East End Improvement Model
End of Year One Report

02 November 2018
Prepared by: Economic Development Unit
E: ecodev@cityofperth.wa.gov.au
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Background

At its meeting held on 1 August 2017, the City of Perth Council approved Stage 1 of a three-year, East End Improvement Model. The improvement model is an extension of the trial Barrack Street Improvement Model which concluded in December 2017.

- **Barrack Street Improvement Model Program (2015-2017)**

The City’s targeted three-year improvement model along Barrack Street resulted in $403,198 of the City’s Heritage, Small Business and Business Improvement Grant Programs generating $842,160 of private investment at the low end, to a top end of approximately $4,161,824 in private investment (should all submitted Development Applications be undertaken) for enhancements across 19 sites located on Barrack Street.

The actions of the improvement model in Barrack Street were a welcome addition and relief to local traders, which has assisted in stabilising the area during some of the most challenging economic times across the City. The area has attracted new tenancies that operate later into the evenings, adding critical passive surveillance which dissuades crime and anti-social behaviour. Examples of outcomes achieved through this program are outlined below:

| Removal of steel grills and restoration back to original heritage state |
|---|---|
| **Before** | **After** |
| ![Before Image](image1.png) | ![After Image](image2.png) |
| ![Before Image](image3.png) | ![After Image](image4.png) |
- Why the East End of Perth?

Over the past decades, the East End of Perth, a critical city neighbourhood has experienced deterioration in its vitality and appeal to residents, workers and tourists. The East End Improvement Model is aimed at improving a targeted area within the East End of Perth by applying the improvement methodologies and strategies used within the Barrack Street Improvement Model program.

- East End Improvement Model Area

The East End of Perth is an area spanning from Barrack Street in the west to Hill Street in the east. The area selected to focus resources and intention for Stage 1 of the East End Improvement model is located within the parameters of Barrack, Hay, Murray and Pier Streets.

This area was considered a natural progression to complement the results gained through the Barrack Street improvement model program and the City’s Hay Street Mall and East End Revitalisation Plans. The area also synergised with current and programmed public realm enhancement projects, including but not limited to the Historic Heart of Perth Inc’s art and landscape led initiative to regenerate and encourage visitation to the city’s East End, and the recently commenced augmented reality ArtWalk by Activate Perth.
**Improvement model snapshot**

The improvement model is aimed at targeting property and business owners located within the improvement area, with existing City grant programs and business incentives to assist in leveraging public and private realm enhancements that will improve the overall appearance, vibrancy and business competitive advantage of the area. Examples include:

- cleaning, painting, improving material finishes and building presentation;
- upgrading and/or rationalising existing signage;
- maintenance works to canopies over the footpath; and
- providing improvements to the heritage fabric of buildings.

Over the course of year one of the program, officers from the City’s Economic Development Unit (EDU) have engaged with businesses and land owners in the improvement model area to make them aware of the intentions of the improvement model program, and of the unified approach and support available to assist in responding to the City’s focus on improving the vitality and appeal of the area to residents, workers and tourists to the City.

- **Summary of Year One Activity**

The outcomes of the first year of the East End Improvement Model project have become more visible to residents, workers and visitors to the area since the commencement of the project in August 2017. This has included the resolution of over 50% (Table 1) of the listed dilapidation issues reported in the inception of the project, and an approximate 5% (Table 2) reduction of street level vacancies within the original 79 tenancies within the improvement model area. These have been largely influenced by developments and interventions of the private sector, the City’s targeted revitalisation plans to upgrade the public realm, and through EDU’s case management assistance provided to property and business owners.

- **Actionable Dilapidation Issues**

The improvement model has successfully aligned activities, services and teams across council to assist in addressing over 50% of the actionable dilapidation issues identified in an audit of the area in August 2017, as follows:

<table>
<thead>
<tr>
<th>Dilapidation Issue</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graffiti</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Signage</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Canopy</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Material Finish</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Paint</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Clean</td>
<td>17</td>
<td>8</td>
</tr>
</tbody>
</table>

Most of dilapidation issues resolved over the course of year one have been triggered through property and business owners undertaking standard renovation and upgrade activities.
- **Street Level Vacancies**

The number of overall vacancies within the improvement model area has reduced by over 5% since the commencement of the program in August 2017. Of the 79 street front tenancies, four new businesses have opened in the improvement model area in the year to end of August 2018.

