
Appendix R

Economic impact assessment

Economic Impact Assessment

Parramatta Over and Adjacent Station Development

Concept State Significant Development Application
Sydney Metro West

OFFICIAL



Prepared by Ethos Urban
Submitted for Sydney Metro West

10 October 2022 (update) | 2210209



'Gura Bulga'
Liz Belanjee Cameron



'Gura Bulga' – translates to Warm Green Country. Representing New South Wales.

By using the green and blue colours to represent NSW, this painting unites the contrasting landscapes. The use of green symbolises tranquillity and health. The colour cyan, a greenish-blue, sparks feelings of calmness and reminds us of the importance of nature, while various shades of blue hues denote emotions of new beginnings and growth. The use of emerald green in this image speaks of place as a fluid moving topography of rhythmical connection, echoed by densely layered patterning and symbolic shapes which project the hypnotic vibrations of the earth, waterways and skies.

Ethos Urban acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We acknowledge the Gadigal people, of the Eora Nation, the Traditional Custodians of the land where this document was prepared, and all peoples and nations from lands affected.

We pay our respects to their Elders past, present and emerging.

Contact		Lee Cikuts Director	Lcikuts@ethosurban.com 0422 042 652
This document has been prepared by:		This document has been reviewed by:	
			
Mark McManus	30/09/2022	Lee Cikuts	30/09/2022
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Executive summary

Purpose and background

The purpose of this report is to assess the economic impact of the proposed Parramatta Over and Adjacent Station Development (the proposed development), currently planned within the Parramatta CBD in the city block bounded by George Street, Church Street, Smith Street, and Macquarie Street.

Sydney Metro is seeking to deliver Parramatta metro station under a two-part planning approval process. The station fit out infrastructure is to be delivered under a Critical State Significant Infrastructure (CSSI) application subject to provisions under Division 5.2 of the Environmental Planning and Assessment Act 1979 (EP&A Act), whereas the over and adjacent station developments are to be delivered under a State Significant Development (SSD) subject to the provisions of Part 4 of the EP&A Act.

An Economic Impact Assessment (EIA) is required as part of the project documentation required for the Stage 1 SSD Application, and in accordance with the Secretary's Environmental Assessment Requirements (SEARs) that will apply to the subject site. The objectives of this EIA are to:

- Demonstrate the economic impacts (including benefits) of the project to the local area, regional area and State throughout both the construction and operational phases of the project.
- An estimate of jobs to be created during the construction and operation phase of the proposed development.
- Recommend measures to mitigate any undesirable economic impacts.

This EIA will assess the range of economic impacts and benefits associated with the project, including short term construction impacts, as well as longer term benefits. These include significant benefits to communities across the Local Government Areas, the Eastern and Central City Districts and the state of NSW.

A Concept Approval is being sought which would replace existing facilities and ultimately deliver four (4) buildings with a maximum Gross Floor Area (GFA) of 190,000m². It is anticipated that a mix of uses would be provided including commercial office, residential and ancillary retail uses.

A breakdown of the nominated GFA figures by use across the four buildings is detailed below.

Summary – Indicative Concept Design GFA by Primary Use

	Building A	Building B	Building C	Building D	Total
Uses	Retail, commercial	Retail, Residential	Commercial	Retail, Commercial	Residential, Commercial, Retail
GFA by use					
Retail	3,500 m ²	1,100 m ²	250 m ²	3,000 m ²	7,850 m ²
Commercial	75,200 m ²	-	35,700 m ²	52,350 m ²	163,250 m ²
Residential	-	18,900 m ²	-	-	18,900 m ²
Total GFA	78,700 m ²	20,000 m ²	35,950 m ²	55,350 m ²	190,000 m ²

Source: Sydney Metro

Note: figures rounded; figures updated in October 2022

Critical State Significant Infrastructure

The State Significant Infrastructure (SSI) planning approval process for the Sydney Metro West metro line, including delivery of station infrastructure, has been broken down into a number of planning application stages, comprising the following:

- Concept and Stage 1 CSSI Approval (SSI-10038) – All major civil construction works between Westmead and The Bays including station excavation, tunnelling and demolition of existing buildings (approved 11 March 2021).
- Stage 2 CSSI Application (SSI-19238057) – All major civil construction works between The Bays and Hunter Street Station (approved 24 August 2022).
- Stage 3 CSSI Application (SSI-22765520) – Tunnel fit-out, construction of stations, ancillary facilities and station precincts between Westmead and Hunter Street Station, and operation and maintenance of the Sydney Metro West line (under assessment, lodged).

State Significant Development Application

The SSD will be undertaken as a staged development with the subject Concept State Significant Development Application (Concept SSDA) being consistent with the meaning under section 4.22 of the EP&A Act and seeking conceptual approval for a building envelope, land uses, maximum building heights, a maximum gross floor area, pedestrian and vehicle access, vertical circulation arrangements and associated car parking. A subsequent Detailed SSDA is to be prepared by a future development partner which will seek consent for detailed design and construction of the development.

Summary of findings

Results from the Economic Impact Assessment can be summarised as follows:

- Parramatta CBD is evolving rapidly, driven by government investment activities in transport and community infrastructure which has also stimulating significant investment activity within the private sector. This is evident where there is currently around \$6 billion in development projects in the immediate pipeline, including around 550,000m² of commercial office floor space equating to around \$2 billion in investment activity in this sector. As such, Parramatta is currently undergoing a period of renewal and gentrification, supported by local and state planning policies. Most notably, the recent gazettal of the Parramatta CBD Planning Proposal to enable high rise commercial and residential projects in the CBD reinforces the future direction for this major centre as Sydney's Central City.
- A review of the 2016 Census of Population and Housing indicates that the resident population within the primary study area (aligned to the Parramatta CBD) is characterised by young working professionals that are well educated and earn average incomes. Local residents primarily living in apartments and typically have lower rates of home ownership, as is typical of an inner city location. Residents would associate strongly with the proposed concept plan, which will deliver new residential housing, as well as contemporary commercial office space and ancillary retail uses which would support an integrated live, work and play community in a high amenity precinct.
- The proposed concept plan will offer mix of uses that will align to market demand across a variety of sectors. Resident and worker projections for the local area show an estimated increase of +8,500 residents and +55,070 workers by 2036. Accordingly, the proposed residential, commercial and retail components of the project will respond to the increased demand for housing, employment space and retail facilities that will be required by existing and future residents, workers and visitors within the Parramatta CBD.
- A high quality, contemporary mixed use development within such a central, high-profile location in the heart of the Parramatta CBD would help to catalyse the evolution of Parramatta and support increased activation during work hours but also after-hours and on weekends. The additional activity generated by the proposal would be a major benefit to the night time economy, supporting people movements with flow-on benefits to local businesses.
- Parramatta is one of the largest commercial office markets in Sydney, and ongoing gentrification of the CBD is important for Parramatta to continue to remain attractive to workers and business. Parramatta is well positioned to benefit from improved accessibility through major infrastructure including Sydney Metro West and Parramatta Light Rail, along with tenant demand for prime grade spaces such as that proposed at the site. The proposed 163,250m² of contemporary office floorspace in the heart of the Parramatta CBD and directly above future rail infrastructure, will respond positively to this need and the evolution of the Parramatta CBD.
- Around 18,900m² of residential GFA is proposed as part of the development. The ability to deliver a high density residential component at the subject site has the potential to support additional housing diversity and residential growth targets within the Parramatta CBD. In addition, residential use in the medium term will activate the site and CBD for extended hours during the day, evenings and weekends whilst

supporting the delivery of an active and walkable neighbourhood being in the heart of the CBD and directly above the proposed Metro station.

- Concept plans for the site indicate that some 7,850m² of retail GFA is planned to be provided on the ground floor to activate the streetscape and publicly accessible areas. Whilst it is not yet understood what operators or tenants will be delivered, it is expected that the retail provision would likely incorporate food and beverage facilities, convenience based retail and speciality shops that will complement the existing retail provision within Parramatta and form a key component of the planned Civic Link proposed to extend from Parramatta Square to the Parramatta River. The provision of retail uses will be a small component of the overall project and will support an active ground floor plane, serving local residents, workers as well as visitors and commuters to Parramatta. As such, the offer will be complementary, rather than competitive in nature to the overall existing and planned retail offer in the CBD.
Reflecting the strategic nature of the site and the substantial level of growth projected to occur within the Parramatta CBD, including for workers and residents, the proposed OSD project will be of an appropriate size and composition to complement the existing offer in the CBD and to help support the continued growth and evolution of Parramatta as Sydney's Central City. The OSD project will not be of a size or scale that will impact on the viability or continued operation of any existing or proposed facility within the region.
- Overall, the project will result in a number of economic benefits. Every \$100 million of Construction Investment Value will support some **610 FTE (direct and indirect) construction jobs years**. Furthermore, once complete and fully operational, the proposed facility will support some **9,410 FTE direct ongoing jobs**, contributing an **estimated \$1.1 billion in value added to the local and regional economy annually**. When considering the multiplier effect, the project has the potential to support total operational employment of 16,340 FTE jobs, generating \$2.0 billion in value added annually.
- Based on the provision of residential uses at the site, an estimated 365 additional residents may be accommodated at the site. These additional residents will support local businesses through additional activity and visitation. The additional 365 residents have the potential to generate around \$4.8 million per year in retail expenditure, a significant proportion of which will be directed to local businesses and operators.
- During the construction phase of the proposed development there is expected to be temporary disruption to local businesses, including existing retail and accommodation operators. Local businesses are likely to be impacted during the construction stage as a result of negative impacts associated with noise, access and overall amenity. However, despite the temporary impacts during the construction stage, these businesses stand to benefit over the medium to longer term on the project is complete and the Metro operational, as visitation, activation and expenditure will all increase as a result of the proposed development. As a result, mitigation measures from an economic perspective are likely to be required in the short term only, and relate to ensuring minimal disruption to access and typical business operation during the construction stage of the project.
- The proposed concept plan would ultimately result in a net community benefit, supporting the continued investment in Parramatta CBD and reinforce Parramatta's role as Sydney's Central City. The proposed mix of commercial office, retail and residential uses will enhance the amenity of Parramatta CBD, including activating a large, strategic site within the heart of the CBD and a site with the ability to deliver a true live/work/play community that will support workers, residents and visitors to Parramatta for the long term.

1.0 Introduction

The purpose of this report is to assess the economic impact of the proposed Parramatta Over and Adjacent Station Development (the proposed development), currently planned within the Parramatta CBD in the city block bounded by George Street, Church Street, Smith Street, and Macquarie Street.

An Economic Impact Assessment (EIA) is required as part of the project documentation required for the Stage 1 SSD Application, and in accordance with the Secretary's Environmental Assessment Requirements (SEARs) that will apply to the OSD sites. The objectives of this EIA are to:

- Demonstrate the economic impacts (including benefits) of the project to the local area, regional area and State throughout both the construction and operational phases of the project.
- An estimate of jobs to be created during the construction and operation phase of the proposed development.
- Recommend measures to mitigate any undesirable economic impacts.

This EIA will assess the range of economic impacts and benefits associated with the project, including short term construction impacts, as well as longer term benefits. These include significant benefits to communities across the Local Government Areas, the Eastern and Central City Districts and the state of NSW.

The structure of this report is outlined below:

- **Chapter 1.** Introduction
- **Chapter 2.** Site context and proposed development
- **Chapter 3.** Strategic policy context
- **Chapter 4.** Current economic context
- **Chapter 5.** Future economic context
- **Chapter 6.** Competitive environment
- **Chapter 7.** Market assessment
- **Chapter 8.** Economic impacts

1.1 Sydney Metro West

Sydney Metro West will double rail capacity between Greater Parramatta and the Sydney Central Business District (CBD), transforming Sydney for generations to come. The once in a century infrastructure investment will have a target travel time of about 20 minutes between Parramatta and the Sydney CBD, link new communities to rail services and support employment growth and housing supply.

Stations have been confirmed at Westmead, Parramatta, Sydney Olympic Park, North Strathfield, Burwood North, Five Dock, The Bays, Pyrmont and Hunter Street (Sydney CBD). Sydney Metro West station locations are shown in **Figure 1**.

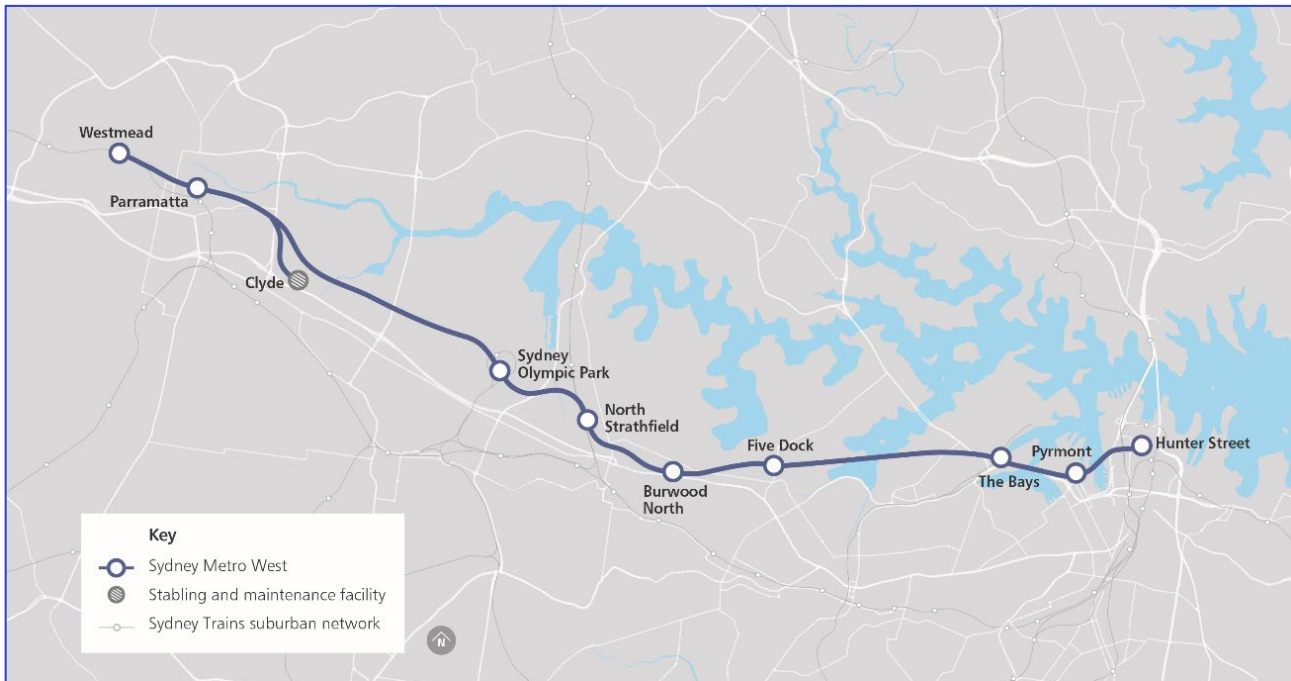


Figure 1 Sydney Metro West

Source: Sydney Metro

1.2 Information sources and assumptions

Key steps in undertaking the economic assessment have included: analysis of the existing locality and the community, including its economic profile; identification and assessment of potential impacts (both direct and indirect) as a result of the proposed development, and recommendations for mitigation or enhancement measures.

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

Economic impacts were then evaluated in terms of direct impacts and indirect impacts. In the case of both direct and indirect effects, the key metric for the analysis is an estimate of jobs. Key information sources used to prepare this EIA are listed below.

Data sources

- ABS Census of Population and Housing 2016
- ABS Average Weekly Earnings
- ABS Counts of Australian Business
- ABS Australian National Accounts: Input-Output Tables
- ABS Building Approvals
- Department of Employment, Skills, Small and Family Business – Small Area Labour Markets
- Department of Employment, Skills, Small and Family Business – Regional Projections
- Other ABS publications as referenced
- Transport for NSW Population and Employment Projections 2020
- Economy.id
- Cordell Connect
- Pricefinder

Report has been updated with latest October 2022 concept design scheme with a total GFA of 190,000 m². Previous May 2022 concept design scheme assumed a total of 195,000 m². All other figures and data remain as per previous May 2022 version. It should be noted that at the time of original preparation of May 2022, 2016 Census was the latest available. More recent data is not expected to materially change findings of assessment.

