

31 August 2020

Willoughby City Council
Level 4, 31 Victor Street
Chatswood NSW 2067

Re: Letter in response to Pre-planning Meeting 27th May 2020
845 Pacific Highway, Chatswood

To whom it may concern,

Further to the minutes from the Pre-planning proposal lodgement meeting, 27th May 2020, Colliers International would like to submit the following comments and analysis of what design parameters are necessary to deliver to the commercial market a product that will entice the required tenant pre-commitment to a notional commercial office tower.

It is our strong belief that the design of commercial office space is of paramount importance in the marketability of accommodation to tenants. In order to assess the configuration and size of office floors we must first assess the prospective market of the user group and what industries will have an interest in Chatswood as a new “home”, but also from what market the prospective tenants will be sourced. Chatswood is a well-established commercial office CBD, but over recent decades has failed to attract pre-commitment tenants due to the availability, quality and size of product on offer. Prospective pre-commitment tenants for well-designed office space in Chatswood will primarily be sourced from both Macquarie Park, North Sydney. The current competitive stock on offer to prospective pre-commitment tenants include;

Macquarie Park – Pharmaceutical, I/T and Medical Device companies.

	Total NLA	Average Floor Size
45 Waterloo Road Glasshouse	35,000sqm	2,800sqm
45 Waterloo Road Stockmarket	30,000sqm	2,900sqm
45 Waterloo Road Central House	30,000sqm	1,200-1,700sqm
11 Khartoum Road	16,800sqm,	1,800sqm
400 Lane Cove Road	32,000sqm	1,520sqm
1 Eden Park Drive	9,500sqm	1,520sqm

North Sydney – Media, I/T, Insurance, Tourism, Government and Construction/Engineering

	Total NLA	Average Floor Size
Victoria Cross	35,000sqm	1,500-1,730sqm
110 Walker Street	61,800sqm	1,400sqm
1 Denison Street	32,000sqm	1,200-1,700sqm
118 Mount Street	27,000sqm	880sqm

As you will note the vast majority of development product in North Sydney offers an average floor plate of 1,400sqm, whilst Macquarie Park offers, 1,700 to in excess of 2,200sqm floorplates.

The current design for the high rise at 845 Pacific Highway will offer a limited average floor plate size of 1,280sqm. This size, with a side core configuration is at the lower end of what is marketable to the pre-commitment tenant market. The fact that the high rise offers a consistent floor plate size and configuration is of significant benefit, as a number of tenants strongly prefer consistency due to the ease of spacial planning, and a desire to provide an equitable office environment to all staff.

The low rise, currently designed with a non-consistent floor plate (due to the tapering nature of the design) with a floor plate ranging from 900-1,200sqm, will enable the development to provide a variety of floor plate outcomes to suit a number of smaller tenant needs in a high amenity office building. The low rise smaller floor plate size will be attractive to high tech start-up firms and flexispace operators that will service the larger high rise pre-commitment tenant. We note that the need to provide high quality amenity office space for such companies was highlighted in the 2016 AEC Economic Report Competitive and Comparative Analysis for the Chatswood CBD.

It is essential that any commercial office product designed, must meet and compete in a highly competitive market, and the size and configuration of the floorplate is of significant importance, especially in securing the required pre-commitment tenant. Naturally the inherent benefits of Chatswood as a commercial centre with significant amenity and public transport attributes will assist in it's attractiveness, the base building design will always be at the forefront of any tenants decision making process.

The design currently proposed will provide Chatswood a competitive well designed product, but as noted the ability to secure a large pre-commitment tenant in a competitive market will require the largest possible floor plate that is consistent in size.

Yours Sincerely,



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