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Conversations: The Future Campus Village

Slattery Conference Insight: 02



Tertiary/Commercial Partnerships – Australia's future campus village



Belinda Coates is Director, Clients & Strategy at Slattery. In this paper, Coates combines insights from Slattery's recent Future Tertiary Campus virtual forum, her panel spot at The Urban Developer's Education Development vSummit, and the CEDA Vice Chancellor Discussion in May 2021.

Across Australia, there are many great examples of partnerships between commercial developers and tertiary. In NSW and VIC, Charter Hall and Lendlease are leading the way with several innovative partnerships; each unique, accounting for the assets and/or future growth requirements of the individual campus.

Case Studies:

Western Sydney University

Project: Health and Medical Precinct, Westmead

Partner: Charter Hall

Value: \$350m

Three mixed use towers (38,000sqm space) and retail (4,000sqm). Charter Hall and WSU are jointly developing a commercial, life sciences and research campus on land owned by the university adjacent to the Westmead Hospital. The university has committed to an initial 15-year lease term for stage one of the Westmead project and will occupy approximately 50 per cent of the research and office space, with CSIRO also committing to Stage 1. Stage 2 is targeted for commencement in late 2021 with completion in late 2023.

UNSW and Western Sydney

Project: Engineering Innovation Hub

Partner: Charter Hall

Value: \$280m

Located in Hassall Street, Parramatta, creating 29,000sq m to be tenanted by WSU and UNSW. Charter Hall and WSU have partnered to co-develop Parramatta's latest integrated Higher Education and commercial office development. A new high performance, health and hygiene and technology enabled learning facility for an Engineering and Innovation Hub. A first of its kind for STEMs based curriculum located within the heart of the Parramatta CBD. The Hassall Street development will deliver an integrated campus of education, commercial and retail uses under one roof. Due of completion in 2021.

Western Sydney University

Project: 1PSQ

Partner: Charter Hall

Value: \$220m

WSU teamed with Charter Hall, to deliver a 26,500sq m Parramatta City campus at One Parramatta Square. Developed and owned by Charter Hall, the university committed to a long term lease structure with options. Commercial partners PwC and Water NSW were brought into the building to partner and collaborate with the University. Completed in 2016.

The University of Wollongong

Project: Health and Wellbeing Precinct

Partner: Lendlease

Value: \$250m

The University of Wollongong has recently lodged a Development Application to Wollongong City Council seeking approval for a masterplan concept for a proposed world-class Health and Wellbeing Precinct. The is specifically for a 3.5-hectare area located at the southern end of the University's Innovation Campus at Fairy Meadow. The University's Health and Wellbeing Precinct is a ground-breaking concept that combines health research and teaching with patient-centred, multidisciplinary health facilities and independent housing for over 55s.



The Precinct has been designed to promote intergenerational living, life-long learning and improve health outcomes for people in the Illawarra, Shoalhaven and Sutherland Shire. It will be a place for living, learning, working and growing in an environment that supports complete physical, social and mental health and wellbeing. When completed in 2024, the Precinct will be Australia's first Intergenerational University Community.

The precinct will include:

- A new large, green open space, situated at the heart of the Precinct and open to the whole community;
- A University operated Primary Community Health Centre combining community health services with a significant focus on teaching and research activities in health-related disciplines;
- An Independent Living Retirement complex operated by Lendlease that will feature quality facilities for residents and approximately 220-240 apartments;
- Residential aged care facility with approximately 120-144 beds;
- Childcare Centre with approximately 80-100 places;
- Community facilities including a wellness centre, café and community hub;
- Neighbourhood retail to service the Precinct;
- Sustainability features such as solar energy and water-sensitive urban

In Victoria there have been considerably less commercial / tertiary JV's due to the complicated planning and restrictions under the Victorian Government's Land Transactions Policy and Guidelines.

University of Melbourne

Project: Melbourne Connect

Partner: Lendlease, GIC, Spotless, Urbanest

Value: \$425m

Melbourne Connect is an innovation hub connecting 5 buildings around an 'oculus' that will be developed, built, owned and operated by Lendlease for a 42-year period. The project includes 65,000sqm of space for commercial, retail, childcare and collaboration hub, as well as 528 student accommodation rooms operated by Urbanest. Melbourne University will occupy 75% of the space with around 10,500 leased to the market. The precinct also includes the Science Gallery.

Victoria University

Project: City West Precinct

Partner: ISPT

Value: \$400m

In a 30-year lease-back arrangement, Victoria University have secured the lease for all 26 floors, subletting several floors to law firms. Based within the legal precinct, their complementary tenants open the pathway for partnerships between the School of Law and the law firms, providing opportunity for internships and creating a pipeline of Graduates.

On the horizon

La Trobe University is seeking a long-term partner to develop a "city" in Bundoora including residential, commercial, allied health, tertiary and sporting precincts.

