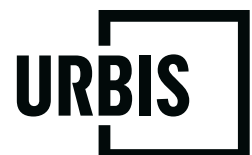




TUGGERAH GATEWAY SITE

Market Demand and Economic
Benefit Assessment

Prepared for
SCENTRE GROUP
22 September 2021



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EXECUTIVE SUMMARY

PROJECT BACKGROUND

Scentre Group owns the Tuggerah Gateway Site (“Subject Site”) located to the west of Westfield Tuggerah and adjacent to the M1/Wyong Road interchange. The site is at the gateway to the Tuggerah Town Centre approximately 0.8 km west of the Tuggerah Railway Station. Scentre Group is preparing a Planning Proposal to formally rezone the site.

In addition to the Tuggerah Gateway Site, Scentre Group also owns the adjacent Westfield Tuggerah and ‘Triangle Site’ with a total area of 70.85 hectares across the three sites. The three sites are collectively known as the Tuggerah Renewal Area with strategic planning support for the delivery of jobs and housing across the sites. The most recent targets identify the potential for 5,000 additional homes and 2,760 additional jobs across the sites.

LAND USE MARKET ASSESSMENT

Urbis has assessed the market supportability for land uses on the Subject Site over the long term to inform the Structure Plan. Key findings are outlined in the table below.

Table 1: Land Use Market Assessment

Land Use	Supportability on Subject Site
Residential	<p>The subject site is well suited to residential development boasting strong transport connectivity, proximity to retail and recreational amenity and employment opportunities. In addition, the Structure Plan leverages the attractive bushland setting directly adjacent to a regional shopping centre with the potential to create a lifestyle community that is unique in the Central Coast region. This offer will drive demand for housing over the short to long term.</p> <p>The low and medium density housing market in the region is strong which is reflected in significant recent price growth and buyer demand. Residential development on the site is proposed to commence off the Tonkiss Street frontage with early stages focusing on high-quality detached and terrace housing which are in high demand.</p> <p>Apartment development in the Tuggerah area has been limited with achievable prices impacting the viability of development in the past. With house prices having increased significantly in the last year and available land for house development reducing, the demand for apartments is anticipated to increase over the next 15 years. This is anticipated to support the development of the proposed apartments on the site to 2036. Apartment development is anticipated to extend beyond 2036 with the Mixed Use precinct that will focus on employment generating uses also providing additional airspace development capacity in the longer term.</p>
Seniors Living	<p>The subject site is an attractive location for seniors living as it is directly adjacent to Westfield Tuggerah which is a regional shopping centre with retail, medical, entertainment, dining and civic uses. The Structure Plan will provide an attractive lifestyle community in a bushland setting that is anticipated to be attractive to older residents. The site also provides a point of difference from the majority of retirement facilities that are location in coastal areas close to the ocean or lakes.</p> <p>There is an identified shortage of retirement living in the Central Coast LGA with no projects currently proposed within Tuggerah. With the population of residents aged 65+ projected to grow, this will generate strong demand for additional seniors living</p>

Land Use	Supportability on Subject Site
	and supports the development of around 260 independent living units over the next 15 years.
Short Stay Accommodation	<p>The position of the site fronting the M1 Motorway, proximity to the amenity in the Westfield Tuggerah and business activity in the broader Tuggerah area is anticipated to make the site attractive to short stay accommodation operators. The current absence of a short stay accommodation facility in or around the Tuggerah Town Centre will also help generate interest from operators who will see this as an underserved market.</p> <p>Prior to COVID-19, the short stay accommodation sector in the Central Coast was performing strongly with occupancy rates between 65-70%. With the tourism sector anticipated to recover and then grow over the next 15 years, there is potential for a medium sized serviced apartment operation or around 60-70 rooms targeted towards the business, visiting friends & relatives and traveller markets.</p>
Retail/ Local Services	<p>The subject site is located directly adjacent to Westfield Tuggerah. Limited retail development that is focused on local convenience need of residents is recommended on the subject site with the existing and future retail development provided in Westfield Tuggerah providing sufficient higher order retail to service the needs of the subject site. Westfield Tuggerah already covers a large footprint and it is recommended the wider Town Centre would benefit from the intensification of uses on the existing retail precincts rather than extending the centre in any significant way further to the west, apart from complementary uses such as bulky goods retail (see below).</p> <p>As the mixed-use precinct is developed in the longer term, small scale convenience retail, food and beverage, childcare, services and medical centre uses would be supported on the site to meet the needs of the increasing onsite residents.</p>
Bulky Goods	<p>The subject site is attractive to bulky goods / large format retailing benefiting from high volumes of passing trade along Wyong Road and M1 Motorway, combined with proximity to Westfield Tuggerah. The Tuggerah Super Centre is a car-oriented bulky goods homemaker centre immediately to the south of Tuggerah Station, which has limited scope for expansion. There is also bulky goods retailers located along the Pacific Highway towards Wyong.</p> <p>There is potential for the early delivery of bulky goods on the subject site at the corner of Wyong Road and Tonkiss Street to integrate with the Westfield. This would generate employment opportunities and accommodate retailers who are currently not well represented in the area.</p>
Office	<p>The subject site is not well suited to commercial office development due to being located on the fringe of the Tuggerah Town Centre. The majority of existing office development is located in the Tuggerah Business Park to the south of the train station. Future development of office space is considered to be more suited to being located towards the heart of the town centre such as on the Westfield Tuggerah site or around the train station. Office type uses on the subject site would be limited to community focused uses such as health and medical and real estate that are also suited to ground floor retail style tenancies.</p>

Land Use	Supportability on Subject Site
Transport/ Logistics	<p>The northern part of the site along Wyong Road has potential for freight and logistics businesses due to the location at the M1 Pacific Motorway interchange. There is also interchanges at Somersby and Warnervale within the Central Coast LGA that have been identified for transport and logistics. The Somersby Industrial Estate is considered to be better located as a transport and logistics hub due to its closer proximity to Sydney and not facing the same land use challenges/conflicts as Tuggerah, which has surrounding retail and residential uses.</p> <p>Overall, freight and logistics are not supported on the subject site, with other residential and employment uses that will strengthen the Tuggerah Town Centre considered to generate a better economic outcome for the region.</p>

Source: Urbis

PROPOSED DEVELOPMENT

The Structure Plan outlines the proposed development of a new community on the Gateway Site comprising residential and mixed-use precincts delivered amongst new open space. The Structure Plan includes two large mixed-use blocks along Wyong Road with residential uses located along the remainder of the site.

The development yield comprises 2,112 dwellings including a mix of detached housing lots, medium density townhouses/terraces, apartments and seniors living. The mixed use zoned land will deliver employment uses in the form of bulky goods / large format retailing in the short to medium term with the potential for this north eastern portion to transition in the longer term to potentially include 871 apartments and 1,877 sq.m of ground floor commercial space.

ECONOMIC BENEFITS

The development of the Structure Plan will generate direct and indirect economic benefits to the Tuggerah Town Centre and the wider Central Coast region including:

- **Construction Impacts:** The proposed development at the subject site is estimated to generate approximately \$517 million of direct expenditure to the local region and Greater Sydney over an assumed 9-year planning and development period. This economic output will result in the creation of 245 jobs over the 9-year development period and total economic value add of \$358.9 million.

Table 2: Economic Benefits – Development Phase (\$2021)

	Direct Effect	Indirect Effect	Total
Output (\$M)	\$516.9	-	\$516.9
Employment (Jobs)	101 jobs over 9 years	144 jobs over 9 years	245 jobs over 9 years
Value-added (\$M)	\$151.9	\$207.0	\$358.9

Source: REMPLAN, Urbis

- **Employment Generation:** The mixed-use precinct towards the north of the site will generate employment on the site with the zoning providing flexibility for a range of different employment generating uses such as retail (shop top housing), bulky goods, childcare centre, office, short stay accommodation, education and medical centres. These uses would all generate jobs with currently no employment on the Gateway Site. The development of bulky goods in the short to medium term has the potential to generate around 307 jobs.
- **Strengthening Town Centre:** The development of the Gateway Site will help create a more diverse, connected and vibrant Tuggerah Town Centre. Scentre Group has expressed a desire to develop the Gateway Site in a manner that will integrate with the adjacent shopping centre and strengthen the wider centre. This long term vision is to create a new lifestyle community that elevates the housing in the area and increases the vibrancy of the wider centre through additional retail expenditure and activity.

- **Promote Housing Diversity and Affordability:** The Structure Plan comprises a range of housing typologies ranging from low and medium density housing, apartments and retirement living. The provision of these different land uses in a bushland setting that is directly adjacent to the Westfield Tuggerah will create a unique lifestyle community that has not been seen in the Central Coast region. With detached housing anticipated to continue to record price growth and place pressure on housing affordability, the development of new apartment product will assist in providing more housing choice and improving affordability.

CONCLUSION

Overall, the Structure Plan is supported from an economic and market perspective as it will strengthen the Tuggerah Town Centre over the long term and generate considerable economic benefits for the Central Coast region. The increased housing density will create a vibrant lifestyle community within the Tuggerah Town Centre that is unique in the Central Coast region.

INTRODUCTION

PROJECT BACKGROUND

Scentre Group owns the Tuggerah Gateway Site located to the west of Westfield Tuggerah and adjacent to the M1/Wyong Road interchange. The site is at the gateway to the Tuggerah Town Centre approximately 0.8 west of the Tuggerah Railway Station. Scentre Group is preparing a Planning Proposal to formally rezone the site.

The Planning Proposal facilitates the proposed amendment to the Local Environmental Plan at the Tuggerah Gateway Site, known as Lot 2 DP1056960 and Lot 3 DP1084221, which will enable residential, mixed-use and recreational land uses.

The site is approximately 41.6 hectares and is currently zoned RU6 Transition, B4 Mixed Use and E2 Environmental Conservation.

The Planning Proposal seeks to rezone land comprising (part) Lot 2 in DP 1056960 and Lot 3 in DP 1084221 from RU6 Transition to R1 General Residential. The B4 Mixed Use zone in the north-east of the site and E2 Environmental Conservation zone in the south-east is to be retained.

PURPOSE OF THE STUDY

This Market Demand Assessment and Economic Benefit Report has been prepared in support of the Planning Proposal and supporting Structure Plan prepared for Scentre Group on the Tuggerah Gateway Site (Gateway Site).

The purpose of this report is:

- Consider the suitability of a long list of land uses for the site based on site locational strengths and existing characteristics to identify a short-list.
- Assess the supportable scale of the identified short-list land uses within the site to provide a land-use brief including providing recommendations around siting and staging considerations for the Structure Plan.
- Outline the economic benefits associated with the development of the Structure Plan.

1. SITE CONTEXT

1.1. GATEWAY SITE

The subject site is located within the road reserves of the M1 Motorway, Tuggerah Interchange, Wyong Road and Tonkiss Street in Tuggerah. The site is around 42 hectares in size and is largely cleared of trees, being used for cattle grazing. Westfield Tuggerah is a regional shopping centre located directly to the east of the subject site and comprises:

- Coles, Woolworths and Aldi supermarkets
- 11 other major tenants, including David Jones, Target and Big W
- 203 specialty shops
- Cinema

Other surrounding land uses and amenity includes:

- Low density residential development to the south-east and north-east
- St Peters Catholic College – 650m north
- Tuggerah Public School – 700m east
- Tuggerah Railway Station – 0.8km east
- Tuggerah Bulky Goods Precinct – 1.1km east
- Central Coast Mariners Football Club – 1.4km
- Central Coast Regional Sporting & Recreation Complex – 1.5km east.

Map 1: Tuggerah Gateway Site



1.2. REGIONAL CONTEXT

Tuggerah is located towards the north of the Central Coast region around 90 minute drive north of the Sydney CBD. It forms part of the Tuggerah to Wyong Economic Corridor that comprises:

- Tuggerah Town Centre –Lifestyle focus Precinct including Westfield Tuggerah
- Wyong Town Centre -Civic and Health focus Precinct (community services, Council offices, high-school, TAFE, police, health services etc)
- Recreation Corridor on the eastern side of the Pacific Highway and railway stretching from Wyong to Tuggerah
- Employment lands sit:
 - Along western side of the Pacific Highway between Tuggerah and Wyong
 - Tuggerah Business Park south of the train station on the eastern side of the railway.

