

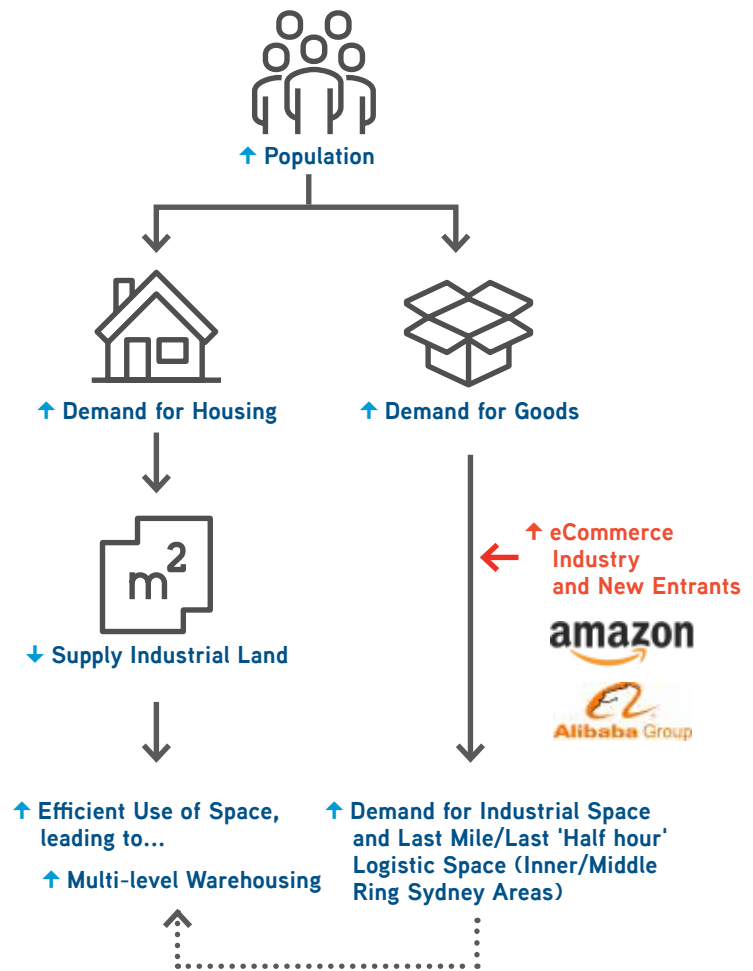
# THE RISE OF RESIDENTIAL

## Part II: Spotlight on South Sydney

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Welcome to Part II of our ‘Spotlight on South Sydney’ Series. In March 2017, Colliers International released a report – Shining the Spotlight on Sydney’s Land Supply - forecasting the number of years of land supply left in the wider Sydney industrial market. This paper takes a closer look at Sydney’s South sub-market. In particular, we focus on what is happening to Industrial land in the Inner South corridor, encompassing the areas between the Sydney CBD and the Airport.

Part I of our series examined the notion of the ‘last half-hour’ of delivery and therefore the growing need to accommodate industrial users close to their end consumer. Part II of our series examines another key subject: the rising demand for residential accommodation within this corridor. The growing need to deliver housing in the Inner South to meet the strong historic and projected population growth has led to the changes in the use of industrial land and **the rise of residential**.



