Introduction

With the world's attention currently focused on Athens for the 2004 Olympics, we are reminded that four years have lapsed since the spotlight was placed on Sydney. Receiving worldwide media saturation, the Olympic Games provide the world with a unique opportunity to promote the attributes of each host city in regards to its location, development and livability. In addition, it offers each host city many direct and indirect benefits that also affect the property market. Major cities in the world clearly acknowledge the benefits of the Olympics, which lead directly to intense rivalry for Olympic host rights. The sharp competition for the privilege of hosting the Olympic Games has suggested that there is considerable temptation for the world's major cities to host the Olympics (Plumb et al., 2001). Undoubtedly the Olympics are a major driver to boost the host city's tourism industry, to reshape the city's landscape, and to change district functions. Whilst the emphasis in planning is placed upon the effect of the Olympics on the host city up to and including the event, relatively little attention is placed on the after scenarios in regards to the wider effect on the property market. This study reviews the Sydney games and presents a guide to other cities that will bid to host an Olympic Games, as well as providing feedback to stakeholders who bid for and hosted the 2000 games.

Background to the Sydney Olympic Games

The Sydney Olympics have often been referred to as the world's greatest peacetime event (Cashman, 1999; Webb, 2001) and Sydney's turn was planned with great care by the authorities. For example, the Homebush Bay (Olympic site) Master Plan was not finalised until September 1995, two years after the city won the bid (Buzacott, 1996). The Homebush Bay Master plan formed a basis of the Olympic related design and development guidelines for the primary zone, which became one of the fundamental documents of the development complex. This document also formed the basis of the Homebush Bay redevelopment plan and the strategy of its integration with surrounding suburbs and transportation networks (OCA, 1995).

Under the design guidelines in the Homebush Bay Master Plan (1995) there was an integration of sporting, residential, commercial and recreational facilities, including open spaces, parklands and infrastructure improvements. Today, all these facilities have formed main elements of the redeveloped Homebush Bay, which has become an entire new satellite sports city, or a virtual Austral Olympia (Goad, 1999). Some individual developments have also set up new benchmarks in terms of development concepts and management approaches (Webb, 2001). All these will have certain levels of impact on issues such as urban planning, architectural design, industrial relationship, risk management, and environmental sustainability design, and will provide valuable experience for future projects with similar scales. In other words, the concept of integrating Olympics related developments with the Homebush Bay redevelopment plan worked well in terms of the balance between the task of successfully hosting the event and local socio-economic...
the state with a legacy of world-class sporting venues, a housing estate incorporating many "ecologically sustainable" features - and a headache, the government needs to attract further investment for development of the site, and events that draw large numbers of people to use it. However, there was some criticism that the 1995 Homebush Bay Master Plan adopted by the State government had moved away from the initial ideas; in other words, away from the real attractions of Sydney's bid (Weirick, 1996).

Nevertheless, it is evident that the Olympic Village design scheme, and the location of the Olympic Village. It was argued that the conceptual flaw at the heart of the master plan was that the "urban core" was proposed without an urban program, for which a simple solution was to integrate a substantial residential component among other land-uses. Whilst we know that Sydney Olympics was a resounding success, only now can ascertain that this foresight and planning paid dividends after the games had departed.

Many research teams were established or supported by government bodies, industry organisations and academic institutions across Australia and their detailed research reports onto the Sydney Olympics are available. These included academic bodies, such as the Centre for Olympic Studies at the University of New South Wales, the Foundation for Sustainable Economic Development (FSED) at the University of Melbourne, the Urban Frontiers Program at the University of Western Sydney, and the Centre for Regional Economic Analysis (CREA) at the University of Tasmania; government bodies such as the State Chamber of Commerce NSW, New South Wales Treasury; and industrial organisations, such as KPMG Peat Marwick and Jones Lang LaSalle research division Sydney. In addition there have been many other individual researchers focusing on specific aspects, such as urban planning and architectural design, economics and business behaviour, environmental sustainability, and many others. These efforts have established a comprehensive body of knowledge in the field of Sydney Olympics studies.

