



August 2020

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**Employment
Land Study**



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Executive summary

The Hornsby Shire Employment Land Study provides a strategic framework to facilitate and accommodate future employment growth within the Hornsby local government area.

The purpose of the employment land study is to support the objectives of the Hornsby Local Strategic Planning Statement:

- By identifying the key economic and employment issues and trends affecting the Hornsby local government area (LGA) in the context of the North District; and
- By providing directions to support sustainable growth in the LGA that will meet the employment targets for the North District.

The study will improve knowledge of the local economic base, identifying the issues, opportunities and challenges for the LGA, and providing strategic directions for Hornsby Shire. The guiding principles for the future of employment include:

People – diverse opportunities for employment and learning



Built form – appropriate space that meets current and future needs



Place - attractive places of employment



Infrastructure – infrastructure that is aligned with current need and future growth



Land – adequate, appropriate and long term supply of land



Economic – a sustainable and productive long-term economy



SCOPE OF STUDY

The employment land study encompasses all employment zoned land across Hornsby LGA, that is, land zoned for retail, commercial and industrial purposes. For the purpose of this study, employment land uses have been categorised into three broad classifications, these being:

- Commercial centres (B1 Neighbourhood Centre, B2 Local Centre, B3 Commercial Core, B4 Mixed Use and RU5 Village)
- Employment precincts (IN1 General Industrial, IN2 Light Industrial, IN3 Heavy Industrial, IN4 Working Waterfront, B5 Business Development, B6 Enterprise Corridor and B7 Business Park)
- Special use zones (SP2 Infrastructure and SP3 Tourist).

The study was informed by a comprehensive review of policy, literature and market trends to ensure alignment with the broader strategic context and to provide an appropriate response to the local context and market need.

ECONOMIC PROFILE

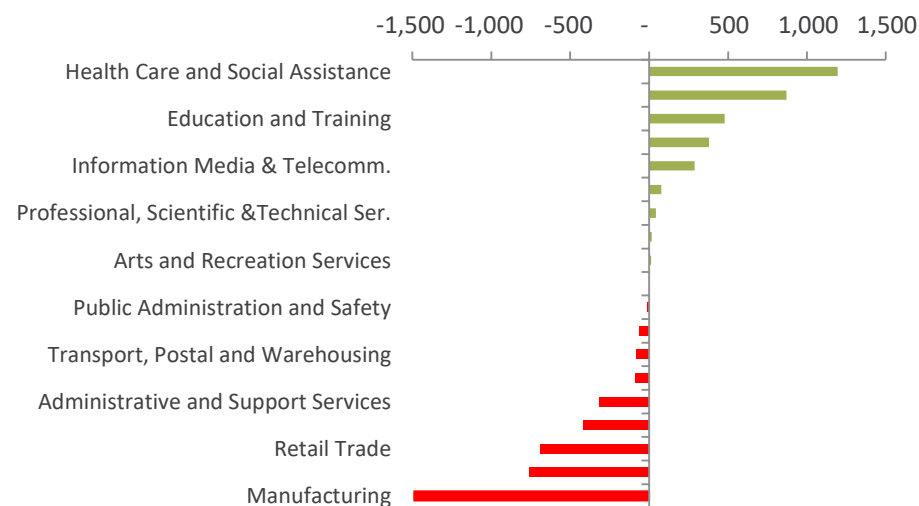
A review of the current and historic economic and employment trends within Hornsby LGA (Hornsby) and wider locality was undertaken.

Population: Over a ten-year period to 2016, the population within the LGA increased by around 10,492 residents or 7.9%, reaching a total of around 142,676 residents. Persons aged 50 years and over comprised 84% of the net growth (+8,846 persons). Over the next 20 years, Hornsby's resident population is projected to increase by around 31,922 people or 22%, reaching a total of 179,583 residents by 2036.

Resident employment: Of the around 70,700 employed residents in the LGA, as of 2016, around 20,100 or 28% worked within Hornsby. The remainder were travelling outside the LGA for employment, with a large proportion travelling to Sydney CBD.

Job generation: Over a ten-year period to 2016, total jobs generated within Hornsby increased by only 899 jobs or 2%, reaching a total of around 42,300 jobs. The standout growth industries were those in the health and education sector, which recorded a 1,673 job or 15% increase over the period.

Hornsby LGA's employment change 2006-16 by industry



Source: ABS 2016

The highest concentration of jobs in Hornsby were in Hornsby Town Centre and Asquith employment precinct. Relative to the North District, the LGA had a significant specialisation in the industries of retail trade; transport, postal and warehousing; education and training and health care and social assistance. The LGA had economic weakness/opportunity for specialisation in the industries of wholesale trade; information media and telecommunications; financial and insurance services and professional, scientific and technical services.

LAND USE PROFILE

To inform the employment land analysis and gauge future land and planning requirements, HillPDA undertook a detailed floorspace audit. As part of the on-ground audit HillPDA representatives visited each employment precinct and commercial centre. For each lot, the surveyor noted down the business name/s; the industry type/s at the ANZSIC 1-digit code level or broad retail type; the proportion of the building the business was occupying and the level in the building. Building envelope data was mapped against the cadastre with the total building gross floor area (GFA) calculated per lot. The GFA was then matched against the on-ground audit data, producing a profile of GFA for each usage category at a lot level. ABR data and internet searches were used to spot check information.

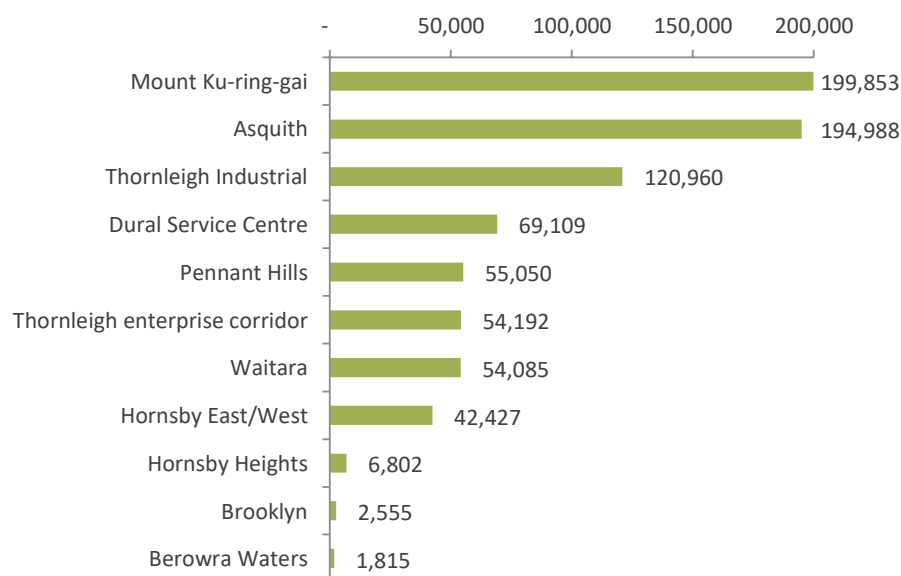
Employment precincts

In 2019, there were 11 employment precincts located within the LGA. Combined, these precincts provided around 191 hectares of appropriately zoned land, of which, 172 hectares or 90% was developed while around 19 hectares or 10% was undeveloped.

The land use audit found that the 11 employment precincts contained around 811,000sqm of employment and residential space. Of this, total floorspace around 800,900sqm was employment-related while the remaining 10,117sqm was residential.

The largest employment precinct, by total employment floorspace, was Mount Kuring-Gai with a total of almost 199,850sqm or 25% of the total employment floorspace.

Total employment space by employment precinct (sqm)



Source: HillPDA 2019 land use audit– excludes residential space

Of the total employment space across all the eleven precincts, the largest amount was attributed to the industry of manufacturing with around 142,545sqm or 18% of all employment space. The average built FSR across the employment precincts was 0.5:1.

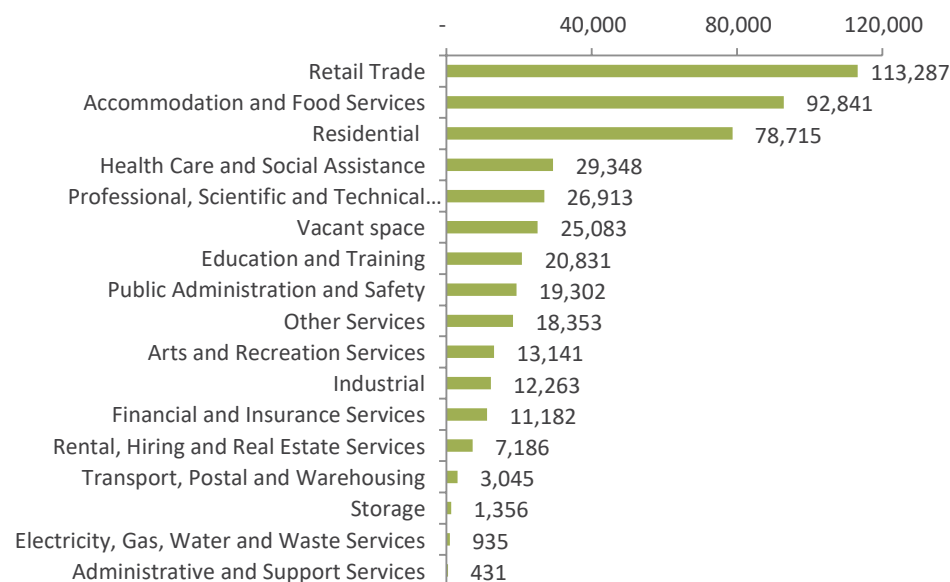
Commercial centres

In 2019, there were 31 commercial centres located within the LGA. Combined these precincts provided around 68.4 hectares of appropriately zoned land. These land zonings and the amount of land zoned included:

- B1 - Neighbourhood Centre with 13.0 hectares or 19% of total centres land stocks
- B2 - Local Centre with 26.4 hectares or 39% of total centres land stocks
- B3 - Commercial Core with 8.9 hectares or 13% of total centres land stocks
- B4 - Mixed Use with 17.7 hectares or 26% of total centres land stocks
- RU5 - Rural Village with 2.3 hectares or 3% of total centres land stocks.

Hornsby's 31 commercial centres provide a total of around 474,210sqm of floorspace. Of this, around 369,000sqm or 78% was occupied employment space, 78,715sqm or 17% was residential related and 26,440sqm or 6% was vacant/storage. Of the total occupied employment space, the largest portion was related to retail uses comprising 113,287sqm or 31% of the total occupied employment space.

Commercial Centre total floorspace by ANZSIC 1-digit industry



Source: HillPDA land use audit 2019

CAPACITY AND DEMAND

Future employment in the LGA has been forecast having regard to regional and local trends. A number of growth and capacity scenarios were developed to determine future employment floorspace requirements.

Employment precincts

Hornsby's employment precincts currently provide around 800,900sqm of floorspace. Over the next 17 years, to respond to population growth and industry trends, the LGA will require up to an additional 214,665sqm under the highest growth scenario. The capacity of each precinct was tested with consideration of planning controls, take-up, environmental constraints and industry land requirements. Under the various scenarios tested, it was found that there would be a range in capacity from a deficit of 175,581sqm to a surplus of 376,095sqm.

It is recommended that a conservative approach be taken that adopts the highest growth scenario and lowest capacity scenario. This conservative approach would require additional industrial land to be made available to accommodate future demand.

Furthermore, to maintain the affordability of industrial and employment precinct land it is important to have enough zoned and serviced land available for future expansion opportunities. A buffer of approximately 20-40% is generally recommended to be available in the supply pipeline.

Commercial centres

Hornsby's 31 commercial centres provide a total of around 372,730sqm of floorspace. Over the next 17 years, these centres will need to accommodate around 195,060sqm of additional floorspace to meet future demand. Most of this forecast space would be directed towards Hornsby Town Centre with an additional 125,820sqm or 65% of the total net demand being accommodated in the centre.

Applying various development scenarios to the commercial centres, it was found that there would be a range in capacity from a deficit of 172,960sqm to a surplus of 574,989sqm.

Indicative minimum non-residential floor space ratio (FSR) controls were modelled to determine the floor space required to meet future demand.

Minimum non-residential FSR

Centre	Minimum non-residential FSR
Hornsby Town Centre	1.7
Cherrybrook Village	0.8
Asquith Village	1.6
Beecroft Village	0.7
Pennant Hills Village	0.5
Thornleigh Village	0.7
Westleigh Village	0.4
West Pennant Hills Village	0.7
Berowra Heights Village	0.5
Galston Road, Galston	0.8
Pacific Hwy, Mount Kuring-Gai	1.3
Remaining centres	0.4

Source: HillPDA – excludes constrained sites

This minimum non-residential FSR is not a blanket recommendation, rather it is to provide an understanding of required planning controls necessary to achieve a no net loss and respond to growth in each centre. Where the minimum FSR is high (e.g. Asquith), future floorspace could instead be distributed across other centres in proximity, requiring the other centres to adopt a higher minimum FSR rate.

A best practice principle would be to accommodate additional employment growth in locations that have strong connection to public transport and a strong residential catchment. Other urban design considerations may also necessitate higher or lower minimum FSR requirements across the centres. If a new centre is released, the floorspace would be redistributed, with the non-residential FSR requirements not needing to be as high in existing centres (i.e. if a new centre went in at Cherrybrook metro station).

A tipping-point feasibility and design assessment is recommended to understand non-residential FSR implications and explore incentives for providing non-residential space.

The analysis has informed the development of the directions, strategies and actions found in Chapter 12 and overviewed below.

STRATEGIC DIRECTIONS

Delivering employment lands for a sustainable future will require some decisive actions by Council. Six strategic directions have been identified to guide the supply, development and utilisation of employment lands in Hornsby LGA

1

Improve the utilisation and appeal of employment lands

1. Prioritise employment growth in Hornsby Town Centre
2. Revitalise Pennant Hills to Thornleigh Corridor
3. Grow Waitara into a vibrant eat street and convenience centre
4. Revitalise Asquith Village
5. Implement minimum non-residential FSR controls
6. Increase the industrial capacity of Mount Kuring-gai and Asquith
7. Deliver better places of employment

4

Attract a greater diversity of employment and learning opportunities

1. Attract knowledge intensive jobs in Hornsby Town Centre
2. Support the growth of agriculture, manufacturing and tourism
3. Explore synergies with the local TAFE and Universities to develop training and education programs targeted to local industries
4. Partnerships with the health and social services industry

2

Establish a sustainable long term supply of employment land

1. Establish a pipeline of industrial land
2. Increase the utilisation capacity of Hornsby B5 Urban Service Land
3. Update the NSW Employment Lands Development Monitor (ELDM)
4. Secure supply of enterprise and business development land

5

Deliver infrastructure that supports current needs and future growth

1. Road networks are appropriate to accommodate growth
2. Industrial and urban service areas have strong public transport connectivity
3. High-speed internet
4. Sufficient provision of parking
5. Early delivery of utility service

3

Protect zones for uses that align with their intended role and function

1. Rezone land that no longer aligns with the function and role of the centre or employment precinct
2. Protect the role and function of employment lands

6

Establish a framework for sustainable and continued economic growth

1. Amend the definitions in the commercial centre hierarchy recommendations
2. Update the commercial centre hierarchy in the DCP
3. Establish a clear economic identity for Hornsby LGA

INTRODUCTION

1.0 INTRODUCTION

HillPDA was commissioned by Hornsby Shire Council (Council) to undertake a review of employment land within the Hornsby local government area (LGA). For the purpose of this report, 'employment land' relates to all industrial and business zoned land within the LGA. It also provides high level consideration for some special purpose land associated with the hospital and tourism.

1.1 Background

In 2018, the Greater Sydney Commission (GSC) released a number of District Plans. The Our Greater Sydney 2056 - North District Plan sets strategic directions for the Northern District to manage future growth and the social, environmental and economic issues associated with the projected growth.

The *Environmental Planning and Assessment Act 1979* (the Act), amended in March 2018, required local councils to prepare Local Strategic Planning Statement (LSPS) as part of their planning controls. LSPS provide a 20-year vision to guide land use planning and development within respective LGAs, identifying the unique character, identity and values of the place, and strategies for managing growth and change into the future.

The Hornsby LSPS was published in March of 2020 and is consistent with the directions within the North District Plan and reflective of the Hornsby Community Strategic Plan (see Figure 1). The LSPS provides the strategic framework to implement relevant state and regional objectives at local level and direction to facilitate the desired land use, social, economic and environmental outcomes for the local community.



Figure 1: Strategic planning alignment

Hornsby Shire Council has prepared a series of studies across the themes of Liveability, Sustainability, Productivity, Infrastructure and Collaboration that has informed the Local Strategic Planning Statement as part of the Accelerated Local Environmental Plan (LEP) Review project.

The Employment Land Study is complemented by the Rural Land Study, Hornsby Town Centre Review and Economic Development and Tourism Strategy. Figure 2 illustrates how each study relates to each other and the broader LSPS.

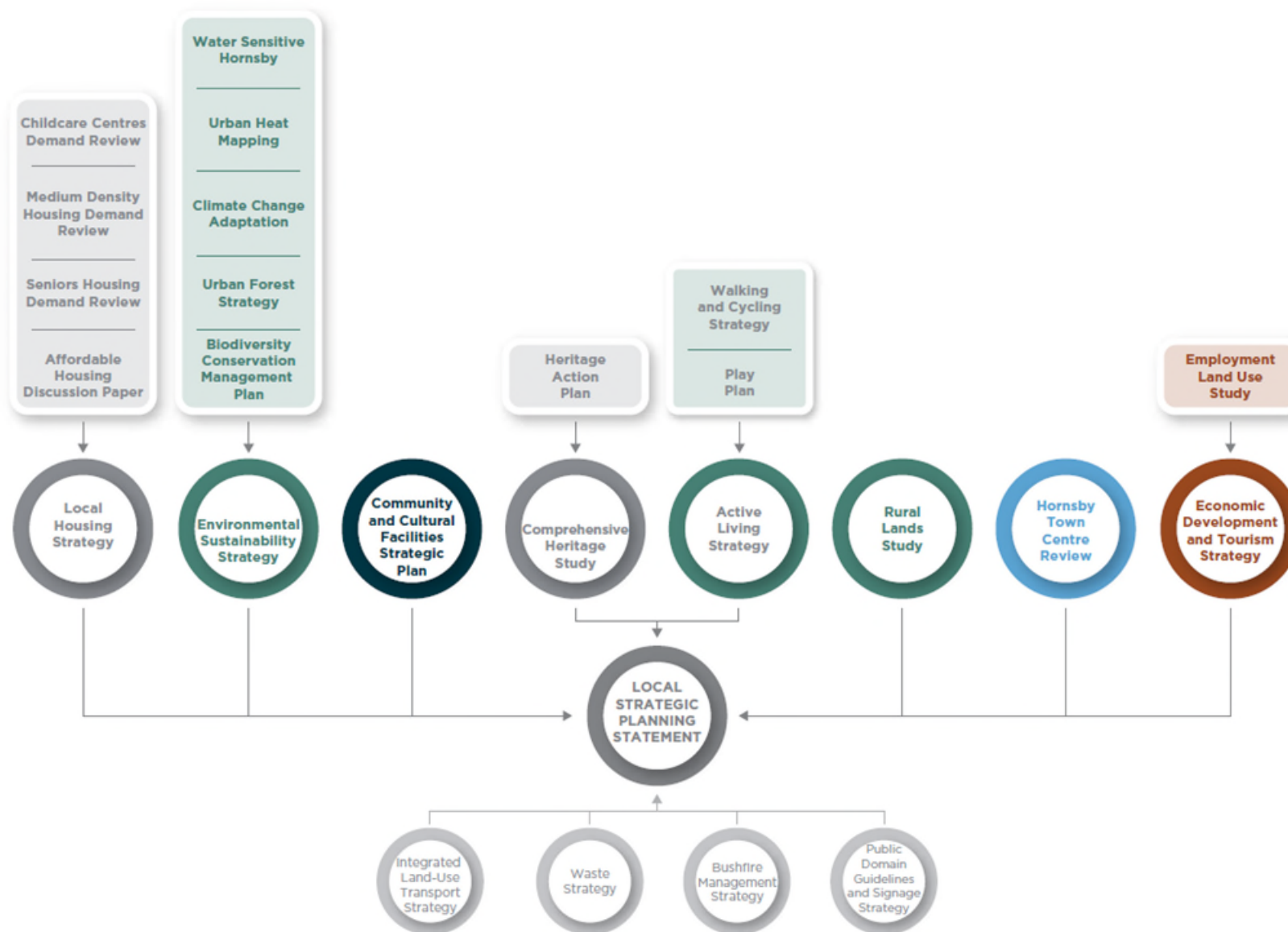


Figure 2: Council's Accelerated LEP Review Program

Source: Hornsby Shire Council, 2019

1.2 Purpose

The purpose of the Employment Land Study is to support the objectives of the Hornsby LSPS:

- By identifying the key economic and employment issues and trends affecting the LGA in the context of the North District; and
- By providing directions to support sustainable growth in the LGA that will meet the employment targets for the North District.

1.3 Project objectives

The study will improve knowledge of the local economic base, identifying the issues, opportunities and challenges, and provide strategic directions for Council in order to:

- Inform the future development of the Hornsby LSPS;
- Prepare planning controls to optimise sustainable economic growth;
- Support the North District Plan and the Greater Sydney Regional Plan priorities and objectives as they relate to the LGA;
- Provide a balanced strategy that encourages economic growth and employment to complement the projected population growth for the LGA;
- Determine the economic significance of each employment precinct within the LGA and develop a planning framework for each precinct;
- Ensure that employment lands have accessibility and connectivity to residential catchments and markets, are located close to the labour force and are linked to the transport networks;
- Prepare a strategy that will promote business development that will not adversely impact upon the natural and built environment, including heritage; and
- Encourage development that improves the economic vitality, health, and cultural and social environment of the LGA.

1.4 Employment land uses

The study encompasses all employment zoned land across Hornsby LGA, that is, land zoned for retail, commercial and industrial purposes. For the purpose of this study, employment

land uses have been categorised into three broad classifications, these being commercial centres, employment precincts and special use zones.

1.4.1 Centres

Centres are generally higher density employment areas containing concentrations of businesses involved in population servicing, retail, knowledge intensive and health related uses. They are important employment generators, provide for the daily/weekly shopping needs for local residents/workers and are an important focal point for the local community where they can meet and interact.

For the purpose of this study, commercial centres include land zoned, under the Standard Local Environment Plan, as B1 Neighbourhood Centre, B2 Local Centre, B3 Commercial Core, B4 Mixed Use and RU5 Village.

1.4.2 Employment precincts

As defined by the Department of Planning Industry and Environment's (NSW DPIE) Employment Lands Development Monitor (ELDM), employment lands are defined as:

"land zoned for industrial or similar purposes in planning instruments. They are generally lower density employment areas containing concentrations of businesses involved in: manufacturing; transport and warehousing; service and repair trades and industries; integrated enterprises with a mix of administration, production, warehousing, research and development; and urban services and utilities.

They are vital to the functioning of our urban areas, providing space for:

- *Essential services such as waste and water management, repair trades and construction services*
- *Warehousing, logistics and distribution centres*
- *Areas for businesses that design, manufacture and produce goods and services".*

Employment precincts primarily encompass land zoned, under the Standard Instrument Local Environment Plan, as IN1 General Industrial, IN2 Light Industrial, IN3 Heavy Industrial, IN4 Working Waterfront, B5 Business Development, B6 Enterprise Corridor and B7 Business Park.

1.4.3 Other areas

There are two special use precincts that are also included in this study. These precincts primarily relate to land zoned for or occupied by health/hospital and tourism activities. This category includes landed zoned as SP2 Infrastructure and SP3 Tourist.

Although not directly related to employment land, home based businesses and rural industries have also been considered in the wider context with consideration of opportunities to support their economic contribution.

1.5 The need for an employment land study

This study was prepared in support of the Hornsby LSPS and its 20 year vision for guiding land use planning and development within the LGA, identifying the unique character, identity and values of the place, and strategies for managing growth and change into the future.

The Hornsby LSPS is consistent with the objectives and directions of the North District Plan and is reflective of the Hornsby Community Strategic Plan. The LSPS provides the strategic framework to implement relevant state and regional objectives at the local level and direction to facilitate the desired land use, social, economic and environmental outcomes for the local community.

The Hornsby Employment Land Study will inform future updates to the LSPS, Local Environmental Plan (LEP) and Development Control Plans (DCPs).

1.6 Study structure

To meet the requirements of the brief, this study has been structured in the following manner:

- **Chapter 2 | Strategic context** - reviews the local context of Hornsby, highlighting key drivers that influence economic activity and development within and around the LGA
- **Chapter 3 | Policy and literature context** - provides an overview of the relevant state and local government policy and legislation that can influence employment land uses within the LGA's commercial centres and employment precincts
- **Chapter 4 | Market trends** - documents historic and emerging trends in the commercial/retail/industrial markets and resultant implications in planning/demand for such land uses into the future
- **Chapter 5 | Hornsby economic environment** - reviews current and historic economic and employment trends within the LGA and wider locality
- **Chapter 6 | Centre and employment precinct overview** - reviews the employment precincts, commercial centres, and special use zones within the Hornsby LGA
- **Chapter 7 | Employment precinct floorspace demand** - provides projections of floorspace demand for industrial and urban services in each employment precinct to 2036
- **Chapter 8 | Commercial centre floorspace demand** - provides projections of floorspace demand for retail and non-retail services in each commercial centre to 2036
- **Chapter 9 | Capacity assessment** - assesses the capacity of each employment precinct and commercial centre to accommodate the projected growth in demand under different development scenarios
- **Chapter 10 | Stakeholder engagement** - provides a summary of the stakeholder consultation conducted to inform the study
- **Chapter 11 | Planning control review** - reviews local controls for business and industrial zoned land and provides recommendations on future role and function for each zone, potential changes to current controls and the possible implications
- **Chapter 12 | Employment lands strategy** - provides strategic directions for employment land use in the Hornsby LGA, including actions to encourage and promote sustainable economic growth and future local employment

1.7 Hornsby Local Government Area

The Hornsby LGA is located approximately 15 kilometres north of the Sydney Central Business District (CBD), around 7 kilometres northeast of the Parramatta CBD and 18 kilometres south of Gosford.

The primary commercial centre in the LGA is Hornsby Town Centre, which is identified as a strategic centre in the Greater Sydney Regional Plan and North District Plan.

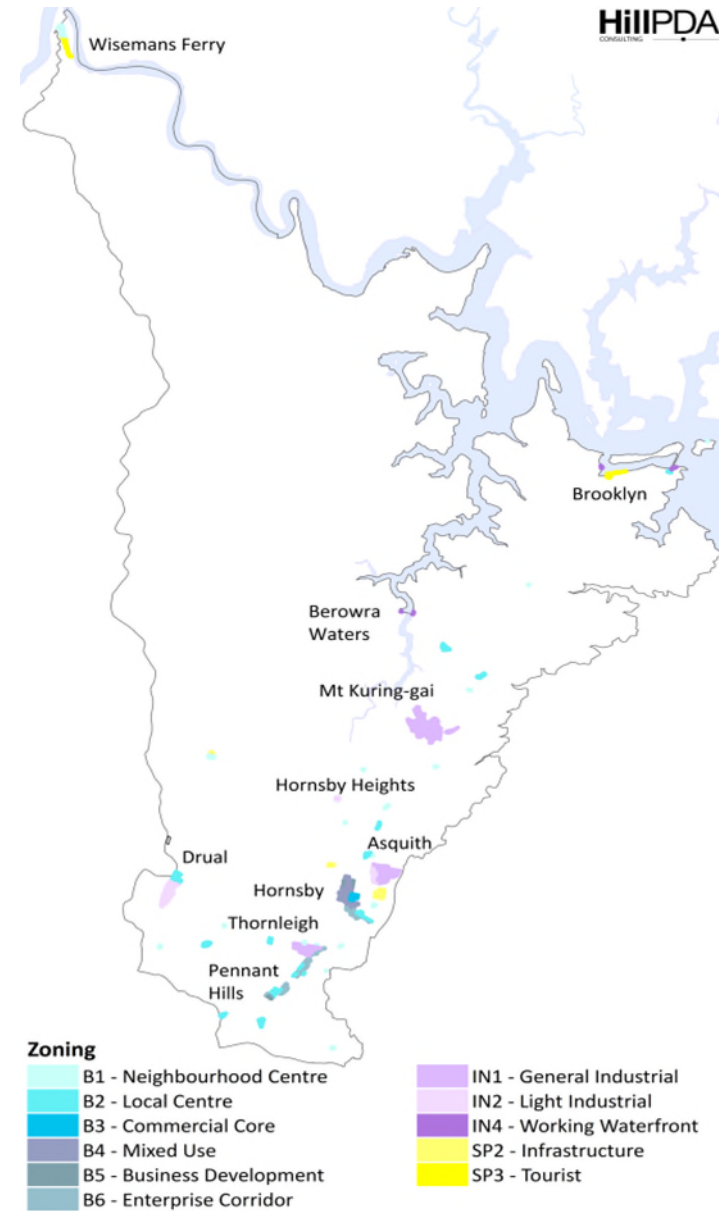
Hornsby Town Centre is an administrative and business hub, providing over 241,000sqm of employment floorspace. Of this, over half was occupied by retail space (128,970sqm) while 25% or around 60,390sqm was related to knowledge-intensive uses.

Westfield Hornsby provides the largest single consolidated amount of retail space, at over 90,300sqm, with its presence also providing a key anchor role to the centre, attracting shoppers from a wide catchment.

The two largest employment precincts in Hornsby LGA are known as Asquith and Mount Kuring-Gai industrial areas. Combined, these precincts provide around 395,000sqm of employment space. The types of businesses located within these precincts serve not only the population and business needs of Hornsby, but also that for the wider North District and metropolitan region.

In total, there are 45 commercial centres and employment precincts across the Hornsby LGA, with these being identified by their B1 Neighbourhood Centre, B2 Local Centre, B3 Commercial Core, B4 Mixed Use, B5 Business Development, B6 Enterprise Corridor, IN1 General Industrial, IN2 Light Industrial, IN4 Working Waterfront, SP2 – Infrastructure and SP3 – Tourist land use zoning under the *Hornsby Local Environmental Plan 2013* (HLEP 2013), refer to Figure 3.

Figure 3: Hornsby LGA and employment lands overview



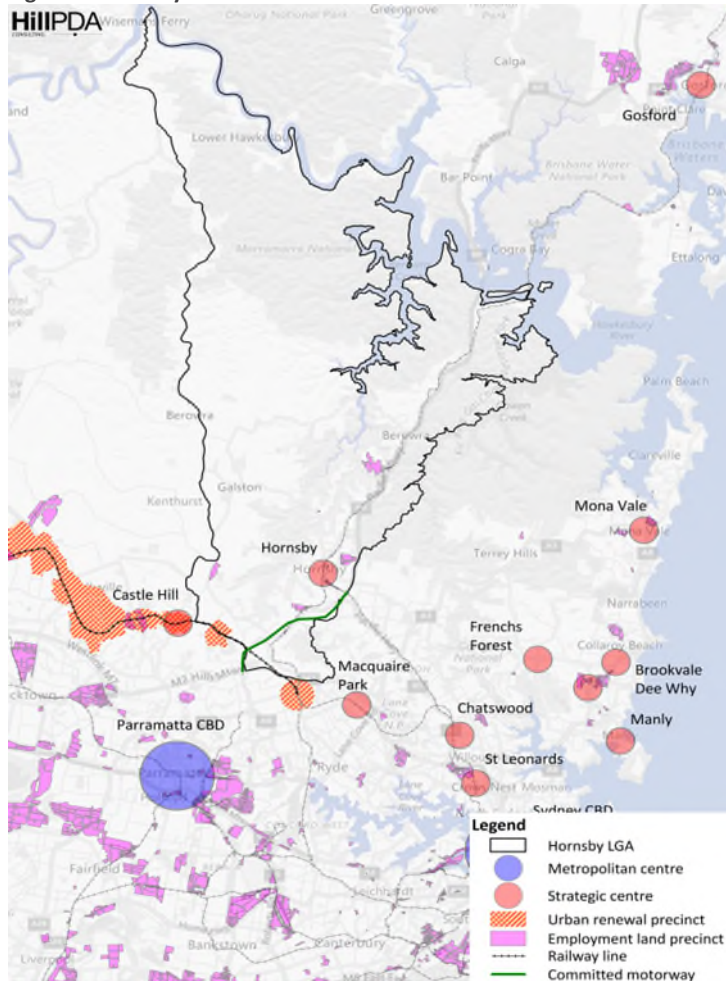
Source: HillPDA

STRATEGIC CONTEXT

2.0 STRATEGIC CONTEXT

The below figure provides an overview of Hornsby LGA in its local context.

Figure 4: Hornsby local context



Source: HillPDA

From Figure 4, we can see that Hornsby LGA has the following strengths and opportunities:

- Hornsby contains one strategic centre (Hornsby), increasing its role in providing employment, social and retail services for residents both within and surrounding Hornsby LGA.
- Hornsby has good connectivity to other areas of Sydney via the local road and train network.
- There are several road connections between Hornsby and surrounding LGAs. The primary road connection is the Pacific Hwy. In 2019, on average almost 42,000 vehicles travelled southbound over Mooney Mooney Bridge into the LGA daily, while almost 15,700 vehicles travelled northbound into the LGA.¹ Pennant Hills Road is another important road connection between Hornsby and surrounding areas. In 2019, on average around 30,250 vehicles travelled into Hornsby daily. The opportunity for commercial and retail services to benefit from passing traffic is significant in commercial centres fronting or near these road corridors. Additionally, they provide important connections for Hornsby LGAs employment precincts allowing heavy and light vehicles direct access to both the Central Coast and across Greater Sydney, increasing efficiencies and costs associated with travel times.
- Two railway lines transect Hornsby LGA, with 13 railway stations provided within. On average, in 2018, over a 24-hour period, around 66,230 patrons either entered or exited these stations. Of this, the majority (~40%) were attributed to Hornsby Station. Waitara Station accounted for the second highest pedestrian volume (~7,750 pedestrians or 12% of total) followed by Pennant Hills Station (~7,000 pedestrians or 11% of total). Nine stations are either located at the centre or are near several of Hornsby LGA's commercial or employment precincts. These stations provide an opportunity for commercial and retail services to capture passing trade from rail patrons, while also providing increased accessibility for potential employees.
- Urban renewal precincts primarily along the North West Rail Link Corridor provide opportunity/direction for increased residential densities. This can be beneficial for the

¹ Transport NSW, Traffic Volume Viewer

larger commercial centres and employment lands within Hornsby (Hornsby, Dural, Pennant Hills and Thornleigh), as increased residential populations would create additional demand for commercial, retail, industrial and urban services to be provided. However, smaller commercial centres near urban renewal areas may have to compete with the new release areas, altering customer behaviour and trade.

- The North District contains the lowest amount of industrial and urban service zoned land when compared to the other districts. Of that currently zoned within the North District, a significant amount is located within the LGA. Over the coming decades, as the surrounding population increases, Hornsby's employment precincts will increasingly play an important role for providing appropriately zoned land for industrial and urban services to serve both the LGA and North District.
- Development of NorthConnex will improve the connection between the Pacific Hwy and M2 Motorway. This may increase the attractiveness of employment precincts and centres that have direct access to the Pacific Hwy.

From Figure 4, we can see that Hornsby LGA has the following weakness and threats:

- The majority of the areas identified for urban renewal – that is increased residential densities and associated commercial/retail and social services – are located outside of Hornsby LGA but are in close proximity. Increased residential densities provide opportunities for the Hornsby's large centres and precincts, however, they are also a threat. Improved commercial, retail and urban services in these urban renewal areas could redirect trade away and businesses from centres/precincts in close proximity, as customers and businesses are attracted to newer/refurbished centres with possibly increased commercial/retail offerings.
- Furthermore, the absence of urban renewal precincts within Hornsby and the associated increased residential densities they are intended to provide may result in lower population growth in the LGA. This may reduce the number of new businesses and the associated employment space required in Hornsby LGA to service its growing population when compared to surrounding LGAs.

- The proximity of several strategic and local centres to Hornsby LGA may directly compete with a number of the Hornsby's centres drawing trade and potential occupants away.

Castle Hill is a Strategic Centre located just to the south west of Hornsby LGA. The majority of retail space is provided in two indoor shopping centres, these being Castle Towers and Castle Mall. Combined, these shopping centres provide almost 107,400sqm of occupied retail floorspace. Major tenants include Myer, David Jones, Kmart, Target, Coles, ALDI and IGA². Its presence likely influences and completes with Cherrybrook, Hornsby, Pennant Hills and Beecroft commercial centres.

Epping is a Strategic Centre and is located just to the south of Hornsby LGA. It is further identified as an urban renewal precinct with a target population growth of between 1,900 and 2,400 new residents over the next 20 years. Currently, the centre provides a small amount of retail space at 11,500sqm with a 3,800sqm Coles being the main attractor to the centre³. It is forecast, however, that a demand for an additional 13,000sqm will be required for over the period to 2036. This would increase the centres size to around 25,000sqm, potentially competing with centres in Hornsby LGA.

Carlingford is another centre located just to the south of Hornsby LGA. Currently it provides around 40,000sqm of retail space, with around 9,080sqm being supermarket space, 8,000sqm as discount/department store space and 19,630sqm being bulky goods space⁴. Its presence likely influences the catchments of retail centres in the south of Hornsby LGA.

- The presence and amount of retail space in Castle Hill, Macquarie Park and Chatswood likely impact the extent of Hornsby Town Centres catchment eastward, westward and southward.

² PCA shopping directory 2018

³ Epping town centre Commercial Floorspace Study 2017

⁴ ibid

POLICY AND LITERATURE CONTEXT

3.0 POLICY AND LITERATURE CONTEXT

This section provides an overview of the relevant state and local government policy and legislation as well as relevant studies that have guided and influenced employment land uses.

3.1 Greater Sydney Region Plan (October 2018) Greater Sydney Commission



The Greater Sydney Region Plan (Region Plan) sets the vision for the metropolis of three cities. The Region Plan separates Greater Sydney into three cities being: Western Parkland City, Central River City and Eastern Harbour City. Hornsby is located in the Eastern Harbour City. The objectives of relevance include:

- Objective 9: Greater Sydney celebrates the arts and supports creative industries and innovation
- Objective 14: A Metropolis of Three Cities – integrated land use and transport creates walkable and 30-minute cities
- Objective 22: Investment and business activity in centres
- Objective 23: Industrial and urban services land is planned, retained and managed
- Objective 24: Economic sectors are targeted for success.

3.2 Future Transport Strategy 2056 (March 2018)

**FUTURE
TRANSPORT
STRATEGY
2056**



Future Transport Strategy 2056 (the strategy) provides an update of the NSW's Long Term Transport Master Plan. The strategy outlines the vision, strategic directions and customer outcomes desired over the next 40 years. The strategy identifies six state-wide outcomes, two of which are of particular importance to employment lands:

1. Successful places – The liveability, amenity and economic success of communities and places are enhanced by transport.
2. A strong economy – The transport system powers NSW's future \$1.3 trillion economy and enables economic activity across the state.

The strategy establishes intent to balance the need for movement and efficient transport corridors with the desire for attractive places. This is something to consider when determining the hierarchy and vision for centres.

3.3 North District Plan (October 2018) Greater Sydney Commission

OUR GREATER SYDNEY 2056

North District Plan

– connecting communities



The North District Plan (District Plan) establishes a 20-year direction to manage economic, social and environmental matters. It contains the planning priorities and actions to implement the Greater Sydney Region Plan. Hornsby is identified as a Strategic Centre within the District Plan and a location to be targeted for economic growth and job diversity. A job target of 18,000 to 22,000 by 2036 has been set, an increase from 14,300 in 2016.

The Plan identifies the need to improve access to local jobs and services and safeguard employment areas for future population needs. Hornsby also includes agriculture and tourism industries that are key economic sectors that will require ongoing support. Understanding the urban land use requirements to facilitate and support these industries is necessary.

All elements of the District Plan need to be considered in preparing the study, however the following objectives and actions have relevance.

Objective 8 – communities are healthy, resilient and socially connected.

Action 11 - Deliver healthy, safe and inclusive places for people of all ages and abilities that support active, resilient and socially connected communities by:

- a. providing walkable places at a human scale with active street life
- b. prioritising opportunities for people to walk, cycle and use public transport
- c. co-locating schools, health, aged care, sporting and cultural facilities
- d. promoting local access to healthy fresh food and supporting local fresh food production.

Objective 9 Greater Sydney celebrates the arts & support creative industries and innovation.

Action 15 - Facilitate opportunities for creative and artistic expression and participation, wherever feasible, with a minimum regulatory burden, including:

- a. arts enterprises and facilities, and creative industries
- b. interim and temporary uses
- c. appropriate development of the night-time economy

Objectives 12 - Great places that bring people together

Action 19 - deliver great places by:

- a. prioritising a people-friendly public realm and open spaces as a central organising design principle
- b. recognising and balancing the dual function of streets as places for people and movement
- c. providing fine grain urban form, diverse land use mix, high amenity and walkability, in and within a 10-minute walk of centres
- d. integrating social infrastructure to support social connections and provide a community hub recognising and celebrating the character of a place and its people.

