# Economic Impact Assessment

**State Significant Development Application – SSD 103541730**

271-273 Alfred Street, North Sydney

Submitted to the NSW Department of Planning, Housing and Infrastructure on behalf of Tara Shore Pty Ltd ATF John Taylor Family Trust

**Prepared by Colliers Urban Planning**

3 July 2026 | 2250486

**'Gura Bulga'**

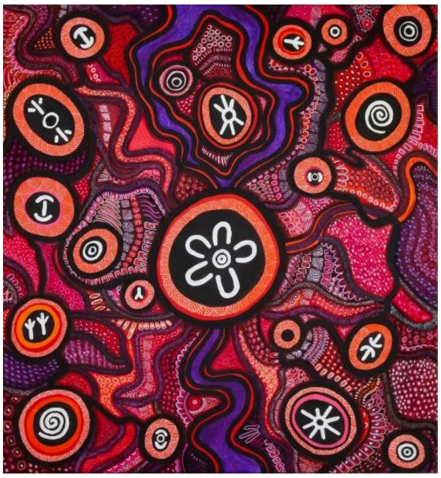
Liz Belanjee Cameron

*'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.

Colliers Urban Planning 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 and present.

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

## Report Background

This Economic Impact Assessment (EIA) has been prepared by Colliers Urban Planning to support a State Significant Development Application (SSDA) for a mixed-use development at 271–273 Alfred Street, North Sydney (the Subject Site). The Proposed Development comprises approximately 95 residential apartments, including affordable housing, with a small component of ground floor commercial and population serving uses.

The purpose of this Report is to assess the economic rationale, market need and impacts of the Proposed Development, particularly in the context of transitioning the Subject Site to include a residential outcome.

## Proposed Development Suitability

A review of the Subject Site and its surrounding context demonstrates that the proposed uses are appropriate with regard to the existing and future land use context of North Sydney. The Proposed Development also aligns with strategic government objectives for diversified housing supply and employment in suitable locations. The Subject Site is an opportunity to achieve a number of strategic objectives and deliver a range of benefits to the local community within this part of Sydney.

The Proposed Development seeks to deliver a mixed used development integrating residential uses with retail and commercial uses including an active ground floor plane. The Proposed Development comprises 95 dwellings (including affordable housing), with non-residential floorspace of 246m$^2$ for retail and commercial uses.

The Proposed Development is positioned close to transport, jobs and services on the fringe of North Sydney commercial core. The existing low scale and dated commercial office building at the Subject Site will replaced by a development able to deliver much needed housing supply to the market while retaining some employment activity. This is at a time where addressing the housing affordability crisis through additional dwelling supply is a key objective across all levels of government, including across the North Sydney LGA.

The Proposed Development will leverage the high-amenity precinct, including access to employment centres, education, health, retail and community services in the vicinity as well as excellent transport connections through existing rail and metro services.

The delivery of 95 dwellings will help to satisfy the need for future dwelling growth (within the Regional Catchment) and contribute to much needed housing supply within one of Sydney’s most central and accessible locations.

## Economic Assessment Key findings

**Strong Strategic and Market Need for Residential Development**

A clear and well-documented need for additional housing exists within North Sydney and the broader region. Key drivers include:

- Strong projected population growth, with North Sydney LGA expected to accommodate an additional +13,480 residents by 2041.
- Persistent affordability pressures, reflected in rising rents, low vacancy rates and high levels of rental stress
- An estimated shortfall of -5,800 dwellings will exist by 2041 based on population projections and known projects within the residential development pipeline.
- The Subject Site is well-located in proximity to a range of services, amenity, public transport and Sydney’s key employment centres.

Ultimately, a significant pipeline of residential developments is required across North Sydney to accommodate future population growth. This highlights the need for residential development, including that proposed at the Subject Site.

The Proposed Development would contribute to addressing this housing gap by delivering new dwellings in a well-located, transit-oriented area close to jobs, services and infrastructure.

**Commercial Office Use have Limited Viability in Current Market Conditions**

A review of the commercial office market reveals The Greater Sydney commercial office market is experiencing subdued market conditions. This includes relatively high vacancies across North Sydney compared to other commercial office markets.

Demand modelling indicates a substantial oversupply of office floorspace across North Sydney in the order of +289,070m$^2$ of commercial office floorspace over the period 2026 to 2041.

Ultimately, the commercial office market overall is highly competitive. Challenging market conditions are likely to remain as a result of subdued demand and the high level of new development activity that is already planned or underway across major metropolitan and city fringe markets.

Existing or future commercial office floorspace at the Subject Site will be at a competitive disadvantage. This reflects the aged existing building, the non-core commercial location and subdued market conditions across Sydney. The office market is demonstrating low levels of demand (net absorption), high vacancy rates (particularly in North Sydney) and a large pipeline of commercial office supply is being delivered that better reflects contemporary tenant requirements.

**Limited Impact from Loss of Commercial Floorspace**

The removal of commercial office floorspace from the subject site will not adversely impact employment capacity or the ongoing viability of the North Sydney CBD. This is attributed to:

- Within North Sydney CBD vacancy rates are 25.9% as at January 2026, among the highest across Sydney commercial office markets this implies some 251,100m$^2$ of vacant commercial office floorspace across North Sydney CBD.
- Within the broader Regional Catchment (that encompasses North Sydney CBD) is some 356,420m$^2$ of commercial office floorspace within the development pipeline.

As a result, any displacement impacts (to businesses and workers) are expected to be temporary and readily absorbed by the market. In addition, jobs targets set for North Sydney CBD under the North District plan remains achievable within existing vacant commercial office stock across North Sydney CBD.

**Positive Economic Benefits**

The Proposed Development will not impact on the viability or ongoing operation of any existing or planned centre or project in the market. Rather, the proposed development will result in a substantial net economic and community benefit as summarised:

- **Significant economic activity during the construction phase**. Based on the construction costs of around $155 million, the construction phase is expected to support total employment of up to 210 direct job-years, and a direct value add to the economy of $30.0 million.
- **Support additional resident and worker population**. The provision of 95 dwellings could support approximately 170 residents upon completion.
- **Increase retail expenditure in the local area**. Assuming 170 residents are supported at the Subject Site, and annual per capital retail expenditure of $23,150 in the Local Catchment, once complete and fully occupied, the new resident population could generate retail expenditure of $3.9 million per annum.
- **Support ongoing operational jobs at the Subject Site**, estimated at 14 direct FTE ongoing jobs across the proposed retail and commercial floorspace provision (assuming 59m$^2$ retail and 187m$^2$ of commercial office). These jobs will support an estimated $2.2 million in direct value added to the economy each year. When multipliers are considered, the proposed development will support total ongoing employment of 24 FTE jobs (direct and indirect), and a total value added to the economy of $3.9 million per annum.
- **Contribute to the increased vibrancy and activation** within North Sydney and the Alfred Street Precinct, both during the day and night, as well as on weekends through the resident and worker population present and active at the Subject 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 through increased supply. The 95 dwellings will support around 1.6% of North Sydney LGA's 2029 Housing Target set under the National Housing Accord.
- **Catalyst for additional investment** within North Sydney and the local area through the continued revitalisation and development of the local area.

- **Improve housing affordability by increasing the availability of supply in the local market**, and will support households in rental and mortgage stress through the provision of affordable housing dwellings as part of the Proposed Development.

## Conclusion

The Proposed Development represents a well-justified and appropriate use of the Subject Site. The Report demonstrates that:

- A strong and urgent need exists for additional housing in North Sydney
- Commercial office use is no longer the optimal outcome for the Subject Site
- Any loss of commercial floorspace will not result in adverse economic impacts
- The development will deliver significant economic benefits overall.

**Overall, the Proposed Development will support continued growth of North Sydney through the delivery of a mixed use project that will serve the needs of existing and future residents and businesses, while aligning with the objectives for North Sydney CBD. The Proposed Development will result in a net gain for the local and regional community through the redevelopment of a currently underutilised site and the realisation of a range of economic and community benefits.**

# 1.0 Introduction

This Economic Impact Assessment (Report) has been prepared by Colliers Property Economics and Analytics on behalf of Tara Shore Pty Ltd ATF John Taylor Family Trust (the Applicant) in support of a State Significant Development Application (SSDA) identified as SSD-103541730 which seeks approval for a 38 storey mixed-use housing development, located at 271-273 Alfred Street, North Sydney (the Subject Site).

This Section of the Report provides information on the report purpose, structure, methodology, data sources and assumptions. The Report adopts industry best practice including review of official and industry data sources, as required

## 1.1 Purpose of Report

This Economic Impact Assessment has been prepared by Colliers Property Economics and Analytics on behalf of Tara Shore Pty Ltd ATF John Taylor Family Trust (the Applicant). The report relates to a State Significant Development Application (SSDA) identified as SSD-103541730 which seeks approval for a 38 storey mixed-use housing development, located at 271-273 Alfred Street, North Sydney (the Subject Site).

The Minister for Planning, or delegate, is the consent authority for the SSDA and this application is lodged with the NSW Department of Planning, Housing and Infrastructure (**DPHI**) for assessment.

The purpose of this Report is to review the relative market drivers and likely economic impacts of the Proposed Development at the Subject Site. This includes consideration for residential and non-residential uses and has regard to the Planning Secretary's Environmental Assessment Requirements.

This Report addresses the below SEARs requirement:

| Item | SEARs Requirement | Relevant Section of Report |
|---|---|---|
| 4.0 | *An Economic Impact Assessment that considers any economic impacts, including employment, on the North Sydney CBD that may be caused by the use of the development site moving from Commercial Premises to Residential Accommodation.* | Section 5.0 and Section 6.0 |

## 1.2 Report Structure

This Report contains the following Sections:

- **Section 1** – Introduction
- **Section 2** – Subject Site Context and Proposed Development
- **Section 3** – Strategic Policy Context
- **Section 4** – Economic Context
- **Section 5** – Market Assessment
- **Section 6** – Economic Impacts

## 1.3 Methodology

In the absence of formal guidelines for economic impact assessments, the methodology for this economic assessment has been developed with consideration of contemporary leading practice socio-economic assessments.

Key steps include:

- Analysis of the existing locality and the community, including its economic profile;
- Identification and assessment of potential impacts (both direct and indirect) as a result of the Proposed Development.

The baseline profile for current residents and the economy within the defined Study Area was developed using published data sources, including the Australian Bureau of Statistics (ABS), with this data supplemented by additional information where available.

Economic impacts were then evaluated in terms of direct impacts and indirect impacts. In the case of both direct and indirect effects, the key metric for the analysis is an estimate of jobs and economic output.

## 1.4 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, ERP 2024
- Transport for NSW Travel Zone Projections 2024
- Property Council of Australia Office Market Report – January 2026
- Cordell Connect
- Pricefinder
- Department of Planning, Housing and Infrastructure Population Projections 2022
- Department of Planning, Housing and Infrastructure Population Projections 2024
- Department of Planning, Housing and Infrastructure Employment lands Development Monitor 2024
- Commbank IQ via Gapmaps
- NSW Communities and Justice Housing Cost and Affordability Census
- FACS Rental Data June 2025 (DCJ Statistics)
- Housing.ID

**The following assumptions have been used in this Report**

- The key findings of the 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 Department of Planning, Housing and Infrastructure and Transport for NSW population projections data provide an accurate outlook for future population growth for each of the study areas.
- Cordell Connect provides an accurate representation of the development pipeline.