Policy documents

- Greater Sydney Regional Plan – Metropolis of Three Cities (Greater Sydney Commission)
- Central City District Plan (Greater Sydney Commission)
- Greater Parramatta to Olympic Peninsula Vision (Greater Sydney Commission)
- Parramatta Local Strategic Planning Statement
- Community Strategic Plan 2018-2038 (City of Parramatta)
- Economic Development Plan 2017-2021 (City of Parramatta)
- Parramatta CBD – Planning Strategy (2015)
- Parramatta City Night Framework 2020 – 2024 (City of Parramatta)

1.3 COVID-19 disclaimer

COVID-19 is an unprecedented global health crisis and economic event that is rapidly evolving. In these circumstances the short-term economic environment is extremely uncertain, especially where the forecasting of social and economic trends is involved. At the current time, the research and analysis of economic data – such as forecasts of economic activity, population and employment growth, and so on – reflects a return to “business as usual” scenario, while also noting the potential impacts that may be associated with the COVID-19 virus and the anticipated return to growth in economic indicators. Where required, we will be clear where a specific consideration of the implications of COVID-19 is being provided outside a business-as-usual scenario.

2.0 Site context and proposed development

This chapter provides an overview of the subject site, its development context and the proposed concept scheme.

2.1 Subject site description

The subject site is situated in the Parramatta CBD, and within the City of Parramatta Local Government Area (LGA) (refer to **Figure 2**). It is located within the city block bounded by George Street, Church Street, Smith Street, and Macquarie Street.

The site is located within the Parramatta CBD, which performs key economic, social and cultural roles that are expected to increase as Western Sydney's population grows and regional transport infrastructure improves connections to the CBD. The CBD is in the process of undergoing urban renewal and change and is characterised by a variety of uses and a range of style, age and scale of development.

The site presents a 164m long frontage to Macquarie Street, 125m frontage to George Street, 48m frontage to Church Street, and 15.5m frontage to Smith Street (in the form of Macquarie Lane). The site is located directly above and adjacent to the future Parramatta Metro Station.

The site of the Parramatta Metro Station OSD is currently occupied by the City Centre Car Park, Parramall Shopping Centre, as well as a number of other buildings of varying height, scale, and densities, generally ranging between 1-7 storeys.

The site currently accommodates the following laneways and roads:

- Horwood Place connecting George Street and Macquarie Street
- United Lane, a small service lane stub heading north from Macquarie Street
- Macquarie Lane, an east-west laneway linking Smith Street to Horwood Place

The site comprises 14 different allotments of varying sizes, and occupies an area of 24,899m². Consent for the demolition of all buildings and structures on site has been approved under the Stage 1 CSSI Approval.

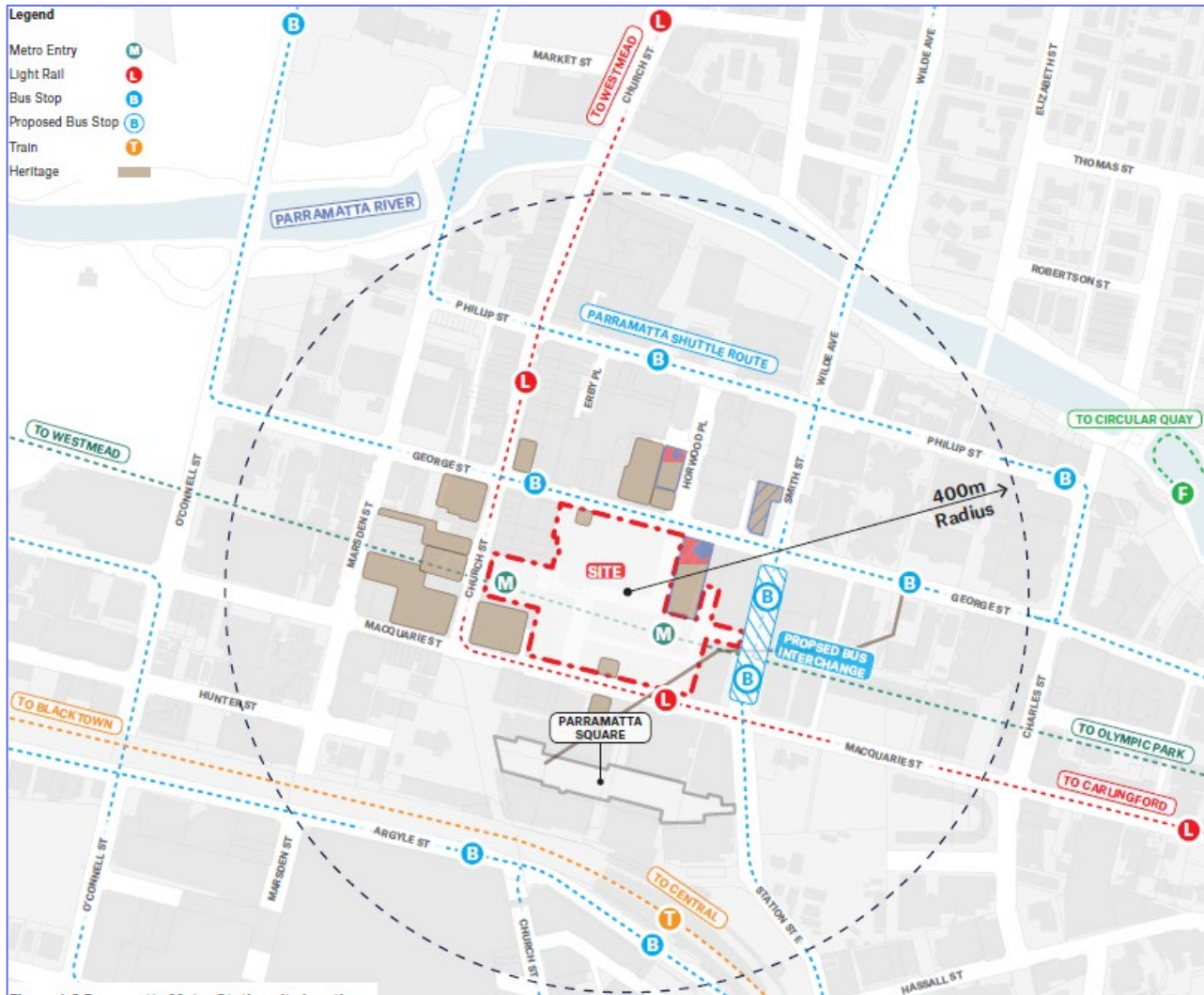


Figure 2 Subject Site Context

Source: Sydney Metro

2.2 Surrounding context

Development within the Parramatta CBD core comprises a variety of typologies, densities and uses. There is significant variation in building height and scale surrounding the site, ranging from 1-2 storey shopfront buildings, 5-10 storey commercial buildings and up to 55-storeys at the Parramatta Square development to the south. The site is within 400 metres of a number of commercial, retail, educational, and government land uses, including a significant number of cultural and entertainment venues. A summary of key facilities include:

- To the south of the site is the new Parramatta Square development, with the existing Parramatta railway station and Westfield Parramatta also located to the south of the site.
- To the east is the Parramatta Education Precinct, containing the new Arthur Philip High School and Western Sydney University campus.
- To the west and north west is the Parramatta 'Eat Street', a highly activated stretch of Church Street with numerous restaurants and bars. Further west is the Old Government House and Parramatta Park.
- A few blocks to the north of the site is the Parramatta River waterfront (including the proposed Powerhouse Museum), Riverside Theatre, as well as Bankswest Stadium.

2.2.1 Parramatta CBD evolution

The proposed development is located within the heart of the Parramatta CBD, which is currently undergoing a structural shift and transition (see **Figure 3**). There is significant development activity within the private sector coinciding with strong government infrastructure investment, including Sydney Metro West, and the Parramatta Light Rail. This continued investment represents a unique opportunity to revitalise Parramatta CBD and leverage improved access and travel times across the city and direct connections to Sydney CBD, Sydney Olympic Park and Westmead.

To facilitate the continuation of this development, the Parramatta CBD Planning Proposal was gazetted on the 6 May 2022, which aims to increase both height and floor space ratio controls within the Parramatta CBD to facilitate development of high density residential and commercial towers. Specifically, the Planning Proposal enables Parramatta CBD to support an estimated 46,000 new jobs and 15,000 new dwellings over the next 40 years. Importantly, this Planning Proposal will enable new future developments throughout the CBD.

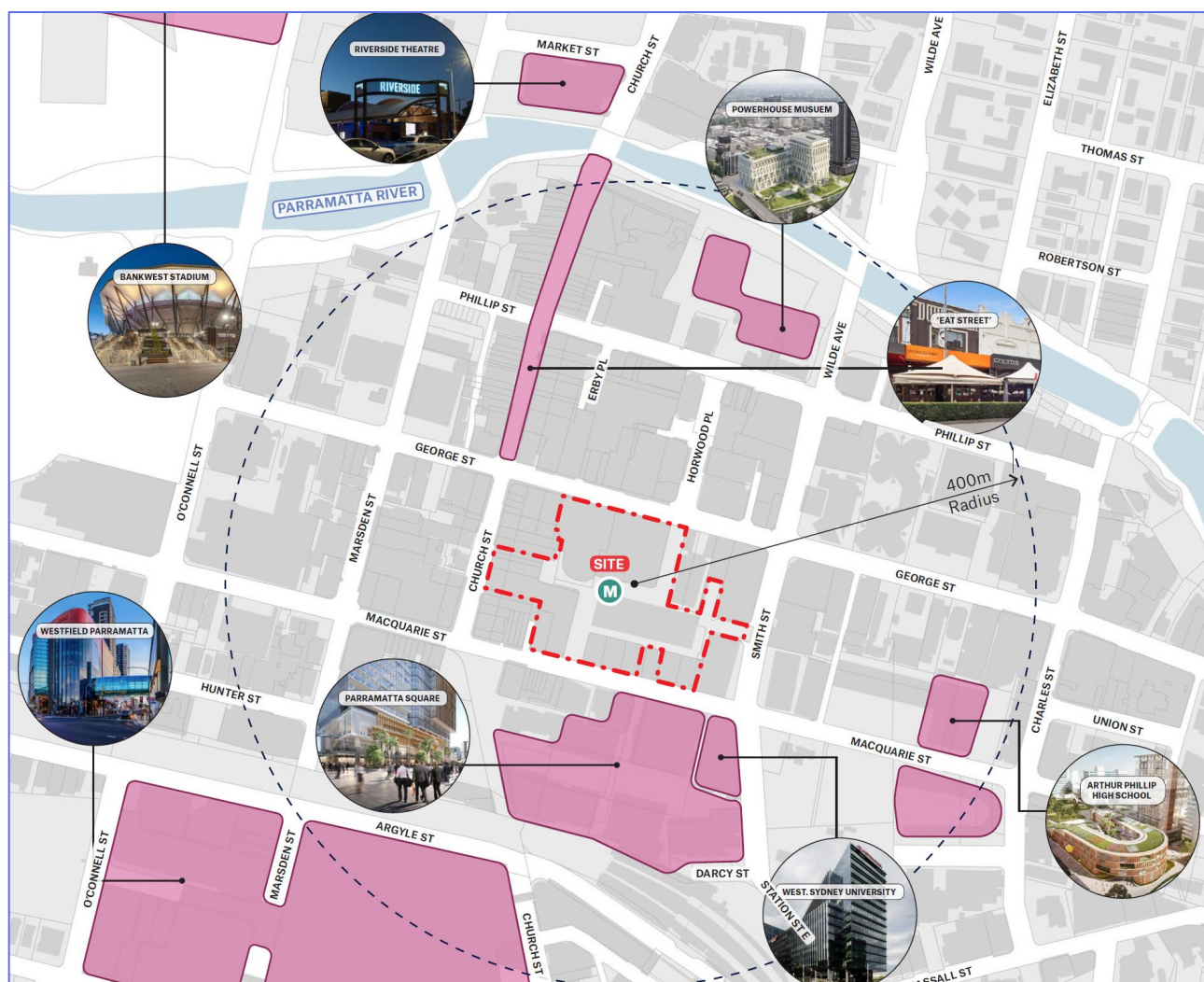


Figure 3 Surrounding context

Source: Sydney Metro Authority

2.3 Proposed development

The Concept SSDA will seek consent for building envelopes above and adjacent to the Parramatta Metro Station. The Concept SSDA specifically seeks consent for the following:

- Maximum OSD building envelopes and built form parameters, including street wall heights, podium envelopes and heights, and building setbacks, in accordance with the Concept Plans.

- Maximum building heights:
 - Building A: Approximately 38 storeys
 - Building B: Approximately 33 storeys
 - Building C: Approximately 26 storeys
 - Building D: Approximately 24 storeys.
- Land uses within the building envelopes, including:
 - Building A: Commercial and retail
 - Building B: Residential and retail
 - Building C: Commercial
 - Building D: Commercial and retail.
- Maximum GFA of approximately 190,000m² associated with proposed SSD land uses, comprising:
 - 77,700m² in Building A, including approximately 75,200m² for commercial use and 3,500m² for retail use
 - 20,000m² in Building B, including 18,900m² for residential accommodation use and 1,100m² for retail use
 - 20,000 m² in Building B, including 18,900 m² for residential accommodation use and 1,100 m² for retail use
 - 20,000 m² in Building B, including 18,900 m² for residential accommodation use and 1,100 m² for retail use
- Maximum 455 car parking spaces across 3 basement levels
- Loading, vehicular, and pedestrian access arrangements
- A Design Excellence Strategy
- Concept strategies including the following:
 - Utilities and services strategies
 - Stormwater, flooding, and drainage strategy
 - Ecologically Sustainable Development strategy
- A breakdown of the nominated GFA figures by use across the four buildings is detailed in **Table 1**.

Table 1 Summary – Indicative Concept Design GFA by Primary Use

	Building A	Building B	Building C	Building D	Total
Uses	Retail, commercial	Retail, Residential	Commercial	Retail, Commercial	Residential, Commercial, Retail
GFA by use					
Retail	3,500 m ²	1,100 m ²	250 m ²	3,000 m ²	7,850 m ²
Commercial	75,200 m ²	-	35,700 m ²	52,350 m ²	163,250 m ²
Residential	-	18,900 m ²	-	-	18,900 m ²
Total GFA	78,700 m²	20,000 m²	35,950 m²	55,350 m²	190,000 m²

Source: Sydney Metro Authority

Note: figured updated October 2022

As the proposed development is for a concept approval only, pursuant to section 4.22 of the EP&A Act, future approval(s) will be sought for the detailed design and construction of the OSD elements. The future approval(s) will be required to be consistent with this Concept SSDA.

The proposed envelopes and land uses have been proposed in response to the site's fundamental opportunities and constraints, including:

- overshadowing and view impacts,
- the surrounding heritage context, and
- alignment with the strategic and statutory planning considerations.

Preliminary illustrations of the development are provided in **Figure 4**.

