



CROYDON PARK INDUSTRIAL LAND MARKET STUDY

Salandra Group

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1.0 INTRODUCTION

The Salandra Group has initiated an investigation that may lead to the redevelopment of a large parcel of land in Croydon Park for residential use. The site comprises approximately 11.43 hectares of land on the corner of Regency Road and Days Road, currently zoned 'Light Industry' by City of Port Adelaide Enfield.

Salandra Group seeks to understand the effect that rezoning of the site may have on the industrial land supply in Adelaide's north-western suburbs.

To this end, Property & Advisory is instructed to prepare a study into the relevant industrial land market. This report covers the following fields of enquiry:

- identification of industrial zones within a 5-kilometre radius of the site, including;
 - gross area of each zone;
 - area of land coded as vacant in 2019;
 - area of land coded as vacant in 2009; and
 - identification of the rate of absorption over that period.
- discussion of site history and current industrial uses on the site; and
- discussion of the effect on industrial land supply in the region as a result of the proposed change of zoning.

*This report has been prepared by Andrew Lucas and Geoff Hayter of Property & Advisory Pty Ltd. In accordance with our normal practice, we confirm that this report has been prepared for purposes of informing future decision making by the **Salandra Group**. Property & Advisory accepts no responsibility for any statements in this report other than for the stated purpose.*

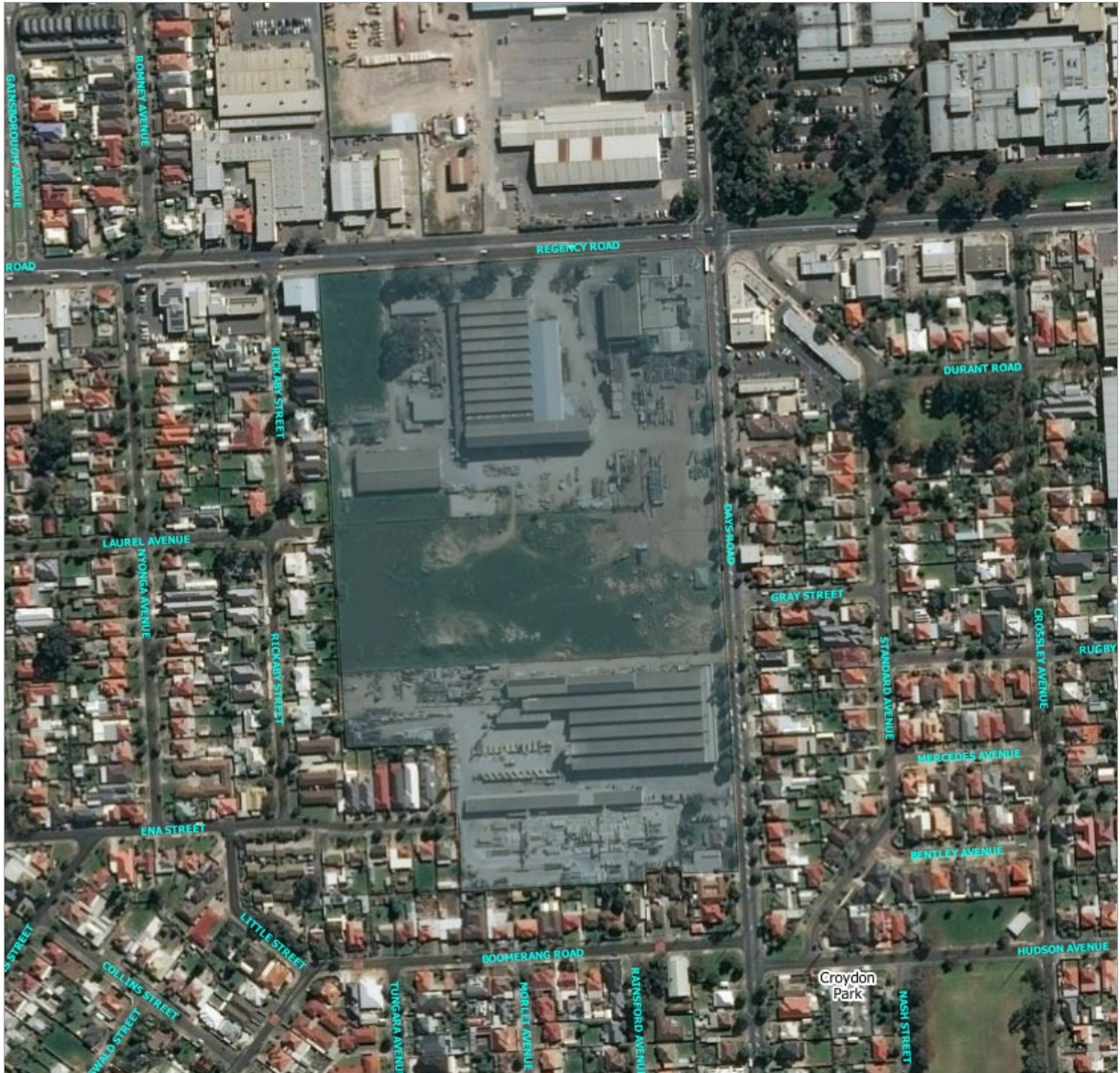
*The advice it provides is confidential to the **Salandra Group**. No responsibility is accepted to any third party and neither the whole of this report nor any part, or reference thereto, may be published in any document, statement or circular, nor in any communication with third parties, without Property & Advisory's prior written approval of the form and context in which it will appear.*

