



**Live Work Units
& Self-Storage Units
EPIQ, Lennox Head
Need and Impact Assessment**

Prepared for
Clarence Property Corporation

May 2018
18012

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SUMMARY

Epiq Lennox Head is a large master planned residential estate under development around 2 kilometres from the existing Lennox Head village centre and comprises 500 dwellings and a neighbourhood shopping centre.

35 live work units of 50m² commercial Gross Floor Area (GFA) each (total 1,750m²) and a self-storage facility are also proposed as part of Epiq on a site across Hutley Drive from the shopping centre. Foresight Partners was commissioned to prepare this economic need and impact assessment to address issues raised by Ballina Shire Council with regard to the proposed live work and self-storage units.

Live Work Units

Commercial Supply

An inventory of all commercial premises in Lennox Head was undertaken to determine the total quantum of commercial floorspace and other key characteristics. 30 commercial tenancies were identified occupying a total of 3,305m² of commercial GFA. There are currently no vacancies suitable for commercial uses in Lennox Head. Three commercial developments totaling 1,310m² of commercial floorspace are approved in the Lennox Head area.

Commercial Demand

A main service area (encompassing Lennox Head and Skennars Head) was defined for the proposed commercial live work units. The service area is equivalent to the primary trade area of the proposed Epiq neighbourhood centre. As of 2016, there were around 8,090 residents in the service area, up from 7,590 in 2011. This is forecast to increase to 10,990 people by 2026.

Based on our commercial inventory and the estimated population at 2018, there is an estimated 0.4m² of commercial floorspace per capita in the service area. A lack of vacancies suited for commercial uses in the service area indicates there is likely to be latent demand for additional commercial space. Based on commercial floorspace provision in comparable markets, we estimate service area demand for commercial space is around 0.6m² per capita.

Reconciling the supply of existing and approved commercial space and forecast future demand for commercial space indicates a deficit of around 550m² by 2019, increasing further to a deficit of 1,000m² by 2021, which will grow in succeeding years.

Potential Alternative Sites

An alternative site suitably zoned for commercial development is located in the planned light industrial area (service trades area) identified within Area C under the Lennox Head Structure Plan. It is considered unsuitable for the proposed use for the following reasons:

- Commercial uses in live work units primarily serve the local population. The subject site is more convenient to the local community as it is in a designated retail and commercial precinct and close to the existing Lennox Head village centre.
- The timing of the development of the light industrial area is uncertain but there is significant existing demand for additional commercial space.
- Industrial uses primarily serve businesses while live work units typically serve local residents, therefore there would be little synergistic benefit of locating live work units in the proposed light industrial area.
- Designated industrial land will not be lost or compromised if the live work units are located at the subject site.
- Residential (live work) units are an incompatible use in an industrial area. The location of the subject proposal in an industrial area would risk significant residential amenity impacts and reverse amenity impacts on industrial uses.

Forecast Impacts

The proposed live work units will offer a distinct type of commercial premise unlike those in the Lennox Head village centre. Accordingly, the proposed live work units will appeal to a largely complementary market segment.

If the proposal proceeds, a surplus of commercial space of around 750m² is forecast by 2021 assuming all approved commercial floorspace is developed. The proposal will add to total commercial floorspace in the service area with functions that are largely complementary to the village centre, therefore it is not expected to result in any significant relocation of existing businesses from the village to the subject site. Subsequent market growth will reduce the initial surplus to a deficit of around 230m² by 2026.

Overall Impacts of Epiq

Total proposed commercial GFA within Epiq (1,845m²) is around 56% of that in the existing Lennox Head village centre (3,305m²) and it is expected that the tenants of the proposed live work units will be home based businesses that will primarily serve niche markets in the local community. Therefore, commercial activity within the Epiq development will be secondary to the existing Lennox Head village centre.

The size, function and co-location of a dwelling distinctly differentiate the subject proposal from traditional commercial tenancies in the existing Lennox Head village centre. Due to their complementary commercial functions and a current undersupply of commercial floorspace, there is potential for a net increase of business activity in the service area as new businesses occupy commercial premises that are currently unavailable.

Need for Live Work Units

It is concluded that there is a strong need for the proposed live work units demonstrated by the current undersupply of commercial floorspace, and the need to respond to growth in commercial floorspace demand. The community benefits (i.e. additional choice in

commercial stock, provision of complimentary facilities and local employment) far outweigh potential impacts on existing and approved commercial space in the Lennox Head village centre.

Self-Storage Units

Demand and Supply

Based on industry benchmarks and previous self-storage assessments completed by Foresight Partners, we estimate demand for self-storage in the service area is around 0.014 self-storage units per capita. At 2018, demand for self-storage units in the service area is estimated at around 118 units.

Currently there are no self-storage facilities in the defined service area. The nearest facilities are located in Ballina (6) and Alstonville (1).

