



**Pacific Economics and Sustainability**

# Economic Analysis of Proposed Updated Development at 2A Gregory Place Harris Park

---

FINAL – Prepared for Pacific Planning

by Pacific Economics and Sustainability

Date: 1 August 2025

**COMMERCIAL – IN – CONFIDENCE**

info@pacificeconomics.com.au

# Contents

|  |    |
|--|----|
| Executive Summary.....   | 4  |
| 1.0 Introduction .....   | 13 |
| 2.0 Strategic Context.....   | 14 |
| 2.1. National Housing Accord and NSW Accord Target.....                | 14 |
| 2.2. Greater Sydney Region Plan .....                                  | 14 |
| 2.3 Central District Plan.....   | 15 |
| 2.4 Parramatta Local Strategic Planning Statement.....                 | 15 |
| 2.5 Parramatta Housing Strategy .....                                  | 16 |
| 2.6 Parramatta Contributions Policy .....                              | 16 |
| 3.0 Recent Work on the Causes and Remedies for the Current Crisis..... | 18 |
| 3.1 NSW Productivity Commission .....                                  | 18 |
| 4.0 Recent Academic Studies on Key Workers and Rental Poverty.....     | 20 |
| 4.1 Who Are Key Workers? .....   | 20 |
| 4.2 Key Problems Faced By Key Workers .....                            | 21 |
| 4.3 Unmet Housing Need .....   | 22 |
| 4.4 Private Renters Living in Disadvantage in Parramatta .....         | 24 |
| 4.5 The Agglomeration Paradox.....                                     | 27 |
| 5.0 Housing Supply and Demand in Parramatta.....                       | 29 |
| 5.1 Housing Stock.....   | 29 |
| 5.2 Housing Demand .....   | 29 |
| 5.3 Housing Approvals.....   | 30 |
| 5.3.1 Recent Approvals .....   | 30 |
| 5.3.2 Parramatta’s housing target and performance against target ..... | 31 |
| 5.4 Balance of Supply and Demand.....                                  | 32 |
| 6.0 Rental Availability and Affordability .....                        | 34 |
| 6.1 Rental Vacancies in Parramatta and Harris Park.....                | 34 |
| 6.2 Rental Listings.....   | 35 |
| 6.3 Rental Housing Affordability .....                                 | 35 |
| 7.0 The Economic Impact of Construction.....                           | 38 |
| 8.0 Ongoing Economic Impact of the Proposed Affordable Housing .....   | 40 |
| 8.1 Benefit of the Rental Reduction .....                              | 40 |
| 8.2 Benefit of Key Workers in the Location.....                        | 40 |
| 9.0 Heritage Item .....  | 43 |
| 9.1 Background.....  | 43 |
| 9.2 Recent Visitation and Admission Prices .....                       | 44 |
| 9.3 Estimated Future Visitation .....                                  | 44 |
| 10.0 Summary and Conclusion .....                                      | 48 |
| About Pacific Economics and Sustainability .....                       | 49 |
| Disclaimer .....   | 50 |



## Tables

|  |    |
|--|----|
| Table 1: Number of LGAs with Affordable Median Rent .....  | 22 |
| Table 2: Poverty by Household Ownership - Renters by Parramatta LGA SA2s .....                     | 26 |
| Table 3: Housing Stock – Parramatta SA3 .....  | 29 |
| Table 4: Population – Parramatta SA3 .....   | 29 |
| Table 5: Number of Persons Usually Resident – Parramatta SA3 – Percentage of Total Households..... | 30 |
| Table 6: Dwelling approvals, Parramatta local government area.....                                 | 30 |
| Table 7: Projected Completions Compared with Housing Target.....                                   | 31 |
| Table 8: Average Annual Population Growth 2016-2021, Parramatta SA3 .....                          | 32 |
| Table 9: Population Projection, Parramatta SA3 .....   | 32 |
| Table 10: Average Annual Growth in Housing Stock 2016-21, Parramatta SA3 .....                     | 32 |
| Table 11: Stock Estimates Based on Linear Growth and Approvals, Parramatta SA3 and LGA.....        | 33 |
| Table 12: Projected Dwelling Surplus/Deficit, Parramatta SA3 .....                                 | 33 |
| Table 13: Rental Housing Market – Parramatta and Harris Park (Postcode 2150).....                  | 34 |
| Table 14: Available Rental Properties, Postcode 2150, Week of 9 March 2025 .....                   | 35 |
| Table 15: Median Income and Affordable Rents, Week of 9 March 2025, Postcode 2150.....             | 35 |
| Table 16: Income Ranges, Affordable Rent and Available Listings, Week of 9 March 2025 .....        | 36 |
| Table 17: Income to Rent Ratio for Full-Time Minimum Wage Single Worker, Parramatta .....          | 36 |
| Table 18: Economic Impact of Construction on Output, Value-Added (GRP) and Employment.....         | 38 |
| Table 19: Impact of Construction on Employment in Sectors in NSW .....                             | 39 |
| Table 20: Economic Benefit of Affordable Housing .....   | 40 |
| Table 21: Economic Benefit of Not Commuting .....  | 40 |
| Table 22: Total Economic Benefit of Key Workers in Parramatta .....                                | 41 |
| Table 23: Estimated Increased Visitation – Hambleton Cottage .....                                 | 46 |
| Table 24: Extract of Parramatta and District Historical Society Financial Statement 2024.....      | 47 |

## Figures

|  |    |
|--|----|
| Figure 1: Migration from Sydney to other destinations and migration to Greater Sydney, 2016 to 2021 .. | 19 |
| Figure 2: What Is A Key Worker? .....  | 20 |
| Figure 3: Unmet Housing Need in Sydney .....   | 23 |
| Figure 4: Unmet Housing Need By Household Type .....   | 24 |
| Figure 5: Projected Need by 2041.....  | 24 |
| Figure 6: Poverty by Household Ownership - Private Renters.....  | 26 |
| Figure 7 Dwelling Approvals, Parramatta LGA.....   | 31 |
| Figure 8: Proposed Development Showing Context of Hambleton Cottage.....                               | 45 |

# Executive Summary

## Introduction

Pacific Planning has commissioned Pacific Economics and Sustainability to provide an economic analysis of the proposed development at 2A Gregory Place, Harris Park.

This report is in three parts:

- The housing issues currently facing Parramatta, and Harris Park in particular, and the need for more affordable housing
- The economic impact of affordable housing
- The impact of the development on the heritage item, Hambledon Cottage.

This report demonstrates that there is a housing crisis in Parramatta that is causing rents to skyrocket and availability of housing to plummet. If something is not done about the supply of housing, the crisis will continue to get worse as demand outstrips supply and the council fails to achieve its housing target.

Council has not been approving enough dwellings in the area to cope with increasing population. This population is not just from overseas, but also includes people attracted to Parramatta from other parts of New South Wales and Australia.

The NSW Productivity Commission has found that there is a net outflow of prime working age people from Sydney, despite higher wages in Sydney, because of higher housing costs.

In order to stem this flow, housing supply needs to be increased. The only way this can happen is for council to approve housing on a large scale.

The proposed development goes some way to increasing supply, particularly of affordable dwellings.

The economic impact of residential housing is significant, both for jobs in the local area and the impact that it has on people who are able to move into affordable housing.

Finally, on balance, the development is likely to have a positive impact on visitation and awareness of Hambledon Cottage, a heritage item from early colonial times, and therefore be of benefit to the Parramatta and District Historical Society.

## Strategic Context

### *National Housing Accord*

The National Housing Accord is a commitment between the Australian Commonwealth, state, and territory governments to build 1.2 million new, well-located homes by mid-2029. Local, State, and Federal Governments are all signatories to the National Housing Accord. All levels of government are expected to work to respond to what is recognised as a national housing crisis.

In NSW, the Accord target is 377,000 new homes, including at least 3,100 affordable homes.

### *Greater Sydney Region Plan*

The Greater Sydney Region Plan, A Metropolis of Three Cities, is the NSW Government's overarching strategic plan for growth and change in Sydney. The plan aspires to deliver the following outcomes in the future development of the Sydney metropolitan area:

- liveability – enhancing cultural and housing diversity and designing places for people.
- productivity – developing a more accessible and walkable city and creating conditions for a stronger economy.



- sustainability – valuing green spaces and landscape, improving efficiency of resources and creating a resilient city.
- infrastructure – ensuring infrastructure supports new developments and governments, community and businesses collaborate to realise the benefits of growth.

### *Central District Plan*

The Central District has Parramatta at its centre. The then NSW Department of Planning and Environment’s projections of population and household growth in the Central City District translate to a need for an additional 207,500 homes in the period between 2016 and 2036.

Planning Priority C5, providing housing supply, choice and affordability, with access to jobs, services and public transport, gives effect to *A Metropolis of Three Cities’* objectives for greater housing supply that is more diverse and affordable. The residential component facilitated by this development will be close to public transport, including the new Metro and Parramatta Light Rail. It will also be close to jobs and retail, encouraging walking and cycling, as well as the use of public transport.

### *Parramatta Local Strategic Planning Statement*

The Greater Sydney Commission’s plans call for the delivery of Parramatta Light Rail and Sydney Metro West to tie the Greater Parramatta and Olympic Peninsula corridor together and provide improved connectivity between the Parramatta CBD and the Sydney CBD. The proposal, which includes both commercial/retail and residential space, accord with council’s Local Planning Priorities and council’s policy directions:

- PLANNING PRIORITY 4 – Focus housing and employment growth in the GOP and Strategic Centres; as well as stage housing release consistent with the Parramatta Local Housing Strategy:
  - P12 Focus high-rise development in Parramatta CBD and Strategic Centres
  - P14 Stage and sequence housing supply (location and yields) in Growth Precincts in line with infrastructure provision, including specific road and rail transport upgrades and provision, and not establish any new Growth Precincts.
  - P16 Strengthen employment opportunities within Employment Lands in the GOP area through improved transport connections and appropriate zoning to support the “30 minute city”.
- PLANNING PRIORITY 7 – Provide for a diversity of housing types and sizes to meet community needs into the future:
  - P24 Provide for a range of housing types and sizes that cater to the Parramatta community to ensure housing diversity
- PLANNING PRIORITY 8 – Incentivise affordable rental housing delivery and provide for permanent affordable housing:
  - P27 Support affordable housing types such as new age boarding houses, co-housing, communal student housing and small dual-key apartments in appropriate locations with good access to jobs and services.
  - P28 Limit maximum Floor Space Ratio (density) to be conservative and loose-fitting within building envelopes that respect the boundary setbacks, to ensure that there is capacity for Affordable Rental Housing bonuses and good design outcomes.
  - P29 Consider Voluntary Planning Agreements as a potential mechanism to facilitate provision of an Affordable Rental Housing Contribution where Planning Proposals seek increased residential capacity.

### *Parramatta Housing Strategy*

The Local Housing Strategy (July 2020) informed the LSPS. By 2036, the NSW government anticipates that the city will reach a population of over 416,000 people based on 2016 data (this has not been updated and was completed before the 2021 census). The main goal of the housing strategy is to deliver 90% of new housing within the walking catchments of existing or committed public transport and deliver active transport networks, promoting modal shift, throughout the LGA.



The proposal is on the outskirts of the Parramatta CBD and close to jobs, shops, amenities and public transport.

#### *Parramatta Contributions Policy*

City of Parramatta Council incentivises the provision of affordable homes by exempting from contributions calculations affordable housing and social housing where this is delivered by or on behalf of a social housing provider or public authority.

## **PART 1 – THE NEED FOR AFFORDABLE HOUSING IN PARRAMATTA**

### **Recent Work on the Causes and Remedies for the Current Crises**

#### *NSW Productivity Commission*

The NSW Productivity Commission has released a series of papers showing that households will benefit when government regulation lets more of them live in places that best suit them, and that many of those places have lower infrastructure-related costs.

The NSWPC's latest paper, *What We Gain By Building More Homes in the Right Places* shows that, "By lowering housing prices and rents, we leave people with more money to spend on other things. Estimates suggest that if new apartment buildings completed in Sydney between 2017 and 2022 had been slightly taller—for example, an average of ten storeys instead of seven—unit rents would have dropped far enough to save the median unit-renting household \$1,800 a year."

The NSWPC said that an extra 45,000 homes could have been built if the 1,500 new apartments buildings had 10 storeys rather than their average of seven stories. The additional 45,000 homes would have represented an increase of 2 per cent in the dwelling stock. Extra supply would have lowered apartment prices and rents by 5.5 per cent, or \$35 per week, or \$1,800 per year. For the median income earner, this is the equivalent of a 2.75 per cent pay rise. Housing costs could be reduced even further, according to the NSWPC, with higher densities and even more supply.

THE NSWPC also commented on the impact of the lack of housing affordability on the wider economy. The NSWPC said that, "while Sydney has among the highest average wages in Australia, over recent years it has consistently lost population to other states and regional NSW. It is not only 'grey nomads' who leave Sydney, either. Rather, approximately two out of every three departures are from the working-age population – that is, those aged between 25 and 64. And 30-40-year-olds make the largest contribution to outflows, at around 35,000 net departures between 2016 and 2021."

The NSWPC also noted that heritage needs to be balanced with renewal, diversity and vibrancy.

Most concerningly, the Productivity Commissioner found that "If we don't act, we could become a city with no grandchildren."

The NSWPC supports the NSW Government's rezoning and density plans, finding building up in inner-Sydney suburbs would boost productivity, boost wages, cut carbon emissions and preserve green space.

### **Recent Academic Studies on Key Workers and Rental Poverty**

#### *Who Are Key Workers?*

Traditionally, "key workers" have been defined as low and moderate income public sector employees in education healthcare, policing and emergency services. As housing has become less affordable, this definition has extended to retail and hospitality workers, delivery drivers and public transport workers.



### *Key Problems Faced by Key Workers*

A 2021 AHURI report used median rents for different property types at the LGA level to examine broad geographical differences in rental affordability for different occupation groups across the Greater Metropolitan Region (GMR) of Sydney. A median rent was deemed to be affordable if it was less than or equivalent to 30 per cent of the gross weekly wage for the applicable income. The analysis revealed that very few LGAs across the GMR have median rents that are affordable to the lowest paid key workers included in this analysis (earning wages that are at the low end of the second quintile for each metropolitan region). Only two LGAs have affordable median rents within the Sydney GMR, but these are both over 100kms from the Sydney CBD and affordability is limited to one-bedroom properties.

Key workers are more likely than the labour force generally to reside in outer suburbs and satellite cities, to commute 30kms or more to work, and to commute by private car. 31,000 key workers in Sydney live in overcrowded homes, with the greatest prevalence in inner subregions and among lower paid occupation groups. Over 52,000 key workers in Sydney are living in households that can be classified as being in housing stress, equating to 20 per cent of key workers in Sydney.

Between 2011 and 2016, affordable outer suburbs and satellite cities gained key worker residents, while inner and expensive middle ring subregions experienced a net loss.

### *Unmet Housing Need*

In December 2022, the University of NSW City Futures Research Centre conducted a study Quantifying Australia's Unmet Housing Need.

