

15-21 Cottonwood Crescent, Macquarie Park

Economic Impact Assessment

COTTONWOOD DEVELOPMENT PTY
LTD

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Executive Summary

Background

Cottonwood Development Pty Ltd (**the Proponent**) are progressing a State Significant Development Application (SSDA) and concurrent Rezoning Proposal (SSD-94006708) for a mixed-use development at 15-21 Cottonwood Crescent, Macquarie Park (**the Site**). The Site consists of four contiguous, strata-titled lots improved by four, 4-storey apartment buildings comprising 60 apartments.

The Site is centrally located within Macquarie Park and is the largest remaining consolidated development parcel within 200m of the Macquarie University Metro Station. The Site is within 500m of key infrastructure including Macquarie University Metro Station, Macquarie University, Macquarie Centre and Macquarie University Hospital.

Under the Ryde Local Environmental Plan (LEP) 2014, the Site is zoned MU1 Mixed Use, has a maximum Floorspace Ratio (FSR) of 4.5:1 and a maximum Height of Building (HOB) of 65m.

The Planning Proposal envisages an increase to planning controls with a proposed FSR 16.8:1 and height control of 212m. The proposal would enable construction of two residential flat buildings above a common basement car park /sleaved podium, delivering 858 apartments and circa 170sqm of retail floorspace. The proposal also provides for the delivery of 10% affordable housing of the uplift being sought (equivalent to 60 units).

Atlas Economics (**Atlas**) are engaged by the Proponent to prepare an Economic Impact Assessment (**the Study**) to investigate the market need for the Proposal and estimate its potential economic impacts to the local Ryde LGA economy.

Demand for Residential Uses

Australia's housing market has traditionally focused on detached housing product. Since the 1990s however, and in particular the last decade, demand for medium and high-density housing has grown markedly. There have been multiple drivers behind this growing demand, including persistent pressure on housing affordability, changing lifestyle preferences and migration patterns.

Macquarie Park has been at the forefront of these trends, exhibiting key drivers for high-density living - high detached house prices, large numbers of pre-retirees/ retirees and a highly ethnically diverse population.

FUTURE HOUSING DEMAND

Demand for housing in the Macquarie Park area (defined in this Study as the 'Catchment Area') is expected to accelerate over the coming years. This is being driven by several factors:

- From 2021-2041, the Catchment Area population is anticipated to grow by ~27,100 residents, reaching a population of 51,150 residents. This equates to average growth of 3.8% per annum, while the rest of Ryde LGA is anticipated to grow at 0.9% per annum.
- The Catchment Area's household growth (+10,750 households from 2021-2041) averages 4% per annum, which is double the average growth rate observed over 2006-2021. Across the rest of the Ryde LGA, the number of households is anticipated to grow at a slower rate of 1.1% per annum over 2021-2041.
- Attributable to both an ageing population and growing number of smaller families and lone person households, the average number of persons per household is anticipated to fall in the Catchment Area (from 2.4 to 2.3) and the rest of Ryde LGA (from 2.6 to 2.4).

The above factors cumulatively mean a higher demand for housing in the Catchment Area. Over 2021-2041, an **additional 11,500 dwellings** would be required to satisfy population and household growth in the Catchment Area.

Analysis of the residential development pipeline reveals 8,100 dwellings could be delivered across the Catchment Area in the coming years. Some 6,730 dwellings (80%) of the Catchment Area development pipeline consists of market housing, with a further 15% being specialised housing (seniors living and student accommodation).

Notably, only **25%** of this pipeline supply is currently under construction whilst over 50% of the pipeline has yet to receive any form of approval. It is a commercial reality that not all projects proceed to delivery.

As such, the Proposal can play an important role in enabling the Ryde LGA to meet their future housing requirements whilst further alleviating pressure on the local housing market.



Economic Impacts and Role for the Site

This Study has estimated the economic activity and impacts that could be facilitated by the Proposal during construction and upon completion. The analysis estimates economic activity supported in the Base Case compared with the Proposal:

- **Base Case**

Existing planning controls are demonstrated to not facilitate feasible development of the Site. The Site is therefore not developed and remains 'as is' (i.e. 4x4-storey apartment buildings comprising 60 units).

- **Proposal Case**

The Proposal is progressed and delivers two apartment buildings comprising 859 apartments and circa 170sqm of retail floorspace.

DRIVERS OF ECONOMIC ACTIVITY

To understand the net economic impacts likely to result from the Proposal, it is necessary to distinguish economic impacts during the construction phase and those economic impacts that will be more permanent in nature.

- **Construction Phase**

Construction activity will draw resources from and thereby generate economic activity in the Ryde LGA. Modelling assumes the construction phase is serviced by labour and businesses within and outside the Ryde LGA. Assumptions are made on the proportion sourced from both regions. Economic activity in the construction phase is only considered in the Proposal Case, as the Site is assumed to remain 'as is' under the Base Case.

- **Operational Phase**

Ongoing economic activity is expected to be generated in both the Base and Proposal Cases.

In the **Base Case**, ongoing economic activity is expected to occur through:

- Dispersed employment through persons working from home in existing housing.
- Household expenditure from existing residents.

In the **Proposal Case**, ongoing economic activity is assumed to occur through:

- Ongoing employment from new retail floorspace.
- 'Dispersed employment' (i.e. persons working from home in the new housing delivered through the Proposal).
- Additional household expenditure from new residents.

The detailed description of the methodology underpinning the economic modelling is detailed within the Study.

Economic impact modelling has considered dispersed employment (i.e. a proportion of future residents who work from home) in both the Base and Proposal Case. Remote work has become a structural feature of the labour market rather than a temporary phenomenon, meaning that a proportion of residents will generate ongoing economic output from the Site. This activity contributes to Gross Regional Product, supports demand for digital and service infrastructure, and can influence daytime population patterns that underpin demand for nearby retail, hospitality, and local services. As such, recognising dispersed employment can help avoid understating the economic role of higher-density residential development.

NET ECONOMIC IMPACTS OF THE PROPOSAL

Redevelopment of the Site would drive a significant, temporary uptick in economic activity as a result of construction activities, driving an increase in local expenditure and employment. The net economic activity associated with the construction stage includes:

- **\$948.1 million** in output (including \$671 million in direct activity).
- **\$295.7 million** in contributions to GRP (including \$162.2 million in direct activity).
- **\$183.2 million** in incomes and salaries paid to households (including \$106.4 million in direct income).
- **1,897 ongoing FTE jobs** (including 1,113 FTE directly related to activity at the Site).



Following the completion of construction, the Proposal is estimated to support the following net annual economic activity across the Ryde LGA through direct and indirect (flow-on) impacts associated with operations on Site:

- **\$61.2 million** in output (including \$39.6 million in direct activity).
- **\$30.2 million** in contributions to GRP (including \$19.0 million in direct activity).
- **\$16.5 million** in incomes and salaries paid to households (including \$10.7 million in direct income).
- **172 ongoing FTE jobs** (including 107 FTE directly related to activity at the Site, being 3 FTEs working within future retail floorspace and 104 FTEs being residents who work from home).

Development of the Site is projected to generate additional household expenditure resulting from the residential population growth 'unlocked' by development activity. This activity is estimated to support on an ongoing annual basis (once fully developed occupied):

- **\$97.7 million** in output (including \$66.8 million in direct activity).
- **\$57.0 million** in contributions to GRP (including \$42.0 million in direct activity).
- **\$27.0 million** in incomes and salaries paid to households (including \$18.8 million in direct income).
- **404 ongoing FTE jobs** (including 313 FTE directly related to activity at the Site).

The Role for the Site

Feasibility testing carried out in the Study clearly demonstrates that development of the Site under existing planning controls (FSR 4.5:1) is not feasible, as the value of the Site as a development proposition is lower than its existing value (i.e. four, 4-storey apartment buildings comprising 60 apartments).

Accordingly, the Site would be unable to contribute to additional housing supply and has no potential in delivering other items of public benefit (such as Affordable Housing).

The Proposal would enable the development of the Site (facilitating an increase in housing supply) whilst also facilitating a 10% Affordable Housing contribution (equivalent to 60 units). This is higher than the mandatory 3% Affordable Housing contribution which currently applies within the Macquarie Park Precinct.

As such, the Proposal would represent a 'win-win' scenario – facilitating both an increase in market housing supply and the delivery of additional Affordable Housing.

Accordingly, it is recommended that the Proposal be considered for approval, subject to other technical findings.



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1

Introduction



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15-21 Cottonwood Crescent, Macquarie Park

1.1 Background

Cottonwood Development Pty Ltd (**the Proponent**) are progressing a State Significant Development Application (SSDA) and concurrent Rezoning Proposal (SSD-94006708) for a mixed-use development at 15-21 Cottonwood Crescent, Macquarie Park (**the Site**). The Site falls within the City of Ryde local government area (**LGA**).

The SSDA and Planning Proposal envisages an increase to planning controls with a proposed FSR 16.8:1 and height control of 212m. The proposal would enable construction of two residential flat buildings above a common basement car park /sleaved podium, delivering 858 apartments and circa 110sqm of retail floorspace. The proposal also provides for the delivery of 10% affordable housing of the uplift being sought (equivalent to 60 units).

Atlas Economics (**Atlas**) are engaged by the Proponent to prepare an Economic Impact Assessment (**the Study**) to investigate the market need for the Proposal and estimate potential economic impacts to the Ryde LGA economy.

1.2 The Site and Proposal

THE SITE AND SURROUNDS

The Site consists of four strata-titled contiguous lots with ~50m frontage to Waterloo Road and ~100m frontage to Cottonwood Crescent. The Site is improved by four, 4-storey apartment buildings on each lot comprising a total of 60 apartments. The Site is the largest remaining consolidated development parcel within 200m of the Macquarie University Metro Station entrance.

The following planning controls apply to the Site under the Ryde Local Environmental Plan (LEP) 2014:

- MU1 Mixed Use
- Floor Space Ratio (FSR) 4.5:1
- Maximum Height of Building (HOB) 65m.

The Site is also identified as having a Primary Active Frontage under the City of Ryde Development Control Plan.

The Site is surrounded by other MU1 Mixed Use lots, as well as RE1 Public Recreation land adjoining the Site to the northwest and across the road to the southeast. Further east of the Site is the Macquarie Park commercial centre which is zoned E2 Commercial Centre land mostly improved by a mix of campus style office buildings, showrooms and industrial warehouses.

FIGURE 1-1: The Site and Surrounding Land Uses



Source: Atlas Economics



THE PROPOSAL

The SSDA and concurrent Planning Proposal seek consent for the development of two mixed-use buildings comprising a 52 and 60 storey building respectively, which will accommodate:

- 733 apartments (including 10% Affordable Housing of the uplift being sought)
- ~110 retail floorspace
- Six levels of basement carparking with 825 car spaces
- Communal open spaces and residential amenities on Level 4.
- A rooftop terrace on Level 52 and Level 60 of both towers.

The proposal includes provision to amend Clauses 4.3 and 4.4 of the Ryde Local Environmental Plan 2014 (RLEP2014) by virtue of the concurrent rezoning process. This includes the following amendments:

- Amend the current 65m maximum building height to 205.5m
- Amend the current FSR of 4.5:1 to 16:8:1

FIGURE 1-2 depicts the 3D envelopes of the Proposal's built form in the context of surrounding land uses.

FIGURE 1-2: 3D Envelope (Southern View left, Northern View right), The Proposal



Source: AJC Architects

1.3 Scope and Approach

The objective of the EIA is twofold. Firstly, the Study assesses the market need for the Proposal. Secondly, the Study estimates the economic impacts resulting from delivery of the Proposal.

To meet these objectives, the following is carried out:

- Review of planning policy to understand the Site's strategic context and any implications for the Proposal.
- Analysis of socio-demographic trends driving demand for housing and in particular high-density housing formats.
- Appraisal of the local housing market appraisal to understand the factors influencing demand and supply of new housing in Macquarie Park and whether additional supply is needed.
- Estimate of the economic impacts (direct and indirect) resulting from the Proposal during construction and those which are ongoing upon completion of the development.

Ultimately, the Study seeks to identify the economic need for the Proposal and estimate the economic impacts of its delivery.



1.4 Assumptions and Limitations

Atlas acknowledges several assumptions and limitations associated with the Study:

- The Australian economic outlook is currently subject to a high level of uncertainty due to, *inter alia*, global trade risks, high (albeit falling) inflation, labour shortages and deteriorating housing affordability.
- The 2021 Census was administered during the COVID-19 pandemic and at a time of widespread lockdowns across Australia's east coast. Activity recorded at this time may not be accurately representative of sociodemographic profile
- Market research is carried out on a 'desktop' basis without the benefit of site surveys and internal inspections.
- Floorspace supply data is sourced from various third-party databases and subscriptions and is not validated.
- Specific assumptions related to economic impact modelling are detailed in Schedule 1.

Notwithstanding the above, due care, skill and diligence has been applied to this Study as is reasonably expected.



