

**PLANNING PROPOSAL 106-
128 WOODPARK ROAD
SMITHFIELD**

**RESPONSE TO LOCAL
PLANNING PANEL MINUTES**

URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

Director	Tim Blythe
Associate Director	Naomi Daley
Consultant	Paige Crowe
Project Code	SA7394
Report Number	01

TABLE OF CONTENTS

Introduction	1
1. The Site and surrounding Context	2
2. Approved Development and indicative Concept.....	4
3. Site Evolution	5
3.1. The subject site's Change over time.....	5
3.2. Other Examples	5
4. The Planning Proposal – Brief overview.....	6
5. Local Planning Panel Feedback	7
6. Strategic Planning Context	8
7. Assessing Economic Implications of additional commercial floor space.....	10
8. Assessing the Economic Implications on Neighbourhood centres	16
9. Summary.....	18
Disclaimer	19

Appendix A Retail Statement from Leyshon Consulting

Appendix B Commercial Real Estate correspondence

INTRODUCTION

A Planning Proposal relevant to 106-128 Woodpark Road Smithfield (the site) is under assessment by Cumberland Council. As part of Council's consideration of the proposal, the Cumberland Local Planning Panel (CLPP) provides advice for Council officers to consider as part of the assessment.

The purpose of the report is to respond to the Cumberland Local Planning Panel minutes, dated 11 March 2020, which concluded that the site has site specific merit, but to further prove the strategic merit, they raised comments specifically on the quantum of commercial floor space and the impact on B1 neighbourhood centres.

Council officers have subsequently sought additional clarification or information on the two key matters.

This report supplements a Cumberland Council briefing held at Council on 13 May 2020 to discuss the Planning Proposal relevant to 106-128 Woodpark Road Smithfield. This report largely reflects the presentation tabled with Council, however has been supplemented with additional information.

Accompanying this response is an additional statement prepared by Leyshon Consulting on the retail economic impact on neighbourhood centres in the trade area. Also accompanying is commercial real estate advice on the potential end tenants and market demand for commercial floor space.

We anticipate that the Planning Proposal will be heard at the June Council meeting and this information will assist in this forum and allow for the progression of the Planning Proposal to the Department of Planning for a Gateway Determination.

1. THE SITE AND SURROUNDING CONTEXT

Key attributes of the site as articulated in the Planning Proposal are as follows:

- Total site area of 67,478 sqm
- 165m frontage to Woodpark Road
- 405m frontage to Cumberland Highway (Betts Road)
- Currently four large industrial buildings on site
- Stage 2 + Stage 3 have a total GFA of circa 46,000sqm comprising specialised retail premises, child care, medical, fast food (approved in Stage 2) + retail and office (proposed in Stage 3)

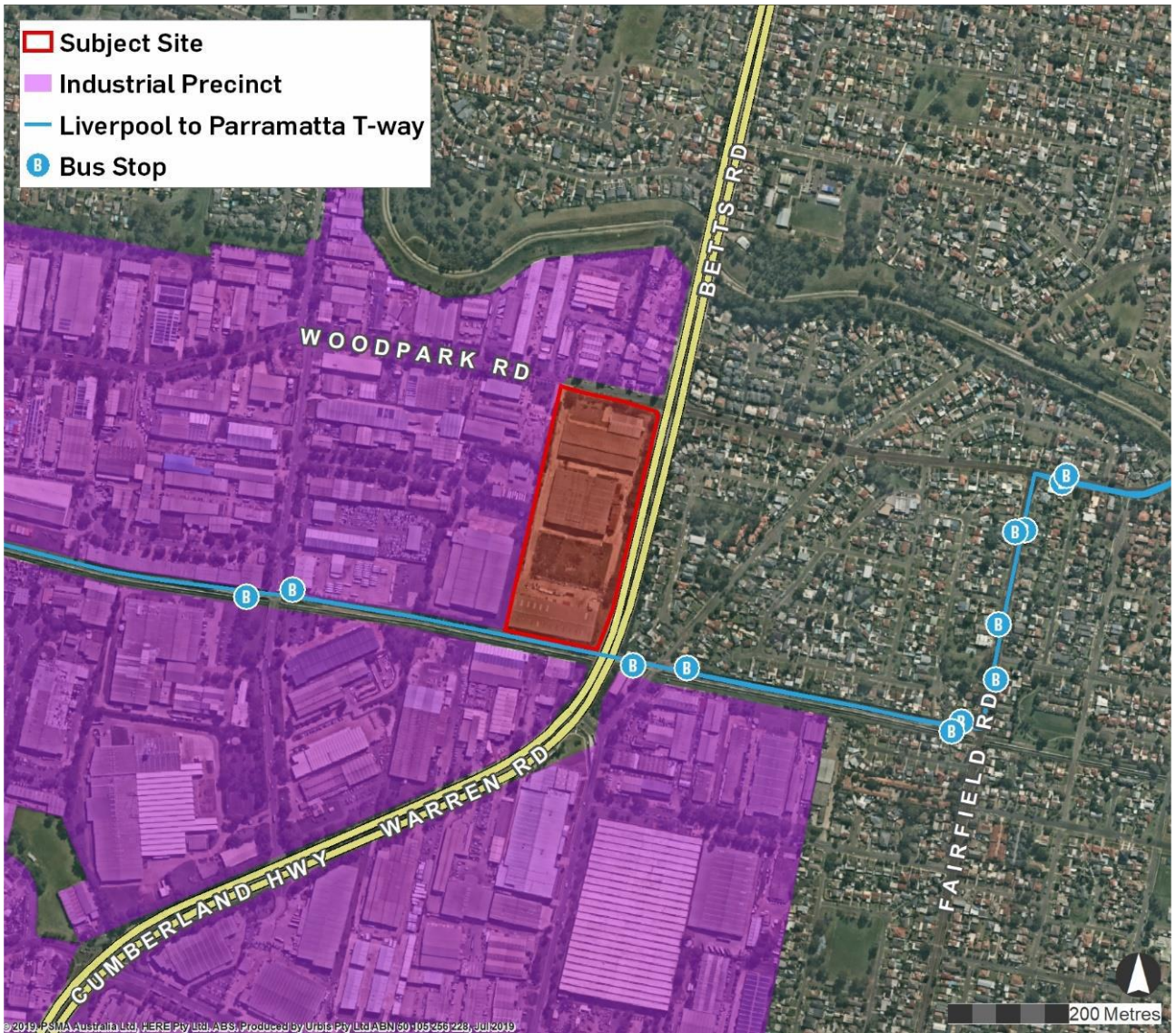
The blue outline below in Figure 1 depicts the entire site and the red outline depicts the area the subject of the Planning Proposal.

