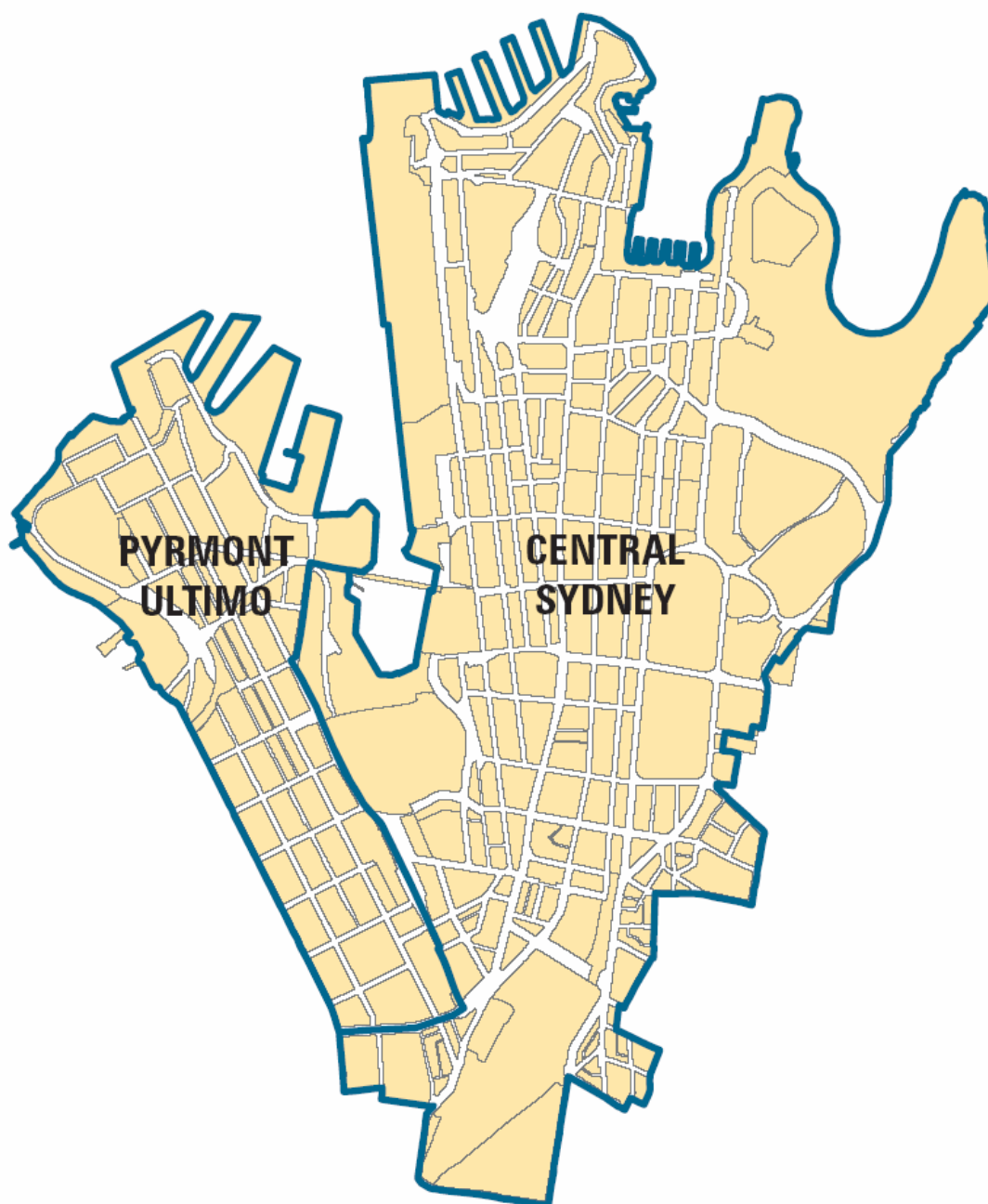


commercial development monitor December 08

The City of Sydney Commercial Development Monitor provides up to date information on commercial development in the Sydney LGA precincts of Central Sydney and Pyrmont Ultimo. It complements the City Residential Monitor which covers the residential market in these precincts of the City.