Map 2: Regional Context

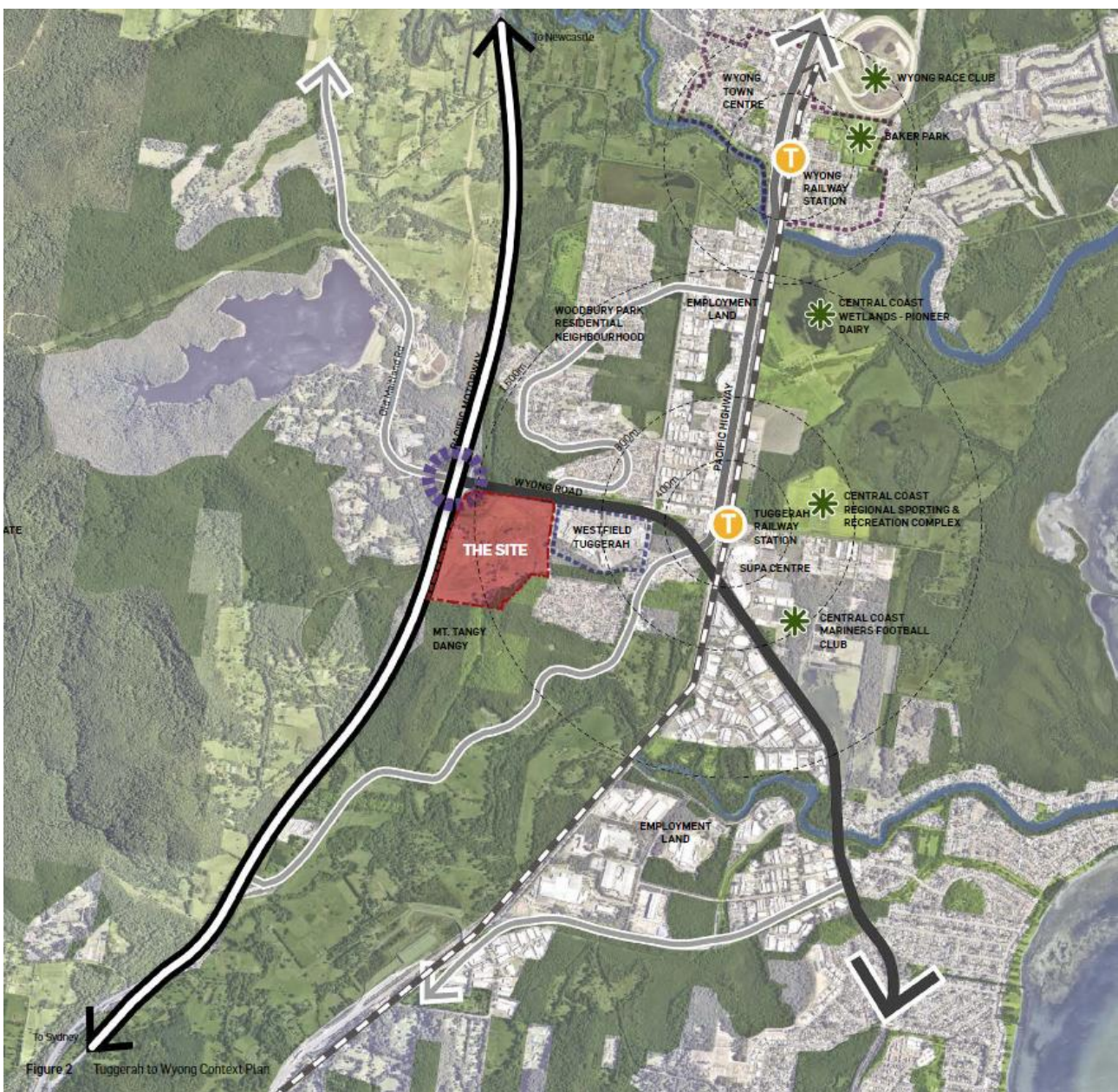


Figure 2 Tuggerah to Wyong Context Plan

The Tuggerah Train Station is largely a commuter train station allowing residents to travel to work. As of 2020, around 1,500 people enter the station each day with around half occurring before 10am. This highlights that the majority of people working in the Tuggerah area drive to work with the road network being congested in peaks time.

Table 3:Tuggerah Train Station Usage

TIME	ENTRIES	EXITS
6-10am	740	220
10am-3pm	220	230
3-7pm	240	740
7pm-6am	310	280
Total	1,510	1,470

Source: Transport for NSW

1.3. SITE CHARACTERISTICS AND LAND USE ALIGNMENT

Table 4 provides a summary of some of the key characteristics of the subject site and the implications for future development. Major demand drivers for the site include the attractive bushland setting that is located directly adjacent to a major regional supermarket with excellent road connectivity. These unique set of drivers provide the opportunity to develop a new mixed-use community that is different from any other new community in the Central Coast region. In addition, the development of the site also creates an opportunity to address current challenges with the site such as walkability and access to public transport.

Table 5 compares the site characteristics with the demand drivers for different land uses to highlight their supportability for the subject site. Residential, seniors living and short stay accommodation have the highest alignment.

Table 4: Site Characteristics

Characteristics	Description	Implications for the Subject Site
Regional Road Accessibility	<ul style="list-style-type: none"> Excellent accessibility to regional motorway (M1) via direct access to adjacent Tuggerah Interchange off arterial level Wyong Road. 	<p>The strong road connectivity makes the site attractive to residential development as residents can drive within the local area as well as Sydney and Newcastle.</p> <p>The proximity to the Motorway would be attractive to industrial/transport operations while the passing traffic is a key driver for bulky goods / large format retail.</p>
Arterial Road Frontage	<ul style="list-style-type: none"> High site visibility and exposure to significant levels of passing trade along Wyong Road frontage. 	<p>The high visibility to passing motorists will be attractive to bulky goods and transport/logistics operations.</p>
Public Transport Accessibility	<ul style="list-style-type: none"> Site is 1-2km distance to Tuggerah train station which is approximately 15-20 minute walk. Tuggerah train station is predominantly a commuter station for workers travelling to Sydney. 	<p>Connecting the site to the public transport network will be important to take pressure off the local road network that experiences congestion. This could include a shuttle bus connecting to the Westfield and train station.</p> <p>Creating pedestrian and cycling links from the site through the Tuggerah Town Centre will be important to make sure that prospective residents feel connected.</p>
Proximity to Regional and Local Retail Services	<ul style="list-style-type: none"> Directly adjoining Westfield Tuggerah which includes 3 supermarkets, 11 other major tenants, 203 speciality shops and cinemas. 	<p>There is potential for the site to leverage the proximity to the shopping centre with mixed-use development at the north-east corner of the site. This would help strengthen the town centre with further activation around the shopping centre.</p> <p>The proximity to Westfield Tuggerah and the range of services on the site will be attractive to new residents.</p>
Diversity of strong Employment Precincts	<ul style="list-style-type: none"> Considerable employment opportunities within Tuggerah to Wyong Employment Corridor making the site attractive to potential future residents. Concentration of regionally significant, existing high-performing employment precincts including Tuggerah Business Park, Tuggerah Straight, Bulk Goods Precinct and Westfield Tuggerah with capacity. 	<p>There are considerable employment opportunities in the Tuggerah area that will make the site attractive to residents.</p> <p>There is already an established business park and employment corridor along the Pacific Highway indicating that there is not a need for further industrial/transport uses on the subject site.</p>

Characteristics	Description	Implications for the Subject Site
Access to Regional Open Space and Amenity	<ul style="list-style-type: none"> Tuggerah Strategic Centre sits on the Tuggerah Lakes foreshore which provides significant scale amenity. There is a concentration of regionally significant sporting and recreation facilities in the Tuggerah Strategic Centre and surrounding area. 	<p>The availability of sporting and recreational facilities is attractive to residents including families, which will help drive residential demand.</p> <p>The shortage of open space in the immediate area indicates a need to provide open space within the development.</p>
Bushland Setting	<ul style="list-style-type: none"> Site is set to the backdrop of the Mount Tangy Dangy bushland which provides a green, tree-lined amenity setting as well as access to natural spaces. Largely surrounded by mature trees, existing vegetation and natural features on three sides. 	<p>The ability to leverage the attractive bushland setting and proximity to the Westfield Tuggerah provides the potential to create a community that offers a unique point of difference to other locations in the Central Coast.</p>
Undulating Topography	<ul style="list-style-type: none"> Site is relatively flat towards the northern boundary alongside Wyong Road and adjacent to Westfield Shopping Centre. Southern parts of the site and some localised areas are sloped providing northern views. 	<p>Undulating topography creates opportunities for residential development options and potential for attracting views from the higher parts of the site.</p> <p>The steep areas may restrict development options.</p>

Source: Urbis

Table 5: Land Use Alignment to Site Characteristics

	RESIDENTIAL	SENIORS LIVING	SHORT STAY ACCOMMODATION	RETAIL / LOCAL SERVICES	BULKY GOODS	OFFICE	TRANSPORT / LOGISTICS
REGIONAL ROAD ACCESSIBILITY	HIGH	MEDIUM	HIGH	HIGH	HIGH	MEDIUM	HIGH
ARTERIAL ROAD FRONTAGE	MEDIUM	LOW	LOW	LOW	HIGH	LOW	HIGH
PUBLIC TRANSPORT ACCESSIBILITY	MEDIUM	MEDIUM	MEDIUM	MEDIUM	LOW	LOW	N/A
PROXIMITY TO REGIONAL AND LOCAL RETAIL SERVICES	HIGH	HIGH	HIGH	HIGH	HIGH	MEDIUM	LOW
DIVERSITY OF STRONG EMPLOYMENT PRECINCTS	HIGH	MEDIUM	MEDIUM	N/A	HIGH	MEDIUM	MEDIUM
ACCESS TO REGIONAL OPEN SPACE AND AMENITY	HIGH	HIGH	MEDIUM	LOW	N/A	MEDIUM	N/A
BUSHLAND SETTING	HIGH	HIGH	HIGH	N/A	N/A	MEDIUM	N/A
UNDULATING TOPOGRAPHY	HIGH	LOW	MEDIUM	LOW	LOW	LOW	LOW
RECOMMENDATION	HIGH	HIGH	HIGH	LOW	MEDIUM	LOW	LOW

1.4. LITERATURE REVIEW

The following table outlines key planning documents covering the Tuggerah Town Centre and implications for the development of the Gateway Site.

Table 6: Site Characteristics

Report	Overview	Implication for Subject Site
Tuggerah to Wyong Economic Corridor Strategy	<p>The Strategy outlines the aim to promote economic growth within the Tuggerah to Wyong Corridor to enable it to evolve as one of the dominant commercial and economic centres on the Central Coast.</p> <p>The identified vision for Tuggerah is to “continue to provide employment, destination retail and transport opportunities. The precinct will maintain and improve its employment lands and continue to offer an attractive place for business to locate close to regional road and rail transport”. Strategy directions for the Tuggerah centre focus around maintaining and encouraging employment uses and providing for employment growth and sustainable renewal within the Tuggerah Town Centre.</p> <p>Action 13.2 in the Strategy is to establish principles and key development outcomes for infill development on the Westfield Tuggerah Gateway site to promote the development of the subject site for a range of uses including residential, transport, leisure, health and educational uses. The State Government has also announced plans for the Gateway site at Tuggerah to accommodate approximately 5,000 dwellings and revamp of the Westfield shopping centre. The Site’s strategic location as a prominent gateway site should be considered in The Site’s development. Opportunities to maintain and enhance its landscaped character, and provide new connections, infrastructure and amenity should be considered.</p> <p>2036 targets for the Tuggerah Precinct outlined in the Strategy include:</p> <ul style="list-style-type: none"> ▪ 1,850 additional people ▪ 2,100 additional jobs ▪ 750 additional dwellings. 	<p>The Strategy outlines that the Tuggerah Gateway site represents a strategic development opportunity with the potential to support a range of residential, employment and recreational uses.</p> <p>The site represents an important component of expanding and strengthening the Tuggerah Town Centre and improving the adjacent Tuggerah Westfield.</p>
Central Coast Regional Plan 2036	<p>The Plan guides the NSW Government’s land use planning priorities and decisions over the next 20 years for the Central Coast. The Plan identifies:</p> <ul style="list-style-type: none"> ▪ Economic, social and environmental opportunities to build a more prosperous region; and ▪ Actions to guide development and land use. 	<p>The development of the Gateway Site will help create a diverse, connected and vibrant Tuggerah centre.</p>

