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23 October 2020

Mr John McKee
General Manager
Ku-ring-gai Council
Locked Bag 1006
GORDON NSW 2072

Email – kmc@kmc.nsw.gov.au

Dear Mr McKee

Draft Ku-ring-gai Retail & Commercial Centres Strategy

The Property Council of Australia welcomes the opportunity to provide comments to Council on the draft Retail and Commercial Centres Strategy (**the Strategy**).

As Australia's peak representative of the property and construction industry, the Property Council's members include investors, owners, managers and developers of property across all asset classes. We are pleased to provide the attached comments for your consideration.

The Strategy provides a very good overview of the current situation faced by retail and commercial uses within the Ku-ring-gai LGA. It is concerning that Ku-ring-gai's retail and commercial market is characterised by high levels of vacancy, considerable escaped expenditure to neighbouring LGAs, lack of large-format retail facilities and a significant undersupply of retail floor space within the centres. We support the Strategy's recommendations and expect Council will give them careful consideration.

As many of the larger retail facilities within the Ku-ring-gai LGA are outdated and do not meet current tenant and customer expectations, Council should accept the recommendation which calls for unlocking their redevelopment to be prioritised. Council should review the incentives and other support it can provide to encourage investment in its retail and commercial centres.

Should you have any questions regarding the content of this submission please contact Troy Loveday, NSW Policy Manager, on 0414 265152 or tloveday@propertycouncil.com.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Belinda Ngo'.

Belinda Ngo
Acting NSW Executive Director
Property Council of Australia

Submission to Ku-ring-gai Council

Draft Ku-ring-gai Retail and Commercial Centres Strategy

23 October 2020

1.0 General Comments

The Property Council supports Ku-ring-gai Council undertaking a review of its retail and commercial centres with the development of this Strategy. We note that Strategy 22.1 of the Greater Sydney Regional Plan and Actions 22 and 23 of the North District Plan recognise the importance of local centres, particularly how these centres can be supported, including high streets in decline, and the responsibility for councils to plan for their revitalisation.

Planning Priority K25 of Council's Local Strategic Planning Statement (**LSPS**) addressed local centres by "providing for the retail and commercial needs of the local community within Ku-ring-gai centres". The actions that came out of the LSPS process included the preparation of this strategy which would:

- establish a centres hierarchy,
- investigate interrelationships between centres,
- determine future floor space demand, and
- assess the influence of surrounding strategic centres.

It is noted that retail and commercial uses are spread across Ku-ring-gai's 22 local and neighbourhood centres. The LGA has approximately 96,000m² of retail floor space and 157,427m² of commercial and non-retail services floor space. Some 31,000m² or 11% of floor space is currently vacant.

The Strategy has identified a number of issues which relate to the functionality of Ku-ring-gai's centres. These are identified below.

- Current undersupply of retail floorspace (35,000m²) within centres and expected to increase to 58,000m² as population increases up to 2036;
- High vacancies in commercial spaces (approximately 11% in combined retail and commercial and 19% in commercial floor space) with many buildings untenanted;
- High escaped expenditure to neighbouring centres including Macquarie Park, Hornsby and Chatswood;
- Lack of recreational facilities due to lack of suitable regional shopping centres;
- Lack of large format retail facilities such as bulky goods due to limited availability of land suitable for these facilities; and
- Aging retail facilities (mainly shopfronts in strip retailing on Pacific Highway) concentrated to older building stock with limited amenity and carparking.

We encourage Council to take immediate action to address these issues and find an appropriate means to counter these problems.

Section 2.10 of the Strategy identifies other general concerns impacting the viability of retail and commercial development within the LGA. In particular, the Strategy found *"restrictions in the Council's LEP have been noted that limits the development or redevelopment within these centres"*.

For example, FSR controls within the centres vary from 1:1 up to 3:1 within the B2 Local Centre zones. We agree with statement made in the Strategy, that these densities (expressed as FSR) are not conducive to any redevelopment.

Areas of R4 High Density Residential surrounding some of Ku-ring-gai's centres permit "shop-top" housing but the extent of retail and commercial floor space is limited to "neighbourhood shops" having a maximum floor area of 100m². We agree with the statement made in the Strategy, being these do not provide any significant capacity to contribute to the overall retail GFA deficit. Furthermore, Clause 4.4(2D) of the Ku-ring-gai Local Environmental Plan (Local Centres) 2012 imposes additional restrictions on the floor area of retail and commercial land uses within certain centres.

