



Hawkesbury City Council

Attachment 2
to
item 179

Draft Hawkesbury Employment Lands
Study - Synopsis

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time: 6:30 p.m.



HAWKESBURY EMPLOYMENT LANDS STUDY - SYNOPSIS



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EMPLOYMENT LANDS STUDY - SYNOPSIS

This synopsis outlines the study objectives and method for the Hawkesbury Employment Lands Strategy and identifies some of the key findings from Stage One and Two of the study.

1.2 Study Outline

Study Objectives

SGS has been commissioned by Hawkesbury City Council to undertake an Employment Lands Strategy for the Hawkesbury Local Government Area (LGA).

Objectives of the study are to:

- Identify and review the existing employment lands in the LGA and allocate employment lands to be retained for future employment purposes.
- Identify and address challenges and opportunities for all employment lands, including eco-tourism, business and industrial.
- Identify mechanisms to optimise constrained industrial precincts to transition to new uses.
- Investigate the opportunity for an agglomerated precinct at Clarendon.
- Prepare an Employment Lands Strategy as a guiding document for future land use planning, investment and management.

Study Method

The Study involves three key stages. Analysis of:

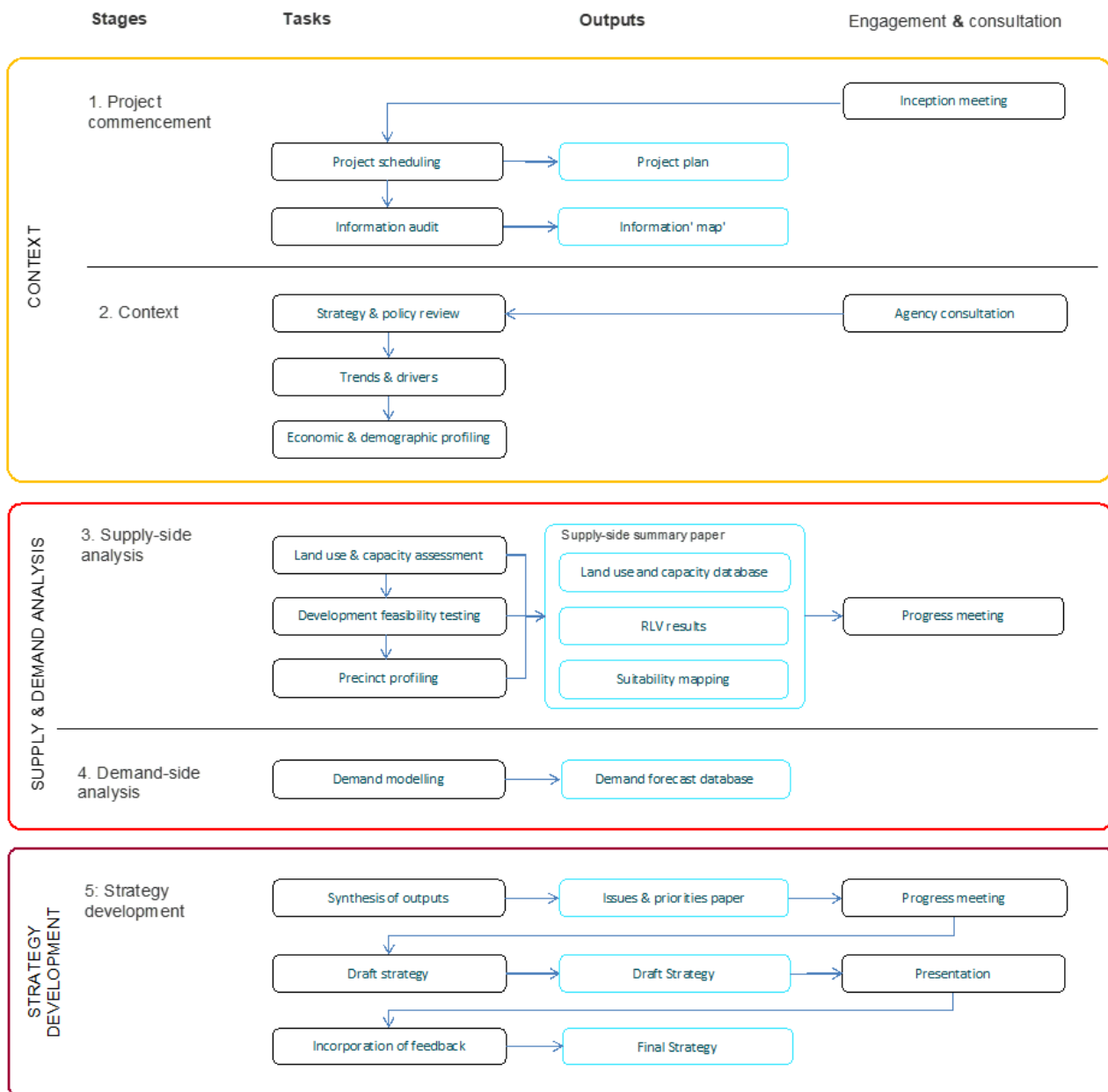
1. **Current context** – a review of past and current state and local government policy directives and strategies; socio-economic profiling of the LGA; market analysis; and consideration of general trends and drivers that are impacting employment and the economy.
2. **Market analysis and modelling** – precinct profiling of employment lands; supply-side analysis of floorspace in key employment centres; and demand modelling for future floorspace requirements; suitability mapping for retail, commercial and industrial land uses; and consultation with stakeholders related to economic centre performance and key barriers and opportunities for the LGA.
3. **Strategy development and reporting** – drawing on the outputs from previous tasks, the Strategy will include recommendations for strategic centres.