Figure 2 shows the proximity of the site adjoining the industrial area and the T-Way. The larger site is shaded in red.

Figure 1 – The site and area of the Planning Proposal



Figure 2 – Surrounding Context



2. APPROVED DEVELOPMENT AND INDICATIVE CONCEPT

The Planning Proposal is part of a broader site redevelopment, whereby the northern portion has DA approval. The site comprises:

- Stage 2/northern approved large format and other land uses
- Stage 3/ southern portion only subject to Proposal (shaded red in Figure 3 below)

Figure 3 – Approved Development

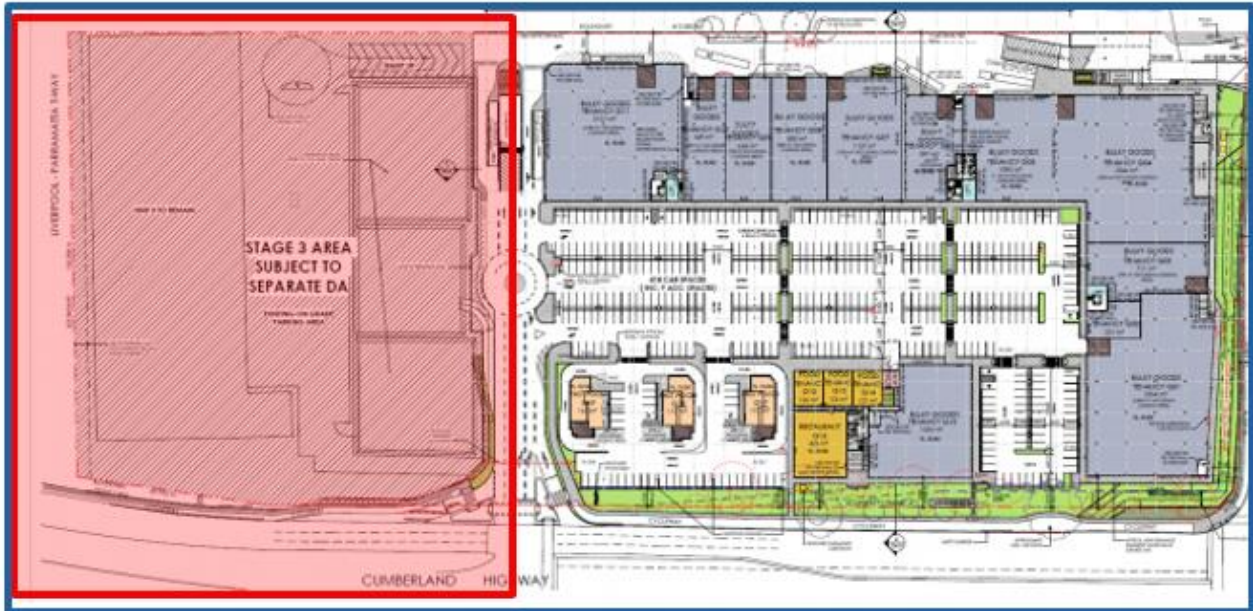


Figure 4 – Indicative Concept of Stage 3/Planning Proposal land



3. SITE EVOLUTION

3.1. THE SUBJECT SITE'S CHANGE OVER TIME

The site is an example of changing the land use to meet the demands driven by changes in employment and industry. Importantly, the site has always been retained as an employment generating yet now the land use is for higher yielding purposes.

Former industrial land (The land was rezoned as part of Holroyd LEP in 2012)



Approved large format retail centre (2017 + 2019)



Emerging local centre with a mix of uses (PP)

3.2. OTHER EXAMPLES

The establishment of stand alone offices has occurred in several industrial precincts across Sydney. Changes to industry and employment towards office based jobs including an increase in professional and technical employment has driven the demand for offices in locations across Sydney:

MACQUARIE PARK

- Major business centre for pharmaceutical, biotechnology, electronics and communications industries.
- Over 850,000 sqm of commercial office space

447 VICTORIA STREET, WETHERILL PARK

- Victoria Centre represents the only large scale commercial office building in the Wetherill Park Industrial Precinct, and is located on the busy intersection of Victoria Street and Newton Road.
- 3,617sqm; 19 tenancies

63 - 79 PARRAMATTA ROAD, SILVERWATER

- Gateway Business Park provides modern and affordable office accommodation situated in a highly exposed corner location with easy access to Parramatta Road and the M4 Motorway.
- 8,000 sqm of flexible office space over two commercial towers and over 11,000 sqm of office/warehouse accommodation.

