

KU-RING-GAI RETAIL AND COMMERCIAL CENTRES STRATEGY

KU-RING-GAI COUNCIL

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EXECUTIVE SUMMARY

BACKGROUND

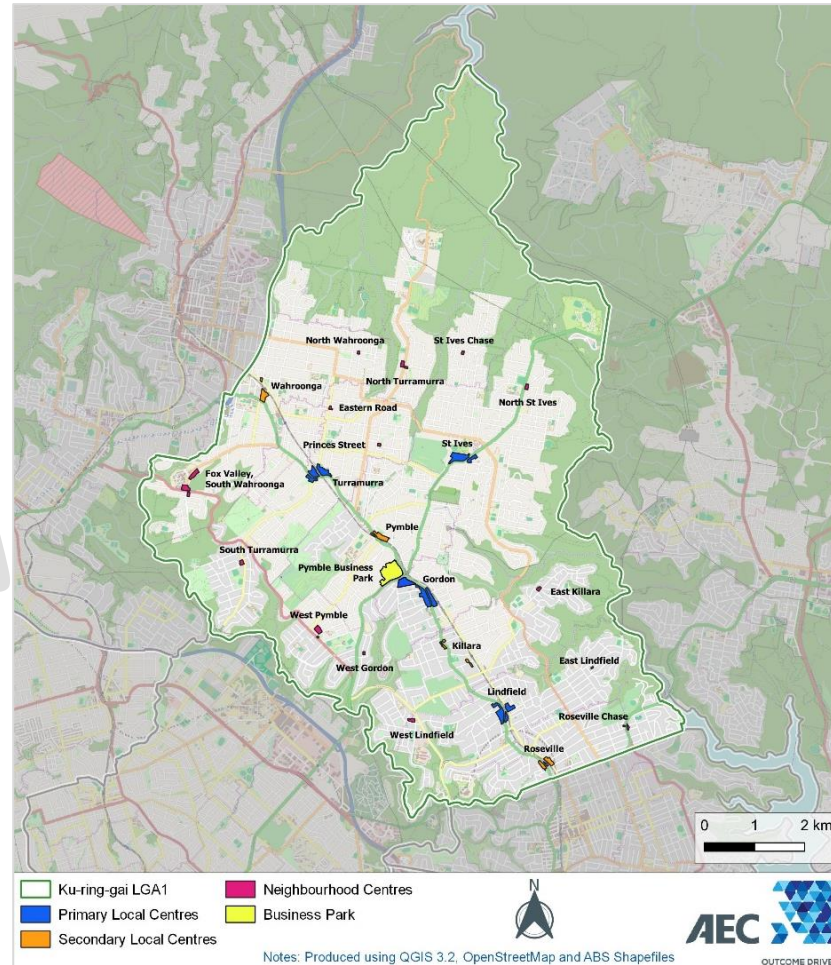
AEC Group (AEC) was commissioned by Ku-ring-gai Council (Council) to carry out a Retail and Commercial Centres Strategy ('the Strategy') to assist with place-based future planning for the centres. Ku-ring-gai has four primary local centres which play a vital role in the local economy. The LGA also has a number of smaller neighbourhood centres scattered, mainly comprised of a small cluster of strip retailing and commercial businesses. These centres of varying scales provide a range of retail, commercial and community services to local residents, workers, students, and visitors.

The Ku-ring-gai LGA is expected to experience population and employment growth over the next 20 years. The implications of growth on the demand for retail and commercial space will be significant. Local centres in Ku-ring-gai are predominantly strip retailing in nature and are constrained by surrounding residential/open space development, potentially preventing expansion of the centres outwards into residential suburbs. As such it is vital for Council to commence planning for future growth.

The Strategy will provide analysis of the existing retail and commercial centres, current and future market trends and drivers, and land use patterns alongside population changes and growth. The Strategy will investigate opportunities for growth within the centres, as well as defining the role and function of each centre. A centres hierarchy will be developed to identify the type and extent of future floor space required for retail and commercial uses, and optimum locations for the additional floorspace.

As economies and technologies evolve, the way tenants demand and use floorspace also changes. The Strategy will also consider these changes so that flexibility can be built into the planning framework to accommodate business need and investment.

Figure ES. 1 Overview of Ku-ring-gai LGA's Retail and Commercial Centres



Source: AEC

OVERVIEW OF EXISTING CENTRES

Ku-ring-gai has 22 centres and one designated business park. Gordon, Turramurra, Lindfield and St Ives are identified in Greater Sydney Commission’s ‘A Metropolis of Three Cities’ Plan as Local Centres. Local centres are diverse and vary in size and provide essential access to day-to-day services close to where people live. Ku-ring-gai has a variety of large centres which are anchored by supermarkets, as well as smaller centres without a supermarket that provide essential local services to the immediate walking catchment.

Overall, the centres within the LGA comprises 1,460 shopfronts and tenancies totalling 284,782 sqm. Of this, around 96,000 sqm is used for retailing, 157,427 sqm is for commercial and other non-retail services, and 31,427 sqm is vacant (approximately 11%). Vacancies predominantly relate to tenancies in free-standing commercial buildings.

Retail Floorspace in Ku-ring-gai

Retail floorspace in the LGA is predominantly strip retailing in nature. Floorspace is mainly provided across the food catering category (23.7%) and the supermarket/food store category (18.8%). The highest provision of retail floorspace in Ku-ring-gai is St Ives, with St Ives Village anchored by a Woolworths, Coles, Harris Farms and over 100 specialty shops. Retail vacancies in the centres is estimated to be approximately 5,450 sqm or 5.7%.

Ku-ring-gai has no regional or sub-regional centres and no large bulky goods clusters. Although the centres of St Ives and Gordon have approximately 20,000 sqm of GLA and could be typically characterised as a sub-regional centre, there is a lack of a department store or discount department store that will place these centres higher in the hierarchy.

Consumers usually visit regional and sub-regional centres for a more extensive shopping experience, as these centres usually include a department or discount department store and may also include an entertainment or leisure attraction. Residents must leave the LGA to the neighbouring regional centres of Macquarie, Chatswood, and Hornsby when they need to purchase higher-order goods. As such, it is estimated that the total escape retail expenditure is estimated at approximately 62.0% across the Ku-ring-gai LGA.

Specialised types of retail are also lacking in the LGA. This includes:

- **Large format retail:** there are no dedicated large format retail facilities in Ku-ring-gai. However there are some large format retail brands that are provided in stores with smaller than typical floorplates, such as Harvey Norman and Bunnings Warehouse in Gordon, as well as Beacon Lighting in Killara.
- **Cinemas and Entertainment:** The only cinema facility in the LGA is an independent operator in Roseville. The LGA also contains a mini-golf course in Gordon consisting of 18 holes. No other entertainment facilities are provided in the LGA, with the nearest provision of these services provided in Macquarie Park, Chatswood, and Hornsby.

Demand for Retail Floorspace

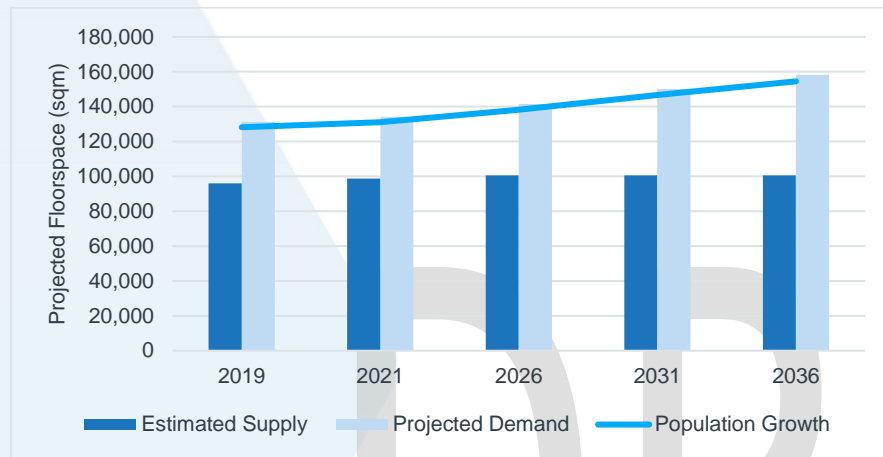
The population in Ku-ring-gai is estimated to increase to 154,500 by 2036. This translates to an additional 37,100 sqm of retail floorspace demand between 2019 and 2036, with an existing undersupply in 2019 of 35,000 sqm and potentially increasing to 58,000 sqm. This growing undersupply of retail floorspace is mainly due to the undersupply of supermarkets, and lack of regional and sub-regional shopping centres in the LGA, thus residents leaving the area to shop in neighbouring centres for their higher-order shopping needs.

Table ES. 1: Retail Floorspace Projected Demand and Supply, 2019-2036

	2019	2021	2026	2031	2036
Estimated Supply	95,928	98,836	100,610	100,610	100,610
Projected Demand	131,200	134,200	141,500	150,200	158,300
Undersupply	-35,272	-35,364	-40,890	-39,590	-57,690

Source: Location IQ/AEC.

Figure ES. 2: Retail Floorspace Projected Demand and Supply, 2019-2036



Source: AEC

With regards to certain types of retail, the following demands are noted:

- Department stores are unlikely to be supportable within the LGA as a typical store requires around a 200,000 persons catchment, with Ku-ring-gai’s population expected to reach 154,500 by 2036.
- Discount department stores require approximately 50,000 persons to be supportable, which indicates demand for 2 – 3 stores in the LGA by 2036. However, most of the centres are relatively landlocked which poses significant development constraints. There is also a large network of discount department stores in the surrounding network outside the LGA. Although the inclusion for a discount department store may not be feasible for a developer, allowance should still be made for the possibility of one within the LGA. Gordon would be the ideal location given the central location and the concentration of facilities. St Ives is the next best location; however, it is not as central but has less land constraints, compared to Gordon.
- The existing provision of supermarket floorspace is lower than the metropolitan Sydney and Australian benchmark. One full-line supermarket typically requires a catchment population of 8,000 – 10,000 persons in order to be sustainable. This

indicates that 13 full-line supermarkets are currently supportable in the LGA, increasing to 15 supermarkets by 2036. Currently there are ten supermarkets provided which suggests there is capacity for more in the LGA.

- Large format retail is currently undersupplied in the LGA. The Ku-ring-gai population indicates that there is a demand for retail floorspace of this nature of approximately 89,800 sqm, increasing to 108,200 by 2036. Currently, the only known future large format retail development within the LGA is a Bunnings Warehouse of approximately 15,000 sqm as part of the Pymble Business Park. However this still presents an undersupply of approximately 91,600 sqm by 2036 (including the existing Bunnings Warehouse in Gordon of 1,600 sqm).
- Cinema screens are undersupplied in the LGA, with an estimated demand for nine screens based on the NSW/ACT benchmark, increasing to 12 -13 screens by 2036. With the current provision in the LGA being two screens in Roseville, there is an immediate shortfall of seven screens. Other entertainment facilities include indoor rock climbing, trampoline park and laser tag which are not provided in the LGA. Typically, entertainment facilities benefit from co-location with higher order trail facilities in order to create a destination appeal . successful cinema complexes are co-located with integrated dining precincts. This type of offer is not currently provided in the LGA.

Commercial Floorspace in Ku-ring-gai

Commercial and other non-retail floorspace provided in Ku-ring-gai are provided both in the designated business park and within the centres. The majority of non-retail floorspace is dedicated to business services (i.e. legal, accounting, and other corporate services), and health and medical related businesses.

Pymble Business Park has an estimated floorspace of approximately 81,000 sqm, with 55% of this being dedicated commercial floorspace. Other uses include small retail tenancies as well as storage facilities. Overall, there is an estimated vacancy rate of 16.3%.

Commercial business located within the centres are primarily serviced-based local firms who service a local customer catchment, in addition to larger commercial operators with a retail-type offering who require a wide exposure across metropolitan Sydney. In aggregate, there are 568 spaces currently tenanted by commercial businesses within the centres (excluding the business park), totaling 92,300 sqm. The majority of these tenancies relate to health and medical related businesses. Gordon provides the largest commercial floorspace, with a B4 zoned land which comprises several multi-level commercial buildings. Buildings in this zone are observed to be relatively modern and contemporary but have high vacancies.

There is also a substantial provision of commercial floorspace in the neighbourhood centre at Fox Valley, Wahroonga. A commercial building adjacent to the SAN hospital was completed in early 2020, and contributes 6,500sqm of medical suites and retail space, in addition to 150 underground parking spaces.

Demand for Commercial Floorspace

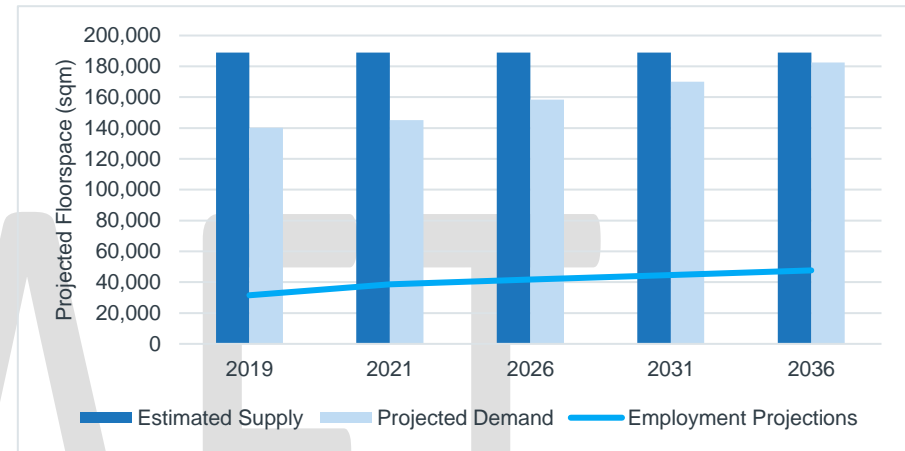
Demand for commercial floorspace has been projected using ratios of GFA per employee for each of the industries modelled. Overall an additional 42,000 sqm of commercial floorspace is demanded in Ku-ring-gai between 2019 and 2036.

Table ES. 2: Commercial Floorspace Projected Demand and Supply, 2019-2036

sqm	2019	2021	2026	2031	2036
Estimated Supply	188,855	188,855	188,855	188,855	188,855
Projected Demand	140,156	145,132	158,324	169,966	182,592
Oversupply	48,699	43,723	30,530	18,888	6,263

Source: AEC

Figure ES. 3: Commercial Floorspace Projected Demand and Supply, 2019-2036



Source: AEC

The current quantum of commercial and other non-retail floorspace is estimated to be sufficient to meet projected demand until 2036. The issue with commercial within Ku-ring-gai is not whether there is sufficient supply, but the whether the quality of supply is of the standard where tenants would want to take up the space. High vacancies have been observed during the floorspace audit in freestanding commercial buildings in Pymble Business Park and Gordon. These buildings are observed to be outdated, with poor transport connectivity (particularly in Pymble Business Park). If the quality of buildings continues to deteriorate, there is a possibility of businesses relocating to neighbouring commercial centres such as Macquarie Park or even taking up tenancies within retail centres of the LGA.

Whilst Council should aim to retain the total amount of commercial floorspace provided in the LGA, this may not be possible if the quality of supply deteriorates and high vacancies continue. It is recommended that Council allow for flexible planning approaches to renew the quality of commercial stock and to allow for conversions to other uses (i.e. mixed use residential, retail, and commercial developments) rather than purely commercial usages.

CENTRES HIERARCHY

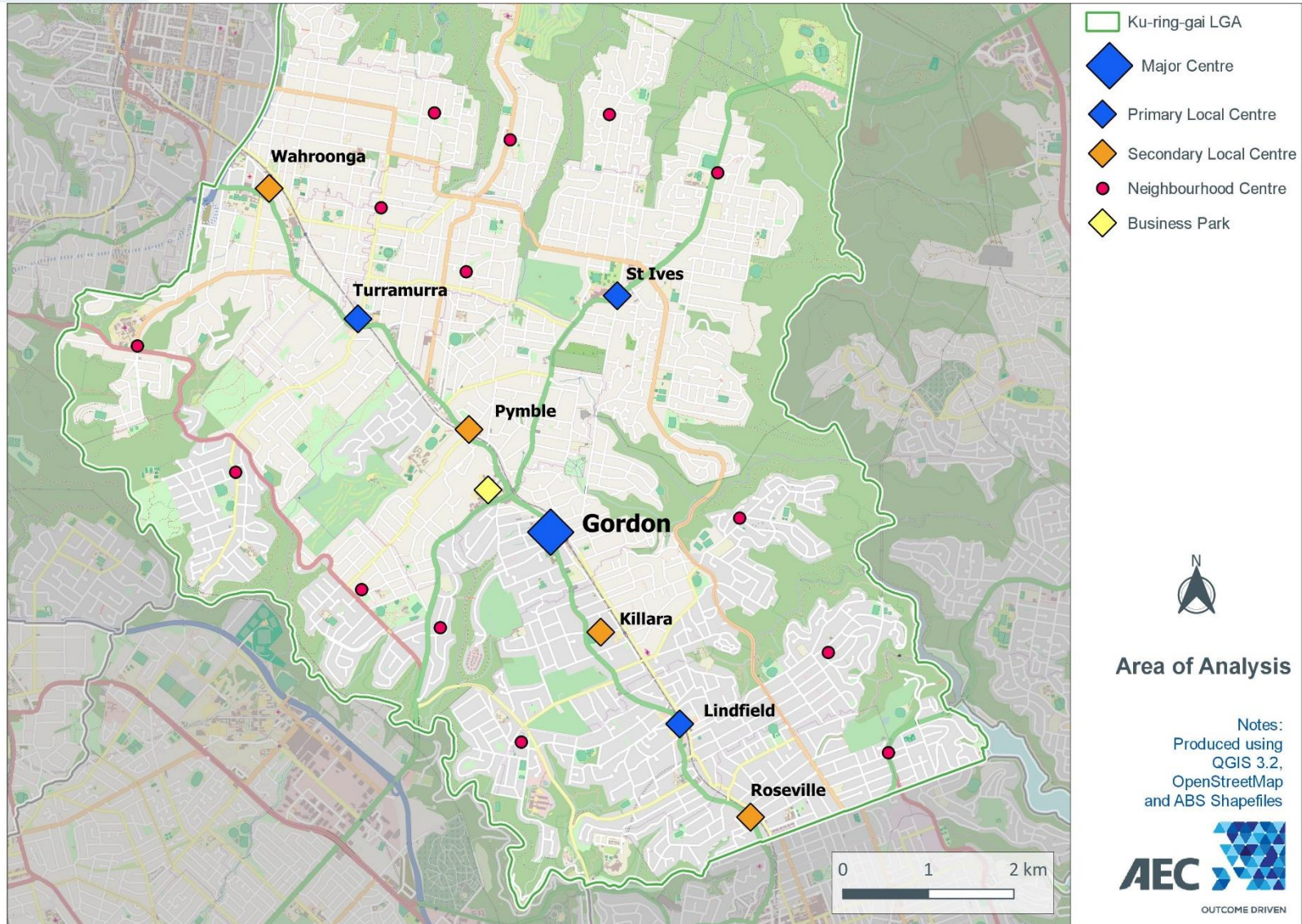
The recommended centres hierarchy is detailed in Table ES. 3 below. The hierarchy provides a clear definition to the vision, role, and function of the centres within the Ku-ring-gai LGA to ensure that development in one centre does not conflict with another centre higher in the hierarchy. It builds on the centres hierarchy as defined by the GSC, providing a more local approach to defining retail and commercial centres. The assessment of future development proposals should make reference to the recommended hierarchy and out-of-centre development should be discouraged.

Table ES. 3: Recommended Centres Hierarchy

Hierarchy	Centres	Future Role
Major Centre	Gordon	<p>The major centre is the civic, cultural, and commercial heart and the highest order centre in the LGA. It provides the largest mix of retail, commercial, administrative and community facilities.</p> <p>The major centre caters to the needs of the local and regional population in a location serviced by high levels of accessibility and where different modes of public transport interconnect. The diverse range of activities, alongside higher density residential development and community facilities supports a thriving local economy and a vibrant centre.</p>
Primary Local Centre	St Ives Lindfield Turramurra	<p>Primary local centres provide access to local goods, services and employment opportunities and serve the needs of the surrounding community in a highly accessible location.</p> <p>These centres are anchored by a full-line supermarket and offers a range of convenience shopping and comparison retailing, health and professional services and commercial offices. The inclusion of higher density residential development and community facilities creates a lively place for residents and visitors to meet, live and socialise.</p>
Secondary Local Centre	Wahroonga Roseville Pymble Killara	<p>Secondary local centres provide a range of retail and commercial services that serve the local community. These centres have excellent access to public transport as they are anchored by railway stations and provide convenience shopping and services to both passengers in transit and local residents.</p>
Neighbourhood Centre	Fox Valley, Wahroonga North Turramurra West Pymble West Lindfield Roseville Chase North St Ives Princes Street, Turramurra East Killara St Ives Chase East Lindfield South Turramurra North Wahroonga Eastern Road, Turramurra West Gordon	<p>Neighbourhood centres provide for daily household shopping needs, community facilities and a small range of other convenience services. These centres are surrounded by housing and residential development to improve walkability and have an important role in meeting most of people's basic everyday needs within a walking catchment to encourage reduction of car use</p> <p>Neighbourhood centres are generally characterised by a small cluster of shops and comprise less than 2,000 sqm of overall floorspace.</p>
Specialised Precinct	Pymble Business Park	<p>Business parks provide an accessible location to accommodate a range of industries, large format retailing and business activities. The primary aim is to provide employment generating activities to encourage growth in the local community and provide job opportunities to cater for a range of skills and qualifications.</p>

Source: AEC

Figure ES. 4: Recommended Centres Hierarchy



Source: AEC

VISION, RECOMMENDATIONS AND ACTIONS

Key issues

The key issues relating to the retail and commercial centres are two-fold. From a development perspective, there are constraints that make redevelopment of centre land financially unfeasible. On the other hand, the existing centres also have fundamental issues in their current state that prohibits the centres to appropriately satisfy the needs of the growing community.

Land and Development Constraints

The underlying issues that restrict redevelopment of the retail and commercial centres mainly relate to land constraints. Centres and adjoining land have a high fragmentation of ownership, as well as being fragmented by the Pacific Highway thus resulting in prohibitive costs of consolidation. Engagement with key stakeholders have identified Council processes and Ku-ring-gai residents to be a common obstacle for developers in obtaining approvals for new development. Development approvals are costly and a high risk for developers in Ku-ring-gai mainly due to residents who oppose change (typically a minority).

As such there is a low development incentive for additional investment into the centres, which causes the current stock of retail and commercial space to deteriorate in quality and become a less favourable choice for occupiers when compared to the neighbouring LGAs of Macquarie, Chatswood and Hornsby.

Issues in the Functionality of the Centres

The key issues relating to the functionality of the centres are as follows:

- Undersupply of retail floorspace within the centres;
- High vacancies in commercial spaces;
- High escaped expenditure to neighbouring centres;
- Lack of recreational facilities;
- Lack of large format retail facilities;

- Aging retail facilities (mainly shopfronts on strip retailing).

In its current state, the retail centres in Ku-ring-gai serve mainly a convenience purpose where residents go for their household shopping for necessities. The lack of higher order retail facilities and undersupply of retail space have resulted in an estimated escaped expenditure of 62%. This is an increase from 43% as identified in the Retail Centres Study (2005) by Hill PDA. Whilst neighbouring centres like Macquarie and Chatswood have had significant redevelopments of its centres in recent years, the centres within Ku-ring-gai has seen very little change in comparison.

Commercial premises in Ku-ring-gai are also aging with high vacancies observed, particularly in Pymble Business Park. In the past few years, commercial premises in the business park have been converted into other uses, with a new storage facility and a Bunnings Warehouse approved, expected to open in 2022/23. This indicates that maintaining purely commercial usages in this precinct is unlikely to be sustainable, and other uses for the precinct should be considered to deliver better outcomes for the community.

If the status quo is to remain, the following is likely to result:

- Deteriorating commercial and retail assets
- Higher vacancies than the current already high baseline
- Vacant and run-down buildings with no incentive for maintenance
- A reduction in jobs in the LGA
- An increase in escape expenditure
- Reduced investment, reduced amenity likely resulting in less security.
- Whilst the projections for demand will grow, it is unlikely that this growth will be captured in the LGA if these issues are not addressed.

Vision for the Centres

The vision for the centres is to provide a broad range of shops and services and contain lively urban village spaces and places where people can live, work, shop, meet and spend leisure time.

Recommendations

The recommendations from this study are set out below, having regard to the objectives of the study and the key issues facing Ku-ring-gai. These recommendations will assist Council in the revitalisation of the centres and provide opportunities to meet the growing community's retail, services and recreation needs. Table 9.2 sets out the recommendations specific for each centre.

1. Promote mixed-use developments in the centres whilst mandating minimum levels of commercial and retail.

Facilitating and promoting new retail and commercial opportunities as part of mixed-used developments within the centres, will catalyse the revitalisation and redevelopment of the centres whilst maintaining an appropriate mix of retail and commercial floorspace. Mixed use will also enable developers to overcome high costs of land consolidation and development constraints, provided there is sufficient scale to subsidize asset classes that have poor returns.

2. Investigate increases in FSR and Building Heights within the B2 Local Centre zones.

FSR and Building Height planning controls vary within the centres from 1:1 to 3:1, and from 9.5m to 26.5m, within the B2 Local Centre zones. Certain areas of the local centres still have very low FSRs and are not conducive to any redevelopment. Additional heights may facilitate the quantum of residential as shop top housing to meet housing targets but will also increase the potential viability of development.

3. Provide a flexible approach to planning controls

Planning controls should facilitate opportunities of expansion and growth within the centres. Flexible planning controls are key to assisting industries and businesses as they continue to transition in a time of structural economic change. An inability to

meet business need will invariably result in high levels of vacancy and undermine viability and sustainability.

Large premises that may be vacated by businesses can struggle to be re-absorbed by the market unless they are able to be adapted and repositioned, in many cases as a number of smaller tenancies. In some cases, owing to existing construction and building configuration, flexibility in approvals could be crucial to feasibility

4. Provide incentives for investment

Development and capital expenditure on retail and commercial facilities is considered financially unviable. Council incentives may provide a sufficient subsidy for this to be overcome. Council must look at the promotion of these centres to developers, business occupiers and retailers. As part of this promotion, Council should consider:

- Marketing campaign and collateral; including providing the market with the "list of opportunities" within the LGA.
- Waivers for development contributions and other "costs" as financial incentives.
- Council capital investment and expenditure programmes for development, infrastructure, beautification, amenity, and security.
- Continue to engage with the local businesses and key stakeholders to help Council to deliver conditions to create jobs, attract investment and support the growth of the LGA.
- Advocate for capital funding envelopes, subsidies, and dispensation in order to attract large corporate businesses or retailers that can create critical mass to regenerate a commercial or retail centre.

5. Facilitate the improvement of the retail offering.

By providing amenity, security and more attractive streetscapes, Council can facilitate the setting for retail to organically grow and potentially thrive. The widening of footpaths can facilitate outdoor dining opportunities to create a lively and vibrant environment. An aging population will also need to be served by accessible and safe streetscapes.

6. Encourage entertainment facilities in the centres higher up in the hierarchy to create a night-time economy.

The provision of entertainment facilities in the Ku-ring-gai LGA will address the amount of resident cinema and entertainment spend currently escaping to other larger regional shopping centres.

The ideal location for such facilities would be in proximity to higher order retail facilities, in order to create a major destination for shopping and entertainment and support additional non-food floorspace. This type of precinct would benefit retailers by extending hours of activation at the centre and increase centre visitation levels.

On this basis, it is most likely that a cinema complex would be suitable at Gordon or St Ives, given these are the highest profile locations have; the largest provision of existing facilities; and the highest trading locations in the Ku-ring-gai LGA.

7. Prioritise unlocking major developments of Gordon Centre and St Ives Shopping Centre

As the major centre, Gordon should be positioned to have the ability to service the majority of population growth with high quality accessibility and high levels of amenity. Opportunities that provide Gordon with greater scale will catalyse the regeneration of the centre. A range of facilities and services should be provided in Gordon including an expansion of retail and commercial, civic and community facilities.

St Ives is identified to have the least development constraints as it is not intersected by the Pacific Highway, and as such additional retail facilities can more easily be accommodated in this centre.

Council's main role in this recommendation is to engage with key landowners of the Gordon and St Ives centres to encourage redevelopment by providing flexibility in planning controls and processes for potential developments that will ultimately provide a greater scale of retail and commercial floorspace.

8. Prioritise a Study on Pymble Business Park to update or rezone the Business Park to allow for specialised retail, or mixed-use residential developments to occur.

Pymble Business Park faces challenges of high vacancies, deteriorating quality of buildings, transport connectivity issues, and a steep landscape. Although Ku-ring-gai has a long-standing policy which prohibits retailing and residential from Pymble Business Park, the lack of development, low take-up rates and aging buildings within the Park indicates that a change in the land use should be considered to better accommodate growth in the LGA. In the face of pressure for residential development as the most financially attractive option, it is important that Council takes a clear position to either maintain its position on its policy to retain land for employment uses, or, to update or change policy to accept a mix of uses.

Further investigations into Pymble Business Park should be prioritised to determine the opportunities, trade-offs and ultimate impacts of allowing specialised, large-format retail and/or mixed-use residential developments for this precinct. Despite overarching strategic objectives relating to the protection and retention of urban services land, Pymble Business Park in its current state is not expected to continue to be able to serve this purpose into the future. The office market is experiencing softening conditions, and neighbouring commercial markets are more attractive due to the significant investments planned for its centres (i.e. Macquarie Park and Chatswood).

Future Supply Opportunities

Table ES. 4 details the recommendations by centre over the period to 2036. The retail floorspace recommendations are not additive, e.g. if a discount department store is added at Gordon, a second store is unlikely to be provided at St Ives. The table provide indicative recommendations as to the potential locations for future retail floorspace only.

Table ES. 4: Ku-ring-gai LGA Retail Potential Supply Opportunities by Centre

Hierarchy	Centre	Existing Area (sqm)	Additional Floorspace (sqm)			Retail Supply Opportunities		
			2019 – 2026	2026 – 2036	Total 2019-2036	Major Tenant	Smaller Tenancies	Other Usages
Major Centre	Gordon	20,506	Up to 15,000	5,000 – 7,000	20,000 - 22,000	Aldi (approved) & non-food major	Additional retail supported by non-food major	Possible 2,500 sqm of entertainment.
Town Centre	St Ives	22,830	Up to 10,000	2,000- 5,000	12,000 - 15,000	Larger supermarkets, Aldi, possible non-food major.	Additional retail supported by non-food major.	Possible 2,500sqm of entertainment.
	Lindfield	10,871	Up to 10,000	5,000- 7,000	15,000 - 17,000	Lindfield Village Hub 2nd Major Supermarket, Aldi, Coles expansion (approved)	Remix tenants and fill vacancies.	
	Turrumurra	11,240	Up to 10,000	5,000- 7,000	15,000 - 17,000	Coles Expansion, 2nd Major supermarket, Aldi		
Local Centre	Roseville	4,530	-	Up to 2,000	2,000	Small supermarket if not provided in Lindfield		
	Killara	1,555	-	Up to 1,000	1,000			
	Wahroonga	5,150	-	Up to 1,000	1,000			
	Pymble	2,230	-	< 500	500			
Neighbourhood Centre	Roseville Chase West Gordon North St Ives	2,115	-	< 500	500			
	West Pymble Fox Valley, Wahroonga Eastern Road, Turrumurra	4,000	-	Up to 2,000	2,000	Expansion of supermarket (max. 2,000 sqm)		
	North Wahroonga Princes Street, Turrumurra South Turrumurra East Lindfield West Lindfield St Ives Chase North Turrumurra East Killara	10,901	-	< 500	500			
Business Park	Pymble Business Park	2,511	15,000	5,000	20,000	Bunnings Warehouse (approved)		Indoor entertainment Incl. indoor rock climbing, trampoline park.

Source: Location IQ / AEC

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1. INTRODUCTION

1.1 BACKGROUND

The Ku-ring-gai LGA (interchangeably referred to as ‘the LGA’ and ‘Ku-ring-gai’) is located on the Upper North Shore of Sydney and forms part of the North City District. Ku-ring-gai has six local centres which play a vital role in the local economy. The LGA also has a number of smaller neighbourhood centres scattered, mainly comprised of a small cluster of strip retailing and commercial businesses. These centres of varying scales provide a range of retail, commercial and other non-residential services to local residents, workers, students, and visitors.

As populations grow over the next 20 years and the socio-demographic profile of the LGA’s population evolve, existing centres will also need to grow and change to meet the needs of the community.

Ku-ring-gai Council has commenced strategic land use planning to develop a new planning framework for the LGA. AEC Group (AEC) is commissioned by Ku-ring-gai Council (Council) to carry out a Retail and Commercial Centres Strategy to assist with place-based future planning for the centres. As economies and technologies evolve, the way tenants demand and use floorspace also changes. The Strategy will also consider these changes so that flexibility can be built into the planning framework to accommodate business need and investment.

1.2 PURPOSE OF THIS REPORT

The main purpose of the Retail and Commercial Centres Strategy is to give Council, the community and development industry direction in terms of the future planning of centres in Ku-ring-gai and to provide for sustainable retail and commercial centres that meet the community’s needs.

The Strategy will seek to understand the economic and market conditions under which retail and commercial sectors can develop and thrive over time, and what role Council will play in facilitating this growth.

The specific objectives of the Retail and Commercial Centres Strategy are to:

- Understand the identity, character, size, land use mix, function, catchment, and potential of each centre;
- Understand the hierarchy of centres within Ku-ring-gai and the relationship to the North District;
- Identify strengths, weaknesses, constraints, and potential opportunities for future growth;
- Understand current and likely future retail and commercial use patterns, trends and drivers in the retail market and changes in business and employment type;
- Identify where demand for additional retail and commercial floorspace may be required in response to population growth;
- Develop an evidence base to inform policy decisions about retail and commercial centres, particularly regarding centre hierarchy, roles of centres and future growth options;
- Identify future planning responses to deliver the outcomes of the Strategy e.g. amendments to LEP/DCP controls or amendments zoning; and
- Ensure an integrated approach to centre planning throughout Ku-ring-gai.

1.3 APPROACH & STRUCTURE

The Strategy has given due consideration to the findings of prior studies undertaken for Council. This Strategy has sought to update the previous studies with more recent data as well as consider current external influences and trends, as well as ongoing market and development activity. This document follows the following structure:

- **Chapter 2:** Review of relevant State and local planning policies and the draft Ku-ring-gai Local Strategic Planning Statement.
- **Chapter 3:** Review and analysis population and employment profiles within the Ku-ring-gai LGA using ABS Census data and Transport, Performance and Analytics (branch of Transport for NSW) data.
- **Chapter 4:** Analysis of macro-economic trends influencing the future of retail and commercial lands across Greater Sydney and more localised factors which will influence the LGA.
- **Chapter 5:** Competitive analysis and assessment of the provision of surrounding retail facilities and commercial precincts, and the impact of these centres to Ku-ring-gai.
- **Chapter 6:** Property market assessment to ascertain respective performance and role of the retail and commercial land (built form, offer/amenity, and market pricing/dynamics) to understand market desirability and aggregated patterns of supply and demand.
- **Chapter 7:** Assessment of population growth and projection of future employment growth to ascertain future retail and commercial floorspace demand under a baseline scenario
- **Chapter 8:** Identifies alternate scenarios to population growth and the impact on floorspace demands
- **Chapter 9:** Principles and recommendations for Council's planning framework to facilitate and accommodate population growth and retail and commercial floorspace demand

DRAFT

2. PLANNING AND POLICY CONTEXT

2.1 GREATER SYDNEY REGION PLAN: A METROPOLIS OF THREE CITIES

The Greater Sydney Region Plan, 'A Metropolis of Three Cities' (the Region Plan) provides high level strategic guidance for the development of Greater Sydney to 2056. The Regional Plan is based on a vision of three cities – the Eastern Harbour City, Central River City and Western Parkland City – whereby people can access jobs and services in their nearest metropolitan city within 30 minutes, by public transport.

Ku-ring-gai is located within the Eastern Harbour City, which is identified as Greater Sydney's global gateway and financial capital that is well-established and well-served by a radial rail network. Within this network, Ku-ring-gai is framed by the Metropolitan Centres of Macquarie Park and Frenches Forest, and the Strategic Centres of Hornsby and Chatswood. Ku-ring-gai is directly linked to Macquarie Park and the Eastern Economic Corridor by Ryde Road.

Continued growth has led to a need for over 5 million square metres of additional retail floor space across Greater Sydney. The Region Plan indicates that this is to be addressed through mechanisms that support investment and business activity in metropolitan, strategic, and local centres. To maximise the benefits of all centres, planning approaches are to focus on the management of existing centres, the development of new centres, and the ongoing monitoring of change within centres.

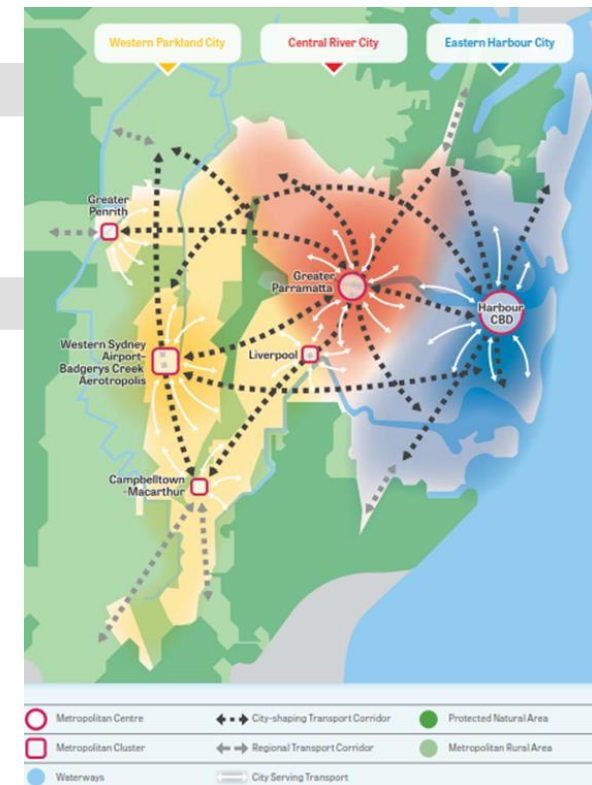
A key objective of the Region Plan is to create places that bring people together (Objective 12). A place-based planning approach is to be adopted across the Region to ensure that places, such as local centres, recognise the unique character of each place and its people. The creation of walkable neighbourhoods and active streetscapes will enhance community connections, facilitate local businesses success, and improve social and economic participation within these places. The Region Plan also recognises that increasing residential development within walking distance of such centres is a desirable liveability outcome.

The Region Plan sets out that successful and liveable places are characterised by three key elements:

- Well-designed built environment;
- Social infrastructure and opportunity; and
- Fine grain urban form.

Furthermore, the Region Plan identifies the vital role of local centres in providing access to day-to-day goods and services. Supermarket-based centres provide employment, accounting for almost 18 per cent of jobs in Greater Sydney.

Figure 2.1 Overview of 'A Metropolis of Three Cities'



Source: Greater Sydney Commission

2.2 NORTH DISTRICT PLAN

The Greater Sydney Commission released five District Plans as a guide for implementing the Region Plan at a district level. The District Plans are a bridge between regional and local planning, and inform local environmental plans, community strategic plans and the assessment of planning proposals.

The North District Plan (the District Plan) applies to Ku-ring-gai and identifies that demand for an additional 92,000 dwellings across the District is expected by 2036. It also establishes that the District will need to accommodate more than 800,000 sqm of additional retail floorspace over the next 20 years. Extensive growth in either existing or new centres is therefore required.

The District Plan highlights the creation and renewal of retail/commercial centres as a key planning priority. Local centres are a focal point of neighbourhoods and where public transport interchanges are provided (i.e. Gordon, Turramurra, Lindfield), are an important component of a ‘30-minute city’.

To manage growth and change within centres, a centres hierarchy is established within the District Plan. No Metropolitan or Strategic Centres are located within Ku-ring-gai; however, Turramurra, Gordon, Lindfield and St Ives are classified as Local Centres.

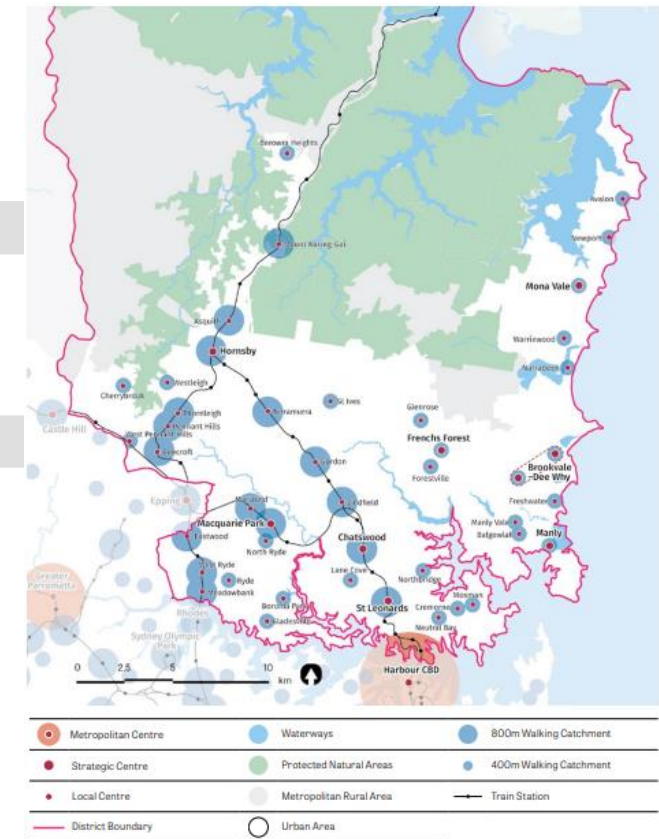
In line with the Region Plan, the District Plan recognises that it is the responsibility of local Councils and planning authorities to adopt a place-based planning approach. The implementation of place-based planning processes is anticipated to support the

role of centres as a focus of connected neighbourhoods.

Additionally, the District Plan establishes that the adoption of the following principles will further support the planning of local centres:

- Provide public realm and open space focus;
- Deliver transit-oriented development and co-locate facilities and social infrastructure;
- Provide, increase, or improve local infrastructure and open space;
- Improve walking, cycling and public transport connections including the Greater Sydney Green Grid;
- Protect or expand retail and/or commercial floor space;
- Protect or expand employment opportunities;
- Integrate and support arts and creative enterprise and expression;
- Support the night-time economy;
- Augment or provide community facilities, services, arts, and cultural facilities;
- Conserve and interpret heritage values;
- Accommodate local festivals, celebrations, temporary and interim uses;
- Increase residential development in, or within a walkable distance of, the centre;
- Provide parking that is adaptable to future uses and takes account of access to public transport, walking and cycling connections.