Potential Alternative Sites

Similar to the live work units, the proposed light industrial area (Area C, Lennox Head Structure Plan) is the only suitably zoned alternative site. It is considered unsuitable for proposed use for the following reasons:

- Self-storage units typically serve local residents. A location at the subject site will be closer to existing and proposed centres and more convenient to the Lennox Head community.
- There would be no synergistic benefits of locating self-storage units in an industrial precinct as they primarily serve residents rather than industrial businesses.
- Designated industrial land will not be lost if the self-storage units are located at the subject site.

Need for Self-Storage Units

It is concluded there is a need for a self-storage facility on the subject site due to a lack of supply (no facilities in the service area), estimated current demand for around 120 self-storage units in the service area and a lack of a suitable alternative site that is convenient to the community.

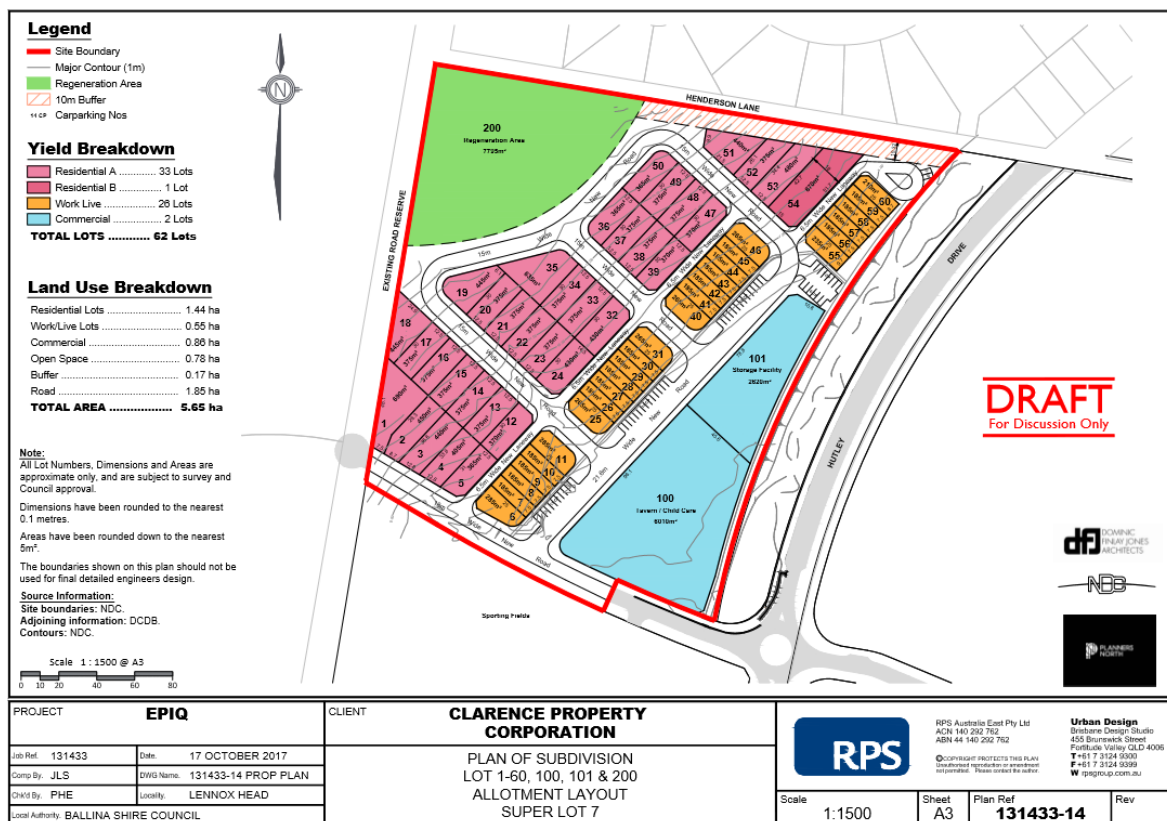
1. INTRODUCTION

1.1 Proposed Development

Epiq Lennox Head is a large master planned residential estate under development around 2 kilometres (by road) from the existing Lennox Head centre. Epiq will ultimately comprise some 500 dwellings (around 1,700 persons) over 80 hectares and a neighbourhood shopping centre (totaling 5,500m²). Within the Epiq development, Clarence Property (the applicant) proposes a self-storage facility and 35 small live work units which are the subject of this report. Indicative plans of the proposed residential and commercial uses on the subject site are shown in Figure 1.1.

Plans indicate the commercial Gross Floor Area (GFA) of each live work unit will be around 50m², with the 35 units representing around 1,750m² of commercial floorspace.

Figure 1.1: Indicative Uses of the Subject Site



Source: Clarence Property Corporation.

1.1.1 Target Markets

Commercial uses suitable for live work units generally service a limited local area and require only a small footprint. Based on our investigations of existing live work units elsewhere, examples of uses include home offices and local professional and medical services (such as accountants, real estate, dentists, lawyers or general practitioners).

