

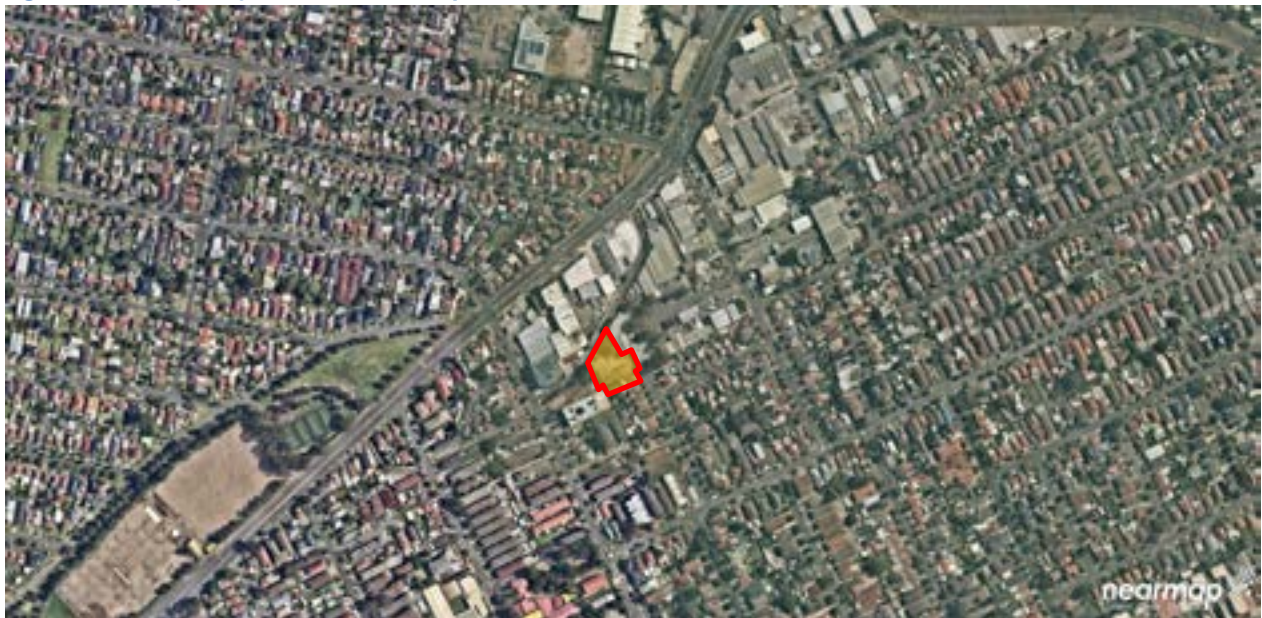
Memorandum

DATE:	10 th April 2019
TO:	Lebanese Muslim Association
FROM:	Gordon Yoon (Manager - Economics), MacroPlan
CC:	Michael Tilt (Chief Executive Officer), MacroPlan; Dr.Nigel Stapledon (Chief Advisor), MacroPlan
SUBJECT:	Economic Impact Statement (20-21 Boorea Avenue, Lakemba)

Locality

MacroPlan has been commissioned by the Lebanese Muslim Association to assess the economic implications of the proposed amendments to Canterbury Local Environment Plan 2012 proposed in relation to the site at 20-21 Boorea Avenue, Lakemba (as shown on the map below). Specifically, it is intended to enable a Residential Aged Care Facility (RACF) development on the subject site.

Figure 1: Locality (subject site), as at 9th April 2019



Source: Nearmaps (as at 9th April 2019)

Lakemba is situated in the centre of the City of Canterbury-Bankstown, approximately 13km south-west of the Sydney CBD. The suburb is connected to Greater Sydney by the Sydney Trains network (i.e. T3 - the Bankstown Line) and the everyday bus route to the broader metropolitan and South Western Sydney.

Planning Context

Lakemba is within the South District (i.e. as defined by the Greater Sydney Commission). The South District Plan (2018) has identified Lakemba as one of the **Local Centres** (i.e. Figure 2) providing opportunity to increase capacity for the required goods and services of the Lakemba and the broader community, as well as both employment and housing uses.

Local centres are a focal point of neighbourhoods, and, where they include public transport and transport interchanges, they are an important part of a 30-minute city. While local centres are diverse

and vary in size, they have an important role in providing local employment and essential local functions, access to goods and services, social or community infrastructure as well as transport interchanges close to where people live.