Study method flow chart is at Figure 1.

Study Status

The study is currently in Stage Two - finalising market analysis and modelling outputs. The following sections highlight some of the key and preliminary findings from Stage One and Stage Two.

FIGURE 1: STUDY METHOD



Source: SGS Economics & Planning

1.3 Stage One - Key Preliminary Findings

Policy Context

A review of State and local government policy documents highlights the following key directives that will impact and shape the economy and employment lands of Hawkesbury LGA into the future:

1. Richmond-Windsor has been designated as a Strategic Centre

State Government policy is to build the role of Richmond-Windsor as a Strategic Centre within Greater Sydney. As a Strategic Centre, Richmond-Windsor should offer a wide range of land uses and enable access to a wide range of goods, services and jobs. Clarendon equine, defence and education activity should be leveraged.

FIGURE 2: STRATEGIC CENTRE OF RICHMOND-WINDSOR AND CLARENDON AGGLOMERATION PRECINCT



Source: GSC

2. Develop Vineyard as an attractive and well-connected community

Over the next 30-40 years, Vineyard and the North West Growth Area is anticipated to accommodate 2,400 and up to 90,000 dwellings respectively. The employment and industrial zoned land will support more than 43,000 jobs including 37 hectares of light industrial; 72 hectares of general industrial and 36 hectares of business park (approximately 15,000 jobs). Infrastructure investment is largely focused around these precincts.

Majority of the investment and activity for Vineyard and the North West Growth Area will occur in neighbouring Blacktown City Council and Hills Shire LGA. This has potential to draw activity away from the economic centres of Hawkesbury LGA.

3. Improving access to jobs with smaller villages as vibrant local hubs

Strategic planning supports a well-connected city with shorter, localised connections to jobs through integrated land use, transport and infrastructure planning. Smaller centres in the LGA will need to support the local population's essential needs.

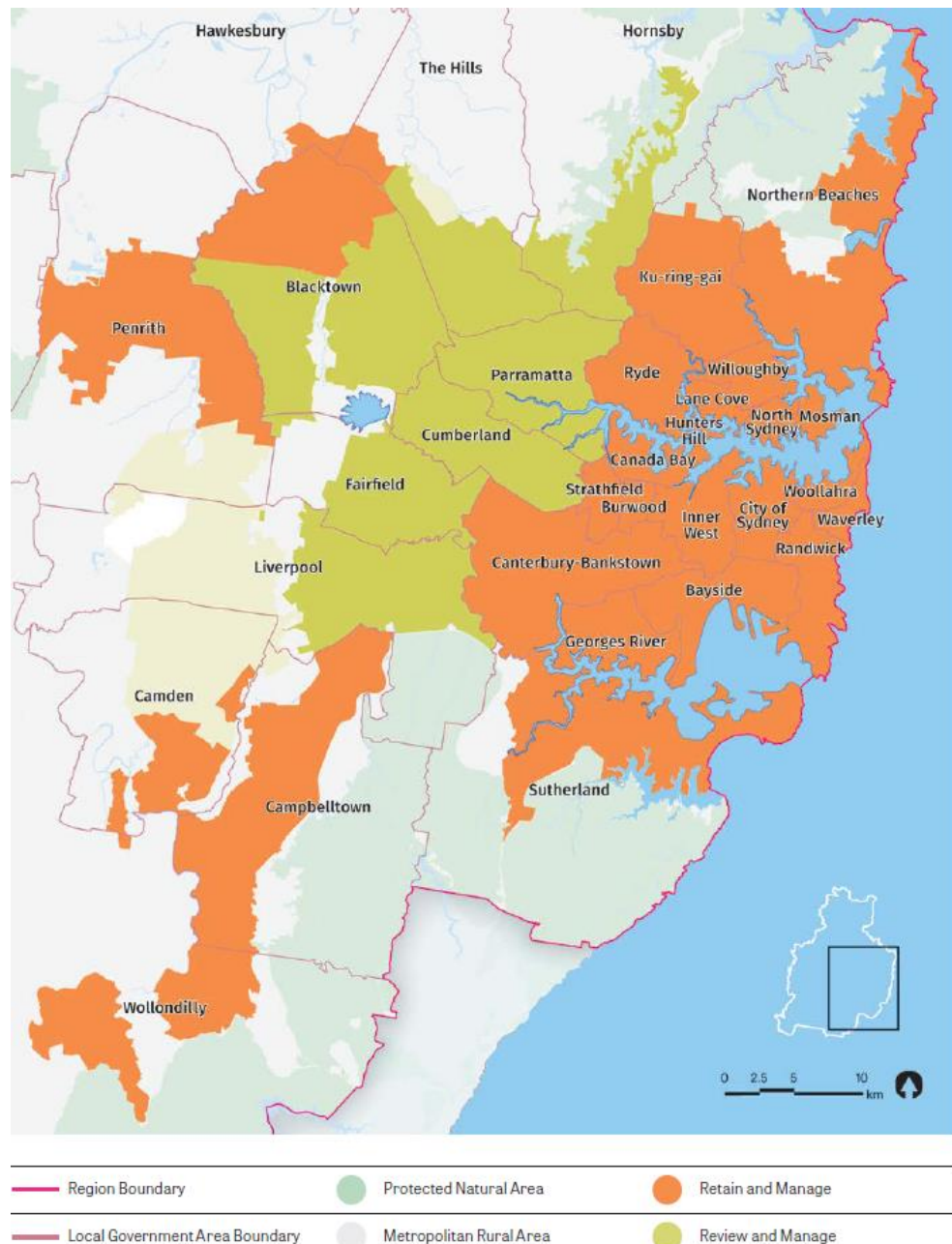
4. Tourism as a driver of the economy

The Hawkesbury is recognised as having many positive attributes related to food, culture, nature and heritage. Future strategic planning actions should leverage these attributes with consistent branding; support development of facilities and workforce; and allow for environmentally sensitive development.