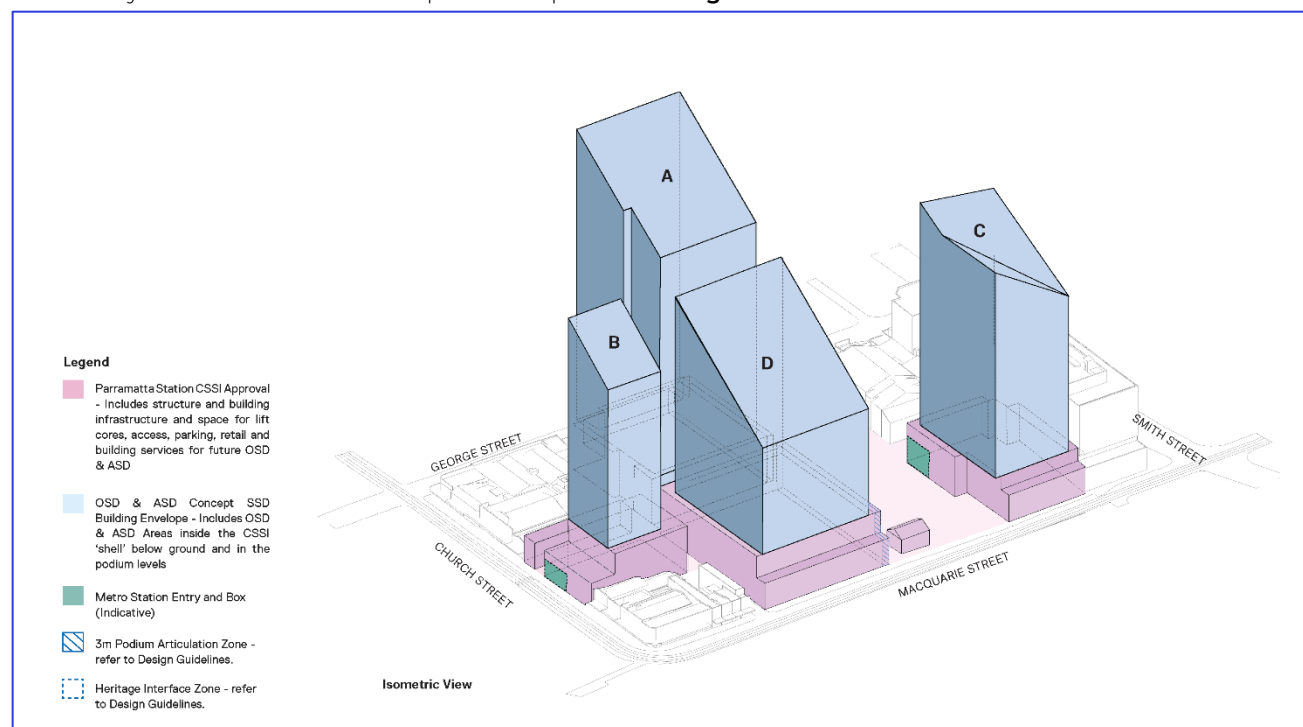


Figure 4 Proposed Building Envelopes

Source: Sydney Metro

3.0 Strategic policy context

This chapter provides an overview and summary of the strategic planning policies of relevance to the site and the proposed development. At a high level there are several policies that have been adopted and released that are of relevance to the economic context of the site, and the future development as a result of this proposal. A more detailed overview of the planning policy context is provided in the Environmental Impact Statement (EIS).

3.1 Key themes and drivers

A summary of key themes and drivers listed below:

- **Greater Sydney Region Plan:** supporting the 30 minute city aspiration and enhancing Greater Sydney's liveability, productivity and sustainability. The Greater Sydney Commission aspires for a '30 minute city', where each Sydney resident is able to access employment, open space and essential services within 30 minutes of their home. The site has the opportunity to deliver a key mixed use development that embodies a live/work/play environment within the high profile and central location in Parramatta CBD that is well connected to transport.
- **The Central City District Plan:** forms part of the broader Region Plan, and emphasises the role of Parramatta CBD as the metropolitan centre of the Central River City. A key role of Parramatta CBD is as a business and administrative hub, with up to +55,000 new jobs forecast to 2036. The Plan highlights the need to *increase capacity for new knowledge intensive jobs, including A-grade office floor space*. Specifically, the District Plan notes that to *'reinforce Greater Parramatta as one of Greater Sydney's metropolitan city centres, planning must deliver land use and infrastructure that:*
 - Provides capacity for jobs growth
 - Creates opportunities for investment and business
 - Enhances accessibility to a larger and more diverse labour pool
 - Improves business-to-business interactions and access to other job agglomerations.

Of specific relevance to the site, the District Plan notes that projects including Sydney Metro West have the opportunity to expand the commercial floorspace footprint, and that the planning of such a project should leverage new investment and economic development opportunities. The proposal is aligned to these objectives.

- **Parramatta Local Strategic Planning Statement:** The Parramatta Local Strategic Planning Statement (LSPS) has been set out in a way to achieve the vision for Greater Parramatta as the heart of the Central River City in the context of the District Plan. The LSPS notes that in 2016 there were 235,000 residents in Parramatta, with a forecast for +198,000 additional residents by 2036. This level of growth will require an additional +87,900 dwellings as stated within the LSPS, with much of this to be in the form of high-density apartment living.

The LSPS notes that in 2016 there were around 164,000 jobs in Parramatta LGA, with an additional +72,000 jobs forecast by 2036. It is forecast that around 60% of these jobs will be concentrated within Parramatta CBD, and Westmead Health and Education Precinct. There are an estimated 2.3 million people living within a 45-minute commute of the CBD, reflecting the highly central and accessible location of the Parramatta CBD in the context of Greater Sydney and emphasises the ability for the CBD to support jobs close to homes.

A key goal of the LSPS is to support the emerging night-time economy in Parramatta, generating day and night time activity. The LSPS emphasises that a residential population would help this goal, where it does not compromise the commercial and night time functions of the CBD. Importantly, the LSPS notes that the future City of Parramatta will need to have 'increased retail and commercial floor space within mixed-use development of local centres'.

Overall, key actions and priorities outlined within the LSPS that relate to the proposed development include:

- Support jobs growth in key employment centres (including the CBD) to reinforce Greater Parramatta's role as the Central City.
- Support the planning for the Sydney Metro West and Parramatta Light Rail Stage 1.
- Provide for a diversity of housing types and sizes to meet community needs into the future.
- Support the growth of Parramatta's night time economy with a focus on Parramatta CBD and Strategic Centres at Sydney Olympic Park, as well as Westmead.

- **City of Parramatta – Economic Development Strategy (2017-2021):** The City of Parramatta EDS aims to grow the number of jobs across the LGA by identifying key challenges and opportunities to the local economy, and articulating actions moving forward. The EDS notes the following about Parramatta CBD:

“Parramatta CBD doesn’t yet feel like a genuine CBD. This is in part due to the lack of density, population and the need for more A-Grade office space”.

The proposed development will support the ongoing evolution of Parramatta CBD as a contemporary live/work/play precinct that supports jobs both locally and regionally. The proposed scheme will support a balance of both workers and residents in the CBD, through the provision of prime office space and high-density housing close to transport.

Residents supported by the project will help activate the CBD at all hours, including in the evening and on weekends, which is imperative in stimulating activity and diversifying jobs and businesses across the CBD that can successfully operate outside of typical business hours.

The EDS outlines that retail development is “Critical to Parramatta CBDs success is its urban vitality, including a diverse and high quality retail offering. Unique and quality retail experiences have the potential to drive leisure visitation to Parramatta and change perceptions”. The EDS notes that the provision of more quality and unique retailers will help bring people into the CBD and drive visitation. The proposed scheme which includes some 7,850m² of retail floorspace will support this vision.

- **Community Strategic Plan:** The Parramatta Community Strategic Plan indicates that local residents of Parramatta LGA have a desire for the following (of relevance to the proposal):

- *“to be able to work close to home, and not spend lots of time commuting across Sydney. They want to see new, and larger companies basing their operations in Parramatta, and support for small business”.*
- *More diverse and affordable housing options, so that families of all income levels are catered for.”*

The proposed development will support the provision of jobs close to homes and greater diversity and affordable housing options in Parramatta, through the provision of new dwellings. Moreover, the provision of some 163,250m² of prime grade office space that aligns with contemporary office tenant requirements will support the ability for the CBD to attract larger groups and businesses.

- **Parramatta CBD – Planning Strategy (2015):** This plan sets out the vision for the growth and evolution of Parramatta CBD and emphasises the following key principles for Parramatta CBD:

- *Achieve a strategic balance of land uses*
- *Create a liveable, active and highly desirable city*
- *Promote economic diversity, prosperity, and jobs growth*
- *Facilitate the delivery of infrastructure to support Parramatta’s growth*

The proposed development will support a range of uses within a true live/work/play development, including the provision of prime grade commercial office space, as well as ancillary retail amenities and residential apartments that will support the ongoing activation of Parramatta CBD and reinforce the CBD as a major metropolitan centre in Greater Sydney.

3.2 Suitability of the development

The proposed development will deliver a mixed use development above a major transport node, support ongoing investment and leveraging the delivery of new transport infrastructure in Parramatta. The proposal will provide a mix of land uses that enables growth of both residents and workers in the CBD, reinforcing the role of the CBD as a prosperous centre for business and jobs, as well as a precinct that is highly liveable and active for residents. This vision is in line with goals of strategic policies, which aim to balance both jobs and housing within the Parramatta CBD, in order to ensure an active CBD both during and after hours, and on weekends.

Importantly, the project will support continued investment in Parramatta CBD by unlocking a key strategic site that will help to catalyse future investment, particularly in light of ongoing government infrastructure commitments. Most notably, the project is aligned with the recent gazettal of the Parramatta CBD Planning Proposal which outlines capacity for 46,000 new jobs and 15,000 dwellings within the CBD over the next 40 years. The provision of housing and jobs close to key critical transport infrastructure aligns with the vision to establish Sydney as a ‘30-minute city’.

4.0 Current economic context

This chapter provides defines the study areas that represent the core catchment area of relevance to the site and the proposed development. This chapter analyses the existing socio-economic characteristics of the community within the identified study areas in order to better understand the potential characteristics and context of the community that may utilise, or be impacted by, the proposed development.

4.1 Study area definition

For the purposes of this analysis, two study areas have been defined to represent the areas of influence for the proposed development.

- The **Primary Study Area (PSA)** represents the immediate resident and worker catchment within easy walking distance of the site, and also largely encompasses the Parramatta CBD. This area has been defined using ABS Statistical Areas (SA level 1) located within an 800m radius of the proposed site.
- For the purposes of this analysis, a **Secondary Study Area (SSA)** has been defined to reflect the local area. This has been defined to include the area within a 5km radius of the subject site.
- The **Parramatta LGA** has been defined to represent the regional context, while **Greater Sydney** has been analysed in order to benchmark demographic characteristics.

The demographic data has been drawn from the Australian Bureau of Statistics (ABS) 2016 Census of Population and Housing, with projection data extracted with reference to Transport for NSW Population and Employment projections. It should be noted that at the time of preparation in May 2022 the 2016 census was the latest available.

A map showing the designated Study Areas for this assessment is provided at **Figure 5**.

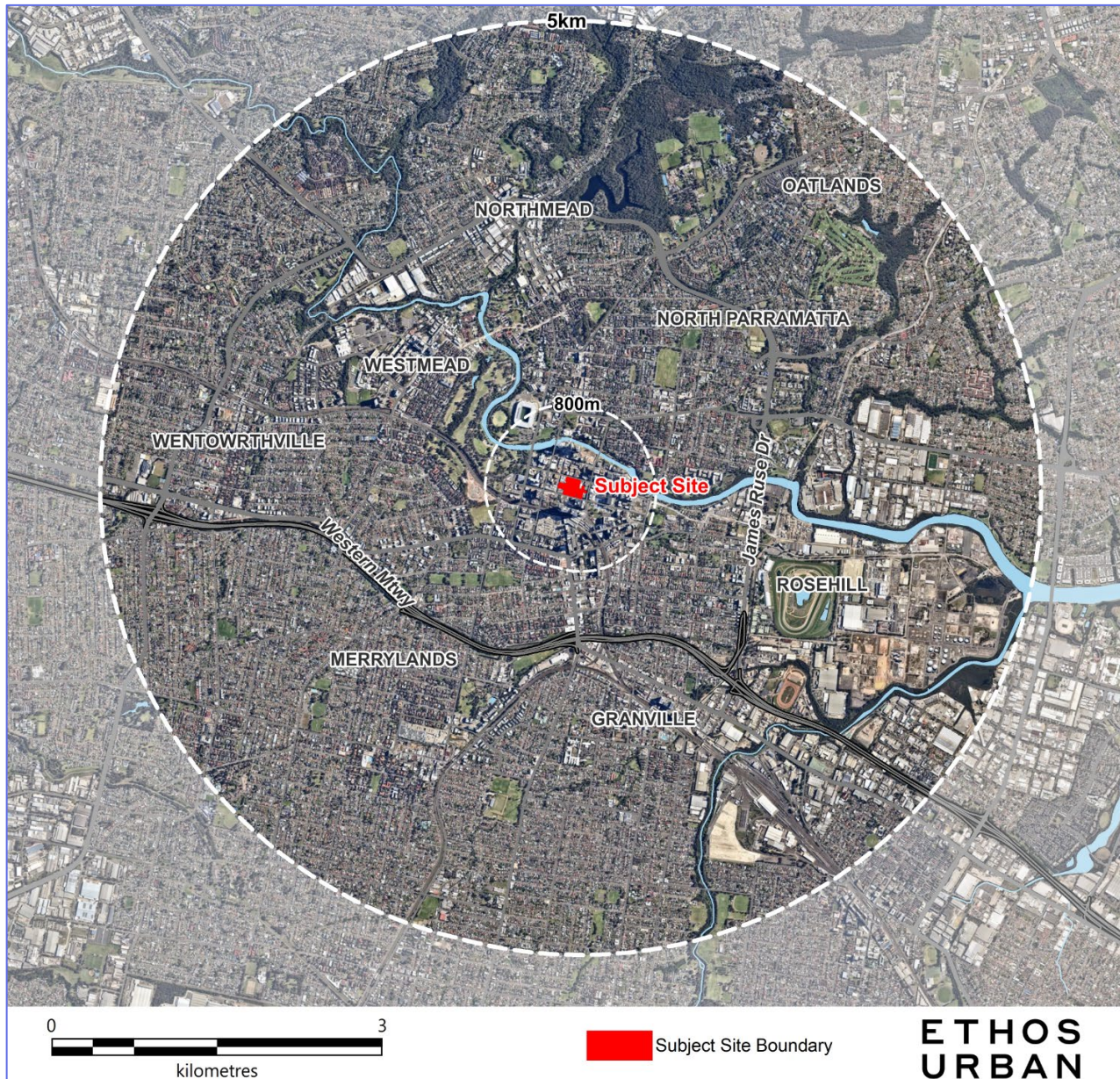


Figure 5 Primary and Secondary Study Area (800m and 5km)

Source: Ethos Urban; Bing Maps; Map created using MapInfo

4.2 Residential population growth

Historically, Parramatta CBD has supported a smaller proportion of residents due to its primary role as an employment centre; however, since 2011, the CBD has maintained steady residential growth. In 2011, the residential population of the PSA was approximately 9,000 persons and increased by +6,880 persons to reach 15,880 persons by 2022. This growth equates to an average annual growth rate of +5.3% per annum, significantly higher than the annual rate for Greater Sydney of +1.3% over the same period. A summary of population growth between 2011 and 2022 is provided in **Table 2** below.

