

- **high quality urban development** (CSP theme: Our Places)
- **attractive public spaces and town centres** (CSP theme: Our Places)
- **promotion of community pride** (CSP theme: Our Community)

The *Auburn City Community Strategic Plan 2013-2023* is the centrepiece of Auburn City Council's Integrated Planning Framework. It sets the broad strategic direction for Council's annual Operational Plan and 4 year Delivery Program. The Delivery Program sets out the projects and initiatives Council will run over a 4 year period to work towards achieving these outcomes. It also contains indicators against which progress can be measured.

To address these CSP outcomes and this Council resolution, this study also incorporates relevant findings of previous studies of Berala undertaken by Council, consultants, and the community.

1.3 Study Area

Description

The Berala Village study area (Figure 1 over page) consists of the following key components:

- a. the village centre core and surrounding area: the area within a 400-600 metre radius of Berala Railway Station
- b. the main street area: the land zoned B2 Local Centre. The majority of Berala's main street area is located along Woodburn Road on the north western side of Berala station and railway line. The remainder is located on the south eastern side of the station, along Burke Avenue.

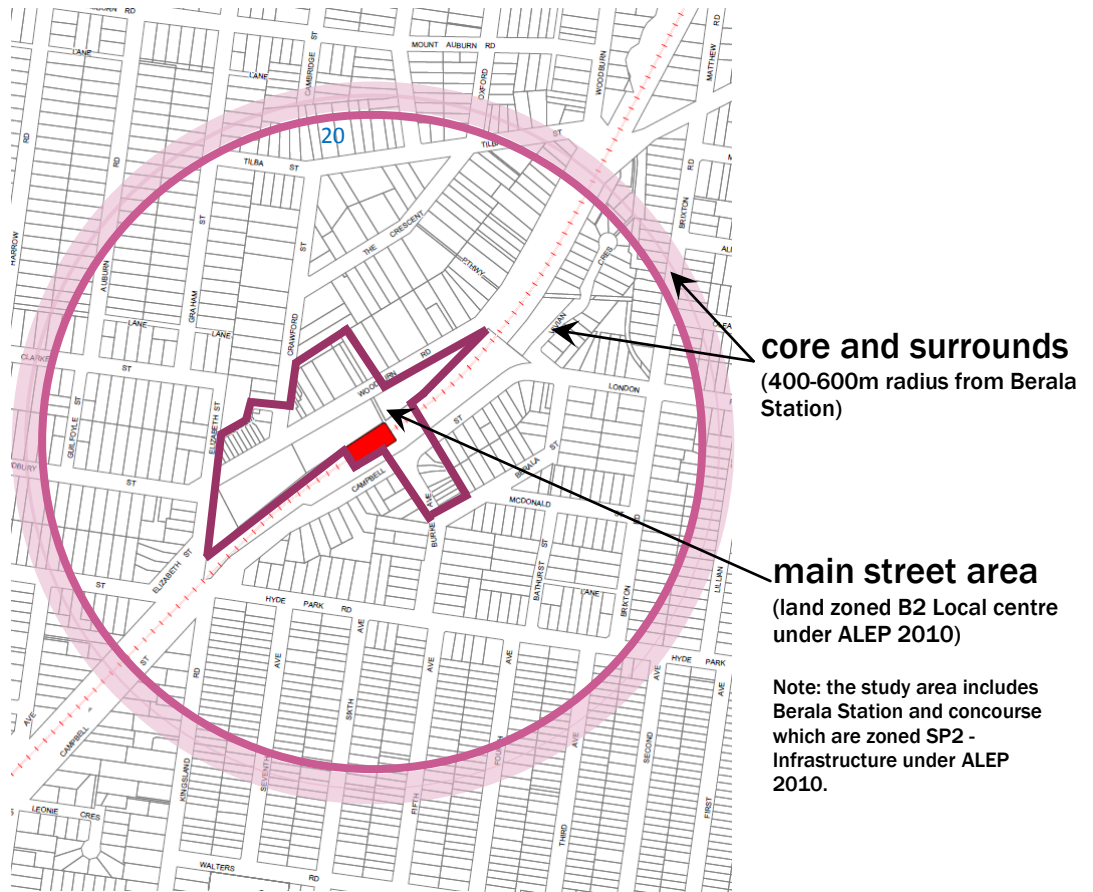


Figure 1: Berala Village Study Area

Study Area Rationale

The study area of a 400-600m radius centred on the railway station was selected to ensure consistency with the Department of Planning and Infrastructure’s (DP&I’s) classification of centres across metropolitan Sydney. This classification of centres was established in the *Metropolitan Plan for Sydney 2036* and the former *Metropolitan Strategy: City of Cities – A Plan for Sydney’s Future 2005* (refer also to Section 1.3).

Berala is classified as a village centre under this hierarchy. Village centres have a radius of 400-600m, which translates to a 5-15 minute walk. The 400-600m radius of the study area is centred on Berala station, which is consistent with the DP&I’s approach (refer also to Section 1.3 of this study).

A radius of 400-600m around Berala station is also considered an appropriate area of focus for this study, as this is primarily Berala’s ‘walking catchment’. A walking catchment of a centre is the area from which people can be expected to walk to the centre’s services, shops and public transport¹. Areas within walking catchments of centres of all sizes will become increasing important over the next 5-10 years. It is these areas where there is greatest potential to minimise car use to access shops and services, and where demands for greater opportunities for housing choice are likely to occur².

¹ Metropolitan Plan for Sydney 2036, Department of Planning
² Centres Design Guideline (draft) 2011, Department of Planning

1.4 Local and Regional Context

Local Context

Berala is a predominantly residential area, with a small main street area adjacent to a railway station.

Berala is named from an Aboriginal word meaning musk-duck. Development of Berala as a European settlement dates from 1885, when the first public auction of land took place. Berala Station was opened in 1912, located slightly northeast of the existing station embankment. In the 1920s the first public school and post office in Berala were established, and Berala station was rebuilt in its present location on the then Lidcombe to Cabramatta line³. The most significant development in Berala occurred from the interwar period onwards, and particularly during the 1940s-1970s. The late 1960s saw the construction of 3 and 4 storey walk-up flats, followed by town houses and more recent housing dating from the 1980s onwards.

A similar study of Regents Park Village centre is being simultaneously prepared by Council.

Berala

- located in central western Sydney approximately 16 km west of the Sydney CBD.
- surrounding suburbs include Lidcombe to the north, Rookwood to the east, Regents Park and to the south, and Auburn and to the west.

³ *Berala, Place of the Musk Duck* Edmund Perrin, Local History Librarian

Regional Context

The *Metropolitan Plan for Sydney 2036* sets the NSW Government’s overall direction and targets for metropolitan Sydney for the next 20 years. Of the nine key strategic directions outlined in this plan, the following two directions are most relevant to this study:

- Growing and Renewing Centres (strategic direction B): this direction seeks to concentrate activity, including shops, services and housing, in centres which are well served by public transport.
- Housing Sydney’s Population (strategic direction D): this direction seeks to achieve a mix of housing types which suits a range of lifestyle and lifecycle needs, particularly within the walking catchment of centres of all sizes. It also seeks to improve the quality of new housing, including infill development.

The *Metropolitan Plan for Sydney 2036* also outlines a hierarchy of centres which provides a common framework for understanding centres and defining their functions and roles (Figure 2). Berala is identified as a village within this hierarchy. Villages are defined as the area within a 400-600m radius from a centre (typically a station, main street, or commercial area) which equates to a 5-15 minute walk to the shops. The key differences between centre types are the amount and type of employment and retail services⁴. Villages typically consist of a group of shops and services for daily shopping such as a supermarket, hairdresser and a take-away food shop.

By comparison, Auburn and Lidcombe are identified as town centres within this centres’ hierarchy. Olympic Park-Rhodes is classed as a specialised centre and Parramatta is a regional city.



Figure 2: Walking and cycling catchment size for each centre type as outlined in centres’ hierarchy in the *Metropolitan Plan for Sydney 2036* (Source: *Centres Design Guidelines (DRAFT)*).

⁴ *Centres Design Guideline (draft) 2011*, Department of Planning

1.5 Previous Studies and Consultation

The key findings of previous studies and consultation undertaken of Berala and with Berala residents are summarised below. Although some studies were conducted some time ago, many of the issues raised remain relevant to this study. These findings from previous studies are analysed in Part 4 of this study, together with the findings from the research, fieldwork and community engagement undertaken as part of this study. Part 4 of this study also makes recommendations as to how these issues can be addressed.

Community Priorities Survey 2010 and 2012

The Communities Priorities Survey was a professional telephone survey of 1,000 randomly selected residents across Auburn City. It was conducted in July 2010 by a specialist consultant, Micromex Research, on behalf of Council. The survey sought to measure community satisfaction with Council's service delivery in a broad range of areas. The survey was also undertaken in 2012, also with a random sample of 1,000 respondents.

The survey participants provided a statistically valid cross section of the Auburn Community. As the suburb of Berala represents approximately 15% of Auburn City's population, the number of Berala residents randomly selected to participate in the survey (145) comprised 15% of the total survey participants.

In both 2010 and 2012, Berala survey participants were less satisfied with Council's childcare services (significantly lower level of satisfaction than respondents from other suburbs), aged care, youth programs and activities. They were most satisfied with Botanic Gardens, Council libraries, festivals, events and facilities, and availability and maintenance of sports grounds.

When asked a series of questions about their neighbourhood and Auburn City, Berala participants indicated they felt part of their neighbourhood. Figure 3 (opposite) provides a summary of the key factors influencing community satisfaction across Auburn City as a whole, and a summary of the most important services identified by Berala survey participants.

In 2012, Berala survey respondents also indicated a greater level of satisfaction with the suitability of local shops, reflecting the recent Woolworths development.

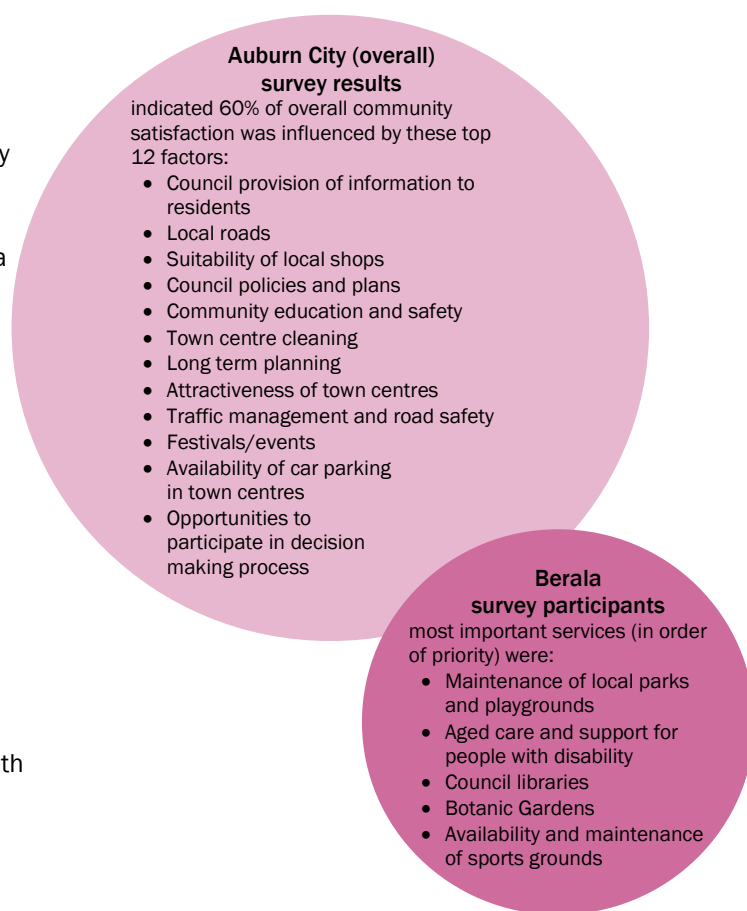


Figure 3: Community Priorities Survey 2010 and 2012: key influences of community satisfaction; and important services for Berala

Community Strategic Plan

A series of community forums were held in 2009-2010 during the preparation of the Auburn City Community Strategic Plan (CSP), Council’s 10 year strategic plan. The purpose of these forums was to engage with people in the community about what they saw as important for the future of their suburb and Auburn City as a whole. These community aspirations were used to shape the broad outcomes in the CSP. During this process, participants were also asked to identify key social, economic, environmental and civic issues affecting their suburb and Auburn City. The issues identified at the Berala forum are summarised in Figure 4 below.

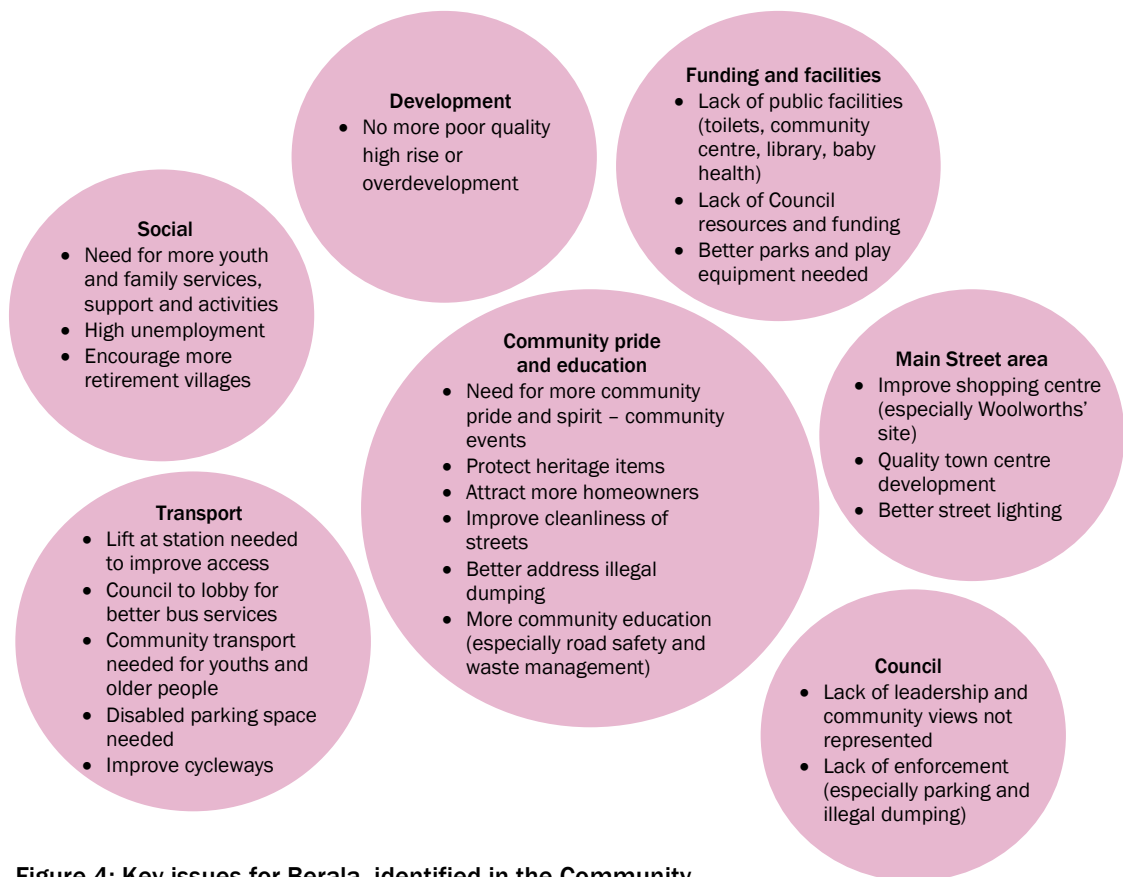
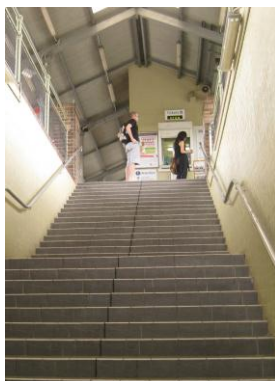


Figure 4: Key issues for Berala, identified in the Community Strategic Plan Community Forums during 2010



People for a Better Berala 2003

In December 2003, a subcommittee of the local resident action group, *People for a Better Berala*, undertook a small survey of 110 respondents (including committee members). The survey questionnaire asked participants about their vision for Berala generally, and for Berala's main shopping street. It also asked about preferred building heights, and what public services and facilities are needed in Berala. A summary of the results is provided in the adjacent Figure 5.

Note: Council had no role in the preparation of survey content, survey administration or analysis of this survey.

Berala Community Safety Audit 2001

In October 2001, a community safety audit of the Berala main street area was undertaken by the Auburn Community Safety Committee (Auburn City Council and Flemington Local Area Command). The findings of this audit and implications for this study are detailed in Section 2.11 of this study.

Vision: a peaceful, residential village atmosphere.

Maximum building heights of 2-3 storeys were generally preferred by participants.

Priorities in terms of services/improvements included:

- Banks
- Cleaner streets
- Disabled access at Berala Station
- Better security
- More street lights
- Public toilets
- More parks and reserves
- More garbage bins
- More seats/street furniture
- A library and community centre
- A mother/children's facility
- Community gardens
- Youth facilities
- More bike tracks

Figure 5: People for a Better Berala Resident Action Group Survey 2003 - Outcomes

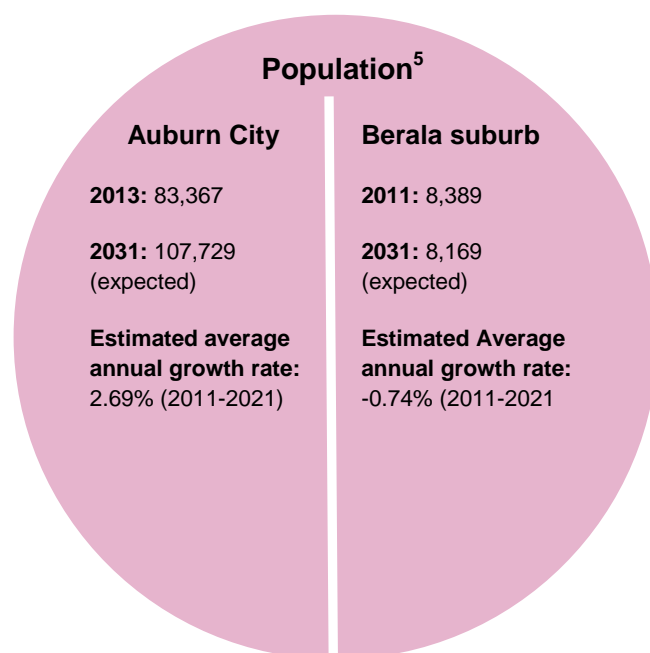


2. BERALA TODAY

2.1 Key Demographic Characteristics ⁵

This section analyses key data from the 2011 Australian Bureau of Statistics (ABS) Census, comparing the suburb of Berala to Auburn City⁶ as a whole. Population forecasts prepared by *forecast id* have been used as an indication of the likely change in the population of Berala that can be expected over the next 10-15 years.

- **Population** – At the 2011 Census, Berala had 8,389 residents. Berala’s population is forecast to be approximately 8,170 by 2021. Berala has a slower anticipated annual growth rate compared to Auburn City, which is anticipated to grow by 2.69% annually between 2011 - 2021.
- **Age structure** - Census data from 2011 indicate Berala has a higher proportion of people in the 70-84 year age group (6%) and a smaller portion of people in the over 25-34 age group (17%) than Auburn City, where the 70-84 and 25-34 age groups comprise 4.8% and 20.5% respectively. Otherwise, the population age structure of Berala and Auburn City are very similar.
- **Household structure** - The predominant household structure in Berala is couples with children (43%), followed by couples without children (18%). This is slightly higher than Auburn City where couples with children comprise 40%, and couples without children comprise 20%. *Forecast.id* indicates there is likely to be an increase in single person households in Berala by 2031.
- **House ownership** - 2011 Census data indicated there are similar percentages of renters (36%) and home owners (31%) in Berala. A further 26% were purchasing their own house. By contrast, Auburn City had a lower proportion of home owners (24%). The percentage purchasing a property (31%) and renting (37%) was slightly higher than Berala.
- **Dwelling type** - 2011 Census data indicated that 54% of people in Berala lived in detached houses, 36% lived in medium density dwellings, and 9.8% lived in high density dwellings. Auburn City had a lower percentage of people living in detached houses (49%) and in medium density dwellings (23%), and a higher percentage of people living in high density housing (28%). The biggest change in type of dwelling between 2006 and 2011 was in medium density housing, significantly increasing from 16% to 36% in Berala.



⁵ All current figures are from the 2011 ABS Census. All forecast figures (i.e. 2021) are from the *Auburn City Community Profile profile.id* prepared by *forecast id*.

⁶ Auburn City means all suburbs within the Auburn Local Government Area

Origin and Language

Auburn City (2011)

Country of origin

China 11.3%
Vietnam 4.5%
South Korea 4.2%

Total overseas born 57%

Language spoken at home

Arabic 10.7%
Cantonese 9.9%
Mandarin 9.2%
Turkish 6.7%

Berala suburb (2011)

Country of origin

China 13%
Vietnam 9%
Phillipines 2.4%

Total overseas born 55.3%

Language spoken at home

Cantonese 16.7%
Mandarin 10.5%
Arabic 8.6%
Vietnamese 4.4%

Households

Auburn City

Number of households

2011 24,575
2021 32,808



Average household size

2011 3.09 people
2021 2.84 people



Number of dwellings

2011 24,631
2021 37,487



Berala suburb

Number of households

2011 2,710
2021 2,946



Average household size

2011 3.11 people
2021 2.86 people



Number of dwellings

2011 2,861
2021 3,011



Age structure

Auburn City

2011 age group with most people: 35-49 yrs

2021 age group with most people: 35-49 yrs

2021 population under 17 yrs: expected by 20% (3,550)

2021 population over 60 yrs: expected by 36%(3,526)

Berala suburb

2011 age group with most people: 35-49 yrs

2021 age group with most people: 35-49 yrs

2021 population under 17 yrs: expected by 10.8% (-235)

2021 population over 60 years: expected by 18% (245)

Household type

Auburn City

2011 most common household type: couple families with dependents (40%)

2021 largest expected: single person households, comprising 19% of all households (14% in 2011)

Berala suburb

2011 most common household type: couple families with dependents (43%)

2021 largest expected: single person households, comprising 18% of all households (15.5% in 2011)

Source: All current figures are from the 2011 ABS Census. All forecast figures are from the Auburn City Community Profile profile.id prepared by forecast id.

2.2 Physical Environment

Topography

Berala is approximately 24m above sea level. The topography of the Berala study area is predominantly flat and low lying.

Flooding

Figure 6 shows the flood affected area within the Berala study area. *Auburn LEP 2010* requires that all development proposals within the flood planning areas must satisfy Council that they do not result in significant adverse impacts on the amenity and character of the area.

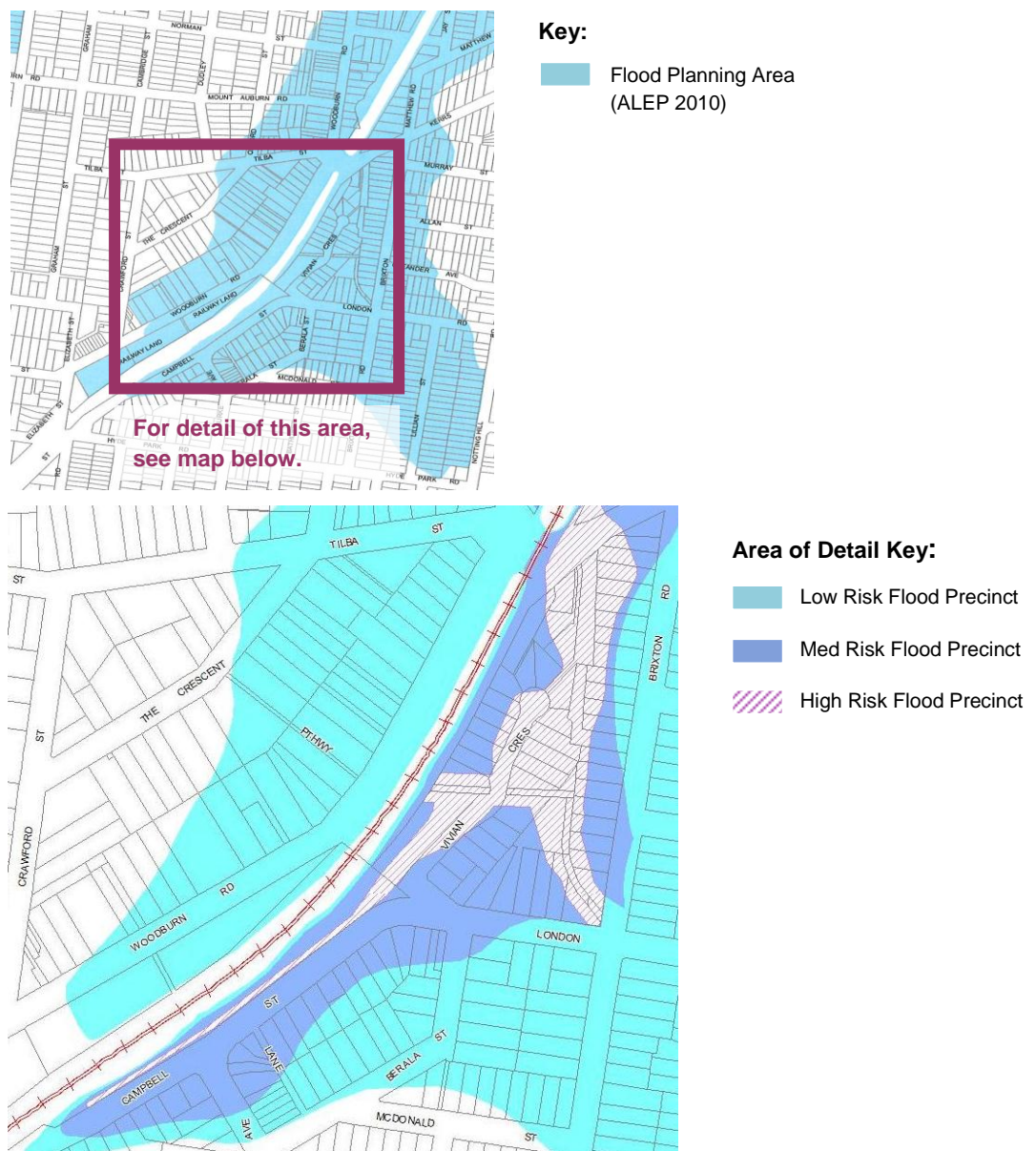


Figure 6: Flood Prone land within the study area

Landscape features and Views

Street trees are planted along most of the streets within the Berala study area. Figure 7 shows Berala’s existing tree canopy, and identifies the location of some of the more notable trees within the study area. It also identifies areas lacking trees and greenery.

The trees within the study area of varied size and types/species, with the tallest being approximately 9m high. The trees framing Lidbury Street (identified as an environmental heritage item under ALEP 2010) create a particularly impressive vista. The wide, straight residential streets and the relatively flat topography, results in relatively uniform vistas along the remainder of the study area’s streets.

