Attachment D

Haymarket and Chinatown Economic and
Land Use Study

CITY OF SYDNEY

Haymarket and Chinatown

ECONOMIC AND LAND USE STUDY JANUARY 2023

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ANALYSIS. INSIGHTS. OUTCOMES.

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EXECUTIVE SUMMARY

BACKGROUND

Sydney's Chinatown/Haymarket area is located in the south west of Sydney CBD's (Central Sydney), situated between Darling Harbour and Central Station. The area has a rich and diverse history and has historically been one of Central Sydney's most popular precincts. It has an enduring cultural connection to Sydney's Asian community and is a key tourist destination for domestic and international travellers alike.

The City of Sydney (the City) has been carrying out engagement with the local Chinatown/Haymarket community since 2020. This engagement has provided valuable insight into the challenges and opportunities facing the area.

In 2022, the City identified a need for a comprehensive economic study to assess the changing role, character and function of the Chinatown/Haymarket area. This study would provide an 'evidence base' from which to further engage with the local community and identify opportunities to revitalise the area.

Atlas Economics (Atlas) is leading a multi-disciplinary team (including Location IQ (LIQ), BellRinger and Mecone) engaged by the City to carry out the Chinatown/Haymarket Economic Study (the Study).

> The City of Sydney has been carrying out focused engagement with the local Chinatown and Haymarket community.

THE STUDY AREA AND SUB-PRECINCTS

A Study Area has been defined for the Chinatown/Haymarket area. At 51ha, the Study Area is a significant component of Central Sydney – accounting for just over 18% of its overall landmass. It is a major source of economic activity, comprising ~3,100 individual businesses and one of Sydney's most popular tourist precincts.

The Study Area is diverse, with its different places having their own unique set of characteristics. This Study has identified seven sub-precincts within the Study Area which are illustrated in **Figure ES.1.**

Figure ES.1: The Study Area and Sub-Precincts

Source: Atlas Economics/LIQ

PURPOSE AND APPROACH

The core purpose of the Study is to identify the drivers of activity within the Study Area, the factors contributing to its performance and if there are gaps in its overall offer and place experience.

Developing this 'evidence-base' provides a strong baseline from which the City can identify revitalisation opportunities in consultation with the local community.

The Study has explored the following issues in developing an evidence base for the Study Area:

- Macroeconomic, demographic and sectoral trends influencing land use, investment and development activity.

- The profile of local residents, workers, visitors and businesses.

- The current nature and mix of land uses, and the amount of supportable of retail land uses moving forward.

- Pre- and post-pandemic pedestrian activity levels.

- Case studies of other comparable precincts and how they responded to economic downturns.

- The capacity for future development activity and constraints to growth.

The Study concludes with an assessment of the key opportunities which could be explored to ensure the economic vibrancy and resiliency of the Study Area.

The analysis and findings of this Study represent a point in time view during a period of economic flux. Understanding how visitation to the Study Area changes over the next 6-12 months will be an important action.

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THE TRENDS AND CHANGES INFLUENCING THE STUDY AREA

Central Sydney is a key part of the global city. It is no surprise that the Study Area is influenced by a myriad of macroeconomic factors that shape land use, business, development, and investment activity.

Whilst part of Central Sydney, the Study Area is distinct from other parts of the CBD and is subject to its own unique set of trends which influence activity at the local level.

A literature review and trends analysis demonstrate the Study Area was facing a broad mix of trends prior to the onset of the COVID-19 pandemic in Q1 2020. Some of these key trends include:

- The ongoing growth of Asia as source of economic activity, investment and migration.

- Changing demographics and significant Asian migration into Greater Sydney, with Asian nations now Australia's key source of migrants.

- Growing competition from suburban centres and growing Asian retail and dining precincts.

- Shifting consumer trends and growing expectations for authentic 'experiences' that cannot be provided online.

- Delivery of new public transport projects shifting transport accessibility.

- Growth of international students and student accommodation around the Study Area.

- Growth trajectory of Central Sydney's southern area as part of the Tech Central Corridor and Central Station Precinct.

Coinciding with these trends, the Study Area was also undergoing significant change prior to the pandemic. Changes to access and transport, the redevelopment of the Entertainment Centre and the completion of the Darling Quarter precinct have influenced activity within the Study Area.

The pandemic had an acute impact on the Study Area and generated a series of economic shocks, including:

- Significant falls in international and domestic visitation to Central Sydney especially the Study Area.

- Exodus of international students from universities surrounding the Study Area.

- Rise in the popularity of working from home amongst the Sydney CBD'S office workforce.

From an economic perspective, it is therefore important that steps are taken to alleviate some of the challenges posed by these headwinds.

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KEY ECONOMIC FINDINGS

Business Profile

The Study Area is major driver of economic activity. Small and microbusinesses and non-employing businesses dominate, accounting for almost three quarters of all locally registered businesses.

This density of small business activity (and lack of larger businesses) is a unique characteristic of the local economy.

In 2020-21, the Study Area contributed some $6.5 billion in economic value (i.e., Value Added). This represented approximately 5% of the broader Sydney LGA's economic value. Key drivers of local economic activity include Precinct 4 and Precinct 5 – both comprising several major office towers.

Ground Floor Land Use Audit

Retail uses are the most common ground floor uses across the Study Area, accounting for ~65% of total floorspace. Food catering is the dominant category (450 occupiers) and is the largest floorspace type in the Dixon Street sub-precinct.

An audit of ground-level tenancies showed the area has a high vacancy rate (18.3%), with 252 vacant units identified. This includes 88 vacancies in Dixon House and Unison House which have been vacated for redevelopment.

The current vacancy rate is higher than the rest of Central Sydney (6.9%) and higher than the vacancy rate recorded in the 2017 FES (9.8%). A 'healthy' vacancy rate would be around 3% to 5% which reflects normal occupier friction and movement.

Vacancy rates are most pronounced in the areas around the Dixon Street (26%) and Market District (21%) sub-precincts. Darling Square has the lowest vacancy rate, (2.6%) followed by the sub-precinct around Kent and Sussex Streets (6.4%).

Key Audiences

The Study Area comprises seven distinct sub-precincts, each with their own unique character and role. Its various sub-precincts are supported by a large and diverse mix of key audiences which have historically supported their economic vitality:

Residents - The Study Area's 16,300 residents are predominantly young and middle-aged adults. The population is highly diverse with 83% being born overseas, with the 2021 Census showing most people in the Study Area were born in China (21%), Thailand (17%), Australia (13%), Indonesia (11%), Malaysia (3%) and South Korea (3%).

Most residents live in couple households with no children, and almost 75% of households are renting.

The Study Area comprises the highest population density in Australia with these densities comparable to neighbourhoods in other global cities such as New York, Paris and Tokyo.

Workers - ~39,000 workers are located across the Study Area, though the industry and occupation mix is diverse. This represents a significantly lower worker density than the rest of Central Sydney

Students - Being near to University of Technology Sydney, University of Notre Dame and TAFE Ultimo, an estimated 67,600 student tertiary and vocational students were located within and proximate the Study Area pre-pandemic. A large proportion of these were international students.

Visitors - A total of ~500,000 domestic overnight visitors were recorded in the Study Area in the year to March 2022, 50% fewer than 2019 levels. International visitors are just beginning to return.

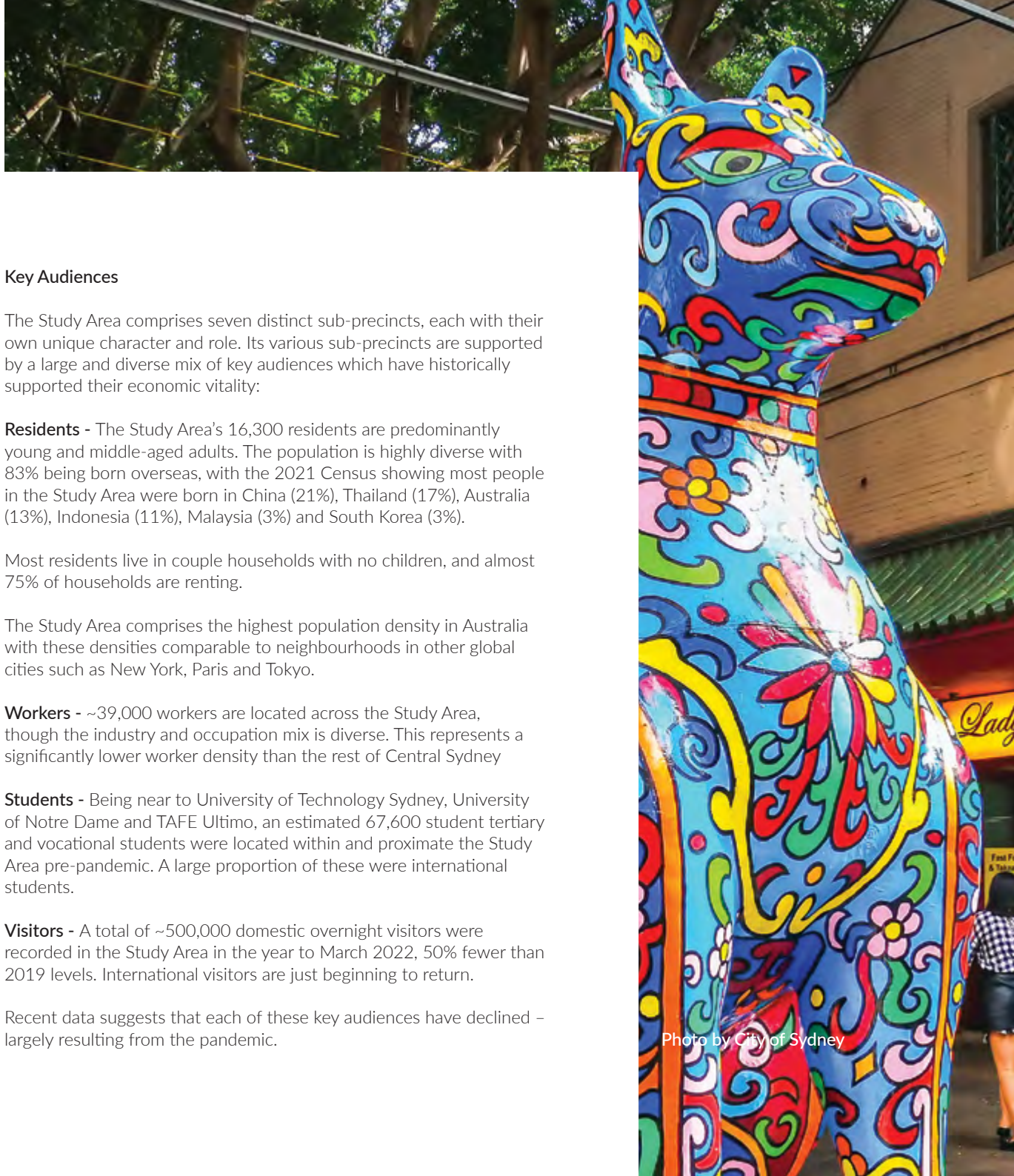Recent data suggests that each of these key audiences have declined – largely resulting from the pandemic.

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Activity Levels

Analysis of mobility data provides a series of unique insights:

- Activity levels across the Study Area are on the rise, with local activity levels growing by ~30% over 2021-2022.

- Activity appears to be focused around Central Station, World Square Shopping Centre, Darling Square and George Street.

- The Study Area has a much lower level of day-time activity compared to the broader Sydney CBD, with a clear spike in activity over the 6pm-8pm period.

- Weekend activity levels across the Study Area are notably higher than weekday.

- Activity levels appear particularly lower around the Dixon Street area on both the weekday and weekend compared to other parts of the Study Area.

- The Precinct Activation Grant-funded event 'Neon Playground' produced a marked increase in activity levels across Haymarket during the October-November 2022 period.

Despite the overall improving situation, activity levels across the Study Area remain low compared to pre-pandemic, with weekday and weekend activity in 2022 down 40% and 29% compared to 2019.

A comparison of activity levels over 2019-2022 in the Study Area against those in the broader Central Sydney area demonstrates the disproportionate impact of the COVID-19 pandemic on the Study Area.

Weekday and weekend activity levels fell by 40% and 29% respectively over 2019-2022. By comparison, weekday and weekend activity in Central Sydney declined by 33% and 18% over the same period.

Activity levels in Central Sydney also appear to have rebounded more quickly compared to the Study Area. Weekday and weekend activity levels in 2022 have recovered to 67% and 82% of 2019 levels in Central Sydney. In the Study Area, weekday and weekend activity levels in 2022 had recovered to 60% and 71% of 2019 levels.

Overall, it is evident that economic shocks produced by the COVID-19 pandemic are still adversely impacting the Study Area to a greater degree than observed in the broader Central Sydney area.

Table ES.1 provides a high-level summary of some of the Study Area's key economic indicators.

Table ES.1: The Study Area and Sub-Precincts

Indicator	Pre-pandemic	Post-Pandemic
Resident Population	8,983 (2020)	8,478 (2021)
Worker Population	40,393 (2016)	38,857 (2021)
Students	67,600	Unknown, but significantly lower
Domestic Visitor Nights	1,200,000 (2019)	512,600 (2022)
International Visitor Nights	1,600,000 (2019)	Unknown, but significantly lower
Weekday Activity (No.)	232,452 (2019)	139,400 (2022)
Weekend Activity (No.)	383,773 (2019)	124,616 (2022)

Source: ABS (2022)/Atlas Economics/Location IQ/Roy Morgan (2023)/TRA (2022)

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A MIX OF CAUSES, TWO FUNDAMENTAL ISSUES

Extensive trends and economic analysis, coupled with stakeholder engagement, have demonstrated that the challenges facing the Study Area are diverse. Notwithstanding this mix of challenges, two fundamental issues are at play.

The Study Area's trade catchment has not returned to pre-pandemic levels, with recovery lagging the wider Central Sydney area

The mix of challenges facing the Study Area has collectively driven a decline in visitation, unsustainable trading conditions and in turn a rise in shopfront vacancy rates.

This sharp fall in activity and visitation has directly impacted business viability. A land use audit carried out has identified a vacancy rate of 18% (>250 vacant shopfronts) across the Study Area.

However, activity levels are poised to continue improving. International visitor flows to Australia have been steadily increasing over the past year and will likely gather further momentum with the lifting of travel restrictions in China in Q1 2023.

Whilst this bodes well for the Study Area, it's critical that the Study Area's other key issue is addressed.

The Study Area's existing retail and place offering is not meeting the expectations of its key audiences

Research has demonstrated that the Study Area services a broad mix of audiences – residents, CBD workers, students, international and domestic visitors.

Trends analysis and stakeholder engagement indicates that the place and amenity expectations of the Study Area's customer audiences have shifted. Authentic, immersive experiences in attractive settings have become the 'baseline' expectations in a post COVID-19 environment.

Retail demand estimates suggest that the quantum of retail supply in the Study Area is theoretically sufficient to meet the needs of its trade catchment. It is the *quality* of that supply that is the issue.

With the exception of the new Darling Square precinct, there has been limited reinvestment in parts of the Study Area, with some businesses failing to reset their offering to meet contemporary expectations of the market.

Given the poor place experience in parts of the Study Area, the Area's appeal as a place to visit/linger is declining.

Looking forward, the Study Area is surrounded by multiple precincts which are repositioning Central Sydney. Development activity at Harbourside and Barangaroo Central will create new, high-quality retail precincts and attractive places. The Central Station Precinct is set to rebase the profile of the Southern CBD area and will provide world-class retail amenity.

These factors present a real risk to parts of the Study Area. In order to remain attractive and meet the expectations of its core audiences, there is a clear need for revitalisation and a 'repositioning' of the Study Area.

In repositioning itself, the Study Area has an opportunity to capitalise on its rich history and character which are fundamental to its identity. The Study Area is unique within the broader Central Sydney context, with its authenticity one of its fundamental strengths.

While the need for rejuvenation is evident, it is equally important that any revitalisation of the Study Area reflects this authenticity and does not attempt to replicate other precincts elsewhere in Central Sydney.

OPPORTUNITIES FOR REVITALISATION

Revitalisation of places can take many forms. It can be led by Government through upgrades to the streetscape and public realm, or by the private sector, either through comprehensive redevelopment (construction of new buildings) or incremental development (e.g., alterations and additions to existing buildings).

The character of the Study Area, including its historic street pattern, heritage buildings, narrow frontages, density of shopfronts and variety of buildings, is fundamental to its authenticity and is one of its greatest strengths.

Owing to its character, much of the Study Area (particularly Precincts 1 and 7) falls within the Haymarket/Chinatown Special Character Area (SCA). Planning controls in the SCA ensure that land use activity preserves the area's uniqueness.

Outside of the Haymarket/Chinatown SCA, planning controls in other parts of the Study Area could facilitate uplift and renewal in appropriate locations. The two tower cluster areas along the northern and southern edges of the Study Area provide significant capacity for local employment. Together with the Study Area's existing development pipeline (potential for ~1,150 new dwellings and ~4,100 hotel rooms), future development activity will facilitate an increase to the Study Area's trade catchment and generate demand for ground level uses.

Beyond what is already observed in the development pipeline and the future development potential in the tower cluster areas, key opportunities for additional revitalisation in the Study Area are through encouraging incremental development.

Smaller scale and incremental development (e.g., alterations, additions, etc) are desirable to add activity and rejuvenate the Study Area without impacting the authenticity of the area. Improvements to building facades, building signage and upgrades to the streetscape can collectively improve the place experience of the Study Area and encourage more visitation. The barriers to small scale/ incremental development should be further explored/ addressed.

There is also an important role for key anchor occupiers to drive revitalisation across the Study Area. In particular, a repositioning of Paddy's Markets to attract more people to the area could have catalytic potential and would compensate for the loss of anchor occupiers in recent years.

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SWOT ANALYSIS

The SWOT analysis contextualises the issues facing the Study Area and provides a guide to what could be further investigated moving forward.

Table ES.2: SWOT Analysis, Study Area

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
• Highly connected to public transport • Large trade catchment with broad mix of customer cohorts • Much of the Study Area forms part of the Tech Central innovation precinct and is proximate to growing business clusters and education institutions • Proximity to Darling Quarter, Darling Harbour, Capitol Theatre, Paddy's Markets • Urban feel and fine grain character with distinct character • Asian cultures reflected on street/public spaces • Authentic and affordable food offerings • Existing start-up incubator (Haymarket HQ) • Proximity to established cluster of ICT and creative industries • Good pedestrian accessibility along/ around George Street • Attractiveness to skilled migrants and international students • Engaged community and emerging networks	• High vacancy levels • Dated presentation in parts • Ongoing construction work contributing to business disruption • Limited contemporary experiences • Lack of a morning/afternoon activity • Changed access for vehicles • Some large tenancies difficult to lease • Lack of consolidated ownership and coordination • Some landowners unwilling to 'meet the market' and accept market rents • Lack of light on Dixon Street • Limited visitor generators or anchors in pats of Study Area • Lack of unified marketing strategy	• Embrace strong social and cultural history, community connections, character and identity to increase visitation • Haymarket Visioning engagement has reignited relationships and drawn out local 'champions' • Build on momentum from precinct activation grants • Capitalise on investment into MOCA • A further developed city events and public art programme • Revitalised offer at Paddy's Market to attract more visitation • An active public domain upgrade programme • Some consolidated blocks in prominent locations • Embrace and enhance fine grain character through incremental forms of development • Leverage the area's appeal and investment to transition to a more innovation-focused economy as part of Tech Central • Capture greater visitation from the worker population through future development within the Tower Cluster areas	• Changing demographics to include a younger more affluent Asian population with divergent expectations • Precinct decline continues and poor market/ community perception becomes ingrained • Competition from other areas with more contemporary Asian shopping precincts continue to dilute activity away • Poor performance of Paddy's Market and leasing constraints undermines its viability • Disruption from further construction activity • Disparate and inactive ownership making implementing of initiatives outside of Government control difficult • Potential for development to result in sanitisation and character loss (fine grain, active ground floor, affordability, Asian character, etc) • Development in neighbouring precincts continue to draw activity away • Ageing business owners who may not implement business succession plans

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A WAY FORWARD

Case Study Analysis

The Study carried out a detailed case study analysis of other Chinatown and Asian-based precincts in Australia and internationally to identify learnings of relevance to the Study Area.

The key aspect of the interventions implemented in the case study areas has been *breadth-* a variety of actions have been implemented including business support, marketing and events management, urban design and placemaking, arts and culture, public domain upgrades and digitisation. Interventions have also been primarily led, managed and delivered by 'grass roots', community organisations with strong connections to their local area.

The case studies show that Government mostly played a coordination and support role in any interventions, strategies and action plans. Government has played a critical role in providing funding to local community organisations, as well as investing in upgrades to the public realm and infrastructure. Key themes of Government support include:

- Provision of **grant funding** with a focus on building the capacity of the local community and economy.

- Directly **investing in upgrades to the public domain** (e.g., lighting, open spaces, streets/laneways, etc).

- Participating in **project working groups** with key community organisations and other stakeholders and providing **governance support** to community organisations.

- Supporting or leading the delivery of **ongoing events and cultural activities.**

- **Engaging with the local community** on an ongoing basis.

Key Opportunities

Based on the extensive research, analysis and stakeholder engagement carried out in this Study, six key opportunities have been identified for further investigation by the City in consultation with the community.

These opportunities are necessarily broad in order to address the variety of challenges facing the Study Area which will require a mix of Government, community and market-support.

Figure ES. 2: Key Opportunities for Study Area

OPPORTUNITY 1:
Enable Community Involvement and Leadership

OPPORTUNITY 2:
Leverage One of Sydney's Most Historically and Culturally Rich Areas

OPPORTUNITY 3:
Improve Public Domain and Ground Plane

OPPORTUNITY 4:
Reposition Land Use Mix to Meet Demand

OPPORTUNITY 5:
Strengthen and Support Existing Anchors

OPPORTUNITY 6:
Improve Connectivity

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TERMS AND ABBREVIATIONS

TERMS

Alterations and Additions
Changes to an existing buildings fixtures, improvements and other items of real property.

Central Station Precinct
The Central Station State Significant Precinct (SSP) covers 24 hectares bounded by Pitt Street to the west, Cleveland Street to the south, Eddy Avenue to the north and Elizabeth Street to the east.

Central Sydney
The Sydney CBD.

City
City of Sydney.

City-based Category
Industry classifications developed as part of the floorspace and employment survey.

Comprehensive Development
Development of property which involves replacing any existing improvements with new improvements.

Development Capacity
The theoretical capacity of land to be developed under the existing planning framework.

Floor Space Ratio
Planning control that specifies the maximum amount of floor area permitted on a site. The floor space ratio is the ratio of a building's total floor area to the size of the site.

Floor Space and Employment Survey
Comprehensive floor space and employment survey carried out by the City every 5 years which collects data on all businesses, floor space uses and employment numbers for every building or property in the City of Sydney local government area.

Gross Floor Area
The total floor area of a building, measured from the outside of external walls or the centre of party walls, and includes all roofed areas.

Remaining Capacity
The remaining floorspace potential available on a site based on existing planning controls after deducting existing floorspace on the site.

Tech Central
Defined as the suburbs of Haymarket, Surry Hills, Ultimo, Redfern, Chippendale and Eveleigh.

Value Added
The difference between the value of goods and the cost of materials or supplies that are used in producing them.

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ABBREVIATIONS

ABR	Australian Business Register
ABS	Australian Bureau of Statistics
ATO	Australian Taxation Office
ANZSIC	Australian and New Zealand Standard Industrial Classification
FES	Floor space and employment survey
FSR	Floor space ratio
GFA	Gross Floor area
SSP	State Significant Precinct

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1. INTRODUCTION

1.1 BACKGROUND

Sydney's Chinatown and Haymarket area has a rich and extensive history. A popular tourist destination and a major food and entertainment precinct, Chinatown/Haymarket is a key driver of economic activity within the Sydney CBD. Historically an enclave of Sydney's Chinese mostly Cantonese speaking community, it has emerged as a hub for a broad mix of Asian communities.

The outbreak of the COVID-19 pandemic in March 2020 has had a significant impact on the Chinatown/ Haymarket area, inducing business closures and higher vacancy levels.

The Haymarket and Chinatown area was already undergoing significant change before the pandemic. These include changes to access and transport including the construction of light rail on George Street; the redevelopment of the Entertainment Centre and parts of Darling Harbour, the creation of the new Darling Square precinct bringing 26,000sqm of retail, community and leisure floorspace and 1,500 new homes, and the rising popularity of Asian food, retail and service precincts in suburbs such as Burwood, Carlingford, Eastwood, Hurstville, Willoughby and Chatswood.

The City of Sydney (the City) has been engaging with the local Chinatown/Haymarket community to seek feedback on what they find special about the Study Area and what can be improved.

The City identified a need for a comprehensive economic study to assess the changing role, character and function of the Chinatown/Haymarket area.

Atlas Economics (Atlas) is leading a multi-disciplinary team which has been engaged by the City to carry out the Chinatown/Haymarket Economic Study (the Study).

1.2 THE STUDY AREA

For the purposes of this Study, a Study Area has been defined for the Chinatown/Haymarket area. The Study Area broadly encompasses the suburb of Haymarket and part of the Sydney CBD (referred to as 'Central Sydney).

Spanning some 51ha, the Study Area is a significant component of Central Sydney – accounting for just over 18% of its overall landmass. It differs from much of the broader Central Sydney area, featuring a larger concentration of low rise buildings, fine grain lot patterns and independent business with a distinct Asian character. It accommodates a diverse mix of land uses and building typologies, including secondary grade office buildings, hotels and serviced apartments, student housing accommodation, high-density housing, enclosed shopping malls and fine grain retail uses at the ground plane.

It is well-serviced by public transport with multiple light rail and bus stops, with Central and Town Hall train stations within close proximity.

The Study Area is also a major source of economic activity, comprising some 3,100 individual businesses and attracting some 1.1 million domestic overnight visitors in the year before the COVID-19 outbreak.

Looking forward, the Study Area is uniquely positioned proximate several significant projects which will catalyse activity. The Central Station Precinct – part of the 'Tech Central' corridor – will be a major driver of development activity over the coming decades and will generate a substantial increase in the worker population of the southern Central Sydney area. The Study Area is also situated between two 'Tower Cluster' areas as defined in the Central Sydney Planning Strategy, further contributing to an increase in the critical mass of workers in the immediate surrounds.

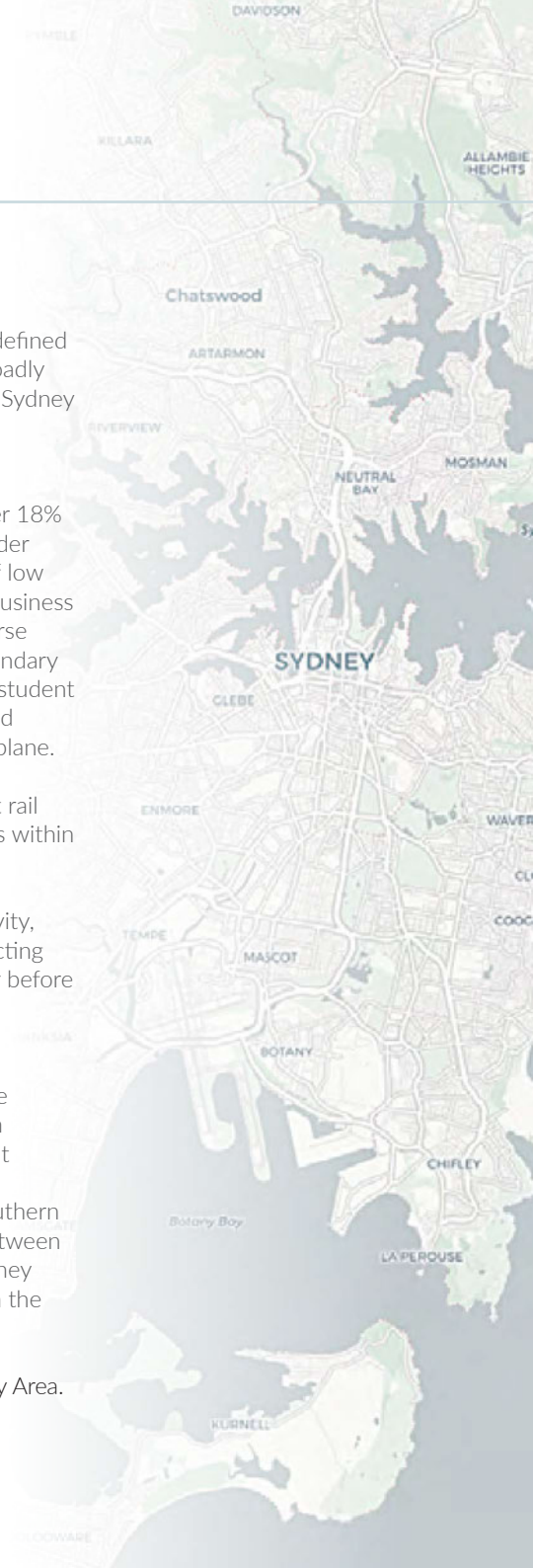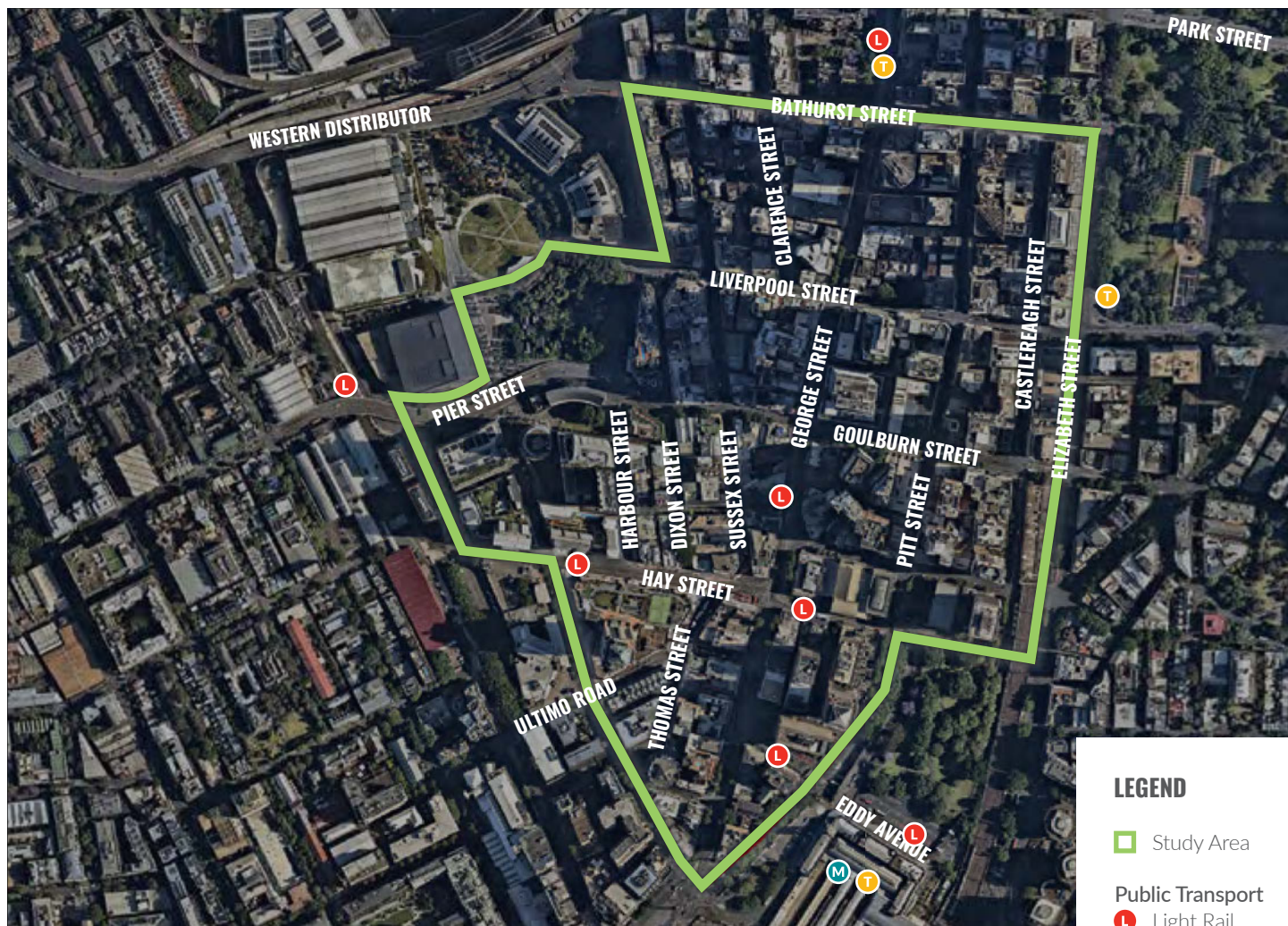**Figure 1.1** illustrates the defined boundaries of the Study Area.

Figure 1.1: The Study Area

LEGEND

☐ Study Area

Public Transport
Ⓛ Light Rail
Ⓜ Metrol Station
Ⓣ Train Station

Source: Atlas Economics

1.3 PURPOSE AND SCOPE

The core purpose of the Economic Study is to identify the primary drivers of activity within the Study Area, the factors contributing to its performance and if there are gaps in its overall offer and place experience. Developing up an 'evidence-base' provides a strong baseline from which the City can identify potential opportunities for revitalisation.

