

Lendlease takes urban renewal global

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Michael Bleby

Five towers and 2700 apartments in Chicago. Four buildings and 498 apartments in Boston. In Milan, Lendlease plans 30,000 square metres of office space, 3000 square metres of retail and 2500 apartments.

And of course, in London, there will be 3000 homes and 50 shops and restaurants at the planned Elephant Park.

More than half of the company's \$55.9 billion pipeline of urbanisation projects are now in Europe. With over a quarter at home in Australia – think Barangaroo South in Sydney and Melbourne Quarter – a further 9 per cent lies in the US.

A notable chunk of the pipeline – 12 per cent – is in Asia, but that still leaves most of the company's urban regeneration work in large established cities of developed economies.

It's a different task – and arguably a harder one – than building in newer cityscapes, such as large Asian cities that have boomed post-World War II.

"A blank canvas might seem easier to work with. However, [it] comes with none of the authenticity that an existing city or urban framework has," says Seamus McCartney, Lendlease's head of urban strategy and place development.

"Interestingly, even if starting from afresh, culture and communities already bring clues to how cities should evolve."

Expectations around urban renewal have changed in cities such as Melbourne, where McCartney studied architecture two decades ago.

"In the early 2000s, we saw many urban regeneration developments focus on brownfield sites around cities including old docklands and railways yards," he says.

"These sought to create new workplaces and housing but without as much focus on the public domain or community services. Fast-forward to today, urban regeneration has evolved into not only delivering on workplace and housing but also recognising the space in between these two elements is just as important if not more so."

As cities retool themselves to cope with ever-greater numbers of people in a fixed space that has largely already been built out, they tackle challenges of urbanisation, ageing demographics and sustainability and technology. It

Australia's global builder

Lendlease gateway cities



Southbank, Chicago



Milano Santa Giulia, Milan



TRX, Kuala Lumpur



Paya Lebar Quarter, Singapore



Barangaroo, Sydney

SOURCE: LEND LEASE

makes sense – urban communities are an environmentally sustainable way to pursue economic growth, particularly in regard to energy consumption.

With this in mind, Lendlease is pushing those themes hard as the development market in Australia slows.

In the year to June, the company's European apartment pipeline overtook its Australian pipeline for the first time. The European number jumped by almost 10,000 units to 14,210 to make up almost half of the company's total 30,500 pipeline.

"In the space of a few years we've gone from a residential portfolio focused on four cities to potentially 11 cities," chief executive Steve McCann said, announcing earnings earlier this month.

"Up until FY2018 we had apartment product completing in four cities, being Sydney, Melbourne, Brisbane and Lon-

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don. From FY2019 we'll add the cities of Boston, New York and Singapore and in the coming years we anticipate we'll launch product in Kuala Lumpur, Milan, San Francisco and Perth."

It's not a random punt. The UN expects the current trend will mean 60 per cent of the world's population will live in urban areas by 2030.

Lendlease isn't the only company to spot the opportunity.

It sees global markets as a way to use the full range of capabilities it has developed over 15 years of urban regeneration projects.

"This experience, combined with our integrated model in which we control all elements of the development pro-

cess from origination, to master planning, delivery, funding and management, is what sets Lendlease apart," says Kylie Rampa, the company's Australia head of property.

McCann says the company tries to find and understand deep customer needs. It also pursues a specific vision of the urban precincts it seeks to create, through the development of amenities such as retail.

"Casting off the old corner shop model of subsistence city retail, we design wonderful and walkable spaces for people to enjoy breakfast, lunch and dinner, to people watch, to switch off, to switch on, to entertain and be entertained," it says in a document on urban regeneration. "Think artisan homewares, independent florists and bakers, local designers, and the best coffee around."

But that vision doesn't always sit well

with locals. In July, a planned project with Haringey Council in London's north fell apart after the council scrapped the £2 billion project that came under great community opposition.

While the 20-year, joint venture between company and council intended to develop 6400 new homes, the highly politicised project foundered due to opposition at the proposed demolition of existing housing and suspicion that the promised component of 40 per cent affordable homes would not be met.

McCann declines to comment on Haringey, but says Lendlease "fundamentally amended" the masterplan for London's Elephant Park, on the site of the 1960s modernist Heygate Estate, after consulting locals to hear what they wanted.

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Seeing Barangaroo South through a sustainability lens

Michael Bleby

Barangaroo South goes through 12,000 disposable coffee cups a day – and the number is growing.

As the country's newest office precinct aims to be carbon neutral, net water positive and create net zero waste, it is grappling with ever higher sustainability expectations that relate to both the fabric of its buildings and behaviour of the people inside them.

In its own space among the three International Towers buildings – in Tower Three – Lendlease is at least trying to change behaviour and encourage its own staff to re-use cups.

"We found the barrier for people was in actually washing them, so we worked with the cleaners to do the washing for us, because it's really hard

to get people to change their behaviour," says sustainability head Annie Tenant.

"Our cleaners now pick up all the keep cups, they wash them all and they put them back in the cupboard. All you need to do is pick up your cup and take it down."

Buildings account for 23 per cent of Australia's greenhouse gas emissions. And Lendlease, which manages the precinct that will eventually house 23,000 workers, 2000 residents and more than 80 retail tenants, has invested in technology to give its base buildings a lighter environmental footprint than much of Sydney – and Australia's – existing office stock.

The precinct, the first to get a 6 Star Green Star Communities rating, was built using lower-carbon concrete and

steel, resulting in buildings with four-fifths of the embodied carbon of normal builds.

An underground district cooling plant uses harbour water to cool all buildings, instead of traditional air conditioning and cooling towers. A recycled water treatment plant converts used water for toilet flushing and irrigation, reducing potable water consumption. Rooftop facilities harvest rainwater.

All lights – more than 50,000 in total – are LEDs, with public lighting and the water treatment facilities powered by the precinct's rooftop solar panels.

This costs, of course. Tenants at Barangaroo South pay \$4.90 per square metre from their estate levy to fund sustainability initiatives.

As Lendlease's struggle with behavioural issues around single-use coffee

cups shows, Barangaroo exemplifies how community expectations around sustainability have broadened. End-of-trip facilities, for example, encourage commuting workers to cycle and walk.

This raises questions about how the precinct will be judged in years to come, particularly around measures such as social sustainability and the inclusivity of spaces.

The City of Sydney was vocally critical during planning of the level of key worker or affordable housing required – set at just 2.3 per cent of Barangaroo's residential floor space. The city said the figure should be 20 per cent.

Tenant, who points out the art and school education programs Lendlease is supporting in the precinct, says the affordable housing component, as well as a public cove and a neighbourhood

park, will come in the next stage that will develop the three planned residential towers (separate from the Crown tower).

There will also be other community infrastructure, but it's not clear what, yet. "The NSW government has to determine that. The ball's in their court," Tenant says.

Even as it encourages use of reusable cups, Lendlease is using waste the single-use cups generate. The cups and lids, along with soft plastics, such as wrappers and bags, are shredded and used as an alternative fuel in cement manufacturing.

While that fuel so far has been shipped to Malaysia for processing, a newly opened facility in NSW means it can now be done locally.

"Onshore processing is a great result for us," Tenant says.