



Berrima Quarter

Key precinct factors of success

Prepared for BLUE SOX GROUP

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Executive summary

This report has been prepared by Macroplan (the author) for the Blue Sox Group (the client) to provide an independent assessment of the 'key retail factors to success' in relation to the proposed adaptive reuse of the former Berrima Correctional Centre (former Berrima Gaol) with a focus on assessing the necessity for an outdoor dining area overlooking the front garden and Argyle Street as the design proposes.

Branded as 'the Berrima Quarter' a key anchoring fundamental of the proposal is to create a successful signature restaurant in the south-eastern corner of the gaol and a high quality accommodation building on the western side of the site. This report focuses on the food & beverage (F&B) aspect of the proposed precinct and its importance in maximising the potential for the proposal to be successful and to achieve commercial viability.

Of particular debate is the need for an outdoor dining area as part of the F&B 'offering' and the most effective location for this to be in terms of maximising the potential for the restaurant to be successful (which in turn drives the potential success for the entire precinct). Incorporating an outdoor dining space (external to the gaol) will require a new access pathway through the perimeter wall of the gaol in order to facilitate serving of customers and guests and as the gaol is of heritage significance such an 'intervention' may only be permissible where the need is justified. This reports provides some of the key critical arguments from a retail success perspective justifying the outdoor dining area.

Successful conservation of this historical site can only be achieved through the adaptive reuse pathway if the proposed uses are commercially successful. This report details what is required from a retail offering perspective, with respect to the F&B component and the necessity of having an outdoor dining space (external to the former gaol perimeter wall), for the proposal to be successful and a commercially sound venture, along with being an integral part of the Berrima Town Centre overall offering.

There are seven success factors to creating a successful F&B offering, these are summarised as follows.

1. **Competitive Context** - the area has a limited quantity of accommodation, and a reasonable offering of food and beverage offerings albeit mostly geared towards day-time operators (i.e. cafes and bakeries). The Berrima Quarter development, in activating a major tourism drawcard and adding both quality accommodation and an outdoor dining area, would add to overnight visitor numbers as well as day visitor potential for Berrima.
2. **Critical Mass** – for successful hospitality/tourism precincts, the food and beverage (F&B) offer must be large enough and concentrated to appeal to the visitor market. The outdoor dining area on the Argyle Street side of the site will provide high visibility and access, highlighting its presence as a core part of the Berrima Town Centre. It will be a critical and anchoring link between F&B operators to its south and north in the town centre, thus increasing the critical mass and appeal of the Berrima Town Centre.
3. **Night-time activation** – the Berrima Quarter, in offering a critical mass of casual and/or fine dining, hotel accommodation and event space, will enhance the night-time economy. An intervention of the eastern wall will also improve visibility to the main street and from within the internal restaurant area. This will further support broader night-time activation as visitors are more likely to go out at night if there's a clear, walkable and safe area with multiple options. A successful restaurant at Berrima Quarter can act as the 'anchor tenant', encouraging nearby cafés, wine bars / cellar doors, or dessert spots to stay open later.

4. **Quality of offer, ambience & amenity** – sets the tone and overall visitor attraction of a facility. With an outdoor dining area and quality F&B positioned with frontage to Argyle Street, there is potential to provide attractive, activated streetscape interfaces to enhance the amenity of, and compliment, the heritage of the Berrima Town Centre.
5. **Functionality** – in cases of adaptive re-use of a heritage building, functionality built into the overall design of the development will underpin the efficiency of overall operations. Outdoor spaces allow for a more adaptable layout, can support a wider range of food and beverage offerings and, during peak times or special events, they can serve as an overflow area. The intervention on the eastern wall will, with minimal structural work, allow a directly connected indoor-outdoor space, which is the key. By contrast, an intervention to the southern wall limits the location of the outdoor space to a more isolated area and would require substantive structural work in order to be a functional and connected dining area to the internal area of the precinct.
6. **Overall design & layout** – the positioning of an outdoor dining area on the eastern side of the site, incorporating a sensitively designed landscaped setting, will create an interactive frontage with a strong visual connection to the town's main street, and reinforce the presence of the historic Berrima Gaol site within the Berrima Town Centre. Critically, the eastern side of the site benefits from more favourable outdoor conditions with far less exposure to strong westerly winds conditions and receives full sun between 9am and 12.30pm during winter. By contrast, the southern side is largely in shade all day long plus has much greater exposure to westerly winds, making the area largely unpleasant, if not intolerable for outdoor dining most of the year.
7. **Broader Economic Contribution** - for a range of scenarios (five) including interventions on the eastern and southern walls, as well as no outdoor area external of the perimeter walls, we have assessed total daily sales potential and qualitative factors for each. The results clearly demonstrate that an outdoor dining area to the front of the site facilitated by convenient access to the internal restaurant area will provide the most successful F&B offering. In addition, in terms of amenity, site and town centre activation, it also makes the most valuable contribution as an integral addition to the town centre.

From the perspective of Berrima's other businesses and F&B operators, 'Berima Quarter' – in the adaptive reuse of the historic Berrima Gaol – will increase day and overnight visitation to the town centre of Berrima. In doing so, it will increase the trade for these existing businesses. In the medium term, this might then encourage investment by those businesses in maintaining or upgrading these premises, further enhancing the appeal of Berrima as a tourist destination.

Case studies

This report provides several case study examples of heritage sites, including metropolitan and regional venues, that have been adaptively reused for hospitality and other supporting purposes, that demonstrate the importance of having an outdoor dining offering. Many of these examples demonstrate how new openings in external walls were integral in creating successful outdoor dining areas.

Conclusion

The key findings of the assessment support the proposed outdoor dining area on the eastern side of the site (fronting Argyle Street). The findings are:

Outdoor Dining – Arguments in Favour (Generally)

1. Increased customer appeal. Outdoor dining areas are large attractors for specific customers such as families with young children, dog owners, cycling groups (who like to eat/drink coffee next to where their road bikes are parked) & those who just like dining outdoors. Increased customer appeal translates to increased customers (leading to increased revenue & increased commercial viability)
2. Increased revenue due to increased dining space and variety of offer.
3. Increased pool of potential F&B operators. Without an outdoor dining area some operators may find the venue too challenging due to less exposure. The ability to find the right operator for such a unique location is critical, and having every possible key feature within the F&B offer available to a potential operator (e.g. having an outdoor dining space) is therefore also critically important. Without an outdoor dining space, due to the very enclosed nature of the building, the task of finding the right operator becomes much more challenging. This is not a desirable outcome and only serves to increase the difficulty of creating a commercially viable venue