Council has prepared and exhibited a *Draft Auburn City Council Tree Policy and Framework Plan (December 2011)*. This policy framework seeks to promote sound and consistent tree management across Auburn City, retain trees of value and set the direction for Auburn City’s future tree population and planting. This policy will assist the implementation of Council’s forthcoming *Tree Strategy and Street Tree Masterplan* in 2012.



Figure 7: Aerial Photo (2011) showing existing tree canopy in the Berala study area

Acid sulphate soils

The entire Berala study area is affected by Class 5 Acid Sulphate soils under ALEP 2010 (Figure 8). Acid sulphate soils (ASS) generally occur in flat and low lying locations.

Class 5 acid sulphate soils a low impact category of acid sulphate soil. This category of acid sulphate soil is not considered to be a significant development constraint. In addition, no land within the study area is within 500 metres of a Class 1, 2, 3 or 4 acid sulphate soil (which can present development constraints).

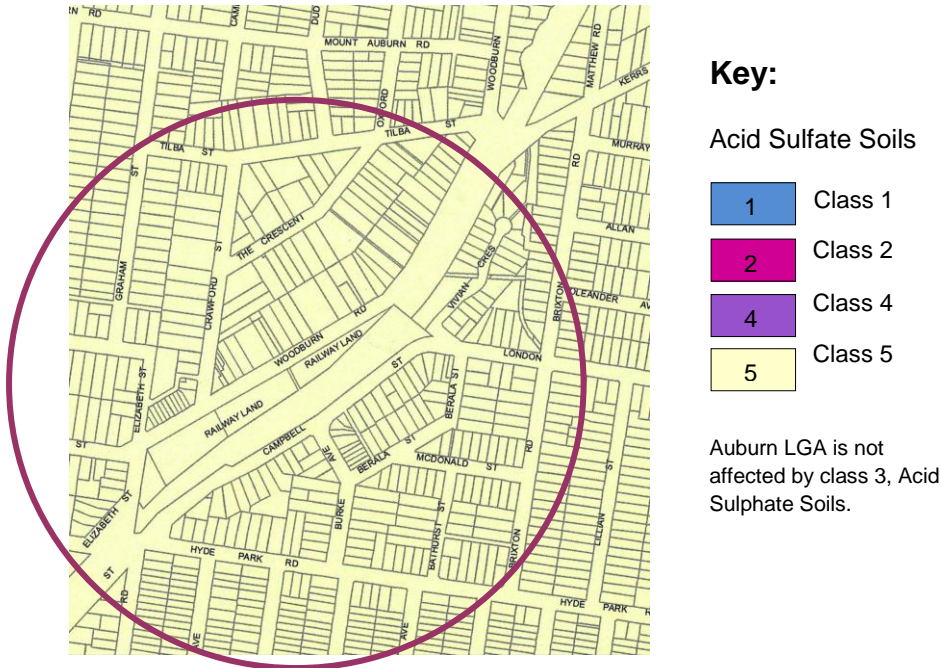


Figure 8: Acid Sulphate soil within the study area

a. Residential area (core and surrounds)

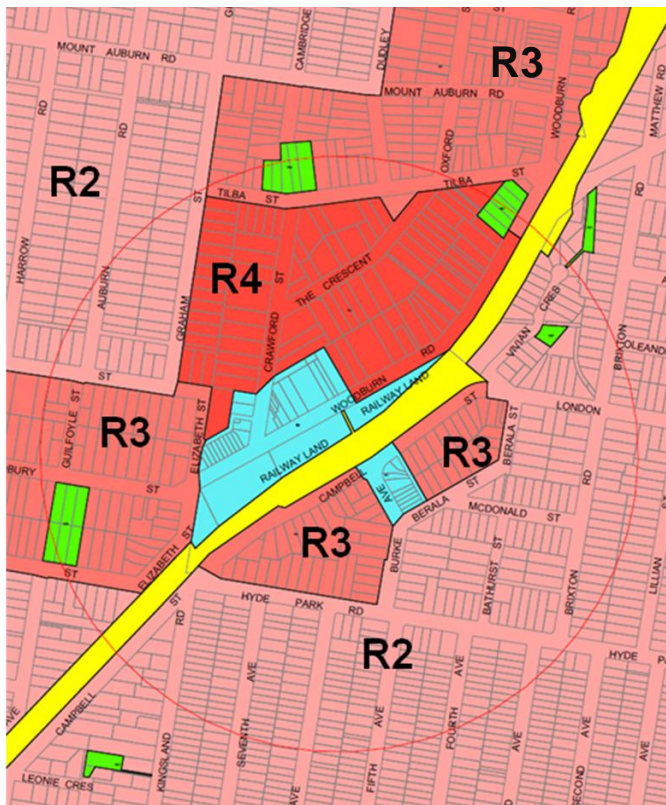
2.3 Existing Planning Controls - Residential

The key planning controls applying to the Berala village study area are contained in Auburn *Local Environmental Plan 2010 (ALEP 2010)* and Auburn Development Control Plan 2010 (ADCP 2010). Planning controls contained in State policies (such as State Environmental Planning Policies) may also apply to different types of development within the study area.

The key provisions from *ALEP 2010* are summarised in this section. *All prospective applicants should refer directly to ALEP 2010 for the detailed development controls in full.*

Zoning

Figure 9 shows the zoning of the study area under ALEP 2010. The area immediately north of the main street is zoned R4 High Density Residential. Land zone R3 Medium Density is located to the north, south and west of the R4 and main street areas, with land zoned R2 Low Density Residential beyond. The broad types of development permitted within these zones are outlined in Figure 10 below. The railway line and Berala Station are zoned SP2 Infrastructure (Berala Railway Lands). Open space such as parks and playgrounds is zoned RE1 Public Recreation. (Refer to Section 2.7 for details about the main street area).



Residential zones - broad types of development

R2 Low Density Residential zone

- Detached single dwellings (2 storeys)
- Dual occupancy dwellings – attached or detached (2 storeys)
- Secondary dwellings (ie. granny flats) (2 storeys)

R3 Medium Density Residential zone

- Detached single dwellings (2 storeys)
- Dual occupancy dwellings – attached or detached (2 storeys)
- Secondary dwellings (ie. granny flats) (2 storeys)
- Villas / townhouses (2 storeys)

R4 High Density Residential zone

- Villas / townhouses (tends to be 2 storeys but are allowed 4 storeys)
- Residential flat buildings (4 storeys)

Figure 9: Study Area Zoning

(source: ALEP 2010)

KEY

R2 Low Density Residential	B2 Local Centre
R3 Medium Density Residential	RE1 Public Recreation
R4 High Density Residential	SP2 Infrastructure (Berala Railway Lands)

Maximum Building Heights

The maximum height of buildings in the R4 High Density Residential zone is 18 metres (*20 metres on corner sites – refer to Council’s website for details about corner sites – Planning Proposals FSR PP-3/2010). In the B2 Local Centre zone the maximum building height is 14 metres. The rest of the study area has a maximum building height of 9 metres, (refer to Figure 10).



Figure 10: Maximum building heights within the study area (refer to ALEP 2010 for detailed development controls)

Floor Space Ratio

As shown in Figure 11, the floor space ratio (FSR) within the study area is as follows:

- R4 High Density Residential Zone: 1.7:1 (*and 2:1 on corner sites (refer to Council’s website: Planning Proposals FSR PP-3/2010 for details about corner sites);
- R3 Medium Density Residential Zone: 0.75:1; and
- R2 (Low Density Residential): no floor space ratio control (refer to figure 9 for location of R2 zoned land).
- B2 Local Centre zone: 2:1 (refer to Section 2.7 for details).

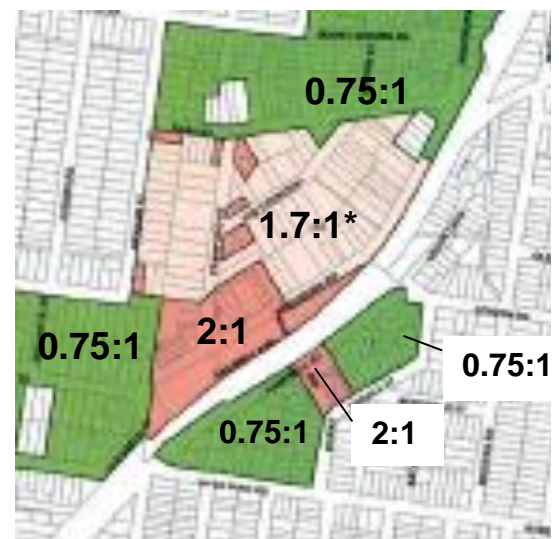


Figure 11: Maximum floor space ratio (FSR) within the study area (refer to ALEP 2010 for complete and detailed development controls)

Lot size and site coverage

ALEP 2010 specifies minimum lot sizes for residential subdivision and development. This is to ensure that individual lots are of adequate size to accommodate residential development which is consistent with relevant development controls including setback, landscaping, overshadowing and privacy. The minimum lot size for subdivision of R2 zoned land is 450m².

Auburn DCP 2010 contains requirements for dual occupancy lot sizes. A minimum lot size of 450m² and a minimum lot width of 15m are required for an attached dual occupancy. A minimum lot size of 600m² and a minimum site width of 15m are required for detached dual occupancies.

ADCP also contains requirements for maximum site coverage (ranging from 65-75%), and minimum deep soil zone area (30%).

2.4 Land Use and Subdivision Pattern

Land Use

The Berala study area consists of predominantly detached dwelling development. There is a small area characterised by older 1940s-1970s two and three storey residential flat buildings, located between Woodburn Road and Tilba Street, immediately north of the Station. There are a few small parks zoned (RE1 Public Recreation) within the study area. Berala Public School has one of the highest primary school student populations in NSW).

Subdivision Pattern

The Berala study area is subdivided into a grid-like pattern with some irregular shaped blocks at the centre of the study area, in response to the alignment of the railway line. The lot sizes in the north of the study area are slightly larger than the lot sizes in the south of the study area. Figure 12 (opposite) shows the strata subdivision pattern within the study area. The majority of strata subdivided lots are occupied by residential flat buildings.

The railway line runs diagonally through the study area. The subdivision pattern provides relatively direct access from each block to the main street area. Strata subdivided lots are interspersed with non-strata subdivided lots within the study area. The NSW Department of Housing owns a small number of lots within the study area.



Figure 12: Strata Subdivision within the Study Area
(source: Dwelling target Analysis, 20 October 2009)

2.5 Built Form and Character

Building type, age and condition all have a significant influence on the *existing* character of an area. Planning controls, subdivision and land ownership patterns, and lot size can all influence the *future* character of an area. The significance of these attributes is outlined in Table 1 below.

Attribute	Importance
a. building type	<ul style="list-style-type: none"> influences the look and feel of a streetscape. It gives an indication of the mix of housing types and the housing choice available within an area.
b. building age	<ul style="list-style-type: none"> building age (together with property market forces, and other attributes of an area) can be a key influence in how likely an area or lot is to undergo redevelopment or revitalisation. In this study, buildings were classified according to 4 broad periods of development: <ul style="list-style-type: none"> - pre 1940s - 1940s-1970s - 1980s-2000 - Post 2000
c. building condition	<ul style="list-style-type: none"> influences streetscape character. It can also influence how likely a lot or area is to undergo redevelopment.
d. description of each block	<ul style="list-style-type: none"> provides an understanding of the village's existing built form (including building age and condition), character, and landscaping
e. existing LEP controls including Height, FSR, Heritage, flooding and acid sulphate soils	<ul style="list-style-type: none"> outlines existing development controls and other factors which may influence or constrain future changes to the area
f. lot size and average site coverage	<ul style="list-style-type: none"> gives an indication of amount of private open space, existing density, and subdivision pattern
g. existing strata subdivision pattern and other land ownership	<ul style="list-style-type: none"> can indicate possible constraints and/or opportunities for future development within an area

Table 1: Factors influencing existing and future character of an area

Building type, age, and condition (a., b. and c. in the table above) were each mapped separately (refer to Figures 13-15 on the following pages). Attributes d. - g. in the table above were summarised in an analysis of each block. This analysis has been used throughout the preparation of this study.

Built form and character within the study area

The Berala village study area is predominantly residential with a small, traditional main street area. The Berala study area, together with areas such as Auburn, Canterbury, Bankstown, and Fairfield, forms part of Sydney's "fibro belt"⁷. These areas were developed between 1940-1970, in the first major post-war, low density wave of development which occurred in Sydney. These areas are often characterised by single family dwellings, some of which is nearing the end of its life cycle⁸.

Figures 14-16 on the following pages provide an indicative illustration of the building type/height, and approximate age and condition within the study area. Together these characteristics form a picture of the built form and character within the study area.

North of the railway line

The area north of the railway line has mix of residential flat buildings, town houses. The residential flat buildings are a mix of two and three storeys with basement parking, and two storeys with ground floor parking. The flat buildings were predominantly built during the 1950s and 1960s, with a few examples from the 1980s. The condition of these flat buildings varies from poor to excellent, with a number of older flat buildings considered to be in medium condition.

The detached housing north of the railway line is a mix of 1-2 storeys. This housing dates predominantly from the 1940s-1970s era, with examples of newer housing (circa 1980s and post 2000s) interspersed amongst the older housing. Older houses are typically made of fibro and weatherboard materials, and the newer houses are typically made of brick. As with the flat buildings, the condition of the detached housing in this area varies from poor to excellent.

South of the railway line

Development on the southern side of the railway line is completely residential, with the exception of a small block of shops along Burke Avenue. The residential land is zoned R2 - Low Density Development or R3 - Medium Density Development. Housing is predominantly single detached dwellings, with a small number of townhouses/villas and 2-3 storey units. Similar to the northern side of the railway line, the houses date predominantly from the 1940s-1970s, with newer development (circa 1980s and post 2000s) interspersed the older houses. Likewise, the housing stock condition ranges from poor to excellent condition. Condition does not always correlate with age and there are examples of older houses which have been renovated and are in good or excellent condition.

⁷ Randolph, B

⁸ *ibid*

Figure 13: Berala—Building Type and Height



Figure 14: Berala—Building Age



Figure 15: Berala—Building Condition



2.6 Heritage

The items of local heritage significance within the Berala study area identified below:

- The Brush Box street trees along Lidbury Street: planted in 1920s during the interwar period, have local social and aesthetic heritage significance. They are the defining element in this streetscape.
- Berala Railway Station is an item of State archaeological significance. It was opened in 1912 and is typical of many suburban stations of that era.
- Berala Public School heritage significance is derived from its buildings, which are an excellent example of late Federation suburban school architecture. It is an item of local significance.
- Grey Box Reserve Auburn is significant as a continuing seed source of the original indigenous vegetation of the area and recognition by the local community in the establishment of "Grey Box Reserve". This reserve lies just beyond the study area boundary and is of local significance.

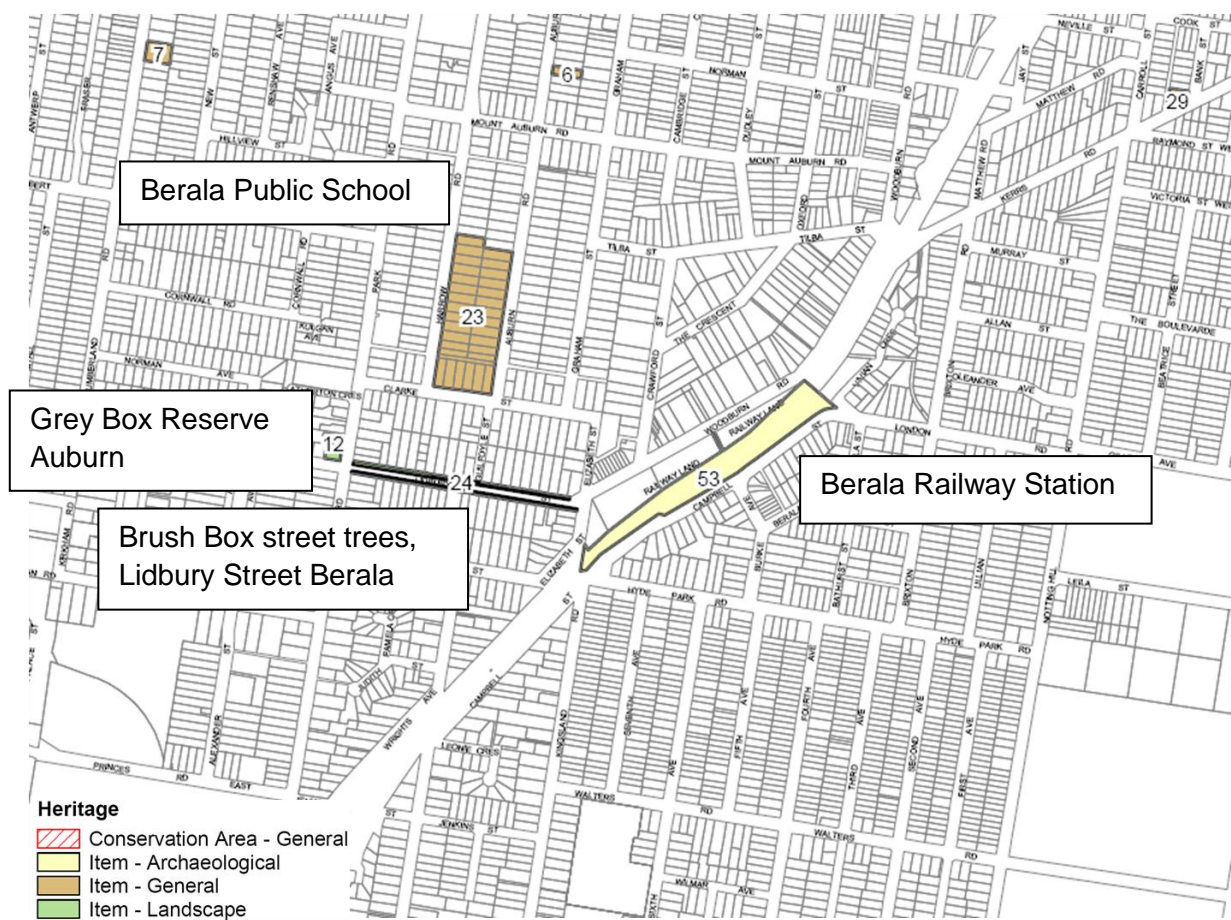


Figure 16: Heritage Items

b. Main Street Area

This section describes the existing situation in Berala's main street area. It includes key existing planning controls, access and movement, retail mix, public domain, and safety. This section also details the methodology used to collect data on each of these aspects.

Main Street Area Analysis

Our local centres and their main streets are some of our most familiar places, where many of our daily activities take place. The attractiveness, cleanliness and accessibility of local centres, together with the mix of shops has a significant influence on how often people visit them. The key attributes identified and observed in Berala's main street area, and their relevance to this study is outlined in Table 2 below.

Attribute	Importance
h. access and movement	<ul style="list-style-type: none"> study of accessibility issues is relevant for future public domain upgrade, as well as giving an indication of how well connected the village centre is to other centres
i. existing retail mix	<ul style="list-style-type: none"> in addition to the range of existing shops, this illustrates whether any types are missing. A good mix of local shops and services is a key factor for well patronised main streets.
j. footpath conditions and general ease and convenience of pedestrian movement	<ul style="list-style-type: none"> will guide future public domain upgrade
k. existing street furniture location	<ul style="list-style-type: none"> can indicate possible constraints and/or opportunities for future development within an area
l. locations with higher pedestrian activity within the main street area	<ul style="list-style-type: none"> this can guide planning for future public domain upgrades

Table 2: Key Attributes within Berala's Main Street Area

2.7 Main Street: Existing Planning Controls and Built Form

Berala's main street area is zoned B2 Local Centre. The railway line and station are zoned SP2 Infrastructure (Berala Railway Lands) under *ALEP 2010*. The B2 – Local Centre zone allows a range of retail, business, entertainment, and community uses that serve local needs (refer to *ALEP 2010* for full details).

The maximum permissible building height within Berala's main street area (B2) is currently 14 metres. Berala's main street area currently has a maximum floor space ratio (FSR) of 1.4:1.

Berala's main street is a small traditional main street with 1, 2 and 3 storey developments, and some shop top housing. Land uses within the main street area (including Burke Avenue on the southern side of the railway line) include a mix of retail and personal services such as hair salons, medical services, butcher, bread shop, and a supermarket.

2.8 Access and Movement

This section includes existing public transport, pedestrian circulation and access, parking and traffic within the study area.

Public transport

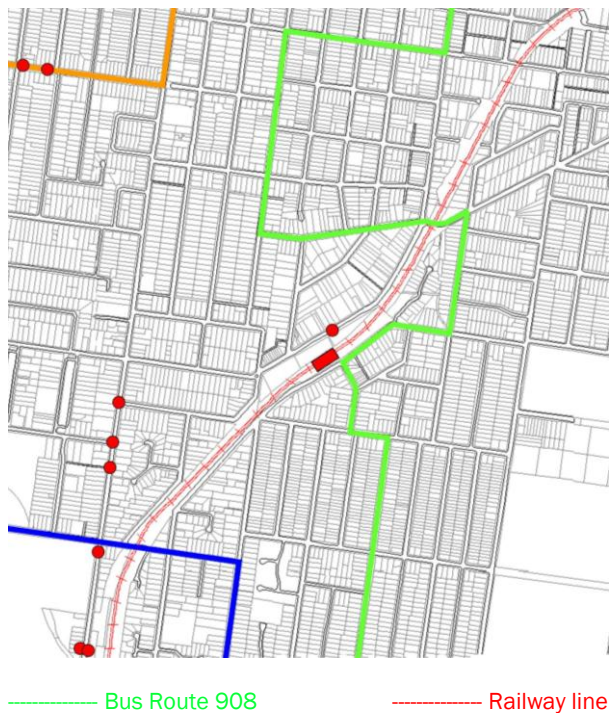
Train

Berala Station, situated between Woodburn Road (northern side) and Campbell Street (southern side), is located on the Bankstown and Inner West lines. Berala Railway Station is a local heritage listed item in the *Auburn LEP 2010*. Berala Station is approximately 18km from Central Station.

Trains on the Bankstown line run approximately every 20-30 minutes throughout the week. Trains on the inner west line (Macarthur-Museum) generally run every 30 minutes.

Bus

The Berala study area is served by bus route 908 through Veolia Transport (refer to Figure 17 below). This route runs through Bankstown, Sefton, Regents Park, Berala, Auburn, South Granville and Merrylands. The bus service in the Berala area during the peak times (6.30 am to 9.00 am) from Monday to Friday runs almost every half hour, and then the service is run once an hour from 9.00 am to 6.30 pm. On Saturdays, the bus service is provided every hour from 8.14 am to 5.14 pm. There is no bus service in Berala on Sundays.



Route 908

Monday to Friday
Service during the peak times (6.30am to 9.00am) is almost every half hour, and then once an hour from 9.00am to 6.30pm.

Saturday
An hourly service from 8.14 am to 5.14 pm.

Sunday
No service.

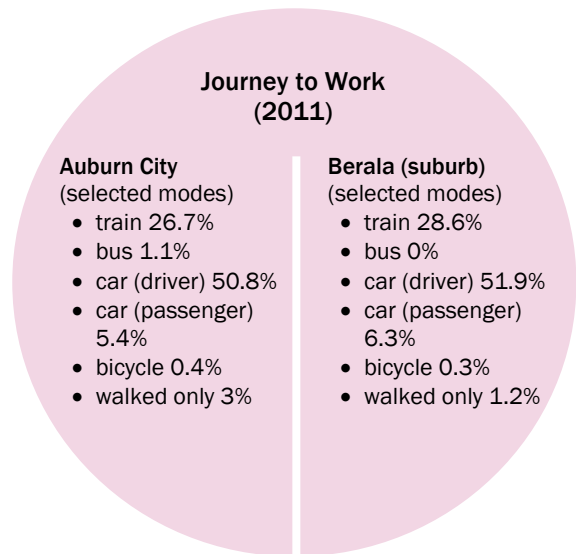
Figure 17: Existing Public transport routes through Berala

Journey to Work

At the 2011 census approximately 50% of people in the suburb of Berala drove to work. This was by far the most common way of travelling to work, and reflected the percentage for Auburn City as a whole (also 50%). Train was the second most common method of travelling to work, with Berala and Auburn City having approximately 29% and 27% of people travel to work by train respectively.

Bus travel to work was very low in both Berala and Auburn City as a whole.

A small percentage of people in Berala (1.2%) walked to work; with Auburn City have a slightly higher percentage (3%). Cycling to work was very low in both Berala and Auburn City as a whole.



Pedestrian Circulation

Berala’s street layout provides relatively direct pedestrian connections between the main street and its surrounds. The pedestrian underpass at the station provides an important link between the northern and southern sides of Berala.

The block bound by Crawford Street, The Crescent, Tilba Street and Woodburn Road is a large, irregular shaped block, with a mid-block pedestrian path. This pedestrian link is particularly important as it links The Crescent with the shops and station at Woodburn Road. However, this pedestrian pathway is in relatively poor condition, with an uneven surface and poor lighting.

Observations during the preparation of this study have identified that the key places where pedestrians currently tend to cluster are at both ends of the train station pedestrian tunnel, and in front of the newsagencies. It is anticipated that the opening of the Woolworths supermarket will generate more pedestrian traffic within Berala’s main street area.

Parking

Within Berala’s main street area there is a mix of ½ hr and 1 hr parking on both sides along Burke Avenue, along Crawford Street and Woodburn Road. The recent Woolworth development includes over two levels of basement car parking with approximately 360 parking spaces.

There is currently no commuter parking provided at or near Berala station. On the southern side of the Berala village study area, Commuters Park along Campbell Street and Berala Street, which have no timed parking restrictions. Along Woodburn Road, the section of the road where the parking limitations do not apply is used by commuters to park their vehicles for the day.

Vehicular Movement

Berala village study area has mostly local residential roads. Woodburn Road is the major road that passes through the village centre. There is no traffic count data available at Council to indicate the average daily traffic, speed of vehicles and number or percentage of trucks using this road. Observations undertaken as part of this study and advice from Council’s Engineering section have not identified any major traffic issues within the study area. Occasional passing of heavy vehicles through Woodburn Road have been noted. A

parking survey was undertaken by Council in July 2009, before and after the closure of the commuter car park along Woodburn Road. No major parking related issues were or identified as part of this survey.

2.9 Retail Mix

Berala’s main street area includes butcher shops, fruit shops, grocery shops, hairdressers, pharmacies, a small post office and newsagency, and a supermarket. There are currently no banks in Berala. Figure 18 below illustrates the retail mix of Berala’s main street area.

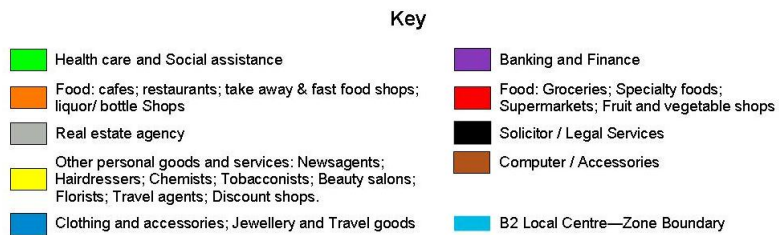


Figure 18: Existing Retail Mix

2.10 Public Domain

The public domain encompasses all the publicly owned spaces including streets, parks, reserves, footpaths, plazas and squares, and pedestrian underpasses. It can be thought of as the shared public spaces between buildings. The public domain is also considered to include privately owned spaces which are publically accessible, such as arcades, building forecourts and station platforms. In addition the quality and presentation of a main street's shopfronts or facades (albeit privately owned) has a significant influence on the public domain. A high quality public domain contributes to a strong sense of place and is important for community wellbeing, pride and safety. It also contributes to a centre's economic wellbeing, and can influence investment within a centre.

