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28 February 2017

Department of Planning & Environment
GPO Box 39, Sydney NSW 2001

Dear Sir/ Madam

SUBMISSION RE: BAYSIDE WEST PRECINCT DRAFT LAND USE AND INFRASTRUCTURE STRATEGY

INTRODUCTION

We write in response to the exhibited Bayside West Precinct Draft Land Use and Infrastructure Structure Plan on behalf of Hyecorp Property Group (HPG), the owners of two sites being:

- Lot 9, Section 2 in DP1633 known as 64 Princes Highway, Arncliffe and
- Lot 11, Section 4 in DP4674, known as 20 Marsh Street, Arncliffe.

Whilst these parcels are quite separate from each other, they represent initial acquisitions by HPG in the Precinct. Notably, 64 Princes Highway has an area of approximately 470sqm whilst 20 Marsh Street has an area of approximately 483sqm.

HPG would like to acknowledge support to the Department and Council in their actions to facilitate urban renewal in the precinct. Based on our review of the documents we identify the following key issues:

- The proposed uplift in zoning, height of building and floor space ratios are challenged by the significantly fragmented land ownership within the Arncliffe Precinct, particularly on the eastern side of Princes Highway.
- The proposed density cannot be realised without significant amalgamation of land and there appears to be no minimum lot size requirement to promote appropriate land amalgamation.
- The lack of appropriate incentive to promote reasonable land amalgamation has the risk of potentially creating disjointed built form and an undesirable streetscape.

We therefore submit the following for the Department's consideration.

PROPOSED CONTROLS

The proposed controls for the sites are as follows:

- 64 Princess Highway
  - Zone B4

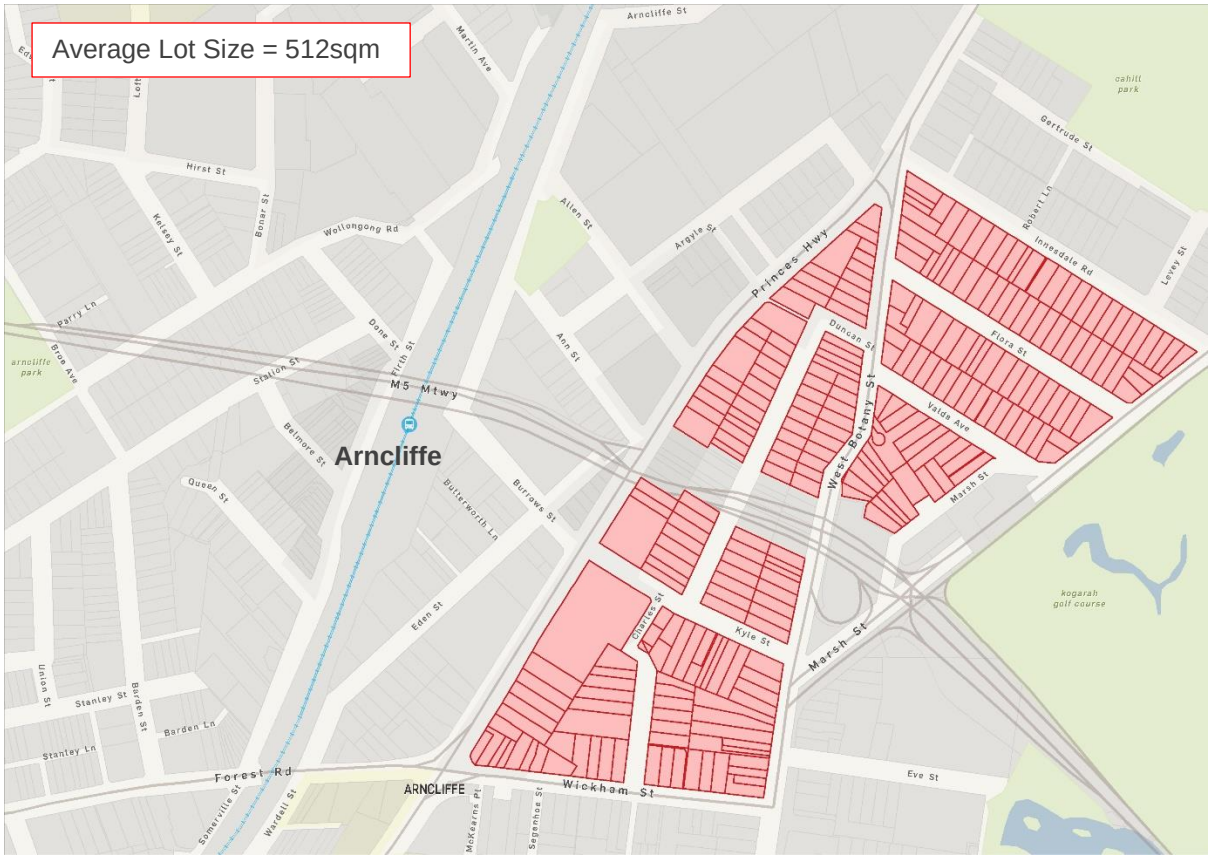
- FSR 2.5:1
- Height 31m (circa 9 storeys assuming 4.5m commercial ground floor plus 8 x residential floors @ 3.1m floor to floor)

