

Lindfield Mixed Use Development – 23-37 Lindfield Avenue and 11 Havilah Lane, Lindfield

Retail Floorspace Analysis

Prepared for Anka (Civic Centre) Pty Ltd

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TABLE OF CONTENTS

INTRODUCTION	i
1 SUBJECT DEVELOPMENT	3
2 COMPETITIVE CHANGES	10
3 KU-RING-GAI RETAIL STRATEGY	12
4 CONCLUSIONS.....	14

INTRODUCTION

This report presents an independent analysis of the consequences of the reduced amount of retail floorspace proposed as part of the modified proposal for a mixed use development at 23 – 37 Lindfield Avenue and 11 Havilah Lane at Lindfield. This report has been prepared based on instructions received from Anka (Civic Centre) Pty Ltd, the developers of the site, who are responding to an information request post public exhibition of the modified project from the New South Wales Department of Planning and Infrastructure.

Specifically, at Point 5 of the information request under the heading of Loss of Retail Floorspace, the following is noted:

Two of the fundamental public benefits of the approved scheme (as noted by the PAC) were “renewing and consolidating the Lindfield Town Centre as well as improving retail servicing via an increase in retail floorspace and the provision of a medical centre to meet the population growth in the locality” and “increasing employment opportunities”.

The Department shares Council’s and the community’s concern about the loss of retail floorspace as a result of the proposal modification. Further justification is required in this regard which would specifically address:

- *Council’s Ku-Ring-Gai Retail Strategy;*
- *The loss of significant public benefit of the scheme.*

The following sections of the report, therefore, assess the issues raised in the information request, including:

- **Section 1** reviews the proposed modified scheme as compared with the current retail provision and also the previous approved provision.
- **Section 2** considers recent changes in the ownership and likely provision of retail floorspace throughout Lindfield, including the existing Coles supermarket site and B4 zoned land to the immediate north of the subject development.

- **Section 3** outlines the conclusions of Council's Ku-Ring-Gai Retail Strategy and comments on how the proposed development fits with that criteria.
- **Section 4** presents our conclusions on the proposed scheme and whether it provides community benefits.

1 SUBJECT DEVELOPMENT

- i. The site at 23 – 37 Lindfield Avenue and 11 Havilah Lane at Lindfield is located on the eastern side of the railway station in the heart of the Lindfield Town Centre.
- ii. The site currently consists of a two level building comprising a small amount of retail floorspace on the ground level with offices on the first floor.
- iii. An approval was granted by the Minister for Planning & Infrastructure for a redevelopment of the site in November 2011 to include a mixed use development comprising some 3,298 sq.m of net lettable retail floorspace (including 293 sq.m as a medical centre) over two levels together with 91 apartments above.
- iv. Figures 1.1 and 1.2 outline the approved retail development at the site. The largest component of the approved development was a supermarket of 1,371 sq.m on a second or upper level of the centre. Car parking was proposed in three basement levels, some two levels away from the major tenant being the supermarket.
- v. A modified scheme is now proposed at the site which would comprise a single level of retail floorspace containing some 2,053 sq.m. The major component is still a supermarket of 1,278 sq.m. Figures 1.3 and 1.4 detail the retail and car parking levels. Residential units are still proposed above.
- vi. Table 1.1 summarises the difference in the amount of retail floorspace from the existing provision through to the approved and now proposed modified scheme. It is relevant to note that the modified scheme still proposes an increase in retail floorspace from the existing provision, including a larger sized supermarket than currently exists. Other relevant points to note include:
 - There is an existing Right of Way indicated on Figure 1.3, which allows access to the rear of properties located to the immediate north of the subject land. This Right of Way was not taken into consideration in the plans for the approved scheme. This has significant implications in relation to the design of the retail floorspace at the site, reducing the functioning and ability to create a two level

centre. The now proposed scheme takes into account this Right of Way and its implications for the amount of floorspace at the site.

- The approved scheme is a two level retail development with car parking provided some two levels below the major tenant (the supermarket). In any retail development, convenience is key, with accessibility between car parking and the retail levels usually provided directly at grade or with one level of basement below. It would be extremely difficult to attract a major tenant, such as a supermarket, to locate above ground and two levels away from car parking at the site. The viability of the approved scheme, therefore, is questionable, with a single level retail scheme for a centre of this size much more viable as well as a more consumer friendly environment. There are few, if any, centres which comprise supermarkets on upper levels of centres, away from car parking.

