Economic Impact Assessment

The Timberyards by RTL Co.

Marrickville, NSW

Submitted to the NSW Department of Planning, Housing and Infrastructure on behalf of RTL Marrickville Property Trust (RTL Co.)

SSD - 76927247

Ethos Urban

Prepared by Ethos Urban

17 December 2024 | 2240400

‘Gura Bulga’

Liz Belanjee Cameron

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

‘Dagura Buumarri’

Liz Belanjee Cameron

‘Dagura Buumarri’ – translates to Cold Brown Country. Representing Victoria.

‘Gadalung Djarri’

Liz Belanjee Cameron

‘Gadalung Djarri’ – translates to Hot Red Country. Representing Queensland.

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

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

In supporting the Uluru Statement from the Heart, we walk with Aboriginal and Torres Strait Islander people in a movement of the Australian people for a better future.

Contact: Lee Cikuts, Director, Economics — lcikuts@ethosurban.com

This document has been prepared by:		**This document has been reviewed by:**	
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Ethos Urban

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This Economic Impact Assessment (EIA) has been prepared on behalf of Varsity Assets Management Pty Ltd (Developer) on behalf of RTL Investments 2 Pty Ltd as trustee for RTL Marrickville Property Trust ('RTL Co.') (**the Applicant**) to support a State Significant Development Application (SSDA) for the proposed *Timberyards* development. The SSDA (SSD-76927247) seeks consent for a diverse rental housing precinct comprising build-to-rent (BTR), co-living and affordable housing. The precinct development comprises seven buildings ranging from eight to thirteen storeys, with open space that includes a pocket park, through site links and communal open spaces. Specifically, consent is sought for the following:

- Site preparation (including remediation), demolition and bulk excavation for basement parking;
- Residential accommodation (shop top housing, residential flat buildings and mixed use buildings) that includes BTR, co-living and affordable housing;
- Retail premises on the ground floor within the MU1 zoned land and extending up to 25m into the R4 zoned land;
- Publicly accessible recreation area (pocket park) and through site links;
- Neighbourhood shop (within the R4 zoned land);
- Associated landscaping and public domain works; and
- Augmentation of, and connection to, existing utilities as required.

RTL Co. aim to deliver Sydney's premier neo-industrial residential neighbourhood - a global benchmark for imaginative urbanism. The Timberyards aims to seamlessly integrate diverse residential offerings into the distinctive character of Marrickville, fostering a sense of pride among residents and the local community. The project will deliver a wide range of rental living solutions, complemented by recreation spaces and local retail, all underpinned by Connection to Country and environmentally sustainable design principles.

A detailed description of the proposal is provided in the Environmental Impact assessment (EIS) by Ethos Urban. The development is declared State Significant by virtue of being a BTR development on land in Greater Sydney with an Estimated Development Cost (EDC) of greater than $50 million, with the tenanted component representing greater than 60% of the EDC (Schedule 1, *State Environmental Planning Policy (Planning Systems) 2021*).

A summary of the key findings from this Economic Impact Assessment include:

Site Context and Suitability

- The Subject Site is strategically positioned within the Victoria Road Precinct of Marrickville, which has been rezoned to allow for a range of mixed use purposes with more flexible planning and development parameters. The proposed SSDA will support the realisation of Victoria Road Precinct.
- Marrickville's proximity to Sydney CBD makes it an attractive area for inner city living, with an ongoing growth and renewal trend that responds to socio-economic changes. The Subject Site and proposed SSDA is well suited to accommodate these changes and support growth.
- The Subject Site is proximate to a range of uses and key centres, including Marrickville Road, Marrickville Metro, and Sydenham Station (as the closest rail and metro service). Existing uses surrounding the site predominately include light industrial type uses, however new, high-rise residential development has recently been developed as part of the Wicks Place development, opposite the Subject Site, and also reflects the evolution of the Victoria Road Precinct.
- The project will align with both Local and State Government strategic planning objectives which include an emphasis on addressing the critical issue of housing affordability and housing diversity across the region. The policies highlight a need for additional housing within the local area, including alternative models of housing that enhance housing diversity, choice and affordability.

Economic Context

- Three Study Areas have been defined for the purposes of this EIA. These include a Primary Study Area (defined as the suburb of Marrickville), a Secondary Study Area (extending to include surrounding suburbs and is also known as the 'housing market catchment'), and a Tertiary Study Area (defined as the Inner West LGA).
- Analysis of demographic data indicates that the Primary and Secondary Study Areas (PSA and SSA) can be described as comprising a higher proportion of young working professionals who earn higher household incomes than the comparable Greater Sydney benchmark. Residents in these areas are more likely to live in

rented apartments and in non-family households (including lone persons or group-households) – this profile will strongly align with the proposed SSDA which will deliver a rental housing precinct offering alternative housing models across a range of price points, compositions and sizes.

- Population projections estimate that the resident population of the PSA is forecast to increase by +11,380 persons over the period to 2041, and the SSA by +20,250 persons over the same timeframe. The PSA in particular is forecast to grow at a faster average annual growth rate than that implied for Greater Sydney.
- Age forecasts show that the Study Areas will continue to support age diverse communities. Strong growth is projected for young adults, middle aged adults and elderly residents over the period to 2041. Accordingly, the proposed SSDA can respond to the current and future need by delivering uses that align with a range of community and housing preferences associated with diverse communities.

Market and Competitive Assessment

- From a market demand perspective, there is a clear and evident need for additional housing across the SSA, estimated at +11,970 dwellings by 2041. This includes a need for more diverse (including rental housing) and affordable housing models. A review of dwelling demand data shows the following key trends:
  - Significant price escalation for both residential sales and rental costs across the Inner West LGA and SSA.
  - Housing and rental affordability/stress is worse for lower income segments of the community in the Inner West LGA than across the balance of Greater Sydney.
  - The SSA has a high proportion of rented dwellings (46.9%) compared to Greater Sydney (36.1%).
  - The Inner West LSPS notes a need for +1,000 new dwellings each year over the period to 2036. The proposed SSDA would account for just over one years' worth of supply and could quickly deliver supply to market as a single integrated project.
- The delivery of a blended rental housing precinct that offers a mix of BTR, co-living and affordable housing is well suited to the Subject Site due to its strong locational attributes, including being a high amenity area that is supported by transport. Importantly, the proposed development will be able to respond to community need for more affordable accommodation, deliver greater housing diversity and choice that will appeal to a range of occupants, including affluent young professionals, students, downsizers as well as lower income segments of the community.
- As Marrickville continues to grow, so to will the demand for additional retail floorspace required to service this growing population. Retail uses are critical in serving the needs of local residents, workers, and visitors to Marrickville. A successful retail offer helps support the activation and amenity required to establish and support a vibrant and attractive destination.
- The Inner West Employment Lands and Retail Study outlines the need for an additional +30,000m^2 of retail floorspace in Marrickville between 2016 and 2036 (or 1,500m^2 per annum). Accordingly, there is a significant need for additional retail floorspace, and with +2,041m^2 of retail floorspace proposed, the proposed SSDA will help to support this requirement. At just over 2,000m^2, the proposed provision of retail floorspace at the site will satisfy just over one year of implied retail demand based on anticipated growth.
- Surrounding retail centres and precincts, including Marrickville Metro and Marrickville/Illawarra Roads will continue to be the dominant destinations for retail throughout the local area, with each of these centres supporting a significant provision of floorspace and large, destination tenants. As such, these centres will remain the dominant retail destinations, with the provision proposed at the site more aligned to serve the needs of the future on-site and local residents.

Economic Impacts and Benefits

- Reflecting the approved rezoning of Victoria Road Precinct to accommodate a mix of uses and support growth within the local and regional area, the proposed SSDA is of an appropriate and supportable size and composition that will align with the ambition and vision for Victoria Road Precinct.
- Overall, the proposed SSDA will result in a significant net increase in economic benefits across the Subject Site. This includes significant direct investment (refer to the EDC report prepared by WTP), supporting some 760 Full Time Equivalent (FTE) direct construction job years.
- Once complete and fully operational, the proposal will support a total of 108 direct ongoing jobs, contributing an estimated $17.8 million in value added to the economy annually. When the multipliers are taken into account, the project has the potential support total ongoing employment of 176 FTE jobs, and $30.3 million in value added annually through direct and indirect effects.
- It is important to note that the above figures represent total employment and economic activity as a result of the proposed SSDA. When taking into account the existing 22 FTE operational workers currently supported at the Subject Site, the project will result in a net increase of +86 FTE direct ongoing jobs. These jobs will be

strongly aligned with the existing and future community profile and are better aligned with supporting the mixed use vision for Victoria Road Precinct.

- A net increase of +1,680 residents is estimated to be supported across the Subject Site's residential components. These residents will support additional retail expenditure of +$30.9 million annually, based on a per capita spend of $18,410 each year. This additional expenditure will support local business growth within the local economy.
- The proposed SSDA will deliver a unique outcome for the local community, by establishing a 'first of its kind' rental housing precinct which comprises a mix of built to rent (BTR), co-living and affordable housing in a single precinct. This will strongly align with State and Local Government objectives that emphasise a need to deliver more diverse housing typologies in the Inner West, including affordable housing options.
- In particular, the blend of BTR, co-living and affordable housing will provide for a mix of price points and level of amenity in the market that will appeal to a diverse demographic and which would cater to a range of occupiers and household preferences, including more affluent professionals, through to lower income segments of the market.
- Importantly, the proposed 144 affordable dwellings proposed will increase the provision of affordable rental housing available for very low, low and moderate income earners in the Inner West LGA by 23.8%.

Overall, the proposed SSDA will result in a net economic and community benefit, and will support continued investment and growth in the local area. This report has determined that the project will not result in significant economic impacts to the local economy or community. In fact, the proposal will help address the recognised need for increased housing supply and diversity in the local area, while supporting a range of economic benefits that will assist in ensuring continued employment and economic growth within the local area.

1.0 Introduction

1.1 Project Description

This Economic Impact Assessment has been prepared on behalf of Varsity Assets Management Pty Ltd (Developer) on behalf of RTL Investments 2 Pty Ltd as trustee for RTL Marrickville Property Trust ('RTL Co.') (**the Applicant**) to support a State Significant Development Application (SSDA) for the proposed *Timberyards* development. The SSDA (SSD-76927247) seeks consent for a diverse rental housing precinct comprising build-to-rent (BTR), co-living and affordable housing. The precinct development comprises seven buildings ranging from eight to thirteen storeys, with open space that includes a pocket park, through site links and communal open spaces. Specifically, consent is sought for the following:

- Site preparation (including remediation), demolition and bulk excavation for basement parking;
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- Neighbourhood shop (within the R4 zoned land);
- Associated landscaping and public domain works; and
- Augmentation of, and connection to, existing utilities as required.

A detailed description of the proposal is provided in the Environmental Impact assessment (EIS) by Ethos Urban. The development is declared State Significant by virtue of being a BTR development on land in Greater Sydney with an Estimated Development Cost (EDC) of greater than $50 million, with the tenanted component representing greater than 60% of the EDC (Schedule 1, *State Environmental Planning Policy (Planning Systems) 2021*).

1.2 Report Structure

This report contains the following sections:

- **Section 1 –** Introduction
- **Section 2 –** Subject Site Context
- **Section 3** - Proposed Development
- **Section 4 –** Strategic Policy Context
- **Section 5 –** Local Economic Context
- **Section 6 –** Competitive Context
- **Section 7 –** Market Assessment
- **Section 8 –** Economic Impact Assessment

1.3 Methodology

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

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.

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

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

1.4 Sources and Assumptions

The following sources have been referenced in this document:

- ABS Census of Population and Housing, 2021
- ABS Census of Population and Housing, 2016
- ABS Estimated Resident Population, 2023
- ABS Building Approvals – 2022-2023
- ABS National Accounts 2020/21
- Forecast ID, Inner West LGA
- Transport for NSW (TfNSW) Travel Zone Projections 2022
- 2024 NSW Common Planning Assumption Population Projections
- 2022 NSW Common Planning Assumptions, Workspace Ratios
- Inner West Local Strategic Planning Statement
- Inner West Employment and Retail Lands Strategy 2020
- City of Sydney Floor Space and Employment Survey, 2017
- SQM Research

The following assumptions have been used in this document

- The key findings of the background studies and technical reports are accurate.
- Socio-economic data for each study area accurately reflects the community demographic profile.
- ABS estimated resident population figures provide an accurate estimate of historic population.
- forecast Id population projections and TfNSW Travel Zone Projections data provide an accurate outlook for future population and employment growth for each of the study areas.
- Cordell Connect provides an accurate representation of the development pipeline.

2.0 Subject Site Context

This section provides a review of the Subject Site, the regional and local context and site attributes as they relate to the proposed development.

Key findings and considerations of this section include:

- The Subject Site is a large parcel of land strategically positioned in Sydney's Inner West in the suburb of Marrickville. The Subject Site currently comprises industrial and light industrial uses, and some minor residential uses to the site's western boundary.
- It is located within Precinct 47 Victoria Road in the Marrickville DCP, which has been rezoned to allow for a range of mixed-use purposes and planning and development parameters which support enhanced development outcomes. Accordingly, the Subject Site and surrounding built form has been earmarked and planned for change.
- The proposed SSDA will allow for a rental housing precinct comprising BTR, co-living and affordable housing will be consistent with the ongoing change and renewal of the local area.
- Regionally, Marrickville and the Subject Site is well connected to key centres such as Newtown, Dulwich Hill, and Sydney CBD. It benefits from connectivity through bus, rail and metro services, as well as its proximity to Sydney Airport.

2.1 Subject Site

The site is known as the 'Timberyards', located in Marrickville within the Inner West Local Government Area (LGA). The site comprises 39 lots with legal identification listed in the table below, and has a total area of 22,770m2 or, for the purpose of calculation of floor space, an area of 22,564m^2 (excluding the SP2-zoned Victoria Road widening land, which is within the site boundary). The site is located within Precinct 47: Victoria Road in the *Marrickville Development Control Plan 2011* (MDCP 2011). The site is primarily contained in the Timber Yards sub-precinct of Precinct 47, with the lots fronting Victoria Road falling within the Victoria Road Corridor sub-precinct.

The site is approximately 700m walking distance to the newly opened Sydenham Metro Station, with 7-minute travel time to the Sydney CBD.

The site currently comprises primarily industrial and light industrial uses, with residential dwellings to a minor portion of the site on Farr Street (western boundary) and Victoria Road (eastern boundary). The site also has frontage to Sydenham Road to the south and Mitchell Street to the north (and encompassing a small lane off Mitchell Street). An aerial map is provided at **Figure 1** below.

Lot/DP	Property Address
1/724487	119A Sydenham Rd
1/972534	121 Sydenham Rd
B/439802	129 Sydenham Rd
A/439802	131 Sydenham Rd
D/377270	133 Sydenham Rd
1/700223	135 Sydenham Rd
B/343286	7 Farr St
A/304426	9 Farr St
A/304426	11 Farr St
1/78883	13 Farr St
1/252507	15 Farr St
2/252507	17 Farr St
345/587262	191 Victoria Rd

Lot/DP	Property Address
1/572829	35 Farr St
12/4590	14 Mitchell St
13/4590	10 Mitchell St
14/4590	8 Mitchell St
15/4590	183 Victoria Rd
16/4590	4 Mitchell St
17/4590	2 Mitchell St
3/4590	165 Victoria Rd
2/4590	167 Victoria Rd
1/4590	169 Victoria Rd
A/301985	171 Victoria Rd
B/301985	173 Victoria Rd
1/315293	183 Victoria Rd

Lot/DP	Property Address
3/252507	19 Farr St
4/252507	21 Farr St
5/252507	23 Farr St
6/252507	25 Farr St
7/252507	27 Farr St
8/252507	29 Farr St
9/252507	31 Farr St
1/583801	33 Farr St
C/301985	175 Victoria Rd
D/301985	183 Victoria Rd
E/301985	175 Victoria Rd
A/166330	183 Victoria Rd
20/667441	183 Victoria Rd

Figure 1 Subject Site Aerial

Source: Ethos Urban, Nearmap

2.2 Local Context

Broadly, development surrounding the Subject Site comprises a medium density, mixed use typology that includes a range of residential, light industrial and mixed use developments, in buildings of varying heights, styles, and ages. Given the changing nature of Marrickville, land surrounding the Subject Site is subject to ongoing planning, construction, and overall urban renewal. An example of this can be seen at Wicks Place – a 12-storey mixed use development located east of the Subject Site.