2.0 SITUATION ANALYSIS

2.1 CROYDON PARK

The subject property comprises several separately owned sites on the corner of Days Road and Regency Road at Croydon Park, as illustrated in Figure 1.

Figure 1: Location Plan



Source: Property & Advisory

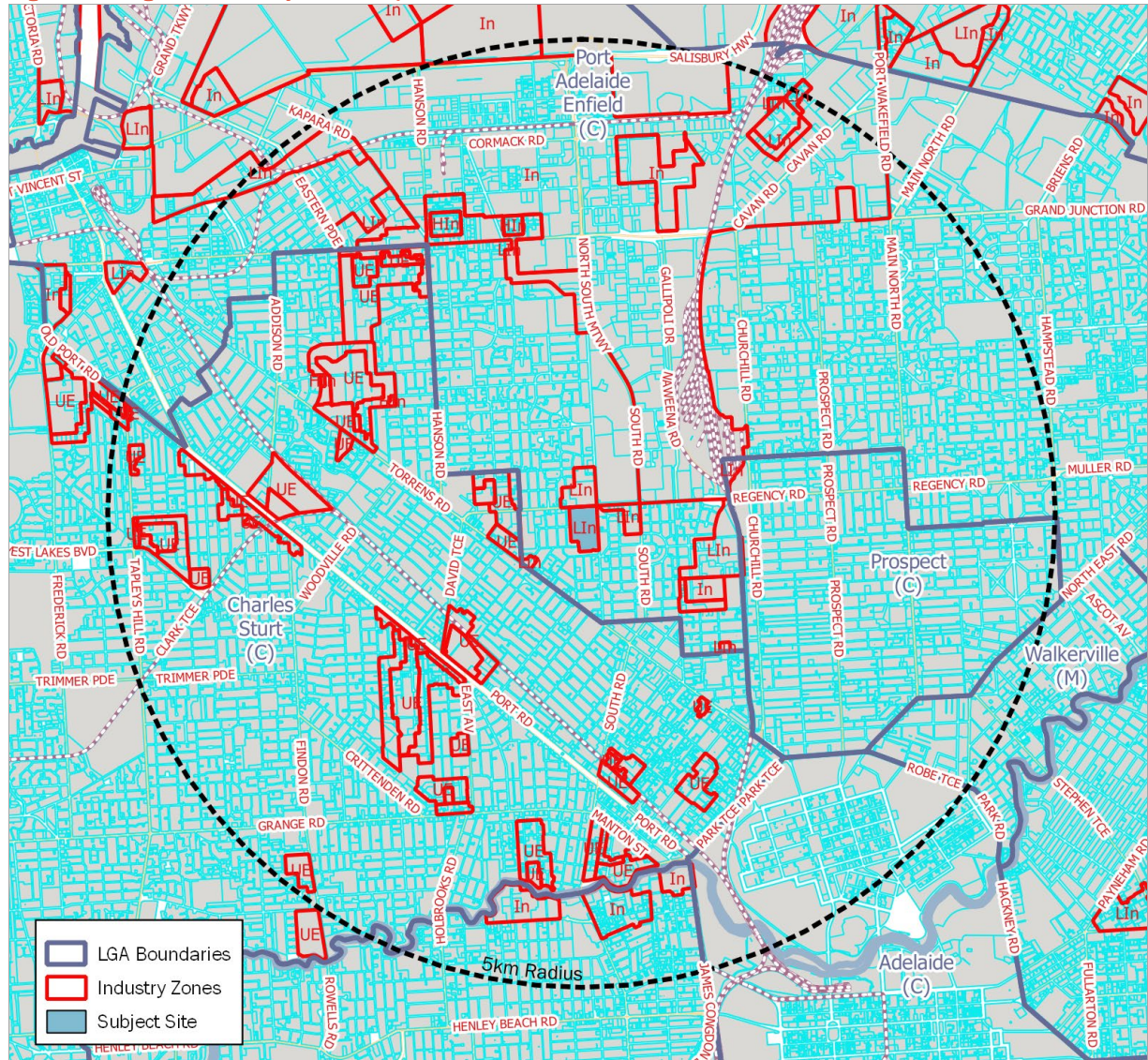
As shown, the site is surrounded on three sides by residential development, which also extends further to the north through Ferryden Park and Woodville Gardens.

