



Left Bank Co.
Making cities meaningful

Making Space for Culture Incubation Program

*Continuing to upskill Sydney's cultural
organisations and property sector to
solve the city's creative space shortage*

PROGRAM REPORT: VOLUME 2
October 2023

PRESENTED BY
Left Bank Co.

SUPPORTED BY
CITY OF SYDNEY 

Acknowledgment of Country

Left Bank Co. respectfully acknowledge the Traditional Custodians of the land throughout Australia and internationally, whose continued connection to culture and place brings unique meaning to the cities in which we live, work and travel. We pay our respects to Elders past and present.

Cover image: Pine St Creative
Credit: Abril Felman

Foreword

Following the second *Making Space for Culture Incubation Program* carried out in 2023, Left Bank Co. is thrilled to again be reporting on the Program's learnings and opportunities to address the supply of creative space in Sydney. Made possible with support from the City of Sydney, these learnings build on the first edition of this Program and continue to enhance cross-sectoral capacity to tackle the creative space shortage which has negatively been impacting the creative industries in Greater Sydney for years.

It's been two years since we launched the inaugural *Making Space for Culture Incubation Program* where we set the context for the very real challenges the creative industries have been facing. We know that before Covid-19, the city's creative industries had been dealing with a creative space emergency: the disappearance of over 110,000 sqm of creative employment floorspace and nearly 2,000 creative workers between 2012 and 2017. The impacts of the pandemic that followed this period were rapid and dramatic across almost all creative sectors – especially music and performance, where venues went dark literally overnight.

In the wake of this period of unparalleled stress on the sector, there has been considerable progress at a policy level. The City of Sydney's Community *Sustainable Sydney 2030—2050 Continuing the Vision* set targets of (a) 40,000 sqm of new cultural production floor space (above the 2017 baseline figure) in the City of Sydney local government area by 2036, and (b) exploring options to establish a creative land trust-like entity to own creative property in perpetuity. The City of Sydney cannot do this alone; it requires ongoing cooperation with the NSW Government, the private sector and the creative community

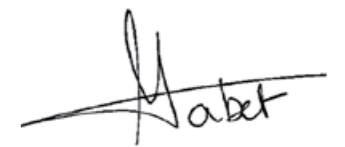
to slow and eventually reverse the erosion of creative employment lands. Property innovation and unique partnerships designed to overcome barriers of affordability and security of tenure are key to delivering this outcome.

In parallel to the City of Sydney's work, the NSW Government and Federal Government are delivering new arts, cultural and creative industries policies. The NSW Government continues to move forward with important creative and cultural projects across Greater Sydney and the state: new facilities, institutions and destinations for creativity are being funded, planned and delivered by multiple agencies, including Create NSW, Property and Development NSW and Placemaking NSW. The private sector is also increasingly looking at creative and cultural floorspace as a means to build place identity and anchor communities, particularly as the viability of commercial floorspace and retail has come under stress in the current economic climate.

The second edition of the *Making Space for Culture Incubation Program* has come at a time when the cogs are starting to turn on systemic changes that will increase the supply of creative space and we're delighted to see this year-on-year conversation evolve.

There is strong evidence of collective appetite to do things differently, building on sector advocacy, voluntary action and new approaches that have proven to be hugely impactful and game changing internationally. Recognition of the gaps within our local creative space development cycle is sparking new thinking, with some participants actively stepping into these gaps and proposing new ways to match up need with demand and deliver affordability, security of tenure and fitness-for-purpose.

We hope this second report energises and inspires its readers to connect with the emerging groundswell of energy and knowledge in Sydney, and to work proactively to enhance the creative and cultural landscape that our city deserves.



**Michelle Tabet, Director and Founder
Left Bank Co.**



**Hahna Busch, Associate
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CREDITS AND ACKNOWLEDGEMENTS

Writing and editing: Michelle Tabet, Hahna Busch and Phoebe Ludemann, Left Bank Co.

Graphic design: Christie Fearn

Special thanks: The Making Space for Culture Incubation Program was made possible by support from the City of Sydney's Innovation and Ideas Grant. Thank you to Lisa Colley, Lex Davidson, Marni Jackson and Laura Pike for your support.

We also extend special thanks to our international friends at CAST, Creative Land Trust, Greater London Authority, Artscape, Artspace, and the Daniels Corporation, to Nick Read and to our alumni from the 2021 Making Space for Culture Incubation Program.

Key terms and definitions in this report

'Incubation Program' or 'the Program' is used to describe the *Making Space for Culture Incubation Program* run by Left Bank Co. and supported by the City of Sydney.

'Creative spaces' is the term used to describe a wide range of spaces utilised by the creative and cultural industries. It includes spaces for making and production (such as artist studios, workshops, rehearsal rooms, offices, etc.), as well as spaces for presenting and experiencing creativity and culture (such as galleries and theatres).

'Cultural organisations' or 'cultural sector' is used to describe the participants in the Program who represent the creative and cultural industries, as well as used as a general descriptor for the wide range of creative and cultural entities that use creative space. This term encompasses government-funded organisations, independent and not-for-profit creative and cultural organisations, as well as creative businesses.

'Property developers' or 'property sector' is used to describe the participants in the Program who represent the property industry, as well as used as a general descriptor for the wider property industry. It encompasses private developers, land owners, government-run property agencies, peak bodies and businesses that deliver services to their property networks.

'Alternative property models' designates a range of innovative property mechanisms which leverage development incentives, the planning system and other financial approaches to deliver affordable creative space.

'Creative Space Development Cycle' refers to the conceptual model developed as a result of the first iteration of the *Making Space for Culture Incubation Program* in 2021. This model showed the breadth of skills and capabilities needed to bridge the gaps between space seekers and space providers.

'Intermediary' refers to essential and expert roles and functions in the creative space development cycle that help mediate and de-risk the partnership between the cultural and property sectors.

'Affordable' is a broad term used to indicate space that is priced to be accessible to the creative and cultural industries, generally meaning below market rate. What level of discount is required to make a space affordable is currently undefined locally, and ranges depending on whether a space is leased directly by a cultural organisation or if it is leased by a creative space operator to be sub-leased to other independent creatives. Anecdotal evidence suggests that affordable rates could be anywhere from 20-80% below market rate and on occasion even more discounted.

'Broker' is a defined intermediary role that makes strategic matches between entities that have space and those that want space. The broker business model is often based on a commission structure.

'ESG' or environmental social governance is a set of factors used to assess the broader sustainability of companies and organisations which includes social and cultural sustainability. ESG factors form the bedrock of sustainable investing and are used to analyse a company's or organisations' products, services and behaviour. ESG compliance and leadership are increasingly driving investment decisions in the property sector.



Executive summary

Image: Nick Read presenting at the Creative Spaces Symposium, April 2023.

The *Making Space for Culture Incubation Program* in its second iteration was a useful and productive stocktake of the current challenges and opportunities related to the cultural sector and its interactions with the property sector. There were four overarching findings and insights related to how the two sectors are starting to fill much-needed intermediary roles identified in the inaugural Incubation Program (2021).

1:

True property model innovation that steps outside of the tenant-landlord relationship is unlikely to come from the participants: this needs to be led by government. However, this year's participants have expressed their clear ambition to expand their role within their current capabilities to include more functions on the Creative Space Development Cycle.

