

**ANGEL PLACE
LEVEL 8, 123 PITT STREET
SYDNEY NSW 2000**

URBIS.COM.AU
Urbis Pty Ltd
ABN 50 105 256 228

1 September 2021

Mr Frank Katsanevas
Group Design Manager
SH Gosford Residential Pty Ltd
fkatsanevas@sthilliers.com.au

Dear Frank,

CENTRAL COAST QUARTER - NORTH TOWER: SOCIAL AND ECONOMIC ASSESSMENT

This letter comprises an addendum to the Social and Economic Impact Assessment Report we prepared in September 2019 as part of the Concept State Significant Development Application for Central Coast Quarter.

The addendum has been prepared as part of the Development Application that will seek approval for the first stage of the development, comprising the North Tower.

SUBJECT SITE AND PROPOSED DEVELOPMENT

Subject Site

The subject site comprises eight contiguous lots situated at 26-30 Mann Street, Gosford. It is located approximately 76km north of the Sydney CBD, in the Central Coast Local Government Area (LGA).

The site is situated 650 metres south of Gosford Railway Station, which provides access south to Sydney CBD via Strathfield and north to Newcastle Interchange. The Imperial Shopping Centre is the closest supermarket centre, located 550m north-east of the subject site, while Erina Fair is the closest regional shopping centre, situated 5.9km east of the site. Key health facilities of Gosford Hospital and Gosford Private Hospital are located 1.6km northwest and 2.4km northeast respectively.

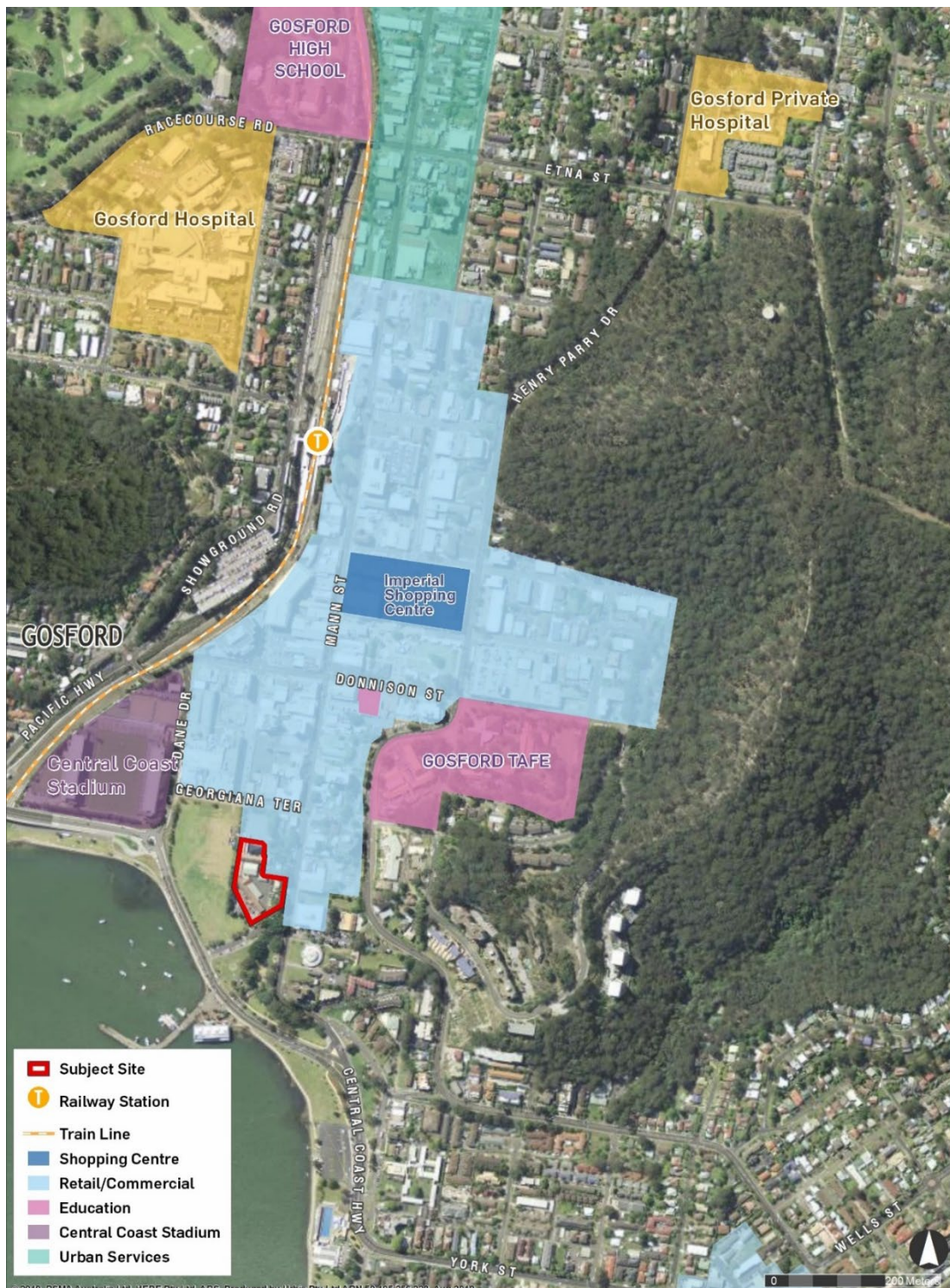
The existing development surrounding the subject site comprises a six storey mixed use building made up of 7,340 sqm of commercial floorspace at 32 Mann Street, a new commercial building situated north of the subject site at 99 Georgiana Terrace, Gosford City Park to the west, and Gosford Police Station to the east on Mann Street.