For Parramatta, the most recent estimate of current unmet need was 8,600, or 9 per cent of all households. 52 per cent of households in the first income quartile and 38 per cent of households in the second quartile had unmet housing needs and are in rental stress.<sup>1</sup> This is down from the figure published in December 2022, that showed an unmet housing need of 18,100, or 10.6 per cent of all households. The study found that, if no action is taken, unmet need will rise to 13,100 by 2041, and that an average growth of 7.3 per cent (or 600-700) social and affordable dwellings were needed to be built every year just to meet the need in 2041.

Families are much more over-represented in the identified unmet housing needs. In Parramatta, 60 per cent of unmet need is among families.

### **Private Renters Living in Disadvantage in Parramatta**

A study released by the NSW Council of Social Service (NCOSS) in April 2023 shows the number of private renters in Parramatta who live in disadvantage.

In Greater Sydney, the private rental market has the largest number of people experiencing poverty of all housing tenures - at over 275,000. The rate of poverty faced by this group increased by 10 per cent between 2016 and 2021 to 19.4 per cent, with significant intensification in suburbs of the South West and Inner South West. At the same time as poverty rates have increased for this group, so too has the proportion of people living in rental properties. This is a warning for the future – as more people become reliant on the private rental market, more people are at risk of experiencing poverty.

In Parramatta, 17 per cent private renters were living in poverty, 2.4 percentage points less than Greater Sydney as a whole, however there were no SA2s where there were fewer than 10 per cent of private renters who were living in poverty.

---

<sup>1</sup> City Futures Research Centre – Housing Need Dashboard, <https://cityfutures.adu.unsw.edu.au/cityviz/housing-need-dashboard/>; accessed 30 July 2025

In every SA2 in Parramatta, between 10 and 30 per cent of private renters live in disadvantage. Around Parramatta CBD, Epping and Northmead, poverty rates were lower than in Harris Park, likely reflecting the amount of new apartments available for rent in those areas. 14 per cent of private renters in Harris Park live in poverty. Poverty among private renters only fell in two SA2s that had less renters in poverty than Harris Park – Parramatta North and Epping (East). North Rocks and Carlingford also experienced falls in the proportion of renters in poverty, but the proportion was still higher than Harris Park.

Even though 14.0 per cent of private renters in Harris Park live in poverty (5.4 percentage points fewer than in Greater Sydney as a whole), this is considered a moderate amount of the population living in poverty, who could take advantage of more and more affordable housing options. This project will allow those in areas of greater poverty to move in, moving to areas of greater accessibility, job opportunities and amenity, while potentially taking advantage of lower housing costs.

### **Housing Supply and Demand in Parramatta**

The housing stock in the Parramatta SA3 (occupied private dwellings) rose from 43,716 in 2011 to 54,151 in 2021. This is a 23.9 per cent increase over 10 years. There was a 27.4 per cent increase in the number of flats and apartments in Parramatta between 2016 and 2021, an increase of 5,805 (or 1,161 per year). The housing stock (number of occupied private dwellings) increased by 6,719 over the 5 years from 2016-2021 and by 10,435 over the 10 years between 2011 and 2021.<sup>2</sup>

The population of the Parramatta SA3 has risen by 27,353 over the 10 year period from 2011 to 2021. This is a 21.9 per cent rise. While the population has risen by 27,353, the number of dwellings has only risen by 10,435.

Dwelling approvals have been on an eight-year downward trend until the 2024-25 financial year. In 2019-20, 3,810 apartments were approved in Parramatta LGA; in 2024-25 (annualised), 3,358 are set to be approved if the current trend continues. 2023-24 saw the lowest number of apartment approvals in at least 6 years and represents a 48.0 per cent drop in apartment approvals since 2017-18. Even with the rebound in 2024-25, apartment approvals are down 17 per cent since 2017-18.

If 75 per cent of approvals result in completions, Parramatta will fall 9,875 short of its 2029 housing target. Even if 100 per cent of approvals result in completions, there will be a shortfall of 6,667 houses.

From the estimates of population, required dwellings and change in stock, a surplus or deficit of housing can be derived, which can then inform council about the dwelling task required. By 2029, there will be a cumulative housing deficit in the Parramatta SA3 of between 12,900 and 21,639 dwellings. This is despite the balance between supply and demand turning positive by 2028 based on census numbers, but remaining in deficit based on approvals.

### **Rental Availability and Affordability**

Rental vacancies in the 2150 postcode (Parramatta and Harris Park) dropped to 1.3 per cent in June 2025, with only 151 vacant properties available. This is down from (a still very low) 281 in December 2024. The number of vacancies has been below 200 since the June quarter 2022 (except for a one-off in the December quarter 2024). Rents rose from \$675 in June 2024 to \$690 in June 2025 – a 2.2 per cent increase through the year, following an 8.4 per cent increase in the March quarter. In the three years between June 2022 and June 2025, rents have risen by 20 per cent, reflecting the undersupply of housing in the 2150 area.

---

<sup>2</sup> The SA3 is used here as it is a smaller scale than LGA-wide and includes Harris Park, where the development is proposed; it is also used as some statistics are only available at the SA3 level and this ensures consistency.

In the week of 28 July 2025, there were only 195 listed rental properties in the 2150 postcode (for all types of dwellings, excluding room-only in boarding houses and shared accommodation). The least rent a household would pay in postcode 2150 was \$300 for a small studio apartment. For a household earning between \$50,000 and \$90,000, there were only 25 listings available in the whole area.

There were only 17 listings that would have been affordable for those on up to 80 per cent of the median household income for the Parramatta LGA. There were only 52 rental listings that would have been affordable for a household on between 80 and 120 per cent of the Parramatta LGA median income in the week of 28 July 2025, and 65 rental units available for those earning between 100 and 120 per cent of the median household income. This has improved a little since March 2025, when there were no available listings for a household on up to 80 per cent of the median household income.

There were only 5 rental listings in the 2150 postcode that are affordable for households earning less than \$1,500 per week (up to \$78,000 per year – for comparison, the national minimum wage is \$47,622 per year). For households in the \$1,500-\$1,999 weekly income bracket, there were 55 affordable in the week of 28 July 2025. There were 120 vacancies affordable for those with incomes between \$2,000 and \$2,999 per week (up to \$156,00 per year) and 15 listings available for incomes over \$3,000 per week. Together, there are 180 listings that are affordable for the 61,981 households earning below \$3,000 per week.

The median rent in for a 2-bedroom unit in Parramatta in the week of 28 July 2025 was \$695 per week. A household with only one full-time worker on the minimum wage would be paying over three-quarters of their income in rent on the median 2 bedroom apartment in July 2025. This is clearly unaffordable, and shows the need for more affordable rental housing in Parramatta. It also confirms the NSW Productivity Commission’s concerns about the impact of high housing costs on the ability to afford to have a family.

## **PART 2 – ECONOMIC IMPACT OF THE DEVELOPMENT**

### **Economic Impact of Construction**

The direct impact of the construction will be the value of the works that are undertaken in building the development. The value of the construction has not been assessed by a quantity surveyor. In this preliminary report, a rule of thumb cost of \$525,000 per unit has been used (for 320 units), making the total construction cost \$168 million.

The direct expenditure of \$168.0 million results in 260 jobs created in the construction sector throughout NSW. Further, it induces another 371 jobs due to the supply chain effect, and then another 230 due to the consumption effect, resulting in 861 jobs in total (direct and indirect). Most of the expenditure is likely to occur in Parramatta, although not all expenditure will take place within the LGA, so some expenditure and jobs impacts will be felt within Greater Sydney, the rest of NSW and across Australia.

### **Ongoing Economic Impact of the Proposed Affordable Housing**

#### *Residential Development*

The proposed development will have a total of 320 apartments. Half of the 320 will be “affordable” (that is, rented out at 80 per cent of the market rate) and rented out for 10 years in accordance with the Site Compatibility Certificate (SCC).

The highest rent that can be charged while leaving a household on 120 per cent of the median income out of housing stress is \$738 per week (80 per cent of a market rent of \$922). The affordable rent would therefore be a saving of \$184 per week from the market rent.

With a discount of \$184 per week, the weekly rental benefit for 160 units is \$29,500. The annual rental benefit is over \$1.5 million and the net present value (using a 9 per cent discount rate) of the benefit over 10 years is over \$10.6 million.

Commuting places a large burden on key workers. Anecdotal evidence suggests that nurses and police, for example, need to commute from as far afield as the Central Coast, South Coast, Blue Mountains and Hunter Valley. When key workers are in closer proximity to their employment, they save on commuting (something that places a large burden on key workers).

Assuming that new residents are being attracted from outside of the LGA, they would otherwise have had to commute 1 hour per work day to their jobs in Parramatta (half an hour each way) and applies to all adults in affordable dwellings in the development. This is a conservative assumption considering how far away some need to commute from. It is also assumed that the new commute to work is 20 minutes in total (10 minutes each way). The commuter benefit for the development is \$907,264 per year, or \$5.8 million over 10 years in NPV terms.

Taken together, the economic benefit to tenants in affordable housing in Gregory Place is \$2.4 million per year, or \$16.4 million over 10 years.

The benefit to renters does not include the significant productivity benefits that flow from having workers closer to jobs, family, friends, recreation and study. This benefit is likely to be in the tens of millions of dollars to the Parramatta and NSW economy.

### **PART 3 – ECONOMIC IMPACT OF THE HERITAGE ITEM**

#### **Heritage Item**

Hambledon Cottage is a heritage-listed former residence and now house museum at 47 Hassall Street. Hambledon Cottage is directly adjacent the proposed development at 2A Gregory Place.

According to the City of Parramatta Council website, Hambledon Cottage received 4,500 visitors in 2023 (its 199<sup>th</sup> year). Hambledon Cottage also provides tours for schools wishing to educate their students on the curriculum at Stage 1, Stage 2 and Stage 3. Admission Prices are Adults \$10.00, Concessions \$8.00, Children \$2.00.

The venue is also available for weddings and other events. The normal fee for wedding ceremonies is \$200.00 and for photographs only is \$150.00.

It is likely that 320 new apartments adjacent to Hambledon Cottage will increase awareness and visitation. For a start, it will add 832 people to the area (given a Census average household size of 2.6 people).

Along with the new apartments, two retail premises, likely food and beverage retail, will be established. Currently there are no café facilities at Hambledon Cottage. A short walk from Hambledon Cottage, the café will likely increase both awareness of the Cottage and encourage visitation. It is also possible that some kind of partnership between the new café and the Parramatta and District Historical Society could be formed to increase awareness.

It should be noted that the site on which the proposed development is to be built is currently an industrial site, with industrial uses dating back to the Second World War. Without any new residents, there will be no change to the visitation trends at Hambledon Cottage.

According to the 2019 annual report of the Parramatta and District Historical Society (the latest annual report publicly available), visitation to Hambledon Cottage increased over previous year, mainly due to visits by school groups, even though there was a reduction in free and independent visitors. Overall, there was a 9% increase in total paying visitors. There was a 13 per cent increase in group visitors, comprising a 26% increase in school students undertaking our education programs, but offset by a 42% decrease in senior group visitors. In 2018, school children visits represented some 75 per cent of paying visitors.

Apart from visitors to the house museum, the Hambledon Cottage site is well utilised for many activities, there basically being some activity every day. A total of 6,374 people-days, an increase of over 400 or 7% between 2017 and 2018, were involved on different days during the year. Members of the Society attended on Tuesdays for “research and archives” working days, others involved in the monthly Society Council and Family History meetings, Guides conducting guided tours, members attending functions in the grounds and meetings of the Parramatta Female Factory Friends and the Parramatta Heritage Partners in the Coach House. The extent of volunteer labour in 2019 remained extensive and growing, with some 75 members volunteering in various capacities for some 15,000 man-hours at an estimated in-kind value of some \$700,000 annually.

The new residents, open space and food and beverage retail will indirectly benefit Hambledon Cottage and the Parramatta and District Historical Society. The benefit is derived from the additional people living in proximity to the Cottage, the visitation they bring and the awareness they bring to people outside of the local area. There is also a feedback loop, because people may visit Hambledon Cottage as a result of knowing they can go to a café afterwards, whereas they may have been reluctant to go somewhere without this as part of their visit.

The estimated increase in visitation is based on the Zanon model<sup>3</sup>, which estimates the number of visitors to a public space based on four attributes – standard of service, catchment population, area of the park and public awareness of the park. The model has been shown to provide good forecasts for visits to major parks and similar spaces in Melbourne. It is assumed that park visitation is similar in Sydney and Melbourne, although Sydney, with fewer rain days, would likely have higher visitation, so the model may slightly under-estimate visitation.

Taking account of the additional 875 residents, and the assumptions shown, the Zanon model calculates that there may be an additional 4,316 visits per year to Hambledon Cottage. The additional potential visits could result in up to an additional \$43,000 per year in revenue for the Parramatta and District Historical Society.

Based on the financial returns of the Parramatta and District Historical Society, there is a potential to more than double takings from entry fees, which may also translate to increased book and programme sales. It could also increase membership and some of the new locals may be interested in volunteering at the Cottage

It is likely that patronage will increase once the development is built, people move in and familiarise themselves with the area. It is also possible that people who visit the site of the development to inspect a rental property will, for the first time, gain an awareness of the cottage. This is likely to occur over the course of 2029 and 2030, so there is likely to be a continued upward trend in visitation (as previously mentioned), followed by a relatively large increase over time.

---

<sup>3</sup> A Model for Estimating Urban Park Visitation –Parks Victoria Occasional Paper Series, Dino Zanon, 1998

The increase in visitation will possibly mean that income for the Parramatta and District Historical Society will double in the next 10 years, in nominal terms, and membership and volunteer hours will grow.

## **SUMMARY AND CONCLUSION**

This report, prepared by Pacific Economics and Sustainability for Pacific Planning, presents a comprehensive economic analysis of the proposed development at 2A Gregory Place, Harris Park. The analysis addresses critical housing challenges in Parramatta and assesses its economic impacts.

### **Key Findings**

- **Housing Crisis in Parramatta:** The report identifies a pressing housing crisis marked by skyrocketing rents and declining availability. Insufficient housing approvals by local councils have failed to keep pace with a growing population, exacerbating the situation.
- **Need for Affordable Housing:** There is an urgent requirement for more affordable housing options to accommodate key workers and residents moving into Parramatta from other regions. The NSW Productivity Commission highlights an outflow of prime working-age individuals from Sydney due to high housing costs, underscoring the necessity for increased housing supply.
- **Economic Impact:** The proposed development is projected to have a favourable economic impact, contributing to job creation and enhancing local employment opportunities. The provision of affordable housing will positively influence community dynamics and economic stability.
- **Heritage Considerations:** The development is expected to enhance visitation and awareness of Hambledon Cottage, a local heritage item, benefiting historical associations and cultural engagement in the area.
- **Strategic Alignment:** The development aligns with broader regional plans, including the Housing Accord and the Greater Sydney Region Plan, which emphasize the need for increased housing supply, economic growth, and sustainable community development.

The proposed development at 2A Gregory Place presents a critical opportunity to address the housing crisis in Parramatta while fostering economic growth and preserving local heritage. By increasing the supply of affordable housing, the project aims to mitigate current challenges and contribute to a more sustainable and resilient community.

## 1.0 Introduction

Pacific Planning has commissioned Pacific Economics and Sustainability to provide an economic analysis of the proposed development at 2A Gregory Place, Harris Park.

