

# 187 THOMAS PLANNING PROPOSAL



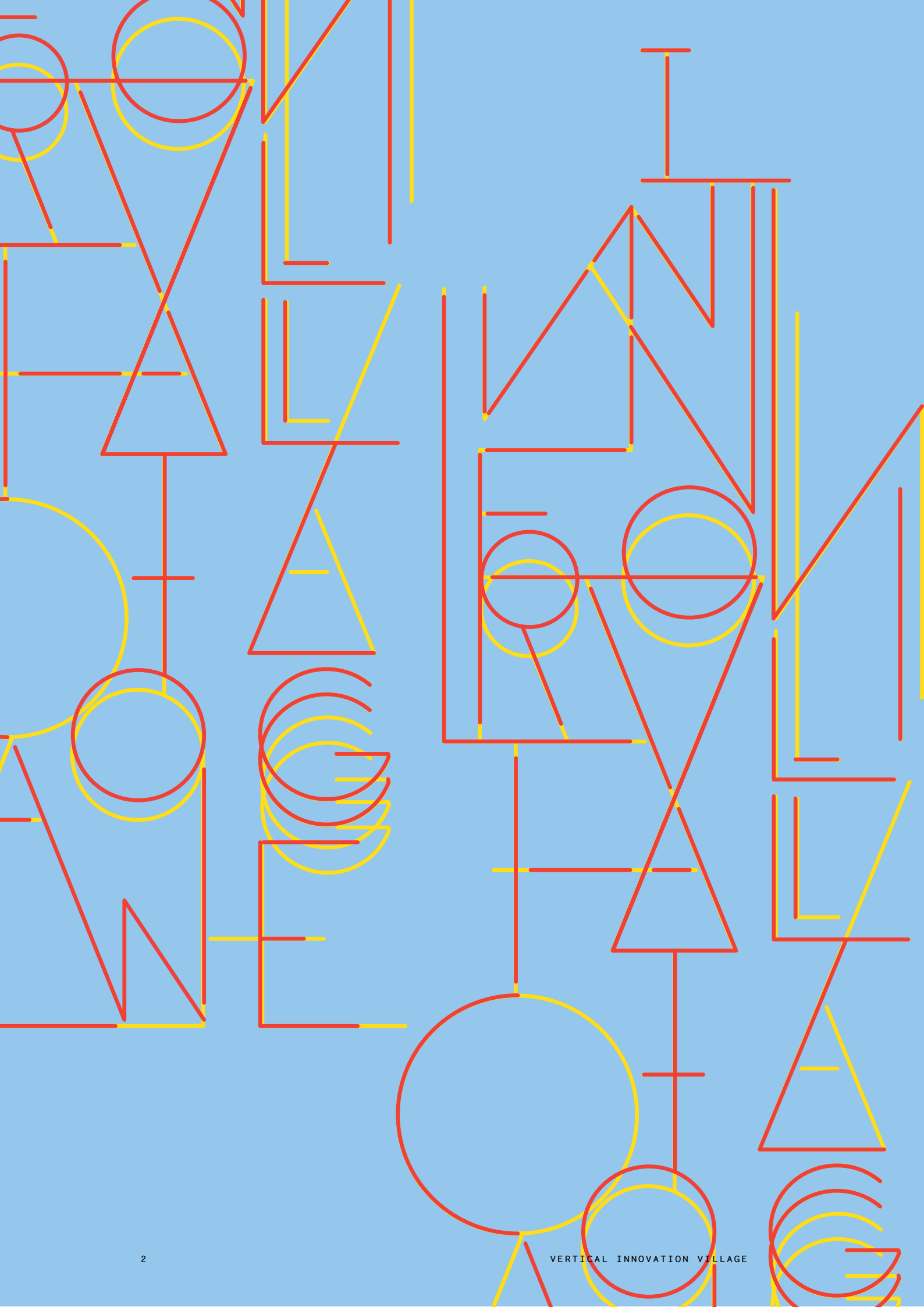
JUSTIFICATION REPORT

Part A: Value Proposition and Vision

APRIL 2020

# GREATON

CREATING YOUR PLACE.



# Contents

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<b>Foreword</b>	4
<b>Introduction</b>	7

<b>The unique Sydney opportunity</b>	11
Innovation: A priority for government at all levels	14
What Sydney's innovation and tech sector needs	16
The opportunity for innovation and tech in Sydney	17

<b>The vision</b>	19
Our vision	20
Project principles	21
Key features and components	22
Critical success factors	24

<b>The details</b>	27
Positioning	28
Who is the vertical innovation village for?	29
Experiencing the vertical innovation village	32
Governance and operations	38

# Foreword

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Technology is changing the world around us and shaping an exciting and uncharted future. As cities, economies and communities grow and transform with technological advances, the property sector has a unique opportunity and a responsibility to create vibrant places that can harness this future and to be champions for innovation.

Greaton Group has an ambition to nurture a culture of innovation for future generations, and we recognise that Sydney – as Australia’s gateway to the international economy – is an exceptional place to do just that. With Greaton’s land holding at 187 Thomas Street in Haymarket, there is an unparalleled opportunity to draw on the strengths of Sydney’s potential as a city of innovation and play a strategic role in the growth of the Sydney CBD footprint.

Greaton is growing to be a competitive high-density real estate developer with more than \$3 billion worth of projects, including the largest transacted hotel in Australia, and the largest urban regeneration residential project in Adelaide. We see 187 Thomas Street as far more than a development opportunity, but as a strategic point of confluence where we can catalyse connections between the established heart of the CBD and the innovation and creativity occurring within the city’s fringes. A Vertical Innovation Village on this site has the potential to unlock education, jobs and careers in future industries like artificial intelligence, cyber security, smart sensor networks, robotics, big data, defence and space technologies, media and creative industries.

This is not just a professional aspiration for our company. Prior to joining Greaton, I established two dynamic and complementary businesses that have informed my values and appreciation for innovation and entrepreneurship. Haneco Lighting offers energy efficient LED lighting products for modern lifestyles and industry, distributing more than two million fittings per year Australia-wide and with more than 15% of our staff focused on experimentation with new technologies. This has led to an expansion into smart home technology under the brand KASTA, a next-generation automated lifestyle solution to make smart home control systems more accessible, more affordable and simpler for consumers.


Innovation, experimentation, and resourcefulness have been key to the success of both companies. The roadblocks and challenges that I have encountered throughout my career have helped me to identify what is needed by the innovation and technology sector, and driven a desire to use my role at Greaton to be a part of creating environments that break down the prohibitive barriers to innovation that I experienced personally.



I believe that a collaborative community built upon technology and innovation can provide endless opportunity for the innovators amongst us, driving the creation of new products and services, stimulating new economies and industries, and contributing to the success of Sydney as a competitive global city. This is our proposition for 187 Thomas Street, and with the City of Sydney’s support, we look forward to achieving it.

**Nicho Teng**  
Managing Director, Greaton Group





“Technology is messy and complex.  
It is difficult to define and to understand.  
In its variety, it is full of contradictions,  
laden with human folly, saved by  
occasional benign deeds, and rich  
with unintended consequences.”

—Thomas P. Hughes, 2004

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# Introduction

DARLING HARBOUR  
REVITALISATION

The map shows the Sydney CBD with various development areas highlighted in blue. A yellow circle marks the 'VERTICAL INNOVATION VILLAGE' location. An orange line with circular markers indicates a bus route, and a dashed black line shows a light rail path. Labels on the left side are connected to specific areas by horizontal lines. A 'LIGHT RAIL AND HEAVY RAIL INTERCHANGE' is marked on the right side.

BUS ROUTE  
RECONFIGURATION

GEORGE STREET  
LIGHT RAIL PROJECT

ULTIMO AND UTS  
REVITALISATION

CENTRAL PARK  
DEVELOPMENT

CENTRAL STATION  
REVITALISATION INCLUDING HOME  
TO TECH COMPANY ATLISSIAN

VERTICAL  
INNOVATION  
VILLAGE

LIGHT RAIL AND  
HEAVY RAIL  
INTERCHANGE

VERTICAL INNOVATION VILLAGE





## 187 Thomas Street is a unique site with enormous untapped potential.

At the heart of the thriving Haymarket neighbourhood, with unbeatable proximity to Sydney's CBD, 187 Thomas Street is located in an area of planned future density. As the city grows and transforms, this site is set to benefit from its adjacency to the major planned public space and transport improvements at Railway Square, the reinforcement of the George Street spine, and better connections to the neighbouring precincts and campuses. This makes it one of the best-connected sites to the city's Central Business District and the Camperdown to Ultimo health, education and innovation district.

Building on this untapped potential, this document presents Greaton Development's ambitions to transform the existing commercial office building at 187 Thomas Street into a vertical integrated tech village and a destination that leverages the possibilities of technology to drive Sydney's innovation capabilities.

