

PARRAMATTA
81-83 GEORGE ST, 1 BARRACK LANE SSDA

MARCH 2026

Strategic Centre and City Shaping Analysis

FREECITY

81-83 GEORGE ST, 1 BARRACK LANE
PARRAMATTA
SSD-79439459

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Executive Summary

Key Insights for Response to Submissions

This report provides the integrated economic and strategic justification for the proposed development at 81 to 83 George Street and 1 Barrack Lane, Parramatta (SSD 79439459), and should be read in conjunction with the URBIS Response to Submissions Economic Analysis, March 2026.

It has been prepared as the primary response to matters raised in submissions, with a specific focus on three key issues:

- Employment capacity within the Parramatta CBD
- Delivery of housing within a strategic metropolitan centre
- The evolving economic and functional role of the Parramatta CBD

The report consolidates market evidence, policy alignment and economic analysis to demonstrate that the proposal represents an appropriate and necessary progression of the approved planning framework.

Parramatta is identified within the Draft Sydney Plan 2025 as the primary centre of the Central River City and is planned to accommodate substantial growth in both employment and residential population. This growth is supported by sustained investment in transport infrastructure, commercial development and civic assets.

In this context, metropolitan planning policy, including the State Environmental Planning Policy (Housing) 2021, prioritises the delivery of new homes within well located, infrastructure rich centres. The Parramatta CBD represents one of the most accessible and strategically significant locations within metropolitan Sydney to accommodate this growth.

Key Findings

1. Employment Capacity is Maintained

The proposal does not reduce employment capacity within the Parramatta CBD. Employment growth is increasingly concentrated within premium office buildings located within the Parramatta Square precinct and its immediate surrounds. These assets accommodate the majority of tenant demand, while secondary office stock is experiencing elevated vacancy and reduced demand.

In this context, employment capacity is determined by the performance and competitiveness of the commercial core rather than the retention of office use on individual sites. The proposal aligns with this structural shift and does not undermine Parramatta's role as a major employment centre.

2. The Proposal Directly Supports Housing Delivery

The proposal contributes to the delivery of housing within a highly accessible strategic centre. State planning policy, including the Draft Sydney Plan 2025 and Housing SEPP, prioritises the delivery of new homes within locations that are well served by infrastructure and employment. Parramatta has been identified as a key location for this growth.

The site's proximity to major transport infrastructure, including heavy rail, light rail and the future Sydney Metro West, aligns with transit oriented development principles that support increased density in accessible locations.

The proposed Build to Rent mixed-use development provides a contemporary delivery model that supports housing diversity and facilitates long term residential occupation within the CBD.

3. The Proposal Strengthens the Parramatta CBD Economy

The proposal supports the diversification and ongoing evolution of the Parramatta CBD. The CBD already supports a substantial service economy, including retail, hospitality and cultural activity, which is directly influenced by residential population. Increased population within the city centre will strengthen these sectors by increasing local expenditure and supporting employment growth.

Contemporary metropolitan CBDs function as integrated environments rather than mono use office centres. The proposal contributes to this transition by supporting a balanced, active and resilient city centre.

Taken together, the evidence demonstrates that the proposed development:

- Maintains employment capacity within the Parramatta CBD.
- Supports State Government housing delivery objectives within a strategic centre.
- Strengthens the economic, social and functional performance of the Parramatta city centre.

The proposal aligns with the Draft Sydney Plan 2025, Housing SEPP and transit oriented development principles by delivering housing within a highly accessible location.

It represents a logical and policy aligned outcome that supports the continued evolution of Parramatta as the primary centre of the Central River City within Greater Sydney's Three Cities structure.

1. Purpose of this strategic analysis

This report provides a strategic assessment of the role of the subject site 81 to 83 George Street and 1 Barrack Lane, Parramatta within the evolving structure of the Parramatta CBD and the Greater Sydney metropolitan framework.

The analysis responds directly to issues raised in submissions, including the potential loss of commercial office floor space and the implications for employment capacity. It situates the proposal within current economic conditions, including observed softening in office demand, shifts in workplace behaviour, and the need to align land use outcomes with realistic absorption and feasibility.

The report draws on metropolitan planning policy, including the Central River City framework, and economic evidence relating to employment trends, office demand and housing supply. It provides a strategic interpretation of how the site can contribute to a balanced CBD, where residential uses support economic vitality, activation and long term resilience.

The analysis complements the technical economic assessment prepared by URBIS by testing its findings against broader city shaping objectives, infrastructure investment patterns and the evolving role of Parramatta as a mixed-use metropolitan centre.

People Place and Partnership brings over two decades of direct experience in the Parramatta CBD, including involvement in major city shaping initiatives such as Parramatta Square, the Parramatta Light Rail and the Parramatta River corridor. This informs a grounded understanding of how policy intent translates into delivery and market reality within the city centre.

2. Parramatta within the Metropolitan Structure

Parramatta has undergone a significant transformation over the past two decades, emerging as a metropolitan CBD and one of Greater Sydney’s primary economic centres within an evolving network of interconnected centres (Sydney Plan, 2025).

This transformation has been driven by sustained government investment in infrastructure, civic assets and cultural facilities, positioning Parramatta as a major economic, civic and cultural destination. The City of Parramatta now supports approximately 184,846 jobs across more than 32,800 businesses (City of Parramatta, 2024), reflecting its growing metropolitan role.

City shaping investments including Parramatta Square, the Parramatta Light Rail and the future Sydney Metro West have strengthened connectivity and reinforced Parramatta’s transition to a mixed-use metropolitan centre, creating favourable conditions for both employment growth and increased residential living.

In parallel, significant cultural and recreational investments including CommBank Stadium, Powerhouse Parramatta, the Parramatta Aquatic Centre, Parramatta Park and Riverside Theatres have and will continue to enhance the liveability, identity and attraction of the city centre.

These investments require a critical mass of workers, residents and visitors to sustain activation, support patronage and maximise public value. Increasing residential presence within the CBD is therefore a necessary component of the centre’s evolution, supporting both economic performance and the ongoing utilisation of major civic and cultural assets.

Collectively, these factors reinforce Parramatta’s role as a metropolitan CBD and support its continued growth as a dense, mixed-use centre within Greater Sydney.



Figure 1. Artist's Impression Parramatta Metro West Station

Key Insights	
<p>The subject site sits within a precinct where employment capacity has been significantly strengthened through Parramatta Square and recent commercial investment.</p>	<p>Increasing residential presence within the CBD is necessary to sustain the scale of public and private investment committed.</p>
<p>The proposal does not reduce the role of Parramatta as an employment centre but complements it by introducing a supporting residential population.</p>	<p>The site sits on the edge of the commercial core and does not align with current office demand patterns.</p>

3. Evolution of Contemporary City Centres

Over the past two decades, the structure and function of metropolitan city centres has evolved in response to deliberate strategic planning policy and sustained infrastructure investment. Across Greater Sydney, this has resulted in a coordinated shift toward more efficient, mixed use urban environments within well located centres.

Historically, CBDs were characterised by concentrated commercial office employment with limited residential presence. Contemporary metropolitan planning frameworks, including the DPHI Draft Sydney Plan 2025, now promote a more balanced mix of uses within strategic centres, recognising the role of residential population in supporting economic performance, activation and long term resilience.

This shift reflects a clear policy direction to locate housing within employment centres and leverage existing infrastructure investment. By integrating residential uses within accessible CBD locations, metropolitan planning supports more efficient land use outcomes, reduces reliance on commuting and strengthens the overall functioning of city centres. The Sydney CBD demonstrates this evolution, where residential growth has contributed to increased economic activity, stronger public domain activation and a more continuous pattern of use beyond standard business hours.

Parramatta is identified within the Draft Sydney Plan 2025 as the primary centre of the Central River City and is planned to accommodate substantial growth in both employment and residential population. In this context, the continued introduction of residential uses within the Parramatta CBD is not incidental, but a deliberate component of its evolution as a metropolitan CBD, supporting a more balanced, activated and economically resilient city centre.

4. Diversification of the Parramatta CBD Economy

Parramatta continues to strengthen its role as a major employment centre while also evolving into a more diverse and integrated metropolitan CBD.

The draft City Economy Strategy 2025-2035 prepared by the City of Parramatta, identifies a substantial service economy within the city centre, including approximately 11,200 jobs within retail and hospitality sectors and approximately 1.4 billion dollars in economic output generated by these sectors (City of Parramatta, 2025). The night time economy contributes approximately 1.6 billion dollars in turnover annually, reflecting the growing importance of activity beyond traditional business hours.

The presence of a residential population within the Parramatta CBD plays a critical role in sustaining these sectors. Increased residential population directly correlates with increased local expenditure, which in turn supports business growth and employment within retail, hospitality and service industries.