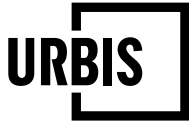
Map 1.1 shows the location of the subject site, and the broader local context is shown in Map 1.2.

Map 1.1 – Subject Site



Map 1.2 – Local Context





Proposed Development

The Proponent recently received approval for a Concept State Significant Development Application which seeks to deliver a mixed use development over three stages. The approved concept for Central Coast Quarter included the following broad mix and scale of uses:

- Residential – maximum of 22,414 sqm of GFA
- Hotel – maximum of 9,660 sqm of GFA
- Commercial / Retail – minimum of 2,787 sqm of GFA.

The Proponent has advised that the entire development could be developed by 2025.

Stage 1 – North Tower

The Proponent is currently preparing to lodge a Development Application that will seek approval for the first stage of the development, consisting of the North Tower.

This residential building will provide a total of 136 residential apartments, comprising:

- 14 x one-bedroom apartments
- 107 x two-bedroom apartments
- 14 x three-bedroom apartments
- 1 x four-bedroom apartment.

In addition to the residential apartments, the building will also include 621 sq.m of retail floorspace.

This Social and Economic Assessment follows on from the Social and Economic Impact Assessment prepared as part of the Concept Development Application, but solely relates to the first stage of development.

COMMUNITY INFRASTRUCTURE AND SERVICES ANALYSIS

Supply Analysis

The previous Social and Economic Impact Assessment Report prepared by Urbis outlines a detailed audit of existing community infrastructure and services within a 400m walking distance radius and 2km radius of the site. The audit was undertaken to understand the supply of community infrastructure and services.

To inform this addendum letter, the previous audit was reviewed. No additional community infrastructure or services were found to have been provided in the intervening period. An overview of existing community services is shown in Map 2.1 and Table 2.1 below. More detail can be found in the Social and Economic Impact Assessment Report dated September 2019.