Figure 2.2: North District – Centres



Source: North District Plan (2018)

2.3 KU-RING-GAI LOCAL STRATEGIC PLANNING STATEMENT (LSPS)

The Ku-ring-gai Local Strategic Planning Statement (the LSPS) outlines priorities and actions that will guide the evolution of future land use planning and development within the Ku-ring-gai LGA over the next 20 years. The LSPS was prepared in response to the priorities and actions outlined in the Greater Sydney Commission's Region Plan and District Plan and builds on the community's values and aspirations as expressed in Ku-ring-gai Council's Community Strategic Plan - Our Ku-ring-gai 2038.

The LSPS identifies Gordon, St Ives, Turramurra, and Lindfield as Primary Local Centres, and Roseville, Killara, Pymble, and Wahroonga as Secondary Local Centres. The LSPS also identifies fourteen (14) Neighbourhood Centres scattered throughout the LGA. All centres play a vital role in the local economy and provide a diverse mix of office and retail space, support services, community facilities, and transport connections.

In accordance with the priorities and actions detailed in the LSPS, District Plan and Region Plan, Ku-ring-gai Council has committed to the adoption of a place-based approach in the preparation of structure plans for the four (4) Primary Local Centres. Additional planning actions include the preparation of Public Domain Plans, site-specific Development Control Plans, and urban design excellence policy and statutory provisions for the Primary Local Centres.

As an initial stage of the place-based planning process, the LSPS establishes a specific Planning Priority for each Primary Local centre. Each Priority is supported by a Structure Plan and an investigation of the opportunities and constraints that will guide each strategic response. The Structure Plan is to provide comprehensive analysis of each centre's unique land use, built form, movement, key sites, streetscape, public space and access. The Planning Priority for each centre, relevant retail and commercial opportunities and principles are detailed in Table 2.1

Planning Priority K25 of the LSPS is centered on 'providing for the retail and commercial needs of the local community within Ku-ring-gai's centres.' The Priority is to be facilitated by a Retail/Commercial Centres Strategy that will establish a centres hierarchy, investigate interrelationships between centres, determine future floor space demand, and assess the influence of surrounding strategic centres. The LSPS

establishes that the identification of opportunities to support centres, and the identification of future planning responses to address the Centres Strategy, will assist in achieving this Priority. The following principles are identified for future land use planning for retail and commercial centres:

- Protect or expand retail and commercial floor space within Local and Neighbourhood Centres.
- Strengthen the role of Local Centres with office and higher order retail land uses.
- Prohibit retailing in Pymble Business Park.
- Provide for further growth in retail space to meet demand generated by population growth.
- Contain retailing (as oppose to dispersing or spreading it) to minimise travel times, improve convenience and improve competition within retail centres.
- Housing should not compromise a centre's primary role to provide goods and services, and the opportunity for the centre's employment function to grow and change over time.
- Support a diverse night-time economy.
- Protect and improve the integrity and viability of existing centres through improving convenience level, retail offer, accessibility, beautification and ambience.
- Protect integrity and viability of existing centres from threats generated by new centres, expansion of existing centres, changes in retail hierarchy and out of centre development.
- Encourage development of supermarkets in Local Centres that lack such offer.

In addition to achieving Planning Priorities, the redevelopment of council-owned land across the LGA is to be carried out as a strategic response under the 'Activate Ku-ring-gai' urban renewal and revitalisation program (discussed in Section 2.5).

Table 2.1: Planning Priorities per Centre, Ku-ring-gai LGA

Centre	Key Components
Gordon	
Planning Priority	K8 - Promoting Gordon as the centre for business and civic functions and as the cultural heart of Ku-ring-gai
Overview	This priority will support the delivery of a community hub that will provide facilities such as an auditorium, art gallery, library, and various parks and public spaces.
Opportunities	<ul style="list-style-type: none"> The planned Gordon Community Hub has the potential to provide public open space and a town square or plaza to create a true community heart for Gordon. Pedestrian over-bridges could provide easy access between the Hub and Gordon Station/ bus interchange. Provide opportunities for outdoor dining, particularly in St Johns Avenue (which is a priority project for Activate Gordon). Allow other opportunities as the local centre redevelops through the provision of plazas and open space adjoining restaurant and café precincts within the new developments.
Principles	<ul style="list-style-type: none"> Retain low scale, fine grained character of main street shops on Pacific Highway and St Johns Avenue. Encourage renewal of street frontages that maintain active connections to the street. Encourage growth and expansion of retail and commercial uses within the centre, as well as development and renewal to activate the centre. Provide outdoor dining opportunities in St Johns Avenue with removal of car parking, widened footpaths, reduced traffic speeds, addition of street trees as well as spaces for the public. Create an enhanced cultural and civic Hub as an anchor for the northern part of the centre
St Ives	
Planning Priority	K9 - Promoting St Ives as an active green lifestyle and shopping destination
Overview	This priority will facilitate the improvement of the Village Green and build on the potential for the centre as a short-term visitor destination between the Wildflower Garden and St Ives Showground.
Turramurra	
Planning Priority	K10 - Promoting Turramurra as a family-focused urban village
Overview	This priority will enhance the centre's village atmosphere through the provision of new parks, public spaces, a library, and a community centre.
Opportunities	<ul style="list-style-type: none"> The Gilroy Lane car park at the rear of the Rohini Street shops is a major opportunity site to deliver a new, revitalised retail precinct, supported by retail arcades to create a more accessible and functional centre overall The planned Turramurra Community Hub has the potential to create a 'heart' of the Local Centre. Council's adopted master plan proposes a new town square and park as well as library and community centre.
Principles	<ul style="list-style-type: none"> Retain low scale, fine grained character of the main street shops on the Pacific Highway and Rohini Street. Encourage infill developments with fine grained commercial and retail street frontages. Consolidate the Local Centre on the northern side of the Pacific Highway by prioritising the expansion of retail, commercial and residential uses on the northern side of the Pacific Highway. Investigate potential for a land bridge over the rail line connecting William Street with Rohini Street.
Lindfield	
Planning Priority	K11 - Promoting Lindfield as a thriving and diverse centre
Overview	This priority will support the provision of contemporary retail environments, housing, parks, and community facilities.
Principles	<ul style="list-style-type: none"> Continue to strengthen the role of Lindfield Avenue as the 'main street' retail area providing local services for Lindfield. Maintain, strengthen and enhance the role of the Pacific Highway as the main commercial street for Lindfield. Retain the low scale, fine grained character of the existing shops on the Pacific Highway. Ensure that infill development respects the inherent built form character of this area, providing continuity of scale. Establish Woodford Lane as a secondary retail street, activating the 'back of house' of the existing shops fronting the western side of the Pacific Highway. The focus will be on leisure orientated retail uses such as restaurants, cafes and outdoor dining overlooking the new urban park to be provided on the Hub site. Improve the visual link between the Pacific Highway and Woodford Lane.

Source: Ku-ring-gai Draft Local Strategic Planning Statement (2019)

2.4 COMMUNITY STRATEGIC PLAN 2038

The Community Strategic Plan – Our Ku-ring-gai 2038 (the Strategic Plan) was developed in consultation with the local community to reflect the long-term aspirations and priorities of the Ku-ring-gai community.

The Strategic Plan is grounded on a vision for Ku-ring-gai as a ‘creative, healthy and liveable place where people respect each other, conserve the magnificent environment and society for the children and grandchildren of the future.’

The delivery of this vision will be facilitated through long term objectives pertaining to the following six (6) themes:

- 1 Community, People and Culture;
- 2 Natural Environment;
- 3 Places, Spaces and Infrastructure;
- 4 Access, Traffic and Transport;
- 5 Local Economy and Environment; and
- 6 Leadership and Governance.

The Strategic Plan acknowledges the improvement of local and neighbourhood centres as both a challenge and opportunity for the LGA. Long term objectives to address issues associated with retail and commercial centres are summarised in Table 2.2.

It is important that the realisation of these objectives underpin the future planning of Ku-ring-gai’s retail and commercial centres.



Table 2.2: Long term objectives relevant to retail and commercial centres

Issue	Long Term Objective
P2 - Managing Urban Change	A robust planning framework is in place to deliver quality design outcomes and maintain the identity and character of Ku-ring-gai.
P3 - Quality Urban Design and Development	The built environment delivers attractive, interactive and sustainable living and working environments.
P4 - Revitalisation of our centres	Our centres offer a broad range of shops and services and contain lively urban village spaces and places where people can live, work, shop, eat and spend leisure time.
P7 - Enhancing community buildings and facilities	Multipurpose community buildings and facilities are available to meet the community's diverse and changing needs.
E1 - Promoting Ku-ring-gai's business and employment opportunities	Ku-ring-gai is an attractive location for business investment.

Source: Ku-ring-gai Community Strategic Plan (2019)

Consultation with residents and businesses also identified the following top priorities (relevant to the centres):

- Making it easier and safer for people to move around the area;
- Providing services, facilities and things to do for young people;
- Improving centres including more day-time and night-time activities;

Bringing the community together through events and places to meet.

2.5 ACTIVATE KU-RING-GAI

Activate Ku-ring-gai is a staged urban renewal and revitalisation program led by Ku-ring-gai Council. The program will deliver a series of projects designed to enhance the quality, safety and amenity of Ku-ring-gai’s local centres, namely Turramurra, St Ives, Gordon and Lindfield. These ‘on-the-ground’ projects primarily involve the redevelopment of council-owned land and are to be achieved through active engagement with residents, key agencies, landholders, businesses and other stakeholders.

Successful implementation of projects under the Active Ku-ring-gai program will continue to facilitate retail and economic growth across Ku-ring-gai LGA. The program is likely to maximise retail floorspace to meet increasing demand, whilst maintaining an appropriate mix of uses (i.e. residential, commercial, and public open space) and accommodating a range of retail types and scales

Figure 2.3: Artist Impression of Lindfield Village Hub



Source: Ku-ring-gai Council Website

In particular, the Turramurra Community Hub Masterplan, Lindfield Village Hub and Lindfield Village Green projects will provide a mix of community facilities, open space, residential uses and retail, designed to revitalise the local centres and stimulate the local economy as well as creating a new design excellence for civic spaces in Ku-ring-gai. The hubs will also facilitate the provision of supermarkets, which will act as ‘anchors’ to attract retail and economic growth to the respective local centre. These new facilities will have direct and flow-on implications for the centres’ overall attractiveness as a place to live, work and shop.

The Gordon Cultural and Civic Hub remains active as part of the longer-term plan to activate all Ku-ring-gai’s local centres. Whilst there is no adopted masterplan and the Gordon Hub is currently deferred, the preliminary land use options indicate a full line supermarket and speciality retail, as well as a multi-purpose community centre, an art and cultural centre, and new Council administrative offices.

The indicative floorspace for retail, residential and community facilities is summarised in Table 2.3. Other projects under the program are outlined in Table 2.4.

Table 2.3: Indicative Floorspace for Activate Ku-ring-gai Programs

Floorspace	Lindfield Village Hub	Turramurra Community Hub	Gordon Civic and Cultural Hub
Retail	8,142 sqm	6,360 sqm	6,600 sqm
Residential	3,315 sqm	18,6000 sqm	9,500 sqm
Community	Up to nine storeys	Minimum 3,000 sqm	22,000 sqm

Source: Ku-ring-gai Council

Table 2.4: Projects under Activate Ku-ring-gai

Local Centre	Project	Status
Turrumurra	Extension of Cameron Park	Completed 2017
	Boyds Orchard Park	Completed March 2020
	Turrumurra Community Hub Masterplan - to deliver new open space, town square, library and community centre	Adopted 2017
St Ives	Putarri Reserve upgrade	To commence 2020
	Construction of Lapwing Reserve	Completed 2016
	St Ives Village Green Landscape Masterplan - identified priorities for improvements to parks over the next 10 years	Completed 2010
	St Ives Village Green Recreation Precinct and Playground concept plan	Adopted 2016 to commence 2019
Gordon	Gordon Civic Hub Master Plan - to deliver community centre, art and cultural centre, council administrative offices and public car park	Deferred 2016
	Annie Forsyth Wyatt Garden upgrade	Completed 2018
	Gordon Recreation Ground Landscape Masterplan - identifies priorities for improvements to parks over the next 10 years	Completed 2018
Lindfield	Lindfield Village Hub - to provide a mix of green open space, community buildings (library and community centre), housing and dining and retail outlets	Planning Proposal under assessment
	Lindfield Village Green - to facilitate transformation of council-owned car park into new public space	Commenced construction April 2020
	Lindfield Village Living - to provide high density residential development	DA under assessment

Source: Ku-ring-gai Council

2.6 KU-RING-GAI (LOCAL CENTRES) LOCAL ENVIRONMENTAL PLAN 2012

The Ku-ring-gai (Local Centres) Local Environmental Plan 2012 identifies local environmental planning provisions for land within Ku-ring-gai LGA recognised as a local centre. Zoning and controls are relatively consistent among all six (6) Local Centres (Turramurra, Lindfield, St Ives, Gordon, Roseville and Pymble).

The zoning of land across all Local Centres is characterised by a somewhat concentric pattern. The centres comprise primarily of R2 Low Density Residential and R4 High Density Residential zoned land that surrounds a central B2 Local Centre zone.

With the exception of St Ives, very little land within the Local Centres is zoned for RE1 Public Recreation. It is noted that Gordon has some B4 Mixed Use zoned land, and Lindfield and Roseville have a small area of B5 Business Development zoned land. Pymble comprises of a large area of land zoned as SP2 Educational Establishment and has some pockets of land zoned as E4 Environmental Living.

Floor space ratio (FSR) controls applying to land within all Local Centres are 0.2:1 and 0.3:1 in the R2 Low Density Residential zones, 0.85:1 to 1.3:1 in the R4 High Density Residential zone and largely range from 1:1-3:1 for land within the B2 Local Centre core. The building height control for development within all Local Centres is generally 9.5m in residential areas. This control ranges from 11.5m-17.5m within the core of Turramurra, St Ives, Roseville, and Pymble, and up to 26.5m for small areas of land in Gordon and Lindfield.

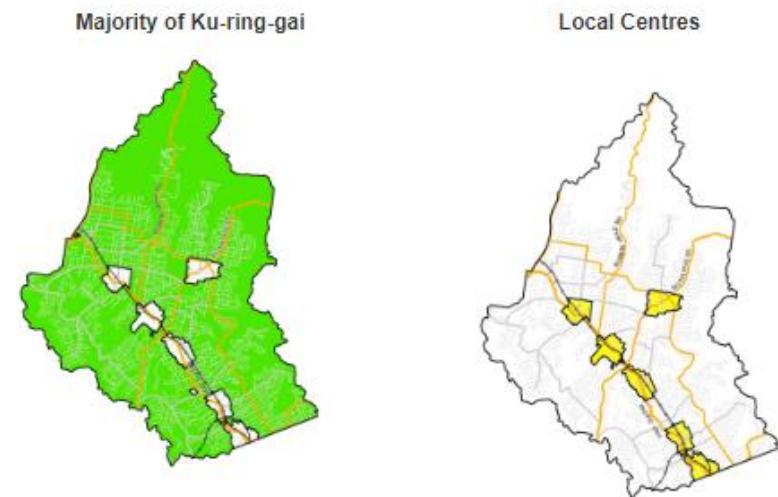
The expanse of relatively low FSR and building height controls across the Local Centres may limit redevelopment and retail opportunities, as potential floorspace is not maximised.

2.7 KU-RING-GAI LOCAL ENVIRONMENTAL PLAN 2015

The Ku-ring-gai Local Environmental Plan 2015 identifies local environmental planning provisions for land within the Ku-ring-gai LGA.

The zoning of land across all Neighbourhood Centres is characterised by a small area of B1 Neighbourhood Centre land bounded by R2 Low Density Residential land. An FSR control of 0.75:1 and building height control of 9.5m applies to these centres. It may be considered that these controls limit potential redevelopment and retail opportunities.

Figure 2.4: Land to which LEPs applies, Ku-ring-gai LGA



Source: Ku-ring-gai Council Website

2.8 KU-RING-GAI LOCAL CENTRES DEVELOPMENT CONTROL PLAN (DCP)

The Ku-ring-gai Local Centres Development Control Plan (Local Centres DCP) provides detailed guidance for the siting, design and assessment of new development. It establishes a framework for development on land to which the Ku-ring-gai Local Environmental Plan (Local Centres) 2012 applies.

Part 14 of the Local Centres DCP provides a set of objectives to guide development on land identified as a Local Centre, namely St Ives, Turramurra, Pymble, Gordon, Lindfield, and Roseville. These objectives and corresponding controls respond to the following considerations:

- Public domain and pedestrian access;
- Community infrastructure;
- Building setbacks;
- Built form;
- Heritage; and
- Environmental and bushfire protection.

Additionally, a number of specific urban precincts/sites are identified within each Local Centre. A unique Planned Future Character statement, and a set of performance-based site-specific controls are established for each precinct in the Local Centres DCP.

Objectives and controls across all Local Centres aim to facilitate the creation of a vibrant Local Centre with a distinctive and memorable character. The delivery of a greater range of retail space, commercial services, and community facilities is also highlighted in the provisions for all centres.

Controls applicable to the development of land within St Ives Local Centre primarily seek to increase the range of retail and commercial services available. The creation of a 'main street' style shopping centre is envisaged for this centre. Conversely, development controls specific to land within Turramurra Local Centre are intended to preserve the centre's 'village like' character.

The provisions of the Local Centres DCP reveal an emphasis on enhancing pedestrian access and permeability within St Ives. Mechanisms to facilitate pedestrian and cycle activity are similarly detailed in the controls specific to Pymble Local Centre. Provisions for Turramurra Local Centre prioritise improvements to both pedestrian and vehicular accessibility.

The Plan identifies Gordon as the primary retail and commercial centre for Ku-ring-gai LGA, and so controls are intended to facilitate the delivery of a new civic hub, community facilities, and public open space, alongside some high-density residential development. Controls specific to Roseville Local Centre seek to deliver low scale mixed use development that preserves the existing local character of area.

Whilst there are some differences in the controls relevant to each Local Centre, when viewed from a holistic perspective, the guidance provided in the Local Centres DCP seeks to deliver a series of vibrant and distinctive centres throughout Ku-ring-gai LGA. It is noted that potential links and synergies among Local Centres are not discussed in the Plan.

2.9 KU-RING-GAI RETAIL CENTRES STUDY (2005)

A Retail Centres Study for Ku-ring-gai was undertaken in 2005 by Hill PDA. The study analysed the retail/commercial centres, assessed their function and performance, and provided directions and priorities for planning and future implementation measures to help Council best manage the future direction, role and functions of the centre for the benefit of local businesses and residents.

The recommendations from this study were used to inform the development of the Ku-ring-gai *Local Environmental Plan (Local Centres) 2012* and *Ku-ring-gai Local Environmental 2015*.

The Study identified a demand for a further 50,000 sqm of shop front floorspace in the LGA, without altering the existing retail hierarchy. Additional floorspace could be accommodated to capture some escape expenditure (43%) – particularly in the department store, clothing and bulky goods expenditure.

The Study presented three options for expansion of shop front:

- Option 1 – minimal expansion with no alteration to the retail hierarchy;
- Option 2 – Expand St Ives to the principal centre of 50,000 – 60,000 sqm;
- Option 3 – Expand Gordon to the principal centre of 50,000 – 60,000 sqm.

Further sub-options included a bulky goods cluster around 20,000 to 30,000 sqm on Pacific Highway; and a factory outlet centre around 10,000 to 15,000 sqm within a principal centre.



Target floorspace (sqm) increases between the options were as follows:

	Option 1 Minimal Expansion	Option 2 St Ives as the principal Centre	Option 3 Gordon as the principal Centre	Option 3 & 3a With Bulky Goods	Maximum Expansion**
Gordon	15,000	10,000	35,000	35,000	45,000
St Ives	15,000	35,000	12,000	12,000	12,000
Turrumurra	4,000	4,000	4,000	4,000	4,000
Lindfield***	6,000	6,000	6,000	6,000	6,000
Others	5,000	5,000	5,000	5,000	5,000
Peripheral				25,000	25,000
APPROX. TOTAL	45,000	60,000	60,000	85,000	95,000

* Shop front space including commercial services such as banks and real estate agents but excluding entertainment space such as cinemas

** Allowing for 10,000sqm factory outlet in Gordon centre (first preference). Alternative locations (but less preferable) include St Ives or the peripheral area.

*** Alternatively Lindfield could have minor or no expansion if Roseville (and to a lesser extent Pymble) were to have more significant expansion with a medium to large supermarket.

The Study identified Option 3 and 3a as the recommended retail hierarchy– to expand Gordon by 35,000 sqm to a total size of 55,000sqm, making it the principal centre in Ku-ring-gai. Although Gordon is constrained by multiple land holdings, the Study identified it is a better option than Option 2 in terms of meeting principles of Draft SEPP 66 (although no longer in consideration), State Government centres policies and land use/transport policies. Gordon is on the railway line and central in the LGA. Principles under Option 3 include the following:

- Discount department stores, factory outlets and other large majors normally found in regional and sub-regional centres should be encouraged in Gordon and prevented in other centres until Gordon has established itself as the major centre in the LGA;
- Entertainment uses such as cinemas should be encouraged in Gordon and prevented in other centres;
- Peripheral retailing needs to be controlled by type and possibly size to ensure that it does not attract retailers that otherwise should be in the retail centres;
- If a factory outlet were to locate in Ku-ring-gai, as priority it should be located in Gordon. .

2.10 IMPLICATIONS FOR THE STRATEGY

Overall, the state and local government strategies examined in this section all highlight the significant role of centres in providing access to jobs, goods and services. Councils and planning authorities need to adopt a place-based planning approach to support the role of centres during a time of population growth and urban change.

The principles identified in the LSPS for Ku-ring-gai's retail and commercial centres, as well as specific retail principles for the four primary local centres, will guide the recommendations in this strategy. From a character and function perspective, the following is noted for the four primary local centres:

- Gordon – Centre for business and civic functions and as the cultural heart of Ku-ring-gai
- St Ives – Active green lifestyle and shopping destination
- Turramurra – Family-focused urban village.
- Lindfield - Thriving and diverse village centre.

Except for St Ives, local centres are located on the T1 North Shore railway line i.e. have excellent access to public transport. St Ives is located on a major arterial road and is serviced by bus routes. All four centres are constrained by surrounding residential/open space development, potentially preventing expansion of the centres outwards into residential suburbs. Increased retail and/or commercial floorspace would be best located on those centres on railway line with public transport as these centres have the best accessibility.

Highly fragmented historic narrow lot retail subdivision patterns predominantly along Pacific Highway are a greater constraint to redevelopment, due to high cost of land which inhibits the amalgamation of land to achieve feasible developable land parcels.

Lindfield, Gordon and Turramurra centres are fragmented by Pacific Highway and the Railway line; however, this is more of a constraint to movement rather than development.

Council is the major landowner within the centres, with the largest consolidated parcels typically used for at grade “open air” car parking. These parcels are a significant asset and provide a significant opportunity for a catalyst for change, as demonstrated by the plans for Lindfield Village Green, Lindfield Community Hub and Turramurra Hub under Council's Activate Ku-ring-gai program.

The LSPS also indicates dwelling targets to be met through increased dwellings densities in and around local centres. If this is to be largely met by shop top housing, height and FSR controls will need to be revised to facilitate this. Meeting the state dwellings targets should not be undertaken at the expense of existing and additional retail and commercial floorspace required to support existing and future population levels.

Facilitating and promoting new retail and commercial opportunities as part of mixed-used developments within the centres will allow the revitalisation and redevelopment of the centres to provide an appropriate mix of retail and commercial floorspace, as well as provide developers with the financial viability to develop in an area with high costs of land and development constraints. To this end, the adopted Lindfield Village Hub and Turramurra Community Hub Masterplan are ideal examples of the types of developments that could assist in overcoming development constraints, provide additional retail and community floorspace, and improve the centres' overall attractiveness.

Planning controls should facilitate opportunities of expansion and growth within the centres. However, a number of restrictions in the LEP have been noted that limits the development or redevelopment within these centres:

- FSR controls vary within the centres from 1:1 to 3:1 within the B2 Local Centre zones. Certain areas of the local centres still have very low FSR's i.e. 1:1 (e.g. western side of Pacific Highway, Lindfield and Rohini Street, Turramurra). Such FSR's are not conducive to any redevelopment
- Building height controls also vary within the centres from 9.5m to 26.5m. The 9m Height of Building Control on Rohini Street, Turramurra will only permit 2 storey development.

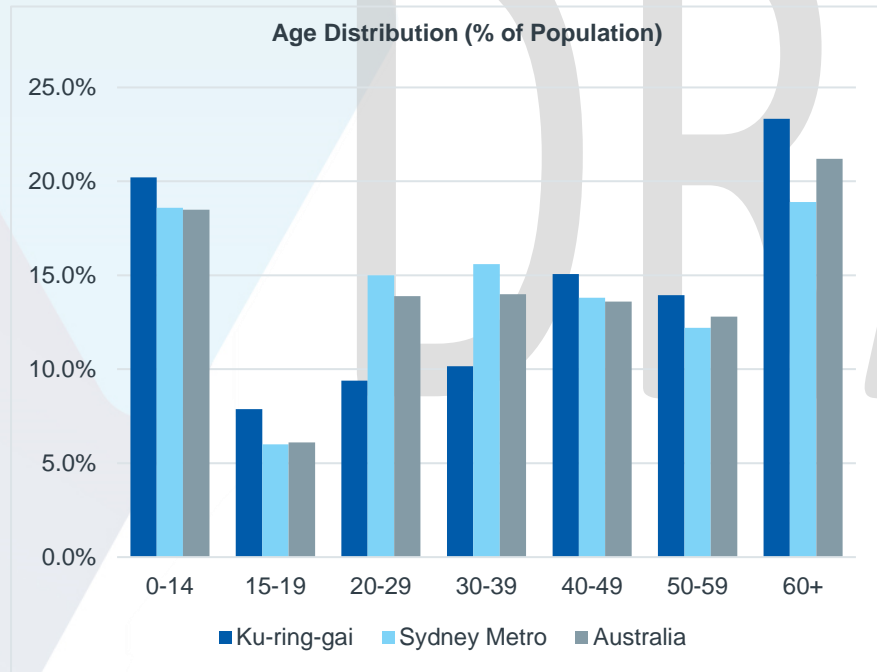
- Clause 4.4(2D) restricts the amount of retail or, commercial development on certain land within the local centres – referred to and mapped as Areas 1 to 4. It is assumed that this is based on the preservation of some floor space within centres for residential use i.e. to meet housing targets. However, it also has the effect of constraining retail and commercial development on certain land within the centres.
- Surrounding R4 High Density Residential zones permit “shop top housing”, however the extent of retail/commercial is restricted to “neighbourhood shops” i.e. maximum of 100sqm. Therefore, these do not provide any significant capacity to contribute to the overall retail GFA deficit.
- The LEP includes a definition for a “neighbourhood supermarket”. Clause 5.4(7AA) restricts a neighbourhood supermarket to a maximum of 1,000 sqm. This control affects the B1 Neighbourhood Centre zone.
- Currently Retail Premises is a prohibited use within the B7 Business Park zone. This includes Specialised Retail Premise.

DRAFT

SNAPSHOT OF KU-RING-GAI'S POPULATION

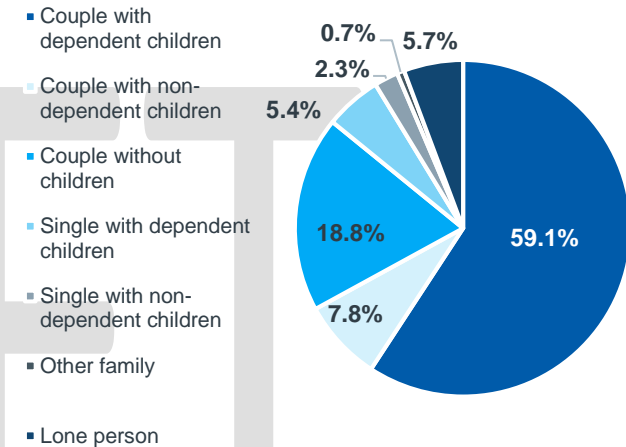


	Ku-ring-gai	Sydney Metro	Australia
Average Per Capita Income	\$57,941	\$42,036	\$38,500
Average Household Income	\$167,358	\$115,062	\$98,486
Average Household Size	2.9	2.7	2.6



	Ku-ring-gai	Sydney Metro	Australia
Average Age	39.7	37.6	38.6

Family Type (% of Population)



BIRTHPLACE



59.8%

Australia

24.0%

Asia

7.0%

Europe

9.1%

Other



Ku-ring-gai can be typically characterised by an affluent, older, and aging, large traditional family-based population who are predominantly Australian born.

Source: ABS (2016)

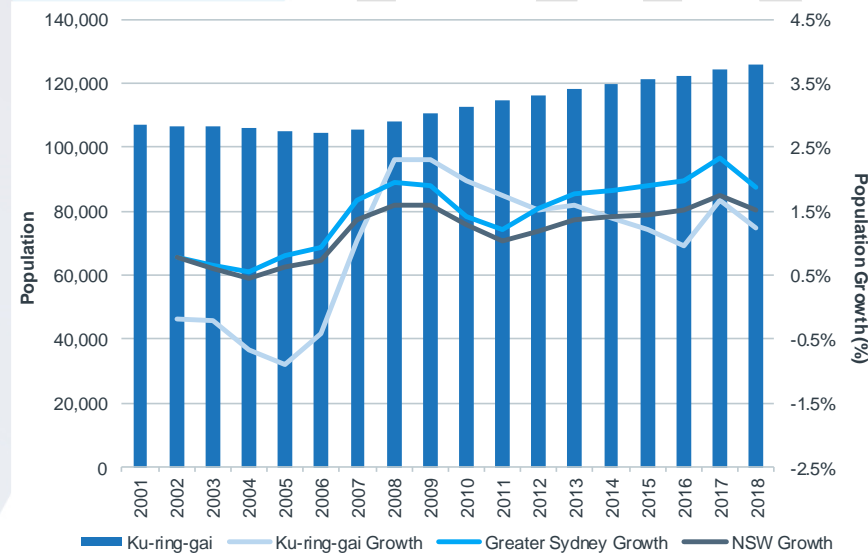
3. SOCIO-ECONOMIC PROFILE

3.1 POPULATION PROFILE

Ku-ring-gai LGA Population

In 2018, Ku-ring-gai recorded an estimated resident population of 126,000. The local government area has recorded relatively volatile population growth by comparison with Greater Sydney and New South Wales, recording population decline in the early to mid-2000s, driven primarily by the loss of young families and youths, but recovering strongly in the late 2000s, with population growth consistently recorded from 2007 onwards. Between 2007 and 2018, Ku-ring-gai has recorded an average annual growth rate of 1.6%. This is a faster average annual rate than New South Wales recorded at 1.4% showing strong growth in the LGA, however slower than Greater Sydney at 1.8%.

Figure 3.1 Population Growth (2001-2018), Ku-ring-gai

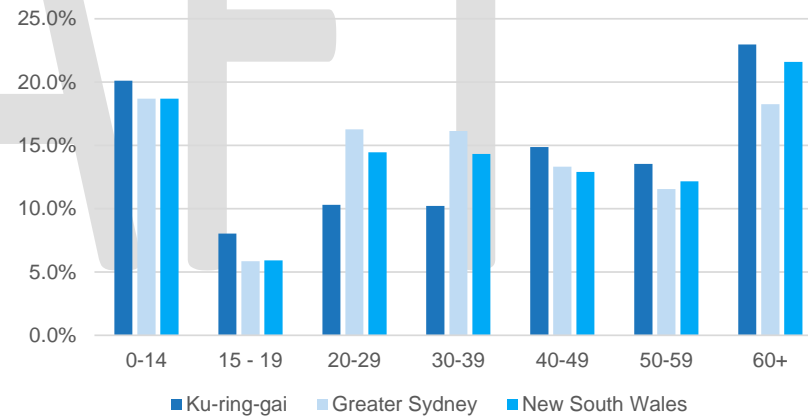


Source: ABS (2019)

Age Distribution

On average, Ku-ring-gai’s population is older than Greater Sydney and New South Wales. The average age in Ku-ring-gai in 2018 is estimated to be 39.8 years, compared to 37.0 years and 38.6 years in Greater Sydney and New South Wales respectively. Ku-ring-gai also has a higher proportion of residents between 0-14 years and 15-19 years old compared to Greater Sydney and New South Wales.

Figure 3.2: Age Distribution (2018), Ku-ring-gai



Source: ABS (2019)

Table 3.1: Average Age (2018), Ku-ring-gai

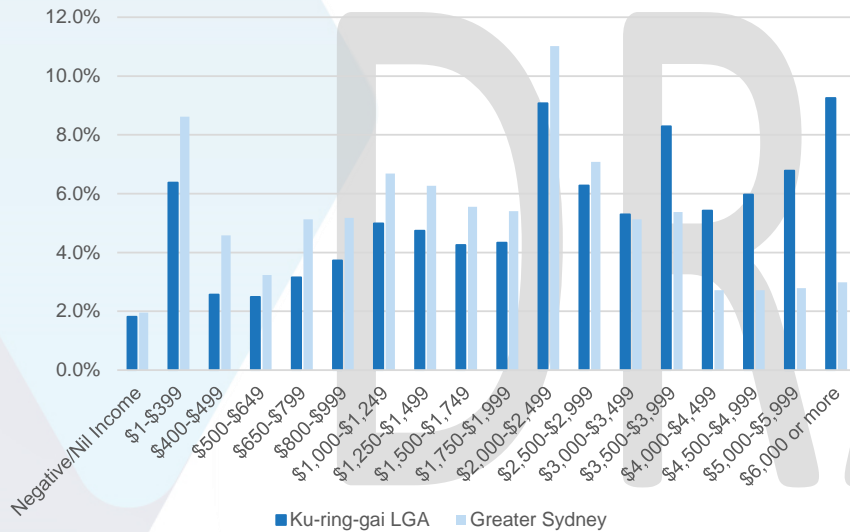
2018	Ku-ring-gai	Greater Sydney	New South Wales
Average Age	39.7	37.0	38.6

Source: ABS (2019)

Income Levels

According to Census 2016 data, Ku-ring-gai LGA has a higher equivalised household income profile relative to the Greater Sydney region. Overall, 56.4% of Ku-ring-gai's population earn a household income over \$2,000 per week (\$104,000 per annum and over), compared to Greater Sydney where only 39.8% earn over this amount.

Figure 3.3: Weekly household income (2016), Ku-ring-gai LGA



Source: ABS (2016)

Table 3.2: Average household and per capita income (2016)

Income Levels	Ku-ring-gai	Sydney Metro	Australia
Average per capital income	\$57,941	\$42,036	\$38,500
Average household income	\$167,358	\$115,032	\$98,486

Source: ABS (2016)

Household Composition

Ku-ring-gai has a larger proportion of couples with children (63.9%) when compared to Sydney Metro (58.0%) and Australia (53.0%). Lone person households only comprise 5.7% of the total population in the LGA, significantly lower than Sydney Metro at 8.5% and Australia 10.2%. This contributes to the average household size of 2.9 persons in Ku-ring-gai being larger than the averages in Sydney Metro and Australia.

Table 3.3: Household Composition (2016), Ku-ring-gai

Household Composition	Ku-ring-gai	Sydney Metro	Australia
Couple with dependent children	59.1%	48.8%	45.2%
Couple with non-dependent children	7.8%	9.2%	7.8%
Couple without children	18.8%	20.2%	23.0%
Single with dependent children	5.4%	8.0%	8.9%
Single with non-dependent children	2.3%	4.1%	3.7%
Other family	0.7%	1.2%	1.1%
Lone person	5.7%	8.5%	10.2%
Average Household Size	2.9	2.7	2.6

Source: ABS (2016)

Table 3.4: Birthplace of Population (2016), Ku-ring-gai

% of Population	Ku-ring-gai	Sydney Metro	Australia
Australian Born	60.6%	61.9%	72.9%
Overseas Born			
Asia	19.4%	18.6%	10.7%
Europe	8.4%	7.7%	8.0%

Source: ABS (2016)

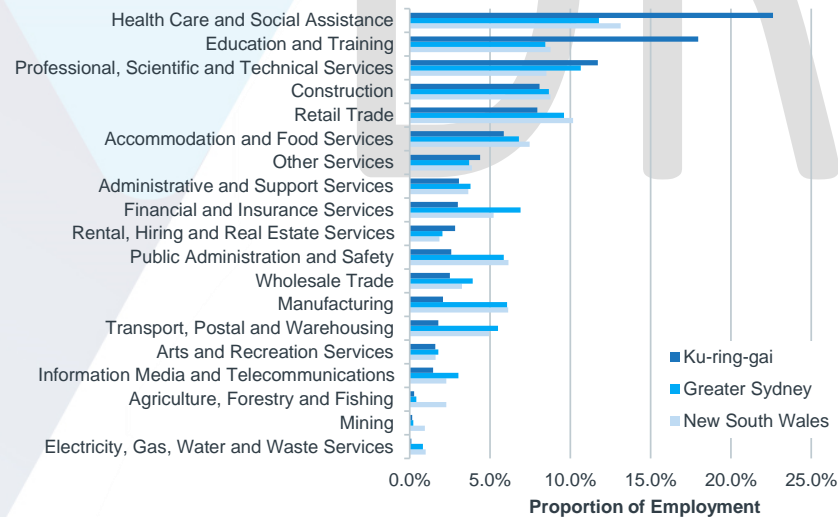
3.2 EMPLOYMENT PROFILE

Employment Industry (Place of Work)

The following observations can be made from the employment industry data:

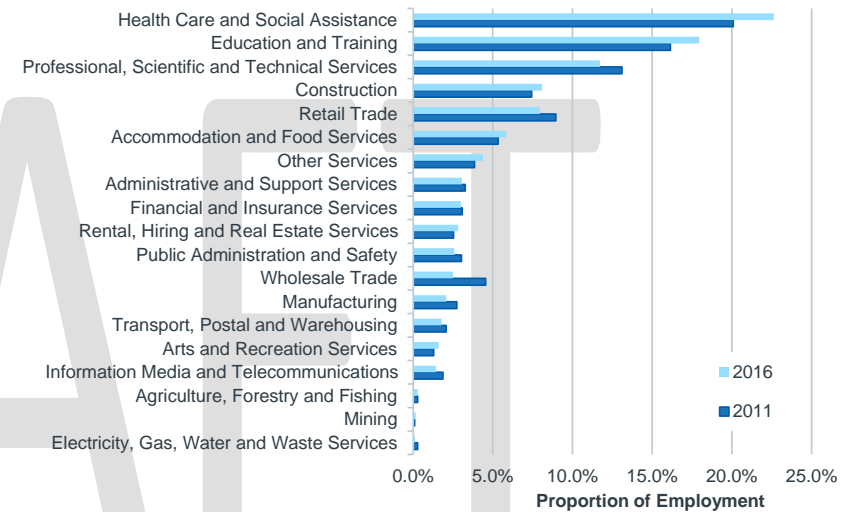
- In 2016, there was approximately 31,526 people working in Ku-ring-gai.
- The most predominant industry in the LGA is 'Health Care and Social Assistance', accounting for 22.6% of total employment was 2016. This is significantly higher when compared to Greater Sydney (11.8%) and New South Wales (13.1%).
- Ku-ring-gai's three largest industries employed almost half of total employment in the LGA (total of 52.3% of total employment). This shows the reliance that the Ku-ring-gai local economy has on its major industries and its relative lack of economic diversity compared to these broader regions.

Figure 3.4: Proportion of Employment by Industry (Place of Work), 2016



Source: ABS (2017)

Figure 3.5: Change in Proportion of Employment by Industry (Place of Work), 2011-2016



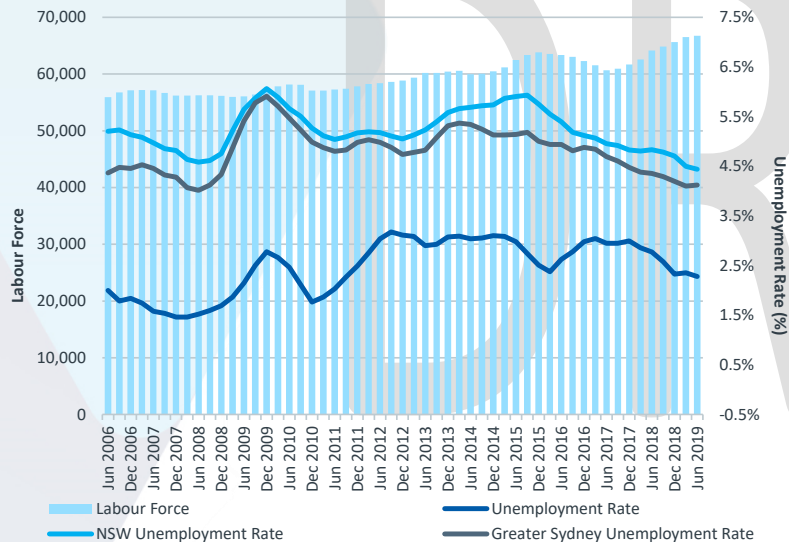
Source: ABS (2017)

- 'Health Care and Social Assistance' and 'Education and Training' both increased their share of employment from 2011 to 2016 by 2.5% and 1.8% respectively.
- Declines observed in 'Professional, Scientific and Technical Services' (-1.4%), Wholesale Trade (-2.0%), and Manufacturing (-0.7%) suggests that the local economy is becoming more reliant on population related sectors.
- Retail Trade has also declined by 1.8% between 2011 and 2016. This is likely due to major upgrades in the retail centres in surrounding LGAs which occurred during this period i.e. Macquarie Centre, Westfield Chatswood etc.

Labour Market (Place of Usual Residence)

Ku-ring-gai has typically recorded a low unemployment rate, with a maximum of 3.2% compared to Greater Sydney and New South Wales which recorded maximums of 5.9% and 6.1% respectively between June 2006 and June 2019. Unemployment in Ku-ring-gai has decreased in recent quarters, declining from 3.0% in December 2017, to 2.3% in June 2019 suggesting an improvement in the labour market in Ku-ring-gai. This is again significantly lower than both Greater Sydney and New South Wales at 4.1% and 4.4% respectively, showing that the LGA is well employed.

Figure 3.6: Labour Force and Unemployment Rate, Ku-ring-gai



Source: DoESSFB (2019)

Journey to Work

Of persons in Ku-ring-gai who work, over a quarter (26.5%) work in Sydney LGA. Most of these workers work in the industries of ‘Financial and Insurance Services’ and ‘Professional, Scientific and Technical Services’ which are typically found in the Central Business District (CBD). A quarter (25.0%) of residents of Ku-ring-gai also work in Ku-ring-gai, generally employed by the ‘Professional, Scientific and Technical

Services’, ‘Health Care and Social Assistance’ and ‘Education and Training’ industries. Local government areas in close proximity to Ku-ring-gai are also prominent employers of local residents, with 9.6% of residents working in Willoughby, 6.9% working in North Sydney and 6.9% working in Ryde. Approximately 25.2% of residents work in other LGAs.