2:

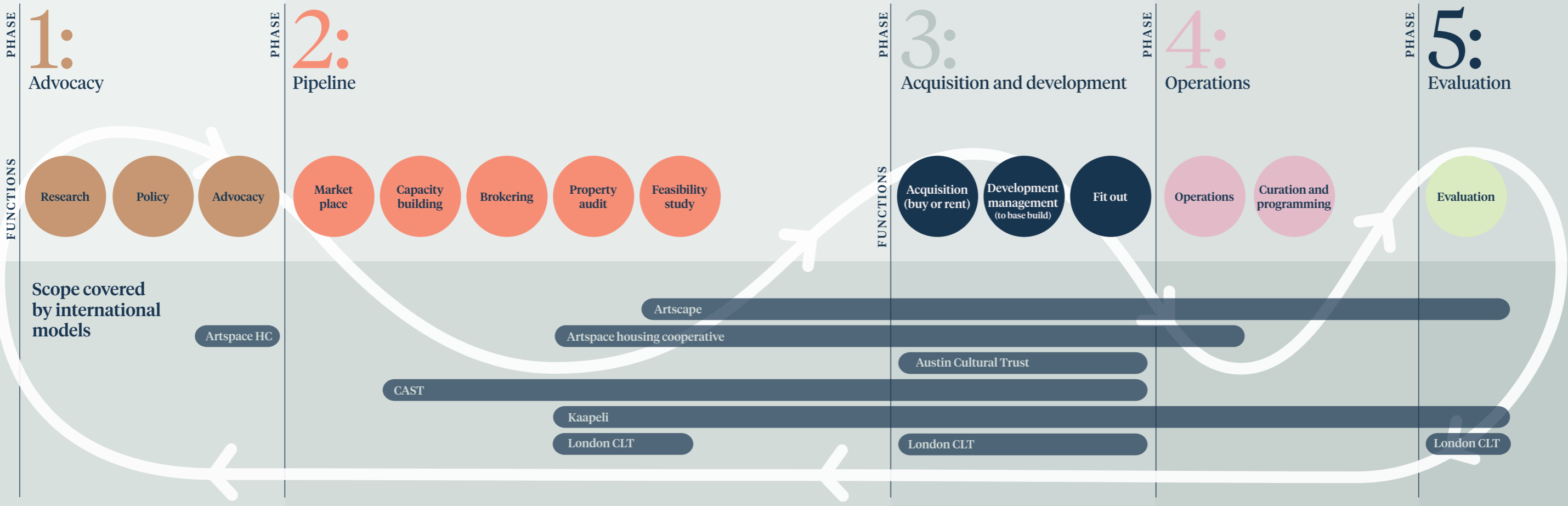
Some cultural organisations and creative businesses – especially those with a focus on creative production – are more difficult to accommodate by the property sector and are therefore receiving fewer partnership offers. This suggests a government mandate for protecting and providing creative production spaces.

3:

Both the cultural and the property sector recognise the value of the Incubation Program and have identified a real need for continued networking and collaboration opportunities.

4:

There is an increasing loss of capacity in both the cultural and the property sector due to a downturn of market conditions in the property sector and burnout in the creative sector, and the urgency to replace lost creative space is taking precedence over the opportunity to deliver innovation.



New findings along the Creative Space Development Cycle

The 2021 Incubation Program revealed five distinctive phases that make up the Creative Space Development Cycle, and key functions that are needed at each phase to support effective collaboration between government and the cultural and property sectors.

The 2023 Program validated the phases and functions along this cycle and revealed the capacity and appetite of this group of participants to play key roles.

PHASE 1: Advocacy

Both the cultural and property sector reinforced the critical role that local and state government have to play in leading the research, policy and advocacy phase of the Creative Space Development Cycle to support the provision of creative space, particularly given the City of Sydney's commitment to identify and secure 40,000 sqm of creative production space in collaboration with the development sector and other government stakeholders.

With more formal metrics, standardised methodologies and tools, the policy responses and sector initiatives will improve.

PHASE 2: Pipeline

Participants were very vocal this year about the importance of the pipeline phase of the Creative Space Development Cycle and how valuable the various functions are to driving an increase in space provision.

There was particular acknowledgment of the cost of and investment in building audits which could be better automated and conducted in a more systematic way so that the cultural sector does not have to spend precious resources on scoping out potential buildings and properties.

PHASE 3: Acquisition and development

The roles of creative space acquisition and development on the Creative Space Development Cycle remain the least understood and underserved in the current Sydney context. The risk and responsibilities required to do this are either not fully appreciated by participants, or there is little appetite to take on this responsibility.

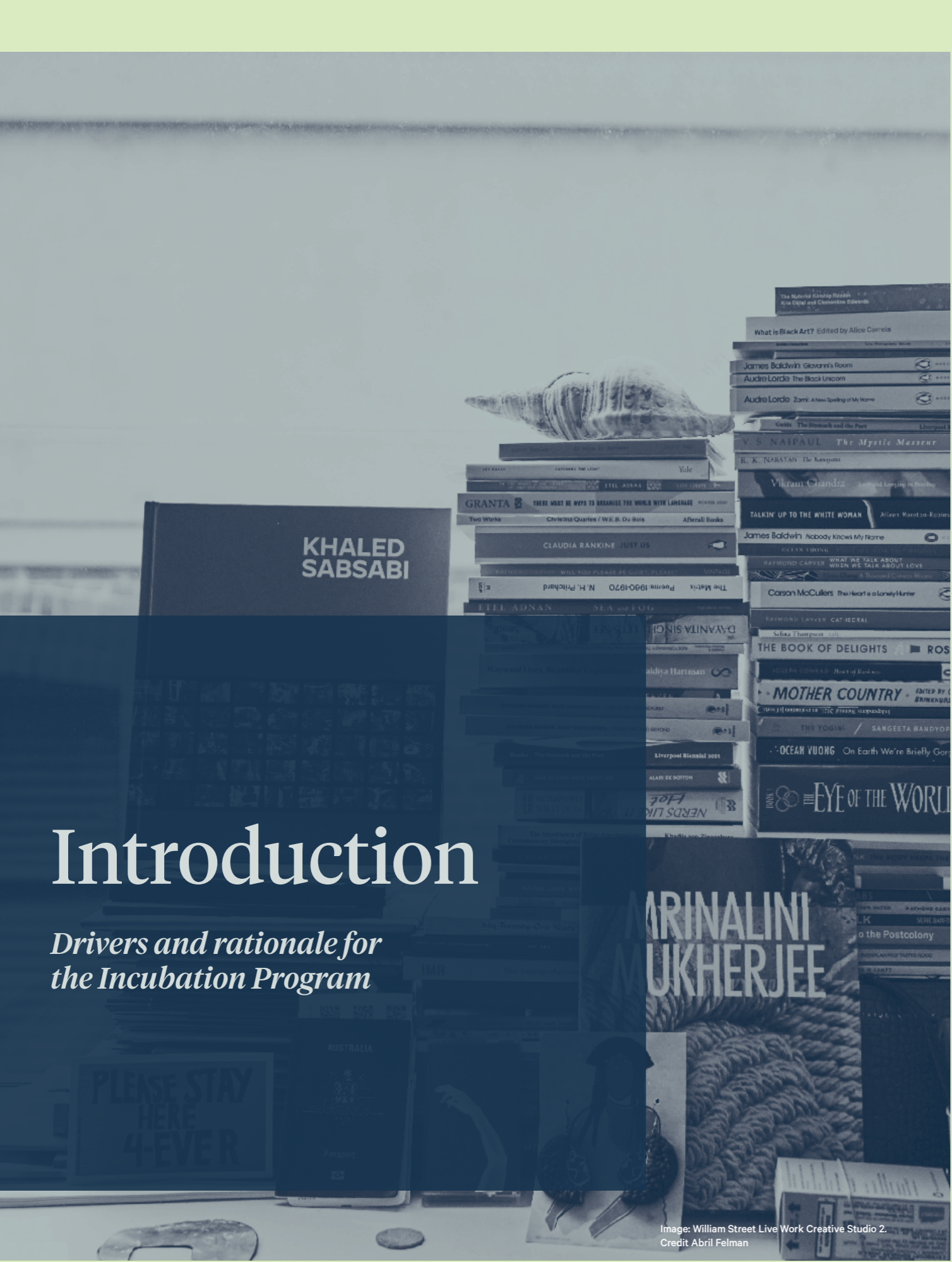
Instead, participants are largely relying on traditional mechanisms like demolition clauses and more traditional leasing agreements to put space to creative use when other options are available.

PHASE 4: Operations

The operational phase is the best served part of the Creative Space Development Cycle amongst participants, with some of the property sector undertaking aspects of these functions alongside the cultural sector. The challenge is in identifying the right skillsets for the right projects, and approaching this in a way that builds long-term value.

PHASE 5: Evaluation

Evaluation and impact measurement skills varied amongst the participants, but many of the cultural organisations used the Program as an opportunity to collect their own impact data, spending more time talking to their members and communities to understand and communicate their impact to stakeholders. Through the pitches, there was evidence of significant upskilling in evaluation.



Introduction

Drivers and rationale for the Incubation Program

Image: William Street Live Work Creative Studio 2.
Credit: Abril Felman

The *Making Space for Culture Incubation Program* represents the culmination of years of creative space advocacy and policy work by the City of Sydney and its partners in the creative, cultural and property sectors.