To meet the requirements of the Study, the following key tasks are undertaken:

- Literature review of academic research on the emerging trends, opportunities and challenges facing Chinatown and Asian precincts domestically and globally.

- Analysis of key trends influencing demand for floorspace within the Study Area, particularly those influencing demand for retail and hospitality uses.

- High-level case study analysis of other Chinatown precincts to draw comparisons to the Study Area.

- Analysis of recent socio-economic data from the 2021 Census to understand the demographics of residents and workers within the Study Area and how these have changed over time.

- Review of the City's Floorspace and Employment Survey (FES) data and other related datasets to understand historical business, employment and floorspace trends in the Study Area.

- Analysis of pedestrian and visitation patterns using a mix of geospatial data (Orbital Insight, Mapbox Movement, Roy Morgan) to understand key sources of visitation, key attractions/locations and activity levels by day and time.

- Land use and vacancy audit in the Core Study Area through a combination of site visit observations, property data and aerial imagery to estimate floor area, type of business activity and vacancy levels of ground floor shopfronts.

- Targeted stakeholder engagement with key landowners, businesses and government stakeholders to gather perspectives on the opportunities and challenges facing the Study Area.

- Retail demand assessment which identifies the supportable retail and non-retail floorspace with the Study Area.

- Review of development activity and analysis of remaining theoretical development capacity in the Study Area.

- Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis overlaid with key 'lessons learnt' from other Chinatown and Asian precincts.

The evidence base provided in this Study will enable the City to work with the local community and develop a strategy to support the revitalisation of the Study Area.

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1.4 ASSUMPTIONS AND LIMITATIONS

Given the above research approach, this analysis is subject to the following key assumptions and limitations:

- At the time of writing, the fallout from the COVID-19 pandemic across the NSW economy is still playing out. The medium to long-term implications for regional population movements and employment growth are yet to be fully understood.

- The macro-economic outlook is currently subject to significant uncertainty, with COVID-19 lockdowns in China, labour shortages, inflation, and war in the Ukraine.

- Economic and employment data used in this Study is obtained from a mix of sources, including the Australian Bureau of Statistics (ABS) and National Institute of Economic and Industry Research (NIEIR). Published data sources utilised for this analysis have not been independently verified and are assumed to be correct at the time of writing.

- 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 an accurate representation of employment levels.

- The Study includes qualitative research in the form of consultation with various stakeholders. Interviews with a mix of local landowners, business and government stakeholders was carried out in accordance with a Stakeholder Engagement Plan. The consultation findings only represent feedback from a sample of stakeholders.

- Retail demand estimates carried out in this Study are based on theoretical assumptions for the purpose of estimating the amount of supportable retail floorspace in the Study Area.

- A Land Use Audit was conducted over three days in September 2022. Location IQ staff viewed and took a tally of each ground level and centre. The land Use Audit was not carried out to the same level of detail carried out in the City's FES. Key limitations of the Land Use Audit include:

  - Only ground level, accessible basement level, and level one tenancies were reviewed. Upper levels of commercial buildings were excluded.

  - Some tenants were not open during the hours of survey but if stocked, and appearing recently opened, they were counted as 'open'.

  - Floorspace was not measured.

  - Tenants were matched against tenant records from the most recent FES (2017).

Accordingly, the data analysis and findings of this Study represent a point in time view of the Study Area during a period of economic flux. Notwithstanding, all due care, skill and diligence has been applied to this Study as is reasonably expected.

2. LITERATURE REVIEW AND TRENDS ANALYSIS

This Chapter carries out a review of academic literature and planning strategies of relevance to the Study Area and analysis of macroeconomic, demographic and sectoral trends. This analysis provides an important foundation of the baseline analysis needed to identify the challenges and opportunities for the Study Area moving forward.

2.1 LITERATURE REVIEW

2.1.1 CHINATOWN UNBOUND: TRANS-ASIAN URBANISM IN THE AGE OF CHINA (2019)

Chinatown Unbound examined the shifting identity of Sydney's Chinatown (Chinatown Haymarket), from its inception as an ethnic enclave in the 1800s to its present-day role in the community. It explored the meaning of Chinatown Haymarket as a function of political, geographical and economic relations between Australia and China. The idea of a contemporary Chinatown was also discussed, that envisions its capacity beyond ethnic framing and rather as a global urban centre.

Chinatown Haymarket has been built on and is characterised by the mass migration of the Chinese population, driven by globalisation and the increasing affluence of Asia. The settlement of Chinese migrants in Australia dates to the 19th century goldrush era, where clusters of Chinese migrants and descendants in lower parts of Surry Hills and then occupied the now-known Dixon Street area. This led to the organic formation of Sydney's Chinatown.

Booming property prices in the 1960s saw the Chinese migrant population relocate to the suburbs, leading to the decline of the enclave. By the 1990s, Sydney's Chinatown was rebranded as a tourist and cultural site, decorated with Chinese-style gates and lanterns. Whilst this enabled Chinatown Haymarket to be a highly popular tourist destination, there lacked a deeper social and cultural engagement with the community, challenging the benefit of 'commercialising' the culture.

Modern challenges faced by Chinatown Haymarket also include those shared by neighbouring centres and others unique to itself. Low business capitalisation, rental increments, tax hikes, limited budgets and the labour-intensive nature of businesses threaten the viability of the precincts. The FSR control was identified as a potential deterrent to development, where the ratio applicable to Chinatown Haymarket was thought to be conservative compared to other CBD areas. On the other hand this has preserved the fine grain lots and small business profile which is relatively unique in this part of the CBD.

The text outlined measures taken by various Chinatowns globally in their efforts of cultural preservation and ensuring the longevity of the centres. For example, Vancouver's Chinatown has attempted to register notable pieces of architecture on the UNESCO World Heritage Site. Overall, the literature attributed the success of Chinatown to its authentic placemaking of Chinese (and broader Asian) culture in a contemporary sense.
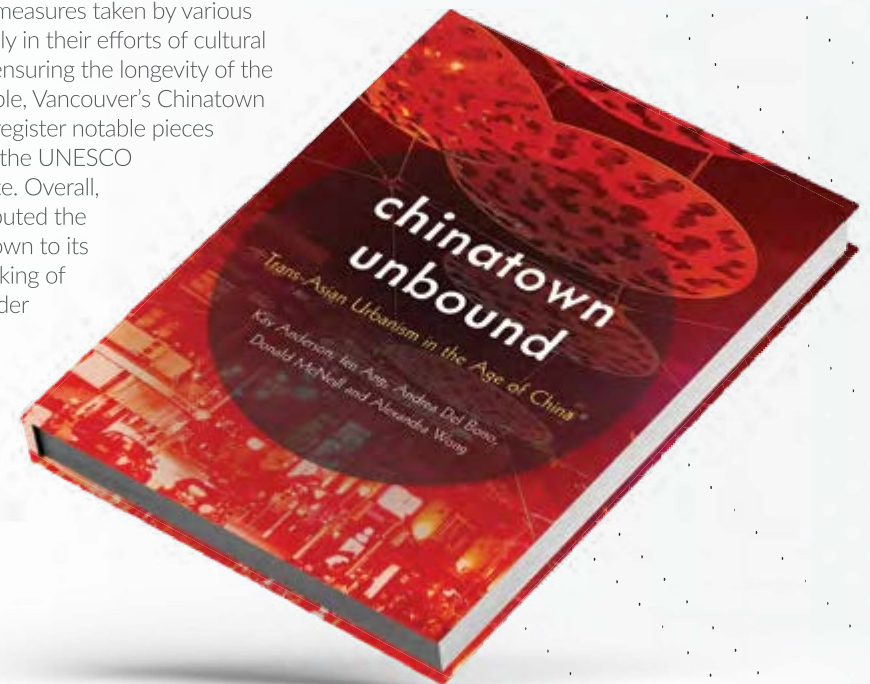
2.1.2 SYDNEY'S CHINATOWN IN THE ASIAN CENTURY: FROM ETHNIC ENCLAVE TO GLOBAL HUB (2016)

The Western Sydney University research paper was prepared for the City of Sydney to investigate the historical context of Chinatown Haymarket and its future in the face of rapid globalisation and modernisation.

It identified key factors impacting Sydney's Chinatown, including its perceived and functional role in the broader community, Australia-Asian relations and demographic and business trends in Chinatown. The paper also sought to understand the role of governing bodies in shaping Chinatown.

The historical role of Chinatown Haymarket as a haven for Chinese and Asian migrants in Greater Sydney remains relevant today, as it continues to serve as the 'entry-point' for Chinese and Asian small-businesses. Although Chinatown Haymarket recorded a decline in activity in recent years, the precinct is still considered a driver of economic growth across New South Wales – demonstrating the necessary preservation of Chinatown.

Chinatown Haymarket has experienced gentrification in the last decade, with several low profit margin businesses (small, independent grocers and bakeries) being replaced by higher-profit margin retailers (jewellery and fashion boutiques on both Dixon and Sussex Street). Whilst there are economic benefits to gentrification, the potential loss of small business character poses as a key threat to the unique identity of Chinatown.

Opportunities were identified for Chinatown Haymarket to preserve its character without compromising on economic viability. The authors reference the high density of the Asian-born population in Haymarket and how the Asian demographic in and around Chinatown has shifted from lower skilled migrants to wealthy and highly educated students and immigrants. The implications of changing demographics for Chinatown are significant, as it transitions from a "self-contained enclave" to a global hub with transnational connections.

The large youth population represented by international students was also observed to reflect demand for higher quality products and services, and more vibrant night life. In order to capitalise on this changing demographic, Chinatown Haymarket has to evolve beyond a cheap eats precinct to match consumption patterns. This includes the development of a distinctive night-time economy based on food and entertainments (e.g., karaoke) rather than alcohol consumption.

The longevity and sustainability of Chinatown Haymarket were noted to be linked to its ability to capitalise on the inflow of the new generation of migrants, utilisation of the global market and transnational linkages of art and culture. The authenticity and unique identity of Chinatown has traditionally drawn, and will continue to, attract visitors if it remains relevant in a modern context. If managed successfully, Chinatown Haymarket can overcome the threats of suburban 'ethnoburbs' and gentrification.

### 2.1.3 ASIAN BUSINESS IN AUSTRALIA: RESEARCH REPORT (2022)

The research paper was prepared by the University of Sydney for the Commonwealth Bank to examine the prevalence and nature of Asian businesses in Australia. The report investigated the new generation of Asian-Australian entrepreneurs and their businesses, to identify key trends and opportunities to support migrant entrepreneur integration in Australia.

Key findings revealed that the new generation of Asian-Australian entrepreneurs play an important role in the Australian economy. These new migrant entrepreneurs are culturally integrated, highly educated and have professional work experience.

These traits are woven in their business practices, with many adopting online commerce and technologies from advanced Asian markets. As such, Asian-Australian businesses have recorded relatively resilient employment creation and retention during the COVID-19 pandemic. The resilience of Asian-Australian businesses is also attributed to family financial support and proactively managed supply chains, achieved through regular cross-border communication.

The research identified the need to nurture Asian-Australian entrepreneurship to enable Australia's integration into Asian value chains. This presents an opportunity for Chinatown Haymarket to attract the new generation of Asian entrepreneurs, by understanding their business profile and providing an environment to support their businesses. By doing so, Chinatown will be able to tap into Asian value chains, safeguarding the economic vibrancy of the precinct and the broader Australian economy.

2.2 PLANNING FRAMEWORK AND PLANNING STRATEGIES
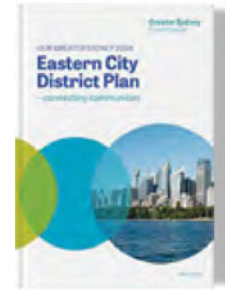
2.2.1 METROPOLIS OF THREE CITIES AND EASTERN HARBOUR CITY DISTRICT PLAN

The Greater Sydney strategic plan is the overarching and guiding strategic planning document for all of Greater Sydney. The City of Sydney is located within the Eastern Harbour City with a focus on building upon its recognised economic strength and addressing liveability and sustainability. It notes the Harbour CBD as Australia's global gateway and financial capital. Supporting the Greater Sydney Plan is the District Plan which seeks to strengthen competitiveness of the Harbour CBD, boost innovation and creative industries alongside knowledge-intensive jobs, and stimulate the night-time economy.

2.2.2 CITY PLAN 2036 – LOCAL STRATEGIC PLANNING STATEMENT

City Plan 2036 identifies a range of actions to deliver on the City's objectives. Key moves include strengthening Central Sydney economic role, building internationally competitive and knowledge-intensive business clusters and make great places. It acknowledges historical origins and relationships to place contirbute to the local character and strengthen each communities sense of place.

The Plan notes the long term challenge of getting the balance right between housing and supporting our unique economic contribution to the nation. There is a need to ensure the city offers diverse employment floor space in the right locations and at a range of price points to ensure a vibrant, productive and competitive capital city.
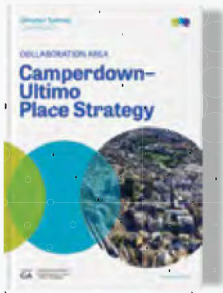
2.2.3 CAMPERDOWN ULTIMO PLACE STRATEGY (2019)

The Camperdown Ultimo Place Strategy (the Place Strategy) sets the NSW Government's long-term vision for the area now known as Tech Central.

The Place Strategy seeks to foster the development of Tech Central into a world leading innovation precinct and incorporates a mix of priorities and actions to deliver this objective. The Place Strategy identifies three 'nodes' within Tech Central – one of which is the Haymarket node featuring several universities and an established ICT cluster. Key actions include:

- Prepare and implement an economic development strategy that:

  - reinforces the strengths and local identity of Haymarket

 - retains existing and attracts new businesses and industries, including cultural and creative industries and artists

  - links industry, researchers and investors; and encourages their collaboration and interaction

  - supports convergence, attracts tech start-ups, encourages research and innovation clusters, and supports scaleups to reach commercial aspirations

  - builds the entrepreneurial, business and commercial skills of talented people

  - attracts investment and drives jobs growth

  - supports commercialisation and translation of research into practice

  - improves the destination experience and grows the Collaboration Area's global economic prosperity.

- Provide space and events to encourage local and international student connections, networking and innovation and increase commercial outcomes.

- Retain and manage commercial and business activities, particularly small businesses and tech start-ups, by safeguarding business zoned land from conversion that allows residential development.

- Advocate or and deliver a minimum percentage requirement for affordable space in developments or tech start-ups, innovation, creative industries, cultural uses, community uses and artists within and beyond the Tech Central.
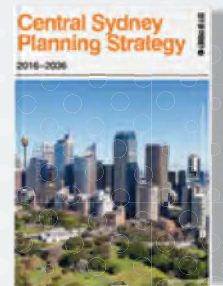
2.2.4 CENTRAL SYDNEY PLANNING STRATEGY (2016)

The Central Sydney Planning Strategy (CSPS) is the City's comprehensive strategic planning framework guiding land use and development within Central Sydney. It is a 20-year growth strategy that revises previous planning controls and delivers on the City's Sustainable Sydney 2030 program for a green, global and connected city.

Comprising 10 key moves, the CSPS balances opportunities for development to meet the demands of growing numbers of workers, residents and visitors and their changing needs. It includes opportunities for additional height and density in the right locations, balanced with environmental sustainability initiatives, and sets criteria for design excellence.

The CSPS supported amendments to the City's planning controls including the designation of four 'tower cluster' areas throughout Central Sydney. These areas are permitted taller building heights and densities (up to 330m) to facilitate employment growth in appropriate locations where public domain amenity is protected. Two tower cluster areas are in the Study Area – one in the northern end and another in the southern end.

Within Central Sydney there are areas that have special and distinctive characters that the community consider to be of significance and that are important to the identity and character of Central Sydney. These areas are defined as 'Special Character Areas (SCA). The CSPS outlines several key objectives for these areas, focussing on the need to preserve their character and ensure development has regard to their fabric and character.

Much of the Study Area falls within the boundaries of the Haymarket/Chinatown SCA. These controls were reviewed in the CSPS with the planning controls in the Sydney Local Environmental Plan 2012 and Sydney development Control Plan 2012 detailing the controls for building heights, floor space and setbacks.

The City's statutory planning controls provide the framework for development within the City of Sydney. They include controls on, *inter alia*, land uses, density, heights, car parking and heritage.

2.3 MACROECONOMIC TRENDS

Sydney is one of Australia's two global cities. It is consistently ranked amongst the top global cities by various think tanks and universities and was identified as amongst the 20 most important global cities in 2022 (Global Power City Index 2022; Kearney Global Cities Index 2022; Global Financial Centres Index 2022).

The Sydney CBD is a fundamental driver of Sydney's global importance. It is influenced by a myriad of macro-economic factors at a global and national level. This section examines some of the key trends influencing activity in the Study Area.

Following historic falls in economic output and employment during 2020-21 as a result of the COVID-19 induced recession, the global economy rebounded strongly with pent up demand resulting in high levels of consumption during 2022. There is nevertheless uncertainty and headwinds ahead in the near and medium term.

Macroeconomic Environment

Following historic falls in economic output and employment during 2020-21 as a result of the COVID-19-induced recession, the global economy has rebounded strongly with pent up demand resulting in high levels of consumption during 2022. High levels of demand coupled with supply bottlenecks and Russia's invasion of Ukraine resulted in sharp rises in global inflation.

In the 12-months to October 2022, inflation rose by 7.3% across Australia (ABS, 2022). In response, the Reserve Bank of Australia (RBA) commenced monetary tightening in May 2022 seeing the cash rate rise from 0.1% in April 2022 to 3.1% in December 2022. This significant rise in interest rates is having noticeable impacts on the economy, with falls in housing prices, dwelling approvals and commencements and investment activity.

Deciphering the current economic context is difficult. The outlook for the global economy is particularly uncertain, with the war in Ukraine, fears of recession in the United States and the recent reopening of the Chinese economy following 2-years of full lockdown measures, proving particularly challenging for forecasters. In Australia, the outlook is also uncertain given that monetary policy operates with a lag and that the full effect of the sharp rise in interest rates is yet to be felt in mortgage payments. It is likely that further increases to the cash rate will occur in the first half of 2023. The path to balancing a fall in inflation and achieving a soft landing for the economy remains fragile.

Notwithstanding these limitations, the key economic indicators which would influence demand, supply and investment into the Sydney CBD's (including the Study Area) property market are outlined in **Table 2.1.**

Table 2.1: Key Economic Indicators

GLOBAL ECONOMY TO SLOW
The International Monetary Fund (IMF) has forecasted global GDP to rise by 2.7% over in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

UNEMPLOYMENT AT 3.5%
After a peak of 7.5% in June 2020, national employment has declined and is at historic lows with a rate of 3.5% recorded in November 2022. Labour shortages are having significant impact on many industries, particularly hospitality.

CASH RATE AT 3.1%
The RBA raised the cash rate in December 2022 by a further 0.25% to 3.1% - the 8th consecutive month of increases. The 'Big 4' Australian lenders (CBA, WPC, NAB, ANZ) are currently forecasting the cash rate to peak in Q2 2023 at between 3.35% and 3.85%.

BOND RATES RISING
Rises in interest rates have resulted in international and domestic bond rates rising commensurate. US bond yields are at 3.5%, and Australian 10-Year Treasury bond yields are at 3.7% (Bloomberg, 2023). Rises in bond yields will drive a resetting in commercial property values.

NATIONAL GDP TO SOFTEN
Following growth of 3.8% in the 2022, the IMF expects Australian GDP growth to slow to 1.9% in 2023 and 1.8% in 2024 before rising to 2.0% in 2025. This remains higher compared to the average growth expected in other advanced economies.

POPULATION GROWS 1.1%
The Australian population grew by ~291,000 in the year to June 2022, representing growth of 1.1%. Net overseas migration accounted for ~58% of growth. Population growth over 2020-2022 has been the lowest levels for 30-years.

AUD BELOW AT US $0.70
The Australian dollar remains low, hovering around US$0.67 over Q4 2022 – its lowest levels since February 2020. The Australian dollar has been progressively declining over the past two years where it has been falling from $US0.81 in January 2018. This has contributed to the attractiveness of Australian real estate to international investors given its low geopolitical risk.

INTERNATIONAL VISITORS RETURNING
Following the lifting of the international travel ban to Australia in December 2021, international visitor numbers have been steadily increasing. In October 2022, 430,000 short-term visitor arrivals were recorded (just 40% of the December 2019 peak). International visitation is expected to grow strongly over the next 2-years with the lifting of travel restrictions in China.

Source: ABS (2022)/Bloomberg (2023/IMF (2022)

2.4 SPECIFIC TRENDS

There are specific trends that have the potential to influence land use and activity within the Study Area. These trends are broad (demographic, economic) and could have to have both positive and negative implications.

Whilst not an exhaustive, a selection of the key trends with direct relevance to the Study Area are outlined below.

Photo by City of Sydney

The Rise of Asia

The rise of Asia, including China, India and a mix of Southern and South-East Asian nations, is well documented. The 'Asian Century' is a well-known concept originally coined in the 1980s and refers to the dominant role that Asia nations will play in the 21st century.

The Asian Century is well underway. China is already the world's largest economy by some economic measurements, whilst Asian GDP is expected to be 50% of global GDP by 2040 (McKinsey, 2019). The growth of Asia is resulting in a burgeoning middle class with high levels of discretionary income.

The Study Area has benefitted from this growth through an increase in international students, skilled migrants and tourists, with the Chinatown precinct being a key 'gateway' for these cohorts.

Migration Patterns

Australia is recognised as an 'immigration nation'. Since 1945, some 8.7 million people have immigrated to Australia. Until recently, the United Kingdom (UK) had been the primary source country for permanent migration to Australia. However, over the past decade, Asian nations (particularly China and India) surpassed the UK as Australia's key source of migrants.

As at 2021, almost 28% (1 in 4) of Australian residents were born overseas (ABS, 2022). An even greater proportion of Greater Sydney residents were born overseas (39%), and ~20% were born in Asian countries. This influx of Asian immigration has influenced economic activity and housing demand, particularly in the larger urban areas of Sydney and Melbourne.

The Study Area has in particular become a major hub for Greater Sydney's Asian community, with some 73% of residents born in Asia.

Consumer Dynamics and Demand for Experiences

Technology and the rise of e-commerce has fundamentally changed the way we shop. Amplified by the COVID-19 pandemic, online retail has resulted in many retailers reducing their physical floorspace footprint, or moving their store entirely online.

This has shifted the purpose of a retail store. While it once existed strictly as a place to transact, retail stores have started leveraging experiences to customers rather than products.

The concept of 'experiential retail' refers to retail offerings which prioritise customer engagement through in-store experiences which are immersive and shareable. In a post COVID-19 world, experiential retail offerings will be needed to meet contemporary consumer expectations.

The Study Area has traditionally been occupied by legacy businesses with a long history and connection to the area.

A long history can be a vulnerability if businesses do not keep abreast of consumer expectations to remain contemporary/ relevant. This is particularly important given the tech savvy nature of the Study Area's customer base.

Shifting Modes of Transport

A significant pipeline of infrastructure projects is being planned and delivered across the Sydney CBD, improving accessibility by public transport.

The CBD and South East Light Rail was completed in December 2019 and includes several stops within the Study Area (Haymarket, Chinatown). Whilst the light rail has improved connectivity to the Study Area, it also caused business disruption due to road closures and pedestrian walking trails. Permanent changes to the road network have impacted the Study Area.

The Central Precinct Renewal Program is facilitating major urban renewal and coincides with the upgrades of Central Station as part of the Sydney Metro rollout.

Flexible Working

Whilst already occurring prior to COVID-19, the working from home (WFH) trend has been turbo-charged over the past 2-years. Many office-based workers who traditionally commuted daily for long periods are now working from home more frequently.

In December 2022, occupancy levels in the Sydney CBD were recorded at 59%. Peak occupancy is observed on mid-week days (Tues-Weds-Thurs), with occupancy around 75%. A return to pre-pandemic occupancy levels is not expected.

Given the shift to flexible working is a permanent structural shift, the loss of weekday trade for CBD businesses will necessitate an increase in patronage from other cohorts (e.g., residents, visitors). Whilst the Study Area does not comprise a large cluster of office workers, CBD workers form an important component of its overall customer base.

Competition from Suburban Centres

Sydney has been shaped by migration. In the past 30 years a number of suburbs have become home to an increasing number of people migrating from Asian countries. Whilst Haymarket comprises one the largest concentrations of Asian-born residents (i.e. the percentage of local residents born in Asia), other suburbs across Greater Sydney have much larger Asian-born populations, notably Auburn, Hurstville, Epping, Campsie, Chatswood, Cabramatta and Burwood.

Land use and business activity in these suburban centres is shaped by the cultures of their residents. The Asian food and retail experiences in these suburbs has expanded.

Historically the Study Area was the primary location for authentic Asian cuisine, produce and experiences in Greater Sydney. Now, other suburban centres compete with the Study Area for customers and investor interest. This competition is particularly apparent in the older demographic who no longer need to commute into the Sydney CBD for specific goods/services.

Whilst these centres are a compelling offer for Greater Sydney residents, the Study Area still has an advantage with the tourist visitor cohort (one of the Study Area's key audiences) due its location in Central Sydney.

International Students

Australia's world-class university and vocational education system have attracted a significant number of international students over the past two decades. International student numbers peaked in 2019 at 756,000, with roughly 38% of those located within NSW (Department of Education, 2023).

Following the outbreak of COVID-19 in Q1 2020, many international students returned to their home countries. Total international student numbers fell to 570,000 in 2021 – a 25% decline compared to the 2019 peak. In 2022, international student numbers grew marginally following the lifting of vaccination requirements for international student visa holders in July 2022. By December 2022, international student visa holders had returned to 78% of pre-COVID levels (Department of Education, 2023).

The outlook for the return of international students is strong. Student visa applications are at pre-pandemic levels and will be buoyed by the reopening of China in Q1 2023.

As a major hub for international students, the Study Area was significantly impacted by the decline in international students and will benefit from their anticipated return.

Growth of Southern CBD

The Central Station State Significant Precinct (SSP) is being led by the NSW Government to renew 24 hectares of land in and around Central Station into a new technology precinct and residential hub.

The precinct is set to comprise ~250,000sqm of commercial office floorspace by 2036 (accommodating some 16,000 workers) and has already secured several anchor occupiers, including Atlassian, the National Space Industry Hub and Cicada. In the more immediate term, some 186,000sqm of office floorspace is set for completion by 2026.

The Study Area will benefit from the significant uptick in workers and residents to be accommodated within the precinct.

The growth of the Southern CBD is also supported by the Central Sydney Planning Strategy (CSPS). The CSPS designates a series of 'tower cluster' areas where skyscrapers up to 330m would be permitted.

Along with the delivery of the Central SSP, take-up of development opportunities (i.e. tower clusters) within the Study Area will help reshape the profile of the Southern CBD (including the Study Area) which has traditionally been considered as the least attractive commercial precinct within the broader CBD.

3. PRECINCT OVERVIEW

This Chapter carries out a detailed analysis of the Study Area using a broad mix of datasets to understand the characteristics of its local population (including residents, students, workers, visitors), the quantum, quality and role of various land uses, the nature of pedestrian and visitor activity and ongoing development activity.

3.1 SUB-PRECINCTS: CHARACTER AND ROLE

The Study Area is vast, accounting for almost a fifth of the overall Sydney CBD. It comprises a broad mix of land uses, building typologies and public spaces, with parts of the Study Area having a distinct function and character.

To reflect the diversity of the Study Area in terms of location, function and role, seven sub-precincts are defined.

Precinct 1: Dixon Street

Precinct 1 (Dixon Street) is defined as the area bounded by Liverpool Street in the north, Harbour Street in the west, Hay Street in the south and George Street. Precinct 1 serves as the historic heart of Chinatown, encom-passing Dixon Street and Little Hay Street. Comprising a mix of apartment buildings, hotels and low-rise commer-cial buildings, it is characterised by a dense, fine grain ground plane and high concentration of food and beverage operators.

Comprising the core Chinatown area, Precinct 1 has historically been a major visitation drawcard for both do-mestic and international tourists. It plays a predominantly hospitality-orientated role to price conscious students and tourists, in addition to being a culturally significant area to Greater Sydney's Asian community.

Precinct 2: Darling Square

Situated on the former Entertainment Centre and car park site immediately south of Darling Harbour, Precinct 2 (Darling Square) encompasses the newly developed 'Darling Square' mixed-use precinct and Chinese Garden of Friendship. Completed in 2019, Darling Square comprises a mix of high-rise apartment buildings, commercial office buildings, a 4-star hotel, public square and library.

The precinct is highly attractive, featuring a modern food and beverage and retail offering on the ground plane with a network of fine grain laneways. The precincts food and beverage offering is generally at a higher price point compared to Precinct 1, and serves a mix of residents, workers and visitors.

Precinct 3: Kent and Sussex Streets

Encompassing parts of Sussex and Kent Streets, bounded by Bathurst Street in the north and Liverpool Street in the south, Precinct 3 has been a natural northward extension of the historic Chinatown area in Precinct 1. It comprises a mix apartment buildings, hotels and commercial buildings with a diverse mix of Asian-orientated retailers. It is anchored by the Events Cinema on George Street and also encompasses Regent Place; a modern, food and beverage-orientated shopping arcade at the base of two-high rise apartment buildings.

Similar to Precinct 2, Precinct 3 services a broad user mix including visitors, CBD workers and residents.

Precinct 4: Koreatown

Bounded by Elizabeth Street, Bathurst Street, George Street and Liverpool Street, Precinct 4 growing Koreatown – a hub of Korean restaurants, cafes, karaoke bars and retailers. Comprising a mix of commercial office buildings, hotels/serviced apartments and modern apartment buildings, Precinct 4 is an important pedestrian throughfare located midway in the Sydney CBD. Precinct 4 predominantly services local CBD workers and CBD residents.

Precinct 5: World Square

Focused around the World Square Shopping Centre and mixed-use precinct, Precinct 5 comprises three city blocks and is bounded by Liverpool Street, Elizabeth Street, Goulburn Street and George Street. In addition to a mix of residential and commercial towers, World Square comprises over 16,500sqm of retail floorspace and is anchored by a major supermarket, multiple national retailers and food court. As a major shopping destination in the Sydney CBD, Precinct 5 services a relatively young demographic and includes a broad mix of CBD students, visitors and CBD workers.

Precinct 6: Thai Town and Capitol Theatre

Comprising four city blocks, Precinct 6 encompasses the Capitol Theatre and emerging 'Thai Town' precinct along Campbell Street. It includes several major hotels, commercial office buildings, the Federal Circuit and Family Court of Australia and high concentration of Thai restaurants and speciality retailers. The Capital Theatre and Capitol Square building is a major attractor for the precinct. Precinct 6 functions as key dining, entertainment and commercial precinct and services a broad mix of tourists, CBD workers and residents.

Precinct 7: Market District

The historic market district of the Sydney CBD, Precinct 7 is focused around Paddy's Markets and immediately south of the Chinatown precinct at the southernmost end of the Study Area. It comprises a broad mix of Asian retailers, restaurants, grocers in addition to several commercial office buildings and apartment buildings and is located immediately north of Central train station.

Like Precinct 1, Precinct 7 is a historical tourist destination for both domestic and international visitors and has a complementary role with Precinct 1 – many of the restaurants in Chinatown sourcing produce from retailers in Precinct 7. Precinct 7 also plays an important role in servicing the neighbouring university campuses to the south and accordingly plays a broad role for tourists, CBD workers, students and residents.

Figure 3.1 illustrates the defined boundaries of the seven sub-precincts within the overall Study Area.

