

DISCOVERY POINT ADDENDUM REPORT

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ECONOMIC and SOCIAL ASSESSMENT

Prepared For:
AUSTRALAND PROPERTY GROUP

Prepared By:
LEYSHON CONSULTING PTY LTD
SUITE 1106 LEVEL 11
109 PITT STREET
SYDNEY NSW 2000

TELEPHONE (02) 9224-6111
FACSIMILE (02) 9224-6150

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EXECUTIVE SUMMARY

Introduction Section 1

This Report has been prepared for Australand Property Group and relates to an application to increase the maximum total gross floor area (GFA) to be developed at Discovery Point.

The proposal is for an additional 10,000m² of residential floorspace (GFA) which will equate to about 76 additional residential apartments.

Residential Development Section 2

To date, Australand have developed approximately 1,142 residential units at Discovery Point in Stages 1 to 10 of the project.

Since 2006, significant residential development has occurred in Rockdale Local Government Area (LGA) in general and in the Wolli Creek area in particular. In Rockdale LGA, for instance, 1,535 new dwellings were constructed and occupied in the period 2006-11. At Wolli Creek 1,153 flats, units and apartments had been constructed and occupied since 2006.

Demand Analysis Section 3

The proposed additional 76 apartments potentially will increase the population to be accommodated at Discovery Point by about +172 residents.

Under the current approved Concept Plan for Discovery Point, an estimated 3,188 to 3,821 persons are projected to reside at Discovery Point at full development.

An increase of +172 persons is minor in nature (a +4.5% to 5.4% increase) and should not have any measurable impact on planned services at Wolli Creek.

Social Impact Section 4

The proposed increase of +172 persons is unlikely to give rise to adverse social impacts. The 2011 Census revealed the existing population is essentially young, has above average income levels, below average levels of unemployment and is "well connected" with 96% having home-based internet access.

Conclusion Section 5

The addition of 76 units (which could accommodate about 172 residents) will not generate any significant additional demand on existing and proposed facilities in the Wolli Creek area nor will it distort the local residential market.



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INTRODUCTION

1.1 Background

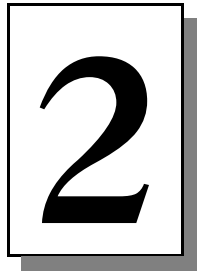
This Report has been prepared by Leyshon Consulting Pty Ltd for Australand Property Group. The Report relates to an application under Section 75 W of the Environmental Planning and Assessment Act 1979 to modify Condition A6 of the existing Concept Plan approval as it applies to the maximum total gross floor area (GFA) which can be developed at Discovery Point.

In June, 2010 Leyshon Consulting prepared a report for Australand/Landcom (*Discovery Point Proposed Concept Plan – Economic and Social Assessment*). That report examined the economic and social implications of proposed changes to the then Master Plan for Discovery Point. Our 2010 report also formed an essential component of a Concept Plan subsequently approved by the Department of Planning and Infrastructure (DP&I) in May, 2011.

In this instance, we have been requested by Australand to prepare an addendum report to update, where appropriate, certain material contained in our June, 2010 report.

We are instructed that the proposed increase in the maximum total GFA to be developed on the Discovery Point site will incorporate approximately 10,000m² of additional GFA of residential floorspace to be accommodated in Stages, 11, 12 and 13 of the project. It is understood this floorspace will equate to about 76 additional residential apartments.

Stages 1-10 already incorporate 1,142 apartments. The total number of apartments to be developed under the Concept Plan approval (including the proposed Section 75 W modification No 4) is 1,608 apartments.



RESIDENTIAL DEVELOPMENT

2.1 Introduction

As noted in Section 1 of this Report, the proposed variation to the existing Concept Plan would, if approved, increase residential floorspace at Discovery Point by approximately 10,000m². We understand this increase could entail an additional 76 units. To date, approximately 1,142 units have been provided at Discovery Point within Stages 1-10 of the project.

