

Rufous St Development

Economic Needs Analysis

IT Enterprise / Digital Hub

253 David Low Way, PEREGIAN BEACH



Prepared for Noosa Shire Council
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1 INTRODUCTION

David Thomas (Consultant) has been requested by the Noosa Council to prepare this Economic Needs Analysis for the proposed Digital Hub/IT Enterprises at Peregian Beach.

The proposed two level building and related car parking is within the Community Services Zone and the Open Space Recreation Zone of the Noosa Plan 2006 and is therefore impact assessable requiring public notification.

This assessment is in two parts, one part looks at the proposal of a Digital Hub and part two a more traditional analysis of the creation of additional commercial space within the Peregian Beach business precinct for IT enterprises.

The reason for this methodology is that the concept of a Digital Hub is an emerging way of doing business strongly supported by all levels of government Federal/State/Regional through the provision of direct grant funds, the building also includes space for existing IT enterprise(s) to locate in the Peregian Beach area.

In undertaking the task a number of site visits have occurred including the proposed site but also similar operations within the Noosa Shire, the Sunshine Coast Region and Melbourne.

Potential Internet providers have been contacted to ensure adequate speeds will be available to the site.

Planning advice where appropriate was provided by Adamson Town Planning.

A range of discussions have been held with potential clients to determine their needs and some quantitative research completed to elicit population growth rates etc.

