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MEMORANDUM

30 July 2025

NOVUS Management Pty Ltd

To: Charles Maxwell

Subject: Chatswood Novus on Victoria – Economic Impact Assessment

HillPDA was engaged by Novus Management Pty Ltd to prepare this memorandum in response to Council and community submissions regarding the State Significant Development Application (SSDA) for a build-to-rent development at 410–416 Victoria Avenue, Chatswood. This memorandum serves as a supplementary submission to the Economic Impact Assessment (EIA) previously prepared by HillPDA in April 2025 in support of the SSDA.

Specifically, it addresses NSW DPHI's request for further analysis of potential economic impacts on the Chatswood CBD and the Chatswood Mall Market during the construction phase, as well as consideration of appropriate mitigation measures. It also outlines the anticipated post-construction operational benefits—particularly the development's expected contribution to the revitalisation of the Chatswood CBD and increased activity in the Mall Market. These longer-term benefits are critical to presenting a balanced and comprehensive understanding of the development's overall economic impact.

1.1 Chatswood CBD economic impacts during construction

It is acknowledged that the proposed development will result in the temporary displacement of approximately 49 retail and commercial jobs which are currently accommodated on the site, due to the short-term removal of active floorspace during construction. While this is a short-term loss, this is expected to be more than offset by the scale of construction activity and employment on-site following development.

As outlined in the previously prepared EIA, the design and construction of the project is estimated to generate approximately 333 construction-related job years—equivalent to around 133 full-time equivalent jobs annually over the anticipated 2.5-year construction period. These construction workers are expected to contribute to the Chatswood CBD economy through daily expenditure on food, beverages, transport, and convenience retail—supporting weekday trade across the town centre. Local businesses such as cafes, takeaway food outlets, and convenience retailers are particularly likely to benefit, as workers typically purchase meals and essentials close to their job site. This consistent weekday presence is expected to help sustain—and in some cases boost—trade for surrounding businesses during the construction period.

In addition to this type of spend, economic benefits are also likely to flow to local businesses that provide goods and services to the construction industry. These include building materials and equipment providers, subcontractors, logistics firms, waste removal operators, and professional services such as surveying and engineering—adding further economic uplift across the Willoughby LGA and the Chatswood CBD.

Moreover, the 49 displaced jobs are considered a marginal loss in context, given that the existing site is not a significant employment hub and hosts a relatively small number of tenancies. In contrast, the construction activity will result in a net increase in on-site employment and economic contribution, both in scale and value.

The total gross output, remuneration, and gross value added (GVA) generated during this construction phase will substantially exceed what would be produced by the site's existing uses over the same 2.5-year period.

While temporary visual and noise impacts are expected, this is an inevitable consequence of redevelopment and urban renewal. These impacts can be, and in previous jobs have been, managed and mitigation measures are available to minimise these adverse impacts. Chatswood has a demonstrated capacity to continue functioning effectively during major construction projects, including the recent Chatswood Metro Grand Towers Over Station Development (OSD), which proceeded alongside ongoing commercial and public domain activity.

With respect to displaced tenants, many offer services that are already well represented in the Chatswood CBD—such as fast food, apparel, personal care, and tutoring. Customer demand for these services is expected to shift to neighbouring businesses, which may benefit from increased foot traffic. For example, Chatswood already hosts a wide range of education and tutoring providers who could absorb displaced clientele. There is also opportunity for displaced businesses to relocate within the Chatswood CBD, given that the current office vacancy rate is quite high at around 17%[1]. This will enable those businesses to maintain continuity of trade and customer base.

Once operational, the development is projected to support approximately 60 ongoing jobs, including 37 full-time equivalent roles in building management and on-site retail/commercial tenancies. These new roles—alongside the contribution from future residents (discussed next)—will more than offset the short-term employment loss and support a long-term uplift in local economic activity.

In summary, while there will be short-term disruption during construction, the combination of construction employment and associated spending activity, and long-term job creation and residents positions the development as a positive contributor to the Chatswood CBD's economic resilience.

1.2 Chatswood Mall Market impacts during construction

The Chatswood Mall Market may experience temporary impacts during the construction phase, primarily related to noise, visual disturbance, and reduced amenity during trading hours. While there is no publicly available data on market visitation or stallholder revenue, the Chatswood Mall precinct records approximately 40,000 pedestrian movements daily, with around 60,000 people travelling to Chatswood each day[2]. However, the proportion of these individuals who directly engage with the market is unknown. As such, while some disruption may occur, the absence of reliable visitation or turnover data limits the ability to precisely quantify the scale or severity of potential impacts.

