



### Project: Consultancy

- Review building floor plans
- Design unique retail concepts, uses and components
- Evaluate local competing retail rentals
- Provide market rentals for project
- Financial analysis of potential sale price of completed project

### Background

A large residential developer approached us to review their plans for a retail precinct adjoining their residential project. The plans comprised 4 buildings with a total GLA of 950m<sup>2</sup>.

We reviewed the plans and provided a number of consultancy services including a suggested retail mix, resizing the footprints of 3 of the 4 buildings, provision of market rentals and expected sale prices of each of the buildings.

### The Challenge

The initial plans provided for a mini convenience shop at the entry to the precinct. With the local market saturated with convenience stores, major supermarkets and another on the way we felt there would be little interest from operators.

The plans provided for a 250m<sup>2</sup> waterfront restaurant that we felt was too large and two other freestanding buildings, which they weren't sure as to what they would service.

## Strategy / Solution

### Lifestyle Centre

To address the replacement of the mini convenience centre we designed a 300m<sup>2</sup> 'Cook – Create – Celebrate Centre', offering professional and specialist experiential activities such as cooking schools featuring guest celebrity chefs, extensive craft and leisure learning classes (photography, internet businesses etc).

These categories would provide a business with scope to attract local residents, day-trippers from Brisbane to Byron Bay, in bound tour groups, corporates, spouses from conventions at the nearby 3 and 4 star hotels and many others.

In additional, the centre could be used at various times as a cinema for the residents or groups with kitchen facilities available for gourmet catering.

The design elements of the building provided for:

- mobile cooking stations placed into cupboards when not in use
- internal glass concertina walls for rooming areas allowing several events to operate at the same time
- High roof area for raised gallery seating and drop down screen for films and presentations
- External celebration seating area
- Water tanks and outside herb and vegetable garden

The trend for 'experiences' is fast becoming one of the greatest boom industries of our times and is evidenced by the huge growth in climbing bridges, overseas cooking tours, tracking adventures, race car driving and even ballooning.

The concept of the lifestyle centre sought to provide a number of experiences which could be complemented with elements of the remaining three buildings.

- Health Centre

This was a 220m<sup>2</sup> building, which we reduced to 140m<sup>2</sup> and provided a complementary use to the lifestyle centre being health. This building would provide a nutritionist, dietician, chiropractor, fitness and yoga classes. Or, it could be used a day spa.

- Business Centre

Our work in areas around the development had given us insight into the growing need and shortage of office space. We suggested the current 180m<sup>2</sup> building be increased to 260m<sup>2</sup> with sizes ranging from 50-70m<sup>2</sup> for small business owners.

- Waterfront Restaurant

The 250m<sup>2</sup> restaurant was reconfigured into a 180m<sup>2</sup> restaurant and 70m<sup>2</sup> Café/Deli. Designed to be operated by one owner, the concept would provide cash flow throughout the day by utilizing one kitchen and two different food offers.

The café/deli would provide casual morning and lunch meals as well as offer fresh eggs, milk, yoghurt, cheese, breads, take home meals, condiments, some dry goods and local newspapers.

The restaurant would operate lunch and dinner with more chef style a la carte meals.

## Expected Sale Result

Based on the market rents for retail and commercial tenancies the gross realization was estimated as:

Number of buildings:	4
Total floor area:	950m <sup>2</sup>
Gross realisation:	\$3.539 mil
Average Capital Value:	\$3,725/m <sup>2</sup>
Average Yield:	9.2%

The project is yet to launch as they await more take up of their residential blocks.