The City of Sydney's local economy accounts for 6% of Australia's GDP. Our new economic development strategy 2025-2035 provides guidance for the economy's growth and evolution over the next 10 years.

This edition of City Insights explores emerging economic data and trends. It includes local spend data and key demographic information from the recent estimated residential population release and the City of Sydney wellbeing survey.

$156b
Gross Regional Product p.a.[1]
in 2024 (up 2% from 2023)

3.12m
International Visitor Arrivals[2]
in 2024 (up 10% from 2023)

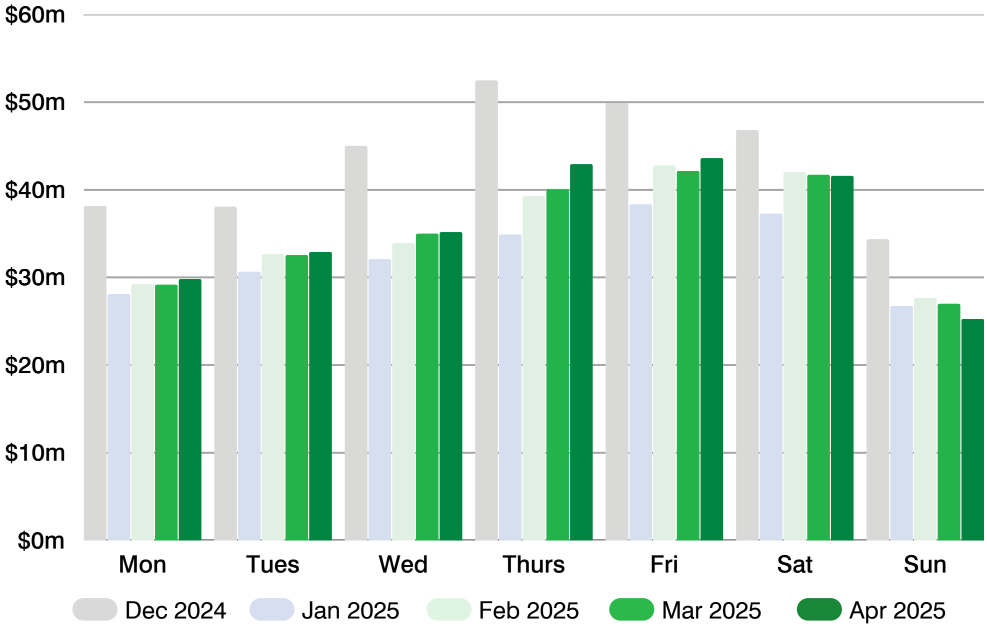
$2.39b
Value of Building Approvals[3]
FY '25 to date (mid May)

Growth in spend a sign of city's resilience amid uncertainty

In the City of Sydney local area consumer spend in April 2025 was up 2.3% year-on-year. While the early months of the year usually see lower spend after December highs, despite this seasonal variation, spend in January and February was strong and higher than the previous year. After month-on-month spend fell slightly in March, the strong performance in April was driven by higher spend through the working week.

Across the week in April, Friday saw the highest spend, with $43.6m on average, up 7% from the previous year. Conversely, Sunday spend declined 8.5% compared to April 2024. This is likely due to Anzac Day falling on a Monday, with an extra long weekend in April.

Daily average spend across the week by selected month[4]
inflation adjusted, public holidays adjusted[5], City of Sydney, December 2024-April 2025



Weekly average consumer spend
in April 2025
$251m
up 2.3% from April 2024

Highest Day
in April 2025
Fridays $43.6m
up 7.0% from April 2024

Lowest Day
in April 2025
Sundays $25.3m
down 8.5% from April 2024

While overall growth in spend may reflect improving economic conditions, cost-of-living pressures affect segments of the population differently. People under financial stress, for example younger people, have a reduced ability to weather market volatility and are quicker to cut back on discretionary spending.

