Colliers

NEW SYDNEY WATERFRONT CO

Precinct performance insights

Summary

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Accelerating success.

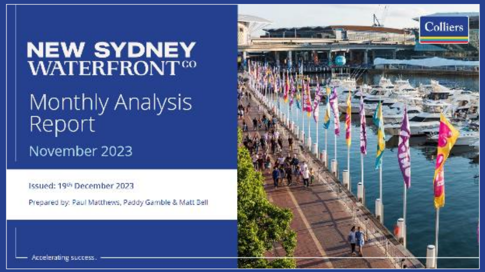
Introduction

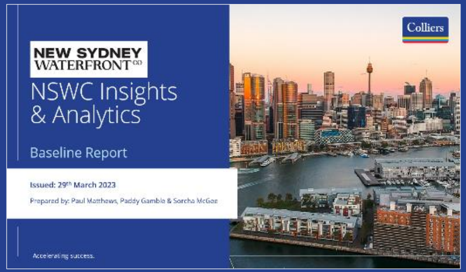
Update on catchment dynamics, precinct performance and visitor insights

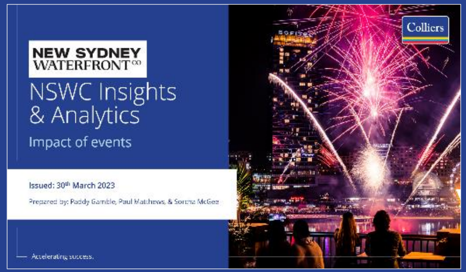
Colliers’ data and insights partnership with New Sydney Waterfront Company (NSWC) has, so far, explored a wide range of strategic issues related to precinct performance, including…

- Visitor volumes, spending trends and behaviours
- Catchment dynamics and geographic performance
- Visitor satisfaction and preferences
- Impact of events and seasonality on precinct performance

Previous reports include…







Summary KPIs

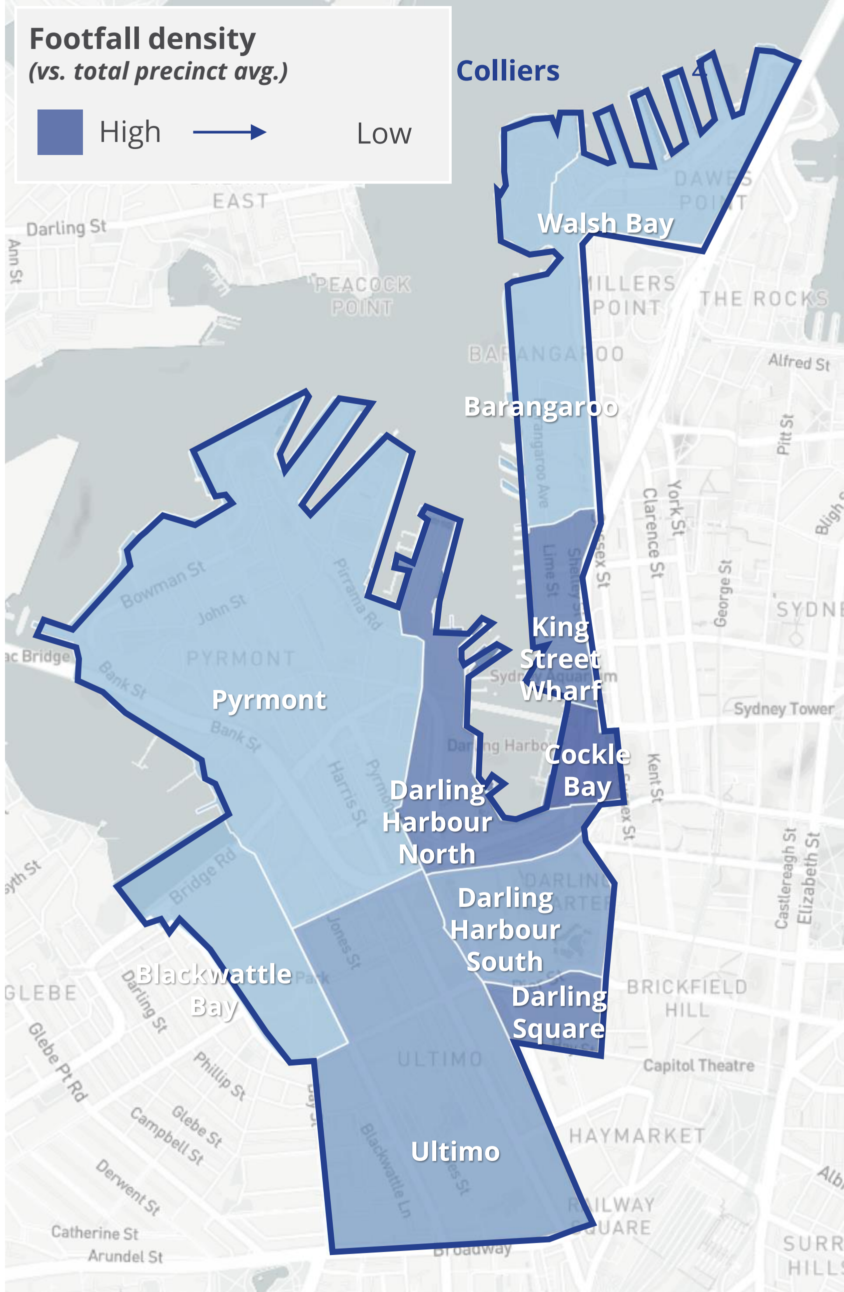
	Visitor volumes	Visitor frequency	Dwell time	Sub-Precinct interaction	NPS	Spend
Latest	**92.5m** visits *(last twelve months)*	**85** Visits per year	**3** Hours	**1.3** Sub-precincts visited per trip	**+40**	**$142** average spend per trip
vs. May 2023	+15%	+5%	0%	+18%	-18%	-24%
vs. Nov 2022	+19%	+9%	+2%	0%	-23%	-1%

Who visits?