Outdoor Dining – Arguments in Favour of Eastern Elevation Location

1. Increased visibility of the restaurant (with visible activity of customers dining within the front garden) from high pedestrian & tourist activity areas (Argyle Street, Old Hume Hwy retail strip). Increased visibility of the venue & of visible customer activity translates to increased new customers. Outdoor dining on the southern elevation is afforded far less visibility
2. Outdoor dining at the front of the site will serve better as a link with the town centre and centrally positioned between F&B venues to the south of the site and those to the north helping to create a concentration of activity (referred to as 'critical mass'). This will consequently help to increase overall activity of the town centre, especially with respect to evening trade, which in turn helps to increase the customer base of the proposed restaurant (and the Berrima Quarter precinct more broadly).
3. It is determined that an outdoor dining area on the southern side will remain largely shaded throughout the year and has exposure to strong westerly winds. In contrast the eastern side of the site receives a great deal more sunlight throughout the year and is sheltered from the westerly winds. From a retail success perspective, the eastern side of the site is by far the more commercially sound location for outdoor dining, and we expect any operator to have concerns about the viability of operating an outdoor space on the southern side due to its unfavourable environmental factors.
4. Night time lighting of the gaol (feature lighting) will be concentrated at the main gate house and the southern end of the eastern elevation. Residences along Wingecarribee St & Jellore Street are more likely to be affected by lighting along the southern elevation so lighting to this location will need to be more considerate of those neighbouring private properties. Night time activity will therefore be far more successful on the eastern side of the site where lighting will provide the town with improved 'passive surveillance' that is, a far safer & secure place for diners to congregate and dwell.
5. A significantly enhanced appeal of the precinct through increased openness, improved site activation & a more street-engaging frontage.

6. Design options prepared by the project architect Turner show that extensive new works are required to create an outdoor dining area on the southern side. Including significant elevated decks, stairs, ramps and in some options the removal of the police holding cells and the existing 'out buildings'. Such alterations would make for significant detractors to the existing character of the site and will make for a far less appealing experience for potential restaurant customers. By comparison the eastern elevation requires no such significant alterations, and the character of the site will remain intact.
7. Relevant case studies of heritage sites adaptively reused for public/commercial venues (i.e. new uses of a 'non-museum' nature) & also case studies of similar style/natured regional F&B demonstrate that incorporating outdoor dining, which often requires new openings in heritage fabric walls, is common place, desired & essential.

Introduction

This report has been prepared by Macroplan (the author) for Blue Sox Group (the client) to provide an independent assessment in relation to the proposed 'Berrima Quarter' development. The proposed development involves the adaptive re-use of the former Berrima Gaol, in Berrima NSW.

Section 1 of the report presents an overview of the proposed 'Berrima Quarter' development, including an overview of the site's local and regional context, with consideration for the Berrima Town Centre and the broader Southern Highlands tourism region.

The main part of the report is in Section 2. The approach taken, to understand how and why the outdoor dining area on the eastern side will be pivotal to the overall success of the F&B precinct within Berrima Quarter, is to discuss the seven key inter-related factors to success.

In the final section, the report provides a number of case studies that highlight the benefits generated when outdoor dining areas, often facilitated by an intervention, are incorporated into the adaptive reuse design of heritage buildings.

1 Context

This section of the report presents an overview of the proposed 'Berrima Quarter', including an overview of the site's local and regional context, with consideration for the Berrima Town Centre and the broader Southern Highlands tourism region.

1.1 Local and regional context

Located within the town centre of Berrima, in the NSW Southern Highlands region, 'Berrima Quarter' is the proposed adaptive reuse of the heritage-listed former Berrima Correctional Centre into a hospitality and tourism precinct.

The Southern Highlands is one of NSW's popular country-side destinations with historic towns, scenic views and wineries. Key towns include Mittagong, Bowral and Moss Vale, with Berrima around 10-minutes' drive south-west of Bowral. Tourism is a key industry with numerous vineyards, heritage trails, historic estates and luxury country retreats, making the Southern Highlands a popular choice for country escapes, weddings and other large celebrations.

To promote what the region has to offer, the region's dedicated tourism agency 'Destination Southern Highlands' has recommended tourist drives highlighting key towns and villages as well as trails for bushwalking, heritage locations, food and wine premises, local crafts and galleries.

Berrima features highly as a must-visit destination being well-known for its historical buildings and old-world village charm. Situated just a few minutes' drive off the Hume Motorway, Berrima is highly accessible to the broader region and popular for day-trippers being just a 2-hours' drive from both Sydney and Canberra.

According to data released by Tourism Research Australia (TRA), the region¹ had around 1.8 million visitors in 2024, including close to 1 million day visitors. In the lead up to the COVID-19 pandemic, tourism numbers were growing strongly at an average of over 10% per annum. Whilst border closures (and a cessation in data collection by TRA), during the pandemic saw a dip in tourist numbers, they are now back in line with pre-COVID levels.

Research undertaken for The Southern Highlands Destination Strategy 2020-2030 (2020) (The Strategy) found that visitors to the area include the broad spectrum of people in different life stages. Young singles and couples are attracted to the area for the various outdoor activities and food scene, as are young families and people in their later life stages who also appreciate the heritage of the area.

The Strategy also identifies the most common reason people come to the Southern Highlands, is for leisure (51%) including dining out, sightseeing, to go shopping and bushwalking, followed by visiting friends and family (31%). And whilst Canberra is a similar distance from Berrima, the majority of visitors (62%) come from Sydney.

Further research undertaken by Destination Sydney Surrounds South in 2023² shows that visitors aged 55 and over account for the highest proportion of overnight and day visitors. The study also found that overnight visitors are either couples or travelling alone.

¹ Data for Wingecarribee Local Government Area (which also largely comprises the Southern Highlands region) for 2024 calendar year

² Futureproofing Visitor Servicing in NSW using Wingecarribee as a pilot (March 2023)



