13-33 HARTLEY STREET, DOCKLANDS

Submission prepared on behalf of Claric Ninety Nine Pty Ltd

FISHERMANS BEND PLANNING REVIEW PANEL

PREPARED BY ANTHONY MSONDA-JOHNSON OF ROBERTSDAY
MAY 2018
Contents

Section One_ Introduction

Section Two _ Subject Site and Surrounds

Section Three_ Claric Ninety Nine Pty Ltd Participation in Fishermans Bend

Section Four_ Summary of Planning Application No. PA1600119

Section Five_ Amendment GC81 | Draft Fishermans Bend Framework Plan 2017

Section Six_ Conclusion

Appendix A  Floor and Elevation Plans

Appendix B  Feasibility Assessment
Section One_ Introduction

1. This submission has been prepared by Roberts Day on behalf of Claric Ninety Nine Pty Ltd, the landowner of 13-33 Hartley Street, Docklands.

2. Since the lodgement of their submission to draft Amendment GC81 (Submission No. 36), Claric Ninety Nine Pty Ltd’s planning application for the subject site (Planning Application No. PA1600119) has been called in by the Minister of Planning (the Minister). The Planning Application was one of the 26 which were called in by the Minister on 21st February 2018 in accordance with Section 97B of the Planning and Environment Act 1987.

3. As a result, Claric Ninety Nine Pty Ltd wish to expand upon the issues they previously intended to present to the Fishermans Bend Planning Review Panel (the Panel) in respect to the draft Fishermans Bend Framework Plan 2017 (the draft Framework).

4. The Panel has been sitting since the beginning of March 2018. During this time, many advocates and a diverse range of technical experts have prepared written submissions in response to proposed Amendment GC81. An extensive range of issues have been raised, with instances of overlapping themes within various submissions.

5. The submission made by Claric Ninety Nine Pty Ltd raises issues with Amendment GC81 which largely have already been raised by other parties through the course of the Panel hearing to date, including issues of development feasibility, the equity associated with the implementation of a Floor Area Ratio on all sites, and the appropriateness of an 80,000 resident population within Fishermans Bend.

6. Claric Ninety Nine Pty Ltd provides instructive insight into why proposed Amendment GC81 cannot be approved in its current form (noting the Minister has proposed multiple iterations of the proposed controls throughout the Planning Panel Review process) primarily because of the impact on project viability.

7. Claric Ninety Nine Pty Ltd strongly recommends that the Panel ensures project viability is the cornerstone of any recommendation(s) it makes in respect to Amendment GC81, noting the Fishermans Bend Ministerial Advisory Committee (MAC) appointed by the Minister has outlined during this panel process at Document No. 57:

   Development viability must underpin planning decisions – strong controls supported but mechanisms for flexibility and incentive also important
Section Two_Subject Site and Surrounds

8. The subject site is known as 13-33 Hartley Street, Docklands. The subject site is in an L-shape configuration and has the following dimensions:

- The northern boundary is approximately 45 metres in length.
- The eastern boundary has a total length of approximately 70 metres, noting its eastern boundary consists of two parts due to its L-shape configuration.
- The southern boundary is approximately 115 metres in length.
- The western boundary is approximately 105 metres in length.

9. The site has a total site area of approximately 6,700 square metres. The site is presently occupied by two warehouses / light industrial structures with large areas of hardstand used for the purpose of at grade car parking. Vehicle access to the site is via Hartley Street. There is no notable on-site vegetation and no easements within the site.

10. The land surrounding the subject site can be summarised as follows:

- North: directly north at 95-97 Lorimer Street is a site that is approximately 2,200 square metres in size and used for warehouse / light industrial purposes. Like the subject site, it comprises a warehouse structure, at grade car parking and no notable on-site vegetation.

- North and East: directly north and east of the site is 85-93 Lorimer Street. On 14th July 2015, a planning permit was issued by the Minister of Planning for a mixed use development consisting of a podium, two towers ranging in height between 47 and 49 storeys, and an open space fronting Lorimer Street.

- South: directly south of the subject site is the Westgate Freeway.

- West: directly west of the subject site is Hartley Street, a local road running north-south from Lorimer Street and ending as a cul-de-sac directly north of the Westgate Freeway. Hartley Street comprises of an approximate 22 metre wide pavement, and operates as a divided carriageway with a traffic lane and a parallel parking lane in each direction. In addition to providing access to the subject site, Hartley Street also provides access to 95-97 Lorimer Street, and 99-111 Lorimer Street (on the western side of Hartley Street - occupied by a Subaru car dealership). Hartley Street also contains street tree planting and a landscaped central median.
Section Three_Claric Ninety Nine Pty Ltd Participation in Fishermans Bend

11. Our client has worked collaboratively with a range of government agencies (including Places Victoria, the Department of Transport, Planning and Local Infrastructure (DTPLI), the Metropolitan Planning Authority (MPA), the Department of Environment, Land, Water and Planning (DELWP), the Office of the Victorian Government Architect (OVGA), and the City of Melbourne (Council) for approximately 5 years in respect to the proposed redevelopment of their site.

12. During this time, our client has also lodged written submissions and made presentations to a range of government agencies. Claric Ninety Nine Pty Ltd has spent well over $1 million in consultant fees to date in respect to the proposed redevelopment of 13 Hartley Street, excluding the statutory lodgment fees and the Metropolitan Planning Levy, which together amount to approximately $290,000.

13. The following is a summary of the key milestones:

- Submission to Places Victoria regarding draft Vision to Fishermans Bend Urban Renewal Area:
  - November 2013

- Submission to City of Melbourne’s Draft Lorimer Precinct Structure Plan:
  - 15th May 2015

- OVGA Presentations:
  - 1st report dated 15 April 2015
  - 2nd report dated 15 June 2016

- Meeting with Council, MPA and/or DELWP:
  - Over 10 meetings with these agencies from December 2014 through to 19 December 2016

- Planning Applications Lodged:
  - 27 June 2016

This proposal was for the construction of a multi-storey mixed use development. The development comprised of one podium and two individual towers. The following is a summary of the proposal’s key features:

- A 7 storey podium (approximately 23 metres in height) with two towers ranging in height from 37 storeys to 40 storeys.

- The development was to have a maximum building height of approximately 130 metres (as measured from proposed ground level to top of plant room).

- The floor area ratio for the proposed development was approximately 12.3:1.

- A total of 612 dwellings:
  - 202 x 1 bedroom dwellings (33% of dwelling stock).
  - 370 x 2 bedroom dwellings (60% of dwelling stock).
  - 26 x 3 bedroom dwellings (4.5% of dwelling stock).
  - 14 x 4 bedroom dwellings (2.5% of dwelling stock).

- A total of 255 square metres of retail floor space (inclusive of a café and 2 retail tenancies).

- A total of 700 square metres of general ‘community’ floor space (defined as a Place of Assembly).

- A total of 1,507 square metres of communal facilities for the residents of the development (on Level 8), including a lap pool, gym, yoga/kids play area, meeting room, cinema room, lounge areas and library.
A total of 424 car spaces (equating to a car parking rate of approximately 0.7 spaces per dwelling).

A total of 58 motorcycle spaces.

A total of 441 resident and visitor bicycle spaces.

Vehicle access into the podium carpark via a double width crossover along New Street.

30 June 2017

Since the lodgement of the original Planning Application on 27th June 2016 with DELWP:

- Claric Ninety Nine Pty Ltd worked closely with the DELWP and Council in respect to the issues they had raised following a review of the proposal, including organizing and attending a workshop with the two government agencies.

- The Minister introduced Planning Scheme Amendment GC50 into the Melbourne and Port Phillip Planning Schemes on 14 November 2016.

- Claric Ninety Nine Pty Ltd and their project team presented a revised proposal to representatives from DELWP and Council on 19 December 2016. The revised proposal was based upon the new planning controls brought about by Planning Scheme Amendment GC50, with formal lodgement of a revised design lodged with DELWP on 30th June 2017. This proposal is described in detail in Section 4 of this submission.

Importantly for Claric Ninety Nine Pty Ltd, the applicable planning controls brought in by Amendment GC50 resulted in a reduction of 263 dwellings within the design response (the equivalent of an approximately 42% reduction in the proposed yield) whilst the applicable planning controls, including the Fishermans Bend Strategic Framework Plan July 2014 (amended September 2016) still require approximately 40% of the overall subject site to be set aside for civic infrastructure, such as open space and New Street without any form of compensation.

Clearly, project viability has not been a matter that the evolution of the applicable planning controls has taken into account.
Section Four_ Summary of Planning Application NO. PA1600119

14. The proposal is for the construction of a multi storey mixed use development, and was recently called in by the Minister. The development will comprise of one podium and one tower. The following is a summary of the proposal’s key features:

- A 5 storey podium (approximately 20 metres in height) with a 35 storey tower (40 storey development).
- The floor area ratio is approximately 8.1:1.
- The development is to have a maximum building height of approximately 135 metres (as measured from proposed ground level to top of plant room).
- The plot ratio for the proposed development is approximately 8.06:1, which is based on the overall site area of 6,700 square metres.
- A total of 349 dwellings:
  - 105 x 1 bedroom dwellings (30% of dwelling stock).
  - 140 x 2 bedroom dwellings (40% of dwelling stock).
  - 96 x 3 bedroom dwellings (28% of dwelling stock).
  - 8 x 4 bedroom dwellings (2% of dwelling stock).
- A total of 280 square metres of retail floor space (inclusive of 2 retail tenancies).
- A total of 970 square metres of general ‘community’ floor space (defined as a Place of Assembly).
- A total of 1,502 square metres of communal facilities for the residents of the development (on Levels 5 & 6) including a lap pool, gym, yoga/kids play area, meeting room, cinema room, lounge areas and library.
- A total of 224 car spaces (equating to a car parking rate of approximately 0.64 spaces per dwelling).
- A total of 18 motorcycle spaces.
- A total of 276 resident and visitor bicycle spaces.
- Vehicle access into the podium carpark will be via a double width crossover (6 metres in width) along Hartley Street.