1.2 Purpose of Report

Foresight Partners was commissioned to prepare this economic need and impact assessment to address issues raised by Ballina Shire Council with regard to the self-storage and live work units. In particular:

- *“Analysis of the consistency of the proposal with the planned light industrial area (service trades centre) identified within Area C under the Lennox Head Structure Plan. In particular, the suitability of the Epiq site for the proposed live work and storage facilities compared to the planned area for such uses within Area C should be addressed.”*
- *“Analysis of the planned components and potential impacts of the live work development on the Lennox Head village centre relative to the principles set out in the Ballina Retail Strategy, Lennox Head Community Aspirations Strategic Plan and the Lennox Head Structure Plan. In particular, potential impacts on the maintenance of the intended retail hierarchy in Lennox Head (i.e. that commercial activity in the Epiq development will be secondary to the village centre) as well as the potential for loss of business activity from the village centre should be addressed. This analysis should incorporate an address of the impacts on the Lennox Head village centre associated with the Epiq neighbourhood shopping centre so as to determine both the impacts on the village centre associated [with] the proposal for super lot 7 and the Epiq development overall.”*
- *“Provision of information addressing the need for, and viability of, live work development within the Epiq development.”*

In view of Council’s comments, the primary objectives of this assessment are to:

- assess the potential impacts of the live work units on commercial space and business activity in the Lennox Head village centre;
- evaluate the suitability of the subject site for the proposed self-storage and live work units compared to the proposed light industrial area identified under the Lennox Head Structure Plan;
- analyse the impacts of the proposal on the intended retail hierarchy of Lennox Head (noting that Epiq should be secondary to the village centre); and
- assess the viability and need for the live work units.

1.3 Methodology

In preparing this report, a number of investigations were undertaken. These included:

- a reconnaissance of the surrounding area, namely Lennox Head village centre, undertaken in March 2018, noting the characteristics of the subject site, surrounding land uses and accessibility;
- identification of existing and proposed/approved commercial developments within Lennox Head by location, size, function and the types of users;
- determination of the amount of occupied and vacant commercial floorspace in the service area defined by location, quality and key characteristics;
- determination of the current provision of commercial floorspace per capita in the Lennox Head area and forecast local demand for commercial space to 2026;
- analysis of the consistency of the proposal and suitability of the subject site compared with the proposed light industrial area (service trades centre) identified within Area C under the Lennox Head Structure Plan;
- analysis of potential impacts and implications of the proposed increase in commercial floorspace on other commercial developments in Lennox Head; and
- assessment of viability and need for the proposed live work units.

2. LIVE WORK UNITS

2.1 Commercial Floorspace Supply

2.1.1 Existing Commercial Floorspace

An inventory of all commercial premises in Lennox Head was undertaken on 29th March 2018 to determine the total quantum of commercial floorspace, typical users, average tenancy size and current vacancy rates. Generally, commercial businesses in Lennox Head serve only the local market and residents must travel to Ballina for higher order retail and commercial services.

The primary commercial precinct in Lennox Head is located on Ballina Street between Rutherford and Byron Streets. Retail and personal services¹ account for the largest number of businesses (8), followed by medical services (7) and professional services² (6). In terms of occupied space, the largest users are medical services (35.2%), professional services (25.0%) and retail and personal services (13.6%). No commercial space was identified outside the Lennox Head Local Centre zone on Ballina Street.

Only one commercial vacancy (55m²) was identified in Lennox Head which due to its small size, location in a retail precinct and surrounding retailers is better suited to retail uses. For these reasons, it has been excluded from the commercial stock.

Table 2.1 summarises the overall business mix within Lennox Head.

Table 2.1: Lennox Head Business Mix

Business Type	Estimated Floorspace		Establishments		Average Size
	m ²	%	No.	%	m ²
Professional Services	825	25.0%	6	20.0%	138
Financial Services	255	7.6%	4	13.3%	64
Medical Services	1,165	35.2%	7	23.3%	166
Real Estate and Development	360	10.9%	4	13.3%	90
Corporate Office	250	7.6%	1	3.3%	250
Retail/Personal Services	450	13.6%	8	26.7%	56
Total	3,305	100.0%	30	100.0%	110

Source: Foresight Partners Inventory (29 March 2018). Note: Excludes community facilities such as libraries and the cultural and community centre.

¹ Hair salons, massage studios, gyms.

² Consultants, Law professionals, IT businesses.

2.1.2 Proposed and Approved Commercial Developments

A review of pending and approved development applications has identified the following commercial developments that are approved in the vicinity of the subject site:

- A development comprising a total of 750m² of commercial GFA in four live work units (facing Rayner Lane), one large commercial premise and five first floor offices is approved at 45-49 Ballina Street. Approval was issued in July 2015 and the site is currently vacant (Figure 2.1 ref 1).
- A two-storey live work veterinarian surgery totaling 240m² of commercial GFA is approved at 48 Ballina Street. The site is currently vacant after approval was issued in February 2018 (Figure 2.1 ref 2).
- At 86 Ballina Street a two-storey development comprising four offices (323m² GFA) and restaurants and cafés (176m²) was approved in December 2016. The site is currently occupied by a residential dwelling (Figure 2.1 ref 3).