2

Strategic Context



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15-21 Cottonwood Crescent, Macquarie Park

2.1 Locational Context

The Site is located within Macquarie Park, one of Greater Sydney's largest strategic centres. Located 13km north-west of the Sydney Central Business District (CBD), Macquarie Park is Greater Sydney's fourth largest office market and accommodates over 50,000 jobs. It is also anchored by Macquarie University (one of the largest universities in Australia), the Macquarie University Hospital and a super-regional shopping centre (i.e. Macquarie Centre). It has also emerged in more recent years as a hub of high-density residential development, accommodating over 11,000 residents as at 2021.

The Site is centrally located within Macquarie Park, being situated within 500m of:

- **Macquarie University Metro Station**, serviced by the Metro North West & Bankstown Line which opened in 2019.
- **Macquarie University**, spanning ~126ha and accommodates ~40,000 students and 2,000 staff.
- **Macquarie Centre**, a super-regional shopping centre comprising 135,000sqm of floorspace, accommodating 350 stores and 10 anchors including David Jones, Myer, Big W, Kmart, Coles, Woolworths and Event Cinemas.
- **Macquarie University Hospital**, a 144-bed private teaching hospital located within Macquarie University Campus.
- **The Hills Motorway**, providing access to the north-western suburbs and Sydney CBD (approx. 26-minute drive).

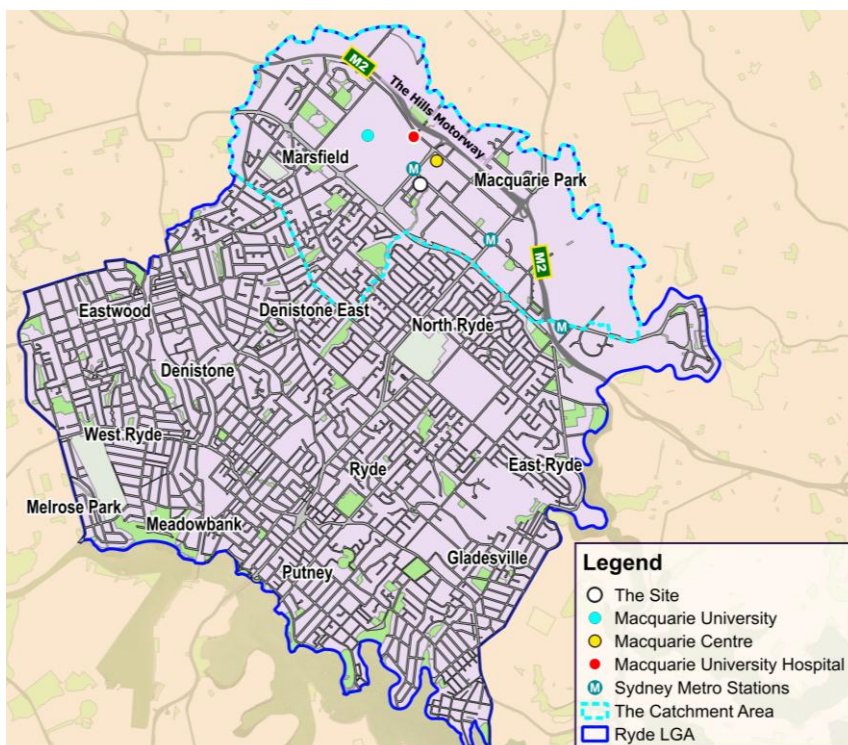
The Site also falls within 400m of several approved high-density residential developments, including the 'Ivanhoe Estate' integrated social housing redevelopment (also known as Midtown Mac Park, set to comprise 3,300 apartments), the Macquarie Centre redevelopment (1,000 apartments) and the 'Trilogy' project (>1,000 apartments in towers from 39-59 storeys).

The basis of demographic analysis is the Australian Bureau of Statistics (ABS) Census. The ABS define a series of geographies known as Statistical Areas (SA) which vary in size and range from SA4s (larger regions) to SA1s (often smaller than a suburb). Census data can be extracted based on these statistical areas to understand the socio-demographic profile of different areas at various scales.

To analyse the socio-demographic profile of the resident catchment surrounding the Site, multiple SA2 geographies have been identified. These SA2 geographies are identified as the 'Catchment Area' and broadly include the suburbs of Macquarie Park and Marsfield.

The locational context of the Site is shown in **FIGURE 2-1**.

FIGURE 2-1: Site Location



Source: Atlas Economics



2.2 Strategic Policy Context

This section reviews various State and local strategic planning documents relevant to the Site and Proposal.

2.2.1 Draft Sydney Region Plan (2025)

The Sydney Plan is the NSW Government's 20-year strategic land use plan to direct future growth. It lays out a plan for housing, infrastructure, employment, sustainability and vibrant communities.

The Sydney Plan is framed by several priorities, several of which are directly relevant to the Proposal.

PRIORITY - HOUSED

- The Sydney Plan seeks to rebalance housing growth and provide the framework to deliver accessible, affordable and diverse housing options. This includes delivering diverse housing options faster, in locations that are accessible, close to jobs and transport and includes in-fill development. Looking forward, a variety of housing typologies is required to meet demand and changing needs of the population.
- The Sydney Plan identifies that existing infrastructure close to new development is cost effective, reducing public spending for new roads, utilities and services. This includes transport hubs like train stations.
- For each LGA, the Sydney Plan establishes a 5-year housing target (2024-2029), including 11,600 new homes in the Ryde LGA. The Proposal would enable delivery of 858 dwellings, equivalent to 7%% of the housing target. Critically, the Proposal would deliver new supply within immediate proximity to new public transport infrastructure and existing retail and services.

PRIORITY - CONNECTED

- The Sydney Plan is underpinned by access to transport. As population growth continues, there will greater reliance on public transport options and road networks. The Site is located just 200m of the Macquarie University metro station, which connects workers and residents to Central station in 25 minutes.
- Given the Site's proximity to the metro station, the Proposal would particularly align with the Sydney Plan's objective to promote and establish walkable linkages and encourage active travel.

Overall, the Proposal is considered to be consistent with several of the key priorities outlined in the draft Sydney Plan and would make a meaningful contribution to the Ryde LGA's 2024-2029 housing target.

2.2.2 Planning Ryde: Local Strategic Planning Statement (2020)

The Ryde Local Strategic Planning Statement 2020 (**the LSPS**) is a 20-year strategic planning framework for the Ryde LGA. It outlines the City of Ryde's (**Council**) vision and planning priorities for the LGA. It provides a critical link between other strategic planning documents, such as the *District Plan* and the *Ryde Community Strategic Plan*, to the local statutory planning framework.

The LSPS adopts a similar approach to planning priorities as those outlined in the District Plan. For instance, Planning Priority 5 of the LSPS seeks to increase housing supply whilst maintaining high levels of residential amenity. This is to be achieved to the delivery of housing located within 400m of active open space and public transport.

The LSPS explicitly acknowledges the important role of Macquarie Park in facilitating both housing and employment growth. It seeks to encourage the urban renewal of older building stock and other opportunity sites to increase housing supply and choice.

Overall, the intent of the Proposal is considered to be consistent with the objectives of the LSPS.



2.2.3 City of Ryde Housing Local Strategy (2020)

The Ryde Local Housing Strategy 2020 (**the Housing Strategy**) provides the evidence base and facilitation strategy for the delivery of new housing across Ryde over the coming years to 2038. The Housing Strategy formed part of the evidence base which informed the LSPS and underpins Council's objective to align housing growth with delivery of infrastructure, services and community facilities.

Aligning with the LSPS, the Housing Strategy identifies the important role of Macquarie Park in delivering new housing supply and assist in meeting Ryde's projected housing needs. Other notable findings and observations made in the Housing Strategy include:

- Lower housing vacancy rates in Ryde LGA compared to the rest of Greater Sydney.
- A stakeholder engagement process indicated that housing in town centres should be well-provisioned with local services such as retail, employment, education, open space, community and recreation facilities; and should offer good access to transit corridors and public transport. Stakeholders noted that there is inconsistent (in some cases poor) access to supporting infrastructure, transport and amenity.
- High-density development activity is desirable in central locations, located near transport, amenity and services.
- Residential developments along the periphery of Eastwood Town Centre is cited as an example of higher density development occurring on the edges of centres. This occurs as land can be consolidated more easily but pulls focus away from the core of the existing centre. Accordingly, opportunities to develop in locations that pull 'toward' the core of the existing centre are far more desirable.

The Proposal is considered to be consistent with the intent of the Housing Strategy, encouraging high density development within Macquarie Park and proximate existing public transport infrastructure, retail amenity and other key services.



2.3 Local Planning Framework

The Site is subject to planning controls of the Ryde Local Environmental Plan 2014 (**the Ryde LEP**). Under the Ryde LEP, the Site is zoned MU1 Mixed Use. The land use objectives of the MU1 Mixed Use zone are broad and include:

- To encourage a diversity of business, retail, office and light industrial land uses that generate employment opportunities.
- To ensure that new development provides diverse and active street frontages to attract pedestrian traffic and to contribute to vibrant, diverse and functional streets and public spaces.
- To minimise conflict between land uses within this zone and land uses within adjoining zones.
- To encourage business, retail, community and other non-residential land uses on the ground floor of buildings.
- To ensure employment and educational activities within the Macquarie University campus are integrated with other businesses and activities.
- To promote strong links between Macquarie University and research institutions and businesses in the Macquarie Park corridor.

Existing density controls which apply to the Site include FSR 4.5:1 and maximum building height control of 65m. The Site is not subject to any heritage, flood, bushfire or other environmental constraints.

A summary of existing planning controls applicable to the Site are detailed in **TABLE 2-1**, with **FIGURE 2-2** illustrating the existing density controls (FSR, HOB) as per the Ryde LEP (the Site being outlined in black).

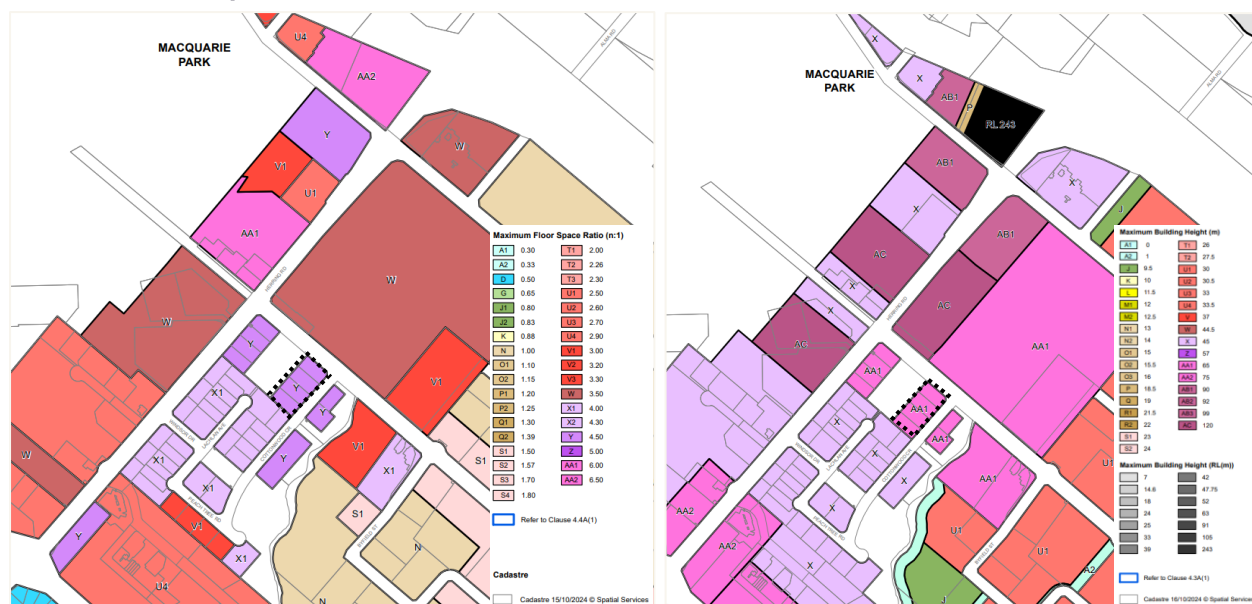
TABLE 2-1: Applicable Planning Controls, The Site

ADDRESS	TITLE	SITE AREA (SQM)	LAND ZONING	FSR (N=1)	HOB (METRES)
15 Cottonwood Crescent	SP8144	1,285	MU1 Mixed Use	4.5	65
17 Cottonwood Crescent	SP7630	1,293	MU1 Mixed Use	4.5	65
19 Cottonwood Crescent	SP7892	1,281	MU1 Mixed Use	4.5	65
21 Cottonwood Crescent	SP7984	1,294	MU1 Mixed Use	4.5	65

Source: City of Ryde



FIGURE 2-2: Existing Density Controls (FSR, HOB), The Site



Source: City of Ryde

2.4 Resident Profile

To assist in understanding the potential demand profile for new housing and recreational services delivered in the Proposal, socio-demographic analysis has been undertaken. A Catchment Area has been defined for the purpose of this analysis, broadly comprising the suburb of Macquarie Park and the adjoining suburb of Marsfield.

As per the 2021 Census, approximately ~23,820 residents were recorded as living in the Catchment Area. A review of the resident and housing profile of the Catchment Area is provided in **TABLE 2-2**.