### A bold new proposition

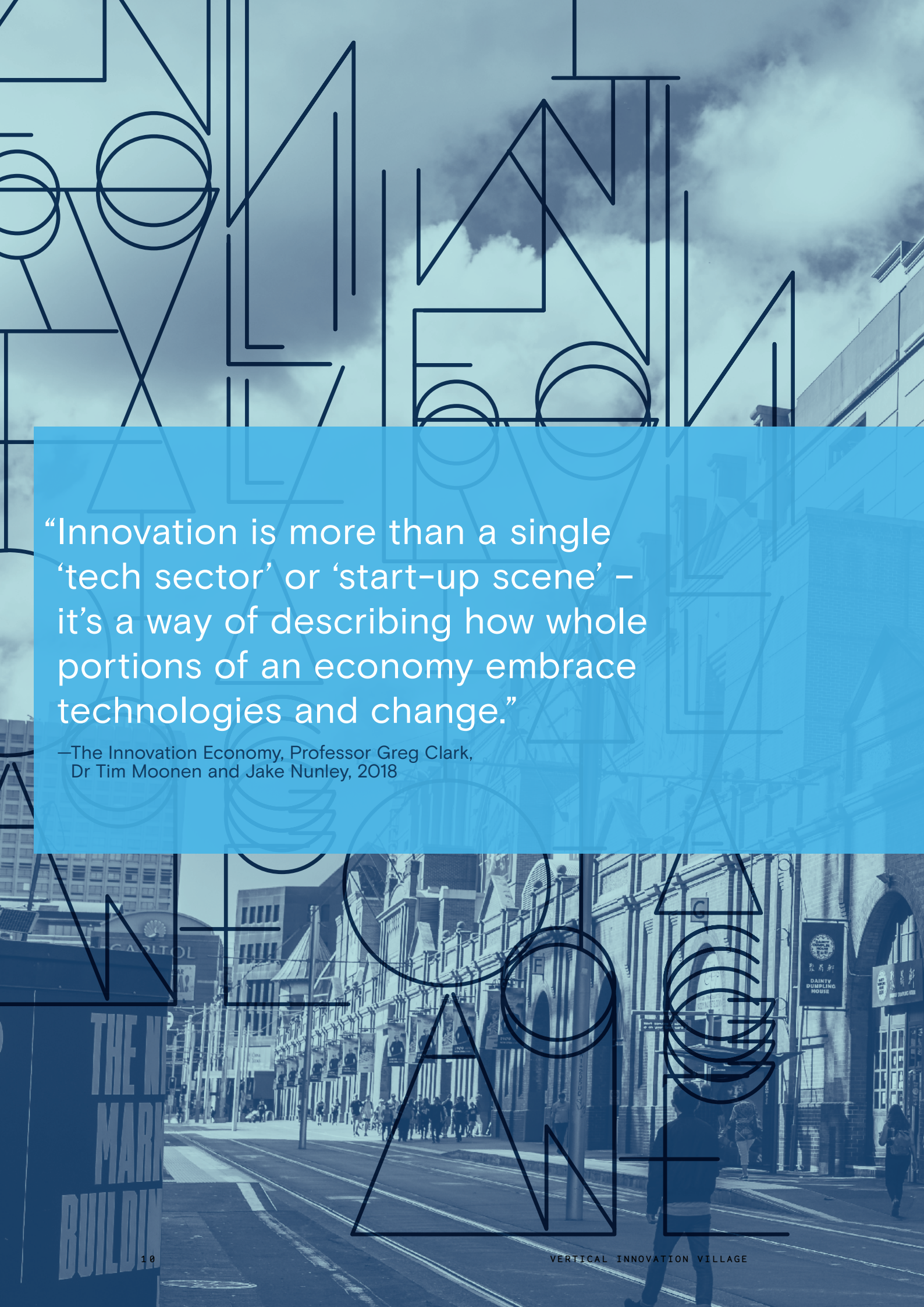
The Vertical Innovation Village is a bold new proposition for a mixed-use building. It brings together on a single site a world-class coworking hub and fabrication laboratory for innovation and technology; a diverse range of commercial space for emerging, growing and established technology businesses; a hotel tailored to tech workers; as well as a range of retail, hospitality and service amenities to support the community working, staying and visiting the site.

### Timing is everything

With the City of Sydney's endorsement and support, we are eager to grasp this window of opportunity to bring a viable concept to the Sydney market. Our team has worked hard to develop a Reference Scheme and value proposition that fits within the City's development framework, while shaping an innovative and integrated vertical property solution to deliver on Greaton's ambitions. The impact that this project can make to Sydney's economy, workforce and competitive advantage as a city of innovation is substantial, but timing is critical if we are to leverage the opportunity while the sector is so desperately seeking support.

### Why Greaton?

Greaton is an emerging developer with one foot in property and the other in technology, working hard to establish a standing in the Sydney market. Building on the personal experience and direction of Managing Director Nicho Teng, Greaton is eager to invest in outcomes that make a distinctive impact on the innovation economy. By investing in assets, spaces and services for the technology-based industries, and establishing these within a robust development proposition, Greaton is making a commitment to stimulate, nurture and drive new opportunities in industries with high growth potential, now and into the future.



“Innovation is more than a single ‘tech sector’ or ‘start-up scene’ – it’s a way of describing how whole portions of an economy embrace technologies and change.”

—The Innovation Economy, Professor Greg Clark, Dr Tim Moonen and Jake Nunley, 2018



# The unique Sydney opportunity



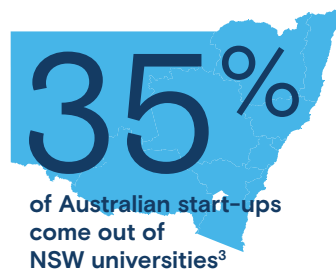
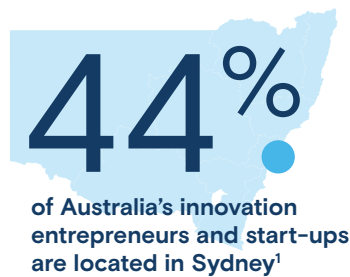
# Australia has a strong history of innovation and invention.

Beyond the world-changing invention of Wi-Fi in the 90s, Australia can also lay claim to the creation of the black box flight recorder, electronic pacemaker, Google Maps, ultrasounds scanner, plastic spectacle lens, refrigerator, Cochlear implants, electric drill, ultrasound, orbital engine and many other innovations.

Sydney, as the international gateway to Australia and the commercial centre of the country, is a natural home for the innovation sector. Most international innovation and technology firms have their Australian head offices located here, making the most of the proximity to a large population, industry networks and profitable markets. At all levels of government, it is recognised that Sydney is a strategic city for fostering the country's strengths and capabilities in innovation and technology, with active investment in infrastructure, programs and initiatives to lift performance.

However, despite our history of innovation, Australia, and particularly Sydney, is not keeping pace in comparison to other global cities. Education in innovation industries is falling behind the pace of change, investment in new ideas is lacking, and there is little collaboration between industry and the universities. Start-ups are failing to scale, being risk-averse and restricted by urban affordability challenges, pushing Sydney further down the rankings on international measures of innovation and technology. National laws and regulations such as immigration laws, taxation regimes and the repeal of laws protecting data encryption are also undermining the growth of the industry.

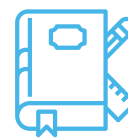
While many of these challenges are systemic issues that need complex and strategic solutions across multiple levels of government, there is capacity for Sydney's property sector to affect positive change through the provision of spaces and places that address the needs of the sector. As Sydney continues to grow and transform, there is a window of opportunity to harness urban planning and new development to create spaces that are dedicated to nurturing the innovation economy and helping the city step up and catch up to international competitors in innovation.



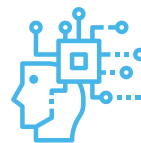
## Largest tech sub-sectors in Sydney<sup>2</sup>:



Financial tech



Education

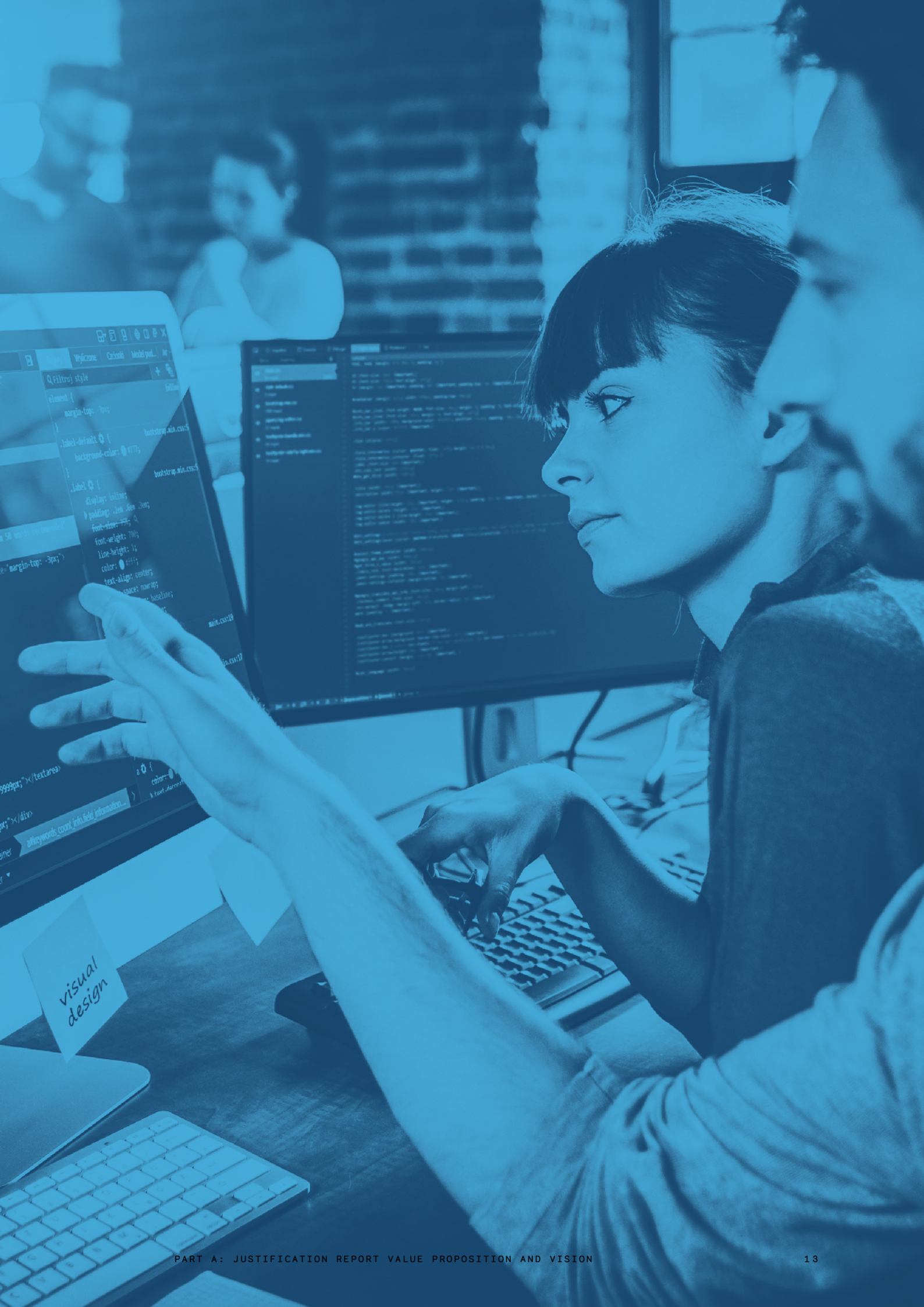


Artificial intelligence



Big data

1. NSW Innovation and Productivity Council, NSW Innovation and Productivity Scorecard, 2018  
2. TechSydney, Technology and Innovation Precinct: Industry Survey Report, 2018  
3. NSW Innovation and Productivity Council, NSW Innovation and Productivity Scorecard, 2018



# Innovation: a priority for government at all levels

Our ambition to create a place for innovation and technology at 187 Thomas Street is aligned with commitments to support this sector across Federal, State and local governments' policy.