15. A copy of the floor and elevation plans forming part of the proposal are contained in Appendix A.

16. In response to the Fishermans Bend Strategic Framework Plan, July 2014 (amended September 2016), the proposal has set aside the following components of civic infrastructure:

- The partial construction of New Street (approximately three quarters of it, being the 12 metre wide shared street extending in an east / west axis from Hartley Street), representing approximately 870 square metres (or 14% of site area). It is understood the remainder of New Street is to be constructed by the developer of 85-93 Lorimer Street due to its location within that site.
- The partial delivery of the open space area, as identified in the Framework Plan (approximately 1,800 square metres, or 27% of site area). The balance of the future open space is located within the properties at 85-93 and 95-97 Lorimer Street.

17. In addition, the proposal also contemplates the following features for the betterment of the local community:

- The provision of 970 square metres of community floor space at the Ground Floor Level which was to be gifted to Council (which could be used for a range of purposes, such as an arts and cultural hub).
- The installation of a signalised intersection at Hartley St and Lorimer Street.
18. The proposal is considered appropriate having regard to the applicable Framework Plan and also demonstrates a clear net community benefit through the gifting of land well beyond the nominated 8% allocation set out in Clause 52.01 of the Planning Scheme for land within Fishermans Bend.

Figure 2: Lorimer Precinct plan from the Fishermans Bend Strategic Framework Plan, July 2014 (amended September 2016)
Section Five_ Amendment GC81 | Draft Fishermans Bend Framework Plan 2017

19. Claric Ninety Nine Pty Ltd have concerns with the following features of Amendment GC81.

5.1 The Setting of a Population Target

20. Fishermans Bend is a logical extension of Melbourne’s central city and can play a major role in accommodating Victoria’s growing population, which has been increasing by approximately 100,000 per annum in recent years. The delivery of new infrastructure at Fishermans Bend, including public transport, will greatly assist in delivering a highly sought after urban renewal destination offering high levels of liveability.

21. Leveraging off the existing roads infrastructure and connectivity of this inner urban location, is smart planning. Furthermore, residents within Fishermans Bend will benefit greatly from living in proximity to a number of existing key employment nodes, including Melbourne’s CBD, Southbank, Docklands, along with Fishermans Bend’s own employment precinct.

22. Given the substantial opportunity presented, Claric Ninety Nine Pty Ltd considers any nomination of a population target for Fishermans Bend to be a flawed approach, Australia’s largest urban renewal project. An urban renewal project stretching across 480 hectares (or more than twice the size of Melbourne’s CBD), should not be constrained with a population target.

23. Furthermore, the stated population target of 80,000 has been nominated prior to any firm commitment by State Government to the delivery and timing of public transport (namely train and tram services), or defined routes and the location of stations / stops.

24. The proposed planning controls also lack any substantive information relating to the proposed financial / funding plan to deliver the required infrastructure, or the means by which compensation will be afforded to those landowners who are required to gift land to government agencies for open space and roads etc and the timing for such compensation.

25. From the information provided to date by State Government, it does not appear a rigorous review has been undertaken to understand the population opportunities for Fishermans Bend, subject to the successful and planned delivery of a broad range of supporting infrastructure.

26. Notwithstanding, the Minister has proposed mandatory Floor Area Ratios (FARs) for land throughout Fishermans Bend, which have been deemed appropriate to achieve the stated population target of 80,000 residents within Fishermans Bend, based upon a range of assumptions.

27. If it is determined the draft Framework should not have a population target or if it is found that 80,000 is a flawed assumption, then the FARs will by default be incorrect or at best highly challengeable.

28. The vision for Fishermans Bend should be based around liveability and appropriate built form outcomes instead of a nominated population target partnered with manufactured planning controls, namely FARs.

5.2 The Requirement for a 12 Metre Wide Service Road

29. The Lorimer Precinct plan on page 73 of the draft Framework Plan depicts a 12 metre wide service road extending along the southern boundary of the subject site. This road appears to:

- Incorporate the driveway associated with the approved development at 85-93 Lorimer Street at the eastern end of the Lorimer Precinct and providing direct access to Lorimer Street.

- Extend the full length of the Lorimer Precinct, directly north of the Westgate Freeway, and across a number of privately owned properties.

30. A review of the draft Framework and the associated background documents does not appear to justify the necessity for this road, despite the significant implications arising from it, including:

- It’s implication on the developability at 13 Hartley Street through acquiring a further 20% of the site for civic infrastructure, noting the Fishermans Bend Strategic Framework Plan, July 2014 (amended September 2016) sets aside approximately 40% of the site for civic infrastructure.
Based upon the draft Framework, only approximately 40% of the site will be able to accommodate a building and not compensation appears to be proposed for the gifted land beyond the 8% open space contribution: does this facilitate project viability?

It’s siting within privately owned properties presently occupied by businesses who appear to have no intentions of ceasing operations in the foreseeable future (such as the concrete batching plants at 310-324 Ingles Street and 225 Boundary Street, Port Melbourne and 213 Boundary Street, Port Melbourne (submission numbers: 89, 163, 165, and 200 respectively.

Figure 3: Lorimer Precinct plan from the draft Framework

31. Therefore, Claric Ninety Nine Pty Ltd object to the incorporation of a 12 metre wide service road on its land for the following reasons:

- There has been no justification provided in the documentation associated with the draft Framework to date demonstrating why it is an essential piece of infrastructure. In this regard, the road is not identified as a key infrastructure project for the Lorimer Precinct plan on page 73 of the draft Framework.

- The Lorimer Precinct contained within the Fishermans Bend Strategic Framework Plan, July 2014 (amended September 2016) and the draft Framework both depict a laneway extending in an east – west direction between the proposed open space and the building footprint at 13 Hartley Street.
As has been advanced as part of the Planning Application No. PA1600119, the laneway is to:

- Be a shared zone, with vehicle movements restricted to one way movement (moving from east to west, towards Hartley Street). In this regard, on-site car parking, waste collection and loading facilities associated with the proposed development are accessed from Hartley Street.
- Facilitate an activated frontage for the proposed development, enabling activated zones to extend along the entire frontage.
- Provide suitable separation between the southern tower of the approved development at 85-93 Lorimer Street and the proposed development.
- Enable vehicles exiting 85-93 Lorimer Street and who wish to travel in a city bound direction to exit at a formal intersection (between Lorimer St and Hartley St) rather than undertaking a U-Turn within Lorimer Street.

Much like the approved development at 85-93 Lorimer Street, vehicles can travel below an elevated tram line. As such, Hartley Street, whilst possibly forming part of a tram corridor (as per the Infrastructure Delivery – Key Projects information set out on page 72 of the draft Framework), can still remain operational. Not only does this make efficient use of existing road infrastructure, legally, businesses who are not redeveloped and who currently take vehicle access from Hartley Street will require site access.

If it is the Minister's (and / or possibly Council's) view that Hartley Street is to cease functioning as a street in the future, our client has serious concerns about the lack of information currently provided in the draft Framework detailing how the site will retain a street address and how the space below the elevated tram line is to be used, particularly from the point of view of storage, access and security. The length of Hartley Street from Lorimer Street to the southern end of the 30 metre wide road reserve is approximately 160 metres. This is a very long length of poorly defined space within the draft Framework.

5.3 Inequities Created by Adoption of a Floor Area Ratio

- Claric Ninety Nine Pty Ltd raise fundamental concerns with the Minister’s proposition that the FAR does not result in a loss of yield or return from the land. If the Minister’s proposition is correct, it means a backyard or tennis court provides no value to a house.
- In the case of 13 Hartley Street, the siting of required future open space and roads within the subject site means the remaining ‘developable’ footprint is inefficient because it is triangular in shape and lacking in depth, and has no sense of address through the proposed closure of Hartley Street.
- The inefficiencies will increase development costs because the development pad will be smaller, necessitating a narrower and taller built form if it is to meet the FAR. In this instance, optimising developable floorspace is critical to making the project viable because the proposed controls for 13 Hartley Street presently:
  - Require a large portion of the site to be gifted for open space and roads, ranging from between approximately 40% - 60%, depending on which version of the Framework is relied upon for guidance in respect to the delivery of a 9 metre or 12 metre wide laneway to the north of the proposed building and the 12 metre service road to the south; and
  - Will not compensate the landowner despite a gifting of land beyond the 8% figure presently set out in Clause 52.01 of the Planning Scheme, inclusive of partially constructing the 12 metre wide service road which is not for the sole use of the development.
- It is clear the proposed implementation of a FAR is inequitable and overwhelmingly prejudices the redevelopment of sites like 13 Hartley Street, which are unfairly required to do much of the heavy lifting within Fishermans Bend through the delivery of various civic infrastructure. This is worsened through the policy vacuum which presently exists in Amendment GC81 around compensating those landowners who, at the very minimum, are required to make a physical contribution of land over the 8% figure.
- During the course of the panel process, the Minister appears to have advanced multiple versions of the proposed Capital City Zone:
  - The first version, referred to as the Review Panel’s Consolidated Day 1 Version, contained provisions promoting a mandatory FAR of 5.4:1 for the Lorimer Precinct, the floor area of which related to a residential land use i.e. employment floor space was excluded.
The subsequent version released (Document No. 156A) nominated a mandatory FAR of 5.4:1 for the Lorimer Precinct, of which 3.7:1 is for a residential use and the remaining 1.7:1 is for employment uses.

