

Economic Assessment

Discovery Point

Building 14 Discovery Point, Wolli Creek

Submitted to Department of Planning, Housing and Infrastructure
on behalf of Cedar Pacific Holding Pty Ltd



'Gura Bulga'

Liz Belanjee Cameron

'Gura Bulga' – translates to Warm Green Country. Representing New South Wales.



'Dagura Buumarri'

Liz Belanjee Cameron

'Dagura Buumarri' – translates to Cold Brown Country. Representing Victoria.



'Gadalung Djarri'

Liz Belanjee Cameron

'Gadalung Djarri' – translates to Hot Red Country. Representing Queensland.

Ethos Urban acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We pay our respects to their Elders past, present and emerging.

In supporting the Uluru Statement from the Heart, we walk with Aboriginal and Torres Strait Islander people in a movement of the Australian people for a better future.

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Executive Summary

Purpose and Background

This Report sets out a high level economic assessment in relation to Building 14 at Discovery Point, Wolli Creek (the Subject Site). It has been prepared on behalf of Cedar Pacific and supports a s75W Modification Application to the Part 3A Concept Plan Approval MP10_0030 to facilitate the delivery co-living housing at the Subject Site.

In March 2023, Frasers Property Australia submitted a Section 75W modification to the Part 3A Concept Plan Approval for modification to the Discovery Point Concept Plan MP10_0030, relating to Building 14 at Discovery Point, Wolli Creek. This modification supported the proposed GFA amendment and envelope for Building 14. The section 75W Modification Application and supporting documentation were publicly exhibited from 16 to 29 June 2023 in accordance with the requirements of the *Environmental Planning and Assessment Act 1979* (EP&A Act). During this time, 131 submissions were received from government agencies, Council, organisations and the general public. On 17 and 28 July 2023, DPHI requested a response to the matters raised in the submissions and requested further information and clarifications on several matters. Since then, Cedar Pacific have acquired the site from Frasers Property Australia, and is now the proponent for the section 75W Modification Application.

In responding to and addressing the matters raised within the submissions, and in further progressing the design development several changes have been made from the original section 75W Modification Application, including the change from build to rent (BTR) to co-living housing. The previous build-to-rent scheme facilitated a dwelling yield of approximately 72 apartments, while the co-living scheme facilitates a dwelling yield of 217 rooms.

The following changes are made to the proposed modifications sought under the section 75W Modification Application:

- No amendment is sought to the approved Building 14 envelope.
- Convert the majority of remaining unrealised GFA from non-residential to residential, by reducing the minimum non-residential GFA from 9,000m² to 5,042.4m².
- Increase the maximum total GFA by 4,555.8m² from 142,685m² to 147,240.8m².
- Change of use from BTR to co-living.
- Amend the Statement of Commitments to reflect modifications to the approved floor space and include a new commitment for Building 14 to be delivered as co-living housing and active ground floor uses.

The proposed amendments now sought are further discussed in **Section 3.0** of the Submission Report.

The proposed modification precedes the future SSDA which proposed a mixed-use development, comprising residential co-living rooms with active ground floor uses. The proposal will deliver, co-living rooms, communal facilities, landscaping and public domain works, and station integration works. Such an outcome is deemed highly appropriate to respond to housing supply but also to serve the needs of the local market and community.

This Economic Report forms part of the response to submissions package. A considered and detailed response to all submissions made has been provided in the Submissions Report prepared by Ethos Urban in November 2024.

The key objective of this Report is to provide an independent retail and commercial needs analysis to assess the proposed change from non-residential floorspace to residential floor space (including co-living) across the site. The analysis takes into consideration the existing provision and demand for retail and/or commercial on the site, across the wider concept plan area and within a defined catchment area of relevance to facilities at Discovery Point.

Summary of Findings

Limited market opportunity for non-residential uses

This Report provides an independent retail and commercial needs analysis to justify the proposed change in non-residential floorspace across the Subject Site. The analysis takes into consideration the existing provision and demand for retail and commercial uses on the Subject Site, and across the wider defined catchment area. This Report has considered the viability of non-residential uses at the Subject Site from a market perspective with

consideration to the regional role and function of Wolli Creek as well as alignment with government strategic policies.

Ultimately, the analysis finds that there is limited potential for non-residential uses at the Subject Site beyond convenience-based retail and shopfront uses at the ground level. A summary of key findings of this assessment includes:

- **Over the past 10+ years there has been limited operator, occupier, developer or market interest for non-residential uses at the Subject Site.** A range of uses have been explored at the Subject Site including commercial office, student accommodation, visitor accommodation and health services including a private hospital; however, with each ultimately unsuccessful.
- **Recent Council research and plans acknowledge the market shift from non-residential to residential uses in the area.** The Urban Renewal Area Contributions Plan 2019, recognises that the land use planning strategy for Wolli Creek has evolved since the early 2000s from a mix of residential, commercial and retail uses towards supporting more dwellings and residents, and significantly fewer workers. Council notes that this has been driven by market demand factors and drivers for residential uses in Wolli Creek.
- **Wolli Creek is a designated 'local centre' within the policy framework, therefore with a limited role for significant non-residential uses.** Local centres are designated to support the immediate needs of local residents only. There are five higher-order 'strategic centres' within 5 km of Wolli Creek including Rockdale, with these centres the primary focus for non-residential and higher-order uses including significant retail, commercial, health, education, and visitor accommodation facilities and associated businesses and occupiers.
- **90.4% of Wolli Creek residents currently work outside of the suburb of Wolli Creek.** Wolli Creek is not a designated non-residential destination, rather the suburb provides a central location for workers to live, while still providing easy access to key employment centres within the surrounding region (including the Sydney CBD), with 83.6% of Wolli Creek residents working within 10km.
- **Limited employment growth within Wolli Creek restricts opportunity for non-residential uses.** Employment growth in Wolli Creek has recorded growth of only +110 workers since 2016. Official employment projections indicate that growth is anticipated to be only +160 additional workers by 2041. Knowledge workers and traditional office workers are projected to increase but only by a total of +40 workers over this period.
- **93.8% of local businesses within Wolli Creek employ less than 4 employees, or are sole traders.** Local businesses are primarily small occupiers with limited need for significant commercial office floorspace or associated non-residential floorspace.
- **No major non-residential facilities or institutions are provided within Wolli Creek or co-located with the Subject Site.** A review of key institutions, or anchors, that drive non-residential demand shows that the nearest major hospital and universities are over 4.5 km from the Subject Site. Visitor accommodation within the region is orientated towards servicing users related to the port and airport, and primarily concentrated closer to these facilities rather than near the Subject Site.
- **No major commercial tenants or aligned institutions within the local area.** Key occupiers are located in the designated strategic centres and metropolitan centres including Sydney CBD as well as Rockdale, Kogarah and Mascot.
- **Limited opportunity for commercial office uses at Wolli Creek reflecting the highly competitive market.** There is over 8.6 million square metres of commercial office floorspace provided at key metropolitan centres throughout metropolitan Sydney, including around 1.3 million square metres of vacant floorspace. Over 1.1 million square metres of additional future supply has also been identified.

Overall, the Subject Site lacks the success factors necessary to attract and retain non-residential occupiers and tenants (including commercial office, student or visitor accommodation, health or education uses). This is attributed to the following:

- No existing major institutions or facilities to 'anchor' a significant non-residential component
- Limited critical mass, or ability to cluster, non-residential uses at the Subject Site
- Subdued employment growth outlook for non-residential aligned uses within Wolli Creek
- Strong competitive environment, and continued focus for non-residential uses at other higher-order, strategic and metropolitan centres.

Strong market demand for co-living and ground floor retail uses

Bayside Council is projected to continue to grow in the years ahead, with a further 27,000 residents anticipated to be accommodated over the period to 2036, representing over 2,000 additional residents each year.

A review of the Primary Study Area show that population growth is anticipated to slow compared to historical levels, but at rates that still support an additional +7,970 residents by 2041, at an average annual growth rate of +470 residents.

The need for additional housing supply is well documented and a priority at all levels of government, with housing affordability in Australia remaining a social, economic and political challenge. The ability to provide for increased housing stock and diversity (across a range of sizes and price points) in key strategic centres and locations, will support affordability and result in increased community benefit.

In accordance with the National Housing Accord, a housing target of 10,100 new completed dwellings by 2029 has been set for Bayside Council. Approximately 6,500 dwellings are already estimated to be within the development pipeline or identified as part of planned growth over this timeframe. However, a further 3,600 dwellings are therefore required in the short term.

Greater housing diversity is emphasised in Bayside local strategies as a goal to support the changing needs of a growing local community. As a result, alternative housing models beyond traditional build-to-sell products should be targeted to support diversity, this includes co-living and build-to-rent.

Co-living housing provides compact rental accommodation for a range of occupants, with minimum tenancies of 3 months. It is typically built in well-connected areas, where residents have convenient access to work, study and recreation. While not subject to an affordability requirement, the shared facilities and smaller housing typology often associated with co-living products can result in a more affordable product when compared to market averages. This is important in the context of build-to-rent which is not always an 'affordable' rental alternative, with rental costs typically higher than average market rents.

Diverse housing choices are highlighted as being well-suited to the Subject Site given the array of employment opportunities within the 10km catchment, in addition to the elevated level of dwellings under rental tenure.

Within Wolli Creek and Discovery Point, over 60% of all occupied private dwellings are rented, almost double the Greater Sydney average. This highlights the need to support a diverse range of rental products in this market, including co-living.

The ability to provide for increased housing supply and additional dwellings in close proximity to amenities, will help to deliver more desirable and affordable housing options for the local community. This is particularly important as within the Primary Study Area the median monthly rental repayment as a share of median household income was 24.8%, compared to 23.0% across the balance of Greater Sydney (2021 Census). These expenses have likely increased as a result of significant increases in interest rates over the last few years since the 2021 Census which has led to an increase in rental levels over the same period as these costs are passed on.

A major demand driver for the co-living model at the Subject Site is the centrality to health, medical and education precincts and clusters such as those in Kogarah, Hurstville, Burwood, Camperdown and Randwick. The need to house nurses, students and other key workers, as well as disadvantaged segments of the population, will accelerate alongside immediate population growth projected for Wolli Creek and the broader PSA, with Discovery Point already nearing maximum capacity.

The proposed co-living development (with 217 rooms) would help to address a proportion of the strong identified market need for additional residential dwellings in high amenity and accessible locations. In addition, the co-living offer of the scale proposed would be highly complementary to existing facilities in the local community. The proposal would provide an increased diversity of housing stock and dwelling typology that will ultimately support a greater range of occupiers across a broader section of the community to the long term benefit of the community.

The review of success factors indicates that there is strong potential for residential uses as well as retail uses at the Subject Site, which would be well placed to complement the resident population. Convenience based retail is likely to have the highest potential given the Subject Site's proximity to Wolli Creek Station and existing retail facilities within Discovery Point. Such an offer would complement and serve local residents while adding to amenity and activation as well as support employment outcomes at the Subject Site.

Success factors suggest residential and supporting retail uses should be prioritised, as Wolli Creek functions as a successful high-density residential community that provides a place for workers to live and access key employment centres within Sydney (including the Sydney CBD, airport, etc.). This aligns with the strategic direction for Wolli Creek and would assist in achieving a number of strategic objectives for Council and the city.

Opportunity to drive economic and community benefit

Based on the findings of this report, it is recommended that non-residential use at the Subject Site be changed to residential use within a proposed mixed-use development, comprising co-living residential rooms, with active ground floor uses also considered suitable from a market demand perspective. Without the modification, and with the need to deliver non-residential uses, there is a real risk of continued long term underdevelopment and underutilisation of the Subject Site to the detriment of the overall Discovery Point precinct.

Such an outcome, delivering co-living residential uses and ground floor retail uses at the Subject Site, will result in a range of economic and community benefits including:

- Complete the full development vision of Discovery Point which has been planned for over a decade.
- Realise the benefits of TOD and walkable communities through leveraging off Wolli Creek's existing provision of local goods and services and excellent access to key strategic centres and other significant regional centres within the surrounding area for the benefit of future residents.
- Support the aspiration for 30-minute cities by providing residential uses alongside public transport and complementary retail facilities, all within an easily accessible location.
- Development of a site that is currently vacant and underutilised.
- Support the role and function of Wolli Creek as a high-density residential community.
- Delivery of much needed housing supply within a master planned community of Discovery Point.
- Additional population enabled through the delivery of residential at the Subject Site will support local retail and non-retail services within the local area.
- Providing housing at the Subject Site will also benefit surrounding employment centres by providing an easily accessible location for workers of these centres to live.
- Delivery of co-living residential will provide additional housing diversity and range of price points to assist in providing greater housing choice and supply to appeal to a broader segment of the community.
- Support the objectives of state and local government strategies which seek to provide the following:
 - Reinforce Wolli Creek as a local centre and high-density residential transit oriented precinct;
 - Deliver additional dwellings in well-located areas;
 - Assist in achieving local housing targets;
 - Provide employment opportunities through active ground floor retail uses;
 - Create a liveable, active and highly desirable city destination;
 - Provide for a diversity of housing types and sizes to meet community needs into the future; and
 - Deliver greater levels of amenity and vibrancy within Wolli Creek for the benefits of the local population.

1.0 Introduction

This Report sets out a high level economic assessment in relation to Building 14 at Discovery Point, Wolli Creek (the Subject Site). It has been prepared on behalf of Cedar Pacific and supports a s75W Modification Application to the Part 3A Concept Plan Approval MP10_0030 to facilitate the delivery co-living housing at the Subject Site.

This Section provides a summary of the background to the Report, the aim and objectives, approach and data sources and assumptions used throughout the assessment.

1.1 Background

In March 2023, Frasers Property Australia submitted a Section 75W modification to the Part 3A Concept Plan Approval for modification to the Discovery Point Concept Plan MP10_0030, relating to Building 14 at Discovery Point, Wolli Creek. This modification supported the proposed GFA amendment and envelope for Building 14. The section 75W Modification Application and supporting documentation were publicly exhibited from 16 to 29 June 2023 in accordance with the requirements of the *Environmental Planning and Assessment Act 1979* (EP&A Act). During this time, 131 submissions were received from government agencies, Council, organisations and the general public. On 17 and 28 July 2023, DPHI requested a response to the matters raised in the submissions and requested further information and clarifications on several matters. Since then, Cedar Pacific have acquired the site from Frasers Property Australia, and is now the proponent for the section 75W Modification Application.

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The proposed amendments now sought are further discussed in **Section 3.0** of the Submission Report.

The proposed modification precedes the future SSDA which proposed a mixed-use development, comprising residential co-living rooms with active ground floor uses. The proposal will deliver, co-living rooms, communal facilities, landscaping and public domain works, and station integration works.

Building 14 Investigation

Building 14 is the last stage of Discovery Point, and has been the subject of extensive investigations over many years. These investigations have included the opportunity for delivering different uses, including commercial offices, potential Council satellite offices, a library, private medical suites/rooms, hotel, and BTR housing. Due to a number of reasons, including a lack of market demand and viability issues, as well as evolving user needs and demands, these uses have been determined to be unsuitable, unfeasible or undesirable.

Further adding to the complexities of realising the opportunity of Building 14 are several site constraints, including its position between the street and the active railway lines, the small site footprint, the elongated envelope, and complex titling arrangements.

Given these investigations, Building 14 has remained unresolved for a number of years, and in turn the completion of the Concept Plan has stalled – with the site remaining vacant. The previous landowners, Frasers Property Australia, submitted the Section 75W Modification Application to deliver BTR housing. Since then, Cedar

Pacific have acquired the site from Frasers Property Australia, and is now the proponent for the section 75W Modification Application. After a series of investigations by Cedar Pacific, the opportunity for delivering co-living housing within Building 14 is now considered a prime opportunity to realise a land use which will contribute to solving Sydney's housing crisis and will ensure the finalisation of the Concept Plan.

The target market for the co-living housing is young professionals, who are expected to be attracted to the locational attributes of Discovery Point, being its access to services, public transport, high levels of amenity.

The modification now relates to amendments to the Discovery Point Concept Plan to facilitate a mixed-use development comprising co-living housing and active ground uses. A full description of the proposed amendments is provided within the Submissions Report prepared by Ethos Urban in November 2024.

1.2 Approach

To complete this Report and address the project aims and objectives the following methodology has been applied:

1. Review the Subject Site, local context and attributes as they relate to potential residential uses.
2. High level review of the strategic policies and objectives for the local area.
3. Assess the location and key features of the Subject Site in relation to the proposed future development and potential uses.
4. Review growth and development patterns in Wolli Creek and the surrounding catchment (to understand market demand).
5. Conduct a high-level review of existing and proposed facilities in the surrounding precinct (to understand existing and future market supply).
6. Conduct a high-level market potential assessment for various uses at the Subject Site including for major residential uses.

1.3 This Report

This Report contains the following sections:

- **Section 1:** Introduction
- **Section 2:** Local Context and Proposed Development
- **Section 3:** Strategic Policy Context
- **Section 4:** Economic Context
- **Section 5:** Competitive Context
- **Section 6:** Market Potential Assessment
- **Section 7:** Conclusion

1.4 Data Sources and Assumptions

A list of data sources used in this Report include:

- ABS, 2016. Census of Population and Housing
- ABS, 2021. Census of Population and Housing
- ABS, 2022a. Estimated Residential Population
- ABS, 2021. Place of Work
- ABS, 2023. Counts of Australian Businesses, including Entries and Exits, June 2018 to June 2023 (8165.0)
- Bayside City Council documentation
- Cordell Connect
- Google Maps. 2024. [googlemap.com.au](https://www.googlemap.com.au)
- Nearmap 2024. [Nearmap.com.au](https://www.nearmap.com.au)
- PCA. July 2024. Office Market Report
- Transport for NSW (TfNSW). 2022. Population and Employment Projections.

Key assumptions applied in undertaking this Report are outlined as follows:

- The Statistical Areas Level 1 (SA1), Statistical Areas Level 2 (SA2), Travel Zones (TZ), and Destination Zones (DZN) are accurate and appropriate geographic building block for statistical analysis.
- The Primary Study Area reflects an appropriate catchment area including Discovery Point and local market to consider the existing provision and demand for retail and/or commercial on the Subject Site.
- Estimated Residential Population is an accurate measure of historic population of study area.
- Official population and employment projections are accurate.
- Cordell Connect estimates of project value, project status and type, and completion years is accurate for the purposes of measuring pipeline of investment.
- PCA Office Market Report accurately represents commercial office market conditions.
- For the purposes of estimating demand for commercial offices, ANZSIC industries have been classified in terms of typical land use. Industries that typically occupy commercial premises have been defined as the following; Information Media and Telecommunications, Financial and Insurance Services, Rental, Hiring and Real Estate Services, Professional, Scientific and Technical Services, and Administrative and Support Services, and Public Administration and Safety.
- Place of work data from the ABS is accurate at the DZN level and provides an indication of where workers typically work.
- Broad Industry Categories classifies ANZSIC industries by common growth drivers. This classification is based on Transport for NSW Broad Industry Categories.

2.0 Local Context and Proposed Development

This Section provides a review of the Subject Site, the regional and local context and site attributes as they relate to the potential for residential uplift and alternative residential products.

2.1 Subject Site

The Subject Site is located within Discovery Point in Wolli Creek, approximately 8km south-west of the Sydney Central Business District within the Bayside Local Government Area (LGA). Building 14 comprises part of Lot 605 in DP 1192906.

The Subject Site area is approximately 1,480m² in area, has a frontage of 76m to Discovery Point Place, and a 15m frontage to Brodie Spark Drive.

The site is currently vacant on the western and eastern ends, while the centre of the site provides pedestrian access to Wolli Creek Station. The Subject Site is the last undeveloped lot within Discovery Point.

Located in the centre of Wolli Creek, the Subject Site has relatively limited exposure to Princes Highway and passing vehicle traffic.