Map 2.1 – Audit map of community infrastructure and services

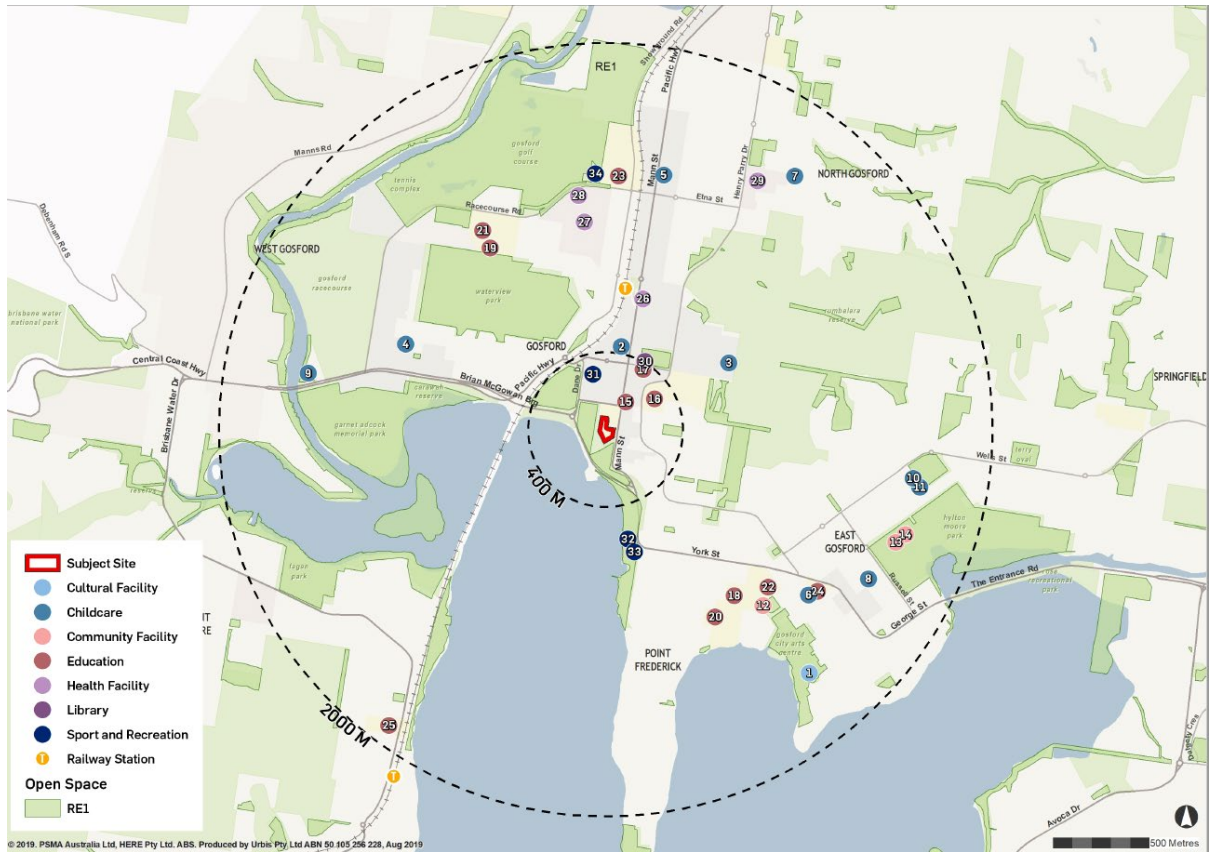


Table 2.1 – Current Supply of Community Infrastructure and Services

Category	Current Supply
Childcare	<p>There are no childcare facilities located within a 400m radius of the site and ten childcare centres located within a 2km radius of the site.</p> <p>Desktop studies of vacancy data at the childcare centres show that three are at full capacity, three have limited vacancies and four have capacity across all ages and all days.</p>
Community facility	<p>There are three community centres located within a 2km radius of the site including Lions Community Hall, 1st East Gosford Guide Hall and East Gosford Guide Hall.</p> <p>Lions Community Hall is the only facility available for public hire as Scout Halls are generally not available for general public use. Lions Community Hall is an outdated facility and not in line with best practice contemporary multi-purpose community facilities.</p>