2- 13 LORD STREET, BOTANY

- Lakes Business Park is a corporate park in Sydney's south east providing office and warehouse accommodation across six free standing buildings.
- 43,000sqm

4. THE PLANNING PROPOSAL – BRIEF OVERVIEW

The subject application formally requests an amendment to the Holroyd LEP 2013, with the following key parameters:

- Applicable to southern portion only (i.e. Stage 3 land)
- Include additional permitted uses:
 - shop, business premises (that do not exceed 10,500sqm in total)
 - office premises (that do not exceed 7,000sqm)
- Apply a maximum height of 29 m to the southern portion of the overall site

Details of the indicative proposal:

- Retail: 3,641sqm ground floor supermarket, 18 x retail tenancies/shops (at GF, L1 and basement) totalling 8,900sqm.
- Commercial office over levels 2 and 3 with a total GFA of 6,994sqm.
- 888 car parking spaces

Some key benefits of the proposal are:

- Investment in large scale commercial office reflects the site's ability to offer co location for knowledge based companies and establish synergies with other tenants within the precinct.
- The scale of retail uses will allow for a solid convenience and goods offer serving the immediate worker market and local Smithfield residents.
- Employment:
 - Stages 2 and 3: 1,427 direct ongoing jobs across retail, commercial, office, medical and childcare uses.
 - Construction jobs in the order of 183 jobs per year (for 4yrs)
- A Voluntary Planning Agreement will be prepared as part of the proposal and includes consideration of a pedestrian link from T-way to the south as well as flood and stormwater works, although the details are still to be worked through in greater detail.

5. LOCAL PLANNING PANEL FEEDBACK

The proposal was presented to the Cumberland Local Planning Panel on 11 March 2020 (item LPP012/20) and the Panel was supportive of the project however provided the following advisory notes for Council to consider prior to tabling at a Council meeting or proceeding to Gateway/State Government. The minutes found:

- Has site specific merit, however, strategic merit has not been demonstrated at this stage.

Key points raised were:

- Will be establishing a new local centre, an outcome not contemplated in the District Plan or in the Council's Draft Local Strategic Planning Statement.
- Seek greater justification on the strategic merit of the proposal by:
 - a more thorough economic impact analysis that considers the introduction of the substantial **quantum of commercial office floor space** proposed
 - the **impact of the proposed retail floor space on the nearby B1 zoned local shops** to the east, in proximity of Woodpark Road.

6. STRATEGIC PLANNING CONTEXT

The strategic merit test criteria require that a planning proposal demonstrate strategic merit against (at least one of) the following three criteria:

1. *Consistent with the relevant district plan, or corridor/precinct plans applying to the site, including any draft regional, district or corridor/precinct plans released for public comment*
2. *Consistent with a relevant local council strategy that has been endorsed by the Department.*
3. *Responding to a change in circumstances, such as the investment in new infrastructure or changing demographic trends that have not been recognised by existing planning controls*

The Planning Proposal is consistent with the objectives and actions of the applicable strategic plans and policies that apply to the site. A number of relevant strategic planning policies and background documents were reviewed as part of this response including:

- Central District Plan
- Cumberland Draft Employment and Innovation Lands Strategy (EILS) and Land Use Planning Framework (LUPF) prepared by AEC Group and Mecone (August 2017)
- Cumberland Employment and Innovations Lands Study (May 2019)
- Cumberland Local Strategic Planning Statement 2020
- Western Sydney Job Deficit Analysis (WSROC report) 2016 (.id)
- Review of Merrylands City Centre Revitalisation 2017 (JLL)
- Holroyd Economic Development Strategy 2014

Additionally, other policies addressed in the original Planning Proposal document include:

- NSW State Priorities
- The Greater Sydney Region Plan – A Metropolis of Three Cities
- Draft Retail Discussion Paper - Planning for the Future of Retail

Overall, the Planning Proposal enables knowledge-based employment in the Smithfield Enterprise Park through the provision of commercial office space, consistent with the direction local, district and regional strategic plans. It responds to changing trends and economic objectives, this demonstrating strategic merit under criteria 3. Further analysis is provided below in the following sections.

At a high level, the following outlines some key points in the Central District Plan so as to provide some strategic context to the site and alignment with the subject proposal:

- Cumberland is forecasted to have 75,000 additional people by 2036
- Employment targets in Cumberland LGA have a focus on Greater Parramatta (81,900 in 2016 to 137,000 baseline/151,500 higher target) and GOP land (advanced tech and knowledge cluster) with no targets on centres particularly.
- Cumberland and Parramatta urban services and industrial land is “*well-positioned to support innovation and attract investment in more knowledge-intensive and high-value industry sectors. The transition from traditional industrial to advanced manufacturing and innovation industries will further boost productivity*”.
- The subject land is within an Enterprise Park whereby the site is retained as employment land. The Plan does recognise that Enterprise Park land (as per the subject site) has a potential case for change whereby it could accommodate evolving business practices and changes in needs for urban services from the surrounding community and businesses.
- Importantly, the Plan does establish principles for centres and states new centres will be required across the whole of greater Sydney. Consideration of “new” centres, including ones initiated as business parks and as part of large format retail clusters recognising that these grow and evolve over time (p74), such

as the subject site. The proposal is not competing with strategic or higher order centres but rather proposes a different land use mix.

- The Plan notes that there will be significant demand for additional office floor space in the Central City District.

