

Sydney's Darling Harbour: A case study in the dynamics driving change in a large city of the developed world

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The processes transforming our large cities are complex and are often difficult to assign a definitive label to. At a macro scale, the processes of economic, technological and social and demographic change are the key drivers of change. At a micro scale, the dynamic of urban decay and renewal, and in the case of Sydney urban consolidation, are key processes. But our established assumptions about the nature of urban decay and renewal no longer seem to apply. There is clearly a need to develop a more nuanced understanding of such processes. We need to acknowledge, for example, that factors such as the need to maximise economic returns, and the need for world cities such as Sydney to remain internationally competitive, also play an important role in the transformations taking place in large cities. In this article we look at the wave of urban renewal in Sydney's Darling Harbour precinct as a vehicle for developing a deeper understanding of the process of urban renewal.

Cities are dynamic places. Their morphology (their functional form and character) is always changing. Two of the key drivers of these changes are the related processes of urban decay and renewal. But how do we define these processes in the contemporary urban context? Clearly, traditional notions of urban decay no longer adequately account for the recent surge in demolition and redevelopment (urban renewal) in Sydney's Darling Harbour precinct. Much more complex processes are at play. Why is it, for example, that relatively new and still functional infrastructure has been demolished and replaced? By the mid-2020s, nearly all the buildings surrounding Darling Harbour will have been replaced. Clearly there is a need for world cities to remain competitive. This might explain the redevelopment of the city's convention and exhibition buildings but it does not explain the planned

redevelopment of the Cockle Bay Wharf complex or the Harbourside shopping centre. Here it is the need to maximise the economic return generated from sites on the edge of the city's CBD that is driving demolition and rebuilding.

Darling Harbour's latest transformation

Traditionally, urban renewal (the redevelopment of an urban area) was examined in terms of a response to the process of urban decay – the process by which a previously functioning part of a city falls into disuse and disrepair. The \$6 billion redevelopment of Darling Harbour's Barangaroo (see Figure 1) largely conforms to traditional notions of urban decay and renewal – an obsolete container terminal transformed into a vibrant new multi-use urban precinct featuring open space, commercial office towers, apartment buildings, a hotel