92.5m visits to precinct in 2023

- **96% of visits are domestic** - 51% visitors, 7% residents, 38% workers) – vs. 95% in May 2023
  - 34% arrive on foot, 27% arrive by train and 16% arrive by car
  - Of the **4% international visits**, 16% each were from the UK and USA, whilst 9% were from Germany
- Typical visitor is full-time worker aged 39 and earning around $120k, likely to be in a couple
  - Slightly **older and less affluent profile versus May survey**
- Walsh Bay continues to have the most distinct visitor profile, typically hosting the oldest, most affluent visitors

Source: Visitor survey – Nov 23



Footfall density

Who visits?

Key drivers to visit continue to be eating out and exploring the area

Main reason for visiting the precinct typically much more likely to be (all precincts) …..

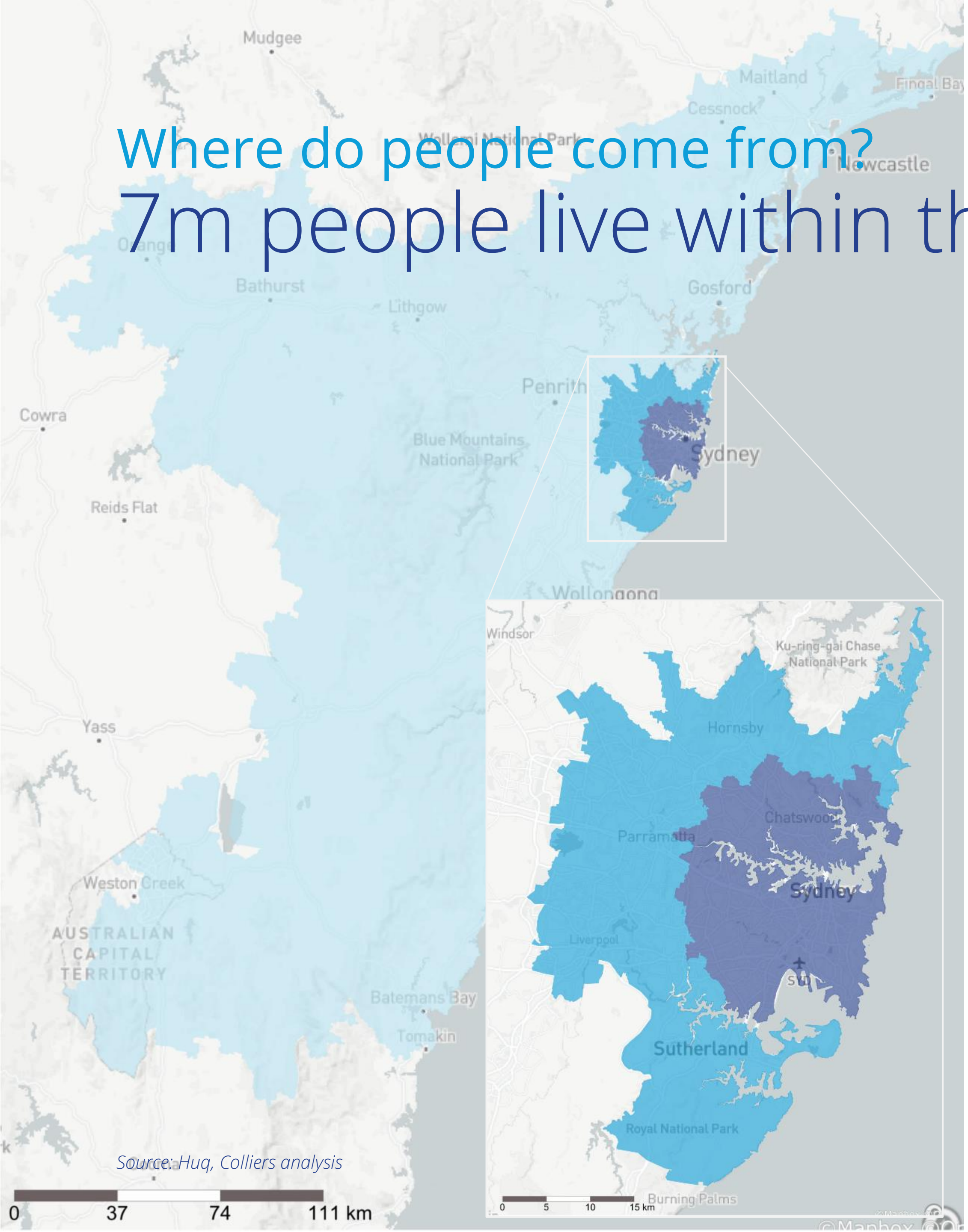
Local residents	• Live in the area • Study • Passive activity
Workers	• Work • Conference or business event / meeting
Domestic visitors	• Food or drink • Meeting friends or family • Exploring the area
International visitors	• Exploring the area • Food or drink • Passive activity

- **Food or drink continues to be the top reason to visit the precinct**
- **Visitors typically visit 1.3 sub-precincts per visit**
  - This represents higher cross-precinct visitation versus May suggesting trips are becoming less targeted
  - People visiting for lifestyle activities most likely to visit multiple sub-precincts (2.4 sub precincts vs. 1.3 total average)
- **Visitors typically visit 85 times a year**, up from 81 times a year in May
- **Dwell time averages around 3 hours** across the Total Precinct, broadly consistent with November 2022 and May 2023

Source: Visitor survey – Nov 23

Where do people come from?