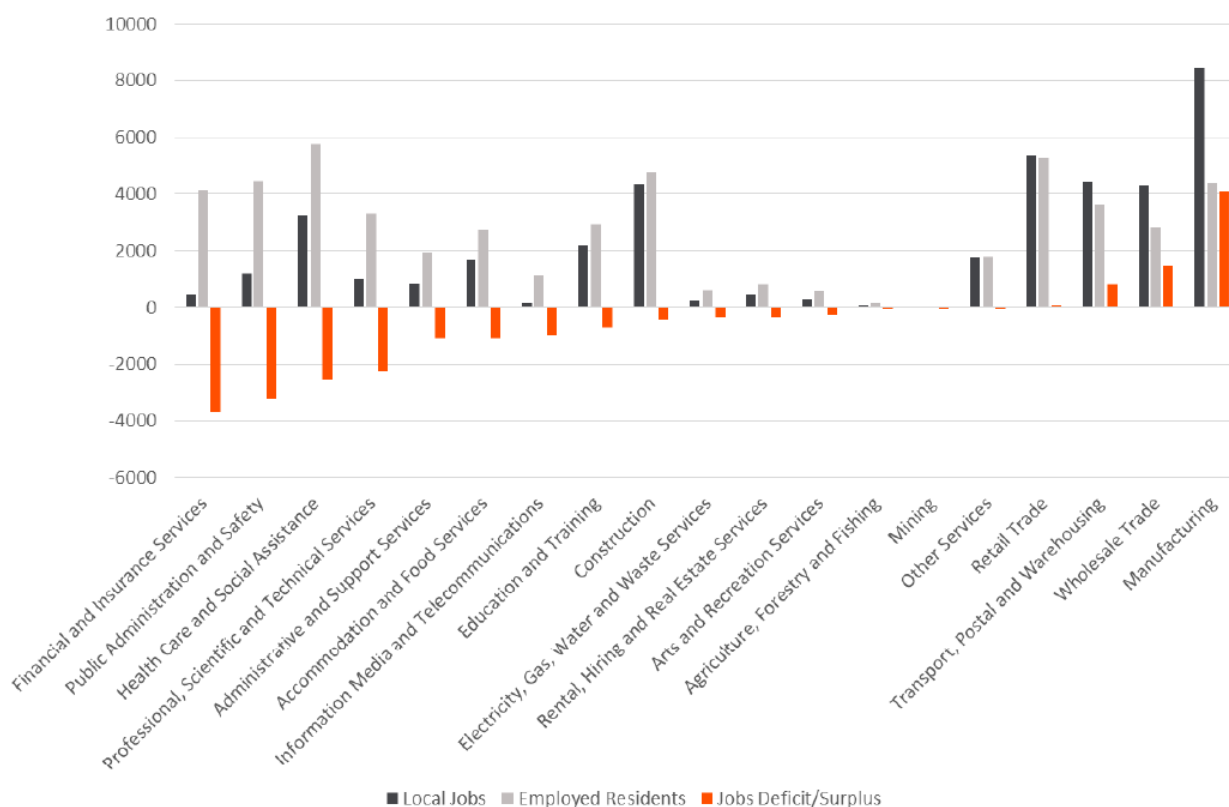
7. ASSESSING ECONOMIC IMPLICATIONS OF ADDITIONAL COMMERCIAL FLOOR SPACE

Greater review and analysis of strategic policies were undertaken to address the LPP's comments in relation to the economic implications of the additional approximately 7,000sqm of commercial floor space.

The delivery of new commercial floor space under the draft Planning Proposal will have positive impacts on the local community:

- According to a 2016 WSROC report, Cumberland already has a **job's deficit generating 10,692 less local jobs than employed residents**. An extract of the Western Sydney Job Deficit Analysis (WSROC report) 2016 (prepared by .id) is below in Figure 5 showing the breakdown of the Holroyd jobs and employed residents by industry. The largest deficits are in the following sectors:
 - *Financial and insurance (-3,693)* (noting that Holroyd also has the lowest jobs to residents' ratio with only 11 jobs for every 100 residents working within the industry)
 - *Public administration and safety (-3,242)*
 - *Health care and social assistance (-2, 543)*

Figure 5 – Holroyd local jobs and employed residents by industry – 2015



Source: National Institute of Economic and Industry Research (NIEIR) ©2016. Compiled and presented by .id, the population experts

Source: Western Sydney Job Deficit Analysis (WSROC report) 2016

- Further, the **Employment and Innovations Lands Study (May 2019)** also found that:
 - There was a fall in manufacturing jobs between 2006 to 2011 by 6% in LGA but employment in financial and insurance services grew by 72%. Other growth in transport/freight, warehousing, construction, retail trade, health.

- Under Council’s 2019 Employment Lands Study – target employment increase is **20,500 jobs 2016 to 2036** (28.3% growth).
- About 50% (12,500 jobs) of the targeted jobs growth (health/social assistance, education/training, accommodation/food, retail trade) will be in traditional centres, such as **Merrylands, Wentworthville, Parramatta Road corridor**. The LSPS states that 4,200 dwellings are proposed in Merrylands also demonstrating a mixed use offer for this strategic centre.
- The other 50% (approx. 8,000 jobs) (targeted in allied health, freight, logistics and advanced knowledge services) will come from **other employment lands and precincts like Woodpark Road**.

Aligning Overall Projected Job’s Growth to Floor space

When examining the 20,500 targeted jobs growth between 2016 and 2041 in the Strategy, Urbis’ Property Economists have provided a comparable table of floor space, extracted below.

Table 1: Estimated floorspace associated with jobs growth, by property type

Industry	Jobs Growth (2016-2036) no.	Floorspace per Job (sq.m)	Additional Floorspace (sq.m)
Office	4,602	15	69,030
Retail	3,402	35	119,070
Health	3,261	20	65,220
Industrial	3,052	60	183,120
Education	2,256	55	124,080
Tourism / Recreation	1,295	90	116,550
Off-site	1,292	35	45,220
Home	324	50	16,200
Other	176	50	8,800
Total	19,660		747,290

Notes: the Urbis data is based on DPIE/TfNSW data to 2036 (19,600 jobs). The Cumberland EILS forecasted 20,500 growth to 2041 (therefore there is a discrepancy of 840 jobs).

- The above jobs growth show in the office sector that just under 70,000sqm of additional floor space is required to meet the forecasted 4,602 jobs. Based on the Planning Proposal’s circa 7,000sqm of commercial office this represents only 10% of the required amount of floor space for the LGA to 2041. This allowing ample commercial office growth for traditional centres or rather doesn’t compete with other targeted centres for employment (Merrylands, Wentworthville, Parramatta Road), noting that different targeted sectors. It is noted that Council has no specific job or commercial floor space targets for Merrylands.
- The proposed 7,040sqm commercial floor space equates to 352 direct and 231 indirect (583 jobs total).