Figure 3.1: Sub-Precincts, Study Area
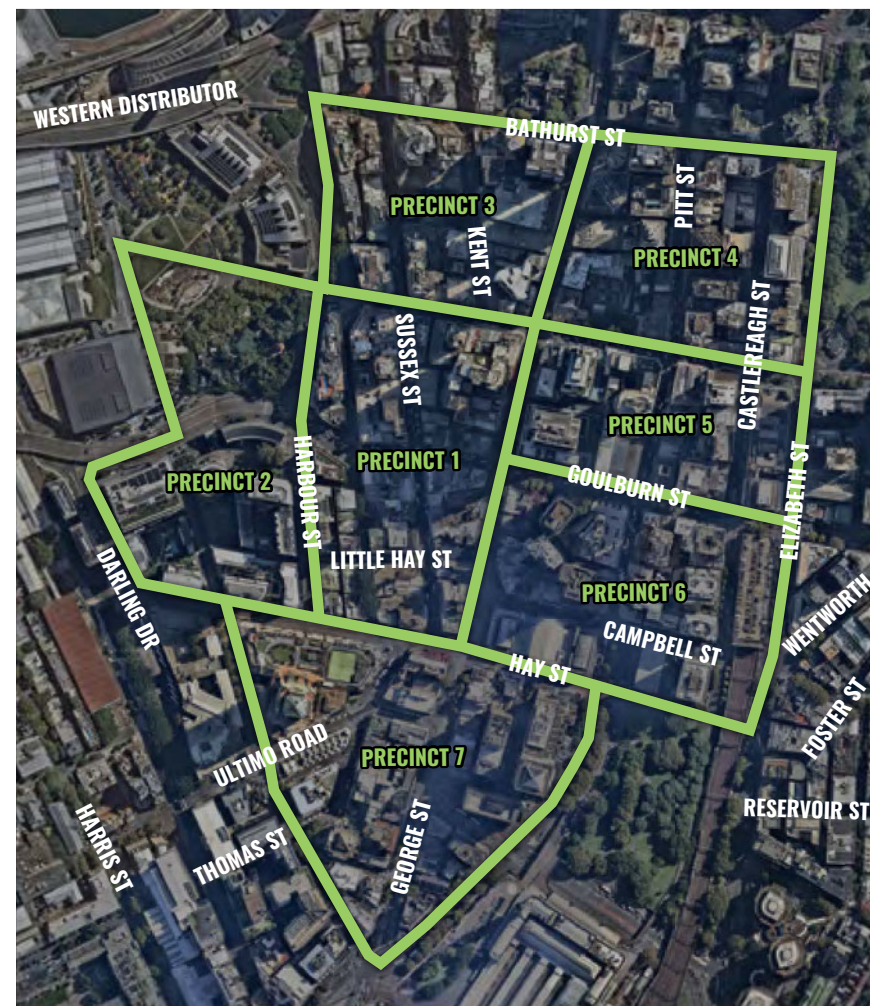
Source: Location IQ

3.2 KEY AUDIENCES

By virtue of its location, history, and industry mix, the Study Area plays a diverse role to a mix of cohorts, or 'audiences'. What the Study Area is to each of these audiences has evolved and changed over time, influenced by the demographic and economic trends discussed in Chapter 2.

Residents
The Study Area is one of the largest residential clusters within the Sydney CBD and accommodates one of the largest concentrations of Asian-born residents in Australia.

Workers
The Study Area forms part of the Sydney CBD – Australia's largest employment precinct – and is characterised by a large professional and population-serving workforce.

Visitors
The Study Area – in particular the Chinatown area (Precinct 1) – is a significant tourism precinct and has historically attracted visitation from international and domestic tourists.

Students
Located proximate two of Sydney's largest university campuses and a major vocational campus, the Study Area plays a role in servicing the CBD's international student population.

The profile of each of these 'key audiences' is examined in turn.

Photo by City of Sydney

3.2.1 RESIDENT PROFILE

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 (large regions comprising multiple local government areas) 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.

For the purpose of analysing the socio-demographic profile of the Study Area and its various sub-precincts, a number of SA1 geographies have been identified which align with the defined boundaries of the sub-precincts shown in **Figure 3.1.**

Based on the 2021 Census, the following headline socio-demographic findings are identified.

Population Size and Density

The Study Area has a population of approximately 16,300 residents, accounting for almost 60% of the total Sydney CBD resident population. Precinct 3 (Kent and Sussex Streets) has the largest population of ~4,100 residents, with Precinct 7 (Market District) comprising the smallest population of ~1,050 residents.

At some 51ha, the Study Area has a population density of circa 326 residents/ha. This level of population density is amongst the highest in Australia and is comparable (in density terms) to precincts within other global cities such as Manhattan, New York City (320 residents/ha), Hotel-de-Ville, Paris (~181 residents/ha) and Chuo-ku, Tokyo (~167 residents/ha).

When considered at the CBD-scale however, the Sydney CBD accommodates a lower population density.

Population Growth

Over the past decade to 2021, the Study Area recorded growth of circa 3,200 residents (equating to average annual growth of 2.2%). The majority of this growth occurred over the 2011-2016 period, with the onset of the COVID-19 pandemic in March 2020 resulting in widespread population declines in many of the Study Area's sub-precincts.

With the exception of modest population growth in Precinct 4 (Koreatown), and strong growth in Precinct 2 (Darling Square), all sub-precincts recorded a fall in resident population over the 2016-2021 period.

In the suburb of Haymarket (slightly smaller than the boundaries of the Study Area), ABS data (2022b) suggests a decline of some 500 residents over the 2020-2021 period.

Atlas ECONOMICS

Age and Ethnic Background

Residents in the Study Area are generally young to middle aged, with over 70% of residents aged between 20 and 39 years. The average age is recorded at 33 years, notably younger than the Sydney average (38 years).

The Study Area is characterised by a highly diverse ethnic population, with over 83% of residents born overseas, with approximately 73% of residents born in Asia. This represents one of the largest hubs of Asian-born residents and, as a percentage of the local resident population, is significantly higher than other localities with high concentrations of Asian-born residents, such as Cabramatta (56.1%), Burwood (47.6%), Eastwood (45.7%), Chatswood (43.7%) and Hurstville (40.3%).

The local Asian resident population is diverse, with key countries of birth including China and Hong Kong (~2,800 residents), Thailand (~2,800 residents), Indonesia (~2,500 residents) and South Korea (~500 residents).

Household Composition

The most common type of household within the Study Area is couples without children, accounting for almost half of all households. Lone person households are the second largest household cohort at 20%, followed by couples with children (18%). The average household size is 2.3 persons, smaller compared to the Greater Sydney average of 2.7 persons.

Income Levels

The average household income in the Study Area is recorded at just over $120,000 per annum, slightly below the Greater Sydney average of $125,000.

Tenure Profile

The overwhelming majority of households in the Study Area are renters, accounting for approximately 76% of households. In Precinct 1, Precinct 2 and Precinct 6, almost 80% of households are renters.

Overall, the Study Area is characterised by a young and middle-aged resident profile, predominantly of Asian background and living in smaller households. Residents are typically middle-income earners, with most households being renters.

Table 3.1 summarises the socio-economic profile of the Study Area's resident population as at the 2021 Census.

Table 3.1: Socio-Economic Profile of Local Residents (2021), Study Area

				HAYMARKET/CHINATOWN PRECINCT						
Characteristic	Precinct 1	Precinct 2	Precinct 3	Precinct 4	Precinct 5	Precinct 6	Precinct 7	Total Study Area	Greater Sydney Average	Australia Average
People										
Age Distribution (% of Pop'n)										
Aged 0-14	4.0%	4.5%	5.1%	5.1%	4.7%	3.4%	7.2%	**4.7%**	18.3%	18.0%
Aged 15-19	1.1%	3.1%	2.2%	2.3%	2.1%	1.3%	2.4%	**2.0%**	5.6%	5.7%
Aged 20-29	36.7%	48.3%	39.6%	32.1%	29.3%	35.2%	30.0%	**37.2%**	14.2%	13.3%
Aged 30-39	35.9%	28.3%	32.5%	32.6%	37.1%	36.8%	26.5%	**33.2%**	16.0%	14.6%
Aged 40-49	12.7%	7.8%	10.6%	11.9%	11.7%	12.3%	14.1%	**11.3%**	13.6%	13.0%
Aged 50-59	4.7%	3.8%	5.4%	8.0%	6.8%	5.2%	6.3%	**5.5%**	12.0%	12.5%
Aged 60+	4.9%	4.2%	4.6%	7.9%	8.4%	5.7%	13.4%	**6.1%**	20.4%	23.0%
Average Age	33.5	30.4	32.4	35.0	35.2	34.0	36.2	**33.4**	38.4	39.5
Birthplace (% of Pop'n)										
Australian	13.0%	15.4%	15.3%	22.0%	21.5%	13.3%	19.3%	**16.4%**	60.6%	72.0%
Overseas	87.0%	84.6%	84.7%	78.0%	78.5%	86.7%	80.7%	**83.6%**	39.4%	28.0%
- Asia	76.0%	73.2%	74.9%	57.9%	64.3%	77.5%	74.7%	**72.1%**	20.3%	12.1%
- Europe	2.9%	3.4%	3.4%	7.0%	4.0%	2.1%	0.5%	**3.4%**	6.9%	7.2%
- Other	8.1%	8.0%	6.4%	13.1%	10.3%	7.0%	5.5%	**8.1%**	12.2%	8.7%
Family										
Average Household Size	2.4	2.0	2.5	2.1	2.1	2.7	2.6	**2.3**	2.7	2.5
Family Type (% of Pop'n)										
Couple with dep't children	17.5%	13.9%	21.6%	13.6%	18.3%	23.9%	24.1%	**18.7%**	47.8%	44.2%
Couple with non-dep't child.	3.4%	0.9%	1.7%	4.7%	3.0%	3.0%	4.1%	**2.6%**	8.9%	7.7%
Couple without children	49.3%	53.4%	45.4%	43.7%	43.6%	43.7%	42.3%	**46.5%**	21.1%	23.8%
Single with dep't child.	3.7%	5.3%	4.0%	6.9%	6.0%	4.8%	5.9%	**5.0%**	7.7%	8.6%
Single with non-dep't child.	1.4%	1.1%	1.9%	2.6%	2.9%	2.6%	2.8%	**2.0%**	4.2%	4.0%
Other family	4.6%	4.1%	6.0%	3.0%	4.3%	6.0%	5.1%	**4.9%**	1.1%	1.0%
Lone person	20.0%	21.3%	19.3%	25.4%	21.8%	16.1%	15.7%	**20.2%**	9.2%	10.8%
Employment										
Income Levels										
Average Per Capita Income	$52,178	$60,628	$55,382	$69,146	$63,608	$44,949	$50,208	**$56,168**	$60,644	$55,301
Per Capita Income Variation	-14.0%	0.0%	-8.7%	14.0%	4.9%	-25.9%	-17.2%	**-7.4%**	n.a.	n.a.
Average Household Income	$118,378	$108,283	$127,709	$130,227	$120,315	$118,497	$114,714	**$120,352**	$125,158	$109,594
Household Income Variation	-5.4%	-13.5%	2.0%	4.1%	-3.9%	-5.3%	-8.3%	**-3.8%**	n.a.	n.a.
Housing										
Tenure Type (% of Dwellings)										
Owned	18.5%	17.8%	19.7%	24.3%	25.8%	19.8%	34.7%	**21.4%**	62.3%	67.4%
Rented	79.6%	79.9%	77.6%	73.2%	72.1%	78.4%	60.9%	**76.2%**	36.1%	30.8%
Other Tenure Type	1.9%	2.3%	2.7%	2.5%	2.1%	1.8%	4.4%	**2.4%**	1.6%	1.8%
Dwelling Occupancy (% of Dwellings)										
Occupied Dwellings	89.9%	79.8%	80.3%	72.0%	79.4%	87.6%	83.2%	**81.3%**	91.7%	89.9%
Unoccupied Dwellings	10.1%	20.2%	19.7%	28.0%	20.6%	12.4%	16.8%	**18.7%**	8.3%	10.1%

Source: ABS (2022)

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The employment profile of local workers within the Study Area can be analysed using the ABS Census. The smallest geographies available to analyse employment data from the Census are geographies known as Destination Zones (DZs). For the purpose of analysing the employment profile of the Study Area and its various sub-precincts, a series of DZs have been selected which broadly align with the defined sub-precinct boundaries in **Figure 3.1.** The chosen DZ geographies are slightly larger than the defined Study Area.

WORKER CHARACTERISTICS

The following key findings on the employment profile of the Study Area are considered pertinent to the Study.

Worker Density

The Study Area has a worker population of ~38,900 workers, circa 12% of the total Sydney CBD. Approximately 70% of workers are located within Precincts 4, 5 and 7– reflective of the number of large office towers within these precincts. Precinct 1 (Dixon Street) is one of the smallest employment locations – accounting for 6% of employment (~2,400 workers).

The Study Area recorded a worker density in the order of 695 workers/ha. Worker densities range across the sub-precincts; Precinct 1 (Dixon Street) is at the lower end with some 293 workers/ha with Precinct 5 (World Square) at the upper end with just over 2,000 workers/ha.

An overall worker density of 695 workers/ha is reflective of the lower concentration of office towers within the Study Area compared to the broader Sydney CBD, which recorded a density of 1,080 workers/ha in 2021. Worker densities in the Sydney CBD are higher than that recorded in Australia's second largest CBD (Melbourne; 1,030 workers/ha) but lower than other global cities such as London CBD (~2,000 workers/ha).

Commuting Patterns

In all sub-precincts, the most common method of commuting to work is via train with bus and private vehicle the other key methods of travel. As at the 2021 Census, approximately 65% of workers (~25,100) worked from home.

Employment Growth

The Study Area recorded a decline in employment over 2016-2021, falling by some 1,500 jobs (decline of ~4%). Precinct 1 (Dixon Street) and Precinct 7 (Market District) recorded the largest declines (-1,600 workers and -1,100 workers respectively), with their retail and hospitality sectors significantly impacted by the COVID-19 pandemic.

Conversely, the broader Sydney CBD recorded positive employment growth over 2016-2021 period (23,000 jobs; 5% increase) albeit this was markedly lower than that observed over 2011-2016 (76,000 jobs; 32% growth).

Age Distribution

Workers in the Study Area are generally middle aged, with 56% aged between 30 and 49 years. The average worker age is 40.4 years (compared to the Sydney CBD at 39.6 years). Precinct 2 (Kent and Sussex Streets) recorded the youngest average worker (38.4 years), with Precinct 5 (World Square) the oldest at 41.0 years.

Key Industries

Knowledge intensive industries are the major employers within the Study Area – accounting for over 60% of total employment. Population-serving sectors (such as retail trade and food and accommodation services) account for almost 20% of local employment. Precinct 5 (World Square) has the highest concentration of population-serving employment within the Study Area, accounting for a quarter of the Study Area's population serving workers.

Occupation Profile and Income Levels

Almost 40% of all workers in the Study Area are professionals, whilst managers and clerical and administrative workers account for over 39%. This trend is observed within all of the Study Area's sub-precincts.

The average worker income in the Study Area is just over $104,000 per annum, below the broader Sydney CBD average of $122,000. The lowest income levels are observed within Precinct 1 (Dixon Street) at $68,000.

Overall, the Study Area is characterised by middle aged, lower income workers working in professional, managerial, clerical and administrative positions. Workers do not generally earn the same level of income as observed elsewhere in the CBD.

Photo by City of Sydney

Table 3.2: Profile of Local Workers (2021), Study Area

	HAYMARKET/CHINATOWN STUDY AREA								
Characteristics	**Precinct 1**	**Precinct 2**	**Precinct 3**	**Precinct 4**	**Precinct 5**	**Precinct 6**	**Precinct 7**	**Total Study Area**	**Worker - Syd CBD Average**
Worker Population									
2021 Population (15+)	2,413	2,091	2,867	10,249	10,706	4,377	6,154	38,857	343,048
Male (%)	48.2%	53.9%	53.2%	49.6%	50.6%	46.6%	50.4%	50.1%	52.9%
Female (%)	51.8%	46.1%	46.8%	50.4%	49.4%	53.4%	49.6%	49.9%	47.1%
Age Distribution (% of Pop'n)									
Aged 15-19	1.9%	1.2%	3.2%	1.1%	0.9%	0.7%	0.9%	1.2%	0.8%
Aged 20-29	24.9%	23.6%	26.1%	20.4%	20.0%	20.3%	18.2%	20.8%	22.0%
Aged 30-49	49.4%	60.1%	51.6%	56.9%	54.9%	55.7%	58.2%	55.7%	57.9%
Aged 50-64	19.0%	14.1%	15.8%	18.9%	20.4%	19.7%	19.8%	19.1%	17.0%
Aged 65+	4.8%	1.0%	3.2%	2.7%	3.9%	3.6%	2.8%	3.3%	2.3%
Average Age	40.0	38.4	38.5	40.3	41.0	40.8	40.8	40.4	39.6
Weekly Income (%)									
Average Income ($)	$68,563	$110,915	$84,912	$112,180	$109,243	$99,143	$108,503	$104,542	$122,373
Occupation (%)									
Managers	19.0%	21.1%	18.3%	22.2%	20.3%	17.9%	19.9%	20.3%	21.1%
Professionals	28.0%	36.4%	28.7%	41.5%	38.5%	39.9%	43.4%	38.7%	46.1%
Technician and Trades	7.3%	4.2%	7.7%	3.7%	4.0%	6.2%	4.3%	4.7%	3.9%
Community and Personal Services	11.1%	5.9%	14.9%	4.0%	3.9%	4.0%	3.8%	5.3%	3.2%
Clerical and Administrative	16.6%	25.2%	11.6%	16.1%	22.7%	21.4%	16.9%	18.9%	16.6%
Sales	9.9%	2.2%	10.1%	5.5%	6.0%	4.1%	4.3%	5.7%	4.6%
Machinery Operators and Drivers	0.7%	0.3%	1.1%	2.7%	0.4%	0.8%	1.4%	1.3%	0.6%
Labourers	5.0%	3.0%	5.4%	2.2%	1.9%	3.6%	3.5%	2.9%	2.0%
Inadequately Described/Not stated	2.4%	1.7%	2.2%	2.1%	2.1%	1.9%	2.4%	2.1%	1.9%
Transport (%)									
<u>One Method</u>									
- Train	13.0%	8.0%	12.8%	6.9%	9.7%	9.0%	8.0%	8.9%	6.9%
- Bus	2.5%	1.9%	2.4%	1.7%	2.3%	1.8%	1.4%	1.9%	1.9%
- Car, as driver	10.6%	4.7%	17.4%	6.6%	6.7%	9.1%	4.9%	7.6%	4.6%
- Car, as passenger	2.5%	0.5%	1.5%	0.6%	0.8%	1.0%	0.6%	0.9%	0.5%
- Walk Only	7.8%	4.4%	4.6%	1.5%	2.8%	4.5%	2.8%	3.2%	1.4%
- Other One Method	2.0%	1.2%	1.6%	1.8%	1.4%	1.5%	0.9%	1.5%	1.4%
Total One Method	38.2%	20.6%	40.4%	19.0%	23.7%	27.0%	18.6%	24.0%	16.8%
Worked at home	40.9%	70.0%	41.0%	71.3%	67.3%	61.2%	70.2%	64.7%	74.2%
Did not go to work	20.6%	9.0%	18.1%	9.4%	8.6%	11.5%	10.9%	10.9%	8.7%
Method of Travel not stated	0.2%	0.4%	0.6%	0.3%	0.4%	0.4%	0.4%	0.4%	0.3%

Source: ABS (2022)

Atlas ECONOMICS

ECONOMIC VALUE BY INDUSTRY

Value added is an indicator of business productivity and illustrates how productive a particular industry or location is at increasing the value of its inputs. In simple terms, it is the difference between the price of a product or service and the cost of producing it. The price is determined by what customers are willing to pay based on their perceived value.

In 2020-21, the Study Area is estimated to have generated value added in the order of $6.54 billion, equivalent to approximately 5.3% of the total value added generated in the Sydney LGA (NIEIR, 2022). Unsurprisingly, knowledge intensive sectors are estimated to account for some 69% of total value added in the Study Area – knowledge intensive industries typically being highly productive sectors in value added terms.

Across the Study Area, Precincts 4 (Koreatown) and 5 (World Square) are the primary sources of value added – reflecting their large and professional industry base. Precinct 1 (Dixon Street) recorded the lowest level of value added which is a result of its larger concentration of retail and other population-serving industries.

Table 3.3: Estimated Employment and Value Added by Sub-Precinct

Sub-Precinct	Employment		Value Added	
	No.	% of Total	$ (m)	% of Total
Precinct 1: Dixon Street	2,415	6.2%	$361.5	5.5%
Precinct 2: Darling Square	2,100	5.4%	$590.9	9.0%
Precinct 3: Kent and Sussex Streets	2,864	7.4%	$487.0	7.4%
Precinct 4: Koreatown	10,260	26.4%	$1,656.9	25.3%
Precinct 5: World Square	10,726	27.6%	$1,767.2	27.0%
Precinct 6: Thai Town and Capitol Theatre	4,394	11.3%	$834.0	12.7%
Precinct 7: Market District	6,163	15.8%	$847.7	13.0%
Total Study Area	**38,922**	**100.0%**	**$6,545.1**	**100.0%**

Source: NIEIR (2022), sourced from .id

3.2.3 VISITOR PROFILE

Visitation and tourism data for Greater Sydney is collected from Tourism Research Australia's (TRA) Visitor Surveys. The Chinatown Tourism Precinct is a defined tourism precinct and broadly aligns with the suburb boundaries of Haymarket.

The most recent tourism data recorded for the Chinatown Tourism Precinct is for March 2022. This latest dataset only includes survey results for domestic visitors – international surveys at a small area level have not yet recommenced. The most recent data on Chinatown's international visitor cohort is from TRA's December 2019 International Visitor Survey.

DOMESTIC VISITORS

In the 12 months to March 2022, there were approximately 0.5 million domestic overnight visitors to Chinatown, representing 9% of Greater Sydney's overnight visitors. This represents an annual increase of 42% compared to 2021 (during the height of the COVID-19 pandemic), though remains less than half the peak of domestic visitation observed in both 2019 and 2020 (1.1 million domestic overnight visitors in both years).

Key observations from the March 2022 domestic visitor survey are:

- Circa 30% of domestic overnight travellers are observed from Regional NSW, with a further 30% from Victoria.

- Almost a third of domestic overnight travellers are aged 29 years and younger, with 20% aged between 30 and 39 years.

- Holidaying is the core reason for visiting Chinatown (over 50% of domestic overnight travellers), followed by visiting friends and family (VFR) at 24% and business reasons (20%). This trend aligns with that observed pre-COVID-19.

- The primary activity of choice for domestic overnight visitors is eating out at restaurants/cafes (84%), followed by shopping (34%) and sightseeing (30%).

INTERNATIONAL VISITORS

In the year to December 2019, there were circa 1.6 million international overnight visitors to Chinatown, with similar annual visitation levels over the 2016-2018 period. Key observations include:

- The key source markets for international visitation to Chinatown included China (27%), the USA (9%), the UK (6%), Hong Kong (5%) and Japan (5%).

- Some 43% of international visitors to Chinatown had previously travelled to Australia.

- ~40% of international overnight travellers were aged between 15 and 29 years, with 20% aged 30-39 years.

- Approximately half of all international visitors to Chinatown were solo travellers,

- Holidaying is the core reason for visiting Chinatown (64% of international overnight travellers), followed by visiting friends and family (VFR) at 23% and education (10%).

- The primary activity of choice for domestic overnight visitors is eating out at restaurants/cafes (94%), followed by shopping (85%) and sightseeing (81%).

In the 12 months to March 2022, there were approximately 0.5 million domestic overnight visitors to Chinatown, representing 9% of Greater Sydney's overnight visitors.

Atlas
ECONOMICS

3.2.4 STUDENT PROFILE

The Study Area is situated proximate three major educational establishments:

University of Technology
The University of Technology Sydney (UTS) City Campus is predominantly situated south-west of the Study Area with its 20 buildings located within sub-precincts – Broadway, Blackfriars and Haymarket (the latter located in the Study Area's Precinct 7). In 2021, the UTS City Campus recorded a student population of just over 34,300.

University of Notre Dame
The University of Notre Dame Broadway Campus is located south-west of the Study in the neighbouring suburb of Chippendale, approximately a 13-minute walk from Paddy's Markets (within Precinct 7). Accommodating the Schools and Departments of Arts and Sciences, Business, Education, Law, Philosophy and Theology, the campus is estimated to accommodate some 5,800 students as at 2021.

TAFE Ultimo
Located immediately west in neighbouring Ultimo, the TAFE Ultimo campus is the largest vocational campus within NSW and includes a broad range of courses., including a purpose-built hair and beauty academy. It is estimated the campus accommodates a total of 27,500 students.

Overall, it is estimated there are some 67,600 students located in and around the Study Area across the three establishments. When including the University of Sydney campus located in Camperdown (some 1.5km south-west of Paddy's Markets; a 20-minute walk), the Study Area would record a student population catchment in the order of ~128,000 enrolled students.
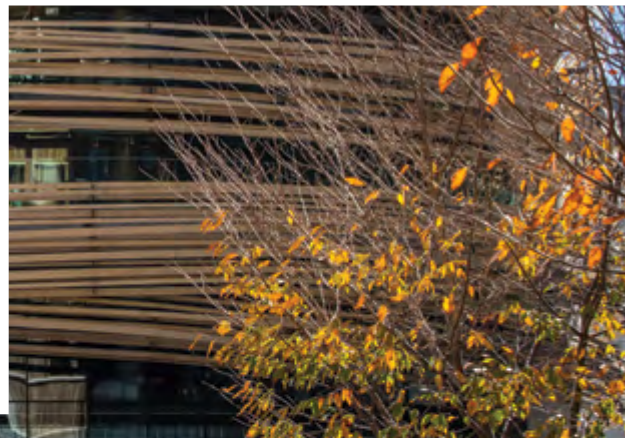
3.3 BUSINESS CHARACTERISTICS

Business activity within the Study Area is analysed using the Australian Business Register (ABR) dataset from the Australian Taxation Office (ATO) [1]. A Statistical Area 2 (SA2) boundary – Sydney South-Haymarket – has been selected for the purpose of this analysis. This SA2 is slightly larger than the defined boundaries of the Study Area, incorporating the Darling Quarter precinct and western side of Darling Harbour.

3.3.1 BUSINESS SIZE

The Sydney South-Haymarket SA2 recorded a total of almost 8,100 businesses in 2021. Approximately 60% of these businesses were 'non-employing' businesses, which are sole proprietorships and partnerships without employees. It is highlighted that some of these non-employing businesses may not be physically located within the Sydney South-Haymarket SA2 as they reflect place of business registration.

Micro businesses (e.g. businesses with 1-4 employees) account for 28% of other businesses. Just 3% of local businesses employ more than 20 employees.

An additional ~240 businesses were recorded over the 2020-2021 period, reflecting growth of 3%. Most of this growth was observed in micro businesses, with an +326 businesses recorded (offset by a decline of 97 non-employing businesses).

[1] The ABR dataset differs from the City of Sydney's Floor Space and Employment Survey given it includes non-employing businesses.

Figure 3.2: Business Size (2017-2022), Sydney South-Haymarket SA2
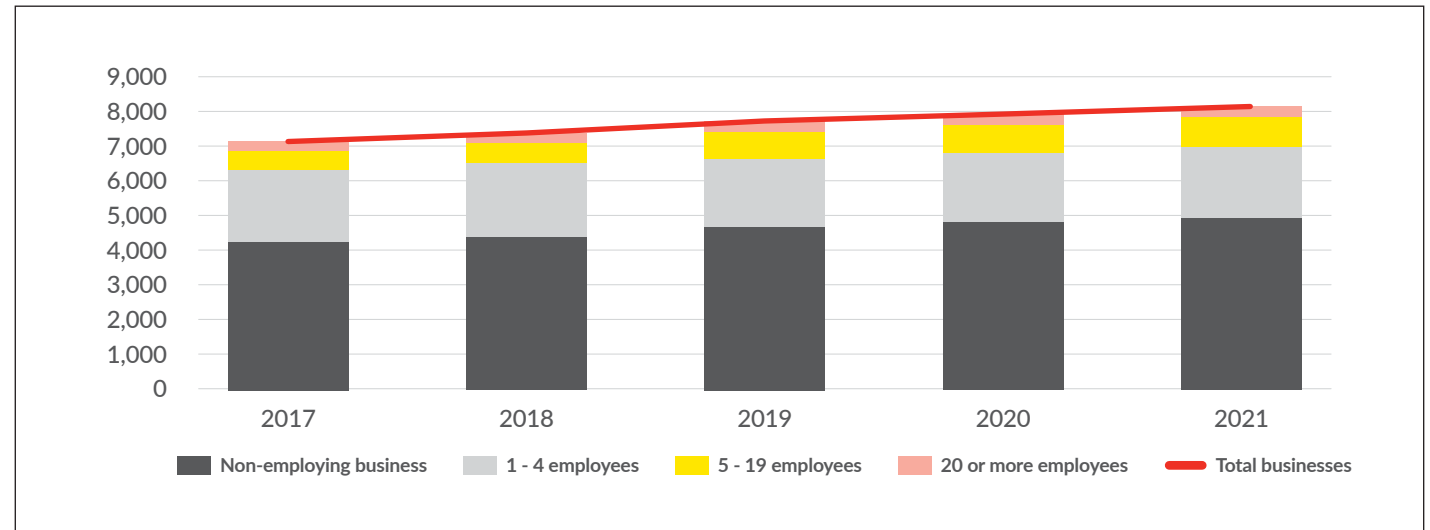
Source: ATO (2022)

Figure 3.3: Business Entries and Exits (2018-2021), Sydney South-Haymarket SA2
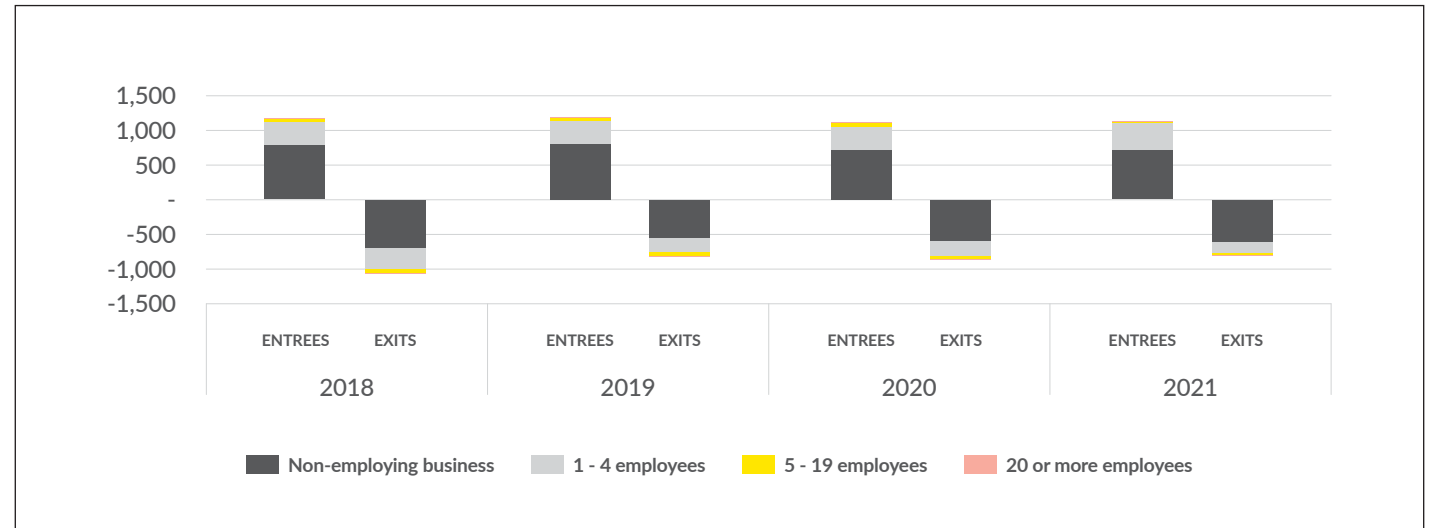
Source: ATO (2022)

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3.3.2 BUSINESS BY TURNOVER

Of the ~8,100 businesses registered within the Sydney South-Haymarket SA2, approximately 56% have turnover of less than $200,000, with a further 36% earning between $200,000 and $2m. Only a small proportion (9%) have revenue of more than $2m. This contrasts with the broader Central Sydney area, where ~20% of businesses have turnover greater than $2m.

The number and proportion of businesses earning more than $200,000 in turnover fell sharply over the 2020-2021 period, whereas the number of businesses earning <$200,000 in turnover rose. This is a direct reflection of the deterioration in trading conditions during the COVID-19 period. This also aligns with the broader Central Sydney area which similarly recorded a drop in t business turnover of more than $200,000, though the decline was more prominent in the Study Area.

Table 3.4: Business Numbers by Turnover (2017-2021), Sydney South-Haymarket SA2

Turnover Range	2017	2018	2019	2020	2021	Change (2017-2022)
Nil to less than $50k	1,702	1,676	1,765	1,769	2,076	374
$50k to less than $200k	2,050	2,075	2,197	2,310	2,426	376
$200k to less than $2m	2,654	2,793	2,880	2,908	2,875	221
$2m to less than $5m	358	380	405	431	390	32
$5m to less than $10m	154	153	182	191	134	-20
$10m or more	245	199	209	227	169	-76
Total	**7,165**	**7,277**	**7,640**	**7,842**	**8,080**	**915**

Source: ATO (2022)

3.4 LAND USE PROFILE

3.4.1 FLOORSPACE AND EMPLOYMENT SURVEY (2017)

The City of Sydney carries out a comprehensive floor space and employment survey (FES) every 5 years to coincide with the ABS Census. The survey collects data on all businesses, floor space uses and employment numbers for every building or property in the Sydney LGA.

The most recent FES was completed in 2017, with fieldwork for the 2022 FES currently underway.

Business by City-based Category

The Study Area recorded approximately 3,150 businesses as at the 2017 FES. The food and drink, retail and personal services and professional and business services categories accounted for almost half of all businesses in 2017, with finance and financial services, higher education and research and tourist, culture and leisure accounting for 22%.

Over the decade to 2007-2017, the Study Area recorded growth of some 774 businesses (33% increase), with the majority of new businesses located within Precinct 1 (Dixon Street) with an additional ~280 businesses.

Key city-based categories which drove this growth included food and drink (140 new businesses), professional and business services (135 new businesses) and higher education and research (121 new businesses).

A total of 309 vacant buildings/suites were identified, equating to a vacancy rate of 9.8%.