Industrial development abutts to the north and lies adjacent to the east. Also evident from Figure 1 is a large site to the west, now being subdivided for into residential lots. This site was formerly Kilkenny TAFE College, which was also substantially industrial in character albeit in a residential zone.

2.2 SURROUNDING REGION

Industrial zones within a 5 kilometre radius of the property are identified in Figure 2.

Figure 2: Regional Industry Zone Map



Source: DPTI, Property & Advisory

As shown, a 5 kilometre radius around the subject property encompasses a number of LGAs, namely Port Adelaide Enfield, Charles Sturt, West Torrens, Adelaide, Walkerville and Prospect. The latter three have little or no specific Industry zones.

The remaining Councils utilise varying industry zone nomenclature, including Industry, Light Industry, Home Industry and Urban Employment. The subject site occupies one of three adjacent Light Industry precincts, covering portions of Croydon Park and Ferryden Park. There is also a nearby pocket of Light Industry land around Churchill Road/Pym Street to the south west and an Urban Employment zone centred on Audley Street a short distance to the west.

The expansive Regency Park industrial area, which is zoned 'Industry', is bounded at its southern end by Regency Road, a short distance to the east of the subject site.

2.3 ZONE EXTENTS

Table 1 shows the area in hectares of the various Industry zones within the 5km radius.

Table 1: Zone Extents

Zone	LGA				Total
	Pt Adel/Enfield	Charles Sturt	West Torrens	Prospect	
Home Industry	12	5			17
Industry	1,597		57		1,654
Light Industry	211			4	215
Urban Employment		454			454
TOTAL Industry zones	1,819	459	57	4	2,339

Source: DPTI, Property & Advisory

As shown, more than 75% of the land zoned for industrial use within this radius is situated in the City of Port Adelaide Enfield. Virtually all the Light Industry zoned areas are also within Port Adelaide Enfield, excepting a small contiguous parcel in Prospect.

As also shown, the total supply of industrial zoned land within this radius is in excess of 2,300 hectares.