Table 3.5: Ku-ring-gai Residents’ Place of Work, 2016

	Sydney	Ku-ring-gai	Willoughby	North Sydney	Ryde	Other	Total
Ku-ring-gai	26.5%	25.0%	9.6%	6.9%	6.9%	25.2%	100.0%

Source: ABS (2017)

Local businesses employ local residents with approximately 44.2% of people working in Ku-ring-gai also living in the LGA in 2016. In addition to local residents, the region attracts workers from Hornsby (14.1% of persons employed locally), Northern Beaches (5.2%), Central Coast (4.8%) and, Parramatta (3.3%). Over a quarter of workers lived in other LGAs. The ‘Health Care and Social Assistance’ industry is the industry which imports the greatest proportion of workers from outside the area, followed by ‘Education and Training’.

Table 3.6: Ku-ring-gai Workers Place of Residence, 2016

	Ku-ring-gai	Hornsby	Northern Beaches	Central Coast	Parramatta	Other	Total
Ku-ring-gai	44.2%	14.1%	7.2%	4.8%	3.3%	26.4%	100.0%

Source: ABS (2017)

Residents Working from Home

The proportion of residents working from home in the Ku-ring-gai LGA increased between 2011 and 2016, from 12.7% to 13.2% of the total working population. This equates to an average annual rate of 2.6%. This exceeds the rate of overall population growth in the LGA in this period, increasing by an average annual rate of 1.3% over the 2011-16 period. This trend has implications for supporting amenity close to where residents live.

Table 3.7: Ku-ring-gai Workers Place of Residence, 2016

	2011		2016		Change		Population	
	No.	%	No.	%	No.	Avg. Ann.	No.	Avg. Ann.
Ku-ring-gai	3,506	12.7%	3,980	13.2%	474	2.6%	7,868	1.3%

Source: ABS (2012, 2017)

3.3 FUTURE EXPECTATIONS

3.3.1 Population Projections

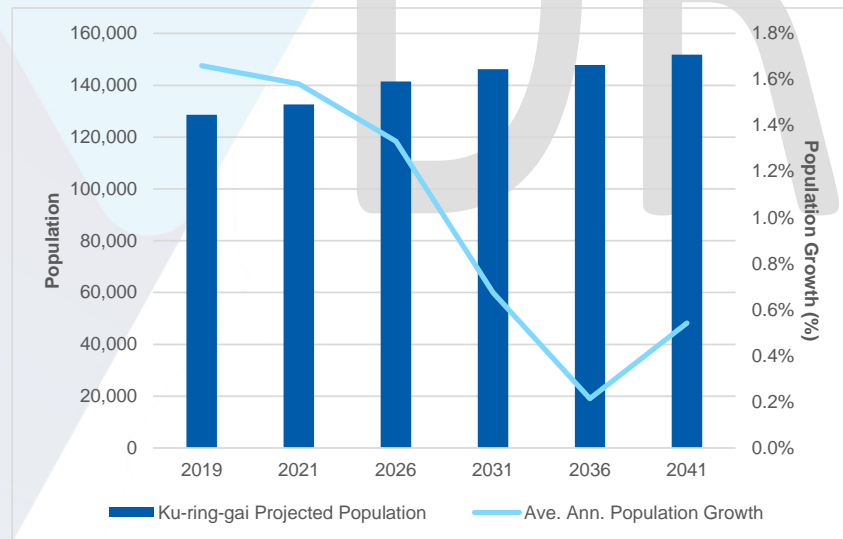
Ku-ring-gai’s population is expected to grow at a strong average annual rate in the near term, before slowing to grow at 0.2% per annum between 2031 and 2036. By 2041, population is expected to be approximately 152,000, an increase of 23,247 or 18.1% from 2019 levels. The average annual growth rate between 2019 and 2041 is 0.8% per annum.

Table 3.8: Population Projections, Ku-ring-gai

	2019	2021	2026	2031	2036	2041	Change 2019-41
Population	128,571	132,637	141,468	146,242	147,809	151,818	23,247

Source: DPIE (2019)

Figure 3.7: Population Projections, Ku-ring-gai (2019-2041)

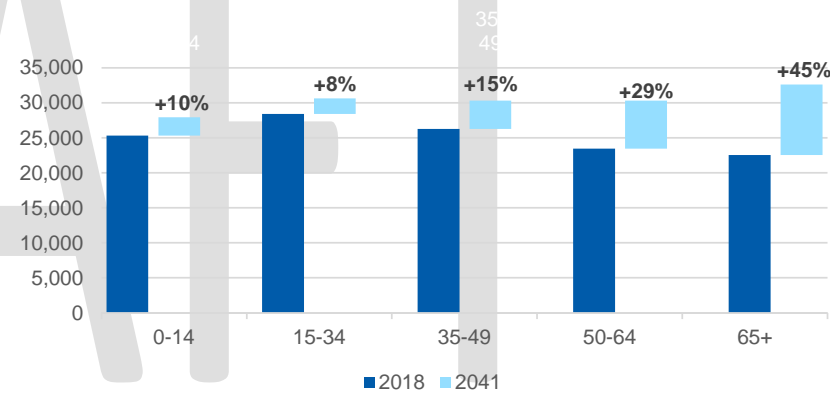


Source DPIE (2019)

Population Projections, by Age Group

Population projections by age suggest that population ageing will recommence in Ku-ring-gai in the coming decades, with the age groups of 50-64 years and 65+ years increasing by 29% and 45% respectively. The average age of the LGA is set to increase from 39.7 years in 2018 to 42.3 years in 2041.

Figure 3.8: Population Projections by Age, Ku-ring-gai (2018-2041)



Source: ABS (2019), DPIE (2019)

3.3.2 Employment Projections

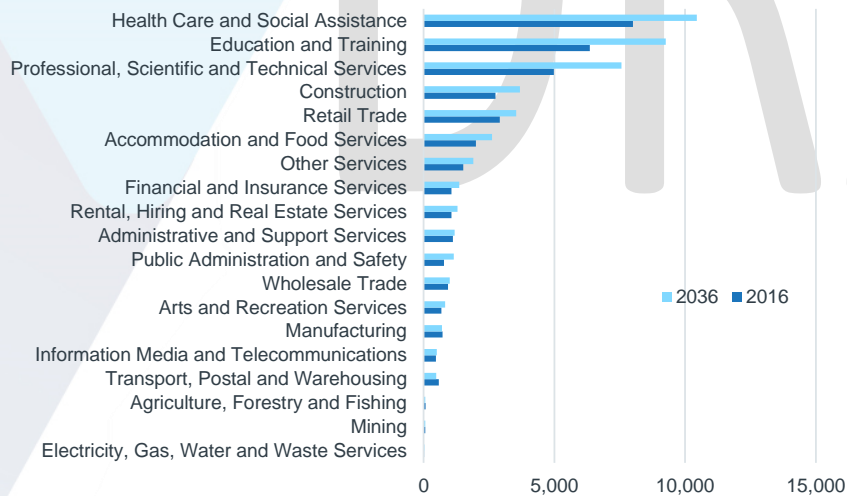
Employment in Ku-ring-gai is expected to increase by 62% between 2016 to 2041. Consistent with 2016, the main employment industries are expected to remain as 'Health Care and Social Assistance' at 22.3%, 'Education and Training' at 19.5% and 'Professional, Scientific and Technical Services' at 16.1% of total employment in 2041. Declines in 'Manufacturing' and 'Transport, Postal and Warehousing' are projected between 2016 and 2041 due to the shift from traditional industrial uses in Ku-ring-gai to more population-based employment.

Table 3.9: Employment Projections, Ku-ring-gai

	2016	2021	2026	2031	2036	2041	Change 2016-41
Employment	31,526	38,689	41,766	44,568	47,651	51,214	19,688

Source: TPA (2016)

Figure 3.9: Employment Projections, Ku-ring-gai



Source: TPA (2016)

3.4 IMPLICATIONS FOR KU-RING-GAI

The Ku-ring-gai LGA population is projected to grow at an average annual rate of 0.8% between 2018 to 2041. Although this rate is lower than the average annual growth rate of Sydney and NSW, what is prominent is that the growth of the upper age groups of 50-64 years and 65+ years. These age groups are expected to increase by 29% and 45% respectively between 2018 and 2041. An increasing population will mean that more housing will be required in the LGA, as well as retail services in Ku-ring-gai's retail centres. The aging population will require better amenities surrounding the centres and public domain upgrades to the footpaths and streets.

With regards to employment, health care and social assistance, education and training and professional, scientific and technical services are expected to continue as the major employing industries in the LGA through to 2041, accounting for 59.7% of employment. Declines in light industrial industries such as 'Manufacturing' (-3.4%) and 'Transport, Postal and Warehousing' (-16.8%) are projected between 2016 and 2036. This suggests that the demand for more traditional industrial land uses in Ku-ring-gai will decline over the coming years. These findings will impact the quantity and type of floorspace required in the future for employment. An increase in population-based employment and decline in industrial can mean that there may be less demand for larger floorplates, and floorspace in centres may become more desirable due to its accessibility by foot, car and public transport.

Working from home has become an increasingly popular trend over the recent years, with a reported 13.2% of residents working from home in the Ku-ring-gai LGA in 2016, increasing from 12.7% in 2011. The trend of more residents working from home may also mean that less commercial floorspace is demanded, however different amenities may be demanded close to where residents live. Touchdown workspaces may also be appealing to these workers.

4. ANALYSIS OF EXISTING CENTRES

4.1 OVERVIEW OF CENTRES

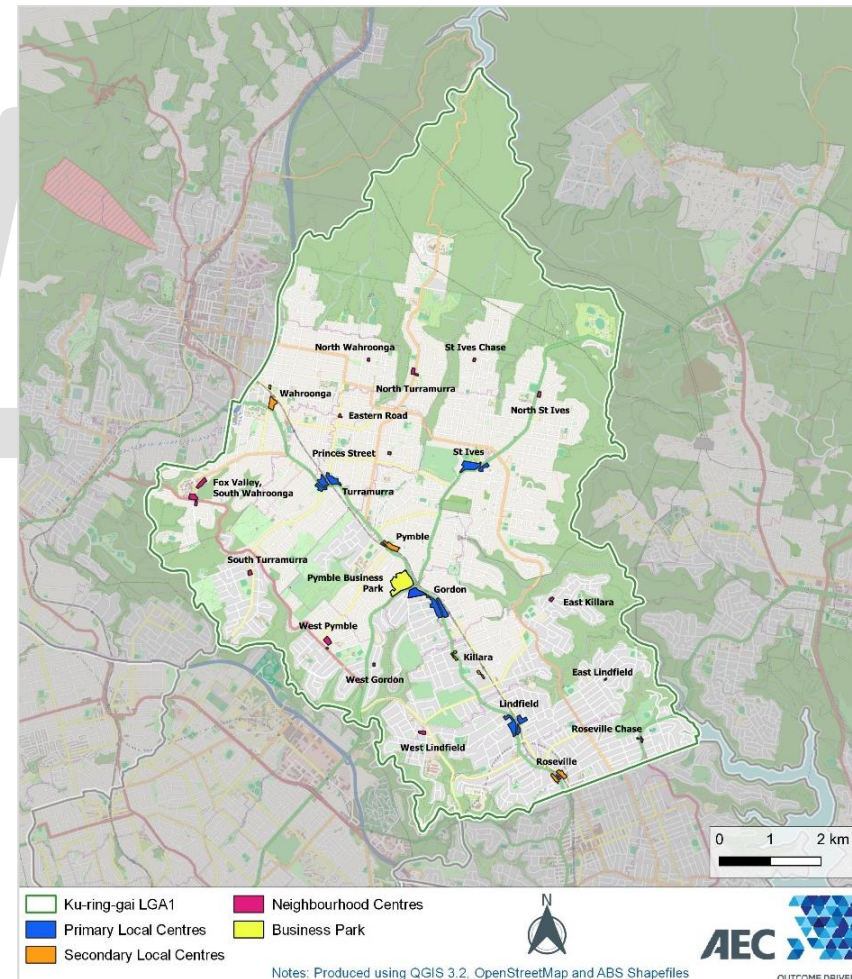
Ku-ring-gai centres comprise of a mix of local centres, which all play a vital role in the local economy to provide a diverse mix of office, retail, support services, community facilities and transport connections. Additionally, the LGA has a number of smaller neighbourhood centres which generally comprise of small cluster strip retailing and commercial businesses that provide top up convenience shopping to the immediate surrounding residential areas. Table 4.1 outlines the centres identified per the LSPS.

Table 4.1: Local and Neighbourhood Centres in Ku-ring-gai

Classification	Centres
Primary Local Centres	<ul style="list-style-type: none"> • Gordon • St Ives • Turramurra • Lindfield
Secondary Local Centres	<ul style="list-style-type: none"> • Roseville • Killara • Wahroonga • Pymble
Neighbourhood Centres	<ul style="list-style-type: none"> • Fox Valley, Wahroonga • North Turramurra • West Pymble • West Lindfield • Roseville Chase • North St Ives • Princes Street, Turramurra • East Killara • St Ives Chase • East Lindfield • South Turramurra • North Wahroonga • Eastern Road Turramurra • West Gordon
Business Park	<ul style="list-style-type: none"> • Pymble Business Park

Source: AEC/Ku-ring-gai Council

Figure 4.1: Retail and Commercial Centres in Ku-ring-gai LGA



Source: AEC

4.2 EXISTING SUPPLY OF FLOORSPACE

Table 4.2: Estimated shopfront and floorspace in Ku-ring-gai's Retail and Commercial Centres

Centre	Retail		Commercial		Vacant		Total	
	Count	GLA	Count	GLA	Count	GLA	Count	GLA
East Killara	7	735	3	360	0	0	10	1,095
East Lindfield	6	895	1	105	0	0	7	1,000
Eastern Rd Turramurra	7	920	0	0	0	0	7	920
Gordon	92	20,506	131	26,334	20	7,446	243	54,286
Killara	5	820	11	2,445	6	630	22	3,895
Lindfield	58	10,871	96	13,621	12	1,482	166	25,974
North St Ives	7	1,175	5	525	1	150	13	1,850
North Wahroonga	7	825	1	105	0	0	8	930
North Turramurra	18	2,530	8	1,430	0	0	26	3,960
Princes St Turramurra	6	675	4	465	3	315	13	1,455
Pymble	18	2,230	35	5,306	2	210	55	7,746
Pymble Business Park	8	2,511	142	65,103	39	13,139	189	80,754
Roseville	41	4,530	23	3,935	5	570	69	9,035
Roseville Chase	9	1,035	8	975	0	0	17	2,010
Fox Valley, Wahroonga	6	955	32	9,658	58	5,495	96	16,108
St Ives	136	22,830	69	8,471	7	1,045	212	32,345
St Ives Chase	4	510	5	570	0	0	9	1,080
South Turramurra	5	760	1	105	1	105	7	970
Turramurra	71	11,240	66	9,905	8	840	145	21,985
Wahroonga	43	5,150	55	6,270	0	0	98	11,420
West Gordon	5	570	2	210	0	0	7	780
West Lindfield	12	1,530	7	825	0	0	19	2,355
West Pymble	17	2,125	5	705	0	0	22	2,830
Total	588	95,928	710	157,427	162	31,427	1,460	284,782
By Centre Type								
Primary Local	357	65,447	362	58,331	47	10,813	766	134,590
Secondary Local	104	12,415	122	17,061	13	1,410	239	30,886
Neighbourhood	119	15,555	84	16,933	63	6,065	266	38,553
Business Park	8	2,511	142	65,103	39	13,139	189	80,754
Total	588	95,928	710	157,427	162	31,427	1,460	284,782

Source: AEC/Location IQ

AEC and Location IQ undertook a survey in 2019/2020 of the retail, commercial and other non-residential floorspace within Ku-ring-gai's centres, with the results summarised in Table 4.2. These estimates take into account the following:

- Publicly available data including annual reports and commercial listings.
- Location IQ and AEC proprietary database.
- Nearmap aerial imagery estimates.
- Estimates undertaken on site.

Key findings:

- Overall, Ku-ring-gai has approximately 96,000 sqm of retail floorspace across the 23 local and neighbourhood centres. Gordon and St Ives centres are both larger than 20,000 sqm. Vacancies in retail spaces are observed to be low in the centres (approximately 5.7%).
- With regards to commercial and other non-residential space, the largest centres include Pymble Business Park, Gordon, Lindfield and Fox Valley, Wahroonga. Vacancies in these centres are observed to be high, likely due to the outdated stock (generally older and smaller office units observed).
- Fox Valley, South Wahroonga has over 16,000sqm of GFA, which is significantly larger than the other neighbourhood centres in the LGA. This is owing to the new commercial development on the corner of Fox Valley Road and Comenarra Parkway (Parkway SAN Clinic).

Refer to Appendix C for the shopfront count and estimated floorspace categorised by business type.

4.3 RETAIL HIERARCHY – PROPERTY COUNCIL OF AUSTRALIA

In the Australian retail environment, the hierarchy of shopping centres as described by the Property Council of Australia is summarised in Table 4.3 and described as follows:

Table 4.3: Property Council of Australia Shopping Centre Classifications

Centre Type	General Characteristics
Traditional Classifications	
City Centres	Total GLA retail exceeds 1,000 sqm within a major CBD
Super Regional Centres	Total GLA retail exceeds 85,000 sqm
Major Regional Centres	Total GLA retail ranges between 50,000 sqm and 85,000 sqm
Regional Centres	Total GLA retail ranges between 30,000 sqm and 50,000 sqm
Sub-Regional Centres	Total GLA retail ranges between 10,000 sqm and 30,000 sqm
Neighbourhood Centres	Total GLA retail is less than 10,000 sqm
Specialist Classifications	
Bulky Goods Centres	Total GLA retail is generally greater than 5,000 sqm
Themed Centres	Size not defined. These are typically less than 5,000 sqm
Markets	A covered area of at least 5,000 sqm
Outlet Centres	Size not defined. These are generally greater than 10,000 sqm

Source: Property Council of Australia

Regional and Sub-Regional Centres

Ku-ring-gai has no regional or sub-regional centres and no large bulky goods clusters. Although the centres of St Ives and Gordon have approximately 20,000 sqm of GLA and could be typically characterised as a sub-regional centre, there is a lack of a department store or discount department store that will place these centres higher in the hierarchy.

Consumers usually visit regional and sub-regional centres for a more extensive shopping experience, as these centres usually include a department or discount department store and may also include an entertainment or leisure attraction. The nearest regional shopping centres are located immediately beyond the Ku-ring-gai LGA

at Chatswood, Macquarie, Brookvale and Hornsby. The nearest sub-regional centre is located some distance beyond Ku-ring-gai at Top Ryde, a drive of more than 9km from Pymble (near the centre of the LGA). These centres will be discussed in more detail in '4.7 Surrounding Centres'.

Neighbourhood Centres

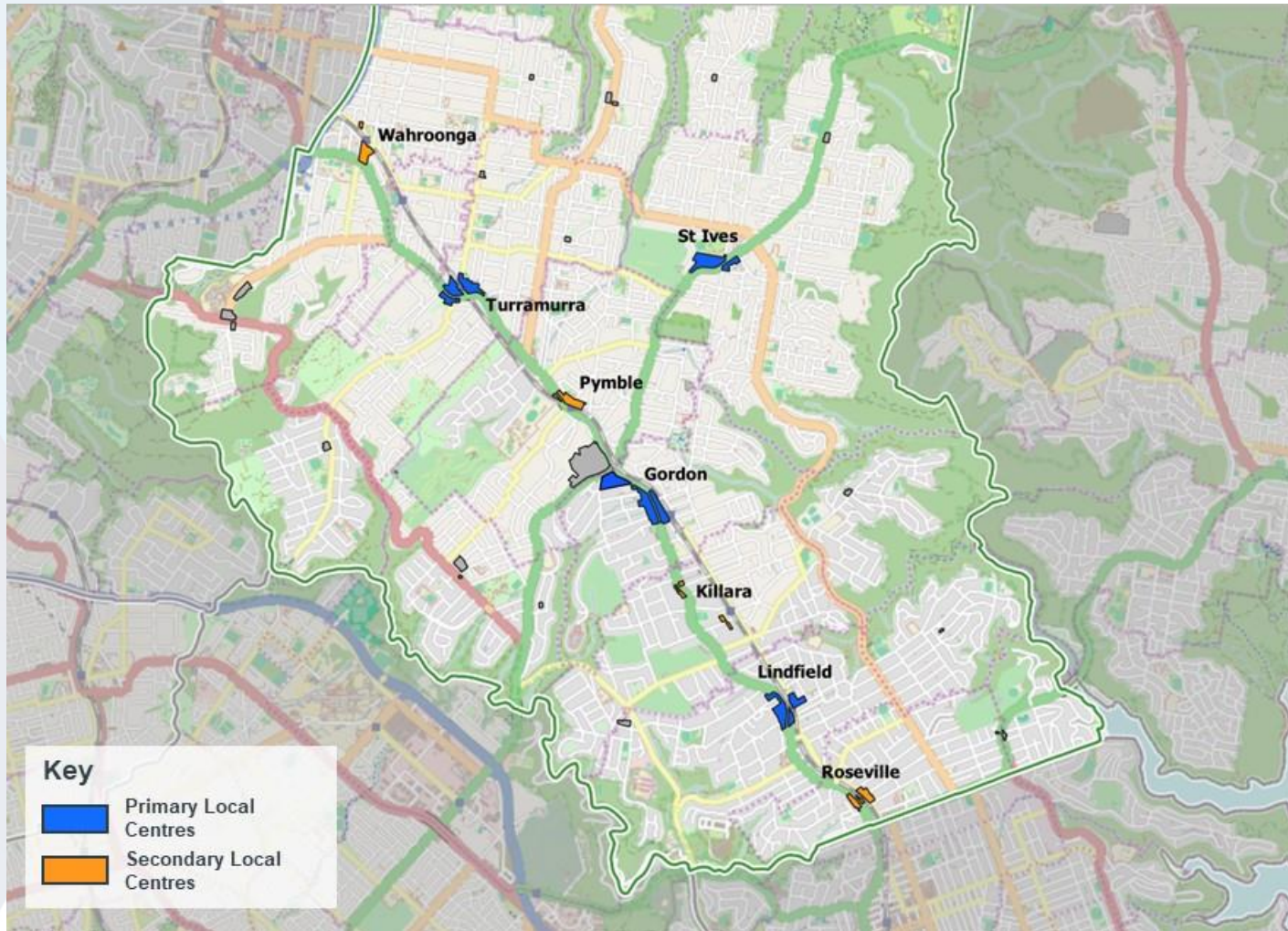
Ku-ring-gai's shopping centres fall under PCA's classification of neighbourhood centres, which is described as a local shopping centre comprising a supermarket and approximately 35 specialty shops. Total gross lettable retail area is less than 10,000 sqm.

Key neighbourhood centres in the LGA anchored by full-line supermarkets include:

- **St Ives Shopping Village** includes Woolworths, Coles and Harris Farms. The centre accommodates around 111 specialty shops across a GLA in excess of 15,000 sqm. There is a substantial provision of apparel floorspace including brands such as Trenergy, Witchery, Decjuba and R.M. Williams. These tenants are usually provided in regional shopping centres as opposed to supermarket anchored centres.
- **The Gordon Centre** is a Woolworths supermarket-based shopping centre along with a Harvey Norman outlet located on an upper level. The Gordon Centre (11,840 sqm) and Gordon Village Arcade (1,850 sqm) are joined by a pedestrian bridge over the Pacific Highway with a significant provision of specialty retailers in both centres.
- Supermarkets at **Lindfield** include a free-standing Coles on the western side of the Pacific Highway as well as a Supermart IGA in the recently developed Lindfield Village (2,750 sqm). Harris Farm is also provided in Lindfield.
- **Turrumurra** includes a free-standing Coles on the eastern side of the Pacific Highway and an IGA which anchors Turrumurra Plaza (2,600 sqm) on the western side of the highway.

4.4 LOCAL CENTRES

Figure 4.2 Local Centres in Ku-ring-gai LGA



Source: AEC

Local Centres are predominantly zoned B2 'Local Centre' under the Ku-ring-gai LEP (Local Centres) 2012.

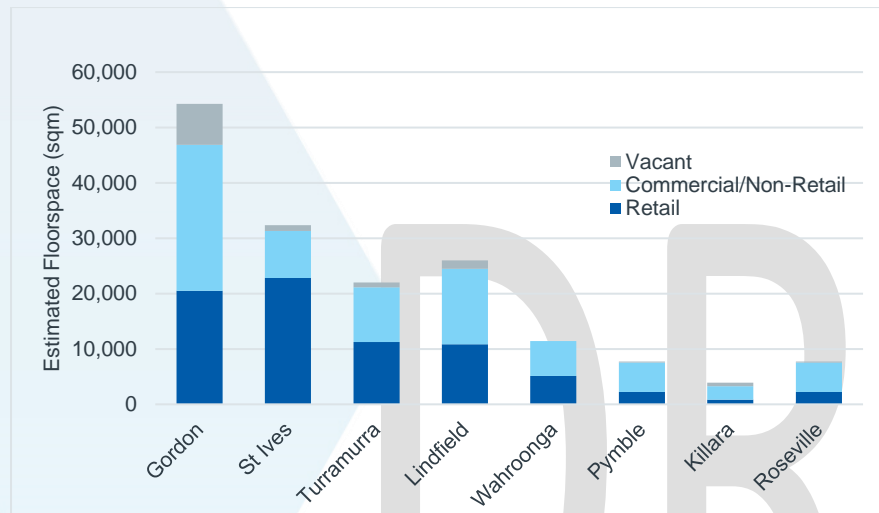
Local centres are usually anchored by one or more full-line supermarkets and specialty shops. These centres generally offer a broader range of household goods and services at a greater distance from home, often located on regional roads that gave easy access to a wider catchment. Consumers will generally visit these centres one or more times a week for their weekly grocery shops.

The Ku-ring-gai LSPS identifies four primary local centres, being Gordon, St Ives, Turramurra and Lindfield, which aligns with GSC's North District Plan.

In addition, the LSPS identifies four secondary local centres being Roseville, Killara, Pymble and Wahroonga.

The analysis in this section 4 will focus on these eight centres.

In aggregate, the local centres in Ku-ring-gai comprise of 461 shopfronts totaling over 76,000 sqm in retail floorspace. Overall, the estimated vacancy rate is low at 4.4%.



4.4.1 Gordon

Gordon is defined by the Greater Sydney Region Plan and North District Plan as a Primary Local Centre and is the largest centre in Ku-ring-gai in terms of both retail and commercial estimated floorspace. Gordon is situated along both sides of the Pacific Highway.

Total floorspace in Gordon is estimated at 54,286 sqm including 20,506 sqm of occupied retail floorspace across a total of 92 tenants. Most shopfronts are provided along the Pacific Highway and have limited amenity in terms of convenient car parking and ease of accessibility.

Within Gordon is the Gordon Centre, which was opened in 1960 and refurbished in 1985. It provides some 1,200 sqm of floorspace and includes the largest supermarket within the Ku-ring-gai LGA as well as Harvey Norman which is another destination tenant. A small Bunning’s Warehouse of 1,200 sqm is also provided on the eastern side of the Pacific Highway. This shopping centre is owned by Charter Hall and has 539 car spaces on site. This centre is adjoined with Gordon Village Arcade on the eastern side

of the Pacific Highway via an airbridge connection. Gordon Village Arcade was built in 1954 and refurbished in 1982 and provides 1,845 sqm of floorspace.

Gordon provides the largest amount of commercial floorspace within the local centres and is comprised of B2 and B4 zoned land. Located in the B2 zoned land are community assets of the Gordon Library, Police Station and the Ku-ring-gai Council building, as well as a number of medical suites noted in the Gordon Village Arcade. The freestanding multi-level commercial building at 810 Pacific Highway has a DA approved for a mixed-use development comprised of shop-top housing and an Aldi supermarket on the ground floor.

The precinct zoned B4 in Gordon has an estimated commercial floorspace of approximately 12,000 sqm, with 41.6% observed as vacant. There are several multi-level commercial buildings in this precinct, including 924 Pacific Highway, 1 Merriwa Street and 7-9 Merriwa Street. These buildings are within close proximity to the train station and the Gordon Centre.

Key observations for consideration:

- Commercial buildings in this precinct are observed to be relatively modern and contemporary but are high in vacancies with 1 Merriwa Street being a whole building leasing opportunity with 2,800 sqm of office floorspace.
- The western part of this zone is predominately residential apartments, which provides greater accessibility as it is further away from the busy Pacific Highway.

Although there are high vacancies observed in this zone, it provides businesses with options for larger commercial floorplates, while being a walking distance to the Gordon Centre and railway station.

4.4.2 St Ives

St Ives is also defined as a Primary Local Centre and has the largest shopfront floorspace of any centre in Ku-ring-gai LGA at around 31,000 sqm across a total of 205 shopfronts. In terms of retail floorspace, St Ives totals an estimated 22,830 sqm across 136 shopfronts. St Ives is located on a major arterial road and is serviced by bus routes.

St Ives Village is an enclosed shopping centre that fronts onto Mona Vale Road with this centre accounting some 16,776 sqm of floorspace across multiple levels. St Ives Village trades strongly and is anchored by Woolworths, Coles, Harris Farm Markets and some 111 specialty shops. Compared to the other centres, St Ives Shopping Village is the only centre in Ku-ring-gai that offers a range of fashion and apparel shops, a gallery space and hosts occasional events and workshops for the community.

According Shopping Centre News Mini Guns 2019, St Ives Village is the highest trading neighbourhood shopping centre in Australia. The shopping centre is supported by 704 car parking spaces and is observed to be very busy, particularly during peak shopping times.

In the balance of the St Ives Primary Local Centre, there is a range of strip-based shopfronts along both sides of Mona Vale Road which offer limited amenity for customers. There is observed to be limited cross shopping opportunities between the different retail components.



4.4.3 Lindfield

Lindfield is defined as a Primary Local Centre and has frontage on the western side of the Pacific Highway. Lindfield comprises a total of 166 shopfronts and an estimated 25,974 sqm of floorspace. Retail floorspace accounts for 10,871 sqm of floorspace across some 58 shopfronts.

The western side of the Pacific Highway stretches a distance of 420 metres and has a Coles supermarket of 2,010 sqm at the northern end. This supermarket is served by a provision of undercroft car parking as well as a rear Council car park of Balfour Street.

On the eastern side of the railway alignment along Lindfield Avenue, there is a recently renewed provision of shopfronts anchored Harris Farm Markets of 1,200 sqm and Supamart IGA of 1,237 sqm in separate but adjacent developments.

In addition, there is a small provision of shopfronts along the Lindfield Avenue frontage and in a separate building along Tryon Road adjacent to the Tryon Road and Kochia Lane car parks. Harris Farm Markets and Supamart IGA are provided at the ground level of recent multi-storey residential developments.

Located in Lindfield is the Lindfield Corporate Centre on Tryon Road, a two-level commercial building comprised mainly of medical consulting suites. Similarly, there is a cluster of commercial suites on 295-303 Pacific Highway with a mix of health and medical businesses, as well as financial and legal services.



4.4.4 Turramurra

Turramurra is defined as a Primary Local Centre with 145 shopfronts and an estimated 21,985 sqm of floorspace. Retail shopfronts in Turramurra account for an estimated 11,240 sqm of floorspace across 71 tenants.

Turramurra is a disjointed retail offer given the alignment of the Pacific Highway and the railway line. The older style Turramurra Plaza is an enclosed multi-level shopping centre that is based on a Supa IGA supermarket of 1,150 sqm and some 10 shops with a provision of onsite car parking that provides limited amenity. On the eastern side of the Pacific Highway there is a free-standing Coles of 1,580 sqm that has a provision of open-air car parking.

A range of other retail and non-retail shopfronts are provided along both sides of the Pacific Highway and also with frontage to Rohini Street which runs parallel to the railway line.



4.4.5 Pymble

Shopfronts in Pymble, which is defined as a Secondary Local Centre, are generally provided along the eastern side of the Pacific Highway and also along Grandview Street, adjacent to the Pymble train station.

In total, Pymble incorporates some 55 shopfronts with an estimated 7,746 sqm of floorspace. In terms of retail floorspace, Pymble totals an estimated 2,230 sqm of floorspace across 18 shopfronts. Some 55% of all retail shopfronts are provided across the food liquor and food catering categories reflecting the local convenience nature of this precinct which does not have a major anchor supermarket tenant.

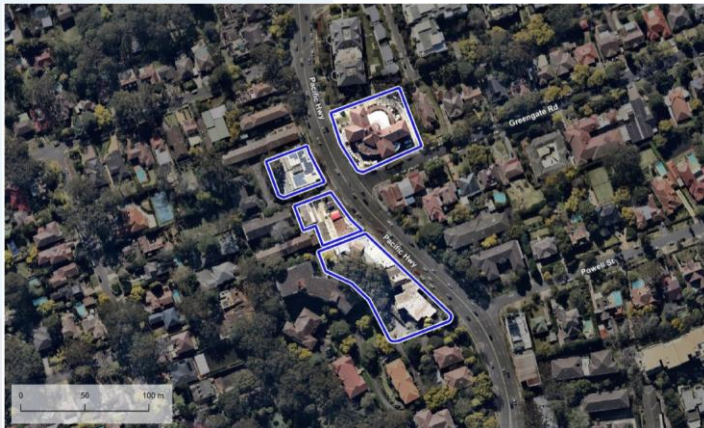
The local centre also includes a free-standing commercial building on 55 Grandview Street, comprising of an estimated 2,676 sqm of floorspace across 15 tenancies.



4.4.6 Killara

Killara is a Secondary Local Centre and is provided across two locations, namely Pacific Highway and Marian Street. There is a total of 22 shopfronts across these two precincts, and only five retail shopfronts.

The Pacific Highway precinct incorporates 17 shopfronts which are namely non-retail with six vacancies. The Marian Street precinct is around the Killara Station and has five shopfronts, with three retail tenants.



4.4.8 Wahroonga

Wahroonga encompasses less than 12,000 sqm of shopfront floorspace across 98 tenants, including 43 retail shopfronts. A foodstore of 470 sqm anchors the retail offer which is provided on the northern side of the Pacific Highway around Redleaf Avenue.

A number of shopfronts have upper level non-retail tenancies, and this precinct has good connectivity to the train station. A provision of central car parking is provided in an open-air car park off Coonanbara Road.

4.4.7 Roseville

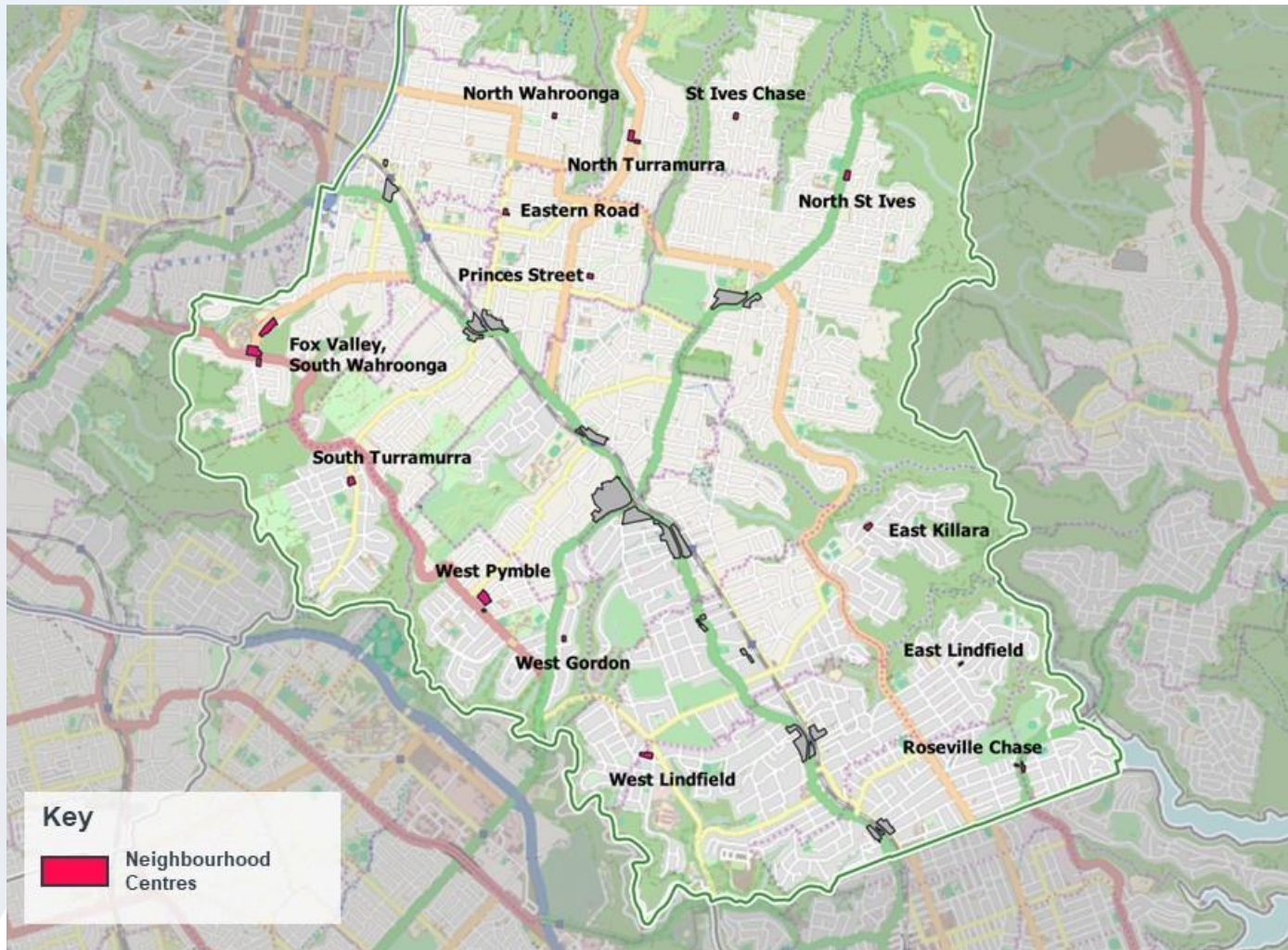
Roseville is a Secondary Local Centre and is provided in a strip retail format with shops fronting the western side of the Pacific Highway and the eastern side of Hill Street, opposite Roseville station. A total of 69 shopfronts are provided with an estimated 9,035 sqm of floorspace, including 4,530 of retail floorspace sqm.

Roseville does not include a major food anchor tenant, however, is the location of the Roseville Theatre which has two screens. The position of Roseville between Lindfield in the north and Chatswood in the south (beyond the Ku-ring-gai LGA) provides for a niche retail and non-retail offer only.



4.5 NEIGHBOURHOOD CENTRES

Figure 4.3: Neighbourhood Centres in Ku-ring-gai



Source: AEC

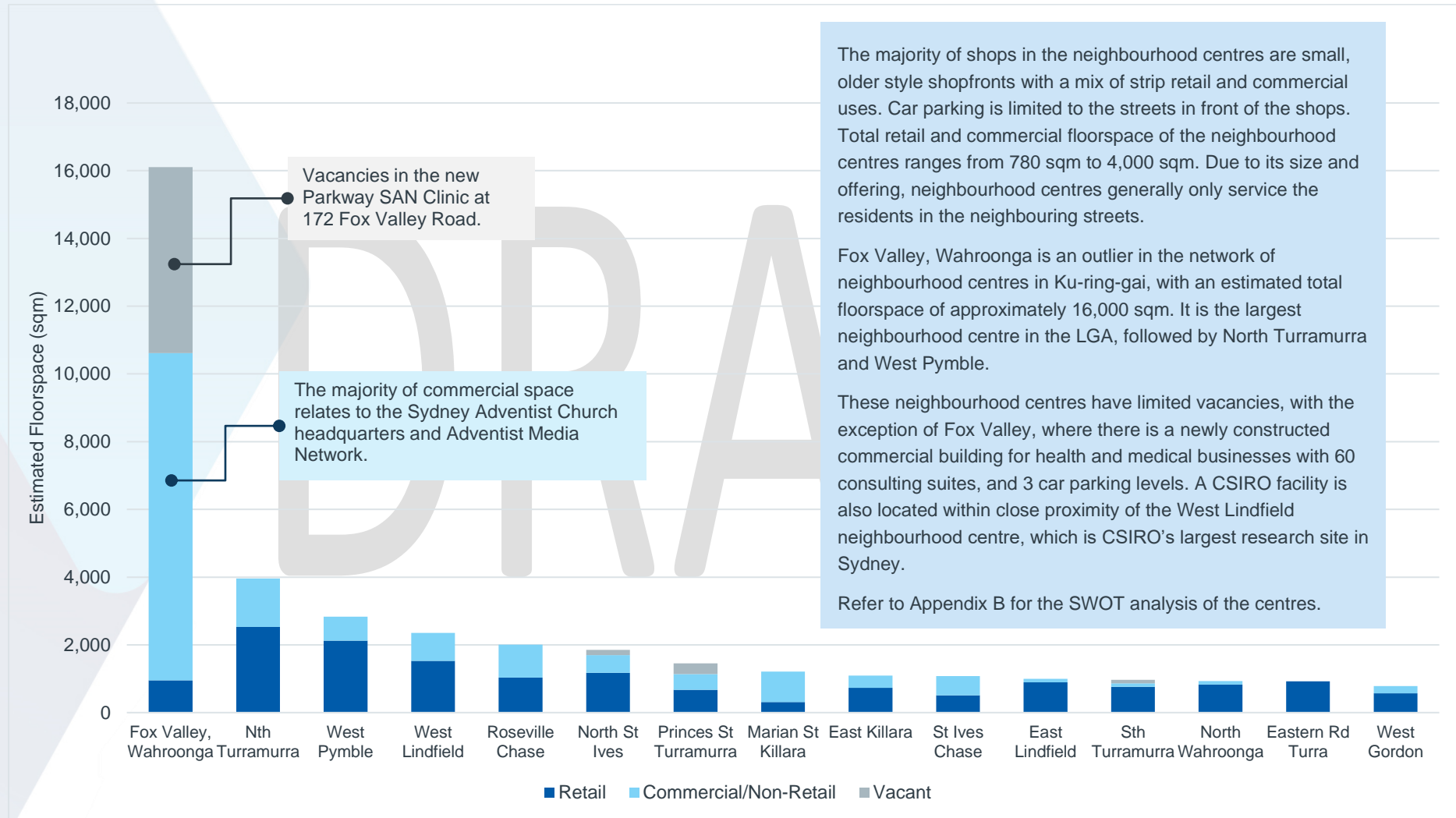
Neighbourhood Centres are defined as the precincts that are predominantly zoned B1 'Neighbourhood Centres' under the Ku-ring-gai LEP 2015.

Neighbourhood centres can be described as smaller centres which are close to home, usually with a supermarkets or convenience stores that offer a tailored range of products for a more express-style daily shop for necessities, catering to its immediate population.

These centres offer high convenience for consumers within walkable distances of homes.

Ku-ring-gai has 15 neighbourhood centres, with the largest being Fox Valley (South Wahroonga), North Turramurra, West Pymble, West Lindfield and Roseville Chase.

