

Economic Impact Statement

2 Fitzwilliam Street, Parramatta

Submitted to NSW Department of Planning, Housing and
Infrastructure
on behalf of Urban Property Group



'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

This Economic Impact Statement is submitted to the Department of Planning, Housing and Infrastructure (DPHI) on behalf of the Applicant, UPG Fitzwilliam Pty Ltd (UPG) in support of the State Assessment Rezoning Proposal for a mixed-use development, comprising residential accommodation, hotel and retail land uses at 2 Fitzwilliam Street, Parramatta (the Site).

The purpose of this Economic Impact Statement is to assess (at a high level) the relative market drivers and likely economic impacts of the proposal for the 2 Fitzwilliam Street site. This includes consideration for residential, hotel and ancillary uses at the site as compared to commercial office uses which were previously planned as a component of the development.

A review of the Site and its surrounding context shows that the proposed uses are highly appropriate with regard to the existing and future context of the Parramatta CBD and its continued evolution as a live, work and play precinct and Greater Sydney's designated 'Central City'.

The proposed development would activate a centrally located, yet highly underutilised site that is close to transport, jobs and services. The proposal will deliver much needed housing supply to the market at a time where addressing the housing crisis through additional dwelling supply is a key objective across all levels of Government, including within Parramatta.

The Site location on the southern side of the railway line, results in a disconnect from the majority of Parramatta's existing and future commercial 'core' which is focused to the north of the railway line. A key locational driver based on modern office tenant requirements are for spaces that are strategically located close to other businesses, in order to leverage off the clustering benefits likely to result, including knowledge sharing. Accordingly, any commercial office use at the Subject Site will be more isolated compared to other key sites within the core of the CBD. This is even more challenging in an underperforming office market in Parramatta, reflected by high vacancy rates and negative net absorption and is evidenced by the following:

- Across major markets in Sydney, there is around 1.42 million square metres of vacant commercial office floorspace. This includes 678,527m² of vacant floorspace in Sydney CBD (12.8%), and 189,059m² in Parramatta (20.0%), well above the historic levels for major markets across Greater Sydney, which are typically around 6-7% on average over 20 years to January 2020. The vacancy data demonstrates that the commercial office market in Sydney overall is currently underperforming, even within major markets.
- In addition to the above, there is a significant amount of development activity underway or planned in markets such as the Sydney CBD (over 562,511m²) and Parramatta with around 370,800m² of additional floorspace (planned, approved, or under construction), with Parramatta CBD zoned to accommodate significantly more.
- As a result, there is over 8.7 million square metres of commercial office floorspace provided at key metropolitan centres throughout Sydney, including over 1.42 million square metres of vacant floorspace, and a further 1.57 million square metres of additional future supply that has also been identified across major markets. Notably, at 370,800m² of future supply planned in Parramatta, this represents around 31 years of supply based on net absorption figures, recorded at around +11,799m² on average per year over the past 10 years (PCA January 2025).
- When taking into account both the existing vacant floorspace and proposed floorspace in Parramatta CBD (559,859m² combined), this equates to a total of 47 years of supply based on historic net absorption figures.
- Furthermore, official employment projections estimate that commercial office-based workers are projected to increase by +11,060 between 2024 and 2036 in Parramatta LGA. When applying a typical workspace ratio of 20m² per worker, this implies a need for +221,200m² of office floorspace by 2036. Based on known commercial office developments (either planned, approved or under construction), there is around 370,800m² of commercial floorspace within the pipeline in Parramatta CBD alone, demonstrating there is already a sufficient pipeline of office floorspace.
- With regard to the above, a significant provision of new commercial office floorspace at the Subject Site will be at a competitive disadvantage, attributed to the non-core commercial location and subdued market conditions across Sydney (including Parramatta) highlighted through low levels of demand, high vacancy rates and a large pipeline of commercial office supply.

In an environment where the commercial office market is highly challenged, and where existing and future commercial office space is already identified in more suitable locations, the proposal represents a logical mix of uses that will better align with market needs and deliver an improved economic and community outcome for the area. Key points to note regarding the market context and suitability of the uses proposed at the Site include:

- The delivery of new housing supply is recognised as being critical to address the housing affordability crisis by all levels of government. The proposed mixed use development, comprising at least 600+ residential dwellings, represents a significant opportunity to deliver new housing supply that will align with the National Housing Accord target set for the Parramatta LGA of +19,500 new completed dwellings by 2029. Importantly, the Site and market has the attributes that will support an increase in residential accommodation, particularly noting the low vacancy rates, strong population growth and housing affordability constraints in Parramatta.
- The provision of a 200-room hotel at the Site will support the growing demand for visitor accommodation in Parramatta. Continued growth of Parramatta CBD for employment, business, culture, entertainment as well as a recognised place of residence will further support visitation trends, with an estimated need for an additional +2,555 visitor accommodation rooms in the CBD by 2041. The proposed development will help to serve a proportion of this future demand and will support growth in the Parramatta CBD visitor economy by providing a 200-room hotel within a strategic, centrally located and high amenity location.
- The planned provision of retail floorspace at the Site would be ancillary in nature to the residential and hotel uses, activating the ground floor plane and supporting overall amenity at the Site and for the local area.

A review of economic impacts associated with uses planned as part of the proposed development will have a negligible impact on the viability of any existing or future facility in the market. In fact, the proposed development will result in a substantial net economic benefit as outlined through the following benefits likely to be supported by the proposal:

- **Generate significant economic activity during the construction phase.** Based on the indicative development costs of \$400million, the construction phase is expected to support total employment of up to 530 direct job years, and a direct value add to the economy of \$86.4 million.
- **Support additional resident and visitor population.** The provision of at least 600 dwellings at the Site could support approximately 1,560 residents upon completion and full occupancy. The 200 visitor accommodation rooms will also support further activity through increased visitation at the Site, local area and across Parramatta.
- **Increase retail expenditure in the local area.** Assuming 1,560 residents are supported at the Site, and annual per capital retail expenditure of \$16,790 in Parramatta LGA (based on Marketinfo), once complete and fully occupied, the new resident population could generate retail expenditure of \$26.2 million per annum. In addition, visitors using the hotel would also support expenditure across the local and regional area, estimated at \$26.8 million per annum (adopting market averages sourced from Destination NSW).
- **Support ongoing operational jobs at the Subject Site,** estimated at 160 FTE direct ongoing jobs. These jobs will support an estimated \$20.1 million in direct value added to the economy each year. When the multipliers are considered, the proposed development will support total operational employment of 248 FTE jobs (direct and indirect), and a total value added to the economy of \$35.4 million per annum.
- **Contribute to the increased vibrancy and continued activation of Parramatta CBD** both during the day and night, as well as on weekends through the resident and visitor population present and active at the Site.
- **Increase the supply of housing in the local area,** by providing improved housing choice and diversity in the community and supporting improved housing affordability overall through increased supply. The 600+ dwellings will support around 3.1% of Parramatta LGA's 2029 housing target set under the National Housing Accord.
- **Improve housing affordability** by increasing the availability of supply in the local market, and by providing dedicated affordable dwellings (including NDIS housing), benefitting the high share of households in rental and mortgage stress, particularly for lower income and disadvantaged segments of the community.