The Program was developed and delivered by Left Bank Co. with the support of the City of Sydney's Innovation and Ideas Grant (formerly known as a Knowledge Exchange Grant). Launched in 2021, the inaugural Program was conceived in response to the growing crisis impacting the supply of affordable, fit-for-purpose and tenure-secure creative space, caused by urbanisation and affordability pressures, all of which were exacerbated by the Covid-19 pandemic.

The success of the inaugural Program led to funding for an additional two rounds to be conducted in 2023 and 2024, representing the City's ongoing strategic commitments to a creatively and culturally rich city. The Program's goal is to arm the cultural and property sectors with knowledge, tools and networks to take direct action in the supply of creative space. Intended as a professional development service, it brings the two sectors together to work collaboratively and with government on new creative space development opportunities.

The City's grant program supports projects that foster innovation, showcase local expertise and test new ideas to address local and global issues across the city's social, cultural, sustainability and business sectors. As such, the objectives of the 2023 Incubation Program include:

- Improve the capacity, agency and autonomy of Sydney's cultural organisations and property owners and developers in the delivery of affordable and sustainable creative space.
- Facilitate the exchange of knowledge between the cultural sector and the property sector, so that they have a better understanding of each other's processes, systems, needs and requirements to minimise risk on future projects.
- Build a network between the cultural sector and property sector, fostering and brokering relationships that could prove fruitful as future development opportunities arise.
- Provide the City of Sydney with a realistic picture of what council may need to do to enable these groups to be more proactive.

A program supported by the City of Sydney

Responding to current context and drivers

This Incubation Program is more relevant than ever in a rapidly changing context. We are facing a new world order post-pandemic with high inflation impacting the consumption of and spend on culture, and economic headwinds shifting the property market. At the same time, we have a policy focus on arts, culture and creativity at all three levels of government, and specifically, a target from the City of Sydney to create 40,000 sqm of new creative production space by 2036.

The drivers the Incubation Program is operating under are four-fold:

1:



A policy refresh at city, state and federal level

We are in the midst of a welcome policy refresh at all three levels of government:

- The City of Sydney published its long term vision *Sustainable Sydney 2030-2050* and its *Community Strategic Plan*, with a commitment to delivering – in partnership with the private sector and NSW Government – 40,000 sqm of creative production space in the LGA by 2036. The City also committed to exploring a homegrown creative land trust in Sydney to suit our specific regulatory environment in the areas of governance, tax and planning. The City's cultural policy and action plan is also up for renewal.

- At federal level, the national cultural policy, *Revive*, is focused on restoring funding to the arts, better funding First Nations artists and creative practitioners, and the formation of Music Australia, Writers Australia and Creative Workplaces.
- As this report is being written, consultation is underway at the state level for a NSW Arts, Cultural and Creative Industries Policy, looking at the creative sector and economy with fresh eyes: people, infrastructure and audiences.

The Incubation Program plays into this renewed policy context and provides evidence-based recommendations for consideration by the three levels of government.

2:



Increasing pressure on creative and cultural workers and their audiences

Post Covid-19, creative and cultural activity has struggled to return to previous conditions. While we wait for data and research to show us the true impact on the sector, we know many creative spaces and venues are no longer operating, and that creatives are struggling under cost-of-living pressures.

Meanwhile, NSW audiences seem ready to return and enjoy culture post-pandemic, however cost-of-living pressures are hampering spend on creativity and cultural consumption and are changing spending habits to become more localised and on short-notice. Audience tastes are also changing – the [Audience Outlook Monitor for NSW](#) shows that audiences are favouring uplifting experiences or very new and innovative approaches.

Provision of creative space must be considered as a key tool for supporting the sector and rebuilding confidence, participation and engagement for both the sector and its audiences.

3:



Economic pressure on the property sector

The pandemic completely rewired the way and where we work. Fewer people are coming to the city to work as they may have once done and instead are planning their visits to the city for entertainment and cultural purposes. This shift in behaviour is challenging the property sector who are now looking to find new uses and tenants to fill up existing buildings, especially B-grade commercial property and below.

This presents opportunities for the creative and cultural sector to take root in the city in a way that had not been present in the previous decade, but needs careful planning and alternative ways of thinking about creativity to avoid future waves of gentrification.

Property owners are also proactively developing better ESG-aligned renewal and upgrade programs for their assets, and social sustainability through creative uses can play a role in delivering on these outcomes.

4:



Shifts to how we value creativity and culture

Creative spaces are part of strong future-facing economies: not only good for our overall economic growth but key for a city's ability to attract talent, global business and investment. There is a growing recognition at a local and state government level of the importance of creative industries and the need to ensure the supply of creative floorspace.

Historically, strategies for delivering creative space have relied on the local or state government to shoulder the risk, or resulted in short-term activations that don't address the loss of creative employment lands. In the City of Sydney, Council already owns and operates a large portfolio of creative spaces and awards accommodation and programming grants. However, the current models of creative space provision via government places too much pressure on public resources and cannot alone respond to growing demand.

As the urban landscape evolves, addressing the supply of creative space requires alternative property models, innovation, and collaborative investment from the public, private and not-for-profit sectors.

Inspired by global best-practice models for making space for culture

Alternative property models that secure long-term, fit-for-purpose and affordable creative spaces are becoming increasingly notable on the global stage.

There is a growing cohort of city leaders, cultural organisations and committed property owners who are designing and trialling effective tools, and looking to learn from others who have already tried and tested successful models.

These models lay the foundations for the kinds of approaches and opportunities explored throughout the Incubation Program, as an end goal. They demonstrate how innovation can be deployed in the property market in order to secure long-term affordable and tenure-secure creative space, and why this matters so much to the creative and cultural sector. They utilise unique business models, financing tools and legal and governance structures and rely on cross-sector collaboration.

While Sydney aspires to be able to create bespoke organisations that have this potential, we are still on the journey and it will take time and continued collaboration between City of Sydney, the NSW Government,

the property sector and the cultural sector. The Incubation Program provides a valuable opportunity to learn about some of these models, explore their mechanics and understand what pre-conditions need to be in place to make them possible.

Building on the models explored in the inaugural program (which can be found in the *Making Space for Culture Incubation Program Report Volume 1*), this year's Program also considered some additional models, profiled below.



ARTSPACE HOUSING COOPERATIVE

Artspace is a non-profit real estate developer, asset manager and consultant specialising in creating, owning, and operating affordable spaces for artists and creative businesses. Its mission is to create, foster, and preserve affordable and sustainable space for artists and arts organisations including live/work apartments for artists and their families, working artist studios, arts centres, commercial space for arts-friendly businesses and other projects.

Artspace is prolific in its work: it develops 2-3 projects a year, manages a portfolio of 58 projects, consults with municipalities seeking to provide affordable spaces to creative sector and provides technical assistance to arts organisations as they create their own spaces. The majority of Artspace's housing units qualify as affordable units, meaning they cater to households earning 60% or less of the Area Median Income (AMI) of the city or county in which the project is located. Artspace's funding is a mixture of public funding through tax incentive schemes (72%), supplemented by philanthropy (15%) and commercial financing (13%).

More information about Artspace is available on their website: <https://www.artspace.org/>



KAAPELI, HELSINKI

Kiinteistö Oy Kaapelitalo, KAAPELI is an entity that owns, renovates and rents out old industrial buildings for cultural uses to make space for art and culture in Helsinki. From the 1980s, artists moved into a former cable factory in the Ruoholahti district of Helsinki. In 1990, the Pro Kaapeli association was set up to defend the diverse cultural uses at the Cable Factory, and the following year the City of Helsinki set up the property company Kiinteistö Oy Kaapelitalo – a for-profit real estate company – to redevelop and manage the building.

Kaapeli provides leasing opportunities to creative businesses and organisations within the properties it owns. The company owns and runs centres with approximately 100,000 sqm of floorspace. The model relies on a very high occupancy rate (of about 99%) to ensure the business is financially self-sustaining and does not receive any public funding. In the last financial year alone, Kaapeli generated €8 million in profit within a €72 million turnover. Kaapeli offers an insight into how large format industrial buildings with a leasing model based on clever space utilisation, low vacancy and venue hire can actually turn into a profit-making enterprise.