FIGURE 1.1 – APPROVED SCHEME GROUND FLOOR

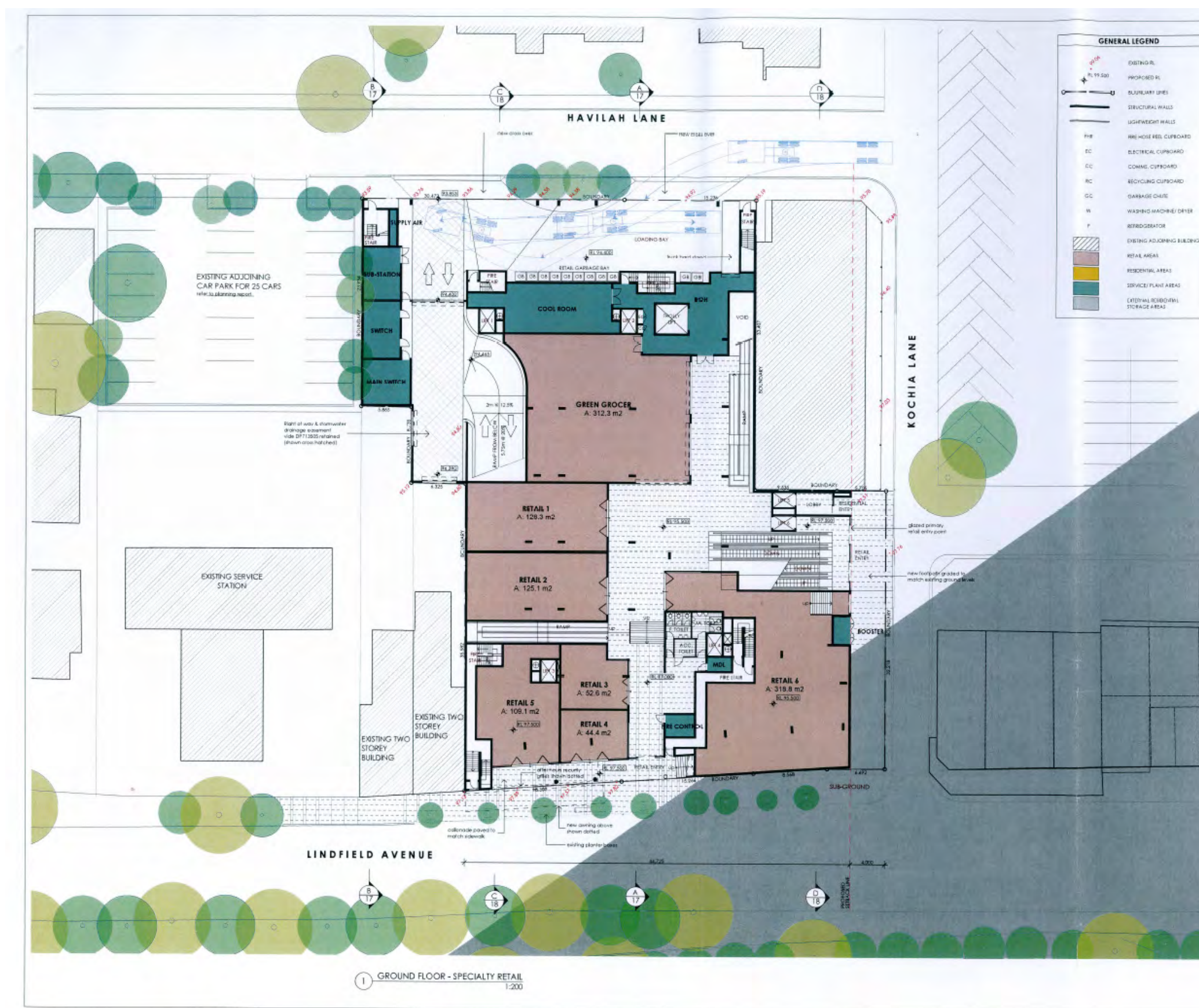


FIGURE 1.2 – APPROVED SCHEME UPPER FLOOR

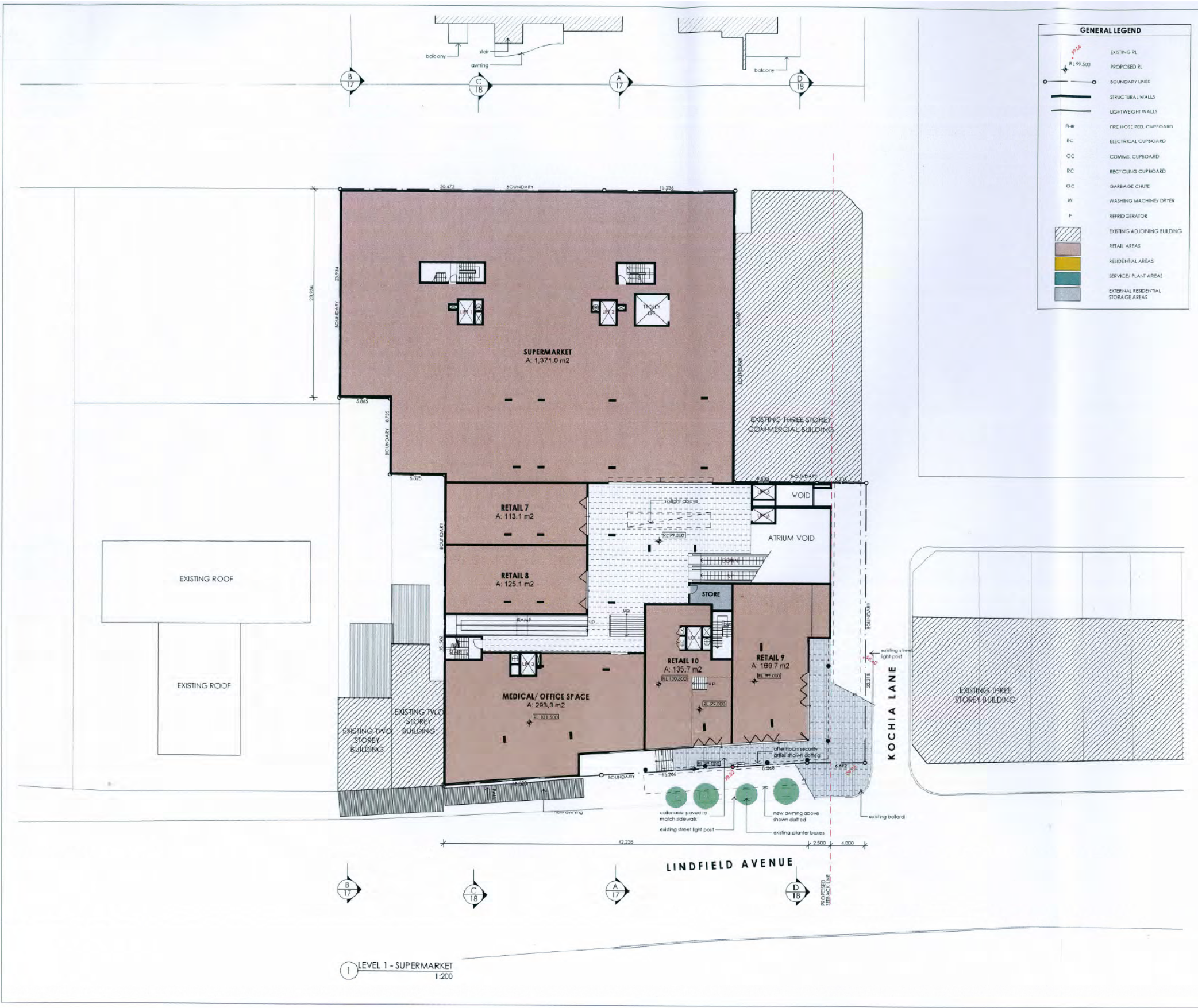


FIGURE 1.3 – MODIFIED SCHEME CAR PARKING

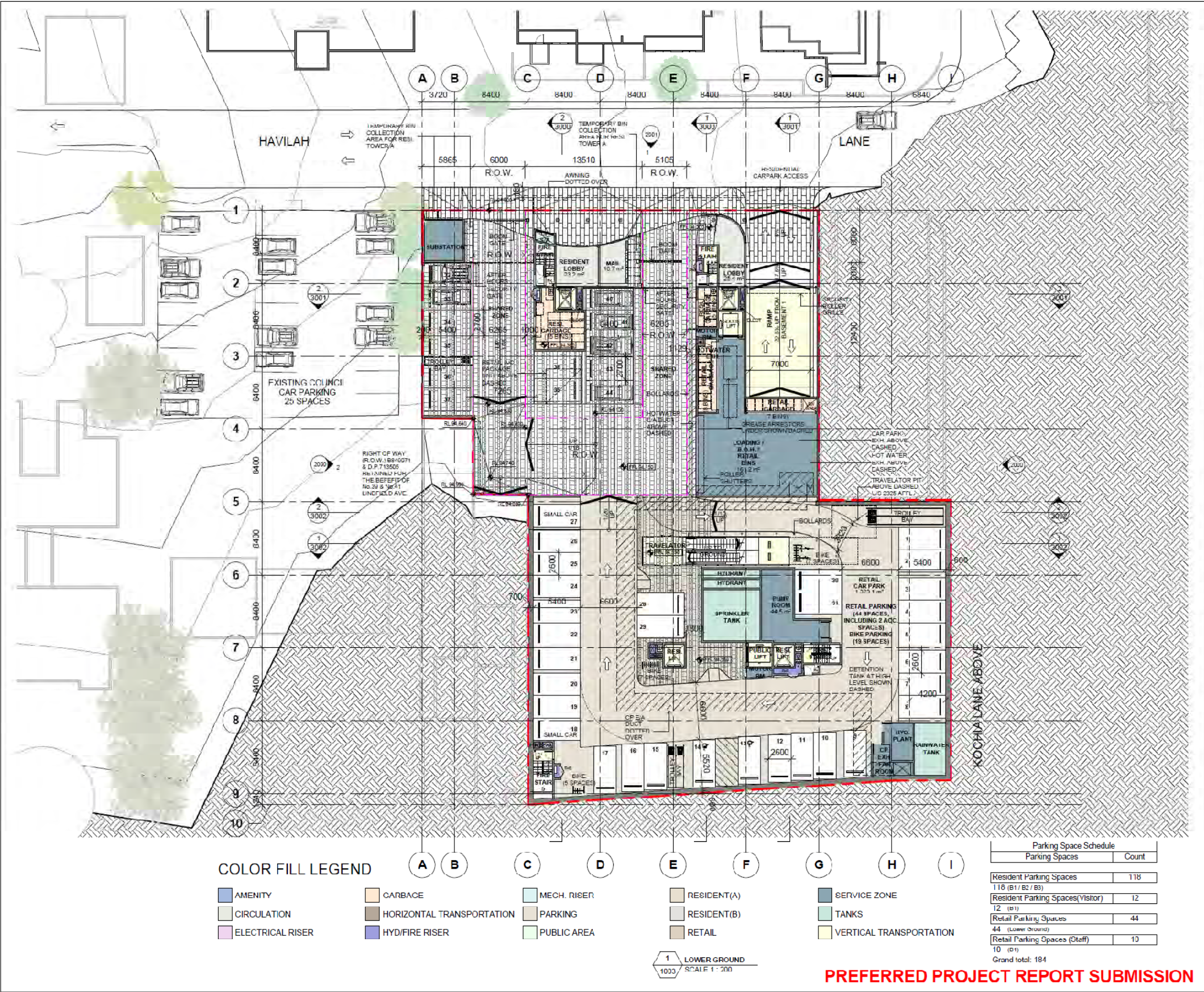


FIGURE 1.4 – MODIFIED SCHEME RETAIL LEVEL

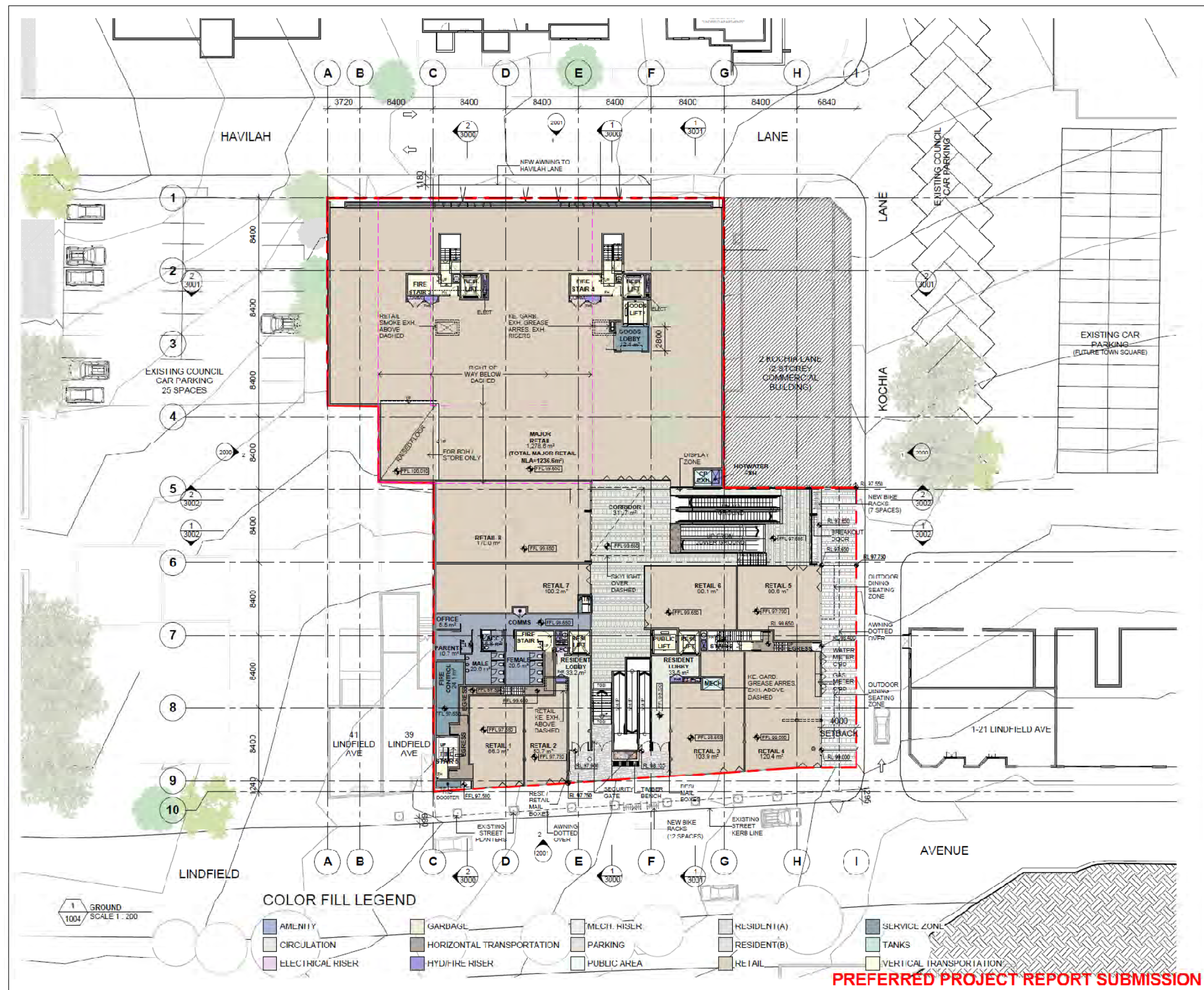


TABLE 1.1 – COMPARISON OF RETAIL FLOORSPACE

Tenant	Total Floorspace - Net Lettable Area (Sq.m)		
	Existing	Approved	Modified
Supermarket	846	1,371	1,278
Specialty Stores	1,107	1,634	775
Medical	<u>0</u>	<u>293</u>	<u>0</u>
Total	1,953	3,298	2,053
LOCATION			

2 COMPETITIVE CHANGES