Updated every six months, the monitor provides details of commercial projects in the Sydney CBD and Pyrmont Ultimo according to their current status (Lodged, Approved, Commenced or Completed). Trends in approvals, completions, office vacancies and absorption of office space are also provided.



COMMERCIAL FLOOR SPACE TRENDS

For the past 30 months, commercial floor space completions have averaged nearly 40,000m² every six months. This is likely to continue for the next 12 to 18 months, until a number of major new office towers that are currently under construction begin to come online. In the medium term, there may be a slight downturn in completed commercial space due to the current “credit crunch”, with developers unable to obtain business finance to commence projects or to secure substantial pre-commitment. In the longer term, significant developments at both Barangaroo and the former Carlton & United Breweries site will see commercial development completions increase again.

The net absorption rate for the past six months was negative for the first time since the second half of 2004. Analysis by a number of real estate research companies suggested that absorption became negative in the second quarter of 2008, which was supported by the Property Council of Australia figures of a net absorption rate of minus 40,413m² between July 2008 and January 2009. It is anticipated that this trend will continue over the second half of 2009.

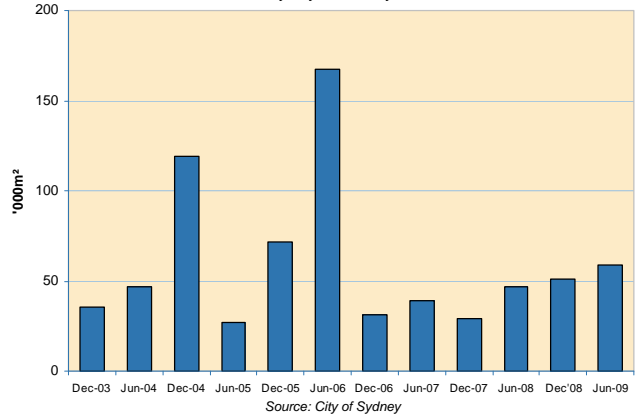
The office vacancy rate for the Sydney CBD continued its recent rise, from a low of 3.7% (January 2008) to 4.3% in July 2008 and again to 5.4% in January 2009. This is after three consecutive years of falling vacancy rates from a high of 11.2% in January 2005. The five-year rolling average vacancy rate fell to 7.77%.

Several commentators have suggested that the current trend of rising vacancy rates will continue in the short-to-medium term, with a turn around in commercial activity anticipated within a few years. Over the past five years of growth, before the global financial crisis hit, the work space ratio (WSR – the amount of floor space per employee) for office space had steadily declined as more workers were housed in existing space. As the economy slows, these workers will be retrenched before floor space is let go, meaning the vacancy rate for commercial space will not increase as quickly as in previous downturns.

Given the dominance of the Finance and Business Services sectors in the City, it was inevitable that the City’s economy would be impacted by the first wave of the global financial crisis.

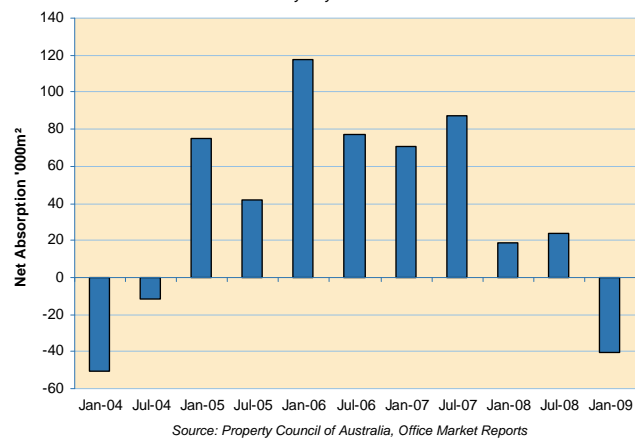
Completed Commercial Floor Space - Jul-03 to Dec-08
Expected Completed Floor Space - Jan-09 to Jun-09