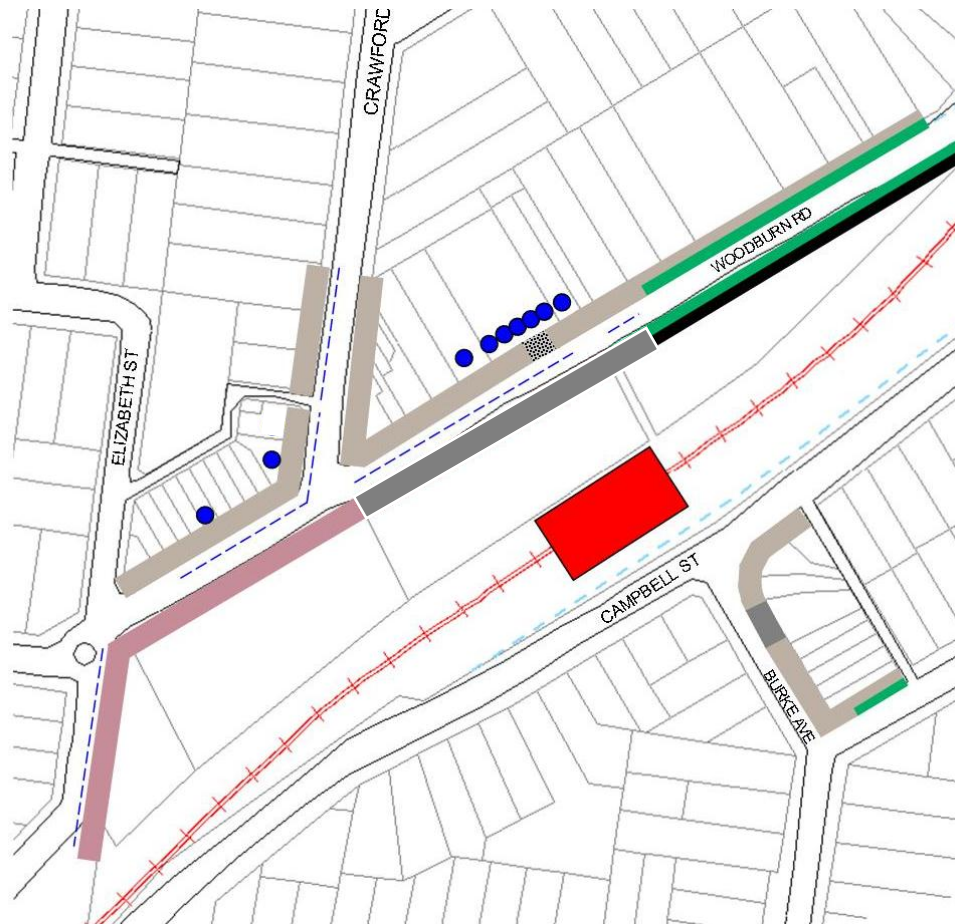
The public domain of Berala's main street area consists mainly of footpaths, with the railway underpass forming a key public pedestrian link between the northern and southern sides of the village. Berala's main street area is generally in need of revitalisation. In particular, footpath surfaces, landscaping, seating, and signage are showing signs of wear and tear. The existing street lighting is also in need of upgrading, and the village centre does not have a public toilet. Notwithstanding this, the main street area does have a positive attributes including a subdivision pattern which presents a streetscape of many small shopfronts. This type of streetscape is conducive to pedestrian activity, and together with public domain improvements, can contribute significantly to a revitalised centre with a village character.

Footpaths and Access

Footpath condition and ease of access to individual shops both have a significant impact on the safety and mobility of many groups within a community, and particularly older people, people with mobility issues, and people with prams and/or young children. These issues are discussed below.

Footpath condition and surface material varies throughout Berala's main street area, as shown in Figure 19 (over page). Footpath material throughout the remainder of the main street area includes a mix of concrete, red brick paving, and grey pavers (Figure 19 over page).

As illustrated in Figure 19, disabled access to shops also varies throughout Berala's main street area. Approximately 37 out of 49 shop fronts not having at-grade or ramped access (approximately 75% of shops).



Key

- | | | | |
|--|---|--|--------------------------------------|
| | Red brick paving (medium-good condition) | | Concrete—full width (poor condition) |
| | Red brick paving (poor condition) | | Concrete with grass verge |
| | Grey pavers (current town centre infrastructure manual specification) | | Asphalt |
| | Concrete—full width (medium-good condition) | | |
| | Shopfront awning | | |



Red Brick Paving - medium-good condition



Concrete - poor condition

Figure 19: Footpaths and Access

Facades

Building facades (shopfronts) are a critically important part of the street environment. They are the public face of privately owned buildings, and have a substantial influence on the character of the street. In a main street area, it is desirable to have ‘active’ building frontages at ground floor level. Active frontages are rich in detail, transparent, and interesting to look at and into⁹. Activities occurring on the street and those inside the buildings enrich the character of the street, and add to safety and surveillance. In the evening, well lit facades with a high level of transparency contribute to both a feeling of security as well as genuine safety¹⁰.

By contrast, blank walls or facades which are predominantly or completely obscured by posters, shutters, and blinds or similar on a permanent basis create an unfriendly and uninviting environment for pedestrians. In addition, by obscuring sightlines between the street and shop interiors, inactive or hostile facades create an environment conducive to anti social behaviour, and undermine the streetscape character of a centre.

To create a lively and people-friendly main street area, a substantial part of the building facades need to be open, transparent and welcoming. Active building facades together with the mix of activities in a centre can create a high quality streetscape and an attractive and thriving centre.

An analysis of the facades within Berala’s main street area was undertaken as part of this study. The analysis assessed frontages as active, passive, or inactive, as outlined in Table 3 below.




Frontage type	Example
<p><i>Active Frontage</i> – predominantly glass, pedestrians can easily see into shop and people in shop can easily see footpath. Active frontages generally have a high ratio of doors to overall length of frontage. Shops with active frontages may also display goods out the front, but these will be displayed in a way so that there is still good visibility between the shop and the footpath. This photo is an example of an active façade in Auburn Town Centre. It has good sightlines to and from the street. The shopfront is pleasant to look at and into.</p>	
<p><i>Passive frontage</i> – neither active nor inactive (eg sight lines between shop and footpath obscured by displayed goods – which could be improved by re-arranging the display). May also include longer shopfronts with one or few doors; shop fronts with some (minimal visibility from the footpath to inside).</p>	
<p><i>Inactive frontage</i> – includes shops with small frontages and poor or no view from the footpath into the shop (eg mirrored glass, closed blinds, glass covered in advertising or bill posters,). Also includes long expanses of walls with no doors or windows. This photo is an example of a façade where sightlines to and from the street are almost completely obscured. The façade lacks detail and does not contribute to a pleasant pedestrian experience.</p>	

Table 3: Active, Passive and Inactive Frontages

⁹ *Public Spaces and Public Life: City of Adelaide 2002*, Gehl Architects, July 2002

¹⁰ *ibid*

The site analysis of Berala's main street area identified approximately 33% of facades as active, 46% as passive, and the remaining 10% of facades were classified as inactive, or as having no facade (eg the petrol station)(Figure 20).

The passive facades are the shopfronts where relatively inexpensive and small-scale improvements (such as re-arranging window displays, removing and rationalising posters, opening blinds/changing window coverings or treatments (from solid to transparent or semi transparent) can bring about significant results. Initiatives such as education campaigns, preparation and distribution of "good shopfront presentation" guidelines, and even facade upgrade programs can assist in turning passive, and in some cases, inactive and hostile frontages into active facades.



Key

- Active Frontage
- Passive Frontage
- Inactive Frontage
- Hostile Frontage
- No Built facade (e.g. Petrol station)

Figure 20: Berala main street area facades

2.11 Safety

Community Safety Audit

A community safety audit is an evaluation of the safety of an area undertaken by Police officers, Council officers, Councillors and members of the community. The purpose of such an audit is to identify and document safety issues, which can then be addressed by the appropriate stakeholder.

A Community Safety Audit of Berala's main street area was undertaken by the Auburn Community Safety Committee (Auburn Council and Police from Flemington Local Area Command) (Figure 21) in October 2001. The audit identified a number of safety concerns and made recommendations to address these issues.

Overall, lighting was identified as the biggest safety concern, with street lighting throughout the main street area being generally poor. The audit recommended that Council assess and improve lighting levels within streets generally. It also recommended that business owners consider lighting their shops internally at night, and that they install, repair and increase under-awning lights in front of their shops.

Visibility and sight lines was another safety concern. The audit team recommended that trees and shrubs obstructing lights or signs need to be trimmed regularly by Council and/or property owners. The audit also recommended that business owners be encouraged to keep their shop windows clear to allow unobstructed sight lines to/from their premises. Clearly visible house/business numbering was also noted as important by the audit team.

Graffiti was identified as a safety concern and the audit recommended that Council and/or building owners remove graffiti as soon as possible. The audit also identified a need for a collaborative response and ownership of these aspects (by Council, police, business owners and residents) is required to address these issues.



Figure 21: extent of Community Safety Audit 2001

Safety - key issues

- lighting is generally poor - needs to be substantially improved
- obscured shop windows - need to be kept clear to maintain good sightlines
- regular trimming of trees/shrubs - needed so lights and signs are not obscured
- prompt graffiti removal - by Council and/or building owners to discourage repeat graffiti
- lack of action - audit completed in 2001 - recommendations have not been addressed

2.12 Community Facilities

Community Centre

A development application has been approved for a community centre in Woodburn Road, with construction of this centre due to commence shortly.



Figure 22: Berala Community Centre

Parks: Jack and Jill Reserve, Tilba Street

Jack and Jill Reserve is within walking distance (approximately 400m) from the main street and station. The Park has a total area of 2917m². Council’s Section 94 Plan has identified two lots, 37 and 39 Tilba Street (known as Lot Z DP 409484 and Lot Y DP 409484 respectively) for acquisition and for the purpose of expanding the park. The acquisition of these two properties would enable the park to be expanded by a further 1042m².



Figure 23: Jack and Jill Reserve

c. Economic Analysis

2.13 Economic Review of Planning Controls (Hill PDA)

In response to a resolution of Council in March 2013, specialist economic consultants, Hill PDA, were engaged by Council to undertake a further study of the Berala area. The purpose of this study was to provide economic advice about the suitability of the development controls applying to the Berala Village study area. Specifically, this study tested whether the existing planning controls that apply to Berala are sufficient, from a development feasibility perspective, to promote renewal and revitalisation within Berala.

In preparing this economic study, Hill PDA undertook market research on the scale and scope of demand for various uses within the study area. This research found:

- In recent years, demand for housing within Auburn City has been growing and spreading geographically from Lidcombe to Berala. This growth has led to a 12% increase in median house prices and a 6% increase in median apartment prices in Berala between June 2012 and June 2013.
- In terms of commercial uses, the food and other commercial uses in Berala have strengthened, as a result of the opening of a full line Woolworths supermarket and associated retail tenancies. The research also found that commercial uses in Berala are limited to local services such as real estate agencies, banks and medical centres (which typically seek to locate on the ground floor) and that there is limited to nil demand for commercial office space above ground floor level.

The Hill PDA economic analysis identified the following development opportunities and constraints within the Berala Study area:

Strengths and Opportunities	Weaknesses and Constraints
Some large sites with good redevelopment potential in the B2 Local Centre Zone i.e. hotel and car park sites	Flooding potential and associated cost implications to development
Growing market attraction to professionals and families	Current market economics
Good rail access to / from the Study Area	Limited development applications for redevelopment
Established village character and retail market	Tightly held retail properties limiting redevelopment opportunities
Limited acid sulphate soils (i.e. Class 5)	Strata titled units on edge of B2 Local Centre Zone i.e. within the R4 High Density Zone limiting redevelopment opportunities
Limited heritage constraints	Community concerns regarding poor quality development
Full line anchor supermarket acts as attractor	
Good level of public car parking in the Centre	

Table 4: Development opportunities and constraints within the Berala Study area

Source: Hill PDA 2013 Economic Review of Proposed Planning Controls for Berala Village (Appendix 4)

To test Council's existing development controls under ALEP 2010, two sites within Berala were selected: one currently zone B2 Local Centre, and one zoned R3 Medium Density Residential. The feasibility of redeveloping these sites under Council's controls was modelled using feasibility software (refer to Appendix 4 for details).

The testing found that both zones would need increased FSRs and heights to make redevelopment feasible in the current market, with an FSR of 3:1 and a height of approximately 17-18m required for the B2 zone, and the R3 zone translated to an R4 zone (with an FSR of 1.5:1 and a height of approximately 16m). However, the consultant study also noted that whilst the Berala community generally supported revitalisation, it did not necessarily support significant increases in built form density across the study area to achieve this outcome (refer to Part 3. Community Engagement).

In addition, the consultant study also commented on two key influencing factors:

- the significant cost of car parking, with the cost increasing with each level of underground parking required; and
- the small difference in land value between existing single storey houses and apartments in Berala in today's market. As a result of this, an increase in development density is often required to offset the additional cost of building apartments to provide sufficient incentives for development to occur (refer to Appendix 4).

The consultant study recommended 2 potential approaches and discussed the implications of each. In summary:

Option 1 Increase the existing controls – in line with the findings of the feasibility testing (details in Appendix 4). This would assist in encouraging development and would help to revitalise the centre.

Option 2 Retain the existing controls – this option would be a 'wait and see' approach and would have a less immediate effect than option 1. This option would be likely to see some redevelopment (ie on less constrained sites), however it would have less apparent revitalisation outcomes across the village centre.

Car parking – as a variation to Option 2, the study also indicated that Council could consider reviewing its requirements for on-site car parking within more accessible locations within the study area, recognising the benefits this could have in terms of development feasibility.

3. COMMUNITY ENGAGEMENT

3.1 Community Engagement Workshops

Two community engagement workshops were held during the preparation of this study (Table 4).

Date/Time	Number of participants	Number of participants from Berala	Participants from other suburbs
Morning Workshop Wednesday 6 July 2011 (10am)	15*	8*	<ul style="list-style-type: none"> • Lidcombe: 2 • Remainder: not specified
Evening Workshop Wednesday 6 July 2011 (6pm)	21*	14*	<ul style="list-style-type: none"> • Auburn: 2 • Lidcombe: 1 • Regents Park: 1 • Remainder: not specified

Table 5: Community Engagement Workshop Details

**figures are approximate as not all attendees completed the registration sheet*

The workshops were promoted to the community via a variety of media including local newspaper, Council's website, and a letterbox drop within the village study area.

The purpose of these workshops was to:

- explain the purpose of the studies and provide an outline of the preliminary research undertaken to date;
- explore opportunities for renewal and revitalisation, with a particular focus on building type, scale and character residents thought would be appropriate for their village in the future; and
- confirm that issues raised in previous forums (particularly the Community Strategic Plan forums held throughout 2010) were being carried through to this study, and would be addressed where appropriate.

At the workshops, Council staff provided a brief summary of preliminary work undertaken to date, including site visits, observations and mapping. Council staff explained the DP&I's classification of centres across Sydney, and particularly, what is meant by a "village centre". Examples of comparable village centres were provided.

Following this, participants were divided into small groups and worked through two activities lead by a Council facilitator. These activities and the outcomes from these activities are outlined in the following section.

3.2 Community Workshop Activities and Outcomes

ACTIVITY 1 – Residential area

For this activity, each group was provided with a map of the study area, showing current zoning under *ALEP 2010*. Each participant was given an A3 sheet with colour-coded illustrated examples (see Appendix 1) of the following different building types:

- Dual occupancy¹⁰ – yellow
- Townhouse/villa – orange
- 2 storey units – pink
- 3+ storey units – red

Participants were given stickers of each colour. They were asked to look at the different building types, and place corresponding stickers on blocks (not individual lots) within the study area where they felt that building type would be suitable. Participants could use as many or as few stickers as they liked, but they were encouraged to place as many stickers as possible onto the maps.

Participants could choose not to place any stickers (or write “no change/status quo”) on certain blocks where they did not wish to see any of the building type options provided.

Outcomes – Activity 1

A visual summary the maps from each of the groups at the Berala workshops is presented on the following page¹¹ (Figure 24). As shown on this map, the location of the different building types (represented by coloured stickers), as placed on the maps by participants, was broadly consistent with the building types which are permissible under the current zoning. For example, 3+ storey units (red stickers) were generally placed in the area currently zoned R4 (north of the station); and the lower density building types, such as dual occupancies (yellow stickers), and villas/townhouses (orange stickers), were generally placed in R2 and R3 zones.

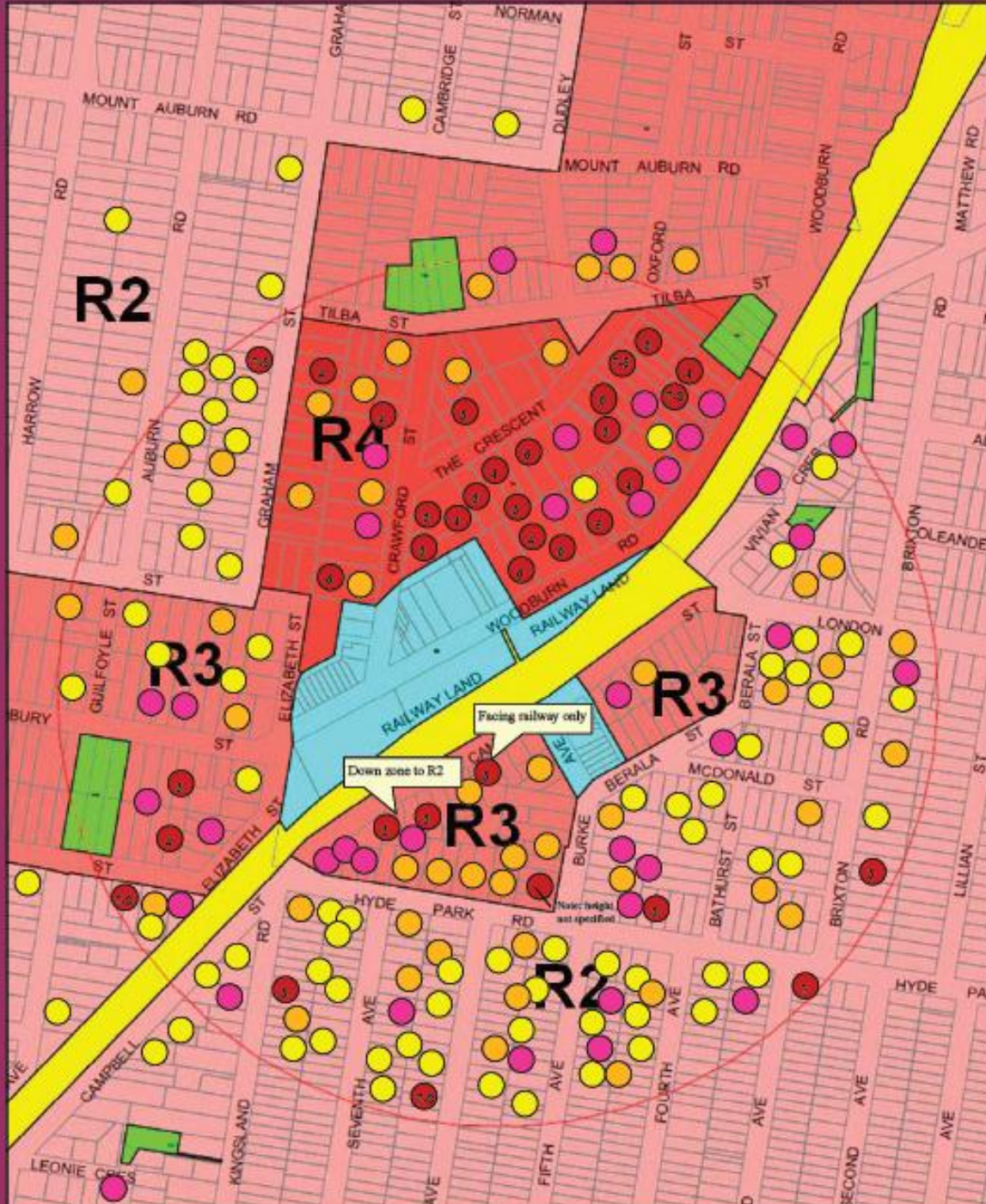
A number of participants indicated they wished to see no change to the existing building types or zoning within the study area.

¹⁰ Note: An option of ‘detached houses’ was deliberately not provided, as this is by far the predominant building type in the study area. An option ‘no change/status quo’ was also not provided to encourage participants to think about the type of revitalisation they would like to see over time.

¹¹ A numerical description of the number of stickers per building type placed in each location on the study area map is also provided in a table in Appendix 2.

ATTACHMENT 2 - Outcomes Activity 1 - Berala Workshops

Berala Activity 1: Residential Areas



General Comments	Key				
<p>*No Change to what we have now" x 10</p>	<table border="0"> <tr> <td data-bbox="821 1881 1037 1915">● Dual Occupancies</td> <td data-bbox="1069 1881 1197 1915">● 2 Storey Units</td> </tr> <tr> <td data-bbox="821 1915 1037 1948">● Villas/Townhouses</td> <td data-bbox="1069 1915 1340 1948">● 3+ Storey Units (number in circle indicates number of storeys - is between 3-8 storeys)</td> </tr> </table>	● Dual Occupancies	● 2 Storey Units	● Villas/Townhouses	● 3+ Storey Units (number in circle indicates number of storeys - is between 3-8 storeys)
● Dual Occupancies	● 2 Storey Units				
● Villas/Townhouses	● 3+ Storey Units (number in circle indicates number of storeys - is between 3-8 storeys)				

Figure 24: Outcomes of Berala Workshops: Activity 1 Residential Area

ACTIVITY 2 – Main Street area

For Activity 2, each group was provided with a large map of the main street area¹² of Berala. Each participant was given an A3 sheet of paper with an illustrated list of elements which can be considered when planning a main street upgrade (such as paving, seating, landscaping, new street lights etc) (refer to Appendix 3). Participants were asked to indicate which elements they would like to see included in their main street area, and write it on the map. Participants were also asked to indicate the type of building heights they thought were suitable for their main street area.

Outcomes – Activity 2

Participants' comments from Activity 2 were analysed and grouped into 6 broad themes. They are summarised below, and illustrated in Figure 25 (over page).

1. *Urban Design/beautification* – this theme received the greatest number of comments (62), with the elements of improved facades/shopfronts and improved street lighting being mentioned most frequently. Other related elements identified by participants included landscaping, footpaths, and public art.
2. *Public Facilities* – this theme received the second highest number of comments (29), with public toilets (7) and a community centre (6) being the most frequently mentioned elements within this theme.
3. *Businesses in demand* (19) – whilst the retail mix of a main street is not something that Council can control, many participants chose to include comments indicating which businesses they would like to see within Berala's main street area. A supermarket (5) and a bank/credit union (5) were the most frequently mentioned, followed by outdoor dining (4) and cafes (3).
4. *Scale of development* – this theme received 17 comments, with the majority of comments (7) indicating a preference for 2-3 storey development within Berala's main street area. Slightly higher heights of 5+ storeys (3) and 3-4 storeys (2) were also indicated by some participants.
5. *Transport and parking* (16) – the most frequently mentioned element under this theme was more parking (9).
6. *Garbage and cleaning* (8) – more bins and cleaner streets were each identified 4 times.

¹² that is, the area zoned B2 Local Centre under ALEP 2010

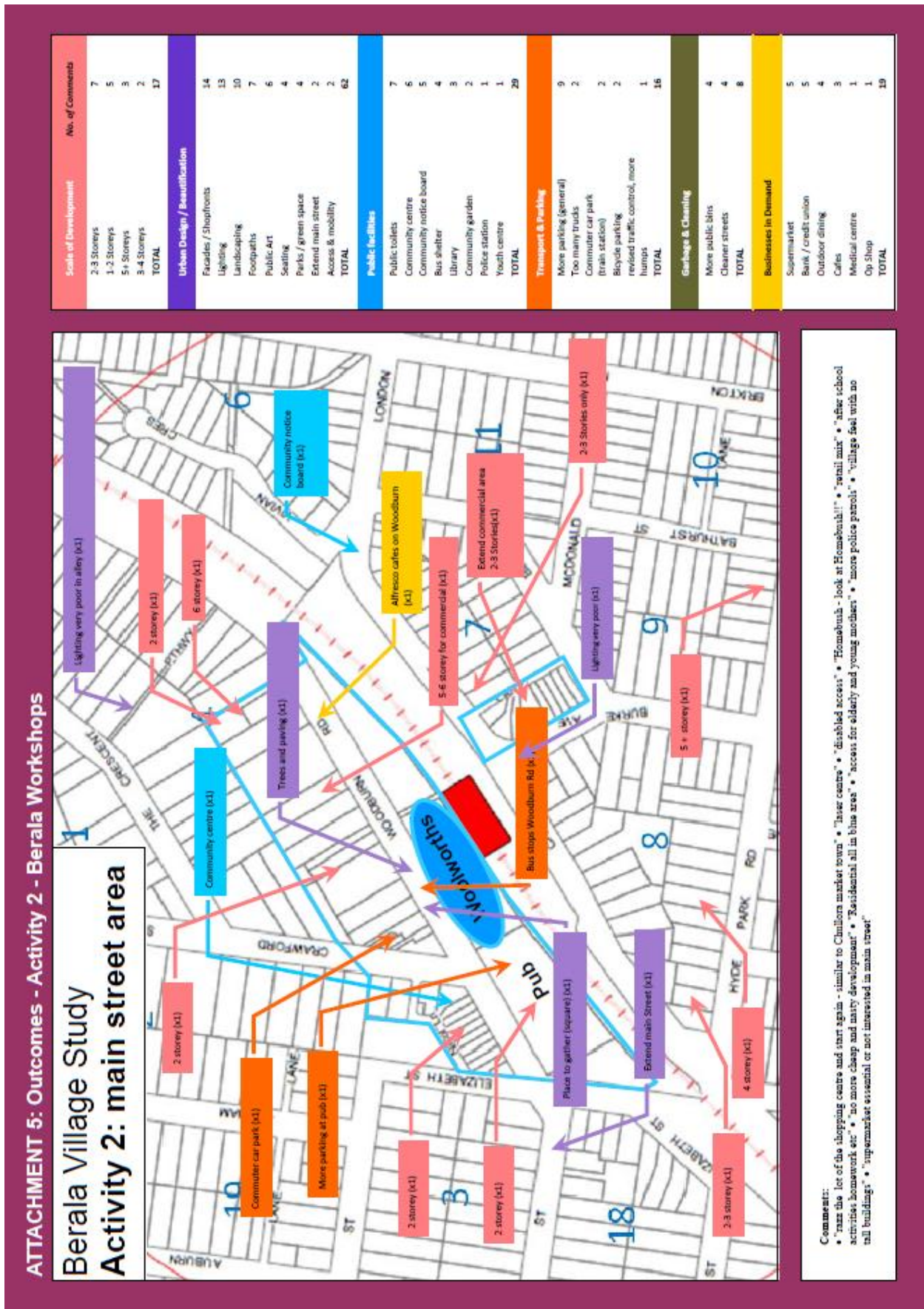


Figure 25: Outcomes of Berala Workshops: Activity 2 Main Street Area

4. ANALYSIS AND RECOMMENDATIONS

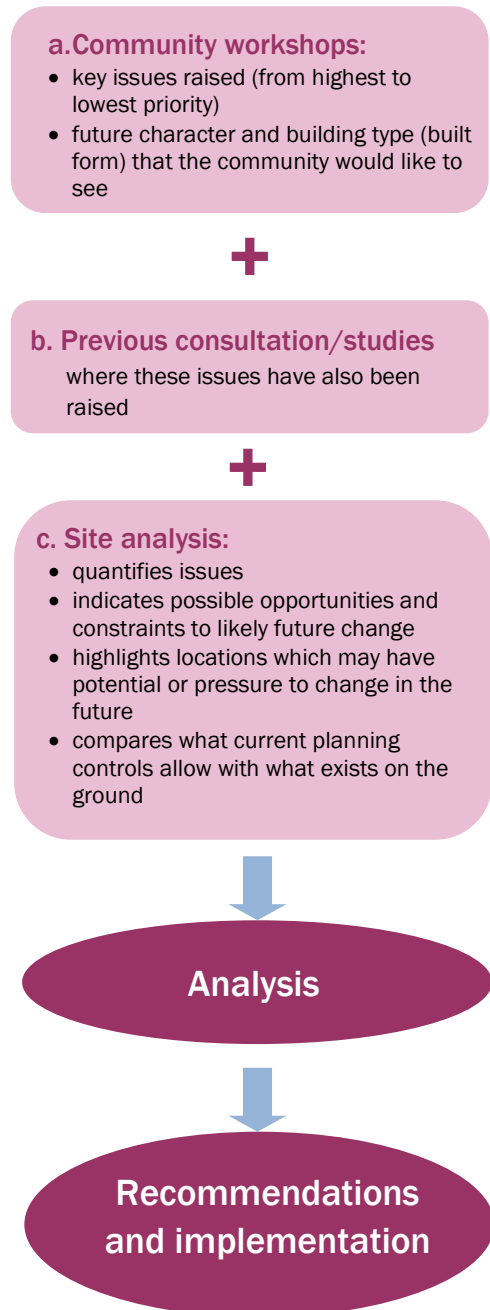
Overview

This part of the study draws together key issues identified during community engagement workshops (detailed in Part 3 of this study), and the issues identified as part of the background research and site analysis (detailed in Part 2 of this study).