- i. Since the approved scheme at the Lindfield site, there have been a number of changes to the competitive environment which impact on the provision of retail floorspace at the Havilah Lane site. These include:
 - Wesfarmers, the operators of the Coles supermarket chain in Australia, have acquired the car parking behind their existing supermarket on the western side of the Lindfield Town Centre. This store is currently 2,130 sq.m in size, which is very small by modern standards for Coles stores, which typically operate stores of at least 3,500 sq.m. Consequently, an application for an expanded Coles supermarket at Lindfield will occur. A larger Coles supermarket will also in part meet the need for expanded supermarket facilities within the Lindfield area, but would also compete significantly with the supermarket at the subject site. A supermarket at the subject site as approved on an upper level, away from car parking, would be at a significant disadvantage to a redeveloped Coles supermarket at Lindfield, again questioning the viability of such a development and the ability to attract a retail tenant to the site.
 - With the changes in the New South Wales Planning legislation and consistency of zones across Local Government Areas, the land to the immediate north of the subject site is now zoned B2 (Local Centre) and R4 (High Density Residential). Neighbourhood shops are allowable within the R4 Zone with consent. Consequently, mixed use developments comprising retail floorspace are likely within these areas over time, again providing additional retail floorspace.
- ii. Overall, therefore, in terms of future retail floorspace capacity in Lindfield Town Centre, residents of the Lindfield area will benefit from further retail floorspace at the following locations:
 - At the subject site with a proposal for a larger supermarket than what currently exists and additional specialty stores. Although the current proposal is smaller than the approved proposal, the size of the supermarket is similar and much of

the reduced space is from an upper level which is not viable from a retail perspective.