1.0 Introduction

1.1 Purpose of this Report

This Economic Impact Statement is submitted to the Department of Planning, Housing and Infrastructure (DPHI) on behalf of the Applicant, UPG Fitzwilliam Pty Ltd (UPG) in support of the project comprising residential accommodation, hotel and retail uses at 2 Fitzwilliam Street, Parramatta (the Site).

Following the approval of the Stage 1 Concept State Significant Development Application (SSDA) (SSD-49808717) and the completion of a design competition for the project, UPG are now pursuing the next stage of planning approvals, which include a State Significant Rezoning, a Detailed Stage 2 SSDA and an Amending SSDA to amend the approved Stage 1 Concept SSDA.

The purpose of this Economic Impact Statement is to assess (at a high level) the relative market drivers and likely economic impacts of the proposal for the Site. This includes consideration for residential, hotel and ancillary uses as compared to commercial office uses which were previously planned.

1.2 The Site

The Site address is 2 Fitzwilliam Street, Parramatta and it comprises four allotments legally described as Lots 10,11,12, 13, in DP 1285124. The Site sits in the heart of the Parramatta Central Business District (CBD) opposite Parramatta Railway Station (25m to the site's north) and the Parramatta Bus Interchange, a portion of which forms part of the Site.

The Site has a total area of approximately 2,811.8m², with two street frontages, including a circa 110m frontage to Fitzwilliam Street and a circa 115m street frontage to Argyle Street. The eastern boundary of the Site also adjoins an approved 30-storey project (not yet constructed) on the southern half of the site at 10 Valentine Street **Figure 1** shows the Site and its context.

Currently, the Site is vacant, and it contains limited vegetation, site fencing and remnant concrete slabs. An existing car park and driveway for service vehicles is located in the eastern portion of the site and a through-site pedestrian path is located within the Site's western boundary. A portion of the Argyle Street footpath is also located on the Site and includes a bus shelter.



Figure 1 Aerial view of the Site (as outlined in red)

Source: SJB

1.3 Surrounding Context

The Site is located within Parramatta CBD, and Parramatta Local Government Area (LGA). The Subject Site at 2 Fitzwilliam Street is positioned in a high profile site, adjacent to Parramatta Station and within easy walking distance to key infrastructure and centres including within Parramatta CBD and Westfield Parramatta. The Subject Site is currently vacant.

Immediately surrounding the Subject Site are a range of uses, including residential, retail and commercial uses. Commercial buildings surrounding the Subject Site are largely older assets, with many of the contemporary commercial office uses located to the north of the rail line, around Parramatta Square and between Macquarie and Phillip Street.

Parramatta CBD is in the process of undergoing significant urban renewal as a result of significant development activity within the private sector coinciding with strong government infrastructure investment, including Sydney Metro West, and the Parramatta Light Rail. This continued investment represents a unique opportunity to revitalise Parramatta CBD and leverage improved access and travel times across the city including direct connections to Sydney CBD, Sydney Olympic Park and Westmead.

To facilitate the continuation of this development, the Parramatta CBD Planning Proposal was gazetted on the 6 May 2022, which aims to increase both height and floor space ratio controls within the Parramatta CBD to facilitate development of high density residential and commercial towers. Specifically, the Planning Proposal enables Parramatta CBD to support an estimated 50,000 new jobs and 14,000 new dwellings over the next 40 years. Importantly, this Planning Proposal will enable new future developments throughout the CBD, including at the Site.

The proposed development will align with the existing context of Parramatta and will support the future aspirations, which includes the delivery of appropriate housing (such as apartments), in suitable locations that enable residents to have easy access to jobs, transport, services and amenities.

1.4 The Proposed Development

The State Assessed Rezoning Proposal is required to amend the Parramatta Local Environmental Plan 2023 to enable the change of use of the eastern tower from commercial to residential accommodation and accommodate a new hotel within the podium. The Rezoning Proposal will facilitate the concurrent SSDA, which will seek approval for the following works:

- Construction of a new mixed-use development consistent with the Stage 1 Concept Approval (as amended), comprising:
 - A shared podium containing ground level retail and hotel uses.
 - Two towers comprising residential accommodation.
- Basement carparking accessed via Fitzwilliam Street.
- Through site link connecting Fitzwilliam and Argyle Street.
- Associated landscaping and public domain works.
- Extension and augmentation of physical infrastructure and utilities.

For a detailed project description refer to the Rezoning Report prepared by Beam Planning and the Architectural Drawings prepared by SJB.

1.5 Sources and Assumptions

The following sources have been referenced in this document:

- ABS Census of Population and Housing 2021
- ABS Census of Population and Housing 2016
- ABS, National Accounts 2020/21
- NSW Common Planning Assumptions Population Projections 2024
- NSW Common Planning Assumptions Population Projections 2022
- Transport for NSW Travel Zone Projections 2024
- Property Council of Australia Office Market Report – January 2025
- Cordell Connect

- Pricefinder
- Tourism Research Australia
- Destination NSW
- SQM Research

The following assumptions have been used in this document

- The key findings of background studies and technical reports are accurate.
- Socio-economic data for each study area accurately reflects the community demographic profile.
- ABS estimated resident population figures provides an accurate estimate of historic population.
- NSW Government projections data provide an accurate outlook for future population growth for each of the study areas.
- Market averages adopted from Destination NSW and Tourism Research Australia accurately reflect conditions in Parramatta.
- Cordell Connect provides an accurate representation of the development pipeline.

2.0 Market Context

This section provides an assessment of the types of uses outlined in the proposed development. It considers the demand and supply for these uses, and implications for the proposed development to assist with evaluating any potential impacts.

A high level assessment of the commercial office market performance in Greater Sydney and Parramatta is also provided to demonstrate the limited market potential or opportunity for this use at the Site in the foreseeable future, and to demonstrate the relative impact of the project in supporting residential, hotel and other ancillary uses.

2.1 Commercial Office Market Commentary

Parramatta CBD supports a strong mix of land uses, including both residential and non-residential commercial uses such as office, health and education, accommodation, and retail.

A high-level review of the broader Sydney commercial office market is presented to assess the overall competitive context for commercial office uses in Parramatta. This will assist in understanding the relative impact of the project to accommodate residential uses.

The Sydney CBD forms the major commercial office destination in the metropolitan area, providing over 5.3 million square metres of commercial office floorspace and serves a critical role in Australia's national economy. The role of the metropolitan office markets across Greater Sydney (including Parramatta) also serve an important local and regional function that complement the higher-order role of the Sydney CBD.