Responsive to emerging trends in employment land and potential tenants

It is anticipated that traditional office space is not the only likely occupant or targeted tenants to potentially fill the proposed office component and this is discussed further below.

Whilst potentially a somewhat speculative development, [as the end tenant/s are not secured], the development is intended to be responsive to emerging trends in employment land in the vicinity, and the proposed office space in this location will assist in capturing escaping business administration employment from Cumberland resulting from changing nature of industrial use:

- The traditional industrial use model changing to more warehousing than manufacturing requiring a small dispatch office that is connected remotely to a head office located elsewhere. This leads to escaped employment because the remote administration offices are most likely located in more amenable areas attracting white collar workers. This trend was highlighted in Council’s EILS where it was stated:

“Some businesses are understood to be reluctant to co-locate head office and operations in employment precincts further south (e.g. Smithfield, Yennora), instead choosing to situate only operations there, with head office functions elsewhere in a more office environment (e.g. Macquarie Park, Parramatta CBD)”.

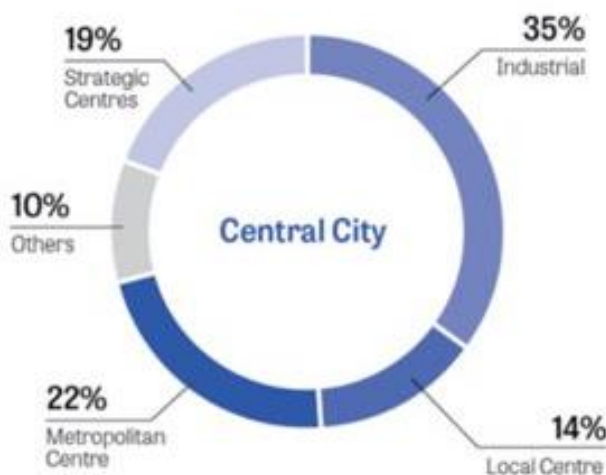
- With this trend and tenant sentiment growing, the proposed provision of commercial office space provides an opportunity to retain employment in Cumberland LGA as opposed to this escaping to other business parks and CBD environments across the Sydney region.
- Indicatively Smithfield has an estimated capacity of approximately 340 hectares (GFA potential of 340,000sqm) with a potential demand for admin office of estimated 16,500sqm. Demonstrating the trend of a reduction of traditional industry office (10%) to small dispatch office (5%).
- The notion of factory has also changed, from heavy industrial to lighter more technology based that does not need traditional factory/manufacturing space. These technology-based uses are better accommodated in air conditioned semi commercial spaces and would not fit well next to more noisy, dusty, traditional industrial uses.

In summary, the purpose of providing commercial uses on the land is to capture this escaped employment and convert the traditional blue collar factory to white collar factory in a commercial/business environment.

- Council’s Strategy also demonstrates that there is a decline in some of Cumberland’s historically strong industries such as advanced manufacturing, food and beverage manufacturing (source Table 6.2 of the EILS) , and as such providing opportunities for future growth on developer-led sites assists in fulfilling the employment targets. Allied health and freight and logistics head office for example are growing sectors and Woodpark Road provides a suitable destination for these sectors given the road corridor and accessible destination as well as the synergy from having retail and associated services available at site
- The subject site at Woodpark Road provides a differentiated offer, outside centres for other employment generating land uses. The Employment and Innovations Lands Study states that Enterprise Parks (including Smithfield) are catering to different types of businesses, accommodate competitively priced space and technology rich facilities and able support innovation outcomes at various levels. This proposed “product” can simultaneously occur without being at the detriment of centres.
- The Central District Plan demonstrates the distribution of employment is spread across all employment land and not just relying on centres to provide commercial office space (see Figure 6 below). It states,

“Industrial and urban services land in Cumberland and Parramatta has great locational advantages being in the heart of Greater Sydney with access to various distribution catchments and freight assets. This land is well-positioned to support innovation and attract investment in more knowledge-intensive and high-value industry sectors. The transition from traditional industrial to advanced manufacturing and innovation industries will further boost productivity”.
- The Central City District Plan also states that **there will be significant demand for additional office floor space in the District.**

Figure 6 – Central City District job distribution by type of location



Source: Australian Bureau of Statistics Census 2011

Source: Central City District Plan

- There is a growing trend of underutilised employment land in Smithfield and increase demand for office to support the broader precinct:
 - **Commercial office will assist in capturing escaping admin jobs from Cumberland resulting from changing industrial use.** Draft EILS (2017) found a reluctance to co-locate head office and operations in employment precincts (e.g. Smithfield, Yennora), instead choosing to situate only operations there and office functions elsewhere e.g. Parramatta CBD.
 - Indicatively Smithfield has an estimated capacity of approx. 340hectares (GFA potential of 340,000sqm) with a potential demand for admin office of estimated 16,750sqm. Demonstrating the trend of a reduction of traditional industry office (10%) to small dispatch office (5%)
 - Of relevance to Yennora and Smithfield, a recommendation in the EILS (2017) was to amend the planning controls to "**permit ancillary retail and office uses**" to assist in supporting for key target activities of freight, R+D, knowledge etc.
- Urbis' Property and Economics section provided a report with the Planning Proposal that contained forecasted employment figures for the commercial office space. The subject proposal has the potential to make a positive contribution to the targeted employment growth of the LGA:
 - 7,040sqm commercial floor space equates to **352 direct and 231 indirect (583 jobs total)**.
 - When combined with approved development, the total estimated employment generation of 1,427 jobs.
 - As a total % of forecast employment (2016-2036), the site is forecasted to contribute 7.3% of which **3% would be generated by the commercial component**.
 - Such development doesn't compete with other targeted centres for employment (Merrylands, Wentworthville, Parramatta Road), noting that different targeted sectors.
- The proposal is aligned with the Cumberland Local Strategic Planning Statement (LSPS) as:
 - **Planning Priority 12: Facilitating the evolution of employment and innovation lands to meet future needs**
Council will consider the permissibility of uses across Council's employment and business zones, together with any new supporting requirements such as floor to ceiling heights. Council will also review permitted land uses to enable opportunities to accommodate variety of job industries in align with changing technologies and future trends (p80).
 - Smithfield is identified as an Enterprise Park – established and emerging business parks to build on existing industry specialisations and increase digitisation of production
 - Recognises the opportunity to transition the area's economy into high order and productive industries and the knowledge based intensive economy.
 - Merrylands is transitioning into a higher order centre with a growing commercial and retail core, supporting/complementing Parramatta CBD. Subject site represents a different offer.
 - Whilst the Central City District Plan places emphasis on strategic centres as the primary focus for growth, opportunity exists for Cumberland to promote its own centres and employment lands as valuable assets with potential to provide local jobs to ensure residents can access jobs close to home without needing to travel outside the area for employment opportunities.

