

Our reference: 20/537

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11 April 2022

Mr Mark Hutchings
Executive Director, NSW Maritime
Transport for NSW
Locked Bag 5100
Camperdown NSW 1450

via email

Dear Mark

2022 update to net rates of return for domestic waterfront tenancies

In 2011, the NSW Government accepted all recommendations of IPART's 2011 Final Report on our Review of method for determining rents for domestic waterfront tenancies in NSW (Final Report).

We recommended that IPART carry out an annual update to the net rate of return for each precinct in accordance with the methodology outlined in our Final Report. The Premier's letter with our Terms of Reference for the annual update is attached.

Table 1 (attached) lists the updated net rates of return for the precincts with domestic waterfront tenancies administered by Transport for NSW. Transport for NSW should use these rates of return to calculate the rental rates (per m²) for domestic waterfront tenancies in 2022-23, as per the formula in our 2011 Final Report.

We will advise you of next financial year's net rates of return by 15 April 2023.

IPART's contact officer for this matter is Sheridan Rapmund, Director, contactable on (02) 9290 8430.

Yours sincerely



Liz Livingstone
Chief Executive Officer
Signed by: Liz Livingstone

Table 1 Net rates of return (RoRs) to apply in 2022-23

Precinct	Gross RoR (%) (A)	Outgoings as % share of Gross RoR (B)	Net RoR (%) (A x (1-B))
Georges River East	2.45	46	1.33
Sydney Harbour East	1.30	51	0.64
Sydney Harbour Inner West	2.03	48	1.06
Sydney Harbour Middle Harbour	2.03	48	1.05
Sydney Harbour North Shore	1.68	47	0.90
Sydney Harbour North West	1.68	54	0.78
Sydney Harbour West	1.91	50	0.95