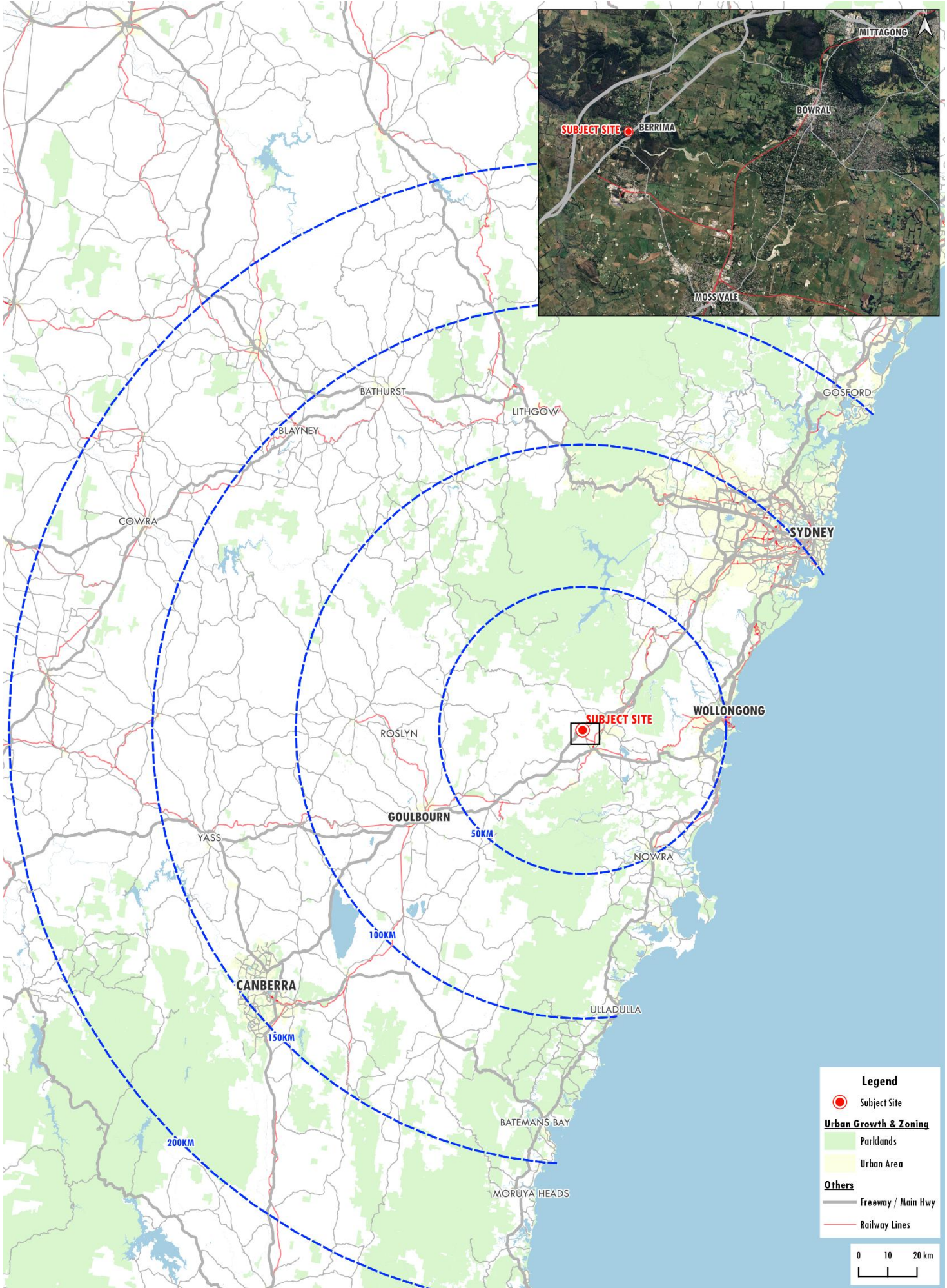
1.2 Berrima Quarter – Proposed Development

The adaptive re-use of Berrima Gaol into 'Berrima Quarter' is proposed to include a restaurant, cafe and bar, function rooms, boutique hotel suites, wellness centre and a new hotel adjoining the existing complex. This transformative development has the potential to anchor the Berrima Town Centre, and with significant heritage value, 'Berrima Quarter' will reactive the site, providing an economic and tourism boost to the Berrima Town Centre and the broader Southern Highlands region.

A key component of the development is the preferred location for an outdoor alfresco dining area with frontage to Argyle Street with direct connectivity to the restaurant area inside the gaol wall area. The outdoor alfresco dining space, requiring an intervention in the eastern wall, is expected to significantly enhance the precinct through improved site activation, and overall, a more street-engaging frontage.

Map 1.3 illustrates how the proposed Berrima Quarter's outdoor dining area at the front of the site will enhance the overall F&B offering within Berrima's town centre as well as its high profile position along the town's heritage walking trail.

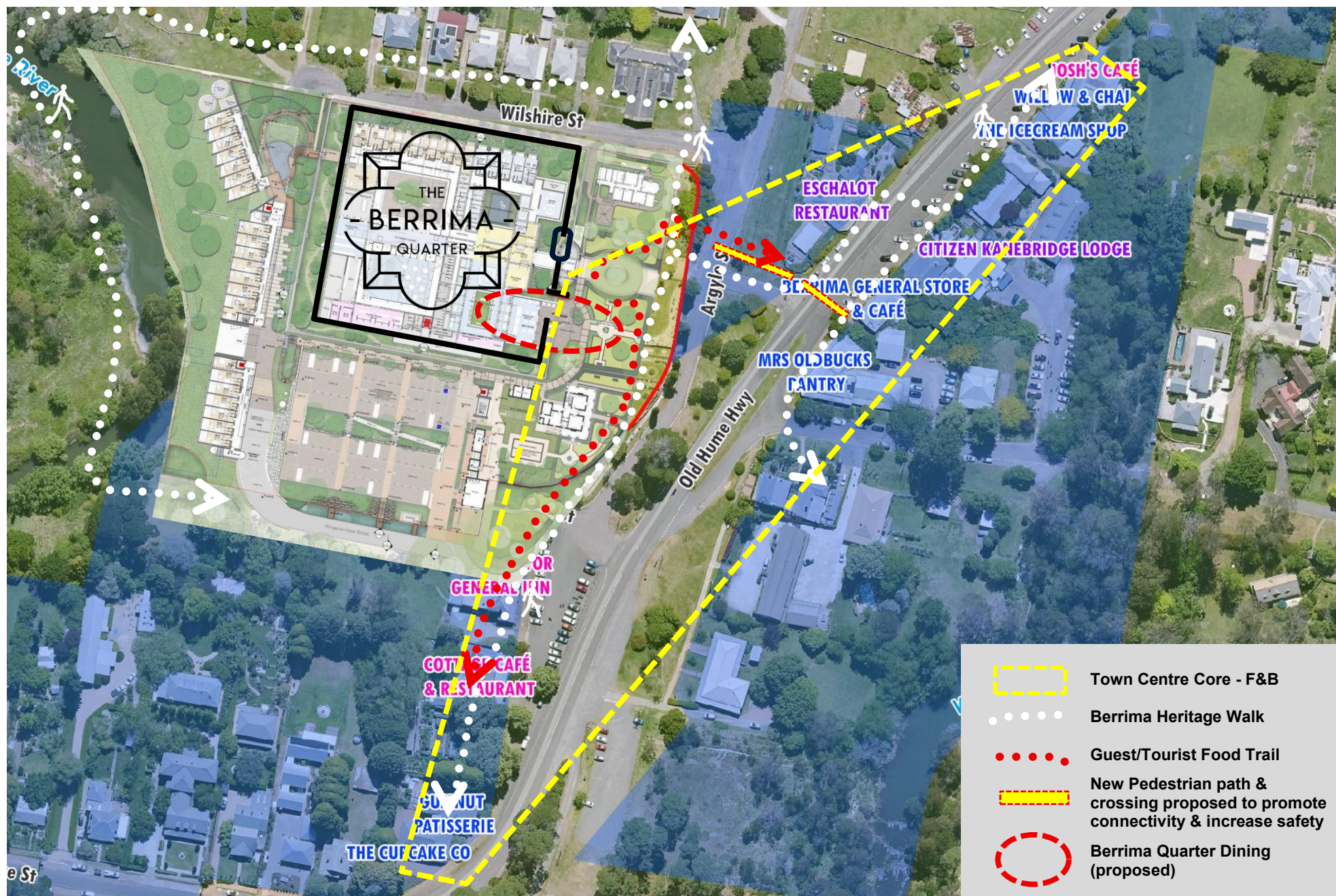
Map 1.1 Regional context



Map 1.2 Local context – Existing Berrima Town Centre



Map 1.3 Local context – Proposed 'Berrima Quarter'



2 Key precinct success factors

This section of the report provides a strategic assessment of the key factors that drive precinct success, illustrating how the outdoor dining area can elevate activation, visibility, and the overall competitive positioning of 'Berrima Quarter' in the context of the broader Southern Highlands tourism region. These include:

- Competitive context
- Critical mass
- Night-time activation
- Quality of offer, ambience & amenity
- Functionality
- Overall design & layout
- Broader economic contribution

2.1 Competitive context

This section will provide an understanding of other competitive offerings in the local and broader Southern Highlands tourism region in order to demonstrate how a thoughtfully designed 'Berrima Quarter' will compete with other similar businesses but also enhance the tourism draw to the region.