The provision of commercial office floorspace across major markets, as well as Paramatta include:

- Sydney CBD – 5,300,562m²
- Macquarie Park – 945,349m²
- Parramatta – 944,437m²
- North Sydney – 941,214m²
- Crow's Nest/St Leonards – 357,418m^{2f}
- Chatswood – 267,004m²

(Sourced from the PCA Office Market Report, January 2025)

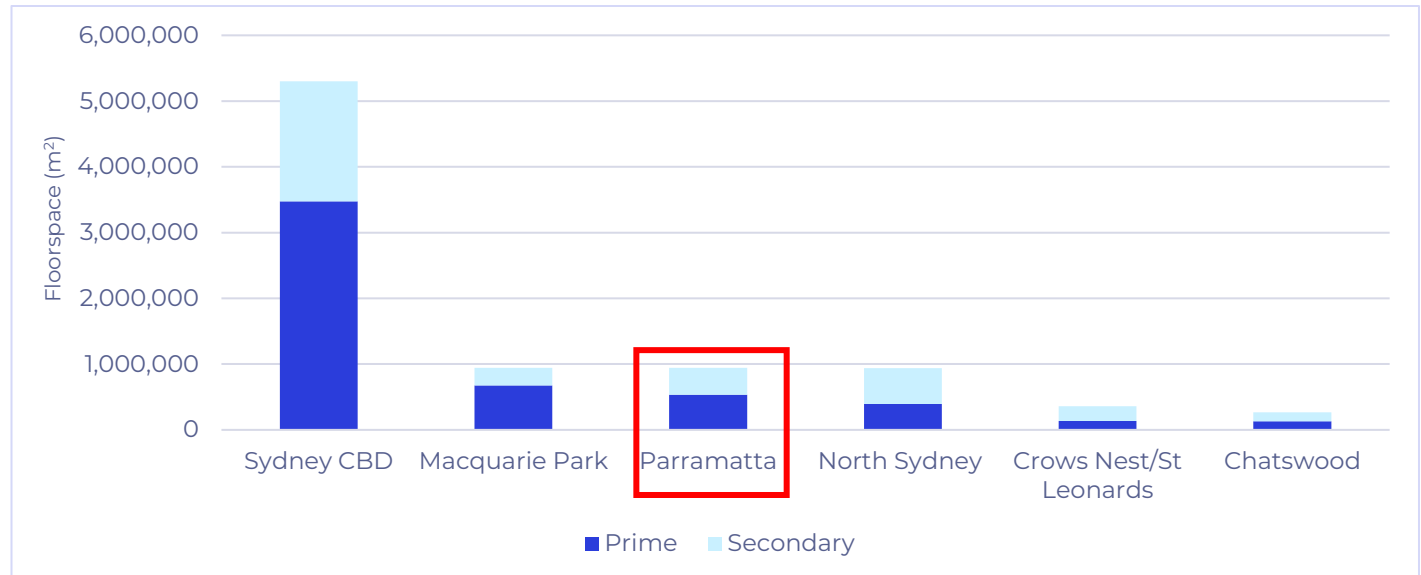


Figure 2 Commercial Office Floor Space – Sydney Markets

Source: PCA Office Market Report, January 2025

The floorspace data above shows that Parramatta is one of the largest commercial office markets within Greater Sydney, supporting 944,437m² of commercial office stock as of January 2025 (PCA). At this size, Parramatta is of a comparable scale to other major markets such as North Sydney and Macquarie Park, however is significantly smaller than Sydney CBD.

Of significance, these major markets also show high rates of existing vacancy, and accordingly, Parramatta has to compete for tenants that may choose to locate in other locations such as Sydney CBD or North Sydney.

Across major markets in Sydney, there is around 1.42 million square metres of vacant commercial office floorspace. This includes 678,527m² of vacant floorspace in Sydney CBD (12.8%), 189,059m² in Parramatta (20.0%),

and 222,673m² in North Sydney (23.7%). **These vacancy rates are well above the historic levels for major markets such as Greater Sydney and Parramatta, which are typically around 6-7% on average over 20 years to January 2020.** The vacancy data demonstrates that the commercial office market in Sydney overall is currently underperforming, even within major markets. The performance compared to pre-COVID levels is also outlined to show the decline in commercial office conditions in recent years.



Figure 3 Total Vacancy (total vacancy %) – Major Sydney Markets

Source: PCA Office Market Report, January 2025

The amount of new supply planned in the metropolitan office markets has also been steadily increasing, further adding to high vacancy rates across the market. Currently, there is significant amount of development activity underway or planned in markets such as the Sydney CBD (over 562,511m²) and Parramatta with around 370,800m² of additional floorspace (planned, approved, or under construction), with the CBD zoned to accommodate significantly more. *This information is based on the January 2025 PCA Office Market Report (Sydney CBD) and publicly available information (for Parramatta CBD specifically).*

As a result, there is over 8.7 million square metres of commercial office floorspace provided at key metropolitan centres throughout Sydney, including over 1.42 million square metres of vacant floorspace, and a further 1.57 million square metres of additional future supply that has also been identified. Notably, at 370,800m² of future supply planned in Parramatta, this represents around 31 years of supply based on net absorption figures, recorded at around +11,799m² on average per year over the past 10 years (PCA January 2025).

When taking into account both the existing vacant floorspace and proposed floorspace in Parramatta CBD (559,859m² combined), this equates to a total of 47 years of supply based on historic net absorption figures.

As such, the commercial office market overall is considered highly competitive for new developments, with challenging conditions likely to remain as a result of subdued market demand and the level of new development activity that will continue to occur in the metropolitan and city fringe markets.

2.1.1 Parramatta Commercial Floorspace Opportunity

A review of employment projections prepared by Transport for NSW (2024) shows expected employment growth of +11,060 commercial office-based workers within the Parramatta LGA by 2036 (assumes traditional office and knowledge-based workers). Adopting a workspace ratio of one worker per 20m² (based on NSW Common Planning Assumptions 2023), there is an implied requirement for approximately 221,200m² of new commercial office floorspace across the LGA between 2024 and 2036.

Based on known commercial office developments (either planned, approved or under construction), there is around 370,800m² of commercial floorspace within the pipeline in Parramatta CBD alone. When considering the implied demand of 221,200m² across the entire LGA, there is already a sufficient pipeline of commercial office development planned or underway that could appropriately support existing and future demand for commercial office floorspace. This is without consideration of the existing vacant floorspace of 189,059m² already available in the market.

A high-level review of existing and future developments shows that commercial office developments are predominately located within the core of the Parramatta CBD, north of the railway line. While the Subject Site is located within Parramatta CBD and within proximity to transport, workers, residents and key retail facilities, there is a notable disconnect between the Subject Site and the main commercial and employment 'core' of Parramatta focused to the north of the railway line. A key locational driver based on modern office tenant requirements are for spaces that are strategically located close to other businesses, in order to leverage off the clustering benefits likely to result, including knowledge sharing. Accordingly, any commercial office use at the Subject Site will be more isolated compared to other key sites within the core of the CBD, and around precincts such as Parramatta Square and future Parramatta Metro Station. The fringe CBD location for commercial office uses is of relevance when noting the existing 20.0% vacancy rate in Parramatta, and the proposed 370,800m² of floorspace in the pipeline which suggests the Subject Site will find it challenging to attract and retain tenants relative to other assets and locations within the Parramatta CBD market.

With regard to the above, a significant provision of new commercial office floorspace at the Subject Site will be at a competitive disadvantage, attributed to the non-core commercial location and subdued market conditions across Sydney (including Parramatta) highlighted through low levels of demand, high vacancy rates and a large pipeline of commercial office supply.