URBAN PLACES – URBAN DYNAMICS

Figure 1 – Computer generated image of Sydney's Barangaroo

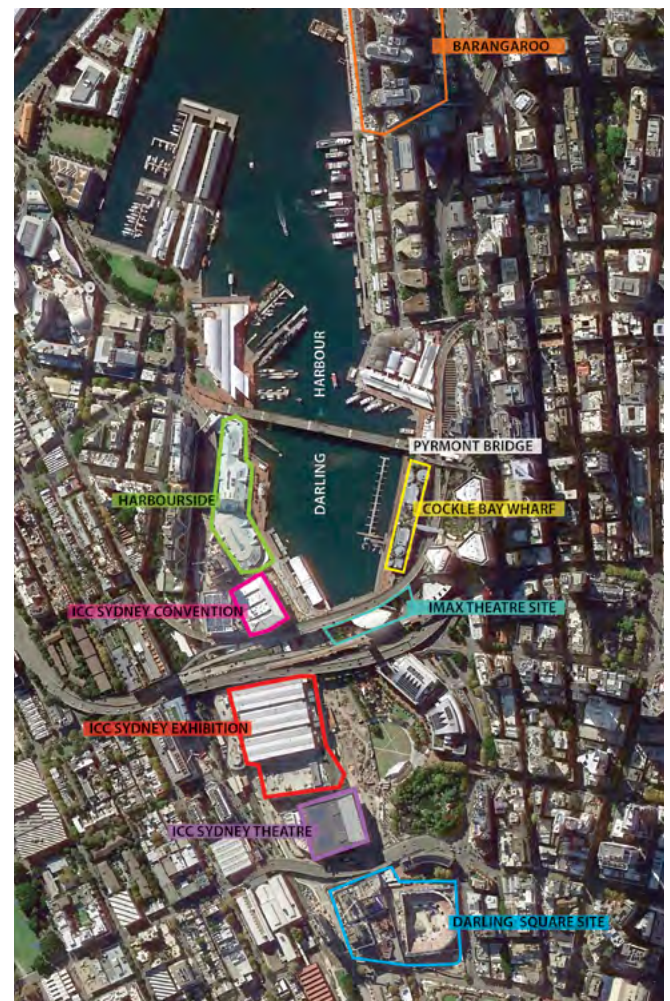


resort and a diverse range of retail outlets including cafes and restaurants. Significantly, however, this type of redevelopment in the area remains the exception. Increasingly, relatively new and still functional buildings are being torn down and the site redeveloped. Nearly the entire Darling Harbour precinct to the south of Pyrmont Bridge, an area initially redeveloped as part of the City's Bicentennial Celebrations in 1988, has been transformed or is about to be (see Figure 2).

Sydney's Entertainment Centre (completed in 1983 and refurbished for the Sydney Olympic Games in 2000) and the Convention and Exhibition Centres (completed in 1988) have been demolished and the sites redeveloped. The Entertainment Centre and its adjacent multi-story car park site in Sydney's Haymarket are being transformed into a mix-use, high-density residential and commercial precinct, named Darling Square. The nearby Sydney Convention and Exhibition Centres have been replaced by the International Convention Centre (ICC Sydney), a new convention, exhibition and events complex (see Figure 3–5). The Imax Theatre has been demolished and is being replaced by a new hotel, apartments and a replacement theatre. Soon to go are the Harbourside Shopping Centre and the Cockle Bay Wharf complex. These are to be replaced by large commercial and residential towers, retail outlets, restaurants, cafes and bars. Elsewhere in Sydney, the NSW State Government has demolished and plans to rebuild the Allianz Stadium at Moore Park (built in 1988). In the city's west, the Olympic Stadium at Homebush (completed in 1999) was earmarked for demolition and rebuilding until a public outcry forced a partial back down.

The driver of urban renewal in each of these instances is not urban decay as traditionally conceived but the need to maximise the economic (commercial) return for sites adjacent to Sydney's CBD or the need to remain internationally competitive in an increasingly integrated global economy.

Figure 2 – Satellite image of Darling Harbour Precinct



Source: Google Earth image of Darling Harbour, Sydney

Figure 3 – ICC Sydney Theatre

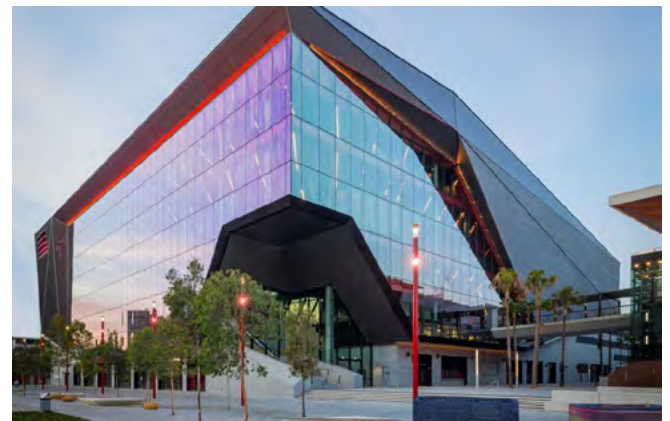


Figure 4 – ICC Sydney Exhibition building



Figure 5 – ICC Sydney Convention building



Darling Square

In the case of Darling Square, the Entertainment Centre infrastructure was still functional and in a good state of repair prior to the decision to demolish the complex and transform the site into a new residential and commercial neighbourhood (see Figure 6). The availability of site was a consequence of the political decision to demolish and rebuild Darling Harbour's entertainment and convention infrastructure. The inclusion of a large-scale entertainment venue in the new ICC complex rendered the existing Sydney Entertainment Centre obsolete. Also, there was a huge profit to be made in redeveloping a site so accessible to Sydney's CBD.