The impact of the Sydney 2000 Olympics on business has been substantial. A research report conducted by the State Chamber of Commerce New South Wales (SCCNSW, 2001) analysed the existing and potential impacts, especially the business related issues, of the Olympics on the host city. The chamber claimed that virtually no business in Australia escaped unaffected; the Sydney 2000 Olympics has brought the city enormous types of benefits, which have been or are being realised in different realms, such as state/national economy, urban development, culture, environmental upgrade, and corporate behaviour. The report further cited the construction sector as one of the industries that had benefited the most...
from the Games, and one of the major sources of new employment opportunities estimated to be 11,000 person a year between 1994 and 2000 (SCNSW, 2001).

According to Mr Bob Carr, the premier of NSW, the Sydney 2000 Olympic Games created more than A$1.1 billion in new trade and investment for NSW business; A$1.4 billion in projects under negotiation; more than A$300 million in Olympic related contracts in regional NSW and close to A$600 million in Olympic contracts for small business in metropolitan areas; bookings for A$630 million worth of international business conferences and meetings; and more than 2,500 new jobs (SCNSW, 2001). Other Olympic impacts on the local economy include the increased in export of goods and services, temporary employment during the Games, the Olympic promotion, and the possible increase in the number of firms that has been set up in Australia. Another significant impact from the Olympics was the increase in the number of international visitors as shown in Figure 1. An interesting phenomenon is that the number of international visitors to the city of Sydney has kept increasing after the Games, which did not follow the common assumption that a sudden slump in the number of international visitors would occur after the Games.

Figure 1: Sydney International Visitors

Urban planners and developers have also regarded the Games as a powerful tool to accelerate Sydney’s urban design and development plans. It was argued that the Sydney Olympic site (Homebush Bay) could be described as “post-industrial space”, which suffered various environmental and planning problems (Jopson, 1995). Despite being the demographic and geographical centre of Sydney, for many years the land value in Homebush Bay prior to the Olympics was much lower than what it should be. Thus, the Olympics may be viewed as an accelerator to fulfill the State government’s long-term plan of transforming this area, as well as reaching its highest and best use and creating a healthier urban landscape.

The site at Homebush Bay had been targeted for Olympic bid since the 1970s (Goard, 2001), and by 1985 Homebush Bay was mainly zoned for sporting and recreational use. After being confirmed as the host city, the Homebush Bay site was controlled by the NSW government’s Olympic Coordination Authority (OCA) and under large-scale construction activities (Wilson, 1996). Thus, winning the Olympic host right put the site’s long-term development plan into practice; where a change in land use directly raised land values in the area (Denton, 2000). The entire Olympic corridor from the city to Homebush Bay is destined to be re-valued, because of the exclusive property and tourism potential (Wilson, 1996).

It has been argued that the Olympics have the most significant impact on urban form and governance of the host cities, rather than the local economy (Plumb et al., 2001). This was based on the premise that hosting the Olympics is a great opportunity to have a long-term impact on the patterns of urban development, especially through investments in infrastructure and environmental improvements. On the other hand, it appears that the Olympics may be losing this appeal, and “in future, the International Olympic Committee wants to prevent the Olympics from being used as a means of urban development and, therefore, plans to strongly limit the use of Games-related revenues for investments in the infrastructure and redevelopment of a host city. Thus an essential incentive to host the games will be lost” (Preuss, 2000). Despite the substantial and lasting effects on the structural changes, if a host city fails to complete the Olympic-related projects on time, the image of the city will be severely damaged and this will impose a negative effect on the city’s long-term development. However, problems may also arise in the infrastructure construction process when political changes occur. For example, the NSW Labour government elected in March 1995 faced various difficulties in raising funds and obtaining supports from the industry, which directly resulted in significant departures from the planning and personnel associated with the bid (Wilson, 1996).

Impact of the Olympics on the Sydney Property Market

Sydney is Australia’s largest city, as well as one of the leading financial/business centres in the Pacific Rim and a preferred location for regional head offices of major enterprises around the world (Newell et al., 1999). Even so, it was clear that the city’s position would be solidified and improved through staging the Olympic Games (Weirick, 1999), with global positioning another essential driver behind the Sydney 2000 Olympic bid (Plumb et al., 2001).

