

27 October 2023

Mr Agy Dassakis
Spirecorp Pty Ltd
Suite 2.08
76A Edinburgh Road
Marrickville NSW 2204

Dear Agy,

Re: Proposed Hi-Tech Industrial Development at 2-6 Girawah Place, Matraville

We are pleased to provide you with advice about supply and demand for hi-tech workspaces in the Matraville locality, with specific reference to the proposed development at 2-6 Girawah Place, Matraville. We have now reviewed the architectural plans for this project consisting of workspaces ranging from 23m² to 76m² in size and comment as follows:

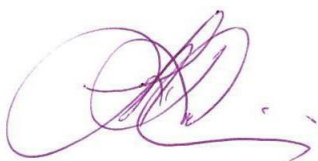
1. There is no competing existing stock of this nature within the surrounding municipalities of Randwick, City of Sydney, or Bayside Council.
2. We are not aware of any competing stock offering workspaces below 100m² which are currently at DA consideration stage in the three municipalities mentioned above. You will find only a handful of small warehouses currently available but not modern, clean, and presentable workspaces.
3. Multi-level industrial projects which have emerged over the past 5-10 years is a more recent entrant into the Australian industrial market. This property type has grown in popularity as a direct result of; a reduction of industrial zoned land, increasing land values, increasing construction costs, and an increasing demand for smaller unit sizes.
4. Initially driving this sector was small warehouses (30-100m²), categorised as "*Mini-Warehouses*", with roller door access to the warehouse and a small mezzanine office. These warehouses feature roller doors which open to a height of less than 3 metres, and typically catering to delivery vans and utes, and courier vans with no need for container loading or unloading.
5. Rents for *Mini-Warehouses* have been on the rise over the past few years which is now at an all-time high and at a level now equivalent to commercial office rents, now making multi-level industrial projects commercially viable.
6. Tenants enquiring about hi-tech style workspaces, which are sub-100m² in size, ask about the weekly rent, not the annual rent, which is how small business operators in this market category prefer to run their budgets.
7. In the past few years, with the exponential growth of online and e-commerce businesses and where small goods and packaged products are sold at the click of a button, demand from small business operators seeking workspaces to run their business has become more evident backed up by a growing list of enquiries from prospective tenants and purchasers alike.
8. The workspaces proposed at 2-6 Girawah Place Matraville provide the opportunity to satisfy the pent-up demand seeking small and affordable units, good parking capacity for occupiers, and on-site contactless delivery and drop-off facilities. As a bonus, the proposed food and drink premises, pool, gym, and childcare facilities add greatly to the attractiveness of this precinct.

9. A good example of a modern, multi-level, well-designed, and functional hi-tech building is 76A Edinburgh Road Marrickville where suites, ranging in size from 35m² up to 350m², were leased to small business operators within a short period following completion of the development in 2021.
10. The only real alternative to renting a dedicated work premise such as that proposed at 2-6 Girawah Place Matraville is to sign up with a coworking facility such as "Workit Spaces" which was launched mid-2022 in Alexandria. Although this is a different concept to your proposed project, it demonstrates there is strong demand for small workspaces from a multitude of businesses.
11. 2-6 Girawah Place Matraville benefits from being well located close to Port Botany and Sydney Airport, within easy driving distance from the eastern and southern suburbs and will come to market offering raw shell business spaces, in a modern hi-tech business hub within a new industrial precinct. With the proposed rents projected to start at \$300 per week with an average of \$700 per week, we anticipate strong demand for this product and a relatively short lease-up period.
12. It should further be highlighted that there is also demand from companies who may look to combine units to create larger floor areas. Finding modern, well- designed, and robust buildings offering flexibility and services such as gym, pool facilities, childcare centre, and food and drink premises is almost non-existent around this area.

For occupiers searching to setup business close to the Port and within easy access to the eastern and southern suburbs, 2-6 Girawah Place Matraville is well placed as a central destination to satisfy the high demand we continue to experience from all sizes and particularly strong enquiry from the sub 100m² users.

I hope the above provides you with a thorough overview of the demand and supply of industrial and workspace market around your proposed Matraville project. Please reach out if I can be of any further assistance.

Yours sincerely,



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Monday 30th October 2023

Mr Agy Dassakis
Spirecorp Pty Ltd
Suite 2.08, 76A Edinburgh Road
Marrickville NSW 2204

Dear Agy,

Re: Proposed Hi-Tech Industrial Development at 2-6 Girawah Place, Matraville

We have now reviewed the architectural drawings for this project comprising:

- 3 x levels of basement car parking
- Loading facilities
- 2 x multi-level hi-tech buildings
- A separate recreation building comprising aquatic, gym, childcare, and food and drink premises.

