

Ingleside – Employment and Retail Assessment

Executive summary (DRAFT)

Department of Planning and Environment
November 2014



Independent insight.



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SGS Economics and Planning Pty Ltd
ACN 007 437 729
www.sgsep.com.au
Offices in Canberra, Hobart, Melbourne and Sydney

EXECUTIVE SUMMARY

1.1 Scope of our work

SGS has been commissioned by the Department of Planning and Environment (DPE) to complete a retail and employment assessment for the Ingleside Release Area (Ingleside Precinct). The employment and retail assessment will identify the retail and commercial land use requirements and other supportable employment floorspace for the site.

1.2 Background and development context

The Ingleside Precinct is located in the North East Subregion and is approximately 715 hectares. It adjoins the Garigal and Ku-ring-gai National Parks, the Ingleside/Warriewood Escarpment to the east and Ingleside Chase Reserve.

There are three discernable areas for planning and infrastructure provision referred to as:

- South Ingleside (south of Mona Vale Road)
- North Ingleside (north of Mona Vale Road and east of Chiltern Road) and
- Wirreanda Valley (on the north side of Mona Vale Road, west of Chiltern Road).

The precinct has been the subject of a number of studies at both state and local level since it was identified as the major greenfield release area for the North East subregion in the early 1990s and was confirmed as a future greenfield release precinct in 2007.

The key development issues, constraints and opportunities for the Ingleside Precinct are as follows:

| Key Issues | Constraints | Opportunities |
|---|---|---|
| – Dwelling yield and economic viability | – Biodiversity | – Protection of natural features and environmental attributes |
| – Availability of primary utilities infrastructure (particularly water, sewage and electricity) and implications for the staging and costs of development | – Flooding | – Public and private transport improvements including Mona Vale Road to Mona Vale |
| – Provision of transport infrastructure (Mona Vale Road and Powderworks Road in particular) | – Bush fire risk | – New communities |
| – Impacts on existing land use and integration with current land uses | – Riparian Corridors | – Improved access to centres |
| – Risks to the program include engaging/facilitating timely input from state agencies and key stakeholders | – Heritage | – Community services |
| – Probity risks should UrbanGrowth NSW's role develop from a planning-related function to delivery | – Urban interface e.g. with existing residential land | – Market release, housing choice and affordability including affordable housing |
| – Funding over time of infrastructure | – Existing capitalisation of some properties, particularly in North Ingleside | – Recognition of local and State heritage, and indigenous heritage |
| | – Capacity of Powderworks Road | – Strategic land approvals |
| | – Timing and upgrade of Mona Vale Road | – Coherent and coordinated development outcomes |
| | – Infrastructure servicing | – Certainty for landowners and community |
| | – Land capability and landscape | |
| | – Fragmented land ownership | |

Source: DP&I, Pittwater Council, UrbanGrowth NSW, Ingleside Precinct Project Plan, 2013, p.5.

A review of relevant policies, strategies and studies applying to the precinct provided guidelines for the size, location and configuration of retail and employment land in the Ingleside precinct. The key document review findings relating to retail were:

- Retail floor space provision should be located with regard to the hierarchy of centres and principles of walkability
- Conflict between different centres in the retail hierarchy should be actively managed. Established shopping centres in the Ingleside catchment area include:
 - Warringah Mall in the Brookvale – Dee Why Major Centre
 - Pittwater Place and Bungan Court in the Mona Vale Town Centre
 - Warriewood Square (Standalone Shopping Centre)
 - St Ives Shopping Centre (Village Centre)
 - Small Village Centres: Forestway Shopping Centre and Stockland Glenrose
- In the Warriewood Valley Strategic Review Economic Feasibility Study, Hill PDA (2011) noted that there was existing retail undersupply in the Pittwater LGA, as well as significantly growing demand for retail and commercial uses in Warriewood Valley and Pittwater LGA.

Similarly, the main findings from the document review relating to other employment development include:

- Any local industrial lands in the Ingleside precinct should be located along the Mona Vale Road to take advantage of road exposure and passing trade.
- Existing employment lands in the subregion should be reserved for future employment growth and intensified to accommodate the ambitious employment targets for the area, for example, by better integrating Mona Vale Town Centre and Employment Lands, and increasing FSR in centres.
- Employment in the area is relatively self-contained, partly because the area is relatively geographically isolated and underserved by public transport. This is also reflected in the proportionately higher number of home businesses in the area. To maintain the self-containment of the subregion, employment lands should take into account the skills of the area, and the existence of medical and sports/recreation specialised precincts in the area.
- The amount of investment in industrial land is limited by the geographical isolation of the North-East subregion. Existing business parks in the area should also be built on and well-linked to future growth areas, such as Ingleside, in recognition of the growing demand for business park floor space.