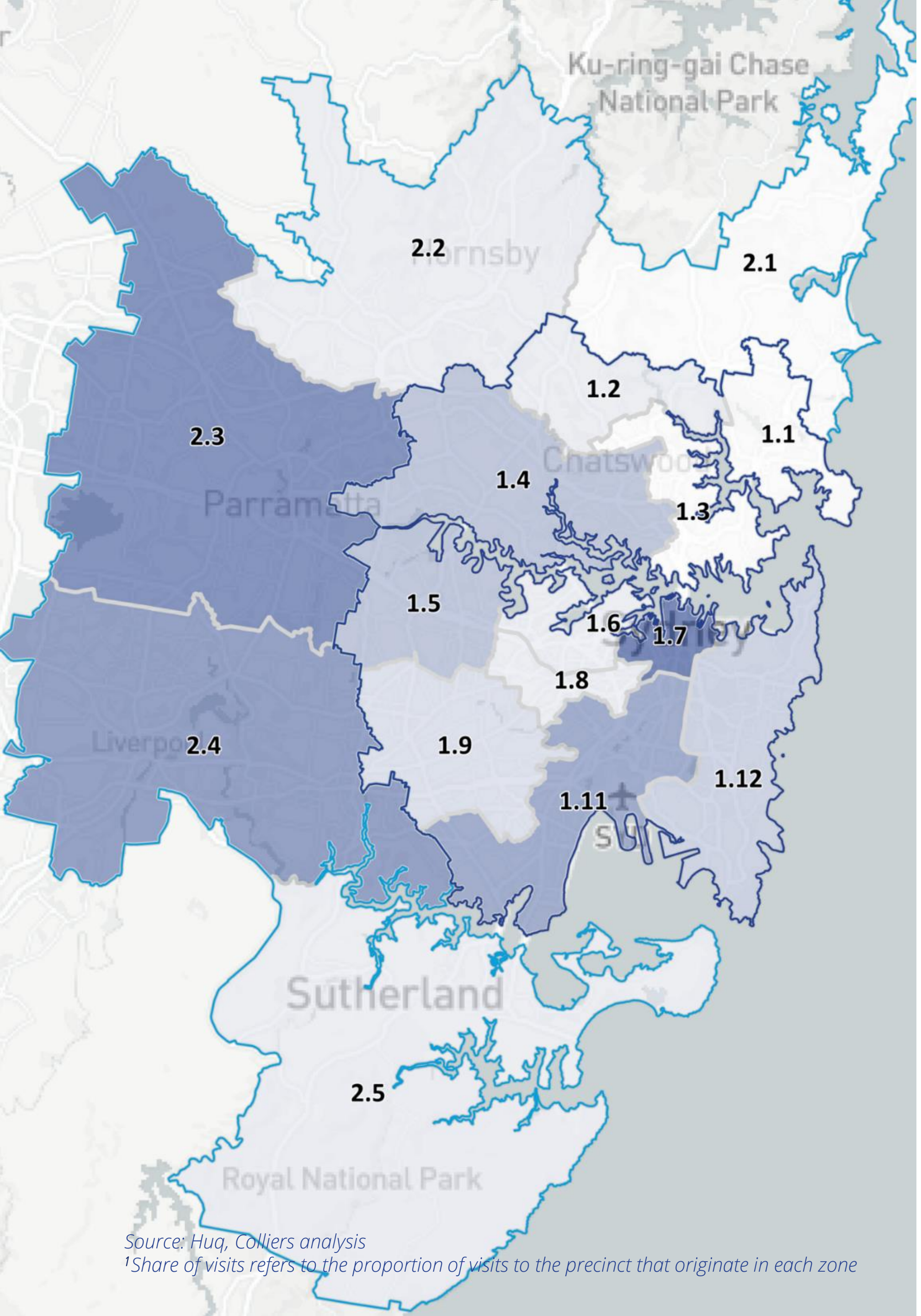
7m people live within the precinct's Total catchment



Source: Huq, Colliers analysis

- 12 months of aggregated mobility data covering Jan-Dec 2023,
- Total catchment represents the area in which 90% of regular domestic visitors reside
- Remaining 10% is defined as 'pull-in' from irregular, long distance visitors
- Catchment stretches north to Newcastle and Fingal Bay and south to Batemans Bay, whilst reaching Canberra and Orange to the west
- 27.5% of the Australian population live within the Total catchment for the precinct

Catchment band	Population (millions)	% of Australian population
Primary	*1.9*	*7.5%*
Secondary	*1.9*	*7.4%*
Core catchment *(Primary & Secondary)*	***3.8***	***15.0%***
Tertiary	*3.2*	*12.5%*
Total catchment	***7.0***	***27.5%***



Source: Huq, Colliers analysis
[1]Share of visits refers to the proportion of visits to the precinct that originate in each zone

Where do people come from?

47.9% of visits from top 5 catchment zones

- The western suburbs (Parramatta, Bankstown & Liverpool) are the most common origin of visits outside of the Central zone, benefitting from strong transport connections (explored further later in this section)
- The lowest contributing zones in the Core catchments are Manly & Allambie Heights (0.7% of visits), Newport & St Ives (1.2%), and Mosman & North Sydney (1.2%)
- *A map of zones can be found in appendix*