This relationship between residential population and economic activity is a defining characteristic of successful metropolitan centres. Rather than relying solely on daytime office workers, diversified CBDs benefit from a more stable and continuous economic base supported by residents, workers and visitors.

In this context, the introduction of additional residential population within the Parramatta CBD represents a strategic and necessary outcome to strengthen the local economy and support the continued growth of service based employment, complementing the established commercial core and directly aligning with the City of Parramatta Economic Development Strategy, which emphasises the expansion of the night time economy and activity beyond standard business hours.

Key Insights	
Contemporary CBD performance reflects metropolitan policy promoting a balanced mix of employment and residential activity.	Residential population directly supports Parramatta’s service economy, including retail, hospitality and cultural sectors.
The proposal strengthens economic activity beyond standard business hours, addressing a known gap in CBD activation.	Retaining the site as commercial does not respond to the structural shift toward mixed-use metropolitan centres.

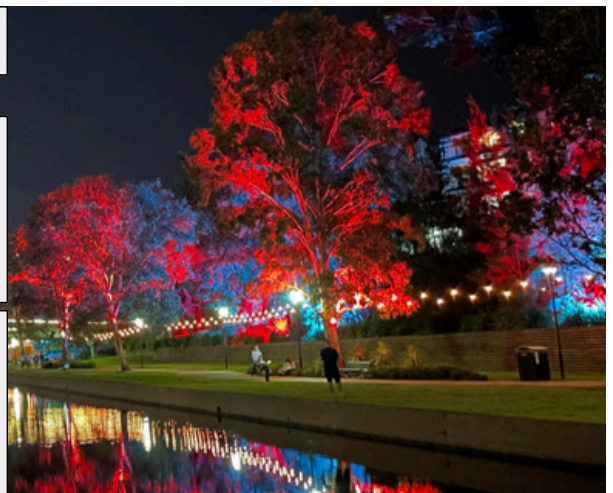


Figure 2. Parramatta River at Night

5. Employment and Office Market Restructuring

The structure of office markets across metropolitan Sydney has undergone a sustained structural shift over recent years, with demand increasingly focused on high quality, well located buildings. (Source: URBIS, Property Council of Australia Office Market Report, Knight Frank).

This shift has been driven by changes in workplace practices, including hybrid working arrangements, as well as increasing expectations regarding workplace environment, sustainability and amenity. As a result, tenant demand has become increasingly concentrated within modern buildings that provide large floor plates, advanced building services, strong environmental performance and proximity to major transport infrastructure. (Source: Knight Frank, URBIS Office Market Analysis).

Limited floor plate sizes, outdated building services and lower environmental performance reduce the ability of many existing buildings to attract tenants, resulting in higher vacancy rates and reduced demand for secondary office stock. (Source: Charter Keck Cramer, Hill PDA).

Importantly, these conditions are not confined to older or smaller buildings. While demand is concentrated within a limited number of premium assets, the broader office market is experiencing constrained absorption, with elevated vacancy across a wide range of existing commercial stock. This reflects a structural imbalance between supply and demand, where the volume of available office space exceeds current market requirements. (Source: URBIS, Hill PDA).

Recent office market data indicates that vacancy across non premium stock remains elevated despite limited new supply, reinforcing that demand is not currently deep enough to support additional commercial floorspace outside the core. As a result, competition for tenants

extends beyond secondary buildings, and not all commercial assets are able to achieve sustained occupancy within current market conditions. (Source: PCA, URBIS).

Importantly, this shift does not represent a reduction in employment capacity. Rather, employment activity is being redistributed toward buildings that provide the most competitive workplace environments.

This reflects a structural change in how employment is accommodated within metropolitan CBDs, where capacity is determined by the performance of the commercial core rather than the uniform utilisation of all sites. Within Parramatta, this trend is clearly demonstrated through the delivery of Parramatta Square, which has established a new premium commercial core capable of attracting major government and corporate tenants and accommodating the majority of employment growth within the CBD.

At the same time, a broad range of commercial buildings across the market continue to face increasing challenges in securing tenants, reinforcing that demand is not evenly distributed and that not all sites are capable of supporting viable long term commercial outcomes.

Key Insights

Demand for commercial office space in Parramatta is highly selective and concentrated within a limited number of premium assets, with broader market conditions characterised by elevated vacancy and constrained absorption.

Employment capacity within the CBD is being maintained through concentration in higher performing assets rather than expansion of total floor space.

Source: Market evidence including URBIS, Charter Keck Cramer, Hill PDA, Knight Frank and Property Council of Australia



Figure 3. Artist's Impression of Proposed 81-83 George St View

6. Role of the Subject Site within the Parramatta CBD

The subject site occupies a key strategic position within the Parramatta CBD Core, located within one of the most accessible and infrastructure rich locations in metropolitan Sydney.

This accessibility is not incidental but reflects sustained government investment in positioning Parramatta as the primary centre of the Central River City. The concentration of transport, civic and cultural infrastructure has established a defined commercial core centred around Parramatta Square and its immediate surrounds, where employment growth is being actively concentrated.

In this context, accessibility alone does not determine land use outcomes. Rather, the spatial structure of the CBD differentiates between locations that support large scale commercial office development and those that accommodate complementary uses that support the broader functioning of the city centre.

The subject site is located at the edge of the primary commercial core, benefiting from proximity to employment and infrastructure while not forming part of the core precinct that attracts premium office demand.

This distinction is consistent with the evolving structure of metropolitan CBDs, where employment activity is concentrated within the most competitive commercial locations, and surrounding sites accommodate a broader mix of uses including residential development.

In this context, the subject site represents an appropriate location for residential use, supporting the diversification of the CBD, increasing population within walking distance of major infrastructure and contributing to a more balanced and efficient urban structure.

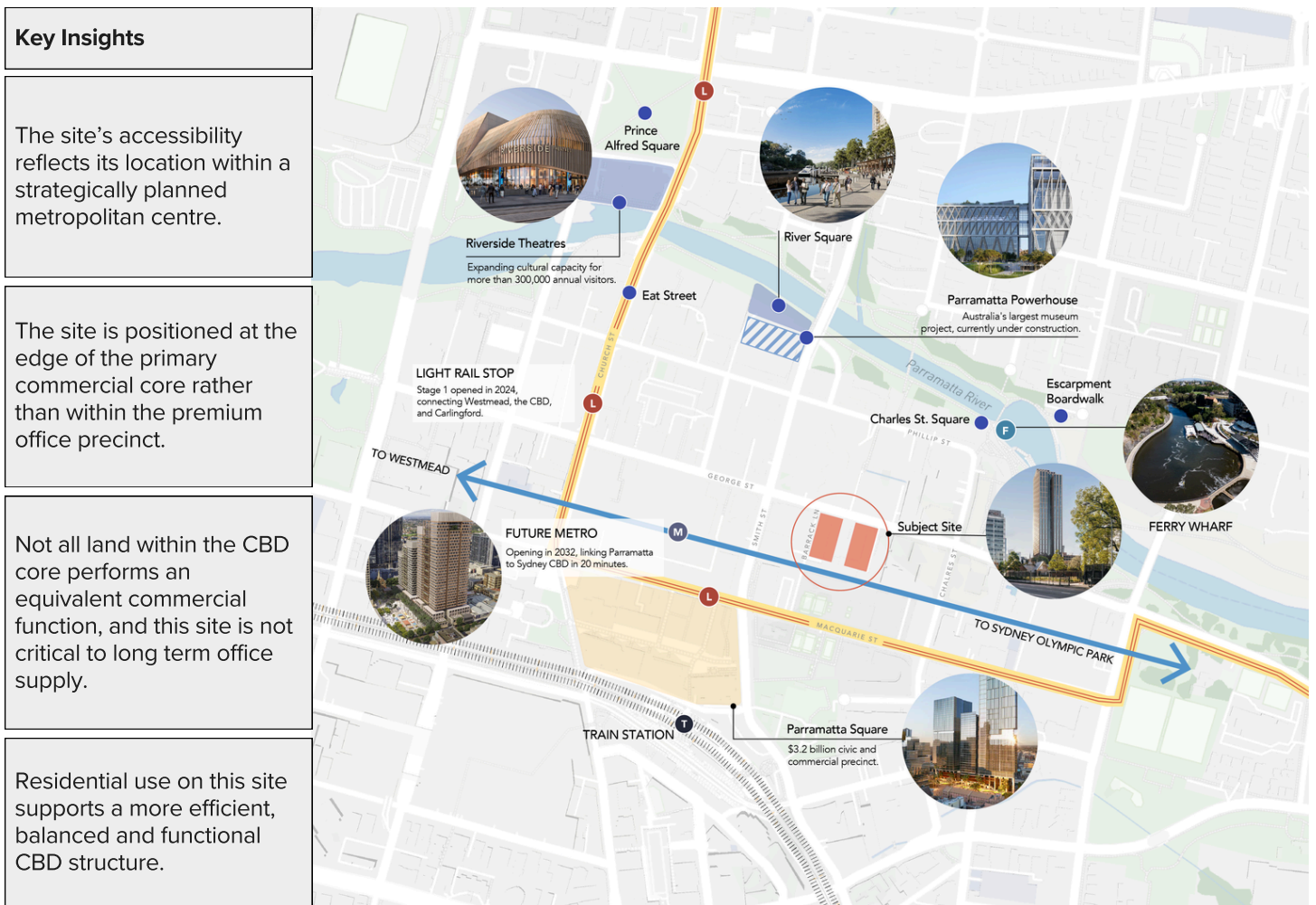


Figure 4. Subject Site Context Map

Source: Market evidence including URBIS, Charter Keck Cramer, Hill PDA, Knight Frank and Property Council (PCA) Australia

7. Metropolitan Housing and Planning Policy Framework

The strategic planning framework governing Greater Sydney has undergone a significant shift in recent years, with a clear emphasis on accelerating the delivery of housing within well located urban centres.