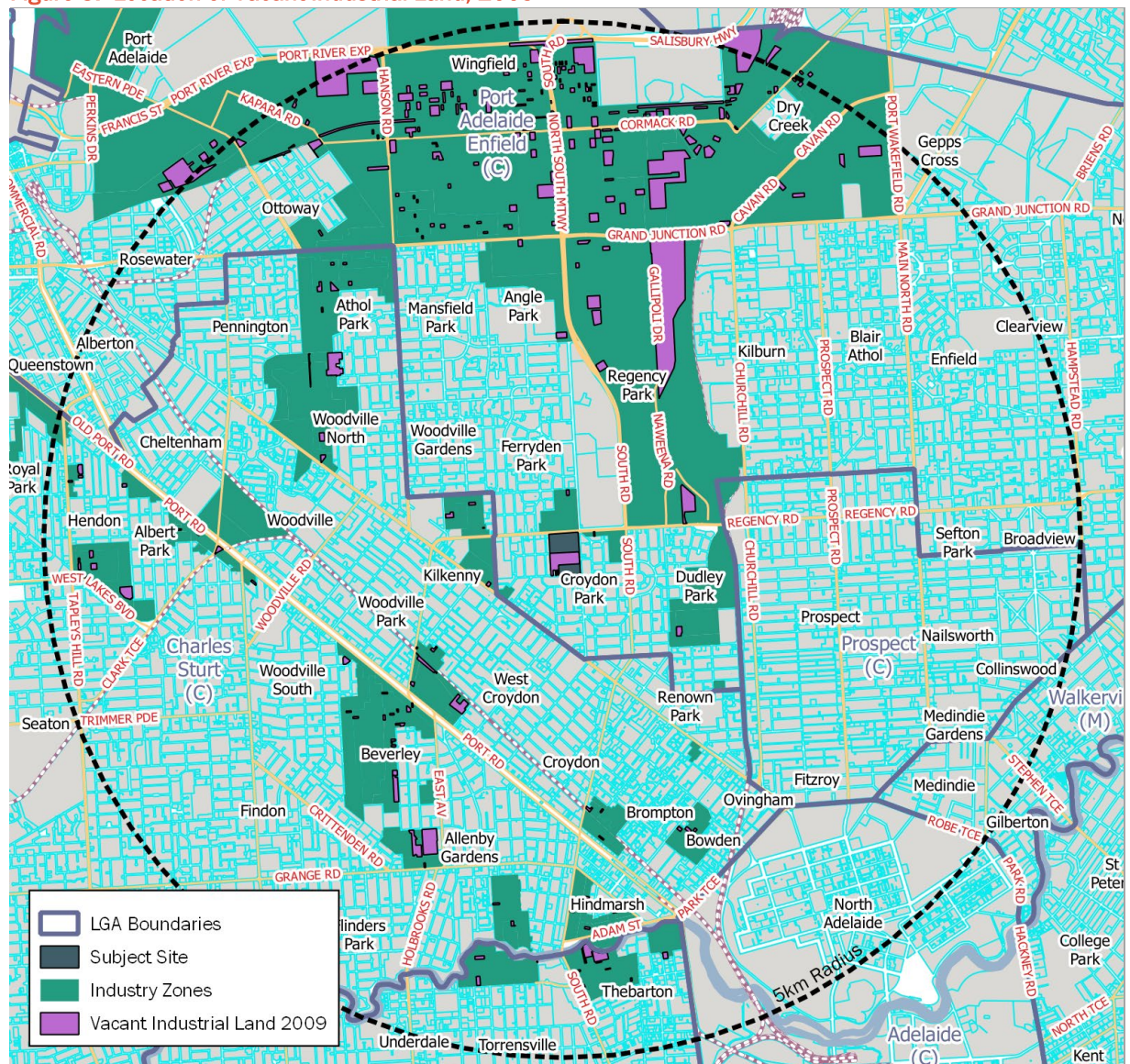
3.0 ABSORPTION

Vacant industrial land can be identified from DPTI land use data,

3.1 2009 VACANT INDUSTRIAL LAND

Figure 3 shows the location of vacant land within the industrial zones identified in Table 1, as at 2009.