Central Sydney & Ultimo-Pyrmont



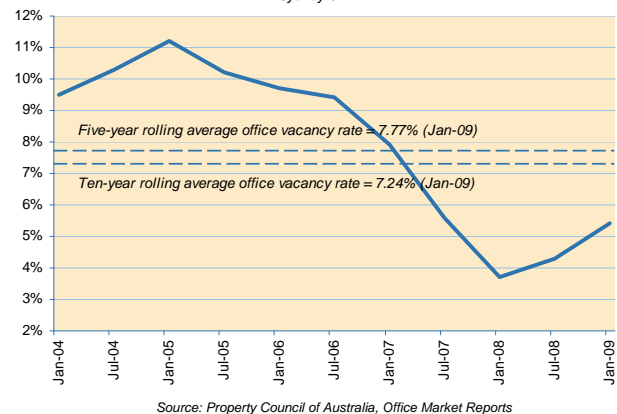
Net Absorption Rate Jan-04 to Jan-09

Sydney CBD



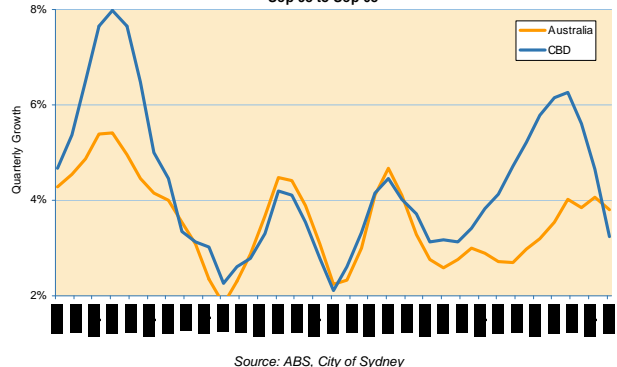
Office Vacancy Rates Jan-04 to Jan-09

Sydney CBD

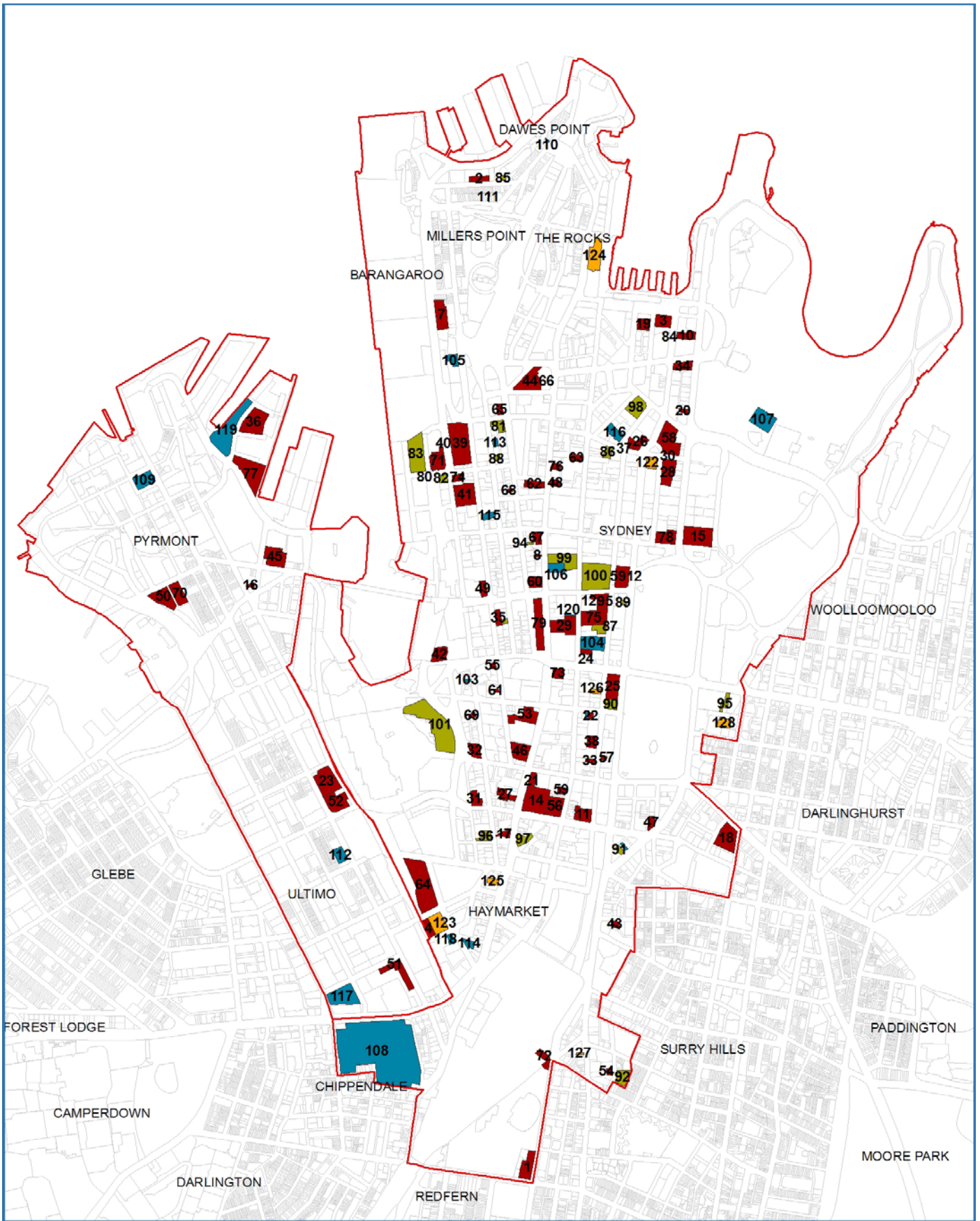


Economic Growth, CBD & Australia

Sep-98 to Sep-08



COMMERCIAL DEVELOPMENT IN CENTRAL SYDNEY AND PYRMONT ULTIMO



■ Completed
 ■ Commenced
 ■ Approved
 ■ Lodged



COMPLETED

Map Ref.	Address	Building / Project Name	Floor Area (m ²)	Completed	Type	Major Use
1	244 Cleveland St, Surry Hills	Cleveland Street Public School	0	Jan-2004	R	Education
2	30 Windmill St, Millers Point	Bond Store 3	3,950	Jan-2004	N	Office
3	33 Alfred St, Sydney	AMP Sydney Cove	1,344	Feb-2004	R	Office
4	31 Ultimo Rd, Haymarket		17,715	Feb-2004	N	Utilities
5	65-77 Market St, Sydney	David Jones	0	Mar-2004	R	Retail
6	113-133 Elizabeth St, Sydney	David Jones	0	Mar-2004	R	Retail
7	30-34 Hickson Rd, Millers Point		23,460	Mar-2004	N	Office
8	387 George St, Sydney	Georges Radio House	0	Apr-2004	R	Retail
9	65-77 Market St, Sydney	David Jones	0	Jun-2004	R	Retail
10	99-113 Macquarie St, Sydney	Transport House	0	Jun-2004	R	Office
11	279-285 Castlereagh St, Sydney	Masonic Centre	438	Aug-2004	R	Retail
12	65-77 Market St, Sydney	David Jones	0	Aug-2004	R	Retail
13	279-285 Castlereagh St, Sydney	Civic Tower	27,247	Aug-2004	N	Office
14	664-690 George St, Sydney	Latitude on World Square	76,194	Oct-2004	N	Office/Ret
15	10 Macquarie St, Sydney	Coining Factory Building	1,138	Oct-2004	R	Office
16	69-71 Edward St, Pyrmont		454	Oct-2004	R	Office
17	631-635 George St, Haymarket		755	Nov-2004	N	Community
18	55-73 Oxford St, Surry Hills	Oxford Square	13,117	Nov-2004	R	Office
19	31 Alfred St, Sydney	Customs House	0	Dec-2004	R	Community