Source/note
1. Economy.id & National Institute of Economic and Industry Research (NIEIR). Inflation adjusted using 2020/21 as base year. May be retrospectively revised.
2. ABS, International visitor arrivals (short-term arrivals) to NSW. It is assumed that international visitors to NSW arrive through Sydney.
3. ABS, Building approvals by LGA (all buildings) to May 13, 2025
4. Spendmapp by Geografia (2024), inflation adjusted according to consumer price index by capital cities, ABS, Dec 2020 as base month.
5. Public holidays during the weekdays are removed as they skew regular consumption patterns in the city across the week.

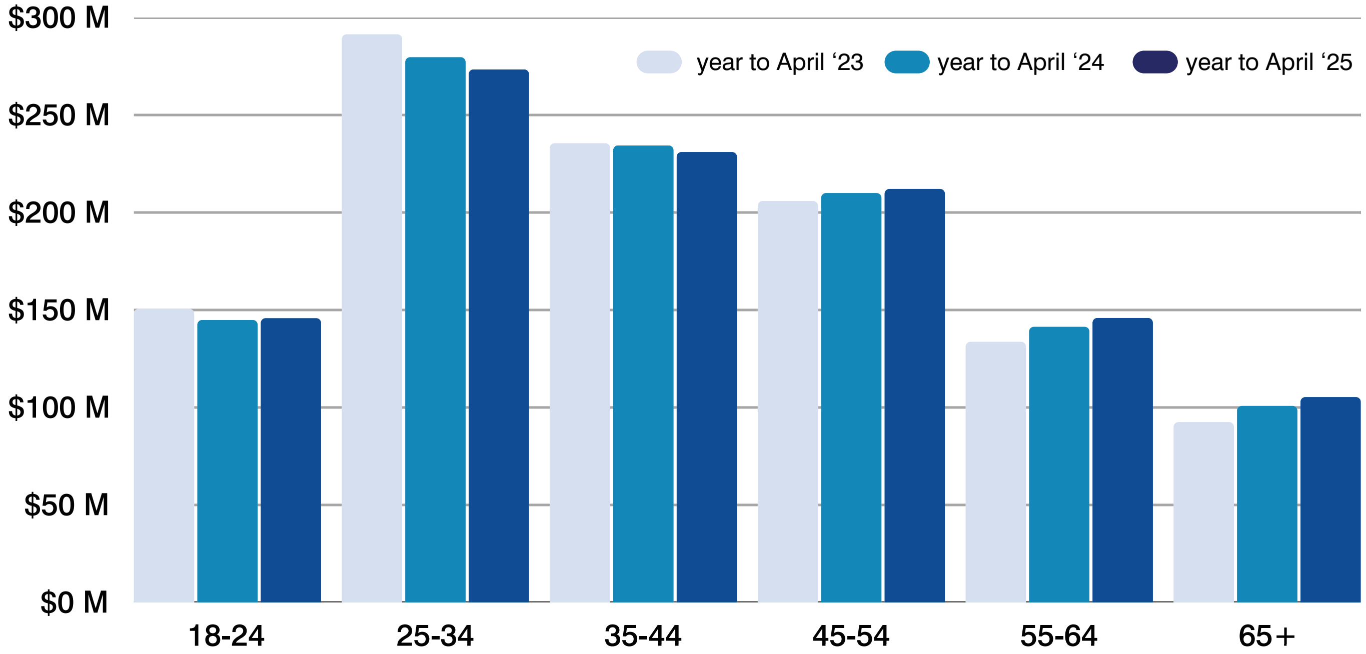
Young people spend more, but it's declining

The largest contributors to spend in the city are 25 to 34-year-olds, making up 25% of total spend. But, after adjusting for inflation, this age group's average monthly spend has declined for the second straight year, down 2.2% to April 2025. A similar trend was seen among 18 to 24-year-olds. In contrast, spend by older age groups continued to grow. Those over 65 increased their spending by 5.5% compared to the previous year.

These patterns align with broader commentary about the impact of cost-of-living pressures on younger people, particularly if they don't own their own home. The City of Sydney wellbeing survey found that, 81% of 16 to 29-year-olds in the local area reported had to cut back on spending over the last year[6] - the highest of any age group.

