



# *An ESG Scorecard: The Sustainable Temporary Adaptive Reuse (STAR) in commercial stock*

**Professor Sara J Wilkinson**  
UTS School of Built Environment  
KTH School of Built Environment – Visiting Professor

November 2023 Presentation to KTH, Sweden

# The presentation

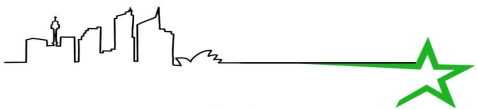
- Context and rationale for the research
- The research approach
- Activities to date and the ESG scorecard

# NEW WAYS OF WORKING – The STAR Toolkit

- *The Sustainable Temporary Adaptive Reuse (STAR) Toolkit Project.*
- 2022-2024
- Rationale – COVID and new ways of working
- Knowledge Exchange Grant City of Sydney
- Team: UTS - Prof Sara Wilkinson, Dr Gill Armstrong, Prof Jua Cilliers, Dr Robert Fleck, Mark Willers - Charter Keck Cramer.
- <https://www.uts.edu.au/about/faculty-design-architecture-and-building/built-environment/research/sustainable-temporary-adaptive-reuse-star-project>

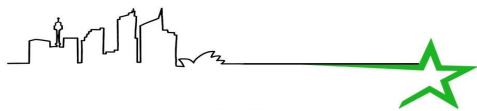


- Post COVID working patterns have changed – technology enabled
- The TWATS
- Occupancy 60-80% in CBD – depending on PCA category and City
- Circa 11% vacancy mid 2023.
- Its global
- Economically times are uncertain
- Empty space physically deteriorates faster than occupied space
  
- What can we do with underused and vacant space?
- Which spaces are most vulnerable?



# Asset management strategies & STAR

- Consolidation
- Corrective maintenance – market expectations
- Disposal – Sale
- Mothballing – permanent/temporary
- Retrofitting upgrades & Repositioning
- Creative demolition, additions and vertical 'top-ups' extensions
- 'unofficial' new uses eg: storage
- **Meanwhile use**
- Permanent change of use, irreversible – eg: conversions to private residences
- **Demolition, deconstruction & site redevelopment**



# The toolkit

- A set of resources
- What resources?
- Decision making tools?
- Roadmaps?
- 2 workshops 2022 –  
    What is STAR?  
    ESG
- 1 workshop 2023 –  
    Certifiers & Fire engineers  
    Design competition