More information about Kaapeli is available on their website: <https://www.kaapeli.com/fi>



AUSTIN ECONOMIC DEVELOPMENT CORPORATION AND AUSTIN CULTURAL TRUST

Austin Economic Development Corporation (AEDC) is a public real estate developer, working for purpose instead of profits. AEDC was designed to speed the pace of the public response to decreasing affordability and equity by moving at the pace of the market to blend the best of public and private deal making. One of the signature initiatives of the AEDC has been to create the Austin Cultural Trust, which aims to:

- Facilitate the acquisition and preservation of existing cultural arts and music venues as well as the creation of new cultural arts and music venues that are affordable and available for use by organizations and the public benefit the City's creative and cultural communities.
- Achieve diversity, equity and inclusion through the projects selected.
- Provide permanent affordability for cultural and creative purposes.

—Create a sustaining pipeline of Cultural Trust projects as funding sources continue to become available.

Funded through municipal bonds, the Austin Cultural Trust helps Austin's existing cultural arts and music venues, operators, and organisations maintain affordable access to space and prevent displacement by reducing exposure to market rate rent increases and other operating and administrative expenses (including property tax escalations where appropriate and legally permitted). The Cultural Trust will preserve and also expand the cultural and music ecology of Austin by supporting organisations and venues that increase broad and equitable access to participate and engage with Austin's unique music and cultural arts community.

More information about the Austin Cultural Trust on their website: <https://www.austinedc.org/cultural-trust>



Program overview

The mechanics of the Incubation Program

Image: Alumni panel at the Creative Spaces Symposium, April 2023.

Program objectives

The broad purpose of the *Making Space for Culture Incubation Program* was to give both the property sector and the cultural sector the knowledge, tools and relationships to form productive partnerships with potential to increase the supply of affordable and sustainable creative and cultural spaces.

Desired program outcomes

- Both the cultural sector and the property sector acquire knowledge of each other's needs, ways of working and processes surrounding creative spaces, and establish networks and relationships with other participants that have the potential to result in partnerships and pilot projects.
- Participants acquire knowledge and understanding of internationally proven models for delivering creative space and have an understanding of what is needed to adopt and implement best practice models within the local context.
- Participants acquire knowledge, skills and tools to help them plan and deliver secure, affordable and fit-for-purpose creative space within the Sydney context.
- Left Bank Co. and the City of Sydney gain an understanding of what is needed to help support participants to adopt and implement best practice models in the local context.

Goals for each sector:

Cultural Sector



An understanding of innovative solutions to get secure property for long-term affordable creative and cultural use.



An understanding of development drivers, systems and processes and how to work with the property sector.



A toolkit of strategies and mechanisms to upskill and prepare for future property partnership opportunities.



An assessment of current organisational resources, capabilities and performance to identify what is required to achieve successful property partnerships.



Access to a network of property owners and developers who could help secure a long-term affordable property solution.

Property Sector

An understanding of innovative development models that can deliver great creative placemaking and public benefit outcomes to add value to your property.

An understanding of the needs, drivers and operational requirements of creative spaces and how to work with cultural organisations to ensure the optimal property solution.

A toolkit of strategies and mechanisms to prepare and enhance future planning processes around creative partnership opportunities.

An assessment of current approach to planning and development to identify ways to improve approval processes, minimise delivery risk and enhance long-term performance through successful creative partnerships.

Access to a network of creative and cultural organisations with the potential to be tenants of future developments, bringing vibrancy, creativity and long-term activation.

Program process

19
APPLICANTS

14
APPLICANTS FROM THE CULTURAL SECTOR

5
APPLICANTS FROM THE PROPERTY SECTOR

PART 1: Expressions of Interest (EOI)

The EOI process identified cultural organisations and property owners or developers who have the appetite to play a role in exploring innovative models for delivering creative space across Sydney.

Cultural sector applicants represented a wide range of for-profit creative businesses and services, as well as a selection of government supported and subsidised organisations. These spanned the sector including visual arts, performing arts, creative industries, digital arts, music, events and programming and creative manufacturing. Some were creative studio operators who manage space for other independent creatives, others required space for their own business purposes.

Property sector applicants represented top-tier developers and government property agencies, as well as businesses offering property services and a new 'Business Improvement District' body representing the interests of numerous property owners.

Cultural sector applicants highlighted a range of challenges when making space for culture:

- Maintaining dilapidated yet affordable spaces
- Generating supplementary income streams
- Need for a more accessible vocabulary
- Barriers to entry and risk profile of taking on space
- Making space for young talent
- The on-going fall-out of the Covid-19 pandemic
- Scaling reach and impact without space
- Market pressures.

Property sector applicants highlighted a range of challenges when making space for culture:

- Finding a space in the right location at the right price
- Transitioning vacant or underutilised assets
- Connecting existing cultural anchors in Sydney
- Generating revenue to support creative uses and activities
- Finding partners and ensuring the right infrastructure exists to support the delivery of cultural and arts experiences
- Resolving issues around the control of creative space: how is it used and what are the risks.

PART 2: Incubation program

The 5-session Incubation Program ran over 6 months, from February to July 2023.

Sessions

1:
Introductory workshops

The cultural sector and the property sector will each attend their own group masterclass in creative space, developing a sound understanding of the issue from each other's perspective.

2:
Alternative models for creative space

Participants from both sectors will be brought together for a half-day creative space symposium, designed to share knowledge and learnings from international best practice models.

3:
Refining your approach

Working one-on-one with participants, Left Bank Co. will help them build a picture of the practical steps involved in committing to a creative space partnership journey.

4:
Road testing your approach

Participants will be paired up across sectors to meet and road test their pitches to one another, gathering feedback to refine the approach ready for the pitch event.

5:
Pitch event

The pitch event will see each cultural organisation present their partnership proposition to the property sector, and vice versa.

Through group workshops, networking events, one-on-one mentoring sessions and homework tasks the program was designed to arm participants with a detailed understanding of the tools and mechanisms required to address the creative space shortage. Left Bank Co. facilitated knowledge exchange relating to the detailed needs of each sector and the nature of their decision-making processes.

Homework

1: Introduction and research

Participants will be introduced to the contents of the program and given reading material for context and to explore international best practice alternative models for creative space. Participants will be encouraged to bring any questions to the first session.

2: Empathy and value proposition

Participants will develop their understanding of and empathy for their potential partners, unpacking the pains and gain in the respective sectors.

3: Needs and expectations

Participants will think about and articulate their needs in order to be able to communicate with potential partners, if and when project opportunities arise.

4: Preparing your pitch

Participants will prepare a short pitch presentation designed for each cultural organisation to present their partnership proposition to the property sector, and vice versa.

5: Reflections and next steps

Participants will complete a survey reflecting on the Program, their learnings, and any barriers to and opportunities for potential pilot projects.

Cultural sector participants

Andrew Levins

FUTURE ART



THE NEST LOVES YOU



Property sector participants

Brookfield Properties



Note: two participants left the program before session 4 due to competing pressures and commitments.



Program achievements

Image: Creative Studios Launch.
Credit: Matt Lambley.

Highlights

“We feel a sense of being seen heard and witnessed for the first time... I am so proud of our achievements against all odds and I am extremely proud of all of you for making change and trying to find new ways of impacting the city.”

Cultural sector participant

“The idea that Sydneysiders highly value cultural output, while ignoring the need to provide affordable spaces to actually create/make that content, resonated strongly.”

Property sector participant

“I’m more confident that the skills and expertise I offer are something that a lot of organisations could benefit from, and I’m being a lot more forward in introducing myself when opportunities seem possible.”

Cultural sector participant

Creating a shared appreciation for the loss of creative space and how detrimental this loss has been to Sydney, with an understanding that the status quo of space provision is not working and that alternative models have potential to change the system locally.

Confirming that the Creative Space Development Cycle diagram still holds and is a useful tool to visualise and understand the gaps in information, skills and capabilities that can help to drive creative space opportunities.

Identifying specific existing and future development sites where there is appetite to embed creative spaces.

Broadening the scope and agency of every participant in the Creative Space Development Cycle, giving each participant the skills and confidence to be a bigger part of the solution.

Scoping proposed entities within the Sydney ecosystem capable of taking up some of the intermediary roles defined in the Creative Space Development Cycle.

Developing strong relationships between the cultural and property sectors, professionalising their engagement upon a shared understanding of each other’s process and pressures and mutual appreciation of each other’s objectives, de-risking future partnerships and establishing strategic networks.

