

Wollongong Office Market Prospectus



Welcome

The Wollongong CBD is undergoing a rapid transformation with a significant number of cranes in the sky and several large office developments either under construction or in the pipeline.

As businesses assess the ongoing impacts of COVID-19, they have an opportunity to re-examine their business models and accommodation needs. This additional supply of A-grade office space means there is an opportunity for businesses to consider Wollongong as a legitimate CBD location, whether it be a new satellite office, shared services centre or to provide flexible working arrangements for staff.

The availability of new office stock, combined with our large highly skilled talent pool, lower staff turnover, and a great work life balance, provides an opportunity for organisations to consider all that our city has to offer.

Prior to the COVID-19 pandemic the Wollongong CBD had seen an unprecedented level of investment and construction, including \$1.6B of investment in recent years.

The Wollongong CBD is seeing an additional 28,000 sqm of A-grade office space under construction or newly completed, representing a 36% uplift on current stock levels.

This includes:

- 'Gateway on Keira' – a newly completed A-grade office development on Keira Street (5,259 sqm GFA).

- 'Avante' – a newly completed mixed-use development offering A-grade office space overlooking the Wollongong CBD (5,500 sqm GFA).
- 'Lang's Corner' – a landmark A-grade office development offering premium space on the lower Crown Street Mall (12,733 sqm gross floor area (GFA), including 11,452 sqm of net lettable office space).
- The new IMB Bank headquarters at 47 Burelli Street – an A-grade office development that is already fully committed. (6,695 sqm GFA).

There is also a further \$400M+ of projects in the pipeline, including approximately 25,000+ sqm of A-grade office space.

Wollongong City Council is committed to seeing our City grow and prosper. Late last year Council endorsed an updated Economic Development Strategy 2019-29 including an ambitious target of 10,500 net new jobs by 2028.

This strategy focuses on growing highly skilled, professional knowledge-based jobs that tap into the existing large talent pool. This pool includes many local residents who commute to roles outside the region and the large number of highly skilled graduates coming out of the University of Wollongong. In order to achieve this jobs target, the Wollongong CBD needs more high quality office accommodation.

I invite you to take a look through the Wollongong Office Market Prospectus to learn more about the exciting opportunities Wollongong has to offer as an alternative office market precinct.

We look forward to seeing how Invest Wollongong can assist you in exploring the many opportunities that exist in our city.

Lord Mayor Councillor Gordon Bradbery AM



Wollongong: an alternative CBD location

There are now exciting and potential game changing office leasing opportunities in our city.

**70%
UPLIFT**

A-grade office stock pipeline

**28,000
sqm**

A-grade office space under construction or newly completed

**25,000+
sqm**

A-grade office space future pipeline

Wollongong is the perfect location to consider for your business to establish, through relocation or a new satellite office



Home to a thriving business community



Superb liveability; where work-life balance is real



Lower commercial rents



Strategic gateway location, 1 hour from Sydney and 2.5 hours from Canberra



Large talent pool of 23,000 daily commuters to Greater Sydney



Commercial/business focused global university to partner with on research and commercial projects



Up to 33% more cost effective than Sydney, Melbourne or Parramatta



Why your business should consider Wollongong

1. A cost effective alternate CBD location

Wollongong is the perfect location to consider for a professional, financial and shared services business to establish, whether it be relocation or a new satellite office.

Research undertaken by Fifth Quadrant found that Wollongong is up to 33% more cost effective for a shared services operation when compared to Sydney, Melbourne or Parramatta CBD. A key reason is Wollongong's lower staff turnover rate at only 8%, which is less than half the national average (19%), translating to lower operating costs.



Wollongong is up to 33% more cost effective than Sydney, Melbourne and Parramatta CBDs



Wollongong shared services staff turnover rate is 8%, <50% the national average which is 19%

Shared Services

Shared services span a broad range of sectors of the economy with a focus on providing support services to large, multi-location businesses. Intensive users of technology and skilled people, these business functions cover an array of support services including back office activities in finance, accounting, HR, administration operations, call centres, IT and tech support desks.

Wollongong is a cost effective shared services location compared with other CBDs.

Fifth Quadrant's analysis of an indicative 150 seat contact centre demonstrated that Sydney is the most expensive location for a shared services operation with higher cost of salaries, staff turnover and real estate. This is closely followed by Melbourne and Parramatta.

Wollongong is considerably less expensive with lower salary costs, significantly lower staff turnover and lower real estate costs, delivering savings in the range of 28-33% relative to capital city locations.