The Subject Site is located within Precinct 47 and forms part of the broader Victoria Road Precinct. The surrounding development context is characterised by a variety of land uses including light industrial/showrooms, low to medium density housing, creative industries, general retail and food and beverage facilities. Wicks Park is located opposite the Subject Site, however the remaining surrounding area is primarily light industrial.

It should be noted that the Victoria Road Precinct is an employment area that has been rezoned for a range of mixed-use purposes, including residential housing and businesses. The rezoning of the Subject Site represents the changing built form of the surrounding context of the area.

Locally, there are a range of significant transport, developments and precincts that the Subject Site is proximate to. This includes Marrickville Road (350m south) and Marrickville Metro (1.1km east). Sydenham Station is the closest rail service to the Subject Site some 750m south-east, which offers both metropolitan train and metro services. The area surrounding the Subject Site is summarised below, and presented in **Figure 2**.

North	Light Industrial uses located to the north of Mitchell Street. Some of these light industrial uses comprise food and beverage tenancies including bakeries, breweries etc. A pocket park is located between Mitchell Street and Chalder Street, and the Rich Street Creative Precinct is located further north.
East	Wicks Place residential development has recently been largely completed with a stage currently under construction to the site's immediate east, as well as the established Wicks Park. Marrickville Metro is located approximately 1.1km east, beyond existing industrial and light industrial uses.
South	Residential dwellings are predominately located to the south of the Subject Site beyond Sydenham Road. Marrickville Road is located 350m south, and comprises a significant retail and services offering.
West	Residential uses, a school and some light industrial uses adjoin Farr Street to the west.

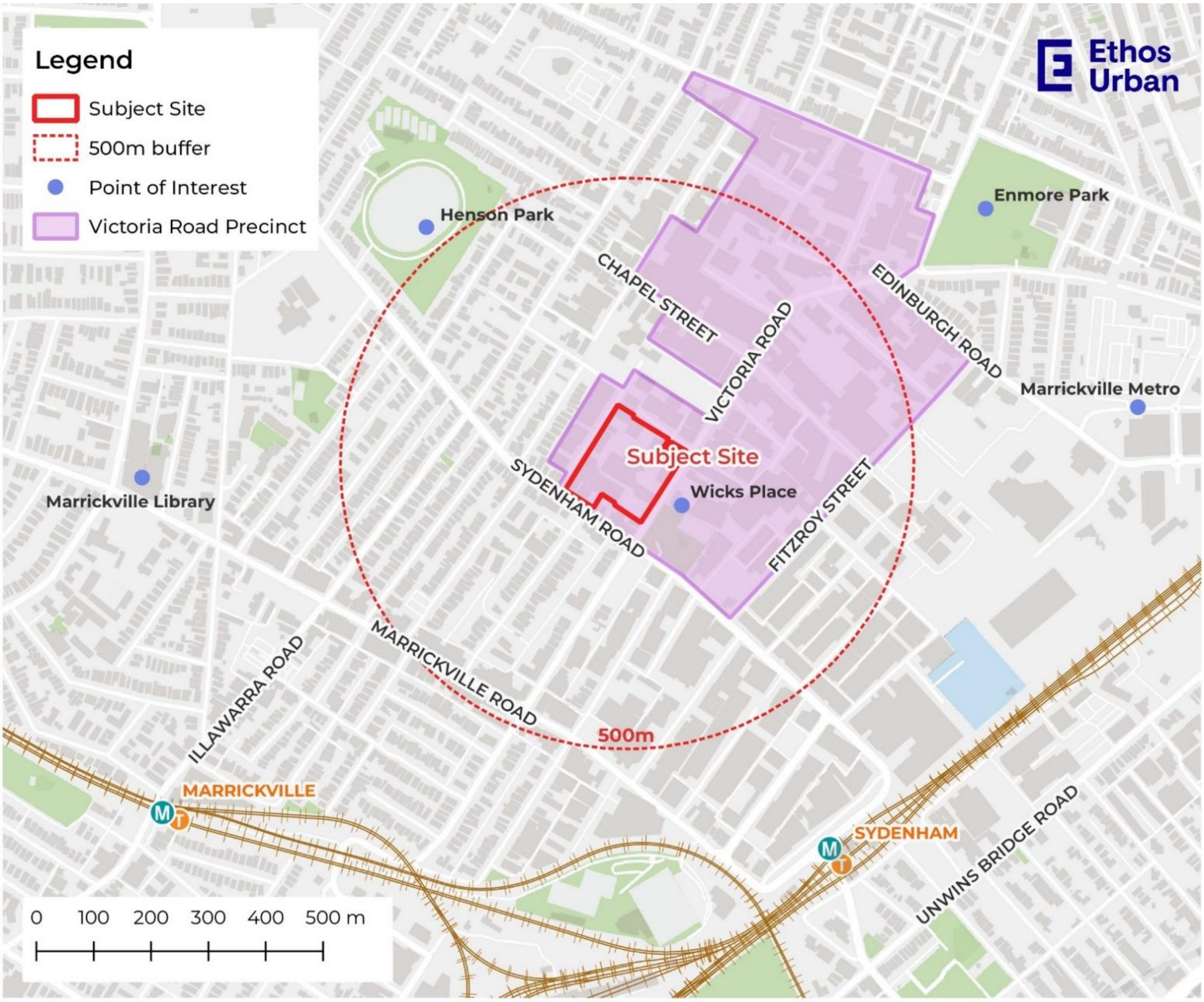


Figure 2 Local Context Map

Source: Ethos Urban

Figure 3 Mitchell Street, looking south east

Figure 4 Subject Site, Timber Yard

Figure 5 Victoria Road, looking south

Figure 6 Subject Site rear (Farr Street)

Source: Ethos Urban

2.3 Regional Context

Marrickville is a rapidly evolving suburb located within Sydney's Inner West, approximately 10km south-west of the Sydney CBD.

Marrickville is undergoing one of Sydney's more significant gentrification trends. Its history as an industrial, working class suburb is well known, so too its development in to one of Australia's most diverse and cosmopolitan hubs, with a particularly strong Greek, and increasing Vietnamese and Chinese influences.

The area's proximity to the Sydney CBD continues to make it an attractive option for inner city living, with an ongoing renewal trend and increase in flexible and adaptive permissible uses which respond to the socio-economic changes. The Subject Site and proposal is a typical example of these changes.

Marrickville (and the Subject Site) is well connected from a regional perspective to key centres such as Newtown, Dulwich Hill, and Sydney CBD. It benefits from connectivity through bus, rail and metro services (Sydenham Station), as well as its proximity to Sydney Airport.

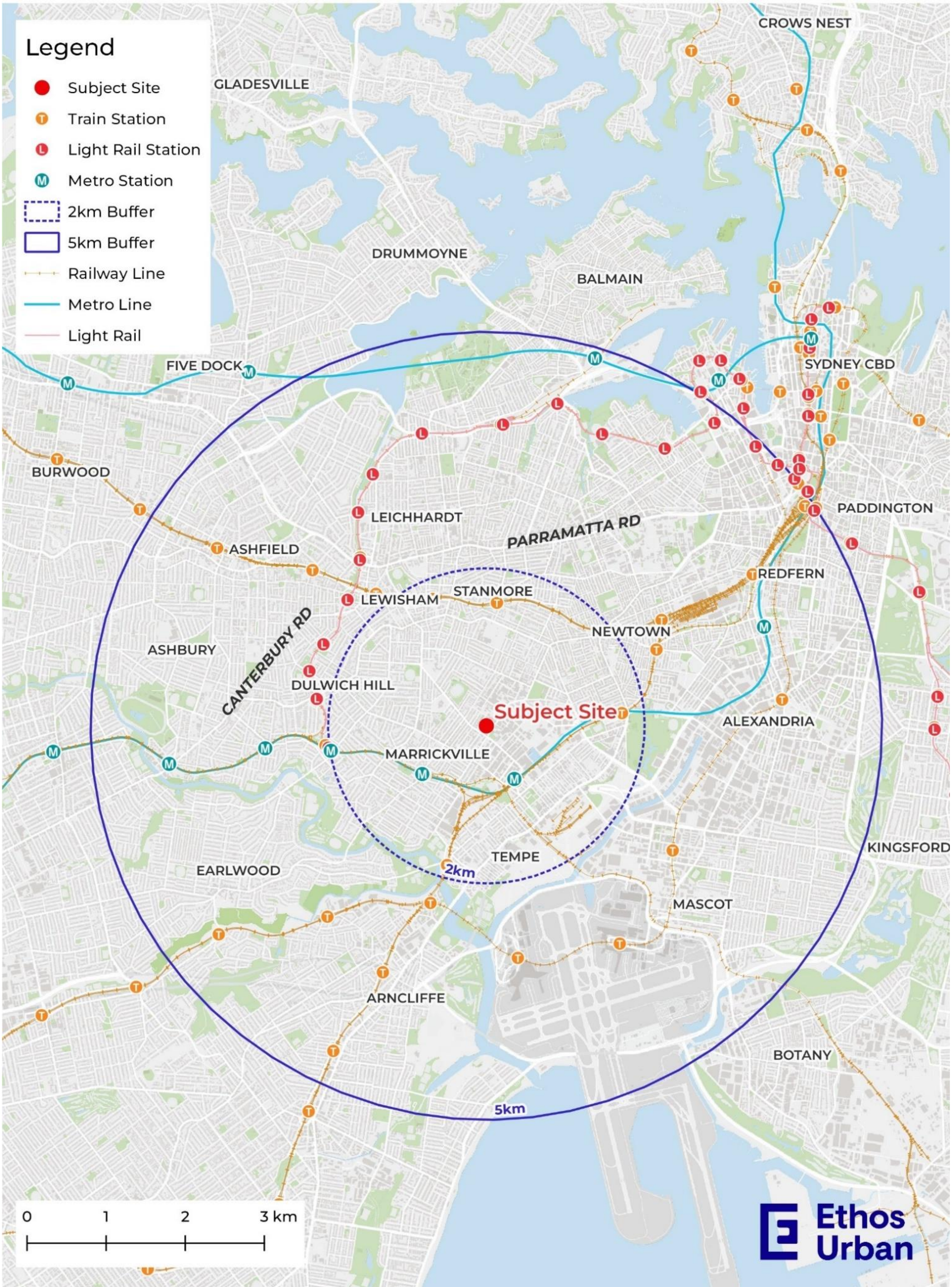


Figure 7 Regional Context

Source: Ethos Urban

3.0 Proposed Development

3.1 Project Vision

RTL Co. aim to deliver Sydney's premier neo-industrial residential neighbourhood - a global benchmark for imaginative urbanism. The Timberyards aims to seamlessly integrate diverse residential offerings into the distinctive character of Marrickville, fostering a sense of pride among residents and the local community. The project will deliver a wide range of rental living solutions, complemented by recreation spaces and local retail, all underpinned by Connection to Country and environmentally sustainable design principles.

3.2 Proposed Development

The Applicant will seek development consent under Division 4.7 – Stage Significant Development of the EP&A Act for the redevelopment of the Timberyards Precinct in Marrickville as rental housing precinct development comprising Build to Rent housing (BTR), co-living housing, affordable housing retail and public and private recreation area. The proposal is anticipated to include the following key components:

- Demolition and site preparation works;
- Construction of 7 buildings ranging from 8 to 13 storeys;
- Construction of a basement car park, plant and storage areas with primary access from Mitchell Street;
- 599 BTR apartments (inclduing 144 affordable housing units);
- 589 co-living dwellings;
- 2,041m^2 of retail floorspace;
- 353m^2 of commercial (co-working) floorspace;
- Communal areas for residents on site;
- Landscaping, publicly accessible open space, and communal open space; and
- Extension and augmentation of infrastructure and services as required.

The proposed development is discussed further in the following subsections and detailed in the Architectural Drawings prepared by Turner. A Site Plan is shown in **Figure 8** and the proposed massing scheme in **Figure 9**.