In summary, around 1,310m² of commercial GFA is approved, and of this around 1,075m² would be suitable for use by live work occupants (240m² will serve a specialised veterinarian function). However, the long lead time between approvals and any action at 86 and 45-49 Ballina Street suggests these two developments may not proceed for some time or at all.

2.1.3 Potential Alternative Existing Commercial Space

There is currently only a single commercial vacancy in Lennox Head (noted in Table 2.1). The space is characterised by its very small floorplate (55m²), main road exposure and location between existing retail businesses. In view of this, we conclude this vacancy would likely demand higher rents (per m²) than most commercial space in Lennox Head and is therefore better suited to retail uses.

2.2 Commercial Floorspace Demand

2.2.1 Service Area Population and Labour Force Growth

Typically, live work units are occupied by small businesses serving the local population. Typical occupants include professional and medical services (accountants, lawyers, doctors, dentists), retail services (hair/beauty salons) and other home based businesses.

Therefore it is reasonable to assume a main service area for the proposal is equivalent to the primary trade area³ of the retail component of the EPIQ development. The main service area encompasses the suburbs of Lennox Head and Skennars Head and is bound by North Creek to the west as shown in Figure 2.1.

Table 2.2 sets out current and forecast population and labour force size in the main service area to 2026. As of 2016, there were around 8,090 residents in the main service area, up from 7,590 in 2011. This is forecast to increase to 10,990 people by 2026 at an average annual growth rate of around 3.1%.

Assuming the proportion of residents in the labour force remains consistent at just below 50%, the service area labour force size is forecast to increase from around 4,000 to 5,430 people over the ten years to 2026. As at the 2016 Census, around 26% of employed service area residents did not travel beyond the service area for work and 61% stayed within the Ballina LGA.

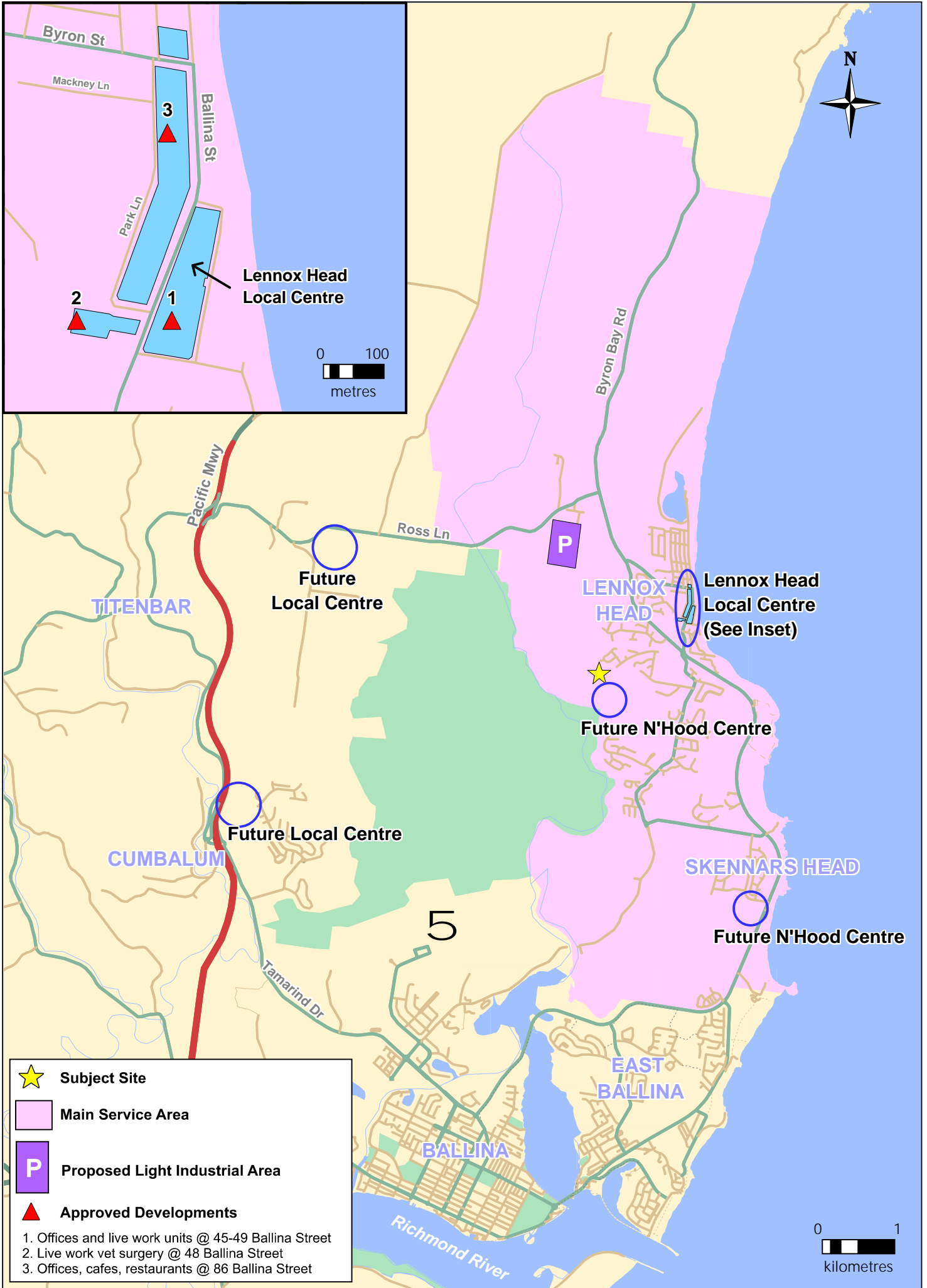
Table 2.2: Current and Forecast Population and Labour Force in the Main Service Area