Average monthly spend by age group [7]

City of Sydney LGA, inflation adjusted rolling years to April 2023-2025

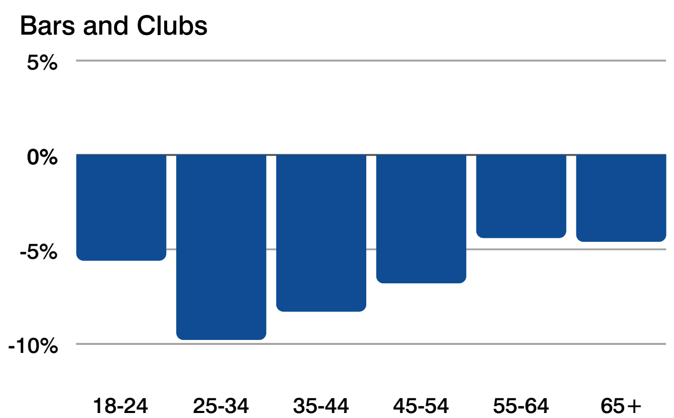


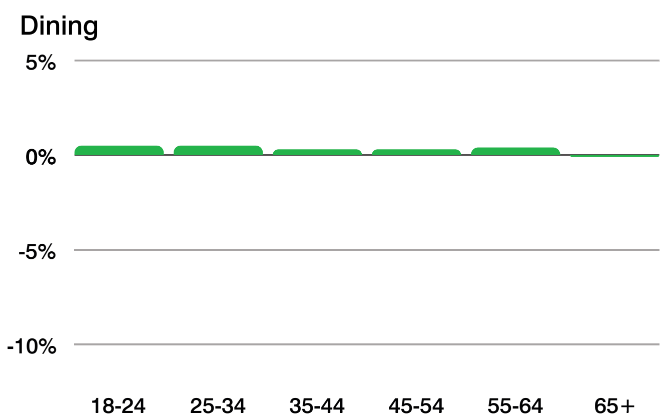
Spend on bars and clubs declines, dining remains resilient

Consumer spend on bars and clubs has declined across age groups, compared to the previous year. The sharpest decline was 9.8% among 25 to 34-year-olds, more than twice the decline among people over 65. In contrast, dining spend has remained resilient, with real spend across all age groups keeping pace with inflation, suggesting continued demand for food-focused hospitality experiences.

Change in average monthly spend by age group, rolling year to April 2025 compared to previous year [7]

City of Sydney LGA, inflation adjusted





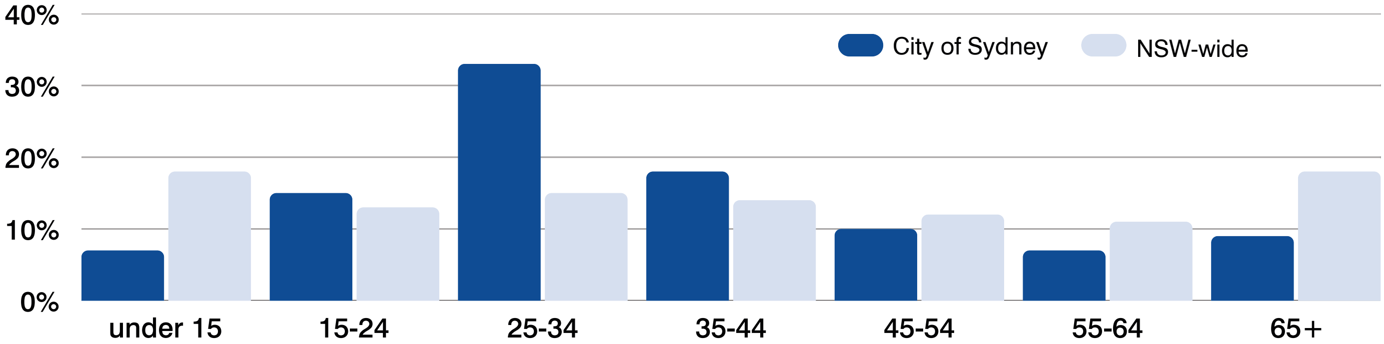
Source:
6. City of Sydney wellbeing survey (2023)
7. Spendmapp by Geographia, demographic cut BETA, April 2025, inflation adjusted, Dec 2020 as base month.