# 2.0 Subject Site Context and Proposed Development

This Section provides a review of the Subject Site, the regional and local context and site attributes as they relate to the Proposed Development.

## 2.1 Subject Site

Located at 271 – 273 Alfred Street, North Sydney, the Subject Site is within the North Sydney Local Government Area (LGA).

Zoned E2 Commercial Centres, the Subject Site comprises two lots with an approximate area of 1,040m$^2$.

A three-storey commercial office building is currently located on the Subject Site and forms part of the broader Alfred Street Precinct a block characterised by a mix of commercial and low-rise residential development.

The existing office uses are located in an aged building that is nearing end of life. The existing building is no longer fit for purpose for modern office tenant requirements.

The Subject Site has accessibility to public transport links, and proximity to many of Sydney's employment centres including Sydney CBD and North Sydney.

A summary of relevant Subject Site attributes is provided below.

| | |
|---|---|
| **Address and Location** | • 271 Alfred Street, North Sydney -- 1/DP532504<br>• 273 Alfred Street, North Sydney -- SP6830 |
| **Subject Site Area** | • 1,040m$^2$ |
| **Zoning** | • E2 Commercial Centre |
| **Existing Uses** | • 3-storey Commercial building comprising of offices |
| **Ownership** | • 271 Alfred Street North Pty Ltd (271 Alfred Street) and Tara Shore Pty Ltd ATF John Taylor Family Trust (273 Alfred Street) |
| **Subject Site Attributes** | • Proximity to public transport (North Sydney Station 450m, Victoria Cross – 900m)<br>• Major motorways - Located west of the Subject Site and include the Bradfield Highway, Warringah Freeway and Pacific Highway.<br>• Proximity to amenities, retail and services |


***Figure 1 Subject Site Aerial***

Source: Colliers Urban Planning

## 2.2 Surrounding Context

The Subject Site is located in the suburb of North Sydney and is surrounded by a mix of residential (directly south and east) and commercial (directly north). Located on the eastern edge of North Sydney CBD, the Subject Site is separated from the core of the CBD to the west by the Warringah Freeway. Approximately 450m walking distance is the North Sydney Train Station, while the Victoria Cross Metro Station is 900m walking distance from the Subject Site.

| | |
|---|---|
| **North** | • 275 Alfred Street which is proposed to be redeveloped to a 39-storey shop top housing development with 184 residential apartment dwellings.<br>• 283 Alfred Street, which is a three storey commercial building.<br>• Further north largely comprises of low density residential development, involving various individual heritage items within the Whaling Road HCA . |
| **East** | • To the immediate east of the site is Little Alfred Street which provides vehicular access to the properties within the Alfred Street Precinct as well as the street address for a mix of low-rise residential terraces to the east (located within the Whaling Rod HCA). Further east is Anderson Park and Neutral Bay. |
| **South** | • To the immediate south of the site is 263-269 Alfred Steet and 4 Little Alfred Street. The development at 263 269 Alfred Street comprises a mix of commercial and residential development. Multi-dwelling housing is also located at 263-269 Aldred Street which contains a street frontage to Little Alfred Street to the east. Further south and across from Whaling Road is a pocket park surrounded by residential heritage buildings also within the Whaling Road HCA. Further south is the suburb of Kirribilli. |
| **West** | • To the immediate west of the site is Alfred Street, and beyond that is the Warringah Freeway. On the western side of the Warringah Freeway is the North Sydney CBD, including the North Sydney Train Station and the Victoria Cross Metro Station. |


***Figure 2 Surrounding Context Map***

Source: QGIS, EPI Zoning, Colliers Urban Planning

## 2.3 Proposed Development

The Proposed Development will generally be undertaken in accordance with the indicative reference scheme, prepared by Office of Cortese & Gilder. This involves a preliminary concept design for the Proposed Development, which demonstrates that the proposed rezoning can appropriately accommodate the envisaged bulk, scale and use that characterises the Proposed Development. The key components of the indicative reference scheme include (see **Table 1**):

The Proposed Development involves two components: the SSDA and the concurrent rezoning of the site.

The SSDA component seeks consent for:

- Demolition of the existing building on the Subject Site;
- Construction of a 38-storey mixed use development, comprising:
  - 9 levels of basement car parking, comprising plant and bicycle storage area;
  - Commercial tenancies on Level 2;
  - Residential uses on levels 3 and above, comprising 95 apartments.
- Landscaping and public domain works;
- Extension and augmentation of services and infrastructure as required; and
- Lot amalgamation and stratum subdivision of the Subject Site.

The rezoning component seeks consent to amend the North Sydney LEP, comprising:

- Rezone the land use zone of the Subject Site from E2 Commercial Centre to MU1 Mixed Use;
- Amend the maximum building height from 13m to RL 166.5m;
- Amend the maximum floor space ratio from 3.5:1 to 13.9:1; and
- Introduce a site-specific clause requiring 15% of residential Gross Floor Area (GFA) to be used as affordable housing, and managed by a CHP for a period of at least 15 years.

*For a detailed project description refer to the Environmental Impact Statement and Rezoning Report prepared by Colliers Urban Planning.*

***Table 1 Proposed Development Components***

| Uses | Proposed Quantum (GFA/Dwellings) |
|---|---|
| Commercial | 187m$^2$ |
| Retail | 59m$^2$ |
| Residential | 95 units (12,600m$^2$ excluding balconies) |

Source: Architect Plans Cortese Associates Pty Ltd

# 3.0 Strategic Policy Context

This Section provides an overview and summary of the strategic planning policies of relevance to the Subject Site and the Proposed Development, as specifically relates to economic considerations.

## 3.1 Key Themes and Drivers

A summary of key themes and drivers for the Proposed Development include:

**National Housing Accord (2022)**

The Federal Government announced the National Housing Accord in October 2022, which committed to delivering 1.2 million houses in well-located areas in 5 years starting from July 2024. A combined Federal and State Government commitment has been made to deliver up to 20,000 additional new, affordable dwellings. The Accord lays the groundwork to improving affordability by addressing Australia's housing supply challenges and enabling the delivery of more social and affordable housing.

The Housing Accord includes:

- An initial, aspirational national target of delivering a total of 1.2 million new, well-located homes over 5 years from 2024, and
- Immediate and longer-term actions for all parties to support the delivery of more affordable homes.

The Proposed Development is aligned with the Accord as it seeks to deliver additional housing, including a substantial contribution to the provision of affordable housing, in a well-serviced location.

**State Land Use Plan (2025)**

- In late 2025 the NSW Department of Planning, Housing and Infrastructure proposed a new strategic planning framework to support growth across the state in the coming years. A discussion paper called *'A New Approach to Strategic Planning'* is on public exhibition and seeks to present a *"clearer, more coordinated approach to land use planning that delivers homes in the right locations, creates more jobs, invests in infrastructure and protects our environment".*
- A summary of the proposed priorities relevant to the Subject Site are listed below:
    1. **Housed**: Delivering affordable, diverse housing in accessible locations. Success means more homes are built faster, close to jobs and transport.
    2. **Connected:** Linking communities with efficient transport systems. Success means homes, jobs, and services are easier to reach and more accessible.
    3. **Liveable**: Building vibrant places that support quality of life. Success means more public spaces, better urban design, and stronger social cohesion.
- NSW South Greater Sydney Region Plan – A Metropolis of Three Cities outlines strategies and actions to rebalance opportunities for all residents to have greater access to jobs, shops and services.

**Greater Sydney Region Plan (2018)**

The *Greater Sydney Region Plan – A Metropolis of Three Cities* outlines strategies and actions to rebalance opportunities for all residents to have greater access to jobs, shops and services.

The Greater Sydney Commission aspires for a '30 minute city', where each Sydney resident is able to access employment, open space and essential services within 30 minutes of their home.

Development of the Subject Site in line with concept design has the potential to deliver a mixed-use neighbourhood in proximity to the Crown Nest metro and North Syndey train station, which will help improve the opportunity for people to walk and cycle to schools, local shops and services, which embodies the live, work and play environment. The Subject Site is strategically positioned between Sydney CBD and North Sydney CBD (Sydney's strategically significant employment centres), and will support the 30-minute city aspiration and enhancing Greater Sydney's liveability, productivity and sustainability.

**The North District Plan (2018)**

The North District Plan underpins the Greater Sydney Region Plan and is a 20-year plan to manage growth. The District Plan echoes the role of North Sydney CBD and its contribution to the broader Harbour CBD. The Subject Site is recognised as a location of existing jobs and services in the North Sydney centre.

The location and size of the Subject Site support the Proposed Development and assists in giving effect to the strategic objectives of the District Plan. The District Plan identifies the need for an additional 92,000 dwellings with suitable access to jobs, services and public transport to be provided in the North District by 2036. Under the Plan there is a jobs target of between 76,000 to 81,500 jobs for the period 2036 to 2016.

The Proposed Development responds to the applicable priorities, strategies and actions of the District Plan as:

- It responds to the critical need for additional housing supply within the North District by 2036.
- It supplies housing that has optimal access to public transport.
- It leverages the site's walking distance to public transport options, including North Sydney Station, Victoria Cross Metro, and bus services nearby to the site.
- It will provide a well-designed development that will contribute positively to its setting, which includes contributions to street activation and land use diversity.
- It will contribute to the North Sydney CBD fringe by offering by delivering high-amenity residential development with retail uses that will further support the commercial role of North Sydney.

**NSW Housing Strategy: Housing 2041 (2021)**

The NSW Housing Strategy supports the provision of new housing stock in NSW. Within the Strategy, residential flat buildings are identified as a housing typology to support the diversity and affordability of the rental market.

Particularly, increasing the supply of affordable housing is an important goal of the Strategy, particularly in locations with access to educational, transport and health infrastructure and strong employment opportunities.

The proposed affordable housing provision will also directly respond to this goal. Housing supply relates to the delivery of housing in the right location at the right time. The Proposed Development seeks to increase housing supply in the right location (with the site in walking distance to North Sydney Railway Station and Victoria Cross Metro Station) and at the right time (delivery will be accelerated through the HDA process, in a direct response to the NSW housing crisis).

**NSW Housing Targets (2024)**

The NSW Government has released 5-year housing completion targets for 43 councils across Greater Sydney, Illawarra-Shoalhaven, Central Coast, Lower Hunter and Greater Newcastle and one target for regional NSW. Such targets reflect NSW's commitment to deliver 377,000 new homes across the state by 2029 under the National Housing Accord. A 5-year target of 5,900 new dwellings has been identified for North Sydney LGA. Acknowledging the commitment to quickly deliver as a part of the EOI process, this project will assist to deliver on this target by 2029.

