

Date 24th June 2013

Attn:
Mr Matthew Rosel
NSW Department of Planning and Infrastructure
23-33 Bridge Street
Sydney NSW 2000

RE: SICEEP, STAGE 1 SSDA, SSD5878-2013

Dear Mr Rosel

Urbanest supports the provision of student accommodation within the subject SSDA and would like to specifically comment on the need for student accommodation in Sydney given the current imbalance between supply and demand. Urbanest acknowledges that it is currently in negotiations with Lend Lease to develop and operate the Student Accommodation on plot W2 but feels that the need for such accommodation should transcend any commercial negotiations.

The Higher Education sector in Australia has experienced rapid growth over the past decade driven by both domestic and international factors, with the exception of the Global Financial Crisis in which growth declined slightly. Student enrolments across all Higher Education institutions in Australia increased every year from 2002 to 2010.

Domestic student enrolments in Higher Education institutions increased in all years between 2002 and 2010, except in 2004 when the proportion of Commonwealth Grant Scheme Funding was reduced.

The drivers of growth in domestic student enrolments going forward will be:

- Increased levels of government investment in the higher education sector;
- Growth in population of those aged between 19-25 years; and
- Increased levels of student income support

Going forward, the University of Sydney forecasts a further increase of 2,700 enrolments (5.1%) between 2011 and 2016, translating to an average annual growth rate of 1.7% - slightly lower than the rate of growth achieved from 2008 to 2011.



It is forecast that UTS will increase by 4,609 enrolments (13.1%) between 2011 and 2016, translating to an average annual growth rate of 2.6% -moderately lower than the rate of growth achieved from 2008 to 2011.

International student numbers are expected to grow at 2.9% per annum, equating to around 260 students per annum. Domestic student numbers are expected to grow at a slightly lower rate of 2.5%. However as domestic students currently represent a larger cohort than international students, growth per annum in numbers will be higher at 659 students.

The inner Sydney rental market is expected to remain, highly competitive, particularly as a result of recent and current economic uncertainty which has resulted in a number of residential developments in recent years being abandoned or postponed, limiting the amount of supply coming online currently and in the near future.

In addition, there has been a general trend toward development of premium, executive style apartments within the catchment areas as a result of continued gentrification, which if they enter the investment market, will achieve higher than average rents for the area. Hence, a large proportion of future residential development in inner Sydney is not likely to be an option for the majority of students seeking accommodation in the private rental market. This places more importance on the provision of specific student accommodation.

Contrasting current levels of student accommodation supply in the local area against estimated current demand for beds indicates a current shortfall in supply in the order of 5,000 beds.

It is likely that as a result of further tightening of the private rental market, higher rents will result. In addition, it is also likely that the provision of additional accommodation that is more suitable and appealing will actually increase students' propensities to demand student accommodation.

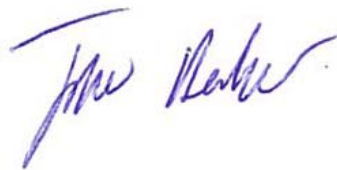
In summary the benefits of this development within Haymarket are as follows:

Provision of Diverse Housing Options	Students are in great need of housing options that are suitably located, offer the amenity that fits with their lifestyle requirements and within their budgets. A large proportion will be unlikely to be able to afford a significant proportion of the private rental market. This is expected to continue to be the case with further gentrification of surrounding suburbs, and increase in supply of high priced stock. This proposal will assist in providing suitable and diverse accommodation for students that offer options such as twin rooms through to studio apartments with rental price points available to a suit variety of budgets, The proposal will be a material increase in choice and supply. This will also free up existing rental stock in the LGA area.
Provision of Pastoral Care	The proposed development will provide students with support through the presence of onsite support staff, providing assistance when and where required. This will assist in better identifying, addressing and preventing potential problems, unlikely to be the case in private rental dwellings.
Development of a student accommodation precinct in close proximity to an education precinct	Being in very close proximity to existing UTS facilities, the subject site will assist in developing a student accommodation precinct, assisting in improving passive surveillance of the general area, particularly at night-time. This benefit may extend through to local community facilities, such as parks and local streets. This use will add to the mixed use vibrancy of The

	Haymarket and Darling Harbour.
Assisting the integration with the community	Given that a significant proportion of future residents will be international students, the proposed facility will provide them with greater opportunities and support to integrate with the other students and the wider community, notably in comparison with if they were to reside in private rental accommodation.

We believe the proposed student accommodation use is an important component to the Haymarket Precinct development. It will increase housing supply and choice and go some way towards meeting a critical shortfall in affordable and safe student housing.

Yours Faithfully



Jeremy Baker

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