



Committee
for
Sydney

ARUP

Commission into the Future of Sydney CBD

Challenges and opportunities

Phase one summary



Welcome

At this pivotal time for our city's future, the Committee for Sydney and Arup have brought together some of Sydney's leading thinkers to convene a Commission into the Future of Sydney CBD.

This report introduces the Commission and uncovers key opportunities and challenges for Sydney CBD, as identified by our Commissioners, testimonial response and early research.

Acknowledgement of Country

We would like to acknowledge the Gadigal people of the Eora Nation, the traditional custodians of this land and pay our respects to the Elders both past and present.

About the commission

3

Introduction to phase one

7

Challenges and opportunities

9

Next steps

19

Who?

The Commission into the Future of Sydney CBD is led by six Commissioners – eminent thinkers and leaders from across public and private sectors in Sydney.



Amy Brown CEO Investment NSW



Peter Collins AM QC, Chair Museum of Applied Arts and Sciences



Ros Moriarty Managing Director and Co-Founder Balarinji



David Thodey Chair CSIRO



Ninotschka Titchkosky Co-CEO BVN



Dr Tim Williams Director Publicani

How?

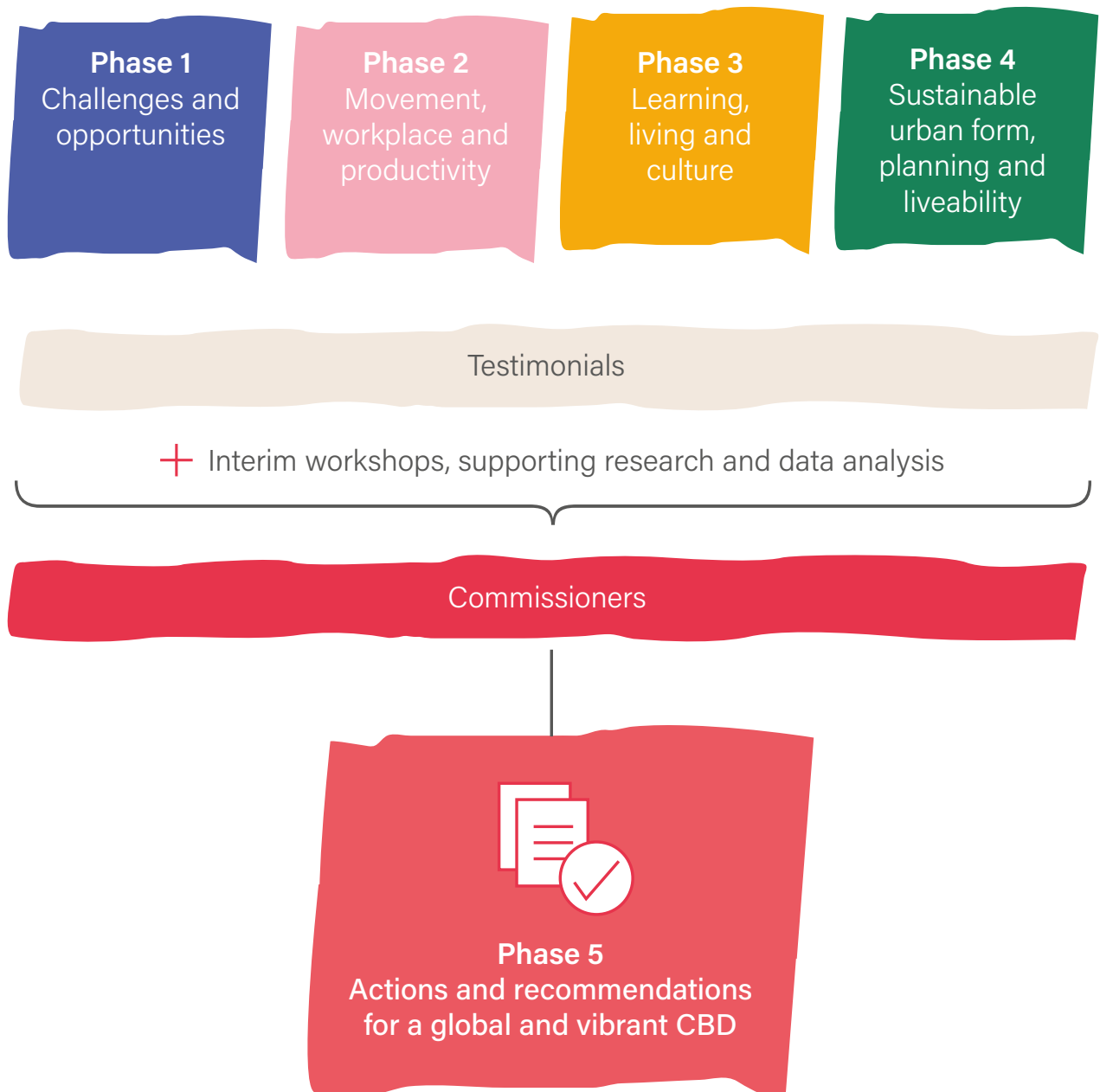
To explore the breadth of opportunities, challenges and trends at play in our CBD, the Commissioners have selected five phases to cover the topics of focus in depth.

