



Planning Proposal

472-520 Pacific Highway, and 95 Nicholson Street,
St Leonards

October 2013

Charter
Hall



LEIGHTON
PROPERTIES

urbis

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TABLE OF CONTENTS

Executive Summary	i
1 Introduction	5
2 Site Analysis	9
2.1 Site Details	9
2.2 Immediate Vicinity	10
2.3 St Leonards Precinct	11
2.4 Broader Regional Context	15
2.5 Opportunities and Constraints	17
2.5.1 Key Opportunities	17
2.5.2 Key Constraints	18
3 Background	19
3.1 NSW Department of Planning Meetings	19
3.2 DPI & Council Meeting	19
3.3 Lane Cove Council Meetings	19
4 A Case for Change	21
4.1 Overview	21
4.2 Changing Nature of St Leonards	21
4.2.1 Decline in Uptake of Commercial Office Space	21
4.2.2 Increasing Focus on St Leonards as A Health Precinct	23
4.3 Satisfaction of Draft Metropolitan Strategy Employment Targets	24
4.4 Site Specific Urban Design Opportunities	26
5 Development Concept	29
5.1 Description of the Development Concept	29
5.2 Land Use Mix	30
5.3 Urban Design	31
5.3.1 View Sharing	33
5.3.2 Shadow Impact	33
5.3.3 Floor Space Ratio	33
5.3.4 Proposed Uses	33
5.3.5 SEPP 65 Compliance	33
5.4 Access and Parking	33
5.5 Voluntary Planning Agreement	34
5.6 Summary of Benefits of the Proposal	34
6 Planning Proposal	37
6.1 Objectives and Intended Outcomes	37
6.2 Explanation of Provision	37
6.3 Land to which the Plan will Apply	38
6.4 Savings Provisions	38
7 Planning Context	39
7.1 Environmental Planning and Assessment Act 1979	39
7.2 Section 117 Directions	39
7.3 A New Planning System for NSW – White Paper	40
7.4 NSW 2021 – State Plan	41
7.5 Metropolitan Plan for Sydney 2036 (December 2010)	41

7.6	Draft Metropolitan Plan for Sydney 2031	42
7.6.1	Five Key Outcomes	42
7.6.2	Central Subregion	46
7.7	Draft Inner North Subregional Strategy	47
7.8	Draft NSW Centres Policy May 2010	48
7.9	Metropolitan Transport Plan	49
7.10	State Environmental Planning Policy 55 (Remediation of Land)	49
7.11	State Environmental Planning Policy (Infrastructure) 2008	50
7.12	Lane Cove Local Environmental Plan 2009	50
7.12.1	Existing Controls	50
7.12.2	Proposed Controls	51
8	Rezoning Justification	53
8.1	Need for the Planning Proposal	53
8.2	Relationship with Strategic Planning Framework	56
8.3	Economic, Social and Economic Impact	60
8.4	State and Commonwealth Interests	60
8.5	Community Consultation	61
9	Conclusion	63
	Disclaimer	65

Appendix A Urban Design Report

Appendix B Economic Impact Assessment

FIGURES:

Figure 1 – Subject Sites	9
Figure 2 – Subject Property Addresses	10
Figure 3 – Residential, Commercial and Mixed Use Sites in St Leonards	12
Figure 4 – Medical Premises in St Leonards	13
Figure 5 – Leases Expiring within 12 Months	14
Figure 6 – Metropolitan Priorities for Central Subregion – Draft Metropolitan Strategy 2031	16
Figure 7 – Concept Master Plan	29
Figure 8 – Indicative Development Sections	31
Figure 9 – Design Concept sketch	32
Figure 10 – Indicative site sketches	32
Figure 11 – St Leonards Strategy 2006: Precinct Plan	57

TABLES:

Table 1 – Summary of Proposed Development Controls	5
Table 2 – TOD Principles and Site Opportunities	17
Table 3 – Jobs by Land-Use	24
Table 4 – Summary of Office FloorSpace	25
Table 5 – Key Indicative Development Concept Components	30
Table 6 – Proposed Controls	37
Table 7 – Section 117 Directions	39
Table 8 – Minimum Job Targets – St Leonards	45
Table 9 – Existing Key LEP Controls	50

TABLE OF CONTENTS

Table 10 – Net Community Benefit Assessment53
Table 11 – Role and Recommendations of Precincts57
Table 12 – Application of State Environmental Planning Policies59

Executive Summary

OVERVIEW

This Planning Proposal request has been prepared by Urbis on behalf of Charter Hall and Leighton Properties (the “Proponent”) seeking to initiate the preparation of a Local Environmental Plan amendment for the land at 472 - 520 Pacific Highway & 95 Nicholson Street, St Leonards.

The purpose of the Planning Proposal is:

- To respond to the long term lack of market and investor demand for commercial office space in St Leonards by introducing new planning controls that will stimulate investment and renewal within the centre.
- To leverage from the sites’ strategic location to enable the development of mixed use buildings that will accommodate retail, commercial and residential uses.
- To provide a Concept Masterplan that responds to Council’s vision for an iconic entry character to the centre that coordinates the planning of major sites within the precinct.

PROPOSED DEVELOPMENT CONCEPT

To assist in conceptualising the character of the envisaged development, an Urban Design Study by Urbis & Sissions Architects has been prepared that would ultimately form the basis of future development applications.

The proposed urban design approach has been to create positive, engaging and legible ‘entrance’ points or ‘gateways’ to St Leonards, and to reinforce St Leonards as a key location as an activity centre through a different building form profile. Consequently, the urban design concepts incorporate the following:

- Active retail ground floor spaces and improved public domain.
- Commercial office space at the lower building levels offered at a discounted rate to encourage new businesses to the centre.
- Residential towers above the commercial podium levels.

The concept incorporates tall narrow towers that allow for:

- A building form with defined podium level and tower component.
- View permeability between buildings.
- Relatively fast moving shadows to minimise any prolonged overshadowing impacts.
- Adequate building setbacks and separation.

In addition, the proposal incorporates an offer from the proponents to enter into VPAs incorporating a monetary contribution that recognises the change in building forms that come with a change of use from Commercial to Mixed Use residential for Council to use at its discretion on capital works projects such as the St Leonards bus interchange project.

PROPOSED LEP AMENDMENT

This Planning Proposal has been prepared to enable the provision of mixed use developments on the subject sites through the preparation of a site specific amendment to Lane Cove LEP 2009. The subject sites are zoned B3 Commercial Core. The proposed outcome will therefore be achieved by amending LEP 2009 as follows:

- Amending the LEP 2009 Land Zoning Map applicable to all subject landholdings to a B4 Mixed Use zone.
- Amending the LEP 2009 Height of Building Map applicable to the Proponent group's landholdings as follows:
 - A maximum permissible height of 135m applicable to 504 Pacific Highway + 95 Nicholson Street.
 - A maximum permissible height of 115m applicable to 486 Pacific Highway.
 - A maximum permissible height of 85m applicable to 472 Pacific Highway.

PLANNING OUTCOMES

In summary, the site will achieve the following key planning outcomes with resultant community benefits:

1. Change in the land use in response to long term market trends that will avoid further commercial vacancies and decline in the grade of building stock by facilitating a more viable land use mix that will positively contribute to the economic vitality and amenity of the centre.
2. The proposal is consistent with State government policy which supports growth within existing centres: The proposal seeks to facilitate redevelopment of land to a mix of uses that capitalise on the strategic position within this specialised centre that is well serviced by public transport. It provides some 4,000sqm of commercial office space incentivised for small/start-up businesses which based on current take up rates represents significant additional supply. In addition, over 2,100sqm of ground floor retail floorspace will be provided and residential towers able to accommodate approximately 910 apartments.
3. A master-planned and collaborative approach to planning a key precinct in St Leonards Specialised Centre: A collaborative process with Council, DPI and the proponent has facilitated the development of a cohesive concept plan with land uses and building scale and layout arrangements that achieve a complementary urban relationship with existing and planned development in the centre.
4. A transit oriented development outcome that incorporates a mix of uses that maximise the access to existing public transport.
5. Reinforcing the viability of St Leonards train station and Council's bus interchange vision: by increasing residential density in close proximity to the station and the planned bus interchange.
6. Improved street activation and pedestrian amenity: The proposal offers the opportunity for greater ground floor activation and permeability. This will strengthen the pedestrian links and permeability of the precinct.
7. Preserved residential amenity to the nearest residential properties on Oxley Street. The design and siting of new buildings has been informed by a comprehensive site analysis to ensure that development will not result in adverse overshadowing, privacy or view loss impacts on existing residential properties.
8. New Housing Opportunities high quality residential offering a diverse mix of housing product that will address the pressure for new housing in accessible locations.
9. Financial commitments from the proponent group through a Voluntary Planning Agreement (VPA) that Council can use toward its vision for the St Leonards bus interchange.

ASSESSMENT

The site has no discernable environmental constraints that would restrict its future development in accordance with this Planning Proposal. Traffic advice prepared by Brown Consulting that will be issued separately to this proposal confirms that the traffic impacts associated with the proposal can be suitably accommodated by the local road network.

Careful consideration has been given to the potential overshadowing impacts of the proposal on existing residential properties to the south. Analysis of the shadow impacts of the proposal has confirmed that compliance with applicable criteria can be achieved; access to sunlight is maintained to existing residential properties to the south between 9.30am and 3pm in mid-winter.

Similarly, view impacts on residential properties on the northern side of the Pacific Highway have been considered in the design of the scheme. Fire regulations, building setback requirements of residential towers will result in smaller floorplate slender towers that allow slot views to become available to properties to the north which would not otherwise be available should a complying development scheme be constructed.

CONCLUSION

Following our extensive analysis of the site and its surrounding context, and the applicable State and local planning policies, we believe there is a clear public benefit of proceeding with this Planning Proposal.

The Planning Proposal supports the State government's current direction of increasing density in major centres and broadening land uses in areas with good public transport and without eroding the primary employment function. Accordingly, the proposal achieves the right balance of uses with over 6,000sqm of commercial (office/retail) space to maintain an employment function while also recognising the benefits of providing residential development to take advantage of the locational and amenity benefits this part of the Centre can provide.

This proposal will not dilute the overarching goal of future employment growth in St Leonards which needs to continue to build on its strengths as a specialised health employment precinct. The proposal will be an investment catalyst to reinvigorate years of stagnation in the centre. It will support Council's bus interchange vision by facilitating positive reinvestment in the centre and through monetary contributions via a VPA for Council to use at its discretion on capital works projects such as the St Leonards bus interchange project.

Therefore we recommend that this Planning Proposal be favourably considered by Council; that Council resolve to forward it to the Department of Planning and Infrastructure to allow the Department of Planning and Infrastructure to consider the Planning Proposal for Gateway Determination under Section 56 of the *Environmental Planning and Assessment Act, 1979*.

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1 Introduction

This Planning Proposal has been prepared by Urbis on behalf of Charter Hall and Leighton Properties (the “Proponent Group”) seeking to initiate the preparation of a Local Environmental Plan amendment for the land at 472 - 520 Pacific Highway & 95 Nicholson Street, St Leonards.

The Planning Proposal includes land known as 500 Pacific Highway and Friedlander Place which are not owned by the proponent group. Given these lands lie between the Leighton Properties and Charter Hall’s landholding they are included in this proposal and recommended for a zoning change to achieve a consistent zoning of the subject lands. No concept design plans have been prepared for these sites and consequently no changes are sought to the existing height and FSR controls, hence this report primarily deals with the landholdings of the proponent group.

This report has been prepared to assist Council in preparing a Planning Proposal for the rezoning of the land in accordance with Section 55 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

The current principal planning instrument for the subject sites is the Lane Cove Local Environmental Plan 2009 and the sites are zoned B3 Commercial Core. ‘Residential flat buildings’ are prohibited in the B3 zone.

Change to the controls through the Standard Instrument LEP process along with declining demand for the existing commercial developments, has led both Charter Hall and Leighton to separately carry out considerable planning, design and market investigations to explore further site opportunities. Despite extensive efforts, the trends of long term lack of tenant and investor demand means that redevelopment of these sites in accordance with the current Lane Cove Council LEP controls is not feasible. Both parties have undertaken discussions with Lane Cove Council to explore other redevelopment opportunities.

The intended outcome of this Planning Proposal is to amend the Lane Cove LEP 2009 to rezone the sites from their current B3 Commercial Core to B4 Mixed Use zone to permit mixed use development on the site as follows:

- Residential flat building: Approximately 910 units.
- Retail premises: Approximately 2,150sqm of retail space.
- Office premises: Approximately 4,000sqm of office space.

‘Residential flat buildings’ and ‘commercial premises’ (including office premises and retail premises) are all permitted in the B4 Mixed Use zone. An evidenced based approach has been adopted in pursuing the rezoning to allow mixed use development relying upon detailed economic research to support the broader land use opportunity but one which will not derogate against state, regional or local strategies.

The height controls of the site are also proposed to be amended to accommodate appropriate mixed use development on the site which protects views and solar access to surrounding land.

Accordingly, this Planning Proposal has been prepared to enable the provision of mixed use development on the subject site through an amendment to the Lane Cove LEP 2009. The proposed controls are shown in Table 1.