There is consistent government recognition that space dedicated to innovation and technology is a critical part of the city's – and the country's – progress and advancement. 187 Thomas Street seeks alignment with government priorities where possible, providing a point of difference from other place-based investments. Our aim is to not only attract multi-level government support for our vision, but also the support of the sector and the community who recognise our motives are in the best interests of fostering the city's innovation ecosystem.

## Alignment with Government Priorities

Across all levels of government, there is a considerable effort to prioritise innovation and technology to keep Sydney globally competitive and at the forefront of innovation. Driven predominantly from a job creation focus, much of this policy is centred on strategic programs and initiatives to foster the capacity and skills of students, businesses and organisations working in knowledge-intensive industries, as well as the capacity of government as a leader. There is also a degree of infrastructure

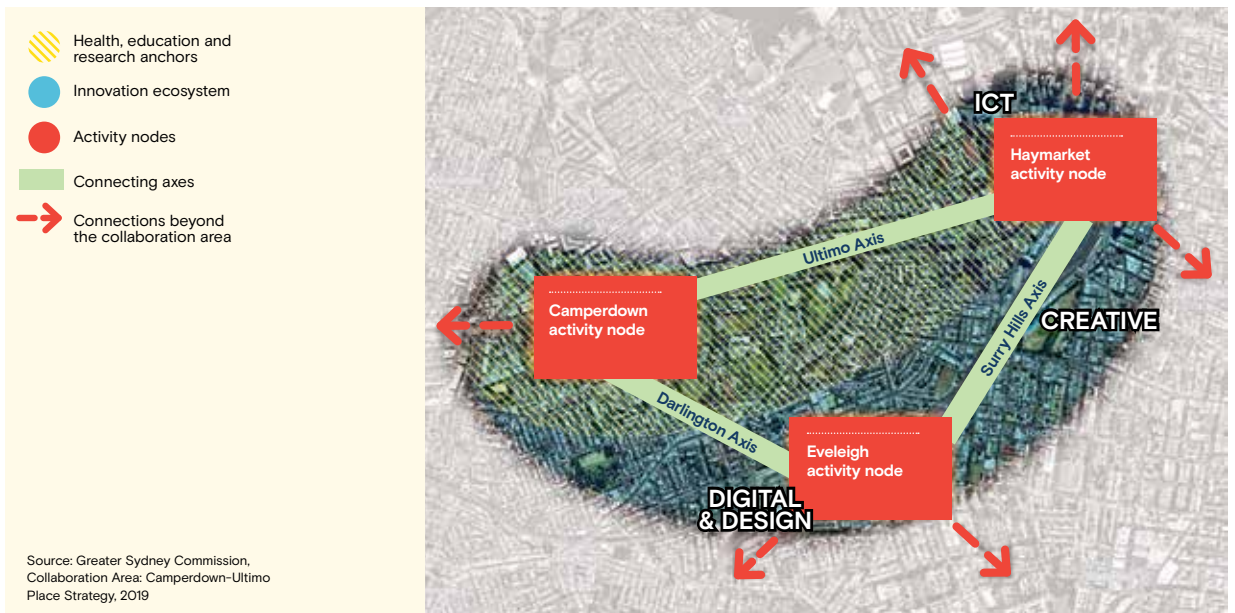
investment to create space for new and emerging businesses, which for central Sydney includes the Jobs for NSW Sydney Start-up Hub and the Central to Eveleigh Innovation and Technology Precinct.

For the City of Sydney, there are five priority areas for the technology and start-up sector, that go beyond job creation, to the provision of opportunities to boost Sydney's economy, strengthen global connections and make the city a more desirable place to live, work and visit. Greaton is committed to delivering on these areas of focus wherever

## City of Sydney Areas of Focus

<p><b>1.</b> <b>Build a strong entrepreneurial culture and community:</b></p> <p>Encourage more people to become technology entrepreneurs who start and develop high-growth companies.</p>	<p><b>2.</b> <b>Create skilled and connected entrepreneurs:</b></p> <p>Build a robust ecosystem in which technology entrepreneurs have the capacity and networks to launch local companies that become global companies.</p>	<p><b>3.</b> <b>Increase the start-up ecosystem density:</b></p> <p>Ensure start-ups and the organisations that support them are able to scale, and can be located close to one another so they can connect, share ideas, mentor and partner with others.</p>	<p><b>4.</b> <b>Support entrepreneurs' access to funding:</b></p> <p>Generate more investors and more investment in tech start-ups, and connect entrepreneurs with investors and businesses.</p>	<p><b>5.</b> <b>Develop technology entrepreneurs' access to markets:</b></p> <p>Increase the number of consumers prior to and after the release of an entrepreneur's product or service.</p>
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City of Sydney Tech Startups Action Plan, 2016



possible. In order to be able to do this successfully, we have undertaken detailed research and analysis of Sydney's innovation and technology sector and looked at the local context surrounding the site. This has provided us with a more robust approach to our vision and value proposition, the evidence of which is captured throughout this document.

### Planning Space for Innovation & Technology

The City of Sydney's Central Sydney Planning Strategy is addressing the current and future growth opportunities for local employment and new economies across the inner city. Expanding the geographic boundaries of Central Sydney to include parts of Ultimo and Haymarket, at the core of this strategy is the protection and growth of employment floor space that suitably responds to and provides capacity for changing and expanding markets. 187 Thomas Street is in 'Southern Central Sydney', adjacent to what is highlighted as a major growth area for the neighbourhood surrounding and to the west of Central Station. This is earmarked for growth via a cluster of towers, leveraging the proximity to the planned development at Central Station and the improved public space connections at Railway Square and along George Street.

The Greater Sydney Commission has also championed Central Sydney as the place that will become more innovative and globally competitive. Within this plan, a 'collaboration area' has been identified from Camperdown to Ultimo that has been defined as "...Australia's innovation and technology capital [where] industry, business, health, education and skills institutions work together, and talent, creativity, research and partnerships thrive."<sup>4</sup>

Haymarket, which captures the site at 187 Thomas Street, has been identified as an 'activity node' within this collaboration area. This is a unique point of confluence between the health, education and research axis along Parramatta Road and Broadway, the information, communications and technology cluster of Ultimo and Pyrmont, the financial and professional heart of the city through the CBD, and the creative and design district across Surry Hills, Chippendale and Eveleigh. There are few locations in Sydney that are so perfectly situated amongst these rich industry clusters. This presents an opportunity for Greacon to build on this point of confluence, driving cross-industry collaboration and engagement through the provision of space, services and assets that support the continued growth of the collaboration area as an innovation district.

This collaboration area has also been earmarked by the NSW Department of Planning, Industry and Environment as an ideal location in which to establish a dedicated innovation precinct, to be developed between Central and Eveleigh over the coming years. The State's early plans released for the development around Central Station demonstrate a commitment to employment space for Sydney's innovation sector. While these plans are finalised, the development of 187 Thomas Street offers a window of opportunity to catalyse Sydney's innovation ecosystem, capturing start-ups and entrepreneurs before it is too late to stimulate the city's sector in the face of increasing challenges.

4. Greater Sydney Commission, Collaboration Area: Camperdown-Ultimo Place Strategy, 2019

# What Sydney's innovation and tech sector needs

Through in-depth research and engagement with leaders in the sector, a number of key challenges and needs have emerged that are cause for concern for the innovation, technology and knowledge-based industries in Sydney.

## 1. Support for medium-sized innovation businesses

Sydney's innovation and technology sector has low representation of small-to-medium sized businesses, with most tech companies either employing over 100 people, or fewer than 10<sup>5</sup>. These smaller businesses face the biggest challenges to innovation, predominantly experienced by a lack of access to additional funds<sup>5</sup>. Despite the low representation, small-to-medium innovation-active businesses demonstrate huge potential, with 1 million of new jobs in NSW from 2008-2014 coming from just 6% of high growth small-to-medium businesses<sup>7</sup>. A commitment to businesses that have gone beyond the start-up phase and are looking to grow is a huge opportunity.

## 2. Access to affordable workspace

Urban development and speculative property dynamics has led to an increasingly expensive Sydney and the loss of industrial lands and cheap commercial building stock. This is impacting start-ups, entrepreneurs and risk-taking businesses who rely on affordable space to launch and foster new ideas. As a result, many innovation-active industries are declining in Sydney: in Haymarket, this has been felt across manufacturing, ICT, health and the creative industries<sup>8</sup>. While Sydney has a generous supply of affordable coworking spaces suitable for individuals and micro-businesses, the lack of affordable commercial space is a significant impediment preventing innovative businesses from scaling up.

## 3. Recruitment of a skilled workforce

As demand for new technology-based skill sets increases across a range of industries, education levels in STEM subjects are not meeting the demand for skilled workers. There has been a continual decline in the number of qualified university graduates, with young Australians not willing, or not skilled enough, to enter into businesses that require risk taking<sup>9</sup>. Innovation and technology businesses struggle to find local talent, and as such, have a high reliance on international resources, with 35% of NSW's tech company founders born overseas, and 55% of software developers being migrants<sup>10</sup>. Tightened visa and immigration laws are making access to these international workers increasingly challenging.

## 4. Access to capital and growth opportunities

Across Australia, businesses are reporting that a lack of access to additional funds is the biggest barrier to innovation<sup>11</sup>. There is increasing competition for the few venture capital investment opportunities available in Sydney, with only 3% of applications accepted to the top five accelerator programs offered, resulting in only 5% of all Australian start-ups successfully scaling, compared to 8% in the USA<sup>12</sup>. Start-ups are moving offshore to raise capital, access new markets, and connect with supply chains that are not available here in Australia.

## 5. Greater diversity across the sector

Sydney's innovation and technology sectors are in need of greater diversity, in order to leverage underutilised and untapped human potential across a number of segments of the population. Women represent just 4% of start-up founders in Australia, despite making up nearly half the workforce and more than half of university students, suggesting a major economic deficit in the innovation sector<sup>13</sup>. There is also a very low percentage of young people recognised as start-up founders, with just 6% under 25, and most aged between 30-35<sup>14</sup>.

## 6. Increased density, connectivity and security of the sector

The innovation ecosystem is unevenly spread across Sydney with no common threads or place of density bringing the sector together. Start-ups are fragmented across the city wherever coworking spaces are located, while high-grossing and established businesses have a hold on the CBD. Property leases are short and often uncertain, and there are few safe spaces for start-ups to afford to experiment and fail. This is a challenging and ambiguous environment for a sector that needs better connectivity, proximity, shared resources and security.

