

**Our reference:** 20/537

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11 April 2022

Ms Melanie Hawyes  
Deputy Secretary  
Department of Planning and Environment  
Crown Lands  
PO Box 2155  
Dangar NSW 2309

via email

Dear Mel

### **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 the Department of Planning and Environment. The Department of Planning and Environment should use these net rates of return to calculate the rental rates (per m<sup>2</sup>) 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

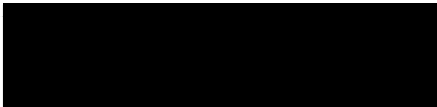
  
Liz Livingstone  
Chief Executive Officer  
Signed by: Liz Livingstone

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))
Brisbane Waters	3.06	49	1.55
Far North Coast	4.00	49	2.03
Far South Coast	3.74	61	1.46
Georges River East	2.45	46	1.33
Georges River West	2.89	45	1.58
Hawkesbury	3.07	54	1.41
Hunter	4.08	62	1.54
Lake Macquarie	3.68	51	1.82
Mid North Coast	4.34	53	2.05
Pittwater	2.32	57	1.01
Port Hacking East	2.58	46	1.40
Port Hacking West/South	2.78	45	1.52
South Coast	3.42	66	1.17
Tuggerah Lakes	3.71	47	1.95