Objective 22 - Investment & business activity in centres

Action 43 – Strengthen Hornsby through approaches that:

- a. encourage revitalisation of the commercial core
- b. better integrate Westfield Hornsby into the centre and make the area more attractive
- c. attract mixed-use development west of the railway line, encourage a stronger integration with the centre, and encourage the development of a lively eat street and restaurant precinct
- d. unlock development potential of strata-constrained areas east of the centre
- e. support health-related land uses and infrastructure around Hornsby-Ku-ring-gai Hospital
- f. improve walking and cycling connections between Hornsby Station and the Hospital
- g. reduce the impact of traffic movements on pedestrians
- h. promote walking, cycling and public transport to and within the centre
- i. prioritise public domain upgrades, place-making initiatives and a new civic space.

Objective 23 Industrial and urban services land is planned, retained and managed.

Action 47 - Review and manage industrial and urban services land, in line with the principles for managing industrial and urban services land by undertaking a review of all industrial land to confirm their retention or transition to higher order uses (such as business parks) and prepare appropriate controls to maximise business and employment outcomes, considering the changing nature of industries in the area.

Action 48 – Facilitate the contemporary adaption of industrial and warehouse buildings through increased floor to ceiling heights.

3.4 Thought Leadership Paper: A Metropolis that Works (October 2018) GSC

A Metropolis that Works



Greater Sydney Commission released the thought leadership paper A Metropolis that Works to provide some key considerations for managing and supporting industrial and urban services land. A summary of considerations includes:

- Provide spaces for creating and making and those that offer capacity for innovation, adaptability and resilience in preparing for future needs, opportunities and challenges
- Base the value of industrial and urban services land on the volume and types of jobs generated and the operational role and function it plays throughout the city
- Ensure sufficient provision of industrial land with access to markets, customers and users and identify and protect this in local environmental plans
- Apply a 'no regrets' approach when making decisions affecting industrial and urban services land understanding the ramifications of displacement.
- Flexible planning controls and increased densities can allow existing industrial sites to evolve to support emerging industries. Caution should be exercised in allowing small-scale live/work permissible uses, or more pervasive actions such as rezoning to B4 mixed use that can act as a stepping stone to uses, which in the longer term, are not in the best interests of maintaining a productive industrial and urban services area.

The above considerations have guided the review of employment land and development of the study.

3.5 NSW State Infrastructure Strategy 2018-2038 (March 2018) Infrastructure NSW



February 2018



The Building Momentum – State Infrastructure Strategy (Building Momentum) establishes the Government’s priorities for the next 20 years in terms of infrastructure delivery and investment. It identifies priorities associated with transport, energy, water, health, education, justice and culture, sport and tourism sectors.

Both NorthConnex and Sydney Metro North West are major transport infrastructure projects that will improve network capacity and connectivity to certain areas in the Hornsby LGA. The strategy intends to better integrate transport with land uses.

3.6 North West Rail Link – Cherrybrook Station Structure Plan (September 2013) NSW Government



The North West Rail Link is a priority infrastructure project recently opened. Cherrybrook Station is a new metro station that is located on the border of Hornsby Shire LGA and The Hills LGA. The vision and Structure Plan detail the desired future character of area and proposed land uses to complement the new station.

The vision for the area includes a mix of neighbourhood shops and services to provide for the daily needs of the community. The future character of the area will comprise, over the long term, low to medium density residential dwellings, ranging in height from two storey townhouses to six storey apartments, with higher density development located closest to the station.

The proposed new local centre is identified on the Hornsby side of the station.

The station has the potential to become a vibrant local town centre and community focal point, with new shops, amenities (including car parking) and open spaces, while protecting Cherrybrook’s existing neighbourhood character.

The future demand modelling will need to consider the transitioning of the station precinct and need for a new centre.

3.7 Sydney's Urban Services Land – Establishing a baseline provision (July 2017) SGS Economics and Planning

SGS Economics and Planning, on behalf of the Greater Sydney Commission prepared the Sydney Urban Services Land review report. The report classifies urban service land as:

2-DIGIT ANZSIC USED TO CLASSIFY URBAN SERVICES

- Rental and Hiring Services (except Real Estate)
- Building Cleaning, Pest Control and Other Support Services
- Other Store Based Retailing
- Motor Vehicle and Motor Vehicle Parts Retailing
- Repair and Maintenance
- Printing (including the Reproduction of Recorded Media)
- Electricity Supply
- Gas Supply
- Water Supply, Sewerage and Drainage Services
- Waste Collection, Treatment and Disposal Services
- Basic Material Wholesaling
- Road Transport
- Postal and Courier Pick-up and Delivery Services
- Transport Support Services
- Warehousing and Storage Services
- Building Construction
- Heavy and Civil Engineering Construction

The analysis provided insights into each of Greater Sydney's Districts. Urban services land in the North District, which is relevant to Hornsby LGA, was classified as under pressure.

The North District has the lowest amount of industrially-zoned land in Metropolitan Sydney and the highest proportion of this land dedicated to urban services. Much of this land is concentrated in a few large precincts (Artarmon and Brookvale-Dee Why). Consequently, the District has the lowest per capita provision of all Districts and the highest ratio of urban services jobs located outside of precincts compared with inside (2.5 out to every 1 in). With the second highest industrial land values of all the Districts, this makes the existing industrial precincts important to protect to ensure there is sufficient zoned land to accommodate the services that support the District's growing population, particularly if those out-of-precinct jobs are priced out of other commercial areas and need to retain a presence in the North District.

These findings have been considered in the analysis and when determining strategies and actions.

3.8 Industrial precinct review (August 2015) HillPDA for Department of Planning and Environment

HillPDA was commissioned by the Department of Planning and Environment to assess the economic value and health of the precincts as employment generating clusters. This study provided an evidence base for the former sub-regions, now Districts. Precincts were assessed against three criteria: investment and business; location, function and connections and economic output and jobs. Green was allocated to a precinct that received an above average score (4-5), yellow to a precinct that was average (3) and pink to a precinct that was below average (1-2).

Table 1: Health check by precinct

	Investment & Business	Location, Function and Connections	Economic Output and Jobs	Current Zone
Precinct	Criteria 1	Criteria 2	Criteria 3	
Asquith				IN1 - IN2
Hornsby East				B5
Hornsby Heights				IN1
Hornsby West				B5
Mount Kuring-Gai				IN1
Pennant Hills				B6
Thornleigh				IN1
Waitara				B6
Dural Service Centre				IN2
Bay Rd, Berowra Waters				IN4
Berowra Waters Rd				IN4
Brooklyn				IN4

Source: HillPDA 2015

Hornsby Heights was considered as underperforming, however, was identified as having the potential to support a greater intensity of employment generating opportunities. The precinct is however small. The allowance of shop top housing within the B5 and B6 Business Zones and within the IN4 Working Waterfront Zone, which was against the objectives for these zones in the HLEP 2013 that do not address the purpose of facilitating residential uses within zones aimed for employment, industrial and warehouse land uses. Accordingly, it was determined that there may be limitations to protect these employment lands whilst also permitting a high demand residential land use.

3.9 Hornsby Our Vision Your Future - Community Strategic Plan 2018-2028 (June 2018) Hornsby Shire



The Hornsby Community Strategic Plan establishes priorities and aspirations for the future of Hornsby Shire. The strategic goal relevant to this study states: Our living centres are vibrant and viable. The areas of focus include:

- The commercial centres in the Shire are revitalised
- The prosperity of the shire increases
- The road network provides for efficient and accessible transport connections to facilitate acceptable travel times to and from work.

The community love the natural environment and landscape of the shire, and future development requirements should be balanced with protecting these assets. They value the opportunity to be involved in the local community; the delivery of new facilities and the opportunity to influence decision-making can assist in this. Improvements in traffic congestion and parking are a priority for residents, along with a higher quality and quantity of services and facilities. Better planning for development in appropriate locations is identified as a core value in order to protect the environment, bush and green spaces.

These values will help shape the recommendations for future employment land and centre requirements.

3.10 Hornsby Local Environment Plan (2013)

(1) This Plan aims to make local environmental planning provisions for land in Hornsby in accordance with the relevant standard environmental planning instrument under section 33A of the Act.

(2) The particular aims of this Plan are as follows:

(a) to facilitate development that creates:

- (i) progressive town centres, thriving rural areas and abundant recreation spaces connected by efficient infrastructure and transport systems, and
- (ii) a well-planned area with managed growth to provide for the needs of future generations and people enriched by diversity of cultures, the beauty of the environment and a strong economy,

(b) to guide the orderly and sustainable development of Hornsby, balancing its economic, environmental and social needs,

(c) to permit a mix of housing types that provide for the future housing needs of the community near employment centres, transport nodes and services,

(d) to permit business and industrial development that meets the needs of the community near housing, transport and services, and is consistent with and reinforces the role of centres within the subregional commercial centres hierarchy,

(e) to maintain and protect rural activities, resource lands, rural landscapes and biodiversity values of rural areas,

(f) to provide a range of quality passive and active recreational areas and facilities that meet the leisure needs of both the local and regional community,

(g) to facilitate the equitable provision of community services and cultural opportunities to promote the well-being of the population of Hornsby,

(h) to protect and enhance the scenic and biodiversity values of environmentally sensitive land, including bushland, river settlements, river catchments, wetlands and waterways,

(i) to protect and enhance the heritage of Hornsby, including places of historic, aesthetic, architectural, natural, cultural and Aboriginal significance,

(j) to minimise risk to the community in areas subject to environmental hazards, including flooding and bush fires.

Specific elements of the Hornsby Local Environment Plan are considered in section 11.0.

3.11 Hornsby Development Control Plan (October 2013) Hornsby Shire Council



The Hornsby Development Control Plan 2013 (Hornsby DCP) provides a framework for development of land in the Hornsby Local Government Area.

The objectives of this DCP are to:

- Provide a comprehensive document that provides a framework for development of land in the Hornsby Local Government Area,
- Clearly set out the processes, procedures and responsibilities for the involvement of the community and key stakeholders in the development of land,
- Promote development that is consistent with Council's vision of creating a living environment,
- Protect and enhance the natural and built environment, and ensure that satisfactory measures are incorporated to ameliorate any impacts arising from development,
- Encourage high quality development that contributes to the existing or desired future character of the area, with emphasis on the integration of buildings with a landscaped setting,
- Protect and enhance the public domain, minimise risk to the community, and ensure that development incorporates the principles of Ecologically Sustainable Development (ESD).

3.12 Economic Development Approach – Options for Hornsby (July 2018) Elton Consulting



Elton Consulting was engaged to investigate the options, costs and feasibility of providing a Council Economic Development Program. Consultation with businesses was undertaken with relevant findings incorporated in Section 10.0. A number of recommendations were made to assist Council in moving towards its strategic goals. The core recommendation was to develop an Economic Development Strategy with potential focus areas including:

- Taking a place management approach to local centres – a special business levy to help fund place making initiatives, place-management around marketing, public cleaning, wayfinding
- Upgrading town centres to improve attractiveness – upgrades and infrastructure
- Supporting local business organisations – identifying opportunities to collaborate, provide in-kind support at local events
- Holding business networking events – developing programs and information for local businesses, engaging with local business organisation about hosting events
- Providing advice and support to local businesses – establishing a local business database, conducting an annual business survey, providing information on Council's website to support local businesses
- Marketing and promoting the area – including distinctive town centre branding promoting businesses in council events, and business success.

Ku-ring-gai and Hornsby Subregional Employment Study (May 2008) SGS Economics and Planning



The Ku-Ring-Gai and Hornsby Subregional Employment Study was developed in 2008. While the study has been considered in the preparation of this employment land study, it is recognised that the information is over a decade old. Below are the key findings of the study.

- The largest land use category in employment zones included car parking, floorspace in vacant buildings and residential floorspace which did not generate employment. Retail uses dominated Hornsby's employment zones.
- A significant proportion of bulky goods and retail was in industrial zones. There was light manufacturing and freight and logistics in business zones.
- Forecast demand indicated strong demand for retail space in Hornsby. Demand for heavy manufacturing and light manufacturing was proposed to decline.
- The centres in Hornsby with a significant supply shortfall were the commercial centres of Carlingford Court, Epping, Galston, Thornleigh and Waitara.
- The centres and industrial areas with supply potential to accommodate forecast demand were Kookaburra Road, Asquith, Dural Service Centre, Mt Kuring-Gai, Thornleigh, Berowra, Berowra Heights, Berowra Waters, Brooklyn, Cherrybrook, Cowan, Hospital Precinct, Ku-ring-gai, Malton Road, Mt Colah Shops, Pennant Hills Road (Thornleigh), Sefton Road (Thornleigh), West Pennant Hills and Westleigh.

Dural Service Centre Retail and Commercial Study – Final Report (July 2009) SGS Economics and Planning



The study sought to identify the level of supportable retail and commercial space at Dural Service Centre to respond to advice in the draft North and North West Subregional Strategies that suggested a need for a range of small scale retail and commercial uses.

The study identified that an additional 2,251sqm of retail floorspace could be developed at Dural Service Centre, without having a significant impact on the closest centre being Round Corner. This assumes the size of any additional supermarket would be capped at 1,000sqm. Around 1,324sqm of additional non-supermarket retail floorspace could be accommodated with consideration of retail expenditure in the catchment.

At the time of the report, Dural Service Centre was emerging as a hub for Bulky Good Retail (now Specialised Retail). The report indicated that the centre was a good prospect for further development of bulky goods retail in a support role for Round Corner. The report provides an option to restrict bulky goods retail by supporting timber and building supplies.

Bulky goods retail falls under the 'Commercial Premises' group term in the Standard LEP. Currently this form of development is prohibited in the Hornsby LEP 2013. Despite this, it appears that bulky goods retailing has continued to expand in the Dural IN2 Light Industrial zone since this report was released. The appropriateness of the current zone is something that has been considered in further detail through this study's analysis.

Preliminary Hornsby West Feasibility Analysis (August 2012) HillPDA

HillPDA conducted a preliminary feasibility analysis on the requirement for a minimum commercial FSR for Hornsby West Precinct of 2:1. The analysis assumed that the ground floor of the proposed development would be retail, possibly including a small supermarket and specialty shops. The first floor and possibly second floor podium, depending on the proportion of commercial floor space, was expected accommodate commercial offices or residential apartments where the minimum commercial FSR permits. Above the podium was a residential tower which has a footprint of between 700sqm and 900sqm. Minimum commercial FSR of 2:1, 1.5:1, and 1:1 were tested within building heights which reached up to 22 storeys for viability.

The feasibility results for a minimum commercial FSR:

2:1 indicated that such a development was not feasible until heights reach around 16-20 storeys and accommodate total FSR of 7:1

1.5:1 the development may be viable with a total FSR of 6:1 subject to the value of improvements on the site and the feasibility of amalgamation. This would require building heights of 13-16 storeys

1:1, which is likely to represent a two storey podium, more residential floor space can be achieved and feasibility improves with a total FSR of around 5:1 being feasible. This will require building heights of 12-15 storeys depending on residential floor plates and the value of existing improvements.

The preliminary feasibility analysis demonstrates that a minimum commercial FSR in excess of 1:1 will not be conducive to land values which support amalgamation and redevelopment, and if building heights are considered an issue, an even lower minimum non-residential FSR may be appropriate.

Although the current market is different to that in 2012, consideration will need to be given to the appropriateness of applying a minimum non-residential FSR. Markets are cyclical and although there may not be current commercial demand, there is a need to protect commercial floorspace for future generations. Therefore, the feasibility of new development is only one consideration when making decisions around protecting future land for employment purposes.

Hornsby East Precinct Review – Supply and Demand Analysis (February 2016) AEC Group and Location IQ

AEC Group, in partnership with Location IQ, were commissioned to carry out a supply and demand analysis of retail and commercial floorspace. The study adopted four guiding principles that underpin the recommendations, these included:

- **Ground floor retail for street activation**

The notion of street activation can be effective, depending on location and position within a centre. In isolated locations away from retail and pedestrian activity, ground floor retail can be met with market resistance and prolonged periods of vacancy.

- **Cross-subsidisation by residential uses**

Due to the developed nature of centres and fragmented ownership patterns, cross-subsidisation by other uses (often residential) is necessary for development to be feasible.

- **Capped residential floorspace provision**

Maximum designations of residential FSR are recommended to recognise the role of permitting residential in the Hornsby Centre, i.e. permitted to the extent that it facilitates the provision of employment floorspace.

- **Long term employment opportunities**

Recognising property market cycles and the long term nature of strategic planning, a long term view should be taken in balancing immediate development and preserving opportunities for future development.

The study identified that Hornsby East would not be a competitive/commercial proposition for prospective tenants due to the economic rent required for feasible commercial development. The study recommended that residential be allowed in the Commercial Core zone and minimum non-residential floor space provisions applied. The generic feasibility testing was undertaken and found the following:

- Additional residential FSR of 4.5:1 is required for development to be feasible where the minimum non-residential requirement is FSR 2:1. This results in an overall FSR of 6.5:1.
- Additional residential FSR of 5.5:1 is required for development to be feasible where the minimum non-residential requirement FSR is 3:1. This results in an overall FSR of 8.5:1.

MARKET TRENDS

4.0 MARKET TRENDS

The following Chapter documents historic and emerging trends in the commercial/retail markets and resultant implications in planning/demand for such land uses in Hornsby LGA into the near future.

NOTE: The coronavirus pandemic (COVID-19) emerged post the development of this study. The direct effect of COVID-19 and quarantine measures and indirect effect on the global supply chain have disrupted business operations and have had global implications on economic productivity and jobs.

While Australia has been fortunate to stem the outbreak relatively quickly, the restrictions put in place have had a consequence on the economy, local industries and employment. Disruptions are continuing to play out due to alterations in export demand, closure of ports and businesses, resourcing issues, consumer spending and confidence and home and overseas supply chain issues.

The full extent of the COVID-19 implications will unlikely be determined for some time. However, given this pandemic and lockdown measures occurred post this study its implications were not explored or considered.

4.1 Recent retail industry trends

The future of retail is shifting strongly towards experience and convenience, with technology driving the change. Consumers are also changing in their demands with more environmentally conscious, time poor and price savvy customers. Retailers are being forced to adapt to changing consumer expectations such as:

- **Trend 1** – Hyper-personalisation – retailers are forensically analysing data to deliver hyper-personalised experiences and products
- **Trend 2** – Price savvy consumers – price no longer encompasses the product alone but the whole user experience

- **Trend 3** – Automation – customers are more accepting of automatic checkouts and technological advancements
- **Trend 4** – Experiential retailing – the promotion of experience and placemaking through various platforms to drive customers to sales
- **Trend 5** – Environmentally conscious – growing sentiment towards environmentally friendly products
- **Trend 6** – Social currency – social media is a component of the purchasing journey for many customers⁵
- **Trend 7** – Buy local – growing support for local design and manufactured products to support Australian businesses.

The retail industry's innovative nature is driven largely by the need to anticipate and respond to its customers' needs and desires and changing socio-demographics and lifestyles. Now more than ever, individual retailers are required to constantly monitor shifts in demand and reposition their offer, and in some instances, their mode of operation and distribution.

Emerging retail trends:

- Full line supermarkets (over 3,000sqm) are increasingly anchoring smaller centres
- Reduced traction for discount department stores, such as Big W, due to online competition and reduced demand for physical stores
- Transitioning bulky-good or traditional out-of-centre retailers seeking opportunities in local or shopping centres (i.e. Ikea trialling a small scale, shop front store in Warringah Mall)⁶
- Integration of residential and other commercial and community uses above shopping centres⁷
- Strengthening 'retail placemaking' with a stronger focus on community, dining, events and entertainment⁸

⁵ KPMG 2019, 'Retail Trends 2019 – Global Consumer & Retail' February 2019

⁶ Miles, G 2019, 'Physical stores leverage the last mile advantage', Shopping Centre News, Vol. 37, Number 3

⁷ Taylor, K 2019, 'Community and togetherness', Shopping Centre News, Vol. 37. Number 2

⁸ CBRE 2016, 'Global Retail Placemaking Report'

- Greater integration of indoor and outdoor environments⁹
- Continued expansion of new international retailers entering the market
- Pop-up, creative and market style uses that generate higher-turnover and 'destination' factor in their own right¹⁰
- The emergence of 'dark' and "last mile" stores for online sales. Dark and last mile stores are warehouses or distribution centres that cater to online shopping. They do not require sales areas and are designed for easy product picking
- Growing online grocery market and specialised food stores
- Reinvesting in shopping centre to reinvent offering and overhaul purpose and way they interact with customers and wider community.

Since the 1980's, all retail industry groups have recorded positive growth in turnover, however, food retailing has outperformed all other industries.

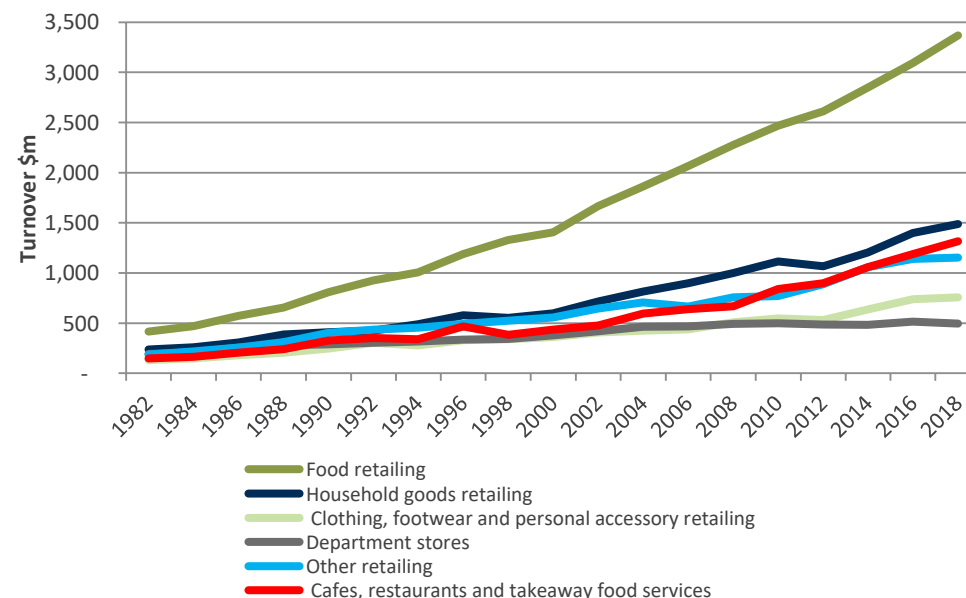
From 1982 to 2019, food retailing has recorded a growth of \$3025 million or 727% in turnover. Of this growth, around \$2580 million was attributed to supermarket and grocery stores with this subcategory comprising 84% of the turnover recorded for food retailing in 2019¹¹.

Strong growth has also been recorded in the industry of household goods retailing, especially circa 2000. This industry is closely linked to the property market where the purchase of new white goods and other furnishings go hand and hand with the purchase of a new dwelling or redevelopment/refurbishment of an existing dwelling. This linkage can be seen in the slight decline in turnover experienced by the industry between 2009 and 2012. This is likely a result of the global financial crisis where uncertainty subdued development and retail expenditure.

The growth in leisure shopping and the rise of the café culture in NSW have witnessed strong growth in the provision and turnover of the cafes, restaurants and takeaway food services industry in recent years. This is evident in the industry experiencing a \$531 million or 64% increase in turnover over the last eight years¹².

Turnover of department stores has been variable and subdued over recent years, recording only a \$38.4 million (8%) increase in turnover over the last eight years¹³. Recently department stores have experimented with new innovative sales and in-store experiences to attract shopper and reverse this trend, while also shrinking in size. Innovation in new technologies, niche markets and unique experience will need to be constantly provided and examined for this industry type to remain relevant and profitable.

Figure 5: Growth in retail turnover, NSW 1982-2019 by industry group (month of August)



Source: ABS Cat. 8501.0 Retail Trade, Australia Table 13

Why this matters

- Demand for supermarket and grocery stores will continue to experience strong growth in the coming years, with the possible provision of neighbourhood supermarkets in smaller centres around Hornsby LGA

⁹ Taylor, K 2019, 'Community and togetherness', Shopping Centre News, Vol. 37. Number 2

¹⁰ Prpic, M 2019, 'Reinventing Space', Shopping Centre News, Vol. 37. Number 2

¹¹ ABS Cat. 8501.0 Retail Trade, Australia Table 13 – August 2019

¹² ABS Cat. 8501.0 Retail Trade, Australia Table 13 – August 2019

¹³ ABS Cat. 8501.0 Retail Trade, Australia Table 13 – August 2019

- The growth in the café culture will continue to increase demand for new cafés and restaurants across Hornsby LGA. Demand for outdoor dining options will also increase which may require amenity improvements in some commercial centres
- The attraction of new or expanded department stores to and in Hornsby LGA is unlikely in the near future, as their market share has been relatively flat over recent years. Existing stores will continue to consolidate, evolving and innovating to reflect the changing trends in shopper preferences and habits
- Any renewal of the shopping centre in Hornsby should be done so with consideration of integration with the broader centre and strengthening of placemaking elements
- Effective integration of residential and commercial office uses above shopping centres can improve the appeal and viability of centres
- The Hornsby Town Centre Review and the Economic Development and Tourism Strategy explore the implications of these trends to Hornsby Town Centre.

4.1.1 New format supermarkets in smaller village and neighbourhood centres

A recent trend, which is likely to continue to influence the retail market, is the demand for larger format retail space and other new format supermarkets in smaller centres (i.e. greater than the traditional retail small centre floor plates of 400-600sqm). This trend would see an increase in proposals seeking to develop supermarkets of around 1,000sqm to 1,500sqm in smaller retail centres where previously smaller supermarkets or convenience stores may have prevailed. It is anticipated that this trend will continue, owing to:

- Growing demand for additional supermarket facilities as a result of urban infill development
- Accommodating full-line supermarkets is difficult due to site amalgamations and increasing land scarcity
- Full-line supermarkets implementing their market share growth strategy via targeting smaller centres
- Consumer habits increasingly favouring multiple smaller convenience shopping trips during the week rather than one large trolley load

- Increasing desire from consumers for walkable, convenient access to food and grocery shopping reflecting declining vehicle ownership/usage and expectations for access to retail facilities outside of traditional trading hours
- Strong activity from smaller supermarket operators including ALDI and Harris Farm with Coles and Woolworths increasingly competing at this end of the market.

This trend has been reflected in the NSW DP&E's recent amendments to the definition of a neighbourhood supermarket in the standard local environmental plan template. This change in land use definition permits the development of small-scale supermarkets up to 1,000sqm in size in the B1 - Neighbourhood Centre zones.

The restricted size of a maximum gross floor area (GFA) of 1,000sqm is intended to ensure compatibility with the scale and nature of the surrounding, predominately residential, area while also allowing for the development of essential services to serve the needs of people who live and work in the surrounding neighbourhood.

The attraction of larger supermarkets (up to and over 1,000sqm) into smaller centres can have both a negative and positive impact. On the one hand, a larger supermarket can directly compete with smaller speciality shops, such as bakeries, butchers and fruit and vegetable shops. On the other hand, the presence of a supermarket can increase the attractiveness of a centre to its surrounding community, thereby increasing the number of times they choose to shop there. This increased foot traffic or number of persons visiting the centre has positive effects for other shops in the centre. This is mainly through increased opportunity for capturing passing trade.

Why this matters

- Supermarkets should be restricted to neighbourhood and local centres in Hornsby to reduce out of centre retailing impacts
- Consideration should be given to effects on the retail hierarchy (see Action 6.2.1) before approving any new supermarket developments.

4.1.2 The continued evolution of online retail

A major topic of debate regarding the future of retail in Australia is the continued growth of online retailing and the likely impacts this may have to 'bricks and mortar' retail stores.

The latest data from the National Australia Bank (NAB) estimates that Australian online spend was at around \$29.33 billion over the 12 months to July 2019¹⁴. This is equivalent to a level that is just over 9.0% of the traditional bricks and mortar retail sector¹⁵, and around 11.5% higher than the same time in the previous year. By 2021, the market indicates around \$35.2 Billion¹⁶ will be generated through online retail sales, with approximately 8 out of 10 Australian shopping online, whether it be browsing or purchasing¹⁷. In Australia, department and variety stores are the fastest growing ecommerce segment with Kmart, Myer and Target all in the top ten for online retailers. Woolworths and Coles topped the list with more people choosing to do their weekly grocery shops online¹⁸.

Groceries and fashion continue to be the most popular online shopping sectors; however variety stores and marketplaces are gaining greater traction. Health and beauty recorded the strongest year on year growth at 29.4%¹⁹.

The growth of online retail is changing the way shoppers interact with physical retail stores, both expanding the opportunity for smaller boutique retailers in smaller local centres to access larger customer markets and creating competition for established bricks and mortar premises. To compete, bricks and mortar retailers are joining the online market and enhancing the physical premise to give customers the full experience.

While online shopping is unlikely to replace traditional bricks and mortar retail, there is a growing trend that shoppers seek out online sources to compare prices, review variety and for convenience. The opportunity for online markets and the promotion of unique brands has also seen the emergence of local entrepreneur retailers and local product manufacturing. This is a market that could continue to evolve in Hornsby, particularly through local product manufacturing.

Despite the growth, a number of barriers in online retailing are preventing some business owners from fully leveraging this market to the greatest potential. These include:

- Slow or limited internet connectivity
- Unfamiliarity with the internet or web design
- Limited vacancy in warehouse and distribution space.

The emergence of online retailing has affected land use and building requirements. Sydney is seeing a growing demand for warehousing and distribution facilities, particularly in Western Sydney and now in inner city and fringe locations. These locations ensure that consumers get same-day delivery, with some stores opting for "within an hour", which is termed "last mile delivery". CBRE has estimated that across Australia *the growth in e-commerce sales will generate demand for an additional 350,000sqm of distribution space annually*²⁰. The growth in online retailing will affect the traditional brick and motor stores. However, traditional retailing will not become obsolete. Instead, retailers in Hornsby LGA will need to adapt and evolve becoming or providing either display spaces, showrooms or increased experience as destinations that represent a brand's story or objective²¹.

Overall, it is likely that continued growth in online retail will impact on shopper's interactions with physical stores. However, current industry forecasts suggest this may not lead to a significant decline in demand for high street floorspace (with particular regard to supermarket floorspace), due largely to forecast population growth in areas such as Sydney. Even with increased market share of online retail, anticipated population growth and associated retail expenditure, is forecast to increase the demand for additional retail shop front space to be provided in local centres into the future.

Why this matters

- While online shopping will continue to strengthen, it will not replace traditional bricks – and – mortar retail. Bricks and mortar retail will instead need to adapt to provide more experiences and retail placemaking elements to maintain customer patronage

¹⁴ McDonald, B 2019 'NAB Online Retail Sales Index – Monthly Update – July 2019', NAB Sept 2019 viewed at: <https://business.nab.com.au/nab-online-retail-sales-index-monthly-update-july-2019-36366/>

¹⁵ Australian Bureau of Statistics, June 2019

¹⁶ Statista 2019, Digital Market Outlook - eCommerce

¹⁷ Australia Post Inside Australian Online Shopping 2019

¹⁸ Australian Ecommerce in 2019, WebAlive viewed at: <https://www.webalive.com.au/ecommerce-statistics-australia/#references>

¹⁹ Australia Post Inside Australian Online Shopping 2019

²⁰ Sydney Morning Herald, Omni-channel retail the new fix for quick service, By Carolyn Cummins 2018

²¹ Sydney Morning Herald, Omni-channel retail the new fix for quick service, By Carolyn Cummins 2018

- Online shopping may influence passing trade in business centres if more people opt to utilise online deliveries for weekly goods, rather than travel to a centre. Centres will need to adapt and integrate more placemaking outcomes that encourage people to travel to and shop within the centre
- The increasing number of home-based deliveries and package distribution may have a flow on consequence on the efficiency of the road network and demand for loading zones. This would be explored in the Integrated Land-use Transport Study.

4.1.3 Changes in food services

The food offering is increasing, largely as a result of changes in consumer behaviour – less cooking at home, increasing consumption of meals out and a desire for entertainment and socialisation whilst eating. Food is also diversifying resulting in a broadening of consumer choices and palates and an increased diversity in ethnicity of the population. More and more consumers are expecting high-quality food and a wide choice anywhere, at any time.

Cooking shows have had a significant impact on consumer behaviour. They have changed the way people eat out and prepare their own meals from simple meals to fine dining. With such an intense focus on fine food and the unique ingredients used to create it, the general public has developed a taste for gourmet foods that were once exclusively targeted at affluent consumers who had the knowledge and the means²².

Speciality food stores, take-away and restaurants are changing, and new formats are emerging. Supermarkets are also changing their formats. Certain discount format supermarkets such as BI-LO and Flemings have disappeared, while Coles and Woolworths have introduced more metro style and upmarket formats that offer pre-prepared meals²³. The new Coles supermarket in East Village, Zetland is a good example. These formats look more and more like fresh food halls than traditional supermarkets with several long aisles.

There are a number of overseas examples of emerging trends and new retail formats which have recently made their way on to the Australian market or are likely to make their way into the Australian market over the next decade or so. These include the following:

- Amazon markets with no checkouts where the shopper can eat-in or take-out and have the items automatically billed to their credit account
- Adaptation of heritage buildings such as Mercado da Ribeira Timeout Market in Lisbon and the Chelsea Markets in New York
- 3-D printed food designed by the customer themselves
- Pop-up kitchen and restaurants
- Pre-prepared food options in supermarkets or fresh food home delivered such as Marley Spoon and Hello Fresh
- Restaurants combined with cooking classes
- Uber eats, Deliveroo etc. where traditional restaurant options are delivered.

Internet shopping and social media are being used increasingly in food services. However, when it comes to food services, the impact on bricks and mortar retail is not as significant as it potentially is for non-food retail. This is because when food is ordered online it is prepared, in most cases, by the same store or restaurant that people sit down in.

Why this matters

- The food offering in Hornsby is relatively limited and needs strengthening to encourage a stronger night time economy. Local centres and Hornsby Town Centre are appropriate locations to accommodate an enhanced food offering
- Improving ‘placemaking’ outcomes can help support and grow the food offering
- The increasing expansion of home delivered meals, groceries and dining options may reduce the foot-traffic in centres and potential passing trade.

4.1.4 Better designed eating experiences

With the rise of the café culture and increased food awareness, the eating experience has become increasingly important. With customers seeking an experience where it is not just about the food but also the environment they eat in, creating the needs for designing venues that also enhance and excite a customer’s sense of touch, smell, sight and taste. Venues that create this “point of difference” or unique experiences can evoke an

²² The democratisation of food, SCN

²³ Loughran, F 2019, ‘Prepared food is driving traffic in malls, mixed use and supermarkets’, Shopping Centre News, Volume 37, Number 3

emotional response and attachment from customers that will have them talking and referring friends and family.

This “experience” has seen increased demand for comfy outdoor dining options with centres needing to respond through providing improved centre amenity. Venues can also extend their trading hours, provide natural themes or taking advantage of existing natural assets or open space, where venues open onto scenic views or green spaces can also create a connection to the land, increasing dining experience.

Why this matters

- Effective integration and encouragement of outdoor dining and indoor-outdoor dining opportunities can improve the sense of place and experience
- Consider reviewing outdoor dining charges and policy to encourage greater activation.

Figure 6: Burwood Brickworks Rooftop Garden concept (left), Hugo’s Manly (right)



Source: HillPDA, Frasers Property, Hugos.com.au

4.1.5 Virtual reality

Virtual reality using VR headsets or 3D “holorooms” and holograms give the customer a virtual experience as well as the ability to design, decorate and view live. Lowe’s Innovation Lab in the USA is an example of this technology in DIY renovation stores. In the future, this technology will also become increasingly useful for other retailers and services such as real estate and travel agents, car dealerships and clothing stores.

The virtual change rooms are also a recent technology that aims to enhance the shopper experience, enabling the shopper to see themselves with numerous full-scale virtual outfits in a short space of time without leaving the change room.

Myer and eBay have recently created the world’s first virtual reality department store enabling consumers with a VR headset, iOS or Android device to browse and choose the departments of interest and navigate through the product range with their gaze. By simply hovering over a certain product, customers can view a 3D model and are given the option to hover over information icons, which give more details in regard to full product specifications, price, availability and shipping details.

These technologies increase the shopper experience, save time and attract shoppers into the store. This technology coupled with the potential impacts of driverless cars and last mile delivery services allow retailers to downsize while still offering the same range of services and products.

Why this matters

- The integration of virtual reality as part of the in-store experience can increase customer attraction. It would unlikely influence land use outcomes.

4.1.6 Out-of-centre retailing

The continuing high level of demand for floorspace from bulky goods operators and other retailers such as supermarkets will lead to continued pressure to develop on out-of-centre industrial and employment sites, given the constraints in in-centre development. Factors and constraints that contribute to the attractiveness of out-of-centre developments have been the lack of appropriate and sizable sites in established centres and the relatively low land values when compared to the high street.

The development of out-of-centre retailing, especially those with supermarkets, has the potential to affect the continued economic viability of the established centres across Hornsby LGA. For example, an international study found that the presence of out-of-centre retailing can negatively affect retail activity in nearby centres by around 12%²⁴.

²⁴ Land Use Policy, The impact of out-of-town shopping centres on town-centre retailers and employment: The case of the Region of Murcia. Armando Ortuño Padilla; Antonia Alarcón Hermosillab; and Olga Tomás Ozoresc 2017

Although new centres should be allowed to form and develop, especially in areas of high growth and where demand is shown, existing centres should be the primary location for new commercial and retail floorspace. This could be achieved by tightening the sequential approach assessment, reducing barriers to in centre development such as development contribution levels, adherence to certain design requirements and retail demand and impact assessments, as well as providing disincentives for out-of-centre investment.

Why this matters

Where insufficient land is available to meet demand in centres, consider:

- Identifying additional land within centres (e.g. council car parks or additional levels above existing shopping centres) to facilitate new retail development
- Where there is a genuine demand that cannot be met in centres or on the edge of centres, provide a clear process for facilitating the development of new centres in appropriate locations, which are well connected to public transport and consumer markets. Cherrybrook Station precinct would be an example of this.

4.2 Recent commercial industry trends

Between 2008 and 2014, over 1 million new jobs in NSW came from just 6% of businesses: new or growing Small, Medium and Enterprises (SME). Of that, around 60% of these jobs came from existing firms that grew from less than 20 people to up to 199 people.

Figure 7 shows that 12,778 higher-profile medium and large businesses shed around 600,000 jobs over the same period, largely due to productivity improvements in their very large workforces. In the remaining small businesses, which make up 93% of all companies in NSW, jobs in new businesses simply replaced those in shrinking ones²⁵.

NSW's experience is similar to that observed in Europe and the US. A 20-year analysis of net job growth in the US revealed that firms less than five years old were the only cohort of firms that were net job creators. Every other cohort shed more jobs than they created.

There are four challenges to future job creation in NSW, these include:

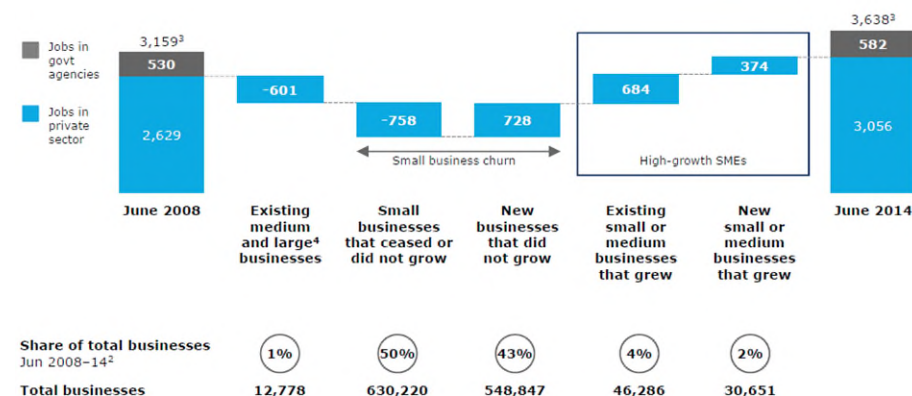
- Increasing global trade in the knowledge economy

- New challenges in faster-changing industries
- Increased automation of the manufacturing line
- An ageing population²⁶.

NSW's ability to respond and adapt to these challenges or 'disruptions' will play a key role in determining the state's success in being able to compete on a global platform for the jobs of the future.