5. Protection of industrial lands

State policy recognises the value of industrial lands within a city, where it is not necessarily the number of jobs provided but the operational role and function industrial lands plays that is of importance. Objectives of the Greater Sydney Region Plan support a 'retain and manage' policy for existing industrial and urban services lands from competing land use pressures, particularly residential and mixed-use zones.

FIGURE 3: RETAIN AND MANAGE INDUSTRIAL LANDS ACROSS GREATER SYDNEY – POLICY APPLICATION (ORANGE)



Source: GSC

6. Better management of metropolitan rural lands

State policy recognises the contribution metropolitan rural lands contribute to biodiversity, productive agriculture and resource provision. Rural-residential development is generally not supported in areas outside of the investigation areas. Planning should sustain environmental, social and economic values and maintain and enhance the unique character of the towns and villages in these rural areas.

7. Flood risk

Hawkesbury LGA contains a number of flood risk precincts. Vineyard and Clarendon are highlighted for future development and are also flood affected. Development potential is highlighted for South Windsor, Mulgrave and North Richmond as these areas have fewer constraints.

Socio-Economic Profile & Market Analysis

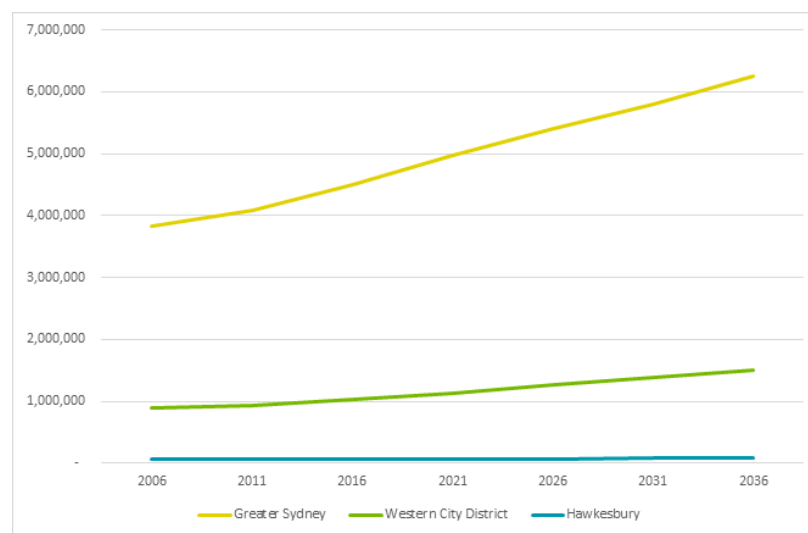
Using a range of quantitative and qualitative data sources (Australian Bureau of Statistics data; Transport Performance & Analytics projections, RP data and property agent consultation), the following socio-economic and market analysis has highlighted the following for Hawkesbury LGA:

1. Relatively low population growth and an ageing population

Hawkesbury LGA has exhibited low growth in the last decade compared to Greater Sydney and the Western City District. The LGA also has an increasingly ageing population with a larger proportion of Retirees and Mature Adults making up the population when compared to Greater Sydney and the Western City District. The ageing population profile will drive a greater demand for corresponding facilities and service in centres, for example health facilities and urban design features such as wide pavements and public seating.

Figure 2 highlights the low population growth, current and projected, for Hawkesbury LGA against Greater Sydney and the Western City District.

FIGURE 4: POPULATION GROWTH (2006-2036)



Source: SGS Economics & Planning

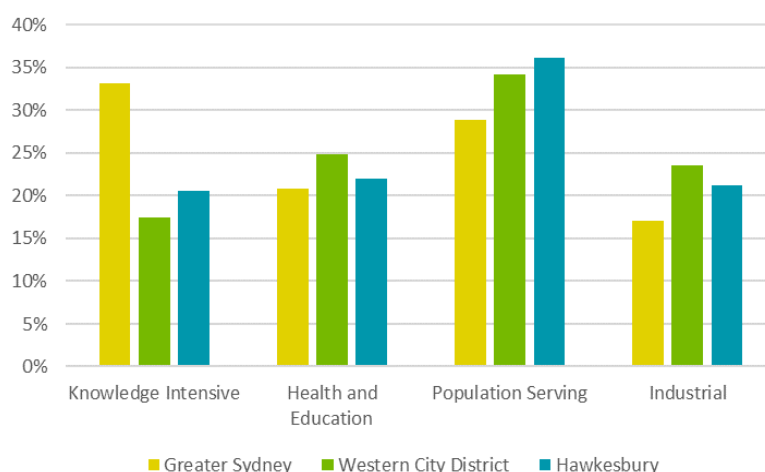
2. Population Serving industries dominate the LGA

Population Serving industries, these include employment such as Accommodation and Food Services; Retail Trade; Construction; and Arts and Recreation Services, are widely prevalent in the economic centres of Hawkesbury LGA.

As Figure 3 indicates, in 2016, Population Serving industries make up approximately 36 per cent of the industry employment structure which is higher than Greater Sydney and the Western City District at about 28 and 34 per cent respectively. This profile is expected to remain towards 2036.

It is expected that there will only be a small increase in Knowledge Intensive industries in the LGA towards 2036. Knowledge Intensive industries includes employment in areas such as Financial and Insurance Services; Professional, Scientific and Technical Services; and Information, Media and Telecommunications.

