

24 February 2017

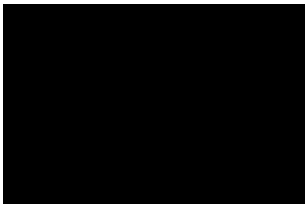
Department of Planning & Environment
Via Online Submission Portal

Dear Sir/Madam,

RE: BANKSIA PRIORITY PRECINCT – HATTERSLEY STREET REZONING PROPOSALS

This submission is made on behalf of the following property owners:

- 1.
- 2.
- 3.
- 4.
- 5.



Our properties are part of a block of 14 equal sized lots bordered by Taylor Avenue on one side and Collins Honda on the other which under the proposed plans would become the focal point of the newly developed Hattersley Street precinct given their proximity to the train station entrance, Taylor Avenue Park as well as both the Rocksia Hotel and Banksia Hotel.

We have had the opportunity to review the height and FSR restrictions proposed for our properties and it is our view that redevelopment without significant changes to these restrictions will not be feasible. In summary:

1. We presume all 14 lots will need to be sold and developed as a single development based on the artist conception presented with the draft plans. Alternatively, at the very least any development would need at least 6 lots with double frontage of Hattersley St and Princes Highway to meet the Department's vision for the area.
2. From preliminary investigations, sale of a site with only Hattersley Street and Taylor Avenue frontage may be possible, subject to agreement on price and settlement duration which are yet to be discussed. This site configuration is not contemplated in the conceptual plans presented by the Department.
3. Securing the sale of properties with Princes Highway frontage will be extremely challenging having regard to the following:
 - a. 311 Princes Highway holds existing use rights as a brothel with a significant right of way easement through the middle of 309 Princes Highway. The property is currently leased as a brothel with options under the lease running until 2025. The rental yield on this property is significant and there is very little motivation for sale without a price premium that accounts for both the high yield and valuable existing use rights of the property.

- b. 313 Princes Highway is leased to a highly regarded long term tenant. This property also has a stable lease and strong yield that presumably will require a significant price premium to entice sale.
 - c. 323 Princes Highway – A modern two-storey office occupied by an accountancy firm with multiple partners. Any sale of this lot would represent significant disruption to a well-established business.
 - d. The properties 321, 319 and 309 Princes Highway are also occupied by long-established local businesses. Undoubtedly each will have their own unique circumstances if forced to relocate that will require substantial price premiums.
4. The current proposed FSR and height restrictions leave very little scope for prospective developers to offer sufficient price premiums to entice the abovementioned commercial owners to consider sale. Given the amenity of the location and the number of owners and interests that must be accounted for, there will be a need for premiums to entice such a diverse and numerous collective sale.

The above considerations are highly problematic in light of the stated design aims of the Banksia Priority Precinct:

“Hattersley Street is identified as a new focal point of the neighbourhood east of the railway, and is to include a mix of local shops, cafes and eateries at the ground floor, serving the local community.”

In light of the considerations raised herein, we ask that the Department considers spot rezoning of the 14 lots referred to in this letter to allow for substantially greater development density through an increase in the FSR. Such zoning would have limited impact on the surrounding neighbourhood given that the site is enclosed by Rocksia Hotel, Banksia Hotel, Taylor Avenue Park, Banksia train station and the Princes Highway.

Without such changes it is likely to be several years before the economics will be right for the Banksia Town Centre vision which the Department wishes to achieve.