	<p>Gosford Library is also located within a 2km radius. In 2018, two concept designs were prepared for a Gosford Regional Library to significantly expand on the current services. In February 2021, a development application was lodged with the Department of Industry and Environment for development consent. If successful, construction is expected to commence in October 2021 and the regional library is expected to open in late 2023.</p>
Cultural facility	<p>The Gosford Regional Gallery is a cultural centre located within a 2km radius from the site. The gallery includes three exhibition spaces, a commemorative garden, gallery shop and onsite café.</p> <p>There are currently no performance spaces within a 2km radius of the site. As mentioned above, there are plans to deliver the Gosford Regional Library which will include flexible spaces for events and programs, as well as creative spaces for local artists.</p>
Education	<p>Within walking distance of the site are 11 educational facilities including three tertiary education establishments, four primary schools and four high schools.</p>
Health services	<p>There are four health facilities located within a 2km radius of the site. This includes Gosford Hospital, Gosford Private Hospital, Gosford Family Care Cottage and Holden Street Clinic.</p> <p>There are also plans for an 11 storey private hospital and health precinct at the former Ausgrid site on the corner of Faunce Street West and Racecourse Road. The EIS has been submitted and exhibited, and a response to submissions has been lodged by the proponent.</p>
Sport, recreation and open space	<p>Leagues Club Field is adjacent to the site. There are two other Council operated sport and recreation facilities within a 2km radius of the site, being Gosford Olympic Swimming Pool and Central Coast Stadium.</p> <p>Garnet Adcock Memorial Park is within a 2km radius of the site and is a multi-purpose regional level facility that serves the wider Central Coast community. It provides sporting facilities for AFL, cricket, touch football, cycling and athletics.</p>
Open space	<p>Within walking distance from the site is 12.47ha of public open space. This includes Gosford City Park, Leagues Club Field and Central Coast Stadium. While Central Coast Stadium is recreation-</p>

	<p>zoned (RE1) land, it is an organised sport venue and does not provide open space that is readily usable by the public.</p> <p>Kibble Park and Lions Park are both located on the periphery of the 400m walking distance radius. Major upgrades are planned for Kibble Park as part of the Gosford CBD revitalisation program.</p> <p>Within a 2km radius of the site there is an additional 240ha of open space. This includes Garnet Adcock Memorial Park, Gosford Golf Club, Rumbalara Reserve, Waterview Park, Hylton Moore Oval and Caroline Bay Reserve.</p>
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Incoming Population of the North Tower

We have taken the same approach to projecting the incoming population of the North Tower as we did in considering the Concept Plan.

The projection of the incoming population has been based on the following assumptions:

- An estimated dwelling yield of 136 apartments
- An average occupancy rate of 2.2 persons per household.

This results in an incoming resident population of 299 people in the North Tower.

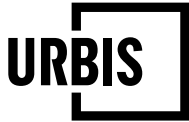
In 2036, id.community projects that 5.4% of the overall population of the Gosford – West Gosford small area will be aged 0-4 years. Applying this proportion to the projected residents of the North Tower results in an incoming population of approximately 12 children aged 0-4 years.

Benchmarking Assessment

The benchmarks used in the previous Social and Economic Impact Assessment Report have been used for the purposes of this addendum letter. Benchmarks were sourced from the Government Architect Draft Open Space for Recreation Guide and NSW Growth Centres Code. It is important to note that benchmarks are intended as a guide only. The following benchmarking assessment should also be considered with the benchmarking assessment undertaken for the Concept Plan.