The NSW Government has recognised the need for a greater provision of aged care facilities in Greater Sydney. An 85% proportional increase in people aged 85 and over and a 57% increase in the 65-84 age group is expected by 2036. This means 19 per cent of the District's population will be aged 65 or over in 2036, up from 15 per cent in 2016. Particularly, the Canterbury-Bankstown Local Government Area (LGA) will see the highest growth in older people, with 35,900 additional people aged 65 or over.

Moreover, GSC also stressed the need to consider more diverse dwelling options required to respond to expected changes in household and age structures. The number of single person households in the South District is expected to increase by 46% over the 20 years to 2036. The number of single parent and couple only households are also expected to increase by 34% and 32% respectively. The projected household structure supports our view that South District requires more smaller homes, group homes, adaptable homes of universal design and aged care facilities.

To this end, the South District Plan sets out planning priorities and actions to support the creation of additional health, social and aged care services to meet the expected increase in demand for local aged care facilities and respite services, including home care options (with associated visitor parking). The GSC also identified the need to address care for people with specific needs such as those with dementia and the frail aged¹.

In the case of the subject site, the proposed development incorporates the provision of 112 additional aged care places (28 of these being dementia specific beds) and will therefore contribute to meeting the anticipated demand forecasts for the South City District outlined above. The additional seniors housing at the subject site will complement preferred character and visual amenity of the existing residential area, and the opportunity for the local employment function to grow and change over time.

Existing Aged Care Facilities

Our investigation has identified 3 existing aged care facilities; St Basil's Lakemba, RFBI Lakemba Masonic Village and Opal Wallgrove, a total of 297 places.

As presented in the following table, more than 60% of the existing aged care places are heavily skewed to Greek Specific aged care facilities. The largest aged care facility is St Basil's Lakemba (formerly known as St Basil's Nursing Home) which offers 195 places. However, this RACF prioritises access to Greek speaking residents (i.e. Greek Specific facility with a Greek Chapel and Food and Activities and tailored to the Greek Culture).

Subsequently, we have derived a total of 102 aged care places for culturally and linguistically diverse communities and residents.

¹ Planning Priority: S4 Fostering healthy, creative, culturally rich and socially connected communities (GSC South District Plan, page 35)

Table 1: Existing businesses and shops – Fairfield West Market Plaza

Name	Address	RAC places	Other Details
St Basil's Lakemba	300 Haldon Street	195	priority of access to Greek speaking residents
RFBI Lakemba Masonic Village	72 Sproule Street	50	Cultural & linguistically diverse
Opal Wallgrove	35 Yerrick Road	52	Cultural & linguistically diverse

Source: Australian Institute of Health and Welfare (2019)

Planning Proposal & Proposed Development

The Planning Proposal will allow for a Residential Aged Care Facility (RACF) development that will consist of 112 bed (28 of these being dementia specific beds). The potential development will span four levels above ground situated over a 40-passenger vehicle basement car park. Taking into account the lack of Aged Care facilities in Lakemba and its surrounds, the additional aged care places at the subject site will benefit the local community through job creation and amenity offering in the local area. Furthermore, the proposed rezoning will support the Lakemba town centre by maintaining employment land (i.e. no land rezoning required) and employment objectives, whilst providing supporting 'community-serving' facilities.

A Concept Master Plan² comprises the following:

- Residential accommodation: 112 beds, 28 of these being dementia specific beds
- Vehicle access and car parking: Vehicle entrance via Boorea Avenue to a basement car park. 40 passenger vehicle spaces provided within basement parking.
- Single access driveway providing an "at-grade" porte cochere.

