



Sydney Harbour Foreshore Authority East Darling Harbour Masterplan: Review of Commercial Components

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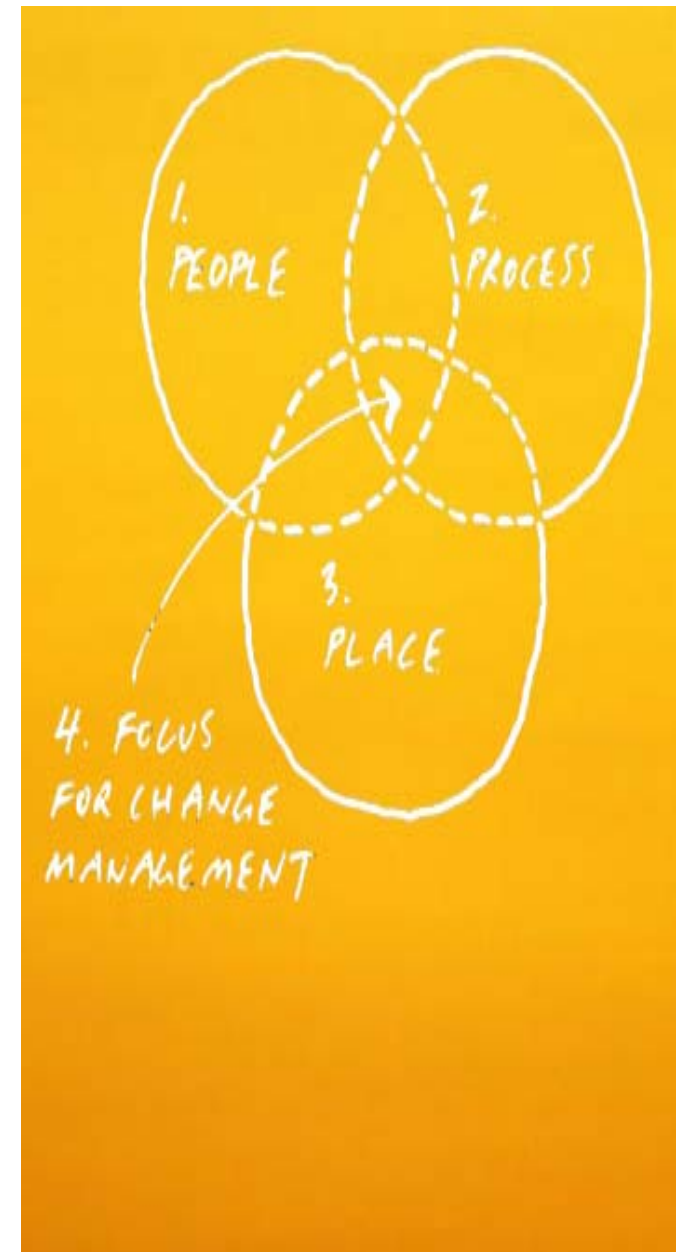
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Introduction

- This report reviews the design of the commercial components of Hill Thalys architecture's winning masterplan for East Darling Harbour and has been prepared by DEGW for the Sydney Harbour Foreshore Authority.
- DEGW have referred to material submitted by Hill Thalys Architecture during the design competition to analyse the proposed commercial components.
- This report draws upon DEGW research on 'next generation' workplace locations in Sydney and ongoing work with Australia's leading organisations to highlight strengths and opportunities for further development of the design of the commercial elements intended for the East Darling Harbour precinct and shown in the winning masterplan.
- DEGW are international workplace consultants that assist organisations in understanding the way they use space and how space can assist in improving organisational performance.
- The objective of DEGW's review of the East Darling Harbour masterplan is to understand:
 - The context within which the Commercial component of the development will exist, and how this is changing the appraisal of commercial precinct and buildings
 - The factors (both perceptual and actual) affecting commercial space users' decision making about location within the city and the selection of accommodation
 - the potential for the masterplan's proposed commercial precinct and buildings' to provide efficient and effective space for tenant organisations and therefore attractive assets for building owners
 - the implications of these issues for the further development of the precinct masterplan and any related recommendations

The changing workplace

- The commercial components of East Darling Harbour will accommodate the workplaces of the future. The accommodation needs of future organisations' will balance three related aspects of the workplace to create improved performance:
 - People
 - Process
 - Place
- People are the key assets of a business' in a knowledge based economy. The topical issues of work/life balance, generational change, workforce mobility and global competition for talent all reflect the importance of people to all organisations.
- Processes affect the way people work and how business gets done. Technology continues to increase the speed of work and businesses empower increasingly autonomous workers. Adaptable and dynamic companies are updating processes and successfully implementing processes for managing the nature of change itself.
- Place is increasingly critical to workplaces, workforces and cities. Employers of choice are know the importance of location and sense of place for staff and clients, and the importance of links and nodes in the contemporary network city.



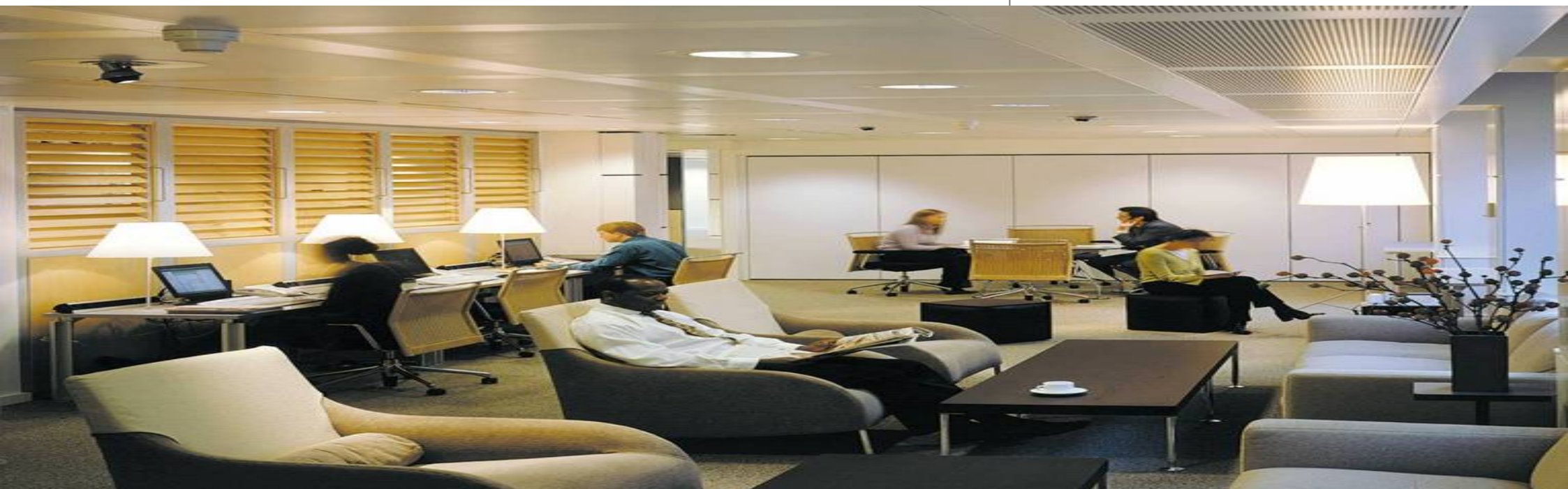
Executive Summary

- Leading organisations are increasingly using space as a tool to improve business performance and generate competitive advantage. This is often achieved by moving beyond concerns of pure space efficiency, to achieve increased effectiveness of people and expression of brand and values.
- The report describes the changing nature of work and the workforce, how this affects workplace locations in Sydney, and considers the East Darling Harbour development masterplan from a potential commercial tenant's perspective.
- The location of the workplace has an impact on the nature of the staff and workspace and this then impacts on the benefits the workplace brings to the organisation. can meet the accommodation needs of modern organisations and their people.
- DEGW have considered the potential performance of the suggested building designs against key tenant criteria using an abridged version our established Building Appraisal Methodology. This method allows us to broadly benchmark the building's performance against comparable buildings in the market.
- Real Estate decisions are no longer about providing square meters for competitive prices. This is still a key element of any real estate decision, but the clincher in property decisions is increasingly the 'added extras', the intangibles and the value add. Developers are recognising this, offering buildings with a wide range of services and aiming to maximise the 'total offer'. Tenants are also responding, recognising the role the workplace plays in helping the company meet its business goals and support its cultural needs.
- This is particularly important in the Knowledge Economy, the so called new economy, where the value proposition of business is in the information and data services they provide. These services are leveraged off a business key assets, their staff. Businesses are responding to their staff needs and developing workplaces that support, nurture and attract key staff, which includes the creative class, and a range of different generations. Sydney is the local and increasingly the regional centre for many of the high value Knowledge Economy jobs in finance, insurance, business services and similar industries, most of which are then located in Sydney's CBD area. This role as a centre for these businesses creates a vibrancy for the area, acting as a magnet for employers and employees.
- As much as access to transport resources is important for manufacturers for resources and products, so to is the need to ensure human resources are well catered for. Centrally located and accessible workplace space is key to this, and accessible locations build the appeal for these key business assets in Sydney.



Part1 East Darling Harbour: The Commercial Precinct

New Ways of Working



The changing workplace – people and process

- A new demography of workers corresponds to a change in the culture of the workplace. The workplace is changing due to many factors, including the continued strength of the knowledge-based economy sectors, the emergence of the 'creative class' and the growth of generations X and Y in the workforce. The composition of the workforce, the characteristics of talented workers and the nature of workplace decision makers is changing.
- Leading organisations use their culture and physical workplace to recruiting and retaining the right people. Changing demographics and increasing global competition for talent make it important for organisations to differentiate themselves as employers. The physical workplace send a message to clients and staff, making real estate decisions a branding, cultural and motivational issue.
- Workers are changing processes to achieve both efficiency and work/life balance. Considering people's journey to work can improve the appeal of an organisation, company and workplace. Accessibility by transport is the easiest way to measure and manage the journey to work, but other strategies include mobile working programs and remote access technologies to reduce the need to travel to work. Workplace flexibility and the availability of family and lifestyle friendly amenities are also key factors of leading edge workplaces.

*The **Knowledge Economy** brings creative people together to add value through exchanging information to generate ideas.*

*The **Creative Class** is loosely defined as those workers engaged in complex problem solving using new technology, thinking and processes*

***Generations X** (1962-1977) and **Y** (1978+) are two key demographic groups in the workplace.*

New ways of working for new workers

- Location is important for the emerging 'creative classes' of knowledge workers, as described by the economist Richard Florida. These are workers who sell creativity and knowledge and the rise of these workers as the drivers of modern economies and companies is growing in importance. Many of these workers want their workplace to integrate with their lives and lifestyles, so location, accessibility, amenity and diversity of the workplaces are all crucial factors in attracting creative workers.
- Location is also important for generations X and Y. These workers, many of whom are in demand due to favourable labour market shortages, enjoy a greater level of career mobility than previous generations. Many place a high value lifestyle options, and make employment decisions based on accessibility, amenity and proximity to the action.
- Neo Consumers, known to be highly considered consumers, are also a key demographic when it comes to workplace locations. These people are known to be high value customers, but are also likely to be ambitious, high achieving employees.
- Providing workplaces in locations that appeal to these key workers will be important for business success in the new global knowledge economy.

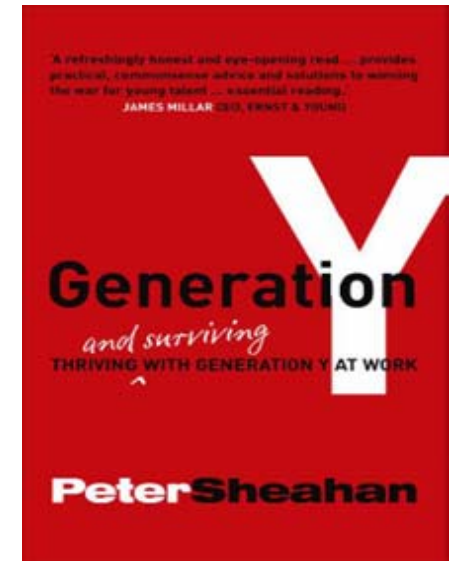
Creative class workers

- Richard Florida is an American academic economist who has developed a new perspective on issues affecting the economies of cities and regions. His analysis of economic change has developed into innovative theories about the future prosperity of leading economies and countries. According to Florida, future prosperity will hinge on cities' (and in turn countries') abilities to attract human capital - in particular knowledge workers. He terms these workers 'the creative class' and argues that these workers, and the industries in which they work, will be the economic engines of the new economy. Florida argues that cities that foster the creative class (and thrive as a result) excel in offering the three Ts: Technology, Tolerance and Talent.
- Florida's definition of the Creative Class includes those who sell knowledge, and innovation, rather than manual labour. Florida has developed indicis to demonstrate that economic growth and prosperity results from the creative work of these people. These people also have a high degree of choice as to where they work (geographically and organisationally). These workers live where they want to live, and make career decisions that suit their lifestyles.
- In Sydney, key areas that meet the needs of the creative class workers include the Eastern suburbs, inner west and North shore – all areas that are easily accessible to and from the Central Business District



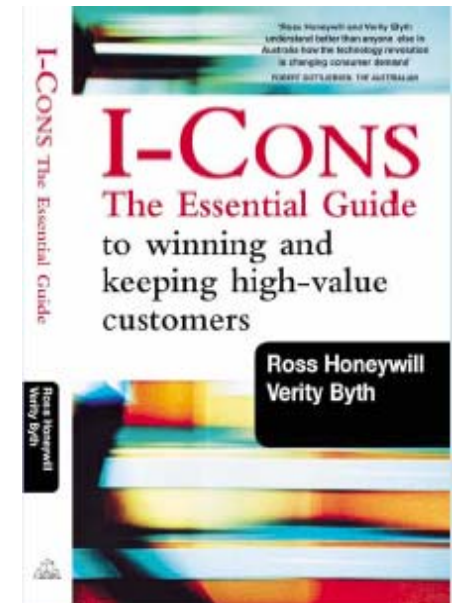
Generation X and Y workers

- As the Australian population ages, the replacement of baby boomers in the workforce is a growing concern. There are two key concerns:
 - the loss of corporate knowledge as senior managers leave their organisation, and
 - the replacement of these workers with new staff.
- Generations X and Y will be replacing the retiring workers. The problem with assuming that these generations will fit neatly into the vacancies is that the needs, wants and interests of these younger workers may differ from those of older generations. These younger generations - many of whom could also be members of the 'creative class' - are highly lifestyle conscious, career mobile and in demand.
- These new staff, who are the future of companies, are concerned with accessibility, amenity and activities in the workplace and are more likely to seek out lively and vibrant destinations and workplaces.