5. TechSydney, Technology and Innovation Precinct: Industry Survey Report, 2018. 6. Australian Bureau of Statistics, Innovation in Australian Business, 2016-17. 7. Jobs for NSW, Jobs for the Future: adding 1 million rewarding jobs in NSW by

2036, 2016. 8. City of Sydney, Floorspace and Employment Survey, 2017. 9. City of Sydney, Tech Start-up Action Plan, 2016. 10. TechSydney, Technology and Innovation Precinct: Industry Survey Report, 2018. 11. Australian Bureau of Statistics,

Innovation in Australian Business, 2016-17. 12. City of Sydney, Tech Start-up Action Plan, 2016. 13. City of Sydney, Tech Start-up Action Plan, 2016. 14. City of Sydney, Tech Start-up Action Plan, 2016



# The opportunity for innovation and tech in Sydney

We are in an era of shifting work environments where 92% of future jobs will need digital skills, and 45% will need people to work with digital systems and emergent technologies.<sup>15</sup> The window of opportunity to leverage these new technologies and create impact across multiple industries must be supported by the right approach to the innovation ecosystem with place-based responses that address the needs outlined on the previous page.

## 1. Design space to expand and contract

Addressing the gap in the Sydney's commercial office space market to provide workspaces that allow all different sized business to expand and grow, or to contract, allows businesses to maintain their tenancy within a building. By creating highly flexible floor plates, and through a more bespoke and personalised approach to managing tenancies, businesses can be nurtured from start-ups and through their growth phase, utilising available space as required, rather than being forced to take on who level tenancies that may be beyond their capacity and budget.

## 2. Guarantee provision of affordable workspace

There is great opportunity to meet the urgent demand for workspaces that are below market rates – demand not just from the start-up and entrepreneurial community, but also mid-level businesses. Rates around \$450-\$600 per desk per month are considered reasonable by industry leaders across Sydney<sup>16</sup>. Property owners and lessors can demonstrate their commitment to the sector by guaranteeing cheaper tenancies, and to use a broad mix of price points throughout the building to cross-subsidise a portion of space at below market rates. This move will ensure strong market demand from the sector, and ensure tenancies are quickly filled.

## 3. Actively curate and program an ecosystem

It takes more than just leasing space to create a true innovation and tech destination – it requires the curation of those tenancies, and a hands-on approach to programming and networking. By actively targeting tenants to ensure a mix of different sized businesses, at different stages of their growth, and tackling different parts of the innovation and tech sector, there is a chance to create a rich and productive ecosystem. Operators should look to understand their tenants and attract every part of the ecosystem beyond the tech workers, including capital investors, accelerators, lawyers, accountants, suppliers and buyers, building a network and supply chain, and brokering opportunities to increase the likelihood of tenants' success.

## 4. Deliver infrastructure that goes beyond space

In order to support the small-to-medium end of the innovation and tech sector, and encourage the kind of connectivity and density that they demand, there is an opportunity to supply a mix of different kinds of soft and hard infrastructure to create a one-stop-shop to fully service the sector. This should include equipment, tools, software and programs that start-ups may not be able to invest in personally, as well as specialised prototyping and testing machinery and facilities that are difficult to come by in Sydney outside of universities and established industry.

## 5. Establish a shared economy model

Building on the success of the shared economy movement, there is an opportunity to benefit a wide range of small-to-medium innovators, start-ups and entrepreneurs – and even hobbyists – by establishing access to space, equipment, resources and services via a shared economy model. This is a way to keep costs low for users while they work through the experimental and growth stages of their ideas, while also promoting connectivity, density and collaboration. This model should deliver access to space, machinery, programs, tools and equipment, but also consider collective buying power, community exchange programs and education opportunities.

## 6. Create a place, not just an office

To foster the density, connectivity and sense of community that the innovation and tech sector is seeking, it is critical to create places that are truly great in their own right. This can be achieved by creating destinational places that tap into the values of the sector: an excellent range of amenity, space and services; exceptional food and beverage operators; cool spaces for events and activities; and an astute design aesthetic, with embedded sustainability principles. This provides a greater chance of attracting existing companies and communities who are looking for long-term, secure locations to foster their business, as well as attracting a greater diversity of people including younger workers, women and children.

15. Innovation and Science Australia, Australia 2030 Prosperity Through Innovation, 2017. 16. TechSydney, Technology and Innovation Precinct: Industry Survey Report, 2018



“...a community of innovators  
who recognise the potential  
and possibility presented by  
leveraging future technologies...”



# The vision

## Our vision

A place of possibilities.

Our vision for 187 Thomas Street, Haymarket, is to establish a community of innovators who recognise the potential and possibility presented by leveraging future technologies. This integrated Vertical Innovation Village is a home for people and businesses working in technology-driven growth industries, offering a mix of spaces, services and equipment to encourage convergence, collaboration and cross-disciplinary research and development.

More than just a workplace, it is an inclusive and energetic destination, anchored by Sydney's first publicly accessible technology fabrication lab, and complemented by a mix of practical and lifestyle amenity. It is a place that nurtures talent and scales up new ideas by offering a variety of workspaces, tools and equipment, skills, knowledge and support, for a like-minded community.



# Project principles

## Cool & Curated

A truly cool place that offers a mix of spaces and services that create a desirable destination, enticing people to want to work there, stay there, spend time there and make sure they are seen there. To be successful, it must attract the early adopters and early majority by creating an entirely unique and meaningful experience that cannot be found elsewhere.

A desirable offer is delivered by curating a place with outstanding design; great business operators with excellent goods, products and services; and a genuine and meaningful approach to innovation and technology.



## Attainable

A place that knows affordability is a critical prerequisite for fostering a culture of innovation and technological advances, and that commits to delivering a variety of space and services below market rates to meet industry expectations.

An attainable offer is achieved through affordable rental rates for a portion of workspaces; competitive low-cost fees for programs and memberships; competitive market rates for accommodation; and low-price points for retail and hospitality offers.



## Cultural Inclusion

A place that recognises and reflects its local community and context, and that builds upon the roots of its visionary founder, by embracing a contemporary Asian sensibility.

Connects with diverse contemporary cultures, aesthetics and tastes through the mix of design and interior styling; goods and service provision; and the programming and activation of an inclusive environment where people feel they can be part of their community.



## Flexible & Adaptive

A place that is designed to embrace and nurture the flexibility of today's digital nomads, and to adapt and transform around its user's needs, now and into the future.

Flexibility is created by providing workers and businesses with a range of options to suit evolving needs; designing commercial floorplates with capacity to change configurations and size; offering endless options for communal work and meeting space to get outside of fixed walls; and attracting operators whose businesses can transform for different purposes at different times of the day.



# Key Features and Components

The Reference Scheme for 187 Thomas Street divides the hybrid tower into four distinctive components, each with its own discernible use. To achieve a truly integrated outcome, the communal public uses are purposefully distributed throughout the building to enhance shared access, while the ground and lower levels are dedicated to highly activated public activity. The design of these lower levels has been considered to encourage circulation, destination appeal and a confluence of uses that will bring people together.

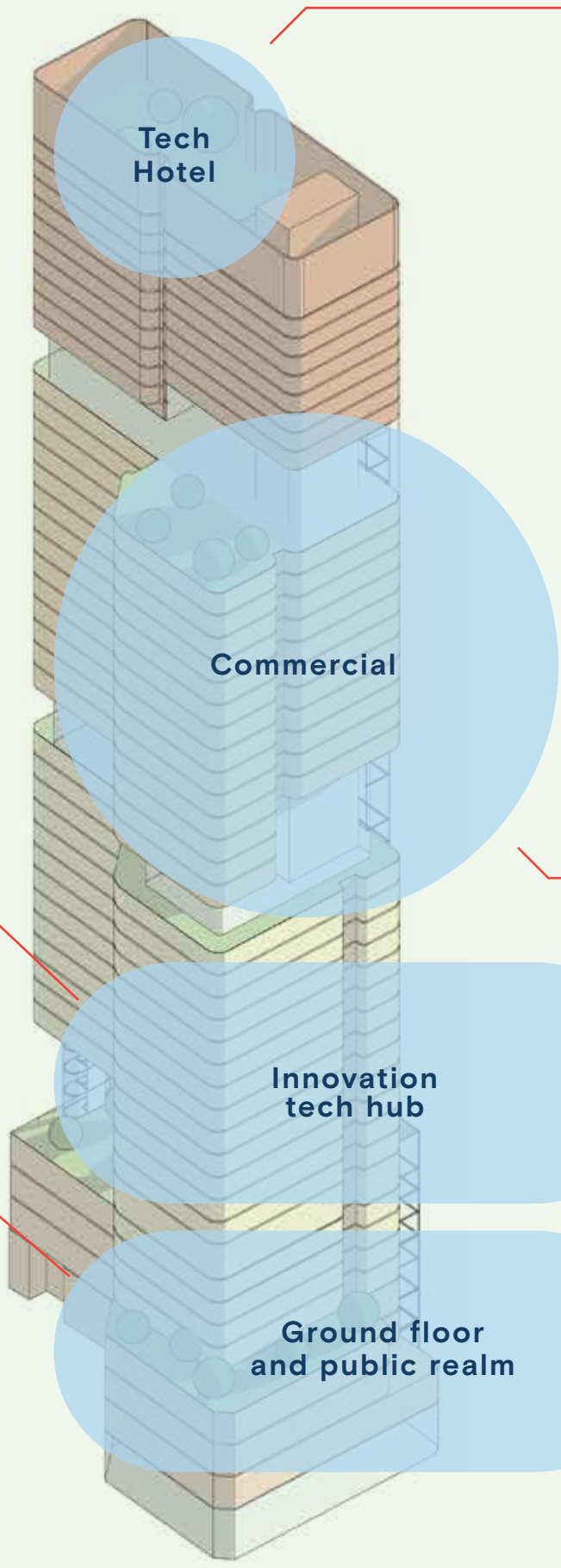


- Tech workshop and fabrication lab with shared-access equipment and tools
- Coworking space with communal desks and private offices
- Common space for public access, reception and activation
- Terrace for indoor/outdoor workspace and activation
- Bookable function, events and education space
- Bookable project rooms and meeting rooms
- Mix of services including education, professional development, and business support
- Shared access to the Tech Hotel facilities



- Innovation Tech Hub Lobby
- Commercial Lobby
- Hotel Lobby
- Hospitality: café / bar / restaurant
- Retail: convenience / concept tech store





**Tech Hotel**

4-star hotel catering to the general public and to workers in the technology sector

Hotel amenity including sky lobby, restaurant, bar, pool, gym, board room and meeting facilities

Shared access to the facilities and services within the Innovation Tech Hub



**Commercial**

Whole floor tenancies for large businesses in the technology sector

Flexible floor plates to accommodate small-to-medium growing and changing businesses in the technology sector

Shared access to the Innovation Tech Hub and Tech Hotel facilities and services



**Innovation tech hub**



**Ground floor and public realm**

# Critical success factors



## Creating an amazing technology-driven community for the innovation and technology sector to work, stay and play.

Designing common spaces and workspaces to encourage linkages, social connection and synergy

Offering a suite of lifestyle and social facilities to attract and retain workers and visitors

Ensuring a mix of practical services and amenity to address day-to-day needs for workers, visitors and locals

Embedding an inclusivity ethos into the design, programs and activities, with a focus on women, retirees, children, and a diversity of innovation industries

Ensuring affordability and accessibility of the spaces, services and products.



