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Subject Central Park

Interviewee



Mick Caddey (MC)
Project Director, Central Park (Fraser Property Australia)

Interviewer

Dr Josh Byrne (JB)
Research Fellow, Curtin University and the CRC for Low Carbon Living

Transcript

JB: Can you start by giving us your name & describing your roll with the project?

MC: Nick Caddy and I am the Project Director at Central Park. Been here about five years and I represent the joint venture between Fraser Property and Sekisui House, who are the 50/50 joint venture partners in developing this asset.

JB: Can you give us some background to the development?

MC: It's an interesting example of the transformation in some of the city fringe industrial areas, this was a private sale by Carlton United Breweries, it was original the major Brewery site for Carlton in Sydney. It's about two kilometres from the CBD and it was a six hectare brewery site.

Carlton United put that site up for sale and it was purchased by Fraser in about 2007. Then in 2011 when the project kicked into its formative stages Fraser formed a 50/50 joint venture with Sekisui to prosecute the development.

JB: Can you describe the scale of the development?

MC: Yeah, the site is six hectares which is a major major site in itself. When the project's completed there will be about 2,400 apartments, 400 hotel rooms, 1,000 student accommodation beds, about 6,000 square metres of commercial, 20,000 square metres of retail and substantial open space and ground plan retail for activation. So, it's a genuine mixed use project of a major scale.

JB: And what's the staging of the project?

MC: The project kicked off as I said in 2011 and we are planning to complete in 2018. And the project has progressed from some of the very early focus on residential, which is the buildings we are standing in now, which are probably the most recognised buildings of Central Park, which is 1 Central Park itself, which has been the building that captures the green walls and the heliostat.

It's been the major award winning building, it's really the building we did first to capture the imagination and set the signature for the project. And then just progressively we have moved through the project principally to meet the residential demand for sites so progressively we release buildings to meet residential demand. We have sold probably about 300 to 400 apartments per year and that's really dictated the progress of the residential and then the commercial and hotel sites sort of sit around those residential precincts so they sort of dove tail and jigsaw piece in as the residential progresses around the project.

JB: And what's the relationship between the Central Park development and the Broadway Precinct?

MC: Well Central Park itself is in the suburb of Chippendale and it's on Broadway as a road, that's where the Broadway Precinct gets its signature from. The Broadway Precinct itself is probably best recognised as the major education precinct just south of the Sydney CBD. In the Broadway Precinct we have UTS & Sydney University two of the major learning secondary learning institutions in Australia and because of those the location of those institutions, there is a very creative arts and technology. Small commercial precincts around this as well. So, this precinct has predominately been known as the education precinct and it contains some lovely old heritage terraces in what was probably described as a small hamlet of residential, this was not a residential precinct as itself, it was a small hamlet of residential surrounded by major educational and boutique commercial.

JB: This was a massive undertaking what were some of the key challenges for the developer or for Frasers?

MC: For any Developer the first major challenge is getting the planning approval in place and in doing that it's not only a government and institutional process that's also a community process, which can be at times frustrating, but it can be quite rewarding. When you hit the touch points of the community and get success in planning approvals that's when developers are generally smiling and you get that synergy and positive outcome in development.

But often you will hear stories of frustration with community angst about what developers are doing. So, the first major challenge on these sites is trying to assess exactly what is doable in a planning sense from an institutional basis, a government approval basis and secondly to try and plug into what the community benefits and the community challenges will be on your project, so you can sort of mesh with them and try and make the development approval process smoother.

So that was probably the major initial challenge before any physical challenges on the site like demolition, remediation etc

JB: How about some of the infrastructure constraints?

MC: It was interesting because when most major developers look at sites like these, whether by a planning requirement or a consciousness of the needs of sustainability of an organisation, so most of the major organisations have their own internal sustainability agendas driven by themselves and not necessarily by legislative requirements or planning approvals.

You look at sites like these and you determine and try and frame up what your sustainability objectives were. The central thermal plant we have on this site that generates all the thermal energy for air conditioning was originally conceived as a sustainability solution for this site because of the lack of electrical infrastructure in this precinct to supply a site of this scale. So the precinct in itself had

challenges in getting the electrical supply through the major utilities to develop this project and that enhancement bore the strategy of the central thermal plant.

Um the other issues in this area are related to, traffic is the major issue and I think it is still one of the major challenges of urban consolidation. It's the timing of infrastructure improvements around traffic that link up and run in parallel with the densification of areas and the increases in population. So things like the light rail, things like the extension of the light rail network, which is coming down George St to this site, and the road works that have been done around Jones St and Broadway. And the intersections work we have done including the creation of a street network that we put into Central Park that are all essential to make the long term transport solutions at Central Park work so they were some of the things that we had to had to look at.

JB: How about water and waste water

MC: Um water and waste water was our other key initiative here, not necessarily driven by anything other than our organisation investigating precinct water system. So, we have another major project at Discovery Point near Sydney Airport where we are doing something similar.