Forming several confirmed partnerships and collaborations between cultural and property sector participants who are joining forces to plan new spaces and projects, and enacting bigger change than what would be possible on their own.

Revealing an incredibly supportive, empowering and positive environment via the road-testing session and the final pitch session.

Cultural sector achievements

“It’s changed the way I see the property sector’s concerns and risks about the cultural and arts sector being tenants”

Cultural sector participant

“We will be including space in our strategic plan and strategy session as a key discussion – this is bizarrely a first! We are always program and \$ focused in our strategy and the space has just been something that we work out at an operational level. I’m excited to get the board engaged in some of the conversations we had at the pitch and to put this in the plan as a key enabler to our work.”

Cultural sector participant

“I came away from the program with more optimism and self-belief for a future partnership with a government body or property owner”

Cultural sector participant

Where they started

This year’s cohort had a very mixed level of experience planning for and delivering creative space:

- Some displayed a lot of existing experience and skills useful to securing creative space, including finding and inspecting spaces, negotiating leases, lodging DAs, and managing regulatory compliance.
- Others had never really thought about their space needs strategically and were making do with short-term leasing on an as-needed basis.

None of the participants had secured long-term accommodation, with the majority still dependent on short-term leases, including leases with demolition clauses.

There were valuable commercial skills in the room, including from for-profit creative businesses that do not receive any recurring funding through government grants.

There was some expertise in the room around fundraising and measuring impact which turned out to be a very important component of almost every single cultural sector pitch.

Where they ended up

Considerably lifted their strategic thinking about the importance of planning for future spatial needs and the impact of this on long-term stability for cultural organisations and businesses.

Built their confidence in understanding and articulating their own value, strengths and needs and how that aligns with possible private sector or government partners.

Improved their ability to pitch their broader value as a tenant, partner and community activator, often backed by real data and evidence about their value creation capabilities. Some used the pitch as an opportunity to find and document their metrics, something they had never done before.

Showed capabilities pitching a very strong values-led proposal often aligned to common ESG metrics used by the property sector.

Formulated more refined spatial and infrastructure requirements, including the ability to formulate several parallel proposals for different locations and contexts.

Some expressed an interest in being a partner and agent in advocating for a strategic policy agenda, bypassing opportunities that would benefit them directly in favour of enabling action at a policy level.

Established strong inter-sector relationships with other cultural organisations, based around location or shared needs, with a genuine commitment to doing more together.

No cultural sector participant seems to have the current capacity to take on ownership or anything much more complex than a longer-term leasing arrangement, even though there is lots of interest in ownership models.

Where they started

Most property sector participants came to the Program considering existing spaces that could be leased to the cultural sector rather than creating a space in future developments.

Some had existing relationships and considerable experience working with creative and cultural organisations.

There was a general approach to thinking of cultural organisations as tenants rather than partners across a number of their business functions including activation and programming, corporate philanthropy, co-development opportunities.

There was a good understanding of the commercial and ESG drivers that would justify a cultural organisation as a tenant, including CBD recovery in the wake of Covid-19.

Where they ended up

All understand that creative and cultural organisations are a critical part of our cities – including high-value commercially driven precincts in city centre – as the drop in occupancy rates for office space has driven property developers and asset owners to consider other uses, other business models and other sectors to maintain vibrancy.

All understood the affordability pressures and were able to offer below market rate proposals during the pitches.

A few participants were able to offer an opportunity to co-develop a vision, facility business model and operational requirements with creative organisations.

There was a lot of interest in the cultural organisations that had a ‘cultural consumption’ element or that were offering new-to-market concepts.

Some participants identified the intermediary roles they could play around connecting their property networks with creative and cultural sector needs.

There is an awareness that the long lead times on new developments mean any new spaces may be a long way off and that fit-for-purpose opportunities are going to be limited in the short term.

Most participants were unable to offer space for creative production in a light industrial context due to the high pressures on that type of property in this market.

Several are looking to government authorities to establish a context that better supports and incentivises the property sector to play a role in space provision.

Many are keen to understand more about the brief for creative spaces, and what the actual needs are for creative production spaces.

Property sector achievements

“I have a new appreciation for the difficulties for the cultural sector and an understanding of their requirements for inclusion in potential future bids.”

Property sector participant

“The value of our developments is driven from the experiences and diversity in the mix that form the public realm, and the importance of including cultural spaces within these areas is critical to future growth and inclusion.”

Property sector participant

“I am more motivated to push for an opportunity. I have a greater understanding of the scope of creative space needs and the interaction with the property sector.”

Property sector participant

The Creative Spaces Symposium



To create a strong linkage between past and current participants and share international insights, Left Bank Co. delivered a half-day symposium which brought together creative space leaders from Australia, the UK, and the USA.

Guests shared experiences and learnings in developing systemic change to secure long-term and affordable creative space in our global cities, and explored the theme of *affordability: defining, providing and preserving affordable creative space*.

We heard from several global champions leading creative space efforts, including the City of Sydney, the Community Arts Stabilization Trust (San Francisco), Artspace (US-wide), The Daniels Corporation (Toronto) and the Greater London Authority. We also heard from people behind the organisations working on the ground in Sydney to scale up efforts to preserve affordable creative space, including Griffin Theatre, 107 Projects, Leamac Property and Dasein. This collaborative international forum provided a platform to share insights and build collective skills and capabilities for a group all working towards the same objective: preserving space to nurture the creative and cultural vibrancy of our cities and communities.

Speakers:

Lisa Colley
Manager Cultural Strategy,
City of Sydney

Moy Eng and Owen Levin
CEO and COO,
Community Arts
Stabilization Trust,
San Francisco

Heela Omarkhalil
Head of Social Impact,
Daniels Corporation,
Toronto

Joseph Henry and Rachael Roe
Culture and Creative Industries,
Greater London Authority

Anna Growcott
Vice President,
Artspace Consulting,
USA

Jess Cook
CEO and co-founder,
107 Projects,
Sydney

Erika Pawley
Project director,
Leamac Property Group,
Sydney

Andrew Southwood-Jones
Dasein artist studios,
Sydney

Nick Read
Independent property consultant,
Sydney



Key takeaways

#1 #2 #3

We are on the journey but there is still a way to go to get an innovative alternative property model up and running in Sydney.

The international organisations showed us what gaps we need to overcome and the variety of ways in which these can be filled.

The diversity of the speakers (from the development side, from the creative side, from the policy making side) showed us that innovation is only possible with a diverse skill base and political appetite.

Sydney is making steady progress towards having the resources, the know-how and the leadership to spawn our own homegrown model that makes sense in our urban and regulatory context.

There are threshold concepts and barriers that our peers have worked through. We need to define how we will approach these locally.

Affordability: any collaboration between the property and the cultural sectors need to have benchmarks to work with but also be realistic and meet each partner where they are at (i.e., there is no one approach that works for every organisation or partnership or place). There are a range of tools, mechanisms and approaches that can be employed. But metrics as a starting point are needed.

Scale: models that work at scale need to be prioritised, including cross-subsidy models that can deliver affordability to those who need it most.

Capital raising: international models showed us how various capital sources are put together to enable investments to get off the ground. This requires patience and means that projects are slow moving but it is better to avoid debt to shore up the solidity of the model.

Working closely with the creative and cultural community – not just for them – is critical.

Any long-term solution to the space crisis must be designed in collaboration and consultation with the cultural sector, ensuring they have a leading voice in the planning and development of the space and can shape it into what they need so they can maximise the value they can deliver.

All the successful international models are about giving the cultural sector control of the real estate, enabling them to control their destiny.

Partnerships are vital, no one can do this alone. Collaboration is required between government, the private sector and the cultural sector.



Participant feedback

Program satisfaction:

4.6 / 5

The process allowed for a good understanding of the other sector's drivers and constraints.

4.5 / 5

I feel better equipped to be part of creative space solutions in the future.

4.5 / 5

I have acquired new knowledge, skills and tools that will help me to approach projects better.

