

26 February 2016

Ms Ann-Maree Carruthers  
Director, Urban Renewal  
NSW Department of Planning and Infrastructure  
23-33 Bridge Street  
Sydney NSW 2000

***By online submission***

**RE: SUBMISSION TO THE KELLYVILLE STATION PRECINCT PLANNING PROPOSAL**

Dear Ms Carruthers,

**1. Introduction and Summary**

INVOKE Property has been commissioned by 13 individual landowners (refer to Annexure 1) to make this submission relating to the Kellyville Station Precinct Planning Proposal. Annexure 1 is provided separately as it is requested that Annexure 1 be maintained as confidential and not placed on public exhibition. The submission is specifically in relation to the Subject Land as highlighted below bounded by Fletcher Street, Somerset Street, Darcy Street and Midlands Terrace, Stanhope Gardens.



**Figure 1 – Subject Land that is the Subject of this Submission**

This submission requests that the Subject Land area within the Kellyville Station Precinct Planning Proposal (i) maintains the zoning R4 High Density Residential as proposed, (ii) be amended to have the proposed Floor Space Ratio control increased from 1.2:1 to 3.0:1 and, (iii) be amended to have the Height control increased from 18m to 28m, under the Blacktown Local Environmental Plan 2015. As will be outlined in this submission, both planning considerations and matters of economic viability support this request for an orderly development outcome.

## 2. Background

The Subject Land is legally described under the Deposit Plans 285740 and 285811 and is part of a Community Title. INVOKE has not been commissioned to investigate the particulars of the Community Title. The approximate total area is 13,350m<sup>2</sup> inclusive of 34 individual lots, two shared common areas plus the private road Kendell Street (approximately 950m<sup>2</sup>), which is all considered developable area.



**Figure 2** – Subject Land: Deposited Plan and Lot Numbers

INVOKE attended a large meeting on 6 February 2016 of land owners within the Community Title area. The owners acknowledged the need for future amendment of the legal titling arrangements. This was noted for future resolution following adoption and gazettal of the Kellyville Station Precinct Planning Proposal. The consensus of those owners present was to support the NSW State Government proposed Kellyville Station Planning Proposal and requested this submission extend that acknowledgement.



### 3. Proposed Planning Controls

#### (i) Zoning

The proposed zoning of R4 High Density Residential is supported to remain as proposed.

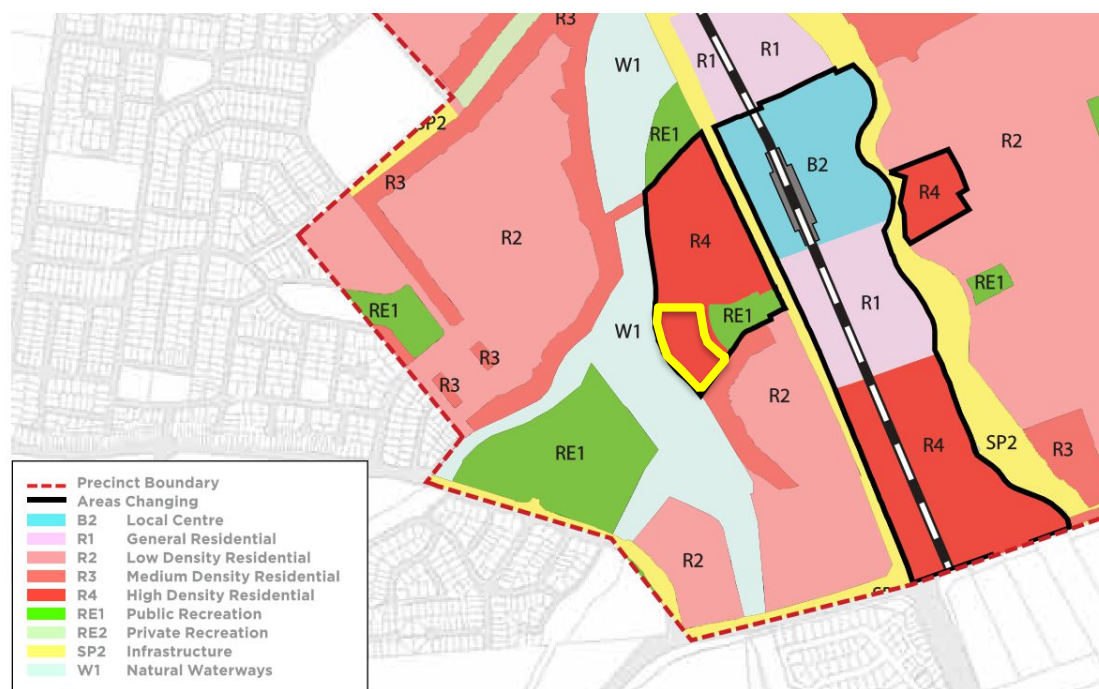


Figure 61: Proposed Zoning Map

**Figure 3 – Proposed Zoning Map (extract)**

#### (ii) Floor Space Ratio

The Floor Space Ratio proposed of Category P (1.2:1) does not support a yield that is economically viable to enable conversion and take up of the land by developers to produce high density residential units. This submission requests to amend the Floor Space Ratio to Category V (3.0:1).