The issues raised at the community engagement workshops are analysed in the context of context of previous consultation outcomes and studies. These previous studies and consultation outcomes can highlight the importance of an issue. The 2010 Community Priorities Survey is particularly relevant, given its recent timing, large sample size (relative to overall Auburn City population), and its statistically representative cross section of survey participants across Auburn City.

The issues raised at the community engagement workshops are also analysed in the context of the site analysis undertaken as part of this study. The site analysis quantifies the issues raised by the community in the workshops, particularly the extent or severity of the issue. The site analysis can also indicate possible opportunities or constraints to likely future change, as well as locations which may have potential or pressure to undergo change in the future. In addition, the site analysis compares what is permissible under Council’s current planning controls, with past and recent development that has occurred. This gives insight into potential for future development pressures and scenarios, as well as likely future character.

These issues are analysed and recommendations to address these issues are provided. This part also identifies the key mechanisms which can be used by Council to implement the study recommendations.



Implementing the Study Recommendations

The recommendations made in this study will require a broad range of plans, policies, and decisions to ensure effective implementation. The key mechanisms for implementation are:

- Council's Integrated Planning Framework, specifically the Delivery Program;
- preparation of a public domain plan;
- Council's Planning Controls;
- other Plans and Policies;
- Council's day to day Operations; and
- advocacy – Council's role as an advocate for the community of Auburn City.

These mechanisms are briefly outlined below.

Integrated Planning

Council's Delivery Program (4 year plan) and Operational Plan (one year plan) are the key plans which guide Council's day to day activities and service provision. The content of these plans reflects the broad outcomes of Council's Community Strategic Plan. These plans will be the key mechanisms for implementing a number of recommendations of this study, particularly in terms of prioritising and allocating funding.

Public Domain Plan

Preparing and implementing a public domain plan for Berala's main street area is the single biggest initiative (within Council's control) that Council could implement to bring about improvement in Berala.

The public domain plan will focus on renewing and revitalising Berala's main street area. The public domain plan will aim to address all relevant issues raised within this study. However, some of these issues may not be able to be resolved or incorporated in to the public domain plan due to technical or other competing issues and constraints.

Allocating sufficient funds via Council's Delivery Plan to implement the public domain plan is essential.

Planning Controls

Planning controls (particularly zoning, height and FSR) influence the built form and quality of development in an area, including appearance, liveability and sustainability. In response to the economic analysis of the current planning controls applying to Berala Village Centre, amendments to Council's current planning controls in ALEP 2010 are proposed. The proposed LEP amendments all apply to land with 400-600m radius of Berala Railway Station, in an area that is within comfortable walking distance of public transport. The LEP amendments proposed are considered to be in keeping with the village centre nature of Berala. The proposed amendments are outlined in Section 4.7 of this study.

Other Plans and Policies

Council can also address issues and implement recommendations of this study through detailed plans which focus on a particular aspect. Examples of these types of plans and policies include Bicycle Plans, Youth Strategies, Access Plans, and Street Tree Master Plans. Where applicable, the relevant plan is identified in the recommendations for each issue.

Council's Operations

A number of issues identified in this study fall within Council's ongoing operations and maintenance. Examples include graffiti removal, trimming of trees/shrubs, and waste education initiatives. Council's Outdoor unit can ensure these issues are addressed through their ongoing maintenance and operations.

Advocacy

Issues that fall outside Council's control include services and infrastructure controlled and/or provided by organisations or government agencies other than Council. Examples include provision of transport services (trains, buses) and transport infrastructure (bus shelters, station access). Council can advocate for improved service and infrastructure provision by lobbying the appropriate service provider.

Analysis of the key issues and recommendations are detailed on the following pages.



4.1 Demographics

Issue

Aged care and support for disabilities

- Need for aged care and support for people with a disability was identified in the Community Priorities Survey and Community Strategic Plan (CSP) forums in 2010.

After school activities

- A need for after school activities and homework help was identified during community engagement sessions for this study and also during CSP forms in 2010. Berala Public School is currently one of the largest primary schools in NSW. The proportion of young people (aged 0-15) in Berala is expected to increase by 4.6% by 2021.

Recommendations

Council Plans and Policies

Delivery Program

- Continue to implement Council's lifelong learning program in Berala (using parks and Berala Public School as the venue until the community centre is constructed)
- Develop a Community Access Plan (Disability Action Plan) for Auburn City in consultation with local community, Council and key stakeholders.
- Implement public domain improvements, particularly improved footpath surfaces, pedestrian connections, and street lighting, as part of an integrated public domain plan for the village centre.

Advocacy and Interagency Initiatives

- Continue to apply for grant applications to increase resources and services into the area, including Homework Help resources and other after school programs.
- Implement Auburn Youth Strategy in partnership with key stakeholders.
- Continue to expand partnership boundaries to Berala and surrounding suburbs.

Other Strategies

- Community Development to implement Council's Community Development Aged and Disabilities Program (this includes: advocacy, information and referral, provision of subsidised accommodation for local Seniors and People with a Disability, and Council's Access Committee)
- Provision of up-to-date information regarding Aged Care and support services for people with a disability, eg on Council's website.
- Census data to Inform future revisions of Pedestrian Access and Mobility Plan (PAMP)

4.2 Physical Environment

Issue

Street trees

- Residents raised concerns about the need for street trees to be taken care of, especially the heritage listed trees.
- In preparing the Community Strategic Plan 2021, resident feedback indicated more trees should be planted across Auburn City.

Flooding

- Parts of Berala are identified as being flood affected (refer to Section 2.2).

Recommendations

Council Plans and Policies

Delivery Program

- Undertake street tree planting in accordance with Council's forthcoming *Street Tree Master Plan* and *Tree Strategy* (once completed)
- Program street tree planting into the Delivery Program on an annual basis

Draft Auburn City Council Tree Policy and Framework Plan

- Supporting documents, once prepared, (*Tree Strategy* and *Street Tree Masterplan*) acknowledge the significance of heritage listed Brush Box trees along Lidbury Street

Other Strategies

- Council to encourage tree preservation and planting through community awareness initiatives.
- Flooding needs to be addressed by applicants (as applicable) when lodging DAs (in accordance with the controls in ALEP 2010 and ADCP 2010).

Note: An LGA-wide Flood Study is being prepared.

4.3 Land use and Subdivision Pattern

Research on the existing land use and subdivision pattern was included as part of this study (Part 2) as background information to help inform the Built Form and Character section. Much of the existing R4 zoned land is strata subdivided, which is typical in a high density zone. This strata subdivision pattern will constrain redevelopment in the R4 zone to some extent, however, this is not considered to be a major concern given the small population increase anticipated over the next 10 years, and the development capacity which exist within the R3 zones. Thus, there are no specific issues or recommendations detailed here.

4.4 Built Form and Character

Issue

Maintain village feel and character

- Desired future character: participants in the community engagement workshops consistently expressed a desire for Berala to maintain a village feel and character. Participants at these workshops also voiced strong community opposition to overdevelopment and 'high rise' development (for example many participants indicated a wish to see maximum height of 2 storeys).

Cleanliness and community pride

- Improve cleanliness of streets and better address illegal dumping.
- Need for greater community pride

Heritage

- Better protection of heritage items.

(Note: both Berala Station and Berala Public School are relatively well protected as they fall within the portfolios of Railcorp/City Rail and the NSW Department of Education, as well as being listed in the Auburn Local Environmental Plan 2010, and the Heritage register of NSW Office of Environment

Recommendations

Council Plans and Policies

Delivery Program

- Include implementation of Berala Public Domain Plan in the capital works program for 2015/16.

Public Domain Plan

- That a detailed public domain concept plan be prepared and implemented. (It is anticipated that the scale of public domain improvements will reinforce and revitalise the village feel and character of Berala).
- Incorporate aspects of local history and heritage into the public domain plan, as appropriate.

Advocacy and Interagency Initiatives

- Work with community groups such as "Berala on the Park" and Council's Community Pride Task force to plan and implement activities focusing on Berala.
- Council to continue to facilitate activities and programs (such as the Fabulous Creatures Public Art Project) that promote community participation and pride.

Other Strategies

- Council continue to implement illegal dumping prevention initiatives.
- Continue to develop and implement activities that encourage community participation and pride, including a community pride event.

Residential Area

4.5 Residential Planning controls

Issue

Consistent community opposition to changes to current zoning.

- Strong opposition to high rise development and overdevelopment, and any changes to the current zoning within the study area has been consistently voiced by residents at:
 - the community engagement workshops undertaken for this study;
 - the CSP community forums in 2010; and
 - the People for a Better Berala local action group survey in 2001.

Are Council's current planning controls sufficient to encourage revitalisation?

- the economic analysis undertaken by Hill PDA tested Council's current controls under ALEP 2010 (Section 2.13 and Appendix 4).

Recommendations

Council Plans and Policies

Auburn Local Environmental Plan 2010

- Refer to Section 4.7

Note: analysis of the existing residential zones within the study area is provided on the following pages. Analysis of the B2 Local Centre zone is provided in Section 4.6.

Section 4.7 – *Proposed Rezoning Scenario* draws together the analysis from Sections 4.5 and 4.6, and provides a recommendation.

Residential Analysis

R2 Zoned land
 The R2 zoned land is almost completely unstrata subdivided (which is typical of this type of zone).
 Whilst further away than the R3 and R4 zoned land, the R2 zoned land has relatively good access to Berala station. Proximity to the 908 Bus route varies.
 Part of this R2 zoned land is flood prone, however as outlined in the R4 zone above, this would not prevent future redevelopment.

R3 Zoned land
 Some of the R3 zoned land around York Park is strata subdivision. The other R3 zoned land (around Jack and Jill Reserve to the north, and the land south of the railway line) has little strata subdivision. This is not typical this type of zone, where townhouse and villa developments are allowed.
 The R3 areas have varying proximity to Berala station, with the York Park area and the R3 area immediately south of the railway line falling within the 400m catchment. Proximity to the 908 Bus route also varies, with the R3 land around York Park located furthest from the 908 bus route.
 Part of this area is flood prone, however, as with the R4 land this would not prevent future redevelopment (and could be addressed at the development application stage).

R4 Zoned land
 The R4 zone is heavily strata subdivided (this is typical of this type of zone, which allows unit development).
 This area has good access to Berala station as well as the 908 Bus route. Part of this area is flood prone. Whilst this may deter some redevelopment (through additional costs), it would not prevent future redevelopment (and could be addressed at the development application stage).

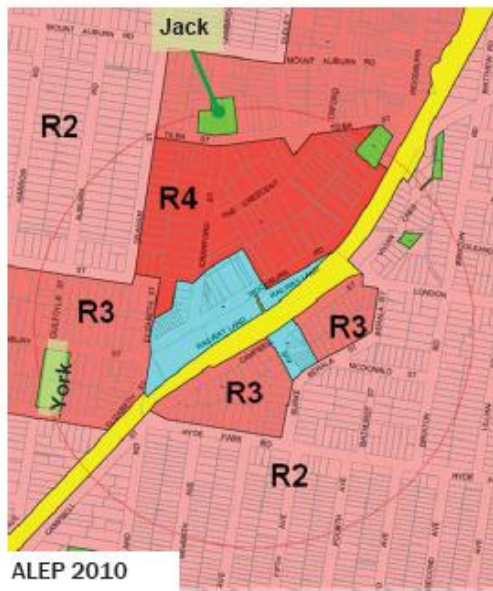
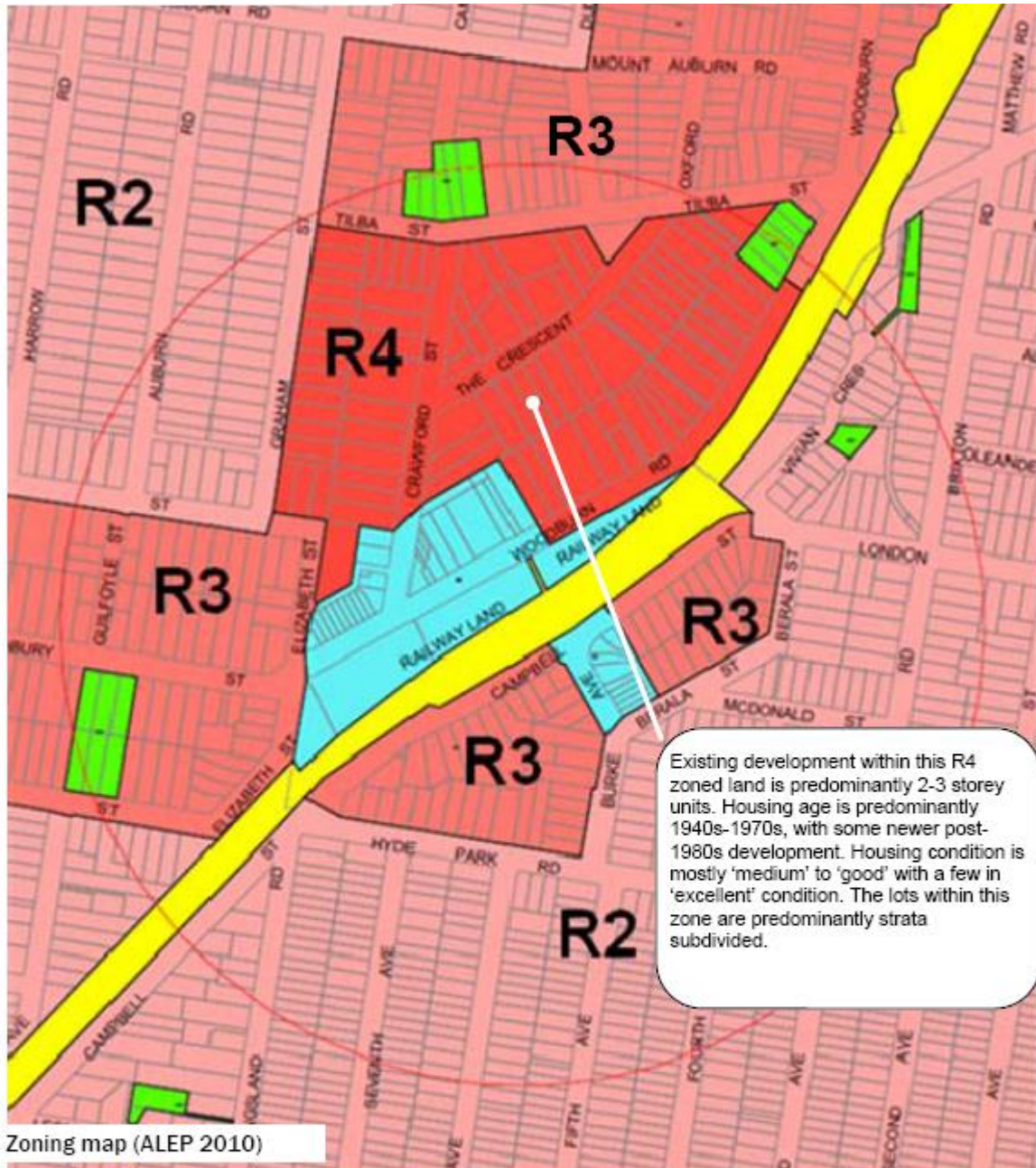


Figure 26 - Opportunities and constraints analysis



Zoning map (ALEP 2010)



Building type and height



Building age



Building condition

Figure 27 - Analysis of R4 zoned land

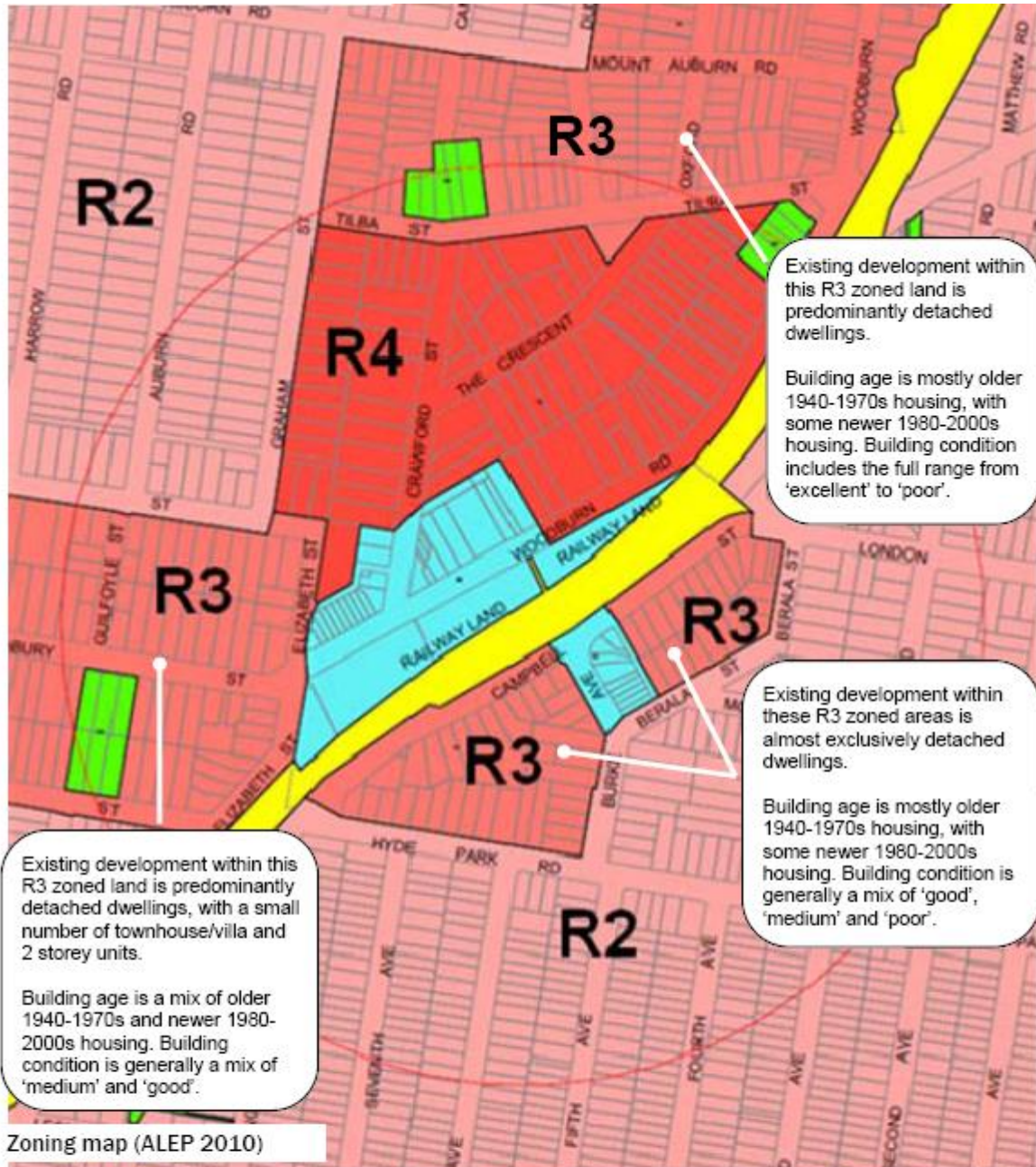


Figure 28 - Analysis of R3 zoned land

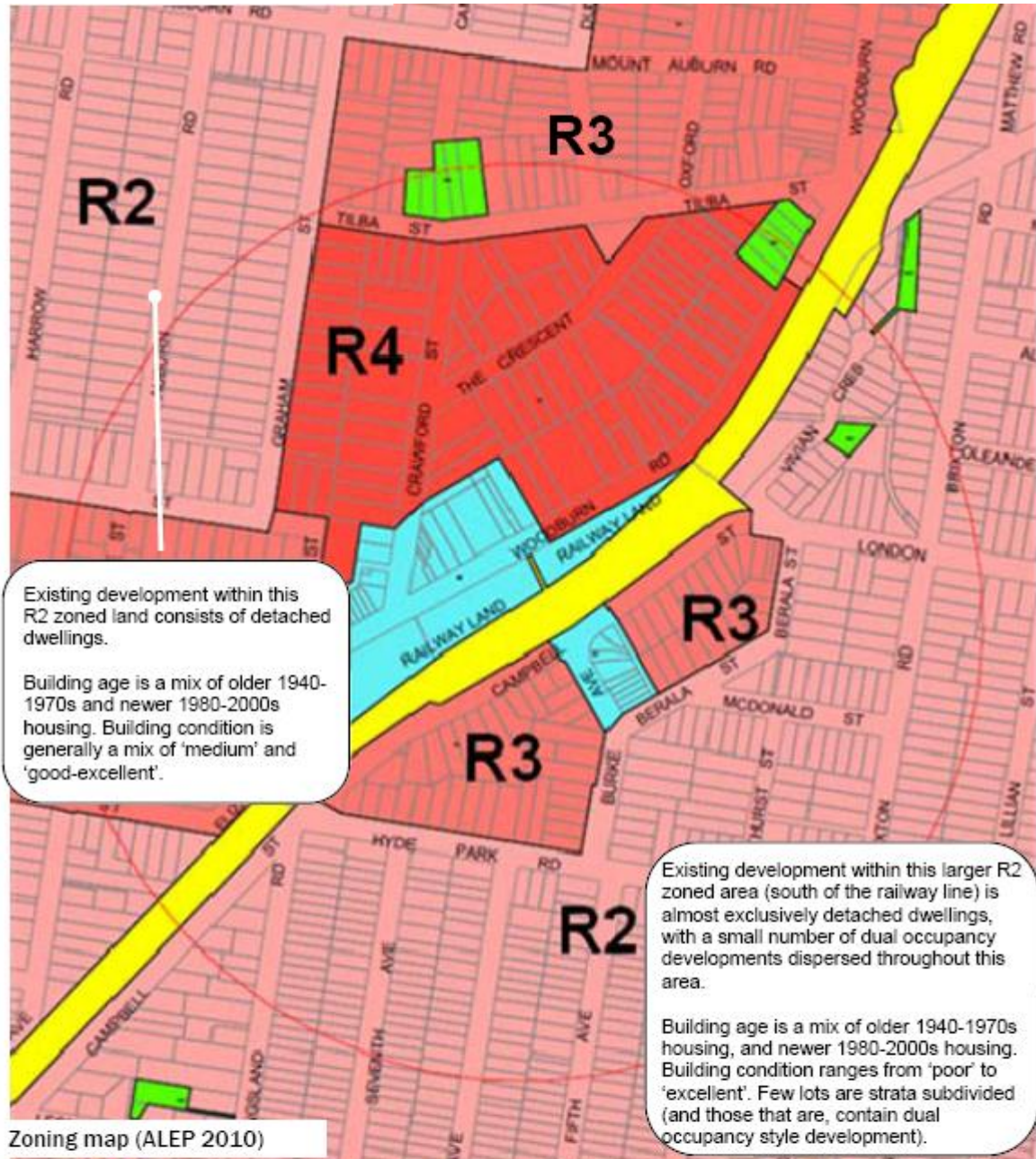


Figure 29 - Analysis of R2 zoned land

b. Main Street area

4.6 Main Street Area Planning Controls and Built Form

Issue

Revitalisation of Berala's Main street area

- This has been raised as an issue consistently in various community forums over the past 10 years, including the community engagement sessions undertaken as part of this study. Public domain improvements will bring about significant community benefit, with flow-on effects for local businesses.
- the economic analysis undertaken by Hill PDA tested Council's current controls under ALEP 2010 (Section 2.13 and Appendix 4).

Recommendations

Council Plans and Policies

Auburn Local Environmental Plan 2010

- Refer to Section 4.7

Public Domain Plan

- Prepare and implement public domain plan.

Other Strategies

- Prepare and implement a **façade upgrade program** (see summary below).

Facade Upgrade program

Façade upgrade programs generally involve business applying for matched (dollar for dollar) funding from Council to undertake façade improvement works. In Australia funding is typically in the order of \$500 per property (City of Canterbury), to \$1,500 per property (Bankstown City Council), and up to \$4,000 per property (Liverpool City Council). American examples generally provide higher levels of funding per property.

Façade upgrade programs generally specify a list of eligible works and excluded work, such as:

Examples of eligible works	Examples of excluded works
<ul style="list-style-type: none"> • front façade improvements, including painting, façade repairs (cleaning of brickwork, repair/replacement of tiles), and removal of architecturally inappropriate or incompatible finishes and materials • replacement/renewal of awnings • repair/install new exterior lighting (particularly under awning lighting) • expansion or replacement of windows that face the street • design changes that encourage "eyes on the street" 	<ul style="list-style-type: none"> • interior improvements, including window displays • security systems • routine maintenance • roofing • fencing • work that has already been undertaken (ie funding would not be retrospective)

Table 6: Examples of façade upgrade program eligible and excluded works

Some programs also include façade improvement guidelines which encompass colour schemes and architecturally appropriate guidelines for the centre.