Report	Overview	Implication for Subject Site
	<p>The NSW Government has set four goals for the region:</p> <ul style="list-style-type: none"> ▪ A prosperous Central Coast with more jobs close to home ▪ Protect the natural environment and manage the use of agricultural and resource lands ▪ Well-connected communities and attractive lifestyles ▪ A variety of housing choice to suit needs and lifestyles. <p>The Plan also outlines the goal to strengthen interregional and intra-regional connections for business. The construction of transport infrastructure outside the region, such as the NorthConnex link between the M1 Pacific Motorway and the M2 Hills Motorway, is identified as driving demand for accessible employment land on the Central Coast. Clustering freight and logistics businesses around the M1 Pacific Motorway interchanges at Somersby, Tuggerah and Warnervale are highlighted as important in maximising these opportunities.</p> <p>Growing investment opportunities in the region’s centres is also highlighted. New commercial and retail business activity is expected to focus on the region’s strategic centres at Gosford, Erina, Tuggerah and Wyong.</p>	<p>The development of the subject site has the potential to align with the four major goals by:</p> <ul style="list-style-type: none"> ▪ Creating more jobs on the site as part of a mixed-use development ▪ Protecting the natural environment within and surrounding the site ▪ Creating a new community that offers an excellent lifestyle that is connected to retail, transport and other amenity. ▪ Providing a wide variety of housing choice to Central Coast residents. <p>While the subject site is located at the Pacific Motorway interchange, it is not well suited to transport and logistics operations due to the adjacent retail and residential uses as well as slope/topography constraints and natural features.</p>
Central Coast Local Strategic Planning Statement (LSPS)	<p>Central Coast Council's first draft Local Strategic Planning Statement is a 20-year planning vision, including land use, infrastructure and sustainability objectives to demonstrate how the Central Coast will change to meet the community’s needs over the next 20 years. Priorities for Tuggerah are to:</p> <ul style="list-style-type: none"> ▪ Reinforce Tuggerah’s role as a major retail and employment centre on the Central Coast. ▪ Provide a town centre focus to Anzac Road, including a “town square” with an active link between Westfield and Tuggerah Rail Station. ▪ Improve pedestrian and bicycle linkages between major retail, centre support, employment, transport, sport and recreation infrastructure including the Supa Centa, Westfield, Pioneer Dairy, Tuggerah Regional Sporting Complex and the surrounding residential areas. ▪ Provide an upgraded commuter car park at Tuggerah Station and opportunities for transit-oriented development. ▪ Provide a viable alternate bulky goods destination to Erina to cater for the northern half of the region. 	<p>The development of the Gateway Site will help strengthen Tuggerah’s role as a major retail and employment centre on the Central Coast.</p> <p>As part of the development, there is also the potential to improve pedestrian and cycling connectivity within the town centre.</p>

Source: Urbis

2. HOUSING MARKET ASSESSMENT

2.1. SITE SUITABILITY

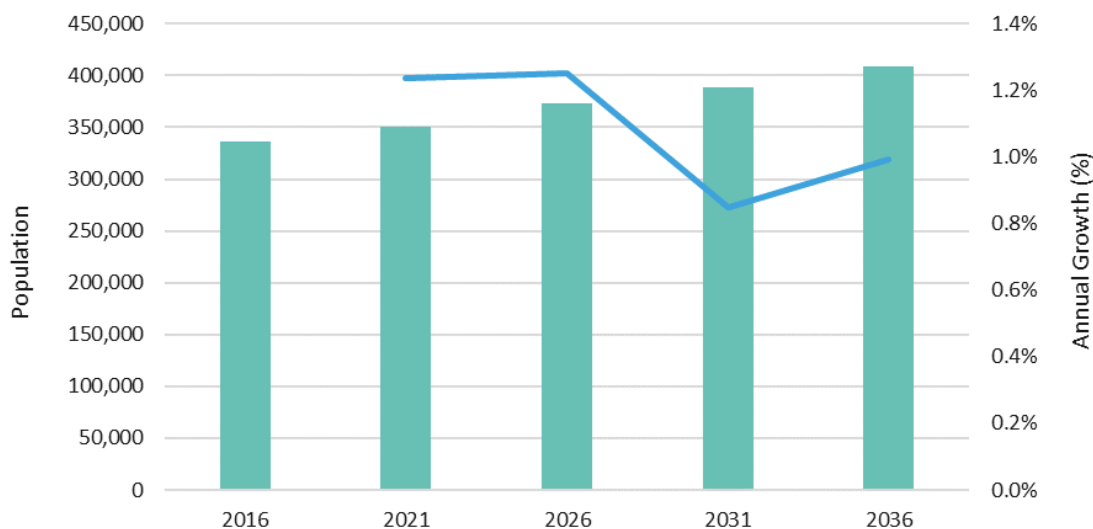
The subject site is considered to be attractive to residential development meeting key success factors such as:

- **Transport Connectivity:** The site boasts strong road access including the Pacific Motorway, Wyong Road and Pacific Highway providing residents with good access throughout the region.
- **Employment:** The Tuggerah to Wyong Corridor offers residents with a range of employment opportunities including the Tuggerah Town Centre, Tuggerah Business Park and Wyong Health precinct.
- **Amenity:** There is considerable amenity within the Tuggerah Town Centre including the Westfield shopping centre, local schools and extensive sport and recreation facilities.
- **Surroundings:** The subject site provides a quiet and attractive bushland setting with the Structure Plan including a high level of landscaping with a water feature through the precinct.

2.2. POPULATION AND DEMOGRAPHICS

Population growth is a key driver of housing demand. To inform the subject site demand modelling, the Urbis house view includes NSW Department of Planning, Industry and Environment population projections. The LGA population is expected to grow from 350,000 in 2021 to 408,300 in 2036, an average annual growth rate of 1.0%. The annual growth rate in the Central Coast LGA is generally in line with projected population growth across the state.

Chart 1: Population Projections



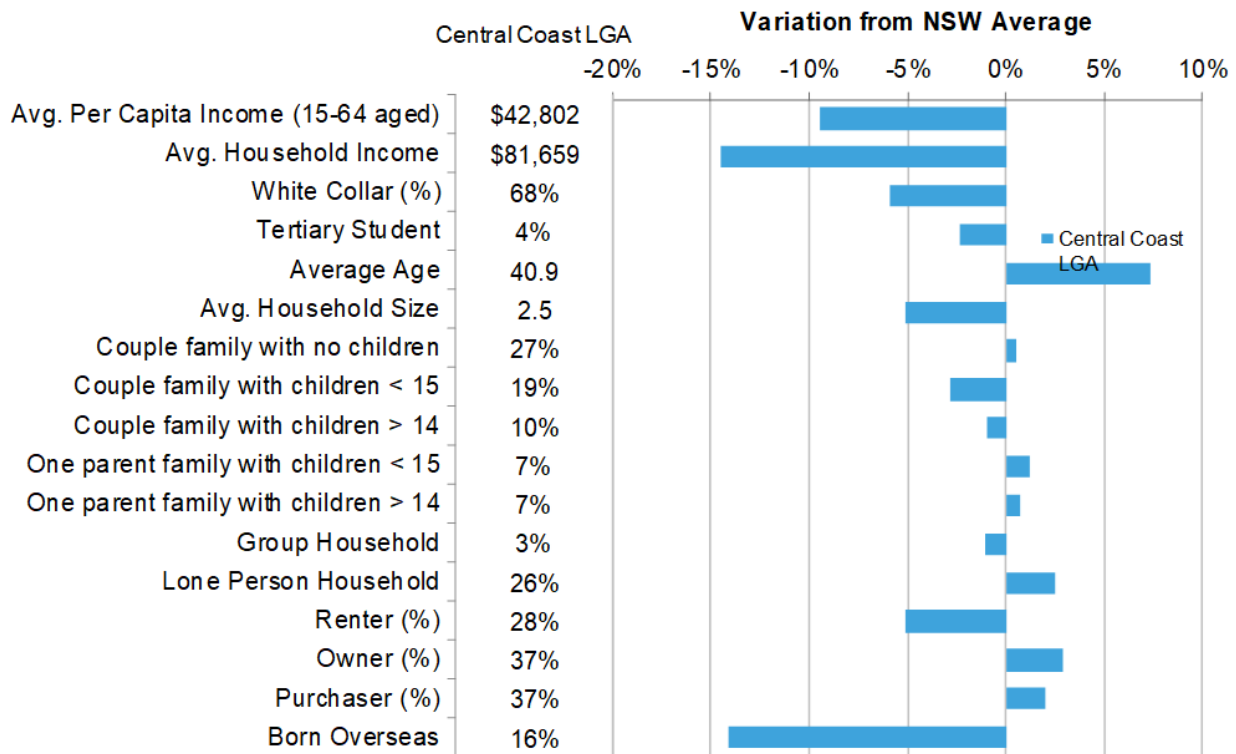
Source: ABS Census

Key demographic characteristics of the Central Coast LGA include:

- The Central Coast LGA has a smaller average household size, characterised by more couples without children and single households.
- An older population, and lower number of white collar jobs explains why the Central Coast LGA income per person is 9% lower than the NSW average.
- Residents in the Central Coast are well established with a higher number of purchaser-owner living in the area (37%) compared to the NSW average. The majority of residents are Australian born, which also is reflected by the high home ownership.

- The ageing population means demand for health care and social services will increase, making health care and social assistance an important employment sector in the region.

Chart 2: Central Coast LGA Demographics vs. NSW Average



Source: ABS Census

2.3. SUPPLY

Historical Supply

Table 7 outlines the dwelling mix in the Central Coast LGA from 2011 to 2016. Detached houses represent the majority of dwelling structure in the Central Coast LGA (78%), while apartments make up 9%. Townhouses, characterised by relatively lower prices, have recorded the highest average annual growth rate of 1.9%, followed by apartments at 1.4%.

Table 7: Dwelling Structure

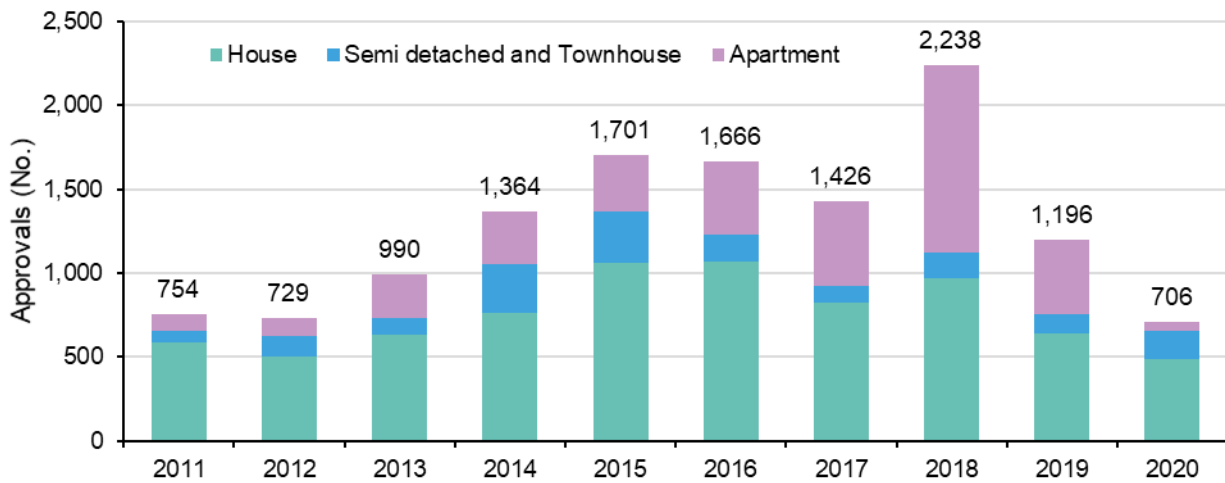
TYPE	2011	2016	CHANGE
Detached House	108,497	110,673	+2,176
Townhouse	16,810	18,436	+1,626
Apartment	12,008	12,845	+837
Other	2,161	2,463	+302
Total	139,476	144,417	+4,941

Source: ABS Census

Chart 3 outlines the dwelling approvals by type over the last decade. The Central Coast LGA has issued approximately 7,232 development approvals over the last five years. Overall, there was a declining trend in the number of approvals for houses and semi-detached /townhouses. The number of house approvals tapered off significantly from the high of 1,071 in 2016 to 488 in 2020.

The number of apartment approvals rose to 2018 until getting disrupted by the downturn in the wider Sydney housing market and then the COVID-19 pandemic in 2020. Apartment approvals reached its highest level of 1,114 in 2018, making up 50% of total approvals.