TABLE 2-2: Resident Profile

A Young, Multicultural Population	Resident median age is 34 years, much younger than NSW (39 years) and Australia (38 years). 13% of Catchment Area residents are of Australian ancestry compared to 29% in NSW.	
Large Labour Force	64% of the Catchment Area residents aged 15+ years participate in the labour force (13,150 residents), compared to NSW (59%) and Australia (61%).	
Higher Incomes	Personal, family and household median income in the was \$900, \$2,340 and \$1,924 respectively. NSW recorded lower incomes of \$813, \$2,185 and \$1,829 - which were all also higher than the Australian median.	
A Higher Rate of Non-family Households	Approximately 62% of the ~9,600 Catchment Area households are families compared to NSW and Australia (71%). 31% of Catchment Area households are lone persons compared to 25% and 26% across NSW and Australia respectively.	
Couple Only Households	Nearly half (45%) of the ~6,100 Catchment Area family households are couples without children. Comparatively, 39% of NSW household are couples without children.	
A Diverse Housing Market	More than 50% of the ~9,600 occupied private dwellings in the Catchment Area are high-density, compared to 22% across NSW. A further 28% of Catchment Area dwellings are medium density, compared to 12% of NSW dwellings.	
Large Renter Cohort	Only 20% of Catchment Area dwellings (1,900 dwellings) are owned outright and 24% are owned with a mortgage, compared to 32% and 33% across NSW. Conversely 51% of Catchment Area dwellings are rented, much higher than 33% across NSW.	
Higher Rates of Mortgage and Rental Stress	26% of Catchment Area homeowners (with mortgages) make repayments that exceed 30% of household income. A lower rate of 17% is observed across NSW. - Median monthly mortgage repayments in the Catchment Area are \$2,380, 10% higher than the NSW median mortgage repayment of \$2,170 - The median rent of the Catchment Area is \$470 per week, 12% higher than the NSW median rent of \$420 per week.	

Source: ABS (2022)



3

Demand for Residential Uses



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3.1 Drivers of Demand

The Australian economy has been facing a heightened level of uncertainty over the past 12-24-months. Global upstream cost pressures, pent-up COVID-related domestic demand and a resurgence in migration-driven population growth resulted in a significant uptick inflation across the domestic economy over 2022-2024.

In response, the Reserve Bank of Australia (RBA) tightened monetary policy with successive increases to the official cash rate, rising from 0.1% in April 2022 to 4.1% in June 2023. These rate rises, coupled with supply side constraints, resulted in substantial declines in investment activity, dwelling approvals, household consumption and residential property values.

Over the first half of 2025, inflation has begun to moderate. The consumer price index (CPI) has remained flat at 2.4% over the past two quarters, falling within the RBAs target band of 2%-3%. In response, the RBA reduced the cash rate in March 2025 to 4.1%, again in May 2025 to 3.85% and most recently to 3.6% in August 2025. In the last quarter of 2025 inflation began to tick up again (above the upper 3% target band), creating uncertainty on the trajectory of interest rates in 2026.

Despite the recent easing of monetary policy, much of Australia's housing markets (particularly the capital cities) face significant challenges. Rapid dwelling price escalation, coupled with soft levels of construction activity, have seen housing affordability deteriorate further. This is most apparent in Sydney, which has been consistently identified as the second most unaffordable city in the world in recent years (Demographia, 2025).

Declining levels of housing affordability are one of the factors driving demand for smaller format housing typologies. This growing shift towards high-density housing is discussed further next.

THE GROWING DEMAND FOR HIGH DENSITY HOUSING

Australia's housing market has traditionally focused on detached housing product. This popularity largely emerged in the 1940s and 1950s in the Post War period, with the 'Australian Dream' of a detached house on a quarter acre block similar to the 'American Dream' observed in the United States. Higher density housing (e.g. terraces, townhouses, apartments) were only generally observed in inner ring locations around capital cities.

Since the 1990s however, and in particular the last decade, demand for medium and high-density housing has grown markedly. This demand has typically 'fanned out' from Sydney's Eastern City into the Central City, with apartment typologies now becoming viable in pockets of the Western City.

There have been multiple drivers behind the growing demand for medium and high-density housing typologies across Greater Sydney. Some of these, *inter alia*, include:

- Persistent pressure on housing affordability, with the price of detached housing in many parts of the Greater Sydney no longer affordable for many households.
- Changing lifestyle preferences, with many households preferring smaller housing formats due to changes in life stage (e.g. downsizers) or housing with less maintenance requirements. Many households 'trade off' dwelling size for amenity-rich locations (e.g. inner city and city fringe locations).
- Migration patterns, with many new migrants relocating from countries with much greater acceptance of medium and high-density housing formats.

Macquarie Park (and the broader Ryde LGA) has been at the forefront of this market shift for much of the past decade. Whilst its locational characteristics, strong employment opportunities and excellent amenity offering have contributed to Macquarie Park's popularity as a residential area, it does exhibit many of the critical drivers observed where high density living has flourished:

- **High Detached House Prices**, with the median detached house price in the Ryde LGA being \$2.6 million, 77% higher than the Greater Sydney median (CoreLogic, 2025).
- **Large Numbers of Pre-Retirees and Retirees**, with around 25% of the local population aged between 50 and 70 years whilst also being one of the fastest growing age cohorts.
- **A Highly Ethnically Diverse Population**, with 53.5% of the population born overseas with many of these overseas born residents from Mainland China and South East Asia where attitudes towards apartment living is mature.

These various factors are set to only strengthen and contribute to further demand for high density living in Macquarie Park.

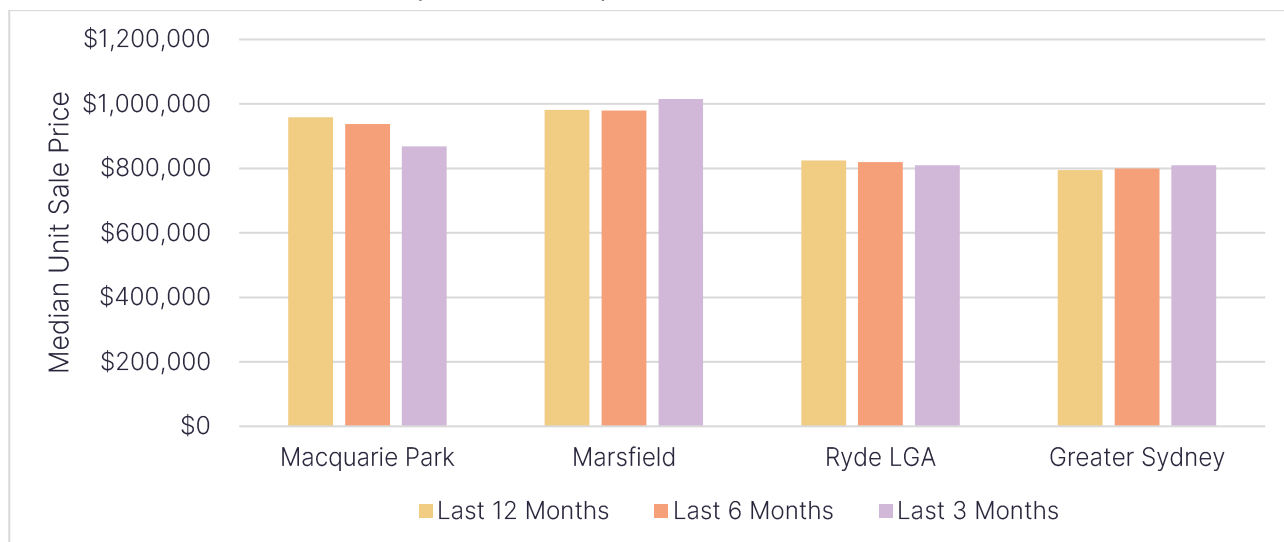


3.2 Local Market Activity

Market evidence suggests that Sydney's apartment market has been relatively flat over the past 12-months. Analysis of median sales price data indicates that prices of units in Macquarie Park, Marsfield, the broader Ryde LGA and Greater Sydney have softened, however Macquarie Park and Marsfield prices remain well above that of the broader Ryde LGA and Greater Sydney.

FIGURE 3-1 illustrates the recent moderation in unit price growth across the Macquarie Park, Ryde LGA and Greater Sydney markets. Despite price retractions across all markets, Macquarie Park unit values are still higher than the rest of Ryde LGA and Greater Sydney.

FIGURE 3-1: Median Unit Sale Price (Feb 2024-2025)

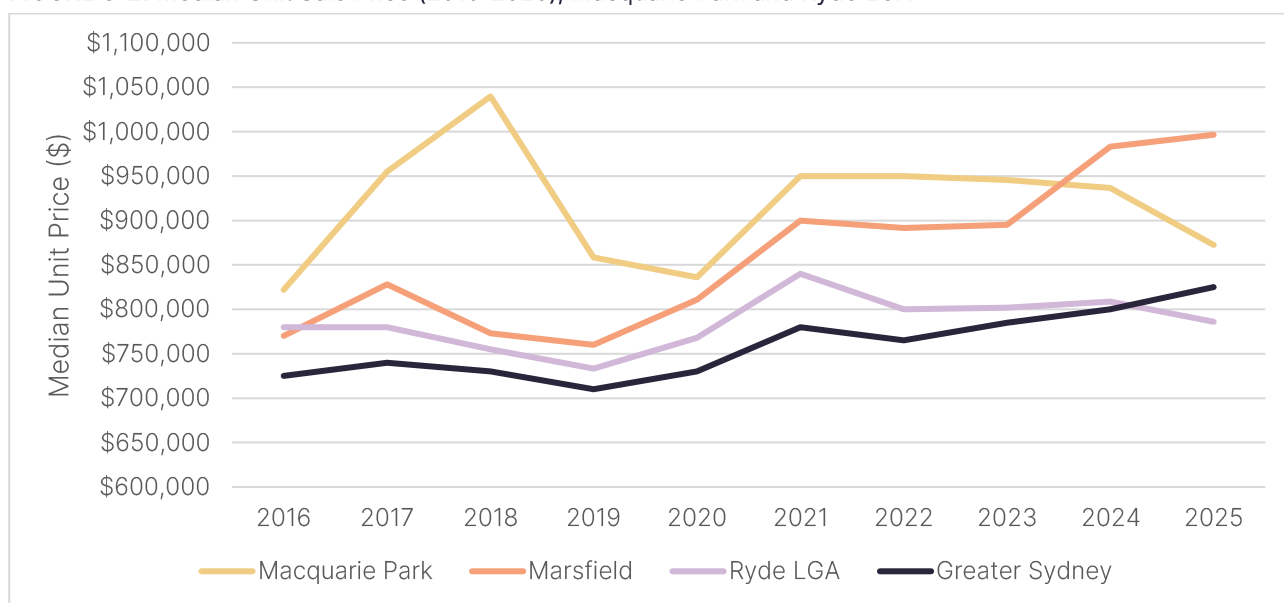


Source: Corelogic (2025)

Taking a longer-term view shows the Macquarie Park and Marsfield apartment market has experienced marked price growth, far exceeding growth observed in other parts of the Ryde LGA. In 2025, Macquarie Park recorded a median unit price of \$872,000 whilst Marsfield recorded \$996,000, both notably higher than both the Ryde LGA (\$785,000) and Greater Sydney median (\$825,000).

FIGURE 3-2 illustrates the median unit price of Macquarie Park and surrounds over the 2016-2025 period.

FIGURE 3-2: Median Unit Sale Price (2015-2025), Macquarie Park and Ryde LGA



Source: Pricefinder



3.3 Demand for New Housing

Aligning with the demand drivers discussed in section 3.1, there has been a significant amount of residential development progressed in Macquarie Park over the last decade. This supply of high-density housing has been well-received by the market, particularly from young professionals, small families and downsizers.

There have been several examples of projects completely selling out prior to construction commencing, reflecting the depth of local demand.

Local agents note that Macquarie Park's strong retail amenity offering, good public transport accessibility, mix of employment opportunities and tertiary education facilities continue to be the primary drivers of demand in the local apartment market.

Multiple apartment projects are currently marketing off the plan across Macquarie Park or have been recently completed. **TABLE 3-1** summarises some of these projects.