Top contributing zones

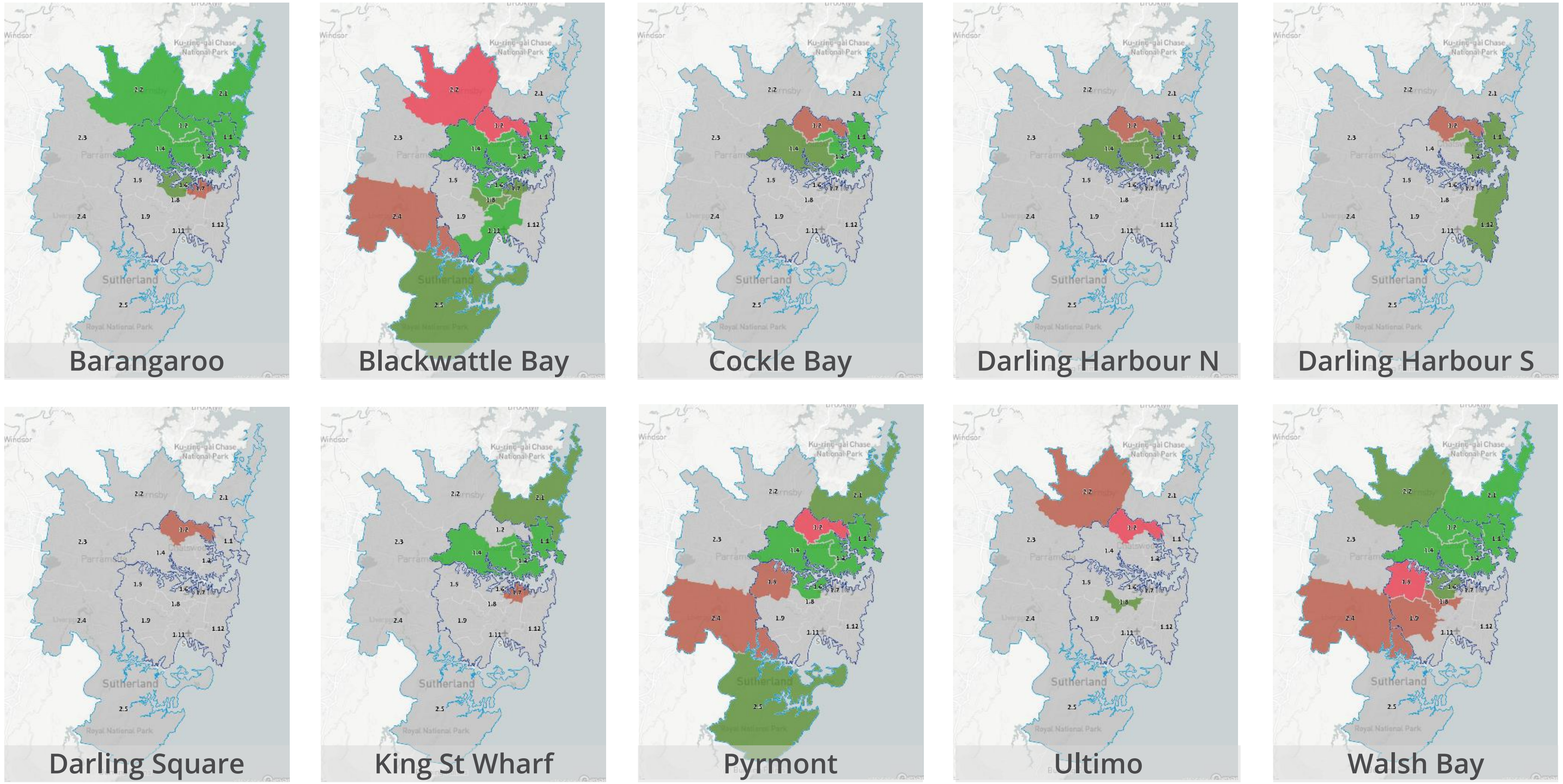
Rank	Zone	Name	% visits[1]
#1	1.7	Central	13.0%
#2	2.3	Parramatta & surrounds	10.5%
#3	2.4	Bankstown & Liverpool	9.2%
#4	1.11	Kogarah & Mascot	8.8%
#5	1.4	Artarmon & Epping	6.4%

Lowest contributing zones

Rank	Zone	Name	% visits[1]
#1	1.1	Manly & Allambie Heights	0.7%
#2	2.1	Newport & St Ives	1.2%
#3	1.3	Mosman & North Sydney	1.2%
#4	1.2	Lindfield & Pymble	1.6%
#5	1.6	Rozelle & Drummoyne	1.6%

How do sub-precincts vary?

Variations in draw of trade exist for each of the sub-precincts – linked to demographics & accessibility