### 40.
Apart from the proposed controls expressed in Document No. 156A prohibiting the delivery of affordable housing and associated conventional dwellings via a floor area uplift mechanism, the controls also mean any proposal within the Lorimer Precinct, if it is to reach the nominated FAR, must set aside approximately a third of all floor space for employment uses. This could result in an oversupply of commercial floor space within the local market place and detrimentally impact the project’s viability, delaying the delivery of open space.

### 41.
Clarith Ninety Nine Pty Ltd considers this blunt planning control is at odds with the MAC’s recommendation that development viability be at the forefront of the applicable planning controls. How can a proposal at 13 Hartley Street be viable if:

- There is a cap on the amount of floor area that can be used for residential uses within the proposal, with the cap also resulting in approximately a third of gross floor space to be set aside for employment purposes despite the demand for commercial floor space in this part of Fishermans Bend likely to be lagging behind the demand in surrounding, established urban settings, such as the CBD, Docklands, Southbank, St Kilda Rd, East Melbourne and West Melbourne, where amenity and services already exist?

- Approximately 40% - 60% of the land is gifted for civic infrastructure (subject to a 9 or 12 metre wide laneway and 12 metre wide service road), with no controls presently confirming that any gifting of land beyond the required 8% open space contributions is to be compensated at market value.

- Development contributions for the residential, retail and commercial floor space continue to apply.

### 42.
MGS Architects, the encumbered architect for the project to date, has prepared the following plans to try and illustrate the implications for any redevelopment of 13 Hartley Street:
SITE AREA = 6700 SQM
MAX BUILDING AREA = 2960 SQM

SITE AREA SCHEDULE

TOTAL SITE AREA = 6700 SQM
PARK = 1785 SQM (27% SITE AREA)
9M LANE = 590 SQM (9% SITE AREA)
12M SERVICE ROAD = 1370 SQM (20% SITE AREA)
DEVELOPMENT PAD SITE = 2960 SQM (44% SITE AREA)
SITE AREA SCHEMATIC

TOTAL SITE AREA = 6700 SQM
PARK = 1785 SQM (27% SITE AREA)
12M STREET = 920 SQM (14% SITE AREA)
12M SERVICE ROAD = 1370 SQM (20% SITE AREA)
DEVELOPMENT PAD SITE = 2630 SQM (39% SITE AREA)

SITE AREA = 6700 SQM
MAX BUILDING AREA = 2630 SQM
GROUND FLOOR = 2960 SQM GFA
including 1300 SQM COMMERCIAL FLOORSPACE
PODIUM = 2960 SQM GFA
including 680 SQM COMMERCIAL FLOORSPACE
TOWER - 8 APARTMENTS / LEVEL - 1000 SQ M GFA

10°13'

106°74'

265°01'

114°39'

191°13'

25°38'

102°24'

66°03'

191°13'

46°27'

103°35'

43°67'

LOBBY

20M TOWER SETBACK

5 M SETBACK

10 M SETBACK

10M TOWER

SETBACK

LANE

85 - 93 LORIMER STREET

TOWER - 8 APARTMENTS / LEVEL - 1000 SQ M GFA
43. These plans indicate the following:

- Taking into consideration the gifting of land for open space, a 9 metre wide laneway and the 12 metre wide laneway, approximately 45% of the site is developable at the ground level. This figure reduces to approximately 40% if the width of the laneway increases from 9 metres to 12 metres, with the extent of the tower element also reducing by approximately 35% as there is no opportunity to calculate the tower setback from the mid point of a 12 metre wide laneway according to the proposed Capital City Zone forming part of the Review Panel’s Consolidated Day 1 version.

- Based upon the allowable building footprint, approximately 12 storeys would need to be set aside to achieve the maximum allocation of floor space for employment uses (11,390m² at a FAR of 1.7:1), thereby enabling the development to reach the maximum allowable FAR of 5.4:1 (assuming approximately 200 on-site car space are provided):
  - 1,300m² at Ground Level.
  - 680m² at Levels 1 – 4 (or, 2,720m²)
  - 7,000m² across the first 7 levels of the tower element (each level of the tower has a gross floor area of 1,000m²).

This design outcome is considered to create a disconnect between the proposed development and the open space to the north unless all of the commercial floor space is occupied.

44. Claric Ninety Nine has engaged Essential Economics to prepare a feasibility assessment of the proposal. The feasibility assessment was initiated following a review of the permit conditions the Council and the Fishermans Bend Taskforce set out in their referral comments back to DELWP in respect to the Planning Application (these referral comments formed part of Submission No. 36). The feasibility assessment is based upon the gross floor area of the planning application called in by the Minister and sets out the following 5 scenarios:

- **Development Proposal** – which, as far as possible, seeks to replicate the current Development Proposal applicable to the subject site (i.e. 349 apartments, community 970m² community space available to the public, 280m² of retail floorspace.

  In this scenario, 40.3% of the total area of the subject site is effectively handed over to the public realm without compensation. Development Contributions are provided in accordance with specified rates.

- **Market Proposal** – the Market Proposal removes the impact of particular planning controls by excluding the (public) community space and increasing the retail component by the same amount of floorspace. This scenario also applies a strict provision of just 8% of land in terms of a public open space contribution (similar to assuming a public open space equalisation mechanism is in place).

- **Framework Plan** – this variation tries to replicate, as far as possible, the draft Framework requirements (i.e. based on the planning controls provided to the client in the response to the Development Proposal – e.g. a significant office space component etc)

- **Framework Plan (2)** – same as Framework Plan model, but significantly reduces the Net Sales Value/m² of the office space to highlight the impact on the development if the office space is reduced in value (to $4,000/m²) to demonstrate a potential impact of being ‘stuck’ with a significant amount of office floorspace for which there is no demand.

- **Framework Plan (3)** – same as Framework Plan (2) but also reduces the Net Sales Value/m² (to $9,000/m²) of the residential component to highlight the impact of the area not reaching the sort of sales values seen in competing areas such as Docklands or Southbank.

45. The rationale for the 5 scenarios being based upon the gross floor area of the planning application is to enable, as best as possible, a comparison to be undertaken on the project’s viability when having regard to the planning controls being advanced within Amendment GC81. Whilst acknowledging the assumptions relied upon can be challenged, a general consistency emerges in that the more requirements placed upon a development without compensation, and any redevelopment of the site has to do a lot of heavy lifting, the less viable the project becomes. This exercise demonstrates that the only development scenarios that are viable at 13 Hartley Street are the Development and Market Proposals because they each exhibit two of the following three key features:

- The gifting of land does not exceed 8% figure; and / or;
The provision of commercial floor space is commensurate with the market's demand; and / or
The allocation of residential floor space is not capped through a Floor Area Ratio control.

46. A complete copy of the feasibility assessment is contained in Appendix B.

5.4 Residential in Proximity to Existing Industry and Warehouse Use

47. Claric Ninety Nine Pty Ltd note the positions that have been advanced to date by the representatives of the concrete batching plants presently operating within the Lorimer Precinct in this panel process. These batching plants are known as:

- The Hanson Concrete Batching Plant, operating from 213 Boundary Street, Port Melbourne. This is the closest batching plant to 13 Hartley Street, located approximately 110 metres to the west (measured from the western boundary of 13 Hartley Street to the nearest point of the batching plant’s activity boundary); and
- The Pronto Concrete Batching Plant, operating from 310-324 Ingles Street and 225 Boundary Street, Port Melbourne. This batching plant is located to the west of the Hanson operation and as such is located further away from 13 Hartley Street.

48. Claric Ninety Nine Pty Ltd is concerned with the following proposed drafting of Clause 2 of the Capital City Zone forming part of the Review Panel’s Consolidated Day 1 version under the heading ‘Use of land’:

An application to use land for a dwelling, a residential village, retirement village, hostel, child care centre, education centre or informal outdoor recreation use which does not meet the threshold distance from industrial or warehouse uses referred to in the table to Clause 52.10, or that is within 300 metres of any existing warehouse or industrial use, must be accompanied by an Amenity Impact Plan which includes, as appropriate:

- A site plan that identifies the type and nature of the industrial/warehouse uses surrounding the site.
- An assessment of the impact of the proposed sensitive use on existing industry/warehouse uses.
- An assessment of the amenity impact of nearby port operations, freight routes or major transport infrastructure on the proposed sensitive uses.
- Measures proposed to mitigate potential amenity impacts of existing industry/warehouse uses or port, freight or transport infrastructure on the proposed sensitive use, to within acceptable levels.

49. The above text from Clause 2 requires any sensitive use which does not meet the threshold distance from industrial or warehouse uses referred to in the table to Clause 52.10, or that is within 300 metres of any existing warehouse or industrial use, to be accompanied by an Amenity Impact Plan.

50. The background Buffer Assessment reports that GHD has prepared for State Government to inform and shape the vision for Fishermans Bend, including the background documentation forming part of the draft Framework provides advice based upon a different method of determining an acceptable buffer distance.

51. As per Section 4.1 of GHD’s Buffer Assessment 2016 (Part A),

Two classes of buffer /separation distance guidelines are relevant in the context of planning in Victoria. Where there is an industrial use proposed in a land parcel, then the provisions of Clause 52.10 (Uses with Adverse Amenity Potential) under the Victorian Planning Provisions apply.

A separation distance is a planning instrument used to provide separation of sensitive land uses (i.e. residential, schools, hospitals and recreational reserves) from existing industrial premises with the potential for off-site emissions (odour or dust) that can cause disamenity in the event of an upset/malfunction.
52. The separation distances are set out in the EPA document *Recommended separation distances for industrial residual air emissions*.

53. Further, at Section 4.2 of GHD's Buffer Assessment 2016 (Part A), GHD state

   *In this case, the EPA Victoria recommended separation distances guidelines that apply to existing industries in the vicinity of the subject site are the relevant current guidelines to apply with respect to the future planning of sensitive land uses at Fishermans Bend precinct.*

54. Based upon the findings within GHD's Buffer Assessment 2016 (Part A), a 100 metre separation distance applies to the Hanson and Pronto concrete batching plans, both of which are located to the west of 13 Hartley Street.