<table>
<thead>
<tr>
<th>2017</th>
<th>* 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>65</td>
<td>69</td>
</tr>
<tr>
<td>13.92%</td>
<td>8.86%</td>
</tr>
</tbody>
</table>

*Based on original 79 tenancies

**NB:** Additional Tenancies have been added within Mclean Lanes since the commencement of the project

Table 2: Street Level Vacancies

- **New Business Entries**

**Four new businesses in the Improvement Model area**
*(occupying existing street level vacancies)*

1. **585 Hay Street**

**Breadhouse**

- Offering a range of freshly baked breads, housemade sweets and savouries displayed in a “buffet” arrangement.

2. **565-579 Hay Street**

**Hair Collection Tokyo**

- Offering high quality hair products from Japan coupled with “the finest hospitality with a philosophy to captivate the senses.”
3. 7/542 Pier Street
Downtown Kebab
- Offering Pizza and Kebabs until 2am.

4. 1/88-96 Murray Street (CPP/Property leased site)
Seoul BBQ
- Offering authentic Korean BBQ meats and seafood.

- Completed re-development sites

<table>
<thead>
<tr>
<th>QT Hotel</th>
<th>5 star hotel, luxury rooms and rooftop bar</th>
</tr>
</thead>
<tbody>
<tr>
<td>133-141 Murray Street</td>
<td></td>
</tr>
</tbody>
</table>

FORMER GREATER UNION CINEMAS
Highlights

NEW 18 FLOOR 5 STAR HOTEL

ROOFTOP BAR

5 STAR ROOMS
State Electricity Head Quarters - Refurbishment of site to original heritage state

128-132 Murray Street

**Historical Photos**

Site prior to restoration

Restored Site

**Highlights**
- Façade and internal restoration of the *Inter-War Free Classical Style* place built in 1927.
- Historic Heart of Perth Inc. currently activating the restored street frontages with pop-up displays.
- Current sites being re-developed/renovated

My Place Bar and Bistro Building

70 Pier Street

Highlights
- Existing bistro fit-out and restaurant set up attached to the Pensione Hotel.

Kings Hotel (2017/18 listed site renovation yet to commence)

525 Hay Street

Highlights
- Renovation and redevelopment of existing Hotel site.
HBF Building Site & private laneway activation

125-129 Murray Street

Existing Site and Private Laneway

Building

Laneway

Artist Impression of redeveloped site

Examples of potential laneway activation

Highlights

- 3 x new street front tenancies. Activation of derelict laneway.
**Crime / Antisocial Behaviour**

In recent times, the area within the improvement model area has had a larger proportion of crime and anti-social activity than comparable areas. While there is no available “directional” WA Police data to correlate these instances to the improvement model area, Officers from the City’s Community Safety and Amenity Unit (CAS) have cited that while the City undertakes frequent patrols in conjunction with the efforts of the WA Police, the area remains a centre for anti-social behaviour.

Elements of the improvement model strategy, namely the targeted East End Improvement Model grant program has assisted the Kangaroo Inn Hostel (123 Murray Street) to enhance Closed-Circuit Television (CCTV) capacity through support of a $10,000 grant. The additional capacity has been targeted towards the installation of key devices in “black spot” areas within the Hostel’s private realm areas, that complement the City’s own CCTV network in the public areas of the improvement model area along Murray Street between Barrack and Pier Streets.

Furthermore, CAS are continuing to increase the capability of the City’s CCTV network, through the implementation of smarter technologies to enhance the monitoring, assessing and responding to anti-social behaviour within the improvement model area.

**Grant Assistance Programs**

The City’s grant programs and business incentives have assisted in stimulating and encouraging community associations, local business and land owners to consider renovations to property, enhancing CCTV security in private areas, upgrades to historical building facades and art and landscape initiatives. Specific funding of $50,000 for the East End Improvement Grant Program was included in the 2017/18 EDU Budget to also assist with enhancements specific to the Stage One improvement model area. The targeted grant program has assisted in stimulating and encouraging local business and land owners to address the numerous dilapidation and compliance issues identified at the inception of the project in 2017. This has assisted in creating new tenancies and creating employment to the improvement model area throughout year one.