**North Sydney Local Strategic Planning Statement (2020)**

The North Sydney Local Strategic Planning Statement (North Sydney LSPS) gives effect to the District Plan, implementing priorities and actions at a local level. The North Sydney LSPS outlines a high-level 20-year land use vision that establishes a framework as to how the North Sydney LGA will evolve, while also ensuring unique elements of the character and identity of North Sydney are protected and enhanced. A preliminary assessment of the Proposed Development against the relevant planning priorities of the LSPS is provided below:

- **Local Planning Priority Assessment Infrastructure I1** – Provide infrastructure and assets that support growth and change. The Proposed Development will provide ground floor retail uses to support the growing and changing needs of the North Sydney community, particularly where residential density is anticipated to increase in the Alfred Street Precinct.
- **Housing L1** – Diverse housing options that meet the needs of the North Sydney community. The Proposed Development is consistent with this priority as it provides additional housing supply in the form of high-density mixed-use development which is accessible and useable. The Proposed Development will deliver on a range housing options (market housing and affordable housing). The proposed housing will be in an accessible location, with proximity to North Sydney Train Station, Victoria Cross Metro Station, local bus services, and open space.

- **Community infrastructure L2** – Provide a range of community facilities and services to support a healthy, creative, diverse and socially connected North Sydney community. The Proposed Development will support a socially connected community through the provision of a through-site link, enhancing accessibility and permeability throughout the precinct.
- **Local economy and employment P1** – Grow a stronger, more globally competitive North Sydney CBD. The Proposed Development will respond to this priority by enabling the opportunity for employment through ground floor retail tenancies. This will contribute to the vibrancy of the North Sydney fringe, thereby strengthening its position within the Harbour CBD.
- **30-minute city P6** – Support walkable centres and a connected, vibrant and sustainable North Sydney The Subject Site is surrounded by footpaths and crossings to facilitate movement into and out of the heart

**North Sydney Local Housing Strategy (2019**

The North Sydney Local Housing Strategy (LHS) sets out the strategic direction for housing in the North Sydney LGA over the next 20 years. Key insights are related to the Subject Site and Proposed Development include:

- Strong population growth is anticipated for the LGA. As of 2019, the LGA had a residential population of 72,150 persons, which is expected to increase to 91,650 persons (+19,500) by 2036.
- The LGA is very densely populated with medium to high density apartments forming a growing part of the landscape.
- An additional 11,450 dwellings are anticipated between 2016 to 2036 and will largely comprise high density residential developments.
- When identifying areas with development capacity, Council's approach has been to focus increases of residential density in and around existing centres to take advantage of good access to transport, services, community facilities and employment opportunities, which enables development to be minimised in environmentally sensitive areas.

The Subject Site's location of the periphery of North Sydney is suitable for high density residential uses with good access to range of services, facilities and employment opportunities. North Sydney train station and Victoria Cross provide accessibility to key centres and precincts across Greater Sydney including Sydney CBD and Sydney Airport.

**Draft North Sydney Economic Development Strategy (2024)**

The strategy details how the Council, community, businesses and other stakeholders work together over the next 10 years guided by the principles of

- **Resilience**: Building an adaptable economy that can tackle economic shifts and unforeseen events, long term stability
- **Amenity**: Enhancing public amenity by upgrading ad activating public spaces
- **Innovation**: Encouraging creativity and new ideas across all sectors to maintain North Sydney's competitiveness and adaptability in a changing economic landscape.
- **Collaboration**: Fostering partnerships among local businesses, government and stakeholders to create a cohesive and supportive economic ecosystem.

# 4.0 Economic Context

The following Section analyses the local social and economic context of the Proposed Development, including defining study areas in order to assess the existing demographic characteristics, and projecting future resident and worker levels.

## 4.1 Study Area Definition

For the purposes of this analysis, two study areas have been defined to analyse both the immediate surrounds of the Subject Site, as well as the broader region and how the Proposed Development responds to the needs of these areas. The defined study areas capture the population most likely to associate with the uses proposed at the Subject Site.

The adopted study areas and the definitions are summarised below and illustrated in **Figure 3**.

| | |
|---|---|
| **Local Catchment** | The Local Catchment has been defined using the following Statistical Area level two (SA2) : **Neutral Bay – Kirribilli ,** and **North Sydney – Lavendar Bay**. This area broadly aligns to the suburbs of North Sydney and Neutral Bay.<br>These boundaries represent the local area in which economic impacts are most likely to be experienced. |
| **Regional Catchment** | The Regional Catchment has been defined as the **North Sydney Local Government Area** (LGA)<br>This Catchment represents the core 'housing market' for the Subject Site. It will provide insights in the local housing market, including demand for housing in which the project will service. |
| **Benchmark** | The above Study Area will be benchmarked against **Greater Sydney**, with this comparison providing greater insights into the unique characteristics and attributes of this part of Sydney. |

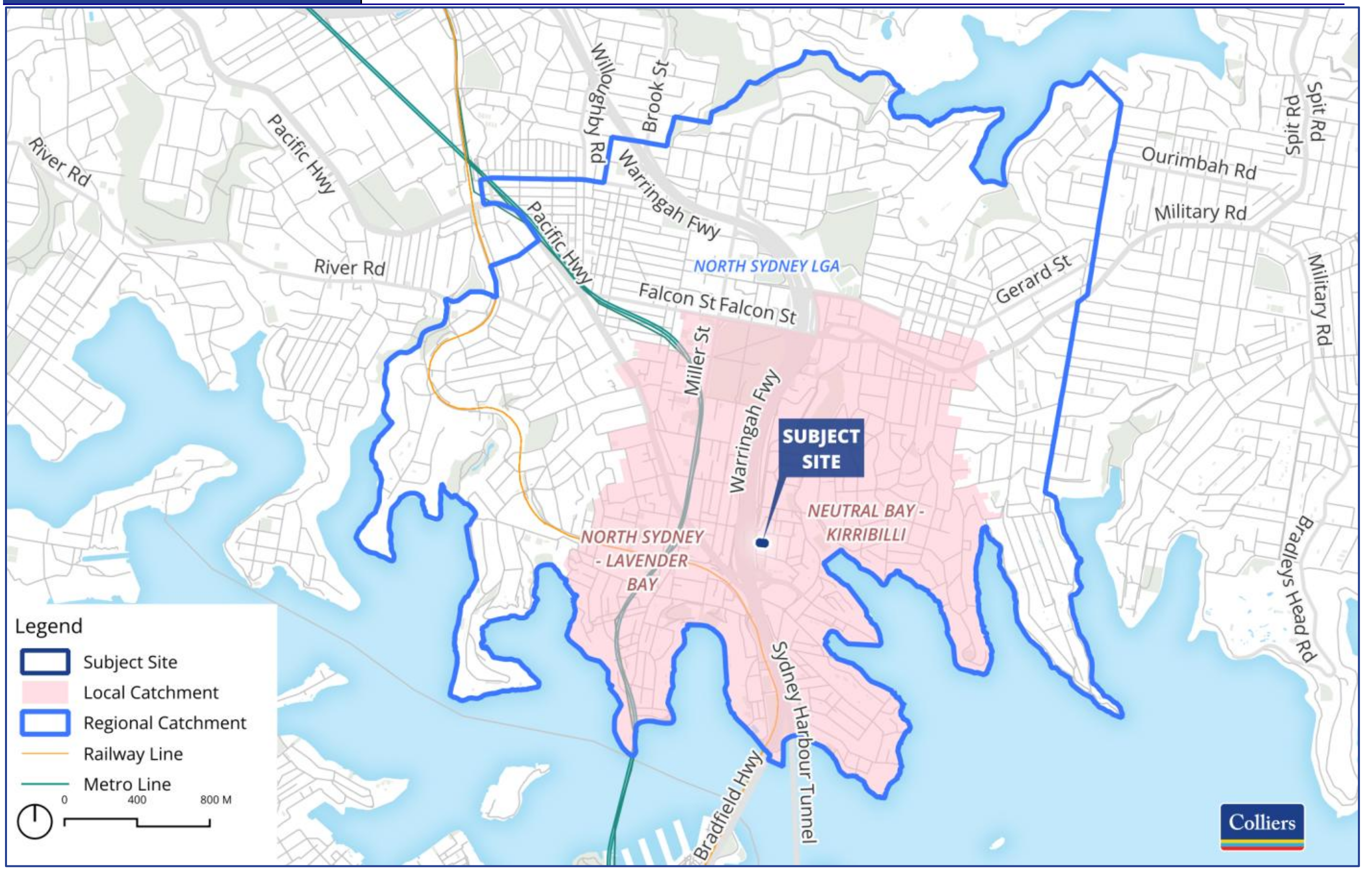


*Figure 3 Study Area Map*

Source: QGIS, Colliers

## 4.2 Resident Profile

The demographic data has been drawn from the 2021 and 2016 ABS Census. The data analysis provides a general overview of the demographic characteristics of residents within the Study Area. For the purposes of this analysis, it is assumed that the 2021 Census provides a current snapshot of the residential demographic profile of the Study Area (see **Table 2**). Key characteristics of the Study Area population include:

| Category | Context |
|---|---|
| **Income** | • Residents in the Local Catchment have median household income of $125,800. This is lower than the Regional Catchment ($131,550) although higher than Greater Sydney ($108,750). |
| **Age Profile** | • The Local Catchment has a median age of 39.4 years, which is similar to the Regional Catchment at 39.1 years although slightly older than the Greater Sydney average of 37.3 years. The older age profile in the Local Catchment is largely attributed to a significant proportion of residents aged between 35 and 64 years, reflecting a more mature demographic. The share of residents aged 65 to 84 years (15.7%) in the Local Catchment is also slightly higher than the Greater Sydney share (13.2%) |
| **Household Composition** | • The Local Catchment has a smaller household composition - with lone persons making up 42.3% of households across the Local Catchment compared to 38.5% in the Regional Catchment and 23.3% in Greater Sydney.<br>• Although representing more than half of households (53.0%) across the Local and Regional Catchment (56.4%), the share of Family Households is well-below the Greater Sydney benchmark (72.6%). |
| **Dwelling Tenure** | • A significant proportion of residents across both Study Areas are likely to be renters, with 57.0% of dwellings in the Local Catchment and 52.2% in the Regional Catchment being rental properties. This is notably higher than the Greater Sydney average of 36.1%. |
| **Dwelling Structure** | • Higher proportion of flats, units and apartments in the Local Catchment accounting for 82.6% of all dwellings compared to 75.9% in the Regional Catchment and 30.7% in Greater Sydney.<br>• Separate houses comprise just 7.3% of all dwellings in the Local Catchment compared to 11.1% in the Regional Catchment and 56.1% in Greater Sydney.<br>• The Local Catchment has an average household size of 1.9 persons per household similar to the Regional Catchment at 2.0 persons per household although lower than Greater Sydney average of 2.7 persons per household. |
| **Industry of Employment** | • Professional, Scientific and Technical Services is the largest industry of employment for working residents in the Local Catchment, accounting for 23.4% of all employment. This is followed by Financial and insurance services (14.1%) and Healthcare and Social assistance (11.0%).<br>• Similarly, in the Regional Catchment, Professional, Scientific and Technical Services is the largest industry of employment for working residents accounting for 22.4% of all employment followed by Financial and insurance services (13.8%) and Healthcare and Social assistance (11.8%). |

A review of key changes in the Local Catchment demographic profile can be undertaken by investigating trends which have occurred between the 2016 and 2021 Census. Key findings include:

- Median annual household income in the Local Catchment increased by +$5,110, lower than the +$16,550 increase in Greater Sydney.
- The proportion of residents aged 65 years and over in the Local Catchment increased by 2.3pp, compared to a 1.2pp increase in Greater Sydney.
- Significant growth in the share of lone person households by +4.1pp in the Local Catchment compared to +1.6pp in Greater Sydney.
- The share of flats, units and apartments increased by +1.5pp in the Local Catchment, compared to 2.5pp in Greater Sydney.