Figure 4.4: Ku-ring-gai Retail and Commercial Estimated Floorspace, Neighbourhood Centres



The majority of shops in the neighbourhood centres are small, older style shopfronts with a mix of strip retail and commercial uses. Car parking is limited to the streets in front of the shops. Total retail and commercial floorspace of the neighbourhood centres ranges from 780 sqm to 4,000 sqm. Due to its size and offering, neighbourhood centres generally only service the residents in the neighbouring streets.

Fox Valley, Wahroonga is an outlier in the network of neighbourhood centres in Ku-ring-gai, with an estimated total floorspace of approximately 16,000 sqm. It is the largest neighbourhood centre in the LGA, followed by North Turramurra and West Pymble.

These neighbourhood centres have limited vacancies, with the exception of Fox Valley, where there is a newly constructed commercial building for health and medical businesses with 60 consulting suites, and 3 car parking levels. A CSIRO facility is also located within close proximity of the West Lindfield neighbourhood centre, which is CSIRO's largest research site in Sydney.

Refer to Appendix B for the SWOT analysis of the centres.

Source: AEC/Location IQ

Two substantial commercial precincts also exist within the Ku-ring-gai LGA, being the newly built Parkway San Clinic (located in the SAN Precinct) and the CSIRO Research Facility, located one kilometre from the West Lindfield neighbourhood centre. The two commercial precincts and its contribution to Ku-ring-gai will be discussed below.

Parkway San Clinic – Fox Valley, South Wahroonga

The new commercial development on the corner of Fox Valley Road and Comenarra Parkway, Wahroonga includes 60 medical consulting suites, ranging from 53sqm to 123sqm. It is strategically opposite NSW's largest private hospital, the Sydney Adventist Hospital (SAN). The Parkway San Clinic, completed in early 2020, contributes 6,500sqm of office and retail space, in addition to 150 underground parking spaces.

As vacant spaces in this building are taken-up by health and medical professionals, this neighbourhood centre starts to play a pivotal role in Ku-ring-gai as a health and medical precinct. The proximity to the SAN will attract health and medical professionals to take up a lease or purchase a consulting suite in the Parkway San Clinic. These services will drive employment opportunities in the health and medical industry within the LGA, as well as indirectly enhance local business activity in the Fox Valley Shopping Centre.

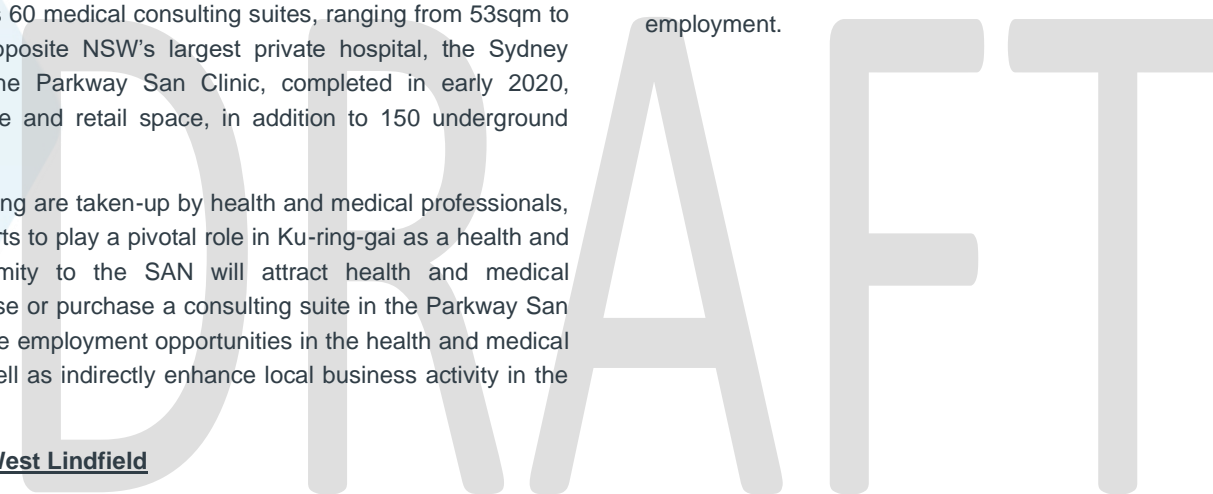
CSIRO Research Facility – West Lindfield

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) has a research facility located on Bradfield Road, West Lindfield. As part of its Sydney Consolidation Project (SCP) to improve research facilities, CSIRO plans to undergo a significant refresh at the Lindfield site, being their largest research facility in Sydney. The Lindfield Refresh will allow CSIRO to accommodate more top scientific researchers as the underutilised CSIRO sites at Marsfield and North Ryde are closed or vacated at the end of lease.

Implications for Lindfield include increased activity in staff and visitors at the Lindfield site, as well as additional peak-period traffic expected around the site. The total number of staff is expected to rise from approximately 300 to 600 by 2021. However, CSIRO plans to sufficiently increase parking within the site boundaries so there will be no impact to parking outside the site in the Lindfield community.

The increase in employment at CSIRO will directly and indirectly enhance local business activity and opportunities in the Lindfield area. The local centre of Lindfield is approximately 6 minutes by car, or 15 minutes by public transport from the CSIRO facility. As such, the cafes, restaurants, and businesses within this centre are likely to see an increase in activity if the SCP proceeds. However, CSIRO has a cafeteria within the site, thus employees are not required to leave the premises to obtain food.

Another impact from the SCP may include the demand for housing increase in Lindfield and other areas of the LGA as workers may want to live closer to their employment.



4.6 RETAIL EXPENDITURE CAPACITY

The estimated retail expenditure capacity of the Ku-ring-gai LGA population is based on information sourced from Market Data systems (refer to Appendix A for more detail on this source, as well as the full dataset used in this report).

Table 4.4 details the retail expenditure levels generated by the Ku-ring-gai LGA, by key commodity groups.

Table 4.4: Ku-ring-gai LGA Retail Expenditure by Commodity, 2019-2036 (\$'m)

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services	Total
2019	891.0	364.0	289.3	445.4	99.0	168.7	80.2	2,337.6
2021	919.5	379.4	301.5	464.3	103.2	175.8	83.6	2,427.3
2026	994.9	421.0	334.5	515.0	114.5	194.9	92.8	2,667.6
2031	1,081.1	469.1	372.7	573.8	127.7	217.0	103.4	2,944.8
Average Annual Growth Rate								
2019-36	1.6%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	1.9%

Source: MarketInfo

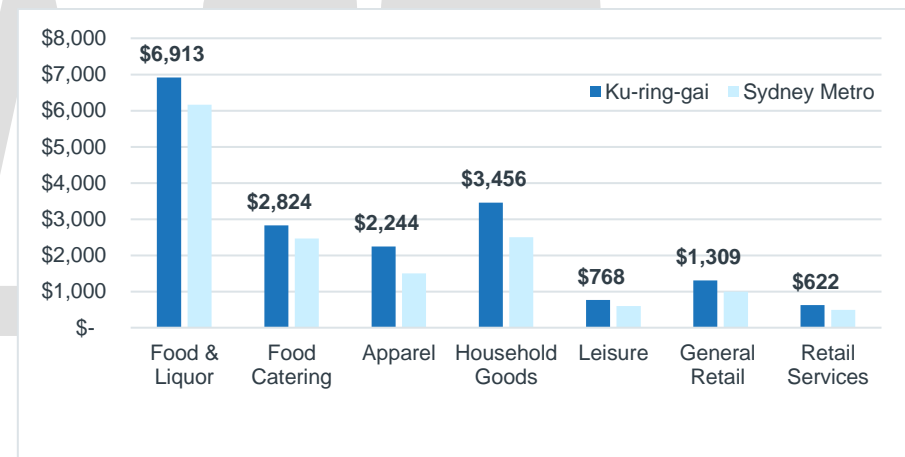
Key Findings:

- The total traditional retail spend is currently estimated at \$2.34 billion and is projected to increase to \$3.23 billion by 2036, at a rate of 1.9% per annum (constant dollars, including GST).
- The projected growth in retail spending of 1.9% per annum for Ku-ring-gai takes into account the following:
 - Real growth in retail spending per capital of 0.5% annually for food retail and 1.0% for non-food retail over the forecast period
 - Ku-ring-gai catchment average population growth of 1.2% per annum over the period 2019 to 2036.
- By key commodity group, the largest spending market is food and liquor at \$891.0m in 2019, representing 38.1% of the total spend in the LGA.

Figure 4.5 illustrates the retail spending levels per person across the Ku-ring-gai LGA compared to the metropolitan Sydney average.

Spend per capita in Ku-ring-gai is higher than the Sydney Metro average for all commodity groups, with the highest differences noted in the 'Food & Liquor', 'Apparel' and 'Household Goods' categories.

Figure 4.5: Ku-ring-gai LGA per Capita Spending by Commodity, 2018/19



Source: MarketInfo

4.7 ESTIMATED RETAIL SALES

In total, retail sales for the Ku-ring-gai centres are estimated at \$987.8 million. Refer to Appendix C.3 for the detailed estimated retail sales by commodity group and centre.

Key findings:

- The largest sales category across LGA is supermarket/food stores of an estimated \$289.7m, or 29.3% of the total
- The apparel, household goods and leisure categories account for around 5% or less of total retail sales in each instance.
- The highest retail sales is generated at the St Ives centre at \$297.1m, or 30% of the total. This is followed by Gordon at \$190.8m (19.3%), Lindfield at \$119.2m (12.1%) and Turramurra at \$115.6m (11.7%) of the total.
- The neighbourhood centre which generates the highest retail sales is estimated to be North Turramurra at \$24.9m (2.5%), followed by West Pymble at \$20.9m (2.1%). The remaining neighbourhood centres generate less than 2% of total retail sales in the LGA.

4.8 ESTIMATED RETAIL ESCAPE EXPENDITURE

It is estimated that the total escape retail expenditure is estimated at approximately 62.0% across the Ku-ring-gai LGA, although this proportion is higher across the discretionary categories e.g. apparel, household goods and leisure spending. This is an increase from 43% as identified in the Retail Centres Study (2005) by Hill PDA.

Table 4.5: Ku-ring-gai LGA Estimated Retail Escape Expenditure, 2019

\$'m	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services	Total
Ku-ring-gai's total retail spend	891.0	364.0	289.3	445.4	99.0	168.7	80.2	2,337.6
Less:								
Estimated LGA Sales	433.6	231.4	41.1	51.0	37.2	106.8	86.7	987.8
Estimated Sales from beyond LGA	43.4	23.1	4.1	5.1	3.7	10.7	8.7	98.8
Total estimated resident sales	390.2	208.3	37.0	45.9	33.5	96.1	78.1	889.0
Estimated escape spending (\$'m)	500.8	155.7	252.3	399.5	65.6	72.6	2.2	1,448.6
Estimated escape spending (%)	56.2%	4.8%	87.2%	89.7%	66.2%	43.0%	2.7%	62.0%

Source: Location IQ (2019)

This analysis highlights the lack of higher order traditional retail facilities in the area. Currently, Ku-ring-gai residents must travel outside of the catchment area in order to undertake a higher order, more aspirational shop. In addition to leaving the LGA for retail, residents also have limited options in the LGA for leisure activities and thus also required to travel to other LGAs for cinema and entertainment expenditure.

There are no integrated entertainment and leisure precincts in the LGA, with the nearest precincts provided at Westfield Wahroonga, Top Ryde and Chatswood. Each of these destinations provide a consolidated offer comprising a critical mass of destination restaurants/bars with full-scale cinema complex and associated entertainment facilities.

Although the estimated retail escape expenditure of 62% appears to be high, Council should not use this as a metric for success as there is no desirable or acceptable level. It is merely an indicator which highlights the lack of higher order retail facilities in the LGA. Given that there are existing higher-order retail facilities beyond the LGA with significant trade areas that overlap with Ku-ring-gai, it is less likely that similar facilities are supportable within the LGA. However, recommendations in this strategy will provide Council with opportunities to improve offering within the LGA and thus subsequently help reduce escape expenditure.

4.9 BUSINESS PARK

Pymble Business Park has an estimated floorspace of approximately 81,000 sqm, with 55% of this being dedicated commercial floorspace. Other uses include small retail tenancies as well as storage facilities. Overall, there is an estimated vacancy rate of 16.3%.

Table 4.6 Estimated Floorspace in Pymble Business Park

Area	Commercial	Retail	Vacant	Total	Vacancy
Pymble Business Park	44,482	23,133	13,139	80,754	16.3%

Source: AEC

Key observations for consideration:

- The Business Park lacks a distinct character, with a wide variety of uses observed, including several lower-grade commercial buildings, gym facilities, a vet clinic, autobody shop, two storage facilities, light industrial businesses and a petrol station.
- The Business Park is made up of smaller tenancies in the commercial buildings, with no large anchor commercial tenant observed. There has been recent growth in self-storage facilities observed in the precinct, with approximately 12,000 sqm of floorspace estimated for this use.
- A Bunnings Warehouse was approved and construction commenced. Expected to open in 2022/23.
- The topography of Pymble Business Park is challenging a Bridge Street is on a steep incline. Parking is limited and egress from the business park can be difficult onto the main roads.
- When compared to other north shore business precincts, the existing commercial precinct is underdeveloped with buildings observed to be outdated with high vacancies. Commercial buildings on Ryde Road are known to be vacant for prolonged periods of time. Public transport linkages are not as good as competitor business precincts with Pymble and Gordon train stations an inconvenient distance away.

Figure 4.6 Satellite View of Pymble Business Park

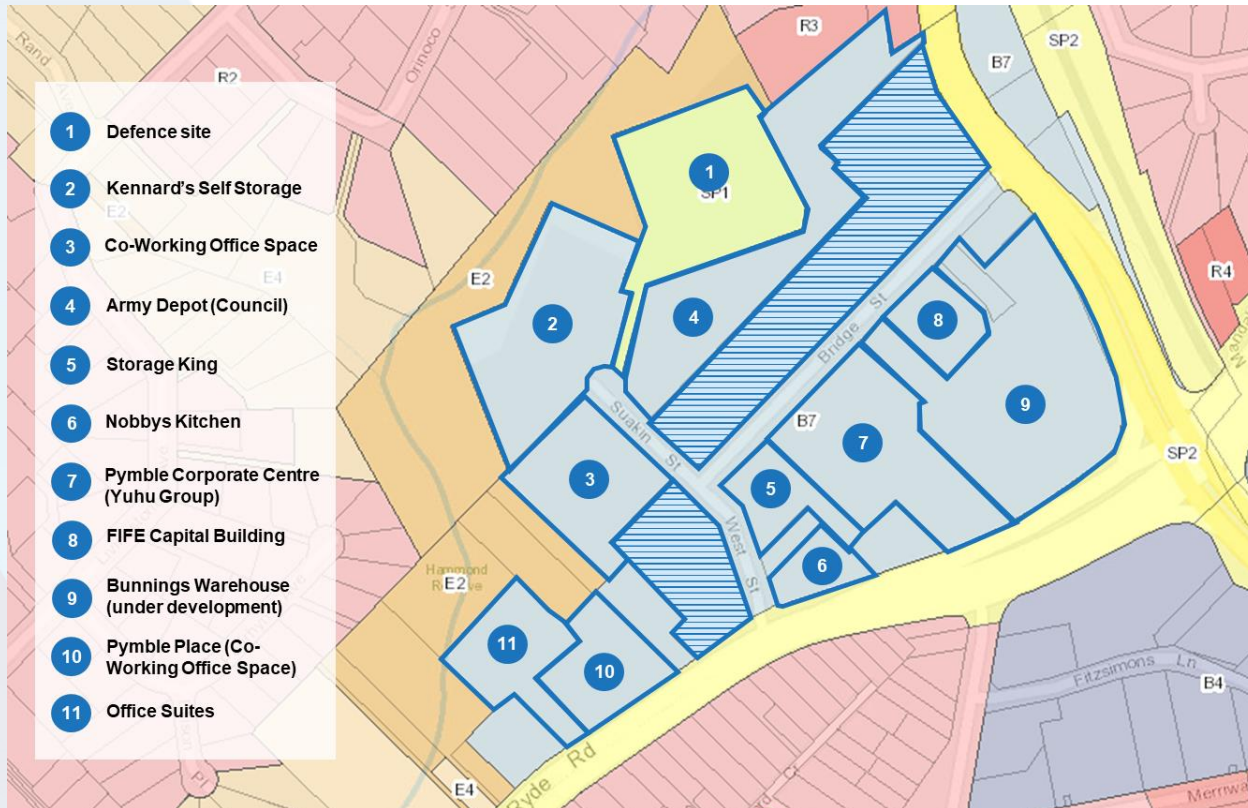


Source: Google Earth

The North District Plan identifies that industrial and urban services land should be retained and managed, however, the continual use of Pymble Business Park as a commercial precinct is expected to decrease in demand in the future due to the deteriorating quality of the commercial buildings and competing precincts attracting more development and therefore larger anchor tenants.

Developers are unlikely to pursue commercial developments on a speculative basis especially given the high vacancy rates and high cost of land consolidation. Refer to Figure 4.7 for an overview of the landholdings in the precinct. Alternative uses need to be considered in this precinct, while still maintaining the objective of encouraging employment opportunities. Alternative uses that could be investigated include indoor recreational facilities, large format retail, and artisan uses such as art galleries and distilleries (similar to Marrickville and Surry Hills). Uses which add to create a vibrancy to the precinct should be promoted and sought.

Figure 4.7: Large Landholdings in Pymble Business Park



Source: AEC

Figure 4.7 details the large landholdings within the Business Park. The largest landowners within the precinct include Department of Defence, Yuhu Group (Pymble Corporate Centre), Kennard' Self Storage, Ku-ring-gai Council and Bunnings. Other landholdings include a Storage King on the corner of Bridge Street and West Street (completed construction in 2020), a recently refurbished commercial building at 14-16 Suakin Street, and Nobby's Kitchen. The shaded sections in Figure 4.7 represent a fragmented land ownership.

From the analysis of the land ownership, there appears to be limited opportunity and land available for consolidation.

Although the B7 zoning allows for a wide variety of uses, Council has a role in promoting the area as an attractive place for businesses to occupy and invest, as well as advocate for the desired uses within the precinct. This will be further discussed in Section 9 Recommendations.

4.10 MARKET ACTIVITY

Retail and commercial sales activity has varied between the centres over the past 12-18 months. Sales in Gordon have observed to be steady over the past 12-18 moths, with a number of freestanding buildings and strata-titled suites transacting. However an absence of sales activity within the St Ives centre has been observed; the local market is tightly held with many landowners having been in ownership of their properties for almost 20 years. It is also understood many of the freestanding buildings along Mona Vale Road are held in single ownership by a private investor.

A distinct observation which can be drawn from the sales analysis in Table 4.7 is the premium paid for freestanding commercial buildings compared to strata-titled suites. Sales evidence of freestanding buildings show sale prices generally ranging from \$8,500/sqm of floor area up to almost \$13,500/sqm of floor area in Gordon. A free-standing commercial building in Pymble Business Park also transacted for \$6,000/sqm of floor area in May 2019, which may be reflective of the lack of accessibility in the area (compared to the other local centres in the LGA).

Strata-titled properties generally achieved sale prices equating to \$5,500/sqm to \$8,300/sqm of floor area in Gordon, with other properties in St Ives, Pymble and Turrumurra achieving sales ranging from \$2,300/sqm to \$7,400/sqm of floor area. Conversely, the new offices in the Parkway SAN Clinic have observed premium sales prices ranging from \$630,000 to \$1,100,000 for suites between 53sqm to 123sqm in size.



Table 4.7 : Recent Sales Activity in Ku-ring-gai LGA's Retail and Commercial Centres

Address	Area	Floor Area	Sale Price (Sale Date)	\$/sqm floor area*	Commentary
785 Pacific Hwy	Gordon	210sqm	\$2,450,000 (Aug 2018)	\$11,675/sqm	Double storey commercial building occupied by long-term restaurant tenant on ground floor with upper level office.
8 St Johns Ave	Gordon	120sqm	\$2,270,000 (July 2018)	\$18,900/sqm	Single storey brick shop building proximate Gordon train station leased to a national restaurant operator. Recently refurbished.
774 Pacific Hwy	Gordon	70sqm	\$600,000 (June 2018)	\$8,575/sqm	Aged, two storey attached brick building comprising ground floor retail space and upper level office space.
7/924 Pacific Hwy	Gordon	122sqm	\$1,010,000 (May 2018)	\$8,275/sqm (internal) \$2,370/sqm (outdoor)	Strata-titled retail space and outdoor terrace currently fitout as a café located at base of modern commercial office building. Includes 122sqm of internal area and 130sqm of outdoor dining space.
737 Pacific Hwy	Gordon	600sqm	\$5,900,000 (May 2018)	\$9,825/sqm	Large two storey commercial office building tenanted by Westpac. Large rear carpark. Speculatively acquired by investor as a long-term development opportunity, reflected by the gross yield of 4.1%.
13/924 Pacific Hwy	Gordon	189sqm	\$1,050,000 (Feb 2018)	\$5,500/sqm	Strata titled office suite on third floor with 6 car spaces on title. Sold with vacant possession.
6/924 Pacific Hwy	Gordon	180sqm	\$1,166,000 (July 2017)	\$6,475/sqm	Three modern, strata-titled office suites located within prominent office building. Sold with vacant possession.
17/924 Pacific Hwy	Gordon	194sqm	\$1,100,000 (July 2017)	\$5,675/sqm	Modern, strata-titled office suite located within prominent office building. Includes 7 car spaces. Sold with vacant possession. Includes 6 car spaces.
774 Pacific Hwy	Gordon	255sqm	\$3,450,000 (June 2017)	\$13,525/sqm	Aged, 2-storey commercial building fully leased with on-site carpark. Sold to a local investor at a 2.9% gross yield.
5/12-18 Tryon Road	Lindfield	182sqm	\$1,479,000 (July 2018)	\$8,100/sqm	A modern, self contained, ground floor medical/ commercial suite with street frontage. Internal strata area 123sqm with 4 security undercover car spaces.
315A Pacific Highway	Lindfield	234sqm	\$2,300,000 (May 2019)	\$9,800/sqm	Strip retail and commercial shopfront.
321 Pacific Highway	Lindfield	215sqm	\$2,000,000 (Nov 2018)	\$9,300/sqm	Retail and office premises over two levels in a high exposure position close to Lindfield train station.
964 Pacific Highway	Pymble	1,176sqm	\$7,095,000 (May 2019)	\$6,000/sqm	Refurbished two storey freehold office building at a prominent corner location with exposure to passing traffic.
4/33 Ryde Road	Pymble	286sqm	\$795,000 (Feb 2019)	\$2,780/sqm	Tenanted office within a unique commercial complex, containing its own amenities, partitioned offices and boardroom.
10/33 Ryde Road	Pymble	284sqm	\$792,000 (Dec 2019)	\$2,790/sqm	Strata-titled office within a unique commercial complex, containing its own amenities, partitioned offices and boardroom.
1333 Pacific Highway	Turramurra	1,050sqm	\$3,200,000 (April 2018)	\$3,000/sqm	Commercial building tenanted by Nth Degree Care located within the Turramurra Retail Precinct
1323 Pacific Highway	Turramurra	402sqm	\$2,000,000 (April 2018)	\$4,975/sqm	Commercial premises tenanted by Turramurra Car Wash. Located on the corner of Pacific Highway and Ray Street Turramurra.

Address	Area	Floor Area	Sale Price (Sale Date)	\$/sqm floor area*	Commentary
3/169 Mona Vale Road	St Ives	120sqm	\$379,500 (July 2019)	\$3,160/sqm	Retail and commercial shopfronts on the ground floor of a mixed-use development on 169-177 Mona Vale Road. High-end existing businesses include dental surgery, medical GP, cosmetic surgeon, psychologist, pathologist and pharmacy to name a few. In total the medical hub has 17 suites.
14/177 Mona Vale Road	St Ives	93sqm	\$244,750 (July 2019)	\$2,630/sqm	
12/177 Mona Vale Road	St Ives	105sqm	\$239,250 (July 2019)	\$2,300/sqm	
1/169 Mona Vale Road	St Ives	301sqm	\$2,233,000 (May 2019)	\$7,400/sqm	
13/177 Mona Vale Road	St Ives	167sqm	\$462,000 (July 2019)	\$2,770/sqm	
12/172 Fox Valley Road	Wahroonga	53sqm - 123sqm	\$1,108,800 (Feb 2020)	\$10,500/sqm (Average)	Medical consulting suites within the new Parkway SAN Clinic. There is total of 60 suites of varying sizes with areas ranging from 53sqm to 123sqm. The floor area of the individual suites are not listed in the sales history, however currently 29/178 Fox Valley Road is on market as at March 2020 for \$10,500/sqm.
208/172 Fox Valley Road	Wahroonga		\$658,350 (Jan 2020)		
8/172 Fox Valley Road	Wahroonga		\$623,700 (Nov 2019)		
204/172 Fox Valley Road	Wahroonga		\$850,500 (Oct 2019)		

Source: AEC/Price Finder

4.11 DEVELOPMENT ACTIVITY

Development site sales within Ku-ring-gai are analysed in detail in Table 4.8. Sales are analysed on a dollar per square metre of gross floor area (GFA) and site area. This analysis is undertaken to compare how prices paid for development sites compare to comparable properties in their existing use.

Developers are continuing to focus on development opportunities along Pacific Highway. In recent times, developers are observed to be paying in the order of \$5,600/sqm to \$7,350/sqm of site area. The site at 810 Pacific Highway in Gordon transacting for \$11,075/sqm of site area, which reflects the existing commercial building with the continuing Allergan lease.

Market investigations show there are no development sites currently marketed for sale in the retail and commercial centres in Ku-ring-gai. This is unsurprising given current market conditions, with local agents noting that many landowners are aware that the current state of the market is not a desirable period to divest.

From recent development application approvals listed in Table 4.9, two trends were observed:

Mixed Use Development Activity

One of the biggest prohibitors of development in the LGA is the cost of land consolidation as there is a high fragmentation of lots and ownership. Due to the high cost of land, the incentive for developers to develop anything other than residential is low due to the feasibility of returns. As such there has been an increase in development applications and activity relating to mixed use developments, comprising a mixture of retail, commercial and residential housing. Recent development site sales observed are all sold with DA approvals of mixed-use buildings.

Deviation from Traditional Commercial Uses

High vacancies and deteriorating commercial buildings have led to the conversion of traditional office spaces to other uses such as food and drink premises, specialised retail uses and other business services that are more population-serving.



Table 4.8: Development Site Sales in Ku-ring-gai LGA's Retail and Commercial Centres

Address	Site Area (GFA)	Zoning (FSR)	Sale Price (Sale Date)	Analysis*	Commentary
860 Pacific Hwy, Gordon	561 sqm (1,457sqm)	B4 (2.3:1)	\$3,685,000 (Nov 2018)	<ul style="list-style-type: none"> \$2,525/sqm GFA \$6,575/sqm site area 	Two single storey, aged commercial buildings located on the corner of Pacific Highway and Merriwa Street in the northern end of the Gordon centre. Site sold with existing DA approval for construction of an 8-storey mixed-use building comprising 70sqm of ground floor retail space and 17 apartments. Sold to a local developer following an EOI campaign.
900 Pacific Hwy, Gordon	905sqm (2,262sqm)	B4 (2.3:1)	\$6,650,000 (Dec 2017)	<ul style="list-style-type: none"> \$2,950/sqm GFA \$7,350/sqm site area 	Single storey commercial building situated along the northernmost end of Pacific Highway within the Gordon centre with existing DA approval for an 8-storey mixed-use building comprising ground floor commercial space and 30 apartments. Acquired by a private developer following an EOI campaign; construction has yet to commence.
870-888 Pacific Hwy, Gordon	6,066sqm (12,791sqm)	B4 (2.3:1)	\$34,000,000 (Oct 2016)	<ul style="list-style-type: none"> \$2,650/sqm GFA \$5,600/sqm site area 	Former car dealership purchased by Hong Kong developer Boyuan Property Group with DA approval for construction of a 6-storey mixed use development comprising 144 units and 730sqm of retail floorspace. The site was sold via an EOI campaign with strong levels of interest observed during the campaign from both domestic and Asian developers.
810 Pacific Hwy, Gordon	2,395sqm (6,919sqm)	B2 (3:1)	\$26,500,000 (May 2016)	<ul style="list-style-type: none"> \$3,825/sqm GFA \$11,075/sqm site area 	Five storey commercial office building located on the corner of Pacific Highway and Dumaresq Street within the centre of the Gordon centre acquired by a private developer for construction of an 8-storey mixed-use building comprising a ground floor supermarket and 56 apartments. A DA was lodged in 2017 and approved in December 2019. Higher sale price paid a reflection of the existing commercial building and holding income receivable during the DA process.
71 Ridge St, Gordon	2,021sqm (4,042sqm)	B4 (2:1)	\$12,350,000 (June 2015)	<ul style="list-style-type: none"> \$3,050/sqm GFA \$6,100/sqm site area 	Aged single storey commercial building sold to undisclosed developer for construction of a seven storey mixed use building comprising ground floor commercial suites and 53 apartments. The development was completed in late 2017.

Source: AEC /Cordell Connect/CoreLogic RP Data

Table 4.9: Recent Development Applications in Ku-ring-gai LGA's Retail and Commercial Centres

Address	Suburb	Zone	Commentary	Est. Completion	Status
Mixed Use Developments					
1017 Pacific Highway	Pymble	B2	Demolish existing building and construct mixed use (residential/commercial) development including basement parking and strata subdivision	2020	Approved
900 Pacific Highway	Gordon	B4	Demolish existing structures and construct mixed use development, comprising one commercial premises and 31 residential apartments with basement parking	2020	Approved
860 Pacific Highway	Gordon	B4	Demolish existing structure and construct an 8 storey mixed use development comprising 17 units, shop in basement and commercial space on ground floor	2021	Construction
810 Pacific Highway	Gordon	B2	Construction of a mixed-use development comprised of shop top housing containing 56 apartments, use of ground floor commercial space as an Aldi supermarket and small retail suite, and basement parking	2022	Approved
17-21 Lindfield Ave	Lindfield	B2	Lindfield Avenue Mixed Use Building - Proposed alterations & additions of commercial and residential in a mixed-use building including demolition of the existing at grade parking & the garage	2022	Development Application
376-384 Pacific Highway	Lindfield	B2	Lot consolidation, demolition of existing supermarket, partial demolition of heritage item, relocation of Balfour Lane and construction of a 6 storey mixed use building comprising shop top housing including 70 apartments, Coles supermarket, liquor store, basement parking and associated works - part heritage item	2024	Approved
64 Pacific Highway	Roseville	B2	Demolish existing structures (including Roseville RSL Club and retail tenancy) and construct mixed-use building comprising new ground floor RSL Club, shop-top housing of 33 residential dwellings, basement parking and associated works	2023	Development Application
2 Merriwa Street	Gordon	B2	Partial demolition of existing structures and construction of shop top housing development with basement carpark	2023	Under Assessment
Conversion of Traditional Office Uses to Alternative Uses					
950 Pacific Highway	Pymble	B7	Demolish existing structures. Construct a hardware and building supplies development including signage, widening of Ryde Road, landscaping works and consolidation of titles. (Bunnings Warehouse)	2021	Construction
1295 Pacific Highway	Turrumurra	B2	Alterations & additions to an existing commercial building for the construction of a 4 storey extension & including expansion of the existing commercial floor space, internal reconfiguration to create 4 retail/business tenancies including a new cafe & new lift access from Forbes Ln.	2019	Completed
374 Pacific Highway	Lindfield	B2	Change of use from office to Pilates studio including signage	2019	Completed
993 Pacific Highway	Pymble	B2	Change of use to ground floor tenancy from office use to indoor recreational facility (gym), internal fitout, signage and extension to hours of operation	2017	Completed
8 St Johns Avenue	Gordon	B2	Change of use - commercial premises to a food and drink premises (Japanese Restaurant), internal fit-out and new signage	2017	Completed
164A Mona Vale Road	St Ives	B2	Change of use from office to fitness centre (Suite 201)	2017	Completed

Source: AEC/ Cordell Connect/Ku-ring-gai Council

4.12 STAKEHOLDER ENGAGEMENT

Consultations were undertaken to understand the challenges and opportunities from the perspective of the key stakeholders regarding Ku-ring-gai’s retail and commercial centres. The stakeholders represent a cross section of organisations affected by the recommendations of this strategy. They consist of developers, occupiers and advocates in the retail and commercial sector. Table 4.10 summarises the common challenges communicated by the stakeholders.

Table 4.10: Summary of Issues and Challenges Raised during Consultation

Issues/Challenges	Responses
General	<ul style="list-style-type: none"> • A redevelopment of the centres is required, as they do not provide adequate amenity for the LGA. • Chatswood, Macquarie Park and North Sydney are more favourable destinations for both retail and commercial.
Land Constraints	<ul style="list-style-type: none"> • The fragmentation of land is the biggest impediment to development. The very high cost of consolidation is prohibitive and renders development and regeneration unviable. • Topography is also very limiting; the major transport routes are built on a ridge with development surrounding the transport routes (Pacific Hwy and Rail Line). As land falls away from the ridge it is typified by current development which is fragmented and/or steep sloping or bushland (reserve) which cannot be developed. • If retail is confined to B2 Land for KRG then development will be unlikely as the availability is scarce or difficult to consolidate effectively.
Retail Environment	<ul style="list-style-type: none"> • Retail as an industry is problematic (exasperated by COVID-19). Convenience retail and supermarkets are working well and will continue to do so. • There is a demand for more supermarket offering and it is on the radar of both the developers and the supermarket operators however it is very difficult to make a development viable without additional FSR &/or Building Height to current planning controls • Development yields are likely to diminish due to declining retail spending (except in convenience retail). This will result in less capital expenditure and less operations expenditure (facilities management) which will result in a diminishing quality of assets, security and amenity.
Pymble Business Park	<ul style="list-style-type: none"> • In the past the North, South, East, West arterial road infrastructure made Pymble Business Park attractive. Subsequently, Macquarie Park and Parramatta have exceeded the critical mass required to provide great amenity, transport links, retail facilities and employment opportunities. • As more people are turning to Public Transport, PBP is becoming less connected as it is too far from public transport services. Moreover, as the population shifts west, connectivity to areas like Parramatta, Westmead, Liverpool, Camden and the Aerotropolis create more “disconnection” in the future. • Moreover, the land available within Pymble Business Park provides little to no opportunity for consolidation. The biggest owners are Department of Defense, Council, Bunnings, Kennards. Once these are removed from the equation there is only a few parcels of land left for consolidation. • Only mixed use residential will catalyse the reinvigoration of Pymble Business Park • The precinct as a whole does not have good amenity - It is not conducive to commercial offices. • Topography is quite challenging and disconnects the precincts from the surrounding public transport • Does not have the scale for critical mass for reinvigoration and attract tenants who are looking to co-locate • Never operated that effectively as an employment centre • Traffic problem exists in a depressed commercial office area. If you were modelling at full capacity as office, it would be much worse therefore traffic should not be the reason to prevent residential development from occurring.

Issues/Challenges	Responses
<p>Council Processes & Community Constraints</p>	<ul style="list-style-type: none"> • Ku-ring-gai Council is notoriously an obstacle for development approval. There is lower hanging fruit elsewhere in Sydney with less, effort, cost and time required to turn a commercial profit. DA's are costly and huge risk in Ku-ring-gai and that is mostly due to a residents (typically a minority) who oppose change. • There is an overrepresentation of a minority who do not want change and curtail meaningful development. • While other Councils are encouraging employment through new developments that facilitate commercial and retail tenants, Ku-ring-gai is not seen as an active participant in encouraging employment growth.

4.12.1 Implications for the Strategy

The stakeholders engaged for this Strategy have identified common challenges regarding the attitude towards development in the LGA and frustrations regarding the planning processes in place. These issues restrict opportunities for developers, occupiers, and investors to expand and grow their current assets and offerings. When compared to other LGAs, Ku-ring-gai is seen as less supportive of development

The following opportunities were identified from consultations:

- Mixed use development incorporating residential apartments is required to catalyse regeneration of retail.
- Whilst the operators (Aldi, Coles and Woolworths) are not residential developers they are being forced to partner with residential to enable the development of new stores to overcome the tipping point of financial feasibility (where possible).
- More FSR and Building Height is required to ensure that development is financially feasible.
- Residential allows developers to future proof their retail assets by providing a localised catchment for their operations.
- The driver for development must be human density. This will lead to more convenience retail and vibrancy in the centres.
- A more cooperative, conciliatory and less politicised approach in the planning process will allow building approvals to be expedited.

5. COMPETITIVE ANALYSIS

This section will provide an assessment of the provision of surrounding retail facilities and commercial precincts, and the impact of these centres to Ku-ring-gai.

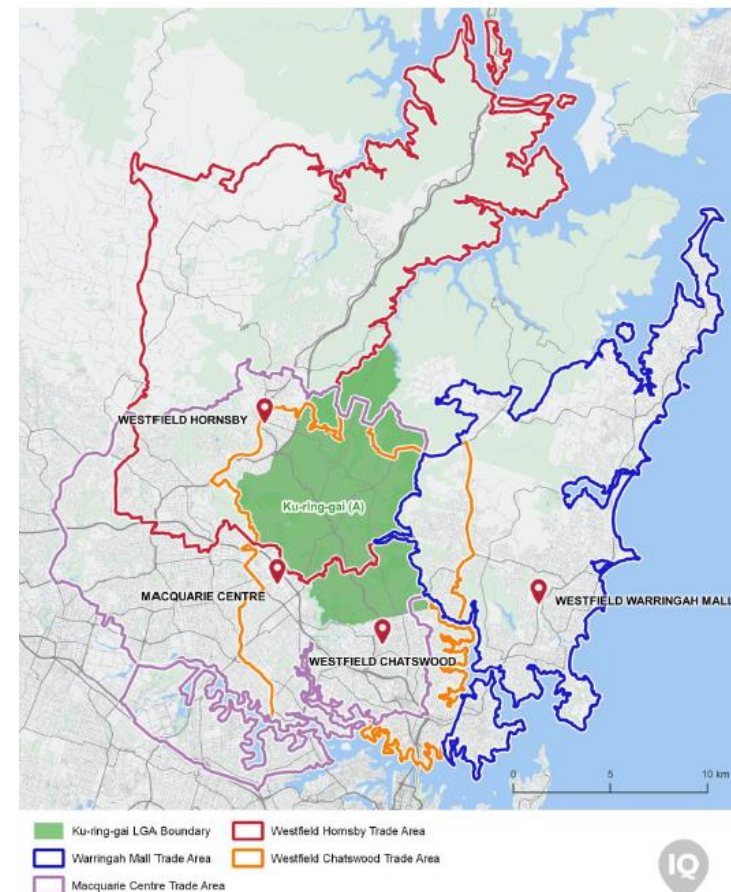
5.1 SURROUNDING RETAIL FACILITIES

Traditional Retail

Trade area analysis demonstrates the significant draw of major centres outside the Ku-ring-gai LGA. There are five large regional centres that have trade areas that overlap with the Ku-ring-gai LGA. Table 5.1 provides a summary of the composition and performance of the neighbouring centres. Key points to note include:

- Macquarie Centre is the largest in terms of floorspace at 135,500 sqm with Myer and David Jones department stores being the largest tenants. Macquarie Centre underwent a major expansion which was completed in 2014 and resulted in an additional 30,000 sqm of retail floorspace.
- Westfield Hornsby is anchored by a David Jones department stores, two discount department stores and three supermarkets, although, the regional centre is provided across significantly less total floorspace (100,000 sqm). Myer recently closed in January 2020.
- Westfield Chatswood is based on a large Myer department store (23,400 sqm) as well as a Target discount department store as the non-food major tenants. The centre was partially reconfigured in 2015 which resulted in a small addition of retail floorspace.
- Chatswood Chase is near Westfield Chatswood and is also based on a large department store (David Jones of 19,300 sqm). The centre has a focus on higher end apparel with specialty sales in the order of \$14,900 per sqm. Kmart and Coles also anchor the regional centre.
- Westfield Warringah Mall totals 131,605 sqm and generates some 12.3 million visits a year. This centre is based on David Jones and Myer department stores, Target and Big W discount department stores, Woolworths and Coles supermarkets.

Figure 5.1: Surrounding Shopping Centres Trade Areas



Source: Location IQ

Table 5.1: Summary of Surrounding Regional Shopping Centres

Centre	GLA (sqm)	Anchor Tenants	MAT	Specialty MAT		No. of mini-majors	No. of specialty
			\$	\$ per sqm	\$ per sqm		
Macquarie Park							
Macquarie Centre	135,514	Myer, David Jones, Big W, Target, Coles, Woolworths, Aldi	838	7,279	10,825	22	327
Other	10,000		-	-	-	-	-
Chatswood							
Westfield Chatswood	81,077	Myer, Target, Coles, Aldi	579	7,552	11,456	18	238
Chatswood Chase	63,623	David Jones, Coles, Kmart	555	9,954	14,909	12	161
Other	50,000	Various arcade style centres	-	-	-	-	-
Hornsby							
Westfield Hornsby	99,735	David Jones, Myer, Kmart, Target, Woolworths, Coles, Aldi	657	7,465	8,760	16	287
Other	15,000		-	-	-	-	-
Brookvale							
Westfield Warringah	131,605	Myer, David Jones, Target, Big W, Woolworths, Coles	741	6,555	9,013	28	347
Other	15,000	Aldi	-	-	-	-	-

Source: Location IQ / Shopping Centre News Publication 2019 (Big Guns)

These large regional shopping centres have all, except for Westfield Hornsby, recently expanded and major expansions are planned for Macquarie Centre and Chatswood Chase in the future as follows:

- As part of the Macquarie Centre redevelopment at 197-223 Herring Road, Macquarie Park, AMP Capital is seeking to incorporate retail, commercial, community, residential and commercial facilities and offer improved connections to transport infrastructure (subject to approval). The current the stage two development application is seeking consent for the construction of a new retail podium, basement car parking and additional roof-deck car parking for up to 480 cars.
- Chatswood Chase is set to undergo a \$403 million expansion with plans for two new levels of shops as well as a 10-screen cinema complex. The proposal lodged to Willoughby Council would result in a total retail centre of more than 93,400 sqm. The development would include two new levels of shops as well as an entertainment and leisure precinct with a cinema complex and dining options as well as a leisure club equipped with a pool and outdoor tennis court.

Large Format Retail/Bulky Goods

There are no dedicated large format retail shopping centres in the Ku-ring-gai LGA with the nearest being Home HQ North Shore at Artarmon and Belrose Super Centre at Terrey Hills, some 9.7 km to the south-east and 10 km to the north-east of Gordon, respectively.

Belrose Super Centre is provided across a total GLA of 36,600 sqm with anchor tenants including Harvey Norman, Domayne, Spotlight, Anaconda, Freedom, and Nick Scali. At HomeHQ, the anchor tenants include Freedom and The Good Guys. Total GLA of the large format retail centre is 22,200 sqm.