- 20 Marsh Street
  - Zone R4
  - FSR 2.2:1
  - Height 26.5m (circa 8 storeys)

LAND FRAGMENTATION

The size of both parcels of land reinforces the significant degree of fragmentation across the precinct. Figure 1 below demonstrates that the average land parcel size for land on the eastern side of Princes Highway is only 512sqm.

Figure 1 – Average lot size calculation of the area highlighted in red



Source: Urbis

Whilst it is acknowledged that the draft controls do represent an uplift, it is arguable that the densities proposed may not be achievable and additional incentive should be implemented to facilitate site consolidation. The rationale for this is as follows:

- There is no minimum allotment size proposed for site redevelopment as outlined in the proposed planning controls contained in the exhibition material.
- In the absence of such, a market (vendor) expectation has potentially already been established that would assume that the proposed FSR is achievable on all land parcels. This has the effect of artificially inflating land values and rendering site amalgamation difficult.
- This issue is recognised in the Economic Report that accompanies the exhibition material. Notably, the economic Report undertook hypothetical feasibility testing to inform the proposed controls and in the case of low density residential areas made the following observation:

  > *If assembling a number of cottages for development, generic feasibility testing suggests an FSR range of 2.5:1 to 2.75:1 is required for feasible development. This density threshold declines if a development block is in single ownership and thus precluding the need to pay a premium over and above market value. (p.25)*

- This modelling by the Department assumed a redevelopment site of 1100sqm. In other words the Department's own modelling assumes the amalgamation of at least 3 averaged sized parcel based on our assessment of average lot sizes. However, there is no urban design analysis that explicitly tests this "3 parcel" scenario.

ALTERNATIVE URBAN DESIGN MODELLING

- In contrast, Urbis has modelled the proposed controls as it relates to both sites, and these are attached to this submission.
- In the case of 20 Marsh Street, for development to achieve the proposed controls would require a minimum site area circa 2445 sqm primarily attributable to the SEPP 65 minimum separation distances.
- Based on average lot size across the precinct, would require amalgamation of up to 4-5 parcels of land.
- What is notable from our modelling is that an FSR of up to 2.5:1 could potentially be accommodated on the site without exceeding the height as proposed. This is based on amalgamating a total of 5 parcels, including 20 Marsh Street.
- This suggests several considerations:
  - The proposed FSR as per the exhibition material is potentially not aligned with the height controls and requires further testing.
  - The required minimum site area is required to realise the development potential is understated in the exhibition material.

- In the absence of any guidance on minimum site area, reinforces the issue about raising vendor expectations, impacting on the practical ability to amalgamate land.
- This in turn creates a planning risk of potentially ad hoc site amalgamation and resultant issues of residual land parcels preventing the achievement of streetscape design objectives.
- It presents an opportunity to introduce an incentive clause in any LEP controls that provide bonus FSR, if a minimum site area is achieved and development can be otherwise be contained within the proposed height limits.
- In this case, we recommend that provided a minimum site area of 2,400sqm is achieved, an additional FSR of up to 0.5:1 be permitted. Subject to more detailed urban design modelling it is considered that this minimum site area could be set at circa 2,000sqm to achieve a similar built from outcome in terms of massing and scale