The transformation of the area into a high-density residential precinct is also an example of urban consolidation. Urban consolidation (or densification as it is often referred to in the media) involves increasing population densities in an urban area in order to make more efficient use of existing infrastructure, and to limit the spread of urban land-uses into surrounding rural areas (urban sprawl).

The need for urban consolidation in Sydney is becoming increasingly apparent. The NSW State Government anticipates that the population of the City will increase to 8 million by the middle of this century (up from the current population of five million). The housing target for the Sydney region is an additional 664,000 dwellings. It is not feasible to accommodate this growth on the periphery of the metropolitan region. The cost of providing the necessary infrastructure would be prohibitive. Infilling is the only feasible option. Higher density living, especially in areas close to public transport nodes, is inevitable.

Darling Square provides potential residents with two of the key drivers shaping our large cities – accessibility and connectivity. Increasingly, these are seen as the most important qualities people demand in urban living. People are looking for better connections to all elements of a city – public transport, open spaces, parks, work, entertainment, shops, cafes and restaurants. It's about creating a better quality of life with solid infrastructure, good communal spaces and efficient transport links so people aren't isolated within the city. These factors also account for the surge in development on abandoned industrial and port related sites close to the city centre. It also applies to those areas surrounding the railway stations on Sydney's radiating railway network. The surge in urban renewal in these areas involves the rezoning of land to allow for the construction of medium and high-density housing.

Reinforcing this trend towards higher-density living are a number of social and democratic factors including the later age of marriage (now averaging around 30 years of age), increased life expectancy (now well into the early 80s) and peoples' changing lifestyle aspirations these have increased the demand for well located medium and high-density housing. For those in their twenties, housing close to work places and favoured entertainment precincts is increasingly popular. For those in the pre and post-retirement age group there is a movement away from low-density detached living towards medium and high density housing in those areas perceived to have a high level of liveability.

There are also economic factors at work. Sydney's emergence as a world city with rapidly growing knowledge intensive industries had resulted in the rapid growth of employment in the city's CBD and what is referred to as the 'Global Sydney' corridor. The corridor stretches from Macquarie Park in the city's north, through North Sydney and the CBD to Sydney's International Airport in the south.

Sydney's economy is now dominated by information intensive industries. The finance and insurance sectors command a 16.2% share of Sydney's economic output. This is forecast to increase to 21% within a decade. By 2026, just three information-service industries (finance, professional services and information media and telecommunications) will together account for more than 40 per cent of the city's economy. Manufacturing in Sydney now accounts for only 5.7% of the city's employment.

In the period since 2008 employment growth in the corridor has been three times higher than the rest of Sydney and about 40 per cent above the national

average. An additional 93,000 jobs were added to the corridor between 2008 and 2013, which equates to an average annual growth rate of 2.1 per cent. By comparison, average jobs growth in the rest of Sydney was just 0.7 per cent in that period and national employment grew by 1.3 per cent. Accessibility to the CBD is increasingly important for this workforce, hence the increased demand for housing close to the city centre.

When complete, Darling Square will house 4,200 residents and 2,500 workers. There will 1,500 apartments and accommodation for 1,000 students in buildings up to 40 stories in height. At ground level more than 60 shops, bars and restaurants will line the area's streets and laneways. Commercial office space has also been included. The Commonwealth Bank is the principal occupant of this space. Twenty-five per cent of the area will be landscaped open space.

A new town square will be the heart of the development and its bordering streets and new laneways will connect the precinct to its adjacent neighbourhoods – Chinatown and Ultimo. Running through the centre of Darling Square, and linking it to ICC Sydney and Cockle Bay, will be a new tree-lined pedestrian boulevard. The project is built in stages and is due for completion during 2019.

Figure 6 – Computer generated image of the completed Darling Square development



Source: LendLease

ICC Sydney

The decision to redevelopment Sydney's exhibition and convention infrastructure was driven by the need to remain internationally (and nationally) competitive in a highly competitive convention and exhibition industry. The existing infrastructure, while still functional, could not compete with that available in other Australian capital cities and in the region. The age and design of the complex meant that Sydney was losing market share to places such as Melbourne, Brisbane, Hong Kong and Singapore.