The Draft Sydney Plan prepared by the Department of Planning, Housing and Infrastructure identifies the delivery of approximately 377,000 new homes across NSW between 2024 and 2029 as a critical priority (DPHI, 2025). This target reflects both projected population growth and the need to address ongoing housing affordability challenges across Metropolitan Sydney.

Within this framework, Parramatta has been identified as a key strategic centre with capacity to accommodate a significant proportion of this growth. The Parramatta LGA has been assigned a five year housing target of approximately 19,500 new homes, reflecting its role as the primary centre of the Central River City and its ability to support additional density.

A series of planning reforms has been introduced to facilitate this delivery. These include the Housing SEPP, which enables increased density in well located areas and permits Build to Rent development within centre based zones, the establishment of the Housing Delivery Authority, which is tasked with accelerating major residential projects, the Low and Mid Rise Housing Policy, which supports additional housing diversity within proximity to transport and town centres, and the Transport Oriented Development Program, which prioritises increased density and housing delivery within walking distance of major transport infrastructure.

These reforms represent a deliberate policy shift toward prioritising housing delivery within accessible metropolitan locations. In this context, well located sites within the Parramatta CBD, particularly those with direct access to major transport infrastructure, are expected to accommodate additional residential population as part of achieving State housing targets.

7.1 Key Policy Alignment

Policy framework	Strategic direction	Relevance to proposal
Draft Sydney Plan 2025	Deliver 377,000 homes across NSW	Supports housing within strategic centres
Housing Delivery Authority 2024	Fast track major residential projects	Supports approval of significant housing proposals
Housing SEPP 2021	Increase housing supply in well located areas and enable BTR in centre based zones	Enables residential intensification
Low and Mid Rise Policy	Increase housing diversity near centres	Reinforces need for additional housing
Transport Oriented Development Program	Increase housing density near major transport infrastructure	Supports residential intensification in highly accessible CBD locations

Key Insights	
Current policy settings prioritise housing delivery within strategic centres with existing infrastructure capacity.	NSW Planning reforms are focused on accelerating housing delivery rather than preserving theoretical commercial capacity.
The proposal contributes to Parramatta’s housing targets within an established metropolitan centre.	The proposal aligns with policy intent to deliver housing in accessible, employment rich locations.

Source: Market evidence including URBIS, Charter Keck Cramer, Hill PDA, Knight Frank and Property Council (PCA) Australia

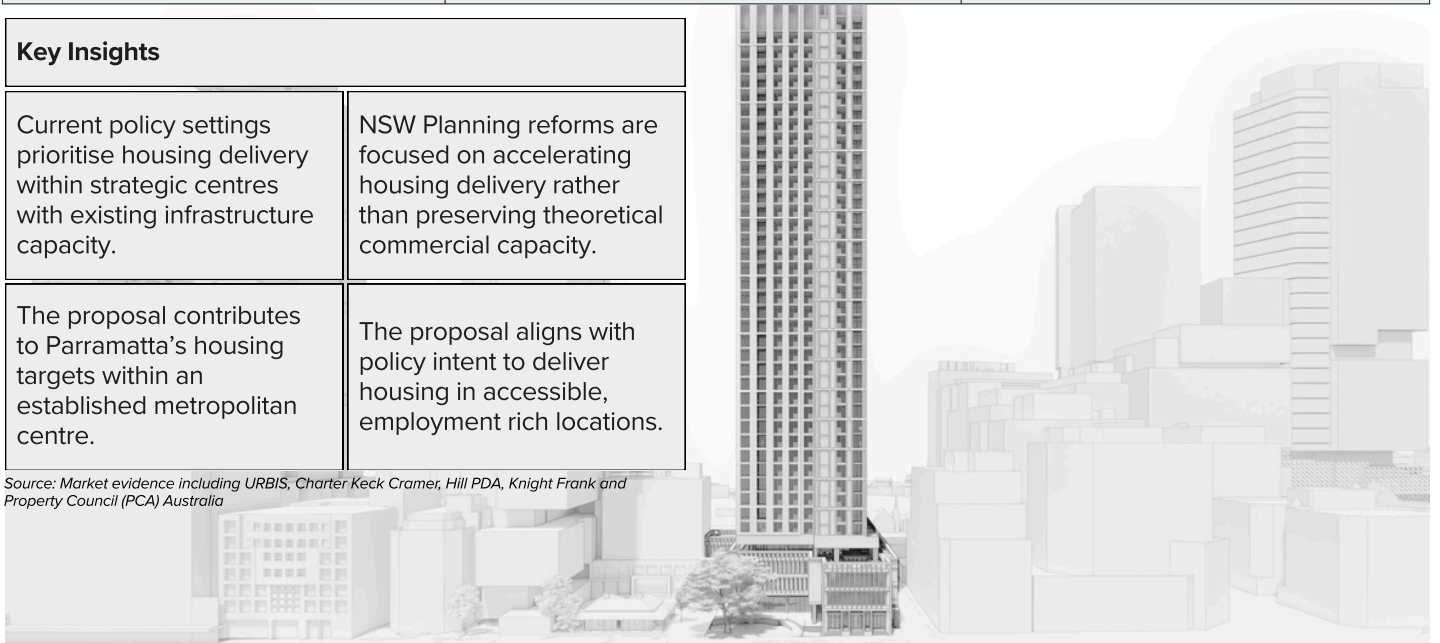


Figure 5. Subject Site View

8. Parramatta CBD Economic Context

Parramatta is established as a major economic centre within metropolitan Sydney, supporting a diverse and growing economy.

The City of Parramatta reports that the local government area supports approximately 184,846 jobs across more than 32,800 businesses and generates approximately 30.97 billion dollars in gross regional product. *(City of Parramatta, 2024).*

These sectors are highly responsive to population. Increased residential population within the CBD directly drives local expenditure, supporting business viability and employment growth.

The relationship between residential population and economic activity is therefore a critical component of a successful metropolitan CBD.

A significant component of this economy is the service sector, including retail, hospitality and cultural activity. Approximately 11,200 jobs are supported within retail and hospitality sectors, while the night time economy generates approximately 1.6 billion dollars in annual turnover. *(City of Parramatta, 2024).*

Key Insights

Parramatta's economic growth is increasingly driven by its service economy, supported by a growing and sustained residential population base.

The proposal strengthens the economic function of the CBD by increasing daily and evening population within a mixed-use centre.

The introduction of residents on this site directly supports local expenditure, business viability and employment growth in service sectors.

Maintaining the site as commercial does not deliver the same level of economic activation or certainty of employment outcomes.

Source: Market evidence including URBIS, City of Parramatta, Charter Keck Cramer, Hill PDA, Knight Frank and Property Council (PCA) Australia



Figure 6. Artist's Impression Subject Site

9. Transport Infrastructure and Accessibility

Parramatta is supported by a comprehensive and integrated transport network within metropolitan Sydney.

The existing heavy rail network provides direct connections to the Sydney CBD and broader metropolitan region. The Parramatta Light Rail is enhancing connectivity between the CBD and key education, health and residential precincts. The future Sydney Metro West line will further strengthen this connectivity by providing high frequency rapid transit between Parramatta and the Sydney CBD.

These investments represent a significant commitment by the State Government to strengthen Parramatta as a metropolitan centre. Importantly, transport infrastructure of this scale is intended to support both employment and residential intensification within accessible locations.

Locating additional residential population within the Parramatta CBD maximises the value of this infrastructure investment by increasing patronage, supporting local activity and aligning with policy objectives to reduce reliance on private vehicle travel.