- In the case of 65 Princes Highway, it is noted that the urban design controls contained in the exhibition material recommend a 6m street setback to the Princes Highway.
- Based on the site's depth of only circa 37m, and the proposed controls only applying to lots that front the Highway, indicates that amalgamation will extend lengthways along the Highway and / or include sites to the east that have a lesser FSR/Height.
- Furthermore, given the proposed zoning, sites extending to the north of the 64 Princes Highway become progressively shallower as they get closer to the intersection of Princes Highway and West Botany Street. This potentially renders the ability to archive a mixed-use outcome increasingly difficult.
- In addition to this, it is noted that the exhibition material suggests that development up to 12 storeys could be accommodated in the B4 zone. If its assumed that ground floor has a commercial/retail use, a 4.5m floor to floor level plus 3.1m floor to floor for subsequent residential levels above, suggests a maximum of only 9 storeys. This equates to a maximum height of 29.5m against the proposed height limit of 31m. In other words there is again some inconsistencies in proposed height controls.
- Our preliminary urban design analysis for this site has sought to model the proposed controls and confirms an inability to achieve the proposed maximum height when an amalgamated site of 1,370sqm is set. This modelling suggests a building of only 21m in height (circa 6 storeys) is achievable which is less than that proposed for the adjoining R4 zone and potentially fails to deliver the stated objective of tapering buildings away from the Princes Highway.
- In contrast, using the same amalgamated 1,370sqm site, to achieve the maximum height as proposed suggests that an FSR of 3.7:1 is achievable.
- In this context, it is considered that a more logical form of development could be facilitated if a single zone extended across the full street block. The prevailing NW-SE alignment of street blocks through this part of the precinct means that it will be difficult for land to the south-east to achieve solar access requirements under SEPP 65 after taking building separation and a higher built form facing the Princes Highway into account.

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SUMMARY

As highlighted in this letter, our major concern relates to the highly fragmented nature of Arncliffe Precinct and how this may significantly restrict the positive development outcome the Department is attempting to achieve. HPG has acquired land because of its strong desire to contribute to the built form outcomes that will revitalise Arncliffe. However, in its present form, the proposed controls will in our opinion only serve to prevent amalgamation and fail to incentivise this process.

Our assessment recommends the establishment of a minimum lot size for redevelopment and the provision of a density bonus where it can be demonstrated that an otherwise compliant FSR fails to attain the height otherwise permitted. Based on our preliminary assessment up to 2 additional storeys could be accommodated on the Marsh Street site, which is within the proposed height controls but yielding an FSR of 2.5:1. This FSR is broadly consistent with the conclusions reached by the Department's own economic work.

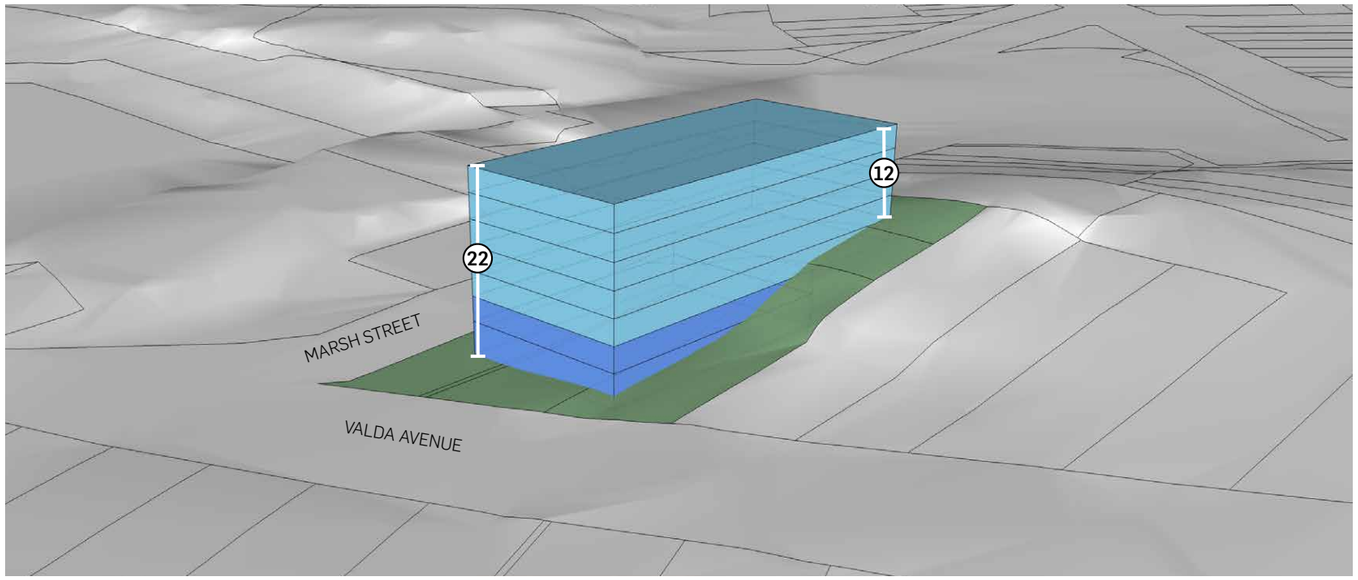
In the case of the Princes Highway site, again site amalgamation is required, however our assessment suggests that there is a more basic misalignment of FSR and Height. In this case the stated Urban Design objective is to facilitate a strong streetscape characterised by taller buildings up to 12 storeys uniformly setback from the street. The proposed FSR suggests that this is not possible and in fact may deliver buildings of lesser scale than the adjacent R4 zone. As such it is considered that the proposed FSR be revised upwards