*Table 2 Demographic Profile Summary, 2021*

| Category | Local Catchment | Regional Catchment | *Greater Sydney* |
|---|---|---|---|
| **Income** | | | |
| Median individual income (annual) | $83,740 | $83,070 | *$45,930* |
| Median household income (annual) | $125,800 | *+80.9%* | *$108,750* |
| **Age Structure** | | | |
| 0-4 years | 4.1% | 5.0% | *6.0%* |
| 5-19 years | 9.2% | 10.8% | *18.1%* |
| 20-34 years | 28.2% | 26.1% | *22.1%* |
| 35-64 years | 40.6% | 41.4% | *38.7%* |
| 65-84 years | 15.7% | 14.9% | *13.2%* |
| 85 years and over | 2.2% | 1.8% | *2.0%* |
| Median Age (years) | 39.4 | 39.1 | *37.3* |
| **Country of Birth** | | | |
| Australia | 59.0% | 59.3% | *61.1%* |
| Other Major English Speaking Countries | 15.1% | 15.0% | *7.1%* |
| Other Overseas Born | 25.8% | 25.7% | *31.8%* |
| **Household Composition** | | | |
| *Couple family with no children* | 30.9% | 30.2% | *24.5%* |
| *Couple family with children* | 15.2% | 18.8% | *36.1%* |
| One parent family | 5.9% | 6.3% | *11.0%* |
| Other families | 1.0% | 1.1% | *1.1%* |
| Family households - Total | 53.0% | 56.4% | *72.6%* |
| Lone person household | 42.3% | 38.5% | *23.3%* |
| Group household | 4.7% | 5.0% | *4.1%* |
| **Dwelling Structure (Occupied Private Dwellings)** | | | |
| Separate house | 7.3% | 11.1% | *56.1%* |
| Semi-detached, row or terrace house, townhouse etc. | 9.9% | 12.7% | *12.8%* |
| Flat, unit or apartment | 82.6% | 75.9% | *30.7%* |
| Other dwelling | 0.1% | 0.2% | *0.4%* |
| *Occupancy rate* | *83.3%* | *86.2%* | 91.8% |
| Average household size | 1.9 | 2.0 | 2.7 |
| **Tenure Type (Occupied Private Dwellings)** | | | |
| Owned outright | 24.1% | 25.8% | *28.3%* |
| Owned with a mortgage | 17.1% | 20.5% | *34.0%* |
| Rented | 57.0% | 52.2% | *36.1%* |
| Other tenure type | 1.7% | 1.5% | *1.6%* |
| **Industry of Employment (employed persons aged 15 years and over)** | | | |
| Agriculture, forestry and fishing | 0.3% | 0.3% | 0.3% |
| Mining | 0.1% | 0.3% | 0.1% |
| Manufacturing | 2.7% | 2.8% | 5.7% |
| Electricity, gas, water and waste services | 0.6% | 0.7% | 0.7% |
| Construction | 4.9% | 4.5% | 8.7% |
| Wholesale trade | 3.0% | 3.2% | 3.4% |
| Retail trade | 5.6% | 5.8% | 9.3% |
| Accommodation and food services | 4.5% | 4.4% | 5.8% |
| Transport, postal and warehousing | 2.2% | 2.2% | 5.3% |
| Information, media and telecommunications | 4.3% | 4.4% | 2.5% |
| Financial and insurance services | 14.1% | 13.8% | 7.4% |
| Rental hiring and real estate services | 3.0% | 2.9% | 2.0% |
| Professional, scientific and technical services | 23.4% | 22.4% | 11.5% |
| Administrative and support services | 3.2% | 3.2% | 3.4% |
| Public administration and safety | 5.4% | 5.2% | 5.8% |
| Education and training | 7.6% | 7.9% | 9.0% |
| Health care and social assistance | 11.0% | 11.8% | 14.2% |
| Arts and recreation services | 1.8% | 1.8% | 1.5% |
| Other services | *2.3%* | *2.4%* | *3.4%* |

Source: ABS Census pf Population and Housing 2021
Note: interpretation of small area data from the 2021 ABS Census should consider potential outcomes from the COVID-19 pandemic.

## 4.3 Resident Trends and Projections

The following sub-section presents residential population growth in addition to the growth by age breakdown which helps to inform how the Proposed Development can best serve the local community.

### 4.3.1 Resident Population Projections

Resident population projections have been prepared using latest official projections from Transport for NSW (TfNSW) and rebased to account for the latest ABS historic population estimates.

A detailed summary of population projections is presented in **Table 3**, and the key findings include:

- Between 2016 and 2026, the resident population of the Local Catchment increased by +2,180 residents to reach 32,710 residents in 2026. While the residential population of the Regional Catchment increased by +2,330 residents.
- Projections indicates that between 2026 and 2041, the Local Catchment is projected to grow by +3,280 residents to reach an estimated 35,990 residents by 2041.
- Within the Regional Catchment, the number of residents is projected to increase by +13,480 residents, to reach an estimated 88,510 residents by 2041. The Local Catchment will account for approximately 24.3% of all growth projected across the Regional Catchment.
- When comparing average annual growth rates for the period 2021 to 2026 and 2026 to 2041, future growth is anticipated to be slightly lower than historical growth for the Local Catchment but higher than historical growth for the Regional Catchment.

A significant pipeline of residential developments will be required across both the Local Catchment and Regional Catchment to accommodate future population growth. This highlights the need for residential developments including those proposed at the Subject Site.

*Table 3 Population Projections – Study Areas, 2016 – 2041*

| Population (no.) | 2016 | 2021 | 2026 | 2031 | 2036 | 2041 | 2016 - 2026 | 2026 - 2041 |
|---|---|---|---|---|---|---|---|---|
| **Population (no.)** | | | | | | | | |
| Local Catchment | 30,530 | 29,930 | 32,710 | 33,990 | 34,950 | 35,990 | +2,180 | +3,280 |
| Regional Catchment | 72,700 | 70,260 | 75,030 | 83,080 | 85,850 | 88,510 | +2,330 | +13,480 |
| Greater Sydney | 5,024,920 | 5,261,800 | 5,706,910 | 6,048,260 | 6,378,850 | 6,703,400 | +681,990 | +996,490 |
| **Average Annual Growth (no.)** | | | | | | | | |
| Local Catchment | | -120 | +560 | +260 | +190 | +210 | +220 | +220 |
| Regional Catchment | | -490 | +950 | +1,610 | +550 | +530 | +230 | +900 |
| Greater Sydney | | +47,380 | +89,020 | +68,270 | +66,120 | +64,910 | +68,200 | +66,430 |
| **Average Annual Growth Rate (%)** | | | | | | | | |
| Local Catchment | | -0.4% | 1.8% | 0.8% | 0.6% | 0.6% | 0.7% | 0.6% |
| Regional Catchment | | -0.7% | 1.3% | 2.1% | 0.7% | 0.6% | 0.3% | 1.1% |
| Greater Sydney | | 0.9% | 1.6% | 1.2% | 1.1% | 1.0% | 1.3% | 1.1% |

Source: ABS Estimated Resident Population 2025, Transport for NSW Travel Zone Projections 2025
Note: Figures Rounded

## 4.4 Worker Trends and Projections

The following sub-Section forecasts the worker population growth including growth by industry breakdown. This help inform how the Proposed Development will benefit and align with the local workforce.

### 4.4.1 Broad Industry Classifications

The ABS groups employment into industries using the Australian and New Zealand Standards Industrial Classification (ANZSIC) framework. This framework classifies industries according to their productive activities.

For the purposes of estimating employment projections, these ANZSIC industries are grouped into Broad Industry Categories, as these Broad Industry Categories have similar economic drivers (see **Table 4** for classification). For instance, many industries provide population serving needs, such as household services, and construction services. As population growth increases, so too does the demand for employment within these industries – all else being equal.

For other industry groupings, such as, 'industrial', technological trends are changing the way these businesses operate by utilising more equipment and machinery and less manual labour, these businesses are reducing their overall demand for manual labour as a proportion of output, and as such, jobs growth is expected to be proportionately lower to population growth going forward.

Key drivers and an overview of each category is defined below:

- **Population serving:** Industries within this category tend to provide services to households and individuals. As population grows, so does employment to respond to increased demand for population services.
- **Knowledge workers:** For industries within this category a key factor is the ability to attract and retain high skilled workers. As such, locational and regional factors play a key role as well as the areas access to a highly skilled labour market. This industry location tends to be driven by availability of commercial space and demand from both residents and local businesses.
- **Industrial:** Broad industrial trends, such as economic growth, technology, automation and land use capacity are the main economic drivers for this category.
- **Health, Education, and Other:** Often reliant on population growth to drive demand; however, employment in these industries can also be 'lumpy' and is influenced by major projects and large-scale investment in infrastructure (e.g. universities and hospitals). For the purposes of this analysis, the growth outlook is tied to population growth.

*Table 4 Broad Industry Classifications*

| Broad Industry Category | Industry of Employment |
|---|---|
| **Industrial** | Agriculture, Forestry and Fishing<br>Mining<br>Manufacturing<br>Electricity, Gas, Water and Waste Services<br>Wholesale Trade<br>Transport, Postal and Warehousing |
| **Population Serving** | Construction<br>Retail Trade<br>Accommodation and Food Services<br>Arts and Recreation Services<br>Other Services |
| **Knowledge workers** | Information Media and Telecommunications<br>Financial and Insurance Services<br>Professional, Scientific and Technical Services |
| **Traditional Office** | Rental, Hiring and Real Estate Services<br>Administrative and Support Services<br>Public Administration and Safety |
| **Education** | Education and Training |
| **Health** | Health Care and Social Assistance |

Source: TfNSW

### 4.4.2 Employment Estimates by Industry

Employment projections have been adopted with consideration to official projections prepared by Transport for NSW. Projections for the Study Areas are presented in **Table 5** including the following:

- In 2026 are an estimated 81,410 workers within the Local Catchment, and an estimated 100,140 workers in the Regional Catchment.
- The number of workers in the Local Catchment is anticipated to increase by +4,650 workers, while within the Regional Catchment the number of workers is anticipated to increase by +7,520 workers by 2041. The Local Catchment is anticipated to account for 61.8% of the total worker growth across the Regional Catchment highlighting the need for further employment generating uses within the Local Catchment.
- Within the Local Catchment, the majority of growth in workers by 2041 is projected to be Knowledge Workers (+2,930 workers) and Population serving (+660 workers) industries.
- Within the Regional Catchment, the majority of additional workers are also anticipated in the Knowledge workers (+4,010 workers) and Health and education (+1,710 workers) categories.