The former Indicative Design Scheme prepared by Bates Smart Architects for the Concept Plan had estimated that up to 1,500 units would be developed on the site having regard to the maximum 123,000m² GFA allowed for residential development under the Concept Plan.

Residential development activity since 2010 has led to consistent growth in the housing stock in Wolli Creek in particular and in Rockdale LGA overall.

2.2 Rockdale LGA Trends

Between 2006-11 an additional +1,535 dwellings were constructed and occupied in Rockdale LGA. The majority (968) of this increase in total dwellings were in the flats, units and apartments category. The net increase in this dwelling category between 2006-11 was as follows:

▶	One bedroom	...	-47
▶	two bedroom	...	+118
▶	three bedroom	...	+442
▶	four bedroom	...	+315.

Despite the significant net increase in larger apartments since 2006, the overwhelming majority of flats/units/apartments in Rockdale LGA remain two bedroom units: at the 2011 Census, in total, 78.7% of all flats/units/apartments were two bedroom dwellings.

2.3 Wolli Creek

2011 Census data indicate that mostly since 2006 some 1,153 flats, units and apartments had been constructed and occupied in the suburb of Wolli Creek. Of those recently developed dwellings, 606 (52.5%) were rented while 369 (32%) were being purchased by persons with a mortgage in 2011.

Overwhelmingly, flats, units and apartments developed in the Wolli Creek area since 2006 were two-bedroom (724 units; 62.8%). Only 20% of occupied flats, units and apartments in 2011 were one bedroom dwellings while just 8.4% contained three bedrooms.

2.4 Dwelling Targets

The Draft South Subregional Strategy 2007 proposed dwelling increase 'targets' for LGAs in the Sydney Region. For Rockdale LGA the Draft Strategy identified a target of 7,000 additional dwellings by 2036. Taking into account the currently proposed increase in dwellings at

Discovery Point, on completion the project will represent approximately 10% of the 7,000 dwelling target.

The Draft Metropolitan Strategy for Sydney 2036 generally has increased dwelling targets for Sydney's subregions for the period up to 2031 although no LGA-level dwelling targets are set out in the Draft Strategy.

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IMPACT on SERVICES

It is understood that the Rockdale Section 94 Plan 2004 will reach the ends of its period of currency in 2014. It will, however, continue to apply until Council prepares a new Section 94 Plan. We understand Australand will continue to meet its Section 94 obligations under the current Plan until a new Plan is put in place.

In our opinion, the proposed addition of 76 apartments potentially will increase the population to be accommodated at Discovery Point by about 172 persons. This estimate is based on the average occupancy rate of apartments at Wolli Creek at the 2011 Census of 2.26 persons per dwelling.

In our 2010 report, we estimated the total potential population at Discovery Point under the current Concept Plan at 3,188 persons. An on-site population increase of 172 persons is therefore in the order of 4.5% to 5.4% over and above that which might occur under the approved Concept Plan. We consider this increase to be minor in nature and should not have any measurable impact on planned services in the Wolli Creek area.

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SOCIAL IMPACT

The increase in population projected for the Discovery Point site arising from the proposed amendment to the Concept Plan (+172 persons) is unlikely to give rise to adverse social impacts. In a broad sense, additional population on the site in close proximity to public transport will provide an opportunity for a greater number of people to live in a transport-oriented residential environment in close proximity to major work centres including the Airport, Mascot, Port Botany, the Sydney CBD and Hurstville.

The additional population on the site arising from the Concept Plan will also assist in underwriting the provision of services—both retail and non-retail—to existing and future residents and assist in providing a greater critical mass of population which will underwrite the provision of entertainment and leisure-oriented facilities including restaurants, cafés and the like. These latter types of uses are those specifically proposed in the first stages of the Concept Plan.

