



**Re: Permit Application P39770 - Block Arcade (Shop 286), 280 - 286 Collins Street 96 – 102
Elizabeth Street Melbourne, Melbourne City (H0032)**

Further to your recent request for additional information dated 13 June 2024, we are pleased to provide the following details and information to support the application for the fitout of the Collins Street tenancy (shop 286) of the Block Arcade H0032.

The RFI requests further details on the following element, stating:

- *The lighting scheme as proposed is not considered to meet the criteria for a site specific exemption related to tenancy fitouts. The placement of downlights within the distinctive pattern of the ceiling will cause damage and therefore does not meet the exemption. It is strongly recommended that a revised scheme using light weight, suspended strip lighting, consistent with the majority of other tenancies within the arcade be submitted and included as part of the application's scope of works.*
- *The need for the mezzanine and additional retail area it would provide has not been included. A submission addressing s101(2)(b) of the Act regarding reasonable and economic use of the heritage place would assist with our assessment. It is a mandatory requirement for the Executive Director to consider the extent to which the application, if refused, would affect the reasonable or economic use of the registered place.*
- *The laser cut metal screens and security roller door appear obscure the presentation of and views into the tenancy. The purpose and design of the metal screens are unclear and no discussion regarding their impact on the place is included in the HIS. Other security options should be explored and documented as options in the application, including why less impactful options were not viable. Pursuing the proposed option will require evidence of need, an options analysis and a more sensitive design response to maintain open views in the tenancy.*

In support of the application, we have attached to this letter, a letter prepared by the Tenant and Client – Grand Seiko Australia, dated 8 July 2024 and revised Drawings REV A prepared by Perry Fung Architects and dated 12 July 2024.

We provide the following response to each item above:

Lighting

The proposed downlight installation across the ceiling flats away from the decorative panels has been revised to now include a track mounted downlight system with minimal fixings into the ceiling - max. 5mm screw fixings at 1.5m intervals in line with the recommendation by Heritage Victoria.

The drawings prepared by Perry Fung Architects have been updated to include the revised details and are attached to this letter.



The proposed mezzanine

The proposed construction of the mezzanine has minimal impact on the heritage fabric of the place. It is supported by a new steel structure and maintains visibility of the key heritage features associated with the cultural heritage values of the place, which do not exist within individual tenancies of the Block Arcade, with exception of the former Hopetoun Tearooms.

As identified in the Heritage Impact Statement, the cultural heritage values which are tangibly embodied in the fabric of the place are found in the Arcade space, through the expansive mosaic tile floor and the Collins and Elizabeth Street facades. Social and historical values are found in the use of the place and the continued use of the place as a premium shopping precinct.

The proposed works to construct the mezzanine that is ultimately reversible as tenancy changes occur over time, does not impact these values.

This is supported by the standing permit exemptions included on the VHR Citation allowing for fitout of tenancies provided there is no damage to walls, floors and ceiling. The mezzanine does not result in damage to the wall, heritage floors or ceilings of the tenancy. The exemption recognises: *Occasional refurbishment of shop interiors to accommodate tenants' requirements is intrinsic to the continued usage of these spaces for retail operation. The display of merchandising material is an essential component of retailing.*

The tenancy has been designed to provide a high-end shopping experience associated with the Grand Seiko brand and market position. The brand is associated with luxury goods and requires a VIP lounge as part of the offering to facilitate high-end sales of their products.

Our client, Grand Seiko has prepared the attached statement dated 8 July 2024 relating to their reasonable and economic use detailing the arrangement of special requirements that make up the tenancy and demonstrating the need for the mezzanine. Their advice finds that the mezzanine contributes significantly to sales (up to 15 - 20%) and justifies premium market rent on Collins Street, which would contribute to cover the overall rent. In considering this, approximately 60% of the overall leasable area is located underground and has no street visibility and is not suitable for use for sales or promotion of products.

There is a true reasonable and economic use for the additional floor space demonstrated through the need for increase leasable area needed to establish sales spaces that are visible from within the overall store and from the streetscape. This is a typical requirement of many luxury brands for whom such retail tenancies are aimed at. Collins St (stretching between Elizabeth St to Exhibition St) is typically leased out by high end luxury brands including Cartier, Rolex, Tudor, Longines, Tag Heuer, Watches of Switzerland, The Hour Glass, Tiffany & Co etc. Because of this, the market rent for GF shops with street frontage on this section of Collins St is typically higher than other areas of the CBD and would not be considered viable for many other brands. Meaning that the potential tenants capable of affording the premium rent will be largely limited to other high end luxury brands with the same requirements for additional space.

Should the permit not be granted, the tenant would need to consider alternative arrangements, which would impact the lease-ability of the space generally and could result in reduced tenancy income, which could impact the ability for future conservation works to be undertaken.