Figure 7: Business characteristics of job growth in NSW

Contribution to jobs growth (June 2008–2014), NSW¹
Jobs, Thousands



SOURCE: Calculations based on bespoke data provided by Australian Bureau of Statistics, based on Counts of Australian Businesses database, public sector employment from ABS Cat 6428

Source: Jobs for the Future NSW 2016

Start-ups have great disruptive potential because of the ease with which they can reach global audiences through the use of technology. Local and federal government have recognised this potential and are playing a big role in facilitating growth in emerging industries and start-ups. Co-working spaces and technology incubators are also emerging across all regions. Australian start-ups have received a total of \$1.8 billion in the 2018-19

²⁵ Jobs for the Future NSW, 2016

²⁶ Ibid.

financial year, establish a record high²⁷. With high labour productivity and lower capital requirements than industry incumbents, these businesses can exploit a competitive advantage in price²⁸.

In terms of spaces (i.e. floor plates) in which people work are also changing, with the traditional purpose-built office space increasingly giving way to more flexible options like co-working spaces. These spaces act as a shared workspace for a highly diversified workforce of small businesses, start-ups, freelancers, and entrepreneurs. Co-working providers are estimated to account for 25 to 30 per cent of sub 300 square metre market space²⁹. The rise in demand for co-working space has grown by 6% annum in the five years up to 2017, with approximately 50,000sqm of space existing in Sydney in that year³⁰. That said, there is still demand for larger floor plates >2,000sqm to accommodate international or domestic corporations. Although these tenants would likely be more attracted to Parramatta and Sydney CBD locations, improved connectivity, commercial/retail services and lifestyle attractors within Hornsby may increase the attraction to such tenants.

The initial demand for these spaces has been focussed around urban cores, with 53% of Australian co-working spaces located in CBD or metro areas in 2017. However, there has been growth in other areas, with 32% of spaces in suburban locations away from metropolitan centres³¹. This growing demand for flexible workspaces away from the metropolitan core echoes trends in the US market³². In Australia, SMEs are more commonly adopting a form of flexible working options to reduce overheads and encourage work life balance³³.

Co-working is well suited for comparatively small office spaces (<300sqm) with evidence suggesting faster take-up by co-working tenants compared to traditional tenancy arrangements. While the demand from co-working space operators is primarily domestic at present, it is predicted that the imminent entry of international operators will increase demand for spaces suited for co-working³⁴.

JLL has predicted that 30% of all office space will be classed as flexible by 2030⁶. The demand for these types of spaces is continuing to grow, most notably in suburban locations. Commercial spaces, like those in Hornsby LGA, would be viable candidates for this type of use.

The impact of technology is fundamentally changing the way in which people work, adding flexibility to when and how they allocate their time. The traditional concept of the workplace being a fixed space is changing, with telecommuting and remote working now commonplace. While research has found that there has been an overall decrease in regular work from home since 2001, it remains highly prevalent amongst managers and professionals, with 41% of managers and 38% of professionals regularly working at home in 2016³⁵. Over the last twenty years the proportion of employed professionals has expanded rapidly, now comprising the largest occupational grouping, at almost 24%. Consequently, telecommuting is set to continue expanding⁹.

This is playing out in the changing nature of contemporary workplaces, and therefore the type of spaces that are in demand. This translates into people working from home or other suitable spaces. Naturally, this will have a flow-on effect on the way commercial space is used in Hornsby LGA, influencing the times when offices are active and the total floorspace required by different industries.

Why this matters

- While demand for traditional office style accommodation in Hornsby Town Centre will be limited, there is capacity to deliver smaller floorplate
- Remote working will drive up demand for shared facilities and co-working spaces as people choose to remain local rather than travelling to Sydney CBD or other major employment centre.

²⁷ Coleman, J 2019, '3 big trends in Australian tech' startupdaily viewed at: <https://www.startupdaily.net/2019/07/3-big-trends-in-australian-tech/>

²⁸ PwC (Commissioned by Google, 2013): The Startup Economy; How to support tech startups and acceleration innovation

²⁹ Cushman and Wakefield 2019

³⁰ Knight Frank, 2017

³¹ Sydney Business Insights 2017

³² JLL (2017), *Bracing for the Flexible Space Revolution*

³³ Allwork.Space-Press 2019, 'Demand for coworking spaces continues to rise in Sydney'

³⁴ Cheung, A. (2018), *Overseas Companies Set to Rock Australia's 'Sleeping' Coworking Market, Expert Says*, Commercial Real Estate

³⁵ Bankwest Curtin Economics Centre 2018

4.3 Increasing demand for residential uses in centres

Demand for housing within centres is increasing as a result of:

- Increasing population and demand for the residential stock
- Demand for smaller dwellings in accessible locations with public transport to support affordable living
- Lifestyle changes with residents increasing favouring the accessibility, retail and service provision of centres
- Improvement to the viability of redevelopment as residential values outperforms other land use types in many situations.

In some cases, providing residential development in centres can improve business conditions by increasing the population in the retail catchment. There is an increasing preference by younger households to live in highly accessible and well-serviced locations. At the same time, retirees are seeking to remain in their local neighbourhoods and downsize their dwelling. This is a key dynamic influencing centre development and planning can benefit from taking this into account.

Why this matters

- Consider increasing residential development within walkable catchments of local centres where it can be done so without reducing the net amount of commercial floorspace.

4.4 The future of car parking

The coming age of autonomous vehicles and drones will eliminate many of the inconveniences of shopping and potentially convert thinking around centre design. While the future of a shopping centre without car parks is possible, it will take a while to come to fruition. It does bring to light the need to consider disruptive technologies when preparing long term strategies.

Autonomous vehicles will increase avenues for car sharing and reduce the need for parking on site. There is also the potential that the lifecycle of driverless cars will be limited with

Uber Elevate, in partnership with Scentre Group, exploring opportunities for an urban aviation rideshare network. Melbourne is proposed as a testing group with current plans look for this service to begin commercial operations as early as 2023 in Australia³⁶. Underutilised/remnant carparks, driverless trucks and cars will also create new opportunities for centres, retailers and logistics companies, through:

- **Reduced costs and increased efficiencies associated with deliveries:** the cost associated with the transport and delivery of goods has long been a negative economic factor to retailers. Despite an initial investment cost, driverless cars and trucks, in the long run, will benefit retailers and the transport industry through increased efficiencies and decreased costs associated with driver wages, other costs associated with employees, human error, fuel costs and servicing
 - **Increased redevelopment and expansion options:** as driverless cars become the norm, the need for large carparks will become obsolete. This will create opportunities within existing centres, where the redevelopment or repurposing of existing carparks can occur. There is also the potential for increased public realm improvements, such as better landscaping opportunities, though the repurposing of on-street car parking spaces
- Underground parking areas are a little more difficult. However, such spaces could be potentially transitioned into alternative uses such as storage, retail, entertainment or new-age light manufacturing area. There is a need to allow for greater flexibility in the design of any new car parking areas to ensure that they can easily and efficiently be transitioned into alternative uses that either enhances the productivity of the centre or its community identity
- **Improved high street amenity:** High streets can be busy and noisy places that can deter or make outdoor dining or social interactions difficult. The introduction of the driverless car may play a significant role in the evolution of the high street through decrease congestion, reducing noise and air pollution. This can benefit retailers by making the area more attractive for social interactions, outdoor dining and increased foot traffic, further increasing the opportunity for the capture of passing traffic for shops

³⁶ Taylor, K (2019), The Connectivity Revolution, Shopping Centre News, Vol. 37, Number 3, pg. 10-12

- **The willingness to travel further:** there could be a downside to driverless cars in regard to smaller local centres. Driverless cars could increase the willingness of customers to travel further in order to undertake shopping activities or access services. This could be a result of reduced traffic congestion and time spent searching for a park, allowing people to travel further in a shorter amount of time. This could lead some customers to bypass their local centre in order to access the greater range of services provided in larger centres. Local centres will need to maintain a high level of innovation, appropriate retail mixture, outdoor dining, increased shopper experience and offer other community benefits such as good public domain and playgrounds/parks in order to combat this potential negative effect of the driverless car.

Why this matters

While it is unlikely that the demand for car parking is going to change in the immediate future, this strategy is planning for the next 18 years and these disruptive technologies will be coming to fruition. Future development of Hornsby Town Centre and the major assets should be done so in a way that allows for easy conversion in the future.

4.5 Industrial trends

The demand for industrial floorspace is influenced by trends such as globalisation and the use of information technology. The New Economy comprises sophisticated linkages between businesses, which are adept in the efficient sharing of information and the delivery of goods through a global supply chain. This supply chain once thought of as the flow of goods through production to the end user, is now seen as an alignment of firms that design, develop, market and produce goods and services, and deliver them to the customer when needed.

The globalisation and the free movement of people, goods and services have increased the amount of competition and resulted in a decline in the proportion of jobs within manufacturing industries.

Industrial floorspace used primarily for business related storage is in secular decline, whereas space built for the transferral of goods is increasing. This 'high throughput distribution' space is essentially designed to facilitate the rapid movement of goods

through the supply chain. Businesses with low inventory turnover are gravitating to inexpensive land and low-cost buildings.

In contrast, businesses that have high inventory turnover and high value products, and typically provide value added functions (including product customisation, packaging and customs) are more prepared to pay a premium for excellent access to a large customer base and proximity in time and space to roads, ports and airports.

As a result of the industrial trends described above, over the past three decades, the development of industrial land and floorspace in NSW has generally occurred at a rate slower than employment growth. This, however, has varied considerably between specific sectors of activity. In manufacturing and wholesale trade, employment growth has steadily decreased over the last 20 years (overall employment down 33% and 31% respectively). Contrasting this pattern has been the performance of transport and storage, which has shown strong growth with a 21% increase in employment. This is partly a result of increased demand for "last mile" delivery and storage spaces close to where customers reside.

This economic trend may be summarised by the fact that traditional manufacturing is changing and becoming more efficient in its processes as a result of the use of new technologies and equipment (see section 0). These greater efficiencies in many cases have not resulted in a decline in output, but rather a reduction in the number of staff required.

Figure 8: Employed persons by selective industry, NSW



Source: ABS

Why this matters

- Transport, postal and warehousing require large floor plates however don't necessarily generate high employment numbers. Any modelling based on employment densities should account for transitions (see section 7.1.3).

4.5.1 Non-traditional uses within industrial precincts

In addition to the more traditional industrial and urban service uses, employment precincts are increasingly being occupied by other non-traditional uses such as knowledge intensive, large format retailers and factory outlets and education/health services.

This is evident in our land use audit indicating that around 39% of the occupied floorspace was across all of Hornsby's employment precincts was attributed to non-traditional uses. Typically, these uses are attracted to industrial precincts given their relatively lower land values and market rents when compared to commercial centres and the need for large lots with good access to the local road network.

The presence of these uses, however, can increase market rents and land values in employment precincts as space available space becomes limited and these types of uses are typically more willing and capable of paying higher rent.

4.5.2 Motorway accessibility

The proximity of employment precincts to key transport routes has recently emerged as a key concern and priority for industrial occupiers. The preference for industrial tenants to be located close to a motorway was evident in recent CBRE research which found that for every additional minute drive closer to a motorway equated to a 2.1% spike in rent. With occupiers paying on average \$3 per square metre more than those further away from a motorway³⁷.

The reasons for this locational preference stems from transport costs typically comprising a large share of an industrial businesses' operational cost base compared to its rental cost. As such, an industrial business makes cost savings by locating themselves nearer to key infrastructure.

Hornsby's employment precincts are uniquely positioned to leverage off this trend with several of them being located in close proximity to existing and planned transport corridors.

Why this matters

- Any new industrial land should be planned in locations that have strong access to motorway connections (see Direction 2 – Establish a sustainable long-term supply of employment land).

³⁷ CBRE - Motorway access drives rental shift in Sydney's industrial powerhouse market, Natasha Pierson 2018

4.5.3 An increasingly automated workplace

The impact that automation will have upon the labour force has been a topic of discussion since the start of the industrial revolution. Depending on whom you are speaking to it will either cause mass unemployment or continue a natural evolution of human based employment, with replaced employees being “up skilled” into more complex jobs that automation and technology cannot (presently) undertake or the creation and employment in new industries which we cannot imagine/conceive today.

This “up skilling” or transference of employment into more complex or knowledge-based industries can be seen in the agricultural industry. At the start of the twentieth century, agriculture comprised a significant proportion of employment however, with increased mechanisation of farm equipment scores of people were able to move from the land into cities for employment. Other industries such as retail, professional and financial grew as a result.

This trend has continued with the creation of new industries which 30 years ago most people could not conceive such as employment within IT services, coding, web design or android application development.

A recent report by the Committee for Economic Development of Australia (CEDA) found that almost 40% of Australian jobs could be replaced by technology by 2025. If this prediction comes to fruition, there would be a need for significant employment re-shifting and the need for “upskilling” of the workforce. A way to mitigate this impact is for employees, companies and institutions to remain agile embracing life-long learning and re-education to stay competitive and skilled.

Currently, industries associated with manufacturing and transport, warehousing and distribution are at the forefront of this change. The impact that automation is likely to have upon these industries is a reduction in overall employment generated. However, it is important to note that this does not directly translate into a reduction in the amount of floorspace or land required. As such, although these industries require fewer people for their operation needs they still would require appropriate floorspace and land for their increasingly automated factories/warehouses.

Why this matters

- Facilitating partnerships and relationships between learning institutes to tailor ‘upskill programs’ to local employment opportunities
- While automation may influence employment densities, it is unlikely going to reduce the floorspace requirements of an industry as the machinery still takes up the same or more space. It is therefore prudent to appropriately plan for the future land based needs of these industries even as their projected employment levels decline. Any modelling based on employment densities should account for transitions (see section 7.1.3).

4.5.4 Changing nature of industrial development

Historically, industrial developments typically have been single level, on large lots, with at grade parking and/or relatively level ground. However, this development model has been challenged in recent years resulting from limited land stocks, high land values and rents.

These market trends have resulted in “vertical” industrial development being explored within Sydney, particularly developments by Goodman. This model has been successfully delivered in Asia by Goodman with a company spokesperson discussing, *“Scarcity of sites in infill areas close to urban centres and consumers, combined with competing demand for quality locations is creating land use intensification. We are increasingly seeing a shift towards multi-storey industrial facilities or changes of use to commercial and residential”*³⁸.

If this trend was duplicated within Hornsby it would imply that its employment precincts would have additional capacity through “upward redevelopment” over what is provided in its currently undeveloped land supplies. Due to the topography of existing zoned land in Hornsby, increasing densities becomes more difficult as they can encroach on site lines.

While it is desirable to encourage vertical industrial development, it is unlikely that Hornsby will be leading this change due to environmental limitations. Some lower density sites may be redeveloped to higher density, but it is more realistic that the built form will remain fairly similar to what is presently being achieved.

³⁸ Goodman looks to go vertical, Carolyn Cummins – the Sydney morning herald

Why this matters

- Lower density built form is more land intensive and may result in more land being required to meet future demand. Any future land requirement should be more conservative based on lower FSR development outcomes (see section 6.1.5).

4.5.5 Land values in Hornsby

All industrial land zoning types in Hornsby LGA have experienced positive growth in land values over a period from 2014. The greatest growth was recorded for IN2 – Light Industrial, which increased by 45% to an average of \$732/sqm in 2018.

However, compared to the wider North District, industrial land values within Hornsby have remained significantly lower. This however could be seen as an advantage as its precincts become more attractive to potential occupiers and investors as the scarcity of land and values continue to increase across the North District.

Table 2: Industrial land values by zoning 2014-2018 (\$/sqm)

Hornsby LGA	2014	2015	2016	2017	2018	Change	% change
IN1	472	500	568	626	651	179	38%
IN2	506	549	631	694	732	226	45%
IN4	462	509	509	524	540	78	17%
Average	481	515	584	641	669	188	39%
North District	2014	2015	2016	2017	2018	Change	% change
IN1	902	949	1016	1170	1518	616	68%
IN2	1,157	1,331	1,474	1,552	1,920	763	66%
IN4	608	653	783	900	959	351	58%
Average	924	1,020	1,099	1,222	1,378	454	49%

Source: NSW Valuer General, HillPDA

4.5.6 Availability of land

As of 2018, the NSW DPIE Employment Lands Development Monitor (ELDM) identified a total of around 561 hectares of land zoned as employment lands across the North District.

Of this, only around 44 hectares or 8% was undeveloped with the remaining 518 hectares or 92% is developed.

Of the land that was zoned but undeveloped, Hornsby contained the largest share with around 21 hectares or 48% being located within the LGA. Depending on the permissible FSR and resulting developable FSR, this land could provide space for between an additional 207,000sqm to 103,500sqm of industrial related floorspace³⁹.

The amount of undeveloped zoned employment land within Hornsby LGA increases its importance for the future accommodation of industrial related uses across the North District as land becomes sparse. It also increases the importance to properly plan and manage its remaining land stocks to account for this.

It must be noted that resulting from topography and other land use conflicts/constraints, the actual amount of undeveloped zoned employment land could be lower than the 21 hectares identified by the ELDM in 2018.

Table 3: North District zoned employment land stocks 2018

LGA	Undeveloped	Developed	Total
Hornsby	20.7	151.2	171.9
Hunters Hill	0	0.2	0.2
Ku-ring-gai	0	0	0
Lane Cove	6.5	54.9	61.4
Mosman	0	0	0
North Sydney	0	5.4	5.4
Northern Beaches	1.1	188.4	189.5
Ryde	10.8	27.8	38.6
Willoughby	4.4	89.8	94.2
Total	43.5	517.7	561.2

Source: ELDM 2018, IN1, IN2, IN3, IN4, B5, B6 and B7 zonings

Why this matters

- Update the ELDM in line with revised employment land stocks as identified in section 9.1.1.

³⁹ Calculated at a developable FSR of 1:1 to 0.5:1

HORNSBY ECONOMIC ENVIRONMENT

5.0 HORNSBY ECONOMIC ENVIRONMENT

The following Chapter undertakes a review of the current and historic economic and employment trends within Hornsby LGA (Hornsby) and wider locality. Information in this Chapter has been sourced from the Australian Bureau of Statistics (ABS), Transport, Performance Analytics (TPA) and community/economy id.

Where relevant, economic performance indicators of Hornsby have been benchmarked against the North District to further identify any industry specialisation or opportunities for Hornsby LGA.

5.1 Resident working population characteristics

The resident population refers to persons living within Hornsby.

5.1.1 Resident population and age composition

Over a ten year period to 2016, the population within Hornsby increased by around 10,492 residents or 7.9%, reaching a total of around 142,676 residents.

Over this period, Hornsby has experienced an ageing of the population, with persons aged 50 years and over comprising 84% of the net growth (+8,846 persons).

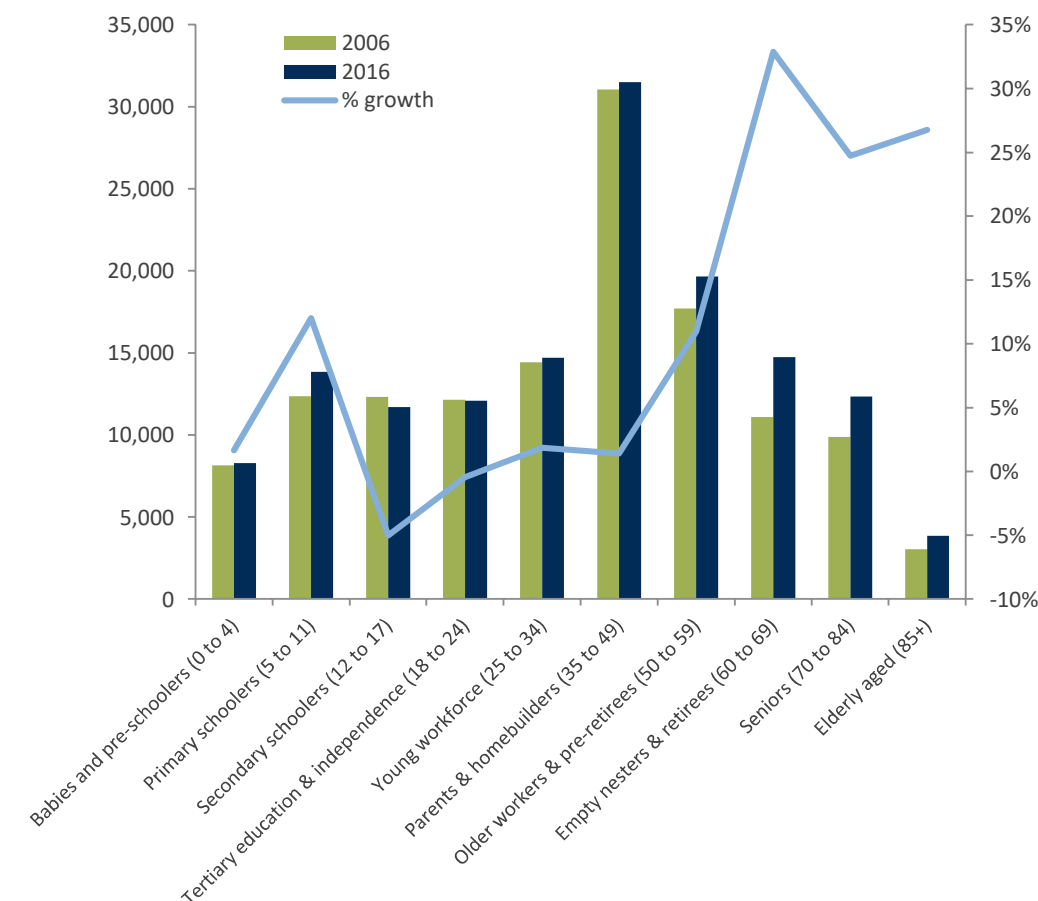
This would increase the demand for aged care and health-related services to be provided in and around Hornsby's commercial centres and demand for service in Hornsby and Mount Wilga hospitals.

Despite this ageing, the largest portion of Hornsby's population were within the parents and homebuilders age group (35 to 49 years), with 22% of the population being in this group as of 2016. This proportion was in line with that of the wider North District (22%).

Although persons within the young workforce age group (25 to 34 years) experienced positive growth over the period (+286 persons), as a total proportion of population it has declined (from 11% in 2011 to 10% in 2016).

In 2016, this age group comprised 13% of the North District's population. This may imply that increased employment opportunities and other lifestyle services could be lacking in Hornsby resulting in this age group seeking employment and residence elsewhere.

Figure 9: Hornsby LGA's population growth by service age group



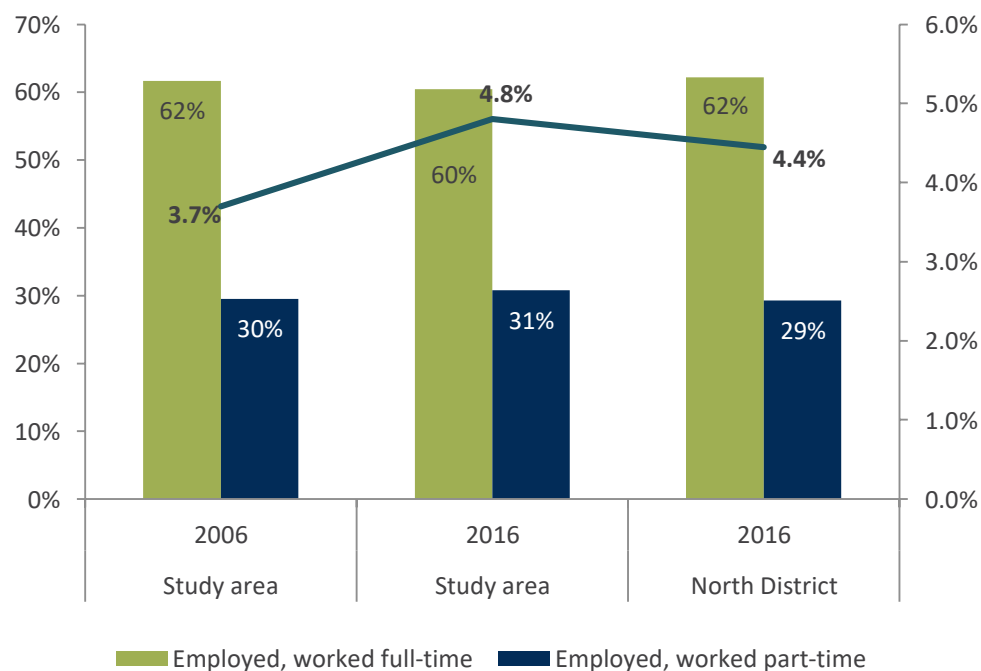
Source: Community id

5.1.2 Employment status

In 2016, around 74,371 people living in Hornsby were in the labour force which was around 67% of the population over 15 years. Of the residents in the workforce 60% worked full-time and 31% part-time. A further 3,575 people or 4.8% were unemployed, an increase of 1.1% over that recorded in 2006 (3.7%). The unemployment in 2016 rate was higher than that recorded for the wider North District (4.4%), coupled with its increase over the last ten years, there is likely a clear demand for increased employment opportunities within Hornsby. Increased employment would have the effect of increasing the demand for additional floorspace within its centres and precincts.

Over the last ten years, there has been a growing proportion of people being employed part-time (+1.3%) with a corresponding decrease in the proportion of full-time employed residents (-1.3%).

Figure 10: Employment status



Source: ABS 2016

5.1.3 Industry of employment and location quotient

Over ten years to 2016 employed residents in Hornsby decreased by 5,520 residents or 7%. Despite this overall decrease some industries experienced positive growth over the period, these were:

- Health Care and Social Assistance - 509 additional jobs
- Construction - 224 additional jobs
- Education and Training - 156 additional jobs
- Arts and Recreation Services - 95 additional jobs
- Mining - 12 additional jobs.

In providing increased employment opportunities for local residents, it would be likely residents would continue to increasingly seek employment within the above industries.

All other industries experienced negative growth over the period. The top five declining industries were:

- Manufacturing – 2,120 fewer jobs
- Wholesale trade – 1,607 fewer jobs
- Retail Trade – 1,583 fewer jobs
- Financial and Insurance Services - 508 fewer jobs
- Other Services – 425 fewer jobs.

The significant decrease in industrial related sectors (manufacturing and wholesale trade) may impact the demand for additional services, land and space within Hornsby's employment precincts.

Table 4: Resident employment by industry and location quotient

Industry	Hornsby				LQ
	2006	2016	Change #	Change %	North District
Agriculture, Forestry & Fishing	483	463	-20	-4%	1.9
Mining	109	121	12	11%	0.8
Manufacturing	5,381	3,261	-2,120	-39%	1.1
Electricity, Gas, Water & Waste Ser.	643	530	-113	-18%	1.3
Construction	4,575	4,799	224	5%	1.1
Retail Trade	4,626	3,043	-1,583	-34%	1.0
Wholesale trade	7,787	6,180	-1,607	-21%	1.1
Accommodation and Food Services	3,653	3,556	-97	-3%	0.9
Transport, Postal and Warehousing	2,320	1,913	-407	-18%	1.0
Information Media & Telecom.	2,577	2,545	-32	-1%	0.9
Financial and Insurance Services	5,533	5,025	-508	-9%	0.8
Rental, Hiring and Real Estate Ser.	1,306	1,260	-46	-4%	0.7
Professional, Scientific & Tech. Ser.	9,137	9,055	-82	-1%	0.8
Administrative and Support Services	2,381	2,240	-141	-6%	0.9
Public Administration and Safety	3,605	3,478	-127	-4%	1.1
Education and Training.	7,455	7,611	156	2%	1.2
Health Care and Social Assistance	9,040	9,549	509	6%	1.2
Arts and Recreation Services	943	1,038	95	10%	0.8
Other Services	2,771	2,346	-425	-15%	1.0
Inadequately described/ not stated	1,737	2,789	1,052		
Total employed persons aged 15+	76,062	70,802	-5,260	7%	

Source: ABS 2016

Table LQ key:

Economic weakness/opportunity for growth	Similar in importance between areas	Significant specialisation	Major specialisation
--	-------------------------------------	----------------------------	----------------------

Location quotient (LQ) is a simple way of assessing which are the main industries in an area relative to a comparable area.

- Where LQ=1, the identified industry is as prevalent as in the comparable area
- An LQ greater than 1.2 indicates a significant specialisation of the industry in Hornsby – indicating possibly a key economic strength. Higher numbers indicate a greater specialisation with anything exceeding 2 being a major specialisation
- An LQ between 0.8 and 1.2 means the industry is broadly similar in importance in Hornsby compared to the comparison region and could be seen as representative
- An LQ under 0.8 indicates an industry which is more important in the comparable area than Hornsby and may represent an economic weakness or opportunity for growth⁴⁰.

From Table 4 we can see that Hornsby has:

- A significant specialisation in agriculture, forestry and fishing and electricity, gas, water and waste services when compared to the wider North District
- Hornsby has a weakness/opportunity for growth in mining; rental, hiring and real estate services; and arts and recreation services
- All other industries were of similar importance within Hornsby and across the North District.

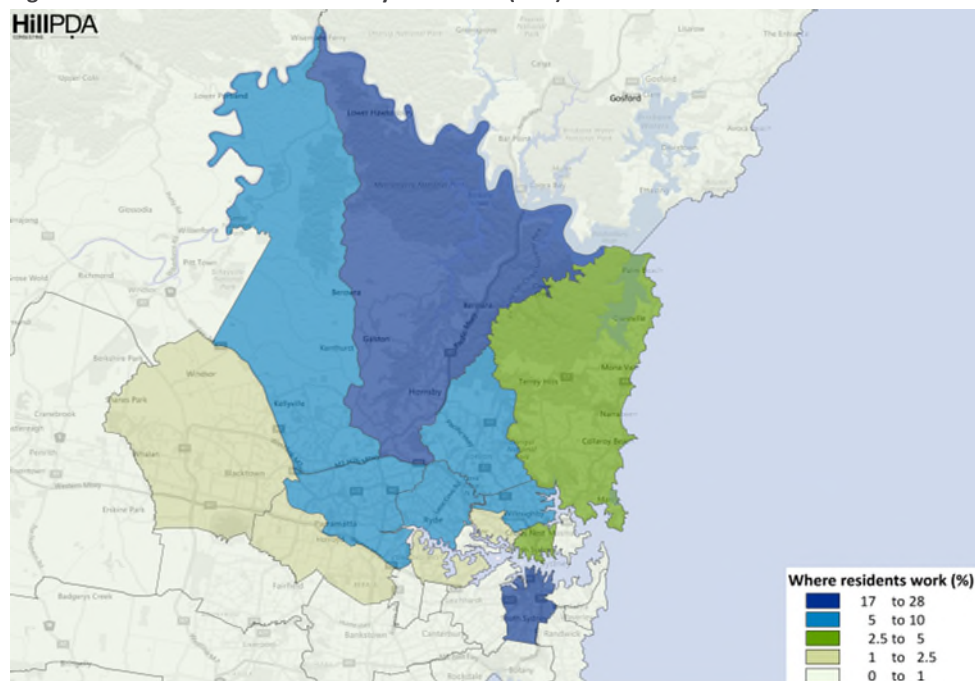
⁴⁰ Economy id

5.1.4 Where residents work

As seen in Figure 11, of the around 70,700 employed residents in Hornsby, as of 2016, around 20,100 or 28% worked within Hornsby (self-containment rate). The second most common destination for residents to seek employment was Sydney LGA with 12,360 residents or 18% working in the LGA. Ryde LGA was the third most common destination for work (around 5,420 residents or 6%), followed by Parramatta LGA with around 6% of residents working there.

The resident self-containment rate of 28% in Hornsby was significantly lower than that recorded across North District at 47%. Increased employment opportunities in industries which Hornsby's residents are increasingly seeking employment could increase Hornsby's resident worker containment rate. This would increase the demand for additional services in its centres/precincts and help Greater Sydney achieving its 30-minute city aspiration.

Figure 11: Where residents in Hornsby work 2016 (LGA)



Source: HillPDA

5.1.5 Population projections

Over the next 20 years, Hornsby's resident population is projected to increase by around 31,922 people or 22%, reaching a total of 179,583 residents by 2036. This proportional growth is higher than that expected over the last ten years.

Despite Hornsby's population experiencing significant ageing over the last ten years persons aged between 18-49-years are projected to comprise the bulk of its forecast growth, representing 13,800 residents or 43% of the total net growth.

Increased employment opportunities would need to be provided and required by these new residents, a role that Hornsby's centres and employment precincts can provide and accommodate.

Residents aged 50 years and over is the next largest growing age group, comprising 41% of the net growth. These residents are likely to increase demand for health-related services. Demand for additional health services may have implications on the future growth of Hornsby and Mount Wilga hospitals in Hornsby.

Table 5: Hornsby population projections

Age group	2016	2026	2036	Change 16-36	% change
0-17 years	35,162	38,562	40,207	5,045	14%
18-49 years	61,355	69,073	75,152	13,797	22%
50+ years	51,144	58,523	64,224	13,080	26%
Total	147,661	166,158	179,583	31,922	22%

Source: Population id

Applying a benchmark provision of 3sqm for industrial/urban service land per person, as identified by the Greater Sydney Commission, the growth in the resident population alone would result in a demand for an additional 95,766sqm of associated space.

5.2 Employment characteristics

Employment refers to persons aged 15 years and over working in Hornsby regardless of their place of usual residence.

5.2.1 Terminology

In line with the Greater Sydney Commission's employment categories, in some sections in this Chapter and preceding chapters, employment industries have been aggregated into four broad employment sectors. These are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC). These four broad job sectors are as follows:

- **Knowledge intensive:** Information, Media and Telecommunications; Financial and Insurance Services; Rental, Hiring and Real Estate Services; Professional, Scientific and Technical Services; and Public Administration and Safety
- **Health and education:** Education; Health Care; and Social Assistance
- **Population serving:** Retail Trade; Accommodation and Food Services; Arts and Recreation Services; Construction; Administrative and Support Services and Other Services
- **Industrial:** Agriculture; Forestry and Fishing; Mining; Manufacturing; Electricity, Gas, Water and Waste Services; Wholesale Trade; and Transport, Postal and Warehousing.

5.2.2 Employment generation in Hornsby

Over a ten year period to 2016, total jobs generated within Hornsby increased by only 899 jobs or 2%, reaching a total of around 42,300 jobs. Despite this overall positive growth in jobs, some industries experienced a significant decline in employment generated.

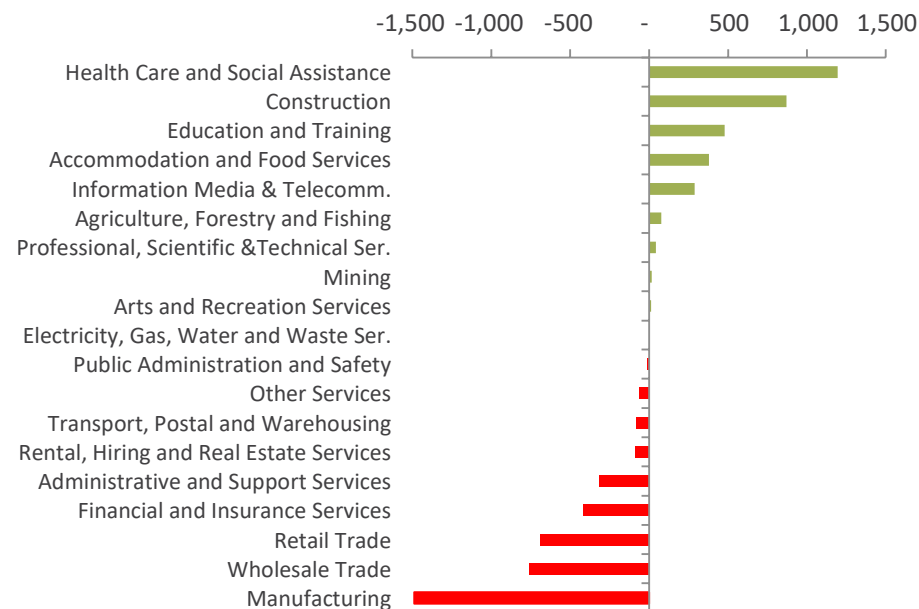
Of particular note are those within the industrial category, which recorded a total decline in employment of around 2,235 jobs or a 28% reduction over the ten year period (5,641 jobs total in 2016). This significant decline in employment, will likely have an effect on the amount of vacant floorspace within Hornsby's employment precincts and hence the demand for additional space and land over the coming decades.

The knowledge intensive sector also witnessed a decline in overall employment with a 189 employment or a 3% reduction over the period (6,828 jobs total in 2016). This was primarily a result of the financial and insurance service industry recording a 417 employment or 30% reduction over the period. The reduction in knowledge intensive employment would have implications on the demand for commercial office space within Hornsby's commercial centres

The population serving sector recorded slight growth over the period with an increase in employment of around 195 jobs or 15% (15,151 jobs total in 2016). The retail industry, however, recorded a significant decline in employment (-692 jobs or 12%), this would also have an impact on the amount of space required within its commercial centres.

The standout growth industries were those in the health and education sector, which recorded a 1,673 job or 15% increase over the period (12,739 jobs total in 2016). Growth in these industries would likely demand some space within its commercial centres and health precincts.

Figure 12: Hornsby LGAs employment change 2006-16 by industry



Source: ABS 2016

5.2.3 Manufacturing employment

Although overall employment within manufacturing has decreased over the last ten years (from 2006), some industries have increased in employment. Analysis of industries at the ANZSIC 4-digit level⁴¹ reveals that around 43 manufacturing sub-categories increased in employment over the period, with a total of around 337 manufacturing additional jobs. The top ten of these industries, by net employment growth, were:

- Bread Manufacturing (Factory based) - a 67 job increase
- Poultry Processing - a 34 job increase
- Confectionery Manufacturing - a 19 job increase
- Veterinary Pharmaceutical and Medicinal Product Manufacturing - a 18 job increase
- Cake and Pastry Manufacturing (Factory based) - a 17 job increase
- Adhesive Manufacturing - a 11 job increase
- Wooden Furniture and Upholstered Seat Manufacturing - a 11 job increase
- Other Electrical Equipment Manufacturing - a 10 job increase
- Basic Chemical and Chemical Product Manufacturing - 9 job increase.

Furthermore, analysis of 2016 employment across the North District reveals that over half of the District's employment, in the following industries, was located within Hornsby. These 'target industries' are relatively concentrated in Hornsby:

- Structural Metal Product Manufacturing
- Dairy Product Manufacturing
- Natural Rubber Product Manufacturing
- Other Metal Container Manufacturing
- Agricultural Machinery and Equipment Manufacturing
- Confectionery Manufacturing
- Other Machinery and Equipment Manufacturing
- Oil and Fat Manufacturing
- Veterinary Pharmaceutical and Medicinal Product Manufacturing
- Motor Vehicle Body and Trailer Manufacturing
- Motor Vehicle and Motor Vehicle Part Manufacturing
- Aluminium Smelting

5.2.4 Agriculture employment

Analysis of industries at the ANZSIC 4-digit level reveals that over the last ten years the top five growth agricultural industries, by total net growth, in Hornsby were:

- Nursery Production (Outdoors) - a 85 job increase
- Poultry Farming (Meat) - a 65 job increase
- Horse Farming - a 9 job increase
- Other Agriculture and Fishing Support Services - a 9 job increase
- Poultry Farming - a 8 job increase.

Furthermore, analysis of 2016 employment across the North District reveals that over half of the District's employment, in the following industries, was located within Hornsby. The following 'target industries' are relatively concentrated in Hornsby:

- | | |
|---------------------------------------|-----------------------------------|
| • Other Fruit and Tree Nut Growing | • Vegetable Growing (Outdoors) |
| • Other Livestock Farming | • Vegetable Growing (Under Cover) |
| • Nursery and Floriculture Production | • Citrus Fruit Growing |
| • Berry Fruit Growing | • Fruit and Tree Nut Growing |
| • Stone Fruit Growing | • Poultry Farming |
| • Logging | • Nursery Production (Outdoors) |
| • Poultry Farming (Meat) | • Beekeeping |
| • Fishing | • Horse Farming. |
| • Floriculture Production (Outdoors) | |

Further analysis of agriculture and horticulture industries is undertaken in the Rural Lands Study. The Employment Land Study considers agricultural and horticultural industries to the extent that they relate to employment lands.

⁴¹ The lowest industry level that the ABS provides and undertakes employment analysis

5.2.5 Employment by location

Figure 13 shows the distribution of employment across Hornsby. Please note that the dots correspond to an ABS geographical boundary known as a Destination Zone (DZ), which is the smallest boundary that employment journey to work data is provided. The placement of a dot within a DZ is random. As such, a dot might seemingly not be located within a centre/precinct however depending on the size of the corresponding DZ it may, in fact, be located in a commercial centre or employment precinct.

Despite this, it can be seen that the highest concentration of jobs in the Hornsby LGA is in Hornsby Town Centre followed by Asquith industrial precinct.