The impact of the Olympics on the host city’s residential property market is extremely difficult to isolate, although some guidance can be given by analysing changes in property prices between suburbs near the Olympic village and the Sydney aggregate. As shown in Figure 2, the median house price for all Sydney suburbs recorded a smaller increase following the 2000 Olympics in comparison to six nearby suburbs. This is highlighted when examining the period 2000-01, as all suburbs rose in value although Sydney overall was flat. Thus, it can be argued that even though the Sydney Olympics was just a memory, there remained a residual effect that influenced the prices of nearby suburbs.

There is a commonly held assumption that staging major events, such as the Olympic games, would enable the host city to achieve short-term capital gain through massive construction activities and improvement of residential infrastructure. Another study analysed repeated sales data in the Sydney market between 1979 and 1997, and compared residential property price changes in suburbs within the so-called “Olympic Corridor” with the city’s general housing price movements (Bounds et al., 1999). Although the results highlighted some consistency between the announcement of the Olympics and the change of growth rate of property prices, it was concluded that the degree of the influence remained unclear as residential property prices are affected by different variables that make the measurement of direct Olympic impact difficult. A later study extended this research by comparing residential property price movements in Leichhardt; a local government area (LGA) situated within the “Olympic Corridor”, with South Sydney LGA (Bounds et al., 2000). Using similar methodology, the research con-
cluded that the Olympics have had a positive influence on Sydney residential property prices; however, it also cited local conditions as a more important driver of the price change.

Other research into the Olympics confirmed that a less mature residential property market would experience a faster boost in prices and rental levels during the Olympic year. For example, in Barcelona, there was a rise in residential price of 250 per cent to 300 per cent between 1986 and 1993 (Plumb et al., 2001). In more mature property markets, such as the Sydney market, the influence will be far less significant. This was supported by the Macquarie Bank's Sydney house price study (2000), which found that the Olympic Corridor housing price increased by less than 0.5 per cent above the Sydney average between 1996 and 2000. Nevertheless, the Sydney Olympics has acted as a trigger for further residential development. On the other hand, the true 'Olympic-effect' on the residential sector is not restricted to property prices, but in the development of new districts within the Olympic precinct. In other words, the long-term impact in terms of forming a new residential suburb and upgrading existing housing stock is the 'effective impact' in a more mature residential property market.

Following the departure of the Olympics, it appeared that the inner Sydney residential market continued to perform strongly (Colliers Jardine, 2000). Indicators of price growth and rental returns for apartments in the inner and middle Sydney Metropolitan areas (the Olympic Corridor) also confirmed there was a satisfactory performance, primarily due to urban consolidation and gentrification of the former industrial area. Furthermore, the Olympic Games were identified as a main driver for the supply of 5,660 new housing homes between 1999 and 2000 within the Homebush Bay vicinity, with a sustained higher capital appreciation predicted within this area after the Olympics (CB Richard Ellis, 1999). Therefore, the focus is placed on the Olympic village and its relationship with the property market.

While other studies have confirmed that the Olympics have a positive influence on the host city's residential property market, the distance from the Olympics precinct would not have a linear relationship with the residential property price level. Moreover, the area within the 'Olympic Corridor' is in the process of urban regeneration, which has substantially raised property prices.

The Olympic Village and the Property Market

Previous research has been conducted into the real estate markets of four recent Olympic host cities (Seoul, Barcelona, Atlanta and Sydney), with the emphasis placed on the short-term and long-term effect of the Games. It was concluded that the process of designing, locating and constructing the Olympic Village is an effective means of influencing the host city's urban development plan (Plumb et al., 2001). The successful development of the Sydney Olympic Village was a result of collaborative working relationship between the building industry, the Sydney Olympic Committee, local government and other stakeholders. It appears that the building industry benefited through the development process from the Sydney Olympics in two ways, being (a) the Olympic Village project offered the industry new skills, strategies, and a powerful demonstration that 'working safe isn't necessarily working slow' and (b) the environmental sustainability criteria had brought new industrial standards to the residential development sector (Webb, 2001). The project was developed to achieve three major goals, namely, the capacity of accommodating the event; the integration of Newington into the surrounding environment, and providing sustainable development practice and modern lifestyle (Challinor, 1999). Accordingly, the building industry can share environmental responsibility and take credit for investing in such developments (AIGS, 2001).