*Table 5 Employment Projections by Industry, 2026 – 2041*

| Broad Industry Categories | 2026 | | 2041 | | Change | |
|---|---|---|---|---|---|---|
| | no. | % | no. | % | no. | % |
| **Local Catchment** | | | | | | |
| Industrial | 6,930 | 8.5% | 7,160 | 8.3% | 230 | 3.3% |
| Population Serving | 14,470 | 17.8% | 15,130 | 17.6% | 660 | 4.6% |
| Knowledge Workers | 46,500 | 57.1% | 49,430 | 57.4% | 2,930 | 6.3% |
| Traditional Office | 6,430 | 7.9% | 6,740 | 7.8% | 310 | 4.8% |
| Health and Education | 7,080 | 8.7% | 7,600 | 8.8% | 520 | 7.3% |
| **Total** | **81,410** | **100.0%** | **86,060** | **100.0%** | **4,650** | **5.7%** |
| **Regional Catchment** | | | | | | |
| Industrial | 7,880 | 7.9% | 8,140 | 7.6% | 260 | 3.3% |
| Population Serving | 19,370 | 19.3% | 20,430 | 19.0% | 1,060 | 5.5% |
| Knowledge Workers | 52,540 | 52.5% | 56,550 | 52.5% | 4,010 | 7.6% |
| Traditional Office | 8,300 | 8.3% | 8,780 | 8.2% | 480 | 5.8% |
| Health and Education | 12,050 | 12.0% | 13,760 | 12.8% | 1,710 | 14.2% |
| **Total** | **100,140** | **100.0%** | **107,660** | **100.0%** | **7,520** | **7.5%** |

Source: TfNSW 2025, Ethos Urban

Note: Figures rounded

# 5.0 Market Assessment

This Section provides a market assessment of the proposed development.

## 5.1 Residential Assessment

The Proposed Development currently plans to include a provision of 95 apartments with a total of 12,600m$^2$ of residential GFA.

A review of key residential trends and site attributes is considered in this sub-Section.

### 5.1.1 Residential Market Trends

This sub-Section analyses the various economic trends across the residential sector of relevance to the Proposed Development.

**Housing Undersupply**

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.

**The delivery of new housing supply is recognised as an important objective in addressing the housing crisis at all levels of government, and the Proposed Development presents a significant opportunity to deliver new housing supply in a timely manner. Importantly, the project has the potential to contribute to the 5-year housing target for North Sydney LGA where +5,900 new dwellings are expected to be completed by 2029, in line with the timeframe outlined by the National Housing Accord.**

**Building Approvals**

A review of building approvals data indicates the following:

- The delivery of new housing in the Local Catchment has averaged 55 new dwelling approvals since 2017/18, representing nearly a third of the Regional Catchment average of 178 new dwelling approvals over the same period.
- A decline in dwellings approvals in the Local Catchment is observed compared to higher rate of new dwelling approvals in the Regional Catchment, indicating the need to find and deliver new housing options in the Local Catchment.
- The 2024/2025 financial year saw 15 new dwellings approved in the Local Catchment and 276 dwellings approved in the Regional Catchment, significantly below the historical averages. A constant declining trend in housing approvals in the Local Catchment has occurred relative to the Regional Catchment.

A lack of residential investment within the Local Catchment represents a missed opportunity to deliver housing in a well-located area close to range of services including health, retail, and employment opportunities.

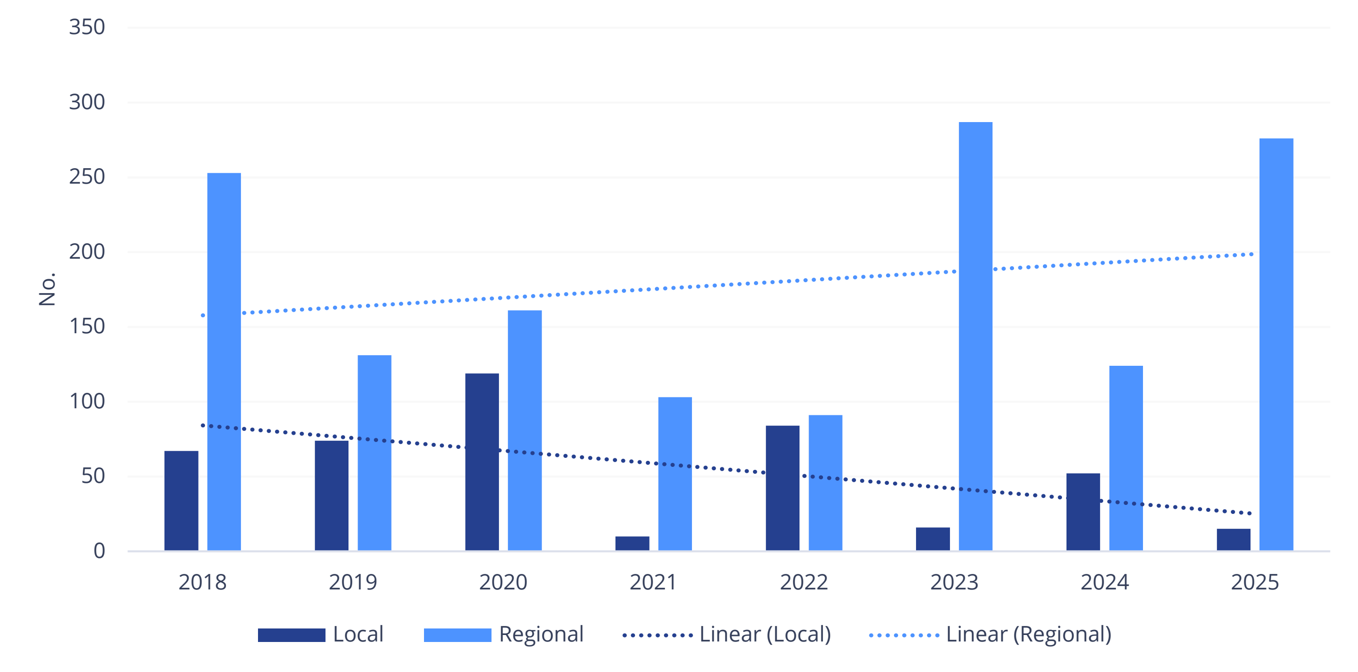


*Figure 4 Net Dwelling Approvals, 2018 – 2025*

Source: ABS Dwelling Approvals, June 2025; Colliers

### Pricing Trends

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 the Local and Regional Catchments which are experiencing house price growth, low vacancy, and decreasing affordability.

Key findings from a review of the housing market include:

- Low residential vacancy rate of 1.05% for North Sydney, 1.43% for North Sydney – Lavender Bay SA2 and 1.26% for Neutral Bay – Kirribilli SA2 as at June 2025 Quarter for all dwellings whereas Greater Sydney had a vacancy rate of 1.44% (Housing.ID).
- Rental costs have increased substantially in recent years, with the median weekly rent for units increasing by +27.6% between Dec 2018 and Dec 2025 in North Sydney LGA whereas house rents increase by +24.8% for the same period. This highlights the growing rental market in North Sydney underpinned by the region's proximity to jobs, amenities and transport, as shown below in **Figure 5**.

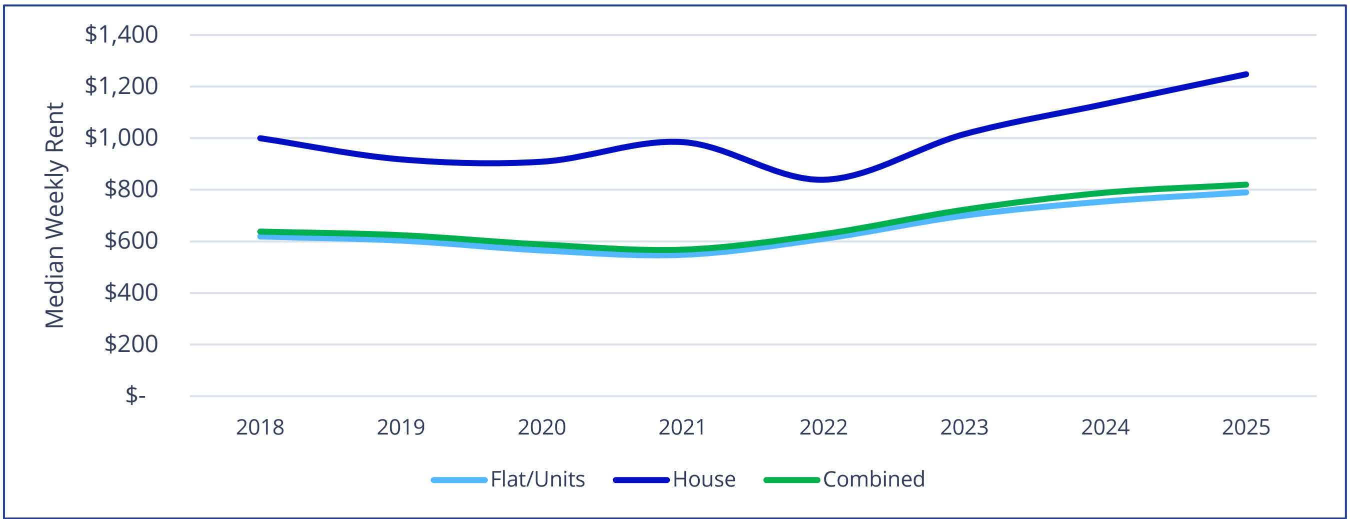


*Figure 5 Rental Price Growth – North Sydney LGA 2018 to 2025*

Source: FACS, Colliers

- Dwelling prices have increased considerably by +67.4% for houses and 41.6% for units in the past 10 years in the Regional Catchment. As of December 2025, median price for houses is $3.70 million and $1.31 million for units (refer **Figure 6** and **Figure 7**)

