

SYDNEY TRANSPORT INFRASTRUCTURE INSIGHT

DECEMBER 2015

HIGHLIGHTS

Sydney is currently on the cusp of an infrastructure boom not seen before, with an unprecedented amount of funds being directed towards building new roads, tunnels, railways and a new airport

As part of the NSW 2015-16 budget, the Baird government pledged \$38 billion of major capital works in the transport sector across NSW over the next four years, underpinned by the Sydney Metro project

Transport infrastructure projects will improve accessibility, create new business clusters, drive real estate opportunities, trigger demographic movement and drive a need for higher densities

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HIGHLIGHTS

With Australia's capital cities predicted to add 3.2 million new citizens in the next 10 years, new mass transit systems and faster connections to markets will be needed. Sydney will lead the way, with transport infrastructure projects improving accessibility, creating new business clusters, driving real estate opportunities, trigger demographic movement and drive a need for higher densities.

Greater Sydney is currently home to over 4.8 million residents and more than 470,000 businesses, the majority of which rely heavily on the city's transport infrastructure system, in terms of both employment movement and the transfer of services. With a further 820,000 residents expected to call Sydney home over the next 10 years (ABS medium series projections), Sydney's infrastructure network will need to continually evolve to keep pace with the anticipated growth in population.

While transport infrastructure has long been considered a negative for Sydney, the city is currently witnessing a rapid transformation with new projects set to change the way people move into,

through and within its urban boundary. Sydney is currently on the cusp of an infrastructure boom not seen before, with an unprecedented amount of funds being directed towards building a new airport, roads, tunnels, railways and ferry terminals. As Figure 1 suggests, the value of work commenced in NSW for transport infrastructure engineering is at peak levels (\$5.4 billion, June 2015 quarter) where on average \$3.1 billion of works commenced each quarter over the year to June 2015 (*selected sectors).

However, more of note is the pipeline of works which is yet to be done, where at June 2015 the monetary value was 50% higher than the same time last year.

TABLE 1

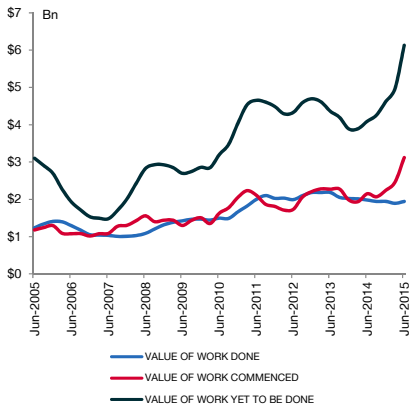
Key Sydney Infrastructure Projects*

Project Name	Cost* (\$m)	Type	Status	Completion Year
WestConnex	\$16,812	Road	Construction	2023
Sydney Metro	\$10,500	Rail	Early	2024
Sydney Metro Northwest (formally North West Rail Link)	\$8,900	Rail	Construction	2019
Western Sydney Infrastructure Plan (WSIP)	\$3,600	Road	Construction	2025
NorthConnex	\$3,100	Road	Early Works	2019
CBD and South East Light Rail	\$2,100	Rail	Construction	2018
Moorebank Intermodal Freight Terminal	\$1,870	Freight Hub	Early	2030
Western Sydney Airport (Badgerys Creek Airport) Stage 1	\$1,840	Airport	Early	2023
Parramatta Light Rail	\$1,000	Rail	Scoping & Investigation	2022
Northern Beaches Hospital road connectivity and network	\$400	Road	Construction	2017
Wynyard Walk	\$306	Pedestrian Link	Construction	2016
Circular Quay upgrade	\$200	Ferry	Early	2020
Northern Beaches Bus Rapid Transit	\$125	Road	Design	2017
Wynyard Station Upgrade	\$115	Rail	Construction	2016
Barangaroo Ferry Hub	\$50	Ferry	Design	2017
South West Rail Link Extension	-	Rail	Scoping & Investigation	2023
Outer Sydney Orbital	-	Road	Scoping & Investigation	2030

Source: Knight Frank Research

*Estimated and are subject to change

FIGURE 1
NSW Engineering Construction
 By selected sectors*, annual moving average



Source: ABS, Knight Frank Research
 *selected sectors include roads, railways, bridges, and harbours

Funded by the state government’s asset recycling program, proceeds from the partial privatisation of the NSW electricity network businesses (poles and wires) and an increase in stamp duty revenue, the NSW government plans to spend \$68.6 billion over the next four years on infrastructure (including non transport infrastructure). The key focus will be on easing congestion for motorists and improving accessibility and efficiency for public transport consumers.