2.2 Residential Market Commentary

2.2.1 Demographic Profile

The below presents a high-level overview of the key demographic characteristics in the Parramatta (suburb) and Parramatta LGA, and is based on the ABS Census of Population and Housing 2021 results. These characteristics are benchmarked against Greater Sydney, with key findings including:

- **A low median age of 31.5 years** in Parramatta, substantially younger than both the Parramatta LGA (35.6 years) and Greater Sydney (37.3 years) median.
- **Both Parramatta and Parramatta LGA have a higher share of rented dwellings** at 71.5% and 46.3% of all dwellings. This is significantly higher than the 36.1% of rented dwellings across Greater Sydney overall.
- **Parramatta LGA has a comparable household composition to Greater Sydney**, including 72.5% of dwellings occupied by family households. Within Parramatta (suburb), the share of family households is much lower (64.0%), with a higher proportion of lone person (25.8%) and group (10.2%) households.
- **Parramatta is a culturally diverse community**, noting the 70.8% of overseas born residents (compared to 31.8% in Greater Sydney).
- **Parramatta's dwelling supply largely comprises flats, units and apartments**, accounting for 86.4% of dwelling stock, compared to 30.7% across Greater Sydney.
- **A higher proportion of tertiary students live in Parramatta**. Of total residents attending education, a higher proportion in Parramatta (locality) are attending university (31.9% of residents attending education). This compares to 21.4% in Greater Sydney.

Key intercensal trends that occurred between the 2016 and 2021 Census in Parramatta LGA include:

- **An increase in the share of rented dwellings** of +3.9% between 2016 and 2021, compared to a change of +1.1% in Greater Sydney.
- **Stronger individual income growth** of +\$12,840 compared to Greater Sydney at +\$8,470.
- **An increase in the share of lone person households** by +4.5% compared to +1.6% across Greater Sydney.
- **Continued trend towards higher density living**, noting an increase in the share of flats, units and apartments of +3.9%.

The resident profile of the Parramatta LGA is typically characterised by a young, culturally diverse and affluent community. Notably, the demographic data shows that residents living in Parramatta (suburb) are more likely to support an even younger population, who live in rented apartments, including young singles, families, and lone person households. There is also a higher share of residents attending tertiary education, such as university.

2.2.2 Population and Dwelling Demand

A review of population projections prepared by the NSW Government show that Parramatta LGAs population is forecast to increase by +96,670 residents over the period to 2041. This reflects a 2024 population estimate of 273,850, and total population of 370,520 residents by 2041. *Projections have been prepared with reference to the NSW CPA 2024 forecasts, and rebased to the latest ABS Estimated Resident Population for 2023.*

Applying the average household size to the projected population as presented in **Table 1** the result is an implied need for an additional +40,736 dwellings between 2024 and 2041 across Parramatta LGA.

A review of proposed developments in Parramatta LGA show that there is currently around 34,300 dwellings (including rooms) planned, approved or under construction. This includes across major projects such as Melrose Park Precinct (5,500 dwellings), Telopea Mixed Use Precinct (3,500 dwellings), The Peninsula Wentworth Point (1,600 dwellings), and North Rocks Village (1,000 dwellings). Around 25% of total forecast supply is located in Parramatta CBD, demonstrating that much of future housing supply is located in outside of the CBD.

With consideration to the above, future residential development in Parramatta CBD is only likely to account for a portion of future dwelling demand, with the result being an undersupply of approximately 6,435 dwellings remaining to be delivered by 2041.

In this context, the proposed dwellings at the Subject Site would help satisfy a proportion of the required future dwelling growth, and contribute to much needed housing supply within one of Sydney's most central and accessible locations that is close to transport, employment centres and provides high levels of amenity.

Table 1 *Implied Demand for Housing (Parramatta LGA)*

Implied Dwelling Requirements	2024	2041	Change
Population	273,850	370,520	+96,670
Average Household Size	2.69	2.62	-0.07
Implied Dwelling Demand	101,798	142,534	+40,736
Known Dwelling Supply*	N/A	34,300	+34,300
Market Gap for Dwellings			-6,435

Source: NSW CPA 2024 Projections, ABS ERP 2023, Cordell Connect

Note: *Includes projects planned, approved or under construction

Note: Official projections have been rebased to the latest ABS Estimated Resident Population (ERP) for 2023

Note: Average household size assumptions have been based on the NSW CPA 2022 Projections (noting the latest 2024 projections do not include average household size forecasts)

2.2.3 Residential Market Commentary

Since 2006, New South Wales has experienced consistent, ongoing undersupply of new dwellings, emphasising that the delivery of housing has been unable to keep up with demand. The Productivity Commission anticipate that this undersupply will increase to -100,000 dwellings by 2038.

Undersupply of housing is increasing the cost of living for households and forcing some households to either downsize, or locate further away from key centres in more affordable locations, with impacts on access to their place of work, retail, community, social facilities and transport infrastructure.

The delivery of new housing supply is recognised as an important objective to address the housing crisis at all levels of government, and the project presents a significant opportunity to deliver new housing within the National Housing Accord timeframe. Importantly, the project has the potential to contribute to the 5-year housing target in Parramatta LGA of +19,500 new completed dwellings.

Across Greater Sydney, housing affordability and the delivery of housing supply remains a significant social, economic and political challenge. These housing market challenges are also evident within Parramatta LGA, which is experiencing house price growth, low vacancy, and decreasing affordability. Key findings from a review of the Parramatta LGA housing market include:

- **Low residential vacancy rate** of 2.5% (December 2024) for all dwellings, compared to Greater Sydney of 2.1% (SQM Research).
- **Rental costs have increased substantially in recent years**, with the median weekly rent for units increasing by +62% between July 2019 and July 2024 in the 2150 postcode (SQM Research). This highlights the growing rental market in Parramatta underpinned by the region's proximity to jobs, amenities and transport. This growth has largely occurred in recent years, as shown below in **Figure 4**.

