

13 September 2017

Department of Planning and Environment  
GPO Box 39  
Sydney NSW 2001  
Attn: Ann-Maree Carruthers

CC: Mr M Mason, Lane Cove Council

To Ann-Maree Carruthers,

**RE: St Leonards and Crows Nest Station Precinct Interim Statement**

## 1. Introduction

This submission has been prepared on behalf of Toga and Australasian Property Investments Ltd, with regard to 'the site' - 29-57 Christie Street, St Leonards (Lot 1 DP 7773862) – with respect to the exhibition of the 'St Leonards and Crows Nest Station Precinct – Interim Statement and draft Structure Plan'.

The landowners are supportive of the precinct planning process undertaken for 'St Leonards and Crows Nest Station Precinct'. Furthermore, it is considered that the subject site can play a meaningful role in shaping the future character of the area.

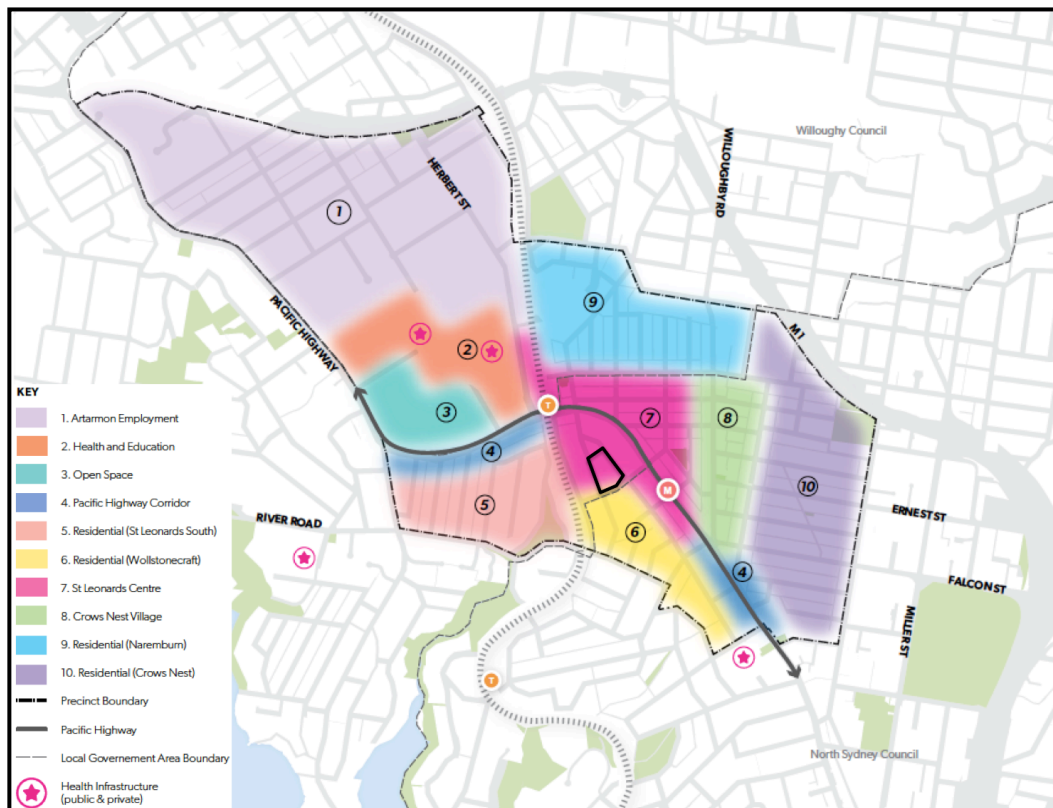


Figure 1: The site and surrounding local context (site outlined in black)

Source: SJB Architects, modified by Mecone

## 2. The Site

The site is rectangular in shape and has a total area of approximately 7,636sqm. The land has historically been used for commercial purposes. Development surrounding the site includes commercial, mixed use and residential uses.