Chart 3: Dwelling Approvals



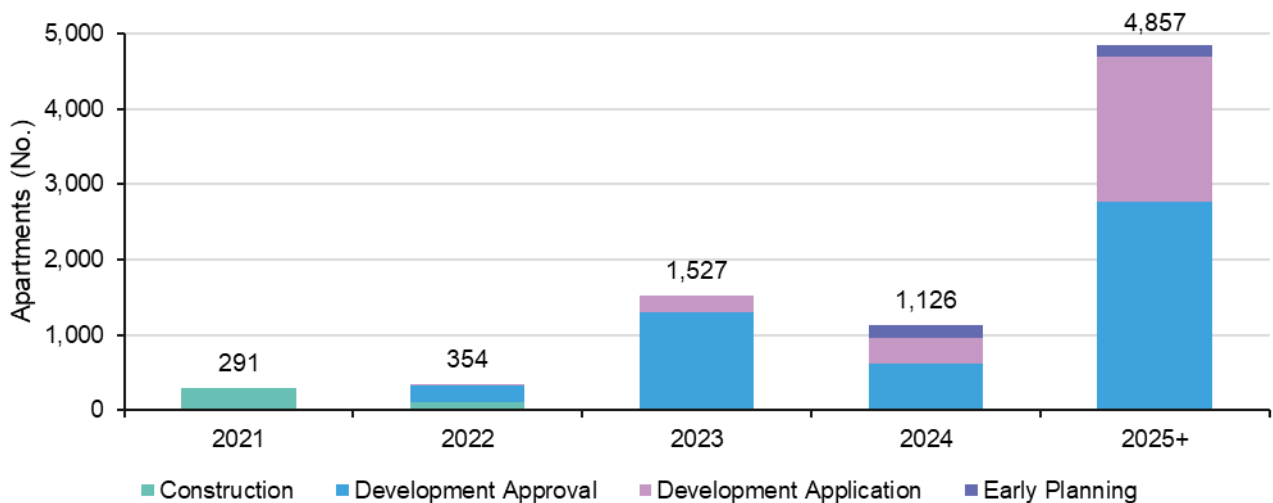
Source: ABS Census

Future Supply

Chart 4 outlines the proposed apartment development in the Central Coast LGA by project status. There are approximately 8,078 apartments and 540 townhouses proposed to be completed in the LGA.

- Projects range from early planning to under construction stages
- Around 400 apartments are currently under construction highlighting the significant slowdown in commencements since the onset of the COVID-19 pandemic.
- The majority of apartments in the pipeline are located in Gosford
- Most projects have development approval accounting for around 70% for apartments. However, there is significant uncertainty regarding when and if some of these projects will progress to construction.

Chart 4: Future Supply - Apartments



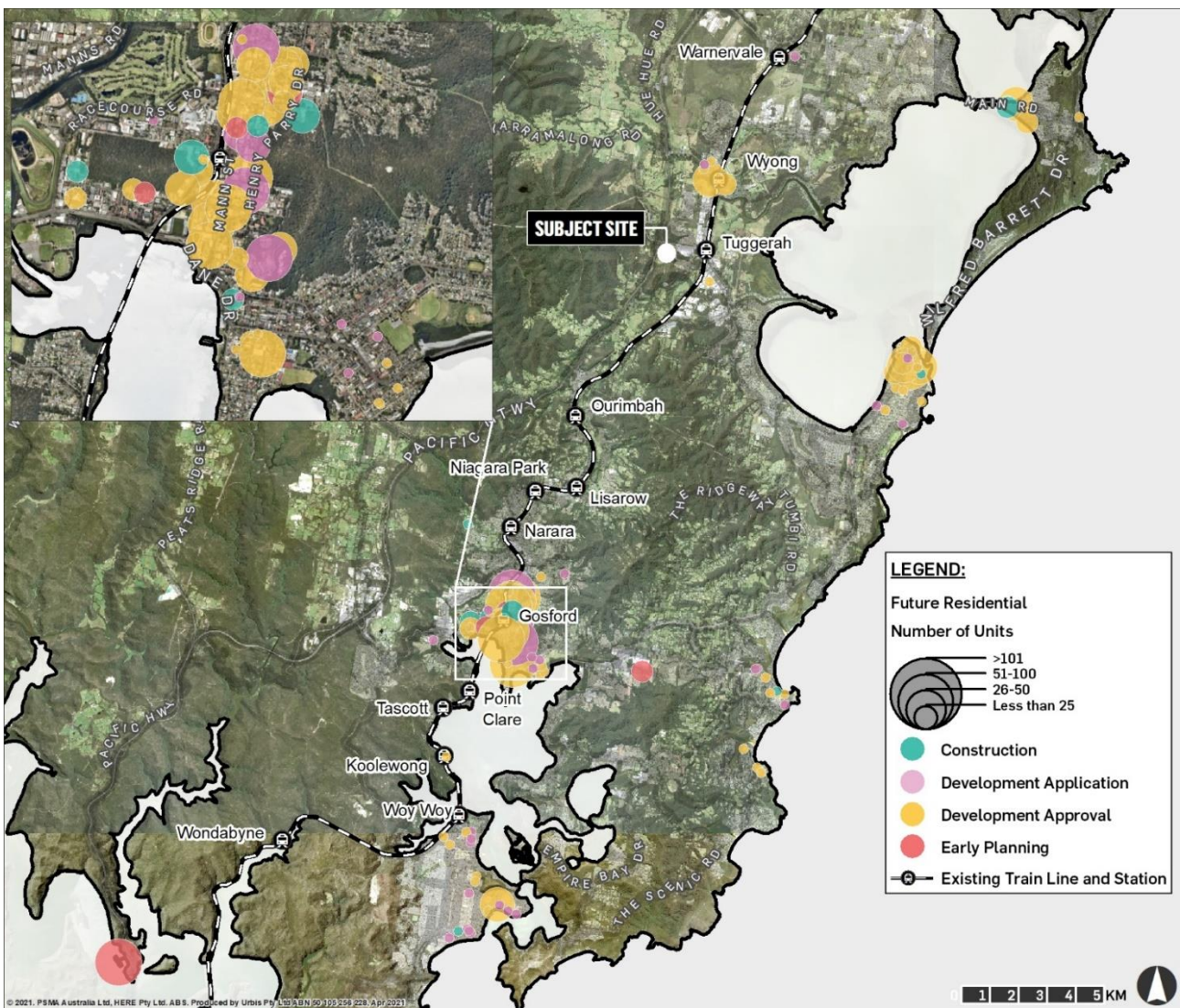
Source: Cordell Connect

The map below outlines the location of proposed apartments in the Central Coast. The majority of apartments (64%) are located in the Gosford CBD and surrounds reflecting the area having historically been the centre of apartment development in the region.

There are a handful of smaller proposed developments in Wyong and Tuggerah. This highlights that the proposed subject development would need to 'create' a new market for apartments. The other existing apartment markets in the Central Coast are coastal across suburbs including:

- Woy Woy
- Ettalong Beach
- The Entrance
- Toukley.

Map 4: Future Apartment Supply

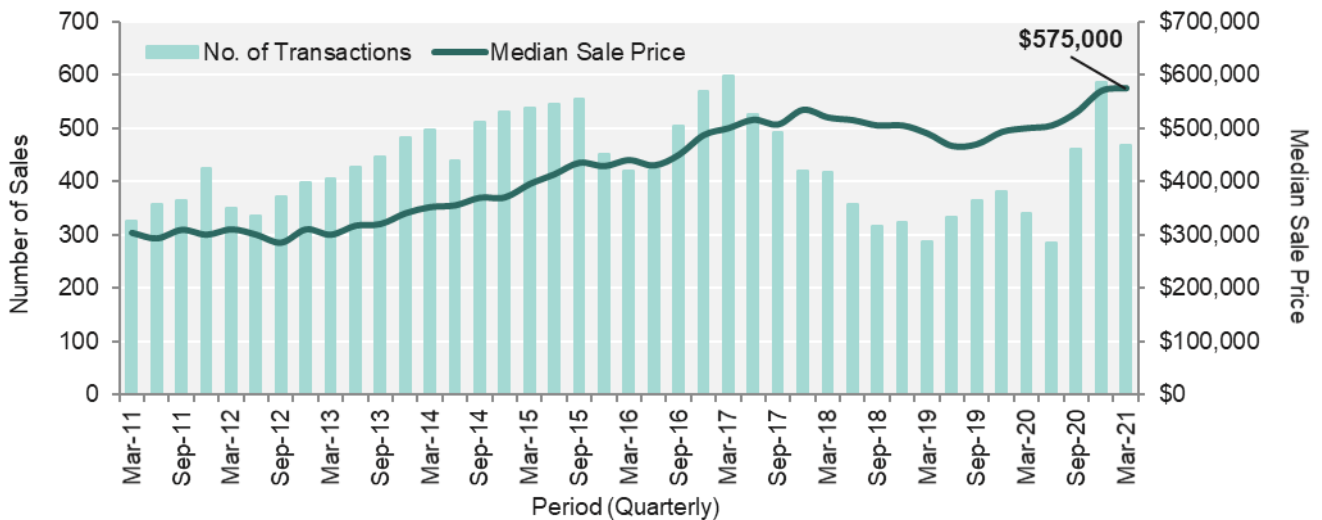


2.4. DEMAND

Over the last ten years, house price growth in the Central Coast has averaged 6.8% per annum, slightly higher than the 6.5% median apartment price growth. As of the March quarter 2021, the LGA area recorded a median house price of \$780,000, and a median apartment price of \$575,000. These are the highest median prices recorded within each market. Sales activity has also picked up in the last 12 months with the COVID-19 pandemic making the regional location more attractive to new residents.

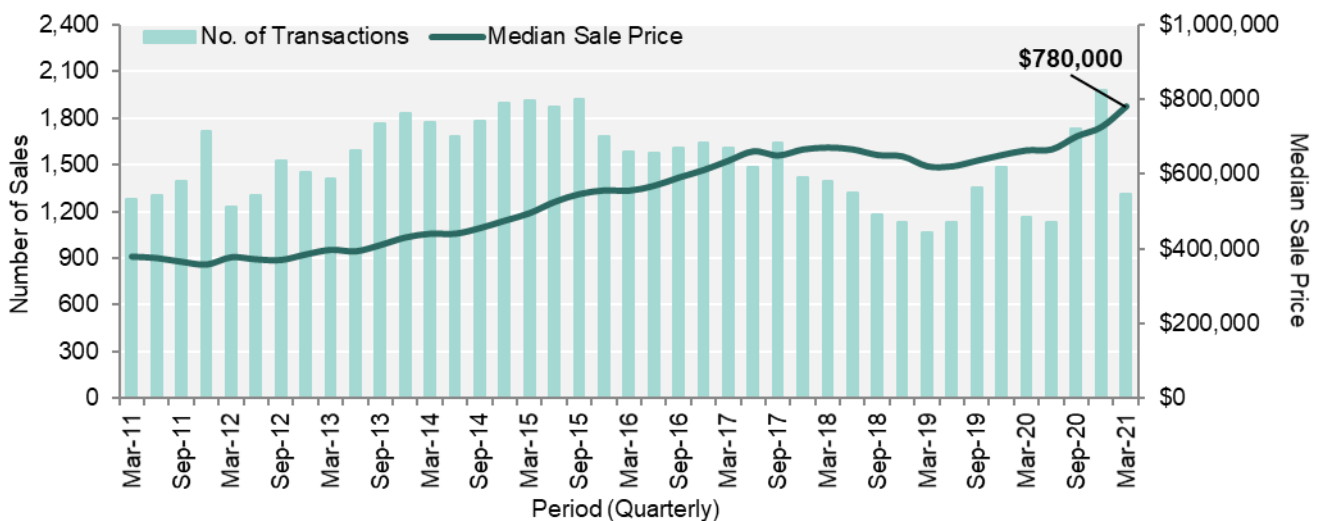
The strong recent price growth in both houses and apartments will improve the overall viability of higher density housing in the LGA. This is anticipated to see apartment development expand from a historical focus in the Gosford CBD and coastal centres,

Chart 5: Apartment Sales Cycle, Central Coast LGA



Source: Cordell Connect

Chart 6: House Sales Cycle, Central Coast LGA



Source: Cordell Connect

Projected Demand

The NSW Department of Planning, Industry and Environment projects the population of the Central Coast LGA to increase by around 1.1% per annum over the next 15 years, equating to demand of around 1,900 additional dwellings per year. Based on housing approval data, it is estimated that around 50% of these dwellings could be houses, 15% medium density and 35% apartments in the short-term with the proportion of apartments increasing to 50% by 2036 as the amount of available land reduces.

It is estimated that the Tuggerah to Wyong Corridor could achieve a 5% share of the LGA house demand in the short term which reflects the historical share of dwelling approvals and population growth. With medium density and apartment development anticipated to become more viable, it is anticipated the corridor could achieve a 10% share of medium density and 12.5% share of apartments. The share of medium density and apartment development is anticipated to increase over time as the corridor continues to develop and density increases in locations outside of Gosford and coastal centres.