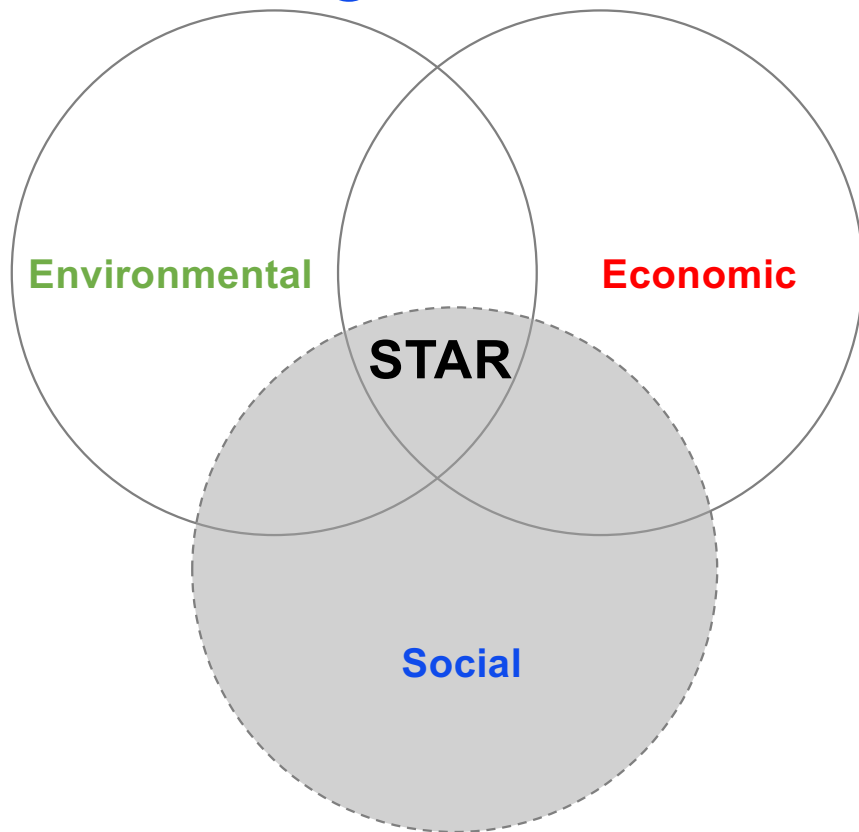




# Workshop 1 – what is STAR?

Participants  
Structure – activities  
Newsletter

# Findings ...what is Temporary in STAR?



Consensus reached by participants -

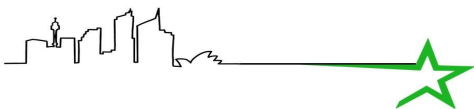
- 1 year to less than 1 year is 'temporary' for STAR in Sydney
- Trial, unknown

*"How can we get Environmental & Social opportunities to flow into economic viability"*

*"Decision makers – transition from office market to 'something else'"*

*"Need to look at non-tangible benefits, as well as economics"*

*"Social benefits seem to be akin to sustainability 10 years ago"*





# CONSENSUS

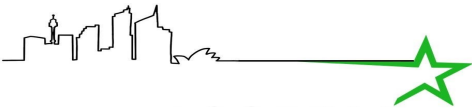
- Existing Trends accelerated by COVID-19
- Keeping places vibrant (building scale > city scale): Social + Economic
  - Evolution of Sydney's CBD uniqueness and attractiveness as a global city, & as centre for other urban & regional hubs
  - STAR co-benefits from STAR – vibrancy, benefits flow between space users, wider communities, asset owners
- Focus on People (end-user centric)
  - Attracting & retention of knowledge economy workers through curation of space uses for benefits of knowledge economy workers to use CBD offices (economic, social)
  - Amenities for existing CBD users, and for visitors
  - Diversify support access for groups previously locked out of Sydney CBD (social/economic)
  - Provide space for growing new talent (economic/social)
- **Different STARs are needed for different grades**
  - STAR for primary grade buildings (Premium, A, B)
  - STAR for secondary grade buildings (B, C, & D)

# CONSENSUS

- STAR is an alternative to 'wait and see' strategy, opportunities to explore emerging ESG.
- STAR framed as additional income, STAR contributes to operational cost overheads \$.
- Transition spaces in existing buildings to higher demand use, benefit to existing end users, or give back to the communities.
- Low-cost conversion by considering compatibility of new use to existing building & space within.
- Circular Economy principles for 'making good.'
- STAR has capacity to demonstrate ESG principles.
- Trial or temporary change of use.



# STAR WORKSHOP 02 – ESG



# Issues and aims

- a). What do we know about underuse and vacancy, and the types of buildings impacted?
  - b). Where has this social lens been applied to reactivate cities and buildings?
  - c). What do we mean by social value? Social value for who?
  - d). Where do we see opportunities in STAR for bringing in this new social lens?
- 31 participants

