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**in** Property Council of Australia

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Mr Hugh Phemister  
General Manager  
Willoughby City Council  
PO Box 57  
CHATSWOOD NSW 2057

Via email: [council@willoughby.nsw.gov.au](mailto:council@willoughby.nsw.gov.au)

Dear Mr Phemister,

We welcome the opportunity to provide feedback on the Discussion Paper, *Land use mix in the Chatswood CBD*.

Our members include the nation's major investors, owners, managers, developers, designers and builders of property of all asset classes. They create landmark projects, environments, and communities where people can live, work, shop, and play. The property industry shapes the future of our cities and has a deep long-term interest in seeing them prosper as productive, sustainable, and safe places.

The Property Council congratulates Willoughby City Council on their intent to review the land use mix within the Chatswood CBD. The review is particularly relevant given the historically low demand and take-up of commercial floorspace within the CBD, which is predicted to continue over the short and medium term. Data from the Property Council's Office Market Report also indicates that office vacancy rates in the Chatswood CBD have been increasing since 2020 to 20.6% in July 2024, nearing the same rate as 1993.

Investment in commercial office floorspace that was forecast when the studies to inform the Chatswood CBD Planning and Urban Design Strategy were undertaken has not kept pace with initial projections and in some instances, has not occurred at all. The take-up of commercial-zoned land in the CBD, where residential development continues to be prohibited, has not occurred for several decades. We recommend further detailed investigations be undertaken to ascertain the medium- and long-term demand for commercial floorspace within the CBD, with the investigation and methodology subject to independent peer review by property economists.

We would also welcome future consideration of opportunities to increase residential development, particularly in the eastern part of the CBD. This should also capture opportunities for build-to-rent developments as an emerging asset class to accommodate increased housing demand in suitably located areas. Integrating residential development in the commercial core can enhance Chatswood CBD's attractiveness as a place to live, work and visit, in line with Council's aspirations for the area. Increasing the concentration of residential development in the CBD will also optimise the use of existing transport and utilities infrastructure.

Should Council retain a dedicated commercial core, we suggest that the existing zoned part of the CBD between the rail corridor and the Pacific Highway, and potentially east of the rail corridor within approximately 200 metres of Chatswood Railway Station. Within this area, there is already the greatest concentration of office floor space and significant office redevelopment opportunities, with many low-rise commercial buildings nearing the end of their useful life. Within the remainder of the commercial core, it would be logical to facilitate genuine mixed use development to address significant residential demand and catalyse the long-awaited renewal of the eastern part of the CBD.

The discussion paper identifies options for land use controls to facilitate mixed use outcomes, including requirements and incentives for non-residential floorspace within developments. Should Council consider mandating minimum floorspace requirements, the percentage should be informed by economic modelling, demand assessments and development feasibility testing, to ensure the mandated land-use mix is viable. This would more likely result in actual renewal within the CBD that delivers both employment outcomes, residential living opportunities and an activated ground plane in a highly accessible location.

We understand that Council will not be considering any land use or development control changes at this stage. We welcome the opportunity for in-depth consultation on any proposed changes in changes to ensure that future development in the Chatswood CBD will be guided by a planning framework that supports a diversity of land uses in a manner that is commercially viable.

The Property Council thank Willoughby City Council for the opportunity to provide a submission in response to this discussion paper. If you have any questions about this submission, please contact NSW Policy Manager, Emma Thompson at [ethompson@propertycouncil.com.au](mailto:ethompson@propertycouncil.com.au) or by phone on 0458 294 817.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K Stevenson', with a stylized flourish at the end.

**Katie Stevenson**  
NSW Executive Director  
Property Council of Australia