The Traffic and Transport Impact Assessment confirms that pedestrian and cycle access to the Mall Market will be maintained throughout the construction period. Preserving this access is critical to minimising disruption, as it enables continued foot traffic and connectivity for both patrons and stallholders. Importantly, construction activity will be confined to standard daytime hours (concluding at 6:00pm), whereas the Mall Market operates from 10:00am to 10:00pm. Consequently, at least one-third of the market's trading hours will occur outside the construction window, further reducing the potential for adverse impacts on market operations and visitor experience.

In addition, the presence of a consistent on-site construction workforce during the 2.5-year build period presents a potential source of local economic benefit. Construction workers typically purchase food, beverages, and other daily essentials close to their place of work, and may patronise the Mall Market during daytime trading hours—providing an offsetting source of visitation and spend.

Further as discussed above, Chatswood has also demonstrated a capacity to sustain market and commercial activity alongside significant nearby construction projects. For example, the Chatswood Metro Grand Towers –

[1] Knight Frank North Shore Office Market Report March 2025
[2] Source: Willoughby City Council Stallholder Guide 2020

Over Station Development (OSD) was delivered while surrounding retail and public spaces remained active, providing a relevant precedent for maintaining functionality and visitation during major construction periods. These outcomes can be supported through the preparation and implementation of a robust Construction Management Plan. Mitigation measures are outlined in the following section.

1.3 Mitigation Measures

A range of mitigation strategies are available to help minimise potential construction impacts on the Chatswood Mall Market and surrounding businesses during the build period. These measures aim to preserve the functionality, amenity, and attractiveness of the market environment, even while construction activity is underway nearby. The following tools are commonly employed in similar urban settings:

- High-quality hoarding and visual screening: The use of attractive, well-designed hoarding can significantly reduce visual clutter and contribute to a more positive experience for visitors. Hoardings can also be designed to include artwork, project information, or wayfinding cues to enhance their visual integration with the public realm.
- Acoustic hoarding or temporary noise barriers: Where construction noise is likely to impact nearby public areas during trading hours, acoustic hoarding or modular noise walls can help to contain and reduce audible disruption. These installations are standard practice in high-density environments where public activity continues alongside building work.
- Clear pedestrian wayfinding: Maintaining intuitive and visible pedestrian access is critical to market performance. Temporary wayfinding signage—clearly marking routes to the market and key entry points—can help sustain footfall during construction and alleviate any confusion caused by temporary fencing or redirection.
- Targeted communications and engagement: Direct engagement with stallholders and community stakeholders can build awareness of the project timeline, anticipated disruptions, and mitigation efforts. Communication strategies may include regular updates, FAQs, and project contact points to maintain transparency and manage expectations.

Many of these controls or others are typically embedded within a site-specific Construction Environmental Management Plan (CEMP), to be prepared prior to commencement of works onsite, or can be enforced through conditions of development consent issued by the consent authority. The combination of early engagement, ongoing monitoring, and adaptive management can ensure that potential adverse impacts on the Mall Market are minimised and that market continuity is preserved throughout the construction phase.

1.4 Post-construction operational impacts

As detailed in the EIA, the proposed development is expected to accommodate approximately 570 residents, based on 260 build-to-rent dwellings, a 95% occupancy rate, and an average household size of 2.3 persons. With an estimated average per capita retail expenditure of $21,500 per annum, this resident population would generate approximately $12.2 million in total annual retail and service spending. Given the site's central location within the Chatswood CBD, a significant proportion of this expenditure is expected to be captured by local businesses, including shops and stallholders at the Chatswood Mall Market.

In addition to the residential population, the employment land uses on site are expected to accommodate approximately 37 full-time equivalent (FTE) jobs. These on-site workers are expected to generate further local economic activity through regular weekday purchases of food, beverages, and convenience goods near their place of employment.

Together, the combined presence of new residents and workers will increase daily footfall, enhance demand for local goods and services, and support the continued viability of surrounding businesses. Over time, this uplift in economic activity is expected to more than offset any temporary disruption which may be caused during the construction period and significantly exceed the site's previous contribution under its former, underutilised configuration.

1.5 Conclusion

While the construction phase may result in some minor short-term economic impacts—such as the temporary loss of commercial space and potential amenity disruption to the Chatswood Mall Market—these impacts are expected to be substantially offset by construction-related economic activity, including increased local spending by workers and a temporary uplift in demand for hospitality and convenience services. Additionally, a range of mitigation measures can be implemented through the development consent process to minimise disruption to market operations and maintain pedestrian connectivity.