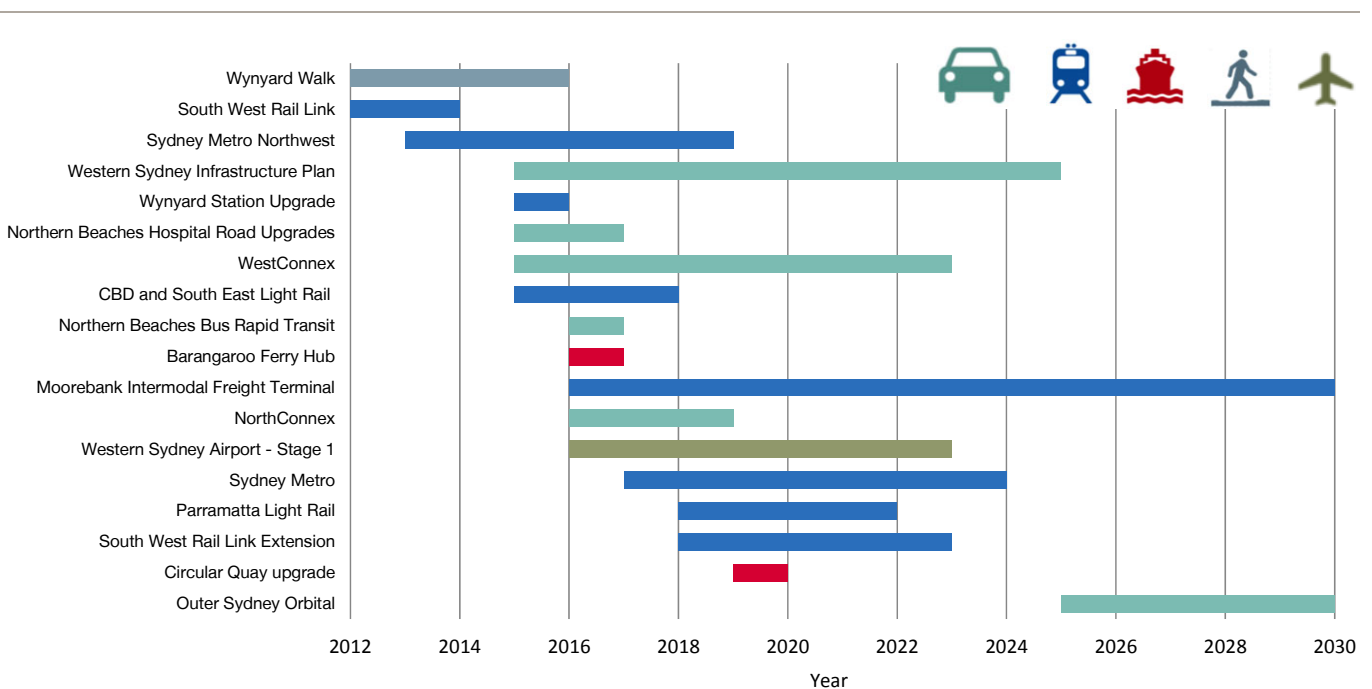
The current round of projects, both underway and planned follows an extended period of time where few major projects were progressed. While the population of Sydney has increased by approximately 650,000 persons over the past decade alone, investment in infrastructure has not kept pace with growth, placing tremendous pressure on existing rail and road networks. Already, it is estimated that transport congestion costs the Sydney economy \$5 billion per annum, while if nothing is done this is expected to rise to \$8 billion per annum by 2020. Importantly, the projects underway and planned will go a long way in alleviating these constraints.

Following on from the establishment of the Restart NSW program in 2011, the NSW government announced the Rebuilding NSW plan in 2014 with the objective of boosting infrastructure investment across the state. Underpinned and funded by the 49% lease of the NSW electricity network, the plan involves the investment of \$20 billion in new infrastructure across the State. Of this total, 70% or circa \$14 billion is expected to go towards infrastructure projects in Sydney, Newcastle and Wollongong, while the

remaining \$6 billion will be spent on areas outside of those listed above. As part of the NSW 2015-16 budget, the Baird government pledged \$38 billion of major capital works in the transport sector over the next four years across NSW, underpinned by the Sydney Metro project (including the Sydney Metro Northwest project—formally called the North West Rail Link) and the WestConnex Motorway project. Of note, funding for the Rebuilding NSW program has not been included in the 2015-16 budget given the partial lease of the NSW electricity network had not yet been completed at that point in time.

With the November 2015 announcement that a lease for the TransGrid poles and wires has been reached for \$10.258 billion, the Rebuilding NSW plan has further advanced, with monies going towards new and existing road and rail projects. At the same time, an expressions of interest campaign has recently launched for the partial lease of Ausgrid (a state owned electricity infrastructure company) with the transaction expected to be finalised by mid-2016, thereby further boosting the funds available for transport infrastructure investment.

FIGURE 2
Selected Major Sydney Infrastructure Projects Timeline*



Source: Knight Frank Research, NSW Government

*Estimated and are subject to change



“Transport is critical to the efficient functioning and quality of life of Sydney and its residents. Poor or reduced accessibility can be a major constraint on the success and quality of places, their neighbourhoods and communities. Central to Sydney’s future are a number of key infrastructure projects.”

PAUL SAVITZ
Associate Director
Research and Consulting

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PROJECTS SYDNEY METRO

In November 2015 the NSW State Government confirmed seven new strategic stations for Sydney’s new Metro railway line, which will connect into the Sydney Metro Northwest at Chatswood. Sydney Metro Northwest will open in the first half of 2019 and deliver fast, safe and frequent services between Rouse Hill and Chatswood.

The proposed new metro stations include Crows Nest, Victoria Cross (North Sydney), Barangaroo, Martin Place, Pitt Street, Central and Waterloo. The commencement of this major project is confirmed to be 2017.

The new rail network will transform Sydney by offering fast, reliable journeys from Sydney’s North West with the current \$8.9 billion Sydney Metro Northwest (formerly known as North West Rail Link) under construction, through the Lower North Shore and CBD, to Western Sydney.

The first component of the newly announced rail line is the Chatswood to Sydenham stage which will involve new 15km twin tunnels from Chatswood, under Sydney Harbour through Barangaroo and Sydney’s CBD, to Sydenham. The second component comprises an upgrade of the existing 13.5km railway line from Sydenham to Bankstown. The Government is also considering an extension from Bankstown to Liverpool as a separate stage which will reduce travel times to the CBD from Liverpool by up to 15 minutes.

As part of the project 52 properties will be compulsorily acquired across Sydney, including 17 in North Sydney/Crows Nest and 19 in the CBD, including buildings as high as 22 storeys. In the CBD, approximately 150 occupiers across 61,000 sqm of office space will be displaced in the next 18 to 24 months, representing 1.2% of the entire office market, thus positively impacting vacancy and rental levels in these markets over the short to medium term.