The Block Arcade is kept in good condition, the interior of the arcade was recently repainted and repaired to ensure the arcade remains well kept. Other areas of the building have recently been repaired and repainted and other works are required to maintain the building in the long-term.

The tenancies located in the Collins and Elizabeth Street entrances are limited in their area. Other tenancies have mezzanine levels that are accessible from within the tenancy. This was once the case for the Collins Street tenancy, which includes the shadow markings of a staircase that lead up to a mezzanine but is no longer present. Refer to Figure 1.



Figure 1 View of the interior of the subject site showing the shadow of a former stair stringer on the end wall where the mezzanine is proposed to be installed.

Laser cut screens

The proposed screens are located within the tenancy and are set back from the depth of the window reveals and set at high level above the overall display. The screens are punctured to 75% visibility with only 25% opaque, such that they are largely see through. As noted above, they form part of any normal tenancy fitout and comply with the site-specific permit exemptions included on the VHR Citation, which states: *Occasional refurbishment of shop interiors to accommodate tenants' requirements is intrinsic to the continued usage of these spaces for retail operation. The display of merchandising material is an essential component of retailing. Alterations to decorative ceilings will be subject to permit approval. The following works are considered permit exempt:*

** The interior design and fit out of retail tenancies including shelving, display units, associated furnishings and lighting design provided there is no damage to walls, floors and ceilings. This includes removal and replacement of fittings.*

** Alteration to existing decorative schemes to shop interiors, provided they do not remove or damage evidence of original paint and other decorative schemes. Proposals to alter existing pictorial representation are subject to permit approval. Colour schemes are to be approved by Block Centre Management.*

The installation of the proposed screens complies with this exemption and will have minimal visual impact on the shop front. We have included additional images showing their use in other such sites and renders showing their use at the Block Arcade to provide a better understanding of the visibility.



The proposed screens are likened to the adjacent filigree over the main Collins Street entrance to the Arcade. The renders clearly show high degrees of visibility into the store beyond the screens and product displays, particularly given the screens are well above the typical sight lines of normal persons at an estimated height of 1,700mm, such that they will have minimal to no impact.

Other shops within the arcade, particularly those with presentations of jewellery in their front windows have built out the lower portion of the window at eye level. This has a far more obscuring impact than that of the works proposed in this permit application.

This approach is less obscuring of the interior than screening used in other VHR and Individually listed Heritage Overlay sites, such as Rolex House VHR-H0442, Louis Vuitton HO577 and Franck Muller VHR-H0472.

On the basis that this is interior fitout works and exempt under the existing exemptions included on the VHR Citation, it 75% perforated and shown to be highly visible, and outside the general sightlines of a typical person able to view the shop through the ground floor level, we are of the view that the proposed screens have no detrimental impacts on the cultural heritage values of the Block Arcade, whether architecturally, historical or social values.

It is also demonstrated to be less impactful than other examples utilised on similar sites included on the VRH.



Figure 2 View of the Collins Street entrance showing the proposed screening which permits high visibility into the store and echoes the adjacent filigree above the Collins Street entrance to the arcade.



Figure 3 Top: View of Grand Seiko in Sydney with same level of screening within the shop windows. Bottom: Similar version of the screening utilized at another Grand Seiko store indicating the screens to have high visibility.

Roller grille

We understand from the tenant that they, like other luxury brands typically require security screens over main entrance doors at night to prevent break-ins to stores where persons are able to ram their way in through the front of the store and subsequently drag safes and other security box devices from the store.



As detailed above, the tenancies located in the entrance to Collins Street, are largely attractive to high-end international brands based on the rental income expectations. Such that the roller grille is a requirement of any potential tenant of this space. This is genuinely an economical and reasonable use consideration. Should the roller grille not be permitted, it would prevent the tenant and other future tenants from adequately securing the contents of their store.

As shown in Figure 4 below, other properties, such as Cartier located at 100 Collins Street contain similar security devices, which show that the security screening can be installed with less visual impact and opacity than more off-the-shelf roller grilles. Whilst we acknowledge these sites are not included on the VHR, they clearly show that a designed outcome can be provided to reduce the overall impact on the place.

Other high-end retail brands also contain such roller grilles in a less discreet manner, and they include shops that are in VHR listed sites, including: Franck Muller VHR-H0472, Watches of Switzerland HO598, Fendi and Prada at the Athenaeum Club B3924 and HO568 and Hermes at Harley House B6552 and HO568.

In order to minimise impacts, understood to be obscuring views into the store in an afterhours situation resulting from the installation of the proposed roller grille within the front entrance doors, we recommend that any permit can contain a pre-commencement of works condition requesting that further detail and samples of the colour, materiality and detailing of the roller grille be submitted for approval, and propose the following wording:

Prior to the installation of the proposed security roller grille over the main entrance to the tenancy, further details of the colour, materiality, patterning and overall installation are to be submitted to the Executive Director, Heritage Victoria for review and approval. Once approved the documentation containing further detail shall be endorsed and will form part of the permitted works. The purpose of this condition is to reduce the potential visual impacts and sightlines into the store resulting from the installation of a security grille within the tenancy.