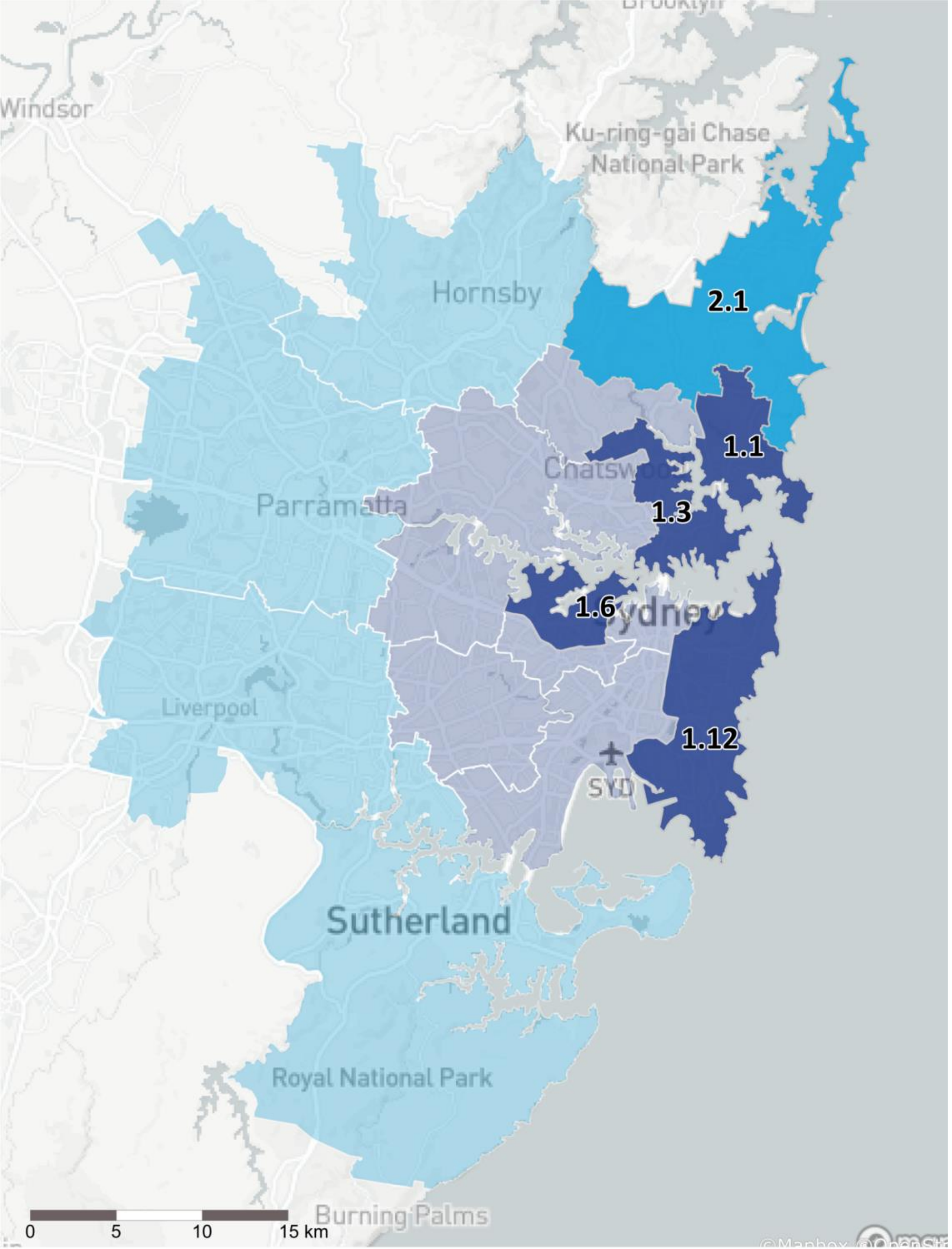


- **Variations in draw of trade and visitor interaction similarly evidence within the Core catchment zones**
  - Typically caused by a range of factors such as demographic alignment of specific parts of the catchment with the positioning of the commercial offer in each of the sub-precincts (e.g. Barangaroo attracts commuters from the northern suburbs) or due to accessibility and transport links (e.g. sub-precincts to the north such as Barangaroo, Cockle Bay, and Walsh Bay all over-index in zones to the north of Sydney, perhaps benefitting from faster public transport links through Wynyard station)

Visit mix vs. Total Precinct

- Higher visit share
- Equal visit share
- Lower visit share

Source: Huq, Colliers analysis



Where do people come from?

5 priority zones to target for increased visits to precinct

- 5 target zones for performance improvement identified based on
  - Current under-performance, public transport accessibility levels, distance from precinct and population
- Focus groups / enhanced survey programme would provide insights on how to increase appeal to residents in these zones
  - e.g. offer curation, targeted marketing activities

1	**1.3**	*Mosman & North Sydney*
2	**1.1**	*Manly & Allambie Heights*
3	**1.6**	*Rozelle & Drummoyne*
4	**1.12**	*Bondi & Banksmeadow*
5	**2.1**	*Newport & St Ives*

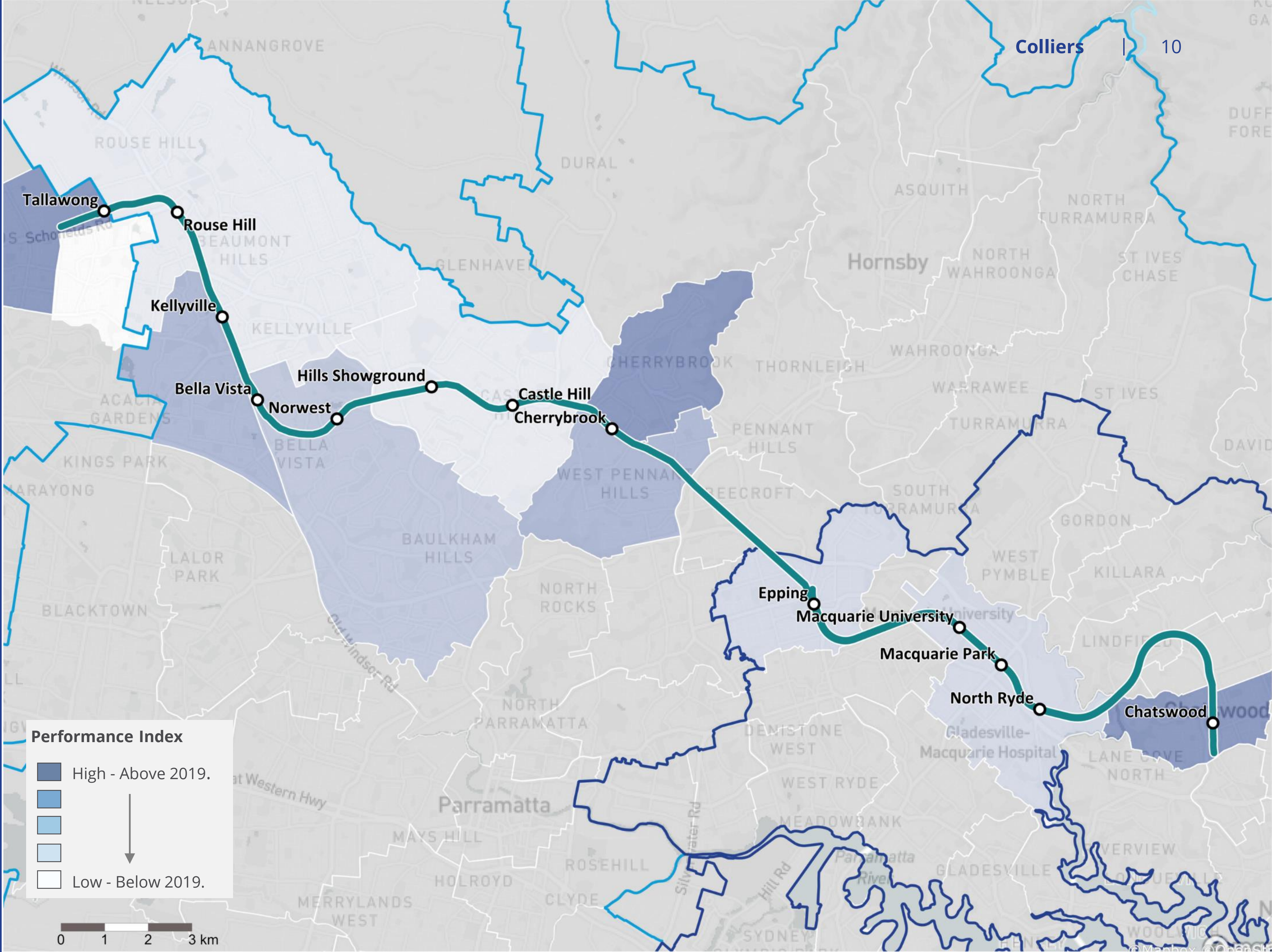
Where do people come from?