Figure 3.4 provides a snapshot of each sub-precincts business profile, and **Table 3.5** summarises business activity by city-based category across each sub-precincts over the 2007-2017 periods.
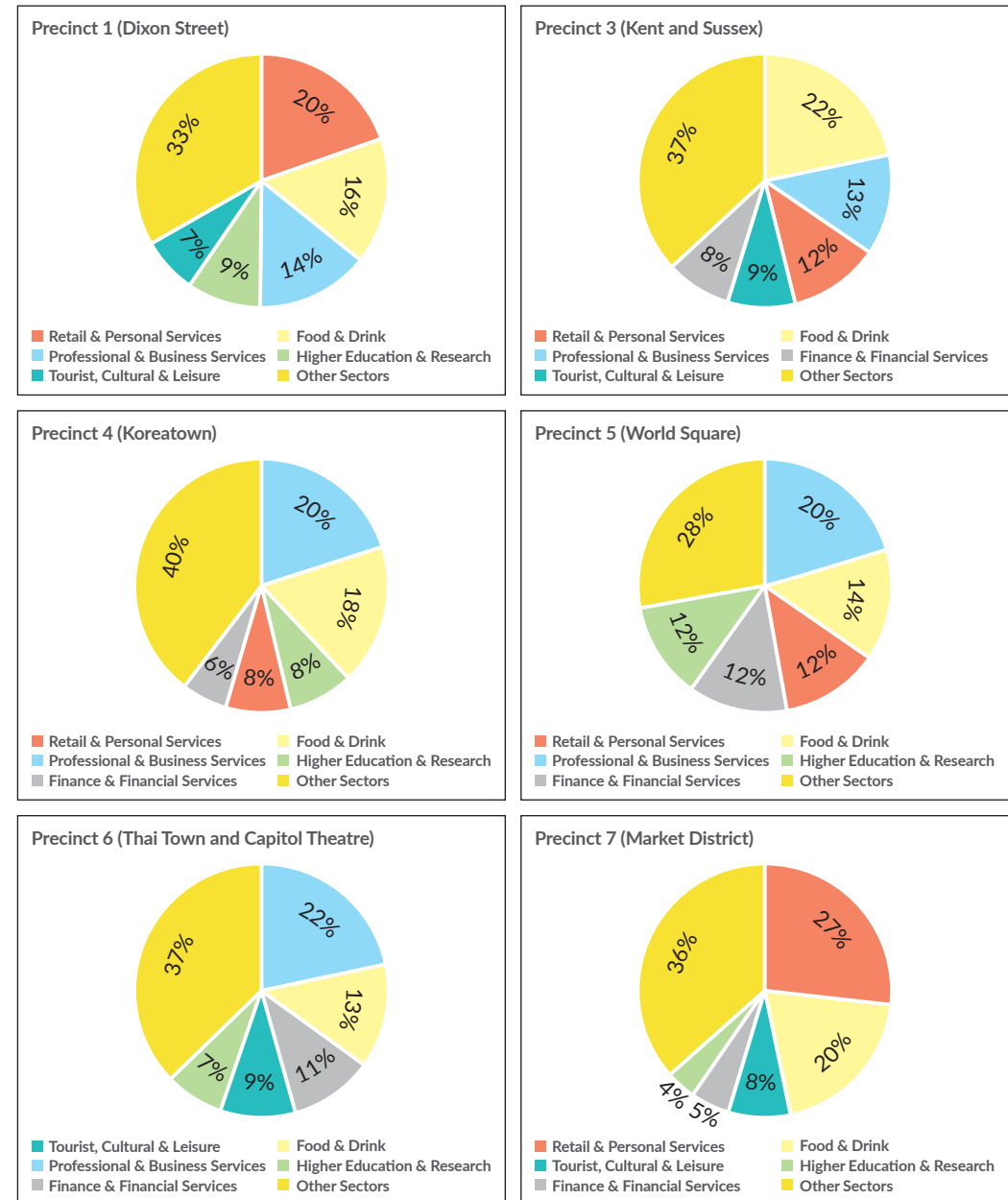
Figure 3.4: Business Profiles (2017), Sub-Precincts

Table 3.5: Business Numbers by City-based Sector (2007-2017), Study Area

City Based Category	Precinct 1			Precinct 2			Precinct 3			Precinct 4			Precinct 5			Precinct 6			Precinct 7			Study Area		
	2007	2012	2017	2007	2012	2017	2007	2012	2017	2007	2012	2017	2007	2012	2017	2007	2012	2017	2007	2012	2017	2007	2012	2017
Community							1	1	1	1	2	1			1	2	1		2	4	3	6	8	6
Creative Industries	18	14	14	2	1		12	10	12	12	13	8	12	7	9	12	14	11	11	8	8	79	67	62
Finance and Financial Services	49	48	59			1	20	25	28	22	27	26	25	37	62	32	39	42	15	21	22	163	197	240
Food and Drink	118	143	160	2	1	1	24	47	73	71	76	83	48	60	71	37	46	53	91	98	90	391	471	531
Government		1	1				1	1	1	7	11	14	4	5	8	9	8	8	7	19	8	28	45	40
Health	52	55	42				4	7	9	13	16	9	17	16	16	5	9	8	22	23	15	113	126	99
Higher Education and Research	46	42	93				5	11	21	23	23	39	11	17	31	11	27	29	14	18	18	110	138	231
ICT	20	16	15				15	8	11	17	17	16	21	14	13	15	16	17	16	16	10	104	87	82
Life Science (Bio-tech)	10	12	12					1	4	6	7	9	4	5	6	2	2	2	7	7	12	29	34	45
Manufacturing	5	2					1	2	1	4	2	1				1	3		2	2	1	13	11	3
Motor Vehicle	1	1	1				1	1	1													2	2	2
Natural Resource-Based Industries										1	1		1	1		1						3	2	0
Non-Private Households	1	1	1														1	2	2	1	3	3	3	6
Other	1	1	1																1	1	4	2	2	5
Private Households	9	9	10				8	8	8	5	5	6	5	4	4	9	10	9	9	10	9	45	46	46
Professional and Business Services	100	124	143				30	47	44	68	101	92	68	86	102	60	82	85	19	20	14	345	460	480
Property Development and Operation	28	27	45				9	9	18	10	7	20	7	17	24	15	21	18	5	4	10	74	85	135
Redevelopment			3				3	2	3	6	4	3	2	1	2	4	2	2	4	5	7	19	14	20
Retail and Personal Services	132	178	195		2	1	23	38	39	37	37	37	60	61	62	44	40	31	141	156	122	437	512	487
Social Capital	27	27	23				5	9	4	10	7	10	10	9	6	7	14	6	13	15	10	72	81	59
Tourist, Cultural and Leisure	55	59	72	1	3	3	9	22	29	24	25	20	23	25	26	25	29	37	35	35	37	172	198	224
Transport and Logistics	10	9	5	2	2		3	2	4	6	5	2	9	10	10	5	6	5	5	6	7	40	40	33
Utilities	1												1		1	1	1	1				3	1	2
Vacant	34	35	99			3	20	18	27	18	23	63	10	13	45	18	22	27	20	19	45	120	130	309
Total	717	804	994	7	9	9	194	269	338	362	409	460	337	388	498	315	393	393	441	488	455	2,373	2,760	3,147

Source: City of Sydney (2017)

Photo by City of Sydney

FLOORSPACE BY CITY-BASED CATEGORY

As at 2017, a total of some 1.48 million square metres of floorspace was recorded across the Study Area. Around a quarter (24.7%) of this floorspace was occupied by tourist, culture and leisure uses in 2017, reflecting the large cluster of hotels and serviced apartments throughout the Study Area. Government occupiers were another sizeable occupier (13% of total floorspace), reflecting the number of State government offices within parts of the Study Area (e.g. Precinct 6).

In the decade to 2017, there has been a strong rise in the quantum of floorspace occupied by:

- Tourist, Cultural and Leisure: 112,500sqm of floorspace

- Government: 62,000sqm of floorspace

- Higher Education and Research: 51,000sqm of floorspace

Conversely, sharp declines in the amount of floorspace occupied by the following city-based categories has been observed:

- Redevelopment: -111,000sqm of floorspace

- Creative Industries: -42,600sqm of floorspace

- ICT: -42,400sqm of floorspace

Figure 3.5 illustrates the change in floorspace occupied by different city-based categories over 2007-2017, with **Figure 3.6** providing a snapshot of the largest city-based sectors (by floorspace) across each sub-precinct.

Figure 3.5: Floorspace by City-based Category (2007-2017), Study Area   **Source: City of Sydney (2017)**
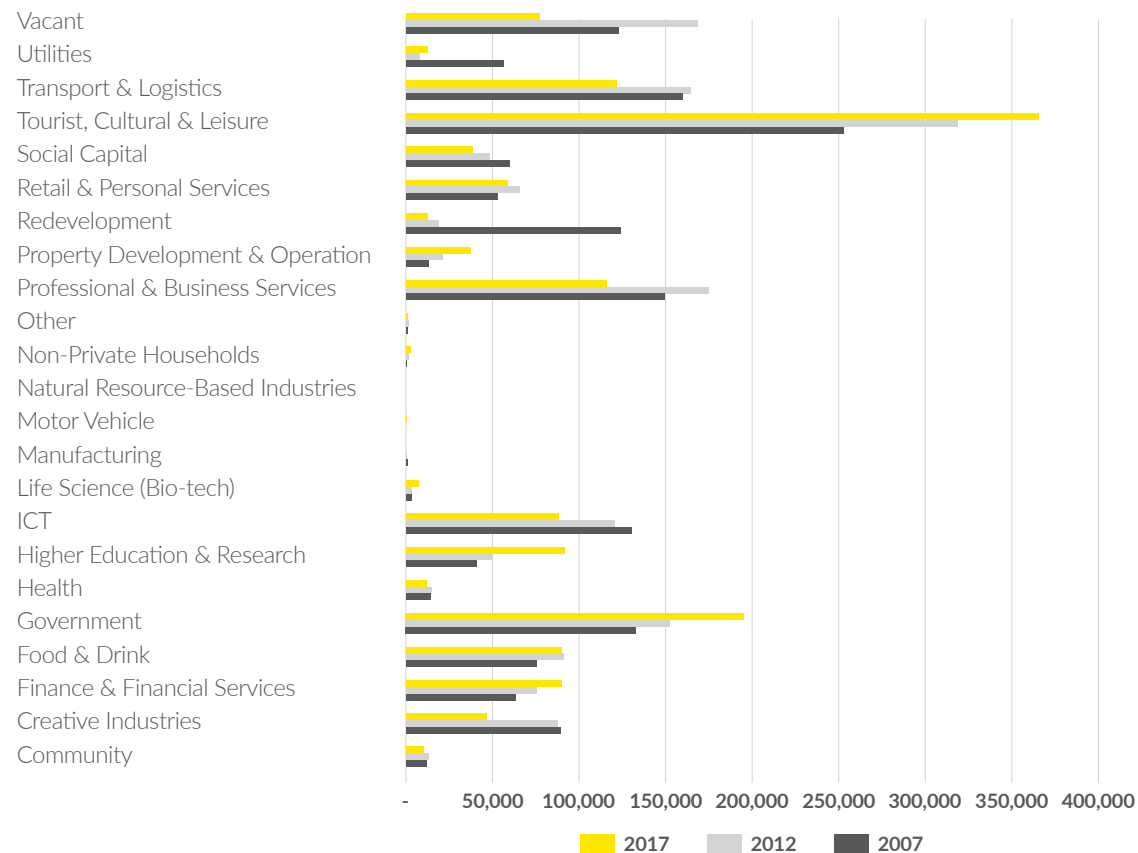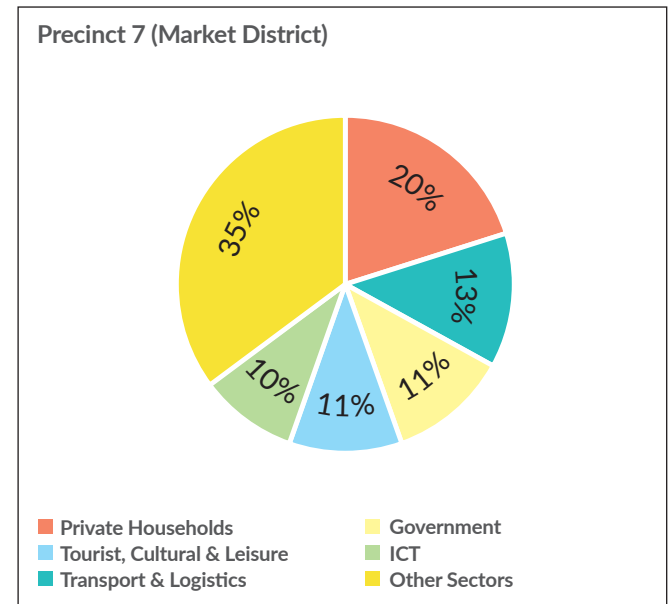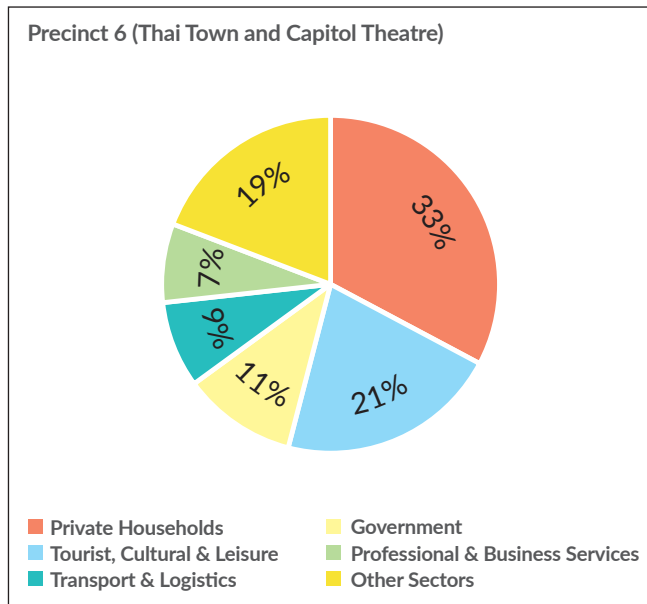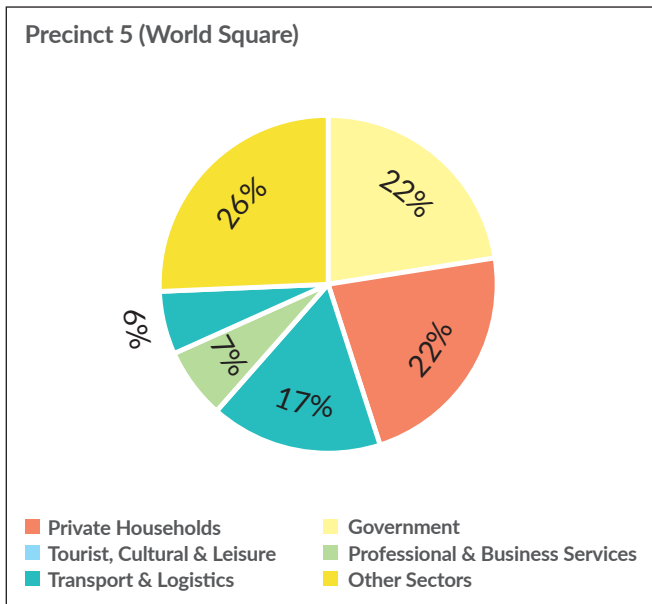
Precinct 1 (Dixon Street)

- Private Households — 33%
- Tourist, Cultural & Leisure — 21%
- Food & Drink — 10%
- Higher Education & Research
- Retail & Personal Services — 6%
- Other Sectors — 25%
- 5%

Precinct 3 (Kent and Sussex)

- Private Households — 44%
- Tourist, Cultural & Leisure — 25%
- Transport & Logistics — 7%
- Property Development & Operation — 3%
- Creative Industries — 5%
- Other Sectors — 15%

Precinct 4 (Koreatown)

- Private Households — 42%
- Tourist, Cultural & Leisure — 12%
- ICT — 11%
- Higher Education & Research — 15%
- Professional & Business Services — 11%
- Other Sectors — 9%

Precinct 5 (World Square)

- Private Households — 22%
- Tourist, Cultural & Leisure
- Transport & Logistics — 17%
- Government — 22%
- Professional & Business Services — 7%
- Other Sectors — 26%
- 6%

Precinct 6 (Thai Town and Capitol Theatre)

- Private Households — 33%
- Tourist, Cultural & Leisure — 21%
- Transport & Logistics — 9%
- Government — 11%
- Professional & Business Services — 7%
- Other Sectors — 19%

Precinct 7 (Market District)

- Private Households — 20%
- Tourist, Cultural & Leisure — 11%
- Transport & Logistics — 13%
- Government — 11%
- ICT — 10%
- Other Sectors — 35%

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3.4.2 LAND USE AUDIT (2022)

A Land Use Audit was conducted over three days in September 2022. The Land Use Audit was not carried out to the same level of detail carried out in the City's FES, with key differences being:

- Only ground level, accessible basement level, and level one tenancies were reviewed.

- Upper levels of commercial buildings were not counted.

- Interviews with occupiers were not carried and floorspace was not measured.

The purpose of the audit was two-fold:

- A detailed business audit of ground floor, basement, and mezzanine level tenancies, categorised into city-based categories, within Precinct 1 (Dixon Street) and identify key areas of change as compared to the 2017 FES.

- A general business audit of ground floor, basement, and mezzanine level tenancies, categorised into property definitions, for the broader Study Area.
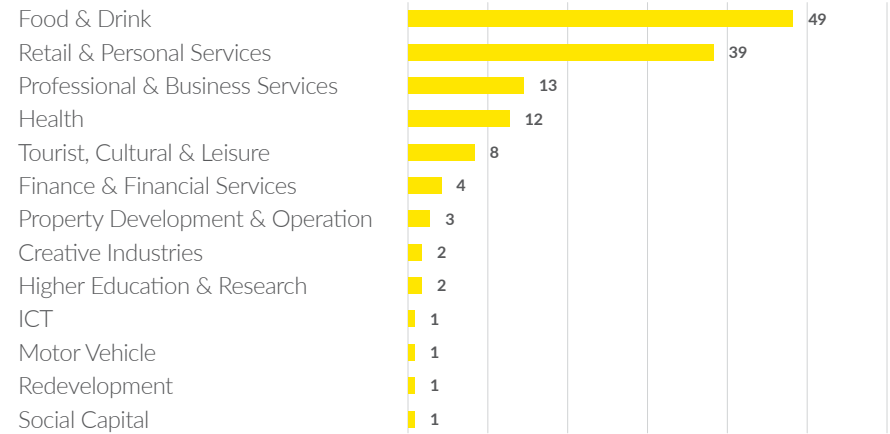
PRECINCT 1 (DIXON STREET)

A total of 373 ground floor, basement and mezzanine tenancies were identified in Precinct 1, reflecting approximately 38% of tenancies in the same precinct identified in the 2017 FES. Key findings from the audit include:

- Some 184 tenants (49% of the total) were the same as identified in the 2017 FES, whilst 189 tenants (51% of the total) were different businesses.

- Of the 189 tenants that had changed since 2017, 144 were now vacant (76% of the total change). This is inclusive of 88 vacant tenancies in Dixon House and Unison House which are poised for redevelopment. When excluding these sites, approximately 55 vacant tenancies were identified.

- Compared to the 2017 FES, key sectors which have experienced declines include food and drink (49 businesses, including restaurants Golden Century and BBQ King) and retail and personal services (39 businesses). Though the proprietors of the Golden Century restaurant have subsequently opened two new restaurants in Precinct 2.

Figure 3.7 summarises the findings of the land use audit in Precinct 1 (Dixon Street).

Figure 3.7: Change in Vacancy by City-based Category (2017-2022), Precinct 1 (Dixon Street)

Category	Value
Food & Drink	49
Retail & Personal Services	39
Professional & Business Services	13
Health	12
Tourist, Cultural & Leisure	8
Finance & Financial Services	4
Property Development & Operation	3
Creative Industries	2
Higher Education & Research	2
ICT	1
Motor Vehicle	1
Redevelopment	1
Social Capital	1

Source: Location IQ

Photo by City of Sydney

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BROADER STUDY AREA

The broader business audit identified a total of 1,379 ground level tenancies throughout the Study Area, This represents approximately 43.8% of the total tenants recorded by the City in the most recent 2017 FES (being a total of 3,147 tenants across ground floor and upper levels).

Key observations from the broader business audit include:

- Retail uses are the most common land uses located across the Study Area, accounting for ~65% of ground floor, basement and mezzanine level tenancies.

- **Food catering** is the dominant retail category with some 450 tenants identified, accounting for almost a third of all ground floor, basement and mezzanine level tenants. Food catering operators are most prevalent in Precinct 1 (Dixon Street), which accommodates almost 23% of the Study Areas' total food catering tenants. This is consistent with observations in the 2017 FES. Precinct 5 (World Square) also comprises a significant cluster of food catering.

- **Non-retail services** (e.g. banks, gyms, medical centres, etc) account for approximately 17% of tenancies, and are mostly clustered in Precinct 1 (Dixon Street) and Precinct 7 (Market District).

- **Retail services** (e.g. barbers, hairdressers, nail salons, etc) account for around 12% of tenancies, predominantly in Precinct 1 (Dixon Street) and Precinct 7 (Market District).

- A total of **252 vacant shopfronts** were identified across the Study Area (inclusive of 88 vacant tenancies in Dixon House and Unison House), equating to a vacancy rate of 18.3%. When excluding vacant shopfronts within buildings proposed for redevelopment (including Dixon House and Unison House), the vacancy rate equates to around 12% (remaining well above the healthy range of 3%-5%).
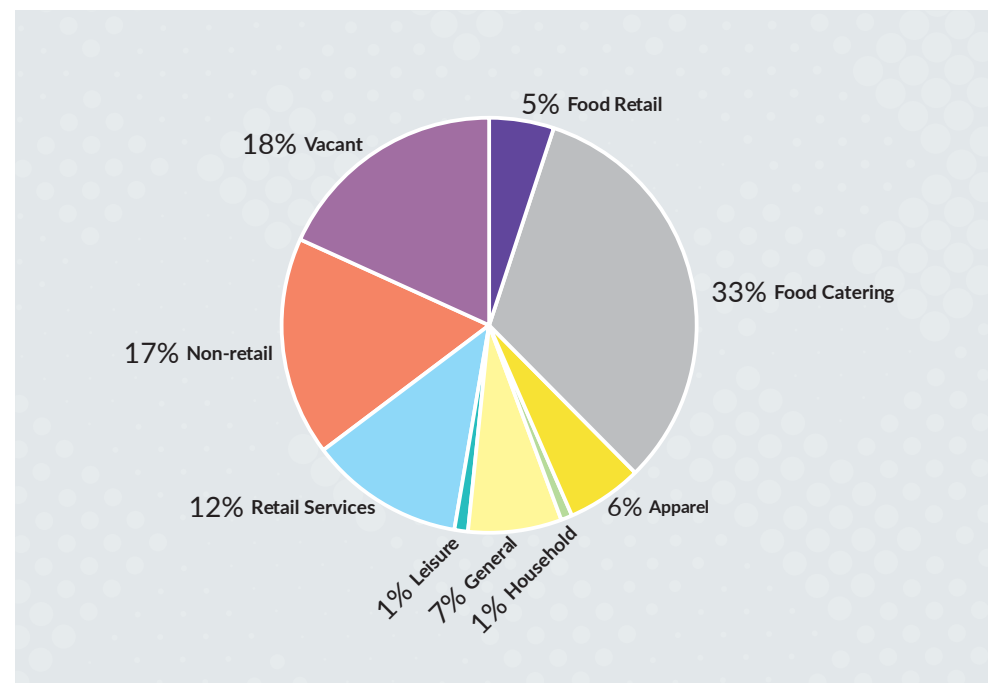
  This vacancy rate of 18.3% is also markedly higher than the retail vacancy rate recorded across the broader Central Sydney area at 6.9% (CBRE, 2022), and is higher than the vacancy rate recorded in the 2017 FES (9.8%).

- Vacancy levels are most pronounced in Precinct 1 (Dixon Street) and Precinct 7 (Market District), with vacancy rates of 26.2% and 21.5% respectively. When excluding the 88 vacant shopfronts within Dixon House and Unison House, the vacancy rate in Precinct 1 is circa 2.2%.

- Precinct 2 (Darling Square) and Precinct 3 (Kent and Sussex Streets) have the lowest vacancy rates, recorded at 2.6% and 6.4% respectively.

Figure 3.8 reflects the business composition of the broader Study Area from the land use audit.

Figure 3.8: Businesses* by Property Category (September 2022), Study Area

Pie chart segments:
- 5% Food Retail
- 33% Food Catering
- 6% Apparel
- 1% Household
- 7% General
- 1% Leisure
- 12% Retail Services
- 17% Non-retail
- 18% Vacant

*Only includes ground floor, basement and mezzanine level businesses

Source: Location IQ

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Table 3.6: Business* Numbers by Property Category (September 2022), Study Area

|	Precinct 1	Precinct 2	Precinct 3	Precinct 4	Precinct 5	Precinct 6	Precinct 7	Total
Tenancy Count (No.)								
Food Retail	12	1	2	12	11	13	18	69
Food Catering	102	43	67	61	63	41	70	447
Apparel	27	1	5	2	28	0	20	83
Household	-	-	-	-	1	7	2	10
General	27	2	7	14	18	7	26	101
Leisure	1	0	5	1	3	0	4	14
Retail Services	46	6	21	16	27	9	43	168
Total Retail	215	53	107	106	151	77	183	892
Non-retail	55	5	34	21	33	33	54	235
Vacant	96	3	17	28	32	11	65	252
Total	**366**	**114**	**265**	**155**	**216**	**121**	**302**	**1,379**
Tenancy Mix (%)								
Food Retail	3%	2%	1%	8%	5%	11%	6%	5%
Food Catering	28%	70%	42%	39%	29%	34%	23%	32%
Apparel	7%	2%	3%	1%	13%	0%	7%	6%
Household	0%	0%	0%	0%	0%	6%	1%	1%
General	7%	3%	4%	9%	8%	6%	9%	7%
Leisure	0%	0%	3%	1%	1%	0%	1%	1%
Retail Services	13%	10%	13%	10%	13%	7%	14%	12%
Total Retail	59%	87%	68%	68%	70%	64%	61%	65%
Non-retail	15%	8%	22%	14%	15%	27%	18%	17%
Vacant	26%	5%	11%	18%	15%	9%	22%	18%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

*Only includes ground floor, basement and mezzanine level businesses

Source: Location IQ

The tenancy mix assessed in **Table 3.6** provides insight into the composition of ground level business activity in each of the Study Area's sub-precincts. Each precinct comprises a high proportion of food catering uses, with retail uses generally accounting for at least 60% of all ground level tenancies. With the exception of Precinct 3 and Precinct 6, non-retail uses typically account for <20% of ground level tenancies.

The tenancy mix in each precinct does not appear to explain the differing levels of performance across the Study Area. For instance, Precinct 5 (World Square) and Precinct 7 (Market District) have relatively similar tenancy profiles, though Precinct 5 is performing well whilst Precinct 7 is experiencing high vacancy levels.

Other factors, including the quality of the current retail offering and place experience, are instead the key differences between each of the sub-precincts and more likely the reason for their current performance.
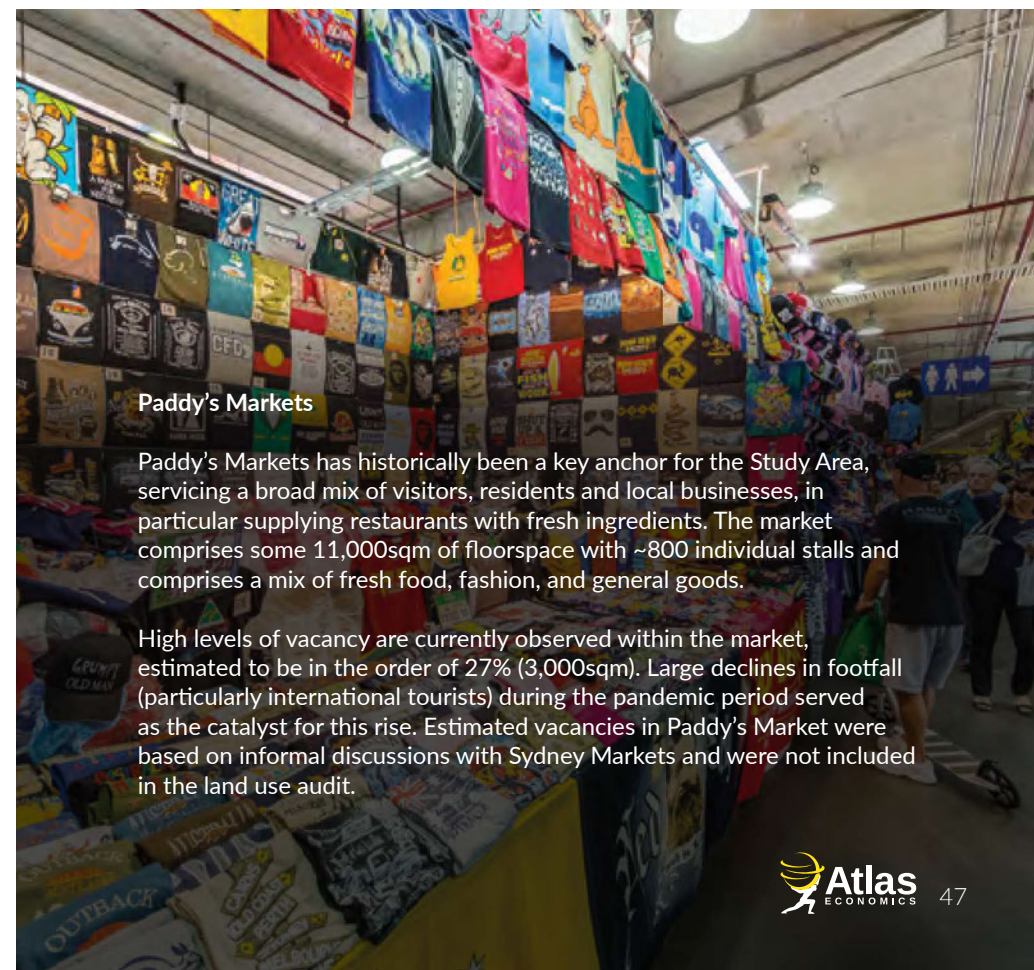
Paddy's Markets

Paddy's Markets has historically been a key anchor for the Study Area, servicing a broad mix of visitors, residents and local businesses, in particular supplying restaurants with fresh ingredients. The market comprises some 11,000sqm of floorspace with ~800 individual stalls and comprises a mix of fresh food, fashion, and general goods.

High levels of vacancy are currently observed within the market, estimated to be in the order of 27% (3,000sqm). Large declines in footfall (particularly international tourists) during the pandemic period served as the catalyst for this rise. Estimated vacancies in Paddy's Market were based on informal discussions with Sydney Markets and were not included in the land use audit.
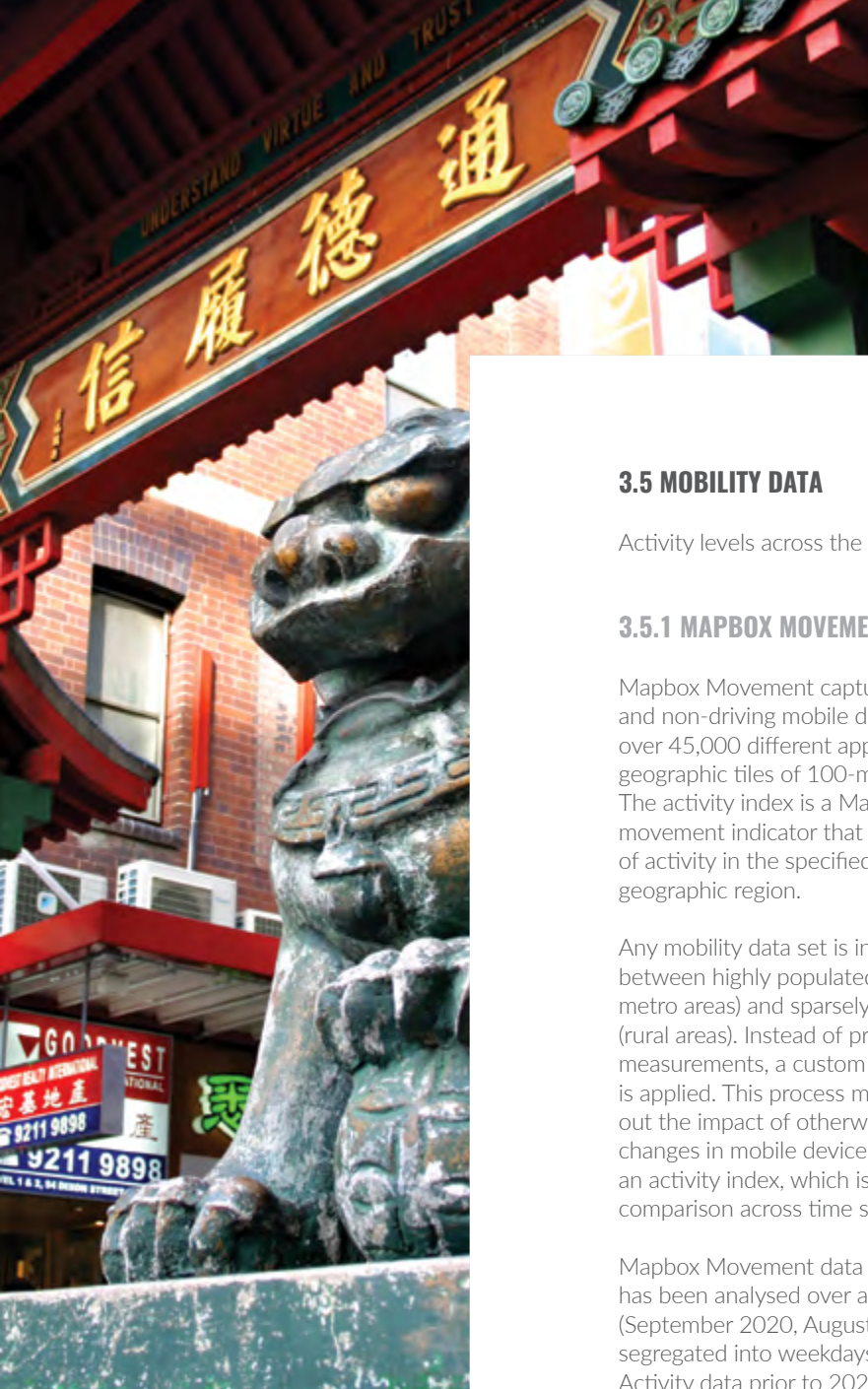
3.5 MOBILITY DATA

Activity levels across the Study Area has been analysed using Mapbox Movement and Roy Morgan mobility data.