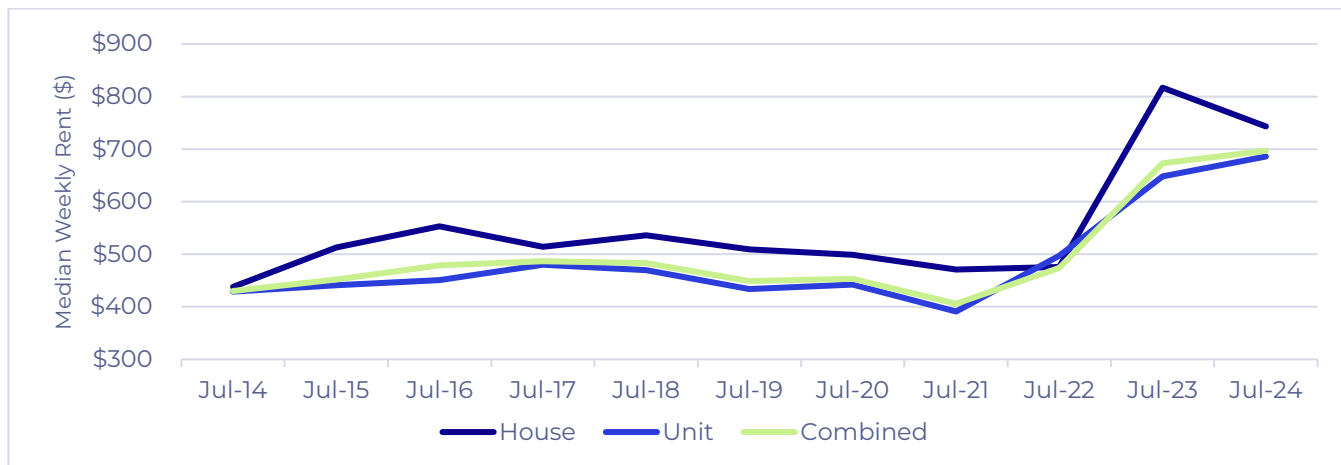


Figure 4 Rental Price Growth – 2150 Postcode

Source: SQM

- **Housing prices have increased considerably** by over +50% in the past 5 years with a median house price in the suburb of Parramatta of \$1,700,000 as at December 2024 (Pricefinder). Unit prices have, however remained more stable over the same period, with a median unit price of \$625,000 as at December 2024. Price trends in Parramatta show that units and apartments can offer a much more affordable housing option as compared to houses, particularly for families and downsizers.
- **Housing affordability is a significant challenge in Parramatta**, with the LGA having higher rates of households in mortgage stress (23.9%) compared to Greater Sydney (19.8%) as at the 2021 Census. Declining housing affordability is evident across the LGA when examining changes between the 2016 and 2021 Census results, which show:
 - The share of households in rental stress almost doubled, from 15.5% in 2016, to 31.1% of households in 2021.
 - Rates of mortgage stress almost tripled, from 8.4% in 2016 to 23.9% of households in 2021.

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 have added further pressure on household finances. Reflecting the decline in economic conditions in the past 2-3 years, it is likely that figures summarised from the 2021 Census considerably understate the housing affordability challenge for households in Parramatta LGA and Greater Sydney overall.

The ability to provide increased housing supply and additional dwellings, including affordable housing in close proximity to amenities and transport, will help to provide more desirable and diverse housing options for the local community.

2.2.4 Opportunity for Alternative Housing Typologies

The Subject Site could have the capacity and market opportunity to support a several alternate housing typologies beyond build to sell. It is understood that build to rent and affordable housing typologies are being sought as part of the detailed SSDA for the Subject Site. A summary of the opportunities for these products is presents as follows.

Affordable Housing

It is understood that the Subject Site will include a provision of affordable housing. As previously highlighted, housing affordability is a major socio-economic issue across Greater Sydney, including within Parramatta. The delivery of more purpose-built affordable housing that can accommodate lower income segments of the market is important in addressing this issue.

Parramatta is generally considered to be unaffordable for very low, low and moderate income segments of the community, noting the following;

- A high proportion of these households are experiencing rental and purchase stress, where more than 30% of their income is required to service their housing costs (mortgage or rent).
- Housing affordability is typically worse for very low income segments of the community as compared to Greater Sydney overall.
- The demand for affordable rental stock in Parramatta is high, particularly noting the high provision of affordable rental dwellings for moderate income earners as compared to Greater Sydney.

- However, lower incomes segments which have higher rates of rental and home purchase stress are not as well supported, reflected by a lower provision of affordable rental stock for these segments of the community compared to Greater Sydney. The need for affordable rental stock is justified by the extremely limited provision of dwelling stock at lower price points across the LGA that may be suitable for lower income segments of the community.

With regard to the above, there is strong need for affordable housing options in Parramatta LGA that can cater to lower income and disadvantaged segments of the community. Importantly, the Subject Site has the ability to provide affordable housing in a highly prominent location that is close to employment and transport in a central and well-connected part of Greater Sydney.

Table 2 Affordable Costs and Affordability – Parramatta LGA (November 2024 Release)

Affordable Housing Indicator	Parramatta LGA	Greater Sydney
Total Number of Affordable Dwellings	759	13,301
<u>Affordable rental stock (November 2024)</u>	% affordable dwellings available for rent	
Very low income	4%	5%
Low income	21%	24%
Moderate income	82%	70%
<u>Rental Stress (2021)</u>	% in rental stress	
Very low income	96.0%	94.0%
Low income	60.4%	61.4%
Moderate income	21.7%	29.1%
<u>Affordable purchase stock (November 2024)</u>	% of affordable dwellings available for purchase	
Very low income	1%	1%
Low income	5%	5%
Moderate income	32%	18%
<u>Home Purchase Stress (2021)</u>	% live in purchase stress	
Very low income	78.4%	69.3%
Low income	55.2%	43.8%
Moderate income	29.9%	23.7%

Source: Local Government Housing Kit 2024, NSW Department of Communities and Justice (updated November 2024)

Built to Rent

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 in the Parramatta context include:

- According to data from the ABS 2021 Census, 71.5% of dwelling in Parramatta (suburb) were rented, compared to 36.1% of all dwellings in the Greater Sydney area.
- Increasing housing supply and diversity in an attractive, well-located area, such as Parramatta; 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 low to medium income households that would otherwise have to either pay more to live in an area like Parramatta 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 Study Area, including a young,

education and skilled working population who are more likely to live in rental accommodation as a result of housing affordability constraints. In the context of Parramatta, such occupiers could include students, young couples and singles, and downsizers.

- The BTR model supports additional levels of employment compared to a traditional build to sell (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 a fast growing CBD centre that supports a mix of uses within a well-connected location. The Site benefits from its proximity to transport networks (bus, rail, future metro and future light rail), as well large surrounding workforce, key infrastructure, and a major shopping centre.

A BTR product at the site is an attractive housing option for residents and workers, including young professionals that may wish to be located close to their place of work or require short term rental options prior to purchasing a property, or are seeking a secure tenure through a long-term leasing option.

BTR housing at the site would complement the young working resident population in Parramatta and support a range of housing options that caters for a diversity of population profiles and incomes.

2.2.5 Opportunity for Residential at the Subject Site

The proposed development aligns with the need to provide additional residential dwellings in high amenity, central and accessible locations proximate to a range of services and jobs. The proposal has the ability to provide increased housing supply and dwelling diversity in a central and high amenity location that will support housing supply and population growth in Parramatta over the long term. Importantly, the Subject Site and proposal are aligned with the key success factors observed for a residential development including alternative housing typologies through the following:

- Alignment with strategic policy drivers to increase housing supply in suitable, well-connected locations.
- Delivering housing close to public transport and infrastructure, including key rail, metro and light rail services.
- Proximity to retail and services, including Westfield Parramatta.
- Proximity to community infrastructure and amenities in Parramatta CBD
- Access to a high skilled workforce, including the 79.8% of white-collar workers in Parramatta LGA.
- Access to a high proportion of renters, including the 71.5% of renter households in Parramatta (suburb).
- Residential vacancy is low, and housing and rental costs are escalating.
- Demographic alignment for an alternative housing typology, including an increasingly young, affluent population comprising a high proportion of couples without children and lone person households.
- There is a need for more affordable housing options for lower income and disadvantaged segments of the community.