Together, these restrictions contribute to limiting any further expansion or redevelopment of retail and commercial land uses within the LGA's centres.

2.0 Retail & Commercial Centres

Council's LSPS identified a number of planning priorities relating to the four main local centres within the Ku-ring-gai LGA. Each of these are considered within the Strategy and the relevant planning priorities were:

Centre	LSPS Planning Priority	Property Council Response
Gordon	Planning Priority K8 – Promoting Gordon as the centre for business and civic functions and as the cultural heart of Ku-ring-gai.	Council's adopted LSPS provides a structure plan, plus a number of opportunities to enhance and improve Gordon. We recommend Council consider those opportunities and their implementation in conjunction with the recommendations of this Strategy.
St Ives	Planning Priority K9 – Promoting St Ives as a green lifestyle and shopping destination.	Council's adopted LSPS indicated further work would be carried out with respect to the St Ives centre.
Turramurra	Planning Priority K10 – Promoting Turramurra as a family-focused urban village.	Council's adopted LSPS provides a structure plan for the Turramurra centre and consideration of opportunities for the Turramurra local centre. We recommend Council consider those opportunities and how they will be implemented in conjunction with the recommendations of this Strategy.
Lindfield	Planning Priority K11 – Promoting Lindfield as a thriving and diverse centre.	Council's adopted LSPS provided a Structure Plan for Lindfield and it also considers a series of opportunities for its growth. We recommend Council consider those opportunities and how they will be implemented with the recommendations of this Strategy.

3.0 General Recommendations

Section 9.4.2 of the Strategy provides eight (8) general recommendations that are based on the objectives of the study and the key issues facing Ku-ring-gai. We note that the recommendations have been provided on the basis of assisting Council in the revitalisation of its centres and providing opportunities to meet the growing community's retail, services and recreation needs.

The following table considers the Strategy's general recommendations.

General Recommendations	Property Council Response
Recommendation 1 – Promote mixed-use developments in the centres whilst mandating minimum levels of commercial and retail.	The Property Council supports this recommendation as it will increase opportunities for the supply of new retail and commercial premises close to transport and other amenities, particularly allowing for rejuvenation of Ku-ring-gai's aging shopping arcades and centres.
Recommendation 2 – Investigate increases in FSR and building heights within the B2 Local Centre zones.	The Property Council supports this recommendation. Council should consider appropriate densities (FSR) and building heights that are feasible to achieve redevelopment of renewal sites within Council's B2 zoned local centres.
Recommendation 3 – Provide a flexible approach to planning controls.	The Property Council supports this recommendation. Council should review the business zones in its Local Environmental Plan/s to identify any obstacles to the development of appropriate retail and commercial businesses, especially permissible uses and unnecessary restrictions on gross floor area (GFA) for certain uses.
Recommendation 4 – Provide incentives for investment.	The Property Council supports this recommendation and where feasible Council should be providing incentives (through the planning system and other commercial incentives) to attract desirable retail and commercial business (such as entertainment and lifestyle uses) into the LGA.
Recommendation 5 – Facilitate the improvement of the retail offering.	The Property Council supports this recommendation and encourages Council to identify locations where an improved retail offering is needed and actively provide support to attract higher order retailing. Incentives to encourage site amalgamation and redevelopment with public benefits (through site links, community spaces and public art) should be considered.

General Recommendations	Property Council Response
Recommendation 6 – Encourage entertainment facilities in the centres higher up in the hierarchy to create a night-time economy.	The Property Council supports this recommendation (see response to recommendation 4). Council should look at how it can attract entertainment facilities to places such as Gordon and St Ives in conjunction with restaurants and cafes.
Recommendation 7 – Prioritise unlocking major developments of Gordon Centre and St Ives Shopping Centre.	The Property Council supports this recommendation. Council should consider appropriate actions that it can take to address the both the commercial and planning impediments to the redevelopment of both of these large retail facilities (Gordon Centre and St Ives Shopping Centre).
Recommendation 8 – Prioritise a study on Pymble Business Park to update or rezone the Business Park to allow for specialised retail, or mixed-use residential developments to occur.	The Property Council supports this recommendation. Should Council intend to retain this precinct for employment (which the North District Plan currently requires), it is appropriate that the range of uses be expanded to permit a broader group of occupants as traditional office uses do not appear to be attracted to the precinct in the current market.

