23-29 Marquet Street, Rhodes

Clause 4.6 Variation Request (Non-Residential Floor Space)

April 2026

Prepared for: Twenty Three Marquet Street Pty Ltd

Urbis staff responsible for this report were:

Director	Murray Donaldson
Associate Director	Belinda Thomas
Consultant	Stephen Andrew
Project Code	P0048748
Report Number	Final

Acknowledgment of Country

Urbis acknowledges the Traditional Custodians of the lands we operate on.
We recognise that First Nations sovereignty was never ceded and respect First Nations peoples continuing connection to these lands, waterways and ecosystems for over 60,000 years.
We pay our respects to First Nations Elders, past and present.

Urbis is committed to incorporating our respect for First Nations cultures, peoples and storytelling in our work across the Country. We are proud to have partnered with Darug Nation artist, **Hayley Pigram**, and to profile her artwork - **Sacred River Dreaming**.

The river is the symbol of the Dreaming and the journey of life. The circles and lines represent people meeting and connections across time and space. When we are working in different places, we can still be connected and work towards the same goal.

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Executive Summary

This Clause 4.6 Variation Report has been prepared by Urbis to accompany a Response to Submissions regarding a detailed State Significant Development Application (SSDA) for a mixed use, residential development including in-fill affordable housing at 23-29 Marquet Street, Rhodes. The site is legally described as Lot 40 DP1275410 and Lot 102 DP 624798 and is currently owned by Twenty-Three Marquet Street Pty Ltd.

This report has been prepared to address the Secretary's Environmental Assessment Requirements (SEARs) issued for the project (SSD-67636458).

Stage 1 of Rhodes Central (DA2016/0005), located at 6-14 Walker Street and 11-23 Marquet Street, Rhodes, was approved on 1 December 2016 and includes **12,820 sqm of non-residential floor space,** comprising speciality retail units and a supermarket tenancy. Stage 2 of Rhodes Central, located at 34 Walker Street, (DA2017/0544) was approved on 26 October 2018 and DA2022/0162 approved on 23 December 2022 and includes **non-residential floor space**, **534.7 sqm of** retail GFA, **1502.1sqm** for a bespoke commercial office space (for 150 employees) and **9,217.7 sqm** of recreation GFA. The proposal would add **1,200 sqm**, to Rhodes Central with a total non-residential floor space of <u>**25,274.5 sqm for the precinct**.</u> This mix of uses ensures that the precinct remains vibrant and functional, catering to the diverse needs of its residents and visitors. The combination of residential, retail, and recreational spaces fosters a well-rounded community, enhancing the overall liveability and sustainability of the Rhodes Precinct.

Current commercial market sector research provided in the Economic Impact Assessment (EIA) prepared by Urbis (dated March 2026) found that there will be an oversupply of office accommodation of 32,466 sq.m by 2036. Over the same period, the site is found to be capable of accommodating a small-scale short-stay accommodation development of 37 units, however, this is not considered feasible for the site as operators typically target a minimum of 100 units per facility to obtain operational efficiencies. Additionally, Clause 7.4 of the CBLEP requires a minimum of 50 serviced apartments for them to be considered non-residential floorspace The proposed retail offering will complement the existing sub-regional and neighbourhood centre developments. The proposed retail will enhance the amenity for future on-site residents and those within a close walking distance.

This report concludes that the proposed development is suitable, warrants approval, satisfies SEARs Item 1 – Statutory Context, and there are sufficient environmental planning grounds to justify the proposed variation to the 'minimum non-residential floor space' development standard which is set out in Clause 7.4 of the CBLEP.

If there are any queries regarding this report, please do not hesitate to contact the undersigned.

Belinda Thomas

Associate Director - Urbis

Request to vary Clause 7.4 in the Canada Bay Local Environmental Plan 2013

Address: 23-29 Marquet Street

Date: 20 April 2026

1 Site and proposed development

1.1 Site Description

The key features of the site are summarised in the following table.

Table 1 Site Description

Feature	Description
Street Address	23-29 Marquet Street, Rhodes
Legal Description	Lot 40 DP1275410 and Lot 102 DP 624798
Site Area	4,535sqm
Vegetation	There is no remnant vegetation on or near the site.
Existing Development	The site currently accommodates a two-storey building (in the eastern portion) which will require demolition in order to allow for the construction of the proposed mixed-use building. Otherwise, the site is cleared and provides space for construction access / equipment in association with the neighbouring development of 34 Walker Street, Rhodes located directly to the north.
Adjacent Development North	Two residential towers and a recreation centre and retail development adjoins the site, that forms Stage 2 of the Rhodes Centre precinct, at 34 Walker Street Rhodes. Further north, is Phoenix Park, which is a regional open space that accommodates a range of active and passive recreational uses and is flanked by a series of retail premises.
Adjacent Development East	Directly to the east of the site is a mid-rise (8-level) residential apartment building. Further afar is Rhodes Train Station, which is a local heritage item. Further to the east of the site (across the railway line) is the Rhodes East mixed-use precinct.
Adjacent Development South	South to the site is the completed 'Rhodes Central' development, which includes two residential towers and a shopping centre component. These two towers, along with the proposed tower, will share basement parking which is discussed further in this report.
Adjacent Development West	Directly west of the site are a series of mid-rise residential apartment buildings, extending to Rhodes Foreshore Park which adjoins the Homebush Bay (and includes 'The Connection' Rhodes Community Precinct.
Access Network	The site is also in close proximity to Rhodes Train Station which runs on the T9 (Northern) rail line. This line runs from Hornsby through Rhodes to Sydney CBD and north to Gordon.

Figure 1 Location Plan

Source: Urbis, 2025

Figure 2 Aerial Photograph

Source: Urbis, 2025

Figure 3 Site Photos

Picture 1 The site as viewed from Marquet Street

Source: Urbis

Picture 2 The site looking south

Source: Urbis

Picture 3 Apartments opposite the site on the western side of Marquet St

Source: Urbis

Picture 4 Stage 2 to the north of the site

Source: Urbis

1.2 Proposed Development

Specifically, the SSDA seeks development consent for:

- Relocating the existing retail ramp on Marquet Street to Walker Street. Residential vehicle access from Marquet Street. Retail vehicle access and loading from Walker Street.
- Construction of one (1) 39 storey mixed-use development including 15% infill affordable housing and a maximum building height of RL143.55m.
- Provision of 2,420.66m^{2}of publicly accessible space.

This development forms Stage 3 of the Rhodes Central precinct. Refer to EIS for further details.

2 Planning instrument, development standard and proposed variation

2.1 What is the planning instrument you are seeking to vary?

The application seeks to vary the Canada Bay Local Environmental Plan 2013 (**CBLEP**).

2.2 What is the site's zoning?

The site is zoned MU1 (Mixed Use) under the CBLEP.

2.3 What is the development standard to be varied?

The standard proposed to be varied is the 'minimum non-residential floor space' development standard which is set out in Clause 7.4 of the CBLEP as follows:

7.4 Minimum non-residential floor space in Rhodes Precinct

(1) The minimum percentage of the gross floor area of a building on land in the Rhodes Precinct that must be used for non-residential purposes for development consent to be granted to development in relation to the building is specified on the Non-residential Floor Space Map.