FIGURE 5: INDUSTRY OF EMPLOYMENT (POW) STRUCTURE, 2016

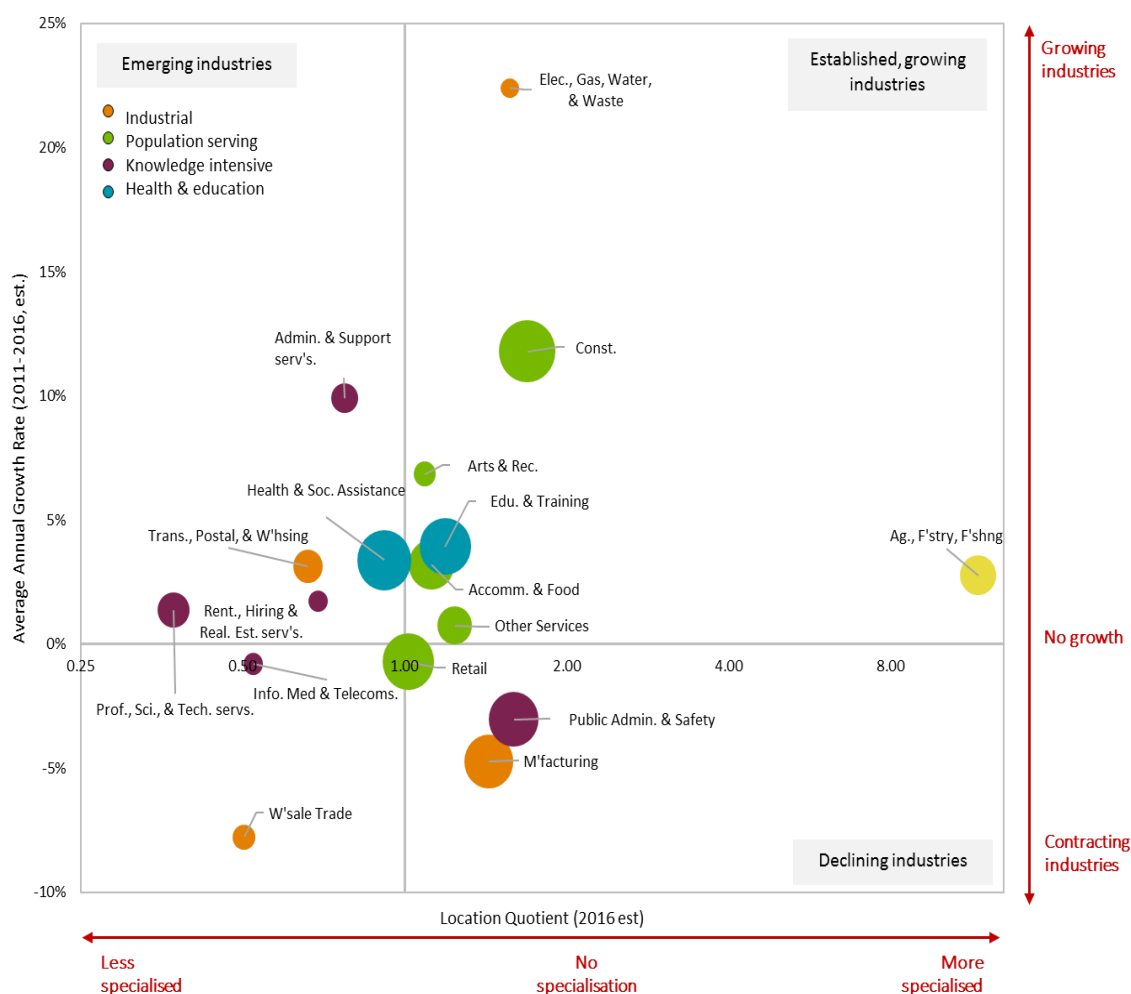


Source: SGS Economics & Planning

3. Employment in the Health & Education industry is significant, and Agriculture is a specialisation for the LGA

Figure 4 measures the industry profile of Hawkesbury against Greater Sydney. It shows Agriculture, Forestry & Fishing (yellow) is a highly specialised industry in Hawkesbury LGA when compared to Greater Sydney. Health & Social Assistance and Education & Training (blue) industries are prominent, with large job numbers, but are less specialised in Hawkesbury LGA. Public Administration & Safety and Manufacturing (lower right quadrant, purple and orange) industries also have high jobs numbers but are contracting industries in the LGA.