It is our assessment that any additional population on the Discovery Point site flowing from an increase in the number of residential units, will not give rise to adverse social impacts. Based on current occupancy levels in the Wolli Creek North area (that is, the area to the west of the Princes Highway and to the north of Thomson Street/Martin Avenue), 76 additional residential units would generate a population increase of around only 172 residents.

At the 2011 Census, the population of Wolli Creek North numbered some 1,693 persons. Compared with the Sydney Region as a whole, the population residing in this part of Wolli Creek in 2011 had atypical socio-demographic characteristics .

In terms of age structure, the Wolli Creek North area was principally populated in 2011 by those aged 20-39 years. In total, 72.9% of all Wolli Creek North residents were in this age cohort and, specifically, 42.2% were aged 20-29 years. This compares with 30.1% of Sydney Region residents aged 20-39 years and just 14.8% in the 20-29 year cohort in 2011.

In relation to household structure, in 2011 the Wolli Creek North area was dominated by couple households without children (43.4%) and lone person households (22.2%). In the Sydney Region in 2011 couple only households comprised 24.7% of all households in 2011. In Wolli Creek North only 13.1% of households in 2011 were traditional families (that is, couples plus dependant children) compared with 36.1% in the Sydney Region.

The average household size in Wolli Creek in 2011 was 2.16 persons per dwelling considerably below the 2.69 persons per dwelling in the Sydney Region at that time.

The occupational structure of employed persons in Wolli Creek North in 2011 was characterised by an above average proportion of residents employed in professional occupations namely–34.4% compared with 25.5% in the Sydney Region. Wolli Creek North also had a well below average proportion of persons employed in unskilled occupations such as machinery operators, drivers and labourers.

The average unemployment rate Wolli Creek North in 2011 was 4.9% compared to 5.7% in the Sydney Region.

Residents of Wolli Creek North also had above average household incomes in 2011. We estimate the average household income in the area was \$94,624 per household per annum (\$2011). This was +5.8%

above the Sydney Region average of \$89,465 per household per annum (\$2011).

2011 Census data also reveal the population residing in Wolli Creek North is ethnically diverse. In total, just 34.4% of residents reported speaking English only at home. The proportion speaking Chinese languages was 28.7%, 6.3% spoke Indo-Aryan languages and 6.8% spoke a variety of South East Asian Austronesian languages. Further underpinning the area's diversity was that only 28.5% of residents in 2011 were born in Australia.

Residents of Wolli Creek North are also "well connected" to a variety of services with 96% of households having access to the Internet. This compares to 79.9% for the Sydney Region as whole in 2011.

Such residents are unlikely to make substantial claims on community support services at least in the foreseeable future. Accordingly an increase in population on the site is unlikely to introduce a population who may be disadvantaged or by virtue of their socio economic characteristics make a substantial claim on community support services.

In any event, in relation to the proposed community facilities to be provided in Wolli Creek it is highly unlikely that an additional 172 residents on the Discovery Point site will place any strain on the existing and proposed open space facilities and the works related to roads, pedestrian and cyclist facilities.

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CONCLUSION

Wolli Creek is attracting a residential population which is young, has above average household incomes, has a high level of workforce participation—particularly in professional occupations—and is well-connected to a variety of services by virtue of very high levels of home-based Internet services. The residents of the area are also extremely well-connected with employment centres and other services in the Sydney Region by virtue of their location immediately adjacent to the Wolli Creek railway station and their proximity to the Sydney CBD, Kingsford Smith Airport, Mascot/Green Square and employment centres at Kogarah and Hurstville.

Accordingly, if the future population of the area has similar characteristics to those evident in 2011 there is no reason to suppose that an additional population of about +172 persons will make any significant additional demand on existing and proposed facilities and services in the Wolli Creek area. In our opinion, such future residents are likely to be very well equipped to make their own provision for the services they require in addition to the services and facilities which Council is to provide under their Section 94 Contributions Plan.

Given the proposed number of dwellings under the current proposal is not substantially higher than that under the approved Concept Plan, the proposal to provide additional residential floorspace will not distort the local residential market.