Operating costs: 150 seat contact centre

	Sydney	Parramatta	Melbourne	Wollongong
Total Salaries	\$9,640,000	\$9,640,000	\$9,635,000	\$7,090,000
Cost of Staff Turnover	\$316,514	\$316,514	\$316,514	\$96,923
Real Estate @ 1,750m ²	\$1,750,000	\$962,500	\$1,225,000	\$700,000
Total	\$11,706,514	\$10,919,014	\$11,176,514	\$7,886,923
% Savings to Wollongong	33%	28%	29%	

Source: FY 18-19 Hays Salary Guide



2. Large Talent Pool

23,000 skilled commuters

A key attraction is the existing large talent pool available, with 23,000 commuters from the region travelling to Greater Sydney, including 9,000 Managers and Professionals.

Constant flow of talented graduates

Wollongong's large talent pool is complemented by the high number of students and graduates studying at the University of Wollongong. Currently, there are almost 26,000 students studying at the Wollongong campus in subjects as varied as engineering, information sciences, medicine, health, law and business.

UOW is ranked in the top 1 percent in the world of universities for the quality of graduates in the 2019 QS Graduate Employability Rankings.



UOW Graduate Numbers		
	Undergraduate	Postgraduate
Faculty of Business	726	545
Faculty of Engineering and Information Sciences	653	589
Faculty of Law, Humanities and the Arts	851	48
Faculty of Social Sciences	632	496
Faculty of Science, Medicine and Health	829	573
Total	3,691	2,251

The Illawarra's Commuter Pool		
Occupation	Number of Commuters	Share of total %
White Collar workers	14,189	62.1
Managers	3,272	14.3
Professionals	5,715	25
Community and Personal Service workers	2,439	10.7
Clerical and Administrative workers	2,763	12.1
Blue Collar workers	8,291	36.3
Technicians and Trades workers	3,642	15.9
Sales workers	1,292	5.7
Machiners Operators and Drivers	1,933	8.5
Labourers	1,424	6.2
Inadequately described/ not stated	357	1.6
Total	22,837	100%



23,000 commuters to Greater Sydney each day



9,000 Managers and Professionals commute to Sydney



3. Home to a thriving business community and leading commercial brands

Wollongong is home to a thriving business community and leading commercial brands. It offers an alternative CBD location to businesses who may not have traditionally considered the city as an office market precinct.

The Wollongong CBD is a key employment hub supporting over 26,000 jobs - almost a third of all jobs in Wollongong LGA. The CBD is home to many sectors including growing professional, financial and shared services sectors. These businesses are attracted by a large talent pool of high-quality staff and a lower cost operating environment.

Our city is also home to the University of Wollongong's Innovation Campus, an award winning research, technology and commercial precinct. This precinct seeks to encourage innovative organisations to co-locate with

UOW's leading research institutions. It includes iAccelerate, a unique business accelerator and incubator program.

Tech is also thriving in Wollongong, encouraged by a supportive business environment, led by 'Siligong Valley.' Siligong Valley is a community of over 1,000 professionals who voluntarily arrange meetups and are focused on placing Wollongong on the global tech and entrepreneurial map.

Some of the firms calling Wollongong home include:

Mercer, ATO, IMB Bank, KPMG, Services Australia, NEC, Cardno, EY, Illawarra Credit Union, SES, PeopleCare, GPT, Colliers International, Australian Health Management, South32, StatePlus, Community Sector Banking, iTree, Internetrix, Accorplus, Suncorp, Northrop Consulting Engineers, iCare, Accelo, Finocomp, GHD, Stellar, GBST, First State Super, Local Government Super.

Wollongong: new commercial developments



Gateway on Keira - a newly completed A-grade office development on Keira Street (5,259 sqm GFA)



Avante - a newly completed mixed-use development offering A-grade office space overlooking the Wollongong CBD (5,500 sqm GFA)

Alongside the boom in office developments, the Wollongong CBD is seeing strong demand for residential living due to its great coastal lifestyle, a thriving arts and music, foodie and small bar culture. There have been many new residential towers constructed in recent years, indicating a strong demand for people to live in what is a truly cosmopolitan city. As at July 2020, there were over 1,100 residential units under construction, with a further 700 approved units in the pipeline. This represents a substantial uplift in additional residents who will soon call the Wollongong CBD home.

4. Lower commercial rents

Leasing quality A-grade office space is more affordable in Wollongong when compared with capital city markets.