Based on an assessment of the quantum, location and characteristics of proposed competitive supply in the Tuggerah to Wyong Corridor, the Gateway Site could achieve a market share of around 40% of houses per year equating to around 45 houses per annum. The strong market share is reflective of there being limited low density land in the corridor.

While there is currently limited proposed townhouse and apartment development in the corridor, it is anticipated that more competitive supply will emerge as the viability of higher density development improves. As such, a lower market share of 30% is adopted over the next 15 years, which equates to around 15 medium density homes per year. If the future supply of detached houses in the area is low, then the demand for houses may transfer to medium density homes and lift the absorption of this typology.

A market share for apartments of 30% equates to a future take-up of 33 apartments per year. Demand for this typology is anticipated to be low in the short term before picking up in the medium to longer term as viability improves and apartments account for a larger proportion of dwellings.

It is noted that the modelling assumptions do not allow for the development of fast(er) rail to the Central Coast. Reducing the travel time to the Sydney CBD to around an hour (similar to locations such as Penrith and Campbelltown) would increase demand for higher density housing in Tuggerah.

The analysis highlights that the housing over the residential zoned land could be absorbed over the next 15 years. The additional 890 apartments on the mixed-use precinct would be developed in the longer term. It is anticipated that the market for higher density living in Tuggerah would have matured in the longer term which will support take-up of this housing. The absorption rate would be boosted by the potential development of fast(er) rail to Tuggerah.

Table 8: Projected Dwelling Demand

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Central Coast Dwellings															
Houses	614	808	873	915	977	753	735	718	699	680	695	674	652	629	606
Townhouses	184	262	306	347	400	332	350	368	386	405	447	467	489	511	533
Apartments	430	595	678	749	844	686	709	731	754	778	844	870	896	923	951
Total	1,229	1,665	1,857	2,011	2,221	1,771	1,794	1,817	1,840	1,863	1,985	2,011	2,037	2,063	2,090
Tuggerah-Wyong Share															
Houses	5.0%	5.2%	5.4%	5.5%	5.7%	5.9%	6.1%	6.3%	6.4%	6.6%	6.8%	7.0%	7.1%	7.3%	7.5%
Townhouses	10.0%	10.4%	10.7%	11.1%	11.4%	11.8%	12.1%	12.5%	12.9%	13.2%	13.6%	13.9%	14.3%	14.7%	15.0%
Apartments	12.5%	12.7%	13.0%	13.2%	13.5%	13.7%	14.0%	14.2%	14.5%	14.7%	15.0%	15.2%	15.5%	15.7%	16.0%
Tuggerah-Wyong Dwelling Demand															
Houses	31	42	47	51	56	44	45	45	45	45	47	47	47	46	45
Townhouses	18	27	33	38	46	39	42	46	50	54	61	65	70	75	80
Apartments	54	76	88	99	114	94	99	104	109	115	126	132	139	145	152
Total	103	145	168	188	215	178	186	195	204	213	234	244	255	266	277
Subject Site Share															
Houses	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
Townhouses	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Apartments	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Subject Site Annual Demand															
Houses	12	17	19	20	22	18	18	18	18	18	19	19	19	18	18
Townhouses	6	8	10	12	14	12	13	14	15	16	18	20	21	22	24
Apartments	16	23	26	30	34	28	30	31	33	34	38	40	42	44	46
Total	34	48	55	62	70	58	60	63	66	68	75	78	81	84	88
Subject Site Cumulative Demand															
Houses	12	29	48	68	90	108	126	144	162	180	199	217	236	255	273
Townhouses	6	14	24	35	49	61	73	87	102	118	136	156	177	199	223
Apartments	16	39	65	95	129	157	187	218	251	286	323	363	405	448	494
Total	34	82	137	198	268	326	386	449	515	583	658	736	818	902	990

Source: Urbis

2.5. RECOMMENDATION

The residential market in Tuggerah has historically revolved around detached housing with medium density developments also emerging in some locations. Apartment development has been relatively limited in the area as the achievable prices for new apartments have made it challenging to support viable development. There has been significant apartment development in and around the Gosford CBD as higher density living is becoming more accepted.

If the subject site was to be developed over the next 5-10 years, the current residential market would largely support a mix of low and medium density housing. However, this mix is largely in line with what is already provided in the area and would not help to improve the diversity of housing in the region. The continued growth and evolution of the Tuggerah Town Centre will require an increase in housing density and the subject site is well placed to provide this housing.

Taking a longer term vision for the subject site indicates that there will likely be more opportunity of higher density living as the housing market in the region matures. This is supported by the development of the Gosford CBD with the potential development of high(er) speed rail to the Central Coast also providing the potential for a new residential offer in Tuggerah. The provision of a mixed-use precinct along Wyong Road provides the flexibility to transform housing in the longer term. Apartment development close to Westfield Tuggerah and within walking distance of the train station will likely become more viable as land for housing that is close to key employment centres becomes scarcer.

3. SENIORS LIVING MARKET ASSESSMENT

3.1. SITE SUITABILITY

Demand drivers for retirement living are similar to normal residential with a greater emphasis on accessibility for seniors housing. Key success drivers include:

- **Lifestyle:** Retirees generally want to live in locations with an attractive outdoor lifestyle. The Structure Plan comprises an attractive landscape with a bushland setting, creek, rocky outcrop and other landscape features.
- **Amenity:** The location of the site directly adjacent to the Westfield Tuggerah will provide residents with easy access to the retail, dining and entertainment offer in the shopping centre. There are also health services provided in the shopping centre which will be attractive to retirees.
- **Public transport accessibility:** There is currently bus services that connect Westfield Tuggerah with the train station and the wider region. The development of the subject site has the potential to improve public transport connections for residents with a shuttle bus to the train station. The structure plan proposes a new bus route within the subject site that passes in close proximity to the proposed ILUs. This bus route would offer good public transport accessibility to older residents.

3.2. SUPPLY

Existing Supply

There are 40 retirement villages in the Central Coast with a total of around 7,230 independent living units (ILUs). Almost half of ILUs are located in the Gosford area (in the suburbs around the train line from Woy Woy to Lisarow). There is limited supply in the Tuggerah to Wyong corridor totalling three facilities and around 640 units.

Table 9: ILU Supply – Central Coast

Region	Facilities	Units
Tuggerah/Wyong Region	3	642
Gosford Region	13	3,087
Coastal	24	3,503
Total	40	7,232

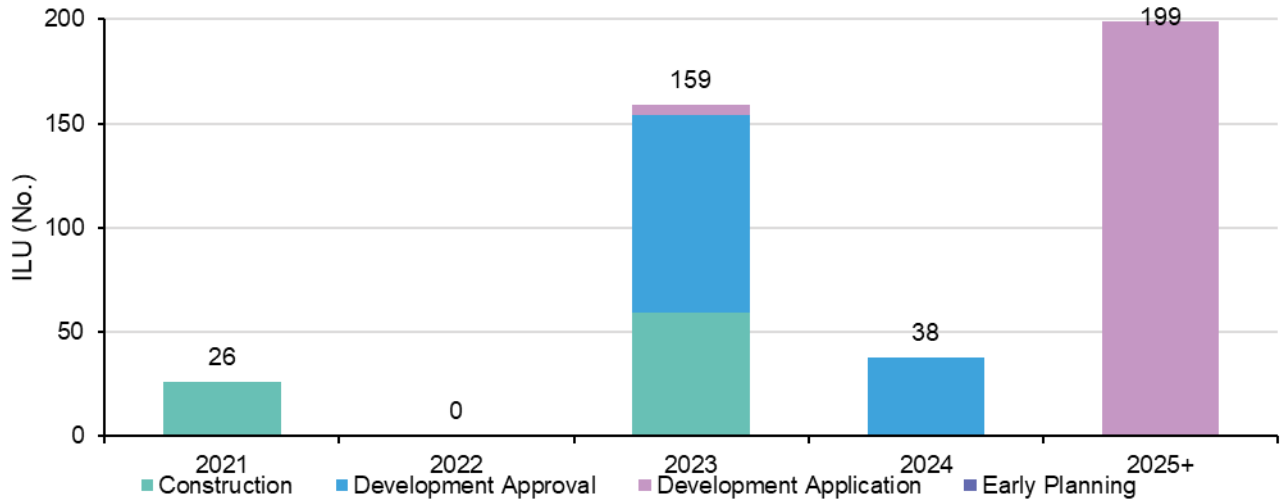
Source: Urbis

Future Supply

There are around 420 ILUs in the pipeline in the Central Coast across 14 projects. This accounts for only around 5% of existing supply, which is relatively low.

There are four projects currently under construction with a total of around of 85 units. The majority of developments are still in the planning phase with some uncertainty regarding whether they will progress.

Chart 7: Future ILU Supply – Central Coast



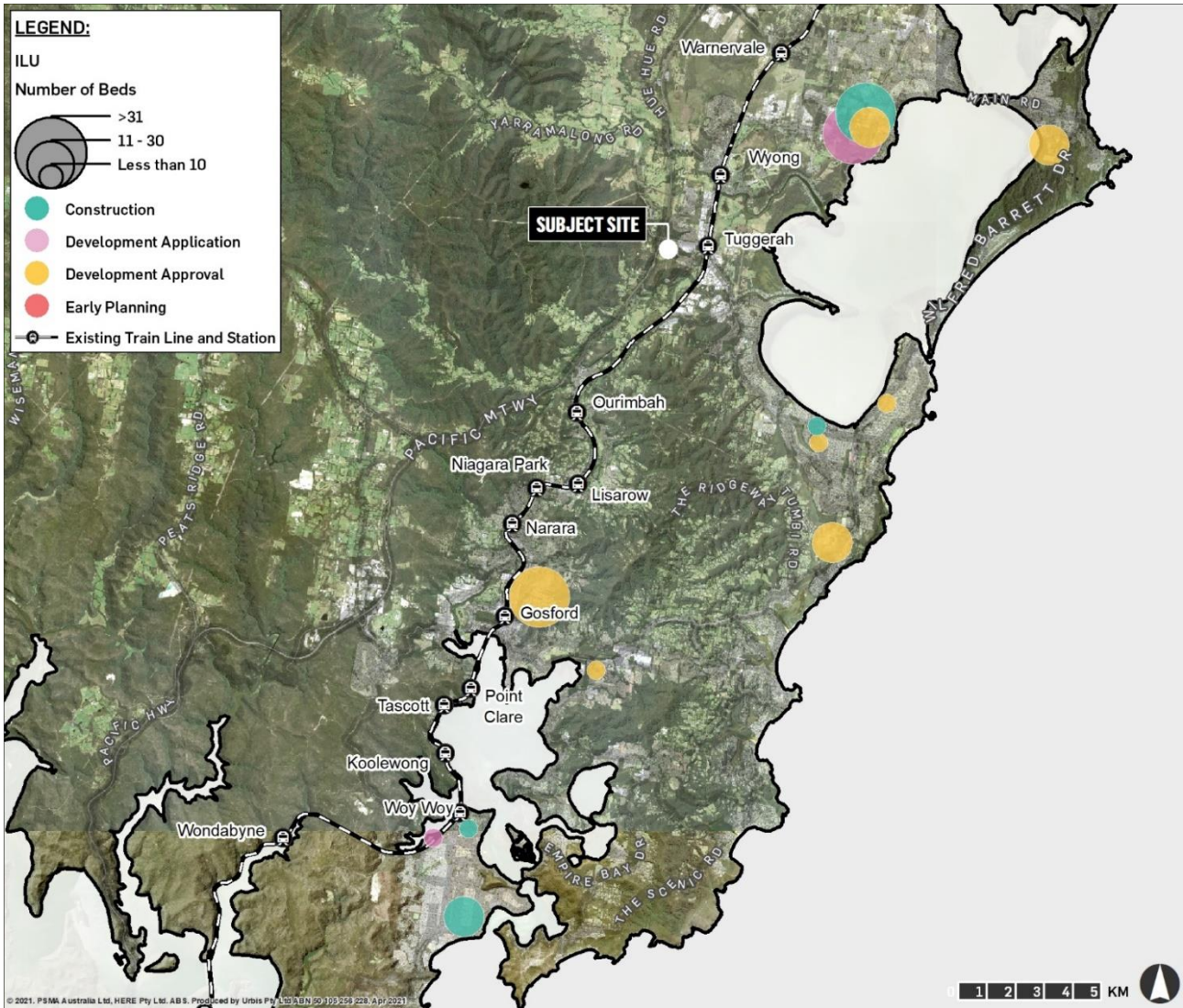
Source: Urbis

Most proposed facilities are located in coastal locations close to the ocean, Brisbane Waters or Tuggerah Lake (around the Wyong Health Precinct). Other projects are located in:

- Wadalba
- Kanwal
- Gosford
- Forresters Beach
- Canton Beach
- Green Point.