TABLE 1 – SUMMARY OF PROPOSED DEVELOPMENT CONTROLS

PROPERTY	PROPOSED ZONING	PROPOSED HEIGHT	PROPOSED FSR
504 Pacific Highway + 95 Nicholson Street	B4 Mixed Use	135m	No change
486 Pacific Highway (Tower 1)	B4 Mixed Use	115m	No change

PROPERTY	PROPOSED ZONING	PROPOSED HEIGHT	PROPOSED FSR
472 Pacific Highway (Tower 2)	B4 Mixed Use	85m	No Change
500 Pacific Highway	B4 Mixed Use	No change	No Change
Friedlander Place	B4 Mixed Use	No change	No Change

The proposed rezoning will facilitate development which:

- Reflects the changing nature of the St Leonards precinct and potential for its focus as a key health precinct accommodating smaller scale office based health businesses in support of the Royal North Shore Hospital, North Shore Private Hospital and the Mater.
- Provides a proposal which responds to the long term lack of market and investor demand for commercial office space in St Leonards.
- Increases mixed use development on the subject sites without impacting on the achievement of overall employment targets.
- Facilitates development activity in St Leonards, supporting the diverse mixed use nature of the precinct.
- Leverages the site location which demonstrates consistency with transit oriented development (TOD) principles, being proximate to rail and bus networks which provide high levels of accessibility for residents to the broader metropolitan area.
- Acts on the opportunity to invigorate the precinct south of the Pacific Highway and east of the railway station.
- Provides opportunities for improvement in the wider public domain, as well as providing active uses at the ground floor level within the subject sites.

This Planning Proposal has been prepared having regard to the NSW Department of Planning and Infrastructure's (DPI) 'A guide to preparing Planning Proposals' and 'A guide to preparing local environmental plans' and provides the following:

- Description of the subject sites and context.
- Indicative site plans showing sufficient detail to indicate the effect of the proposal.
- Statement of the objectives and intended outcomes of the proposal.
- Explanation of the provisions of the proposal.
- A case for change detailing the need for development to respond to the changing character of St Leonards.
- Summary of the justification of the proposal.

The Planning Proposal is supported by the following documentation:

- Urban Design Report prepared by Urbis and Sissons Architects (**Appendix A**)
- Economic Impact Assessment prepared by Urbis (**Appendix B**)

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2 Site Analysis

2.1 SITE DETAILS

The sites which are the subject of this Planning Proposal are known as 472 - 520 Pacific Highway and 95 Nicholson Street, St Leonards. The properties are presently developed and utilised as multi storey commercial towers, fronting the Pacific Highway as follows:

- 472 Pacific Highway: A six storey commercial building in the single ownership of the Leighton Group Companies and is legally known as Lot 1 in DP628513. The site area is approximately 2,663sqm.
- 486 Pacific Highway: A six storey commercial building that is strata titled and owned wholly by Leighton Group Companies (SP73071). The site area is approximately 2,663sqm.
- 500 Pacific Highway: A six storey commercial building in strata ownership (SP82937).
- 504 - 520 Pacific Highway and 95 Nicholson Street: A ten storey commercial building and four storey commercial building that are owned wholly by Charter Hall and legally described as Lots 2-6 in Section 17 in DP3175. The site area is approximately 1,920sqm.
- Albany Street (known as Friedlander Place): A pedestrian way linking the Pacific Highway with Nicholson Street to the south. This site is owned by Lane Cove Council and is legally known as Lot 1 in DP1179636.

The following map shows the sites' locations. The sites form a contiguous land parcel and natural 'precinct' bound by Pacific Highway to the north and are on the border of the Lane Cove Local Government Area (LGA).

FIGURE 1 – SUBJECT SITES



 The site

The sites are bound by the Pacific Highway to the north and north east, Nicholson Street to the south and south west, a five storey commercial building immediately to the west and a six storey commercial building to the west.

FIGURE 2 – SUBJECT PROPERTY ADDRESSES



The buildings to the west and south west (69 Christie Street) are strata lots with fragmented ownership. The site to the north west (524 Pacific Highway) is owned and occupied by Telstra as a telephone exchange which is unlikely to be redeveloped in the short to medium term. Accordingly, these sites create a natural boundary edge for the precinct.

2.2 IMMEDIATE VICINITY

The sites are located on the boundary of the Lane Cove LGA and are immediately adjacent to the North Sydney LGA on the northern side of the Pacific Highway and Willoughby LGA in close proximity to the north west.

Other buildings on the southern side of the Highway in this locality are multi storey and commercial in nature. Fronting the Pacific Highway opposite the sites to the north are relatively new mixed use (primarily residential apartment) buildings. A pedestrian plaza has been formed between the termination of Albany Lane and the Pacific Highway.

2.3 ST LEONARDS PRECINCT

The sites are at the eastern gateway of the St Leonards centre which is a mixed use centre on the lower north shore of Sydney. The land use character of St Leonards presents a mix of medical services, newly constructed mixed use commercial/residential buildings (with a significant number of recently approved mixed use developments currently under construction or soon to be constructed on the North Sydney LGA side of Pacific Highway) and older B and C grade commercial office stock.

St Leonards is dissected east-west by the Pacific Highway and north-south by the North Shore Railway Line which separates the current land uses which consist of:

- Transport: The St Leonards station is on the North Shore Line.
 - The subject sites are within 300 metres walking distance to St Leonards rail station.
 - The railway network links St Leonards to four primary employment districts; Macquarie Park, Chatswood, North Sydney, and Sydney CBD.
 - Research undertaken by Urbis has revealed that St Leonards station offers access to more jobs within a 20 minute commute than any other place in Australia.
- Education and Medical:
 - The Royal North Shore Hospital (RNSH), North Shore Private Hospital and the Northern Sydney Institute of TAFE are located in the north west of St Leonards centre, attracting a range of health and associated tenancies both on the hospital site and throughout the centre.
 - The Mater private hospital is also located in close proximity.
- Commercial:
 - Fronting the Pacific Highway and west of the railway line is a fringe of low grade commercial office buildings (one block deep).
 - A more focused commercially zoned precinct is located south of the highway and east of the railway line and is characterised by a mix of commercial buildings, medical and allied health premises, along with a hotel and some residential apartments.
- Mixed use: The north eastern portion of St Leonards is undergoing a change in character from commercial to mixed use with a number of recent constructions and building approvals for multi storey residential apartments above one and two storeys of retail/commercial space fronting the street.

A land use survey of the precinct has informed the following mapping exercises at Figure 3 to Figure 5 demonstrating the location and range of uses in the centre. In summary, the figures show the following:

- A large number of mixed use developments north of the Pacific Highway.
- Residential development to the south of the subject sites.
- Commercial development throughout the St Leonards precinct. What is not shown is the emerging Gore Hill technology Park at 219-247 Pacific Highway.
- Retail uses located along the Pacific Highway.
- A high proportion of medical land uses or medical land holdings including on the subject sites.
- Notably, Figure 5 shows a high commercial vacancy rate including leases which are up for renewal in the next 12 months. This represents a current day snapshot that needs to be considered in the broader context of increasing vacancies and stagnation of new office development as detailed in the Urbis Economic Assessment in **Appendix B**.

FIGURE 3 – RESIDENTIAL, COMMERCIAL AND MIXED USE SITES IN ST LEONARDS

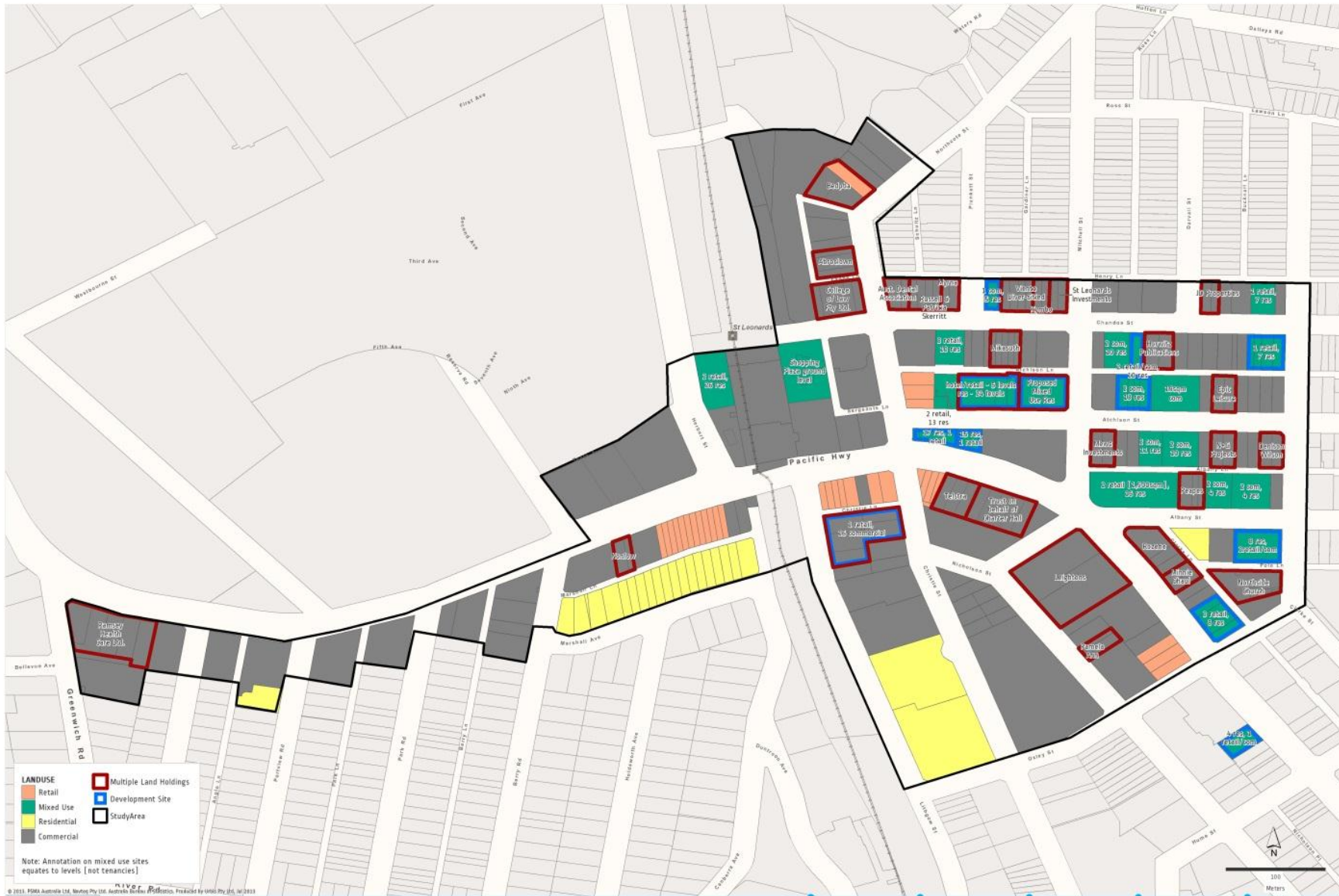


FIGURE 5 – LEASES EXPIRING WITHIN 12 MONTHS



2.4 BROADER REGIONAL CONTEXT

St Leonards is located 6km north of the Sydney CBD and is one of a number of major centres located on the North Shore of Sydney. The centre is in close proximity to the commercial centres of North Sydney, Chatswood and Macquarie Park. St Leonards is located within the Central Subregion of the Draft Metropolitan Strategy 2013 which identifies the following priorities for these centres (as shown in Figure 6):
























- St Leonards as a Specialised Precinct Office Cluster.
- Sydney CBD and North Sydney as part of Global Sydney.
- The Major Centre of Chatswood.
- Macquarie Park Business Park as a Specialised Commercial Office and Employment Precinct.

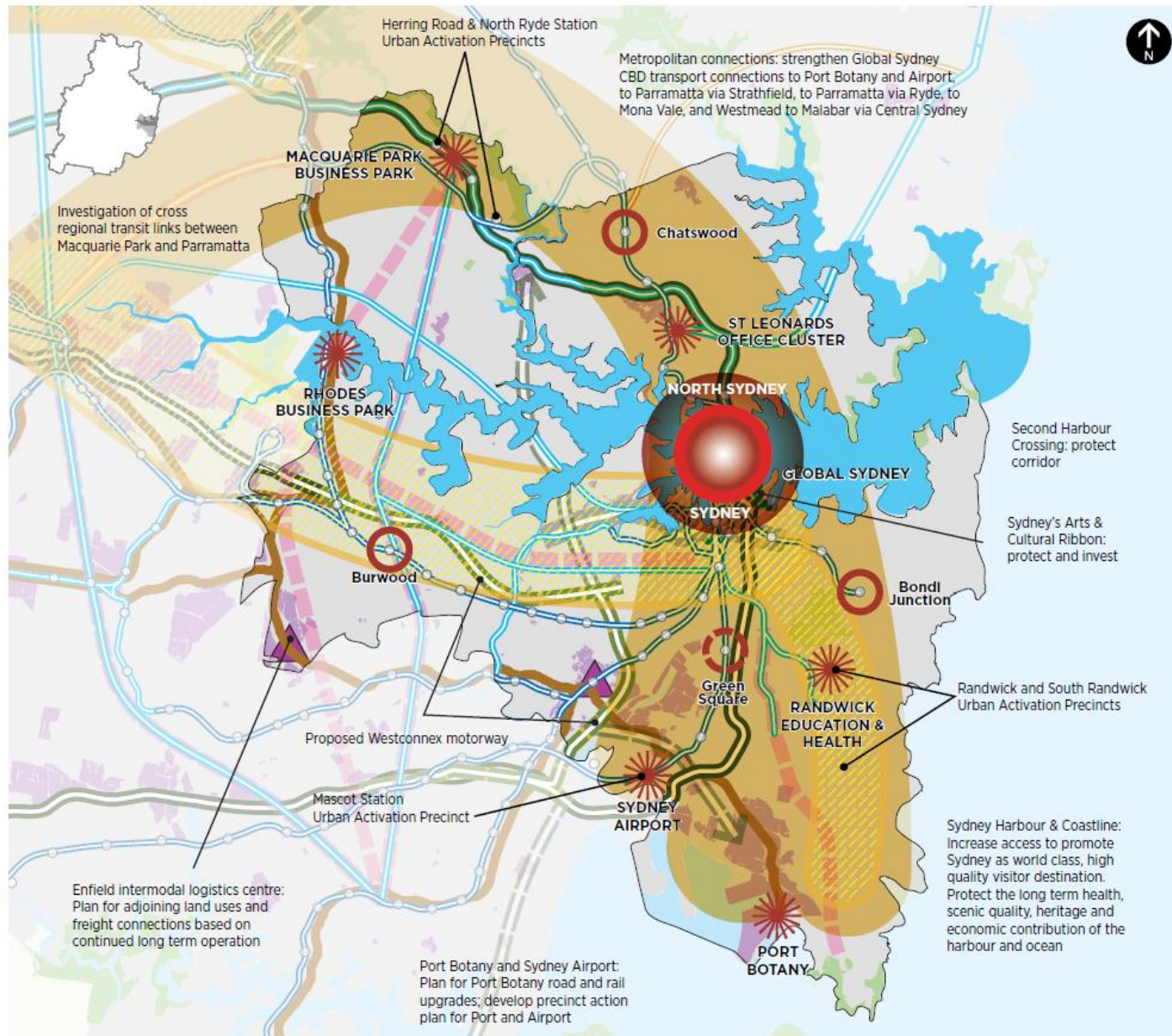
These centres have been identified as being within the Global Economic Corridor (GEC) which is the area of focus for '*both currently funded and commenced projects and future projects*'. The purpose of the GEC is to boost productivity on the back of increased job densities and greater capacity for additional employment.