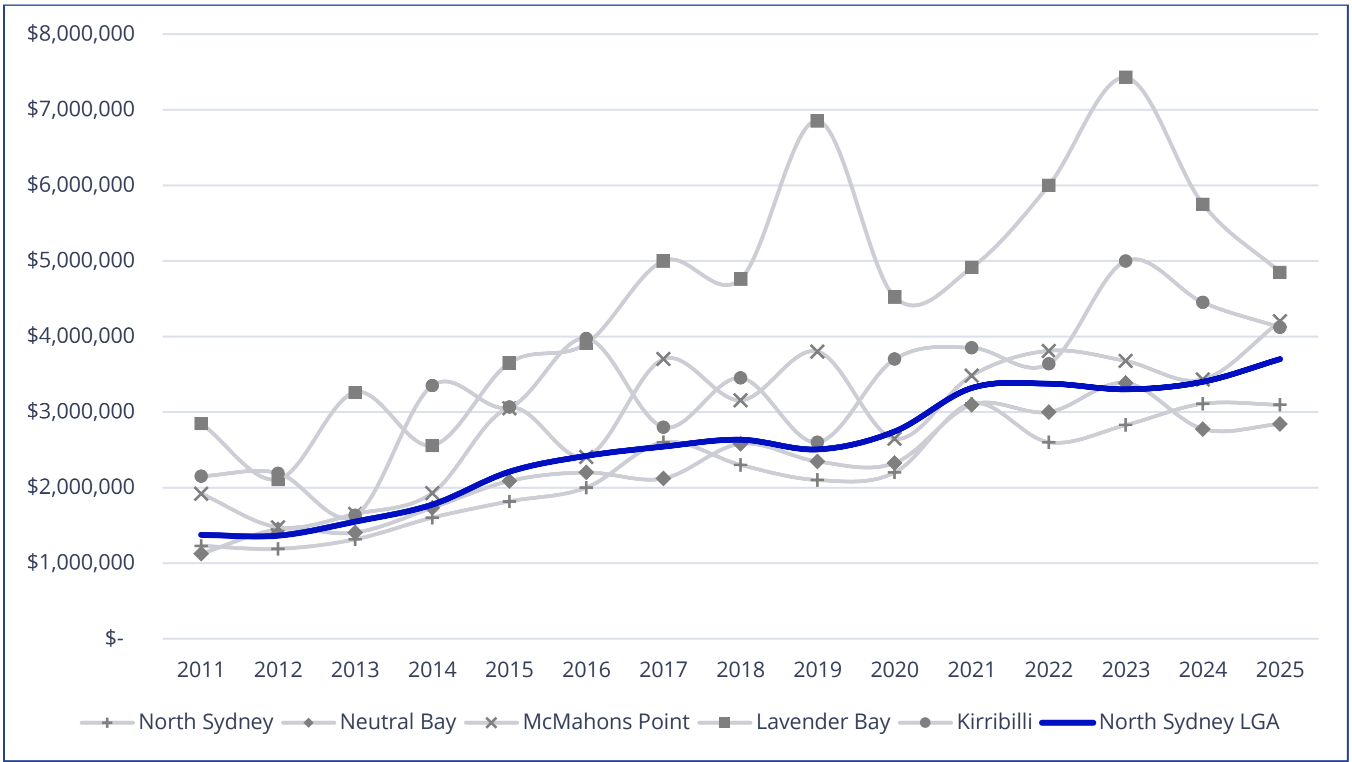


***Figure 6 Median Sale Price for Houses, 2011 to 2025***

Source: Pricefinder 2011 to 2025 (January to December)

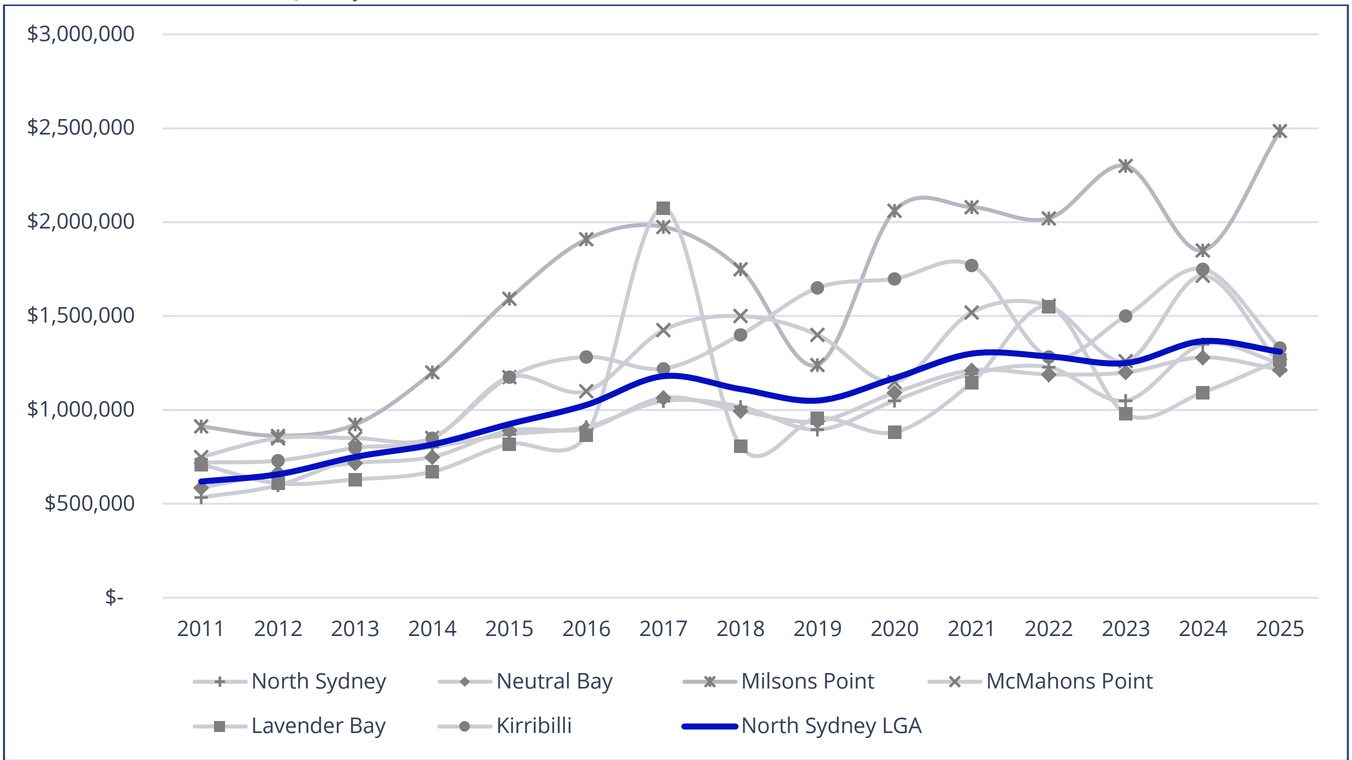


***Figure 7 Median Sale Price for Units, 2011 to 2025***

Source: Pricefinder 2011 to 2025 (January to December)

Housing affordability is a significant challenge, within North Sydney LGA with a high share of households in rental and home purchase stress.

Key findings of a review of housing affordability across North Sydney LGA indicate the following (see **Table 6**):

- The share of low and moderate income households in rental stress is significantly higher in North Sydney LGA compared to Greater Sydney
- Limited availability of rental stock at 0.7% of very low income households and 7.1% of low income households indicating dire shortage of affordable homes compared to 3.4% and 17.3% availability of rental stock for these households across Greater Sydney.
- Limited availability of affordable housing within the North Sydney LGA compared to Greater Sydney
- A higher share of households experience home purchase stress in North Sydney LGA compared to Greater Sydney.

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

*Table 6 Housing Costs and Affordability*

| Affordable Housing Indicator | North Sydney | Greater Sydney |
|---|---|---|
| Total number of Affordable Rentals | 96 | 17,568 |
| **Affordable Rental Stock (2024)** | **% affordable dwelling available for rent** | |
| Very Low Income | 0.7% | 3.4% |
| Low Income | 7.1% | 17.3% |
| Moderate Income | 55.7% | 66.4% |
| **Rental Stress (2021 Census)** | **% in rental stress** | |
| Very low income | 97.5% | 94.1% |
| Low income | 89.9% | 61.4% |
| Moderate income | 55.2% | 29.0% |
| **Affordable purchase stock (2024)** | **% of affordable dwellings available for purchase** | |
| Very low income | 0.0% | 0.5% |
| Low income | 0.2% | 1.2% |
| Moderate income | 1.8% | 6.2% |
| **Home Purchase Stress (2021)** | **% live in purchase stress** | |
| Very low income | 74.4% | 69.3% |
| Low income | 58.2% | 43.8% |
| Moderate income | 41.7% | 23.7% |

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

### 5.1.2 Residential Dwelling Need

The resident population in North Sydney LGA is projected to increase by +13,480 residents over the period 2026 to 2041. This reflects a 2026 population estimate of 75,030 residents, and total population of 88,510 residents by 2041.

Applying the average household size to the projected population as presented in **Table 7** the result is an implied need for an additional +9,620 dwellings between 2025 and 2041 across the LGA. As noted further below, this is a conservative forecast of actual housing need given the current supply shortage and expectations of gradual household size decline.

A review of the development pipeline in North Sydney LGA shows around 3,740 dwellings planned, approved or under construction. This includes major projects such as Crows Nest overstation development (527 dwellings), Arthur Street mixed use (390 dwellings) and Walker and Hampden Street Affordable Housing (263 dwellings).

Approximately 51.9% of supply is located within North Sydney and Crows Nest.

A review of headline demand and supply indicates a strong market need for additional housing within this part of Sydney with the known pipeline of residential developments only able to satisfy 38.9% of implied dwelling demand required over the period to 2041. This is the equivalent of the future supply pipeline only satisfying up to 6 years of implied dwelling demand, and as such highlights the need to identify and secure additional residential development to support existing and future residents.

The Proposed Development will align with the need for additional residential dwellings in high amenity, central and accessible locations proximate to a range of services and jobs. The Proposed Development has the ability to provide increased housing supply and dwelling diversity in a well-located and high amenity location that will support housing supply and population growth in North Sydney LGA over the long term.

***Note this analysis assumes that the residential market is in equilibrium as at 2025; however, as noted above there is currently widespread and significant levels of housing undersupply across Greater Sydney. This indicates that residential undersupply identified below is likely a conservative estimate.***

*Table 7 Implied Housing Need in the Regional Catchment, 2026 to 2041*

| Implied Dwellings Requirements | 2026 | 2041 | 2026 to 2041 |
|---|---|---|---|
| Resident Population | 75,030 | 88,510 | 13,480 |
| Average Household Size | 1.99 | 1.93 | - 0.06% |
| Occupancy Rate | 86% | 86% | -0.22% |
| **Implied Demand** | **43,666** | **53,282** | **9,620** |
| **Known Dwellings Supply and Market Need** | | **+3,740** | **+3,740** |
| **Market Gap for Dwellings** | | | **-5,880**<br>*1.6% of future Market Gap can be satisfied by Proposed Development* |

Source: NSW CPA 2024, NSW CPA 2022, TfNSW 2024, ABS ERP 2024, Cordell Connect Note:

- Official projections have been rebased to the latest ABS Estimated Resident Population (ERP) for 2024.
- Average household size assumptions have been based on the NSW CPA 2022 Projections and rebased to ABS Census 2021. Latest 2024 projections do not include average household size forecasts)
- Includes projects planned, approved or under construction based on CordellConnect for North Sydney Council.

### 5.1.3 Opportunities for Residential Development at the Subject Site

A strong market need exists for additional housing to be delivered within this area of the Sydney with pipeline of residential developments only able to satisfy 38.9% of implied dwelling demand by 2041. 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 Proposed Development has the ability to provide increased housing supply and dwelling diversity in a well-located and high amenity location that will support housing supply and population growth in the LGA over the long term.

Importantly, the Subject Site and Proposed Development 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 other services, including education and health centres.
- Proximity to community infrastructure and amenities in the North Sydney CBD.
- Access to a high proportion of renters
- Residential vacancy is low, and housing and rental costs are escalating.

## 5.2 Commercial Office Assessment

The concept plan for Proposed Development includes a provision of commercial office floorspace totalling around 187m$^2$ of space. A review of key office market trends and Subject Site attributes is considered in this sub-section.

### 5.2.1 Commercial Office Market Trends

This sub-Section analyses the key trends across the residential sector of relevance to the Proposed Development.

**Modern Tenant Requirements**

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

While providing increased technology integration and flexibility, modern workplace design has also resulted in increased efficiency within modern commercial office buildings.

It should be noted that tenant requirements are rapidly evolving in the post-COVID-19 environment. However, several trends are unlikely to change including the importance of technology enabled workspaces and the ability to provide a safe and healthy work environment, which remain more important than ever.