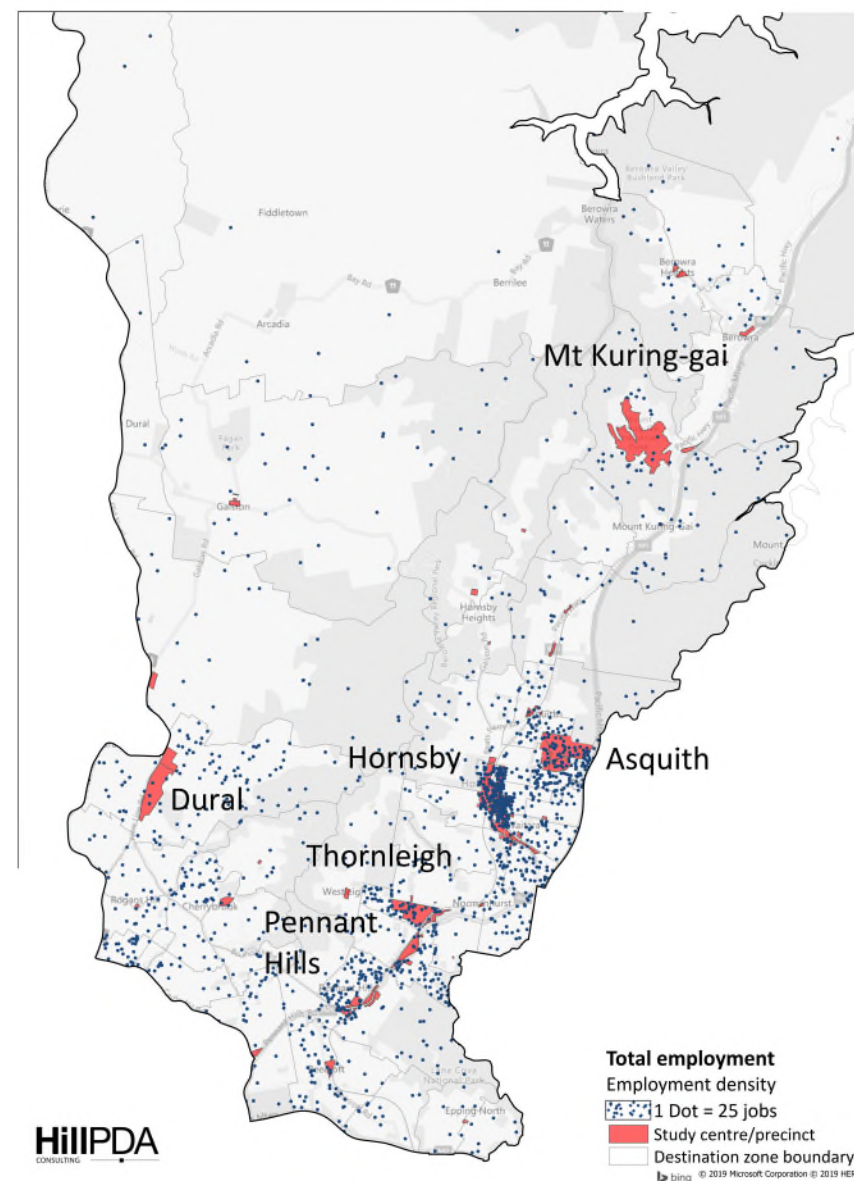
Health and education related employment is primarily concentrated in and around Hornsby Hospital precinct and Hornsby Town Centre. Beecroft, Pennant Hills and Cherrybrook are also areas of relatively high concentration.

Population serving employment is the most spread of all the broad employment sectors. However, Hornsby Town Centre once more has the highest concentration in Hornsby. Asquith industrial, Dural Service Centre, Thornleigh and Pennant Hills are also areas of relatively high concentration.

Knowledge intensive employment is primarily concentrated in Hornsby Town Centre. However, some concentrations are also in an around Hornsby Hospital, Asquith industrial, Pennant Hills and Thornleigh.

This analysis shows that Hornsby Town Centre is the largest employment generator within Hornsby with all employment sectors being highly concentrated within. It also shows that Hornsby's industrial precincts are also areas that provide employment space for a wide range of industries typically not associated with their status or intent.

Figure 13: Employment density by destination zone 2016 – total jobs



Source: HillPDA, ABS JTW Data 2016

5.2.6 Location quotient

Location quotient (LQ) is a way of assessing which are the main industries in an area relative to a comparable area, please refer to Section 5.1.3 for a more comprehensive description of LQ definitions.

Table 6: Employment location quotients, Hornsby to North District

Industry	Hornsby				LQ
	2006	2016	Change #	Change %	North District
Agriculture, Forestry & Fishing	443	521	78	18%	3.7
Mining	17	33	16	94%	0.5
Manufacturing	3,694	2,205	-1,489	-40%	1.1
Electricity, Gas, Water & Waste	242	244	2	1%	1.0
Construction	2,441	3,311	870	36%	1.2
Wholesale Trade	2,077	1,319	-758	-36%	0.5
Retail Trade	5,860	5,168	-692	-12%	1.3
Accommodation and Food Ser.	2,772	3,151	379	14%	1.2
Transport, Postal & Warehousing	1,402	1,319	-83	-6%	1.5
Information Media & Telecom.	477	764	287	60%	0.3
Financial and Insurance Services	1,412	995	-417	-30%	0.6
Rental, Hiring & Real Estate Ser.	738	649	-89	-12%	0.8
Professional, Scientific & Tec Ser.	3,057	3,099	42	1%	0.5
Administrative and Support Ser.	1,381	1,068	-313	-23%	0.8
Public Administration and Safety	1,333	1,321	-12	-1%	0.9
Education and Training	5,043	5,521	478	9%	1.4
Health Care and Social Assistance	6,023	7,218	1,195	20%	1.3
Arts and Recreation Services	566	579	13	2%	0.9
Other Services	1,936	1,874	-62	-3%	1.2
Inadequately / not stated	487	1,941	1,454		
Total	41,401	42,300	899		

Source: ABS 2016

Table LQ key:

Economic weakness/opportunity for growth	Similar in importance between areas	Significant specialisation	Major specialisation
--	-------------------------------------	----------------------------	----------------------

From Table 6, we can see that Hornsby has a major specialisation in the agricultural, forestry and fishing industry s when compared to the wider North District.

To note, the location quotient analysis compares against the North District which has limited rural lands. While it is a specialisation, this needs to be further explored through the Rural Lands Study as to how productive and job generating the industry actual is.

Relative to the North District, Hornsby also has a significant specialisation in the following industries:

- Retail Trade
- Transport, Postal & Warehousing
- Education and Training
- Health Care and Social Assistance.

Relative to the North District, Hornsby also has economic weakness/opportunity for specialisation in the following industries:

- Mining
- Wholesale Trade
- Information Media and Telecommunications
- Financial and Insurance Services
- Professional, Scientific and Technical Services.

All other industries were similar in importance between the areas.

5.2.8 Value added by industry

It is estimated that as of 2016, industries within Hornsby contributed around \$4.42 billion to its GDP. The top five industries by value added in Hornsby were:

- Health Care and Social Assistance - \$524 million
- Construction - \$475 million
- Professional, Scientific and Technical Services - \$400 million
- Retail Trade - \$373 million.
- Financial and Insurance Services - \$357 million

When looking at the four broad employment sectors the highest contribution is provided by the knowledge intensive sector (\$1.31 billion) followed by the population serving sector (\$1.28 billion), Industrial (\$958 million) and lastly the Health and education sector which contributed \$874 million to the local economy.

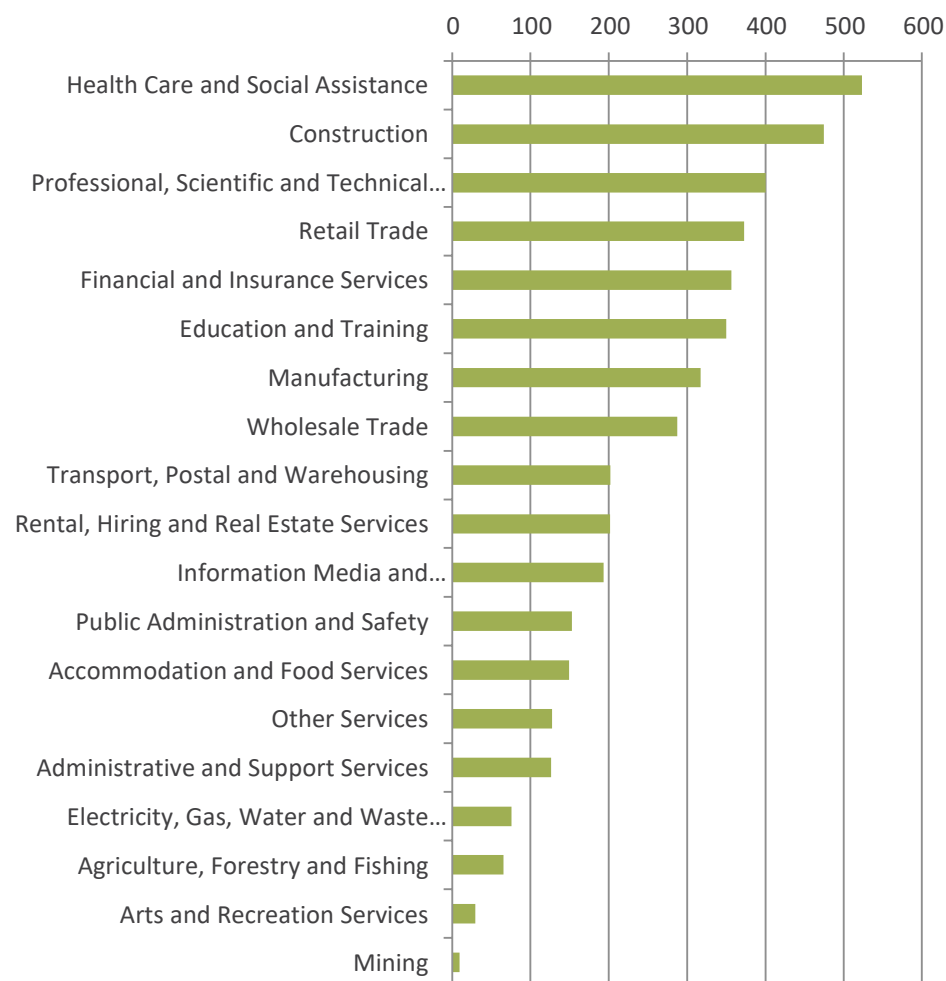
Although the knowledge intensive sector was the third largest employment generator in 2016, the high worker productivity rates⁴² in this category (approx. a combined \$191,085 per worker) increased its contribution to the local economy.

It must be noted that the industrial sector was the lowest employment generator of the four job sectors. However, it had the second highest worker productivity rates at around \$169,775 per worker. This highlights that industrial industries, other than knowledge intensive industries, generate the most value add per employee. This shows that although they may not be large employment generators they do significantly contribute to the local economy.

Combined average worker productivity rates across the four employment sectors were:

- Knowledge intensive - \$191,085 per worker
- Industrial - \$169,773 per worker
- Population serving - \$84,520 per worker
- Health and education - \$68,569 per worker.

Figure 14: Value added to local GDP by industry (2016 employment to \$m 2016/17)



Source: HillPDA, Economy id Hornsby worker productivity rates 2016/17, ABS 2016

⁴² Worker productivity by industry is calculated by dividing the industry value add by the number of persons employed in that industry

5.2.9 Jobs occupied by local residents

Of the total jobs generated in Hornsby in 2016, around 48% were occupied by residents that also lived in Hornsby LGA. This employment “containment rate” was significantly lower than that recorded for the wider North District (53%). It must be noted that the Northern Beach LGA, which is also located in the North District, had an employment containment rate of around 77%, which is very high for a metropolitan LGA.

Furthermore, increased employment opportunities in industries that Hornsby residents are increasingly seeking employment in could increase Hornsby’s containment rate while also helping achieve other planning directions such as the 30-minute city concept.

Over the next 20 years around 26,880 new residents aged 17 years and over will reside within Hornsby. It is estimated that around 18,000 of these new residents would be in the labour force and seeking employment⁴³. If Hornsby maintained its current employment containment rate, only around 8,555 of these residents seeking employment would also work in Hornsby.

In comparison, if Hornsby achieved a containment rate comparable to that of the wider North District a total of around 9,544 jobs could be contained within Hornsby, an increase of almost 990 jobs.

Additionally, if Hornsby achieved a rate comparable to that of the Northern Beaches, a total of around 13,810 jobs could be contained within Hornsby – an increase of almost 5,255 jobs.

Table 7: Hornsby LGA employment containment rate (2016)

Category	Hornsby LGA		North District
	#	%	%
Live and work in the area	20,091	48%	53%
Work in the area, but live outside	22,172	53%	47%
Total workers in the area	42,263	100%	100%

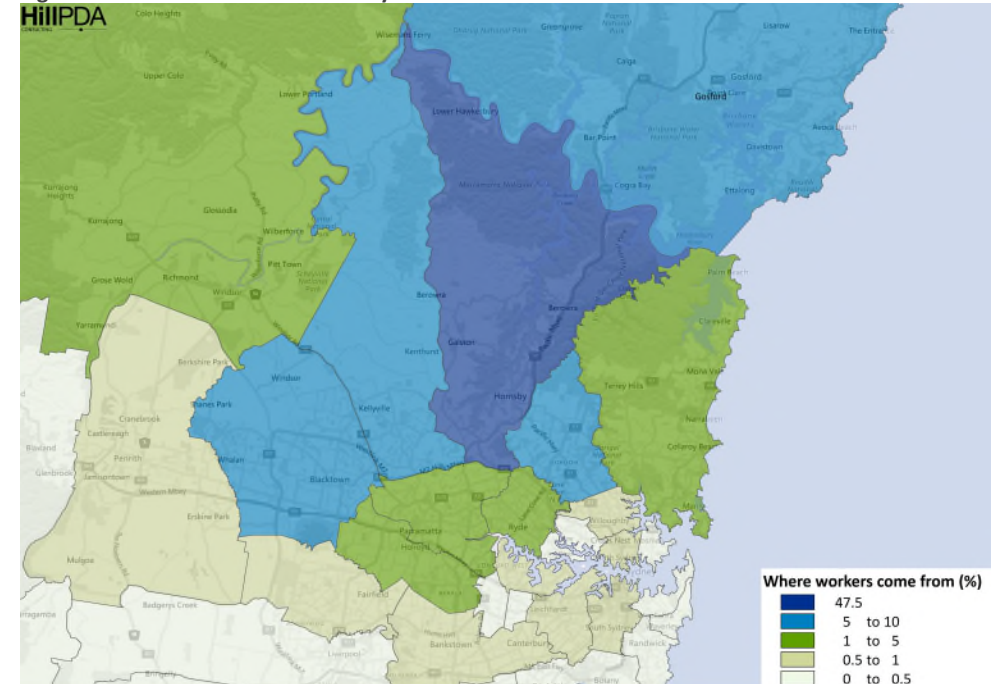
Source: Economy id

As seen in the figure below around 25,170 or 60% of the jobs within Hornsby are occupied by residents also living within the North District.

Other surrounding LGAs where a significant proportion of workers come from are:

2. The Central Coast - with around 4,095 workers or 9.7% travelling from the LGA
3. The Hills Shire - with around 4,015 workers or 9.5% travelling from the LGA
4. Blacktown - with around 2,165 workers or 5.1% travelling from the LGA
5. Parramatta - with around 2,071 workers or 4.9% travelling from the LGA.

Figure 15: Where workers in Hornsby come from



Source: Economy id, HillPDA

⁴³ Assume 67% of residents would be within the labour force

5.2.10 Employment projections

Over a 20 year period from 2016, the TPA projects employment generated in Hornsby to increase by around 15,650 jobs or 27%. Over this period, employment generated by industrial related businesses is forecast to continue to decline with around 850 fewer jobs. In comparison, all other employment categories are projected to increase their employment generation with:

- Health and education jobs increasing employment by a total of 7,295 jobs.
- Population serving jobs increasing employment by a total of 5,400 jobs
- Knowledge intensive jobs increasing employment by a total of 3,805 jobs

This highlights the growing importance that Hornsby's commercial/health centres/precincts will provide in accommodating the projected growth in employment.

It must be noted that although the TPA has forecast a decline within industrial related employment, the importance of Hornsby's employment precincts will remain high. This is due to:

1. Of all available vacant employment land available for development in the North District – a significant proportion is located in the Hornsby LGA.
2. Hornsby's employment precincts also provide space for other industries not typically associated with "industrial" or "employment" precincts. As such, as these industries are forecast to increase in employment number and a proportion would be directed to its employment precincts.

The capacity of these centres and precincts will need to be assessed to determine if they can accommodate this growth or if revised planning controls or possible expansions should be considered.

Please note the TPA employment estimate in 2016 is higher than that stated by the ABS. The ABS is considered to be a slight undercount which the TPA accounts for.

To place the employment projections into perspective, historical job growth since 2000 to 2017 has indicated an employment increase of 5,747 jobs across all industries (Economy id). This indicates that the TPA results represent a significant increase in employment opportunity greater than that which has historically been experienced.

Table 8: Hornsby employment forecasts 2016-2036

Industry	2016	2021	2026	2031	2036	Change	% change
Agriculture, Forestry & Fishing	369	358	349	341	334	-35	-10%
Mining	24	24	24	23	23	-1	-3%
Manufacturing	3,942	3,653	3,472	3,432	3,512	-430	-11%
Utilities*	342	368	400	434	456	114	33%
Construction	4,818	5,257	5,563	5,906	6,278	1,460	30%
Wholesale Trade	2,102	2,147	2,096	2,056	2,038	-64	-3%
Retail Trade	7,814	8,378	8,652	9,059	9,398	1,584	20%
Accommodation and Food Ser.	4,275	4,696	4,983	5,290	5,564	1,289	30%
Transport, Postal and Warehouse	2,278	2,232	2,100	1,811	1,846	-432	-19%
Information Media & Telecomm.	542	550	547	550	544	2	0%
Financial and Insurance Services	1,497	1,655	1,764	1,845	1,923	426	28%
Rental, Hiring and RE Ser.	997	1,073	1,135	1,198	1,265	268	27%
Professional, Scientific & Tech. Ser.	5,158	5,800	6,244	6,797	7,412	2,254	44%
Administrative & Support Ser.	1,648	1,750	1,807	1,876	1,962	314	19%
Public Administration and Safety	1,940	2,174	2,383	2,579	2,795	855	44%
Education and Training	7,564	8,376	9,195	10,029	10,842	3,278	43%
Health Care and Social Assistance	9,671	10,550	11,534	12,593	13,688	4,017	42%
Arts and Recreation Services	884	935	983	1,037	1,093	209	24%
Other Services	2,992	31,65	3,270	3,394	3,536	544	18%
Total	58,858	63,141	6,6500	70,250	74,509	15,651	27%

Source: TPA 2016 employment projections, * Electricity, Gas, Water & Waste Ser.

CENTRE AND EMPLOYMENT PRECINCT OVERVIEW

6.0 CENTRE AND EMPLOYMENT PRECINCT OVERVIEW

The following chapter provides a short overview/description of the Hornsby LGA's (Hornsby) commercial centres, employment precincts and special use zones.

6.1 Employment precincts

In 2019, there were 11 employment precincts located within Hornsby. Combined these precincts provided around 191 hectares of appropriately zoned land, of which, 172 hectares or 90% was developed while around 19 hectares or 10% was undeveloped. Across the North District, Hornsby accounted for around 33% of employment zoned land and contained 46% of identified undeveloped zoned employment land.

The high proportion of zoned but undeveloped employment land located within Hornsby indicates that the LGA plays a strategic role in accommodating future industrial, urban services and business support employment opportunity for the North District. As the amount of zoned land available for future industrial uses becomes constrained across the North District, Hornsby may need to be able to absorb and accommodate this demand.

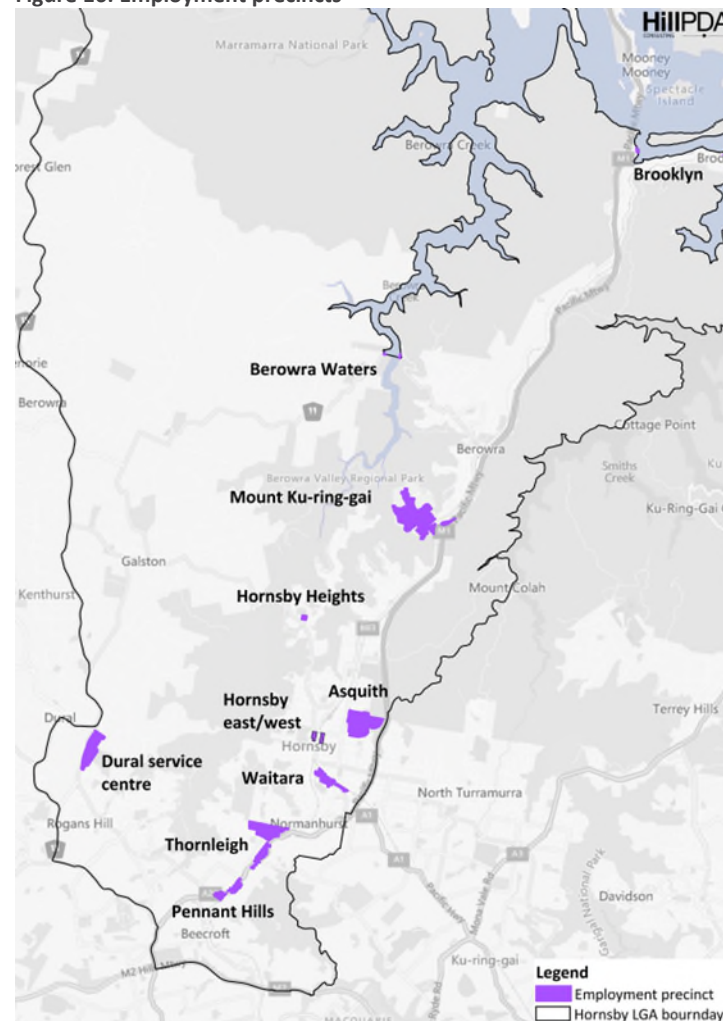
Table 9: Hornsby LGA employment precincts (land area, hectares)

Precinct	Undeveloped	Developed	Total
Asquith	4.2	38.2	42.4
Berowra Waters	0.0	0.2	0.2
Brooklyn	0.1	0.6	0.6
Dural Service Centre	1.6	30.2	31.8
Hornsby East/West	0.1	4.4	4.5
Hornsby Heights	0.0	1.3	1.3
Mount Kuring-Gai	12.7	49.3	62.0
Pennant Hills	0.1	6.8	6.9
Thornleigh industrial	0.3	23.2	23.5
Thornleigh enterprise corridor	0.3	8.6	9.0
Waitara	0.0	9.3	9.3
Total Hornsby LGA	19.4	172.0	191.4
Total – North District*	42.4	539.1	581.4

Source: *ELDM 2018 – totals adjusted by HillPDA to reflect land use audit, HillPDA, Hornsby LGA excludes Brooklyn Road, Brooklyn precinct which is included in the ND

To note, despite Table 9 indicating available undeveloped employment land in the LGA, it does not account for constraints including environmental conservation requirements or topography. These are considered further in the capacity assessment in section 9.1.

Figure 16: Employment precincts



Source: HillPDA

6.1.1 Employment precincts by zoned land

Of the 191 hectares of zoned employment land within Hornsby, the majority (118 hectares or 61%) was zoned IN1 – General Industrial with a further 42 hectares or 22% of land stocks being zoned IN2 – Light Industrial. Asquith, Dural Service Centre and Mount Kuring-Gai comprised the majority of this zoned land.

A significant amount of land was also zoned B6 – Enterprise Corridor with around 25 hectares or 13% of land stocks being zoned as such. The precincts of Pennant Hills, Thornleigh Enterprise Corridor and Waitara contained the majority of this type of zoned land.

Land zoned B5 - Business Development comprised 3% (or around 7 hectares) of employment precinct land stocks. Hornsby East/West and Pennant Hills were the only two precincts that contained this type of land zoning.

IN4 – Working Waterfront comprised the smallest amount of zoned land at 0.9 hectares or 0.5% of employment precinct land stocks. Berowra Waters and Brooklyn were the only two employment precincts having this type of zoning.

Table 10: Employment precinct by land zoning

Precinct	IN1	IN2	IN4	B5	B6	Total
Asquith	33.9	8.5				42.4
Berowra Waters			0.2			0.2
Brooklyn			0.6			0.6
Dural Service Centre		31.8				31.8
Hornsby East/West				4.5		4.5
Hornsby Heights		1.3				1.3
Mount Kuring-Gai	62.0					62.0
Pennant Hills				2.1	4.8	6.9
Thornleigh Industrial	21.6				1.9	23.5
Thornleigh enterprise corridor					9.0	9.0
Waitara					9.3	9.3
Total	117.5	41.5	0.9	6.5	24.9	191.4

Source: HillPDA – calculated using GIS cadastral and zoning layer, totals may not correlate due to rounding

6.1.2 Employment precincts floorspace provision

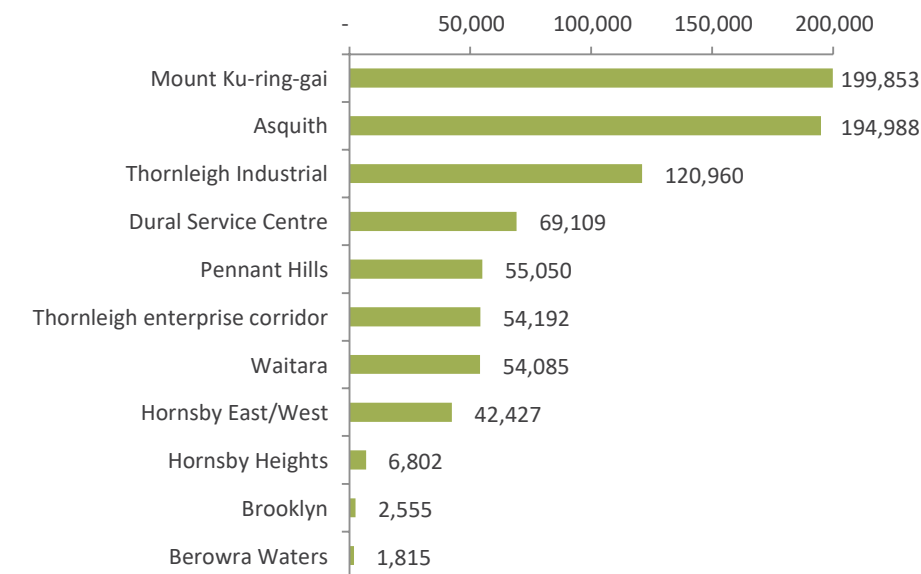
A detailed land use audit of each employment precinct in Hornsby was undertaken (refer Appendix B for audit methodology). The audit found that the 11 precincts combined, contained around 811,000sqm of employment and residential space.

Of this total floorspace around 800,900sqm or 99% was employment-related while the remaining 10,117m or 1% was residential.

6.1.3 Precinct size by total employment floorspace

The largest employment precinct, by total employment floorspace, was Mount Kuring-Gai with a total of almost 199,850sqm or 25% of the total employment floorspace. This was followed by Asquith with almost 195,000sqm or 24% of total space, Thornleigh with 120,950sqm or 15% and Dural Service Centre with a total of 69,100sqm or 9% of all employment space across the 11 centres.

Figure 17: Total employment space by employment precinct (sqm)



Source: HillPDA 2019 land use audit– excludes residential space

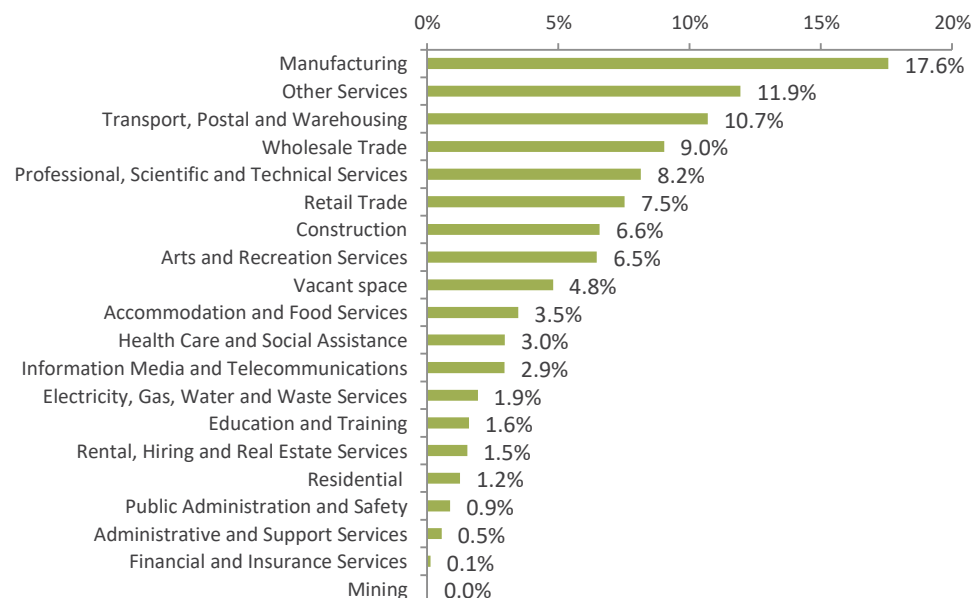
6.1.4 Employment space by individual industry type

Of the total employment space across all the eleven precincts, the largest amount was attributed to the industry of manufacturing with around 142,545sqm or 18% of all employment space. This was followed by other services with 96,845sqm or 12%, transport and warehousing with 81,635sqm or 9% and wholesale trade occupying 73,275sqm or 9% of the total employment floorspace.

The precincts also contained a proportion of vacant floorspace which accounted for 38,870sqm or 5% of the combined employment floorspace. Of this, around 5,000 was being constructed or newly developed, as such the vacancy rate would be lower (to around 4%). The nature of large industrial precincts also makes it difficult to know if a large shed at the back of a lot is being used or not. For this reason, some vacant space is likely used as storage, lowering the vacancy rate further to say around 2-3%, which is in line with the 2% vacancy rate across Sydney (Australian Financial Review, Ingrid Fuary-Wagner 2019).

The detailed breakdown of floorspace by precinct and land use can be seen in Table 12.

Figure 18: Employment precinct floorspace industry composition (by proportion)



Source: HillPDA 2019 land use audit – excludes residential space

6.1.5 Permissible FSR and built FSR

The permissible floor space ratios (FSR) across Hornsby's employment precincts predominately correspond to the following categories:

(1) IN1 and IN2 industrial zoned precincts have an FSR of 1:1, (2) Business zoned precincts range from 0.5:1 to 1.5:1, (3) Working Waterfront (IN4) zoned precincts have an FSR of typically 0.5:1. There are a couple of exceptions to this, like Dural Service Centre, which is zoned IN2 - Light Industrial and has an FSR of 0.7:1 across the precinct.

Typically, the built FSR across these precincts is below that allowable with industrial zoned precincts generally having a lower built FSR than the business zones. This is a result of the business zones attracting and encouraging commercial related development.

There are two precincts that have a built FSR equal or higher than that permissible. This would imply that additional capacity in these precincts is limited with additional land or FSR required if they are to accommodate growth (Hornsby East/West and Berowra Waters). It must be noted that the built FSR in the table below is at the precinct level and is not calculated on a site by site basis. As such, sites within the precincts may have a higher or lower built FSR than that indicated below. Site cover in the DCP has not been considered.

Table 11: Permissible and built FSR – employment precincts

Precinct	Permissible FSR (X:1)	Developed land (ha)	Total floorspace (sqm)	Built FSR
Asquith	1	38.2	194,988	0.5
Berowra Waters	0.5	0.2	1,815	0.8
Brooklyn	0.5 to 1	0.6	2,955	0.5
Dural Service Centre	0.7	30.2	73,170	0.2
Hornsby East/West	1	4.4	42,427	1.0
Hornsby Heights	1	1.3	6,802	0.5
Mount Kuring-Gai	1	49.3	199,853	0.4
Pennant Hills	0.5 to 1.5	6.8	55,050	0.8
Thornleigh Industrial	1	23.2	120,960	0.5
Thornleigh enterprise corridor	0.5 to 1.5	8.6	56,678	0.7
Waitara	1	9.3	56,338	0.6
Total Hornsby LGA		172.0	811,035	0.5

Source: HillPDA Land Use Audit 2019, ELDM 2018

Table 12: Employment precinct floorspace (sqm) provision by ANZSIC 1-digit industry

Industry code ANZSIC 1-digit	Asquith	Berowra Waters	Brooklyn	Dural Service Centre	Hornsby East/West	Hornsby Heights	Mount Kuring-Gai	Pennant Hills	Thornleigh Industrial	Thornleigh enterprise corridor	Waitara	Total
Mining										200		200
Manufacturing	45,760			2,986	1,880	720	69,654		20,722	75	746	142,544
Electricity, Gas, Water and Waste Services	2,699			3,315	103		5,320		4,144		38	15,619
Construction	12,249			8,879	1,866	822	16,265	998	10,936	725	588	53,328
Wholesale Trade	21,984			14,390	270		11,912		16,076	6,248	2,393	73,274
Retail Trade	6,949		300	8,412	8,125		4,457	6,251	1,443	6,339	18,801	61,077
Accommodation and Food Services	2,598	585	765	1,623	1,281		887	11,252		5,879	3,278	28,147
Transport, Postal and Warehousing	37,047	1,230	1,000	1,625	969	1,350	29,590		4,121	250	9,518	86,701
Information Media and Telecommunications	1,485			2,804			6,159	9,152	3,462	644	188	23,894
Financial and Insurance Services	350				580						133	1063
Rental, Hiring and Real Estate Services	4,848			324	703		250	417	372	4,496	971	12,380
Professional, Scientific and Technical Services	11,034			2,852	2,730	2,330	9515	9,158	8,415	19,745	338	66,118
Administrative and Support Services	2,192			703			1,383		175			4,453
Public Administration and Safety	578				696			700	4,379		700	7,052
Education and Training	1,190		80	324	2,305		1,200	1,325	1,446	1,613	3,420	12,902
Health Care and Social Assistance	4,664		300	1,899	155		7,926	1,610	3,649	2,060	1,734	23,997
Arts and Recreation Services	3,705		110	4,388	4,343		13,347	2,073	21,944	1,954	590	52,454
Other Services	22,527			11,397	13,785	780	15,340	10,836	13,507	2,635	6,038	96,845
Vacant space	13,130			3,186	2,635	800	6,646	1,278	6,168	413	4,613	38,870
Sub-total	194,988	1,815	2,555	69,109	42,427	6,802	199,853	55,050	120,960	53,273	54,085	800,917
Residential			400	4,061						3,404	2,252	10,117
Vacant land (land area)	41,564		685	16,373	1,143		126,795	722	3,108	3,285	36	193,711
Total (floorspace sqm)	194,988	1,815	2,955	73,170	42,427	6,802	199,853	55,050	120,960	56,678	56,338	811,035

Source: HillPDA land use audit 2019

6.2 Commercial centres

In 2019, there were 31 commercial centres located within Hornsby. Combined these precincts provided around 68.4 hectares of appropriately zoned land. These land zonings and the amount of land zoned included:

- B1 - Neighbourhood Centre with 13.0 hectares or 19% of total centres land stocks
- B2 - Local Centre with 26.4 hectares or 39% of total centres land stocks
- B3 - Commercial Core with 8.9 hectares or 13% of total centres land stocks
- B4 - Mixed Use with 17.7 hectares or 26% of total centres land stocks
- RU5 - Rural Village with 2.3 hectares or 3% of total centres land stocks.

The largest centre by zoned land is Hornsby Town Centre with around 26 hectares or 38% of land stocks. The centre is currently identified as a Major Centre within the Hornsby Retail Hierarchy and is the premier retail, leisure and employment centre within Hornsby. The size and mixture of services provided extends its trade area beyond Hornsby LGA.

The second largest centre by land area is Dural Service Centre with around 7.6 hectares or 11% of total centres land stocks. This commercial centre adjoins Dural Service Centre employment precincts and has a high proportion of bulky goods/large format retail outlets and industrial/urban services. The centre also contains fast food, and other retail, medical and commercial services.

Other centres of notable size include:

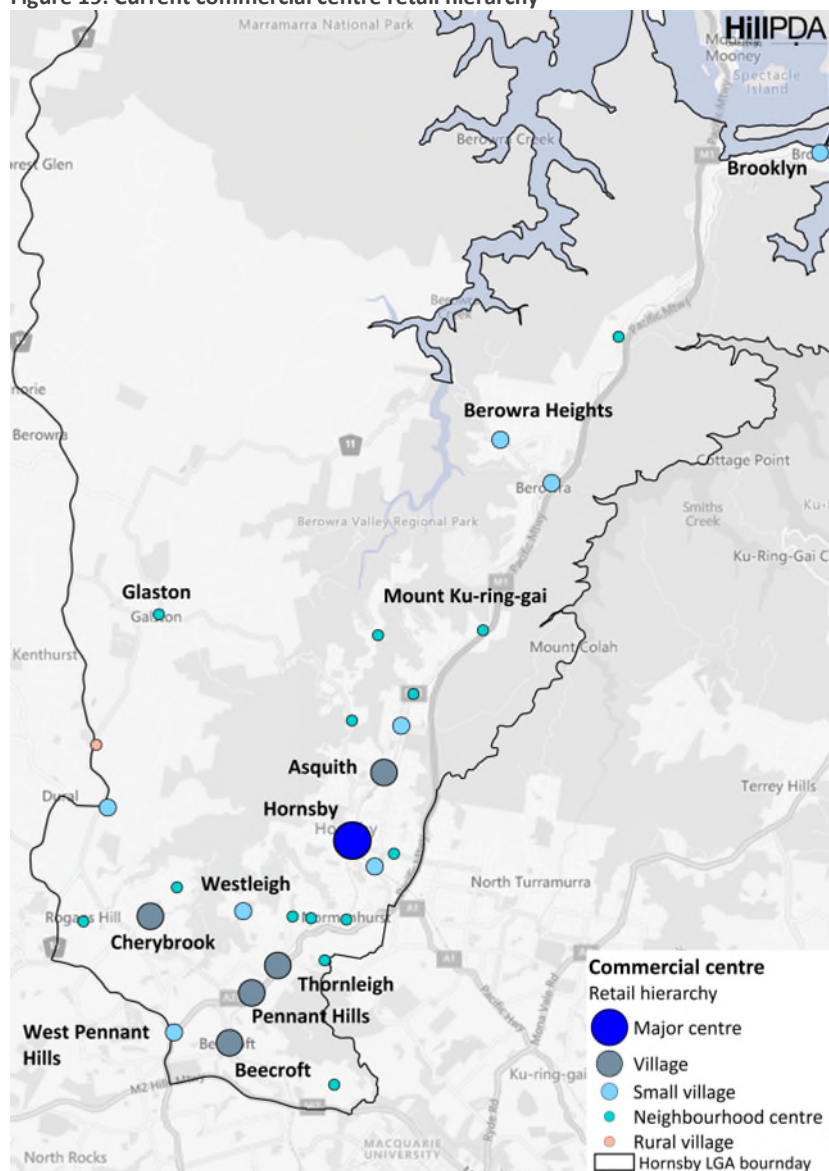
- Pennant Hills Village with 3.9 hectares or 6% of total centres land stocks
- Beecroft Village with 3.3 hectares or 5% of total centres land stocks
- Cherrybrook Village with 3.1 hectares or 5% of total centres land stocks
- Dural Rural Village with 3.0 hectares or 4% of total centres land stocks.