The key reasons for requesting the amendment are;

- (i) The current Floor Space Ratio of 1.2:1 is not economically viable. The justification of this reason is provided in the later section, Economic Assessment.
- (ii) As a result of such a development never proceeding on the Subject Land, the orderly development of building transitions to existing residential will not be achieved. This could result in 28m high apartment buildings being built on one side of Fletcher St and 9m existing residential on the other side, being the subject lands.
- (iii) An extension of the FSR provided to the west (Category V) can still provide a suitable urban design masterplan outcome complimenting the objectives of the Department of Planning. The proposed change is compatible with the local urban context as described later in this submission.

For the subject site, it is noted that the current yield applying an FSR of 1.2 is approximately 170 units and the increased yield for an FSR of 3.0 is approximately 425 units or 255 additional units.

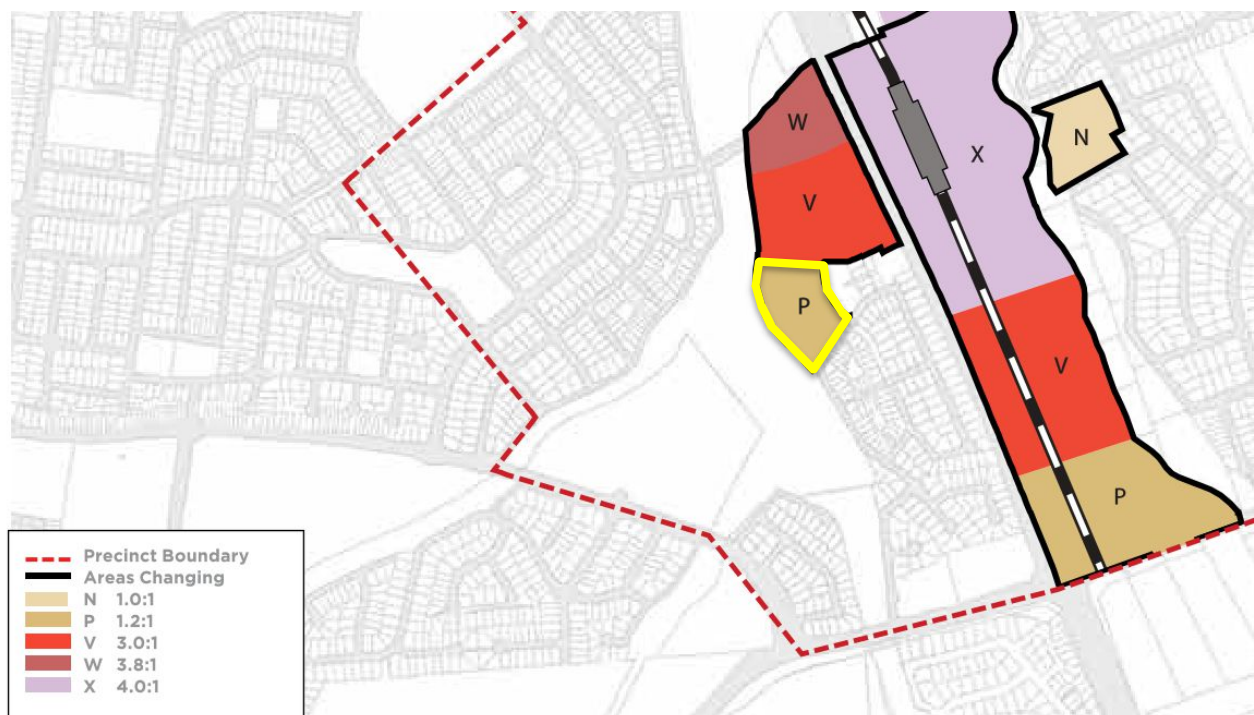


Figure 63: Proposed Floor Space Ratio Map

**Figure 4** – Proposed FSR Map (extract) seeking amendment as highlighted

### (iii) Height

To accommodate the proposed amendment of Floor Space Ratio (to 3.0:1), this submission requests to also amend the building height proposed of 18m to 28m, being an increase from 5 storeys to 8 storeys. This increase is considered consistent with the area to the west where 28m (T3) is proposed. The extension of the T3 area further east is considered an appropriate extension of built and urban form.