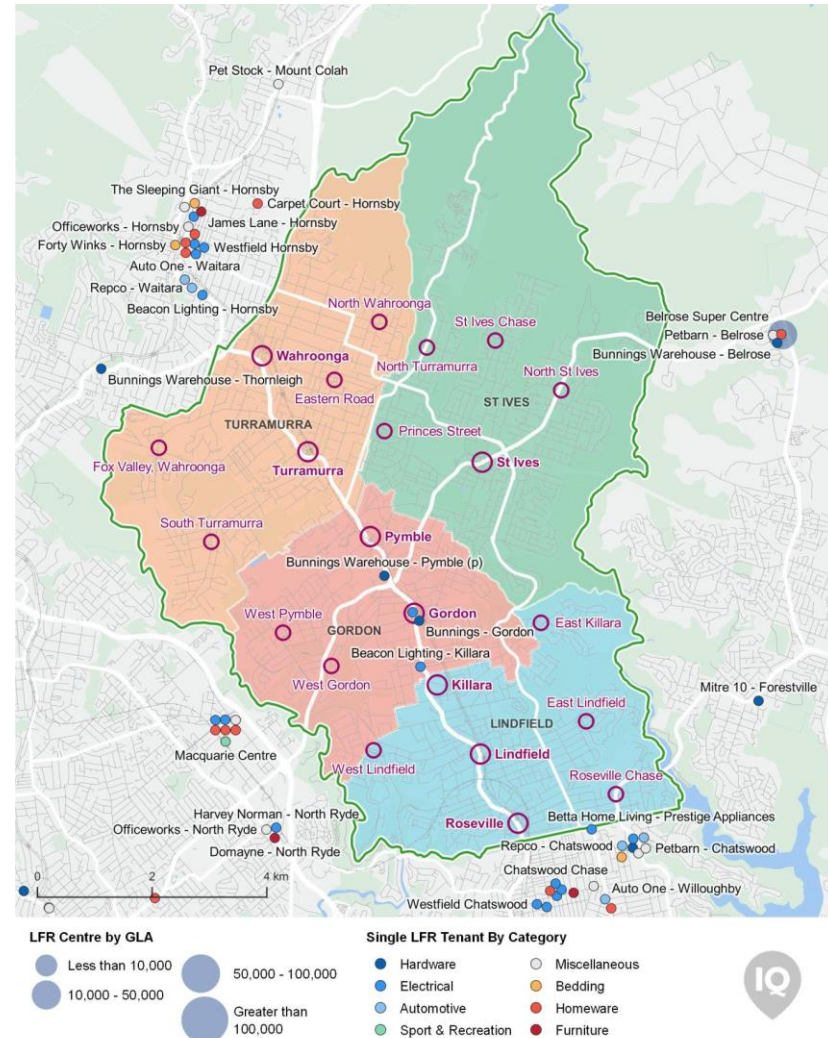
Only a small number of typical large format retail brands are provided throughout the Ku-ring-gai LGA, namely Beacon Lighting as well as Harvey Norman (3,600 sqm) and Bunnings Warehouse (1,200 sqm) at Gordon, although these are smaller than the typical store sizes for these operators.

A new Bunnings Warehouse has been approved at the high-profile intersection of the Pacific Highway and Ryde Road. The \$51 million development will include a new warehouse of more than 15,000 sqm as well as two levels of basement car parking for 333 vehicles. The development will contribute more than 200 jobs for local residents.

There is limited available large land holdings that would likely easily accommodate large format retail floorspace which typically have large sites requirements, including for the showroom and car parking. These facilities typically operate best in high profile locations where a critical mass can be established to enable cross shopping.

Currently, most large format retail spending of the Ku-ring-gai LGA population would be escaping the Ku-ring-gai LGA.

Figure 5.2: Large Format Retail Facilities



Source: Location IQ

Cinemas and Entertainment

The only cinema facility in the Ku-ring-gai LGA is an independent operator (Roseville Cinemas) which provides two screens. Beyond the LGA, there are several cinema complexes provided:

- Event Cinemas at Macquarie offers a total of 16 screens.
- Hoyts is provided at the Mandarin Centre (eight screens) as well as at Westfield Chatswood (six screens).
- Events Cinema is provided at Westfield Hornsby (nine screens) along with a single screen independent facility (Odeon Cinema).

Table 5.2 outlines the provision of cinema screens within the Ku-ring-gai LGA compared to NSW/ACT and Australia. Based on the NSW/ACT benchmark of 8.3 screens per 100,000 residents, there is a demand for nine screens within Ku-ring-gai, indicating a current undersupply of seven screens.

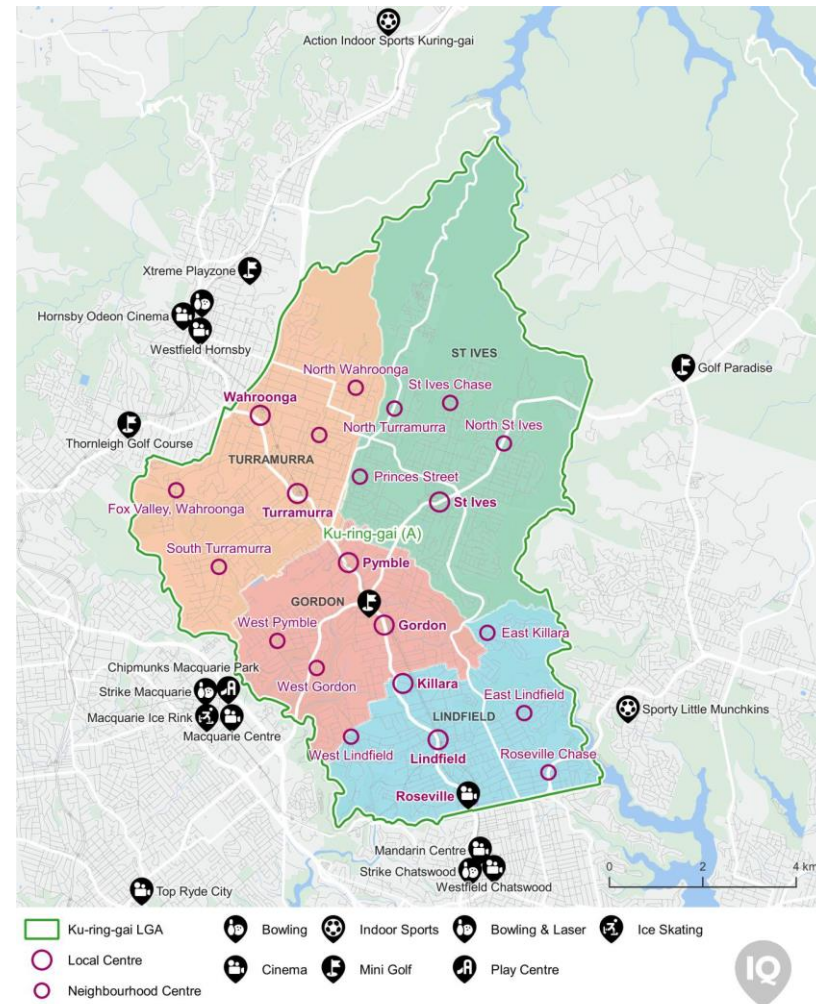
Table 5.2: Ku-ring-gai LGA Cinema Screen Provision, 2019

Sub-catchment	Population	Cinema Theatres	Cinema Screens	Cinema Provision
Lindfield	33,580	1	2	6.0
Gordon	28,250	0	0	0.0
Turrumurra	34,400	0	0	0.0
St Ives	31,960	0	0	0.0
Ku-ring-gai LGA	128,190	1	2	1.6
Benchmarks				
New South Wales/ACT		155	696	8.3
Australia		520	2,278	9.1

Source: Location IQ (2019), Screens Australia (2018)

As indicated in Figure 5.3, the only other entertainment facility provided in the LGA in proximity of the activity centres is a City Golf Gordon (mini-golf) is situated at 817 Pacific Highway in Gordon. There is a concentration of entertainment facilities such as ten pin bowling, laser tag and game arcades in the neighbouring centres of Macquarie, Chatswood and Hornsby

Figure 5.3: Cinema and Entertainment Facilities



Source: Location IQ

5.2 SURROUNDING COMMERCIAL PRECINCTS

Commercial space in Gordon and Pymble forms part of the suburban office market in Sydney and tends to attract less attention from tenants than their coveted counterparts in North Sydney and St Leonards. Gordon and Pymble's performance as an office market is influenced by market conditions and activity in proximate office precincts of Macquarie Park, North Ryde and Chatswood. Table 5.3 summarises the key market indicators of the north shore office markets surrounding the LGA.

Table 5.3: Key Market Indicators, Surrounding Commercial Markets

Office Market	Indicative Floorspace (sqm)	Vacancy Rate	Avg. Net Face Rents (\$/sqm)	Core Market Yields
North Sydney				
Prime	290,424	8.3%	\$829	4.50%-5.00%
Secondary	530,708	7.2%	\$694	5.00%-5.25%
Total	821,132	7.6%	\$761	4.50%-5.25%
Macquarie Park				
Prime	644,824	3.3%	\$415	5.50%-6.00%
Secondary	214,210	7.6%	\$353	6.00%-6.50%
Total	859,034	4.4%	\$390	5.50%-6.50%
Crows Nest/St Leonards				
Prime	102,699	6.1%	\$634	5.00%-5.50%
Secondary	206,928	7.4%	\$558	5.75%-6.25%
Total	309,627	7.0%	\$596	5.00%-6.25%
Chatswood				
Prime	157,412	2.1%	\$578	5.25%-6.00%
Secondary	117,066	5.8%	\$497	5.50%-6.00%
Total	274,478	3.7%	\$537	5.25%-6.00%
Lane Cove				
Total	70,000	10.0%	\$325	6.50%-8.00%
Gordon/Pymble				
Total	92,901	19.6%	\$450	6.50%-8.00%

Source: AEC/Knight Frank (2020)

Analysis of the relevant commercial precincts surrounding Ku-ring-gai is provided below.

North Sydney

Strategically located to the Sydney CBD, there is high demand for commercial spaces in North Sydney due to rents running at a 27% (gross basis) discount to the CBD. Vacancies declined from 7.9% to 7.6% over the six months to January 2020, which was largely due to 11,755 sqm of withdrawals in the period. Future supply of 98,026 sqm of space is due in 2020, with an additional 11,000 sqm expected in 2022. The majority of future supply in 2020 relates to the development of the 37-level commercial office tower at 1 Denison Street providing more than 60,000 sqm of premium office space with a two-level lifestyle precinct with basement parking. Microsoft's recent commitment to the 1 Denison Street project has further legitimised North Sydney as a tech hub. It has already led to an increase in enquiries from this sector, including some businesses currently located in the Sydney CBD.

Macquarie Park

Macquarie Park is the largest non-CBD office market and Australia and is identified to become Australia's fourth largest commercial precinct by 2030. The precinct has an estimated 860,000 sqm of office floorspace and continues to develop. The employment in this area is knowledge-intensive, containing Macquarie University and Macquarie University Hospital.

Overall, vacancies declined from 4.9% to 4.4% over the six months to January 2020. This was due to 4,529sqm of net absorption. Demand was concentrated in the upper grades of space, with approximately 64% of the net absorption related to A grade buildings.

St Leonards

The demand for office space in St Leonard is driven by the government, professional and business services and healthcare sectors. Vacancies marginally increased from 6.9% to 7.0% over the six-month period. This was due to 2,000sqm of supply additions. Demand was positive with 1,538sqm of net absorption recorded. Future

supply include the 25,000 sqm office building on the Royal North Hospital site (fully committed by NSW Health) and 4,600sqm in Mirvac's mixed-use development at 472-486 Pacific Highway. Just over 8,000 sqm of office space is proposed over the longer-term in a number of mixed-use developments.

Chatswood

The Chatswood office market is estimated to comprise of approximately 280,000 sqm of office floorspace. Vacancies decreased in the six months to January 2020 from 5.7% to 3.7%, mainly due to 3,500sqm of withdrawals and 2,183 sqm of net absorption. Limited future supply expected. Whilst market demand in Chatswood has to a degree been compromised by residential conversions, the imminent completion of the North West Metro has spurred interest from corporate occupiers in recent months.

Lane Cove

This market is understood to have strong levels of interest, particularly from businesses seeking more affordable accommodation than Macquarie Park. Anecdotal evidence from local agents indicates the office vacancy rate is currently circa 8%-10%, with a number of larger floorplates available at 166 Epping Road, and 2 & 3 Apollo Place. Over 1,600sqm of commercial floorspace is proposed in several mixed-use developments.

5.3 IMPLICATIONS FOR KU-RING-GAI

Ku-ring-gai's provision of retail and commercial floorspace is secondary to those provided in the strategic centres of Chatswood, Macquarie Park and Hornsby (as defined by the North District Plan).

Table 5.4 summarises the retail and commercial offering in the surrounding strategic centres compared to those provided in the Ku-ring-gai LGA.

Overall, the centres of Ku-ring-gai largely provides a 'convenience offering' to its residents, which generally attracts a smaller catchment of the population compared to its counterparts that integrates higher order facilities. When compared to the surrounding strategic centres, the following points can be made regarding Ku-ring-gai's centres:

- There are no regional or sub-regional shopping centres within the LGA i.e. no department or discount department stores;
- There are only small-scale operators of large format brands within Ku-ring-gai (i.e. Harvey Norman, Beacon Lighting);
- Only two cinema screens provided in the LGA by an independent operator; no integrated dining and entertainment precinct;
- There are no large anchor tenants in commercial spaces within the LGA; mainly occupied by small to medium sized businesses.

The strategic centres of Chatswood, Macquarie Park and Hornsby provide a higher order retail offering, with regional shopping centres anchored by department stores, as well as various large format and entertainment facilities. The trade areas of these regional centres overlap with the Ku-ring-gai LGA, which makes it easy for the residents of Ku-ring-gai to travel to these centres that offer more than just a supermarket offering. The majority of expenditure regarding large format retail, entertainment and leisure and other forms of discretionary spending escapes the Ku-ring-gai LGA to these strategic centres that offer these services.

The planned expansions of Macquarie Centre and Chatswood Chase is expected to significantly impact Ku-ring-gai, likely resulting in a further increase of expenditure

escaping the LGA. These planned developments improve the accessibility and experiential offering within these centres. Macquarie Centre is seeking consent for the construction of additional parking (basement and rooftop), as well as offering improved connections to transport infrastructure. The potential expansion of Chatswood Chase includes two new levels of shops as well as an entertainment and leisure precinct (with a cinema complex and dining options), as well as a leisure club equipped with a pool and outdoor tennis court. The Ku-ring-gai LGA lacks such a destination offer where residents can go for their necessities, as well as socialise and participate in discretionary spending.

Commercial offices in Gordon/Pymble have the highest vacancy rates when compared to other north shore office markets. A reason for this may be due to quality of the commercial stock in Ku-ring-gai. Modern and newer buildings within North Shore and Macquarie Park tend to be more attractive to large anchor tenants compared to the commercial stock available in Ku-ring-gai.

Accessibility may also be an issue of the Gordon/Pymble commercial precinct. The commercial spaces within the B5 zone in Gordon, and the B7 land of Pymble Business Park is some distance from the Gordon and Pymble train stations, and also provides limited street parking.

Table 5.4: Summary of Strategic Centres

	Chatswood	Macquarie Park	Hornsby	Ku-ring-gai LGA
Traditional Retail				
Estimated Floorspace	200,000 sqm (approx..)	150,000 sqm (approx..)	120,000 sqm (approx..)	100,000 sqm (approx..)
Department stores	<ul style="list-style-type: none"> • Myer • David Jones 	<ul style="list-style-type: none"> • Myer • David Jones 	<ul style="list-style-type: none"> • Myer • David Jones 	<ul style="list-style-type: none"> • N/A
Discount department stores	<ul style="list-style-type: none"> • Kmart • Target 	<ul style="list-style-type: none"> • Big W • Target 	<ul style="list-style-type: none"> • Kmart • Target 	<ul style="list-style-type: none"> • N/A
Supermarkets	<ul style="list-style-type: none"> • Coles • Aldi • Woolworths Metro • IGA 	<ul style="list-style-type: none"> • Coles • Woolworths • Aldi 	<ul style="list-style-type: none"> • Coles • Woolworths • Aldi 	<ul style="list-style-type: none"> • Woolworths • Coles • Aldi • Harris Farms • IGA
Large Format Retail				
Retail	<ul style="list-style-type: none"> • Repco • Petbarn • Bunnings Warehouse • Officeworks 	<ul style="list-style-type: none"> • Harvey Norman • Domayne • Officeworks 	<ul style="list-style-type: none"> • Repco • Officeworks • Forty Winks • Beacon Lighting • Sleeping Giant • Auto One 	<ul style="list-style-type: none"> • Beacon Lighting • Harvey Norman • Bunnings Warehouse (est. 2022/23)
Entertainment				
Cinema Screens	<ul style="list-style-type: none"> • Hoyts - Mandarin Centre (8 screens) • Hoyts - Westfield Chatswood (6 screens) 	<ul style="list-style-type: none"> • Events Cinema (16 screens) 	<ul style="list-style-type: none"> • Events Cinema (9 screens) • Oden Cinema (1 screen) 	<ul style="list-style-type: none"> • Roseville Cinema (2 screens)
Other entertainment facilities	<ul style="list-style-type: none"> • Strike Bowling • Timezone 	<ul style="list-style-type: none"> • Macquarie Ice Rink • Strike Bowling & Laser Tag • Timezone • Chipmunks Playland 	<ul style="list-style-type: none"> • Xtreme Playzone 	<ul style="list-style-type: none"> • City Golf Gordon
Commercial				
Estimated Floorspace	274,478 sqm	859,034 sqm	N/A	157,427 sqm
Tenancies	<ul style="list-style-type: none"> • Altium • Lendlease 	<ul style="list-style-type: none"> • Foxtel • 3M • Cochlear • CSC ... etc 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Large number of small businesses

Source: AEC

6. MARKET INFLUENCES AND DRIVERS

6.1 GENERAL MARKET CONDITIONS

The ‘Perfect Storm’ for Retail

The tough Australian environment has been labelled as the ‘perfect storm’ of conditions, where the already struggling retail sector has been rocked by several unexpected and devastating events in the past months.







Since the beginning of 2020, a raft of Australian businesses have collapsed into administration and over 200 brick-and-mortar retail stores earmarked for closure. This follows a number of Australian retailers announcing administration in 2019. Economic factors that contribute to the weak retail economy include:

- **Weak wage growth** – whilst there were tax offsets and lower interest rates in 2019, this provided limited support to spend to date. Australia’s wage growth continues to flatline at an annual pace of 2.2% (ABS, 2020), with the public sector recording the lowest change since the start of the series since December 1997.
- **High debt levels** - The level of household debt to income has exceeded 190% for the first time (RBA, 2019). The data shows Australians have nearly twice as many debt as income, with Australia’s level of household debt second only to Switzerland. High household debt levels mean consumers are more cautious and generally tend to spend less.
- **Change in consumer preferences** – Commonwealth Bank’s household spending intentions survey indicated a reluctance by consumers to spend on goods and a trend towards spending on experiences such as travel and entertainment.

Other major factors which has taken its toll on the recent retail environment include the local bushfire crisis and global COVID-19 outbreak, which has disrupted supply chains across the world as well as consumer foot traffic. Panic caused by the outbreak has also seen a boost in spending towards necessities such as cleaning

supplies and food staples. The bushfire crisis resulted in many Australian households and businesses losing their possessions, with more than \$238 million in claims for losses being lodged in aggregate since the bushfire season in September 2019 (according to the Insurance Council of Australia). These events are expected to further weaken consumer confidence and thus resulting in less discretionary retail spend.

Table 6.1: Recent Falls in Australian Retail

Company	Details
	<ul style="list-style-type: none"> Placed into voluntary administration in 2019
	<ul style="list-style-type: none"> Australia’s sixth largest wine company Entered administration in January 2020 after 141 years as family business
	<ul style="list-style-type: none"> Announcement of the closure of 19 stores across the country
	<ul style="list-style-type: none"> Voluntary administration announced in January 2020, 37 stores to close
	<ul style="list-style-type: none"> Voluntary administration announced in November 2019, 58 stores to close by March 2020
	<ul style="list-style-type: none"> Voluntary administration announced in March 2020

Source: AEC

6.2 TRENDS AND DRIVERS

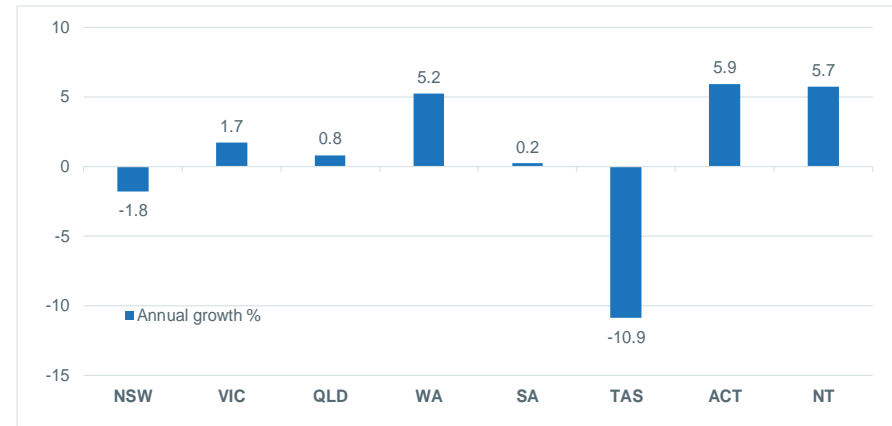
Online Sales

Online shopping in Australia remains prominent, with total online retail sales at \$29.32 billion for the year ended 30 June 2019. Comparable year on year growth in online retail at 12.7% is significantly higher than traditional brick and mortar retail sales growth for the same period.

Some key statistics relating to online retailing in Australia are as follows:

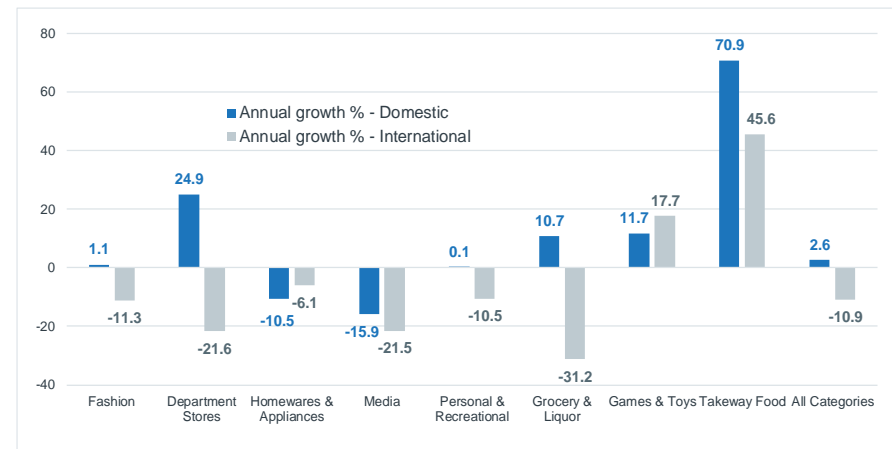
- Most online purchases (around 75%) are from residents in metropolitan areas.
- Domestic online spending accounts for around 89% of the total, with the balance being international online expenditure, Domestic online spending annual growth is 2.6% with international online spending contracting -10.9% over the period.
- Online spending remains dominated by those aged 35-44 years old, accounting for around 25% of total expenditure even though this population only accounts for 17% of the total Australian population.
- Residents of ACT have the highest per capita online spending, followed by Northern Territory, Western Australia, and New South Wales. This is largely a reflection of the more limited supply of retail facilities in non-eastern seaboard locations and in the case of ACT, reflected the greater affluence of this population.
- Across Australia, online retail spending grew over the past year (Figure 6.1), except for contractions in Tasmania (-10.8%) and New South Wales (-1.7%). The growth in online sales fluctuates across time, with changes to retailer discounting periods potentially influencing recent figures.
- Figure 6.2 shows the year on year (seasonally adjusted) growth in online retail spending by category. Takeaway food recorded growth of around 70%, although from a very low base. Other growing categories include department stores, games and toys and grocery and liquor.

Figure 6.1: Online Retail Sales by State (Year on Year Sales Growth)



Source: NAB Online Retail Sales Index (2019)

Figure 6.2: Online Retail Sales by Category (Year on Year Sales Growth)



Source: NAB Online Retail Sales Index (2019)

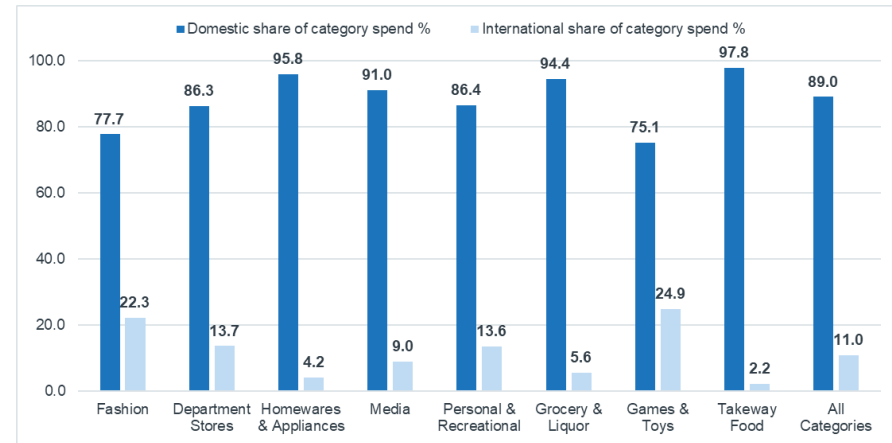
Figure 6.3 and Figure 6.4 illustrate the share of domestic, international and total online spending by category across Australia as sourced from NAB/Quantium. Key points to note from this analysis include:

- In terms of domestic share of category spend, as expected, takeaway food has the highest share at 97.8% followed by homewares and appliances (95.8%) and grocery and liquor (94.4%).
- In terms of international share of category spend, games and toys has the highest share at 24.9%, closely followed by fashion at 22.3%. It is worth noting, that 77.7% of fashion online sales are still directed to domestic retailers.
- Overall, homewares and appliances have the highest category spend share at 27% with other category spend shares above 10% including personal and recreational (14.9%), grocery and liquor, 13.8%), department stores (13.3%) and fashion (12.6%). Takeaway food has the lowest overall category spend share at 2.8%.

Data shows the highest shares in several categories such as electronics, leisure and media, with the lowest shares in food catering and food and groceries. Overall, online accounts for around 8% - 10% of the total retail market.

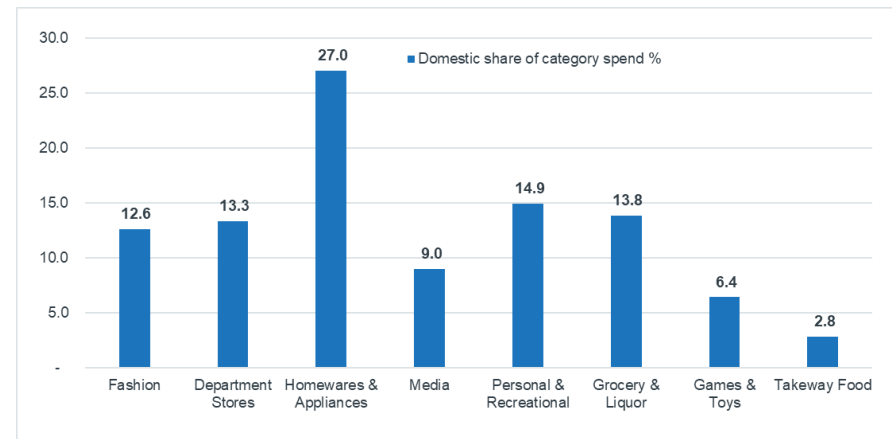
Australia Post are consistently setting new records for the number of parcels being delivered. In 2018, Australia Post Group, including StarTrack, delivered more than 3.3 billion items to more than 12 million addresses across Australia. Australia Post indicate that more than 73% of Australian households shopped online in 2018.

Figure 6.3: Domestic vs International Online Sales by Category



Source: NAB Online Retail Sales Index (2019)

Figure 6.4: Share of Domestic Online Sales by Category



Source: NAB Online Retail Sales Index (2019)

International Entrants

Amazon

Amazon launched their long-awaited Australian website on 5th December 2017, with one-day deliveries in most capital cities. The marketplace offers more than \$100 million products over 29 separate categories. Goods are currently being shipped from two locations:

- A warehouse of 24,000 sqm in Dandenong South in outer-eastern Melbourne.
- A warehouse of 43,000 sqm in Moorebank in Sydney.

The initial response to the Amazon Australia launch has been lukewarm, largely due to the pricing of goods which vary, but in some instances, are significantly higher than those offered by domestic retailers and eBay. Amazon Australia is still establishing market presence and manages to attract around 14 million users a month. In the United States, the Amazon marketplace attracts more than 2 billion visits per month.

In Australia, Amazon is the 7th most visited local and international shopping website with a greater number of Australian users still frequenting the Amazon.com website compared to the domestic marketplace. eBay is the most visited local and international shopping site in Australia, with JB Hi-Fi the most visited Australian shopping website ahead of Bunnings and Woolworths.

The overall impact on the traditional retail market from Amazon Australia is difficult to determine at this point in time. Whilst an assessment of the launch range offered by Amazon indicates the impact will be restricted to mostly electronics and appliance brands only, it is highly likely a number of other brands will sell through Amazon in the future as the channel becomes more established. Amazon is also likely to increase the range of 1P (Amazon vendor) products sold, as selling primarily through third parties does not allow Amazon to control price or the end to end customer experience.



International Non-Food Entrants

The introduction of international retailers has also impacted on the role of traditional department stores and discount department stores in Australia. While sales for department stores and discount department stores have been negative and continue to be challenged, new international retailers are opening in the Australian market, resulting in price deflation.

The influx of international brands to Australia combined with the challenging economic environment in recent years (including moderate consumer confidence, high household savings ratio, changing consumer spending habits etc.) has resulted in the rationalisation of a number of domestic brands in the past two years, including Marcs, David Lawrence, Herringbone, Rhodes & Beckett, Payless Shoes, Pumpkin Patch and most recently Orotan. The Specialty Fashion Group recently announced that it is planning to close at least 300 of its 1,019 stores.

Supermarkets

Supermarkets - Small Format Stores

Woolworths, Coles and Aldi continue to open new supermarkets across Australia, both at greenfield development sites to serve outer suburban growth areas and in-fill development sites often as part of a mixed-use developments to serve established and growing population areas in inner city locations.

In response to increasing urban density and the difficult nature of securing large plates in inner suburban areas, Woolworths launched first Woolworths Metro small format store in 2013 at Woolloomooloo in Sydney. Small format stores are generally less than 1,500 sqm in size with many in CBD locations being in the order of 200 – 500 sqm in size. Woolworths now operates some 45 Woolworths Metro stores across Australia, with 38 stores located in Melbourne and Sydney, reflecting the higher density of these capital cities compared to other Australian capital cities.

The opening of Woolworths Metro and Coles Local stores in major capital cities is likely to further impact sales of IGA which was previously the major small footprint supermarket in inner metropolitan areas.



Supermarkets in Mixed Use Developments

The success of smaller format supermarkets in inner city locations where no car parking is provided and the store sizes are less than 500 sqm, is highly dependent on exposure and passing pedestrian foot traffic (i.e. a major pedestrian flow area, train station, bus stop, employment area etc.). In effect, these smaller format supermarkets operate similar to 7-Eleven in that high exposure sites and the pedestrian flows are critical to success as this is a highly convenience-based shop.

In inner suburban areas, given the growing population by way of multi-dwelling residential projects, both Woolworths, Coles and Aldi are more prevalent as the retail anchor of mixed-use developments including residential and sometimes commercial components. The supermarket brands are adapting the floorplate requirements both in terms of size and ideal box shape imitation to open new stores at mixed use developments to be better positioned to population growth and increase market share.

Woolworths and Coles still require significant amenity and excellent car parking for these opportunities which can sometimes be difficult to achieve. Further the amenity of residential onsite is also an important consideration.

Costco

Costco is one of the world's largest retailers, with over 760 warehouses worldwide and 94 million club members. Costco currently operate 12 warehouses across Australia in Sydney, Melbourne, Queensland and Canberra. Warehouses in Wollongong and Newcastle are also being considered as potential locations for the first regional stores.

In 2018, Australian consumers spent \$1.8 billion at Costco, indicating average sales of \$165 million. The average transaction size is over \$200, significantly greater than the typical supermarket (\$35 - \$40). A basket size of \$200 per person represents some 825,000 customers, less than a typical supermarket of around 1 million customers. Typical prices at Costco aim to be 10% - 30% lower than standard retail price.

Accessibility for a broad catchment is critical. The broad catchment typically extends up to a 30-minute drivetime and beyond, incorporating over 500,000 persons. Costco identifies the customer mix between households and businesses is typically around 70 : 30. Over 80% of customers live within a 30-minute drivetime. Consequently, typical Costco warehouses achieve low market shares from a broad catchment.



Retail Store Types

Department Stores and Discount Department Stores

Department stores and discount department stores have been the key non-retail anchor tenants in Australian Shopping Centres for many decades. Typically, this type of tenant provided the largest individual floor plates and the greatest single customer attractions in terms of number of visits per year and sales. Over the past decade, there has been significant pressure on department stores and discount department store sales which has in more recent times resulted in the closure or lease back of existing space

Department store sales across Australia have been circa \$5 billion over the period, with discount department store sales across the three brands (i.e. Kmart, Big W and Target) generally stable at around \$12 billion over the last decade.

Both Myer and David Jones have closed stores and have indicated plans to close more stores. These brands have also surrendered floorspace where a downsized store is appropriate. The typical department store model is now around 8,000 – 10,000 sqm rather than over 15,000 sqm. Myer rationalised the Bourke Street store in the Melbourne CBD and David Jones is in a similar process in the Sydney CBD with the sell-off of the Market Street store and the consolidation into one store on Elizabeth Street.

Kmart continues to be the most active discount department store brand, still opening new stores and also replacing some poor performing Big W and Target stores. Big W has announced plans to close up to 30 unprofitable stores with Target to undertake a similar closing of poor performing stores.



MYER

**DAVID
JONES**



Mini-Majors

Mini-majors are retail shops of 400 sqm or larger that are typically destination type tenants. Mini-majors provide an increasingly important role in shopping centres to attract customers given the sales losses and closures of department stores and discount department stores.

Mini-major sales have grown significantly over the past decade with brands such as JB Hi-Fi, Specialty Fashion Group and Super Retail Group all having rapidly rolled out stores. Further, a number of key international brands are also mini-majors such as H&M, Zara and Uniqlo. The growth in the popularity of mini-major brands for both property owners and customers can be highlighted by the growth in this category as shown in the *Urbis Retail Averages*. In regional shopping centres, the provision of mini-major tenant floorspace has increased from 7,535 sqm in 2006/07 to 10,634 sqm in 2017/18. This represents an increase of 3,099 sqm, or 41% over the period.

Although the mini-majors category has grown rapidly in recent years, there are signs of a slow down across particular brands, where sales have flatlined or decreased over the last three years. This is likely to be a result of the slowdown in discretionary non-food spending in the Australian retail market.

Large Format Retail

Large format retailing has evolved in recent years in Australia and incorporates bulky goods and retail showroom uses. Large format retail/bulky goods centres typically serve broad geographic trade areas due to the nature of bulky goods which tend to be purchased by a large number of people on an infrequent basis.

Large format retail/bulky goods centres/precincts are typically located in extremely high profile, main road locations and, therefore, receive excellent exposure to passing traffic and are easily accessible from both a local and regional perspective.

In recent times, the tenants looking to locate in bulky goods/large format areas has expanded, given that retail tenants such as Spotlight, toy stores, camping equipment, etc. trade in a similar manner, attracting low market shares across broad regions and purchased on an infrequent basis. There has been an increasing trend for bulky goods/homemaker traders to co-locate within one centre or precinct as customers seek to compare products and prices across a range of stores, with all traders benefiting from the creation of a strong destination.

Suburban Office Market

Suburban office markets play an important role, with many located within Greater Sydney’s strategic centres. These markets comprise smaller scale office buildings (smaller floorplates and/or lower heights) in a more mixed-use context compared to CBD commercial markets. Whilst generally benefiting from public transport linkages, suburban office markets are typically car dominant and lack the same level of amenity offering provided in CBD locations. Accordingly, price points (both rents and sale prices) achieved are markedly lower and vacancy levels are typically higher compared to CBD office markets.

As the vacancies for commercial stock in Sydney CBD remain low at 3.7% (July 2019, Knight Frank) and rents continue to increase, Sydney’s suburban office market becomes an appealing alternative for businesses looking for space and value.

The Sydney suburban markets have experienced their largest volume of new supply on record with 69,732 sqm of office space added to the market in 2018, spread across the South West (42%), Inner West (31%) and the South (27%). Of this new supply, over 75% of space has been leased. Improved infrastructure and the significant investment in Western Sydney has fueled significant development in South West Sydney, including large developments in Bankstown and Liverpool.

Vacancy rates have increased in almost all precincts as the market consolidates new supply and trailing withdrawals for residential conversions. In the North precinct, which includes Pymble Business Park and Gordon, residential development has driven the number of withdrawals in 2018 totaling 23,681sqm.

The withdrawal of office stock has seen displaced tenants move to the major north shore markets (i.e. Macquarie, North Sydney, Chatswood) rather than relocate within the North. This has led to negative absorption of 38,263 sqm and an increase in vacancy over 2018. Development in the North remains subdued with no new supply in the pipeline



Figure 6.5: Sydney Suburban Office Market Indicators as at January 2019

Grade	Total Stock (sq m)	Vacancy Rate (%)	Average A-Grade Gross Face Rent	Average A-Grade Incentive (%)	Outgoings (\$/sq m)	Average A-Grade Core Market Yield (%)
South	587,900	5.6	533	17	88	5.25 - 6.00
North	526,442	12.9	449	25	101	6.50 - 8.00
Inner West	529,849	14.4	489	24	90	5.75 - 6.75
North West	320,405	2.1	405	25	75	6.25 - 7.00
South West	234,962	13.6	396	20	89	6.75 - 8.50
West	159,965	6.4	348	20	87	7.50 - 8.50
Total*	2,359,523	9.6				

Source: Knight Frank (2019)

Figure 6.6: Suburban Office Market



Suburban Stock: Includes office stock in the Sydney metropolitan area above 1,000 m² in size. It excludes stock in the CBD and the major office markets of North Sydney, Chatswood, Crows Nest, St Leonards, North Ryde, Parramatta and City Fringe (see back page for detail).

Source: Knight Frank (2019)

Other Trends

Shift to ‘Experience’ Culture

People are choosing to visit places where there is a mix of offerings in vibrant and diverse destinations rather than single purpose precincts i.e. places where they can eat, play and shop for necessities as well as luxuries, rather than just traditional supermarket-based shopping.

The rise of digital technologies and e-commerce are fundamentally reshaping consumer expectations and shifting the function of stores toward useful and entertaining customer experiences. As consumers are increasingly time-poor, the act of going into shopping centres to just purchase groceries are becoming replaced with online grocery shops with home deliveries, and food delivery and meal planning services such as HelloFresh and Marley Spoon. As such, mixed offerings in centres provide consumers with more of an experience and less of an errand.

In order to remain relevant, centres should:

- Differentiate consumer offering, with a focus on experience and convenience;
- Transform the shopping centre experience by leveraging technology and multichannel strategies; and
- Exploration of new formats and commercial real estate opportunities i.e. placemaking and mixed-use developments (hotels, office buildings and community facilities).

Role of Infrastructure, Parking and Public Transport

As cost of land becomes more expensive and suburbs are becoming more intensely developed, the viability of free car parking around retail and commercial centres reduce. Land dedicated to above ground parking becomes an inefficient use of valuable land, which can be repurposed for higher and better uses for the community or used as infill development for the centres. Social trends where people are driving less due to environmental impacts also mean that people may choose other ways to transit to their local shopping centres such as cycling, walking or buses/trains. As

such, accessibility by public transport becomes an increasingly important consideration in planning for an LGA’s centres.

Agile Working, Work from home & Coworking

New work trends such as agile working, co-working spaces and working from home may mean less traditional office floorspace is required, but the design of office buildings and type of amenities provided will be impacted. Those working from home may require touchdown/co-working spaces when they want the option of working from an office. Agile and coworking workspaces require updated technology and amenities, more-flexible offices and an increase in shared spaces.

Shift to Western Sydney

As businesses seek alternatives to the high rents and low stock offered in the CBD, areas that offer premium office buildings, with high accessibility and transport will become more attractive to businesses.

In recent years, there have been examples of large businesses moving away from the Sydney CBD and turning to the west. Western Sydney University and University of New England have campuses in the Parramatta CBD. Professional service firms such as Deloitte, KPMG and PwC have also expanded in Parramatta. As part of the ‘Decade of Decentralisation’ policy, the NSW Government plans to relocate more than 4,200 public service roles from the CBD to Western Sydney by 2021. The flow-on benefits from the relocation of the public sector will stimulate Parramatta’s economy, and have a positive impact on local business.

Significant investment in major infrastructure is also planned in Western Sydney. This may act as a catalyst for businesses who do not serve local residents move to Western Sydney to try capture the business activity in that area and be “closer to the action”. The areas surrounding the new Aerotropolis will have great accessibility to the airport, larger floorplates for bigger offices and see a significant contribution to jobs and housing.

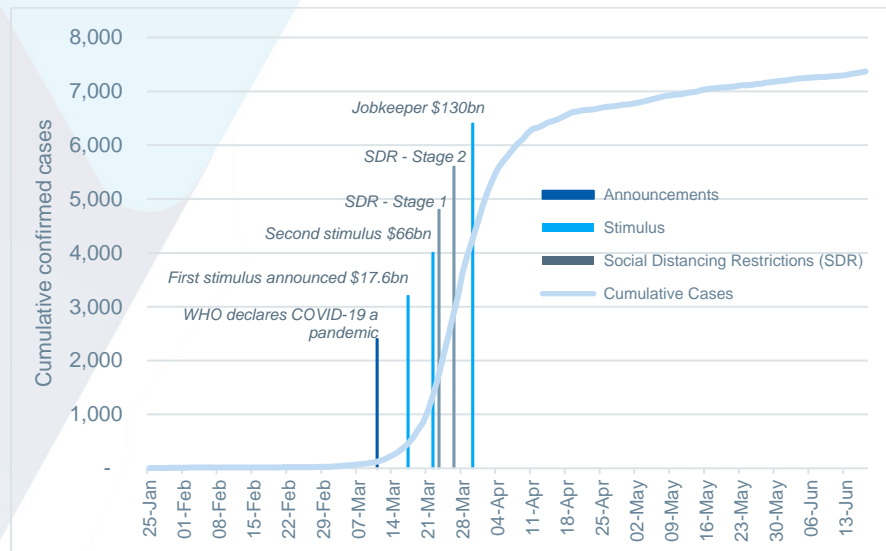
6.3 THE COVID-19 EFFECT

6.3.1 General

The global COVID-19 pandemic has generated an unprecedented impact in Australia and most countries of the world. The virus has affected almost every country on the planet with 7.8 million confirmed cases and caused over 400,000 deaths (WHO, 2020). Whilst the pandemic is primarily a public health issue, there are also major economic and financial impacts. As the virus spread, countries have implemented border and travel restrictions, and social distancing measures which included the temporary closure of businesses. The result has been major disruptions to economic activity.