Table 13: Current commercial hierarchy

Centre	Classification	Zoning	Land area
Hornsby Town Centre	Major Centre	B3, B4	26.3
Cherrybrook Village	Village	B2	3.1
Asquith Village	Village	B1, B2	1.8
Beecroft Village	Village	B2	3.3
Pennant Hills Village	Village	B2	3.9
Thornleigh Village	Village	B2	1.5
Waitara Village	Small Village	B2	0.6
Westleigh Village	Small Village	B2	1.5
West Pennant Hills Village	Small Village	B2	1.6
Mount Colah Village	Small Village	B2	1.0
Berowra Village	Small Village	B2	2.2
Berowra Heights Village	Small Village	B2, R3	2.6
Brooklyn Village	Small Village	B2	0.5
Dural Service Centre	Small Village	B2	7.6
Galston Road, Galston	Neighbourhood Centre	B1	1.9
David Road, Castle Hill	Neighbourhood Centre	B1	0.6
Appletree Drive, Cherrybrook	Neighbourhood Centre	B1	0.7
Sefton Road, Thornleigh	Neighbourhood Centre	B1	0.4
Dartford Road, Thornleigh	Neighbourhood Centre	B1	0.1
Denman Parade, Normanhurst	Neighbourhood Centre	B1	0.4
Myrtle Street, Normanhurst	Neighbourhood Centre	B1	0.1
Malton Road, North Epping	Neighbourhood Centre	B1	0.4
Balmoral Street, Waitara	Neighbourhood Centre	B1	0.5
Parklands Rd, Mount Colah	Neighbourhood Centre	B1	0.7
Galston Road, Hornsby Heights	Neighbourhood Centre	B1	0.2
Somerville Rd, Hornsby Heights	Neighbourhood Centre	B1	0.4
Pacific Hwy, Mount Kuring-Gai	Neighbourhood Centre	B1	0.4
Pacific Hwy, Cowan	Neighbourhood Centre	B1	0.2
Dangar Island	Neighbourhood Centre	B1	0.1
Wisemans Ferry	Neighbourhood Centre	B1	0.8
Dural Rural Village	Rural Village	RU5	3.0
Total			68.4

Source: HillPDA, Hornsby Shire Council

Figure 19: Current commercial centre retail hierarchy



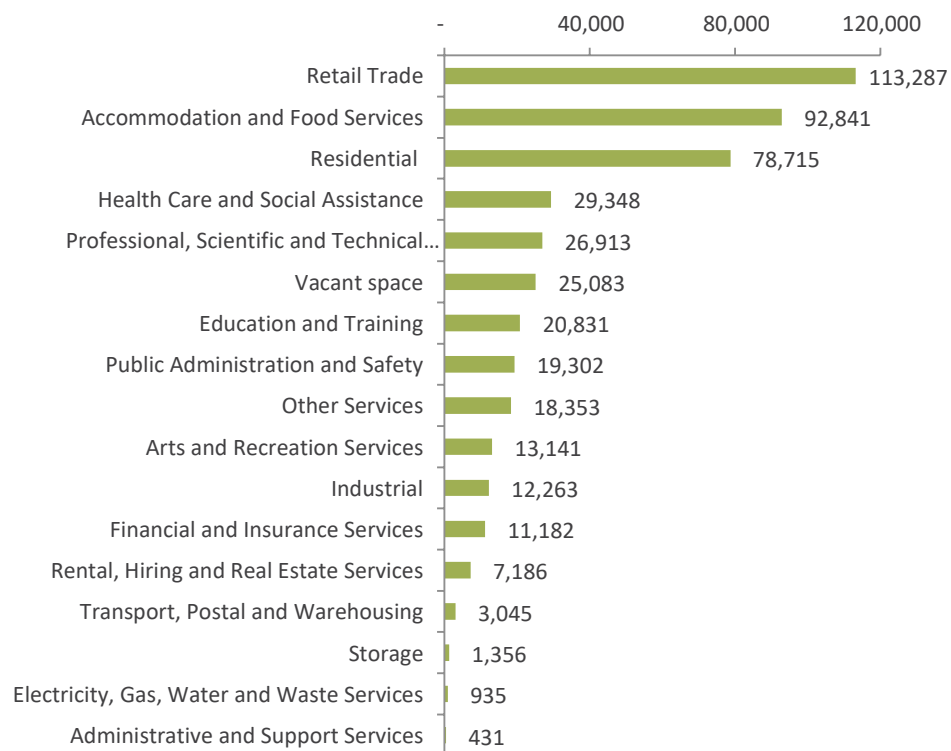
Source: HillPDA, 2019

6.2.1 Total floorspace by ANZSIC 1-digit industry

Summarising the results of the floorspace audit (refer to Appendix B audit methodology) it was found that the 31 commercial centres provide a total of around 474,210sqm of floorspace. Of this, around 369,000sqm or 78% was occupied employment space, 78,715sqm or 17% was residential related and 26,440sqm or 6% was vacant/storage.

Of the total occupied employment space, the largest portion was related to retail uses comprising 113,287sqm or 31% of the total occupied employment space. The next largest industry was accommodation and food services with around 92,840sqm or 25% and professional, scientific and technical services with around 26,915sqm or 8% of occupied employment space.

Figure 20: Commercial Centre total floorspace by ANZSIC 1-digit industry



Source: HillPDA land use audit 2019

6.2.2 Total floorspace by centre and broad land use

Combined, the 31 commercial centres contained around 219,310sqm of occupied retail floorspace. The largest amount was contained within Hornsby Town Centre with around 128,970sqm or 59% of all surveyed occupied retail space. The next top five centres were:

- Dural Service Centre with 11,585sqm or 5% of all retail space
- Cherrybrook Village with 7,782 or 5% of all retail space
- Thornleigh Village with 7,690 or 4% of all retail space
- Pennant Hills Village with 7,650 or 4% of all retail space
- Asquith Village with 6,294 or 3% of all retail space.

One component of the GSC's classification of a local centre is the inclusion of a supermarket in the size of 1,000sqm or over. The following centres contained supermarket space in this category:

- Hornsby Town Centre - 10,216sqm of supermarket space
- Thornleigh Village - 5,106sqm of supermarket space
- Cherrybrook Village - 3,832sqm of supermarket space
- Asquith Village - 3,400sqm of supermarket space
- Berowra Heights Village - 2,697sqm of supermarket space
- West Pennant Hills Village - 2,180sqm of supermarket space
- Galston Road, Galston - 1,710sqm of supermarket space
- Westleigh Village - 1,539sqm of supermarket space
- Pennant Hills Village - 1,530sqm of supermarket space
- Pacific Hwy, Mount Kuring-Gai - 1,500sqm of supermarket space
- Beecroft Village - 1,000sqm of supermarket space.

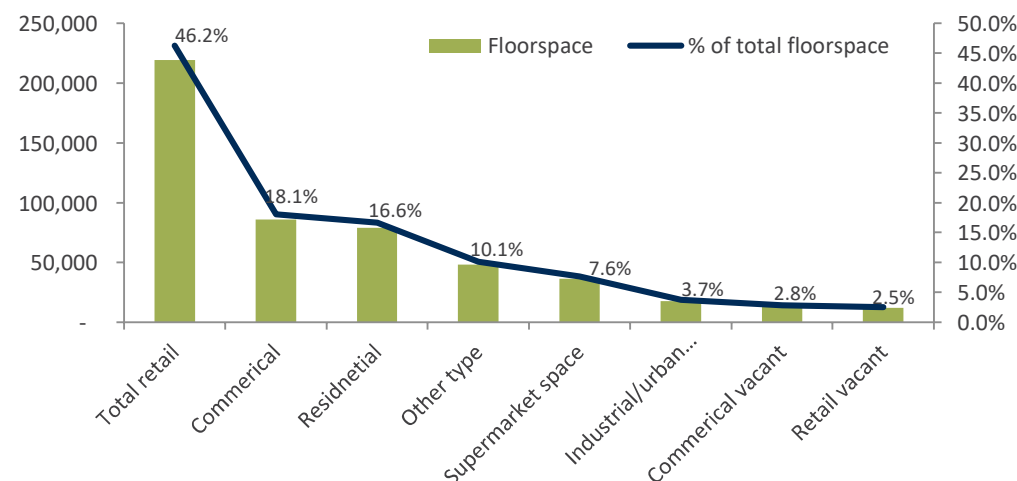
Combined, the 31 commercial centres contained around 85,724sqm of occupied commercial floorspace. The largest amount was contained within Hornsby Town Centre with around 60,390sqm or 70% of all surveyed occupied retail space. The next top five centres were:

- Dural Service Centre - 4,462sqm or 5% of all commercial space
- Pennant Hills Village - 3,879sqm or 5% of all commercial space
- Beecroft Village - 3,407sqm or 4% of all commercial space
- West Pennant Hills Village - 1,592sqm or 2% of all commercial space
- Cherrybrook Village - 1,540sqm or 2% of all commercial space
- Appletree Drive, Cherrybrook - 1,400sqm or 2% of all commercial space

It must be noted that Somerville Rd, Hornsby Heights although being zoned B1 - Neighbourhood Centre, it only contains residential space.

There was a high total vacancy rate across the centres for commercial space at around 8.5%. Commercial vacancy was higher in Hornsby Town Centre at around 9.9%. Retail vacancy, however, was lower, at 5.1% across all the centres, with the retail vacancy rate in Hornsby Town Centre being even lower (1.6%).

Figure 21: Total floorspace by broad land use category



Source: HillPDA land use audit

Table 14: Floorspace by centre and broad land use - 2019

Commercial centre	Supermarket space	Total retail**	Retail vacant	Commercial**	Non-retail vacant	Industrial/urban service	Other type***	Residential	Total
Hornsby Town Centre	10,216	128,972	2119	60,387	11,392	5,554	33,324	44,284	286,033
Dural Service Centre		11,585	706	4,462	71	8,221	5,886	0	30,931
Beecroft Village	1,000	6,254	737	3,407	270		379	13,605	24,651
Pennant Hills Village	1,530	7,650	630	3,879	170		1,064	70	13,463
Galston Road, Galston	1,710	4,185	198	953			150	7,411	12,897
Thornleigh Village	5,106*	7,690	3135	1,079		83	320		12,306
Asquith Village	3,400	6,294	605	1,060	515			3,605	12,079
Cherrybrook Village	3,832	7,782		1,540			110	0	9,432
Berowra Heights Village	2,697	5,824	1325	1,214			600	0	8,963
Waitara Village		5,415					2,293	166	7,874
West Pennant Hills Village	2,180	4,830	612	1,592	100		722		7,856
Dural Rural Village		350	467	787	233	1,818	1,054	1,395	6,105
Berowra Village		3,649	460	607	0	765	250	180	5,911
Westleigh Village	1,539	3,359		504	0	150	514		4,527
Mount Colah Village		1,440	272	420	272	644	310	567	3,925
Somerville Rd, Hornsby Heights								3,220	3,220
Brooklyn Village		1,315		75		164		1,495	3,049
Appletree Drive, Cherrybrook		1,250		1400					2,650
Balmoral Street, Waitara	320	1,956	100	226				255	2,537
Wisemans Ferry	158	1,580						580	2,160
Denman Parade, Normanhurst		999	90	351			653		2,093
Pacific Hwy, Mount Kuring-Gai	1,500	1,830		220					2,050
Sefton Road, Thornleigh	2,30	482		84			318	1,058	1,942
David Road, Castle Hill	4,00	1,420		380					1,800
Parklands Rd, Mount Colah	0	687	200	260				475	1,622
Malton Road, North Epping	215	995		290		160			1,445
Galston Road, Hornsby Heights	220	886		85	170	75			1,216
Myrtle Street, Normanhurst		180	235	140					555
Pacific Hwy, Cowan		230						264	494
Dartford Road, Thornleigh				323				0	323
Dangar Island		220						85	305
Total	36,053	219,110	11,889	85,724	13,193	17,634	47,947	78,715	474,412

Source: HillPDA land use audit 2019, *excludes ALDI in B5 zoning, **occupied space, ***includes Education and Training; Health Care and Social Assistance; Arts and Recreation Services floorspace; community; utility; storage
Total row may differ as a result of rounding

6.2.3 Possible commercial centre retail hierarchy

Based on the above findings and to better conform to the GSC commercial centre classifications the following hierarchy has been developed (Figure 22).

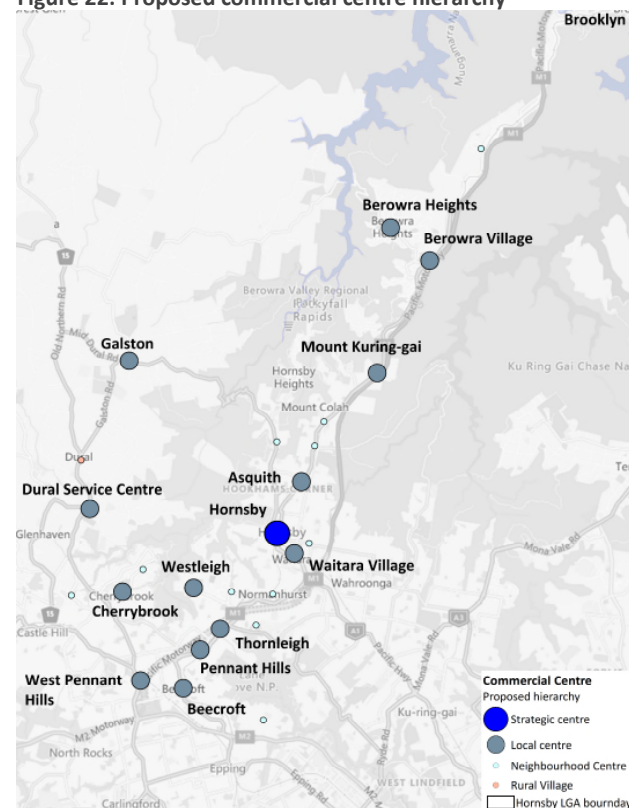
Given that Somerville Rd, Hornsby Heights contains no retail or non-retail floorspace we have excluded it from the commercial centre hierarchy. As such there are 30 commercial centres in the revised hierarchy.

- **Strategic centre** - Strategic centres are the highest order centre in Hornsby, comprising a mix of retail, commercial, administrative and community facilities. These centres are large employment/economic generators with wide catchments
- **Local centre** – Local centres provide essential access to day to day goods and services close to where people live. They typically are located in proximity to public transport and transport interchanges increasing their access to for the surrounding community. Local centres provide a mix of retail, commercial and community space with retail space typically being anchored by one or two supermarkets equivalent to 1,000sqm or over
- **Village** – Village centres provide retail, community facilities and other population supportive services to meet the day-to-day shopping needs of the surrounding population and workforce. Typically, these centres may contain a small supermarket (less than 1,000sqm) and serve a local catchment. Villages can be comparable in size to local centre, however, typically provide over 2,500sqm of retail floorspace, are not located in close proximity to public infrastructure and do not contain a large supermarket (1,000sqm or over)
- **Small Village** – Small Village centres provide retail, community facilities and other population supportive services to meet the day-to-day shopping needs of the surrounding population and workforce. Typically, these centres provide between 1,000 and 2,500sqm of retail floorspace and may contain a small supermarket (less than 1,000sqm) and serve a local walking catchment
- **Neighbourhood centre** – neighbourhood centres provide retail, community facilities and other population supportive services to meet the day-to-day

shopping needs of the surrounding population and workforce. Typically, these centres provide under 1,000sqm of retail floorspace, may contain a small neighbourhood supermarket (less than 1,000sqm) and serve a local residential catchment within a five to ten-minute walking radius

- Rural Village** – Rural villages provide retail, commercial and employment opportunities for their local community. They typically provide under 2,000sqm of retail space, may contain a small neighbourhood supermarket (under 1,000sqm) and are zoned RU5 –Village.

Figure 22: Proposed commercial centre hierarchy



Source: HillPDA

6.3 Special use precincts

As of 2019, there are five special use precincts within Hornsby. Combined these precincts provided around 32.6 hectares of zoned land. Of this land, around 28 hectares or 86% was developed while the remaining 4.5 hectares or 14% were undeveloped. The majority of this undeveloped land (76%) was located within the Wisemans Ferry Tourist precinct.

Table 15: Special use precincts zoning and land area (ha)

Precinct	Zoning	Undeveloped Land (ha)	Developed Land (ha)	Total land area (ha)
Brooklyn Marina	SP3 - Tourist	1.1	3.4	4.5
Galston Community Health Centre	SP2 - Infrastructure	0.0	0.2	0.2
Hornsby Hospital	SP2 - Infrastructure	0.0	8.5	8.5
Mt Wilga Hospital	SP2 - Infrastructure	0.0	2.7	2.7
Wisemans Ferry Tourist Zone	SP3 - Tourist	3.4	13.4	16.8
Total		4.5	28.2	32.6

Source: HillPDA land use audit 2019

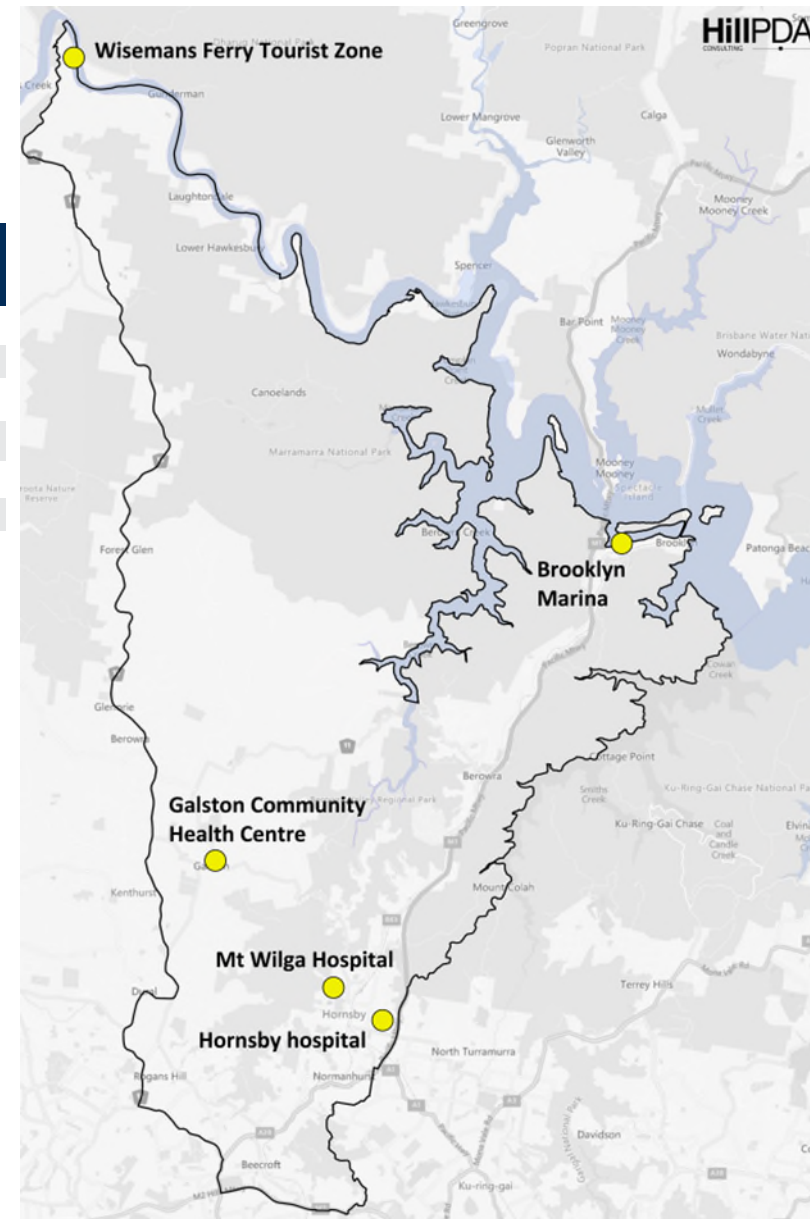
There are two types of special use precincts. Firstly, those which provide land for community and health related uses and are generally zoned SP2 – infrastructure. There are three precincts in this category, these being:

1. Galston Community Health Centre
2. Hornsby Hospital
3. Mt Wilga Hospital.

The second type of special use zone is those which provide land zoned for tourist/recreation uses. There are two precincts in this category, these being:

1. Brooklyn Marina
2. Wisemans Ferry Tourist Zone.

Figure 23: Special use precincts



Source: HillPDA

6.3.1 Special use precincts floorspace provision

As of 2019, Hornsby contained five special use precincts. Combined, the precincts provided a total of around 93,132sqm of floorspace. Of this total, around 84,120sqm or 94% was employment related floorspace while the remaining 7,010sqm or 8% was residential related.

The largest precinct was Hornsby Hospital which provided an estimated 58,830sqm of employment floorspace. The majority of this space (99%) was related to the hospital, which is likely to also contain some retail space (small café/gift shop).

The second largest precinct, by floorspace provision, was Mt Wilga Hospital, which provided a total of 17,700sqm of employment space. The majority of this was also related to the hospital.

The third largest precinct was Brooklyn Marina, which provides around 5,050sqm of employment space. The majority of this was related to accommodation space followed by marina uses.

Table 16: Special use precinct floorspace (sqm) provision by ANZSIC 1-digit industry

ANZSIC 1-digit	Galston Community Health Centre	Brooklyn Marina	Wisemans Ferry Tourist Zone	Hornsby Hospital	Mt Wilga Hospital
Electricity, Gas, Water & Waste Serv.			100		
Retail Trade		776			200
Accommodation and Food Services		2,210	1,338		
Transport, Postal and Warehousing		2,061			
Public Administration and Safety			503		
Education and Training				460	
Health Care and Social Assistance	600			58,372	17,500
Sub-total	600	5,047	1,941	58,832	17,700
Residential		3,680	2,117	1,215	
Vacant land (sqm)		10,769	33,836		
Total	600	8,727	4,058	60,047	17,700

Source: HillPDA land use audit 2019

EMPLOYMENT PRECINCT FLOORSPACE DEMAND

7.0 EMPLOYMENT PRECINCT FLOORSPACE DEMAND

The following Chapter projects the amount of additional industrial and urban support space to be accommodated within Hornsby's employment precincts. This growth in demand is required to support the surrounding resident, worker and visitor community.

7.1 Employment precinct floorspace projections

The methodology for projecting the demand for employment precincts is as follows:

1. Analyse State Government employment projections at the LGA level
2. Identify the net growth/decline in employment at the ANZSIC 1-Digit industry level between 2016 and 2036 and at the LGA level over the next five years
3. Estimate the amount of employment directed towards employment precincts for each industry, based on the industry type, land zonings, land use audit and market trends. This is achieved by applying a distribution proportion to the net growth/decline in employment at the industry level. For example, 100% of manufacturing would be expected to be directed towards employment precincts, while 10-15% of retail would be directed to the employment precincts
4. Translate net growth in employment directed towards employment precincts to floorspace by applying industry standard employment densities (the amount of floorspace required per worker) to the net growth/decline by industry type
5. Allocate the growth/decline in employment space to each employment precincts at the individual level based on their current market share – for example, an employment precinct with a higher market share of manufacturing space would be allocated a greater market share of the net growth/decline in manufacturing space.

7.1.1 Employment projections analysis

The TPA's 2016 employment projections has been used as the base case data to project the demand for employment precincts in the LGA. These projections were explored in section 5.2.10. At the time of this study, these were the most recent State Government employment projections.

Table 17 provides a summary of the total and net growth in employment. Overall, employment within Hornsby is forecast to increase from 2019 to 2036 by around 13,815 jobs or 23% over the period, reaching a total of just over 74,000 jobs.

Table 17: Hornsby LGA employment projections

Industry	TPA		Net change 2019-36
	2019	2036	
Agriculture, Forestry and Fishing	365	334	-31
Mining	24	23	-1
Manufacturing	3,815	3,498	-317
Electricity, Gas, Water & Waste Services	353	456	103
Construction	4,966	6,242	1,276
Wholesale Trade	2,105	2,024	-80
Retail Trade	7,992	9,332	1,340
Accommodation and Food Services	4,431	5,549	1,118
Transport, Postal and Warehousing	2,256	1,844	-412
Information Media and Telecom.	541	541	1
Financial and Insurance Services	1,545	1,902	358
Rental, Hiring and Real Estate Services	1,023	1,261	237
Professional, Scientific & Technical Services	5,313	7,257	1,944
Administrative and Support Services	1,684	1,956	272
Public Administration and Safety	2,033	2,795	762
Education and Training	7,851	10,790	2,938
Health Care and Social Assistance	9,978	13,626	3,648
Arts and Recreation Services	895	1,082	187
Other Services	3,049	3,522	473
Total	60,217	74,033	13,815

Source: TPA, 2019 adjusted by HillPDA

Employment projections consider the potential job generation across the LGA. Employment is not necessarily confined to land zoned for industrial or business purposes. It also includes jobs generated through other land uses including rural industries, home based businesses and special purpose areas such as hospitals and tourism precincts.

As seen in Table 17, the TPA forecasts a decline of around 730 jobs in manufacturing and transport/warehousing employment over the next 17 years. This is a trend that has historically occurred within Hornsby and is likely to continue into the near future.

It is important to note that as identified in Chapter 4.0, the nature, processes and business models within the manufacturing, distribution, transport and warehousing industries are changing rapidly with companies exploring increased automation.

This transformation is likely to result in reduced jobs required to maintain operations. This does not necessarily translate, however, into a correlating decrease in the demand for floorspace and land required for operations. As such, it is prudent to plan and account for the future needs of these industries. For this reason, three development scenarios have been developed to reflect transitioning space requirements associated with increased automation. While the employment densities may decrease, the space required to sustain economic output would be maintained. The three development scenarios apply differing employment densities, that is, the amount of floorspace required for each employee to accommodate the trend. The development scenarios are outlined in section 7.1.3.

As identified in the Greater Sydney Commission's thought leadership paper, *A Metropolis that Works*, the economic contribution and productivity of employment precincts is just as important as employment generation. While some industries may be reducing in terms of employment generation, the economic productivity of these industries is important in sustaining a diverse local economy.

7.1.2 Employment directed towards employment centres

To estimate the amount of employment directed towards employment precincts, distribution is calculated based on the type of industry, type of floorspace present and industry benchmarks. The table below provides a summary of the estimated employment directed to employment precincts by industry type.

Please note, we have assumed that 60% of professional, scientific and technical service that has been assumed to be contained in employment precincts, would be directed towards Pennant Hills and Thornleigh Enterprise Corridor.

Table 18: Job growth distribution for employment precincts

Industry	Employment precincts
Agriculture, Forestry and Fishing	0
Mining	0
Manufacturing	-317
Electricity, Gas, Water and Waste Ser.	93
Construction	766
Wholesale Trade	-56
Retail Trade	201
Accommodation and Food Services	56
Transport, Postal and Warehousing	-412
Information Media & Telecom	0.0
Financial and Insurance Services	18
Rental, Hiring and Real Estate Services	71
Professional, Scientific & Technical Services	486
Administrative and Support Services	41
Public Administration and Safety	38
Education and Training	147
Health Care and Social Assistance	182
Arts and Recreation Services	19
Other Services	189
Total	1,522

Source: HillPDA

7.1.3 Employment projections to floorspace

Employment is translated into floorspace needs by applying industry standard employment densities (amount of floorspace required per worker) to the proportion of employment directed towards Hornsby's employment precincts.

To properly plan for the changing business models and increased automation within the manufacturing and transport/warehousing industries, three development scenarios have been undertaken. These scenarios apply differing employment densities to these industries. Scenarios include:

1. **Scenario 1 - Base case** | applies the average employment densities to projected growth/decline in employment by ANZSIC 1-digit industry categories as forecasted by the TPA
2. **Scenario 2 – TPA 20%** | uses the TPA projections as a base, however, applies a 20% increase to the average amount of space required per employee to the industries of manufacturing and transport, postal and warehousing, over the next 17 years
3. **Scenario 3 – TPA 40%** | uses the TPA projections as a base, however, applies a 40% increase to the average amount of space required per employee to the industries of manufacturing and transport, postal and warehousing, over the next 17 years.

The resulting floorspace requirements under scenario's 2 and 3 account for an increasingly automated "workforce" with a reduced need for overall employment but an increasing demand for space and land.

The table to the right provides a summary of the net growth/decline in floorspace demand by industry for each scenario.

Table 19: Total net growth in occupied floorspace demand by industry

Industry	Base case	TPA 20%	TPA 40%
Manufacturing	-22,184	30,285	75,757
Electricity, Gas, Water and Waste Ser.	6,515	6,515	6515
Construction	30,630	30,630	30630
Wholesale Trade	-3,929	-3,929	-3929
Retail Trade	10,047	10,047	10,047
Accommodation and Food Services	1,677	1,677	1677
Transport, Postal and Warehousing	-61,813	-6,507	48,799
Information Media & Telecom	1	1	1
Financial and Insurance Services	626	626	626
Rental, Hiring and Real Estate Services	5,695	5,695	5,695
Professional, Scientific & Technical Ser.	17,009	17,009	17,009
Administrative and Support Services	1,430	1,430	1,430
Public Administration and Safety	1,333	1,333	1,333
Education and Training	8,814	8,814	8,814
Health Care and Social Assistance	10,944	10,944	10,944
Arts and Recreation Services	1,120	1,120	1,120
Other Services	12,295	12,295	12,295
Sub-total	20,209	127,983	228,762
Total growth*	-18,661	89,114	189,893

Source: HillPDA*accounts for vacant floorspace being occupied

Currently, there is around 38,870sqm of vacant employment space spread across the 11 employment precincts. Accounting for vacant space being occupied the forecast demand ranges from a no increase in demand to an additional 89,115sqm to 189,900sqm being required.

Under the scenario 1 base case, there is a slight uptake in the current amount of vacant floorspace with no net additional floorspace required to accommodate the projected increase in employment. Floorspace would instead be redistributed across the industries as business move in and out of precincts.

7.1.4 Floorspace demand by precinct

Total floorspace demand is translated into demand at the precinct level based on the precinct's unique land use mixture, which was observed from the land use audit.

It is assumed that vacant floorspace is occupied before any new development occurs. It is, however, prudent to account and plan for some vacant floorspace.

With this in mind, and based on current vacancy rates, a conservative target vacancy rate across the 11 employment precincts of around 2.5% for the TPA 20% and 40% has been adopted. This vacancy rate is based on the size of each employment precinct and therefore the total increase in demand may differ from that in Table 20.

Given that the base case is only a slight increase in overall floorspace and remains below the current available space, any net growth would only reduce the amount of vacant space across the employment precincts. This would potentially inflate rents and land values as a pipeline of appropriate supply would not be available.

Accounting for vacant floorspace across the precincts, additional demand would range from no additional growth required (Base case) to an additional 112,100sqm required under the TPA 20% scenario and around an additional 214,665sqm required under the TPA 40% scenario.

It should be noted, that even under the Base case scenario, which is predicting no net additional growth in floorspace, some individual industries are forecast to decline. The associated decline in floorspace may be disproportionately distributed across the employment precincts depending on the types of industries that are most prevalent. For example, manufacturing is forecast to decline, which more astutely effects Mount Kuring-Gai as it contains the largest amount of this type of space.

Applying this methodology, the change in floorspace demand for each employment precinct is outlined in Table 20.

The capacity assessment in section 9.1 assesses each precinct's ability to accommodate the projected demand or if additional land is required.



Table 20: Floorspace demand by employment precincts and scenario

Precinct	Current space [A]	Demand [B]			Vacant space* [C]			Net change 2019-2036 ([B+C] – [A])		
		Base case	TPA 20%	TPA 40%	Base case	TPA 20%	TPA 40%	Base case	TPA 20%	TPA 40%
Asquith	194,988	166,770	212,422	248,297	6,303	5,537	6,207	-21,915	22,972	59,516
Bay Rd, Berowra Waters	1,815	1,021	1,779	2,380	0	44	60	-794	9	625
Brooklyn	2,555	2,157	2,692	3,218	0	68	80	-398	205	744
Dural Service Centre	69,109	74,761	76,451	79,744	1,530	1,930	1,994	7,181	9,273	12,629
Hornsby East/West	42,427	45,951	47,441	49,592	1,265	1,204	1,240	4,789	6,218	8,404
Hornsby Heights	6,802	5,728	7,427	8,530	384	189	213	-690	814	1,942
Mount Ku-ring-gai	199,853	181,533	221,290	259,299	3,191	5,858	6,482	-15,129	27,295	65,928
Pennant Hills	55,050	63,437	62,593	63,571	614	1,574	1,589	9,001	9,117	10,111
Thornleigh industrial	120,960	122,809	133,208	143,590	2,961	3,435	3,590	4,810	15,682	26,219
Thornleigh enterprise corridor	53,273	67,341	65,396	66,709	198	1,647	1,668	14,266	13,770	15,104
Waitara	54,085	50,750	59,332	65,880	2,215	1,499	1,647	-1,120	6,746	13,442
Total	800,917	782,257	890,031	990,810	18,660	22,985	24,770	0	112,099	214,663

Source: HillPDA, *target vacancy rate of 2.5% (Scenario 2 and 3), excludes residential space

COMMERCIAL CENTRE FLOORSPACE DEMAND

8.0 COMMERCIAL CENTRE FLOORSPACE DEMAND

The following Chapter projects the demand for employment space within each of the 30 identified commercial centres. The floorspace demand is derived from two different sources.

- 1. Non-retail floorspace demand** | this is demand from non-industrial and non-retail floorspace and is based on TPA employment benchmarks using a similar approach used for employment precincts. Industrial related floorspace should be prioritised and accommodated within Hornsby's employment precincts. There is a tourism strategy being developed, as such, this also excludes accommodation
- 2. Retail demand** | this is the demand in retail floorspace and is primarily based on resident population and expenditure growth.

Combined these two floorspace drivers are combined and proportioned on an individual centre level.

8.1 Non-retail floorspace demand (centres)

8.1.1 Non-retail demand methodology

To estimate the growth in non-retail floorspace demand within each commercial centre the following steps were undertaken.

1. Assessed TPA employment projections by ANZSIC 1-digit codes for Hornsby
2. Identified the net growth/decline in employment at the ANZSIC 1-Digit industry level between 2016 and 2036
3. Estimated the proportion of employment directed towards commercial centres based on the industry type, land zonings, land use audit and accounted for the proportion directed to employment precincts
4. Translated net growth in employment directed towards the commercial centres to floorspace by applying industry standard employment densities (the amount of floorspace required per worker) to the net growth/decline by industry type
5. Allocated the growth/decline in employment space to commercial centres at the individual level based on their current floorspace composition.

8.1.2 Employment projection centre distribution

It is estimated that Hornsby would provide around 74,035 jobs in 2036, representing an increase of around 13,815 jobs over the period. Based on the type of industry and their propensity to be accommodated within commercial centres, it is estimated that around 4,580 of the net growth in employment will be accommodated within Hornsby's commercial centres. The remaining proportions would be captured in the retail demand assessment or would filter into health and education precincts, rural industries or home-based businesses.

Table 21: Employment projections and amount directed towards commercial centres

Industry	2019*	2036	Change	Centre job capture
Agriculture, Forestry and Fishing	365	334	-31	
Mining	24	23	-1	
Manufacturing	3,815	3,498	-317	
Electricity, Gas, Water and Waste Ser.	353	456	103	
Construction	4,966	6,242	1,276	511
Wholesale Trade	2,105	2,024	-80	
Retail Trade	7,992	9,332	1,340	
Accommodation and Food Services	4,431	5,549	1,118	112
Transport, Postal and Warehousing	2,256	1,844	-412	
Information Media and Telecomm	541	541	1	1
Financial and Insurance Services	1,545	1,902	358	322
Rental, Hiring and Real Estate Services	1,023	1,261	237	154
Professional, Scientific & Technical Ser.	5,313	7,257	1,944	1,361
Administrative and Support Services	1,684	1,956	272	218
Public Administration and Safety	2,033	2,795	762	685
Education and Training	7,851	10,790	2,938	441
Health Care and Social Assistance	9,978	13,626	3,648	730
Arts and Recreation Services	895	1,082	187	159
Other Services	3,049	3,522	473	
Total	60,217	74,033	13,815	4,580

Source: TPA 2016 employment projections, HillPDA, * HillPDA adjusted from TPA projections – excluding accommodation

8.1.3 Non-retail floorspace demand by industry

Employment is translated into floorspace needs by applying industry standard employment densities (amount of floorspace required per worker) to the proportion of employment directed towards Hornsby's employment precincts.

Using this methodology an additional 89,600sqm of additional non-retail employment space would be required to accommodate the projected growth in employment. Accounting for vacant space already present within the centres (around 13,195sqm) the total net demand would be around 76,395sqm. The table below provides a summary of the net non-retail floorspace demand by industry.

Table 22: Non-retail floorspace demand – commercial centres

Industry	Floorspace
Construction	5,105
Information Media and Telecommunications	11
Financial and Insurance Services	6,438
Rental, Hiring and Real Estate Services	3,085
Professional, Scientific and Technical Services	27,214
Administrative and Support Services	4,360
Public Administration and Safety	13,709
Education and Training	8,814
Health Care and Social Assistance	18,240
Arts and Recreation Services	2,613
Sub-total	89,588
Total (accounting for vacant space)	76,395

Source: HillPDA

Non-retail floorspace demand by centre

Total non-retail floorspace demand is translated into demand at the precinct level based on the precinct's unique land use mixture, which was observed in the land use audit.

Most of the forecast demand is projected to be directed towards Hornsby Town Centre (54,900sqm or 72%) while Beecroft Village and Pennant Hills Village are also expected to experience growth (5% and 4% of total net increase, respectively).

The smaller centres are forecast to have a large increase in non-retail demand, however, spread out over the number centres this equates to around 420sqm or 4 small business or office premises.

For the purpose of this assessment, current floorspace supply for non-retail space includes the ANZSIC 1-digit codes identified in Table 22 and vacant floorspace from the audit (predominately above ground space). Vacant space above ground floor is also included.

Table 23: Non-retail floorspace demand by centre

Centre	Current floorspace	Total demand 2026	Total demand 2036	Total net growth 19-36
Hornsby Town Centre	103,954	126,560	158,853	54,899
Cherrybrook Village	1,650	2,000	2,501	851
Asquith Village	1,575	1,852	2,248	673
Beecroft Village	4,056	5,549	7,681	3,625
Pennant Hills Village	5,113	6,414	8,273	3,160
Thornleigh Village	1,399	1,691	2,107	708
Westleigh Village	1,018	1,546	2,300	1,282
West Pennant Hills Village	2,414	2,884	3,555	1,141
Berowra Heights Village	1,814	2,147	2,622	808
Galston Road, Galston	1,104	1,587	2,278	1,174
Pacific Hwy, Mount Kuring-Gai	220	266	332	112
Smaller centres**	17,211	20,489	25,172	7,961
Total	141,528	172,985	217,923	76,395

Source: HillPDA, excludes centres with no non-retail space, **Villages, small village, neighbourhood and rural villages

8.2 Retail demand modelling

The methodology for forecasting demand for retail space by centre was resident and worker expenditure modelling. At a high level, the steps in the methodology include:

1. Defining small geographical areas. In this case, Population id and Transport for NSW small area boundaries and travel zones were used as this is the smallest area that the latest population forecasts for Hornsby and surrounding LGAs could be attained
2. Deriving expenditure data from MDS Marketinfo 2017 and forecasting expenditure generated by residents by small geographical area to 2026 and 2036
3. Applying varying capture rates for each small geographical area to the strategic and local centres in relation to food expenditure (including food and groceries, liquor, fast-food and meals on premises) and non-food expenditure
4. Making an allowance for expenditure derived from workers in the centres
5. Dividing total estimated retail sales by industry benchmark turnover rates (which varies by centre size and by retail store type) to derive overall floorspace required.

For a more detailed depiction of the above steps please refer to Appendix A.

8.2.1 Retail floorspace demand

Applying the above methodology, it is estimated that overall Hornsby is in relative equilibrium with demand. However, over the next 17 years around an additional 91,000 of occupied retail floorspace should be planned for across Hornsby.

Of this, almost 60% or 53,740sqm is forecast to be accommodated within Hornsby Town Centre, while Cherrybrook Village accounts for around 16% or 14,200sqm of the forecast net growth in floorspace demand.

The modelling suggests that Hornsby's combined village, small village, neighbourhood and rural village centres are currently oversupplied with floorspace. This oversupply is forecast to significantly reduce over time to almost equilibrium by 2036.

This, however, does not suggest that these centres will witness a significant decrease in demand and corresponding vacancies, rather they are fulfilling their role in providing for the local needs of their catchments with no major expansions in the foreseeable future.

With this being said, a more detailed village/neighbourhood study would be recommended to ascertain how the centres are performing, which are underperforming and specific initiatives to improve their economic viability/performance.

Existing vacancies could assist absorbing some of this growth, but a lot depends on the location – whether it is appropriate in terms of commercial viability.

Table 24: Retail floorspace demand 2019-2036

	Supply in 2019	Demand in 2019	Additional Demand in 2026*	Additional Demand in 2036*
Hornsby Town Centre	131,090	129,137	24,708	53,739
Cherrybrook Village	7,782	17,577	11,083	14,204
Asquith Village	6,899	8,424	5,629	7,490
Beecroft Village	6,991	6,104	614	1,649
Pennant Hills Village	8,279	7,594	221	2,330
Thornleigh Village	10,825	12,202	4,009	5,657
Westleigh Village	3,359	3,314	182	593
West Pennant Hills Village	5,442	5,342	926	1,819
Berowra Heights Village	7,149	9,099	2,560	3,664
Galston	4,384	4,032	206	936
Mount Kuring-Gai	1,830	2,901	1,745	2,217
Other centres**	37,172	25,030	-7,347 (oversupply)	-2,667 (oversupply)
Total	231,200	230,756	44,537	91,629

* Assumes an increase in target RTDs at 0.4% per annum

**combined villages, small villages, neighbourhood and rural village

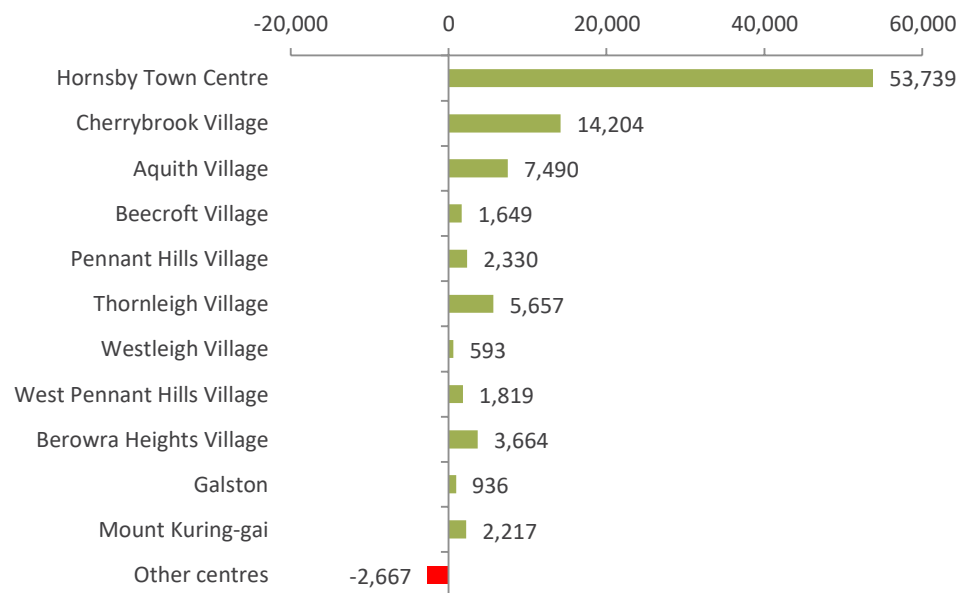
Please note that the above forecast assumes the following:

- No significant changes in the retail hierarchy and no new centres being developed
- Average real spend per capita varying from 0% for department stores to 1% per annum in FGL categories
- Target RTDs increasing at a rate of 0.4% per annum
- Population increases as forecasted above
- No shifts or changes in the capture rates of existing centres.