FIGURE 6: RELATIVE INDUSTRY SPECIALISATION OF THE LOCAL ECONOMY AGAINST GREATER SYDNEY



Source: SGS Economics & Planning

4. Significant self-sufficiency and self-containment

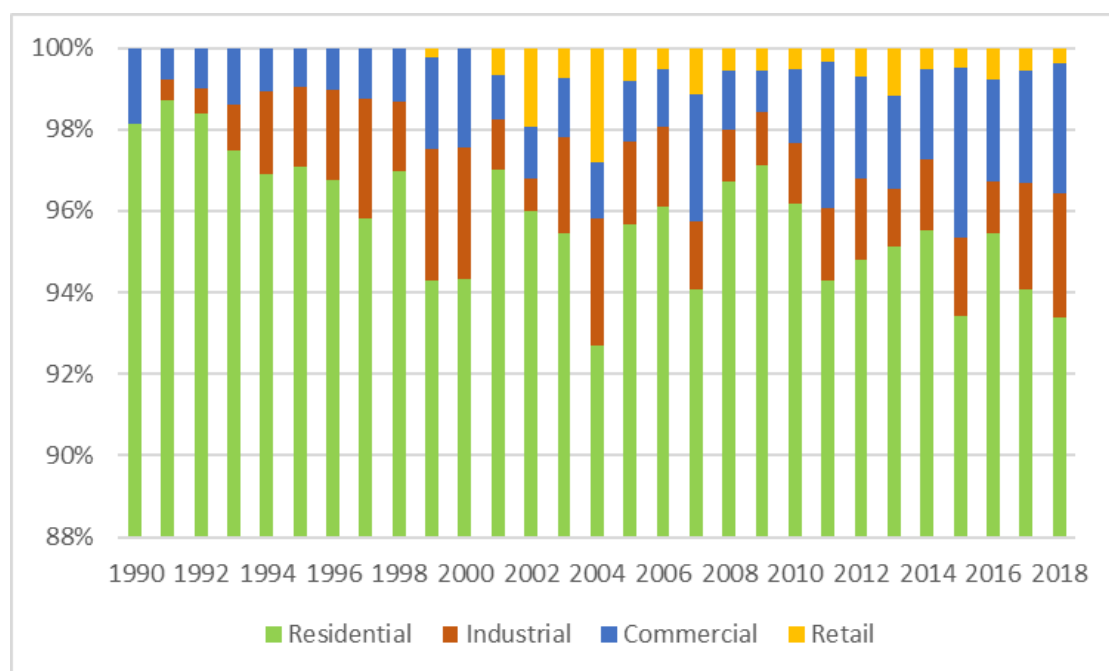
Hawkesbury LGA has a high degree of self-sufficiency and self-containment. The majority of jobs are filled by local resident workers where the self-sufficiency rate is approximately 60 per cent. The majority of Hawkesbury resident workers commute locally, within the LGA, reflecting a self-containment rate of about 44 per cent.

5. Mixed market performance of centres in the LGA

Data analysis suggests Windsor is functioning relatively well as a commercial and retail centre. Richmond is performing adequately as a commercial centre but less so in retail. Mulgrave has experienced rising property values overtime but a decline in sales volumes. South Windsor is not performing well when compared to Mulgrave with a slight decrease in industrial property values overtime. There are slightly more industrial vacancies in South Windsor (6), than in Mulgrave. There are also more vacancies in Richmond (9) than in South Windsor (5) and Windsor (4).

Figure 5 highlights the changes in land use sales type for Hawkesbury LGA between 1991 and 2018. Residential sales have always been the predominate sales type in the LGA. In recent years, industrial and commercial sales types are making up an increasing proportion of total sales across the LGA.

FIGURE 7: TOTAL SALES ACROSS HAWKESBURY LGA, 1991 - 2018



Source: NSW Valuer-General, 2019

Trends & Drivers

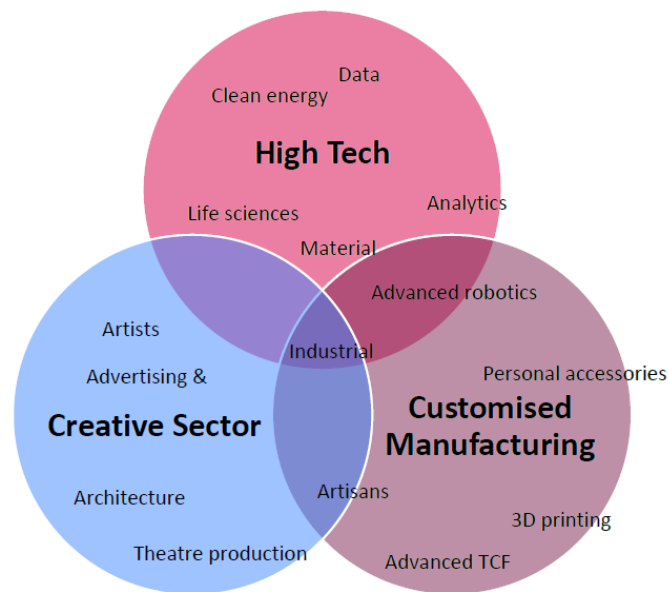
1. Broad changes in the retail market

New entrants to the supermarket arena, Aldi and IGA, have increased their market share in recent years, although Woolworths and Coles groups remain the dominant players with a combined 70 per cent share of the market. Supermarkets are also offering smaller formats with more tailored product selections. Regional shopping centres have maintained their popularity over city centres. This poses a challenge for the planning of centres, as regional 'out of centre' shopping draws trade away from traditional centres where there are sunk costs in infrastructure and where the highest accessibility benefits are present. Online retailing is impacting traditional bricks and mortar retailing and these retailers are having to find new ways to attract consumers. Fine grain retailing offers a point of difference to centres that contain large shopping centre and can encourage a unique experience at a human scale. Cafes and 'eat streets' have maintained popularity.

2. Industrial lands have changing profiles

With the rise in online retailing, the value of industrial and urban services lands for logistics uses located in close proximity to residential areas has become more prominent. Advanced manufacturing has seen the inclusion of greater technology in the manufacturing process. There has also been growth in creative led land uses in these industrial land use areas which is part of the evolution of industrial areas in 'post-industrial' economies. While there are opportunities for new generation uses (for example, creative industries), it is vital that a balance is achieved so that there is adequate provision of local industrial and urban service activity.