The unit sizes generally range from 23m² to 76m² with potential to combine units should it be required.

We understand the two hi-tech buildings will be built in similar format to your previous development at Marrickville "76 The Borough" with exposed concrete floor, high ceilings, and a cold shell finish with a creative feel to all suites. We are finding this type of space is in high demand from occupiers. We have also fielded enquiries from other property developers seeking to replicate what you have built in Marrickville.

We are continually fielding enquiries for this type of space from businesses in the following fields: e-commerce, information technology, small goods importers, on-line distributors, freight forwarders, research and development, and the like. From our experience, all these industries have experienced rapid growth particularly following the Covid-19 outbreak.

Given the strong economic fundamentals and trends in the application and use of technology, pre-COVID-19 outbreak, the Technology, Media, and Telecommunications (TMT) sector in Australia was already set for strong business growth. What the COVID-19 outbreak has done, in a short period of time, was to bring to our attention how useful and important technology is and can be to our leisure time, to our home life, and to our work.

Since the impact of COVID-19 and the long-term TMT sector-related macroeconomics in Australia, many new business opportunities have appeared including e-commerce, remote working and online

entertainment, online education, and online healthcare. It is these sectors which we are fielding most enquiries from.

The key features tenants are seeking includes:

- Modern buildings.
- High quality space.
- R&D style premises.
- Located around Alexandria, Botany, or Marrickville.
- Easy access to food (café).
- Suites sizes generally from 20 - 100m2.
- Good break-out areas and communal space.
- Rents from \$500 up to \$1,500 per week (net).

In our experience, developments such as that which you are proposing at 2-6 Girawah Place Matraville will bring to market a much-needed product where supply is almost non-existent. It will be the only complex in the planning stages, within 20km of the CBD, which we are aware of as a purpose-built facility, designed to house a sector of the market where workspace quality, flexibility, and services will be integral to creating a diverse and creative hi-tech community.

Should you require any further details or commentary, please do not hesitate to call.

Kind Regards,



Aris Giotas



No More Land

No Room For Investment

No Room For Business

THE INDUSTRIAL CRISIS

WE NEED TO TALK ABOUT





Sydney has plenty of Zoned Industrial Land, but...

No More Serviced Industrial Land

This has resulted in:

80% higher rents than Melbourne

70% higher rents than Brisbane

0.2% vacancy rates - the lowest in any global city

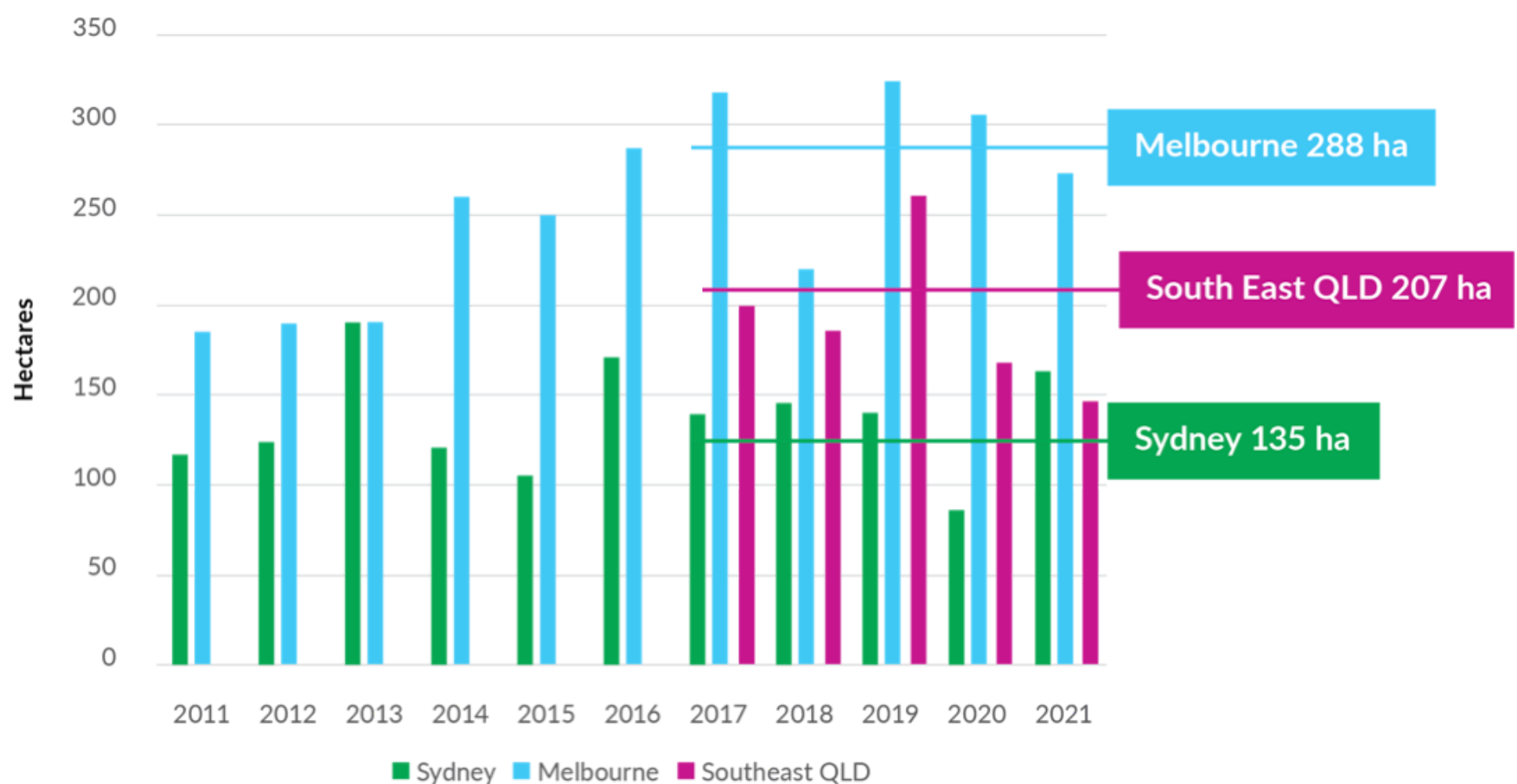
No room for business.