NEO consumers and workers

- 'NEO consumers' are a marketing typology developed by Ross Honeywill and Verity Byth to explain the consumption habits of the most aspirational and motivated of spenders. These 'NEOs' account for large amounts of consumption, and are likely to be in higher income brackets. These are likely to be workers that leading companies hope to attract.
- Honeywill and Byth describe the Neo-Neighbourhood as a new village where work, home and leisure converge. They say NEOs always place experience, enriched with content, amenity and information, ahead of any activity or decision. The Neo-Neighbourhood is a place of rich information, experience, perspective and authenticity; and amenity and accessibility. Overall NEOs enjoy Neo-Neighbourhood as the perfect place to live, work and play.
- Described this way, NEOs represent key staff and are likely to see their employment as an extension of their consumer lifestyles. They are likely to be highly aspiration and motivated, and be of key interest to recruiters and organisations. Again, the creative class' and younger generations' characteristics will overlap with those of NEO individuals. Providing for their needs will help harness their energy in the workplace

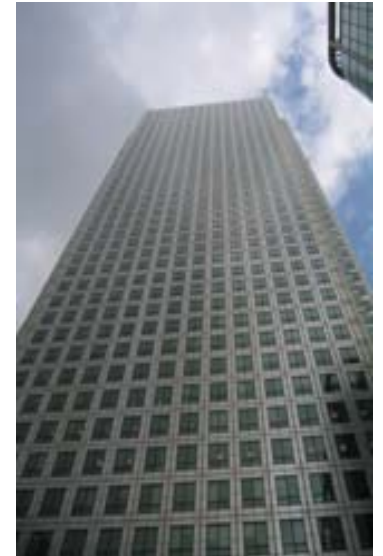


Working in the Network City



The changing workplace – issues of place

- There is a new geography of work: the nature, location and timing of work is changing. Workplaces are evolving – both in physical form and the role they play in supporting an organisation's workers. Workplace research has moved beyond maximising efficiency towards improving the effectiveness and expressiveness of workplaces to meet the aspirations and expectations of tenant organisations. This shift has involved greater investigation of where work occurs. It has exposed a breakdown in the territoriality of space and a blurring of the distinctions between formal and informal work settings. As organisations move away from traditional real estate solutions to more flexible and mobile solutions, the location of workplaces has as much impact on the productivity of workers as the features and facilities provided there.
- New ways of working challenge the notion of 'the office' and explore a more distributed geography of work. Increases in the mobility of technology and communication have enabled workers to work where, when and how they like. This has dramatic implications for the workplaces of the future and their location in the city. This change in our way of working to a more distributed network of people and locations is affecting the planning of our cities and traditional real estate markets. New paradigms for corporate real estate and workplace management involve a reassessment of the workplace in the context of the broader city. Working is no longer limited to one location. The impacts of workplace upon business performance are not confined to the nature building, but also include issues related to location and the precinct.



Distributed working in the new economy

- A distributed workplace puts new focus on the centrality and accessibility of workplace locations. DEGW recently undertook an European Union funded research study investigating Sustainable Accommodation for the New Economy*. The SANE study looked at the effects of the emerging knowledge economy on people, process and place. It found that there was a move away from corporate campuses towards a more distributed model of real estate provision. Under this model, organisations locate staff on an 'as needs' basis in a variety of space types. This has impacts on the individual, organisation and city.
- The location and flexibility of an organisation's accommodation are becoming more 'intelligent'. Day-to-day functions are located in convenient but less valuable locations, and 'high value' functions are located in areas with amenity, accessibility and adjacency. The 'distributed workplace' is an extension of this pattern. There is also a shift towards different types of tenure for the provision of different types of space, from fixed to short term to 'on demand'. Tenants are developing new ways of looking at business costs and are attempting to isolate themselves from cyclical economic risks to limit their exposure, and landlords are responding with flexible space and service packages to suit.
- Developing an efficient, effective and expressive workplace in the new real estate paradigm requires an understanding of the locations that suit staff, corporate and industry needs matched with the corresponding type of space, tenure and service offerings by landlords.

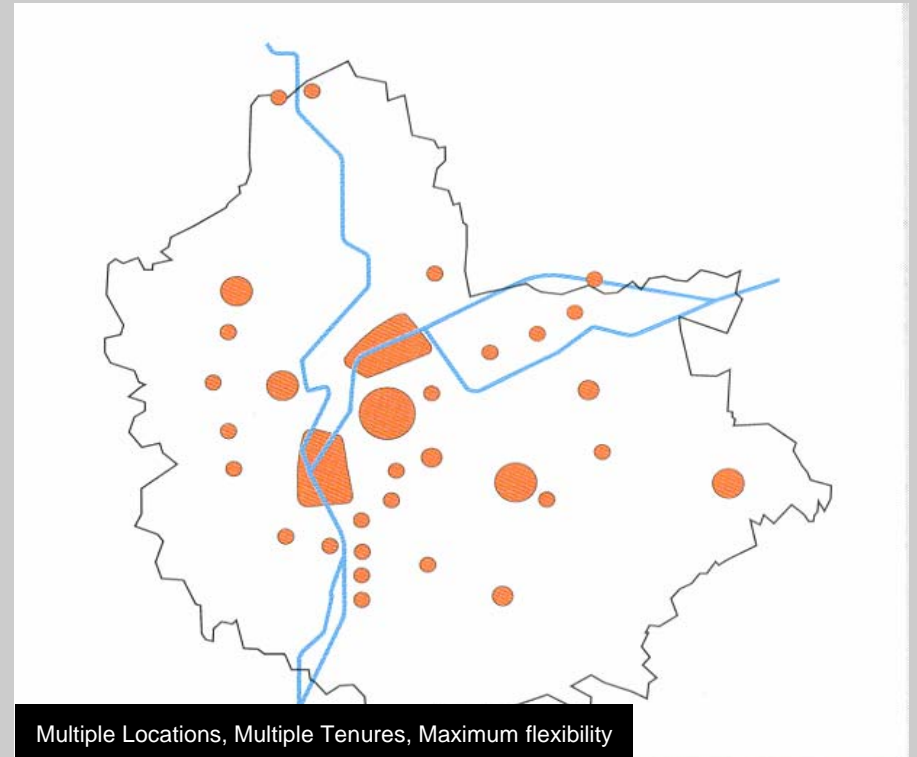
**A. Harrison, P. Wheeler, C. Whitehead, The Distributed Workplace, 2004, Spoon Press, New York.*

New ways of looking at the workplace and the city

'office is the city'
*single location,
owned space*



'city is the office'
*multiple locations, various scales and
different tenures*



Increasing use of distributed workplaces
Move from fixed to flexible spaces
Firms partnering to achieve common outcomes
Workplaces offer a menu of spaces in a variety of locations

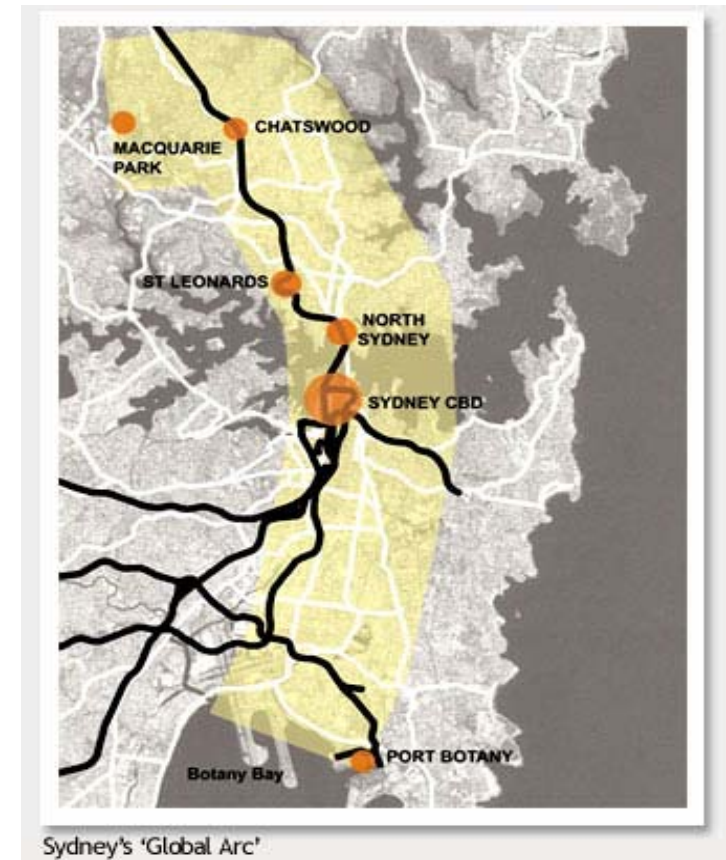
Location takes on a new significance

- New ways of working in the knowledge economy have made the location of the workplace as important as the nature of the workplace itself. Spatial location within the city has a profound impact on the appeal of real estate due to both real and perceived benefits to tenants.
- Dependence on city infrastructure will encourage attractive workplace locations to take advantage of the city's existing centres including:
 - Hubs: Interchange of different modes and levels of transport – Maximising accessibility.
 - Nodes: Mix of functions – overlapping activities throughout 24 hours – Maximising activities.
 - Places: Memorable gateway – creating a distinctive range of symbiotic functions and spaces – Maximising amenity.
- Premium workspace in these centres will be complemented with more cost effective spaces in less central, but accessible, locations. These combinations of work spaces combine to offer a variety of potential work settings, from sophisticated and highly 'expressive' central locations for client facing activities to less formal workplaces closer to workers homes.



Global Sydney – beyond the CBD

- Building on Sydney's position in the local and the global economy, the current distribution of industries is referred to as the 'global arc'. The global arc of Sydney describes the current distribution of leading industries and heavily influences workers residential decisions. It is centred on the CBD and extends to the airport in the south and past Chatswood and Ryde to the north.
- With the ongoing development and strengthening of Parramatta, Homebush and Rhodes peninsula as commercial centres, the concentration of these industry centres appears to be moving west. This is partly a result of the movement of the demographic and geographic centre of Sydney, and partly because it is equidistant to large parts of the existing 'global arc'.
- This geographical concentration of global employers has implications for the lifestyles and residences of key workers. Employers are required to place an increasing emphasis on the ability of staff to conveniently access their workplace. Employers and employees recognise the need to access a range of areas of the city and beyond, as well as multiple industry centres, such as the CBD, Macquarie, Parramatta, the airport etc, where clients, users and suppliers are located.



Experience - maximising the total offer

- Real Estate users and providers have recognised that the property offering entails more than just a set amount of square meters and the provision of basic services. In fact, the real estate offer potentially includes many tangible and intangible features beyond to the traditional building and site features. There are also city, service staff, data and amenity issues, and many more associated services that could accompany the provision of space. Assessing the fullest possible range of these can arrive at the full value or 'total offer'.
- Key traits for attractive workplace locations include examples as diverse as:
 - Cafes, Bars/social spaces
 - Crèches, Gyms
 - 'support' retail (ATMs, post office, Medical centres and facilities, banks etc)
 - Sporting/Activities and supporting facilities – for spectators and participants
 - Cultural/entertainment centres
 - Connections with local area – using surrounding facilities
- Ensuring these related services are available ensures ongoing viability
- New ways of looking at real estate and service provision mean tenants and landlords can realise new areas of value and make decisions based on the full range of potential benefits.



Raw materials:
Coffee beans = 15 cents

**In Venice's Piazza San Marco: the
finished product, coffee = \$15**



Utility + Experience = 'Total Offer'

Case Study: CHISWICK PARK, LONDON

- Focus on lifestyle and 'value add' services to accompany the space
- 150,000 sq m total across 12 buildings
- park / buildings / services and experience are the brand

At Chiswick Park,
in Chiswick, and
in London



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We all want
to know who
lives on the
other side of
the fence

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East Darling Harbour and the Sydney's CBD



East Darling Harbour – a new precinct in Sydney's Central Business District

- Sydney's Central Business District is the centre of commercial, employment and business activity for Australia. Data from the Australian Bureau of Statistics' 2001 Census highlights the importance of the CBD as a business destination:
 - 253,000 people are employed within the City of Sydney, which represent some 15% of Sydney's total workforce.
 - This figure was an increase of 35,000 jobs (15%) over the 1996 Census and incorporated almost a quarter of all new jobs generated in the Sydney region between 1996-2001.
- The volume of people employed in the CBD creates a critical mass for the development of a wide range of business services, activities and also creates a sense of place.
 - Sydney CBD workers have an average age of 34.8 years (a slight decrease from the 1996 figures, and three and a half years less than the broader Sydney average).
 - 48% of Sydney's CBD workers are aged between 20 and 34 – the Generation X and Y workers.
 - 40% of CBD workers possess a bachelors degree or higher (vs. 25% for broader Sydney),
 - the median CBD worker earns 50% more than the average Australian salary.
 - 40% of CBD workers were born overseas.
 - 60% of CBD employees are either managers, professionals or associate professionals from a diverse range of fields. (Predominantly engaged in business, commerce, insurance and finance roles (employing approximately 20% of Australia's total related workers), or business services industries, such as lawyers, business advisors and marketers (27% of Sydney's total related workers)) .
 - 10% of CBD workers were engaged in a university course in 2001, taking advantage of the CBD's proximity to three of Australia's leading universities' main campuses and several universities CBD satellite campuses.
- The volume and intensity of activity in the CBD makes it naturally appealing to the brightest, most competitive, prestigious and ambitious of employees and employers. This has benefits for co-location, attraction and business development.