55. The 100 metre separation distance, which is taken from an EPA document specifically prepared to manage a buffer between a proposed sensitive use and an existing industrial use (Clause 52.10 is the planning provision to manage the introduction of a proposed industrial use in proximity to existing sensitive uses), is significantly different to the 300 metre buffer referenced in Clause 2.

56. Claric Ninety Nine Pty Ltd engaged GHD to prepare a Buffer Assessment for their planning application. Notwithstanding the nearby concrete batching plants, GHD’s assessment supported the proposal. As part of their report, GHD prepared the following map to illustrate the extent of the default buffers associated with the nearby concrete batching plants:

   ![Figure 4: Default Buffers from GHD Buffer Assessment](image1)

   ![Figure 5: Directional Buffers from GHD Buffer Assessment](image2)

57. Claric Ninety Nine Pty Ltd asks the following questions:

   - Why has Clause 2 been drafted in a manner that references a planning provision that, according to the relevant background document underpinning the draft Framework, is not applicable when determining a suitable buffer distance?
If the Lorimer Precinct is ultimately developed as envisaged within the draft Framework, could the dust generated by general construction activity be worse than that generated by the concrete batching plant, noting the GHD Buffer Assessment Background Report indicated the EPA has previously not received a complaint due to the operations of the nearby concrete batching plants?

Given the EPA is currently being referred proposals within Fishermans Bend pursuant to Section 52 of the Planning & Environment Act 1987 and are not a recommending, or more importantly, a determining authority pursuant to Section 55 of the Planning & Environment Act, will the EPA be referred an Amenity Impact Assessment?

If so, based upon Planning Application No. PA1600119, the EPA’s expectations for technical detail within a report that assesses the amenity impact on a sensitive use from nearby industry far exceeds what could be considered as being suitable having regard to the four sub-points proposed in Clause 2. In this regard, to date, the EPA has asked from Claric Ninety nine Pty Ltd for amongst other things:

- A qualitative Dust Assessment (even though GHD prepared a supportive Buffer Assessment for the proposal at 13 Hartley Street, relying upon its findings that were accepted by State Government in respect to various iterations of the Framework over the years).
- An Air Quality Assessment.
- An Environmental Audit.

Is it reasonable to assume DELWP will not require the permit applicant to provide most or all of the information the EPA may request after reviewing an Amenity Impact Plan?

Which authority will step in and assist in resolving any disputes between the EPA and a permit applicant? To date, DELWP has not tried to assist in resolving the current disputes Claric Ninety Nine Pty Ltd are having with the EPA, with the obligation being placed on the permit applicant to satisfy the EPA, who were referred the planning application pursuant to Section 52 of the Planning & Environment Act 1987.

Having regard to the intention of preparing an Amenity Impact Assessment for a proposed sensitive use within the prescribed buffer distances set out in Clause 2, how will the vision for the Lorimer Precinct be achieved? As per the diagram below, a range of sensitive uses are actively encouraged within 300 metres of the operations to the concrete batching plants, including an education and community facilities, open space, arts and cultural facilities and a mix of residential and employment uses. Are these sensitive uses put on hold until the concrete batching plants within the Precinct cease operations? Maybe the 300 metre catchment area is too extensive, with Amenity Impact Plans only required for proposed sensitive uses within the EPA’s recommended default buffer distances?
The above diagram indicates various low and high rise residential development associated with Mirvac’s Yarra’s Edge development fall within the 300 metre catchment area nominated in proposed Clause 2. Were qualitative Dust and Air Quality Assessments associated with these residential developments lodged with the EPA prior to the granting of planning permits?

5.5 Drafting of Planning Controls

58. Claric Ninety Nine Pty Ltd believe the controls have not been drafted having regard to the MAC’s strong encouragement of flexibility to ensure project viability.

59. The issues with the zone and overlay controls are not minor in nature and cannot be simply resolved through minor text revisions. Rather, wholesale changes are required to the controls to facilitate more equitable outcomes on individual sites, particularly those responsible for delivering civic infrastructure, such as open space and roads.

60. If the additional infrastructure burden on these types of sites is not recognised in some form of development entitlements then they become significantly disadvantaged when compared to sites that are not encumbered and only need to provide the standard 8% contribution.
61. Additionally, the revisions to the controls need to focus on removing prescriptive, onerous and confusing elements which Claric Ninety Nine Pty Ltd believe has led to a range of different 3D models being generated by the various agencies for podium and tower configurations at 13 Hartley Street within various documents.

62. The following is a summary of the issues our client has with the drafting of the proposed controls associated with the Review Panel’s Consolidated Day 1 version:

**Zone**

- Whilst a purpose of the proposed zone is to implement the *Fishermans Bend Vision, September 2016 and the Fishermans Bend Framework, XX 2018*, insofar as 13 Hartley Street is concerned, Map 2 presently drafted does not reflect the Lorimer Precinct plan on page 73 of the draft Framework. The difference lies in the depiction of the laneway extending in an east–west direction between the nominated open space and the building footprint at 13 Hartley Street in the Lorimer Precinct plan but not in Map 2.

- Pursuant to Clause 4 (Buildings and Works), a permit must not be granted to construct a building or construct or carry out works where various provisions of civic infrastructure is not provided in accordance with the maps. The conflicting information depicted in Map 2 and the Lorimer Precinct Plan should be addressed to remove any confusion. Furthermore, the laneway width should also be confirmed to determine street wall heights, as per the requirements of the proposed overlay.

As demonstrated in Section 4 of this submission, the Lorimer Precinct plan within the Fishermans Bend Strategic Framework Plan, July 2014 (amended September 2016) depicts a 12 metre shared zone in the same location as the laneway on page 73 of the draft Framework. On this basis, it is considered Map 2 should be updated to show a laneway.

**Overlay**

- Presently, a purpose of the proposed overlay is to implement the *Fishermans Bend Vision, September 2016 and the Fishermans Bend Framework, XX 2018*. To achieve this, the laneway within the Lorimer Precinct plan should be depicted at 13 Hartley Street in the maps forming part of the overlay.

  This will not only ensure consistency within the maps associated with the zone and overlay controls but also provides greater clarity on the required street wall height for the primary façade associated with any development at 13 Hartley Street (north facing and oriented towards the open space).

- Furthermore, in the provisions contained under the heading ‘Setbacks above the street wall from new and existing laneways’ of Clause 2 (Buildings and Works) mandates where a boundary adjoins a laneway, the setback is measured from the centreline of the laneway.

  Therefore, it is important for Map 2 in the proposed zone and the Lorimer Precinct plan to confirm a laneway is to be provided and that its width is to be 9 metres, as defined within the ‘Street wall height’ provisions of Clause 2 (Buildings and Works).
Another confusing part of the provisions contained under the heading 'Setbacks above the street wall from new and existing laneways' of Clause 2 (Buildings and Works) is when reference is made to how building setbacks above a street wall can be reduced from 10 metres to 5 metres for sites which have a side or rear boundary interface with the Westgate Freeway, Citylink overpass, or existing Route 109 and 96 tram corridors.

In the example of 13 Hartley Street, does the nomination of the 12 metre wide service road prevent the building setback above the podium from being 5 metres, given the site / building no longer interfaces with the Westgate Freeway (assuming the 12 metre service road is to be gifted to Council)?

Claric Ninety Nine Pty Ltd acknowledges the Minister has been incrementally proposing revised draft zone and overlay controls during the course of the panel process, as evidenced in Document Nos. 156A and 262A. This iterative process is causing confusion because of the significant changes to both the format and implications arising from the redrafted controls for 13 Hartley Street. As has been eluded to earlier in this submission, the reactive response by the Minister through this panel process is also leading to significant shortcomings, such as the prohibition of residential dwellings via FAUs in the form of affordable housing within the proposed Capital City Zone (set out in Document No. 156A).

5.6 Guidance in the Decision Making Process

As has been witnessed in Planning Application No. PA1600119, various government agencies involved in the assessment of the proposal have applied planning policy as though it is a mandatory requirement. Furthermore, when assessing the proposal, it is not evident due consideration has been given by agencies to:

- The extent of physical land the applicant is required to gift to government (over and above the 8% figure set out at Clause 52.01 of the Planning Scheme); or
- The financial implications associated with gifting land beyond the 8% figure without any financial compensation, the development contributions generated for dwellings and office and retail floor space, setting aside 15% of the habitable gross floor space for employment uses (which excludes the community floor space offering), along with setting aside 6% affordable housing within a development that is subject to a mandatory height limit of 40 storeys.

The current drafting of Clause 22.XX-3 (Policy) includes planning policy pertaining to the provision of employment floor area. Within the Clause, the policy sets out an aspirational floor area target for employment generating uses which each development within the Lorimer Precinct should achieve – the target is a FAR of 1.7:1 equates to approximately 11,400 square metres for the 6,700 square metre site.

The policy’s justification for the aspirational target is to ensure at least 40,000 jobs are created within Fishermans Bend (excluding the 40,000 jobs for the Employment Precinct). The provision then sets out the considerations which a decision maker should have regard to in the event the floor area ratio of 1.7:1 is not achieved by a proposal:

- Whether the built form envelope available on the site makes it impractical to provide the minimum floor area ratios.
- Whether the application is associated with the continued operation of expansion of an existing employment or residential use on site that is currently less than the minimum floor area ratio.
- Whether the building floor to floor heights, layout and design will facilitate future residential to commercial use or for car parking areas to be converted to alternate uses.
- Whether the development can demonstrate that it is contributing to the employment objectives of this policy while providing less than the minimum floor area ratio.