This report is in three parts:

- The housing issues currently facing Parramatta and the need for more affordable housing
- The economic impact of affordable housing
- The impact of the development on the heritage item, Hambledon Cottage.

This report demonstrates that there is a housing crisis in Parramatta that is causing rents to skyrocket and availability of housing to plummet. If something is not done about the supply of housing, the crisis will continue to get worse.

Council has not been approving enough dwellings in the area to cope with increasing population. This population is not just from overseas, but also includes people attracted to Parramatta from other parts of New South Wales and Australia.

The NSW Productivity Commission has found that there is a net outflow of prime working age people from Sydney, despite higher wages in Sydney, because of higher housing costs.

In order to stem this flow, housing supply needs to be increased. The only way this can happen is for council to approve housing on a large scale.

The proposed development goes some way to increasing supply, particularly of affordable dwellings.

The economic impact of residential housing is significant, both for jobs in the local area and the impact that it has on people who are able to move into affordable housing.

Finally, on balance, the development is likely to have a positive impact on visitation and awareness of Hambledon Cottage, a heritage item from early colonial times, and therefore be of benefit to the Parramatta and District Historical Society.

## 2.0 Strategic Context

### 2.1. National Housing Accord and NSW Accord Target

The National Housing Accord is a commitment between the Australian Commonwealth, state, and territory governments to build 1.2 million new, well-located homes by mid-2029. Local, State, and Federal Governments are all signatories to the National Housing Accord. All levels of government are expected to work to respond to what is recognised as a national housing crisis.

In NSW, the Accord target is 377,000 new homes, including at least 3,100 affordable homes.

The NSW Government has released 5-year housing completion targets for 43 councils across Greater Sydney (including Parramatta), Illawarra-Shoalhaven, Central Coast, Lower Hunter and Greater Newcastle and 1 target for regional NSW.

The 43 local government areas (LGA) have received 5-year targets and housing snapshots that explain how many houses are in the pipeline already and how many more are expected to be delivered.

The targets prioritise more diverse and well-located homes in areas with existing infrastructure capacity – such as transport and water servicing – which has been independently reviewed by Infrastructure NSW.

The NSW government continues to support councils to achieve the targets through financial incentives for councils and the Accelerated Infrastructure Fund

### 2.2. Greater Sydney Region Plan

The Greater Sydney Region Plan, A Metropolis of Three Cities, is the NSW Government's overarching strategic plan for growth and change in Sydney. It is a 20-year plan with a 40-year vision that seeks to transform Greater Sydney into a metropolis of three cities being the Western Parkland City; the Central River City; and the Eastern Harbour City. It identifies key challenges facing Sydney including increasing the population to eight million by 2056, 817,000 new jobs and a requirement of 725,000 new homes by 2036.

The plan aspires to deliver the following outcomes in the future development of the Sydney metropolitan area:

- liveability – enhancing cultural and housing diversity and designing places for people.
- productivity – developing a more accessible and walkable city and creating conditions for a stronger economy.
- sustainability – valuing green spaces and landscape, improving efficiency of resources and creating a resilient city.
- infrastructure – ensuring infrastructure supports new developments and governments, community and businesses collaborate to realise the benefits of growth.

To achieve these goals and address the identified challenges, the plan includes 10 strategic directions that inform its specified potential indicators and objectives. The objectives of the plan that provide the strategic basis for this proposal are:

- Objective 7 – communities are healthy, resilient and socially connected: the proposal will enable the mixed-use development of the site with affordable housing next to a train station.
- Objective 10 – greater housing supply: the proposal will contribute to the provision of housing supply and a range of housing types in a liveable urban environment with high amenity.

- Objective 12 – great places that bring people together: the proposal will aid in satisfying this objective by enabling the future well-designed development of the site that provides social infrastructure.
- Objective 14 A Metropolis of Three Cities – integrated land use and transport creates walkable and 30-minute cities: The proposal facilitates the intensification of urban development near a train station.

### 2.3 Central District Plan

The Central District has Parramatta at its centre. The then NSW Department of Planning and Environment’s projections of population and household growth in the Central City District translate to a need for an additional 207,500 homes in the period between 2016 and 2036.

Planning Priority C5, providing housing supply, choice and affordability, with access to jobs, services and public transport, gives effect to *A Metropolis of Three Cities’* objectives for greater housing supply that is more diverse and affordable. The residential component facilitated by this development will be close to public transport, including the new Metro and Parramatta Light Rail. It will also be close to jobs and retail, encouraging walking and cycling, as well as the use of public transport. The Plan noted locational criteria for urban renewal investigation opportunities, include the following that are relevant to the current proposal:

- accessibility to jobs, noting that over half of Greater Sydney’s jobs are generated in metropolitan and strategic centres
- catchment areas within walking distance (10 minutes) of centres with rail, light rail or regional bus transport.

### 2.4 Parramatta Local Strategic Planning Statement

The Greater Sydney Commission’s plans call for the delivery of Parramatta Light Rail and Sydney Metro West to tie the Greater Parramatta and Olympic Peninsula corridor together and provide improved connectivity between the Parramatta CBD and the Sydney CBD. The proposal, which includes both commercial/retail and residential space, accord with council’s Local Planning Priorities and council’s policy directions:

- PLANNING PRIORITY 4 – Focus housing and employment growth in the GOP and Strategic Centres; as well as stage housing release consistent with the Parramatta Local Housing Strategy:
  - P12 Focus high-rise development in Parramatta CBD and Strategic Centres
  - P14 Stage and sequence housing supply (location and yields) in Growth Precincts in line with infrastructure provision, including specific road and rail transport upgrades and provision, and not establish any new Growth Precincts.
  - P16 Strengthen employment opportunities within Employment Lands in the GOP area through improved transport connections and appropriate zoning to support the “30 minute city”.
- PLANNING PRIORITY 7 – Provide for a diversity of housing types and sizes to meet community needs into the future:
  - P24 Provide for a range of housing types and sizes that cater to the Parramatta community to ensure housing diversity
- PLANNING PRIORITY 8 – Incentivise affordable rental housing delivery and provide for permanent affordable housing:
  - P27 Support affordable housing types such as new age boarding houses, co-housing, communal student housing and small dual-key apartments in appropriate locations with good access to jobs and services.
  - P28 Limit maximum Floor Space Ratio (density) to be conservative and loose-fitting within building envelopes that respect the boundary setbacks, to ensure that there is capacity for Affordable Rental Housing bonuses and good design outcomes.

- P29 Consider Voluntary Planning Agreements as a potential mechanism to facilitate provision of an Affordable Rental Housing Contribution where Planning Proposals seek increased residential capacity.

## 2.5 Parramatta Housing Strategy

The Local Housing Strategy (July 2020) informed the LSPS. By 2036, the NSW government anticipates that the City will reach a population of over 416,000 people based on 2016 data. The NSW government anticipates that Parramatta will require a total of 162,100 dwellings to house its growing population. This represents an increase of almost 77,000 dwellings from current dwelling numbers. According to the Strategy, many of the areas that are already providing new homes will continue to deliver a pipeline of housing beyond 2036. The following goals are relevant to the current proposal:

- Goal 1 – Deliver 90% of new housing within the walking catchments of existing or committed public transport and deliver active transport networks, promoting modal shift, throughout the LGA: the proposal is within the Parramatta CBD and close to jobs, shops, amenities and public transport.

## 2.6 Parramatta Contributions Policy

The City of Parramatta Council incentivises the provision of affordable homes by exempting from contributions calculations affordable housing and social housing where this is delivered by or on behalf of a social housing provider or public authority.

*(4) The following costs and expenses must not be included in an estimate or determination of the proposed cost—*

- (a) the cost of the land on which the development will be carried out,*
- (b) the costs of repairs to a building or works on the land that will be kept in connection with the development,*
- (c) the costs associated with marketing or financing the development, including interest on loans,*
- (d) the costs associated with legal work carried out, or to be carried out, in connection with the development,*
- (e) project management costs associated with the development,*
- (f) the cost of building insurance for the development,*
- (g) the costs of fittings and furnishings, including refitting or refurbishing, associated with the development, except if the development involves an enlargement, expansion or intensification of a current use of land,*
- (h) the costs of commercial stock inventory,*
- (i) the taxes, levies or charges, excluding GST, paid or payable in connection with the development by or under a law,*
- (j) the costs of enabling access by people with disability to the development,*
- (k) the costs of energy and water efficiency measures associated with the development,*
- (l) the costs of development that is provided as affordable housing,*
- (m) the costs of development that is the adaptive reuse of a heritage item.*

The City of Parramatta Council has no affordable housing levy payable for any development in the city.

## **PART 1**

### **THE NEED FOR AFFORDABLE HOUSING IN PARRAMATTA**



## 3.0 Recent Work on the Causes and Remedies for the Current Crisis

### 3.1 NSW Productivity Commission

The NSW Productivity Commission has released a series of papers showing that households will benefit when government regulation lets more of them live in places that best suit them, and that many of those places have lower infrastructure-related costs.

The NSWPC's latest paper, *What We Gain By Building More Homes in the Right Places* shows that, "By lowering housing prices and rents, we leave people with more money to spend on other things. Estimates suggest that if new apartment buildings completed in Sydney between 2017 and 2022 had been slightly taller—for example, an average of ten storeys instead of seven—unit rents would have dropped far enough to save the median unit-renting household \$1,800 a year."

The NSWPC went on to say:

Allowing more people the option of living in convenient, high-amenity locations brings broad-ranging benefits. People can be more productive when they can live near their best job prospects. Workers in large, dense cities learn more, and more quickly, boosting their productivity and wages. Denser cities also tend to be more innovative.

Besides productivity, density can lead to:

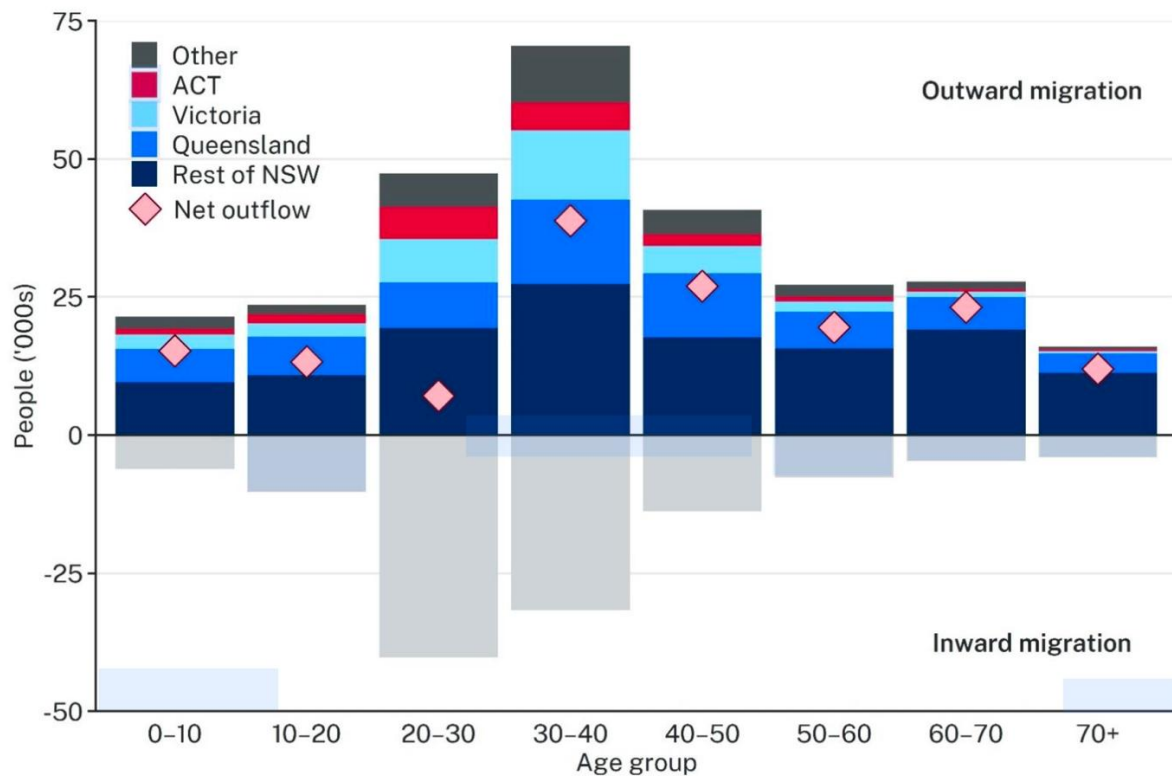
- greater access to, and choice of, amenities such as playgrounds, restaurants, and shops
- less car dependency
- greater equality and inclusion (by allowing people to live closer to families, with shorter travel times)
- less exposure to extreme heat and natural disasters
- reduced greenhouse gas emissions and lower land use.

The NSWPC said that an extra 45,000 homes could have been built if the 1,500 new apartments buildings had 10 storeys rather than their average of seven stories. The additional 45,000 homes would have represented an increase of 2 per cent in the dwelling stock. Extra supply would have lowered apartment prices and rents by 5.5 per cent, or \$35 per week, or \$1,800 per year. For the median income earner, this is the equivalent of a 2.75 per cent pay rise. Housing costs could be reduced even further, according to the NSWPC, with higher densities and even more supply.

THE NSWPC also commented on the impact of the lack of housing affordability on the wider economy. The NSWPC said that, "while Sydney has among the highest average wages in Australia, over recent years it has consistently lost population to other states and regional NSW. It is not only 'grey nomads' who leave Sydney, either. Rather, approximately two out of every three departures are from the working-age population – that is, those aged between 25 and 64. And 30-40-year-olds make the largest contribution to outflows, at around 35,000 net departures between 2016 and 2021." See Figure 1.

These are thousands of people who'd be starting and raising families, filling good jobs, starting businesses, employing people and contributing to communities. But the housing crisis is forcing them out.

**Figure 1: Migration from Sydney to other destinations and migration to Greater Sydney, 2016 to 2021**



Note: Age groups are as of the 2021 Census; Greater Sydney.

Source: ABS; NSW Productivity Commission.

The NSWPC explains this difference:

A simple explanation is that Sydney's high housing costs erode much of the benefit of its higher wages. In Sydney, the typical household living in a private rental spends almost a quarter of its income on housing. In Melbourne, this figure is only one-fifth, or 20 per cent. This difference implies significant differences in real living standards.

The NSWPC also noted that heritage needs to be balanced with renewal, diversity and vibrancy.

Most concerning, the Productivity Commissioner found that "If we don't act, we could become a city with no grandchildren."

The NSWPC supports the NSW Government's rezoning and density plans, finding building up in inner-Sydney suburbs would boost productivity, boost wages, cut carbon emissions and preserve green space.