1.3 Supply analysis

The analysis of surrounding centres and employment lands found that there are a variety of retail and employment centres within the Ingleside catchment. These include a number of strategic centres, such as Brookvale-Dee Why, Chatswood and Mona Vale, and population serving centres such as Terrey Hills and Elanora Heights.

Consultation with real estate agents revealed that small neighbourhood retail centres are not performing strongly with low rents and a lot of vacancies, with the exception of Elanora Heights which is performing relatively strongly. This centre is located in very close proximity to the Ingleside release area and the recent expansion (increase in size of the IGA) suggests that there is strong demand for neighbourhood retail in this area. Pittwater Council indicated the strong performance of Elanora Heights is due to its increased night-time economic activity supported by new restaurants/cafes and emerging 'Shop Local' trend by residents and visitors.

On the other hand, consultation with real estate agents indicated that larger centres, particularly those with big box format centres (e.g. Warringah Mall), are performing well.

It was suggested that Ingleside residents would generally travel to Warriewood Square (Centro Warriewood) and Mona Vale for their groceries and high-order retail needs (such as clothing). Smaller

centres such as Elanora Heights attract residents from Terrey Hills, Bayview and Ingleside as the centre contains a doctor and chemist, as well as an IGA.

Based on the supply analysis, Warriewood Square (Centro Warriewood) and Mona Vale are likely to be the two major centres which cater for the retail needs of incoming residents at Ingleside. Warriewood will likely cater for local industrial needs and Belrose and Frenchs Forest will cater for local office/business park employment.

1.4 Demand forecast

Retail floorspace

The future retail land use requirements for the Ingleside precinct have been assessed by first estimating the total retail expenditure for the incoming population using the resident income profile, distributing the total retail expenditure to different centre types in the retail hierarchy and then converting the retail expenditure captured in this precinct to floorspace requirements. The future population at the precinct is based on the dwelling yield estimated by COX in accordance with the draft Structure Plan.

Based on this assessment, SGS found that there is sufficient retail demand to warrant a maximum of 2000 square metres of neighbourhood centre floorspace in the Ingleside precinct. This neighbourhood centre may include a small supermarket (e.g. IGA) and convenience-type retail stores, but should not include a full-line supermarket which would draw trade from nearby existing centres. Restricting the provision to neighbourhood retail will ensure that Ingleside does not compete and impact on the viability of existing retail floorspace within Elanora Heights, Terry Hills and Mona Vale.

Assuming a floorspace ratio of approximately 0.75:1, around a **2600 square metre site should be provided** to accommodate future neighbourhood retail floorspace. There is also a potential for part of this site to provide some shop-top housing, as seen in other retail centres in Pittwater LGA.

Based on the parking requirement of 1 space per 30 square metres of retail floorspace in Council's DCP, this neighbourhood centre retail floorspace will require 66 parking spaces or almost 2000 square metres of land for parking. In total, the neighbourhood centre will require at least a **4600 square metre site**.

Based on the locational principles for retail development, the neighbourhood centre would best be **located around Chiltern Road, just north of Mona Vale Road**; though further refinements to this location should be made by the master planner taking into account design considerations. This location is highly accessible by car and is located near a major road for exposure. Ideally, however, to provide some amenity for this small centre, we recommend that it be on a 'side street' and separated from the Mona Vale Road intersection via a 'highway' use (such as a service station). The centre should also have the potential to be expanded in the future, if required, and the subdivision pattern and development controls should allow for this.

In terms of indicative staging, the neighbourhood centre should develop once around 2500 dwellings are completed to support the viability of the neighbourhood centre and to reduce any potential impacts on surrounding centres. But, in reality, market forces will likely determine the timing of this neighbourhood centre development. However, until this neighbourhood centre in North Ingleside is developed, there could be a small retail offering (e.g. cafes) co-located with community/recreational uses within the potential community node in South Ingleside, as identified in the draft Structure Plan.