Facility type and benchmark	Demand
<p>Childcare</p> <p>1 place: 5 children 0-4 years</p>	<p>The projected incoming population of approximately 12 children aged 0-4 years will not generate demand for a new child care centre. It is likely that any additional demand can be absorbed by capacity at existing childcare centres.</p>
<p>Community facility</p> <p>1 neighbourhood centre: 3,500 – 6,000 people</p>	<p>The incoming population will not generate the demand for an additional neighbourhood or multipurpose centre.</p>

Facility type and benchmark	Demand
1 multipurpose centre: 20,000 people	However, it is noted that there is an existing gap in the supply of a contemporary multipurpose space in Gosford. The current community centre, Lions Community Hall, is an outdated facility that only has capacity for 80 people in a single hall.
Cultural facility 1 performing arts/cultural centre: 1:30,000 people	The incoming resident population will not generate demand for a performing arts/cultural centre.
Library The NSW State Library benchmark for a library serving 20,001 to 35,000 is 39 sqm per 1,000 people	The incoming resident population will generate the need for a very small amount of additional library space (approximately 11 sqm). This demand is likely to be absorbed by the existing Gosford Library and any the plans for the Gosford Regional Library which will expand on current services. The demand for additional space will not in itself create the need for a new or expanded library.
Education 1 public primary school: 1,500 new dwellings (approx.) 1 public high school: 4,500 new dwellings (approx.)	The incoming resident population will not generate demand for an additional primary or high school. Previous advice from the Department of Education indicates that the approximately 700 dwellings expected to be created in Central Coast Quarter overall may generate demand for two to three primary school classrooms and one secondary classroom. The 136 dwellings proposed in Stage 1 of the development is unlikely in itself to generate demand for additional primary or secondary classrooms.
Health services 1 community health centre: 20,000 people 2 hospital beds: 1,000 people	The incoming resident population will not generate demand for a new community health centre or additional hospital beds.
Sport and recreation and open space Local open space: 400m from dwellings and	The site is within 2km of a regional multi-purpose sporting facility and other smaller sporting ovals. It is not expected that the incoming population will generate demand for additional sport and recreation facilities.



Facility type and benchmark	Demand
minimum 3,000sqm for a local park.	<p>The new population may place some pressure on local open space including Kibble Park and Gosford City Park. However, future plans to upgrade both parks will likely alleviate some pressure.</p> <p>Additionally, the Concept Plan includes plans for a publicly accessible plaza and through site links and areas of private communal open space for resident use.</p>

ECONOMIC BENEFIT ASSESSMENT

Property development projects provide economic benefits to a local economy and wider region during both the construction and development phase, and during the ongoing operation or working life of the project. Direct economic benefits during the development phase are identified in the form of expenditure, economic growth and employment benefits. These direct benefits in turn generate flow on (multiplier or indirect) benefits which also benefit the regional and state economies.

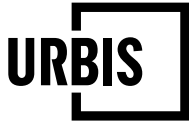
The Economic Benefit Assessment (EBA) uses REMPLAN to model the potential economic benefits associated with the proposed development. REMPLAN is an Input Output model that captures inter-industry relationships within an economy. It can assess the area specific direct and flow on implications across industry sectors in terms of employment, wages and salaries, output and value added (Gross State Product).

The potential economic benefits of the proposed development have been quantified in terms of value added expenditure generation and employment generation:

- Expenditure Generation – Estimation of the direct and indirect expenditure impacts resulting from the proposed development. This estimates value added expenditure impacts to the regional and state economies during both the development and operating phases
- Employment Creation – Estimation of the direct and indirect employment impacts resulting from the proposed developments. This estimates employment impacts using standard industry jobs per sqm benchmarks and regional employment multipliers for New South Wales.