The City of Sydney is comparatively young

The City of Sydney local area has one of the youngest populations in Australia. Its median age is 34, compared to 37 for Greater Sydney and 39 for New South Wales overall.[8] A third of residents are aged 25 to 34, more than double the share across NSW (15%).[9] This young demographic reflects the area's strong appeal to university students, young professionals, and international migrants.

Distribution of resident population by age group[9]

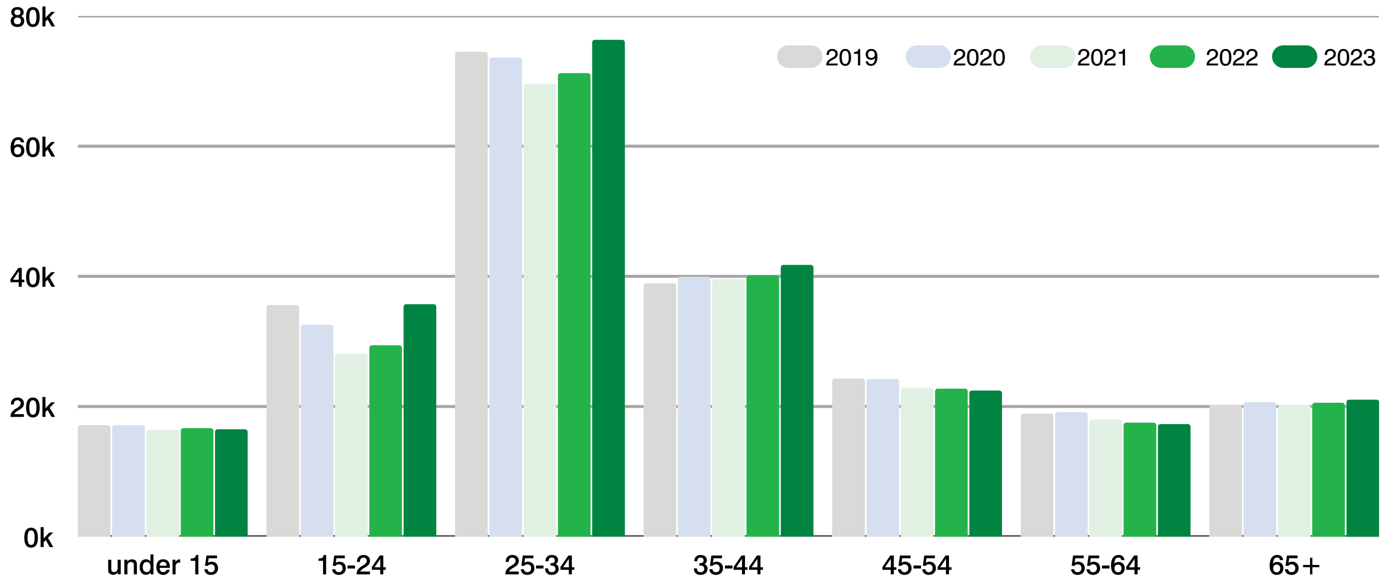
City of Sydney LGA and NSW-wide, 2023



During the pandemic in the City of Sydney area younger age groups declined, with the resident population aged 18 to 24 falling 21% and those aged 25 to 34 falling 7%. The population of other age groups remained relatively stable over the same period. The decline in younger residents was largely driven by international border closures and the shift to remote work. Resident numbers in both age groups have now recovered above pre-pandemic levels.

City of Sydney Population by age, 2019-2023[9]

City of Sydney LGA, thousands



The City of Sydney identifies young people as a priority community. We provide free and low-cost spaces and programs through our libraries, community centres, recreation facilities, and public spaces. Free programming for young people includes Youth Week, emerging civic leaders program, and changemakers launchpad. We are also committed to increasing housing choices, with an aim of an extra 156,000 private dwellings and 17,500 non-private dwellings (including boarding houses and student accommodation) in our local area by 2036.

Source/note
8. ABS, Census of Population and Housing (2021)
9. ABS, National, state and territory population (2023) released September 2024