20	151-153 Macquarie St, Sydney		61	Feb-2005	R	Office
21	664-690 George St, Sydney	Stage 2 World Square	24,009	Mar-2005	N	Retail
22	137-139B Bathurst St, Sydney		983	Apr-2005	N	Office
23	424-460 Harris St, Ultimo	Bullecourt Place	1,738	Apr-2005	N	Office
24	248A-250 Pitt St, Sydney	National Building	0	May-2005	R	Office
25	201-217 Elizabeth St, Sydney	Pacific Power	0	Jun-2005	F	Office
26	68-96 Hunter St, Sydney	Qantas House	0	Jul-2005	R	Office
27	589-593 George St, Sydney	Cassia Gardens / Sun Tower	4,923	Aug-2005	N	Office
28	126-130 Phillip St, Sydney	BT Tower	0	Sep-2005	F	Office
29	255-269 Pitt St, Sydney	Hilton Hotel	15,400	Sep-2005	R	Office
30	124 Phillip St, Sydney	BT Tower	48,710	Sep-2005	N	Office
31	4-10 Goulburn St, Sydney	Trades Hall Building	0	Oct-2005	R	Office
32	339-345A Sussex St, Sydney	Emporio Apartments	1,275	Oct-2005	N	Retail
33	241-243 Castlereagh St, Sydney	Manchester House	2,790	Oct-2005	R	Office
34	121 Macquarie St, Sydney	Chief Secretary's Building	0	Nov-2005	R	Office
35	400 Kent St, Sydney	Workcover	0	Jan-2006	R	Education
36	1 Darling Island Rd, Pyrmont	Darling Island Site 5	24,336	Jan-2006	N	Office
37	10 Bligh St, Sydney		0	Feb-2006	R	Office
38	219-227 Castlereagh St, Sydney		1,198	Feb-2006	R	Office

COMPLETED

Map Ref.	Address	Building / Project Name	Floor Area (m ²)	Completed	Type	Major Use
39	261-293 Kent St, Sydney	KENS Site	111,291	Mar-2006	N	Office
40	259 Kent St, Sydney	KENS Site	0	Apr-2006	F	Office
41	309-329 Kent St, Sydney		0	May-2006	R	Office
42	241A Sussex St, Sydney	Darling Park - Stage 3	29,000	May-2006	N	Office
43	19-33 Reservoir St, Surry Hills		1,828	May-2006	N	Office
44	18-32 Jamison St, Sydney	AAPT	0	Oct-2006	R	Office
45	50-72 Union St, Pyrmont		21,641	Oct-2006	N	Office
46	531-551 George St, Sydney	Meriton Tower	9,780	Dec-2006	N	Office
