EMPLOYMENT LANDS

Employment Lands Development Program
1995 Survey

The Employment Lands Development Program aims to ensure an adequate supply of appropriately located and serviced land for industry. As part of the program, annual surveys of Sydney Region councils have been conducted since 1989 to monitor the supply of and demand for employment land. The quantitative data obtained has been supplemented with information on trends in employment land development as reported by industry sources, by government agencies and in the media.

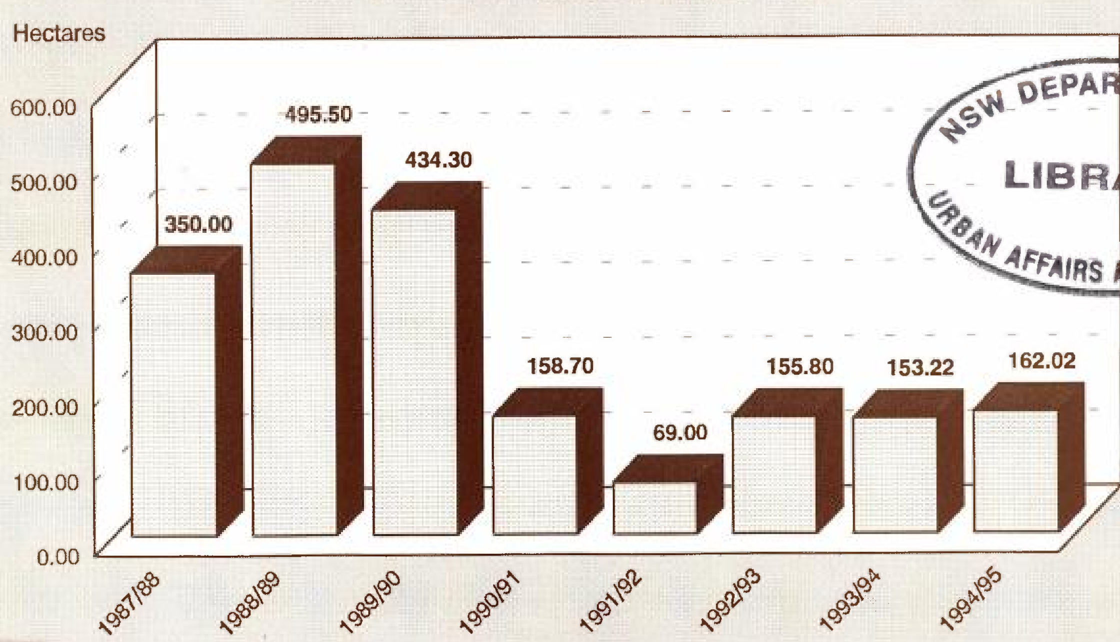
DEMAND

The program uses statutory take-up as a statistical measure of demand for employment land. Statutory take-up refers to the area of vacant zoned employment land over which development consents were issued. It does not include redevelopment of sites or changes of use.

In 1994/95 the total take-up of vacant employment land in the Sydney Region was 162ha. Figure 1 shows that, while total take-up increased slightly in 1994/95, it has generally stabilised at around 150 to 160 ha per annum for the past 3 years.

The role of outer local government areas (LGAs) in satisfying demand has declined since the late 1980s and early 1990s when they contributed over 90% of take-up. In 1993/94 and 1994/95 outer LGAs accounted for only 73% and 76% respectively of total take-up, owing to relatively high levels of demand in the established areas. More than 40% of total take-up in 1994/95 was in the

FIGURE 1
TAKE-UP OF EMPLOYMENT LAND 1987/88 - 1994/95



Department of Urban Affairs and Planning

outer west sub-region (Blacktown/Holroyd/Fairfield/Penrith), where take-up increased from 48ha in 1993/94 to 69ha in 1994/95.