BENEFITS & OPPORTUNITY*:



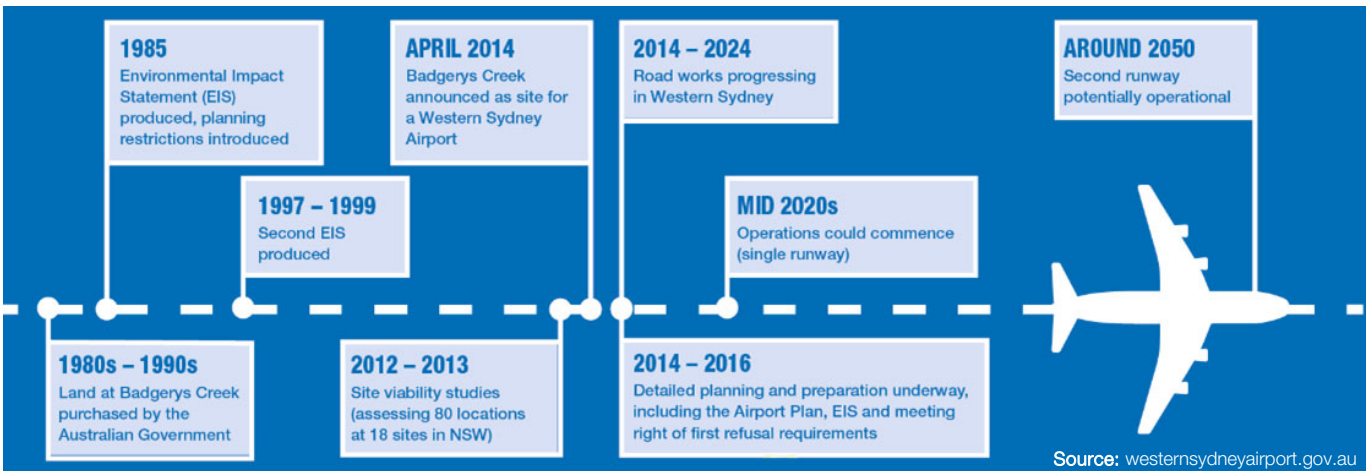
*see back page for icon key

MAP 1
Sydney Metro
Concept plan



Source: Transport for NSW

FIGURE 3
Western Sydney Airport Timeline
Concept plan



WESTERN SYDNEY AIRPORT

On opening in the mid-2020s, the airport, which is located approximately 50 kilometres from Sydney's CBD, would operate from one runway with an estimated five million passengers. As passenger numbers increase over the decades, so too would job opportunities both at the airport and in surrounding business districts.

The new airport will be a major generator of economic activity—providing employment opportunities closer to where people in Western Sydney live. Over 30,000 jobs could be generated directly by the airport's operation by 2060, and indirect employment around the airport site could contribute an additional 30,000 jobs. It is anticipated that the second parallel runway would only be required after 25 years and would provide the capacity to meet growth in demand for future air travel.

Current plans for the new airport do not include any rail access. This because the recently approved road network upgrades have been assessed as adequate to support anticipated airport demand for at least a decade after opening. However, in our opinion rail access is likely to be critical to the airports long term success.

BENEFITS & OPPORTUNITY:



CBD & SOUTH EAST LIGHT RAIL

Implementation of Sydney's Light Rail will see a line built through the Sydney CBD to Randwick and Kingsford. The line will link Circular Quay and Central via George Street, the Moore Park sporting and entertainment precinct including the Sydney Cricket Ground and Allianz Stadium, Randwick Racecourse, the University of NSW and Prince of Wales Hospital at Randwick.

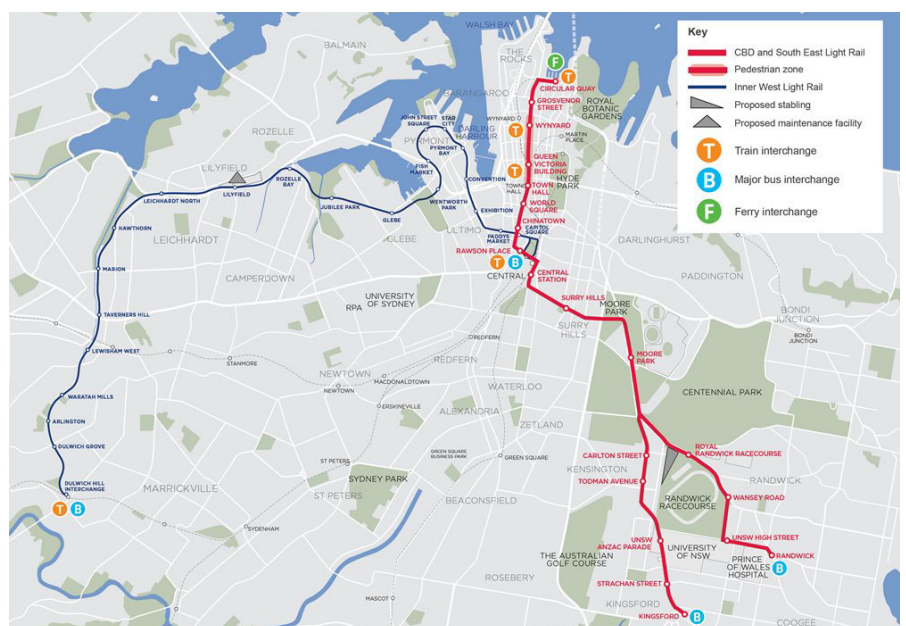
Previously serviced by a bus network

only, this light rail extension to Randwick will substantially improve accessibility for residents, students, tourists and spectators alike. This light rail extension will service existing well established suburbs, and as a result should development sites become available in these areas, it is anticipated they will be at a high price point relative to other development sites in the Sydney Metropolitan area.

BENEFITS & OPPORTUNITY:



MAP 2
Sydney Light Rail
Concept plan



Source: Transport for NSW

NORTHCONNEX & WESTCONNEX

Two significant road upgrades are confirmed for the Sydney Metropolitan area, the NorthConnex and WestConnex. These road developments will serve to improve the current traffic congestion experienced in these areas and provide an overall improved amenity to suburbs. With less traffic congestion, retail and commercial uses are anticipated to increase, whilst improving accessibility for existing residents to access the CBD, airport and regional areas of the State. It is anticipated that suburbs within the vicinity of these proposed road upgrades will become more attractive and inspire new development.