Address	<ul style="list-style-type: none">Lot 605 in DP 1192906
Site Area	<ul style="list-style-type: none">1,480m²
Zoning	<ul style="list-style-type: none">MU1 Mixed Use
Existing Uses	<ul style="list-style-type: none">Vacant on the western and eastern endsCentre of the Subject Site provides access to Wolli Creek Station
Ownership	<ul style="list-style-type: none">Cedar Pacific
Site Attributes	<ul style="list-style-type: none">Long, narrow siteAdjacent to Wolli Creek StationLocated internally within Discovery PointLimited exposure to Princes Highway

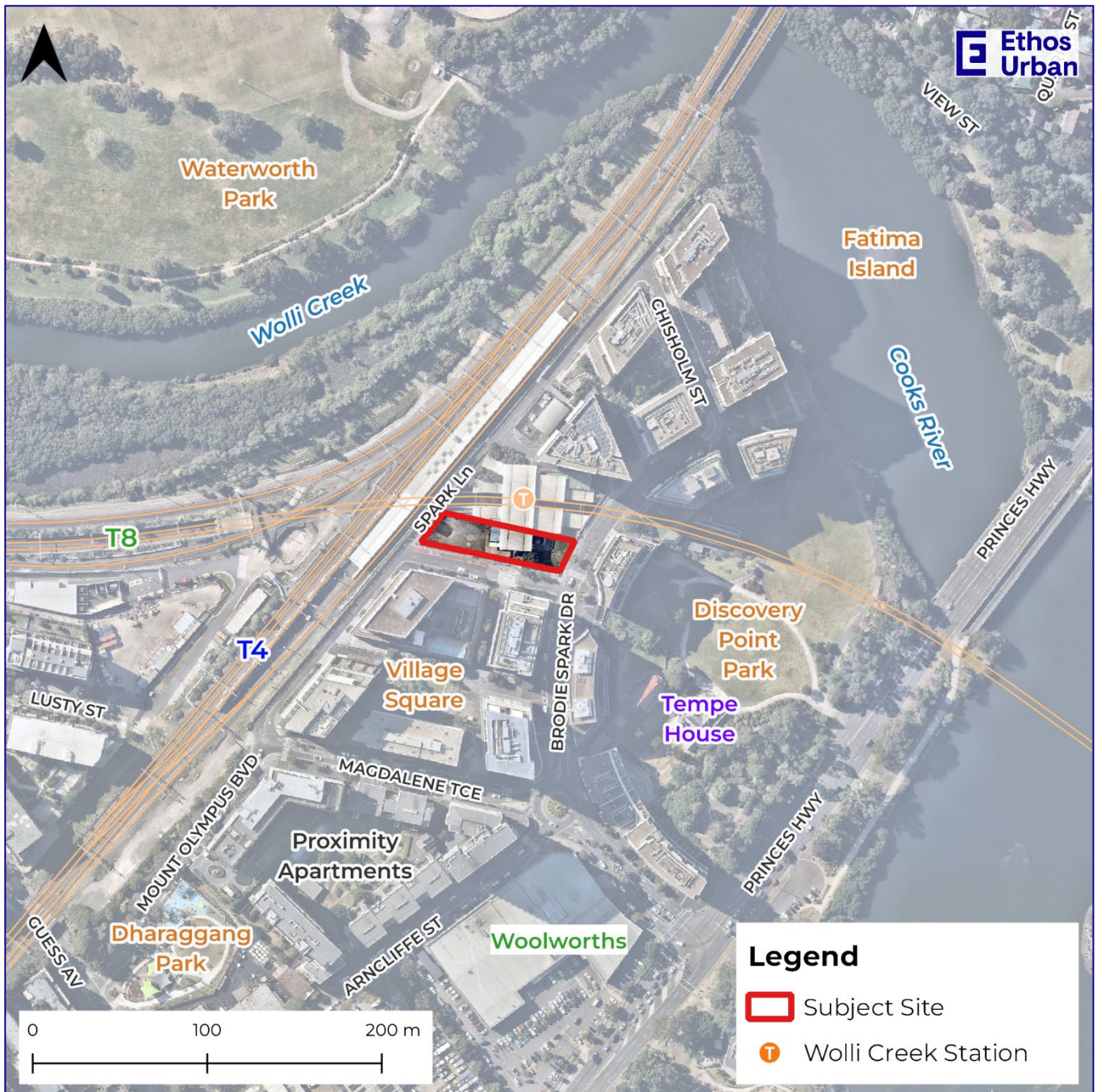


Figure 1 Subject Site

Source: Nearmap.com; Ethos Urban

2.2 Local Context

The Subject Site is located within a high-density residential precinct and immediately adjacent to Wolli Creek Station within Discovery Point. A summary of the local context is outlined below.

North	<ul style="list-style-type: none"> • Wolli Creek Train Station; 21 storey residential flat building at 9 Brodie Spark Drive known as 'Icon'.
East	<ul style="list-style-type: none"> • On the other side of Brodie Spark Drive, is an 11-storey residential flat building at 12 Brodie Spark Drive, known as 'Vine'. • Further to the east is Discovery Point Park which is a large landscaped open space.
South	<ul style="list-style-type: none"> • Two 9-12 storey residential flat buildings at 2-6 Discovery Point Place ('Metro') and 5 Brodie Spark Place ('Linc'). • Between these two buildings is a throughfare with retail uses at the ground plane. • Further to the south is a landscaped plaza known as 'Village Square' and other residential flat buildings.
West	<ul style="list-style-type: none"> • Spark Lane, which is currently restricted in access. • Further to the west is the T4 and T8 train lines and vegetation that lines Wolli Creek.

2.3 Regional Context

A diverse range of uses are present within the broader region, including industrial, recreational, retail, educational and commercial. There are a number of regionally significant centres within proximity to the Subject Site which provide a range of higher order goods and services, including access to employment opportunities,

retail facilities, and health and education services. The regional context of the Subject Site is illustrated in

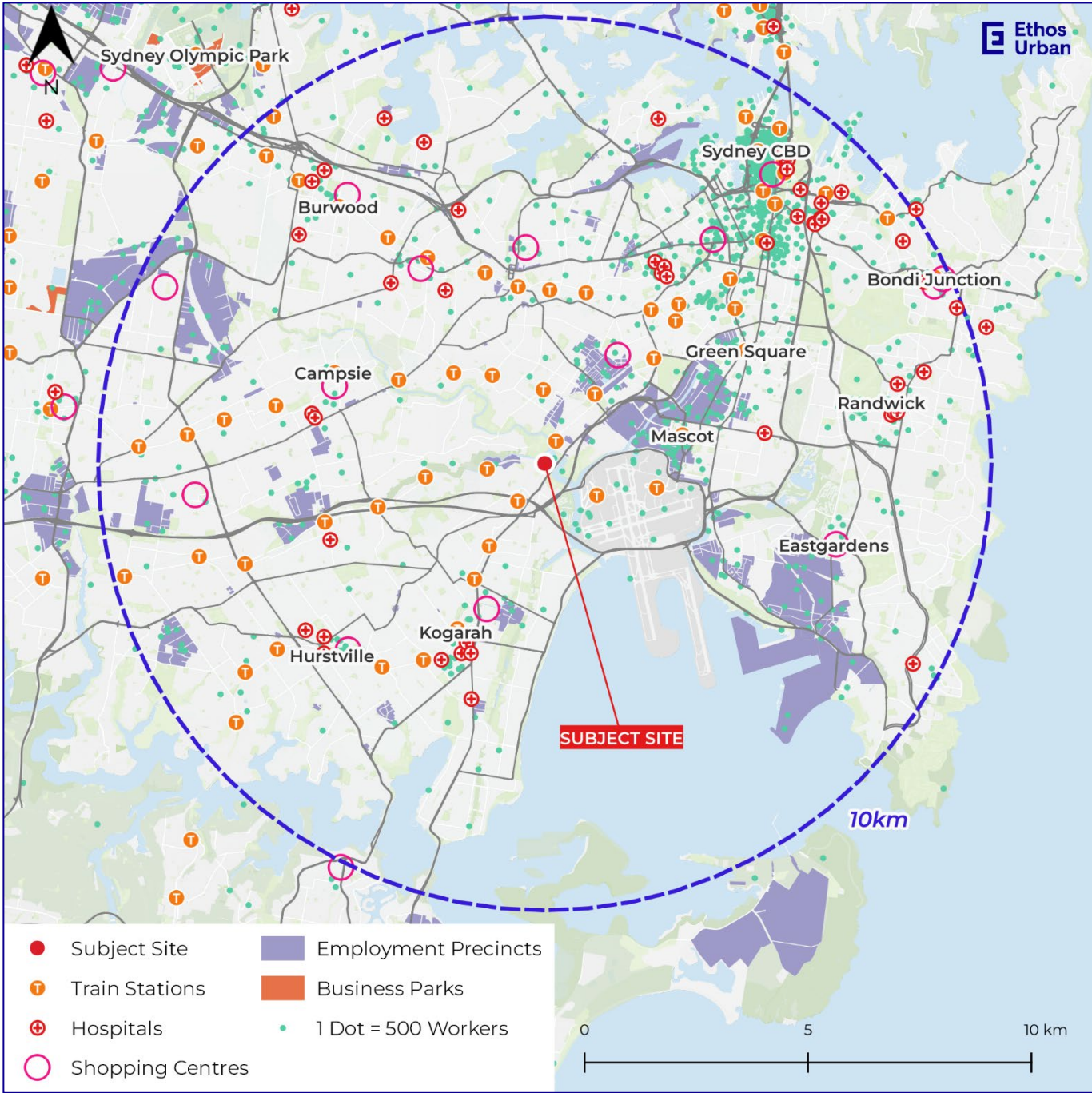


Figure 2 and key insights are as follows:

Public transport infrastructure	Subject Site has good accessibility through most of Sydney with good north-south, and east-west connectivity. Wolli Creek Station is connected two train lines: T4 Eastern Suburbs and Illawarra Line, and T8 Airport and Macarthur Via East Hills Line.
Road infrastructure	Major arterial roadways provide north-south and east-west connectivity. Key infrastructure includes M5 Motorway, Southern Cross Dr, M8 Motorway, and West Connex and Stage 1 of the M6 Motorway (currently under construction).
Employment centres	A number of key employment centres and clusters are within 10km of the Subject Site including Sydney CBD, Mascot, Randwick, Sydney Airport, and Port Botany, Kogarah and Hurstville. Many of these centres are also designated strategic centres will a strategic objective of providing higher order employment.

Health infrastructure	A range of health care facilities and infrastructure is within proximity to Wolli Creek including Royal Prince Alfred Hospital some 5.0km to the north, St George Hospital 4.5 km to the south; and Prince of Wales Hospital 7.8km to the east. In addition, a range of health provides are located between Kogarah and Hurstville.
Education	Universities and TAFEs are primarily concentrated to the northeast of the Subject Site, while a cluster of primary and high schools are located to mainly to the south towards Kogarah.

Clusters of employment are focused around these major interchanges, strategic centres and key community hubs and institutions, as outlined by the dot density employment data presented in

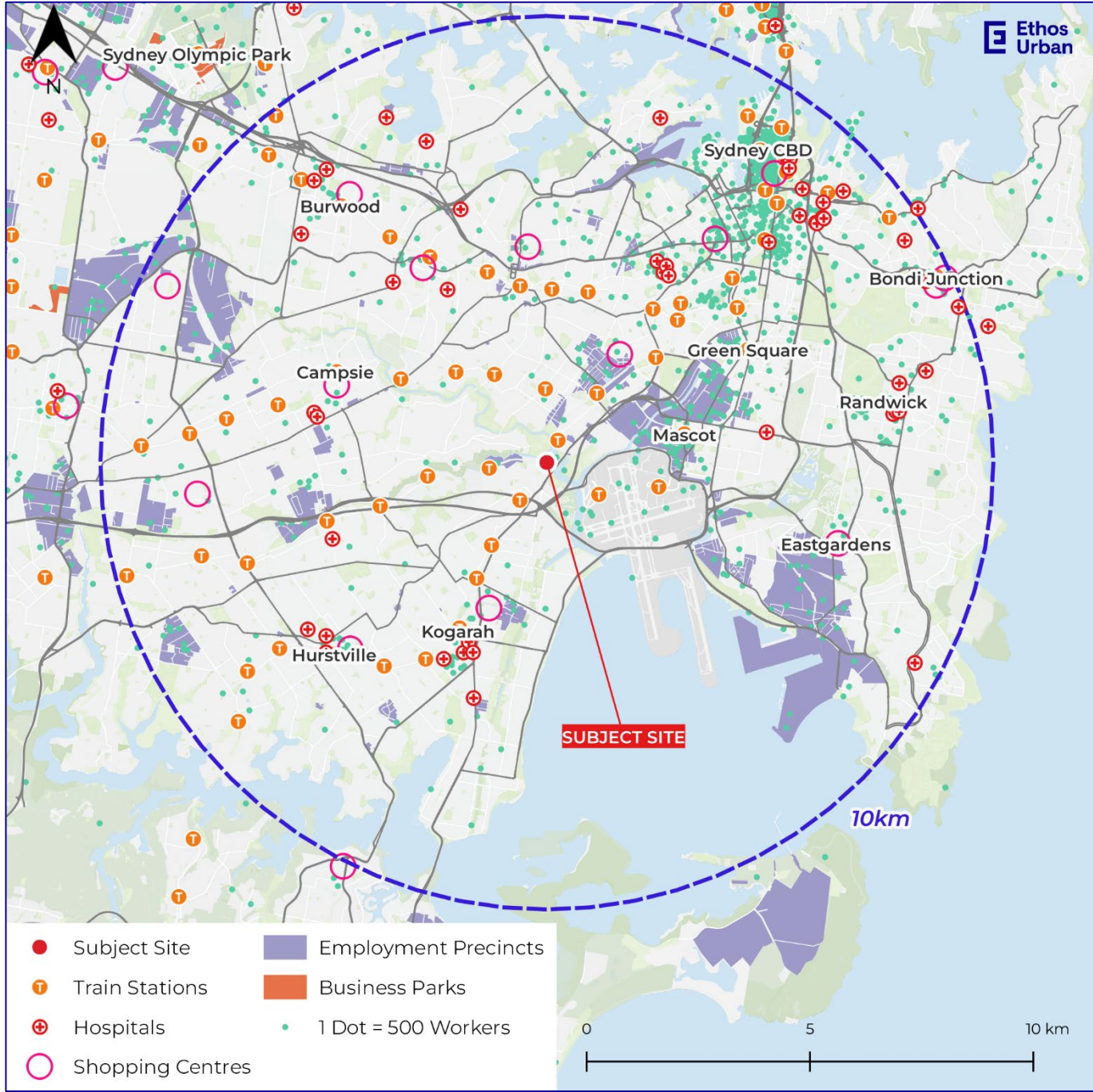


Figure 2.

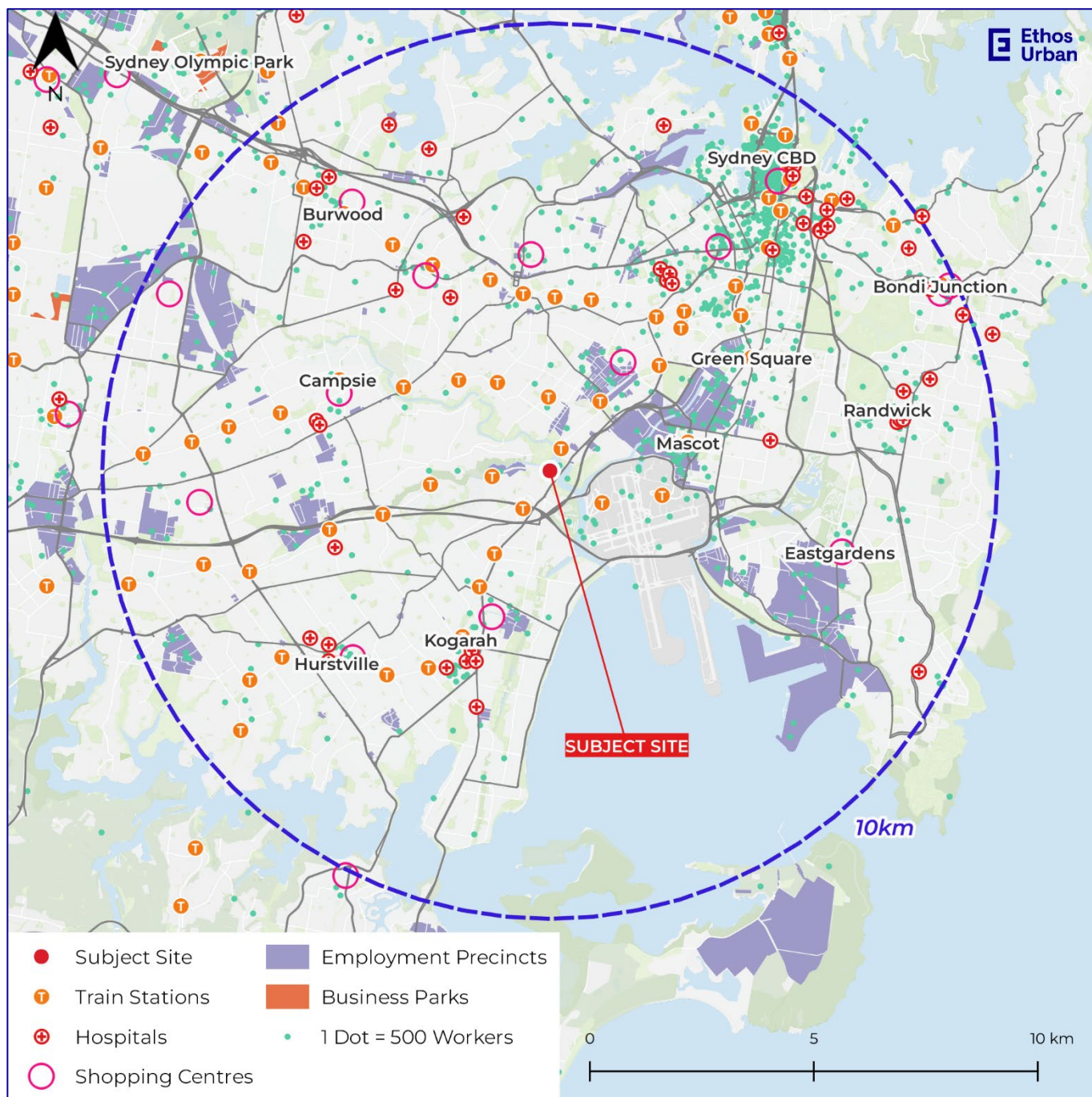


Figure 2 Regional Context

Source: Nearmap; Mapinfo; OpenStreetMaps; PCA; ABS, 2021; Ethos Urban

2.4 Proposed Modification

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- Increase the maximum total GFA by 4,555.8m² from 142,685m² to 147,240.8m².
- Change of use from BTR to co-living.
- Amend the Statement of Commitments to reflect modifications to the approved floor space and include a new commitment for Building 14 to be delivered as co-living housing and active ground floor uses.

The proposed amendments now sought are further discussed in **Section 3.0** of the Submission Report.

A summary of key metrics adopted in this Report are outlined in **Table 1**.

Table 1 *Proposed Scheme Key Metrics*

Scheme Component	Proposed Quantum
Total GFA	9,199.8m ²
Residential GFA	8,821.4m ²
Non-Residential GFA	378.4m ²
No. of co-living units	217 rooms

Source: Rothelowman

1.0 Key Findings and Considerations

- Subject Site is well located within the centre of Wolli Creek and immediately adjacent to Wolli Creek Station. The Subject Site is currently underutilised, and represents an ideal site for future development and one that can add to the overall amenity of Wolli Creek.
- Wolli Creek provides a range of local goods and services for local residents to access their everyday convenience based retail needs.
- There are five strategic centres within 5 km of Wolli Creek including Rockdale (Council identified strategic centre). These centres will be the primary focus for delivery of non-residential and higher order uses including retail, commercial, health and education.
- Examination of Wolli Creek within its regional context indicates Wolli Creek’s role and function as a high-density residential focused precinct, concentrated around Wolli Creek Station. Residents of Wolli Creek have good access to Sydney’s key employment centres including Sydney CBD, Port Botany, Mascot, and Kogarah, with all these centres within 10km, and 30-minutes of Wolli Creek. In this context, uses within Wolli Creek are focused on serving higher density residential uses.
- The proposed modification responds to the regional context of Wolli Creek, delivering a mix of uses that will support Wolli Creek as a mixed use residential precinct.