Figure 6.7 outlines the key announcements from the Federal Government regarding stimulus packages and social distancing restrictions against the confirmed cumulative COVID-19 cases in Australia.

Figure 6.7: Key COVID-19 Announcements



Source: ABS, AEC

The Australian economy has experienced weak growth recently as a result of bushfires, drought and the COVID-19 pandemic which hit the economy. Whilst the economic toll is still being determined and cannot be quantified, the following key indicators highlight the impact known at the time of the report.

Economic Growth

- Over the 12 months to March 2020, Gross Domestic Product (GDP) was recorded at 1.4% year-on-year in the first quarter of 2020, slowing from a 2.2% expansion in the previous period. This is the lowest rate of growth recorded since the third quarter of 2009.
- Australia had its first negative quarter of GDP growth in nine years for March 2020 quarter.
- The Treasurer estimates that it will be followed by a June quarter of negative GDP growth, thus entering a technical recession. This is the first recession in 29 years.

Employment

- A growing number of people had their work hours reduced or were stood down as social distancing and other business restrictions came into effect.
- Unemployment rate in Australia increased by 1.0 pts from March 2020 to 6.2% in April 2020 or 823,300 people.
- Total hours worked fell by around 9.2% between March and April. An estimated 2.7 million people were affected by job loss or reduced hours between March and April. The underemployment rate rose to a record high of 13.7%.
- The underutilisation rate, which combines unemployment and underemployment rates, rose to a record high of 19.9%.

Other Market Indicators

- The Australian All Ordinaries dropped by 9.5% in a single day in March, the largest single day fall since the 1987 stock market crash, wiping \$165 billion off the stock exchange. Whilst there have been considerable gains in the past few months with renewed optimism, there is still considerable volatility in the market.
- The Australian Dollar dropped to its lowest level in 17 years to \$55.10 US Dollars on 19 March 2020.
- Consumer Price Index (CPI) rose by 0.3% in the March 2020 quarter, which brings the annual inflation to 2.2%. This is the highest annual inflation rate since the September quarter in 2014. The rise is likely a reflection of the impact of drought, bushfires and COVID-19.
- 74% of businesses reported that they were operating under modified conditions, with the most significant impact seen in the Information, Media and Telecommunications industry, followed by Accommodation and Food Services.
- Several industries experienced shutdowns including;
 - Airlines
 - Travel
 - Hotels
 - Hospitality
 - Retail

Stimulus Measures

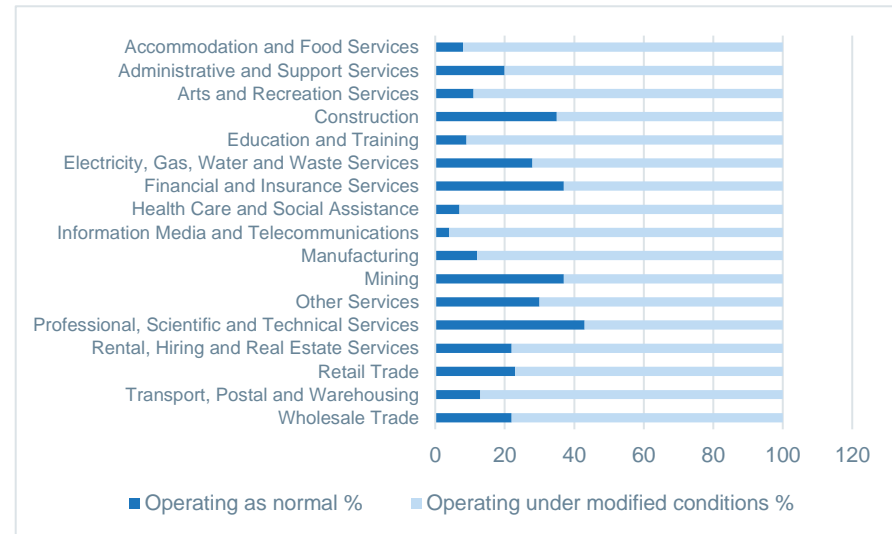
- The Australian Government embarked on a range of stimulus measures valued at \$213.6 billion. In order to deliver these stimulus measures the federal Government effectively borrowed \$105 billion from the Reserve Bank of Australia.
- The NSW Government embarked on a series of stimulus measures equating to \$3.3 billion.

- On 7th April 2020, the Federal Government announced a mandatory code of conduct setting out principles to govern commercial and retail tenancies affected by COVID-19.

Notwithstanding the devastating impacts of this situation, there are some outcomes that could have a long-term positive impact on the economy and working environment. COVID-19 has established a series of new norms which will take us into the future better prepared for the next pandemic. These include:

- Better hygiene practices;
- More innovation to stay connected;
- Remote working turning mainstream;
- New sense of appreciation and gratefulness.

Figure 6.8: Industries' operating conditions, March 2020



Source: ABS

6.3.2 The COVID-19 Effect on the Retail Environment

The COVID-19 outbreak is undeniably changing the retail landscape. Both retailers and consumers are forced to respond and react to the situation, resulting in changes in spending behaviours and the way retailers conduct business.

The April 2020 release of the Retail Trade figures by ABS has reported a fall in Australian retail turnover by 9.2% in April 2020 compared to the prior year (seasonally adjusted terms). The strongest growth was recorded for household goods retailing for on both a year on year basis (11.4%) and the last three months (10.0%). Discretionary retail such as clothing, footwear and personal accessories have experienced the most significant downturn, decreasing by 64.7% on a Y-O-Y basis. Food catering services and department stores

Table 6.2 summarises the key data in seasonally adjusted terms across the six ABS retail categories.

Table 6.2: Retail Trade (April 2020), Seasonally Adjusted

Categories	\$ billion	M-O-M	Last 3 months	Y-O-Y
Food Retailing	\$11.83	-17.4%	+3.6%	+5.1%
Household goods retailing	\$5.06	-0.1%	+10.0%	+11.4%
Clothing, footwear and personal accessory retailing	\$0.75	-53.6%	-65.2%	-64.7%
Department stores	\$1.23	-14.9%	-19.6%	-21.8%
Other retailing	\$3.96	-14.4%	-0.0%	+1.1%
Cafes, restaurants and takeaway food services	\$1.96	-35.4%	-50.1%	-49.6%
Retail Turnover	\$24.79	-17.7%	-10.2%	-9.2%

Source: ABS (2020)/SCCA Research (2020)

The closure of physical stores led to an increase in online retail turnover, which contributed 11.1% to total retail turnover in April 2020. This is up from April 2019, where online retail contributed 5.7% of total retail. Additional analysis from ABS noted that online sales made up over 20.5% of sales across household goods retailing, clothing footwear and personal accessory retailing, department stores and other retailing.

The crisis has reshaped the retail environment, with different impacts depending on the industry. The following looks at the winners and losers based on available data and observations during this period:

Winners

- Supermarkets
- Pharmaceutical retailers
- Hardware and building supplies
- Computer and electrical appliances

COVID-19 primarily pushed spending towards essentials, as supermarkets benefitted from the 'panic buying' of many essential goods as consumers initially moved to a stockpiling mentality for fear of future supply shortages. Household goods such as groceries, toilet and tissue paper, pantry staples (flour, rice and pasta) and cleaning supplies experienced a shortage in response to the coronavirus outbreak. Similarly, pharmaceutical retailers also experienced increased traffic and sales as consumers stockpiled on medication, masks, cleaning and sanitation products.

As social distancing measures were introduced and work-from-home orders from companies were announced, office supply stores saw a significant increase in sales for computer accessories such as desktop monitors, keyboards and laptops. Other home office products that saw a spike in sales include office chairs and desks as employees prepared to work from home for an undetermined period of time.

Interestingly, hardware and building supply stores also saw an increase in activity. Bunnings reported a sales increase of 19.2% over the first five months of the calendar year. With people spending more time at home, households have taken the opportunity to undertake repairs, DIY and renovation projects that may have been put off for a while. As traditional entertainment venues such as cinemas, bars, restaurants were closed, people appear to have turned to DIY and gardening to keep themselves entertained in self-isolation.

Losers

- Cafes, restaurants and takeaway food services
- Discretionary retail (apparel, footwear, department stores)
- Travel agencies
- Beauty and personal care services
- Gyms and fitness facilities
- Entertainment industry (events, bars, cinemas)

Nationwide restrictions in attempt to limit the spread of COVID-19 forced the closure (or reduced trading) of thousands of businesses across Australia. Food catering services were limited to takeaway services only. Personal services such as beauty and nail salons, tattoo stores and massage parlours were closed entirely. Fitness and community centres were also forced to cease operations during this time.

Prior to the crisis, discretionary retailers were already struggling with international rivals and tough market conditions due to weak wage growth, a decline in discretionary spending and high levels of debt. In addition, bricks and mortar stores were challenged by online retail and distribution channels. COVID-19 has just emphasised all these issues, which consequently resulted in many retailers, that were on the brink of collapse, to ultimately shut down stores or enter into liquidation.

Moreover, the retail business models of the past are no longer capable of competing in a very cutthroat market with very high real estate costs. This has also had a huge effect on the owners/developers of retail stores, retail malls and retail asset classes.

There is no doubt that the worst is still ahead of us, as business is still being propped up by loan deferrals, government subsidies and patient landlords. Once the dust settles, there is potential for more casualties in this sector.

The crisis has already started reshaping the retail landscape. It is certain that the pandemic will lead to long-lasting changes in consumer behaviour. Those previously not accustomed to online shopping have shifted to this platform. This could see some areas of retail experiencing a greater shift into e-commerce than before. It may result

in retailers rethinking their physical assets, leading to smaller store footprints, and potentially less staff required to operate them.

While the exact nature of the longer-term impact of the outbreak on the retail environment remains to be seen, retailers will now take steps to ensure a deeper integration of their offline and online services to guarantee a more robust business model. This may also include cheaper warehousing and distribution and reduced physical retail premises.

6.3.3 The COVID-19 Effect on Commercial Trend

COVID-19 effects on the commercial property market have been driven by struggling business, shedding staff and downsizing its footprint, and remote working. The biggest risks as a result of the current crisis is the unemployment rate due to

The immediate market consequences and potential longer-term impacts on commercial market are discussed below.

Behaviourial Changes of Commercial Occupiers and Impact to Demand

Whilst remote working was steadily on the rise before COVID-19, the pandemic has escalated the trend into the “world’s largest work-from home experiment”. With social distancing restrictions and isolation rules, many businesses in the corporate space has seen a significant shift of their workforce moving to working from home.

In the long run, it is possible that commercial office tenants will re-examine the cost and productivity benefits of having staff work from home. Now that businesses have implemented work-from-home policies and procedures, and set up the appropriate infrastructure for remote working, it is likely that companies will capitalise on the reduced overheads and continue this trend. A survey from U.S. research firm Gartner of 317 CFOs and business finance leaders found that 74% of those surveyed expect at least 5% of their workforce who previously worked in company offices will become permanent work-from-home employees after the pandemic ends.

The Commercial Market and Impacts to Commercial Property Owner/Operators

Sydney’s commercial property market saw strong activity and demand in the beginning of 2020, with a long-term undersupply in the market and low vacancy rates in the CBD over the past few years. This has changed due to the coronavirus crisis. As a result of remote working, a rise in vacancy levels and a softening of yields is expected in the commercial property market.

The performance of commercial office buildings is also linked to the underlying resilience of the tenant’s business. Those that have been heavily disrupted by the crisis and are operating at lower capacity levels may experience lower income levels and rental distress and may not be able to meet their payments. As a result,

landlords and operators may enter into negotiations with existing tenancies and provide significant incentives to attract potential tenants.

In response to the national Cabinet’s mandatory code of conduct for commercial leasing to soften the COVID-19 blow on commercial real estate, the NSW government introduced a \$220 million commercial property land tax relief package. Landlords may access land tax concessions of up to 25% if they pass the savings on to tenants by discounting rents.

Post COVID-19 it is likely that the changes arising from the crisis may continue into the future. The crisis has demonstrated that white-collar workplaces can be far more flexible with virtual capabilities enabling workforces to work efficiently and effectively remotely. Although offices will slowly start reopening, social distancing, safety and stringent cleaning practices will be front-of-mind and is likely to impact the design of future workplaces. Commercial tenants may also require less space in the future due to increasing unemployment, a reduction in overhead costs and a move towards remote working.

Although the longer-term consequences on the commercial sector are difficult to predict, it is certain that the longer stay at home policies remain in place, the more it will change how we live and work.

7. FLOORSPACE MODELLING

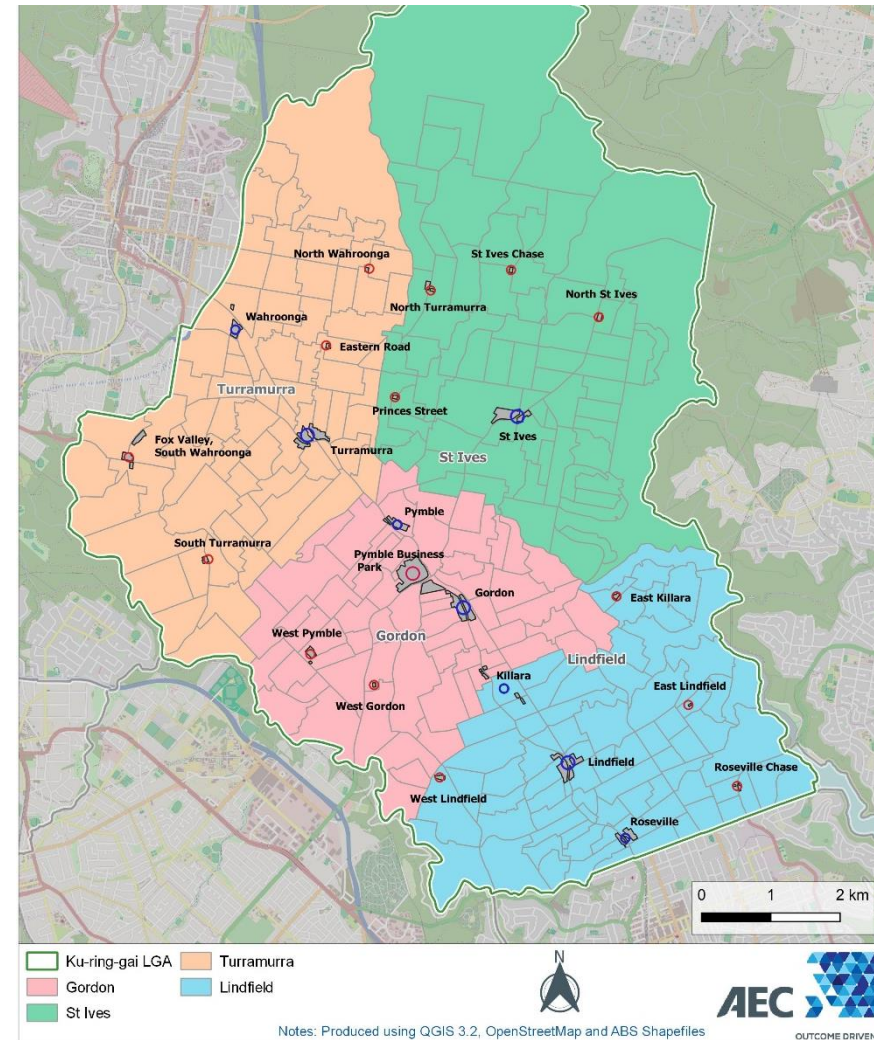
7.1 CATCHMENT AREA

For the purposes of this study, the Ku-ring-gai LGA has been split into four sub-catchment areas reflecting the likely core catchment areas for the large supermarkets at St Ives, Gordon, Turramurra, and Lindfield. It is acknowledged that these areas would all have overlapping catchments.

Figure 7.1 illustrates the defined catchment and sub-catchment areas:

- **Gordon** is the central sector which incorporates the suburbs of Pymble and West Pymble, as well as Gordon and West Gordon.
- **St Ives** is the northern sector and includes the suburbs of St Ives, St Ives Chase, and North Turramurra.
- **Turramurra** is the western sector which incorporates the suburbs of Turramurra, South Turramurra, Warrawee, Wahroonga, North Wahroonga, and South Wahroonga.
- **Lindfield** is the southernmost sector which encompasses the suburbs of Lindfield, East Lindfield, Roseville, Roseville Chase, Killara, and East Killara.

Figure 7.1: Ku-ring-gai LGA Sub-Catchment Areas



Source: AEC

7.2 POPULATION GROWTH IN THE CATCHMENT

Ku-ring-gai’s population is currently estimated at 128,190. Over the period to 2036, the population is projected to increase to 154,500 at an average annual growth rate of 1.2%. This is slightly lower than the Australian average annual growth rate of 1.4% per annum.

Table 7.1: Ku-ring-gai LGA Base Line Population, 2016 – 2036

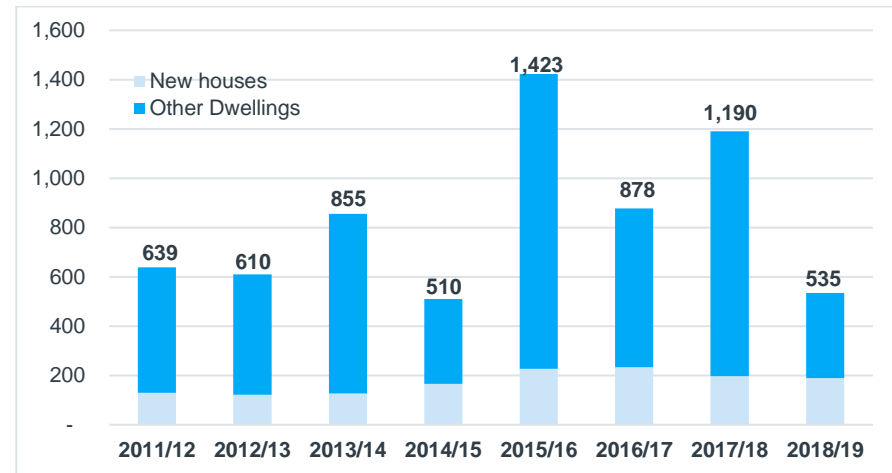
	2016	2019	2021	2026	2031	2036
Population						
Lindfield	32,230	33,580	34,470	36,370	38,470	40,445
Gordon	26,990	28,250	29,050	30,950	33,050	35,025
Turrumurra	33,500	34,400	34,960	36,860	38,960	40,935
St Ives	31,060	31,960	31,960	34,020	36,120	38,095
Ku-ring-gai LGA	123,780	128,190	130,440	138,200	146,600	154,500
Average Annual Change (%)						
Lindfield	2.2%	1.4%	1.3%	1.1%	1.1%	1.0%
Gordon	1.4%	1.5%	1.4%	1.3%	1.3%	1.2%
Turrumurra	1.1%	0.9%	0.8%	1.1%	1.1%	1.0%
St Ives	1.5%	1.0%	0.9%	0.9%	1.2%	1.1%
Ku-ring-gai LGA	1.6%	1.2%	1.1%	1.1%	1.2%	1.1%
<i>Sydney Metro</i>	1.9%	1.5%	1.5%	1.3%	1.2%	1.0%
<i>Australia</i>	1.7%	1.4%	1.4%	1.4%	1.3%	1.2%

Source: DPIE – NSW Population and Household Projections Data (2016)
Figure 7.2 and

Figure 7.3 illustrates new dwelling approvals by dwelling types and by sub-catchment from 2011/12 to 2018/19. The following observations were made:

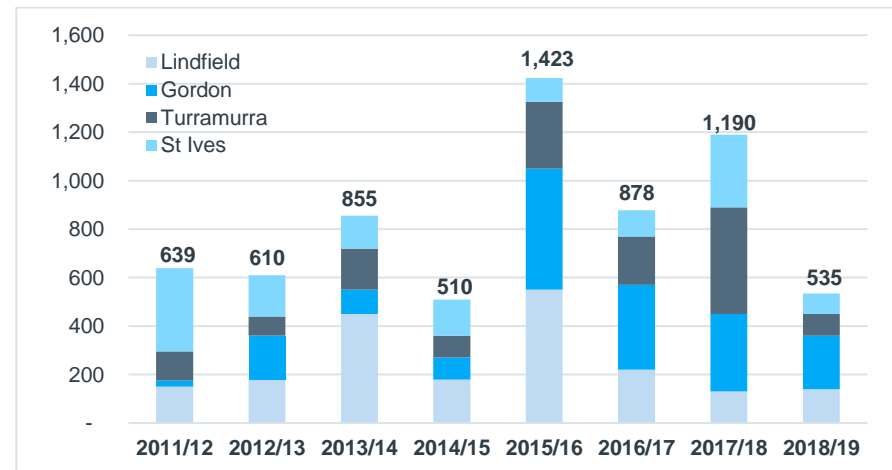
- An average of 830 new dwellings were approved annually across the catchment area over this period.
- The majority of building approvals are recorded as ‘other dwellings’ which comprises attached structures such as apartments or townhouses.
- Lindfield sub-catchment area has accommodated the most approvals on average, at 30.4% of the total. The next highest was Gordon at 26% with Turrumurra and St Ives at 23.3% and 20.2%, respectively.

Figure 7.2: Ku-ring-gai LGA New Dwelling Approvals, 2011/12-2018/19



Source: ABS

Figure 7.3: New Dwelling Approvals by Sub-Catchment, 2011/12-2018/19



Source: ABS

7.3 RETAIL FLOORSPACE DEMAND AND SUPPLY PROJECTIONS

Retail Floorspace Supply Projections

The retail floorspace audit indicated that there was a total of approximately 101,000 sqm of existing and vacant floorspace in the retail centres. The majority of this floorspace is located in the main local centres of St Ives, Gordon, Turramurra, and Lindfield.

Table 7.2: Retail Floorspace in Ku-ring-gai by Sub-Catchment, 2019

Supply (sqm)	Existing	Vacant	Total
Lindfield	20,416	2,295	22,711
Gordon	27,942	525	28,467
Turramurra	19,850	1,655	21,505
St Ives	27,720	975	28,695
Ku-ring-gai LGA	95,928	5,450	101,378

Source: AEC (2019)

The following assumptions were made with regards to the supply projections to 2036:

- A redevelopment of Coles in Lindfield by 2022/23, resulting in an addition of 1,774 sqm of supermarket floorspace.
- Development of Aldi in Gordon by 2021, contributing 1,500 sqm.
- A Harris Farms Market included in the supply in Turramurra, resulting in 1,400 sqm of supermarket floorspace in 2021.

Retail Floorspace Demand Projections

Demand for retail floorspace has been estimated from the population projections for Ku-ring-gai. Currently, an average provision of 2.2 sqm per capita of retail floorspace is provided within Australia. Of this 2.2 sqm, approximately 1.5 sqm – 1.6 sqm (or 65% – 75%) is traditional retail floorspace (i.e. excluding large format retail floorspace). The worker population of Ku-ring-gai are estimated to add a further 5% to demand for traditional retail floorspace, indicating total demand of 1.6 sqm – 1.7

sqm of traditional retail floorspace per person. This is the indicative retail floorspace demand figure.

As outlined in Section 4, some demand for retail facilities (in particular for higher order uses) is escaping the Ku-ring-gai LGA, particularly to large regional shopping centres at Chatswood, Macquarie Park, Brookvale and Hornsby. As such, a retention rate for floorspace demand has been applied to each sub-catchment area, depending on the quality of existing facilities, proximity/access to facilities beyond the Ku-ring-gai LGA etc. Overall a figure of 62% retention across the Ku-ring-gai LGA should be achieved, reflecting:

- The catchment area is deemed appropriate and is considered unlikely to expand given the current and future network of centres beyond the Ku-ring-gai LGA.
- Total retail floorspace in the Ku-ring-gai LGA is currently estimated at 95,928 sqm, or 0.75 sqm per person. This is less than half the indicative retail floorspace demand figure of 1.65 sqm per person.
- In reality for the Ku-ring-gai LGA, at least 1 sqm per person, or around 62% should be retained locally.
- Retail facilities in the Ku-ring-gai LGA theoretically could sustain this proportion of retail floorspace demand as most supermarket, convenience and food catering spending should be retained; high levels of leisure, general and retail services spending should be undertaken locally; lower levels at less than 30% of non-food spending including department store, discount department store, apparel and households spending could be retained as there are no large non-food based shopping centres with these types of centre located outside the Ku-ring-gai LGA. This equates roughly to 1 sqm per capita.

As such, the current demand for traditional retail floorspace is estimated to be approximately 131,200 sqm, increasing to 158,300 sqm of retail floorspace demanded by 2036.

Gap Analysis

Table 7.3 shows the estimated future projected demand and supply from 2019 to 2036. There is an undersupply of retail floorspace in the LGA of 35,000 sqm in 2019, increasing to approximately 58,000 sqm in 2036.

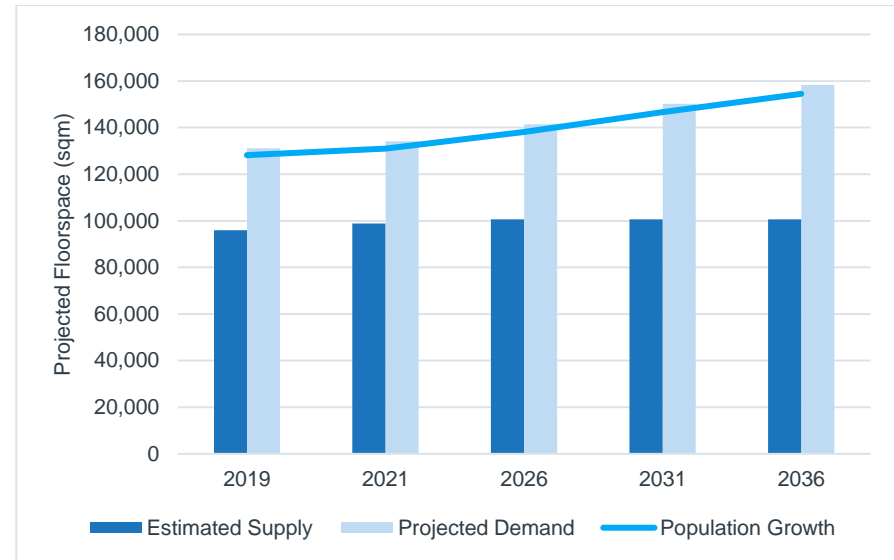
This growing undersupply of retail floorspace is mainly due to the deteriorating quality of existing floorspace, undersupply of supermarkets, and lack of regional and sub-regional shopping centres in the LGA, thus residents leaving the area to shop in neighbouring centres for their higher-order shopping needs.

Table 7.3: Retail Floorspace Gap Analysis, 2019-2036

sqm	2019	2021	2026	2031	2036
Projected Demand					
Ku-ring-gai LGA	131,200	134,200	141,500	150,200	158,300
Projected Supply					
Lindfield	20,416	20,416	22,190	22,190	22,190
Gordon	27,942	29,450	29,450	29,450	29,450
Turrumurra	19,850	21,250	21,250	21,250	21,250
St Ives	27,720	27,720	27,720	27,720	27,720
Total Supply	95,928	98,836	100,610	100,610	100,610
Under/Oversupply	-35,272	-35,364	-40,890	-49,590	-57,690

Source: AEC / Location IQ

Figure 7.4: Traditional Retail Floorspace Demand and Supply Projections, 2019-2036



Source: AEC/Location IQ

7.4 COMMERCIAL FLOORSPACE DEMAND AND SUPPLY PROJECTIONS

Commercial Floorspace Supply Projections

The commercial floorspace audit indicated that there was a total of approximately 190,000 sqm of existing and vacant floorspace in the commercial centres.

Table 7.4: Commercial Floorspace in Ku-ring-gai by Sub-Catchment, 2019

Supply (sqm)	Existing	Vacant	Total
Lindfield	22,266	2,682	24,948
Gordon	97,658	20,795	118,454
Turrumurra	26,043	6,440	32,483
St Ives	11,461	1,510	12,970
Ku-ring-gai LGA	157,427	31,427	188,855

Source: AEC

Commercial Floorspace Demand Projections

Demand for commercial / office floorspace has been projected using ratios of GFA per employee for each of the industries modelled. Overall an additional 42,000sqm of commercial floorspace is demanded in Ku-ring-gai between 2019 and 2036.

Gap Analysis

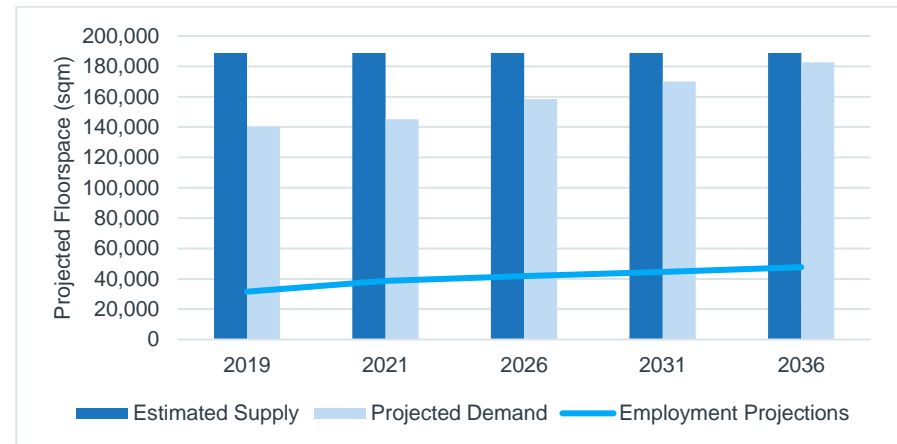
Table 7.5 shows the estimated future projected demand and supply from 2019 to 2036. In aggregate, there is sufficient commercial floorspace to meet projected demand to 2036.

Table 7.5: Commercial Floorspace Gap Analysis, 2019-2036

sqm	2019	2021	2026	2031	2036
Projected Demand					
Ku-ring-gai LGA	140,156	145,132	158,324	169,966	182,592
Projected Supply					
Lindfield	24,948	24,948	24,948	24,948	24,948
Gordon	118,454	118,454	118,454	118,454	118,454
Turrumurra	32,483	32,483	32,483	32,483	32,483
St Ives	12,970	12,970	12,970	12,970	12,970
Total Supply	188,855	188,855	188,855	188,855	188,855
Under/Oversupply	48,699	43,723	30,530	18,888	6,263

Source: AEC

Figure 7.5: Commercial Floorspace Demand and Supply Projections, 2019-2036



Source: AEC

7.5 IMPLICATIONS FOR KU-RING-GAI

Table 7.6 summarises the projected over or under supply of retail and commercial floorspace within the Ku-ring-gai LGA over the period to 2036.

Table 7.6: Summary of Floorspace Gap Analysis, 2019-2036

	2019	2021	2026	2031	2036
Oversupply/(Undersupply)					
Retail	-35,272	-35,364	-40,890	-49,590	-57,690
Commercial/Other	48,699	43,723	30,530	18,888	6,263

Source: AEC/Location IQ

Retail floorspace in the Ku-ring-gai LGA is currently estimated to be undersupplied by approximately 35,000 sqm. This shortfall is projected increase to almost 43,000 sqm by 2036. However, fragmentation of land and ownership, high land costs and modest planning controls are restrictive for development within Ku-ring-gai’s centres. Certain areas of the local centres have very low FSR’s i.e. 1:1 and are not conducive to any redevelopment. In addition, within the LEP are restrictions of retail or commercial development on certain land within the local centres, as well as the restriction of neighbourhood supermarkets to a maximum of 1,000 sqm in B1 Neighbourhood Centre zoned areas. From past feasibility studies, it was identified that much higher density controls from FSR 3:1 (and up to FSR 6.5:1) would be required to displace development in existing B2 Local Centre zoned areas dominated by retail and commercial buildings.

Conversely, the current quantum of commercial and other non-retail floorspace is estimated to be sufficient to meet projected demand until 2036. The issue with commercial within Ku-ring-gai is not whether there is sufficient supply, but the whether the quality of supply is of the standard where tenants would want to take up the space. High vacancies have been observed during the floorspace audit in freestanding commercial buildings in Pymble Business Park and Gordon. These buildings are observed to be outdated, with poor transport connectivity (particularly in Pymble Business Park). If the quality of buildings continues to deteriorate, there is a possibility of businesses relocating to neighbouring commercial centres such as Macquarie Park or even taking up tenancies within retail centres of the LGA.

Analysis of retail floorspace type is undertaken below to assess the potential for various retail facilities throughout the LGA and the likely location where such facilities should be provided.

Department stores

There are no department stores in the LGA. Typically, around 200,000 persons are required to support one department store, indicating a department store is **unlikely to be supportable** within the Ku-ring-gai LGA, given that the population is only projected to reach 154,500 by 2036.

Discount Department Stores

There are no discount department stores in the LGA. Approximately 50,000 persons are typically required to support one discount department store, indicating demand for 2 - 3 stores. However, in Ku-ring-gai, it may be difficult to secure one or more discount department stores given the surrounding network of discount department stores outside the LGA and also the large floor plate requirement. Ideally, any discount department store would be co-located with the existing larger retail facilities, most likely in one of the four Primary Local Centres.

Most of these centres, however, are relatively landlocked in terms of future development potential and a discount department store may not be the highest and best use in any regards. Concentrating higher order facilities in one location will create destinational appeal and prevent the fragmentation of retail across multiple locations, thereby minimising the duplication of tenants, multiple car trips to undertake a complete shop, reduce car parking requirements etc.

Although the inclusion of a discount department store may not be feasible for a developer, allowance should still be made for the possibility of a discount department store tenants within the Ku-ring-gai LGA. Ideally, Gordon would be the recommended location given the concentration of facilities and the central location to the population of the Ku-ring-gai LGA. St Ives would possibly be a less desirable location as it is not as central, however, St Ives is currently the highest trading shopping centre in the Ku-ring-gai LGA, has a large site and has strong destinational appeal for the surrounding population.

Supermarkets

The existing provision of supermarket floorspace across the Ku-ring-gai LGA is lower than the metropolitan Sydney and Australian benchmark.

It is understood that supermarkets within the Ku-ring-gai LGA and the surrounding area on the North Shore of Sydney generally trades strongly, at levels well above the Australian benchmark of \$9,000 - \$10,000 per sqm. This reflects the under supply of supermarket floorspace provision for a large, established, family-based population.

Typically, one major full-line supermarket (i.e. 3,200 sqm or larger) that is most commonly operated by Woolworths and Coles, requires a catchment population of approximately 8,000 – 10,000 persons in order to be sustainable. This indicates that 13 full-line supermarkets are currently supportable within the Ku-ring-gai LGA, increasing to 15 full-line supermarkets by 2036 (Base Case).

Currently, there are only ten supermarkets (i.e. 500 sqm in size or larger) within the Ku-ring-gai LGA with only two of these supermarkets of 3,000 sqm in size or larger, namely Woolworths at Gordon Centre and Woolworths at St Ives Shopping Village. The Turramurra Community Hub Masterplan and Lindfield Village Hub projects will also facilitate the provision of additional full-line supermarkets.

In terms of brand representation, IGA has five supermarkets; Coles has three supermarkets; and Woolworths has two supermarkets. Woolworths supermarkets total a combined 6,528 sqm, or an average store size of 3,264 sqm. Coles stores in combination total 5,670 sqm, with an average floorspace of 1,890 sqm; with IGA stores totalling 3,907 sqm, with an average floorspace of 781 sqm.

There are currently no Aldi supermarkets within the Ku-ring-gai LGA although a store has received development approval at Gordon. Typically, Aldi require a catchment population in the order of 15,000 – 20,000 per store. On this basis, the Ku-ring-gai LGA could currently accommodate 6 – 8 Aldi stores.

Costco could also be considered with no outlets currently on the North Shore of Sydney. It is understood that Costco target population catchments of 1 million persons indicated that if Costco was provided, it would have to be a high-profile location able to serve the wider region population. Costco requires large site area of

around 20,000 sqm assuming basement/undercroft/rooftop car parking or around 50,000 sqm assuming on grade car parking.

There are some 750,000 persons in the combined LGAs of Ku-ring-gai, Northern Beaches, Hornsby, Willoughby and Ryde. Costco would also likely be interested in an outlet on the North Shore of Sydney, although, the large site requirement maybe difficult. It is unlikely that the B1 or B2 centre zones would be able to accommodate this scale of facility. The B7 Business Park land, which totals some 130,000 sqm, is the only likely other option. However, it is currently observed to be fully occupied with no large vacant landholdings as Bunnings Warehouse was recently approved at the former 3M site which totals around 17,000 sq. km.

Future additional supermarket floorspace could be provided in the following formats:

- Expand existing Woolworths and Coles supermarkets where appropriate which would further strengthen the supermarket offer and also provide complementary flow-on benefits for surrounding facilities in these locations. Of high priority are Lindfield (Coles expansion approved), Turramurra and St Ives. A redevelopment of Gordon Centre should also be encouraged with Woolworths modernised to a new store format.
- Ideally any new full-line supermarket should be co-located with other supermarket facilities, to allow for the creation of a 'fresh food destination' which can support a provision of fresh food specialty retailers. Examples would include Gordon, Turramurra, Lindfield, and St Ives.
- Outside of these existing established larger supermarket locations, other possible identified supermarket opportunities include Roseville, Killara, and West Pymble.
- Aldi also often co-locate with full-line supermarkets given that they do not offer a complete range, and customers top up their shop at major supermarkets. Free-standing and strip locations also suit Aldi given their destination appeal, although this separates the supermarket retail offer and can result in issues around impacts on incumbents and traffic generation in local neighbourhood

areas. Aldi could also potentially replace poor performing existing Supa IGA stores within the region.

- Of the smaller IGA based centres, expansions should be encouraged at North Turramurra and West Pymble.

Large Format Retail

In Australia, there is around 2.2 sqm of retail floorspace provided for every resident. Of this 2.2 sqm, approximately 30% is estimated to be in large format retail floorspace, or around 0.7 sqm of large format retail floorspace per person.

Applying this benchmark to the population of the Ku-ring-gai LGA would indicate demand for around 89,800 sqm of large format retail floorspace currently, increasing to 108,200 by 2036 (Base Case).

The existing floorspace supply within the Ku-ring-gai LGA is approximately 1,600 sqm, indicating that the market is significantly under-supplied by around 88,200 sqm currently. Over the period to 2036, the only known future large format retail developments within the Ku-ring-gai LGA is a Bunnings Warehouse of 15,000 sqm as part of the Pymble Business Park. Taking this into consideration, there would still be an under supply of large format retail floorspace of approximately 91,600 sqm by 2036.

It will be critical to locate any future large format retail floorspace in a high-profile site with main road exposure and convenient car parking. Co-locating with or close to existing large format retail facilities would add destination appeal for cross-shopping purposes. To this end, the Pymble Business Park is likely to reflect the most high-profile location adjacent to a new Bunnings Warehouse. However, this may be at odds with the employment uses within this precinct and it is also worth noting that there is limited other significant commercial and related employment lands across the Ku-ring-gai LGA.

Cinemas and Entertainment

The Ku-ring-gai LGA is currently undersupplied by around seven cinema screens. Over the period to 2036, this undersupply is projected to increase to 12 - 13 screens. This analysis is based only on demand generated by local residents.

It is important to note that a number of cinema complexes with a significant number of screens are provided immediately outside the Ku-ring-gai LGA at Chatswood, Macquarie, Hornsby, and Top Ryde.

Typically, major cinema complexes comprise around 6 – 10 screens. On this basis, a new or expanded cinema complex could be supported within the Ku-ring-gai LGA. The most successful cinema developments in recent years are co-located with an integrated dining precinct. This type of offer is not currently provided within the Ku-ring-gai LGA with the existing two screen cinema complex at Roseville being located within the strip along the Pacific Highway. A relatively high proportion of Ku-ring-gai LGA resident cinema and entertainment spend is currently escaping to the larger regional shopping centres.

Entertainment type facilities which are not currently provided within the Ku-ring-gai LGA include; indoor rock climbing, kids soft play, mini-golf, and a trampoline park. These types of uses would likely resonate well with both local residents and reduces travel times to similar facilities that are situated outside of the Ku-ring-gai LGA.

The ideal location for such facilities would be in proximity to higher order retail facilities in order to create a major destination for shopping and entertainment and support additional non-food floorspace. This type of precinct would benefit retailers by extending hours of activation at the centre and increase centre visitation levels.

On this basis, it is most likely that a cinema complex would be suitable at Gordon or St Ives given these are the highest profile locations; have the largest provision of existing facilities; and the highest trading locations in the Ku-ring-gai LGA.

The location of other entertainment facilities within the Ku-ring-gai LGA is dependent on the particular use. For example, kids soft play centres, rock climbing and trampoline parks typically require large boxes, paying lower rents and as such, tend to locate in free-standing locations in industrial/business parks such as Pymble Business Park.

8. ACCOMMODATING GROWTH

8.1 POPULATION SENSITIVITY ANALYSIS

A sensitivity analysis around the projected population levels has been undertaken:

- A **high growth** scenario that assumes an average annual population growth rate of 1.5% over the period from 2019 to 2036.
- A **low growth** scenario that assumes an average annual population growth rate of 0.7% over the period from 2019 to 2036.

Table 8.1 provides a summary of the population projections based on the sensitivity analysis, and the translation to floorspace demand.

Table 8.1: Ku-ring-gai Population and Traditional Retail Floorspace Demand Sensitivity Analysis, 2019-2036

	2019	2021	2026	2031	2036
Population Scenario					
Low Series	128,190	129,200	134,350	140,150	144,650
Base Case	128,190	131,000	138,200	146,600	154,500
High Series	128,190	133,000	142,100	152,950	163,900
Floorspace Demand					
Low Series	131,200	132,200	137,500	143,400	148,100
Base Case	131,200	134,200	141,500	150,200	158,300
High Series	131,200	136,200	145,500	156,700	168,000

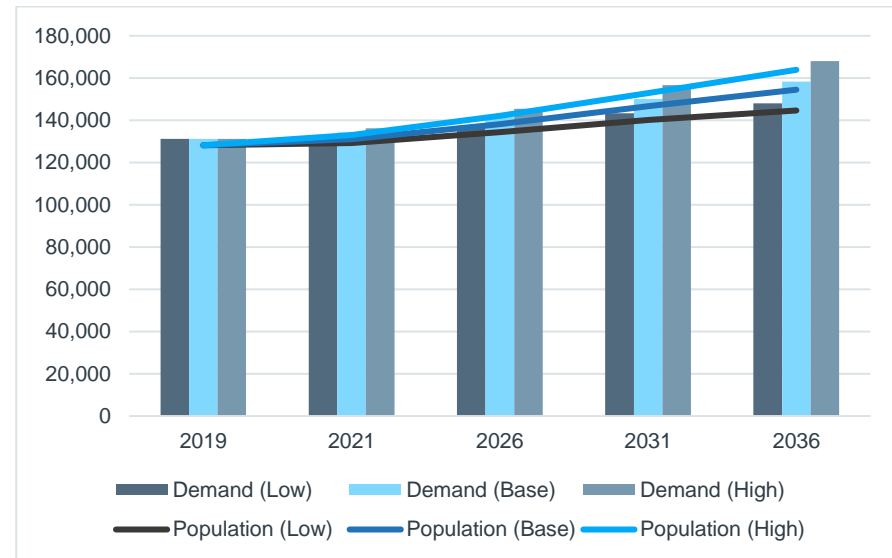
Source: AEC/Location IQ

The following observations can be made:

- Under the low growth scenario, the projected population growth over the period to 2036 is 16,460 persons or 9,850 persons lower than the base case. This translates to an additional demand of 16,900 sqm of retail floorspace between 2019-2036, which is 10,200 sqm less than the base case.
- Under the high growth scenario, the projected population growth over the period to 2036 is 35,710 persons, or 9,400 persons higher than the base case. This

translates to an additional demand of 36,200 sqm of retail floorspace between 2019-2036, which is 9,700 sqm less than the base case.

