Western Sydney – Australia's development site

The surge in infrastructure development and real estate construction projects to accommodate Sydney’s growing population has begun.

What is your Western Sydney strategy?
Over the past five years, Western Sydney has been in transition from the poor customer to the big and shiny CBD to its east to a region full of potential - with the promise of a key real estate, development and construction hub.

Back when people would ask: ‘Why are you in Western Sydney?’ there was a stirring recognition of the need for Western Sydney to thrive in order to unlock the economic potential in NSW, and potentially Australia. This was also driven by the need to accommodate our growing population.

Today, we have moved from ambitious concepts to more practical plans, many of which are under construction. A number of major government-backed infrastructure projects are already underway and others are progressing through the planning process. These large-scale projects are injecting confidence into the private sector to invest in the region through all forms of development.
A more integrated planning environment has also helped, with the creation of the Greater Sydney Commission and the release of the integrated Future Transport Strategy for NSW.

Precincts and zones are emerging across the region, which are going to provide large-scale development opportunities, and lead to other local supporting development. Three better known examples include: the health precinct being created across the South West; the aerotropolis envisaged adjacent to the airport to house advanced aerospace and defence companies; and the continued growth in industrial and logistics facilities around the Moorebank intermodal terminal along the M4/M7 corridor.

As jobs and supporting infrastructure are built, the demand for housing will continue. Government policy decisions around land release and planning approvals will be critical. The nature of the housing product provided should diversify as well, catering to the new breed of locally based, well-paid workers. This will create a need for density along the new metro, rail and motorway corridors, and more premium quality housing.

In the following article we set out some of the key themes playing out across the region and highlight some of the major infrastructure projects.

**Infrastructure projects across the Western Sydney region**

The question we now ask, is not, ‘why are you in Western Sydney?’ but how can you afford not to be?
Seize the opportunity in Western Sydney

The real estate development and investment community is constantly seeking opportunities in growth areas. The challenge is to identify and secure these opportunities before your competitors. The boom in infrastructure project spending and investment by the private and government sectors in Western Sydney is a catalyst for real estate and development opportunities. While these projects are not a secret, the advantage is to be gained through smart timing. Western Sydney is a long-term play and opportunities are plentiful.

Locations with current and planned concentrated investment and development activity.

Parramatta CBD

Statistics

Parramatta is located approximately 25 kilometres west of the Sydney CBD. It is four times the size of Perth city. The Parramatta Central Business District is the second largest employment destination to the Sydney CBD in NSW, and is growing rapidly.

Parramatta Square is a $2bn city centre renewal project, with 135,000m2 currently under construction across three new office projects. Pre-committed tenants include NAB, NSW Department of Education and the NSW State Government. Approximately 30,000 workers will be moving into the Parramatta CBD by 2020. Parramatta CBD office vacancy for ‘A’ grade buildings is currently at ‘0%’.

The high-rise and higher quality projects introduced into Parramatta CBD over the last five years have triggered strong residential development activity. Developers are invested in Parramatta CBD in the medium to long term, with a strong pipeline of residential and mixed-use projects at the proposal stage.

Any concern of apartment oversupply in Parramatta CBD appears to be overblown as developers react to the ‘cooler’ market conditions with a 59% decrease in DA-approved apartments, compared with those currently under construction for the period 2017 to 2018.

Infrastructure

With the proposed Parramatta Light Rail and Sydney Metro West, the new transport system will deliver both interconnectivity within Greater Parramatta to the Olympic Peninsula region by 2023. It has also improved routes to the Sydney CBD, with travel times down to less than 20 minutes between Parramatta CBD and Sydney CBD.

Investment in Parramatta’s cultural precinct will attract more visitors to the area. It will also include the proposed move of the Museum of Applied Arts and Sciences (MAAS) to the Parramatta riverbank, planned expansion of Parramatta Riverside theatres, and a 30,000-capacity Western Sydney Stadium.

As this expected increase in workers and visitors materialises there will be a gap in the market for short-term accommodation. Currently 857 new hotel/serviced apartment rooms are expected to be built by 2020 in Parramatta CBD, to service the Parramatta CBD as well as the wider western Sydney precincts.

Parramatta’s vision to create future growth and opportunities, and become an even more liveable city, is finally being realised, with benefits from multiple projects now underway.

Sydney Olympic Park

Sydney Olympic Park (SOP), which is located just 15 kilometres west of the Sydney CBD, houses Australia’s largest sporting and entertainment precinct, which has now matured into both residential and commercial office locations, with significant expansion plans.

The potential development outline within the Sydney Olympic Park Master Plan 2030 will transform the area to include a mixed residential and office precinct with 23,000 new residents, 34,000 new jobs by 2030, new schools catering for 5,000 students, all complemented by investment in leisure and retail.

‘Seizing the opportunity early in a strategic Western Sydney location is likely to deliver above average capital growth in the medium term’.

The Greater Sydney Commission has recognised the park as a precinct that forms part of Greater Parramatta to the Olympic Peninsula region and Stage 1 Light Rail will provide improved connectivity to Parramatta CBD and Westmead Health and Education precinct once completed, expected in 2023.