The Berrima Town Centre is home to a number of other historical buildings including The Surveyors Inn, reportedly Australia's oldest continually licenced Inn, as well as 'Harpers Mansion' a restored Georgian home and Berrima Court House.

The current food and beverage offering is mostly geared towards day-time operators (i.e. cafes and bakeries) with a handful of restaurants open in the evening.

Restaurants in Berrima which open in the evenings are a mix of casual and fine dining, including fine dining restaurants 'Eschalot' and 'Citizen Kanebridge Lodge'; as well as more casual dining offerings at 'Josh's Café', 'Bistro 1824' (within the Surveyors Inn) and 'Cottage Cafe & Restaurant' (open Thursday nights only). In addition to these is PepperGreen Estate Cellar Door, located at the southern end of town with a Tasting Room opened for breakfast, lunch, afternoon tastings and monthly Friday night dinners. We note that Berrima Quarter's F&B offering will be well-positioned centrally between The Surveyors Inn and other restaurants that are currently open in the evenings (see previous figure 1.2).

In the surrounding rural area, there are a number of wineries and cellar doors that also offer dining experiences. These include Bendooley Estate with restaurant 'Leo's at Night'; and Tractorless Vineyard with dining experiences including 'Long Italian Lunch' and 'Farm to Table' events.

Bendooley Estate winery also provides accommodation with a mix of one- to three-bedroom cottages, 'The Loft' and 'The Homestead' for higher end stays. Set across 200 acres, the estate also hosts conferences and private events in its facilities and is a popular wedding venue.

Other accommodation in Berrima is currently limited to bed and breakfast style offerings and larger country homes available for short stay (such as Glen Regan, a renovated farm house that sleeps up to 12 guests), and 'Berrima Bakehouse Motel' located in the town centre.

In short, the area has a limited quantity of commercial accommodation, and a reasonable offering of food and beverage offerings albeit mostly geared towards day-time operators (i.e. cafes and bakeries).

Berrima Quarter, in activating a major tourism drawcard, by providing quality accommodation, wellness and function centre amenities and restaurant with outdoor dining, would add to the overnight visitor as well as day visitor potential for Berrima.

It is also noted that there is currently limited outdoor alfresco dining within Berrima, with most establishments offering only small patio or veranda dining areas.

Outdoor dining areas are large attractors for specific clientele such as families with young children, dog owners, cycling groups, etc. Further to this, visitors coming from Sydney (who account for the majority of Berrima's tourism) come to regional towns like Berrima for a countryside experience – which involves appreciating the outdoors. They therefore gravitate to alfresco dining offers to enjoy the fresh air which is far from their usual environment in a capital city.

2.2 Critical mass

Critical mass refers to the concentration of similar and complimentary uses that will provide increased engagement with a precinct or facility. In economic terms, this is also referred to as agglomeration economies, which result from the benefits to consumers of the spatial concentration of related activities such as accommodation, retail and/or entertainment activities (including F&B) - namely reduced cost (time) of trips and benefits of comparison shopping/spending. These benefits increase customer traffic, which benefits business turnover and the viability of the business which in turn leads those businesses to locate close to their competition.

Agglomeration benefits do not explain why a location is chosen initially. External factors which draw foot traffic are the key prime drivers of location of F&B. For example, a train station generates significant flows of potential customers in its proximity which can make it a location-driving factor. In Berrima's case, it is the historical significance of the town (its historic buildings and maintained Georgian village design) and its scenic surroundings that draw visitors to the area, coupled with its short distance from the Hume Highway. This visitation into the town is a prime driver of foot traffic which creates a draw for a cluster of F&B activities.

The foot traffic drawn to a location can also attract community facilities and retail activities which, in turn, serve to draw in additional foot traffic, over and above that drawn by the prime driver. That is, there are agglomeration economies in types of activities located in proximity which then makes that location favourable to other activities.

For successful precincts or town centres, the retail and food and beverage offer must be large enough and concentrated to appeal to the residential catchment and visitor market (and local workforce where applicable) it could potentially serve. A destination offer such as the proposed 'Berrima Quarter' will draw additional business from a broader region, as well as further enhancing the historic profile of the town centre.

This outdoor space will provide high visibility and create an interactive entrance and highlight its presence as part of the Berrima Town Centre. That is, the intervention of the eastern wall facilitating an outdoor dining area will provide a visual interface and make the outdoor F&B offering at 'Berrima Quarter' the key (and currently missing) link between other F&B operators to the south and the town centre to the north (as illustrated in previous Map 1.3).

The outdoor dining area also provides critical mass within Berrima Quarter itself, by way of supporting the internal dining offer and provide Berrima Quarter the ability to do trade from breakfast through to dinner.

2.3 Night-time activation

Many heritage towns are busiest between late morning and mid-afternoon—people visit museums, walk historic streets or trails, then leave before evening. A compelling restaurant - especially one that leans into the town's story - gives visitors a reason to stay for dinner, and often to book accommodation.

It is envisioned that the food and beverage offer envisioned for Berrima Quarter will include a casual café style experience during the day and fine dining by evening. The complex will provide high quality hotel accommodation (including boutique suites), wellness centre and event space. Such an offer, with critical mass, would be a significant drawcard. Its presence will enhance the night-time F&B offering within Berrima, which is currently limited to only a handful of operators.

Eighteen-hour activation is a key objective of the F&B component proposed at Berrima Quarter. Extended activation is a critical element of successful retail offerings/precincts – servicing the breakfast, lunch and evening F&B market – providing a vibrant focal point for the Berrima Town Centre.

A strong F&B offer at Berrima Quarter will increase dwell time and extend the historic experience into the evening. An intervention of the eastern wall will also improve visibility to the main street, from the internal restaurant and support broader night-time activation of the town centre. With lighting of the outdoor space and line of sight into the internal restaurant areas will give Berrima Quarter a 'beacon' like presence.

Night-time activation does more than support the on-site hotel accommodation and bring business in the evening hours, it also creates a vibrant community and safe environment after hours. Visitors are more likely to go out at night if there's a clear, walkable area with multiple options.

A successful restaurant at Berrima Quarter can act as the "anchor tenant," providing 'passive surveillance' given its central position, encouraging nearby cafés, wine bars / cellar doors, or dessert spots to stay open later. Over time, that clustering effect creates a sense of vibrancy and safety, which is critical in towns where streets can otherwise feel empty after dark.