Table 2 Historic Population Growth, 2011 to 2022

Population	2011	2016	2022	2011 to 2022
PSA	9,000	12,900	15,880	+6,880
SSA	172,640	193,840	213,740	+41,100
Greater Sydney	4,608,950	5,024,920	5,316,100	+707,150
Growth				
PSA		+780	+500	+630
SSA		+4,240	+3,320	+3,740
Greater Sydney		+83,190	+48,530	+64,290
Growth Rate				
PSA		7.5%	3.5%	5.3%
SSA		2.3%	1.6%	2.0%
Greater Sydney		1.7%	0.9%	1.3%

Source: ABS; TfNSW; Ethos Urban

Note: figures as per May 2022 version of report

4.3 Residential demographic profile

A summary of the resident population characteristics of the identified Study Areas is presented in **Table 3**. Demographic data has been drawn from the ABS Census of Population and Housing 2016. The data analysis provides a general overview of the demographic characteristics of residents within the Study Areas and is compared to the Greater Sydney benchmark. Key demographic characteristics of the Primary and Secondary Study Areas include:

- **PSA residents typically earn median annual household incomes that are comparable to the Greater Sydney benchmark of \$92,200.** This is with the exception of the SSA, where households earn a median annual household income of \$80,730, some -12% lower than the Greater Sydney average.
- **A low median age profile across all Study Areas** compared to the Greater Sydney median of 36.0. This includes a median age of 31.0 in the PSA, 33.0 in the SSA, and 34.0 across Parramatta LGA. The lower age profile in the PSA is largely driven by the significant share of residents aged 25-34 years, accounting for some 42.1% of the population, compared to 16.2% in Greater Sydney and 20.5% in Parramatta LGA. The PSA also has a low share of residents aged 60 years and over, representing just 5.6% of the resident population compared to 14.1% in the SSA, and 18.4% in Greater Sydney, respectively.
- **Family households are the predominate household type across all study areas** accounting for 67.9% of all households in the PSA, however, slightly lower than the compared average across the SSA and Greater Sydney - both at around 73.0% of all households. The share of lone person households across all study areas is similar to the Greater Sydney benchmark of 21.7%, however the PSA has a significantly higher share of group households at 10.4%, compared to 4.6% in Greater Sydney.
- **Flats, units or apartments are the predominate dwelling type within the PSA,** accounting for 96.6% of total dwellings. This is reflective of the high-density residential development occurring within, and in close proximity to, the Parramatta CBD. The SSA has a more diverse mix of dwelling types, where 43.2% of dwellings are flats, units or apartments, and 39.4% are separate houses.
- **Home ownership rates are low compared to Greater Sydney across all study areas,** with a high share of rented dwellings in the PSA (77.4%), as well as the SSA (50.5%) and Parramatta LGA (42.5%). This compares to Greater Sydney where 35.1% of total dwellings are rented. In particular, the share of dwellings owned outright within the PSA is extremely low at just 7.1%, compared to 21.0% in the SSA and 30.0% in Greater Sydney. This data highlights that residents in Parramatta LGA, and particularly those living within and close to Parramatta CBD typically do not own their home. This is consistent with an inner city population, including a high share of young residents.
- **Study area residents are well educated,** with 68.0% of PSA and 58.0% of Parramatta LGA residents having non-school qualifications. This compares to around 52.0% of residents within non-school qualifications in both the SSA and Greater Sydney.

- **PSA residents predominately work in white collar occupations** including some 43.0% of residents working as professionals, compared to Greater Sydney at just 26.3%. This highlights the significance of the Parramatta CBD as a key commercial office destination.

The above demographic data highlights that the resident profile of the local area is representative of an inner city population, largely characterised by young working professionals who are well educated. Residents typically live in flats, units or apartments, have low rates of home ownership, and earn average incomes. This demographic would associate strongly with the proposed integrated mixed use project proposed as part of the OSD including contemporary commercial office space, residential and retail facilities.

Table 3 Residential Demographic Profile, 2016^a

Category	Primary - 800m	Secondary - 5km	Parramatta LGA	Greater Sydney
Income				
Median household income (annual)	\$92,980	\$80,730	\$92,250	\$92,200
Variation from Greater Sydney median	0.8%	-12.4%	0.1%	na
% of Households earning \$2,500pw or more	24.0%	23.2%	29.4%	31.8%
Age Structure				
Median Age (years)	31.0	33.0	34.0	36.0
Household Composition				
Couple family with no children	27.6%	21.2%	23.6%	23.8%
Couple family with children	32.6%	39.2%	40.6%	37.5%
Couple family - Total	60.2%	60.5%	64.2%	61.3%
One parent family	6.1%	10.9%	9.8%	11.1%
Other families	1.6%	1.9%	1.4%	1.3%
Family Households - Total	67.9%	73.2%	75.4%	73.7%
Lone person household	21.8%	21.6%	20.1%	21.7%
Group Household	10.4%	5.2%	4.6%	4.6%
Dwelling Structure (Occupied Private Dwellings)				
Separate house	0.5%	39.4%	45.9%	57.2%
Semi-detached, row or terrace house, townhouse etc.	0.8%	16.9%	15.3%	14.0%
Flat, unit or apartment	96.6%	43.2%	38.5%	28.2%
Other dwelling	2.1%	0.5%	0.3%	0.5%
Occupancy rate	93.2%	93.2%	93.4%	92.3%
Average household size	2.5	2.9	2.8	2.8
Tenure Type (Occupied Private Dwellings)				
Owned outright	7.3%	21.0%	25.3%	30.0%
Owned with a mortgage	15.1%	27.6%	31.4%	34.2%
Rented	77.4%	50.5%	42.5%	35.1%
Other tenure type	0.2%	0.9%	0.9%	0.7%
Highest Level of Non-School Qualification				
Postgraduate degree	29.3%	19.0%	19.9%	13.9%
Graduate diploma or certificate	3.3%	2.8%	3.4%	3.4%
Bachelor degree	50.1%	39.4%	41.0%	36.4%
Advanced diploma or diploma	9.9%	16.9%	16.0%	17.7%
Certificate	7.5%	21.8%	19.8%	28.6%
% of persons with non-school qualifications ^b	68.0%	52.5%	58.0%	52.7%

Source: Australian Bureau of Statistics (ABS) 2016 Census of Population and Housing

Note: a. figures as per May 2022 version of report; b. counting only persons 15 years and above and excludes not-stated and inadequately described.

4.4 Workers and business profile

A summary of the demographic profile of local workers within the study areas is outlined below:

- **Economic specialisation:** The PSA has a high share of office based workers, including knowledge based and traditional officer workers, reflecting the level of skilled industries and workers in and around Parramatta CBD. Other industries including health and education are more prominent across the SSA and Parramatta LGA, predominately driven by employment concentrated within Westmead precinct.
- **White collar occupations:** The majority of workers are employed in white collar occupations, accounting for 90.2% of workers in the PSA most notably. Across the other study areas, the share of white-collar workers is still high, at around 78.0% in both the SSA and Parramatta LGA, compared to the Greater Sydney benchmark of 76.3%.
- **Less car dependent:** Workers in the PSA have greater reliance on public transport compared to the other study areas, where 41.1% of workers used public transport as a means of getting to work. This is indicative of the high level of public transport accessibility connecting the Parramatta CBD, including both trains and buses, and in the future the Sydney Metro West services. The SSA and Parramatta LGA are typically more car dependent, with 63.9% and 64.4% of workers using vehicular travel to their place of employment.
- **Workers live some distance away:** Over half of workers (54.2%) travel between 10-30km to their place of work in the PSA. This is higher than the Greater Sydney benchmark of 38.6% and reflects the role of the Parramatta CBD as a regional employment and activity centre, providing jobs and services for residents across Greater Sydney.

Table 4 Worker Demographic Profile, 2016

	Primary - 800m	Secondary - 5km	Parramatta LGA	Greater Sydney
Broad Industry Categories				
Industrial	5.9%	16.3%	17.8%	16.9%
Population Serving	17.1%	24.0%	24.1%	30.0%
Knowledge workers	31.8%	15.8%	18.2%	20.6%
Traditional Office	35.1%	19.5%	17.6%	11.6%
Health and Education	10.0%	24.5%	22.2%	21.0%
BIC total	100.0%	100.0%	100.0%	100.0%
Occupation				
White Collar	90.2%	78.3%	78.6%	76.3%
Blue Collar	9.8%	21.7%	21.4%	23.7%
Mode of travel to work				
Public Transport	41.1%	21.6%	20.8%	23.7%
Vehicle	44.5%	63.9%	64.4%	57.8%
Active Transport	4.2%	3.3%	3.2%	4.8%
Other Mode	0.2%	0.4%	0.4%	0.5%
Worked at home or Did not go to work	9.1%	9.9%	10.4%	12.3%
Mode not stated	0.9%	1.0%	0.9%	0.9%
Distance to work				
Nil distance	0.2%	2.8%	3.7%	6.0%
Over 0 km to less than 2.5 km	6.3%	7.1%	6.5%	10.0%
2.5 km to less than 10 km	22.5%	25.8%	25.7%	31.2%
10 km to less than 30 km	54.2%	49.9%	49.7%	38.6%
30 km to less than 50 km	12.4%	10.4%	10.2%	8.9%
50 km to less than 250 km	4.0%	3.5%	3.6%	4.5%
250 km and over	0.5%	0.5%	0.6%	0.8%

Source: Australian Bureau of Statistics (ABS) 2016 Census of Population and Housing

Note: figures as per May 2022 version of report

5.0 Future economic context

This chapter considers the future economic context of the Study Areas and considers how different trends are emerging and shaping different property sectors of relevance to the proposed development. This chapter also presents the future resident and worker profile of the Study Areas. The methodology adopted in this chapter is summarised as follows:

- Identify key **economic trends** that are shaping the economic development across a range of sectors.
- Adopt Transport for NSW (TfNSW) (2020) resident and employment projections as **baseline projections**.
- Update these baseline projections with the latest data and strategic planning policy context. This includes rebasing population projections with recent population data to account for the impacts of COVID-19 on population growth, and a review of the development pipeline in Parramatta CBD in order to factor into short to medium term employment growth. The result is the creation of a set of **new projections**.

5.1 Economic trends

A number of key economic trends have emerged in recent years that have implications for physical property including residential, retail and commercial uses.

5.1.1 Broad industry trends

The trends of most relevance to the future growth and development of Parramatta and the OSD site are summarised and outlined below:

- **Transport infrastructure** - Will improve accessibility and alignment between households and workplaces, retail, health and education. In Parramatta, the Sydney Metro West project as well as the Parramatta Light Rail will be of particular relevance.
- **Knowledge economy** - Growth in the information and knowledge sectors are becoming a targeted form of generating economic activity and supporting employment growth. Knowledge economy workers are typically skilled and are less reliant on physical office space given the nature of their skills is reliant on them personally as compared to physical products or machines which enables greater flexibility in terms of when and where they work.
- **Information Communication Technology (ICT)** - Technology will play a vital role in communities, influencing how we live, work, play and interact in the future. From a business point of view, the transition towards an ICT society can enhance automation and connectivity. One key area of impact has been in the support for Work From Home (WFH) capabilities and worker requirements.
- **E-commerce and the experience economy** - Online retail is transforming the way the retail sector operates, with implications for traditional shopping centres and brick and mortar retailers, as well as the logistics sector. Consumers are showing a preference for 'experiences' over 'products' which for physical retail stores suggests an increased focus on food, dining, entertainment and services.
- **COVID-19** - While the magnitude of impacts and long-term consequences remain uncertain, the effect of the pandemic are likely to have impacts on a range of land uses. This includes short-term impacts on population growth, student and international visitation, and also medium to longer-term impacts which may include a structural shift in community and individual lifestyles, as well as work and home arrangements.

A summary of the short term demand effects of these trends, on a range of land uses is illustrated in **Table 5**.

Table 5 Trends and Land Uses – Short Term Demand Implications

Trend	Residential	Retail	Commercial
Transport Infrastructure	←	←	←
Knowledge Economy	←		←
Information Communication Technology			←
E-commerce and the experience economy		←	
COVID-19	←	←	←

5.1.2 Modern tenant commercial requirements

Parramatta CBD continues to evolve as a key strategic centre of Sydney. Significant investment activity within the private and public sector, changing patterns of work, improved accessibility and infrastructure, as well as shifts in modern tenant requirements are supporting this change.

In order to ensure that the Parramatta CBD office market becomes a viable commercial office destination in the future, it is vital that quality commercial office developments are delivered to enable the precinct to compete with other commercial office destinations across Greater Sydney.

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

There has been a heightened focus on employee and tenant wellness, and the impact that buildings can have on overall human health. This has emerged through initiatives such as the WELL Building Standard (WELL), described as a “performance-based system for measuring, certifying, and monitoring features of the built environment that impact human health and wellbeing, through air, water, nourishment, light, fitness, comfort, and mind’ (Well Building Institute).

The attributes of a ‘WELL’ certified building are important aspects that a new building can offer in a post COVID environment, particularly in capturing and maximising the relationship between people’s health and the built environment.

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

The current global pandemic has had a significant impact and transformation on commercial office working environments. COVID-19 has resulted in the necessity to work from home, particularly during the height of the pandemic with impacts to commercial office market demand.

The result of COVID-19 will mean that the way businesses and office tenants use their space will continue to evolve. In response to the pandemic, commercial office buildings will play a central role in the recovery and enhance opportunities to improve the way we work in a safe environment.

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

- Occupiers have preference for prime quality buildings with available space that provide large contiguous floorplates with efficient building layouts and high quality design.
- Preferred floorplates for major occupiers are whole floors with large floorplates of at least 1,500m² or larger.
- Occupiers seek high quality spaces that typically achieve sustainable and wellness outcomes including NABERS, Green Star and WELL ratings.
- Tenants seek flexible spaces that allow for up and down scaling, active working spaces that enable collaboration internally and externally, and 24 hour access.
- Clustering benefits including being within activated spaces that offer retail amenities, outdoor open space and accessibility to public transport.

5.1.3 High-density living and live/work/play centres

Sydney is continuing to evolve with areas of high-density, particularly focused around key public transport nodes. This trend will continue as Sydney's population grows and land remains constrained. The result is increased demand for locations for people to reside that are close to jobs, amenities, as well as community and social infrastructure. Parramatta is a prime example of a higher density precinct.

Some of the key success factors attributed to a vibrant higher density precinct include:

- Walkability and access to public transport.
- Adjacent to retail facilities.
- Accessibility to employment centres.
- Accessibility to education and health facilities.
- Vibrancy and amenity.
- Access to quality public open spaces.

5.1.4 Rising costs and housing diversity

Housing affordability in Sydney remains a social, economic and political challenge. The ability to provide for increased housing stock and diversity (across a range of sizes and price points) in key strategic centres and locations, will support affordability and result in increased community benefits.

In the current economic climate, rising inflation and interest rates will further add to pressure on household finances. The ability to provide for increased housing supply and addition dwellings in close proximity to high amenity precincts (such as at Parramatta), will help to provide for more affordable housing options for the local community.

5.1.5 Benefits of walkable, mixed-use neighbourhoods

Co-locating housing, employment, social infrastructure, retail, public transport and daily living needs within dense, mixed-use precincts supports urban activation and amenity. Clustering destinations, such as housing, shops, schools, libraries, cafes, medical centres and so on, makes it more convenient for residents to access a variety of needs within one location. Mixed-use precincts encourage walking and active transport, supports the viability of local retail and social infrastructure, as well as increased activity on the street and improved perceptions of safety.

The co-location of housing, social infrastructure, and services has the potential to significantly decrease car dependency and encourage walkability. Walkability can have substantial effects on the health and wellbeing of populations:

'People who live in a pedestrian-friendly designed environment participate much more in social life and have greater confidence in their environment. That proved a significant gain in 'social capital' and thus a

better quality of life... Against this backdrop walkability is understood as a comprehensive approach for a liveable sustainable city and does not only mean walk-friendliness.’¹

5.1.6 COVID-19 impact on retail

In addition to key changes underway in the retail sector, such as a focus on retail ‘experiences’ and adapting to 24/7 online services and capability, during the COVID-19 pandemic, the operation of retail businesses changed significantly. There has been an increased emphasis on home delivery and takeaway of groceries and other items, as well as expanded push for online shopping options. This is across all retailers, from major retailers to small restaurants, cafes and bars that adapted to provide takeaway options for customers to support local businesses.

One of the primary impacts of the COVID-19 pandemic has been the increased shift for workers to work-from-home (WFH). Analysis of COVID-19 working patterns has highlighted the importance of the need for the “revitalisation of suburbia”, in which local and suburban business can capture the “redistributive effect” of increased WFH arrangements. While the long term implications of COVID-19 remain uncertain, the pandemic has reinforced the importance of local community centres and retail precincts, highlighting the benefit of co-locating retail with other services and facilities in local centres, to improve convenience for local residents and reduce the number of trips that need to be taken outside of their immediate region, either by public or private transport.