## Strengthening Sydney's innovation and technology sector.

Maximising both public and sector access to the Innovation Tech Hub through public programs, learning opportunities, and industry events and partnerships

Offering affordable rents and a low risk environment for qualified start-ups, lowering their financial pressure

Stimulating public engagement with the technology sector through open access classes, showcases, and events.



## Supporting tech businesses to move from early ideation and start-ups, through the ramp up phase and to a point of sustainability.

Designing a diverse and flexible range of workspaces that can adapt to different business sizes and types over time

Provision of affordable real estate options for small and growing businesses that have outgrown shared workspaces, but do not yet have the means to afford full commercial rates

Provision of resources, tools and equipment at low cost

Provision of a team who can deliver a hands-on and proactive operational model to deliver business support and development services, as well as work with tenants to address their spatial needs, broker relationships and access to new markets and suppliers.





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### **Attracting leaders in the innovation and technology sector to provide support and growth opportunities for small business, and to ensure the credibility and sustainability of the site.**

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Actively targeting new tenants who can fill gaps in the ecosystem, including incubator and accelerator programs to support growing businesses

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Incentivising established brands, businesses and operators to take on head leases and support smaller, growing firms

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Actively target partnerships with universities, researchers, industry and community

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Leveraging the uniqueness of the Innovation Tech Hub as a means to attract tenants who would benefit from access to the people, spaces, services and equipment on offer.

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### **Ensuring the sustainability of the Innovation Tech Hub for the long term.**

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Fostering a shared economy model where equipment, tools, facilities, software and services are utilised by a maximum number of people through memberships

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Cross subsidising loss-making activities, such as affordable rents, with high income revenue streams, such as event space hire

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Employing a partnership-based model for the Innovation Tech Hub to ensure the staff, facilities and equipment can be shared, managed and maintained to move with industry shifts.

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### **Catalysing the repositioning and regeneration of Haymarket as an invaluable connector between Central Sydney and the innovation corridor.**

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Ensuring the design of the building and the way it hits the ground offers a positive public realm experience for people passing, viewing and using the site


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Curating a mix of uses and operators that are high quality and high demand, putting the site on the Sydney map and attracting people

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Actively marketing the site as a welcoming destination for technology-driven businesses right across Sydney.

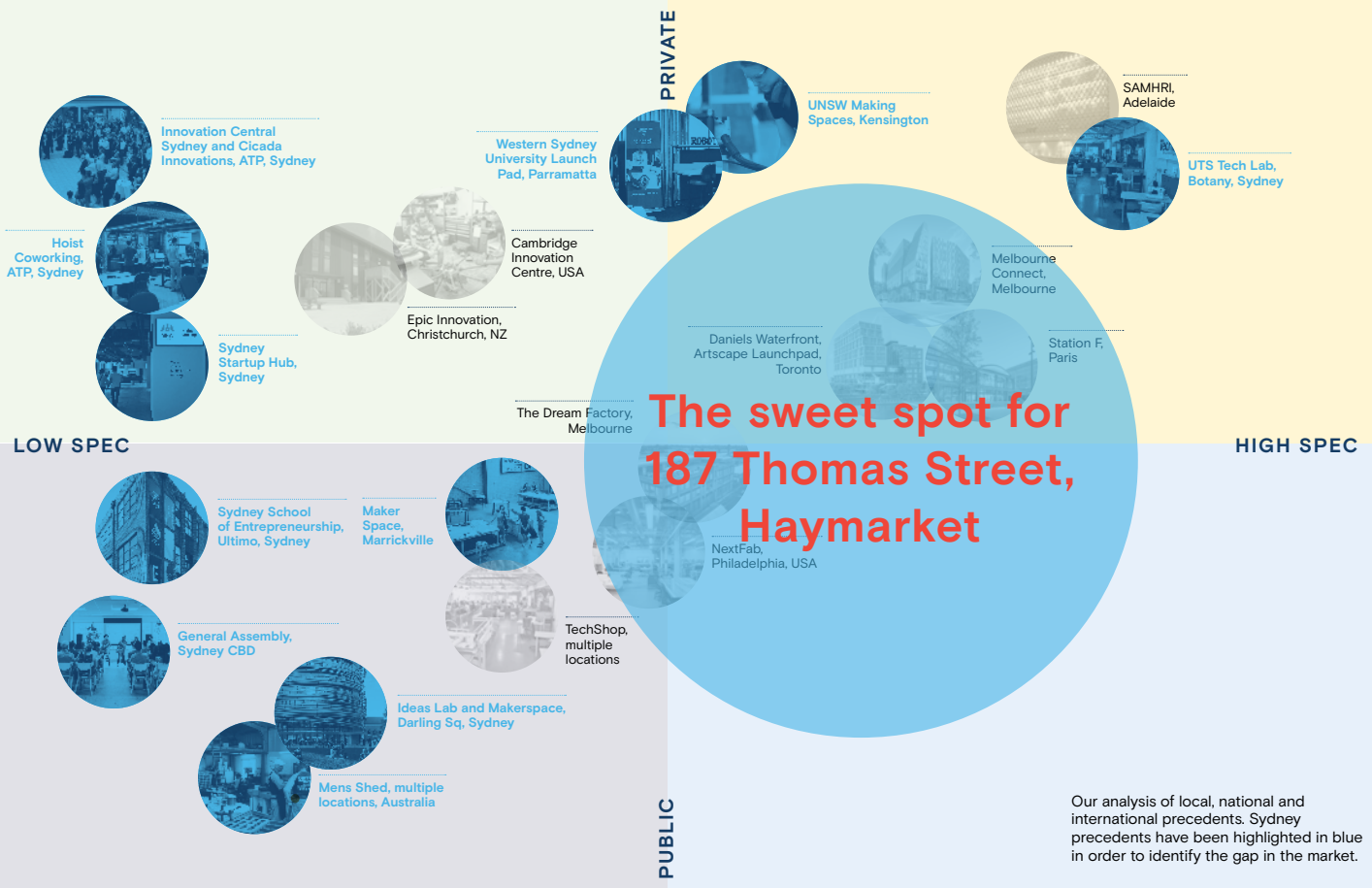
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“...a meeting place where specialist facilities, equipment and knowledge sharing acts as the kernel to attract people under one roof.”



# The details



## Positioning

An assessment of local and global precedents reveals a range of insights about the way innovation and technology clusters and hubs operate, laying out best practice approaches to design, tenancy, facilities and services, and helping to determine the positioning of this new asset for the people of Sydney.

Sydney already offers a substantial supply of coworking space for the start-up and entrepreneurial end of sector, but affordable space for mid-size businesses to flourish is lacking, as are flexible spaces designed to accommodate growth and change. There are very few tech and makerspaces open to the community as well as to early stage start-ups and entrepreneurs, with most fabrication labs with highly specialised equipment tailored to a smaller niche of the established end of industry, academia and government. This leaves an urgent and much needed gap to be filled for a more widely accessible facility that has a similar range of services on offer.

Looking further afield to best practice innovation hubs across Australia and the globe, integrated approaches to creating a whole ecosystem under one roof encourages networking, cross collaboration and engagement. Building capacity within the sector is seen as critical to help small businesses to thrive, with programs, services, events and activities to mentor and connect creatives to industry and new markets. In order to keep costs low, facilities are increasingly using membership and shared economy models to maximise use and profitability, while a mix of small and large businesses helps balance the business model. Social enterprise business models are also taking

the pressure off a site to be highly profitable and focus on investment back into the community.

Mapping a range of notable local, national and international benchmarks on a scale of high-to-low specification, and private-to-publicly accessible, allows for an analysis of what is currently on offer, and reveals the gap to be filled. This suggests a proposition for 187 Thomas Street to be a meeting place where sub-sectors of the innovation and tech industry come together, where specialist facilities, equipment and knowledge sharing acts as the kernel to attract people, and where a whole ecosystem of working, learning, living and playing can happen under one roof.