As noted in Section 2.2, the F&B offering proposed for 'Berrima Quarter' will be strategically positioned centrally to the current restaurants and tavern that are open for dinner. The outdoor dining area with frontage to Argyle Street, will effectively fill a current void linking the restaurant, cafes and the Surveyor General Inn to its south to the town centre – therefore creating a more enhanced and 'walkable precinct' at night.

In summary, the Berrima Quarter in offering a critical mass of casual and/or fine dining, hotel accommodation and event space will enhance the night-time economy. An intervention of the eastern wall will also improve visibility to the main street and support broader night-time activation as visitors are more likely to go out at night if there's a clear, walkable and safe area with multiple options. A successful restaurant at Berrima Quarter can act as the "anchor tenant," encouraging nearby cafés, wine bars / cellar doors, or dessert spots to stay open later.

2.4 Quality of offer, ambience & amenity

Quality of offer, ambience and overall amenity can set the tone and overall attraction of a facility and will drive patronage from the local and broader region. Of most relevance to Berrima Quarter is how an outdoor dining area can add to the ambience and amenity of both the precinct itself & the Berrima town centre.

The quality of offer is reflective of the place/building, critical mass and the tenants/operators that are secured. The heritage value of the site provides a key opportunity for high quality offerings, which will draw customers and create greater exposure to heritage elements.

The former Berrima Gaol is a significant heritage building, and any retail offer provided will benefit from this impressive setting, creating an attractive space for the various customer segments. This quality market positioning will attract retailers who share the same 'vision', therefore creating an ambience/offer that appeals to and resonates with customers.

A quality F&B offering supported by the proposed outdoor dining area, will provide greater choice of dining options at Berrima Quarter, attracting more people to the precinct and enable a greater appreciation of and interaction with the heritage of the site, and the proposed heritage interpretation throughout.

With an outdoor dining area positioned with frontage to Argyle Street, there is potential to provide attractive, activated streetscape interfaces to enhance the feel of the precinct, and an offer that compliments the heritage of the Berrima Town Centre.

If the outdoor space was to be located on the southern side, this would place it in close proximity to the carparking area, as well as being shaded and windy. Whilst there will be vegetated interfaces incorporated into the design, outdoor dining areas are more desirable when located in a distinctly separate location. Located near carparking can destroy the overall ambience and feel of outdoor spaces.

Given customer expectations and the experience sought by visitors, particularly those travelling from Sydney, there would likely be an expectation for an outdoor offering in a more atmospheric setting, which would be compromised by close proximity to car parking, with the ambience and atmosphere diminished by the presence of nearby car parking.

2.5 Functionality

In cases of adaptive re-use of a heritage building, functionality built into the overall design of the development will underpin the efficiency of overall operations. In the case of dining areas within a restaurant, outdoor dining can help the flow and functionality of the overall restaurant in a variety of ways.

Outdoor dining areas can do more than just add extra seats—they can noticeably improve how a restaurant functions inside.

First, they reduce congestion indoors. By moving some guests outside, you free up space in the main dining room, which makes it easier for staff to move between tables, the kitchen, and service stations. This smoother movement directly improves internal flow, that is how efficiently people move through the space.

They also help with better table distribution and spacing. When hosts can seat guests both inside and outside, they can balance the load more evenly. That means fewer bottlenecks at peak times and less pressure on specific sections of the restaurant.

Another benefit is improved waiting and transition areas. Outdoor spaces can double as holding areas for guests waiting for a table or finishing drinks. This keeps entryways and indoor walkways clear, preventing crowding near the restaurant entrance or service zones.

Outdoor spaces allow for a more adaptable layout and support a wider range of food and beverage offerings. During peak times or special events, they can serve as an overflow area, helping to keep the indoor environment organised and comfortable. They also cater to a more relaxed, casual dining atmosphere, while indoor spaces can be reserved for a more polished, fine dining experience.

Considering the above, a strong and direct physical connection between the outdoor and indoor areas is key to the functionality of a restaurant. As such, the intervention on the eastern wall will allow a directly connected indoor-outdoor space, whereas an intervention to the southern wall limits the location of the outdoor space to a more discrete and less visible area. This is due to the topography of the land which falls away to the south, which would require substantive structural work to create an outdoor dining area in that space.

2.6 Overall design & layout

An outdoor dining area on the eastern side will enhance visibility and accessibility along Argyle Street. This offering will establish an engaging, interactive frontage and reinforce the site's presence within the Berrima Town Centre. The positioning of the outdoor area to the east, along with incorporating structural elements (such as an arbour), will create a strong visual connection to the main street of Berrima.

This location also provides the F&B offering with high exposure and visibility to passers-by, particularly those who walk the heritage trail which passes directly in front of the site (refer to previous Map 1.3). The trail typically starts to the south around The Surveyor General Inn and then heading north, directly past Berrima Gaol, to the Berrima Courthouse. As a result, people will also naturally have an interest in Berrima Gaol as another key heritage place of interest within Berrima.

If an outdoor area were to be positioned to the southern side, it would not be as highly visible nor as easily accessed by passing traffic, which then limits people's awareness of its presence.

Further to this, and most critical to outdoor dining spaces, is consideration to weather conditions, particularly during the winter months. The eastern side of the site benefits from more favourable outdoor conditions with less exposure to windy conditions and receives full sun between 9am and 12.30pm during winter. In comparison, the southern side is in full-shade and is exposed to windy conditions. This makes for rather unpleasant conditions for dining outdoors. If an outdoor space cannot be fully utilised during all times of the year this will have a significant impact on seating capacity and therefore sales turnover for the operators.

Consideration for weather conditions and aspect are a crucial consideration for the overall design of any development, especially those with outdoor spaces. Given all of the above, along with studies³ undertaken into weather conditions for the site, the eastern side is considered the most optimal location for an outdoor alfresco dining area at Berrima Quarter.

At the eastern side of the site, the dining area would be level with the internal restaurant requiring minimal additional building works and structures required for its development in that location.

An outdoor dining area on the southern side would also be positioned next to the rear carpark area, and within a high foot traffic area of arriving guests. This makes for an uncomfortable dining experience and lowers the functionality of the area for staff to move amongst tables.

³ Additional option studies for Coordination with Right Angle, undertaken by Turner (April 2026)

2.7 Broader economic contribution

The 'Berrima Quarter' development will bring more people to the town and enable a greater appreciation of the heritage of the site, and the proposed heritage interpretation throughout the former Berrima Gaol precinct. There is already strong public interest in the former gaol, and the ability to visit and engage with the site will be an iconic proposition for Berrima. This will in effect be further establishing Berrima as one of NSW's must-visit historic towns.

A destination F&B offering will entice additional custom to the town – playing as an additional drawcard for increased visitation to Berrima. This will have flow-on effects to other businesses and F&B operators in the town.

It will be a boost to the Southern Highlands tourism industry and naturally result in increased job opportunities.