(2) In this clause—

non-residential purposes means purposes other than the following—

(a) residential accommodation, excluding seniors housing,

(b) serviced apartments, but only if there are, or as a result of the development will be, fewer than 50 serviced apartments on the land,

(c) car parks,

(d) telecommunications facilities.

Figure 4 - Non-Residential Floor Space Map

Source: CBLEP2013

2.4 Type of development standard?

The request is seeking to vary the numeric standard related to minimum non-residential GFA at the site.

2.5 What is the numeric value of the development standard in the environmental planning instrument?

Under the CBLEP, the minimum non-residential floor space requirement is 23.4% of the total GFA.

On the base scheme (before any Housing SEPP bonuses are applied), this equates to 6,303sqm.

Once the Housing SEPP bonuses are applied, this 23.4% requirement equates to 8,794sqm.

The proposal provides 1200sqm of non-residential floor space.

2.6 What is the difference between the existing and proposed numeric values? What is the percentage variation (between the proposal and the environmental planning instrument)?

While the proposal does not comply with the base scheme requirement of 6,303sqm, once the additional 30% density under the Housing SEPP is applied, the proposed quantum (1200sqm) of non-residential floor space equals 3.4% of the total GFA.

- Requirement: 23.4% (8,794sqm.).
- Provision: 3.4% (1200 sqm). *7594sqm short of requirement*.

Therefore, on a metric / percentage basis, the proposal seeks a 20% variation to the non-residential floorspace control.

3 Justification of the proposed variation

3.1 How is the compliance with the development standard unreasonable or unnecessary in the circumstances of the particular case?

Key Questions	Response
a) Are the objectives of the development standard achieved notwithstanding the non-compliance?	Clause 7.4 of the CBLEP does not specify any objectives. However, the assessment below considers and addresses the objectives of Part 7 Rhodes Precinct, Clause 7.1 Objectives of Part. ***(a) to achieve the highest standard of architectural and urban design in the Rhodes Precinct by ensuring that new development exhibits design excellence, including excellence in sustainably managing the environmental impact of the development on existing and future populations,*** The proposal has undergone an architectural design competition (and design integrity process), ensuring an appropriate built form outcome, aligned with the desired future character of the Rhodes Precinct. The proposed variation to the non-residential floor space requirement will not impact on the integrity of the design or the achievement of 'design excellence' as there is no significant change to the built form of the development as a result of the proposed reduction in non-residential floorspace. The proposal will still deliver high quality, active frontages along Marquet Street and the site's northern and southern interfaces to Rhodes Central Stages 1 and 2, in accordance with the CBLEP and Canada Bay Development Control Plan (**CBDCP**). The variation to Clause 7.4 will not affect the visual and physical improvement to the public domain, and/or its activation. The proposed variation to the non-residential floor space requirement will not impact the development achieving the highest standard of architectural and urban design. The non-compliance will have no bearing on objective (a) of Part 7 being satisfied. ***(b) to allow for a mix of land uses that will—*** ***(i) provide an appropriate balance between residential, retail, commercial and other land uses within the Rhodes Precinct, and*** The proposal seeks to deliver a mixed-use development on the site, which is permissible in the MU1 (Mixed Use) zone. The proposed development includes ground-floor retail tenancies, thereby providing active, vibrant frontages to Marquet St as well as to Rhodes Central Stages 1 and 2 to the south and north. The retail units will also front onto internal pedestrian laneways and outdoor seating areas, creating an inviting and lively environment throughout the site.

Key Questions	Response
	Despite this variation, the proposal provides an appropriate balance between residential, retail, commercial, childcare and recreation land uses within the Rhodes Precinct. Rhodes Central Stage 1, 2, and 3 (subject of this DA) is a significant mixed-use precinct project, offering a substantial amount of non-residential floor space to serve future residents. Stage 1 of Rhodes Central (DA2016/0005), located at 6-14 Walker Street and 11-23 Marquet Street, Rhodes, was approved on 1 December 2016 and includes **12,820 sqm of non-residential floor space,** comprising speciality retail units and a supermarket tenancy. Stage 2 of Rhodes Central, located at 34 Walker Street, (DA2017/0544) was approved on 26 October 2018 and DA2022/0162 approved on 23 December 2022 and includes **non-residential floor space**, **534.7 sqm of** retail GFA, **1502.1sqm** for a bespoke commercial office space (for 150 employees) and **9,217.7 sqm** of recreation GFA. The proposal would add **1200 sqm**, to Rhodes Central with a total non residential floor space of **25,274.5sqm for the precinct**. This mix of uses ensures that the precinct remains vibrant and functional, catering to the diverse needs of its residents and visitors. The combination of residential, retail, and recreational spaces fosters a well-rounded community, enhancing the overall liveability and sustainability of the Rhodes Precinct. This significant allocation of non-residential floorspace serves to promote economic growth, create job opportunities, enhance the vibrancy of the community and ensure that essential services and amenities are conveniently accessible to residents. The proposed development contributes to this by providing 1200sqm of ground floor retail spaces which is considered sufficient to support the needs of the future residents of the site. Given the amount of non-residential floorspace that has already been delivered throughout the Rhodes Precinct, providing 23.4% non-residential floorspace on this site is not considered to represent an appropriate balance of land uses on the site, especially considering the surrounding context. The site is located adjacent to Rhodes Central shopping centre which provides a significant amount of retail floorspace **12,820 sqm**, including a supermarket. Providing additional retail uses on the subject site has the potential to undermine the integrity of the existing shopping centre or, alternatively, make it difficult to find tenants for the retail spaces on the subject site due to an excess of existing competing retail floorspace being provided in close proximity. Despite the non-compliance with Clause 7.4, the development still offers an abundance of high-quality, non-residential floor space to service future residents of the building and the broader community, as well as generate employment opportunities. This is especially true when considering the overall delivery of non-residential floorspace throughout the Rhodes Precinct. Billbergia engaged JLL to conduct a hotel and serviced apartment market research report, dated August 2025 (**Appendix A**) for the Rhodes area to inform their decision to convert the hotel component in the podium to residential floor space for this proposal. JLL identified four key demand drivers for serviced apartments and hotel developments: proximity to demand generators, visibility and exposure, ease of access, and the

Key Questions	Response
	competitive environment. JLL confirmed that Rhodes faces challenges in all these areas as outlined below: 1. **Lack of Demand Generators**: Rhodes has 133,000 sqm of office stock, representing only 1% of Sydney's total, with a **high vacancy rate of 31% as of Q2 2025**, indicating limited demand. 2. **Visibility Challenges**: The site at Marquet Street has minimal exposure from passing traffic and lacks visibility from the train station due to its internal road location. 3. **Limited Accessibility**: Rhodes relies on a single railway line, unlike more established locations with multiple rail lines, making it less accessible. 4. **Insufficient Demand Fundamentals**: There are six hotels supplying 927 rooms in the area, mostly in Sydney Olympic Park, which benefits from proximity to event venues and tourist hubs. No future accommodation projects are proposed within Rhodes, while additional supply is planned in surrounding areas. JLL confirm that Rhodes' alignment with these key demand drivers suggests limited market viability for hotel and serviced apartment developments, supporting the consideration to convert the hotel component to additional residential apartments. An additional study has been prepared by Urbis which has assessed the demand of short-stay accommodation within the Economic Impact Assessment (**EIA**) (**Appendix M**), dated March 2026. The assessment found that, following completion of nearby developments in 2029, there will be sufficient short-stay accommodation within the study area until 2036. Any undersupply experienced post-2036 is expected to be accommodated closer to Sydney Olympic Park, which is a more desired location for visitors given the amenities in the surrounding area and greater public transport connections such as the future Metro station. The EIA notes that, assuming no further short-stay accommodation development within the study area prior to 2036, the subject site could expect to support a small-scale short-stay development of approx. 37 units. Serviced apartment operators typically target a minimum of 100 rooms/apartments per facility to obtain operational efficiencies. The EIA confirms that a smaller facility is unlikely to be viable at this location and may result in vacant space that would be better utilised as residential floorspace. It is also noted that Clause 7.4 of the CBLEP requires a minimum of 50 serviced apartments for them to be considered non-residential floorspace. A small services apartment development with >50 units would have to be excluded from the non-residential floor space for the purpose of compliance with Clause 7.4 of the CBLEP. Additionally, it is understood that previous economic studies on the office market within the Rhodes Precinct have been prepared by JLL (dated November 2023) and Atlas Economics (dated January 2021), specifically in association with the Clause 4.6 variation requests to the non-residential