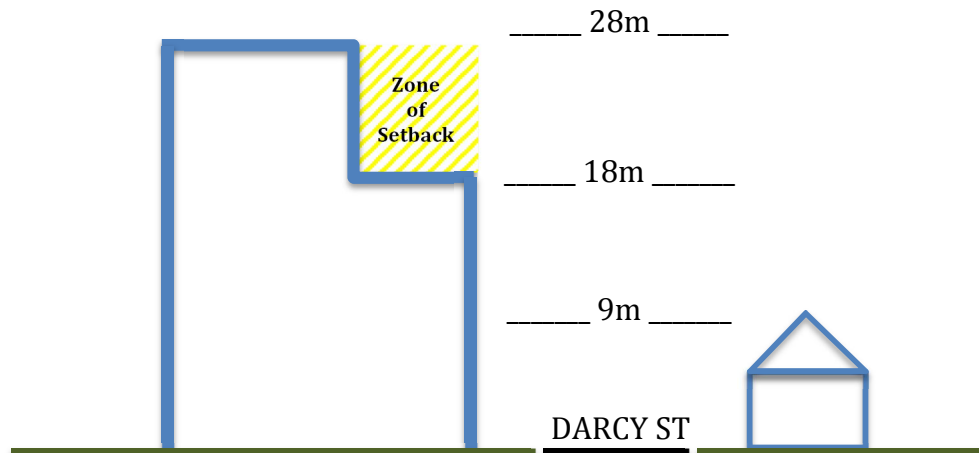


Figure 62: Proposed Height Map

**Figure 5** – Proposed Height Map (extract) seeking amendment as highlighted



In considering the increase of height to 28m, the interface with the existing residences to the east of Darcy Street at 9m needs consideration. Therefore, we draw to your attention the recommendation to incorporate within the Development Control Plan, a control to govern building setback requirements facing onto Darcy Street. This may require such a development on Darcy Street to have a 5 storey or 18m transition building form setback up to 28m to ensure height transition is adequately managed as per the Section Plan 1 below.



**Figure 6** – Section Plan with zone of setback

Further support for the increased height includes the observation that a building heights of 28m and a building with the above mentioned building setback control, will have no overshadowing that causes any further impact than currently proposed. We provide below the extract image of the Shadow Diagrams from the Kellyville Precinct Planning Proposal. It is evident that the overshadowing experienced to the south (June 21 at 9am) is over the open space area and will not have an inferior effect. The overshadowing experienced to the east (June 21 at 3pm) remains the same as the building setback mentioned above will not result in any greater overshadowing.



**Figure 7** – Extract, Shadow Diagrams from the Kellyville Planning Proposal

## 4. Economic Assessment

In considering the economic assessment, we have reviewed the economic report (Appendix F) by AEC Group (AEC) consultants as commissioned by the Department of Planning. The AEC report contains *Appendix B: Key Sites Tested* which specifically has been reviewed. We also provide our considered position and applied a Subject Lands Case Study to justify the need and appropriateness for a higher FSR of 3.0:1.

### AEC Report

The AEC Report in its Appendix B, provides *Table 1A: Site 6 Notional Development Option*. This in the first instance states that the case study of Site 6 (inclusive of 5 Somerset St, Stanhope Gardens). The FSR of 2.0:1 is noted as marginally feasible and into the future 2020+, as Feasible. In using the 2015 Residual Land Value (RLV) nominated of \$1,571 (\$/sqm of site area), the subject property 5 Somerset St (approximately 735m<sup>2</sup> of land) would be appraised at \$1,154,685 in value. Such a property in late 2015, would be appraised for sale between \$1.1m and \$1.25m based on local comparable sales (available data on realestate.com) of (i) 16 Roxborough Crescent Stanhope Gardens (\$1.08m on 18/9/15) and (ii) 10 Roxborough Crescent Stanhope Gardens (\$1.005m on 06/1/15). Therefore, the FSR of 2.0:1 is clearly not economically viable now and would likely not be viable in 2020. In other surrounding lots and within the Subject Land, the lot land sizes can be far smaller (ie 230m<sup>2</sup> to 330m<sup>2</sup>) which further challenges the feasibility and viability.

Such an FSR of 2:0 is highly likely not to be feasible and will not see take up by developers for new unit development. It is also noted, that since the report by AEC may have been commissioned, the Department of Planning has allocated on the mentioned tested site (5 Somerset St, Stanhope Gardens) a FSR of 3.8:1 and its neighboring sites to the east a FSR of 3:0:1. Therefore, the economic viability is now strengthened by this increased density which the Subject Land is also seeking.