Table 2.1 outlines a three different scenarios based upon two potential locations for outdoor alfresco dining⁴ as well as a scenario with no outdoor dining as a comparison. These scenarios are as follows:

- **Scenario 1: Eastern outdoor dining area** – this scenario assumes an outdoor dining area with frontage to Argyle Street, enabled by an intervention to the eastern wall. This scenario assumes no F&B offering within Governors House.
- **Scenario 2: Southern outdoor dining area** – this scenario assumes an outdoor dining area to the southern side of Berrima Quarter, enabled by an intervention to the southern wall. This scenario also assumes no F&B offering within Governors House.
- **Scenario 3: No outdoor dining area** – this scenario assumes that the internal restaurant will be the only F&B offering within Berrima Quarter.

For each scenario we have estimated the outdoor dining areas (excluding thoroughfare areas) based upon concept plans⁵ developed by the project architect (Turner), and based on an average of 2 sq.m per person, estimated the dining capacity of each outdoor area.

We have then considered the following to assess total daily sales potential:

- Trading hours for daytime and evening opening time assumed to be the same for Scenario 1 and 2.
- Number of sittings, which assumes an average sitting/dwell time of 1 hr during the day and 1.5 hrs in the evenings, to calculate total number of patrons during the day and evening trade.
- F&B offering for all scenarios assumed to be casual during the day and fine dining in the evenings.
- Average spend per patron of \$25 during the day and \$100 in the evenings.
- Occupancy levels assumed to be 95% under Scenario 1, compared to 70% for Scenario 2. The latter rate factoring in the unfavourable weather conditions to the southern side which will deter patrons sitting outdoors.

⁴ Additional option studies by Turner (April 2026)

⁵ Additional option studies by Turner (April 2026)

In addition to estimating potential daily sales for each scenario, we have also critically analysed each scenario with consideration for the following:

- **Layout** – how the outdoor and internal dining area within Berrima Quarter are connected. That is separate, connected or disconnected. Disconnected refers to scenarios where there is a level of disconnection between the two spaces.
- **Amenity** – key to any outdoor area is exposure to the elements namely sun, shade and wind. This is of high importance particularly in locations such as Berrima where outdoor dining can be prohibitive in the colder months. Sunny and sheltered outdoor dining areas will ensure a higher rate of custom and occupancy time.
- **Site activation** – how does each outdoor area scenario activate the site and interface with Argyle Street.
- **Town Centre activation** – how does each outdoor area position itself and impact on other F&B operators in the town centre. To ensure its success, as well as enhancing the Town Centre overall, where the outdoor dining areas are and quality of offer will significantly impact on how well Berrima Quarters F&B offering(s) can position itself as that ‘missing link’ for the town centre. That is, how well it will compliment and not compete with other F&B operators.
- **Retail potential** – This considers all the above including maximum potential daily sales. As noted above, the level of occupancy (on average) is likely to be lower on the southern side (compared to the east) given the unfavourable outdoor weather conditions particularly during the winter months.

The analysis demonstrates that an outdoor alfresco dining area with frontage to Argyle Street, with direct connection to the internal restaurant area, will provide the ultimate and most successful F&B offering. This will position Berrima Quarter as an integral addition to the town centre and provide the highest likely rate of patronage given its overall amenity, heritage surrounds and site activation benefits.

Additionally, an eastern outdoor dining area will provide site activation benefits, as well as a key attractor from the street resulting in a net increase in visitation, thus underpinning the viability and quality of the fine dining restaurants offer. The eastern side will also provide a much higher retail sales potential for the restaurant operator, due to higher occupancy rates.

Overall, an outdoor dining area at Berrima Quarter will ultimately provide the following, which will contribute to the success of its F&B offering as well as contribute to the economic health of Berrima’s town centre:

- Improving public permeability
- Reinterpreting of formerly enclosed environment into a scenic and accessible domain
- Reactivation of dormant heritage, facilitated by economic sustainability as a conservation strategy
- Being in a regional location puts the proposal in a higher risk category of being commercially fragile, therefore requiring a good quality offer to financially stack up and attract good staff.

Table 2.1 Outdoor dining – Scenario Analysis

Feature	1. East only	2. South only	3. No Outdoor
Outdoor dining GFA (sq.m) *	80	60	0
Est. capacity (persons) #	40	30	0
Trade hours - day	8am-2pm	8am-2pm	Nil
Trade hours - night	5.30-10pm	5.30-10pm	Nil
Max Sitings - day **	6	6	0
Max Sitings - night **	3	3	0
F&B offering - am	Casual	Casual	Nil
F&B offering - pm	Fine dining	Fine dining	Nil
Likely ave. occupancy (%)	95%	70%	0
Daily sales potential - day ^	\$5,700	\$3,150	\$0
Daily sales potential - night ^	<u>\$11,400</u>	<u>\$6,300</u>	<u>\$0</u>
Daily sales potential - total ^	\$17,100	\$9,450	\$0
Var. to Scenario 1		-45%	-100%
Pros & cons			
Layout	Connected	Disconnected	Internal only
Amenity	High - sunny position & more sheltered	Low - shaded position and unprotected area	n/a
Site activation	High - immediate street exposure, open interface and increased access into Berrima Quarter	Low - frontage to carpark and largely hidden from street	Lowest - no connection between internal and outdoor areas of the site.
Town centre activation	High - Strong F&B offering that can anchor and be the 'missing link'. Will be inclusive of the community - providing an inviting & ceremonial entrance	Low - disconnected from the street (visually and access)	Lowest - no direct connection or visual presence within the town, potentially resulting in Berrima Quarter competing with, not complimenting, the town centre F&B operators.
Retail potential (outdoor area only)	High Potential for different dining options (fine v casual, inside v out) and an integrated offer that compliments the existing F&B options in the town centre.	Low Exposure to the elements, lower amenity near carpark and discrete location will likely result in low dwell time and inconsistent trade, particularly during the cooler months. This could result in up to 45% less trade than Scenario 1.	Lowest Offering is limited to a fine dining restaurant inside Berrima Quarter, which could be perceived as less accessible to the general public

* Estimates of outdoor areas dedicated to dining tables (i.e. excluding thoroughfare areas)

Assumes 2 sq.m per person

** Assumes average of 1 and 1.5 hrs per sitting for am and pm trade respectively

^ Assumes average spend of \$25 and \$100 for am & pm sitings respectively as well as occupancy levels more impacted by weather conditions to the south

3 Case studies

Adaptive re-use of historic sites presents a wide range of opportunities and challenges. The new use, and the level of change required to accommodate that use (or uses), needs to be compatible with and appropriate to the heritage significance of the place. Such projects however can be successful for a variety of reasons including the eagerness of the community to understand and engage with historical places, providing an ongoing economic and/or community uses of our historical places and ensuring the long term retention of important heritage assets, so that they do not simply fall into disrepair.

The following case studies demonstrate that it is common place for adapted heritage sites and regional F & B venues to create new outdoor dining areas and in many instances that an intervention in a façade wall is required to facilitate this offering. These examples clearly show that it is considered by the owner and/or operator of the venue that an outdoor dining area is not only desirable but essential to have in order to maximise the chances of the venues commercial success.