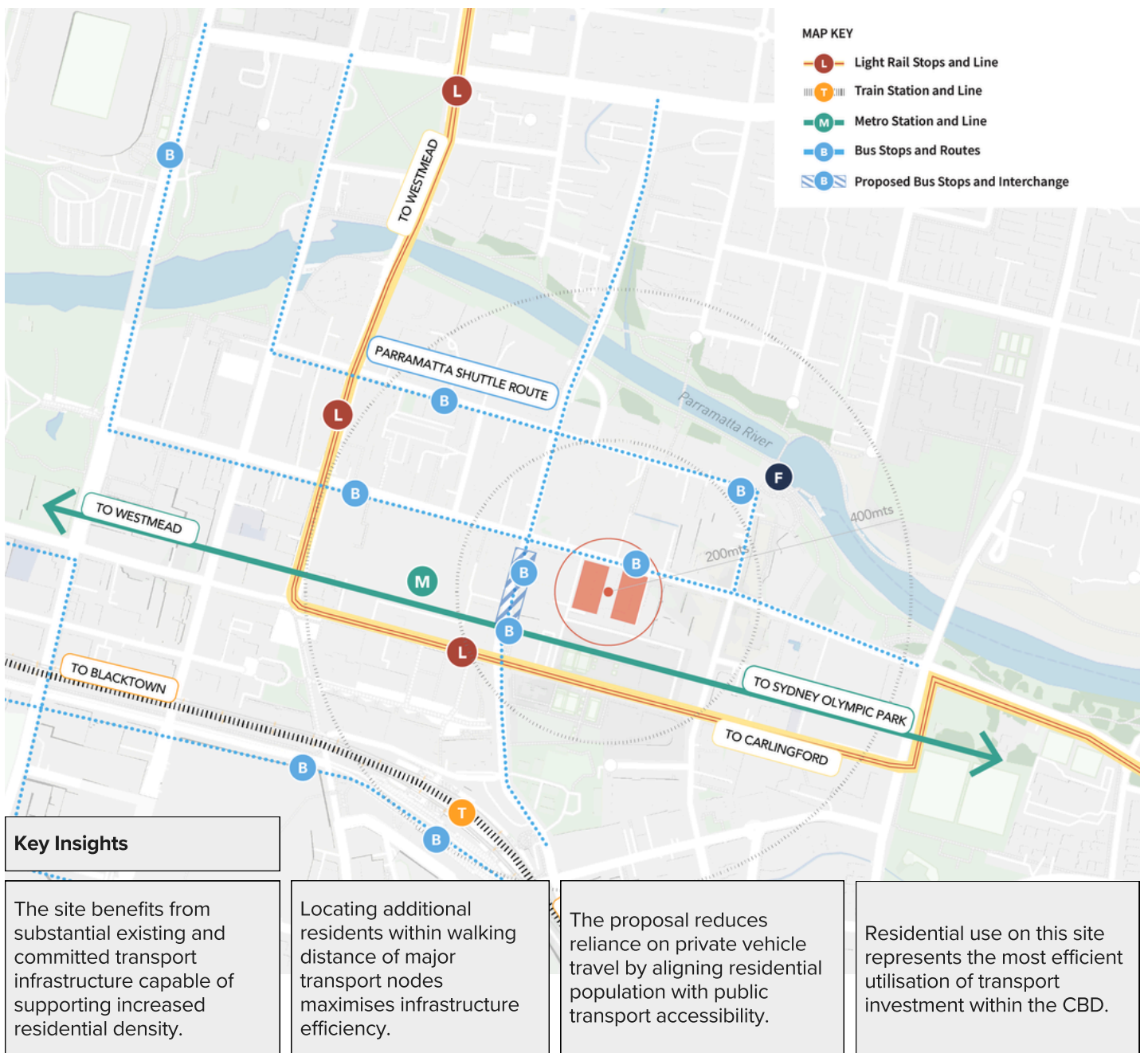


Figure 7. Transport Connections

Source: Market evidence including URBS, City of Parramatta, Charter Keck Cramer, Hill PDA, Knight Frank and Property Council (PCA) Australia

10. Residential Population Growth

Residential population growth within the Parramatta CBD is a deliberate outcome of metropolitan planning policy and infrastructure investment. Over the past decade, new apartment development within and around the city centre has driven steady population growth, reflecting both market demand for accessible locations and policy objectives to increase housing supply within strategic centres.

Recent market data confirms that rental demand within the Parramatta CBD is strongly aligned with smaller dwellings in accessible, high amenity locations. ABS Census data indicates that renter households represent a significant and growing proportion of the Parramatta CBD population, with a high prevalence of one and two person households. This is reflected in comparable Build to Rent and institutional developments, where studio and one bedroom apartments form a substantial proportion of delivered product and achieve strong absorption (Source: ABS Census Data, Charter Keck Cramer, Hill PDA, Knight Frank BTR Market Update). This demand profile aligns with the proposed unit mix and Build to Rent model.

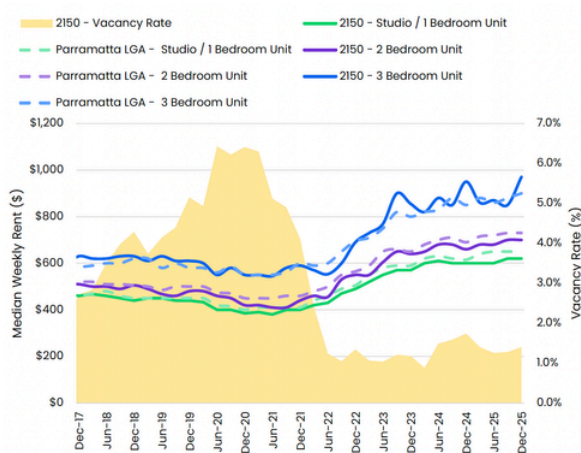
The presence of a residential population supports the vitality of the city centre by sustaining local businesses, activating public spaces and creating a more balanced pattern of activity throughout the day and evening. This reflects a clear planning direction recognising the role of residential population in supporting the long term success of metropolitan CBDs.

Residential development across the Parramatta CBD demonstrates a clear and sustained pattern of intensification within and around the city centre. Since 2015, a significant number of residential towers have been delivered, with additional developments approved or under construction, reflecting both strong demand and a deliberate planning strategy to increase housing supply in accessible locations.

More recently, the emergence of Build to Rent and institutional housing indicates a further evolution in the market, with a growing focus on long term rental housing within strategic centres.

Importantly, this growth has occurred alongside major commercial development, particularly within the Parramatta Square precinct. This demonstrates that residential growth is not displacing employment activity, but occurring in parallel with the strengthening of the commercial core.

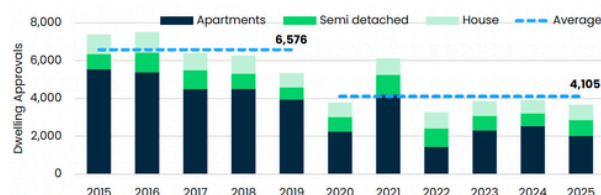
Median Unit Renters



Dwelling Type (2026)

		Parramatta CBD
Dwelling Tenure	Owned outright	8%
	Owned with a mortgage	16%
	Rented	72%
Dwelling Type	Separate House	3%
	Semi-detached and units	1%
	Apartment	80%

Residential Dwelling Approvals - Parramatta LGA



Residential Dwelling Completions - Parramatta LGA

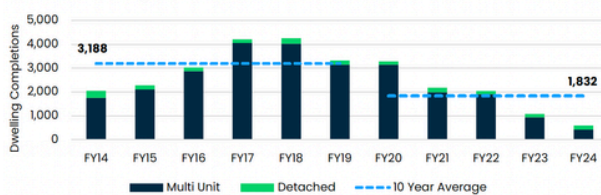


Figure: 8 Residential Analysis - Source: URBIS (2026)

