



**Mr/Mrs R. Lohan**  
1 Gilba Road,  
Pendle Hill NSW 2145

Our Ref: GMC:KG:37352

5 February 2026

**Attention: Mr/Mrs R. Lohan**

**By Email**

Dear **Mr/Mrs R. Lohan**

**Re: Offer to purchase property 1 Gilba Road, Pendle Hill NSW 2145**  
**Property: 3-5 Gilba Road, Pendle Hill**  
**Client: SK2V 2 Pty Ltd**

We refer to the above matter and confirm we act for SK2V 2 Pty Ltd, the owner of 3-5 Gilba Road, Pendle Hill ("our client") and understand you own 1 Gilba Road, Pendle Hill.

The purpose of this letter is to outline the Land and Environment Court planning principle relevant to this matter and to make a formal offer of purchase for your property at 1 Gilba Road, Pendle Hill ("the property").

***Relevant background***

We are instructed the actions of our client to facilitate the purchase of the property is as follows:-

1. On 24 March 2025, our client issued a letter detailing their expression of interest to purchase your property and proposed an offer of \$1,004,250.
2. On 8 April 2025, our client issued another letter detailing their expression of interest to purchase your property and proposed an offer of \$1,023,750.
3. On 8 August 2025, our client issued another letter detailing their expression of interest to purchase your property and proposed an offer of \$1,025,000.
4. Our firm have been engaged to prepare a formal letter of offer.

***Proposed development application***

As your client may be aware our client has lodged a development application with Council seeking approval for the development of a mixed-use project comprising the construction of 74 co-living units, commercial premises, and a childcare centre accommodating up to 34 children. In accordance with the planning principles established in the cases of *Melissa Grech v Auburn Council* [2004] NSW LEC 40

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Limited Liability by a scheme approved under Professional Standards Legislation

p 02 9635 1100

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(“*Grech*”) and *Karavellas v Sutherland Shire Council* [2004] NSW LEC 251 (“*Karavellas*”), we are satisfied that the previous negotiations together with this formal letter of offer satisfy the requirements of Council and the Court in relation to site isolation and will assist in the approval of the pending development application.

Our client has also ensured that the development potential of the property, having regard to the planning controls, is protected by the design of their proposed building.

### ***Relevant caselaw***

In the cases of *Grech* and *Karavellas*, the Land and Environment Court provided guidelines that must be followed in circumstances where there is likely to be an impact on the development potential of adjoining properties. This is often referred to as site isolation. In the planning principle case of *Grech*, Commissioner Brown determined that 3 main principles apply to any assessment. Set below are the 3 principles with our comments.

*“Firstly, where a property will be isolated by a proposed development and that property cannot satisfy the minimum lot requirements then negotiations between the owners of the properties should commence at an early stage and prior to the lodgement of the development application.”*

Comment: It is our opinion that the discussions and negotiations between the parties which commenced in March 2025, and culminate in this final letter of offer, based on two independent valuation, satisfy this first requirement that legitimate negotiations occur between the parties.

*“Secondly, and where no satisfactory result is achieved from the negotiations, the development application should include details of the negotiations between the owners of the properties. These details should include offers to the owner of the isolated property. A reasonable offer, for the purposes of determining the development application and addressing the planning implications of an isolated lot, is to be based on at least one recent independent valuation and may include other reasonable expenses likely to be incurred by the owner of the isolated property in the sale of the property.”*

Comment: Our client advised Council of the history of this matter, the relevant negotiations and the offers made by our client. This information was contained in the Statement of Environmental Effects lodged with our client’s development application with Council.

*“Thirdly, the level of negotiation and any offers made for the isolated site are matters that can be given weight in the consideration of the development application. The amount of weight will depend on the level of negotiation, whether any offers are deemed reasonable or unreasonable, any relevant planning requirements and the provisions of s79C of the Environmental Planning and Assessment Act 1979.”*

Comment: Our client had obtained two independent valuation reports. These reports assessed the market value of the property at \$960,000.00 and \$950,000.00. The offer made was above the market value, which recognises a premium and is a genuine attempt to address the relevant planning principals.

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We are now instructed to make a final and genuine offer to purchase the property. Our client has obtained updated valuations reports, which are *enclosed* for your information. The reports assess the market value of the property at \$950,000.00 and \$960,000.00.

***Offer to purchase***

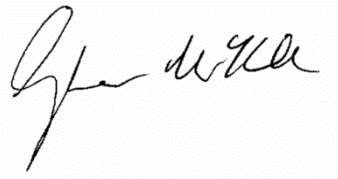
In accordance with the enclosed updated valuation reports, we have received instructions to make a final offer of \$1,056,000.00 for the purchase of 1A Gilba Road, Pendle Hill. This offer, which is \$96,000 above the highest valuation figure will, in our opinion, be determined by the relevant consent authority to be reasonable and appropriate, given the development of the site must remain economically viable when taking into consideration the purchase of the property, as well the additional costs in obtaining approval for a boarding house development.

We request that you consider the offer and respond to this letter within 14 days, being 19 February 2026.

Should you wish to discuss this letter we invite you to call Graham McKee on 0408 240 099.

Yours faithfully

**McKEES LEGAL SOLUTIONS**

A handwritten signature in black ink, appearing to read 'Graham McKee', is written over a light grey rectangular background.

**Graham McKee**  
Principal

Encl.

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