At each of the five phases, outlined in the diagram, the Commissioners will hear testimony from several 'Sydneyiders' – leaders in their fields and community alike – with research, case studies and data informing continued observations around the possible trajectories for our CBD and helping us benchmark ideas and best practice globally, regionally and locally. At the conclusion of each phase interim thoughts and findings will be released.

Over the course of eight months, from January to August 2021, we will be seeking wide engagement to form recommendations and policy, strategy, planning and investment actions for a global and vibrant CBD.

To find out more about the Commission visit
<https://sydney.org.au/cfs-arup/>

Commission structure



Introduction to phase one

During the first phase of the Commission we have heard resoundingly that the foundations for a successful Sydney CBD are still strong.

There is opportunity to set the trajectory for our city's next defining moments in the eyes of the local community, the nation, and on the global stage.

Explore our testimony and early research findings to develop a baseline understanding of the trends and drivers impacting Sydney CBD pre COVID-19, now and into the future, as well as the challenges and opportunities for Sydney's CBD.



Testimony

Senior government, industry and community leaders will share their insights into the challenges, opportunities and visions for a successful, vibrant Sydney CBD at each phase of the Commission.

On 9 February 2021 testimonial response was given by:

Attila Brungs

Vice-Chancellor
and President

University of
Technology Sydney

Jeheon Son

Head of Development NSW
and Head of Integrated
Transport Development

Lend Lease

Elizabeth Mildwater

AICD, CEO

Greater Sydney
Commission

We asked the testifiers

For Sydney CBD pre COVID-19

- What did you feel was, and was not working from a social, economic, transport, infrastructure, cultural, sustainable and/or land use perspective?
- What did you see as the social, economic, technological, environmental, and political forces impacting the above?

For Sydney CBD post COVID-19

- What do you see as the social, economic, technological, environmental, and political driving forces impacting the CBD's future? And how are they impacting the CBD?
- What are the key opportunities and challenges you see for the CBD's future?
- What do you believe are the top disruptors to the CBD's future?
- Who do you believe are the top future competitors for the CBD?

1 Diversifying commercial and retail stock

Challenge

Traditionally high-priced premium grade commercial and retail space reduced the diversity of industry in the CBD.

Premium grade space catered only to top-end professional services, corporate and high paying tenants.

Many businesses and industries, including the creative, entertainment and innovation sectors who contribute to a vibrant, productive, and competitive CBD, cannot find suitable space at an affordable price.

Opportunity

Diversify price point, leases and usage for spaces to attract new business, industry and demographics to the CBD.

There is opportunity for the CBD to attract new life through sub-letting and changing development models. There is potential for developers to take a more diverse approach to the grade mix and footprint of their present and future investments.

There is further opportunity to invest in the sustainable long-term value for an entire neighbourhood rather than single blocks.

9.1%

The Sydney City Core commercial property vacancy rates in January 2021. An increase from 5.7% in July 2020.

Between July 2020 and Jan 2021, the highest rate in commercial sublease vacancy was in premium stock.

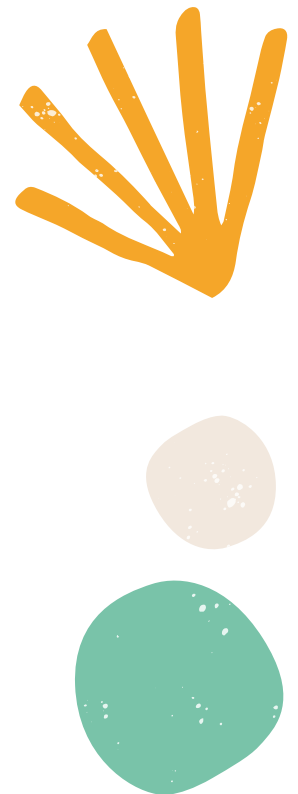
Property Council of Australia, Office Market report January 2021

There are structural shifts appearing in the marketplace and more flexible leases and arrangements may need to be put in place to adjust to further disruption to come, which may involve future real estate value adjustments.