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

- Occupiers have preference for prime quality buildings with available space that provide large contiguous floorplates with efficient building layouts and high-quality design.
- Preferred floorplates for major occupiers are whole floors with large floorplates of at least 1,500m$^2$ or larger.
- Occupiers seek high quality spaces that typically achieve sustainable and wellness outcomes including NABERS, Green Star and WELL ratings.
- Tenants seek flexible spaces that allow for up and down scaling, active working spaces that enable collaboration internally and externally, and 24-hour access.
- Clustering benefits including being within activated spaces that offer retail amenities, outdoor open space and accessibility to public transport.

Other key requirements related to

- Access to public transport
- Critical mass of similar businesses creating knowledge hubs and 'clustering effects'
- Proximity to retail and amenity either on-site or within walking distance to the commercial office building
- Public and open space for workers and companies to contribute to amenity and worker well-being
- Access to high skilled work force

**Commercial Office Market Outlook**

Sydney CBD has a mix of land uses that includes residential and non-residential commercial uses such office, health, education, retail and visitor accommodation. The Sydney CBD forms the major commercial office destination in the metropolitan area, providing over 5.4 million square metres of commercial office floorspace and serves a critical role in Australia's national economy.

Metropolitan office markets across Greater Sydney, including North Sydney CBD, also serve an important function that complements the higher-order role of the Sydney CBD.

The provision of commercial office floorspace across major metropolitan locations include (see **Figure 8**):

- Sydney CBD – 5,385,110m$^2$
- Macquarie Park – 956,620m$^2$
- Parramatta – 974,400m$^2$
- North Sydney – 967,640m$^2$
- Crow's Nest/St Leonards – 354,800m$^2$
- Chatswood – 267,000m$^2$

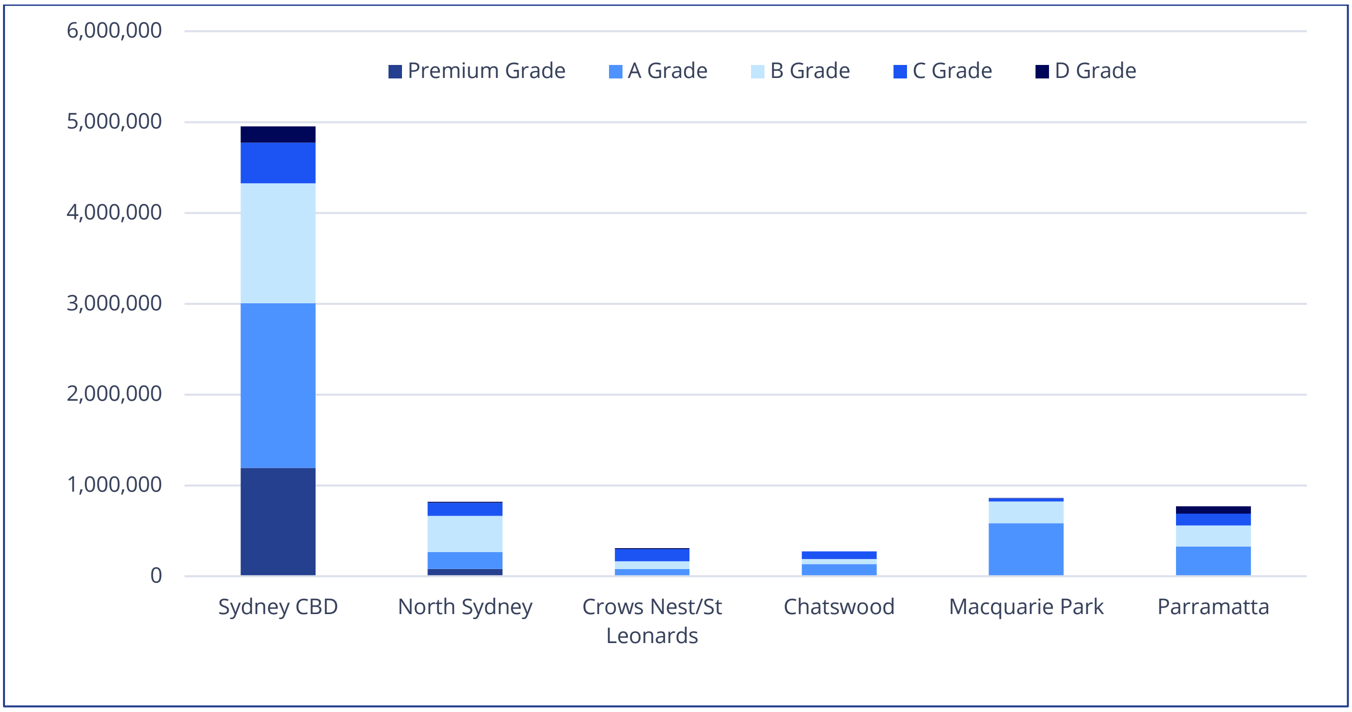


***Figure 8 Commercial Office Floor Space – Sydney Markets***

Sourced: PCA Office Market Report, January 2026

Of significance, metropolitan markets outside of the Sydney CBD show higher vacancy rates.

Across metropolitan markets in Greater Sydney, approximately 1.59 million square metres of vacant commercial office floorspace has been identified. This includes 741,420m$^2$ of vacant floorspace in Sydney CBD (13.8%), 49,350m$^2$ in Chatswood (18.5%), and 103,371m$^2$ in Crows Nest/St. Leonards (29.1%) (see **Figure 9**). These vacancy rates are well above the historic levels for major markets across Greater Sydney, which were typically around 6-7% on average over the 20 years to January 2020. The vacancy data demonstrates that the commercial office market in Greater Sydney overall is currently underperforming, particularly outside the Sydney CBD.

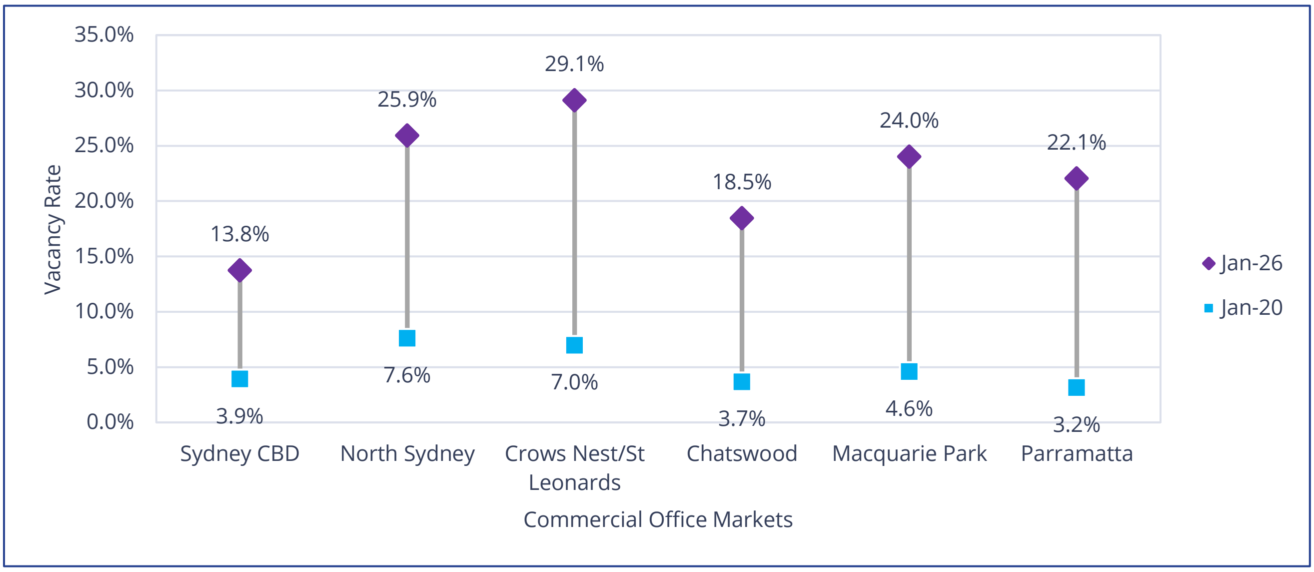


***Figure 9 Total Vacancy (Total Vacancy %) – Major Sydney Markets, January 2026***

Source: PCA Office Market Report, January 2026

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, a significant amount of development activity underway or planned in markets such as the Sydney CBD (over 469,120m$^2$) and Parramatta with around 90,540m$^2$ of additional floorspace (planned, approved, or under construction). This information is based on the January 2026 PCA Office Market Report.

As a result, over 8.9 million square metres of commercial office floorspace would be provided at key metropolitan centres throughout Sydney, including over 1.59 million square metres of vacant floorspace, and a further 665,970m$^2$ of additional future supply that has also been identified. (PCA January 2026).

Note that this additional commercial office supply is delivering new stock that is tailored to contemporary tenant needs. As such, the withdrawal of older and redundant office space that no longer meets modern requirements can be expected.

### 5.2.2 Commercial Office Floorspace Need

Projected growth of +4,490 workers likely to be accommodated in commercial offices is expected within the Regional Catchment between 2026 and 2041.

Assuming an average of 15m$^2$ of commercial floorspace per worker (NSW Common Planning Assumptions), an implied floorspace demand for some 67,350m$^2$ of additional commercial office floorspace is within the Regional Catchment by 2041 (see **Table 8**).

Based on a review of the Cordell Connect an estimated 356,420m$^2$ of new commercial office space is identified in the Regional Catchment. Taking the above into account, an oversupply of commercial office floorspace in the order of +289,070m$^2$ is implied.

This analysis provides an illustrative example of likely market outlook for commercial office development within the Regional Catchment applying industry assumptions and estimated floorspace for known commercial office developments. This example highlights that without securing prospective commercial office tenants pre-development, any provision of commercial office floorspace will likely be underutilised with high levels of vacancy.

Commercial office owners will need to actively incentivise prospective tenants and commercial office workers to ensure viable levels of occupancy. This scenario is further compounded by the existing high commercial office vacancy rates within North Sydney CBD which is amongst the highest within key metropolitan Sydney markets.

**Overall, a limited need is apparent for additional commercial office development within North Sydney. High existing vacancy rates and subdued market conditions within the commercial office market overall are likely to continue to remain. These factors, combine with an already extensive potential future supply pipeline (within the surrounding region and more broadly in key commercial office markets) and the non-core commercial office location of the Subject Site.**

*Table 8 Supportable Commercial Office Floorspace, 2026 to 2041*

| Metric | Regional Catchment |
|---|---|
| Commercial Office workers | +4,490 |
| Workspace Ratio | 15m$^2$ per commercial office worker |
| **Implied Floorspace Demand** | **+67,350m$^2$** |
| Known Supply (floorspace) | 356,420m$^2$ |
| **Market Gap for Commercial Office Floorspace** | **+289,070m$^2$ (oversupply)** |

Source: Industry benchmarks and averages, Colliers

Notes:

- assuming 100% of additional jobs will be in knowledge worker and traditional office industries will be accommodated in commercial office.
- based on industry benchmarks and typical tenant requirements.
- based on indicate building heights within fringe office market locations.

### 5.2.3 Implications for Commercial Office Uses

The commercial office market overall is highly competitive for new developments, with challenging market conditions likely to remain as a result of subdued demand and the high level of new development activity that is already planned or underway across major metropolitan and city fringe markets.