In total, the City received three applications for East End Improvement Grants requesting funding to assist with projects within the Stage 1 East End Improvement Area in year one, and assisted in the development of one Heritage and a Precinct Development Grant application as follows:

<table>
<thead>
<tr>
<th>Grant Type</th>
<th>Amount ($)</th>
<th>Business</th>
<th>Project</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>East End Improvement</td>
<td>$20,000</td>
<td>Hifumiya Udon Noodle House</td>
<td>New Business Fit – Out</td>
<td>McLean Lane</td>
</tr>
<tr>
<td>Small Business Grant</td>
<td>$5,000</td>
<td>Hifumiya Udon Noodle House</td>
<td>Signage</td>
<td>McLean Lane</td>
</tr>
<tr>
<td>East End Improvement</td>
<td>$10,000</td>
<td>Makmal Capital</td>
<td>Activation of underutilised areas</td>
<td>McLean Lane</td>
</tr>
<tr>
<td>East End Improvement</td>
<td>$10,000</td>
<td>Kangaroo Inn</td>
<td>CCTV Upgrade</td>
<td>123 Murray St</td>
</tr>
<tr>
<td>Heritage</td>
<td>$82,750</td>
<td>Salvation Army Building</td>
<td>Façade restoration</td>
<td>48 Pier Street</td>
</tr>
<tr>
<td>Precinct Development</td>
<td>$300,000</td>
<td>Historic Heart of Perth Inc</td>
<td>Art and Landscape Initiative</td>
<td>To be finalised</td>
</tr>
</tbody>
</table>

**TOTAL APPROVED** $427,750
Details of East End projects activated via City Grants and Business Incentives:

- **Hifumiya Udon Noodle - 100/104 Murray Street (McLean Lane)**

  *East End Targeted Grant total: $20,000 / Total Project Cost: $130,000*

  Hifumiya Udon Noodle House is a new Japanese restaurant that opened in Perth’s East End in March 2018, specialising in authentic Japanese cuisine, specifically, udon noodles and tempura (deep-fried vegetables and seafood).

- **Makmal Capital 100-104 Murray Street**

  *East End Targeted Grant Total: $10,000 / Total Project Cost: $99,384*

  Makmal Capital, owners of the property located at 100-104 and along McLeans Lane collaborated with the City of Perth to deliver combined improvements to the property to cater for the development of façade upgrades to allow for three new food and beverage tenancies and disability access.

- **Kangaroo Inn 123 Murray Street**

  *East End Targeted Grant Total: $10,000 / Total Project Cost: $34,681*

  Interior & Exterior expansion of private CCTV network to allow for increased coverage of publicly interfacing public areas of the building along Murray Street and adjacent private laneway.
- Salvation Army Building – 48 Pier Street

Heritage Grant Total: $82,750 / Total Project Cost: $165,500

- Significant restoration works to the façade of the building to improve the visual appearance of the building and to ensure the building is well-preserved into the future.

*To be completed in 2019*

- Historic Heart of Perth Inc

Precinct Development Grant Total: $300,000 / Total Project Cost: $600,000

- Stage 2 Art and Landscape Imitative to installation of 65 planter boxes and benches, three murals and laneway lighting.

*To be completed in 2019*

**Comments**

The City has budgeted an additional $50,000 of grant funding towards the improvement model for 2018/19. Officers are currently providing case management support to property and business owners in the improvement model area to ensure the momentum created and the positive business engagement generated within year one of the project is maintained into 2018/19.

This will include tracking any impact the improvement model is having on the gross rateable value of properties in the improvement model area, ensuring local traders are enrolled into targeted events such as the Business Safety Workshops conducted by the Business Support and Sponsorship Unit (BSS) and to continue to work with the Property Unit (PU) to align activities of the improvement model strategy with the commercial leasing strategy surrounding City owned properties within the improvement model area e.g. The Gasworks building & Pier Street Carpark.

Furthermore, EDU will continue to communicate improvement model activities to the City through the Economic Development Working Group – East End meetings and as requested. The City, through EDU, will also continue to liaise with Historic Heart, Activate Perth and other related groups to provide advice and support if needed as further interventions and activities commence throughout 2018/19.