2 REGIONAL LOCATION

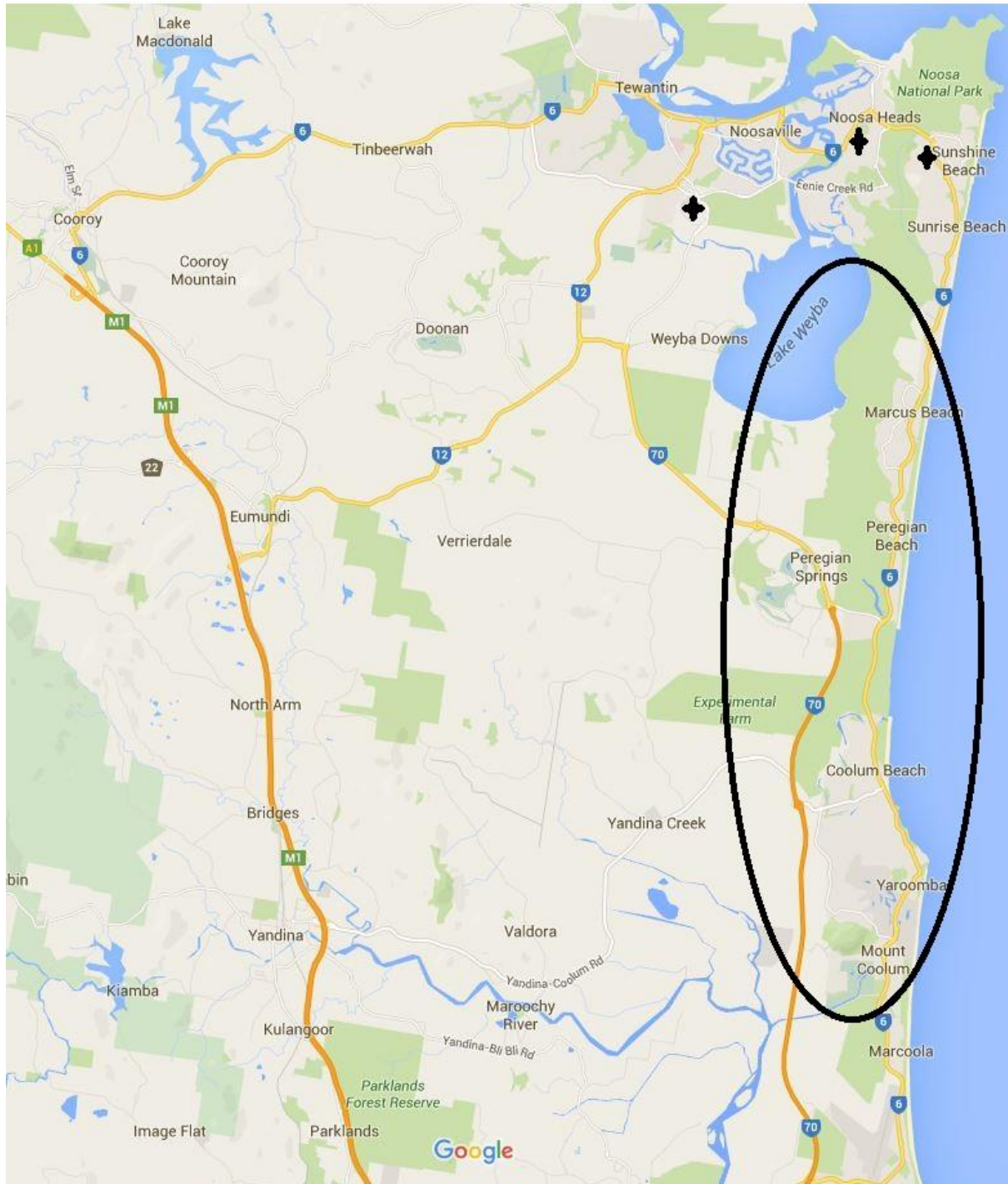


Figure 1 – Locality Plan

The Site is located on the western side of the David Low Way immediately to the north of the Peregian Beach Village. Peregian Beach has until recent times been a coastal town with its commercial centre being a village square popular with residents, day trippers, retirees and longer term tourists.

Rapid residential growth is occurring immediately inland in the new estates of Peregian Springs and Peregian Breezes, which has resulted in significant commercial growth in the village.

2.1 Retail, Education and Recreation facilities

The significant population growth that has occurred in the area since 2004, associated with the Peregian Springs and other developments, has resulted in the provision of new public and private primary and secondary schools, supermarkets, a golf course retirement village etc., which collectively are changing the nature of Peregian from a village to a locality that can meet most individual and family needs.

Over the next decade this growth will continue to place additional demands on existing infrastructure, facilities and services in the Peregian area generally and in Peregian Beach in particular. The current planning scheme (Noosa Plan 2006) is now over 10 years old and is in need of review. Furthermore, the current planning considers the growth within the local government boundary, which does not account for the broader catchment area, a significant part of which is located in the Sunshine Coast Council local government area.

2.2 Airport

Peregian Beach is well located for access to the Sunshine Coast airport (15kms) which provides daily flights to Melbourne and Sydney. Further, it is intended to expand the Sunshine Coast Airport with the creation of another runway, which will significantly boost tourism and business operations within the catchment area in the long term.

2.3 Other Transport Linkages

Peregian Beach is also linked by the Sunshine Coast Motorway and the David Low Way to the major urban centres of Noosa to the north, Coolumb and Maroochydore to the south, with connections through to the Sunshine Coast University at Sippy Downs. Inter town bus transport is immediately available at the site to major urban centres and the airport.

2.4 Customers, Users and Characteristics

LOCATION	2006	2011	2013	2015	2016	2021
Peregian/Marcus Beach	3400	3643	3650	3700	3750	3900
Peregian Springs	1678	3951	4758	6000	6750	8000
Peregian Breezes	0	0	0	0	200	900
	5078	7594	8408	9700	10700	12800
Coolum	13154	15546	15587	16174	16978	17318
TOTAL POPULATION	18232	23140	23140	25874	27678	30118
Notes						
2006/11 ABS Census Data						
2013 ABS Sunshine Coast Regional Council Estimate						
2015-2021 Peregian Springs /Breezes Developers Estimates						
Coolum Population ABS census and projections						
2015-2021 Peregian Infill Estimate						

Table 1: Population projection Peregian Beach catchment

ABS Building Approvals Australia 2014/15 to November 2015275 new dwellings 51 other residential Total 326

The catchment is undergoing such rapid growth that the previous 2011 ABS CENSUS demographic data may be out of date and misleading. Housing prices and anecdotal evidence suggests a high number of young families and also older persons downsizing are occupying new premises.

This includes the continued development of the Ridges Estate in Peregian Springs area and also the Peregian Breeze estate, currently being developed. Consequently, since the last census information was obtained, the growth in the catchment area is likely to significantly increase as shown in the table above.

3 SUBJECT SITE



Figure 2 – Aerial Photograph

The subject land is comprised of 3 separate parcels, including:

- 253 David Low Way is described as Lot 95 on SP137431, which has an area of about 1810m² and is currently used for carparking purposes;
- 255 David Low Way is described as Lot 1 on SP215942, which has an area of about 1208m² and currently contains the Peregion Community House; and
- 5 to 7 Rufous Street is described as Lot 94 on SP137431 and has an area of about 6503m² and was formerly the Peregion Beach Bowls Club Land, but is now vacant land.

4 PLANNING SCHEME PARTICULARS

Under the Noosa Plan 2006, the subject land is located in the Eastern Beaches Locality and is included in the Community Services Zone and the Open Space Recreation Zone. Specifically, the land at 253 and 255 David Low Way is included in the Community Services Zone, while the land at 5 to 7 Rufous Street is included in the Open Space Recreation Zone (refer **Figure 3**).