Figure 8.1: Ku-ring-gai Population and Retail Floorspace Demand Sensitivity Analysis, 2019-2036



Source: AEC/Location IQ

Gap Analysis

Table 8.2 outlines the projected undersupply of traditional retail floorspace within the Ku-ring-gai LGA over the period to 2036 under the different growth scenarios. The floorspace supply includes planned developments as outlined previously in section 6.3.

As shown, the Ku-ring-gai LGA is projected to be undersupplied with traditional retail floorspace by between approximately 47,500 sqm to 67,400 sqm by 2036.

Table 8.2: Traditional Retail Floorspace Undersupply in Ku-ring-gai, 2019-2036

	2019	2021	2026	2031	2036
Oversupply/(Undersupply)					
Low Series	-35,272	-33,364	-36,890	-42,790	-47,490
Base Case	-35,272	-35,364	-40,890	-49,590	-57,690
High Series	-35,272	-37,364	-44,890	-56,090	-67,390

Source: AEC/Location IQ

8.1.1 Updated Population Projections and Implications to the Strategy

Floorspace modelling in this Strategy uses the population projections from Department of Planning and Environment which were released in 2016. In December 2019, DPIE released new population projections. As the floorspace modelling was already completed at the time of the new projections release, this section compares the two datasets to determine the impact of the new projection numbers on Ku-ring-gai’s retail floorspace demand.

Table 8.3 Comparison between 2016 and 2019 DPIE Population Projections

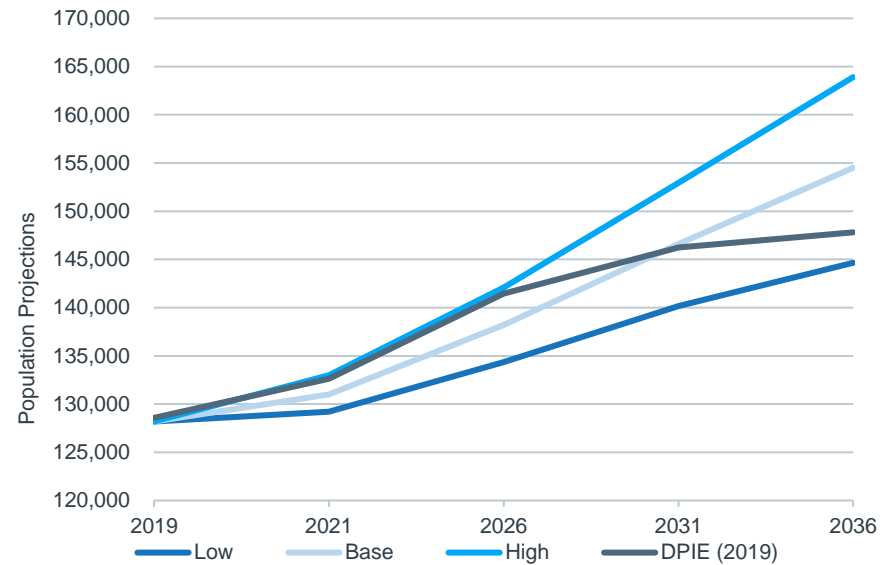
	2016	2019	2021	2026	2031	2036
Base Case	128,190	128,190	131,000	138,200	146,600	154,500
DPIE (2019)	128,571	128,571	132,637	141,468	146,242	147,809
Difference	381	381	1,637	3,268	-358	-6,691
Difference (%)	0.3%	0.3%	1.2%	2.4%	-0.2%	-4.3%
Floorspace (sqm)	390	390	1,675	3,343	-366	-6,845

Source: DPE (2016), DPIE (2019), AEC

From Table 8.3, the 2019 projections are higher than the original projections between 2019 and 2026. From 2031 onwards, population is projected to grow at a slower rate than originally projected in 2016. The difference in population projection ranges from -4.3% to 2.4%. Translating this to floorspace, demand for retail floorspace will increase by approximately 390 sqm to 3,400 sqm over and above the original projected retail floorspace demand until 2026. From 2031, demand for retail floorspace is 370 sqm and 6,800 sqm less than the original projected demand in the Strategy.

Figure 8.2 shows the 2019 DPIE population projections compared to the alternate growth scenarios modelled in Section 7. When compared to these alternate growth scenarios, the 2019 DPIE projections are more aligned to the population projections per the high growth scenario between 2019 to 2026, and then trailing off to align with the base case in 2031 and then slightly higher growth than the low scenario in 2036.

Figure 8.2: Population Projections, All Alternate Scenarios (2019– 2036)



Source: AEC

Whilst the updated population projections do not result in a significant variance in the projected retail floorspace demand, it highlights the need to regularly review and reassess the growth within the LGA. Population projections for 20 years into the future may not always be accurate due to unknown circumstances and events that could drive population change. The provision of infrastructure, activity in neighbouring centres and housing trends in Ku-ring-gai may all impact the population growth in the future. Council must be cognisant of these influencing factors and regularly evaluate the quantity as well as the quality of the supply of retail and commercial land in the LGA.

9. RECOMMENDATION FOR CENTRES

9.1 IMPLICATIONS OF STATUS QUO

The perfect storm in the retail sector has caused many retailers go into administration or to exit the market. This has increased pressure on owners and developers and increased vacancy rates in less desirable areas. Given the age, typology and amenity on offer in the LGA, we are likely to see this vacancy rate grow from the current base which is already very high.

Commercial tenants are also looking for co-location opportunities for their businesses like tech, banking and medical precincts. Without a significant investment in the LGA by large corporations, it is unlikely that we will see colocation opportunities. The lack of large tenants and co-locating smaller tenants will lead to increased vacancy from an already high base vacancy base.

Retail and commercial sites are too expensive in the current market to consolidate for regeneration or/and redevelopment, as they will only yield more or improved commercial and retail premises with little to no capital gains in most cases. Owners and developers will not invest more capital into sites unless there are significant returns, and this relies on long term stable anchors. These anchor tenants will be driven by incentives, market fundamentals, demographics and quick development turnaround. The alignment of this is absent and therefore we are likely to see a continuation of the status quo.

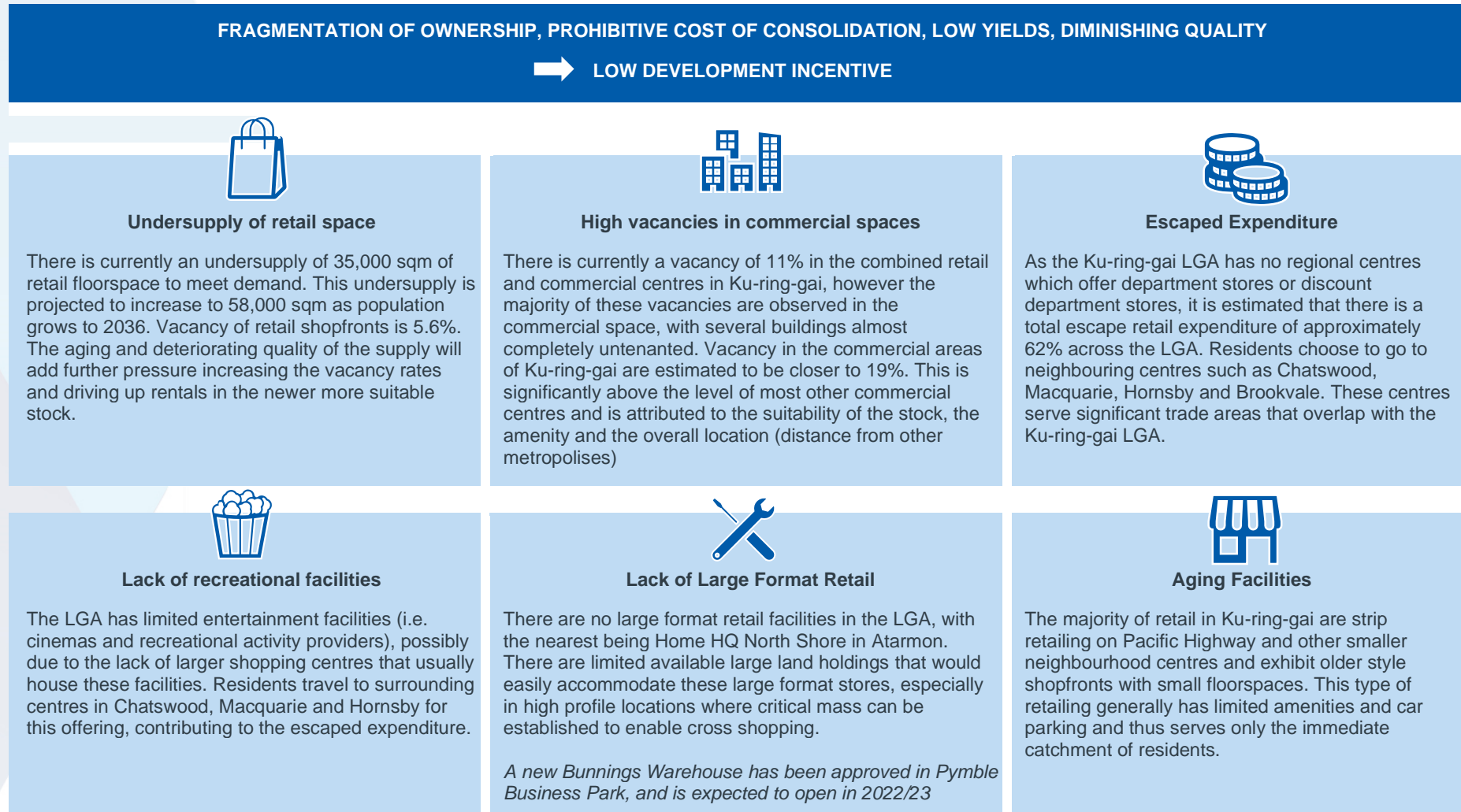
If the status quo is to remain it will likely result in the following;

- Deteriorating commercial and retail assets.
- Higher vacancies than the current already high baseline.
- Vacant and run-down buildings with no incentive for maintenance.
- An increase in escape expenditure.
- A reduction in jobs in the LGA.
- A reduction in self-containment and self-sufficiency ratios.
- Reduced investment, reduced amenity likely resulting in less security.

Whilst the projections for demand will grow, **it is unlikely that this growth will be captured within the LGA** if these issues are not addressed.



9.2 OVERVIEW OF THE KEY ISSUES



9.3 GUIDING PRINCIPLES

The retail and commercial centres in Ku-ring-gai range from 780 sqm (West Gordon) to 54,000 sqm (Gordon), with Pymble Business Park estimated to have a total GFA of 80,000 sqm. Policy recommendations for each centre plays a different role and requires a different approach. The viability and sustainability of these centres for continued economic contribution to the LGA is underpinned by their ability to:

- Provide the appropriate character, facility, and amenity in order to attract long standing tenants.
- Continually and easily regenerate and upgrade to meet the changing demands of the market.
- Cluster with other business and industries to form areas of critical mass that attract the local and external community.

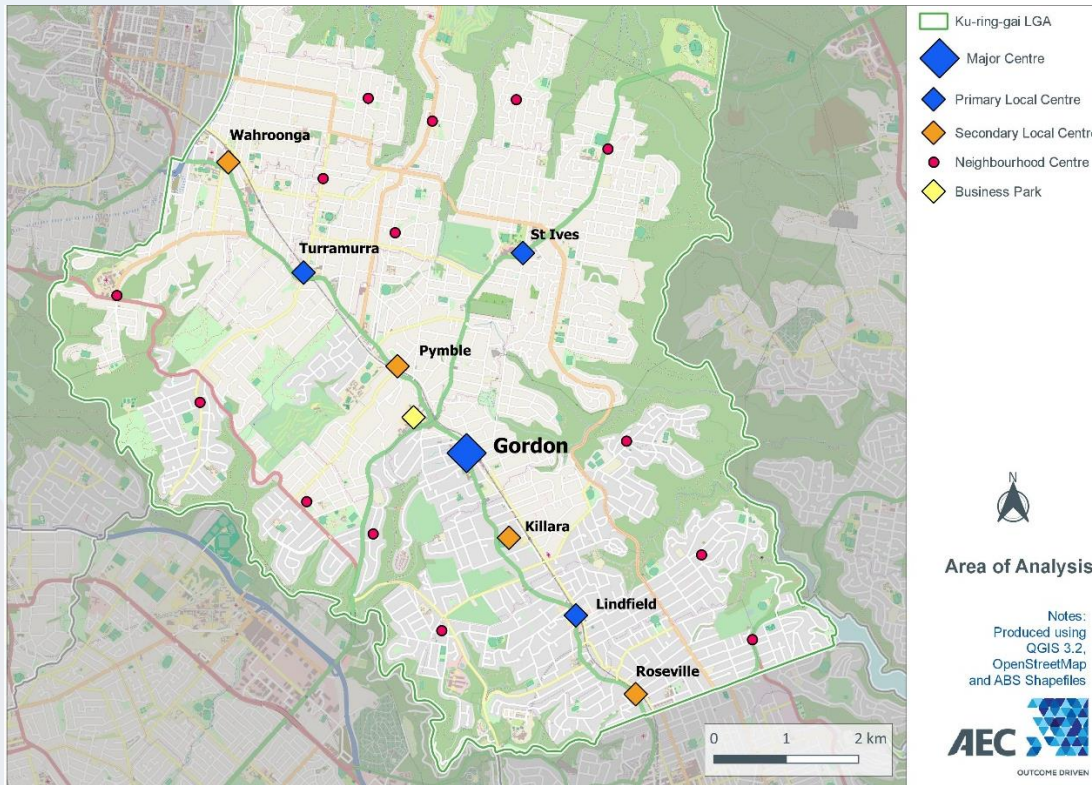
Overall, it is recommended that Council:

- Ensure that the existing retail provision is not substituted by other usages. However, given the deteriorating nature of the stock, the high vacancy rate and retail redevelopment being unfeasible, Council must encourage redevelopment by including other usages to increase viability whilst maintaining the baseline retail provision.
- Ensure that the overall quantity of retail provision increases over time in accordance with the projections highlighted in this report.
- Ensure that it addresses the challenges of the aging and diminishing quality of commercial centres by allowing a flexible approach for other usages other than just corporate offices.
- Provide the appropriate infrastructure, streetscape amenity and security to ensure that these centres are sustainable.



9.4 CENTRES HIERARCHY

The recommended centres hierarchy is detailed in Figure 9.1: Recommended Centres Hierarchy

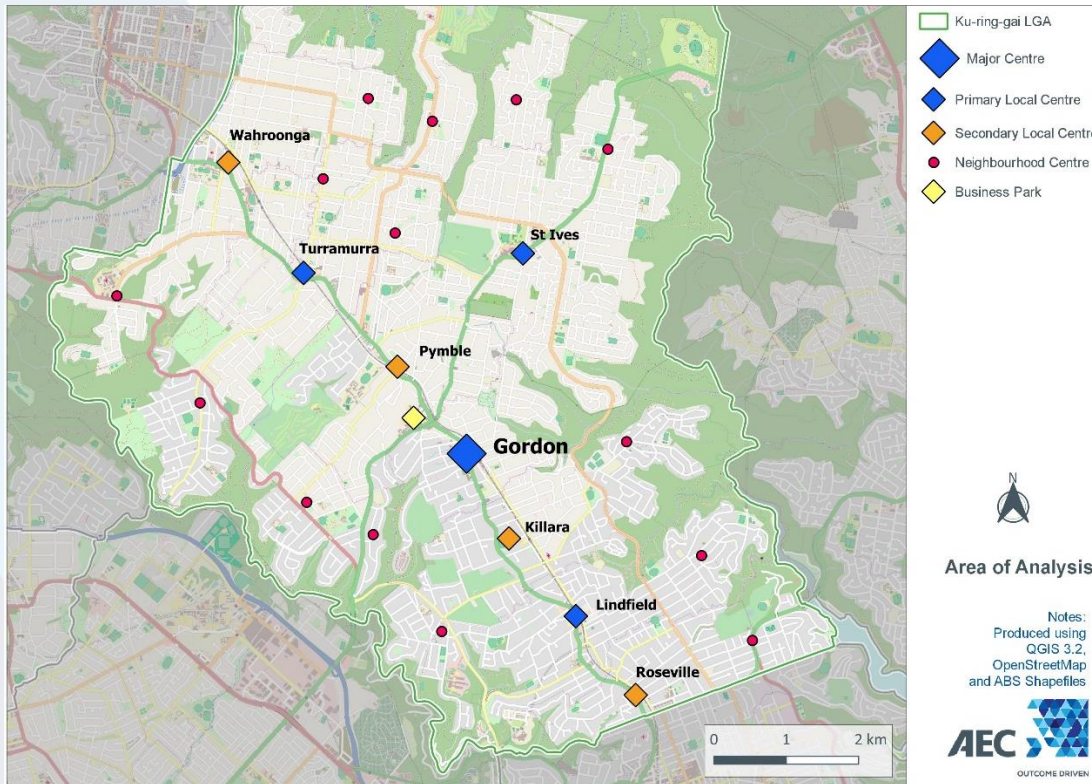


Source: AEC

Table 9.1 below. The hierarchy provides a clear definition to the vision, role, and function of the centres within the Ku-ring-gai LGA to ensure that development in one centre does not conflict with another centre higher in the hierarchy. It builds on the centres hierarchy as defined by the GSC, providing a more local approach to defining retail and commercial centres. The assessment of future development proposals should make reference to the recommended hierarchy and out-of-centre development should be discouraged.

The network of retail and commercial centres must be resilient to respond to the social and economic changes. Review of the strategy and regular monitoring to identify growth and decline of centres is critical to enable Council to appropriately respond and take action to maximise community benefit for the residents, workers, visitors, and investors of Ku-ring-gai.

Figure 9.1: Recommended Centres Hierarchy



Source: AEC

Table 9.1: Recommended centres hierarchy

Hierarchy	Centres	Future Role
Major Centre	Gordon	<p>The major centre is the civic, cultural and commercial heart and the highest order centre in the LGA. It provides the largest mix of retail, commercial, administrative and community facilities.</p> <p>The major centre caters to the needs of the local and regional population in a location serviced by high levels of accessibility and where different modes of public transport interconnect. The diverse range of activities, alongside higher density residential development and community facilities supports a thriving local economy and a vibrant centre.</p>
Primary Local Centres	St Ives Lindfield Turramurra	<p>Primary local centres provide access to local goods, services and employment opportunities and serve the needs of the surrounding community in a highly accessible location.</p> <p>These centres are anchored by a full-line supermarket and offers a range of convenience shopping and comparison retailing, health and professional services and commercial offices. The inclusion of higher density residential development and community facilities creates a lively place for residents and visitors to meet, live and socialise.</p>
Secondary Local Centre	Wahroonga Roseville Pymble Killara	<p>Secondary local centres provide a range of retail and commercial services that serve the local community. These centres have excellent access to public transport as they are anchored by railway stations and provide convenience shopping and services to both passengers in transit and local residents.</p>
Neighbourhood Centre	Fox Valley, Wahroonga North Turramurra West Pymble West Lindfield Roseville Chase North St Ives Princes Street, Turramurra East Killara St Ives Chase East Lindfield South Turramurra North Wahroonga Eastern Road, Turramurra West Gordon	<p>Neighbourhood centres provide for daily household shopping needs, community facilities and a small range of other convenience services. These centres are surrounded by housing and residential development to improve walkability and have an important role in meeting most of people’s basic everyday needs within a walking catchment to encourage reduction of car use</p> <p>Neighbourhood centres are generally characterised by a small cluster of shops and comprise less than 2,000 sqm of overall floorspace.</p>
Specialised Precinct	Pymble Business Park	<p>Business parks provide an accessible location to accommodate a range of industries, large format retailing and business activities. The primary aim is to provide employment generating activities to encourage growth in the local community and provide job opportunities to cater for a range of skills and qualifications.</p>

Source: AEC

9.4.1 Vision for the Centres

The vision for the centres is to provide a broad range of shops and services and contain lively urban village spaces and places where people can live, work, shop, meet and spend leisure time.

9.4.2 Recommendations

The recommendations from this study are set out below, having regard to the objectives of the study and the key issues facing Ku-ring-gai. These recommendations will assist Council in the revitalisation of the centres and provide opportunities to meet the growing community's retail, services and recreation needs. Table 9.2 sets out the recommendations specific for each centre.

1. Promote mixed-use developments in the centres whilst mandating minimum levels of commercial and retail.

Facilitating and promoting new retail and commercial opportunities as part of mixed-used developments within the centres, will catalyse the revitalisation and redevelopment of the centres whilst maintaining an appropriate mix of retail and commercial floorspace. Mixed use will also enable developers to overcome high costs of land consolidation and development constraints, provided there is sufficient scale to subsidize asset classes that have poor returns.

2. Investigate increases in FSR and Building Heights within the B2 Local Centre zones.

FSR and Building Height planning controls vary within the centres from 1:1 to 3:1, and from 9.5m to 26.5m, within the B2 Local Centre zones. Certain areas of the local centres still have very low FSRs and are not conducive to any redevelopment. Additional heights may facilitate the quantum of residential as shop top housing to meet housing targets but will also increase the potential viability of development.

3. Provide a flexible approach to planning controls

Planning controls should facilitate opportunities of expansion and growth within the centres. Flexible planning controls are key to assisting industries and businesses as they continue to transition in a time of structural economic change. An inability to

meet business need will invariably result in high levels of vacancy and undermine viability and sustainability.

Large premises that may be vacated by businesses can struggle to be re-absorbed by the market unless they are able to be adapted and repositioned, in many cases as a number of smaller tenancies. In some cases, owing to existing construction and building configuration, flexibility in approvals could be crucial to feasibility

4. Provide incentives for investment

Development and capital expenditure on retail and commercial facilities is considered financially unviable. Council incentives may provide a sufficient subsidy for this to be overcome. Council must look at the promotion of these centres to developers, business occupiers and retailers. As part of this promotion, Council should consider:

- Marketing campaign and collateral; including providing the market with the "list of opportunities" within the LGA.
- Waivers for development contributions and other "costs" as financial incentives.
- Council capital investment and expenditure programmes for development, infrastructure, beautification, amenity, and security.
- Continue to engage with the local businesses and key stakeholders to help Council to deliver conditions to create jobs, attract investment and support the growth of the LGA.
- Advocate for capital funding envelopes, subsidies, and dispensation in order to attract large corporate businesses or retailers that can create critical mass to regenerate a commercial or retail centre.

5. Facilitate the improvement of the retail offering.

By providing amenity, security and more attractive streetscapes, Council can facilitate the setting for retail to organically grow and potentially thrive. The widening of footpaths can facilitate outdoor dining opportunities to create a lively and vibrant environment. An aging population will also need to be served by accessible and safe streetscapes.

6. Encourage entertainment facilities in the centres higher up in the hierarchy to create a night-time economy.

The provision of entertainment facilities in the Ku-ring-gai LGA will address the amount of resident cinema and entertainment spend currently escaping to other larger regional shopping centres.

The ideal location for such facilities would be in proximity to higher order retail facilities, in order to create a major destination for shopping and entertainment and support additional non-food floorspace. This type of precinct would benefit retailers by extending hours of activation at the centre and increase centre visitation levels.

On this basis, it is most likely that a cinema complex would be suitable at Gordon or St Ives, given these are the highest profile locations have; the largest provision of existing facilities; and the highest trading locations in the Ku-ring-gai LGA.

7. Prioritise unlocking major developments of Gordon Centre and St Ives Shopping Centre

As the major centre, Gordon should be positioned to have the ability to service the majority of population growth with high quality accessibility and high levels of amenity. Opportunities that provide Gordon with greater scale will catalyse the regeneration of the centre. A range of facilities and services should be provided in Gordon including an expansion of retail and commercial, civic and community facilities.

St Ives is identified to have the least development constraints as it is not intersected by the Pacific Highway, and as such additional retail facilities can more easily be accommodated in this centre.

Council's main role in this recommendation is to engage with key landowners of the Gordon and St Ives centres to encourage redevelopment by providing flexibility in planning controls and processes for potential developments that will ultimately provide a greater scale of retail and commercial floorspace.

8. Prioritise a Study on Pymble Business Park to update or rezone the Business Park to allow for specialised retail, or mixed-use residential developments to occur.

Pymble Business Park faces challenges of high vacancies, deteriorating quality of buildings, transport connectivity issues, and a steep landscape. Although Ku-ring-gai has a long-standing policy which prohibits retailing and residential from Pymble Business Park, the lack of development, low take-up rates and aging buildings within the Park indicates that a change in the land use should be considered to better accommodate growth in the LGA. In the face of pressure for residential development as the most financially attractive option, it is important that Council takes a clear position to either maintain its position on its policy to retain land for employment uses, or, to update or change policy to accept a mix of uses.

Further investigations into Pymble Business Park should be prioritised to determine the opportunities, trade-offs and ultimate impacts of allowing specialised, large-format retail and/or mixed-use residential developments for this precinct. Despite overarching strategic objectives relating to the protection and retention of urban services land, Pymble Business Park in its current state is not expected to continue to be able to serve this purpose into the future. The office market is experiencing softening conditions, and neighbouring commercial markets are more attractive due to the significant investments planned for its centres (i.e. Macquarie Park and Chatswood).

Table 9.2: Summary of Key Recommendations for each Centre

Hierarchy	Centre	Recommendations	Actions
Major Centre	Gordon	<ul style="list-style-type: none"> • Provide higher order retail facilities that decrease escape expenditure. • Improve the quality of the retail offering. • Address future retail undersupply by providing additional supply. • Improvement to the attractiveness of the centre. 	<ul style="list-style-type: none"> • Prioritise the regeneration of the Gordon Centre. Allow greater scale to catalyse development. • Encourage growth and expansion of retail and commercial uses within the centre, as well as development and renewal to activate the centre. • Provide outdoor dining opportunities, particularly in St Johns Avenue with removal of car parking and widened footpaths. • Provide alternative street frontages to the highway to recreate a destination precinct. • Invest in infrastructure and streetscape, security and amenity.
Primary Local Centre	St Ives	<ul style="list-style-type: none"> • Provide higher order retail facilities that decrease escape expenditure. • Provide entertainment facilities • Improve the quality of the retail offering. • Address future retail undersupply by providing additional supply. 	<ul style="list-style-type: none"> • Prioritise the regeneration of the St Ives Centre. • Pursue the redevelopment of the car park to provide entertainment and higher order retail facilities for the St Ives centre whilst maintaining the car parking numbers. • Increase permissible FSR along Mona Vale Rd to encourage consolidation and regeneration.
	Lindfield	<ul style="list-style-type: none"> • Maintain retail supply however improve the quality. • Improvement to the attractiveness of the retail offering. • Address the issues of deteriorating quality and escape expenditure. 	<ul style="list-style-type: none"> • Allow for increase in density along Pacific Highway whilst maintaining the current retail floor space (at a minimum) to catalyse regeneration. • Provide orientation of mixed use towards the Lindfield Hub and away from the Highway. • Council to invest in infrastructure, streetscape, security and amenity.
	Turrumurra	<ul style="list-style-type: none"> • Improvement to the attractiveness of the retail offering. • Address the issues of deteriorating quality and escape expenditure. • Attract new retailers with diversified offerings to capture escape expenditure. 	<ul style="list-style-type: none"> • Provide orientation of mixed use towards the Turrumurra Hub and away from the Highway. • Investigate opportunity for Council owned land in Gilroy Lane in conjunction with adjoining landowners to deliver a new and revitalised retail precinct. • Council to invest in infrastructure, streetscape, security and amenity.
Secondary Local Centre	Wahroonga	<ul style="list-style-type: none"> • Maintain the retail supply, seek to improve the quality and the accessibility. 	<ul style="list-style-type: none"> • Council to invest in infrastructure, streetscape security and amenity.

Hierarchy	Centre	Recommendations	Actions
	Roseville	<ul style="list-style-type: none"> • Increase retail supply. • Improvement to the attractiveness of the retail offering. • Address the issues of deteriorating quality and escape expenditure by providing a more diversified retail offering. 	<ul style="list-style-type: none"> • Allow for increase in density along Pacific Highway whilst maintaining the current retail levels at a minimum to catalyse the regeneration. • Council to invest in infrastructure, streetscape, security and amenity on Hill St and Pacific Hwy.
	Pymble	<ul style="list-style-type: none"> • Improvement to the attractiveness of the retail offering. • Address the issues of deteriorating quality and escape expenditure by providing a more diversified retail offering. 	<ul style="list-style-type: none"> • Allow for increase in density along Grandview St whilst maintaining the current retail floor space (at a minimum) to catalyse regeneration. • Council to invest in infrastructure, streetscape, security and amenity.
	Killara	<ul style="list-style-type: none"> • Improve the attractiveness of the retail offering and address the issue of accessibility 	<ul style="list-style-type: none"> • Allow for more density along the Pacific Hwy. • Allow for mixed use to create human density which will underpin the retail demand.
Neighbourhood Centre	Fox Valley, South Wahroonga	<ul style="list-style-type: none"> • Address high vacancy rates. • Attract expenditure from other LGA's and retain expenditure from the Ku-ring-gai LGA on medical. 	<ul style="list-style-type: none"> • Promote medical facilities and medical offices on Fox Valley Way.
	Other neighbourhood centres (West Lindfield, North Turramurra, West Pymble etc).	<ul style="list-style-type: none"> • Maintain the retail supply, seek to improve the quality and the accessibility. 	<ul style="list-style-type: none"> • Council to invest in infrastructure, streetscape security and amenity.
Business Park	Pymble Business Park	<ul style="list-style-type: none"> • Address oversupply by encouraging different types of demand. • Seek different offerings to create vibrancy. • Regeneration and repurposing will lead to an improvement in the quality. 	<ul style="list-style-type: none"> • Encourage other commercial usages like microbreweries, art galleries and artisans. • Allow for retail usages which do not detract from the local centres such as bulky goods. • Provide flexible planning that encourages adaptive reuse, subdivision and repurposes which will drive organic growth.

Source: AEC

As noted in Section 4.9, there are many challenges identified in Pymble Business Park:

- The Business Park lacks a distinct character, with a wide variety of uses observed.
- The typography is challenge as Bridge Street is on a steep incline.
- Limited parking and egress from the Business Park can be difficult on the main roads

- High vacancies in the existing commercial stock, which are observed to be outdated and deteriorating in quality.
- Lack of opportunities for consolidation due to large parcels of land held by few landowners.

Ku-ring-gai has a long-standing policy which prohibits retailing and residential from Pymble Business Park. This framework is intended to provide a signal to the market that the designated area will be a focal area for employment and commercial growth. Whilst this aligns to the North District’s Plan to retain and protect employment lands from more financially attractive uses, the lack of development, low take-up rates and deteriorating quality of buildings within the Park indicates that a change in the land use should be considered to better accommodate growth in the LGA. In the face of pressure for residential development, it is important that Council takes a clear position to either maintain its position on its policy to retain land for employment uses, or, to update or change policy to accept a mix of uses.

Table 9.3 details the pros and cons of maintaining, updating and changing the existing policy for the B7 Business Park zoned land.

Table 9.3: Pros and Cons of Maintaining, Updating and Rezoning the B7 Business Park zoned land

	Option 1: Maintain	Option 2: Update	Option 3: Rezone
	Keep As Is	Allow Specialised Retail Premises	Allow Mixed Use Development
Overview	Retain Pymble Business Park for primarily commercial and employment purposes, and allow market to determine the future role and function of the business park	Allow for <i>Specialised Retail Premises</i> as a specific land use within the B7 land zoning. This is to include an option of using council land to provide sufficient scale for the development.	Change zoning to B4 allow for mixed use developments while maintaining a minimum amount of retail or commercial floorspace
Pros	<ul style="list-style-type: none"> • Provide consistent policy position • Retain the area for future employment uses and contribute to achieving metropolitan strategic planning objectives • Maximise employment capacity 	<ul style="list-style-type: none"> • Allows for other large format and bulky goods retailing to occur to complement the approved Bunnings Warehouse. • Council can play a key role as landowner 	<ul style="list-style-type: none"> • Stimulate more development (predominantly residential with minimum levels of retail and/or commercial) • Provide greater activation of the precinct outside business hours • Larger scale renewal of old stock
Cons	<ul style="list-style-type: none"> • High vacancies will continue • Quality of the buildings will deteriorate • Little to levels of activation outside of business hours • Amenity remains to be low 	<ul style="list-style-type: none"> • Potential increase in traffic and activity (however less than Option 3) • Lack of large landholdings in the precinct may mean these bulky goods stores are smaller in size with less offering 	<ul style="list-style-type: none"> • Increase in traffic and activity in and out of the business park • Challenging typography

Source: AEC

Option 1 of maintaining the status quo will likely result in a continued decline of the business park as a centre of employment. The decline of economic growth and the loss of jobs is not a strategy that Council should pursue. We strongly recommend that Council commission a detailed study of Option 2 and Option 3, alongside Urban Planning, Traffic Management and Economic Impact, with considerations given to the use of Council land as a potential development enabler in order to determine the most appropriate strategy for Pymble Business Park.

9.5 FUTURE SUPPLY RECOMMENDATIONS

9.5.1 Retail Floorspace Recommendations

By 2036, the following provision of additional floorspace above the current planned developments can be supported, with the lower end of the range based on official populations only, and the upper range assuming the higher population projections:

- **Traditional retail:** approximately 27,000 sqm to 37,000 sqm.
- **Large Format Retail:** approximately 90,000 sqm.
- **Cinemas & Entertainment:** 6 – 8 cinema screen complex (approximately 3,500 sqm); other uses not current provided, including indoor recreational e.g. trampoline park, rock climbing etc. (up to 3,000 sqm).

Table 9.4 summarises the recommended provision of additional retail floorspace which is supportable within the Ku-ring-gai LGA in five-year increments over the period to 2036. **The floorspace recommendations however are not additive** e.g. if a discount department store is added in Gordon, a second store is unlikely to be provided at St Ives. The table provides indicative recommendations as to the potential locations for future retail floorspace only.

Some centres are land constrained and are unlikely to accommodate additional retail floorspace, however for the purposes of this analysis the potential to support additional retail floorspace, regardless of development constraints is identified. Key points to note are:

- Discount department stores and other large major and mini-majors that are normally present in larger shopping centres should be encouraged in Gordon and St Ives. These types of uses should be limited across the other centres to protect the higher order centres in the retail hierarchy.
- A critical factor for the successful development of retail floorspace is securing quality, national brand tenants. To act as a draw for customers from the broader region, which will generate flow on traffic to smaller surrounding retailers. To this end, it is essential to co-locate higher order retail facilities together in the same centre or precinct.

- Entertainment uses such as a new multi-screen cinema complex and other shopping centre type entertainment uses should be encouraged in Gordon and St Ives, and to a lesser degree Lindfield and Turramurra.
- Peripheral entertainment and leisure uses such as a trampoline park, rock climbing, kids soft play etc. over time are to be encouraged in areas that large floorplates can be secured, most likely at the Pymble Business Park.
- Larger, modern supermarkets in the four Primary Local Centres should be encouraged. Aldi sites should also be encouraged in there and possibly other larger centres where the hierarchy would not altered.
- Turramurra and Lindfield should emerge as more significant convenience and everyday retail precincts with a mix of supermarket (Woolworths, Coles, IGA and Aldi) and complementary shops.
- Smaller centres such as Roseville, West Pymble and Fox Valley could also accommodate smaller supermarket offers (less than 2,000 sqm), most likely IGA or Aldi.
- Other smaller centres will have limited capacity to expanded and should continue to focus on serving localised catchments only.
- A provision of large format retail floorspace could be supported over the next 25 years, however there may be limited land to accommodate such uses. With a Bunnings Warehouse to open at Pymble Business Park, this area may be the most applicable location to consider.

Table 9.4: Ku-ring-gai LGA Retail Potential Supply Opportunities by Centre

Hierarchy	Centre	Existing Area (sqm)	Additional Floorspace (sqm)			Retail Supply Opportunities		
			2019 – 2026	2026 – 2036	Total 2019-2036	Major Tenant	Smaller Tenancies	Other Usages
Major Centre	Gordon	20,506	Up to 15,000	5,000 -7,000	20,000 -22,000	Aldi (approved) & non-food major	Additional retail supported by non-food major	Possible 2,500 sqm of entertainment.
Town Centre	St Ives	22,830	Up to 10,000	2,000- 5,000	12,000 -15,000	Larger supermarkets, Aldi, possible non-food major.	Additional retail supported by non-food major.	Possible 2,500sqm of entertainment.
	Lindfield	10,871	Up to 10,000	5,000- 7,000	15,000 -17,000	Lindfield Village Hub 2nd Major Supermarket, Aldi, Coles expansion (approved)	Remix tenants and fill vacancies.	
	Turrumurra	11,240	Up to 10,000	5,000- 7,000	15,000 -17,000	Coles Expansion, 2nd Major supermarket, Aldi		
Local Centre	Roseville	4,530	-	Up to 2,000	2,000	Small supermarket if not provided in Lindfield		
	Killara	1,555	-	Up to 1,000	1,000			
	Wahroonga	5,150	-	Up to 1,000	1,000			
	Pymble	2,230	-	< 500	500			
Neighbourhood Centre	Roseville Chase West Gordon North St Ives	2,115	-	< 500	500			
	West Pymble Fox Valley, Wahroonga Eastern Road, Turrumurra	4,000	-	Up to 2,000	2,000	Expansion of supermarket (max. 2,000 sqm)		
	North Wahroonga Princes Street, Turrumurra South Turrumurra East Lindfield West Lindfield St Ives Chase North Turrumurra East Killara	10,901	-	< 500	500			
Business Park	Pymble Business Park	2,511	15,000	5,000	20,000	Bunnings Warehouse (approved)		Indoor entertainment Incl. indoor rock climbing, trampoline park.

Source: Location IQ / AEC

The key risks in the provision of retail floorspace across the Ku-ring-gai LGA in the future include the following:

- If one centre can develop as the largest facility, this may have implications for the trading performance of other centres. Although this report indicates at least 27,000 sqm of additional traditional retail floorspace being supportable over the period to 2036, there is a danger that some centres will try to accommodate the majority of this floorspace.
- All centres should have some flexibility to continue to remix/refurbish within reason. Although some centres have not been indicated to have additional floorspace, this will ultimately depend on the physical sites and potential redevelopment opportunities.
- Retail is a continuously evolving concept and the future of tenants such as discount department stores is somewhat uncertain over the next 25-year period. Flexibility in the types of uses that may be able to be accommodated at different centres would be important to longer-term planning.
- The expansions and redevelopments of shopping centres, particularly the larger regional shopping centres beyond the Ku-ring-gai LGA also has implications for retail floorspace within the Ku-ring-gai LGA. Most notably, major expansions are likely at Chatswood Chase and Macquarie Centre over the next decade which would continue to reinforce the non-food offer of these locations. As such, escape expenditure levels would likely remain high over the period to 2036 and the scale of retail offer provided in the Ku-ring-gai LGA is unlikely to be able to replicate these larger regional shopping centres. Providing a unique, targeted retail offer is important across the centres within the Ku-ring-gai LGA.
- Retail tenants that have wide regional draw such as Costco may also acquire sites beyond the Ku-ring-gai LGA but still serve all parts of the Ku-ring-gai LGA population. This would have impacts on the potential for these types of tenants to be supportable. This is also relevant to the implications of future large format retail floorspace development outside of the Ku-ring-gai LGA.

The vast majority of additional floorspace should be accommodated in the larger centres. Most other smaller centres should not grow to more than 5,000 sqm with

minimal growth throughout smaller centres, unless significant justification for such centres could be proven.

As bricks and mortar retail is under pressure, other uses are vitally important to activity centres such as medical, cinema and entertainment, schools, childcare and the like. In planning for future retail, the co-location with other activity generating uses is an important further consideration.

9.5.2 Commercial Supply Recommendations

There is an existing oversupply of commercial real estate which is evident through high vacancies and aging stock. This is expected to continue over the period to 2036, where it will be in excess of approximately 6,000 sqm. It is not recommended that Council adopt any new legislation to facilitate more purely commercial development.

Over the past five years, there has been an increase in development applications and activity relating to the demolition of aged commercial buildings for the construction of mixed-use developments was observed, comprising a mixture of retail, commercial and residential housing. The majority of development site sales have occurred in the land zoned B4 in Gordon. All sales occurred with development approvals for mixed use developments. Currently, this area has the second highest provision of commercial floorspace within the Ku-ring-gai LGA (after Pymble Business Park). Although there are several buildings within this precinct which were relatively modern, high vacancies were observed. The western part of this zone is predominately residential apartments; however this zone provides greater accessibility as it is further away from the busy Pacific Highway. If high vacancies continue, it is likely that there will be a further loss of commercial floorspace within this precinct in the future.

Whilst Council should aim to retain the total amount of commercial floorspace provided in the LGA, this may not be possible if the quality of supply deteriorates and high vacancies continue. It is recommended that Council allow for flexible planning approaches to renew the quality of commercial stock and to allow for conversions to other uses (i.e. mixed use residential, retail, and commercial developments) rather than purely commercial usages.

9.6 PLANNING RECOMMENDATIONS

Listed below are the policy recommendations for Ku-ring-gai. Table 9.5 outlines the LEP and DCP recommendations for the LGA, and Source: AEC/SJB Planning

Table 9.6 lists recommendations specific to each centre. The timeframes used have been categorised by the following:

- Short term – within the next 5 years
- Medium term – within 10-15 years.
- Long term – within the next 20 years.