5.2 Resident population projections

Resident population projections have been prepared using the latest official projections from TfNSW and rebased to the latest ABS population estimates. An examination of historic trends, recent building approvals data and future developments, as well as net internal and overseas migration have also been considered. These projections also factor in the likely impact on population growth over the short term as a result of the COVID-19 pandemic and border closures in recent years.

A detailed summary of population projections are presented in **Table 6**, and the key findings include:

- In 2022, the PSA had an estimated resident population of 15,580, and is forecast to increase substantially to 24,380 by 2036, reflecting an additional +8,500 residents.
- The SSA represents a more extensive area, reflected through the 2022 population of 213,740 residents. The number of residents within the SSA is forecast to increase to an estimated 280,740 by 2036, representing a significant increase of +67,000 residents over the next 14 years. This represents around 5.3% of all growth across Greater Sydney over this period.

Strong residential population growth within the PSA and SSA will generate demand for new and diverse housing stock, both over the short, medium and long term. In particular, the strong growth within the PSA emphasises the need for housing within Parramatta CBD, that is close to transport, jobs and services.

¹ Tran, M. 2021, ‘Healthy cities – walkability as a component of health-promoting urban planning and design’, Journal of Sustainable Urbanization Planning and Process, vol. 1, no. 1.

Table 6 Projected Population Growth, 2022-2036

Population	2022	2026	2031	2036	2022 to 2036
PSA	15,880	19,570	22,670	24,380	+8,500
SSA	213,740	243,610	266,550	280,740	+67,000
Greater Sydney	5,316,100	5,695,810	6,153,290	6,590,750	+1,274,650
Average annual change (no.)		2022-26	2026-31	2031-36	2022-2036
PSA		+920	+620	+340	+610
SSA		+7,470	+4,590	+2,840	+4,790
Greater Sydney		+94,930	+91,500	+87,490	+91,050
Average annual growth (%)		2022-26	2026-31	2031-36	2022-2036
PSA		5.4%	3.0%	1.5%	3.1%
SSA		3.3%	1.8%	1.0%	2.0%
Greater Sydney		1.7%	1.6%	1.4%	1.5%

Source: ABS, Transport for NSW, Ethos Urban

Note: figures as per May 2022 version of report

5.3 Worker population projections

5.3.1 Broad industry classification definition

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

For the purposes of estimating employment projections, these ANZSIC industries are grouped into Broad Industry Categories, as these Broad Industry Categories have similar economic drivers (see **Table 7** for classification). For instance, many industries provide population services, such as household services, and construction services. As population growth increases so too does the demand for employment within these industries – all else being equal.

For other industry groupings, such as, 'industrial', technological trends are changing the way these businesses operate by utilising more equipment and machinery and less labour, these businesses are reducing their overall demand for labour as a proportion of output, and as such, jobs growth is expected to be proportionately lower going forward (see **Table 7** below).

The key drivers and an overview of each category is defined below:

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

A growth outlook and growth projection is applied to each of the Broad Industry Categories and is summarised in **Table 7**.

5.3.2 Employment projections

The employment projections adopted for the Study Areas have been through an iterative approach that has considered official employment estimates from Transport for NSW, as well as growth estimates outlined within the planning documents for the CBD including the Central City District Plan, and the Parramatta CBD Planning Proposal. The projections prepared also reflect known developments in Parramatta CBD in the short to medium term in order to understand the immediate employment growth context of the CBD.

Employment projections for the Study Area are presented in **Table 7**. In the PSA, employment is projected to increase from 59,260 in 2022 to 114,330 by 2036, an increase of +55,070 jobs. This includes an increase in the number of office-based workers by +37,230 (including knowledge workers and traditional office workers). This reflects the ongoing evolution of Parramatta CBD as a key commercial office and employment centre within Greater Sydney.

Other key growing industries include the health and education sector of +7,810 jobs by 2036. Beyond the PSA, health and education would likely be a significant source of jobs growth within the SSA in part, due to the ongoing expansion of the Westmead Precinct.

Population serving industries that include employment in activities such as construction and retail trade are estimated to increase by +7,800 workers by 2036. The proposed development will support construction jobs during the construction phase of the project, and retail employment once complete and fully occupied.

While a proportion of local residents are also likely to work in the region, the above highlights the continued focus on employment growth and development within Parramatta CBD as a key employment and activity centre.

Table 7 Worker Projections by Broad Industry Category, PSA, 2022-2036

ANZSIC industry	Broad Industry Categories	2022		2036		Change (2022-2036)
<ul style="list-style-type: none"> Agriculture, Forestry and Fishing Mining Manufacturing Electricity, Gas, Water and Waste Services Wholesale Trade Transport, Postal and Warehousing Construction Retail Trade 	Industrial	3,170	5.3%	5,400	4.7%	+2,230
<ul style="list-style-type: none"> Accommodation and Food Services Arts and Recreation Services Other Services Information Media and Telecommunications 	Population serving	10,150	17.1%	17,950	15.7%	+7,800
<ul style="list-style-type: none"> Financial and Insurance Services Professional, Scientific and Technical Services Rental, Hiring and Real Estate Services 	Knowledge workers	18,810	31.7%	36,670	32.1%	+17,860
<ul style="list-style-type: none"> Administrative and Support Services Public Administration and Safety 	Traditional office workers	20,610	34.8%	39,980	35.0%	+19,370
<ul style="list-style-type: none"> Education and Training Health Care and Social Assistance 	Health and education	6,530	11.0%	14,340	12.5%	+7,810
Total		59,260	100.0%	114,330	100.0%	+55,070

Source: TfNSW, Central City District Plan; Ethos Urban

Note: figures as per May 2022 version of report

5.4 Other customer segments

In addition to local residents and workers, additional demand is likely to be directed to future uses at the proposed development from students and visitors/commuters to Parramatta. These customer segments are highly likely to arrive to Parramatta via the future Metro station and will pass through the subject site in order to attend other facilities within Parramatta including educational, cultural or retail facilities.

Reflecting the composition of the proposed development, it is likely that the retail uses will be among the most utilised by students and visitors/commuters. As such, these customer segments, while a small component, will support additional demand for the uses planned at the OSD above and beyond local residents and workers.

6.0 Competitive environment

This chapter provides an overview of the competitive context for the site. It includes a review of the existing provision of facilities within the Parramatta CBD, specifically in relation to commercial, retail and residential uses which will be of most relevance for the proposed development. A detailed analysis of the future competitive context future context is also provided. The data and analysis in this chapter was prepared in May 2022.

6.1 Evolution of Parramatta CBD

Parramatta CBD is a key activity and employment centre within central Sydney, and is one of the fastest growing office markets in Australia. Broadly, Parramatta CBD is undergoing a period of urban transformation and gentrification, driven by significant investment in both the private and public sector. Other factors including improved accessibility, a shift in modern tenant requirements and state and local government strategies supporting high density residential and commercial developments in the CBD are also driving this change.

In recent years, Parramatta CBD has undergone significant change, from being a fringe office market, to an emerging core market and mixed used precinct, with a focus on delivering community infrastructure and premium employment spaces. In particular, the recent gazettal of the Parramatta CBD Planning Proposal will enhance the capacity for growth and change, enabling increased heights and capacity for residential and commercial projects. This includes the capacity to gain estimated 1.5 million square metres of new commercial floor spaces, positioning Parramatta CBD as a competitive office market within Sydney.

The changes and transformation of Parramatta CBD is evident through already completed and planned private sector developments, and government infrastructure including the Parramatta Light Rail and Sydney Metro West. A number of new developments are replacing existing dated buildings in order to provide for higher density mixed use spaces with a large focus on commercial and residential development.

6.2 Existing competitive context

The CBD currently supports a range of employment related uses, including commercial offices, retail facilities, education and training, and other community uses. Parramatta CBD also houses a number of residents, largely within high density residential apartments within the city centre. A summary key land uses within the Parramatta CBD is provided in **Table 8**, with details on key precincts within the CBD as follows:

- **Westfield Parramatta:** A regional shopping centre supporting some 137,645m² of retail GFA. The centre is anchored by David Jones, Myer, Kmart, Target, Coles and Woolworths, and support 28 mini majors and 411 specialities. Pre COVID-19, the centre was receiving 33.5 million visitors per year (2019-2020), emphasising the role of the centre as a major retail shopping destination (Shopping Centre News).
- **Church Street:** Includes Parramatta's 'Eat Street', a highly activated entertainment and dining precinct with restaurants, bars, and cafes along a pedestrianised boulevard with a provision of outdoor seating. A light rail station as part of the Parramatta Light Rail Stage 1 is currently under construction which will facilitate the further connection and activity of Eat Street. The remainder of Church Street has a number of retail shops and services with a primarily convenience based focus.
- **Parramatta Square:** Is a \$3.2 billion commercial precinct, located between Darcy Street and Macquarie Street, immediately south of the subject site. Currently, Parramatta Square comprises four premium commercial towers across 240,000m², and a 10,000m² public domain. This existing floorspace also includes the Western Sydney University Parramatta City Campus. The remainder of Parramatta Square is under construction, and proposes a further 3 commercial towers, as well as a civic centre and other community uses.

Table 8 Parramatta CBD Competitive Context

Sector	Parramatta CBD
Commercial	Parramatta CBD is the second largest commercial office market within Greater Sydney, supporting around 887,268m ² of commercial office stock as of January 2022 (PCA Office Market Report). Many of the 'new' and contemporary commercial offices within Parramatta are high rise buildings, located throughout the CBD with concentrations along Phillip Street, and around Parramatta Square. These buildings are occupied by a mix of private companies and government agencies.
Retail	Parramatta CBD supports a range of retail services and facilities, with over 200,000m ² of retail floorspace estimated. This floorspace includes major retail centres such as Westfield Parramatta, which is the main retail destination in the CBD for centre-based shopping, while Church Street offers a diversity of on street food and dining. The Entrada shopping centre is located to the north of Parramatta River and includes a mixed use development supporting a supermarket and convenience-based retails goods and services.
Residential	Residential development in Parramatta CBD is predominately in the form of flats, units or apartments, accounting for 96.6% of total dwellings (ABS 2016). These dwellings are within a mix of medium to high density developments.
Other	Other major destinations within the CBD include several educational facilities. This includes the Western Sydney University (WSU) vertical campus at Parramatta Square, as well as the Arthur Phillip High School - NSW first public high-rise school. In addition, the recent completion of 6 Hassell Street has delivered a new education and innovation campus to the CBD. This is a collaborative project between WSU and Charter Hall, and includes some 30,440m ² of GFA comprising the WSU Engineering Innovation Hub, commercial offices, food and beverage facilities, and community spaces.

Source: Ethos Urban

A range of other major centres are provided beyond the Parramatta CBD, with key precincts of most relevance to the proposed development including:

- **Westmead Precinct:** Located around 2km to the north-west of the Parramatta CBD is a major health, education, research and training precinct within Australia, comprising more than 400,000m² of predominately health and education floorspace serving the Western Sydney region. The precinct has strong connectivity to Parramatta, particularly through Stage 1 of the Parramatta Light Rail.
- **Sydney Olympic Park:** Located around 8km to the south-east of the Parramatta CBD, has traditionally been a major entertainment and sports precinct within Greater Sydney (focused around Stadium Australia). However, over time this precinct has evolved into a mixed use destination, with employment uses, as well as a large residential community. Specifically, Sydney Olympic Park supports a number of commercial office premises within medium to high rise buildings, and includes tenants such as Cricket NSW, Sydney Water and Swisslog. There are also a number of educational administration facilities within the precinct including the Universities Admissions Centre, University of Sydney and Kirana Colleges. The precinct also supports a number of retail facilities, particularly food and beverage with a focus on takeaway food services to cater to event patrons.

Residential development within Sydney Olympic Park has also increased, with major developments such as Pavilions (by Mirvac), Botania (by Meriton), Boomerang Tower and Australia Towers, supporting an increasing residential population in this precinct. This continued growth will further benefit from the opening of Sydney Metro West, and Parramatta Light Rail Stage 2, which will directly connect Sydney Olympic Park to Parramatta CBD improving travel time.

- **Sydney CBD:** Located some 25km from the Parramatta CBD, forms the major commercial office destination within New South Wales, providing over 5 million square metres of commercial office floorspace, and serves a critical role in Australia's national economy. Sydney CBD supports thousands of retail businesses and jobs across an estimated 550,000m² of retail floorspace. Sydney CBD also supports a residential population and is a key destination for tourism, culture and entertainment. Upon the completion of Sydney Metro West, Parramatta will have fast and frequent access to Sydney CBD.

6.3 Proposed competitive context

6.3.1 Development investment activity

There is a significant pipeline of development activity within Parramatta. The extent of this pipeline is shown below in **Figure 6**, which highlights that there is currently around \$6 billion in major development investment activity, excluding transport projects such as the Parramatta Light Rail and Sydney Metro Station. It is important to note that when calculating investment activity, proposed developments were classified based on primary land use, and this summary only includes projects with an investment value of \$50 million or more to capture major projects (sourced from Cordell Connect). Many of the residential and mixed use development proposals include a small component of commercial or retail space, and as such figures presented by category should be treated as estimates only.

Notably, there is a significant amount of proposed or approved commercial floorspace within Parramatta, with around \$2 billion in investment activity occurring within this sector, equating to over a third of total investment activity for major projects. Similarly, there is also a significant amount of mixed use projects proposed or approved, representing around \$1.8 billion in investment activity. As noted, many of these mixed use projects also include small components of retail and commercial floorspace, and in some instances accommodation uses.

Investment in education and health is relatively small compared to other sectors. This is likely due to the proximity of Parramatta to Westmead, with significant amounts of investment in these sectors being directed to Westmead Precinct. Community uses include developments such as the civic centre at Parramatta Square, and the Powerhouse Museum.

Investment in the accommodation sector of circa \$300 million is a conservative figure, with a significant share of accommodation floorspace also absorbed in larger mixed used projects.

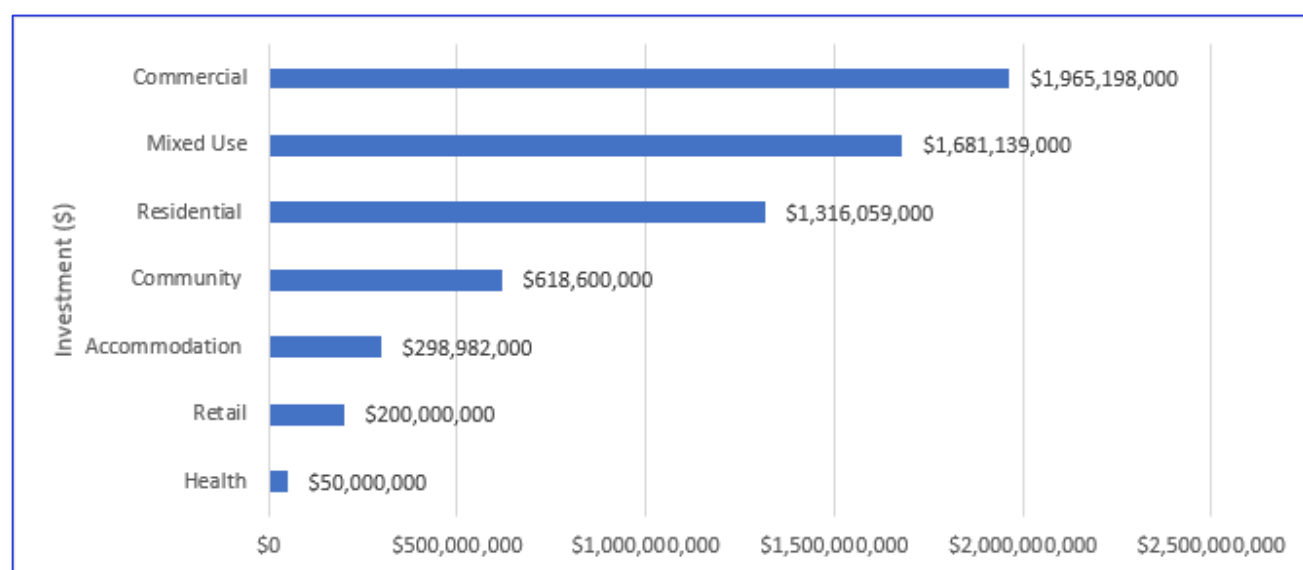


Figure 6 Development Investment Activity (major projects) – Parramatta

Source: Cordell Connect, Ethos Urban

Note: Does not include investment activity at the site or projects with a value of less than \$50 million

6.3.2 Competitive major projects

The following proposed developments represent the most significant projects within Parramatta CBD based on estimated value (Cordell Connect). The CBD is experiencing significant investment activity across a range of sectors, including commercial office, retail, residential, accommodation, and community infrastructure. A summary of major development projects in Parramatta CBD with a project value of \$100 million or more is provided in **Table 9**.