NorthConnex, a 9km tolled tunnel motorway, will link the M1 Pacific Motorway at Wahroonga to the Hills M2 Motorway at West Pennant Hills, when complete in 2019.

WestConnex, a 33km road project brings together a number of important road projects which together form a vital link in Sydney's Orbital Network. They include a widening of the M4 east of Parramatta, a duplication of the M5 East and new sections of motorway to provide a connection between the two key corridors. The project is expected to complete in 2023.

BENEFITS & OPPORTUNITY:

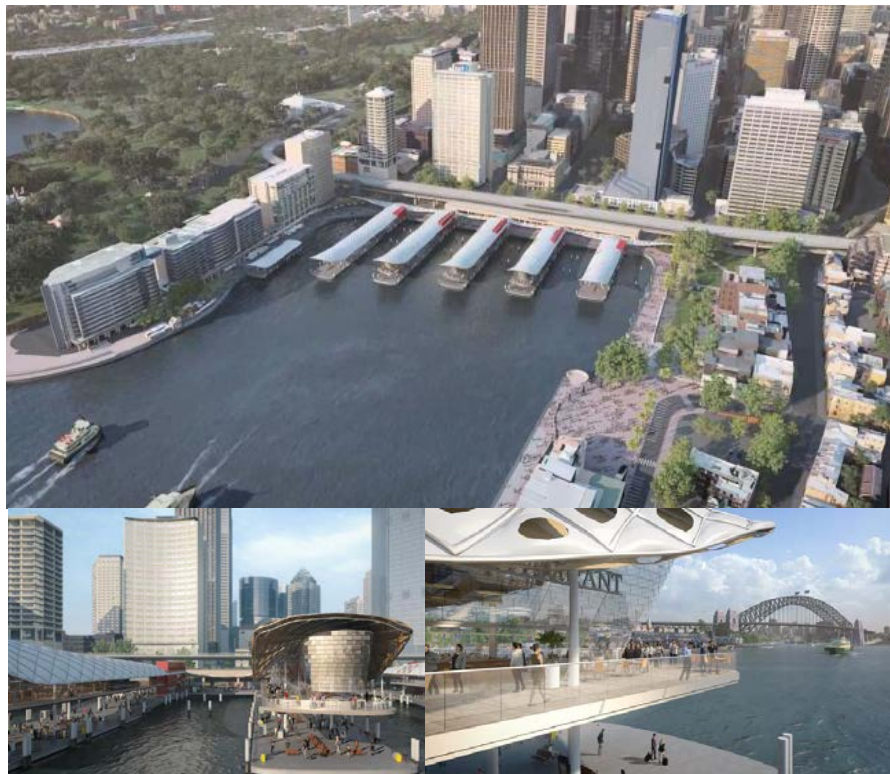


CIRCULAR QUAY UPGRADE & NEW FERRIES

The NSW government announced in September 2015 proposals for a minimum \$200m upgrade of Circular Quay, in order for the area to reflect its important location within the harbour, and its position as a gateway to Sydney.

The plans include more modern, double storey and accessible wharves plus new retail facilities, which will help to facilitate

FIGURE 4
Circular Quay Ferry Wharf upgrade
Artist impression



Source: NSW Government

the reinvention and regeneration of the immediate area as a social, residential and business hub. The NSW government will generate the upgrade's funds by selling ground leases of several hotels and office properties around the harbour foreshore deemed

to not be of long term strategic importance. Construction is expected to begin in 2019.

In addition to the terminal upgrade, the first of six new ferries will begin running by the end of 2016 with the remainder

MAP 3
WestConnex proposed route
Concept Plan



Source: NSW Government

rolling out through 2017. The ferries, the first additions to the city's fleet since 2001, will service the inner harbour routes from Watsons Bay in the east to Cockatoo Island in the west, and stop at the new Barangaroo wharf.

The new ferries will look similar to the iconic first ferry fleet but have significant modern improvements that include:

- an extra 87 seats and the ability to carry up to 400 passengers
- more spacious outdoor viewing areas
- an additional large, walk-around deck
- Wi-Fi access
- luggage and bicycle storage areas
- real-time passenger information
- tables and charging stations for electronic devices.

BENEFITS & OPPORTUNITY:



BARANGAROO FERRY HUB

The Barangaroo Ferry Hub will serve Sydney's newest commercial district and provide increased capacity for ferry services to meet future demand. The new ferry hub will provide berthing space for additional ferry services from the Parramatta River, as well as direct access to and from the Eastern Suburbs and lower North Shore.

FIGURE 5
Barangaroo Ferry Hub
Artist impression



Source: Transport for NSW

Major construction of the Barangaroo Ferry Hub is due to start in early 2016. Construction is expected to take approximately 11 months to complete. Initially two wharves will be constructed. A third wharf will be built in the future when demand increases.

BENEFITS & OPPORTUNITY:



WYNYARD WALK

Wynyard Walk will provide a fully accessible pedestrian link between Wynyard Station and the developing CBD western corridor and Barangaroo. The walkway, when opened in 2016, will allow pedestrians to transfer from Wynyard transport hub to the Barangaroo waterfront in approximately

six minutes, avoiding steep inclines and road crossings.

The project will increase the entry and exit capacity of Wynyard Station to meet current and future demands for the CBD's western corridor and waterfront. This includes catering for the Barangaroo development, which is expected to accommodate up to 23,000 office workers and attract up to 33,000 visitors per day, when complete.

Additionally, in October 2015, a new pedestrian bridge over Sussex Street was opened, providing a route via a lift, escalators or stairs directly into Barangaroo from the Westpac Food Court behind the Sussex Hotel. Together with a new western entrance to Wynyard Station on Clarence Street, an underground walkway and a new public plaza at the corner of Kent and Napoleon Streets, the new bridge will make walking between the Wynyard transport hub and Barangaroo a quick, convenient, safe and accessible option.