Southbank, Wolli Creek

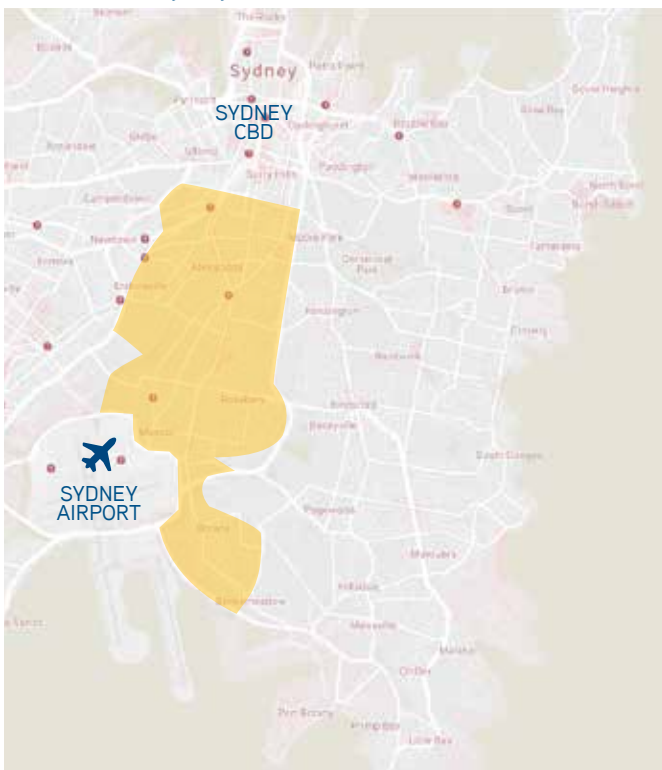


## Residential demand and supply in Sydney's Inner South

According to the latest ABS Census (2016) -the most significant population growth within the Inner South area over the past decade has been recorded for the state suburbs of Zetland (14 per cent average annual growth) and Chippendale (8 per cent average annual growth). Significant growth in residential dwellings over this period was also recorded for these two suburbs relative to other areas in this corridor, with dwellings in Zetland increasing by 14 per cent and in Chippendale by 7 per cent.

Based on the Department of Planning and Environment, the projected population annual average growth rate for the Local Government Areas of Sydney and Botany are approximately 2.7 per cent between 2016 and 2026 and 2.0 per cent between 2026

### Inner South to Sydney CBD corridor

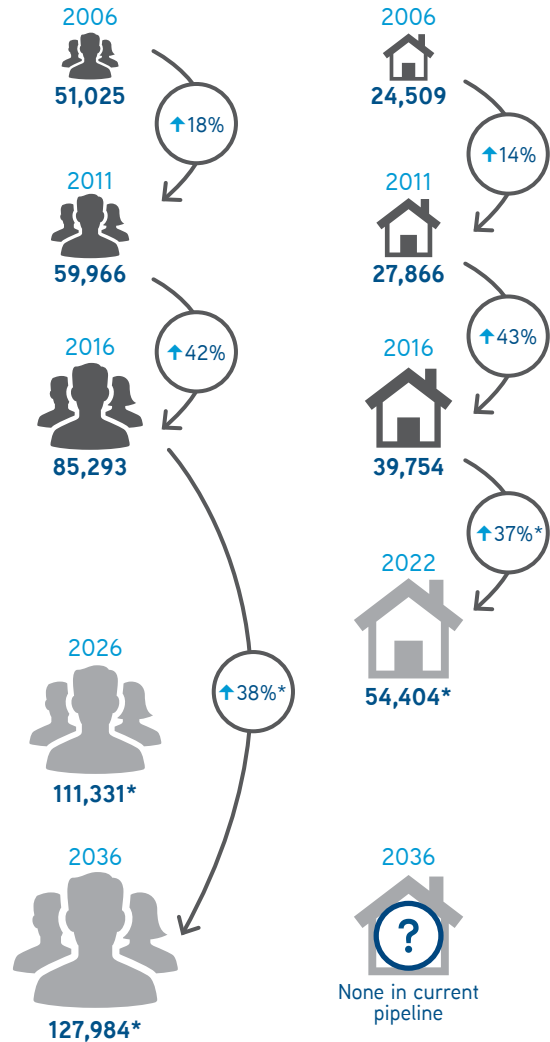


To note: Areas highlighted include the state suburbs of Alexandria, Botany, Erskineville, Mascot, Rosebery, Chippendale, Waterloo, and Zetland.

and 2036. Applying these growth rates to the current (2016) population for the Inner South to Sydney CBD corridor, there is expected to be almost 128,000 residents by 2036, which is an additional 42,691 persons.

Population has grown by an additional 34,268 persons (+67%) over the past decade.

Residential dwellings has grown by an additional 15,248 (+62%) over the past decade.