- At the Coles supermarket site where Wesfarmers now control a large parcel of land for development at the centre.
 - Potentially with further mixed use developments on B2 and R4 zoned land on the eastern side of the railway station, to the north of the subject site.
- iii. The combination of all of these developments will result in a significant provision of further floorspace and particularly increase supermarket and convenience retailers. This will more than offset the slight reduction in retail floorspace proposed on upper levels of the subject development.
- iv. In relation to a proposed medical usage under the old approved scheme on the upper level, it is relevant to note that there are an extensive number of medical facilities now provided at the office development to the east of the Council car park along Tryon Road. The medical facilities at this location include physiotherapy, medical imaging and General Practitioners. The concentration of medical facilities co-locating with each other is a typical trend in the development of such centres, and the loss of the potential medical centre on upper levels separate from these facilities has no impact on the community given such facilities are already provided within the area. Medical facilities are also located on the western side of the railway line.

3 KU-RING-GAI RETAIL STRATEGY

- i. The Ku-Ring-Gai Retail Centre Study was prepared by Hill PDA for Ku-Ring-Gai Council in July 2005. The study is now some eight years out of date, with the release of two ABS Census of Population and Housing in 2006 and 2011. Further, significant changes in the retail environment have occurred since that time.
- ii. In any case, in relation to Lindfield, at Table 2 in the Executive Summary on page 8 of the report, the targeted expansion in floorspace for Lindfield was some 6,000 sq.m in both a minimal and maximum expansion scenario. Further on page 9 it notes that Lindfield could be expanded, but alternatively, if Roseville were to be expanded with a supermarket and associated specialty retail then only minor expansion in Lindfield should occur. Roseville has not expanded in this time.
- iii. Based on the knowledge of available sites within Lindfield now, this demand would likely be accommodate at:
 - The subject development: additional 100 sq.m of retail than existing retail centre.
 - Coles expansion: at least 2,000 – 2,500 sq.m based on land size of Council car park.
 - B2 and R4 zoned land to the north of the site: at least 2,000 sq.m.
- iv. The ability to incorporate at least 6,000 sq.m of floorspace at Lindfield is achievable through existing zoned land, of which the subject development forms only one component. The proposed modification to the scheme does not change the amount of retail floorspace that ultimately would be supportable in the Lindfield Town Centre in the future. The change in the proposed scheme provides the opportunity for other sites in the Lindfield Town Centre to incorporate some of this floorspace, over single level developments at ground level, rather than less efficient and less viable second level floorspace as proposed at the subject site.

- v. Consequently, in-line with Ku-Ring-Gai Retail Centre Study, the amount of identified floorspace supportable at Lindfield can still be achieved by the subject development in combination with the future expansion of other sites.

4 CONCLUSIONS

- i. Overall, the modified development will result in improved benefits to the local community via the following:
 - A larger sized supermarket of 1,278 sq.m, most likely to be operated by Supa IGA. This store would be 50% larger in size than the existing IGA supermarket at the site. Typical Supa IGA stores are around 1,500 sq.m and it is an appropriate size for operators of such stores.
 - Consumers will benefit from the location of a supermarket at ground level, with direct access from basement car parking and also adjoining Council car parking to the south as opposed to the approved development. An upper level supermarket reduces convenience for consumers and, in our view, would not be viable in any case.
 - Other development sites will make good any reduced retail floorspace in the Lindfield Town Centre over time, with a larger Coles supermarket now likely at Lindfield and further developments proposed on B2 and R4 zoned land to the north of the site.
 - The modified scheme provides for the Right of Way which was not incorporated into the approved scheme. This significantly reduces the design and amount of floorspace supportable at the site.
 - On the basis of all of the above, there will be improved benefits to the local community from the proposed scheme. Further benefits to the community will accrue with other developments over time.

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