The site has good access to the surrounding road network and is ideally located to public transport options including bus and train. The site is within a walking catchment of the St Leonards Railway Station (<400m) and the new Crows Nest Metro Station (approx. 100m).

The area has undergone significant change over the last 20 years allowing for a greater mix of land uses. Many of the new developments have tended to cluster around the St Leonards Train Station, offering live, work and play opportunities to the local community.

## 3. Overview of the Planning Proposal

The landowners submitted a Planning Proposal to Lane Cove Council on 9 December 2016 with the potential for 573 residential units, 19,817sqm of employment floor space including commercial/retail floor space, a café (186sqm) and a childcare centre for up to 112 children with 20 staff. This Planning Proposal was deferred in anticipation of the work being delivered as part of the Crows Nest and St Leonards Priority Precinct.

The built form of the proposal is outlined below and in Figure 2:

- **Tower 1:** is located on the corner of Oxley Street and Nicholson Street and is 33 storeys in height with a 3 storey podium. The ground and first floors incorporate a café/restaurant, commercial floor space and a childcare centre with residential accommodation above;
- **Tower 2:** is located on the corner of Oxley Street and Christie Street and is 9 storeys in height. Tower 2 incorporates commercial uses to the whole building;
- **Tower 3:** is located to the northern portion of the site and fronts Nicholson Street and Christie Street. Tower 3 incorporates two building envelopes being 38 and 42 storeys in height with a 4 storey podium. The podium levels include a café/restaurant, retail and commercial floor space, a gym with a swimming pool, with residential accommodation above;
- Basement car parking for 9 levels and a through site link connecting Christie Street and Nicholson Street.

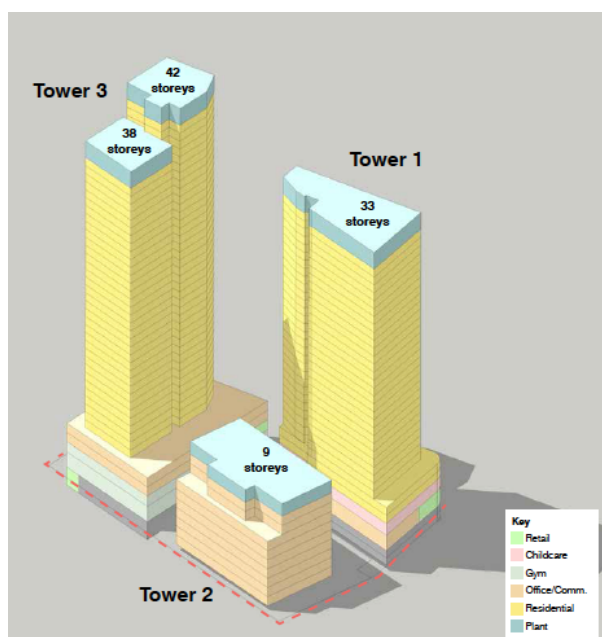


Figure 2: Proposed Built Form and land use mix

Source: Architectus

## Built Form Analysis

Figure 3 below shows the proposed built form against the existing approvals in the area.

