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Sydney offices pump millions into upgrading cycling facilities



End of trip facilities at Aurora Place. Misa Han

by Misa Han

Office landlords are pampering the cyclists and travellers who occupy their towers with upgraded change rooms and features like hotel-style showers and exorbitantly priced hair straighteners.

Michael George, head of the premium asset group of Aurora's building manager JLL, estimates that owners of premium grade buildings are spending between \$1.2 million and \$2 million refurbishing their facilities. Mr George said he has seen a surge in refurbishing end of trip facilities to compete in a difficult market.

"Tenants want far more than just a few dodgy bike racks and a couple of showers. It certainly provides the 'wow' factor," Mr George said.

The facilities are targeting people like Optus chief financial officer Murray King and the other 300 Optus employees who bike to the company's Macquarie Park office.



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Murray King Optus CFO commutes to work on his bike. Louie Douvis

Aurora Place in the Sydney central business district went on a five-month blitz on its bicycle and bathroom facilities. The brand new facilities, unveiled in December, have Hilton-inspired bathrooms with overhead and handheld showers and \$2000 Dyson taps which both wash and dry.

Tenants can also straighten and dry their hair using GHD products and charge smartphone and tablets in a lockable charging station. Bike riders can ride through an entrance with neoflex flooring that are resistant to damage from bike cleats, repair their bikes using an onsite repair kit and airpump and dry their gear in the dehumidifying room.

Premium offices in Sydney CBD have been struggling to fill empty space and hold existing tenants in a market, where according to some analysts, the vacancy could rise to 15 per cent as the Barangaroo towers are completed.

Mr George said it was too early to see the renovation turn into an increase in leasing deals. The vacancy rate at the 15-year-old building hovers close to 20 per cent, with CIMB closing its Sydney office and Minter Ellison is due to move out to Governor Macquarie Tower next year.



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Less than a kilometre away, Grosvenor Place is refurbishing its end of trip facilities to be ready by the middle of this year. When finished, it will feature 30 showers and more than 500 lockers and 230 bicycle racks, as well as unusual toys like laundry services, lycra spinner and a shoe cleaning machine, to be combined with building management-provided bootcamp and pilates sessions.

Grosvenor Place leasing agent Aaron Weir at Colliers International said there has been a push towards designing high end changing rooms and bicycle facilities that are designed for high powered travelling executives as well as fitness fanatics and bicycle riders.

"These facilities moved a little bit away from just being changing rooms for cyclists. They're also designed now to be used as facilities for executives who travel a lot. We expect executives to freshen up there after overseas trip," Mr Weir said.

"It's a very comfortable environment more akin to a 6-star hotel than an office building carpark."

Colliers International's survey of 280 tenants found tenants considered bicycle parking and end of trip facilities were more important in retaining staff than carparking. Back in 2008, tenants considered carparking to be the more important factor.

Mr Weir said the refurbishment has helped the building lure in tenants, with the building signing Michael Page, Boardroom, Ausbil and Sumitomo in the last 12 months.

It is not just old buildings that are revamping what has traditionally been a spartan room in the basement.

The International Towers Sydney at Barangaroo will have changing rooms with stone-top benches, waiting rooms with interactive digital screens for weather and news, over 1000 bike racks with onsite bike repair operator and 24 hour laundry and dry cleaning services when it opens its doors to high-profile tenants like Westpac, HSBC, Gilbert + Tobin, KPMG and PwC. With only 600 car parking spaces available,

the buildings are designed so 94 per cent of the work traffic comes via public transport, road and bicycle rather than by car.

Architect Scott Moylan at Gray Puksand, who is currently working on end of trip renovation projects at 580 George Street, 321 Kent Street and 2 Lonsdale Street, said the next big trend will be designs that create a "transition zone" between home and work.

"For years office changing rooms looked like a high school gym. We want the complete opposite to gym showers. To give you an example we have been using darker rather than harsh lighting to create a sense of transition and allow people to enjoy the time before they arrive at work."

But despite the explosion of end of trip services over the last two years, better showers and bicycle spaces were yet to reduce vacancy, Cushman & Wakefield's head of property and asset management Domenic Belmonte said.

"In relation to vacancy rates, there is yet to be a correlation to end of trip facilities. Cost and location remain priority."