

Our reference: 20/537-5

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26 March 2025

Mr Mark Hutchings
Executive Director, NSW Maritime
Transport for NSW
Locked Bag 928
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via email

Dear Mr Hutchings

2025-26 update to net rates of return for domestic waterfront tenancies

In 2011, the NSW Government accepted all recommendations from the Independent Pricing and Regulatory Tribunal's (IPART's) Final Report on the [Review of method for determining rents for domestic waterfront tenancies in NSW](#).

As part of these recommendations, IPART conducts an annual update of the net rates of return for each precinct, following the methodology outlined in the 2011 Final Report. The Terms of Reference for this annual update, originally provided by then-Premier Barry O'Farrell in July 2012, are attached.

Table 1 presents the updated net rates of return for precincts with domestic waterfront tenancies administered by Transport for NSW. These net rates of return should be used to determine rental rates (per m²) for domestic waterfront tenancies in 2025-26, in accordance with the formula set out in our 2011 Final Report.

We will advise you of next financial year's net rates of return by 15 April 2026.

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

Yours sincerely

26/03/2025

X 

Andrew Nicholls PSM
Chief Executive Officer

Signed by: andrew.nicholls@ipart.nsw.gov.au

Table 1 Net rates of return (RoRs) to apply in 2025-26

Precinct	Net RoR 2024-25 (%)	Net RoR 2025-26 (%)	Annual % change in RoR (2024-25 to 2025- 26)	Percentage point changes (2024-25 to 2025-26)
Georges River East	1.10	1.13	2.7%	0.03
Sydney Harbour East	0.45	0.53	17.8%	0.08
Sydney Harbour Inner & North West	0.68	0.73	7.4%	0.05
Sydney Harbour Middle Harbour	0.83	0.82	-1.2%	-0.01
Sydney Harbour North Shore	0.67	0.67	0.0%	0.00
Sydney Harbour West	0.72	0.75	4.2%	0.03