Key points regarding the workings and terminology of the model are as follows:

- REMPLAN uses either the value of investment or employment generation as the primary input. For this analysis, the value of total upfront investment has been used as the key input to assess the benefits of the development phase
- Outputs from the model include direct and indirect employment and value added (i.e. economic growth) generated through the project
- Employment generated includes all full-time and part-time jobs created over the life of the development phase
- Both the direct and indirect benefits are modelled for employment and value added



- Direct refers to the effect felt within the industry where the investment is being made. For example, during the development phase, new direct jobs are created within the construction industry
- Indirect effects are 1) those felt within industries that supply goods to the industries directly affected (industry effects) and 2) to industries that benefit from the wages that are earned and spent by those employed within the industries directly affected (consumption-induced effects). For the purposes of this analysis, consumption-induced effects have been excluded. Consumption-induced effects are prone to overstate the benefits of a particular investment as they overestimate the impact of wage and salary increases in the local economy. This is accepted industry practice.

The following sub-sections present a summary of these economic benefits.

Development Phase

Direct economic benefits during the development phase are identified in the form of employment and value added benefits. These direct benefits, in turn, generate flow on (multiplier or indirect) benefits which also benefit the regional and state economies.

Project Expenditure

Total expenditure estimates for the first stage of the proposed development (i.e. the North Tower) have been provided by the Proponent. This stage is estimated to generate approximately \$50 million (plus GST) of direct expenditure (Economic Output) to the local region and state over a one-year development period starting in January 2022.

Employment Benefits

New jobs will be supported during the one-year development phase by the direct expenditure on the proposed development. The direct and indirect employment benefits are shown below:

- Direct jobs = 105 jobs¹ over one year (or 110 Full-time Equivalent [FTE] jobs over one year)
- Indirect jobs = 159 jobs¹ over one year (or 159 FTE jobs over one year)
- Total jobs = 264 jobs¹ over one year (269 FTE jobs over one year).

Value Added Benefits (Constant \$2021)

Value added benefits (Gross State Product) will be generated from the direct expenditure incurred on the proposed development. Value added essentially represents economic growth for the region and state (i.e. Net Economic Output: this is total economic output minus output which is an input for other sectors). The direct and indirect value added benefits are shown below:

- Direct Value Added = \$16.0 million
- Indirect Value Added = \$25.1 million
- Total Value Added = \$41.1 million.

¹ These represent total number of jobs, not Full-Time Equivalent (FTE)

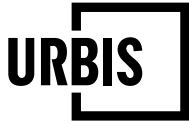


Table 3.1 – Development Phase Benefits (\$2021)

	Direct	Indirect	Total
Project Expenditure (\$M)	\$55.0	-	\$55.0
Avg Employment Per Annum (Total Jobs)	105 jobs over 1 year	159 jobs over 1 year	264 jobs over 1 year
Value Added (\$M)	\$16.0	\$25.1	\$41.1

Source: REMPLAN Economy; St Hilliers; Urbis

Operational Phase

In addition to economic benefits that are generated during the development phase of the project, there will be ongoing economic benefits created through the operation of the new retail facilities on the site (2023+). These benefits include growth in employment and value added (Gross State Product).

Employment Benefits

The ongoing operation of the proposed retail facilities will directly and indirectly support new jobs in the local region and state. The direct (based on industry standard jobs per sq.m benchmarks) and indirect employment benefits are shown below:

- Direct jobs = 21 jobs¹ (or 18 FTE jobs)
- Indirect jobs = 4 jobs¹ (or 5 FTE jobs)
- Total jobs = 25 jobs¹ (23 FTE jobs).

Value Added Benefits (Constant \$2021)

Once complete, the proposed facilities will generate ongoing additional value added via annual contributions to Gross State Product (GSP). This represents economic activity which would otherwise not have occurred:

- Direct Value Added = \$1.6 million per annum
- Indirect Value Added = \$0.8 million per annum
- Total Value Added = \$2.4 million per annum.

Table 3.2 – Development Phase Benefits (\$2021)

	Direct	Indirect	Total
Avg Employment Per Annum (Total Jobs)	21	4	25
Avg Value Added Per Annum (\$M)	\$1.6	\$0.8	\$2.4

Source: REMPLAN Economy; Urbis

Other Benefits

In addition to supporting additional employment and economic growth, the first stage of the proposed development will bring \$4.9 million in additional retail spending into the Gosford city centre and support the growth of local businesses.

