

Billion Dollar Boost set to transform Sydney's Waterfront

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The transformation of Sydney's western harbour precinct has the potential to inject \$6.2billion a year into the local economy, according to a report released by the New Sydney Waterfront Company.

Produced by Colliers, the first ever Turnover Report to track visitor traffic and spending in the harbourside precinct spanning Walsh Bay to Blackwattle Bay shows the 7km of prime waterfront is already outperforming the recovery of Sydney's CBD.

Based on current performance data analysis, the precinct attracted 79 million visits over the past 12 months generating a retail turnover of \$4.1bn.

"This Report is a landmark moment in the way we think about Precinct performance in Australia," said New Sydney Waterfront Company CEO Jace Tyrrell.

"For the first time, all the stakeholders in a key city precinct have a robust performance baseline and real 10-year upside target, which we can now pursue together. Turnover is just one of the performance metrics we are tracking, but together with the suite of factors we are measuring monthly, there is now a comprehensive empirical frame of reference to guide and prioritise our activities with our government partners.

"With a co-ordinated, co-operative, innovative and now fact-based approach to enhancing the waterfront's built environment and distinctive offer, our public-private partnership has the capacity to accelerate and amplify spending by billions, and turn an already good precinct into the greatest waterfront in the world."

New Sydney Waterfront is Australia's first Business Improvement District (BID) established as a not-for-profit partnership in January 2021 with seed funding from the NSW Government, the City of Sydney and founding business members comprising

property owners, institutions, accommodation and leisure operators. The partnership brings businesses and organisation across the Western Sydney Waterfront together to maximise a projected \$12bn investment into the precinct by 2030.

Mr Tyrrell, who previously led the world's largest and most successful Business Improvement District in London's West End, said collective effort and investment from industry into connectivity, sustainable transport, worldclass attractions and cultural infrastructure with the NSW Government and City of Sydney, can see the precinct's economy catapulted from good to great this decade.

"We have a million square metres of new and refurbished space ready to be activated and enhanced, and we have 50 businesses already on board and committed to transforming Sydney's Waterfront together."

The Collier's Turnover report shows projected increases in tourism, population growth, household consumption and planned infrastructure upgrades will see the Western Harbour foreshore sales comfortably climb to \$4.7bn by 2032, with the potential, if the collaborative approach is applied well, to achieve a mid-point forecast of \$5.4bn turnover by 2032, or a full upside potential to deliver \$6.2bn a year.

Sorcha True, Director of Strategic Advisory at Colliers, said the report was based on sophisticated analysis of footfall, mobility, retail spend and other data, as well as comprehensive consumer surveys.

"The Turnover Report provides unique insights regarding the current and potential revenue from consumer spending across the Sydney Western Harbour," Ms True said.

"The data-backed consumer behaviour insights provided by the report are an invaluable resource for developers, tenants, government and other key stakeholders who contribute to the Sydney Western Harbour's future as a thriving and vibrant precinct."

According to Mr Tyrrell, connectivity, distinctive live experiences and worldclass attractions are key to the area's transformation.

"Lack of connectivity to and through the Western Harbour is one of biggest roadblocks to increasing customer and business demand. Top of our list is local businesses funding a free electric ferry to cut travel times around the precinct and provide an easy hop-on service for people who work, live and visit in the area." Mr Tyrrell said.

“Sydney’s western harbour precinct is under-performing as an international tourist destination but curating the offering under \$12bn in programmed investment will increase the current international tourism numbers from 10% of all visitors and have a dramatic impact on returns for the area’s accommodation providers, restaurants, bars and cultural attractions.

“And we need to work with our property owners and our government partners to radically transform co-ordinate and connect the ground floor offerings so that workers stay longer, tourists visit more often, and more residents want to meet up locally. We can draw inspiration from overseas success stories like London’s Outernet and the Time Out Market in Lisbon to create a really vibrant event and entertainment spaces.”

Based on the latest analysis of MasterCard transactions, tracking mobility and footfall data, the Colliers report findings included:

- Average transaction values grew throughout 22/23 and were up an average of +18% on 2019
- 6 out the area’s 10 precincts exceeded 2019 performance levels during FY22/23
- Bars, restaurants, hotels and accommodation recorded the best sales performance against the equivalent 2019 months
- 74% of visitors spend when visiting the precinct, with the average visitor spend around \$165
- 90% of visits are domestic - 55% visitors, 20% residents, 16% workers
- Of the 10% international visits, 2% were from the UK, 1% from USA and 1% from New Zealand
- 34% of visitors arrive on foot and live in the surrounding Inner Sydney area
- The typical visitor is full-time worker, aged 39, earning around \$118k and likely to be in a couple.
- Key drivers of spend were leisure, socialising and eating out, with 95% of visitors spending on eating out, irrespective of the primary reason for visiting.
- Highest expenditure was typically from those visiting for cultural activities and food and drink

- Cockle Bay is the most densely visited sub-precinct, with over 240 visits per sqkm – 1.7 times higher than the next busiest, Darling Square with 141 visits per sqkm.