\*Projected

Source: ABS Census / NSW Department of Planning and Environment / Cordell Connect / Colliers International



Park Grove, Botany

## Inner South Sydney Population Trend by Suburb (2006 to 2016)

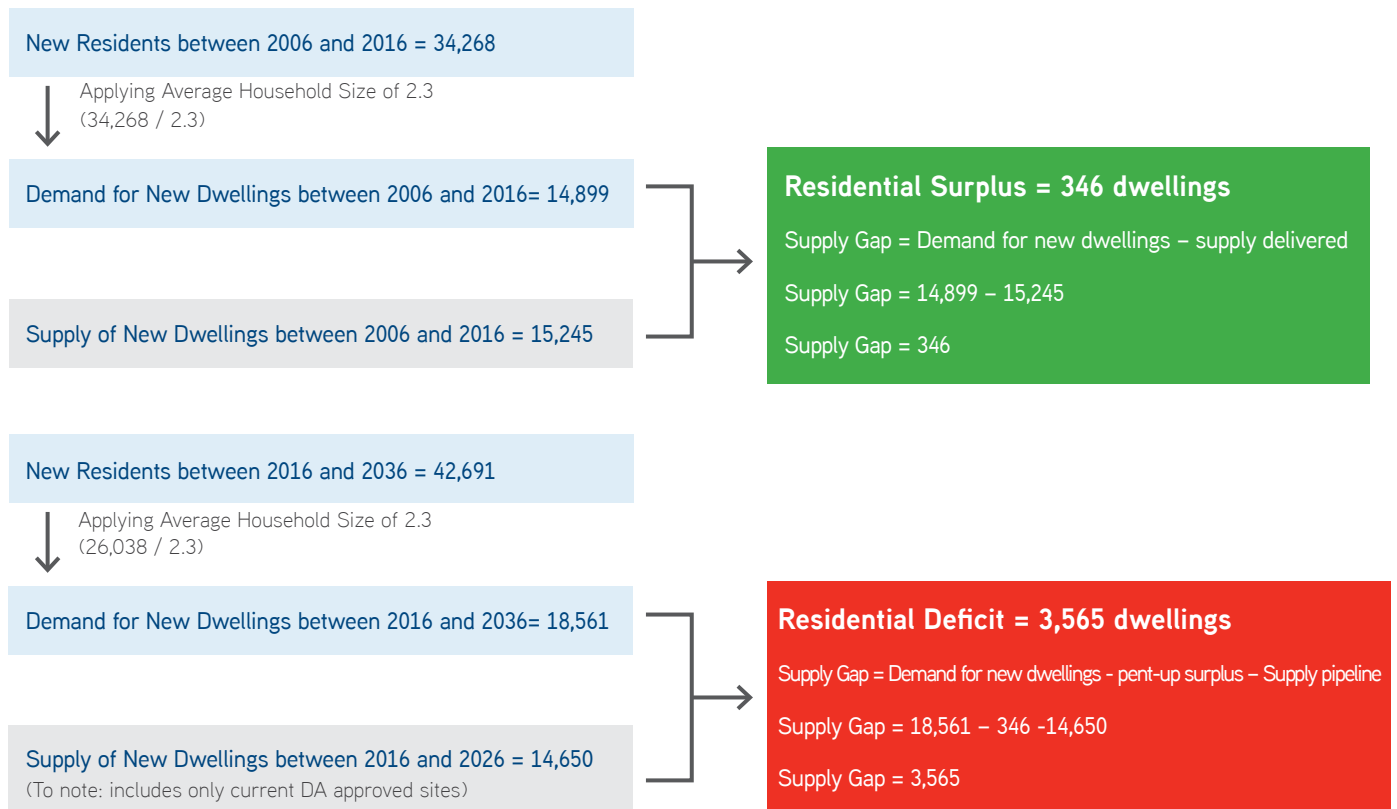
	Alexandria	Botany	Erskineville	Mascot	Rosebery	Chippendale	Waterloo	Zetland	Total Population
2006	5,852	7,455	6,558	8,517	7,455	4,066	8,508	2,614	51,025
2011	7,050	8,884	6,848	10,179	8,479	4,057	10,657	3,812	59,966
2016	8,262	10,817	8,014	14,772	10,117	8,617	14,616	10,078	85,293
Population Change (2006 to 2016)	2,410	3,362	1,456	6,255	2,662	4,551	6,108	7,464	
Average Annual Growth (2006 to 2016)	3.5%	3.8%	2.0%	5.7%	3.1%	7.8%	5.6%	14.4%	

