

Our reference: 20/537-4

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27 March 2024

Ms Melanie Hawyes
Deputy Secretary, Crown Lands and Public Spaces
Department of Planning, Housing and Infrastructure
PO Box 2185
Dangar NSW 2309

via email

Dear Mel

2024-25 update to net rates of return for domestic waterfront tenancies

In 2011, the NSW Government accepted all recommendations of the Independent Pricing and Regulatory Tribunal's (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. Attached are the Terms of Reference originally provided by the then Premier Barry O'Farrell in July 2012.

Table 1 (attached) lists the updated net rates of return for the precincts with domestic waterfront tenancies administered by the Department of Planning, Housing and Infrastructure. The Department of Planning, Housing and Infrastructure should use these net rates of return to calculate the rental rates (per m²) for domestic waterfront tenancies in 2024-25, 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 2025.

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

Yours sincerely

27/03/2024



Andrew Nicholls PSM
Chief Executive Officer
Signed by: andrew.nicholls@ipart.nsw.gov.au

Table 1 Net rates of return (RoRs) to apply in 2024-25

Precinct	Gross RoR (%) (A)	Outgoings as % share of Gross RoR (B)	Net RoR (%) (A x (1-B))
Brisbane Waters	2.67	50	1.33
Far North Coast	3.53	51	1.74
Far South Coast	2.90	54	1.33
Georges River East	2.04	46	1.10
Georges River West	2.45	45	1.35
Hawkesbury	2.72	54	1.26
Hunter	3.68	60	1.49
Lake Macquarie	3.35	51	1.65
Mid North Coast	3.82	51	1.87
Pittwater	1.84	54	0.85
Port Hacking East	2.03	45	1.12
Port Hacking West/South	2.45	45	1.36
South Coast	2.95	61	1.16
Tuggerah Lakes	3.31	46	1.77