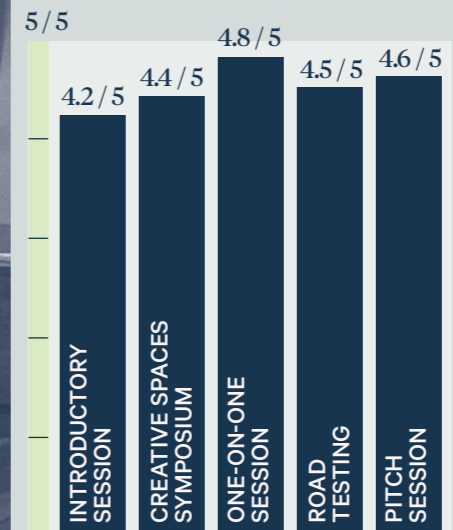
4.4 / 5

My networks within the property/cultural sector are stronger.

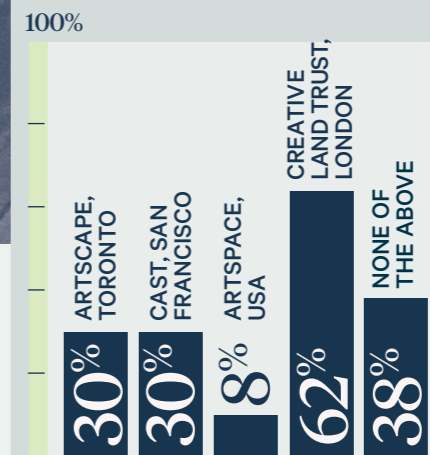
4.4 / 5

The program has impacted how I think about the value and process of creating space for culture and creativity.

Quality of the sessions:



International creative space models that have the best chance of being realised in Sydney:



100%

of participants will or will consider changing their strategic approach to making space for culture as a result of the Program

94%

of participants have or may have identified partnership opportunities as a result of the Program

46%

of participants are confident that will be part of delivering new creative space in Sydney in the next 2-5 years

Overall, how would you rate your experience of the Making Space for Culture Incubation Program?

9.2 / 10

Improvement on 8.9 score obtained for the 2021 Program

Achievements against the Creative Space Development Cycle

The inaugural Incubation Program identified and named the core functions of intermediaries needed within the Creative Space Development Cycle. This second round of the Program has highlighted that this conceptual model is still useful to have discussions about what skills and capabilities must be prioritised to see an increase in the provision of space and the possible establishment of alternative models.

A significant achievement of the 2023 Program cohort was their ability to position several participants as important intermediaries, leveraging their skills, networks and assets to fill these gaps. All participants expanded their scope to propose a larger and more strategic role than what they came to the Program with. Some participants further defined the required roles and identified ways

in which they could step into these roles. In particular:

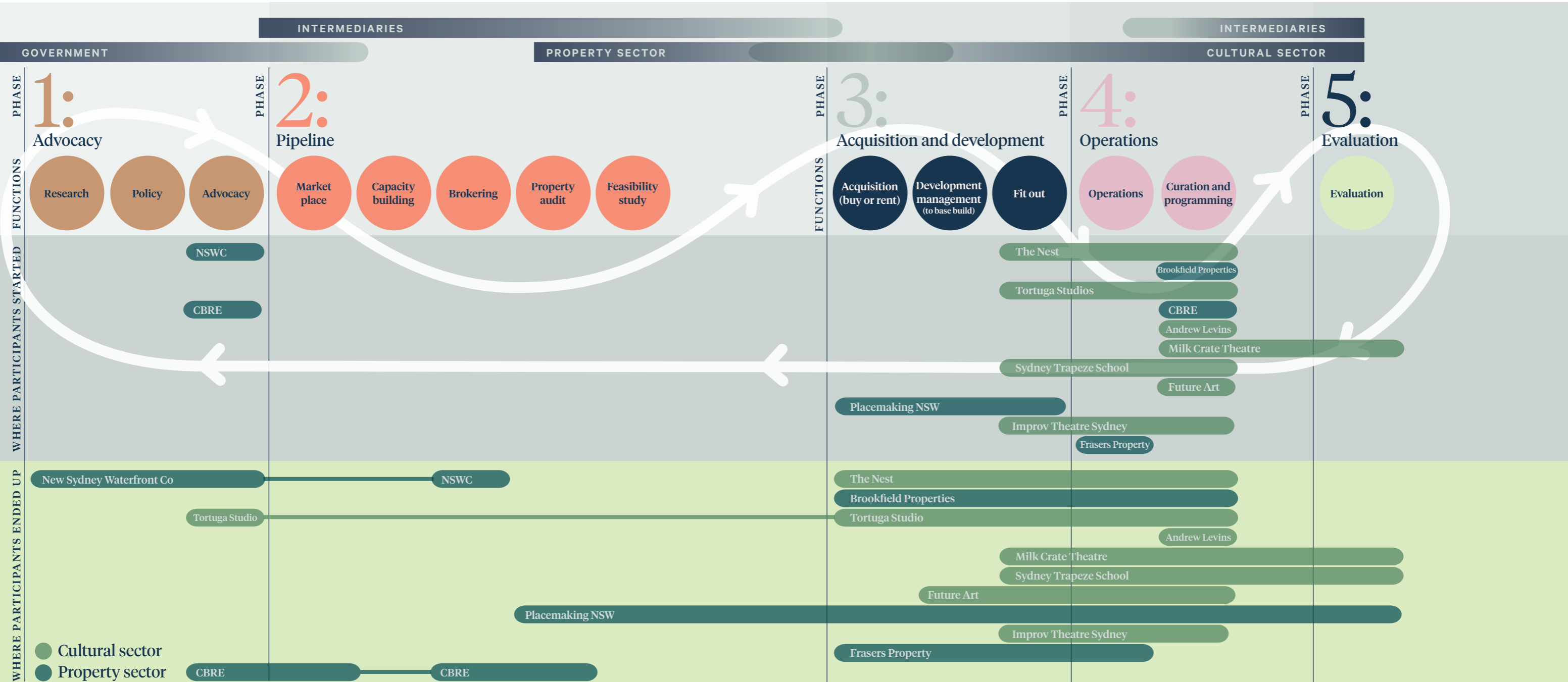
- CBRE proposed a strong marketplace and brokering role to match vacant and suitable spaces with cultural sector needs.
- The New Sydney Waterfront Company proposed an integrated policy, advocacy, pipeline development role working with its members and the cultural sector.

“CBRE pitched such a practical, timely and thoughtful solution, it was inspiring and looking forward to seeing and supporting what happens next!”

Guest attendee to pitch event

“It is challenging that local and state governments are often playing this role – and they aren’t always best placed to do so. I think there is great potential in the BIDs model to promote the value of cultural making space and form that bridge”

Property sector participant





Program discoveries

New knowledge and insights created as a result of the Incubation Program



HEADLINE LEARNINGS

1
Real property model innovation that steps outside of the tenant-landlord relationship is unlikely to come from the participants: this needs to be led by government.

Despite being able to broaden their purview and expand their role against the Creative Space Development Cycle, both the cultural and the property sector are struggling to look beyond the framework of tenant/landlord relationship for creative space provision.

- From the property sector’s perspective: headwinds in the property market are dampening appetites for something more adventurous and without a purpose-built entity to hold property, there is serious hesitation to consider innovations that divest space away from core asset holdings.
- From the cultural sector’s perspective: the urgency to survive as a creative in the current context is pressuring the sector, with no emerging candidates with the

resources and capabilities to evolve from a tenant to owner. This is due to the high barrier to entry in the property market and the lack of confidence in taking property development risk.

Both sectors are looking at the both state and local government as the main advocate for property model innovation. There is a need for government to:

- Lead the establishment of an appropriate entity to purchase and hold creative assets. A creative land trust is seen by participants as being the model with the best chance of working in the local context.
- Use government-owned property to prototype or pilot something truly innovative.

“A creative land trust is feasible for Sydney, but I suspect it will take a long time to ‘get up’ because of the real-estate market forces in its way... Why is it the most feasible? Because it is anchored in economic drivers: capital is sought from government and philanthropic bodies (i.e. it exists already) and can be deployed quickly to arrest the degradation of these areas. While I would like to think that creative spaces and cultural producers could afford to buy the buildings they are resident in currently (as per the CAST model), the dynamics of the Sydney market are prohibitive and even a generous lease-to-buy plan is unlikely to be feasible. The Artscape model doesn’t appear to work for cultural production ‘dirty’ industrial space; Artspace in Minneapolis has an ethos of restoring heritage spaces for the arts, which is incredible, but does not take into account the dire need to protect the existing warehousing stock in inner-city Sydney irrespective of its building heritage.” -

Cultural sector participant



2

Some cultural organisations and creative businesses – especially those with a focus on creative production – are more difficult to accommodate by the property sector and are therefore receiving fewer partnership offers. This suggests a government mandate for protecting and providing creative production spaces.