4.0 Key Recommendations for each large centre

Actions for each large centre	Property Council Response
<p>Gordon</p> <ul style="list-style-type: none"> - Prioritise the regeneration of the Gordon Centre. Allow greater scale to catalyse development, - Encourage growth and expansion of retail and commercial uses within the centre, as well as development and renewal to activate the centre, - Provide outdoor dining opportunities, particularly in St Johns Avenue with removal of car parking and widened footpaths, - Provide alternative street frontages to the highway to recreate a destination precinct, and - Invest in infrastructure. 	<p>These five (5) recommendations relevant to the Gordon local centre, are supported by the Property Council. We encourage Council to support and implement these proposals to stimulate and attract new retail and commercial opportunities to Gordon.</p>
<p>St Ives</p> <ul style="list-style-type: none"> - Prioritise the regeneration of the St Ives Centre. - Pursue the redevelopment of the carpark to provide entertainment and higher order retail facilities for the St Ives centre whilst maintaining the car parking numbers. - Increase the permissible FSR along Mona Vale Road to encourage consolidation and regeneration. 	<p>These three (3) recommendations relevant to the St Ives local centre, are supported by the Property Council. We encourage Council to support and implement each of these proposals to stimulate and attract new retail and commercial opportunities to St Ives.</p>
<p>Lindfield</p> <ul style="list-style-type: none"> - Allow for increase in density along Pacific Highway whilst maintaining the current retail floor space (at a minimum) to catalyse regeneration. - Provide orientation of mixed-use towards the Lindfield Hub and away from the highway. - Council to invest in infrastructure, streetscape, security and amenity. 	<p>These three (3) recommendations relevant to the Lindfield local centre, are supported by the Property Council. We encourage Council to support and implement these proposals to stimulate and attract new retail and commercial opportunities to Lindfield. Where there are opportunities for the redevelopment of Council-owned sites, these should be explored and supported.</p>

Actions for each large centre	Property Council Response
<p><i>Turramurra</i></p> <ul style="list-style-type: none"> - Provide orientation of mixed use towards the Turramurra Hub and away from the highway. - Investigate the opportunity for Council-owned land in Gilroy Lane in conjunction with adjoining landowners to deliver a new and revitalised retail precinct. - Council to invest in infrastructure, streetscape, security and amenity. 	<p>These three (3) recommendations relevant to the Turramurra local centre, are supported by the Property Council. We encourage Council to support and implement these proposals to stimulate and attract new retail and commercial opportunities to Turramurra. Where there are opportunities for the redevelopment of Council-owned sites, these should be explored and supported.</p>
<p><i>Pymble Business Park</i></p> <ul style="list-style-type: none"> - Encourage other commercial uses like micro-breweries, art galleries and artisans, - Allow for retail uses which do not detract from the local centres such as bulky goods, and - Provide flexible planning that encourages adaptive reuse, subdivision and repurposes which will drive organic growth. 	<p>These three (3) recommendations relevant to the Pymble Business Park, are supported by the Property Council. We encourage Council to support and implement these proposals to provide greater opportunity to rejuvenate and activate this precinct.</p>

5.0 Conclusion

The Strategy provides a very good overview of the current situation faced by retail and commercial uses within the Ku-ring-gai LGA. It is concerning that Ku-ring-gai's retail and commercial market is characterised by high levels of vacancy, considerable escaped expenditure to neighbouring LGAs, lack of large-format retail facilities and a significant undersupply of retail floor space within the centres. We support the Strategy's recommendations and expect Council will give them careful consideration.

We welcome Council undertaking this Strategy and encourage it to give very careful consideration to its recommendations and the opportunities identified for the major centres in its adopted LSPS.

As many of the larger retail facilities within the Ku-ring-gai LGA are outdated and do not meet current tenant and customer expectations, Council should accept the recommendation which calls for unlocking their redevelopment to be prioritised. Council should review the incentives and other support it can provide to encourage investment in its retail and commercial centres. For example, Council should consider increased density and building heights that are consistent with those found in similar sized centres within neighbouring LGAs.

Once this plan is adopted by Council and steps are taken to commence its implementation, Council should review the provisions of its relevant local environmental plan (*Ku-ring-gai Local Environmental Plan (Local Centres) 2012*) to address any planning controls that serve to obstruct the implementation of the adopted Strategy.