Recent rental data for June 2020 shows that for prime A-grade pre committed space, leasing in the Sydney CBD is around three times more expensive than in Wollongong. Secondary Sydney markets such as North Sydney and Parramatta are also comparatively higher cost in both A-grade pre commit and existing A-grade segments.

Wollongong therefore represents a more cost effective option for either business relocation or establishment of a new satellite office.

Office Leasing Rates – Sydney v Wollongong			
	Prime A-grade/pre-commit	A-grade	B-grade
Wollongong	\$485 - \$530	\$400 - \$485	\$325 - \$400
Sydney CBD	\$1,400 - \$1,800	\$1,250 - \$1,400	\$950 - 1,150
North Sydney	\$1,250	\$800 - \$1,000	\$650 - \$800
Parramatta	\$650+	\$550 - \$650	\$400 - \$550

Indicative rates based on Invest Wollongong research, June 2020.



Lang's Corner - a landmark A-grade office development offering premium space on the lower Crown Street Mall (12,733 sqm GFA, including 11,452 sqm of net lettable office space)



IMB Bank's new A-grade headquarters on Burelli Street (6,695 sqm GFA)

Wollongong case studies

Wollongong is an attractive location to establish a new head office or satellite operation for both the public and private sectors.

IMB Bank Head Office 47 Burelli Street Wollongong

IMB Bank is currently in its 140th year of operation and has been offering banking services to the Illawarra community since 1880. Currently, they employ over 500 staff across a range of banking and professional services roles.

The IMB Bank's new head office at 47 Burelli Street is currently under construction. This \$45 million land and building construction investment re-affirms IMB's long term commitment to the Wollongong CBD.

The seven story A-grade office building offers a gross floor area of 6,695 sqm (GFA). The building boasts a sustainable approach offering many operating efficiencies.

The design incorporates a range of flexible work and meeting spaces which, supported by technology and more innovative, agile ways of working, will encourage increased collaboration and productivity.

The new building will be light-filled, diverse and contemporary, and will provide a working environment that is modern and flexible, thereby reinforcing IMB's culture and contributing to IMB's ability to deliver a leading employee experience and enhanced outcomes for its members. IMB Bank's new head office is estimated for completion by December 2020.

"IMB was formed in Wollongong in 1880 by a group of businessmen who pooled their money to help each other build their homes. 140 years on, IMB Bank has members from all over Australia, but we remain committed to helping our members reach their financial goals. Our new offices will deliver an improved employee experience and more efficient ways to work and collaborate so we can achieve our mission to make our members and communities better."

Robert Ryan, Chief Executive, IMB Bank



Mercer Administration Services Wollongong: Lang's Corner

Mercer, a global leader in redefining the world of work, reshaping retirement and investment outcomes, and a business of Marsh & McLennan (MMC), is relocating its Coniston offices to the Wollongong CBD.

Mercer has announced it will enter into over a decade-long lease and development commitment for 5,000 square metres of the historic Lang's Corner building in the heart of Wollongong. The move supports Mercer's ongoing role in providing regional employment opportunities and will deliver a modernised workplace for its colleagues - fit for the future of work.

According to Mercer, Lang's Corner will enable the consolidation of operations which are currently spread over multiple buildings, with capacity for future growth. The new office will be outfitted as an MMC Smart Office, enabling over 500 Mercer colleagues to collaborate under one modern roof, with anticipated completion in mid-2022.