Under the Noosa Plan 2006, the intended uses on the land include the IT Business Hub, which is defined as Commercial Business Type 1 Office, with the ancillary coffee shop being Entertainment and Dining Type 1 Food & Beverages. The new Peregion Beach Community House would be defined as Wellbeing Type 2 Social.

Within the Community Services Zone, both the IT Business Hub and ancillary coffee shop would be subject to impact assessment requiring public notification. It is noted that the coffee shop is considered to be a consistent use where in conjunction with a Community Use.



Figure 3 – Zoning Plan

While Commercial Business uses such as the IT Business Hub are not normally consistent uses in the Community Services Zone, there is support for this use under other provisions of the planning scheme that seek to allow this type of use from 215 to 253 David Low Way, which includes part of the subject land. Consequently, this use is generally supported at this location. Having regard to the conclusions in this report, the level of need for the proposed IT Business Hub at this location is significant.

The proposed new Community House development is to be located in the Open Space Recreation Zone. The Community House is a consistent use in this zone, which means that use is supported by the planning scheme. It is noted however, that the proposed Community House would also be subject to impact assessment.

Having regard to the above, subject to compliance with the other relevant provisions of the planning scheme, both the proposed IT Business Hub and new Community House are generally supportable at this location.

5 PROPOSED DEVELOPMENT

5.1 Master Plan



5.2 Master Plan Particulars

The proposed Master Plan seeks to strike a balance between maintaining public open space, improving the availability of car parks for the general community in the location, but in particular with respect to patrons of the Peregrin Beach Village.

It is intended to also provide an IT Business Hub, with ancillary coffee shop, which is discussed further below. The Master Plan is to be completed in 2 stages and will ultimately provide for the following:

- Provision of a new IT Enterprise Digital Hub building;
- Conversion of the existing Community House building to become an expansion of the IT Enterprise;
- Creation of a new Community House on the edge of the open space land in a better location with additional amenities and parking provided;
- Improved pedestrian linkages by upgrading the Laneway and David Low Way pedestrian pathways and relocated pedestrian crossings;
- Activating the “Laneway” to the Peregrin Beach Hotel and “Essence of Peregrin” development;
- Provision for both commercial and additional public parking;
- Activated green space with play scape and gym equipment; and
- Provision for viewing platforms and decks to allow for Cooroy, Coolum and Emu Mountain vistas.

5.3 Digital Hub (3200m²) Level 1 Commercial Building 253 DL Way



A Digital Hub is a shared workspace which houses several activities under one roof such as co working, complimentary businesses and programs, incorporating public and private, community and commercial.

It provides high speed and cutting -edge technical facilities and services, meeting rooms, event and training spaces.

Freelancers, entrepreneurs, and small businesses can work from this flexible and shared workspace for a monthly fee, together with established high growth businesses located in longer term office spaces. These shared services amplify connection and innovation, providing opportunities for ideas to flourish and businesses to grow.

The focus is on creating a central meeting point for tech, innovation and creative businesses in the region.

Unlike a traditional office environment, a Digital Hub is highly curated and organised to connect people, information and ideas to deliver strategic results. It actively works to attract and connect to a diverse community with each other and a wider network of investors and businesses.

These components come together to support start-up accelerator programs, business incubators, training programs and designer spaces etc. The exact components of each digital hub are determined by the local environment.

Clustering these diverse activities together strengthens the business model for regional areas, providing a similar culture for entrepreneurialism and opportunity already offered by co working hubs in cities across Australia.

Digital Hubs are the next generation of co working spaces for regional areas, adjusted to meet local demand, build relationships and achieve maximum global exposure.

5.3.1 Co-workers, Start ups

Peregian is already home to several successful IT entrepreneurs and tech businesses so there is established skilled potential clients. A scan of the Sunshine Coast indicates that various localities have established co working space within their population catchment. This site is located within easy reach of a rapidly growing residential base.

There is the opportunity for singular consultants to collaborate on various projects through networking.

There also has been identified a number of pre retired residents who maintain consultancy roles with their former businesses or industries who would be interested in utilising the Digital Hub.

5.3.2 Mobile Worker

A number of major employers such as financial institutions are moving away from 'bricks and mortar' regional offices to employing mobile worker representatives who retain contact through ICT or the Cloud to stay connected.

5.3.3 National and international visitors

The Eastern Beaches of Noosa e.g. Sunshine/Castaways/Marcus/ Peregian and Coolum are holiday destinations for range of professionals who own or rent holiday homes and or units and may wish to maintain office contact from a remote site.