Wolli Creek is not an identified employment centre, and as such non-residential uses are better suited to other key centres within the surrounding region particularly the strategic and metropolitan centres. Wolli Creek is ideally located to continue to provide a place for inner city workers to live.

3.0 Strategic Policy Context

This Section provides a high-level review of the strategic policies and objectives for the local area and has regard to the non-residential uses in the area, and the role for the Subject Site in the local and regional context.

3.1 Strategic Policy Review

A range of regional and local strategic plans and policies exist which collectively outline the future growth and development vision for the local area. Analysing this framework provides an understanding of the strategic objectives for the area, as well as identifying potential growth drivers, opportunities and policy settings that will influence the potential for non-residential uses at the Subject Site.

A summary of the key strategic documents is summarised in **Appendix A**. Key strategic themes and concepts of relevance to the Subject Site include:

Theme	Description	Policies
Wolli Creek as a local centre	<p>Wolli Creek is designated as a focal point for local residents to access local, convenience based goods and services.</p> <p>Employment uses are primarily associated with population serving industries. Council acknowledges the evolution of the land use strategy for Wolli Creek since its inception in early 2000s, where a mix of high-density residential, commercial and retail developments were originally anticipated.</p> <p>The 2019 Contributions Plan, as well as current growth projections, anticipate the delivery of a higher proportion of residential dwellings, and significant reduction in the delivery of non-residential uses. This has been supported due to market demand and drivers for residential uses at Wolli Creek.</p>	<p><i>Wolli Creek and Bonar Street Precincts Urban Renewal Area Contributions Plan, 2019</i></p> <p><i>Bayside LSPS, 2020</i></p>
Employment Centres	<p>Higher order centres accommodating higher order jobs particularly in knowledge worker and health care and education industries are generally prevalent outside of the Bayside LGA.</p> <p>Such examples include metropolitan clusters, health and education precincts, and strategic centres like the Harbour CBD, Mascot, Randwick and South Eveleigh.</p> <p>Bayside centres are well connected via major transport infrastructure to these areas which are anticipated to provide the majority of jobs for the region, with local centres generally providing a more population-serving employment function.</p> <p>A clear position adopted in Bayside local strategies is that the local area “contribute to growing a stronger and more competitive harbour CBD” to facilitate appropriate development in Bayside and support the Harbour CBD.</p>	<p><i>Bayside LSPS, 2020</i></p>
30-minute city	<p>The 30-minute city aspiration seeks to create a city where people are connected via public transport and where places to live, work and access key goods and services within a 30-minute travel time.</p> <p>This means that residents can travel to metropolitan centres, and nearest strategic centres by public transport each day of the week to access employment, and goods and services.</p>	<p><i>Greater Sydney Region Plan (GSRP) 2018 – A Metropolis of Three Cities</i></p> <p><i>East City District Plan (2018)</i></p> <p><i>Bayside LSPS, 2020</i></p>

Housing diversity and housing choice	<p>Strategic plans emphasis the need to provide a range of price points and access to affordable housing to accommodate all segments of the community.</p> <p>Greater housing diversity is emphasised in Bayside local strategies as something that should be delivered as part of the changing needs of a growing local community.</p>	<p><i>Greater Sydney Region Plan (GSRP) 2018 – A Metropolis of Three Cities</i></p> <p><i>Bayside LSPS, 2020</i></p> <p><i>Bayside Housing Strategy, 2020</i></p>
BTR housing (alternative housing product)	<p>Identified as a housing model to providing additional housing supply, and housing choice across a range of price points to appeal to a wider segment of the community.</p> <p>This type of housing is said to complement other alternative housing models which are often specialised rentals for specific tenant segments.</p> <p>Location requirements include being close to public transport and centres and with easy access to key services and facilities.</p>	<p><i>Greater Sydney Region Plan (GSRP) 2018 – A Metropolis of Three Cities</i></p>
Co-living (alternative housing product)	<p>Co-living housing provides compact rental accommodation for a range of occupants, with minimum tenancies of 3 months. It is typically built in well-connected areas, where residents have convenient access to work, study and recreation.</p> <p>It is important to note that while BTR is considered a diverse housing model, it is not always an 'affordable' rental alternative, with rental costs typically higher than average market rents. In this context, co-living could be positioned to provide a more affordable rental option despite co-living having no affordability requirement.</p> <p>An initiator of "new generation boarding houses" originally came from the State Environmental Planning Policy (Affordable Rental Housing) 2009 as cited in the Greater Sydney Region Plan, however limited information exists as to the strategic place and importance of co-living within local areas other than to act as 'affordable housing' and contribute to ongoing rental housing supply.</p>	<p><i>Housing SEPP 2021</i></p> <p><i>Greater Sydney Region Plan (GSRP) 2018 – A Metropolis of Three Cities</i></p>
Transit Orientated Developments (TOD)	<p>Delivery of higher density housing should be focused in station precincts with direct access to public transport and employment centres.</p> <p>Wolli Creek is considered in the Bayside Local Housing Strategy to have good score for greater housing density due to factors such as public transport access; however, there are significant land use constraints to delivering further housing given available land for redevelopment.</p>	<p><i>Future Transport, 2056</i></p> <p><i>Bayside LSPS, 2020</i></p> <p><i>Bayside Housing Strategy, 2020</i></p>
Housing Accords	<p>The Housing Accord is a national initiative launched by the Australian Government in 2024 to address housing supply and affordability challenges. The Accord aims to bring together federal, state, and local governments, alongside industry stakeholders like developers, builders, and investors, to collaboratively boost housing supply across the nation. The focus is on creating a shared commitment to increase housing stock, particularly affordable and social housing, to meet the growing demand.</p> <p>The National Housing Accords set a target of 1.2 million new well-located dwellings across Australia in the five years between July 2024 to June 2029.</p>	<p><i>NSW Government</i></p>

In order to align with the Housing Accord target of 1.2 million homes by 2029, NSW was set 377,000 new dwellings. To that end, the NSW Government has released 5-year housing completion targets for 43 councils across Greater Sydney, Illawarra-Shoalhaven, Central Coast, Lower Hunter and Greater Newcastle and 1 target for regional NSW.

These targets replace outdated targets previously set by the Greater Sydney Commission and have been published ahead of the commencement of the National Housing Accord timeframe, and reflect NSW's commitment to deliver 377,000 new dwellings across the state by 2029.

A target of **10,100 new completed dwellings by 2029** has been set for Bayside Council. Approximately 6,500 dwellings are already estimated to be within the development pipeline or identified as part of planned growth over this timeframe. A further 3,600 dwellings are therefore expected to be delivered based on factors such as existing infrastructure, ongoing investments, and local constraints

3.2 Key Findings and Considerations

- A review of the strategic policy context indicates that Wolli Creek is primarily a high-density residential community. **The strategic role and function for Wolli Creek is as a 'local centre' providing a focal point for local residents to access goods and services for their everyday needs** and plays a population serving employment role in the context of other more economically productive and higher order centres in the surrounding region.
- Council documents (including the 2019 Contributions Plan) recognise that the land use planning strategy for Wolli Creek has evolved since its inception in early 2000s towards a high-density residential community, with substantially reduced demand and need for non-residential uses.
- Residential development at the Subject Site would directly support strategic policy objectives and planning priorities through providing additional housing supply and diversity within a local centre and train station precinct. In addition it would achieve the objectives of the Future Transport 2056, as it facilitates transit-oriented development that has direct access to public transport and is within walking distance to key services and public open space.
- Strategic policies have focused on the need to provide greater housing supply and diversity at a range of price points with alternative residential housing such as co-living housing a housing model able to achieve these objectives.
- Recent policy at both federal and state levels has emphasised the need for additional housing to solve to resolve significant levels of housing undersupply and address housing affordability issues. This additional housing will primarily comprise infill housing in well located areas with access to frequently needed goods and services. Under this policy framework, Bayside Council has been set a target of 10,100 new completion dwellings by 2029. Approximately 6,500 dwellings are already estimated to be within the development pipeline or identified as part of planned growth over this timeframe. A further 3,600 dwellings are therefore expected to be delivered but are currently unplanned for.
- In this context, the Subject Site is a logical location for the delivery of co-Living housing as Wolli Creek is a local centre and the Subject Site provides direct access to public transport. The current proposal has the ability to achieve a number of objectives related to housing delivery, including providing much needed supply and additional choice that can appeal to a broader community.

The strategic vision for Wolli Creek is to function as a high-density residential local centre. Higher order employment uses are to be focused in employment centres within the surrounding region. Wolli Creek is better able to meet the strategic objectives by focusing on the delivery of housing supply, diversity and choice. Co-Living housing at the Subject Site would satisfy these strategic objectives.

The Subject Site is most suitable for higher density residential uses with limited strategic potential for non-residential uses (such as commercial, health and education and visitor accommodation).

4.0 Economic Context

This Section provides an overview of the economic context for the Subject Site including population trends, and population and employment projections.

4.1 Study Area Definition

A study area has been defined to represent the resident and worker demographic profile to be served by the Subject Site. No limitations currently exist on what a study area for the assessment of residential housing products should look like, however the following factors have been considered to define the boundary of a Primary Study Area (PSA) that has been adopted throughout this Report and includes factors such as:

- Location of the Subject Site;
- Existing and future regional transport network, which influences travel time to and from the Subject Site;
- Location of natural and engineering boundaries such as local conservation areas, national parks, waterways and heavy infrastructure;
- Perceptual and psychological boundaries which affect perceptions of convenience, accessibility, community and relationship to the Subject Site and surrounding communities;
- Existing provision and demand for retail and commercial at the Subject Site;
- Location and nature of existing town centres, activities and surrounding key land uses; and
- Administrative boundaries such as ABS statistical areas.

For the purposes of this Report a PSA has been defined along with two secondary study areas for the purposes of identifying unique attributes and drivers of relevance to the immediate locality around the Subject Site (see



Figure 3). The PSA and other study areas have been defined as follows:

Primary	<ul style="list-style-type: none">• Primary Study Area (PSA). Defined based on a 2km distance and a 5-minute drive time from the site, having regard to natural barriers including Cooks River to the north and northeast, and Wolli Creek to the northwest. The PSA includes the suburb of Arncliffe and is bounded by Spring St and Subway Rd to the south. The PSA also includes the suburbs of Bardwell Valley and Turrella and is generally bounded by Farrar St, Fripp St and John St to the southwest.
Secondary Study Areas	<ul style="list-style-type: none">• Discovery Point. Includes the extent of the Discovery Point precinct and is bounded by Brodie Spark Drive and Magdalene Terrace to the south.• Wolli Creek. Based on the suburb boundary.
Benchmark	<ul style="list-style-type: none">• Greater Sydney. Defined using the 2021 GCCSA boundary.

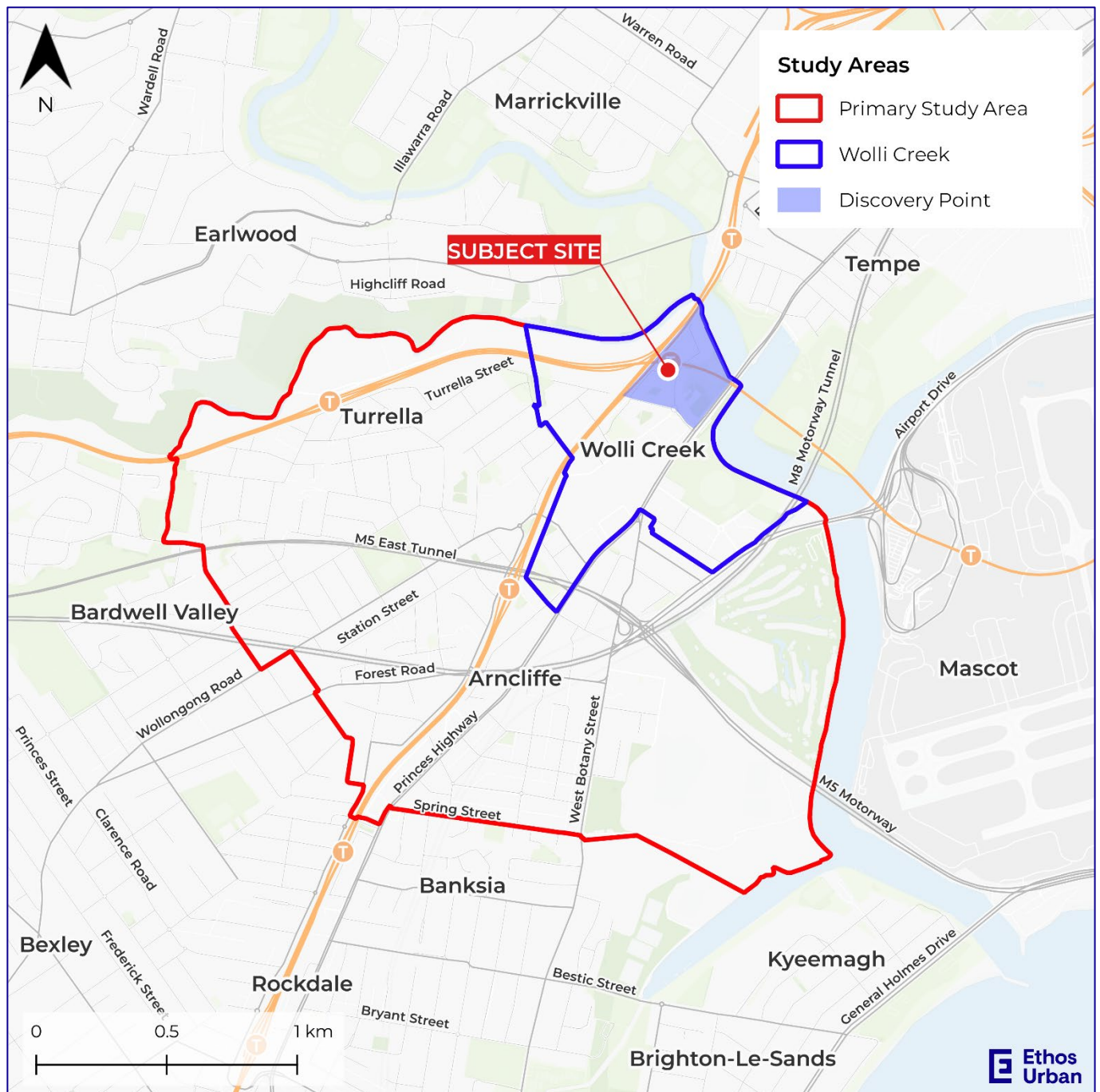


Figure 3 Study Areas

Source: QGIS

4.2 Resident Profile

This sub-section provides a summary of the resident demographic profile for the PSA. The demographic data has been drawn from the Australian Bureau of Statistics (ABS) 2021 Census of Population and Housing. The data analysis provides a general overview of the demographic characteristics of residents.

4.2.1 Residential Demographic Profile

A summary of the local resident population characteristics of the identified Study Areas is presented in **Appendix B**. Demographic data has been drawn from the ABS Census of Population and Housing 2021. The analysis provides a general overview of the demographic characteristics of residents within the PSA and is compared to the Greater Sydney benchmark. Key demographic characteristics of the PSA include:



Income

The median household income within the PSA was \$110,680, which was +\$1,930 (+1.8%) above the median household income for Greater Sydney at \$108,750.



Age Profile

The median age of residents in the PSA was 31.3 years, which was 6.0 years below the Greater Sydney benchmark of 37.3 years. A majority of residents were aged between 20-34 years (44.7%), which was around double the share compared to the Greater Sydney benchmark (22.1%).



Household Composition

Within the PSA, a majority of households were couple families with no children (32.5%), which was +8.0% above the Greater Sydney benchmark of 24.5%. The share of lone person households was similar within the PSA and across Greater Sydney, at 25.5% and 25.3% respectively, whilst group households made up a significant proportion of dwellings occupied at 11.6%.



Tenure Type

Within the PSA, a higher share of dwellings were being rented at 53.1%, compared to Greater Sydney (36.1%). A lower share of households were purchased outright (-13.0%) or with a mortgage (-3.9%) in the PTA when compared Greater Sydney at 28.3% and 34.0% respectively



Dwelling Structure

The most common dwelling type within the PSA were Flats, units or apartments which made up 74.5% of all occupied dwellings. This is significantly higher than what the Greater Sydney composition is for apartments at 30.7%. Separate houses made up 20.4% of all dwellings, whilst semi-detached were the least common, making up 4.9% of all occupied dwellings. The average household size of the PSA is slightly lower than Greater Sydney at 2.5, compared to 2.7 persons per household.



Housing Costs

Within the PSA, median monthly mortgage repayments were \$2,392, which is -4.7% lower than Greater Sydney's benchmark. Median weekly rent, however, was higher than Greater Sydney benchmark with the median weekly rent recorded at \$529, which was +9.2% higher than the Greater Sydney benchmark. These estimates of weekly rents likely underestimate current median rents with significant rental growth recorded since 2021 within Greater Sydney.



Occupation

Residents of the PSA tended to work in white collar occupations (at 76.1%), which was very similar to the Greater Sydney share of white-collar workers at 76.8%.



Method of Travel to Work

Residents of the PSA mostly worked from home (40.9%), likely reflecting the impacts of COVID-19 and associated public health measures at the time of the Census collection period. Driving a car was the second most common method of travel to work for residents at 25.0%. Across Greater Sydney 39.6% of residents worked from home and 35.0% drove a car to work.



Industry of Employment

Within the PSA there were similar proportions of residents working within Industrial, Population Serving and Traditional Office industries, when compared to the Greater Sydney benchmark. Within the PTA however, there were +4.4% more residents working in Knowledge sectors and -6.4% less residents working in Health and Education, when compared to the Greater Sydney benchmark.

Overall, residents within the PSA were typically younger and living in higher income households. Household composition tended to be mixed with a high share of couple family with no children households and group households compared to the balance of Greater Sydney. The majority of housing was high-density, comprising flats, units or apartments, with more than half of dwellings being rented. Car dependence tended to be lower than the balance of Greater Sydney, with relatively lower share of residents travelling to work via car. Share of public transport used to travel to work was higher than the Greater Sydney benchmark.

By comparison to the PSA, residents within Wolli Creek and Discovery Point were more likely to:

- Have higher median household incomes;
- Be slightly younger;
- Live in couple family with no children households, and group households;
- Rent and live in a flat, unit or apartment;
- Travel to work via public transport (train or bus); and
- Work in Professional, Scientific and Technical Services and in white collar occupations.

Examination of place of work data for residents of Wolli Creek reveals 90.4% of Wolli Creek residents work outside the suburb of Wolli Creek. The vast majority (83.6%) work within 10km of the Subject Site (including in Wolli Creek). (see **Table 2** and **Figure 4**).

A breakdown of workers by Broad Industry Category of employment reveals that residents of Wolli Creek are able to find places of employment within 30 minutes of their place of residence. A 10km radius around the Subject Site broadly aligns to a 30-minute travel time via public transport or vehicle.

This data was collected during the COVID-19 period and reflects the large share of residents working from home. When excluding residents working in Wolli Creek, the share of residents working within 10km decreases to 74.1%. However, this estimate would also exclude residents who are working within Wolli Creek and not working from home during the collection period.

A major finding is that the key centres of employment for local residents include key strategic, metropolitan and employment centres within the surrounding region including Sydney CBD, Sydney Airport, Mascot, Hurstville, Kogarah and Randwick.