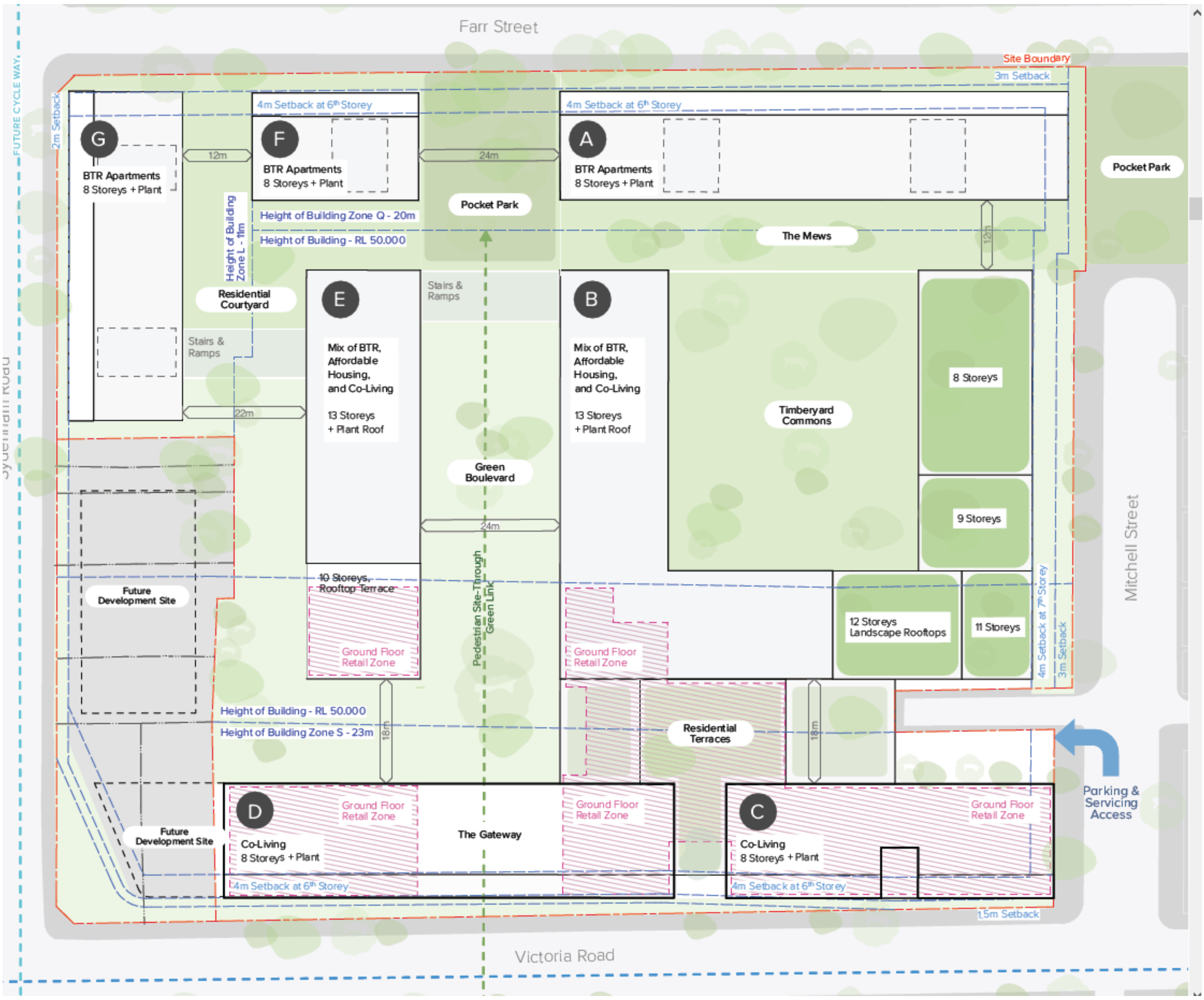


Figure 8 Site Plan

Source: Turner

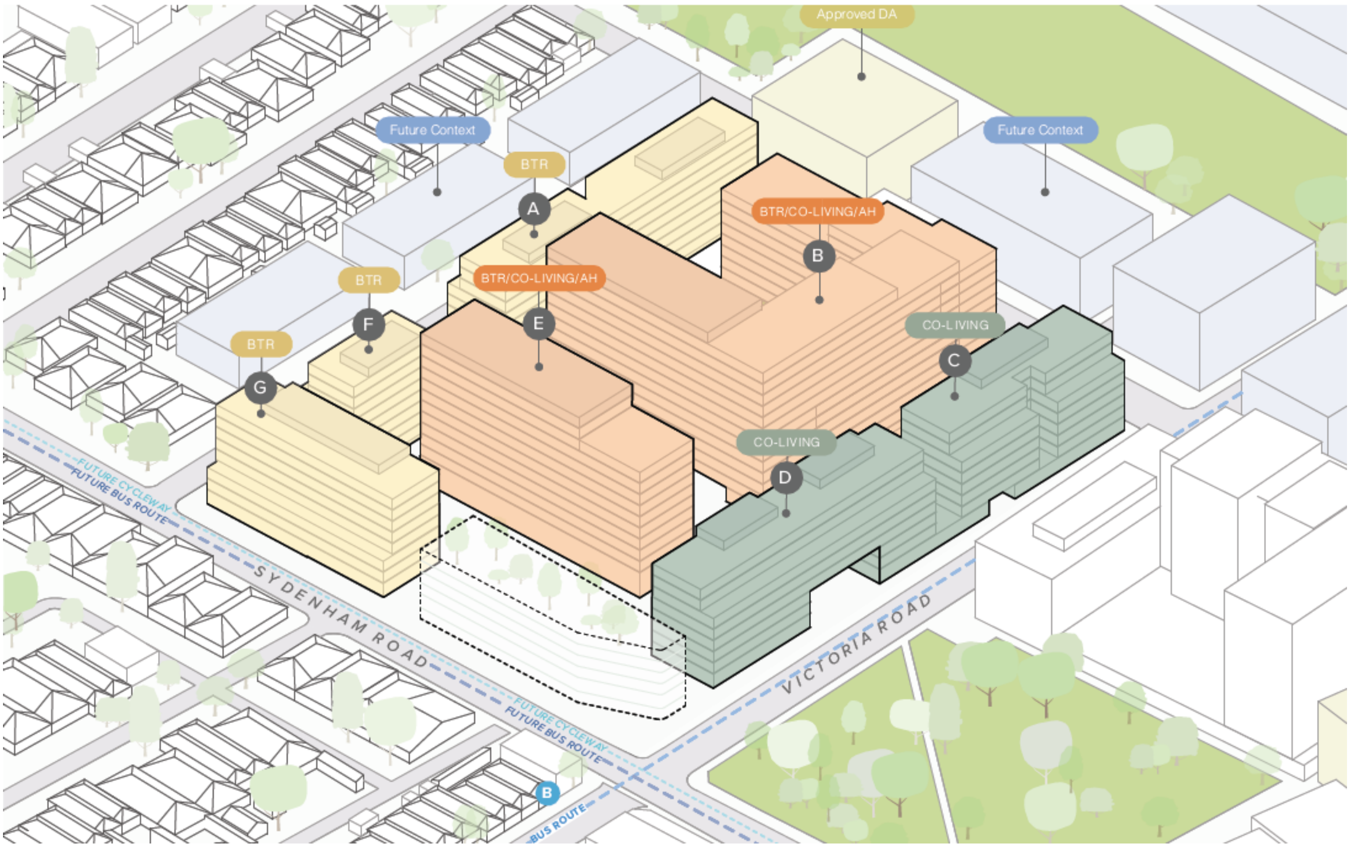


Figure 9 Proposed Massing – Residential Uses

Source: Turner

4.0 Strategic Policy Context

This section provides and overview and summary of key strategic planning policies of relevance to the Subject 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 Subject Site and the future development as a result of this proposal.

4.1 Key themes and drivers

A summary of key themes and drivers from an economic context for the proposed development include:

- **National Housing Accord:** The NSW Government has committed to delivering 377,000 new homes across the State by 2029 as part of the National Housing Accord. This includes a 5 year housing target of +7,800 new homes in the Inner West LGA by 2029.
- **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.
- **Eastern City District Plan**: The Plan highlights that over 20 years, there will be demand for an additional +157,500 dwellings in the Eastern City District, with much of this to be provided through urban renewal. The Plan shows that the Subject Site is located within an urban renewal corridor, and accordingly is highly appropriate for the delivery of housing under the Plans target. Specifically, the Plan notes that new housing delivered through urban renewal should support a diversity of household types and community needs.
- **Our Place Inner West - Local Strategic Planning Statement (LSPS):** The LSPS sets out the vision and strategic framework for the Inner West LGA to 2036. This framework will support the LGAs projected +42,000 residents by 2036, equating to a need of an additional +1,000 new dwellings each year.

  A key theme underpinning the strategy is housing affordability, which is identified as a significant issue for local Inner West residents. To improve housing affordability and other housing issues, the LSPS notes the following objectives:

  – *Provide housing growth and choice including a range of housing types in locations that have good access to public transport, community facilities, services, open space and employment opportunities supported by infrastructure provision*

  – *Maintain existing and increase supply of affordable housing to narrow the affordability gap for very low, low, and moderate income households.*

  – *Provide a diverse mix of housing typologies, sizes and tenures that cater to the needs of people at all stages of their lives*

  In relation to other non-residential uses, the LSPS projects that by 2036, the LGA will require an additional +30,000m^2 of retail and office floorspace.
- **Our Place Inner West Local Housing Strategy**: The LHS provides direction for the provision of housing across the LGA**.** The Strategy outlines that housing in the Inner West has diversified in recent years, with a greater mix of both detached, terrace and apartment dwellings throughout. This has, in part, been driven by the gentrification of parts of the LGA (such as Marrickville) and has resulted in a disproportionate share of affordable housing for the LGAs lower income households. Accordingly, housing affordability is a key theme underpinning the LHS, with Council recognising a need to increase the provision affordable homes across the LGA. This includes a need for more affordable housing across the LGAs to support the high share of students.
- **Inner West Employment Lands and Retail Strategy –** The Strategy provides analysis on the need for non-residential uses including retail and commercial floorspace. Specifically, the findings of the analysis concluded that between 2016 and 2036, an additional +60,000m^2 of retail floorspace will be required across the LGA (this includes almost 30,000m^2 required in Marrickville alone (including within Marrickville Metro)). Based on projected growth of office workers, a need for 28,426m^2 of commercial office floorspace will be required in Marrickville specifically by 2036.
- **Inner West Affordable Housing Policy:** The Affordable Housing Policy highlights that between 2016 and 2036, an estimated 571 affordable dwellings (including affordable rental accommodation) would need to be delivered per year to meet affordable housing need. This equates to 57% of all dwellings approved annually in the LGA. in recent years.
- **Marrickville Development Control Plan 2011 (Section 9.47 Page 8):** Under the Marrickville Development Control Plan 2011 (MDCP 2011), the site is located within the Victoria Road Precinct 47, further referred to as

the Timber Yards sub-precinct. This dedicated chapter of the DCP establishes a framework to guide development within the precinct. The Timber Yards sub-precinct was designated as a new residential area which would support the function of the Victoria Road corridor. The document describes that the area is proposed to transition in height and built form providing opportunities for increased density across taller buildings. The redevelopment of the sub-precinct will add vibrancy to the area, with an increase in pedestrian activity and connections. Some of the objectives and controls are as follows:

– To ensure redevelopment sites are of a suitable size and shape to enable high density residential and mixed-use forms within the precinct can achieve high amenity and architectural quality.
– To encourage the use of public transport, walking and cycling and ensure streets achieve a balance between facilitating vehicle movement and promoting walking and cycling.
– To create a pedestrian friendly space in the form of shared zones within the Timber Yards and Wicks Park Sub-precincts.
– To provide functional open spaces for residents within the precinct.

In addition to the above policies, recent media announcements highlight that the Inner West Council has acknowledged the ongoing housing supply challenge in the LGA, and are investigating a range of options to unlock a greater provision of new homes. This could include the relaxation of some non-safety related planning requirements such as direct solar access, parking and minimum apartment sizes. Council recognises the Inner West as a desirable place to live, and importantly as an appropriate place for greater housing density, particularly within Marrickville which will benefit from improved transport and connectivity through the new and future metro services.

4.2 Suitability of the Proposed Development

The proposed SSDA will respond to strategic directions for the local and regional area by increasing housing supply in a strategic location that is identified for urban renewal. Importantly, the project will deliver diverse housing typologies within the local market through establishing a rental housing precinct that offers a mix of products including build to rent (BTR), co-living and affordable housing. Accordingly, the project will cater to a wide demographic through the provision of a range of housing typologies and price points, including delivering affordable rental housing.

5.0 Economic Context

The following section analyses the local social and economic context of the proposed development, including defining Study Areas and assessing the existing demographic characteristics as well as future resident and worker levels.

Key findings of the Subject Site's economic context review include:

- Three Study Areas have been defined for the purposes of this EIA. These include a Primary Study Area (defined as the suburb of Marrickville), a Secondary Study Area (extending to include surrounding suburbs and is also known as the 'housing market catchment'), and a Tertiary Study Area (defined as the Inner West LGA).
- As of 2024, a total of 28,540 persons live in the Primary Study Area, and 102,610 in the SSA. At 102,610 residents, the Secondary Study Area currently supports more than half of the Inner West LGA population.
- Analysis of demographic data indicates that the Primary and Secondary Study Areas (PSA and SSA) can be described as comprising a higher proportion of young working professionals who earn higher household incomes than the comparable Greater Sydney benchmark. Residents in these areas are more likely to live in rented apartments and in non-family households (including lone persons or group-households) – this profile will strongly align with the proposed SSDA which will deliver a rental housing precinct offering alternative housing models across a range of price points, compositions and sizes.
- Between the 2016 and 2021 Census period it was observed that there was a strong increase in median household incomes, and that households are increasingly occupied by lone persons.
- Population projections estimate that the resident population of the PSA is forecast to increase by +11,380 persons over the period to 2041, and the SSA by +20,250 persons over the same timeframe. The PSA in particular is forecast to grow at a faster average annual growth rate than that implied for Greater Sydney.
- Age forecasts show that the Study Areas will continue to support age diverse communities. Strong growth is projected for young adults, middle aged adults and elderly residents over the period to 2041. Accordingly, the proposed SSDA can respond to the current and future need by delivering uses that align with a range of community and housing preferences associated with diverse communities.

5.1 Study Area Definition

For the purposes of this analysis, Study Areas have been defined to represent the areas of influence for the proposed development. Factors considered in defining the boundary of study areas utilised in this report include:

- Location of the project
- Existing and proposed road and transport networks
- Location of natural and engineering boundaries such as waterways, local conservation areas and heavy infrastructure.
- Perceptual and psychological boundaries that affect perceptions of convenience, accessibility, community and relationship to the Subject Site and surrounding communities.
- Location and nature of existing town centres, activities, surrounding key land uses and growth areas; and
- Statistical and administrative boundaries such as ABS Statistical Areas.

The adopted Study Areas and the definitions are summarised as follows and shown in **Figure 10**.

Primary Study Area	• A Primary Study Area (PSA) has been defined as the suburb of Marrickville, and represents the local area in which economic impacts are most likely to be experienced. This area in particular will be used to assess the need for non-residential uses at the Subject Site (including retail).
Secondary Study Area	• The Secondary Study Area (SSA) extends to include suburbs adjoining Marrickville and represents the core 'housing market' for the Subject Site. It will provide insights in the local housing market, including demand for housing in which the project will service.
Tertiary Study Area	• The Tertiary Study Area (TSA) represents the administrative boundary of the Inner West LGA. Analysing this area provides greater insights into the unique characteristics and attributes of the other study areas in the context of the 'Inner West' overall.

Benchmark	• The above study areas will be benchmarked against Greater Sydney, with this comparison providing greater insights into the unique characteristics and attributes of this part of Sydney.

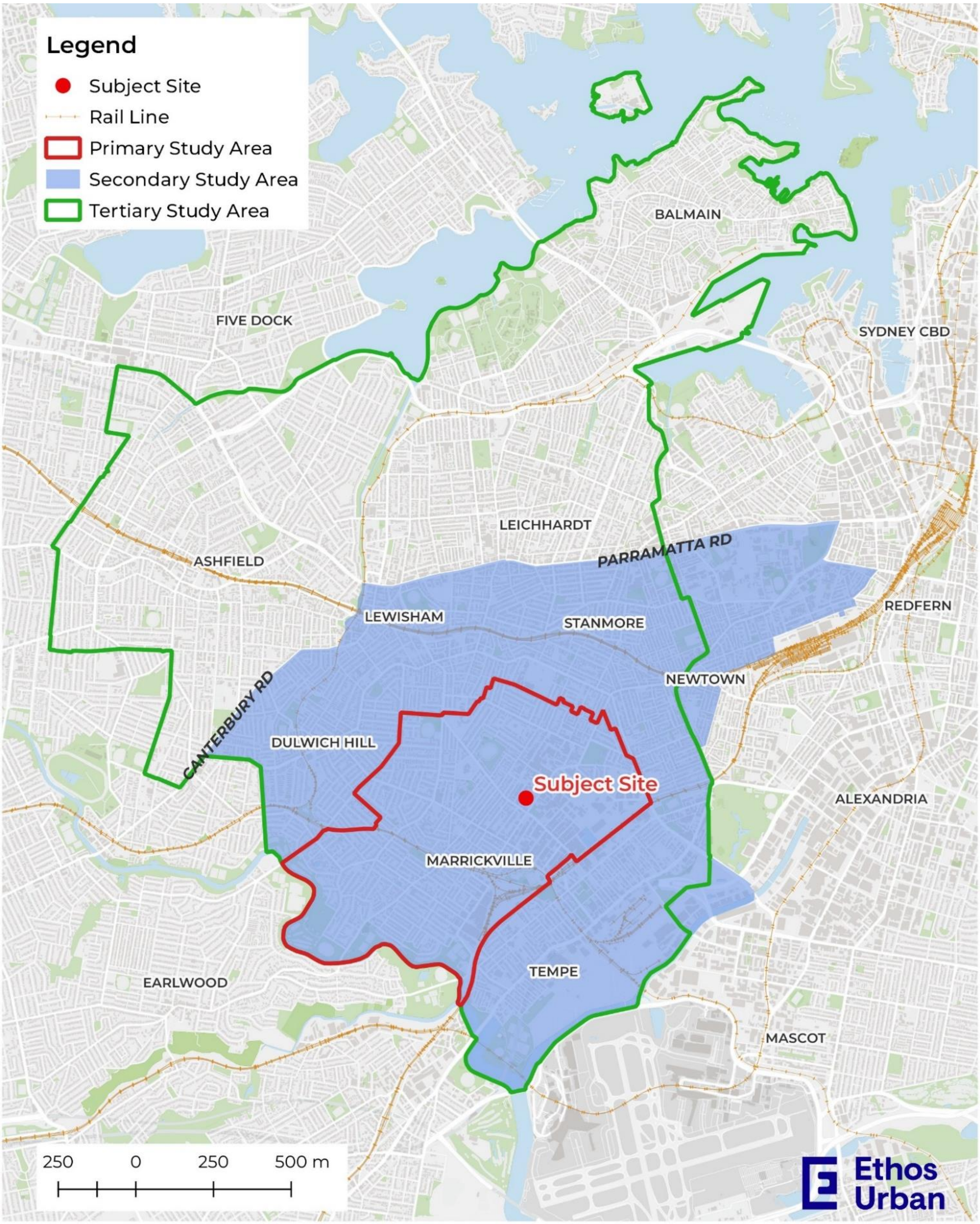


Figure 10 Study Area Map

Source: Ethos Urban

5.2 Resident Profile

The demographic data has been drawn from the 2021 and 2016 ABS Census. The data analysis provides a general overview of the demographic characteristics of residents within the Study Areas.