3.5.1 MAPBOX MOVEMENT

Mapbox Movement captures significant driving and non-driving mobile device activity, from over 45,000 different apps, aggregated into geographic tiles of 100-metre resolution. The activity index is a Mapbox proprietary movement indicator that reflects the level of activity in the specified time span and geographic region.

Any mobility data set is inherently skewed between highly populated regions (urban and metro areas) and sparsely populated regions (rural areas). Instead of providing raw counts of measurements, a custom normalization process is applied. This process measures and smooths out the impact of otherwise unpredictable changes in mobile device usage and calculates an activity index, which is more appropriate for comparison across time spans.

Mapbox Movement data for the Study Area has been analysed over a yearly time series (September 2020, August 2021, August 2022), segregated into weekdays and weekends. Activity data prior to 2020 is not available.

Key findings from the activity analysis include:

- In September 2020, a medium level of activity was observed on weekdays, albeit relatively low in Precinct 1 (Dixon Street) and Precinct 2 (Darling Square). Weekend activity was markedly lower, particularly in Precinct 7 (Market Precinct).

- Unsurprisingly, activity levels fell sharply in August 2021 during the height of COVID-19-induced lockdowns with a dearth of activity over the weekend.

- Activity levels rose in August 2022 following easing of restrictions in Q4 2021, with the highest levels of weekday activity focused around Precinct 7 (Market Precinct), Precinct 4 (Koreatown), Precinct 5 (World Square) and Precinct 6 (Thai Town and Capitol Theatre).

- The key drawcards of activity throughout the Study Area appear to be Central Station (proximate Precinct 7), major hotels within Precinct 6, World Square Shopping Centre (Precinct 5) and Darling Square (Precinct 2).

- Stretching between sub-precincts, George Street is also a clear area of activity, which aligns with improvements made to the public domain of both George Street and surrounding local streets in recent years.

- Much of Precinct 1 (Dixon Street) exhibits low levels of activity on both the weekday and weekend compared to other parts of the Study Area, reflecting its lack of major destinational anchors and high levels of vacancy.

Figure 3.9: Weekday Activity (7PM, Q3 2020- Q3 2022), Study Area

7PM WEEKDAYS, SEPTEMBER 2020
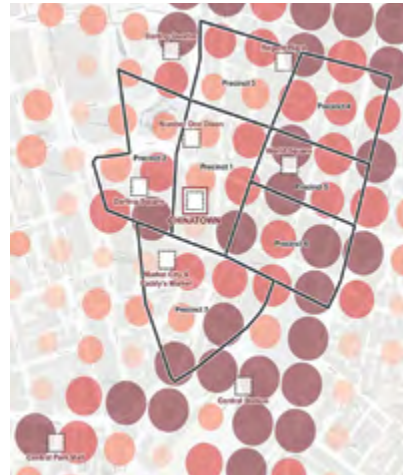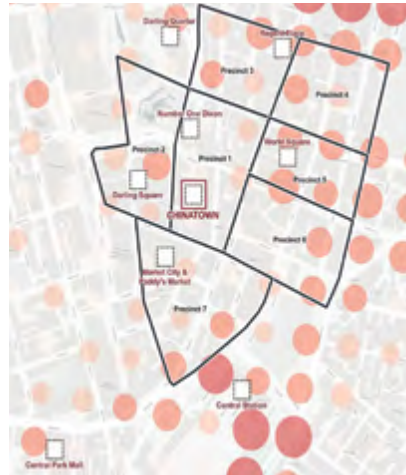
7PM WEEKDAYS, AUGUST 2021
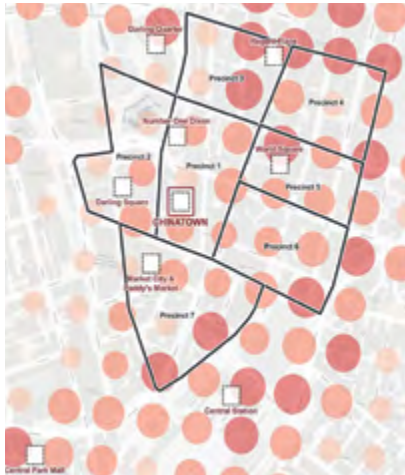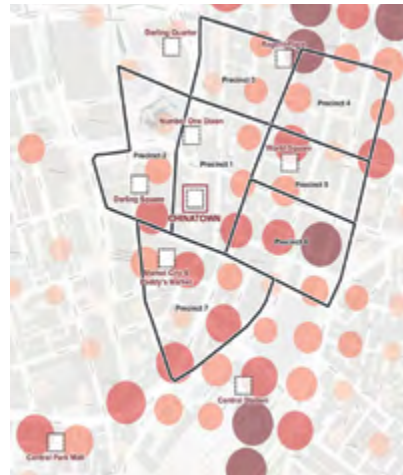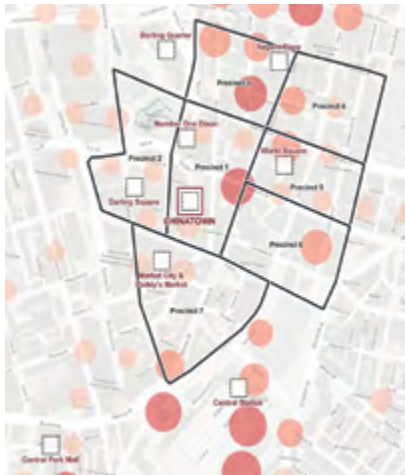
7PM WEEKDAYS, AUGUST 2022

Figure 3.10: Weekend Activity (7PM, Q3 2020- Q3 2022), Study Area

7PM WEEKEND, SEPTEMBER 2020

7PM WEEKEND, AUGUST 2021

7PM WEEKEND, AUGUST 2022

Source: Mapbox Movement (2022)

Compared to the broader Sydney CBD, the Study Area has a lower level of general activity on both the weekday and weekend, with the COVID-19 period having a greater impact on activity levels.

The Study Area also has a much lower level of day time activity (particularly AM) compared to the broader Sydney CBD, with a clear spike in activity over the 6pm-8pm period. This is reflective of the limited daytime offering present throughout much of the Study Area, particularly in areas such as Precinct 1 (Dixon Street) and Precinct 7 (Market District) which has been compounded by spikes in vacancy levels. The Study Area also does not have the same level of worker densities as elsewhere in Central Sydney.

Weekend activity levels across the Study Area are notably higher than weekday, with weekend activity levels generally peaking at 7pm. This is reflective of part of the Study Area (e.g. Precinct 1 and Precinct 7) attractiveness as a weekend tourist destination.

Photo by City of Sydney

Figure 3.11: Activity by Month (September 2020-August 2022), Study Area v Central Sydney
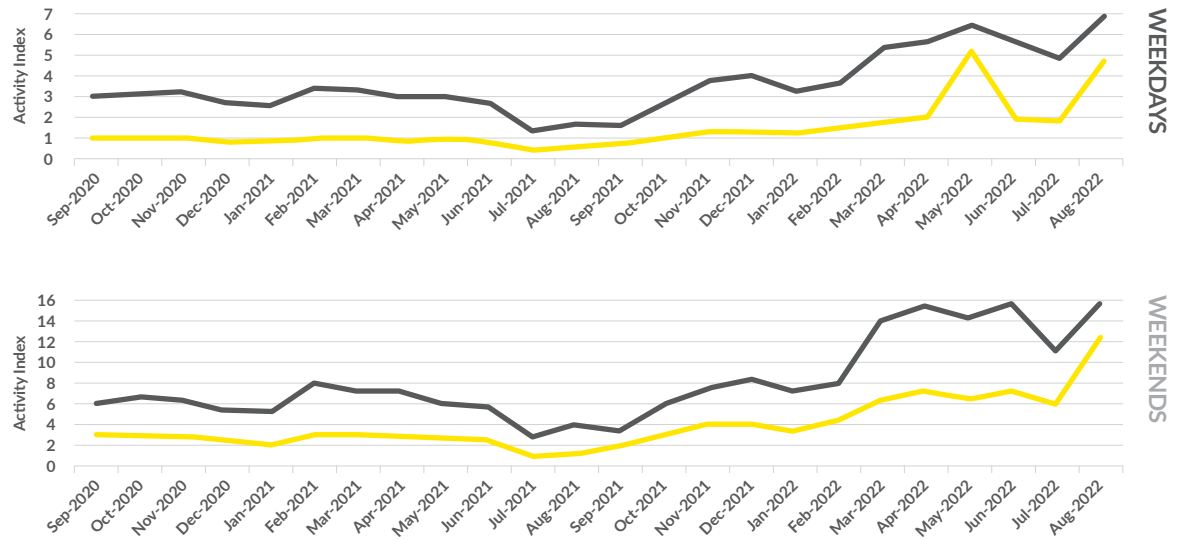
Figure 3.12: Activity by Time, Study Area v Central Sydney

Source: Mapbox Movement (2022)

Haymarket Study Area   Sydney CBD
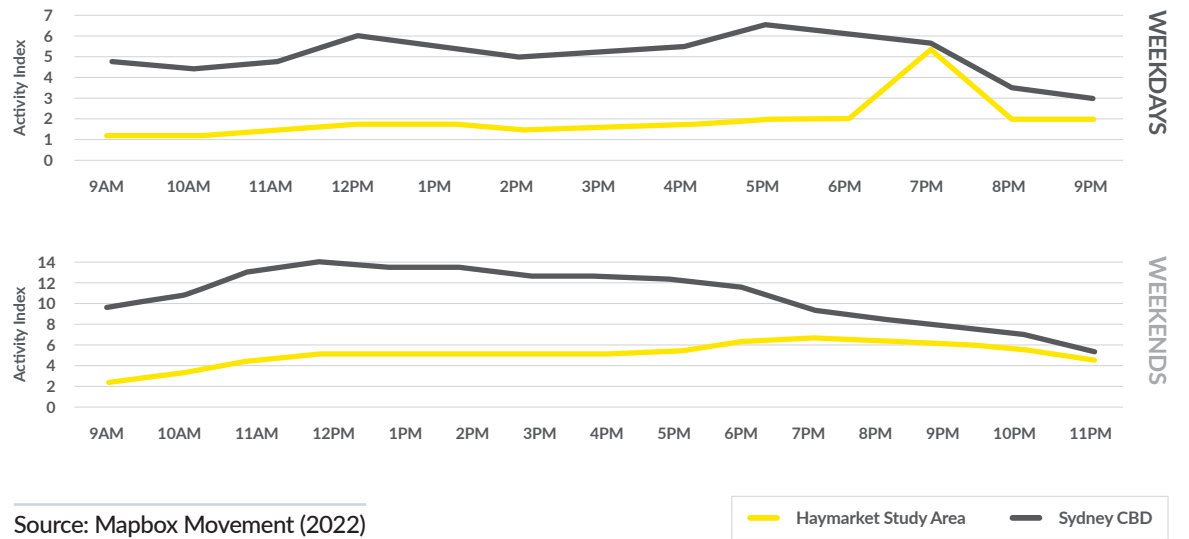
Photo by City of Sydney

3.5.2 ROY MORGAN MOBILITY DATA

Similar to Mapbox Movement, Roy Morgan (RM) mobility data provides modelled estimates of pedestrian activity by weighting raw device data to population aged 14 years and over.

The RM data has been segmented into the following categories:

Residents: users frequently observed within the Study Area with both common day time locations and common evening locations in the Sydney LGA.

Commuters: users frequently observed within the Study Area during the day but with common evening locations outside the Sydney LGA.

Visitors: users infrequently observed within the Study Area with common evening locations outside the Sydney LGA.

Whilst these cohort categories are not entirely accurate in a post-pandemic environment (i.e. CBD workers may inadvertently be classed as visitors if they frequently work from home), the overall data provides insight into activity levels throughout the Study Area.

As observed in **Table 3.7**, the Study Area has recorded a 40% fall in weekday activity levels between 2019 and 2022 – directly attributed to lockdown measures during the 2020-2021 period and ongoing working from home practices. Weekend activity levels also declined markedly with falls of some ~30%.

Table 3.7: Average Daily User Activity (2019-2022), Study Area

User Type	2019	2020	2021	2022	Difference (2019-2022)	
					No.	%
Weekday						
Commuters	42,465	21,652	14,515	16,079	-26,386	-62%
Residents	71,132	29,439	22,645	24,965	-46,167	-65%
Visitors	118,855	75,396	71,851	98,355	-20,500	-17%
Total	**232,452**	**126,487**	**109,011**	**139,400**	**-93,052**	**-40%**
Weekend						
Commuters	13,738	5,876	4,476	6,302	-7,508	-55%
Residents	62,355	26,918	21,126	23,403	40,081	-64%
Visitors	99,493	64,606	67,426	94,911	-3,521	-4%
Total	**175,587**	**97,400**	**93,028**	**124,616**	**-51,110**	**-29%**

Source: Roy Morgan (2022)

At a sub-precinct level, areas performing relatively well on the weekday (in terms of activity levels) include Precinct 2 (63% of pre-pandemic levels) and Precinct 3 (61% of pre-pandemic levels). Similarly, the areas with the highest activity levels on the weekend include Precinct 2 (82% of pre-pandemic levels) and Precinct 3 (75% of pre-pandemic levels).

Notably, both Precinct 1 (Dixon Street) and Precinct 7 (Market District) have recorded a strengthening in weekday and weekend activity levels, with activity levels between 60% and 73% of pre-pandemic levels.

Table 3.8 provides a summary of 2022 activity levels as a proportion of 2019 activity levels for each sub-precinct.

Table 3.8: Average Daily User Activity by Sub-Precinct (2022 vs 2019), Study Area

Sub-precinct	2022 Activity as a % of 2019 Activity	
	Weekday	Weekend
Precinct 1: Dixon Street	60%	73%
Precinct 2: Darling Square	63%	82%
Precinct 3: Kent and Sussex Streets	61%	75%
Precinct 4: Koreatown	55%	66%
Precinct 5: World Square	58%	67%
Precinct 6: Thai Town and Capitol Theatre	53%	58%
Precinct 7: Market District	60%	71%
Study Area	**60%**	**71%**

Source: Roy Morgan (2022)

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Photo by City of Sydney

Photo by City of Sydney

Impact of Neon Playground Event

Mobility data for 15-16 October 2022 was analysed to understand the impact of the City's Precinct Activation Grant-funded event 'Neon Playground' which ran from 15 October to 20 November. The data was compared to activity levels for 8-9 October.

The data suggests that overall activity levels were higher by some 7% on the 15-16 October compared to 8-9 October, reflective of an additional ~5,100 users.

It is likely that given the 15-16 October was the first night of the event, overall visitation levels would have been higher as the event gathered momentum.

Photo by City of Sydney

COMPARISON TO CENTRAL SYDNEY

A comparison of activity levels over 2019-2022 against those in the broader Central Sydney (i.e. Sydney CBD) area demonstrate the disproportionate impact of the COVID-19 pandemic on the Study Area.

- In the Study Area, weekday and weekend activity levels fell by 40% and 29% respectively over 2019-2022.

- By comparison, weekday and weekend activity in Central Sydney declined by 33% and 18% over the same period.

  Activity levels in Central Sydney also appear to have recovered more quickly compared to the Study Area.

- Weekday and weekend activity levels in 2022 have recovered to 67% and 82% of 2019 levels in Central Sydney.

- In the Study Area, weekday and weekend activity levels in 2022 had recovered to 60% and 71% of 2019 levels.

Table 3.9 provides a summary of daily user activity in the Study Area compared to Central Sydney over 2019-2022.

Table 3.9: Average Daily User Activity (2019-2022), Study Area and Central Sydney

User Type	2019	2020	2021	2022	Difference (2019-2022)	
					No.	%
Study Area						
Weekday	232,452	126,487	109,011	139,400	-93,052	-40%
Weekend	175,587	97,400	93,028	124,616	-51,110	-29%
Central Sydney						
Weekday	609,765	338,682	289,321	405,153	-204,153	-33%
Weekend	383,773	231,069	221,602	314,804	-68,969	-18%

Source: Roy Morgan (2022)

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3.6 SUMMARY OF ECONOMIC FINDINGS

The Study Area is major driver of economic activity. Small and microbusinesses and non-employing businesses dominate, with the Study Area contributing some $6.5 billion in economic value in 2020-21.

The Study Area comprises seven distinct sub-precincts, each with their own unique character and role. Its various sub-precincts are supported by a large and diverse mix of key audiences – residents, workers, students and tourists - which have historically supported their economic vitality.

Residents
The Study Area's 16,300 residents are predominantly young and middle-aged adults, with 83% born overseas (73% born in Asia). Most residents live in couple households with no children and almost 75% are renters.

Workers
~39,000 workers are across the Study Area, though the industry and occupation mix is diverse. Knowledge-intensive jobs are clustered in Precincts 4 and 5, with population-serving jobs in Precincts 1 and 7.

Students
An estimated 67,600 student tertiary and vocational students are located within and proximate the Study Area, with a large proportion of these being international students.

Visitors
500,000 domestic overnight visitors were recorded over the year to March 2022, with international visitors only now beginning to return.

Recent data suggests that each of these key audiences have declined – largely due to the economic shock of the pandemic. The local resident population fell by ~500 over 2020-2021, and there has been a decline of 1,500 workers over 2016-2021. Much of the worker population has transitioned to flexible working arrangements. Student and visitor numbers are still well below pre-pandemic levels, with domestic overnight visitors 50% fewer than 2019 levels.

The recent decline in key audience numbers has correspondingly driven sharp declines in footfall and activity in the Study Area. Mobility data shows that activity levels are still low, with weekday and weekend activity in 2022 some 60% and 71% below 2019 levels. Compared to the broader CBD, the fall in activity in the Study Area has been more severe.

This decline in activity has induced an uptick in ground level vacancies. A land use audit has identified 252 vacant shopfronts, equating to a vacancy rate of over 18%. Key sectors which have experienced declines include food and drink and retail and personal services.

The situation is nevertheless improving. Mobility data shows that activity rose by ~30% over the 2021-2022 period as the broader economy recovered. Activity levels along George Street appear to have risen, aligning with recent investment into public domain upgrades. Events such as 'Neon Playground' also generated an uptick in activity levels. That said, the increase in activity in Haymarket and Chinatown remains below that observed in the broader CBD.

The next Chapter explores domestic and international case studies to assist in the identification of opportunities for the Study Area.
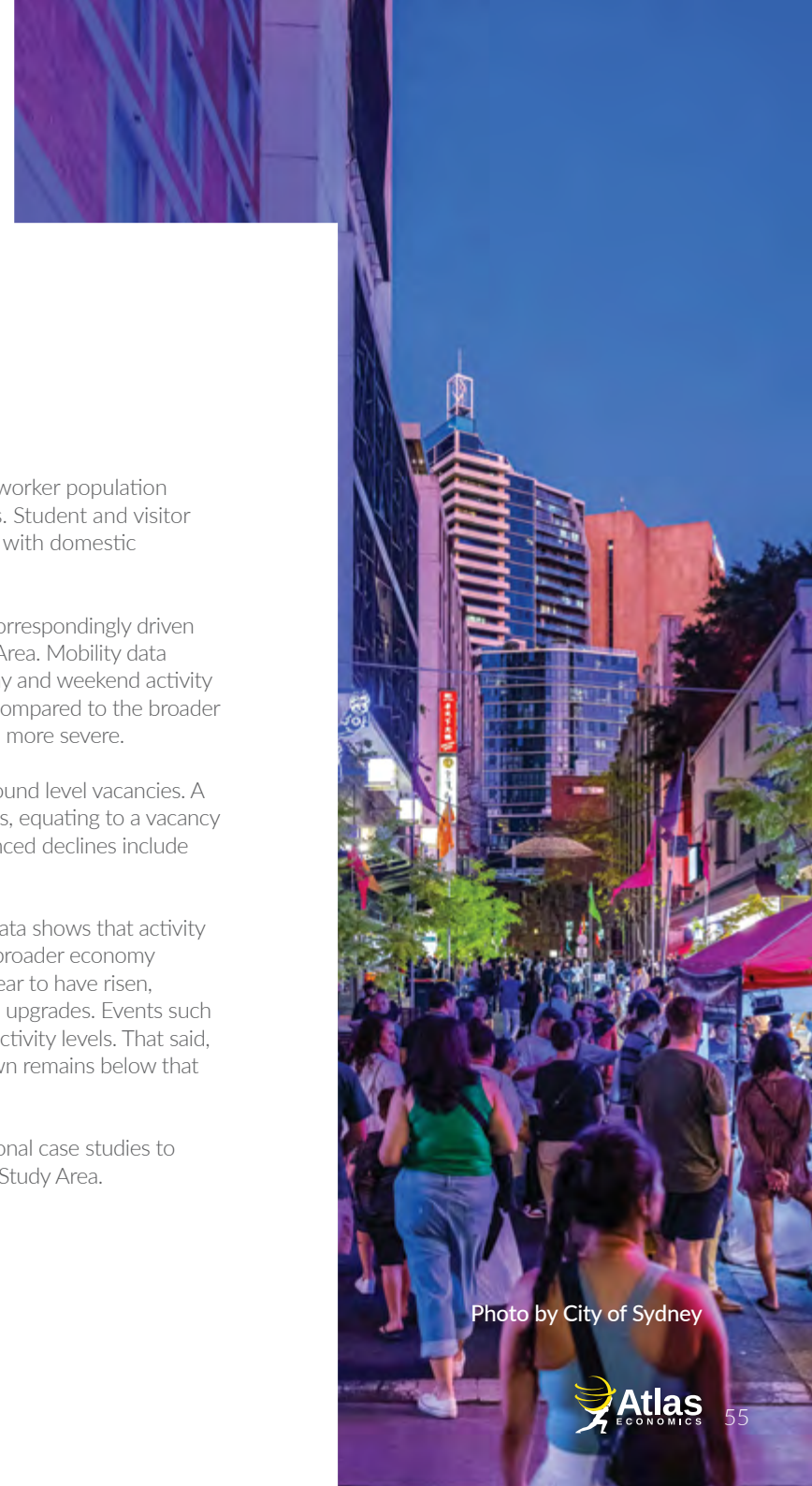
Photo by City of Sydney

4. CASE STUDY ANALYSIS

This Chapter carries out a review of relevant domestic and international case studies to identify any common challenges, characteristics of success and adopted strategies and actions which could provide learnings for the Study Area.

4.1 METHODOLOGY AND APPROACH

Whilst unique in the context of Central Sydney, the Study Area shares many similarities with other Chinatown and Asian-based precincts across Australia and internationally. Many of these comparable precincts have faced a similar set of challenges currently at play in the Study Area.

A case study analysis has been carried out to assist in the assessment of the changing role, character and function of the Study Area. Learnings from these case studies – particularly any strategies and actions implemented to improve their economic performance – will provide be useful in developing a framework for future implementation.

Case studies selected are within global cities and/or countries with advanced economies with similar social and economic structures to Australia. The case study analysis has been carried out through a mix of primary (interviews) and secondary (literature review) analysis, subject to available data.

Seven case study areas were selected for analysis, including:

- Melbourne Chinatown, Australia
- New York Chinatown, USA
- San Francisco Chinatown, USA
- Los Angeles Chinatown, USA
- London Chinatown, UK
- Edmonton Chinatown, Canada
- Singapore Chinatown, Singapore

4.2 KEY FINDINGS

The case studies examined generally shared a common history and development pattern. Many were established as small ethnic enclaves in the 1800s following large scale Chinese migration (particularly to Australia and North America during the Gold Rush periods of the 1850s).

Growth has typically been organic and unplanned, contributing to their fine grain natures and eclectic urban form. Their economies are fundamentally population-serving, with many drawing a significant amount of trade from tourism.

4.2.1 CHALLENGES AND OBSTACLES TO GROWTH

Almost all case studies have also shared similar challenges to those experienced in the Study Area, including:

- Gradual urban decline with dated buildings and public spaces;

- Obstacles to redevelopment (given disparate landowner and lot patterns);

- Poor perceptions of public safety and cleanliness;

- Competition from new precincts and disbursement of Asian population to other locations;

- Rising operational costs and decreasing rental affordability;

- Loss of major anchor occupiers during the COVID-19 period;

- Business succession risks; and

- Poor uptake of digital technology.

The outbreak of COVID-19 had a disproportionate impact on all case study precincts compared to their respective cities; with high vacancy levels and soaring business closures creating significant levels of hardship. The fundamental impact of these challenges has been a decline in consumer activity in each of the case study areas.

4.2.2 CHARACTERISTICS OF SUCCESS

The case study analysis identified a series of characteristics which were also critical to their success, notably:

- An attractive and inviting public domain and streetscape;

- Networks of narrow streets and laneways contributing to the place experience;

- Strong cultural and creative elements, including street art, murals and other cultural expressions;

- A contemporary retail and food and beverage offering at various price points provided over an extended day;

- Strong utilisation of public spaces for events and trading;

- Eclectic mix of land uses (though a clear focus on retail and hospitality uses);

- Retention of important heritage buildings and other elements to preserve the area's authenticity;

- Active community and leadership.

4.3.1 MELBOURNE, AUSTRALIA

Characteristics

- Established in the 1850s and oldest Chinatown precinct in Southern Hemisphere.

- Centrally located within the Melbourne CBD and spanning some 17.3ha.

- Small population of some 1,600 residents (92 residents/ha) as at 2021.

- 600 businesses with ~7,900 workers (457 workers/ha) as at 2020.

- Multiple through-site links, laneways and building connections.

- Proximate major shopping precinct (Bourke Street Mall).

- Large cluster of Asian food and beverage operators and anchored by discount department store (K-Mart).

Challenges/Issues

- Historically faced pressure for redevelopment with calls to consolidate and demolish fine grain buildings.

- Onset of COVID-19 and extensive Victorian lockdowns over 2020-2021 resulted in dramatic fall in trading activity.

- Decline in trading activity resulted in spike in vacancy levels (up to 30% at peak of lockdowns in 2021).

- Closure of several long-term restaurants, including Shark Fin Inn.

- Many older, private landlords unwilling to negotiate on rents.

MELBOURNE

Atlas
ECONOMICS

Implemented Strategies and Outcomes

- In 2022, the City of Melbourne led an investment and activation program to revitalise the Melbourne Chinatown. This included:

  - Investment of over $1 million on high-pressure cleaning across the CBD focusing on the Chinatown precinct.

  - Investment of $150,000 on new light installations in Chinatown to improve visibility and accessibility.

  - Establishment of community-led organisation – the Melbourne Chinatown Association – with seed funding of $90,000 via a Business Precinct Grant program to support new events and activities Chinatown.

  - Incorporation of Chinatown within the CBD-wide RISING winter arts and cultural festival to increase night-time footfall and activity.

- In June 2022, pedestrian activity had returned to 95% of pre-pandemic levels with vacancy rates declining to circa 10%.

- The RISING festival drove a significant increase in footfall activity (39% increase compared to pre-pandemic levels).

Characteristics

- Established in the 1850s.

- Located in Manhattan's Lower East Side.

- One of the largest Chinatown precincts in the world at some 199ha.

- World's largest concentration of Chinese residents outside of China.

- Population of 67,000 residents (336 residents/ha) in 2020.

- ~4,000 businesses with ~38,000 workers (190 workers/ha) in 2020.

- Major tourist destination with over 25 million visitors recorded in 2019.

- High concentration of small Asian businesses with 94% having <20 employees.

Challenges/Issues

- Series of major challenges over past 2 decades:
  - 9/11 terrorist attacks (2001)
  - SARS outbreak (2002-2004)
  - Hurricane Superstorm Sandy (2012)
  - COVID-19 pandemic (2020-2021)

- Major declines in trading activity during COVID-19 period resulted in decline of some 26% of local employment (well above the city-wide decline of 14%).

- Decline was most severe in food services (decline of 60%).

- Vacancy levels rose to 57% in 2020.

- The uptake of aid (both Federal and County) by local Chinatown businesses during the COVID-10 period was limited due to:
  - Language barriers.
  - Cash-based nature of operators with limited financial records.
  - Low levels of digital literacy.

- Ongoing challenges post-COVID include:
  - Rising costs.
  - Declining and ageing local resident population.
  - Lack of business succession planning.
  - Barriers to technology adoption.
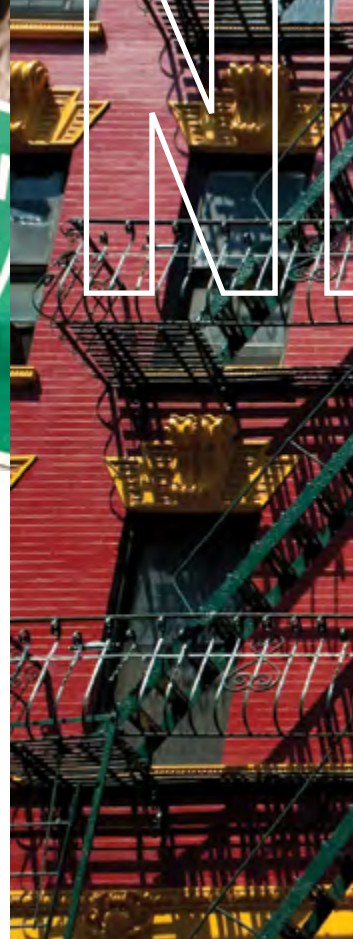
Implemented Strategies and Outcomes

- Following on from the limited uptake of Government support during the COVID-19 pandemic period, a grass-roots, not-for- profit community organisation was founded by two young women, known as 'Welcome to Chinatown'.

- The organisation is primarily funded through private donations and crowd funding campaigns.

- The organisation is primarily supported by volunteers (mainly young working adults) with a connection to the area.

- The organisation is supported by international charity Players Philanthropy Fund (PPF) which provides financial and compliance management at minimal cost.

- Welcome to Chinatown has developed a series of funds and initiatives to assist the local business community and residents, including:

  - Longevity Fund: small business grants program (July 2020) – fundraises from public to distribute grants to at-risk businesses.

  Aims to distribute $5,000 grants to eligible small businesses to alleviate overhead costs such a rent, labour, insurance, utilities.

  Prioritises most at-risk businesses based on cultural and socioeconomic barriers that prevent them from applying for other assistance funds.

  Approximately US$593,000 has been distributed to date with the third funding round closing in February 2023.

- Sik Fa-an Fund: community funding program (February 2021) .

Funds collected are used to purchase essential goods and fresh food from local Chinatown businesses to distribute to low income, senior residents, food-insecure neighbours and essential workers.

Aims to nourish residents, provide marketing and revenue for Chinatown businesses and encourage new customers to buy goods from local businesses. Inspired by cultural traditions of eating together and sharing meals ('Sik Fa-an' translates to 'let's eat').

Approximately 25,000 meals have been donated and over US$200,000 raised to date.

- Made in Chinatown: merchandise brand created to launch new revenue stream for Chinatown businesses.

- Local businesses have access to free design services from program volunteers. Brand name deliberately mocks and challenges traditional negative connotations of 'Made in China'.

- Care for Chinatown: public domain improvement program which focuses on collaboration with local artists to beautify Chinatown streets and laneways.

Art and murals are created to give businesses a canvas to convey their stories and develop unique branding. Fundraising from the public to cover cost of supplies.

- Meet Chinatown: free interactive digital directory developed to assist visitors in navigating through Chinatown.

- In December 2022, New York City Council has approved funding of $US20 million to improve streetscape connectivity and public gathering spaces, increase health, wellness and business opportunities and enhance cultural destinations and amenities across Chinatown.

Characteristics

- Established in the 1850s and oldest Chinatown in US.

- Located in downtown San Francisco across 32ha.

- Second largest Chinatown precinct in the US.