TABLE 3-1: Examples of High-density Apartment Projects, Macquarie Park

La Vera - 94 Talavera Road, Macquarie Park		
1bed: \$650,000 - \$810,000 (\$13,000 - \$16,000/sqm) 2bed: \$935,000 - \$1m (\$12,800 - \$14,500/sqm) 3bed: \$1.2m - \$1.3m (\$12,900 - \$13,700/sqm)	La Vera is a 119-apartment development project underway in Macquarie Park. The project will deliver a mix of 1-, 2- and 3-bedroom apartments. The Site is located immediately north of Macquarie Centre and ~200m from the Macquarie University Metro Station. Construction has commenced and completion is estimated for Q4 2025.	
Platinum on Peach Tree - 9 Peach Tree Road, Macquarie Park		
1bed: \$790,000 - \$860,000 (\$14,400 - \$15,800/sqm) 2bed: \$1m - \$1.1m (\$13,200 - \$18,100/sqm) 3bed: \$1.2m - \$1.3m (\$14,100 - \$18,400/sqm)	Platinum is located 600m south of Macquarie University Metro Station and Macquarie Shopping Centres. A 2024 completed mixed-use development comprising a total of 116 home units within a 14-storey building. The apartments include a mix of 1-, 2- and 3-bedroom apartments and the building also includes two (2) ground floor commercial/cafe tenancies.	
Midtown Mac Park - 1 Mahogany Avenue & 16 Sandstone Crescent, Macquarie Park		
1bed: \$680,000 - \$815,000 (\$12,400 - \$14,800/sqm) 2bed: \$874,000 - \$1.3m (\$10,900 - \$15,800/sqm) 3bed: \$1.3 - \$1.7m (\$12,300 - \$17,800/sqm)	Midtown Mac Park is planned to deliver 3,300 apartments (including 954 social housing units, 130 affordable rental units). The development is planning to be delivered alongside an abundance of community facilities and open space. The site is located ~400m from Macquarie University Metro Station.	
Viciniti - 2-10 Cottonwood Crescent, Macquarie Park		
1bed: \$640,000 - \$940,000 (\$11,800 - \$16,500/sqm) 2bed: \$810,000 - \$1.4m (\$9,600 - \$16,400/sqm) 3bed: \$1.4 - \$2.3m (\$13,800 - \$17,800/sqm)	Viciniti is a 2023-completed high-rise development comprising 295 apartments across two 12-storey buildings with a mix of 1-, 2-, 3- and 4-bedroom apartments. The site is located 600m south of Macquarie University Metro Station and Macquarie Shopping Centres.	

Source: Atlas Economics



3.4 Demand for Housing and Supporting Infrastructure

3.4.1 Housing

Looking forward, population growth will be one of the key drivers of demand for new housing in Macquarie Park.

Official population projections in NSW are carried out by the NSW Department of Planning, Housing and Infrastructure's (DPHI) Demography and Research Unit. These projections of population growth are divided by projected household occupancy rates to arrive at the number of implied dwellings required to accommodate the projected population.

Analysis of DPHI projections reveals that over the 2021-2041 period, the Catchment Area is to experience growth that outpaces the rest of the Ryde LGA. Overall, robust population growth, an increase in the number of households (paired with a decrease in average household size) will collectively drive increased demand for dwellings in the Catchment Area.

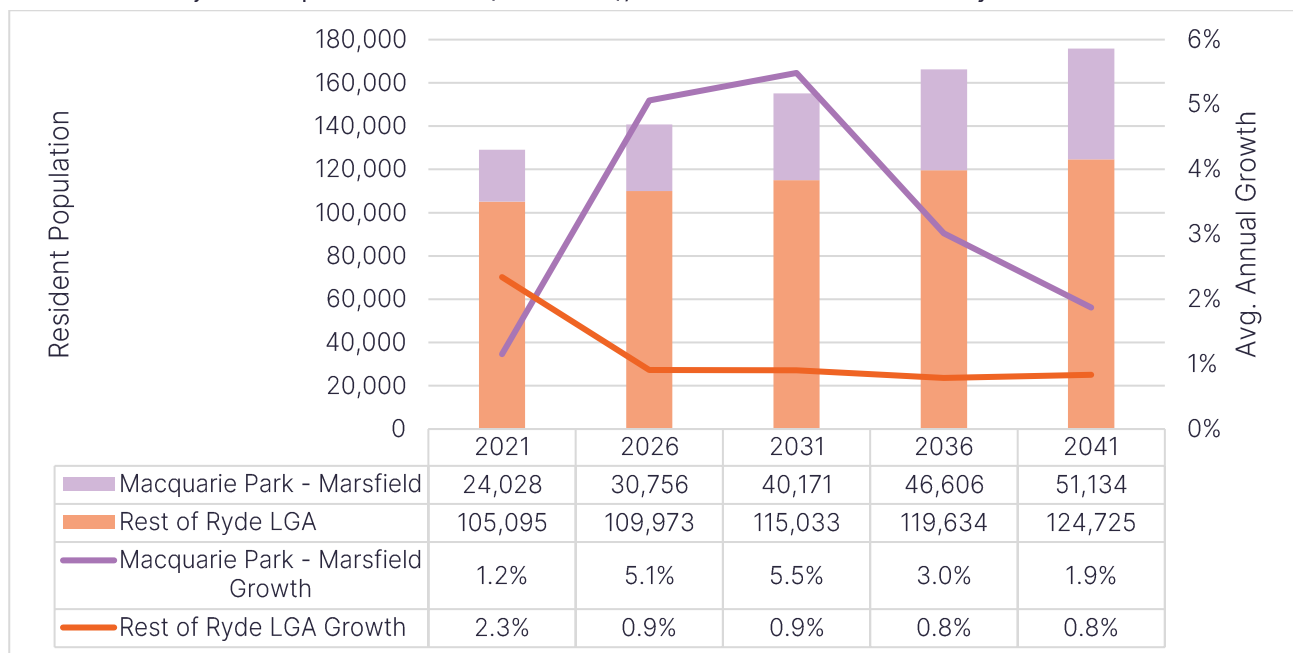
POPULATION GROWTH

Over 2021-2041, the Catchment Area population is anticipated to grow by ~27,100 residents, reaching a population of 51,150 residents. This equates to average growth of 3.8% per annum. Comparatively, the rest of Ryde LGA is anticipated to grow at 0.9% per annum (total growth of 46,750 residents). Overall, the Ryde LGA is set to reach a population of almost 180,000 residents by 2041.

This projected rate of population growth in the Catchment Area is markedly higher than what has been historically observed. For instance, growth over the 2006-2021 period averaged 1.9% per annum.

FIGURE 3-3 illustrates the projected population growth of the Catchment Area and Ryde LGA over 2021-2041.

FIGURE 3-3: Projected Population Growth (2021-2041), Catchment Area and Rest of Ryde LGA



Source: DPHI (2024)

HOUSEHOLD PROJECTIONS

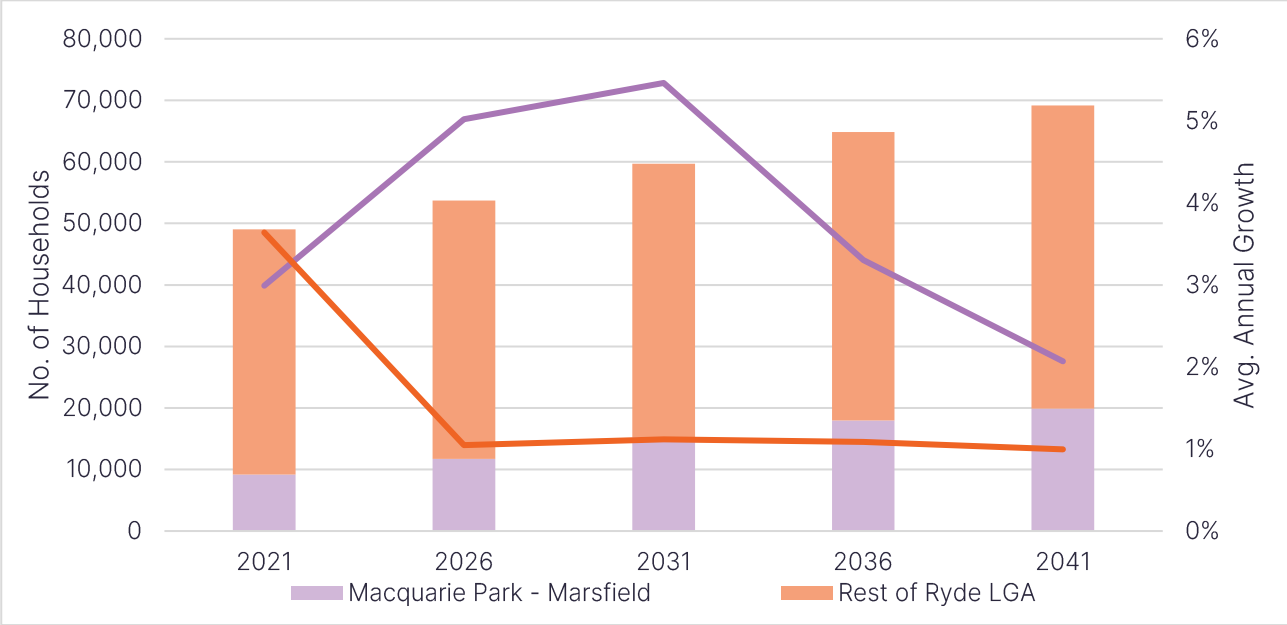
Aligning with the strong rate of population growth projected in Catchment Area, the number of households is also anticipated to grow markedly over the 2021-2041 period, with an additional 10,750 households. This is equivalent to average annual growth of 4%. This is double the rate of growth in households observed over the 2006-2021 period (average growth of 2% per annum).

Across the rest of the Ryde LGA, the number of households is anticipated to grow at a slower rate of 1.1% per annum to 2041. By 2041, the overall Ryde LGA is set to accommodate almost 70,000 households.



FIGURE 3-4 shows the projected household growth of the Catchment Area and the rest of Ryde LGA from 2021 to 2041.

FIGURE 3-4: Projected Household Growth (2021-2041), Catchment Area and Rest of Ryde LGA

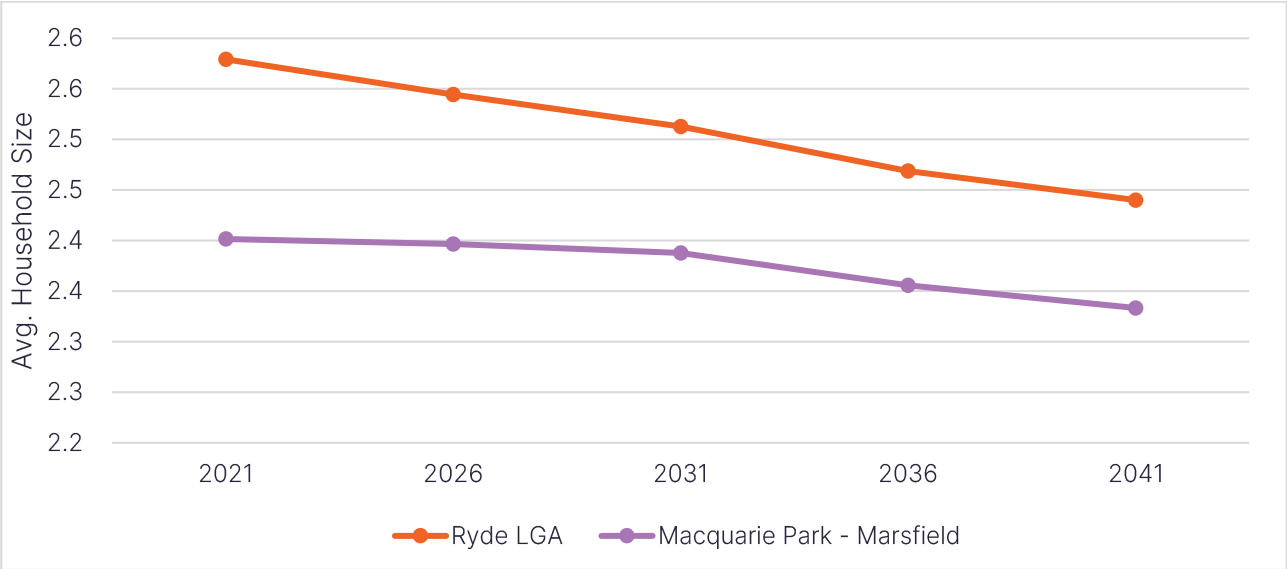


Source: DPHI (2022, 2024)

Over the same period, the average household size (number of persons per household) is anticipated to fall across both the Catchment Area and the rest of Ryde LGA. This is attributed to both an ageing population and growing number of smaller households.

The average household size of the Catchment Area is projected to fall from over 2.4 persons per household in 2021 to approximately 2.3 persons per household in 2041. FIGURE 3-5 illustrates this projected fall in average household sizes.