For the purposes of this analysis, it is assumed that the 2021 Census provides a current snapshot of the residential demographic profile of the Study Areas (see **Table 1**). Key characteristics of the Study Area population include:

- **High annual median household income** of $112,790 in the PSA, and $117,470 in the SSA. Overall, the TSA has even higher income of $120,00 per household, compared to Greater Sydney of $108,750. This shows that while the PSA and SSA have favourable income compared to Greater Sydney, they have lower incomes in the context of the overall Inner West LGA.
- **A higher share of young adults aged 25-34 years,** comprising 22.5% of the PSA and 23.9% of the SSA population. This compares to the 19.3% of residents aged 18-24 years in the TSA, and 15.6% in Greater Sydney. Overall, the median age of the PSA and SSA at 37.8 and 36.0 years is comparable to Greater Sydney of 37.3 years.
- **A lower share of family households in the Inner West LGA** at 62.2% compared to Greater Sydney of 72.6% of households. Notably, the PSA and SSA have high shares of lone person (29.9% and 32.0%) and group households (9.2% and 10.4%). This is significantly higher than Greater Sydney where 23.3% of households are occupied by lone persons, and 4.1% are group households.
- **Residents in the PSA and SSA are likely to be renting,** noting that 46.9% and 49.0% of all dwellings are rented throughout these areas, respectively. This trend is also similar across the TSA, where 44.2% of dwellings are rented, compared to 36.1% of dwellings in Greater Sydney.
- **There is a relatively diverse mix of dwellings in the SSA,** including flats units and apartments (44.4%), row or terrace housing (30.1%) and separate houses (23.3%). By comparison, just 12.8% of all dwellings in Greater Sydney are row or terrace housing, and 30.8% comprise flats, units and apartments. Almost half (47.3%) of all dwellings in the PSA are flats, units and apartments, reflecting the ongoing renewal and densification of Marrickville.
- **A high share of white collar professionals,** including 82.6% in the PSA, and 85.7% in the SSA who are employed in skilled industries, compared to 76.8% across Greater Sydney. This includes a significantly higher share of professionals in the PSA (40.3%) and SSA (42.6%), as compared to 29.9% of professionals across Greater Sydney.
- **A review of the student population shows a higher share of residents attending university or another tertiary institution**, including 30.1% in the PSA and 40.1% in the SSA (of those attending education).

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

- Household incomes have increased by +$18,160, faster than the +$16,550 increase in Greater Sydney.
- Growth in the share of lone person households by +3.8ppt, compared to +1.6ppt across Greater Sydney.
- An increase in the share of flats, units and apartments of +1.5ppt, however not as significant as the increase in Greater Sydney of +2.5ppt.
- An increase in white collar workers by +3.9ppt, compared to a +2.1ppt increase in Greater Sydney.

In summary, the PSA and SSA is characterised by a higher proportion of young, relatively affluent and diverse populations who work in white collar jobs and attend university. Residents are more likely to live in rented apartments and be living in non-family households (such as lone person or group households).

This resident profile would strongly align with a rental housing precinct as proposed, including one that offers a mix of typologies across difference price points. The local demographic would also associate strongly with high levels of amenity including a provision of both public and private recreation uses.

Table 1 Demographic Profile Summary

Category	Primary Study Area	Secondary Study Area	Inner West LGA	*Greater Sydney*
Income				
Median household income (annual)	$112,790	$117,470	$120,220	*$108,750*
Variation from Greater Sydney median	*+3.7%*	*+8.0%*	*+10.5%*	*n.a.*
Age Structure				
0-4 years	4.7%	4.4%	5.0%	*6.0%*
5-19 years	12.3%	12.3%	13.7%	*18.1%*
20-34 years	27.8%	31.4%	25.4%	*22.1%*
35-64 years	40.8%	40.5%	41.8%	*38.7%*
65-84 years	12.2%	10.0%	12.1%	*13.2%*
85 years and over	2.2%	1.5%	2.0%	*2.0%*
Median Age (years)	37.8	36.0	38.2	*37.3*
Country of Birth				
Australia	65.1%	68.3%	65.6%	*61.1%*
Other Major English Speaking Countries	8.0%	10.1%	10.4%	*7.1%*
Other Overseas Born	26.9%	21.6%	24.0%	*31.8%*
% speak English only at home	*65.9%*	*74.7%*	*72.9%*	*61.0%*
Household Composition				
Couple family with no children	26.0%	27.1%	26.7%	*24.5%*
Couple family with children	23.4%	21.3%	25.7%	*36.1%*
Couple family - Total	49.3%	48.4%	52.4%	*60.5%*
One parent family	10.0%	7.9%	8.4%	*11.0%*
Other families	1.5%	1.3%	1.3%	*1.1%*
Family households - Total	60.9%	57.6%	62.2%	*72.6%*
Lone person household	29.9%	32.0%	30.3%	*23.3%*
Group household	9.2%	10.4%	7.5%	*4.1%*
Dwelling Structure (Occupied Private Dwellings)				
Separate house	32.2%	23.3%	28.9%	*56.1%*
Semi-detached, row or terrace house, townhouse etc.	18.2%	30.1%	27.2%	*12.8%*
Flat, unit or apartment	47.3%	44.4%	42.5%	*30.7%*
Other dwelling	2.2%	2.2%	1.5%	*0.4%*
Occupancy rate	*90.9%*	*89.8%*	*90.1%*	*91.8%*
Average household size	2.3	2.2	2.3	*2.7*
Tenure Type (Occupied Private Dwellings)				
Owned outright	24.2%	21.9%	25.3%	*28.3%*
Owned with a mortgage	28.0%	28.3%	29.3%	*34.0%*
Rented	46.9%	49.0%	44.2%	*36.1%*
Other tenure type	0.9%	0.9%	1.3%	*1.6%*
Attending Education (% of those attending)				
Pre-school	7.6%	6.2%	7.7%	8.0%
Infants/Primary	24.8%	21.5%	27.1%	31.4%
Secondary	20.6%	17.5%	21.0%	24.9%
Technical or Further Educational Institution	12.6%	10.9%	10.5%	10.2%
University or other Tertiary Institution	30.1%	40.1%	29.5%	21.4%
Other type of educational institution	4.3%	3.8%	4.3%	4.2%
% of total population attending education	21.7%	24.0%	23.8%	25.8%
Occupation				
Managers	16.8%	17.2%	18.9%	15.5%
Professionals	40.3%	42.6%	41.6%	29.9%
Technicians and trades workers	9.3%	8.0%	7.7%	10.7%
Community and personal service workers	7.7%	8.0%	7.4%	9.4%
Clerical and administrative workers	12.1%	11.9%	11.9%	14.0%
Sales workers	5.9%	5.9%	6.2%	7.9%
Machinery operators and drivers	3.1%	2.4%	2.3%	5.7%
Labourers	4.9%	3.9%	4.0%	6.9%

Source: ABS Census of Population and Housing 2021

5.3 Resident Forecasts and Projections

The following sub-section forecasts resident population growth in addition to the anticipated growth by age group. This review assists in informing if the proposed development will align with the local community.

5.3.1 Resident Population Projections

Resident population projections have been prepared using the latest available projections prepared by Forecast ID in July 2023, and are rebased to account for the latest ABS population estimates. These projections are broadly aligned with forecasts presented within the Inner West LSPS, and the latest NSW Common Planning Assumptions 2024 Population Projections.

A detailed summary of population projections is presented in **Table 2**, and the key findings include:

- Between 2016 and 2021, population within all Study Areas showed a decline. Much of this decline occurred over the 2020 and 2021 period, and accordingly is likely a result of COVID-19, which saw residents (particularly young adults) temporarily move to other regions, including back home with families. The latest estimated resident population data in 2022-2023 shows a significant rebound in annual growth towards historical levels across all Study Areas. This trend is reflected in **Figure 11**, which shows the decline and subsequent recovery in population growth across the Inner West LGA (TSA).

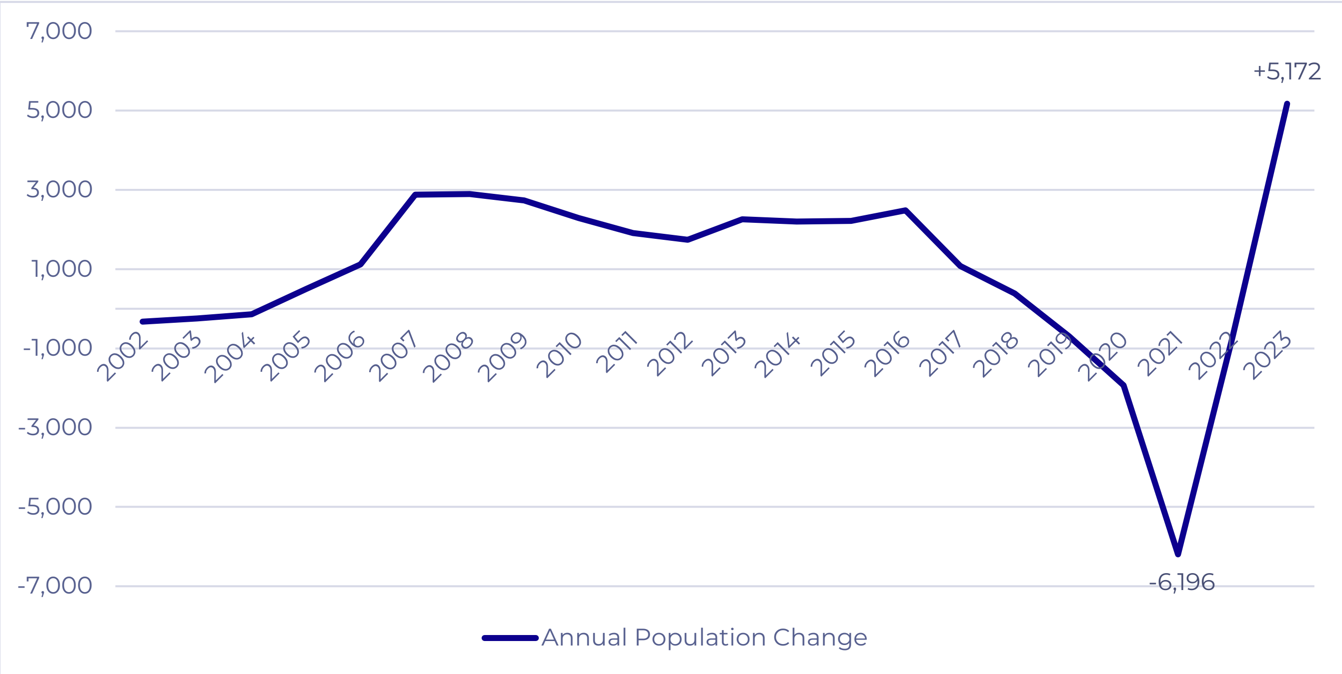


Figure 11 Inner West LGA (TSA) Annual Population Growth (2022-2023)

Source: ABS ERP 2023

- As of 2024, an estimated 28,540 persons live in the PSA. Projections show that between 2024 and 2041, the area is forecast to grow by +11,380 residents, at a rate of +2.0% annually.
- More broadly, the SSA is forecast to increase by +20,250 residents, from 102,610 persons in 2024 to 122,860 in 2041. This level of growth will account for just over half (52%) of all growth projected across the Inner West LGA (TSA), which is estimated to increase by +39,320 residents between 2024 and 2041.
- Notably, the projected average annual growth rate of +2.0% per annum is almost twice as high as the forecast annual rate in the SSA and LGA overall. This shows the strong focus overall for resident growth in the immediate Marrickville area

In summary, the resident population of the Inner West LGA overall is forecast to increase substantially in the coming years. This includes strong growth in both the PSA and SSA, with this additional population to require increased demand for housing and associated services and amenities. retail) in the local and regional area.

Table 2 Population Projections – Study Areas

	2016	2021	2024	2031	2036	2041	Change
Population							
Primary	27,920	26,720	28,540	35,150	37,820	39,920	**11,380**
Secondary	101,500	96,490	102,610	114,160	118,790	122,860	**20,250**
Tertiary	191,190	183,840	192,920	212,340	222,600	232,240	**39,320**
Greater Sydney	*5,024,920*	*5,261,800*	*5,490,010*	*5,968,400*	*6,314,550*	*6,662,580*	***1,172,570***
Average Annual Change (%)							
Primary		-0.9%	2.2%	3.0%	1.5%	1.1%	2.0%
Secondary		-1.0%	2.1%	1.5%	0.8%	0.7%	1.1%
Tertiary		-0.8%	1.6%	1.4%	0.9%	0.9%	1.1%
Greater Sydney		-0.9%	2.2%	3.0%	1.5%	1.1%	*1.1%*
Average Annual Change (No.)							
Primary		-240	607	944	534	420	669
Secondary		-1,002	2,040	1,650	926	814	1,191
Tertiary		-1,470	3,027	2,774	2,052	1,928	2,313
Greater Sydney		*47,376*	*76,070*	*68,341*	*69,230*	*69,606*	***68,975***

Source: ABS 2023, Forecast ID

5.3.2 Resident Age Projections

A breakdown of population by age is provided in **Table 3**. Key findings of the age projections include:

- Both the PSA and SSA will remain age diverse communities with a mix of growth across elderly cohorts aged 65 years and over, as well as young adults (20-34 years) and middle aged adults (35-49 years).
- Within the PSA, young adults (aged 20-34) are forecast to increase by +2,211 residents, while middle-aged adult cohorts (35-64) are forecast to increase by +5,133 residents between 2024 and 2041.
- Within the SSA, there is a stronger profile of an ageing population, noting growth of +4,481 residents aged 65 years and over. However, notably, the number of young adults aged 20-34 is also forecast to increase significantly in the SSA by +3,905 residents over the projected period.

Overall, age projections show that both the PSA and SSA demographic are, and will continue to be, age diverse communities supporting a balance of growth across young adults and older age cohorts. Accordingly, housing and community preferences will also be varied, with a need to deliver uses that align with both an elderly and young adult cohort, including supporting families with or without children through to lone person households.