Main Service Area	2006	2011	2016	2019	2021	2026
Estimated Resident Population	7,140	7,590	8,090	8,615	9,365	10,990
Labour Force (No.)	3,656	3,797	3,997	4,256	4,627	5,430

Source: Location IQ Economic Impact Assessment Population Projections (dated 16th November 2016), Labour Force data from ABS Census 2006, 2011, 2016, Foresight Partners estimates.

³ As defined by Location IQ in its Economic Impact Assessment (dated 16th November 2016)

Figure 2.1: Main Service Area of Proposed Live Work Units



2.2.2 Commercial Floorspace per Capita

Typical neighbourhood centres can usually support only population-serving commercial tenants in limited numbers. Examples of which include general medical practitioners, dentists, accountants or similar. This results in neighbourhood centres supporting around 0.2m² to 0.5m² of commercial GFA per trade area resident.

A neighbourhood centre is promoted to a higher order local centre as its trade area population grows and it is able to support more, and higher order, commercial functions. In our experience, local centres serving a population of 8,000 to 10,000 residents are able to support in the order of 0.5m² to 0.8m² of commercial GFA per trade area resident.

Based on our commercial inventory conducted in March 2018, the main service area has an estimated 3,305m² of existing commercial floorspace and a current population (in 2018) of around 8,440 residents⁴. This yields 0.4m² of estimated commercial floorspace per capita which is below the typical range of 0.5m² to 0.8m² for a population of this size.

2.2.3 Forecast Demand

Future demand for commercial floorspace has been estimated using forecast population growth and the provision of commercial floorspace per capita in the main service area.

As the service area has effectively no commercial vacancies, this indicates that there is likely latent demand for additional commercial space and demand per capita is likely to be above the rate of 0.4m² per capita estimated on the current provision. For this reason, and based on comparable markets, our estimate of forecast floorspace demand per capita is 0.6m², which is the typical minimum to serve a population of 8,000 to 10,000.

Future population growth will continue to expand the commercial functions that can be supported within the service area, thereby increasing commercial floorspace demand per capita. Consequently, our estimated current requirement of 0.6m² per capita may understate demand in the future.

Table 2.3 shows the current and forecast demand and supply for commercial space in the service area assuming a minimum demand for 0.6m² per capita. At 2019, the service area is forecast to have a population of around 8,615 translating to around 5,170m² of warranted commercial floorspace. By 2021, the population is forecast to increase to 9,365 indicating a need for around 5,620m² of commercial space.

Considering only current supply and demand, it is estimated that there is a current undersupply of around 1,760m² of commercial floorspace.

In addition to the existing 3,305m² of commercial space, a further 1,310m² is approved. Conservatively assuming that all of the approved developments proceed and are completed by 2019, there is still a forecast deficit of around 550m² by 2019.

⁴ Assumes population growth is linear between Location IQ's projected population in 2016 and 2019.

Table 2.3: Current and Forecast Service Area Demand and Supply for Commercial Floorspace

Year	Service Area Population	Estimated Demand (m ² per Capita)	Total Floorspace Required (m ²)	Existing Supply		Existing and Approved	
				m ²	Surplus (+) / Deficit (-)	m ²	Surplus (+) / Deficit (-)
2018	8,440	0.60	5,064	3,305	-1,759	N/A	N/A
2019	8,615	0.60	5,169	3,305	-1,864	4,615	-554
2021	9,365	0.60	5,619	3,305	-2,314	4,615	-1,004
2026	10,990	0.60	6,594	3,305	-3,289	4,615	-1,979

Source: Table 2.2 and Foresight Partners estimates.

2.3 Potential Alternative Sites

An alternative site suitably zoned for commercial development is located in the planned light industrial area (service trades area) identified within Area C under the Lennox Head Structure Plan. It is considered unsuitable for the proposed use for the following reasons:

- Commercial uses in live work units primarily serve the local population. The subject site is more convenient to the local community as it is in a designated retail and commercial precinct and close to the existing Lennox Head village centre.
- The timing of the development of the light industrial area is uncertain but there is significant existing demand for additional commercial space.
- Industrial uses primarily serve businesses while live work units typically serve local residents, therefore there would be little synergistic benefit of locating live work units in the proposed light industrial area.
- Designated industrial land will not be lost or compromised if the live work units are located at the subject site.
- Residential (live work) units are an incompatible use in an industrial area.
 - Industrial areas are not designed to accommodate residential uses and lack amenities residents would normally expect; and
 - Residents could be impacted by industrial uses (i.e. noise, odour) which could potentially constrain industrial uses thereby compromising the intended function of the area.