Key Insights

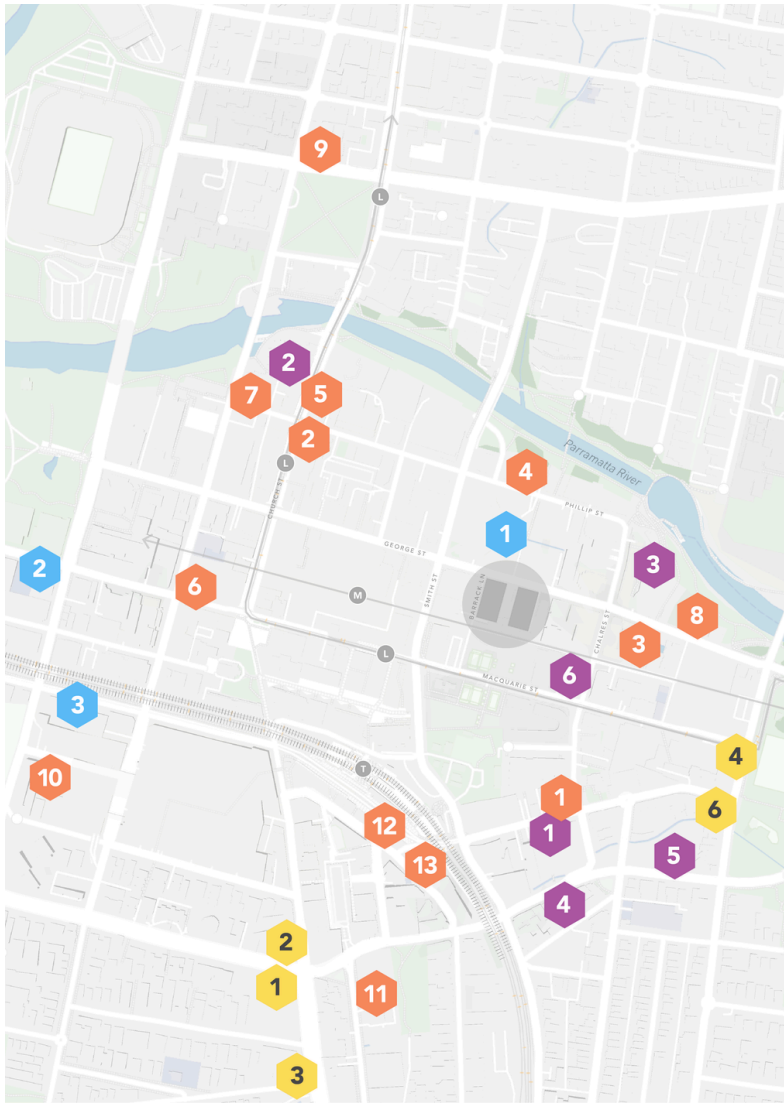
Residential growth within the Parramatta CBD has occurred alongside, not in place of, major commercial investment including Parramatta Square.

Comparable BTR projects demonstrate a high proportion of studio and one bedroom dwellings aligned to renter demand profiles.

BTR and institutional rental housing are identified as emerging components of housing delivery within strategic centres.

The proposed unit mix reflects established BTR delivery models rather than a departure from local or national benchmarks.

Source: Market evidence including URBIS, City of Parramatta, Charter Keck Cramer, Hill PDA, Knight Frank and Property Council (PCA) Australia



COMPLETED DEVELOPMENTS

- 1 11 Hassall St, Parramatta; 41-storey mixed-use tower containing 215 residential dwellings (Completed 2020)
- 2 The Lennox, Parramatta; 46-storey tower; 413 dwellings, studio, 1-4 bed apartments (Completed 2024)
- 3 180 George (Charles & George Towers); 553 residential apts + 346 hotel rooms (67 & 55 storeys) (Completed 2022)
- 4 Observatory Place; 24-storey, 146 dwellings, 1-3 bed apartments (Completed 2025)
- 5 Paramount on Parkes; 331 residential apartments, 1, 2 & 3 bedrooms. (Completed 2025)
- 6 Home Parramatta (116 Macquarie Street); 47-level tower comprising 428 apartments

UNDER CONSTRUCTION

- 1 Heartland Holden; 40 storeys, ~700 residential apts. (Completion 2027)
- 2 87 Church Street; 78-storey, 1000 build-to-rent apartments (Completion 2028)
- 3 Cosmopolitan by Deicorp; ~600 apartments (1-3 bed; two 45-storey towers)(Completion late 2027)
- 4 One City Square; ~700 residential apartments (multiple towers, up to 22 levels)(Completion 2026-2027)
- 5 Novus on Harris; 34 storey, 204 build to rent units (Completion 2027)

APPROVED

- 1 110 George St BTR (Octagon Site); 397 BTR apartments (47-storey tower)(Approved 2025)
- 2 7 Macquarie St (co-living); 310 co-living rooms (16 storeys)(Approved 2025)
- 3 33 Argyle St; BTR (Roxy-Pacific/TE2); 332 BTR apartments (60-storey tower)(Approved 2025)

IN PLANNING / DA LODGED

- 1 12 Hassall St; 60 storey, 328 dwellings.
- 2 286-300 Church St, Parramatta; 318 dwellings
- 3 107 George St, Parramatta; 120 dwellings
- 4 66-68 Phillip St; 111 dwellings
- 5 295 Church St; 166 dwellings (LHS est.; may be 0 if hotel conversion proceeds)
- 6 20 Macquarie St; 110 dwellings (LHS est.; may be 0 if hotel conversion proceeds)
- 7 2-10 Phillip St; 330 dwellings.
- 8 188 George Street; 55-storey, 302 apartments
- 9 8-12 Victoria Rd; 180 dwellings
- 10 11-13 Aird St; 98 dwellings
- 11 18-40 Anderson St; 289 dwellings; Landream plan: ~300 apts + 240-room hotel
- 12 Fitzwilliam (2 Fitzwilliam Street); two towers of 40 and 48 storeys delivering 703 BTR.
- 13 2-10 Valentine Ave (Holdmark); 72-storey tower, ~506 apartments + ~643 co-living beds

Figure 9. Development Activity within Parramatta CBD

The mapping demonstrates that residential development is an established and integral component of the Parramatta CBD. The proposed development represents a continuation of this pattern rather than a departure.

The City of Parramatta Local Housing Strategy identifies the Parramatta CBD as a primary location for high density residential development, supported by proximity to transport, employment and services (City of Parramatta, 2020).

The mapping confirms that residential intensification within the CBD is an established and endorsed planning outcome, with capacity identified for additional housing supply.

Key Insights

Residential intensification within the Parramatta CBD is an established and ongoing planning outcome.

The volume of projects completed, under construction and approved demonstrates strong policy support for continued housing delivery.

The subject site sits within a defined residential growth cluster rather than an isolated or competing land use.

The proposal represents continuation of an endorsed development pattern, not a shift in planning direction.

Source: Market evidence including URBIS, City of Parramatta, DPHI, Charter Keck Cramer, Hill PDA, Knight Frank and Property Council (PCA) Australia

11. Office Market Evidence and Performance

Office markets across metropolitan Sydney have undergone structural change, with demand increasingly focused on high quality buildings.

This shift has been driven by changes in workplace practices, including the adoption of hybrid working arrangements, as well as increasing expectations regarding workplace environment, sustainability and amenity.

As a result, tenant demand has become concentrated within premium office buildings that provide large floor plates, modern services and strong transport accessibility.

This trend has been clearly demonstrated within Parramatta through the success of Parramatta Square, which has attracted major government and corporate tenants seeking high quality office accommodation.

At the same time, older commercial buildings often face increasing challenges in competing within this market. This has resulted in higher vacancy rates and reduced demand for secondary office stock.

28.0%

Secondary-grade vacancy rate (B, C, D)

Jan 2026 · Parramatta CBD

18.1%

Prime-grade vacancy rate (A-grade)

Jan 2026 · Parramatta CBD

~19 yrs

To absorb all currently vacant floorspace at trend net absorption

Based on 10-yr avg net absorption

Key Insights

Office demand in Parramatta is increasingly concentrated within prime grade buildings, with significantly higher vacancy rates in secondary stock.

Secondary vacancy rates materially exceed prime vacancy, indicating reduced demand for non premium office product.

The subject site does not align with the characteristics required to compete within the prime office market.

Source: URBIS Source: Market evidence including URBIS, City of Parramatta, Charter Keck Cramer, Hill PDA, Knight Frank and Property Council (PCA) Australia

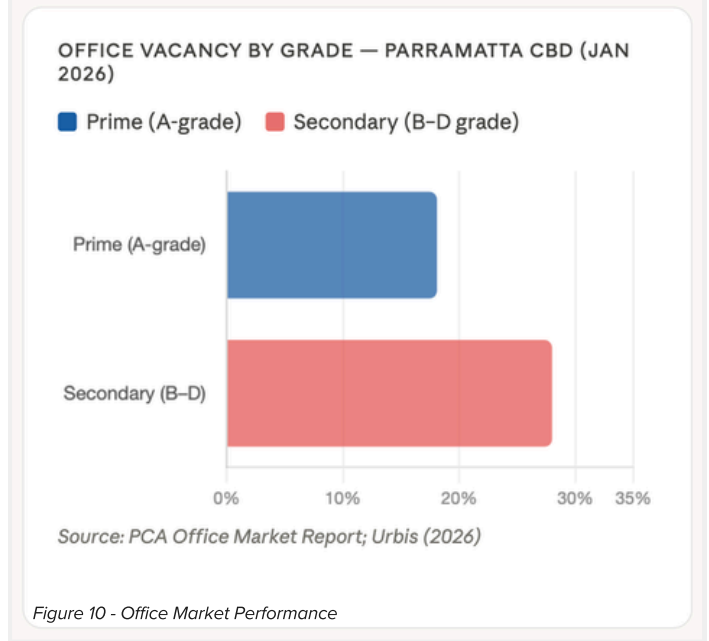
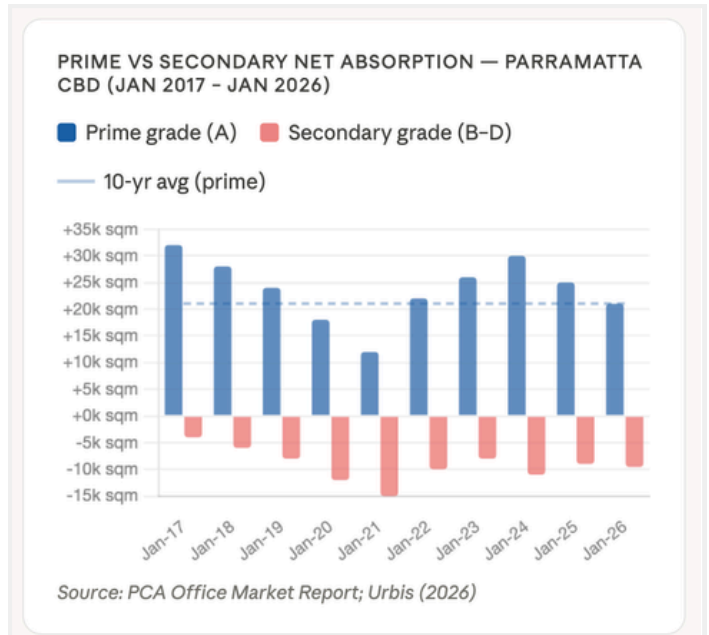


