



November 2014

## Iconic Barangaroo Project Transforms Sydney

**Sydney's iconic Barangaroo project is taking shape along the eastern foreshore of Darling Harbour. Not since the development of Darling Park in the early 1990s has the structure of the Sydney Central Business District (CBD) been so transformed.**

With the pre-commitment of high profile tenants to the International Towers Sydney, including Westpac, KPMG, Lend Lease, PwC, Gilbert & Tonkin and HSBC, the western CBD is being strengthened. Barangaroo will reinforce Sydney's position as a key financial services hub within the Asia Pacific region.

The three towers of 39, 42 and 49 storeys are under construction in the Barangaroo South precinct for completion in 2015/16. They have a total floor area of 323,700 m<sup>2</sup>. While this represents about 7% of the Sydney CBD's bank of office space, the Barangaroo development is expected to have a major impact on the market, as landlords seek to backfill space. There is already a trend for some office buildings in the CBD to be redeveloped or converted to residential or hotel use.

The offices at Barangaroo will comprise large floor plates, with premium, energy efficient space. Barangaroo's sustainability credentials were boosted with the award of a Green Building Council of Australia Six Star Green Rating. The overall project is designed to be carbon neutral and water positive.

Around 50% of Barangaroo is to become public open space. This includes the public foreshore promenade to link Headland Park and Barangaroo South, with completion of the initial stages of the project in mid 2015. This promenade will complete a 14-kilometre harbour edge walkway between Woolloomooloo and Anzac Bridge.

The 22 hectare Barangaroo site is divided into three precincts:

- The 5.7 hectare Headland Park, under construction for completion in mid 2015;



*The International Towers Sydney office buildings under construction.  
(Image courtesy of BDA)*

- The 7.5 hectare Barangaroo South precinct, for which Lend Lease gained the development rights in 2009; and
- The 5.2 hectare Barangaroo Central precinct, to be developed as a mixed-use cultural, recreational, residential and commercial area, with four developers short-listed (Cbus Property, Grocon, Lend Lease and Mirvac) and the decision on the preferred developer due in late 2015.

It is anticipated that a high proportion of work trips to Barangaroo will be by public transport, including heavy rail, bus and ferry. A critical piece of infrastructure is Wynyard Walk, under construction for completion in 2015.

This is a new pedestrian link of 180 metres between a refurbished Wynyard station and the intersection of Kent and Napoleon Streets. It includes a 110 metre tunnel. Walking from the station to Barangaroo South is expected to take six minutes, avoiding steep inclines and road crossings (source: Barangaroo Delivery Authority – BDA).



*Computer-generated image of the completed Barangaroo development.*

*(Image courtesy of BDA & Lend Lease as at May 2014. Artist's impression only. Subject to planning approvals.)*

The vision for Barangaroo is expected to be realised over 20 years. Over time, it is anticipated that the site may accommodate 24,000 workers and 3,500 residents, as well as hosting 33,000 visitors per day (12 million visitors per annum).

One of the key attractions for visitors is expected to be the 18,000 m<sup>2</sup> cultural space being created within Headland Park. Access to the park will be from Hickson Road. Other attractions will include the expansive views of Sydney Harbour, bush walks, picnic areas and tidal pools.

Apart from the International Towers Sydney, other components of Barangaroo South include 800 apartments, shops, cafes and restaurants and the six-star Crown Sydney Hotel Resort.

### **Waterfront Apartments**

The initial residential stage was marketed in September 2013, with completion due in late 2015. The 159 apartments were reported sold out in three hours. The nine storey Alexander and eleven storey Anadara buildings will be located on the waterfront promenade. They include a mix of one, two and three bedroom apartments.

The majority were priced from \$1 million to \$3 million. A subpenthouse and a penthouse sold for \$7.5 million and \$10.5 million respectively, reflecting \$40,000/m<sup>2</sup> of living area.

Overseas buyers from China, Hong Kong and Singapore were among those who purchased at Barangaroo. However the development had good support from locals, reflecting the scarcity of opportunities to acquire waterfront apartments in inner Sydney.

### **Hotel and Casino**

In July 2014, the New South Wales (NSW) Independent Liquor and Gaming Authority issued a restricted gaming licence for the Crown Sydney Hotel Resort. This follows Crown Resorts' November 2013 agreement with the NSW Government to deliver the resort. The Crown Sydney is due to open in late 2019.

Apart from the gaming facility for baccarat, blackjack and roulette (no poker machines permitted), in an area of up to 20,000 m<sup>2</sup>, the Crown Sydney is to be a 350-room and suite hotel resort, with premium suites, villas and super villas, an architecturally dramatic lobby area, luxurious spa facilities, multiple signature restaurants with celebrity chefs, bars, luxury retail outlets and conference facilities (source: Crown Resorts & NSW Government media releases).

The Barangaroo site is owned by the NSW Government, with the development process being managed by the Barangaroo Delivery Authority. The land is subject to 99-year lease agreements.

## Hope Island Repositioned

**There has been a positive response from buyers at Hope Island over the past 18 months, with developers acting to keep up with demand. This follows the introduction of more affordable pricing and the sell-out of receiver apartment stock. The northern Gold Coast location still offers some of Australia's best golf course and waterfront living.**

The repositioning has been accompanied by the unveiling of new plans by developers, with others in the wings. Australand's Cova has launched three new land releases since September 2013. The final two park front lots of 350 and 484 m<sup>2</sup> of over 100 lots in these releases, sold for \$270,000 and \$284,000. The most recent waterfront lot of 444 m<sup>2</sup> sold for \$495,000.