| Participant    | Profile  | Experience       |
|----------------|--|------------------|
| Participant 1  | Partner, A leading international consultancy firm          | 15y experience   |
| Participant 2  | Engineering Design Consultant/Property Leader              | 20y experience   |
| Participant 3  | Exhibition Project Coordinator                             | 26.5y experience |
| Participant 4  | Coordinator for Search & Discover                          | 27.5y experience |
| Participant 5  | Executive Director, Policy and Advocacy                    | 23y experience   |
| Participant 6  | Assistant Commercial Property Valuer                       | 2.5y experience  |
| Participant 7  | National Director, Commercial Valuations                   | 22y experience   |
| Participant 8  | Precinct Planner   | 9y experience    |
| Participant 9  | Founder, Design consultancy firm                           | 30y experience   |
| Participant 10 | General Manager, Corporate Sustainability                  | 23y experience   |
| Participant 11 | Head of ESG  | 19y experience   |
| Participant 12 | Regional Social Sustainability Manager                     | 30y experience   |
| Participant 13 | Sustainability Manager                                     | 20y experience   |
| Participant 14 | Stakeholder and Community Liaison Manager                  | 10y experience   |
| Participant 15 | Social Sustainability Manager                              | 14y experience   |
| Participant 16 | Former partner of a leading international consultancy firm | 30y experience   |
| Participant 17 | Leader, Future of Work                                     | 15y experience   |
| Participant 18 | Senior Public Affairs Officer                              | 31y experience   |
| Participant 19 | Director   | 11y experience   |
| Participant 20 | Chief Executive Officer/Principal & Partner                | 27y experience   |
| Participant 21 | Senior Quantity Surveyor                                   | 5y experience    |
| Participant 22 | Director, ESG – Sustainability                             | 17y experience   |
| Participant 23 | Associate Director Economics & Market Research             | 19y experience   |
| Participant 24 | Associate Director   | 15y experience   |
| Participant 25 | Sustainability Engagement Manager                          | 20y experience   |
| Participant 26 | Academic and researcher                                    | 29y experience   |
| Participant 27 | Academic and researcher                                    | 2y experience    |
| Participant 28 | Academic and researcher                                    | 25y experience   |
| Participant 29 | Academic and researcher                                    | 26y experience   |
| Participant 30 | Academic and researcher                                    | 6y experience    |
| Participant 31 | Academic and researcher                                    | 36y experience   |



# ESG discussion



| Andrew Hoyne

**Founder and Principal of Hoyne - Place Visioning, Property Branding and Marketing agency**

Hoyne bring a commercial lens to placemaking and their Hoyne Place Visioning® service, as well as creating new ideas and services, including their Hoyne Placebook® reports, High Street CRP™ program and Traderhood® process.



| Mark Willers

**National Director  
Charter Keck Cramer**

Charter Keck Cramer is the largest independent professional property services firm in Australia, delivering property solutions through an interdisciplinary capacity in Advisory, Research, Valuation and Project services to a diverse local and international client base.



| Gill Armstrong

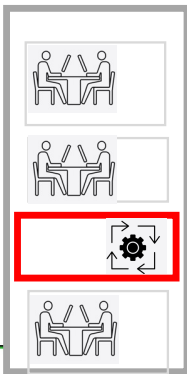
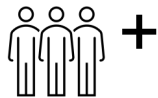
**Researcher on STAR & Snr Project Manager at Climateworks Centre, Monash University**

STAR came about following discussions with Sara Wilkinson, to address under-use in office buildings. Gill also works at Climateworks, on projects to create a renovation wave across Australia, decarbonising & upgrading buildings ready for a renewable energy grid.

# Possible Iterations of STAR:

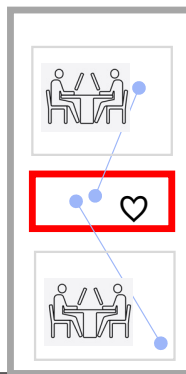
## + Independent use

- Considers demands for new uses
- activates space
- offsets operational costs



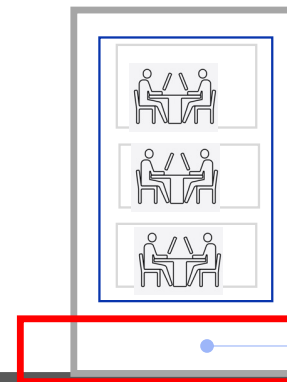
## ♥ Retention & attraction

- Creates connection within – internal hub or precinct
- Curation with extg users
- Creation of connections for commercial tenants



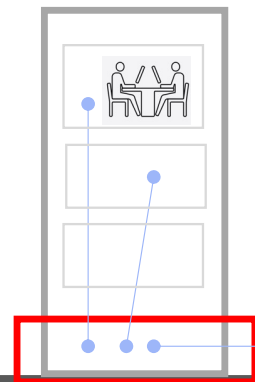
## Community use

- Benefit for wider community
  - Arts/education
  - First Nations orgs
  - Inclusion/Equity
  - Social issues