Figure 3: Location of Vacant Industrial Land, 2009



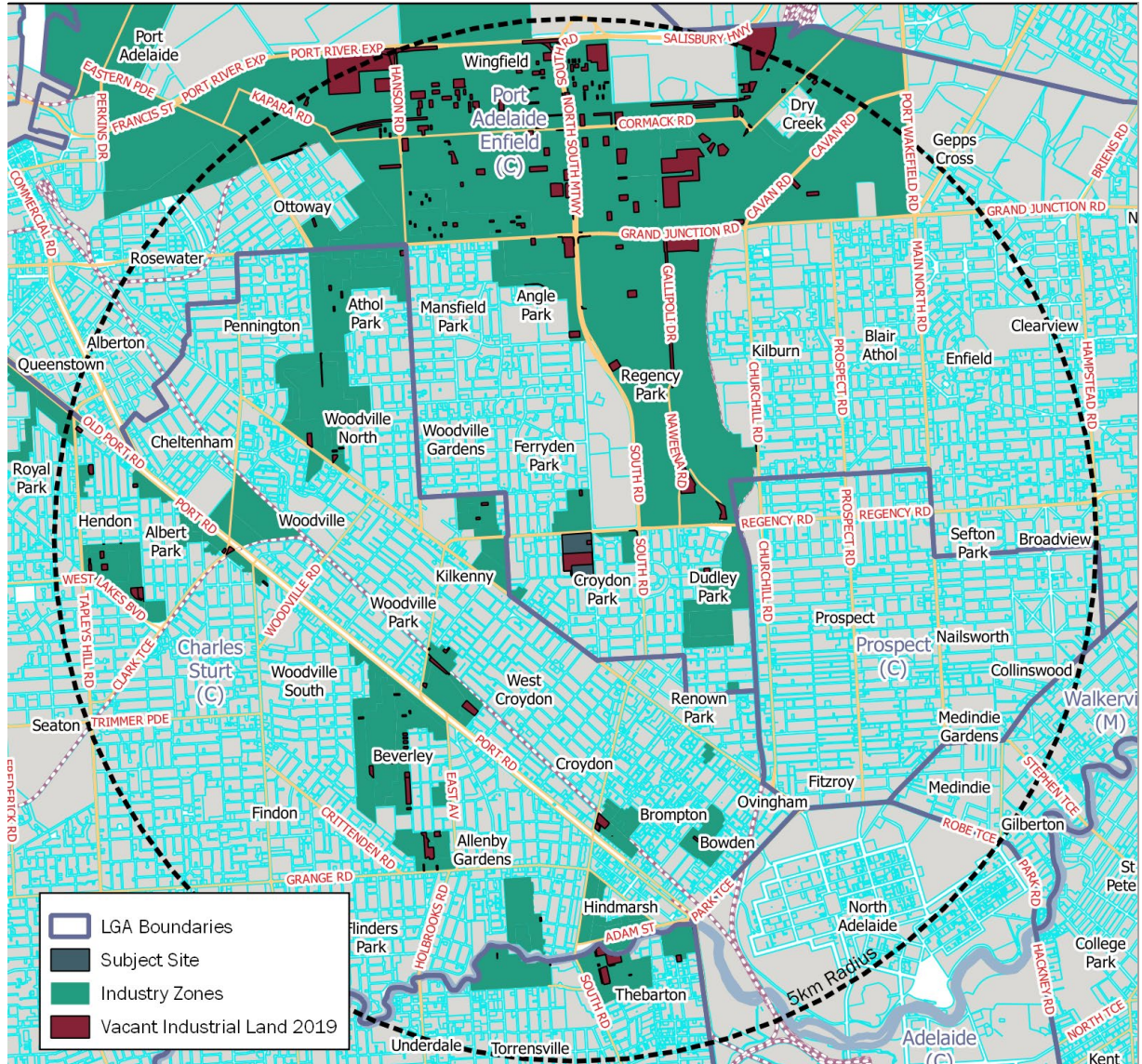
Source: DPTI, Property & Advisory

The total area of the vacant industrial land as at 2009 is calculated to be approximately 129 Ha, with a median area per vacant site of 1,691sqm.

3.2 2019 VACANT INDUSTRIAL LAND

Figure 4 shows the location of vacant land within the industrial zones identified in Table 1, as at 2019.

Figure 4: Location of Vacant Industrial Land, 2019



Source: DPTI, Property & Advisory

The total area of the vacant industrial land as at 2019 is calculated to be approximately 126 Ha, with a median area per vacant site of 1,341sqm.

3.3 COMPARISON

It is apparent from a comparison of vacant land in 2009 and 2019 that

- overall, there has been very little net change in the availability of industrial development land over the past decade, with only 3Ha being absorbed;
- that said, a visual comparison shows that there is no exact overlap of the two 'snapshots'. Some vacant land available in 2009 remains vacant in 2019; other land has evidently been absorbed, but yet more land has been reclassified as vacant – presumably as a result of

improvements becoming redundant due to physical obsolescence, as no new industrial zones have been created;

- the vast majority of vacant land is within Port Adelaide-Enfield – not surprising given that the LGA also accommodates the lion’s share of industrial zones as per Table 1; and
- most of the vacant land in Port Adelaide-Enfield is situated in the northern suburbs of Wingfield and Dry Creek, with supply in the southern half of the study area much more constrained – partly on account of the fact that the predominant land use in this sector is residential.