Table 2 *Share of Wolli Creek Resident Workers Working within 10km, 2021*

Broad Industry Category	Share
Industrial	83.2%
Population Serving	81.5%
Knowledge Workers	87.0%
Traditional Office	84.8%
Health and Education	78.9%
Total	83.6%

Source: ABS, 2021; Ethos Urban

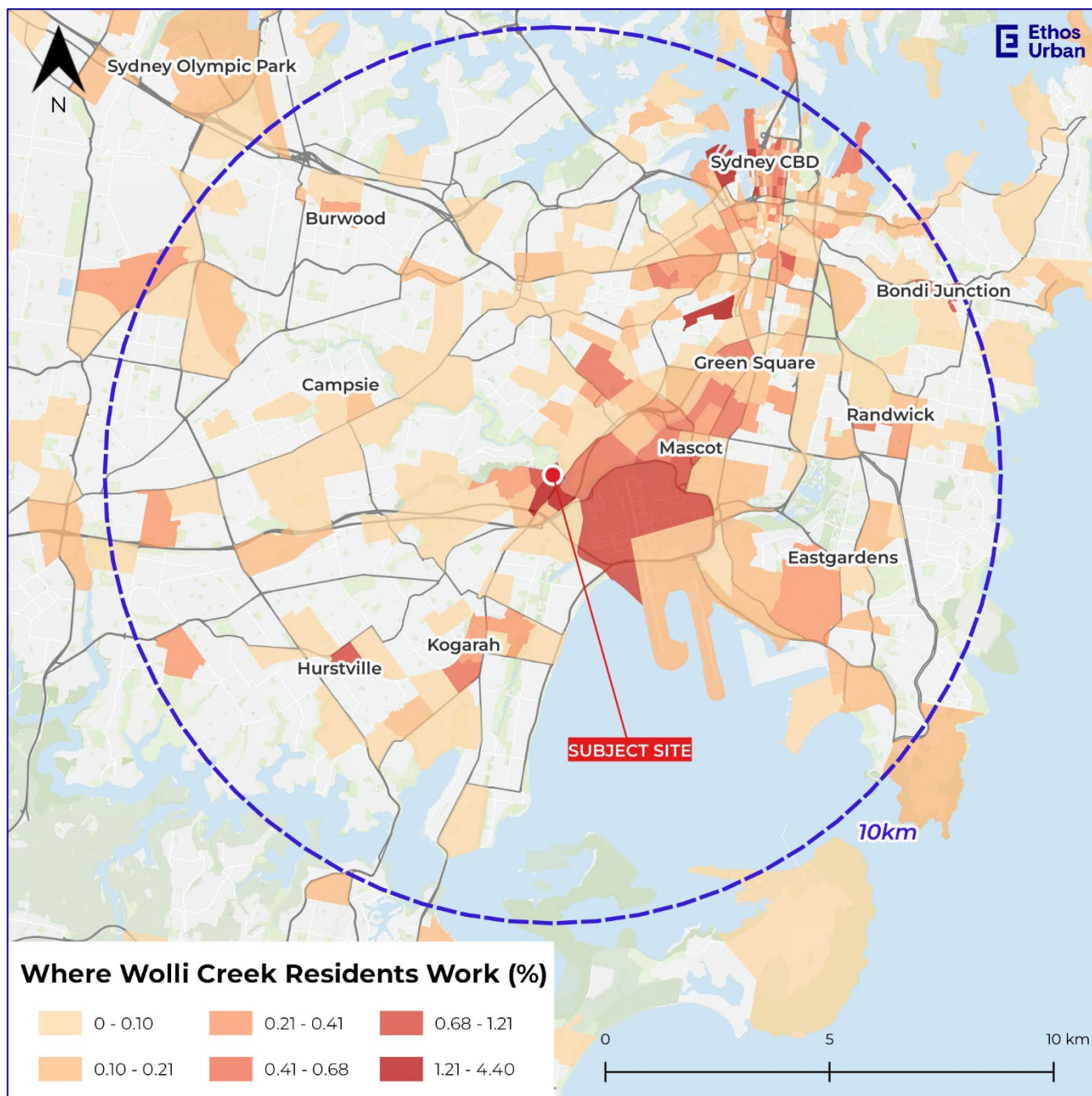


Figure 4 Place of Work for Residents of Wolli Creek, 2021

Source: ABS, 2021; Ethos Urban

A review of key changes in the PSA demographic profile can be undertaken by investigating trends which have occurred between the 2016 and 2021 Census (See **Appendix A**). Key findings include:

- **Household incomes have increased more than the Greater Sydney benchmark:** Between 2016 and 2021, annual household income within the PSA increased by +\$17,390. By comparison, median household incomes within Greater Sydney have risen by \$16,550.
- **Increase of lone person households:** lone person households as a share of dwellings between 2016 and 2021 increased by +3.7 pp, whilst family households decreased by -3.2 pp.
- **A decline in separate houses and increase high-density dwellings:** The share separate houses decreased by -7.6 pp, while the share of flats, unit or apartments increased by +9.9 pp. This reflects the ongoing development of the local area and densification of residential living around train stations within the area.
- **More dwellings being rented and less owned outright:** Between 2016 and 2021, the share of dwellings being rented increased by +2.2 pp, while the share of dwellings owned outright declined by -3.2 pp.

- **Increase in residents working as professionals and managers:** with the share of residents working as professionals increasing by +6.2 pp and the share of managers increasing by +0.7 pp. Overall, the share of residents working in blue collar professions declined by -3.3 pp.
- **Minor changes to the share of residents working across different industries:** the largest increases was in the share of residents working in Professional, Scientific and Technical Services (+2.9 pp) and Health Care and Social assistance (+1.1 pp), while the largest declines was in Accommodation and Food Services (-2.7 pp) which likely reflects the impacts of COVID-19 and associated public health measures.

Between the Census periods, there was a significant decline in the share of residents travelling to and from work. The share of residents that worked at home increased by +38.3 percentage points (pp). This was largely driven by a significant decline in the share of residents travelling to and from work using by train or bus (-33.1 pp). This change was attributed to the impacts of COVID-19 and associated public health measures including lockdowns that coincided with the Census collection period. Train or bus as a method of travel to work is anticipated to increase to more 'normal' levels in a post-COVID-19 environment. In the 2016 Census, 48.0% of residents used train or bus to travel to and from work.

4.2.2 Population Trends and Projections

Population projections have been prepared using latest official projections from Transport for NSW, historic population estimated from the ABS Estimated Residential Population series. Key figures are as follows:

- Historic population growth has been very strong, with the average annual growth rate well above the Greater Sydney benchmark across all study areas for the period 2016 to 2024.
- In 2024, the population of the PSA was 25,990 residents, an increase from 19,440 residents in 2016. This implies growth of +6,550 residents, or an average annual growth of +820 residents over this period. Within Discovery Point, there were 3,910 residents in 2024, suggesting an increase of +1,810 residents since 2016.
- It is expected that the population of the PSA will grow slower than historical levels, but at rates higher than Greater Sydney, with an additional +7,970 residents by 2041, at an average annual growth rate of +470 residents.
- Similarly, Wolli Creek and Discovery Point are anticipated to experience slower levels of population growth as these study areas approach maximum dwelling potential. An additional +4,230 residents are anticipated to live within Wolli Creek, with an average annual growth rate of +250 residents. Within Discovery Point, an additional +930 residents are anticipated by 2041, at an average annual growth rate of +50 residents.

Lower anticipated levels of residential growth reflect supply-side constraints rather than demand side factors, with many sites in proximity to Wolli Creek having recently been developed. A relaxation of controls and building heights at key sites in the PSA such as at Wolli Creek, Arncliffe and Turrella could result in higher levels of residential growth in the future than has been projected.

Table 3 **Official Residential Trends and Projections, 2016-2041**

	2016	2024	2031	2036	2041	2016 - 2024	2024 - 2041
Population (no.)							
PSA	19,440	25,990	32,170	33,460	33,960	+6,550	+7,970
Wolli Creek	6,900	11,850	15,050	15,790	16,080	+4,950	+4,230
Discovery Point	2,100	3,910	4,670	4,790	4,840	+1,810	+930
Greater Sydney	5,024,920	5,533,750	6,060,640	6,422,630	6,784,510	+508,830	+1,250,760
Average Annual Growth (no.)							
	2011 - 2016	2016 - 2024	2024 - 2031	2031 - 2036	2036 - 2041	2016 - 2024	2024 - 2041
PSA		+820	+880	+260	+100	+820	+470
Wolli Creek		+620	+460	+150	+60	+620	+250
Discovery Point		+230	+110	+20	+10	+230	+50
Greater Sydney		+63,604	+75,270	+72,398	+72,376	+63,600	+73,570
Average Annual Growth Rate (%)							
	2011 - 2016	2016 - 2024	2024 - 2031	2031 - 2036	2036 - 2041	2016 - 2024	2024 - 2041
PSA		3.7%	3.1%	0.8%	0.3%	3.7%	1.6%
Wolli Creek		7.0%	3.5%	1.0%	0.4%	7.0%	1.8%
Discovery Point		8.1%	2.6%	0.5%	0.2%	8.1%	1.3%
Greater Sydney		1.2%	1.3%	1.2%	1.1%	1.2%	1.2%

Source: ABS, 2023; TfNSW, 2022; Ethos Urban

Note: Figures rounded

4.3 Worker Profile

This sub-section provides a summary of the worker demographic profile for the PSA.

4.3.1 Place of Work

A summary of the local worker characteristics within the identified Study Areas is presented in **Table 4**. The data analysis provides a general overview of the demographic characteristics of workers within the PSA and is compared to the Greater Sydney benchmark. Key demographic characteristics of workers within the PSA include:



Industry of Employment

Workers in population serving industries (44.4%) accounted for the highest share of workers within the PSA. This share was well above the Greater Sydney benchmark (27.6%).

Workers in industrial industries accounted for the next largest shares at 19.6% of workers within the PSA, which was slightly above the Greater Sydney benchmark (16.2%).

The share of workers was in the Knowledge Worker category (9.9%) was well below the Greater Sydney benchmark (21.9%), similarly, workers in the Traditional Office industry was also below the Greater Sydney benchmark



Occupation

Workers in the PSA primarily worked in white collar occupations (69.0%) which was below the Greater Sydney benchmark (78.0%).



Method of Travel to Work

Travel by private vehicle (43.3%) accounted for the highest share of mode of travel to work for workers in the PSA.

This share was above the Greater Sydney benchmark (37.6%). The share of workers using public transport (7.6%), or active transport (4.3%) was above the Greater Sydney benchmark (5.8% and 2.7%, respectively).

NOTE: travel to work may have been impacted by public health measures associated with COVID-19 during the 2021 Census collection period.

Compared to the PSA, workers within Wolli Creek and Discovery Point were more likely to:

- Work in Population Serving and Knowledge Worker industries;
- Work in sales occupations; and
- Have a higher share of public transport and active transport use to travel to work.

Table 4 Worker Demographic Profile, 2021

Category	PSA	Wolli Creek	Discovery Point	Greater Sydney
Broad Industry Categories				
Industrial	19.6%	17.1%	20.0%	16.2%
Population Serving	44.4%	49.9%	54.4%	27.6%
Knowledge workers	9.9%	13.8%	12.0%	21.9%
Traditional Office	7.9%	10.9%	7.6%	11.1%
Health and Education	18.2%	8.4%	6.0%	23.2%
Occupation				
Managers	15.0%	14.3%	13.7%	15.8%
Professionals	21.7%	19.2%	17.5%	30.5%
Technicians and Trades Workers	14.5%	15.1%	16.4%	9.9%
Community and Personal Service	8.9%	8.7%	5.9%	9.3%
Clerical and Administrative Workers	12.6%	10.5%	9.5%	14.3%
Sales Workers	10.8%	16.6%	20.6%	8.0%
Machinery Operators and Drivers	7.4%	5.0%	5.2%	5.6%
Labourers	9.1%	10.6%	11.1%	6.5%
White and Blue Collar				
White Collar	69.0%	69.3%	67.2%	78.0%
Blue Collar	31.0%	30.7%	32.8%	22.0%
Mode of Travel to Work^a				
Public Transport	7.6%	14.5%	13.9%	5.8%
Vehicle	43.3%	38.3%	38.0%	37.6%
Active Transport	4.3%	7.0%	7.5%	2.7%
Worked at home or Did not go to work	29.8%	24.8%	23.4%	40.1%

Source: ABS, 2021; Ethos Urban // Notes: excludes 'other mode' and 'mode not stated'. Figures will not sum to 100%.

4.4 Employment Trends and Projections

The ABS groups employment into industries using the Australian and New Zealand Standards Industrial Classification (ANZSIC) framework. This framework classifies industries according to their productive activities. For the purposes of estimating employment projections, these ANZSIC industries are grouped into Broad Industry Categories, as these Broad Industry Categories have similar economic growth drivers. Employment projections have been prepared using latest official projections from Transport for NSW. Key findings are as follows:

- Within the PSA, employment growth has been fairly strong with an additional +1,220 workers since 2016. Most of this employment growth has been in Population Serving industries (+630 workers) and Health

and Education (+270 workers). Knowledge Worker industries grew by an additional +170 workers, while traditional office industries grew by +110 workers - both of these industries categories typically occupy commercial office premises.

- By contrast, employment growth in Wolli Creek and Discovery Point has been fairly low with an additional +120 workers in Wolli Creek, and little to no growth of workers in Discovery Point for the period 2016 to 2024. Of the employment growth in Wolli Creek, population serving recorded the highest growth (+60 workers).
- Looking forward, future employment growth in the PSA is anticipated to grow by an additional +2,220 workers by 2041, with most of this growth expected to occur in Population Serving industries (+1,070 workers).
- Future employment growth for Wolli Creek is anticipated to remain low (+150 workers) with most of the growth in Population Serving industries (+50 workers), and Health and Education (+40 workers). Little to no growth is anticipated to occur within Discovery Point.

Table 5 Official Employment Trends and Projections, 2016-2041

Employment (no.)	2016	2024	2026	2031	2041	2016 - 2024	2024 - 2041
PSA							
Industrial	1,110	1,150	1,160	1,260	1,430	+40	+280
Population Serving	2,330	2,960	3,140	3,410	4,030	+630	+1,070
Knowledge workers	240	410	450	500	630	+170	+220
Traditional Office	220	330	360	420	540	+110	+210
Health and Education	550	820	880	1,010	1,250	+270	+430
Total	4,450	5,670	5,980	6,600	7,890	+1,220	+2,220
Wolli Creek							
Industrial	210	200	200	200	210	-10	+10
Population Serving	870	930	950	950	980	+60	+50
Knowledge workers	80	120	120	130	140	+40	+20
Traditional Office	70	80	80	90	100	+10	+20
Health and Education	20	50	50	70	90	+30	+40
Total	1,260	1,380	1,400	1,430	1,530	+120	+150
Discovery Point							
Industrial	20	20	10	10	10	+0	-10
Population Serving	60	60	60	60	60	+0	+0
Knowledge workers	20	30	30	30	30	+10	+0
Traditional Office	10	10	10	10	10	+0	+0
Health and Education	0	10	10	10	10	+10	+0
Total	120	120	120	120	120	+0	+0

Source: TfNSW, 2022; Ethos Urban //Note: Figures rounded

4.5 Key Findings and Considerations

- The demographic profile of residents within the PSA indicates strong alignment to high-density residential communities. Wolli Creek provides a location for younger residents to live in high-density residential housing where they can easily access public transport and employment centres in the region.
- Residents of Wolli Creek are able to easily access their places of work with the majority of residents (83.6%) working within 10km of Wolli Creek. Key centres of employment include strategic and employment centres within the surrounding region including Sydney CBD, Sydney Airport, Mascot, Huntersville, Kogarah and Randwick.

- Diverse housing choices are highlighted as something that the Subject Site is well-suited for, given the diverse array of employment opportunities within the 10km catchment as previously discussed in addition to the heightened level of dwellings under rental tenure.
- Compared to future resident population growth, future employment growth is anticipated to remain relatively subdued. This indicates the role and function primarily as a residential community based on official projections for population and employment growth.
- Population serving industries will remain key industries of employment for workers in the PSA and within Wolli Creek. This is consistent with Wolli Creek's role and function as a local centre providing access to everyday goods and services for local residents.
- Overall, a review of the economic context and population and employment trends highlights the need for the delivery of more residential uses over non-residential uses, as non-residential uses are accommodated and supported in surrounding strategic centres (discussed in later sections of the Report).

Wolli Creek is providing a place for workers to live and easily access a number of key employment centres within 10km and 30-minutes of Wolli Creek. This includes both white collar focused and blue collar focused employment centres. Continued delivery of housing at Wolli Creek would be of benefit to future residents who work in the surrounding strategic and employment centres.

5.0 Competitive Context

This Section provides an overview of the competitive context of Wolli Creek and includes a high-level review of existing and proposed facilities in the surrounding precinct.

5.1 Business Profile Trends

Examination of business count survey data produced by the ABS for the PSA. Key findings are as follows:

- The number of businesses within the PSA has increased from around 2,387 in 2021 to 2,592 businesses in 2023.
- In 2023, the vast majority of businesses (93.8%) employed less than 4 employees per business, with a significant proportion being sole traders (no employees) (66.5%). The overall share of businesses employing less than 4 employees has remained the same since 2021 (from 93.8%).
- In 2023, just over a third of businesses (35.6%) were in industries that would operate in commercial premises. This share has increased marginally since 2021 (from 34.2%). Of these businesses, 96.1% employed less than 4 employees (including non-employing businesses (sole traders)), with the share largely unchanged since 2021.
- Businesses that typically operate in 'retail' premises accounted for 11.0% of total businesses in 2023, which has declined slightly since 2021 (from 12.1%). The vast majority of retail businesses (84.2%) employ less than 4 employees.
- The majority of businesses that typically operate in 'industrial' premises account for 40.1% of businesses (2023). This share has declined slightly from 42.4% in 2021.

Trends and current shares indicate that based on number of workers employed, there is little need for a significant provision of additional non-residential floorspace to accommodate existing or future workers.

Table 6 *Businesses by Primary Land Use, PSA, 2021 - 2023*

Year and Land Use	Non employing	1-4 Employees	5-19 Employees	20-199 Employees	200+ Employees	Total	Total by Industry
2023							
Industrial	718	275	34	13	3	1,039	40.1%
Retail	128	111	40	6	0	284	11.0%
Commercial	687	201	34	0	0	924	35.6%
Education	25	11	3	3	0	40	1.5%
Health Care	72	38	13	3	0	124	4.8%
Other services	94	71	12	5	0	181	7.0%
Total	1,724	707	136	30	3	2,592	100.0%
Share by Employees	66.5%	27.3%	5.2%	1.2%	0.1%	100.0%	-
2021							
Industrial	656	303	29	7	0	1,011	42.4%
Retail	132	118	35	3	0	289	12.1%
Commercial	562	224	19	6	0	816	34.2%
Education	16	14	3	0	0	33	1.4%
Health Care	44	35	11	0	0	90	3.8%
Other services	75	60	14	0	0	148	6.2%
Total	1,485	754	111	16	0	2,387	100.0%
Share by Employees	62.2%	31.6%	4.7%	0.7%	0.0%	100.0%	

Source: ABS 2023; Ethos Urban

Notes: Figures based on annualised employment size. PSA is defined using the latest SA2 ASGS2021 definitions.

5.2 Sydney Commercial Office Market

The Sydney CBD forms the major commercial office destination, providing over 5.1 million square metres of commercial office floorspace and serves a critical role in Australia's national economy. However, the role of the metropolitan office markets across Greater Sydney also serve an important local and regional function that complement the higher-order role of the Sydney CBD.

A breakdown of the provision of commercial office floorspace across the Sydney CBD and other major Sydney metropolitan office markets is outlined in **Figure 5**. (Sourced from the PCA Office Market Report, July 2024). Key markets include:

- Sydney CBD – 5,177,440m²
- Parramatta – 932,540m²
- North Sydney – 941,210m²
- Macquarie Park – 945,350m²
- Crows Nest/St Leonards – 357,420m²
- Chatswood – 271,000m²

As the core commercial office destination, the Sydney CBD benefits from a larger provision of higher quality commercial office stock, with 27.3% of stock classified as Premium Grade, and 37.4% as A Grade quality. The only other market with Premium Grade floorspace is North Sydney. Remaining metropolitan office markets typically incorporate a higher proportion of secondary grade stock (classified as B, C or D Grade floorspace). The exception is Macquarie Park, which includes some 71.3% of floorspace that is classified as A Grade. As a result, Macquarie Park has established itself a key destination for modern tenants seeking larger 'campus' style facilities outside of the CBD.