Other employment floorspace

Based on findings from consultation with real estate agents, Warriewood, Cromer, Brookvale and Manly Vale are the most favoured locations for industrial floorspace. Demand is particularly strong for small industrial sites (150 to 250 square metres) and relatively weak for large scale floorplates of greater than

2,000 square metres. While for business park floorspace, demand is strongest for Frenchs Forest and Brookvale, while Belrose is experiencing quite a few vacancies.

An analysis of demand for other employment floorspace in the Ingleside Precinct was completed. This considered the population driven employment demand generated by the future residents of the Ingleside Precinct, the role, function and capacity of surrounding centres to accommodate this demand and the suitability of Ingleside Precinct for various employment uses.

The analysis shows that there would be 635 population driven jobs (excluding retail) generated by the incoming Ingleside population. Converted to floorspace, there is projected to be around 31,000 square metres of additional floorspace required to meet demand driven by population growth in Ingleside.

SGS has then developed a number of principles which are used to identify the most suitable locations for these employment uses within Ingleside and the existing employment areas located in close proximity. Based on these principles and knowledge of the role, function and capacity of surrounding centres, the majority of the 31,000 square metres of additional employment floorspace demand should be accommodated within existing employment areas. For example, demand for business park or office floorspace can be accommodated within the existing business park developments at Frenchs Forest, Belrose and Warriewood, while industrial land uses, such as freight and logistics, can be accommodated within the existing industrial precincts where there are large number of vacant spaces.

Similarly, most local service industrial could be accommodated in the nearby Warriewood centre or within the Terrey Hills industrial precinct. However, some provision of local service industrial uses, such as automobile repairs, plumbers and panel beaters, could be made for the Ingleside precinct. **Around 2000 square metres of local service industrial land should be sufficient.**

The local service industrial area could be located along the Mona Vale Road to take advantage of the proposed road upgrade, particularly at the western end where the off ramp will provide better accessibility.

1.5 Conclusion

The Ingleside precinct has a long history as an identified potential greenfield release area. Numerous studies have revealed environmental and infrastructure constraints and development opportunities for the site. These studies as well as state and local planning policies and strategies provided important contextual information that has informed the retail and employment location principles developed for this study.

The surrounding retail centres, industrial and business park precincts were assessed to determine their function, role within the hierarchy and capacity to absorb future development. This analysis established the most suitable locations for retail and employment floorspace generated by incoming Ingleside residents.

Future retail and industrial floorspace estimates for the incoming population were derived by adopting the dwelling yield from the draft Structure Plan prepared by COX.

A series of principles, based on the policy and strategy review, provided guidance for the development of future retail and industrial floorspace within the precinct, summarised as follows:

Neighbourhood retail centre:

- The neighbourhood centre with a maximum retail floorspace of 2000 square metres **should be located around Chiltern Road, just north of Mona Vale Road**. Ideally, to provide some amenity for this small centre, we recommend that it be on a 'side street' and separated from the Mona Vale Road intersection via a 'highway' use (such as a service station).

- There is also an opportunity for this neighbourhood centre site to provide some shop top housing, as seen in other centres in Pittwater LGA.
- Based on the parking requirement of 1 space per 30 square metres of retail floorspace in Council's DCP, the neighbourhood centre will **require 66 parking spaces or almost 2000 square metres of land for parking.**
- In total, the proposed neighbourhood centre in North Ingleside will require **at least 4600 square metre land.**
- Until this neighbourhood centre in North Ingleside is developed, there could be a small retail offering (e.g. cafes) co-located with community/recreational uses within the potential community node in South Ingleside, as identified in the draft Structure Plan.

Local service industrial:

- Provision **for around 2000 square metres of local service industrial land (including parking) located along Mona Vale Road**, to take advantage of the proposed road upgrade, particularly at the western end where the off ramp will provide better accessibility.

Contact us

CANBERRA

Level 1, 55 Woolley Street
Dickson ACT 2602

+61 2 6262 7603
sgsact@sgsep.com.au

HOBART

Unit 2, 5 King Street
Bellerive TAS 7018

+61 (0)439 941 934
sgstas@sgsep.com.au

MELBOURNE

Level 5, 171 La Trobe Street
Melbourne VIC 3000

+61 3 8616 0331
sgsvic@sgsep.com.au

SYDNEY

Suite 12, 50 Reservoir Street
Surry Hills NSW 2010

+61 2 8307 0121
sgsnsw@sgsep.com.au