Table 3 Age Projections – Study Areas

Age Projections	2024	2031	2041	Change (2024-2041)
Primary				
0-4	1,607	2,327	2,466	859
5-14	2,010	2,584	3,377	1,368
15-19	1,166	1,195	1,498	332
20-34	9,080	10,724	11,291	2,211
35-49	6,590	8,925	10,108	3,518
50-64	4,262	4,767	5,877	1,615
65+	3,826	4,628	5,303	1,477
Total	**28,540**	**35,150**	**39,920**	**11,380**
Secondary				
0-4	5,315	6,492	6,679	1,364
5-14	7,704	8,477	9,844	2,140
15-19	4,452	4,468	4,991	539
20-34	32,098	34,890	36,003	3,905
35-49	24,330	28,044	29,906	5,576
50-64	16,068	16,680	18,312	2,244
65+	12,643	15,108	17,124	4,481
Total	**102,610**	**114,160**	**122,860**	**20,250**

Source: ABS 2023, Forecast ID

5.4 Worker Forecasts and Projections

The following sub-section forecasts worker population growth including growth by industry. This review will help to inform how the proposed development will benefit and align with the local workforce.

5.4.1 Broad Industry Classifications

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

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

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

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

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

Table 4 Broad Industry Classifications

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

Source: TfNSW 2022

5.4.2 Employment Estimates by Industry

Employment projections have been adopted with consideration to official projections prepared by Transport for NSW, with projections for the PSA presented in **Table 5** including the following findings:

- Strong growth in population serving jobs (i.e. retail and administrative industries) of +530 persons between 2024 and 2041.
- Growth of +310 jobs in the office sectors (knowledge workers and traditional office).
- Strong growth in traditional blue-collar jobs, with industrial related jobs forecast to increase by +750 workers.
- Whilst employment growth in each of the broad industry categories is forecast to vary between 2024 and 2041, the share of employment in each industry will remain similar to what exists currently. This highlights that official projections are not accounting for any major structural shifts in the PSA's employment base.

Table 5 Employment Projections by Industry – Primary Study Area

Broad Industry Categories	2024		2041		Change
	No.	%	No.	%	
Industrial	5,300	32.1%	6,050	33.0%	**+750**
Population Serving	5,710	34.6%	6,240	34.0%	**+530**
Knowledge Workers	1,760	10.7%	1,950	10.6%	**+190**
Traditional Office	1,190	7.2%	1,310	7.1%	**+120**
Health and Education	2,530	15.3%	2,810	15.3%	**+280**
Total	16,490	100.0%	18,360	100.0%	**+1,870**

Source: TfNSW 2022, Ethos Urban
Note: Figures rounded

6.0 Competitive Context

This section provides an overview of the competitive context for the Subject Site. It includes a review of the existing provision of facilities within the PSA specifically in relation to uses planned as part of the proposed development. A detailed analysis of potential future competitive developments is also provided. The information presented in this section was accurate as at October 2024.

6.1 Existing Competitive Context

A summary of key centres and precincts within the PSA are as follows:

- **Marrickville Metro:** A sub-regional shopping centre that spans approximately 30,000m^2 of retail Gross Floor Area (GFA) and features four major anchor tenants; Woolworths, Coles, Aldi, and Kmart. In addition to these anchors, the centre offers a diverse range of retailers including specialty food shops, fresh food stores, fashion and accessories retailers, as well as independent businesses that support the local community. Marrickville Metro is located 1.0km from the Subject Site.
- **Marrickville/Illawarra Road**: The main retail strip and town centre is located along Marrickville Road and Illawarra Road. This precinct offers residents' easy access to a variety of goods and services, supported by public transport (rail, bus and future metro). This area features a mix of retail, commercial, and community spaces, including a full-line Woolworths and a Woolworths Metro on Illawarra Road, as well as the Marrickville Town Hall and library. Additionally, the town centre hosts various office tenancies, such as accountants and real estate agencies, alongside specialty retailers, retail services, and a selection of restaurants and cafes. The Inner West Council has also designated the Marrickville town centre (Railway Parade, Marrickville Road, and Illawarra Road) as a new Special Entertainment Precinct.

  Additionally, Illawarra and Marrickville Roads have both seen a significant increase in residential development and uplift in recent years, leveraging off the proximity to services and transport as outlined above.

A high-level analysis of existing uses that may influence future development at the Subject Site is summarised below:

Table 6 Competitive Context – Primary Study Area

Sector	
Residential	The PSA features a diverse mix of residential dwellings, predominantly consisting of low to medium-density housing. The 2021 Census results show that 47.3% of dwellings in the PSA are flats, units, or apartments, 18.2% are row or terrace houses, and 32.2% are separate houses. Accordingly, the Subject Site is surrounded by various housing types, including the newly developed Wicks Place along Victoria Road. Higher density housing typologies have predominately been developed along Marrickville and Illawarra Roads.
Retail/Commercial	The Inner West Employment and Retail Lands Strategy indicates that there is currently some 27,650m^2 of retail floorspace in Marrickville (excluding Marrickville Metro), with demand expected to reach around 44,567m^2 by 2036 across Marrickville (excluding Marrickville Metro). The key retail centres in the PSA include: • Marrickville Metro is a sub-regional shopping centre located within the PSA around 1km from the Subject Site with an approximate floorspace of 30,000m^2. Its major tenants include Woolworths, Coles, Kmart and Aldi. • Marrickville town centre primarily focused around Marrickville and Illawarra Roads provides a range of retail tenancies and population serving offices which include real estate agencies, solicitors and accountants. It also includes other community use facilities like gyms and fitness studios, Marrickville library and pavilion and Marrickville town hall.
Other	Other uses within the PSA include a number of light industrial and warehousing facilities. While many of these spaces support traditional industrial uses, there is also a strong presence of creative industries and enterprises throughout. In fact, Marrickville is a focal point in the Inner West for boutique industries including breweries and coffee roasters for example.

Source: Ethos Urban

6.2 Future Development

This sub-section provides a summary of the future development pipeline with a focus on projects with potential uses that could compete with the proposal at the Subject Site.

6.2.1 Investment Activity

There is a significant pipeline of development activity within the PSA. The extent of this pipeline is shown below in **Figure 12**, which highlights that there is currently around $500 million in major development investment activity in the PSA. 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 $5 million or more in order 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 industrial floorspace with around $180 million in investment activity occurring in this sector which equates to 30% of total investment within the PSA. Similarly, there is also a significant amount of investment in mixed use projects that are currently in the proposed or approved phases with an approximate investment value of $175 million. As noted, many of these mixed-use projects also include small components of retail and commercial floorspace, and in some instances accommodation uses.

A review of major projects shows more limited investment in major community and commercial uses as compared to other sectors. 'Other' primary land uses capture uses such as visitor accommodation and seniors living.

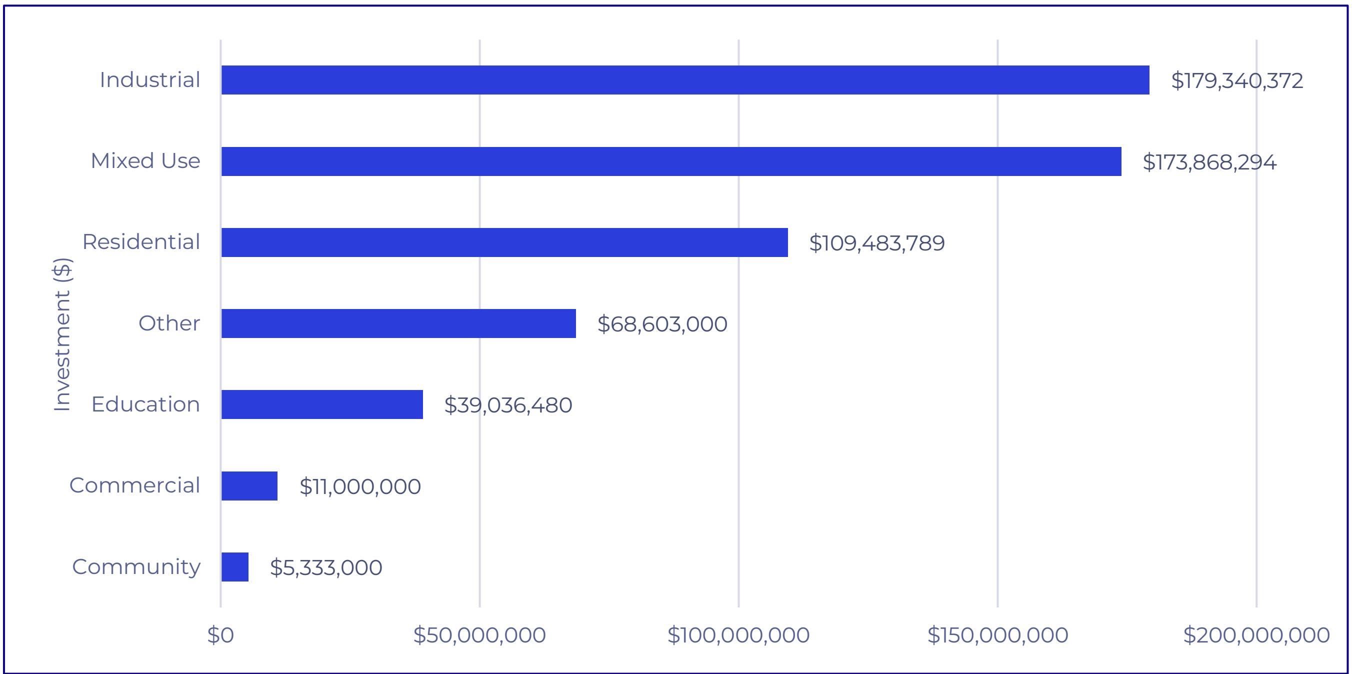


Figure 12 Development Investment Activity (Major Projects) – Primary Study Area

Source: Cordell Connect, Ethos Urban
Note: Does not include investment activity at the Subject Site or projects with a value of less than $5 million

6.2.2 Competitive Major Projects

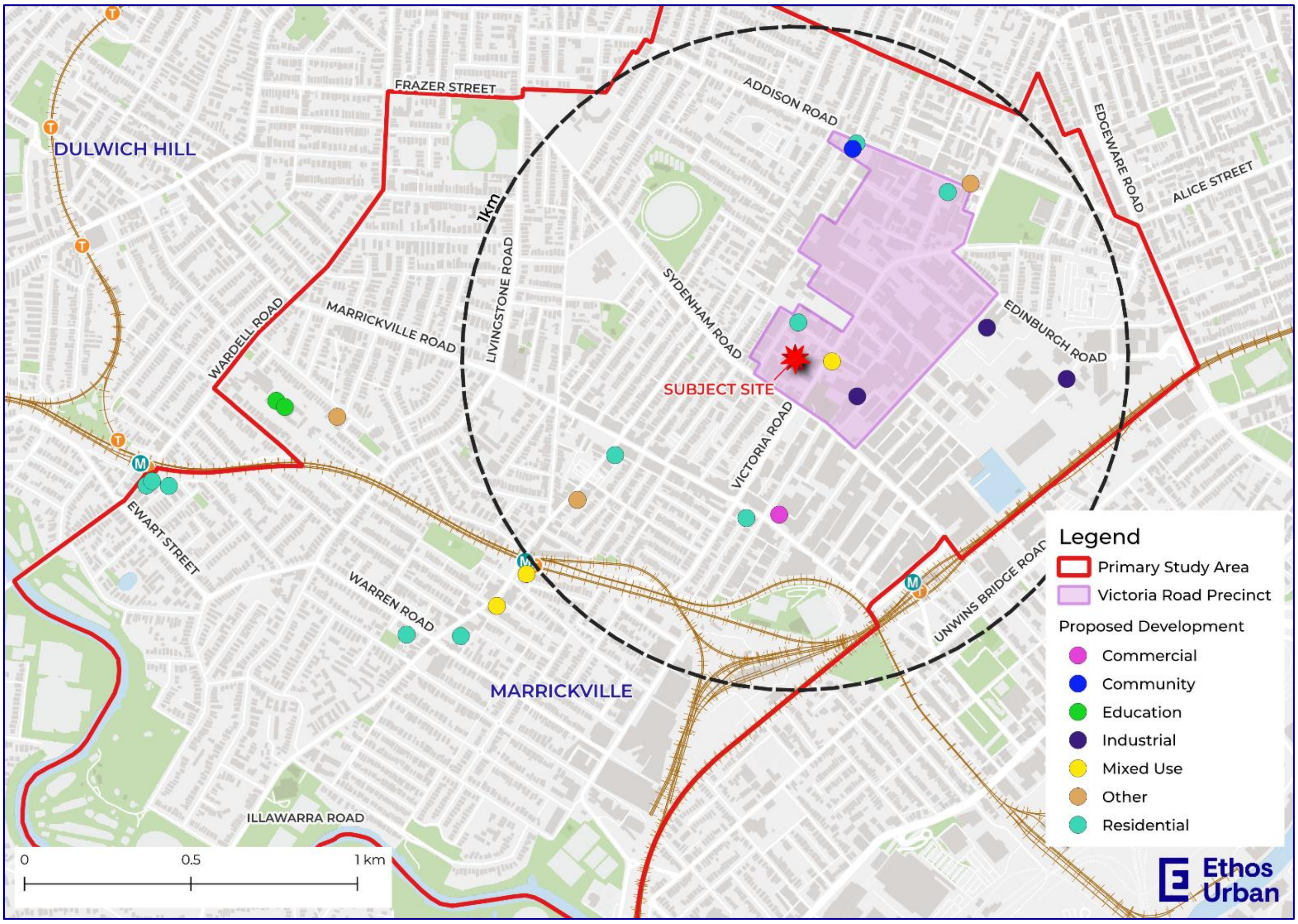
Marrickville has been undergoing a period of transformation and renewal in recent years. The rezoning of Victoria Road Precinct (including the Subject Site) is reflective of this ongoing change and gentrification.

A review of major projects within the PSA (defined as projects with a capital investment value of $5 million or more) shows that there is a significant provision of planned or approved development activity along Illawarra Road, and within the Victoria Road Precinct.

The following proposed developments represent the most significant projects within the PSA and those within 1km of the Subject Site:

- **Wicks Place:** While largely complete, Wicks Place was the first major mixed use project to be developed as part of the Victoria Road Precinct rezoning. With an approximate investment value of $129 million, this development features residential buildings of up to 12 storeys supporting 272 apartments. It also includes ground-floor retail and communal areas for residents. A Harris Farm supermarket of 1,800m^2 is planned to open as part of the ground floor retail that is located directly opposite the Subject Site.
- **Rich Street Creative Precinct**: Immediately north of the Subject Site is the Rich Street Creative Precinct which is proposed to consist of 10,000m^2 of commercial office space and 3,000m^2 of public space once complete. It is also proposed to include markets, a central courtyard, café outlets, indoor events space and will accommodate 460 artists, creative designers and startups as part of the precinct development. The Rich Street Creative Hub is a sub-precinct of the Victoria Road Precinct rezoning.
- **2-18 Station Street boarding house and commercial premises**: The project is situated just over 1km southwest of the Subject Site and has an approximate investment value of $35 million. It will feature an 8-storey building with 130 boarding rooms, 9 accessible rooms, and parking spots, and is located on the corner of Marrickville and Illawarra Roads. It is expected to be completed by late 2027.
- **Illawarra Road mixed use development:** This mixed-use project has an approximate investment value of $30 million. Once complete, it will deliver a 6-storey mixed-use development featuring four retail or commercial tenancies at ground level and 44 residential apartments above, with an expected completion date in early 2025.