Providing out of centre commercial office floor space and business support floor space

- When the Planning Proposal was first prepared, the clients' preliminary view is that the type of businesses that may utilise the commercial floor space on the site include business and office support type uses such as:
 - head office uses (accounting, sales, banking, legal)
 - laboratory - research and development
 - customs brokers and freight forwarders

- training/retraining services.
- Within the Cumberland LGA, there are forecasted 800 business support and office admin services jobs in this sector from 2021 to 2041. Some relevant extracts from the strategy that provide an understanding of the potential end occupants of the space are:
 - As highlighted above, the EILS (2017) found a reluctance to co-locate head office and operations in employment precincts (e.g. Smithfield, Yennora), instead choosing to situate only operations there and office functions elsewhere e.g. Parramatta CBD. Other employment precincts in the north of the LGA are stated to have more appeal to accommodate head office operations under the one roof. By providing the office space, proximate to industrial land, and integrating with other retail services, this elevates the attractiveness of the Woodpark employment precinct.
 - In the services sector, Cumberland has relatively low specialisation in the business services which seek accommodation in commercial centres. Sectors such as digital technologies/media, advanced knowledge services and creative industries were less represented compared to benchmarked areas. By providing the commercial floor space this will provide an incentive to fulfill these targets more broadly in the LGA and in lower cost office rental space.
 - The EILS found that logistics was stated as being a dominant driver of industrial lands and demand for “logistics-related land” expected to grow. As such there is expected to be demand for small scale facilities in and around centres and business zones. As the site is located on a freight corridor, this also provides an opportune site.
- There is also evidence of changing work practices to work flexibly and changing work practices due to socio demographic trends and technological advancements. The EILS found that these changing work practices could bring rise to the need for short term flexible industrial space and spaces for knowledge workers.
- Allied health services (including medical centre) is another growing jobs sector and potential tenant to take up some office space given the road corridor and accessible destination as well as the synergy from having retail and associated services available at site.
- The subject site is not competing with traditional office tenants that require high quality/higher cost commercial space within a town centre. Certain businesses that require out of centre commercial office floor space may include those that benefit from the location of a main transport corridor such as:
 - Freight logistics
 - Hi-Tech/office space
 - Adjacent industrial users, locating their administrative staff off site/nearby

Refer also to the accompanying statements in Appendix B from LJ Hooker Commercial (dated 3 June 2020) and Colliers International (dated 8 April 2019) which refers to potential demand and end tenants.

Summary:

- Cumberland LGA has a major existing jobs deficit in LGA (generating 10,692 less local jobs than employed residents) and therefore there is a net migration of residents to other locations for their employment. Encouraging employment within the LGA should be a fundamental directive in Council's thinking and planning priorities.
- The LGA employment target (new jobs) over the next 20 years is significant at approx. 20,000 jobs
- This jobs target and employment growth is to be roughly equally disbursed between employment in traditional town centres (like Merrylands, Wentworthville, Parramatta Road corridor) and other larger employment precincts like Woodpark Road. Both of these identified employment land will play an important role in achieving the jobs target.
- The employment for the commercial component has been quantified at about 3% of the overall LGA jobs target, so while impactful and important equally proportionally small in context and not expected to impact on other centres.
- The jobs growth show in the office sector that just under 70,000sqm of additional floor space is required to meet the forecasted 4,602 jobs in Cumberland. Based on the Planning Proposal's circa 7,000sqm of commercial office, this represents only 10% of the required amount of floor space for the LGA to 2041. This allowing ample commercial office growth for traditional centres or rather doesn't compete with other targeted centres for employment (Merrylands, Wentworthville, Parramatta Road), noting that different targeted sectors. It is noted that Council has no specific job or commercial floor space targets for Merrylands.
- The site is well located to fulfill the need for employment and urban services land.
- The subject site will contribute to the forecasted growth (approx. 8,000 jobs) in allied health, freight, logistics and advanced knowledge services).
- Certain businesses that require out of centre commercial office floor space may include those that benefit from the location of a main transport corridor such as Freight logistics, Hi-Tech/office space and adjacent industrial users, locating their administrative staff off site/nearby. Allied health services (including medical centre) is another growing jobs sector and potential tenant to take up some office space given the road corridor and accessible destination as well as the synergy from having retail and associated services available at site.
- The site does not compete with Strategic centres, such as Merrylands. There is no clear economic development strategy for Merrylands town centre or a specific employment target. Employment in this area is to focus on civic, retail, services etc, which is different to the attraction and role that Woodpark Road would provide.
- Positive job contribution:
 - 7,040sqm commercial floor space equates to 352 direct and 231 indirect jobs (583 jobs total).
 - When combined with approved development on the site there is a total estimated employment generation of 1,427 jobs.