Table 1 shows that the local government areas of Blacktown, Bankstown and Campbelltown had the highest levels of take-up of all Sydney councils. Major contributors to the 1994/95 take-up were a waste management centre at Chullora in Bankstown LGA (15ha), a biscuit factory at Huntingwood in Blacktown LGA (12ha) and a business park at Tuggerah in Wyong LGA (7ha).

Figure 2 illustrates the contributions to total take-up of each of the categories of employment land. Just over half (55%) was in the general industry category. Take-up in the high tech category has continued to grow gradually from nil in 1990/91 to 21.71ha or 13% in 1994/95. However, this highlights the inherent problem of using zoning as an indicator of land use. Most of the high tech take-up in 1994/95 was attributable to the abovementioned waste management centre which is arguably not a high tech industry. Similarly, bulky goods retailing has been a significant contributor to take-up of industrial zoned land in recent years.

FIGURE 2
1994-95 TAKE-UP BY INDUSTRY CATEGORY

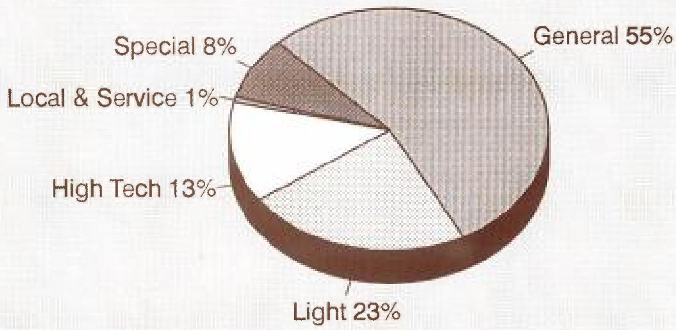


TABLE 1
EMPLOYMENT LAND DEMAND

Take-Up Rates in LGAs for 1994-95
(all figures in hectares)

Local Government Area	TAKE - UP Jul-Dec 1994	Jan-Jun 1995	1994/95
AUBURN	0.70	0.28	0.98
BANKSTOWN	16.02	7.47	23.49
BAULKHAM HILLS	0.00	3.23	3.23
BLACKTOWN	20.37	24.73	45.10
BLUE MOUNTAINS	0.39	0.40	0.79
CAMDEN	1.82	2.71	4.53
CAMPBELLTOWN	6.20	10.11	16.31
CANTERBURY	0.29	0.06	0.35
FAIRFIELD	0.70	1.18	1.88
GOSFORD	0.60	0.20	0.80
HAWKESBURY	0.35	1.51	1.86
HOLROYD	1.50	5.84	7.34
HORNSBY	0.20	0.00	0.20
LIVERPOOL	4.77	5.58	10.35
PENRITH	3.53	10.79	14.32
RANDWICK	2.53	6.00	8.53
RYDE	0.00	1.20	1.20
SOUTH SYDNEY	0.00	4.52	4.52
SUTHERLAND	3.40	0.00	3.40
WARRINGAH	0.00	0.54	0.54
WYONG	0.52	11.78	12.30
TOTAL	**63.89**	**98.13**	**162.02**

Note: LGAs with no take-up have been excluded from this table.

VACANT EMPLOYMENT LAND

At 30 June 1995 the total amount of vacant zoned employment land in the Sydney Region was 3,478ha. This equates to approximately 14 years supply, based on the average take-up for the Sydney Region of 247ha per year over the past 8 years.

A comparison of average take-up and vacant land stock at the sub-regional level indicates that all outer sub-regions have at least 10 years supply. The rezoning of land at Erskine Park in November 1994 increased the stock of vacant employment land in the outer west sub-region (Blacktown/Holroyd/Fairfield/Penrith) from a 6 year supply to a 10 year supply. However, issues related to the servicing of Erskine Park are still to be resolved.