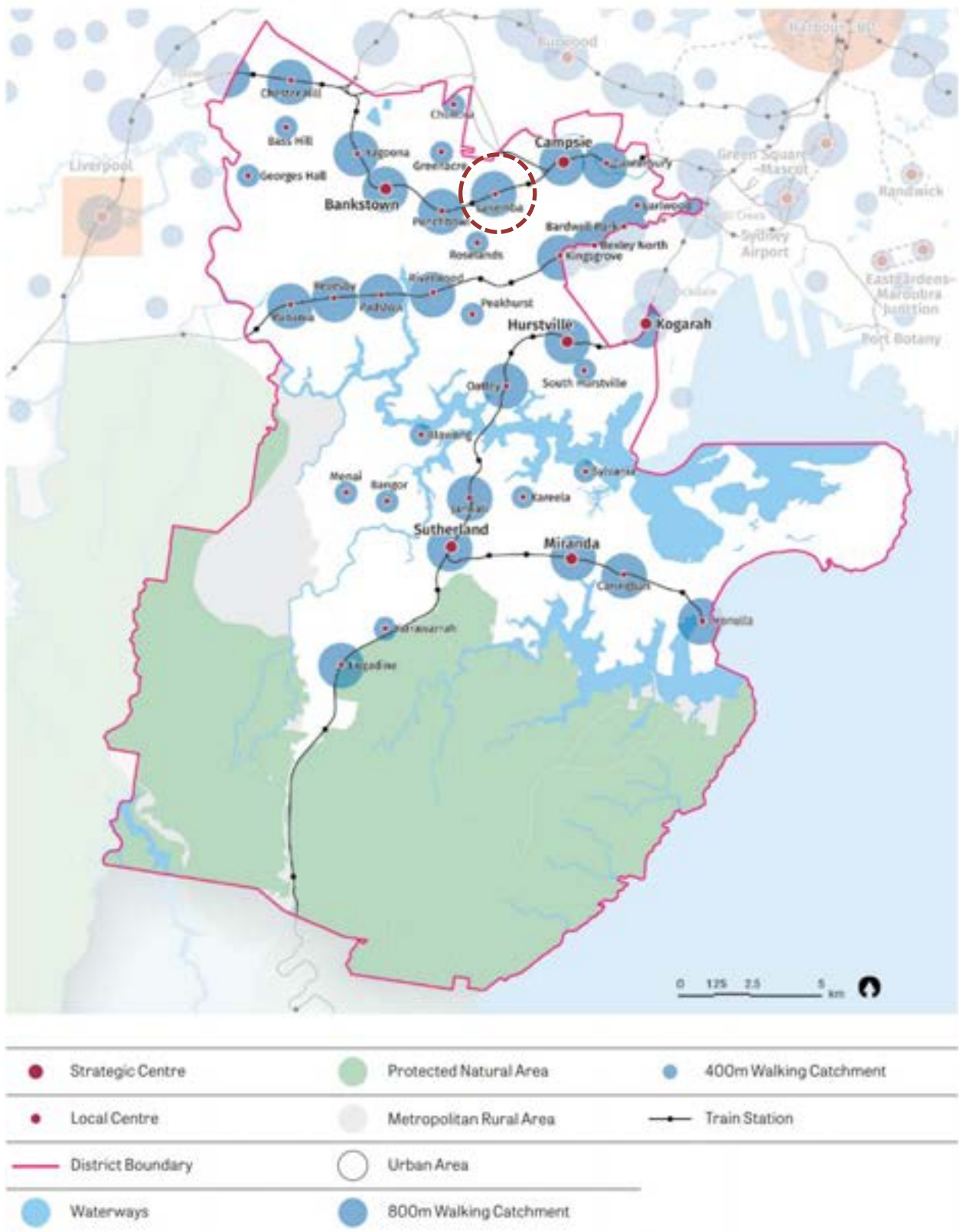
Table 2: Description of Proposal

	20 Boorea Avenue	
	Existing	Proposed
Land Use zone	R4	No change
FSR	0.75:1	No change
Height	8.5m	No change
	21 Boorea Avenue	
	Existing	Proposed
Land Use zone	IN2	No change
FSR	1:1	2:1
Height	(controlled by DCP)	No height control proposed

Source: Lebanese Muslim Association

² Prepared by Thomson Adsett

Figure 2: South District – Strategic and Local Centres



Source: Greater Sydney Commission (2018)

Economic Justification for Rezoning

Having regard for its location, surrounding uses and existing planning framework, we now consider the relevance of the subject land for future industrial-based applications.

There are three clear reasons as to why rezoning should be facilitated. First, there is an adequate stock of undeveloped and zoned employment land in the South District. Second, given the attributes of the subject land (i.e. street frontage, location, constrained accessibility to Sydney Orbital Road Network, and a narrow road shared with local residents) and surrounding uses (current and future residential estates), it presents as an unlikely industrial destination, but as a suitable candidate for senior housing as an extension to the existing residential area and the Lakemba Mosque and Lebanese Muslim Association (LMA) facilities.

Finally, the partial rezoning of the subject land to aged care services promotes greater housing diversity and choice (and affordability) and is consistent with the GSC's planning priorities and actions to support the creation of additional health, social and aged care services to meet the expected increase in demand for local aged care facilities.