A valuable contribution arising the Sydney Olympics was the introduction of the sustainable development concept to the Olympic village project (Goullet, 2000). As the athletic village has become a typical model that exemplifies world's best practice and innovation in sustainable residential development, the project impacted not only on the Sydney residential property industry, but also on the international residential development standard (Challinor, 1999). It is clear this project should not simply be considered to have an impact on the supply and demand pattern, but more importantly, on the global residential development trend. However, the project has also faced criticism. Weirick (1996) pointed out two defects: the abandonment of the environmentally sustainable design scheme due to commercial pressure, and the isolated location of the site. In 1999, he further criticised that the withdrawal of the "eco-village" concept and the rise of the second competition were "a totally inefficient use of the city's design talent", which he concluded as "not as exciting as the young, original design team imagined it could be..." (Weirick, 1999, pp. 79–80). Overall, the Sydney
The Newington Residential Development

Prior to the being awarded the right to host the 2000 Olympics, suburbs in the Homebush Bay area were not a preferred site for private residential property developers. Nevertheless, the project has proven itself as an invaluable and successful model both for the housing construction industry and, more importantly, the urban regeneration plan for Sydney metropolitan area. The project started from the athlete village development for the Sydney 2000 Olympic Games and was progressively developed into a new residential suburb thereafter. A notable observation with this project is the collaborative approach between the government and the housing construction industry that has created a model for contemporary residential development.

The Newington site formed part of the Olympic precinct. The land use type was primarily industrial, and as is common with most industrial land around the world, the area has suffered various problems for decades. The Newington site for the residential development had been occupied by the Royal Australian Navy as an armament depot since 1890s and there were two areas, namely Newington Woodland and Wetland, which contained native vegetation or water bodies adjacent to the development site. This prevented the site from direct influence by the industrial land use, making the site a preferable location in the surrounding area for residential development. However, the site condition in the remaining area was much more complicated, which affected its prospect for future large-scale residential property developments.

A study of the development history of the site may provide an understanding of the constraints that the project had faced. The overall site area for the Olympic related development at Homebush Bay (including Newington) was approximately 760 hectares. It contains a natural ecological reserve area of about 250 hectares. The site's development history made its condition extremely complex and imposed difficulties on its further development. In the early 20th century, the NSW State government acquired the land with the principle purpose of accommodating a state abattoir to supply meat for the metropolitan area. Other major state-owned facilities included the state brickworks between the village site and the abattoir, a major waste dump on the east, and etc. Since the 1950s, a number of industrial and chemical plants were built within the area. It involved direct disposal of industrial waste into the nearby water body, and the use of solid waste as landfill into the wetland or the harbour for more industrial land. This gradually generated negative environmental impacts in the surrounding area, with the actual degree unclear due to a lack of historic records. In order to make some changes, two parks were built during the same period, however the infrastructure and essential service systems for further larger scale residential purpose was still inadequate.

A study of the development history of the site may provide an understanding of the constraints that the project had faced. The industry in Homebush Bay collapsed when most of the major factories were closed by the late 1980s. It had become obvious that severe land use degradation and contamination had occurred in the area. This required more suitable land-use alternatives such as residential or commercial use. Also, both the state government and the planning authority realised that the rapid expansion of the Sydney metropolitan area had started to cause problems, which demanded effective solutions.

One of the effective solutions was to redevelop existing suburbs that were suffering degradation to achieve better and higher uses. This thought was clearly expressed by Weirick (1997, p. 60): "... For a city that has nowhere left to sprawl and a ring of inner suburbs cut up by fight paths and traffic arteries, the only way to accommodating metropolitan growth is to embark upon large-scale reconstruction of the middle ring suburbs ..."