The new Sydney Metro West line will connect Sydney CBD and Parramatta, and will stop at Sydney Olympic Park. Travel times to the Sydney CBD will be halved to about 20 minutes.

It will include three precincts – Stadia, Central and Parkview that will capture the benefits from the recently announced rebuilding of ANZ Stadium. This will provide civic, retail, and other amenities in the heart of town centre, and will lead to the construction of a low-rise residential neighbourhood.

Stage 2 of the Parramatta Light Rail will improve connectivity, with a direct connection to Parramatta CBD.

The Sydney Olympic Park will continue to evolve and provide ample development/ investment opportunities under the future vision of the Masterplan 2030, with the Sydney West Metro, the major enabler of growth of this precinct in the Western Sydney region.
Western Sydney Airport

Western Sydney’s Airport project will be going ahead and is due for completion by 2026. It is a unique opportunity for Western Sydney to house Sydney’s second international airport. There will be flow-on benefits to the region as the development of the ‘Aerotropolis’ will incorporate residential, industrial and commercial development around the airport and so benefit the whole region. It is proposed to be a 24-hour airport.

The airport site at Badgerys Creek is located in Western Sydney near the New South Wales Government’s Western Sydney Employment Area, the Western Sydney Priority Growth Area, and the South West Priority Growth Area.

The Western Sydney Infrastructure Plan outlines future transport infrastructure including the ‘M12 Airport Motorway’ extending from Liverpool to the airport and connecting into the existing M7 Motorway. Also under construction is a $509m, two stage upgrade to Bringelly Road, which connects into the Northern Road leading past the airport.

The NSW government is exploring six options to connect the Western Sydney Airport with rail infrastructure to Sydney Metro line. It is also proposed at some stage to establish vital transport infrastructure to the future airport.

The opportunities will become clearer as planning progresses and construction commences.

Liverpool and South West

Liverpool’s vision is to re-activate its city centre by ‘anchoring’ the Liverpool Civic Place project at the southern end of the city (opposite end of the current Westfield shopping centre and Liverpool Hospital). The project is scheduled to take four years. New council offices and chambers, a civic plaza, amenities, as well as student, hotel, and residential accommodation, are all planned. The investment by Liverpool Council is around of $75m.

The South West and Greater Macarthur region of Western Sydney continue to be areas supplying significant housing growth, with detached housing in release areas and in Liverpool, Campbelltown and other areas adjoining stations along an extension to the new railway line.

The growth of housing in these areas is supported by the NSW Department of Planning which has identified five priority precincts (out of a total of 30) that lie within the south western region of Sydney. These include Glenfield, Leppington Town Centre, Greater Macarthur Growth Area, South Creek West and Western Sydney Airport Growth Area.

With the evolution of the Campbelltown and Liverpool health, education and research precincts, the South West will become an advanced medical hub for NSW/Sydney, with a residential corridor and transport and logistic centre.

The existing health precinct in Liverpool will be expanded by the development of Camden Private Hospital, and Stage 2 redevelopment of the Campbelltown Hospital.

The health precinct will be complemented by the emergence of new university campuses in Liverpool, that are expected to accommodate up to 9,500 new students. The University of Wollongong recently completed its South Western Sydney campus, while Western Sydney University’s Liverpool campus, is currently under construction, with completion expected early this year (2018).

Sydney Science Park

Sydney Science Park is set over 280 hectares and is located in the strategic ‘Western Sydney Priority Growth Area’ at Luddenham. With convenient access to both the M4 and M7 motorways, it is three kilometres north of the new airport at Badgerys Creek, and 24 kilometres west of Parramatta. The project value is $5bn and is expected to deliver a community that will create more than 12,000 jobs, 10,000 students and be home to more than 10,000 residents.

Stage 1 Masterplan has been created and interest has been received from Birling National Avian-Laboratories Centre; CSIRO’s First Dedicated Innovation Zone and ‘Urban Living Lab’ in NSW; and Catholic Education Diocese of Parramatta – delivering NSW’s first STEM-inspired school.

Conclusion

The growth potential for Parramatta, the Western Sydney Greater Region, and the Greater Parramatta to the Olympic Peninsula region is significant. The growth potential is very exciting and the opportunities that it will create will be game changers for NSW.
Top 10 infrastructure developments across the region

<table>
<thead>
<tr>
<th>Rank</th>
<th>Project Name</th>
<th>Status</th>
<th>Capital Value</th>
<th>Start Date</th>
<th>Expected Completion</th>
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<tr>
<td>1</td>
<td>Westconnex</td>
<td>Under construction</td>
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<td>2</td>
<td>Sydney Metro City &amp; Southwest</td>
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<td>Western Sydney Airport</td>
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<td>6</td>
<td>Parramatta Light Rail I &amp; II</td>
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<td>Moorebank Intermodal Terminal</td>
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<td>ANZ Stadium</td>
<td>Proposed</td>
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