There are currently no projects proposed in Tuggerah reflecting a potential opportunity for future development.

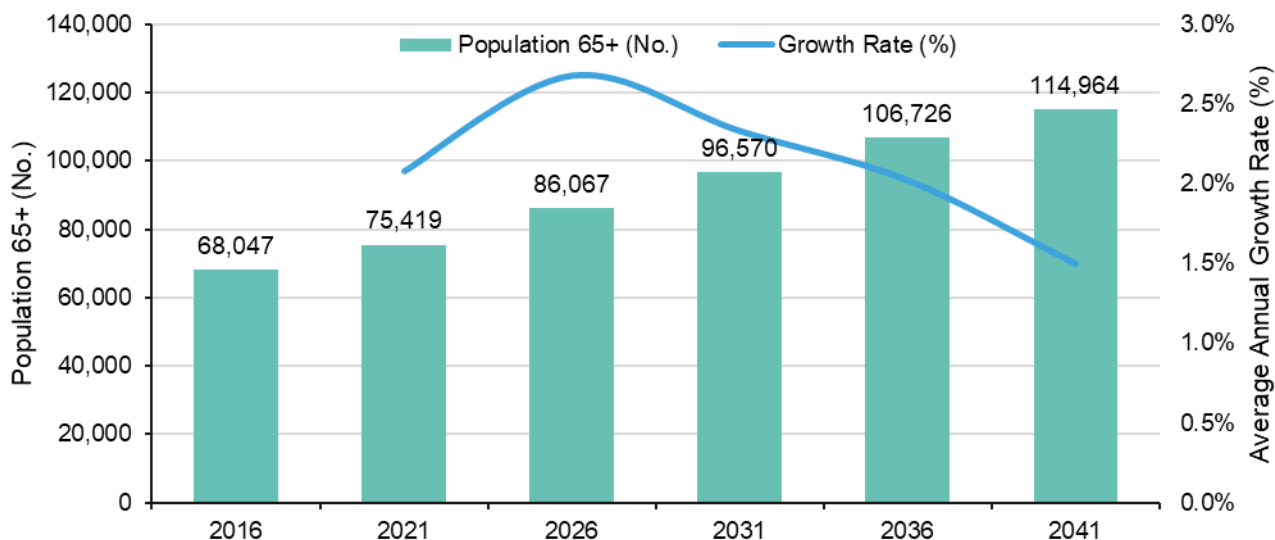
Map 5: Future Supply



3.3. DEMAND

The population of residents in the Central Coast over the age of 65 is projected to grow from around 75,400 in 2021 to 115,000 in 2041 at an average rate of 2.1% per annum. This growth equates to an average of almost 2,000 new residents per year, which will continue to drive demand for additional retirement accommodation in the Central Coast.

Chart 8: Projected Population Growth by Age



Source: Transport for NSW, ABS, Urbis

The propensity for residents in Central Coast to live in retirement villages was almost 14% in 2016. This is one of the highest propensities in NSW and reflects the attractiveness of the area as a retirement destination for Sydney residents due to its proximity to Sydney and affordable coastal lifestyle.

Table 10: Benchmark Propensity Rates, 2016

Region	ILU Propensity (65+)
Central Coast LGA	13.8%
Lake Macquarie LGA	7.5%
Hornsby LGA	10.0%
Newcastle LGA	3.4%

Source: Transport for NSW, ABS, Urbis

Future Demand

It is assumed that the 2016 benchmark of 13.8% of people over the age of 65 living in retirement villages will continue over the next decade. The Central Coast already has the highest propensities in the state indicating potential for growth will be challenging.

The current propensity for residents living in retirement villages in the Central Coast was applied to the population of residents aged 65+ years. The resident demand is projected to increase from 10,400 in 2021 to 13,360 in 2031. When an average household size of 1.4 is applied (in line with historical rates), the dwelling demand is projected to increase from 7,530 in 2021 to 9,640 in 2031.

This growth would result in an undersupply of around 1,990 units in 2031 if all currently proposed projects are developed. While some of these projects may not be developed, there is also potential for other projects to emerge over the next decade.

Tuggerah is considered to be an attractive location for retirement living with good retail amenity and an attractive outdoor lifestyle. Based on the demand analysis, it is considered that there is potential for the subject site to achieve a market share of around 7.5% of the additional demand in the market. This equates to around 255 units to be developed by 2036.

Table 11: Future ILU Demand

	UNIT	2021	2026	2031	2036
Population (65+)	<i>No.</i>	75,419	86,067	96,570	106,726
Population Growth	<i>Cumulative No.</i>	0	10,648	21,151	31,307
Propensity	%	13.8%			
Total Demand - People	<i>No.</i>	10,431	11,904	13,356	14,761
Average Persons per Unit	<i>No.</i>	1.4	1.4	1.4	1.4
Total Demand - Units	<i>No.</i>	7,529	8,593	9,641	10,655
Total Supply	<i>No.</i>	7,258	7,654	7,654	7,654
Gap	<i>No.</i>	271	939	1,987	3,001
Subject Site Share		7.5%	7.5%	7.5%	7.5%
Subject Site ILU Demand		20	100	179	255

Source: Transport for NSW, ABS, Urbis

3.4. RECOMMENDATION

There is an identified shortage of retirement living in the Central Coast LGA with no projects currently proposed for Tuggerah. The subject site is well placed to address the shortage of independent living units as it is directly adjacent to Westfield Tuggerah which is a regional shopping centre with retail, medical, entertainment, dining and civic uses. Around 255 independent living units are supportable over the next 15 years.

The Proposed Structure Plan will provide an attractive lifestyle community in a bushland setting that is anticipated to be attractive to older residents. The site also provides a point of difference from the majority of facilities that are location in coastal areas close to the ocean or lakes.

4. SHORT STAY ACCOMMODATION MARKET ASSESSMENT

4.1. SITE SUITABILITY

The subject site boasts some of the attributes needed for successful short-stay accommodation such as strong accessibility, visibility and proximity to employment and amenity. However there is not a major tourist destination/attraction within walking distance of the site, which will limit the potential demand for leisure visitation within the site. As such, a development on the site is considered to be more suited to an establishment targeting business travellers as well as some leisure travellers. Key locational success drivers for short stay accommodation include:

- **Tourism Attractions:** The Central Coast is an attractive tourism destination as it offers visitors a range of outdoor activities such as beaches, water sports, National Parks, wildlife parks and other recreation. Tuggerah is not a coastal location though does provide good access to recreational and sporting facilities.
- **Transport Accessibility:** The subject site is located at the exit to the Pacific Motorway making it attractive to people traveling by car. The majority of domestic travellers to the Central Coast would travel by car with the accessibility of the site making it attractive to explore the region.
- **Visibility:** The subject site will be able to offer direct visibility to passing traffic along Wyong Road which would assist in building exposure. There would also be potential to include signage on the Pacific Motorway to boost visibility to passing motorists. .
- **Views:** The subject site has some undulating hills meaning views would be dependent on where it was built. Views are anticipated to be largely limited to regional bushland views.
- **Employment:** There is significant employment within the Tuggerah to Wyong Corridor meaning that business travel demand to Tuggerah is likely to be considerable. The location close to the Pacific Motorway also means travellers can easily access the wider region.

4.2. SUPPLY

Existing Supply

There are around 2,030 short stay accommodation rooms in the Central Coast including hotels, motels, serviced apartments and resorts. Around 40% of rooms are contained in hotels, followed by motels/inns. There is currently no short stay accommodation located in the Tuggerah Town Centre with the closest accommodation being located at Wyong and towards Lake Tuggerah.

Table 12: Short Stay Accommodation Supply – Central Coast

Type	Rooms
Hotel	789
Motel/ Inn	619
Serviced Apartment	313
Resort	313
Total	2,034

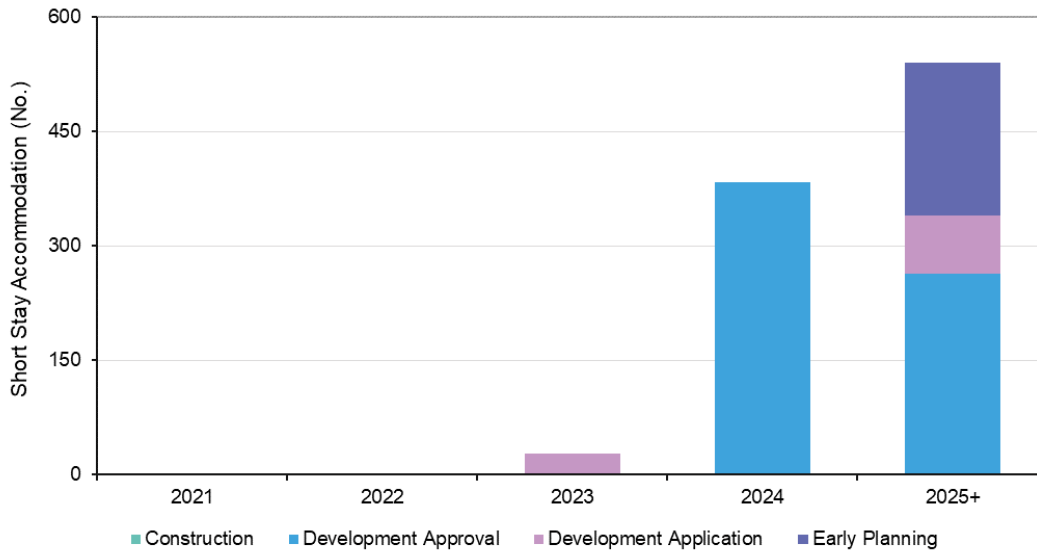
Source: Urbis

Future Supply

There are around 950 short stay accommodation rooms in the pipeline across 10 projects ranging in size from 20 to 200 rooms. There are currently no projects under construction with 2023 considered the earliest that a project could be completed in the region.

The majority of projects have received development approval though are yet to commence construction, likely due to the uncertainty from the COVID pandemic.

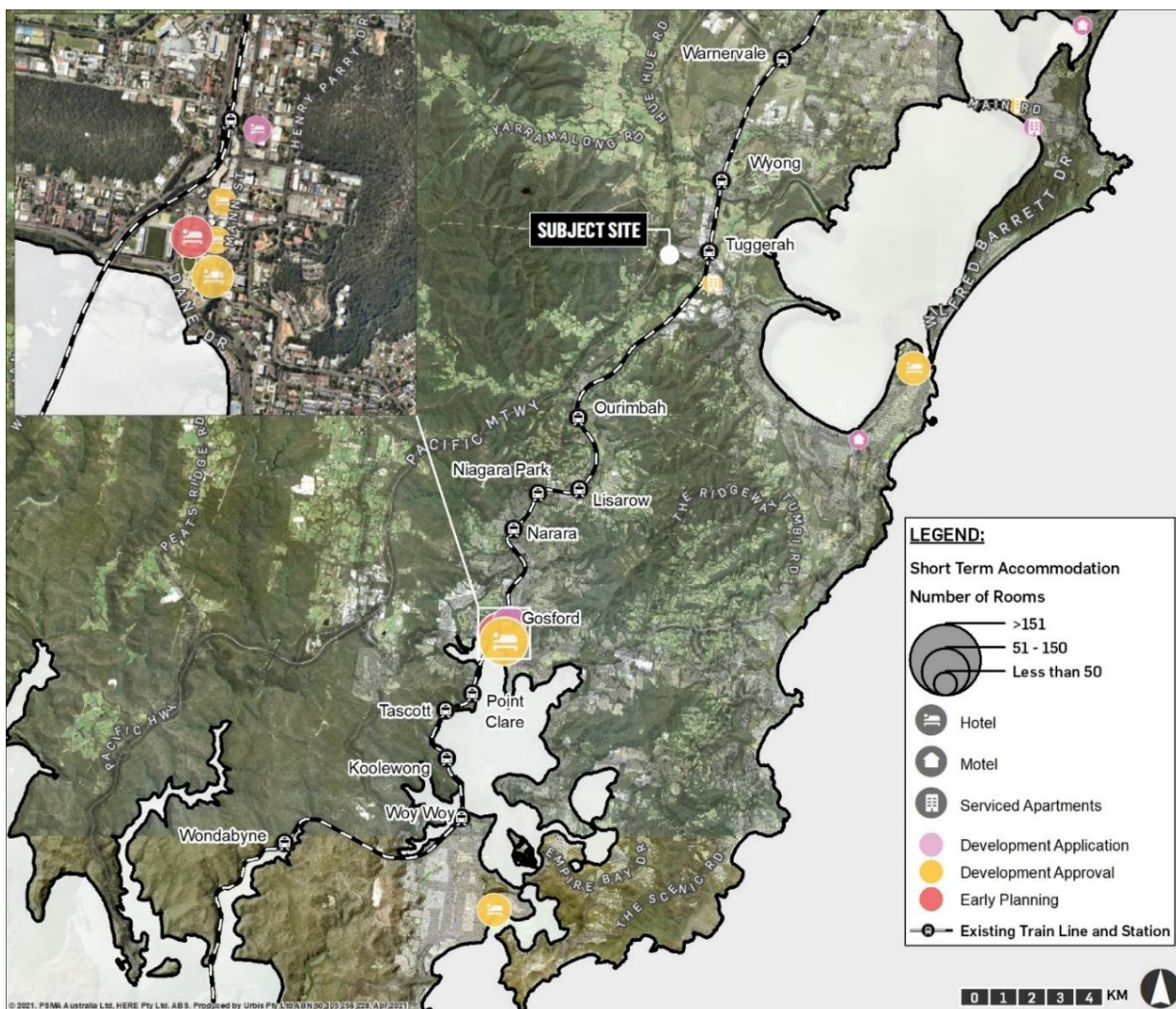
Chart 9: Future Short Stay Accommodation Supply – Central Coast



Source: Urbis

There is currently a small 20 room serviced apartment proposed in the Tuggerah Business Park. There are five hotel proposed projects in Gosford, largely located towards the southern area of the CBD where more development is occurring and offering water views.