Additionally, any change in the retail hierarchy, such as the addition of a new centre, would redirect some of the demand from these centres to the new centre, therefore reducing the demand by centre identified above. For instance, if a new centre was created at

Cherrybrook Metro Station, this would redistribute demand from the other nearby centres and vice-versa if a centre was proposed to be re-oriented. Figure 24 below illustrates the net growth/decline in retail floorspace to 2036.

Figure 24: Total net growth in retail floorspace demand 2019-2036



8.3 Total floorspace demand retail and non-retail space

The table below combines the demand for non-retail and retail floorspace for each centre. This demand is further divided into food-retail, non-food retail and non-retail demand.

To note, while the floorspace has been attributed to certain centres for the purpose of this study, dependent on the distribution of residential growth, land owner expectations, infrastructure availability, feasibility and the provision of new centres, the distribution of actual floorspace would vary.

Similar to the employment precincts, it is prudent to account and plan for some vacant floorspace. This allows new entrants into the centre and existing tenants to move around as they grow or reposition to an alternative location within the centre.

The previous demand modelling identified a net demand growth of around 168,024sqm of occupied employment space across the 30 commercial centres. Allowing for some vacant space within the centres, total net demand over the next 17 years increases to around 195,060sqm.

Hornsby Town Centre

Owing to its status in the hierarchy and type of services present, most of the projected growth is forecast to be accommodated within Hornsby Town Centre. Over the next 17 years, the centre is projected to increase by around 125,820sqm to around 360,865sqm. Of this net increase, around 108,638sqm is occupied employment space while around 17,185sqm is vacant space, allowing new tenants and existing ones to freely relocate within the centre.

Of the total net increase in occupied space, around:

- 21,960sqm is food retail related
- 31,780sqm is non-food retail related
- 54,900sqm being non-retail employment space.

Cherrybrook Village

Over the next 17 years, Cherrybrook Village is forecast to increase by around 16,280sqm to around 25,710sqm.

This significant increase indicates that the shopping centre is trading very strongly justifying an over doubling in size. If expansion is not possible or feasible this could also indicate that there is room for the development of a new centre within the hierarchy, within an area of high population growth and good connectivity.

Of the net increase in floorspace around 15,055sqm is occupied employment space while 1,225sqm is vacant.

Of the total net increase in occupied space, around:

- 8,895sqm is food retail related
- 5,310sqm is non-food retail related
- 850sqm being non-retail employment space.

Asquith Village

Over the next 17 years, Asquith Village is forecast to increase by around 9,000sqm to around 17,470sqm.

Of the net increase in floorspace around 8,165sqm is occupied employment space while 830sqm is vacant.

Of the total net increase in occupied space, around:

- 4,110sqm is food retail related
- 3,375sqm is non-food retail related
- 670sqm being non-retail employment space.

Beecroft Village

Over the next 17 years, Beecroft Village is forecast to increase by around 6,090sqm to around 17,140sqm.

Of the net increase in floorspace around 5,275sqm is occupied employment space while 815sqm is vacant.

Of the total net increase in occupied space, around:

- 2,115sqm is food retail related
- Non-food retail related space is forecast to decrease by around 465sqm
- 3,625sqm being non-retail employment space.

Pennant Hills Village

Over the next 17 years, Pennant Hills Village is forecast to increase by around 6,435sqm to around 19,825sqm.

Of the net increase in floorspace around 5,490sqm is occupied employment space while 944sqm is vacant.

Of the total net increase in occupied space, around:

- 2,570sqm is food retail related
- Non-food retail related space is forecast to decrease by around 240sqm
- 3,260sqm being non-retail employment space.

Thornleigh Village

Over the next 17 years, Thornleigh Village is forecast to increase by around 7,295sqm to around 19,520sqm.

Of the net increase in floorspace around 6,365sqm is occupied employment space while 930sqm is vacant.

Of the total net increase in occupied space, around:

- 1,525sqm is food retail related
- 4,132sqm is non-food retail related
- 710sqm being non-retail employment space.

Westleigh Village

Over the next 17 years, Westleigh Village is forecast to increase by around 2,190sqm to around 6,565sqm.

Of the net increase in floorspace around 1,875sqm is occupied employment space while 315sqm is vacant. Of the total net increase in occupied space, around:

Of the total net increase in occupied space, around:

- 122sqm is food retail related
- 470sqm is non-food retail related
- 1,282sqm being non-retail employment space.

West Pennant Hills Village

Over the next 17 years, West Pennant Hills Village is forecast to increase by around 3,500sqm to around 11,357sqm.

Of the net increase in floorspace, around 2,960sqm is occupied employment space while 540sqm is vacant.

Of the total net increase in occupied space, around:

- 360sqm is food retail related
- 1,460sqm is non-food retail related
- 1,140sqm being non-retail employment space.

Berowra Heights Village

Over the next 17 years, Berowra Heights Village is forecast to increase by around 5,145sqm to around 14,100sqm.

Of the net increase in floorspace, around 4,470sqm is occupied employment space while 670sqm is vacant.

Of the total net increase in occupied space, around:

- 1,300sqm is food retail related
- 2,365sqm is non-food retail related
- 800sqm being non-retail employment space.

Galston

Over the next 17 years, Galston is forecast to increase by around 2,490sqm to around 7,980sqm. Of the net increase in floorspace, around 2,110sqm is occupied employment space while 380sqm is vacant.

Of the total net increase in occupied space, around:

- 475sqm is food retail related
- 460sqm is non-food retail related
- 1,175sqm being non-retail employment space.

Mount Kuring-Gai

Over the next 17 years, Mount Kuring-Gai is forecast to increase by around 2,550sqm to around 4,600sqm.

Of the net increase in floorspace around 2,550sqm is occupied employment space while 220sqm is vacant.

Of the total net increase in occupied space, around:

- 960sqm is food retail related
- 1,260sqm is non-food retail related
- 330sqm being non-employment space.

Remaining centres

Over the next 17 years, the combined remaining are forecast to increase by around 8,885sqm to around 62,660sqm.

Of the net increase in floorspace around 5,075sqm is occupied employment space while 2,985sqm is vacant.

Of the total net increase in occupied space, around:

- 460sqm is food retail related
- Non-food retail related space is forecast to decrease by around 3,125sqm
- 7,740sqm being non-employment space.

It is recommended that a more detailed study be undertaken on the smaller centres to understand how they are trading, where this demand is forecast to grow or decline and what could be done to enhance their economic viability.

Table 25: Total commercial centre floorspace demand by broad category

Centre	Current floorspace				Floorspace demand 2036				Net change				Total demand with vacancy	Total net growth
	Food retail*	Non-food retail*	Non-retail*	Total	Food retail	Non-food retail	Non-retail	Total	Food retail	Non-food retail	Non-retail	Total		
Hornsby Town Centre	35,310	95,780	103,954	235,044	57,268	127,561	158,853	343,682	21,958	31,781	54,899	108,638	360,866	125,822
Cherrybrook Village	5,642	2,140	1,650	9,432	14,536	7,450	2,501	24,487	8,894	5,310	851	15,055	25,711	16,279
Asquith Village	5,366	1,533	1,575	8,474	9,479	4,910	2,248	16,637	4,113	3,376	673	8,163	17,468	8,994
Beecroft Village	3,526	3,465	4,056	11,047	5,640	2,999	7,681	16,321	2,115	-466	3,625	5,274	17,137	6,090
Pennant Hills Village	4,380	3,899	5,113	13,392	6,948	3,661	8,273	18,881	2,568	-238	3,160	5,490	19,826	6,434
Thornleigh Village	9,293	1,532	1,399	12,224	10,818	5,663	2,107	18,588	1,525	4,132	708	6,365	19,518	7,294
Westleigh Village	2,457	902	1,018	4,377	2,579	1,373	2,300	6,252	122	471	1,282	1,875	6,565	2,188
West Pennant Hills Village	4,404	1,038	2,414	7,856	4,766	2,495	3,555	10,816	361	1,458	1,141	2,960	11,357	3,501
Berowra Heights Village	5,752	1,397	1,814	8,963	7,053	3,759	2,622	13,435	1,301	2,363	808	4,472	14,106	5,143
Galston	2,973	1,411	1,104	5,488	3,450	1,869	2,278	7,598	477	459	1,174	2,110	7,978	2,490
Mount Kuring-Gai	1,720	110	0	1,830	2,680	1,367	332	4,379	960	1,257	332	2,549	4,598	2,548
Other centres	22,325	14,846	17,431	54,603	22,784	11,720	25,172	59,676	459	-3,126	7,741	5,074	62,660	8,278
Total	103,148	128,052	141,528	372,728	148,002	174,828	217,923	540,753	44,854	46,776	76,395	168,024	567,790	195,062

Source: HillPDA, *includes vacant floorspace

CAPACITY ASSESSMENT

9.0 CAPACITY ASSESSMENT

The following Chapter undertakes an assessment of the capacity for each employment precinct and commercial centre to accommodate the projected growth in demand under a number of development scenarios.

9.1 Employment precinct capacity assessment

Four capacity scenarios have been developed to test the ability of each employment precinct to accommodate the projected growth in demand to 2036.

If all lots were developed to their maximum theoretical potential, a total of around 1.8 million square metres of floorspace could be accommodated across this LGA. Subtracting the current amount of floorspace (including residential) from this theoretical maximum leaves a residual capacity of around 977,630sqm. This is sufficient to accommodate the projected demand under each scenario with a residual capacity of between 962,967sqm and 977,630sqm. However, the realisation of this maximum development potential is highly unlikely.

There are limitations in undertaking the capacity assessment with the primary consideration being the capacity under existing planning controls. Other factors such as land space utilisation requirements, environmental constraints, development feasibility, and lot configuration are not considered.

A high-level review of the property availability across the industrial precincts indicates limited vacant land available. Of those that are available, a large portion is subject to constraints such as topography and existing significant vegetation.

Secondly, the utilisation of land, not just the capacity of land under existing planning controls is an important consideration. Numerous industrial uses require significant land area, in lieu of building floor area, to accommodate industrial uses. Example businesses include bus depots, concrete batching, garden centres and construction material suppliers. Considering a number of industrial uses in the LGA rely more on the available land area for storage, over building area, consideration should also be given to the availability and supply of these sites.

Finally, it is unlikely that a site would develop to 100% of the FSR and building height capacity due to other planning controls including need for parking, access, setbacks etc.

For this reason, a conservative approach has been applied that assumes the maximum site development area would be 75% of the allowable FSR.

With consideration of the above, the scenarios include:

- **Capacity Low** | under this scenario it is assumed that all vacant floor space is taken up and vacant lots are developed to 75% of the permissible FSR. The scenario excludes sites that are constrained by existing significant vegetation.
- **Capacity 25%** | adopts the low scenario and then assumes redevelopment, to the 75% allowable FSR, of sites that have existing floorspace accommodating less than 25% of the allowable FSR. The scenario excludes sites with constraints such as land storage requirements, residential uses, significant vegetation and topography and sites under 100sqm.
- **Capacity 50%** | adopts the low scenario and then assumes redevelopment, to 75% the allowable FSR, of sites that have existing floorspace accommodating less than 50% of the allowable FSR. The scenario excludes constrained sites.

Applying these scenarios, the LGA's employment precincts have an additional capacity of between 39,083sqm and 376,095sqm.

Table 26: Additional capacity by scenario and precinct

Precinct	Capacity scenario		
	Low	25%	50%
Asquith (IN1)	461	48,893	80,172
Berowra Waters (IN4)	0	0	117
Brooklyn (IN4)	237	815	964
Dural Service Centre (IN2)	5,885	20,643	34,933
Hornsby East/West (B5)	3,422	6,551	6,780
Hornsby Heights (IN2)	800	1,975	3,616
Mount Ku-ring-gai (IN1)	11,791	108,674	139,725
Pennant Hills (B5) and (B6)	1,549	5,457	9,944
Thornleigh Industrial (IN1)	8,471	51,767	60,694
Thornleigh Enterprise Corridor (B6)	1,853	6,610	9,282
Waitara (B6)	4,613	21,092	29,868
Total	39,083	272,477	376,095

Source: HillPDA

9.1.1 Employment precinct capacity assessment by scenario

This section assesses each precincts ability to accommodate the projected demand (Table 20). This is achieved through subtracting the capacity (Table 26) from the demand (Table 20) by each scenario. The results in the table indicates either a surplus or deficit in floorspace available in each centre to meet the projected local demand.

Under each of the forecast demand scenarios (see section 7.1.3 for overview of scenarios), the capacity across the 11 employment precincts is as follows:

- Base case – under each of the capacity scenarios there is a surplus of capacity, ranging from 39,083 to 376,095sqm
- TPA 20% – under the low capacity scenario there is insufficient capacity to accommodate the projected demand by around -73,015sqm however under each other capacity scenario there is a surplus in capacity of between 160,380sqm to 263,995sqm.
- TPA 40% – under the low capacity scenario there is insufficient capacity to accommodate the projected demand by around -175,581sqm however under each other capacity scenario there is a surplus in capacity of between 57,814sqm to 161,432sqm.

The low scenario under TPA 20% and TPA 40% indicate a significant shortfall in capacity across the employment precincts. The remaining scenarios indicate that the LGA have sufficient capacity to accommodate growth. Pennant Hills, Thornleigh Enterprise Corridor, and Hornsby East/West are three areas where exiting space is not sufficient to accommodate future demand under multiple scenarios. These areas currently provide essential urban services to the local community and are in desirable locations with good exposure and connectivity. These areas should be protected from encroachment from higher order uses such as residential.

To maintain the affordability of industrial and employment precinct land it is important to have enough zoned and serviced land available for future expansion opportunities. A buffer of approximately 20-40% is generally recommended to be available in the supply pipeline. Adopting the low capacity scenario as a worst case, the current supply of industrial land is not sufficient to accommodate future demand.

A conservative approach would be to plan for the highest growth scenario and lowest capacity, as such, it is recommended that additional industrial land is made available to accommodate future demand. The projected demand is based on TPA for the specific sectors as noted previously. This land should prohibit higher order uses such as residential uses and those non-compatible with the intent of the employment land zoning.

Table 27: Employment precinct capacity assessment by precinct

Precinct	Base case			TPA 20%			TPA 40%		
	Low	25%	50%	Low	25%	50%	Low	25%	50%
Asquith (IN1)	22,376	70,808	102,087	-22,510	25,922	57,201	-59,055	-10,623	20,656
Berowra Waters (IN4)	794	794	911	-8	-8	109	-625	-625	-508
Brooklyn (IN4)	635	1,213	1,362	32	610	759	-507	71	220
Dural Service Centre (IN2)	-1,296	13,462	27,752	-3,387	11,371	25,661	-6,744	8,014	22,304
Hornsby East/West (B5)	-1,367	1,762	1,990	-2,796	333	562	-4,982	-1,853	-1,625
Hornsby Heights (IN2)	1,490	2,665	4,306	-14	1,161	2,802	-1,142	34	1,674
Mount Kuring-Gai (IN1)	26,921	123,803	154,855	-15,504	81,379	112,430	-54,137	42,745	73,797
Pennant Hills (B5) and (B6)	-7,452	-3,543	944	-7,568	-3,660	827	-8,562	-4,653	-166
Thornleigh Industrial (IN1)	3,661	46,957	55,884	-7,212	36,084	45,011	-17,748	25,547	34,475
Thornleigh Enterprise Corridor (B6)	-12,413	-7,656	-4,984	-11,917	-7,160	-4,488	-13,251	-8,494	-5,822
Waitara (B6)	5,733	22,212	30,988	-2,133	14,346	23,122	-8,829	7,650	16,426
Total	39,083	272,477	376,095	-73,016	160,378	263,996	-175,581	57,814	161,432

9.2 Commercial centre capacity assessment

To assess the capacity of Hornsby's commercial centres to accommodate the projected demand in non-residential space, the following three development scenarios were assessed. An additional capacity scenario for Hornsby Town Centre has been undertaken. The development scenarios are as follows:

- **Scenario 1 - low** | This scenario:
 - Applies the minimum non-residential floorspace ratios for the special areas of Areas 1-4 and 7 identified in the LEP
 - For areas 5 and 8, the minimum non-residential floorspace requirement was applied for the lots current FSR
 - Sites with an FSR of over 1:1 the minimum non-residential component is 0.5:1
 - For sites with an FSR of under 1:1 – half of their developable outcome would be non-residential
 - Non-residential floorspace on the Westfield Hornsby site remains the same
 - Heritage and strata sites were removed.
- **Scenario 2 - medium** | This scenario:
 - Applies the minimum non-residential floorspace ratios for the special areas of Areas 1-4 and 7 identified in the LEP
 - For areas 5 and 8, the minimum non-residential floorspace requirement was applied for the lots current FSR
 - Sites with an FSR of 5:1 minimum non-residential component is 2:1
 - Sites with an FSR of over 1:1 the minimum non-residential component is 1:1
 - For sites with an FSR of under 1:1 – if the developable outcome is over 1,000sqm half of the floorspace would be non-residential
 - Westfield Hornsby site redeveloped with a minimum non-residential component of 2:1
 - Heritage and strata sites were removed.

- **Scenario 3 - maximum** | This scenario:

- Assumes all sites are redeveloped to their allowable FSR with all space developed as non-residential
- Heritage and strata sites were removed.

The development capacity for non-residential floorspace under each of the scenarios is provided in the table below.

Table 28: Non-residential development capacity by centre and scenario

Centre	Non-residential development capacity by scenario		
	Low	Medium	Max
Hornsby Town Centre	260,645	481,372	838,434
Cherrybrook Village	15,692	31,385	31,385
Asquith Village	5,593	8,371	11,185
Beecroft Village	11,442	11,442	22,884
Pennant Hills Village	19,168	36,523	38,336
Thornleigh Village	7,994	12,722	20,074
Westleigh Village	7,669	15,339	15,339
West Pennant Hills Village	8,121	8,121	16,242
Berowra Heights Village	13,041	13,041	26,081
Galston Road, Galston	2,142	4,285	7,704
Pacific Hwy, Mount Kuring-Gai	442	884	1,769
Remaining centres	42,881	82,309	113,348
Total	394,830	705,793	1,142,779

Source: HillPDA

9.2.2 Commercial centre capacity assessment by scenario

The table below provides analysis on the demand forecasted under each scenario and the capacity for each commercial centre.

Despite some individual commercial centres experiencing a shortfall in capacity, generally overall there is sufficient capacity across the centres to accommodate the projected demand under each scenario (Table 30).

Overall, under each of the forecast demand scenarios, the capacity across the 31 commercial centres is as follows:

- Low – under the low scenario there is insufficient capacity to accommodate the projected demand. There would be an unmet demand of around 172,950sqm across the combined centres
- Medium – under the medium scenario there a surplus in capacity of around 138,000sqm across the centres
- Max – under the max scenario there a surplus in capacity of around 575,000sqm across the centres.

Some observations on specific centres have been made, these being:

1. Hornsby Town Centre: the suggested minimum non-residential FSR requirement across Hornsby town centre in order for it to reach its projected demand by 2036 is around 1.7:1. This is not to say that some areas would benefit from a lower or higher requirement. For example, a higher requirement in the core of the centre to concentrate services could be beneficial or required for other urban design reasons.
2. Asquith Village: The minimum non-residential floorspace requirement may need to be increased in order for the centre to accommodate its projected demand. The current permissible building height of 32.5 metres in part of the centre is not achievable under its current FSR (at 1:1).

Usually an FSR of between 3.2:1 to 3.5:1 would be required to reach this building height (pending a more detailed site by site assessment). A non-residential component of 1:1 to 1.5:1 could then be suggested, pending a more detailed feasibility assessment.

3. Beecroft, Thornleigh and West Pennant Hills Villages: these villages currently have a minimum non-residential floorspace requirement of 0.5:1 across the centre or for a majority of the centre (Thornleigh).

Our high-level modelling suggests that minimum non-residential component of around 0.7:1 is required for these centres to accommodate their projected demand.

As such, the current or minimum non-residential FSR may need to be increased. Alternatively, bonus or incentives could be initiated to incentivise a larger non-residential component to stimulate redevelopment.

This minimum non-residential FSR is not a blanket recommendation, rather it is to provide an understanding on the minimum non-residential FSR required for the centres to accommodate the projected demand. It is noted, for example, that a higher requirement in the core for some centres could be more favourable, concentrating services in these areas. Other urban design considerations also may necessitate higher or lower minimum FSR requirements across the centres. Or if a new centre is released, the floorspace would be redistributed. A tipping-point feasibility and design assessment is recommended to understand non-residential FSR implications and explore incentives for providing non-residential space.

Table 29: Minimum non-residential FSR

Centre	Minimum non-residential FSR
Hornsby Town Centre	1.7
Cherrybrook Village	0.8
Asquith Village	1.6
Beecroft Village	0.7
Pennant Hills Village	0.5
Thornleigh Village	0.7
Westleigh Village	0.4
West Pennant Hills Village	0.7
Berowra Heights Village	0.5
Galston Road, Galston	0.8
Pacific Hwy, Mount Kuring-Gai	1.3
Remaining centres	0.4

Source: HillPDA – excludes constrained sites

The development capacity and resulting ability for each commercial centre to accommodate its projected demand in 2036, under each scenario, is provided in the table below.

Table 30: Commercial centre capacity assessment

Centre	Employment floorspace		Non-residential development capacity			Resultant under/oversupply (-/+)		
	Current space	Total demand 2036	Low	Medium	Max	Low	Medium	Max
Hornsby Town Centre	235,044	360,866	260,645	481,372	838,434	-100,221	120,506	477,568
Cherrybrook Village	9,432	25,711	15,692	31,385	31,385	-10,019	5,674	5,674
Asquith Village	8,474	17,468	5,593	8,371	11,185	-11,875	-9,097	-6,283
Beecroft Village	11,047	17,137	11,442	11,442	22,884	-5,695	-5,695	5,747
Pennant Hills Village	13,392	19,826	19,168	36,523	38,336	-658	16,697	18,510
Thornleigh Village	12,224	19,518	7,994	12,722	20,074	-11,524	-6,796	556
Westleigh Village	4,377	6,565	7,669	15,339	15,339	1,104	8,774	8,774
West Pennant Hills Village	7,856	11,357	8,121	8,121	16,242	-3,236	-3,236	4,885
Berowra Heights Village	8,963	14,106	13,041	13,041	26,081	-1,065	-1,065	11,975
Galston Road, Galston	5,488	7,978	2,142	4,285	7,704	-5,836	-3,693	-274
Pacific Hwy, Mount Kuring-Gai	1,830	4,598	442	884	1,769	-4,156	-3,714	-2,829
Remaining centres	54,603	62,660	42,881	82,309	113,348	-19,779	19,649	50,688
Total	372,730	567,790	394,830	705,793	1,142,779	-172,960	138,003	574,989

Source: HillPDA

9.3 Hornsby Town Centre strategic capacity

The following assesses the ability of Hornsby Town Centre to accommodate the total space required in order for it to attain its baseline and high employment targets, as set in the North District Plan.

The figure below outlines the Hornsby Town Centre boundary. This boundary applied in the Town Centre study currently being undertaken on Hornsby.

Figure 25: Hornsby Town Centre strategic capacity boundary



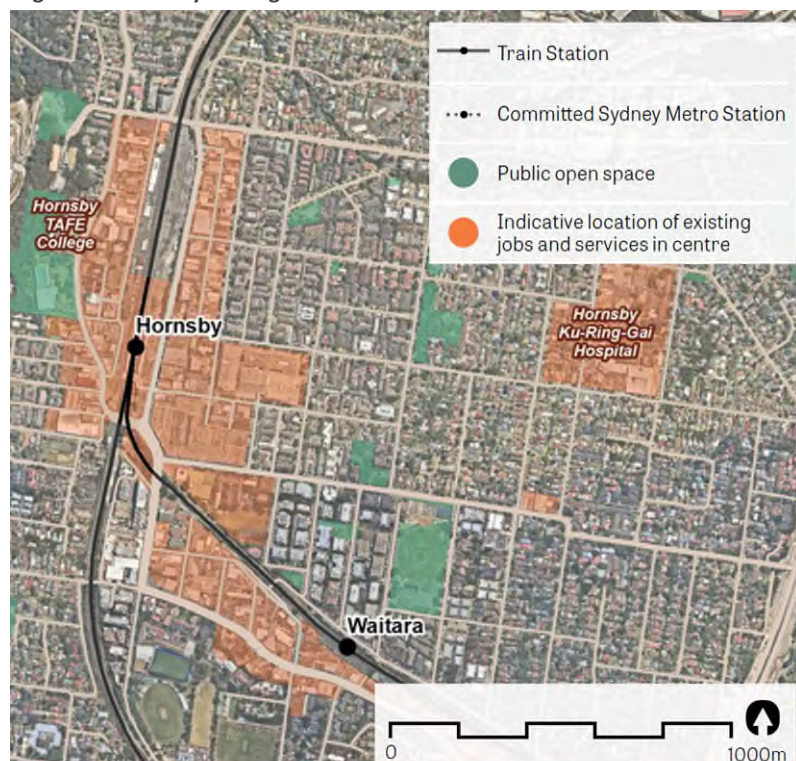
Source: Hornsby Council

The North District Plan sets a total baseline target of 18,000 jobs and a high target of 22,000 jobs by 2036 for the Hornsby Strategic Centre. This would increase employment within the Strategic Centre by around 9,590 to 13,592 jobs over the period to 2036. To note, it is estimated using ABS JTW 2016 data that around 8,408 jobs are currently generated within Hornsby Strategic Centre.

The employment targets, as set in the North District Plan, are for Hornsby Strategic Centre. The boundary for the Strategic Centre (Figure 26) extends beyond the defined boundary for the Town Centre (Figure 25). For example, it includes Hornsby Hospital, Waitara Enterprise Corridor and Hornsby Balmoral Road commercial centre. As such, not all of the employment forecast in the North District targets would be accommodated in the Town Centre proportion.

To account for this, only a proportion of the total employment target, in each scenario, is estimated to be directed towards Hornsby Town Centre. This proportion was based on the town centres current employment generation compared to that estimated in the wider Strategic Centre.

Figure 26: Hornsby Strategic Centre



Source: North District Plan, 2018

Currently, around 73% of employment across the Strategic Centre is located within Hornsby Town Centre⁴⁴. According to the TPA, this proportion is forecast to remain relatively flat to 2036. As such, of the baseline employment target around 13,140 jobs could be accommodated within the Town Centre, this increases to around 16,060 jobs under the high target.

The industry breakdown as forecast by the TPA in 2036 has been applied to estimate the composition of these jobs. Using this methodology, the breakdown of employment into broad land uses (as identified by the Greater Sydney Commission) is provided in Table 31.

Table 31: Hornsby Town Centre 2036 employment composition (jobs)

Land use	TPA 2036 industry %	Baseline	High target
Industrial	5%	682	833
Population serving	46%	6,008	7,343
Knowledge intensive	28%	3,667	4,482
Health and education	21%	2,783	3,401
Total	100%	13,140	16,060

Source: HillPDA

Employment has been converted into floorspace by applying industry standard employment densities to each broad industry category. Applying these benchmark densities, it is estimated that a total of around 363,800sqm to 444,650sqm of employment space would be required to accommodate the North District 2036 employment targets for the Town Centre.

Table 32: Estimated employment floorspace by target

Land use	Baseline	High target
Industrial	44,306	54,151
Population serving	168,230	205,615
Knowledge intensive	73,343	89,641
Health and education	77,924	95,241
Total	363,803	444,648

Source: HillPDA

⁴⁴ ABS JTW data 2016

9.3.1 Hornsby Town Centre strategic capacity scenarios

To assess the capacity of the Town Centre to accommodate the projected growth under each target, the following development scenarios were tested:

Scenario 1 | Minimum non-residential FSR

This scenario:

- Applies the minimum non-residential floorspace ratios for the special areas of Areas 1,2,3 and 7 identified in the LEP
- For area 8 the minimum non-residential floorspace requirement was applied for the lots current FSR
- Sites with an FSR of equal to or over 1:1, an assumption was made that ground floor commercial would be applied. The minimum non-residential component was assumed to be 0.5:1
- Non-residential floorspace on the Westfield Hornsby site remains the same
- Heritage and strata sites were removed.

Scenario 2 | Medium non-residential FSR

This scenario:

- Applies the minimum non-residential floorspace ratios for the special areas of Areas 1,2,3 and 7 identified in the LEP
- For area 8 the minimum non-residential floorspace requirement was applied for the lots current FSR
- Sites with an FSR of equal to or over 1:1 but under 5:1, the minimum non-residential component is 1:1
- Sites with an FSR of equal to or over 5:1, the minimum non-residential component is 2:1
- Westfield Hornsby site redeveloped with a minimum non-residential component of 2:1
- Heritage and strata sites were removed.

Applying the above methodology, the total non-residential capacity under Scenario 1 is around 270,615sqm, increasing to 501,312sqm under Scenario 2. Note that the scenarios do not reach the full FSR extent in the commercial core.

9.3.2 Hornsby Town Centre capacity to reach District targets

The ability of the Town Centre to accommodate its baseline and high employment target under each scenario is as follows:

- Scenario 1 - under this scenario the Town Centre would have insufficient capacity to reach its baseline or high employment target's
- Scenario 2 - under this scenario the Town Centre would reach its baseline employment target with a surplus of around 137,500sqm. The Centre would also have capacity to reach its high employment target, with a surplus of around 56,650sqm.

Table 33: Hornsby Town Centre capacity to reach District targets

Target	Target sqm	Under/oversupply (-/+)	
		Scenario 1	Scenario 2
Baseline	363,803	-93,188	137,509
High target	444,648	-174,034	56,664

Source: HillPDA

9.3.3 Minimum non-residential floorspace requirement

It has been estimated that Hornsby Town Centre would require an average minimum non-residential FSR of 1.6:1 to reach its baseline employment target while 1.9:1 would be required to reach the high employment target.

This minimum non-residential FSR is not a blanket recommendation, rather it is to provide an understanding of the minimum FSR required for the Town Centre to accommodate its baseline and high employment targets. It is noted, for example, that a higher minimum requirement in the core of the centre could more favourable, in order to concentrate services in this area. Other urban design considerations may also necessitate higher or lower minimum non-residential FSR requirements across the centre.

A high level analysis identified that the height and FSR controls do not necessarily correlate and further design work needs to be undertaken to understand possible built form scenarios. A more detailed financial feasibility and design assessment should be undertaken to consider the appropriate locations to enable non-residential FSR. Other mechanisms to encourage non-residential floorspace could also be explored, such as bonus floorspace incentives.

The centre is however of a sufficient size and scale to be able to accommodate growth without an expansion.

Table 34: Hornsby Town Centre minimum non-residential FSR

Target	Minimum non-residential FSR
Baseline	1.6
High target	1.9

Source: HillPDA – excludes constrained sites

STAKEHOLDER ENGAGEMENT

10.0 STAKEHOLDER ENGAGEMENT

10.1 Consultation method

Consultation was undertaken over a few weeks, in February and March, in the form of an online survey, focus group sessions, targeted phone calls and a key stakeholder workshop with internal council representatives. Participants included, local business owners, industrial business operators, major landowners, real estate agents, property industry representatives, Council employees and residents.

The findings reflect the perceptions and ideas of those that participated. The objective was to gain an understanding of how local stakeholders viewed Hornsby's business environment.

Information, where not specifically relating to this report, such as that rural industries and home-based businesses, was shared with the broader LSPS project team. Specific consultation in regard to the future of Westfield Hornsby was not undertaken as part of this project and instead has been undertaken separately for the Hornsby Town Centre review.

10.2 Consultation findings

Consultation findings have been collated into themes for easy reference.

Commercial centres

- Concerned regarding the ongoing viability of shops in Glenorie and Galston Village as the density in the surrounding area is not high enough and there is a high turnover.
- Pennant Hills needs revitalising – currently looks tired and has low space utilisation. Needs increase amenity and a community focal point. Could be a good area for new business and business development.
- Community infrastructure is not in place to support higher density development.
- Westfield Hornsby and the Hornsby Hospital are strong employment anchors, however, are poorly integrated with the broader centre.
- Several centres are rundown and need to be revitalised to attract more employment and business investment.
- New development in centres would enhance the look and feel.

- Need to implement a place-making approach to create more vibrancy around public spaces.
- Facilitating a night-time economy in some of the denser centres would keep people spending in the local area.
- Normanhurst shops are struggling and are rarely open.
- Chambers of Commerce are not working properly and do not support local businesses effectively.
- Access between east Hornsby and west Hornsby is segregated and poor.
- Supermarket has been closed for two years in Berowra, it is difficult to get other uses to move in to centre, consider opportunity to turn into clean industrial.
- In a number of centres, people are sitting and waiting for redevelopment opportunity.
- Visitation to Asquith shopping centre is increasing, shops are still run down though.
- Limited new commercial development in centres.
- Centres have fragmented ownership, which can make it difficult to redevelop.
- Increased residential density in and around centres would support businesses.
- Need to incorporate more entertainment and dining uses in centres.
- Incorporate more community facilities in Hornsby Town Centre.
- If bus interchange is moved, there needs to be greater investment on the west side of the rail to enhance amenity and create a multi—purpose centre.
- Consider increasing the supply of commercial buildings and creating a dynamic business hub.

Industrial and urban service areas

- Limited expansion opportunity due to surrounding residential or environmental conservation areas.
- Industrial precincts operate 24 hours a day and need to be protected from uses that would prefer restrictions to these operating hours.
- Public transport connections to industrial precincts are poor with higher frequency transport options needing to be explored. More frequent bus services that loop around industrial precincts should connect to rail services.
- Small businesses are moving out of industrial areas because the affordability of rents is poor.
- Current building height in some of the industrial precincts is too limited. Need at least 6m height clearance on ground floor for urban services. Do industrial and urban service precincts even need building height constraints?
- Limited expansion capacity of industrial and business support areas. Investigate opportunities to expand B5 zoned land near Hornsby Town Centre.
- The supply of General Industrial land in Hornsby is limited with large lots not available. There is an immediate need to release more land or risk losing businesses.
- Topography and environmental conservation areas are a constraint for Mount Kuring-gai and Asquith. Insurance becomes an issue in this area as it is within a bushfire area.
- Height is a common non-compliance in industrial development applications.
- The poor aesthetics of urban service land in close proximity to centres was raised.
- Urban services should be located close to train stations.

Target industries

- Facilitate more opportunities associated with health-related services such as outpatient services and allied health around the Hornsby Hospital.
- Need to diversify employment opportunity, at present Hornsby is very reliant on health and education.
- Need to generate greater attraction for tourism activities through National Park, Galston Gorge, Brooklyn and Hawkesbury. Day visitation will support local shops.
- Explore additional uses in working waterfront areas.

Transport and connectivity

- Road congestion is a big issue, particularly New Line Road and Pennant Hills Road,
- New Line Road needs upgrading to facilitate more development.
- Public transport is poor in more rural areas.
- Public transport connections between the rail line and the broader area need to be improved to encourage more people to utilise public transport.
- Car parking in Hornsby Town Centre is a constraint.
- NorthConnex may unlock opportunities for Pennant Hills to become a higher order centre.
- Out-of-centre commuter parking should be explored to assist in alleviating parking issues in and around centres.
- Need to explore encouraging public transport as most people are still driving and dependent on private vehicles.

Appeal and identity

- People are attracted to Hornsby because they can live and work locally.
- People tend not to socialise in the broader community at present. Creating more opportunities in centres for entertainment and socialising may strengthen social cohesion.
- Tourism opportunities should be further explored around Brooklyn and Wiseman Ferry. The national parks are a great tourism asset that should be further explored.
- Hornsby is seen as a through location rather than a destination.
- No economic identity of unified direction for business investment and employment opportunity growth. Hornsby Town Centre needs its own identity as a strategic centre.
- No general identity. Not a destination.
- Need to promote and sell Hornsby LGA to the broader region.

Education and training

- Facilitate education and industry partnerships creating avenues from education into jobs in the local area.

Quick thoughts

Where do people go to:

- Buy groceries: Locally
- Buy coffee and brunch: Locally
- Get their car serviced: Locally
- Buy clothes: Macquarie Park, Chatswood, Warringah Mall, Rouse Hill or St Ives
- Go to dinner or out: Sydney CBD, Crows Nest, Castle Hill, Rouse Hill, Mooney or local services clubs

Opportunities

- Dissemination of information about local activities and community features
- Increase utilisation and delivery of public spaces and facilities.
- Libraries are an important asset for the community and start-up businesses and should be expanded.
- Interface education courses with demand for local industries.
- Create identifiable employment hubs to attract and retain workers.
- Use space over station for commercial premises and more parking.
- North-south gateway to Central Coast and Sydney.
- An online business portal that lists local businesses and what they do is desired.
- A business hub in Hornsby Town Centre should be investigated.
- More commercial buildings are required.
- Explore education opportunities and synergies.
- Transport interchange.
- NorthConnex creates opportunity for Pennant Hills to play a different role and function.
- Urban services are located close to current and future population growth areas.

Constraints

- Internet in area massively effects ability to operate a business. Needs more speed to be able to attract new business and employment. When it rains everything crashes.
- Significant increase in residential population, however no increase in parking, amenity and community services.
- Limited market for commercial only buildings.
- Most employment is small-medium enterprise businesses that do not have the scale to support the viability of retail premises during the day.
- Rents are high and can be unaffordable for small businesses.
- Hornsby is seen as a through location rather than a destination.
- Not enough job opportunities or diversity of employment pathways so young people move out of area.
- Hornsby does not have an economic identity.
- Traffic issues are an impediment for deliveries and customer access.
- Planning controls restricting property investment as feasibility is an issue.
- Macquarie Park is a competing centre and offers greater opportunity.
- Commercial development currently not viable by itself.
- Second and third storey office space has limited demand.

Strengths

- Hornsby Pool – however at capacity
- LGA is located at the start of the expressway to Newcastle
- Catchment for workers on Central Coast
- Interfaces with two rail lines.
- Nice community, respectful people.
- People feel safe in centres.
- Clubs in the area provide venues and locations that attract a diversity of ages.
- Car dealerships have reinvested.
- Waitara, Berowra and Asquith will continue to grow to 2026.
- Existing strong anchors in Hornsby Town Centre.

Weaknesses

- Containment rate is poor.
- Insufficient longer-term parking space available for local workers.
- Parking is in high demand.
- Amenity of centres is poor with limited diversity of uses that attract and retain people in the centre for longer.
- Hostile footpaths along Pennant Hills Road.
- F1 into Wahroonga noisy at night with engine breaking and private vehicles.
- Public amenity is poor, and crime and graffiti rates are increasing.
- Mood is pessimistic as a lot of planning has happened, but no changes have eventuated.
- Hornsby does not have a night life with limited dinner options. Mostly oriented around takeaway services.
- Poor night time economy.
- Commuters parking in streets that businesses rely on for customers.
- Westfield does not have a big range – very suburban offering.
- Too many trucks in local streets.
- Vacant offices are an issue – floor plates are too large making rent too high for smaller businesses.
- Not enough job opportunities or diversity.
- Vacant ground floor in new developments.
- Reliability of electricity supply.

10.3 Previous consultation - Economic Development Approaches Consultation

Consultation was previously undertaken by Elton Consulting during the Economic Development Approaches report preparation. The objective of the consultation was to gain a broad understanding of local business confidence and conditions; identify potential barriers and opportunities for local business development; and gain an understanding of business priorities for Council support. Over 216 surveys were received, and three community consultation events were hosted. The findings of this consultation are relevant in providing further input for the employment land use study.