Although conversion and revitalisation of the area had become desirable, it was still one of the major challenges for the NSW government, as such potential development may impose on the housing construction industry a higher-level of development risk. Therefore, the Olympic Games' impact was profound; when the site was chosen to accommodate the 2000 Olympic Games, it virtually became an accelerator to realise the redevelopment plan. The Newington residential neighbourhood development appears successful case in terms of applying state-of-the-art development concepts and satisfying housing market demand. For the NSW State government, the project has been a good test of how to implement its urban regeneration plan and achieve the objective of sustainable residential suburb development. For the housing construction industry with accompanying time/cost/quality considerations, the project is also a test for the new development concepts such as ecological sustainability, modern construction training program, latest occupational health and safety issues and collaborative working relationships. It appears that these criterion are likely to be accepted by the industry as essential criteria for residential property development projects in the near future. From this viewpoint, the Newington development is not only a showcase for the Olympics, more importantly, it tested new housing construction technology, alternative procurement/development practice, and pointed out the direction of best practice for future housing developments. In other words, the project has become a new benchmark for larger size residential development among major Australian capital cities.

Controlling so-called 'suburban sprawl' and creating healthier residential environments has become one of the important tasks in the major UK and US cities, and similar problems have appeared in major Australian cities.
including Sydney, Melbourne and Auckland. Regenerating former industrial land into well-planned residential submarkets has been proven as one of the most effective solutions. This can be achieved with a satisfactory outcome by applying a development model, which satisfies planning (regeneration) requirements, housing market demand, and industry best practices. The Newington residential suburb development project has been proved to be a successful case in all these regards. It has created a new residential suburb in inner western Sydney, which complies with government’s inner suburb regeneration strategic plan. It also supplies the community with more than 5000 dwellings, and has set up a new housing development standard for the industry. Also, a collaborative working relationship between the public/private sectors has been developed during the project. All these show that it may be worthwhile for the housing construction industry to attempt to transfer this model into similar projects. It should also be noted that there are considerable difficulties in this attempt due to the character of the housing construction industry. It is also hard to find a ‘perfect’ trigger - such as the Olympics, to enable a project to progress efficiently. In several UK cities, similar projects have been completed or are currently undertaken; in the United States, this has become one of the areas that currently under extensive studies by both the planning institutions and the property industry. All of these foreign experiences, together with in-depth knowledge of local housing market and urban evolution, will provide a more suitable solution.

Conclusion

With the benefit of hindsight, there are two main conclusions can drawn concerning the effect of the Sydney 2000 Olympic Games:

1. Impact on building activities and property values

The Sydney 2000 Olympic Games had an irregular impact on the Sydney residential property market and although the event had the most significant impact on the property submarkets within the Olympic vicinity, there was only a minor impact on markets outside the city. Evidence has suggested that the residential sub-markets of suburbs within the Olympic precinct are more volatile or less mature than the city’s average, which is consistent with the site’s land use history and the current inner city regeneration programme. Together with the Olympic Games, factors such as the introduction of Goods and Services Tax (GST) in 2000 and sustained low interest rates also impacted on the city’s residential property market. Although land values in the Olympic vicinity rose more rapidly since 1995, this seems more like a general trend when compared to LGAs in the Olympic vicinity and other areas that reflected a similar growth rate.

2. The establishment of a residential suburb development model

There is strong evidence that a carefully prepared Olympics does give an impetus to the host city in creating a more suitable and attractive inner-city built environment by applying sustainable residential planning and development principles. Regenerating degraded industrial land into well-planned residential subareas has been one of the most effective solutions. A satisfactory outcome can be achieved by applying a development model that satisfies planning (regeneration) requirements, housing market demands, and industry best practices. The Newington residential suburb development project in Sydney Homebush Bay has been successful in all of these regards. It has created a new residential suburb that complies with the government’s inner suburb regeneration strategic plan in the inner western Sydney, supplied the community with more than 5000 dwellings, and established a new housing development standard for the industry. In addition, a collaborative working relationship between the public and private sectors was developed through the project. However, it should be noted that there are barriers given the character of the housing construction industry and it is not easy to find a ‘perfect’ trigger, such as hosting the Olympic Games, to progress a similar project efficiently.

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