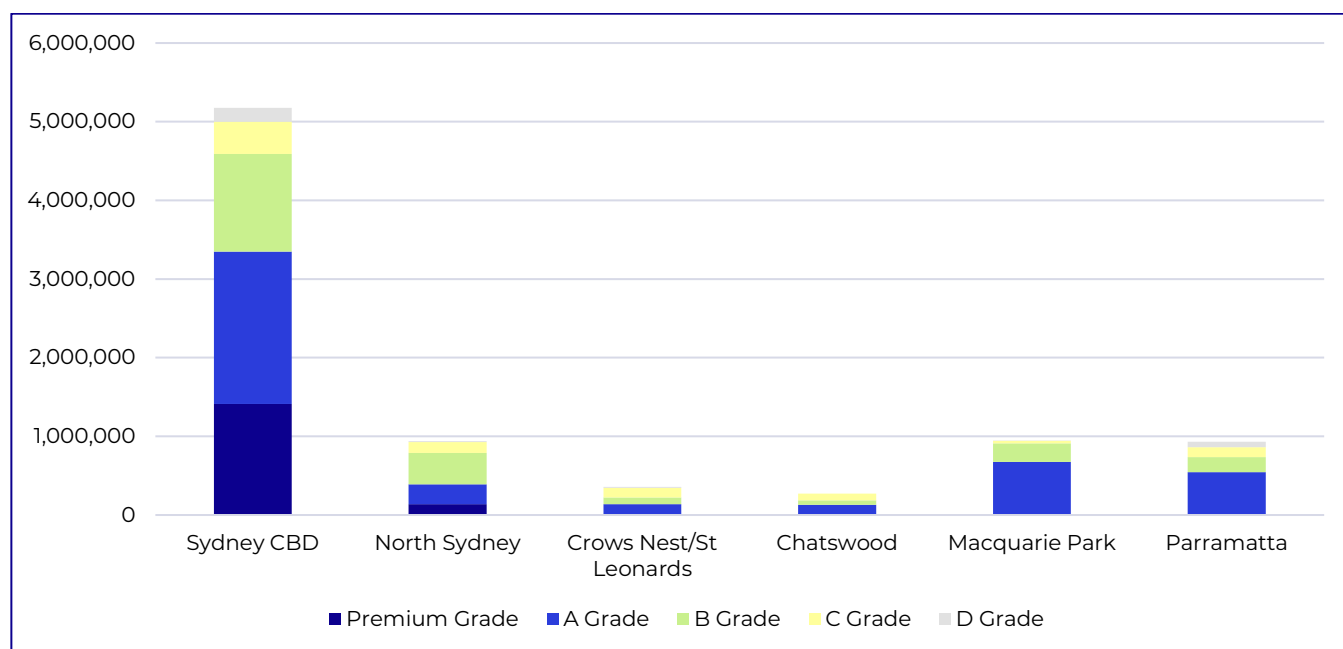


Figure 5 Total Office Stock by Grade – Major Sydney Markets

Source: PCA Office Market Report, July 2024

Major markets across Sydney are underperforming since COVID-19, as is evident by persistently high vacancy rates that have failed to recover to pre-pandemic levels (see **Figure 6**). Across major markets in Sydney, there is around 1.35 million square metres of vacant commercial office floorspace. This includes 601,636m² of vacant floorspace in Sydney CBD (11.6%).

Major markets outside Sydney CBD have tended to experience greater levels of underperformance with vacant floorspace of 182,360m² in Macquarie Park (19.3%), and 221,180m² in North Sydney (23.5%). **These vacancy rates are well above the historic vacancy rates for major markets such as Greater Sydney and Parramatta, estimated 6-7% on average over 20 years to January 2020.**

North Shore markets (including Chatswood and Crows Nest/St Leonards) have proven to be the least resilient, demonstrated by high vacancy rates relative to other markets, particularly when compared to historic levels. Specifically, Chatswood CBD has seen an increase in vacancy from 5.7% to 20.6%, equating to 55,720m² of vacant floorspace. Notably, around 58.4% of vacant floorspace is driven by the prime grade market, which recorded vacancy of 25.1% in July 2024 (PCA OMR).

This vacancy data demonstrates that the commercial office market in Sydney overall is currently underperforming, even within major markets. With **smaller and less well-located markets tending to underperform compared to larger and better located markets (e.g. Sydney CBD).**

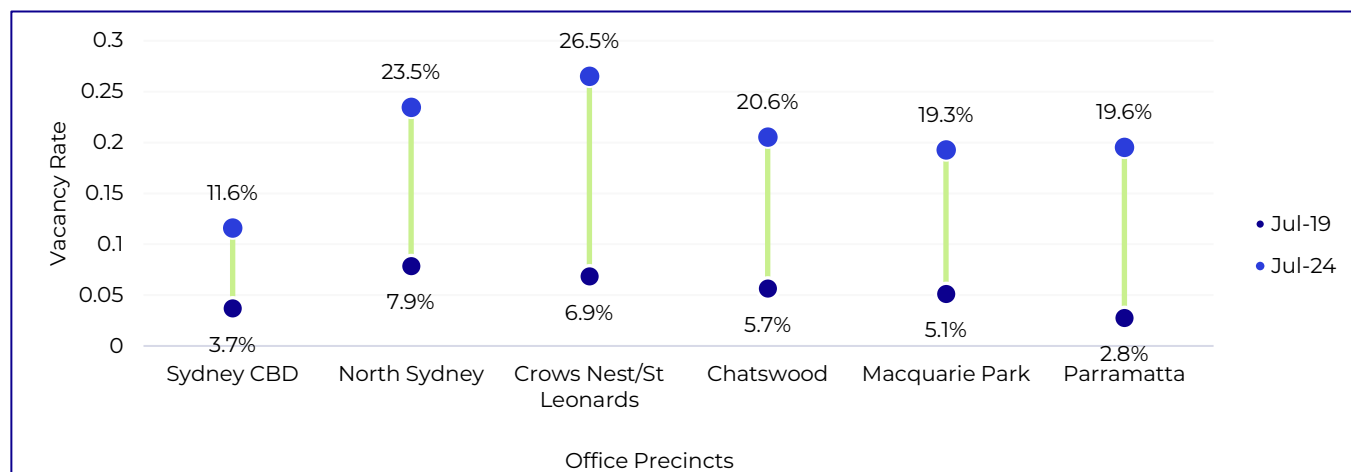


Figure 6 Office Vacancy (total vacancy %) -Major Sydney Markets

Source: PCA Office Market Report, July 2024

The amount of new supply planned in the metropolitan office markets has also been steadily increasing. Currently there is significant amount of development activity underway or planned in growing markets such as Sydney CBD with +636,860m² of additional floorspace planned. The amount of new supply across each market is outlined in **Figure 7**.

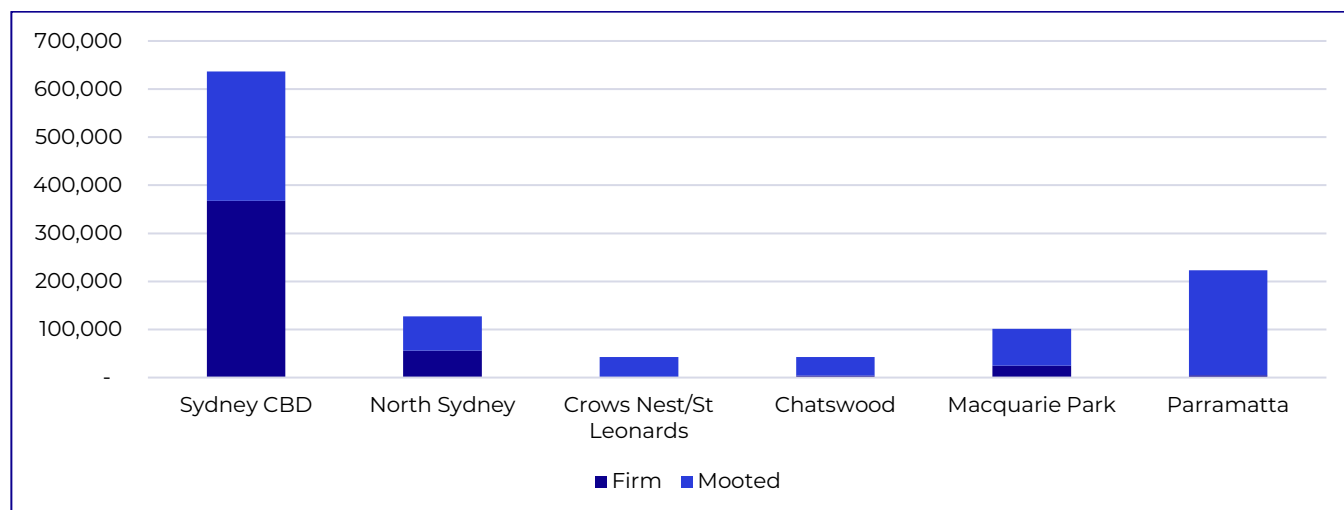


Figure 7 Future Office Supply – Major Sydney Markets

Source: PCA Office Market Report, July 2024

In addition to these metropolitan markets, a range of office tenants also seek out spaces in city fringe locations such as Redfern, Pyrmont and Surry Hills. More recently, major development and investment in key areas such as South Eveleigh have emphasised the appeal of these types of locations, particularly with companies focused around technology, innovation and creative industries.

There is currently a combined total vacancy rate of 15.5% (1.4 million square metres) of commercial floorspace across major Sydney office markets with 1.1 million square metres of new development activity in the pipeline. Wollri Creek does not offer the same competitive advantages or drivers necessary for commercial office development as compared to other major Sydney office markets. Challenging conditions are likely to prevail as a result of subdued market demand and strong development pipeline in more centralised and strategic locations than Wollri Creek.

5.3 Current Competitive Context

This sub-section provides an overview of Wolli Creek's *current competitive context* compared to other competing centres within the surrounding region. This information draws upon information from local and regional context, strategic context, and economic context sections above.

A summary of Wolli Creek and other competing centres is provided in **Table 7**.

Table 7 *Summary of Key Centres by Land Use Type*

Centre	Distance	Strategic Role and Function	Residential	Commercial	Retail	Industrial	Health, Education, and Visitor Accommodation
Wolli Creek	-	Local Centre Focal point for neighbourhood providing access to frequently needed goods and services.	Major (established) An established high-density residential centre focused around Wolli Creek Station and towards Princes Highway and Marsh Street. Good accessibility to Sydney's employment centres High amenity open space areas. Good accessibility via transport infrastructure (roads and public).	Limited Primarily shopfront commercial with small employee requirements. No commercial office towers. Limited competitive advantage or market drivers for commercial offices.	Minor (emerging) Local centre containing an Aldi and Woolworths. Ground floor retail is provided within the 'town centre' of Wolli Creek, along Magdalene Terrace and Brodie Spark Drive, and Arncliffe Street. Range of retail stores focused on food and beverage and household services.	Minor (declining) Legacy industrial uses primarily along Princes Highway and Arncliffe Street. Many of these uses are anticipated to be redeveloped as high-density residential. It is anticipated that these lands will be redeveloped to high-density residential.	Limited Limited with lack of schools within the immediate local area. Number of health care providers located at ground level within Wolli Creek. Two visitor accommodation facilities primarily geared towards airport: Novotel Sydney International Airport; and CKS Sydney Airport Hotel.
Rockdale	3.0 km	Local Centre (Proposed Strategic Centre under LSPS) Provides civic and population serving functions and facilities.	Major (established) Primarily high-density housing concentrated near station and along Princes Highway and Bay Street. Low density housing also present. Moderate levels of amenity. Good accessibility via transport infrastructure (roads and public).	Minor (emerging) Shopfront commercial providing a range Civic and population and business serving functions. Limited commercial low to medium rise offices. Typically, older commercial office stock.	Minor Rockdale Plaza – sub-regional centre with some 22,180m ² of retail floorspace (GLA). 4 major tenants and 55 speciality stores. High street retail concentrated around station – Princes Highway, Bay Street, Railway Street, King St, and Frederick St. Range of retail stores focused on food and beverage, household services and business services.	Minor Existing industrial precinct located between Rockdale and Brighton Le Sand.	Minor Number of education facilities (high schools and primary schools), Most facilities concentrated in the south towards Kogarah. Number of health care providers. One visitor accommodation facility (Grand Hotel Rockdale).

Centre	Distance	Strategic Role and Function	Residential	Commercial	Retail	Industrial	Health, Education, and Visitor Accommodation
Mascot	3.2 km	Strategic Centre (twinned with Green Square). High-density mixed-use centre with employment focused around supporting Sydney Airport and logistics uses.	Major (established) Higher density residential. High amenity open space areas. Good accessibility via transport infrastructure (roads and public).	Major Shopfront commercial providing a range Civic and population and business serving functions. Number of low to medium rise commercial offices. Typically, older commercial office stock.	Minor (emerging) Ground floor retail concentrated around train station including Woolworths supermarket. Range of retail stores focused on food and beverage and household services.	Major (established) Existing industrial provides around higher order industrial uses, wholesale trade and distribution. Key advantages include proximity to international trade gateways (airport and Port Botany). Mix of urban services and industrial land concentrated between Mascot and St Peters	Minor Number of education facilities (primary schools and one high school). Number of health care primarily at ground level, eye speciality. Extensive number of hotels (10+) geared towards the airport.
Kogarah	4.3 km	Health and Education Precinct (Strategic Centre) High-density mixed-use precinct with regionally significant role in health associated with St George Hospital.	Major (established) Established mixed use centre with high-density residential focused around Kogarah Station and along train line towards Carlton. Moderate levels of amenity . Good accessibility via transport infrastructure (roads and public).	Minor Shopfront commercial providing a range Civic and population and business serving functions. Number of low to medium rise commercial office towers. Typically, older commercial office stock.	Major Kogarah Town Centre – neighbourhood centre with 4,300m ² of retail floorspace (GLA) with 2 major tenants and 24 speciality stores. Range of retail stores focused on food and beverage, household services and business services.	Limited Limited provision of industrial uses.	Major (established) Regionally significant cluster of health and education facilities including St George Hospital (public and private) and range of secondary and support healthcare services. Number of high schools, primary schools and TAFE. Medi stay facilities geared towards servicing visitors of the hospital and medical facilities.

Centre	Distance	Strategic Role and Function	Residential	Commercial	Retail	Industrial	Health, Education, and Visitor Accommodation
Green Square	5.2 km	Strategic Centre (Twinned with Mascot) High-density mixed-use precinct with significant levels of investment in recent years are transforming the centre.	Major (established) Established high-density precinct with significant pipeline of residential development underway. High amenity open space areas. Good accessibility via transport infrastructure (roads and public).	Major (emerging) Emerging commercial centre concentrated around Green Square. Strategic vision for significant provision of commercial office towers to create residential/commercial/retail precinct. Current mix of low to medium rise commercial offices, and shopfront commercial.	Major (emerging) East Village – Sub regional shopping centre with 32,800m ² of retail floorspace (GLA). One major tenant and 45 speciality stores. Ground level retail provided through mixed use developments around Green Square which includes a Woolworth metro. Range of retail stores focused on food and beverage, household services and business services.	Major (established) Existing industrial provides around higher order industrial uses, wholesale trade and distribution. Key advantages include proximity to international trade gateways (airport and Port Botany). Area is undergoing transformation away from industrial to residential and commercial	Minor Limited number of schools within the local area. Number of health care providers. Four visitor accommodation facilities primarily serviced apartments.
Hurstville	6.2 km	Strategic Centre High-density mixed-use precinct providing range of business, civic and population serving functions and facilities	Major (established) Good accessibility via transport infrastructure (roads and public)	Major Shopfront commercial providing a range Civic and population and business serving functions. Number of low to medium rise commercial offices. Typically, older commercial office stock.	Major Neighbourhood centre Extensive range of high street and strip retail focused on the eastern side of	Minor Limited industrial precincts primarily focused around urbans services.	Minor Number of education facilities (high schools and primary schools). Number of health care providers. A provision of visitor accommodation facilities.

Centre	Distance	Strategic Role and Function	Residential	Commercial	Retail	Industrial	Health, Education, and Visitor Accommodation
East gardens	6.7 km	Strategic Centre (combined with Maroubra Junction) Mixed use precinct; lacks direct access to train line	Minor (emerging) Significant levels of residential investment, although lacking direct access to train line.	Minor Number of low to medium rise commercial office towers	Major (established) Westfield Eastgardens – Major Regional shopping centre with 83,000m ² of retail floorspace. 7 major tenants and 210 speciality stores.	Major (established) Existing industrial provides around higher order industrial uses, wholesale trade and distribution. Key advantages include proximity to international trade gateways (airport and Port Botany). Range of urban services are also provided.	Minor Number of education facilities (high schools and primary schools). Number of health care providers. No visitor accommodation facilities.

Source: Various

Note: classification is defined as follows: Scale: Major/Minor/Limited; Growth Outlook: Established/Emerging/Declining

5.4 Future Competitive Context

This sub-section provides a high-level review of the future competitive context for Wolli Creek and its role and function. This section draws upon the pipeline of projects within the Cordell Connect database to understand current market interest and investment within Wolli Creek. For the purposes of this analysis, the future pipeline of projects within Bayside LGA has been considered.

A review of the Cordell Connect pipeline for Bayside LGA is illustrated in

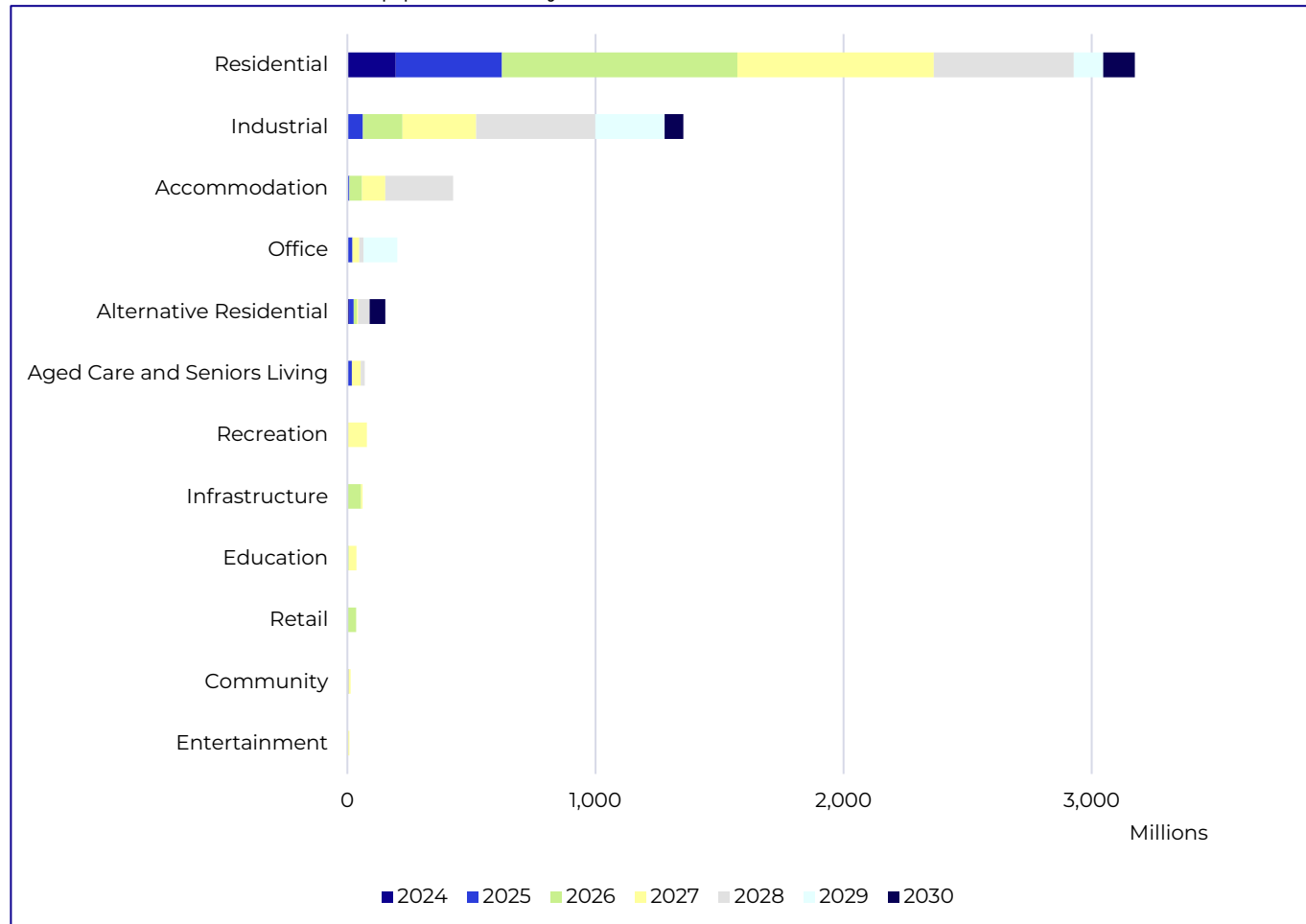


Figure 8, with key findings as follows:

- Within Bayside LGA there was an investment pipeline value of \$6.5 billion across 145 projects. Projects with residential as the primary use accounted for \$3.6 billion or 55.3% of the investment pipeline. Industrial (26.7%), accommodation (6.5%), and commercial (6.1%) projects accounted for the majority of the remaining investment pipeline.
- Within the PSA, there was total investment pipeline value of \$752.6 million across 27 projects. The vast majority of the investment pipeline was for all types of residential projects (97.9%), with the remaining value comprising recreation and education projects.
- There were 11 projects providing alternative housing options. Several projects provide boarding house accommodation and are generally 4-5 levels high with a small amount of ancillary ground floor retail or commercial uses. Two notable exceptions to this include the 13 storey student accommodation tower proposed in Mascot and the 8 storey co-living development proposed in Rockdale. There were two alternative residential projects located in the PSA (excluding the current co-living project considered at the Subject Site).
- Residential projects in strategic centres and train station precincts tend to contain an active ground floor component, often with a retail use, such as in Wolli Creek, Mascot, Arncliffe, Eastgardens and Rockdale.