6 IT ENTERPRISE(S) WORKSPACE 350m²

A level of the proposed commercial development will be allocated to IT businesses that are going concerns and employ professional staff. This would allow successful start-ups to migrate and operate on a more traditional footing. It may nurture interaction between 'co-workers, start-ups' and successful businesses. The types of businesses could include a range of enterprises that have IT at the heart of their operation. This may include creative type industries online interactive education etc but would exclude or limit face to face dealings with customers.

Should the enterprises be successful and/or other like businesses are attracted to Peregian a logical extension would be to convert the present community house to this type activity by firstly developing a new Community House within the precinct.

7 ANCILLARY COFFEE SHOP / OFFICE 30sqm

It is envisaged a small coffee shop with office space be established on the ground floor with exposure to the car park and the public open space.

The primary customers for this will be users of the IT Enterprises and the co workers /start ups etc. plus participants at the Community House, and the users of the Public Open Spaces. It is noted there is no such facility on the western side of the David Low Way so that there is likely to be some casual use from the local neighbourhood, cycle groups, and employees and customers of the Marquesas development as well.

There are numerous coffee shops/cafes etc. on the eastern side of the David Low Way and this operation is unlikely to impact to any great degree on their trade.

8 GOVERNMENT SUPPORT/FUNDING

Regional Development of Australia (RDA) Sunshine Coast which is a partnership between the Australian Government, the Queensland Government, is supportive of the development of Digital Hubs across the region and has been consulted on the proposed Rufous St development. RDA Sunshine Coast is encouraging Noosa Council to consider applying for funding for the development of the Peregrine Digital Hub in the August 2016 round of the National Stronger Regions Fund as this development proposal meets the grant funding guidelines.

There are also a range of funding opportunities announced by the Turnbull Federal Government as part of the National Innovation and Science Agenda which should be explored

The Queensland State Government has a related funding program Advance Queensland Innovation Partnerships which is available to start ups and entrepreneurs which may also be able to be accessed to fund the ongoing management of the Digital Hub

9 BROADBAND AVAILABILITY

A prerequisite for a Digital Hub Site is the availability of high speed broadband, to allow video conferencing, 3D printing and connectivity

A number of providers TPG and Telstra have indicated that download speeds of 100mbps and upload speeds of 100 mbps are available at the site. TPG have fibre optic cable available for connection on the David Low Way.

NBN have indicated connection to Peregrine will be completed by Q3 2016. The Telstra switch immediately adjoins the property which should result in reasonable speeds.

10 OTHER POTENTIAL COMMERCIAL DEVELOPMENT SITES

A number of units are currently under construction immediately to the north of the Boardwalk mixed development on the eastern side of the David Low way limiting any opportunity for commercial expansion of the original Village.

There are existing development rights for commercial development by conversion of current residential properties between from 215 to 253 David Low way, some of which is already developed (Marquesas development), which provides for some commercial business uses. However, this development is to be in keeping with the existing character of Peregrine Beach and therefore is somewhat limited in scale with the provision of adequate car parking also being a determining factor.

11 SIGNIFICANT COMMERCIAL DEVELOPMENT POST 2007

Commercial development at Peregian Beach prior to 2007 was generally confined within the Peregian Beach Village square and serviced a stable population of 3500, a hardware store and the Bowls Club being the major developments on the western side of the David Low Way. The Bowls Club had suffered financially for a number of years effectively closing in 2011 prior to being purchased by the Noosa Council in 2014

Peregian Springs was commenced in 2004 and with it a significant expansion of the population. Several large developments have been approved and constructed particularly on the western side of the David Low Way and also along Heron Ave.

- **2007** 221 to 229 David Low Way **Peregian Beach Hotel** and Commercial Services (TAB)
- **2008** 243 to 253 David Low Way **Marquesas** on Peregian 992m² Commercial Offices particularly medical services.
- **2008** Cnr 1Woodland Dve and David Low Way **Peregian Community House**.
- **2008** 253 David Low Way Council car park.
- **2014** 215 David Low Way **Essence of Peregian** IGA and speciality shops 950m² gross floor area plus a 253m² service area 393m² of speciality shops comprising 5 tenancies ranging from 68m² to 84m² may be used as a mix of shops **offices** and restaurant uses 62m² outdoor dining areas
- **2007** 224 to 228 David Low Way and 3 & 5 Heron Ave **The Boardwalk** 130m² medical, 343m² office, 346m² restaurant, 499m² shops and 3x 1 bedroom units.

