

14 November 2025

Keiran Thomas  
Director  
Department of Planning, Housing and Infrastructure  
4 Parramatta Square,  
12 Darcy Street, Parramatta NSW 2150

**Attention:** Keiran.Thomas@planning.nsw.gov.au

Dear Keiran

## **RE:8-12 George Street, Burwood NSW – Letter of Economic Justification for Reduction in Commercial Floor Space Controls**

Given limited demand and feasibility risks at 8-12 George Street, Burwood (Subject site), commercial and other non-residential uses should be minimised. The approved Club Burwood RSL redevelopment will serve as a key anchor for entertainment, retail, and hospitality in the area. Avoiding duplication at the subject site ensures land use complementarity while enabling the delivery of housing within walking distance of key amenities. In the context of strong population growth and Council's vision for a vibrant night-time economy, timely residential development on well-located sites is essential.

### **Policy and Strategic Context Review**

The **Burwood Local Strategic Planning Statement** (LSPS) endorsed in 2020, outlines the Council's vision across housing, jobs, and services, with a focus on growth near transport infrastructure and a strengthened night-time economy. It recognises Burwood's strong connectivity and potential for local employment and housing within a vibrant, sustainable urban context.

The **Burwood Housing Strategy 2020** identifies the Burwood Town Centre as a key location for increased residential intensification, given its proximity to major transport nodes and retail/service hubs. The subject site aligns well with these spatial priorities and presents an opportunity to expand residential supply in a location already supported by high amenities and connectivity.

Under the **Burwood Local Environmental Plan 2012** (LEP), the subject site is zoned MUI Mixed Use, allowing for residential, commercial, and other uses. However, the LEP requires that 60% of the gross floor area be used for commercial purposes, effectively necessitating upper-level commercial floorspace. Given limited market demand and feasibility constraints, delivering this scale of commercial space at the subject site is not practical.

**Burwood After Dark Strategy** and **Burwood Economic Development & Night-Time Discussion Paper 2023** acknowledge that the Burwood LGA has seen "substantial growth in the residential, commercial and employment sectors", which underpins the town centre's night-time economy. These documents confirm Council's commitment to making the town centre vibrant and diverse, offering a range of activities and experiences that attract visitors while meeting local resident needs. The subject site and its surrounds are identified as part of the **entertainment hub** transformation of Burwood, including proximity to the Deane Street Precinct, a walkable, mixed-use entertainment and dining destination.

## Population and Employment Forecasts

According to 2024 projections by the Department of Planning, Housing and Infrastructure (DPHI), the Burwood Local Government Area is forecast to grow by 16,874 people between 2021 and 2041, generating demand for between 6,500 and 8,500 new dwellings. This equates to 325 to 425 dwellings per year, broadly consistent with the 10-year average of 366 approvals per annum (ABS Statistics). However, these projections appear conservative, as they do not reflect the recent surge in development activity. In 2024–25 alone, 1,110 dwellings were approved, signalling stronger population growth ahead and increasing pressure to accelerate housing delivery.

According to TfNSW employment projections, the number of jobs in the Burwood SA2 area is expected to grow by approximately 2,139 between 2021 and 2041. Much of this will be in health care and social assistance (+975 workers), requiring around 18,000–20,000 sqm floorspace, with knowledge-intensive sectors contributing an additional 10,000–12,000 sqm. With substantial commercial supply already planned in locations like Elsie Street and Burwood Place, speculative office development on the subject site is neither necessary nor commercially advisable.

## Commercial Market Overview

The trend of major office tenants downsizing continues, reducing demand across many office markets. While employment hubs such as Parramatta and North Sydney have shown signs of stabilisation, office markets still experience high vacancies and substantial incentives.