2.3 Visitor Accommodation Market Commentary

2.3.1 Tourism and Accommodation Trends

Visitor and accommodation trends within Parramatta have been prepared with reference to data sourced from Tourism Research Australia (TRA) and relate to the Parramatta – North Statistical Area 2 (SA2). This area encompasses the majority of the Parramatta CBD including the Site, and largely reflects visitor trends to the Parramatta CBD in recent years. Key findings of the TRA data indicate the following:

- The number of visitor nights in Parramatta has increased significantly, from a total of around 1.9 million nights in 2010 to almost 3.1 million visitor nights in 2023.
- Of visitor nights in 2023, some 79.3% were international visitors, while 20.7% were domestic visitors.
- Of total visitor nights in 2023, around 67% were spent in commercial accommodation (such as a hotel, motel or serviced apartments). This equates to around 1.7 million visitor nights spent in commercial accommodation. The share of visitor nights in commercial accommodation has averaged around 57% since 2010.
- The significant fall in tourism noted between 2020 to 2022 reflects impacts of COVID-19 border closures on the tourism industry. The recovery in the industry and in the Parramatta CBD is reflected in the latest 2023 results, which shows that 2023 visitor activity reached a new peak compared to previous years.
- The increase in visitor nights in Parramatta is attributed to the continued evolution and growth of the CBD as a key destination in Greater Sydney. Both existing and planned investment in major infrastructure and development in Parramatta will continue to grow and enhance the role of the CBD as a major destination for visitors. Major projects such as Sydney Metro West and Powerhouse Parramatta are such examples of projects that will both improve access and attract visitation to the CBD.

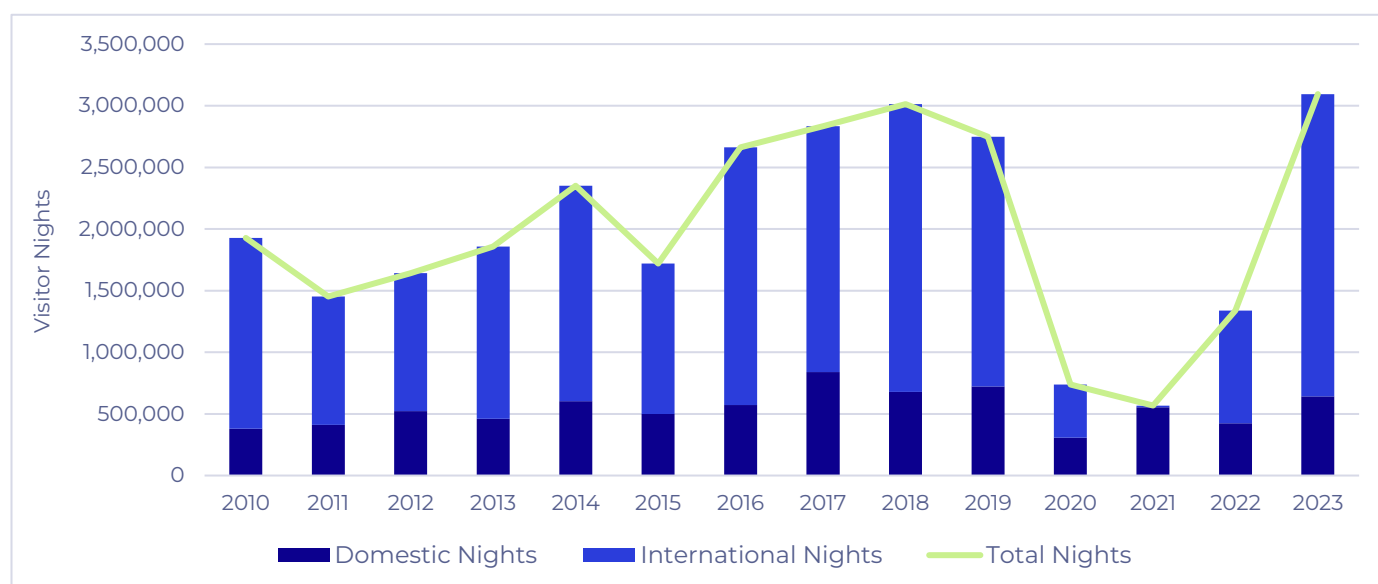


Figure 5 Visitor Nights – Parramatta North SA2

Source: TRA Online, Ethos Urban Analysis

2.3.2 Supply Context

The proposed development for the 2 Fitzwilliam Street site includes a 11,799m² hotel comprising 281 rooms.

A review of existing visitor accommodation supply shows that there is currently around 2,200 rooms across numerous commercial accommodation providers (defined as hotels, motels and serviced apartments) within Parramatta CBD (defined as Parramatta – North SA2). This includes hotels and serviced apartments such as Holiday Inn, Mantra, Rydges, Park Royal and Novotel. There are also a number of serviced apartments such as Skye Suites and Meriton Suites.

A review of existing and proposed supply shows that there has been a notable increase in the provision of visitor accommodation facilities planned in Parramatta CBD, reflecting the growth of the tourism and visitor sector. Of significance, hotels and services apartments such as Skye Suites, Meriton and Park Royal have established in the CBD, while more premium operators such as Hilton, QT and Intercontinental are currently under construction or planned. A review of future supply shows that there is currently 986 additional visitor accommodation rooms

planned, approved or under construction (based on a review of Cordell Connect) within the Parramatta CBD specifically (defined as Parramatta -North SA2).

2.3.3 Market Need for Visitor Accommodation

As highlighted, in 2023 there was a total of almost 3.1 million visitor nights in Parramatta CBD, of which almost 70% were spent in commercial accommodation such as a hotel, motel or serviced apartments. Accordingly, there is strong demand for visitor accommodation facilities, particularly as the CBD continues to grow and evolve as the 'Central City' in Greater Sydney.

Applying the Tourism Research Australia NSW Forecast average annual growth rate of 2.9% for visitor nights in the coming years, it is estimated that by 2041 Parramatta CBD could support in the order of 5.17 million visitor nights, reflecting an increase of +2,082,000 nights compared to current levels. This growth rate is considered appropriate in the context of historic growth, which saw an average annual increase in visitor nights between 2013 and 2023 of 5.2% per annum.

Key drivers for tourist and visitors in Parramatta CBD include:

- Strong population growth in Parramatta LGA, and within the CBD where the Parramatta Planning Proposal enables the CBD to support 14,000 new dwellings over the next 40 years.
- Growth in Parramatta CBD as a major centre for employment and economic activity.
- Expansion of major health and education services in nearby centres such as Westmead.
- Establishment of new social infrastructure and destination activities, including the Powerhouse Parramatta.
- Improved accessibility and connectivity through the opening of Sydney Metro West in the early 2030's.
- Provision of new and additional hotel and commercial accommodation providers.