So we established through a relationship with a company called Flow Systems, we have established a private water utility on this site. It takes potable water from Sydney water, it also collects storm water off all the buildings and it also collects the sewer that's generated on the project. There's a one million litre a day sewerage treatment on this plant on this project. That sewerage treatment plant then creates recycled water and that private water utility that we have established then distributes the recycled water and the potable water by use to all the residential and commercial tenants on this site. It's actually a private utility as a business in a major urban mixed use environment, which is unique, and so residents and commercial operators on this project do not deal with Sydney Water, the major water utility, they deal with Flow Systems who are, as I said, their private water facility provider that deal with every asset on Central Park. So that in itself is a pretty unique initiative.

You will see that, I am sure in your travels, you will see that um a lot in rural/residential only zones where people have got dual pipe systems – recycled water, potable water and a sewerage treatment plant that provides water to their rural residential environments because of a lack of infrastructure in those areas. The lack of water infrastructure in this area wasn't necessarily the driver for that, it was particularly just a company initiative but it's the very much the same principal just on a larger mix use scale.

JB: And do you see that approach becoming more common for future large scale urban precinct renewal?

MC: Yeah I think one of the issues the utilities have to be fare on is controlling the quality of supply and the security of supply for private utility providers. So here, as we have said, we provide the services or the flow systems throughout the private utility that we have set up. They collect the sewer and they provide the recycled water and the water, so there is a legislative framework that exists in the water industry that regulates the quality and security of supply for that so the big challenge in that is dovetailing the utility in to that government or semi government utility framework such that they can work within that framework.

That was a reasonable challenge but not unsurmountable, and it did have good government support. So I think that governments do generally realise now that if you can pull off these precinct utilities, they are actually taking there... not a challenge... there not a commercial challenge to those commercial utility businesses, they are actually taking demand off those businesses, allowing them to focus in other areas that can't be self-sustainable like Central Park is.

The Central thermal plant was an incredible challenge, here it was probably one of the most difficult things I've done in my career, on the basis that we set up, effectively set up a private utility that provides thermal energy to all the commercial and residential users and residents at Central Park. That's a challenge in itself. A: People don't know what thermal energy is and B: there was no legislative framework around the sale of thermal energy.

Thermal energy is effectively hot and cold water moving around this precinct that then goes through the energy, in that hot and cold water that heats the domestic hot water for showers & potable water use and that hot water and cold water circulates around that project that provides the hot and cold energy that goes into the air conditioning.

The air conditioning systems the most basic explanation of them, are simply hot and cold water moving past fans that then distribute that air past that hot and cold water to change the air temperature. So, we produce the thermal energy on precinct here, that thermal energy then heats and cools water.

We distribute that hot and cold water around the precinct and that provides the hot water energy and the hot and cold water energy for air conditioning. So, that has not been done on this scale on a precinct basis before. Pretty common in hospitals, pretty common in universities but not in a not in an environment where you have customers where you have to bill as you would any other utility like electricity, water etc. So, setting the framework up for that was incredibly difficult because we effectively had to mimic a legislative framework for thermal energy and then we had to explain to the residents and all the commercial customers how we were providing the thermal energy, what the charges for those were, and why they were bench marked, and how they were benchmarked to normal building specific plant energy producing systems.

Very very complex, we've been through that now and I think that also will be replicated because I think the energy grids will continue to become under more and more stress on the long-distance distribution networks. Whereas our distribution network sits within 300 metres of every user of thermal energy on site.

JB: So can we talk now about the demand and the uptake of the apartments in particular has there been strong market interest in the project?

MC: Yeah sometimes there's a saying in development 'you are better off being lucky than smart' and there is no doubt the market since we launched this project in late 2011 through to today, there have been sorta peaks and troughs in the market but on average the residential market has been strong in Sydney. And to be fair it's been strong to the point of all the conversation that you see in the media about housing affordability in Sydney and we have seen the effects of that on Central Park on the demand and the price up lift on Central Park. The residential has gone very well for us, it's very high quality residential, we are very proud of the precinct that we have developed and also the individual apartments that we have developed, so it's been a good project for us.

JB: And how are the main group or demographic that's buying in here?

MC: Again it's been reasonably typical of what you have heard in the press, we get a very very strong offshore demand here. So it's a very very attractive area for offshore investment because it's close to the CBD, it has good shopping amenity. The transport around this is excellent, the transport networks and nodes are continuing to develop, and it's right in the centre of an education precinct. So, it ticks all the boxes for Asian offshore investment and we have seen a very very strong demand in that area.

The other high demand we have been seeing, other than the typical Australian investor, is young professionals, people are staying without kids longer, so smaller inner urban apartments to people in their mid-thirties, when they start having children. We are seeing a much much stronger demand for

younger professionals going into studios and smaller one bedroom apartments closer to the CBD, where they don't necessarily need a car, they are close to their shopping, there close to the transport amenity and they are close to the action to be frank.

The current generation - I've got a 19 and 20 year old and they want to be close to the action and I think this is sort of one of the challenges we have got in society these days. The thought, and this is why I think one of the urban consolidation drivers will remain strong irrespective of the offshore demand, is that I think most kids aspirations these days on first properties a lot of them would be in active, inner urban consolidated areas like Central Park rather than the more typical 30 or 40 years ago where you moved out into the suburbs and then hopscotched your way back in house by house. So we are seeing a very very strong demand for young young professionals in this area

JB: And how important is quality, design and the need to really create a good place to be in driving that demand thing.