The table outlines that there is around 550,000m² of commercial office floor space in the pipeline to 2028. Key projects of significance that are either being planned or under construction within Parramatta CBD include:

- **Parramatta Square:** the remaining stages of Parramatta Square are approaching completion (in late 2022). The total project value of the remaining Parramatta Square developments combined is around \$775 million, and includes the development of the following:
 - **Tower 6 and 8** a 56-storey commercial tower comprising 128,568m² of commercial floorspace, and ground floor retail floorspace. The development will also include a function centre as part of the commercial component.
 - **Civic Centre (Phive)**: Construction of a new 6 storey civic centre, comprising community, commercial and retail land uses. The project will form the new Parramatta Council Chambers and will include a number of publicly accessible spaces such as exhibition spaces, a community library, learning areas, technology rooms and maker spaces.
- **Westfield Parramatta:** is currently undergoing a major transformation, including the delivery of a commercial office tower, and the repositioning and expansion of the retail centre. The development at the site includes the following:
 - **The Argyle Tower**: A \$670 million project involving the construction of a 47-storey tower comprising 105,000m² of commercial floorspace. This project is still within the planning stages, and completion is estimated for 2027.
 - **Retail Expansion**: Refurbishment and expansion of the existing centre, to include an additional 31,495m² of retail GFA.
- **Remainder of CBD:**
 - Burramatta Place - Construction of a new commercial office precinct comprising a tower of 57 storeys accommodating 125,000m² of office space. The project estimated at \$500 million, is currently in the planning stages, with completion projected for 2026.
 - Powerhouse Parramatta: The new MAAS arts and cultural precinct located along the Parramatta River. The project includes a new museum, public presentation spaces, co-working spaces, 60 serviced apartments, beds for students and education spaces. The project is under construction and due for completion in 2024.
 - Former Cumberland Media Centre: Construction of a mixed use development is to comprise a 60 storey residential tower and two additional buildings of 35 levels and 25 levels to accommodate 964 units and 21,000m² of commercial space. This project is estimated at \$500 million and has planning approval.
 - South Quarter: Construction of a \$381 million project comprising 3 towers including 777 apartments, 275 hotel rooms, and a 5,000m² supermarket. The project is in the planning phase and is estimated for completion in 2025.
 - The Octagon (110 George Street): A commercial and hotel accommodation project with a total of GFA of 81,615m². The project is currently in the planning stage, with completion estimated for 2027.

Table 9 Parramatta CBD – Major Competitive Projects

Project	Type	Other Uses	Status	Estimated Project Value (\$m)	Estimated Total GFA (m ²)	Commercial GFA (m ²)	Number of dwellings (no.)	Estimated completion
Parramatta Square (Remaining Stages)	Commercial	Civic Centre	Construction	\$775,869,000	135,168	128,568	n/a	2022
Argyle Tower	Commercial	n/a	Planning	\$670,000,000	105,000	105,000	n/a	2027
Burramatta Place (GPT)	Commercial	Retail	Planning	\$500,000,000	125,000	125,000	n/a	2026
Former Cumberland Media Centre	Mixed Use	Residential, Commercial	Planning	\$500,000,000	n/a	21,000	964	n/a
Powerhouse Parramatta	Community	Accommodation, retail	Construction	\$400,000,000	24,516	n/a	n/a	2024
South Quarter	Mixed Use	Accommodation, residential	Planning	\$381,208,000	n/a	n/a	773	2025
The Octagon	Mixed Use	Commercial, accommodation	Planning	\$338,242,000	81,615	n/a	n/a	2027
197-207 Church Street	Mixed Use	Accommodation, Commercial	DA submitted	\$265,018,250	49,011	29,211	n/a	n/a
George Street Mixed Use Development	Residential	Childcare, retail	Construction	\$228,808,000	91,753	n/a	1,024	2022
130 George Street	Commercial	n/a	Planning	\$208,125,000	48,338	48,338	n/a	2024
Westfield Parramatta - Retail	Retail	n/a	Construction	\$200,000,000	31,495	n/a	n/a	2023
Hunter and Marsden on the Square	Health	Accommodation	SSDA Submitted	\$150,000,000	17,000	n/a	n/a	2026
Parramatta Leagues Hotel	Accommodation	n/a	Possible	\$143,000,000	13,364	n/a	n/a	2025
2-10 Valentine Avenue	Commercial	n/a	Construction	\$138,500,000	30,746	30,746		2025
Albion Hotel	Residential	Retail, Commercial	Planning	\$132,000,000	n/a	4,360	441	2025
12 Hassall Street	Residential	Retail, Commercial	Planning	\$124,774,000	n/a	3,900	328	2028
5-7 Charles and 116 Macquarie Street	Residential	Commercial, retail, library	Construction	\$106,994,000	41,837	5,354	382	2026
St Johns Cathedral	Mixed Use	Residential, Community	Proposal Submitted	\$100,000,000	63,000	44,000	168	2028

Source: Cordell Connect // Note: Includes projects with an estimated value of \$100 million and over only; Note: figures as per May 2022 version of report

6.4 Implications for the proposed development

The site is situated within a highly competitive market as the rapidly growing Central City and a CBD that is poised to become the second largest commercial office market within Greater Sydney.

However, the concept SSDA proposal is well suited to respond to a time of change and evolution in Parramatta, and in this regard will offer a truly mixed use project that corresponds with existing and future growth in demand. Implementation of the concept plan will contribute to ongoing investment and reinforce the role of Parramatta CBD as a destination within Greater Sydney. The project will align with, and complement, the proposed contemporary commercial office projects such as Parramatta Square and will leverage investment such as the Metro, Light Rail and community facilities.

7.0 Market assessment

This chapter provides an assessment of the types of uses as outlined in the indicative concept design: commercial, residential and retail. This chapter considers the demand for these uses, and the implications for the proposed development, to assist with evaluating any potential impacts.

7.1 Commercial office assessment

The concept plan for proposed development includes a provision of commercial office floorspace across three towers totalling around 163,250m² of space. A review of key office market trends and site attributes is considered in this sub-section.

7.1.1 Parramatta office market trends

Parramatta is among the largest metropolitan office markets in Greater Sydney, with some 887,268m² of commercial office stock currently provided. An overview of the commercial office market based on information provided by the Property Council of Australia (PCA) includes the following:

- **Office stock by grade:** recent completions of new commercial projects in Parramatta have seen the proportion of total office stock shift towards prime grade spaces. Currently, there is some 476,408m² of prime grade office space within Parramatta CBD; however, this only includes A Grade floorspace, with no premium developments yet completed. At this level of stock, prime grade floorspace currently accounts for 53.7% of total office stock in Parramatta CBD. This compares to 61.7% of prime grade stock in the Sydney CBD.

The increased investment for prime grade assets in Parramatta CBD highlights the emerging competitiveness of Parramatta as a high quality and contemporary office market that appeals to modern occupiers. This will be further supported by existing projects including Parramatta Square, Burramatta Place, The Argyle Tower, and the proposed OSD.
- **Net Absorption:** Net absorption in Parramatta CBD has averaged around 6,200m² each year over the period since 2005. The latest figure for office net absorption in January 2022 showed positive absorption of around +15,000m² for the 6 month period July 2021 to January 2022 (PCA). This take up reflects the market demand for quality commercial office floorspace in Parramatta, with new projects typically delivering prime grade stock that will respond to modern tenant requirements.
- **Vacancy:** As of 2022, the vacancy rate in Parramatta reached 12.5%; however, much of this vacancy has been driven by the recent completion of new A grade stock, which currently accounts for around 70% of vacant stock. Typically, vacancy rates in prime grade markets can be 'lumpy', whereby projects are completed and deliver large amounts of quality stock to the market at one time; however, these buildings often take some time to lease all of this space. It is expected that this rise in vacancy will reduce as this A grade space is quickly absorbed by the market, particularly as conditions are beginning to improve in a post COVID-19 and partial, return-to-work environment. The demand for A grade space is reflected through the historical data outlined in **Figure 7** which shows a low vacancy of below 5% for quality stock since 2008.

Importantly, these recent high vacancy rates present an opportunity for newer entrants to the Parramatta market, that has historically had limited quality space available to new tenants.

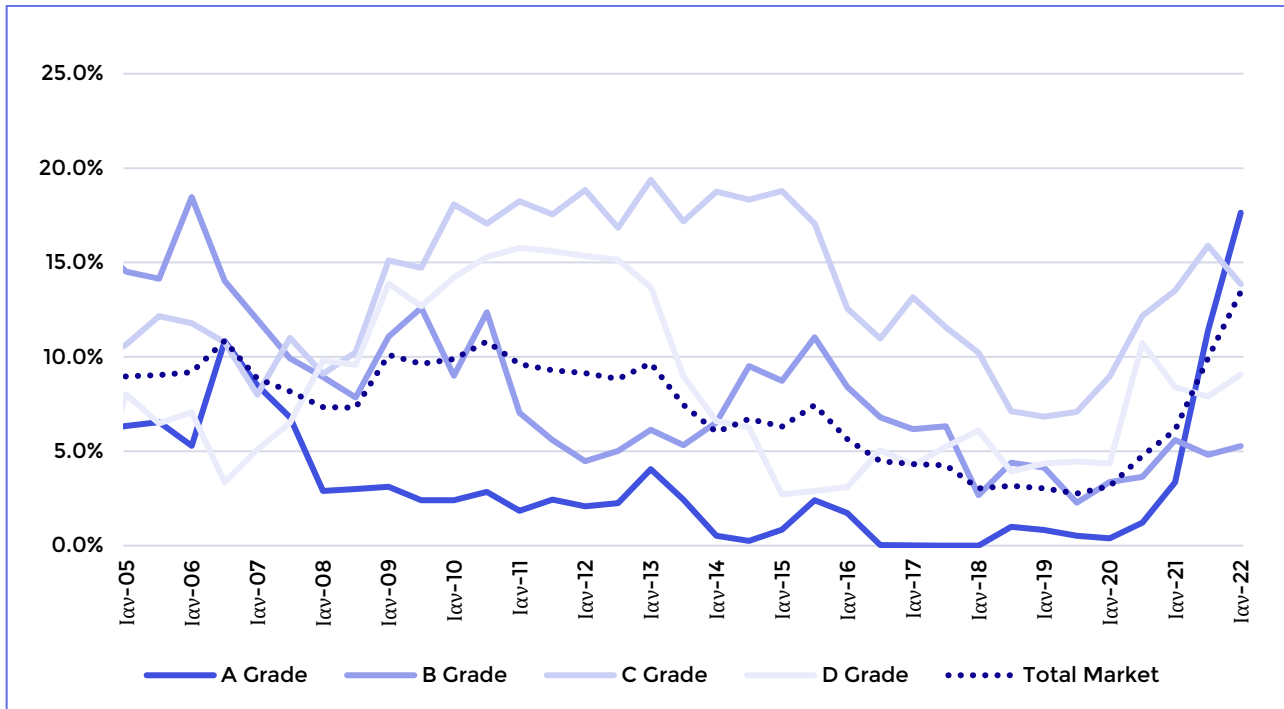


Figure 7 Parramatta Office Market – Vacancy by Grade (%)

Source: PCA Office Market January 2022

7.1.2 Success factors for commercial offices

There are a range of attributes that act as key success factors for commercial development and are important for any development to deliver, in order to ensure the attraction and retention of key tenants - including occupiers in target sectors such as technology, innovation and knowledge sectors. Overall, the subject site presents an ideal location for future commercial office floorspace, and will support the intensification of employment within the Parramatta CBD and align with a range of key successful factors for commercial office uses, as outlined in **Table 10**.

Table 10 Site Key Success Factors – Commercial Office Use

Key Success Factors (proximity to...)	Site Attributes
Public transport	Ease of access to transport facilities including existing rail stations, and bus networks, and the future Parramatta Metro Station and Parramatta Light Rail Service.
Other businesses for clustering/knowledge hubs	Located within the heart of Parramatta CBD; one of Sydney's largest office markets and the emerging CBD of the Central City. The site is surrounded by projects (planned or under construction) such as Parramatta Square offering clustering benefits and complementary uses. The site will help to act as a natural extension of Parramatta Square, establishing a cluster of contemporary office buildings that will appeal to a broad range of occupiers.
Retail and amenities	The central position of the site means that future commercial office uses will have excellent accessibility to a range of retail services and amenities including Church Street (Eat Street), Westfield Parramatta, and other on street retailers and services throughout the remainder of Parramatta CBD. These will be important facilities for workers to access throughout the day and after work.
Public open space	The site include a significant public plaza and open space offer that will help to deliver the Parramatta Civic Link, linking Parramatta Square with the river. Further the site is positioned immediate north of Parramatta Square, which also delivers public space and is due for completion at the end of 2022.
Workforce	The strong existing residential and worker population within Parramatta CBD is projected to continue to increase in the future, supporting growth in the local workforce. The Parramatta LSPS notes that there is an estimated 2.3 million people living within a 45-minute commute of the CBD, reflecting the broad and deep labour market that is able to be easily accessed by this highly central and accessible location. Direct access to the future metro station below the site, will also further enhance the regional connectivity and appeal to the broader Greater Sydney workforce.

Source: Ethos Urban

7.1.3 Implications for commercial office uses

Parramatta CBD is currently undergoing a period of urban transformation with a significant pipeline of commercial floorspace. Investment activity is being driven by State Government policy that is focused on developing Parramatta CBD as Greater Sydney's Central City through centralising government departments, and investing in city shaping transport and community infrastructure. The development of Parramatta Metro Station and Parramatta Light Rail will further enhance Parramatta CBD's connectivity, role and function as a key employment and residential centre. In turn this will provide further business and investment opportunities in Parramatta CBD.

In order for Parramatta CBD to remain an attractive and competitive commercial office market, additional high quality commercial office floorspace in the CBD is required.

It is a strategic objective to grow the level of employment within the Parramatta CBD including for higher-order jobs such as those provided in commercial office uses; recently outlined in the gazetted Parramatta CBD Planning Proposal. In the PSA, employment is projected to increase by +55,070 jobs over the period to 2036. This includes an increase in the number of office-based workers by +37,230 (including knowledge workers and traditional office workers). These workers would require access to additional contemporary, commercial office floorspace. As such, any additional commercial office use planned at the subject site, strategically positioned in the heart of the CBD, would be considered appropriate.

The proposed concept plan responds to the ongoing demand for prime grade commercial office stock within Parramatta CBD, as reflected in the low vacancy rate and strong take-up of quality stock in recent years.

The site represents a logical location for commercial office development, being situated within the 'heart' of Parramatta CBD that is highly accessible and provides high levels of amenity. The site will be directly above the future Metro station and to the north of the existing rail line and Parramatta Square.

7.2 Residential assessment

The concept plan for proposed development includes a provision of residential apartments. This is planned to include a single tower comprising some 18,900m² of residential GFA. While the number of apartments will be confirmed during a future detailed design application, it is understood that the level of residential floorspace may support the equivalent of around 146 dwellings. A review of key residential trends and site attributes is considered in this sub-section.

7.2.1 Residential market trends

Residential pricing trends

Aligned to the national housing market patterns, dwelling prices for all housing types in Parramatta (postcode 2150) have increased in recent years. In 2021, the average house price in Parramatta was around \$1.4 million, reflecting a 20.9% increase in value from the previous year at around \$1.2 million. When looking at a longer period, the median house price in Parramatta has more than doubled since the 2011 when the median value was \$530,000.