The location of these centres in close proximity to each other demonstrates the high level of competition to accommodate these additional jobs and commercial and residential development.

FIGURE 6 – METROPOLITAN PRIORITIES FOR CENTRAL SUBREGION – DRAFT METROPOLITAN STRATEGY 2031

Metropolitan Priorities for Central Subregion

-  **GLOBAL SYDNEY**
-  Major Centre
-  Major Centre – Planned
-  Specialised Precincts
- City Shapers**
-  Global Economic Corridor
-  Parramatta Road Corridor
-  Anzac Parade Corridor
-  Sydney Harbour
- Transport**
-  Motorways – Existing Network
-  Motorways – Potential Expansion
-  Motorways – New Motorways
-  Mass Transit – Current & Committed
-  Mass Transit – Intermediate
-  Investigation for Transport & Urban Renewal
-  Potential Extension for Transit
-  Freight Rail
-  Intermodal Terminal
-  Railway Station
- Urban Area**
-  Metropolitan Urban Area
-  Industrial Land
- Environment**
-  National Park / Nature Reserve / State Conservation Area
-  Waterbody / River / Reservoir
-  Regional Park



2.5 OPPORTUNITIES AND CONSTRAINTS

As with most urban redevelopment sites, the subject land is influenced by a wide variety of opportunities and constraints which have been considered in the site analysis and concept design and are documented in detail below.

2.5.1 KEY OPPORTUNITIES

One of the key opportunities on the sites is the ability to utilise Transport Orientated Development (TOD) principles. TOD is a planning concept that promotes high quality, medium to high density mixed use development within a ten minute walk of established or planned rail and bus way stations (a radius of about 800 metres).

The attributes and opportunities presented by the site demonstrate many of the TOD principles which should be utilised by future development as shown in Table 2.

TABLE 2 – TOD PRINCIPLES AND SITE OPPORTUNITIES

TOD PRINCIPLES	KEY SITE OPPORTUNITIES
<p>Density: Supporting transport use by providing good connections to the station and activating surrounding uses.</p>	<p>The sites are within 300m of the St Leonards railway station. They border the transport corridor and bus route along the Pacific Highway and are proximate to the proposed future bus interchange facility.</p>
<p>Housing Choice: Allowing people to remain (age) within the same location and allows the nature of the community to develop over time.</p>	<p>The subject sites have the ability to increase housing availability and choice within the area through provision of a range of apartment sizes.</p>
<p>Mix of Uses: Integrating quality retail, community facilities and other services which ensure commuters and residents of nearby suburbs utilise local services.</p>	<p>Mixed use development will make efficient use of existing services and infrastructure in this inner city location, and will provide sufficient housing to help meet the infill housing targets and reduce the need for land release on the metropolitan fringe for a commensurate number of dwellings. It will also provide an opportunity to accommodate retail premises to complement the existing retail offer in the locality.</p>
<p>Walkable Streets: Directly connecting local destinations to transport hubs.</p>	<p>Pedestrian access from the sites to transport and key facilities and services within St Leonards is available by:</p> <ul style="list-style-type: none"> ▪ Ease of access to railway station. ▪ A variety of public transport option links including the Sydney orbital network, Pacific Highway and the North Shore Rail Line. ▪ Proximity to the proposed transport interchange at St Leonards railway station. ▪ Location in close proximity to assets such as Royal North Shore Hospital, TAFE, Artarmon Industrial Area and Gore Hill Technology Park, a number of high schools and private secondary schools. <p>The proposal offers the opportunity for greater ground floor activation and permeability. This will complement any improvements that may be made to the broader public domain by Lane Cove Council in the future.</p>

TOD PRINCIPLES	KEY SITE OPPORTUNITIES
<p>Strong Public Realm: For safe, comfortable, varied and attractive places that offer opportunities for meeting people, gathering in public places. Places need to be easy to get to and integrated physically and visually with their surroundings.</p>	<p>There are a number of public open space areas close to the subject sites including the recreational facilities such as Gore Hill Park and Newlands Park.</p> <p>The proposal offers the opportunity for improved amenity and expanded ground floor activation and permeability.</p> <p>The sites offer opportunity to increase vibrancy in and around the St Leonards Station precinct area.</p>
<p>Travel Choices: Give transit a high priority by enabling it to operate on dedicated or high-priority routes and consider supporting transport options to rail.</p>	<p>St Leonards is highly serviced by frequent rail and bus public transport infrastructure, providing excellent linkages to the key centres of the Central Subregion including City, Chatswood, lower north shore and greater metropolitan Sydney.</p>

2.5.2 KEY CONSTRAINTS

The site has the following key physical constraints which have been analysed and addressed in the preparation of the design concept for the sites. The constraints are identified as follows:

- View Corridors
 - The need to provide for a built form which appropriately responds to the existing view corridors from St Leonards to Sydney CBD and Sydney Harbour.
- Solar Access
 - The need to protect solar access to existing surrounding residential development.
- Topography
 - There is an established stepped topography between the Pacific Highway and Nicholson Street which provides the opportunity for secondary access to car parking.
- Vehicular access
 - Vehicular movement to and from the site area is constrained by the Pacific Highway to the north and east and the railway corridor to the west.
 - There is no vehicular access to the site directly from the Pacific Highway.
- Pedestrian access
 - Friedlander Place provides access from Nicholson Street to Pacific Highway however this path is underutilised given the quality of the existing environment.
 - There is no direct access to the site from Nicholson Street.
- Noise
 - Residential development is required to respond to noise which comes primarily from high volumes of traffic on Pacific Highway.

3 Background

3.1 NSW DEPARTMENT OF PLANNING MEETINGS

A number of meetings have been held with the NSW Department of Planning and Infrastructure (DPI) in respect to the subject Planning Proposal.

- 14 June 2013 – meeting with DPI (Juliet Grant and Sandy Shewell) and Lane Cove Council staff (Craig Wrightson, Michael Mason and Stephanie Bashford) to introduce the substance of the joint Planning Proposal to DPI, and for Council staff to confirm their willingness to work constructively with the proponent. DPI acknowledged the complexities of the centre from a planning and market demand perspective and encouraged the proponent to prepare a comprehensive application to support the case for rezoning to assist their assessment against the Metropolitan Strategy goals and objectives.
- 8 October 2013 – meeting with DPI (Daniel Keary and Sandy Shewell) and Lane Cove Council staff (as above) to outline the content and approach to the Planning Proposal and provide a briefing on the background and key drivers of the Planning Proposal. DPI confirmed the proposed package of information intended to support the rezoning request was at the depth required for them to have a broader subregional centre consideration and that this will be important to assist in the LEP Panels gateway assessment.

3.2 DPI & COUNCIL MEETING

- We understand that following our meeting with DPI, that a meeting was convened by DPI with Lane Cove, North Sydney and Willoughby strategic planning staff to discuss a range of matters relevant to St Leonards including current development activity, significant proposals such as this project, market conditions and how this information will inform current and future subregional planning.

3.3 LANE COVE COUNCIL MEETINGS

Representatives from both Leighton Properties and Charter Hall each have had several separate meetings with Council staff over the last 18 months discussing various issues and commercial redevelopment plans for their respective assets.

After both Leightons and Charter Hall separately engaged Urbis to providing town planning advice for their respective properties it was agreed by both clients that a joint planning proposal be submitted to provide a more holistic perspective in part of the centre.

Subsequently, a number of meetings have been held with staff and Councillors of Lane Cove Council. In Summary:

- 12 August 2013 – Formal PowerPoint presentation to Lane Council Councillors that included details of the draft concepts and strategy position behind the planning proposal.
- 12 September 2013 – follow-up meeting following the Councillor presentation to gain formal feedback from the Council staff on the proposal.
- 23 September 2013 – discussion with Council staff regarding technical inputs required to support the Planning Proposal, namely traffic generation and car parking rates.
- 17th October 2013 – Formal briefing of the General Manager, Director of Planning and Manager of Strategic Planning prior to lodgement.

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4 A Case for Change

4.1 OVERVIEW

The proponents land holdings were subject to changes in controls through the Standard Instrument LEP process and adopted at the gazettal of the Lane Cove LEP 2009. These related to height and density controls which resulted in uplift in the development potential from that which currently exists and which was previously achievable under the former Lane Cove LEP 1987.

The new LEP controls adopted in Lane Cove LEP 2009 prompted both Charter Hall and Leighton Properties to separately carry out considerable planning, design and market investigations to explore the potential of the increased built form controls and uses on the site. After independently examining ways to develop their respective land holdings, both parties concluded that even with the increased development potential on their respective sites, it would be unviable to seek DA approval to redevelop them to take advantage of the extra floorspace given the consistent decline in market demand for new office space in St Leonards.

This consequently led to both parties to engage in further discussions with Lane Cove Council to explore other redevelopment opportunities as the reality of providing a significant quantum of commercial floor space is not economically viable now or in the foreseeable future due to the lack of tenant and investor demand.

The strategic merits of rezoning the land to facilitate a wider mix of uses compared to that allowed under the current B3 Commercial Core zone was then explored along with the potential alignment with the strategic planning policy to support such a change.

The following sections detail the existing development environment in St Leonards which shape future built form on the site and has been informed by the following:

- Economic Impact Assessment.
- Urban Design Analysis.
- Traffic, Access and Parking Assessment.

4.2 CHANGING NATURE OF ST LEONARDS

4.2.1 DECLINE IN UPTAKE OF COMMERCIAL OFFICE SPACE

A shift in commercial market preference from St Leonards to other key centres within the Global Economic Corridor (including Macquarie Park and North Sydney) has caused a decline in take up rates of commercial floorspace in St Leonards over the last 10 years

Changes in market preference in relation to commercial floor space have resulted in a decline in uptake of floorspace within St Leonards as follows:

- Market analysis has shown that there is a consistent long term trend for lack of tenant and investor demand in St Leonards. This includes a lack of demand for newly approved A grade office space such as the July 2011-approved Winton commercial development at 88 Christie Street in proximity to the site which has not commenced construction.
- St Leonards is a diminishing office market that is no longer perceived as an attractive office location. Tenants are specifically choosing to locate in other centres rather than St Leonards, including:
 - Leighton Holdings and its subsidiaries recently agreed to consolidate its various offices in 11 different buildings into a new North Sydney office development rather than re-develop their own site because the company felt St Leonards was not an office based centre.

- IBM will be partially relocating its operations out of their building at 601 Pacific Highway in late 2013 to their Pennant Hills office.
- NSW Health we understand just renewed its office lease in North Sydney on a long term basis rather than relocate to St Leonards where they own land.
- The location, pricing and quality of commercial floorspace in St Leonards is currently not able to compete with Macquarie Park and North Sydney. Macquarie Park is able to provide purpose built commercial and larger floorplates to meet individual tenant needs at generally lower rents than St Leonards. North Sydney is identified as part of Global Sydney and holds a higher esteem in terms of a commercial head office location.
- Redevelopment of many B and C grade office space sites within the Mixed Use zone (within North Sydney LGA side on the centre) for multi storey mixed use residential developments is changing the land use character, and ultimately role of St Leonards Centre. This further demonstrates that the existing commercial floorspace is not meeting the market's expectation for quality of product or floorspace demand.

It is recognised that a balance between commercial and residential floorspace in St Leonards needs to be provided to ensure ongoing commercial/jobs focus in the Precinct. However:

- There has been a long term declining tenant and investor market demand for occupation and development of new high rise commercial office space in St Leonards, in the scale contemplated under the Lane Cove LEP 2013. Redevelopment of these sites for a higher proportion of commercial floorspace is therefore not viable having regard to the historical trends and forward market projections.
 - 88 Christie Street: An 18 storey Commercial office building approved under Part 3A in 2011 providing 32,599sqm GFA with large floor plates. Despite the approval and high quality of development this project has not commenced as, consistent with the long-term trend, there has been insufficient tenant demand for the project to proceed to date.
 - 472-486 Pacific Highway, St Leonards: Leighton Properties have been in discussions with Council with regard to a potential 40,000sqm campus style office development over two towers. Consistent with the long-term trend, there has been insufficient tenant demand for the project.
 - 207 Pacific Highway, St Leonards: This was the last large scale office development in St Leonards, providing 20,000sqm of commercial and retail floorspace within two towers adjacent to the station in St Leonards centre. This building was constructed by Charter Hall over 10 years ago.
- Conversely, there is a high demand in this location for residential accommodation. While some commercial development would be retained within the precinct, the change to a more residential focussed development better reflects market demand and enables more widespread benefits within the centre and for the structure of Sydney.