Figure 13 Proposed developments ($5 million and over) – Primary Study Area



Source: Ethos Urban using QGIS, Cordell Connect

Table 7 Primary Study Area – Major Competitive Projects

Project	Type	Other Uses	Status	Estimated Project Value ($m)	Estimated Total GFA (m^2)	Number of Dwellings	Estimated Completion
Woolworths Warehouse and Fulfillment Centre	Industrial	Offices	Deferred	$142,377,600	28,090	NA	2027
Wicks Place	Mixed Use	Retail	Partially Complete/Under Construction	$129,148,000	NA	272	NA
Maronite Sisters of the Holy Family- Village 1	Other	Resident care facility	Possible	$50,000,000	NA	NA	2028
2-18 Station Street boarding houses and commercial premises	Mixed Use	Commercial	Possible	$35,253,300	695	130	2027
Illawarra Road mixed use development	Residential	Retail & Commercial	Commenced	$30,000,000	NA	44	2025
Made Marrickville	Industrial	Retail	Commenced	$26,965,900	3,415	NA	2025
41-47 Farr Street Apartments	Residential	NA	Possible	$26,404,800	1,988	41	2029
315-317 Illawarra road mixed use development	Other	Commercial & Retail	Possible	$11,113,000	1,073	38	2028
97 Marrickville road commercial tenancies	Commercial	Retail	Possible	$11,000,000	1,452	NA	2028

Source: Cordell Connect, Ethos Urban Research

7.0 Market Assessment

This section provides an assessment of the types of uses outlined in the proposal. It considers the market demand and supply for these uses, and the implications for the proposed development, in order to assist with evaluating any potential impacts.

7.1 Residential Assessment

As outlined, the study area of most relevance to residential uses is the SSA which includes the suburb of Marrickville and adjoining suburbs. For the purposes of this assessment, considerations of trends within the SSA and TSA (Inner West LGA) are considered.

7.1.1 Residential Market Trends

New Dwelling Approvals

The delivery of new housing in the SSA has averaged 376 new dwelling approvals since 2016/17, representing around half of the Inner West LGA total of 640 new dwelling approvals per annum over the same period.

Both the SSA and TSA have seen a decline in the number of new dwelling approvals since 2020 and likely attributed to declining economic conditions for development including rising construction costs and interest rates. The 2023/2024 financial year saw just 75 new dwellings approved in the SSA, and 278 dwellings approved in the TSA, significantly below the historical averages. This comes at a time when housing supply and affordability is at the forefront of planning policy, and when the Inner West LGA is targeting the delivery of +7,800 new dwellings in the next 5 years under the National Housing Accord.

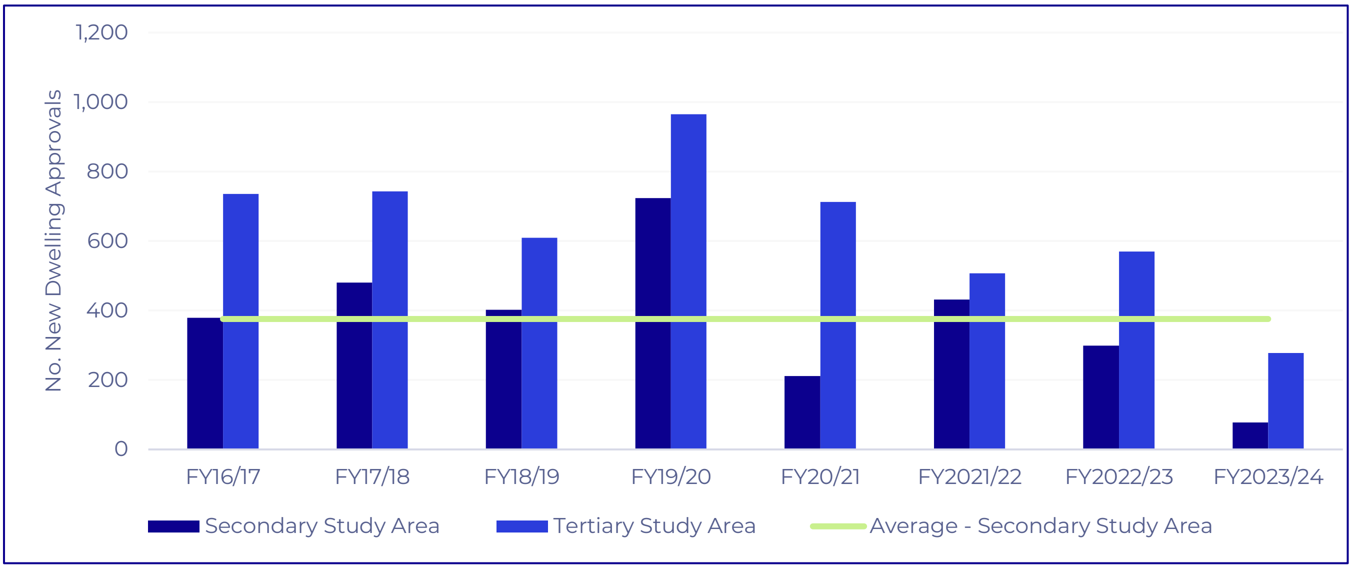


Figure 14 Dwelling Approvals Chart showing Secondary and Tertiary Study Areas

Source: Ethos Urban, ABS Building Approvals data June 2024

Pricing Trends

Houses and units within the SSA have performed above the Greater Sydney average in terms of sales price growth. The area has seen an average 10-year sales volume of 1,106 units and 869 houses per year. The sales performance of the market is steady, supported by demand in the area.

Historically within the SSA, dwelling prices have generally moved in line with changes across Greater Sydney. As of 2024, the median sale price of houses in the SSA reached a historic high of $1,980,000, some +46.7% higher than the Greater Sydney median house sale price of $1,350,000 for the same year.

The current median unit price in the SSA of $885,615 is 13.4% higher than Greater Sydney median unit price of $781,000.

This gap in the median sales price of dwellings in the SSA when compared to Greater Sydney (refer to **Figure 15**) reflects both high prices and increasing affordability pressure in the area.

It is noted that for the year to date in 2024, there have been 549 houses and 835 unit sales; therefore, the median presented at $1,980,000 for houses and $885,615 for units does not reflect a full year of sales and should be treated conservatively.

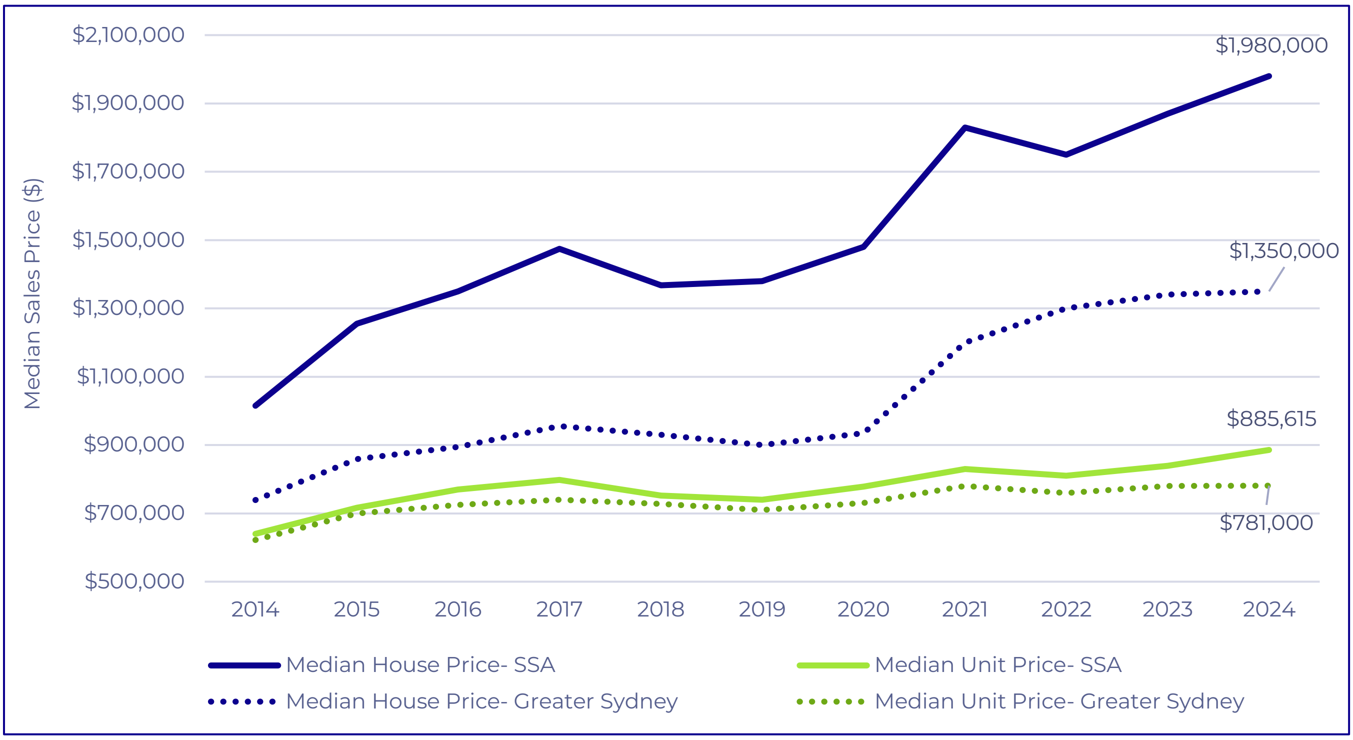


Figure 15 Median Sales Price by Dwelling Type

Source: Ethos Urban, Pricefinder

Rental Price Trends

The SSA has strong rental demand, reflected by the almost half (49.0%) of dwellings being rented. As a result, there is a competitive rental market, underpinned by the region's proximity to amenities, transport, and major centres (i.e. Marrickville, Newtown and Sydney CBD).

This demand is evident when examining rental price trends (sourced from SQM Research) which shows that the median weekly rent for both houses and units has increased significantly in the past 10 years.

Specifically, rental data sourced from SQM (see **Figure 16**) shows that the median weekly rent of $649 in Marrickville, while slightly lower than the Greater Sydney median of $696 per week, has escalated significantly since 2022. In fact, the median weekly rent for a unit in Marrickville has increased by almost +40% since 2022.

This highlights the strong demand for rental accommodation in Marrickville, and the need for additional housing supply now and in the future.

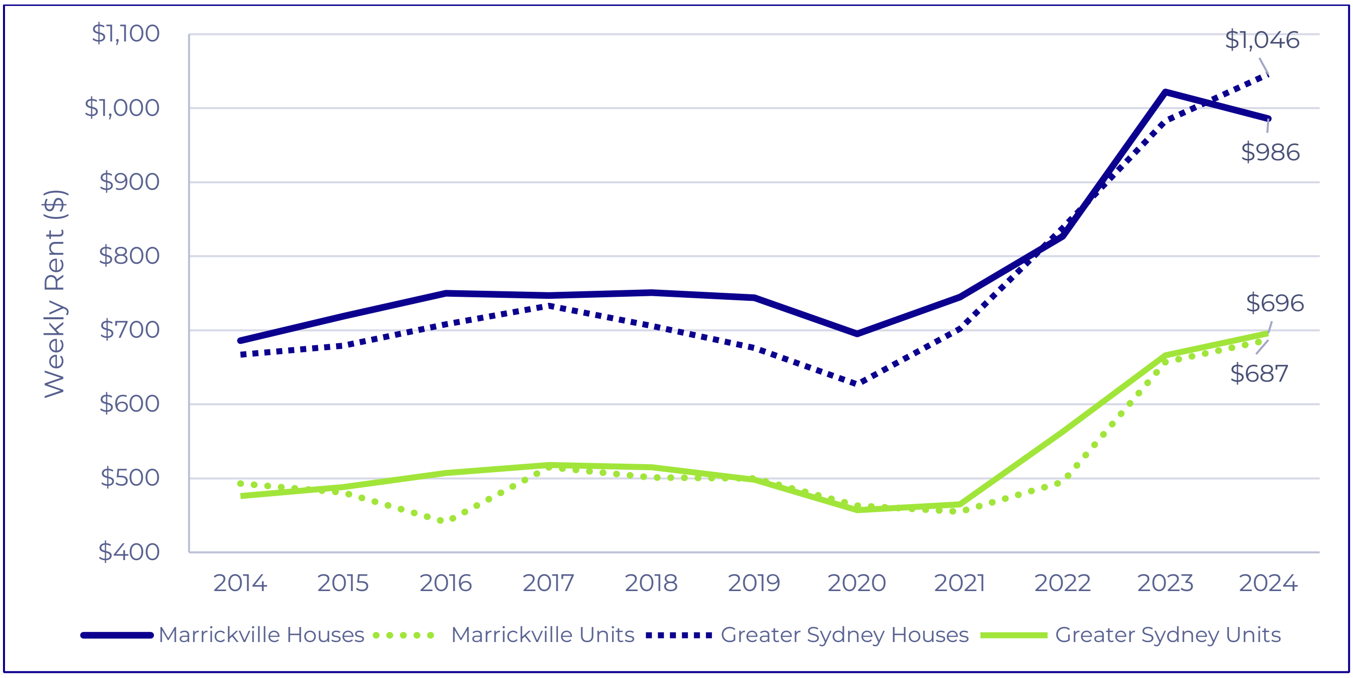


Figure 16 Median weekly rent ($)

Source: SQM Research

Residential Vacancy

The residential vacancy rate in the SSA has typically remained below the historical Greater Sydney average of 2.2%. This includes very low vacancy rates of close to 1.0% in recent years.

The vacancy rate in Marrickville of 1.9% (September 2024) is slightly higher than vacancy rate for Greater Sydney at 1.6%. Despite this, vacancy rates in the SSA are very low, reflecting the strong demand and need for additional housing in the area, particularly when considering projected growth rates anticipated in the coming years.

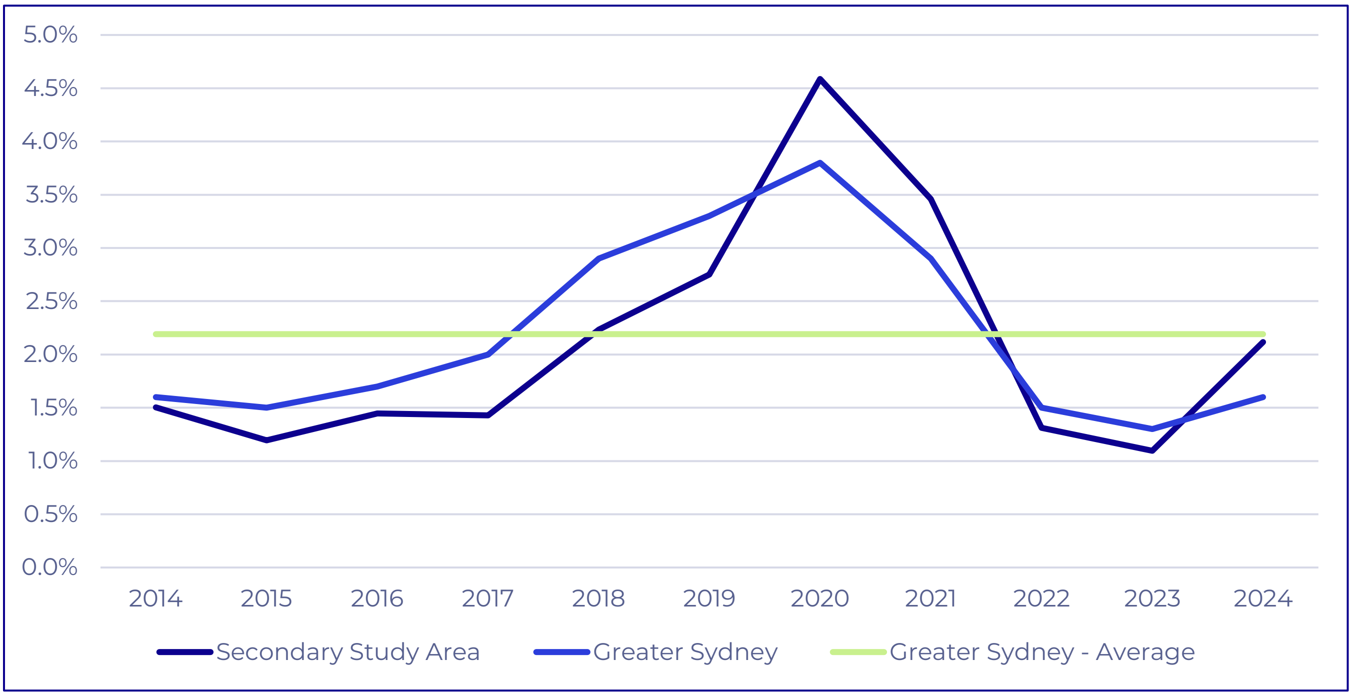


Figure 17 Residential Vacancy Rates (%)

Source: SQM Research, based on the best fit postcodes to the SSA

7.1.2 Housing/Rental Costs and Affordability

The Inner West is generally considered to be unaffordable for very low, low and moderate income segments of the community, noting the following:

- A high proportion of these households are experiencing rental and purchase stress, where more than 30% of their income is required to service their housing costs (mortgage or rent).
- Housing affordability is worse for these segments of the community as compared to Greater Sydney overall.
- The demand for affordable rental stock in the Inner West is high, noting the high provision of affordable rental dwellings as compared to Greater Sydney. The need for affordable rental stock is justified by the extremely limited provision of dwelling stock at lower price points across the LGA that may be suitable for lower income segments of the community.