47	27-33 Wentworth Ave, Sydney		0	Jan-2007	C	Retail
48	354-360 George St, Sydney	Societe Generale House	1,094	Jan-2007	R	Retail
49	397-409 Kent St, Sydney	MMI	6,521	Jan-2007	N	Office
50	55 Miller St, Pyrmont		11,234	Jan-2007	N	Office
51	15-73 Broadway, Ultimo	UTS Building 4	0	Jan-2007	R	Education
52	460-492 Harris St, Ultimo	Ultimo Aquatic Centre	9,031	Apr-2007	N	Community
53	487-503 George St, Sydney	Regency Place	9,791	May-2007	N	Office
54	51-57 Holt St, Surry Hills		1,415	Jun-2007	A	Office
55	469-475 Kent St, Sydney		0	Sep-2007	R	Office
56	664-690 George St, Sydney	ATO	25,888	Sep-2007	N	Office
57	262-266 Castlereagh St, Sydney		2,853	Oct-2007	N	Office
58	2 Chifley Square, Sydney	Chifley Plaza	0	Nov-2007	R	Retail
59	393 Pitt St, Sydney		0	Jan-2008	C	Office
60	413-421 George St, Sydney	BBC Hardware	19,096	Jan-2008	R	Office
61	503-505 Kent St, Sydney	Hobart House	2,089	Jan-2008	N	Office
62	341 George St, Sydney	Westpac Bank Building	0	Feb-2008	R	Office
63	115 Pitt St, Sydney		1,252	Feb-2008	A	Office
64	1-59 Quay St, Haymarket	UTS Library	1,707	Feb-2008	R	Education
65	7-9 York St, Sydney		742	Mar-2008	N	Office
66	18-32 Jamison St, Sydney	AAPT	5,755	May-2008	R	Office
67	367-373A George St, Sydney	Westpac	16,043	May-2008	A	Office
68	61 York St, Sydney	Australasian Pioneers Club	2,858	May-2008	N	Office
69	299-305 Sussex St, Sydney		3,348	Jun-2008	N	Office
70	63-79 Miller St, Pyrmont		7,651	Jul-2008	A	Office
71	12-20 Shelley St, Sydney		0	Aug-2008	F	Office
72	101 Chalmers St, Surry Hills		1,387	Aug-2008	C	Office
73	532-540 George St, Sydney	Woolworths Building	0	Sep-2008	R	Office
74	25-33 Erskine St, Sydney		851	Sep-2008	A	Office
75	133-145 Castlereagh St, Sydney	Piccadilly Centre	0	Oct-2008	C	Office
76	330-346 George St, Sydney		6,580	Oct-2008	N	Office/Ret