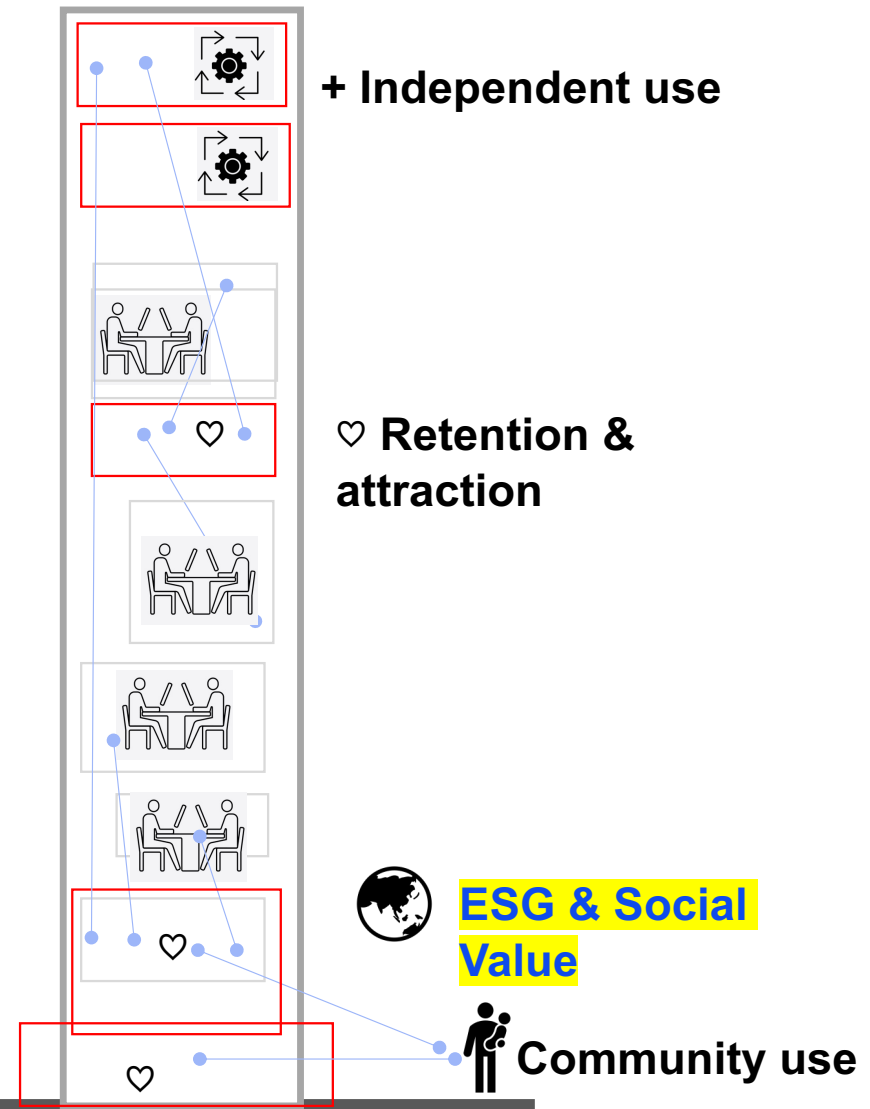
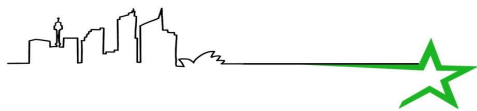
## ESG & Social Value