We should move towards more integrated CBD neighbourhoods of value, rather than just trying to make every building highest and best use in accordance to rigid planning controls.

But to achieve this we need to better partner with Government to ensure that the procurement, development and delivery of future CBD precincts aren't restricted by binary and inflexible models of the past.

Jeheon Son



2 Attracting, growing and retaining global talent and investment

Opportunity

To leverage Australia's high amenity, growth, stable governance and handling of COVID-19 to attract, grow and retain top global talent and in-bound investment to Sydney.

Sydney CBD competes on an international stage and plays a fundamental role in metropolitan Sydney's standing as one of the 15 most advanced, globally connected and competitive cities in the world¹. The CBD must continue to leverage strengths to capitalise on its current position. This includes attraction for international students who play a fundamental role in the ecosystem of the CBD.

1 Kearny, 2020 Global Cities Index: New priorities for a new world, 2020

The biggest risk is capital flight, so we must protect and build our CBD back better.

Jeheon Son

Australia's handling of COVID-19 has provided a huge investment opportunity. But we have to very deliberately capitalise on it.

Attila Brungs

7%

Of Australia's GDP came from Sydney CBD in 2018/2019.

City of Sydney, Economic Development Strategy, 2020

\$11.5bn

Total foreign investment levels into Australia's commercial property market in 2019 which equates to 33% of total investment activity.

Office assets in Sydney CBD and the surrounding markets accounted for over 50% of that foreign investment with foreign buyers contributing \$6.5bn to the commercial property market.

≈ 50% multinational corporations with an Australian presence, have their regional headquarters in the Sydney city.

Jll, Foreign Investment: it's focused in office and it's Sydney, 2020

3 Reimagine our offices, retail, and buildings

Challenge

Office spaces and buildings were not configured for more flexible ways of working or as the multi-use, collaborative environments now required by workers as an alternative to at-home focused tasks. Attracting people back into CBD offices, away from at-home-convenience and with safety in mind, requires a different offering of office and retail space in the CBD.

Opportunity

To reimagine office spaces, retail and other buildings including the creation of more common and collaborative spaces to attract employees and to contribute to a vibrant inner-city.

40.7%

of businesses in Sydney CBD in 2017 were classified as 'Finance and Financial Services' and 'Professional and Business services'.

City of Sydney, Floor Space and Employment Survey, 2017

75%

of PWC survey respondents say they will now do administrative work at home and 67% say they will also do individual tasks at home.

PWC, Changing Places Australian CBD, 2020

The CBD is set-up for work right now, but what does it need to do to become a connected and attractive place for collaboration and creation rather than just functional work?

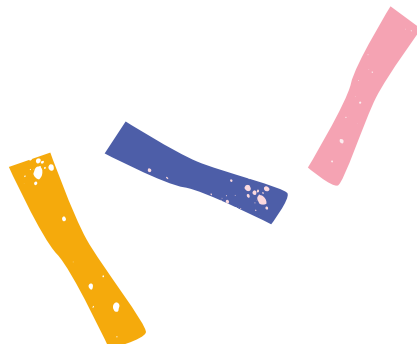
Jeheon Son

We need much more deliberate collaboration and communication spaces.

Attila Brungs

Sydney CBD office occupancy was still only at 48% capacity in Feb 2021 with local surveys suggesting 3 out of 4 workers would like to work from home 2-3 days per week.

Property Council of Australia, Sydney CBD workers returning but still a long way to go, 2021



4 Changed demand for, and use of, transport networks

Challenge

Increased remote working and work from home has changed travel into and around the CBD. These new work patterns and an increase in personal car use has impacted revenue for public transport as well as hospitality, and retail in CBD.

Opportunity

New travel patterns provide opportunity for varied transport infrastructure management as well as new design solutions for demand.

There is also opportunity to support more equitable public transport offerings for people traveling to, from and around the CBD. This can help increase travel by public transport into the CBD which can increase revenue for hospitality and retail in CBD.



Continued leadership from both the public and private sectors is required to better manage the utilisation of the city's infrastructure to prevent having to continue to deliver and upgrade infrastructure for short-period morning and evening peak-loads.

Jeheon Son

Pre-COVID-19, the number of people travelling to the city centre each day was forecasted to grow to 775,500 by 2031, 145,000 additional trips from 2013 figures.