COMPLETED

Map Ref.	Address	Building / Project Name	Floor Area (m ²)	Completed	Type	Major Use
77	44-48 Pirrama Rd, Pyrmont	Darling Island Site 6	20,000	Oct-2008	N	Office
78	237-241 Macquarie St, Sydney		0	Dec-2008	R	Office
79	429-481 George St, Sydney		13,519	Dec-2008	R	Retail
80	33-49 Sussex St, Sydney		1,018	Dec-2008	N	Office
Total			636,497			

COMMENCED

Map Ref.	Address	Building / Project Name	Floor Area (m ²)	Completion Due Date	Type	Major Use
81	11-17 York St, Sydney		22,000	Jan-2009	C	Education
82	51-59 Sussex St, Sydney		11,230	Feb-2009	N	Utilities
83	1-19 Shelley St, Sydney		35,000	Feb-2009	N	Office
84	99-113 Macquarie St, Sydney	Transport House	7,967	Apr-2009	R	Office
85	82-86 Windmill St, Dawes Point		0	Jun-2009	N	Office
86	33-39 Hunter St, Sydney	Perpetual Trustee Building	7,432	Jun-2009	R	Office
87	147-153 Castlereagh St, Sydney	Grand United Building	10,319	Jun-2009	A	Office
88	60-62 Clarence St, Sydney		2,234	Sep-2009	R	Office
89	141-143 Elizabeth St, Sydney	The Dakota	0	Dec-2009	N	Office
90	219-227 Elizabeth St, Sydney		1,232	Dec-2009	A	Office/Ret
91	61-65 Wentworth Ave, Sydney		2,768	Dec-2009	N	Office
92	46-58 Holt St, Surry Hills		11,916	Dec-2009	A	Office
93	257 Clarence St, Sydney		3,711	Dec-2009	N	Office
94	36 York St, Sydney		1,700	Dec-2009	A	Office
95	6-8 College St, Sydney	Australian Museum	7,050	Jan-2010	R	Community
96	405-411 Sussex St, Haymarket		9,446	Jun-2010	N	Office
97	710-710A George St, Haymarket		2,553	Nov-2010	N	Office/Ret
98	2 O'Connell St, Sydney		45,760	Dec-2010	N	Office
99	416-418 George St, Sydney	Mid City Centre	54,984	Dec-2010	N	Office
100	184-190 Pitt St, Sydney	Centrepoint	142,223	Jul-2011	N	Office/Ret
101	1-25 Harbour St, Sydney	Darling Walk	67,827	Feb-2012	N	Office
Total			425,352			