Given there are effectively no current commercial vacancies and no certainty regarding timing of the proposed light industrial area, we conclude that no potential alternative locations are available.

2.4 Forecast Impacts

The proposed live work units will offer a type of commercial premise that is distinct from those in the Lennox Head village centre. The proposal will differ in terms of an adjoining dwelling, expected occupancy cost and location in a secondary commercial node. Accordingly, the proposed live work units will largely appeal to a separate but

complementary market segment that does not require a large floorplate or a village or neighbourhood centre location.

Table 2.4 sets out the forecast impacts of the proposal on the existing commercial space in the service area. The subject proposal will result in an approximate additional 1,750m² of commercial space. This translates to a 38% increase on the 4,615m² of existing and approved commercial space.

Assuming that the proposed live work units are constructed by 2021 and all approved developments proceed, there will a forecast surplus of around 750m² of commercial space at 2021. The proposal will add to total commercial floorspace in the service area with functions largely complementary to the village centre, therefore it is not expected to result in any significant relocation of existing businesses from the village to the subject site.

Subsequent market growth is forecast to reduce the initial surplus to a deficit of around 230m² by 2026.

Table 2.4: Forecast Impact of Proposed Live Work Units on Existing Commercial Floorspace

Year	Service Area Population	Estimated Demand (m ² per Capita)	Total Floorspace Required (m ²)	Existing and Approved		Existing, Approved and Proposal	
				m ²	Surplus (+) / Deficit (-)	m ²	Surplus (+) / Deficit (-)
2018	8,440	0.60	5,064	N/A	N/A	N/A	N/A
2019	8,615	0.60	5,169	4,615	-554	N/A	N/A
2021	9,365	0.60	5,619	4,615	-1,004	6,365	746
2026	10,990	0.60	6,594	4,615	-1,979	6,365	-229

Source: Tables 2.2 and 2.1, Foresight Partners estimates. Assumes approved developments are constructed by 2019 and proposal is constructed by 2021.

Residential Impacts

As part of the live work units, 35 adjoined residential dwellings are proposed. These represent around 7% of the proposed dwellings within the EPIQ development and around 3.6% of the forecast required dwellings between 2018 and 2026⁵.

Therefore, the 35 residential units proposed as part of the live work units will likely have a negligible effect on the future residential supply in the Lennox Head area.

2.5 Potential Impacts of Epiq Overall

The quantum of proposed commercial floorspace within the entire Epiq development totals 1,845m². This consists of 95m² in the mezzanine level of the neighbourhood shopping centre and 1,750m² of commercial space in the proposed live work units. Total GFA of

⁵ Forecast population growth 2018 to 2026 = 2,550 (Table 3.1). Average household size in service area at 2016 Census = 2.59. 2,550/2.59 = 985 estimated dwellings required between 2018 and 2026.

proposed commercial space within Epiq (1,845m²) is around 56% of the commercial space in the existing Lennox Head village centre (3,305m²).

The proposed live work units are designed for home based businesses. Examples include professional services (i.e. accountants, architects) and medical services (i.e. dentists, chiropractors) that serve the local population.

For these reasons, namely the quantum of commercial floorspace and likely nature of tenants, commercial activity within the Epiq development will be secondary and largely complementary to the existing Lennox Head village centre.

The size, function and co-location of a dwelling significantly differentiate the subject proposal from traditional commercial tenancies in the existing Lennox Head village centre. Due to their complementary commercial functions and a current undersupply of commercial floorspace, there is potential for a net increase of business activity in the service area as new businesses occupy commercial premises that are currently unavailable.

Accordingly, it is forecast that the net impact on the Lennox Head village centre of Epiq including the subject proposal will not be significantly different than that forecast for the neighbourhood centre⁶.

2.6 Need

Need for the proposed live work units is demonstrated by the following:

1. Current undersupply of commercial space;
2. Additional choice – no commercial live work units are currently available in the service area;
3. Provision of facilities that are largely complementary to existing local facilities and serve complementary functions;
4. Response to market growth – without the proposal there will be a forecast deficit of 1,000m² of commercial space by 2021, increasing to a deficit of around 1,980m² by 2026;
5. Acceptable impacts on existing and approved commercial space and the Lennox Head village centre overall; and
6. Community benefits such as more local employment, greater employment containment and new businesses and services that currently may not be offered in the service area.

It is concluded that there is a strong need for the proposed live work units and that the benefits to the community far outweigh potential adverse impacts on existing commercial space in the service area.