Performance has increased in postcodes benefitting from faster journey times via the Sydney Metro

+22%

in share of visits from **postcodes with a reduction in journey time of 3+ mins to the Precinct** (vs. pre-Metro)

Source: Huq, Colliers analysis



What impact do events have?

VIVID and New Years Eve – 2 events that had significant impact on precinct performance

VIVID

26/05/23 – 17/06/23

- VIVID had stronger impact on all metrics at a Total Precinct level than at Sub-Precinct, suggesting a widespread impact
- Total Retail Spend was the most positively impacted, up 9% vs. the benchmark dates

New Years Eve

31/12/23 - 01/01/24

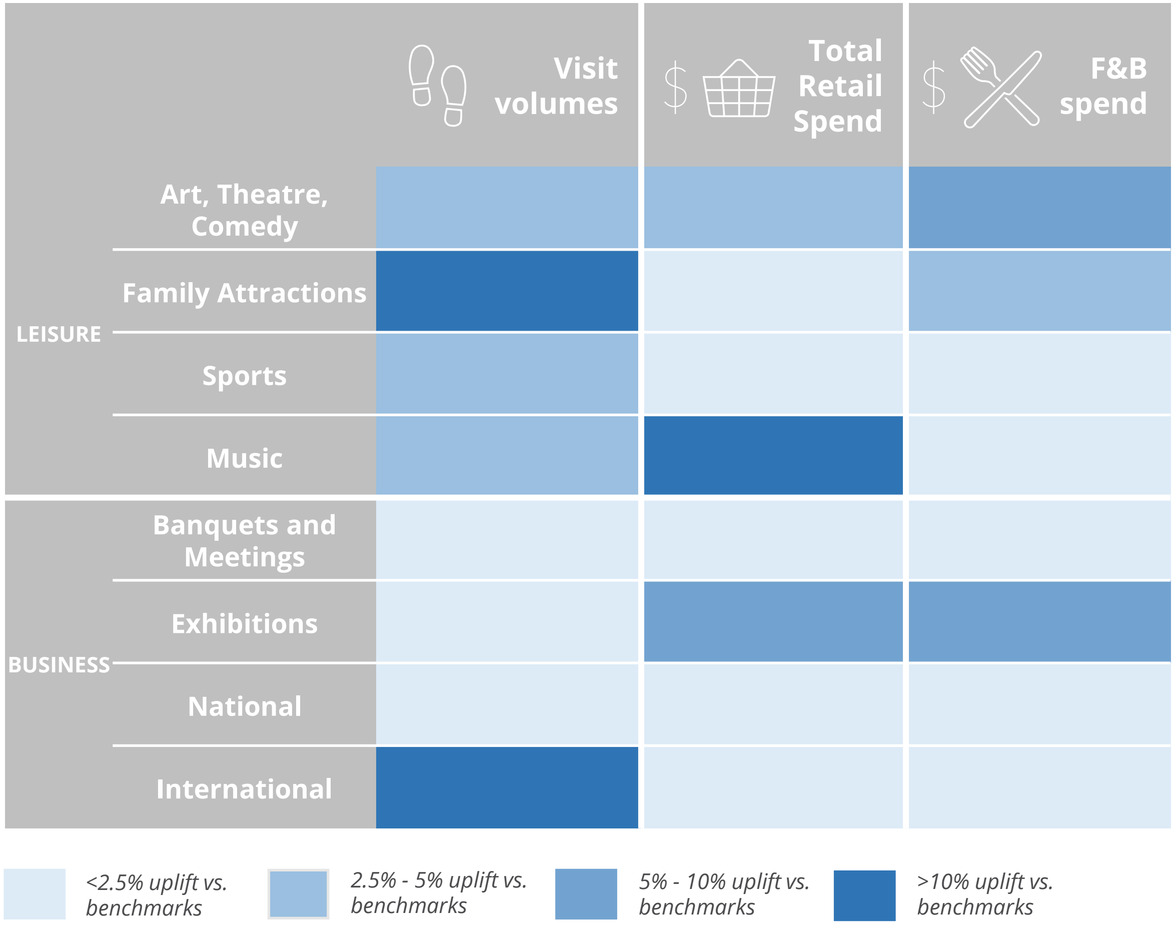
- New Years Eve had a similar impact on the Total Precinct and Sub-Precinct in all metrics
- Foodservice spend was the most positively impacted metric, up an average of 11% vs. benchmark dates

N.B. Impact was only measured in Sub-Precincts with a view of the Sydney Harbour Bridge (Barangaroo and Walsh Bay)

<2.5% uplift vs. benchmarks | *2.5% - 5% uplift vs. benchmarks* | *5% - 10% uplift vs. benchmarks* | *>10% uplift vs. benchmarks*

What impact do activations have?