Participants are required to submit plans (including costs) and have these approved as part of their grant application. Participants are also typically required to remove illegal and/or excessive signage, including bill posters, as a condition of the program.

Such a program has many benefits for businesses, the community and Council. Benefits may include:

- significantly improved look and feel of the village centre
- shared sense of ownership as businesses contribute to the upgrade of their properties while Council prepares and implements a public domain plan to upgrade the public areas of Berala's main street area
- improved business as a result of more visitors to the main street area, and visitors spending longer time in the area per visit
- potential increases in property values
- positive longer term effects on businesses which may not initially participate in the program, but may undertake their own façade improvements after the program ends
- protection of individual business investments by contributing to a strong and attractive main street area
- Increase the overall safety of the village centre, through well presented, well lit shop facades, which allow good passive surveillance and "eyes on the street".

A detailed business case would need to be developed and presented to Council.

4.7 Proposed Rezoning Scenario

The proposed rezoning scenario (below and on the following pages) has been guided by the recommendations of the further study by Hill PDA (Appendix 4), as well as key planning principles.

Issues

(as outlined in Sections 4.5 and 4.6)

Community desire to maintain the village scale and character of Berala

Revitalisation of Berala's Main street area

Are Council's existing controls sufficient to encourage revitalisation of Berala Village Centre?

Recommendations

Council Plans and Policies

Auburn Local Environmental Plan 2010

- Consider proposed rezoning as per the scenario on the following 2 pages – which involves a modest expansion of the B2, R4 and R3 zones within the Berala Village study area, and proposed associated LEP amendments.

Planning Principles

The following planning principles have also guided the proposed rezoning scenario:

- *Flood affected land* – parts of Berala are identified as being flood prone (including high and medium flood risk). Land most severely affected by flooding has generally been excluded from this proposed rezoning scenario.
- *Proximity to public transport* – all land included in the proposed rezoning scenario is within 400-600m of Berala railway station, and is within walking distance to Berala shops. Rezoning land in such an accessible location is both consistent with State government policy framework, and also encourages the use of public transport.
- *Transition and interface with adjoining zones* – the proposed rezoning scenario seeks to ensure a suitable transition between adjoining zones. The proposed scenario sees the B2 zoned area generally adjoining land zoned R4 High Density, with R3 medium density zoned land generally proposed between the R4 and R2 zones, creating an area of transition. The proposed height and FSR changes have been guided by the Hill PDA economic study (Appendix 4).

As part of this scenario, it is proposed that a small area of land to be rezoned to B2 (on the southern side of the railway line) denoted with hatching, have a lower height and FSR than the remainder of the B2 zone. This is to ensure an appropriate transition in scale and density, and also reflects this area's likely role as a more secondary, peripheral retail part of the village centre.

- *Village character* – the proposed rezoning scenario is considered to be consistent with the scale of a village centre. In particular, the proposed increase in R3 zoned land on the southern side of the railway line could allow future redevelopment including townhouses and villas, providing greater diversity of local housing supply within an easy walking distance of Berala shops and station.

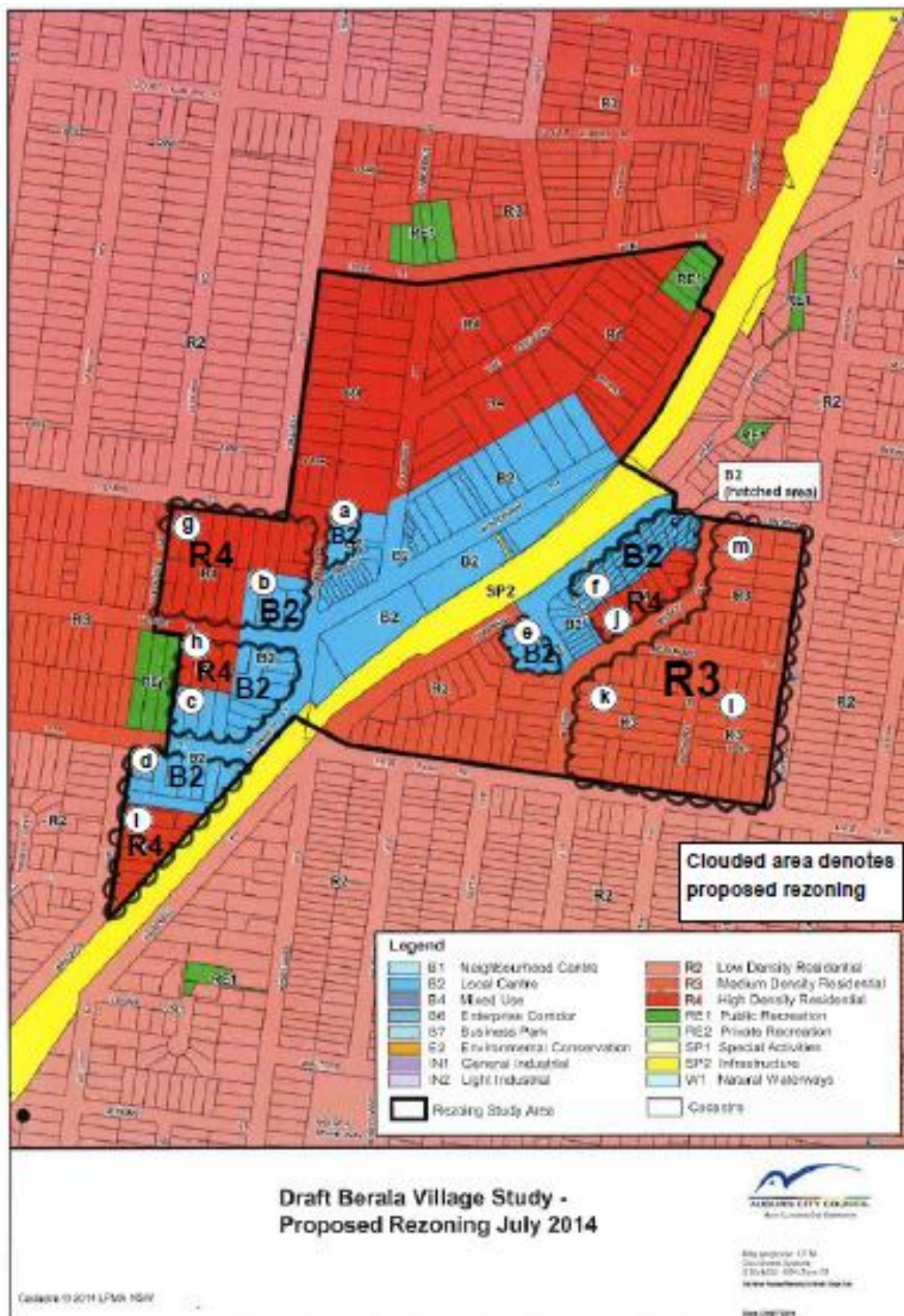


Figure 30: Proposed Rezoning Scenario

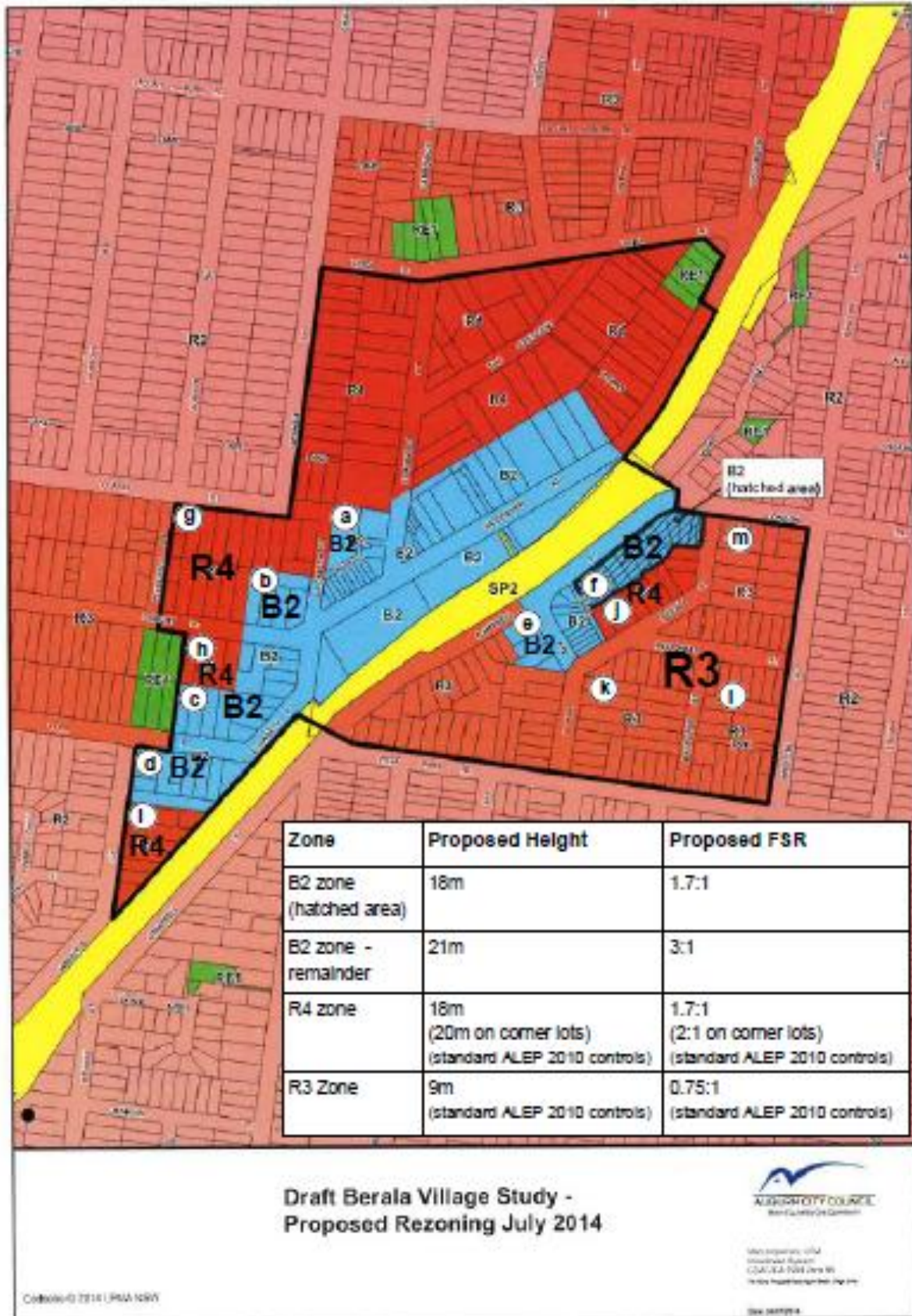


Figure 31: Proposed rezoning Scenario – associated LEP amendments

4.8 Access and Movement

Issue

General accessibility

- Lack of disabled parking spaces
- Lack of Taxi Rank
- Poor Footpath conditions in places (eg pedestrian path between Tilba St/The Crescent and Woodburn Road)
- Poor lighting of public paths and spaces
- Need for revised traffic control, including more speed humps
- Need for improved bicycle infrastructure
- Improve bicycle links between key destinations (eg. Berala Station, Auburn Hospital and Berala Public School).
- Need for improved Community Transport

Public transport accessibility

- Lack of lift and disabled access at Berala Train Station
- Buses:
 - Lack of Bus stop near Auburn Hospital
 - No Bus Services on Sundays
 - Bus shelter needed

Recommendations

Council Plans and Policies

Delivery Program

- Include funding for public domain plan implementation
- Prioritise review of Council's Bicycle Plan
- Continue to provide Community Transport to and from Council activities/events for Berala residents where possible.

Public Domain Plan

- That the following issues be considered in the preparation of the Public Domain Plan:
 - Improved pedestrian paths and footpath surfaces
 - Need for disabled parking space/s and taxi rank
 - Upgraded street lighting
 - Pedestrian crossings and other traffic control measures

Bike Plan

- Review bike paths in the Berala area as part of Bicycle Plan review

Community Access Plan

- Prepare Community Access Plan, including updated Mobility Map for Berala

Advocacy and Interagency initiatives

- Continue to convene Council's Auburn Community Access Committee
- Council's Auburn Community Access Committee to:
 - lobby Transport for NSW for improved access (e.g. lift) at Berala Station.
 - liaise with Veolia Transport (about possible hospital bus stop and service on Sundays)

Other Strategies

- promote Council's Community Loop Bus and the various Community Transport initiatives provided by local services to residents.

4.9 Retail Mix

Issue

General retail mix, including lack of banks/financial institutions

- Participants at community workshops undertaken as part of this study expressed a desire for greater retail mix within Berala. The “suitability of local shops” was the third highest factor influencing overall community satisfaction within Auburn City in the *2010 Community Priorities Survey*.
- Lack of banks has also been identified as an issue in previous consultation events.

Note: Council cannot control the retail mix of a centre. However, initiatives such as a public domain upgrade may assist in revitalising Berala’s village centre, by creating a more attractive environment

Outdoor Dining

- Participants at the community workshops indicated that outdoor dining would make a positive contribution to Berala.

Note: Council currently has an outdoor dining policy in place. This policy was substantially revised in 2009 and is updated annually. This policy sets out what business owners/operators need to do if they wish to apply for an outdoor dining licence.

Recommendations

Council Plans and Policies

Public Domain Plan

- Council can investigate footpath areas which may be suitable for future outdoor dining, during the preparation of a public domain plan. If viable, any such areas can be incorporated into the concept design.

Outdoor Dining Policy

- Continue to review Council’s outdoor dining policy annually

Other Strategies

- The recent Woolworth’s development may attract banks or credit union services and Council would certainly encourage this through the DA process.

4.10 Public Domain

Issue

The Public domain of Berala's main street area needs revitalisation

The following public domain aspects were highlighted by participants at the community workshops:

- it lacks seating, and an attractive public space for people to gather
- more soft landscaping (trees, planting) is required
- footpath surfaces and condition varies greatly throughout the main street area,
- public art would improve the look and feel of the centre
- a number of shops do not have disabled access
- streets need to be cleaner
- more garbage bins are needed
- obscured facades/shopfronts: there is a need to minimise the number passive, inactive and hostile facades, converting as many of these as possible to 'active' facades.
- A public toilet is needed
- A community notice board is needed

Lighting is addressed in 4.10 safety.

Recommendations

Council Plans and Policies

Public Domain Plan

- Council can consider these aspects and incorporate into the public domain plan, where possible.

Other Strategies

- Continue community education waste and prevention of illegal dumping initiatives.
- Develop and implement a public art project focusing on the Berala community
- Hold a Community Pride event in Berala
- The Woolworths Development includes a toilet; however additional options can be investigated as part of the public domain plan.
- Prepare and implement a facade upgrade program.

4.11 Safety

Issue

Lack of implementation of recommendations of Community Safety Audit, including:

- Need for improved street lighting
- Graffiti removal
- Trimming of trees/bushes/shrubs obscuring signs or sightlines
- Greater police presence

Recommendations

Council Plans and Policies

Delivery Plan

- Include funding for implementation of recommendations of future community safety audits.

Public Domain Plan

- The public domain plan can review street lighting to ensure lighting levels within the village centre meet current Australian Standards.

Advocacy/Interagency Initiatives

- Comments about the need for greater police presence in Berala can be referred to the NSW Police for consideration

Other Strategies

- Continue Prompt graffiti removal
- Encourage residents to report graffiti
- Encourage residents to report council of the faulty or lights that are not working to the relevant energy authority.
- Regular trimming of trees/shrubs – problem areas identified and incorporated in Council's regular maintenance schedule
- Encourage residents to notify Council and/or Police of safety concerns

4.12 Community Facilities

Issue

Lack of a community facility

- The community has identified the urgent need of a community centre in previous consultations over a number of years, as well as in the consultation undertaken for this study. Council libraries were the third most important Council service for Berala participants in the 2010 Community Priorities Survey.

Parks and playgrounds

- Better local parks and play equipment, and the need for more green space was identified as an issue by participants in consultation undertaken for this study, and for the CSP in 2010.
- In the Community Priorities Survey (2010), maintenance of local parks and playgrounds was identified by Berala participants as the most important service provided by Council in the Community Priorities Survey 2010.

Recommendations

Council Plans and Policies

Delivery Plan

- Community Facility be constructed in Berala in Woodburn Road
- Council allocate funds for the ongoing maintenance and operational cost of this facility

Public Domain Plan

- The public domain plan focuses on providing quality public spaces (for example well landscaped places to sit) within Berala's main street area

Other Strategies

- NOTE: Council's annual Operational Plan includes rolling upgrades of Council's parks and playgrounds

4.13 Other

Issue

Provision of information to residents

- The provision of information to residents. This was the biggest influence of overall community satisfaction in the 2010 Community Priorities survey.

Recommendations

Council Plans and Policies

Delivery Plan

- Undertake a Community Priorities Survey approximately every 2 years so that a statistically accurate comparison between community satisfaction over time can be made

5. CONCLUSION

5.1 Summary

Over the next 10 years Berala's population, and the type of residential development, is anticipated to remain relatively consistent and stable.

In terms of Berala's main street area, it is anticipated that the Woolworths development will continue to stimulate retail activity in Woodburn Road, and is likely to be a catalyst for attracting more diverse local retailers/mix of retail development. In addition, there is a need to improve the quality of the public domain in this area, particularly paving, landscaping and places to sit. Council will address these issues through its forthcoming public domain improvement plan. Key messages emerging from the community engagement workshops were the need to improve the appearance of Berala's main street area, and the need to retain a village atmosphere. The public domain plan will seek to address these issues.

The most likely type of residential redevelopment is expected to be incremental, small scale redevelopment dispersed across the residential part of the study area. It is expected that redevelopment will predominantly comprise 'knockdown-rebuild' of primarily detached dwellings, construction of secondary dwellings (such as granny flats), with smaller scale unit development also anticipated. Key issues emerging from the community engagement workshops included strong opposition to over development and 'highrise' development, and a need to improve the cleanliness of streets.

This study recommends that Council's current planning controls in *Auburn Local Environmental Plan 2010* are modified to include small expansions of the B2 Local Centre, R4 High Density Residential, and R3 Medium Density Residential zones. Increases in height and FSR are also proposed for the B2 Local Centre zone. These proposed amendments relate to land that is within 400-600m of Berala Station, in a location with good access to public transport, and within walking distance of the shops.

5.2 Priority Actions

Of all the actions recommended in Part 4 of this study, the actions listed below stand out as the highest priority. These actions are highlighted because they have the strongest relationship to the issues identified by the community. They represent potentially the greatest benefit for the community and greatest return for Council, based on all the research, community engagement and analysis undertaken as part of this study.

Table 6 (below) identifies how these priority recommendations align with key outcomes in Council's Community Strategic Plan.

Recommendation	Alignment with Community Strategic Plan outcomes	Implications
Council Services and Programs		
That a public domain plan for Berala be prepared and implemented	Our Places: <ul style="list-style-type: none"> attractive public spaces and town centres Our Community <ul style="list-style-type: none"> Promotion of community pride 	<p>Preparation of a public domain plan for Berala is identified in Council's Operational Plan for 2014/15, with implementation to follow in subsequent years.</p> <p>Allocation of funding for the implementation (construction) phase is critical to the success of this project.</p>
Prepare and implement a facade upgrade program for Berala's main street area	Our Places: <ul style="list-style-type: none"> attractive public spaces and town centres high quality urban development Our Community <ul style="list-style-type: none"> Promotion of community pride 	A business case can be prepared to explore options for facade upgrade incentives for private property owners within the town centre.
Council prepare a planning proposal to achieve the ALEP 2010 amendments proposed in this study (as per Appendix 5).	Our Places: <ul style="list-style-type: none"> attractive public spaces and town centres high quality urban development 	The recommended ALEP 2010 amendments proposed in the revised study follow the additional consultant study and economic analysis of the Berala Village Centre. The proposed amendments all apply to land that is within 400-600m of Berala Station. The scale of the proposed amendments is considered to be broadly consistent with village scale and character, which was identified by the community as important.
Advocacy and Interagency Responsibilities		
Provision of improved access (eg a lift) at Berala Station	Our Places: <ul style="list-style-type: none"> Movement of people that is safe, accessible and efficient 	Council's Transport Working Group should continue to advocate for improved access at Berala Station.

Table 7: Priority Recommendations

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Appendices

APPENDIX 1:

Activity 1 key sheet – Berala Community Engagement Workshop

ACTIVITY 1 : residential areas

Housing types

<p>Dual occupancy</p>  	<p>4 storey units</p>  
<p>Town House/Villa</p>  	<p>5-6 storey units</p>  
<p>2 Storey units</p>  	<p>7-8 + storey units</p>  
<p>3 Storey units</p>  	

Explanation
There are 5 stickers of each colour representing different development types (so 20 stickers per person). Stick them on the map to show areas where you think different housing types should occur.

Parameters

- Place the stickers on a block on the map (ie not an individual lot).
- You may put more than one sticker on a block (some blocks are quite big, some are smaller).
- You don't need to use all your stickers
- Red stickers are for units 3 stories and above. If you are using a red sticker, please write the number of stories (ie 3, 4, 5, 6, etc) on the sticker.
- You can't swap or trade your stickers
- Aim to achieve a mix of housing types - for example so that you could continue living in the area in a smaller house (eg a villa) as you get older, and so that a mix of different family types could live in the area.

When locating your different types of housing, consider the following:

- current zoning (shown on activity map)
- existing building types (shown on coloured map)
- how close the block is to a park
- how close the block is to the station
- how close the block is to the shops + schools
- how close the block is to a bus stop

If anything is unclear, ask questions and discuss with the facilitators.

APPENDIX 2:

Table detailing numerical outcomes of Activity 1 – Berala Community Engagement Workshop

Location (description)	Current zoning under ALEP	Building Type (and sticker colour)	Number of Stickers on map
<i>North of Railway Line</i>			
Land bound by Harrow Road to the west, Graham Street to the east, Mouth Auburn Road (including areas on both sides of this street) to the north, and Clarke Street to the south (and including Auburn Road)	R2	Dual occupancy (yellow)	16
		Villa/town house (orange)	4
		7-8 storey units (red)	1
York Street to the north, Park Road to the west, and Wrights Avenue/railway line to the south east	R2	Dual occupancy (yellow)	3
		Villa/town house (orange)	1
		2 storey units (pink)	1
		7-8 storey units (red)	1
Land bound by Clarke Street to the north, Elizabeth Street to the east, York Street to the south, and Park Road to the west	R3	Dual occupancy (yellow)	6
		Villa/town house (orange)	3
		2 storey units (pink)	4
		3 storey units (red)	1
		4 storey units (red)	1
Land bound by Mt Auburn Road to the north, Tilba Street to the south, the railway line to the east and Graham Street to the west (ie the land around Jack and Jill Park)	R3	Villa/town house (orange)	4
		2 storey units (pink)	2
Tilba Street to the north, Woodburn Road to the south, the railway line to the east, and Graham Street to the west (and including The Crescent and Crawford Street)	R4	Dual occupancy (yellow)	2
		Villa/town house (orange)	8
		2 storey units (pink)	9
		3 storey units (red)	4
		4 storey units (red)	7
		5-6 storey (red)	9
		7-8 storey (red)	2

APPENDIX 2 (continued)

Location (description)	Current zoning under ALEP	Building Type (and sticker colour)	Number of Stickers on map
<i>South of Railway Line</i>			
Land bound by Hyde Park Road to the north, Campbell Street to the west, Third Avenue to the east, and (approximately) Walters Road to the south (and including Fourth, Fifth, Sixth and Seventh Avenues)	R2	Dual occupancy (yellow) Villa/town house (orange) 2 storey units (pink) 3 storey units (red) 7-8 storey units (red)	32 10 7 1 2
Bound by Berala Street and the railway line to the north east, Brixton Road (both sides) to the east, and Hyde Park Rd to the south (and including Vivian Crescent, London Road, McDonald and Bathurst Streets)	R2	Dual occupancy (yellow) Villa/town house (orange) 2 storey units (pink) 3 storey units (red)	17 11 10 2
Land bound by the railway line to the north east, Hyde Park Road to the south, and Berala Street to the east and south east, (excluding the land zoned B2 local centre)	R3	Villa/town house (orange) 2 storey units (pink) 3 storey units (red) 3+ storey units (red) – height not specified	9 5 3 1

Number of participants who indicated they wished to see no change to existing building types/zoning: approximately **10**

APPENDIX 3:

Activity 2 key sheet – Berala Community Engagement Workshop

ACTIVITY 2: the main street area		What would you like to see?	
	more trees/landscaping		upgraded facades, neat shopfronts
	more places to sit		supermarket
	more bins		bicycle parking
	new/clean paving		outdoor dining
	parking		more/better street lights
			bus shelter
			public toilet
			public art
			Council/community notice board
			Extend main street area
			Other?
		HEIGHT OF DEVELOPMENT  2-3 storeys  4 storeys  5-6 storeys  8+ storeys	

ACTIVITY 2: the main street area

What would you like to see?

Activity

Looking at the examples listed on the main street key sheet write down the things you would like to see considered in Council's future main street upgrade public domain) concept plan.

Parameters

- Use a different yellow sticky note for each idea, and stick them onto the main street map, close to where you would like to see them.
- Focus on the things that you feel your main street area needs the most, bearing in mind that the concept plan will need to align with Council's budget for this project.
- Make sure you include a sticky note which indicates the types of **building heights** you think would suit your main street area. These heights might vary throughout the main street area.

Feel free to ask questions of the facilitators and please write any additional related comments and stick them to your map also.

Appendix 4

Hill PDA further Study

Auburn City Council 2012

www.auburn.nsw.gov.au



Economic Review of Proposed Planning Controls

Berala Village

DRAFT

Prepared for

Auburn City Council

September, 2013



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APPENDIX

Appendix 1 – Modelling Assumptions

Appendix 2 – Development Feasibility Summary Sheet

ABBREVIATIONS

NPV – Net Present Value

RLV – Residual Land Value

LEP – Local Environmental Plan

DCP – Development Control Plan

DEFINITIONS

Existing Improvement Value: the value of an asset based on the continuation of its existing use, assuming the asset could be sold as part of a continuing business regardless of whether that use represents the highest and best use.

Net Present Value (NPV): the measure of the difference between the discounted revenues, or inflows, and the costs, or outflows, in the DFC analysis.

Residual Land Value: This is the purchase price of the land whilst achieving a zero Net Present Value (NPV).

Development Profit: Total revenue less total cost including interest paid and received.

Development Margin: Profit divided by total development costs (including selling costs).

