

4 December 2019

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Dear Rachel

BONNYRIGG CONCEPT PLAN MODIFICATION – RESPONSE TO WILLOW TREE PLANNING OBJECTIONS 1 & 3

MacroPlan prepared an Assessment of Retail Potential for the Bonnyrigg Living Communities Project in October 2018, which examined the amount of retail floorspace considered supportable at the site post redevelopment. Willow Tree Planning issued a letter to the Department of Planning, Industry and Environment dated 28 August 2019, which outlined a number of objections to the Concept Plan Modification for Bonnyrigg (MP06_0046 MOD 5). The objections were made on behalf of their client Baev-Lasalle Bonnyrigg Plaza Pty Ltd. This response provides additional information for the planned inclusion of retail, community and commercial facilities at Bonnyrigg Estate, and particularly addresses concerns raised in objections 1 & 3 by Willow Tree Planning.

Objection 1 raised concerns with the scale of retail floorspace planned to be provided at Bonnyrigg Estate, and stated that *“the proposed modification is seeking to provide close to 2,000 sq.m of retail uses ... we consider that the proposed amount of retail floor space is unacceptable given its potential impacts on the viability of Bonnyrigg Plaza.”* MacroPlan does not agree that up to 2,000 sq.m of floorspace would likely have an unacceptable level of impact on Bonnyrigg Plaza and would in no way impact on the viability of the centre or the retail hierarchy in the region. The planned retail floorspace at Bonnyrigg Estate would mostly serve residents of the estate and would only capture a very minor amount of retail experience from other residents in the area. This view reflects that Bonnyrigg Plaza is a sizable shopping centre anchored by a Big W discount department store and a full-line Woolworths supermarket, and contains over 50 specialty retail stores. According to the Property Council of Australia the retail floorspace of the centre is 20,226 sq.m (GLA), with the total floorspace of the centre, including commercial and community facilities such as the library, medical centre and gymnasium, being 22,388 sq.m. Therefore, 2,000 sq.m of retail floorspace would represent only a small proportion of the retail floorspace currently provided at Bonnyrigg Plaza. However, to address this concern the NSW Land and Housing Corporation is willing to revise the amount of retail floorspace to be provided at the subject site.

The Concept Plan is proposed to be updated with the provision of one grocery/convenience store of up to 500 sq.m (previously assessed to be able support a store of 700 – 1,100 sq.m), together with 6-7 retail tenancies averaging around 100 sq.m in size each. The following table outlines the proposal for the provision of retail facilities at the site, showing the planned inclusion of 1,150 sq.m of retail floorspace. It is noted that the scale of the amended retail floorspace now represents 5.7% of the total amount of retail floorspace provided at Bonnyrigg Plaza.

Bonnyrigg Estate - Potential retail composition		
Category	No.	Retail GLA (sq.m)
<u>Major tenant</u>		
Grocery/convenience store	1	500
<u>Retail specialties</u>		
Food catering (e.g. takeaway food/cafes)	3-4	450
Leisure (e.g. newsagency)	1	60
General (e.g. pharmacy)	1	100
Retail services (e.g. hairdresser)	1	<u>40</u>
Total retail spec.	6-7	650
Total retail	7-8	1,150
Source: MacroPlan		