The RFI requests to know if other alternatives have been considered. On the basis that the need for a security roller grille is to prevent ramming based access and the ability to then remove contents from the store, we can confirm in this instance, no alternatives have been considered, on the basis that it would not meet the project requirements and would not be effective in preventing breakages into the store. Security cameras, alarms and other such devices do not provide this level of security.

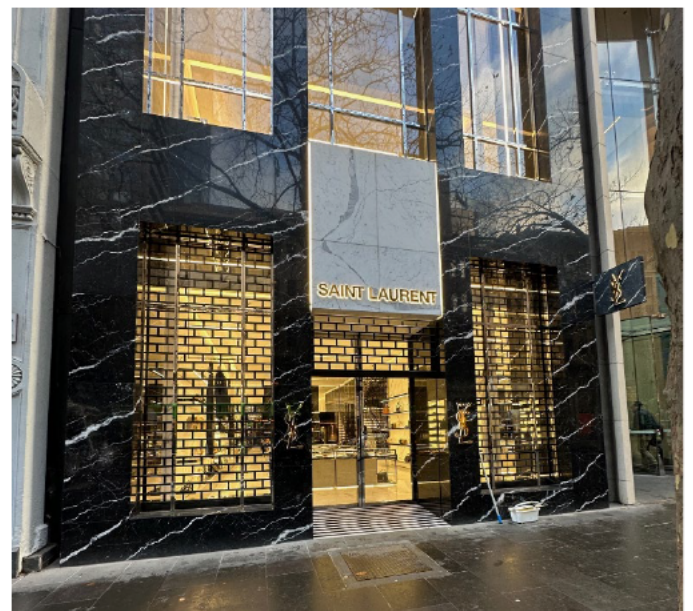


Figure 4 View of Cartier and Saint Laurent on Collins Street showing the security screens in place while the store is closed. Note the high degree of visibility through the mesh screens. The screen at Cartier is a custom laser cut screen containing a well-executed triangular pattern of differing sizes.



Figure 5 View of various high-end store in heritage listed and registered building

Conclusion

In conclusion and in response we summarise the following points:

In relation to the proposed downlight installation across the ceiling flats away from the decorative panels, this has been revised to include a track mounted downlight system as proposed by Heritage Victoria.

In relation to the mezzanine, this will have little to no impact on the original fabric and is largely supported by the standing permit exemptions included on the Citation and related to the fitout of every tenancy within the arcade. Any impact is limited to the introduction of columns within the tenancy to support the mezzanine. There is a strong argument of economic and reasonable use for the mezzanine demonstrating that it is needed to provide customer spaces and to manage internal security, sightlines and visibility, which cannot be achieved in the basement. The high-end lease revenue for retail spaces in this part of Collins Street are highly sought after and are cost prohibitive for many mainstream retail brands. The price point of this tenancy is positioned at high-end retail brands that require the additional space needed to conduct their business.

In relation to the mesh screens, we have demonstrated that these do not impact the visibility into the store from the arcade or streetscape. These are part of a shop fitout that is exempt under the standing exemptions included on the Citation. The screens are 75% void, such that they maintain a high degree of visibility. The screens are also located high up where typical sightlines in a typical person's cone of vision does not exist. We have also demonstrated that this approach is less detrimental to maintaining views into the space than other examples within the arcade and others included on the Victorian Heritage Register.

In relation to the roller grille, we have demonstrated that this can be a largely transparent design such as those used at Cartier and Saint Laurent as such would lessen and impact on the presentation of the building in an out of hours scenario. As such, we propose a permit condition to manage the design and to further develop the detailing around the roller grille in order to ensure it has minimal impact on the external presence of the tenancy. It is also shown that there is a need for the roller grille to prevent entry into the store, which cannot be achieved by other devices.

With respect to the proposed signage, we confirm your level of comfort and advise that our comment on that they do not strictly comply with the standing exemption on the Citation is related to the use of *luminous, vacuum-formed, plastic letters*. These form part of the sign created with a backlight plastic form.

We trust this information satisfactory to address the concerns of Heritage Victoria and provides the necessary information needed to complete your assessment. Should you require further information, we would be happy to meet to discuss further.

Heritage Victoria

Permit Application P39770 - Bock Arcade
(Shop 286), 280 - 286 Collins Street 96 102
Elizabeth Street Melbourne, Melbourne City
(H0032)
Monday, 15 July 2024



Please do not hesitate to contact me if you have any queries or wish to discuss this proposal further. Feel free to give me a call on 0402 437 421 or send me an email at dan@conservationstudio.com.au.

Yours sincerely,

Conservation Studio Australia Pty Ltd

Dan Blake
Director