As detailed in the original Social and Economic Impact Assessment Report Urbis prepared as part of the Concept State Significant Development Application for Central Coast Quarter, subsequent stages of the development are estimated to generate further economic benefits for the local region and state (including an additional ~230 direct ongoing operational jobs).

ALIGNMENT WITH AFFORDABLE AND ALTERNATIVE HOUSING STRATEGY

Although the Central Coast LGA has historically been a relatively affordable area to live in, a range of factors have led to worsening housing affordability in recent years. While housing in the Central Coast is still cheaper than the Greater Sydney average, the incomes of local people are also much lower than the Sydney average. This is largely due to the very high rate of older people on pensions and benefits, the high concentration of very low income renters, and high levels of overall social disadvantage.

The *Central Coast Affordable and Alternative Housing Strategy* (the Strategy) seeks to provide effective policy solutions to address the growing need for affordable and alternative housing within the Central Coast LGA.

The Strategy does not mandate for private developments to address housing affordability, and in fact notes that “the majority of those who need affordable housing will not have their needs met through strategies to improve market delivery of particular housing types”². Nonetheless, the proposed development will proactively address affordability issues through giving effect to two of the key market-led Strategic Actions outlined in the Strategy.

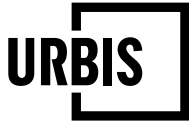
The alignment of the proposed development with these Strategic Actions is summarised in Table 3.3.

Table 3.3 – Alignment with the Central Coast Affordable and Alternative Housing Strategy

Strategic Action	Description	Proposed Development
12. Reduce car parking requirements for residential flat buildings	<p>An important means of improving affordability is by reducing parking requirements near key centres in line with actual rates of car ownership for strata dwellings.</p> <p>Council will therefore consider amending its Comprehensive DCP to reduce parking standards for residential flat buildings:</p> <ul style="list-style-type: none"> ▪ In line with actual rates of car ownership and in consideration of affordability and equity, and to make this form of development more competitive 	<p>As the proposed development will be located within the Gosford City Centre, and 650m south of Gosford Railway Station, it presents an ideal opportunity to deliver enhanced affordability through reduced carparking provision.</p> <p>While the current Development Control Plan would require the development to provide a total of 192 carparking spaces in its first stage, the Proponent is instead seeking to deliver 181 carparking spaces (plus motorbike and bicycle parking).</p> <p>This reduced provision is still above the Metro CBD and</p>

² Central Coast Affordable and Alternative Housing Strategy, 2020, p. 11

Strategic Action	Description	Proposed Development
	<ul style="list-style-type: none"> ▪ Within 400 metres of business zones and 800 metres of key transport nodes. 	<p>Metro Subregion RMS provision rates, but nonetheless has potential to increase the supply of more affordable housing in Gosford by giving effect to Strategic Action 12 in the <i>Central Coast Affordable and Alternative Housing Strategy</i>.</p>
<p>15. Require residential flat buildings located in areas within 400 metres of Town Centres and 800 metres of railway stations to provide a minimum proportion of small one bedroom, one bathroom dwellings and small two bedroom, one bathroom dwellings</p>	<p>Ensuring that there is an adequate supply of well-located smaller strata dwellings in residential flat buildings is an important way of improving housing affordability.</p> <p>As such, Council will consider amendments to the forthcoming Comprehensive LEP to require:</p> <ul style="list-style-type: none"> ▪ A proportion of one bedroom, one bathroom dwellings with a floor area of 50-55 sqm in Residential Flat Buildings in areas within 400 metres of business zones in the Town Centres and within 800 metres of Railway stations (1 dwelling in 10 or 10% of dwellings in development of 10 or more dwellings) ▪ A proportion of two bedroom, one bathroom dwellings with a floor area of 70-75 sqm in Multi dwelling Housing developments and 	<p>The proposed development's location within the Gosford City Centre, and 650m south of Gosford Railway Station, makes it well-suited to provide a proportion of smaller one bedroom, one bathroom dwellings.</p> <p>The Proponent is therefore planning to deliver a number of 53 sq.m one-bedroom dwellings. Due to their smaller size, these one-bedroom apartments are likely to be leased at lower rents than most one bedroom apartments in the area.</p> <p>By aligning with Strategic Action 15 in the <i>Central Coast Affordable and Alternative Housing Strategy</i>, the proposed development has potential to increase the supply of more affordable housing in Gosford.</p>