### The Subject Land

The approximate total area is 13,350m<sup>2</sup> inclusive of 34 individual lots, two shared common areas plus the private road Kendell Street (approximately 950m<sup>2</sup>), which is all considered developable area. The typical range of lots sizes are approximately 230m<sup>2</sup>, 280m<sup>2</sup> and 330m<sup>2</sup>. The common areas (excluding the private road) on an equal shared basis is approximately 70m<sup>2</sup> per resident lot. Therefore, for this analysis the typical sample range per resident lot is 300m<sup>2</sup>, 350m<sup>2</sup> and 400m<sup>2</sup> of attributable and developable land.

#### Case Study: Applying an FSR of 1.2:1 versus FSR of 3.0:1

The AEC modelling data on Table A1, provides the total residual land in 2015 as \$3,391,182 for an outcome of 53 units. This would place the raw rate per unit as \$74,000 each (without Development Application (DA) consent being achieved). The amount of \$74,000 per unit is assumed as the low range rate.

The property 17 Balmoral Road, Kellyville recently sold \$43.7m in January 2016 (available on public record) with a DA approval of 290 apartments. This generally equates to \$150,000 per unit site. This rate is discounted to assume no DA is available and further adjusted to meet the market value for Stanhope Gardens. Therefore, the amount of \$100,000 is assumed as the high range rate.

The above ranges in 2015 dollars are assumed in the assessment below:

Case (i) FSR 1.2:1							
Lot Typical Type	TOTAL (m <sup>2</sup> )	FSR	TOTAL GFA (m <sup>2</sup> )	Assumed Gross Unit Area (m <sup>2</sup> )	Contributing Number of Units Achievable	Residual Land Value (RLV) Range (Low to High)	2015 RLV Amount Vs Current Lot Valuation
1	300	1.2	360	92	3.90	\$288,600 to \$390,000	UNDER & NOT VIABLE
2	350	1.2	420	92	4.56	\$337,400 to \$456,000	UNDER & NOT VIABLE
3	400	1.2	480	92	5.22	\$386,280 to \$522,000	UNDER & NOT VIABLE

Case (ii) FSR 3.0:1							
Lot Typical Type	TOTAL (m2)	FSR	TOTAL GFA (m2)	Assumed Gross Unit Area (m2)	Assumed Number of Units	Residual Land Value (RLV) Range (Low to High)	RLV Amount Vs Current Valuation
1	300	3.0	900	92	9.80	\$725,200 to \$980,000	Approx. 15% to 30% above
2	350	3.0	1050	92	11.4	\$843,600 to \$1,114,000	Approx. 15% to 30% above
3	400	3.0	1200	92	13.0	\$962,000 to \$1,300,000	Approx. 15% to 30% above

From the above case study, it is clearly evident that the 2015 residual land value range for the FSR 1.2:1 case is well under current market value. The opportunity for re-development will not occur and take up by developers not achieved. Over the medium (5 years) and long term (10+ years) it may be reasonably considered that the house prices will increase with the new Kellyville Train Station opening and further challenge the feasibility.

In the FSR 3.0:1 case, the increased house value as a result of a rezoning may see landowners sell their properties and the assumed take up rates by the Department of Planning may be achieved. The above suggested RLV premium price of 15% to 30% above current land valuation is generally consistent with the endorsed guidance by the AEC Report of a 20% premium. This principle is reinforced in the medium to long term as the premium to residual land value will continue to rise over time. Thus, the opportunity to safeguard the future success of the Planning Proposal and make an appropriate change is now based on both planning and economic justifications provided.

## 5. Conclusion

The underlying principles of economic and efficient use of land are paramount to the success of the station precincts and the land that this is identified in this submission appears to be earmarked for less than optimal levels of development. Without an increase to the FSR to 3:1 and maximum building height increase to 28m, there will be a significant opportunity lost for the economic and logical density allocation of this rezoning. It is requested that the Department of Planning favourably consider the options presented in this submission and amend the Local Environmental Plans to achieve more appropriate planning, economic and sympathetic urban outcomes.

It is also requested that a meeting is held between Department of Planning and INVOKE Property to discuss the matters raised in this submission in greater detail. Please advise the most appropriate date and time for this meeting to occur. In the interim, should you have any queries please do not hesitate to contact the undersigned on 0404 476 200.

Thank you for the opportunity to provide comment on the Kellyville Station Planning Proposal documents and for consideration of the matters contained in this submission.

Yours faithfully,



Rick Alloggia  
Managing Director  
**INVOKE Property**