Fragmented ownership, lower quality office space and smaller office floor plates are a barrier to the success of the St Leonards office market. Competing commercial centres are increasingly attracting traditional commercial/office based industry sectors and tenants

While the commercial property boom in the 1970s and 1980s established the commercial precinct of St Leonards, aided by its access to the railway station, the market for commercial development is now limited through the following:

- Approximately 53% of the St Leonards office stock is now classified as C-D Grade, and is limiting continued attraction of investment in new office developments or major refurbishments.
- Fragmented ownership and stratification of office stock within St Leonards presents a barrier to redevelopment of lower grade office stock to provide the market with the floor plate/size of product being sought in other centres.

- The price point for asking rents is not competitive with other suburban centres, such as Macquarie Park / North Ryde which combines affordable rental rates with higher grade stocks and larger floor plates affecting the St Leonards office market's ability to attract key anchor tenants that underpin new commercial developments.

Removal of office space on the northern side of the Pacific Highway (north Sydney Council Area) has artificially reduced the vacancy rate figures for St Leonards as commercial office space is removed from the market and converted to predominantly residential buildings. Despite this, St Leonards has retained double-digit vacancy rates over time.

4.2.2 INCREASING FOCUS ON ST LEONARDS AS A HEALTH PRECINCT

There is potential to focus the St Leonards Specialised Centre on provision of health services, with the majority of jobs to meet the Metropolitan Strategy target of 8,000 to 2031 being provided in this sector

St Leonards has a significant health focus due to the presence of the only Tertiary hospital on the North Shore and one private hospital (NSPH) with another close by at Crows Nest (The Mater). There is a significant utilisation of commercial space within the centre for health related purposes (medical centres and specialist consulting rooms), which is so located to take advantage of proximity to the hospitals.

Health is one of the fastest growing employment sectors in NSW, and it is considered that St Leonards will continue to support employment in this sector through the utilisation of space for health and allied purposes. The ongoing redevelopment of RNSH earmarks land on this site for the purpose of health related employment. Approximately 73,000sqm of specialised commercial space has been approved in principle for health related employment on the RNSH campus. The shift in focus away from traditional commercial premises can be facilitated by a westward shift in employment location, centred around the railway station and RNSH, ideally placing those sites on the western periphery for mixed use development.

Office based health businesses will seek specialised office space in close proximity to health services and facilities.

Based on Bureau of Transport Statistics (BTS) forecasts, if the Draft Strategy target is to be met there will be an additional 3,980 health care and social assistance jobs within the St Leonards Specialised Centre by 2031. Urbis estimates that approximately 400 of these will be office based health jobs. This approximately equates to between 6,000 and 8,000sqm in commercial space that will ideally be co-located with health services. This agglomeration effect is a feature of other health services hubs such as the Westmead Health specialised centre.

Long-term demographic drivers will result in St Leonards being primarily a health centre servicing an ageing demographic base.

The lower North Shore (Willoughby, Lane Cove, North Sydney and Mosman LGAs) residents' age profile will change significantly between 2011 and 2031. The Retiree (65+) age group will grow from 13% to 17% of the resident population between 2011 and 2031 compared to the working age which is expected to increase by 8.4% over this period.

The net result of this is a smaller workforce driving economic production, and a larger proportion of retirees driving age related demand for health care sector services. Royal North Shore Hospital will be the focus for the services and therefore will be the focus of employment growth.

4.3 SATISFACTION OF DRAFT METROPOLITAN STRATEGY EMPLOYMENT TARGETS

Increased mixed use development on the subject site will not hinder the centre's achievement of overall employment targets

There is sufficient land towards the western portion of St Leonards Centre, focussed around the Railway Station and RNSH site to accommodate the anticipated increase in employment growth, including that related to both health and traditional commercial office use. The commercial office market is currently in declining demand and it is considered that a more concentrated commercial core centred around the railway line would more than adequately cater to the future demand for commercial tenancies in this location.

The proportion of office based employment under the Draft Strategy jobs growth targets will be sufficiently accommodated in existing or approved developments

Between 2011 and 2031 the Draft Strategy targets the growth of 8,000 additional jobs within the St Leonards Specialised Centre.

Urbis has estimated that, based on BTS industry forecasts, if achieved, this jobs target will be located in the following land-use/floorspace categories:

TABLE 3 – JOBS BY LAND-USE

LAND USE	JOBS GROWTH (2011 TO 2031)
Industrial	-354
Office	3,882
Retail	412
Education	322
Health	3,582
Other	307
Off-Site	-160
Home	8
Total	8,000

Source: Bureau of Transport Statistics 2012; Urbis

If this target is achieved the 3,882 office based jobs would result in demand for between 58,200 and 77,600sqm of additional office floorspace, based on an employment to floor space ratio of between 15 and 20sqm per employee.

- According to the Property Council of Australia's (PCA) January 2013 Office Market Report (OMR) St Leonards has approximately 368,596sqm of existing office floor space. With a vacancy rate of 12%, vacant floor space equates approximately to 44,231sqm. In addition to vacant stock there is a pipeline of approved commercial developments with a total of 73,052sqm office space.

- The combination of existing vacant stock and proposed commercial floorspace will be sufficient to accommodate the employment growth targeted by NSW Government's draft Metro Strategy. The withdrawal of the subject sites at 504, 472 & 486 Pacific Highway and 95 Nicholson Street equates to 21,547sqm of office space and will not result in a deficit in office supply.

TABLE 4 – SUMMARY OF OFFICE FLOORSPACE

	OFFICE FLOOR SPACE SQ.M
Vacant Existing Floor Space	44,231
Proposed Commercial Developments	73,052
Withdrawal of 504, 472 & 486 Pacific Highway	- 21,547
Existing and Approved Supply	95,736
Demand for Office Floor Space (by 2031)	58,200 – 77,600
Surplus/Deficit (by 2031)	18,100 – 37,500

Source: BTS 2012; draft Metro Strategy; PCA Office Market Report January 2013; Urbis

This does not take into account proposed/planned commercial developments that have not yet received development approvals such as the RNHS redevelopment or the expansion of the forum south of Pacific Highway that could yield office floorspace beyond the identified approved pipeline.

Based on the current redevelopment for the precinct, relocation of much of the health services into the new Clinical Services building on RNSH will allow for potential redevelopment of existing health services buildings into commercial development to support health related business and services.

Estimated historic employment growth does not validate expected employment growth in the Draft Strategy. The future expansion of the RNSH in would in part change this.

While this assessment tests the targeted jobs growth for the St Leonards Specialised Centre outlined in the Draft Strategy, historic low absorption rates indicate historic low demand for new office space within the St Leonards CBD. Since January 2003 only 18,611sqm of new office space has been taken up by the market, which equates to 1,861sqm per annum over the last 10 years.

Based on Urbis employment to floor space benchmarks this is estimated to have approximately accommodated between 150 and 200 jobs per annum, aggregating to 930 to 1,240 new office jobs over the last 10 years.

This is reflected in the lack of tenant pre-commitments to the proposed commercial developments identified within the St Leonards centre discussed previously. Given the historically low absorption rate, it indicates that office development is unlikely to be the key driver of employment growth, whereas health based employment will be the largest driver. This aligns with the RNSH redevelopment which in addition to an expansion of health services will increase potential commercial development capacity by approximately 9,530sqm.

4.4 SITE SPECIFIC URBAN DESIGN OPPORTUNITIES

The site is ideally located for residential development demonstrating consistency with TOD - principles being proximate to rail and bus networks which provide high levels of accessibility for residents to the broader metropolitan area

The subject precinct is within 300m walking distance of St Leonards Railway Station and bus stops on the Pacific Highway which provide frequent public transport links to the broader metropolitan area. High levels of accessibility are afforded to:

- Multiple employment centres including Chatswood, Sydney CBD, North Sydney and Macquarie Park.
- Educational facilities such as Macquarie University, University of Sydney and UTS.
- Destination retail and entertainment facilities.
- Access via the rail network is supplemented by bus services across the north shore and into the city.

The site's proximity to transport and ease of access to the wider metropolitan region will go a long way to reducing dependence on cars for journey to work travel and also for recreational travel for residents of the precinct. Urbis research undertaken revealed that St Leonards Station offers access to more jobs within a 20 minute commute than any other location in all of Australia.

Building massing analysis shows that the height and FSR contemplated for the land can achieve building forms that accommodate a significant number of residential dwellings without adversely impacting views from or solar access to surrounding residential sites

Substantial analysis has been undertaken on a precinct basis (urban design) and site basis (architecture) to understand the potential impacts of the proposed building forms. This has informed the height controls being sought for the sites. The design principle is to create a positive, engaging and legible 'entrance' point or 'gateway' to St Leonards, and to reinforce St Leonards as a key location as an activity centre.

The design principles facilitate view sharing, in particular southern views to Sydney CBD and the Harbour and northern views to Chatswood and Macquarie Park, and also ensure sufficient solar access is maintained to the surrounding residential neighbourhood south of Oxley Street. This is achieved through towers that allow for:

- View permeability.
- More narrow shadow bands that improve shadow impacts on any individual property.

The Urban Design Report at **Appendix A** shows that the increased height but slender building forms promote view sharing across the sites from residential buildings to the north of the Pacific Highway. Presently the built form controls completely block any opportunity for southern views from buildings such as Abode at 599 Pacific Highway. By elongating the building forms, view lines are afforded to Abode and other residential dwellings at lower levels where they would not currently be available.

- **The proposed shadows cast from the indicative built forms track generally along Oxley Street with a minimum of 4 hours of direct sunlight provided to each residential zone between the hours of 9.00am and 3.00pm at midwinter.** Late afternoon shadows between 2.00pm and 3.00pm track along the commercially zoned Pacific Highway edge with limited impacts upon residential amenity. This analysis demonstrates that the indicative concept provides for built form that ensures that the existing residential neighbourhoods achieve in excess of the minimum 3 hours of solar access between 9am and 3pm in mid-winter.

The proposal offers an opportunity to invigorate the precinct south of the Pacific Highway and east of the railway station through improved public domain treatment

A mixed use development on the subject sites will create an iconic entry character to St Leonards when approaching via the Pacific Highway from the east.

The sites offer the ability to provide an improved and activated public realm that could incorporate a variety of publicly accessible places for visitors and residents. Retail activity that is street-based will be encouraged through positive frontages to primary streets and movement routes, minimum or zero setbacks to these streets, and high quality public realm design which encourages pedestrian movement.

The proposal will help create opportunities for a visual connection between the precinct and the Mitchell Street pedestrian plaza on the northern side of the Pacific Highway, helping to create a sense of place surrounding this busy intersection.

Friedlander Place has the potential to be improved as a plaza that can be fully integrated as part of the ground level plan for the precinct, but we recognise that Lane Cove Council as owner of the land may prefer an alternative outcome.

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5 Development Concept

5.1 DESCRIPTION OF THE DEVELOPMENT CONCEPT

This Planning Proposal seeks to amend the Lane Cove LEP 2009 to support mixed use development on the site and will support the subsequent lodgement of Development Applications (DAs) for construction and use of these developments.

The future mixed use development concept will include lower floor commercial and retail uses with residential apartments in a tower forms above. It is noted that the concepts detailed below are indicative and do not intend to lock in design or yield. The future development concept facilitated by the Planning Proposal will:

- Provide a range of housing options.
- Deliver appropriately sized and supported commercial space relevant to the St Leonards market.
- Provide local retail stores, cafes and services, to promote greater ground plane activation and services in the immediate St Leonards area.
- Provide public domain that encourages improved walkability and vibrancy.
- Encourage uses which operate during evening and early morning hours in activity centres, such as cafes and restaurants, cinemas, community facilities.
- Improve the patronage of public transport services and the integration of public transport services by developing high-density housing proximate to existing transport infrastructure.

FIGURE 7 – CONCEPT MASTER PLAN



5.2 LAND USE MIX

The planning proposal seeks to rezone the subject land to B4 Mixed Use to facilitate future mixed use development on the site. Development concepts have been prepared for sites at 472-486 Pacific Highway, 504 Pacific Highway and 95 Nicholson Street and are summarised as follows:

504 Pacific Highway and 95 Nicholson Street (Charter Hall)

The design concepts are for retail use at ground floor with commercial at levels 1 and 2 with residential units in levels 3-37 of the tower.

472-486 Pacific Highway (Leighton Properties)

The design concepts are for two towers as follows:

- Tower 1: Providing retail use at ground floor and commercial within the lower two levels of the tower, with residential units in levels 4 - 34 of the tower.
- Tower 2: Providing ground floor retail with residential units on levels 2 - 23 of the tower.