EXECUTIVE SUMMARY

Following Auburn City Council's resolution on 3rd April 2013, this Study was commissioned to provide economic and commercial advice concerning the suitability of the development controls that apply to Berala Village Centre and its 600m radius (the Study Area). More specifically this Study was commissioned to test from a development feasibility perspective whether the existing planning controls that apply to Berala are sufficient enough to incentivise change, promote renewal and revitalisation in support of the following objectives of the draft Berala Village Study:

- *To identify opportunities to revitalise and improve Berala;*
- *To inform Council's strategic planning, particularly Council's Delivery Program, and inter agency initiatives;*
- *To bring together information which will inform the future upgrade of Berala's main street area; and*
- *To consider which building types and heights are suitable for Berala in the future.*

Of relevance to this Study, the draft Berala Village Study provided a comprehensive assessment of existing built form to find that there was physical capacity for additional building density in the Study Area. As a result of this finding, together with community concerns regarding higher density development (i.e. 3 storeys and above), the draft Berala Village Study recommend the retention of the existing planning controls in addition to a series of economic revitalisation strategies and village centre improvements to achieve the aforementioned objectives.

THE CURRENT PROPERTY MARKET

To inform the Study and our testing of the feasibility of development in today's market, as a preliminary step we undertook market research to determine the scale and scope of demand for various uses within the Study Area. With respect to housing it was found that in recent years demand for housing had been growing and geographically spreading across Auburn LGA from Lidcombe (which has experienced notable growth over the past two years) to Berala (particularly over the past 12 months). This growth has led to a 12% increase in Berala's median house prices from June 2012 to June 2013 along with a 6% increase in apartment prices for the same period¹.

This demand is being fuelled by a growing number of young professionals and families attracted to the suburb on account of its village characteristics and relative accessibility. Industry sources also advise that this changing market is increasing demand for apartment style dwellings owing to its lifestyle benefits (i.e. less maintenance). Of interest demand for apartments in Berala is growing despite the entry point for a single detached dwelling in the Study Area today being \$445,000 in comparison to the median apartment price as of June 2013 of \$323,000 (i.e. a price difference in the order of \$122,000).

With respect to commercial uses, Berala Centre has gained a good reputation as a community focused local neighbourhood centre. In recent years the Centre has strengthened its food and convenience offer on account of

¹ It is important to note that this classification refers to all strata titled dwellings including units, townhouses, terraces and semi-detached dwellings.

the new Woolworths full line supermarket and associated tenancies. The supermarket, together with a variety of specialty food and grocery stores has created a strong food focus for local residents. On account of this role, our market research also found that retail properties are tightly held in the Village Centre (i.e. infrequently bought / sold) yet there is limited to nil demand for commercial office space on the upper floors of buildings. Rather demand for commercial uses is mostly limited to local services such as real estate agencies, banks and medical centres that seek to locate at ground floor level.

SELECTING TEST SITES

Building on our market and Study Area analysis, two hypothetical development sites were nominated for the purpose of testing the feasibility of the existing controls. The two sites shown in Figure 1 were nominated owing to their locational merits as well as the information they would provide to inform the Study as listed in Table 1.

Figure 1 - Aerial View of Test Site 1 and Test Site 2



Source: Red Square as amended by Hill PDA

Table 1 - Summary of Test Site Characteristics

Test Site 1: 178 – 184 Woodburn Street	Test Site 2: 30-34 Campbell Street and 20 Burke Avenue
B2 Local Centre Zone	R3 Medium Density Zone
FSR 2:1 and 3 Storey Maximum Height	FSR 0.75:1 and 2 Storey Maximum Height
Located within the Village Centre	Located outside of the Village Centre
Located on the north west side of railway line	Located on the south east side of railway line
Low flood risk	Medium flood risk
Mixed use development – ground floor retail and shop top housing	Residential only development

The feasibility of redeveloping the Test Sites was subsequently modelled using the hypothetical development feasibility approach and industry standard Estate Master Development Feasibility software. In this approach a target profit margin (called the Development Margin) and project internal rate of return (called the IRR) were used

to test whether under the existing planning controls that apply to the Test Sites are financially attractive to a potential developer to purchase for redevelopment in today's market.

SUITABILITY OF CURRENT PLANNING CONTROLS

Having selected and tested various different development scenarios for both Test Site 1 and Test Site 2, it was found that:

1. Under the current planning controls the redevelopment of both Test Sites was not viable (IRR of **-13%** and **-12%** respectively);
2. By reducing the car parking rate, the IRR improves yet remains unviable for Test Site 1 (IRR of **2%**) and Test Site 2 (IRR of **2%**) owing to notable cost of excavation; and
3. By increasing FSR and number of building storeys, but not altering Council's car parking standards, development could become financially viable on each Test Site at this point in time (IRR of **29%** and **28%** respectively).

On this basis, our testing shows that in today's market for both Test Sites, the following minimum density thresholds and building storeys would be required for their viable redevelopment:

- an FSR of 3:1 and height of 5 storeys for mixed use development within the B2 Local Centre Zone (an increase from the existing permissible maximum FSR of 2:1 and 3 storey maximum building height); and
- an FSR of 1.5:1 and height of 4 storeys for residential only development within the R3 Medium Density Zone (representing a doubling from the current FSR of 0.75:1 and 2 storey maximum building height).

These changes represent a notable increase from the existing controls. We therefore believe it is important to highlight the potential impact these densities and associated building heights and scale could have to the character of the Study Area. This matter is particularly pertinent in light of the key findings of the community engagement undertaken to inform the draft Berala Village Study. This analysis advised that whilst the local community supported revitalisation in Berala it did not necessarily support significant or wholesale increases in built form density across the Study Area to achieve this outcome. For this reason we recommend caution in implementing the above referenced increases in FSR without a more detailed review of the implications through an urban design study or analysis. This recommendation is considered in line with Council's objective for the draft Berala Village Study to "*consider which building types and heights are suitable for Berala in the future*".

We also highlight the findings of our research that existing FSR's within the Study Area are not out of order with other comparable centres. Rather in some cases the FSR's that are currently permissible for the Study Area (i.e. the R2 Low Density and R3 Medium Density Zones) are notably higher than other village centres in Sydney.

As a final matter we wish to reiterate that not all sites within the Study Area would require as significant an uplift in density to make their redevelopment attractive in today's market. Some sites may benefit from lower development costs owing to site ownership or environmental characteristics and therefore would be more likely to be feasible under the existing planning controls. These sites would however be the exception rather than the rule.

KEY FINDINGS AND RECOMMENDATIONS

In summary our research finds that whilst demand for housing is growing, the redevelopment of properties and land from medium to high density within Berala has been limited in recent years. Our research and industry experience finds that such a predicament is rarely a result of any one factor (such as planning controls). Rather the successful redevelopment of an area relates to a range of market and socio-economic conditions including the ability to raise finance (which has been a key challenge during and post GFC), the availability of land for redevelopment (which relates to the willingness of existing land owners to sell), the cost of construction, the desirability of the Study Area by the market and the capacity of development permitted under the current planning controls.

Whilst the desirability to live in Berala is growing, our analysis indicates that the economics of redeveloping to medium density in the Study Area is not yet at a stage whereby there is sufficient reward (i.e. profit) for the developer to overcome the risk of site acquisition, finance and redevelopment. This is particularly the case on smaller, more complex sites that are fragmented in ownership. Conversely, our analysis suggests that some of the larger consolidated sites might still provide good options for redevelopment however, as with any development scenario, their redevelopment is dependent on the intent and willingness of the existing landowner.

In light of this research and our Study Area analysis, some of the key development opportunities and constraints from an economic perspective that we have identified have been summarised in the table below.

Table 2 - Development Opportunities and Constraints within the Berala Study Area

Strengths and Opportunities	Weaknesses and Constraints
Some large sites with good redevelopment potential in the B2 Local Centre Zone i.e. hotel and car park sites	Flooding potential and associated cost implications to development
Growing market attraction to professionals and families	Current market economics
Good rail access to / from the Study Area	Limited development applications for redevelopment
Established village character and retail market	Tightly held retail properties limiting redevelopment opportunities
Limited acid sulphate soils (i.e. Class 5)	Strata titled units on edge of B2 Local Centre Zone i.e. within the R4 High Density Zone limiting redevelopment opportunities
Limited heritage constraints	Community concerns regarding poor quality development
Full line anchor supermarket acts as attractor	
Good level of public car parking in the Centre	

RECOMMENDATIONS AND IMPLICATIONS

In light of the findings outlined above, we recommend two potential approaches or options to be considered by Council with respect to Berala's Strategic Planning framework. We believe both options should be considered in the context of the extensive analysis already undertaken to inform the draft Berala Village Study. To assist this deliberation, we set out the pros and cons of each option in light of the Study's objectives as set out above.

Option 1 Increase Existing Controls - this approach would seek to increase the FSR for each zone tested in accordance with the findings of our development feasibility modelling. It would help to incentivise redevelopment and thereby revitalisation of the Village Centre and broader Study Area by making redevelopment a more financially attractive option to build higher density apartment style dwellings in today's market. This option would however result in development at a notably higher density than existing and may be at odds with the community's vision for the Study Area.

Option 2 Retain Existing Controls: This option would be a 'wait and see' approach that recognises the existing planning controls are not at odds with other locations and that the housing market in the Study Area is on an upward trend. This approach would have a less immediate effect than Option 1 yet would be more in keeping with community expectations. This Option would be likely to see some redevelopment (i.e. less complicated sites in consolidated ownership) yet would have less immediate and apparent revitalisation outcomes in terms of built form in comparison to Option 1.

As a variation to this Option, Council could consider a reduced requirement for onsite car parking in the Village Centre in recognition of its accessibility and the benefits this would have to development feasibility. This change, together with the potential for further market improvements could have an overall positive impact on the attraction of developing within the Study Area under the current controls.

1. INTRODUCTION AND CONTEXT

Following Auburn City Council's resolution on 3rd April 2013, the following Study was commissioned to provide economic and commercial advice concerning the suitability of the development controls that apply to Berala Village. The economic analysis has sought to test from a financial feasibility perspective whether the existing controls are sufficient enough to incentivise change, promote renewal and revitalisation in Berala Village in accordance with the objectives of the draft Berala Village Study (hereafter referred to as the draft Village Study).

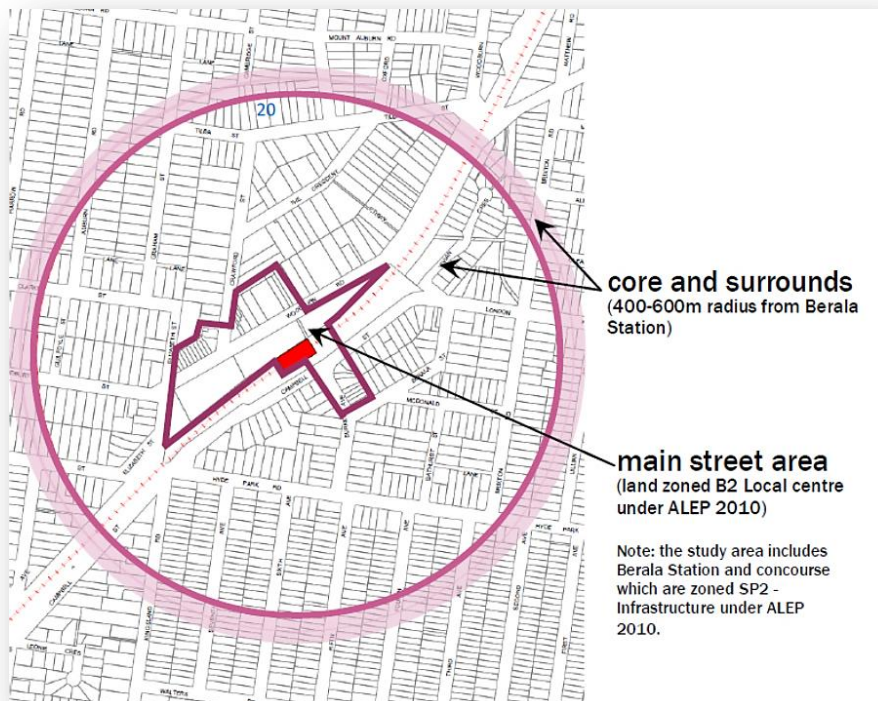
1.1 THE STUDY AREA

The Study Area for the purposes of our assessment aligns with the Study Area of the draft Village Study as shown in Figure 1 below. More specifically this includes:

- *The main street area (Woodburn Road) which is zoned B2 Local Centre by the Auburn LEP 2010; and*
- *The residential area within a 400-600m radius of the station and Berala Village Centre.*

For the purposes of context, the suburb of Berala is located approximately 16km west of Sydney CBD and is surrounded by the suburbs of Lidcombe, Rookwood, Regents Park and Auburn.

Figure 2 - Plan of the Study Area

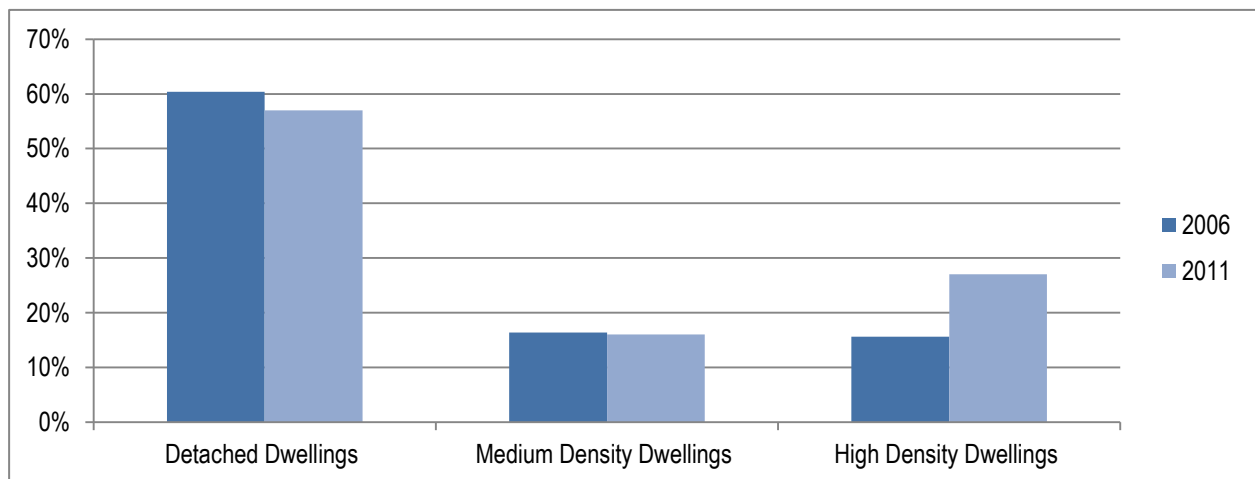


Source: draft Berala Village Centre Study 2012

As of 2011, the suburb of Berala had an estimated population of 8,800 residents representing an 11% increase since 2006 (7,900). Looking forward modest growth is forecast to occur within the suburb (+0.35% per annum) compared to the +2.05% per annum forecast for Auburn LGA as a whole.

Also of relevance to this Study, as of 2011 57% of Berala's housing stock was detached dwellings, 16% was medium density and 27% high density as compared to 60%, 16% and 16% respectively in 2006. As shown in the graph below, the proportion of residents living in higher density dwellings increased notably with a more modest decline in the proportion living in detached dwellings or medium density.

Figure 3 - Dwelling Type Comparison between 2006 and 2011



1.2 BUILT FORM AND THE DRAFT BERALA VILLAGE STUDY

Following Council's resolution in 2010, Council's Strategy Unit commenced a programme of detailed analysis and engagement with Berala's business and resident communities to prepare the draft Berala Village Study (hereafter referred to as the draft Study). The key objectives of the draft Study are to:

- *Identify opportunities to revitalise and improve Berala;*
- *Inform Council's strategic planning, particularly Council's Delivery Program, and inter agency initiatives;*
- *Bring together information which will inform the future upgrade of Berala's main street area; and*
- *Consider which building types and heights are suitable for Berala in the future.*

The draft Village Study found that the majority of development in the suburb occurred between the 1940's and 1970's with the 1960's seeing the construction of 3 to 4 storey walk up buildings. Since the 1980s there has been comparatively less development of medium to high density buildings. The exceptions being some sites on the periphery of the Centre and townhouse / dual occupancy developments. The prevalence of the latter form of development is also evident from a list of extant development applications provided by Council showing no developments in the approved pipeline for Berala Village of a scale greater than a dual occupancy.

Of relevance to this Study, community engagement undertaken for the draft Village Study by Council identified a notable resistance by the community to “*more poor quality high rise or overdevelopment*”². This finding was supported by the results of a survey undertaken by residents in 2003 which found that two to three storey developments were generally the preferred built form outcome³. Residents also sought a commitment to a higher quality town centre as well as additional community facilities.

Also of note, the draft Village Study provided a comprehensive assessment of existing built form to find that there was physical capacity for additional built form density. As a result of this finding, together with community concerns regarding higher density development, the draft Study did not recommend any changes to the existing planning controls but rather identified a series of alternative recommendations and strategies to achieve the objectives.

1.3 EXISTING PLANNING CONTROLS

Four key zones relate to Berala Village as summarised in the figures below.

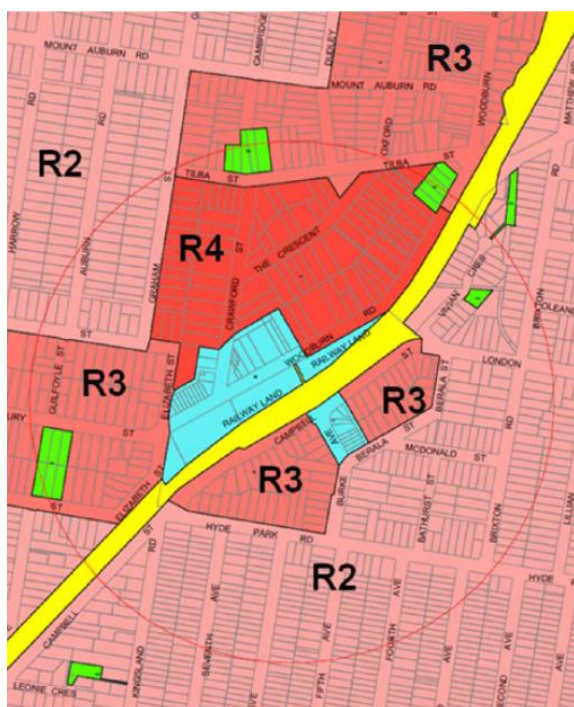
Figure 4 - Existing Planning Controls for the Study Area

Zone	FSR	Max Building Height
R2 Low Density Residential	0.75:1	9m or 2 storeys
R3 Medium Density Residential	0.75:1	9m or 2 storeys
R4 High Density Residential	1.4:1 <i>Planning Proposal 2:1</i>	Villas / Town Houses 2- 4 storeys Flat Buildings 16m or 4 storeys
B2 Local Centre	2:1	14m or 3 storeys

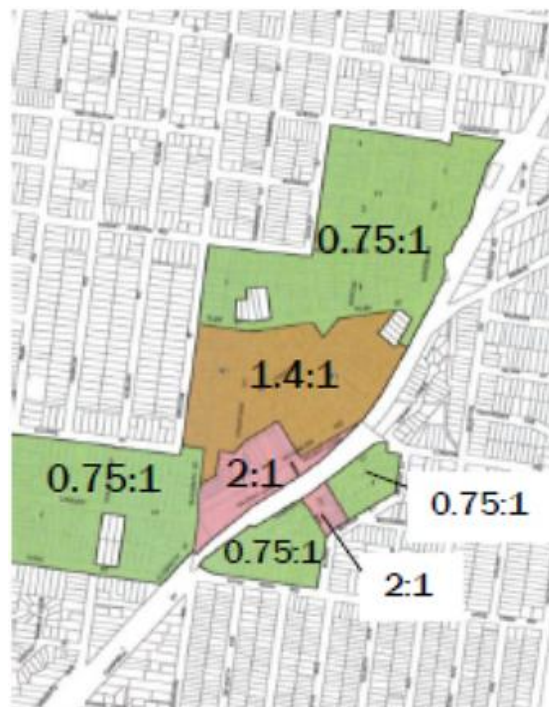
² Page 4, draft Berala Village Study

³ Page 8, draft Berala Village Study

Figure 5 - Plan of Existing Zones and Maximum FSR



Source: Auburn LEP 2010



Source: Auburn LEP 2010

At the time of preparing this Study, we understand that Council is exhibiting a proposed change to the R4 High Density Residential Controls. The Planning Proposal seeks to increase the Maximum Floor Space Ratio (FSR) from 1.4:1 to 2:1 for all land zoned R4 High Density Residential⁴.

1.4 COMPARISON TO OTHER PLANNING CONTROLS

To provide some context to the analysis, as an initial step we compared how the density and height limits for Berala Village to some comparable village centres in other local government areas in Sydney to find:

- For the R2 Low Density Zone – Berala had a greater FSR and height limit (0.75:1 and 9m) than both Burwood (0.55 and 8.2m) and Five Dock Centres (0.5m and 8.5m);
- For the R3 Medium Density Zone – Berala had a greater FSR and height limit (0.75:1 and 9m) than both Burwood (0.55 and 8.5m) and Five Dock Centres (0.5m and 8.5m);
- For the R4 High Density Zone – Berala had an FSR and height limit of 1.4:1 and 16m that was equivalent to Auburn Town Centre yet less than Lane Cove (1.7:1 and 18m);
- For the B2 Local Centre – Berala had an equivalent FSR and height limit of 2:1 to both Seaforth and Lane Cove Centres yet a greater maximum building height of 14m compared to Seaforth (12.5m) and Lane Cove (9.5m) respectively.

⁴ There is one exception with respect to land zoned R4 High Density Residential at 2-36 Church Street, Lidcombe.

This comparative analysis shows that for the R2 Low Density and R3 Medium Density Zones shows that development permitted within the Study Area can be at a greater FSR and building height in comparison to some other village and town centres. For the R4 High Density and B2 Local Centre Zones, the FSR and maximum buildings heights varied yet were generally comparable.

Figure 6 - Summary of Planning Control Comparison

R2 Low Density Residential			B2 Local Centre		
	FSR	Max Building Height		FSR	Max Building Height
Berala Village	0.75:1	9m or 2 storeys	Berala Village	0.08402778	14m or 3 storeys
Five Dock Town Centre Canada Bay LGA	0.5:1	8.5m	Seaforth Town Centre	2:1	12.5m
Burwood Town Centre Burwood LGA	0.55:1	8.2m	Lane Cove	2:1	9.5m

R3 Medium Density Residential			R4 High Density Residential		
	FSR	Max Building Height		FSR	Max Building Height
Berala Village	0.75:1	9m or 2 storeys	Berala Village	1.4:1	Villas / Town Houses 2- 4 storeys Flat Buildings 16m or 4 Storeys for
Auburn Town Centre	0.75:1	9m	Auburn Town Centre	1.4:1	16m
Five Dock Town Centre Canada Bay LGA	0.5:1	8.5m	Lane Cove	1.7:1	18m
Burwood Town Centre Burwood LGA	0.55:1	8.5m			

2. MARKET RESEARCH

The following Chapter analyses trends and factors influencing the residential, retail and commercial markets within the Inner West Subregion, Auburn LGA and Berala Village Centre. It also investigates the sale prices and rental values for residential, retail and commercial units based on discussions with market and industry experts as well as a review of relevant property databases.

The data provided in this Chapter has been subsequently used to inform the rates and assumptions used to test the viability of redeveloping sites within the Study Area, as discussed in the following Chapters.

2.1 RESIDENTIAL MARKET OVERVIEW

Overview of the Inner West Subregion

The Inner West has been the subject of much commentary and analysis with its relatively steady demand for dwellings as purchasers take advantage of close proximity to the Sydney CBD and good access to rail and transport networks. The ongoing gentrification of many of the suburbs within the Inner West Subregion has also contributed to its overall attractiveness to a broad market including students, young families, professionals, migrants and artists.

As a result of these factors, the Inner West Subregion's residential property market has performed well through the global financial crisis, recording growth in median values and outperforming many other regions in Sydney.

Auburn LGA and the suburb of Berala

The suburb of Berala is located within Auburn LGA and the Inner West Subregion. Research shows that consistent with the broader Subregion, both Auburn LGA and the suburb of Berala have been experiencing strong residential demand. Demand has also been spreading across the LGA with local selling agents explaining that Lidcombe's residential market has experienced notable growth over the past two years with the demand moving onto the suburb of Berala in the past 12 months for a range of dwelling types.

Discussions with agents have also identified:

- The preferred method of sale is by auction, due to the higher sale values being achieved;
- The suburb of Berala has limited new stock, particularly units /apartments;
- There is a modest gap between the price of a new apartment and an older style house;
- A typical older style brick walk up apartment is on the market for less than a month. This take up rate indicates that there would be good demand for new apartments in the suburb;
- The typical apartments buyers include young professionals and investors; and
- A challenge of developing in the suburb relates to concerns from some members of the local community regarding changes in the scale and density of the neighbourhood.

Residential Houses

The housing stock within Berala comprises of mainly one to two storey weatherboards, fibro concrete and brick houses that comprise of a front lawn and a backyard. Agents also advised that Berala had an ageing population however there was an increasing level of younger families entering into the residential market.

Our market research finds that the median house price for the suburb of Berala (June 2013) was recorded as \$622,000⁵. This compares to the median house price achieved as of June 2012 of \$556,500⁶. Accordingly over the 12 month period from June 2012 to June 2013 the medium house price increased by 12% in value.

More specifically our research shows that single storey weatherboard houses or single storey brick dwellings with fibro concrete construction currently sell between \$445,000-\$610,000, whereas a brick house sells from \$455,000-\$875,000 dependant on the condition, age and location of the building.

To help inform our feasibility analysis for residential sites, we have also analysed the residential sales provided in Table 3 to arrive at a current residential \$/sqm of site area. The table shows that residential site sales range between \$810/sqm - \$1,960/sqm, equating to an average of \$1,265/sqm. This range being dependant on the age, scale and condition of the property in question.

⁵ Source Residex Market Report June 2013

⁶ Source: Residex Market Report June 2013

Table 3 - Sample of Residential House Sales in the Suburb of Berala (2013)

Address	Date	Sale Price	Site Area (sqm)	Analysis \$/sqm	Comments
238 Park Rd	10-May-13	\$538,000	664	\$810	Single storey- brick/ weatherboard
179 Harrow Rd	08-Mar-13	\$555,000	671	\$827	Single storey - weatherboard
84 Graham St	30-Jan-13	\$620,000	697	\$890	Single Storey - brick
167 Harrow Rd	20-Feb-13	\$641,000	671	\$955	Double storey- brick
34 Cambridge St	26-Feb-13	\$610,000	637	\$957	Single storey - weatherboard
28 York St	01-Jun-13	\$844,000	866	\$974	Single Storey - brick
77 Cambridge St	29-Apr-13	\$561,000	498	\$1,128	Single storey- weatherboard
276 Park Rd	10-May-13	\$550,000	487	\$1,130	Single Storey - Weatherboard
37 Hyde Park Rd	19-Jun-13	\$781,000	689	\$1,133	Single Storey- brick
34 Kingsland Rd	13-Feb-13	\$630,000	519	\$1,215	Single Storey- brick
63 Sixth Ave	25-Mar-13	\$555,000	446	\$1,244	Single storey- weatherboard
60 First Ave	22-Jun-13	\$610,000	474	\$1,286	Single Storey - brick with fibro cement
8 Campbell St	28-Mar-13	\$590,000	455	\$1,296	Single storey - brick
68 Dudley St	06-Apr-13	\$575,000	429	\$1,340	Single storey - weatherboard
24 Judith St	21-Mar-13	\$500,000	360	\$1,387	Single storey - weatherboard
87 Third Ave	16-Feb-13	\$585,000	398	\$1,468	Double storey - weatherboard
38A Second Ave	01-Mar-13	\$455,000	304	\$1,499	Single Storey- brick
18 Burke Ave	14-Jan-13	\$425,000	278	\$1,528	Single storey- cement fibro
12 First Ave	04-Mar-13	\$425,000	278	\$1,528	Single storey - weatherboard
94 First Ave	18-Mar-13	\$805,000	506	\$1,591	Double Storey - brick
12 Wrights Ave	01-May-13	\$875,500	525	\$1,668	Single storey - brick
126A Nottinghill Rd	11-Jan-13	\$570,000	291	\$1,960	Double storey - brick

Source: Red square 2013.