Figure 10 - Office Market Performance

Office market data demonstrates a clear divergence in demand between premium and secondary office stock, with vacancy rates significantly higher in lower grade buildings. This reflects a structural shift in tenant preference toward modern, high quality workplace environments.

Source: Property Council of Australia Office Market Report, 2023 to 2024, URBIS 2026

12. Strategic Contribution of the Proposed Development

The proposed development represents a deliberate and appropriate land use response to the strategic, economic and spatial structure of the Parramatta CBD.

The site is located outside the primary commercial core of Parramatta, which is defined by the concentration of premium office development within the Parramatta Square precinct and its immediate surrounds. This core continues to accommodate the majority of employment growth, while the subject site sits within a broader mixed-use CBD environment that has already experienced sustained residential intensification.

In this context, the proposal does not displace critical employment capacity. Employment within Parramatta is being redistributed and diversified, with growth increasingly concentrated within the premium commercial core. Demand for office space is being absorbed into higher performing assets, particularly within the Parramatta Square precinct, rather than across all sites. The proposal reflects this structural shift and supports overall employment outcomes across the CBD, rather than relying on theoretical job capacity at a single site.

The proposal aligns with this established spatial structure, where commercial office development is focused within the most competitive locations, while surrounding areas accommodate a broader mix of uses including residential development.

From a policy perspective, the proposal supports the State Government objective to accelerate housing delivery within well located urban centres. The Parramatta CBD is identified as a key location for this growth, reflecting its accessibility, employment base and capacity to accommodate additional population within an established metropolitan centre. In this context, residential use on this site represents the most appropriate and efficient land use outcome.



Figure 11 Parramatta River

The proposal responds directly to the structural evolution of office markets, where demand is increasingly concentrated within premium office buildings and secondary stock is less able to attract sustained commercial occupancy. This reinforces that not all sites within the CBD are equally suited to commercial office use.

In this context, retaining commercial zoning across all sites within the CBD does not necessarily translate into effective employment outcomes. A more strategic approach is to concentrate employment within the most competitive locations while enabling complementary land uses in areas that are less suited to commercial office development.

Viewed in this way, the proposed development represents a logical component of the ongoing evolution of Parramatta as a metropolitan CBD. It supports housing delivery within a highly accessible location and contributes to a more balanced and functional city centre.

Critically, the proposal does not represent a reduction in the role of Parramatta as an employment centre. Rather, it reflects a more integrated urban structure in which employment, residential population and supporting economic activity operate together to strengthen overall CBD performance. The proposed Build to Rent model operates as a single ownership, professionally managed commercial asset, supporting long term occupation while retaining the flexibility to respond to evolving market conditions over time.

Key Insights

Employment growth within Parramatta is concentrated within a defined commercial core anchored by premium office assets.

Allowing complementary residential uses outside this core supports overall CBD performance and land use efficiency.

The proposal aligns with policy direction to accelerate housing delivery within accessible metropolitan centres.

Comparable economic assessments confirm that residential development in these locations supports broader economic outcomes.

Source: Market evidence including URBIS, City of Parramatta, DPHI, Charter Keck Cramer, Hill PDA, Knight Frank and Property Council (PCA) Australia

13. Consolidated Evidence and Strategic Alignment

Strategic lens	Existing condition	Proposal response	Outcome
Employment structure	Concentrated in Parramatta Square and premium assets	No reliance on this site for employment growth	Employment capacity maintained
Housing delivery	Significant shortfall against targets	Introduces new housing in CBD core	Supports State targets
CBD function	Transitioning to mixed-use metropolitan centre	Adds permanent population	Strengthens local economy
Market reality	Demand focused on premium office	Site less competitive for office use	Aligns with market conditions

The analysis of this report is supported by a consistent and interrelated body of economic, demographic and policy evidence that demonstrates the evolving role of Parramatta as a metropolitan CBD.

At a metropolitan scale, the requirement to deliver approximately 377,000 new homes across NSW establishes a clear policy imperative to locate housing within strategic centres. This reflects both projected population growth and the need to improve housing affordability and accessibility across Greater Sydney. (Source: DPHI)

Within this framework, Parramatta is identified as a key strategic centre capable of accommodating a significant share of this growth. Local housing targets and strategic planning documents reinforce the expectation that additional housing will be delivered within the CBD and surrounding precincts.

At the same time, Parramatta’s economic base is substantial and diverse, supported by a broad range of industries including government administration, professional services, education, health, retail and hospitality. This diversity underpins the resilience of the city centre and its capacity to support continued growth.

Importantly, this economic structure is increasingly linked to population. Service based industries within the CBD rely on a consistent residential presence to sustain local expenditure, support business viability and enable activity beyond traditional business hours.

Retail and hospitality sectors within the Parramatta CBD support approximately 11,200 jobs and generate significant economic output, with the night time economy contributing a substantial share of this activity. These sectors are highly responsive to population and are strengthened by increased residential presence within the city centre.

The relationship between residential population and economic activity is a defining characteristic of contemporary metropolitan CBDs. Rather than operating as mono functional office markets, successful centres rely on the interaction between employment, housing and service based activity to support overall performance.

Taken together, the evidence demonstrates that Parramatta is evolving toward a more integrated and balanced metropolitan centre, where residential population plays a critical role in supporting economic activity and city centre function.

Key Insights
Metropolitan housing targets require delivery within strategic centres, with Parramatta identified as the primary centre of the Central River City. (Source: DPHI, NSW Planning Framework, CoP Strategy)
Local economic activity, particularly retail and hospitality, is directly supported by a growing residential population within the CBD.
The interaction between employment, housing and service based activity underpins the performance of contemporary metropolitan CBDs.

Source: Market evidence including URBIS, City of Parramatta, DPHI, Charter Keck Cramer, Hill PDA, Knight Frank and Property Council (PCA) Australia

Indicator	Evidence	Strategic implication
Metropolitan housing demand	377,000 homes required by 2029	Strong policy driver for CBD housing
Parramatta housing allocation	Approximately 19,500 homes	Local expectation for delivery
Employment base	184,846 jobs	Strong and diverse economy
Retail and hospitality	11,200 jobs	Dependent on population

(Source: DPHI, NSW Planning Framework, CoP Strategy)

14. Comparative CBD Evolution

The transformation of Parramatta reflects a broader pattern of change observed across metropolitan CBDs within Australia and internationally.

Historically, CBDs functioned primarily as centres of employment, with activity concentrated during standard business hours and limited residential presence. Over time, this model has evolved in response to changing economic conditions, urban living preferences and deliberate planning policy.

The Sydney CBD provides a clear example of this evolution. Over the past two decades, residential population within the City of Sydney has grown significantly, exceeding 200,000 residents (City of Sydney, 2023). This growth has strengthened retail, hospitality and cultural sectors while supporting a more continuous pattern of activity throughout the day and evening.

Similarly, North Sydney has experienced increasing integration of residential development alongside its traditional commercial base, supported by major transport investment and improved accessibility.

These examples demonstrate that the integration of residential population within CBD environments is not only common but critical to long term economic performance. Residential development does not displace employment activity. Rather, it complements and supports a more diverse and resilient economic structure.

Parramatta is following this established trajectory. The continued delivery of residential development within the CBD reflects both market demand and a clear strategic planning direction that supports mixed-use metropolitan centres.

15. Parramatta CBD Evolution and Future Role

The evolution of Parramatta into a metropolitan CBD has occurred through a series of deliberate planning and infrastructure investment phases.