## Inner South Sydney Dwelling by Suburb (2006 to 2016)

	Alexandria	Botany	Erskineville	Mascot	Rosebery	Chippendale	Waterloo	Zetland	Total Dwelling
2006	3,188	2,890	3,629	3,348	2,957	2,027	5,091	1,379	24,509
2011	3,771	3,251	3,574	4,063	3,331	2,180	5,697	1,999	27,866
2016	4,223	4,054	4,002	5,956	4,284	4,109	8,033	5,093	39,754
Residential Dwelling Change (2006 to 2016)	1,035	1,164	373	2,608	1,327	2,082	2,942	3,714	
Average Annual Growth (2006 to 2016)	2.9%	3.4%	1.0%	5.9%	3.8%	7.3%	4.7%	14.0%	

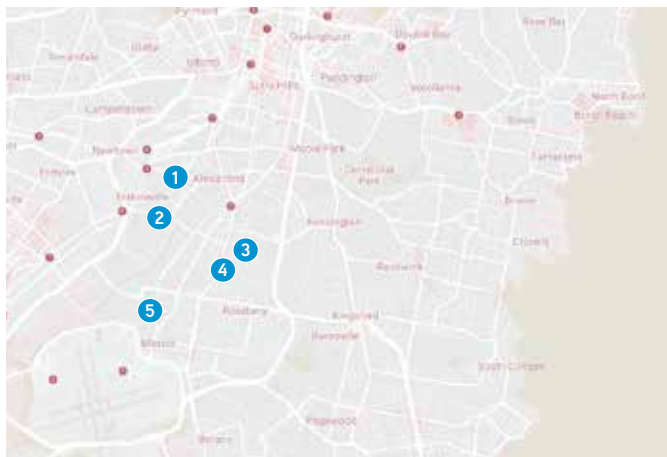
## Residential Supply Gap

Although there is currently a large stock of housing in the development pipeline, by 2036 there is projected to be a housing supply deficit within the Inner South area of around 3,565 dwellings. This is based on the current development pipeline (assuming no new projects are added to the current pipeline of delivery) and the projected population growth – all else being equal. It is highly likely that developers will enter the market to fill this residential supply gap, however, they will need to consume more land to do so.



There has been, and will continue to be, increasing demand to regenerate sites through mixed use developments. Recent projects include Park Sydney (Erskineville), Arkadia (Alexandria), Otto (Rosebery), Asper (Rosebery), and East Square (Mascot).

### Residential Case Studies



<b>1</b>	<b>PARK SYDNEY (ERSKINEVILLE)</b>
	Construction Commencement: Mid 2018
	Construction Completion: Late 2019
	Total Dwelling Yield: 325
	Site use pre-residential development: Industrial Warehouses
	Site area: 69,000 sqm



<b>2</b>	<b>ARKADIA (ALEXANDRIA)</b>
	Construction Commencement: Started
	Construction Completion: Late 2018
	Total Dwelling Yield: 153
	Site use pre-residential development: Factory
	Site area: 5,590 sqm



<b>3</b>	<b>OTTO (ROSEBERY)</b>
	Construction Commencement: Late 2012
	Construction Completion: Mid 2014
	Total Dwelling Yield: 154
	Site use pre-residential development: Commercial
	Site area: 16,740 sqm



<b>4</b>	<b>ASPER (ROSEBERY)</b>
	Construction Commencement: Mid 2014
	Construction Completion: Mid 2015
	Total Dwelling Yield: 88
	Site use pre-residential development: Food Retail
	Site area: 4,000 sqm



<b>5</b>	<b>EAST SQUARE (MASCOT)</b>
	Construction Commencement: Late 2017
	Construction Completion: 2021
	Total Dwelling Yield: 470
	Site use pre-residential development: Commercial
	Site area: 10,525 sqm

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