APPROVED

Map Ref.	Address	Building / Project Name	Floor Area (m ²)	Approval Date	Type	Major Use
102	55-57 Wentworth Ave, Sydney		1,258	6/01/2004	R	Office
103	267 Sussex St, Sydney		1,640	12/09/2005	N	Office
104	232-236 Pitt St, Sydney	Boyd Tower	29,698	22/06/2006	N	Office
105	189-197 Kent St, Sydney		2,242	26/06/2006	C	Retail
106	424-430 George St, Sydney		0	7/08/2006	R	Office
107	4 Macquarie St, Sydney	Royal Botanical Gardens	4,457	1/12/2006	N	Community
108	26 Broadway, Chippendale	CUB	125,940	9/02/2007	N	Office/Ret
109	21-43 Harris St, Pyrmont		18,337	7/05/2007	N	Office
110	33 Lower Fort St, Dawes Point		0	13/05/2008	C	Office/Ret
111	56 Argyle Pl, Millers Point		0	13/05/2008	C	Office
112	561-577 Harris St, Ultimo		8,743	14/05/2008	A	Office
113	40-50 Clarence St, Sydney		0	26/05/2008	R	Office
114	10-14 Quay St, Haymarket		6,185	25/06/2008	R	Office
115	161 Clarence St, Sydney		15,895	31/07/2008	N	Office
116	20-26 O'Connell St, Sydney	Kindersley House	37,139	30/10/2008	N	Office
117	235-253 Jones St, Ultimo	UTS Building 10	920	26/11/2008	A	Education
118	81-91 Quay St, Haymarket		15,408	15/12/2008	N	Office
119	38-42 Pirrama Rd, Pyrmont		18,574	15/12/2008	NR	Office
120	253 Pitt St, Sydney		1,014	17/12/2008	A	Retail
121	131-135 Bathurst St, Sydney		3,256	24/12/2008	N	Retail
Total			290,706			

LODGED

Map Ref.	Address	Building / Project Name	Floor Area (m ²)	Lodgement Date	Type	Major Use
122	8-12 Chifley Square, Sydney	Goodsell Building	28,122	13/03/2008	N	Office
123	61-79 Quay St, Haymarket		26,300	8/04/2008	N	Office
124	140 George St, The Rocks	Museum of Contemporary Art	5,926	25/08/2008	R	Community
125	691-693 George St, Haymarket		6,122	4/10/2008	N	Office
126	201 Castlereagh St, Sydney	Scientology House	3,804	17/11/2008	A	Community
127	421 Elizabeth St, Surry Hills		254	3/12/2008	N	Office
128	10-12 College St, Darlinghurst	Sydney Grammar School	3,600	16/12/2008	N	Education
Total			74,128			

Notes:

- Commercial projects include office, retail, entertainment/leisure and other employment generating projects.
- The floor area stated is based on floor area calculations of the approved DA. It does not represent the net lettable floor area of the building. Floor area associated with residential use is not included.
- For details of residential projects, refer to the City Residential Monitor.

Abbreviations used:

N	New Building
A	Additions (Floor area relates to additional floor area)
R	Refurbishment/Reconstruction (No floor area given unless project is a full reconstruction)
C	Conversion
F	Fitout of new building

For further information, contact
Cathy Hoven, Research Project Officer on 9246 7600.

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Enquiries regarding this document should be made to:

Economic Development Unit GPO Box 1591
Town Hall House Sydney NSW 2000
456 Kent Street Tel: 02 9246 7600
Sydney Fax 02 9265 9679
E-mail: choven@cityofsydney.nsw.gov.au
Internet: www.cityofsydney.nsw.gov.au