Further, from an owner's perspective in terms of creating a venue that is desirable to the widest range of potential operators as possible, an outdoor dining area with high visibility and exposure to foot traffic (especially in a tourist hot spot or commuter travel path) is critical to ensuring a large pool of interested operators which in turn facilitates sourcing the right operator. The exclusion of such an offering will only serve to limit the pool of potential operators, and for a site as unique as the Berrima Gaol, including its regional location, this lack of offering will only serve to diminish the potential success of the venue. The criticality of maximising the potential for finding the right operator for such a site cannot be understated.

The case studies speak to this later point, by showing that outdoor dining areas are located adjacent high foot traffic pedestrian zones, usually towards the front of the venue.

3.1 Key summary points

3.1.1 Metropolitan Sydney

Case Study 1: Locomotive Workshops (South Eveleigh)

Category: Heritage + Adaptive Reuse

Awards: 2023 Winner Best Heritage Development (Property Council of Australia)

- Heritage building adaptively reused and converted into a Multi-venue precinct comprising F&B and retail
- F & B venues (Brew Dog, Anita Gelato, The Grounds Coffee Factory) & Retail (IGA supermarket) with outdoor dining
- Interventions to heritage fabric walls required to facilitate businesses and activate outdoor spaces
- Outdoor dining located adjacent to high pedestrian traffic thoroughfare

Case Study 2: Tramsheds (Former Harold Park, Forest Lodge)

Category: Heritage + Adaptive Reuse

- Heritage building adaptively reused and converted into a Multi-venue precinct comprising F&B and retail
- F & B venues (Restaurants) with outdoor dining located adjacent main entry
- Outdoor dining located adjacent to high pedestrian traffic thoroughfare
- Side of building completely filled in with new glazed façade

Case Study 3: Campbell's Stores (Circular Quay, The Rocks)

Category: Heritage + Adaptive Reuse

- Heritage buildings adaptively reused and converted into a Multi-venue precinct comprising F&B
- F & B venues (Restaurants) with outdoor dining located on main building elevation
- Outdoor dining located adjacent to high pedestrian traffic thoroughfare

Case Study 4: Rosebery Engine Yards

Category: Heritage + Adaptive Reuse

- Heritage site adaptively reused and converted into a Multi-venue precinct
- Intervention to heritage fabric wall made to facilitate servicing of new outdoor dining area

Case Study 5 The Cannery, Rosebery

Category: Heritage + Adaptive Reuse

- Heritage site adaptively reused and converted into a Multi-venue precinct
- Multiple interventions to heritage fabric wall made to facilitate servicing of new outdoor dining areas for restaurant tenancies

Case Study 6: Callan Park (Lilyfield)

Category: Heritage + Adaptive Reuse

- Heritage site proposed to be adaptively reused and converted into a multi-purpose precinct including F&B
- Outdoor dining proposed

Case Study 7: The Station (Newcastle)

Category: Heritage + Adaptive Reuse

- Heritage site proposed to be adaptively reused and converted into a multi-venue precinct comprising F&B
- Outdoor dining proposed

3.1.2 Regional NSW F & B Venues

Case Study 8: Brindabella Hills Winery (Wollar, NSW)

Category: Regional F&B Venue + Tourism

- Venue incorporates a light weight arbor structure from carpark area leading guests up to main entry
- Outdoor dining provided at the front garden
- Access from restaurant to the outdoor dining area provided by glass doors

Case Study 9: Coolamon Hotel, Coolamon NSW

Category: Regional Heritage Hotel + Restoration

Awards: 2026 National Trust (NSW) Heritage Award winner President's Prize Award

- Heritage hotel (circa 1850's) in a regional town renovated to incorporate new outdoor dining area in a garden setting
- Intervention to wall made to facilitate servicing of new outdoor dining area

Case Study10 The Sir, George (Jugiong, NSW)

Category: Regional Heritage Hotel + Restoration

- Heritage hotel (1852) in a regional town renovated to incorporate new outdoor dining areas in a garden setting

3.2 Locomotive Workshops (South Eveleigh) - Adaptive Reuse



Figure 3.1 Brew Dog Bar/Restaurant outdoor dining (Railway Patio South)



Source: www.brewdogssoutheveleigh.com.au/functions/

Figure 3.2 Brew Dog outdoor dining & IGA loading dock (Railway Patio North)



Source: www.brewdogssoutheveleigh.com.au/functions/

Figure 3.3 Locomotive Workshops South Eveleigh – pedestrian thoroughfare



Source: Buchan.com

- Outdoor dining serving the Brew Dog bar/restaurant inside.
- Interventions in the façade to facilitate access and connected outdoor dining spaces, as well as serving commercial operations (e.g. loading dock for Romeo's IGA supermarket).
- Large rectangular interventions in the facade modernized with new steel framing and glazing.
- Other original arched entryways replaced with modern steel glazed doors compliant with modern building code.
- The outdoor dining space fronts the main open pedestrian thoroughfare connecting Redfern Station to the South Eveleigh precinct (formerly *Australian Technology Park*) and the residential area of Alexandria. Providing the outdoor dining areas and precinct overall immediate exposure to passerby's.

Awards: 2023 Winner Best Heritage Development Property Council of Australia

Figure 3.4 Anita Gelato (Railway Patio South)



Source: anitagelato_australia South Eveleigh (Instagram)

Figure 3.5 The Grounds Coffee Factory



Source: The Blue Fox Group

- New steel glazed structure added to heritage fabric wall of the Locomotive Workshop building to facilitate new commercial business.
- Anita Gelato, positioned at southern entrance to the pedestrian thoroughfare includes seating both inside and outside (located adjacent to the Brew Dog outdoor dining area).
- The Grounds Coffee factory outdoor dining area required an intervention in the heritage fabric wall to allow for connection through to the main dining restaurant inside (NB: the original building only contained arched entrances).

Figure 3.6 Railway Patio – Consideration for the elements



Source: Metromap.com.au – aerial capture Jan 2026 (left) and July 2025 (right)

- The location and design of the outdoor areas also gave consideration for the elements – with deciduous trees planted along the patio providing shade in the summer months and sunlight during the winter months.
- The outdoor dining areas are also positioned on the eastern side to take advantage of full sun during winter and, along with the trees, shade during summer.

3.3 Tramsheds (Harold Park, Forest Lodge) - Adaptive Reuse

Figure 3.7 Main entry



Source: <https://bluegroupprojects/work/the-tramsheds-glebe/>

- Large parts of the existing brick façade wall replaced with glazed wall system to allow for commercial F&B businesses either side of the main entry. Note the outdoor dining spaces adjacent the entrance.

Figure 3.8 Outdoor dining near main entrance



Source: www.markhamglobal.com/projects/the-harold-park-tramsheds

- Outdoor dining areas positioned around the main entrance.
- Outdoor dining connected/ adjacent to main pedestrian thoroughfare - high visibility & access to pedestrian foot traffic is critical to a successful restaurant.

Figure 3.9 Outdoor dining and pedestrian thoroughfare



Source: www.nationaltrust.org.au/adaptive-reuse-tramsheds-harold-park/

3.4 Campbell's Stores (Circular Quay, The Rocks) - Adaptive Reuse



Figure 3.10 Outdoor dining



Source: www.jpw.com.au/projects/campbells-cove-and-stores/

- Outdoor dining connected to fine dining restaurants inside the adaptively reused 1850's maritime store warehouses.
- Outdoor dining located adjacent to main pedestrian thoroughfare maximising visibility to tourists & passers-by.