No room for investment.

It Didn't Happen Overnight

It has been in the making for over 10 years.

Land Take-up



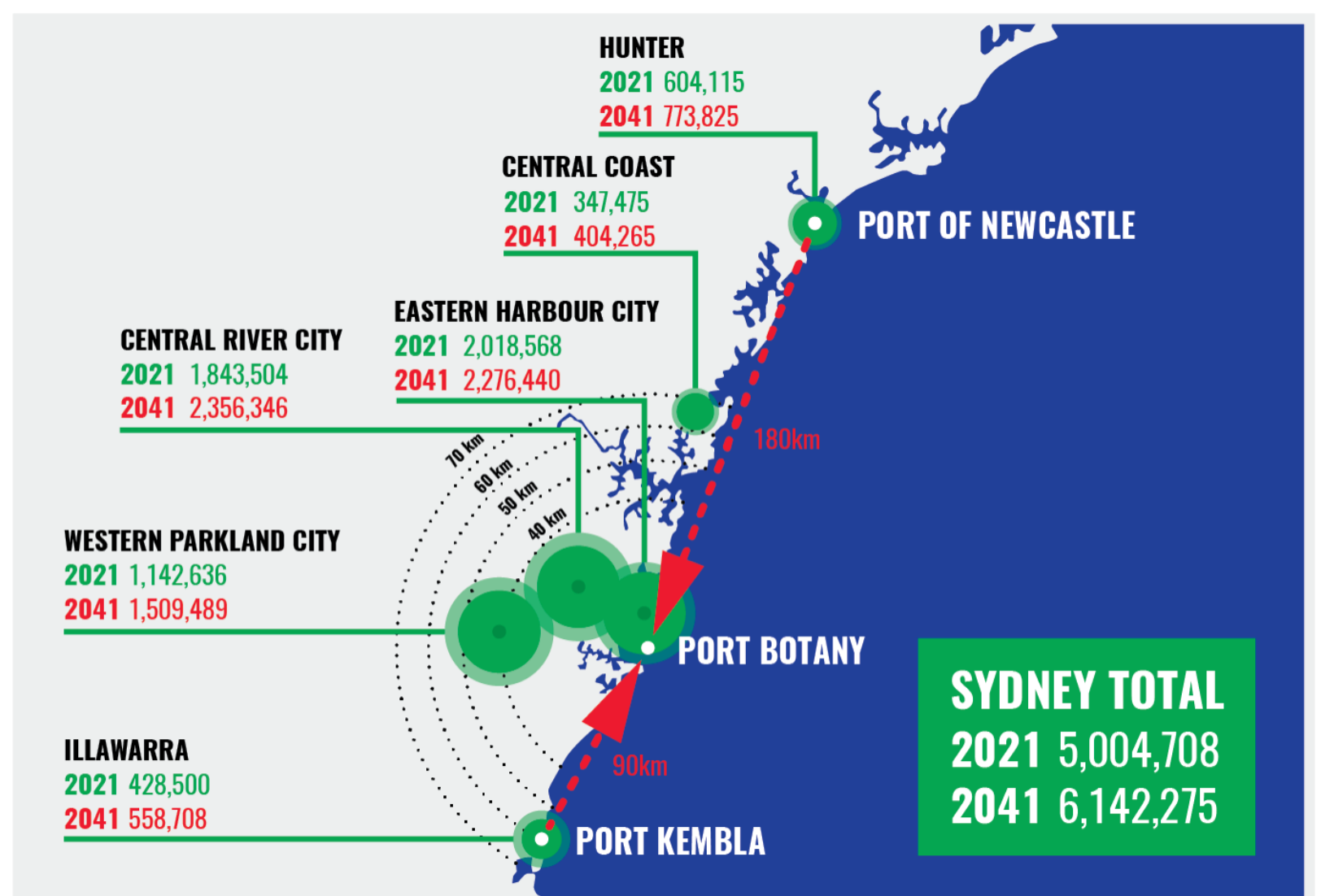
Source: DPE (2022), DTP (2022), DSDILGP (2021)