Claric Ninety Nine Pty Ltd has concerns the above considerations lack rigour. Apart from a concern government agencies will be unable to apply the above considerations in a fair and balanced manner, Claric Ninety Nine Pty Ltd also believe the considerations do not recognise how a site at 13 Hartley Street can compete with other sites within Fishermans Bend’s for occupiers of commercial floor space. The property at 13 Hartley Street:
- Does not have a main road frontage, with the development / pad site located approximately 110m metres south of Lorimer Street.

- Will be accessible from Hartley Street (on the basis the proposed 12 metre service road is not pursued by the Minister due to the lack of justification and significant practical and financial implications in delivering the road). In addition to having no premier street address within Fishermans Bend, such as Lorimer Street, Ingles Street or Turner Street, Hartley Street is a dead end street and the site is located at the end of it.

- Will have a floor plate that is not conducive for commercial occupiers.

69. These are important considerations due to the proposed controls requiring approximately 11,400 square metres of employment generating floor space to be delivered, particularly as the commercial floor space is anticipated within the lower levels of the building, and therefore be located closer to the open space than the residential dwellings. Will passive surveillance of the open space be optimised?

70. Furthermore, there are also the macroeconomic forces at play where the CBD, Docklands, Southbank, St Kilda Rd, East Melbourne and West Melbourne commercial sectors are established, offering a diverse range of commercial spaces in urban environments that are afforded excellent public transport, general amenity and a range of services which successfully meet the demands of the local workforce. This is not the case in Fishermans Bend at this point in time and in the foreseeable future.

71. The proposed considerations also lack recognition that a proposal, even if it does not include the specified amount of employment generating floor space, can still contribute towards the creation of at least 40,000 jobs within Fishermans Bend by offering other features, including:

- Delivering the type of amenity that workers enjoy, such as a park to have lunch in or exercise within; or

- Delivering affordable housing, the residents of which can work nearby, including within those existing employment catchments easily accessible from the Lorimer Precinct, such as Docklands and Southbank.

72. Claric Ninety Nine Pty Ltd continue to have concerns that the same agencies who have previously assessed Planning Application No. PA1600119 will continue to apply any policy regarding the provision of floor space for employment generating uses in a blunt, mandatory manner to the detriment of the project’s viability and, more importantly, to the detriment of Fishermans Bend’s vision.

73. An important reason why discretion should be applied in the application of planning policy for 13 Hartley Street is the lack of any Public Acquisition Overlay or another mechanism, such as compulsory acquisition being proposed to date to that part of the site identified as open space.

74. In the absence of such a mechanism, Claric Ninety Nine Pty Ltd has concerns that development contributions will be applied to the different land uses incorporated within the proposal on a ‘business as usual’ approach in the absence of compensating the landowner for the land being gifted as open space beyond the 8% figure, which is calculated at approximately 20% (this figure excludes roads within the subject site).

75. Claric Ninety Nine Pty Ltd strongly encourages Clause 22 XX-3 to be modified through the insertion of policy that encourages a project’s viability to avoid a scenario whereby government agencies apply planning policy in a mandatory manner, which in turn has a negative impact on a project’s viability. The issue of project viability is critical for sites such as 13 Hartley St because:

- It is required to partially deliver the third largest park within the Lorimer Precinct.

- When having regard to the approved development at 85-93 Hartley St and the fully encumbered land (for future open space at 95 Lorimer St, the site provides an opportunity to successfully deliver a key sub-precinct within the Lorimer Precinct, inclusive of affordable housing, community floor space, open space and other complementary features. Importantly, the facilities delivered by the three properties can also benefit the existing residents and workers of the Yarra Edge development, directly north of the sub-precinct.

- It is a visible site when viewed from the Westgate Freeway and Lorimer Street. The successful implementation of the Fishermans Bend vision in this sub-precinct can provide the market place with confidence that the State Government is committed to delivering Fishermans Bend.
5.7 Transitional Provisions

76. One of the objectives in Section 4 of the Planning and Environment Act 1987 is to provide for the fair, orderly, economic and sustainable use, and development of land.

77. As per Section 3 of this submission, our client believes they have been an active participant of the Fishermans Bend process, incurring significant consultant and statutory fees (such as, the Metropolitan Planning Levy) as a result, while proposing a mixed use development that clearly articulates a vision for the site that is harmonious with the vision for Fishermans Bend through:

- The provision of the required open space.
- The provision of a new street located between the open space and the built form.
- The delivery of a tower element that is set back a minimum of 10 metres from the podium edge.
- A podium that is approximately 20 metres in height.
- Setting aside 30% of the proposed housing stock for 3 or 4 bedroom dwellings.
- Providing an opportunity to designate 6% (the equivalent of 20 dwellings) of the proposed housing stock as affordable housing.
- Creating an activated interface at all levels of the proposed development as it presents to the open space located to the north of the new street, with a mix of residential, retail and community spaces extending along the ground floor level.

78. Claric Ninety Nine Pty Ltd consider these key deliverables are in-keeping with the preferred design outcomes envisaged for the site, as per the Fishermans Bend Strategic Framework Plan, July 2014 (amended September 2016) and the draft Framework.

79. Whist the Minister has proposed not to include transitional provisions as part of GC81, Claric Ninety Nine Pty Ltd considers the Panel has the ambit to determine the appropriateness of such a provision. In the absence of any transitional provisions being incorporated within the proposed zone and overlay controls, it would result in prohibiting a proposal, which quite clearly from the above attributes, can successfully deliver the underlying objectives of the draft Framework and will undoubtedly make a positive contribution to this part of Fishermans Bend.

80. Transitional provisions are fundamental in ensuring procedural fairness for those proponents who have already committed significant resources to respond to the planning provisions of the time which are to assist in delivering the vision for Fishermans Bend. This is particularly relevant to Claric Ninety Nine Pty Ltd, who have been actively participating in the Fishermans Bend process since 2013 and have already lodged two planning applications.

81. Strategically, the introduction of transitional provisions into the proposed planning controls to facilitate the subsequent approval of the proposed development at 13 Hartley Street will make a strong contribution towards facilitating the delivery of a sub-precinct within the Lorimer Precinct. This is possible because:

- The developer for 85-93 Lorimer Street possesses an active planning permit for the approved mixed use development, inclusive of designated open space within the draft Framework; and
- The State Government’s declaration of the Fishermans Bend Urban Renewal Area project as a development of State significance in July 2012. This declaration enables the State Government to compulsorily acquire the entirety of 95-97 Lorimer Street due to the property’s designation as open space in the draft Framework.

82. Therefore, collectively, the three sites at 85-93 Hartley Street, 95-97 Lorimer Street and 13-33 Hartley Street can deliver the vision for this sub-precinct and make available to the community a large community space, and an integrated street network through the construction of New Street, all of which will be complemented by the proposed tram route extending along Hartley Street.
Section Six_ Conclusion

83. The proposed controls have not considered the key issue of project viability, with no incentive currently proposed by the controls for Claric Ninety Nine Pty Ltd to redevelop 13 Hartley Street, even though it is required to deliver key infrastructure including open space, a laneway and a 12 metre wide service road.

84. Apart from gifting between 40 – 60% of the site for civic infrastructure (depending on the width of the laneway and whether a 12 metre wide service road is required), which does not appear will be properly compensated for, the irregular shaped building footprint will be costly to construct, and only approximately 69% of the site can be used for residential purposes based upon a FAR of 3.7:1 of a maximum FAR of 5.4:1.

85. In conclusion, for the reasons set out in this submission and those which have been raised by other submitters during the panel process that are of a similar nature, Claric Ninety Nine submits Amendment GC81 should not be supported in its proposed form.
Appendix A  Floor and Elevation Plans
9.02 Location Plan

W E S T G A T E                    F R E E W A Y
L  O  R  I  M  E  R                    S  T  R  E  E  T
H  A  R  T  L  E  Y                   S  T  R  E  E  T
P A R K

8400 8400 8400 8400 8400 8400 8400 8400 8400 8400 8400 8400

8400 8400 8400 8400 8400 8400 8400 8400 8400 8400 8400 8400

8000 8400 8400 8400 8400 8400 8400 8400 8400 8400 8400 8400

11°13' 106.74 265°01' 114.39 191°13' 25.38 102°24' 66.03 191°13' 46.27 103°35' 43.87

CJPLANNING APPLICATION ISSUE A 01.06.16

REPRODUCTION OF THE WHOLE OR PART OF THIS DOCUMENT CONSTITUTES AN INFRINGEMENT OF COPYRIGHT. THE INFORMATION, IDEAS AND CONCEPTS CONTAINED IN THIS DOCUMENT ARE CONFIDENTIAL.

THE RECIPIENT(S) OF THIS DOCUMENT IS PROHIBITED FROM DISCLOSING SUCH INFORMATION, IDEAS AND CONCEPTS TO ANY PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF MGS ARCHITECTS PTY LTD.
Appendix B  Feasibility Assessment
13 Hartley Street, Docklands

Residential Development Analysis

Prepared for
Claric Ninety Nice Pty Ltd

By
Essential Economics Pty Ltd

May 2018
**Authorship**

<table>
<thead>
<tr>
<th>Report stage</th>
<th>Author</th>
<th>Date</th>
<th>Review</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draft report</td>
<td>Chris McNeill</td>
<td>Rob Weston</td>
<td>4 May 2018</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final report</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Disclaimer**

Every effort has been made to ensure the accuracy of the material and the integrity of the analysis presented in this report. However, Essential Economics Pty Ltd accepts no liability for any actions taken on the basis of report contents.