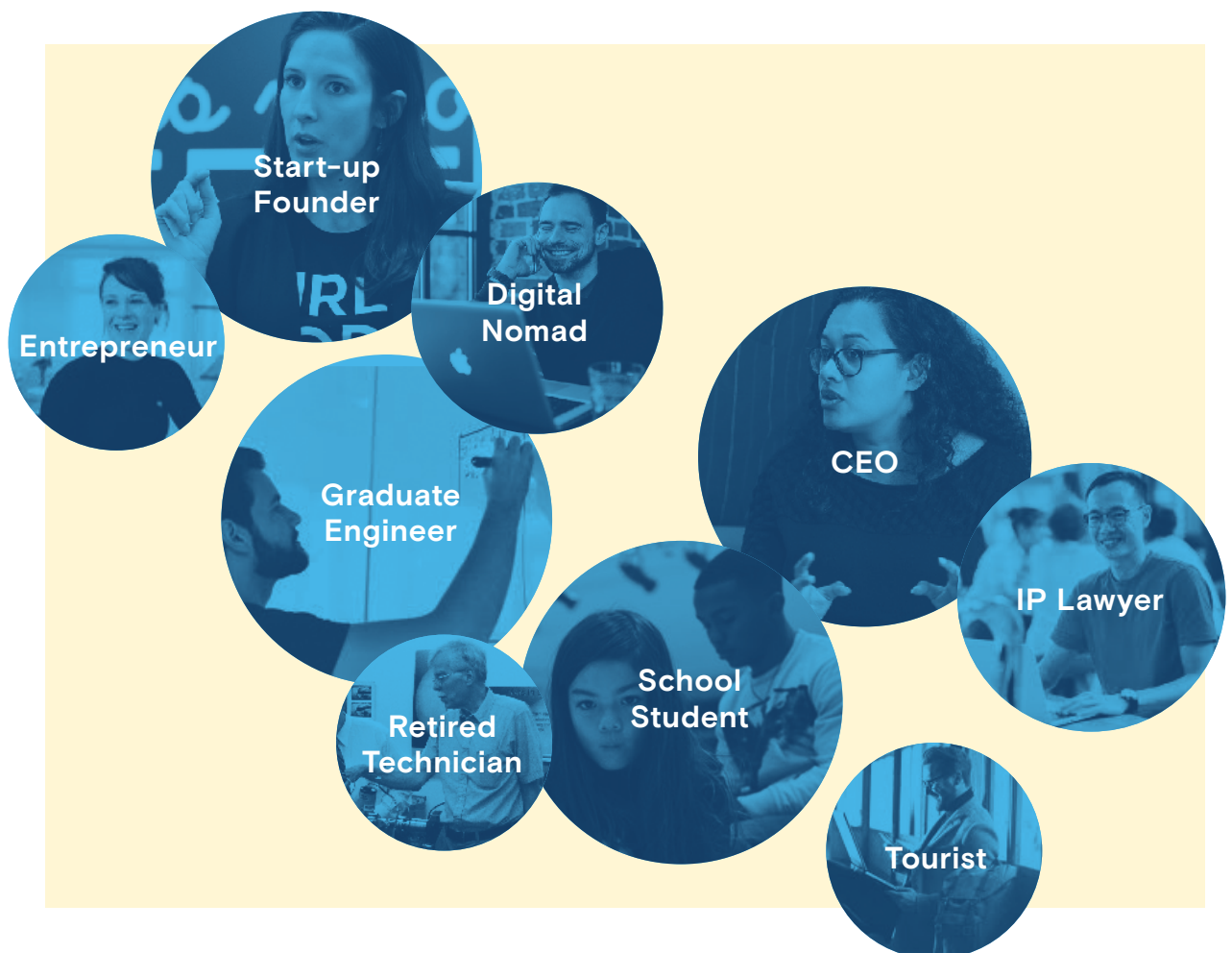
# Who is the vertical innovation village for?

187 Thomas Street is a home for the innovation, technology and knowledge-based industries, as well as a place for the wider Sydney community: its workers, residents and visitors. Through an integrated mix of assets and operators, we have set out to benefit a wide range of users who will work, stay, visit, learn, experiment and engage within the one site.

We want this to be a welcoming and inclusive place, where people of all ages, cultures and levels of professionalism in the sector feel a part of the community. We encourage large companies,

growing businesses, small start-ups, and individual entrepreneurs to work on site. We want families to bring their children to learn, play and engage, fostering the next generation of technology-

proficient talent. We want women and young people with great business ideas to flourish, and older generations to pass on their knowledge to others.



## The Innovation Sector

Greaton aspires to attract people and businesses from right across the innovation ecosystem, no matter their size or level of professional experience.

This ecosystem should be represented by entrepreneurs, start-ups, scaleups, established companies, individual freelancers, fast growing 'gazelles' and 'unicorns', venture capital firms, angel investors, incubators and accelerators, as well researchers.

Those individuals and businesses within the innovation ecosystem are characterised by the following features<sup>17</sup>:

### Embracing fresh knowledge, new technologies and change

These characteristics are core to the success of the workers, entrepreneurs, companies and industries that are leading innovation across the world. Embracing these open minded and transformative ideals is key to fostering new business ideas, products and services, impacting many industries and types of companies.

### Employing workers with high levels of education

No matter their skill set or background, those working in the innovation ecosystem generally have high levels of education, and skills that are able to withstand the pressures of changing economies. This is a sector totally reliant on its human capital.

### Making products or services that are unique

The innovation ecosystem is focused on creating content that cannot be easily reproduced or outsourced, and therefore highly reliant on the talent and skills of the workforce as well as access to the services, tools and equipment that makes these unique outcomes possible.

## Digital Nomads

Within this innovation ecosystem are many workers categorised as 'digital nomads'. As the rate of change in digital hardware and Internet connectivity has continued to propel forward, the legitimacy of working remotely has been cemented.

The digital nomad lifestyle involves constant movement, from country to country, but also from workspace to workspace – leveraging technology and a local infrastructure to complete their work. These are the early adopters of a lifestyle that blurs the boundaries between work and travel, with technology enabling employees to become increasingly mobile, no longer tied to one location.

The expectations and demands of the digital nomad culture mean that Greaton is thinking creatively about how 187 Thomas Street can best accommodate tenants whose workforces significantly swell and contract throughout the year, and how the whole building can support these people in both their work lives and personal lifestyles.

Digital nomads are characterised by the following features<sup>18</sup>:

### Travel, whilst working (as opposed to travel for work)

Typically without a home base, the digital nomad's work is flexible around whatever spaces they can find in the locations they choose to travel. They seek out resources such as coworking spaces especially designed for remote workers.

### Searching for connections, both technological and personal

One of the key challenges of constant nomadicity is loneliness. Digital nomads struggle to maintain long-term relationships as they are confined to whatever spaces and people they can find in their location.

### Variable income levels

Income levels vary between digital nomads depending on their skill level and opportunities available both locally and digitally. Gigs allow them to work anywhere in the world – as long as there is a demand for their skill set.

### Travelling light

Often living minimalist lifestyles, they carry minimal or easily portable gear. They seek existing living and working environment in each location they land, and like to find places that provide space, time, privacy and silence – as well as other likeminded people.

## Our Local Community

187 Thomas St is located in a rich and diverse area of Sydney. Understanding the local audience is critical to positioning the building to suit the unique traits and features of the community. Across Haymarket, Ultimo, Chippendale and central Sydney, ABS 2016 Census data gives us the following insights into the characteristics of the local community<sup>19</sup>:

### Significant population growth in surrounding suburbs

The number of residents in this inner-city region has nearly doubled over the last 10 years, driving up demand for new spaces, services and amenity.

### A prolific young professional population

With around 70% of the population aged between 15 and 34, and a median age of 27–30 years, this part of Sydney is a young professional community, most without children. This young professional demographic is likely to be increasingly engaged with the gig economy, the start-up sector, and new business concepts, and work in more flexible and mobile ways.

### Significant cultural diversity

There are distinctive cultural profiles across this part of Sydney, with less than 10% of the population born in Australia, 18.9% born in China and 20.7% born in Thailand. This increasingly diverse audience has international expectations and aspirations, often leading to new ways of thinking.

### Large numbers of current tertiary students

In 2016, 57.3% of all people in Haymarket reported being “in education.” Of these, 43.6% reported undertaking tertiary studies at either university or technical centre. This density of students suggests a very price sensitive, yet astute audience, who will be looking for trendy offers and experiences.

### Reducing levels of full-time employment

In line with the student population, Haymarket has a lower full-time employment base, and a higher level of part time employees. The percentage of residents employed full-time decreased in Haymarket from 45% to 35% and Ultimo from 60% to 47%. This could be reflective of the casualisation of the workforce relating to the gig-economy and increasingly entrepreneurial workforce amongst Millennials.

### Substantial increases in household income

The median household income has increased substantially from 2006 to 2016 across the region, with the greatest increases in Haymarket and Sydney, both up 78% (\$844 to \$1505 and \$1093 to \$1904 respectively). Increases in household income present an opportunity to provide premium entertainment, leisure or retail experiences, as well as premium venues to hire for private events.

### Increasing rental properties and prices

Median rents have increased by around 50% from 2006 to 2016, the percentage of single bedroom premises has increased, and the proportion of residents renting has also increased. The supports the data that the local demographic is predominantly young professionals without children.

### High percentage of apartment dwellers

Almost half the dwellings in Haymarket are for families, although, 60.4% of the “family” households in Haymarket have no children. With more people living in apartments, there is a greater need for amenity beyond the home. This supports the provision of accessible workspace and equipment and lots of leisure, social and hospitality amenity.

17. NSW Innovation and Productivity Council, The Innovation Economy, 2018

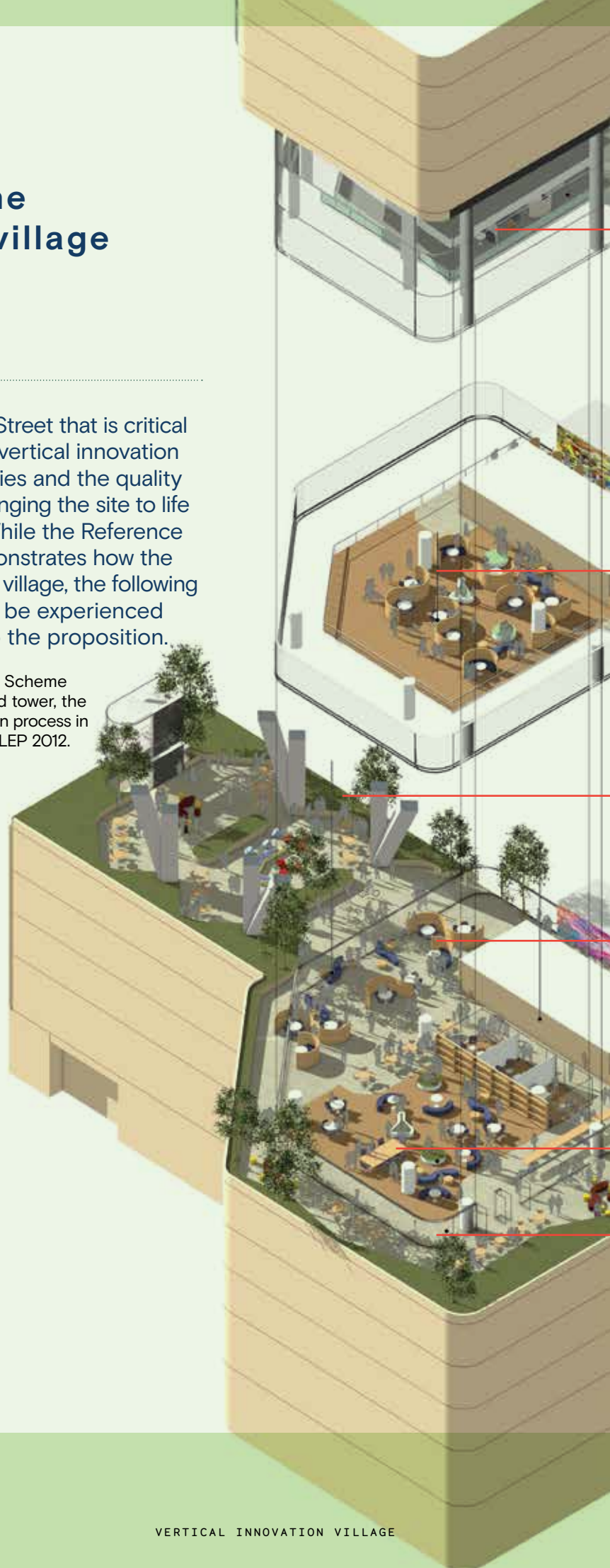
18. Brickfields Consulting, Digital Nomads Trends Report, 2019