Commercial considerations and benefits

Access to foot traffic

Commercial developers have long been attracted to the tertiary campus. Campuses provide access to high levels of foot traffic, and the tertiary tenant provides long-term certainty – often committing for well over 30 years.

With the uncertainty of the pandemic, this has made development partnerships untenable in the short term. In the longer term, tertiary is driving a different conversation. A multitude of partners are being considered – from retail, research, medical, aged care, commercial and even manufacturing.

Creating innovation through partnerships

Tertiary developments are considered exclusive and high profile. Traditionally, these are also the projects with the opportunity to make real change. Whether it be for Passiv Haus, Net Zero developments or by introducing innovative product like CLT - our tertiary institutions will lead the way, with commercial partners following suit.

The increase in commercial and tertiary partnerships suggests we can also expect to see high levels of innovation flowing through to the commercial sector.

Tertiary institutions are also leading the way in the Net Zero space. Not only considering operational carbon, many are also early adopters of carbon planning to measure and mitigate embodied carbon in building materials.



A pipeline of graduates

One of the greatest benefits of industry and commercial partnerships is the ability for tertiary to merge with post-grad life, creating a pipeline of graduates.

In the future, we may see more models like One Paramatta Square, where UWS has a long-term lease combined with complementary commercial tenants. The graduates benefit from work experience and internships while companies such as PwC benefit from access to post-grad courses on campus.

The opportunity for industry to be on or adjacent to campus provides a unique opportunity to grab talent. Business leaders can tutor students and in reverse, students can undertake work experience – creating a great partnership.

As a regional university, Federation Uni is focused on working with local employers. 30 years ago, the university started Tech Park in Ballarat with IBM – launching a pipeline of talent. In regional areas where participation is low, working with employers is key.

Creating communities - the university village

For some of the larger city and sandstone universities, there is considerable opportunity to invite industry onto the campus for short term leases that can be scaled up or down depending on student enrolments.

Business and creative industries such as advertising and architecture benefit greatly from access to the libraries, gardens, and facilities.

Embracing the concept of the university village, La Trobe University recently released an EOI for a long-term partner to develop a university “city”. At 240 hectares, La Trobe is one of the largest university campuses in the Southern Hemisphere. The recent EOI reflects a desire to turn the campus “inside out” – incorporating facilities such as the Matilda’s sports stadium to truly integrate with the community. They will also seek a myriad of industry, commercial and research partners, as well as developing residential and allied health.

What’s next?

Commercial and tertiary partnerships are not about replacing lost revenue from international students. They are about creating multiple opportunities for co-located partners, creating value for students and the community alike.

Pre-pandemic, Australia’s developers became increasingly interested in the opportunity to partner with major universities. Developers could see the opportunity to link commercial office, retail and residential with the benefit of campus foot traffic and the share of the international student wallet. Post-pandemic, universities are realising that significant benefits lie in the opportunity to raise revenue and create tangible value for the student community.

University of Melbourne,
New Student Precinct



Image Credit: Slattery Sydney Collection

About Slattery

Founded more than 40 years ago, our dedicated and experienced team is focused on delivering the most efficient solutions for our clients. Slattery is a property and construction advisory firm with offices in Brisbane, Melbourne, Sydney and Perth providing end-to-end property and construction cost management services.

A commitment to excellence and innovation, and an ability to become an integral part of the project team has earned Slattery the trust and respect of clients and project teams alike. Slattery will add value to the project by taking control and ownership of the cost management process from the outset.

Commitment to Knowledge Leadership

Slattery is committed to knowledge leadership in the property and construction industry. We regularly facilitate national round table forums and conferences with varying sector focal points, featuring presentations from key industry leaders and diverse guest lists. Our Kaizen Papers focus on sharing knowledge, ideas and pertinent cost information related to our industry. Kaizen is the Japanese word for improvement, and a business philosophy that strives for continuous improvement in process.

For more information about our Knowledge Leadership, please contact Director, Clients & Strategy, Belinda Coates at belinda.coates@slattery.com.au

Education Sector

At Slattery, we believe in creating education precincts that facilitate positive learning outcomes for students and staff. While aesthetic and functional design is vitally important, it is also essential that projects deliver value for money through quality construction and cost management.

Slattery is passionate about education projects, with a total portfolio now comprising over 400 education projects delivered since 2000. In fact it has been a core focus of our business for more than 40 years. We have worked with 24 of the 43 registered universities in Australia, including 6 of the Group of 8 and fully understand the challenges facing tertiary institutions. Our expertise is unrivalled and ensures our tertiary clients receive accurate, reliable and tested data.

For more information about Slattery and our Education team, please contact National Education Sector Lead, Tom Dean at tom.dean@slattery.com.au

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