4.0 SITE HISTORY

Earliest imagery, from 1949, shows that the site was predominantly semi-rural in nature, possibly utilised for stock or horse agistment. The 'Regency Building Supplies' portion of the site had an industrial building on it, although from the orientation of the sawtooth roof, it does not appear to be the current one. Other buildings on the site are likely farm buildings.

Surrounding development is predominantly market gardens, with some residential subdivision appearing to the north-west and south-west.



By 1959, the largest of the existing industrial fabrication buildings had been constructed. New smaller buildings have appeared on the corner land. The balance of the site is undeveloped, but with evidence of vehicle movements on defined tracks.



The surrounding land to the west, south and east had by this time been substantially subdivided and developed with housing.

The aerial imagery from 1969 shows extensions to the main northern building and development of the 'Regency Hardware' building site to substantially its present configuration. With one exception, buildings on the corner land do not correspond to those currently on that portion of the site. It is apparent that large areas were utilised for open materials storage. Industrial activity is also evident on the 'SA Precast' land along the southern boundary.



Industrial development in Ferryden Park to the north is evident by this stage.

The aerial imagery from 1979 shows construction of the rear shed on the northern land. The balance of the open land appears to be largely disused, with the exception of the hard standing area in the north-west corner of the site.

Further industrial development in Ferryden Park to the north is evident by this stage.



Imagery from 2000 shows the site in its current configuration, including all buildings on the north-east corner land. The hard standing area on the north-west corner was evidently used for employee or customer parking by this time. The central portion of the site remains substantially disused, although there is evidence of fill material being placed there.

External to the site, we note that in the south-western corner of the image, a former industrial land use had transitioned to residential.



As at 2019, the site remains substantially unchanged from the 2000 image above, with the exception of a large canopy constructed along the length of the main northern building in 2017. A building supplies company that was trading from premises on this portion of the site is now closed.

The north-eastern corner of the site accommodates commercial uses, including Bridgestone Select and an auto repair shop.

The central third of the site remains vacant land.

Regency Building Supplies occupies the large industrial premises at the southern end of the site. We are advised that it is trading under administration and is likely to close in the near future.

SA Precast Pty Ltd occupies a site at the southern end of the site, with access from Days Road. There are no substantial improvements to this portion of the subject site, excepting concrete storage bays and two freestanding gantry cranes.

5.0 DISCUSSION

This report has explored the industrial land market within a five-kilometre radius of the subject site. The total area of vacant industrial land within this area stands at 126 hectares. Over approximately the last decade, there has been a reduction of 3 hectares, or less than 1%, in the available supply of land coded 'vacant' by DPTI within this same area.

The subject property has an area of 11.43 hectares. This represents

- 0.5% of the total volume of all 'Industry' land in the 5km radius;
- 0.6% of all 'Industry' zoned land in the City of Port Adelaide Enfield; and
- 5.4% of the land zoned 'Light Industry' in the City of Port Adelaide Enfield.

Only the central portion of the subject site is regarded as 'vacant' by DPTI, as can be seen in Figures 3 and 4. The area of this land is 3.645Ha, which represents 2.8% of the current vacant supply within a 5km radius.

These statistics suggest that the removal of the subject property from the stock of industrial land in the region would not have a material effect on the operation of the underlying market or on demand for the remaining vacant stock. This is supported by several additional observations:

- as the imagery in Section 4.0 indicates, the central portion of the subject land has been available for industrial development for some 70 years, without being so taken up;
- that portion of the study area to the south of Regency Road, as well as older parts of Wingfield, accommodate industrial development that dates to the 1950s and earlier. Like the large buildings on the subject site, much of this stock is becoming functionally obsolete and these sites will be increasingly attractive for redevelopment. It is likely that significant portions of the region, particularly in suburbs such as Kilkenney, Beverley, Woodville North and Hendon, will see wide scale redevelopment over coming decades, demand permitting; and
- other industrial suburbs, such as Dudley Park, Bowden-Brompton and West Croydon will face similar pressures for change of use to residential, due to their favourable access to the CBD and moves to closer density development in the surrounding residential precincts.

On balance, we can see no compelling strategic or commercial reason for the subject site not to be allowed to transition away from its current industrial zoning and land use.