It is important to note that while BTR is considered a diverse housing model, it is not always an 'affordable' rental alternative, with rental costs often higher than average market rents reflecting the higher level of services and amenities. Co-living on the other hand is often a more affordable alternative to market rental averages.

The 589 co-living rooms planned as part of the proposed development would therefore be suitably positioned to provide a more affordable rental option that would strongly align with moderate, low and very low income households in the Inner West.

Table 8 Housing Costs and Affordability – Inner West LGA (June 2024 Release)

Affordable housing indicator	Inner West LGA	Greater Sydney
Total Number of Affordable Rentals	605	13,301
Affordable rental stock (February 2024)	*% of affordable dwellings available for rent*	
Very low income	8%	5%
Low income	25%	24%
Moderate income	65%	70%
Rental stress (2021)	*% in rental stress*	
Very low income	96.3%	94.0%
Low income	77.4%	61.4%
Moderate income	39.9%	29.1%
Affordable purchase stock (February 2024)	*% of affordable dwellings available for purchase*	
Very low income	0%	1%
Low income	2%	5%
Moderate income	10%	18%
Home purchase stress (2021)	*% live in purchase stress*	
Very low income	65.8%	69.3%
Low income	48.1%	43.8%
Moderate income	32.3%	23.7%

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

7.1.3 Residential Market Typologies

Build to Rent

The BTR model focuses on providing dedicated rental housing that is held in a single ownership structure and professionally managed and operated to serve long term renters, with a direct benefit of security of tenure. While a relatively new concept to the Australian market, the BTR concept (or multi-family) is increasingly popular in international markets including the US and UK, accounting for a significant proportion of overall residential apartments.

The BTR model differs to key worker accommodation, in that it offers premium rental accommodation rather than affordable rental housing. BTR is a highly beneficial housing model for a younger demographic that prefer to rent rather than own a property, or for simply those who cannot yet afford to own a home but desire long term housing rental security and higher quality amenity. Other key benefits of the BTR model in the Marrickville context include:

- According to data from the ABS 2021 Census, 46.9% of dwellings in the SSA were rented, compared to 36.1% of all dwellings in the Greater Sydney area.
- Increasing housing supply and diversity in an attractive, well-located area, such as Marrickville: The BTR model provides a new asset class and investment opportunity for a wide range of private and institutional investors to facilitate the delivery of private dwellings. This additional supply allows for new rental stock that can appeal to a more diverse population. This is particularly important for a young population, downsizers, students or low to medium income households that would otherwise have to either pay more to live in an area like Marrickville or move to a location further away with a greater supply of (and more affordable) rental properties. This model is well suited to the demographic profile of the Study Area, including a young or working population who are more likely to live in rental accommodation as a result of housing affordability constraints. In the context of Marrickville, such occupiers could include students, young couples and singles, and downsizers.
- The BTR model supports additional levels of employment compared to a traditional build to sell (BTS) model. This is attributed to the focus on long term rental units and additional facilities and operation management that supports a larger ongoing employment base compared to a BTS property.

- Provision of facilities and amenities that are typically of a higher quality than comparable BTS products. The BTR model typically operates with on-site management that ensures a quality physical environment that adds to the appeal of the local community. A single owner also means it is easier to carry out maintenance workers and upgrades than under a BTS strata owned residential model.
- Increased security of tenure and peace of mind through longer lease agreements and single ownership (both for renters and the owner of the property) – supporting additional and continued capital investment - supporting the local economy as well as adding to longer term cultural and social ties across the local community. This is particularly important in Marrickville, where there is a vibrant, active and engaged community.
- Incentivises investment in initiatives with longer term benefits such as environmental, community and sustainability initiatives. A BTR model with a single, longer-term owner encourages investment in areas that will attract tenants for the longer term and also enables a long-term view of asset performance, cashflow and costings.
- Product is aligned to the local community requirements: BTR projects typically accommodate additional shared and communal facilities, this not only facilitates additional community interaction and a sense of belonging for residents, but the larger communal and shared spaces also enable the ability to provide smaller private areas. As a result, BTR developments can provide more efficient use of space, accommodating greater number of smaller private dwellings by taking advantage of shared spaces that include the delivery of facilities such as gym, co-working spaces, lounge facilities etc.
- Suitability located within a high amenity area: A BTR product at this site would be situated within an evolving mixed used precinct, and on a site with strong locational attributes including close proximity to other major centres, public transport networks (bus and future metro), employment, and key infrastructure.

A BTR product at the site is an attractive housing option for residents and workers, including young professionals and students that may wish to be located close to their place of work or require short term rental options prior to purchasing a property, or are seeking a secure tenure through a long-term leasing option.

BTR housing at the site would complement the young working resident population in Marrickville and support a range of housing options that caters for a diversity of population profiles and incomes. In addition, BTR is increasingly being considered by the seniors living sector to accommodate an ageing population who are seeking high amenity facilities as part of a longer term rental commitment.

Co-Living

The co-living model is similar to BTR in that it provides communal areas and facilities, and also typically under single site ownership and management. However, the concept provides rental accommodation with a minimum 3-month tenancy and focuses on private rooms with shared living spaces (among other possible shared facilities and spaces such as bathrooms, laundry etc.) As a result co-living often targets occupiers seeking a medium term tenure at a more affordable price-point.

The model has similar locational drivers to a BTR product with both housing types typically built in well-connected areas. While there is no affordability requirement for co-living, it typically targets a lower-middle income segment of the market. This would strongly align with very low, low and moderate income households in the Inner West presented in **Table 8** previously.

A co-living product at the Site could be appealing to lower income earners throughout all stages of life. This could include couple only residents and in particular lone persons, with these segments of the population in the SSA forecast to increase significantly. As the product can support a broader segment of the population, it can deliver deeper connections with community, with the potential to also promote intergenerational communities.

A major demand driver for the co-living model at the Site is its proximity and accessibility to facilities across Marrickville and surrounding suburbs such as Newtown, Enmore and Camperdown, which support major institutions including hospitals and universities.

7.1.4 Need for Residential Uses

Sydney is experiencing a housing crisis that is resulting in social, economic and development challenges.

A range of market, demographic and property factors has led to Sydney being <u>the</u> worst performing housing market in Australia. This is evident through trends that have occurred in recent years, including continued population growth, and unsustainable sales price and rental growth, as well as worsening affordability and declining vacancy rates.

Overall, Sydney's housing crisis is attributed to strong population growth (both historic and forecast) resulting in strong demand for housing, as well as other factors including rapid cost inflation and labour shortages. As a result, the delivery of housing has been unable to keep up with demand, estimated at +421,100 dwellings required by 2041*. House prices and rents have grown at unsustainable levels for many years, with a sharp decline in construction and approvals.

**Based on population growth of +1,137,000 residents (NSW Government Projections) and the average household size of 2.7 in Greater Sydney (ABS 2021).*

Sydney's housing challenges are also being exacerbated through cost-of-living pressures, driven by inflationary conditions, slow wage growth and recent interest rate rises. The result is declining spending and borrowing capacity for first home buyers and rising rates of both rental and mortgage stress.

Without immediate attention Sydney's housing crisis will deepen, resulting in a city that is less accessible and considered less desirable to live, work, study and invest. The delivery of appropriate and diverse housing is needed in well-suitable locations to address the issue. Many of the above challenges, particularly concerning housing supply and affordability are evident within the Inner West LGA, and accordingly, the delivery of new housing supply available in the local market is imperative.

The SSA and Inner West housing market can be described has having the following:

- **Rapid price escalation** is making it more difficult for first home buyers to enter the market, including a 43.5% increase in the median house sales price and 19.7% increase in the median unit sales price between 2019 and 2024 in the SSA.
- **Unsustainable rental cost increases**, where the asking rent for units has increased by almost 40% between 2022 and 2024.
- **Declining new dwelling approvals**, with the total number of approvals at 278 in 2023-2024 across the Inner West LGA, significantly below the historical average of around 640 new dwelling approvals. This comes at a time when increasing housing supply is a strategic priority across all levels of government as a solution to the housing crisis.
- **Low residential vacancy rates** of 1.9% (September 2024) in the SSA are driving up rental costs and making housing accessibility difficult. The latest vacancy figure is below the 10 years average of 2.2% in Greater Sydney.
- **Declining housing affordability,** where a portion of Inner West households are financially stressed. This is a significant social and economic issue and is reflected through the following:
  - 30.5% of Inner West renter households are living in rental stress
  - 15.1% of Inner West mortgage households are living in mortgage stress

Housing stress is defined as more than 30% of household income spent on mortgage repayments or rental payments. In the current economic climate, rising inflation and interest rates will add further pressure on household finances. Reflecting the decline in economic conditions in the past 2 years, it is likely the figures summarised from the 2021 Census above considerably understate the housing affordability challenge for households in the local and regional area.

7.1.5 Implications for Residential Uses

The resident population of the SSA is forecast to increase significantly by 2041, estimated to increase by +20,250 residents, reflecting a total increase in the population of 20% from 2024. This uplift in residents will result in an increased need for additional housing.

Adopting the 2021 ABS average household size of 2.23 persons per household and applying the NSW Government CPA Projections average household size growth rate, the average household size in the SSA is forecast to decrease to 2.10 persons per dwelling by 2041. The implications will be a need for more housing per capita.

Applying the average household size to the projected population as presented in **Table 9**, the result will be an implied need for an additional +11,970 dwellings between 2024 and 2041. This represents more than half of the dwelling requirement in the Inner West LGA, estimated at +22,480 dwellings based on population growth.

A review of proposed developments in the SSA shows that there are currently around 1,510 dwellings and 625 rooms (i.e. boarding rooms) within the known pipeline. This includes around 730 dwellings/rooms proposed in Marrickville specifically.

With consideration to the above, future known development in the SSA will only satisfy a small proportion of future dwelling demand, with the result being a market gap of approximately 9,840 dwellings remaining to be delivered by 2041.

Accordingly, the delivery of 1,188 dwellings and rooms proposed at the Subject Site through a BTR, co-living and affordable housing offer will be supportable noting the following:

- The Inner West LSPS identifies a need for +1,000 new dwellings each year by 2036. The proposed SSDA would account for over a years' worth of supply that could be readily unlocked in the market.
- The proposed 1,188 dwellings/rooms would help unlock immediate supply in the short-medium term, and support the Inner West LGA housing target under the National Housing Accord of +7,800 new dwellings by 2029.

Importantly, the proposed SSDA will deliver a unique outcome in the local economy and community by establishing a first of its kind rental housing precinct that comprises a mix of built to rent, co-living and affordable housing. This will strongly align with state and local policies that emphasise a need to deliver more diverse housing typologies in the Inner West, including affordable housing options. In particular, the blend of BTR, co-living and affordable housing will provide for a mix of price points and level of amenity in the market, that can cater to a mix of occupiers and household preferences, including more affluent professionals, through to lower income segments of the market.

Table 9 Dwelling Demand

Secondary Study Area	2021	2024	2031	2036	2041	Change (2024-2041)
Population	96,490	102,610	114,160	118,790	122,860	**20,250**
Average Household Size	2.23	2.21	2.17	2.14	2.10	**-0.13**
Implied Dwelling Requirement	43,270	46,410	52,700	55,630	58,380	**11,970**

Source: Ethos Urban, ABS, NSW CPA 2022 Average Household Size

Note: The average household size forecasts have been derived using the average annual growth rate from the NSW 2022 CPA Projections (average household size) and rebased to the 2021 average household size as reported by the ABS Census 2021.When considering the location of the Subject Site, it represents an ideal location for higher density rental housing noting the following:

- Dwelling sales and rental prices for all housing types in the SSA have increased significantly over the past 10 years.
- Based on the ABS 2021 Census results, there is a high share of rented dwellings (46.9%) in the SSA, when compared to Greater Sydney overall.
- Rental affordability for very low, low and moderate-income households in the Inner West LGA is worse relative to Greater Sydney overall.
- The Subject Site has strong access to public transport, including bus, train and metro services.
- The Subject Site is positioned within walking distance to existing and future retail facilities, as well as open space and other community uses.
- Development of the Subject Site for rental housing aligns with contemporary residential development that is already completed and proposed in the local area.
- The proposed development delivers on objectives outlines in strategic plans and policies for increased housing supply and diversity in suitable locations that are proximate to public transport and existing town centre facilities.

The delivery of a blended rental housing precinct that offers a mix of BTR, co-living and affordable housing is well suited to the Subject Site due to its strong locational attributes, including being a high amenity area that is supported by access to transport. Importantly, the proposed development will be able to respond to community needs for more affordable accommodation, deliver greater housing diversity and choice that will appeal to a range of occupants, including affluent young professionals, students, downsizers and lower income segments of the community.

7.2 Ancillary Uses

This sub-section provides an overview of the potential for retail uses as outlined in the proposed development for the Subject Site. The proposed development plans for 2,041m^2 of retail, or shopfront, floorspace.

7.2.1 Capacity for additional retail/commercial uses

As Marrickville continues to grow, so will demand for additional retail floorspace. Retail uses are critical in serving the needs of local residents, workers, and visitors to Marrickville. A successful retail offer helps 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 resident and worker population within Marrickville suggests the following:

- An addition of +11,380 residents projected within the PSA by 2041 would generate around $210 million in retail expenditure each year (based on $18,410 in retail expenditure per capita per annum – Marketinfo).
- These +11,380 residents would require around 26,200m^2 of additional retail floorspace in the PSA, based on the typical provision of 2.3m^2 per capita. This provision is generally aligned with findings from the Inner West Employment Lands and Retail Study, which highlights a need for +30,000m^2 of retail floorspace in Marrickville between 2016 and 2036 (excluding Marrickville Metro).

Taking the above into account, there is a need for additional retail floorspace in the PSA as a result of resident population growth, estimated at +26,200m^2 of floorspace required by 2041. At 2,041m^2 of retail floorspace, the proposed development would only satisfy a small portion of what is required.