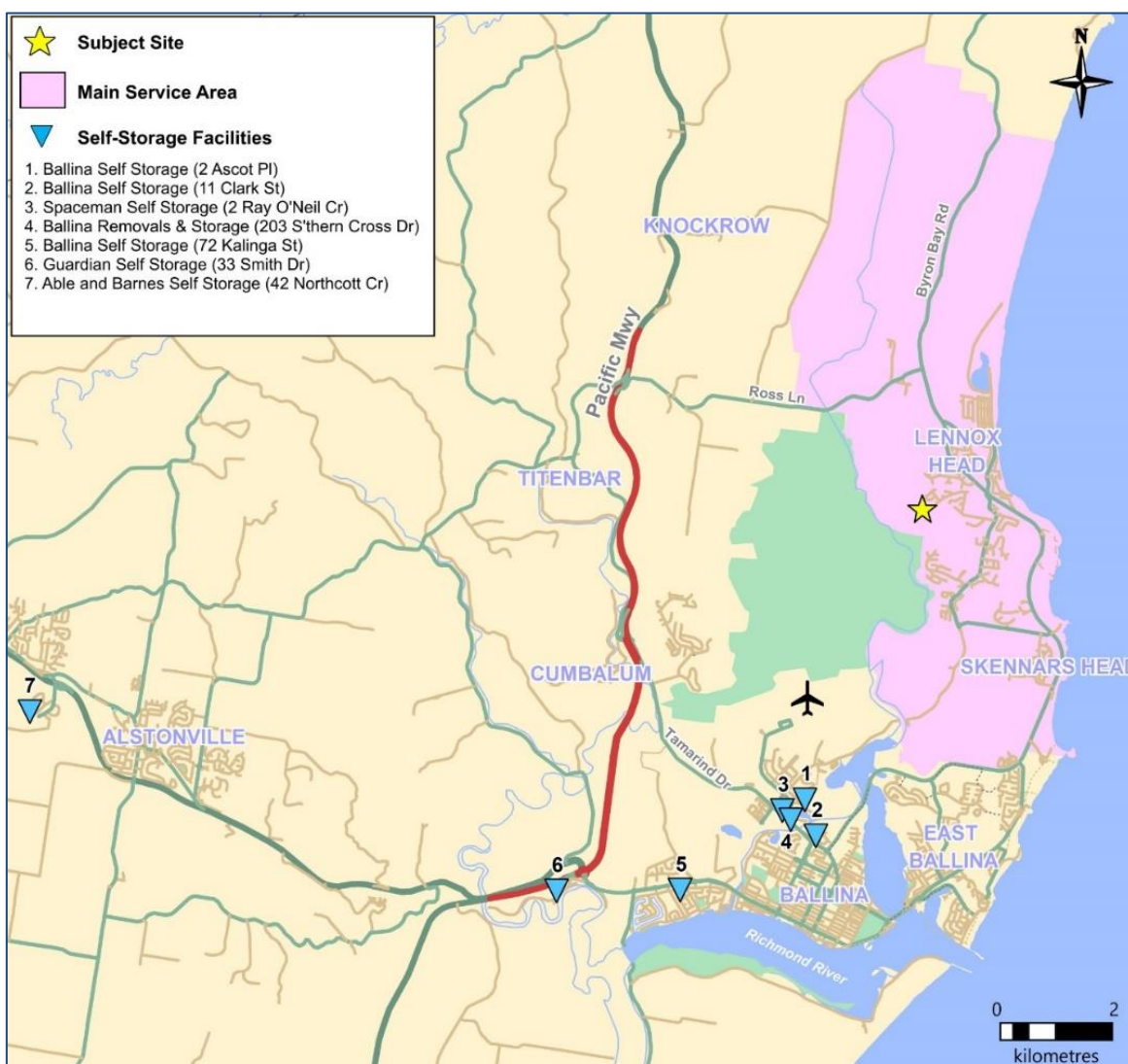
⁶ Location IQ Epiq Neighbourhood Centre Economic Impact Assessment - Table 4.3

3. SELF-STORAGE UNITS

3.1 Supply

There are no self-storage facilities in the defined service area with the nearest facilities located in Ballina (Figure 3.1). Other than the six storage facilities in Ballina, the only other alternative self-storage facility in the Ballina Shire is located 26km (by road) from Lennox Head at Alstonville.

Figure 3.1: Locations of Nearest Self-Storage Facilities



Source: Various Company Websites, Foresight Partners.

3.2 Demand

Based on industry benchmarks and previous self-storage assessments completed by Foresight Partners, we estimate demand for self-storage in the service area is around 0.014 self-storage units per capita⁷.

The service area has an estimated population of around 8,440 residents as at 2018, this translates to demand for around 118 self-storage units. Driven by service area population growth, this is forecast to increase to around 131 units by 2021 and 154 units by 2026.

3.3 Potential Alternative Sites

The proposed light industrial area (Area C, Lennox Head Structure Plan) is the only appropriately zoned alternative site for a self-storage facility. It is considered unsuitable for the following reasons:

- Self-storage units typically serve local residents. A location at the subject site will be closer to existing and proposed centres and more convenient to the Lennox Head community.
- There would be no synergistic benefits of locating self-storage units in an industrial precinct as they primarily serve residents rather than industrial businesses.
- Designated industrial land will not be lost if the self-storage units are located at the subject site.

3.4 Need

Need for the proposed self-storage facility is demonstrated by the following:

1. No self-storage facilities are located in the service area.
2. There is an estimated current demand for around 120 self-storage units in the service area at 2018, which is forecast to increase in subsequent years.
3. There are no suitably zoned alternative sites that are convenient to the community.