Why This Is A Crisis

We need functional supply chains to buy essential goods.

Businesses need functional supply chains to be efficient and viable.

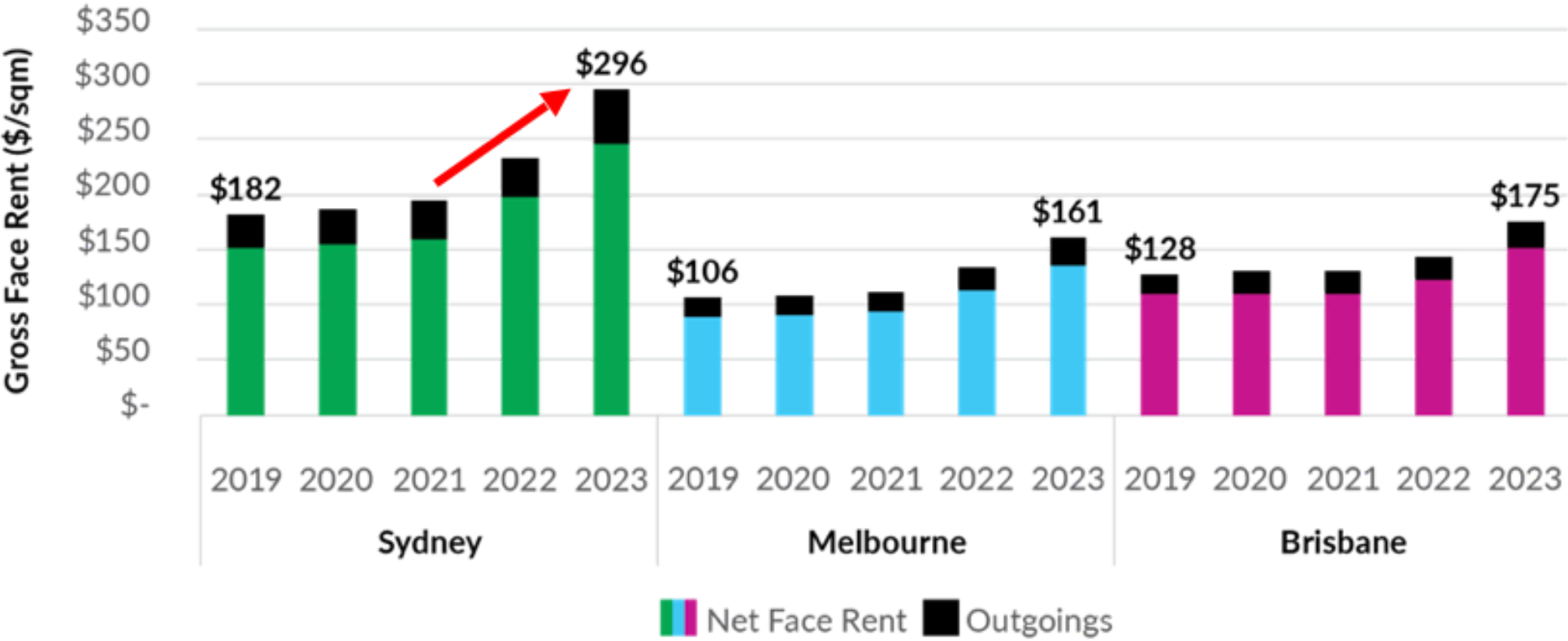
The building and construction sector needs functional supply chains to build the housing we need.