Map 6: Future Supply



4.3. DEMAND

Prior to the COVID-19 pandemic, the short-stay market in the Central Coast recorded an average occupancy rate of between 66-70%. An occupancy rate of around 65% is considered to be equilibrium for a regional location indicating potential for additional accommodation to be developed in the region. Occupancy rates fell in 2019-20 as a result of the pandemic and lockdowns in April-May. Average daily room rates (ADR) have remained relatively stable at around \$195.

Table 13: Historical Performance – Central Coast TR

INDICATOR	2016-17	2017-18	2018-19	2019-20
Room Count	2,055	2,047	2,074	2,081
Occupied Room Nights	500,000	524,000	502,000	428,305
Occupancy	66.5%	69.8%	66.1%	56.9%
ADR	\$194.2	\$196.4	\$195.8	\$196.8
RevPAR	\$129.1	\$137.1	\$129.5	\$112.1

Source: Tourism Research Australia, Urbis

Tourism Research Australia overnight visitor forecasts have been revised by Urbis to consider the impacts of the COVID-19 pandemic on overnight visitation with international travel and domestic business travel likely to be the most impacted in the longer term. Overnight visitation to the Central Coast is projected to increase from around 4.3 million in 2021 to 7.4 million at an average growth rate of 3.7%.

Table 14: Projected Visitor Nights by Purpose ('000) – Central Coast TR

PURPOSE	2021	2026	2031	2036
Holiday	1,964	2,855	3,131	3,462
Visiting Friends and Relatives	1,866	2,635	2,890	3,196
Business	275	306	336	372
Other	234	331	363	401
Total	4,340	6,127	6,720	7,430

Source: Tourism Research Australia, Urbis

Based on historical trends, it has been assumed that the proportion of visitor nights spent in short stay accommodation will remain stable at around 18%. This equates to the number of visitor nights spent in short stay accommodation increasing from around 802,000 in 2021 to 1.24 million in 2031.

With a historical average rate of 1.8 guests per room, it is projected that demand for short stay accommodation rooms will increase to around 745,000 occupied room nights in 2036. This equates to supportable demand increasing by around 1,300 rooms to around 3,150 rooms. If all the proposed supply is developed over the next decade, the market would be undersupplied by around 150 beds. While some of these projects are unlikely to be developed, there is also potential for other projects to emerge over the next 15-years.

This indicates that there is not a clear need for additional provision of short stay accommodation across the wider region. However, with the Tuggerah town centre currently having no short-stay accommodation, there is potential for accommodation to capture local demand. The town centre is considered to be able to attract a market share of up to 5% of additional demand, which would equate to up to 65 units.

Table 15: Short Term Accommodation Demand Assessment – Central Coast TR

	UNIT	2021	2026	2031	2036
Forecast Visitor Nights	No. ('000)	4,340	6,127	6,720	7,430
Nights in Hotels	%	18%			
Hotel Visitor Nights	No.	802,005	1,132,386	1,241,830	1,373,151
Visitors per Room	No.	1.8			
Occupied Room Nights	No.	436,183	615,866	675,389	746,810
Sustainable Occupancy Rate	%	65%			
Total Room Demand	No.	1,838	2,596	2,847	3,148
Total Room Supply	No.	2,034	2,793	2,993	2,993
Gap	No.	-196	-197	-146	155

Source: Tourism Research Australia, Urbis

4.4. RECOMMENDATION

It is anticipated that a medium sized serviced apartment operation or around 60-70 rooms could be attractive to a national serviced apartment operator. Characteristics of the site including very strong accessibility, proximity to the amenity in the Westfield Tuggerah and employment in the Tuggerah Town Centre is anticipated to make the site attractive to an operator. The current absence of a short stay accommodation facility in or around the Tuggerah Town Centre will also help generate interest. The inclusion of a short-stay accommodation will also help boost the vibrancy and strengthen the Tuggerah Town Centre.

5. RETAIL MARKET ASSESSMENT

The Structure Plan does not include any retail floorspace in the next 10 years with the potential for some ground floor retail to be included as part of mixed-use residential development in the longer term. This reflects Scentre Group’s consolidated ownership of the three sites in the Tuggerah Renewal Area and the desire to consolidate retail uses within the existing shopping centre site. As such, Urbis has undertaken a high level review of retail demand within the subject site.

5.1. SITE SUITABILITY

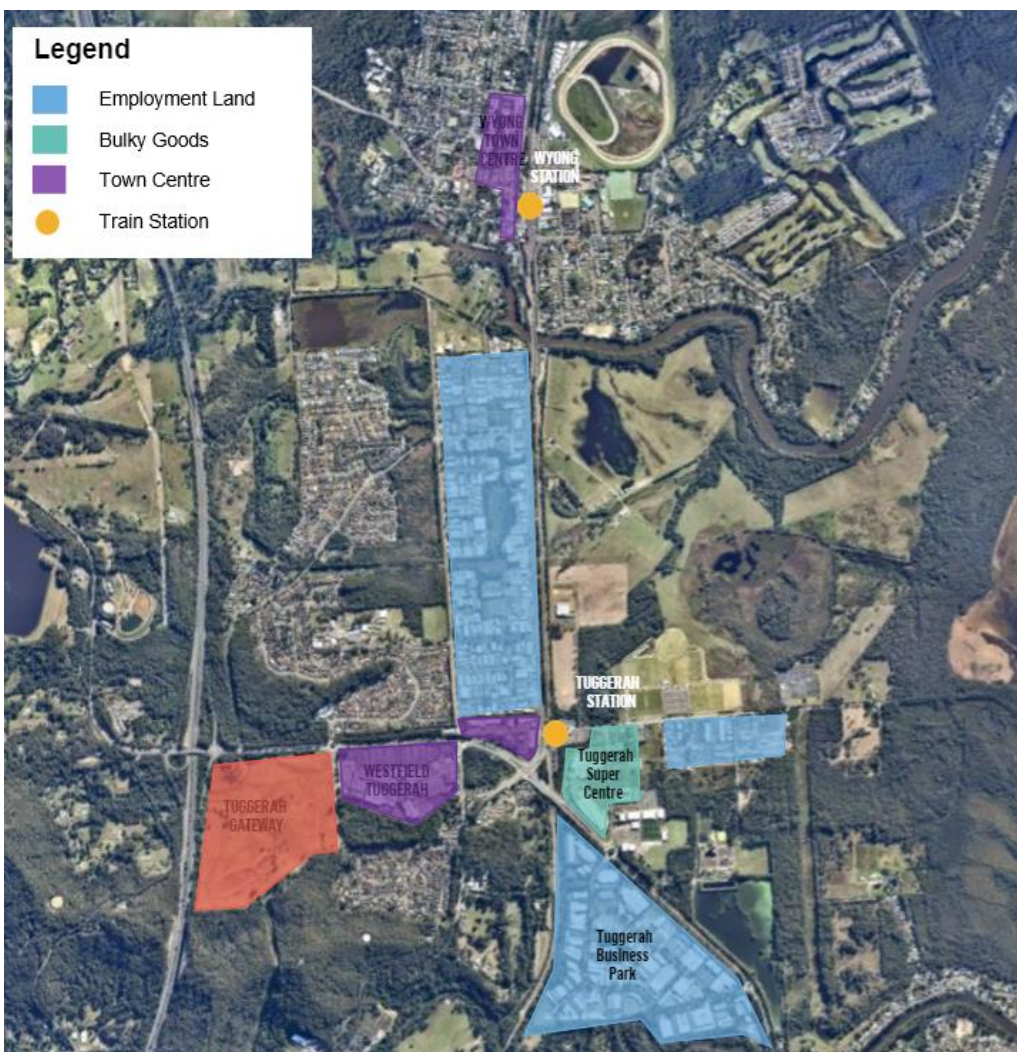
The subject site boasts some of the success drivers for retail development including good transport accessibility, visibility to passing traffic and ability to benefit from the adjacent Westfield Tuggerah shopping centre. In addition, the future onsite resident population within the 2,112 dwellings will drive additional household expenditure.

5.2. SUPPLY

Westfield Tuggerah is owned by Scentre Group and comprises around 84,000 sq.m of floor space. The regional shopping centre services the northern region of the Central Coast and is a major retail, dining and entertainment precinct. Major retailers include David Jones, Big W, Target, Aldi, Coles, Woolworths, H&M, TK Maxx, JB Hi-Fi, Rebel and Event Cinemas.

There is also a retail and dining precinct located along Anzac Road between Westfield Tuggerah and the train station. The precinct includes several retailers and fast food operations and provides a link between the station at the shopping centre.

Map 7: Tuggerah Town Centre



5.3. DEMAND

Bulky Goods

There is potential to include the development of bulky goods/ large format retail along Wyong Road as part of the first stage of the development.

Population growth within Tuggerah and the wider Central Coast region is generating demand for additional bulky goods retailing. The Central Coast LGA population is projected to increase by 58,300 from 2021 to 2036. Based on a benchmark of around 0.7sqm per person, this would equate to a need for an additional 40,800sq.m of bulky goods floorspace across the LGA. The subject is well placed to accommodate a proportion of this need in the short-term as a result of the population growth in the region and the attractive location next to Westfield Tuggerah, with good road accessibility and visibility to passing traffic.

Retail

The 2,112 residential dwellings proposed within the Structure Plan will generate around \$68.4 million of retail spending (in \$2021 dollars) which would potentially support around 9,770 sq.m of retail floorspace (at a benchmark of \$7,000 per sq.m per annum). The majority of this retail expenditure would be retained locally within the Tuggerah Town Centre due to the considerable retail offer in the Westfield. The significant open space included within the Structure Plan would also likely attract some visitation which would further boost expenditure within the Gateway site.

The Structure Plan includes the provision of ground floor retail and service floorspace at the completion of the development. This highlights that the future retail expenditure generated by the new households will generate floorspace demand well above what is proposed on the site. This will result in more expenditure into the adjacent Westfield and further strengthen it as the central retail node within the town centre.

5.4. RECOMMENDATION

There is potential for bulky goods to be developed on the subject site in the short term to strengthen the Tuggerah Town Centre and complement the adjacent Westfield shopping centre. The site is well located for bulky goods operations and is anticipated to be attractive to operators. This use would generate employment on the site in the short term before a mixed-use redevelopment in the longer term.

It is recommended that there be limited traditional retail development on the subject site as market of the mixed-use development in the longer term. Future retail development is recommended to occur on the existing Westfield Tuggerah site, which already covers a large footprint. The wider Town Centre would benefit from the intensification of retail uses on the existing retail precincts rather than extending the centre further to the west. Westfield Tuggerah offers better connectivity with a central location within Tuggerah that is closer to the train station.

Some small scale convenience retail, food and beverage, childcare, local service and medical centre uses would be supported on the site to support the onsite residents in the longer term. This would help with the overall activation of the new community and maximise the wider community benefits of the new open space that is included within the Structure Plan. This would be best placed along the frontage of the new collector road towards the intersection with Tonkiss Street. This would provide good passing traffic from both vehicles and pedestrians as well as being in close proximity to the Westfield shopping centre to provide a link with the existing retail centre.

6. STRUCTURE PLAN

Figure 2 outlines the Structure Plan for the Tuggerah Gateway site, which comprises two large mixed-use residential blocks along Wyong Road with residential uses located along the remainder of the site.