Some parts of the creative and cultural sector are reliant on distinctive types of space, specifically industrial floorspace and larger format warehouses. The opportunities to access this kind of space in the City of Sydney are extremely limited and are not the kinds of and uses that much of the property sector is looking to develop or retain. These kinds of needs will unlikely be met by the property sector on a voluntary basis.

There is a need for government intervention to frame a creative employment lands policy that protects these uses and types of properties. Incentives to support the creation of floorspace for creative production using heritage assets and light industrial zoning can also be established, supported by a purpose-built entity that can purchase and hold creative assets. A purpose-built entity, such as a government-established but arms-length property trust is probably the best solution to open up new options for creative production space.

“It became obvious during the program that our value is unlikely to be leveraged by new-build property sector developers, and while I think I always knew this, it was reassuring to discuss this square-peg-in-a-round-hole situation and understand it better.”

Cultural sector participant

“Creative spaces are typically not the highest and best use, as the organisations have found. If they [City of Sydney] want to protect these uses/spaces, they will either need to accommodate the provision of the spaces within their own portfolio, or mandate through a bid process, or through updated planning policies. This way it is factored into land valuation up front and allowances can be made.”

Property sector participant

3

Both the cultural and the property sector recognise the value of the Incubation Program and have identified a real need for continued networking and collaboration opportunities.

There is significant support for a program or a platform that enables ongoing networking and discussion between the cultural sector and the property sector to identify and broker partnership opportunities. Support for the continuation of the Incubation Program was overwhelming. A way of sharing and matching requirements to available spaces is also seen as invaluable. Both CBRE and the New Sydney Waterfront Co proposed roles and services that could meet this need. CBRE’s proposal, in particular, was extremely well received.

The challenge is in funding these kinds of services, and there is an argument for government to look at how it could partner with the likes of Left Bank Co. and CBRE to fund these kinds of programs and platforms on an ongoing basis and at scale.

“There needs to be some sort of forum to continue ongoing discussions between the property and cultural sectors. I think there are so many mutually beneficial opportunities between the two sectors that we may have just scratched the surface.”

Cultural sector participant

“A platform which allows for pitches to be shared year round would be ideal. The benefit of the project was knowing what others need so you can align what you have so a platform which can digitally match this to produce a short list would be ideal.”

Property sector participant

“There may be some value in ‘alumuni’ networking events to keep connections and re-engage (it is easy to return to status quo otherwise).”

Property sector participant

4

There is an increasing loss of capacity in both the cultural and the property sector, and the urgency to replace lost creative space is taking precedence over the opportunity to deliver innovation.

The experiences described by the Incubation Program’s cultural sector participants illustrate the increasing challenges the sector is having surviving in the current economic and post-pandemic climate. The capacity to think strategically about spatial needs is being overlooked in favour of keeping businesses afloat and finding any available space that allows them to do so. At the same time, the property sector is experiencing a high turnover of personnel, exacerbated by the current economic climate and redundancies across many top tier developers. The capacity, knowledge and advocacy for creative space established with past Incubation Program participants is being lost as they move away from their roles, leaving the property sector thinking about creative space in unimaginative ways.

In this high pressure context, the creative and cultural sector urgently needs space to be able to keep producing content, while the property sector is urgently looking for alternative tenants and activation opportunities to retain tenants and

stabilise returns. While this is a great opportunity to match supply and demand, this urgency is eroding the opportunity to plan and deliver the property model innovation, and also risks using creativity solely as a temporary activator that will eventually be displaced.

This suggests there are two invaluable streams of ongoing work that need to be considered by all levels of government and both sectors:

- Firstly, meeting the basic and urgent need to stabilise both sectors by protecting existing cultural workers and their existing spaces and matching available properties with cultural sector users.
- Secondly, kickstarting targeted innovation efforts to shape an enabling landscape for the delivery of more secure and affordable creative space, including developing our own locally-suited alternative property model(s) and/or a dedicated purpose-built entity that can purchase and hold creative assets.

“I think small steps are needed first before we can facilitate a big project so as to help a broader breadth of the industry rather than a single signature pilot.”

Property sector participant

Image: 39 Burton Street, Darlinghurst – 27 June 2014. People pictured at the Eternity Playhouse bar and box office. Credit: City of Sydney.

Insights linked to the Creative Space Development Cycle

PHASE

1:

Advocacy

What they said

Both the cultural and property sector reinforced the critical role that local and state government have to play in leading the research, policy and advocacy phase of the Creative Space Development Cycle to support the provision of creative space, particularly given the City of Sydney's commitment to 40,000 sqm of creative production space.

—**Research:** the participants indicated there are important research gaps government can fill that would be useful to support efforts in space provision, including having a better understanding of affordability, standardising ways to measure impact, and identifying suitable spaces that could meet sector needs, including government-owned assets.

—**Policy:** there is a desire to see government revise policy and regulatory frameworks to incentivise and support space provision, such as updating planning controls, mandating a percentage of space within developments, setting mandates through bid processes, and simplifying and supporting DA processes for establishing creative space. Commentary suggested

the property sector would happily support space provision but that mandates ensure costs and allowances can be factored into land valuations up front.

- Advocacy:** there are a number of areas raised where participants felt more advocacy is needed:
 - To other asset owners, capital venture organisations and financial institutions who have the properties and the means to support space provision.
 - To the property sector to support ways to align creative spaces with ESG requirements.
 - To other parts of government, particularly state government agencies who have large property portfolios, like Transport for NSW, Placemaking NSW, Property and Development NSW.
 - To the media, to attract coverage of the program, the participants and the benefits that can come from it.

It was also suggested that Business Improvement Districts like the New Sydney Waterfront Co, as well as platforms like the Office of the 24-hour Commissioner's Uptown Accelerator program could play a role in driving policy and advocacy amongst their members and participants.

What it means

The renewal of the state's cultural policy and the City of Sydney's cultural policy are great opportunities to continue to advocate for creative space. There is a small window of opportunity for these policies to commit to the funding and levers needed to make a difference.

There is a need to formalise discussions between the City of Sydney, Create NSW, and other state government agencies to discuss how to capture research and amplify the space advocacy agenda through policies and programs. A robust evidence base is critical to meaningful engagement and advocacy with other state government agencies like the Office of the 24-hour Commissioner, Department of Planning and Environment and Property and Development NSW.

Major precinct planning and development projects need to mandate the delivery of creative space, but planning authorities need to provide the property sector with more clarity on the types of spaces needed and give them the tools to ensure this space is delivered effectively. This requires a strong evidence base, suite of tools and resources, and the right platforms to build connections between the property and cultural sectors.



2:

Pipeline

What they said

Participants were very vocal this year about the importance of the pipeline phase of the Creative Space Development Cycle and how valuable the various functions are to driving an increase in space provision.

- **Market place:** participants identified that there is currently plenty of supply of available vacant space (in particular, lots of B-grade and below commercial floorspace) as well as lots of demand from the creative and cultural sector for space, and that the main challenge is in matching the supply with demand. There was strong support for a platform that can gather and share opportunities from both sides.
- **Capacity building:** participants strongly advocated for the Incubation Program itself as a critical platform for building capacity and networks across the two sectors, supporting the idea of its continuation. There was also appetite from the property sector to build further understanding about typologies of creative spaces and their relevant design requirements, and specifically better understand creative production spaces and their potential to anchor communities.
- **Brokering:** participants were eager for an intermediary program or service that could offer both an in-person and a digital platform for structured and collaborative discussions on an ongoing

basis, supporting networking and match making to identify potential partnerships. There was also discussion about beneficial skills and knowledge a broker could offer, including managing DA processes, legal support and standardising leasing terms to help navigate negotiations.

- **Property audit:** both sectors noted how much property is available across the city, including state and local government-owned assets, and private sector assets, which holds potential for creative and cultural use. The challenge is identifying space and auditing to ensure it is fit for purpose, with cultural organisations spending an immense amount of time on this kind of task with little support and no direct source to help their search. Some are spending in the realm of 2-4 hours per week on this effort.