Key Questions	Response
	floorspace control for DA2024/0173 (33-21 Blaxland Road, Rhodes) and SSD-67424709 (9 Blaxland Road, Rhodes) respectively. These economic studies have found that Rhodes is not a major office market within Sydney and is experiencing high vacancy rates of 35% as of Q3 2023, making it the office market with the highest vacancy rate in Australia at that time, according to JLL. More broadly, the Rhodes Precinct is also located in proximity to significant commercial centres, including Parramatta, Macquarie Park and Sydney Olympic Park, which offer large amounts of commercial and retail floorspace that compete directly with Rhodes and contribute to the high office vacancy rates in Rhodes. Additionally, the Atlas Economic report found that large incentives would be required to attract office tenants to Rhodes, with commercial development of any substantial scale being generally unfeasible from an economic perspective. Therefore, in view of the softening office market, an appropriate balance of residential, retail, commercial and other land uses is to provide 1200sqm of retail uses and residential apartments, which balances with the mix of uses in the Station West Character Area, the MU1 Mixed Use Zone and the broader Rhodes Precinct. These findings on the office market are further supported by the EIA prepared by Urbis (dated March 2026) which expects there to be an oversupply of 32,466 sq.m. of office accommodation by 2036 as a result of new completions in Sydney Olympic Park and Silverwater. These locations will be a more attractive location for prospective tenants due to surrounding amenities and public transport connections. The EIA notes that there is a high vacancy rate of 22.1% in the Sydney Olympic Park/Rhodes market with further planned supply expected to exacerbate the rising vacancy rate experienced currently. The EIA found that the site would be capable for accommodating a space of 44-94 sq.m. in 2026 and 2027 and no further supply post-2027 due to the oversupply anticipated in the above locations. This size of space would be suitable for a service-based tenant such as medical offices which would likely need to be located at ground level for greater visibility. This would have a negative impact on the overall development by impacting the vibrancy and activation offered by the proposed retail spaces, reducing the positive effect which will be experienced by the development as proposed. For these reasons, further office space is not recommended at the subject site. Furthermore, it is important to consider that Clause 7.4 of the Canada Bay LEP came into effect in October 2021 and reflects the planning priorities and objectives of that time period, which are less relevant now considering the significant housing crisis currently facing Sydney. This is further reinforced by the EIA (dated March 2026) prepared by Urbis which provides up to date analysis of the commercial market sector in the surrounding area. The EIA also provides analysis of the retail sector within the surrounding area. The research found that there is approx. 42,000 sq.m. retail within Rhodes including the sub-regional shopping centre at Rhodes Waterside and a smaller shopping centre at Rhodes Central, adjoining the subject site. Any additional retail space should therefore complement existing large-scale centre outlined in the EIA. The proposed retail offering will act as a neighbourhood centre and will focus primarily on food and beverage

Key Questions	Response
	amenities which are essential for nearby residents. It is considered that the proposed offering will complement existing retail within Rhodes while enhancing the vibrancy within the Rhodes Precinct. In recent years, the focus of planning at a State and national level has shifted significantly towards providing housing, as evidenced by significant planning reforms prioritising simplifying the delivery of housing in NSW, the introduction of the Housing Delivery Authority, and the National Housing Accord which tasks NSW with delivering approximately 376,000 new well-located dwellings by 2029. Canada Bay has a target of 5000 new homes by 2029 as part of the NSW Governments Housing Strategy. The proposed development seeks to respond to the ongoing housing crisis by converting previously non-residential floorspace to additional apartments on a site that is located in close proximity to public transport and well-supported by existing and proposed infrastructure, services and utilities. This represents a positive outcome for the site that is supported by both economic feasibility and planning priorities. Subsequently, the evidence provided in the supporting documentation suggests that there is limited demand for non-residential floorspace within the Rhodes Precinct currently, encompassing retail, commercial office and serviced apartments. Additionally, there is already **25,274.5sqm** of non-residential floorspace within the Rhodes Central Precinct (inclusive of Stage 3) which is considered suitable to sustain the population of Rhodes. The control requiring 23.4% non-residential floorspace on the subject site is therefore considered outdated, unnecessary and inappropriate, given the current market conditions and housing crisis, and strict compliance should not be required, especially considering that the application still proposes 1200 sqm non-residential floorspace on the site in the form of ground-floor retail tenancies. ***(ii) encourage the provision of a range of services and facilities to help meet the needs of the population and users of the Rhodes Precinct, and*** As demonstrated above, the proposal aims to deliver a mixed-use building comprising both residential and retail land uses. In addition, a significant portion of the proposal (15%) will be dedicated to affordable housing. The proposal will also deliver an active and vibrant public domain on the site. The varied land uses will help meet the needs of the existing (and future) population of Rhodes. The proposed development will also benefit from surrounding services and facilities within the Rhodes Precinct, including the shopping centre associated with Rhodes Central Stage 1, the recreation facility associated with Rhodes Central Stage 2, and the foreshore park. Significant amounts of non-residential floorspace is also provided throughout the remainder of the Rhodes Precinct and the Rhodes Business Park. The development is also located in proximity to Rhodes train station which provides access to other uses and services throughout Sydney for residents, including nearby centres with a large quantum of non-residential uses including Meadowbank, Ryde, Parramatta and Macquarie Park. The proposed small-scale retail units provided at ground floor within the proposed development will complement the existing larger scale shopping