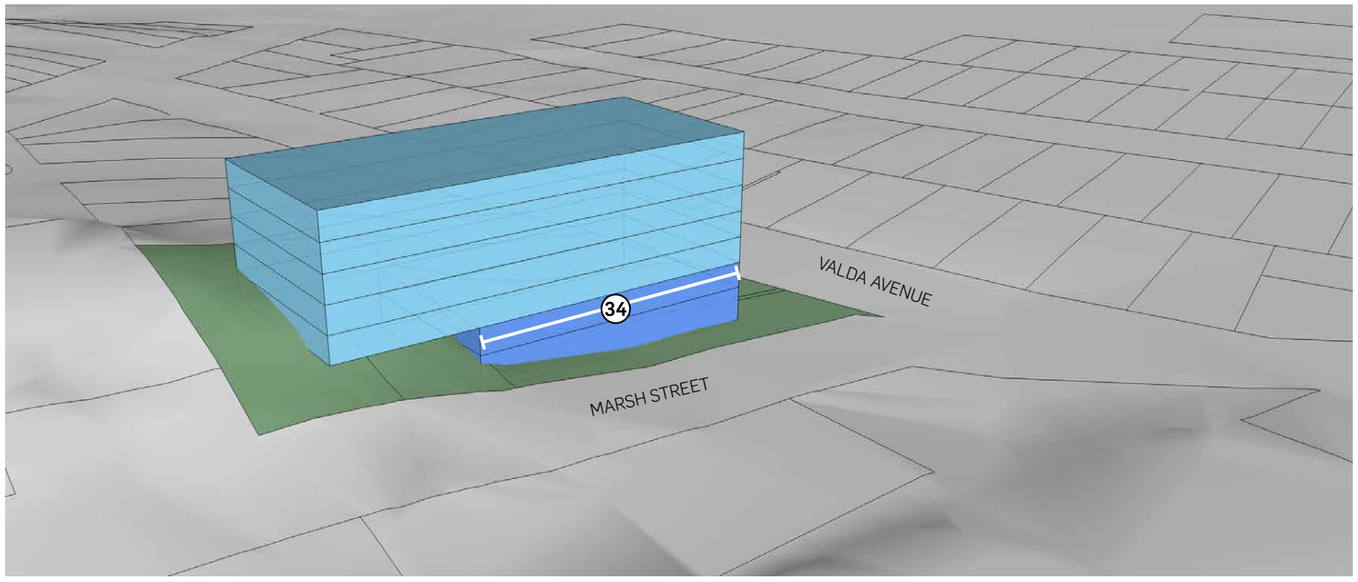
Thank you for this opportunity to provide this submission and I would be happy to discuss the contents of this letter in greater detail as necessary.

Yours sincerely,

David Hoy
Regional Director

Attach – urban design modelling





LEGEND:

- SUBJECT SITE
- EXTENDED SITE
- (#) SETBACK DISTANCE (M)
- (#) BUILDING DIMENSION (M)
- PRIVATE OPEN SPACE

CONSTRAINTS

Subject site = 483 sqm

Subject site + additional properties* = 2445 sqm

Maximum useable floor area (FSR 2.2:1) = 5379 sqm

Total maximum floor area (@ 75% efficiency) = 7171.8 sqm

Building portion		Area/floor (sqm)	# of floors	Max Height (m)	Total floor area (sqm)	Useable Floor Area* (sqm)
Upper Levels		1100.5	5.0	15.0	5502.5	4126.9
Lower Levels		748.0	2.0	7.0	1496.0	1122.0
Total			**7.0**	**22.0**	**6998.5**	**5248.9**
Maximum permitted				26.5	7171.8	5379.0