FIGURE 3-5: Average Household Size (2021-2041), Catchment Area and Rest of Ryde LGA



Source: DPHI (2022, 2024)



DWELLING DEMAND

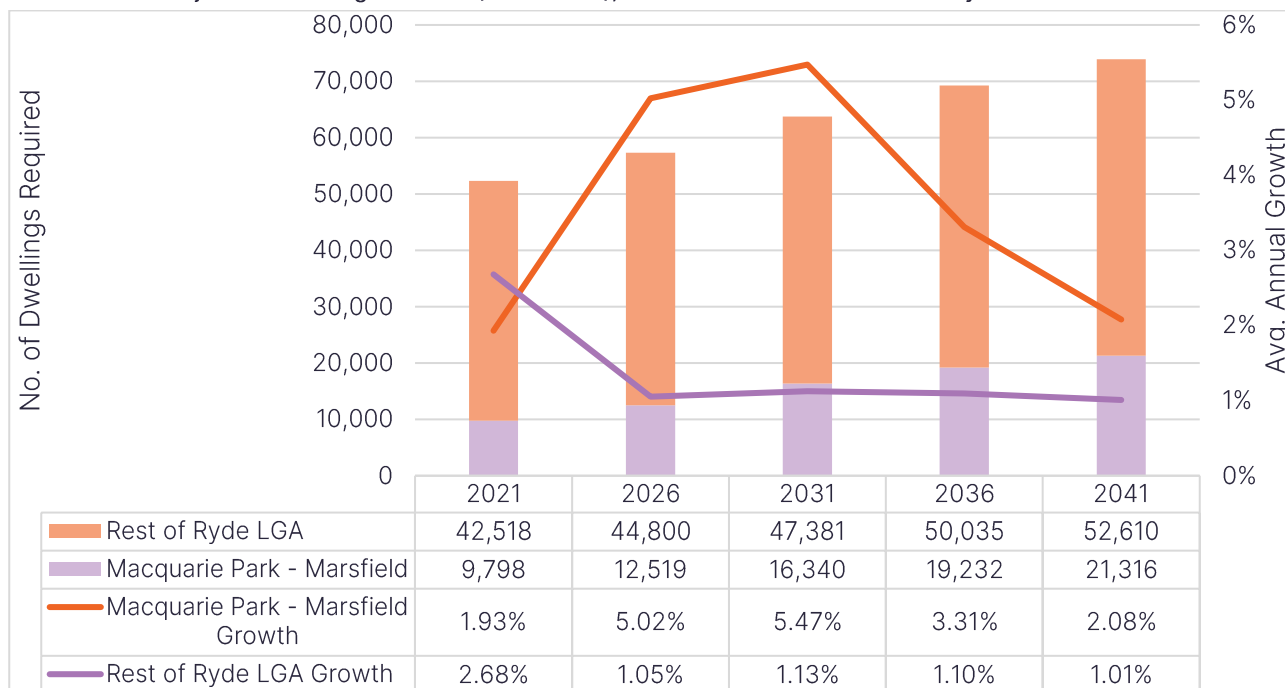
As a result of strong projected population growth and declining household sizes, the Catchment Area (and broader Ryde LGA) is expected to experience a surge in demand for housing.

Over the 2021-2041 period, it is expected that an additional 11,500 dwellings would be required to satisfy population and household growth in the Catchment Area. This equates to average growth of 4% per annum, or 580 additional dwellings per annum.

Dwelling demand across the rest of Ryde LGA is also anticipated to be strong (albeit at a slower rate compared to the Catchment Area). An additional 10,100 dwellings are expected to be required to 2041 across the rest of the Ryde LGA, equivalent to 1.1% annual growth (just over 500 dwellings per annum).

FIGURE 3-6 illustrates the implied dwelling requirements for the Catchment Area and Ryde LGA over 2021-2041.

FIGURE 3-6: Projected Dwelling Demand (2021-2041), Catchment Area and Rest of Ryde LGA



Source: DPHI (2022, 2024)

3.4.2 Supporting Community Infrastructure

Community infrastructure plays a critical enabling role in supporting the successful delivery of high-density housing by ensuring that population growth is matched with access to essential services and amenities. Facilities such as libraries, open space, recreation facilities (indoor and outdoor) and community centres help maintain liveability as densities increase, mitigating potential pressures on existing services.

The role for community infrastructure in supporting the growth of the Ryde LGA is identified in the *Ryde Local Infrastructure Strategy* (City of Ryde, 2024). The Local Infrastructure Strategy serves as a comprehensive framework for addressing infrastructure gaps and enhancing service delivery.

The Local Infrastructure Strategy specifically identifies the additional public open space, civil infrastructure and social and cultural infrastructure needed to support Ryde's growth over the coming decades. It highlights the significant funding gap in delivering the quantum and mix of community infrastructure needed across the Ryde LGA.

The role for developer contributions to fund the delivery of new community infrastructure will be critical in meeting this shortfall and ensuring Macquarie Park can successfully transition into a vibrant, mixed-use precinct.



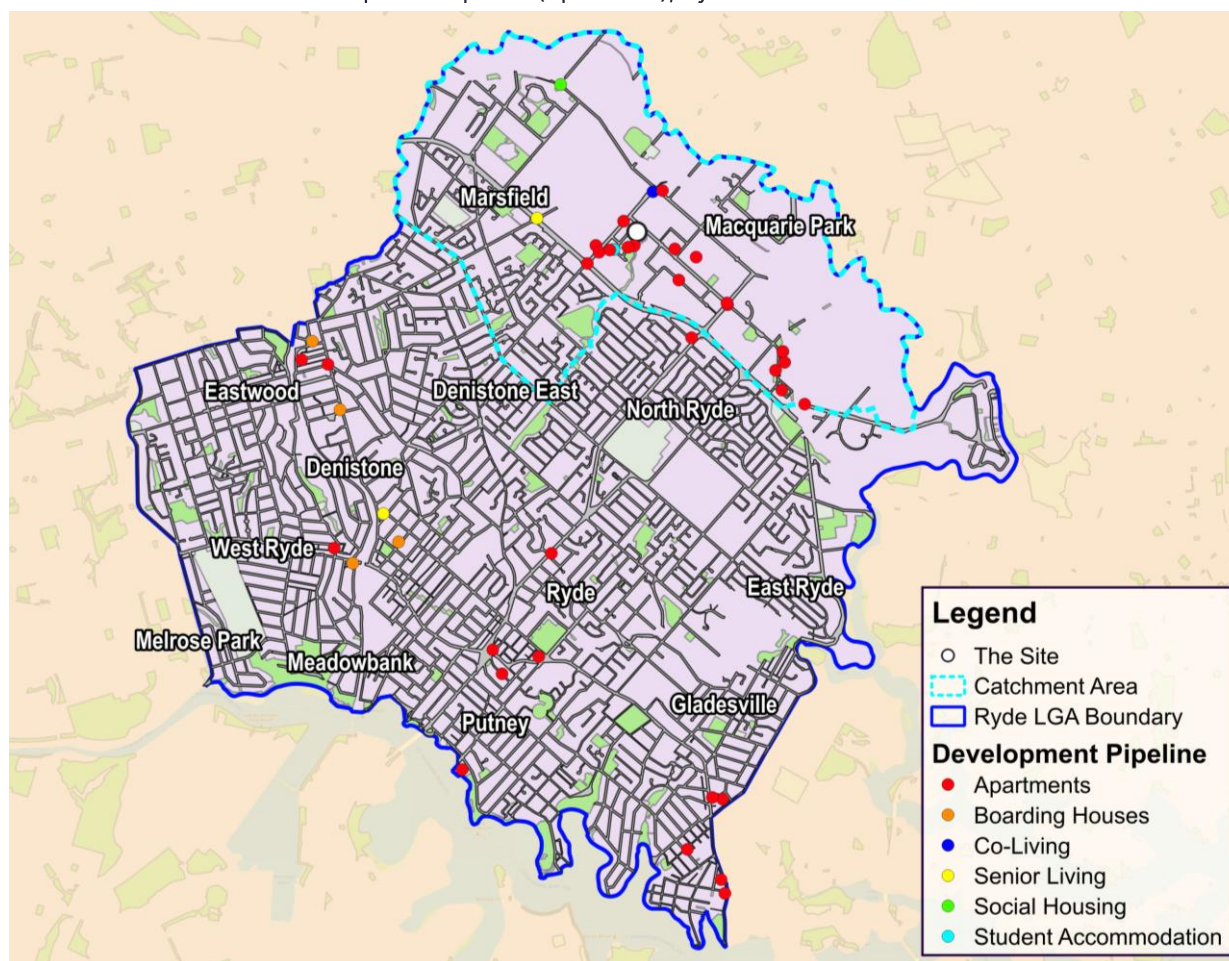
3.5 Future Supply

Analysis of the residential development pipeline across Ryde LGA reveals that there are ~9,600 dwellings that could be delivered in the coming years. Approximately 8,100 of this dwelling supply (29 projects) is located within the Catchment Area. The remaining 1,440 dwellings are dispersed across rest of Ryde LGA.

Some 7,700 dwellings (80%) of the development pipeline consists of market housing, with a further 13% being specialised housing (seniors living and student accommodation). Around 7% of the pipeline are various forms of subsidised housing (i.e. social housing, Affordable Housing, boarding houses).

FIGURE 3-7 illustrates the spatial distribution of the development pipeline across the Ryde LGA.

FIGURE 3-7: Residential Development Pipeline (April 2025), Ryde LGA



Source: Atlas Economics

DEVELOPMENT STAGE

A more detailed analysis of the development pipeline is undertaken to understand the status of various projects. As at April 2025, around 25% of the pipeline (2,420 dwellings) is currently under construction. A further 2,060 dwellings have received development approval (21% of the pipeline) though have not yet progressed to construction.

Around 5,150 all dwellings are yet to receive development approval, accounting for more than 50% of the development pipeline. Of the planned apartments in the development pipeline, just 13% are under construction with 70% yet to receive development approval.

TABLE 3-2 details the development pipeline by project stage for both the Catchment Area and Ryde LGA.

TABLE 3-2: Development Pipeline Stages (April 2025), Ryde LGA and Catchment Area

DWELLING TYPE	PROJECT STAGE	CATCHMENT AREA	RYDE LGA
Apartments	Deferred	216	299
	Early Planning	1,584	1,647
	DA Lodged	2,309	2,934
	DA Approved	1,136	1,281
	Construction	848	905
Boarding Houses	Deferred	-	50
	Early Planning	-	66
	DA Approved	-	14
	Construction	-	291
Co-Living	DA Approved	505	505
Senior Living	Early Planning	1	1
	DA Approved	-	42
Social Housing	Early Planning	6	6
	DA Approved	216	216
Student Accommodation	Construction	1,223	1,223
Townhouses	Deferred	-	3
	Early Planning	132	132
	DA Approved	4	4
Total		8,180	9,619

Source: Atlas Economics

FUTURE SUPPLY AND PROJECTED DEMAND

The development pipeline indicates there are approximately 9,600 dwellings in the pipeline. However, only 25% of these are currently under construction whilst over 50% of the pipeline has yet to receive any form of approval. It is a commercial reality that not all projects proceed to delivery.

When accounting for supply currently under construction or with existing development approval, the pipeline is recorded at almost 4,500 dwellings. Accordingly, there remains a requirement of approximately 17,100 dwellings to meet projected housing demand in the Ryde LGA in the years to 2041.



3.6 Implications for the Proposal

The findings from this Chapter have several implications for the Proposal and its role in responding to future housing demand.

DEMAND FOR HIGHER DENSITY DWELLINGS

- Demand for higher density dwellings in the Catchment Area is robust, given it benefits from many of the critical factors observed in mature apartment markets:
 - High detached house prices.
 - Large number of pre-retirees and retirees.
 - A large tertiary student population.
 - An ethnically diverse population.
- Whilst apartment prices have moderated in the last 12-month period across much of Greater Sydney, the Catchment Area remains more resilient (reflective of strong demand).
- New apartment projects across the Catchment Area continue to record robust demand, reflected in strong take-up rates and price points.

FUTURE DEMAND OUTLOOK

- In the coming years, demand for high-density dwellings in the Catchment Area is expected to exceed historical growth rates. The Catchment Area averaged population growth of 1.9% per annum from 2006-2021 but is expected to grow by more than double that rate - 3.8% per annum from 2021-2041.
- The average household size is expected to remain low, falling from 2.4 persons per household to 2.3 persons per household. This has direct implications for the number of dwellings required - there will be more households and therefore more dwellings will be needed. Smaller households will also drive demand for smaller housing typologies.
- DHP's implied dwelling projections indicate that the Catchment Area will record accelerated dwelling demand in the years to 2041, particularly over the 2021-2026 and 2026-31 period. An additional 6,540 dwellings will be required in Macquarie Park over the decade, which is equivalent to an average of 654 per annum

FUTURE SUPPLY OF HOUSING

- Analysis of the residential development pipeline reveals that there are ~7,000 dwellings planned to be delivered in the Ryde LGA.
- Only 25% of these planned developments have commenced construction activity and a further 22% have received development application approval. More than 50% of these planned dwellings are either deferred, still in early planning or have not received development approval.
- It is a commercial reality that not all projects proceed to delivery. When accounting for supply currently under construction or with existing development approval, the pipeline is recorded at almost 4,500 dwellings.
- Accordingly, there remains a requirement of approximately 17,100 dwellings to meet projected housing demand in the Ryde LGA in the years to 2041.

The Study finds that there is substantial demand for higher density dwellings in the coming decades, driven by trends of accelerated population growth and shrinking household sizes. This is reflected in the current residential market, with dwelling values remaining consistently high.

Given the limited number of projects which have proceeded to construction, it is unlikely that the existing development pipeline will be sufficient to satisfy local demand in the coming years. As such, the Proposal can play an important role in enabling the Ryde LGA to meet their future housing requirements.

The next Chapter examines the role for additional density in delivering new housing on the Site.



4

Need for the Proposal



Beyond the
horizon thinking.

15-21 Cottonwood Crescent, Macquarie Park

4.1 The Case for Change

Chapter 3 identified there is strong, underlying demand for high-density housing in Macquarie Park and that additional supply is needed to support the existing and future needs of a growing Ryde LGA.

The ability for the Site to contribute to this demand is fundamentally influenced by the viability of development under existing planning controls. It is a common reality that infill development in urban areas can be a highly challenging exercise.