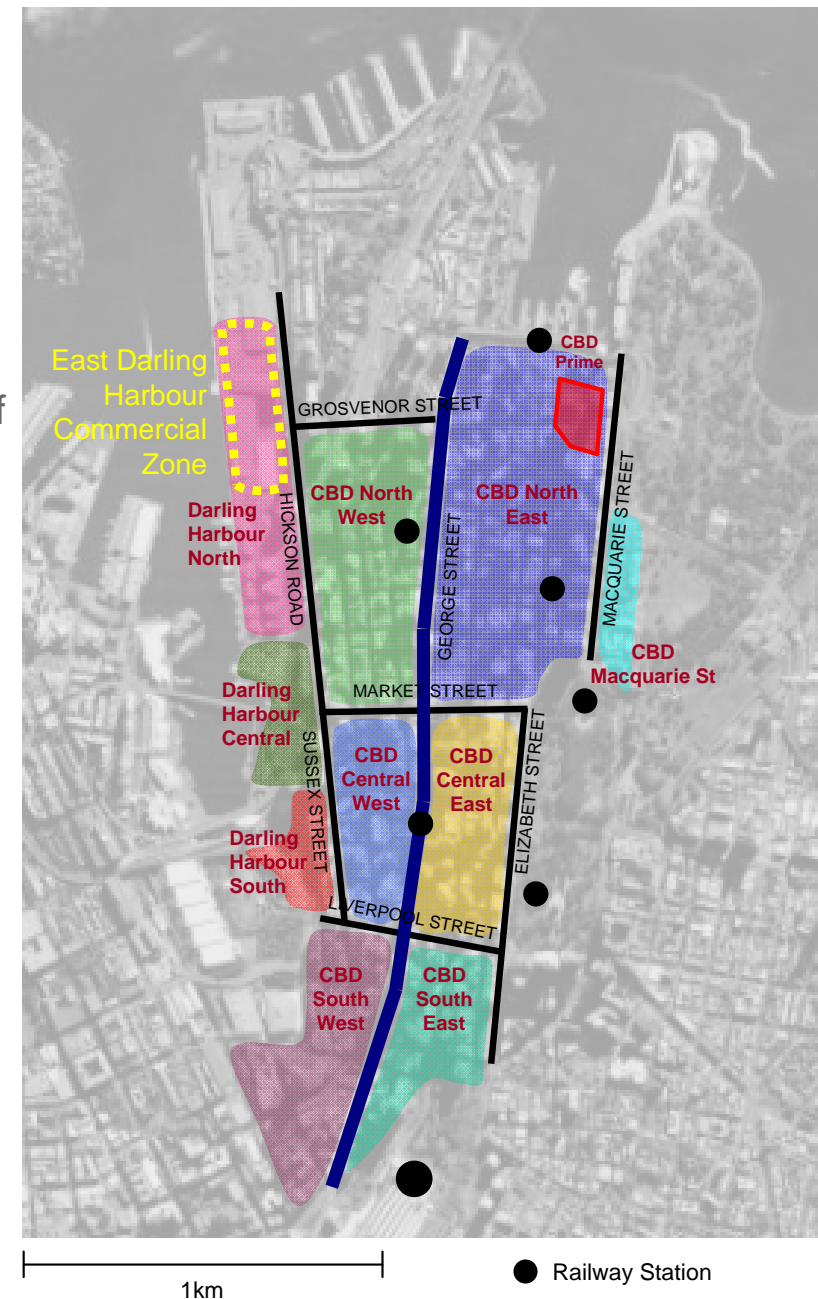
East Darling Harbour – beyond ‘space’ to ‘place’

- The centre of Sydney has long been the premium location for service industry, white collar and professional occupations. The focus on the CBD continues to grow according to several key factors and East Darling Harbour can leverage the existing success of the CBD.
 - It is the centre of the ‘Global Arc’, an area of Sydney that reaches from the Airport to the CBD and up to Ryde and Chatswood. This is the location of many of Australia’s globally competitive industries.
 - Has key connections to Sydney’s international airport
 - Is the ongoing focus of key transport infrastructure decisions and investments. The majority of key transport projects are concerned with improving the flow of workers and goods into, around and through the CBD. Recent examples include road upgrades and toll road construction.
 - The CBD offers workers a lively location which maximises the availability of amenity, accessibility and activities equivalent to any major global city
 - The CBD accommodates the diverse and rich experiences that attract creative class knowledge workers and offer them and their employees the business, cultural and social environments they need to be globally competitive.
 - The growing interest in central workplace locations reflect the importance a sense of ‘place’ for the workforce, representing a crucial development from the traditional focus on efficiency of space at all cost.



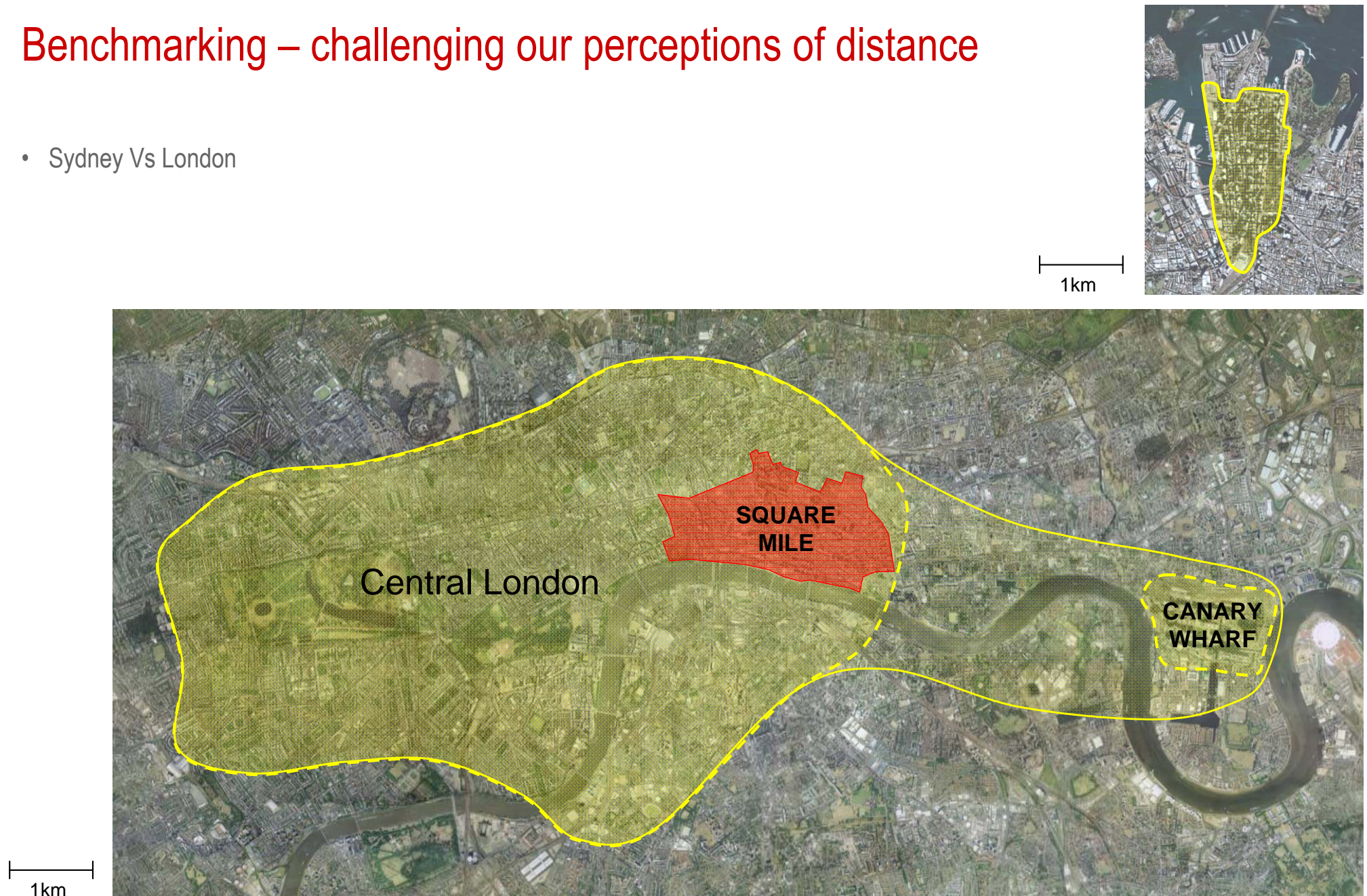
Sydney CBD – precincts and perception

- Sydney's CBD is perceived as a collection of distinct precincts. Perception determines the desirability of each precinct as a location for business which in turn influences the property values.
- The perception of each precinct is informed by the levels of accessibility, amenity and activity offered as well as the types of organisations and quality of buildings located in each precinct.
- In establishing East Darling Harbour as a new commercial precinct it is crucial to ensure that the right perception is established early in the process. This means that it is necessary to decide on a desired 'brand' or 'image' for the precinct and then deliver the infrastructure to make it a reality.
- Early delivery of key infrastructure elements that will support accessibility, amenity and activity is important in ensuring that the right perception is established, and that East Darling Harbour becomes an attractive place for commercial tenants to locate.
- In addition to creating actual infrastructure, the East Darling Harbour commercial precinct will need to address perceptions of space and distance.



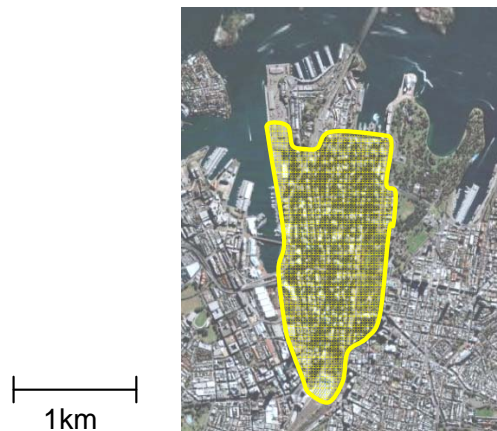
Benchmarking – challenging our perceptions of distance