19. Australian Bureau of Statistics, 2016 Census Data

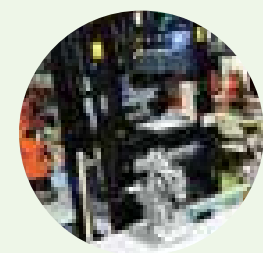
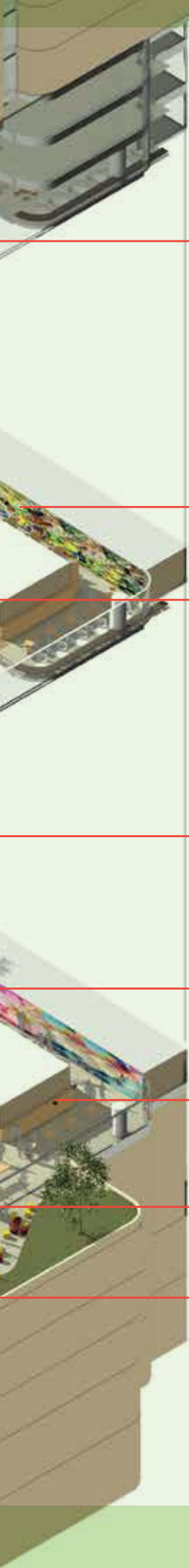
## Experiencing the vertical innovation village

It is more than just the design of 187 Thomas Street that is critical to realising our vision and ambitions for the vertical innovation village. The mix of uses, different daily activities and the quality of the operators are just as much a part of bringing the site to life as the architecture and built environment. While the Reference Scheme for the hybrid tower concept demonstrates how the proposed uses fit within the integrated vertical village, the following pages illustrate how each component will be experienced by users, bringing a human perspective to the proposition.

It should be noted that while the Reference Scheme represents one design for the proposed hybrid tower, the project will be subject to a full competitive design process in accordance with the requirements of Sydney LEP 2012.







# Ground Floor & Public Realm

- 1,058 sqm GFA of entry and lobby space
- 219 sqm GFA of retail and hospitality space
- Integrated ground floor and mezzanine level
- Through-site link connecting Thomas and George Street



The ground floor and public realm surrounding 187 Thomas Street is an inclusive and welcoming environment that drives connectivity across the site and encourages opportunities to socialise and engage.

Featuring three distinctive but interconnected lobbies for the Innovation Tech Hub, the Commercial Offices and the Hotel, the retail and hospitality tenancies and connected public realm offers an interface between public and private uses.

The retail and hospitality assets are critical for attracting the public and catering to the workers and visitors to the building. With a curated selection of unique and hybrid business concepts across hospitality, retail and activations, these spaces are critical for establishing the site as a cool and desirable destination where people can congregate.

The public realm surrounding and cutting through the ground floor is ideal for showcasing curated window displays and public art to highlight the intersection between technology and creativity and for supporting the connectivity between lobbies, retail spaces and the surrounding city.

## REQUIREMENTS:

High quality designed environment with a strong interface between the public realm, lobbies, and hospitality and retail offers

A variety of inclusive lobby spaces, furnished to welcome sitting, meeting and short-term working

Quality retail spaces with good street frontage and interfaces both inside and outside the building to attract passers-by

Operators who have an exceptional track record and bring an established audience

Willingness to let retail tenancies and lobby activities to spill into public realm to present a more integrated sense of place

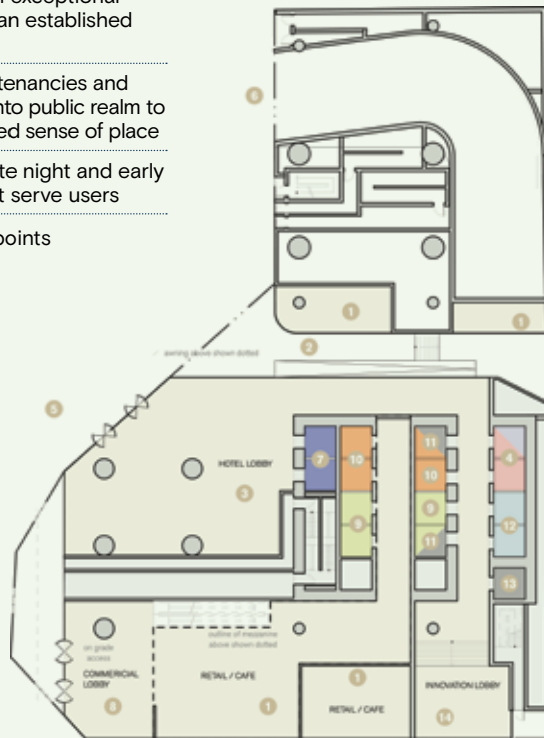
Liquor licensing, and late night and early morning trading to best serve users

Free Wi-Fi and power points

- Carpark lifts
- Commercial low rise lifts
- Commercial high rise lifts
- Innovation / Hotel facilities lifts
- Commercial / Innovation goods lift
- Hotel guest / shuttle lifts
- Hotel service lift

## LEGEND:

- 1 Retail
- 2 Through site link
- 3 Hotel arrival hall
- 4 Hotel shuttle lifts
- 5 Hotel drop-off
- 6 Basement vehicle access
- 7 Carpark lifts
- 8 Commercial lobby
- 9 Commercial low rise lifts
- 10 Commercial high rise lifts
- 11 Commercial goods lift
- 12 Innovation lifts
- 13 Basement vehicle access
- 14 Innovation lobby



## BENCHMARKS:

Paramount House, Sydney



Monster Kitchen & Bar, Hotel Nishi, Canberra

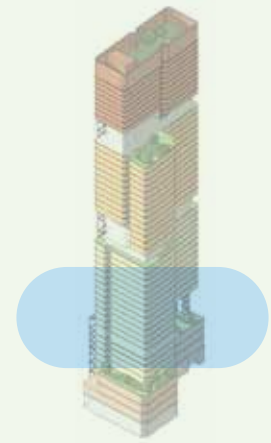


Samsung 837, New York



# Innovation Tech Hub

- 7,429 sqm GFA
- 7 levels across the podium and void tower
- 760 sqm GFA per floor in the void tower
- 1,180-1,690 sqm GFA per floor in the podium



The Innovation Tech Hub will be a shared facility that anchors the building, co-locating a range of facilities, services, equipment and tools to provide a space for technological experimentation, research, development, and collaboration. Tailored to individuals, micro and small businesses developing new products and services, as well as to interested members of the public, this facility should look, feel and perform as a centralised point within the Vertical Innovation Hub.

At the heart of this Hub is an equipped technology fabrication lab providing specialised, professional grade machinery, tools and equipment. Complementary spaces include a welcoming reception and communal forum space, and a variety of bookable and hireable spaces for both members and non-members, including meeting rooms, short-term project rooms, large teaching spaces, and a generous and flexible function venue. An outdoor terrace offers outdoor workspace and extends the function space. A coworking facility will also be integrated into the Hub to provide dedicated desk space and private offices that enable sole traders and micro-businesses a chance to begin their journey to scale up.

As well as offering general office support and amenity to ensure the Hub is a fully functional workspace, a member development and support team will also facilitate access to legal and accounting services, grant support, HR consultancy, marketing advice, and incubator and professional development programs.

### REQUIREMENTS:

Equipped technology fabrication lab, with specialised machinery, equipment and tools (such as 3D printers, EMC devices, electrical design simulation machines, computers and software), and a communal assembly area

Public reception, lounge and forum space, as a centralised point to manage members, bookings and activities, and hold informal events, with connections to the outdoor workspace

A large, flexible, column-free event and function space

- Carpark lifts
- Commercial low rise lifts
- Commercial high rise lifts
- Innovation / Hotel facilities lifts
- Commercial / Innovation goods lift
- Hotel guest / shuttle lifts
- Hotel service lift

### LEGEND:

- 1 Innovation/hotel facilities
- 2 Innovation lifts
- 3 Hotel shuttle lifts
- 4 Hotel service lifts
- 5 Commercial goods lift



Affordable coworking space including communal workstations and private offices to hold 4-10 people

Range of different sized bookable project offices, meeting rooms, and classrooms

Operational team to support the professional development and growth of the community, manage the spaces and run programs, activations and events

### BENCHMARKS:

TechShop at Station F, Paris



Fab9 Makerspace, Melbourne



Sydney Start-up Hub, Wynyard



# Commercial Offices

33,100 sqm GFA  
 26 levels in the low and high-rise towers  
 1,189-1,228 sqm GFA per floor



A variety of commercial office floorplates will attract established technology and innovation businesses as core tenants of the building.

Open plan floorplates designed with flexible partitioning and configuration will adapt to the needs of businesses over time. Smaller scale offices, full-floorplates and multi-floor tenancies will be offered.

Leasing strategies will target businesses in the innovation and technology sectors, particularly those with an appetite to engage with the Innovation Tech Hub members, and with the potential to provide services to or financial support to the growth of new ideas. There is also a preference for tenants who can take over multiple floors and sub-lease space, in order to enable the best vertical integration outcomes.

It is important these offices provide a world-class working environment, with digital connectivity, smart building solutions, and a commitment to sustainability, as well as offer exceptional amenity, and access to the hospitality, retail and lifestyle amenity available within the building.

## REQUIREMENTS:

High-quality office space, with exceptional digital connectivity and a commitment to sustainability standards, including minimum 6-star Green Star rating and smart building solutions

A mix of floorplate configurations, designed with multi-level integration and partition solutions that deliver a mix of full floorplates and floorplates broken into smaller units, providing maximum flexibility to adapt to businesses as they change

Access to excellent building amenity including end of trip facilities, hospitality and retail offers, outdoor space, and the Innovation Tech Hub facilities.