FIGURE 8: ADVANCED MANUFACTURING AND INDUSTRIAL LANDS – MERGING OF TECH, CREATIVE AND MANUFACTURING JOBS



Source: SGS Economics & Planning

3. New ways of working

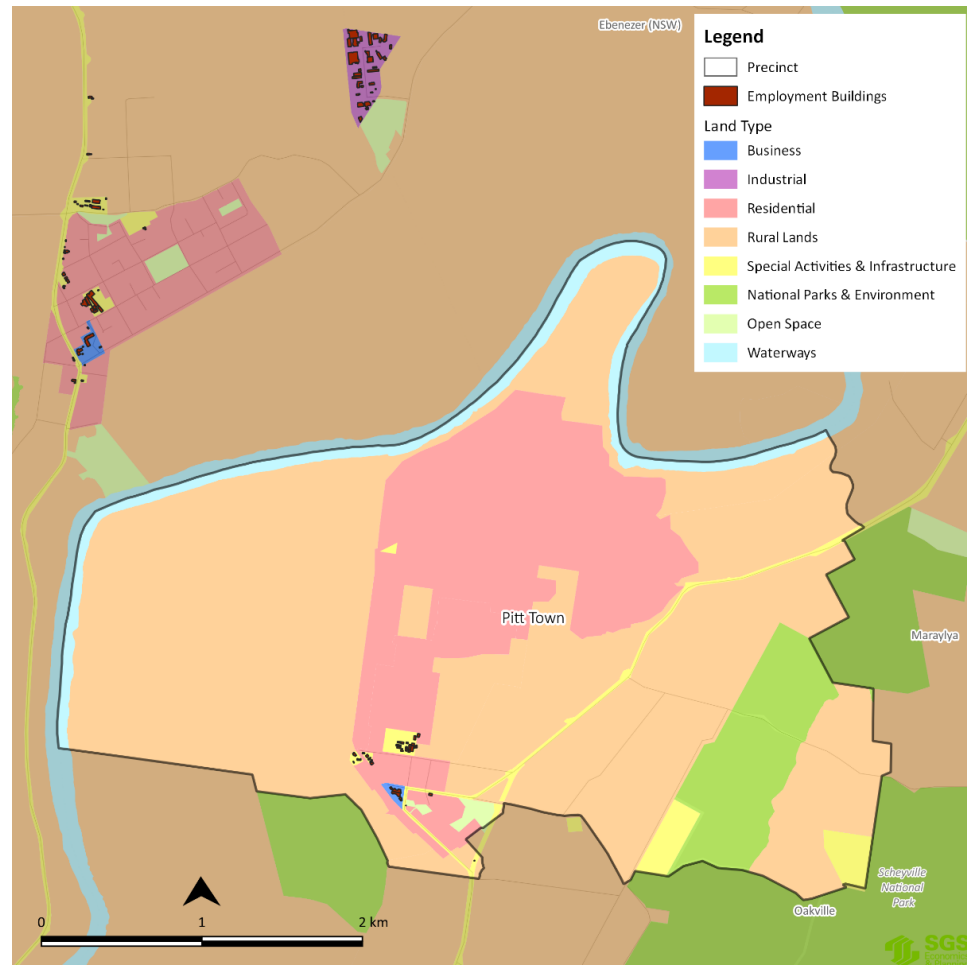
Technology has allowed for changes in workplace operation, structure and form. People are working from home but are also engaging in a ‘third way’ of working that is between the traditional office-based format and the freelance, independent mode of work in co-working spaces. Co-working spaces can cater to different work styles for individuals to small companies sizes, for freelancers, independent workers and start-ups. Co-working spaces can support a variety of concepts, such as promoting the arts, sustainability or the concept of community.

1.4 Stage Two – Preliminary Findings

Precinct Profiling

Precinct profiling analysed population and employment projections for a number of economic activity centres and the immediate area surrounding the centre based on travel zone and land use boundaries, for example as shown for Pitt Town in Figure 9.

FIGURE 9: PITT TOWN



Source: SGS 2019 using LZN19

Some of the key findings from the precinct profiling indicated:

- The population within the **Richmond** precinct will age towards 2036. Of the 1,813 people expected to be living in Richmond by 2036, 815 of them will be Retirees, 304 of them Mature Adults and 263 Adults. The percentage change between 2016 and 2036 indicates all age groups will be negative, except Retirees which is expected to increase by 51 per cent. The Health Care and Social Assistance Industry is projected to grow the most into the future in this precinct, with a total of 634 jobs in 2036. Retail Trade, however, is expected to remain the largest industry with 809 jobs in 2036.
- The Education and Training Industry is projected to grow by an additional 250 jobs in the **Clarendon** precinct by 2036, reaching a total of 962 jobs. This is significantly higher than any other industry group in the precinct.
- Approximately an additional 272 people are projected to be living in the **McGraths Hill** precinct over the next 20 years. Retirees (+65 years) are expected to be the fastest growing age group, while Mature Adults (45-65 years) will be the largest age group with 699 people. Healthcare and Social Assistance jobs will experience the most growth in the next 20 years with an additional +129 jobs.
- The Construction Industry is projected to grow the most into the future in the **Mulgrave** precinct, with an additional +426 jobs expected over the next 20 years to

2036. This is closely followed by Retail Trade (+380 jobs). Construction, however, is expected to remain the largest industry by far (1,163 jobs in 2036).

- The **Richmond RAAF Base** precinct is expected to grow by an additional +669 jobs in Public Administration and Safety to 2036.
- It is expected that Manufacturing, despite being the largest industry in the **South Windsor** precinct, will decline by -131 jobs to 2036. Other Services; Construction; and Electricity, Gas, Water and Waste Services employment will experience some growth in job numbers.

Collectively, the population is projected to grow in these precincts by +7,000 people, reaching approximately 33,000, by 2036.