## 4.0 Recent Academic Studies on Key Workers and Rental Poverty

### 4.1 Who Are Key Workers?

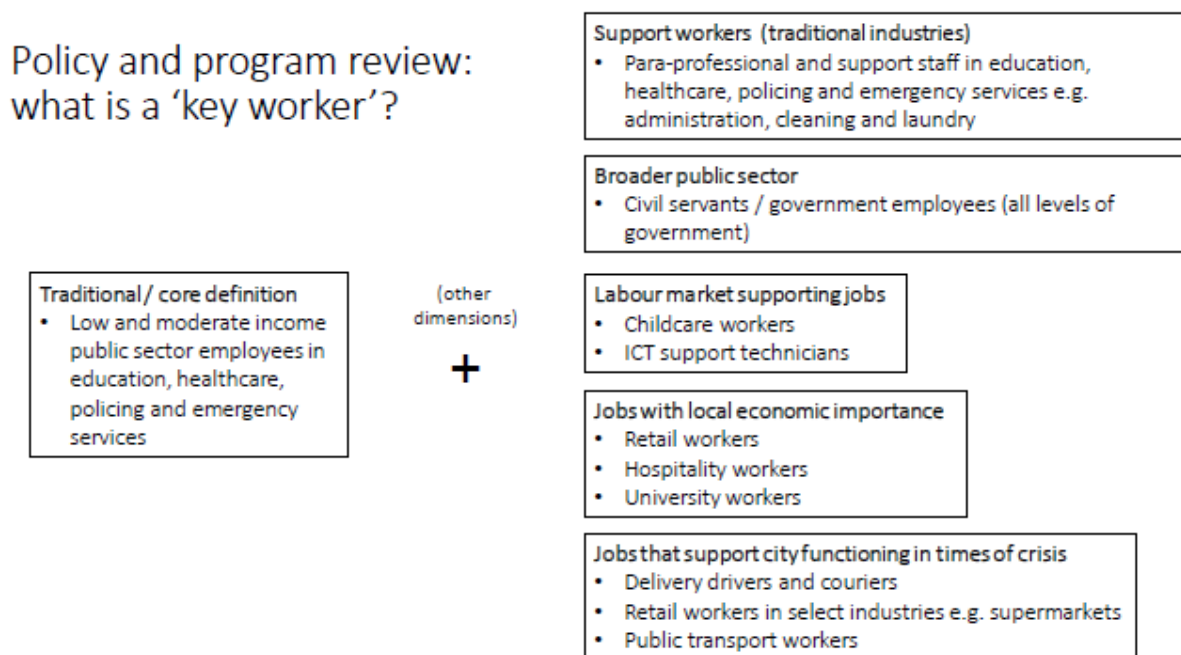
There is no universal definition of what constitutes a key worker, nor is the term universal (with ‘essential worker’ and ‘frontline service provider’, for example, often having the same meaning).<sup>4</sup>

While key public service workers including teachers, nurses, police and fire and emergency personnel are a consistent focus, specific studies and policy recommendations have responded to local contexts and labour market concerns. In some cases, definitions include workers who support the broader labour force, e.g. child care and aged care workers and ICT support professionals and technicians; as well as low paid workers contributing to local economies, such those working in hospitality and retail.

The COVID-19 pandemic raised further questions about the scope of the key worker definition and what occupations are essential. As recently pointed out by the Mayor of London, the pandemic has exposed the city’s reliance on a broad range of workers beyond those traditionally classified as key workers, including delivery drivers and couriers and supermarket workers.

Traditionally, “key workers” have been defined as low and moderate income public sector employees in education healthcare, policing and emergency services. As housing has become less affordable, this definition has extended to retail and hospitality workers, delivery drivers and public transport workers. Figure 2 shows what a typical key worker can be.

**Figure 2: What Is A Key Worker?**



Source: AHURI Final Report No. 355 Housing key workers: scoping challenges, aspirations, and policy responses for Australian cities, May 2021

One of the most important aspects is that a key worker must be physically present to do their job. They cannot work remotely (e.g. a bus driver must be present, as must a police officer; teachers during the pandemic switched to remote learning, but this was only temporary).

<sup>4</sup> AHURI Final Report No. 355 Housing key workers: scoping challenges, aspirations, and policy responses for Australian cities, May 2021

According to AHURI, there is a clear rationale for supporting key workers (however locally defined) to access housing in unaffordable regions or subregions. The most obvious of these is that there are wider public and economic benefits arising from high-quality essential services and a well-functioning city. The nature of key worker jobs also makes their housing needs an important public policy consideration. These jobs demand physical presence and, for some occupation groups physical proximity to work is essential in order to respond to spikes in demand for essential services and emergency situations. They also tend to be physically demanding, characterised by long shifts, and, in some cases, performed during anti-social hours and in high stress situations with potential for exposure to vicarious trauma. Housing stress and insecurity and long commutes can exacerbate the fatigue and stress which is already accrued in the workplace, with implications for worker health and safety, long-term retention and the quality of essential services. Finally, because key worker jobs are population-serving, there are often (but not always) opportunities to work in a broad range of locations where there is a population. This means that for some key workers, there is no need, and certainly no incentive, to work in high housing cost areas or regions, meaning that those areas can experience recruitment and retention challenges.

## 4.2 Key Problems Faced By Key Workers

Across Sydney, LGAs with median rents and house prices that are affordable based on indicative key worker incomes are confined to outer suburban areas and satellite cities and regions.

Across both greater metropolitan regions, no LGAs have a median rent for a two-bedroom property that is affordable to key workers earning low Q2 incomes, including laundry workers, commercial cleaners, delivery drivers and entry level fire and emergency service workers.

No inner and few middle ring areas have median rents for a two-bedroom property that is affordable to key workers earning low Q3 incomes, including early career nurses and midwives and tram and train operators.

Even for key workers earning Q3 incomes, LGAs with an affordable median unit price are limited to a few outer suburbs and satellite cities and regions.

Only two LGAs in the greater Sydney region have a median house price that is affordable to key workers earning low Q3 incomes, with both located approximately 150km from the CBD.

A 2021 AHURI report used median rents for different property types at the LGA level to examine broad geographical differences in rental affordability for different occupation groups across the Greater Metropolitan Region (GMR) of Sydney. A median rent was deemed to be affordable if it was less than or equivalent to 30 per cent of the gross weekly wage for the applicable income. The analysis revealed that very few LGAs across the GMR have median rents that are affordable to the lowest paid key workers included in this analysis (earning wages that are at the low end of the second quintile for each metropolitan region). As shown in Table 1, only two LGAs have affordable median rents within the Sydney GMR, but these are both over 100kms from the Sydney CBD and affordability is limited to one-bedroom properties.

**Table 1: Number of LGAs with Affordable Median Rent**

|                     | Weekly Wage (\$) | Annual Equivalent (FT) (\$) | Indicative Salary For  | Affordable Median Rent (number of LGAs) |            |            |
|---------------------|------------------|-----------------------------|--|---|------------|------------|
|                     |                  |                             |  | 1 Bedroom                               | 2 bedrooms | 3 bedrooms |
| <b>Q2 (low)</b>     | 790              | 41,080                      | Laundry worker   | 2                                       | 0          | 0          |
| <b>Q2 (low-mid)</b> | 960              | 49,920                      | Commercial cleaners, delivery drivers, fire and emergency workers (early career) | 11                                      | 0          | 0          |
| <b>Q2 (mid)</b>     | 1,150            | 59,800                      | Enrolled nurse, ICT support technicians, child carer                             | 17                                      | 6          | 0          |
| <b>Q2 (high)</b>    | 1,350            | 70,200                      | Social worker, aged and disability carer, community welfare worker               | 23                                      | 18         | 5          |
| <b>Q3 (low)</b>     | 1,500            | 78,000                      | RN/midwife (early career), tram and train driver                                 | 27                                      | 19         | 12         |
| <b>Q3 (mid)</b>     | 1,850            | 96,200                      | Teacher (early career)   | 39                                      | 28         | 20         |

Source: AHURI Final Report No. 355 Housing key workers: scoping challenges, aspirations, and policy responses for Australian cities, May 2021

Key workers are more likely than the labour force generally to reside in outer suburbs and satellite cities, to commute 30kms or more to work, and to commute by private car. 31,000 key workers in Sydney live in overcrowded homes, with the greatest prevalence in inner subregions and among lower paid occupation groups. Over 52,000 key workers in Sydney are living in households that can be classified as being in housing stress, equating to 20 per cent of key workers in Sydney.

Between 2011 and 2016, affordable outer suburbs and satellite cities gained key worker residents, while inner and expensive middle ring subregions experienced a net loss.

### 4.3 Unmet Housing Need

In December 2022, the University of NSW City Futures Research Centre conducted a study “Quantifying Australia’s Unmet Housing Need”. Households with low incomes were defined as those in the bottom two quintiles of households by income; those experiencing homelessness were those who face significant housing pressures across Australia. The study shows the estimated number of households that were not living in appropriate housing on census night in 2021. These Australians were either experiencing homelessness, including severely overcrowded homes, or spending over 30% of their income on rent.

The study shows:

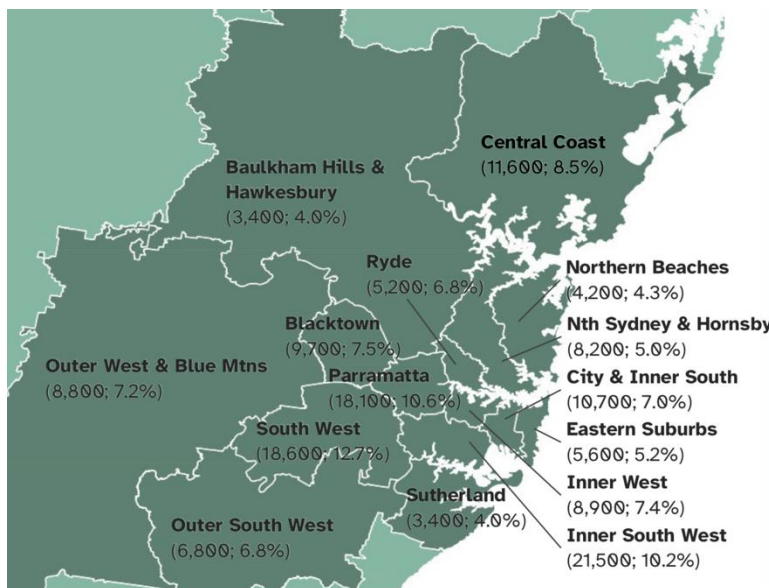
- the number of households with unmet needs on census night;

- the origin of the unmet need – specifically, whether they are in the lowest or second lowest household income quintile, or ‘manifest need’ stemming from enumerated homelessness;
- the existing social and affordable housing stock, as a proportion of need for such housing (existing tenants and unmet housing needs);
- projected future need by 2041, based on overall projected household growth for the region; and
- an estimate of the growth in social and affordable housing that would be required to meet these needs by 2041, both in terms of relative growth of existing stock, and an average annual net new stock.

For Parramatta, the most recent estimate of current unmet need was 8,600, or 9 per cent of all households. 52 per cent of households in the first income quartile and 38 per cent of households in the second quartile had unmet housing needs and are in rental stress.<sup>5</sup> This is down from the figure published in December 2022, that showed an unmet housing need of 18,100, or 10.6 per cent of all households (see Figure 3).

However, as noted by the authors, “The split between the lowest and second lowest quintiles in Sydney reflects the location of these households generally. That is, in higher-cost parts of the metro, the lowest quintile accounts for a smaller proportion overall, and so of unmet need. These are, though, markets with prices that are unaffordable to, and so increase the incidence of rent stress among, the second lowest quintile. Conversely, areas with larger proportions of households in the lowest quintile overall, in the southwestern part of Sydney, also have these households represent a much higher proportion of overall unmet need.”

**Figure 3: Unmet Housing Need in Sydney**

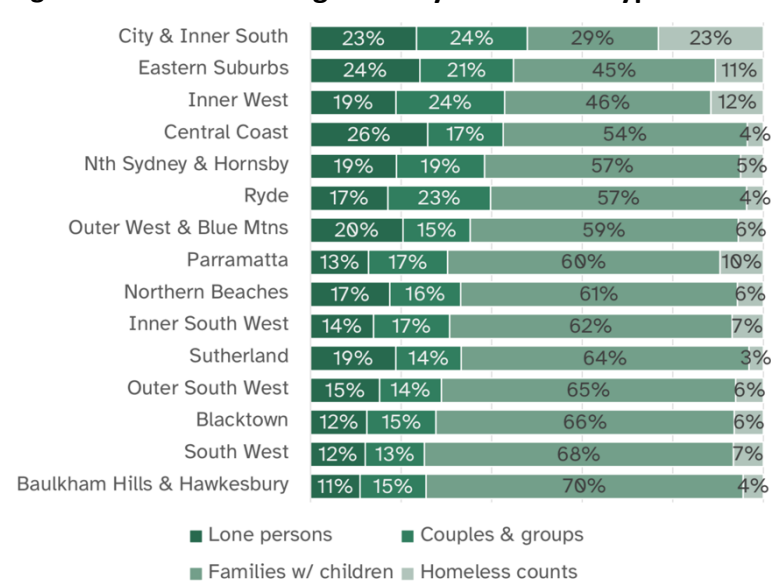


Source: *Quantifying Australia’s Unmet Housing Need*, University of NSW City Futures Research Centre

As shown in Figure 4, families are much more over-represented in the identified unmet housing needs. In Parramatta, 60 per cent of unmet need is among families.

<sup>5</sup> City Futures Research Centre – Housing Need Dashboard, <https://cityfutures.adu.unsw.edu.au/cityviz/housing-need-dashboard/>; accessed 30 July 2025

**Figure 4: Unmet Housing Need By Household Type**



Source: *Quantifying Australia's Unmet Housing Need*, University of NSW City Futures Research Centre

The study found that, if no action is taken, unmet need will rise to 13,100 by 2041, and that an average growth of 7.3 per cent (or 600-700) social and affordable dwellings were needed to be built every year just to meet the need in 2041. Figure 5 shows the projected need has fallen since the study was first published, but that the annual growth needed to meet the need has increased in percentage terms.

**Figure 5: Projected Need by 2041**

| Market (SA4)                | Projected need by 2041 | Meeting need (annual growth) |
|-----------------------------|------------------------|------------------------------|
| Inner South West            | 33,200                 | 7.0% 1,600-1,700             |
| South West                  | 28,600                 | 7.2% 1,400-1,500             |
| Parramatta                  | 28,500                 | 6.6% 1,400-1,500             |
| City & Inner South          | 18,000                 | 5.3% 900-1,000               |
| Central Coast               | 17,500                 | 8.1% 800-900                 |
| Blacktown                   | 16,100                 | 5.5% 800-900                 |
| Outer West & Blue Mtns      | 13,600                 | 7.0% 600-700                 |
| Inner West                  | 13,300                 | 8.2% 600-700                 |
| North Sydney & Hornsby      | 12,000                 | 9.6% 500-600                 |
| Outer South West            | 11,400                 | 5.5% 500-600                 |
| Eastern Suburbs             | 9,100                  | 6.1% 400-500                 |
| Ryde                        | 7,800                  | 7.8% 300-400                 |
| Northern Beaches            | 6,200                  | 8.2% 300-400                 |
| Sutherland                  | 5,400                  | 6.6% 200-300                 |
| Baulkham Hills & Hawkesbury | 4,700                  | 13.3% 200-300                |

Source: *Quantifying Australia's Unmet Housing Need*, University of NSW City Futures Research Centre

#### 4.4 Private Renters Living in Disadvantage in Parramatta

The housing stress experienced even by median and moderate-income earning households has placed more households into poverty than ever. A study released by the NSW Council of Social Service (NCOSS) in April 2023 shows that the number of private renters in Parramatta who live in disadvantage.