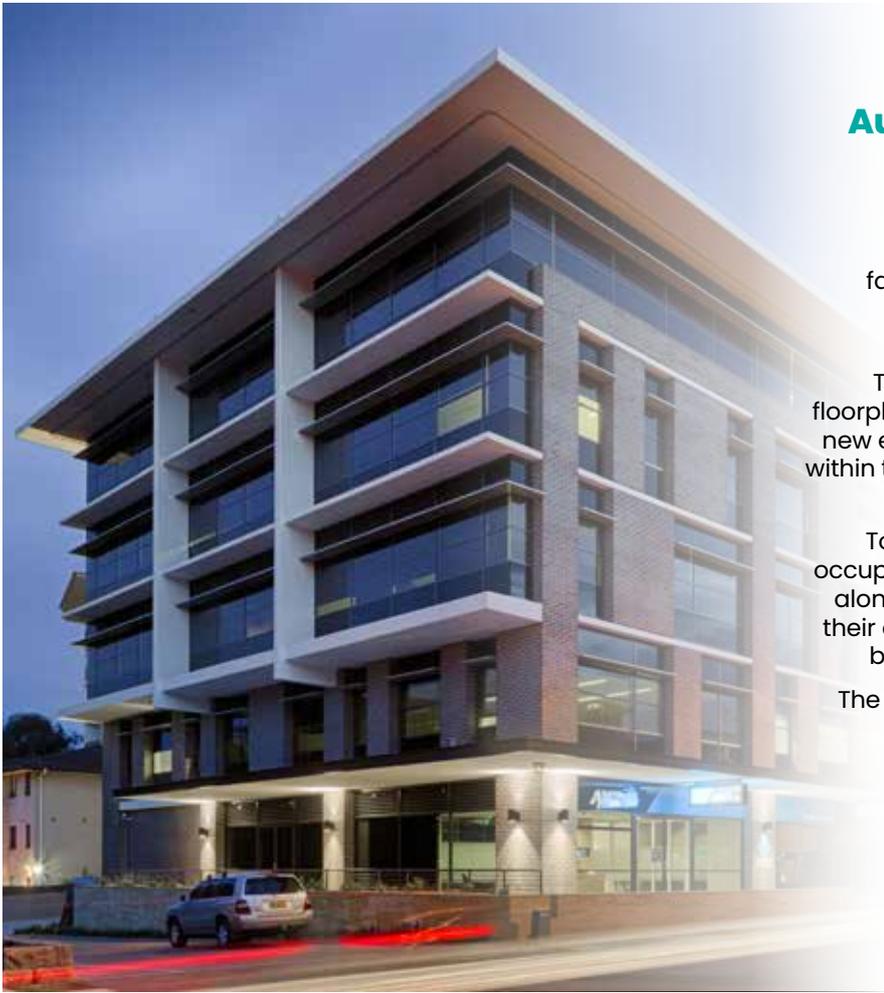
Smart Office allows colleagues to find the workspace that works best for them. In addition to a mix of spaces designed to support agile

and flexible working, the office will feature a spacious staff hub on the top floor with panoramic views where colleagues can refresh, energise and socialise. The new environment will also feature seamless wireless connectivity and smart technology to enable colleagues to work effectively.

"As one of the largest employers in the region, we recognise our responsibility to the community and we are proud of Mercer's commitment to contributing to the transformation and economic growth of Wollongong. We have forged excellent relationships with the business and local community in the Illawarra and we will continue to invest in our operations in Wollongong,"

**Craig Rice, Head of Mercer
Administration Services**





Australian Taxation Office 45-53 Kembla Street Wollongong

Completed in 2013, the ATO's new facility on Kembla Street added much needed A-grade office space to the Wollongong CBD.

The five storey building, offering large floorplates over 1,500 sqm (GFA), achieved new environmental standards at the time within the Wollongong office market, with a 5.5 star NABERS rating.

Today, the upper floors continue to be occupied by the ATO on a long term lease, along with ANZ Business Banking hosting their corporate and commercial business banking team for the Illawarra region.

The ATO currently employ 310 staff in the Wollongong CBD.



NEC Australia UOW Innovation Campus

NEC Australia, a leading Australian ICT solutions and services firm chose to locate its newest \$25M corporate office and support centre in Wollongong in 2017 at the University of Wollongong's Innovation Campus.

Today, NEC employs 130 staff and its new corporate office will continue to support major customers of NEC across the country. NEC Australia was impressed with the quality of the

workforce in Wollongong and tapped into the many experienced senior IT professionals and executives located within the region along with the UOW IT graduate pool.

"NEC chose Wollongong due to its combination of state-of-the-art facilities, access to a talent base provided by University of Wollongong (UOW) student and graduate pool, easy access to Sydney and the wonderful business and lifestyle benefits of the Wollongong location."

**Martin Braithwaite, General Manager,
NEC Wollongong**



Wollongong office leasing opportunities

The unprecedented level of development in the Wollongong CBD offers many unique opportunities for businesses considering a re-location or the establishment of a satellite office.

There is over 45,000 sqm (GFA) of non-residential floorspace under development, including approximately 28,000 sqm of A-grade office space. These include:

- 'Gateway on Keira', a newly completed A-grade office development on Keira Street (5,259 sqm GFA). Available late 2020.
- 'Avantè' - a newly completed mixed-use development offering A-grade office space overlooking the Wollongong CBD (5,500 sqm GFA). Available now.