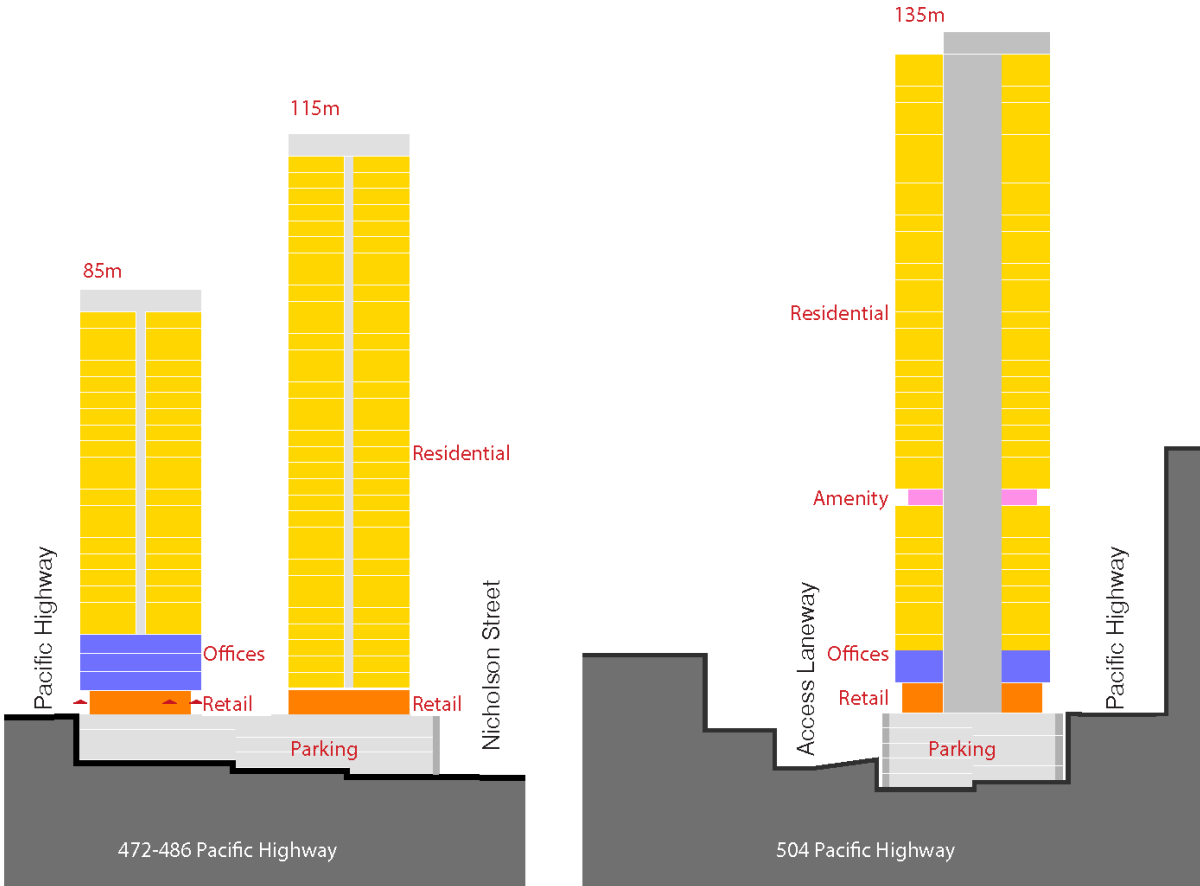
The key components of the design concepts are provided in Table 5.

TABLE 5 – KEY INDICATIVE DEVELOPMENT CONCEPT COMPONENTS

KEY PROPOSED DEVELOPMENT COMPONENTS	472 & 486 PACIFIC HIGHWAY (LEIGHTON)		504 PACIFIC HIGHWAY + 95 NICHOLSON ST (CHARTER HALL)	TOTAL
	Tower 1	Tower 2		
Height	115m	85m	135m	
FSR	10:1:1 (across both land parcels) (permitted FSR 12:1)		17:1 (permitted FSR 17:1)	
Indicative Apartment Yield	520		390	910
Total GFA	49,860sqm		32,545	82,405sqm
Indicative Residential GFA	46,110sqm		30,195	76,305sqm
Indicative Retail/Office GFA	3,750sqm (7.5% of total GFA)		2,350sqm (7.2% of total GFA)	6,100sqm (7.4% of total GFA)

Indicative designs for these sites have been prepared by Sissons Architects and are provided in **Appendix A**. These designs will be subject to a detailed design process at DA stage. Extracts from the Urban design report are provided in Figures 8-10 below.

FIGURE 8 – INDICATIVE DEVELOPMENT SECTIONS



5.3 URBAN DESIGN

The concept master plan process began with an analysis of the existing built form controls for the subject sites (Lane Cove LEP 2009 and DCP 2010). Analysing the Charter Hall and Leighton Property sites, a significant discrepancy was found between each of the site’s commercial office development potential and the associated built form impact to the surrounding built environment. Specifically, the typical large office floorplate poses a significant negative impact to the visual and solar permeability to the existing surrounding towers and the street level public domain. This and the serious lack of commercial office space demand within the precinct lead to exploring the sites’ potential with a change in land use to residential.

Furthermore, the urban design analysis has identified that the current FSR and Building Height LEP controls do not work together to deliver building form’s envisaged. That meaning, building height compliant schemes would dramatically underutilise the allowable floorspace for the site and conversely, an FSR compliant scheme would significantly vary the existing building height controls.

Therefore the proposed urban design approach has been to commence from first principles of urban design having regard to the surrounding context, the intent of Councils controls and the opportunities and constraints of the sites. As such the urban design concept has sought to create positive, engaging and legible ‘entrance’ points or ‘gateways’ to St Leonards, and to reinforce St Leonards as a key location as an activity centre through a different building form profile. Consequently, the urban design concepts incorporate the following:

- Narrow towers that allow for:
 - A building form with defined podium level and tower component.
 - View permeability between buildings.
 - Relatively fast moving shadows to minimise any prolonged overshadowing impact.

- Side setbacks of 6m to adjoining sites.
- Separation of 24m between Tower 1 and Tower 2 on the Leighton property that meets SEPP 65 controls.
- Separation of 35m between 504 Pacific Highway and Tower 1.

A comprehensive Urban Design Analysis report has been prepared by Urbis and Sissions Architects and is included at **Appendix A**.

FIGURE 9 – DESIGN CONCEPT SKETCH



FIGURE 10 – INDICATIVE SITE SKETCHES



PICTURE 1 – 472-486 PACIFIC HWY



PICTURE 2 – 504 PACIFIC HWY + 95 NICHOLSON ST

5.3.1 VIEW SHARING

The proposal represents an enhanced view sharing opportunity than would be the case through a complying commercial development (with wider floorplates and narrower side setbacks) by proposing taller, more slender buildings which allow for view sharing across the site. This ensures the provision of views from existing residential dwellings to the north of the site that would not otherwise be available should a complying scheme be realised on the subject site.

5.3.2 SHADOW IMPACT

As previously outlined, the shadow analysis demonstrates that the indicative concept provides for built form that ensures that the existing residential neighbourhoods maintain a minimum 4 hours of solar access between 9am and 3pm in mid-winter.

5.3.3 FLOOR SPACE RATIO

The design concepts have been informed by urban design principles of achieving improved public domain outcomes, improved view sharing opportunities and minimising environmental impacts. The studies have determined that the resultant building forms fall under the currently allowable Floor Space Ratios. Consequently, this planning proposal does not seek to amend the current statutory FSR controls.

The future detailed design of these buildings will ensure compliance with SEPP 65 for apartment design and will achieve good building separation for privacy between dwellings.

5.3.4 PROPOSED USES

Both sites constitute vertically integrated mixed use developments with a retail activated ground floor, office space at the lower levels and residential apartments above.

5.3.5 SEPP 65 COMPLIANCE

The Concept Masterplan has been developed along the principles of SEPP 65 with regard to amenity and impacts upon both residents and neighbouring buildings.

During the future design development of the project, specific issues related to SEPP 65 compliance can be addressed in detail to ensure satisfactory compliance.

This exercise will be completed with assistance from expert consultant teams during the Development Application process. It is anticipated that these aspects can be addressed to the satisfaction of the consent authorities during the assessment stage.

5.4 ACCESS AND PARKING

Brown Consulting has prepared a traffic assessment which will be provided separately to this submission. The assessment has considered the estimated traffic demand for the concept based on a complying car parking schemes.

The assessment had regard to the relevant RTA Guide for Traffic Generating Developments to determine the estimated trip rates per vehicle. Consideration was also given to access to and from the precinct. By applying traffic counts and traffic signal data a worst case scenario was modelled. The assessment has found that the proposal will generate an acceptable modest increase in traffic volume.

The proponent group are committed to implementing measures to encourage reduced car usage. As such, the concept also will incorporate a car share scheme with arrangements with operators such as GoGet to place a number of cars on-site for the convenient use of residents and workers. Brown Consulting advise that for every car sharing vehicle, 9 private cars are taken off the road.

The assessment of car parking and traffic impacts is ultimately a matter for consideration at the next stage during the drafting of a site specific DCP and lodgement of Development Applications when there will be certainty with respect to the built form controls and clarity with respect to the apartment mix.

5.5 VOLUNTARY PLANNING AGREEMENT

Preliminary discussions between the applicant and Council have commenced with regard to the offer for a Voluntary Planning Agreement (VPA) to be prepared as part of the draft LEP under Section 93F of the *Environmental Planning & Assessment Act 1979*.

Under section 93F of the Act, a proponent may enter into a VPA where a change is sought to an environmental planning instrument, under which the developer is required to pay a monetary contribution or provide a material public benefit to be used or applied towards a public purpose.

The proponents are willing to enter into more detailed discussions with Council for the preparation of a formal offer to enter into a VPA(s), based on the following principles:

- Separate VPA's to be entered into for the two land owners.
- A monetary contribution to be agreed between the parties taking into account the existing planning controls and broader social, economic and environmental benefits associated with the proposed development.
- A fair and reasonable monetary contribution that recognises the change in building forms that comes with a change of use from Commercial to Mixed Use residential.
- The monetary contribution to be applied by Council to the planned bus and rail interchange project.
- The monetary contribution being determined having regard to contributions payable under other comparable Sydney LGA section 94 plans.
- The VPA having effect at the time of consent for the development that takes advantage of the amended planning controls.

Other VPA Commitments

- In addition, It is proposed to include a minimum of 4% of the total GFA as commercial office space (to a maximum of 4,000m²) supporting the concept of a true mixed use development and one which can play an important role in supporting new and small businesses that seek to be located within the St Leonards Town Centre.
- The proponents propose to work with Council to ensure that the scheme includes commercial space which encourages small business to locate in St Leonards. Precise details of this commitment will be incorporated in the draft VPA, but simply the value of the proponents' contribution will be equivalent to a 20% discount to market for the office floor space for the first 5 years.

5.6 SUMMARY OF BENEFITS OF THE PROPOSAL

The Planning proposal provides a range of benefits to the St Leonards and local community. These are summarised as follows:

- The proposal takes advantage of St Leonards' excellent public transport access and the excellent accessibility provided to major employment, entertainment and shopping locations in Sydney. The site has access to the highest number of jobs within a 20 minute commute than any other centre in Australia.
- The proposal is consistent with the directions of the Metropolitan Strategy, yet recognises the shift in employment focus from transitional commercial to health in St Leonards.
- The proposal provides an opportunity for significant investment in St Leonards, of a scale not seen on the southern side of the Pacific Highway in over a decade.
- The proposal responds to the long term trend of declining commercial office investment in St Leonards and provides viable market investment opportunities for significant residential accommodation.

- The proposal provides an opportunity for the provision of new flexible use office floor space in the lower levels of the buildings that can play an important role in catering to the needs of start-up businesses.
- The proposal includes an offer to provide financial commitments to Council that will contribute to Council's investment plans to enhance the centre.
- The proposal will facilitate development activity in St Leonards, supporting the diverse mixed use nature of the precinct.

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6 Planning Proposal

The following section is structured generally in accordance with the document “A Guide to Preparing Planning Proposals” (DPI, 2009).

6.1 OBJECTIVES AND INTENDED OUTCOMES

The key objective of this Planning Proposal is to obtain the necessary rezoning of the subject site by amending the provisions of the Lane Cove LEP 2009 to facilitate multiple mixed use developments comprising ground and lower floor commercial (office and retail premises) and residential towers above.

The proposed amendments to zoning and built form controls have the objective of facilitating development which achieves the following:

- Positively responding to the changing nature of the St Leonards precinct as a mixed use centre and its focus as a specialist health precinct accommodating smaller scale office based health businesses supporting RNSH, NSPH and the Mater.
- Provides a proposal which responds to stagnation of development in the centre in the Lane Cove LGA which is a long term market trend of low office tenant and investor demand that has fails to capitalise on the current height and FSR controls.
- Establishes mixed use development on the subject sites without impacting on the potential achievement of overall employment targets for the centre.
- Facilitates development activity in St Leonards, supporting the diverse mixed use nature of the precinct to act as a catalyst for investment interest in Council’s nearby bus interchange vision.
- Leverages the sites strategic location proximate to rail and bus networks by demonstrating consistency with TOD principles and providing high levels of accessibility for residents to the broader metropolitan area.
- Acts on the opportunity to invigorate the precinct south of the Pacific Highway and east of the railway station through improved public domain treatment, at the discretion of Council.

The intended outcome of this Planning Proposal is to amend the Lane Cove LEP 2009 to permit development on the land at 472-486 Pacific Highway, 504 Pacific Highway and 95 Nicholson Street for residential apartments, commercial office, retail and associated car parking.

Conceptual designs for future development of the sites for mixed use has been prepared and discussed in **Section 5** and accompany this Planning Proposal in **Appendix A**. However, the scheme will be refined as part of the DA process once the Planning Proposal has been endorsed by Council and the DPI ‘Gateway’ issue a determination that supports the preparation of an LEP amendment.

6.2 EXPLANATION OF PROVISION

It is proposed that the subject sites be rezoned to reflect the following land use and density controls:

TABLE 6 – PROPOSED CONTROLS

PROPERTY	PROPSOED ZONING	PROPSOED HEIGHT	FSR (RETAIN EXISTING CONTROLS)
504 Pacific Highway & 95 Nicholson Street	B4 Mixed Use	135m	17:1 (no change)
472 Pacific Highway	B4 Mixed Use	85m	12:1 (no change)

PROPERTY	PROPSOED ZONING	PROPSOED HEIGHT	FSR (RETAIN EXISTING CONTROLS)
486 Pacific Highway	B4 Mixed Use	115m	12:1 (no change)
500 Pacific Highway	B4 Mixed Use	No change	No change
Friedlander Place	B4 Mixed Use	No change	No change

6.3 LAND TO WHICH THE PLAN WILL APPLY

Figure 1 identifies the land that is proposed to be included in the site specific LEP amendment known as 472 - 520 Pacific Highway, and 95 Nicholson Street, St Leonards. It is legally described as:

- 472 Pacific Highway (Lot 1 in DP628513).
- 486 Pacific Highway (SP73071).
- Friedlander Place (Lot 1 in DP1179636).
- 500 Pacific Highway (SP82937).
- 504 Pacific Highway and 95 Nicholson Street (Lots 2-6 in DP3175).

6.4 SAVINGS PROVISIONS

It is not considered necessary to include a savings provision.