8. ASSESSING THE ECONOMIC IMPLICATIONS ON NEIGHBOURHOOD CENTRES

There are six identified local groups of neighbourhood shops, zoned B1, in the trade area which could be considered relevant and are:

- Dell Street, Woodpark
- McCready Road/Fairfield Road, Guildford
- Fowler Road/Guildford Road West, Guildford
- Dahlia Street/Hibiscus Street, Greystanes
- Carnation Road/Camellia Road, Greystanes
- Merrylands Road/Kippax Street, Greystanes

Leyshon has undertaken a desktop review of the above centres and confirmed that none contain a supermarket.

Leyshon found that there is no proposed quantifiable impact on these neighbourhood shops as:

- The traditional trade area is generally walkable catchments/passing trade in a 1km catchment
- Will not be in direct competition with the proposed centre unlike those larger centres which contain one (or more) supermarkets
- Do not compete for major food and grocery shopping with major chain supermarkets of the type and scale in the subject proposal
- Rely on convenience purchasing for those who do not wish to travel to a major supermarket anchored centre
- Given the size, scale and diversity of the individual small shops it is incredibly difficult to accurately quantify the impact (less than 500sqm are not usually assessed in EIAs)

The report concludes that it is ***“Highly unlikely the neighbourhood shops will experience any measurable impact arising from the proposed development”***.

The subject site's convenience offer will experience 25% of estimated spend from passing trade or outside trade area as well as cater for local workers in the trade area of Wetherill Park, Smithfield and Woodpark.

- Leyshon Consulting also provided some additional comments beyond just focusing on supermarket and in summary states that:
 - The proposed supermarket and speciality retail at Woodpark Road is unlikely to be a competitive against the small neighbourhood shops as referenced in the statement.
 - The type of shops in the B1 zoned land as well as customer behaviour is that people are unlikely going to drive to Woodpark Road if their needs can be served in the local area.
 - The quality/mix of the local shops is different from that likely to accompany the supermarket at Woodpark Road.

A copy of the Leyshon Consulting statement that assesses the retail impact of the neighbourhood shops is attached to this report (Appendix A).

Summary:

- The small neighbourhood centres will not be in direct competition with the proposed retail (supermarket + speciality) in the Planning Proposal.
- There is no proposed quantifiable impact on the neighbourhood shops within the trade area.

9. SUMMARY

- Strategic planning is to guide and direct and does not mandate no change, recognising market demands and proponent led land use changes. The District Plan and LSPS clearly articulate evolving and emerging centres as being appropriate in some cases.
- Market led opportunity is appropriate in this case. Risk is held by the proponent if demand is not realised.
- Job deficit in LGA generating 10,692 less local jobs than employed residents
- The Cumberland LGA Target is 20,500 new jobs shared between centres and other employment land
- The site will not compete with other targeted centres for employment or for commercial floor space given the type of office space is likely to have attributes of more affordable high tech/business park not higher order/higher cost space.
- The proposal retains employment land, supports delivering employment targets and investment into the local economy:
 - Whole site to deliver 1,427 direct ongoing jobs for an annual contribution to GVA of \$106.9 million per annum over the 4 year period).
 - Construction jobs in the order of 183 jobs per year (approx. \$59.9 million total Gross Value Added (GVA))
 - The overall development will provide an investment stimulus of \$93M to the local and state economy.

Overall, the Planning Proposal has site specific and strategic planning merit and should be recommended by Council to proceed to Gateway. Certainty of this Planning Proposal is critical to the commencement of the overall project on the broader subject site.

DISCLAIMER

This report is dated 13 May 2020 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (**Urbis**) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Snowside Pty Ltd (**Instructing Party**) for the purpose of Advice (**Purpose**) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report, and upon which Urbis relied. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

In preparing this report, Urbis may rely on or refer to documents in a language other than English, which Urbis may arrange to be translated. Urbis is not responsible for the accuracy or completeness of such translations and disclaims any liability for any statement or opinion made in this report being inaccurate or incomplete arising from such translations.

Whilst Urbis has made all reasonable inquiries it believes necessary in preparing this report, it is not responsible for determining the completeness or accuracy of information provided to it. Urbis (including its officers and personnel) is not liable for any errors or omissions, including in information provided by the Instructing Party or another person or upon which Urbis relies, provided that such errors or omissions are not made by Urbis recklessly or in bad faith.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

APPENDIX A RETAIL STATEMENT FROM LEYSHON CONSULTING



L E Y S H O N C O N S U L T I N G

Suite 1106 Level 11
109 Pitt Street, Sydney
NSW Australia 2000

Telephone 61 2 9224 6111
Facsimile 61 2 9224 6150
ABN 12 003 203 709

Z:\Admin\1_WIP_2016\REP1616_C2_Smithfield_Snowside_LET May 20.wpd
11th May, 2020.

BY EMAIL

Ms Naomi Daley
Associate Director
Urbis
Angel Place
Level 8
123 Pitt street
SYDNEY NSW 2000

Dear Ms Daley

RE: PROPOSED RETAIL DEVELOPMENT 106-128 WOODPARK
ROAD, SMITHFIELD

The purpose of this letter is to provide additional information over and above that contained in the Economic Need and Impact Assessment (EIA) report prepared by Leyshon Consulting for Snowside Pty Ltd in March, 2019. The additional information requested concerns the proposed Stage 3 development at 106-128 Woodpark Road, Smithfield (the subject site).

We understand the local Planning Panel has requested additional information with respect to the impact of the proposed development on small neighbourhood-scale centres in the area surrounding the subject site.

Background

The impact analysis set out in our EIA report focussed on those centres in the area surrounding the subject site which **contain supermarkets** because it is these centres most likely to experience an impact from the proposed development which we understand is to be anchored by a Coles full-line supermarket.