The new ICC facilities, completed in late 2016, are now Australia's largest fully integrated convention, exhibition and entertainment centre. The availability of state-of-the-art convention and exhibition space is now considered a major economic asset. International convention delegates typically spend five or six times the amount of money as leisure tourists. Global and nationally significant events generate business for hotels, restaurants and retail businesses. It is estimated that the new complex generates \$200 million annual economic benefit for the NSW economy.

Harbourside Shopping Centre redevelopment

The Harbourside Shopping Centre, located on the western side of Darling Harbour, was opened in May 1988 by Queen Elizabeth II. After some initial success the complex struggled to attract the number of customers required to make it a commercial success. In an effort to revive the Centre's fortunes the complex underwent a full refurbishment in 2005. Unfortunately, the centre still struggled to attract customers and tenants and it failed to post the financial returns expected for the land on which it stands.

Mirvac, one of Australia's largest commercial property developers and landlords, purchased the complex for \$250 million in 2013. Since acquiring the property Mirvac has sought planning approval to redevelop the site. Their initial proposal for a massive, 44-story office tower, to be built above a new retail podium, has been abandoned in favour of a taller and thinner apartment tower (see Figure 7). The three-level retail podium on which the tower is to be built will mirror the shape of the shoreline. Mirvac's aim, in this instance, is to maximise the economic return on its investment.

Figure 7 – Computer generated image of Mirvac's redevelopment proposal



Cockle Bay Wharf redevelopment

On the eastern side of Darling Harbour, the Cockle Bay Wharf complex (built in 1998) is slated for a \$650 million dollar redevelopment by a consortium that includes GPT Wholesale Office Fund, Brookfield Asset Management and the AMP Capital Wholesale Office Fund.

The proposed development includes a 183 metre commercial office tower, 75,000 square metres of commercial space and up to 15,000 square metres of open space, and (see Figure 8). Again, the redevelopment of the site is aimed at maximising the economic return on a site close to the heart of Sydney's CBD.

Sydney's IMAX Theatre redevelopment

Darling Harbour's IMAX Theatre (opened in 1996) has been torn down and the site redeveloped at a cost of \$700 million dollars. The striking 25-story building, known as 'The Ribbon', will house a 450 room W Hotel, serviced apartments, a new cinema and retail outlets. See Figure 8.

Figure 8 – Computer generated image of the redeveloped Cockle Bay Wharf and the IMAX Theatre



Conclusion

The very nature of the urban renewal taking place in Sydney's Darling Harbour precinct challenges our traditional understanding of the relationship between urban decay and renewal. There is, it is argued, a need to place greater emphasis on economic drivers if we are to adequately explain the increasingly dynamic nature of Sydney's urban morphology. The principal driver of much of the redevelopment taking place in inner Sydney is the need to maximise the economic return from a fixed input (in this instance land) and the need to remain competitive in an increasingly integrated global economy. The outcome of these processes has been the demolition and redevelopment of relatively new public and private infrastructure.

Also relevant in this particular context are the concepts of accessibility and connectivity. These, combined, with the social and demographic changes taking place in Australian society, have increased the demand for high-density, inner-city living. This, in turn, has initiated a surge of urban renewal. While some of this has been accommodated on brownfield sites in Sydney's Central Industrial Area and on sites once housing the City's now abandoned and obsolete port infrastructure (examples consistent with traditional notions of urban decay and renewal), significant development is occurring on sites where it is commercially viable to demolish and rebuild. Examples beyond the confines of the Darling Harbour precinct are many. The demolition and replacement of Goldfield House and the Coca Cola building at Circular Quay are examples of still functional commercial office towers being replaced by apartment towers and a hotel. The redevelopment of the AMP tower and adjacent buildings into a mixed-use development is another example.