Residential Apartment Sales

The apartment market in Berala has performed well over the last year. The predominant form of existing apartment stock in the suburb is 1960's brick walk up apartment blocks. There are also some more modern apartment blocks constructed approximately 5 – 15 years ago. Further analysis reveals that the buyers and rental market tend to invest in two and three bedroom apartments.

The median apartment price for Berala suburb from June 2012 to June 2013 was reported as \$323,000 in comparison to a median apartment price 12 months ago of \$303,500⁷, equating to an 6% increase in value. It is important to note that this classification refers to all strata titled dwellings including units, townhouses, terraces and semi-detached dwellings.




Discussions with selling agents active in Berala, consistent with the trends discussed in this Chapter, identified strong demand for new apartments from young professionals, families and investors. Whilst it can be argued that sale values for an older style single storey freestanding house (shown in Table 3 above) are at a similar entry point to an apartment, the market is increasingly seeking apartments in the suburb over more spacious homes owing to the lifestyle benefits (i.e. less maintenance vs. more space). This choice is becoming particularly apparent for young professionals and small families. As a result of this trend the demand for two and three bedrooms apartments is growing.

Our research also finds that the development of new apartment blocks in Berala has been extremely limited. Our research has therefore focused on apartment blocks that were constructed within the past 1 - 3 years as well as the resale of apartments. Table 4 below, demonstrates the resale \$/sqm rate to be between \$4,554/sqm and \$6,894/sqm.

The comparable information provided in the table shows that residential unit resales may be expected to sell in the current market between \$395,000 and \$469,000 for two bedroom units whilst three bedroom units may be expected to sell between \$460,000 and \$560,000.

⁷ Residex Market Report June 2013

Table 4 - Recent Sales Activity of Residential Units for Berala Suburb (2012 - 2013)

Address	Date	Sale Price	Site Area (sqm)	Analysis \$/sqm	Comments
<u>Constructed Circa 2010</u>					
23/1 Elizabeth St	19-Apr-12	\$460,000	101	\$4,554	
3/1 Elizabeth St	18-Sep-13	\$538,000	94	\$5,723	
Source: Realestate.com.au					
<u>Constructed Circa 2010</u>					
10/6 Hyde Park Rd	11-Jun-13	\$455,000	66	\$6,894	
5/6 Hyde Park Rd	10-May-12	\$397,500	81	\$4,907	
6/6 Hyde Park Rd	28-Nov-12	\$395,000	66	\$5,985	
Source: Realestate.com.au					
<u>Constructed Circa 2012</u>					
1/132 Woodburn Rd	29-Jun-12	\$462,000	77	\$6,000	
2/132 Woodburn Rd	23-Mar-13	\$465,000	69	\$6,739	
3/132 Woodburn Rd	03-Oct-12	\$560,000	98	\$5,714	
4/132 Woodburn Rd	20-Nov-12	\$485,000	83	\$5,843	
5/132 Woodburn Rd	04-Apr-12	\$450,000	78	\$5,769	
6/132 Woodburn Rd	17-Jul-12	\$485,000	83	\$5,843	
7/132 Woodburn Rd	13-Feb-13	\$469,000	78	\$6,013	
Source: Realestate.com.au					
Source: Hill PDA research 2013					

2.2 RETAIL AND COMMERCIAL MARKET OVERVIEW

Commercial Market

Market research finds that traditional office space within the Inner West Subregion can be difficult to lease even in the Subregion's more prominent and vibrant centres. These challenges become more apparent on the upper floors of buildings (i.e. first and above) and within smaller centres leading to higher levels of vacancy or a lack of this type of space.

As a smaller, largely retail and service focused centre, Berala has limited commercial office space. Discussions with local real estate agents identified that in addition to the restricted quantum of commercial space, there has been limited selling / buying activity.

It was identified that small businesses such as lawyers, accountants and other professional services would rather be located in more defined commercial areas such as Auburn and Lidcombe. Notwithstanding this, Berala Village Centre does provide some opportunities for commercial uses such as medical practices and real estate agents that tend to prefer ground floor retail units and can afford retail rents as opposed to small businesses that can only afford the comparatively lower rents on the first floor.

Owing to the limited commercial floorspace market activity, to help inform our analysis, we expanded our research scope beyond the Study Area to the surrounding centres of Chester Hill, Sefton and Regents Park that were considered comparable owing to their scale and location by the railway line. Consistent with Berala Village Centre, discussions with local agents found that limited sales and rental transactions had also taken place within these centres as the first floors above retail shops largely comprised of either residential or storage uses associated with the retail premises on the ground level. As a consequence our research has identified limited commercial activity and thereby comparable evidence in the past 12 months.

Retail Market

Berala Village has a strong reputation as a community focused local neighbourhood centre. In recent years it has strengthened its food and convenience offer with the Woolworths full line supermarket and associated tenancies. The supermarket together with a variety of specialty food and grocery stores has created a strong food focus for local residents.

Consistent with the commercial market findings, our research finds limited market activity in Berala Centre as retail properties are tightly held by landowners. For the purposes of our assessment we have consequently once again reviewed sales activity in comparable centres in the broader locality as shown in Table 3.

Table 5 - Retail Sales in Sefton and Regents Park (2012-2013)

Address	Sold date	Sold Price	Building Area	\$/sqm	Comments
135 Wellington Road, Sefton	Nov 12	\$425,000	190	\$2,237	Standard two storey shop at ground floor with residence on the first floor
2a Amy Street, Regents Park	Jul 12	\$500,000	177	\$2,825	Single storey restaurant
50f Amy Street, Regents Park	Mar 13	\$1,300,000	336	\$3,869	Two storey brick retail at ground floor, office warehouse at first floor

Source: realestate.com.au

2.3 DEVELOPMENT PIPELINE / INTEREST

A review of property databases⁸ shows that in the past few years, the most significant developments completed in the Study Area were the Woolworths development (2011), Lying Yen Mountain Temple - Dharma Centre Berala (2011) and the Tilba Street units (2011).

Notwithstanding the strong and growing demand for residential properties within the Study Area, looking forward, a review of development approvals shows⁹ that no new low and medium density development has been approved for development in the past few years. Rather in recent years, development approvals have mostly related to smaller conversions of existing flat, refurbishments, alterations, additions and construction of two storey detached dwellings.

Discussions with industry experts have sought to identify why this might be the case. Local selling agents infer that more developers have not been attracted to redevelop in Berala to date on account of a combination of factors including:

- Difficulties securing finance post the GFC;
- The cost of construction;
- Difficulties with acquiring / amalgamating sites;
- Community concerns regarding additional density; and
- The nature of the existing planning controls (such as height and FSR).

These factors collectively work together to increase development costs whilst restricting development scale. In turn these factors work together to reduce the financial viability and thereby profitability of a development and increase the associated risk.

Notwithstanding comments regarding the restrictive nature of existing planning controls, local industry experts recognise that there is no one size that fits all and that the implications of planning controls to development feasibility must be considered on a site by site basis.

⁸ Cordells Connect 2013 – Tracking of Development Applications in Australia.

⁹ Information provided by Auburn City Council as of 27 June 2013

3. TEST SITES

In order to better understand the financial incentive offered by Berala Village's existing planning controls, this Study identified two parcels of land for testing. The following Chapter establishes the methodology and logic for identifying each parcel of land that will in turn form the basis of the development feasibility testing discussed further in Chapter 4.

3.1 VILLAGE CENTRE SITE

Three potential parcels of land were identified in the Village Centre for testing as mixed use (retail and residential development) as follows:

- **159 Woodburn Road** (hotel site) – this site was identified as having good redevelopment potential (i.e. consolidated ownership, modest improvements, limited flood risk, central location, significant scale);
- **188 Woodburn Road** (service station site) this site was also identified as having good redevelopment potential (i.e. consolidated ownership, light industrial use, central location, limited flood risk); and
- **178 – 184 Woodburn Road** (small commercial premises adjacent to service station and opposite Woolworths) these sites are well located within the Centre with low flood risk yet were identified as being more challenging from a redevelopment perspective owing to their smaller scale and fragmented ownership.

Whilst there are merits associated with testing each of the three sites / parcels of land referenced above, the third option (178-184 Woodburn Street) was selected as it represented what was likely to be the most challenging scenario in development terms. This is because the successful redevelopment of the parcel would require the acquisition and consolidation of numerous sites that are presently in separate ownership.

Whilst the first option represented a good opportunity for redevelopment, it was dismissed as it would be a 'one off' and would not help to inform our understanding of the challenges facing other sites in the Centre. The second option was similarly dismissed as it was the only light industrial / urban support service in the Centre and therefore was also likely to be a one off redevelopment scenario that could not be translated into alternative opportunities.

Figure 7 - Aerial Image of 178 – 184 Woodburn Street, Berala



Source: Red Square

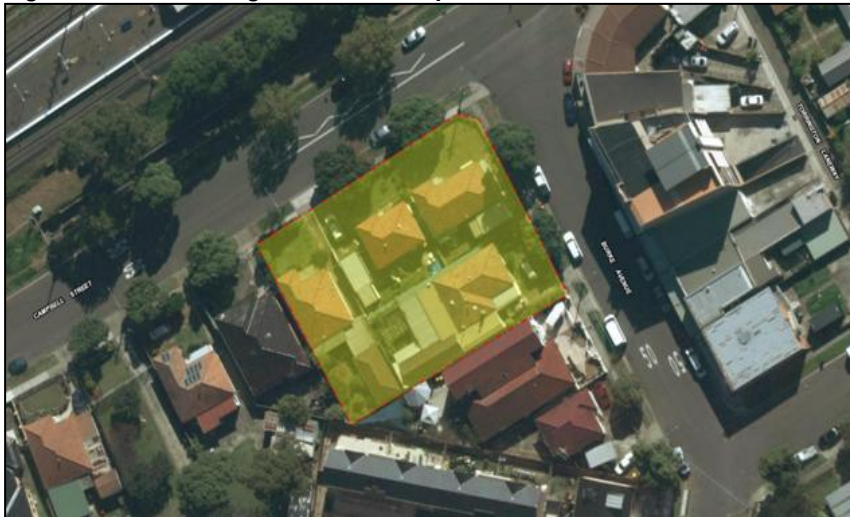
3.2 RESIDENTIAL SITE

To test the existing residential controls, two potential sites / development parcels were identified as follows:

- **A strata titled residential building in the R4 High Density Zone;** or
- **30-34 Campbell Street and 20 Burke Avenue** (smaller residential dwellings in separate ownership with medium risk flood zone and in medium condition). Combined these sites could facilitate the redevelopment of a highly accessible corner site for medium density residential.

Whilst it may be interesting to test the change in planning controls required to incentivise redevelopment of existing medium density strata titled development, it is likely that significant uplift in density would be required to overcome the costs of demolishing buildings with a good economic life that are in separate ownership. Given the notable potential of existing low density residential dwellings in the Study Area, it was consequently decided to test the 30-34 Campbell Street and 20 Burke Avenue parcel of land as shown in the figure below.

Figure 8 - Aerial Image of 30-34 Campbell Street and 20 Burke Avenue



Source: Red Square

3.3 SELECTED SITES

For the reasons given above, two hypothetical test sites were selected for the purposes of Chapter 4 as follows:

Site 1: 178 – 184 Woodburn Street, Berala; and

Site 2: 30-34 Campbell Street and 20 Burke Avenue, Berala.

The two sites provided opportunities to test the difference between:

- Sites on each side of the railway line that divides the Study Area;
- Sites within and outside of the defined Village Centre;
- Sites with low and with medium flood risk;
- A mixed use redevelopment site (i.e. commercial and retail) and a pure residential redevelopment site.

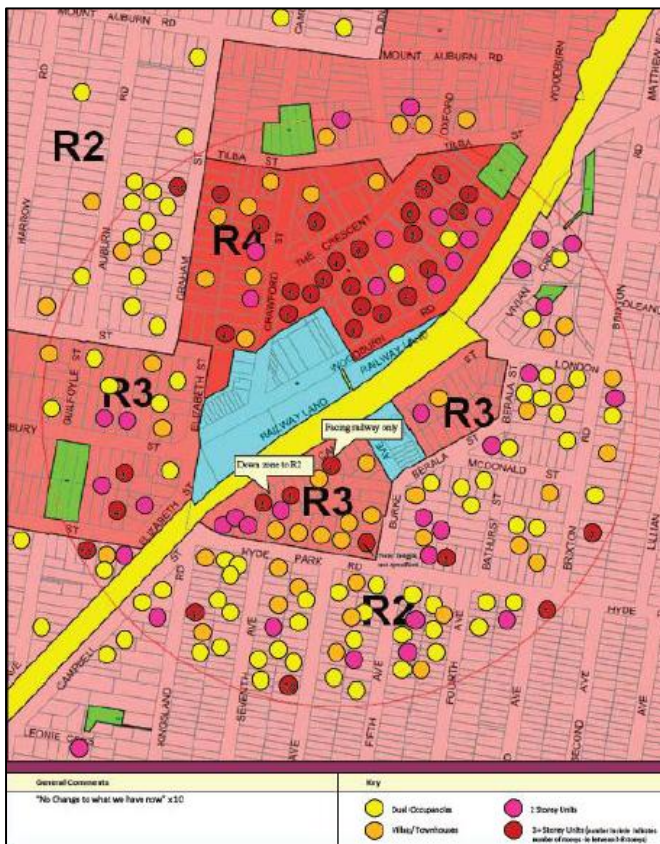
The site selection was also cross referenced with the results of Council’s community consultation concerning potential locations for redevelopment at greater densities as shown in Figure 10.

Figure 9 - Site 1 and Site 2 for Testing



Source: Red Square as amended by Hill PDA

Figure 10 - Extract of Community Engagement Opinion Concerning Redevelopment Opportunities



Source: draft Berala Village Study

4. DEVELOPMENT FEASIBILITY RESULTS

The following Chapter explains the methodology and criteria used to assess the financial viability of the two 'Test Sites' identified in Chapter 4 as hypothetical development sites. The Chapter explores a range of potential development scenarios for each site and provides the results of the development feasibility testing, the implications of which are explored further in Chapter 6.

4.1 METHODOLOGY AND DEFINITIONS

To undertake this analysis, Hill PDA has adopted the hypothetical development feasibility approach utilising the industry standard Estate Master Development Feasibility software. In this approach a target profit margin (called the Development Margin) and project internal rate of return (called the IRR) are set to test whether under the existing planning controls that apply to the Test Sites are financially attractive to a potential developer to purchase for redevelopment in today's market.

Whilst Hill PDA has adopted the project IRR as the primary indicator of performance (feasibility) consideration has also been given to the following additional performance criteria:

- **Residual Land Value** – this is the purchase price of the land whilst achieving a zero Net Present Value (NPV). For a use to be considered feasible, the corresponding Residual Land Value needs to be greater than the 'as is' value so as to make it (the proposed use) a 'higher and better use'. There is little economic impetus for redeveloping land that returns lower Residual Land Values than current values;
- **Development Profit** – this is the total revenue less total cost including interest paid and received; and
- **Development Margin** – this is profit divided by total development costs (including selling costs).

Our testing involves assessing the value of the end product of the hypothetical development, and then deducting all of the development costs including site acquisition costs, site demolition and / or clearance, consultant fees for design and project management, developer levies and taxes, construction costs, and making a further deduction for GST, land holding costs, marketing and financing costs. If the resulting profit from this feasibility analysis is large enough to meet the target hurdles for both the development margin (DM) and the project IRR, the project is considered financially viable for redevelopment.

In order to arrive at a land purchase price for Test Sites 1 and 2, we have used a land value based on a dollar per square metre rate which was informed by our market research (Chapter 3). How the various values, on a dollar per square metre rate, apply to the performance criteria described above for each Test Site is shown in the Table below.

Table 6 - Performance Criteria for Development Options

Performance	Test Site 1 Residual Land Value ¹	Test Site 2 Residual Land Value	Development Margin	Project IRR ²
Feasible	>\$2,500/sqm	>\$1,100/sqm	≥20%	18%-20%
Marginally feasible	\$2,200/sqm- \$2,500/sqm	\$900/sqm-\$1,100/sqm	18%-20%	16%-18%
Not feasible	<\$2,200/sqm	<\$900	<18%	<16%

1 - Residual Land Value (RLV): the purchase price for the land to achieve a zero Net Present Value (NPV)

2 - Project Internal Rate of Return (IRR): the discount rate where the Net Present Value (NPV) equals zero

4.2 TEST SITE 1: MIXED USE DEVELOPMENT IN VILLAGE CENTRE

Test Site 1 relates to land located within the Berala Village Centre at 178 – 184 Woodburn Street, Berala. The Site is zoned B2 Local Centre and has an existing FSR of 2:1. Accordingly we have tested the implications of demolishing the existing buildings on the Test Site to provide ground floor retail with shop top housing in accordance with the uses and densities permitted by the existing planning controls. For the purposes of the analysis we have also tested two additional scenarios to see how varying aspects such as car parking (a notable cost in any development) and FSR and building height (both of which affect the quantum of floorspace for sale and thereby revenue) affects the development feasibility results.

Figure 11 - Aerial Image of 178 – 184 Woodburn Street, Berala



Source: Red Square

Scenario 1 Compliant Development: this Scenario includes the provision of ground floor retail units, 19 residential apartments from first floor level and two levels of basement car parking (43 car spaces) in accordance with Council's parking standards.

As shown in Table 4 below the testing of **this option was found to result in an IRR of -13% which is not considered financially attractive to a developer or 'feasible' based on our assessment criteria.**

Scenario 2 Reduced Car Parking: given that Scenario 1 (Compliant Development) was not found to be viable, Scenario 2 sought to test whether the existing FSR could be feasible on the test site if the requirement for car parking was reduced from 43 to 21 spaces (reducing the need for and the cost of a second level of basement car parking).

This Scenario therefore modelled the Test Site with the same mix of uses as Scenario 1 yet reduced basement level car parking i.e. to one level rather than two. **It was found that this change did have a positive impact on the return from (-13% IRR) to 2% IRR however the Scenario remained unviable.**

Scenario 3 Non-Compliant: as a final Scenario we modelled the same mix of uses on the Test Site without varying the car parking standards (63 spaces) yet with an increase in FSR to 3:1. This translated into sufficient floorspace for ground floor retail units and 31 residential apartments with two levels of basement car parking. **This Scenario was found to be viable with an attractive IRR of 29%.**

Table 7 - Summary of Results for Scenarios 1, 2, and 3 for Test Site 1

Site / Option Specifics	Scenario 1: FSR 2.1 Compliant Development	Scenario 2: FSR 2:1 Reduced Car Parking	Scenario 3: FSR 3:1 Increased FSR and Height and Compliant Car parking
Site Area (sqm)	1,274	1,274	1,274
Gross Building Area (sqm)	2,548	2,548	3,822
Performance Indicators:			
Residual Land Value (RLV)- Target Margin	\$142,092	\$1,455,893	\$3,311,910
RLV (\$/sqm of site area)	\$112	\$1,143	\$2,600
Residual Land Value(NPV)	\$1,023,846	\$2,120,727	\$4,114,950
Development Margin	(12.79%)	(1.82%)	19.14%
Project IRR	(12.20%)	1.89%	28.72%
Feasibility	Not Feasible	Not Feasible	Feasible

A summary of each of the three Scenario's for Test Site 1 and its building height implications are shown in the figure below. In essence the results show that under the current controls, the amalgamation and redevelopment of existing two storey properties in the Village Centre to three storey mixed use schemes is not viable unless.

Whilst Scenario 2 results in an improved financial outcome, the development is still not considered viable. Notwithstanding this, on less complicated sites, a reduced need to provide onsite car parking in an improving housing market could form the tipping point between unviable and viable development. The option to reduce the requirement for onsite car parking in the Village Centre may also be considered an appropriate outcome in light of the Centre's location next to a train station and therefore reasonable level of connectivity to employment and additional services.

It is also important to note that our assessment of Scenario 1 and 2 assumed that the full FSR could be achieved within the 3 storey height limit. In our experience this is also important to test from an urban design perspective to ensure built form outcomes are desirable.

To achieve a financially attractive development in the Village Centre in today's market on the Test Site (i.e. an IRR over 20%, it would be necessary to increase the existing FSR. This is an iterative process however because as FSR (and thereby dwellings) increase, so too does the requirement for car parking in accordance with Council's parking standards. As car parking is a significant cost in any development, an increase in car parking requires an increase in revenue (floorspace) to offset the additional cost. As a consequence, our modelling has found that the existing FSR would need to increase to 3:1 with a 5 storey height to be financially viable.

As a final note, it should be reiterated that Test Site 1 is a more complex site from a development feasibility perspective owing to its smaller and fragmented nature than other sites in the Centre. Other sites within the Town Centres (such as the Hotel and Car Park Site or the Car Repair Site) that appear to benefit from consolidated ownership may have a more positive feasibility outcome under the existing controls.

Figure 12 - Summary of Development Scenario Results for Test Site 1

Scenario 1:



Zone: B2
FSR: 2:1 + Required Car parking (43)
Retail ground level
2 levels of residential
2 levels of underground car parking (43 spaces) with visitors and retail parking included.

Not Viable – IRR -12%

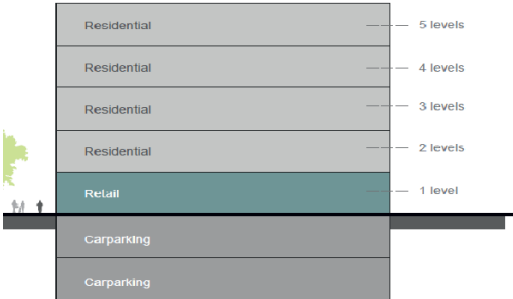
Scenario 2:



Zone: B2
FSR: 2:1 – Reduced Car Parking
Retail ground level
2 levels of residential
1 Level of underground car parking

Not Viable – IRR 2%

Scenario 3:



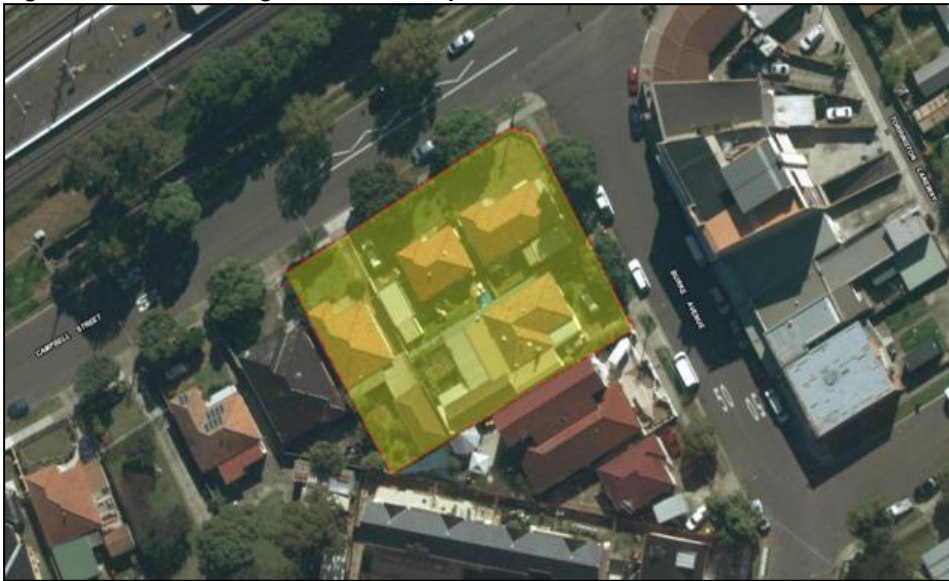
Zone: B2
FSR: 3:1 + Required Car parking (63)
Retail ground level
4 levels of residential
2 levels of basement car parking

Feasible – IRR 29%

4.3 TEST SITE 2: RESIDENTIAL ZONE

Test Site 2 relates to land located at 30-34 Campbell Street and 20 Burke Avenue, Berala. The site is zoned R3 Medium Density and has an existing FSR of 0.75:1. For the purposes of testing we have assumed that the redevelopment includes the demolition of all buildings, occurs in one stage and is a residential only scheme in accordance with the existing planning controls. Consistent with Test Site 1, we have also looked at a number of development scenarios to test the implications to development feasibility of varying factors such as car parking and FSR / building height.

Figure 13 - Aerial Image of 30-34 Campbell Street and 20 Burke Avenue



Source: Red Square

Scenario 1 Residential Compliant: this Scenario would provide 14 residential apartments with basement level car parking in accordance with the existing planning controls. It was found that this option was not feasible as it resulted in a negative IRR of **-12%**.

Scenario 2 Reduced Car Parking: given the outcome of Scenario 1, the second Scenario altered the quantum and approach taken to car parking to reduce development costs. The number of residential apartments was kept consistent with Scenario 1 however sub-basement car parking was provided. It was found that under this Scenario the IRR improved notably to **2%** however not sufficiently enough to make the development attractive to a developer or 'feasible'.

Scenario 3 Increased FSR: the final Scenario therefore sought to identify what FSR and height was required to make development viable on the Test Site whilst providing car parking in accordance with Council's existing standards. This Scenario found that to incentivise change / redevelopment on Test Site 2, an FSR of 1.5:1 would be required at this point in time.

A summary of Test Site 2's results are provided in the following Table.

Table 8 - Summary of Results for Test Site 2

Site / Option Specifics	Scenario 1: Compliant Scheme	Scenario 2: Sub - Basement Parking	Scenario 3: Increased FSR and Height Compliant Parking
Site Area	1,701	1,701	1,701
Gross Building Area (sqm)	1,276	1276	2551
Performance Indicators:			
Residual Land Value (RLV)- Target Margin	\$431,246	\$1,128,535	\$1,923,552
RLV (\$/sqm of site area)	\$254	\$663	\$1,130
Residual Land Value(NPV)	\$831,275	\$1,424,180	\$2,631,857
Development Margin	(12.86%)	(1.50%)	16.61%
Project IRR	(11.82%)	1.80%	28.37%
Feasibility	Not Feasible	Not Feasible	Feasible

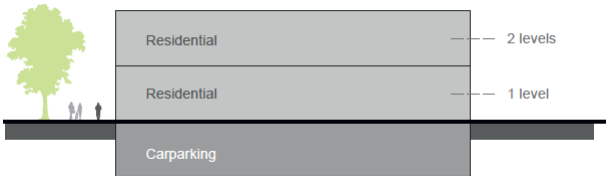
A summary of each of the three Scenario's for Test Site 2 and its building height implications are shown in the figure below. In essence the results show that under the current controls, the amalgamation and redevelopment of existing single storey residential properties in the suburb of Berala requires a notable uplift (doubling of FSR) to make it financially attractive. This finding is a result of two key factors:

1. The notable cost of providing underground car parking. This cost increases with each level of underground car parking required; and
2. The modest difference in land value between existing single storey houses in Berala and apartments in today's markets. As a consequence of this factor, a notable uplift in development density is required to offset the additional costs of building apartments (including underground car parking) and to provide sufficient incentive for development to occur.