The forecast growth of over +2 million visitor nights projected in Parramatta CBD between 2023 and 2041 will translate to an increased need for visitor accommodation facilities in easily accessible locations, such as the Subject Site. The market need is highlighted in **Table 3**, and is described as follows:

- Assuming the typical provision of 1.5 persons per room, a total of around +1,388,000 rooms would be required to service the anticipated increase in visitor nights by 2041. This translates to a requirement of +3,803 rooms per day in Parramatta CBD.
- As highlighted previously, only a portion of visitor nights are spent in commercial accommodation (67.2% in 2023), noting that many visitors will stay with family and friends etc. Taking this into account, **there is an implied need for +2,555 additional commercial visitor accommodation rooms in Parramatta CBD by 2041.**
- A review of Cordell Connect shows that there is around +986 additional visitor rooms currently planned, approved or under construction within Parramatta CBD.
- **Accordingly, the estimated market gap for commercial visitor accommodation rooms in Parramatta CBD is 1,569 rooms. The Subject Site would serve a portion of this future market requirement.**

The Site's strategic location, within walking distance to existing and emerging cultural facilities in Parramatta CBD, as well as the key business centres, and public transport, makes it an ideal suitable location for visitor accommodation.

A summary of the market need for commercial visitor accommodation in Parramatta CBD is shown in **Table 3**.

Table 3 *Demand for Visitor Accommodation – Parramatta CBD*

Implied Demand for Visitor Accommodation	2023-2041
Forecast additional nights	+2,082,000 visitor nights
Additional rooms required (assuming 1.5 persons per room)	+1,388,000 rooms
Additional rooms required per day by 2041	+3,803 rooms
Average nights spent in commercial accommodation	67.2% of visitor nights
Rooms required (adopting share of nights spent in commercial accommodation)	+2,555 rooms
Future Supply (planned, approved or under construction)	986
Market Gap for Visitor Accommodation Rooms	-1,569 (Undersupply)

Source: Ethos Urban using TRA Data

3.0 Economic Impacts

3.1 Introduction

This section provides an assessment of the economic impacts (including benefits) likely to occur as a result of the proposal. Impacts are considered with regard to the local and regional area and through the construction and operational phases of the project. An estimate of the jobs likely to be created during the construction and operation phase of the proposed development is provided.

3.1.1 Methodology

In order to address the potential economic impacts (including benefits) likely to result from the project, this economic impact assessment considers:

- Overall economic impacts of the project;
- Construction and ongoing employment generation (direct and multiplier);
- Increased Value-Added Output;
- Additional retail expenditure generated by the project; and
- Improved benefits to the surrounding community.

3.2 Economic Impacts from Proposed Uses

3.2.1 Residential

As Parramatta continues to grow and evolve into a major mixed use centre, there is anticipated to be a substantial increase in the local resident population. This includes both within the CBD and non-CBD areas of Parramatta LGA. Resident population projections indicate that there will be forecast growth of +96,670 residents within Parramatta LGA between 2024 and 2041. As presented in **Section 2.2 (Table 1)**, there is an estimated undersupply of 6,435 dwellings between 2024 and 2041 based on implied demand and known future supply in Parramatta LGA.

The proposed development at 2 Fitzwilliam Street is planned to support 600+ dwellings. It is estimated that at this number of dwellings, the Site could support a population of 1,560 residents upon completion (taking into account the average household size of 2.6 in Parramatta LGA (ABS 2021)). This number of residents supported would account for 1.6% of future population growth over the period 2041.

Importantly, at around 600+ dwellings, the proposal would account for 9.3% of the estimated housing market gap identified as being required to accommodate anticipated growth in Parramatta LGA over the period to 2041. Given the Site location in a high amenity area that is within walking distance to jobs, transport and amenities (including retail), this is a highly appropriate location and share that will have a negligible economic impact on the ongoing viability of any existing or proposed residential facility.

3.2.2 Visitor Accommodation

The proposed development seeks to provide a hotel of around 200 rooms. The hotel will also support ancillary facilities such as a restaurant and function space.

Visitor accommodation is critical in supporting a strategic mixed-use centre and a successful tourist and visitor economy in this part of Sydney. The availability of contemporary hotel accommodation space and ancillary facilities (i.e. function centres etc.) is a key consideration for many customer segments, including businesses and visitors. Furthermore, visitor accommodation is critical to supporting the night-time economy and ongoing vibrancy in the local area.

As outlined in **Section 2.3 (Table 3)**, there is a projected undersupply of commercial visitor accommodation rooms of -1,569 rooms in Parramatta CBD over the period to 2041. With 200 rooms, the proposed development would account for 12.7% of the future market requirement over the period to 2041. Accordingly, the proposed visitor accommodation component of the proposed development will not impact on any existing or proposed facility within Parramatta CBD or surrounds, with each existing or future project to benefit from remaining and ongoing market growth.

3.2.3 Ancillary Uses

The proposed development includes a provision of retail floorspace across the ground floor as well as an event/function centre co-located with the planned hotel. These facilities are designed to serve future onsite residents and visitors as well as local residents, workers and businesses, enhancing overall levels of amenity at the Site and within the surrounding area.

As each use will account for a very small proportion of overall floorspace, any impact from these facilities on surrounding businesses or development will be minimal and will not impact on ongoing operation or viability of any existing or proposed facility.

In fact, the proposed retail floorspace and ancillary hotel function such as conference/function centre, will improve the amenity of the site and service the immediate on-site population supported through both the residential and hotel components of the project.

3.3 Economic Benefits

3.3.1 Employment Activity

Input-Output modelling

Economic impacts associated with the proposed development have been prepared with input-output modelling undertaken with reference and compliance to best-practice guidelines.

Input-output tables are a 'map' of the economy that track the flow of products, services, and payments through the many industries, households, government organisations and foreign transactions that make up the Australian economy.

Every industry requires inputs from many other industries, plus the inputs of workers and machinery and equipment to produce output. Input-output modelling uses averages derived from the ABS Input Output Tables to estimate the impact on all industries when one industry expands its production. The modelling used in this report is based on the 2020/21 ABS National Accounts release.

As with all economic models, input-output models include a number of limitations which include the following inherent assumptions: unlimited supplies of all resources including labour and capital, prices remaining constant, technology is fixed in all industries, and import shares are fixed.

Having regard for these limitations, the modelling used for the purposes of this assessment applies the **Simple Multiplier effect measure**. The Simple Multiplier effects measure estimates the expansion of other industries required to support the initial (direct) increase in the original industry; and does not include the additional impacts of extra wages and employment income being spent across the economy (spill-over effects).

Use of the **Simple Multiplier effect measure** is in-line with best practice industry standards and reflects a conservative position. Results from the modelling should be interpreted as indicative of the potential impact the project will have on the Australian economy.

The modelling provides estimates of the following economic benefits as a result of the project:

- **Construction Employment** - direct construction job-years supported by construction of the development and indirect job-years supported across all other industries over the construction period.
'Job-years' is defined as the number of full-time equivalent (FTE) jobs supported over the construction period. i.e. if construction is over 10 years, 100 job-years is equivalent to 10 FTE jobs per year. Only applies to construction employment.
- **Ongoing Employment** - direct and indirect FTE jobs supported by the ongoing operation of the project annually.
- **Value Added** - direct and indirect value added generated during the construction and operational phase of the project.
Value Added is defined as the wages, salaries and supplements plus gross operating surplus (income earned by businesses) required in producing the extra output (construction investment and operating output/turnover). This represents the standard measure of economic contribution, that is, the increase in economic activity as measured by gross domestic product (GDP).