- 35,000 residents (1,094 residents/ha) in 2020.

- Predominantly a local retail and services-orientated precinct; does not comprise major office buildings or visitor attractions.

- Good public transport via mobile car network further improved with completion of a new train station commencement operating in 2021.

- Has not become a melting pot for other Asian ethnicities like many other Chinatowns.

Challenges/Issues

- Historically lacked major anchors or attractors – lacks appeal to international tourists.

- Precinct gradually declined over time with poor streetscape resulting in low visitation levels.

- Quality of housing has progressively deteriorated with limited investment and a gradual decline in population over the past decade, with many residents relocating to other more affluent parts of the city.

- COVID-19 period had a significant impact with sharp increase in vacancy levels (increase of 10%) whereas vacancy rates were minimal prior to Q1 2020.

- COVID-19 also led to an increase in anti-Asian sentiment and hate crimes.

Atlas
ECONOMICS

SAN FRANCISCO

Implemented Strategies and Outcomes

- In response to ongoing anti-Asian and Pacific Islander (AAPI) sentiment, the State Government allocated US$166 million in funding to a variety of AAPI community-based non-profit organisations across San Francisco in Q1 2022.

- Funding was provided to a broad mix of programs, including health, education, public domain improvements, leadership and anti-hate programs.

- Various street art programs have been implemented by different NGOs to increase visitation to the precinct. These have included:

  - **AAPI Community Heroes Mural:** collaboration between Chinese Culture Centre of San Francisco and Wells Fargo to honour 12 local heroes in a public mural.

  - **Neon Was Never Brighter:** first ever contemporary night-time arts festival held in Chinatown held in April 2022 and organised by local NGO collective Chinatown Media and Arts Collaborative (CMAC).

  - **Lantern Stories:** public art installation of 29 illustrated lanterns by award-winning interdisciplinary artist Yu-Wen Wu installed in October 2022 which illuminates Chinatown's history, culture, and community.

  - **Edge on the Square:** CMAC received funding of $26.5m to develop a new media and arts centre. Due to complete in 2024, the centre will house major Asian American community-based organisations that provide space for events and programs to revive the neighbourhood.

Characteristics

- The original Los Angeles Chinatown was established in the 1870s before being redeveloped in the 1930s for the Union Train Station.

- The current 'New' Chinatown was subsequently established in 1938 and roughly spans an area of 238ha across LA's Downtown area.

- Population of 37,300 residents (156 residents/ha)

- Surrounded by multiple freeways, the Los Angeles River and the Los Angeles County Jail.

- Mix of fine grain shopfronts, larger, 'arcade-style' shopping malls and apartment buildings.

- High concentration of Chinese and South East Asian restaurants, grocers and other specialty retailers.

Challenges/Issues

- Construction of freeways in the 1950s resulted in Chinatown being isolated from rest of LA's Downturn area.

- Area faced period of slow gradual decline with poor public safety and limited new development.

- Low commercial rents did facilitate growth of a local arts scene, with multiple arts studios and galleries establishing within the precinct.

- COVID-19 pandemic had significant impact throughout the precinct given the high concentration of food and beverage operators within the precinct.

- Several closures of iconic restaurants.

- Based on a Q4 2021 business survey initiated by the Asian Business Association of LA:

  - 60% of businesses described themselves as significantly affected by the pandemic (more than the 40% of broader California businesses)

  - More than 50% of businesses had to close during the pandemic.

- The survey results are considered an underestimate, as many businesses were unable to effectively participate in the English-only survey.

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ECONOMICS

LOS ANGELES

Implemented Strategies and Outcomes

- In 2000, Chinatown property owners voted to implement a Business Improvement District (BID) for the area. The BID sought to levy $1.2 million per annum from property owners to fund a mix of services including graffiti removal, private security patrols, sidewalk sweeping, tree and shrubbery planting and increase visitation.

- Many community stakeholders, residents and business owners saw these changes as positive as it brought economic benefits and redevelopment back to the area (Lin, 2008). This included new residential development activity and the introduction of new major retailers including Walmart and Starbucks.

- The BID was subsequently reintroduced for the 2011-2020 period. In addition to activities funded in the previous BID (e.g. street maintenance, private security patrols, events, etc) the new BID had a strong focus on promotion through social media with an emphasis on marketing a 'foodie culture'.

- The BID funded the **Chinatown Angels Walk** – a curated self-guided walking trail commemorating the community's history, architecture, and culture through wayfinding pedestrian signage.

- Over time, community opposition to the BID has grown considerably. Concerns of overdevelopment, corruption, over exertion of security patrols and displacement of older businesses have been voiced.

- A new BID has yet to be implemented and supported.

- A mix of COVID-19 relief funding has been provided to support local Chinatown businesses.

  This included the **Small Business Rent Assistance Grant** funded through the American Rescue Plan Act allocation to the City of Los Angeles. Provides grants of $2,500 to $15,000 to businesses that need financial assistance.

Characteristics

- London has a long history of multiple Chinese ethnic enclaves.

- Original Chinatown area was established in 1800s, though was largely destroyed in WWII.

- The current Chinatown area is located south of SOHO along Shaftesbury Avenue and Gerrard Street and was not established until the 1970s.

- Located proximate London's prominent Theatre District which is a major driver of activity.

- Measures approximately 2.8ha.

- Comprises a mix of land uses, including office buildings, retail arcades and shopfronts and apartment buildings.

- Unlike other Chinatowns, the area is predominantly controlled by a single institutional landowner (Shaftesbury PLC) who control 43 shopfronts, 95 restaurants, 38 offices and 163 apartments.

- This consolidated ownership has enabled the precinct to be professionally managed in an organised manner.

Challenges/Issues

- London has a growing number of 'mini Chinatowns' which compete with the traditional Chinatown area.

- The growth in property values and rents has also impacted the concentration of traditional retailers within the Chinatown area, with many 'mum and dad' operators finding it difficult to compete with growing demand from more commercial operators.

- The COVID-19 pandemic had a significant impact on the Chinatown precinct, with major falls in footfall (down to 10% of pre-COVID levels at peak of the pandemic) driving a rise in vacancy levels to 8.4% (compared to 3% pre-pandemic).

- The pandemic also resulted in a rise in racism and incidences of violence within the Chinatown area, creating a negative safety perception.

Implemented Strategies and Outcomes

- From 2003, Westminster City Council have played an active role in Chinatown. The Chinatown Action Plan (CAP) outlined and promoted the importance of maintaining the appearance of Chinatown, with its focus on attracting tourists, as part of its 'cultural branding' of Chinatown.

- Recommendations from the CAP included lighting improvements, CCTV, police patrolling, cleanliness (cleansing machines, waste processing systems), refurbishments (new gates, street furniture), accessibility upgrades. (parking, signage, dedicated underground exit).

- 75% of recommendations from the CAP have been completed or are ongoing.

- Westminster City Council initiated the 'City Guardians' program which is an ongoing liaison program comprising a dedicated team of Council officers responsible for ongoing stakeholder engagement with the community and management of public open space.

- In 2009, Council established a Chinatown Supplementary Planning Guidance to guide building designs in the precinct and manage public spaces and special events to ensure its appeal.

- In the wake of COVID-19, a mix of private and non-government initiatives were activated to support Chinatown. These included:

  - Shaftsbury raising an emergency (£300m) fund from investors to support local Chinatown businesses and offering new lease terms to struggling tenants including rent waivers, shorter leases and monthly instead of quarterly rental payments).

  - Chinatown Recovery Project (2020) was created by Chinatown business communities, community organisations, regular visitors, artists, activists and other volunteers to understand how the pandemic has affected Chinatown's social recovery and provoke discussions more broadly in the context of London city.

  - Workshops, interviews and coordinated community consultations were undertaken. Message of Chinatown's decline was spread city-wide to generate a sense of responsibility and control over Chinatown's future.

  - No Place for Hate: 12-month project delivered by Chinatown-based charity China Exchange, focused on understanding and supporting Chinatown.

- Chinatown appears to have bounced back in 2022, with growing visitors from London and other domestic tourists, who have brought pedestrian traffic to about 60% of pre-pandemic levels (late 2021). Vacancy rates fell from 8.4% (Q1 2021) to 4.1% (Q1 2022).

Characteristics

- Established in the 1910s in the city of Edmonton (provincial capital and Canada's fifth largest city).

- Two distinct sub-precincts spanning some 69ha.

- Small population of just 1,500 residents.

- Broad mix of land uses including commercial office (investment and secondary grades), retailers, short-term accommodation and apartment buildings.

- Train station approximately 250m to the west.

Challenges/Issues

- Limited night-time economy (few businesses operating at night due to safety concerns).

- High levels of crime.

- Cleanliness and quality of streetscape.

- Small resident population.

- Limited development activity.

- Lack of attractions/activities for younger generations.

- Competition from other suburban Chinatowns.

- Lack of destination characteristics for tourists.

EDMONTON

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Photo by Alicia Paydli on Unsplash

Photo by Lary Wong - Postmedia

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Photo by Charles Deluvio on Unsplash

Photo by Mae Mu on Unsplash

Photo by Edmonton Council

Implemented Strategies and Outcomes

- In 2016, Edmonton City Council carried out extensive market and economic analysis to identify opportunities for its revitalisation.

- This culminated in 'The Chinatown Strategy' comprised of five key pillars:

  - Improve sense of safety and security

  - Focused economic development

  - Governance and community leadership network

  - Celebrate Chinatown as a destination

  - Enhance built form and landmarks

- To support the Chinatown Strategy, Edmonton City Council has been an active member of the Chinatown Community Economic Development Task Force.

- Council has also provided a mix of investment and grants to support the individual actions of the Chinatown Strategy, including:

  - Delivery of the Healthy Streets Operations Centre

  - Provision of free public parking in key areas of the precinct

  - Downturn Vibrancy Strategy Grant which has funded a several projects to improve outdoor lighting and events

  - $300,000 grant to the Chinatown and Area Business Association to help fund private security resources in and throughout Chinatown.

- The City administration is working closely with the Chinatown Recovery Committee to set up and manage the $1 million Chinatown Recovery fund. The $1 million program will be available to support community projects that advance Chinatown's recovery.

- Design and installation of a new Chinatown Gate in collaboration with the Chinese city of Harbin.

Characteristics

- Established in the 1870s in the Central Area of Singapore.

- Spans some 58.7ha.

- Some 10,500 residents (179 residents/ha) in 2020.

- Much of the area was designated for conservation in 1980s (over 1,200 individual buildings).

- A large-scale tourism campaign was initiated in the mid-1990s, which pedestrianised streets and introduced more traditional Chinese urban design features.

- Mix of food markets (hawker streets), restaurants, speciality retailers and apartment buildings.

- Fine grain street patterns including an air-conditioned covered street.

- Highly accessible with multiple metro train stations.

- One of Singapore's top 10 tourist destinations.

Challenges/Issues

- Prior to the outbreak of COVID-19, the key challenge facing the area was rising rents which were driving traditional businesses out of the area, replaced by operators focusing on tourists.

- The clash between Chinatown's role as a tourism hub and place of Chinese history was frequently cited by the local community.

- Following the outbreak of COVID-19, the drop in international tourism caused a significant impact for the area given its reliance on visitor trade.

SINGAPORE
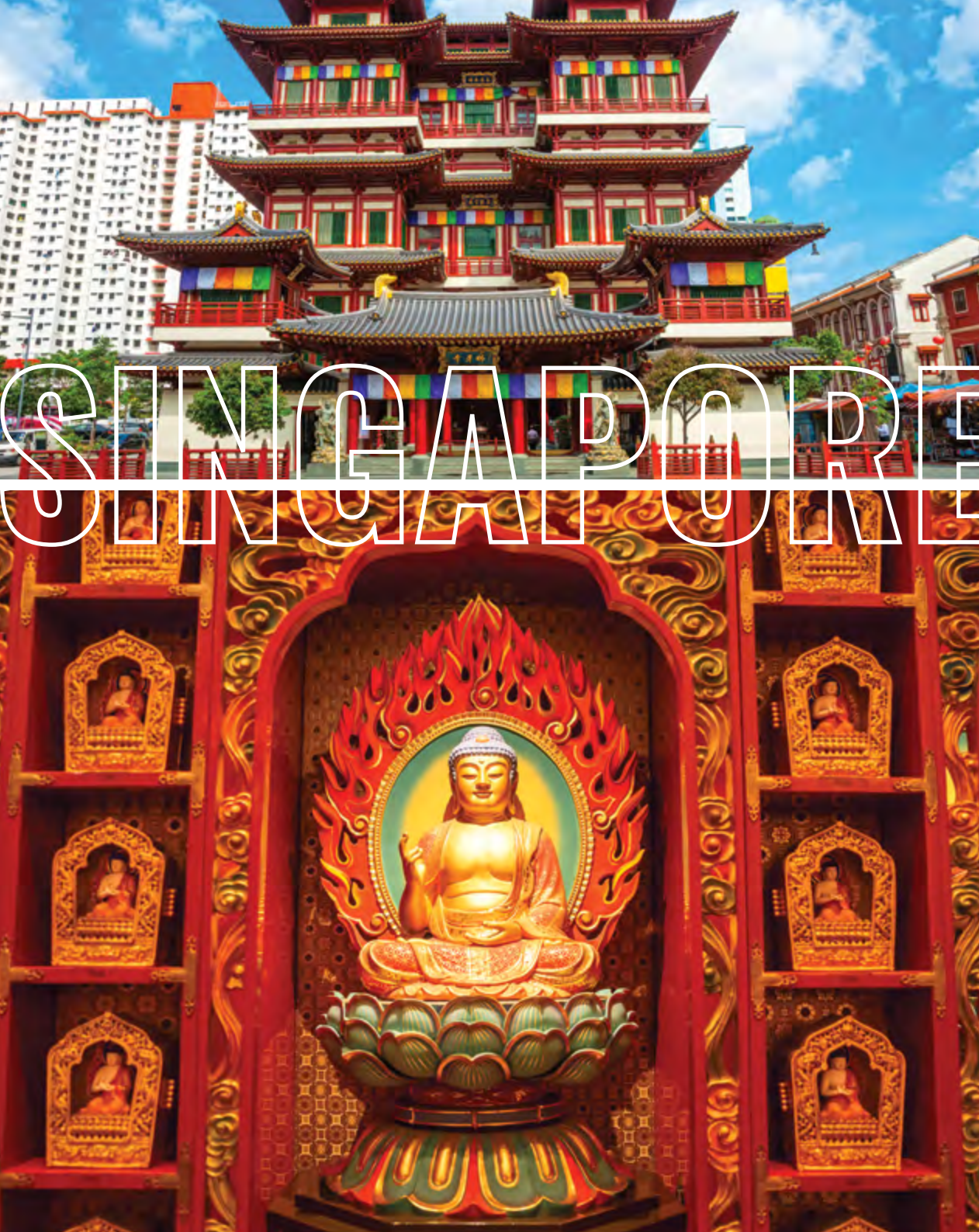
Implemented Strategies and Outcomes

- The Government introduced a series of strategies to assist the precinct in the wake of COVID-19:

  - **Hawker Day Out:** #HawkerDayOut was held multiple times during 2020 and 2022 at local food centres and offered 'market to table' experiences, specially curated hawker feasts, 500 daily cups of free tea and coffee and 'Back to 60s' exhibits.

    Organised by Chinatown Complex Hawker's Association (hawker vendors within the complex) and supported by Singaporean Government.

  - **Chinatown Digitalisation:** training to help businesses build digital presence.

    Goal to encourage 250 businesses (25% of Chinatown businesses) to adopt at least one digital initiative by April 2022.

    Chinatown Digitalisation Committee was established to oversee this (led by government agencies and supported by community associations).

4.4 STRATEGIES AND ACTIONS

Given their structural similarities and challenges, the strategies implemented to facilitate revitalisation and renewal in each of the case study areas have much in common.

Based on the case study review, **Figure 4.1** summarises the key themes of the strategies and action plans developed to address the challenges in case study areas.

Figure 4.1: Key Themes, Strategies and Action Plans in Case Studies

THEME 1

Broad Mix of Strategies and Actions

- Multi-layered strategies with broad mix of themes
- Business support, events and programming, art and cultural, urban design, public domain improvements
- Various stakeholders responsbile for different components of strategy

THEME 2

Community Led with Government Support

- Almost all initiatives led by a local community organisation(s)
- Local and State Governments played a support role through a mix of direct investment and governance support
- Collaborative approach with the local community (residents, businesses, landowners)

THEME 3

### Focus on Increasing Visitation and Activation

- Fundamental principle has to drive an increase in visitation
- Providing reasons to visit through a mix of attractions (e.g. public art, events, cultural programs, etc)
- Actions to make visiting 'easy' (e.g. public domain improvements, wayfinding initiatives, online navigation)
- Ongoing marketing and establishment of a singular online presence

THEME 4

Improvements to Public Realm

- Critical component of all initiatives
- Beautification of streetscape, building facades, lighting and outdoor public spaces
- Either directly funded by Government or co-funded with the local community
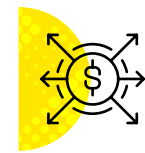
THEME 5

Multiple Funding Initiatives

- Mix of direct Government investment, grant funding (to local community organisations) and private investment
- Grant funding typically provided to support local community organisations to lead and oversee broader strategy
- Mix of large and small (micro) grants to local businesses
- Some examples of BIDs (e.g. San Francisco) though have faced some community opposition

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ROLE OF LOCAL AND STATE GOVERNMENT

Case study analysis has demonstrated that Government has predominantly played a coordination and support role in the implementation of strategies and action plans. This demonstrates the importance of actions being community-led, with many community organisations being 'partners to reflect the historical resiliency of the local community.

Government has played a critical role in providing funding to support local community organisations, as well as investing in upgrades to the public realm and infrastructure. This included:

- Provision of grant funding with a focus on building capacity of the local community and economy.

- Directly investing in upgrades to the public domain (e.g. lighting, open spaces, streets/laneways, etc).

- Participating in project working groups with key community organisations and other stakeholders and providing governance support to community organisations.

- Supporting or leading the delivery of ongoing events and cultural activities.

- Engaging with the local community on an ongoing basis.

5. CHALLENGES AND OPPORTUNITIES OF STUDY AREA

This Chapter considers the challenges and opportunities facing the Study Area. The Chapter firstly summarises the feedback received from stakeholder engagement, including a summary of identified strengths, opportunities, weaknesses and threats.

The Chapter then considers the current and future demand for retail floorspace (as a subset of total floor space) within the Study Area and the adequacy of existing supply in meeting the requirements of various customer cohorts. An assessment of the constraints and opportunities for growth within the Study Area are then considered.

Lastly, the Chapter considers the opportunities for the Study Area based on the economic analysis in Chapter 3 and case study review in Chapter 4.

5.1 STAKEHOLDER FEEDBACK

5.1.1 STAKEHOLDER GROUPS

To understand stakeholder perspectives on the Study Area's issues, Atlas engaged with a mix of local businesses, landowners and other key stakeholders. This coincided with community engagement carried out by the City in Q3 2022, following the City's business and community engagement over 2021-2022 in response to the COVID-19 pandemic.

Engagement was carried out over Q3-Q4 2022 with a mix of teleconference, telephone and in-person interviews held. A total of 14 interviews were held over the engagement period.

A list of the stakeholders interviewed as part of this Study is provided in **Table 5.1.**

Table 5.1: Stakeholders Interviewed

Landowners	Businesses	Other Stakeholders
• Mix of institutional, developers and private landowners	• Market City • Sydney Markets	• City of Sydney • Western Sydney University • Greater Cities Commission • Placemaking NSW • Savills

Issues focused on during the engagement included the reasons for location selection, the Study Area's current strengths, weaknesses, opportunities and threats and the potential actions/support needed moving forward. A summary of the stakeholder feedback by theme is provided in turn.

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Photo by City of Sydney

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Photo by City of Sydney

5.1.2 STRENGTHS AND OPPORTUNITIES

Feedback consistently identified factors that underpin the desirability of the Study Area as a place to invest and operate in:

- Highly accessible location within the Sydney CBD with strong public transport connectivity.

- Critical mass of residents, tertiary students and workers with large international visitor population.

- Critical mass of small Asian businesses across a mix of industries.

- Proximity to Darling Harbour and key tourism destinations.

- Established Asian character and identity with strong dining offer.

- Major tourist destination for Chinese and South-East Asian visitors to Sydney.

- Historical service centre for Chinese and South-East Asian community with large customer catchment.

Respondents identified a broad mix of future opportunities from which the Study Area could capitalise. These included:

- Upgrades to public domain (e.g. street lighting, public art) to make the area more attractive and increase visitation.

- Leverage upon the success of the Darling Square precinct to activate quieter parts of the Study Area through better pedestrian linkages and wayfinding.

- Continue organising events such as Neon Playground as a way of driving an increase in visitation to the precinct.

- Capitalise on the strong community interest in the Study Area to deliver a coordinated action plan for the area.

- Identify key sites where development could occur and work with landowners to revitalise their sites and deliver items of public benefit (e.g. through site links).

- Better improve pedestrian connectivity to the Central Station Precinct to cater to some of the future retail demand from the Central SSP development.

- Many properties are now managed by the younger generation (taking over from their parents or grandparents) and are more willing to reinvest into their assets and/or provide more flexible lease agreements.

- Reposition Paddy's Markets into a world class fresh food and produce market and dining precinct like London's Borough Market and South Melbourne Markets.

- Investigate opportunities to communicate new access arrangements into the area by vehicle.

- Capitalise on recent investment in the Museum of Chinese in Australia (MOCA) through new events and arts programmes.

- Incentivise a more appropriate mix of tenancies through discounts on local rates or some other form of subsidy.

5.1.3 WEAKNESSES AND THREATS

A series of observations were made by respondents as contributing to its weaknesses. These included:

- Foot traffic remains well-below pre-pandemic levels.

- High vacancy levels throughout parts of the Study Area contribute to a lack of activity and 'feed' into the perception that the area is in decline.

- Poor presentation of parts of the Study Area (both public domain and private buildings) contribute to the view the area is 'old and dated'.

- The new dining and retail precinct in Precinct 2 (Darling Square) has drawn a significant amount of activity and trade away from other parts of the Study Area, principally Precinct 1 (Dixon Street) and Precinct 7 (Market District).

- Inadequate street lighting along Dixon Street contributes to perceptions that parts of the Study Area is unsafe.

- Limited contemporary and 'experiential' retail offerings or major anchors (exacerbated following the closure of several key restaurants).

- Difficult vehicular access with changes to street network following completion of the light rail.

- Ongoing construction activity in parts of the Study Area making pedestrian accessibility and connectivity difficult.

- Lack of daytime activity, particularly in the morning.

- Older landlords (many of whom are based overseas) are unwilling to reinvest into their premises or reduce rents to 'meet the market'.

- Fine grain lot patterns, fragmented landownership and current planning controls which make redevelopment unviable.

- Lack of a coordinated marketing approach for the Study Area and its individual sub-precincts (except for Precinct 2).

- Lack of engagement from many older 'legacy' landowners and differing generational attitudes from landowners/ business owners contributing to a mix of opinions on the actions required moving forward.

A series of threats were also identified which have the potential to further challenge the economic vitality of the Study Area:

- Ongoing competition from other suburban centres with large Asian dining and retail precincts, particularly those which are held in majority ownership and are providing more contemporary offerings (e.g. Burwood).

- Precinct decline continues and poor market/ community perception becomes self-perpetuating.

- Poor performance of Paddy's Market and leasing constraints threatening its on-going viability.

- Disparate and inactive ownership making implementation of any initiatives difficult.

- Potential for development to result in 'sanitisation' and loss of character.

- Existing planning controls could limit the potential for future development within parts of the Study Area (notably Precinct 1), contributing to a further lack of reinvestment.

- Potential for future retail uses within the Central Station Precinct to cannibalise trade and occupier interest away from the Study Area.

Photo by City of Sydney

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5.1.4 POTENTIAL ACTIONS AND SUPPORT

Stakeholders interviewed identified a relatively consistent set of potential interventions and actions needed to address the challenges facing the Study Area and capitalise on its future opportunities.

• **Upgrade the public realm** throughout Precinct 1 (Dixon Street) and Precinct 7 (Market District), including street beautification, improved street lighting, landscaping and street furniture to support street activation.

• Develop a comprehensive **marketing and events programme** with a calendar of events throughout the year with a focus on social media (e.g. Instagram, TikTok).

• **Continue engaging with the local business community and landowners** to develop a unified vision and activation plan for the entire Study Area.

• Investigate how to **improve access (vehicular and pedestrian) into the precinct** to address the issues caused by the completion of the CBD and South East Light Rail.

• Deliver **wayfinding initiatives** which better connect different sub-precincts within the Study Area.

• **Activate underutilised** public spaces, laneways to further intensify certain areas.

• Develop a **landowner assistance program** to better configure the retail mix across the Study Area and incentivise reinvestment.

• Investigate **funding models** to deliver these various actions (such as a Business Improvement District).

Photo by Yuzki Wang on Unsplash
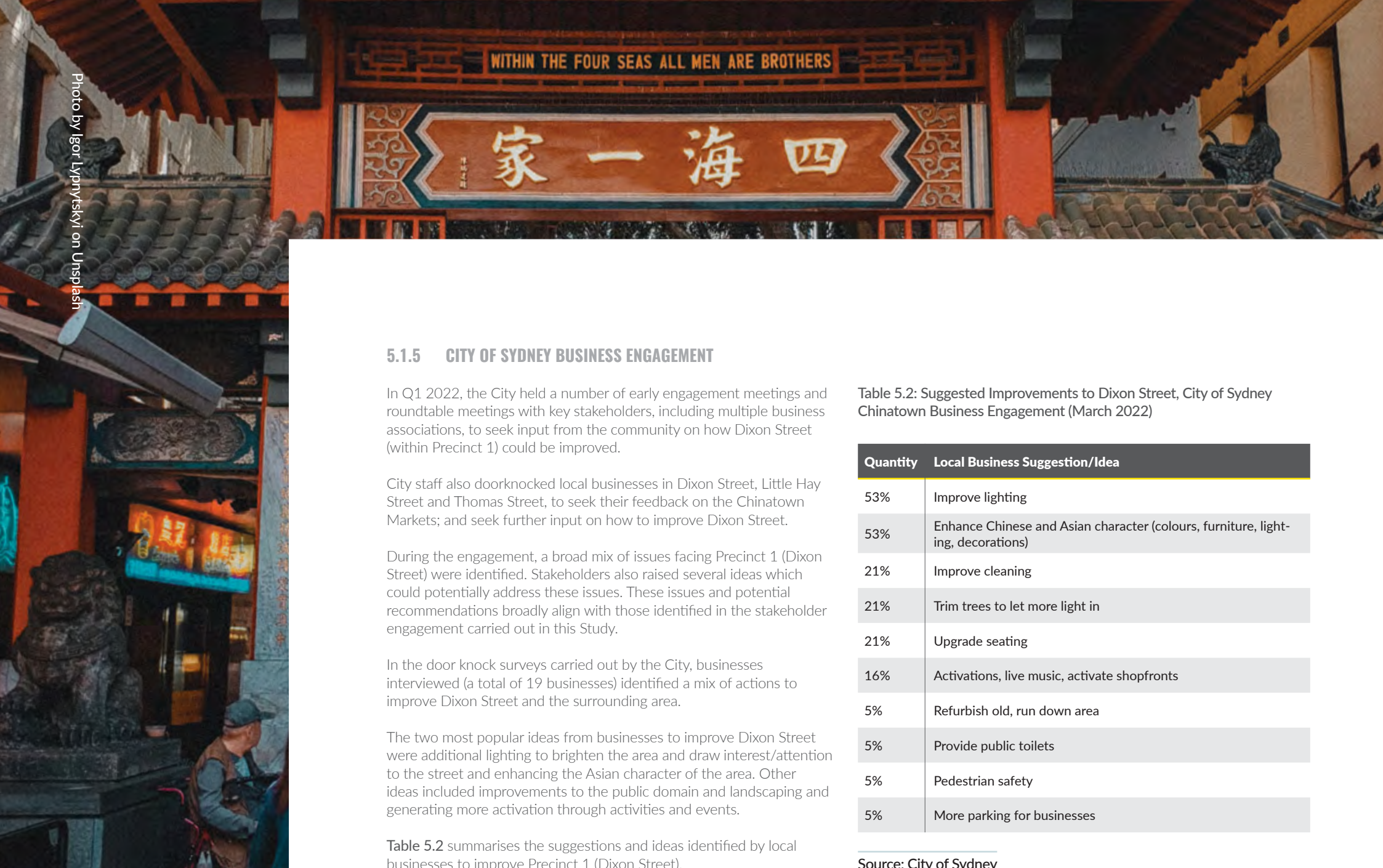
5.1.5   CITY OF SYDNEY BUSINESS ENGAGEMENT

In Q1 2022, the City held a number of early engagement meetings and roundtable meetings with key stakeholders, including multiple business associations, to seek input from the community on how Dixon Street (within Precinct 1) could be improved.

City staff also doorknocked local businesses in Dixon Street, Little Hay Street and Thomas Street, to seek their feedback on the Chinatown Markets; and seek further input on how to improve Dixon Street.

During the engagement, a broad mix of issues facing Precinct 1 (Dixon Street) were identified. Stakeholders also raised several ideas which could potentially address these issues. These issues and potential recommendations broadly align with those identified in the stakeholder engagement carried out in this Study.

In the door knock surveys carried out by the City, businesses interviewed (a total of 19 businesses) identified a mix of actions to improve Dixon Street and the surrounding area.

The two most popular ideas from businesses to improve Dixon Street were additional lighting to brighten the area and draw interest/attention to the street and enhancing the Asian character of the area. Other ideas included improvements to the public domain and landscaping and generating more activation through activities and events.

Table 5.2 summarises the suggestions and ideas identified by local businesses to improve Precinct 1 (Dixon Street).

Table 5.2: Suggested Improvements to Dixon Street, City of Sydney Chinatown Business Engagement (March 2022)

Quantity	Local Business Suggestion/Idea
53%	Improve lighting
53%	Enhance Chinese and Asian character (colours, furniture, lighting, decorations)
21%	Improve cleaning
21%	Trim trees to let more light in
21%	Upgrade seating
16%	Activations, live music, activate shopfronts
5%	Refurbish old, run down area
5%	Provide public toilets
5%	Pedestrian safety
5%	More parking for businesses

Source: City of Sydney

Atlas
ECONOMICS

5.1.6 CITY OF SYDNEY COMMUNITY ENGAGEMENT

In August and September 2022, the City engaged with the local Haymarket community and other stakeholders to understand what the community values about the area and what could be improved.

Approximately 1,150 people shared their ideas for the future of Haymarket, including a mix of including residents, workers, visitors, business associations, cultural groups and organisations.

Unique Characteristics

The key factors considered to make Haymarket unique were:

- Diversity of Asian cultures reflected on the streets and in public spaces.

- Availability of authentic and affordable food and variety of unique Asian grocers.

- Ability to celebrate different Asian cultures and connect with memories.

Most Special Places/Areas

The most special places and areas within Haymarket were identified as:

- Chinatown and Dixon Street (Precinct 1), including 'the Gates'.

- Paddy's Market and Market City (Precinct 7).

- Darling Quarter (Precinct 2).

Other special places include Emperor's Garden Cakes and Bakery (located in Precinct 1), Capitol Theatre and Thai Town (Precinct 6), Chinese Gardens of Friendship (located just outside of the Study Area) and the laneways (Precincts 1 and 7).

Improvements

The most common improvements sought for Haymarket included:

- Improved street cleaning, maintenance and street lighting to increase attractiveness and create a safe atmosphere.

- Greater range of quality, authentic and affordable food and retail options.

- More outdoor dining options and public amenities like seating and public toilets.

- Pedestrianisation of the area to provide improved access to and within Haymarket.

- Preservation of local character and cultural heritage and using the streetscape to celebrate diverse Asian cultures.