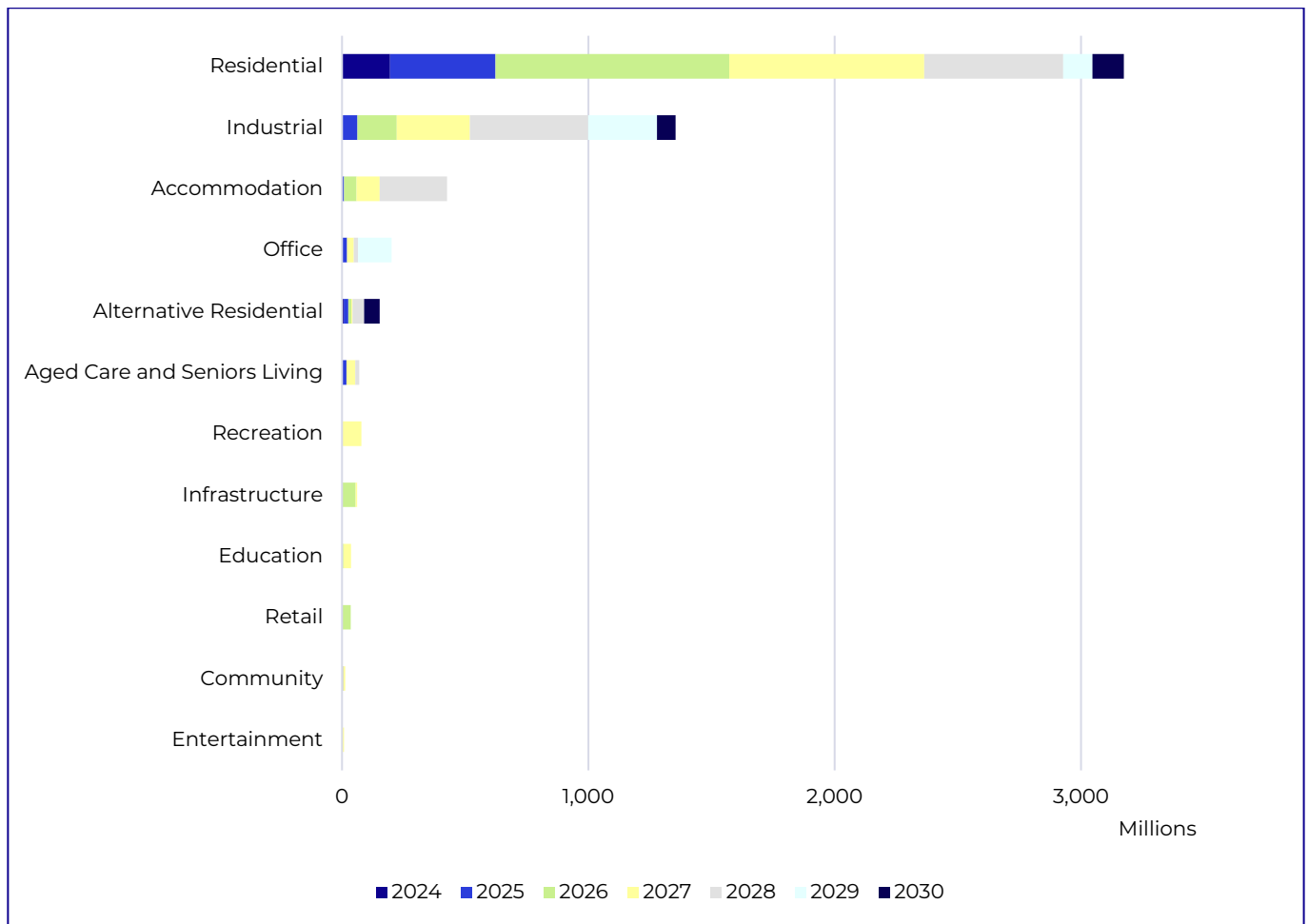


Figure 8 *Future Pipeline by Primary Use, Bayside LGA, 2024 to 2030*

Source: Cordell Connect

Notes: excludes projects with an estimated construction value below \$5 million

5.5 Key Findings and Considerations

- There is limited need for a significant provision of non-residential uses in Wolli Creek based on a review of businesses within the PSA with **the vast majority of businesses (93.8%) employing less than 4 people** per business or operating as non-employing (sole trader) businesses.
- Overall, a review of the commercial office market indicates:
 - **Currently there is over 8.6 million square metres of floorspace** provided in key metropolitan centres and major markets throughout Sydney;
 - Vacant floorspace is estimated at around 1.3 million square metres; and
 - Additional future supply is estimated at over 1.1 million square metres.
- In this context, the commercial office market is highly competitive for any potential commercial development in Wolli Creek.
- Challenging conditions for Wolli Creek are likely to remain overall for non-residential uses, as a result of subdued market demand and the level of new development activity that has been identified in the local and regional area.
- A review of the Wolli Creek competitive context indicates that a number of strategic centres and employment centres in close proximity have an established provision of commercial office space. In this context, **Wolli Creek is positioned below these centres in terms of the ability to attract occupier interest and market investment for non-residential uses.**
- **Bayside Council has identified Rockdale as a strategic centre. Rockdale is located 3km from Wolli Creek and will add additional competitive pressure for any significant non-residential uses at Wolli Creek.**
- In this context, other centres in proximity to Wolli Creek are better suited for non-residential uses (including commercial office, health and education and visitor accommodation uses). Wolli Creek is unable to directly compete with these centres and is best positioned to continue to focus on the delivery of high-density residential uses. This will benefit future residents of Wolli Creek and complement these surrounding centres.
- A review of future pipeline of investment activity reveals that within the PSA the overwhelming majority of market activity is focused on delivering residential uses. The level of residential investment activity accounts for the majority of the investment pipeline by value within Bayside LGA. Active ground floor or retail uses are commonly provided as part of a mixed use development supporting residential uses, which highlights the role retail can play in activating the ground floor and local streets.

Overall, this Section finds that market drivers support a development pipeline focused on residential uses, with business activity limited to serving the local population. Further, the majority of local businesses are small businesses employing a small workforce. As a result, there is limited potential for significant non-residential occupiers and uses within Wolli Creek and the PSA. In this context, uses within Wolli Creek should be focused on the delivery of higher density residential and associated ancillary uses.

6.0 Market Potential Assessment

This Section provides a high-level market potential assessment and commentary outlining the opportunity for non-residential floorspace at the Subject Site. This review takes into consideration findings from the previous sections of the Report along with a review of relevant economic trends and key success factors for non-residential and residential uses.

6.1 Economic Trends of Relevance

A number of key economic trends have emerged in recent years that have implications for physical property including residential, retail and commercial uses. Key trends as they relate to the Subject Site are outlined.

6.1.1 High-density living and live/work/play centres

Sydney is continuing to evolve with areas of high-density, particularly focused around key public transport nodes. This trend will continue as Sydney's population grows and land remains constrained. As a result, there has been increased demand for locations where people can reside that is still close to jobs, amenities, as well as community and social infrastructure. Wolli Creek is a prime example of a higher density, high amenity precinct.

Some of the key success factors attributed to a vibrant higher density precinct include:

- Walkability and access to public transport.
- Adjacent to retail facilities.
- Accessibility to employment centres.
- Accessibility to education and health facilities.
- Vibrancy and amenity.
- Access to quality public open spaces.

6.1.2 Rising costs and housing diversity

Housing affordability in Australia remains a social, economic and political challenge. The ability to provide for increased housing stock and diversity (across a range of sizes and price points) in key strategic centres and locations, will support affordability and result in increased community benefit.

Based on the latest ABS 2021 Census results, some 14.5% of Australian households are living in mortgage stress, while 32.2% are living in rental stress. Housing stress is defined as more than 30% of household income spent on mortgage repayments or rental payments.

In the current economic climate, rising inflation and interest rates, will add further to pressure on household finances. Reflecting the decline in economic conditions in the past 18 months, it is likely the figures summarised from the 2021 Census may understand housing affordability challenges for households nationally.

The ability to provide for increased housing supply and additional dwellings in close proximity to amenities, will help to provide for more desirable and affordable housing options for the local community. This is particularly important as within the PSA the median monthly rental repayment as a share of median household income was 24.8%, compared to 23.0% across the balance of Greater Sydney (2021 Census). These expenses have likely increased as a result of significant increases in interest rates over the last few years since the 2021 Census which has been following by strong increases in rental levels.

6.1.3 Benefits of walkable, mixed-use neighbourhoods

Co-locating housing, employment, social infrastructure, retail, public transport and daily living needs in dense, mixed-use precincts supports urban activation and amenity. Clustering destinations, such as housing, shops, schools, libraries, cafes, medical centres and so on, makes it more convenient for residents to access a variety of needs within one location. Mixed-use precincts encourage walking and active transport, supports the viability of local retail and social infrastructure, as well as increased activity on the street and improved perceptions of safety.

The co-location of housing, social infrastructure, and services has the potential to significantly decrease car dependency and encourage walkability. Walkability can have substantial effects on the health and wellbeing of populations:

'People who live in a pedestrian-friendly designed environment participate much more in social life and have greater confidence in their environment. That proved a significant gain in 'social capital' and thus a better quality of life... Against this backdrop walkability is understood as a comprehensive approach for a liveable sustainable city and does not only mean walk-friendliness. (Tran, 2021)¹

6.1.4 Commercial office requirements

Tenant demands and requirements within the commercial office market are continually evolving. In recent times, there has been a move towards more open plan, flexible spaces that provide collaborative workspaces, seamless integration with technology and incorporate sustainable initiatives.

There has been a heightened focus on employee and tenant wellness, and the impact that buildings can have on overall human health. This has emerged through initiatives such as the WELL Building Standard (WELL), described as a “performance-based system for measuring, certifying, and monitoring features of the built environment that impact human health and wellbeing, through air, water, nourishment, light, fitness, comfort, and mind” (Well Building Institute).

The attributes of a ‘WELL’ certified building are important aspects that a new building can offer, particularly in capturing and maximising the relationship between people’s health and the built environment.

It should be noted that tenant requirements evolved as a result of COVID-19. It is expected that many of these trends are unlikely to change including the importance of technology enabled workspaces and the ability to provide a safe and healthy work environment.

Market sounding and research undertaken by this office across Sydney metropolitan office markets relating to tenant and occupier requirements, indicate that:

- Occupiers have preference for prime quality buildings with available space that provide large contiguous floorplates with efficient building layouts and high quality design.
- Preferred floorplates for major occupiers are whole floors with large floorplates of at least 1,500m² or larger.
- Occupiers seek high quality spaces that typically achieve sustainable and wellness outcomes including NABERS, Green Star and WELL ratings.
- Tenants seek flexible spaces that allow for up and down scaling, active working spaces that enable collaboration internally and externally, and 24 hour access.
- Clustering benefits including being within activated spaces that offer retail amenities, outdoor open space and accessibility to public transport.

6.1.5 Alternative Residential Housing Products

Alternative residential housing products are emerging that differ from the traditional build to sell (BTS) houses that has typically been provided.

Build to Rent (BTR)

The BTR model focuses on providing dedicated rental housing that is held in a single ownership structure and professionally managed and operated to serve long term renters, with a direct benefit of security of tenure. While a relatively new concept to the Australian market, the BTR concept (or multi-family) is increasingly popular in international markets including the US and UK, accounting for a significant proportion of overall residential apartments.

The BTR model differs to key worker accommodation, in that it offers premium rental accommodation rather than affordable rental housing. BTR is a highly beneficial housing model for a younger demographic that prefer to rent rather than own a property, or for simply those who cannot yet afford to own a home but desire long term housing rental security and higher quality amenity. Other key benefits of the BTR model at Wolli Creek context include:

- According to data from the ABS 2021 Census, 53.1% of dwellings in the PSA were rented, compared to 36.1% of all dwellings in the Greater Sydney area.

¹ Tran, M. 2021, 'Healthy cities – walkability as a component of health-promoting urban planning and design', Journal of Sustainable Urbanization Planning and Process, vol. 1, no. 1.

- Increasing housing supply and diversity in an attractive, well-located area, such as Wolli Creek: The BTR model provides a new asset class and investment opportunity for a wider range of private and institutional investors to facilitate the delivery of private dwellings. This additional supply allows for new rental stock that can appeal to a more diverse population. This is particularly important for a young population, downsizers, students or moderate to medium income households that would otherwise have to either pay more to live in an area like Wolli Creek or move to a location further away with a greater supply of (and more affordable) rental properties. This model is well suited to the demographic profile of the PSA, including a young or working population that are likely to live in rental accommodation as a result of housing affordability constraints. In the context of the PSA, such occupiers might include students, young couples and singles, and downsizers.
- The BTR model supports additional levels of employment compared to a BTS model. This is attributed to the focus on long term rental units and additional facilities and operation management that supports a larger ongoing employment base compared to a BTS property.
- Provision of facilities and amenities that are typically of a higher quality than comparable BTS products. The BTR model typically operates with on-site management that ensures a quality physical environment that adds to the appeal of the local community. A single owner also means it is easier to carry out maintenance workers and upgrades than under a BTS strata owned residential model.
- Increased security of tenure and peace of mind through longer lease agreements and single ownership (both for renters and the owner of the property) – supporting additional and continued capital investment - supporting the local economy as well as adding to longer term cultural and social ties across the local community.
- Incentivises investment in initiatives with longer term benefits such as environmental, community and sustainability initiatives. A BTR model with a single, longer-term owner encourages investment in areas that will attract tenants for the longer term and also enables a long-term view of asset performance, cashflow and costings.
- Product is aligned to the local community requirements: BTR projects typically accommodate additional shared and communal facilities, this not only facilitates additional community interaction and a sense of belonging for residents, but the larger communal and shared spaces also enable the ability to provide smaller private areas. As a result, BTR developments can provide more efficient use of space, accommodating greater number of smaller private dwellings by taking advantage of shared spaces that include the delivery of facilities such as gym, co-working spaces, lounge facilities etc.
- Suitability located within a high amenity area: A BTR product at this site would be situated within an evolving mixed used precinct, and on a site with strong locational attributes including close proximity to other major centres, public transport networks (bus and future metro), employment, and key infrastructure.

Co-Living

The co-living model is similar to BTR in that it provides communal areas and facilities, and also typically under single site ownership and management. However, the concept provides rental accommodation with a minimum 3-month tenancy and focuses on private rooms with shared living spaces (among other possible shared facilities and spaces such as dining facilities, laundry etc.) As a result co-living often targets occupiers seeking a medium term tenure at a more affordable price-point.

The model has similar locational drivers to a BTR product with both housing types typically built in well-connected areas. While there is no affordability requirement for co-living, it typically targets a moderate income segment of the market. This would strongly align with moderate income households in the region, presented in Error! Reference source not found. previously.

Underpinning the co-living model is the provision of shared and communal spaces that support day to day needs. Similar to BTR, the provision of large communal spaces means private areas can typically be smaller and more efficient when compared to a standard BTS product. Co-living typically provide 'less premium' amenities when compared to a BTR product, and typically supports communal living areas such as kitchens, lounges, and outdoor spaces etc. A review of co-living case studies shows that the following is typically supported:

- | | |
|---|-------------------------------------|
| • 30-50+ rooms in a co-living development | • Storage Cage |
| • Communal Area | • Bicycle Storage |
| • 24/7 Security Surveillance | • Games Room and Recreational Areas |
| • On-site Laundry facilities | • Co-working spaces |
| | • Rooftop and BBQ facilities |

A co-living product at the Subject Site would be appealing to moderate income earners throughout all stages of life. As the product can support a broad segment of the population, it can deliver deeper connections with community, with the potential to also promote intergenerational communities.

A major demand driver for the co-living model at the Subject Site is the centrality to health, medical and education precincts and clusters such as those in Kogarah, Hurstville, Burwood, Camperdown and Randwick. The need to house nurses, students and other key workers, as well as disadvantaged segments of the population, will accelerate alongside immediate population growth projected for Wolli Creek and the broader PSA, with Discovery Point already nearing maximum capacity. A co-living offer would also complement the existing housing stock by adding to diversity of choice and price points.

6.1.6 New Housing Targets

In order to align with the Housing Accord target of 1.2 million homes by 2029, NSW was set 377,000 new dwellings. To that end, the NSW Government has released 5-year housing completion targets for 43 councils across Greater Sydney, Illawarra-Shoalhaven, Central Coast, Lower Hunter and Greater Newcastle and 1 target for regional NSW.

These targets replace outdated targets previously set by the Greater Sydney Commission and have been published ahead of the commencement of the National Housing Accord timeframe, and reflect NSW's commitment to deliver 377,000 new dwellings across the state by 2029.

The targets represent **a rebalancing of growth from greenfield land releases in Western Sydney with an emphasis on increasing housing density in well located areas close to existing infrastructure**. Despite this, the largest housing targets are still centred on Western Sydney, particularly The Hills, Blacktown, and Parramatta.

The Council based targets and snapshots provided identify how many dwellings are in the pipeline, and how many more are expected to be delivered under policy announcements.

The targets are supported by \$200 million of financial incentives for councils that achieve their housing targets, and will be used to deliver new infrastructure including roads, open spaces and community facilities.

The housing target for The Hills Shire is the largest overall housing target in Greater Sydney, Illawarra-Shoalhaven, Central Coast, Lower Hunter and Greater Newcastle.

A target of 10,100 new completed dwellings by 2029 has been set for Bayside Council. Approximately 6,500 dwellings are already estimated to be within the development pipeline or identified as part of planned growth over this timeframe. A further 3,600 dwellings are therefore expected to be delivered based on factors such as existing infrastructure, ongoing investments, and local constraints (See **Figure 9**).