*assuming 75% efficiency

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20 MARSH STREET, ARNCLIFFE
BUILDING MASSING CONCEPT

DATE: 24/02/17
JOB NO: SA6591
DWG NO: -
REV: -

1:1000 @ A3
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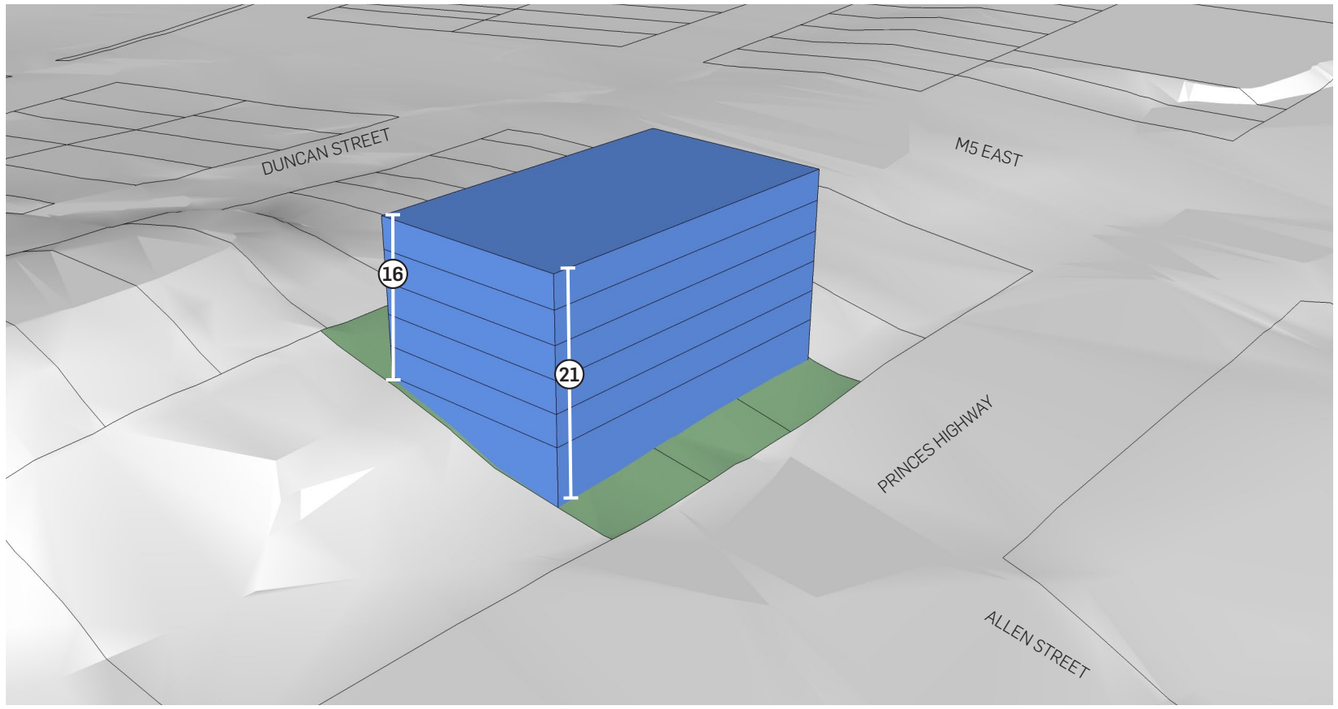

LEGEND:

- SUBJECT SITE: 64 PRINCES HWY
- EXTENDED SITE INCLUDING ADDITIONAL PROPERTIES
- (#) SETBACK DISTANCE (M)
- (#) BUILDING DIMENSION (M)
- PRIVATE OPEN SPACE

CONSTRAINTS

Subject site = 457 sqm

Subject site + additional properties = 1,379 sqm

Gross floor area for FSR 2.5:1 = 3,448 sqm

Building envelope (@ 75% efficiency) = 4,597 sqm

Maximum height = 31m

Building		Area/floor (sqm)	# of floors	Max height (m)	Building Envelope (sqm)	Gross Floor Area* (sqm)	FSR (n:1)
Proposed building - to max FSR		754	6	21	4,526	3,394	2.5
Maximum				31	4,597	3,448	**2.5**