People experience significant economic disadvantage when their household's disposable income (after paying tax) falls below a level considered adequate to achieve an acceptable standard of living. For the purposes of the report, there are three elements to this calculation:

1. the threshold of middle or median incomes is used, with 50% below this threshold being the 'poverty line'. This method is widely used in national and international studies and measures living standards relative to those enjoyed by 'middle Australia'.
2. Adjustments are made to this threshold to account for the number and age of people living in each household, known as the equivalence scale, given the impact of household size on the level of disposable income required to meet living costs.
3. Housing costs (such as rent, mortgage payments and water and property rates) are removed to allow for a fairer comparison of disposable income. This is because housing costs can vary significantly depending on location, size and whether a household owns their own home or is renting.

In Greater Sydney, the private rental market has the largest number of people experiencing poverty of all housing tenures - at over 275,000. The rate of poverty faced by this group increased by 10 per cent between 2016 and 2021 to 19.4 per cent, with significant intensification in suburbs of the South West and Inner South West. At the same time as poverty rates have increased for this group, so too has the proportion of people living in rental properties. This is a warning for the future – as more people become reliant on the private rental market, more people are at risk of experiencing poverty.

In Parramatta, 17 per cent private renters were living in poverty, 2.4 percentage points less than Greater Sydney as a whole. Also, there were only no SA2s (smaller statistical areas within the Parramatta LGA) where there were fewer than 10 per cent of private renters who were living in poverty.

In every SA2 in Parramatta, between 10 and 30 per cent of private renters live in disadvantage. Around Parramatta CBD, Epping and Northmead, poverty rates were lower than in Harris Park, likely reflecting the amount of new apartments available for rent in those areas. 14 per cent of private renters in Harris Park live in poverty. Poverty among private renters only fell in two SA2s that had less renters in poverty than Harris Park – Parramatta North and Epping (East). North Rocks and Carlingford also experienced falls in the proportion of renters in poverty, but the proportion was still higher than Harris Park.

Table 2 shows the proportion of private renting households living in disadvantage and the change between 2016 and 2021 censuses. Even though 14.0 per cent of private renters in Harris Park live in poverty (5.4 percentage points fewer than in Greater Sydney as a whole), this is considered a moderate amount of the population living in poverty, who could take advantage of more and more affordable housing options.

In addition, the affordable housing provided by the proposed development will encourage more people to move to Harris Park, allowing them to leave outer disadvantaged areas and move to an area with greater proximity to work and health, transport and other amenities.

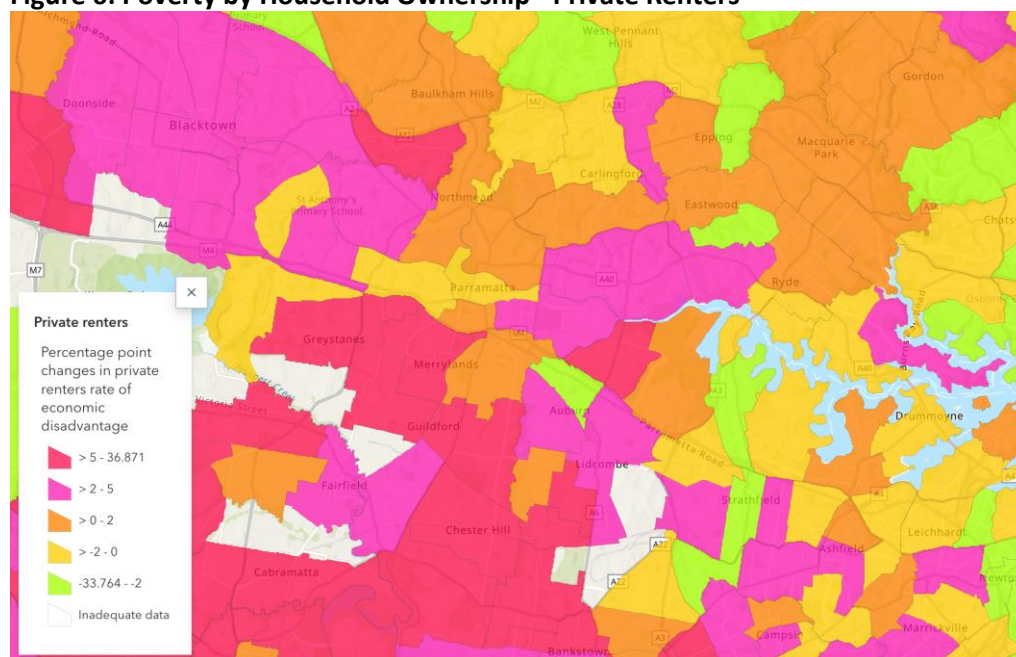
**Table 2: Poverty by Household Ownership - Renters by Parramatta LGA SA2s**

|                                | % Private Renters Living in Disadvantage | Change 2016 – 2021 (%) | % Public Renters Living in Disadvantage | Change 2016 – 2021 (%) |
|--------------------------------|--|------------------------|---|------------------------|
| Greater Sydney                 | 19.4                                     | 10                     | 59.7                                    | 13                     |
| Parramatta – North             | 10.2                                     | -10                    | 28.9                                    | -35                    |
| Northmead                      | 12.2                                     | 4                      | 70.8                                    | 41                     |
| Parramatta – South             | 12.9                                     | 13                     | 65.0                                    | 46                     |
| Epping (East) – North Epping   | 13.9                                     | -18                    | 59.7                                    | 0                      |
| <b>Rosehill – Harris Park</b>  | <b>14.0</b>                              | <b>23</b>              | <b>77.0</b>                             | <b>73</b>              |
| North Parramatta               | 15.5                                     | 6                      | 69.9                                    | 44                     |
| Winston Hills                  | 17.3                                     | 57                     |   |                        |
| Wentworth Point – Olympic Park | 17.7                                     | 5                      |   |                        |
| Epping (West)                  | 17.8                                     | 5                      | 79.4                                    | -13                    |
| Toongabbie – Constitution Hill | 18.3                                     | 18                     | 61.8                                    | 30                     |
| North Rocks                    | 18.6                                     | -3                     |   |                        |
| Carlingford – West             | 21.4                                     | -7                     | 31.5                                    | -52                    |
| Silverwater – Newington        | 22.3                                     | 32                     |   |                        |
| Eastwood                       | 22.4                                     | 2                      | 63.5                                    | 12                     |
| Ermington – Rydalmere          | 22.7                                     | 14                     | 58.7                                    | 36                     |
| Oatlands – Dundas Valley       | 22.9                                     | 7                      | 66.3                                    | 47                     |
| Carlingford – East             | 25.0                                     | 9                      | 59.7                                    | 0                      |
| Granville – Clyde              | 29.0                                     | 4                      | 77.3                                    | 31                     |

Source: NCOSS Mapping Economic Disadvantage in New South Wales, April 2023

Figure 6 shows the data from the table visually for Parramatta.

**Figure 6: Poverty by Household Ownership - Private Renters**



Source: NCOSS Mapping Economic Disadvantage in New South Wales, April

## 4.5 The Agglomeration Paradox

Employment density is frequently accompanied by higher housing costs<sup>6</sup>. Thus, housing costs, in addition to wages, also serve as an indicator of agglomeration economies. Residential location decisions and property price formation are multifaceted. Property prices are typically a function of:

- local supply conditions—such as planning or political economy
- households' preferences for living and working in different locations—access to employment, access to urban amenities, local networks and attachment to place.

Agglomeration effects are the benefits that arise when businesses, workers and people locate in close proximity to each other. These are posited as increasing the productivity of workers. By locating closer together, each worker potentially becomes more productive than if they were located further apart. In turn, higher productivity is reflected in higher wages as firms compete for skilled labour. Thus, agglomeration benefits provide a policy rationale for densifying cities and concentrating employment.

Agglomeration effects potentially affect each of these:

- First, an urban surplus is generated where agglomeration results in greater productivity. In turn, businesses benefit more from each worker. They may therefore use some of the urban surplus to offer higher wages to attract labour. Higher wages compensate households for urban inconveniences—such as higher housing costs, crowding and pollution—which results in additional population growth. Alternatively, more productive workers may self-select into cities, in which case the urban premium is partly a function of self-selection, rather than wage-related agglomeration effects. Workers, incentivised by higher wages, bid up the price of housing to secure access to more productive localities (higher wages). If benefits from agglomeration are conditional on specific worker characteristics—for example, skills in limited supply—then housing market outcomes for lower-skilled and higher-skilled workers may differ.
- Second, cities can also provide consumption amenities that—either independently, or in addition to wages—increase households' preferences for living in cities, and in specific parts of cities. For instance, larger cities often provide a diverse mix and choice of schools, hospitals, restaurants, bars, shops, sports facilities, music, theatres and museums, which can influence liveability and self-selection into particular cities, or into areas within those cities. If urban consumption amenities compensate households for urban inconveniences, then housing affordability may continue to worsen independently of changes to wage distributions or wage increases. Also, urban amenities may be a function of agglomeration, with concentrations of households generating market scale to sustain a greater variety and diversity of consumer offerings (local goods).
- Third, agglomeration benefits arise out of proximity—that is, reduction of costs associated with distance.

For the lowest income earners (10% and 20% quantiles), the benefits from agglomeration in terms of higher wages appear to be largely consumed by higher housing costs. Moreover, the locations of lower-income earners are more responsive to changes in commuting costs, with the wage-commuting responsiveness of wage earners in the 10% and 20% quantiles nearly two times that of the wage-commuting responsiveness of wage earners in 80% and 90% quantiles for longer commutes.

---

<sup>6</sup> AHURI Final Report no. 366: Agglomeration effects and housing market dynamics, October 2021

When adjusting for basic housing costs, AHURI found that the wage benefit from agglomeration—where people live—disappears for the lowest half of the wage distribution. The productivity benefit that is paid out in higher wages across the wage distribution is largely capitalised in higher housing costs for many workers. Notably, this does not necessarily imply that these workers would be better off elsewhere and non-wage benefits (urban amenities) may still provide an incentive for lower-wage earners to locate near employment concentrations. Nevertheless, differences across the wage distribution, and variations in the responsiveness of lower-income earners to commuting costs, does suggest an inequality mechanism arising from how agglomeration effects are distributed via housing markets.

One implication of this is that public sector expenditure, such as Commonwealth Rent Assistance (CRA), will likely increase as a function of urban productivity gains. In other words, when property prices in capital cities increase as a result of productivity gains—and inelastic housing supply—the cost of policies to address housing affordability and expenditure at household level increases too. First, there is an increase in the rent levels (with implications for the level of CRA). Second, there is an increase in the number of households requiring CRA assistance. Over the last two decades CRA expenditure increased from \$1.7 billion to \$4.7 billion.

A related consideration is that public policies that reduce housing costs for some income groups potentially crowd out higher productivity workers from the same locations. However, the net cost or benefit of such a process requires a more detailed analysis than wage and housing cost considerations alone. On the one hand, such a policy can generate double costs—cost of policy, plus loss of productivity. On the other hand, enabling lower housing costs—for example, social, affordable or CRA-assisted housing—for low-income households can result in significant additional social returns.

At finer spatial scales, locational decisions are a function of travel and housing costs, but also housing availability and type. Travel costs are a greater proportion of wages for lower-wage earners than higher-wage earners. Therefore, lower-wage earners have an incentive to locate closer to employment locations —after considering housing costs and availability—but will have to spend a greater proportion of their wages to compete for these locations. If this is the case, then an average increase in wages due to agglomeration benefits may have significant distributional impacts when considered at the location of residence.

## 5.0 Housing Supply and Demand in Parramatta

### 5.1 Housing Stock

The housing stock in Parramatta (occupied private dwellings, Parramatta SA3<sup>7</sup>) has risen from 43,716 in 2011 to 54,151. This is a 23.9 per cent increase over 10 years. There was a 27.4 per cent increase in the number of flats and apartments in Parramatta between 2016 and 2021, an increase of 5,805 (or 1,161 per year). Table 3 shows the details.

**Table 3: Housing Stock – Parramatta SA3**

|  | 2011             | 2016             | 2021             |
|--|------------------|------------------|------------------|
| <b>Houses (Separate and Semi-Detached)</b> | 25,759           | 25,797           | 26,848           |
| <b>Flat or Apartment</b>                   | 17,869           | 21,195           | 27,000           |
| <b>Occupied Private Dwellings</b>          | 43,716           | 47,432           | 54,151           |
|  |                  |                  |                  |
| <b>Change in Housing Stock (no.)</b>       | <b>2011-2016</b> | <b>2016-2021</b> | <b>2011-2021</b> |
| <b>Houses (Separate and Semi-Detached)</b> | 38               | 1,051            | 1,089            |
| <b>Flat or Apartment</b>                   | 3,326            | 5,805            | 9,131            |
| <b>Occupied Private Dwellings</b>          | 3,716            | 6,719            | 10,435           |
|  |                  |                  |                  |
| <b>Change in Housing Stock (%)</b>         | <b>2011-2016</b> | <b>2016-2021</b> | <b>2011-2021</b> |
| <b>Houses (Separate and Semi-Detached)</b> | 0.1%             | 4.1%             | 4.2%             |
| <b>Flat or Apartment</b>                   | 18.6%            | 27.4%            | 51.1%            |
| <b>Occupied Private Dwellings</b>          | 8.5%             | 14.2%            | 23.9%            |

Source: ABS Census 2021, ABS Census 2016, ABS Census 2011, Pacific Economics and Sustainability

The housing stock (number of occupied private dwellings) increased by 6,719 over the 5 years from 2016-2021 and by 10,435 over the 10 years between 2011 and 2021.

### 5.2 Housing Demand

The population of the Parramatta SA3 has risen by 27,353 over the 10 year period from 2011 to 2021. This is a 21.9 per cent rise. While the population has risen by 27,353, the number of dwellings has only risen by 10,435, as shown in Table 4.

**Table 4: Population – Parramatta SA3**

|  | 2011             | 2016             | 2021             |
|--|------------------|------------------|------------------|
| <b>Population (Resident Persons) (no.)</b> | 124,775          | 140,891          | 152,128          |
|  |                  |                  |                  |
|  | <b>2011-2016</b> | <b>2016-2021</b> | <b>2011-2021</b> |
| <b>Change in Population (no.)</b>          | 16,116           | 11,237           | 27,353           |
| <b>Change in Population (%)</b>            | 12.9%            | 8.0%             | 21.9%            |

Source: ABS Census 2021, ABS Census 2016, ABS Census 2011, Pacific Economics and Sustainability

Table 5 shows the number of people usually resident in households in the Parramatta SA3. The data shows that nearly one-quarter of residents live alone, and a further 29 per cent of households are two-person households. The proportion of households with 3 or 4 persons is 39 per cent.

<sup>7</sup> The SA3 is used here as it is a smaller scale than LGA-wide and includes Harris Pak, where the development is proposed; it is also used as some statistics are only available at the SA3 level and this ensures consistency.