Key Questions	Response
	centres and supermarkets within Rhodes. The units will primarily offer food and beverage services that will cater for the approx. 800 residents within the mixed-use development in addition to the surrounding area which has undergone significant redevelopment in recent years for more high-density residential development. As such, it is considered that the proposed 1,200 sqm of non-residential floor space associated with this development, when coupled with the range of existing services and facilities available in the Rhodes Precinct and surrounds, is sufficient to balance the intended outcomes of the development and the needs of the future population associated with the development. ***(iii) generate employment in the Rhodes Precinct, and*** As illustrated in the Architectural Plans, multiple retail tenancies will be provided on the ground floor of the development which will contribute to generating employment within the Rhodes Precinct. Although the proposed non-residential space is less than the development standard required, the shortfall is deemed acceptable given the quality of the spaces being provided, the addition of a significant amount of affordable housing (equating to 15% of the overall GFA) and the considerable amount of non-residential floorspace provided elsewhere throughout the Rhodes Precinct, including in Rhodes Central Stages 1 and 2 which are directly linked to the proposed development. Additionally, the proposed development will generate 128 full time employment associated with its construction, regardless of the quantum of non-residential floorspace proposed. As such, the proposed non-compliance with the non-residential floorspace control will not have any adverse impacts on the generation of employment within the Rhodes Precinct and is considered acceptable. ***(iv) establish a significant new people-oriented public domain and foreshore area and other vibrant public plazas and public spaces,*** The proposal includes multiple public spaces at ground level, including Rhodes Square and the extension of Anne Legget Promenade. These public spaces will be activated by multiple retail tenancies throughout the ground level of the proposed development, creating vibrant public spaces in accordance with this objective. The proposed retail spaces all front onto public spaces across the ground level of the site which will enhance the vibrancy and activation across the site. The proposed non-compliance with Clause 7.4 does not impact the proposal’s ability to deliver this high-quality, ‘people oriented’ public space that is framed by non-residential land uses.

Key Questions	Response
	 ***(c) to support growth in the Rhodes Precinct by ensuring the provision of appropriate infrastructure that is sensitive to environmental impacts.*** The proposed variation to the non-residential floor space requirement will have no bearing on the provision of infrastructure that is sensitive to environmental impacts. As above, the proposal will provide significant public domain improvements, which will not be affected by the proposed variation to the non-residential floorspace control.
b) Are the underlying objectives or purpose of the development standard not relevant to the development? (Give details if applicable)	*N/A – see above*
c) Would the underlying objective or purpose be defeated or thwarted if compliance was required? (Give details if applicable)	*N/A – see above*
(d) Has the development standard been virtually abandoned or destroyed by the council's own actions in	Several development applications and State Significant Development Applications have been approved within the Rhodes Precinct which are non-compliant with the minimum non-residential floorspace requirement. A summary of these applications is provided below:

Key Questions	Response
granting consents departing from the standard?	▪ SSD-67424709 (9 Blaxland Road, Rhodes) – Required: 5.4% non-residential floorspace – Approved: 4.1% non-residential floorspace ▪ SSD-71999463 (1-9 Marquet Street, Rhodes) – Required: 16.4% non-residential floorspace – Approved: 13.2% non-residential floorspace ▪ DA2024/0173 (33-41 Blaxland Road, Rhodes) – Required: 13.4% non-residential floorspace – Approved: 10.2% non-residential floorspace Subsequently, both DPHI and City of Canada Bay Council have repeatedly approved development applications which are non-compliant with Clause 7.4, indicating that the quantum of non-residential floor space initially envisaged under the Rhodes Place Strategy is inappropriate for the current context and virtually abandoning this development standard.
e) Is the zoning of the land unreasonable or inappropriate so that the development standard is also unreasonable or unnecessary?	*N/A – see above*

3.2 Are there sufficient environmental planning grounds to justify contravening the development standard?

There are sufficient environmental planning grounds to justify contravening the development standard:

- Notwithstanding the non-compliance, the proposed development achieves the objectives of Clause 7.1 of the CBLEP, which are the underlying objectives of Clause 7.4, as outlined above.
- The proposed development is consistent with the objectives of the MU1 (Mixed Use) zone in that it will continue to provide a mix of residential and non-residential uses that will meet the anticipated needs of the community.
- The proposed variation to the non-residential floor space requirement will not impact the achievement of 'design excellence'. The proposal will still deliver high quality, active frontages along Marquet St and the site's northern and southern frontage, in accordance with the CBLEP and CBDCP. The variation will not affect the visual and physical improvements to the public domain, and/or its activation.
- There are no environmental impacts resulting from this non-compliance in terms of noise, overshadowing, and privacy. The non-compliance will have no adverse impact to the bulk, scale, or character of the development, which represents an appropriate built form outcome, aligned with the desired future character of area and the outcomes of the architectural design competition (and associated design integrity process) undertaken for the site.
- Stage 1 of Rhodes Central (DA2016/0005), located at 6-14 Walker Street and 11-23 Marquet Street, Rhodes, was approved on 1 December 2016 and includes **12,820 sqm of non-residential floor space,** comprising speciality retail units and a supermarket tenancy. Stage 2 of Rhodes Central, located at 34 Walker Street, (DA2017/0544) was approved on 26 October 2018 and DA2022/0162 approved on 23 December 2022 and includes **non-residential floor space**, **534.7 sqm of** retail GFA, **1502.1sqm** for a bespoke commercial office space (for 150 employees) and **9,217.7 sqm** of recreation GFA. The proposal would add **1200 sqm**, to Rhodes Central with a total non residential floor space of <u>**25,274.5sqm for the**</u>

precinct. This mix of uses ensures that the precinct remains vibrant and functional, catering to the diverse needs of its residents and visitors. The combination of residential, retail, and recreational spaces fosters a well-rounded community, enhancing the overall liveability and sustainability of the Rhodes Precinct.

- The Serviced Apartment Market Report prepared by JLL (**Appendix A**) identified four key demand drivers for serviced apartments and hotel developments: proximity to demand generators, visibility and exposure, ease of access, and the competitive environment. JLL confirms that Rhodes' alignment with these drivers suggests limited market viability for hotel and serviced apartment developments, supporting the consideration to convert the hotel component to additional residential apartments.
- Previous economic reports prepared by JLL and Atlas Economics demonstrate that there is a lack of demand for commercial floorspace in Rhodes. Rhodes has a non-competitive market in terms of both commercial offices – with Rhodes currently having a high office vacancy rate – and serviced apartments when compared to nearby competing centres including Sydney Olympic Park, Parramatta and Macquarie Park. Subsequently, it is considered that non-residential floorspace is not an appropriate land use within the Rhodes Precinct considering the current market conditions, especially to the quantum required on the site by Clause 7.4.
- An EIA prepared by Urbis (dated 2026) provides current evidence of the current commercial floorspace offering within the surrounding area. The EIA identifies an oversupply of 32,466 sq.m of office accommodation by 2036, with an existing vacancy rate of 22.1%, and indicates that there will be no shortfall in short-stay accommodation over the same period. Sydney Olympic Park will be a more attractive location for both of these non-residential uses, given its superior public transport access and established surrounding amenities.
- The provision of **25,274.5sqm** of non-residential floor space for Rhodes Central Precinct is deemed adequate to balance the intended outcomes of the development and the needs of the population. Given the quantum of non-residential uses already provided throughout the Rhodes Precinct and in other areas including the Rhodes Business Park, Meadowbank, Ryde, Sydney Olympic Park, Parramatta and Macquarie Park, the non-compliance will not have any adverse negative impacts to the provision of services and facilities to help meet the needs of the population.
- The existing development standard is based on outdated planning priorities and economic information which do not reflect the current policy setting within NSW and Australia which is significantly focused on providing new housing, evidenced by significant planning reforms prioritising simplifying the delivery of housing in NSW, the introduction of the Housing Delivery Authority, and the National Housing Accord which tasks NSW with delivering approximately 376,000 new well-located dwellings by 2029 including 5000 dwellings in Canada Bay. The proposed development seeks to respond to the ongoing housing crisis by converting previously non-residential floorspace to additional apartments on a site that is located in close proximity to public transport and services.