Both CBRE and the New Sydney Waterfront Co were identified as being able to play these kind of intermediary roles. The concept of identifying and auditing available space was followed through on by CBRE's proposal to play a vital pipeline role by tapping into their property networks. Their proposal for auditing vacant space to identify what would be suitable for creative and cultural use and establishing the market place was extremely well received.

What it means

By investing in the pipeline functions of the market place, capacity building and brokering, it would be possible to see a fairly rapid response to meeting the cultural sector's urgent challenges around accessing space, as well as supporting longer-term partnerships that could be shaped around more innovative models.

Through the Incubation Program and the pitches, it is clear that participants like CBRE and the New Sydney Waterfront Co are uniquely positioned to step into the space of brokering relationships with their property networks. Their existing relationships, technology and databases can be deployed to support an increase in space provision. The challenge here is how to fund the development and operations of these kinds of services on an ongoing basis.

The value of the Incubation Program should not be lost once the current funding period ends. Ways to continue and scale the program and support ongoing networking and conversations need to be explored.

3:

Acquisition and development

What they said

The roles of creative space acquisition and development on the Creative Space Development Cycle remain the least understood and underserved in the current Sydney context. The risk and responsibilities required to do this are either not fully appreciated by participants, or there is little appetite to take on this responsibility.

- **Acquisition:** there is ongoing demand for a dedicated entity to acquire space for creative and cultural use, with government still being seen as the most likely contender for this role.
- Overwhelmingly, participant showed significant support for a creative land trust to be established by government and for government property to be put into this trust. A coalition of the willing also emerged to help materialise these ambitions: some showed a lot of interest in demonstrating what can be done when you entrust creatives with vacant space (The Nest, Tortuga), while CBRE said they could partner to support the transaction side of things.
- The property sector is not entertaining anything other than leasing in the current economic climate, and are unlikely to support acquisition efforts from any entity that isn't established and sound.
- The cultural sector dream of ownership but it is too far beyond reality for most participants:

short-term leasing of depreciated or government-subsidised assets is a trade off they are often willing to make as it represents less of an investment and can be adjusted to suit changing circumstances.

- **Development:** what it means to 'develop' creative space is not well understood. Many cultural participants described themselves as creative space 'developers' due to their efforts setting up creative floorspace out of buildings designed for other purposes, but this does not reflect the skills of a developer and is more akin to fit-out.
- **Fit-out:** this is where most of the cultural sector participants excel because the fit-out is so crucial to their operations and business model. However, the sector described how delivering a fit-out can be a costly exercise with many organisations struggling to recoup their investment in their fit-out due to short lease terms end and they have to relocate on such a frequent basis.

What it means

The City of Sydney and/or State Government need to scope the establishment of a new property vehicle dedicated to acquiring space for creative and cultural purposes, using government-owned property as a pilot project and working with both the property and the cultural sector to develop the business and operational models that support it. Without a rapid and decisive move of this kind, we are unlikely to see any step change beyond traditional leasing models.

This year's Program reconfirms that government support needs to be directed to the cultural sector in their search for, securing and setting up of space, building their capabilities beyond short-term leasing and underwriting the investment required to get a new space off the ground.

There are some emerging gaps in the capacity building piece for both sectors to better tackle the acquisition and development phase. The next iteration of the Incubation Program could look to better address these:

- The cultural sector require further knowledge regarding the process and metrics to secure space on a more stable basis such as:
 - the hallmarks a business model needs to be secure
 - how to identify suitable property or land
 - how to build a development feasibility
 - what it means to secure finance, calculate capital and costs.
- The property sector needs to be part of exploring and testing property model innovation efforts to understand the barriers to entertaining new approaches within their projects.

4:

Operations and programming

What they said

The operational phase is the best served part of the Creative Space Development Cycle amongst participants, with some of the property sector undertaking aspects of these functions alongside the cultural sector. The challenge is in identifying the right skillsets for the right projects, and approaching this in a way that builds long-term value.

— Operations:

— There are differing space needs and constraints across the cultural sector depending on the operational model and business activities. These can be largely divided into two categories: one group occupies space for its own operational and business activities (i.e., Sydney Trapeze School, Milk Crate Theatre), while the other group occupies space to then sub-lease for the business activities of others (i.e., The Nest, Tortuga). Discussions around needs revealed that this second cohort of ‘creative space operators’ have quite unique requirements because they are taking on risk and responsibility on behalf of subtenants, and therefore aspects like affordability and security of tenure impact them in different ways. However, as a result of the responsibility they take on, they have more diverse skills that make them very capable at managing their operations,

making them great partners for government or property sector asset owners.

— Different operational activities are highly contingent on certain types of buildings and assets. Many cultural production activities rely on industrial floorspace, such as Tortuga’s. Others require very specific spaces, such as Sydney Trapeze School’s requirement for large-scale volumes which are challenging to come by at competitive rents. Generally, the feeling was that these distinctive needs offer little opportunity to partner effectively with property developers and there is a need to preserve existing spaces to house these kinds of activities. Notably, both these cultural organisations are extremely unique and rare in the Sydney context and their loss would be a significant blow to the creative and cultural community.

— Curation and programming: several participants from both sectors indicated they were delivering this function, and often in collaboration, with the property sector procuring creative services. There are challenges in finding ways to deliver programming and activation on a more sustainable basis, driving re-investment and longevity rather than one-off and loss-leading outcomes.

What it means

The concept of a ‘creative space operator’ needs to be teased out as distinctive from standard creative and cultural tenants. As in London, this cohort can be formalised to take on space management responsibility in place of government. Research around the definition and scope of a creative operator would help pinpoint the activities they perform and value they bring. Capacity building of existing operators is also critical so that they can gain the skills and confidence to scale and form a competitive marketplace of operators who are a key part of increasing creative space provision.

There will be a sub-set of creative and cultural organisations and businesses whose needs are unlikely going to be met in partnership with the private property sector. In the Sydney landscape, these tend to be businesses who rely on large-scale industrial floorspace. This suggests there is a mandate for government to look at ways to target these kinds of assets for a creative land trust, focusing on where the need is greatest and most challenging to address in the market.

5:

Evaluation

What they said

Evaluation and impact measurement skills varied amongst the participants, but many of the cultural organisations used the Program as an opportunity to collect their own impact data, spending more time talking to their members and communities to understand and communicate their impact to stakeholders. Through the pitches, there was evidence of significant upskilling in evaluation.

It was also evident the property sector has an appetite to measure the impacts of creative space: ESG requirements are becoming an increasingly large driver for asset developers and owners who are seeking to improve the ethics and sustainability of their portfolio and approach, and creative activity is increasingly being viewed as a broader social good that has impact well beyond the value of the creative or artistic output. CBRE’s Natalie Slessor called it the ‘flight to humanity’. Participants talked about:

- Delivering an activation dividend through building audiences and following
- Building authentic communities around places
- Overcoming social isolation and mental health challenges
- Providing a platform and outlet to discuss important contemporary topics
- Increasing personal well-being in the form of confidence, forming secure attachments
- Creative businesses are also able to collaborate and create value for other types of businesses in the areas they are active in, creating an authentic and collaborative approach to placemaking and community building.

What it means

Existing metrics that measure the artistic value of creative output are being complemented by a host of social value metrics that are more important than ever in post-pandemic cities. More research is needed to understand how these co-exist and complement one another, and how they can be measured.

More clarity is needed about ESG frameworks and strategies and how the cultural sector can meaningfully participate in these to create shared value. At the moment, ESG still sounds like corporate speak and there are no obvious inroads into how the cultural sector could meaningfully partner to reach ESG goals.

To avoid increasing the reporting impost on cultural organisations, there could be a concerted effort amongst funding agencies (at local, state and federal level) to create a standardised impact framework that aligns with basic reporting requirements for grants. Findings ways to embed this around property and land valuations is vital, and support is needed to help cultural organisations do this in a cost-effective way.



Making cities meaningful.

**For further information
or any questions,
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**Left Bank Co.
Making Space for Culture
Incubation Program facilitators**

Left Bank Co. is a collective of urban strategists who help our clients turn big ideas into solutions for the real world by navigating the complex process of city making. We have carved out a niche working at the intersection of city making and creativity. We specialise in the considered planning of creative and cultural infrastructure, combining our expertise in urban planning with experience in arts and cultural management to develop realistic delivery strategies for visionary, viable and high-value creative space outcomes. We are recognised nationally for our insights into and advocacy for making space for creativity through innovative property models.