**Contact details**

For further details please contact Essential Economics Pty Ltd at one of our offices:

96 Pelham Street
Carlton
Victoria 3053
Australia
PH +61 3 9347 5255
FAX +61 3 9347 5355

Level 26 / 44 Market Street
Sydney
New South Wales 2000
Australia
PH +61 2 9089 8654

EMAIL mail@essentialeconomics.com
WEB www.essentialeconomics.com

ABN 92 079 850 427

Our Reference: 18016
INTRODUCTION

Background

Clarin Ninety Nine Pty Ltd (the Landowner) owns land at 13-33 Hartley Street, Docklands (subject site).

The landowner proposes a 40-level tower on the subject site, comprising (primarily) apartments, as well as a number of non-residential uses. The proposal has had regard for the provisions of the Fishermans Bend Strategic Framework Plan which sets out a series of policy statements addressing areas such as dwelling typologies, affordable housing, non-residential uses, public open space, and development contributions.

Referral responses from Melbourne City Council and Fishermans Bend Taskforce indicate a strict - or perhaps ambiguous - application of the policy statements.

The key issue that now confronts the Landowner is whether the strict application of the policy statements results in a development outcome that undermines the commercial viability of the project. More particularly, the Landowner seeks to establish whether the cost imposts associated with the application of the policy statements results in a development where, for example, the required sales price of apartments will be necessarily higher than in comparable city fringe precincts.
SUMMARY OF CONCEPT MODELLING

The intent of the conceptual modelling is to establish a framework for which the testing of financial imposts associated with proposed planning controls can be tested.

It should be noted, conceptual modelling such as this is sensitive as to the inputs and assumptions that drive the model. The modelling has had regard to the expert evidence provided by Ernst and Young. As far as possible, the modelling adopts similar assumptions to the Ernst and Young Evidence. For example, adopted construction rates are similar or identical. Similarly, the sales figures (per square metre) realised against the scenarios are generally consistent with the Ernst and Young evidence.

Unlike the Ernst and Young evidence, the concept modelling undertaken by Essential Economics does not take account of cash flows and is not based on a multi-year revenue and development timeframe. Rather, this model assumes a development outcome that could be produced ‘here and now’.

The scenario modelling adopts an approach in which development costs and sales revenue are derived from common assumptions. For example: across all scenarios:

- Common construction rates are used for car parking, residential, retail, office and community construction
- Common utilisation assumptions are applied in the translation from gross floor area to net floor area (i.e. net saleable area)
- Common assumptions are applied in terms of rates (percentages applied) associated sales and marketing costs, development margins, contingencies, and development margins

Upon application of these assumptions, an interim land value before the impact of key planning controls, such as public open space and land for street construction, along with Development Contribution Plan costs, is calculated.

The impact of these planning controls is then subtracted from the interim land value to establish a residential land value.

The residual land value provides an indication of the ‘value’ attributed to the development scenario tested. A low, or negative, residual land value indicates a poor market outcome in which the landowner may consider withholding a land parcel from sale or development, until market conditions (for example, a significant increase in the apartment or office sale price per square metre) have improved sufficiently to indicate an improved commercial viability for that specific development scenario.

**Note:** development costs do not include costs associated with new street construction or other public works on the subject site, but outside the development footprint.
Qualifications:

- The outputs represent modelling based on “doing the development now”. In that regard, they differ from the Ernst & Young approach, where time/cash flow has been flushed through their modelling.

- As with most conceptual modelling, the outputs are sensitive to the inputs. If you change fairly simply assumptions, the end result can change quite significantly.

- Even so, with a number of variables held constant the modelling is useful in demonstrating how sensitive outputs are to changes in assumptions, including the impact of planning controls.

Five development scenarios have been modelled:

a) Development Proposal – which, as far as possible, seeks to replicate the current Development Proposal applicable to the subject site (ie 349 apartments, community 970m2 community space available to the public, 280m2 of retail floorspace.

In this scenario, 40.3% of the total area of the subject site is effectively handed over to the public realm without compensation. Development Contributions are provided in accordance with specified rates.

Net sales values are ascribed at $9,750/m2 for residential apartments.

The result is a residual land value of $8.9 million, before the cost of street construction.

b) Market Proposal – the Market Proposal removes the impact of particular planning controls by excluding the (public) community space and increasing the retail component by the same amount of floorspace. This scenario also applies a strict provision of just 8% of land in terms of a public open space contribution (similar to assuming a public open space equalisation mechanism is in place).

The impact is a residual land value of $21.2 million.

Framework Plans

Three scenarios have been developed to explore the impact of planning controls proposed as part of the Framework Plan. These scenarios have the following elements in common (above and beyond those already applied in the ‘Proposed Development’ model:

- 31% of total habitable floorspace has been dedicated to non-residential purposes. In doing so, the 970m2 community floorspace remains in place as does retail floorspace. The difference is assumed to provide as office floorspace.

- Note: The viability of providing this quantity of office floorspace has not been assessed.
- It is assumed 6% of apartment floorspace is provided as affordable housing units. A marginal reduction in the construction costs has been applied to 6% of apartment floorspace and a 6% reduction in the net saleable apartment area applied. It is assumed such dwelling would be gifted to an affordable housing provider.

c) Framework Plan – this variation tries to replicate, as far as possible, the Framework Plan requirements (i.e., based on the planning controls provided to the client in the response to the Development Proposal – e.g., a significant office space component etc).

d) Framework Plan (2) – same as Framework Plan model, but significantly reduces the Net Sales Value/m2 of the office space to highlight the impact on the development if the office space is reduced in value (to $4,000/m2) to demonstrate a potential impact of being ‘stuck’ with a significant amount of office floorspace for which there is no demand.

e) Framework Plan (3) – same as Framework Plan (2) but also reduces the Net Sales Value/m2 (to $9,000/m2) of the residential component to highlight the impact of the area not reaching the sort of sales values seen in competing areas such as Docklands or Southbank.

In all three Framework Plan models, the residential land value is negative indicating a poor investment outcome in each scenario.
### Proposed Development Scenario

#### Costs

<table>
<thead>
<tr>
<th>Levels</th>
<th>No. of Levels</th>
<th>Carpark/ROH Area (m²)</th>
<th>Community GF A Area (m²)</th>
<th>Retail GF A Area (m²)</th>
<th>Apartment GF A Area (m²)</th>
<th>GFA Area (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>1735</td>
<td>970</td>
<td>280</td>
<td>557</td>
<td>3542</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>2272</td>
<td>1288</td>
<td>3769</td>
<td>820</td>
<td>3769</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>2471</td>
<td>1298</td>
<td>3769</td>
<td>820</td>
<td>3769</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>2471</td>
<td>1298</td>
<td>3769</td>
<td>820</td>
<td>3769</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>2471</td>
<td>285</td>
<td>3769</td>
<td>820</td>
<td>3769</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>12217</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>1088</td>
<td>3018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 to 19</td>
<td>1</td>
<td>12216</td>
<td>12216</td>
<td>12216</td>
<td>12216</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>1</td>
<td>1024</td>
<td>3018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 to 40</td>
<td>8</td>
<td>8912</td>
<td>8592</td>
<td>8592</td>
<td>8592</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>11520</td>
<td>2472</td>
<td>280</td>
<td>39831</td>
<td>54103</td>
</tr>
</tbody>
</table>

#### Construction Costs ($/m²)

<table>
<thead>
<tr>
<th>Area (m²)</th>
<th>$/m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1200</td>
<td>3200</td>
</tr>
<tr>
<td>2200</td>
<td>2200</td>
</tr>
<tr>
<td>2200</td>
<td>2200</td>
</tr>
<tr>
<td>3000</td>
<td>3000</td>
</tr>
<tr>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

#### Gross Sales Revenue ($/m²)

- Retail: $6,000
- Office: $9,750
- Apartment: $30,137.56

#### Construction Costs ($)

- 13,824,000
- 5,438,400
- 616,000
- 1,194,930

#### Additional Costs associated with development:

- Fees (Project Mgt., Architect, Planning etc) 0.075
- 7.5% of construction costs: 30,453,865
- Council Charges (0.3% of total construction costs) 0.050
- 6,906,370
- Insurance (0.3% of total construction cost) 0.0
- 696,857
- Interest (Financing - assume 30% of total construction cost) 0.1
- 13,391,410
- Contingency (5% of total construction costs) 0.05
- 6,906,370
- Landscaping (1.25% of total construction costs) 0.0125
- 1,742,143
- Site works and drainage (2% of total construction cost) 0.02
- 2,787,428
- Legal ($5,000 per dwelling) 3,000.0
- 10,452,855

#### Total Additional Costs

44,400,563

#### Total Development Costs

183,971,963

#### Gross Sales Revenue ($)

- Retail: 1,680,000
- Office: 299,855,500
- Apartment: 301,175,300

#### Less Selling Costs (Sales and Marketing)

- 5.25%
- $9,750
- $30,137.56

#### Total Revenue (before GST)

1,591,800

#### Less GST paid on Residential Revenue

159,180

#### Total Revenue

1,432,620

#### Interim Land Value (before POS contribution and DCP)

24,273,425

#### Residual Land Value

8,900,135
### MARKET DEVELOPMENT SCENARIO

#### Revenue Levels

<table>
<thead>
<tr>
<th>Levels</th>
<th>No. of Levels</th>
<th>Carpark/BOH Area</th>
<th>Community GFA Area (m²)</th>
<th>Retail GFA Area (m²)</th>
<th>Apartment GFA Area (m²)</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>1735</td>
<td>1290</td>
<td>3542</td>
<td></td>
<td>1024</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>2372</td>
<td>1198</td>
<td>3070</td>
<td></td>
<td>1124</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>2471</td>
<td>1298</td>
<td>3769</td>
<td></td>
<td>1034</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>2471</td>
<td>1198</td>
<td>3769</td>
<td></td>
<td>1034</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>2471</td>
<td>285</td>
<td>820</td>
<td></td>
<td>630</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>1117</td>
<td></td>
<td></td>
<td></td>
<td>790</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>1018</td>
<td></td>
<td></td>
<td></td>
<td>790</td>
</tr>
<tr>
<td>8 to 19</td>
<td>12</td>
<td>2272</td>
<td>9216</td>
<td>1824</td>
<td></td>
<td>9460</td>
</tr>
<tr>
<td>20</td>
<td>1</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td>690</td>
</tr>
<tr>
<td>21 to 32</td>
<td>12</td>
<td>2272</td>
<td>9216</td>
<td>1324</td>
<td></td>
<td>9460</td>
</tr>
<tr>
<td>33 to 40</td>
<td>8</td>
<td>1217</td>
<td></td>
<td></td>
<td></td>
<td>6496</td>
</tr>
<tr>
<td>41</td>
<td>1</td>
<td>1217</td>
<td></td>
<td></td>
<td></td>
<td>6496</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>11520</td>
<td>1502</td>
<td>1250</td>
<td>39831</td>
<td>1250</td>
</tr>
</tbody>
</table>