For these reasons it is deemed there are sufficient environmental planning grounds to justify the contravention of the development standard.

APPENDIX A – JLL Report

Billbergia
creating communities®

Hotel & Serviced Apartment Market

Rhodes

Report
Prepared for Billbergia
August 2025

JLL SEE A BRIGHTER WAY

Contents

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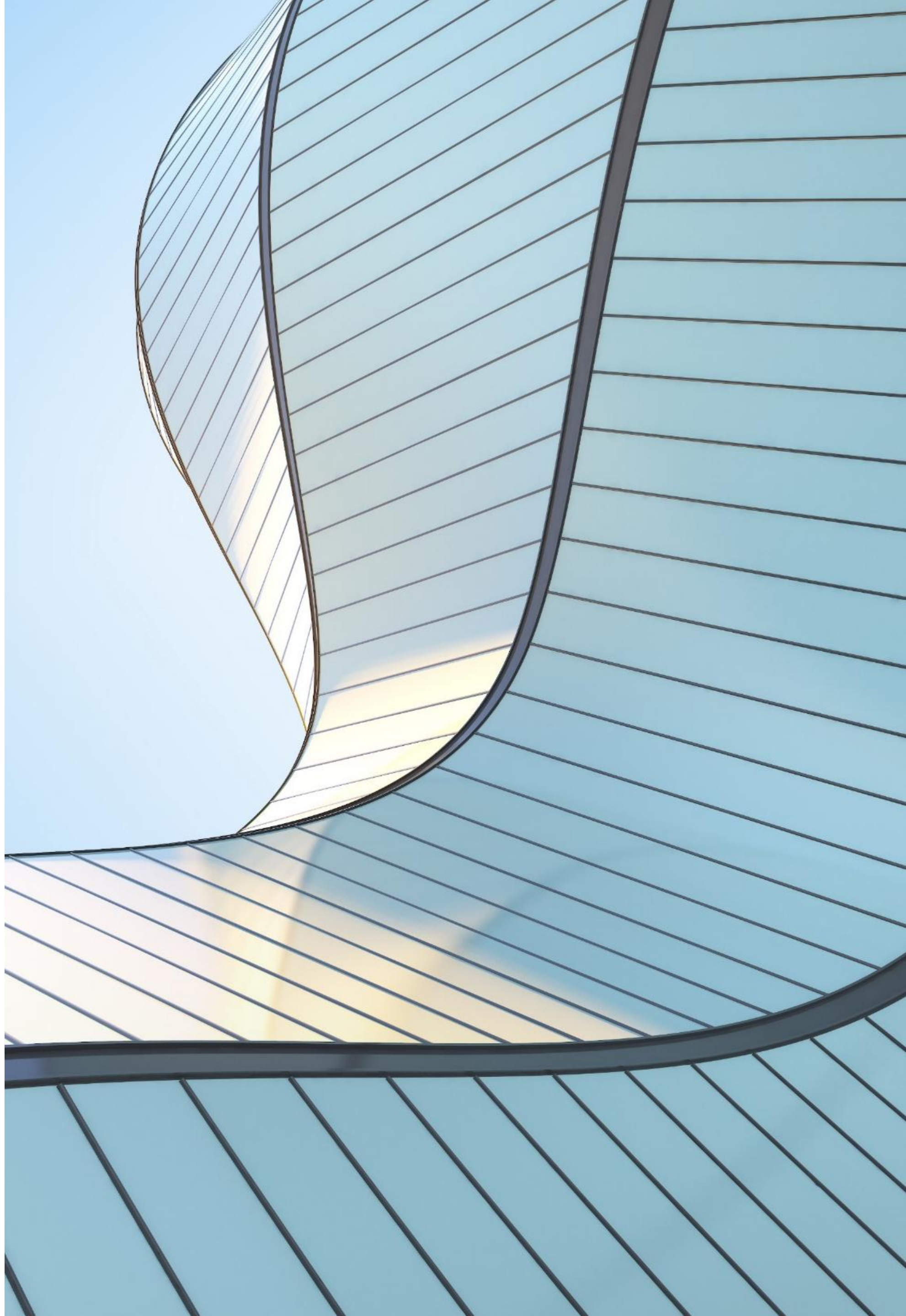
If a projection has been made in respect of future demand, business trends, property prices, rentals and projected take up rates, such a projection is an estimate only and represents only one possible result therefore should at best be regarded as an indicative assessment of possibilities rather than absolute certainties. The process of making forward projections of such key elements involves assumptions about a considerable number of variables that are acutely sensitive to changing conditions and variations, and any one of which may significantly affect the resulting projections. This must be kept in mind whenever such projections are considered.

JLL is not operating under an Australian Financial Services Licence. The financial analysis and conclusions contained within this report do not purport to represent a valuation in the conventional sense. It is an exercise involving only relatively few variables, such as zoning information and a general knowledge of background market conditions; whereas, a valuation involves a detailed investigation of the property including, where appropriate, the nature of the locality, surrounding properties, full inspection, site peculiarities, the nature, quality and condition of improvements, comparable sales, market trends, yields, competition, design and layout and so on. The market value could be greatly affected by such factors, and by encumbrances, restrictions, or other impediments on Title which have not been considered in this report. Accordingly, the financial analysis contained herein is indicative only and not authoritative. It is merely a precursor to a formal valuation and should not be taken as a substitute for it.



Executive Summary

Background, Scope & Key Findings

Executive Summary

Background & Scope

Billbergia is seeking advice related to their development site in Rhodes. Located at 29 Marquet Street, Rhodes ("the site"), the current design competition scheme comprises a 38-storey building with 272 apartments, ground floor and basement retail, as well as hotel of 100 rooms. Billbergia is exploring option to convert the proposed development via a SSDA to remove the hotel component and provide 361 apartments. As such, Billbergia have engaged JLL to undertake a hotel & serviced apartment market research report in the Rhodes area.

Key Findings

When considering locations for serviced apartments / hotel developments, four key demand drivers typically guide our assessment of market viability, these include:

- **Proximity to demand generators** is fundamental, as successful hospitality assets benefit from being near medical facilities, entertainment venues, tourist attractions and employment hubs which are influential in creating a steady flow of potential users.
- **Visibility and exposure to passing traffic** also plays an important role, with properties positioned along major roads or in high foot traffic areas being able to capture more market presence.
- **Ease of access** is another essential consideration, with locations offering multiple transportation options and good connectivity to the CBD and transport hubs providing convenience to users.
- The **competitive environment** reveals the underlying demand patterns, as established operators are strategically positioned at locations with proven hospitality viability.

The following table provides our assessment of Rhodes' alignment to each demand driver, using a traffic light rating system. Red highlights significant challenges that may impact demand, amber suggests moderate or mixed potential, while green indicates favourable conditions.

Demand Drivers	Alignment Criteria
Proximity to Demand Generators	Red
Visibility / Exposure to Passing Traffic	Red
Ease of Access	Amber
Competitor Environment	Red

- While Rhodes may benefit from proximity to demand generators in the surrounding areas, it **lacks prominent demand drivers** within its vicinity.
- Rhodes suffers from significant visibility challenges due to its location, **attracting minimal exposure** from both passing road and rail traffic.
- Rhodes' accessibility is limited by its reliance on a single railway line and the future metro development will instead **enhance connectivity to competing nearby markets**.
- The concentration of hospitality supply in nearby precincts reflects deliberate market positioning, indicating Rhodes' **insufficient demand fundamentals** further supported by **no proposed future supply**.