BENEFITS & OPPORTUNITY:



WYNYARD STATION UPGRADE

Barangaroo's development, the construction of Wynyard Walk and the proposed light rail line linking Circular Quay to Central and through to Randwick highlights the importance of Wynyard Station and its position as the gateway to Sydney's Financial district.

MAP 4

Wynyard Walk in context to surrounding infrastructure improvements

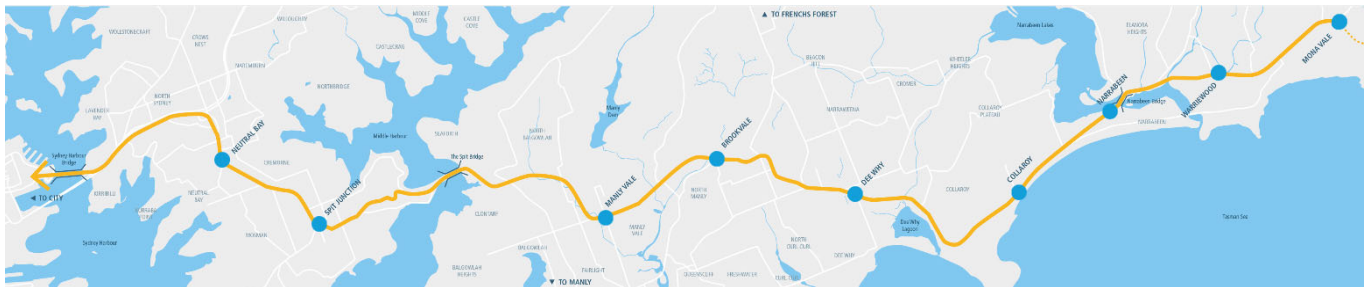
Concept plans



Source: Transport for NSW

Northern Beaches Bus Rapid Transit “B-Line”

Proposed route and stops



Source: Transport for NSW

As a result, construction is underway at Wynyard Station to provide a lighter, brighter, cleaner station with increased capacity. The \$115 million station upgrade will improve amenity, enable the smooth arrival and departure of 72 trains per hour during peak travel times, and also enhance connectivity between Pitt and George Streets through to the western CBD and waterfront. Brookfield’s 10 Carrington development will further enhance the Wynyard Station precinct, in addition to itself capturing the upside from improved transport links.

BENEFITS & OPPORTUNITY:



NORTHERN BEACHES BUS RAPID TRANSIT “B-LINE”

To address the immediate need for improved bus services on the Northern Beaches, around 480 new weekly services will be added to the network between February and October 2016. This service improvement will increase frequency and alleviate crowding, prior to the delivery of the new B-Line service (Mona Vale to CBD 27 kilometre bus rapid transit network) in late 2017.

The new double decker B-Line bus services will run every five minutes in the morning and afternoon peak commute periods, and every 10 minutes at other times of the day, including weekends. The B-Line service

will run until 12.30am every day, with services every 10 minutes up to 11pm at night, thus improving the desirability, connectivity and accessibility for currently underserved residential areas across the north shore.

To support the operation of the B-Line service, around 900 new commuter car parking spaces are being provided over six locations between Mona Vale and Manly Vale. This will include some at-grade and some multi-level car parks, with attention paid to quality urban design outcomes and connectivity between the car parks, B-Line stops and the local road network.

The project will include:

- nine modern B-Line stops at Mona Vale, Warriewood, Narrabeen, Collaroy, Dee Why, Brookvale, Manly Vale, Spit Junction (Mosman) and Neutral Bay with real-time information, seating, weather protection and improved facilities for customers
- six new commuter car parks at Mona Vale, Warriewood, Narrabeen, Dee Why, Brookvale and Manly Vale providing about 900 spaces
- brand-new double decker buses with improved on-board capacity and comfort
- roadworks including new bus lanes, bus bays, minor lane widening and other road improvements to support bus services
- improved pedestrian and bicycle links to connect customers with B-Line stops.

BENEFITS & OPPORTUNITY:



WSIP

The Australian Government is delivering on its plan to build a stronger and more prosperous Western Sydney by investing \$3.6 billion over ten years in major infrastructure upgrades that will transform the region's economy. The Western Sydney Infrastructure Plan (WSIP) will provide better road linkages within the western Sydney region and benefit the region's growing population, including through reducing commuting times.

In addition, the Western Sydney Infrastructure Plan will ensure the proposed new airport site will be supported by a quality surface transport network to ensure the efficient movements of passengers, employees and freight.

WSIP | NORTHERN ROAD

A major part of this plan is the upgrade of The Northern Road from two lanes to a four-lane divided road along a 31 kilometre length. The total cost of the project is \$1,579.5 million. The Australian Government is providing \$1,228.5 million and the NSW Government is providing \$351 million towards the construction of this project. Construction commences in late 2015. The upgrade will be completed in stages, with final stage to be completed in late 2019.