Of particular note, businesses suggested:

- More effectively promoting local businesses, town centres and the area
- Taking a more place-based approach to local town centres and villages, to improve quality and amenity of these places and encourage residents to shop local
- Introducing place-based aesthetic, safety and activation initiatives in centres
- Appointing an economic development role to liaise with businesses
- Addressing parking and traffic management issues
- The need for stronger leadership regarding the direction about economic development and long-term planning issues, including the preparation of an economic development strategy
- For council to become an enable, facilitator and advocator of local businesses and take a more customer-focused approach
- Improved internet access and technology.

PLANNING CONTROL REVIEW

11.0 PLANNING REVIEW AND RECOMMENDATIONS

This section reviews the *Hornsby Local Environmental Plan 2013* at a business and industrial zone level and proposes a future role and function for each zone, potential changes to current controls and the possible implications.

Table 35 provides recommendations on the future role and function of each zone and the potential changes that could be made to the LEP to meet the intended role and function.

Table 35: Hornsby LEP zone review

Zone	Role (Objective)	Function	Change	Implications
B1 Neighbourhood Centre	<ul style="list-style-type: none"> To provide a range of small-scale retail, business and community uses that serve the needs of people who live or work in the surrounding neighbourhood. To enable shop-top housing that is well-integrated with the primary business function of the zone. 	<ul style="list-style-type: none"> Least intensive business zoning Small-scale shops and services that cater to the local community 	<ol style="list-style-type: none"> Permit residential only as shop-top housing or introduce an additional local provision specifying that residential accommodation is only permissible where a commercial premise is enabled at the ground floor. No change to height of building or floor space ratio. 	<ol style="list-style-type: none"> Residential development is currently permissible in B1 Neighbourhood Zones. From review of the clauses in the LEP there does not appear to be any additional clauses relating to securing commercial floorspace in centres. Enabling residential uses in B1 (other than shop top housing) has the potential to result in a complete net loss of commercial floorspace. There is evidence that this has happened in Galston neighbourhood centre and on the corner of Peter Close and Somerville Road in Hornsby Heights. The floor space ratio and height of building is appropriate for a small-scale retail centre.
B2 Local Centre	<ul style="list-style-type: none"> To provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area. To encourage employment opportunities in accessible locations. To maximise public transport patronage and encourage walking and cycling. To provide more homes closer to jobs. 	<ul style="list-style-type: none"> Anchored by a supermarket or other major commercial anchor Provide a diversity of local employment opportunity Provide access to goods and services that meet the needs of the local community Provide a collection of shops and health, civic and commercial services. 	<ol style="list-style-type: none"> Consider introducing a no net loss of commercial floorspace as an additional local provision in Part 6 of the LEP. Review FSR and building heights to ensure buildable development outcomes. Implement a non-residential FSR in strategic and local centres where future demand is anticipated. Consider introducing with consent light industries with an additional local provision around maximum floorspace and design requirements in the DCP. 	<ol style="list-style-type: none"> The current provisions in the LEP would not prevent a potential loss in commercial floorspace. Introducing a no net loss provisions ensures that future development cannot reduce the extent of commercial floorspace. It does not restrict properties that do not already contain commercial floorspace. It does however mean that any new development would need to replace the same quantity of commercial floorspace in any future development, and potentially increase the quantity of floorspace to meet future demand. FSR and building heights are not consistently applied in that in some instances the building height would

Zone	Role (Objective)	Function	Change	Implications
				<p>restrict the FSR being achieved or vice-a-versa. Consider undertaking design and feasibility testing to ensure controls can be achieved and are feasible.</p> <p>3. Non-residential FSR controls can assist in securing future commercial floorspace in new development. In larger centres that are required to accommodate greater employment densities, the non-residential FSR should be adopted. It is recommended to adopt a non-residential FSR over a minimum commercial percentage as it can be easily quantified and remains consistent regardless of the density proposed on site.</p> <p>4. Market demand is increasing for local distribution and light industry spaces. Enabling this use type in local centres would reduce the pressure on industrial and other business zones, increasing the diversity of employment opportunities in locations with higher amenity and transport accessibility. These uses would only be enabled where they do not have implications on the amenity and character of a centre and could be controlled through specific floorspace controls.</p>
B3 Commercial Core	<ul style="list-style-type: none"> To provide a wide range of retail, business, office, entertainment, community and other suitable land uses that serve the needs of the local and wider community. To encourage appropriate employment opportunities in accessible locations. To maximise public transport patronage and encourage walking and cycling. To be the administration and service centre for the LGA. 	<ul style="list-style-type: none"> Highest order centre in the LGA Provides for the administration and service needs of the wider community. Provides for a mix of employment opportunities that activates the centre both day and night. 	<ol style="list-style-type: none"> Investigate opportunities to optimise commercial development in line with future growth requirements including potentially setting aside an area for commercial and administrative uses. Encourage education, health and government activities in the centre through potential bonus FSR provisions. 	<ol style="list-style-type: none"> The intent of setting aside an area for commercial and administrative uses is to protect a component of land from strata fragmentation in the strategic centre. Although the market may not be capable of delivering higher density commercial outcomes at present, as the population increases, there may be more opportunity in the long term. Once an area enables strata title residential development, it is very difficult and unlikely that it will transition back to commercial in the future. Encouraging more major tenants into the commercial core would increase patronage of retail uses and potential attract other reciprocal business clusters.

Zone	Role (Objective)	Function	Change	Implications
B4 Mixed Use	<ul style="list-style-type: none"> To provide a mixture of compatible land uses. To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling. 	<ul style="list-style-type: none"> To accommodate a mix of out of centre commercial uses and residential accommodation. Retail is of a size and scale that does not detract from the commercial centre hierarchy. Diversity of ground floor commercial premises is enabled. 	<ol style="list-style-type: none"> To the greatest extent possible, optimise employment uses in the Strategic Centre. Enable residential flat buildings, however, introduce an additional local provision specifying that residential accommodation is only permissible where a commercial premise is enabled at the ground floor. This is effectively a broadened scope of 'shop top housing'. Retain and encourage the opportunity for local distribution premises and light industries Specify minimum ground level floor to ceiling heights to maximise the types of uses that can operate. 	<ol style="list-style-type: none"> B4 Mixed Use encourages increased residential accommodation encroaching on industrial and business centres. Encouraging greater optimisation of employment uses through bonuses or minimum non-residential FSR can assist in securing a future employment pipeline. The definition of shop top housing is relatively restrictive in that it requires a business premises or retail premises at ground floor. Incorporating residential flat buildings and a local provision for commercial premises or light industries at ground floor enables a greater diversity of uses to be provided on ground level. This will assist in preventing an oversupply of shop frontages. Incentives can also be considered to encourage the delivery of light industrial and office uses. Enhancing the availability of space for local distribution premises and light industries reduces the competition for land in industrial zones. Establishing ground level floor to ceiling heights that facilitate a wider diversity of uses would maximise the future reuse of premises and enable light industries and specialised retail premises that have specific space requirements.
B5 Business Development	<ul style="list-style-type: none"> To enable a mix of business and warehouse uses, and specialised retail premises that require a large floor area, in locations that are close to, and that support the viability of, centres. To enable a greater diversity and varying scale of employment generating uses To provide for a range of higher order job opportunities including health, cultural and high technology industries. 	<ul style="list-style-type: none"> Provides a residential free land zone. Encourages a mix of employment uses including urban services. Intended to provide a commercial zone that complements and supports the function of industrial zones and centres. Appropriate to be located on the fringe of centres and industrial estates or along main roads. 	<ol style="list-style-type: none"> Retain existing B5 zone on the periphery of centres and industrial areas. Review ground level floor to ceiling heights to maximise and protect the diversity of uses that can be accommodated in a space. Consider prohibiting shop top housing and neighbourhood shops. Consider enabling office premises, wholesale supplies and vehicle body workshops. Consider increasing the height of buildings to at least 14.5m to enhance 	<ol style="list-style-type: none"> The existing B5 zone provides an essential urban support zone that facilitates employment uses. The zone can be located on the periphery of centres to provide urban support services, specialised retail, light industries and higher order commercial uses. Ground to ceiling heights can be a limitation for some commercial and light industry uses seeking to move into new establishments. Provisioning for higher floor to ceiling heights creates greater flexibility for future uses. The B4 Mixed Use zone should provide sufficient mixed use options in the LGA. As retail premises and shop top housing introduce high order uses, they can push up rents and limit the opportunity for

Zone	Role (Objective)	Function	Change	Implications
	<ul style="list-style-type: none"> To provide essential urban services for the local community. 		<p>employment density and flexibility on site</p> <p>6. Investigate opportunity for releasing more B5 zoning to accommodate demand.</p>	<p>commercial uses. Limiting their presence can help encourage a greater diversity of employment uses.</p> <p>4. Expanding the types of employment uses in the zone can enhance the utilisation of the business zone and take pressure off industrial areas.</p> <p>5. Currently the building height is 10.5m which restricts redevelopment. Enabling additional building height would assist in enhancing employment densities on site.</p> <p>6. There is limited capacity in the remaining B5 land – rezoning additional B5 land would enhance employment opportunity for urban services.</p>
B6 Enterprise Corridor	<ul style="list-style-type: none"> To promote businesses along main roads and to encourage a mix of compatible uses. To provide a range of employment uses (including business, office, retail and light industrial uses). To maintain the economic strength of centres by limiting retailing activity. To provide for residential uses, but only as part of a mixed use development. 	<ul style="list-style-type: none"> Facilitates employment uses along major road corridors Provides an amenity buffer to surrounding residential Provides for a diversity of employment uses that are generally not provided in centres 	<p>1. Enable residential flat buildings as a permissible use, however, introduce a Part 6 - Additional local provision within the LEP that specifies that residential accommodation in a B6 Enterprise Corridor is only permissible where a commercial or light industry premise is enabled at the ground floor.</p> <p>2. Review ground level floor to ceiling heights to maximise and protect the diversity of uses that can be accommodated in a space.</p> <p>3. Retain and encourage the opportunity for local distribution premises and light industries.</p> <p>4. Investigate opportunities to further expand the B6 Enterprise corridor.</p> <p>5. Review FSR and Building Height Controls to enable higher density employment activities. Consider FSR of 1:1 and building height of 14.5m – subject to design and feasibility testing.</p>	<p>1. The definition of shop top housing is relatively restrictive in that it requires a business premises or retail premises at ground floor. Incorporating residential flat buildings and a local provision for commercial premises or light industries at ground floor enables a greater diversity of uses to be provided on ground level. This will assist in preventing an oversupply of shop frontages and secure alternative employment uses.</p> <p>2. Ground to ceiling heights can be a limitation for some commercial and light industry uses seeking to move into new establishments. Provisioning for higher floor to ceiling heights creates greater flexibility for future uses.</p> <p>3. Expanding the types of employment uses in the zone can enhance the utilisation of the business zone and take pressure off industrial areas.</p> <p>4. The demand modelling indicates that further land should be made available in the B5 and B6 zones.</p> <p>5. Increasing the building height and FSR controls stimulate redevelopment and enable greater flexibility for increased employment density.</p>

Zone	Role (Objective)	Function	Change	Implications
IN1 General Industrial	<ul style="list-style-type: none"> To provide a wide range of industrial and warehouse land uses. To encourage employment opportunities. To minimise any adverse effect of industry on other land uses. To support and protect industrial land for industrial uses. To permit other land uses that provide facilities or services to meet the day-to-day needs of workers in the area. 	<ul style="list-style-type: none"> Serves a local and district purpose Enables the operation of amenity intrusive and 24/7 operation 	<ol style="list-style-type: none"> Protect remaining industrial land from higher and better use encroachment. Consider the removal of building heights from industrial areas. If building heights are not to be removed, consider increasing the building heights to at least 16 metres to enable greater flexibility in built form design. Any changes in height would need to be undertaken with consideration of impacts to views and vistas. Consider removing or varying the maximum site cover in the DCP (Mount Kuring-Gai and Dural) to enable greater development footprints. The landscaping, parking and setback controls would need to also be considered when undertaking this review. Investigate opportunities for additional IN1 General Industrial land. 	<ol style="list-style-type: none"> The capacity assessment identifies that there is limited additional land capacity without increasing density or identifying expansion areas. Remaining land should be protected for industrial uses. Industrial space in Hornsby Shire is already constrained with limited capacity for further development in the major industrial areas. Creating greater opportunity to densify industrial development outcomes, may attract further investment and redevelopment of some sites. Modern distribution centres are now reaching heights of up to 5 storeys. Some industrial uses also require clearance heights of 8 storeys in a single level. Removing building heights would respond to changing requirements for industrial space. Site cover for industrial uses is naturally restricted by parking and loading requirements. Generally, 85-90% site cover is reasonable. There is limited IN1 General Industrial land available in the LGA. It is important to consider the utilisation of land, not just the utilisation of floorspace under existing planning controls. Some industrial uses rely more on land area for storage need than gross floor area.
IN2 Light Industrial	<ul style="list-style-type: none"> To provide a wide range of light industrial, warehouse and related land uses. To encourage employment opportunities and to support the viability of centres. To minimise any adverse effect of industry on other land uses. To enable other land uses that provide facilities or services to meet 	<ul style="list-style-type: none"> Serves a local catchment purpose Provides essential urban support services and other industrial activities Is located in areas that are easily accessed by local residents and workers. 	<ol style="list-style-type: none"> Protect remaining industrial land from higher and better use encroachment. Consider rezoning the IN2 Light Industrial Land containing the Brickpit Playground on Pennant Hills Road, to RE1 Public Recreation. Explore opportunities for additional IN2 land around Dural. 	<ol style="list-style-type: none"> The provision of IN2 land is fairly limited with a need to protect the remaining land for provision of local services. Land was redeveloped to deliver recreational uses and should reflect the new use. There is opportunity to expand light industrial uses around Dural. There could be opportunity to rezone the existing IN2 land to B5 Business Development and unlock further industrial land adjoining this land. This would assist in catering to future demand. This would

Zone	Role (Objective)	Function	Change	Implications
	<p>the day to day needs of workers in the area.</p> <ul style="list-style-type: none"> To support and protect industrial land for industrial uses. 			<p>require New Line Road to be upgraded and additional infrastructure services to be provided.</p>
IN4 Working Waterfront	<ul style="list-style-type: none"> To retain and encourage waterfront industrial and maritime activities. To identify sites for maritime purposes and for activities that require direct waterfront access. To ensure that development does not have an adverse impact on the environmental and visual qualities of the foreshore. To encourage employment opportunities. To minimise any adverse effect of development on land uses in other zones. To provide for water-based business and service facilities. 	<ul style="list-style-type: none"> To provide space for industry and employment activities that are dependent on access to the waterfront or provide services to support water-based activities. Serves a local and district purpose. Facilitates opportunity for tourism activities. 	<ol style="list-style-type: none"> Review the permissibility of uses to take out any uses that are not dependent on access to water or may introduce reverse amenity impacts that would restrict the zone operating as per its intended function i.e. shop top housing 	<ol style="list-style-type: none"> There is limited availability of working waterfront land. The current permissible uses in the zone would facilitate the encroachment of uses that do not need direct access to the waterfront and would push up rents and land values. While the uses may enable the regeneration of run down facilities, they do not protect the zone for future uses that are dependent on access to the water.
SP3 Tourist	<ul style="list-style-type: none"> To provide for a variety of tourist-oriented development and related uses. To enable low-scale, low-intensity development that does not unreasonably increase the demand for public infrastructure, services or facilities. 	<ul style="list-style-type: none"> Facilitates opportunity for tourism activities. 	<ol style="list-style-type: none"> Prohibit all forms of residential accommodation. 	<ol style="list-style-type: none"> There is limited land available that is zoned SP3. Consider protecting remaining land for tourism purposes by restricting residential accommodation.

“Not all urban services need to be in dedicated industrial precincts, but many clearly do – they need the same things as their neighbours: a bit of space and room for storage, the option to be noisy and smelly, and good connections to let people get to them and to help move things around.” (Greater Sydney Commission, 2018 – A Metropolis That Works)

Table 36 discusses the implications of introducing specific high order use into particular retail, business and industrial settings. It provides recommendations on what uses should be prohibited and permitted in particular zones or settings.

Table 36: Implications of introduction higher order uses

	Retail centre setting (B1, B2, B4)	Business setting (B5, B6)	Industrial setting (IN1, IN2)
Specialised retail premises	<ul style="list-style-type: none"> Net leasable area rates are higher in areas that permit all retail, therefore specialised retail premises would more likely operate in a lower order centre. Where there are high vacancy rates in centres and rents are reduced, specialised retail premises may seek to maximise on the opportunity to locate closer to residential markets. The impact on traditional retail is generally not significant as the specialise retail premises can attract greater patronage, benefitting surrounding businesses. <p>Recommendation: Consider permitting B4 zones</p>	<ul style="list-style-type: none"> Specialised retail premises generally have a greater ability to pay a higher amount for sites. If there is high demand for specialise retail premises, they can displace office and light industry functions, particularly if they begin to cluster. <p>Recommendation:</p> <ul style="list-style-type: none"> Permit specialised retail premises in B5 Business Development and B6 zones. 	<ul style="list-style-type: none"> Specialised retail premises can pay twice the land value compared with general industrial uses, crowding out industrial uses. Once clustering occurs, specialised retail premises can inflate land prices up to five times the amount, compromising industrial areas further and stymying traditional industrial activity. <p>Recommendation: Prohibit in industrial areas.</p>
Neighbourhood supermarket	N/A already permitted in relevant zones	<ul style="list-style-type: none"> Out of centre neighbourhood supermarkets can compete with other office, business and specialised retail premises. Across the LGA there is generally sufficient supply of B1 and B2 centre zones to accommodate neighbourhood supermarkets in centres. Enabling them in other zones would impact the retail hierarchy. <p>Recommendation: Prohibit neighbourhood supermarkets in B5 and B6 zones.</p>	<ul style="list-style-type: none"> Would potentially displace less viable industrial uses. Would enable greater convenience retailing for local workers. Neighbourhood shops are permissible and can provide the convenience service. <p>Recommendation: Prohibit in industrial areas</p>
Artisan Food and Drink	<ul style="list-style-type: none"> Artisan food and drink would already be enabled if light industries are permitted. If light industries are not permitted, the inclusion may displace some less viable retail uses. The inclusion may increase the appeal and viability of the overall centre if attracting new customers. 	N/A light industries are already enabled in business setting.	<ul style="list-style-type: none"> Technically can already operate in the zone. Restaurant uses may have greater capacity to pay and potentially displace less viable industrial businesses. Increase generation of vehicles and potential competition for parking. More pedestrians in the area / potentially intoxicated, may lead to greater safety issues.

	Retail centre setting (B1, B2, B4)	Business setting (B5, B6)	Industrial setting (IN1, IN2)
	<ul style="list-style-type: none"> The inclusion may assist in reducing vacancy rates in centres and contribute to broader employment opportunities. <p>Recommendation: Permit light industries in B2 Local Centres.</p>		<ul style="list-style-type: none"> Improves the vibrancy and desirability of a location. Provides opportunity for business meetings and social networking for workers in the area. <p>Recommendation: Restrict restaurant and retail sales through other local provisions.</p>
Office and business premises	N/A already permitted in relevant zones	N/A already permitted in relevant zones	<ul style="list-style-type: none"> Industrial areas provide a more affordable alternative for businesses priced out of traditional centres and office markets. Considering trends in enterprise/small business in Hornsby and the attractiveness of some of the industrial areas due to lower rent, there is potential that this will push up land values and increase competition for land, potentially displacing some less viable uses. Office and business premises have greater ability to locate in centres, whereas some industrial uses cannot. To reduce the demand on valuable industrial land, office and business premises, that are not associated with the industrial use, should be prohibited in industrial settings. <p>Recommendation: Continue prohibiting office and business premises in industrial settings.</p>
Residential accommodation	<ul style="list-style-type: none"> In the current market, residential accommodation receives a higher and better land value and rent returns than standard retailing, office and business premise. While residential accommodation with lower floor retail, office and business premises is appropriate, enabling residential accommodation without lower floor commercial would erode the intent of the business centre and potentially displace less viable businesses. To maximise the diversity of ground floor uses – consider implementing a higher minimum floor to ceiling height where along major road frontages such as Pennant Hills Road to encourage other forms of commercial and business premises other than shops. 	<ul style="list-style-type: none"> In the current market, residential accommodation receives a higher and better land value and rent returns than commercial and industrial uses. Introducing residential accommodation, in any form can cause fragmentation of business areas and can create future reverse amenity effects. <p>Recommendation: Prohibit residential accommodation in the B5 zone, permit where ground floor commercial premises is delivered in the B6 zone. Consider specifying minimum floor to ceiling heights for the ground floor.</p>	<ul style="list-style-type: none"> Introducing residential accommodation, in any form into industrial settings has an immediate effect on the EPA technical requirements then triggered for new industrial uses as the residential component is a sensitive receiver. Residential accommodation generally has a greater ability to pay, pushing up land values and potentially displacing less viable industrial uses. <p>Recommendation: Prohibit all forms of residential accommodation</p>

	Retail centre setting (B1, B2, B4)	Business setting (B5, B6)	Industrial setting (IN1, IN2)
	Recommendation: Permit residential only as shop-top housing or introduce additional local specifying that residential accommodation is only permissible where commercial is provided on ground floor. Consider minimum non-residential FSR controls.		
Light industries	<ul style="list-style-type: none"> The definition of light industries is that they do not interfere with amenity of the neighbourhood. The effect on centre function would be minimal. New manufacturing formats based on advanced technologies would be price competitive and appropriate for the business setting and would respond to global trends. Industrial activity formats, that do not have amenity effects, would be compatible with business centres, increasing the supply of space available for industrial activity formats outside industrial zones. Enabling light industries in all business zones (excluding B1 Neighbourhood Centre) would increase the flexibility and utilisation of commercial spaces in centres and along enterprise corridors. Consider introducing a local clause that specifies minimum floor to ceiling heights at ground floor to improve opportunity for various uses. Land and rent values in centres are generally higher with some light industries potentially unable to afford the higher rent. Where this is the case there remains opportunity to operate in enterprise corridors and industrial areas. Recommendation: Permit light industry in all B zones. Prohibit in B1 zones.		N/A already permitted in setting
Local distribution premises	<ul style="list-style-type: none"> There is increasing demand for local distribution centres due to online retailing and consumer expectation of rapid delivery services. Enabling these distribution centres, where appropriately designed, in local centres, will reduce pressure on industrial land and enterprise corridors. Consider further design specifications in the DCP to ensure distribution premises do not affect local character. Potential effect on vehicle trip generation and safety issues in local centres. Recommendation: Permit Local distribution premises in B2 zones.	N/A already permitted in relevant zones	<ul style="list-style-type: none"> Already allowed in industrial areas. Market demand is increasing for local distribution appropriate spaces. Will be competing for space with more traditional industrial uses, which do not have the ability to locate in centres. This may cause displacement of some less viable businesses. Distribution centres are generally more viable businesses and will likely be able to afford higher land and rent values. Recommendation: Permit, however, encourage to locate in IN2, B5 and B6 zones.

11.1.1 Hornsby DCP - Part 4 - Business

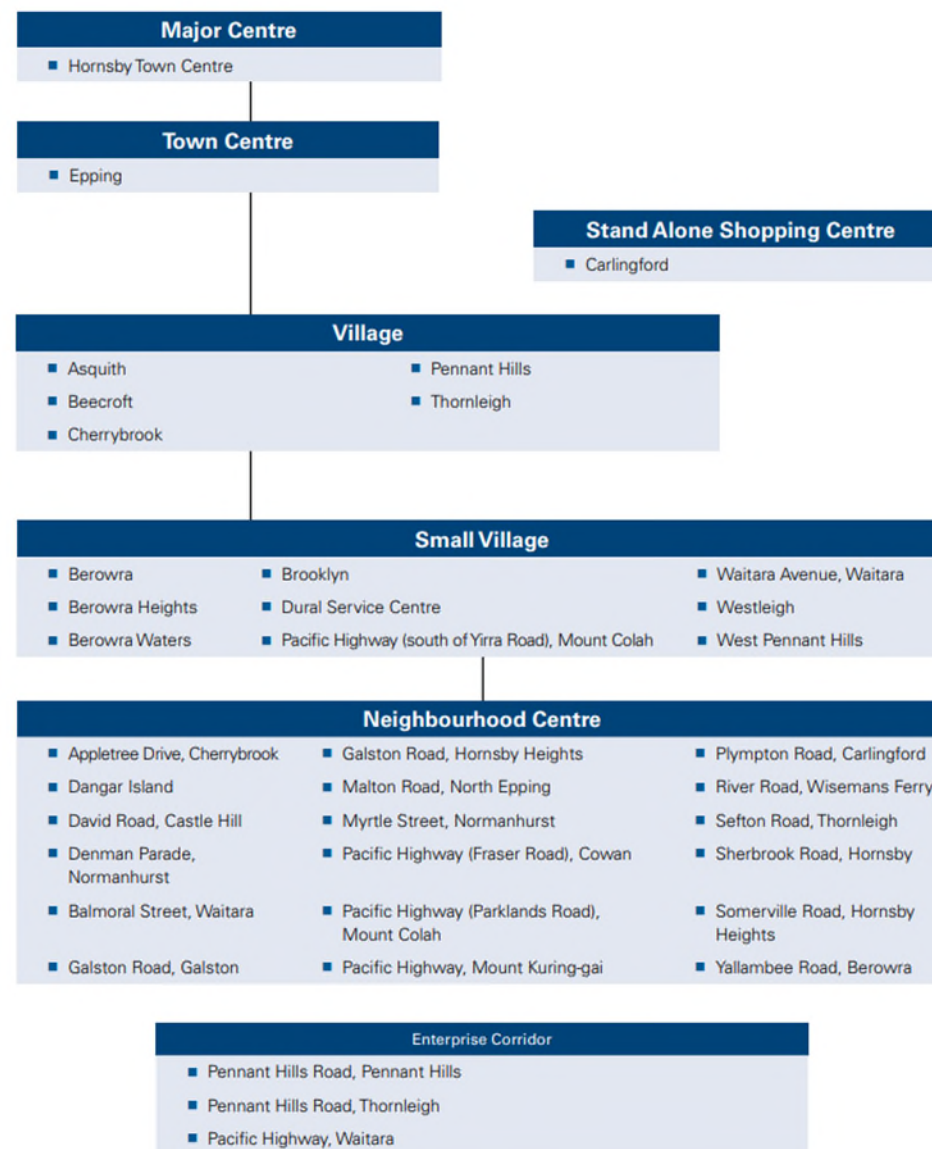
This Part applies to land within business areas of Hornsby Shire including in the zones of B1 Neighbourhood Centre, B2 Local Centre, B3 Commercial Core, B4 Mixed Use, B5 Business Development and B6 Enterprise Corridor.

A commercial hierarchy is established that reinforces the role and function of each centre. The present hierarchy (see Figure 27) incorporates centres that are no longer in the local government area due to boundary changes. The centres hierarchy has been reviewed and updated with consideration of the population projections and demand modelling. Recommendations on the hierarchy are included in Strategy 6.2.

Table 37: Specific development control considerations

Development Control	Recommendation
4.3.1 Town Centre Masterplans Apply to the following localities: Berowra, Galston, Mount Colah, and Pennant Hills.	The masterplans are relatively outdated and difficult to interpret. Consider updating the masterplans or removing the specific provisions.
4.4.3 - Site requirements – (a) the minimum site width should be 30 metres measured at the street frontage	The lot configuration in a number of centres is narrow and would require amalgamation of several parcels to meet this provision. This may not be feasible or would delay redevelopment if interest is there.
4.4.6 Commercial floorplates should have a maximum dimension of 35 metres, measured parallel to the primary retail frontage and between opposing exterior walls at any point	This provision can be restrictive in B5 Business Development and B6 Enterprise Corridor where large format specialised retail is to be encouraged. Large format premises then move to IN2 areas, which takes up valuable light industry land. Consider removing the provision or creating more flexibility around the provision in regard to articulation, setbacks etc.

Figure 27: Hornsby Shire's existing commercial centres hierarchy



Source: Hornsby Development Control Plan 2013

11.1.2 Hornsby DCP - Part 5 - Industrial

Part 5 applies to development on land zoned in IN1 General Industrial and IN2 Light Industrial. In most instances, the development controls provide a good guide for future development, however, there are some instances that may further restrict the capacity of development. The specific controls of interest have been identified in Table 38.

Table 38: Specific development controls that may restrict desired built form outcomes

Development Control	Recommendation
Site Cover Maximum site cover in industrial estates should be no more than 35% in Dural Service Centre and 50% in Mount Kuring-Gai.	Consider the removal of this provision to enable greater flexibility in design for industrial uses. Considering the limited availability of industrial space in the LGA, maximising site cover is a way to increase the capacity of industrial areas. Any changes to site cover should be undertaken in parallel with a review of car parking, setback and landscaping controls.
Certain Land in Mount Kuring-Gai and Asquith/Hornsby In addition to the above controls, certain industrial land in Mount Kuring-Gai and Asquith/Hornsby has been identified as potentially containing significant flora and fauna habitats. The siting of buildings and ancillary facilities should protect any significant flora and fauna habitats.	The land in Mount Kuring-Gai and Asquith/Hornsby that is restricted by significant flora and fauna vegetation was removed from HillPDA's additional capacity assessment. Figure 28 and Figure 29 identify these locations. To protect the corridors and vegetation, there could be merit in rezoning the significant parcels to environmental conservation. Or alternatively, undertake a study to determine the environmental significance and opportunity for development.

Figure 28: Location of potentially significant flora and fauna habitats in Mount Kuring-Gai



Figure 29: Location of potentially significant flora and fauna habitats in Asquith



Source: Hornsby DCP 2013

HORNSBY EMPLOYMENT LANDS STRATEGY

12.0 STRATEGY

12.1 Employment land character statement

Hornsby employment land provides the essential services and infrastructure to meet the day to day needs of the growing community. They are the economic powerhouse of the LGA, contributing to growth, productivity and the prosperity of the local economy.

Their primary function is to serve the local population of Hornsby LGA; however, they maintain capacity to grow and accommodate the employment requirements of the broader district.

They contain the facilities and services that bring the community together to not only work but to visit, congregate, learn, and enjoy.

They provide diverse employment opportunities in locations that are easily accessible with strong amenity.







Employment lands facilitate opportunities for businesses to cluster, agglomerate, innovate and grow. They provide diverse and flexible spaces to create, make and collaborate. When thriving, they attract new investment, visitors and stimulate revitalisation.

Employment lands provide flexibility and capacity to meet the needs of the current and future population.



12.2 Guiding principles

There are several principles that contribute to the suitability of land for employment uses that should be considered when evaluating employment land release and planning proposals.

People – diverse opportunities for employment and learning	Place - attractive places of employment	Land – adequate, appropriate and long term supply of land
 <ul style="list-style-type: none"> Proximity and availability of a skilled and available local workforce Provides for a diversity of employment opportunity including part-time, full time or casual work Opportunities for further education and up-skilling including the availability and accessibility of suitable educational institutions, training courses and apprenticeship programs in the LGA. 	 <ul style="list-style-type: none"> Proximity and access to support services such as local shops, childcare, doctors etc. An attractive and safe urban environment that support the Shire's bushland character Established community facilities and infrastructure Affordability of commercial and industrial space for rent and purchase Affordability and suitability of residential accommodation within reasonable proximity of employment. 	 <ul style="list-style-type: none"> The quantum of land or space available for rent / purchase on the market at any given time A suitable pipeline of appropriately zoned land to meet current and future requirements Constraints to development - topography, vegetation, bushfire Affordability of land from a sale and rent perspective The scale of sites and the suitability for the needs of a given industry.
Built form – appropriate space that meets current and future needs	Infrastructure – infrastructure that is aligned with current need and future growth	Economic – a sustainable and productive long-term economy
 <ul style="list-style-type: none"> Availability of appropriate sites that minimise the need for amalgamation Revitalisation of rundown commercial centres Flexibility in planning controls Reflective and considerate of human scale and character Incentivise new development to meet current and future needs Appropriateness of zoning and planning controls to facilitate the business requirements Best practice design outcomes incorporating environmental sustainability. 	 <ul style="list-style-type: none"> Reliable road, rail and active transport infrastructure and connections Appropriate infrastructure such as water and wastewater services, sewerage and electricity Effective communication infrastructure (internet and phone service) Adequate car parking for customers and employees Minimum road sharing between heavy vehicles and light vehicles. 	 <ul style="list-style-type: none"> A network of centres and employment precincts that complement rather than compete Opportunity to cluster and agglomerate A vibrant and active night time economy Diversity of uses and quality of mix Number and types of competing businesses within the area either to support clustering opportunity or influence demand Enabling competition and building capability in the economy.

12.3 Strategic directions overview

Delivering employment lands for a sustainable future will require some decisive actions by Council. Six strategic directions have been identified to guide the supply, development and utilisation of employment lands in Hornsby LGA.

DIRECTION 1: IMPROVE THE UTILISATION AND APPEAL OF EMPLOYMENT LANDS

Hornsby LGA contains a total of 45 centres and employment precincts across around 260 hectares of land. The quality of built form and utilisation of space is varied across the employment lands with a need to revitalise and increase employment densities to meet future demand. There is a need to ensure planning controls align with future growth expectations. Employment precincts and centres should be attractive places to work with the facilities and services responding to the needs of workers.

DIRECTION 2: ESTABLISH A SUSTAINABLE LONG TERM SUPPLY OF EMPLOYMENT LAND

Forecasts indicate that the current supply of zoned employment land is insufficient for the future, with a need to secure a pipeline of appropriately zoned land to prevent affordability issues. Commencing the process in advance of expected demand factors is necessary to accommodate for the lead-in period. This lead in period includes rezoning, subdivision and development approval in addition to the land being serviced with key infrastructure.

DIRECTION 3: PROTECT ZONES FOR USES THAT ALIGN WITH THEIR INTENDED ROLE AND FUNCTION

There is variability in the application of planning controls across employment lands in the LGA. To protect desired uses from displacement and to ensure sufficient floorspace is secured for employment uses there is a need to align use permissibility with the intended role and function of the employment lands.





DIRECTION 4: ATTRACT A GREATER DIVERSITY OF EMPLOYMENT AND LEARNING OPPORTUNITIES

Attracting a greater diversity of employment and learning opportunities can assist in unlocking jobs and upskilling local residents. Tailoring education courses and formulating pathways into local industries can boost the jobs containment rate of the LGA. Fostering an environment of learning and collaborating can be attractive to businesses and encourage greater investment and business establishment.

DIRECTION 5: DELIVER INFRASTRUCTURE THAT SUPPORTS CURRENT NEEDS AND FUTURE GROWTH

Employment lands must be serviced by adequate infrastructure to attract and maintain businesses within the LGA. Congestion and poor connectivity add to travel costs and time, reducing the appeal of locations for employees and potential overhead operating costs for businesses. Slow and unreliable internet and phone reception can also reduce business operating efficiency and can influence the attractiveness of an area to operate business. Hornsby has anecdotally suffered from poor communication infrastructure and congestion on road networks. The availability and capacity of utilities such as electricity, gas, water and sewerage can also influence costs associated with releasing land and establishing businesses and needs to be considered when determining future capacity.

DIRECTION 6: ESTABLISH A FRAMEWORK FOR SUSTAINABLE AND CONTINUED ECONOMIC GROWTH

Hornsby's economic contribution has been relatively consistent over the years with limited evidence of significant growth periods. The economy can be broken down into three broad categories: tradeable industries, enabling industries and domestic core and public service. Tradeable industries drive sustainable growth and economic competitiveness. Enabling industries support tradeable industries, maximising trading potential by offering efficient competitive goods and services. Domestic core and public service industries support the population growth, however are largely underpinned by government investment. The greater the proportion of tradeable industries, the more sustainable the economy.

Economic contribution in Hornsby is largely underpinned by domestic and public service (\$2,227m), followed by enabling industries (\$1,665m) and tradeable industries (\$547m). Boosting productivity associated with agriculture, manufacturing, tourism and higher educational institutes would help support growth in tradeable industries and boost Hornsby's economic competitiveness. There is a need to establish an economic framework that attracts investment and contributes to a sustainable enterprise base.

12.4 Strategies and actions

This section provides specific strategies and action that respond to the strategic directions.

12.4.1 Direction 1: Improve the utilisation and appeal of employment lands

Strategy 1.1 – Prioritise employment growth in Hornsby Town Centre

The centre lacks a clear economic identity and does not meet the utilisation potential of a strategic centre. The demand modelling indicates that the centre will require an additional 125,820sqm of floorspace to meet the 2036 TPA demand of 360,866qm. The estimated floorspace requirements to achieve the Greater Sydney Commission's baseline and aspiration job targets for the Town Centre proportion would be 128,759sqm and 209,604sqm.

The current market is anecdotally not attracting office tenants above ground level. For Hornsby to transition into a strategic centre and continue to expand the type of employment opportunities available for residents, it will be important to preserve office floorspace while also encouraging increased residential within the walkable catchment.

- **Action 1.1.1:** Optimise the commercial core to secure long-term capacity for office space.
- **Action 1.1.2:** Investigate increasing building heights of the commercial core, aiming to maximise redevelopment feasibility and consistency.
- **Action 1.1.3:** Establish non-residential floorspace provisions to average a non-residential FSR of 1.7:1 across the Hornsby Town Centre (excludes B5 zoned area).
- **Action 1.1.4:** Undertake a Masterplan for the Hornsby Town Centre to:
 - Establish a clear identity and economic direction
 - Improve connectivity with the station
 - Enhance the public realm and more effectively integrate with community facilities
 - Investigate opportunities to facilitate a night-time economy
 - Address parking constraints in the centre.

Strategy 1.2: Revitalise Pennant Hills to Thornleigh Corridor

The Pennant Hills and Thornleigh centres are in relatively close proximity, however both centres lack a clear identity and contain a mismatch of uses and zoning. Pennant Hills generally services properties to the north of Pennant Hills Road / Cumberland Highway and the rail line and Thornleigh services the catchment to the south. The centres do however have competing trade catchments. The current provision of supermarket space at Thornleigh is stronger, with those at Pennant Hills having a smaller catchment.

The capacity assessment indicates that the existing planning controls are not sufficient to accommodate future demand. There is also a disparity in the planning controls (building height and FSR) that may be preventing viable development outcomes.

- **Action 1.2.1:** Prepare a Pennant Hills to Thornleigh Corridor combined masterplan to establish a clear identity for the centres and revisit the planning controls and zoning to incentivise a higher density of commercial and residential development.
- **Action 1.2.2:** Consider enabling a full line supermarket to establish in Pennant Hills, which would support the revitalisation of the centre. This should be located in the B2 zone, over B5 or B6 zones. It should reinforce the centre hierarchy (see Action 6.2.1).
- **Action 1.2.3:** Encourage Pennant Hills to transition into a higher order centre to complement Hornsby Town Centre with a greater provision of business and office space.
- **Action 1.2.4:** Encourage an increased diversity of retail uses at Thornleigh by establishing a specific brand (i.e. boutique retail) and encouraging the delivery of more non-food retail floorspace.

Strategy 1.3: Grow Waitara into a vibrant eat street and convenience centre

Waitara is a high patronage train station with ridership continuing to increase as more medium and high-density development is delivered in the immediate area. The existing B2 Local Centre on Alexandria Parade is functioning more like a B1 Neighbourhood Centre than a B2 Local Centre. Although in close proximity to Hornsby Town Centre, there may be merit in expanding the centre to provide more daily convenience retail and restaurant uses. This would also capitalise on the significant recent investment in Waitara Park.

Figure 30: Waitara Station B2 expansion area



Source: HillPDA and Mecone Mosaic Beta, 2019

- **Action 1.3.1:** Consider rezoning land as identified in Figure 30 to B2 Local Centre, which would enable residential housing above.
- **Action 1.3.2:** Investigate the economic impacts of expanding the B2 Local Centre on Hornsby Town Centre and the B1 Neighbourhood Centre on Edgeworth David Ave. Any rezoning should have consideration of the centre hierarchy (see Action 6.2.1).
- **Action 1.3.3:** Investigate development standards for the Edgeworth David Ave Neighbourhood Centre to provide further services and support to the high-density residential developments and the hospital precinct

Strategy 1.4: Revitalise Asquith Village

Asquith has been identified as a location to accommodate higher density residential development that will generate demand for an additional 9,000sqm of commercial space by 2036. The centre is currently run down and would benefit from placemaking and built form revitalisation. The changes in planning controls may incentivise redevelopment, however, a placemaking program could also be explored to encourage owners to invest in the buildings.

The current planning controls constrain the building height on the supermarket site to 12m. The controls around the businesses fronting the Pacific Highway are ambiguous and would benefit from greater clarity.

- **Action 1.4.1:** Undertake design and feasibility testing to consider the appropriateness of:
 - Increasing the FSR controls across the whole centre zone (including supermarket site)
 - Increasing the building height of the supermarket site to enable redevelopment, potentially with housing above
 - Establishing a minimum non-residential FSR control of 1.2:1 – 1.6:1.
- **Action 1.4.2:** Consider facilitating a Business Improvement District scheme that encourages investment in building facades and shop frontages (if development is not achieved).