In its earlier form, Parramatta functioned primarily as a regional commercial centre, with activity concentrated during standard business hours and limited residential presence. Metropolitan planning frameworks subsequently identified Parramatta as the primary centre of the Central River City, establishing a long term vision for its growth as a major economic, civic and cultural hub.

This strategic positioning has been supported by significant public and private investment, including the delivery of Parramatta Square as a new premium commercial core, major public domain improvements and the introduction of light rail infrastructure.

The next phase of this evolution is characterised by the continued integration of residential population within the CBD. This reflects a maturing urban structure in which employment, housing and supporting services are co located to support a more balanced and resilient city centre.

The proposed development sits within this phase of evolution. It contributes to the consolidation of Parramatta as a metropolitan CBD by supporting residential population growth in a location already defined by accessibility, employment and civic infrastructure.

Key Insights

Comparative CBDs, consistent with the Sydney Plan 2025, demonstrate increasing integration of residential uses within traditional commercial centres.

Residential population supports economic resilience, public domain activation and extended trading hours.

Parramatta is identified in the Sydney Plan 2025 as the primary centre of the Central River City and is following a consistent trajectory toward a mixed-use metropolitan CBD.

The proposal aligns with established metropolitan planning policy that supports mixed-use CBD evolution within strategic centres.

Source: Market evidence including URBIS, City of Parramatta, DPHI, Charter Keck Cramer, Hill PDA, Knight Frank and Property Council (PCA) Australia

16. Employment Capacity and Office Floor Space Considerations

The question of employment capacity within the Parramatta CBD must be considered within the context of market dynamics and the spatial structure of the city centre.

Employment growth within Parramatta is not evenly distributed across all sites. Instead, it is increasingly concentrated within a defined commercial core characterised by modern, high quality office buildings. The development of Parramatta Square has significantly expanded the capacity of this core, providing large floor plate office space capable of accommodating major tenants (Source: City of Parramatta, URBIS).

This concentration of employment reflects broader market trends. Tenant demand is increasingly focused on buildings that provide high levels of amenity, environmental performance and transport accessibility (Source: PCA Office Market Report, Knight Frank). As a result, premium office buildings attract strong occupancy while older or less competitive buildings experience higher vacancy (Source: URBIS, PCA).

In this context, employment capacity is not dependent on the retention of commercial office use on every site within the CBD. Rather, it is determined by the overall capacity and competitiveness of the commercial building stock across the centre (Source: Hill PDA, Charter Keck).

The proposed development does not reduce this capacity. The Parramatta CBD already accommodates substantial commercial floor space within its core, and ongoing investment in premium office buildings will continue to support employment growth (Source: URBIS).

At the same time, allowing certain sites to transition to residential use supports the broader functioning of the CBD by contributing to population growth, economic diversity and increased utilisation of infrastructure (Source: Greater Cities Commission, CoP Strategy).

This represents a more efficient and strategic allocation of land uses within the city centre, supporting the concentration of employment within higher performing assets while enabling complementary uses that strengthen overall economic activity across the CBD.

17. Implications for the Subject Site

Office market trends across metropolitan Sydney and Parramatta provide context for understanding the role of the proposed development.

Following the pandemic, office markets have experienced elevated vacancy rates, particularly within older or secondary grade buildings (Source: PCA Office Market Report, URBIS). At the same time, demand for premium office space has remained relatively strong, with tenants seeking high quality environments that support contemporary workplace practices (Source: Knight Frank, PCA).

This has resulted in a clear divergence between prime and secondary office markets. Premium buildings continue to attract tenants, while secondary buildings experience reduced demand and increased vacancy (Source: URBIS, PCA).

Within Parramatta, this trend is evident in the success of recently delivered commercial developments, particularly within the Parramatta Square precinct. These buildings have attracted major government and corporate tenants, reinforcing the role of the CBD as a key employment centre (Source: City of Parramatta, URBIS).

The presence of this premium commercial core means that employment capacity within Parramatta is not reliant on all sites being retained for office use. Instead, employment is supported through a concentration of high quality commercial buildings and a broader economic ecosystem that includes retail, hospitality and cultural activity (Source: Hill PDA, Charter Keck).

In this context, the proposed development aligns with current market conditions. It recognises that the most effective way to support employment is not through the uniform distribution of office space, but through the concentration of commercial activity within the most competitive locations, complemented by residential and other uses that strengthen the overall functioning of the CBD (Source: Combined Economic Evidence).

Key Insights

Employment growth within Parramatta is concentrated within a defined commercial core anchored by premium office assets.

Secondary office markets exhibit significantly higher vacancy, reflecting reduced demand for non premium office stock.

Economic analysis confirms that not all sites are required to retain commercial office use to support employment growth.

The proposal maintains overall employment capacity while enabling more efficient land use outcomes.

Source: Market evidence including URBIS, City of Parramatta, DPHI, Charter Keck Cramer, Hill PDA, Knight Frank and Property Council (PCA) Australia

18. Conclusion and Final Strategic Position for 81-83 George St, 1 Barrack Lane Parramatta

This report has examined the proposed development within the context of the Parramatta CBD Core, with reference to metropolitan planning policy, economic conditions, infrastructure investment and the evolving structure of contemporary city centres.

The analysis demonstrates that the proposal is both consistent with the strategic planning framework governing Parramatta and a direct response to structural changes shaping metropolitan CBDs.

Parramatta is identified as the primary centre of the Central River City and has evolved through sustained public and private investment in transport infrastructure, commercial development and civic assets. This has established a strong commercial core, particularly within the Parramatta Square precinct, which accommodates the majority of employment growth.

At the same time, the broader CBD is transitioning toward a more integrated metropolitan environment in which residential population, retail, hospitality and cultural activity play an increasingly important role in supporting economic performance and city centre activation.

The proposal aligns with this evolution. It introduces additional residential population within a highly accessible location, directly supporting State Government objectives to accelerate housing delivery within strategic centres.

Importantly, the proposal does not undermine employment capacity. Employment growth within Parramatta is concentrated within a defined commercial core, and overall capacity is determined by the performance and competitiveness of that core rather than the uniform distribution of office uses across all sites. The proposed Build to Rent model operates as a professionally managed commercial asset, supporting long term occupation while retaining the flexibility to respond to evolving market conditions.

Recent investment in premium office buildings has strengthened Parramatta’s commercial capacity, with demand increasingly concentrated within these assets. In contrast, structural changes in office markets have resulted in reduced demand for secondary commercial stock, meaning that not all sites are suited to ongoing office use.

Within this context, the proposal represents a more efficient and strategic allocation of land uses. It supports the concentration of employment within the most competitive locations while enabling complementary uses that strengthen the overall functioning of the CBD.

The introduction of additional residential population will directly support local economic activity, contributing to employment across retail, hospitality and service sectors and reinforcing the broader employment ecosystem of the Parramatta CBD.

The evidence presented throughout this report confirms that the proposed development:

Maintains and supports employment capacity within the Parramatta CBD

Aligns with State Government housing delivery objectives

Strengthens the economic, social and spatial functioning of the Parramatta City Centre

The proposal is consistent with the strategic planning framework established by the Draft Sydney Plan 2025 and the Housing SEPP 2021, which prioritise the delivery of new homes within well located, infrastructure rich metropolitan centres. The site’s proximity to major transport infrastructure, including heavy rail, light rail and Sydney Metro West, aligns with transit oriented development principles that support increased density in accessible locations.

The proposed Build to Rent mixed-use development provides a contemporary delivery model that responds directly to these policy settings. It facilitates long term residential occupation within the CBD, supports housing diversity and contributes to a more stable and sustained population base that underpins local economic activity.

In this context, the proposal represents a logical and policy aligned outcome within the ongoing evolution of Parramatta as the primary centre of the Central River City. It supports a more integrated metropolitan CBD in which employment, housing and service based activity are co-located to deliver a more resilient, efficient and economically productive city centre.

