

27 September 2021

## **QIC Submission to SSD-15882721 State Significant Development Doran Drive Plaza Precinct**

### **Introduction**

We refer to the submission from QIC objecting to the above development and hereby make the following comments in reply.

Please note that our comments are limited to our field of expertise and relate to economic issues. We have not made comments on urban design and traffic issues.

#### **1.1 Inconsistency with the Concept DA SSD-9653**

QIC objects to the proposal as it is inconsistent with the endorsed concept DA – mainly in relation to car parking spaces.

The reason for the change in plans is to ensure the commercial viability of the centre – particularly in the earlier years when the population in the walkable catchment is insufficient to support the supermarket and the rest of the retail centre.

#### **1.2 Inconsistency with statutory Design Excellence requirements**

QIC objects to the proposal because the “increase in car parking is not supported as this contradicts the UDG and the principles of design excellence, which both encourage sustainable transport and a reduction in car use.”

This objection fails to understand that the additional car parking spaces on the site will not undermine the role of the centre to provide convenience shopping within a walkable catchment – particularly longer term when residential densities increase over time.

The purpose of providing the additional parking is firstly to ensure the viability of the centre (particularly in the short term while population levels in the walkable catchment are low) and secondly to provide an additional choice for 5,700 residents that live outside the walkable catchment but are currently travelling further distances to undertake the majority of their food and grocery shopping.

### **1.3 Section 4.55(1A) modification does not result in minimal environmental impact**

QIC objects to the proposal because the “increase in maximum retail car parking rates would have adverse implications by encouraging the use of private vehicles and discouraging the use of sustainable transport.”

Again the objection fails to understand that residents within a walkable catchment will choose to walk to the centre (particularly if it is more convenient to do so) than drive. The proportion of residents walking to the centre will increase over time with increasing high density residential redevelopment in the walkable catchment.

Again the objection fails to understand that the 5,700 residents in the wider trade area that live outside the walkable catchment are already driving further to undertake their food and grocery shopping – to Castle Towers, Baulkham Hills and other centres. The subject proposal will enable them to occasionally travel a shorter distance to do food and grocery shopping which is a positive contribution towards meeting transport sustainability objectives.

### **1.4 Deviates from intended transit-oriented development**

We agree entirely with QIC that the “site is situated along the new Sydney Northwest Metro urban corridor and within the Hills Showground Station Precinct and is considered a strategic transit-oriented development (TOD) site expected to support the provision of more housing and jobs within The Hills Shire LGA”.

However we disagree with the argument that “the proposed increase in car parking to support the feasibility of a full-line supermarket compromises the role of the Hills Showground Station Precinct as a TOD site”. What makes the precinct a TOD precinct (or future TOD) is the metro station and the mix of high density land uses (residential and employment) around the station within a walkable catchment. Additional car parking spaces will not undermine that role.

QIC claims that “the approved parking rate is appropriate for TOD and in line with RMS’s traffic generating development to naturally limit traffic impacts.” We cannot comment on traffic impacts as this is outside our area of expertise, but, as stated above, the proposed change will enable shoppers to travel a shorter distance to do supermarket shopping which will contribute positively towards transport sustainability objectives. Furthermore it will not undermine TOD principles.

We further agree that a metro-style supermarket of 1,000sqm is an option but only if the population levels (residents and/or workers) within a walkable catchment can support it. This is why these supermarkets are developed at stations such as North Sydney, Chatswood, St Leonards where a high number of residents and/or workers are within walking distance. However it will be many years before the Showground precinct (the walkable catchment) achieves a sufficient population that will support a supermarket based shopping centre.

The proposal provides an opportunity to deliver the retail and commercial services early (which is good planning for the existing and new residents in locality) in a sustainable and viable way without undermining the longer term vision of a TOD with high density living at the metro station.

Finally the larger format supermarket with supporting specialty retail will increase employment levels which is making a stronger contribution towards TOD principles – which is not just about housing, but about employment uses as well.

### **1.5 Impact on Castle Towers landholdings**

Castle Towers is super-regional centre with 100,000sqm of gross leasable area retail (GLAR). In 2016-17 it had a reported turnover of \$742m. Retail turnover density was \$7,957/sqm, which was 15% above the median level for 'Big Gun' centres in Australia (centres with more than 50,000sqm GLAR) at that time.

We estimated that in 2026 the subject centre would trade at around \$41m which is lower than average but is expected in its first few years of trading. To quantify the redirection of trade from competing centres HillPDA prepared a bespoke gravity impact model. The gravity model was designed on the premise that the level of

redirected expenditure from a competing centre is directly proportional to the turnover of competing stores in that centre and indirectly proportional to the distance from the Hills Showground Station Precinct.

The result was an immediate redirection (or 'point-in-time' impact) of \$16m trade from Castle Hill – equivalent to 1.5% of the centre's total trading level. Even a 'worse case' scenario of \$30m redirection of trade from Castle Hill it would be less than 3% loss which is insignificant. Total retail sales in Castle Hill are expected to increase at around 3% every year due to population growth in its wide trade area which encompasses The Hills LGA as well as parts of Hornsby. The additional population in the station precinct will benefit Castle Towers given that these residents will make occasional trips to Castle Hill for 'higher order' shopping and entertainment.

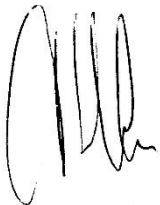
### **1.6 Poor land use and urban design outcome**

Many of the comments by QIC in this section relate to urban design which is outside our area of expertise. We make the comment however that a large format supermarket can work with 'fine grain' retail, where it can be complementary as much as competitive to it and where it provides street activation and visual appeal. There are successful examples in Sydney based on "new urbanism" principles such as the Rouse Hill Town Centre. Also new format supermarkets such as East Village Zetland and Romeo's IGA in South Eveleigh provide exiting and successful examples of anchor supermarkets integrating well with fine grain retailing.

### **1.7 Traffic and transport impacts**

Most of these comments relate to traffic and transport issues which is outside our area of expertise.

I trust the above satisfies any concerns that the Department may have had in relation to the proposal and I'm happy to clarify any further questions if needed.



**Adrian Hack**

Principal, HillPDA  
*BTP (Hons), MLE, MPIA*

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### Contact us.

**SYDNEY** | Level 3, 234 George Street, Sydney NSW 2000 | GPO Box 2748 Sydney NSW 2001 | +61 2 9252 8777 | [sydney@hillpda.com](mailto:sydney@hillpda.com)

**MELBOURNE** | Suite 114, 838 Collins Street, Docklands VIC 3008 | +61 3 9629 1842 | [melbourne@hillpda.com](mailto:melbourne@hillpda.com)