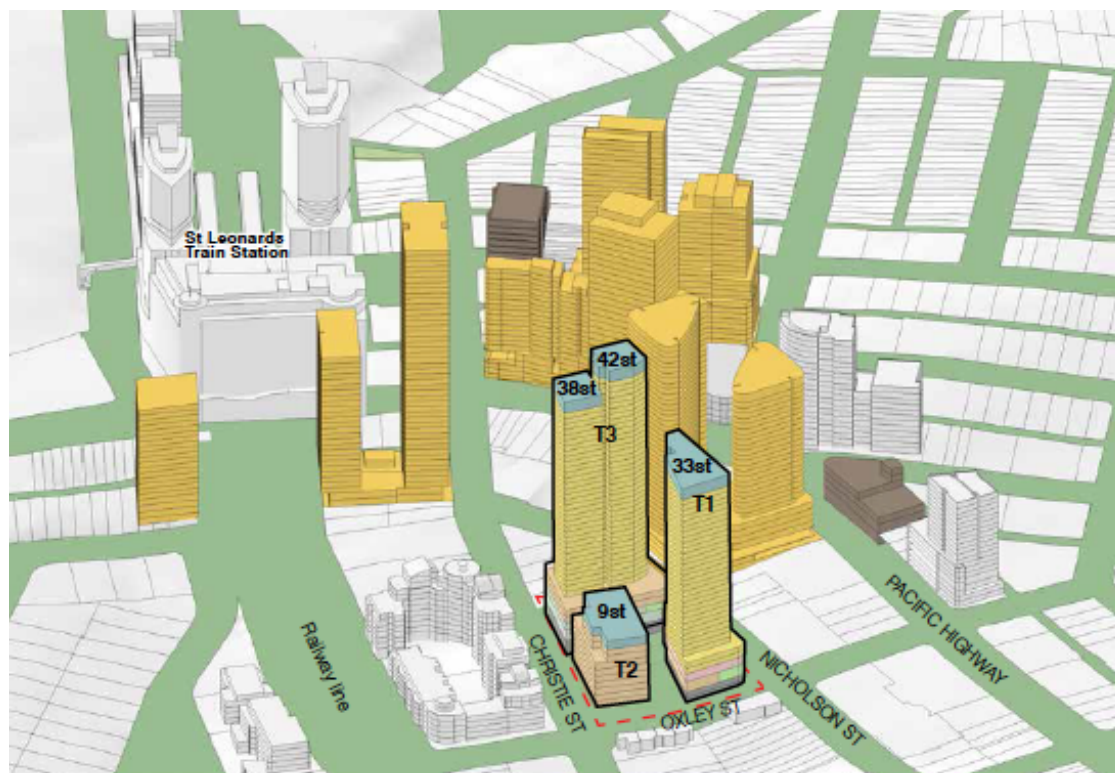


Figure 3: Proposed Built Form and surrounding precinct

Source: Architectus

Importantly, Architectus' massing, solar and SEPP 65 studies, which are appended to this submission (Appendix 1), clearly demonstrate that the proposed massing is acceptable from a SEPP 65, solar, view and amenity perspective and reflect the vision for this precinct as outlined in the Interim Statement.

The slender towers reduce the bulk and scale experienced from the public domain while minimising overshadowing, creating better separation (complies with the minimum ADG separation requirements), improving views and acoustic and visual privacy. The proposal incorporates 4 to 5 storey podiums, which reduce the bulk and scale of the development at footpath level.

Given the development includes tall and slender towers, the additional overshadowing moves quickly and does not significantly impact upon the surrounding properties, refer to figure 4 below. The proposal is accompanied by solar access diagrams (refer to Appendix 1) which demonstrate that the proposed future residential accommodation is capable of achieving 70% solar access for at least 2 hours. Furthermore, the existing and proposed solar access to the residential strata building at 50-52 and 54-56 Christie Street (west of the subject site) has also been illustrated and it appears that the proposal will not create any significant additional overshadowing to this neighbour.





Figure 4: Overshadowing Analysis  
Source: Architectus

The proposal incorporates a through site link in the middle of the development which creates a break in the built form, improves permeability and maintains a view corridor from the proposed new public plaza from the north-east of the site. Furthermore, the proposed towers have been orientated to ensure that apartments to Friedlander Place (east of the subject site) maintain district and city views, refer to the figure below which illustrates the built form design principles.