Strategic Action	Description	Proposed Development
	Residential Flat Buildings in areas within 400 metres of town centres and 800 metres of Railway stations (1 in 10 or 10 % of dwellings in developments of 10 or more dwellings).	

Source: *Central Coast Affordable and Alternative Housing Strategy; St Hilliers; Urbis*

The alignment of the proposed development with these Strategic Actions and the broader *Central Coast Affordable and Alternative Housing Strategy* has the potential to contribute to the supply of more affordable housing in Gosford.

CONCLUSION

Community Infrastructure and Services

The incoming population of the North Tower of approximately 299 people will generate limited demand for community infrastructure and services. This demand in itself does not trigger the need for a new community facility, open space or services.

The incoming population may place some pressure on local open space, however this demand is expected to be met by planned upgrades in addition to the public and communal open space areas proposed as part of the broader Concept Plan for the site.

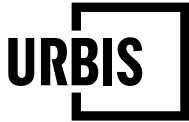
As discussed in the Social and Economic Impact Assessment Report for the Concept Plan, contribution toward relevant community facilities could be considered as part of any future planning agreements for the North Tower and/or Central Coast Quarter overall.

Economic Benefits

There are a range of economic benefits associated with the proposed development of the North Tower:

- Delivering 105 direct jobs and 159 indirect jobs over the one-year development phase³
- Contributing \$41.1 million in direct and indirect value added to the New South Wales economy during the development phase
- Generating 21 direct jobs³ and 4 indirect jobs³ through the ongoing operation of the on-site retail facilities
- Contributing \$2.4 million in direct and indirect value added to the New South Wales economy on an annual ongoing basis once completed.

³ These represent total number of jobs, not Full-Time Equivalent (FTE)



In addition to supporting additional employment and economic growth, Stage 1 of the proposed development will bring \$4.9 million in additional retail spending into the Gosford city centre and support the growth of local businesses.

Alignment with the Central Coast Affordable and Alternative Housing Strategy

The Strategy does not require private developments to address housing affordability. Nonetheless, the proposed development will proactively address affordability issues through giving effect to two of the key market-led Strategic Actions outlined in the Strategy:

- Strategic Action 12 – Reduce car parking requirements for residential flat buildings

While the current Development Control Plan would require the development to provide a total of 192 carparking spaces in its first stage, the Proponent is instead seeking to deliver 184 carparking spaces. This reduced provision is still above the Metro CBD and Metro Subregion RMS provision rates, but nonetheless has potential to increase the supply of more affordable housing in Gosford.

- Strategic Action 15 – Require residential flat buildings to provide a minimum proportion of small one and two bedroom dwellings

The Proponent is planning to deliver a number of 53 sq.m one-bedroom units. By virtue of their smaller size, these one-bedroom apartments are likely to be leased at lower rents than most one bedroom apartments in the area. As such, the proposed development has potential to increase the supply of more affordable housing in Gosford.

The alignment of the proposed development with these Strategic Actions and the broader *Central Coast Affordable and Alternative Housing Strategy* has the potential to contribute to the supply of more affordable housing in Gosford.

Kind regards,

A handwritten signature in black ink, appearing to read "R. Trigg".

Rachel Trigg
Director
+61 2 8424 5113
rtrigg@urbis.com.au