- Sydney Vs London



Benchmarking - challenging our perceptions of distance

- Sydney Vs New York



Benchmarking - challenging our perceptions of distance

- Sydney Vs Melbourne

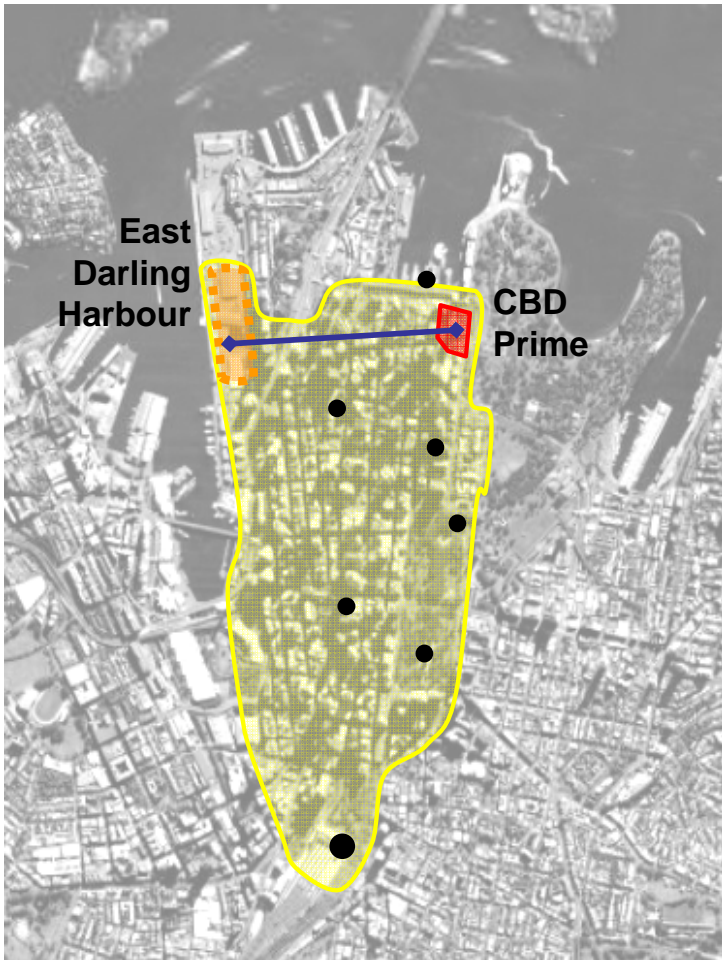


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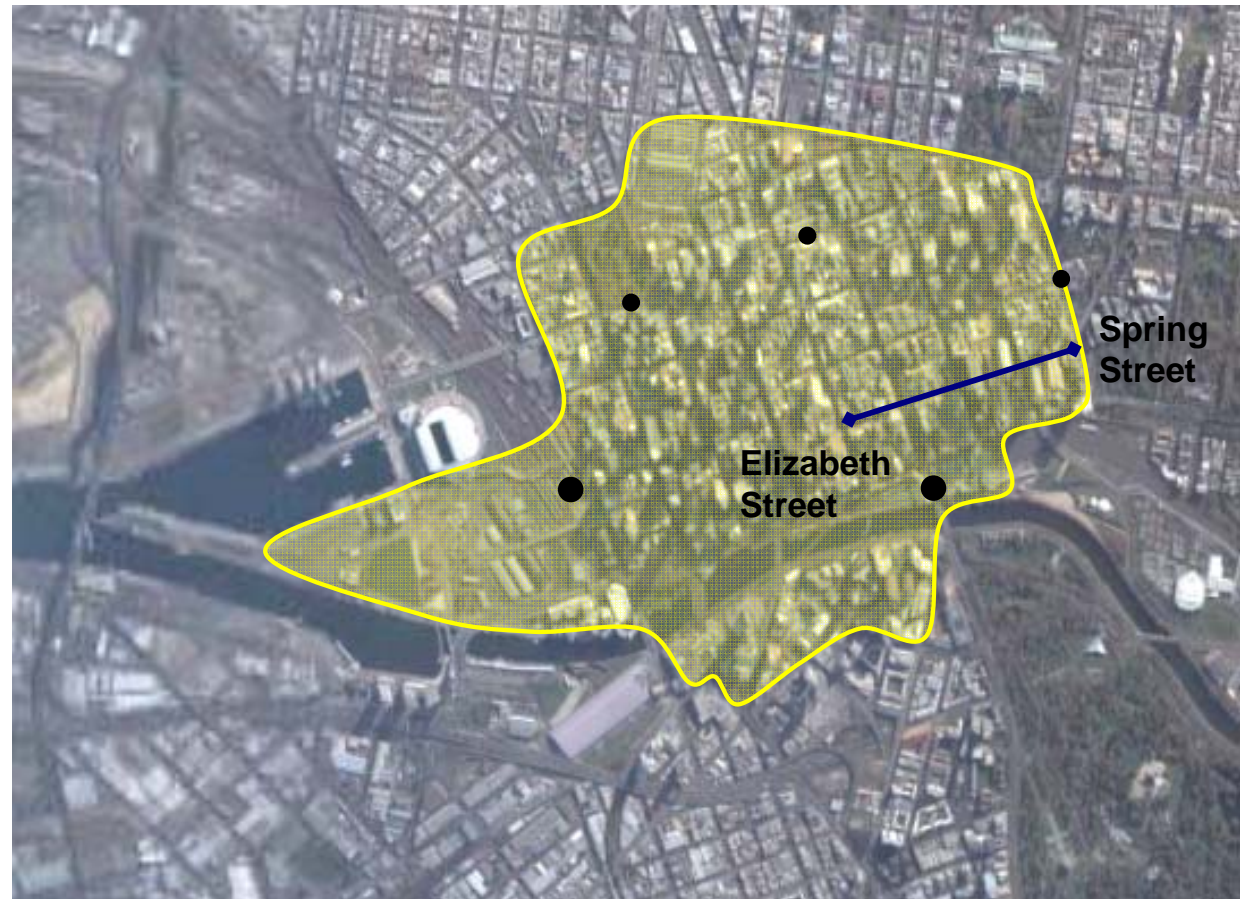


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Benchmarking - challenging our perceptions of distance



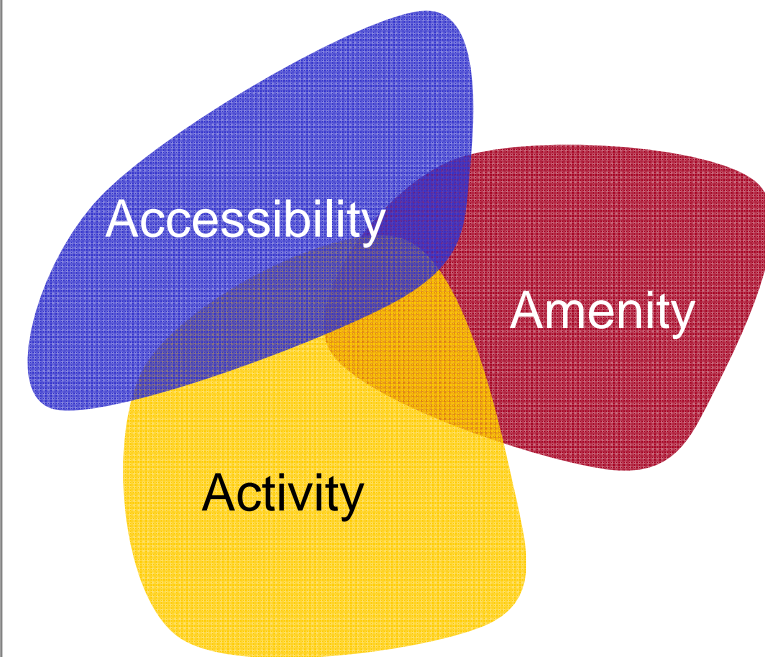
1km



1km

The location factors for commercial tenants

- Attractive locations for commercial tenants offer a diverse range of services, are people-centric locations and offer unrivalled systems for managing the daily flows of people in, out and around the area. Three key factors influence the viability of a location and influence its appeal as a workplace destination:
 - **Accessibility** - the ease, convenience and comfort with which people can travel to the workplace, to other sites related to the workplace, and to retail, food and leisure facilities. Pedestrian and public transport networks are increasingly the priority.
 - **Amenity** – quality of environment and access to people-related facilities such as food, retail, recreation and support services. Increasingly quality and variety of services are important. As the boundaries blur between work and leisure amenity becomes an increasingly important consideration in workplace location decisions
 - **Activity** - the need for a sense of vibrancy and buzz. Successful “people locations” that attract patronage. More than just space activity must be managed and promoted. The right mix of facilities is also important, as are appropriate levels of security, supervision and cleanliness
- Locations that provide these things will become “people attractors” and organisations that value people will follow.



The location factors for commercial tenants

Accessibility

- Convenient
- Dependable
- Direct
- Choice
- Hub
- Connected
- Legible
- Safe
- Time-effective
- Pleasant

Accessibility is the users means of accessing the site, but also relates to the users ability to move within the site and use surrounding facilities and amenities

Amenity

- Natural & Urban
- Safe
- Available 24/7
- Choice
- Connected
- Pleasant
- Maintained
- Scenic
- Sun & Shelter
- Public & Privileged
- Mixed Uses
- Services
- Retail
- Cultural
- Recreation & Leisure

'Amenity' provides the potential for activity

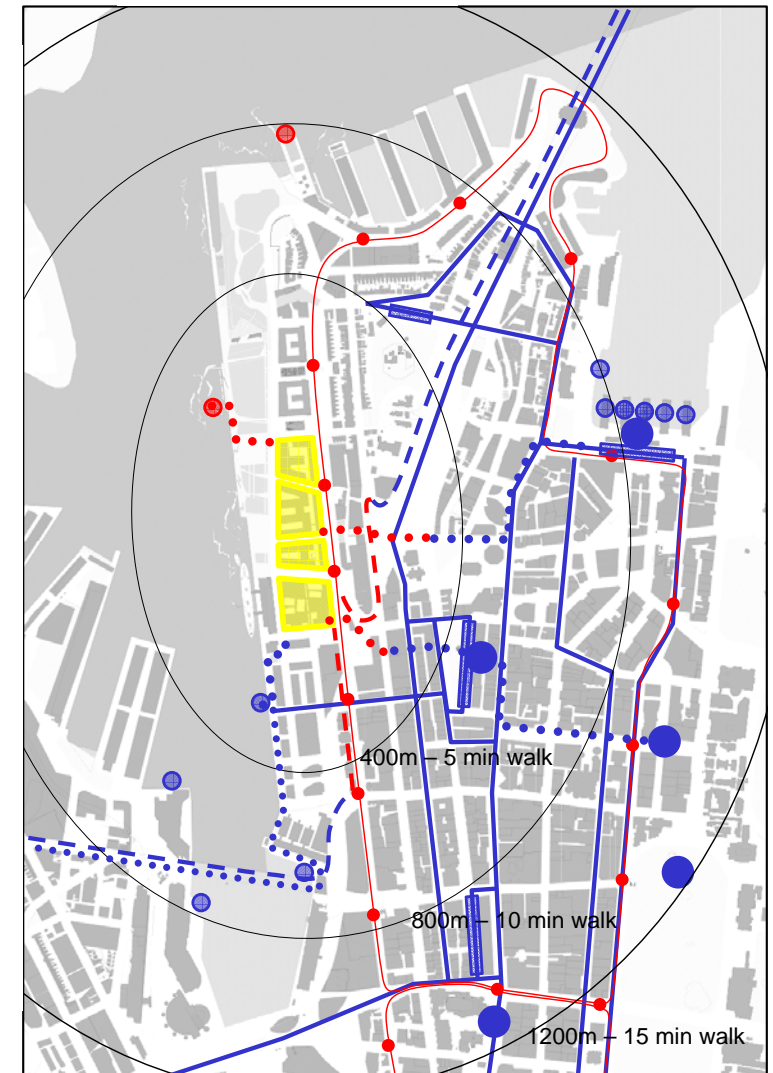
Activity

- Vibrant
- 24/7
- Dense
- Choice
- Variable
- Connected
- Sense of community
- Active & Passive
- Participate & Spectate
- Managed & Spontaneous

Activity is the realisation of the amenities potential – Places with great amenity can be 'dead' with out the right management and encouragement of activity

Accessibility – transport options

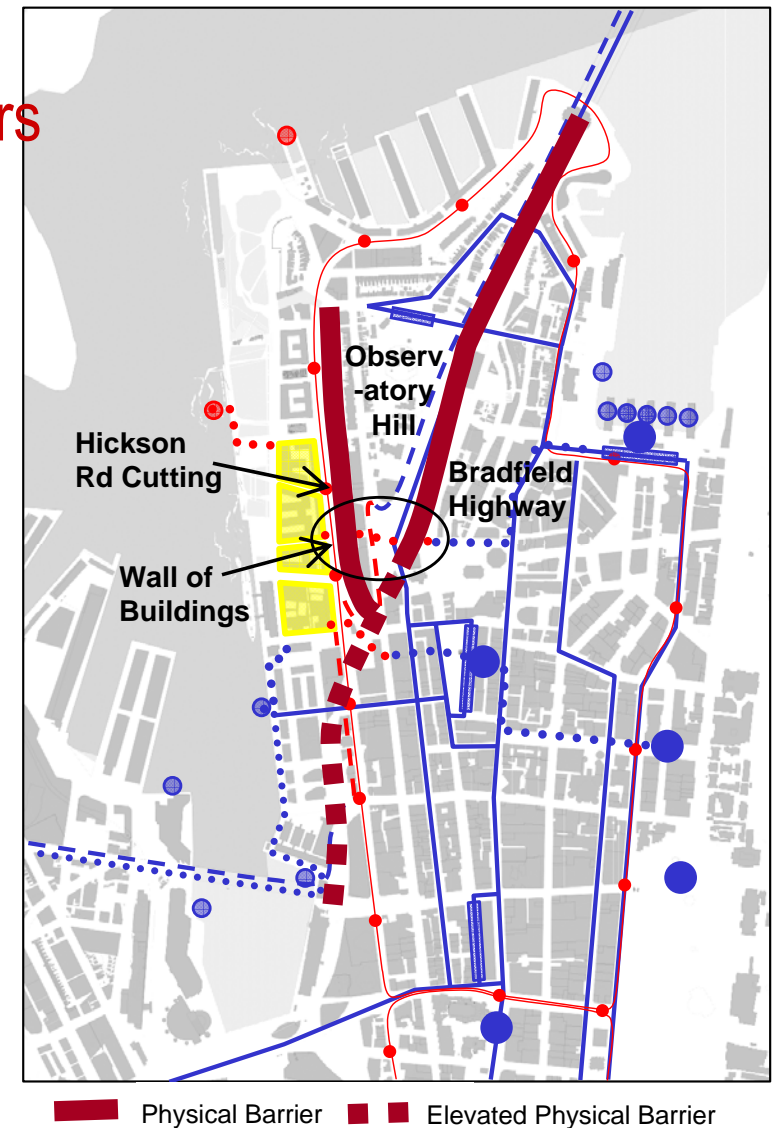
- Sydney's transport options are CBD centric, with all modes of transport converging here. A central city location such as East Darling Harbour is well served by bus and train, and is within walking distance of ferries and light rail. Airport accessibility is also good.
- Providing transport choice is an area of growing importance in companies' attempts to attract staff
- The transport modes offered by the CBD Central serve key demographic areas of the eastern suburbs, lower north shore, inner western suburbs and emerging Pyrmont districts. Buses, ferries and trains serve these population centres. This is crucial for accessibility by the workforce, clients and alternative business locations.
- 47% of all trips to the CBD during the morning peak hours (6-9.30am) are by train, 20% by Bus and only 27% by Car. The remainder is by other modes, including bike and walk. This high dependence on public transport highlights the benefits of being close to a variety of transport modes.
- On a finer scale, and in the broader CBD area, the clustering and accessibility of related companies can have key benefits for business, as either an element of the right 'image' or for innovation and collaborative purposes.