7 Planning Context

7.1 ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

A rezoning application must have consideration of the objects of the *Environmental Planning and Assessment Act* (the EP&A Act). This proposal has considered the objects of the EP&A Act which have been addressed in the various sections of this report and are summarised as follows:

- The subject sites are currently occupied by commercial developments and future development facilitated by the proposed rezoning will not impact on any existing natural environments or ecological communities.
- The proposed B4 Mixed Use zoning will provide for more sustainable economic uses on the site and facilitate development in the short- medium term. The proposal will promote orderly development and is consistent with adjacent mixed use development to the north of the Pacific Highway.
- The proposal provides the opportunity to increase ground floor activation to the Pacific Highway.
- Mixed Use development will make efficient use of existing services and infrastructure and promote use of the frequent rail and bus public transport infrastructure which are highly accessible from the site.

7.2 SECTION 117 DIRECTIONS

There are three Ministerial Directions under s117 of the EP&A Act that provide guidance in the assessment of Planning Proposals and making of LEPs that pertain to the land and / or type of mixed use development contemplated on the subject sites. The applicable Section 117 Directions are discussed in Table 7.

TABLE 7 – SECTION 117 DIRECTIONS

DIRECTION AND OBJECTIVE	COMMENT
<p>Direction 3.1 Residential Zones</p> <p>(1) The objectives of this direction are:</p> <p>(a) to encourage a variety and choice of housing types to provide for existing and future housing needs,</p> <p>(b) to make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and</p> <p>(c) to minimise the impact of residential development on the environment and resource lands.</p>	<p>The proposal will seek to broaden the range of housing provided in St Leonards and Lane Cove LGA more broadly, through accommodation of a mixed use development containing residential apartments. The subject site is well placed to accommodate this type of residential accommodation.</p> <p>The proposed mixed use development will make efficient use of existing services and infrastructure and will provide sufficient housing to help meet infill housing targets and reduce the need for land release on the metropolitan fringe for a commensurate number of dwellings.</p> <p>Residential accommodation in this location will have minimal impact on the natural environment or resource lands as the precinct and sites are already developed.</p>
<p>Direction 3.4 Integrating Land Use and Transport</p> <p>(1) The objective of this direction is to ensure that urban structures, building forms, land use locations, development designs, subdivision and street layouts achieve the following planning</p>	<p>St Leonards is highly serviced by frequent rail and bus public transport infrastructure, providing excellent linkages to key centres and destinations within the lower north shore and greater metropolitan Sydney.</p>

DIRECTION AND OBJECTIVE	COMMENT
<p>objectives:</p> <p>(a) improving access to housing, jobs and services by walking, cycling and public transport, and</p> <p>(b) increasing the choice of available transport and reducing dependence on cars, and</p> <p>(c) reducing travel demand including the number of trips generated by development and the distances travelled, especially by car, and</p> <p>(d) supporting the efficient and viable operation of public transport services, and</p> <p>(e) providing for the efficient movement of freight.</p>	<p>The subject precinct is located within 300m walking distance of St Leonards Station and the nearby bus stops on the Pacific Highway. The station offers access to Chatswood, North Sydney, Sydney CBD and Macquarie Place within 20 minutes commute.</p> <p>The proximity of these transport services will encourage public transport use and discourage use of private transport. The site and proposed mixed use development is highly consistent with the objectives of this Direction.</p>
<p>Direction 7.1 Implementation of the Metropolitan Plan</p> <p>(1) The objective of this direction is to give legal effect to the vision, transport and land use strategy, policies, outcomes and actions contained in the Metropolitan Plan for Sydney 2036.</p>	<p>Consistency with the Metropolitan Plan for Sydney 2036 and Draft Metropolitan Plan for Sydney 2031 is discussed in Section 7.5 and Section 7.6.</p>

7.3 A NEW PLANNING SYSTEM FOR NSW – WHITE PAPER

The White Paper, outlining the principles and content of the Draft Legislation for the new NSW Planning System, was recently placed on public exhibition by the NSW Government. The focus of the new planning system is to facilitate the economic and employment growth of the State in an environmentally and socially sustainable manner.

The new system will have a greater focus on **evidenced based strategic planning** to frame the long term development framework recognising that increased emphasis should be placed on **market demand for individual proposals to stimulate development and economic growth**.

The key directions of the White Paper include:

- **Evidence based strategic planning** with emphasis on improved community participation and ‘buy-in’ at the early stage by all stakeholders associated in the planning process.
- **Precinct wide focus to deliver large scale urban renewal.**
- **Focus on changing the planning culture**, with an emphasis on outcomes, not process, and taking a ‘can-do’ attitude.
- **A clear and linked hierarchy of planning policies** and controls.
- An open and **performance based zoning and planning control system**.

- **Improved DA processes and approval pathways** to create a more efficient approvals system for both applicants and administrators.
- **Linking strategic growth areas to the provision of infrastructure.**
- The Government's commitment to **an ambitious timeframe for implementation of the new system.**

The White Paper sets out a new approach for the creation of robust Metropolitan and Subregional Plans informed by empirical research and linked to infrastructure funding commitments and priorities.

The key aspect of the proposal is its response to market conditions by acknowledging and responding to the changing nature of St Leonards and providing for increased residential accommodation in a locality well serviced by transport and other community infrastructure. The decline in demand for commercial development has been established through the detailed Economic Impact Assessment which provides an evidence base to which this development provides an appropriate response.

Accordingly, the proposal is generally consistent with the direction for planning in NSW as outlined in the White Paper.

7.4 NSW 2021 – STATE PLAN

NSW 2021 replaces the NSW State Plan as the government's ten year strategic business plan setting priorities for action and guiding resource allocation. The key objectives of NSW 2021 are to rebuild the economy, provide quality services, renovate infrastructure, restore government accountability, and strengthen the local environment and communities.

The proposed development is consistent with the following goals:

Place downward pressure on the cost of living

The proposed development will contribute to housing choice within the area with a range of apartment sizes within a Specialised Centre.

Grow patronage on public transport by making it a more attractive choice

The site is well located close to a wide range of major transports services. The proposed development will increase the availability and diversity of housing within walking distance of a railway station and major bus routes. This will positively contribute to the objective of growing patronage on public transport.

Build liveable cities

The site is well located close to a wide range of major transport services and is in close proximity to the North Sydney CBD. This will positively contribute to the objective of growing cities and centres as functional and attractive places to live, work and visit.

Overall, it is considered that the proposed development meets the objectives outlined in NSW 2021.

7.5 METROPOLITAN PLAN FOR SYDNEY 2036 (DECEMBER 2010)

The Metropolitan Plan for Sydney 2036 focuses on transforming Sydney from a single centred to a connected multi centred city. The strategy identifies Specialised Centres (one being St Leonards), several of which are located in the Global Economic Corridor stretching from Sydney Airport and Port Botany through the city centre, North Sydney to Macquarie Park in the north.

Specialised Centres are identified as places that will grow and emerge in response to blossoming business sectors, developing specific characteristics around research, logistics, education or health sciences.

In conjunction, the Strategy states that at least 70% of future population growth in Sydney will occur in established areas. It is identified that infill residential development should best utilise existing public transport networks which provide access to key strategic centres within 30 minutes travel time by public transport.

The proposal is consistent with these identified objectives.

7.6 DRAFT METROPOLITAN PLAN FOR SYDNEY 2031

The Draft Metropolitan Strategy for Sydney to 2031 (the Draft Strategy) was exhibited in June 2013 and builds on the Metropolitan Plan for Sydney 2036. The Draft Strategy reflects the change in approach to strategic planning and development assessment as framed in the White Paper (refer **Section 7.3**) and places greater emphasis on market demand as a driver for development proposals.

The key areas of change from the current Metropolitan Strategy 2036 include:

- Re-distribution of subregional boundaries.
- Inclusion of minimum housing and employment targets for each sub region to 2031, with interim targets also set to 2021.
- Consideration of planning and development outcomes based on a more commercial basis, reflecting market demand.
- St Leonards Centre retains its status as a Specialised Precinct within the expanded Global Economic Corridor, the focus of the precinct being to support office-based hub for health and education facilities and the emerging technology cluster at Gore Hill.

The Draft Strategy sets out policy directions for the five identified key outcomes, underpinned by objectives and actions.

7.6.1 FIVE KEY OUTCOMES

The Draft Strategy sets out the new State Government's strategy for metropolitan growth and is built around achieving five key outcomes for Sydney being:

- Balanced growth.
- A liveable city.
- Productivity and prosperity.
- Healthy and resilient environment.
- Accessibility and connectivity.

Each of these is addressed below as they relate to St Leonards and the subject sites.

7.6.1.1 BALANCED GROWTH

The key policy directions to achieve balanced growth that relate to St Leonards include:

1(B) GROWTH WILL BE ENCOURAGED WITHIN THE METROPOLITAN URBAN AREA TO REFLECT MARKET DEMAND.

1(c) Increases in housing and employment will be encouraged in transport accessible centres and where existing infrastructure like schools are underutilised.

2(a) Plan for housing growth in centres of all sizes.

2(c) Encourage growth in all centres and Specialised Precincts within the Global Economic Corridor and extend its overall reach to Norwest and Parramatta.

2(d) Mixed use development will be encouraged in all centres including central commercial core areas where there is market demand and complementary land uses.

2(f) Plan commercial cores for Major Centres and Specialised Precincts where there is market demand and investment opportunities.

2(g) Maintain a strong employment focus in Specialised Precincts.

2(h) Locate larger commercial premises in Strategic Centres.

These policy areas to achieve balanced growth reflect a willingness of the Government to consider increasing housing supply in all centres that reflects market demand and investment opportunities. Given St Leonards' proximity to Sydney CBD, North Sydney and Chatswood, development in this area is able to contribute significantly to improved centre accessibility.

The minimum employment numbers for the centre identified in the Draft Strategy will be achievable without the need to construct any additional commercial tenancy space. Given the trend of declining office floorspace takeup in St Leonards, and the identified increase in current and future demand for health services and associated jobs, current employment trends suggest that the main proportion of job increases will be in the health sector. Indeed this seems an appropriate sectoral focus for St Leonards given the proximity of the North Shore's only Tertiary hospital, along with two private hospitals, and the declining attractiveness of St Leonards as a commercial office address.

The employment profile of health sector jobs is not suited to high rise commercial towers, and would be best suited to smaller scale medical consulting rooms within the lower level podiums of mixed use buildings along with smaller stand-alone office suites which are anticipated to be provided through redevelopment opportunities on the RNSH site. The type of accommodation preferred by medical providers is reflected in the location and character of the current health related services in St Leonards as shown at **Figure 4**.

7.6.1.2 A LIVEABLE CITY

The key policy directions to achieve a liveable city that relate to St Leonards include:

5(B) NEW HOUSING WILL BE ENCOURAGED IN AREAS CLOSE TO EXISTING AND PLANNED INFRASTRUCTURE IN BOTH INFILL AND GREENFIELD SITES.

5(e) The supply of housing in established urban areas and zoned release areas will be fast tracked.

6(a) We will plan for a range of housing types in Sydney to meet demand.

7(a) Existing centres will grow and change and new centres will be supported.

The minimum housing target for the Central Subregion is 82,000 additional homes to 2021 and 138,000 to 2031.

The Central Subregion is tasked with accommodating, at a minimum, an additional 82,000 homes to 2021 and 138,000 to 2031. St Leonards is ideally placed to accommodate an increase in apartment provision to address some of the anticipated increase in housing in both the Lane Cove LGA and the Central Subregion.

It is anticipated that realisation of a mixed use development on both 472-486 and 504-520 Pacific Highway St Leonards will provide approximately 850-900 new dwellings that are located in close proximity to urban services, frequent bus and train services, parks and open space. Location of mixed use premises in this location will encourage use of public transport by future residents, and will create a balanced mixed use focus along this section of the Pacific Highway east of St Leonards Station.

As discussed in **Section 4** of this report, St Leonards' attraction as a prime office location has significantly diminished in recent years with growth of opportunities at Macquarie Park for large floorplate, lower rent, purpose designed commercial offices for large tenants. North Sydney is also an attractive option for head office locations, with substantial oversupply for existing floorspace and low demand for new commercial floorspace. The relative attraction of these two competing commercial centres has dragged investment from St Leonards, resulting in a depressed commercial office market of low quality and often aged floorspace. The reality of St Leonards focus as a centre for employment growth in the health sector should be recognised, and land peripheral to this new focus must be made available to achieve other significant policy areas of the Draft Metropolitan Strategy, as is contemplated by this proposal.

7.6.1.3 PRODUCTIVITY AND PROSPERITY

The key policy directions to achieve productivity and prosperity that relate to St Leonards include:

10(A) WE WILL PLAN FOR AT LEAST 339,000 ADDITIONAL JOBS BY 2021 AND 625,000 ADDITIONAL JOBS BY 2031

10(b) subregional employment growth will aim to achieve minimum employment targets.

10(c) we will plan for Strategic Centre and Specialised Precinct employment growth in line with minimum employment targets.

11(b) Strategic Centres and Specialised Precincts will be the prime location for new clusters and agglomeration economies.

14(a) Strategic Centres and Specialised Precincts that contain business parks / office clusters will be the primary location for office space.

15(a) centres of all sizes will be the primary location of retail, at a scale reflecting the level of public transport accessibility.

16(b) leveraging off existing and planned infrastructure investment will improve capacity for housing and employment growth.

The minimum jobs target for St Leonards is given as follows:

TABLE 8 – MINIMUM JOB TARGETS – ST LEONARDS

2011	2021	2031	2011-2021	2011-2031
37,000	41,000	45,000	4,000	8,000

The Draft Strategy sets out jobs targets for St Leonards, showing a minimum increase of 4,000 jobs to 2021 and 8,000 to 2031.

It is imperative that the jobs targets are robust and achievable, and established on a detailed market assessment.