#### Additional Costs associated with development:

- **Construction Costs per m²:**
  - $1200
  - $2200
  - $2200
  - $3000

- **Gross Sales Revenue ($/m²):**
  - $6000
  - $9750

- **Construction Costs ($):**
  - $13,824,000
  - $3,304,400
  - $2,750,000
  - $119,493,000

- **Total Revenue:**
  - $7,106,250
  - $283,961,486
  - $291,067,736

- **Less Selling Costs (Sales and Marketing):**
  - 5.25%
  - 5.25%
  - 5.25%

- **Fees (Project Mgt, Architect, Planning etc):**
  - 7.5% of construction costs
  - $10,452,855

- **Less GST paid on Residential Revenue:**
  - $710,625
  - $28,396,148.63
  - $29,106,774

- **Council Charges (0.5% of total construction costs):**
  - $6,968,570

- **Total additional costs:**
  - $44,600,563

- **Total Development Costs:**
  - $183,971,963
  - GST: $18,397,196

- **Total Development Costs (Inc. GST):**
  - $202,369,159

- **Profit (20%):**
  - $30,355,374

- **TOTAL COST (Including profit, excluding land):**
  - $232,724,533

- **Variations on Proposed Development Model:**
  1. Community Space on Level 1 (970m²) becomes Retail GFA
  2. 349 apartments are available in total
  3. 40.3% Public Open Space and Area contribution becomes 8% Contribution
  4. DCP’s have been held at same rate

---

### Variations on Proposed Development Model

1. Community Space on Level 1 (970m²) becomes Retail GFA
2. 349 apartments are available in total
3. 40.3% Public Open Space and Area contribution becomes 8% Contribution
4. DCPs have been held at same rate
### FRAMEWORK PLAN DEVELOPMENT SCENARIO

<table>
<thead>
<tr>
<th>Levels</th>
<th>No. of Levels</th>
<th>Carpark/BOH Area</th>
<th>Community Area</th>
<th>Office GFA</th>
<th>Retail GFA</th>
<th>Apartment GFA</th>
<th>Affordable Housing GFA</th>
<th>GFA Base Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>1170</td>
<td>540</td>
<td>100</td>
<td>280</td>
<td>280</td>
<td>540</td>
<td>2011</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>1735</td>
<td>970</td>
<td>280</td>
<td>280</td>
<td>280</td>
<td>540</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>2272</td>
<td>1</td>
<td>200</td>
<td>340</td>
<td>340</td>
<td>680</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>2471</td>
<td>1</td>
<td>200</td>
<td>340</td>
<td>340</td>
<td>680</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>2471</td>
<td>285</td>
<td>1</td>
<td>200</td>
<td>340</td>
<td>680</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>1217</td>
<td>540</td>
<td></td>
<td>280</td>
<td>280</td>
<td>540</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>1</td>
<td>1539</td>
<td>1</td>
<td>200</td>
<td>340</td>
<td>680</td>
<td></td>
</tr>
<tr>
<td>8 to 19</td>
<td>1</td>
<td>1</td>
<td>11520</td>
<td>2472</td>
<td>15420</td>
<td>280</td>
<td>22946</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Construction Costs ($)</th>
<th>Area (m²)</th>
<th>Cost ($/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Costs ($)</td>
<td>1</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Construction Costs ($)</td>
<td>2</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Construction Costs ($)</td>
<td>3</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Construction Costs ($)</td>
<td>4</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Construction Costs ($)</td>
<td>5</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Construction Costs ($)</td>
<td>6</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Construction Costs ($)</td>
<td>7</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Construction Costs ($)</td>
<td>8 to 19</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Construction Costs ($)</td>
<td>20</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Construction Costs ($)</td>
<td>21 to 32</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Construction Costs ($)</td>
<td>33 to 40</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Construction Costs ($)</td>
<td>Total</td>
<td>[Costs]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional Costs associated with the Final Development Plan</th>
<th>Area (m²)</th>
<th>Cost ($/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Costs associated with the Final Development Plan</td>
<td>1</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Additional Costs associated with the Final Development Plan</td>
<td>2</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Additional Costs associated with the Final Development Plan</td>
<td>3</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Additional Costs associated with the Final Development Plan</td>
<td>4</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Additional Costs associated with the Final Development Plan</td>
<td>5</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Additional Costs associated with the Final Development Plan</td>
<td>6</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Additional Costs associated with the Final Development Plan</td>
<td>7</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Additional Costs associated with the Final Development Plan</td>
<td>8 to 19</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Additional Costs associated with the Final Development Plan</td>
<td>20</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Additional Costs associated with the Final Development Plan</td>
<td>21 to 32</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Additional Costs associated with the Final Development Plan</td>
<td>33 to 40</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Additional Costs associated with the Final Development Plan</td>
<td>Total</td>
<td>[Costs]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Costs</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue (before GST)</td>
<td>[Revenue]</td>
</tr>
<tr>
<td>Total Revenue (inc GST)</td>
<td>[Revenue]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variations on Proposed Development Model</th>
<th>Area (m²)</th>
<th>Cost ($/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variations on Proposed Development Model</td>
<td>1</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>2</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>3</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>4</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>5</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>6</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>7</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>8 to 19</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>20</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>21 to 32</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>33 to 40</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>Total</td>
<td>[Costs]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interim land value (before POS contribution and DCP)</th>
<th>Cost ($/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>1</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>2</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>3</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>4</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>5</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>6</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>7</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>8 to 19</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>20</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>21 to 32</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>33 to 40</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variations on Proposed Development Model</th>
<th>Area (m²)</th>
<th>Cost ($/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variations on Proposed Development Model</td>
<td>1</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>2</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>3</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>4</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>5</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>6</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>7</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>8 to 19</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>20</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>21 to 32</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>33 to 40</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>Total</td>
<td>[Costs]</td>
</tr>
</tbody>
</table>

### COSTS REVENUE

<table>
<thead>
<tr>
<th>Costs</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>[Revenue]</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>[Revenue]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variations on Proposed Development Model</th>
<th>Area (m²)</th>
<th>Cost ($/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variations on Proposed Development Model</td>
<td>1</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>2</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>3</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>4</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>5</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>6</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>7</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>8 to 19</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>20</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>21 to 32</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>33 to 40</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>Total</td>
<td>[Costs]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interim land value (before POS contribution and DCP)</th>
<th>Cost ($/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>1</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>2</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>3</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>4</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>5</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>6</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>7</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>8 to 19</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>20</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>21 to 32</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>33 to 40</td>
</tr>
<tr>
<td>Interim land value (before POS contribution and DCP)</td>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variations on Proposed Development Model</th>
<th>Area (m²)</th>
<th>Cost ($/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variations on Proposed Development Model</td>
<td>1</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>2</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>3</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>4</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>5</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>6</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>7</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>8 to 19</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>20</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>21 to 32</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>33 to 40</td>
<td>[Costs]</td>
</tr>
<tr>
<td>Variations on Proposed Development Model</td>
<td>Total</td>
<td>[Costs]</td>
</tr>
</tbody>
</table>
**FRAMEWORK PLAN DEVELOPMENT (2) SCENARIO**

<table>
<thead>
<tr>
<th>Levels</th>
<th>No. of Levels</th>
<th>C8 Carpark/BOH Area (m²)</th>
<th>Community Area (m²)</th>
<th>GFA Office (m²)</th>
<th>GFA Retail (m²)</th>
<th>GFA Apartment (m²)</th>
<th>GFA Affordable Housing (m²)</th>
<th>GFA Total (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>1,735</td>
<td>670</td>
<td>28.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>2,120</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>2,390</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>2,640</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>2,640</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>2,640</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>2,640</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>1</td>
<td>2,640</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Levels 9 to 20

- **Total Revenue Area (m²)**
  - 1,152,000
  - 247,200
  - 1,542,000
  - 280
  - 22,946.34
  - 14,643.66
  - 54,103.00
  - 280
  - 12,028
  - 17,898

### Construction Costs/m²

- **Office**: $1,200
- **Retail**: $2,200
- **Apartment**: $2,200
- **Affordable Housing**: $2,200
- **Other**: $3,000

### Gross Sales Revenue ($/m²)

- **Office**: $6,000
- **Retail**: $4,000
- **Apartment**: $9,750

### Construction Costs ($)

- **Office**: $13,824,000
- **Retail**: $5,438,400
- **Apartment**: $33,924,000
- **Affordable Housing**: $616,000
- **Total**: $68,839,020

### Gross Sales Revenue ($)

- **Office**: $1,680,000
- **Retail**: $48,110,400
- **Apartment**: $174,506,916
- **Total**: $224,297,316

### Less Selling Costs (Sales and Marketing) 5.25%

- **Office**: $86,880
- **Retail**: $2,505,721
- **Apartment**: $9,201,798
- **Total**: $10,900,069