- Extended trading hours and thriving nightlife (despite already located within the Sydney CBD late night trading area).
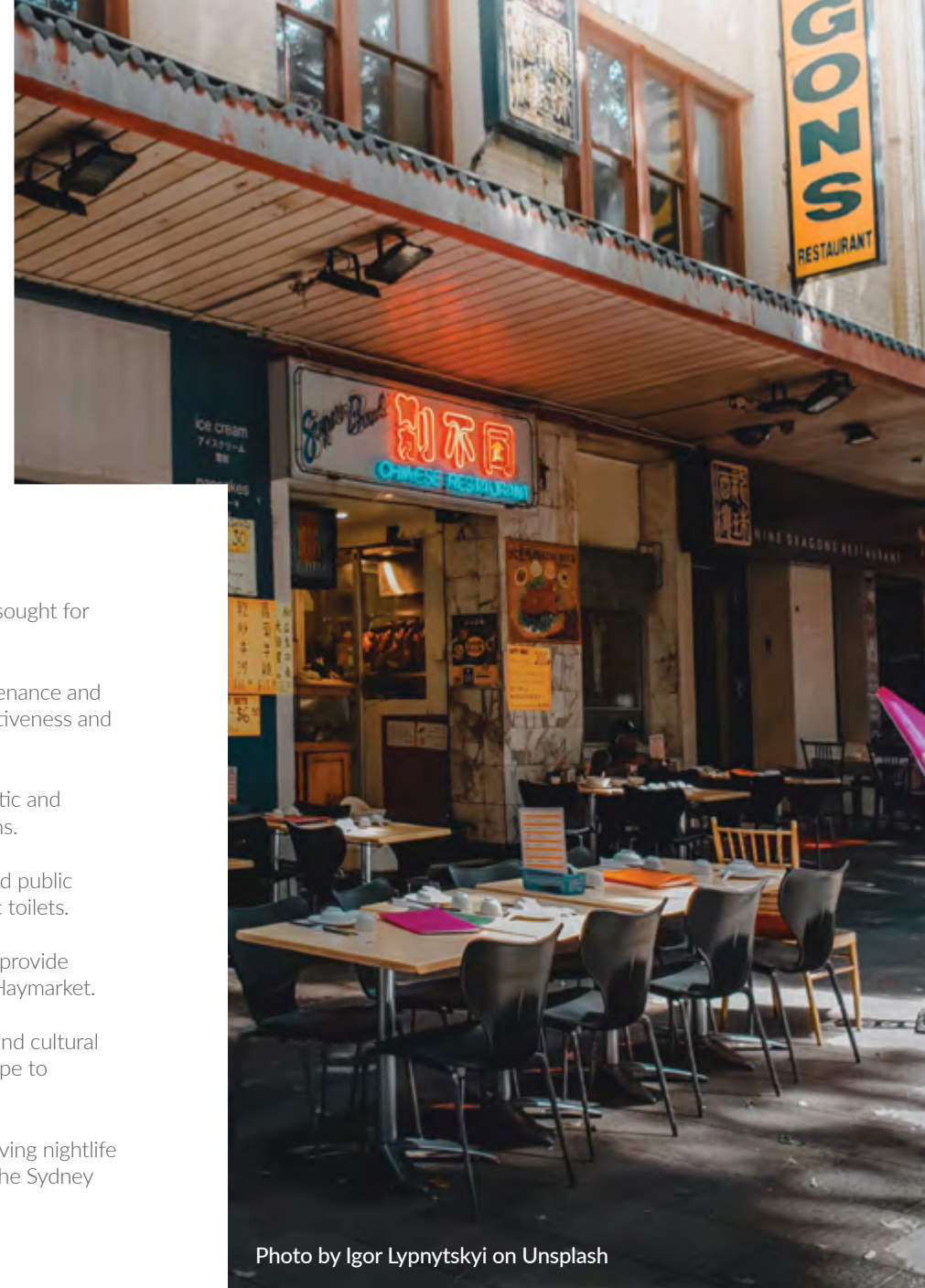

Photo by Igor Lypnytskyi on Unsplash

5.1.7 CITY OF SYDNEY BUSINESS NEEDS SURVEY 2022

The City's annual Business Needs Survey was first established in 2020 following the first COVID-19 induced lockdown. The survey aimed to provide insight into the needs of small business operators to determine the best approach in supporting them to remain economically viable.

The 2022 Business Needs Survey (the Survey) was open from August to September 2022 with approximately 564 businesses across the Sydney LGA participating.

Overall, the Survey found that:

- 79% of consumer-dependent businesses in Central Sydney have seen reduced capacity levels since the pandemic.

- The hardest economically hit industries have been hospitality, retail and tourism.

- 50% of businesses are still operating at below pre-pandemic capacity, particularly very small businesses with under 5 employees and consumer-dependent industries.

- Consumer-dependent businesses are generally looking for financial aid such as grants, precinct promotion, marketing and events that will boost foot traffic.

- 52% of respondents are looking to strengthen their social media marketing and communication skills while 46% of respondents are looking to improve customer acquisition and retention.

- There's been a surge in business confidence compared to the previous 2 years, with 75% of respondents expecting their business will be financially better off in 12 months.

- The return of students, tourists and migrants is set to drive economic growth over 2023.

Of the 564 businesses who participated in the Survey, 41 identified as operating from the suburb of Haymarket. These businesses represent a broad mix of sectors, including retail, hospitality, education and professional services.

Responses from these Haymarket based businesses broadly align with the overall findings of the Survey, though a smaller proportion expect their businesses to be financially better off in the next 12-months. Respondents identified a mix of services/support areas which are needed over the next 6-12 months, particularly:

- Less red tape and regulation;

- Precinct events and activation;

- Advocacy for business support across other levels of government and industry.

These insights provide important context from which to develop future initiatives and actions in the Study Area.
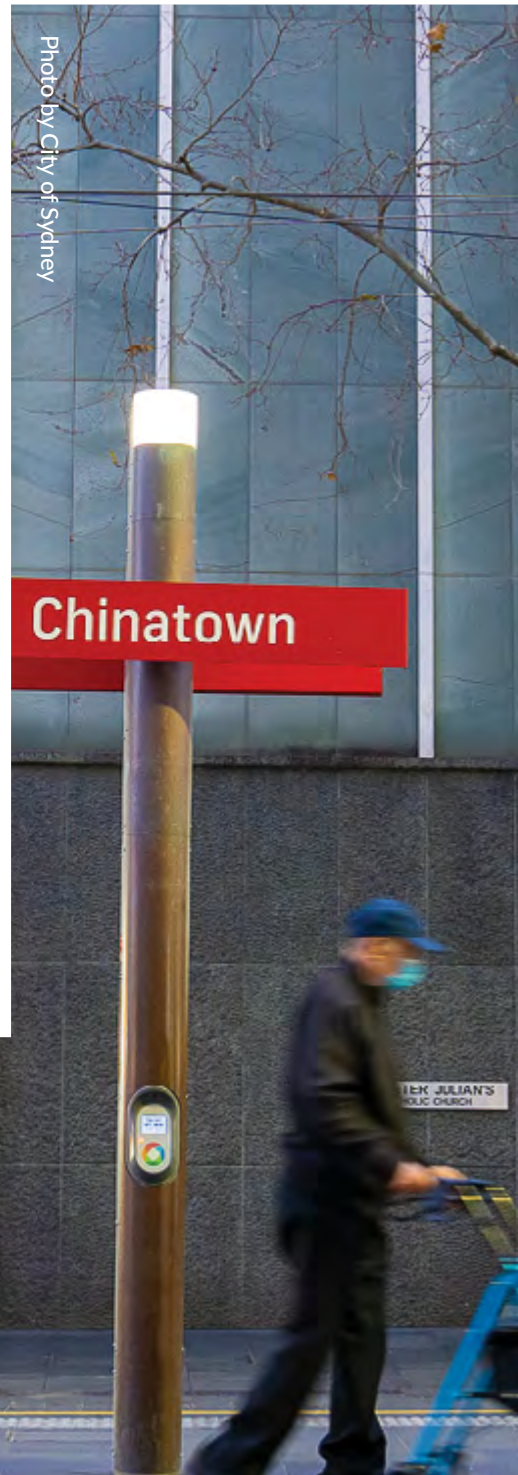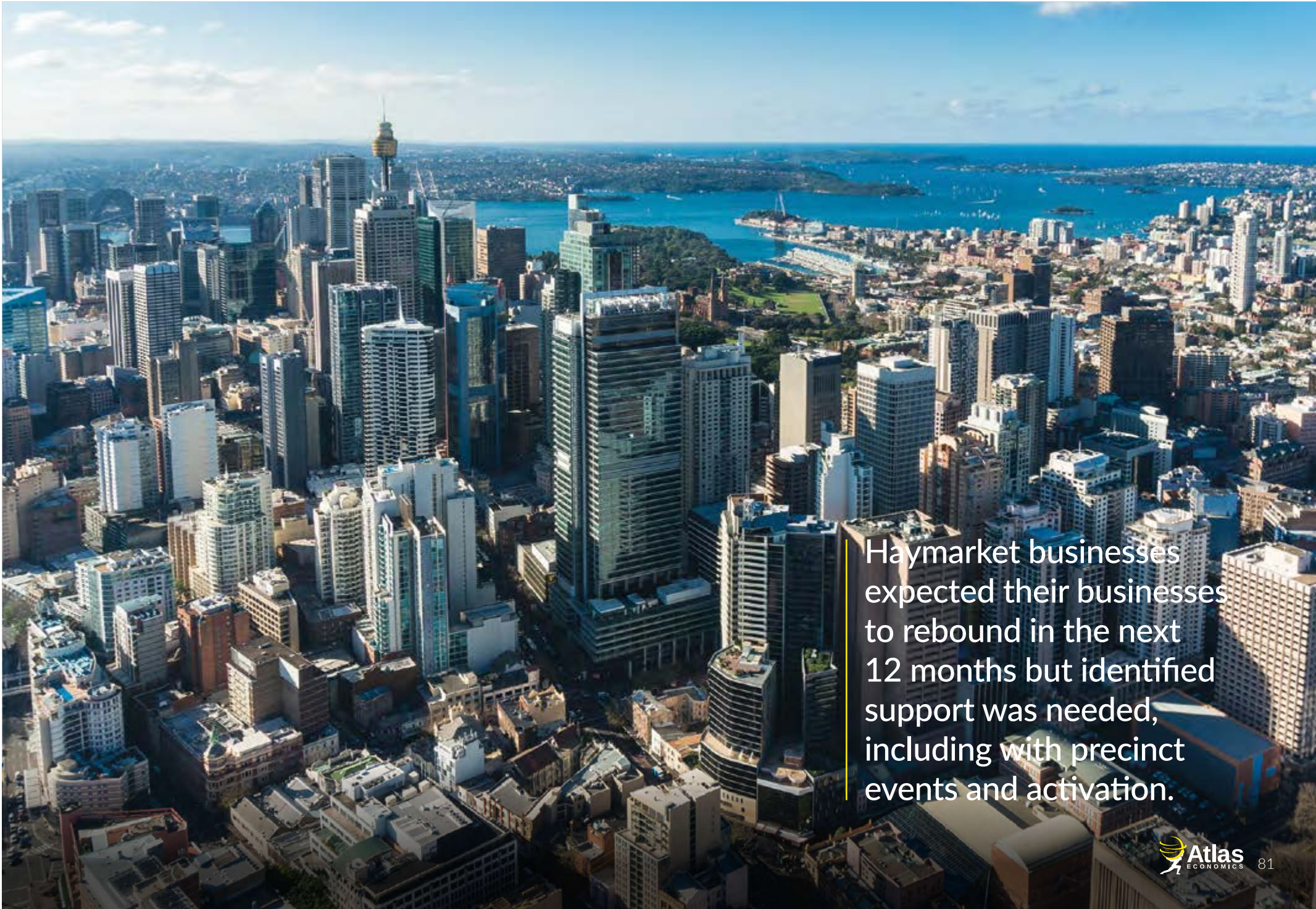
Haymarket businesses expected their businesses to rebound in the next 12 months but identified support was needed, including with precinct events and activation.

5.2 RETAIL DEMAND AND ADEQUACY OF SUPPLY

Retail and hospitality uses are the predominant land uses on the ground plane that directly influence its vibrancy and street appeal.

The Land Use Audit summarised in Chapter 3 illustrated that retail shopfronts have faced a significant uptick in vacancy levels.

This section considers the demand for retail and if existing supply is adequate in satisfying that demand.

5.2.1 KEY AUDIENCES

Research suggests the Study Area caters to distinct mix of audiences or "personas". Each of these audiences have different characteristics, tastes and desires which influence their expectations on the retail and place offering of the Study Area.

Notwithstanding their differences, all key audiences' expectations on the quality of retail settings and urban environments have been progressively increasing over time, with retail operators throughout Central Sydney increasingly renewing their offering in order to remain competitive.

The Study Area's audience cohorts are grouped into two categories – primary audiences and secondary audiences. Primary audiences are those who regularly visit/are based within the Study Area, with secondary audiences comprise those who frequent the Study Area on a less regular basis. These include:

- **Primary Audiences:** including local workers, local residents and students and academics.

- **Secondary Audiences:** including visitors from other parts of Greater Sydney, domestic tourists (non-Sydney based), international tourists and CBD workers from beyond the Study Area).

Table 5.3 summarises the expectations/experiences commonly sought.

Table 5.3: Key Audiences, Study Area   Source: BellRinger

Key Persona	Experiences Sought
Primary Audiences	
The Local Worker	• A great lunch time and post work food and beverage offering • Making work and home life easier by providing convenience & services • Genuine urban life with opportunities to engage in 'city life' • Easily accessed by public transport • Places with opportunities to meet and socialise with friends • A precinct that's alive and active over an extended day • A variety of quality food experiences at various price points
The Local Resident	• Retail and services that meets their everyday needs • Genuine urban life with opportunities to engage in 'city life' • A precinct that's alive and active over an extended day • A sophisticated 'urban cool' • Quality food experiences, such as markets • Quality public domain and open space
Students and Academics	• Affordable experiences • Easily accessed by public transport • Retail and services that meets their everyday needs • Places with opportunities to meet and socialise with friends • Genuine urban life with opportunities to engage in 'city life' • A mix of night-time offerings • A sophisticated 'urban cool' • Experiences to remind them of their cultural 'home'
Secondary Audiences	
Domestic Tourists / Visitors from Greater Sydney	• True urban experiences that are unique to Sydney • A vibrant night out experience • World renowned events • A place that is easy to access and is well connected to other CBD tourist attractions • A place that exhibits fine grain and uniqueness
International Tourists	• True urban authentic experiences that are embraced by the locals • A place that exhibits fine grain and uniqueness. • Opportunities to buy products to take home to family and friends • A unique Chinatown experience • World renowned events • A vibrant night out experience • A place that is easy to access and is well connected to other CBD tourist attractions
CBD Core Worker	• A great lunch time and post work food and beverage offering • Easily accessed by public transport • 'Destinational' and unique experiences • Genuine urban life with opportunities to engage in 'city life' • A diverse and eclectic experience

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5.2.2 SUPPORTABLE RETAIL FLOORSPACE

The viability of retail land uses is underpinned by the size and characteristics of their surrounding resident, worker and visitor catchments. Central business districts play a significant role in servicing the retail needs of the broader region and encompass significant trade catchment areas.

Main Trade Area (MTA)

Location IQ (LIQ) carried out a high level, indicative retail demand assessment of the Study Area to identify its Main Trade Area (MTA). The MTA has been considered based on a range of factors, including:

- Accessibility.

- The current and future pattern of urban development.

- Physical and natural barriers.

- The location of existing and planned retail facilities.

The MTA is defined to include one core sector – this sector covering the entirety of the Study Area; and four secondary sectors, including CBD North, Surry Hills, Chippendale and Pyrmont/Ultimo.

The defined MTA is densely populated, with a resident population of around 83,100 persons (ABS, 2021). The core sector (i.e., the Study Area) also comprises a significant worker population (26,600 workers in 2021), whilst it also plays an important role in accommodating demand from domestic and international visitors.

Within the MTA, the current retail offer is expectedly strong, and includes major retail uses within the Sydney CBD/Darling Harbour, Chippendale, Surry Hills and Pyrmont/Ultimo.

Figure 5.1: Main Trade Area

Source: Location IQ
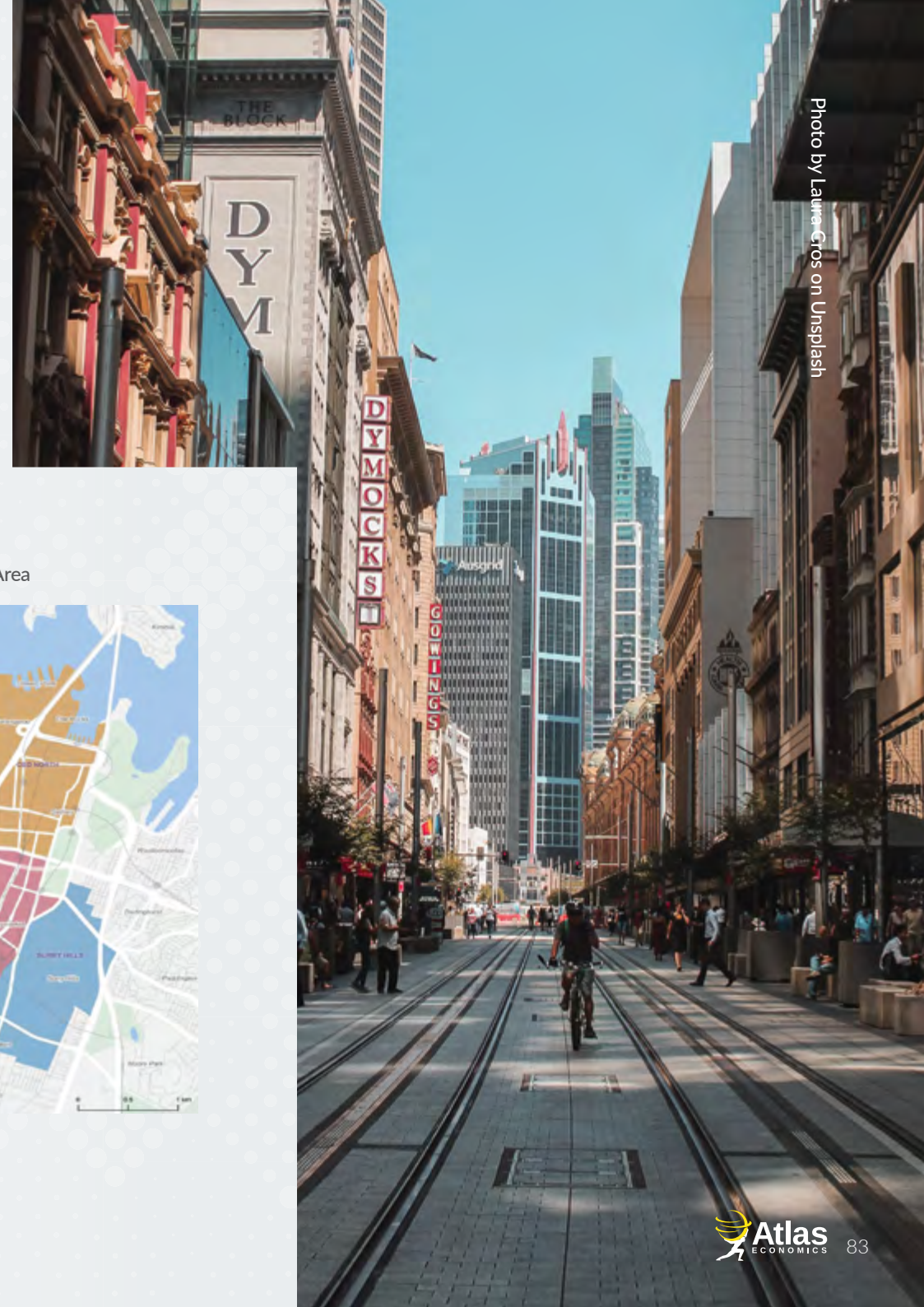
Supportable Retail Floorspace

By applying retail demand benchmarks to different customer segments throughout the MTA and subsequent retail retention rates for the Study Area, LIQ have calculated the indicative quantum of supportable retail floorspace within the Study Area.

The purpose of demand estimates is to identify, at a high level, whether there is a clear mismatch between demand and supply of retail floorspace in the Study Area.

Given a lack of contemporary data for all customer segments, the demand estimates are developed from a mix of sources:

• Student and visitor (tourist) numbers are based on the most available tourism and student data (2019, 2021).

• Resident and worker numbers are based on the 2021 Census (recorded through the COVID-19 lockdown period)

Based on these segment estimates, it is projected the MTA could viably support approximately **~569,000sqm of retail floorspace.** Tourists are a primary demand cohort, accounting for over 53% of supportable demand.

In the Study Area, it is projected that approximately **~125,000sqm of retail floorspace demand** could be theoretically derived from the MTA, equating to a retention rate of 22% (i.e. the proportion of demand captured by the Study Area).

Visitors and students represent the largest sources of retail demand within the Study Area, equating to around 40% of total retail demand. This reflects the importance of these cohorts in sustaining the local economy.

Table 5.4 summarises the high-level retail demand estimates for the Study Area and broader MTA.

Table 5.4: Indicative Retail Floorspace Demand, Study Area

Segment	Population	Retail Demand per Person (sqm)	Total Retail Demand	Study Area Retention (%)	Retail Demand in Study Area (sqm)	% of Total Study Area Demand
Within Study Area						
Residents	16,268	2.2	35,790	50%	17,895	14%
Workers	40,393	0.7	26,659	75%	19,995	16%
Total			62,449	61%	37,889	30%
Balance of Main Trade Area (excluding Study Area)						
Residents	66,877	2.2	147,129	25%	36,782	30%
Total			**147,129**	**25%**	**36,782**	**30%**
Additional Customer Segments						
Students	127,694	0.4	56,185	35%	19,685	16%
Tourist Nights*	320,819	0.9	303,419	10%	30,342	24%
Total			**359,604**	**14%**	**50,007**	**40%**
Total Retail Demand			**569,183**	**22%**	**124,678**	**100%**

*Equivalent Permanent Population (total tourist nights in the Sydney region for December 2019)

Source: Location IQ

Based on the 2017 FES, the Study Area comprises some **~149,000sqm** of existing retail floorspace. As demonstrated in **Table 5.4**, demand from the MTA alone would theoretically support some **~125,000sqm** of retail floorspace in the Study Area. This suggests existing retail supply slightly exceeds that supported by the immediate MTA.

In reality, the Study Area's location would elicit wider levels of visitation and demand than that solely generated in the MTA. Central business districts have a metro-wide trade catchments and significant draw. When factoring in the additional demand which would be generated from Sydney-wide visitation, the mismatch between existing supply and MTA-driven demand is not considered significant.

The *quality* of existing supply rather than the quantity is the key impediment to the Study Area meeting the needs of its key audiences.

5.2.3 COMPETITIVE CONTEXT

All property markets operate within a competitive context. The principle of substitutability reflects that where accommodation (be it office or retail space, or housing) is unavailable in one market, occupiers will often seek alternatives in 'substitutable' locations.

The Study Area is surrounded by several major retail precincts which compete for trade and footfall from local residents, workers and visitors to the CBD area. The most prominent of these competitor locations include Pitt Street Mall, Darling Harbour, Barangaroo, Surry Hills and Pyrmont/ Ultimo and Chippendale.

Existing Competitor Retail Precincts With Main Trade Area

Pitt Street Mall

Pitt Street Mall is Greater Sydney's premier retail destination. It runs approximately 200m between Market Street and King Street and attracts the highest retail rents in Australia. Major components connected to Pitt Street Mall include:

- Westfield Sydney is the largest component of Pitt Street Mall. Comprises 92,000sqm of retail floorspace with ~300 retailers.

- MidCity Centre is a four-level shopping centre comprising 24 stores (anchored by Uniqlo) and comprises 9,400sqm of retail floorspace.

- The Strand Arcade is a heritage-listed, Victorian-style, 3-storey retail arcade comprising a mix of luxury retailers.

- Glasshouse is a 25-storey office complex with 5,000sqm of lower-level retail floorspace, including H&M's flagship Australian store.

Comparison with Study Area

Pitt Street is a superior retail location benefiting from multiple national and international anchor brands and a mix of high-quality malls and arcades. It has a significant trade catchment (metro-wide) and is a popular shopping destination for international visitors.

The food catering offer in Pitt Street mall is focused within enclosed malls/arcades and is generally at a higher price point compared to the Study Area. Whilst sharing many similar cohorts (e.g. CBD workers, international tourists), the Study Area provides a more unique dining offer to Pitt Street.

Darling Harbour

Darling Harbour is a large recreational and pedestrian precinct located on the western edge of the Sydney CBD. The precinct is a popular food catering, entertainment, and nightlife precinct and includes:

- The Star entertainment precinct is anchored by The Star casino which comprises a mix of luxury retailers.

- King Street Wharf and Cockle Bay Wharf, both popular food catering-based precincts.

- Harbourside Shopping Centre encompasses some 21,000sqm of retail floorspace over three levels. The centre is currently being redeveloped.

- The Darling Quarter precinct mixed use precinct which comprises 5,000sqm of retail floorspace (predominantly food and beverage).

Comparison with Study Area

Darling Harbour is a superior retail location benefiting from its harbourside setting and mix of major entertainment offerings. It has a significant trade catchment (metro-wide) and is a one of the CBD's most popular tourist destinations.

Darling Harbour is closely located to the Study Area and a key competitor from a food catering perspective, particularly the modern Darling Quarter precinct. Its high-quality public domain and professionally managed events program contribute to its superiority.
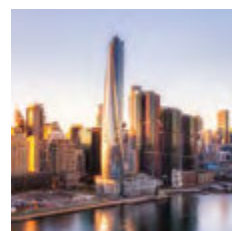
Barangaroo

Major commercial precinct located on the north-western edge of the Sydney CBD. Comprises some 18,000sqm of ground level retail floorspace across 85 stores with a mix of dining, food takeaway and service retail. Completion of Barangaroo Central (circa 2025-2026) will contribute an additional 38,500sqm retail floorspace centred around and below the future Barangaroo metro station.

Comparison with Study Area

Whilst Barangaroo competes with the Study Area to some extent, it targets a much more corporate market with its food catering offer at a much higher price point comparatively. This could shift with the future Barangaroo Central precinct, which will likely introduce a more affordable offer.
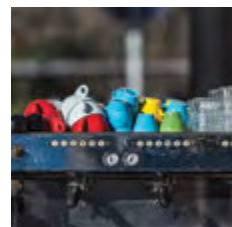
Surry Hills

Immediately east of Central Station, Surry Hills is an established fringe office market and comprises an eclectic mix of food catering, hospitality, supermarkets and convenience based-retail across multiple high streets.

As at the 2017 FES, a total of 145,000sqm of 'restaurant/eating' and 'shop/showroom' floorspace was recorded in the Crown and Baptist Streets village area (considered representative of Surry Hills).

Comparison with Study Area

Surry Hills has an attractive urban image and character given its eclectic mix of buildings and retailers with an established café scene. It primarily competes with the Study Area for in the after hours hospitality/food catering sectors, though lacks the major retail anchors present in the Study Area (e.g. World Square).

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Chippendale

Chippendale is located immediately south of the Study Area and is anchored by the University of Technology Sydney and University of Notre Dame campuses. Retail uses are focused along Broadway, including the Central Park precinct which comprises some 11,600sqm of retail floorspace. The popular Spice Alley precinct is also located within Chippendale which provides a unique Asian, 'hawker-style' inspired dining experience.

Comparison with Study Area

Whilst lacking the scale of retail amenity available in the Study Area, Chippendale's Spice Alley Precinct is a key competitor of for Precinct 1 (Dixon Street) with its modern, contemporary Asian cuisine offering. Chippendale is increasingly popular with the student cohort.

Pyrmont/Utimo

Immediately west of the Study Area, Pyrmont/Ultimo is an established fringe office market and comprises a large professional workforce and resident population. Retail uses are predominantly food catering, hospitality, supermarkets and convenience based-retail.

The 2017 FES identified a total of 87,000sqm of 'restaurant/eating' and 'shop/showroom' floorspace in the Harris Street village area.

Comparison with Study Area

Pyrmont/Ultimo is closely located to the Study Area and easily walkable from Darling Square.

Sydney Fish Markets are a major draw for both domestic and international visitors and will be further strengthened upon its redevelopment.

Similar to Surry Hills, Pyrmont/Ultimo competes with the Study Area in the in the afterhours hospitality/food catering sectors.

Future Competitor Retail Precincts Within Main Trade Area

Central Station Precinct

While the site is not yet rezoned, the reference masterplan has identified that that the Central Station Precinct could potentially accommodate approximately 26,500 on-site jobs and 514,900sqm of floorspace, including:

- 269,500sqm of commercial floorspace
- 53,600sqm of hotel floorspace
- 22,500sqm of student accommodation
- 47,250sqm of education/tech floorspace
- 22,850sqm of retail floorspace
- 14,300sqm of cultural/community floorspace
- 850 dwellings

The Central Station Precinct is expected to be progressively developed over the coming decade.

Comparison with Study Area

The Central Station Precinct will lift the market profile of the Southern office market, which has historically been the least desirable CBD sub-precincts. This presents opportunities for the repositioning of office buildings within the Study Area. The Study Area could also capture some of the retail demand from future workers, students and residents in the Central Station Precinct.

However, the Central Station Precinct poses several risks for the Study Area. The 22,850sqm of new retail floorspace proposed will provide a highly accessible offer for workers and residents and may limit the potential for the Study Area to 'capture' retail demand from these cohorts. Additionally, the vision for the Central Station Precinct to be a 'world-class precinct' with a '24/7 economy' suggests the retail offer is going to be of a high-quality and attract strong interest from a mix of retailers.

## Key Competitor Retail Precincts Outside Main Trade Area

Burwood

Photo by Burwood Chinatown

Burwood is located approximately 10km west of the Sydney CBD (12-minutes via train from Central Station). It is medium-sized centre and an established Asian 'ethnoburb. Retail uses are predominantly focused in the Westfield Burwood shopping centre – a sub-regional shopping centre comprising 63,000sqm of retail floorspace with over 230 shops. Burwood also comprises the recently opened 'Burwood Chinatown' – a new 'hawker style' dining and retail precinct comprising 30 restaurants.

Comparison with Study Area

Burwood is a key suburban competitors by virtue of its established Asian resident population and emergence of the 'Burwood Chinatown' dining precinct. Whilst it has a substantial retail offering via Westfield Burwood, it still lacks the gravitational pull of the Study Area (particularly for the international visitor cohort).
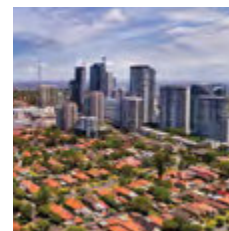
Chatswood

Located 10km north of the Sydney CBD (20-minutes via train from Central Station), Chatswood is a major retail and commercial hub on the Lower North Shore and features an established Asian population. Chatswood is a significant retail hub in Greater Sydney, comprising over 200,000sqm of retail floorspace. It comprises two major shopping centres and a vibrant retail strip which a cluster of Asian eateries and retailers.

Comparison with Study Area

Similar to Burwood, Chatswood is one of the Study Area's primary suburban competitors. It has a significant retail offering which attracts a mix of both local residents and international visitors, though is inferior to the Study Area in terms of its attractiveness to students and domestic visitors.

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ECONOMICS

5.2.4 IMPLICATIONS FOR STUDY AREA: QUALITY OF OFFERING

Research has demonstrated that the Study Area services a broad mix of audiences – residents, CBD workers, students, international visitors and visitors from Greater Sydney and elsewhere in Australia. The Study Area holds particular cultural significance with Greater Sydney's Asian-Australian population.

The place and amenity expectations of the Study Area's customer audiences (identified in section 5.2.1) are becoming greater. This aligns with the changing consumer demands discussed in Chapter 2 – authentic, immersive experiences in attractive settings have become the 'baseline' expectations in a post COVID-19 environment.

Stakeholder feedback has demonstrated that the Study Area is not meeting the experience expectations of its different audiences and personas. More contemporary retail offerings and place experiences are particularly important in attracting and meeting the younger residents, students and visitor cohorts.

The land use audit identified a significant level of retail vacancy across the Study Area, most notably in Precinct 1 (Dixon Street) and Precinct 7 (Market District).

This uptick in vacancy levels has largely been driven by the shock to the Study Area's trade catchment during the COVID-19 period. Retail demand estimates have demonstrated that the quantum of retail supply in the Study Area is theoretically sufficient to meet the needs of its trade catchment.

Whilst the quantum of retail floorspace in the Study Area is sufficient, it is the quality of that supply that is the issue. There has been limited reinvestment in parts of the Study Area, with many businesses failing to reset their offering to meet the expectations of the market. As demonstrated in Chapter 3, this is contributing to high levels of vacancy in some sub-precincts. Together with a poor public domain and place experience in parts of the Study Area, the appeal of the Study Area from a retail perspective is declining.

Looking forward, the Study Area is surrounded by multiple precincts which are repositioning Central Sydney. Development activity at Harbourside and Barangaroo Central will create new, high-quality retail precincts and attractive places. The Central Station Precinct is set to re-shift the profile of 'downtown' Central Sydney and provide world-class retail amenity.

These factors present a real risk. In order to remain attractive and meet the expectations of its core audiences, there is a clear need for revitalisation and 'repositioning' of the Study Area.

The Study Area's unique character, history and fine grain cluster of businesses provides an excellent base from which to reposition itself. Retaining its authenticity whilst providing for a more contemporary retail and public domain offering will ensure it provides a compelling, unique experience compared to other parts of Central Sydney (e.g., Darling Harbour, Barangaroo, The Rocks, etc). This can directly respond to the fall in activity levels exacerbated by the pandemic.

5.3 POTENTIAL FOR REVITALISATION

Revitalisation of places can take many forms. One form can be upgrades to the streetscape and public domain, which is typically delivered by State and/or Local Government.

Revitalisation can also be led by the private sector, either through comprehensive redevelopment (construction of new buildings) or incremental development (e.g., alterations and additions to existing buildings).

This section investigates the likelihood and type of appropriate private-sector led revitalisation in the Study Area.

5.3.1 FACTORS INFLUENCING REDEVELOPMENT POTENTIAL

The ability for land to be developed is influenced by a myriad of factors. A common misconception is that if land is zoned for urban uses, it can and will be developed. In practice, this can be far from reality as the development potential of land is collectively influenced by environmental, market or economic constraints that can influence development potential.

This section examines a selection of some of the key factors which influence the Study Area's development potential.