Sydney Is No Longer Competitive For Investment

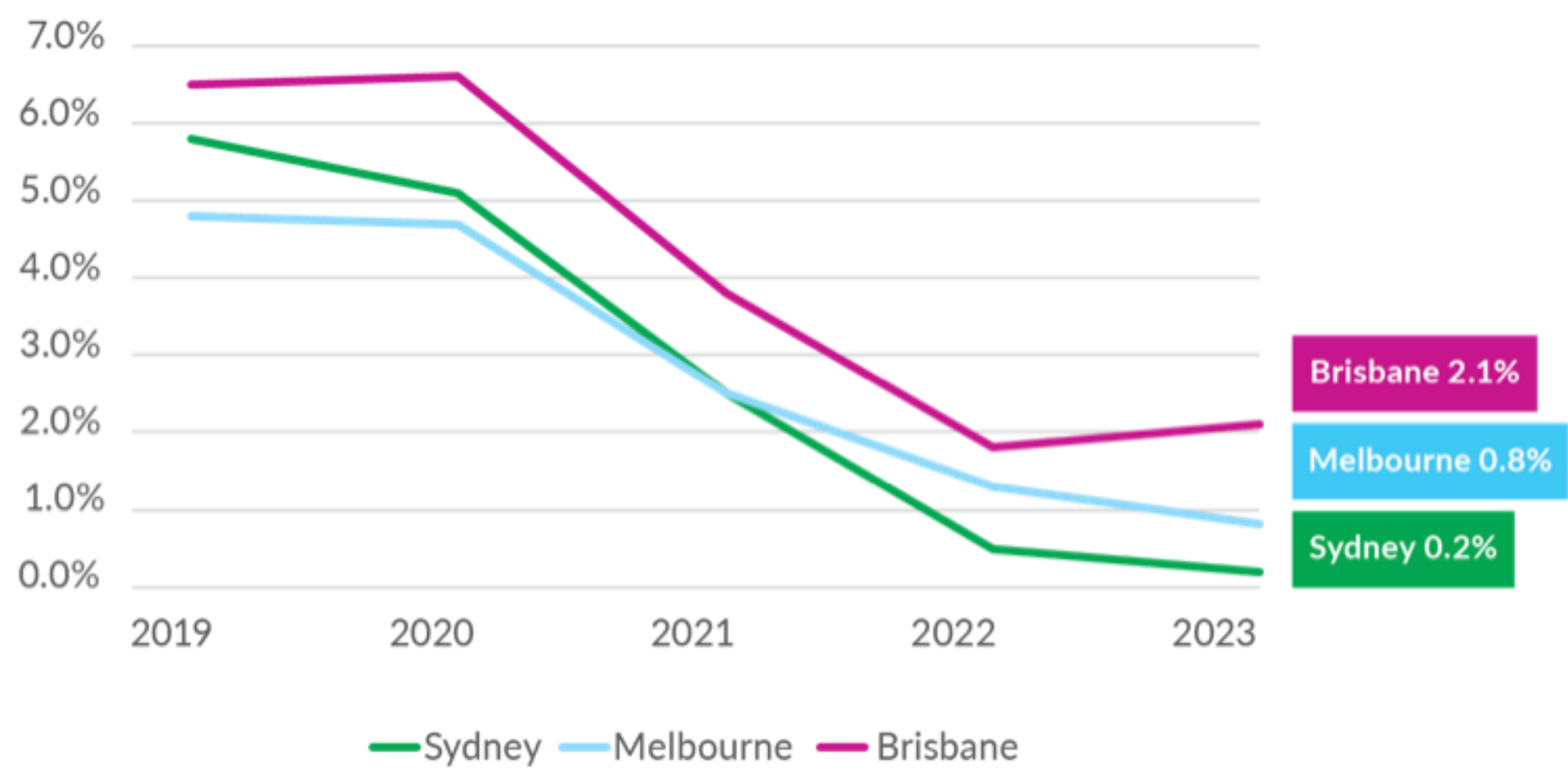
Melbourne and Brisbane are.

Gross Face Rents



Source: Cushman & Wakefield

Industrial Vacancy Rates



Source: Cushman & Wakefield

Remaining Land (as at 2021)



Source: DPE (2022), DTP (2022)



There Is A Path Out Of This Crisis

Enable vertical warehouses.

Prioritise the servicing of zoned land.

Integrate servicing/ infrastructure planning with precinct planning.

Commit to a land supply buffer policy.



We can't solve the **Housing** and
Cost of Living Crisis...

Without Solving The Industrial Crisis

Thank you to the Property Council
for hosting this important discussion.