*assuming 75% efficiency

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64 PRINCES HIGHWAY, ARNCLIFFE

BUILDING MASSING CONCEPT - TO MAX FSR

DATE: 27/02/17
JOB NO: SA6591
DWG NO: -
REV: -

1:1000 @ A3

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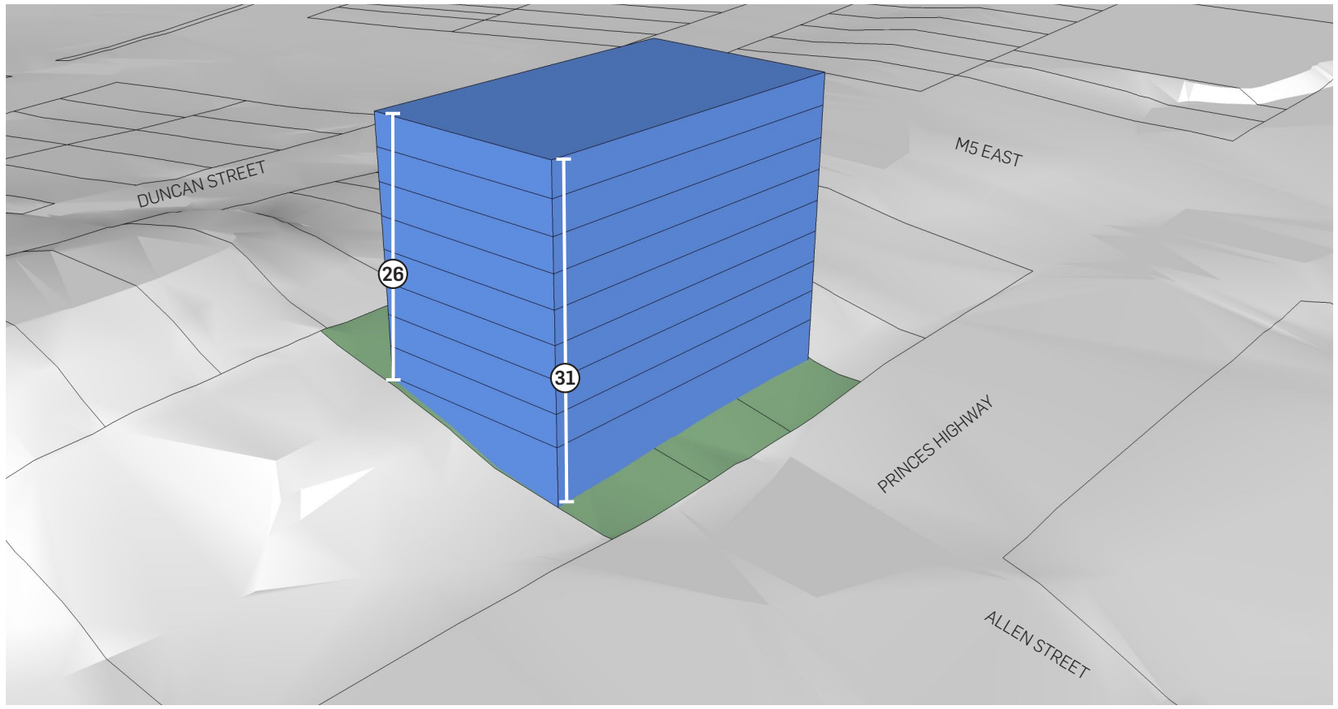

LEGEND:

- SUBJECT SITE: 64 PRINCES HWY
- EXTENDED SITE INCLUDING ADDITIONAL PROPERTIES
- (#) SETBACK DISTANCE (M)
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Gross floor area for FSR 2.5:1 = 3,448 sqm

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Maximum height = 31m

Building		Area/floor (sqm)	# of floors	Max height (m)	Building Envelope (sqm)	Gross Floor Area* (sqm)	FSR (n:1)
Proposed building - to max height		754	9	31	6,789	5,092	3.7
Maximum				31	4,597	3,448	**2.5**

*assuming 75% efficiency

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64 PRINCES HIGHWAY, ARNCLIFFE

BUILDING MASSING CONCEPT - TO MAX HEIGHT

DATE: 27/02/17
JOB NO: SA6591
DWG NO: -
REV: -

1:1000 @ A3

0 10 20 30 40 50