MC: Look we think it's incredibly important in two areas, firstly in the apartments we develop we spend a lot of time on detail design on our apartments. We have a lot of studio apartments in this development which are 40 square metre studio apartments which are small by nature but are designed quiet intimately and intricately so they work, they are functional, they take a lot of care about how the kitchen works and the storage in those apartments.

So as apartments get smaller I think the need for quality design gets greater because the living spaces need to be still functional in a smaller area. So the finessing of design in kitchen joinery, storage areas and how bedrooms work and relate to living spaces as the apartments get smaller it's obvious they get more difficult to make work smoothly.

So, we pride ourselves at Frasers on the fact that we can develop these inner urban small studio apartments at a very very high quality, the take up has been fantastic for those. And the other thing that we focus on is obviously the out of apartment experience and the urban ground plain, the mixed use ability to be in an area that has retail, good transport etc etc. So, this is becoming a fabulous and interesting place to live and in fact the last building we launched we didn't pitch the building itself, we pitched the precinct.

So if you have a look at the marketing of our earlier buildings you will see there is a typical picture of a building, there's a picture of an apartment, there's someone sitting at a table having a cup of coffee and a nice meal with their husband having breakfast with a beautiful view out of their apartment balcony. 99% of all apartment marketing is all that and that's where we started.

But our last building, we hardly had any apartment shots and hardly had any building shots, the whole marketing campaign was focused around 'Central Park is a fabulous place to live'. Its full of little nooks and crannies of interest, there is retail and spice alley, it's got little laneways and it's got parks, it's got little sunken dining districts in the retail. So, we think what we have created here is actually an attraction in itself and nearly more of an attraction um than the quality apartments that we are now delivering.

JB: So maybe just a quick talk about the importance of the public realm design, the landscaping, the role of green space in these precincts.

MC: There's lots of studies about this and we have read those studies and Sydney Council have a particular program called Greening Sydney which has a lot of supporting documentation in it that in very simple terms, that people are happier living in open space in green environments. And I know if you just say to yourself would I be happier living in a house that overlooked a park, where I could go and have a run around, or I could go and walk my dog in the morning, or would I be happy living in a concrete jungle when I came out, or I got run over by a truck coming down the street every morning

and there was noise and smog. Its intuitively obvious, but there is actually now quite robust studies around human psychology of the places they live in, so we've focused a lot on creating the precinct which is incredibly transparent, that is not only transparent, it also has interest in each of its axis.

So if, when we look at the model later, if we have a look at the model you will see they weigh up the way the precinct has been designed. It has created north-south and east-west axes in multiple directions through the site and some of them are tunnels through buildings. Some of them pop out into little renovated heritage lanes. When you stand in some locations you can see all the way down to the vista of the beautiful heritage buildings at Notre Dame. When you come through the park and you hit the park coming off Broadway you'll see our beautiful public art installation halo. And some of these things people don't even notice till I walk around and say to people have a look at that, isn't it fabulous, have a look, but I've got no doubt that the subconscious sort of projector or recorder that we've got in our mind is recording all those images and the feeling of walking around this place. And we are just seeing, I suppose over the last six months, we are starting to see that really come together, and I suppose what drove us to make the marketing decision on "Wonderland", and even with a name like Wonderland to actually call a building Wonderland, and then promote the precinct rather than the building we realise that what we are creating here is something really quite special at the ground plain type level and that's why we went for that marketing pitch.

JB: What lead Frasers to this particular development type in density and also the mixed development?

MC: Sydney is a changing city and at the moment there is a number of major developments – Barangaroo, Convention Centre, Central Park, that are transforming some of the industrial areas and port areas that are very close to Sydney. Obviously in the past when things were moved around by horse, cart and boat, the worlds changed so sites like this are looked upon as opportunities to densify the populations around transport, commercial, employment areas and retail shopping areas and that has positive knock on effects in the efficiency of infrastructure. The efficiency of travel to work and also reduction in cost in urban sprawl. So, the big challenge we have got for Sydney is to keep trying to create these opportunities for urban consolidation and do them well around the city. An example of that currently the Five Bays project around Pyrmont where the Government are looking very seriously at how that might be the next major urban renewal project of an area that was effectively a port and an industrial rail site that's now not needed because the worlds moved on.

So, this has happened all around Sydney - Parramatta River is another fabulous example, whereas if you went up Parramatta River which runs directly west out of the city for about 15 or 20 kilometres, if you went up there 20, 25 years ago it would have lined by industrial sites. You go up the Parramatta River now its lined by urban consolidation residential sites, liked mixed density and high density residential.

So it's a natural need for a growing population, It's a natural driver to try and get some efficiency into transport infrastructure delivery etc, etc a reduction in cars by getting people closer to transport nodes and it is the major challenge I think of the planning institutions of the moment to determine where those higher density nodes are going to be around Sydney, get the planning in place for those to happen, and getting infrastructure to be developed in parallel with that consolidation so that is doesn't create more problems than the problems it solves.