**Table 5: Number of Persons Usually Resident – Parramatta SA3 – Percentage of Total Households**

|             | 2011   | 2016   | 2021   |
|-------------|--------|--------|--------|
| One         | 23.3%  | 21.2%  | 23.2%  |
| Two         | 30.6%  | 28.0%  | 28.9%  |
| Three       | 19.6%  | 21.4%  | 21.0%  |
| Four        | 16.7%  | 18.7%  | 18.3%  |
| Five        | 6.5%   | 6.8%   | 5.7%   |
| Six or more | 3.3%   | 3.9%   | 2.9%   |
| Total       | 100.0% | 100.0% | 100.0% |

Source: ABS Census 2021, ABS Census 2016, ABS Census 2011, Pacific Economics and Sustainability

## 5.3 Housing Approvals

### 5.3.1 Recent Approvals

Dwelling approvals have been on an eight-year downward trend until the 2024-25 financial year. In 2019-20, 3,810 apartments were approved in Parramatta LGA; in 2024-25 (annualised), 3,358 are set to be approved if the current trend continues. As shown in Table 5, 2023-24 saw the lowest number of apartment approvals in at least 6 years and represents a 48.0 per cent drop in apartment approvals since 2017-18. Even with the rebound in 2024-25, apartment approvals are down 17 per cent since 2017-18. This is shown in Table 6.

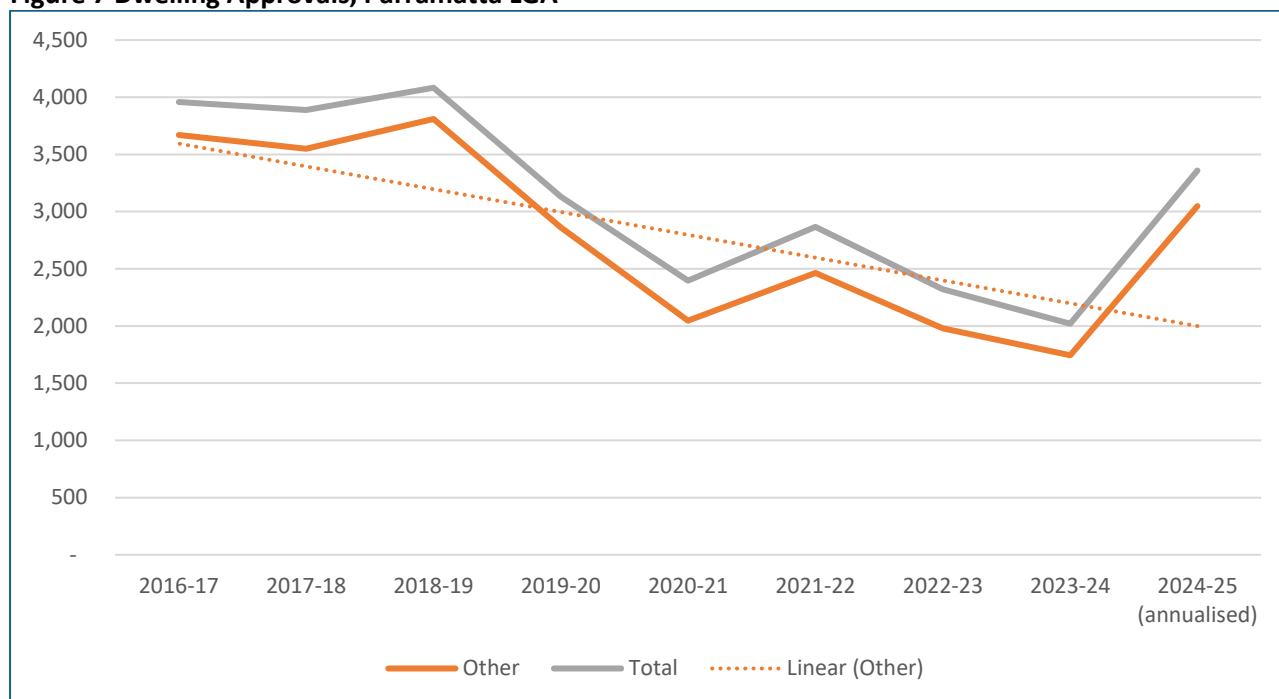
**Table 6: Dwelling approvals, Parramatta local government area**

|                      | Number |       |       | Change |       |       |
|----------------------|--------|-------|-------|--------|-------|-------|
|                      | Houses | Other | Total | Houses | Other | Total |
| 2024-25 FYTD         | 155    | 1,524 | 1,679 |        |       |       |
| 2024-25 (annualised) | 310    | 3,048 | 3,358 | -32    | 1,068 | 1,036 |
| 2023-24              | 342    | 1,980 | 2,322 | -63    | -483  | -546  |
| 2022-23              | 405    | 2,463 | 2,868 | 55     | 416   | 471   |
| 2021-22              | 350    | 2,047 | 2,397 | 81     | -815  | -734  |
| 2020-21              | 269    | 2,862 | 3,131 | -4     | -948  | -952  |
| 2019-20              | 273    | 3,810 | 4,083 | -66    | 261   | 195   |
| 2018-19              | 339    | 3,549 | 3,888 | 52     | -122  | -70   |
| 2017-18              | 287    | 3,671 | 3,958 | 132    | 2,147 | 2,279 |
| 2016-17              | 155    | 1,524 | 1,679 |        |       |       |

Source: i.D Profile, Pacific Economics and Sustainability

This trend is also shown in Figure 7, which shows the sharp decline in apartments and total dwelling approvals, partially offset by the rise in 2024-25.

**Figure 7 Dwelling Approvals, Parramatta LGA**



Source: i.D Profile, Pacific Economics and Sustainability

There is an affordability crisis in Sydney (and all over Australia). The main culprit is undersupply. This has been articulated by the NSW Productivity Commission (see Chapter 4), and many other mainstream economists.

### 5.3.2 Parramatta’s housing target and performance against target

Parramatta has a housing target of 19,500 completed dwellings by 2029. This equates to 3,900 per year, on average, over the years 2025-2029. The total number of approvals for the last three years (2022-23 to projected 2024-25) was 8,548, or an average of 2,849 per year. Completions can lag approvals by as much as three years depending on the complexity of the project – apartments will take longer to build than, for example, a dwelling house. In addition, not all approvals will result in completions. A rule of thumb is that 75 per cent of approvals result in completions. Most dwelling approvals in Parramatta are for apartments.

Table 7 shows the theoretical completion for the approvals from 2022-23 onwards, taking into account a three year lag and 75 per cent conversion from approvals to completions. Approvals for 2022-23 to 2024-25 have used actual approvals, while the average for those years is used as the forecast for 2025-26 and beyond.

**Table 7: Projected Completions Compared with Housing Target**

| Approval Year | Approvals | Completion Year | Number of Dwellings (75% of Approvals Result in Completions) | Cumulative to Target | Number of Dwellings (80% of Approvals Result in Completions) | Cumulative to Target | Number of Dwellings (100% of Approvals Result in Completions) | Cumulative to Target |
|---------------|-----------|-----------------|--|----------------------|--|----------------------|---|----------------------|
| 2022-23       | 2,322     | 2025-26         | 1,742  | 1,742                | 1,858  | 1,858                | 2,322   | 2,322                |
| 2023-24       | 2,020     | 2026-27         | 1,515  | 3,257                | 1,616  | 3,474                | 2,020   | 4,342                |
| 2024-25       | 3,358     | 2027-28         | 2,519  | 5,775                | 2,686  | 6,160                | 3,358   | 7,700                |
| 2025-26       | 2,567     | 2028-29         | 1,925  | 7,700                | 2,053  | 8,213                | 2,567   | 10,267               |
| 2026-27       | 2,567     | 2029-30         | 1,925  | 9,625                | 2,053  | 10,267               | 2,567   | 12,833               |

Source: NSW State Government; Pacific Economics and Sustainability



If 75 per cent of approvals result in completions, Parramatta will fall 9,875 short of its 2029 housing target. Even if 100 per cent of approvals result in completions, there will be a shortfall of 6,667 houses.

The North Parramatta precinct will deliver 2,000 new homes. However, it has not been approved yet. If all 2,000 houses are delivered by 2029, there will still be a shortfall from the target of between 4,667 and 7,875 houses.

#### 5.4 Balance of Supply and Demand

Knowing the stock of dwellings, the number of households, the number of persons per household and past growth rates, a surplus or deficit of housing can be calculated.

Firstly, the population growth rate from 2016 to 2021 can be calculated. The annual average growth rate between 2016 and 2021 was 1.6 per cent, as shown in Table 8.

**Table 8: Average Annual Population Growth 2016-2021, Parramatta SA3**

|                              | 2011    | 2016    | 2021    |
|------------------------------|---------|---------|---------|
| <b>Total persons</b>         | 124,775 | 140,891 | 152,128 |
| <b>Periods</b>               |         |         | 5       |
| <b>Average Annual Growth</b> |         |         | 1.55%   |

Source: 2021 Census, Pacific Economics and Sustainability

This growth rate can be applied to the current population to obtain a projection of the future population, the assumption being that growth will be linear. This is shown in Table 9. Table 9 also shows the number of dwellings, on average, required to house the population with an average household size of 2.6 (from the 2021 Census).

**Table 9: Population Projection, Parramatta SA3**

| Year        | Population | Persons Per Household | Households Required |
|-------------|------------|-----------------------|---------------------|
| <b>2022</b> | 154,481    | 2.6                   | 59,416              |
| <b>2023</b> | 156,870    | 2.6                   | 60,335              |
| <b>2024</b> | 159,296    | 2.6                   | 61,268              |
| <b>2025</b> | 161,760    | 2.6                   | 62,215              |
| <b>2026</b> | 164,261    | 2.6                   | 63,177              |
| <b>2027</b> | 166,802    | 2.6                   | 64,154              |
| <b>2028</b> | 169,381    | 2.6                   | 65,147              |
| <b>2029</b> | 172,001    | 2.6                   | 66,154              |

Source: 2021 Census, Pacific Economics and Sustainability

Next the future dwelling stock can be estimated, taking the average annual growth in the stock from 2016 to 2021. Over the five years from 2016-21, the number of occupied private dwellings grew by 2.7 per cent, as shown in Table 10.

**Table 10: Average Annual Growth in Housing Stock 2016-21, Parramatta SA3**

|                                   | 2011   | 2016   | 2021   |
|-----------------------------------|--------|--------|--------|
| <b>Occupied Private Dwellings</b> | 43,716 | 47,432 | 54,151 |
| <b>Periods</b>                    |        |        | 5      |
| <b>Average Annual Change</b>      |        |        | 2.7%   |

Source: 2021 Census, Pacific Economics and Sustainability

From this a projection of dwelling numbers can be made, as shown in Table 11. However, the number of approvals before 2024-25 were been running well short of the linear growth. Therefore, Table 9 also shows the stock applying approvals from 2022 to 2025 (as only about two-thirds of approvals are built, only two-thirds of the approvals have been taken to derive an estimate of the stock by 2029).

**Table 11: Stock Estimates Based on Linear Growth and Approvals, Parramatta SA3 and LGA**

| Year | Occupied Private Dwellings | Increase Based on Linear Growth | Increase Based on Approvals <sup>1</sup> | Stock Estimate Based on Approvals |
|------|----------------------------|---------------------------------|--|-----------------------------------|
| 2021 | 54,151                     |                                 |  | 54,151                            |
| 2022 | 55,605                     | 1,454                           | 1,434                                    | 55,585                            |
| 2023 | 57,098                     | 1,493                           | 1,161                                    | 56,746                            |
| 2024 | 58,631                     | 1,533                           | 1,010                                    | 57,756                            |
| 2025 | 60,205                     | 1,574                           | 1,679                                    | 59,435                            |
| 2026 | 61,822                     | 1,617                           | 1,297                                    | 60,732                            |
| 2027 | 63,482                     | 1,660                           | 1,297                                    | 62,028                            |
| 2028 | 65,186                     | 1,704                           | 1,297                                    | 63,325                            |
| 2029 | 66,936                     | 1,750                           | 1,297                                    | 64,621                            |

<sup>1</sup> Note that approvals are for the LGA. To take account of the smaller SA3 and that not all approvals become buildings, 50 per cent of the approvals in each year to 2024-25 have been taken up to 2025; from 2026 onwards, 50 per cent of the 5-year average approvals have been used to derive growth.

Source: 2021 Census, i.D. Profile, Pacific Economics and Sustainability

From the estimates of population, required dwellings and change in stock, a surplus or deficit of housing can be derived, which can then inform council about the dwelling task required. Table 12 shows that, by 2029, there will be a cumulative housing deficit in the Parramatta SA3 of between 12,900 and 21,639 dwellings. This is despite the balance between supply and demand turning positive by 2029 based on census numbers, but remaining in deficit based on approvals.

**Table 12: Projected Dwelling Surplus/Deficit, Parramatta SA3**

| Year | Linear Growth                    |                            | Approvals                    |                            |
|------|----------------------------------|----------------------------|------------------------------|----------------------------|
|      | Surplus/Deficit on Linear Growth | Cumulative Surplus/Deficit | Surplus/Deficit on Approvals | Cumulative Surplus/Deficit |
| 2022 | -3,811                           | -3,811                     | -3,831                       | -3,831                     |
| 2023 | -3,237                           | -7,047                     | -3,589                       | -7,419                     |
| 2024 | -2,637                           | -9,684                     | -3,512                       | -10,931                    |
| 2025 | -2,010                           | -11,694                    | -2,780                       | -13,711                    |
| 2026 | -1,356                           | -13,050                    | -2,446                       | -16,157                    |
| 2027 | -673                             | -13,722                    | -2,126                       | -18,283                    |
| 2028 | 40                               | -13,683                    | -1,822                       | -20,106                    |
| 2029 | 782                              | -12,900                    | -1,533                       | -21,639                    |

Source: 2021 Census, i.D. Profile, Pacific Economics and Sustainability

## 6.0 Rental Availability and Affordability

### 6.1 Rental Vacancies in Parramatta and Harris Park

Rental vacancies in the 2150 postcode (Parramatta and Harris Park) dropped to 1.3 per cent in June 2025, with only 151 vacant properties available. This is down from (a still very low) 281 in December 2024. The number of vacancies has been below 200 since the June quarter 2022 (except for a one-off in the December quarter 2024). Rents rose from \$675 in June 2024 to \$690 in June 2025 – a 2.2 per cent increase through the year, following an 8.4 per cent increase in the March quarter. In the three years between June 2022 and June 2025, rents have risen by 20 per cent, reflecting the undersupply of housing in the 2150 area. Table 13 shows the details.