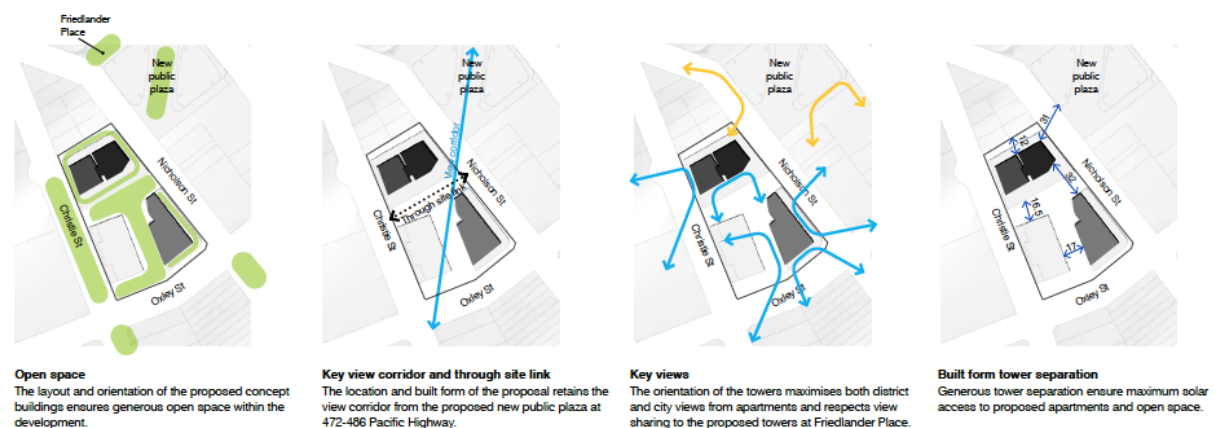


Figure 5: Proposed Built Form Principles  
Source: Architectus

## Land Use and Economic Analysis

In preparing the Planning Proposal, Toga engaged Hill PDA (2016), to explore the economic viability and impact of retaining the existing zoning versus amending the zone to allow for more flexible land uses on site. In 2015 the St Leonards Strategic Centre, comprised of 344,800sqm of office floor pace, of which the majority was 'C' Grade space. Over the last 20 years the centre has undergone renewal allowing for mixed land uses, including residential accommodation.

This transformation has not been isolated to St Leonards alone. Other office markets on the North Shore are experiencing similar land use changes i.e. North Sydney and Chatswood. The

Report found that St Leonards has experienced relatively high vacancy rates (9.1%), this rate has in fact declined. Between 2013 to 2015, the rate was higher due to approximately 20,000sqm office floor space being off line.

The report concluded the feasibility of a standalone commercial development within suburban area has diminished to a point that it is no longer viable without the inclusion of residential floor space. As a result the Christie Street Planning Proposal, sought to allow for redevelopment of the site for a genuine mixed-use development, with a net-increase in genuine employment floor space at a rate of 1.5x the current amount on site.

**The planning proposal would result in 1,120 direct jobs a net increase of 224 jobs. Hill PDA forecast that employment on the site would equate to \$91m in salaries, a net increase of \$16m. Additionally, workers and residents on the site would generate \$26m in retail expenditure. Overall, the planning proposal would contribute \$120m annually to the local GDP, a net increase of \$20m.**

The proposal is typical of recent development, highlighting the current market trends where the feasibility of standalone commercial development within a suburban area has diminished to the point that it is no longer viable without the inclusion of substantial residential floor space. If St Leonards is to remain a competitive alternative to Chatswood and North Sydney commercial centres, a mix of land uses is required, including residential accommodation, to assist with cross subsidizing commercial floor space.

**We do note, however, that the site's size means that it can achieve the mutually beneficial outcomes of a standalone commercial tower (T2) with high-quality office space as well as mixed uses in towers T1 and T3.**

### **Social Benefits including Affordable Housing**

The Proposal also provides significant social benefits including an offer of 7.5% of residential floor space – a total of over 3500sqm or approximately 50 units being delivered as Affordable Housing – which is at the higher end of the Greater Sydney Commission's (GSC) target of 5-10%. The landowners are also willing to amend their Planning Proposal to provide 10% of uplift GFA as Affordable Housing, in line with the Interim Statement's target.