THE COST OF SITE CONSOLIDATION IN URBAN AREAS

To economically acquire and develop land, the value of a site as a development prospect must exceed its existing use. Development will only occur if the proposed use is valuable enough to displace existing uses. For instance, while many existing buildings may be aged, they may still be providing a good level of functional utility and be relatively valuable.

Consequently, the acquisition of land for development can be a high-risk and high-resource activity, particularly where numerous sites have to be amalgamated prior to development. Where multiple properties are required, the payment of incentives over and above market value is often required to incentivise landowners to sell their properties. This has been directly observed in the case of the Site, which required the amalgamation of 60 individually strata-titled apartments.

This Chapter examines the feasibility of developing the Site under existing planning controls and what role additional density could play in enabling the Proposal to partially address growing demand for housing in Macquarie Park.

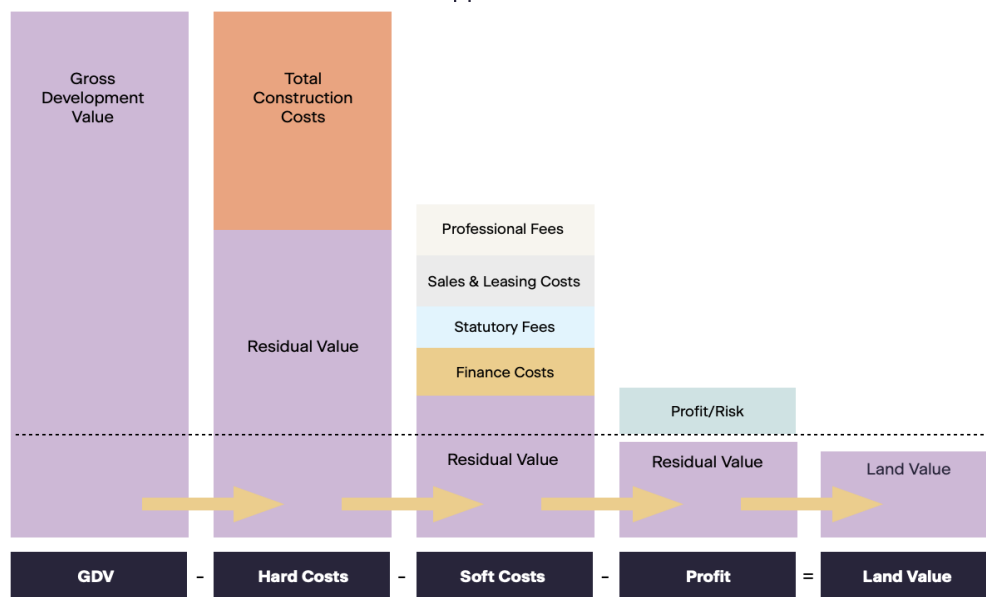
4.2 Feasibility of Development

This section carries out feasibility modelling to assess feasibility of development under existing planning controls.

The feasibility analysis adopts the Residual Land Value approach. This involves assessing the value of the end product of a hypothetical development, then deducting all of the development costs and making a further deduction for the profit and risk that a developer would require to take on the project. The land value is the 'residual' that remains. For a development to be considered feasible, the RLV must exceed the Site's 'base land value'.

FIGURE 4-1 illustrates the concept of the Residual Land Value (or Hypothetical Development) approach.

FIGURE 4-1: The Residual Land Value Approach



Source: Atlas Economics

In carrying out the feasibility analysis, Atlas has adopted a suite of generic revenue, construction and hurdle rate assumptions. A detailed summary of the generic feasibility assumptions is provided in Schedule 2.



4.2.1 Cost of Land

The Site is currently improved with four, 4-storey 'walk up' residential flat buildings. Each building is strata titled with a total of 60 apartments (predominantly 2-bedroom apartments).

FIGURE 4-2 illustrates the various apartment buildings which comprise the Site.

FIGURE 4-2: Existing Improvements, The Site



Source: Realestate.com

It is understood that the Proponent has entered into an agreement to acquire the Site for a total cost of **\$83.7 million**. This is referred to as **'the Cost of Land'**.

The Cost of Land of \$83.7m is equivalent to an average unit price of \$1,395,000. Compared to the sale prices of other similar, older apartments in Macquarie Park (which average \$1,100,000 per unit), the average payment of \$1,395,000 reflects inclusion of a 'premium' over and above market value.

The payment of premiums to property owners to amalgamate a development site is generally necessary and an expected reality of development.

4.2.2 Feasibility Testing Results

Feasibility testing is carried out to assess the viability of development of the Site under existing planning controls.

The feasibility testing finds that development under existing planning controls results in a project return of 9.5% (below an accepted hurdle rate of 18%) and returns an RLV of \$55.2m. This is *below* the Cost of Land at \$83.7m.

Additional density (as envisaged in the Proposal) would be required to facilitate the development of the Site.

TABLE 4-1 summarises the results of the feasibility analysis.

TABLE 4-1: Feasibility Testing Results, Existing Planning Controls

DESCRIPTION	EXISTING PLANNING CONTROLS
FSR (x:1)	4.5
Residential GFA (sqm)	22,853
Retail/Commercial GFA (sqm)	263
Total GFA (sqm)	23,116
No. of Units	255
Revenue (\$M)	
Net Sales Revenue	\$328.3
Total Revenue (after GST paid)	\$297.7
Cost (\$m)	
Cost of Land	\$83.7
Land Acquisition Costs	\$5.4
Construction Costs	\$151.7
Other Costs*	\$25.8
Total Cost	\$266.7
Performance Indicators	
Project Internal Rate of Return (IRR)	9.5%
Residual Land Value (RLV) (\$M)	\$55.2

*Other Costs are professional and statutory fees, state contributions, land holdings costs, finance charges and interest expenses
Source: Atlas Economics

4.3 Role for the Proposal

This Chapter has explored the feasibility of developing the Site under existing planning controls.

The feasibility findings are directly influenced by the high cost of consolidating the Site (approximately \$83.7 million). This cost of land reflects a common market reality where premiums 'over and above' market value are typically paid to consolidate large sites held by multiple landowners. In the case of the Site, this required the consolidation of 60 individually owned strata titled apartments.

FEASIBILITY OF EXISTING CONTROLS

Feasibility testing clearly demonstrates that development of the Site under existing planning controls (FSR 4.5:1) is not feasible, as the value of the Site as a development proposition is *lower* than the Cost of Land.

Accordingly, the Site would be unable to contribute to additional housing supply and has no potential in delivering other items of public benefit (such as Affordable Housing).

ABILITY TO DELIVER AFFORDABLE HOUSING

The Proposal would enable the development of the Site (facilitating an increase in housing supply) whilst also facilitating the delivery of a 10% Affordable Housing contribution (equivalent to 60 units). This is higher than the mandatory 3% Affordable Housing contribution which currently applies within the Macquarie Park Precinct.

As such, the Proposal would represent a 'win-win' scenario – facilitating both an increase in market housing supply and the delivery of additional Affordable Housing.

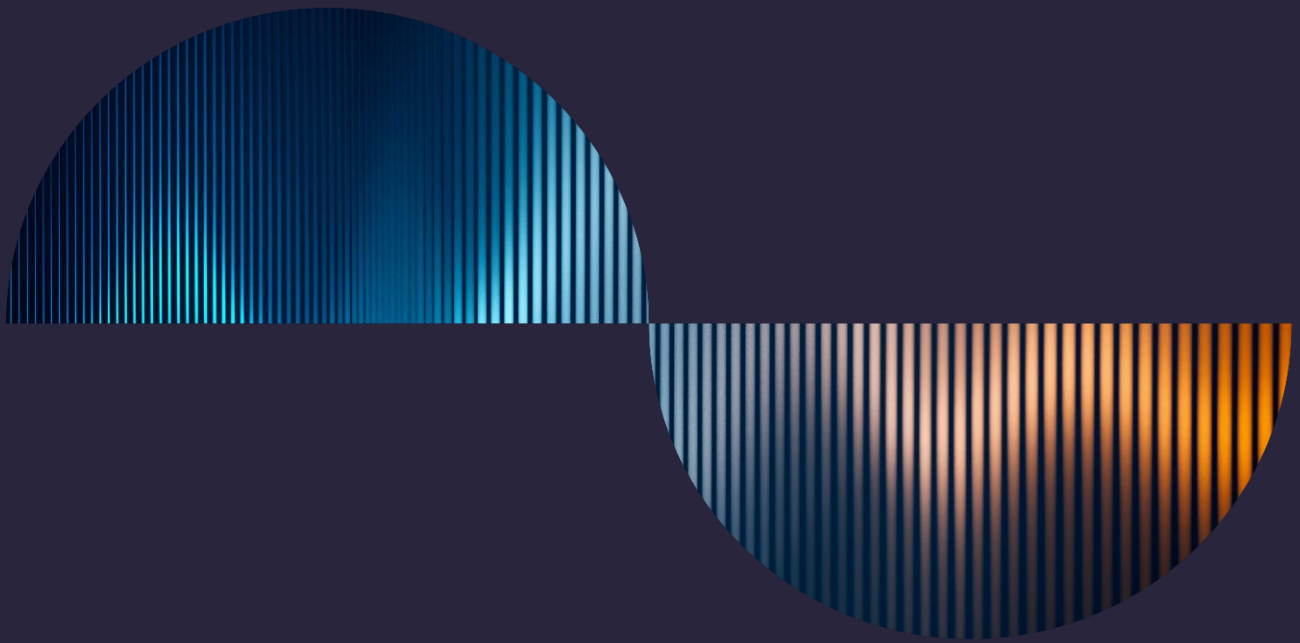


The final Chapter explores the economic impacts of the Proposal for the local Ryde economy.



5

Economic Impact Assessment



Beyond the
horizon thinking.

15-21 Cottonwood Crescent, Macquarie Park

5.1 Overview and Approach

This section examines the economic activity and impacts that could be facilitated by the Proposal during construction and upon completion.

The analysis estimates economic activity supported in the Base Case compared with the Proposal:

Base Case:

- Existing planning controls are demonstrated to not allow feasible development of the Site. Therefore, the Site is not developed and remains 'as is'. The Site will continue to be improved by 4-storey residential flat buildings (three residential storeys and above one parking level) comprising 60 apartments.

Proposal Case:

- The Proposal is progressed and delivers two apartment buildings comprising 858 apartments (~83,800sqm of residential GFA) and circa 110sqm of retail GFA.

METHODOLOGY

Economic impact modelling (using models known as Input-Output models) are a method to estimate the overall economic impact within a certain area resulting from a stimulus to the economy, such as a new development or a change to planning policy.

The economic impacts are assessed at the Ryde LGA. Output models (including the development of specific regional Input-Output transaction tables) have been developed to reflect the respective economic structures.

Input-Output modelling considers economic activity through examining four types of impacts (shown in **TABLE 5-1**).

TABLE 5-1: Economic Impact Indicators

INDICATOR	DESCRIPTION
Output	The gross value of goods and services transacted, including the cost of goods and services used in the development and provision of the final product. Care should be taken when using output as an indicator of economic activity as it counts all goods and services used in one stage of production as an input to later stages of production, thus overstating economic activity.
Gross Value Added	The value of output after deducting the cost of goods and services inputs in the production process (less the impact of net taxes on final production). Gross Value Added (GVA) defines a net contribution to economic activity.
Incomes	The wages and salaries paid to employees as a result of the Project either directly or indirectly.
Employment	Employment positions accommodated by the Project or Proposal (either full time or part time, directly or indirectly). Employment is reported in terms of Full-time Equivalent (FTE) positions or person-years.

Source: Atlas Economics

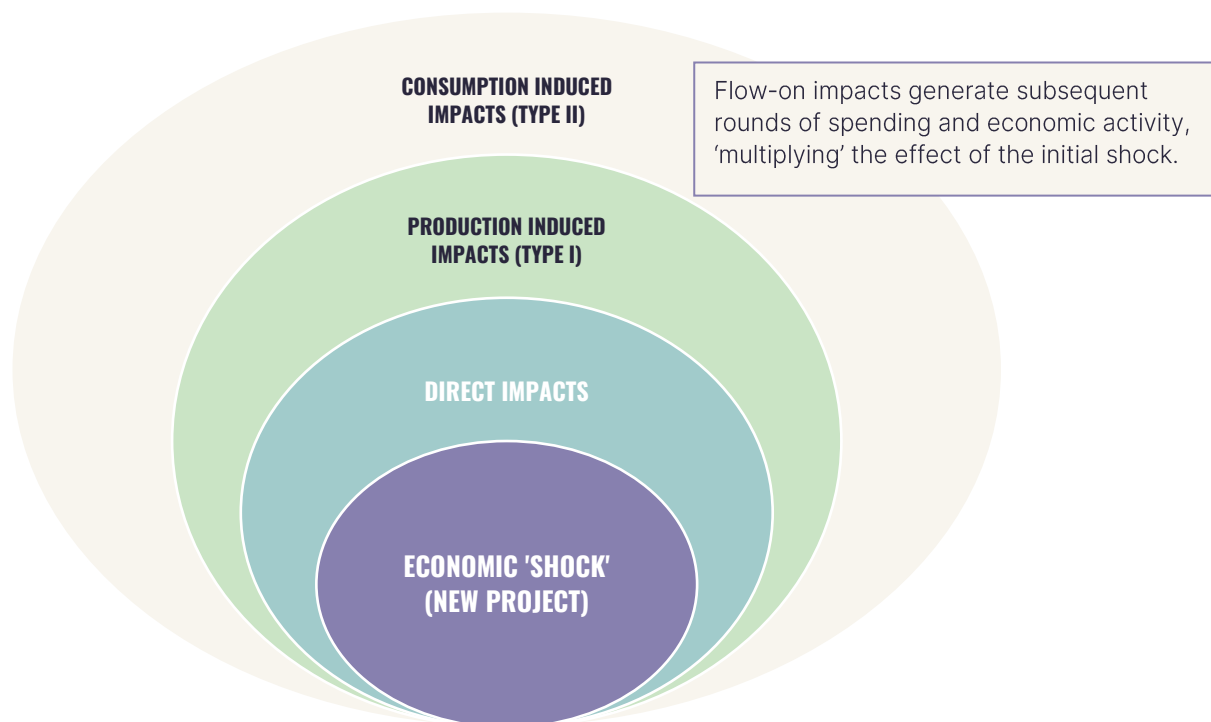
Input-Output modelling traces the economic impact resulting from a 'shock' to a local economy through measuring a series of impacts - referred to as 'Direct' and 'Flow-on' impacts.