Figure 3.11 Outdoor dining and pedestrian thoroughfare



Source: www.jpw.com.au/projects/campbells-cove-and-stores/

3.5 Rosebery Engine Yards - Adaptive Reuse



Figure 3.12 Outdoor dining and intervention to outer wall



Source: www.architecture.com/articles/gelato-messina-rosebery-by-vie-studio

- Rosebery Engine Yards revitalises a 1.9 hectare heritage listed 100 year old industrial site in Sydney's inner south into a landmark mixed use retail & lifestyle precinct.
- The project offers a compelling case for how industrial legacies can be repurposed – not just preserved – to serve contemporary cities. Once home to Westinghouse the site carries a rich industrial history.
- Gelato Messina opened its 30th store within the adaptively reused heritage warehouses; the fit out required an intervention in one of the heritage fabric walls adjacent an existing main entrance in order to allow for outdoor tables and seating for customers to enjoy the venue.
- The outdoor dining area is located adjacent high foot traffic paths to the main roads

Figure 3.13 Original entrance

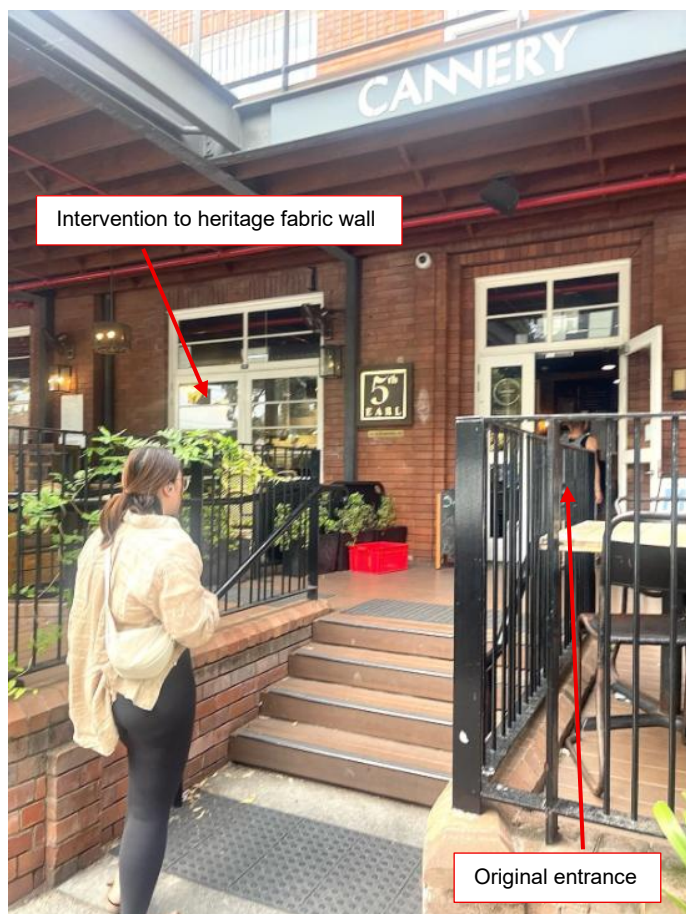


Source: www.architecture.com/articles/gelato-messina-rosebery-by-vie-studio

3.6 The Cannery, Rosebery - Adaptive Reuse



Figure 3.14 View from cnr. Morley Ave & Mentmore Ave



Source: www.architecture.com/articles/gelato-messina-rosebery-by-vie-studio

Figure 3.15



Source: www.jacksonteece.com/project/the-cannery

- Heritage listed former Rosella Preserving Manufacturing Co historic warehouse buildings adaptively reused into a multi-venue precinct comprising retail, lifestyle, restaurants and more. The site was the principal factory for Rosella in New South Wales from the 1920s to the 1960s
- The offices facing Morley Ave were transformed into three restaurant tenancies (ground floor) requiring interventions on either side of the existing entry doors to facilitate outdoor dining.
- The offices facing Morley Ave also received a new upper level outdoor entertaining deck. Existing windows either side of the ground floor entry door were enlarged to make way for double doors allowing access to the outdoor deck.

3.7 Callan Park (Lilyfield) - Adaptive Reuse

Figure 3.16 Proposed outdoor dining (Balmain Road park entrance)



Source: McGregor Coxall

Figure 3.17 Existing structures (Balmain Road park entrance)



Source: Google maps (2020)

Figure 3.18 Proposed cafe



Source: ABC online news (18 May 2026)

- Park entrance off Balmain Road (historical gates - now restored by NSW government - to left hand side of image) as proposed with outdoor seating (top) and existing view of precinct.
- Entrance to the park to be linked by footpaths and high pedestrian and cycling activity

- An example of a café proposed in one of the heritage buildings with outdoor dining space connecting through to the café.

3.8 The Station (Newcastle) – Adaptive Reuse



Figure 3.19 Proposed outdoor dining



Source: www.hccdc.nsw.gov.au/stations-future-use

3.9 Brindabella Hills Winery (Wollar, NSW) – Regional F&B Venue

Figure 3.20 Outdoor dining with direct connection to restaurant inside



Source: www.brindabellahills.com.au

- Continued revitalisation of Newcastle Station into a hospitality and tourism precinct.
 - Similar to Berrima Quarter, the precinct is proposed to include restaurants, bars and cafes with outdoor dining options.
 - Other uses proposed include specialty retail, events, multi-purpose function room, and boutique hotel accommodation.
-
- Light weight Arbor structure greeting guests from the carpark & guiding them to the entrance
 - Outdoor dining to front garden area;
 - Outdoor dining area in front garden that flows through to the inside restaurant dining area.

3.10 Coolamon Hotel, Coolamon NSW – Regional F&B Venue



Figure 3.21 Outdoor dining



Source: www.coolamonhotel.com.au

Figure 3.22 Internal dining area with new doorway connecting to outdoor dining



Source: www.coolamonhotel.com.au

- 1880 Hotel renovated to include an outdoor dining area in a garden setting. Prior to the renovation works in 2025 the outdoor dining space was an unused empty grassed area

- The renovation works involved cutting a new entrance doorway into the external eastern façade wall providing direct connection between the internal and external dining areas and for servicing of the newly created outdoor dining area.

Awards: 2026 National Trust (NSW) Heritage Award winner President's Prize Award

3.11 The Sir George (Jugiong, NSW) – Regional F&B Venue



Figure 3.23 Outdoor dining and gardens



Source: www.younggunofwine.com/venue/the-sir-george-hotel

Figure 3.24 Outdoor dining with direct connection to restaurant inside



Source: *The Queanbeyan Age online news* (27 August 2017)

- Outdoor dining located in a relaxed garden setting helps to attract customers & increases dwell time
- Outdoor dining provides critical additional seating opportunities (additional revenue) and helps to increase night time activity and provides additional options for guests to experience a venue.

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