

## The road less travelled – where smarter businesses go...

By Steve Grant

**More businesses are realising they no longer need to be located in the CBD to successfully run their business. Increases in traffic congestion, poor transport infrastructure, increasing rents and rising operating costs are prompting businesses to reconsider their existing location.**

As residential communities continue to sneak toward the outskirts of cities, smaller CBD locations are emerging. Whilst these locations grow there is a relatively new kind of business location which is steadily increasing in popularity – business parks now represent 12% of Sydney's total office stock<sup>1</sup>, and continue to grow.

Business parks are attracting a stream of small to medium sized businesses together with

large organisations as they look to:

- consolidate their multiple office locations
- relocate to more cost-effective premises or
- listen to their staff and move closer to residential areas.

Well known ASX listed paint manufacturer Watty Limited moved to the business park in May 2008.

*“Since relocating from North Ryde to Burbank Corporate Centre in Norwest Business Park, our staff has really embraced the ethos of this green building by proactively adopting new initiatives such as recycling that we've introduced since being here.”*

Mike De Lucia, Group Procurement Manager, Watty Limited.

### Why the attraction?

If we use Norwest Business Park in Sydney's north-west as an example of a successful and thriving business park it is easy to understand why organisations such as ResMed, Woolworths, Subaru and Watty have chosen to relocate there. These businesses have profited from access to good transport options, which have led to strong staff recruitment and retention.

Development commenced in the former brick pit in 1991 and has since grown to house over 400 companies and a 25,000+

strong workforce that will continue to expand and mature, including Capital Corporation who is seen as a leader in property development in Norwest Business Park having developed 30 buildings during this period.

The business park has benefited from increased accessibility since the completion of the Sydney Orbital Network and the North-West TWay together with upgrades to Old Windsor Road<sup>1</sup> making travelling to and from the business park and around the Sydney

metropolitan basin both quicker and easier. Also recently announced by the NSW State Government, is the addition of 100 extra buses on the key routes into North West Sydney.<sup>2</sup> The NSW Government has clearly demonstrated its acceptance of the business park model with the Office of Public Works (Heritage and Building Services) relocating to the recently completed Capital Corporation development Burbank Corporate Centre at Norwest.

<sup>1</sup> Knight Frank Sydney Business Parks Office Market Overview March 2008

<sup>2</sup> <http://www.premier.nsw.gov.au/pdfs/mediareleases/2008/November/081111TRANSPORTCampbellMiniBudget.pdf>

*“Staff retention was a major concern and we aimed to create as little disruption for our staff as possible. With that in mind, we were looking for a location which was easily accessible to major roadways and provided staff with acceptable travel time to and from work. As many of our staff are located within the area north-west of Sydney, 4 Burbank Place in Norwest Business Park proved to be the ideal location.”*

**Trevor Amery,  
Chairman, Subaru Australia.**

## So why choose Norwest Business Park over other business parks and locations?

There are various benefits to working in this environment including competitive rents, and substantial parking ratios (1 car space: 25sqm of office).

In addition, occupants benefit from lower outgoings as buildings are modern and many built with environmental sustainability in mind, particularly those completed in the last three years.

But less tangible benefits include the increase in staff morale that many organisations embrace as a result of staff:

- working in newer, cleaner and greener environments.
- spending less time travelling to and from work as many live in surrounding areas and know they have allocated car parking when they arrive.

- having access to various amenities on their door step including cafes and restaurants, shops and banks, childcare centres and sporting and fitness facilities such as gyms and golf courses, which all go to promote an active business community.

## Good for staff – good for business...

On the flip side businesses benefit because they become known as an employer of choice. Overall staff are happier as a result of achieving better work/life balance resulting in stabilised staff turnover which is currently running at an average of 20% per annum and growing.

Norwest Business Park has been successfully integrated with the surrounding Bella Vista residential community with local businesses benefiting by gaining access to approximately 90,000 potential employees who live in the

adjoining area. What's more the Sydney Hills region boasts one of the most highly educated workforces in Australia.

One factor that many businesses overlook when evaluating the cost of business accommodation, which is typically around 2% of overhead, is the potential savings they can achieve when increasing staff retention and reducing associated recruiting costs by relocating to a facility which minimises issues such as excessive time taken for staff to travel to and from work, therefore any relocation costs are quickly amortised.

As an example when comparing associated recruitment costs (including recruiter fees, training, loss of productivity etc) some studies quote the cost of recruiting new staff to be anywhere between 50% to 250% of an employee's annual salary which when multiplied by the average staff turnover of 20% per annum can lead to substantial costs that make the costs of accommodation appear insignificant by comparison.



**Norwest Greenways**

## Take the guess work out of relocating

Many successful businesses don't have dedicated resources available to find new office accommodation when they look to relocate their business. With this in mind, an invaluable service for businesses seeking to consolidate or relocate their business location, known as Capital Staff Logistics has been

developed. A time analysis program is designed to take the guess work out of choosing the right location for your business. This gives business another resource to access which contributes to happier, more productive staff resulting in improved staff retention.



**2 Burbank Place: Winner Hills Building & Design Awards – Environmental Management Category**

## So let's talk dollars...

When you're looking at the cost of relocating to Norwest Business Park in comparison to other business parks such as those in North Ryde or Epping then you'd be pleasantly surprised.

The average cost of rent is \$265sqm with competitively priced parking provided at a ratio of 1 space per 25sqm of office.

Compare this with true cost of leasing in other areas such as North Ryde, Epping or Rhodes and not only will you find rates at much higher levels but parking is not available at the high ratios available in Norwest Business Park, equating to substantial savings.



**Norwest Lake – Norwest Business Park**

## Is the upfront cost of relocating too high?

Not only can Capital Corporation assist you with identifying the ideal location for your business, but as they have done for many businesses in the past, they can assist you with relocating into a new facility on a structured lease eliminating the capital costs associated with your move. This was recently undertaken with a new client who had the additional concern of three

three years remaining on their existing lease which they then re-leased.

With its popularity increasing - now may be the ideal time to take the road less travelled and relocate to Norwest Business Park. For further information contact Capital Corporation on 8853 5000.

**FOR MORE INFORMATION**

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