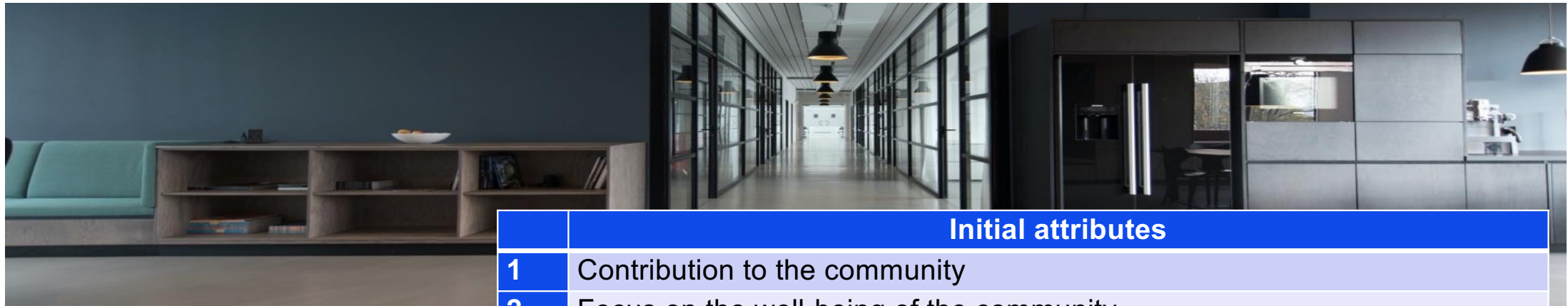
- Social investment to benefit wider community
- Attracts ESG tenants



## Iterations of STAR:

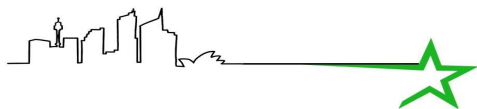
- Appropriate curation
- Reactivation
- More than 1 solution
- Solutions for different buildings





**Table 1: Social Attributes for ESG scorecard of commercial buildings.**  
 (Source: Authors).

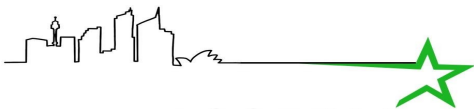
|    | Initial attributes   |
|----|--|
| 1  | Contribution to the community                                    |
| 2  | Focus on the well-being of the community                         |
| 3  | Supporting neighbouring businesses                               |
| 4  | Tenant's contribution to ESG                                     |
| 5  | Sense of place   |
| 6  | Attraction of new groups of spaces                               |
| 7  | Commitment to upholding human rights                             |
| 8  | Support innovation and sustainable employment                    |
| 9  | Health and safety  |
| 10 | Diversity and equity   |
| 11 | Philanthropy   |
| 12 | Short timescales for end users to activate                       |
| 13 | Retention of existing tenants                                    |
| 14 | Social bring direct income for building owners                   |
| 15 | Additional people generate additional income for building owners |





**Table 3: Total score for each social attribute proposed to workshop participants**

| <b>Social Attributes</b>  | <b>Score</b> |
|---|--------------|
| Sense of place  | 98           |
| Focus on the well-being of the community                        | 91           |
| Contribution to the community                                   | 83           |
| Commitment to upholding human rights                            | 73           |
| <u>Diversity and equity</u>                                     | 57           |
| Retention of existing tenants                                   | 53           |
| Support neighbouring businesses                                 | 52           |
| Health and safety   | 47           |
| Support innovation and sustainable employment                   | 41           |
| Philanthropy  | 25           |
| Additional people generates addition income for building owners | 20           |
| Social bring direct income for building owners                  | 17           |
| Tenant's contribution to ESG                                    | 14           |
| Attraction of new groups of spaces                              | 14           |
| Short timescales for end users to activate                      | 0            |





# ESG & Underuse of commercial stock

- Vacancy impact value negatively
- Seeking new ways to encourage workers into the office
- Adopting ESG framework as a way to attribute value
- A significant lack of resources for end-users and stakeholders who are interested in moving forward with STAR concepts.
- Agreement that regulation and valuation are not currently on-board with STAR principles and the concepts of Social Value,
- Many stakeholders unable to implement Social causes in their buildings due to legislative or insurance complications.

# ESG & Underuse of commercial stock

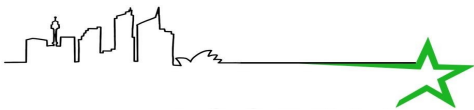
- Several themes emerged as important for STAR of commercial spaces.
- Regulation & planning pathways need addressing for reuse or reclassification of spaces for temporary use, with importance on legal and insurance obligations of the building stakeholder.
- Many willing to facilitate the arts, however, regulation makes it too difficult.
- No guide/toolkit/resource to facilitate the conversation between commercial space owners and potential users for the short term.
- To ensure the benefits of STAR are long lasting, temporary reuse should focus on high impact time use for building occupants, spaces that are suitable for and targeted at families and children, as well as creating a stimulating and buoyant night-time economy.
- Invigorating economic spaces is imperative to the long-term sustainability of future CBDs.