Table 16 outlines the development yield of the Structure Plan which includes 2,112 dwellings. The plan includes the early delivery of interim employment uses along Wyong Road and 822 apartments concentrated along Tonkiss Street. A further 384 dwellings will be concentrated to the south and west of the site, predominantly comprising detached and medium density homes. The final stages of the project will comprise mixed use developments at the location of the interim bulky goods retail uses, which will include 906 apartments above ground floor non-residential uses.

It is anticipated that there is potential for bulky goods uses to be developed on the mixed-use sites in the short term with the potential for a higher density mixed use development in the longer term. The remainder of the site is anticipated to be staged with the first stage of residential development started along Tonkiss Street near to Westfield and moving south-west through the site.

Table 16: Proposed Yield

LAND USE	LAND AREA (HA)	LAND AREA (%)	NON-RESIDENTIAL GFA	# JOBS	DWELLINGS	DWELLINGS (%)
DEVELOPABLE AREA	19.27	46.3%			2,112	100%
RESIDENTIAL	15.16	36.4%			1,206	57.1%
Low Density (Standard & Large lots)	5.17	12.4%	N/A		86	4.1%
Low-Medium Density (Townhouse, Duplex & Terraces)	5.63	13.5%	N/A		298	14.1%
Low-Medium Density (Low - Medium Rise Apartment)	3.16	7.6%			596	28.2%
Independent Living Unit (Medium Rise Apartment)	1.20	2.9%			226	10.7%
INTERIM BULKY GOODS RETAIL	4.11	9.9%	23,000	275	0	0.0%
TOTAL INTERIM PLAN (2036)	19.27	46.3%	23,000		1,206	57.1%
FUTURE MIXED USE	4.11	9.9%	1,877	75	906	42.9%
TOTAL FUTURE PLAN (2036+)	19.27	46.3%	1,877		2,112	100%
NON DEVELOPABLE AREA	22.39	53.7%				
Open Space	13.24	31.8%				
Water Body/ Mardi Creek	0.32	0.8%				
Utility	0.27	0.6%				
Road Network	8.56	20.6%				
TOTAL AREA	41.65	100.0%			2,112	100%

Source: Urbis

The figure below outlines the different housing typologies as outlined in the Structure Plan ranging from detached housing to apartments. The mix outlines the diversity of housing proposed to be provided to meet the different needs of the community.

Figure 1: Draft Structure Plan – Housing Typologies

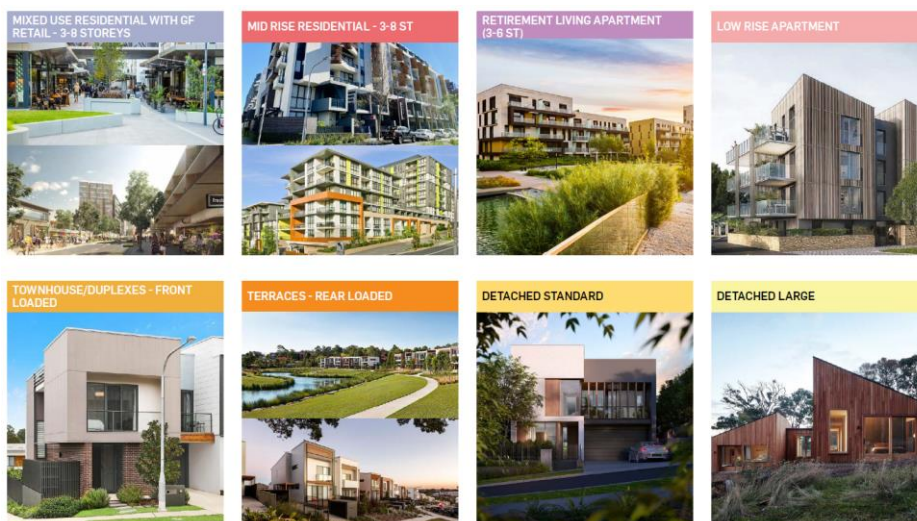


Figure 2: Structure Plan



7. ECONOMIC BENEFIT ASSESSMENT

This section details the direct and indirect economic benefits likely to flow from the proposed development at the subject site, including employment generation, economic growth, additional retail spending, and improved housing choice and affordability.

7.1. DIRECT AND INDIRECT CONSTRUCTION BENEFITS

Property development projects, such as the proposed development at the subject site, provide economic benefits to a local economy and wider region during both the development phase and during the ongoing operation or working life of the project. Direct economic benefits during the development phase are identified in the form of expenditure, economic growth and employment benefits. These direct benefits in turn generate flow on (multiplier or indirect) benefits which also benefit the regional and state economies.

The Economic Benefit Assessment (EBA) uses REMPLAN to model the potential economic benefits associated with the proposed development. REMPLAN is an Input Output model that captures inter-industry relationships within an economy. It can assess the area specific direct and flow on implications across industry sectors in terms of employment, wages and salaries, output and value added (Gross State Product).

The potential economic benefits of the proposed development have been quantified in terms of value add expenditure generation and employment generation:

- Expenditure Generation – Estimation of the direct and indirect expenditure impacts resulting from the proposed development. This estimates value added expenditure impacts to the regional and state economies during both the development and operating phases
- Employment Creation – Estimation of the direct and indirect employment impacts resulting from the proposed developments. This estimates employment impacts using standard industry jobs per sq.m benchmarks and regional employment multipliers for New South Wales.

Key points regarding the workings and terminology of the model are as follows:

- REMPLAN uses either the value of investment or employment generation as the primary input. For this analysis, the value of total upfront investment has been used as the key input to assess the benefits of the construction phase, whereas future employment at the development is the input to assessing the on-going economic benefits of the operational phase
- Outputs from the model include direct and indirect employment and value added (i.e. economic growth) generated through the project
- Employment generated includes all full-time and part-time jobs created over the life of the construction phase; or in terms of the on-going operations, total on-going jobs generated
- Both the direct and indirect benefits are modelled for employment and value added
- Direct refers to the effect felt within the industry where the investment is being made. For example, during the construction phase, new direct jobs are created within the construction industry.
- Indirect effects are:
 - Those felt within businesses that supply goods to the industries directly affected (industry effects)
 - Those felt by businesses that benefit from the wages that are earned and spent by those employed within the industries directly affected (consumption-induced effects).

For the purposes of this analysis, consumption-induced effects have been excluded. Consumption-induced effects are prone to overstate the benefits of a particular investment as they overestimate the impact of wage and salary increases in the local economy. This is an accepted conservative industry practice.

Direct economic benefits during the development phase are identified in the form of employment and value add benefits. These direct benefits, in turn, generate flow on (multiplier or indirect) benefits which also benefit the regional and state economies.

Project Expenditure

Total expenditure estimates for the proposed development have been estimated by Urbis with input from other consultants. The proposed development at the subject site is estimated to generate approximately \$517 million of direct expenditure (Economic Output) to the local region and Greater Sydney over an assumed 9-year planning and development period. The 9-year timeframe reflects the time to develop the infrastructure and the development/absorption of the residential zoned land. The longer term development of the mixed-use precinct would generate additional expenditure and economic benefits in the longer term though has not been included in this analysis.

Employment Benefits

New jobs will be supported during the 9-year development phase by the direct expenditure on the proposed development. The direct and indirect employment benefits are shown below:

- Direct Jobs = 101 on average over an assumed 9-year planning and development period
- Indirect Jobs = 144 on average over an assumed 9-year planning and development period
- Total Jobs = 245 over an assumed 9-year development period.

Value Added Benefits

Value added benefits (Gross State Product) will be generated from the direct expenditure incurred on the proposed development. Value added essentially represents economic growth for the region and Greater Sydney (i.e. Net Economic Output: this is total economic output minus output which is an input for other sectors). The direct and indirect value added benefits are shown below:

- Direct Value Added = \$151.9 million
- Indirect Value Added = \$207.0 million
- Total Value Added = \$358.9 million.

Table 17: Economic Benefits – Development Phase (\$2021)

	Direct Effect	Indirect Effect	Total
Output (\$M)	\$516.9	-	\$516.9
Employment (Jobs)	101 jobs over 9 years	144 jobs over 9 years	245 jobs over 9 years
Value-added (\$M)	\$151.9	\$207.0	\$358.9

Source: REMPLAN, Urbis

7.2. EMPLOYMENT GENERATION

The Structure Plan includes a mixed-use precinct towards the north of the site that will generate employment on the site. The zoning provides flexibility for a range of different employment generating uses such as retail (shop top housing), bulky goods, childcare centre, office, short stay accommodation, education and medical centres.

The Structure Plan is taking a long term view on the potential for the site which could potentially see the development of initial employment generating uses in the short to medium term. Bulky goods have been identified as having development potential to support the growing population in the region and strengthen the town centre. The benchmark employment generation for bulky goods is around one job per 75sq.m of GFA. The development of around 23,000 sq.m of bulky goods space in the short to medium term has the potential to generate around 307 jobs.

It is anticipated that the mixed-use precinct will evolve into higher density shop-top housing in the longer term as the apartment market matures and becomes more financially viable. The provision of retail floorspace would generate additional ongoing jobs.

7.3. TRANSFORMING THE SITE

The existing zoning of the site includes around 13 hectares of B4 zoned land at the north-east corner at the intersection of Wyong Road and Tonkiss Street. The Central Coast Regional Plan outlines the goal to strengthen interregional and intra-regional connections for business. The construction of transport infrastructure outside the region, such as the NorthConnex link between the M1 Pacific Motorway and the M2 Hills Motorway, is identified as driving demand for accessible employment land on the Central Coast. Clustering freight and logistics businesses around the M1 Pacific Motorway interchanges at Somersby, Tuggerah and Warnervale are highlighted as important in maximising these opportunities.

The Somersby Industrial Estate is considered to be better located as a transport and logistics hub due to its closer proximity to Sydney and not facing the same land use challenges as Tuggerah, which has surrounding retail and residential uses as well as slope/topography constraints and natural features. Somersby boasts a large industrial estate with direct access to the Pacific Motorway and will not experience the same land use conflicts associated with large trucks congesting the local road network.

While the opening of NorthConnex has improved accessibility from the Central Coast to Sydney, at the same time it has improved access from Sydney to the Central Coast. There has been a trend in the transport and logistics sector of firms consolidating warehousing and distribution centres in Western Sydney. These large warehousing and distribution centres allow businesses to efficiently service the Greater Sydney region (including both Illawarra and the Central Coast) without the need to have smaller 'hubs' in other locations. This trend is likely to benefit operations within (and closer to Sydney) such as Somersby.

7.4. STRENGTHEN TOWN CENTRE

The development of the Gateway Site will help create a diverse, connected and vibrant Tuggerah centre. Scentre Group has expressed a desire to develop the Gateway Site in a manner that will integrate with the adjacent shopping centre and strengthen the wider Tuggerah Town Centre. This long term vision is to create a new lifestyle community that elevates the area and increases the vibrancy of the centre. Increased housing development within the town centre will increase household expenditure in local businesses and will help facilitate investment in new retail, commercial and entertainment operations.

The proposed development is not about simply maximising financial returns in the short term. If Scentre Group wanted to maximise financial returns in the short term, the development would focus on development of low and medium density housing. This reflects the strong market for these housing typologies and this type of development would result in the Gateway Site being no different from other new communities provided in the region. By providing a mix of apartments and independent living units, Scentre Group are looking to provide a new offer. This includes some flexibility on the Mixed Use precinct to respond to the changes in the region as the housing market and economy transform.

Scentre Group has control of the whole site and the adjacent shopping centre and this will allow them to develop both sites in a manner that will generate synergies and benefit the region.

7.5. PROMOTE HOUSING DIVERSITY AND AFFORDABILITY

The Central Coast Regional Plan outlines the goal of providing "A variety of housing choice to suit needs and lifestyles" of the Central Coast residents. The Structure Plan comprises a range of housing typologies ranging from:

- Low density housing: Detached housing on standard and larger lots
- Medium density dwellings including townhouses, duplexes and terraces
- Higher density apartments
- Retirement living units.

In addition, the provision of these different land uses in a bushland setting that is directly adjacent to the Westfield Tuggerah will create a unique lifestyle community that has not been seen in the Central Coast region. This will be further supported by the open space and community uses that will be included in the site to create a genuine lifestyle community.

The majority of housing in the Tuggerah to Wyong Corridor has been detached housing with some medium density housing as well. The proposed dwelling mix includes apartments, which will expand the offering in this part of the LGA. With detached housing anticipated to continue to record price growth and placing pressure on housing affordability, the development of new apartment product will assist in providing more housing choice.

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