Adequate Supply of Employment Lands

From an existing supply perspective, the portion of the subject land assigned to IN2 Light Industrial purposes is insignificant relative to the South District.

According to the recent Employment Land Development Monitor (ELDM), there were 3,421 hectares of zoned and undeveloped employment land in Greater Sydney. Of this total, approximately 160 hectares is located within the South District.

Table 3: Undeveloped Employment Land Stock by District, January 2018

District	Undeveloped (ha)	%
Central City	1,369.1	40.0%
Eastern City	43.0	1.3%
North	54.7	1.6%
South	160.2	4.7%
Western City	1,794.2	52.4%
Greater Sydney Total	3,421	100%

Source: Employment Lands Development Monitor DP&E NSW (2019)

The 2,580m² assigned for industrial purposes at the subject land (i.e. 21 Boorea Avenue) comprises just 0.2% of the total available stock (i.e. undeveloped) in the South District, 0.7% in the Canterbury-Bankstown LGA, and 0.01% in Greater Sydney. Therefore, from a future supply perspective, it is evident that the rezoning of this land will have a negligible impact on the future delivery of employment lands for this region.

Table 4: Undeveloped Employment Land Stock by LGA (South District), January 2018

LGA	Undeveloped (ha)	%
Canterbury-Bankstown	35.1	21.9%
Georges River	0.9	0.6%
Sutherland	124.1	77.5%
South District Total	160.2	100%

Source: *Employment Lands Development Monitor DP&E NSW (2019)*

Take-up of employment land

The ELDM also tracks land take-up by region. Between January 2013 and January 2017³, take-up of employment land in the South District averaged 2.5 hectares per annum, accounting for around 1.7% of total absorption in Greater Sydney. By LGA, only 1.1 ha was taken up annually in the Canterbury-Bankstown LGA over the same period.

Moreover, according to the ELDM, only 0.3 ha was taken up in Lakemba in 2017 (i.e. 0.06ha per annum).

Table 5: Undeveloped Employment Land Stock by District, January 2018

District	Undeveloped (ha)
Central City	65.2
Eastern City	6.0
North	0.8
South	2.5
Western City	71.0
Greater Sydney Total	145.4

Source: *Employment Lands Development Monitor DP&E NSW (2019)*

Furthermore, having regard for the stock of zoned and undeveloped employment land in the region and the observed rate of take-up, it is estimated that there is close to 65 years supply of employment land in the South District, and 32 years in Canterbury-Bankstown LGA. Notably, the exclusion of the subject land's allocation is estimated to have a minor impact on future supply. In this context, the impact from the proposed rezoning would be nominal.

Moreover, new infrastructure projects such as the Intermodal Terminal at Moorebank and Sydney's new airport at Badgerys Creek are expected to shift new industrial building activity development to South West Sydney. This is estimated to reduce take-up in the South District, further increasing the capacity of zoned and undeveloped employment land in the South District and the Canterbury-Bankstown LGA.

³ DP&E NSW (2019) - A GIS based mapping system was created by compiling January 2018 industrial zoning records, January 2018 Sydney Water data and the NSW Land and Property Information (LPI) cadastral data. Take-up analysis only includes lots greater than 100m² and does not include existing lots which were already partially developed.

Recent Industrial Land Development Trends

Finally, this high-level approach assumes there is no ‘pecking order’ associated with site selection, which is not consistent with how the market functions. Sites are opted based on location, attributes and accessibility, and the price by which the market is prepared to pay for these attributes.

As evidenced by development commencements data below, industrial investment has occurred mainly in just a few selected locations in metropolitan Sydney in the past ten years. Since 2008, building activity has been most pronounced in Eastern Creek (549,117 m²), Horsley Park (445,818 m²), Erskine Park (334,234 m²), Marsden Park (250,408 m²) and Prestons (250,287m²).