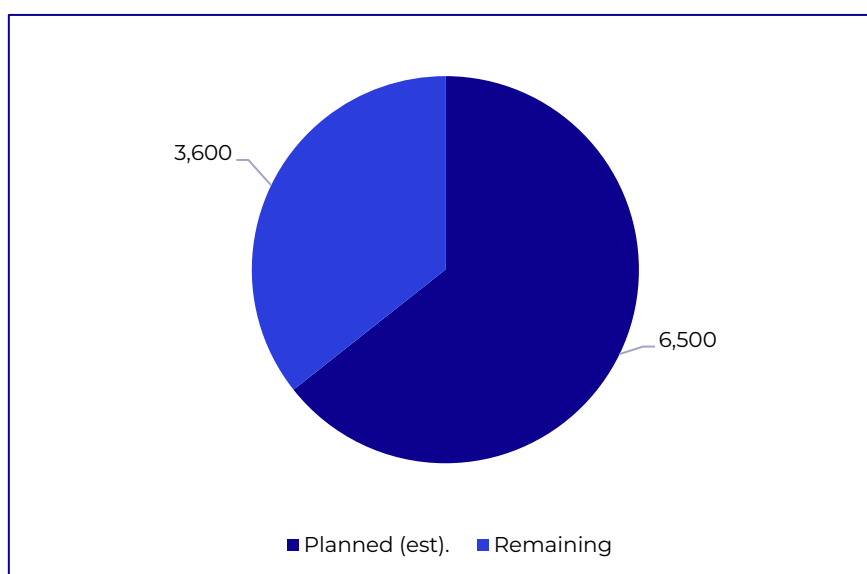


Figure 9 Bayside Housing Target by 2029

Source: DPHI, Ethos Urban

6.2 Success Factors

In order to review the relative opportunity for various key uses at the Subject Site, a high-level review of key success factors has been undertaken. For the purposes of this assessment key success factors has been reviewed against major uses including Residential, Retail, Commercial, and Health, Education and Visitor Accommodation.

The identified success factors include:

- **Profile and Exposure:** Site positioning and location to key movement corridors
- **Access and Carparking:** Site accessibility (private and public) and provision of carparking
- **Critical Mass:** Ability to cluster/collocate with other complementary businesses/uses
- **Competitive Environment:** Level of competing supply in the local market (Section 5)
- **Amenity and Activation:** Levels of retail, site movements and community services provided
- **Demand Outlook:** Strong growth projections in the local market (Section 4)
- **Alignment to Strategic Planning:** Policy objectives and government vision is supportive (Section 3)

For each driver, a simple traffic light system has been adopted as follows:

- **Green:** Positive alignment (rates favourably)
- **Orange:** Equally positive and negative alignment (rates as a neutral result)
- **Red:** Negative alignment (rates poorly)

A summary of the overall opportunity or potential for each use is then presented taking into account the results of the 'score' across each of the major drivers. As outlined, the uses that present as the most logical and with the highest chance of success include Residential and Retail uses.

The potential for non-residential uses is impacted due to the Subject Site lacking necessary factors to ensure a successful large scale operator or significant provision of non-residential uses. In particular, for commercial office uses, the Subject Site is not located within an established commercial business cluster, with limited commercial office occupiers currently located in the immediate precinct. As such, the ability for businesses to achieve agglomeration benefits is substantially impacted. Similarly, the presence of a range of larger, higher-order centres and hubs, in the immediate precinct (including at Rockdale, Kogarah, Marrickville, Mascot etc.) mean that there is a highly competitive environment for commercial office uses.

Other significant non-residential uses including health, education and visitor accommodation are similarly impacted by the highly competitive environment and limited demand outlook for these uses in the local area. Other key factors for success for these uses that are not as prevalent at the Subject Site include reduced profile and exposure, critical mass of complementary uses and alignment to strategic planning objectives. Within the surrounding region, other centres such as Rockdale, Kogarah and Mascot are better positioned and able to support a critical mass of these uses more effectively.

The review of success factors indicates that there is potential for retail uses at the Subject Site which would be well placed to complement the resident population. Convenience based retail is likely to have the highest potential given the Subject Site's proximity to Wolli Creek Station and existing retail facilities within Discovery Point.

Table 8 Success Factors for by Use

Measure	Residential	Retail	Commercial	Health, Education and Visitor Accommodation
Profile and Exposure	●	●	●	●
Access and Car Parking	●	●	●	●
Critical Mass	●	●	●	●
Competitive Environment	●	●	●	●
Amenity and Activation	●	●	●	●
Demand Outlook	●	●	●	●
Alignment to Strategic Planning	●	●	●	●
Growth Potential	●	●	●	●

Source: Ethos Urban

6.3 SWOT Analysis

A high-level SWOT analysis has been completed in order to better understand the relative Strengths, Weaknesses, Opportunities and Threats (SWOT) associated with each of the potential uses at the Subject Site. This includes for major non-residential uses including retail, commercial office, health, education and visitor accommodation.

Results highlight that each use has a range of positive and negative attributes that can be considered when assessing the relative potential. However, **the opportunities and constraints overall show significantly higher risk associated for commercial office uses**, this is attributed to the following:

- Lack of established reputation as a key commercial destination
- Highly competitive environment with a range of larger, higher-order commercial centres in the region
- No single institution (such as university or hospital) to act as a key driver for businesses.
- Limited provision of other commercial office uses in the immediate precinct (impacting clustering benefits)
- Real risk of long-term vacancy (and underutilised site) should a requirement to enforce commercial office use be implemented.

Table 9 Summary of Growth Potential by Use

Measure	Residential	Retail	Commercial	Health, Education and visitor accommodation
Strengths	<ul style="list-style-type: none"> Existing high-density residential. Excellent access to key employment centres for white collar and blue-collar workers. Excellent access to major transport infrastructure. Walkable to train stations and range of amenities, retail facilities, and community services. 	<ul style="list-style-type: none"> Existing high-density residential. Most of the retail offering is easily accessible, and well located within Wolli Creek with excellent access via Wolli Cree Station. Critical mass of existing convenience-based retailers. 	<ul style="list-style-type: none"> Accessibility via train line and major arterial roads. Excellent access to local worker population. Transport, retail, services, and amenities in easy walking distance. 	<ul style="list-style-type: none"> Accessibility via train line and major arterial roads. Excellent access to local worker population. Transport, retail, services, and amenities in easy walking distance.
Weaknesses	<ul style="list-style-type: none"> Limited development size and scale of opportunities, with few sites remaining in proximity to Wolli Creek Station. 	<ul style="list-style-type: none"> Configuration limits the size and scale of potential anchor tenant/s. Limited at-grade carparking may impact potential tenants. Existing provision of convenience-based retail may limit tenant demand. 	<ul style="list-style-type: none"> Lack of existing commercial offices and/or cluster. Limited provision of key institution or anchor employer/business. Configuration limits the size and scale of potential anchor tenant/s (large floorplates etc.) More limited exposure than other clusters. Lack of known brand/profile for precinct. Depth of market demand given provision of small occupiers, not major commercial users. Wolli Creek as largely a residential community. 	<ul style="list-style-type: none"> Configuration limits the size and scale of potential anchor tenant/s. More limited exposure than other clusters. No major health/education anchor tenant or institution at Wolli Creek or within 2km. Lacks major draw card to secure key operator. Wolli Creek perceived as residential community.
Opportunities	<ul style="list-style-type: none"> Ability to serve ongoing population growth. Development of last remaining site to complete vision for Discovery Point. Revitalise and transform remaining legacy industrial uses within Wolli Creek. Improve housing diversity within the local market. Opportunities for alternative housing products (e.g. co-living or BTR) to provide range of rental price points for residents. Activate the site for extend hours throughout the day and week. 	<ul style="list-style-type: none"> Capture additional demand from growing population on-site. Enhance amenity and activation within high-density residential centre. Ability to trade for extended hours throughout the day and week. 	<ul style="list-style-type: none"> Growing and high skilled workforce in immediate area. Ability to tap into small start-ups and local businesses. 	<ul style="list-style-type: none"> High skilled workforce. Ability to service growing population. Young professionals and families will require key services. Activate the site for extend hours throughout the day and week. Airport drives demand for visitor accommodation.
Threats	<ul style="list-style-type: none"> Traffic generation impacts potential for more residential. Current affordability pressure could price out key workers and make Wolli Creek less affordable for segments of the community. 	<ul style="list-style-type: none"> Traffic generation impacts potential for larger retailers. Larger retail centres in the surrounding region continue to expand adding to competitive pressure. Household budgets (and retail expenditure) under pressure through inflation and cost increases. 	<ul style="list-style-type: none"> Ability to achieve enough critical mass and clustering to support attractive precinct. Other nearby competing centres continue to grow - including Rockdale (Council have identified as potential strategic centre). Risk of long-term vacancy if tenants cannot be secured – impacts to viability but also activity and market perception of Wolli Creek. 	<ul style="list-style-type: none"> Existing clusters and health and education precincts within surrounding region. Spill-over effects from health and education facilities remains limited. Investment is primarily driven by large institutions and government policies that may overlook the City Centre. Mascot and other locations, better placed to absorb demand for visitor accommodation facilities.

6.4 Assessment of the Proposal: Co-living and Ground Floor Retail

Bayside Council is projected to continue to grow in the years ahead, with a further 27,000 residents anticipated to be accommodated over the period to 2036, representing over 2,000 additional residents each year.

Historically Discovery Point and Wolli Creek have supported a high proportion of residential growth, and the locational attribute highlight the strong demand for continued growth should appropriate stock be provided. A review of the Primary Study Area show that population growth is anticipated to slow compared to historical levels, but at rates that still support an additional +7,970 residents by 2041, at an average annual growth rate of +470 residents.

Compared to future resident population growth, future employment growth is anticipated to remain relatively subdued. This indicates the role and function primarily as a residential community based on official projections for population and employment growth.

The need for additional housing supply is well documented and a priority at all levels of government, with housing affordability in Australia remaining a social, economic and political challenge. The ability to provide for increased housing stock and diversity (across a range of sizes and price points) in key strategic centres and locations, will support affordability and result in increased community benefit.

In accordance with the National Housing Accord, a housing target of 10,100 new completed dwellings by 2029 has been set for Bayside Council. Approximately 6,500 dwellings are already estimated to be within the development pipeline or identified as part of planned growth over this timeframe. However, a further 3,600 dwellings are therefore required to be delivered and considered possible based on factors such as existing infrastructure, ongoing investments, and local constraints.

Strategic planning emphasises the need to provide a range of price points and access to affordable housing to accommodate all segments of the community. Greater housing diversity is emphasised in Bayside local strategies as something that should be delivered as part of the changing needs of a growing local community. As a result, other alternative housing models beyond traditional build-to-sell products should be targeted to support diversity. Co-living and build-to-rent are increasingly being considered.

Co-living housing provides compact rental accommodation for a range of occupants, with minimum tenancies of 3 months. It is typically built in well-connected areas, where residents have convenient access to work, study and recreation. While not subject to an affordability requirement, the shared facilities and smaller housing typology often associated with co-living products can result in a more affordable product when compared to market averages. This is important in the context of build-to-rent which is not always an 'affordable' rental alternative, with rental costs typically higher than average market rents.

Diverse housing choices are highlighted as being well-suited to the Subject Site given the array of employment opportunities within the 10km catchment, in addition to the elevated level of dwellings under rental tenure. Within Wolli Creek and Discovery Point, over 60% of all occupied private dwellings are rented, almost double the Greater Sydney average. This highlights the need to support a diverse range of rental products in this market, including co-living.

The ability to provide for increased housing supply and additional dwellings in close proximity to amenities, will help to provide for more desirable and affordable housing options for the local community. This is particularly important as within the Primary Study Area the median monthly rental repayment as a share of median household income was 24.8%, compared to 23.0% across the balance of Greater Sydney (2021 Census). These expenses have likely increased as a result of significant increases in interest rates over the last few years since the 2021 Census which has led to an increase in rental levels over the same period as these costs are passed on.

A major demand driver for the co-living model at the Subject Site is the centrality to health, medical and education precincts and clusters such as those in Kogarah, Hurstville, Burwood, Camperdown and Randwick. The need to house nurses, students and other key workers, as well as disadvantaged segments of the population, will accelerate alongside immediate population growth projected for Wolli Creek and the broader PSA, with Discovery Point already nearing maximum capacity.

The proposed co-living development (with 217 rooms) would help to address a proportion of the strong identified market need for additional residential dwellings in high amenity and accessible locations. In addition, the co-living offer of the scale proposed would be highly complementary to existing facilities in the local community. The proposal would provide an increased diversity of housing stock and dwelling

typology that will ultimately support a greater range of occupiers across a broader section of the community to the long term benefit of the community.

The review of success factors indicates that there is strong potential for residential uses as well as retail uses at the Subject Site, which would be well placed to complement the resident population. Convenience based retail is likely to have the highest potential given the Subject Site's proximity to Wolli Creek Station and existing retail facilities within Discovery Point. Such an offer would complement and serve local residents while adding to amenity and activation as well as support employment outcomes at the Subject Site.

Success factors suggest residential and supporting retail uses should be prioritised, as Wolli Creek functions as a successful high-density residential community that provides a place for workers to live and access key employment centres within Sydney (including the Sydney CBD, airport, etc.). This aligns with the strategic direction for Wolli Creek and would assist in achieving a number of strategic objectives for Council and the city.

6.5 Recommended Uses and Considerations

The key market findings from this review highlights the strong market need for residential uses and specifically co-living, as compared to non-residential uses where there is limited demand. A provision of convenience and service based retail uses on an active ground floor would also be strongly supported, adding to the level of amenity.

A summary of the market findings indicates:

- There is limited potential for commercial office development at the Subject Site with constraints considered too high for commercial uses to be considered as a dominant use. The size and profile of local businesses, combined with projected growth, further suggest that the market demand for commercial office floorspace in Wolli Creek is limited.
- Other surrounding centres will continue to remain the focus for market investment, supported by a critical mass of tenants and government support. These centres will remain the hubs or destinations for commercial office occupiers and tenants given the existing clustering benefits and exposure.
- Success factors suggest residential and supporting retail uses should be prioritised, as Wolli Creek functions as a successful high-density residential community that provides a place for workers to live and access key employment centres within Sydney (including the Sydney CBD, airport, etc.). This aligns with the strategic direction for Wolli Creek and would assist in achieving a number of strategic objectives for Council and the city.
- The Subject Site is impacted by the limited provision of major facilities and institutions that can support non-residential uses (including major education and health services). The nearest hospital is 4.5km from the Subject Site, while the nearest university is 5kms away. Visitor accommodation within the local area is orientated towards servicing needs arising from users at the airport, with other sites in the local area better suited to meet customer needs.
- The Subject Site is not aligned with key success factors required to support non-residential uses. The site is not located within an established institution or commercial business cluster, with limited commercial office occupiers currently located in the immediate precinct. The ability for businesses to achieve agglomeration benefits is substantially impacted.
- The potential for health, education and visitor accommodation uses are similarly impacted by the surrounding competitive environment, and demand outlook for these uses in the area. The presence of a range of larger, higher-order centres and hubs, in the immediate surrounding area (including at Rockdale, Kogarah, Marrickville, Mascot etc.) mean that there is a highly competitive environment for non-residential uses including retail, commercial office, health and education and visitor accommodation.
- A SWOT analysis of Wolli Creek and the Subject Site for key uses, indicate that there are overwhelming constraints for non-residential uses due to a lack of reputation as a key non-residential destination; highly competitive regional environment; no institution to act as an anchor tenant; and limited higher-order business clustering.
- There is a real risk of long-term vacancy (and an underutilised site) should a requirement to enforce a significant non-residential floorspace requirement be implemented at the Subject Site.

- The Subject Site represents an ideal location for convenience based retail and shopfront uses that support a strong residential focus. The Subject Site aligns with the success factors for ground floor retail facilities, and the location presents an opportunity to enhance the vibrancy and amenity of Wolli Creek through complementary uses including residential and retail.

Wolli Creek should continue to provide high-density residential uses with limited potential for non-residential use. In this context, it is recommended that non-residential use at the Subject Site be changed to residential use within a proposed mixed-use development, comprising co-living residential rooms with active ground floor uses also considered suitable from a market demand perspective.

7.0 Conclusion

This Report provides an independent retail and commercial needs analysis to justify the proposed change in non-residential floorspace across the Subject Site. The analysis takes into consideration the existing provision and demand for retail and commercial uses on the Subject Site, and across the wider defined catchment area. This Report has considered the viability of non-residential uses at the Subject Site from a market perspective with consideration to the regional role and function of Wolli Creek as well as alignment with government strategic policies.

Ultimately, the analysis finds that there is limited potential for non-residential uses at the Subject Site beyond convenience-based retail and shopfront uses at the ground level. A summary of key findings of this assessment includes:

- **Over the past 10+ years there has been limited operator, occupier, developer or market interest for non-residential uses at the Subject Site.** A range of uses have been explored at the Subject Site including commercial office, student accommodation, visitor accommodation and health services including a private hospital; however, with each ultimately unsuccessful.
- **Recent Council research and plans acknowledge the market shift from non-residential to residential uses in the area.** The Urban Renewal Area Contributions Plan 2019, recognises that the land use planning strategy for Wolli Creek has evolved since the early 2000s from a mix of residential, commercial and retail uses towards supporting more dwellings and residents, and significantly fewer workers. Council notes that this has been driven by market demand factors and drivers for residential uses in Wolli Creek.
- **Wolli Creek is a designated 'local centre' within the policy framework, therefore with a limited role for significant non-residential uses.** Local centres are designated to support the immediate needs of local residents only. There are five higher-order 'strategic centres' within 5 km of Wolli Creek including Rockdale, with these centres the primary focus for non-residential and higher-order uses including significant retail, commercial, health, education, and visitor accommodation facilities and associated businesses and occupiers.
- **90.4% of Wolli Creek residents currently work outside of the suburb of Wolli Creek.** Wolli Creek is not a designated non-residential destination, rather the suburb provides a central location for workers to live, while still providing easy access to key employment centres within the surrounding region (including the Sydney CBD), with 83.6% of Wolli Creek residents working within 10km.
- **Limited employment growth within Wolli Creek restricts opportunity for non-residential uses.** Employment growth in Wolli Creek has recorded growth of only +110 workers since 2016. Official employment projections indicate that growth is anticipated to be only +160 additional workers by 2041. Knowledge workers and traditional office workers are projected to increase but only by a total of +40 workers over this period.
- **93.8% of local businesses within Wolli Creek employ less than 4 employees, or are sole traders.** Local businesses are primarily small occupiers with limited need for significant commercial office floorspace or associated non-residential floorspace.
- **No major non-residential facilities or institutions are provided within Wolli Creek or co-located with the Subject Site.** A review of key institutions, or anchors, that drive non-residential demand shows that the nearest major hospital and universities are over 4.5 km from the Subject Site. Visitor accommodation within the region is orientated towards servicing users related to the port and airport, and primarily concentrated closer to these facilities rather than near the Subject Site.
- **No major commercial tenants or aligned institutions within the local area.** Key occupiers are located in the designated strategic centres and metropolitan centres including Sydney CBD as well as Rockdale, Kogarah and Mascot.
- **Limited opportunity for commercial office uses at Wolli Creek reflecting the highly competitive market.** There is over 8.6 million square metres of commercial office floorspace provided at key metropolitan centres throughout metropolitan Sydney, including around 1.3 million square metres of vacant floorspace. Over 1.1 million square metres of additional future supply has also been identified.

Overall the Subject Site lacks the success factors necessary to attract and retain non-residential occupiers and tenants (including commercial office, student or visitor accommodation, health or education uses). This is attributed to the following:

- No existing major institutions or facilities to 'anchor' a significant non-residential component.
- Limited critical mass, or ability to cluster, non-residential uses at the Subject Site.

- Subdued employment growth outlook for non-residential aligned uses within Wolli Creek.
- Strong competitive environment, and continued focus for non-residential uses at other higher-order, strategic and metropolitan centres.

In this context, it is recommended that non-residential use at the Subject Site be changed to residential use within a proposed mixed-use development, comprising co-living residential rooms with active ground floor uses also considered suitable from a market demand perspective.