APPENDIX 1 - REFERENCES CITED IN THIS REPORT

State and Metropolitan Planning Policy

NSW Department of Planning, Housing and Infrastructure, Draft Sydney Plan 2025
 NSW Department of Planning, Housing and Infrastructure, Housing and Population Targets 2024 to 2029
 NSW Department of Planning, Housing and Infrastructure, State Environmental Planning Policy (Housing) 2021
 NSW Department of Planning, Housing and Infrastructure, Housing Delivery Authority (HDA) 2024
 NSW Department of Planning, Housing and Infrastructure, Low and Mid Rise Housing Policy 2023
 Greater Cities Commission, Greater Sydney Region Plan: A Metropolis of Three Cities 2018

Local Strategic and Economic Policy

City of Parramatta Council (2025) Draft City Economy Strategy 2025—2035
 City of Parramatta Council (2023) Local Housing Strategy

Economic and Market Evidence

URBIS (2026) Economic Impact Assessment and Market Analysis, Parramatta CBD
 URBIS (2025) NSW Office Market Analysis
 Hill PDA (2023) Economic Assessment, 12 Hassall Street, Parramatta
 Charter Keck Cramer (2023) Economic and Market Analysis, 12 Hassall Street, Parramatta
 Knight Frank (2025) Build to Rent Market Update Australia
 Property Council of Australia (2025) Office Market Report 2024 to 2025

Supporting Data and Analysis

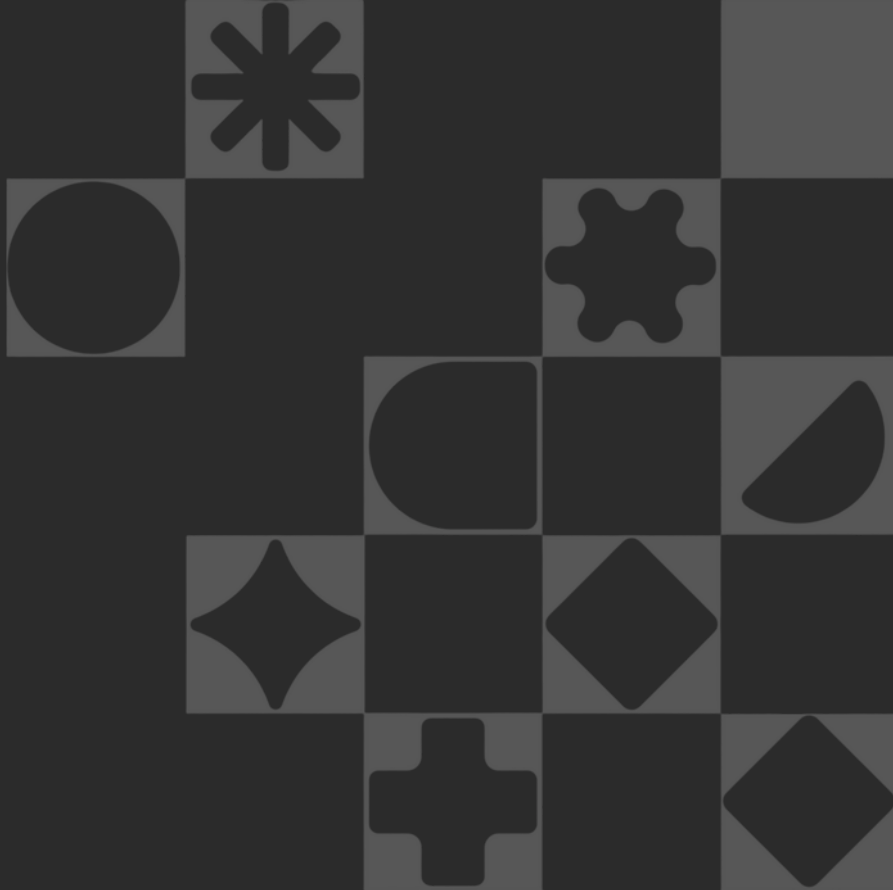
Australian Bureau of Statistics (2021) Census of Population and Housing
 City of Parramatta Council (2024) Local economic and employment data

APPENDIX 2 - DPHI Key Issues

Ref.	Submission	Response	Relevant Report Sections
DPHI 2	The proposed apartment mix includes 50% studio dwellings in sole occupancy, reducing to 19.3% in dual key form. Together with 1 bedroom units this represents 83.7% of the mix. Concerns are raised regarding diversity, alignment with household size data, and ADG variations impacting long term amenity.	The amended scheme reflects the functional role of the Parramatta CBD Core as a high accessibility, employment anchored location with strong demand for smaller household living. Market evidence across Urbis, Charter Keck Cramer, Hill PDA and Knight Frank confirms that renter demand in this location is driven by proximity to jobs, transport, education and services, with smaller households forming the dominant rental cohort. The dual key configuration provides flexibility in how dwellings can be occupied over time, enabling a broader range of household arrangements and increasing functional diversity within the building. The proposed mix is supported by a performance based design response, with detailed testing documented in the Architectural Design Report and Mecone RTS Submission Report, confirming that key ADG objectives are achieved, including internal storage, daylight and outlook, acoustic privacy and access to communal and private open space. The proposal aligns with observed demand patterns and achieves appropriate residential amenity when assessed against performance outcomes.	Sections 7, 10, 12, Design Report, Mecone RTS Report
DPHI 4	Provide detailed market analysis to support the proposed apartment mix and sizes.	The proposal is supported by a consistent evidence base across URBIS, Charter Keck Cramer, Hill PDA and Knight Frank, which identifies sustained demand for professionally managed rental housing within central, transit oriented locations such as Parramatta. ABS Census data confirms that renter households represent a significant and growing proportion of the Parramatta CBD population, with a high prevalence of one and two person households. Comparable BTR and institutional developments demonstrate that studio and one bedroom apartments form a substantial proportion of delivered product and achieve strong absorption rates. This demand profile reflects the locational characteristics of the Parramatta CBD, where access, convenience and proximity to employment and services are prioritised over dwelling size. The proposed mix and sizing align directly with these market conditions and the operational performance of comparable assets.	Sections 5, 7, 10, 11, 12
DPHI 10	Consider potential job loss and economic impact associated with replacing approved commercial office development with residential.	This strategic analysis distinguishes between theoretical employment capacity and realised economic outcomes. While the previously approved commercial scheme presents a higher theoretical office job yield, employment within Parramatta is being redistributed and diversified, with growth increasingly concentrated within premium office assets in the Parramatta Square precinct. Office demand is being absorbed into higher-performing buildings rather than uniformly across all sites. The proposed development contributes to economic activity through construction, ongoing operations and sustained local expenditure generated by a permanent resident population. This population supports retail, hospitality and service sectors, strengthening both day and evening economic activity. In this context, the proposal supports employment outcomes across the broader CBD ecosystem and maintains overall employment capacity while enabling a more efficient and market aligned allocation of land uses.	Sections 5, 8, 11, 16, 17, 12, 18

APPENDIX 3 - City of Parramatta Key Issues

Ref.	Submission	Response	Relevant Report Sections
COP 1	Council opposes build to rent development in the E2 Commercial Core zone on the basis that it is inconsistent with long term planning for Parramatta as an employment centre.	The proposal has been assessed within the broader evolution of Parramatta as a metropolitan CBD, consistent with the Sydney Plan 2025. Evidence from comparable city centres demonstrates that employment focused cores are supported by a mix of uses, including residential, which contributes to activity, utilisation and economic resilience. The introduction of a resident population within the CBD supports local businesses, extends activity beyond standard business hours and reinforces the function of the centre. The proposal aligns with this established mixed use metropolitan model.	Sections 3, 4, 12, 14, 15, 18
COP 9	Council raises concern that residential development in the E2 zone may reduce employment capacity and is inconsistent with jobs growth objectives.	Employment capacity within Parramatta is supported through the concentration of commercial activity within premium office locations rather than uniform distribution across all sites. The proposal contributes to employment outcomes through construction, ongoing building operations and indirect employment generated by increased local expenditure. The provision of housing within the CBD also supports workforce accessibility and retention. The evidence demonstrates that employment outcomes are supported by both direct and indirect economic activity, including that generated by resident populations.	Sections 5, 8, 16, 17, 12, 18
COP 10	Council recommends maximising commercial floor space, delivering community benefit, demonstrating convertibility, and assessing against E2 objectives.	<p>The proposal delivers a mixed use outcome that contributes to ground level activation and service provision within the CBD. Community benefit is realised through the delivery of housing within the Parramatta CBD, supporting a diverse workforce and increasing activity within the centre. Building planning and services are configured to support flexibility over time, allowing the development to respond to changing residential and operational needs within a managed Build to Rent environment.</p> <p>Importantly, the Build to Rent model operates as a single ownership, professionally managed asset with integrated building management and on site operational services. In this context, the development functions as an ongoing commercial enterprise, providing long term rental accommodation supported by active management and service delivery within the building.</p> <p>Assessment against E2 objectives demonstrates that the proposal contributes to the role of the CBD as a centre for business, services and activity through increased population, utilisation and economic support for surrounding uses.</p>	Sections 6, 7, 12, 15, 18
COP 11	Council requests detailed economic analysis including GFA comparison, employment impacts and retail demand generated by the proposal.	The economic analysis presented within this report provides a clear comparison between existing conditions, the approved concept and the proposed scheme, including GFA distribution and employment estimates. It also identifies demand generated by a permanent resident population, including expenditure across retail, food and beverage and local services. This demand supports business viability within the CBD and contributes to centre activation. The analysis demonstrates that the proposal contributes to a broader economic ecosystem extending beyond direct employment to include sustained local expenditure and increased utilisation of the centre.	Sections 8, 13, 16, 17, 12



PARRAMATTA CBD CORE

Strategic Centre and City Shaping Analysis

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