NSW Government, Sydney City Centre Access Strategy, 2013

50% lower

Daily public transport peak commutes dropped by more than half from Jan 2020 to Jan 2021.

TfNSW, Opal Patronage 2021

30.5% lower

Current public transport patronage numbers in Sydney are lower from pre-COVID-19 usage (Feb 2020 vs May 2021 comparison).

TfNSW, Monthly Public Transport Patronage

64%

of respondents to City of Sydney engagement survey said traffic congestion and inadequate public transport was their biggest concern for the city (May 2020).

City of Sydney, Engagement Report - Community Recovery Plan, June 2020

5 Healthier transport and better network connections

Challenge

The CBD's cycle and pedestrian infrastructure. Congested streets, narrow footpaths, heavy vehicle traffic and loud, pollution heavy buses make some parts of the CBD dangerous and unhealthy for cyclists, pedestrians, and motorists.

Opportunity

Taking other cities as leading examples, there is opportunity for policy, planning and design to support a CBD that is quieter, safer, healthier, greener, more walkable and bikeable.

There is an opportunity to support healthy lifestyles and green behavior related to increased cycling and walking through enabling healthier and more green transport infrastructure and facilities.

340,000+

full time and part time workers were attracted to Sydney CBD daily pre-COVID-19.

City of Sydney, Floor Space and Employment Survey, 2017

52%

of bike trips into the city centre pre-COVID-19 came from a heavily populated inner ring of neighborhoods and 40% of City of Sydney households are car-free.

City of Sydney, Cycling Strategy and Action Plan 2018-2030, 2018

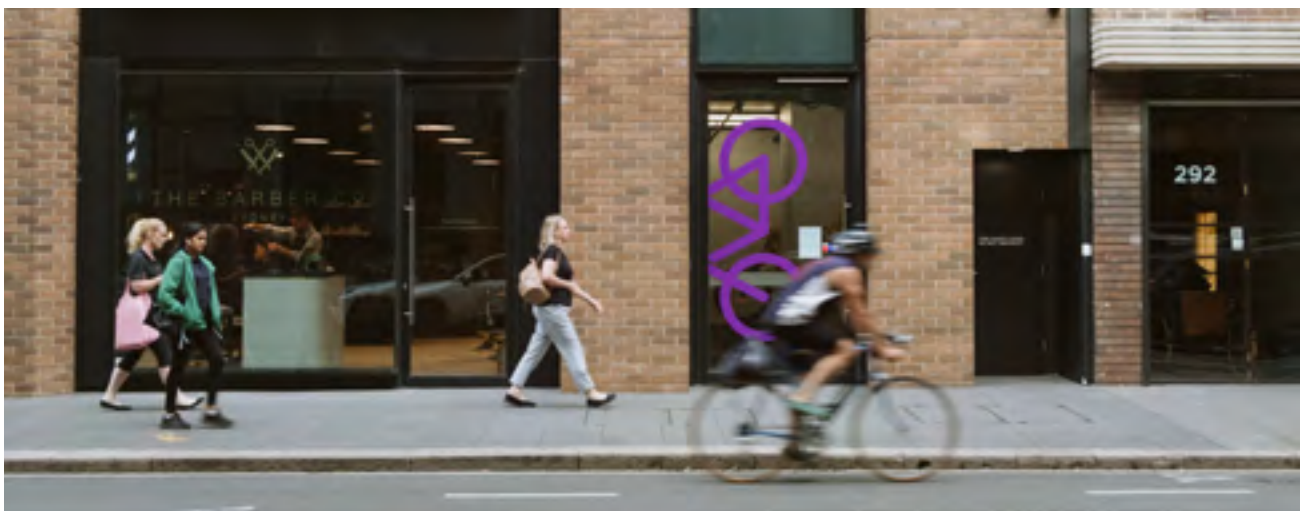
1 million

people live within a 30 minute bike ride of the Sydney city centre.

City of Sydney, Moving Around the City

Workers now need more compelling reasons to come into the CBD, so it is now crucial that the government, business and universities invest in infrastructure (hard and soft) that will draw people into the CBD.

Attila Brungs



6 Movement of goods

Challenge

The surge in demand for delivery of goods creates traffic congestion, noise and pollution in and around the CBD.

This demand has surged with changing social, economic and technological trends – impacting the CBD's ability to move and store goods safely, efficiently, and sustainably.

Opportunity

There is opportunity to support safer, more efficient last mile logistics solutions through better road allocation and rethinking usage of CBD space and infrastructure.