TABLE 2
VACANT EMPLOYMENT LAND

Vacant Employment Land: LGA Summary, 30 June 1995
(all figures in hectares)

LGA Name	General Industry	Light Industry	High Tech	Water-front	Local & Service Industry	Special Industry	Total Zoned Vacant Land
AUBURN	7.22	10.57	38.70	0.00	0.00	0.00	56.49
BANKSTOWN	0.07	3.54	23.79	0.00	0.00	0.00	27.40
BAULKHAM HILLS	0.00	143.91	0.00	0.00	0.00	199.48	343.38
BLACKTOWN	186.94	0.24	0.00	0.00	0.00	176.60	363.78
BLUE MOUNTAINS	82.72	5.91	0.00	0.00	0.00	0.00	88.63
BOTANY(1)							20.16
CAMDEN	194.05	0.00	0.00	0.00	47.41	0.00	241.46
CAMPBELLTOWN	202.40	17.34	0.00	0.00	24.91	1.58	246.23
CANTERBURY	1.18	6.13	0.00	0.00	0.43	0.00	7.74
CONCORD	6.70	0.00	2.40	8.00	0.00	0.00	17.10
DRUMMOYNE	0.17	0.00	0.00	0.00	0.00	0.00	0.17
FAIRFIELD	108.93	62.38	0.00	0.00	0.00	0.00	171.31
GOSFORD	134.06	169.95	0.00	0.00	0.00	0.00	304.01
HAWKESBURY	38.06	8.94	0.00	0.00	0.00	0.00	47.01
HOLROYD	80.03	1.66	0.00	0.00	0.00	3.90	85.59
HORNSBY	5.49	0.00	0.00	0.00	16.09	51.99	73.57
LANE COVE	1.75	0.00	0.00	0.00	0.00	0.00	1.75
LEICHHARDT	0.00	0.50	0.00	0.00	0.00	0.00	0.50
LIVERPOOL(2)	132.19						146.49
PARRAMATTA	0.00	1.58	0.00	0.00	0.00	1.54	3.12
PENRITH	356.22	255.38	0.00	0.00	0.00	0.00	611.60
PITTWATER	0.00	22.41	0.00	0.00	0.00	0.00	22.41
RANDWICK	47.69	5.40	0.00	0.00	0.00	0.00	53.09
RYDE	0.00	2.80	11.85	0.00	0.00	0.00	14.65
STRATHFIELD	9.61	0.00	0.00	0.00	0.00	0.00	9.61
SUTHERLAND	61.91	41.29	0.00	0.00	0.00	92.20	195.40
WARRINGAH	0.00	0.00	49.46	0.00	0.00	0.00	49.46
WOLLONDILLY	76.74	0.00	0.00	0.00	0.00	0.00	76.74
WYONG	121.21	6.60	0.00	0.00	0.00	71.89	199.70
TOTAL	**1855.35**	**766.53**	**126.21**	**8.00**	**88.84**	**599.17**	**3478.56**

(1) Breakdown of vacant land by category is not available.

(2) Breakdown of remaining 15 ha of vacant land by category is not available.

In 1994/95 the total stock of vacant employment land in the Sydney Region increased by 341ha. This gain was the net result of total take-up and rezonings of vacant land as well as data verification in Wyong LGA. Table 2 provides details of the location and industrial sub-categories of the vacant employment land.

ZONED EMPLOYMENT LAND

Table 3 shows that at 30 June 1995 there were 14,100ha of zoned employment land in the Sydney Region. This represents a net gain of 552ha over the previous year.