Estimates of the economic benefits of the proposed development will be realised across the national economy, given the scale and diversity of the New South Wales economy, a large proportion of these benefits will be realised in the local and regional area. The benefits have been prepared for:

- **Construction Phase:** Economic activity during the construction phase of the project which will be spread across the construction program.
- **Operational Phase:** Ongoing economic activity once the project is completed.

Construction Phase

It is estimated the direct capital investment required to realise the proposed development will be in the order of \$400 million. This estimate is based on information provided by Urban Property Group.

Based on a construction cost of \$400 million, the construction phase is expected to directly support employment of 530 job-years and deliver a direct value-add to the economy of \$86.4 million.

When the multipliers are taken into account, total state-wide economy effects over the construction program are forecast to be: employment of 2,280 job-years and a total value-add to the economy of \$329.2 million.

Table 4 Construction phase economic benefits (\$2023/24)

	Construction Phase (spread over construction period)		
	Direct	Indirect	Total
Output (\$M)	\$400.0	\$587.4	\$987.4
Employment (job-years)	530	1,750	2,280
Value Added (\$M)	\$86.4	\$242.8	\$329.2

Source: Ethos Urban analysis utilising data from ABS, National Accounts 2020/21; ABS, Consumer Price Index

*Job-years: Number of FTE jobs supported over the construction period. i.e. if construction is over 10 years, 100 job-years is equivalent to 10 FTE jobs per year.

Note: Figures rounded

Operation Phase

Economic impacts associated with the operation of the Subject Site once complete and fully occupied, have been based on supportable employment estimates for the various uses incorporated within the proposed scheme. These estimates have been prepared with reference to relevant industry benchmarks including the NSW Common Planning Assumptions 2023, Ethos Urban research and include the following:

- Residential (Build to Rent) – 1 FTE job per 50 build to rent units.
- Hotel – 1 FTE job per 100m² of visitor accommodation floorspace
- Retail – 1 FTE job per 30.2m² of retail floorspace.

Assumptions have been made regarding Gross Floor Area (GFA) to Gross Lettable Area (GLA) conversions used for the purposes of estimated ongoing employment. Across the retail area, this assessment assumes a GFA to GLA ratio of 80%, consistent with typical industry averages.

Based on the above, the operational phase is expected to deliver the following (direct) benefits: FTE employment of 160 direct ongoing jobs, and a direct value-add to the economy of \$20.1 million per annum.

When the multipliers are taken into account, total ongoing economy-wide effects are estimated at: FTE employment of 248 jobs supported and a total value-add to the economy of \$35.4 million per annum.

Note that the above employment estimates (as presented in **Table 5**) reflects a jobs generating residential outcome at the Subject Site (such as build to rent and affordable housing). Accordingly, there may be some variance in the ongoing jobs figures presented following resolution of the housing typology to be delivered at the Subject Site.

Table 5 Estimated Ongoing Employment

	Operational Phase (annual)		
	Direct	Indirect	Total
Output (\$M)	\$33.5	\$28.0	\$61.6
Employment (FTE)	160	88	248
Value Added (\$M)	\$20.1	\$15.3	\$35.4

Source: Ethos Urban analysis utilising data from ABS, National Accounts 2020/21; ABS, Consumer Price Index

Note: Figures rounded

3.3.2 Expenditure Activity

On-site Residents

Once complete and fully occupied, the development will accommodate additional residents on site. This resident population would support an increase in retail expenditure that will be directed to on-site facilities as well as to local businesses.

The proposed development is planned to deliver around 600+ dwellings upon completion. Assuming the average household size of 2.6 (Parramatta LGA as at Census 2021), the development of the Subject Site could support an estimated 1,560 residents at full occupancy.

A review of retail expenditure per capita by residents within Parramatta LGA shows that residents spend in the order of \$16,790 each year on average (2024 dollars). Accordingly, with 1,560 residents at the Subject Site, a total of \$26,192,400 in additional retail expenditure could be generated each year (see **Table 6**). This would include spending on a range of items including food, liquor and groceries, food catering, non-food items and services. This additional retail expenditure will support existing and proposed retail facilities both at the Subject Site and within the surrounding area.

Table 6 Retail expenditure from on-site residents

Measure	Value
Estimated number of new on-site residents	1,560
Per capita retail expenditure per annum (\$)	\$16,790
Increase in retail expenditure per annum (\$)	\$26,192,400

Source: Marketinfo, Ethos Urban
Note: Figures rounded

Hotel Patrons

The proposed development will also support further expenditure across the local and regional area by supporting increased tourism and visitor activity.

Information provided by Destination NSW and TRA indicates that for the year ended June 2024, total visitor expenditure across New South Wales equated to an average of \$245 per visitor night.

Adopting typical market benchmarks, such as an occupancy rate for commercial accommodation of 77% (Destination NSW – Q3 2024 for Sydney Total Region) and 1.5 persons per room, the 200 rooms proposed at the Subject Site would likely support additional expenditure in the economy of \$26.8 million per annum once complete. This expenditure would be directed to a range of on-site, local and regional businesses.

3.3.3 Other benefits

The proposed development at 2 Fitzwilliam Street will deliver a range of economic benefits to the local community and region overall. In particular, the proposal will deliver a mix of uses that will support the continued growth and evolution of Parramatta CBD and respond to the ongoing needs of the community. A summary of further benefits associated with the project include:

- The proposed mix of uses will continue to support the evolution of Parramatta as a centre with a mix of uses that can cater to a range of customer segments including residents, workers and visitors.
- Delivering a contemporary mixed-use development that will transform an underutilised site into a high quality project that will be well suited to modern resident and visitor requirements.
- The proposed 600+ residential dwellings will support the need for more affordable and diverse housing options within Parramatta. Residential accommodation at the Site will enable residents to live within a high amenity precinct that is well connected to transport and supports a live, work and play environment.
- Support the National Housing Accord targets by contributing dwellings that equate to 3.1% of Parramatta LGA’s housing target of +19,500 additional dwellings by 2029.
- Provide short term accommodation within an area that has a growing visitor market, enhancing the amenity, level of activity and visitor economy overall within the Parramatta CBD.
- Contribute to the increased and continued activation of Parramatta CBD both during the day and night, as well as on weekends through the 1,560 residents who will be present and active at the Subject Site.

- Support the aspiration for 30-minute cities by providing residential uses alongside public transport and complementary retail and function/event facilities, all within a strategic and easily accessible location.
- Support housing affordability by increasing the availability of supply in the local market, and by providing dedicated affordable dwellings, benefitting the high share of households in rental and mortgage stress, particularly for lower income and disadvantaged segments of the community.
- Support the objectives of State and Local Government which seek to provide the following:
 - Reinforce Parramatta as a key destination and Sydney's Central City.
 - Provide for a diversity of housing types and sizes to meet community needs into the future.
 - Support the growth of Parramatta's economy with a focus on enhancing activity within the Parramatta CBD.

Taking the above into account projected market need and growth, any impacts likely to result from the proposed development will be limited and short term only. Further, any short term impact will be far outweighed by the economic and community benefits anticipated to be supported as a result of the proposal. As such, the proposed development at 2 Fitzwilliam Street is likely to result in an overall net gain to the economy and community.