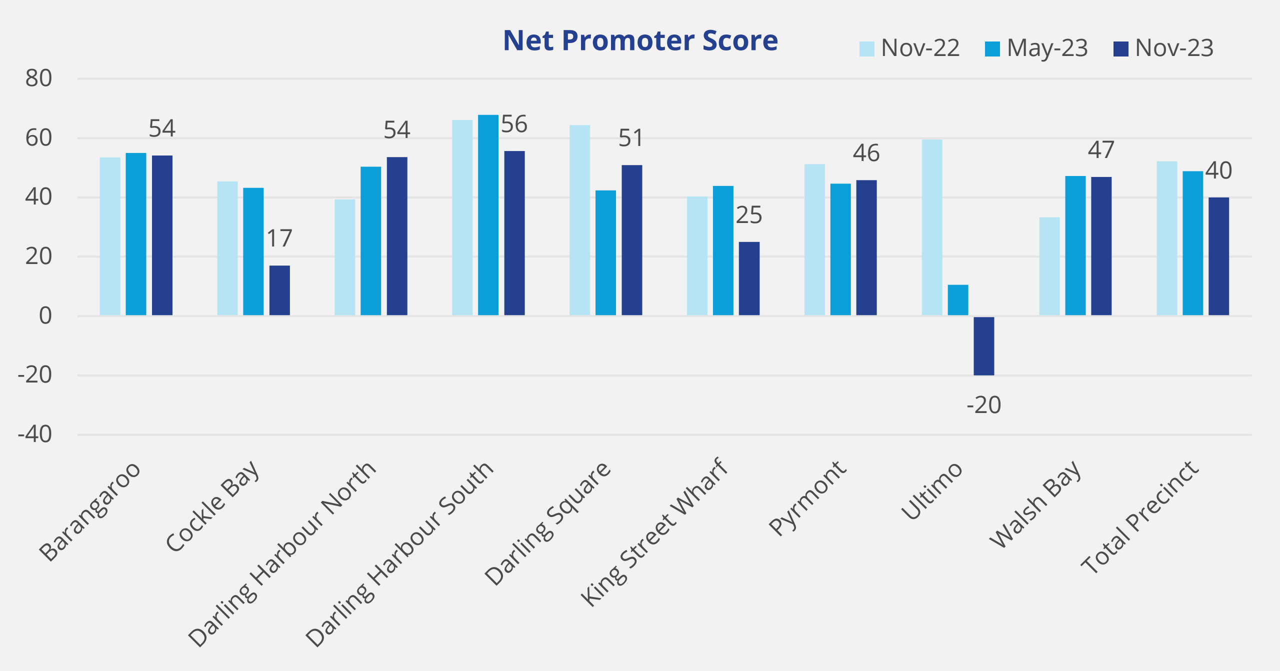
Family Attractions and Art, Theatre & Comedy have the most significant performance impact



Top 10 activations		
Name	***Location***	***Type***
Songs for Freedom	*Barangaroo*	*Art, Theatre, Comedy*
Darling Square - Moon Festival 2023	*Darling Square*	*Family Attractions*
NAIDOC UP Late	*Barangaroo*	*Music*
RBC Race for the Kids 2023	*Darling Square*	*Sports*
SMASH activation in Darling Square	*Darling Square*	*Art, Theatre, Comedy*
Screening	*Walsh Bay*	*Art, Theatre, Comedy*
Damulay Ngurang Friendship Place - Mother's Day	*Barangaroo*	*Family Attractions*
Barangaroo Artisan markets	*Barangaroo*	*Art, Theatre, Comedy*
Tour de Cure - Stride for a Cure 2023	*Cockle Bay*	*Sports*
Corporate Cocktail Function	*Walsh Bay*	*Banquets and Meetings*

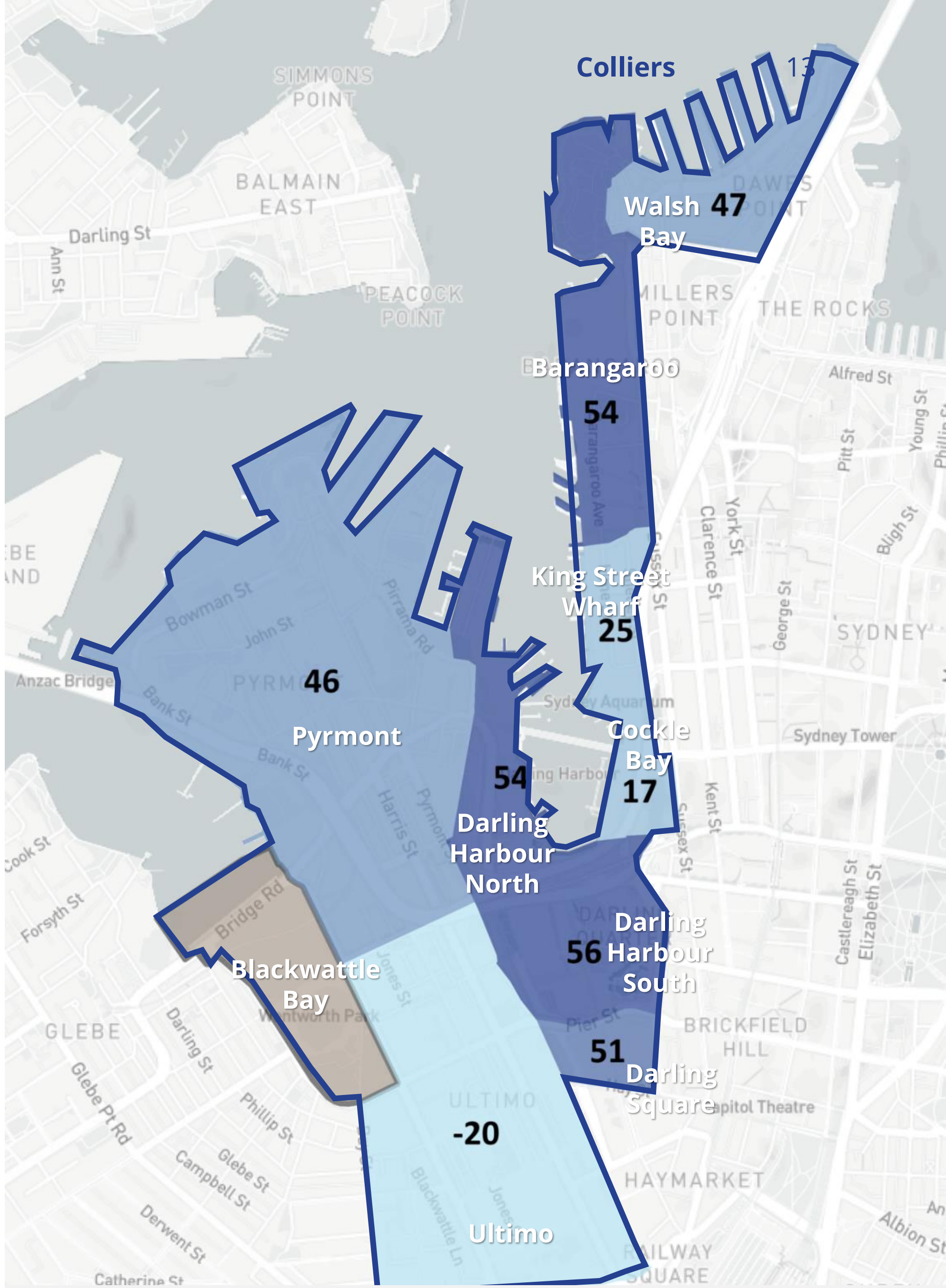
How does the precinct perform?