### Additional Costs associated with development:

- **Fees (Project Mgt, Architect, Planning etc)** 7.5% of construction costs
  - **Office**: $3,960,000
  - **Retail**: $1,143,840
  - **Apartment**: $7,518,770
  - **Total**: $12,622,510

- **Council Charges (0.5% of total construction costs)**
  - **Office**: $139,120
  - **Retail**: $4,179,200
  - **Apartment**: $26,593,500
  - **Total**: $31,979,720

- **Insurance (0.5% of total construction costs)**
  - **Office**: $139,120
  - **Retail**: $4,179,200
  - **Apartment**: $26,593,500
  - **Total**: $31,979,720

- **Interest (Financing - assume 10% of total construction cost)**
  - **Office**: $1,266,669
  - **Retail**: $3,799,000
  - **Apartment**: $23,314,300
  - **Total**: $38,379,969

- **Contingency (5% of total construction costs)**
  - **Office**: $633,346
  - **Retail**: $1,900,000
  - **Apartment**: $12,028,000
  - **Total**: $14,551,346

- **Landscaping (1.25% of total construction costs)**
  - **Office**: $158,336
  - **Retail**: $475,000
  - **Apartment**: $3,000
  - **Total**: $633,336

- **Site works and drainage (2% of total construction cost)**
  - **Office**: $316,668
  - **Retail**: $950,000
  - **Apartment**: $6,000
  - **Total**: $1,312,668

- **Legal ($3,000 per dwelling)**
  - **Office**: $9,000
  - **Retail**: $270,000
  - **Apartment**: $180
  - **Total**: $279,180

### Total Additional Costs

- **Total**: $40,193,136

### Total Development Costs

- **Construction Costs**: $126,669,235
- **Gross Sales Revenue**: $1,680,000
- **Less Selling Costs**: $10,900,069
- **Additional Costs**: $40,193,136
- **Total Development Costs**: $166,862,371

### GST

- **Office**: $5,272,153
- **Retail**: $159,180
- **Apartment**: $4,558,460
- **Total**: $169,420,916

### Total Development Costs (inc GST)

- **Office**: $1,725,215
- **Retail**: $5,438,400
- **Apartment**: $34,558,460
- **Total**: $42,621,075

### Profit (20%) 0.15

- **Office**: $90,000
- **Retail**: $1,029,680
- **Apartment**: $6,934,160
- **Total**: $8,073,840

### TOTAL COST (Including profit, excluding land)

- **Office**: $173,335,540
- **Retail**: $45,650,000
- **Apartment**: $159,180
- **Total**: $238,171,690

### Interim land value (before POS contribution and DCP)

- **Office**: $87,900
- **Retail**: $3,000,000
- **Apartment**: $3,000
- **Total**: $3,071,900

### Less 40.3% Public Open Space and area contribution

- **Office**: $34,000
- **Retail**: $1,029,680
- **Apartment**: $6,934,160
- **Total**: $8,304,820

### Less DCP (at an average of $15,900/dwelling)

- **Office**: $53,820
- **Retail**: $1,627,392
- **Apartment**: $10,176,580
- **Total**: $12,337,792

### Less DCP (at an average of $180/m2 commercial)

- **Office**: $2,164,968
- **Retail**: $180
- **Apartment**: $180
- **Total**: $2,164,968

### Residual Land Value

- **Office**: $35,000
- **Retail**: $3,000
- **Apartment**: $3,000
- **Total**: $35,000

### Variations on Proposed Development Model

1. Community Space (970m²) is retained
2. 31% of gross habitable floorspace is assumed to non-res purposes (16,770m² in total). Of this figure, 970m² is for public accessed community space, 280m² for retail floorspace and the balance (15,420m²) is for office floorspace. Allocations are not made on a level by level basis.
3. Net saleable office floorspace and net saleable apartment floorspace is assumed to be 78% of gross floor area.
4. 40.3% Public Open Space and Area (new road) contribution
5. DCP's have been held at same rate
6. Gross Sales Revenue/m² has been reduced for office space to reflect a lack of demand for office floorspace in the FB area, and specifically within what are seen as primarily residential areas
7. Affordable Housing has been factored in at 6% of apartment floorspace. Constructions costs have been calculated at $2,750/m². Sales Revenue for apartments has been reduced by 6% on the basis affordable housing units will be transferred to an affordable housing association.
### FRAMEWORK PLAN DEVELOPMENT (3) SCENARIO

#### Levels No. of Levels
- Carpark/BOH Area
- Community Area
- GFA (Office)
- GFA (Retail)
- GFA (Apartment)
- Affordable Housing Area

#### Affordability GFA

<table>
<thead>
<tr>
<th>Level</th>
<th>No. of Levels</th>
<th>Area (m²)</th>
<th>Area (m²)</th>
<th>Area (m²)</th>
<th>Area (m²)</th>
<th>Area (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>1735</td>
<td>970</td>
<td>280</td>
<td>280</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>2272</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>2471</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>2471</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>2471</td>
<td>285</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>1217</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 to 19</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>1</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 to 32</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33 to 40</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>11520</td>
<td>2472</td>
<td>15420</td>
<td>280</td>
<td>22946</td>
</tr>
</tbody>
</table>

#### Total Revenue Area

<table>
<thead>
<tr>
<th>Area Type</th>
<th>Total Revenue (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>1465</td>
</tr>
<tr>
<td>Retail</td>
<td>54103</td>
</tr>
<tr>
<td>Apartment</td>
<td>17898</td>
</tr>
</tbody>
</table>

#### Construction Costs/m²

<table>
<thead>
<tr>
<th>Area Type</th>
<th>Cost/m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>1200</td>
</tr>
<tr>
<td>Retail</td>
<td>2200</td>
</tr>
<tr>
<td>Apartment</td>
<td>2200</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>3000</td>
</tr>
</tbody>
</table>

#### Gross Sales Revenue (m²)

<table>
<thead>
<tr>
<th>Area Type</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>6,000</td>
</tr>
<tr>
<td>Retail</td>
<td>4,000</td>
</tr>
<tr>
<td>Apartment</td>
<td>9,000</td>
</tr>
</tbody>
</table>

#### Total Construction Costs ($)

<table>
<thead>
<tr>
<th>Area Type</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>13,824,000</td>
</tr>
<tr>
<td>Retail</td>
<td>5,438,400</td>
</tr>
<tr>
<td>Apartment</td>
<td>33,924,000</td>
</tr>
</tbody>
</table>

#### Gross Sales Revenue ($)

<table>
<thead>
<tr>
<th>Area Type</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>1,680,000</td>
</tr>
<tr>
<td>Retail</td>
<td>48,110,400</td>
</tr>
<tr>
<td>Apartment</td>
<td>161,083,307</td>
</tr>
</tbody>
</table>

#### Less Selling Costs (Sales and Marketing)

<table>
<thead>
<tr>
<th>Area Type</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>5.25%</td>
</tr>
<tr>
<td>Retail</td>
<td>5.25%</td>
</tr>
<tr>
<td>Apartment</td>
<td>5.25%</td>
</tr>
</tbody>
</table>

#### Additional Costs associated with development:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees (Project Mgmt, Architect, Planning etc)</td>
<td>7.5% of construction costs</td>
</tr>
<tr>
<td>Less GST paid on Residential Revenue</td>
<td>159,180</td>
</tr>
<tr>
<td>Additional Council Charges (0.5% of total construction costs)</td>
<td>6,333,462</td>
</tr>
<tr>
<td>Less GST paid on Commercial Revenue</td>
<td>45,584,604</td>
</tr>
<tr>
<td>Less GST paid on Retail Revenue</td>
<td>152,626,433</td>
</tr>
<tr>
<td>Landscaping (1.25% of total construction costs)</td>
<td>1,583,365</td>
</tr>
<tr>
<td>Less GST paid on Landscaping Revenue</td>
<td>6,333,462</td>
</tr>
<tr>
<td>Insurance (0.5% of total construction costs)</td>
<td>633,346</td>
</tr>
<tr>
<td>Less GST paid on Insurance Revenue</td>
<td>609,000</td>
</tr>
<tr>
<td>Interest (Financing - assume 10% of total construction cost)</td>
<td>12,666,924</td>
</tr>
<tr>
<td>Less GST paid on Interest Revenue</td>
<td>6,333,462</td>
</tr>
<tr>
<td>Contingency (5% of total construction costs)</td>
<td>6,333,462</td>
</tr>
<tr>
<td>Less GST paid on Contingency Revenue</td>
<td>2,533,385</td>
</tr>
</tbody>
</table>

#### Total Additional Costs ($)

| Total Additional Costs | 40,193,136 |

#### Total Development Costs ($)

| Total Development Costs | 166,862,371 |
| Less GST | 16,686,237 |
| Total Development Costs (inc GST) | 183,548,608 |

#### Profit (20%)

| Profit | 27,532,291 |

#### TOTAL COST (Including profit, excluding land)

| Total Cost | 211,080,899 |

#### Interim land value (before POS contribution and DCP)

| Interim Land Value | 31,258,346 |

#### Less 40.3% Public Open Space and area contribution

| Public Open Space | 12,597,113 |

#### Less DCP (at an average of $15,900/dwelling)

| DCP Cost | 3,227,700 |

#### Less DCP (at an average of $180/m² commercial)

| DCP Cost | 2,164,968 |

#### Less DCP (at an average of $150/m² retail)

| DCP Cost | 42,000 |

#### Residual Land Value

| Residual Land Value | 49,290,127 |

#### Variations on Proposed Development Model

1. Community Space (970m²) is retained
2. 31% of gross habitable floorspace is assumed to non-res purposes (16,770m² in total). Of this figure, 970m² is for public accessed community floorspace, 280m² for retail floorspace and the balance (15,420m²) is for office floorspace.

### COSTS AND REVENUE