The Metropolitan Plan for Sydney 2036 provided employment capacity targets for strategic and specialised centres. St Leonards was set a target employment growth of 5,000 jobs between 2006-2036 – a 30 year period. The current Draft Strategy for St Leonards now sets a minimum target of 4,000 jobs between 2011-2021 and another 4,000 jobs between 2021 to 2031 – a total of 8,000 new jobs over 20 years.

The Draft Strategy assumes St Leonards Centre has far greater potential for employment growth than the previous Metropolitan Plan for Sydney 2036 with a revised target of 3,000 extra jobs to be facilitated in 10 less years than the previous strategy. Without any background market information to review, it is difficult to understand on what basis these forecasts have been made when our preliminary market findings indicate historical trends that could not be a basis to inform such a projection.

The anticipated employment growth in St Leonards is substantially lower than in Macquarie Park (16,000 over the next 20 years), Norwest (15,000) and Sydney Olympic Park (14,000). Other specialised centres will experience much greater proportionate employment growth over the next 20 years, in particular Randwick (43%) and Westmead (41%).

Given the ongoing stagnation in the St Leonards commercial market, it is unlikely that employment growth in the centre in the short and medium term will come from office development. It is considered that the jobs growth target may be able to be met through an ongoing focus on health employment in St Leonards which will be best located in podium level commercial space and purpose built smaller scale professional suites located in and around the RNSH site.

While the proposed mixed use zoning will reduce the quantum of commercial floorspace and jobs created across the site compared to a purely commercial development, it will facilitate sustainable residential development which will assist in meeting dwelling targets.

7.6.1.4 ACCESSIBILITY AND CONNECTIVITY

The key policy direction to achieve accessibility and connectivity that relate to the site include:

28(B) RESIDENTIAL AND COMMERCIAL DEVELOPMENT WILL BE ENCOURAGED AND FACILITATED IN CENTRES ALONG CORRIDORS IDENTIFIED AS HAVING POTENTIAL TO SUPPORT FUTURE URBAN RENEWAL.

As previously discussed, St Leonards is ideally serviced by bus and rail transport infrastructure, providing linkages to key employment nodes, educational and recreational facilities throughout the metropolitan region. The Centre has the capacity to increase residential accommodation to maximise use of this infrastructure and provide a high quality development which exhibits the key principles of a TOD.

The subject precinct provides access to the key commercial centres of Sydney CBD, North Sydney, Chatswood and Macquarie Park within twenty minutes commute by train making it an ideal location for residential development.

7.6.2 CENTRAL SUBREGION

St Leonards is located within the Central Subregion. The key policy directions noted for this Subregion and Specialised Precinct include:

METROPOLITAN PRIORITIES

Enable housing intensification throughout the subregion, particularly around established and new centres, key corridors and along the ... North Shore line.

St Leonards Specialised Precinct

Support office based hub and health and education facilities at Royal North Shore Hospital, North Shore Private Hospital, Mater Hospital, Northern Sydney TAFE and the emerging technology cluster at Gore Hill.

Provide capacity for 8,000 additional jobs to 2031.

These policy directions support increased housing in centres, as well as an employment base focussed on health and related industries leveraging off RNSH, NSPH and the Mater. This is consistent with the approach considered by this proposal.

The key directions for St Leonards as a Specialised Precinct relate to the clustering of medical and high-tech industrial activity, suggesting that the hub of activity in the centre has moved north and west along the Pacific Highway, away from the aging commercial centre. As such, with emphasis placed on these activities, it can be reasonably anticipated that most jobs growth in St Leonards will come from such industries, such as the growth of RNSH and Gore Hill Technology Park and their surrounds.

7.6.2.1 SPECIALISED PRECINCTS CRITERIA

The key criteria for Specialised Precincts include:

THE PRIMARY SIGNIFICANCE OF SPECIALISED PRECINCTS IS AS EMPLOYMENT DESTINATIONS AND/OR AS THE LOCATION OF ESSENTIAL URBAN SERVICES.

Specialised precincts are areas containing major airports, ports, hospitals, universities and metropolitan business parks and office clusters that perform vital economic, research and employment roles across the metropolitan area.

Have a minimum of 8,000 jobs, with the potential for more than 12,000 jobs.

Specialised Precincts have an amount of employment that is of metropolitan significance, but other uses in the precinct are not necessarily at a scale currently of metropolitan significance.

Over time, particular Specialised Precincts such as Sydney Olympic Park may assume a greater mix of residential, retail and service uses, and assume the role of Major Centre. The emergence of these other uses in Specialised Precincts needs to be balanced to ensure the employment function is not compromised.

The way specialised Precincts interact with the rest of the city is complex and growth and change in and around them must be carefully planned to ensure they continue to serve their primary employment and economic development functions.

Potential Specialised Precincts are areas which have the potential to become significant locations for concentrated employment growth. Potential Specialised Precincts would need to be located near existing public transport and/or be supported by public transport improvements. They would complement existing Specialised Precincts and Strategic Centres.

Specialised functions must be protected for the long term and residential and other non-specialised but competing uses must not override the core employment activities in these precincts. Some, however, will plan for ancillary uses, which are suitable such as student or staff accommodation near universities and hospitals.

Need high quality public places and parks for workers and nearby residents.

The St Leonards Specialised Precinct is the location of the North Shore's only tertiary hospital, is in close proximity to two private hospitals and North Sydney TAFE. As previously discussed, the precinct is well serviced by train and bus transport routes, and provides a mix of retail, commercial and residential development. Given the centre is anchored by RNSH and advanced industry to the northwest, the designation of an 'office' cluster in the Draft Metro Strategy seems incongruent with its character.

The development of a specialised precinct focusing on health and technology activities would not be affected by non-employment generating development to the east of the station area. There remain significant opportunities for associated and supporting commercial floor space along Pacific Highway in the Willoughby area of the centre.

The designation of St Leonards as a Specialised Precinct should be considered with regard to the changing metropolitan context. Its reduced competitiveness in the commercial market reduces its capacity for industry clustering, as businesses begin to depart the centre and the benefits of agglomeration are reduced.

Given the lack of commercial investment in St Leonards, and the existing health focus, the centre is well placed to grow and change its employment focus to leverage off its proximity to RNSH, NSPH and the Mater, as well as the existing range of health providers in the locality, and facilitate employment growth in the health industry and associated services. Urbis' economic analysis has demonstrated that a core of commercially zoned land can be retained for the non-medical related uses, however the focus of health related employment would be best accommodated in smaller buildings, the podium level of mixed use buildings and on the hospital land itself.

This approach will ensure that the employment targets for the centre can be met whilst freeing up sites suitable for mixed use development (including those along the Pacific Highway) for this purpose, to ensure 24 hour activation of the precinct. The mixed use precinct and the periphery of St Leonards will provide a transition from the surrounding residential areas whilst ensuring the protection of a core commercial precinct that can accommodate traditional commercial premises as the demand arises.

As discussed in **Section 7.3**, the direction of the NSW Planning System is to be responsive to the market and promote sustainable economic growth in key centres. The lack of demand in St Leonards for commercial office space makes mixed use development such as those proposed on the subject site a more viable option for the centre. While the proposed rezoning to mixed use may be considered contrary to the designation of St Leonards as an office based hub, it will in fact provide appropriate development which is evidence based and will allow the market to focus on health and education facilities as is currently the case.

7.7 DRAFT INNER NORTH SUBREGIONAL STRATEGY

The site falls within the draft Inner North Subregion of Sydney. The Draft Inner North Subregional Strategy was prepared to guide the long term development of this subregion in which St Leonards is located. The policy has never been finalised and will be replaced by the Central Subregional Strategy.

An assessment of the Subregional Strategy concludes that the planning proposal is consistent with the objectives and actions in the following respects:

- **A3.2 - Integration of Employment and Housing Markets:** The proposed residential use will offer diversity in product from the established detached housing in St Leonards and would appeal to a wider market including key workers at surrounding facilities (RNSH, North Sydney TAFE, schools).
- **B2.1 – Plan for Housing in Centres with their Employment Role:** The site is highly appropriate for mixed use residential and will not undermine the commercial office role. The redevelopment of major sites such as RNSH will provide additional commercial office and specialised office floorspace that will support the unique character of St Leonards.
- **C1.3 - Plan for increased housing capacity targets in existing areas:** Council has a target of 5,500 new dwellings to be provided by 2031. The proposed rezoning of the site to permit residential development will positively contribute to this goal. This will not impact on the character or current amenity of residents in St Leonards.
- **C2.1 – Focus Residential Development around Town Centres, Villages and Neighbourhood Centres:** The site is in a highly appropriate location to support a mixed of land uses within St Leonards Specialised Centre. Its proximity to rail transport services makes it an attractive and convenient location to encourage high levels of public transport use.
- **C2.3 – Provide a Mix of Housing:** The proposal aligns with other aims of the strategy to provide higher density housing in centres which have services and public transport. The proposal will provide a housing product that will attract a diversity of households which will enrich the social fabric of the local community.
- **C3.1 – Renew Local Centres to Improve Economic Viability and Amenity:** The proposal will facilitate the renewal of the site through the development of mixed use buildings that will significantly enhance the presentation and activation of the site to the surrounding streets as well as utilising the economic potential of this site.
- **F4.2 – Protect Entertainment and Night Time Clusters:** The proposed introduction of residential development will not place pressure on the ongoing operation of the surrounding night time economy areas but rather will provide valuable additional support. This additional support to the night time economy will be provided by the future residents of the proposed development.

7.8 DRAFT NSW CENTRES POLICY MAY 2010

The NSW Draft Activities Centres Policy (Draft Centres Policy) sets out the fundamental aims and principles to guide the formulation of regional and local planning strategies and the consideration of new development proposals.

The Draft Policy Centres is based on six key planning principles to guide future development in and around activity centres and to provide for the emergence of new entrants as follows.

- **Principle 1 – Retail and commercial activity should be located in centres to ensure the most efficient use of transport and other infrastructure, proximity to labour markets, and to improve the amenity and liveability of those centres.**
- **Principle 2 – The planning system should be flexible enough to enable centres to grow, and new centres to form.**
- **Principle 3 – The market is best placed to determine the need for retail and commercial development. The role of the planning system is to regulate the location and scale of development to accommodate market demand.**
- **Principle 4 – The planning system should ensure that the supply of available floorspace always accommodates the market demand, to help facilitate new entrants into the market and promote competition.**
- **Principle 5 – The planning system should support a wide range of retail and commercial premises in all centres and should contribute to ensuring a competitive retail and commercial market.**
- **Principle 6 – Retail and commercial development should be well designed to ensure it contributes to the amenity, accessibility, urban context and sustainability of centres.**

The Draft Centres Policy states that ‘centres’ are generally located in B1-B7 zones and applies to St Leonards and the subject precinct.

The proposal is consistent with the Draft Centres Policy for the following reasons:

- The rezoning will achieve mixed uses with commercial and retail uses on the lower floors ensuring activation of the Pacific Highway and being located close to medical clusters and transport links.
- The proposal responds to the long history of the lack of tenant and investor demand for commercial office development in the centre.
- There is high commercial vacancy rates in the St Leonards precinct and represents an oversupply of office space which this proposal addresses. This coupled with undeveloped approved commercial space translates into over 20 years of future office employment land supply hence the proposal will not undermine the Metro Strategy employment targets.
- The proposal is responsive to the changing nature of St Leonards into a high density mixed use residential precinct, with multiple new residential developments and approvals occurring on the northern side of Pacific Highway.
- The introduction of residential uses in the centre will complement the ‘specialised’ health focuses role of St Leonards, offering potential affordable and convenient accommodation for key works, supporting the functionality of St Leonards as a specialised centre.

7.9 METROPOLITAN TRANSPORT PLAN

The Metropolitan Transport Plan – Connecting the City of Cities (Metropolitan Transport Plan) has four key policy objectives as follows:

- Commuting to work easily and quickly.
- Transport and services accessible to all members of the community.
- An efficient, integrated and customer focused public transport system.
- Revitalized neighbourhoods with improved transport hubs.

The Metropolitan Transport Plan provides a target of 28% of trips to work in the Sydney Metropolitan Region to be undertaken by public transport by 2016, compared to some 22% in 2006. The Metropolitan Transport Plan aims to ensure that urban structure, building forms, land use locations, development designs, subdivision locations and street layouts help achieve the following planning objectives:

(a) improve accessibility to housing, employment and services by walking, cycling, and public transport;

(b) improve the choice of transport and reducing dependence solely on cars for travel purposes;

(c) moderate growth in the demand for travel and the distances travelled, especially by car; and

(d) support the efficient and viable operation of public transport services.

The proposed rezoning is consistent with the objectives of the Metropolitan Transport Plan by providing high density residential development in close proximity to train and bus systems which provide excellent linkages to key employment centres.

7.10 STATE ENVIRONMENTAL PLANNING POLICY 55 (REMEDICATION OF LAND)

State Environmental Planning Policy No. 55 (Remediation of Land) provides that land must be remediated to an appropriate level to cater for its proposed use.

The sites which are the subject of this proposal have had a long history of residential use (pre-1930) and then commercial uses since. Accordingly, the potential for contamination is considered to be minimal.

Argus Pty Ltd were engaged by Leighton Properties to undertake a Phase 1 assessment of their properties. A copy of this report can be provided if required.

The phase 1 assessment concluded that of the potential contaminants that may be present on the site these were considered to be of low significance in terms of risk to the human or environmental receptors. The report recommends that further investigations be carried out at the appropriate time (during the DA phase) to address the data gaps and develop remediation strategies if required. A similar investigation process will be carried out for the Charter Hall site in due course.

7.11 STATE ENVIRONMENTAL PLANNING POLICY (INFRASTRUCTURE) 2008

State Environmental Planning Policy (Infrastructure) 2008, sets out requirements for various public authority and infrastructure works throughout the state. In addition, it requires the referral of certain traffic generating development to the RMS during the DA assessment process.