Projected proportional change of employment indicates proportional growth in the Knowledge Intensive and Health and Education sector will be most significant in McGraths Hill, while the Industrial sector in Glossodia and McGraths Hill is projected to experience a strong decline, see Table 1.

TABLE 1: HAWKESBURY LGA LOCAL EMPLOYMENT PROJECTED PROPORTIONAL CHANGE, 2016-36 (POW)

Age Group	Knowledge Intensive	Health and Education	Population Serving	Industrial
Bligh Park	1.3%	3.1%	-3.8%	-0.5%
Clarendon	0.2%	1.7%	-1.1%	-0.7%
Glossodia	2.7%	4.7%	0.9%	-8.4%
McGrath Hill	7.0%	8.1%	-5.4%	-9.7%
Mulgrave	4.9%	0.7%	-0.6%	-5.0%
Pitt Town	5.4%	5.4%	-3.7%	-7.1%
Richmond	2.4%	2.0%	-3.2%	-1.3%
Richmond RAAF Base	6.2%	-0.1%	-1.3%	-4.8%
South Windsor	2.2%	0.9%	2.8%	-5.9%
Wilberforce	2.9%	3.2%	-1.6%	-4.6%
Windsor	3.7%	1.1%	-3.0%	-1.8%
<i>Average</i>	3.5%	2.8%	-1.8%	-4.5%

Source: TZP2016 v1.51 (TPA)

Consultation

Consultation with a number of agents in the Hawkesbury LGA has revealed a mixed response to the performance of centres. Some of the key points made during consultation included the following:

- The **commercial, retail** and **industrial** markets are generally seen as consistent or flat. Overall, the LGA is considered to be performing relatively well but there is significant room for improvement.
- The **retail** centres of Hawkesbury LGA have to compete with Rouse Hill, Penrith and Castle Hill. Online retailing is also affecting the bricks and mortar retail in Hawkesbury, as well as the quality of the shops. It was felt increases in density and streetscape improvements would help the retail market.
- There could be opportunity for smaller **industrial** lots, as there is an undersupply of small lots and larger tenants are attracted to Western Sydney due to greater levels of transport accessibility.

- The **commercial** market is less understood than retail and industrial markets. This may be due to the lack of commercial office stock in the area.
- **South Windsor:** The industrial lots in South Windsor are too big to meet demand. In general, South Windsor is not performing well with several vacancies and is not an attractive place for tenancies. The small lots in Windsor have been popular.
- **Mulgrave:** Performs better than South Windsor with more modern buildings and main road access.
- **Richmond and Windsor:** Richmond performs better than Windsor as a commercial and retail centre, particularly along the main street. Richmond is viewed as the main commercial centre for the LGA with higher quality shops and drawing a population with higher socio-economic advantage. Windsor is considered outdated, where shops tend to be owner operated. Shops in both centres can take some time to rent out.

Floorspace Analysis & Modelling

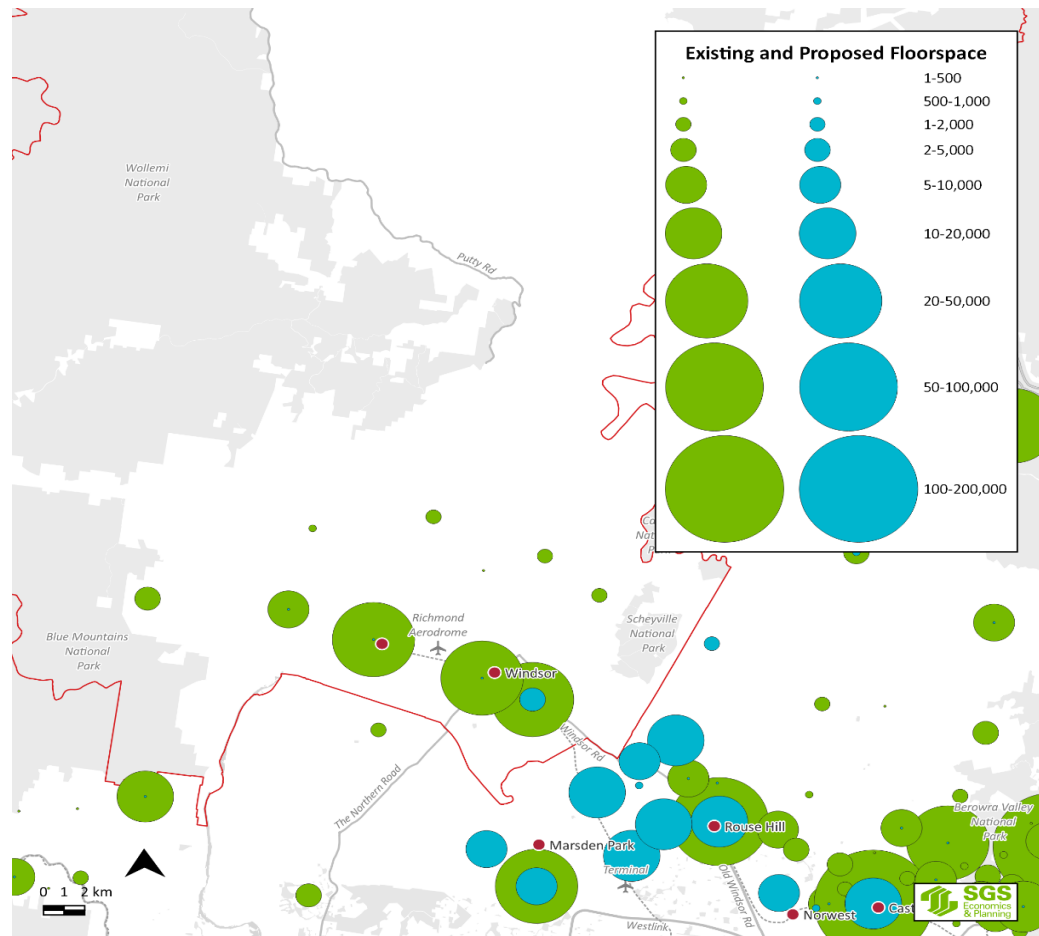
Retail, industrial and commercial floorspace analysis and modelling is being finalised.