The increase in stock was attributable mainly to the rezoning of 500ha of land at Erskine Park in Penrith LGA from rural to part general industrial and part light industrial. The next

TABLE 3
ZONED EMPLOYMENT LAND

Zoned Industrial Land, Sydney Region, 30 June 1995: LGA summary
(all figures in hectares)

LGA Name	General Industry	Light Industry	High Tech	Water-front	Local & Service Industry	Special Industry	Total Zoned Land
ASHFIELD	0.00	10.51	0.00	0.00	0.00	0.00	10.51
AUBURN	422.72	148.53	106.82	69.79	1.84	0.00	749.70
BANKSTOWN	473.32	195.56	240.00	0.00	0.00	0.00	908.87
BAULKHAM HILLS	8.82	321.90	0.00	0.00	0.00	201.00	531.72
BLACKTOWN	753.74	236.97	0.00	0.00	0.00	208.90	1199.61
BLUE MOUNTAINS	162.29	13.40	0.00	0.00	0.00	0.00	175.69
BOTANY	375.91	40.39	0.00	0.00	0.00	64.93	481.23
BURWOOD	0.00	1.26	0.00	0.00	0.00	0.00	1.26
CAMDEN	230.32	0.00	0.00	0.00	67.35	0.00	297.67
CAMPBELLTOWN	783.51	22.63	0.00	0.00	11.08	11.20	828.42
CANTERBURY	44.08	154.25	0.00	0.00	0.43	0.00	198.76
CONCORD	116.45	10.59	8.50	42.93	0.00	0.00	178.47
DRUMMOYNE	32.25	3.58	0.00	0.00	0.00	0.00	35.83
FAIRFIELD	544.62	218.90	0.00	0.00	0.00	2.43	765.95
GOSFORD	535.69	87.79	0.00	0.00	0.00	0.00	623.48
HAWKESBURY	128.04	36.15	0.00	0.00	0.00	0.00	164.19
HOLROYD	554.77	118.39	0.00	0.00	5.19	3.90	682.25
HORNSBY	69.06	24.79	0.00	0.00	36.12	92.35	222.32
HUNTERS HILL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HURSTVILLE	0.00	91.14	0.00	0.00	0.00	0.00	91.14
KOGARAH	0.00	15.49	0.00	0.00	3.28	0.00	18.77
KU-RING-GAI	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LANE COVE	30.86	0.00	35.85	8.78	0.00	4.79	80.28
LEICHHARDT	6.90	46.83	0.00	16.76	0.00	0.00	70.49
LIVERPOOL	526.58	79.50	0.00	0.00	0.00	47.52	653.60
MANLY	0.00	9.66	0.00	0.00	0.00	0.00	9.66
MARRICKVILLE	134.99	61.33	0.00	0.00	2.11	0.00	198.43
MOSMAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NORTH SYDNEY	0.00	4.66	0.00	7.02	0.00	0.00	11.68
PARRAMATTA	144.26	182.80	0.00	0.00	0.00	290.50	617.56
PENRITH	888.66	341.35	0.00	0.00	0.00	0.00	1230.01
PITTWATER	0.00	59.59	0.00	0.00	0.00	0.00	59.59
RANDWICK	225.52	18.02	0.00	17.15	0.00	0.00	260.69
ROCKDALE	0.00	86.11	0.00	0.00	1.21	11.34	98.66
RYDE	23.05	26.55	146.03	1.68	0.00	27.86	225.17
SOUTH SYDNEY	475.55	32.04	0.00	0.00	0.00	0.00	507.59
STRATHFIELD	141.07	36.33	2.54	0.00	0.00	0.00	179.94
SUTHERLAND	631.34	0.00	0.00	0.00	0.00	0.00	631.34
SYDNEY	4.82	8.53	0.00	0.00	0.00	0.00	13.35
WARRINGAH	147.78	23.61	103.38	0.00	5.89	0.00	280.66
WAVERLEY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WILLOUGHBY	107.40	7.00	0.00	0.00	1.50	0.00	115.90
WOLLONDILLY	167.34	0.00	0.00	0.00	0.00	0.00	167.34
WOOLLAHRA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WYONG	400.77	28.27	0.00	0.00	0.00	93.77	522.81
TOTAL	9292.49	2804.37	643.12	164.11	136.00	1060.49	14100.58

largest individual addition to stock was 10.6ha of land at Bonnyrigg in Fairfield LGA which was rezoned from residential to light industrial.