Legend	Existing	Proposed	Existing	Proposed
Railway Station				
Ferry Wharf				
Light Rail				
Bus Terminus				
Bus Route				
Bicycle Route				
Walking Route				
East Darling Harbour				

Accessibility challenge – existing physical barriers

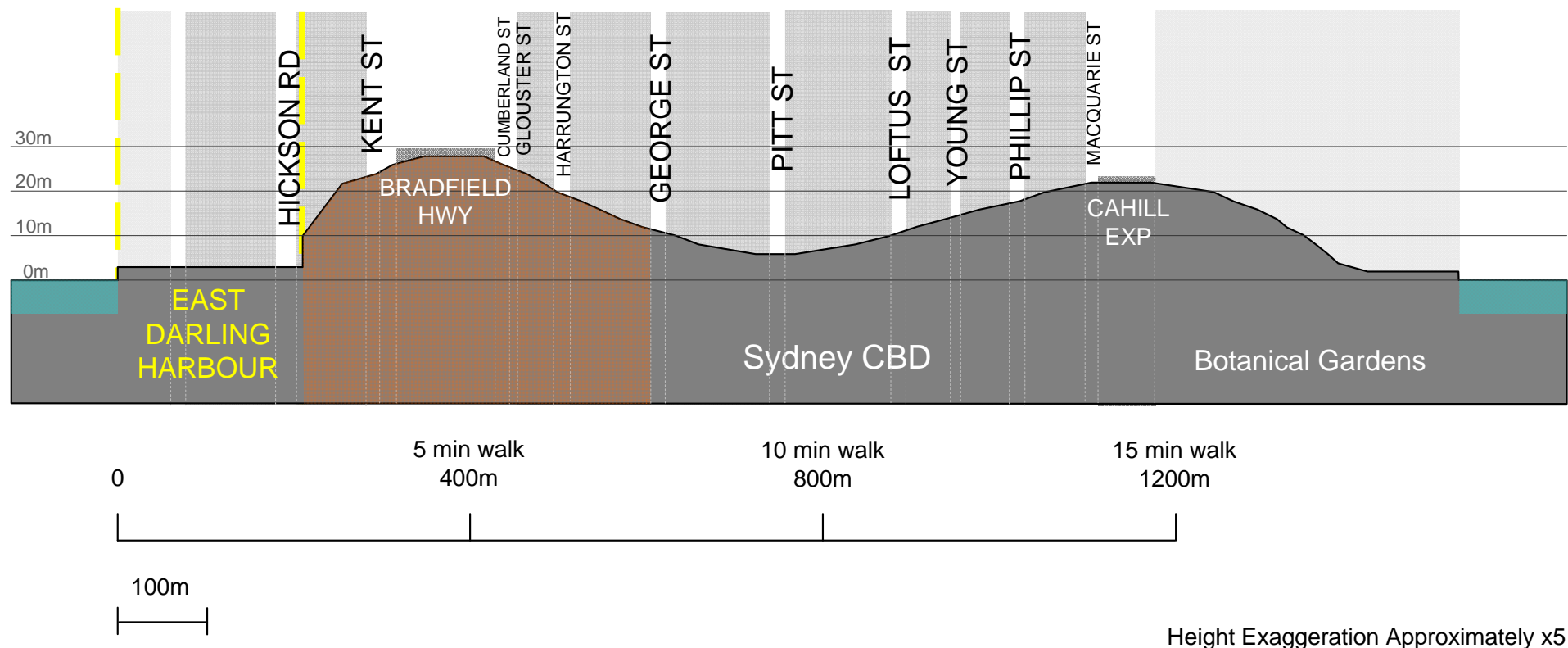
- Maximise pedestrian connectivity back to main CBD, particularly to main transport and activity nodes. Ensure that linkages are direct, legible, safe, pleasant and provide a certain degree of shelter.
- Ensure pedestrian linkages are delivered early in the redevelopment to prevent the perception of East Darling Harbour as being isolated.
- In particular:
 - Recognise the importance of the pedestrian tunnel from Wynyard Station to Kent St and celebrate the area around Napoleon Street as the key gateway to the East Darling Harbour Commercial Precinct.
 - Recognise the need for direct and legible link from Grosvenor Street to East Darling Harbour to connect the precinct to the northern CBD.
 - Ensure a regular tram / bus route is introduced
- Key Problems to address in the short term:
 - Physical barriers of the Bradfield Highway, Observatory Hill, wall of buildings on Kent Street and the Hickson Road cutting
- The South Eastern Corner of the site becomes a critical linkage with the remainder of the City.



"Location is critical for our future business success. We need to be in the middle of the CBD, right in our clients' and competitors' faces"
DEGW Workshop participant, North Ryde

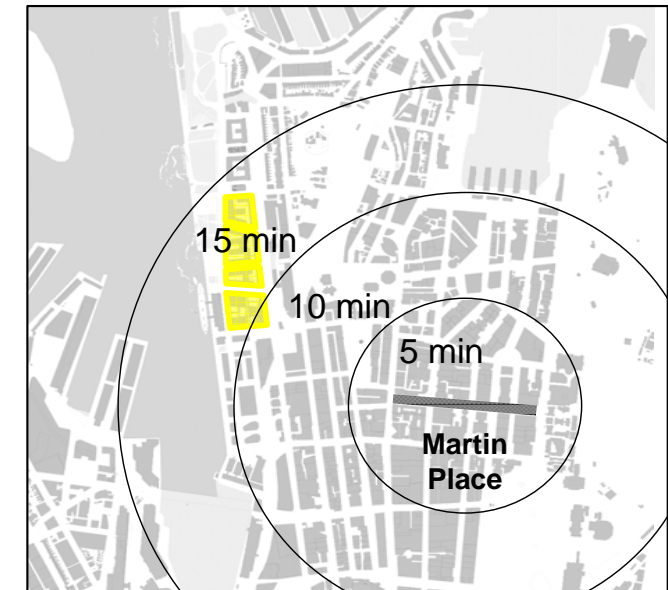
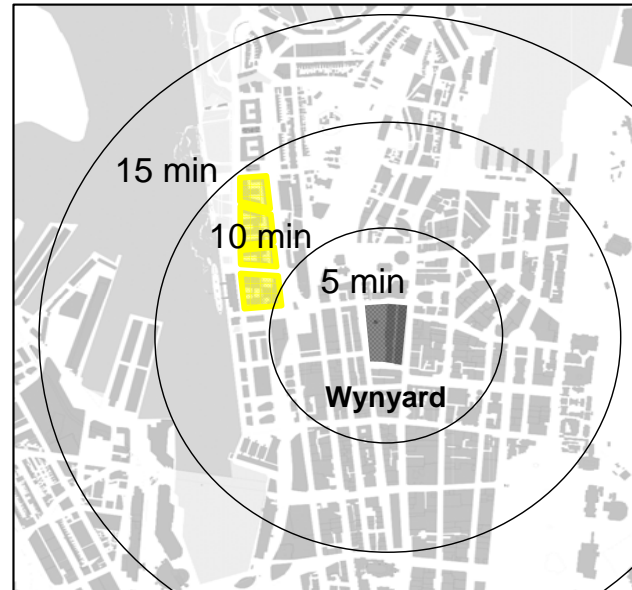
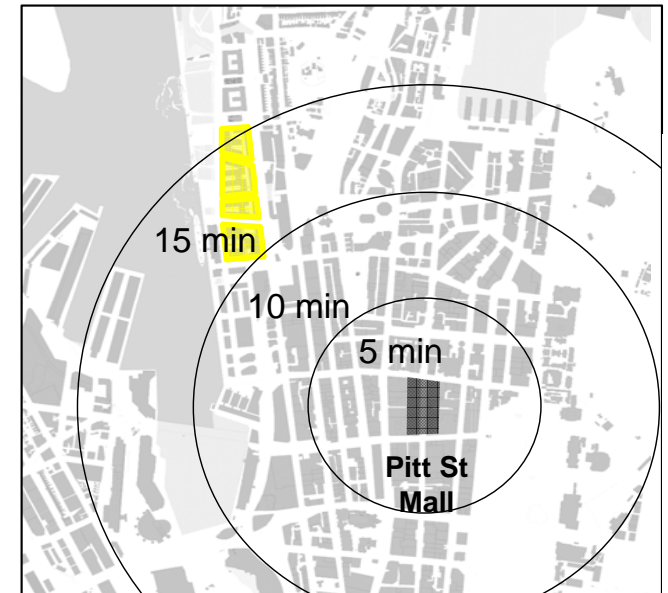
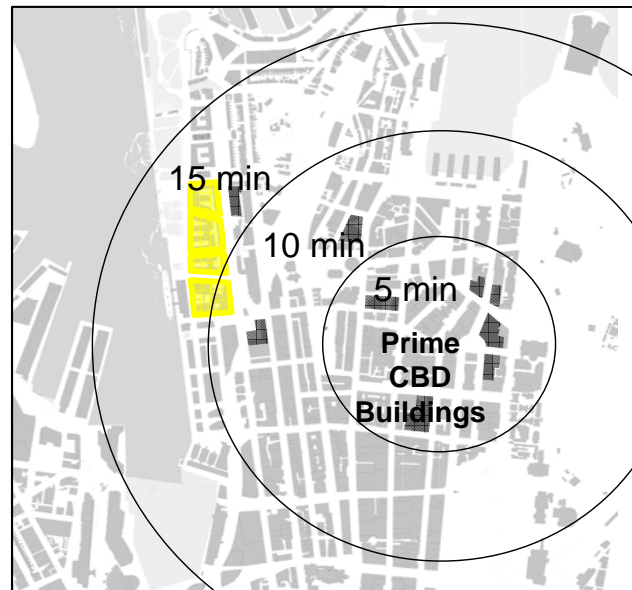
Accessibility challenge – existing physical barriers

- This diagram shows a cross-section through the Sydney CBD (from Farrer Place to East Darling Harbour along bridge and Grosvenor Streets)
- This represents the easiest way between the 'Prime CBD' sites and East Darling Harbour. The vertical elevation is an issue, as is the legibility of the Grosvenor/East Darling Harbour linkage – currently it is under the Bradfield Highway and through Gas Works lane. A more direct linkage, including visually linking the site, will be a key step to breakdown any perceptions of East Darling Harbour being 'inaccessible'



Accessibility

- All commercial tenant related pedestrian access to the precinct will be via the south east corner – this area will require special attention to resolve optimum pedestrian connectivity



Amenity

- The physical nature of Sydney (climate and geography) plays a large part of the appeal of Sydney as a 'place'. East Darling Harbour, located next to the water and incorporating some key future green spaces, takes advantage of these to ensure that the natural amenity meets workers' and residents' needs. The built environment and streetscapes should also offer a high degree of amenity through the considered design and use of a range of experts to ensure the streetscapes and destinations match the natural settings of the harbour and climate.
- The lifestyle amenity of the area is matched by the range of features that take advantage of the location, including areas with views, waterside pathways, cycling tracks through adjacent parks etc.
- This picture of tenant demand is supported by recent DEGW tenant research in Australasia. Commercial accommodation decision makers were asked about factors affecting the location decisions, and said "*Having amenities at the doorstep is an attractive option*"
- Most tenant organisation respondents were interested in the amenity provided by the local precinct, expressing Interest in collocation with the following uses:
 - 90% interested in cafes/restaurants
 - 80% interested in retail/supermarket, child care services and open public space/green space
 - 70% interested in gym facilities
 - 60% interested in hotels/serviced apartments
 - 50% in conference/training/auditorium facilities



Amenity challenge - degree of achievable street level amenity

- While the scale of streets and pedestrian spaces is attractive in urban design terms, the fine grain of spaces creates a large amount of street frontage to activate.

= approx. 2.1km street frontage



Activity

- East Darling Harbour also offers the potential of a range of activities built into the design of the area.
- A key component of the masterplan is the collocation of residential areas, ensuring that the area has on street activity and corresponding safety features (passive and active surveillance etc) well beyond the traditional 9am-5pm business hours.
- In the areas immediately around East Darling harbour, there are a variety activities, which create a highly desirable destination. This degree of activity should support 24hr convenience stores, supermarkets, restaurants, taxis, entertainment and more – crucial services for staff working outside traditional business hours.

"Even if I only go there occasionally, being able to go to Pitt Street Mall in my lunch hour is really important to me...."

Workshop participant, Martin Place

"One of the great things about this part of the city is the close proximity of the Domain....great for lunch time footy"

Workshop participant, Martin Place



Activity challenge - to manage overlap of public & private

- A key challenge in locating a workplace in a future residential, retail and entertainment precinct is managing the interaction of public and private spaces to maximise the location's amenity, accessibility and activities, whilst keeping an appropriate separation between professional workers, clients, shoppers, visitors and tourists. This is achieved by either formally (access control) and informally (design) managing the overlap between public, private and semi-public spaces to create an intended hierarchy of spaces.



PUBLIC
Overlapping Functions
Accessible
Public focused



SEMI-PUBLIC
Accessible, but managed
Staged and Branded
Worker oriented



PRIVILEGED
Access controlled
Workspace
Organisation controlled

Amenity & activity of CBD precincts



Legend

	East Darling Harbour Commercial Precinct		Entertainment & Leisure Precinct
	Passive Parkland		Shopping Precinct
	Active Sporting Fields		Intense Activity
	Recreational Facility		View
	Cultural Building		

Commercial precinct opportunities and issues for East Darling Harbour

- The changing value placed upon location of workplaces within the city reflects the growing concern of corporate real estate for issues of place. The commercial precinct at East Darling Harbour can offer advantages for forward thinking, globally competitive organisations if developed appropriately. The precinct can:
 - offer a workplace precinct for people - with fantastic amenity, activity and accessibility.
 - be a key differentiator for staff attraction as a leading business location in an accessible location.
 - be a key part in an organisations attempt to offer the flexibility needed by employees for balancing modern work/life equations.
 - A mix of activities and facilities to distinguish itself as a centre for employment.
 - Be a great location for organisations seeking to meet the needs of their staff and seeking to take advantage of the dynamic economic geography of Sydney.
 - create a strong image for the global positioning of organisations and would become a major tool in the attraction and retention of key talent.
- The East Darling Harbour Development offers a leading business destination for the ongoing development of Sydney – the right mix of land uses on a strategic location, well connected to the major transport modes and easily accessible to major areas of the Sydney metropolitan area.