Residential uses at the Subject Site are likely to result in a range of economic and community benefits including:

- Complete the full development vision of Discovery Point which has been planned for over a decade.
- Realise the benefits of TOD and walkable communities through leveraging off Wolli Creek's existing provision of local goods and services and excellent access to key strategic centres and other significant regional centres within the surrounding area for the benefit of future residents.
- Support the aspiration for 30-minute cities by providing residential uses alongside public transport and complementary retail facilities, all within an easily accessible location.
- Development of a site that is currently vacant and underutilised.
- Support the role and function of Wolli Creek as a high-density residential community.
- Delivery of much needed housing supply within a master planned community of Discovery Point.
- Additional population enabled through the delivery of residential at the Subject Site will support local retail and non-retail services within the local area.
- Providing housing at the Subject Site will also benefit surrounding employment centres by providing an easily accessible location for workers of these centres to live.
- Delivery of co-living residential will provide additional housing diversity and range of price points to assist in providing greater housing choice and supply to appeal to a broader segment of the community.
- Support the objectives of state and local government strategies which seek to provide the following:
 - Reinforce Wolli Creek as a local centre and high-density residential transit oriented precinct;
 - Deliver additional dwellings in well-located areas;
 - Assist in achieving local housing targets;
 - Provide employment opportunities through active ground floor retail uses;
 - Create a liveable, active and highly desirable city destination;
 - Provide for a diversity of housing types and sizes to meet community needs into the future; and
 - Deliver greater levels of amenity and vibrancy within Wolli Creek for the benefits of the local population.

Appendix B – Strategic Policy Review

Strategic Policy Review

Policy	Context
State Plans	
Greater Sydney Regional Plan	<p>The Greater Sydney Region Plan (the Region Plan) guides integrated land use planning and infrastructure delivery over the next 20 years, with a long-term vision extending 40 years. The Region Plan seeks to reposition Sydney as a Metropolis of Three Cities – the Eastern Harbour City, Central River City and Western Parkland City encourage land use planning and infrastructure integration to deliver a 30-minute city.</p> <p>To support the vision that enhance Greater Sydney liveability, productivity and sustainability, the Greater Sydney Commission (GSC) have established ten (10) directions which establish the aspiration for Greater Sydney over the next 40 years.</p> <p>A relevant direction for uses at the Subject Site is Direction 5 Productivity which is focused on designation of metropolitan clusters and opportunity to build on the strengths of three established metropolitan centres to provide range of jobs. Key objective of this direction includes:</p> <ul style="list-style-type: none"> Increased jobs in metropolitan and strategic centres. Dwellings location within 30-minutes of public transport of metropolitan centre. <p>Another relevant direction includes Direction 4 Housing the City which is focused on increasing the housing supply by providing more diverse housing types and affordable options in the 'right locations, such as sites ideal for urban renewal.' The locational criteria for urban renewal opportunities include:</p> <ul style="list-style-type: none"> Sites that have access to regional and local transport infrastructure to access job opportunities within metropolitan and strategic centres. Sites located in areas within walking distance (up to 10 minutes) of centres with rail, light rail and bus transport. Sites with access to key services and facilities. <p>Wolli Creek is designated as a Local Centre. The intention of local centres is to function as a focal point for the neighbourhood and provide access to a range of goods and services for the everyday needs of local residents. Integral to the 30-minute city. Also play a role in providing local employment.</p> <p>Employment centres have been identified to provide higher order jobs in knowledge worker industries. Key centres within the regional area including Sydney CBD (metropolitan centre), Kogarah and Randwick (health and education precinct), and Hurstville, Green Square-Mascot and Eastgardens-Maroubra Junction (strategic Centres).</p> <p>Additionally, the plan recognises alternative residential products such (e.g BTR) that can support the GCC's objective for more housing diversity and affordable options. This is due to BTR typically delivered in location close to public transport and centres.</p>
Eastern City District Plan	<p>Supporting the directions and objective of the Greater Sydney Region Plan are actions and priorities as detailed in a suite of region-specific plans known as the District Plans. The Subject Site is located in the Eastern City District.</p> <p>Consistent with the Region Plan, the Eastern City District Plan places emphasis on the need for more diverse housing options in locations that have access to services and public transport to accommodate the growing population and changing needs. Given that the District Plan is heavily guided by the Region Plan, the directions and objectives outlined above translate into Planning Priority E5 of the District Plan, which is focused on providing housing supply, and choice with access to jobs, services and public transport.</p>
NSW Housing Strategy: NSW Housing 2041	<p>Housing 2041 represents a 20-year vision for housing in NSW. It embodies the government's goals and ambitions to deliver better housing outcomes by 2041 – housing in the right locations and housing that suits diverse needs. The Strategy approaches housing solutions holistically by looking at population patterns, economic and environmental impacts and other trends that affect the way people live.</p> <p>A key objective of the Strategy is for the NSW Government to deliver housing projects that increase housing choice and test new ways of living. Over the next 20-years there will be a stronger focus on housing security and delivering better support to those in housing crisis. Notable aspects of the Strategy, specifically related to the proposal include:</p>

	<ul style="list-style-type: none"> • Objective 2 – Increase support for those most in need by rejuvenating the social housing portfolio, supporting growth in the community housing sector and increasing the supply of affordable housing to meet agreed targets in both metropolitan and regional areas. • Priority 2 – For the new Housing SEPP to introduce new land use terms to facilitate new housing, including co-living • Priority 3 – Government-owned land which is focused on maximising the impact of government-owned land, investment or assets, and government-led development projects or funding to achieve the housing vision, particularly social housings, indigenous housing and housing for key workers. • Pillar 2 – Provide housing that is affordable and secure. This pillar encompasses the following: <ul style="list-style-type: none"> - Housing that is located in areas that has access to core services and facilities; and - A reduction in social housing waitlists. • Objective 4 – Improved alignment of housing with infrastructure and community services for NSW communities. <p>Alternative housing products (e.g. BTR) have been identified as a housing product to support the housing diversity and provide a range of price points for the private rental market. This helps to meet two of the four key pillars of the NSW housing system. Overall, the Strategy seeks to deliver a housing vision that places greater emphasis on putting housing in the right locations to suit diverse needs.</p>
Future Transport 2056 and supporting Plans (Transport for NSW, 2018)	<p>Future Transport 2056 is a suite of strategies and plans that establish the 40-year vision, directions and principles for customer mobility in NSW, guiding transport investment over the longer term. Since its initial release in 2018, the strategy has been updated and is no longer a static document, it has shifted to a new, dynamic planning approach, designed to guide future transport planning in a more unpredictable environment.</p> <p>The Strategy emphasises the key role transport has in creating thriving places for communities, particularly supporting growth around public transport nodes, such as rail stations to accommodate NSW's growing need for jobs, education and housing. The clustering of new development such as housing around public transport nodes can help create more walkable neighbourhoods, improved accessibility and liveability for residents. Additionally, the Strategy sets the objective to support 15-minute neighbourhood concept (Objective P2.1), whereby residents have 15-minute access to connected, local transport networks, precincts, local destinations.</p>
Local Policies	
Bayside Local Strategic Planning Statement – A Land-use Vision to 2036	<p>The Bayside LSPS focuses on protecting natural areas and landscapes, creating vibrant and connected places and maintaining a strong economy. The Bayside LSPS gives effect to the District Plan.</p> <p>Wolli Creek is identified as a Local Centre. The LSPS identifies the importance of local centres, which are focal points for the neighbourhood that provide access to goods and services, community infrastructure and transport in close proximity to housing. LSPS identifies that Wolli Creek (and much of Bayside) have generally good access to public transport to travel to employment areas in Sydney CBD, Mascot and Sydney Airport.</p> <p>Relevant to the proposed development, one of the 12 key directions of the Bayside LSPS is to '<i>ensure our land use planning controls encourage a mix of dwelling types and increase the number of affordable rental housing to meet the housing needs to our community</i>.' In addition, the relevant planning priorities applicable to the proposed development include:</p> <ul style="list-style-type: none"> • Planning Priority B6 – Support sustainable housing growth by concentrating high-density urban growth close to centres and public transport corridors. • Planning Priority B7 – Provide choice in housing to meet the needs of the community; and • Planning Priority B8 – Providing housing that is affordable.
Bayside Local Housing Strategy 2020-2036	<p>The Bayside Local Housing Strategy sets a strategic framework and vision for housing in the Bayside LGA until 2036. It draws on existing policy and demographic trends alongside an analysis of local opportunities and constraints to formulate an action plan for residential growth.</p> <p>The Strategy recognises that housing supply within the LGA must be improved to include greater housing choice and diversity to meet the needs of the diverse and expanding community. This is reflected in the three of the six key objectives of the Strategy that have been developed to guide future housing directions across the LGA, as follows:</p> <ul style="list-style-type: none"> • Objective 2 – New housing will be located in and around existing centres with accessibility and walkability to public transport and align with the provision of transport and other infrastructure.

	<ul style="list-style-type: none">• Objective 3 – New housing will deliver greater diversity of housing choice to meet the changing needs of the local community, including housing suitable for families and older people and adaptable housing.
Wolli Creek and Bonar Street Precincts Urban Renewal Area Contributions Plan 2019	<p>The Urban Renewal Area Contributions Plan 2019 (the Plan) sets out contributions rates for development within Wolli Creek and Bonar Street Precincts.</p> <p>Of relevance to Subject Site is the plan identifies that the land use strategy for Wolli Creek has evolved since its inception in early 2000s, where a mix of high-density residential, commercial and retail developments were originally anticipated. The current view for Wolli Creek as reflected in current projections for Wolli Creek to function as a high-density residential community with significant more dwellings and residents and significant fewer workers.</p> <p>In particular, the Plan identifies that originally it was anticipated there would be 3,700 dwellings accommodation 7,600 residents, and worker floorspace to accommodation 7,200 workers. However, as at mid-2015, there were an additional 4,078 dwellings in Wolli Creek. The Plan identifies further dwellings for Wolli Creek with an additional +6,460 dwellings expected to be achieved by 2030. These additional dwellings are more than 1.7 times the number of dwellings originally envisaged to occur within Wolli Creek in the early 2000s.</p> <p>The Plan identifies that lower levels of non-residential development in order to reflect market demand and drivers for resident uses at Wolli Creek, with this trend expected to continue.</p>

Appendix A - Demographic Profile

Residential Demographic Profile, 2021

Category	Primary Study Area	Wolli Creek	Discovery Point	Greater Sydney
Income				
Median household income (annual)	\$110,680	\$111,620	\$113,110	\$108,750
Variation from Greater Sydney median	+1.8%	+2.6%	+4.0%	n.a.
Age Structure				
Median Age (years)	31.3	30.4	30.6	37.3
Household Composition				
Couple family with no children	32.5%	38.2%	41.2%	24.5%
Couple family with children	22.8%	14.0%	15.0%	36.1%
Couple family - Total	55.3%	52.2%	56.2%	60.5%
One parent family	7.1%	4.0%	2.8%	11.0%
Other families	2.4%	2.9%	2.4%	1.1%
Family households - Total	64.8%	59.1%	61.4%	72.6%
Lone person household	23.5%	25.7%	28.0%	23.3%
Group household	11.6%	15.3%	10.6%	4.1%
Dwelling Structure (Occupied Private Dwellings)				
Separate house	20.4%	1.3%	0.0%	56.1%
Semi-detached, row or terrace house, townhouse etc.	4.9%	0.3%	0.0%	12.8%
Flat, unit or apartment	74.5%	98.4%	100.0%	30.7%
Other dwelling	0.2%	0.0%	0.0%	0.4%
Occupancy rate	89.8%	89.5%	88.8%	91.8%
Average household size	2.5	2.2	2.1	2.7
Tenure Type (Occupied Private Dwellings)				
Owned outright	15.3%	7.8%	8.8%	28.3%
Owned with a mortgage	30.1%	27.6%	28.0%	34.0%
Rented	53.1%	63.3%	61.7%	36.1%
Other tenure type	1.5%	1.3%	1.5%	1.6%
Housing Costs				
Median monthly mortgage repayment	\$2,392	\$2,365	\$2,448	\$2,510
Variation from Greater Sydney median	-4.7%	-5.8%	-2.5%	n.a.
Median mortgage as a share of median household income	25.9%	25.4%	26.0%	27.7%
Median weekly rents	\$529	\$541	\$558	\$480
Variation from Greater Sydney median	+10.1%	+12.7%	+16.3%	n.a.
Median rent as a share of median household income	24.8%	25.2%	25.7%	23.0%
Occupation				
Managers	12.8%	12.6%	13.8%	15.5%
Professionals	32.6%	37.3%	44.6%	29.9%
Technicians and trades workers	10.6%	9.8%	7.3%	10.7%
Community and personal service workers	8.5%	7.9%	6.5%	9.4%
Clerical and administrative workers	14.1%	13.7%	13.8%	14.0%
Sales workers	8.0%	7.8%	7.5%	7.9%
Machinery operators and drivers	5.1%	3.7%	2.5%	5.7%
Labourers	8.2%	7.2%	4.0%	6.9%
Industry of Employment (employed persons aged 15 years and over)				
Agriculture, forestry and fishing	0.1%	0.1%	0.0%	0.3%
Mining	0.1%	0.1%	0.0%	0.1%
Manufacturing	3.8%	3.8%	3.2%	5.7%
Electricity, gas, water and waste services	0.5%	0.3%	0.2%	0.7%
Construction	8.2%	6.9%	5.1%	8.7%
Wholesale trade	2.9%	2.7%	2.7%	3.4%
Retail trade	9.7%	9.5%	9.2%	9.3%
Accommodation and food services	8.5%	9.8%	7.9%	5.8%
Transport, postal and warehousing	7.7%	6.0%	5.7%	5.3%
Information, media and telecommunications	2.5%	2.5%	1.6%	2.5%
Financial and insurance services	9.4%	11.4%	14.4%	7.4%
Rental hiring and real estate services	2.1%	2.5%	3.1%	2.0%
Professional, scientific and technical services	13.9%	16.5%	19.8%	11.5%
Administrative and support services	4.5%	4.3%	3.6%	3.4%

Public administration and safety	5.3%	5.0%	5.5%	5.8%
Education and training	6.8%	5.8%	6.4%	9.0%
Health care and social assistance	10.0%	9.0%	8.4%	14.2%
Arts and recreation services	1.3%	1.5%	1.5%	1.5%
Other services	2.7%	2.3%	1.8%	3.4%

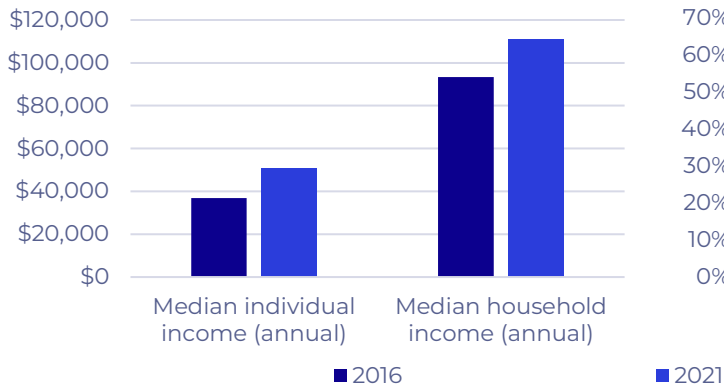
Method of Travel to Work

Train or bus	14.9%	19.1%	17.8%	4.6%
Car as a driver only	25.0%	18.2%	12.1%	34.9%
Bicycle	0.4%	0.3%	0.3%	0.3%
Walked only	1.3%	1.3%	0.8%	2.3%
Worked at home	40.9%	45.4%	53.2%	39.6%
Did not go to work	12.3%	12.3%	12.3%	12.3%
Other	1.3%	1.2%	3.5%	0.8%

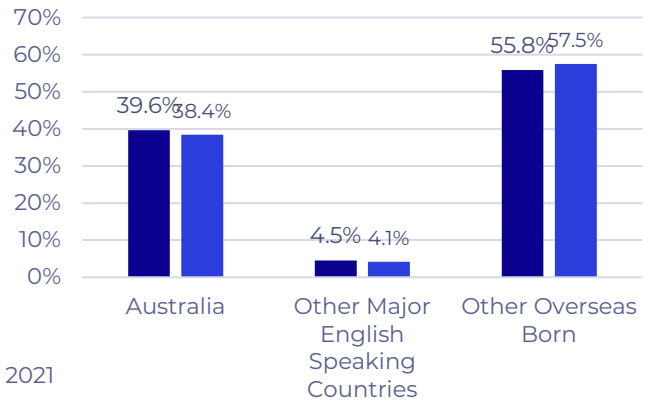
Source: Australian Bureau of Statistics (ABS) 2021 Census of Population and Housing

Note: interpretation of small area data from the 2021 ABS Census should consider potential outcomes from the COVID-19 pandemic

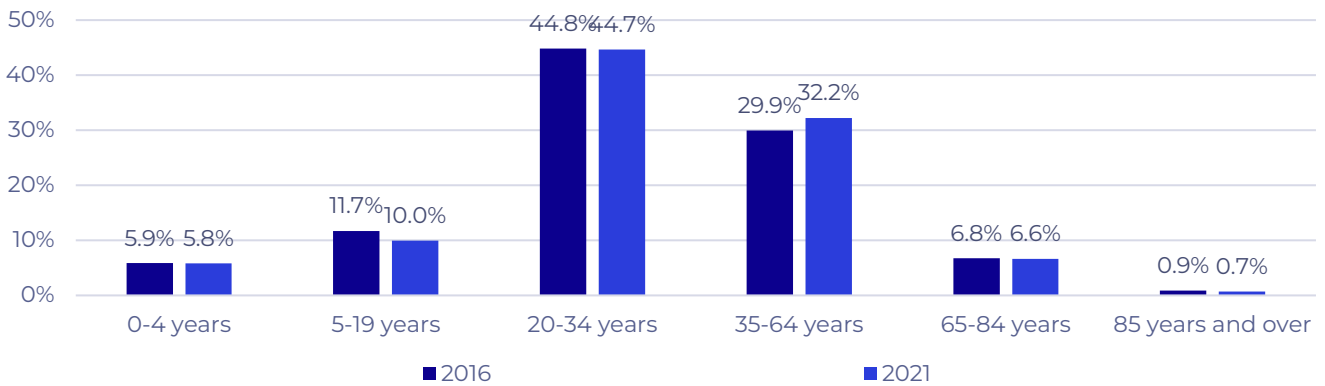
Median Incomes



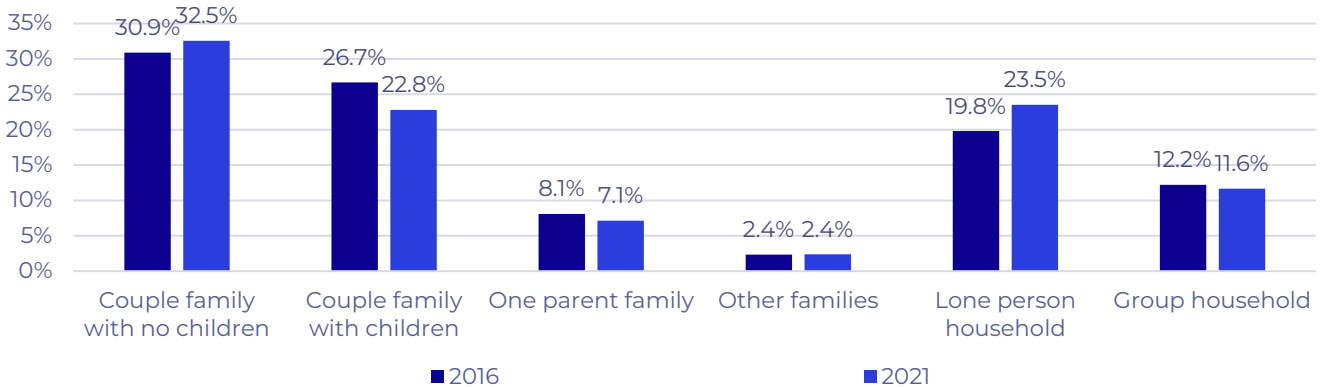
Country of Birth



Age Profile



Household Composition



Dwelling Tenure