- Direct impacts**, which are the first round of effects from direct operational expenditure on goods and services.
- Flow-on impacts**, which comprise the second and subsequent round effects of increased purchases by suppliers in response to increased sales. Flow-on impacts can be disaggregated to:
 - Production-induced impacts (Type I) show the effects of additional activities undertaken by supply chain industries increasing their production in response to direct and subsequent rounds of spending.
 - Consumption-induced impacts (Type II) estimate the re-circulation of labour income earned as a result of the initial spending, through other industry impacts, or impacts from increased household consumption.

The estimates of economic impacts consider production and consumption-induced flow-on impacts. Type II impacts are commonly considered to overstate economic activity and therefore the types of flow-on impacts are reported separately.



FIGURE 5-1: Types of Economic Impacts (Direct and Flow-on)



Source: Atlas Economics

DRIVERS OF ECONOMIC ACTIVITY

To understand the economic impacts likely to result from the Proposal, it is necessary to distinguish economic impacts during the construction phase and those economic impacts that will be more permanent in nature following construction completion and operations commencement and stabilisation to long-run averages.

- **Construction Phase**

Construction activity will draw resources from and thereby generate economic activity in the Ryde LGA. Modelling assumes the construction phase is serviced by labour and businesses within and outside the Ryde LGA. Assumptions are made on the proportion sourced from both regions. Economic activity in the construction phase is only considered in the Proposal Case, as the Site is assumed to remain 'as is' under the Base Case.

- **Operational Phase**

Ongoing economic activity is expected to be generated in both the Base and Proposal Cases.

In the **Base Case**, ongoing economic activity is expected to occur through:

- Dispersed employment through persons working from home in existing housing.
- Household expenditure from existing residents.

In the **Proposal Case**, ongoing economic activity is assumed to occur through:

- Ongoing employment from new retail floorspace.
- 'Dispersed employment' (i.e. persons working from home in the new housing delivered through the Proposal).
- Additional household expenditure from new residents.

Refer to Schedule 1 for a description of the drivers and assumptions that underpin the assessed economic impacts.

Economic impact modelling has considered dispersed employment (i.e. a proportion of future residents who work from home) in both the Base and Proposal Case. Remote work has become a structural feature of the labour market rather than a temporary phenomenon, meaning that a proportion of residents will generate ongoing economic output from the Site. This activity contributes to Gross Regional Product, supports demand for digital and service infrastructure, and can influence daytime population patterns that underpin demand for nearby retail, hospitality, and local services. As such, recognising dispersed employment can help avoid understating the economic role of higher-density residential development.

5.2 Economic Activity and Impacts

Base Case

The Base Case assumes the Site is not developed and remains 'as is' (i.e. 4x4-storey residential flat buildings comprising 60 apartments).

OPERATIONAL IMPACT

The Site is estimated to generate the following annual economic activity across the Ryde LGA via dispersed employment (i.e. residents work from home):

- \$4.2 million in output (including \$2.7 million in direct activity).
- \$2 million in contributions to GRP (including \$1.3 million in direct activity).
- \$2.1 million in incomes and salaries paid to households (including \$1.3 million in direct income).
- 13 ongoing FTE jobs (including 8 FTEs who permanently work from home on-Site).

TABLE 5-2: Operational Impacts (Ryde LGA), Base Case

INDICATOR	OUTPUT (\$M)	GRP (\$M)	INCOMES (\$M)	EMPLOYMENT (FTE)
Direct	\$2.7	\$1.3	\$1.3	8
Flow-on Type I	\$0.9	\$0.4	\$0.4	2
Flow-on Type II	\$0.6	\$0.3	\$0.3	2
Total	\$4.2	\$2.0	\$2.1	13

Totals may not sum due to rounding.
Source: Atlas Economics

HOUSEHOLD EXPENDITURE

The Site is estimated to generate household expenditure from its existing resident population. This activity is estimated to support on an ongoing annual basis:

- \$7.3 million in output (including \$5.2 million in direct activity).
- \$4.2 million in contributions to GRP (including \$3.1 million in direct activity).
- \$2 million in incomes and salaries paid to households (including \$1.4 million in direct income).
- 31 ongoing FTE jobs (including 24 FTE directly related to activity generated by households on-Site).

TABLE 5-3: Household Expenditure (Ryde LGA), Base Case

INDICATOR	OUTPUT (\$M)	GRP (\$M)	INCOMES (\$M)	EMPLOYMENT (FTE)
Direct	\$5.2	\$3.1	\$1.4	24
Flow-on Type I	\$1.2	\$0.6	\$0.3	3
Flow-on Type II	\$1.0	\$0.6	\$0.3	4
Total	\$7.3	\$4.2	\$2.0	31

Totals may not sum due to rounding.
Source: Atlas Economics

Proposal Case

In the Proposal Case, the Proposal proceeds and the Site is developed to accommodate two mixed use buildings. The Proposal would accommodate:

- ~83,800sqm of residential GFA (total of 858 apartments).
- Circa 110sqm of retail GFA.



CONSTRUCTION PHASE

Construction impacts are expected to be short-term in nature (occurring as the Site is redeveloped) and will conclude when development activity is completed. Through construction activity, the Proposal is estimated to generate the following economic impacts across the Ryde LGA:

- \$948.1 million in output (including \$671 million in direct activity).
- \$295.7 million in contributions to GRP (including \$162.2 million in direct activity).
- \$183.2 million in incomes and salaries paid to households (including \$106.4 million in direct income).
- 1,897 ongoing FTE jobs (including 1,113 FTE directly related to activity at the Site).

The economic impacts during construction are summarised in Schedule 1. Atlas highlights that construction impacts are reported *in total* for the construction phase over the life of the development, and do not represent an average annual estimate.

TABLE 5-4: Construction Impacts (Ryde LGA), Proposal Case

INDICATOR	OUTPUT (\$M)	GRP (\$M)	INCOMES (\$M)	EMPLOYMENT (FTE)
Direct	\$671.0	\$162.2	\$106.4	1,113
Flow-on Type I	\$194.1	\$87.5	\$51.2	468
Flow-on Type II	\$83.0	\$46.1	\$25.7	316
Total	\$948.1	\$295.7	\$183.2	1,897

Totals may not sum due to rounding.
Source: Atlas Economics

OPERATIONAL PHASE

Following the completion of redevelopment of the Site, the Proposal is estimated to support the following annual economic activity across Ryde LGA during the operational phase:

- \$65.4 million in output (including \$42.3 million in direct activity).
- \$32.2 million in contributions to GRP (including \$20.3 million in direct activity).
- \$18.6 million in incomes and salaries paid to households (including \$12.0 million in direct income).
- 185 ongoing FTE jobs (including 3 FTEs working within future retail floorspace and 112 FTEs being residents who work from home).

TABLE 5-5: Operational Impacts (Ryde LGA), Proposal Case

INDICATOR	OUTPUT (\$M)	GRP (\$M)	INCOMES (\$M)	EMPLOYMENT (FTE)
Direct Employment				
Direct	\$0.5	\$0.3	\$0.2	3
Flow-on Type I	\$0.1	\$0.1	\$0.0	0
Flow-on Type II	\$0.1	\$0.1	\$0.0	0
Total	\$0.8	\$0.4	\$0.2	4
Dispersed Employment				
Direct	\$41.8	\$20.1	\$11.8	112
Flow-on Type I	\$13.6	\$6.4	\$3.8	35
Flow-on Type II	\$9.3	\$5.3	\$2.7	35
Total	\$64.7	\$31.8	\$18.4	181
Total				
Direct	\$42.3	\$20.3	\$12.0	115
Flow-on Type I	\$13.7	\$6.5	\$3.8	35
Flow-on Type II	\$9.4	\$5.4	\$2.8	35
Total	\$65.4	\$32.2	\$18.6	185

Totals may not sum due to rounding.
Source: Atlas Economics



HOUSEHOLD EXPENDITURE

Development of the Site is projected to generate additional household expenditure resulting from the residential population growth 'unlocked' by development activity. This activity is estimated to support on an ongoing annual basis (once fully developed occupied):

- \$105.0 million in output (including \$74.0 million in direct activity).
- \$61.2 million in contributions to GRP (including \$45.1 million in direct activity).
- \$29.0 million in incomes and salaries paid to households (including \$20.2 million in direct income).
- 435 ongoing FTE jobs (including 337 FTE directly related to activity at the Site).

TABLE 5-6: Household Expenditure (Ryde LGA), Proposal Case

INDICATOR	OUTPUT (\$M)	GRP (\$M)	INCOMES (\$M)	EMPLOYMENT (FTE)
Direct	\$74.0	\$45.1	\$20.2	337
Flow-on Type I	\$16.3	\$7.8	\$4.5	44
Flow-on Type II	\$14.7	\$8.4	\$4.3	55
Total	\$105.0	\$61.2	\$29.0	435

Totals may not sum due to rounding.
Source: Atlas Economics

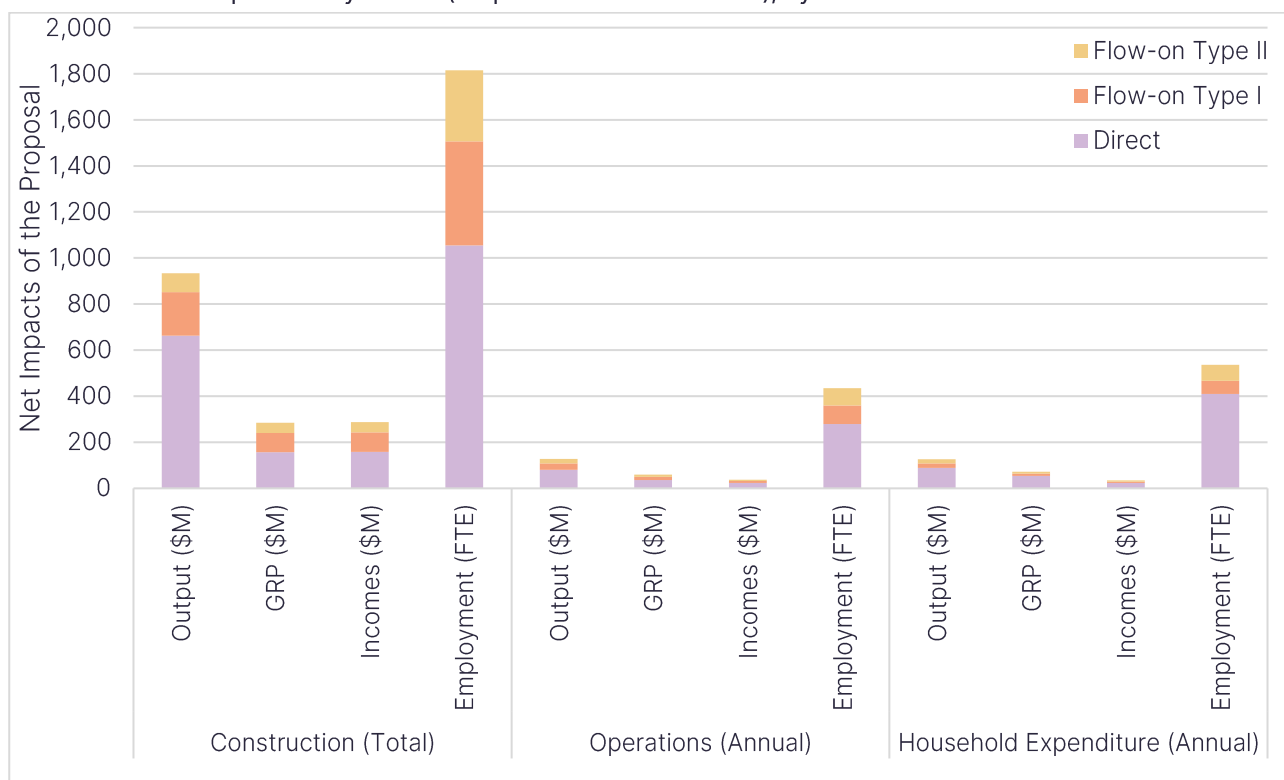
5.3 Summary of Modelling Findings

The Proposal Case is shown to deliver significant positive economic impacts to the Ryde LGA. Redevelopment of the Site would drive a significant, temporary uptick in economic activity as a result of construction activities, driving an increase in local expenditure and employment.