As a rule, small grocery-type stores of less than 500m² are not usually classified as 'supermarkets' in terms of impact analysis. Accordingly, small neighbourhood-scale centres (typically zoned B1 Neighbourhood Centre under the Planning Scheme) were excluded from the analysis as it was our understanding such centres did not contain supermarkets.

Relevant Centres

We understand there are a number of small neighbourhood centres in the identified trade area which potentially could be considered relevant including:

- Dell Street ... Woodpark
- McCready Road/Fairfield Road ... Guildford
- Fowler Road/Guildford Road West ... Guildford
- Dahlia Street/Hibiscus Street ... Greystanes
- Carnation Road/Camellia Road ... Greystanes
- Merrylands Road/Kippax Street ... Greystanes.

For the purposes of providing the requested additional information we have conducted a desktop review (based on Nearmap/Google images) of the centres referred to above. Our review confirms none of the centres contain a supermarket.

At most three centres referred to above appear to contain a small store (usually less than 300m²) typically described as a 'mixed business' or 'convenience store'.

The centres noted above contain between eight and 17 tenancies with a particular focus on basic convenience services including bakeries, takeaway food, pharmacies, medical centres, hairdressing, newsagency and, in one case, liquor supplies.

The Woodpark centre for example contains the following tenancies:

- Sherava (construction firm)
- Pacific Way (Samoan gifts and homewares)
- The Grove (deli, fruit and groceries)
- Poppy's Takeaway
- Party Supplies
- Cafeteria Italia
- Italian Bakery
- Op Shop
- Cathy's Kai Takeaway.

Impact on Small Centres

Small-scale neighbourhood centres generally attract the majority of their business from the surrounding residential area within a radius of one kilometre or from 'passing trade'—particularly where they are located on a reasonably busy suburban road such as Guildford Road.

Such centres can also capture convenience spending from workers if they are located near a major employment centre or industrial area.

The small grocery or convenience stores in such centres do not compete for major food and grocery shopping with major chain supermarkets of the type and scale being proposed for the subject site. Rather, they rely on convenience purchasing by residents and others who do not wish to make a more extensive trip to a major supermarket-anchored centre such as Merrylands, Greystanes Pemulway, the Fairfield Town Centre, Stockland Wetherill Park and the like.

Similarly, the takeaway food stores and cafés found in these centres cater for residents and others who find it more convenient to patronise local shops than drive to a larger but more distant centre even if that centre contains several national chain cafés/restaurants.

In summary, the small-scale neighbourhood centres noted above will not be in direct competition with the proposed centre unlike those larger centres which contain one (or more) supermarkets.

Conclusion

Based on our extensive experience in analysing retail impact issues, we know it is almost impossible to calibrate accurately the impact of a major proposed centre, such as the one being proposed, on small neighbourhood-scale convenience centres given both their very diminutive size and diversity of small traders in these types of centres.

For the reasons set out above, therefore, we consider it highly unlikely the centres listed above will experience any measurable impact arising from the proposed development and hence no increase in vacancies and/or the loss of the existing local services they provide.

I trust the above is of assistance in relation to your ongoing discussions with Cumberland Council. If I can provide further information please contact me on 9224-6111, 0407 436114 or pdl@leycon.com.au.

Yours sincerely

LEYSHON CONSULTING PTY LTD



**PETER LEYSHON
DIRECTOR.**

APPENDIX B COMMERCIAL REAL ESTATE CORRESPONDENCE

3 June 2020

Tony Maurici
Snowside Pty Ltd
100B Woolwich Road
WOOLWICH NSW 2110

Dear Tony

106 Woodpark Road, Smithfield NSW

Just a short note confirming our conversation of yesterday afternoon.

Based on several office leasing transactions within the Wetherill Park and Fairfield precincts during the course of the past 18 months, we believe there would be demand for Hi-Tech/office space within Smithfield.

Leasing of the office/high technical space at the development will be attractive to prospective tenants because of the amenity provided by the other proposed uses, child care, medical centre, shopping, easy access and parking.

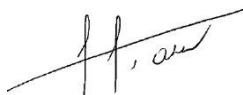
Tenants leasing this space would generally not look at town centres as alternative locations because their services are more closely linked to the industrial precinct where their customers would be located.

In our experience, there has been a continuing trend for industrial users to locate their administrative staff off site in more amenable locations and as a result, there is an oversupply of administration office space in industrial areas which is more often than not vacant and unproductive.

Whilst we don't have any such transactions recorded in Smithfield itself, the primary reason for that is due to the lack of office leasing opportunities available.

Happy to discuss further if required.

Yours Sincerely



John Tanna
DIRECTOR



8 April 2019

Tony Maurici
100B Woolwich Road
Woolwich NSW 2110

Dear Tony,

RE: Cnr Woodpark Rd & Cumberland Hwy Smithfield (Proposed Retail & Commercial Office Centre) –
Snowside Properties

In looking at the Smithfield precinct and the geographical position of this proposed rezoning to allow for an office tower, we believe there is demand from tenants due to a lack of quality commercial office space in the catchment to support the large industry occupiers and to service the residence in this region.

Local industry is currently separating their office and warehouse functions and positioning their offices in CBD or Business Park precincts due to a lack of quality options in their current locations. The move also offers staff greater amenity, access to shops, cafes and restaurants which this development can offer.

The requirements of office users are also changing as companies demand the ability to offer more convenience to their staff and clients. This will lead to the development of mixed-use commercial centres with office and retail becoming more prevalent.

This is already being demonstrated by the country's largest retail centres such as Scentre Group and Vicinity Centres who are now developing commercial office space above their malls to include users such as medical professionals, financial services and government services.

We believe there will be strong demand from office users in Smithfield which will complement the already successful industrial precinct and surrounding residential catchment.

Yours faithfully,

A handwritten signature in black ink that reads "Alan James".

Alan James
Director
Office Leasing