Heritage Controls and the Special Character Area

The Study Area has high heritage value. A high proportion of properties throughout the Study Area are listed as heritage items under the SLEP (2012) or NSW Heritage Register, with a total of 50 properties comprising heritage items (32% of all properties in the Study Area).

Much of the Study Area is also located within the Haymarket/Chinatown Special Character Area as defined in the City of Sydney SLEP and DCP 2012..

Figure 5.2 illustrates the distribution of heritage items in the Study Area (heritage items illustrated in turquoise), with **Figure 5.3** illustrating the planning controls proposed for the Haymarket Chinatown SCA.

Figure 5.2: Heritage Items, Study Area
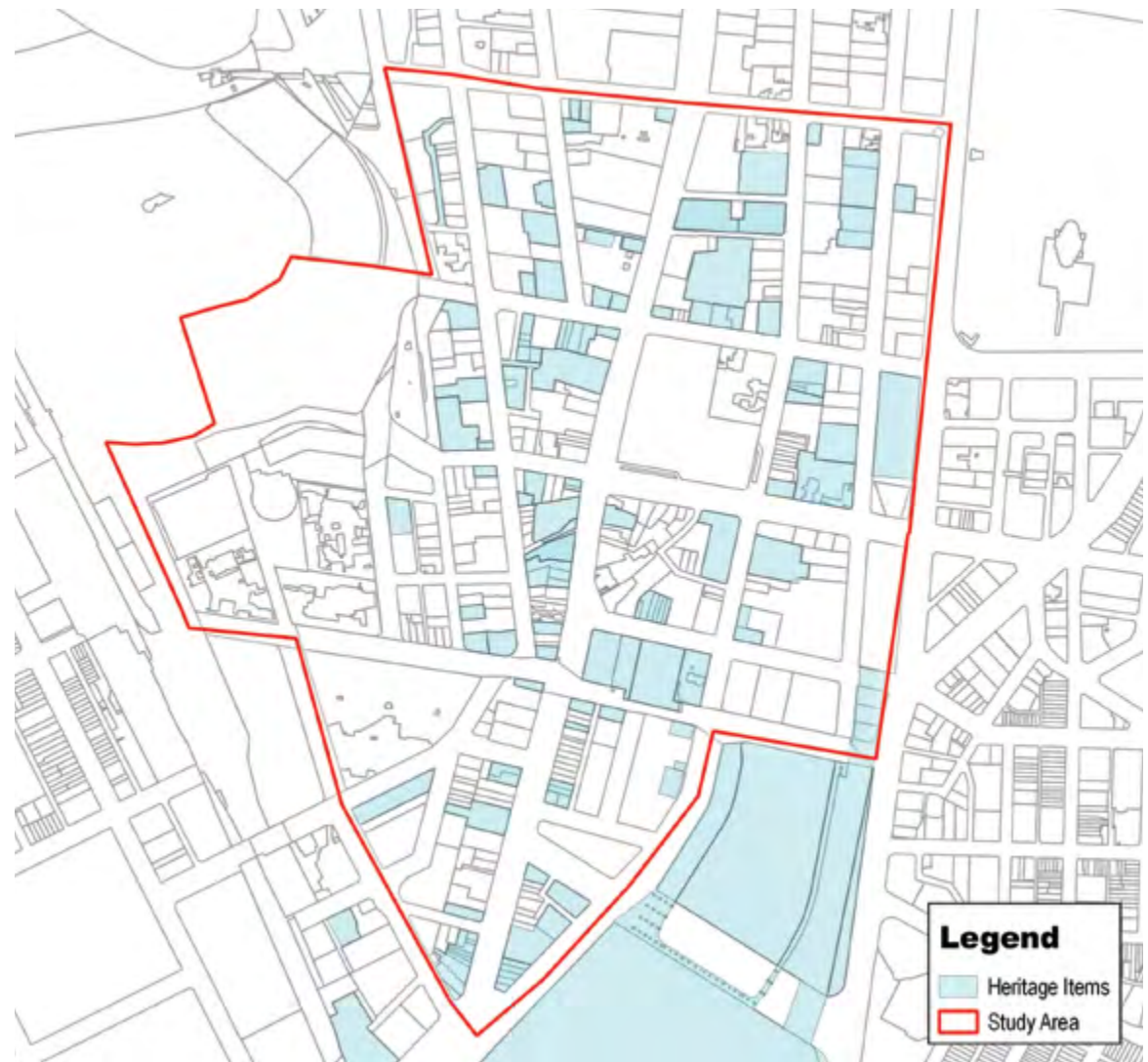
Source: Atlas Economics/City of Sydney (2020)

Figure 5.3: Haymarket Chinatown Special Character Area, Extract from Sydney Development Control Plan

Source: City of Sydney (2020)

Lot Sizes and Strata Properties

Spanning some 51ha, the Study Area comprises almost 160 individual blocks. The overwhelming majority of these blocks are considered 'small blocks' being less than 1,000sqm in site area. Approximately 74% of all blocks within the Study Area are small blocks, with more than 50% recording site areas of less than 500sqm. This fine grain lot pattern is particularly observed along George Street and much of Precinct 1 (Dixon Street).

Table 5.6 provides a summary of the lot size mix observed across the Study Area.

Table 5.6: Lot Sizes, Study Area

Lots	Site Area (sqm)				
	0-200	200-500	500-1,000	1,000-1,500	>1,500
No.	32	52	33	14	26
% of Total	20%	33%	21%	9%	17%

Source: Atlas Economics/City of Sydney

Photo by City of Sydney

The Study Area has a relatively large proportion of strata titled properties, predominantly in Precinct 2 (Darling Square), Precinct 3 (Kent and Sussex) and Precinct 6 (Thai Town and Capitol Square). These properties are a mix of recently developed residential buildings and older style commercial office buildings. Notably, there is limited strata ownership observed throughout Precinct 1 (Dixon Street) and Precinct 7 (Market District).

Figure 5.4 illustrates the patterns of Torrens and strata title ownership across the Study Area.

Figure 5.4: Torrens and Strata Title Patterns, Study Area

LEGEND

☐ Study Area

Study Area Cadastre

☐ Standard Lot
☐ Strata
☐ Stratum

Source: Atlas Economics

Land Ownership Patterns

Anonymised land ownership data provides insight into the patterns of land ownership across the Study Area. The data identifies properties with identical owner names but does not identify properties which are owned by the same party in different entity names.

Notwithstanding this limitation, the land ownership data provides a useful snapshot on the number of blocks within the Study Area which have be consolidated by the same party.

Overall, land ownership is highly fragmented. There are pockets of consolidated sites in Precincts 1 (Dixon Street), Precinct 6 (Thai Town and Capitol Theatre) and Precinct 7 (Market District), though almost all of these sites are development sites with existing planning approval.

There are some consolidated sites located along Dixon Street which are yet to be progressed for development and could provide opportunities for sympathetic revitalisation in Precinct 1.

Figure 5.5 illustrates the properties in the Study Area which have owners that control more than one property in the Study Area, with different colours representing different landowners.

Overall, land ownership is highly fragmented throughout the Study Area.

Figure 5.5: Land Ownership Patterns, Study Area

LEGEND

☐ Study Area
☐ Anonymised Ownership (Various Colours)

Source: Atlas Economics/City of Sydney (2022)

Remaining Development Capacity

Development capacity refers to the theoretical capacity of land to be developed under the existing planning framework. Development capacity in the Study Area is influenced by a broad mix of planning controls under the Sydney Local Environmental Plan 2012 (SLEP 2012), with key controls including:

- Floor Space Ratio (FSR)
- Maximum Building Heights (HOB)
- Sun Access Planes
- Additional Floor Space Bonuses (including Heritage, Design Excellence and Tower Cluster areas)

Detailed capacity analysis by the City to support the CSPS analysed the remaining development capacity of sites across Central Sydney. Remaining development capacity refers to the remaining floorspace potential available on a site based on existing planning controls after deducting existing floorspace on the site.

For instance, a site may have a development capacity of 20,000sqm of gross floor area (GFA) based on existing controls. If the existing building on site comprised 15,000sqm GFA, its remaining development capacity would be 5,000sqm GFA.

A high-level review of the CSPS capacity analysis has been undertaken to identify the remaining development capacity in the Study Area. CSPS data was updated to reflect development activity which has occurred in the Study Area between 2018 and 2022 and has excluded sites which are listed as heritage items in the SLEP (2012).

The review has considered remaining development capacity across the Study Area assuming sites are able to access the maximum bonus FSR provisions available under the SLEP (2012). This assumes a mix of employment land uses are provided to achieve the additional floor space bonus.

Key findings from the CSPS capacity analysis under this scenario indicates that:

- There is remaining theoretical capacity of ~560,000sqm GFA across almost 100 sites.
- 85 sites have remaining capacity equivalent to at least FSR 2:1, though only 16 of these have site areas of 1,000sqm or greater.
- Sub-precincts with the greatest amount of remaining capacity are in Precinct 3 (Kent and Sussex), Precinct 4 (Koreatown) and Precinct 6 (Thai Town and Capitol Theatre).
- Most sites in Precinct 1 (Dixon Street) and Precinct 7 (Market District) have very little remaining development capacity, with most sites have less than 5,000sqm GFA of remaining development potential.
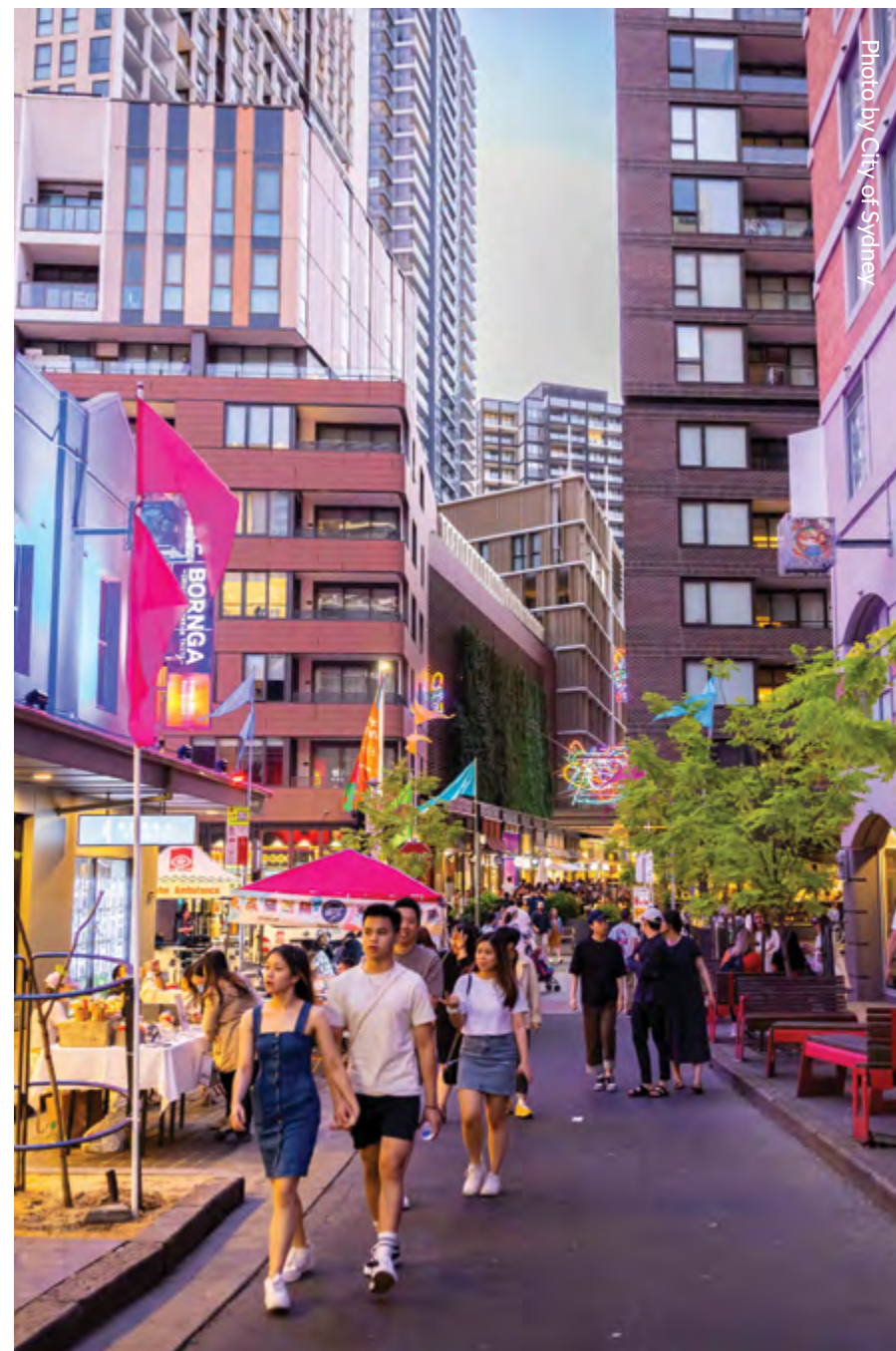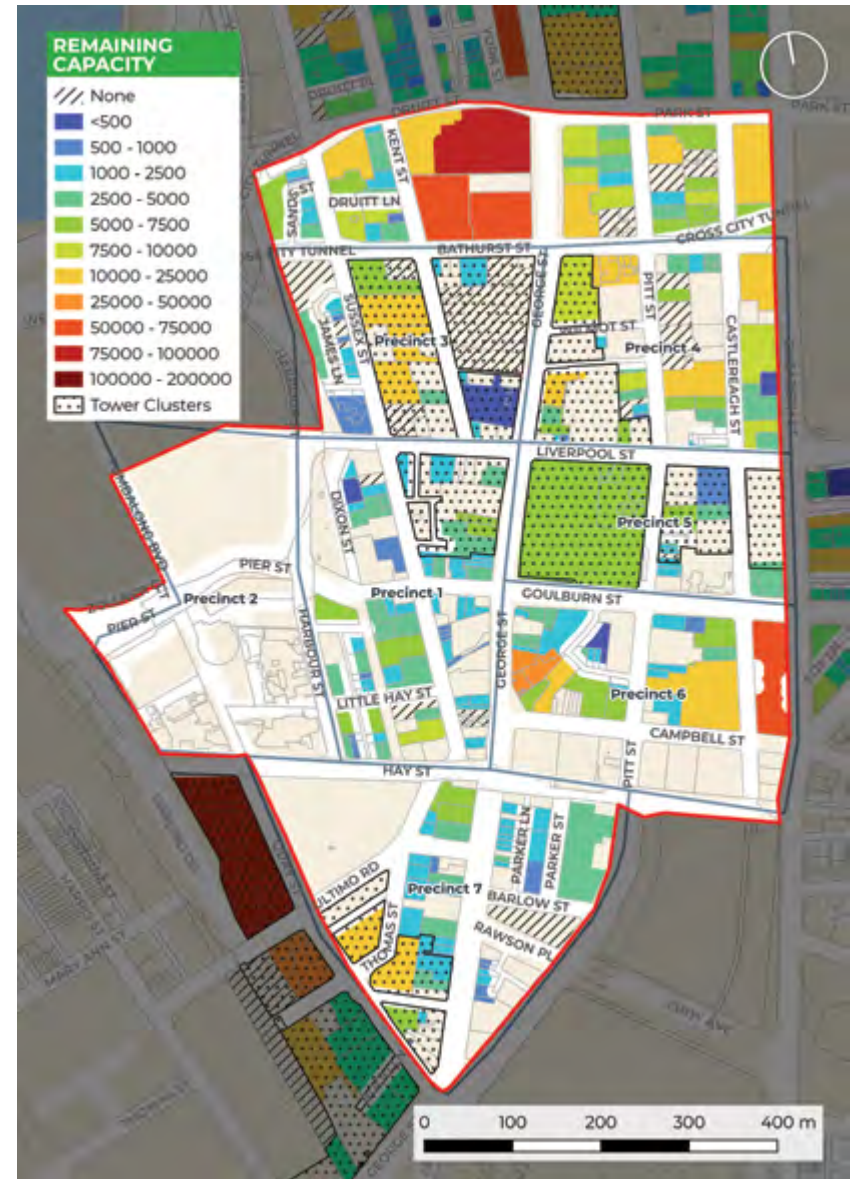

Photo by City of Sydney

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Whilst the capacity analysis demonstrates that the Study Area does have remaining theoretical capacity, market constraints and landowner ambitions would also shape the potential for this theoretical capacity to be delivered in a form appropriate for the Study Area. Notwithstanding the above, significant development potential within the Study Area has been identified in the tower cluster areas defined in the Central Sydney Planning Strategy.

Two of Central Sydney's four tower cluster areas are located in the northern and southern areas of the Study Area. The tower cluster areas enable employment floorspace-focused developments of potentially up to 330m – a significant increase compared to current planning controls. The tower cluster areas within the Study Area provide the potential for a major increase in local employment and activity levels, with development planning in some of these areas already underway.

Figure 5.6 illustrates the remaining development capacity in the Study Area and outlines the location of the two nearby tower cluster areas.

Figure 5.6: Remaining Floorspace Capacity (Employment FSR Scenario), Study Area

Source: City of Sydney (2022)/Mecone

5.3.2 DEVELOPMENT ACTIVITY

Since 2017, a total of nine individual projects have been delivered across the Study Area delivering a total of ~250,000sqm of new floorspace and approximately 2,150 dwellings.

Most of this development activity has been focused within the Darling Square precinct (Precinct 2) which was developed over 2017-2021. Darling Square has delivered some ~56,000sqm of non-residential floorspace and ~1,500 dwellings, including its vibrant dining precinct and the Darling Square Library.

A review of the development pipeline shows that there are currently 27 projects currently under review, approved or under construction. In total, these projects have the potential to deliver ~1,150 dwellings across the Study Area and some ~4,100 hotel rooms/serviced apartments.

Despite the relatively strong pipeline, little construction activity is underway across the Study Area. The sole project under construction is 136 Hay Street which is set to deliver some 306 hotel rooms and a mix of commercial and ground floor retail space. Many projects with existing planning consent have been deferred in the wake of the COVID-19 pandemic and the more recent uptick in construction costs.

It is likely that until the international domestic economic outlook becomes clearer and more evidence of the Sydney CBD's recovery is observed, many of the projects currently slated for development in the Study Area will remain deferred.

Action and investment from the City and other stakeholders (for example investment in the public domain and precinct activations) could assist to improve the confidence.

Table 5.7 summarises the current development pipeline, with **Figure 5.7** illustrating the types of development activity observed in recent years by type.

Table 5.7: Development Pipeline, Study Area

Status	Projects	Dwellings	Hotel Rooms	Non-Residential GFA (sqm)
Under Assessment	7	196	1,166	41,688
Approved	18	958	2,650	162,048
Under Construction	1	-	306	14,715
Total	26	1,154	4,122	218,451

Source: City of Sydney

DEVELOPMENT ACTIVITY

#	Address
1	390-396 Pitt Street Haymarket
2	505-523 George Street Sydney
3	2-58 Hay Street Haymarket
4	308 Pitt Street Sydney
5	715-723 George Street Haymarket
6	24-28 Campbell Street Haymarket
7	323-339 Castlereagh Street Haymarket
8	651 George Street Haymarket
9	59-69 Goulburn Street Haymarket
10	505 Pitt Street Haymarket
11	13-31 Parker Street Haymarket
12	746-748 & 750-750A George Street Haymarket
13	757-759 & 761-763 George Street Haymarket
14	251-253 Elizabeth Street Sydney
15	398-402 Sussex Street Haymarket
16	724-728 George Street Haymarket
17	2-58 Hay Street Haymarket
18	698-704 George Street Haymarket
19	6-12 Harbour Street Sydney
20	311-315 Sussex Street Sydney
21	7-9 Wilmot Street Sydney
22	133-141 Liverpool Street Sydney
23	810-812A George Street Haymarket
24	53-55 Liverpool Street Sydney
25	412 Pitt Street Haymarket
26	371 Pitt Street Sydney
27	82 Hay Street Sydney
28	338-348 Pitt Street Sydney
29	637-645 George Street Haymarket
30	410 Pitt Street Haymarket
31	323-339 Castlereagh Street Haymarket
32	372-382A Pitt Street Sydney
33	262-266 Castlereagh Street Sydney
34	417-419 Sussex Street Haymarket
35	319 Sussex Street Sydney
36	477 Pitt Street Haymarket
37	81 Harbour Street Sydney
38	413-415 Sussex Street Haymarket
39	115 Bathurst Street Sydney
40	355 Sussex Street Sydney
41	413-415 Sussex Street Haymarket
42	125-129 Bathurst Street Sydney
43	388-390 Sussex Street Sydney
44	187 Thomas Street Haymarket

LEGEND

Study Area

Recent Major Developments (2018+)

Addition
Conversion
Multiple Types
New Building
Refurbishment

5.3.3 OPPORTUNITIES FOR REVITALISATION

The Study Area is one of Central Sydney's most historic and unique areas. The character of the Study Area, including its historic street pattern, heritage buildings, narrow frontages, density of shopfronts and variety of buildings, is fundamental to its authenticity and is one of its greatest strengths.

Owing to its character, much of the Study Area (particularly Precincts 1 and 7) falls within the Haymarket/Chinatown SCA. Planning controls in the SCA ensure that land use and development preserve the uniqueness of the area. Comprehensive redevelopment through large scale site amalgamation risks 'sanitising' these parts of the Study Area.

Outside of the Haymarket/Chinatown SCA, planning controls elsewhere in the Study Area could facilitate larger-scale development and renewal. The two tower cluster areas along the northern and southern edges of the Study Area provide the potential for a significant increase in employment space. Together with the existing development pipeline (including ~1,150 new dwellings and ~4,100 hotel rooms), this could facilitate an increase to the Study Area's trade catchment and generate demand for ground level uses.

Beyond what is already observed in the development pipeline and the future development potential in the tower cluster areas, the key opportunities for additional revitalisation in the Study Area are through encouraging incremental development.

Smaller scale and incremental development (e.g., alterations, additions, etc) are desirable to add activity and rejuvenate the Study Area's building stock, without impacting the authenticity of the area. Improvements to building facades, building signage and upgrades to the streetscape can collectively improve the place experience and encourage more visitation. The barriers to small scale / incremental development should be further explored/addressed.

There is also an important role for landowners and key anchor occupiers to drive revitalisation. In particular, the repositioning of Paddy's Markets into a world-class market has catalytic potential and would ameliorate the loss of anchor occupiers in recent years.

5.4 SWOT ANALYSIS

This section summarises the research and analysis into a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis. The SWOT analysis contextualises the issues facing the Study Area and provides a guide to what could be further investigated moving forward.

Table 5.8: SWOT Analysis, Study Area

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
• Highly connected to public transport • Large trade catchment with broad mix of customer cohorts • Much of the Study Area forms part of the Tech Central innovation precinct and is proximate to growing business clusters and education institutions • Proximity to Darling Quarter, Darling Harbour, Capitol Theatre, Paddy's Markets • Urban feel and fine grain character with distinct character • Asian cultures reflected on street/public spaces • Authentic and affordable food offerings • Existing start-up incubator (Haymarket HQ) • Proximity to established cluster of ICT and creative industries • Good pedestrian accessibility along/ around George Street • Attractiveness to skilled migrants and international students • Engaged community and emerging networks	• High vacancy levels • Dated presentation in parts • Ongoing construction work contributing to business disruption • Limited contemporary experiences • Lack of a morning/afternoon activity • Changed access for vehicles • Some large tenancies difficult to lease • Lack of consolidated ownership and coordination • Some landowners unwilling to 'meet the market' and accept market rents • Lack of light on Dixon Street • Limited visitor generators or anchors in pats of Study Area • Lack of unified marketing strategy	• Embrace strong social and cultural history, community connections, character and identity to increase visitation • Haymarket Visioning engagement has reignited relationships and drawn out local 'champions' • Build on momentum from precinct activation grants • Capitalise on investment into MOCA • A further developed city events and public art programme • Revitalised offer at Paddy's Market to attract more visitation • An active public domain upgrade programme • Some consolidated blocks in prominent locations • Embrace and enhance fine grain character through incremental forms of development • Leverage the area's appeal and investment to transition to a more innovation-focused economy as part of Tech Central • Capture greater visitation from the worker population through future development within the Tower Cluster areas	• Changing demographics to include a younger more affluent Asian population with divergent expectations • Precinct decline continues and poor market/ community perception becomes ingrained • Competition from other areas with more contemporary Asian shopping precincts continue to dilute activity away • Poor performance of Paddy's Market and leasing constraints undermines its viability • Disruption from further construction activity • Disparate and inactive ownership making implementing of initiatives outside of Government control difficult • Potential for development to result in sanitisation and character loss (fine grain, active ground floor, affordability, Asian character, etc) • Development in neighbouring precincts continue to draw activity away • Ageing business owners who may not implement business succession plans

5.5 A WAY FORWARD

The Study Area is facing a series of challenges. As demonstrated in Chapter 2 and based on stakeholder feedback, many of these challenges are structural and/or pre-date the pandemic in Q1 2020. Others have been directly caused by the pandemic and are structural (e.g., working from home practices).

Whilst the challenges facing the Study Area is broad, two fundamental issues are at play:

Photo by City of Sydney

The Study Area's trade catchment has not returned to pre-pandemic levels, with recovery lagging the wider Central Sydney area

The challenges facing the Study Area have collectively driven a decline in visitation, unsustainable trading conditions and in turn a rise in shopfront vacancy rates.

Roy Morgan (2022) visitation data suggests the Study Area has recorded a 40% fall in weekday activity levels between 2019 and 2022, whilst weekend activity levels also declined with falls of ~30%.

Whilst activity is still well below pre-pandemic levels, the situation is improving with both weekday and weekend activity levels rising over the 2021-2022 period (increasing by 28% and 34% respectively).

This sharp fall in activity and visitation has directly impacted business viability. A land use audit carried out has identified a vacancy rate of 18% (>250 vacant shopfronts) across the Study Area.

Vacancy levels are highest in Precinct 1 (Dixon Street) and Precinct 7 (Market District), with vacancy rates of 26.2% and 21.5%. This is well above a 'healthy' vacancy rate of 3% to 5% which reflects 'normal' occupier friction and movement.

Activity levels are poised to continue improving. International visitor flows to Australia have been steadily increasing over the past 12-months and will likely gather further momentum with the lifting of travel restrictions in China in Q1 2023.

Whilst this bodes well for the Study Area, it is critical that the Study Area's other key issue is addressed.

The Study Area's existing retail and place offering is not meeting the expectations of its key audiences

Research has demonstrated that the Study Area services a broad mix of audiences – residents, CBD workers, students, international and domestic visitors.

Trends analysis and stakeholder engagement indicates that the place and amenity expectations of customer audiences have shifted. Authentic, immersive experiences in attractive settings have become the 'baseline' expectations in a post COVID-19 environment.

Retail demand estimates suggest that the *quantum* of retail supply in the Study Area is theoretically sufficient to meet the needs of its trade catchment. It is the *quality* of that supply that is the issue.

There has been limited reinvestment in parts of the Study Area, with many businesses failing to reset their offering to meet contemporary expectations of the market.

A poor public domain and place experience in parts of the Study Area, the Area's appeal as a place to visit and linger is declining.

Retail demand estimates suggest that the *quantum* of retail supply in the Study Area is theoretically sufficient to meet the needs of its trade catchment. It is the *quality* of that retail supply that is the issue.

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These issues risk becoming a self-perpetuating cycle - falls in visitation result in an increase in vacancies, which in turn drives further declines in activity and more business closures.

There are opportunities for the Study Area to reposition itself. Expectedly, these opportunities are broad and will require a mix of Government, community and market support.

The key opportunities identified for further investigation are illustrated in **Figure 5.8** with a more detailed description are provided overleaf.

Photo by City of Sydney

Figure 5.8: Key Opportunities for Study Area
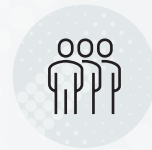
OPPORTUNITY 1:
Enable Community Involvement and Leadership

OPPORTUNITY 2:
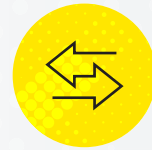**Leverage One of Sydney's Most Historically and Culturally Rich Areas**

OPPORTUNITY 3:
Improve Public Domain and Ground Plane

OPPORTUNITY 4:
Reposition Land Use Mix to Meet Demand

OPPORTUNITY 5:
Strengthen and Support Existing Anchors

OPPORTUNITY 6:
Improve Connectivity

Photo by City of Sydney

Key Opportunities for Study Area

OPPORTUNITY 1:

Enable Community Involvement and Leadership

The Study Area has historically been one of the most popular parts of Central Sydney. It has an enduring cultural connection to Sydney's Asian communities and is a key tourist destination.

The Study Area has a long history of community action. Community and business engagement by the City attracted a strong response, with the most recent round of engagement attracting over 1,100 respondents.

Authentic experiences can only be delivered by the local community. This has been evident from the case study analysis, with community-led organisations responsible for driving change in New York, San Francisco and Melbourne. This is also observed recently in the Study Area with the 'Neon Playground' event coordinated by local community organisations Soul of Chinatown, Haymarket HQ, Haymarket Chamber of Commerce, Basalt Studio and Bespok3 and grant-funded by the City.

There is opportunity for the City to partner/collaborate with local community and business groups to deliver community-led initiatives.

OPPORTUNITY 2:

Leverage Historically and Culturally Rich Areas

The Study Area comprises some of Sydney's most historically and culturally-rich areas. Precinct 1 (Dixon Street), Precinct 6 (Thai Town and Capitol Theatre) and Precinct 7 (Market District) are highly valued by Sydneysiders and have deep cultural connections to Sydney's Asian communities.

Celebrating the Study Area's history, culture and community through forms of cultural expression such as public art, creative lighting, heritage interpretation, events and activities is an opportunity to uniquely position the Study Area. This would help it distinguish itself from its competitors, whilst driving an increase in visitation. Building on these opportunities will assist a coordinated marketing program for the Study Area.

Leveraging the history and culture of areas through different initiatives has been successfully employed in the case study areas, notably in San Francisco, New York and Los Angeles.

OPPORTUNITY 3:

Revitalise the Public Domain and Streetscape

A consistent theme of stakeholder engagement has been that the public domain in parts of the Study Area is 'dated' and contributes to the area's poor appeal. The Study Area's primary and secondary target audiences have high amenity expectations which are not being met.

There is an opportunity to revitalise the public domain and streetscape and incentivise visitors to visit, stay and linger in the Study Area. This includes both public infrastructure (e.g., street lighting, landscaping and street furniture) and building facades and shopfronts (e.g., signage, awnings, etc). Revitalising the streetscape could also tie in with cultural and historical storytelling and enable an 'instagramming' of the Study Area.

Revitalising the public domain has been a core theme of other case studies, and could be delivered through direct government investment, incentives in the planning framework and/or government subsidies/grants.

Photo by City of Sydney

OPPORTUNITY 4:
Reposition Land Use Mix to Meet Demand

The Study Area is a major tourism precinct and benefits from a significant trade catchment. Demand estimates illustrate that there is strong demand for retail uses across the Study Area. The high vacancy levels are instead a function of the poor quality of supply and the need for better optimisation of anchors.

Opportunities to improve the quality of the retail offer and to address vacancy levels could be explored. This could include repositioning some larger ground floor retail tenancies which are struggling to attract market interest into 'micro tenancies'. Micro tenancies (sub 40sqm) facilitate entrepreneurial retailers as they are more affordable and cost less to fit out. They are best co-located with external spaces to enable 'trading out' onto the public space, providing further activation benefits.

Landowners will play a pivotal role in repositioning of the land use mix in the Study Area.

OPPORTUNITY 5:
Strengthen and Support Existing Anchors

Anchors are fundamental to the success of places. Whilst the Study Area does benefit from important anchor occupiers such as Paddy's Market and Capitol Theatre, there is an opportunity for their role to be further strengthened to drive an increase in visitation throughout the Study Area. It is critical that the further loss of anchors is avoided given the number of key anchors which have closed/ relocated in recent years.

Paddy's Market is an important economic driver for the broader Study Area however no longer meets the expectations of its target audiences. There is a major opportunity to reposition Paddy's Market and help drive footfall back to the area. The is also an opportunity to link anchor occupiers such as Paddy's Market and Capitol Theatre with other initiatives (e.g., storytelling, public domain upgrades).
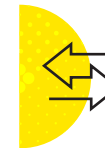
OPPORTUNITY 6:
Improve Connectivity

Changes to the street network following completion of the CBD and South East Light Rail have had mixed impacts for pedestrian and vehicular accessibility. The pedestrianisation of George Street and upgrades to the public domain have improved pedestrian accessibility into parts of the Study Area, though has changed vehicular access. Stakeholder feedback indicates there is a perception that the connectivity between the various sub-precincts is not intuitive and could be enhanced particularly between Precinct 1 (Dixon Street)/ Precinct 7 (Market District) and Precinct 2 (Darling Square). ,

There is an opportunity to improve connections *within* the Study Area. The walkability of the Study Area can be improved by building upon City's ongoing public domain and street upgrade program and supporting new connections. Vehicular access could be improved through supporting alternative access arrangements with communication and signage.

Improved connectivity can enable visitors to more easily 'link trips' and increase patronage to the Study Area.

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