- 'Lang's Corner', a landmark A-grade office development offering premium space on the lower Crown Street Mall (12,733 sqm GFA, including 11,452 sqm of net lettable office space). Available mid-2022.
- New IMB Bank headquarters at 47 Burelli Street, a new A-grade office development currently under construction and fully committed. (6,695 sqm GFA).

There is also a future pipeline of projects that have not yet commenced, potentially offering a further 25,000+ sqm (GFA) of A-grade office space. These include:

- 'Kembla Chambers' an approved 12-storey A-grade office development adjoining to Lang's Corner (10,089 sqm GFA).
- 80-82 Market Street, an approved 6-storey A-grade office development (4,440 sqm GFA)
- 25-27 Denison Street, an approved 7-storey A-grade office development (11,570 sqm GFA)



New opportunities

Gateway on Keira 134-148 Keira Street Wollongong

Gateway on Keira is a four storey 5,259 sqm (GFA) newly completed A-grade office development at 134 -148 Keira Street in a prime CBD location.

Designed to achieve a minimum 5 star NABERS rating, the building will offer high quality amenities including two high speed centrally located lifts with excellent natural light. Comfortable end of trip facilities will be available along with secure basement parking. Available late 2020.

Floorplate Size (NLA):

Large open plan floorplates up to 1,324 sqm

NABERS Rating: 5 Star

Car Parking:

87 with motorbike parking

Access to fibre:

Yes

End of trip facilities:

Bike racks, showers

Agency:



Avantè Commercial 3 Rawson Street Wollongong

Avantè is a state of the art, newly completed development overlooking the Wollongong CBD.

Avante offers A-grade floorplates (1,650 sqm). It is strategically located only 100m from the absolute city centre, close to the train station and in a vibrant precinct now the focus of the city!

The building's future focused design includes a fully separated commercial building, separate entry/foyer, dedicated lifts, dedicated air con per tenancy, power and separate stratum. Flexible areas are available.

Floorplate Size (NLA):

Large floorplates of over 1,650 sqm

NABERS Rating: Not rated yet

Car Parking:

Secured parking (1:52 sqm) for 107 cars

Access to fibre: Yes

End of trip facilities: Yes, at ground level

Agency:



Lang's Corner 101 Crown Street Wollongong

Lang's Corner is a landmark A-grade office development on the lower Crown Street Mall in the heart of the Wollongong CBD.

The 11 storey building with a gross floor area of 12,733 sqm, offers ten floors of premium office space with expansive views and an integrated fit-out, set above a ground floor shopfront. Currently under construction, with anticipated occupation by mid 2022.

Floor Plate Size (NLA):

- Total net lettable office space 11,452 sqm
- Floor plate sizes 900 sqm, 1,000 sqm & 1,671 sqm with 6,452 sqm still available

NABERS Rating: 5 Star

Car Parking:

- 213 car parking provided
- 130 car parking available
- 10 motorbike parking
- 78 bicycle parking

Access to fibre:

Access to fibre, in built coverage digital antenna system (IBC DAs), providing mobile coverage to all intended areas

End of trip facilities: Yes

Agency:

**Knight
Frank** 



Pipeline projects

Kembla Chambers 111-119 Crown Street Wollongong

An adjoining A-grade office development to Lang's Corner on the lower Crown Street Mall in the heart of the Wollongong CBD.

The 12 storey building with a gross floor area of 10,089 sqm, offers 11 floors of premium office space with an integrated fit-out, set above a ground floor shopfront.

Floor Plate Size (NLA):

Total net lettable area (office) 9,181 sqm
Floor plate sizes 770 sqm, 845 sqm & 1,150 sqm

NABERS Rating: 5 Star

Car Parking:

171 car, 7 motorbike and 65 bicycle spaces

Access to fibre:

Access to fibre, in built coverage digital antenna system (IBC DAs), providing mobile coverage to all intended areas

End of trip facilities: Yes

Agency:

RealCom Property



80 – 82 Market Street Wollongong

A recently approved A-grade office development at 80–82 Market Street Wollongong, in the centre of the Wollongong CBD.

The building will offer 4,440 sqm of gross floor area over 6 floors, with 4 basement levels.

The proposal includes a café and activation of adjacent laneway next to the heritage listed Hotel Illawarra.

Floor Plate Size (NLA):

Typical floorplate of 960 sqm per level

NABERS Rating: 5 Star

Car Parking:

- 65 car spaces over 4 basement areas
- 20 bike storage spaces are available
- Green car sharing spaces

Access to fibre: Yes

End of trip facilities:

Close to all public transport facilities, including train station and bus stops.