Table 9.5: LEP and DCP Planning Recommendations for the Ku-ring-gai LGA

Item	Recommendations	Timing
LEP	<ul style="list-style-type: none"> • The introduction of a minimum retail FSR control could be considered, similar to Clause 4.4(2A) in the Holroyd LEP, which effectively requires a minimum non-residential FSR of 1.7:1 on sites within certain areas. This will mandate a minimum amount of non-residential development on all B2 Local centre zoned land. Importantly, there would need to be a reciprocal uplift in FRS's and height to ensure development is viable. • Delete Clause 4.4(2D) restricting the amount of retail or commercial development on certain land within the local centres – referred to and mapped as Areas 1 to 4. This would allow greater uptake of retail and commercial floorspace within centres. 	Short Term
DCP	<ul style="list-style-type: none"> • Given the DCP appears to be very comprehensive and explicit in its outcomes for each centre. Any future amendments to the Centres LEP to capture additional height and FSR will likely require changes to built form controls 	Short Term

Source: AEC/SJB Planning

Table 9.6: Summary of Planning Recommendations by Centre

Item	Recommendations	Timing
Gordon	<ul style="list-style-type: none"> • Investigate increases in FSR's within the B2 Local Centre zone to make redevelopment feasible. • Investigate increases in heights within the B2 Local Centre zone to make redevelopment feasible. • Additional heights may be required to facilitate quantum of residential as shop top housing to meet housing targets • Areas nominated as having a capped maximum of retail and commercial space under Clause 4.4(2D) should be removed and a minimum prescribed throughout. • Mandate a minimum of non-residential - recommendation of a further study • Centre: needs critical mass - needs to become centre and focal point for growth - needs regeneration, greater scale, need better quality retail • Alternative active street frontages to the highway required • Support vision and controls in the DCP, specifically those relating to activating Wade Lane, however questionable the most appropriate use of the existing car park as a park in terms of amenity adjacent railway line. May be more appropriate for commercial and retail space coordinated with public domain upgrades. 	Short Term

Item	Recommendations	Timing
St Ives	<ul style="list-style-type: none"> Investigate increases in FSRs for B2 Local Centre zoned land to increase development opportunities. Investigate increases in heights across B2 Local Centre zoned land to match that of surrounding R4 zoned land and increase development opportunities. Potential to provide the entertainment required as it has the least constraints, could look to promote this through non-planning recommendations such as events. Presents the most feasible site for accommodating regional size shop due to lot ownership and size. 	Short to Medium Term
Turramurra	<ul style="list-style-type: none"> Investigate increases of FSR within the B2 Local Centre zone to facilitate redevelopment of sites. 9.5m Height of Building Control on Rohini Street, Turramurra needs to be a minimum of 11.5m to permit 3 storey development. Gilroy road prime for café/retail space - planning controls are restrictive Potential for outdoor cinema in summer in the new park to foster entertainment in centre. IGA area - underdeveloped - restriction on commercial floorspace existing for adjoining corner site. Hub area has restriction on commercial existing: Recommendation of deleting commercial restriction. Encourage redevelopment of Pacific Highway shops northern side to face/activate the laneway to the north. 	Medium Term
Lindfield	<ul style="list-style-type: none"> Lindfield Corporate Centre on Tryon Road could accommodate greater height (4/5 storeys), currently all commercial 2 storeys. Shops/offices along Pacific Highway has controls FSR 1:1 & 11.5m height (3 storeys). Controls limiting development could accommodate higher FSR and height. For lots located between the Pacific Highway and Lindfield Hub, Council should seek to promote dual frontage sites with shops/offices at the interface with the Pacific Highway and retail on at the interface with the Lindfield Hub. 	Medium Term
Secondary Local & Neighbourhood Centres	<ul style="list-style-type: none"> Council should look to public domain upgrades in these locations to provide better outcomes for pedestrians and vehicles, including: <ul style="list-style-type: none"> Footpath upgrades, Street furniture, Landscaping, Vehicular and bicycle parking, and Encourage outdoor dining. 	Short Term
Pymble Business Park	<ul style="list-style-type: none"> Allow for <i>Specialised Retail Premises</i> as a specific land use within the B7 Business Park Zone. This would allow for Bulky Good Retailing to occur to complement the approved Bunnings Warehouse. Allow "<i>Artisan food and drink industry</i>" as a permissible use. 	Short Term

Source: AEC/SJB Planning

9.7 NON-PLANNING RECOMMENDATIONS

Council can attract new investment from high-value and innovative businesses that may not currently have a presence as well as facilitate growth/expansion of existing businesses in Ku-ring-gai. To achieve these goals, a detailed and ongoing action and work plan across three core economic development and investment attraction activity areas, including:

- **Market Research** to remain up to date and aware of key opportunities and industry happenings.
- **Proactive Marketing** of Ku-ring-gai to key markets/sectors, focusing on points of interest and attraction and the competitive advantage of Ku-ring-gai.
- **Active Stimulation and Encouragement of Investment.**
- **Continuous Monitoring and Reviews** of the demand and supply of Ku-ring-gai’s retail and commercial centres.

A natural level of growth, expansion or new business should be expected to occur without the involvement of government organisations like Council. However, Council can play an important role in influencing decision makers and facilitating the desired outcome.

Market Research

Purpose: To enhance a detailed understanding of the industrial and commercial sectors and maintain a current understanding of market trends and opportunities to assist in generating and responding to investor leads.

Table 9.7: Market Research Activities

Key Activity	Purpose and Description
Subscribe to and review industry publications to build in-depth understanding about opportunities in the market	<ul style="list-style-type: none"> • The purposes of conducting industry research is to develop market knowledge about business expansion plans and trends that are impacting upon the industry. • It will be necessary to subscribe to relevant industry publications or source targeted information online. • Research will be required to identify the most suitable publications most relevant to the key sectors. The publications list should be reviewed annually to ensure they are relevant and beneficial.
Gather and analyse industry data as it becomes available	<ul style="list-style-type: none"> • There is a range of different socio-economic datasets that are updated monthly, quarterly, annually or every 5 years, depending on the source. • Having access to the latest data about the local area and key sectors aids engagement and understanding.
Host forums with local industry stakeholders to build understanding about challenges and opportunities facing the local industry	<ul style="list-style-type: none"> • Hosting local industry forums will contribute greatly to understanding industry needs as well as to promoting economic activity within the LGA. • By hosting forums locally Ku-ring-gai has the opportunity to lead the discussion about the future of the LGA, bring together all the relevant stakeholders at an industry and government level, and to leverage these events to promote the capabilities of local businesses. • Most importantly the forums must target the recognition of national and international industry leaders from outside the region. These leaders should be invited to the forums so that they can see firsthand the opportunities and capabilities that exist in Ku-ring-gai.
Undertake lead generation initiative	<ul style="list-style-type: none"> • Lead generation is a specific market research tool, which identifies leads or prospective investors based on a series of qualifying criteria. • The process requires access to business databases and an analysis of various factors. • The leads that are generated are provided in the form of company profiles including all relevant contact information, description of business, employment numbers, revenue and a senior level contact and an email address where available.

Source: AEC

Proactive Marketing

Purpose: To raise the profile of Ku-ring-gai as a business destination that supports high-value businesses. Through the development of targeted marketing material and active participation in various networking activities, Council can reach a large audience and promote a consistent message as to why Ku-ring-gai is an attractive location for businesses to relocate and/or expand.

Table 9.8: Proactive Marketing Activities

Key Activity	Purpose and Description
Develop specific marketing collateral/ tools including industry prospectus, fact sheets and web-based information	<ul style="list-style-type: none"> • Investment prospectus to include: <ul style="list-style-type: none"> ○ Graphically designed in line with existing branding where available. ○ Maps and other general information regarding Ku-ring-gai. ○ Highlights of local and regional strategic assets and other strengths. ○ Relevant socio-economic data. ○ Call-to-action and contact details of persons who will facilitate enquiries. ○ Specific information about the opportunities available in Ku-ring-gai to these sectors. • Targeted website to reflect and support the other marketing collateral. • Regular news and updates to produce news stories and provide information about the local economy and topics likely to impact the LGA. • A video will visually represent the Ku-ring-gai LGA and opportunities to key sectors. The majority of messaging and content will already have been developed in the preparation of other marketing tools however the video provides a more interactive and engaging way of representing this information.
Proactive marketing program to generate interest and raise the profile of Ku-ring-gai identified target sectors	<p>The purpose of this activity is to deliver specific focused stories about Ku-ring-gai, through the following activities:</p> <ul style="list-style-type: none"> • Email campaigns - facilitated as a way to stay in regular contact with leads generated and provide an opportunity to keep the contact up to date with new and relevant information about Ku-ring-gai. These types of campaigns would be conducted monthly and present an excellent way to keep Ku-ring-gai front of mind with contacts established in the target market. The type of information to be included in these emails: <ul style="list-style-type: none"> ○ Articles from local newspapers/publications that highlight relevant local activities and/or local business success stories. ○ Highlights of upcoming events. ○ Highlights of recent business relocation/expansion stories. • Advertising and editorial placements are an excellent way to promote positive news stories about Ku-ring-gai. <ul style="list-style-type: none"> ○ Key publications should be identified and engaged through the Market Research stage to identify opportunities to place advertisements and run editorials about the region and local success stories. • Public relations <ul style="list-style-type: none"> ○ Host industry-specific journalists from relevant publications to promote existing investment opportunities and planned developments. These journalists can come from identified industry publications and/or other relevant news outlets, such as The Australian or The Australian Financial Review.

Source: AEC

Active Stimulation and Encouragement of Investment

Purpose: To identify and engage with investors (prospective new businesses and also existing local businesses) about local opportunities to secure investment activity.

Business Retention and Expansion Program

- Meet with existing businesses in target sectors.
- Connect local businesses with State and Federal government programs.
- Connect local businesses with education and research-related organisations.
- Host/facilitate local capability building events, e.g. supply chain events, business workshops, etc.

In most local/regional economies, existing businesses are usually responsible for up to 80% of new employment creation and investment. The business retention and expansion program should not forego the opportunity of maximising the potential of existing businesses that are operating in target sectors and/ or those local businesses with significant growth and investment.

To successfully deliver this initiative, Council staff will need to build close working relationships with a range of industry stakeholders to ensure they have a strong understanding of the factors driving opportunities for local growth, and in turn develop initiatives to assist in facilitating outcomes.

There are a range of different government programs available to support the expansion of business, but the most effective focus for Council is to build a relationship and links with local businesses, ensure there are open lines of communication and then connect them with existing programs to meet their needs.

The types of programs that could be developed include:

Workforce Development Programs

To understand the current and future employment needs of industry and then work with suitable training providers (e.g. TAFE, WSU) to help address these needs.

Capability Building Programs

After engaging with businesses certain common themes may emerge in relation to gaps in the capabilities of businesses, and Council can facilitate the development of programs to address these gaps.

Supply Chain Development

Bringing together the various stakeholders across the different parts of the supply chain can help to identify opportunities to work together and build the LGA's capabilities and chances of being successful.

Facilitate Connections

Not all businesses are aware of the services and programs different government departments offer. Therefore, the opportunity exists for Council to become the intermediary between local businesses and other levels of government to promote opportunities to participate in various government programs as they arise.

Continuous Monitoring and Review of Retail and Commercial Centres

Purpose: To develop a plan for continuous review of the Ku-ring-gai Retail and Commercial Centres Strategy to assess the impact of a change in population projections, retail and commercial supply and demand, delivery of infrastructure and general market conditions.

It is imperative for Council to continuously monitor and periodically review the retail and commercial centres in order to assess the capacity to meet potential demand. The provision of infrastructure, business industry composition operating in the precincts, activity in competing centres, housing trends in Ku-ring-gai and neighbouring LGAs may all impact how these precincts will look like in the future. Council must be cognisant of these influencing factors and regularly evaluate the quality as well as quantity of the supply of retail and commercial offerings in the LGA.

It is recommended that Council performs periodic reviews of the employment composition in the LGA every five years, aligned with the release of TPA employment projections. Employment growth by industry will impact the type of floorspace required, whether it is industrial or employment zoned land, and provide an indication of the quantum of floorspace needed in the future.

Market take-up of the new developments should be monitored, particularly when implementing the strategies outlined to facilitate growth and/or attract investment.

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APPENDIX A: RETAIL EXPENDITURE CAPACITY

The estimated retail expenditure capacity of the Ku-ring-gai LGA population is based on information sourced from Market Data Systems (MDS). MDS utilises a detailed micro-simulation model of household expenditure behaviour for all residents of Australia.

The MDS model considers information from a wide variety of sources, including the regular ABS Household Expenditure Survey, the National Accounts Data, Census Data, and other information. MarketInfo estimates used in this analysis are based on the 2016 release, benchmarked against the latest National Accounts Data, released by the ABS.

Per capita expenditure levels vary based on several socio-economic factors including average income levels, age distribution, birthplace, and family type. It is difficult to isolate the influence of one socio-economic characteristic across a population of circa 130,000.

Table A. 1 details the retail expenditure levels generated by the Ku-ring-gai LGA. As shown, the total traditional retail spend market is currently estimated at \$2.34 billion and is projected to increase to \$3.23 billion by 2036, at a rate of 1.9% per annum (constant dollars and including GST).

The projected growth rate in retail spending of 1.9% per annum for the Ku-ring-gai LGA takes into account the following:

- Real growth in retail spending per capita of 0.5% annually for food retail and 1.0% for non-food retail over the forecast period.
- Ku-ring-gai catchment population growth of 1.1% over the period to 2036.

Table A. 1: Ku-ring-gai LGA Retail Expenditure, 2019-2036 (\$'m)

Y/E June	Lindfield	Gordon	Turra.	St Ives	Total
2019	612.5	507.4	635.8	581.9	2,337.6
2020	625.6	518.7	646.2	591.7	2,382.2
2021	638.8	530.4	656.6	601.6	2,427.4
2022	652.2	542.4	667.1	611.6	2,473.3
2023	665.9	554.7	677.9	621.7	2,520.2
2024	679.8	567.2	688.7	632.1	2,567.8
2025	694.1	580.0	699.8	642.6	2,616.5
2026	708.9	593.3	711.8	653.6	2,667.6
2027	724.4	606.8	724.8	665.2	2,721.2
2028	740.1	620.7	737.9	677.0	2,775.7
2029	756.3	635.0	751.4	689.0	2,831.7
2030	772.7	649.5	765.1	701.2	2,888.5
2031	789.6	663.7	778.6	712.8	2,944.7
2032	806.9	677.5	792.0	723.6	3,000.0
2033	824.6	691.6	805.7	734.5	3,056.4
2034	842.7	705.9	819.6	745.6	3,113.8
2035	861.2	720.9	833.7	756.9	3,172.7
2036	880.1	735.6	848.1	768.4	3,232.2
Expenditure Growth					
2019-2021	26.3	23.0	20.8	19.7	89.8
2021-2026	70.1	62.9	55.2	52.0	240.2
2026-2031	80.7	70.4	66.8	59.2	277.1
2031-2036	90.5	71.9	69.5	55.6	287.5
2019-2036	267.6	228.2	212.3	186.5	894.6
Average Annual Growth Rate					
2019-2021	2.1%	2.2%	1.6%	1.7%	1.9%
2021-2026	2.1%	2.3%	1.6%	1.7%	1.9%
2026-2031	2.2%	2.3%	1.8%	1.7%	2.0%
2031-2036	2.2%	2.1%	1.7%	1.5%	1.9%
2019-2036	2.2%	2.2%	1.7%	1.6%	1.9%

*Constant 2018/19 dollars & including GST
Source: MarketInfo

Table A. 2 presents a breakdown of retail spending by key commodity group for each of the traditional retail category. This indicates that the largest spending market is food and liquor at \$891.0 million (2019), representing 38.1% of the total spending market.

Table A. 2: Retail Expenditure by Key Commodity Group, 2019-2036 (\$'m)

	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2019	891.0	364.0	289.3	445.4	99.0	168.7	80.2
2020	905.2	371.7	295.4	454.8	101.1	172.2	81.9
2021	919.5	379.4	301.5	464.3	103.2	175.8	83.6
2022	934.0	387.4	307.8	473.9	105.4	179.4	85.4
2023	948.7	395.5	314.2	483.8	107.6	183.1	87.1
2024	963.7	403.7	320.8	493.9	109.8	186.9	89.0
2025	978.9	412.2	327.5	504.2	112.1	190.8	90.8
2026	994.9	421.0	334.5	515.0	114.5	194.9	92.8
2027	1,011.7	430.3	341.9	526.3	117.1	199.1	94.8
2028	1,028.8	439.7	349.4	537.9	119.7	203.5	96.9
2029	1,046.2	449.4	357.1	549.7	122.3	207.9	99.0
2030	1,063.9	459.3	364.9	561.8	125.0	212.5	101.2
2031	1,081.1	469.1	372.7	573.8	127.7	217.0	103.4
2032	1,097.9	478.8	380.4	585.7	130.3	221.4	105.5
2033	1,115.0	488.7	388.3	597.7	133.0	226.0	107.7
2034	1,132.4	498.8	396.3	610.0	135.8	230.6	109.9
2035	1,150.1	509.2	404.5	622.6	138.6	235.3	112.2
2036	1,168.0	519.7	412.9	635.5	141.5	240.2	114.5
Expenditure Growth							
2019-2021	28.5	15.4	12.2	18.9	4.2	7.1	3.4
2021-2026	75.4	41.6	33.0	50.7	11.3	19.1	9.2
2026-2031	86.2	48.1	38.2	58.8	13.2	22.1	10.6
2031-2036	86.9	50.6	40.2	61.7	13.8	23.2	11.1
2019-2036	277.0	155.7	123.6	190.1	42.5	71.5	34.3
Average Annual Growth Rate							
2019-2021	1.6%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
2021-2026	1.6%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
2026-2031	1.7%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
2031-2036	1.6%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
2019-2036	1.6%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%

*Constant 2018/19 dollars & including GST
Source: MarketInfo

APPENDIX B: SWOT ANALYSIS OF CENTRES

B.1 GORDON



Strengths	Weaknesses
<ul style="list-style-type: none"> • Large scale with a number of key attractors, namely Woolworths, Bunnings, and Harvey Norman • Comfortable enclosed shopping centre environment as well as street-based retail benefiting from significant passing traffic. 	<ul style="list-style-type: none"> • Street based shopfronts have limited car parking
Opportunities	Threats
<ul style="list-style-type: none"> • Resident population is increasing through multi-unit developments • Some older, larger shopfronts could be improved over time • Continued re-mixing and focusing on destination tenants • Likely more demand for medical and related uses • More dining offerings 	<ul style="list-style-type: none"> • Relatively land locked due to surrounding developments • Heavily car-based visitation • No department or discount department stores

B.2 ST IVES



Strengths	Weaknesses
<ul style="list-style-type: none"> • Major supermarkets include Coles, Woolworths, Harris Farms • St Ives is the highest trading neighbourhood centre in Australia • Car parking available • Comfortable enclosed shopping centre environment as well as street-based retail benefiting from significant passing traffic. 	<ul style="list-style-type: none"> • Street based shopfronts have limited car parking
Opportunities	Threats
<ul style="list-style-type: none"> • Resident population is increasing through multi-unit developments • Some older, larger shopfronts could be improved over time • Likely more demand for medical and related uses • More dining offerings • Council owned carpark 	<ul style="list-style-type: none"> • Relatively land locked due to surrounding developments • Heavily car-based visitation • No department or discount department stores

B.3 TURRAMURRA



Strengths	Weaknesses
<ul style="list-style-type: none"> • Pacific Highway exposure. • Two food anchor tenants, namely Coles and IGA • Connectivity to Turramurra Station (3.4 million commuters p.a.). • Car parking off the major roads. • Range of community uses. 	<ul style="list-style-type: none"> • Three separate precincts with railway line and Pacific Highway separation. • Older style facilities • Coles of 1,580 sqm and Supa IGA of 1,150 sqm are both small by modern supermarket standards.
Opportunities	Threats
<ul style="list-style-type: none"> • Larger supermarket(s) • Modernised shopfront offer • Increased public space appeal • Future residential opportunities 	<ul style="list-style-type: none"> • Three separate precincts with major barriers • Limited walkable amenity • Limited commercial floorspace

B.4 LINDFIELD



Strengths	Weaknesses
<ul style="list-style-type: none"> • Coles supermarket, Harris Farm Markets and Supamart IGA as anchor • Lindfield station (2.9 million commuters p.a.) • Car parking behind shopfronts • High exposure to the Pacific Highway • Broad mix of shopfronts with the fourth largest concentration of floorspace in the LGA. • Recent development around Lindfield Avenue including residential units above retail floorspace. 	<ul style="list-style-type: none"> • Shopfronts separated by the alignment of the Pacific Highway and railway line • Shopfronts are generally old • Limited non-retail floorspace • Walkability is poor
Opportunities	Threats
<ul style="list-style-type: none"> • Remixing of shopfronts • Coles expansion is development approved and will provide a major full-line Coles supermarket and greater amenity. • Increase car parking and amenity 	<ul style="list-style-type: none"> • Disbursed nature of shopfronts which means limited walkability. • Limited customer amenity in terms of car parking, particularly on the western side of the Pacific Highway

B.5 PYMBLE



Strengths	Weaknesses
<ul style="list-style-type: none"> • Located off the Pacific Highway. • Adjacent to Pymble Station (2.0 million commuters p.a.) • Multi-unit development around Everton Street 	<ul style="list-style-type: none"> • Limited amenity. • Limited car parking. • Older shop fronts • No food anchor tenant
Opportunities	Threats
<ul style="list-style-type: none"> • Food catering tenancies taking advantage of higher profile location. • Basic convenience to meet commuter needs. 	<ul style="list-style-type: none"> • Pacific Highway and railway alignment are major barriers

B.6 KILLARA (PACIFIC HIGHWAY AND MARIAN STREET)



Strengths	Weaknesses
<ul style="list-style-type: none"> • Majority of shopfronts with exposure to the Pacific Highway. • Shopfronts around Marian Street near to Killara Station (1.9 million commuters p.a.). 	<ul style="list-style-type: none"> • Disjointed nature of shopfronts • Limited walkability • Limited amenity • Significant number of vacant shopfronts
Opportunities	Threats
<ul style="list-style-type: none"> • Centre contains one of the only entertainment venues in the LGA (Greengate Hotel). • Large format retail would benefit from the Pacific Highway Exposure 	<ul style="list-style-type: none"> • Limited number of shopfronts • Disjointed nature of shopfronts

B.7 ROSEVILLE



Strengths	Weaknesses
<ul style="list-style-type: none"> • Frontage to the Pacific Highway and Hill Street • Adjacent to Roseville Station (2.2 million commuters p.a.) • Relatively convenient car parking to the rear of shopfronts. • Excellent exposure along major roads 	<ul style="list-style-type: none"> • Older style shopfronts. • Limited amenity due to Pacific Highway location • Car parking to the west of the Pacific Highway has a slope • Three separate provisions of shopfronts with little connectivity. • No food anchor tenant.
Opportunities	Threats
<ul style="list-style-type: none"> • Significant exposure to passing traffic • Convenience retail to meet the needs of train commuters • Street scape improvements • Continued focus on medical and declinational type tenants that benefit from passing traffic exposure but don't require excellent amenity. 	<ul style="list-style-type: none"> • Further expansion of Lindfield, 1.5 km to the north • Multiple ownership and relatively small shopfronts meaning hard to amalgamate or provide a consistent focus.

B.8 WAHROONGA



Strengths	Weaknesses
<ul style="list-style-type: none"> • Concentration immediately off the Pacific Highway. • Central car parking. • Adjacent to Wahroonga Station that generates some 1.8 million commuters p.a. • Provision of upper level non-retail floorspace. • Walkability is high around central car parking. • Limited vacancies. • Abbotsleigh School, Knox Grammar School and aged care facilities nearby. 	<ul style="list-style-type: none"> • Small food anchor tenant with IGA 470 sqm. • Limited Pacific Highway exposure. • Separate precinct on the northern side of the railway line along Millewa Avenue.
Opportunities	Threats
<ul style="list-style-type: none"> • Car parking could provide better amenity. • Continued remixing over time. • Increase public space and amenity. 	<ul style="list-style-type: none"> • Mainly older style shopfronts. • Some shopfronts with limited amenity. • Two service stations fronting Pacific Highway.

B.9 ROSEVILLE CHASE



Strengths	Weaknesses
<ul style="list-style-type: none"> • No vacancies • Landscaping • Easy car parking 	<ul style="list-style-type: none"> • Internalised location • Small scale • Limited car parking • Limited exposure • No food anchor
Opportunities	Threats
<ul style="list-style-type: none"> • Remixed for more convenience-based tenants over time 	<ul style="list-style-type: none"> • Small number of shopfronts • Limited exposure • Smaller sized shopfronts

B.10 WEST GORDON



Strengths	Weaknesses
<ul style="list-style-type: none"> • No vacancies • Landscaping • Easy car parking 	<ul style="list-style-type: none"> • Internalised location • Small scale • Limited car parking • Limited exposure • No food anchor
Opportunities	Threats
<ul style="list-style-type: none"> • Remixed for more convenience-based tenants over time 	<ul style="list-style-type: none"> • Small number of shopfronts • Limited exposure • Smaller sized shopfronts

B.11 NORTH ST IVES



Strengths	Weaknesses
<ul style="list-style-type: none"> • Service station • High profile location along Mona Vale Road • IGA food store anchor tenant • Good provision of car parking • Convenience based tenant mix 	<ul style="list-style-type: none"> • Sloping site • Mona Vale Road is very busy • Limited accessibility for north bound traffic
Opportunities	Threats
<ul style="list-style-type: none"> • Vacancies allow remix opportunities • Increase customer amenity • Increase food catering provision • Non-retail uses • Remixing over time 	<ul style="list-style-type: none"> • Small scale • Limited potential for after-hours activation

B.12 EAST KILLARA



Strengths	Weaknesses
<ul style="list-style-type: none"> • Excellent car parking • Small food store as an anchor tenant • High level of customer amenity • Excellent convenience mix 	<ul style="list-style-type: none"> • Internalised location • Limited activation • Small number of shopfronts
Opportunities	Threats
<ul style="list-style-type: none"> • Increase number of shopfronts • Food catering to serve local residents • Continue to focus on services and convenience 	<ul style="list-style-type: none"> • Immediate surrounding population • Small site

B.13 EAST LINDFIELD



Strengths		Weaknesses	
<ul style="list-style-type: none"> • IGA food store anchor tenant • At grade car parking • East Lindfield Community Hall adjacent 		<ul style="list-style-type: none"> • Limited exposure to Wellington Road • Shopfronts do not effectively address car parking • Small scale opportunities 	
Opportunities		Threats	
<ul style="list-style-type: none"> • Small scale opportunities • Better orientation between shopfronts and car parking • Improve quality of shopfronts • More exposure and signage 		<ul style="list-style-type: none"> • Internalised location • Continued expansion of Lindfield supermarket offer • Limited surrounding attractors 	

B.14 EASTERN ROAD, TURRAMURRA



Strengths		Weaknesses	
<ul style="list-style-type: none"> • Small mix of convenience shopfronts. • IGA food store as anchor tenant. • Easy angle to curb car parking. • Small provision of car parking at rear. • Significant exposure along Eastern Road. 		<ul style="list-style-type: none"> • Small number of shops • Limited car parking 	
Opportunities		Threats	
<ul style="list-style-type: none"> • Landscaping and amenity upgrades. • Car parking upgrades. • Harris Farm Markets proposal adjacent. 		<ul style="list-style-type: none"> • Relatively land locked. • Internalised location. 	

B.15 NORTH WAHROONGA



Strengths		Weaknesses	
<ul style="list-style-type: none"> • At grade car parking • Convenience based tenant mix 		<ul style="list-style-type: none"> • Small scale • Internalised location • Limited exposure • Older style shopfronts • Small food anchor 	
Opportunities		Threats	
<ul style="list-style-type: none"> • Continued remixing • Investment to modernise retail apparel • Non-retail destination use 		<ul style="list-style-type: none"> • Land locked • Internalised and limited exposure • Small size 	

B.16 NORTH TURRAMURRA



Strengths		Weaknesses	
<ul style="list-style-type: none"> • Situated on both sides of Bobbin Head Road. • High profile location. • Car parking to the rear of the shopfronts. • Large Veterinary Clinic. • Includes multi-unit residential. • Small provision of upper level non-retail floorspace. • Adjacent to Turramurra North Public School. • Convenience offer with IGA food store. 		<ul style="list-style-type: none"> • Car parking on the western side of Bobbin Head Road offers limited amenity. • Limited population growth. 	
Opportunities		Threats	
<ul style="list-style-type: none"> • Walkability could be improved • Continue improving the mix of shopfronts. • Improve car park amenity. 		<ul style="list-style-type: none"> • Expansion of supermarket floorspace at Turramurra. • Relatively land locked. • Smaller scale and limited immediate population 	

B.17 PRINCES STREET, TURRAMURRA



Strengths	Weaknesses
<ul style="list-style-type: none"> • Good landscaping and outlook. • Corner location • Established population 	<ul style="list-style-type: none"> • Internalised location • Significant number of vacant shopfronts • Small food anchor • Some shop top housing • Limited car parking
Opportunities	Threats
<ul style="list-style-type: none"> • Existing space available for new tenants • A small supermarket would support existing tenants 	<ul style="list-style-type: none"> • Small scale and limited exposure • Older style shopfronts

B.18 FOX VALLEY, WAHROONGA



Strengths	Weaknesses
<ul style="list-style-type: none"> • Located adjacent to Sydney Adventist Hospital which has approximately 4,500 staff • Main focus of retail at the intersection of the The Comenarra Parkway and Fox Valley Road. 	<ul style="list-style-type: none"> • Small number of shopfronts. • Limited car parking. • Limited main road exposure for retail shopfronts. • Limited exposure, convenience and amenity. • Significant number of vacant shopfronts.
Opportunities	Threats
<ul style="list-style-type: none"> • More food catering to appeal to workers and visitors. • Improved food anchor 	<ul style="list-style-type: none"> • Although near to Sydney Adventist Hospital, this is a 300m walk across a busy intersection. • Sydney Adventist Hospital includes onsite retail facilities. • Likely more demand in future for medical and related uses

B.19 ST IVES CHASE



Strengths	Weaknesses
<ul style="list-style-type: none"> • Adjacent to the Capital Mall Reserve (park) which has a children's playground. • Service station included. • Car parking off the main road. • Surrounded by residential dwellings. • Bus stop along Warrimoo Avenue. • 	<ul style="list-style-type: none"> • Older style developments with small shopfronts • Co-location of service station • Limited after-hours activation • Small food anchor tenant
Opportunities	Threats
<ul style="list-style-type: none"> • Repurpose service station site for a higher and better use. • Modernise the development and offer. • Food catering tenants. 	<ul style="list-style-type: none"> • Limited number of shopfronts. • Lacking anchor tenant. • Internalised location. • Core residential area. • Limited surrounding facilities to attract customers

B.20. SOUTH TURRAMURRA



Strengths	Weaknesses
<ul style="list-style-type: none"> • High profile location and along Kissing Point Road. • Good provision of easily accessible car parking. • Landscaped setting • Key convenience tenants represented 	<ul style="list-style-type: none"> • Service station. • Food anchor tenant only small at 340 sqm • Significant number of vacant shopfronts.
Opportunities	Threats
<ul style="list-style-type: none"> • Redevelopment of the service station site for a higher and better use. • One vacancy that should be targeted to a retail service or health tenant. • Further appeal to food catering for surrounding residents given the high-profile location. 	<ul style="list-style-type: none"> • Small scale activity centre with limited shopfronts. • Vacant shopfronts may further discourage shoppers to frequent centre.

B.21 WEST LINDFIELD



Strengths	Weaknesses
<ul style="list-style-type: none"> • Car parking along shopfronts. • Established residential area. • Convenience based tenant mix. 	<ul style="list-style-type: none"> • No food anchor. • Not located on a main traffic route. • Limited surrounding attracters.
Opportunities	Threats
<ul style="list-style-type: none"> • Continued remixing to convenience facilities for immediate population. • Increased food catering. • Possibly a small food anchor threats. 	<ul style="list-style-type: none"> • Limited exposure and surrounding uses. • Expansion of facilities in Lindfield drawing customers away. • Land locked

B.22 WEST PYMBLE



Strengths	Weaknesses
<ul style="list-style-type: none"> • Significant provision of car parking. • Food anchor tenant in the form of IGA. • Convenient tenant mix. 	<ul style="list-style-type: none"> • Not located on a major road. • Significant proportion of vacant shopfronts.
Opportunities	Threats
<ul style="list-style-type: none"> • Childcare/medical destination uses. • Larger supermarket offer. 	<ul style="list-style-type: none"> • Limited exposure and surrounding uses.

APPENDIX C: FLOORSPACE AUDIT OF KU-RING-GAI'S CENTRES

C.1 KU-RING-GAI LGA RETAIL AND NON-RETAIL SHOPFRONT AND TENANCY COUNT

Area	Retail									Commercial / Non-Retail								Vacancies				
	Smkt/ Food store	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services	Total Retail	Health and Medical	Comm- nity	Bus. Services	Govt	Storage	Indstr'l	Tech	Other	Total Comm./ Non- retail	Retail	Comm/ Non- Retail	Total Vacant	Total
East Killara	0	3	2	0	0	0	1	1	7	2	0	1	0	0	0	0	0	3	0	0	0	10
East Lindfield	1	3	1	0	0	0	1	0	6	1	0	0	0	0	0	0	0	1	0	0	0	7
Eastern Rd Turra	1	3	1	0	0	0	1	1	7	0	0	0	0	0	0	0	0	0	0	0	0	7
Gordon	1	8	41	3	3	6	8	22	92	43	10	58	0	0	5	8	7	131	3	17	20	243
Pacific Hwy Killara	0	0	1	0	1	0	0	0	2	0	0	1	0	0	0	0	8	9	6	0	6	17
Marian St Killara	0	0	1	0	1	0	1	0	3	0	0	1	0	0	0	0	1	2	0	0	0	5
Lindfield	2	8	24	0	0	3	8	13	58	43	2	39	1	0	6	0	5	96	10	2	12	166
North St Ives	1	1	3	0	0	1	1	0	7	0	0	0	0	0	0	0	5	5	1	0	1	13
North Wahroonga	1	2	2	0	0	1	1	0	7	1	0	0	0	0	0	0	0	1	0	0	0	8
Nth Turramurra	1	3	9	0	0	1	2	2	18	3	0	4	0	0	0	0	1	8	0	0	0	26
Princes St Turramurra	0	2	2	0	0	0	0	2	6	0	0	3	0	0	0	0	1	4	3	0	3	13
Pymble	0	4	6	0	2	0	2	4	18	11	0	15	0	0	1	1	7	35	2	0	2	55
Pymble Business Park	0	2	0	0	2	0	2	2	8	32	1	64	3	2	18	16	6	142	0	39	39	189
Roseville	0	4	14	5	5	3	5	5	41	10	4	7	0	0	0	0	2	23	5	0	5	69
Roseville Chase	0	1	3	0	0	2	3	0	9	1	0	5	2	0	0	0	0	8	0	0	0	17
Fox Valley, Wahroonga	1	1	3	0	0	0	1	0	6	24	6	2	0	0	0	0	0	32	3	55	58	96
St Ives	2	17	33	31	5	3	17	28	136	24	2	34	0	0	1	0	8	69	4	3	7	212
St Ives Chase	1	1	1	0	0	0	1	0	4	2	0	1	0	0	0	0	2	5	0	0	0	9
South Turramurra	1	1	1	0	0	0	1	1	5	0	0	1	0	0	0	0	0	1	1	0	1	7
Turramurra	2	5	19	3	7	4	10	21	71	24	3	35	0	0	0	0	4	66	8	0	8	145
Wahroonga	1	2	18	4	2	2	7	7	43	23	0	27	1	0	0	0	4	55	0	0	0	98
West Gordon	0	2	2	0	0	0	0	1	5	2	0	0	0	0	0	0	2	0	0	0	0	7
West Lindfield	0	2	4	0	2	1	1	2	12	5	0	1	0	0	0	0	1	7	0	0	0	19
West Pymble	1	4	6	0	0	1	1	4	17	2	1	0	0	0	0	0	2	5	0	0	0	22
Total	17	79	197	46	30	28	75	116	588	253	29	299	7	2	31	25	64	710	46	116	162	1,460

C2. KU-RING-GAI LGA RETAIL AND NON-RETAIL ESTIMATED FLOORSPACE

Area	Retail									Commercial / Non-Retail								Vacancies			Total	
	Smkt/ Food store	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services	Total Retail	Health and Medical	Commu- nity	Bus. Services	Govt	Storage	Indstr'l	Tech	Other	Total Comm/ Non- retail	Retail	Comm/ Non- Retail		Total Vacant
East Killara	0	315	210	0	0	0	105	105	735	255	0	105	0	0	0	0	0	360	0	0	0	1,095
East Lindfield	370	315	105	0	0	0	105	0	895	105	0	0	0	0	0	0	0	105	0	0	0	1,000
Eastern Rd Turra	200	405	105	0	0	0	105	105	920	0	0	0	0	0	0	0	0	0	0	0	0	920
Gordon	3,590	840	4,575	315	3,720	2,565	1,415	3,486	20,506	6,791	7,403	9,145	0	0	899	1,361	735	26,334	315	7,131	7,446	54,286
Pacific Hwy Killara	0	0	105	0	400	0	0	0	505	0	0	735	0	0	0	0	815	1,550	630	0	630	2,685
Marian St Killara	0	0	105	0	105	0	105	0	315	0	0	105	0	0	0	0	790	895	0	0	0	1,210
Lindfield	3,250	2,140	2,835	0	0	360	921	1,365	10,871	5,941	210	4,783	105	0	817	0	1,765	13,621	1,095	387	1,482	25,974
North St Ives	500	105	360	0	0	105	105	0	1,175	0	0	0	0	0	0	0	525	525	150	0	150	1,850
North Wahroonga	150	210	255	0	0	105	105	0	825	105	0	0	0	0	0	0	0	105	0	0	0	930
Nth Turramurra	520	360	1,080	0	0	105	255	210	2,530	315	0	465	0	0	0	0	650	1,430	0	0	0	3,960
Princes St Turramurra	0	255	210	0	0	0	0	210	675	0	0	315	0	0	0	0	150	465	315	0	315	1,455
Pymble	0	420	675	0	505	0	210	420	2,230	1,640	0	2,179	0	0	178	178	1,130	5,306	210	0	210	7,746
Pymble Business Park	0	150	0	0	1,272	0	686	403	2,511	12,201	300	18,705	8,682	12,129	6,359	4,469	2,258	65,103	0	13,139	13,139	80,754
Roseville	0	510	1,560	525	570	315	525	525	4,530	1,230	920	825	0	0	0	0	960	3,935	570	0	570	9,035
Roseville Chase	0	150	360	0	0	210	315	0	1,035	105	0	570	300	0	0	0	0	975	0	0	0	2,010
Fox Valley, Wahroonga	350	140	360	0	0	0	105	0	955	2,287	6,055	1,316	0	0	0	0	0	9,658	710	4,785	5,495	16,108
St Ives	5,020	3,405	3,870	3,660	955	405	2,350	3,165	22,830	3,007	650	3,930	0	0	67	0	817	8,471	510	535	1,045	32,345
St Ives Chase	150	105	105	0	0	0	150	0	510	255	0	105	0	0	0	0	210	570	0	0	0	1,080
South Turramurra	340	105	105	0	0	0	105	105	760	0	0	105	0	0	0	0	0	105	105	0	105	970
Turramurra	2,730	570	2,310	360	870	465	1,685	2,250	11,240	4,215	450	4,035	0	0	0	0	1,205	9,905	840	0	840	21,985
Wahroonga	470	210	2,070	510	210	210	735	735	5,150	2,550	0	3,015	105	0	0	0	600	6,270	0	0	0	11,420
West Gordon	0	210	255	0	0	0	0	105	570	210	0	0	0	0	0	0	0	210	0	0	0	780
West Lindfield	0	255	465	0	300	150	105	255	1,530	525	0	150	0	0	0	0	150	825	0	0	0	2,355
West Pymble	400	420	675	0	0	105	105	420	2,125	300	150	0	0	0	0	0	255	705	0	0	0	2,830
Total	18,040	11,595	22,755	5,370	8,907	5,100	10,297	13,864	95,928	42,037	16,138	50,588	9,192	12,129	8,321	6,008	13,015	157,427	5,450	25,977	31,427	284,782

C3. KU-RING-GAI LGA ESTIMATED RETAIL SALES, 2019 (\$'M)

Area	Supermarket / Foodstore	Food & Liquor	Food Catering	Apparel	Household Goods	Leisure	General Retail	Retail Services	Total Retail	% of total
East Killara	0.0	3.8	2.1	0.0	0.0	0.0	1.3	0.7	7.9	0.8%
East Lindfield	3.1	3.8	1.1	0.0	0.0	0.0	1.3	0.0	9.3	0.9%
Eastern Rd Turra	2.0	4.9	1.1	0.0	0.0	0.0	1.3	0.7	10.0	1.0%
Gordon	61.0	10.1	45.8	2.0	30.8	15.4	11.0	14.7	190.8	19.3%
Killara	0.0	0.0	2.1	0.0	2.5	0.0	1.3	0.0	5.9	0.6%
Lindfield	47.1	21.8	28.4	0.0	0.0	3.1	9.4	9.6	119.4	12.1%
North St Ives	5.0	1.3	3.6	0.0	0.0	0.9	1.3	0.0	12.1	1.2%
North Wahroonga	1.0	2.5	2.6	0.0	0.0	0.9	1.3	0.0	8.3	0.8%
Nth Turramurra	4.3	4.3	10.8	0.0	0.0	0.9	3.1	1.5	24.9	2.5%
Princes St Turramurra	0.0	3.1	2.1	0.0	0.0	0.0	0.0	1.5	6.7	0.7%
Pymble	0.0	5.0	6.8	0.0	2.5	0.0	2.5	2.9	19.7	2.0%
Roseville	0.0	6.1	15.6	3.4	2.9	2.7	6.3	3.7	40.7	4.1%
Roseville Chase	0.0	1.8	3.6	0.0	0.0	1.8	3.8	0.0	11.0	1.1%
Fox Valley, Wahroonga	3.5	0.0	3.6	0.0	0.0	0.0	1.3	0.0	8.4	0.8%
St Ives	110.9	52.8	42.6	30.0	5.4	3.6	27.3	24.4	297.0	30.0%
St Ives Chase	2.3	1.3	1.1	0.0	0.0	0.0	1.8	0.0	6.5	0.7%
South Turramurra	3.0	1.3	1.1	0.0	0.0	0.0	1.3	0.7	7.4	0.7%
Turramurra	39.0	6.8	23.1	2.3	4.4	4.0	20.2	15.8	115.6	11.7%
Wahroonga	3.5	2.5	20.7	3.3	1.1	1.8	8.8	5.1	46.8	4.7%
West Gordon	0.0	2.5	2.6	0.0	0.0	0.0	0.0	0.7	5.8	0.6%
West Lindfield	0.0	3.1	4.7	0.0	1.5	1.3	1.3	1.8	13.7	1.4%
West Pymble	4.0	5.0	6.8	0.0	0.0	0.9	1.3	2.9	20.9	2.1%
Total	289.7	143.8	232.0	41.0	51.1	37.3	107.2	86.7	988.8	100.0%
% of total	29.3%	14.5%	23.5%	4.1%	5.2%	3.8%	10.8%	8.8%	100.0%	

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