It is concluded that there is a need for one self-storage facility of up to 120 units in the defined service area.

⁷ Self-Storage Association of Australasia Demand Study 2013; Foresight Partners surveys.

4. SUMMARY RESPONSE TO BSC COMMENTS

The following summarises key points in response to Ballina Shire Council's comments:

a) *"...Analysis of the consistency of the proposal with the planned light industrial area (service trades centre) identified within Area C under the Lennox Head Structure Plan. In particular, the suitability of the Epiq site for the proposed live work and storage facilities compared to the planned area for such uses within Area C should be addressed..."*

The proposed light industrial area is considered unsuitable for both live work and self-storage units for the following reasons:

- Live work and self-storage units primarily serve the local population. The subject site is more convenient to the local community as it is in a designated retail and commercial precinct and close to the existing Lennox Head village centre.
- The timing of the development of the light industrial area is uncertain but demand warrants the development of additional commercial floorspace now.
- Industrial uses primarily serve businesses while live work and self-storage units typically serve local residents, therefore there would be no synergistic benefit of locating live work or self-storage units in the proposed light industrial area.
- Designated industrial land will not be lost to commercial uses if the live work units are located at the subject site.
- Residential (live work) units are an incompatible use in an industrial area.
 - Industrial areas are not designed to accommodate residential uses and lack amenities residents would normally expect; and
 - Residents could be impacted by industrial uses (i.e. noise, odour) which could potentially constrain industrial uses thereby compromising the intended function of the area.

b) *"...Analysis of the planned components and potential impacts of the live work development on the Lennox Head village centre relative to the principles set out in the Ballina Retail Strategy, Lennox Head Community Aspirations Strategic Plan and the Lennox Head Structure Plan. In particular, potential impacts on the maintenance of the intended retail hierarchy in Lennox Head (i.e. that commercial activity in the Epiq development will be secondary to the village centre)..."*

The following are relevant requirements as set out in the Ballina Retail Strategy, Lennox Head Community Aspirations Strategic Plan and Lennox Head Structure Plan:

“...Ongoing provision of low key employment opportunities in Lennox Head with a focus on retailing, tourism and hospitality and home-based businesses⁸...”

“...Home Industries are small scale, low impact industries which may be conducted in residential areas with the development consent of Council... Consulting Rooms are a room or number of rooms within part of a dwelling, or the whole of a former dwelling used by not more than 3 professionals and associated support staff. Development consent is also required to undertake such activities⁹...”

“...A second commercial area will be provided in Pacific Pines Estate [now Epiq] to complement those facilities found in the village centre. This centre shall be lower in the retail hierarchy than the CBD and provide facilities of a neighbourhood scale to service the residents located in this area and enhance walkability¹⁰...”

“...Other areas zoned for commercial activities within the district will provide convenience facilities of a local scale¹⁰...”

“...Promoting a retail and commercial hierarchy which encourages the retention of the existing Village Centre as the commercial and social “heart” of the district and which discourages the establishment of large scale commercial enterprises¹¹...”

Consistent with the Ballina Retail Strategy, Lennox Head Community Aspirations Strategic Plan and Lennox Head Structure Plan, the subject proposal will provide the following:

- A secondary commercial node to complement the facilities found in the Lennox Head village centre. The proposed commercial node is lower in the retail and commercial hierarchy due to the envisaged uses and its quantum of proposed commercial floorspace (around 56% of that in the village centre);
 - Retention of the village centre as the commercial and social heart of the district as its commercial floorspace is around twice that of the proposed space within Epiq; and
 - 35 live work units to facilitate small scale home based businesses that will serve local residents and enhance walkability.
- c)** *“...the potential for loss of business activity from the village centre should be addressed. This analysis should incorporate an address of the impacts on the Lennox Head village centre associated with the Epiq neighbourhood shopping centre so as to determine both the impacts on the village centre associated [with] the proposal for super lot 7 and the Epiq development overall...”*

⁸ Lennox Head Community Aspirations Strategic Plan, November 2002 (Page 11)

⁹ Ballina Retail Strategy August 2003 (page 8) – Home Businesses

¹⁰ Lennox Head Community Aspirations Strategic Plan, November 2002 (Page 30)

¹¹ Lennox Head Structure Plan, December 2004 (Page 14)

- The existing village centre is at capacity with an undersupply of commercial floorspace in local area. The proposal will add to total commercial floorspace in the service area with functions largely complementary to the village centre, therefore it is not expected to result in any significant relocation of existing businesses from the village to the subject site.
- The functions of the proposed live work units are different from commercial uses in the existing Lennox Head village centre, therefore there is expected to be a net increase of business activity in the service area driven by the provision of businesses and services that are not currently in the service area due to a lack of available commercial space.
- It is forecast that the net impact on the Lennox Head village centre of Epiq including the subject proposal will not be significantly different than that forecast for the neighbourhood centre by Location IQ, and there will not be a significant impact on the occupancy of commercial floorspace in the village centre.