By contrast, the Parramatta apartment market (postcode 2150) has experienced relatively moderate growth over the past year compared to house price growth. Between 2011 and 2021, the median apartment price increased by +\$135,000 to \$590,000 by 2021 (refer **Figure 8**).

So far in 2022, the local Parramatta apartment market has experienced positive growth, with the median price increasing by +\$10,000. By contrast, both the Parramatta LGA and Greater Sydney markets have experienced negative price growth.

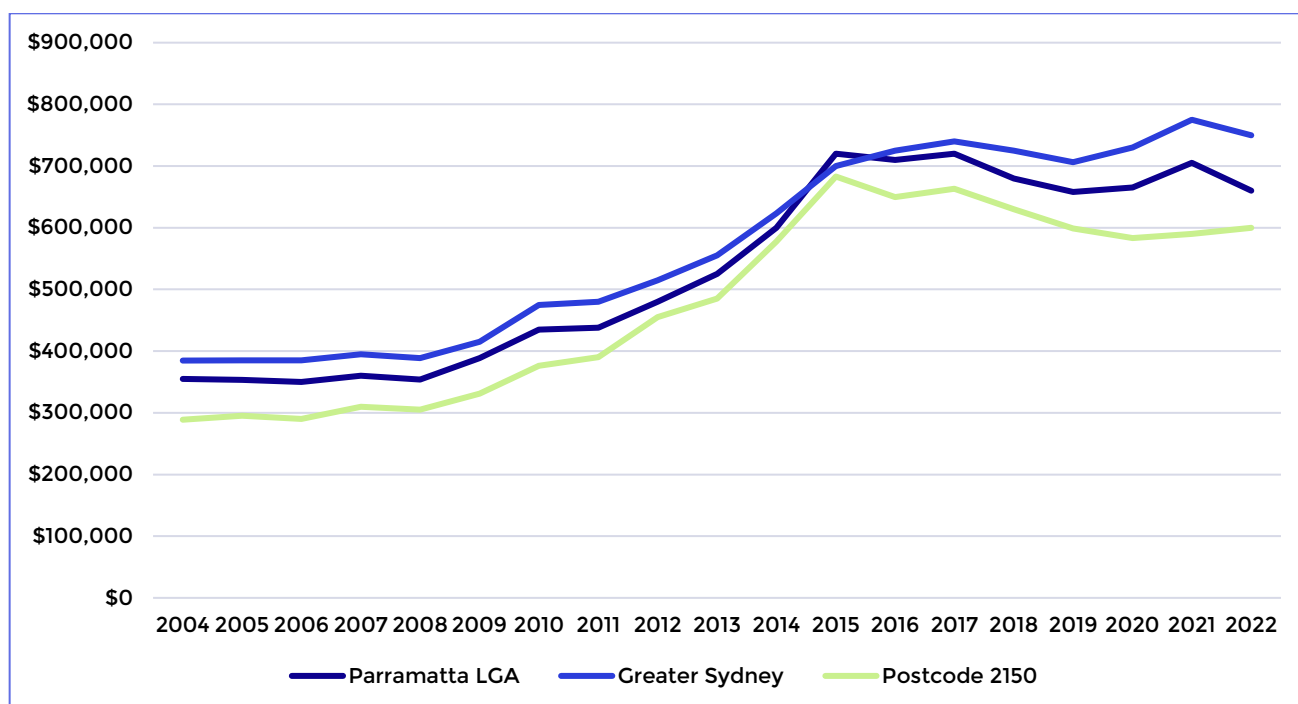


Figure 8 Unit Sales Prices, 2004-2022

Source: Pricerfinder, Ethos Urban

Note: figures as per May 2022 version of report

Transit oriented development and higher density residential living

Greater Sydney is currently experiencing a rail infrastructure 'boom' with significant investment activity in new metro lines and light rail services. This includes the development of the Sydney Metro City and South lines, and the Sydney Metro West line from the Sydney CBD to Westmead. Significant transport investment can support a shift towards high density residential living in close proximity to these major transport nodes, with this encouraged as an appropriate way to support residential growth by leveraging public transportation services.

Delivery of high density developments has mostly taken the form of transit oriented developments (TOD) which seek to provide residential and other supporting uses in proximity to existing transport nodes or stations. This form

of high density development is a strategic way to deliver housing within highly accessible locations that are walkable, supported by amenities and well connected to services and jobs.

The shift towards TOD and higher density living is evident in Greater Sydney when reviewing building approvals data. Over the last decade, medium and high density building approvals have been concentrated in urban renewal and established areas of the city that have good access to public infrastructure, employment nodes, retail facilities and other services – examples being in key station precincts such as Macquarie Park, Sydney Olympic Park, Liverpool, and Sydney CBD. By contrast, low density approvals are overwhelmingly concentrated in future growth areas (such as the North West and South West Growth Areas) and on the urban fringe of Sydney (see **Figure 9**).

The Committee for Sydney estimates that TOD projects could have the capacity to deliver up to 45% of total projected dwellings required in Sydney over the next two decades (Committee for Sydney, 2022, Rethinking Station Precincts). Key benefits of TOD include:

- Enhancing access to community and retail amenities, with train stations functioning as focal points for the community;
- More efficiently moving a large number of people around the city, with rail infrastructure more effectively able to move larger number of residents than other modes of travel such as buses and private vehicles;
- Reducing reliance on private vehicles and incentivising active and public transport modes of travel. In turn this will reduce the impact on traffic of additional residents in Greater Sydney;
- Better integrating train stations within the broader precinct; and
- Improving liveability by creating vibrant and active places.

In this context, the site represents a logical location for high density residential development which will result in a range of benefits and is consistent with recent trends and government objectives.

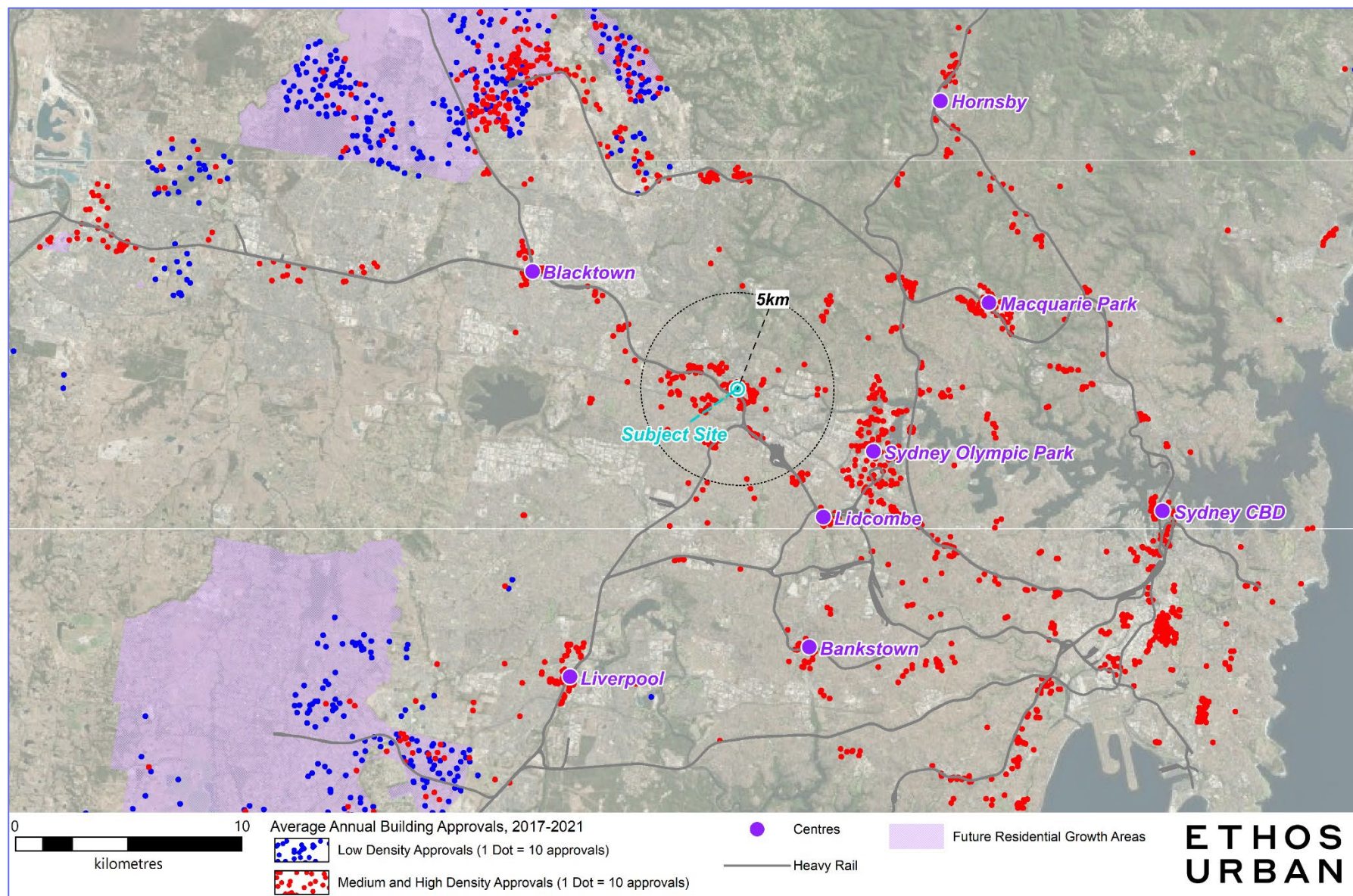


Figure 9 Indicative Location of Building Approvals, Annual Average, 2017 to 2021

Source: Ethos Urban using MapInfo, Bingmaps and ABS, Building Approvals data. Notes: Dots represent indicative location only. Data is based on SA1 geography. Note: figures as per May 2022 version of report

7.2.2 Implications of residential uses

Strong population growth in Parramatta is likely to drive increased demand for residential investment within Parramatta CBD. For example, population growth for the PSA (800m Study Area) is projected to be +8,500 residents by 2036. Assuming that average household sizes remain constant, this would imply housing need of an additional +3,400 apartments. In this context, additional units proposed under the indicative concept design would help support a small proportion of this population growth.

It is a strategic objective to grow the residential population within the Parramatta CBD emphasised in the recently gazetted Parramatta CBD Planning Proposal which outlines capacity for 15,000 new dwellings within the CBD over the next 40 years. As such, any additional residential dwellings planned at the subject site, strategically positioned in the heart of the CBD, would be considered appropriate.

The site represents an ideal location to support high density residential development due to factors including:

- Walkability and access to public transport.
- Adjacent to retail facilities.
- Adjacent to employment.
- Close to education and health facilities.
- Adjacent to amenities such as community services.
- Alignment to existing high density residential development already completed and underway surrounding the site.

The delivery of high density residential is well suited to be included in the proposed development project due to its strong locational attributes including being a high amenity area and ability to support greater housing diversity and choice.

Importantly, the provision of high density residential at the subject site is well suited to young professionals and workers. This also aligns with strategic policy drivers for the CBD, including enabling residents to work close to home, and the provision of more diverse and affordable housing options for families. Moreover, the provision of residential development within Parramatta CBD balanced with non-residential uses will ensure a vibrant and active precinct at all hours and on weekends, this is in line with the Planning Strategy for Parramatta CBD to *achieve a balance of uses* and to create a *liveable, active and highly desirable city*.

7.3 Retail assessment

This sub-section provides an overview of the potential for retail uses as it relates to the indicative concept design for the site. The proposed development plans for around 7,850m² of retail space at the ground level of three of the four towers within the proposed development. As a minor component of the proposed development, the provision of retail floorspace will be largely ancillary in nature and support the activation of the site, enhancing amenity and vibrancy for the overall community.

7.3.1 Retail trends

The context and drivers for retail development of all kinds has changed significantly over the past decade. The suburban indoor shopping centres that have proliferated since the 1950s – characterised by enclosed, climate controlled designs, large amounts of carparking and chain stores – are increasingly in competition with new forms of retail development that respond to fast-changing customer preferences and new technologies.

The rise of online shopping has led to shop vacancies on high streets and declining department store sales, while retailers and shopping centres are now placing increasing emphasis on the shopper experience, including improved food and beverage offerings, entertainment and services (such as health and education).

A fast paced lifestyle and flexible work and life arrangements means that modern consumers have more diverse preferences when it comes to retail experiences and shopping requirements. Consumers increasingly prefer a retail offer that enables or promotes:

- **24/7 shopping** - Consumers want the ability to be able to shop at times that are suitable and convenient for them. Working conditions and lifestyles have changed - consumers want to be able to shop early morning, during the day and late at night.

- **Walkability and accessibility** - Consumers, particularly those living in urban environments, prefer to shop locally at facilities that are easily accessible walking or by private car or public transport.
- **Range of products** - Consumers seek a broad range of products, at various levels of price and quality from a range of sources that can cater to a variety of tastes, cultural and ethnic preferences.
- **Shopping as an experience** - Retailers are increasingly responding to consumer demand for a great retail experience through an increased range of products, quality and integration with technology and services. Retailers are also looking to differentiate themselves by providing better experiences and offers that can attract consumers in highly competitive retail markets.
- **Shopping online** - Consumers have continued to embrace online shopping for retail goods, and its importance has been emphasised during the COVID-19 pandemic. Now, more than ever, a holistic retail network relies on an online presence and offer even for experienced based retail uses such as food, dining, entertainment and services.

For key retail destinations and precincts, such as Parramatta, that provide an extensive retail offer (an estimated 200,000m²), ensuring that key locations deliver a critical mass of tenancies and operators that provide high level of amenity, quality and experience is critical in being able to form a successful retail destination.

7.3.2 Capacity for additional retail uses

As the Parramatta CBD continues to grow, so too will demand for additional retail floorspace. Retail uses are critical in serving the needs of local residents, workers and visitors to Parramatta. A successful retail offer helps to support the activation and amenity required to establish a vibrant and attractive destination.

A review of the level of retail expenditure likely to be generated by the local residents and worker population within the Parramatta CBD suggests the following:

- An additional +8,500 residents projected within the PSA by 2036 will generate over \$110 million in retail expenditure each year (based on \$13,040 in retail expenditure per capita per annum - MarketInfo).
- An additional +55,070 workers are projected within the PSA by 2036. Assuming workers would spend an average of \$15 per workday this would generate retail expenditure of around \$120 million each year by 2036.

While it is likely that a proportion of workers will also live in the CBD, it is clear that a substantial provision of retail expenditure would be generated based on future growth alone. Visitors and commuters to Parramatta would further add to retail demand as they pass through the CBD.

Each of these customer segments would require access to a wide range of retail facilities including food (take-away and dining options), non-food (apparel, giftware, leisure, general retail stores) and services (hairdressers, dry cleaner, post-office etc.). While higher order retail requirements such as apparel needs would likely be directed to major centres such as Westfield Parramatta, there will be substantial demand for food, services and convenience based retail throughout the Parramatta CBD. This includes and the subject site which will be strategically positioned in a large, centrally located and high-profile site within the CBD.

7.3.3 Implications of retail use

The proposed development seeks to provide 7,850m² of ground floor retail across three of the four towers. Whilst it is not yet understood what the retail components will include, it is expected that the mix may incorporate food and beverage facilities, convenience retail, and speciality shops. This type of retail offer at the site would serve local residents, workers as well as visitors/commuters to Parramatta and those incorporated as part of the OSD directly. As the proposed retail uses will represent a small proportion of the overall floorspace at the proposed development, these uses will be complementary in nature to the commercial office and residential uses proposed.

The site presents an ideal location for ground floor retail as it would activate the ground floor plane in the heart of the Parramatta CBD. Retail uses on the ground floor would form a key component of the future Parramatta Civic Link and help to establish a vibrant 'gateway' to Parramatta for patrons using the future Metro or walking from Parramatta Square or the existing station to the south. The retail offer would assist in supporting the night time economy by increasing activity for extended hours including in the evenings and on weekends. This is also aligned with strategic objectives for Parramatta CBD that seek to create a liveable, active and highly desirable city to live, work and play.

