

# Submission Cover Sheet

Fishermans Bend Planning Review Panel

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**Request to be heard?:** No - Copy of Directions and

**Precinct:** General

**Full Name:** Kate Bailey

**Organisation:** CBRE

**Affected property:**

**Attachment 1:** CBRE\_Fishermans

**Attachment 2:**

**Attachment 3:**

**Comments:** See attached



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7 December 2017

Fishermans Bend Taskforce  
Level 36/2 Lonsdale Street  
Melbourne VIC 3000

Dear Fishermans Bend Taskforce,

### **Fishermans Bend Framework Plan Community Consultation**

CBRE welcomes the opportunity to respond to the Fishermans Bend Framework Plan. Fishermans Bend is Australia's largest urban regeneration project and will transform Melbourne's landscape. It is vital to ensure the Framework Plan is a meaningful and prescriptive document that will ensure the delivery of infrastructure crucial to the success of the precinct.

CBRE is Australia's largest commercial real estate services company providing solutions to property owners, investors and occupiers. The firm works across residential, office, retail and commercial property sectors and has been involved in some of Melbourne's most transformative projects.

The following letter outlines CBRE's response to the Fishermans Bend Framework Plan. The plan is extensive with a number of infrastructure and community development strategies in place to support development. It will be important to provide certainty around timelines and the likelihood of projects to give potential investors confidence in the provision of amenity and timing of population growth in the precinct.

#### **Location**

Fishermans Bend's close proximity to the CBD and bayside suburbs will help secure its success as a mixed use precinct. It is imperative to form strong connections with Port Melbourne and surrounding bayside suburbs to leverage off their existing desirability to drive demand. This includes developing tram connections, retail linkages and continuity of urban form. This will be especially important to the viability of the residential sector, which should leverage off these connections until the Fishermans Bend precinct is more established.

Over the past three years there has been a significant increase in demand for city fringe office space particularly in Richmond, East Melbourne and South Yarra. Furthermore, the continued popularity of the St Kilda Road office precinct can in part be attributed to the many employed in managerial roles residing in Bayside suburbs and choosing an office in close proximity to that. The success of these areas will provide some certainty to developers around how the Fishermans Bend precinct could perform. Melbourne's strong population growth of 2.4% p.a. is predominately occurring in the West, supporting office development in Fishermans Bend. The precinct would operate as an equivalent of a Richmond / Southbank style 'gateway' to the CBD directly accessed off the West Gate Freeway, operating as an equivalent of St Kilda Road. Consideration to transport linkages and river crossings should be given to ensure that this can occur.

### **Integrated Transport Strategy**

CBRE firmly believe that the success of Fishermans Bend is reliant on the provision of public transport. The plan clearly outlines a number of new transport strategies that will connect the precinct to the surrounding area. CBRE believe that the office components of the plan will not be viable unless the extension to the tramline is constructed in the short term. Maybe near future or early stages?

Developers and tenants will require certainty around the likelihood and timing of any potential train line running through the site. Anecdotally, a number of developers have indicated that they would only consider development once the public transport strategy has been implemented otherwise there would be too much risk. A train to the site would also benefit connectivity to wider Melbourne. In Docklands, office assets in close proximity to Southern Cross Station have been successful in securing tenants, however the viability of this space dilutes the further away from the station it is located. The plan only refers to an investigation of potential metro stations that may be incorporated in a future underground rail line (objective 1.1.2). It should be made clear throughout the document, as well as in all mapping collateral, that this is an investigation only and has limited possibility of proceeding in the short to medium term.

### **Interface with Existing Occupiers**

The Framework provides limited detail around how the interface between existing occupiers and new development will take place. There are a number of heavy industrial occupiers (concrete batching plant, Herald Sun, Boeing) that are unlikely to relocate due to the strategic

importance of the site. This needs to be addressed in the document to provide more clarity for potential commercial occupiers and further direction of how it will deal with the interface between new residential development and other major, long standing manufacturing already in the area.

Thought needs to be given to the rising cost of land tax which may be a deterrent to any new leasing vacancies in the precinct. For many developers or occupiers looking to develop their site this won't be a problem, but for many passive investors this could render the asset untenable.

### **Technology / Research and Development Hub**

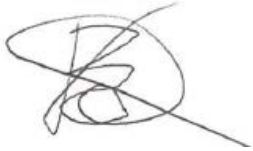
Melbourne's large tertiary education sector produces a significant number of STEM graduates, providing an opportunity for Melbourne to become the home to Australia's tech sector. We have already seen a number of entrants in this market but these firms have located across the CBD and city fringe. Labelling Fishermans Bend as Melbourne's tech precinct presents an excellent opportunity to cluster tech occupiers and provide associated services. Objective 2.3 seeks to establish the *Employment Precinct as a unique economic precinct of global significance* which would be met by the creation of a world class tech precinct. The Victorian government's acquisition of the Holden Site presents a good catalyst for this. CBRE brokered this deal and believe its use as an innovation hub that fosters start-ups and creative businesses will be a catalyst for transformation of the precinct into a technology / development hub.

### **Employment Precinct**

CBRE is satisfied that a separate planning process and timeframe to the other four precincts is being developed as further detailed analysis needs to be provided for this area to provide clarity and certainty to developers. Whilst much consideration has been given to other precincts in the framework, the mix and nature of the occupiers for the NEIC (National Employment and Innovation Cluster) will be critical in reaching the 80,000 new employers predicted. It will be important to engage with industry leaders to develop this further.

Thank you for the opportunity to respond to what will be a transformative project for Melbourne, helping Melbourne to remain the world's most liveable city.

Yours sincerely  
CBRE (V) Pty Ltd

A handwritten signature in black ink, appearing to be 'KB' with a large loop and a long horizontal stroke extending to the right.

Kate Bailey  
Senior Research Manager