This finding is not an uncommon one in Sydney, with many locations within Sydney's Inner West (and more so in Sydney's West) having insufficient land value at this point in time to incentivise redevelopment as medium to higher density apartments.

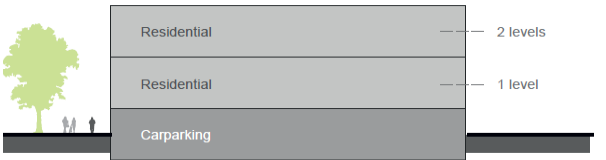
Figure 14 - Summary of Development Scenario Results for Test Site 2

Scenario 1: Existing FSR and Full Car Parking Rate at Basement Level



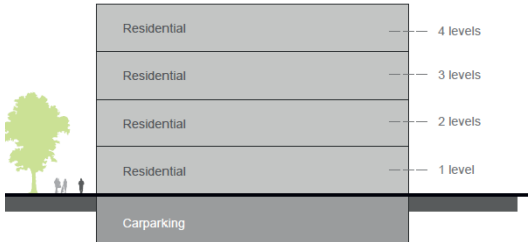
Zone: R3
FSR: 0.75:1
2 Floors Residential
1 Level of underground Car Parking (22 spaces) with visitors parking
Not Viable – IRR -12%

Scenario 2: Existing FSR and Sub Basement Car Parking



Zone: R3
FSR: 0.75:1
2 Floors Residential
1 Level of Sub basement parking (22 Spaces) with visitors parking
Not Viable – IRR 2%

Scenario 3: Increased FSR and Full Car Parking Rate



Zone: R3
FSR: 1.5:1
4 Floors Residential
Underground Car Parking (37 Spaces) with visitor's parking
Feasible – 28%

5. KEY FINDINGS AND RECOMMENDATIONS

This penultimate Chapter reviews the key findings and recommendations of the Study. The Chapter summarises some of the key development opportunities and constraints identified within the Study Area from an economic perspective and translates them into recommendations for Council concerning the suitability of the existing planning controls from a development feasibility perspective.

5.1 DEVELOPMENT OPPORTUNITIES / CONSTRAINTS

Our research has found that demand for residential and retail properties within the Study Area is strong and continuing to grow on the back of the success of areas such as Lidcombe and the growing attraction of Berala as a location for young families and professionals. The market also reports on the benefits generated by the new Woolworths store in the Centre and the role it has had in enhancing the attraction of the Village Centre as a local food and service destination.

Notwithstanding this growing demand, the redevelopment of properties and land within Berala has been modest in recent years. Our research and industry experience finds that such a predicament is rarely a result of any one factor (such as planning controls). Rather the successful redevelopment of an area relates to a range of market and socio-economic conditions including the ability to raise finance (which has been a key challenge during and post GFC), the availability of land for redevelopment (which relates to the willingness of existing land owners to sell), the cost of construction, the desirability of the area by the market and the capacity of development permitted under the current planning controls.

Whilst the desirability to live in Berala is growing, our analysis indicates that the economics of redeveloping to medium density in the area is not yet at a stage whereby there is sufficient reward – or profit – for the developer to overcome the risk of site acquisition, finance and redevelopment. This is particularly the case on smaller, more complex sites that may be in fragmented ownership. Conversely, our experience suggests that some of the larger consolidated sites might still provide good options for redevelopment however as with any development scenario, their redevelopment is dependent on the intent and willingness of the existing landowner.

In light of this research and our Study Area analysis, some of the key development opportunities and constraints from an economic perspective that we have identified have been summarised in the following table.

Table 9 - Development Opportunities and Constraints within the Berala Study Area

Strengths and Opportunities	Weaknesses and Constraints
Some large sites with good redevelopment potential in the B2 Local Centre Zone i.e. hotel and car park sites	Flooding potential and associated cost implications to development
Growing market attraction to professionals and families	Current market economics
Good rail access to / from the Study Area	Limited development applications for redevelopment
Established village character and retail market	Tightly held retail properties limiting redevelopment opportunities
Limited acid sulphate soils (i.e. Class 5)	Strata titled units on edge of B2 Local Centre Zone i.e. within the R4 High Density Zone limiting redevelopment opportunities
Limited heritage constraints	Community concerns regarding poor quality development
Full line anchor supermarket acts as attractor	
Good level of public car parking in the Centre	

5.2 SUITABILITY OF CURRENT PLANNING CONTROLS

As outlined in Section 6.1, there is a range of economic and finance factors that interrelate to influence the feasibility of an individual site's redevelopment with planning controls being but one of these factors. In light of the nature of our brief however, we have tested two of the two main planning parameters that influence development feasibility outcomes – car parking requirements and FSR / Building Height. By varying these factors it was found that:

1. Under the current planning controls the redevelopment of both Test Sites was not viable;
2. By reducing the car parking rate, the return improves but remains a loss and unviable for both Test Site 1 and Test Site 2 owing to notable cost of excavation for car parking; and
3. By increasing FSR and number of building storeys, but not altering Council's car parking standards, development could become financially viable on each Test Site at this point in time.

On this basis, our testing shows that in today's market for both Test Sites, the following minimum density thresholds and building storeys would be required for their viable redevelopment:

- an FSR of 3:1 and height of 5 storeys for mixed use development within the B2 Local Centre Zone (an increase from the existing permissible maximum FSR of 2:1 and 3 storeys building height); and
- an FSR of 1.5:1 and height of 4 storeys for residential only development within the R3 Medium Density Zone (representing a doubling from the current FSR of 0.75:1 and 2 storeys building height).

These changes represent a notable increase from the existing controls. We therefore believe it is important to highlight the potential impact these densities and associated building heights and scale could have to the character of the Study Area. This matter is particularly pertinent in light of the key findings of the community engagement undertaken to inform the draft Berala Village Study. This analysis advised that whilst the local community supported revitalisation in Berala it did not necessarily support significant or wholesale increases in

built form density across the Study Area to achieve this outcome. For this reason we recommend caution in implementing the above referenced increases in FSR without a more detailed review of the implications through an urban design study or analysis. This recommendation is considered in line with Council’s objective for the draft Berala Village Study to “*consider which building types and heights are suitable for Berala in the future*”.

We also highlight the findings of our research that existing FSR’s within the Study Area are not out of order with other comparable centres. Rather in some cases the FSR’s that are currently permissible for the Study Area (i.e. the R2 Low Density and R3 Medium Density Zones) are notably higher than other village centres in Sydney.

As a final matter we wish to reiterate that not all sites within the Study Area would require as significant an uplift in density to make their redevelopment attractive in today’s market. Some sites may benefit from lower development costs owing to site ownership or environmental characteristics and therefore would be more likely to be feasible under the existing planning controls. These sites would however be the exception rather than the rule.

5.3 RECOMMENDATIONS AND IMPLICATIONS

In light of the findings outlined above, we recommend two potential approaches or options to be considered by Council with respect to Berala’s Strategic Planning framework. We believe both options should be considered in the context of the extensive analysis already undertaken to inform the draft Berala Village Study. To assist this deliberation, we set out the pros and cons of each option in light of the Study’s objectives as set out above.

Option 1 Increase Existing Controls - this approach would seek to increase the FSR for each zone tested in accordance with the findings of our development feasibility modelling. It would help to incentivise redevelopment and thereby revitalisation of the Village Centre and broader Study Area by making redevelopment a more financially attractive option to build higher density apartment style dwellings in today’s market. This option would however result in development at a notably higher density than existing and may be at odds with the community’s vision for the Study Area.

Option 2 Retain Existing Controls: This option would be a ‘wait and see’ approach that recognises the existing planning controls are not at odds with other locations and that the housing market in the Study Area is on an upward trend. This approach would have a less immediate effect than Option 1 yet would be more in keeping with community expectations. This Option would be likely to see some redevelopment (i.e. less complicated sites in consolidated ownership) yet would have less immediate and apparent revitalisation outcomes in terms of built form in comparison to Option 1.

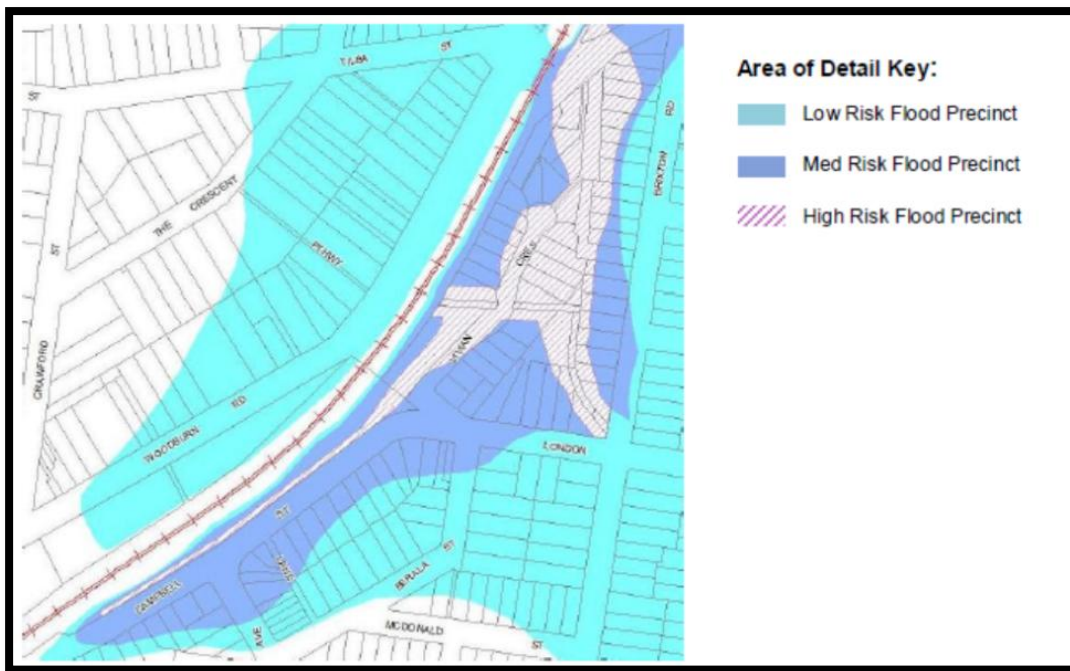
As a variation to this Option, Council could consider a reduced requirement for onsite car parking in the Village Centre in recognition of its accessibility and the benefits this would have to development feasibility. This change, together with the potential for further market improvements could have an overall positive impact on the attraction of developing within the Study Area under the current controls.

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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.
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8. This valuation is prepared on the assumption that the lender or addressee as referred to in this valuation report (and no other) may rely on the valuation for mortgage finance purposes and the lender has complied with its own lending guidelines as well as prudent finance industry lending practices, and has considered all prudent aspects of credit risk for any potential borrower, including the borrower's ability to service and repay any mortgage loan. Further, the valuation is prepared on the assumption that the lender is providing mortgage financing at a conservative and prudent loan to value ratio.

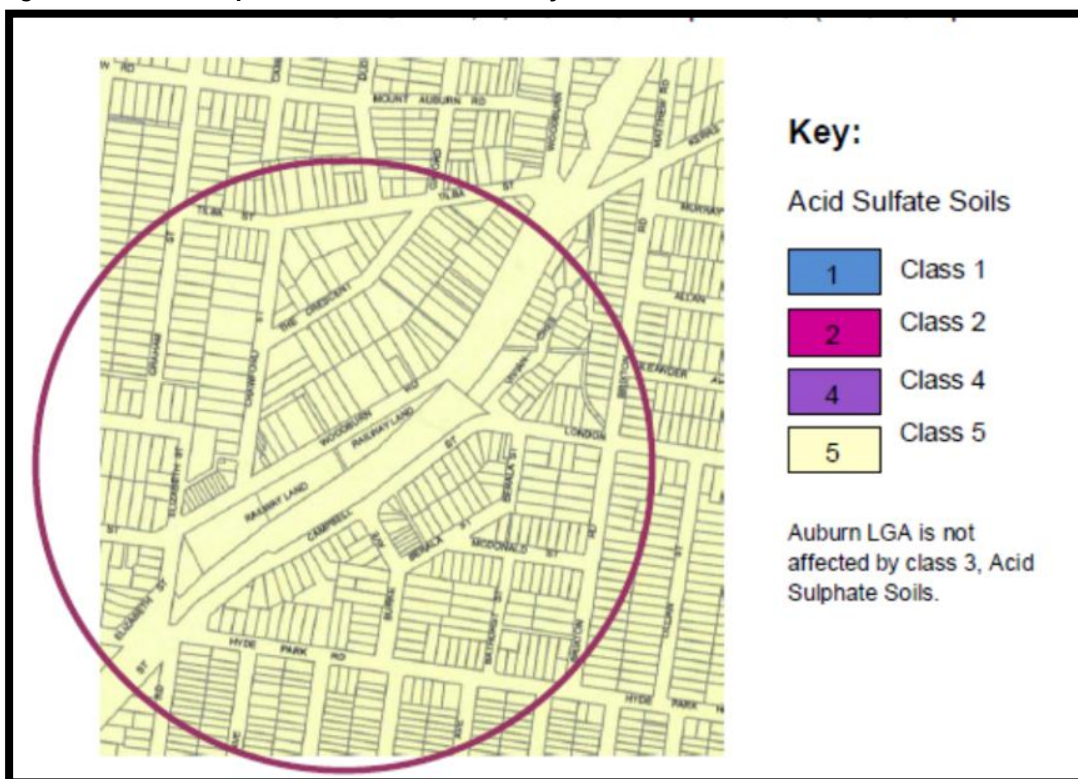
Appendix 1 - ANALYSIS FROM DRAFT BERALA VILLAGE STUDY

Figure 15 - Floodprone land within the Study Area



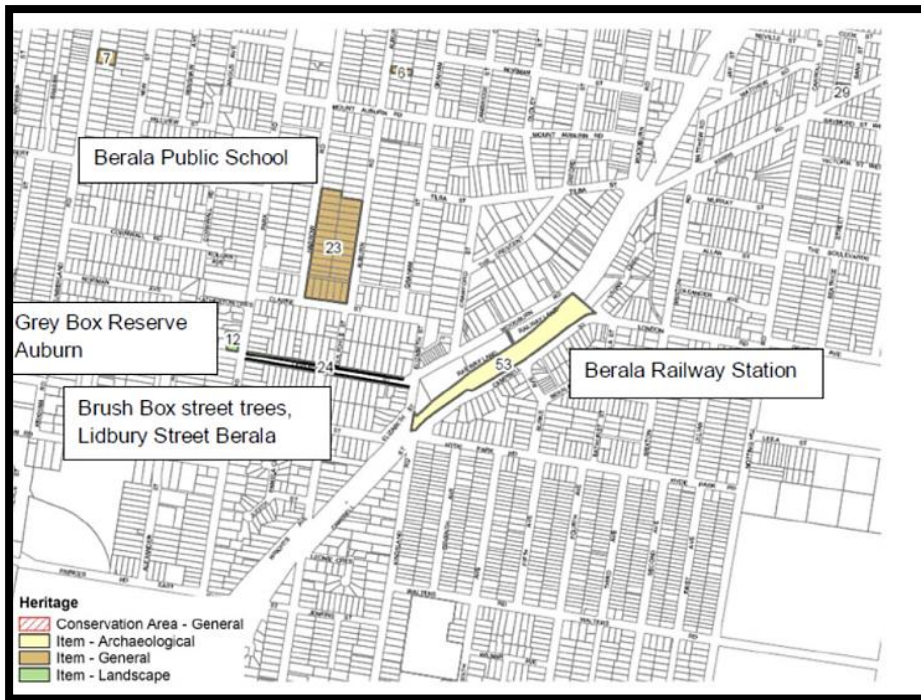
Source: Draft Berala Village Centre Study 2012

Figure 16 - Acid Sulphate Soils within the Study Area



Source: Draft Berala Village Centre Study 2012

Figure 17 - Heritage Items within the Study Area



Source: Draft Berala Village Centre Study 2012

Figure 18 - Strata Subdivision within the Study Area



Source: Draft Berala Village Centre Study 2012

Figure 19 - Building Types and Storeys within the Study Area



Source: Draft Berala Village Centre Study 2012

Figure 20 - Building Age within the Study Area



Source: Draft Berala Village Centre Study 2012

Figure 21 - Building Condition within the Study Area



Source: Draft Berala Village Centre Study 2012

Appendix 2 - **MODELLING ASSUMPTIONS**

Project Timeframe:

- Project commencement in September 2013
- Construction spans 12 months.
- Residential pre-sales of approximately 50% prior to construction with settlement on completion of construction.
- Option 2: Residential pre-sales of Studios, 1 and 2 bedrooms approximately 50% prior to construction with settlement on completion of construction. All 3 bedrooms apartments are sold on completion of construction.

End Sale Values:

- Due to the high-level nature of this assessment and in the absence of detailed plans, Hill PDA has adopted sale value in the order of:
- Site 1 – Residential & Retail
 - Ground Retail - \$4,000/sqm.
 - Level 1- \$6,000/sqm
 - Level 2 - \$ 6,200/sqm
 - Level 3 - \$6,400/sqm
 - Level 4- 6,500/sqm
- Site 2 - Residential
 - Level 1- \$6,000/sqm
 - Level 2 - \$ 6,200/sqm
 - Level 3 - \$6,400/sqm
 - Level 4- 6,500/sqm

Additional sales assumptions include:

- Sales escalations at 2.5% per annum.
- GST is included on residential sales but excluded on non-residential sales.
- Selling costs are assumed at 2.2% of residential sales and 1.5% of non-residential sales.
- Legal costs 0.20% of gross sales
- Capital Works, Construction and Land Costs

Constructions costs have been sourced from Rawlinson's Construction Handbook 2013 and are as follows:

- Demolition -\$ 45,000
- Residential construction:
 - \$1,800/sqm construction;
 - \$360/sqm for balconies;
- Retail construction – \$1,785/sqm ;
- Basement car parking at \$45,000 per car space.

Additional cost assumptions include:

- Professional fees have been assumed at 8% of building construction costs (4% expensed prior to construction of each stage and 4% pro-rated with the costs of development during construction;and
- Construction contingency of 5% of construction costs.

Statutory costs:

- DA and, Section 94A contributions and Construction Certificate fees assumed Councils estimates; and
- Landholding costs estimated based on prevailing statutory rates and assumed to diminish with sales.

Performance Criteria

- Hill PDA has adopted a project discount rate of 18% per annum nominal on the cash flow of the project which includes financing costs but excludes interest.
- Additionally, a developers target development margin of 18% on total development costs (including selling costs) has been assumed both reflecting the size of the development and the associated risk.

Appendix 3 - DEVELOPMENT FEASIBILITY SUMMARY SHEET

EstateMaster  DEVELOPMENT FEASIBILITY

Summary of Stages and Consolidated Project
Option 1

	1	2	3	4	5	6	7	8	TOTAL
	Option 1 - Scenario 1	Option 1 - Scenario 2	Option 1 - Scenario 3	Option 2 - Scenario 1	Option 2 - Scenario 2	Option 2 - Scenario 3			
178-184 Woodburn Street - FSR 2:1 - Council required car parking		Mixed Use FSR 2:1 - 178-184 Woodburn Street- Reduced Car Parking	Mixed Use FSR 3:1:5 Levels, 78-184 Woodburn Street - Mixed use + Council required car parking	R3 Medium Density - Residential + Statutory Requirement	30-34 Campbell Street & 22 Burke Street R3 Medium Density - FSR0.75:1 Undercroft Parking	R3 Medium Density - FSR 1.5:1 Residential			
19.1 Units 2,547.8 GFA 1,273.92 SqM	19.1 Units 2,547.8 GFA 1,273.92 SqM	30.6 Units 3,821.8 GFA 1,273.92 SqM	14. Units 1,275.6 GFA 1,700.8 SqM	14. Units 1,275.6 GFA 1,700.8 SqM	25.5 Units 2,551.2 GFA 1,700.8 SqM				
Miscellaneous Under Review	Miscellaneous Under Review	Miscellaneous Under Review	Miscellaneous Under Review	Miscellaneous Under Review	Residential Under Review	Miscellaneous Under Review			
REVENUE									
Gross Sales Revenue	12,249,432	12,249,432	22,458,672	6,479,531	6,591,247	14,020,364			74,048,677
Less Selling Costs	(278,528)	(278,528)	(520,457)	(155,509)	(158,190)	(336,489)			(1,727,700)
Less Purchasers Costs	-	-	-	-	-	-			-
NET SALES REVENUE	11,970,904	11,970,904	21,938,214	6,324,022	6,433,057	13,683,876			72,320,977
TOTAL REVENUE (before GST paid)	11,970,904	11,970,904	21,938,214	6,324,022	6,433,057	13,683,876			72,320,977
Less GST paid on all Revenue	(912,822)	(912,822)	(1,800,779)	(589,048)	(599,204)	(1,274,579)			(6,089,254)
TOTAL REVENUE (after GST paid)	11,058,082	11,058,082	20,137,436	5,734,974	5,833,853	12,409,297			66,231,723
COSTS									
Land Purchase Cost	3,184,800	3,184,800	3,184,800	2,040,960	2,040,960	2,040,960			15,677,280
Land Acquisition Costs	195,274	195,274	195,274	118,152	118,152	118,152			940,279
Construction (inc. Construct. Contingency)	7,723,493	6,491,271	11,093,371	3,746,878	3,171,156	7,247,479			39,473,647
Professional Fees	617,879	519,302	887,470	299,750	253,692	579,798			3,157,892
Statutory Fees	137,659	125,338	196,402	63,587	58,960	121,319			704,264
Land Holding Costs	262,611	262,611	439,942	40,049	40,049	24,056			1,069,318
Finance Charges (inc. Line Fees)	900	900	900	-	-	-			2,700
Interest Expense	446,605	372,782	702,072	213,643	179,439	384,096			2,298,638
TOTAL COSTS (before GST reclaimed)	12,679,466	11,262,522	16,902,359	6,581,336	5,922,729	10,642,045			63,990,456
Less GST reclaimed	-	-	-	-	-	-			-
TOTAL COSTS (after GST reclaimed)	12,679,466	11,262,522	16,902,359	6,581,336	5,922,729	10,642,045			63,990,456
PERFORMANCE INDICATORS									
Gross Development Profit	(1,621,384)	(204,440)	3,235,077	(846,362)	(88,876)	1,767,252			2,241,267
Net Developer's Profit after Profit Share	(1,621,384)	(204,440)	3,235,077	(846,362)	(88,876)	1,767,252			2,241,267
Development Margin (Profit/Risk Margin)	(12.79%)	(1.82%)	19.14%	(12.86%)	(1.50%)	16.61%			3.50%
Target Development Margin	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%			
Residual Land Value (Target Margin)	142,092	1,455,893	3,311,910	431,246	1,128,535	1,923,552			8,393,228
Breakeven Date for Cumulative Cash Flow	N.A. (Negative Profit)	N.A. (Negative Profit)	Jul-2015	N.A. (Negative Profit)	N.A. (Negative Profit)	May-2015			Jul-2015
Discount Rate (Target IRR)	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%			
Net Present Value @ Start of Stage	(2,253,407)	(1,112,344)	1,115,240	(1,239,378)	(632,745)	606,192			(3,516,442)
Date of Commencement	Sep-13	Sep-13	Sep-13	Sep-13	Sep-13	Sep-13			
Holding Discount Rate	10.00%								
NPV at Start of Consolidated Cash Flow	(2,253,407)	(1,112,344)	1,115,240	(1,239,378)	(632,745)	606,192			(3,516,442)
Benefit:Cost Ratio	0.792	0.885	1.079	0.781	0.877	1.068			
Project Internal Rate of Return (IRR)	(12.20%)	1.89%	28.72%	(11.82%)	1.80%	28.37%			8.97%
Residual Land Value (NPV) @ Start of Stage	1,023,846	2,120,727	4,114,950	831,275	1,424,180	2,631,857			12,146,834
Peak Debt Exposure	9,410,508	8,018,182	13,594,626	4,499,813	3,852,648	8,533,374			46,130,321
Date of Peak Debt Exposure	Feb-2015	Feb-2015	Apr-2015	Feb-2015	Feb-2015	Feb-2015			Jun-2015
Breakeven Date for Project Overdraft	May-2015	Apr-2015	Jun-2015	May-2015	Apr-2015	Apr-2015			
Total Equity Contribution	3,184,800	3,184,800	3,184,800	2,040,960	2,040,960	2,040,960			15,677,280
Peak Equity Exposure	3,184,800	3,184,800	3,184,800	2,040,960	2,040,960	2,040,960			15,677,280
Date of Peak Equity Exposure	Dec-2013	Dec-2013	Dec-2013	Dec-2013	Dec-2013	Dec-2013			Dec-2013
IRR on Equity	(37.05%)	(4.37%)	53.75%	(29.47%)	(2.96%)	52.50%			9.05%
Weighted Average Cost of Capital (WACC)	6.29%	6.01%	6.83%	5.78%	5.48%	6.81%			

YIELD ANALYSIS

	Qty	Area	Qty	Area	Qty	Area	Qty	Area	Qty	Area	Qty	Area	Qty	Area
SALES		SqM		SqM		SqM		SqM		SqM		SqM		SqM
Residential Apartments	0	1,624	0	1,624	0	3,057	0	1,084	0	1,084	0	2,169	0	10,643
Retail Shops	0	541	0	541	0	650	0	0	0	0	0	0	0	1,733
TOTAL	0	2,166	0	2,166	0	3,707	0	1,084	0	1,084	0	2,169	0	12,375
TENANCIES		SqM		SqM		SqM		SqM		SqM		SqM		SqM
TOTAL		0		0		0		0		0		0		0

Footnotes (based on current Preferences):

- Development Profit: is total revenue less total cost including interest paid and received
- Developer's Net Profit after distribution of profit share.
- Development Margin: is profit divided by total costs (exc selling & leasing costs)
- Residual Land Value: is the maximum purchase price for the land whilst achieving the target development margin.
- Breakeven date for Cumulative Cash Flow: is the last date when total debt and equity is repaid (ie when profit is realised).
- Net Present Value: is the project's cash flow stream discounted to present value.
It includes financing costs but excludes interest and corp tax.
- Net Present Value of each stage at commencement of the consolidated cash flow using the Holding Discount Rate.
- Benefit:Cost Ratio: is the ratio of discounted incomes to discounted costs and includes financing costs but excludes interest and corp tax.
- Internal Rate of Return: is the discount rate where the NPV above equals Zero.
- Residual Land Value (based on NPV): is the purchase price for the land to achieve a zero NPV.
- Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
- IRR on Funds Invested is the IRR of the equity cash flow including the return of equity and realisation of project profits.