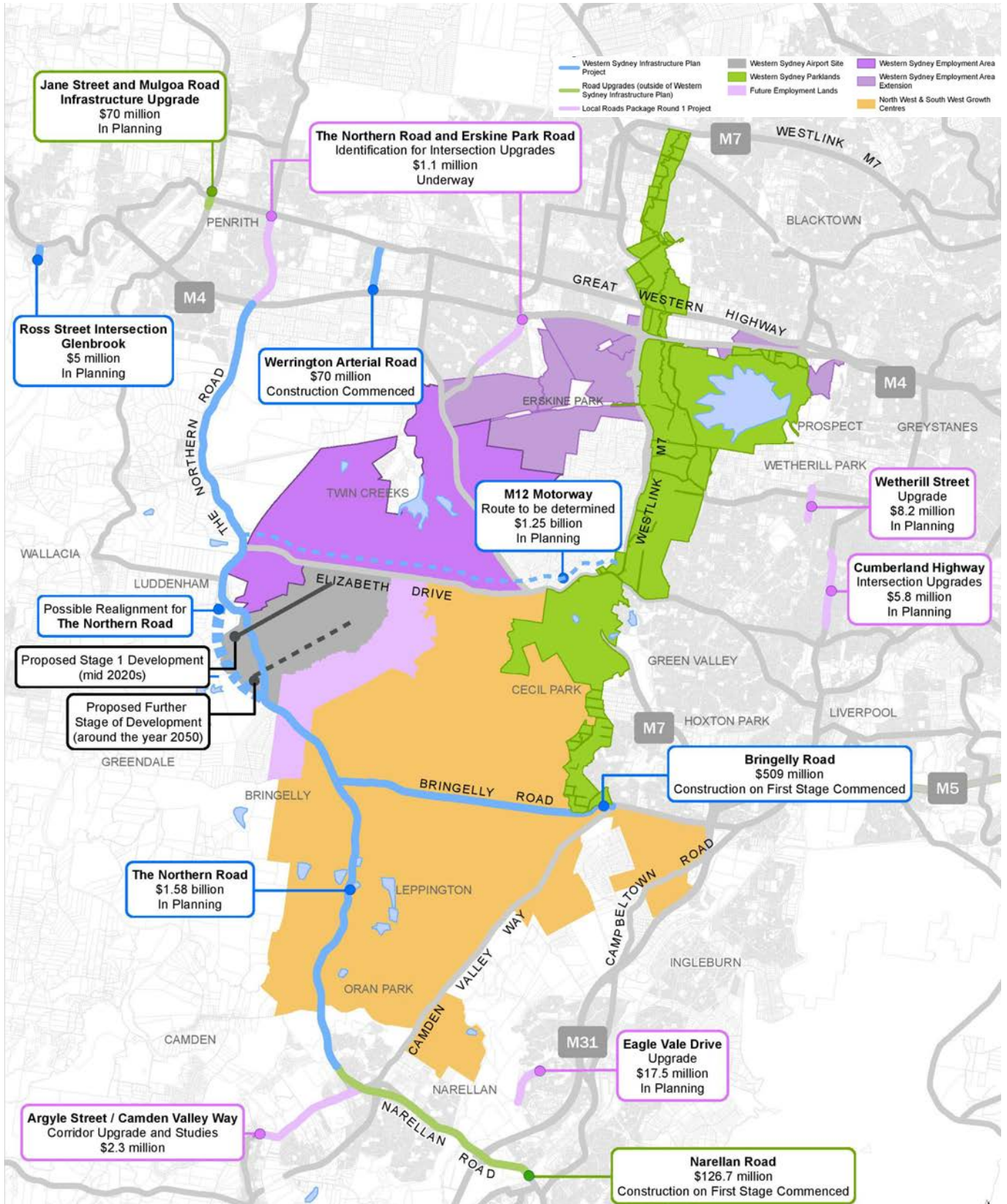
BENEFITS & OPPORTUNITY:



MAP 6

Western Sydney Infrastructure Plan (WSIP)

Concept plan



Source: Department of Infrastructure and Regional Development

WSIP | BRINGELLY ROAD

Another major part of the Western Sydney Infrastructure Plan is the \$509 million upgrading of Bringelly Road. Construction of stage one of the upgrade commenced in January 2015 with construction of this stage expected to be completed late 2017. Bringelly Road will be upgraded to a minimum of four lanes between The Northern Road and Camden Valley Way.

BENEFITS & OPPORTUNITY:



WSIP | M12 MOTORWAY

The third major project within the Western Sydney Infrastructure Plan will involve the construction of a new four-lane motorway in the vicinity of Elizabeth Drive, providing access to the airport at Badgerys Creek and forming the main east-west connection between the M7 Motorway and The Northern Road. The new motorway will also involve a motorway interchange with the M7 Motorway.

The total cost of the project is estimated at \$1.25 billion and planning for this project is underway with construction expected to commence in mid 2020 and be completed in 2024.

BENEFITS & OPPORTUNITY:



PARRAMATTA LIGHT RAIL

To stimulate economic productivity, and to accommodate projected population growth, the NSW State Government has recently (December 2015) unveiled the preferred route for the 22km Parramatta Light Rail project.

The new light rail line will aim to increase accessibility to education and employment opportunities, by providing greater transport options into and out of Parramatta.

The NSW Government investigated four short-listed corridors for light rail in Western Sydney with the preferred network including a combination of two of these options. This followed a strategic evaluation, which focussed on

the routes potential to encourage urban growth and contribute to the region's transport network.

The spine of the chosen route runs from Westmead to Strathfield via Westmead Hospital, Parramatta CBD, Western Sydney University, Camellia and Sydney Olympic Park. A light rail line will also branch to Carlingford, replacing the existing heavy rail shuttle.

A Special Infrastructure Contribution (SIC) will be implemented, with the levy expected to be set at around \$200/m² of gross floor area of new residential developments subject to consultation. The funding from the SIC is to be reserved for Parramatta Light Rail and associated infrastructure like new schools and road upgrades. The SIC will be in addition to the \$1 billion the NSW Government has already reserved for Parramatta Light Rail. The government will also explore funding contributions from the federal and local governments.

It is expected that construction on the project could start as early as 2018 and take four years to complete.

BENEFITS & OPPORTUNITY:



MAP 7

Parramatta Light Rail route

Indicative route only



Source: Transport for NSW

NORTHERN BEACHES HOSPITAL ROAD CONNECTIVITY AND NETWORK ENHANCEMENT PROJECT

The NSW Government is upgrading roads around the new Northern Beaches Hospital with work planned to be completed in time for the hospital opening in 2018. These upgrades would provide customers with a better travel experience, increase the capacity of the road network and improve access through the area, including for pedestrians and cyclists.