The proposed development is an extension of this growth

12 IMPACT ANALYSIS

12.1 Office Space

It is considered the proposed that the geographical location of the Rufous St development is sufficiently separate from other commercial precincts in the Noosa Shire, such as Noosa Junction and Noosa Civic to have only marginal impact on them. These precincts have their own catchments and serve different markets.

Within the Peregian Beach catchment there is presently approximately 300m² vacant office space, with some churn as new businesses seek to establish themselves. .

There is very little large office space available for a successful business should they wish to expand and consequently they are obliged to relocate.

Retail type business are generally providing better returns through demand for available space putting price point pressure on office based ventures. Major commercial agents report little difficulty filling premises that are priced to the market stimulated by the high population growth rate.

12.2 Digital Hub Co-Working Space

Within the Noosa Shire area the following businesses offer similar type services that is high speed Wi-Fi, 24/7 access, meeting rooms, printing services, lockers etc.

Noosa Boardroom. A well-established business offering co working space in an open plan area, serviced offices, meeting rooms including a well appointed boardroom. Located at “Noosa Civic” it is in the business section of a major shopping centre. It seeks to meet the needs of work at home professionals, freelancers, start-up enterprises, independent contractors and consultants. The Noosa Boardroom is located approximately 16km or a 15 minute drive from Peregian Beach.

Junction 2 Located in Noosa Junction business precinct purpose built co working space with meeting rooms and some office services. Casual Desk hire can be arranged. Broadband speed is currently limited at 20mb/20mb until the NBN upgrade is completed in 2017. Would suit Noosa Heads resident population catchment local professionals plus international and national tourists. The Junction 2 is located approximately 11km or a 13 minute drive from Peregian Beach.

Duke Douglas Located in the Sunshine Beach business strip is an architecturally designed small studio space that houses a group of permanent part time and casual creatives working both independently and collaboratively. The space is understood to be fully utilised at present. Duke Douglas is located approximately 9km or a 10 minute drive from Peregian Beach.

At **Maroochydore** and **Mooloolaba** there are a number of premises of some size that are currently offering these services, such as Sparks Bureau, Share Space and The Boarding Office. These businesses are located approximately 24 – 30km’s away or a 25-30 minute drive from Peregian Beach.

There have been a number of premises opened in 2015 illustrating the emerging demand generally having a geographical catchment but also providing a service to the travelling workforce.

Floor space for IT enterprises may have some impact on existing tenancy arrangements within the Village however an examination of the expansion of the Peregian commercial sector would indicate a take up of developed space commensurate with population growth and it is likely that any resultant vacancies would be backfilled.

13 IMPACT OF NOT UNDERTAKING DEVELOPMENT

Local IT enterprises that wish to expand may find it difficult to locate office space of sufficient size in the presently constructed premises to suit their needs. Presently tenanted small office spaces may be used alternately for retail which generally gives a better return to owners. These market driven factors may ultimately force IT or similar creative type enterprises to relocate.

14 ECONOMIC CONTRIBUTION OF PROPOSED DEVELOPMENT

It is also suggested that success of the venture would provide employment not reliant on tourism the main driver of the local economy and enhance other local businesses such as the IGA shop Hardware store, hotel etc.

The construction of the premises and related car parking would require a direct investment estimated at \$3.5million and a significant number of construction jobs.

The lettable space in the commercial building, if fully tenanted would result in an EFT of 50 persons.

There would be a range of indirect benefits to other businesses from the workforce

15 SOCIAL & COMMUNITY BENEFITS OF PROPOSED DEVELOPMENT

The project would offer a range of business and employment opportunities for residents of the catchment not so much reliant on the Tourism or Construction cycles.

The adjoining Community House is likely to benefit from possible hire arrangements and the number of persons exposed to its activities.

The car parking constructed for Stage 1 is in excess of the planning scheme requirements and would be available for events such as the Peregian Markets and the Original which are generally held outside of business hours.

16 CONCLUSION

The Peregian area is undergoing rapid population growth which is translating into a range of new commercial investment. The proposed Digital Hub development compliments rather than competes with this investment.

The Digital Hub builds upon the presence of a number of small to medium IT enterprises in the area thereby enhancing and diversifying the local economic base and provides alternative employment options to those normally associated with a coastal village..

The proposed development is small scale and is ideally situated to a highway location.

The availability of high speed broadband is a significant plus and as such the development provides a platform for emerging local IT businesses to establish themselves and interact with other like ventures.

The development of this type of business is strongly supported by all levels of government through their innovation agendas and there is the possibility of attracting direct funding for the project.