7.2.2 Implications for retail/commercial uses

The proposed development seeks to provide 2,041m^2 of retail floorspace. Whilst the specific composition and tenancy mix is not yet known, this component is likely to comprise convenience based retail and food and beverage facilities or speciality shops in order to serve immediate on-site residents. This type of retail offer at the Subject Site would serve a mix of customer segments, including local residents and workers at the Subject Site and in the immediate area.

The proposed development will complement the existing provision of retail services in Victoria Road Precinct, and enhance activity along the ground plane with convenience retail facilities that will support walkability and accessibility. This retail offer may also assist in increasing activity beyond traditional business hours, including at the Subject Site.

7.3 Implications of the Proposed Development

Taking into account the above, the Subject Site is well positioned across a large, high profile site within an area strategically planned for growth. Forecast growth across the Study Areas support demand for a wide range of uses including those proposed at the Subject Site as part of this SSDA. In particular, there is an evident and urgent need for additional housing within the Inner West LGA, including within the SSA which is forecast to support more than half of the LGAs growth by 2041.

The Subject Site and proposed SSDA represents a unique opportunity to deliver a rental housing precinct within an area that would align strongly to this product. Additional ancillary uses including retail or commercial uses would help enhance the amenity of the Subject Site once complete, as well as the broader Victoria Road Precinct by providing a mix of uses that appeal to local residents, workers and visitors.

The Subject Site is highly appropriate for the composition and mix of uses proposed, particularly within the context of growth and development across the Study Areas, and in light of government objectives including within the Inner West LGA and Greater Sydney overall.

8.0 Economic Impacts

8.1 Introduction

This section provides an assessment of the economic impacts (including benefits) likely to occur as a result of the project. Impacts are considered with regard to the local and regional area and through the construction and operational phases of the project. An estimate of the jobs likely to be created during the construction and operation phase of the proposed development are provided.

8.1.1 Methodology

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

- Overall economic impacts of the project
- Construction and ongoing employment generation (direct and multiplier);
- Increased Value-Added Output;
- Additional retail expenditure generated by the project; and
- Improved benefits to the surrounding community.

8.2 Economic Impacts

8.2.1 Residential

The provision of 1,188 residential dwellings are planned under the proposed SSDA. Based on current plan, this includes some 599 BTR apartments and 589 co-living units across the Subject Site.

It is noted that the proposed SSDA will result in the loss of 16 dwellings that current existing across the Subject Site. Despite this, there will still remain a significant net increase in housing supply of 1,172 dwellings (based on 1,188 proposed) as a result of the proposed SSDA.

By adopting the Inner West LGA average household size for studio, 1 bedroom, 2 bedroom and 3 bedroom dwellings (ABS 2021), the proposed SSDA could accommodate a net increase of approximately 1,680 residents. This assumes that approximately 30 residents are currently supported at the Subject Site (based the average 2-bedroom household size of 2.0 persons – ABS 2021).

This assessment outlines that within the SSA, there are forecast to be an additional +20,250 residents by 2041. By accommodating a net increase of +1,680 residents at the Subject Site, this level of additional resident population would account for 8.3% of total projected residential growth in the SSA over the period to 2041 in a highly suitable location.

As outlined in **Section 7.1**, there is an estimated market gap of 9,840 dwellings by 2041, taking into account projected supply of 2,135 dwellings (including boarding rooms) and implied demand of +11,970 dwellings based on population growth. Accordingly, with a net increase of 1,172 dwellings, the proposed SSDA would satisfy 11.9% of the estimated market gap by 2041, providing a material increase in housing supply while also allowing for the continuation of other known and future developments. It is also important to note that the proposed residential component of the project will be delivering an alternative housing model to that typically provided across the SSA, further highlighting the complementary, rather than competitive nature of the proposal. Accordingly, the proposed 1,188 dwellings will not impact on the ongoing viability or continued operation of any residential facility.

Importantly, the proposed 1,188 rental accommodation dwellings will help provide much needed housing diversity and supply. The provision of some 599 BTR units and 589 co-living units would ensure that alternative accommodation models are available across a range of price points within the SSA and Inner West LGA more broadly, supporting a range of occupiers.

Further, of the 1,188 dwellings proposed, some 144 units will be dedicated as affordable housing. As outlined in **Section 7.1 (Table 8)**, the Inner West currently supports only 605 affordable rental dwellings that would be considered accessible for very low, low and moderate-income households. At 144 affordable units proposed, this represents a 23.8% increase in the availability of affordable rental stock across the LGA, benefiting lower income households within the local and regional area.

8.2.2 Retail/Other Ancillary Uses

Plans for the project indicate that a total of 2,041m^2 of retail GFA and 353m^2 of commercial (co-working) GFA is proposed across the ground level of the building.

While final operators are not yet known, the concept plans show that the proposed retail area would only accommodate several small to medium sized operators that are likely to provide retail uses such as food and beverage facilities, or other convenience based retail offers. This type of retail offer would complement and serve local residents, workers and visitor on-site and within the surrounding local area.

Inner West Employment Lands and Retail Strategy highlights that between 2016 and 2036, an additional 30,000m^2 of retail floorspace and c28,000m^2 of commercial floorspace will be required in Marrickville (Primary Study Area). At 2,041m^2 of retail and 353m^2 of commercial (co-working) floorspace proposed, this represents a very limited provision of demand requirements within the local area. Accordingly, it likely that any impact of the proposed retail/commercial facilities on surrounding businesses or developments would be minimal, and will not impact on the ongoing operation or viability of any existing or proposed retail facility once operational.

The net increase of 1,680 residents proposed to be supported at the Subject Site would require around 3,864m^2 of retail floorspace (based on 2.3m^2 per capita). At 2,041m^2 proposed, this would satisfy 53.2% of on-site resident retail demand requirements, meaning that the remaining 46.8% would be directed to other existing and future facilities in the local area. This would ensure that the proposed development would support a net gain in retail expenditure, benefitting the overall community.

Importantly, the proposed 2,041m^2 of retail/shopfront floorspace will deliver more employment intensive outcomes as compared to the existing non-residential uses across the site (See **Section 8.3.1** below). The proposed retail uses will align with the population serving needs of the growing local community, and will better align to the future mixed use vision for Victoria Road Precinct.

8.3 Economic Benefits

8.3.1 Employment Activity

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 ABS National Accounts data.

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

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

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

The modelling provides estimates of the following economic benefits as a result of the project:

- **Construction Employment** - direct construction job-years supported by construction of the development and indirect job-years supported across all other industries over the construction period.

'Job-years' is defined as the number of full-time equivalent (FTE) jobs supported over the construction period. i.e. if construction is over 10 years, 100 job-years is equivalent to 10 FTE jobs per year. Only applies to construction employment.

- **Ongoing Employment** - direct and indirect FTE jobs supported by the ongoing operation of the project annually.
- **Value Added** - direct and indirect value added generated during the construction and operational phase of the project.

  Value Added is defined as the wages, salaries and supplements plus gross operating surplus (income earned by businesses) required in producing the extra output (construction investment and operating output/turnover). This represents the standard measure of economic contribution, that is, the increase in economic activity as measured by gross domestic product (GDP).

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

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

Construction Phase

Based on direct construction costs for the project (refer to the EDC report prepared by WTP), the construction phase is expected to directly support employment of 760 job-years and deliver a direct value-add to the economy of $123.1 million.

When the multipliers are taken into account, total state-wide economy effects over the construction program are forecast to be: employment of 3,260 job-years and a total direct and indirect value-add to the economy of $469.1 million.

Table 10 Construction phase economic benefits ($2023/2024)

	Construction Phase (spread over construction period)		
	Direct	**Indirect**	**Total**
Employment (job-years)	760	2,500	3,260
Value Added ($M)	$123.1	$346.0	$469.1

Source: Ethos Urban analysis utilising data from ABS, National Accounts 2020/21; ABS, Consumer Price Index
*Job-years: Number of FTE jobs supported over the construction period. i.e. if construction is over 10 years, 100 job-years is equivalent to 10 FTE jobs per year.
Note: Figures rounded

Operational Phase

These estimates have been prepared with reference to the City of Sydney Floor Space and Employment Survey, NSW Common Planning Assumptions (CPA) and Ethos Urban research. The following ratios have been applied to the proposed SSDA:

- Build to Rent and Co-Living –1 worker per 50 dwellings/rooms
- Retail – 1 worker per 30.2m^2 of retail floorspace.
- Commercial (co-working)- 1 worker per 20m^2 of co-working floorspace.

Based on the above, the operational phase is expected to deliver the following (direct) benefits: FTE employment of 108 direct ongoing jobs, and a direct value-add to the economy of $17.8 million per annum.

When the multipliers are taken into account, total ongoing economy-wide effects are estimated at: FTE employment of 176 jobs supported and a total value-add to the economy of $30.3 million per annum.

Table 11 Estimated Ongoing Employment (total employment)

	Operational Phase (annual)		
	Direct	Indirect	Total
Output ($M)	$27.7	$21.6	$49.3
Employment (FTE)	108	68	176
Value Added ($M)	$17.8	$12.5	$30.3

Source: Ethos Urban analysis utilising data from ABS, National Accounts 2020/21; ABS, Consumer Price Index
Note: Figures rounded

It is important to note that the above employment figures represent total employment supported at the Subject Site as a result of the proposed facilities, rather than a net gain. Based on information provided by the applicant, there is currently a total of 22 FTE jobs supported across existing activities at the Subject Site. Accordingly, at 108 FTE direct ongoing jobs supported, the proposed development will result in a positive net uplift in employment at the Subject Site of +86 FTE direct ongoing jobs.

8.3.2 Expenditure Activity

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

Based on the proposal, the development will support around 1,188 dwellings. Assuming the average household size across studios, 1 bedroom, 2 bedroom and 3 bedroom dwellings in the Inner West LGA (ABS Census 2021), the development of the Subject Site could support an estimated 1,710 residents at full occupancy. Taking into account the existing 16 dwellings, it is estimated that approximately 30 residents are currently supported at the Subject Site. Accordingly, the proposed SSDA could result in a net uplift of approximately 1,680 residents once complete.

A review of retail expenditure per capita by residents within the PSA is in the order of $18,410 each year on average (2024 dollars). Accordingly, with a net uplift of 1,680 residents at the Subject Site, a total of $30,928,800 in additional retail expenditure could be generated each year (see **Table 12**). This would include spending on food, liquor and groceries, food catering, non-food items and services. This additional retail expenditure will support existing and proposed retail facilities both at the Subject Site and within the surrounding area.

Table 12 Retail expenditure benefits

Measure	Value
Estimated number of new residents (net increase)	1,680
Per capita retail expenditure on local retail per annum ($)	$18,410
Net increase in expenditure on local retail per annum ($)	$30,928,800

Source: Marketinfo, Ethos Urban
Note: Figures rounded

8.3.3 Other benefits

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

- The proposal will support the future growth and revitalisation of Victoria Road into a mixed use residential precinct.
- Unlock additional housing supply and support the need more affordable and diverse housing options for a range of occupier types across the Inner West. The proposed 1,188 dwellings will respond to an evident need for housing supply in the local and regional area.
- Provide a range of rental housing accommodation options including BTR and co-living that will align with the demographic profile and housing needs and preferences of the existing and future community. This includes providing alternative housing options across a range of sizes and price points.
- Increasing the availability of affordable rental housing in the local and regional area. The proposed development includes some 144 affordable housing units. This provision will increase the provision of affordable rental stock in the Inner West LGA available to very-low, low and moderate income households by 23.8%.
- Provide additional public space and activation on the ground floor, and improve walkability and amenity along Victoria Road.

- Provide retail and commercial spaces that will support local business growth.
- Residential activity at the Subject Site will support increased activation during work hours, but also after hours and on weekends. The additional activity generated by the proposed development would benefit the night-time economy, and support people movements within the local area, benefiting existing and future local businesses.
- Support the aspiration for 30-minute cities by providing housing within a strategic location that is proximate to major employment centres and institutions within Newtown/Camperdown and Sydney CBD.
- Support the objectives of state and local government strategies which seek to provide the following:
  - Unlock the development potential of the Timberyard Precinct, aligned to the objectives of the rezoning for the Victoria Road Precinct.
  - Support the National Housing Accord targets of +7,800 new dwellings for the Inner West LGA by 2029 through the delivery of additional housing supply.
  - Provide for additional housing diversity, including more affordable price points.

Taking the above into account, any impacts likely to result from the proposed SSDA will be limited, and will be far outweighed by the benefits anticipated to be generated as a result of the proposal. As such, the proposed development is likely to result in an overall net gain to the economy and community.

8.4 Summary of Impacts and Mitigation Measures

The project will generate a number of economic benefits that will support and enhance Marrickville. 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 the Subject Site, generating local expenditure.
- Local businesses are expected to benefit from the increase in workers and activity to the Subject Site and surrounding Victoria Road Precinct once the project is complete.
- Once complete and fully occupied, the development will support additional residential population on the Subject Site. This resident population would support an increase in expenditure on retail goods and services.
- The project will result in a net uplift in housing across the site of +1,172 dwellings, taking into account the 1,188 dwellings proposed and 16 existing homes across the Subject Site.
- Existing operators may be displaced as part of the proposal, however several have the opportunity to be reintegrated as part of the proposed retail/commercial component.
- A limited impact on local businesses may occur during the construction phase as a result of negative impacts associated with access and overall amenity.

Consequently, 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. It is also recommended that RTL.Co engage early with existing business owners to consider opportunities for the integration of existing tenancies into the proposed retail component of the project once completed. A summary of economic impacts and mitigation measures is presented in **Table 13** over the page.

Overall, any impact from the proposed development will be limited, with the proposal not likely to impact on the ongoing operation or viability of any existing or proposed facility or centre. All centres, and the region overall, stand to benefit from increased market growth as well as increased activation of the Subject Site as a result of the proposal.

Table 13 Summary of economic impacts and mitigation measures

Impact	Value
Demand for the development Population growth within the Study Areas will support a significant increase in the demand and need for housing and ancillary uses (including retail and commercial) in the coming years. This EIA demonstrates that the proposed composition of uses at the Subject Site is entirely supportable from a market perspective.	**Positive**
Expenditure and employment impacts (construction) The initial economic impacts generated by the project will occur during the demolition and construction phase. Based on direct capital investment (refer to the EDC report prepared by WTP), the construction phase is expected to directly support employment of 760 job years and deliver a direct value add to the economy of $123.1 million. Total state wide economy effects over the construction program are forecast to be: employment of 3,260 job-years and a total value-add to the economy of $469.1 million.	**Positive**
Local businesses (construction) Permanent impacts relating to the closure or relocation of existing businesses across the Subject Site are expected. For business adjacent to and surrounding the Subject Site, some impacts are expected as a result of construction impacts and disturbances. These impacts will be temporary only.	**Negative**
Employment impacts (direct – operation) A total of 108 FTE direct ongoing jobs is estimated, supporting direct value add to the economy of $17.8 million per annum as a result of the proposed development. When taking into account the existing 22 FTE workers at the Subject Site, a net uplift of 86 Direct FTE jobs is anticipated	**Positive**
Expenditure impacts (indirect – local businesses) When the multipliers are taken into account, total ongoing economy-wide effects are estimated at: FTE employment of 176 jobs supported, and a total value add to the economy of $30.3 million per annum. A net increase of +1,680 residents are expected to occupy the residential component of the proposed SSDA and could generate additional retail expenditure of around $30.9 million each year. A portion of this expenditure will be directed to local businesses.	**Positive**
Recommended Mitigation Measures • Minimise disruption to local businesses during construction through ensuring access is maintained, proper signage, way-finding and other construction impacts (such as noise, dust etc.) are limited. • Proponent to consider opportunities for integration of existing small businesses into the retail components of the project once complete.	

Source: Ethos Urban