Darling Harbour South continues to score strongly



- Total Precinct score of 40, down 9 points from 49 in May 2023 and a further 3 from 52 in November 2022
- Ranges from -20 in Ultimo to 56 in Darling Harbour South

Source: Visitor survey – Nov 23 | NPS score measures visitor experience and is a core metric used globally - Ranges from -100 (low) to +100 (high)

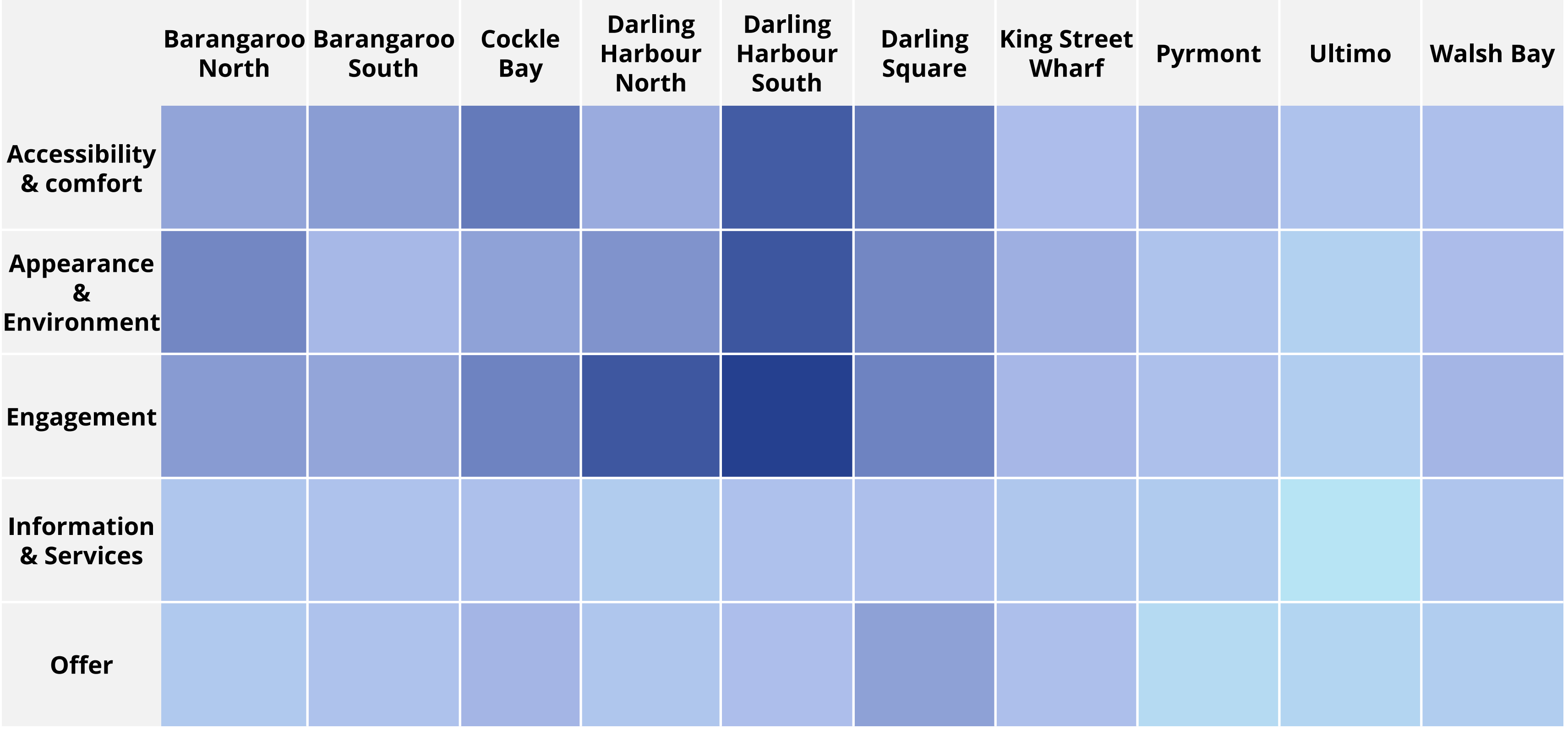


NPS – Would you recommend this precinct to family & friends?

How does the precinct perform?

Darling Harbour South and Darling Square rated highly on a range of themes

Visitor satisfaction – How do you rate specific characteristics?



- Darling Harbour South and Darling Square rate highly across all measures (particularly personal safety). Information & services remains biggest opportunity
- Pyrmont and Ultimo continue to have weaker scores
- Only Darling Harbour North, Pyrmont and Darling Square have seen an increase in score since May 2023

Source: Visitor survey – Nov 23
Notes: NPS score measures visitor experience and is a core metric used globally. Ranges from -100 (low) to +100 (high)

Highest Ratings
Lowest Ratings

What are the opportunities?

Opportunities to drive satisfaction and increase draw of trade

1. +22% impact in areas with 3+ min improvement in travel time along Metro Northwest route

   Significant opportunity to increase draw of trade when new Metro stations open in precinct: +52% impact seen in other global CBD areas following new station openings

2. Major events and seasonal holidays can increase draw of trade by up to 14%

   Evidence from Vivid and summer holidays indicate significant increases in catchment size as people travel from further afield to visit (+14% and +10% respectively)

3. Core catchment population has reduced in size by -1.5% vs. 2019, covering an area of ~29km

   Compares favourably to other global cities which have seen ~5-10% reductions

4. Invest in perceived weaknesses to drive NPS

   Availability of wifi is a common 'weakness' identified by visitors across the precinct

5. Prioritise catchment zones to focus efforts and investment in increasing share of visits

   Underperforming zones (e.g. Mosman & North Sydney), greater penetration of existing top zone s(e.g. Parramatta), exploiting opportunity around new Metro station (e.g. Cherrybrook)

Appendix
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