**Table 13: Rental Housing Market – Parramatta and Harris Park (Postcode 2150)**

|               | Vacancy Rate (%) | Vacancies (no.) | Weekly Rent - 2 Bdr (\$) | Increase In Rent on Previous Qtr (%) | Increase In Rent on Previous Yr (%) |
|---------------|------------------|-----------------|--------------------------|--------------------------------------|-------------------------------------|
| <b>Jun 25</b> | 1.3              | 151             | 690                      | -1.4%                                | 2.2                                 |
| <b>Mar 25</b> | 1.7              | 191             | 700                      | -1.3%                                | 8.4                                 |
| <b>Dec 24</b> | 2.5              | 281             | 709                      | -2.1%                                | 6.8                                 |
| <b>Sep 24</b> | 1.4              | 162             | 724                      | 7.3%                                 | 13.3                                |
| <b>Jun 24</b> | 1.4              | 169             | 675                      | 4.5                                  | 17.4                                |
| <b>Mar 24</b> | 0.8              | 82              | 646                      | -2.7                                 | 25.0                                |
| <b>Dec 23</b> | 1.0              | 164             | 664                      | 3.9                                  | 25.3                                |
| <b>Sep 23</b> | 1.3              | 138             | 639                      | 11.1                                 | 46.2                                |
| <b>Jun 23</b> | 1.1              | 108             | 575                      | 11.2                                 | 38.9                                |
| <b>Mar 23</b> | 1.1              | 105             | 517                      | -2.5                                 | 29.6                                |
| <b>Dec 22</b> | 1.0              | 176             | 530                      | 21.3                                 | 38.7                                |
| <b>Sep 22</b> | 1.0              | 120             | 437                      | 5.6                                  | 11.8                                |
| <b>Jun 22</b> | 1.3              | 119             | 414                      | 3.8                                  | 3.8                                 |
| <b>Mar 22</b> | 1.2              | 249             | 399                      | 4.5                                  | -3.6                                |
| <b>Dec 21</b> | 3.3              | 391             | 382                      | -2.3                                 |                                     |
| <b>Sep 21</b> | 4.5              | 448             | 391                      | -2.0                                 |                                     |
| <b>Jun 21</b> | 4.9              | 528             | 399                      | -3.6                                 |                                     |
| <b>Mar 21</b> | 5.1              | 638             | 414                      |                                      |                                     |

Source: SQM ([https://sqmresearch.com.au/graph\\_vacancy.php?postcode=2150&t=1](https://sqmresearch.com.au/graph_vacancy.php?postcode=2150&t=1)), Pacific Economics and Sustainability

## 6.2 Rental Listings

In the week of 28 July 2025, there were only 195 listed rental properties in the 2150 postcode (for all types of dwellings, excluding room-only in boarding houses and shared accommodation). As shown in Table 14, the least rent a household would pay in postcode 2150 was \$300 for a small studio apartment. For a household earning between \$50,000 and \$90,000, there were only 25 listings available in the whole area.

**Table 14: Available Rental Properties, Postcode 2150, Week of 9 March 2025**

| Weekly Rent  | Number     |
|--------------|------------|
| 300-500      | 18         |
| 500-650      | 64         |
| 650-800      | 74         |
| 800-950      | 26         |
| 950+         | 13         |
| <b>Total</b> | <b>195</b> |

Source: realestate.com.au, Pacific Economics and Sustainability

## 6.3 Rental Housing Affordability

The benchmark for affordable housing is for a household not to spend more than 30 per cent of their gross income on housing. Any higher than that, and those on 120 per cent of the median income or less are living in housing stress. In the Parramatta local government area (LGA), the median household income in the 2021 Census was \$2,051. A household with \$1,641 income per week (80 per cent of the median household income) can afford a rent of \$492 per week. Any higher and they are in housing stress. A household with 120 per cent of the median weekly income (\$2,461) can afford to pay up to \$738 per week in rent before falling into housing stress.

As shown in Table 15, there were only 17 listings that would have been affordable for those on up to 80 per cent of the median household income. There were only 52 rental listings that would have been affordable for a household on between 80 and 120 per cent of the Parramatta SA3 median income in the week of 28 July 2025, and 65 rental units available for those earning between 100 and 120 per cent of the median household income. This has improved a little since March 2025, when there were no available listings for a household on up to 80 per cent of the median household income.

**Table 15: Median Income and Affordable Rents, Week of 9 March 2025, Postcode 2150**

| % of Median Household Income | Income (\$) | Affordable Rent (\$) | Listings Under Affordable Rent |
|------------------------------|-------------|----------------------|--------------------------------|
| <b>80%</b>                   | 1,641       | 492                  | 17                             |
| <b>100%</b>                  | 2,051       | 615                  | 52                             |
| <b>120%</b>                  | 2,461       | 738                  | 65                             |
| <b>Total</b>                 |             |                      | <b>134</b>                     |

Source: ABS Census 2021, realestate.com.au, Pacific Economics and Sustainability

As shown in Table 16, there were only 5 rental listings in the 2150 postcode that are affordable for households earning less than \$1,500 per week (up to \$78,000 per year – for comparison, the national minimum wage is \$47,622 per year). For households in the \$1,500-\$1,999 weekly income bracket, there were 55 affordable in the week of 28 July 2025. There were 120 vacancies affordable for those with incomes between \$2,000 and \$2,999 per week (up to \$156,00 per year) and 15 listings available for incomes over \$3,000 per week. Together, there are 180 listings that are affordable for the 61,981 households earning below \$3,000 per week.

**Table 16: Income Ranges, Affordable Rent and Available Listings, Week of 9 March 2025**

|                                      | Households (no.) | Affordable Rent (\$) | Available Listings (no.) |
|--------------------------------------|------------------|----------------------|--------------------------|
| <b>Negative/Nil Income - \$1,499</b> | 31,551           | \$0-\$449            | 5                        |
| <b>\$1,500-\$1,999</b>               | 10,920           | \$450-\$599          | 55                       |
| <b>\$2,000-\$2,999</b>               | 19,510           | \$600-\$899          | 120                      |
| <b>\$3,000 +</b>                     | 25,455           | \$900+               | 15                       |
| <b>Total</b>                         | <b>87,436</b>    |                      | <b>195</b>               |

Source: ABS Census 2021, realestate.com.au, Pacific Economics and Sustainability

The median rent in for a 2-bedroom unit in Parramatta in the week of 28 July 2025 was \$695 per week. A single income household with a full-time worker on the minimum wage would be paying over three-quarters of their income in rent on the median 2 bedroom apartment in July 2025. This is shown in Table 17. This is clearly unaffordable, and shows the need for more affordable rental housing in Parramatta. It also confirms the NSW Productivity Commission’s concerns about the impact of high housing costs on the ability to afford to have a family.

**Table 17: Income to Rent Ratio for Full-Time Minimum Wage Single Worker, Parramatta**

| <b>Totals</b>                  |        |
|--------------------------------|--------|
| <b>Median Annual Rent (\$)</b> | 36,140 |
| <b>Annual Income (\$)*</b>     | 47,622 |
| <b>% Income to Rent (%)</b>    | 75.9   |

\*38 hour work week at minimum wage of \$24.110 per hour

Source: realestate.com.au, Pacific Economics and Sustainability

## **PART 2**

### **ECONOMIC IMPACT OF THE DEVELOPMENT**



## 7.0 The Economic Impact of Construction

The direct impact of the construction will be the value of the works that are undertaken in building the development. The value of the construction has not been assessed by a quantity surveyor. In this preliminary report, a rule of thumb cost of \$525,000 per unit has been used (for 320 units), making the total construction cost \$168 million.

Table 18 shows the impact of \$168 million of direct expenditure on the NSW economy. The impact includes the construction cost, as well as the cost of professional services.

**Table 18: Economic Impact of Construction on Output, Value-Added (GRP) and Employment**

|                                 | Direct Effect | Supply-Chain Effect | Consumption Effect | Total Effect |
|---------------------------------|---------------|---------------------|--------------------|--------------|
| <b>Output (\$M)</b>             | \$168.00      | \$181.54            | \$96.00            | \$445.54     |
| <b>Employment (Jobs)</b>        | 260           | 371                 | 230                | 861          |
| <b>Wages and Salaries (\$M)</b> | \$24.87       | \$36.41             | \$20.10            | \$81.38      |
| <b>Value-added (\$M)</b>        | \$46.06       | \$65.85             | \$49.09            | \$160.99     |

Source: REMPLAN, Pacific Economics and Sustainability

Note: All \$ values are expressed in 2023/24 base year dollar terms.

As shown in Table 18, \$168.0 million of investment in the construction industry has a much larger effect on the economy than the initial investment alone. The \$168.0 million direct investment results in \$181.5 million being spent through the supply chain, as this becomes the income for local suppliers. Furthermore, the boost to wages and salaries in the local area is then spent on goods and services, resulting in a further \$96.0 million in economic output. The total impact is an increase in output of \$445.54 million.

The direct expenditure of \$168.0 million results in 260 jobs created in the construction sector throughout NSW. Further, it induces another 371 jobs due to the supply chain effect, and then another 230 due to the consumption effect, resulting in 861 jobs in total (direct and indirect). Most of the expenditure is likely to occur in Parramatta, although not all expenditure will take place within the LGA, so some expenditure and jobs impacts will be felt within Greater Sydney, the rest of NSW and across Australia.

Table 19 shows the impact of \$168.0 million of direct expenditure on jobs in each of the sectors in the NSW economy. The Construction industry is most impacted, accounting for 388 jobs (260 direct and 128 indirect), while Professional, Scientific & Technical Services with 70 jobs, Retail Trade is next with 66 jobs, Manufacturing with 55 jobs, Accommodation & Food Services with 47 jobs and Transport, Postal & Warehousing with 34 jobs created.

All sectors of the NSW economy are impacted, with even 6 jobs created in the Arts & Recreation Services sector and 3 jobs in the Mining sector.

**Table 19: Impact of Construction on Employment in Sectors in NSW**

| Employment                                    | Direct Change Output (\$M) | Direct Effect (Jobs) | Supply-Chain Effect (Jobs) | Consumption Effect (Jobs) | Total (Jobs) |
|---|----------------------------|----------------------|----------------------------|---------------------------|--------------|
| Agriculture, Forestry & Fishing               |                            |                      | 3                          | 5                         | 8            |
| Mining  |                            |                      | 2                          | 0                         | 3            |
| Manufacturing                                 |                            |                      | 41                         | 14                        | 55           |
| Electricity, Gas, Water & Waste Services      |                            |                      | 4                          | 3                         | 7            |
| Construction                                  | \$168.000                  | 260                  | 123                        | 5                         | 388          |
| Wholesale Trade                               |                            |                      | 16                         | 8                         | 24           |
| Retail Trade                                  |                            |                      | 20                         | 46                        | 66           |
| Accommodation & Food Services                 |                            |                      | 14                         | 32                        | 47           |
| Transport, Postal & Warehousing               |                            |                      | 24                         | 10                        | 34           |
| Information Media & Telecommunications        |                            |                      | 4                          | 4                         | 8            |
| Financial & Insurance Services                |                            |                      | 14                         | 14                        | 28           |
| Rental, Hiring & Real Estate Services         |                            |                      | 10                         | 4                         | 14           |
| Professional, Scientific & Technical Services |                            |                      | 55                         | 16                        | 70           |
| Administrative & Support Services             |                            |                      | 19                         | 8                         | 27           |
| Public Administration & Safety                |                            |                      | 7                          | 2                         | 9            |
| Education & Training                          |                            |                      | 1                          | 15                        | 15           |
| Health Care & Social Assistance               |                            |                      | 0                          | 26                        | 27           |
| Arts & Recreation Services                    |                            |                      | 2                          | 4                         | 6            |
| Other Services                                |                            |                      | 11                         | 15                        | 25           |
| <b>TOTAL</b>                                  | <b>\$168.000</b>           | <b>260</b>           | <b>371</b>                 | <b>230</b>                | <b>861</b>   |
|   |                            |                      | Type 1                     |                           | Type 2       |
| <b>Multiplier</b>                             |                            |                      | 2.427                      |                           | 3.312        |

Source: REMPLAN, Pacific Economics and Sustainability

## 8.0 Ongoing Economic Impact of the Proposed Affordable Housing

### 8.1 Benefit of the Rental Reduction

The proposed development will have a total of 320 apartments. Half of the 320 will be “affordable” (that is, rented out at 80 per cent of the market rate) and rented out for 10 years in accordance with the Site Compatibility Certificate (SCC) issued for the site.

The highest rent that can be charged while leaving a household on 120 per cent of the median income out of housing stress is \$738 per week in the Parramatta LGA (80 per cent of a market rent of \$922). The affordable rent would therefore be a saving of \$184 per week from the market rent.

With a discount of \$184 per week, the weekly rental benefit for 160 units is \$29,500. The annual rental benefit is over \$1.5 million and the net present value (using a 9 per cent discount rate) of the benefit over 10 years is over \$10.6 million. Table 20 shows the details.

**Table 20: Economic Benefit of Affordable Housing**

|  | <b>Totals</b> |
|--|---------------|
| <b>Total Apartments (no.)</b>                  | 320           |
| <b>Affordable Apartments (no.)</b>             | 160           |
| <b>Maximum Market Rent (\$)</b>                | 922           |
| <b>20 Per Cent Discount (\$)</b>               | 738           |
| <b>Weekly Rental Benefit (\$)</b>              | 29,504        |
| <b>Annual Rental Benefit (\$)</b>              | 1,534,208     |
| <b>NPV Rental Benefit - 10 Years (9%) (\$)</b> | 10,581,776    |

Source: Pacific Economics and Sustainability

### 8.2 Benefit of Key Workers in the Location

Commuting places a large burden on key workers. Anecdotal evidence suggests that nurses and police, for example, need to commute from as far afield as the Central Coast, South Coast, Blue Mountains and Hunter Valley. When key workers are in closer proximity to their employment, they save on commuting (something that places a large burden on key workers).

Assuming that new residents are being attracted from outside of the LGA, they would otherwise have had to commute 1 hour per work day to their jobs in Parramatta (half an hour each way) and applies to all adults in affordable dwellings in the development. This is a conservative assumption considering how far away some need to commute from. It is also assumed that the new commute to work is 20 minutes in total (10 minutes each way). The commuter benefit for the development (Table 21) is \$907,264 per year, or \$5.8 million over 10 years in NPV terms.

**Table 21: Economic Benefit of Not Commuting**

|  | <b>Totals</b> |
|--|---------------|
| <b>Commute Length (hours)</b>                  | 1             |
| <b>Cost of Leisure Time (\$)</b>               | 17.72         |
| <b>Number of workers (no.)</b>                 | 320           |
| <b>Daily Value of Commuter Benefit (\$)</b>    | 3,780         |
| <b>Annual Value of Commuter Benefit (\$)</b>   | 907,264       |
| <b>NPV of Commuter Benefit (10 Years) (9%)</b> | 5,822,510     |

Source: Pacific Economics and Sustainability

Taken together, the economic benefit to tenants in affordable housing in Gregory Place is \$2.4 million per year, or \$16.4 million over 10 years, as shown in Table 22.

**Table 22: Total Economic Benefit of Key Workers in Parramatta**

|  | Annual    | NPV (10 Years, 9%) |
|--|-----------|--------------------|
| <b>Tenant Benefit of Affordable Housing (\$)</b>   | 1,534,208 | 10,581,776         |
| <b>Commuter Benefit of Affordable Housing (\$)</b> | 907,264   | 5,822,510          |
| <b>Total Benefit (\$)</b>                          | 2,441,472 | 16,404,285         |

Source: Pacific Economics and Sustainability

The benefit to renters does not include the significant productivity benefits that flow from having workers closer to jobs, family, friends, recreation and study. This benefit is likely to be in the tens of millions of dollars to the Parramatta and NSW economy.

## **PART 3**

### **ECONOMIC IMPACT ON THE HERITAGE ITEM**



## 9.0 Heritage Item

### 9.1 Background

Hambledon Cottage is a heritage-listed former residence and now house museum at 47 Hassall Street. Hambledon Cottage is directly adjacent the proposed development at 2A Gregory Place.

The property is owned by the City of Parramatta Council. It was added to the New South Wales State Heritage Register on 21 September 2012. The Cottage is run by the Parramatta and District Historical Society.