7.4 Implications for the proposed development

The site is well positioned on a high profile and easily accessible location, within a strategic area planned for substantial growth, including an intensification of employment and housing. The anticipated growth would support demand for a wide range of uses including those proposed at the subject site as part of the OSD including a significant commercial office component, residential and supporting retail floorspace.

The site and proposed concept plan represents a unique opportunity to leverage off the significant infrastructure investment that is occurring within Parramatta to provide quality commercial, residential and retail uses that will attract and appeal to contemporary occupiers and residents. As such, the site has the ability to support and respond to the evolving nature of the Parramatta CBD as a key city and mixed use community destination.

8.0 Economic impacts

This chapter provides an assessment of the economic impacts (including benefits) likely to occur as a result of the project. Impacts are considered with regard to the local and regional area and through the construction and operational phases of the project. Mitigation measures are also discussed as it relates to any undesirable economic impacts.

An estimate of the jobs likely to be created during the construction and operation phase of the proposed development are provided in order to respond to the SEARS.

8.1 Methodology

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

Demand for the development, as outlined in including for key uses:

- Commercial office;
- Residential apartments; and
- Retail floorspace.

Economic impacts (including benefits) from the proposed development including:

- Impact on nearby facilities
- Construction and ongoing employment generation (direct and multiplier);
- Increased value-added output;
- Additional expenditure generated by the project; and
- Improved benefits to the surrounding community, and Parramatta LGA.

8.2 Market demand for the project

As outlined throughout this assessment, as Parramatta continues to grow and evolve the CBD will accommodate a substantial increase in both the local resident and worker population in the years to come. Population projections indicate the following growth within the defined Parramatta PSA:

- +8,500 local residents over the period to 2036.
- +55,070 local workers over the period to 2036, including +37,230 office-based workers (knowledge workers and traditional office workers).

The substantial levels of growth in both employment and local residents would require access to additional, well-located and contemporary commercial office and residential uses. The proposed development is ideally positioned to satisfy a proportion of this future market demand and in the process, help to support the continued growth and evolution of the Parramatta CBD.

Proposed retail uses at the proposed development are planned to be a smaller component of the overall project and will be ancillary in nature, supporting additional residents and workers at the site itself, as well as in the local CBD. These uses will encourage a vibrant, attractive destination for a range of customer segments, including residents, workers as well as commuters and visitors to the CBD.

The proposed apartments will provide high quality, contemporary mixed use development within a central and highly accessible location, directly above the proposed Metro station. The provision of uses proposed, within this key CBD location will help to increase activation and amenity in the Parramatta CBD including for extended hours into the evening and on weekends.

8.3 Economic impacts

8.3.1 Commercial office

The concept plan for the site incorporates some 163,250m² (GFA) of modern, commercial office floorspace which will be considered prime grade quality stock, and will meet the contemporary occupier and tenant requirements for high-quality office floorspace.

Currently, Parramatta CBD accommodates close to 887,268m² of commercial office floorspace (PCA 2022). In addition, a further 550,000m² of commercial office floorspace is currently planned or underway (based on known developments only). As the CBD continues to grow, it is likely that a much larger provision will be provided over the next 15-20 years.

Based on the existing and the known proposed development pipeline, around 1,440,000m² of commercial office use is existing or planned in the near term. As such, the proposed development of 163,250m² would represent around 11% of additional office stock (based on the current and known future commercial office projects). With commercial office projects set to continue in the medium to long term, it is likely that the proposed OSD component will ultimately represent a small component of existing and potential commercial office stock by the expected completion date in the late 2020s.

As such, while considerable in size, the proposed development commercial office component would only represent a small proportion of the overall Parramatta CBD commercial office stock in the longer term. The proposed development would therefore not impact on the ongoing viability or continued operation of any existing or proposed commercial office project in isolation. Rather, the proposed development would support the continued growth and evolution of the Parramatta CBD as a key commercial office destination, leveraging the significant infrastructure investment and aligning to the strategic vision for the Parramatta CBD as Sydney's Central City.

The proposed development of the site will help to satisfy growing demand for prime grade office supply in Parramatta CBD. In addition, the proposed development will deliver a premium commercial office development in the heart of the Parramatta CBD that will embody a contemporary office project, maximising the use of technology and sustainability initiatives that will position the site, and the overall CBD, as an attractive employment destination in the long term.

8.3.2 Residential

A provision of 18,250m² of residential floorspace is currently planned as part of the proposed development. Based on the current concept plan, the development may support around 146 dwellings and assuming an average household size of 2.5 persons per dwelling, the development of the site may accommodate an estimated 365 residents at full occupancy.

This level of residential population would account for approximately 4.3% of projected residential growth in the defined PSA (of +8,500) over the period to 2036. As such, the proposed provision of residential floorspace would represent a small proportion of future residential requirements and therefore, the project would not impact on the ongoing viability or continued operation of any residential facility.

The proposed residential component would help to provide much needed housing diversity and supply in a high-profile and easily accessible location, ensuring housing is available across a range of price points in the CBD.

Residential uses at the subject site will facilitate a true live/work/play environment in a highly walkable neighbourhood precinct that can cater to a diverse range of age groups, including young professionals, young families and older so-called 'downsizers'.

8.3.3 Retail

Concept plans for the site indicate that some 7,850m² of retail GFA is planned to be provided on the ground floor of the development. At 7,850m² the retail component of the proposed development will represent a minor component of the overall project GFA, accounting for just 4.1% of total GFA.

It is estimated that some 200,000m² of retail floorspace is provided within the Parramatta CBD, with the majority including in Westfield Parramatta as well as focused in key retail precincts such as Church Street. The proposed retail provision at the subject site would account for around 4% of existing retail supply. This proportion would be even lower once future retail floorspace is considered, such as the expansion of Westfield Parramatta and retail floorspace planned on the ground and lower levels of major developments such as other commercial office projects underway or planned.

Whilst it is not yet known the retail operators that will be provided on the site, it is expected that the mix would likely incorporate food and beverage facilities, convenience retail, and services. This type of retail offer would serve local residents, workers as well as commuters and visitors to Parramatta and would complement, rather than compete with the overall retail offer within the CBD.

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

The retail provision would appeal to the local and broader market, enhancing the retail offer and level of amenity in the Parramatta CBD, supporting activation during the week as well as after-hours and on weekends. The retail provision will improve the street level amenity on a high profile site that is anticipated to accommodate a high level of pedestrian activity. Importantly, the through site link and ground floor retail uses will unlock the site for public use, and act as natural extension and gateway to Parramatta Square, complementing the civic domain and helping to establish the planned Parramatta Civic Link that will pass through the subject site.

8.4 Economic benefits

8.4.1 Input-output modelling

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

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

Every industry requires inputs from many other industries, plus the inputs of workers and machinery and equipment to produce output. Input-output modelling uses averages derived from the ABS Input Output Tables to estimate the impact on all industries when one industry expands its production. The modelling used in this report is based on the 2018/19 ABS National Accounts release.

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

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

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

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

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

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

8.4.2 Construction phase

In the absence of a detailed concept design and definitive construction costs, an illustrative capital investment figure of \$100 million has been adopted to represent the relative economic benefits likely to result during construction. This figure is for illustrative purposes only, and provides an indication of *employment and benefits generated per \$100 million of construct costs during the construction phase*.

For every \$100 million of Capital Investment Value, the construction phase is expected to directly support employment of 160 job-years and deliver a direct value-add to the economy of \$21.9 million.

When the multipliers are taken into account, total state wide economy effects over the construction program are forecast to be: employment of 610 job-years and a total direct value-add to the economy of \$80.4 million *for every \$100 million of Capital investment Value*.

Table 11 Construction Phase Economic Benefits (\$2020/21) per \$100 million of CIV

Measure	Construction Phase (spread over construction period)		
	Direct	Indirect	Total
Employment (job-years)	160	460	610
Value Added (\$M)	\$21.9	\$58.6	\$80.4

Source: Ethos Urban analysis utilising data from ABS, National Accounts 2018/19; ABS, Consumer Price Index

Note: *Job-years: Number of FTE jobs supported over the construction period. i.e. if construction is over 10 years, 100 job-years is equivalent to 10 FTE jobs per year. Figures updated in October 2022

8.4.3 Operational phase

Economic impacts associated with the operation of the proposed development once complete and fully occupied, have been based on supportable employment estimates for the various uses incorporated in the indicative concept design. These estimates have been prepared with reference to relevant industry benchmarks including the City of Sydney Floor Space and Employment Survey 2017 and Ethos Urban estimates, and include the following:

- Commercial: 1 worker for every 14.2m² of commercial floorspace; and
- Retail: 1 worker for every 30.2m² of retail floorspace.

Based on the above, (and with an assumption of a GFA to GLA efficiency of 80% for commercial uses), on completion of the proposed development, the operational phase is expected to deliver the following (direct) benefits: FTE employment of ongoing 9,410 jobs and direct value-add to the economy of \$1.1 billion per annum.

When the multipliers are taken into account, total ongoing economy-wide effects are estimated at: FTE employment of 16,940 jobs supported and a total direct value-add to the economy of \$2.0 billion per annum.

These additional jobs will assist with strategic objectives for Parramatta, including meeting employment targets for Parramatta CBD and reinforcing Parramatta's role and function as Sydney's Central City.

Table 12 Construction Phase Economic Benefits (\$2020/21) per \$100 million of CIV

Measure	Operational Phase (annual)		
	Direct	Indirect	Total
Employment (FTE)	9,410	6,940	16,340
Value Added (\$M)	\$1,071.9	\$880.6	\$1,952.5

Source: Ethos Urban analysis utilising data from ABS, National Accounts 2018/19; ABS, Consumer Price Index

Note: Figures updated in October 2022

8.5 Increased resident expenditure

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

Based on the concept plan, the development will support around 146 dwellings based on the residential GFA of 18,250m². Assuming an average household size of 2.5 persons per dwelling, the development of the site could support an estimated 365 residents at full occupancy.

A review of retail expenditure per capita by residents within the PSA is in the order of \$13,040 each year on average (2021 dollars). Accordingly, with 365 new residents at the site, a total of \$4.8 million in additional retail expenditure could be generated each year (see **Table 13**). This would include spending on food, liquor and groceries, food catering, non-food items and services. This additional retail expenditure will support existing and proposed retail facilities both at the site and within the surrounding area.

Table 13 Estimated Resident Retail Expenditure at Full Occupancy

Measure	Value
Estimated number of new residents	365
Per capita retail expenditure on local retail per annum (\$)	\$13,040
Increase in expenditure on local retail per annum (\$)	\$4,760,000

Source: Market info, Ethos Urban

Note: Figures Rounded; figures updated in October 2022

8.6 Other economic benefits

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

- Support the role of Parramatta CBD as a key and commercial office destination, by adding some 163,250m² of contemporary office space, at a central, strategic site and within a highly accessible location, that is well connected to public transport and will provide high levels of worker amenity. This will contribute to the attraction and retention of high value tenants and businesses to Parramatta CBD through the delivery of prime grade commercial office development that aligns with modern tenant requirements.
- Support existing and future infrastructure investment in the area, including leveraging the delivery of the Sydney Metro West and Parramatta Light Rail projects to support contemporary mixed use development that will serve the needs of a broad range of customers and occupiers.
- The proposed residential component of the project will support the need for more affordable and diverse housing options within Greater Sydney. Residential at this key site will support the concept of transit-oriented development, by enabling residents to live within a high amenity precinct that is well connected to transport.
- Improve public amenity and access through the provision of an active ground floor plan providing a range of retail uses. This provision will help to deliver the Parramatta Civic Link, establishing a more vibrant and open street level public interface that will act as a gateway for the public and on-site customers and occupiers. The proposed development will benefit workers, residents, visitors and commuters to the CBD.
- The proposed mix of uses at the site will embody the objective and vision for the Parramatta CBD as a true live/work/play precinct in the future.
- Support the aspiration for 30-minute cities by providing employment and residential uses alongside public transport and complementary retail facilities, all within a strategic and easily accessible location.

- Add significant reputational benefits for Parramatta and NSW as an exemplar for mixed use development, activation, CBD amenity and delivery of contemporary over station developments. The project has the potential to deliver quality, active uses that will help to elevate Parramatta CBD as a major business and community destination across Sydney and Australia.
- Support the objectives of state and local government strategies which seek to provide the following:
 - Reinforce Parramatta as a key destination as Sydney's Central City
 - Establish a balance of employment and residential uses within the CBD, to create a liveable, active and highly desirable city destination
 - Provide for a diversity of housing types and sizes to meet community needs into the future.
 - Support the growth of Parramatta's night time economy with a focus on enhancing activity within the Parramatta CBD.

8.7 Summary of impacts and mitigation measures

The project will generate a number of economic benefits that will support and enhance Parramatta's economy, in particular the Parramatta CBD. Outlined below is a summary of the key economic impacts likely to be generated by the proposed development.

- During construction, there will be considerable direct employment generated. In turn, local businesses will benefit from the construction phase with many workers travelling to Parramatta CBD, generating local expenditure.
- Mode of travel by visitors will primarily be via public transport through the Parramatta CBD, creating additional passing traffic and flow on benefits for local businesses.
- Local businesses are expected to benefit from the substantial increase in workers and activity to Parramatta CBD once the project is complete.
- Once complete and fully occupied, the development will support additional residential population on site. This resident population would support an increase in expenditure on retail goods and services.
- Businesses are more likely to commit to permanent part-time jobs, as opposed to casual work which creates difficulties in terms of youth underemployment.
- Visitation to Parramatta is expected to be stimulated by the greatly improved amenity and experience likely to be delivered by the project as a key site and gateway for the CBD.

During the construction phase of the proposed development there is expected to be temporary disruption to local businesses, including existing retail and accommodation operators. Local businesses are likely to be impacted during the construction stage as a result of negative impacts associated with noise, access and overall amenity.

However, despite the temporary impacts during the construction stage, these businesses stand to benefit over the medium to longer term on the project is complete and the Metro operational, as visitation, activation and expenditure will all increase as a result of the project. As a result, mitigation measures from an economic perspective are likely to be required in the short term only, and relate to ensuring minimal disruption to access and typical business operation during the construction stage of the project. A summary of impacts and recommended mitigation measures follows is provided in **Table 14** below.

Table 14 Summary of Findings – Economic Impacts

Impact	Value
Demand for the development Parramatta is planned to accommodate a large proportion of future growth in Sydney in the coming years. The proposed development will provide a major mixed use development in the heart of this growing CBD, supporting growth, activation, investment and amenity in a centrally and easily accessible location.	Positive
Expenditure and employment impacts (construction) The initial economic impacts generated by the project will occur during the demolition and construction phase. For every \$100 million of Capital Investment Value, the construction phase is expected to directly support employment of 160 job years and deliver a direct value add to the economy of \$21.9 million. Total state wide economy effects over the construction program are forecast to be: employment of 610 job-years and a total direct value-add to the economy of \$80.4 million per \$100 million of Construction Investment Value of the proposed development.	Positive
Local businesses (construction) Impacts to local businesses are expected to be temporary associated with construction impacts.	Slightly negative
Employment impacts (direct - operation) FTE ongoing employment is estimated at 9,410 jobs, supporting direct value-add to the economy of \$1.1 billion per annum as a result of the proposed development.	Positive
Expenditure impacts (indirect – local businesses) When the multipliers are taken into account, total ongoing economy-wide effects are estimated at: FTE employment of 16,340 jobs supported, and a total direct value-add to the economy of \$2.0 billion per annum. An estimated additional 365 new residents are expected to occupy the residential component of the proposed development and could generate additional retail expenditure of \$4.8 million each year. A proportion of this expenditure would be directed to local businesses.	Positive
Recommended mitigation measures: Minimise disruption to local businesses during construction through ensuring access and noise impacts are limited.	