Preliminary retail floorspace results indicate the following for supply, demand and floorspace gap to 2036 in Hawkesbury LGA:

Retail Floorspace Supply

- There is approximately 116,974 sqm of retail floorspace, spread across 11 precincts. The three largest precincts are Richmond Town Centre, Windsor Town Centre and McGraths Hill, which combined make up around 84.8 per cent of total retail floorspace.
- Richmond Town Centre has the highest amount of Supermarket (9,775 sqm), Other Food (2,970 sqm), Clothing & Soft Goods (4,177 sqm), Other Retail (8,213 sqm) and Department Store (6,733 sqm) floorspace. Windsor Town Centre has the highest amount of Hospitality (11,656 sqm) floorspace, while McGraths Hill holds the highest amount of Household Goods (14,145 sqm) floorspace.
- A significant amount of retail floorspace is proposed outside of Hawkesbury LGA, to the south-east in Blacktown and The Hills Shire LGAs, predominantly in Household Goods (5,650 sqm) and Supermarket (5,102 sqm) floorspace, as represented in Figure 11.

FIGURE 10: RETAIL EXISTING AND PROPOSED FLOORSPACE



Source: SGS Economics and Planning

Retail Floorspace Demand

- Breaking down floorspace demand by precinct, finds that the majority of demand is being drawn into McGraths Hill, which contributes to almost 40 per cent of the total demand for the LGA. This is followed by Richmond Town Centre and Windsor Town Centre which contribute around 22 per cent each.
- Supermarket floorspace will have the highest demand, particularly in Richmond Town Centre and Windsor Town Centre precincts to 2036, as shown in Table 2.
- Other notable commodity groups are Household Goods with demand growth expected in McGraths Hill, but small demand declines across Richmond Town Centre and Windsor Town Centre. This is most likely due to the continued emergence of McGraths Hill as a Household Goods destination, followed by other out of centre Household Goods centres, such as Marsden Park in close proximity to the LGA, which are influencing demand.

TABLE 2: DEMAND GROWTH 2016-36, HAWKESBURY LGA (SQM)

Precinct	Supermarket	Other Food	Hospitality	Clothing & Soft Goods	House. Goods	Other Retail	Dep. Stores	Total
McGraths Hill	674	1,661	1,911	319	2,939	368	1,798	9,671
Richmond TC	2,203	501	537	941	-300	570	1,031	5,484
Windsor TC	1,946	263	1,728	452	-143	775	290	5,311
North Richmond	352	163	702	102	310	333	178	2,140
Pitt Town	-	361	405	-	-	154	-	921
Kurrajong	-	91	106	31	-4	32	-	256
Glossodia	81	58	78	-	-	15	-	232
Wilberforce	-	103	33	-	-	40	42	217
Hobartville NC	60	-	30	-	-	-	-	90
Kurmond	-	38	19	-	-	9	-	66
Freemans Reach	-	-	-	-	-8	-2	-	-9
Total	5,316	3,239	5,550	1,845	2,796	2,294	3,340	24,380

Source: SGS Economics and Planning, 2019

Retail Floorspace Gap

- Analysing retail supply data against retail demand modelling finds that the Hawkesbury LGA is expected to enter into a shortage by 2026 of around 1,857 sqm. This gap grows substantially by 2031, with an overall shortage of 20,237sqm expected by 2036.
- Breaking down the 2036 floorspace gap finds that McGraths Hill has the highest projected floorspace gap at -5,568 sqm. This is closely followed by Richmond Town Centre with a gap of around -5,468 sqm and Windsor Town Centre at -5,303 sqm. The combination of the three accounts for three-quarters of the total retail shortage across the LGA.
- The impact of tourism spending was also considered and indicates a retail floorspace shortage of 6,813 sqm by 2021. This could potentially increase to a gap of 35,556 sqm by 2036.

1.5 Preliminary Emerging Insights

Some of the key considerations emerging from the study include the following:

- Ageing population:** Hawkesbury LGA will experience significant increase in the Retirees age group over the next 20 years. Economic activity centres will have to prepare and cater to their needs, in terms of facilities, services and infrastructure.
- Retail:** The issue for Hawkesbury is less about the need for increases in floorspace, moreover it is an issue of the quality of centres and the need for streetscape improvements.
- Industrial:** there may be opportunity for smaller lots to cater to demand and become a point of difference to the industrial offering in Western Sydney.
- Tourism:** growth of the tourism industry may impact retailing and floorspace capacity in the future.

- **Clarendon anchor activities:** the relationship of the education, defence and equine industries in Clarendon, and for the LGA as a whole, is less understood and is an avenue for further exploration.
- **Hawkesbury in the context of Greater Sydney:** Proposed retail floorspace across the border in Blacktown and Hills Shire LGA will impact the future of retailing in Hawkesbury LGA.

1.6 Next Steps

Finalisation of Stage Two floorspace and modelling analysis will clarify the opportunities for the economic activity centres of Hawkesbury LGA. The final stage of the study will involve development of strategies and actions for Council to implement.



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