Agency:



25-27 Denison Street Wollongong

A seven storey A-grade office development at 25-27 Denison Street in the Wollongong CBD, with close proximity to rail services and the Wollongong health precinct.

The building offers 11,570 sqm of gross floor area with all floors offering large floorplate office space. End of trip facilities will be available, including bike storage, along with secured car parking.

Floor Plate Size (NLA):

Total net lettable area: 10,641 sqm

Net lettable area per floor

(these areas exclude amenities):

- Ground Floor: 1,004 sqm
- Level One: 1,628 sqm
- Level 2-5 inclusive: 1,717 sqm (each)
- Level 6: 1,141 sqm

NABERS Rating: 5 Stars

Car Parking:

- 193 car spaces
- 8 motorbike spaces

Access to fibre: TBC

End of trip facilities:

- Storage for 74 bicycles
- Separate male and female change
- facilities, including toilet, showers and lockers.

Agency:

ADM Architects



Existing opportunities

Level 2, 280 Keira Street Wollongong

A modern, high quality A-grade office building within the Wollongong CBD, directly across from a large city park with excellent natural light on all sides.

The available space offers a substantial fit out of up to 130 work stations which can stay or be removed. End of trip facilities are available, along with secure parking and a ground floor café.

Floor Plate Size (NLA):

Large column free floorplates, 500-1,370 sqm

Nabers Rating: 5.5 Star (Base Building)

Car Parking:

Car Spaces 1:70 sqm

Access to fibre: Yes

End of trip facilities: Yes

Agency:



83-85 Market Street Wollongong

Perfectly positioned within close proximity to Wollongong's retail, commercial and medical precinct and only a stroll to local cafes, eateries and public transport facilities.

Fully refurbished office suites with renovations currently underway offering a quality and modern fit out, including end of trip facilities and car parking.

Available second half of 2020.

Floor Plate Size (NLA):

400 sqm floor plates, 5 floors available with a total of 2,000 sqm

NABERS Rating: 0 Star

Car Parking: 28

Access to fibre: Yes

End of trip facilities:

Bike racks, showers

Agency:



UOW Innovation Campus Squires Way North Wollongong

The Enterprise 1 building is part of a master planned, award winning research and technology precinct located at the University of Wollongong's Innovation Campus.

A modern, environmentally-friendly building with state of the art facilities. Enterprise 1 is one of Wollongong's premium A-Grade office buildings. The building includes access to end of trip facilities, well presented meeting facilities, café and recreational areas.

Free shuttle bus connections to the CBD and only 1 hour from Sydney Airport.

Floor Plate Size (NLA):

Floorplates between 460 sqm - 1,330 sqm available

Nabers Rating: 5 Stars

Car Parking: 30

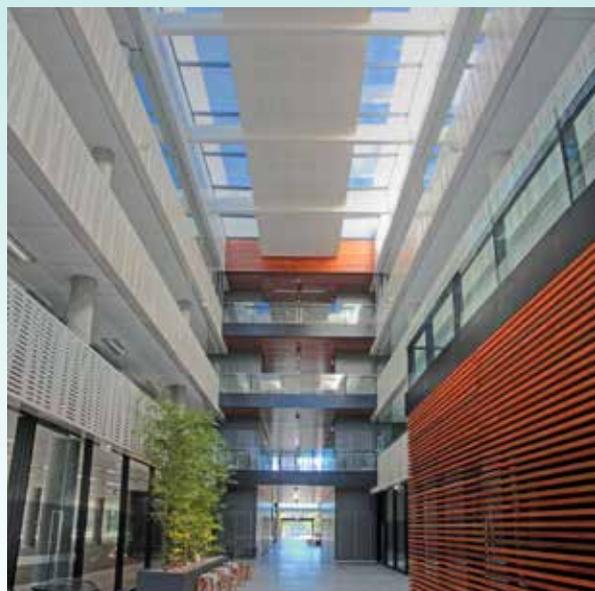
Access to fibre: Yes

End of trip facilities: Bike racks, showers

Agency:



**/INNOVATION
CAMPUS**



To find out more about Invest Wollongong

visit investwollongong.com.au
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Supported by



Date of publication: October 2020.

Invest Wollongong has made every effort to ensure the accuracy of the information contained in the Wollongong Office Market Prospectus, having worked closely with property owners and local commercial agents in the preparation of the document.