More critically, the Proposal would deliver a significant amount of permanent economic activity upon completion.

The significant net economic impacts of the Proposal Case for Ryde LGA are illustrated in **FIGURE 5-2**.

FIGURE 5-2: Net Impacts to Ryde LGA (Proposal Case v Base Case), Ryde LGA



Source: Atlas Economics



There are various other economic benefits associated with the Proposal which have not been captured in the economic modelling. For instance, the Proposal will generate a significant net increase in the number of residents on the Site who will benefit from direct proximity to metro transport and retail amenity (saving travel time and lowering transport costs).

Similarly, the economic benefits of assisting the Ryde LGA in meeting their future housing needs have not been considered in the economic modelling but are nevertheless an important consideration.

Overall, the economic impacts estimated in this Chapter demonstrates the Proposal has strong economic merit, having the ability to contribute significantly to the Ryde economy. Importantly, it will contribute to the growth of the Ryde LGA over the coming years and provide new housing within a highly accessible and well-served location.

5.4 The Need for Higher Density

IMPLICATIONS FOR HOUSING

The Study finds demand for high density housing is substantial. Rapid population growth in the coming years and smaller household sizes are driving demand for more dwellings. Unit values in the Catchment Area are much higher than the rest of Ryde LGA and Greater Sydney.

In the development pipeline for the Catchment Area is 8,200 dwellings and a further 1,440 dwellings across the Ryde LGA. Of the planned dwellings in the Catchment Area, only 25% have commenced construction. The planned supply of dwellings in the Catchment Area is not likely to meet the implied dwelling demand. This has direct implications for housing affordability, availability and amenity in the Catchment Area.

THE ROLE FOR THE SITE

Under existing planning controls, the Site will not be developed. Increasing density controls on the Site to enable higher density will unlock development potential.

The Proposal would additionally facilitate the delivery of a 10% Affordable Housing contribution (equivalent to 60 units). This is higher than the mandatory 3% Affordable Housing contribution which currently applies within the Macquarie Park Precinct.

As such, the Proposal would represent a 'win-win' scenario – facilitating both an increase in market housing supply and the delivery of additional Affordable Housing.

Accordingly, it is recommended that the Proposal be considered for approval, subject to other technical findings.

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Schedules



Beyond the
horizon thinking.

15-21 Cottonwood Crescent, Macquarie Park

SCHEDULE 1

Input-Output Modelling Assumptions

Input-Output models are a method to describe and analyse forward and backward economic linkages between industries based on a matrix of monetary transactions. The model estimates how products sold (outputs) from one industry are purchased (inputs) in the production process by other industries.

The analysis of these industry linkages enables estimation of the overall economic impact within a catchment area due to a change in demand levels within a specific sector or sectors.

Impacts are traced through the economy via:

- **Direct impacts**, which are the first round of effects from direct operational expenditure on goods and services.
- **Flow-on impacts (indirect impacts)**, which comprise the second and subsequent round effects of increased purchases by suppliers in response to increased sales. Flow-on impacts can be disaggregated to:
 - **Industry Support Effects (Type I)** derived from open Input-Output models. Type I impacts represent the production induced support activity as a result of additional expenditure by the industry experiencing the stimulus on goods and services, and subsequent round effects of increased purchases by suppliers in response to increased sales.
 - **Household Consumption Effects (Type II)** derived from closed Input-Output Models. Type II impacts represent the consumption induced activity from additional household expenditure on goods and services resulting from additional wages and salaries being paid within the catchment economy.

Economic analysis considers the following four types of impacts.

TABLE S1-1: Economic Activity Indicators

INDICATOR	DESCRIPTION
Output	The gross value of goods and services transacted, including the cost of goods and services used in the development and provision of the final product. Care should be taken when using output as an indicator of economic activity as it counts all goods and services used in one stage of production as an input to later stages of production, thus overstating economic activity.
Gross Value Added	The value of output after deducting the cost of goods and services inputs in the production process (less the impact of net taxes on final production). Gross Value Added (GVA) defines a net contribution to economic activity.
Incomes	The wages and salaries paid to employees as a result of the Project either directly or indirectly.
Employment	Employment positions generated by the Project or Proposal (either full time or part time, directly or indirectly). Employment is reported in terms of Full-time Equivalent (FTE) positions or person-years.

Source: Atlas Economics

Regional Model Development

Multipliers used in this assessment have been created using a regionalised Input-Output model derived from the 2020-2021 Australian transaction table (ABS, 2023a).

Estimates of gross industry production in the catchment area were developed based on the share of employment (by place of work) of the catchment area within the Australian economy (ABS, 2022) using the Flegg Location Quotient and Cross Hauling Adjusted Regionalisation Method (CHARM). See Norbert (2015) and Kronenberg (2009) for further details. Where required, values were indexed to current dollar values using CPI (ABS, 2023b).



Modelling Limitations and Assumptions

Input-Output modelling is subject to a number of key assumptions and limitations (ABS, 2023a):

- **Lack of supply-side constraints:** The most significant limitation of economic impact analysis using multipliers is the implicit assumption that the economy has no supply-side constraints. That is, it is assumed that extra output can be produced in one area without taking resources away from other activities, thus overstating economic impacts. The actual impact is likely to be dependent on the extent to which the economy is operating at or near capacity.
- **Fixed prices:** Constraints on the availability of inputs, such as skilled labour, require prices to act as a rationing device. In assessments using multipliers, where factors of production are assumed to be limitless, this rationing response is assumed not to occur. Prices are assumed to be unaffected by policy and any crowding out effects are not captured.
- **Fixed ratios for intermediate inputs and production:** Economic impact analysis using multipliers implicitly assumes that there is a fixed input structure in each industry and fixed ratios for production. As such, impact analysis using multipliers can be seen to describe average effects, not marginal effects. For example, increased demand for a product is assumed to imply an equal increase in production for that product. In reality, however, it may be more efficient to increase imports or divert some exports to local consumption rather than increasing local production by the full amount.
- **No allowance for purchasers' marginal responses to change:** Economic impact analysis using multipliers assumes that households consume goods and services in exact proportions to their initial budget shares. For example, the household budget share of some goods might increase as household income increases. This equally applies to industrial consumption of intermediate inputs and factors of production.
- **Absence of budget constraints:** Assessments of economic impacts using multipliers that consider consumption induced effects (type two multipliers) implicitly assume household and government consumption is not subject to budget constraints.

Despite these notable limitations, Input-Output techniques provide a solid approach for assessing the direct and flow-on economic impacts of a project or policy that does not result in a significant change in the overall economic structure.

Drivers of Economic Impact

In order to understand the economic impacts likely to result from the Proposal, it is necessary to distinguish economic impacts during the construction phase and those economic impacts that will be more permanent following construction completion.

CONSTRUCTION PHASE

For modelling purposes, construction costs (including contingency) for the Proposal were broken down into their respective Australia and New Zealand Standard Industrial Classification (ANZSIC) industries.

The breakdowns were developed by Atlas regarding the most appropriate ANZSIC industries for each type of construction activity. Construction costs are based on an Estimated Development Construction report prepared by Rider Levett Bucknall (2025).

TABLE S1-2: Construction Cost Allocation (including Contingency), Proposal Case

ITEM	ANZSIC	COST (\$M)
Site Preparation	Construction Services	\$1.7
Residential	Residential Building Construction	\$569.9
Retail	Non-Residential Building Construction	\$0.6
External Works	Heavy and Civil Engineering Construction	\$5.3
Parking	Heavy and Civil Engineering Construction	\$63.7
Professional Fees	Professional Services	\$31.4
Total		\$672.8

Note: Totals may not sum due to rounding.

Source: Atlas Economics



Of the above capital outlay, not all activity will be undertaken within the Ryde LGA economy. It was assumed:

- 75% of the direct expenditure on construction-related (i.e. Non-residential Building Construction and Construction Services) activity would be sourced from local businesses and labour. Of this:
 - Approximately 25% of purchases on goods and services (supply chain related activity) made by construction-related businesses sourced from outside the Ryde LGA would be spent within the local economy (i.e., 25% of the Type I flow on activity associated with non-local construction companies is assumed to represent additional local activity in the Ryde LGA).
 - Approximately 5% of wages and salaries paid to construction-related workers sourced from outside the region would be spent on local goods and services, such as food and beverages (i.e. 5% of the Type II).
 - Only flow-on activity of locally sourced professional, scientific and technical services activity (75%) is included, as it is not anticipated professional, scientific and technical services businesses located outside of NSW would purchase goods/ services locally.

OPERATIONAL PHASE

Employment by industry estimates during the operational phase considered both new employment spaces (i.e. workers within new retail floorspace in the Proposal Case) and dispersed employment (i.e. a proportion of residents who work from home in both the Base and Proposal Case).

These employment estimates were converted to a direct output value using a multiplier based on the national transaction table (ABS, 2023a). The resultant estimates of output were modelled as the direct activity associated with the Site in both the Base and Proposal Case.

The estimated employment that could be accommodated at the Site in the Base and Proposal Case is detailed in **TABLE S1-3**

TABLE S1-3: Operational FTE Allocation of Floorspace, Proposal Case

WORK TYPE	ANZSIC	GFA (SQM)	GFA (SQM) / FTE	ESTIMATED JOBS (FTE)	DIRECT OUTPUT (\$M)
Base Case					
Dispersed Employment	As per the Ryde LGA PoUR industry profile			8	\$2.7
Proposal Case					
Dispersed Employment	As per the Ryde LGA PoUR industry profile	-	-	112	\$41.8
Retail	Retail Trade (50%), Food and Beverage Services (50%)	110	35	3	\$0.5
Total				115	\$42.3

Note: Totals may not sum due to rounding

Source: Atlas Economics



SCHEDULE 2

Generic Development Feasibility Assumptions

Generic feasibility testing adopts the Residual Land Value approach. This involves assessing the value of the end product of a hypothetical development, then deducting all of the development costs and making a further deduction for the profit and risk that a developer would require to take on the project. The land value is the 'residual' that remains.

PROJECT TIMING

- Pre-construction design is progressed immediately upon settlement. Design and development approval is assumed to commence from Month 3 and span between 6-12 months.
- Demolition and site works are assumed to commence immediately after development approval. Construction is assumed to span between 24-30 months.

REVENUE ASSUMPTIONS

Residential revenue assumptions are based on market research and assumed as follows.

TABLE S2-1: Revenue Assumptions

TYPE	
1-bedroom	\$800,000
2-bedroom	\$1,350,000
3-bedroom	\$1,750,00
Avg. Residential Revenue (\$/sqm NSA)	\$16,400
Retail (\$/sqm GFA)	\$15,000

- It is assumed that 50% of the apartments would be pre-sold prior to completion of construction and the balance would be sold during construction at an average rate of 10-12 units per month.
- Other revenue assumptions:
 - GST is excluding on non-residential sales and included on the residential sales.
 - Sales commission at 2.5% (residential) and 1.5% (non-residential) gross sales.
 - Marketing costs of 1.0% on gross sales.
 - Legal cost on sales included at \$1,500 per unit.

COST ASSUMPTIONS

- Assumed cost of land based on historical purchase prices and assumed at \$83.7 million.
- Legal costs, valuation and due diligence assumed at 0.5% of land price and stamp duty at NSW statutory rates.
- Construction costs have been informed by RLB's Estimate Development Cost (EDC) Report and Indicative Budget Estimate for Feasibility Purposes (21 August 2024) and our past experience.
- Professional fees at 2.5% of construction costs and development management fee of 0.5%.
- Construction contingency at 5%.
- Statutory fees:
 - DA fees of 1.5% and CC fees of 0.5% of construction costs.
 - Long service levy of 0.25% of construction costs.
 - Housing and Productivity Contribution at \$10,000 per dwelling and \$30/sqm of non-residential GFA.
 - Sydney Water charges at \$960 per equivalent tenement.



- s7.11 contributions per The City of Ryde Development Contributions Plan 2020.
- Finance costs:
 - Land value assumed as equity contribution with balance funded at interest capitalised monthly at 5% per annum.
 - Establishment fee at 0.35% of peak debt.

HURDLE RATES AND PERFORMANCE INDICATORS

Target hurdle rates are subject to perceived risk of a project (planning, market, financial and construction risk). The higher the project risk, the higher the hurdle rate. The following performance indicators are relied upon:

- Development margin is profit divided by total development costs (including selling costs).
- Discount rate refers to the project internal rate of return (IRR) where net present values of an investment is zero.
- Residual Land Value is arrived at by assessing the maximum land value a developer is willing to pay based on both hurdles of development margin and discount rate being met.

The following benchmark hurdle rates are assumed.

TABLE S2-2: Adopted Hurdle Rates

HURDLES	FEASIBLE	MARGINAL	NOT FEASIBLE
Development Margin	>20%	18%-20%	<18%
Project Return (IRR)	>18%	17%-18%	<17%





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