Road widening, intersection upgrades, new pedestrian bridges and bus priority lanes are all options being considered to ensure the road network operates effectively to service the new hospital and reduce congestion in and around Frenchs Forest. It is estimated that the project will cost approximately \$400 million.

BENEFITS & OPPORTUNITY:



MOOREBANK INTERMODAL TERMINAL

Moorebank had been identified as a priority location for a freight terminal since 2004. Its direct rail link to Port Botany and freight markets around Australia, and its proximity to major motorways, made it ideal for an intermodal facility.

The Sydney Intermodal Terminal Alliance (SIMTA) will build and operate the intermodal freight precinct. SIMTA is a consortium between the import export logistics company Qube Holdings and the rail freight operator Aurizon Holdings.

The new precinct will include an import-export (IMEX) freight terminal with eventual capacity for up to 1.05 million containers per year by 2030, and an interstate freight terminal with capacity for up to 500,000 containers a year. Stage 1 will see 250,000 containers per year through the IMEX facility. The first stage of the interstate terminal will have a similar capacity. Subsequent stages will be developed in line with demand.

The Commonwealth is expected to invest around \$370 million in the development, including funding the rail connection between the terminal and the Southern Sydney Freight Line and land preparation works. The precinct will include 850,000 sqm of integrated warehousing when fully

developed, with the total project costing approximately \$1.87 billion over ten years.

The IMEX terminal (stage 1) is expected to start operations in late 2017 and the interstate terminal in approximately 2019 and is anticipated to provide economic benefit of around \$120 million a year for the economy of south-western Sydney.

BENEFITS & OPPORTUNITY:



OUTER SYDNEY ORBITAL (M9)

Transport for NSW is currently undertaking studies to identify a suitable north-south corridor potentially connecting the existing road and rail networks, including the F3 north with the Hume Highway south of Campbelltown. Ultimately the corridor will provide increased road and rail capacity to improve accessibility to housing and employment opportunities in Western Sydney.

Community consultation was recently sought for the project and once finalised, the corridor will be preserved for future uses. In this case, construction on the project is unlikely to occur prior to circa 2025.

BENEFITS & OPPORTUNITY:



MAP 9

Moorebank Intermodal Terminal location and site plan

Concept plan



Source: Moorebank Intermodal Company

MELBOURNE SNAPSHOT

A NEW APPROACH TO INFRASTRUCTURE DELIVERY

Infrastructure Victoria

Major infrastructure planning reforms are underway in Victoria with the Infrastructure Victoria Bill being passed on 3 September 2015.

The new statutory authority will promote rigorous and transparent decision making, and improve public debate and consensus about priority infrastructure projects in Victoria. The new expert body will be required to publicly release a 30-year Infrastructure Strategy (by the end of 2016) detailing short, medium and long-term infrastructure needs and priorities. This strategy will be refreshed every 3-5 years.

The Government will also develop a five year Infrastructure Plan, outlining priority projects and funding commitments which will deliver greater certainty to communities, developers and investors.

Mixed-use residential and commercial opportunities will arise from the new strategy and other proposed infrastructure projects, namely areas adjacent to the redevelopment of level crossings and the Melbourne Metro rail project. The opportunity for transit orientated development (TOD) to occur will be a key feature going forward across Melbourne, over the short and medium term.

Level Crossing Removals

Over the next eight years the Level Crossing Removal Authority will oversee the removal of 50 level crossings across Melbourne, which are considered dangerous and/or congested.

The Victorian Government allocated \$2.4 billion in its 2015-16 budget to remove at least 20 level crossings by 2018. These sites form the basis of a long-term strategic plan being developed to remove all 50 level crossings by 2022. Construction has already commenced on several sites, and planning and early consultation is underway for the delivery of the entire project.

It is anticipated that removing the level crossings will:

- deliver significant safety improvements for drivers and pedestrians
- improve travel around Melbourne – making roads more reliable, enabling people to better predict their travel times
- stimulate economic growth by creating thousands of jobs during construction
- revitalise local communities, with many areas benefiting from station rebuilds
- enable more trains to run more often and on time.

- Arden • Parkville • CBD North
- CBD South • Domain

The aim of the project is to increase the capacity, reliability and efficiency of Melbourne's busiest train lines to allow for 20,000 more passengers to use the metropolitan rail network in the peak hour. The new stations will ease congestion, improve access to public transport, employment, education and opportunity in Melbourne's inner city growth areas.

Melbourne Metro Rail

To help retain Melbourne's status as one of the world's most liveable cities the State Government has committed to the Melbourne Metro Rail project. The project will deliver two nine-kilometre rail tunnels from South Kensington to South Yarra, travelling underneath Swanston Street in the CBD, as part of a new Sunbury to Cranbourne/Pakenham line. The new underground stations will be located at:

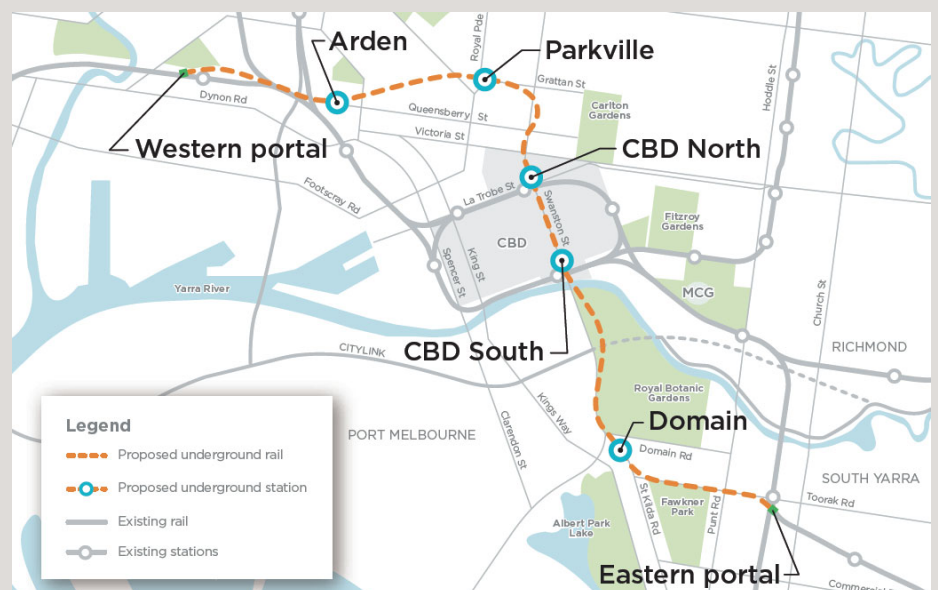
Western Distributor

In December 2015 the Victorian Government announced that it will partner with Transurban to deliver the \$5.5bn Western Distributor Project, which includes the Monash Freeway Upgrade and upgrades to Webb Dock. The main section of the project includes a tunnel and elevated motorway connecting the West Gate Freeway with the Port of Melbourne, CityLink and the city. Construction on the Western Distributor will start in 2018 with the full project to be completed by 2022.

MAP 8

Melbourne Metro Rail route

Indicative route plans and proposed new stations



Source: Melbourne Metro Rail

FUTURE PLANS | FURTHER INVESTMENT REQUIRED?

While the investment detailed in this report is a starting point and a positive step in the right direction particularly after an extended period where few projects commenced, further investment in key areas is still required. In a global context, Sydney significantly lags its major competitors, with transport infrastructure recognised as a major deficiency, particularly across public transport where Sydney is ranked 24th (from 30) in PWC's Cities of Opportunities report (2014).

The current round of projects, both planned and underway are game-changing developments that will transform the mobility and productivity of the broader metropolitan Sydney region, while providing particular benefits to four of Sydney's major office markets, the CBD, North Sydney, Macquarie Park and Norwest. However, with Sydney rapidly expanding there are still emerging areas that require attention in terms of improved transport.

RAIL ACCESS TO WESTERN SYDNEY AIRPORT

With the Western Sydney Airport anticipated to open in 2025, recent debate has been focussed on the need for the new airport to be serviced by rail. While the Western Sydney Infrastructure Plan incorporates major road upgrades to support the airport, rail services will be required to support its long term capacity.

In November 2015, it was announced that rail options to Sydney's second airport would become the focus of a jointly funded Federal and State government scoping study to explore the potential rail routes. The study, which is anticipated to take 12 months to complete will investigate the broader implications of a rail network to the airport, taking into consideration the economic, population

and commercial drivers of each potential route as well as the cost and timeframes for each.

With the Federal Government stating that the airport will be 'rail ready' by its 2025 opening, it is unlikely that development will begin until the late 2020's as it is expected both Federal and State governments will want to test how the road networks respond once opened before making a move to implement a rail line.

TRANSPORT SOLUTION FOR THE BAYS PRECINCT

Located approximately 2km from the Sydney CBD, The Bays Precinct comprises 95 hectares of largely government owned land which is set to provide significant employment and housing opportunities over the coming decades. However, with there being very limited transport options available in the area, the viability of the precinct is largely dependent on the governments ability to provide adequate public transport options.

With the October 2015 Transformation Plan revealing very little about how the precinct will be serviced, it should become a key priority of Transport for NSW over the short to medium term. The NSW government has indicated that options are being explored including a light rail network and ferry options. However, more certainty is required to achieve the governments ambitions for the precinct.

SOUTH WEST RAIL LINK EXTENSION

With Sydney's south-west projected to experience rapid population growth over the next 20 years, an extension to the

southern section of the South West Rail Link has been identified while the northern section is currently being investigated. With the area home to the anticipated Sydney's second airport and the Broader Western Sydney Employment Area, the northern extension will be vital in connecting the South-West Growth Centre to both employment opportunities and the broader Sydney region.

LIGHT RAIL EXTENSION - CARLINGFORD TO MACQUARIE PARK

Included in the initial options for the Parramatta Light Rail was an option to run a line to Macquarie Park via Carlingford. While the full line to Macquarie Park was not the chosen route, the light rail will go to Carlingford which opens up the opportunity for an extension in years to come. With the corridor being in one of Sydney's Global Economic Corridors, an area designated for future employment concentration and activity, an extension would facilitate growth and movement of workers and services.

OTHER OPTIONS

Beyond the above mentioned projects, there are other areas which are likely to require attention. Notable areas include further investment in CBD and suburban cycle paths and the implementation of a bike hire system for the Sydney CBD which would enable linkages between the CBD and inner city locations. Another area which is expected to need addressing is Parramatta Road where significant congestion already exists. With the area being identified as a priority precinct, congestion is only going to increase.



COMMERCIAL BRIEFING

For the latest news, views and analysis of the commercial property market, visit knightfrankblog.com/commercial-briefing/

Icon Key: Real estate sectors which will benefit or will create opportunity from an infrastructure project



Houses



Office



Apartments



Retail



Hotel



Industrial

Data sources used for this report include; Department of Transport and Main Roads, Department of Infrastructure and Regional Development, Transport for NSW, NSW Government, NSW Department of Planning and Environment, NSW Roads and Maritime Services, Moorebank Intermodal Company, Infrastructure Victoria, Australian Bureau of Statistics (ABS), Cordell Connect

RESEARCH & CONSULTING

Matt Whitby

Group Director
Head of Research & Consulting
+61 2 9036 6616
Matt.Whitby@au.knightfrank.com

Paul Savitz

Associate Director, Consulting
+61 2 9036 6811
Paul.Savitz@au.knightfrank.com

Luke Crawford

Senior Analyst
+61 2 9036 6629
Luke.Crawford@au.knightfrank.com

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