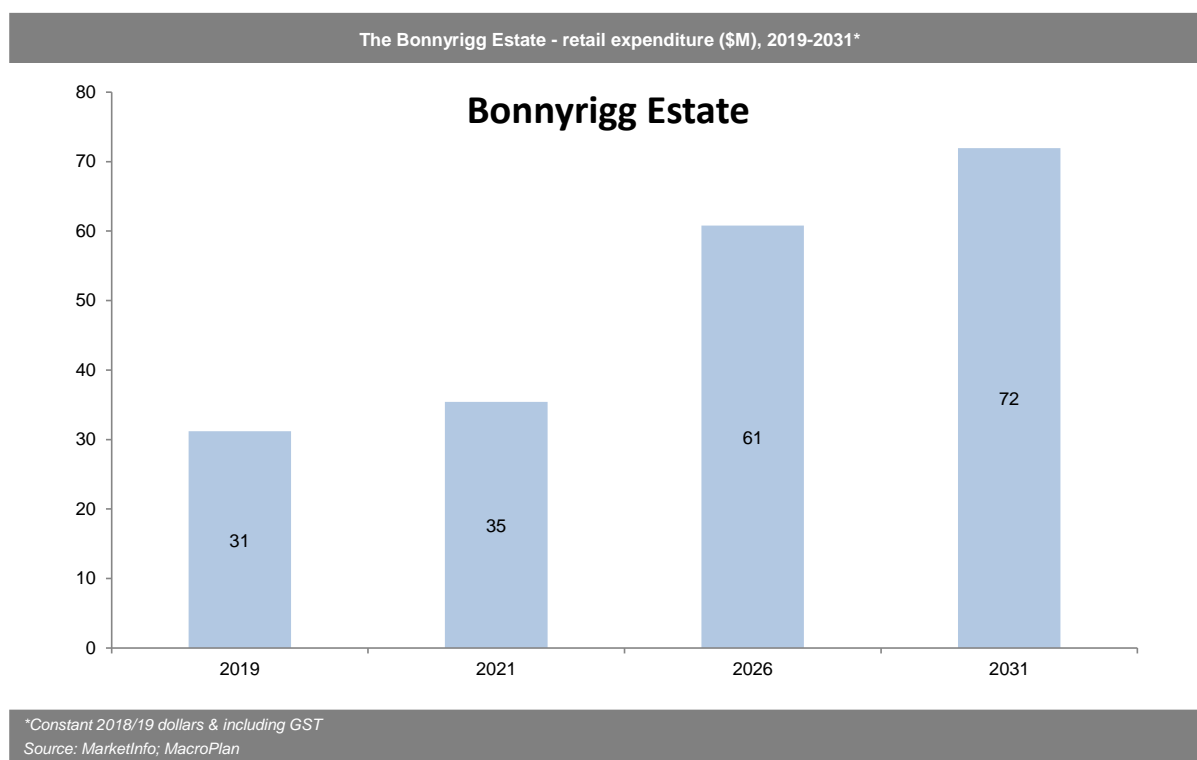
Based on the analysis provided in the previous Assessment of Retail Potential report, the below table provides estimates of the sales potential for the planned retail uses. Total retail sales are estimated at \$6.65 million in 2024, presented in constant 2018/19 dollars.

Bonnyrigg Estate - Potential retail sales by category, 2024			
Category	Retail GLA (sq.m)	Est. sales potential	
		('000s)	(\$/sq.m.)
<u>Major tenant</u>			
Grocery/convenience store	500	3,000	6,000
<u>Retail specialties</u>			
Food catering	450	2,700	6,000
Leisure	60	270	4,500
General	100	500	5,000
Retail services	<u>40</u>	<u>180</u>	<u>4,500</u>
Total retail spec.	650	3,650	5,615
Total retail	1,150	6,650	5,783
*Constant 2018/19 dollars & including GST			
Source: MacroPlan			

The Bonnyrigg Estate is to provide 3,000 dwellings, comprised of 2,100 private dwellings and 900 social housing units. At capacity the estate is projected to accommodate some 8,500 residents. The development is expected to be finished by 2036, with more than 2,000 dwellings to be completed by 2031, subject to market conditions. This replaces 833 of the original 930 dwellings, 90% of which were public housing. The following chart details the projected retail spending capacity of residents of the Bonnyrigg Estate over the period to 2031. It shows that the total projected retail expenditure of the growing number of residents within the Bonnyrigg Estate is to increase by \$30 million over the next seven years and by a total of \$41 million over the forecast period to 2031.