Australand also released 28 terrace homes at Cova in September 2014, with a strong buyer response. Prices for park and non-park frontage homes ranged from \$379,000 to \$470,000 for dwellings of 132 to 195 m<sup>2</sup>.

At Sanctuary Cove, where an IGA supermarket has joined the busy restaurant precinct in the Marine Village, developer Mulpha Sanctuary Cove is constructing its first waterfront land release of 31 lots in a number of years. Tristania's prices are around \$1.5 million for a north-facing lot of around 1,000 square metres, while south-facing lots of around 700 square metres are priced from around \$880,000.

Golf course frontage land and hilltop lots are also available at Sanctuary Cove, although the stock of unsold lots is falling, as both international and southern state buyers continue to seek the lifestyle benefits of the security gated resort.

At Hope Island Resort, the golf course and waterfront precinct, Fairway Island has only 10 of its 85 lots still for sale. Recent sales have ranged from \$490,000 to \$545,000 for lots of 562 to 686 m<sup>2</sup>. Most buyers are from the Gold Coast and Brisbane, upgrading to the security gated resort. Marina berths are also available.

Also at Hope Island Resort, key sites are in new ownership. The golf course, clubhouse, future hotel site and a 7,456 m<sup>2</sup> waterfront site with potential for 37 dwellings were acquired by Chinese



*Most future waterfront lots at Hope Island will be similar to these at Harbour Rise – around 400 to 500 m<sup>2</sup>*

developer, Golden Horse Nine Dragon Lake Holdings Limited late last year. A company associated with David Fang of the ASF Consortium purchased the 5.27 hectare Harbour Village site opposite the Marina Village, which has potential for 187 medium density apartments.

### Central Island Transformed

Following completion of the Sickle Avenue South bridge, the central island at Hope Island is also being transformed. Once proposed by John Fish as part of Marina Quays, the northern and central part of the island has been developed as Northpoint.

Settlement of the 137-lot Northpoint estate is expected late December/early January. With its waterfront lots of around 450-550 m<sup>2</sup> priced under \$500,000 and dry lots priced around \$220,000 to \$300,000, Northpoint has attracted a diverse range of mainly local buyers. Builders are now offering house and land packages from \$475,000 to \$650,000 on dry lots and just under \$850,000 for waterfront houses.

The southern part of the Northpoint site was acquired by Halcyon, with the first houses now close to completion at the company's waterfront over 50's community, Vision.

With only 88 houses, Vision sold out of its first release of 20 houses, and has strong interest in the next release. Prices range from \$571,000 for a dry lot house to \$1.25 million for a waterfront house.

Various other sites around the wide Hope Island canal (55-74 metres, with direct access to the Broadwater) are being developed or planned. Most of the waterfront lots are expected to be courtyard sized lots of around 400 to 500 m<sup>2</sup> with leasehold marina berths, similar to those recently developed at Harbour Rise by Rothmont Projects.

The supply of wider frontage waterfront lots in the Hope Island area is rapidly diminishing. Around 28 waterfront lots at Cova are planned, as well as limited future waterfront land at Sanctuary Cove.

At River Links at Helensvale, the final Coomera River stage of 27 lots is available for sale, with most of the smaller lots of 472 to 534 m<sup>2</sup> with pre-commitments at prices around \$445,000 and 600 m<sup>2</sup> lots priced around \$600,000.

At Helensvale, Malaysian partners, Sime Darby and Brunnsfield Australia are planning up to 465 houses, apartments and villas at Serenity Cove on a 75 hectare site that is the balance of Oyster Cove.



*The central canal viewed from Northpoint*

Elsewhere in the established parts of the Gold Coast, there are few opportunities to develop future waterfront land. In some instances, sites previously intended for waterfront lots are subject of higher density proposals, for example at Biggera Waters.

In five years' time, a lifestyle choice that has helped define the Gold Coast will be limited to affluent buyers able to afford million dollar price tags.

### **Northshore Hamilton Site on Offer**

The Queensland Government is seeking Expressions of Interest in a site in the Northshore Hamilton Priority Development Area (PDA). Located around six kilometres from the Brisbane CBD, the 304 hectare community has 2.5 kilometres of River frontage. It adjoins some of Brisbane's most affluent suburbs (notably Ascot), as well as the Australia Trade Coast and the Royal Queensland Golf Course.

The two-hectare Civic Park site has a potential yield of 720 apartments and 25 business premises. The area includes an urban waterfront park with community pool. The river walkway will be extended to link Australand's Hamilton Reach in the east with Brookfield's Portside Wharf.

Developed since 2007, Northshore Hamilton has potential to accommodate 15,000 residents and 15,000 workers by 2030. Over 1,000 apartments have been developed so far, adjoining the original Bretts Wharf project developed more than a decade ago. The PDA includes significant employment land, such as the five-hectare Northshore Business and Innovation precinct. It also includes Brisbane's cruise ship terminal and two CityCat terminals.

Among other significant developments at Northshore Hamilton are Devine's Hamilton Harbour; Shayher Group's The Hamilton; Wentworth Equities' project with a 227-room five star hotel and 560 apartments on a site purchased from Mirvac; Peloton Group's Proximity apartments; and Citimark Properties' Hercules apartments.

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