

6 July 2023

Mr Tony De Graaf
Church Street Property Investments Pty Ltd
A.C.N. 147 890 980
Suite 2/4 Giffnock Avenue
Macquarie Park NSW 2113

Dear Tony

I write to you in relation a Modification Application for 155 Church Street, Ryde and your request for United Property Services to provide advice regarding the viability of approved commercial floor space at this subject site. Specifically, your request is seeking whether the approved commercial floor space at the site demonstrates a viable use based on existing commercial market conditions and forecast demand. We have reviewed the approved plans and the proposed modification application and we understand this application is currently under consideration by Ryde Council.

Since 2020, demand for commercial office spaces within CBD and suburban market locations has continued to decline. The onset of Covid and the significant increase in hybrid working models being adopted in government and non-government sectors has only accelerated this trend and is expected to continue for some time,

What is evident, is that for suburban commercial premises to be successful, they must be part of a broader commercial network with an established town centre or main street, including varying retail and dining options, and complimented by services such as medical facilities, fitness studios, libraries, children's day care, and the like. Public transport for workers is also important. The introduction of commercial floorspace at 155 Church Street will be largely isolated from surrounding support and allied services and uses.

Based on the above we believe that commercial/office uses at 155 Church Street is not viable. Viability will also be impacted as it is restricted to floor areas above the ground floor further impacting potential for lease and return rates. We believe the site does however present continued potential for local servicing retail uses as currently approved.

We are aware of interest for mixed commercial, residential and retail development in direct proximity to Meadowbank Rail Station and believe viability for commercial employment opportunities should continue to be promoted in closer proximity to Meadowbank Rail Station and its immediately surrounding precinct which is supported by mass transit and investment in education facilities which will continue to drive demand for commercial and community support services.

On this basis, it is our recommendation that the areas above the ground floors as proposed at 155 Church Street and identified for commercial purposes, do not represent a viable use, should not be pursued and should revert to residential purposes taking into consideration the site's locational characteristics, distance from mass transit, separation from any established town centre, support or allied services and facilities.

Yours sincerely

A handwritten signature in black ink, appearing to read 'PS' followed by a stylized flourish.

Patrick Sergi
United Property Services