**ESG is becoming more important in commercial property and impacts value**





**STAR WORKSHOP 02 – ESG Scorecard**  
**- STAR SPACE – Rosella St -**  
**<https://www.rosellastreet.com/>**







SUSTAINABLE - TEMPORARY

**STAR SPACE**

ADAPTIVE - REUSE - TOOLKIT

## REUSE OF VACANT SPACE IN OFFICE BUILDINGS FOR TEMPORARY NEW USES

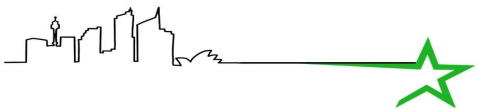






## Workshop 3 – 2023 Certifiers and fire engineers workshop activities

1. What is temporary & how does this fit with NCC compliance?
2. What do you look for when assessing a building for adaptive reuse potential in the NCC?
3. What are options for other uses for Class 5 Offices and Class x retail spaces?

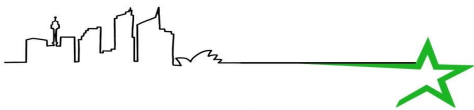




## ACTIVITY - SECONDARY GRADE OFFICE BUILDING

Consider the building and identify some 'viable' STAR options

1. List the alterations and what NCC sections could be triggered
2. Assess whether the NCC requirements are low, medium or high.

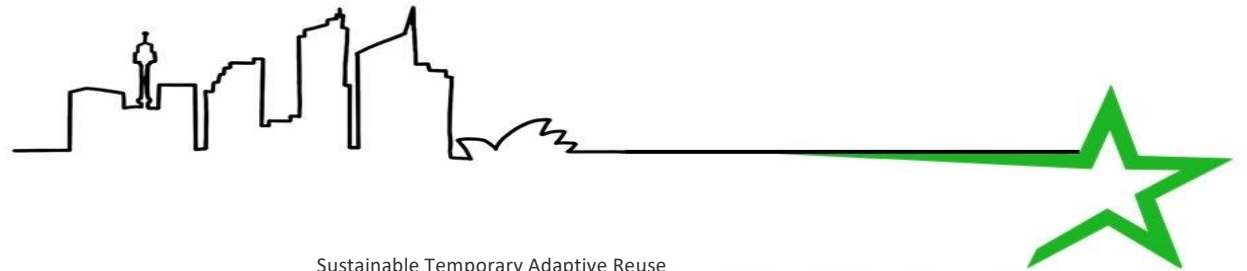




## Sustainable Temporary Adaptive Reuse (STAR) Toolkit Research Project

Building solutions for a Sydney CBD COVID recovery

- **Next steps ...**
- Test the ESG Scorecard – hypothetical exemplar case studies
- Develop and test The Certifier Checklist
- **Workshop 2024**
- Financing the STAR



# Dissemination

Peer reviewed papers

Professional body journal articles

Conference presentations

5<sup>th</sup> Estate articles

**STAR Toolkit website:**

<https://www.uts.edu.au/about/faculty-design-architecture-and-building/built-environment/research/sustainable-temporary-adaptive-reuse-star-project>

Wilkinson, S Armstrong G., & Cilliers, J. 2022 ***Sydney innovates to revitalise commercial stock***. RICS Property Journal 14<sup>th</sup> November. <https://ww3.rics.org/uk/en/journals/property-journal/revitalisation-commercial-stock-Sydney.html>





# *The Sydney STAR Toolkit Project – does your city need one?*

**Professor Sara J Wilkinson**  
UTS School of Built Environment  
KTH School of Built Environment – Visiting Professor

November 2023 Presentation to KTH, Sweden



# Final words

STAR is a national and international issue

This is a practical applied research project which seeks to develop resources for stakeholders to take action.

Short term while we see how the market settles.

*Thanks for listening – any questions?*