**Table 1. Office market trends, selected markets**

A-grade/Prime office	Vacancy% (Jul-19)	Vacancy% (Jan-25)	Vacancy% (Jul-25)	Incentives (Jul-25)
Sydney CBD	3.7%	13.3%	14.1%	34.0% - 38.0%
Parramatta CBD	0.8%	18.4%	13.3%	40.0% - 45.0%
North Sydney	3.5%	17.8%	15.7%	37.5% - 42.5%
Macquarie Park	3.5%	19.2%	20.6%	37.5% - 42.5%
St Leonards	1.9%	26.1%	22.9%	37.5% - 42.5%
Chatswood	3.9%	23.9%	31.0%	37.5% - 42.5%

Source: Various sources including Knight Frank, JLL, Colliers

It is important to note that even if traditional office demand improves across Greater Sydney, several established centres (Sydney CBD, Parramatta, North Sydney, Macquarie Park) already carry substantial latent capacity and are strategically better positioned to absorb new demand. As such, Burwood remains a secondary or sub-minor office market relative to these major markets.

Burwood remains a secondary office location with limited institutional appetite and less competitive positioning. Observations and agent consultations show local office vacancy of 15% to 20%. The commercial stock is generally suited for smaller businesses and ancillary uses. With modest frontage and distance from Burwood Road (approx. 150m), the site is less appropriate for prime office tenants. Other commercial demand (e.g., health, medical) is likely to cluster near other nodes (Westfield, Elsie Street). Furthermore, commercial development on non-core sites faces feasibility challenges, with gross rents around \$600psm, outgoings near \$200psm, and incentives exceeding 30%. These significantly erode effective yields and delay investment return, making speculative office development difficult to justify.

While the future Club Burwood RSL precinct will introduce substantial entertainment and hospitality functions, however, the subject site and its surrounds lack the critical mass and clustering required to foster a distinct identity or eco-system for commercial office tenants. Without this foundation, anchoring large-scale business uses becomes highly challenging.

## Development Application Review

As of November 2025, there are nine active projects that have any commercial component in the development pipeline in Burwood LGA. Overall, there is no material evidence of speculative office development in Burwood, reinforcing the area's residential-led character and the limited commercial demand outside of core sites. Other key takeouts are:

- Only one stand-alone office DA (alterations/additions, not new development).
- Large mixed-use projects (e.g., Burwood Place, 36-46 George Street & 26 Elsie Street) feature over 900 apartments enabling the inclusion of substantial commercial floorspace.
- Mid-scale projects (e.g., Victoria Place, 250+ units) support moderate commercial (5,000+ sqm).
- Smaller projects (<100 units) limit commercial offerings to 2-3 ground-level tenancies.

## Future Trends in Workspace

The shift to hybrid work continues. NSW Government and major employers anticipate three office days per week. In the medium to long term, the Reserve Bank of Australia notes that technological change will keep reshaping demand toward flexible workplace models and away from large floorplate office towers.

Importantly, this trend is reflected in the evolution of comparable strategic centres. Locations such as Chatswood and Macquarie Park, historically strong office precincts, are now transitioning toward integrated, mixed-use communities. Their planning visions increasingly prioritise residential activation, integrated amenity, and a more diverse land-use mix, recognising that traditional mono-functional office towers no longer align with contemporary economic and lifestyle drivers.

## Conclusion

At 8-12 George Street, traditional office formats face challenges - weak tenant demand, high vacancy rates, and limited site exposure. Located approximately 150 metres from Burwood Road and the train station, the site is not well suited to large format commercial uses, with demand increasingly concentrating in core areas such as Westfield, Elsie Street and Burwood Place. Burwood Place will deliver 14,000 sqm of commercial space within a 1,000-dwelling mixed-use development, demonstrating that even large scale projects prioritise residential activation.

The approved Club Burwood RSL redevelopment will further anchor the area's entertainment offering. Minimising commercial and other non-residential uses (entertainment, retail, hospitality) on the subject site avoids duplication, complements the proposed uses at Club Burwood RSL, and facilitates the delivery of much-needed housing within walking distance of key amenities.