- Carpark lifts
- Commercial low rise lifts
- Commercial high rise lifts
- Innovation / Hotel facilities lifts
- Commercial / Innovation goods lift
- Hotel guest / shuttle lifts
- Hotel service lift

## LEGEND:

- 1 Commercial space
- 2 Commercial low rise lifts
- 3 Commercial goods lift



## BENCHMARKS:

Arup Sydney and Melbourne offices



Mirvac office, Sydney



Melbourne Central, Melbourne



# Tech hotel

- 10,966 sqm GFA
- 9 levels in the sky tower
- 4-star hotel
- 234 rooms around 24sqm each
- 2,000 sqm of workspaces and shared facilities



A 4-star ‘Tech Hotel’ offering within the upper levels of the sky tower will deliver a high-quality product for overnight stays and short-term accommodation, with an importance on convenient and tech-supported amenities and services that are attractive to technology workers and travellers.

The Hotel is of benefit to the workers and guests of the Commercial Offices and Innovation Tech Hub, housing them on site in proximity to their daily work requirements.

Slightly smaller-than-average room sizes will be supported by a generous provision of communal amenity and space, and access to the Innovation Tech Hub’s facilities. Hotel facilities will include health and wellbeing facilities such as a gym and pool, practical workspaces including board rooms and meeting rooms, as well as attractive hospitality that will bring in patrons beyond those staying or working in the building. With the Hotel facilities accessible to members of the Hub and the Offices, this amenity rounds out the work-life balance of those working in the technology sector.

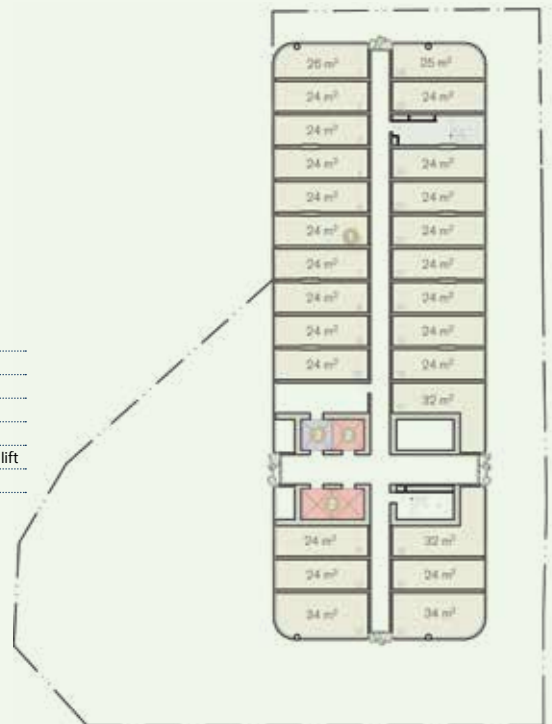
### REQUIREMENTS:

- Diversity of room typologies, offering a mix of sizes and price points
- Diverse range of facilities and amenities, for lifestyle, health and wellbeing
- Shared access to Innovation Tech Hub facilities in return for open access for Hub members to the Hotel facilities.

- Carpark lifts
- Commercial low rise lifts
- Commercial high rise lifts
- Innovation / Hotel facilities lifts
- Commercial / Innovation goods lift
- Hotel guest / shuttle lifts
- Hotel service lift

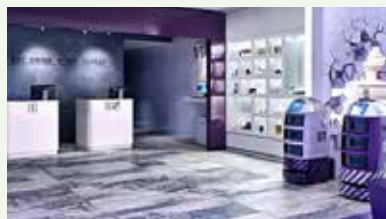
### LEGEND:

- 1 Hotel Rooms
- 2 Hotel room lifts
- 3 Hotel service lift / back of house



### BENCHMARKS:

Yotel, New York



Aloft, Bangkok



# Governance and operations

The business model for the entirety of the Vertical Innovation Hub will enlist a number of operators, who work together in harmony towards the vision for this site to be a home to the innovation and technology-driven community.

It will be a prerequisite for each operator to work in partnership with the others to ensure the building and its various assets, amenities and services can be accessed by the maximum number of people working and visiting the building. This will include value exchange agreements such as the hotel guests accessing the Innovation Tech Hub facilities and coworking spaces, in return for Hub members accessing the hotel facilities; or Commercial Office tenants accessing the fabrication lab in return for running a mentorship program.

## Asset ownership and management

The asset owner - whether Greaton Development or another party - will maintain and manage the long-term mix and success of the building, leasing out different components to carefully selected operators who align with the vision and have the right mix of skills and experience to run each component effectively. An appointed operational team will manage the seven level Innovation Tech Hub. The Hotel will be leased to

an operator for a long-term period, and the commercial tenancies leased to individual businesses and organisations, with some spaces sub-leased by their head tenants. Retail and hospitality tenancies will also be leased direct to operators.

## An experienced advisory panel

A specialist and highly experienced Advisory Panel will be appointed to guide the direction of the Vertical Innovation Village. This Panel will include leading representatives from across industry, academia, research and development, and will be tasked with reviewing and advising on decision making, providing recommendations, and offering sector-specific counsel. Their advice will span a range of aspects including selecting the right operational partners; identifying suitable tenants; planning the facilities and equipment to suit sector needs; brokering partnerships and opportunities; and shaping program and professional development opportunities.

## A specialist Tech Hub operator

The unique anchor to 187 Thomas Street, the Innovation Tech Hub, will be operated by a dedicated operational team. There is a preference for this to be an existing tech-focused coworking operator or a social enterprise, ensuring a focus on a sustainable business model that cross-subsidises affordable and low-income spaces with revenue-raising spaces, putting any profits back into the operations and upkeep of the Hub.

## A membership-based business model

The business model for the Innovation Tech Hub will be driven by memberships, allowing access to the coworking spaces and the fabrication lab, credits towards booking meeting, project and event spaces, and inclusion in the programs and support services on offer. Private office spaces will come at an additional cost. One-off and short-term access, as well as publicly accessible classes and hire of the venue and event spaces will generate additional revenue.

## Precedents for Innovation, Technology and Research Advisory Panels

### SAHMRI Research Advisory Committee, Adelaide, Australia

SAHMRI's research advisory committee is made of leaders across a range of health and medical research fields, who provide advice and guidance on the institute's key areas of research and investigation and the projects to focus funding.

### MaRS Discovery District Solutions Lab Advisory Board, Toronto, Canada

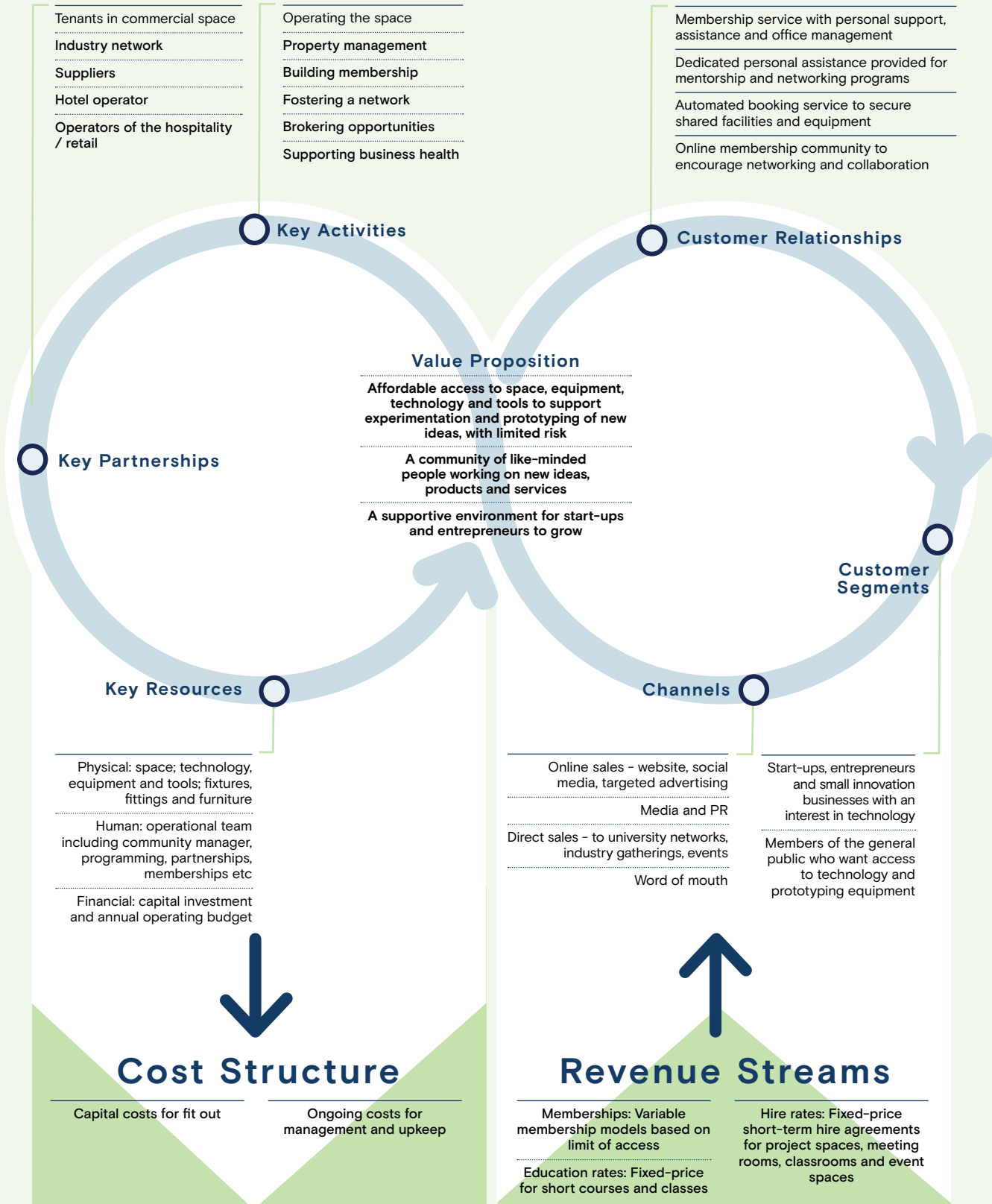
MaRS Solutions Lab brings together stakeholders from across different sectors to collaborate and solve complex problems. The Solutions Lab Advisory Board helps the lab to fulfil its mission by offering their sector-specific experience and strategic insight across industry, government and social innovation.

### CSIRO Business Advisory Committees, Australia

CSIRO's Business Advisory Committees provide independent external advice and assistance to maximise the effectiveness of CSIRO's different businesses. Members are representative of government, peak bodies, industry groups and academia relevant to that business unit.

## How is that value delivered?

## How we create value for our audience



# GREATON

CREATING YOUR PLACE.