Proximity to Demand Generators

Observations

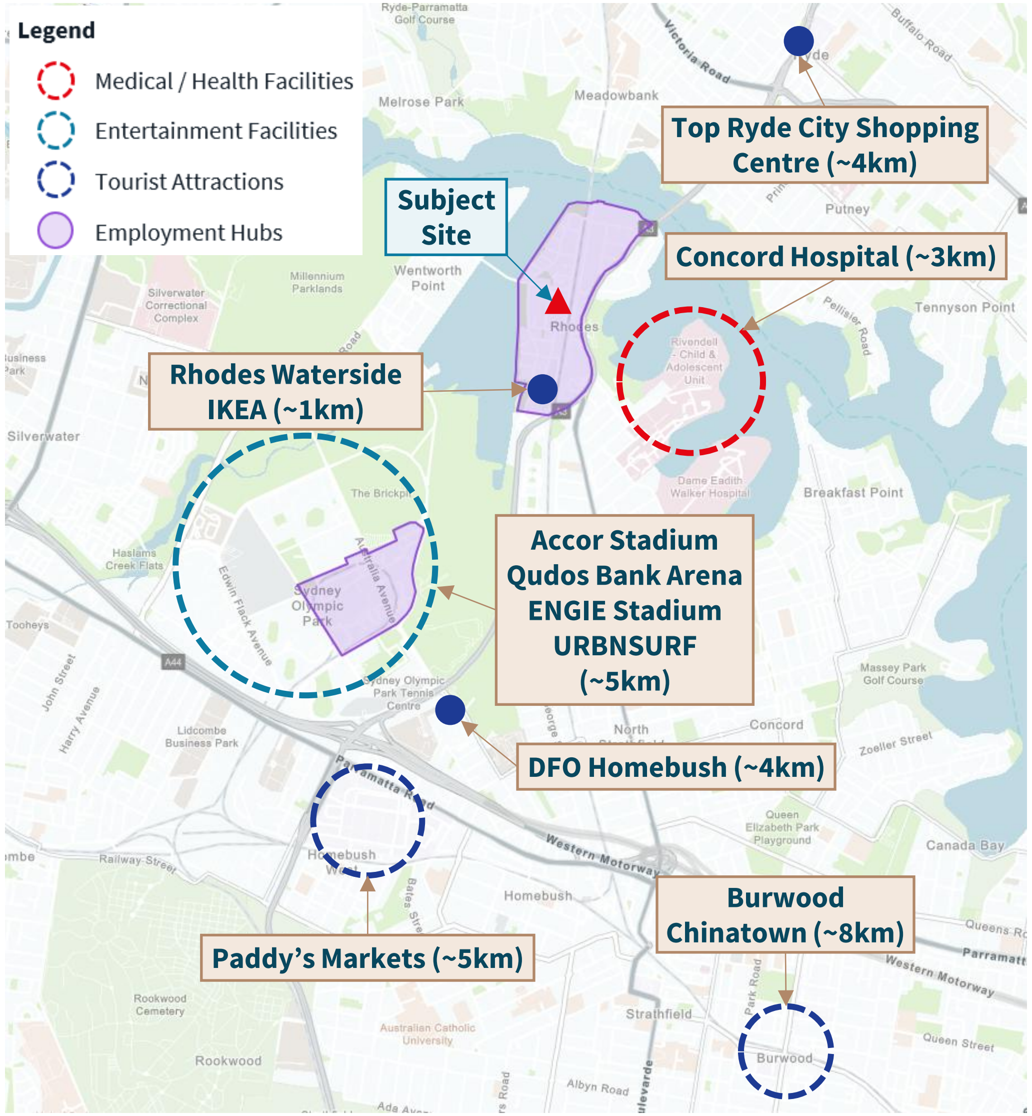
Proximity to Demand Generators

The various demand generators for serviced apartments and hotel accommodation may include medical/health facilities, entertainment facilities, tourist attractions and employment hubs.

We have looked at the surrounding area within the Rhodes area, and have identified the potential demand generators, indicated in the map to the right.

- A medical / health precinct housing the Concord Hospital is located to the east of Rhodes. The 500-bed public hospital specialises in burns, geriatrics, and general medicine.
- Sydney Olympic Park is a major entertainment hub comprising several entertainment facilities and venues such as Accor Stadium, Qudos Bank Area, ENGIE Stadium, and Sydney Showground. Regularly hosting large-scale concerts and major events, this precinct attracts domestic and international visitors.
- Outside of main tourist attractions in the Sydney CBD, some potential nearby tourist attracting venues include the Paddy's Markets (Flemington) and Burwood Chinatown.
- Rhodes is an established office precinct, JLL tracked ~133,000 sqm of office stock, this represents only 1% of Sydney's total office stock making it one of the smallest tracked office precincts. Further, it holds the 2nd largest vacancy rate of markets tracked by JLL nationally (after St Leonards), with almost a third (~31%) of the office stock vacant as at Q2 2025.

Rhodes suffers from a critical deficiency in demand generators compared to competing locations. Its proximity to the demand generating locations benefits competing accommodation in those locations directly, while Rhodes itself lacks any compelling primary demand driver that would make it a preferred destination and provide sufficient visitor volume to sustain hospitality operations.



Source: JLL MapIT
Note: Distance refers to by road

Visibility / Exposure to Passing Traffic

Observations

Visibility / Exposure to Passing Traffic

Rhodes is locationally disadvantaged with low visibility as opposed to strategically positioned serviced apartments / hotels that capitalise on high-exposure corridors and accessibility towards the city and airport.

The peninsula geography of Rhodes creates a restricted traffic flow, with reliance on a single north-south road corridor (Homebush Bay Drive – Concord Road). While this road does receive significant passing traffic, this doesn't benefit the site. The remaining road network is designed primarily for residential access, the internal road network also lacks alternative routes and has limitations to cater for higher volume traffic.

Situated in an internal road within Rhodes, the site at Marquet Street is accessible only via secondary routes – Gauthorpe Street to the north and Mary Street to the south. With only singular road access, minimal exposure is obtained from the passing road.

While the site is positioned within relative proximity to Rhodes train station, it lacks visibility and direct exposure from the train due to its frontage being on Marquet Street, rather than Walker Street which sits parallel to the railway line.