This could include re-use of existing spaces such as buildings and carparks for mini distribution centres. It could also include rethinking loading zones on street to allow for more green space, a review of curfews and the use of quieter low emission vehicles to minimise night time delivery noise.



The rapid acceleration of e-commerce requires land use responses to support increased and efficient freight and logistics activities, especially 'last-mile' delivery systems.

Elizabeth Mildwater

57%

Growth of online shopping in Australia from December 2019-2020.

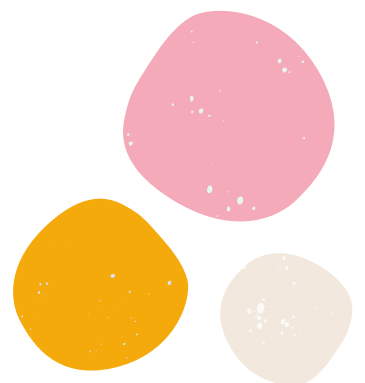
Retail spend grew by only 9.7% in same time.

Australia Post, Inside Australian Online Shopping - eCommerce Industry Report 2021

33%

According to data from the Australian Bureau of Statistics, a third of people prefer online shopping now than before the pandemic.

ABS, Household Impacts Covid-19 Survey, 2020



7 First nations narrative and voice

Opportunity

To authentically engage with and enable a stronger platform for First Nations communities by investing in and representing Country in public places.

The CBD needs an authentic embedding of culture. A strong and supported First Nations voice can improve awareness and connection to place, bring a deeper understanding of local environment and contribute to a more considered place and a more resilient future.

Could Aboriginal technologies be a topical drawcard, and a national and global city differentiator, if imagined through Tech Central and other tech precincts within the CBD and co-designed with the local Aboriginal community?

Ros Moriarty

123,000+

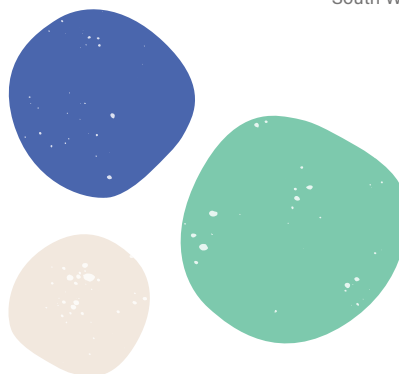
Indigenous people living in major cities in NSW in 2016. NSW also has the highest number of Indigenous people living in the state over any other state in Australia.

Australian Institute of Health and Welfare, Profile on Indigenous Australians, 2019

Connecting with Country

In 2020, the Government Architect NSW released the Draft Framework for developing connections with Country that can inform the planning, design, and delivery of built environment projects in NSW.

Connecting with Country, Government Architect New South Wales, 2020



8 24-hour economy for all



Challenge

Sydney CBD's night-time economy suffered under years of lock out laws – placing pressure on the arts and culture industry, hospitality industry, other retail spaces and property owners.

Opportunity

With lock out laws relaxed and the appointment of a new 24-hour Economy Commissioner, now is an opportune time to look at the CBD's 24-hour offering, infrastructure, and transport to support a vibrant 24-hour city experience for all.

Having a range of 24-hour activities, arts, culture, retail, food and beverage options at different price points across the CBD will attract workers into the CBD both during and after office hours. This will also attract people, other than workers, into the CBD more regularly across the day.

47%

of respondents to City of Sydney (COS) engagement survey said loss of places for entertainment, going out and cultural expression was of concern (May 2020).

City of Sydney, Engagement Report
- Community Recovery Plan,
June 2020

60%

Of residents surveyed by COS in 2018 would like to see opening hours increased.

Overall, COS Survey respondents from 2018 research said they would like to see more:

- Late opening shops, businesses and services
- Performance venues
- Mixed use venues
- Cafes and restaurants, and
- Small bars

City of Sydney, Night Time
Economy Research, 2018

9 Precincts and neighbourhoods for all

Opportunity

There is opportunity to support and celebrate different parts of the CBD having distinct strategies, to simplify planning and development processes and to encourage collaboration between buildings and building owners.

Rather than a focus on individual buildings and blocks, governance could be established at a precinct level to encourage collective thinking about vision, strategy and desired outcomes for a whole 'neighbourhood'. A strategic focus and appropriate governance is key to success.