The Future of Places

- More Mobility
 - Flexibility and diversity of accommodation
 - Speculative built rather than owner occupied
 - Manage systems supporting the distributed work
- Simpler Buildings
 - Flexible and easily re-configured
 - Brand in fit-out rather than building shell
 - Growing interest in 'environmental' performance
- More Complex Cities
 - Multi-modal access
 - Highly serviced and managed environments
 - All about infrastructure & amenities



Part 2 East Darling Harbour: The Commercial Buildings

The new office & the changing nature of work

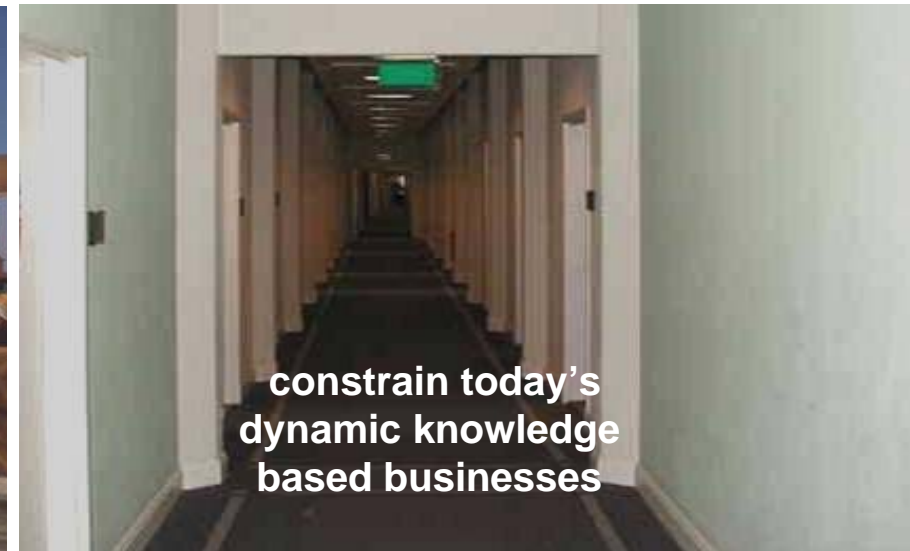
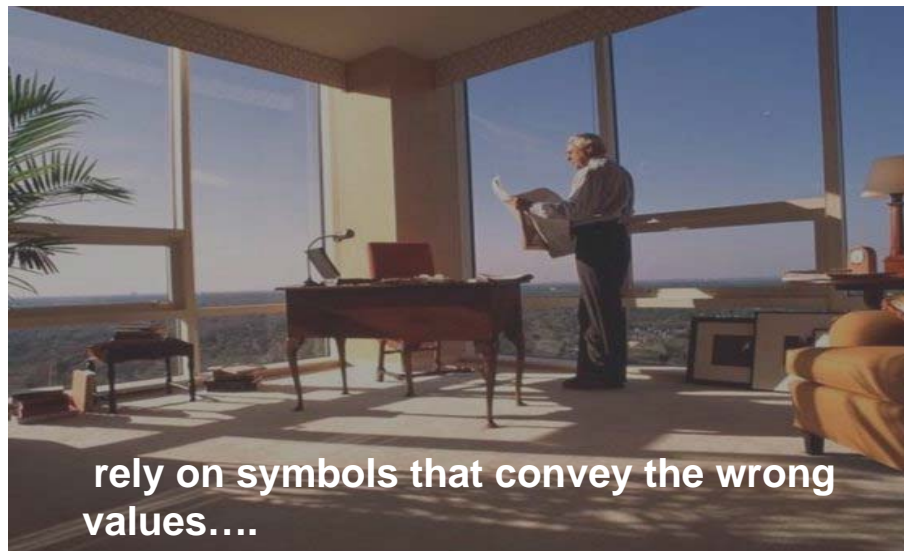
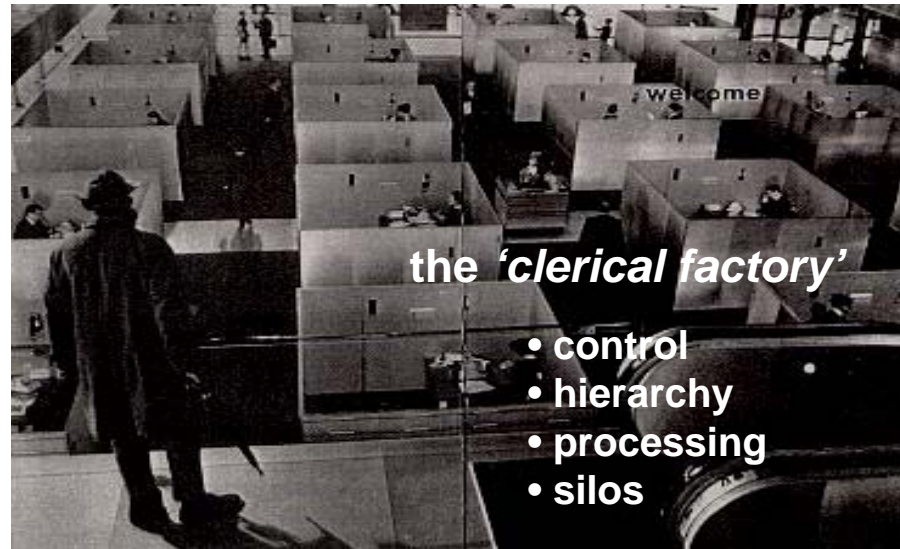


New attitudes to workplace: the changing nature of work

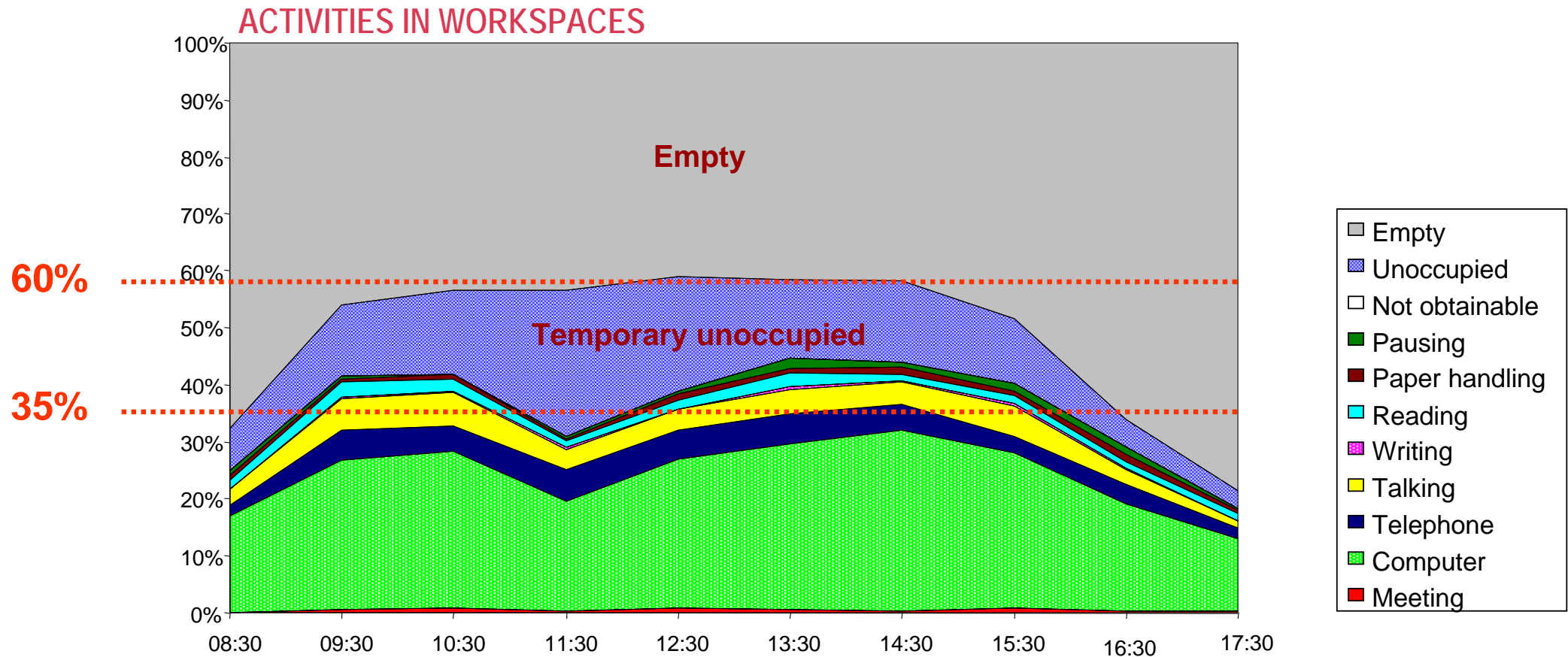
- Business is changing. This change is being led by the changing requirements of our customers, partners, employees and the tools we use.
- Business is:
 - getting faster
 - more cross-disciplinary
 - using flatter and less hierarchical structures
 - increasingly global
 - shifting from paper processing to knowledge brokering
 - open and non-hierarchical
 - about the value of ideas rather than the manufacture of product
 - a greater mix of “core staff”, “freelance staff” and “partners”
- Today, commercial buildings are not just commodities but instruments to:
 - support businesses
 - generate wealth
 - open up possibilities for future growth and change
 - communicate ideas and values



Most offices say more about the past than the future



Changing work patterns – increased interaction and autonomy



A more diverse range of choices to match your tasks / needs

From only this. . .



touchdown



breakout



private study

informal meeting



To all of this. . .



...a more open home base desk with close access to.....

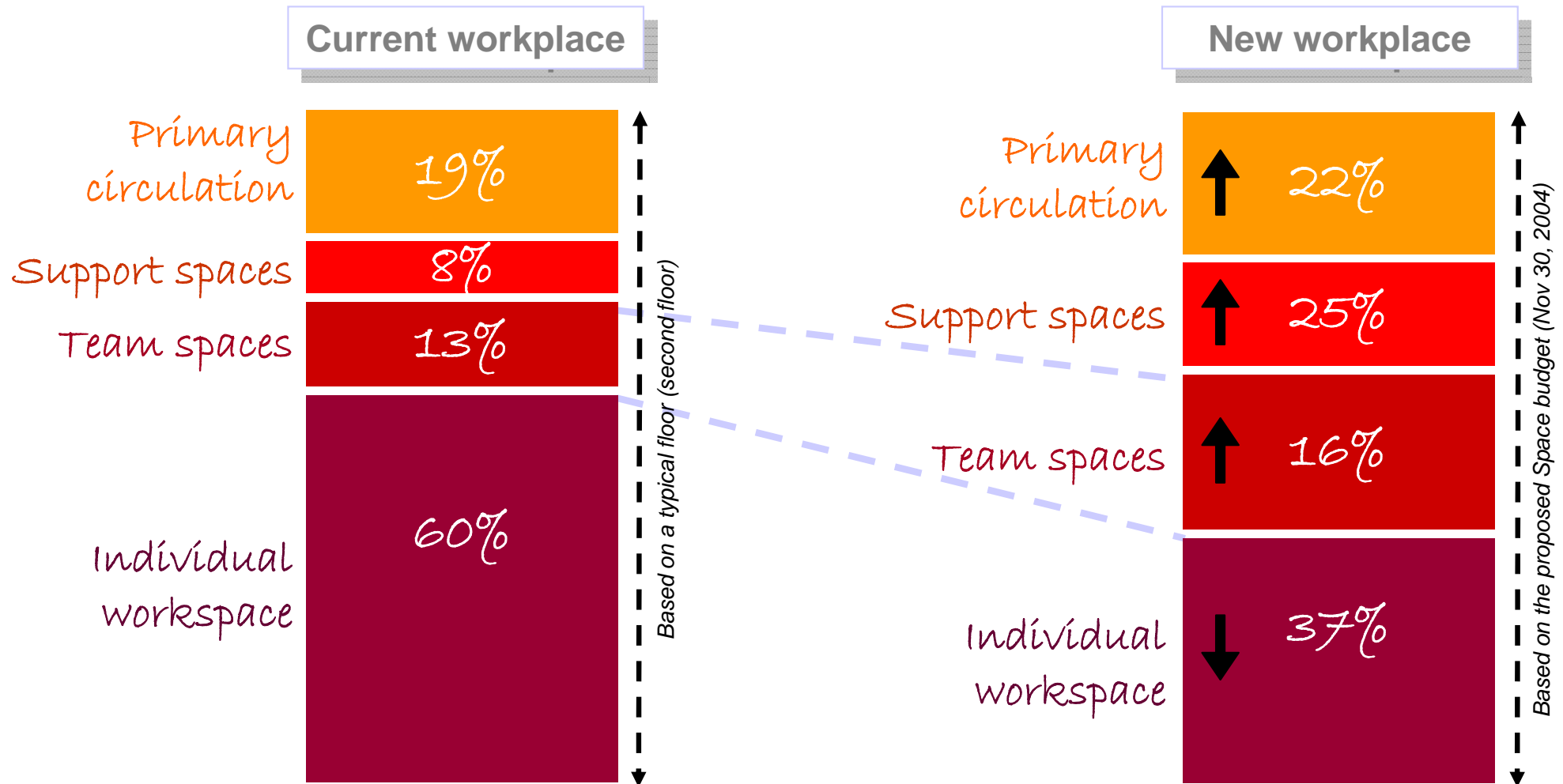
formal meeting



home?



New attitudes to the workplace: The order of change



SANE: Space Environment Model

VIRTUAL  PHYSICAL

Knowledge Systems
e.g. VPN/Intranet
The Hive BP



Private
protected access
individual or collaborative
workspace



e.g. Home/office

Knowledge communities
e.g. IM, project extranets,
video conference



privileged
invited access
collaborative project and
meeting space



e.g. clubs, airport
lounges
(‘baby’)

Internet sites
e.g. public chat rooms,
information sources,



public
open access
informal interaction
and workplace



e.g. café, hotel
lobbies airports
(Bryant Park
New York)

©DEGW 2002

Building characteristics for the new workplace



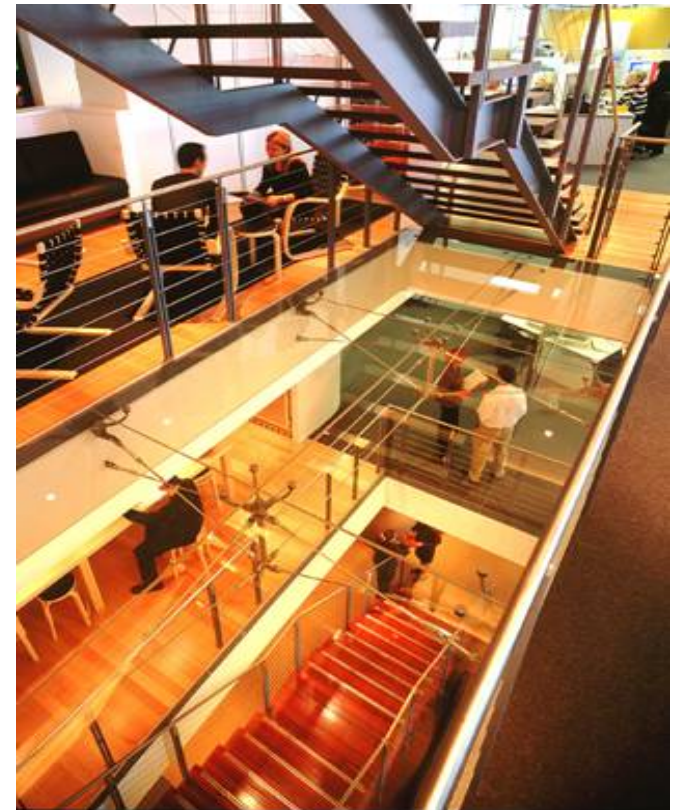
How can the workplace help organisations?