This increase in retail spending would be directed to the planned retail facilities on-site as well as to other shopping centres in the surrounding region, including to (and especially to) Bonnyrigg Plaza, which is the largest shopping centre in the local area. The sales potential for the on-site retail facilities of \$6.65 million reflects 22% of the increase in the available retail spending market as a result of new residents moving into the estate within the next seven years, and some 16% of the increase in the retail market over the forecast period to 2031. In other words, the planned on-site retail shops at the Bonnyrigg Town Hub will only capture a small proportion of the increase in spending generated by the renewal of the Bonnyrigg Estate.

It is also noted that a further 1,000 dwellings are to be developed at the Bonnyrigg Estate post 2031. Therefore, the total project will actually result in an uplift in sales for surrounding shopping centres, such as Bonnyrigg Plaza, given that the far majority of the new retail spend generated by residents moving into area is expected to be directed to existing shopping centres in the surrounding region, with only a moderate proportion of the projected increase of retail spending expected to be captured by the planned retail facilities within the Bonnyrigg Town Hub.



The concept plans show the inclusion of 3,000 sq.m of non-residential floorspace within the planned Bonnyrigg Estate. This includes a range of retail, community and commercial facilities. In addition to the planned retail component, as outline previously, a number of community facilities are proposed including a Community Building, Community Space and Seniors Space. The community building is to be developed in conjunction with Stages 6 and 7 currently under construction. The remainder of this space would suit a medical centre and some allied health facilities, as well as a small gymnasium. The following table outlines that 3,000 sq.m of non-residential floorspace is to be provided on the estate. (The [Appendix](#) includes maps showing the locations of medical centres and gymnasiums in the surrounding area.)

Bonnyrigg Estate - Potential retail composition	
Category	GLA (sq.m)
Retail	1,150
Community Building - Stages 6-7	747
Community Space	176
Seniors Space (up to)	100
Medical centre/allied health facilities*	472
Gymnasium	<u>355</u>
Total floorspace	3,000
<i>*Allied health covers service such as dentistry, physiotherapy, pathology, podiatry and psychology</i> <i>Source: MacroPlan</i>	

Objection 3 raised the concern that there was a lack of detail in the justification, particularly in relation to the performance of centres in the primary sector and the number of vacancies at Bonnyrigg Plaza, and also that the report did not investigate potential economic impacts.

Bonnyrigg Plaza was inspected again by MacroPlan on Tuesday, 29 October 2019. The site inspection revealed a total of 5 vacant shopfronts, with one tenancy soon to open as an Optometrist. This level of vacancy is not considered overly high, and it is noted that Bonnyrigg Plaza achieved annual retail sales of \$112.5 million in the year ended September 2018 (including GST), as published in *Shopping Centre News – Little Guns 2018*. It is highlighted that the estimated sales of the future retail shops at the Bonnyrigg Town Hub would represent only 6% of the retail sales currently achieved by Bonnyrigg Plaza.