A right-sized commercial component, supported by residential activation, advances housing supply, reinforces street-level vibrancy, and aligns with broader strategic objectives including economic diversification and employment growth.

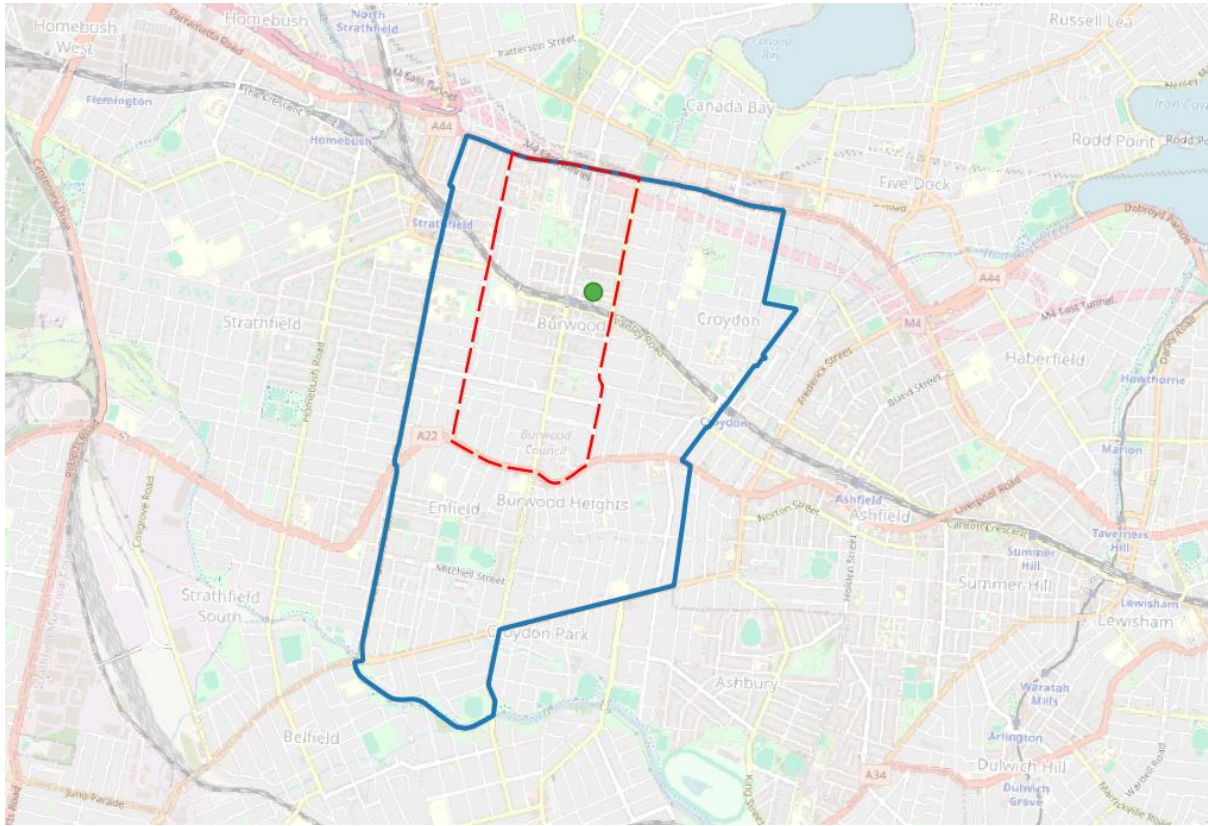
Please contact me on 0433704986 or [gordon.yoon@solveproperty.com.au](mailto:gordon.yoon@solveproperty.com.au) should you have any questions in relation to this matter.

Yours faithfully,

Gordon Yoon

**Principal (Economics & Research), Solve Property**

**Appendix 1. Map Boundaries, Burwood LGA, Burwood SA2**



- Subject Site**
- Burwood SA2 boundary**
- Burwood LGA boundary**

Source: ABS, Solve Property