- Increasingly, people work when they like, how they like, where they like.
- Good commercial buildings can help create workplaces that support work patterns and business objectives:
 - **Interaction** – provide strategically located “hubs” and other spaces to encourage & facilitate ad hoc, informal interaction, move beyond traditional meeting rooms
 - **Circulation** – Understand that circulation is as much a place to meet and work as way of getting from point A to point B, activate and use the space
 - **Workspace** - Recognise and address the conflicting needs of collaboration and concentration (noise control, separation, layout space, display)
 - **Collaborative workspaces** – as much as half a persons work now occurs away from the desk – provide appropriate spaces to support it
 - **Sending the right messages** – How space is allocated, what the building and workplace looks like all send very strong messages about the culture and values of the organisation



Impacts on workplace design

- Flexibility – financial, functional, and physical
 - More shared spaces within each tenancy and looser lease structures
 - Expectation of higher levels of service provision from the landlord for more mobile tenants
- The role of building cores
 - From: minimum for cost / letting reason
 - To: maximising interconnectivity, clustering amenities, becoming destinations in their own right and incorporating amenities and voids and stairs
- The role of circulation
 - From: minimum for means of escape
 - To: maximum means of communication and a business feature
- Internal openness and transparency
 - From: simple patterns of occupancy of large groups and relatively static use
 - To: ever changing, much more complex cluster of settings for team and individual work (grain of occupancy has changed)



Impacts on workplace design

- The building as boundary
 - From defensible, hermetic, controlled space
 - To invited access, shared facilities, greater permeability, connected to public places with special features / art galleries etc
- Tenancy Patterns
 - From large single “branded box”
 - To: a range of smaller, more fluid combinations - a “box of brands”
- The role of building image
 - From: building image = organisation image
 - To: the place is the image - greater integration with city fabric and distributed organisations & networks
 - Fresh start – making hard decisions to be successful in the future
 - Not plush/palatial - Environmentally Sustainable
 - Airy, bright, open
- A broader notion of the workplace environment
 - Enhanced Spaces Between Buildings
 - Linking with urban fabric
 - Place = buildings + facilities + amenities + services



3 dimensions of building performance



Building selection criteria

- The commercial buildings proposed at East Darling Harbour should look to provide business value to tenants by balancing 3 dimensions of building performance:
 - Efficiency: making the most of the organisation's space
 - Effectiveness: making the most of the organisation's people
 - Expression: making the most of the organisation's brand and values
- In addition to location and precinct issues discussed in part 1 of this report, common building selection criteria used by tenant organisations include:

Changing emphasis in real estate decision making

CURRENT VALUATION CRITERIA - EFFICIENCY



FUTURE VALUATION CRITERIA - EFFECTIVENESS

\$ per sq. ft

Maximise lettable area:

Maximise efficiency of cores and circulation

Maximise density of occupation by

- Efficient zoning of enclosure/static
- Efficient planning of open areas

Minimising waste: fit factor

Regular, orthogonal structure and planning grids

Reduce construction costs

Reduce costs of planning change/churn by regular, repeatable floor plans

\$ per person

Maximise attraction of space:

More interaction

More common areas

Exchange information

Maximise actual density through time-space use intensification

Maximise value of common areas to occupiers

Accommodate complex and changing patterns of use

Wide variety of spaces

Greater planning freedom (more complex patterns of use)

DRIVERS FOR CHANGE IN WORKPLACE DESIGN

	From	To
	<ul style="list-style-type: none"> • £ per sq ft 	<ul style="list-style-type: none"> • £ per person
• Net to Gross	• 84-87 %	• reduced importance
• Net to Usable	• 85-90 %	• reduced importance
• Density	• Head count	• Use
• Fit Factor	• 5%	• 10%
• Churn cost	• Per desk	• Per person
• Contiguity	• Essential	• Essential
• Floor plate regularity	• 100%	• 50% orthogonal
• Services distribution	• Floors & ceilings	• Single zone – floor
• Facilities	• Limited	• Shared facilities / amenities
• Security / Management / Networks	• Basic	• Leading edge

Efficiency criteria

- **Size of floorplate** - Net Internal Area per floor. Larger floors allow more people to work together with minimal barriers to interaction.
- **Landlord Efficiency** - Ratio of net to gross internal floor area. Efficient core design allows greater lettable area. Does not affect tenant demand, but will be important to building owners.
- **Tenant efficiency** - the proportion of floorplate that is usable after primary circulation spaces have been accounted for. Less circulation space leaves more room for workspaces.
- **Internal planning flexibility** - Floorplate configuration should allow a variety of planning strategies to be applied.
- **Internal planning flexibility** - Façade modulations should not restrict or interfere with internal workplace planning
- **Planning & structural module** – should be efficient and regular in both directions
- **Co-ordination of building modules** - Structural, Ceiling, Mullion and planning modules should all align to maximise planning efficiency
- **Placement and number of internal columns** – column-free space maximises planning flexibility
- **Ability to support internal enclosed spaces or accessible public spaces** (customer functions) – creation of a sensible place to locate these spaces that does not interrupt space planning effectiveness
- **Energy Demand** - on the basis of orientation, extent of glazing, external shading, thermal mass)

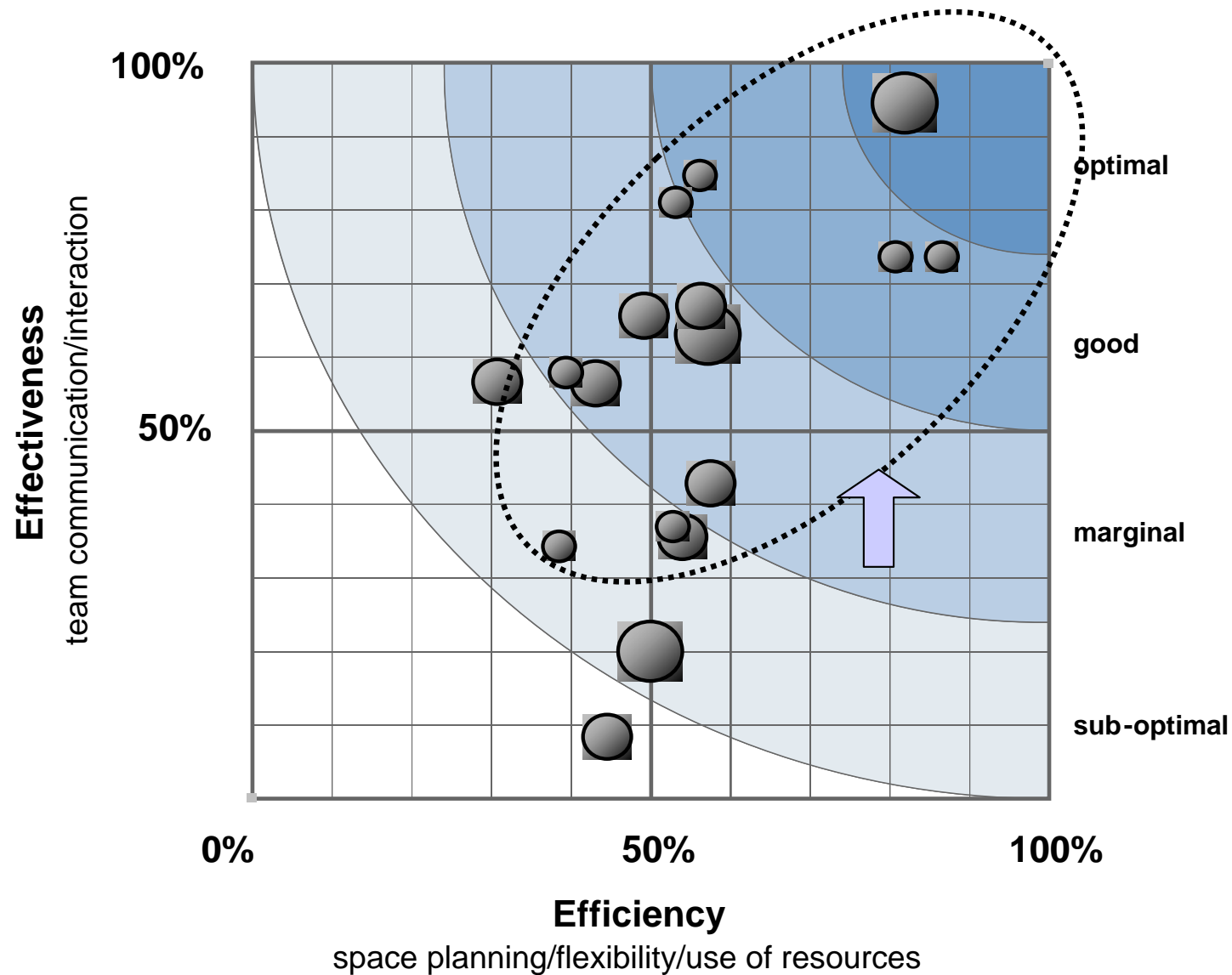
Effectiveness criteria

- Large, open, contiguous space - space is one in which every point in the space can see every other point
- Depth of space – the proportion of space 6, 12, and greater than 12m away from natural light indicates quality of space and flexibility of planning
- Potential to provide centralised zones for shared activity/social interaction space
- Core configuration supports interaction - core location impacts on the movement of people and can allow different groups located on a floor to connect with one another
- Strategic use of natural circulation paths - circulation paths impact on the movement of people and how well they allow different groups located on a floor to connect with one another
- Interconnecting stairs (or use of fire stairs) - can allow inter-floor movement
- Sight lines across the floor
- Sight lines between floors - through atria, slots, openings, stair wells.
- Human Comfort levels - Indoor air quality, radiant heat loads, lighting, etc

Expressiveness criteria

- Image of the building
- Brand alignment internally
- Presence in the city - presence on the skyline and propensity to be noticed
- Ability to display the brand externally
- Stakeholder perception that the organisation respects and addresses issues of environmental sustainability

Appraising the property portfolio



The proposed commercial buildings



Site plan



"Building D"

TOTAL = approx. 2045sqm GFA

"Building C"

TOTAL = approx. 1350sqm GFA

1 plate @ 655sqm GFA

1 plate @ 695sqm GFA

"Building B"

TOTAL = approx. 1610sqm GFA

1 plate @ 770sqm GFA

1 plate @ 840sqm GFA

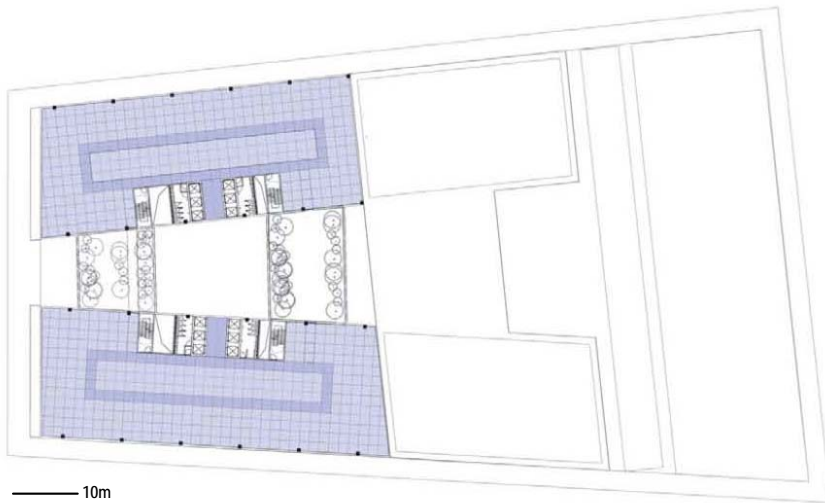
"Building A"

TOTAL = approx. 1905sqm GFA

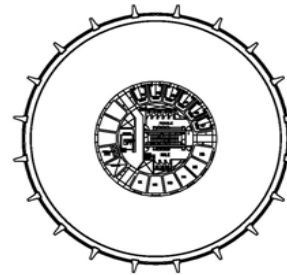
1 plate @ 915sqm GFA

1 plate @ 990sqm GFA

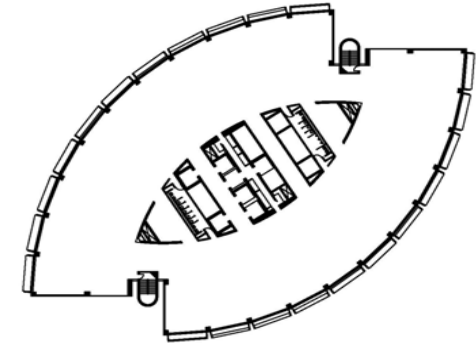
Benchmark buildings



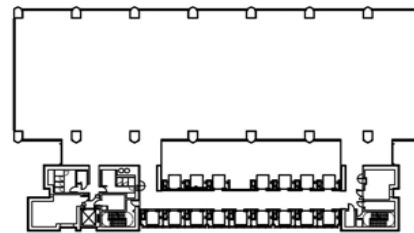
East Darling Harbour, "Building A" – 1,900sqm GFA



Australia Square, 264 George Street
– 1270sqm GFA



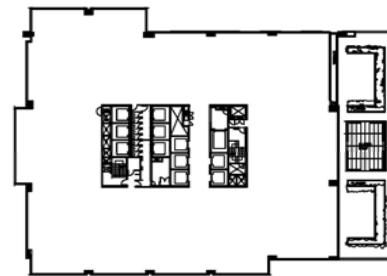
Grosvenor Place, 225 George Street – 2300sqm GFA