**However, in line with the GSC's stated advice that Affordable Housing needs to be financially feasible if it is to be successfully delivered in the numbers required, the landowners strongly recommend that future Affordable Housing within developments be able to be retained in ownership by the developer or sold to acceptable investors.**

The landowners appreciate that Government needs certainty that these dwellings will be provided as Affordable Housing in for a set timeframe, but this can be guaranteed through a simple restrictive covenant on title requiring that the dwellings be managed for that given timeframe by a registered Community Housing Provider (CHP).

**Allowing developers to either retain ownership of the asset, or sell to an acceptable investor, ensures that the overall delivery of Affordable Housing is financially beneficial for all parties and therefore acts as a significant incentive to deliver the required numbers of dwellings.**

In addition, any planning for the precinct should consider delivery of additional Seniors Living accommodation as an option for part of the residential component of the development. This is in recognition of the dire need for additional Seniors housing throughout Sydney, which exacerbates housing affordability problems by older single households remaining in large family homes due to a lack of alternative options. However, this housing type would need to be delivered at market rates.

## 4. Review of Crows Nest to St Leonards Interim Statement

The delivery of the Sydney Metro is expected to act as a catalyst for further land use change, delivering economic and social benefits for the future community. As outlined in the Interim Statement, there are a number of proposals in the pipeline, which will support the future growth of the precinct predominately in response to current market trends.

Importantly, our Review of the Interim Statement demonstrates that the Christie Street Planning Proposal is strongly consistent with Government's vision for the Strategic Centre, particularly in relation to employment floor space and significant social benefits.

The Employment Review prepared by SGS for the Interim Statement, suggests an additional 42,000sqm office floor space is required by 2036. The Review also acknowledges the challenges in facilitating quality redevelopment given the cost and returns associated with standalone commercial premises.

The Christie Street Planning Proposal, as lodged, has the ability to deliver the 17% of the overall required office floor space up to 2036 as identified by SGS, on a single site. The Planning Proposal would also enable a quality urban design outcome that would contribute to the vitality of the area, keeping up with the delivery of infrastructure.

The site offers a unique opportunity to play a role in the shaping of the future character of the precinct. In particular, redevelopment of the site will:

- Strengthen the role of the existing centres (Crows Nest Village and St Leonards Centre);
- Facilitate appropriate uplift (height and density) close to public transport;
- Create a vibrant hub offering live, work and play opportunities;
- Encourage public transport as a preferred mode of transport;
- Improve pedestrian connections; and
- Enhance public domain and open space.

## 5. Recommendations

As outlined in this submission, we believe the site has a unique role to play in the revitalization of the precinct, particularly given its ability to deliver the required new office floor space for the precinct to 2036.

**The landowners request the opportunity to work collaboratively with State and local government to update the Christie Street Planning Proposal in order to deliver development on the site that aligns with the identified vision, objectives and guiding principles for the precinct.**

**In particular, the landowners would be amenable to updating the submitted scheme to provide all non-residential uses in a single building to enable best-quality office space and associated facilities.**

In addition, the landowners would like to make the following comments regarding development contributions that are being considered in the 'Crows Nest to St Leonards' Priority Precinct, but are also relevant to the broader Sydney level strategic planning, including the District Plans.

There is a significant level of uncertainty around development contributions and how these will be levied into the future. Currently, there is the potential for four levels of contributions including S94, Affordable Housing, VPAs and SIC levies.

The landowners have no objection to development contributions, under the conditions that:

- They still ensure feasible developments; and
- Developers are provided with the certainty they need to incorporate contributions into their development feasibility.

In particular, new contributions should be phased in over an appropriate period of time so that developers are not unfairly financially penalised with respect to land purchased prior to a reasonable expectation of additional contributions.

## 6. Conclusion

We thank you for the opportunity to provide a submission to the St Leonards and Crows Nest Station Precinct and would welcome the opportunity to discuss this further with the Department.

If you would like to discuss the matters raised in this submission, please contact me via email [kbartlett@mecone.com.au](mailto:kbartlett@mecone.com.au) or on 02 8667 8668.

Yours sincerely



Kate Bartlett