Hambledon Cottage was built between 1821 and 1824 on the north western corner of the 100 acre grant made to John Macarthur in 1793. This grant formed the basis of the 850 acre Elizabeth Farm Estate, which included Elizabeth Farm.

The original cottage, now the main wing was designed by Henry Kitchen, the main architectural rival to Francis Greenway. The gabled kitchen was added some time later.

Archdeacon Thomas Hobbes Scott, a temporary resident in the cottage built the coach house and stable in 1826. The kitchen wing on the western side of the cottage is believed to have been built sometime between 1832 and 1836.

The Elizabeth Macarthur estate, including Hambledon Cottage, was subdivided and sold in 1881. The north western portion of the estate was put up for sale in 1883 with Hambledon Cottage given the name Macarthur Cottage. The cottage site included a brick, four bedroom residence with attached kitchen, scullery, back pantry, servants bedroom and a bathroom. The kitchen yard included a range of large, detached brick buildings comprising a three roomed cottage, wash house, harness room, coach house, and four stall stable with hayloft above. The property was located on just over 2 acres of ground.

The property changed hands several times during the next 60 years and a number of changes were made to outbuildings. In 1940 the cottage, together with adjoining lands, was purchased by The Goodyear Tyre & Rubber Co. (Australia) Ltd. There was concern that a factory would be constructed on the site, but this never eventuated due to community action. Occupants during Goodyear's ownership included one of the company's executives, John Henry Hall and his wife Sylvia Merle Hall.

In 1945 Kolynos Limited purchased the property. Their affiliate Whitehall Pharmacal Company sought to undertake development around the site in 1949. The local community again campaigned strongly against the proposal. The company agreed in 1953 to donate the historic portion of the site to Parramatta Council. An agreement was also made to allow Council to purchase three acres west of Hambledon Cottage to be used for associated purposes. In appreciation Cliff Street was formally renamed Gregory Place after the Australasian Manager of the Company, E. S. Gregory.

In 1959 extensive renovations were commenced by Parramatta Council under the guidance of the firm Buckland and Druce, honorary architects for the project. It was during this time that the cottage was renamed Hambledon Cottage. It was occupied by a caretaker who opened the house to the public as a folk museum until 1963 when the City of Parramatta Art Society was given a lease until 1964. Occupancy was given to the Parramatta and District Historical Society in 1964. Works were primarily exterior structural repairs and included roof works, removal of a concrete layer from the flagstones on the eastern verandah, painting, general renovation, repair to floors and replacement of some of the wooden verandah columns. The vaulted ceiling of the verandah was extensively repaired due to termite infestation. Further infestation was found following commencement of the works. A garage extension was completed in 1961.

In 1965 the Parramatta & District Historical Society were given occupation of the building in return for restoring and refurbishing the interior of the building in a style of the 1830-1850 Colonial period. Hambledon Cottage was opened in February 1966 as a house museum.

The grounds of Hambledon have been converted into a public reserve. They still contain some of the original or early layout (drive alignments, paths) and plantings put in by John Macarthur when it was part of the Elizabeth Farm Estate.

## **9.2 Recent Visitation and Admission Prices**

According to the City of Parramatta Parramatta Council website, Hambledon Cottage received 4,500 visitors in 2023 (its 199<sup>th</sup> year).

The Cottage is open on Fridays, Saturdays and Sundays for guided tours from 11am with the last tour at 3pm and closed on the first Sunday of the month and public holidays including the Easter weekend. Visits by groups (15 or more) can be made by appointment on all days.

Hambledon Cottage also provides tours for schools wishing to educate their students on the curriculum at Stage 1, Stage 2 and Stage 3.

Admission Prices are Adults \$10.00, Concessions \$8.00, Children \$2.00.

The venue is also available for weddings and other events. The normal fee for wedding ceremonies is \$200.00 and for photographs only is \$150.00. Events, such as wedding ceremonies, wedding photographs or similar events, are able to be held at the Cottage, but events cannot be held in any rooms within the cottage but can be held on the eastern verandah of the cottage or, subject to a maximum of 20 people, in the gardens behind the cottage. Photographs can be taken outside the cottage, or in the gardens behind the cottage (wedding party only).

## **9.3 Estimated Future Visitation**

It is likely that 320 new apartments adjacent to Hambledon Cottage will increase awareness and visitation. For a start, it will add 832 people to the area (given a Census average household size of 2.6 people).

Along with the new apartments, two retail premises, likely food and beverage retail, will be established. Currently there are no café facilities at Hambledon Cottage. A short walk from Hambledon Cottage, the café will likely increase both awareness of the Cottage and encourage visitation. It is also possible that some kind of partnership between the new café and the Parramatta and District Historical Society could be formed to increase awareness.

Figure 8 shows where Hambledon Cottage and the proposed retail spaces are in relation to each other.

It should be noted that the site on which the proposed development is to be built is currently an industrial site, with industrial uses dating back to the Second World War. Without any new residents, there will be no change to the visitation trends at Hambledon Cottage.

**Figure 8: Proposed Development Showing Context of Hambledon Cottage**



Source: Tzannes

According to the 2019 annual report of the Parramatta and District Historical Society (the latest annual report publicly available), visitation to Hambledon Cottage increased over previous year, mainly due to visits by school groups, even though there was a reduction in free and independent visitors. Overall, there was a 9% increase in total paying visitors. There was a 13 per cent increase in group visitors, comprising a 26% increase in school students undertaking our education programs, but offset by a 42% decrease in senior group visitors. In 2018, school children visits represented some 75 per cent of paying visitors.

Apart from visitors to the house museum, the Hambledon Cottage site is well utilised for many activities, there basically being some activity every day. A total of 6,374 people-days, an increase of over 400 or 7% between 2017 and 2018, were involved on different days during the year. Members of the Society attended on Tuesdays for “research and archives” working days, others involved in the monthly Society Council and Family History meetings, Guides conducting guided tours, members attending functions in the grounds and meetings of the Parramatta Female Factory Friends and the Parramatta Heritage Partners in the Coach House. The extent of volunteer labour in 2019 remained extensive and growing, with some 75 members volunteering in various capacities for some 15,000 man-hours at an estimated in-kind value of some \$700,000 annually.

The new residents, open space and food and beverage retail will indirectly benefit Hambledon Cottage and the Parramatta and District Historical Society. The benefit is derived from the additional people living in proximity to the Cottage, the visitation they bring and the awareness they bring to people outside of the local area. There is also a feedback loop, because people may visit Hambledon Cottage as a result of knowing they can go to a café afterwards, whereas they may have been reluctant to go somewhere without this as part of their visit.

The estimated increase in visitation is based on the Zanon model<sup>8</sup>, which estimates the number of visitors to a public space based on four attributes – standard of service, catchment population, area of the park and public awareness of the park. The model has been shown to provide good forecasts for visits to major parks and similar spaces in Melbourne. . It is assumed that park visitation is similar

<sup>8</sup> A Model for Estimating Urban Park Visitation –Parks Victoria Occasional Paper Series, Dino Zanon, 1998

in Sydney and Melbourne, although Sydney, with fewer rain days, would likely have higher visitation, so the model may slightly under-estimate visitation. The Zanon model has been used, for example, to estimate visitation to a proposed public square as part of the redevelopment of the Queen Victoria Market in Melbourne<sup>9</sup>.

The Zanon model uses the following formula:

$$\text{Visits} = 27 \times \text{Standard of Service}^{1.04} \times \text{Catchment Population}^{0.19} \times \text{Area}^{0.11} \times \text{Public Awareness}^{0.47}$$

where:

- Standard of Service is a figure between 0 and 100 indicating the “quality” of the park, judged by reference to amenities provided, including seating, shelters, barbecues, landscaping, etc
- Catchment Population is the population within a local catchment
- Area is the area of the proposed park in hectares
- Public awareness is the percentage of a random population that would be aware that the park exists.

Table 23 shows the assumptions and the resulting increase in visitation to Hambledon Cottage as a result of the new development. It is assumed that the standard of Hambledon Cottage is relatively low (i.e. few amenities, no café or anywhere food and drink can be purchased or consumed, nowhere for children to play, etc), and that the public awareness is relatively low (as, despite being one of the most historic houses in the LGA, it is tucked away within a low density and low socio-economic residential area and industrial area). Taking account of the additional 875 residents, and the assumptions shown, the Zanon model calculates that there may be an additional 4,316 visits per year to Hambledon Cottage.

**Table 23: Estimated Increased Visitation – Hambledon Cottage**

|                  |       |
|------------------|-------|
| Standard         | 30    |
| Population       | 875   |
| Area (ha)        | 0.01  |
| Public Awareness | 5     |
| Annual Visits    | 4,316 |

Source: Pacific Economics and Sustainability

The additional potential visits could result in up to an additional \$43,000 per year in revenue for the Parramatta and District Historical Society.

Based on the financial returns of the Parramatta and District Historical Society, there is a potential to more than double takings from entry fees, which may also translate to increased book and programme sales. It could also increase membership and some of the new locals may be interested in volunteering at the Cottage

Table 24 shows the receipts and payments for the years 2022 and 2023. It is likely that patronage will increase once the development is built, people move in and familiarise themselves with the area. It is also possible that people who visit the site of the development to inspect a rental property will, for the first time, gain an awareness of the cottage. This is likely to occur over the course of 2029 and 2030, so there is likely to be a continued upward trend in visitation (as previously mentioned), followed by a relatively large increase over time.

<sup>9</sup> Melbourne Am C245 Queen Victoria Market Precinct Renewal Evidence report of Marcus Spiller April 2016, SGS Economics and Planning

**Table 24: Extract of Parramatta and District Historical Society Financial Statement 2024**

**PARRAMATTA AND DISTRICT HISTORICAL SOCIETY  
ABN 45 831 855 140**

**STATEMENT OF RECEIPTS AND PAYMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

|                                   | <b>2023</b>   | <b>2022</b>   |
|-----------------------------------|---------------|---------------|
|                                   | <b>\$</b>     | <b>\$</b>     |
| <b>INCOME</b>                     |               |               |
| Book Sales – General              | 1,170         | 962           |
| Book Sales – Cemetery Books       | 35            | 355           |
| Book Sales – Postage              | 163           | 143           |
| Donations                         | 522           | 733           |
| Functions                         | 3,780         | 3,248         |
| Hambledon Cottage Entry Fees      | 34,166        | 18,627        |
| Hambledon Cottage – Refreshments  | 138           | 101           |
| Membership Subscriptions & Badges | 3,465         | 4,070         |
| Research                          | 405           | 485           |
| Rental & Photography Fees         | 300           | 370           |
| Tours                             | 5,696         | 3,415         |
| Bank Interest                     | 2,797         | 437           |
| Sale of second-hand books         | 638           | 917           |
|                                   | <u>53,275</u> | <u>33,863</u> |

The increase in visitation will possibly mean that income for the Parramatta and District Historical Society will double in the next 10 years, in nominal terms, and membership and volunteer hours will grow.

## 10.0 Summary and Conclusion

This report, prepared by Pacific Economics and Sustainability for Pacific Planning, presents a comprehensive economic analysis of the proposed development at 2A Gregory Place, Harris Park. The analysis addresses critical housing challenges in Parramatta and assesses its economic impacts.

### Key Findings

- **Housing Crisis in Parramatta:** The report identifies a pressing housing crisis marked by skyrocketing rents and declining availability. Insufficient housing approvals by local councils have failed to keep pace with a growing population, exacerbating the situation.
- **Need for Affordable Housing:** There is an urgent requirement for more affordable housing options to accommodate key workers and residents moving into Parramatta from other regions. The NSW Productivity Commission highlights an outflow of prime working-age individuals from Sydney due to high housing costs, underscoring the necessity for increased housing supply.
- **Economic Impact:** The proposed development is projected to have a favourable economic impact, contributing to job creation and enhancing local employment opportunities. The provision of affordable housing will positively influence community dynamics and economic stability.
- **Heritage Considerations:** The development is expected to enhance visitation and awareness of Hambleton Cottage, a local heritage item, benefiting historical associations and cultural engagement in the area.
- **Strategic Alignment:** The development aligns with broader regional plans, including the Housing Accord and the Greater Sydney Region Plan, which emphasise the need for increased housing supply, economic growth, and sustainable community development.

The proposed development at 2A Gregory Place presents a critical opportunity to address the housing crisis in Parramatta while fostering economic growth and preserving local heritage. By increasing the supply of affordable housing, the project aims to mitigate current challenges and contribute to a more sustainable and resilient community.

## About Pacific Economics and Sustainability

Pacific Economics and Sustainability is a highly experienced and skilled economics and government relations consultancy.

Pacific Economics and Sustainability brings strong analytical abilities, and can help clients by putting analysis into broader contexts, assessing risk and building a case for change. We have a keen understanding of the policy environment and the consequences of change and have shown an advanced level of ability in delivering results.

Pacific Economics and Sustainability consults to a wide range of industries, including the property development, retail and gaming sectors.

Pacific Economics and Sustainability brings a wealth of experience, including staff with experience in:

- designing, implementing and analysing economic impact assessments and cost-benefit analysis
- providing analysis of retail and commercial development
- providing economic analysis and advice
- providing social impact analysis
- providing advice on Voluntary Planning Agreements (for example, reporting on the "public benefits" provided by a developer as part of a planning proposal or permit/DA)
- uplift reports (for example, comparing FSR and height uplift scenarios and their effect on viability)
- viability reports
- writing submissions to government on policy changes on behalf of clients.

Pacific Economics and Sustainability can manage complex major projects, ensuring delivery within budget and timeframes. Pacific Economics and Sustainability prides itself on its ability to work with clients to get the best results possible.

The Director and Principal, Martin Musgrave, holds an honours degree in economics with 25 years of experience in across a wide range of sectors in a number of jurisdictions in both the public and private sectors. Martin is a highly experienced public policy professional, specialising in economic analysis, policy development and leadership, advocacy, and government relations. He is considered a highly skilled economist, social scientist and policy professional who always acts with integrity.

Martin Musgrave has been a valued senior contributor in the following organisations:

- the Department of Planning and Environment
- the Urban Development Institute of Australia (National and Victorian Division)
- the Property Council of Australia (Residential Development Council)
- the Large Format Retail Association
- the Department of Premier and Cabinet (Victoria)
- the Department of the Prime Minister and Cabinet
- the Roads and Traffic Authority (NSW) (now known as RMS)
- the Hunter Valley Research Foundation (now known as the Hunter Research Foundation)



## Disclaimer

This report is for the confidential use only of the party to whom it is addressed (“the Client”) for the specific purposes to which it refers and has been based on, and takes into account, the Client’s specific instructions. It is not intended to be relied on by any third party who must make their own enquiries in relation to the issues with which this report deals.

Pacific Economics and Sustainability makes no representations as to the appropriateness, accuracy or completeness of this report for the purpose of any party other than the Client and disclaims all liability to any recipient other than the Client for any loss, error or other consequence which may arise as a result of acting, relying upon or using the whole or part of this report.

This report must not be disclosed to any third party or reproduced in whole or in part, for any purpose not directly connected to the project for which Pacific Economics and Sustainability was engaged to prepare the report, without the prior written approval of Pacific Economics and Sustainability. In the event that a third party wishes to rely upon this report, the third party must inform Pacific Economics and Sustainability who may, in its sole discretion and on specified terms, provide its consent.