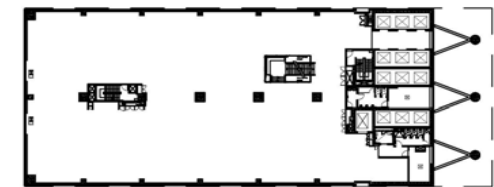
126 Philip Street – 1970sqm GFA



The Urban Workshop, 50 Lonsdale St, Melbourne –
2290sqm GFA



Angel Place, 123 Pitt Street –
1920sqm GFA



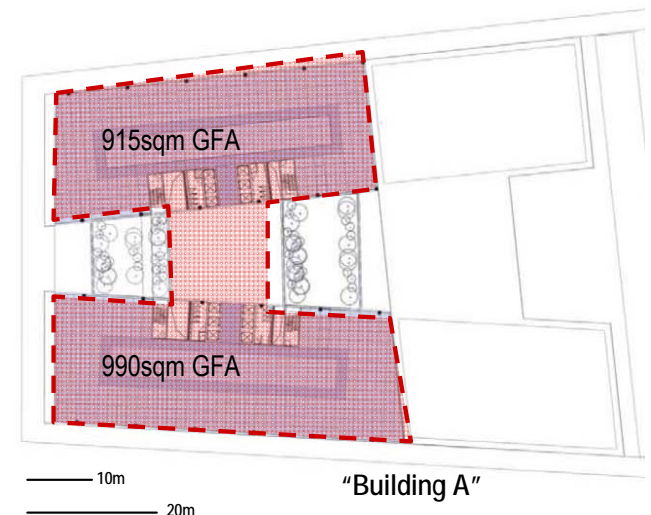
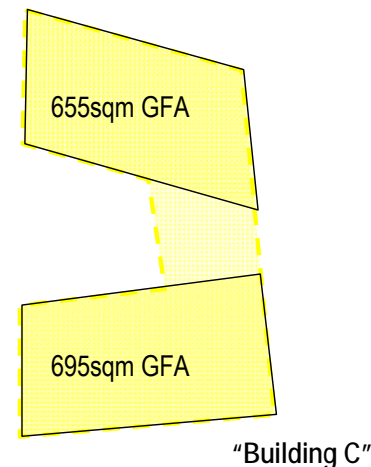
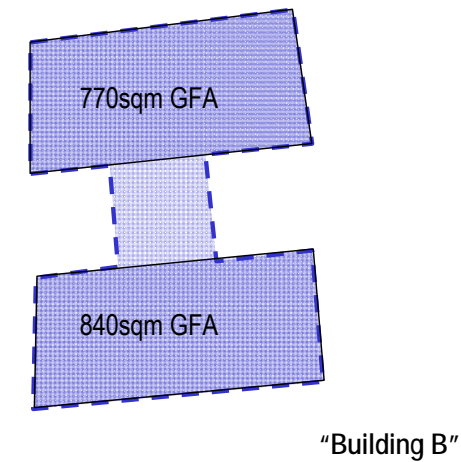
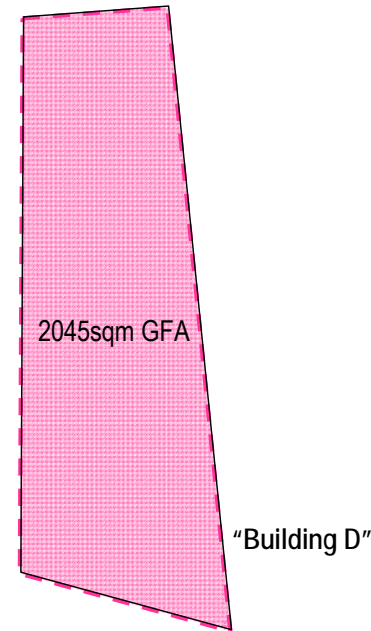
Brisbane Square, Brisbane -
1730sqm GFA



NAB@Docklands, Melbourne – 8,000sqm GFA

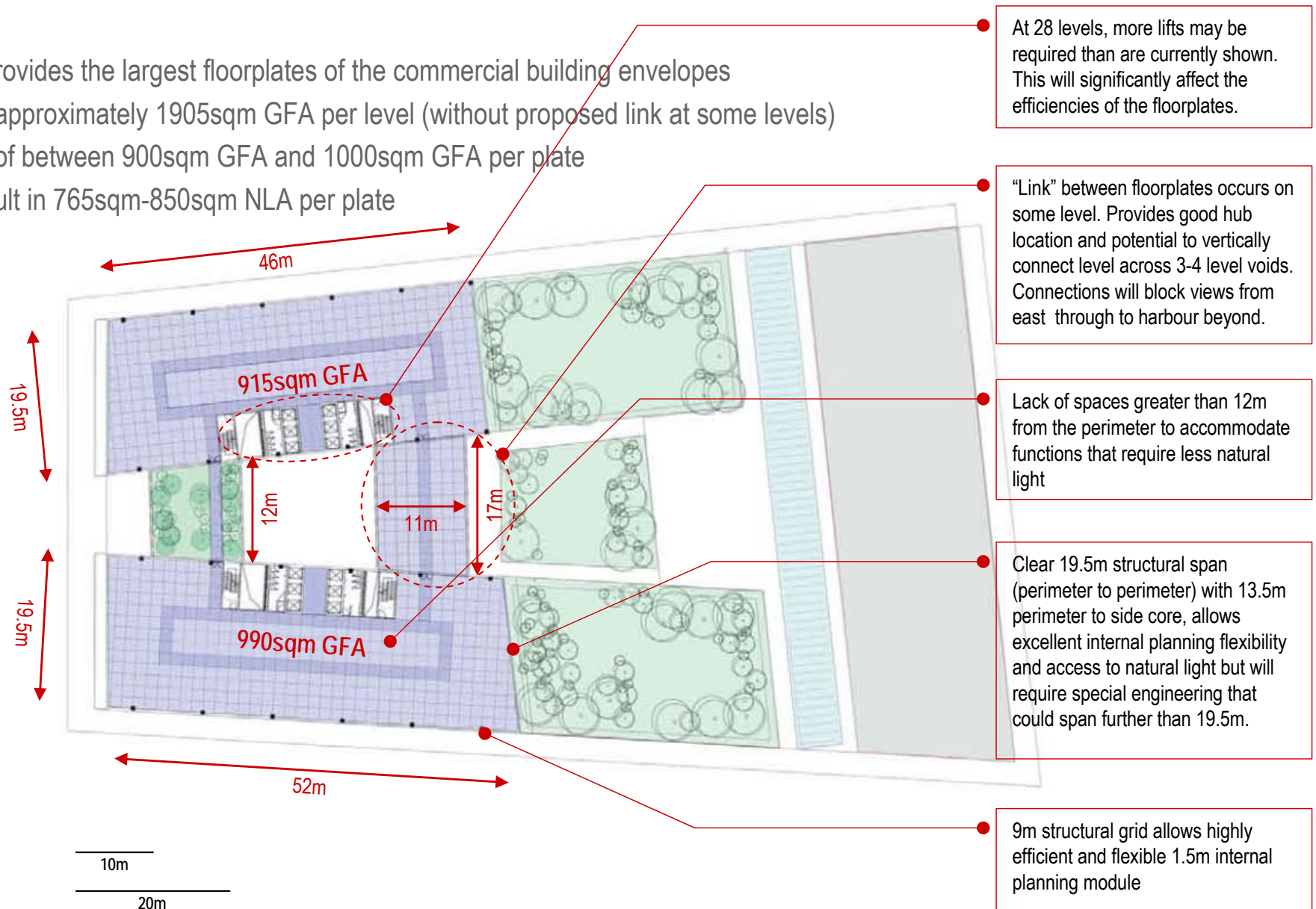
Building Envelopes at East Darling Harbour

- Implications of floorplates under 1000sqm GFA
 - Discourages large tenants due to inherent inefficiencies of many small floorplates
 - Therefore limits potential market to a series of many smaller tenants
 - This requires more organisations to decide to relocate to East Darling Harbour
 - More small tenants requires more management than fewer large tenants
 - This may discourage potential building owners
- Accommodating larger floorplates
 - Larger tenants will require each pair of twin plates be joined by a link in some way.
 - This potentially creates larger building footprints which may adversely affect pedestrian permeability at ground level
 - Links will also block views between buildings from the east to the harbour beyond.

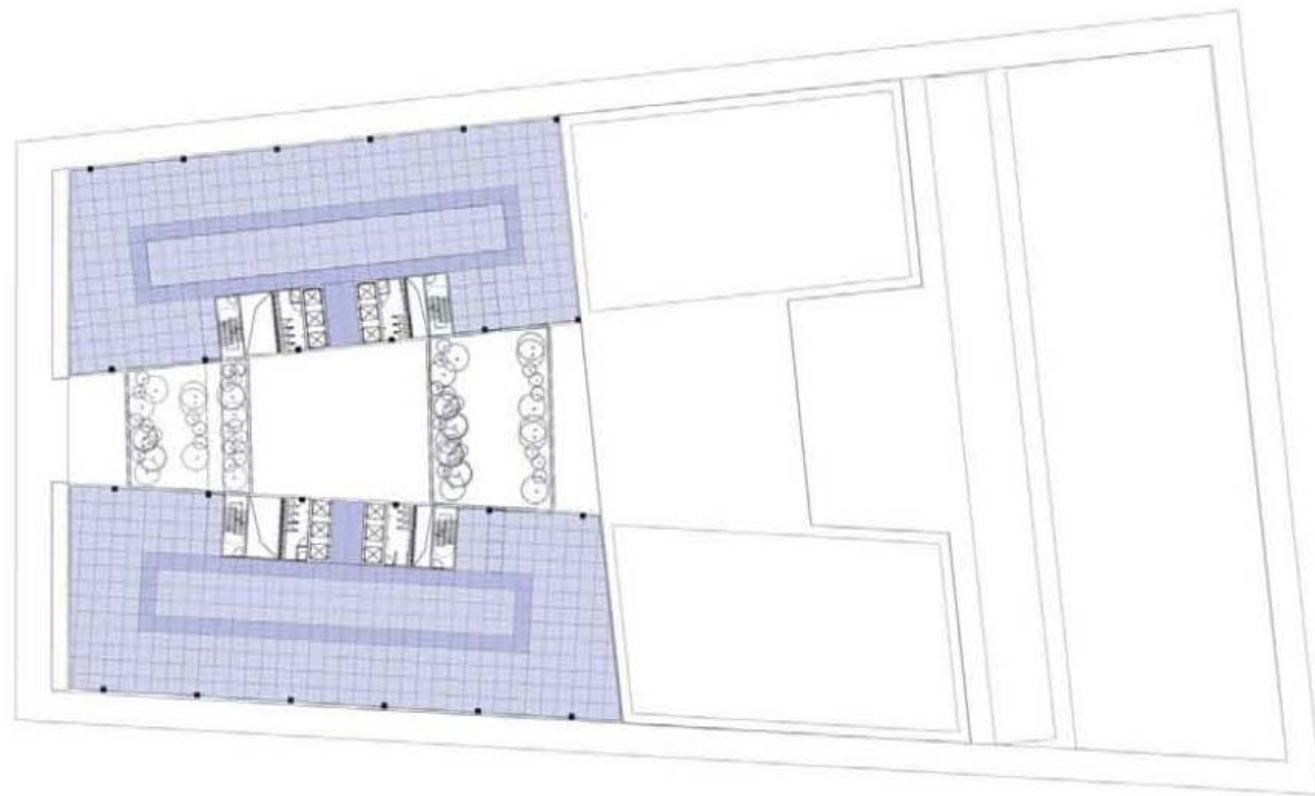


Indicative building typology – Building A

- Building A provides the largest floorplates of the commercial building envelopes
- 28 levels of approximately 1905sqm GFA per level (without proposed link at some levels)
- Twin plates of between 900sqm GFA and 1000sqm GFA per plate
- Likely to result in 765sqm-850sqm NLA per plate



Indicative building typology



10m
20m

Issues and opportunities for the commercial buildings

- DEGW consider that there are some key areas which require some further investigation as the masterplan moves forward:
- **Floorplate size:** The currently proposed floorplates are generally small in area and this may represent a missed opportunity. There are many buildings, both existing and proposed, in Sydney that can achieve floorplates in the order of 1,000sqm GFA as shown in the masterplan. Consider the possibility of providing some larger floorplates.
- **Diversity of Floorplate types:** The masterplan seems to suggest commercial buildings of similar size and type. Consider offering some diverse typologies (eg. End-core, external core, etc) in addition to the side core models currently shown.
- **Connectivity of Floorplates:** The various floorplates are currently shown to be relatively independent of each other. Connecting floorplates together could provide larger contiguous spaces, some diversity of space, and also offer increased potential for interesting volumes that could connect the floorplates vertically.
- **What sizes of tenants do we want to attract?** The current masterplan shows a fine grain of connected spaces between buildings that would be difficult to maintain if the proposed building envelopes were adapted to accommodate large 'campus-style', connected buildings for very large tenants. Keeping the building envelopes smaller maintain intimacy but rules out large tenants. Accommodating large tenants may detract from the scale of urban spaces and street level activity. Perhaps there is a middle ground where limited podium level buildings could be adapted to accommodate a large tenancy, while maintaining the desired grain of spaces.

Case Studies Buildings



Case Study: NATIONAL AUSTRALIA BANK, DOCKLANDS, MELBOURNE

User-driven design > strong vertical and horizontal connectivity > large footprint at ground level



Owner: General Property Trust / Tenant: National Australia Bank / Developer: Lend Lease / Architect: Bligh Voller Nield

Case Study: GENZYME, BOSTON

User-driven design / vertical and horizontal connectivity / expressive of knowledge sharing



Case Study: 110 BISHOPSGATE – HERON TOWER

- Speculative development in London
- Vertically stacked office village using 3-level 'pocket atria' in the sky to connect tenancies.
- Three storey units providing flexible and diverse space: 300 - 2400 sqm
- Use of atrium floors for exhibitions, cafés, meeting space or trading floors
- Internal staircases for improved access and community
- Goal is to be a responsible city element
 - near to multi-modal transport access at Liverpool St Station
 - public (retail) facilities at base
 - new pedestrian plaza
 - top level public restaurant in the sky



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