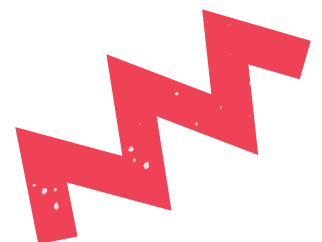
For us a priority is coordinating complex precincts with multiple government and industry stakeholders.

Elizabeth Mildwater

We must land our development footprints in the CBD much more carefully and attract talent, innovation and creative hubs – where affordability is a necessary element.

Well-designed precincts will continue to enhance economic, social and environmental outcomes for Sydney CBD... We should focus on blurring between corporate places and city spaces to create neighbourhoods of diversity and value.

Jeheon Son



10 Streetscapes, green space and recreation spaces

Challenge

There is a lack of publicly available, connected and accessible recreation space, green space and amenity in Sydney CBD which impacts enjoyment of public life. The CBD needs to compete with local centres with better amenity.

The fourth top concern of the public in the engagement survey by City of Sydney in May 2019 was the lack of parks, trees, green and recreation spaces. The CBD operates through a shared modal system with cars, trucks, cyclists, pedestrians, and public transport all currently vying for valuable ground space. Loud, polluted and crowded streets are not conducive for public activity.

Opportunity

To gradually claim the public realm through rebalancing movement within the CBD, supporting more shared use recreation spaces, green spaces and enable lively footpaths and kerbside amenity.

The changing demand for transport and desire to create more space for cyclists and pedestrians, creates a key opportunity to re-design existing spaces in the CBD to cater for more activities and uses as well as to provide a greener, healthier and more accessible environment.

43%

of respondents to City of Sydney engagement survey said lack of parks, trees, green and recreation spaces (May 2020).

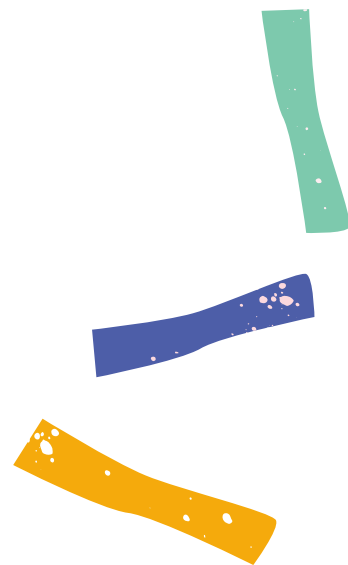
City of Sydney, Engagement Report - Community Recovery Plan, June 2020

There is only one recreation centre and one aquatic and fitness centre available for public use within the Sydney CBD village.

City of Sydney Data, Recreation

[COVID-19] highlights the importance of designing cities, neighbourhoods and homes in ways that support wellbeing. Individuals and families are creatively utilising available space... and relying on nearby open and public spaces.

Elizabeth Mildwater



Next steps

Phase two of the Commission will focus on 'Movement, Workplace and Productivity' – exploring the trends and possible trajectories of:

**Mobility,
transport,
connection
and logistics**

**The future of
work, workplaces
and property**

**The future of
CBD talent,
agglomeration
and productivity**

**Re-balancing our
CBD economy and
the eco-system
of a future CBD**

We are seeking wider engagement through surveys and interviews and exploring, in more depth, the role of Sydney CBD, its drivers, competitors and major disruptors.

Visit our [Get Involved](#) page to have your say around the shape of Sydney's CBD and contribute your ideas for a stronger, more dynamic and resilient Sydney.

Acknowledgments

This report has been developed through the collaboration between Committee for Sydney, Arup and the Commissioners with support from testifiers.

Committee for Sydney, Arup and the Commissioners would like to thank the Testifiers for their valuable contribution to this Phase of the Commission.

Authors

Gabriel Metcalf, CEO, Committee for Sydney

David Harding, NSW/ACT Business Leader, Arup

Billie-Grace Dunk, Consultant, Arup

Joanne Carmichael, NSW Advisory, Planning and Design Lead, Arup

Commissioners

Amy Brown, CEO, Investment NSW

Peter Collins AM QC, Chair, Museum of Applied Arts and Sciences

Ros Moriarty, Managing Director and Co Founder, Balarinji

David Thodey, Chair, CSIRO

Ninotschka Titchkosky, Co-CEO, BVN

Dr Tim Williams, Director, Publicani

Session one testifiers

Attila Brungs, Vice Chancellor and President,
University of Technology Sydney

Elizabeth Mildwater AICD, CEO, Greater Sydney Commission

Jeheon Son, Head of Development NSW and Head of
Integrated Transport Development, LendLease



To find out more about the Commission visit
sydney.org.au/FutureSydneyCBD