In the established areas of Sydney there were a number of rezonings away from industrial during 1994/95. The most significant was the rezoning to residential of 14ha of land at Rhodes in Concord LGA.

Apart from rezonings, the net change in the amount of zoned employment land is a result of data verification in Wyong LGA and the reversion to industrial of land at Balmain in Leichhardt LGA owing to the invalidation of Greater Metropolitan Regional Environmental Plan No. 1.

MARKET OUTLOOK

Data from the Valuer-General's Office indicates that the industrial property market is stabilising after a five year period of decline. Generally, capital values and rents for industrial property in the metropolitan area stabilised during 1994/95 although in some areas (Brookvale, Dee Why, Smithfield, Penrith, Silverwater and Wetherill Park) the value of industrial sites increased significantly.

In 1994/95 the value of non-residential building approvals in NSW was 29% higher than in the previous year. The factory sector was one of the fastest growing sectors, with the value of approvals up 32%. On the basis of business surveys and trends in building approvals, the NSW Treasury forecasts that private business investment will record a second year of strong expansion in 1995/96, with a shift from plant and equipment purchases to non-dwelling construction.

Real estate analysts suggest that construction of industrial premises in 1994/95 was largely driven by demand for purpose built accomodation. Speculative activity was restricted to small factory/warehouse units in markets with emerging demand. Some industrial sites previously being considered for residential development were reverting to industrial uses because of declining residential markets.

Most industrial property analysts report strengthening demand in established areas (eg Alexandria, North Ryde, Chullora, Villawood) and identify Huntingwood as the most popular area for new construction. They also suggest that there is a shortage of quality industrial buildings for lease and large industrial sites (over 4ha). Acquisitions of large industrial sites by developers and institutions in the past year may be a precursor to increased speculative construction.

There are indications that the industrial property market is undergoing a modest recovery and that this could translate into increased take-up of industrial land in 1995/96. However, recovery of the industrial property market may be setback in 1996/97 owing to an anticipated economic slowdown which will impact on the factory sector.

THE FUTURE PROGRAM

Owing to the low level of take-up in recent years, no new employment land releases have been proposed since publication of the Employment Lands Development Program 1992-1997. With the rezoning of Erskine Park, all land releases identified in the 1992-97 program have now been implemented. A further 600ha of land at Bushells Ridge in Wyong LGA was rezoned from rural to industrial in July 1995 and will be reflected in the ELDP report for 1995/96.

As the existing ELDP data base is derived from a land use survey conducted in 1988 and annual council surveys thereafter, the data has become less reliable over time. In recent years it has become evident that a more reliable data base is needed before the ELDP can adequately address policy issues related to the supply of employment land.

A new data base on employment land supply and demand is currently being established using Sydney Water's Land Availability Data System (LADS). Although the new data base is not directly comparable with the data obtained to date from council surveys, it will be a more reliable method of collecting quantitative information. It will also provide a means of monitoring the lot sizes of vacant land. Future ELDP publications will be based on data obtained from LADS.

The fundamental questions that the ELDP needs to address are whether there is enough appropriately located employment land and whether the land is priced and serviced so that it is effectively available.

Issues for consideration in the future include:

- the servicing of the industrial zoned land at Erskine Park;
- the suitability of individual ELDP precincts for employment purposes;
- the implications of compact city principles for the distribution of employment land;
- geographical shifts and changes in demand for employment land at the subregional level;
- the loss of industrial zoned land in established areas;
- the need to consider redevelopment of industrial sites so as to more realistically assess underlying demand and the adequacy of stock in established areas;
- the increasing number of mixed use zones and how to monitor employment generating developments within them;
- the significant increase in employment land which is proposed in the vicinity of Sydney West Airport; and
- other proposed additions to the stock of employment land in the Sydney Region.

ISSN 1325-3085
95/68
Printed in Australia, 1995