Strategy 1.5: Implement minimum non-residential FSR controls

Despite some individual centres experiencing a shortfall in capacity, generally in the medium and maximum scenario, there was sufficient supply. To meet the future demand to 2036 it would be recommended that minimum non-residential FSR controls are applied where more than 0.5 FSR (ground floor) is required.

- **Action 1.5.1:** Establish minimum non-residential FSR controls or local provisions in line with the below table.
The below table provides an indication of the minimum FSR needed to meet future demand to 2036. Note however, that the distribution of these FSR controls may vary if seeking to concentrate employment uses in certain centres.

Table 39: Minimum non-residential FSR controls

Centres	Minimum non-residential FSR	Action
Hornsby Town Centre	1.7	Establish a minimum non-residential FSR
Cherrybrook Village	0.8	New centre at Cherrybrook Station to absorb additional capacity
Asquith Village	1.6	Establish a minimum non-residential FSR
Beecroft Village	0.7	Establish a minimum non-residential FSR of 1:1 in remaining undeveloped area
Pennant Hills Village	0.5	Establish a minimum non-residential FSR of 1:1 on land between Hillcrest Road and Ramsay Road to encourage office and business uses
Thornleigh Village	0.7	Establish a minimum non-residential FSR
Westleigh Village	0.4	
West Pennant Hills Village	0.7	Establish a minimum non-residential FSR
Berowra Heights Village	0.5	
Galston Road, Galston	0.8	Establish a minimum non-residential FSR to encourage more business support uses
Pacific Hwy, Mount Kuring-Gai	1.3	Additional demand to be absorbed by other centres along Pacific Highway
Remaining centres	0.4	

Strategy 1.6: Increase the industrial capacity of Mount Kuring-Gai and Asquith

There are instances where building height has triggered non-compliance issues at Mount Kuring-Gai and Asquith, with flexibility generally provided by the Council planners. Industrial premises generally do not reach significant building heights due to the types of uses present. Enhancing the flexibility and density allowed on site, subject to environmental and biodiversity impacts, may increase the capacity and redevelopment opportunity.

Action 1.6.1: Consider removing building height controls from the industrial precincts and protecting character and sight lines through specific provisions in the DCP, if required. This would enable new forms of industrial development and design solutions to be achieved in response to topography constraints.

As can be seen in Table 40, a review of industrial area LEP controls across Sydney identified that the absence of building height controls was prevalent and did not have significant implications on industrial built form characteristics. A desktop review of the types of development occurring in these locations did not present evidence of excessive building height occurring. The majority of new buildings remained under four storeys.

Table 40: Example building height and FSR controls for industrial areas across Greater Sydney

Industrial location (LGA)	Height of building	FSR
Moorebank (Liverpool)	15-21m	1:1
Wetherill Park (Fairfield)	Nil	Nil
Brookvale (Northern Beaches)	11m	Nil
Eastern Creek (Blacktown)	Nil	Nil
St Peters (Inner West)	Nil	0.95:1
Silverwater (Parramatta)	Nil	1:1
Artarmon (Willoughby)	Nil	1:1
Mascot (Sydney)	44m	1.2:3:1
Rouse Hill (The Hills)	16m	1:1

Strategy 1.7: Deliver better places of employment

An increasing amount of companies are keen to provide a good working environment for their employees as it helps them to attract and retain talent. Employees like to eat out during meal breaks and have access to basic services such as a childcare, bank or gym, and convenience retail services. Businesses benefit from having services nearby. For example, major corporations need to have a hotel or function centre nearby while medium sized business benefit from services such as printers. The LGA offers a diversity of employment locations. Improving the amenity of employment locations will attract businesses and employers to the LGA. It will also support businesses to attract and retain talent.

Action 1.7.1: Support businesses and workers by providing a planning framework that encourages:

- Convenience retail and services (e.g. childcare, gyms, banks and the like) in employment areas.
- A pleasant location for people to rest or interact with others during the working day
- Improve connectivity to surrounding open space and bushland (for workers to mountain bike or bushwalk or relax during breaks).

12.4.2 Direction 2 - Establish a sustainable long-term supply of employment land

Strategy 2.1: Establish a pipeline of industrial land

Mount Kuring-Gai and Asquith are two of the largest and economically productive industrial precincts in the LGA with a strong mix of uses. The current average built FSR is 0.5:1. Taking into consideration the environmental and topography constraints, there is limited land available for further expansion. Despite the capacity modelling suggesting that there is capacity, it is unlikely that substantial redevelopment would occur in these precincts as a number of uses rely on available land area rather than floor space. The precincts also have stronger connections to the Pacific Motorway through the northern entrance to the LGA.

To meet the future demand requirements, there is a need to investigate additional industrial land opportunity.

- **Action 2.1.1:** Investigate opportunities for the expansion of existing general and light industrial land or release of additional industrial land to accommodate future growth. While this investigation is beyond the scope of this work, it would need to consider the guiding principles identified in section 12.2, particularly access to motorways (see rational in section 4.5.2).

Strategy 2.2: Increase the utilisation capacity of Hornsby B5 Urban Service Land

There is high demand for B5 Business Development land, however there is limited expansion capacity. Locating urban services close to public transport and population centres is important and there are limited alternate locations to deliver such services.

- **Action 2.2.1:** Protect the B5 zones within the Hornsby Town Centre
- **Action 2.2.2:** Increase the building height to at least 14.5m to be consistent with the other industrial areas or remove building height restrictions to enable redevelopment opportunity and densification of the sites. Height controls should be altered after consideration has been given to visual impacts and view lines.

Strategy 2.3: Update the ELDM

The following land areas in the below employment precincts were not included in the Department of Planning, Industry and Environment's Employment Lands Development

Monitor (ELDM). These are a mix of B5, B6 and some IN1 zones. These zones have been included in the study and should be put forward for inclusion in the ELDM.

- **Action 2.3.1:** Propose an update to the Department of Planning, Industry and Environment to include the land area identified in Table 41.

Table 41: ELDM additional land

Precinct	ha
Hornsby east/west	1.9
Pennant Hills	6.2
Waitara	2.1
Thornleigh enterprise corridor	10.7

Strategy 2.4: Secure supply of enterprise and business development land

There is high demand for business development and enterprise corridor land with most scenario's indicating that further land would need to be made available by 2036.

- **Action 2.4.1:** Investigate opportunities to release B5 Business Development land or B6 Enterprise Corridor land near the Dural Service Centre.
- **Action 2.4.2:** Upgrade New Line Road to unlock additional capacity.

12.4.3 Direction 3: Protect zones for uses that align with the role and function

Strategy 3.1: Rezone land that no longer aligns with the function and role of the centre or employment precinct

- **Action 3.1.1:** A portion of the Galston Village containing The Grove residential living and the residential component to the north along Griffith Close is currently not contributing to the local centre function. Rezone areas to R2 Low Density Residential where they do not contribute commercial uses.
- **Action 3.1.2:** Rezone the B1 Neighbourhood Centre at Somerville Road, Hornsby Heights. The zone currently accommodates residential dwellings and no commercial uses.
- **Action 3.1.3:** Rezone the industrial land at Thornleigh that contains the Brickpit Playground to RE1 Public Recreation.

Strategy 3.2: Protect the role and function of employment lands

In some instances, the objectives of the zones are not reflective of the current uses. The wording of the objectives could also be further refined to provide greater clarity and intent. There are also instances where zones may transition away from the intended role due to the types of uses permissible or some businesses may be displaced.

- **Action 3.2.1:** Consider updating the LEP in line with the objectives and recommendations outlined in the Planning Review chapter.

12.4.4 Direction 4: Attract a greater diversity of employment and learning opportunities

Hornsby's employment opportunities are largely oriented around healthcare and social assistance, education and training, construction and public administration and support services. There is a need to diversify the employment economy to create more job opportunities and to reduce dependency on government funded jobs.

Strategy 4.1: Attract knowledge intensive jobs in Hornsby Town Centre

Encouraging the growth of professional, scientific and technical services and financial and insurance services can support the growth in employment and have a positive benefit of economic productivity. Improving the identity and appeal of the Hornsby Town Centre may assist in attracting knowledge intensive jobs. Enhancing and promoting the connections to Hornsby's open space, bushland and recreational opportunities would also create a point of difference from other urban centres.

- **Action 4.1.1:** Establish a business incubator hub that provides collaborative working space for small businesses and start-ups in Hornsby Town Centre. This would provide an affordable alternative for people that want to operate a business in the area but do not want to operate a home-based business. A business incubator hub may encourage existing home-based business operators to relocate into the centre, which would support retail and hospitality uses.
- **Action 4.1.2:** Investigate opportunity for Hornsby Town Centre to become a trial ground for new technologies, such as 5G connectivity.
- **Action 4.1.3:** In the short-term encourage the supply of smaller floorplate office space at affordable prices in the commercial core.

Strategy 4.2: Support the growth of agriculture, manufacturing and tourism

Agriculture, manufacturing and tourism are all economic enabling industries, of which, Hornsby already has an established interest. The Rural Lands Study and Economic Development and Tourism Strategy are investigating the ongoing role and function of agriculture and tourism uses. The agriculture industry is Hornsby's specialisation, when compared to the North District LGA's; and tourism is an opportunity industry. Manufacturing in its traditional sense is declining, however there is an emergence of creative and advanced manufacturing, which can diversify the LGA's skill base. Investigating opportunities for greater synergies between the industries and facilitating pathways for enhanced utilisation within employment lands will be key.

- **Action 4.2.1:** Work with local businesses and TAFE to run short courses for the community to upskill in target industries.
- **Action 4.2.2:** Undertake meaningful engagement with local agriculture producers and rural and tourism industries to determine pathways to further support the productivity of rural lands as part of the rural land strategy and economic development strategy.

Strategy 4.3: Explore synergies with the local TAFE and Universities to develop training and education programs targeted to local industries.

There is an opportunity to facilitate training to equip the workforce with appropriate skills to effectively contribute to the industry. Training courses operated by a University or TAFE, aimed at local business, can help local business improve and grow.

- **Action 4.3.1:** Encourage a university or a university outpost to establish in the Hornsby Town Centre.
- **Action 4.3.2:** Provide training spaces for the utilisation by businesses, universities and TAFE to run training courses.
- **Action 4.3.3:** Undertake meaningful engagement with local industries to determine the gap in employment skill sets and tailor training courses to suit.

Strategy 4.4: Partnerships with the health and social services industry

The healthcare and social assistance industry is growing and is one of the largest contributors to Hornsby's economy. As identified in Chapter 5.0, the population in Hornsby is ageing and will generate a growing demand for healthcare related services. There is limited expansion opportunity around the Hornsby Hospital with evidence that numerous residential houses are operating as allied medical services. There is also anecdotal evidence that there is increasing demand for outpatient services.

- **Action 4.4.1:** Designate the land, as identified in Figure 31, as the Hornsby health and social services precinct. Encourage a concentration of outpatient facilities, short-term accommodation, hospital support facilities, allied health education facilities and allied health facilities.
- **Action 4.4.2:** Review planning uses to enable health and social service-related uses such as health consulting rooms, medical centres, respite day care centres etc. Review building height controls to enable greater flexibility while keeping with the character of the broader area.
- **Action 4.4.3:** Investigate funding and delivering more patient support accommodation including short term housing for families near the hospital to expand the appeal to the central coast market.
- **Action 4.4.4:** Investigate planning incentives to encourage the delivery of more diverse housing typologies and key worker accommodation in the nearby higher density residential areas.

Figure 31: Hornsby health and social services precinct



- **Action 4.4.5:** Investigate strengthening pedestrian connections along Burdett Street, from the hospital to Hornsby Town Centre, to create a more pedestrian friendly and walkable catchment. This may include wider footpaths, dedicated on road bike lane and more street lighting. E-scooter or E-bike hubs (such as provided by Lime) could be located at either end to encourage more people to utilise public transport and enable an easier commute.
- **Action 4.4.6:** Consider the implementation of a regular shuttle bus service between the hospital and Hornsby Station.

12.4.5 Direction 5: Deliver infrastructure that supports current needs and future growth

Strategy 5.1: Road networks are appropriate to accommodate growth

There are a number of roads in Hornsby LGA that are at or nearing capacity and are the subject of extensive congestion, which effects commute times and the efficiency of freight and commercial vehicle movements. While the delivery of NorthConnex would potentially free up some road capacity, it will not solve all the traffic issues.

- **Action 5.1.1:** Undertake a Transport and Traffic Study for the broader LGA to identify the immediate priorities for investment
- **Action 5.1.2:** Work with Transport for NSW to free up capacity on the priority road networks including New Line Road and Pennant Hills Road to accommodate the growth and expansion of the LGA.

Strategy 5.2: Industrial and urban service areas have strong public transport connectivity

Industrial and urban service areas are major employment locations and need to be connected with efficient public transport. While the areas are known to be car dependent, improving public transport connectivity would encourage higher usership and reduce parking pressures. The current connection from the rail stations to Asquith and Mount Kuring-Gai industrial areas is poor. The Dural Service Centre is also under serviced by public transport.

- **Action 5.2.1:** Investigate the implementation of a more regular bus service or the introduction of a shuttle bus to circulate from the station to the precincts during peak times.
- **Action 5.2.2:** Investigate the feasibility of enhanced public transport services in the Dural area.

Strategy 5.3: High-speed internet

Poor connectivity to the internet and mobile service providers is an anecdotal issue in the Hornsby LGA. Businesses rely on efficient communication services to operate. Poor connections can be a deterrent for businesses establishing in the area.

- **Action 5.3.1:** Advocate, on behalf of the community, for the timely delivery of improved internet and mobile services. Consider incentives for early delivery.

Strategy 5.4: Sufficient provision of parking

Parking is an anecdotal issue in the area with limited off-street parking capacity and competition for on-street parking.

- **Action 5.4.1:** Implement the recommendations of the Parking Study to assist in alleviating parking pressures.
- **Action 5.4.2:** Encourage out of centre commuter parking to alleviate pressure on parking in centres.

Strategy 5.5: Early delivery of utility service

To unlock future employment lands, there is a need to ensure the early delivery of services to prevent delays in release and impacts on supply and affordability.

- **Action 5.5.1:** Plan for infrastructure delivery to new employment lands, including the supply of electricity, gas, water and sewer.

12.4.6 Direction 6: Establish a framework for sustainable and continued economic growth

Strategy 6.1: Amend the definitions in the commercial centre hierarchy recommendations

To align the strategy with the new terms in the Region Plan and District Plan and to better reflect the permissible uses and types of centres the explanations of the commercial centre hierarchy in the DCP should be updated.

- **Action 6.1.1:** Consider updates in line with Table 42.

Table 42: Commercial centre hierarchy definitions

Existing	Proposed amendments
Major Centre Hornsby Town Centre is a Major Centre serving the North Subregion. This area should provide much of the civic, cultural, retail and economic requirements for the Subregion. The centre should develop additional employment generating activities including offices and services.	Strategic Centre Hornsby Town Centre is a Strategic Centre serving the North District. This centre should contribute to the civic, cultural, retail and economic requirements for the District. The centre should accommodate a diversity of employment opportunities and be the primary location for offices and services.
Town Centres Town Centres should provide a wide range of goods and services to the community. Trips to larger centres such as Hornsby Town Centre should only be required for higher order commodities.	Local Centres Local Centres should provide a wide range of goods and services, including a supermarket, for the community. Trips to larger centres such as Hornsby Town Centre should only be required for higher order commodities. They typically contain a supermarket over 1,000sqm.
Stand Alone Shopping Centre	Remove
Villages and Small Villages The smaller local centres known as Villages and Small Villages are identified in the commercial centre's hierarchy. These centres should be the preferred location for small and medium scale	Remove

Existing	Proposed amendments
commercial/retail uses that serve the local community and only have limited office and bulky good retail functions.	
Neighbourhood centres Neighbourhood Centres provide retail and other services to the immediately surrounding residential area. The role of Neighbourhood Centres to serve the needs of residents should be reinforced. To ensure that Neighbourhood Centres do not undermine the strength of the commercial environment of surrounding larger centres, commercial/retail uses that serve the wider community should not be located within Neighbourhood Centres	Neighbourhood centres Neighbourhood centres provide a range of small-scale retail and other services that serve the convenience needs of people that live and work in the surrounding neighbourhood. Higher order retail and commercial uses that serve the wider community are not located in neighbourhood centres.
Enterprise Corridor Parts of Pennant Hills Road and the Pacific Highway function as Enterprise Corridors providing accommodation for local and regional services that benefit from high levels of passing traffic such as start-up offices, light industry, motor showrooms, building supplies and bulky good retail.	Enterprise Corridors and Business Development Nodes Enterprise Corridors and Business Development Nodes provide accommodation for local and district services that benefit from high levels of passing traffic such as start-up offices, light industry, motor showrooms, building supplies and bulky good retail. They provide essential population support services that meet the day to day needs of their surrounding community. They support the function of local centres.

Strategy 6.2: Update the commercial centre hierarchy in the DCP

The commercial centre hierarchy need to be updated to reflect the revised function and role of centres and align with Greater Sydney Commission. The hierarchy has considered the current Hornsby hierarchy and future growth and demand analysis.

- **Action 6.2.1:** Update the centre hierarchy in line with the below.

Strategic centre		
Hornsby Town Centre		
Local centres		
<ul style="list-style-type: none"> Thornleigh Village Cherrybrook Village Pennant Hills Village Berowra Heights Village Beecroft Village 	<ul style="list-style-type: none"> Asquith Village West Pennant Hills Village Berowra Village Dural Service Centre 	<ul style="list-style-type: none"> Galston Road Village Westleigh Village Pacific Hwy Mount Kuring-Gai Waitara Village
Neighbourhood centre		
<ul style="list-style-type: none"> Appletree Drive Cherrybrook Balmoral Street Waitara Brooklyn Village Dangar Island David Road Castle Hill 	<ul style="list-style-type: none"> Denman Parade Normanhurst Galston Road Hornsby Heights Malton Road North Epping Mount Colah Village Myrtle Street Normanhurst 	<ul style="list-style-type: none"> Pacific Hwy Cowan Parklands Rd Mount Colah Sefton Road Thornleigh Wisemans Ferry Yallambee Road, Berowra
Rural village		
Dural rural village		

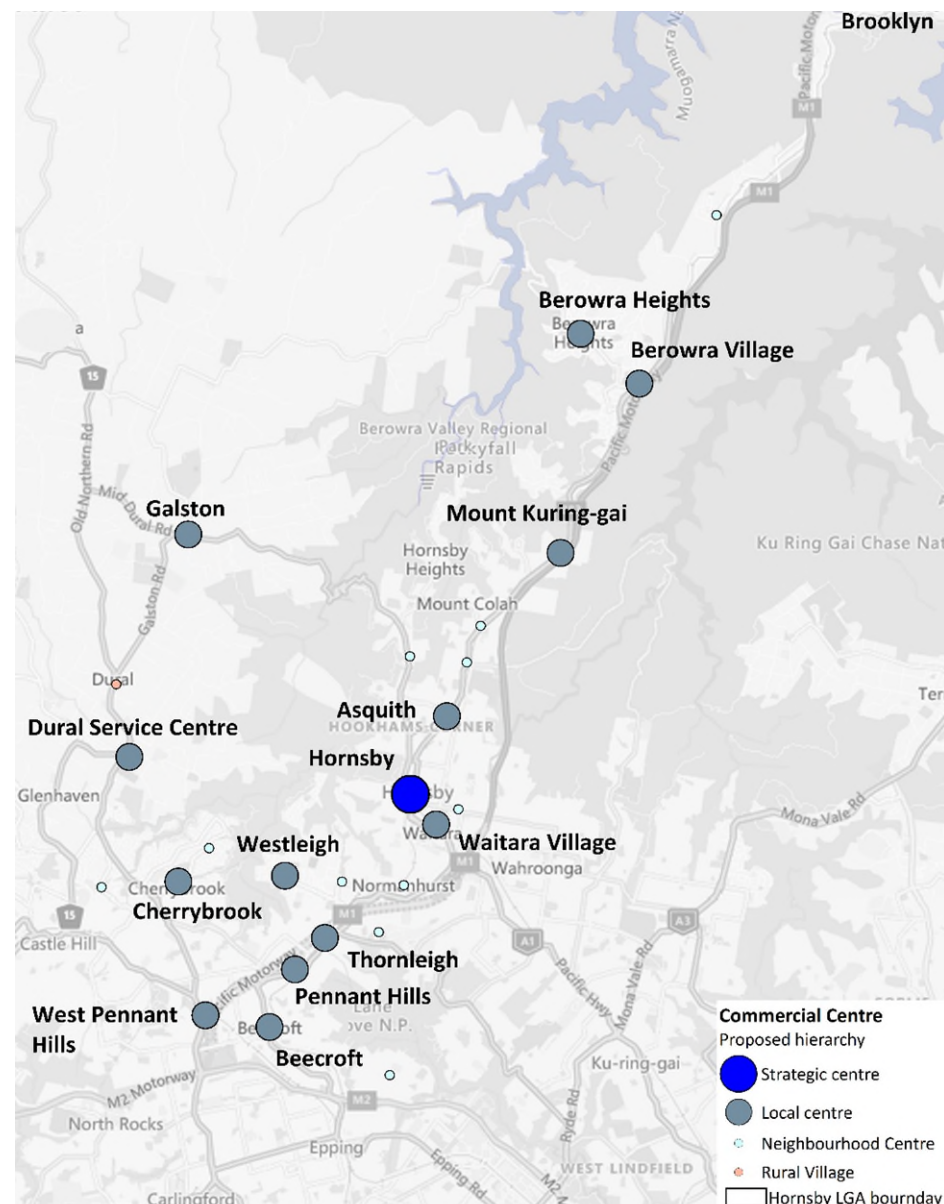


Figure 32: Proposed commercial centre hierarchy

Source: HillPDA 2019

Strategy 6.3: Establish a clear economic identity for Hornsby LGA

Stakeholder consultation reinforced that there is no clear economic directive for Hornsby LGA. There is a need to further define the direction for economic growth and prosperity including opportunities to support existing businesses and attract new businesses and industry.

- **Action 6.3.1:** Implement the findings of the Economic Development and Tourism Strategy.
- **Action 6.3.2:** Consider preparing an Investment Prospective for Hornsby LGA to market the opportunities to businesses and investors.

APPENDICES

APPENDIX A: RETAIL DEMAND MODELLING

Demand for retail space is derived mainly from three sources being residents (household expenditure), workers and visitors or tourists. The vast majority of retail sales in the Hornsby Shire are derived from residents. For the purpose of the modelling, we have excluded interstate and international tourists as the numbers are not significant.

The first step in the modelling is to define the smaller areas and forecast population growth in these areas. Travel zones were adopted as this is the smallest geographical area providing population projections. Population forecasts are shown in the table to the right.

Table 43: Population forecast by small area

Area	2016	2026	2036
Arcadia - North Western Rural	4,031	3,866	3,970
Asquith	3,663	8,158	8,898
Beecroft - Cheltenham	9,147	10,682	11,182
Berowra	4,906	5,042	5,238
Castle Hill (within Hornsby LGA)	5,913	5,732	5,620
Cherrybrook	19,348	19,460	20,890
Dural (within Hornsby LGA)	5,658	6,309	6,268
Galston - Middle Dural	3,482	3,965	4,326
Hornsby Heights	6,485	6,438	6,562
Mount Colah - Mt Kuring-Gai	9,148	10,563	11,011
Normanhurst	5,537	5,910	6,000
North Epping	4,694	4,790	4,857
Pennant Hills	7,567	7,938	9,129
Thornleigh	8,737	10,388	10,649
Wahroonga (within Hornsby LGA)	4,515	5,393	5,556
Waitara	5,900	8,905	9,407
West Pennant Hills	4,103	4,584	4,815
Westleigh	4,608	4,615	4,745
Berowra Heights - Northeast Rural	6,527	6,422	6,524
Brooklyn	669	653	691
Hornsby	23,022	26,345	33,243
Hornsby LGA	147,660	166,158	179,581
Wahroonga (Kuring-Gai)	22,900	26,345	28,300
Turramurra (Post Code 2074)	19,600	25,500	22,700
St Ives and Pymble north	28,800	20,800	35,200

Source: Forecast.ID and Transport for NSW

Expenditure data was sourced from MDS Marketinfo 2017 which utilises national accounts, ABS Census and ABS Household Expenditure Survey data to derive estimated household expenditure down to SA1 level for 625 different categories of expenditure. Average expenditure per capita in retail goods and services is shown in the table below.

Table 44: Average expenditure per capita (2018 \$/annum)

Area	Food and Groceries*	Meals & drinks out**	Apparel	Homewares	Bulky Goods***	Other Goods	Personal Services #	Total
Arcadia - North Western Rural	5,079	2,318	1,455	351	2,139	3,071	486	14,899
Asquith	4,968	2,244	1,198	343	2,003	2,962	460	14,179
Beecroft - Cheltenham	5,522	2,656	1,693	478	2,421	3,309	550	16,629
Berowra	5,463	2,407	1,456	389	2,326	3,250	501	15,793
Castle Hill	5,208	2,582	1,541	373	2,268	3,082	525	15,579
Cherrybrook	5,224	2,538	1,605	402	2,282	3,111	488	15,650
Dural	5,449	2,594	1,541	383	2,335	3,101	521	15,924
Galston - Middle Dural	5,480	2,343	1,485	384	2,256	3,270	501	15,719
Hornsby Heights	5,367	2,380	1,423	387	2,393	3,139	499	15,589
Mount Colah - Mt Kuring-Gai	5,012	2,225	1,210	350	2,112	2,898	450	14,257
Normanhurst	5,302	2,466	1,433	388	2,267	3,080	509	15,445
North Epping	5,208	2,362	1,556	420	2,298	3,150	511	15,504
Pennant Hills	5,268	2,626	1,615	416	2,177	3,303	512	15,917
Thornleigh	5,076	2,376	1,396	370	2,169	3,047	492	14,927
Wahroonga	5,575	2,806	1,815	451	2,488	3,171	599	16,907
Waitara	4,646	2,888	1,257	390	1,513	2,787	549	14,028
West Pennant Hills	5,455	2,749	1,755	422	2,562	3,289	521	16,752
Westleigh	5,508	2,514	1,609	448	2,455	3,162	544	16,241
Berowra Heights - N.E. Rural	5,373	2,391	1,347	379	2,280	3,234	488	15,494
Brooklyn	5,603	2,428	1,280	428	2,327	3,429	511	16,006
Hornsby	4,797	2,635	1,256	332	1,778	2,837	458	14,093
Wahroonga (Ku-ring-gai)	5,575	2,806	1,815	451	2,488	3,171	599	16,907
Turrumurra (Post Code 2074)	5,669	2,829	1,842	473	2,588	3,258	602	17,261
St Ives and Pymble	5,721	2,863	1,854	452	2,539	3,224	630	17,284

* Includes take-away liquor

** Includes fast foods and meals and drinks in restaurants, clubs and hotels

*** Includes furniture, electrical goods, hardware, domestic appliances and the like

includes hair and beauty, clothing alterations, video hire and optical dispensing but does not include travel, real estate, financial and medical services

Sources: MDS Marketinfo 2017

Converting household expenditure by small geographical area into retail sales at each centre is done by assuming varying capture rates. The next two tables below show the assumed capture rates for:

- food, grocery and liquor (FG L) shopping and personal services; and
- non-food shopping (department stores, apparel and other non-food stores).

Totals will generally be 90% or less because residents shop outside the LGA, close to work and when they are away (travelling).

Table 45: Assumed capture rates for food, groceries, liquor and personal services

	Hornsby Town Centre	Cherrybrook Village	Asquith Village	Beecroft Village	Pennant Hills Village	Thornleigh Village	Westleigh Village	West Pennant Hills Village	Berowra Heights Village	Galston	Mount Kuring-Gai	Other Centres	Total
Arcadia - N.W. Rural										30%		11%	41%
Asquith	15%		55%									11%	81%
Beecroft - Cheltenham				45%								11%	56%
Berowra			10%						50%			11%	71%
Castle Hill												15%	15%
Cherrybrook		65%										11%	76%
Dural												13%	13%
Galston - Middle Dural										50%		11%	61%
Hornsby Heights	30%		45%									11%	86%
Mt Colah - Mt Kuring-Gai	25%		10%								25%	11%	71%
Normanhurst	30%					30%						15%	75%
North Epping												15%	15%
Pennant Hills					70%							11%	81%
Thornleigh	5%					60%						11%	76%
Wahroonga	70%											11%	81%
Waitara	70%											11%	81%
West Pennant Hills								70%				11%	81%
Westleigh	5%					20%	50%					11%	86%
Berowra Heights - N.E. Rural	5%								60%			11%	76%
Brooklyn	5%								30%			15%	50%
Hornsby	75%											7%	82%
Wahroonga (Ku-ring-gai)	30%												30%
Turrumurra (Post Code 2074)	10%												10%
St Ives and Pymble north	5%												5%
From Beyond	5%					15%		25%					45%

Table 46: Assumed capture rates for non-food goods

	Hornsby Town Centre	Cherrybrook Village	Asquith Village	Beecroft Village	Pennant Hills Village	Thornleigh Village	Westleigh Village	West Pennant Hills Village	Berowra Heights Village	Galston	Mount Kuring-Gai	Other Centres	Total
Arcadia - N.W. Rural										12%		4%	16%
Asquith	55%		22%									4%	81%
Beecroft - Cheltenham	35%			18%								4%	57%
Berowra	50%		4%						20%			4%	78%
Castle Hill												6%	6%
Cherrybrook	15%	26%										4%	45%
Dural	35%											5%	40%
Galston - Middle Dural	35%									20%		4%	59%
Hornsby Heights	60%		18%									4%	82%
Mt Colah - Mt Kuring-Gai	50%		4%								10%	4%	68%
Normanhurst	65%					12%						6%	83%
North Epping												6%	6%
Pennant Hills	40%				28%							4%	72%
Thornleigh	50%					24%						4%	78%
Wahroonga	75%											4%	79%
Waitara	75%											4%	79%
West Pennant Hills	15%							28%				4%	47%
Westleigh	50%					8%	20%					4%	82%
Berowra Heights - N.E. Rural	50%								24%			4%	78%
Brooklyn	60%								12%			6%	78%
Hornsby	80%											3%	83%
Wahroonga (Ku-ring-gai)	60%												60%
Turrumurra (Post Code 2074)	35%												35%
St Ives and Pymble north	20%												20%
From Beyond	5%	0%	0%	0%	0%	15%	0%	25%	0%	0%	0%	0%	

Applying the above capture rates to expenditure generated by trade area residents derives the following estimated total retail sales for the Hornsby town centre and each of the local centres.

The capture of trade baby centre in 2018, 2026 and 2036 is provided in the following three tables.

Table 47: Estimated total retail sales in 2018 (\$m)

Centre	Supermarkets and Specialty Foods*	Fast Foods, restaurants, clubs & pubs**	Department Stores***	Other Non-Food Stores #	Total
Hornsby Town Centre	236.7	118.4	97.1	442.3	894.5
Cherrybrook Village	69.9	31.9	5.1	27.8	134.8
Asquith Village	34.2	14.7	2.4	13.5	64.9
Beecroft Village	23.9	10.9	1.8	9.9	46.5
Pennant Hills Village	29.4	13.9	2.3	12.3	57.9
Thornleigh Village	48.7	21.7	3.5	19.7	93.6
Westleigh Village	13.2	5.8	1.0	5.4	25.4
West Pennant Hills	20.7	9.9	1.6	8.6	40.7
Berowra Heights Village	36.6	15.8	2.6	14.9	69.9
Galston	16.2	6.9	1.2	6.7	30.9
Mount Kuring-Gai	11.9	5.1	0.8	4.6	22.4
Other centres****	87.9	40.5	6.4	35.6	170.4
Total	629.4	295.4	125.8	601.2	1,651.9

* Includes take-away liquor

** Includes only meals and drinks on premises (excludes other revenue sources such as gaming and accommodation)

*** Includes Myer, David Jones, Target, Kmart and Big W

includes 10% of bulky goods (assumed to be purchased in-centres) and selected personal services

****combined villages, small villages, neighbourhood and rural village

Table 48: Estimated total retail sales in 2026 (\$m)

Centre	Supermarkets and Specialty Foods*	Fast Foods, restaurants, clubs & pubs*	Department Stores*	Other Non-Food Stores*	Total
Hornsby Town Centre	300.1	150.9	110.7	529.7	1091.5
Cherrybrook Village	76.1	34.8	5.2	29.5	145.5
Asquith Village	51.7	22.2	3.3	19.8	97.1
Beecroft Village	30.2	13.8	2.1	12.2	58.3
Pennant Hills Village	33.4	15.8	2.4	13.5	65.2
Thornleigh Village	60.0	26.8	4.0	23.6	114.4
Westleigh Village	14.3	6.3	1.0	5.7	27.3
West Pennant Hills	25.0	11.9	1.8	10.1	48.8
Berowra Heights Village	39.7	17.1	2.6	15.6	75.0
Galston	18.7	7.9	1.3	7.5	35.4
Mount Kuring-Gai	14.9	6.4	0.9	5.6	27.8
Other centres**	106.2	49.1	7.1	41.7	204.2
Total	770.5	363.1	142.4	714.5	1,990.4

* Assumes 1% growth in real spend per capita on FGL, 0% for department stores and 0.5% for other non-food stores generally in line with long term trends in real growth expenditure since 1986

**combined villages, small villages, neighbourhood and rural village

Table 49: Estimated total retail sales in 2036 (\$m) (2018 dollars)

	Supermarkets and Specialty Foods*	Fast Foods, restaurants, clubs & pubs*	Department Stores*	Other Non-Food Stores*	Total
Hornsby Town Centre	378.2	190.8	122.2	621.8	1312.9
Cherrybrook Village	90.3	41.2	5.6	33.7	170.7
Asquith Village	60.4	26.0	3.5	22.3	112.2
Beecroft Village	34.9	16.0	2.2	13.6	66.7
Pennant Hills Village	42.5	20.1	2.7	16.6	81.9
Thornleigh Village	67.9	30.3	4.1	25.7	128.0
Westleigh Village	16.3	7.1	1.0	6.2	30.7
West Pennant Hills	29.0	13.9	1.8	11.3	56.0
Berowra Heights Village	45.0	19.3	2.7	17.1	84.1
Galston	22.1	9.4	1.4	8.5	41.3
Mount Kuring-Gai	17.1	7.3	1.0	6.2	31.6
Other centres**	124.9	57.9	7.6	47.3	237.8
Total	928.6	439.3	155.7	830.3	2,353.9

* Assumes 1% growth in real spend per capita on FGL, 0% for department stores and 0.5% for other non-food stores generally in line with long term trends in real growth expenditure since 1986

** combined villages, small villages, neighbourhood and rural village

Forecasting demand for retail space is calculated by dividing total estimated retail sales by industry benchmark retail turnover density (RTD) rates (which varies by centre size and by retail store type). The adopted RTDs are shown in the table immediately below and are sourced from various sources.

Table 50: Target retail turnover densities

Store type	Hornsby TC	Local Centres	Other Centres
Supermarkets	12,000	10,800	9,600
Specialty Foods	10,500	9,450	8,400
Take-away Foods	9,000	8,100	7,200
Cafes, restaurants, clubs, etc	7,000	6,300	5,600
Department Stores	3,800	3,420	3,040
Apparel Stores	7,500	6,750	6,000
Bulky Goods	3,800	3,420	3,040
Other Non-Food Goods	6,500	5,850	5,200
Selected Personal Services	6,000	5,400	4,800
Weighted Average	6,301	8,600	5,768

Sources: Various including ABS Retail survey 1991-92 and 1998-99, Shopping Centre News 2018 and 2019, Urbis Retail Averages, ABS Retail Sales, various consultancy studies and HillPDA

Based on the above RTDs and forecast total retail sales the following floor space requirements were derived.

Table 51: Demand for retail floorspace

	Supply in 2019	Demand in 2019	Current under/oversupply (+/-)	Additional Demand in 2026*	Additional Demand in 2036*
Hornsby Town Centre	131,090	129,137	-1,952	24,708	53,739
Cherrybrook Village	7,782	17,577	9,795	11,083	14,204
Asquith Village	6,899	8,424	1,525	5,629	7,490
Beecroft Village	6,991	6,104	-887	614	1,649
Pennant Hills Village	8,279	7,594	-684	221	2,330
Thornleigh Village	10,825	12,202	1,377	4,009	5,657
Westleigh Village	3,359	3,314	-45	182	593
West Pennant Hills Village	5,442	5,342	-100	926	1,819
Berowra Heights Village	7,149	9,099	1,950	2,560	3,664
Galston	4,384	4,032	-352	206	936
Mount Kuring-Gai	1,830	2,901	1,071	1,745	2,217
Other centres**	37,172	25,030	-12,141	-7,347	-2,667
Total	231,200	230,756	-445	44,537	91,629

* Assumes an increase in target RTDs at 0.4% per annum

**combined villages, small villages, neighbourhood and rural village

Please note that the above forecast assumes the following:

- No significant changes in the retail hierarchy and no new centres being developed
- Average real spend per capita varying from 0% for department stores to 1% per annum in FGL categories
- Target RTDs increasing at a rate of 0.4% per annum
- Population increases as forecasted above
- No shifts or changes in the capture rates of existing centres.

Additionally, any change in the retail hierarchy, such as the addition of a new centre, would redirect some of the demand from these centres to the new centre, therefore reducing the demand by centre identified above.

The previous table suggests that an additional 91,000sqm of occupied retail floor space should be planned across Hornsby over the next 17 years, of which around half should be in the Hornsby Town Centre.

In addition, it is also healthy to allow for some vacancies in the order of say 2% to 3% to accommodate for changes of tenancies.

APPENDIX B: LAND USE AUDIT METHOD

Each employment precinct / commercial centre was visited by one to two HillPDA representatives. For each lot in the corresponding precinct/commercial centre, the surveyor noted down; business name; its industry type at the ANZSIC 1-digit code level or broad retail type; the proportion of the building it was occupying and its level in the building.

Data on building envelope sizes for business and employment areas has been obtained from Geoscape (see example in figure below) and cross-check with Nearmap. The building envelope data was mapped against the cadastre, and total building GFA was calculated per lot. The GFA was then matched against the on-ground audit data, producing GFA for each usage category per lot.

Any difficult or unknown business categories were supplemented using ABR data and internet sources.

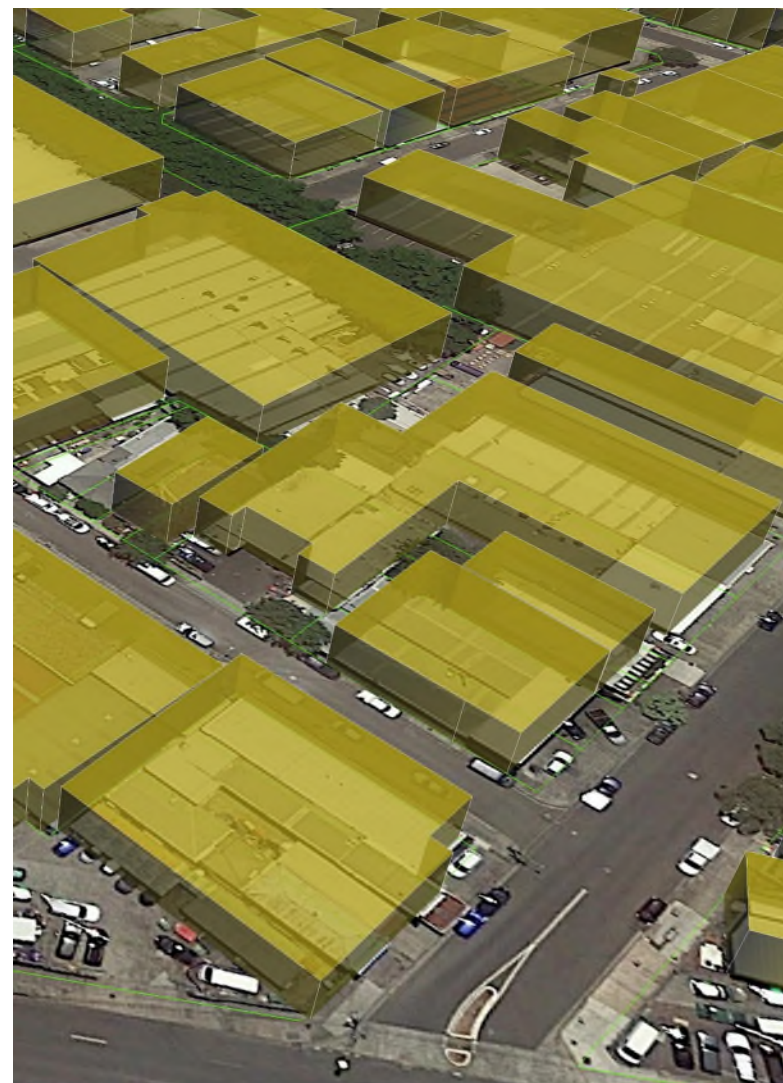


Figure 33: Geoscape building data

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