

18.0 Social and Economic Issues

18.1 Economy and employment

The proposed redevelopment of CUB site will have a positive economic impact on the Sydney CBD and the State of New South Wales. The development will generate significant economic and employment opportunities during and post construction and will provide significant new commercial and retail floor space in the southern part of the CBD. Based on the floor space proposed, it is estimated that a population of up to 4,507 workers and approximately 2,800 residents (depending on the mix of accommodation) will be located in the CUB site.

A review of the economic impact of the proposed development of the CUB site has been prepared by Strategic Economic Solutions Pty Ltd and is included in **Appendix BB**.

The report identifies the site as benefiting from:

- Proximity to Parramatta Road and the Western Distributor providing connections to Western Sydney, the airport and northern Sydney
- Closeness to Central Station, UTS, TAFE, University of Sydney, Notre Dame and the ABC Centre in Ultimo;
- Potential link with the Redfern Waterloo Redevelopment Area, including the Australian Technology Park, and Green Square.

Estimated Economic Impact of Commercial Activity

The report reviews the economic impact of the commercial activities that will operate from the site. Employee densities used were derived by analysing workspace ratios in the City of Sydney and comparing with international benchmarks. Based on these assumptions the projected employment for the whole site is 4,507 workers with an average annual wage projected to be approximately \$80K per annum in 2006. This figure could shift up or down depending on the final nature of business and office accommodation provided.

- A total wage has been estimated accordingly and adjusted +/-10% resulting in a projected wage impact of \$321-392 million in current dollars.
- Business turnover from commercial and retail occupiers is estimated to be in the order of \$1.6 billion and the flow on effects in the order of \$0.6 billion.
- Another important aspect of business activity measured is that generated by home occupations. It is estimated that on average it is likely that in the CUB site some 200 home based businesses would be operating, with an annual turnover of some \$28 million.
- The value of construction for the redevelopment is expected to be \$800 million over a ten year staged construction period. The total value of the development including flow on effects is estimated to be in the order of \$1.45 billion.
- Based on the anticipated construction program, it is estimated that some 10,400 construction jobs will be generated and between 4,800 and 11,200 jobs in other parts of the economy.

Estimated Economic Impact of Residential Activity

The Concept Plan anticipates some 1,690 residential apartments within the site. The projected spending pattern of these residents is also an important aspect of the economic impact of the development.

Based on the average occupancy rate for the City of Sydney per apartment of 1.67 persons, the new incoming residential population is estimated to be in the order of 2,800 people. It is anticipated that the population will consist of a higher percentage of young residents and renters than the CBD average, reflecting the site's proximity to the University of Sydney and the UTS and the current demographic profile of Chippendale.

The average estimated income of Chippendale residents in 2006 is \$41,383. Applied across the site the combined total income (including home based businesses) would be \$137 million, a significant injection into the local economy.

The report concludes that the proposed development has the potential to contribute to the physical and economic revitalisation of the southern end of the CBD which it observes has been languishing compared with CBD areas to the north.

Consultation with the local community indicated a desire for high quality retail and lifestyle facilities to be included in the redevelopment of the site. The proposed development will significantly increase the urban amenity for the local community through the flow on effect of increased business activity and opportunities due to the site's location near Sydney's major educational institutions.

Viability of proposed commercial and retail Floor Space

Retail Floor space

The total retail floor space proposed is 12,093m² GFA which represents some 4.8% out of a total GFA of 245,250m².

A Market Assessment report has been prepared by Dimasi to determine the amount of retail floor space supportable in the redevelopment of the CUB site. The report is included in **Appendix CC**. The key findings of that report conclude that around 6,000 to 7,500m² of retail floor space should be the targeted level over the length of the project of 10 years. The large and growing resident population in the surrounding region will support convenience based facilities such as a supermarket. If a supermarket of 2,000-2,500m² is supportable, other convenience stores such as fresh food specialties, pharmacies, newsagents and retail service stores will be supportable, together with an Asian grocer.

The potential for a larger sized supermarket would be enhanced by the provision of retail car parking facilities. Car parking would also allow for retail facilities to be supportable at an earlier date.

The worker and student markets within the surrounding area will support around 2,500 to 3,000m² of retail floor space. This would be mainly targeted at food catering facilities such as cafes and restaurants, eating establishments and takeaway food stores.

An alternative to a major supermarket would be a fresh food store or organic produce store such as Macro Wholefoods which operates stores of around 1,000m². A supermarket with convenience oriented shops and fast food outlets would be the first stores supportable at the site located along Tooth Avenue.

Commercial Floor space

The total commercial floor space proposed is GFA 88,809m² which represents some 37% of the total GFA proposed. The minimum commercial floor space required to be provided within the CUB site is 30% of the total GFA.

The construction of commercial floor space will be tenant led. However, approaches have been made by several major space users who are seeking office space in the southern sector of Central Sydney. These include major financial institutions, Government Departments and Universities. There is limited office floor space in the area. In addition, the CUB site offers the opportunity to provide large, efficient floor plates of around 1,000-1,500m² and which is generally in short supply in the Sydney CBD.

18.2 Housing supply and choice

The total number of dwelling units with the renewal of the CUB site is in the order of 1,690. The dwellings will include a mix of housing types consistent with the requirements of CSDCP 1996 ranging from studio apartments suitable for student accommodation to 3 bedroom apartments able to accommodate families with children.

Opportunities for the inclusion of socially sustainable housing include:

- Social mix and diversity.
- Housing for the city workforce.
- Housing to reduce car dependency for the journey to work.
- Contribution to the RWA for the provision of affordable housing.

18.3 Community services & facilities

As identified at Section 8.0 the proposed development of the CUB site will provide a high quality living and working environment accommodating a range of facilities benefiting the social, cultural and recreational needs of the existing and future community. The well being of the working, resident and visiting population will be facilitated by an urban area that supports their needs with ready access to a wealth of high order services and facilities. This will be achieved by:

- The provision of community facilities, including a childcare centre;
- The inclusion of a large public park;
- Providing a site layout that will provide a generous hierarchy of smaller inter-connecting, publicly accessible open spaces;
- Improving access to recreational space beyond the CUB site and reconnecting the site with the existing community of Chippendale;
- The integration of the site with the regional bikeway network; and
- The on-site provision of daily convenience needs such as supermarket, retail outlets, newsagents, medical and dental services as well as cafes, restaurants and pubs that provide an opportunity for social interaction.

A report prepared by P/P/M Consulting included at **Appendix G** reviewed the social aspects of the Concept Plan. The draft Statement of Commitments at Section 25.0 incorporates the key recommendations and outcomes for the provision of community services and facilities for the CUB site.