Table 6: Cumulative Industrial Building Commencements (April 2008 – March 2018), Top 20 Suburbs

Suburb	LGA	Net additions (m ²)
EASTERN CREEK	BLACKTOWN	549,117
HORSLEY PARK	FAIRFIELD	445,818
ERSKINE PARK	PENRITH	334,234
MARSDEN PARK	BLACKTOWN	250,408
PRESTONS	LIVERPOOL	250,287
WETHERILL PARK	FAIRFIELD	146,071
HUNTINGWOOD	BLACKTOWN	134,109
MINCHINBURY	BLACKTOWN	127,594
ALEXANDRIA	SYDNEY	102,332
ORCHARD HILLS	PENRITH	102,106
CHULLORA	BANKSTOWN	94,221
MINTO	CAMPBELLTOWN	76,575
GREGORY HILLS	CAMDEN	69,941
ROUSE HILL	THE HILLS SHIRE	69,735
KENSINGTON	RANDWICK	68,564
WARWICK FARM	LIVERPOOL	67,215
BANKSMEADOW	BOTANY	63,252
INGLEBURN	CAMPBELLTOWN	62,193
SMEATON GRANGE	CAMDEN	61,293
SYDNEY	SYDNEY	58,986

Source: CordellConnect (2018), Macroplan (2018)

Seniors Housing Justification

While it is an ancillary argument, this section identifies and outlines the need for increased aged care facility provision within the Canterbury-Bankstown LGA.

According to the NSW population projections, the region's population growth will be led by the 65+ age cohorts. Over the next 20 years to 2036, the age cohort will expand 2.7% per annum. We also note that the growth will be predominantly driven by; 75-79 (3.2% p.a), 80-84 (3.1% p.a) and 85+ (3.1% p.a).

Table 7: Population Projections, Canterbury-Bankstown LGA

	2016	2021	2026	2031	2036	CAGR (%) 2016-2036
65-69	12,500	15,050	16,750	19,350	20,700	1.9%
70-74	10,500	11,800	14,350	16,050	18,650	2.7%
75-79	8,800	9,350	10,750	13,300	15,000	3.2%
80-84	7,450	7,100	7,750	9,150	11,500	3.1%
85+	6,250	7,750	8,450	9,400	11,250	3.1%
Total	45,500	51,050	58,050	67,250	77,100	2.7%

Source: NSW DP&E Population Projections (2016)

Notably, the LGA is showing noticeable growth in the 70+ age cohort, suggesting that the region represents an attractive proposition for retirees and empty nesters seeking aged care services.

Applying Federal Government aged care benchmarks to the population projections⁴, we derived current demand from approximately 84 aged care places in the LGA. Future supply additions equating to 158 places are expected to alleviate this shortage.

However, due to the rapidly ageing profile in the local government area, there could be a shortage of 434 aged care places in 2021, which is expected to increase to 878 places by 2026 and 2,242 places by 2036.

Table 8: Gap Assessment, Canterbury-Bankstown LGA

	2016	2021	2026	2031	2036
Demand	2,880	3,304	3,832	4,512	5,196
Supply	2,796	2,870	2,954	2,954	2,954
Shortage/Surplus	84	434	878	1,558	2,242

Source: ABS Census (2016), NSW DP&E Population Projections (2016), MacroPlan (2018)

⁴ The federal government has set national benchmarks for the provision of aged care place. At present the government has previously indicated a goal that for every 1,000 persons aged 70 and over there is a benchmark of 80 residential care places (i.e. 78 RACF + 2 Transitional Care).

Other Benefits and Considerations

The proposed development can support the Lakemba town centre by maintaining employment land and employment objectives, while promoting industry diversification (and generate new employment sources) and can generate more employment during the planning, construction and maintenance stages.

As stated by the proponent (i.e. Lebanese Muslim Association), it is estimated that an additional 70 to 100 direct jobs could be created on site once the aged care facility is fully operational. At any one time, there would be approximately 20-30 staff present on Site.

The employment outcome from the proposed RACF development will surpass the traditional light industrial uses at the subject site.

In its developed form, the proposed RACF could employ about 70 to 100 health care professionals and associated office workers (i.e. direct operational jobs). Macroplan envisages that the proposed aged care facility could generate an Industry Value Added (IVA) of close to \$7M per annum.

Conclusion

Overall, there are strong economic grounds to support the proposed amendments to Canterbury Local Environment Plan 2012 proposed in relation to the site at 20-21 Boorea Avenue. The subsequent proposed RACF development can contribute to the need for a greater provision of aged care facility in the Canterbury-Bankstown LGA and Greater Sydney.

In addition to delivering a market compatible and superior employment outcome for the subject site, the proposed redevelopment will also:

- Promote industry diversification (and generate new employment sources)
- Provide indirect employment during the planning, construction and maintenance stages.
- Through a combination of care facilities and seniors living, the proposed development can allow 'ageing-in-place' at Lakemba.

If there are any questions regarding this document, please contact Gordon Yoon (Manager – Economics) on 02 9221 5211.