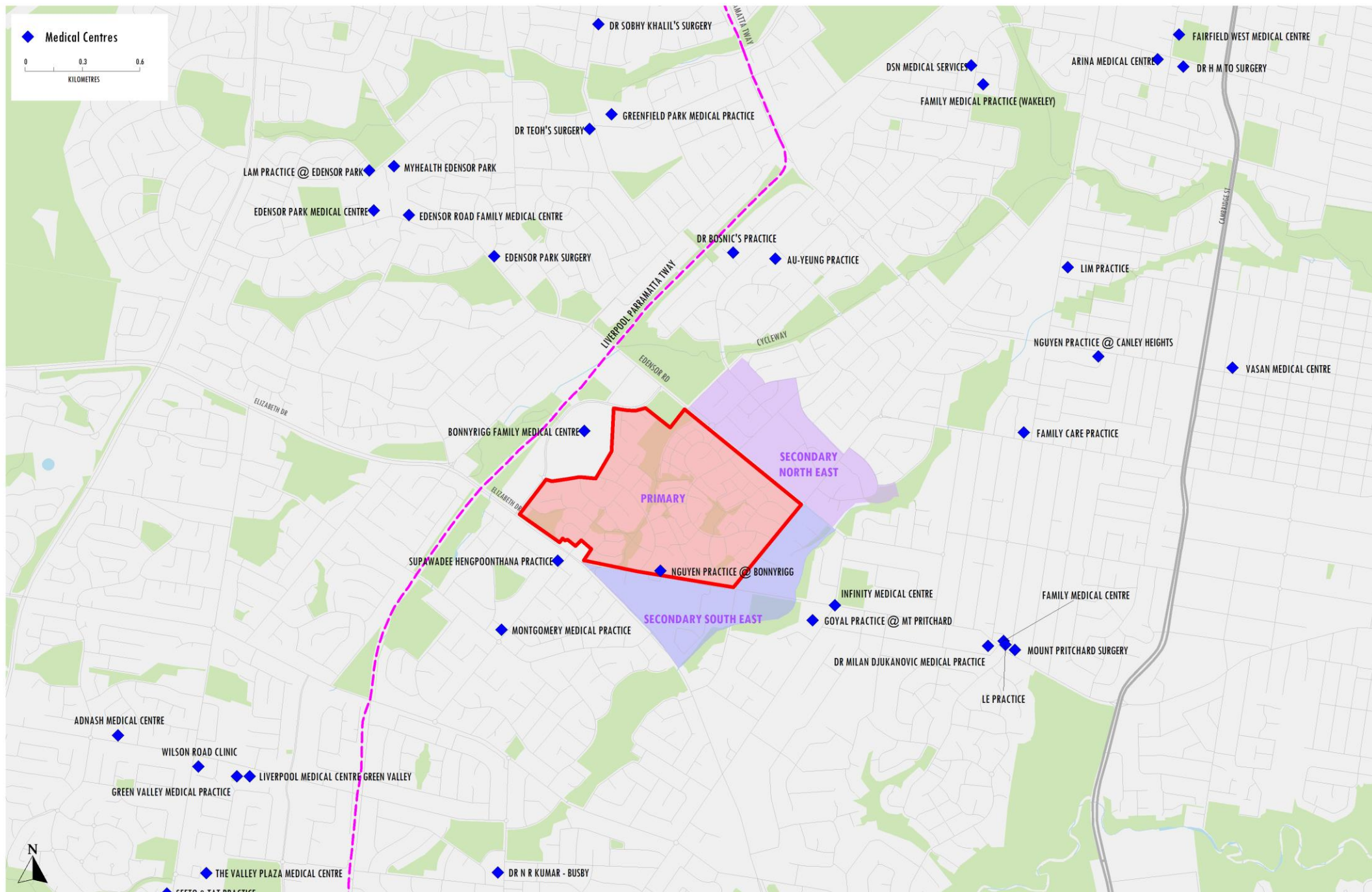
The initial report prepared by MacroPlan was primarily commissioned to investigate the level of retail floorspace supportable at the subject site and did not investigate in detail the potential impacts on nearby centres, which is typically undertaken as part of an Economic Impact Assessment (EIA). However, as demonstrated in this response, the planned scale of retail floorspace to be provided at Bonnyrigg Town Hub would not have any significant impact on Bonnyrigg Plaza, and would in no way threaten the ongoing viability of the centre or any other existing or planned centre in the region.

Objection 3 also states that "...Section 6.3.1 of Council's Retail Centres Policy sets out policy requirements to determine whether there is an unacceptable economic impact." A review of this document reveals that Section 6.3.1 also details that "Developments that need to demonstrate there are no unacceptable economic impacts include.....any retail/commercial development with a floor space > 2,500 sq.m" Therefore, according to that section of the Fairfield City Centres Policy 2015, an EIA would not need to be prepared for the subject site as the total retail/commercial floorspace is less than 2,000 sq.m (excluding the community floorspace).