Figure: Satellite view of Rhodes and the Site

Source: Archistar, JLL

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Ease of Access

Accessibility

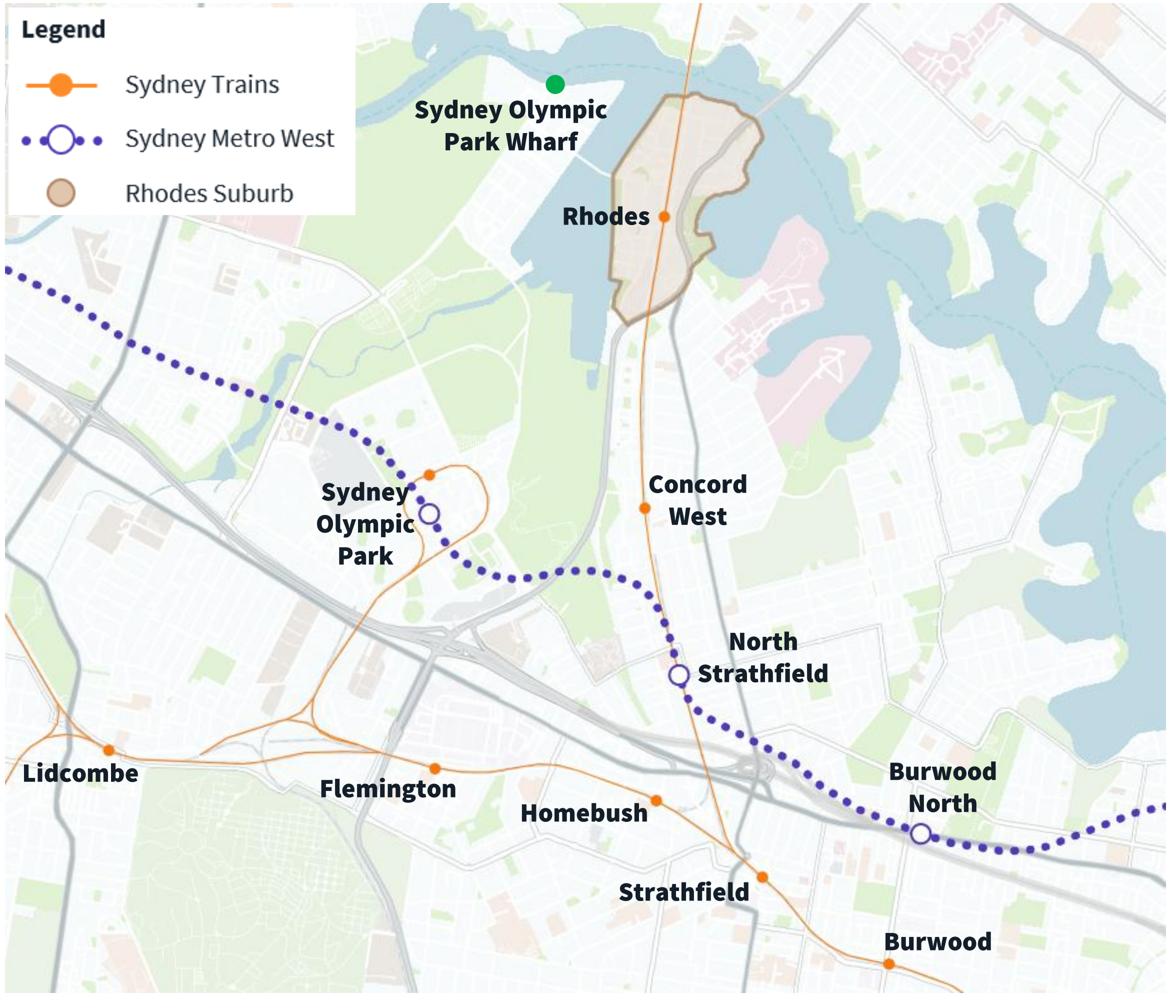
Ease of Access

Observations

Rhodes is approximately a 25-minute train ride to the city, which is serviced by the Sydney Trains' T9 Northern Line, connecting Hornsby and Gordon via Strathfield. The single railway line access via train contrasts with other more established and concentrated serviced apartment / hotel locations, which benefit from multiple rail lines such as major CBD stops and the City circle line. The lack of alternative major public transport modes makes Rhodes vulnerable to train disruptions and susceptible to extended travel times.

The Sydney Olympic Park ferry wharf at Wentworth Point provides an alternative transportation option in proximity to Rhodes, with services to Circular Quay taking approximately 50-minutes and very infrequent services. While this adds a public transport option to the area, it also requires commuters to cross the Bennelong Bridge to access the ferry service.

Figure: Public Transport Access in Rhodes and Surrounds



Source: JLL MapIT

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Key Infrastructures

Ease of Access

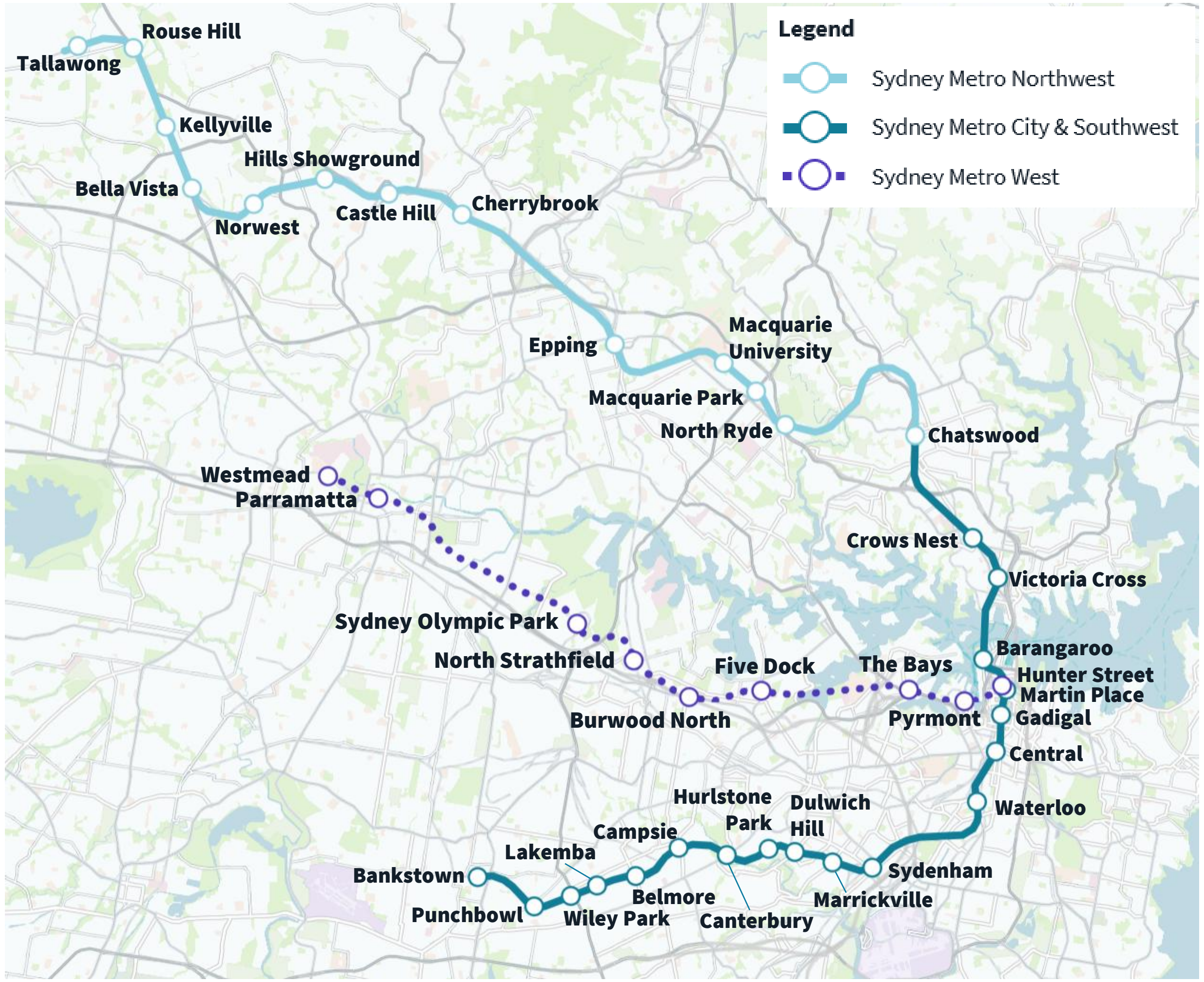
Sydney Metro

The Sydney Metro is Australia's largest public transport project which aims to revolutionise the existing transportation system, acting as a catalyst for renewal and better connectivity throughout Sydney. This is delivered in stages, including:

- Sydney Metro Northwest: The first stage of Sydney Metro opened in 2019, providing a driverless train service and 13 railway stations between Tallawong and Chatswood.
- Sydney Metro City & Southwest: The 30km metro line extends from Chatswood under the Sydney Harbour, through new CBD stations (opened in 2025), and southwest to Bankstown (opening in 2026).
- Sydney Metro Western Sydney Airport: The new 23km metro line will connect St Marys to the new Western Sydney Aerotropolis, expected to be delivered in 2027.
- Sydney Metro West: Anticipated to be opened in 2032, the new 24km underground railway will connect Greater Parramatta and Sydney CBD, doubling the existing rail capacity.

While the planned Sydney Metro West development is within proximity, it does not cater for Rhodes and instead significantly benefits the surrounding and competing markets to improve accessibility with high-frequency metro access to Sydney Olympic Park, North Strathfield and Burwood North. This aims to draw demand further away, placing Rhodes increasingly at a competitive disadvantage.

Figure: Sydney Metro Project



Competitor Environment

Observations

Competitor Environment

To understand the accommodation landscape, we have reviewed the serviced apartment and hotel options in the Rhodes area and surrounds. We have identified six hotels supplying a total of 927 rooms in the area, five of which are located within Sydney Olympic Park.

While limited competing supply can at times be beneficial, in the case of Rhodes, this is due to the gravitation of these accommodation options existing at Sydney Olympic Park. The direct access to major event venues, predictable occupancy patterns and proximity to tourist hubs has led to the positioning of established hospitality providers at demand generating areas.

Utilising Cordell's database for construction projects, there are no future supply proposed within Rhodes. In contrast, we have identified additional major supply within the surrounding area:

- A serviced apartment project in Sydney Olympic Park (302 rooms)
- A hotel project (120 rooms) in Burwood.

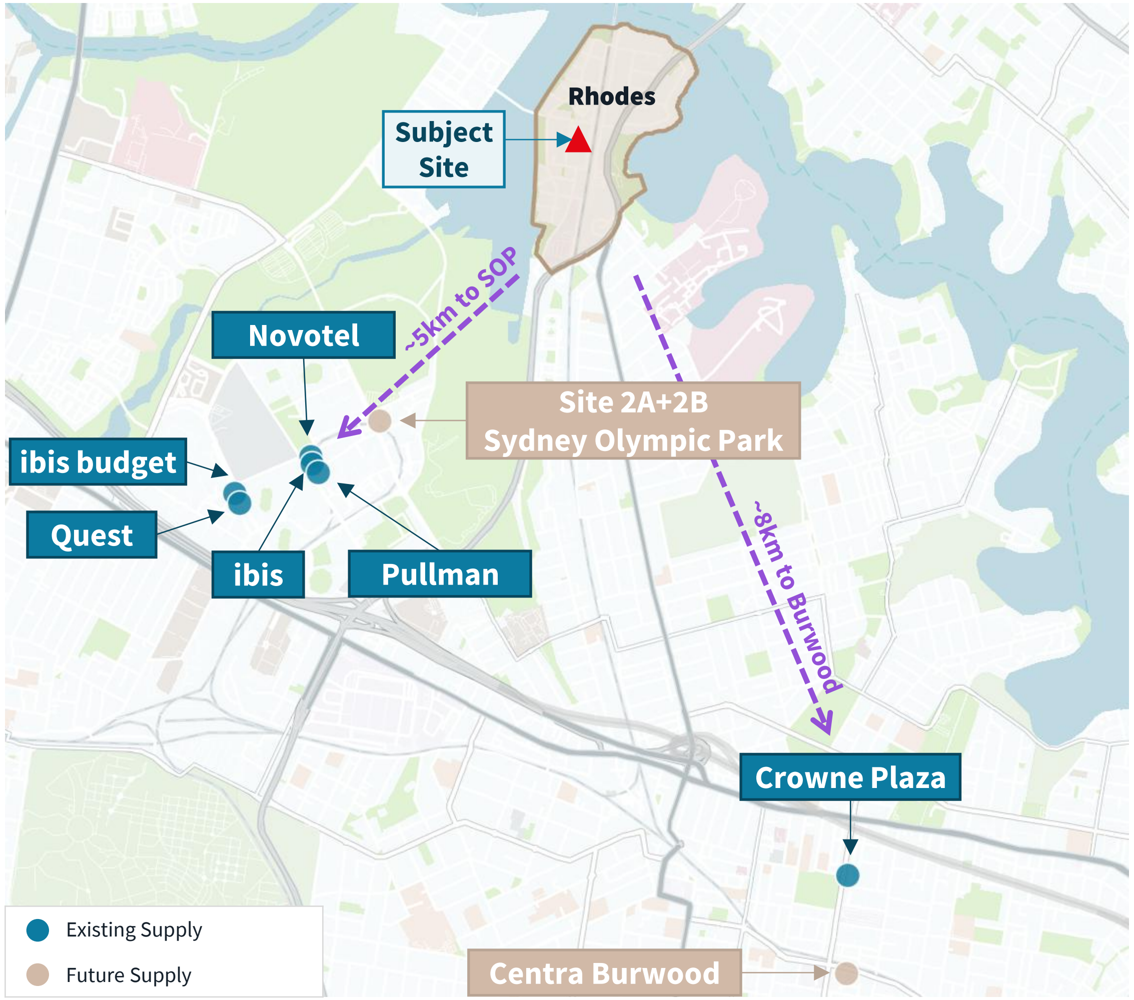
The limited major serviced apartment / hotel presence in Rhodes is reflective of deliberate market avoidance due to insufficient demand drivers.

Table: Existing Hotel Supply

Hotel	Rooms
ibis budget Sydney Olympic Park	156
ibis Sydney Olympic Park	150
Novotel Sydney Olympic Park	177
Pullman at Sydney Olympic Park	218
Quest at Sydney Olympic Park	136
Crowne Plaza Sydney Burwood	90
Total	**927**

Source: JLL

Figure: Existing & Future Supply of Hotels, Rhodes and Surrounds



Source: JLL, Cordell Connect
Note: Distance refers to by road

Conclusion

Background, Scope & Key Findings

Executive Summary

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Demand Drivers	Alignment Criteria
Proximity to Demand Generators	🔴
Visibility / Exposure to Passing Traffic	🔴
Ease of Access	🟡
Competitor Environment	🔴

Daniel Turini
Senior Director, Strategic Consulting Australia

+61 430 787 857
daniel.turini@jll.com

Sue Lim
Analyst, Strategic Consulting Australia

+61 450 963 266
sue.lim@jll.com

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