**As such, existing or proposed 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, demonstrated through low levels of demand (net absorption), high vacancy rates (particularly in North Sydney) and a large existing pipeline of commercial office supply.**

## 5.3 Review of Population Serving Uses

The Proposed Development plans for 59m$^2$ of population serving uses which are proposed on the ground of the building and along Alfred Street. The population serving component of the Proposed Development could accommodate a range of non-residential uses such as food and beverage that will activate the street level and public domain. This retail component will be of ancillary nature and support future residents at the Subject Site. With the provision of the retail component unlikely to have any meaningful trading impact on the surrounding retail offerings.

There is anticipated to be sufficient demand for the modest provision of population serving uses at the Subject Site. An additional +3,290 residents and +4,650 workers are anticipated to reside in the Local Catchment by 2041, while numerous visitors are expected to be drawn to North Sydney. While the Proposed Development could accommodate a residential population in the order of 170 residents.

**The provision of floorspace planned as part of the Proposed Development reflects the potential for an active ground floor plane focused on retail and population serving facilities that will add to amenity and activation of the Subject Site and local area.**

# 6.0 Economic Impacts

This Section provides an assessment of the economic impacts (including benefits) likely to occur as a result of the project. 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 are provided.

## 6.1 Methodology

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

## 6.2 Economic Impacts

This sub-section examines the potential economic impacts associated with the proposed development at the Subject Site which is planned to include residential and non-residential uses.

### 6.2.1 Residential

Based on the Proposed Development, 95 residential dwellings are planned to be delivered across a range of apartments. The Proposed Development could therefore accommodate a net increase of approximately +170 residents on completion and full occupancy.

This Report outlines that within the Regional Catchment an additional +13,480 residents are forecasted by 2041. By accommodating a net increase of +170 residents at the Subject Site, this level of additional resident population would account for 1.4% of total projected residential growth in the Regional Catchment over the period to 2041 at a suitable and well-located site.

As outlined in **Section 5.1.2**, an estimated market gap of -5,880 dwellings is forecast by 2041, taking into account projected supply of +3,740 dwellings and implied demand of +9,620 dwellings based on population growth. As a result, an estimated 38.9% of implied dwelling demand is likely to be satisfied by known supply. This highlights the requirement for additional housing within the Regional Catchment. Considering significant levels of housing undersupply across Greater Sydney, this estimated gap is likely conservative.

The development of 95 dwellings as part of the Proposed Development would equate to satisfying 1.6% of North Sydney 2029 housing target and the estimated market gap by 2041, providing a material increase in housing supply while also allowing for the continuation of other known and future developments. It is also important to note that the Proposed Development will help provide much needed housing diversity, including affordable housing, reinforcing the complementary, rather than competitive nature of the Proposed Development.

**Accordingly, the proposed 95 dwellings will not impact on the ongoing viability or continued operation of any residential use but rather the proposed residential dwellings will help provide much needed housing supply in North Sydney. The provision of affordable housing will also ensure that accommodation is available across a range of price points within the North Sydney LGA more broadly, supporting a range of occupiers including key workers.**

### 6.2.2 Commercial Office

The proposed rezoning of the Subject Site from commercial office is a market response to a highly competitive commercial office environment.

Within North Sydney CBD vacancy rates are 25.9% as at January 2026, among the highest across Sydney commercial office markets this implies some 251,100m$^2$ of vacant commercial office floorspace across North Sydney CBD. Assuming 15m$^2$ of commercial office floorspace (see **Section 5.2.2**) implies capacity to support some 16,740 commercial offices across existing vacancies within North Sydney CBD. In addition, within the broader Regional Catchment (that encompasses North Sydney CBD) there is some 356,420m$^2$ of commercial office floorspace within the development pipeline that could support some 23,760 commercial office jobs.

As the above demonstrates, there is already sufficient capacity across both existing and planned commercial office stock to support achieving the jobs targets as set out in the North District Plan. The 2036 jobs target imply some +15,600 to +21,100 additional jobs over the period 2016 to 2036. Assuming growth for the period 2016 to 2026 has already been achieved, this would imply +7,800 to +10,550 additional jobs for the period 2026 to 2036. Assuming one-to-one mapping of jobs to workers, the jobs target remains achievable within existing vacant commercial office stock across North Sydney CBD.

**Accordingly, the removal of commercial office floorspace at the Subject Site will not impact ongoing viability or continued operation of existing commercial office uses but rather support the ongoing viability of commercial office market within North Sydney. Existing tenancies and workers at the Subject Site will be able to relocate within a commercial office market facing high levels of vacancies. Any impacts to workers and businesses are anticipated to be temporary.**

### 6.2.3 Ancillary Population Serving Uses

The Proposed Development includes some 59m$^2$ of population serving uses as outlined in **Section 2.3**.

This population serving floorspace will be well suited to retail employment. While final operators are not yet known, the concept plans show that the proposed area would only accommodate several small to medium sized operators. Such operators could include food and beverage providers, café, convenience-based retail. This type of population serving offer would complement and serve local residents, workers and visitors on-site and within the surrounding local area. In addition, ground floor activation would enhance amenity and activation at the Subject Site and within the local area.

The 59m$^2$ of population serving floorspace represents a limited provision of demand requirements within the local area. Accordingly, it is likely that the proposed population serving facilities would have little to no impact on the surrounding businesses or developments and will not impact the ongoing operation or viability of any existing or proposed retail facility once operational.

## 6.3 Economic Benefits

This sub-section highlights the economic benefits of the Proposed Development at the Subject Site.

### 6.3.1 Employment Activity

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 modelling

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 $155.0. This estimate is based on the preliminary costs provided by GenUrban and relates to direct construction costs only and excludes consultant fees, preliminaries and margins.

Based on a construction cost of $155 million, the construction phase is expected to directly support employment of 210 job-years and deliver a direct value-add to the economy of $30 million (see **Table 9**)

When the multipliers are taken into account, total state-wide economy effects over the construction program are forecast to be: employment of 680 job-years and a total direct value-add to the economy of $120 million.

***Table 9 Construction phase economic benefits ($2022/23)***

| | Construction Phase (spread over construction period) | | |
|---|---|---|---|
| | **Direct** | **Indirect** | **Total** |
| Employment (job-years) | 210 | 680 | 890 |
| Value Added ($M) | $30.0 | $90.0 | $120.0 |

Source: Colliers Urban Planning 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 NSW Common Planning Assumptions 2023, and Colliers Urban Planning research, and include the following:

- Retail – 1 FTE job per 35m$^2$ of floorspace.
- Commercial office – 1 FTE per 15m$^2$ of floorspace.

Based on the above, the operational phase is expected to deliver the following (direct) benefits: FTE employment of 14 direct ongoing jobs, and a direct value-add to the economy of $2.2 million per annum (see **Table 10**).

When the multipliers are taken into account, total ongoing economy-wide effects are estimated at: FTE employment of 24 jobs supported and a total value-add to the economy of $3.9 million per annum.

*Table 10 Estimated Ongoing Employment*

| | Operational Phase (annual) | | |
|---|---|---|---|
| | Direct | Indirect | Total |
| Employment (FTE) | 14 | 10 | 24 |
| Value Added ($M) | $2.2 | $1.7 | $3.9 |

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

## 6.3.2 Expenditure Activity

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

Based on the concept plan, the development will support around 95 dwellings based on the proposed residential GFA of 12,600m$^2$. Assuming the average household size of 1.8 (ABS Census 2021), the development of the Subject Site could support an estimated 170 residents at full occupancy.

A review of retail expenditure per capita by residents within the Local Catchment is in the order of $23,150 each year on average (2025/26 dollars). Accordingly, with 170 residents at the Subject Site, a total of $3.9 million in additional retail expenditure could be generated each year (see **Table 11**). This would include spending on 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 11 Retail Expenditure*

| Measure | Value |
|---|---|
| Estimated number of new residents | 170 |
| Per capita retail expenditure on local retail per annum ($) | $23,150 |
| Increase in expenditure on local retail per annum ($) | $3.9 million |

Source: Commbank IQ, Colliers Urban Planning
Note: Figures rounded

## 6.3.3 Other Benefits

The Proposed Development is likely to result in a range of other economic and community benefits including:

- Support the National Housing Accord targets by contributing to additional dwellings that will work towards achieving the North Sydney LGAs housing target of +5,900 additional dwellings by 2029.
- Supporting local business opportunities through increased activity associated with increased visitation from additional future residents at the Subject Site. These customers will support additional activity and retail expenditure throughout the local area, enhancing local employment and business opportunities during weekdays and after-hours and on weekends.
- Contribute to the increased and continued activation of North Sydney both during the day and night, as well as on weekends through the additional 170 residents who will be present and active at the Subject Site.

- Support the aspiration for 30-minute communities by providing residential uses alongside public transport and complementary population serving uses and employment opportunities within a strategic and easily accessible location.
- Support residential growth in a suitable location, adjoining existing high density residential uses and at the periphery of established employment areas.
- Provide for a diversity of housing sizes to meet community needs into the future and support greater housing choice.
- Support housing affordability by increasing the availability of supply in the local market, and by providing affordable dwellings able to serve key workers and benefitting the share of households in rental and mortgage stress, particularly for low and moderate income households.
- Support the objectives of State and Local Government which seek to provide the following:
  - Reinforce North Sydney as a strategic centre that is diverse, vibrant, active and accessible place, with attractive places for residents, workers and visitors to enjoy.
  - Support growth in a designated health and education precinct through the delivery of complementary uses including residential and non-residential uses.
  - Support residential growth in a suitable location, adjoining existing high density residential uses and at the periphery of established employment areas.
  - Deliver additional dwellings in a well-located area close to transport and infrastructure.
  - Support people living close to jobs, services and amenities.
  - Increase the supply of affordable housing.
  - Provide for a diversity of housing types and sizes to meet community needs into the future and support greater housing choice.

## 6.4 Summary of Impacts and Mitigation Measures

The Proposed Development will generate a number of economic benefits that will support and enhance the North Sydney economy. Outlined below is a summary of the key economic impacts likely to be generated by the Proposed Development.

During the construction phase of the proposed development there may be temporary disruption to local businesses. Local businesses may be impacted during the construction stage as a result of negative impacts associated with noise, access and overall amenity.

However, despite the temporary impacts during the construction stage, these businesses stand to benefit over the medium to long term once the Proposed Development is complete; as visitation, activation and expenditure will all increase as a result of the Proposed Development.

Any disruption to on-site businesses and workers is anticipated to be temporary with sufficient capacity across the North Sydney commercial office market for businesses to relocate.

The jobs target for North Sydney CBD as set out in the North District plan is achievable based on existing vacant commercial office stock as well as development pipeline of commercial office projects across the Local Catchment.

As a result, mitigation measures from an economic perspective are likely to be required in the short term only, and relate to ensuring minimal disruption to access and typical business operation during the construction stage of the project.

**Overall, the Proposed Development will support continued growth of North Sydney through the delivery of a mixed use and residential project that will serve the needs of existing and future residents and businesses, while aligning with the objectives for North Sydney CBD. The Proposed Development will result in a net gain for the local and regional community through the redevelopment of existing underutilised assets and the realisation of a range of economic and community benefits.**

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