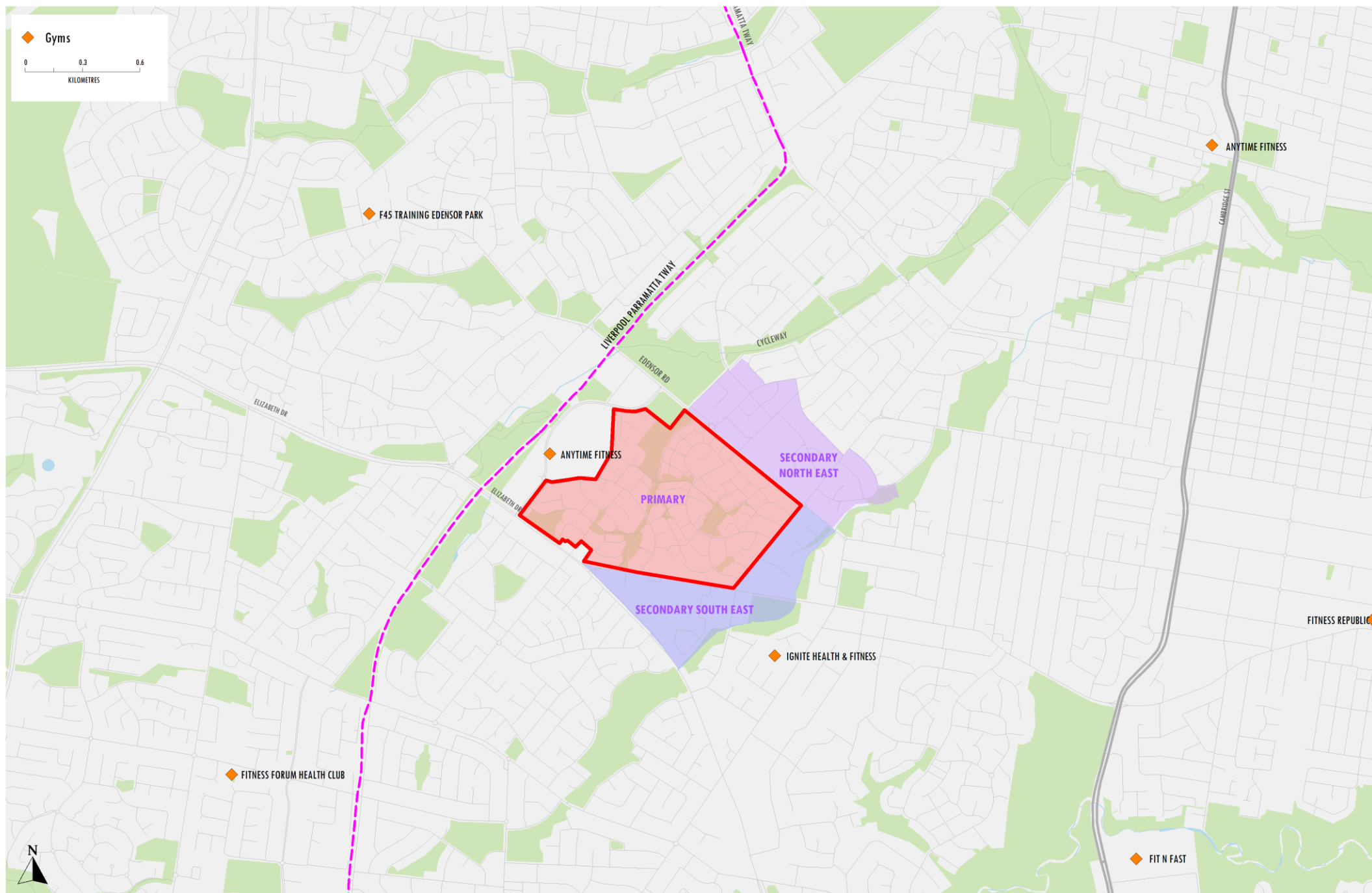
Yours sincerely



Ellis Davies
Principal Retail



Map A1: Bonnyrigg
Medical centres



Map A2: Bonnyrigg
Gymnasiums/fitness centres