Any required referral will be triggered at DA stage and does not impact a land rezoning.

7.12 LANE COVE LOCAL ENVIRONMENTAL PLAN 2009

7.12.1 EXISTING CONTROLS

All three properties are subject to zoning provisions under Lane Cove LEP 2009. The key land use and density controls are shown for each of the properties in the following table:

TABLE 9 – EXISTING KEY LEP CONTROLS

PROPERTY	ZONING	HEIGHT	FLOOR SPACE RATIO
504 Pacific Highway + 95 Nicholson Street	B3 Commercial Core	72m	17:1
486 Pacific Highway	B3 Commercial Core	65m	12:1
472 Pacific Highway	B3 Commercial Core	65m	12:1
500 Pacific Highway	B3 Commercial Core	72m	17:1
Friedlander Place	B3 Commercial Core	65m	12:1

As previously discussed, these height and density controls result in a significant uplift in development potential than that which is currently built on the site and which was previously achievable under the former Lane Cove LEP 1987 (prior to the implementation of the NSW State Government Standard Instrument Template).

Zoning

The sites are all zoned B3 Commercial Core. The following uses are permitted with consent in the B3 Commercial Core zone:

Car parks; Child care centres; Commercial premises; Community facilities; Educational establishments; Entertainment facilities; Function centres; Hotel or motel accommodation; Information and education facilities; Medical centres; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Respite day care centres; Restricted premises; Roads; Signage

All other development is prohibited on the site. Commercial premises are permissible in the B3 zone and are defined as follows:

Commercial premises means any of the following:

- (a) business premises,
- (b) office premises,
- (c) retail premises.

Office premises and retail premises (both as a form of commercial premises) are permissible with consent. However, 'residential flat buildings' are prohibited meaning that mixed use development including residential uses is not permissible on the site.

Height and FSR

- 504 Pacific Highway and 95 Nicholson Street have a height control of 72m and FSR of 17:1.
- 472-486 Pacific Highway has a height control of 65m and an FSR of 12:1.

7.12.2 PROPOSED CONTROLS

This Planning Proposal seeks rezoning of the subject land to B4 Mixed Use.

Proposed Zoning

The following uses are permissible with consent in the B4 Mixed Use zone under Lane Cove LEP 2009:

Boarding houses; Car parks; Child care centres; Commercial premises; Community facilities; Educational establishments; Entertainment facilities; Function centres; Hotel or motel accommodation; Information and education facilities; Medical centres; Multi dwelling housing; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Residential flat buildings; Respite day care centres; Restricted premises; Roads; Seniors housing; Shop top housing; Signage

All other development is prohibited in the zone. 'Residential flat buildings' are permissible in the B4 zone and are defined as follow:

Residential flat building means a building containing 3 or more dwellings, but does not include an attached dwelling or multi dwelling housing.

The B4 zone would allow for the delivery of residential uses on the site while ensuring continued provision of commercial premises.

The aims of the B4 zone are as follows:

- *To provide a mixture of compatible land uses.*
- *To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling.*
- *To encourage urban design maximising attractive public domain and adequate circulation space for current and future users.*
- *To maximise sunlight for surrounding properties and the public domain.*

The design concepts for the site are consistent with the objectives of the B4 zone in the following ways:

- Provides a mixed use development which includes lower floor commercial (office and retail) development with residential above.
- The commercial development remains consistent with the located adjacent to the Pacific Highway while the residential development utilises its location in close proximity to the railway and other key transport networks.

- Provide for built form which ensures that the existing residential neighbourhoods maintain a minimum 4 hours of solar access between 9am and 3pm in mid-winter.

Furthermore, we note that the proposed rezoning of the landholdings outside the proponent groups ownership will in no way prejudice the current land use development potential of the respective sites. In fact the proposed zoning will increase the range of permitted land uses that could be accommodate on these lands in future.

Proposed Height and FSR

- It is proposed that 504 Pacific Highway and 95 Nicholson Street have a height control of 135m. No amendment is proposed to the FSR.
- It is proposed that 486 Pacific Highway have a height control of 115m. No amendment is proposed to the FSR.
- It is proposed that 472 Pacific Highway have a height control of 85m. No amendment is proposed to the FSR.
- For reasons previously identified, this Planning Proposal seeks no changes to the building height and FSR on the properties known as 500 Pacific Highway and Friedlander Place.

8 Rezoning Justification

8.1 NEED FOR THE PLANNING PROPOSAL

Is this Planning Proposal a result of any Strategic Study or Report?

The Planning Proposal is not the result of a strategic study or report prepared by Council but is supported by detailed analysis prepared by the proponent.

In addition, there are a number of strategic documents which have been reviewed and relate to the proposal. These are discussed in **Section 7**.

Is the Planning Proposal the best means of achieving the objective?

It is considered that the Planning Proposal is the best means of achieving the objectives and outcomes stipulated in **Section 5.1**.

As the sites are zoned B3 Commercial Core, the proposed residential uses are prohibited. Accordingly, an amendment to the Lane Cove LEP 2009 is required to accommodate a mixed use development on the subject site. The B4 Mixed Use zone will support the proposed commercial uses (retail and office premises) and residential uses enabling the site to achieve the proposed objective.

Further, an amendment to the height control is required to accommodate a high quality design outcome which responds to the site and surrounding land uses.

Is there any Net Community Benefit?

Table 11 addresses the evaluation criteria for conducting a “Net Community Benefit Test” within the Draft Centres Policy (May 2010) as required by the guidelines for preparing a Planning Proposal.

TABLE 10 – NET COMMUNITY BENEFIT ASSESSMENT

EVALUATION CRITERIA	Y/N	COMMENT
<i>Will the LEP be compatible with agreed State and regional strategic direction for development in the area (e.g. land release, strategic corridors, development within 800m of a transit node)?</i>	Partially	<p>The proposal is generally consistent with the objectives of the Metropolitan Plan for Sydney 2036 and the Draft Metropolitan Plan for Sydney 2031.</p> <p>The proposal promotes development which will demonstrate key TOD characteristics and will provide residential development within 300m of a train station.</p> <p>A review against State and Regional strategic objectives for the area is provided in Section 6. Despite the allocation of St Leonards as an office and health precinct by the Draft Strategy, the proposal seeks to reduce the commercial component on the site responding to the lack of demand in the precinct which is consistent with the NSW White Paper and new planning system directive. The increase of residential development is consistent with the need to provide mixed use development within centres.</p>
<i>Is the LEP located in a global/regional city, strategic centre or corridor nominated within the Metropolitan Strategy or other regional/subregional strategy?</i>	Partially	As above and discussed in Section 7.5 and Section 7.6 .

EVALUATION CRITERIA	Y/N	COMMENT
<i>Is the LEP likely to create a precedent or create or change the expectations of the landowner or other landholders?</i>	N	<p>This proposal responds to the development environment of the area.</p> <p>The proposed rezoning is unlikely to create a precedent or change the expectations of the site as its location provides a unique opportunity to deliver appropriate and compatible mixed use development consistent with development to the north of the Pacific Highway.</p>
<i>Have the cumulative effects of other spot rezoning proposals in the locality been considered? What was the outcome of these considerations?</i>	N	<p>There are no other known spot rezonings in the locality that are currently being considered.</p>
<i>Will the LEP facilitate a permanent employment generating activity or result in a loss of employment lands?</i>	N	<p>The proposal seeks a B4 Mixed Use zone and will continue to accommodate commercial uses on the site. While the proposal will reduce the amount of commercial and employment generating activity, there is sufficient land towards the western portion of St Leonards, focussed around the Railway Station and RNSH site, to accommodate the anticipated increase in employment growth, including that related to both health and traditional commercial office use.</p> <p>The proposal will not undermine the achievement of employment targets and the desired role and function of St Leonards as a specialised health and employment based precinct.</p>
<i>Will the LEP impact upon the supply of residential land and therefore housing supply and affordability?</i>	N	<p>The proposal will increase the availability of housing in close proximity to transport links and employment areas.</p>
<i>Is the existing public infrastructure (roads, rail, utilities) capable of servicing the proposed site? Is there good pedestrian and cycling access? Is public transport currently available or is there infrastructure capacity to support future transport?</i>	Y	<p>A Traffic Report has been prepared by Brown Consulting and has been provided separately. The site is ideally located for residential development, being proximate to rail and bus networks which provide high levels of accessibility for residents to the broader metropolitan area.</p>
<i>Will the proposal result in changes to the car distances travelled by customers, employees and suppliers? If so, what are the likely impacts in terms of greenhouse gas emissions, operating costs and road safety?</i>	N	<p>The proposal will enhance the use of public transport through its transit orientated location. The site is within 20 minutes commuter distance to other employment, retail and entertainment destinations and centres such as Sydney CBD, North Sydney and Chatswood.</p>

EVALUATION CRITERIA	Y/N	COMMENT
<i>Are there significant Government investments in infrastructure or services in the area where patronage will be affected by the proposal? If so, what is the expected impact?</i>	N	The proposal does not require further government investment in public infrastructure.
<i>Will the proposal impact on land that the Government has identified a need to protect (e.g. land with high biodiversity values) or have other environmental impacts? Is the land constrained by environmental factors such as flooding?</i>	N	The project will not impact on land identified as having high biodiversity values. There are no significant environmental constraints on the site.
<i>Will the LEP be compatible/ complementary with surrounding adjoining land uses? What is the impact on the amenity in the location and wider community? Will the public domain improve?</i>	Y	<p>The proposal is compatible with the north eastern portion of St Leonards which is undergoing a change in character from commercial to mixed use with a number of recent constructions and building approvals for multi storey residential apartments above one and two storeys of retail/commercial space fronting the street.</p> <p>The potential building forms that will sit within the proposed building envelope have been tested for shadow impact on properties to the south. The taller building forms create a longer but faster moving shadow which has a smaller impact footprint on neighbouring residential properties to the south. The potential shadow impact will have a maximum reduction in solar access to any property and as such is considered acceptable.</p> <p>The proposal will help realise a revitalisation of the surrounding public realm and create opportunities for a visual connection with the pedestrian plaza north of the Pacific Highway at the termination of Albany Place.</p>
<i>Will the proposal increase choice and competition by increasing the number of retail and commercial premises operating in the area?</i>	N	The proposal will decrease the quantum of commercial space on the site which responds to long term trend of low demand for this use in the St Leonards Precinct.
<i>If a stand-alone proposal and not a centre, does the proposal have the potential to develop into a centre in the future?</i>	N/A	The proposal is located within the existing St Leonards Specialised Precinct.
<i>What are the public interest reasons for preparing the draft plan? What are the implications of not proceeding at that time?</i>		<p>The proposal is in the public interest as follows:</p> <ul style="list-style-type: none"> ▪ Opportunity to provide a residential corridor along the Pacific Highway east of the railway line

EVALUATION CRITERIA	Y/N	COMMENT
		<ul style="list-style-type: none"> <li data-bbox="691 224 1391 369">▪ The site is ideally located for residential development, being proximate to rail and bus networks which provide high levels of accessibility for residents to the broader metropolitan area. The proposal will assist in place making within St Leonards. <li data-bbox="691 403 1391 470">▪ The proposal will realise short term development potential and investment in St Leonards. <li data-bbox="691 504 1391 616">▪ The proposal will facilitate development activity in St Leonards, supporting the diverse mixed use nature of the precinct. <li data-bbox="691 649 1391 761">▪ The proposal is consistent with the directions of the Metropolitan Strategy, yet recognises the shift in employment focus from transitional commercial to health in St Leonards. <li data-bbox="691 795 1391 907">▪ The proposal is responding to market demand, a key consideration of the Draft Metropolitan Strategy to encourage economic growth and development.

8.2 RELATIONSHIP WITH STRATEGIC PLANNING FRAMEWORK

Is the Planning Proposal consistent with the Objectives and Actions of the applicable regional or sub-regional strategy?

In summary, the proposal is consistent with the objectives of the Metropolitan Plan for Sydney 2036 and the Metropolitan Plan for Sydney 2031 in the following ways:

- Encourages growth in a Specialised Precinct located in the Global Economic Corridor and Metropolitan Urban Area to reflect market demand. The proposal is to be responsive to the market and promote sustainable economic growth in key centres.
- Encourages mixed use development adjacent to complementary land uses such as transport links, open space areas, adjacent mixed use development and other residential uses.
- Provides new housing in an area close to existing and planned infrastructure in infill sites.
- Facilitates residential and commercial development in centres along the Pacific Highway and north shore railway transport corridor.

Consistency with the Metropolitan Plan and Subregional Strategy is discussed in full in **Section 7.5**, **Section 7.6** and **Section 7.7**.

Is the Planning Proposal consistent with Council's local Strategy or other local strategic plan?

Relevant strategic studies for the Lane Cove LGA relating to the St Leonards precinct and anticipated future development have been considered against the proposed rezoning. These are discussed in detailed below.

St Leonards Strategy 2006

The St Leonards Strategy was prepared by David Lock Associates on behalf of Willoughby, Lane Cove and North Sydney Councils as well as DPI. It set out an agreed approach to guide the coordinated development of this centre, and supported the direction of the Metropolitan Strategy for Sydney 2036.

The St Leonards Strategy states the precincts and other key features relevant to the site:

The business district east of the rail line and south of the Pacific Highway (in the Lane Cove Council part of the centre)

The larger lots in this area have mainly been developed into substantial office buildings. However, the smaller lots have seen relatively little development in recent times, resulting in outdated buildings, struggling shops and a somewhat shabby appearance. Anecdotal evidence suggests that the development potential allowed by the planning controls for this area is insufficient to promote amalgamation, which is necessary for redevelopment to occur. As a consequence, the area remains underdeveloped for such a prime location

The site is located on the boundaries of ‘the centre’, and the ‘southern business district’ and the ‘eastern gateway’ of the precinct as shown below.

FIGURE 11 – ST LEONARDS STRATEGY 2006: PRECINCT PLAN



The changes to the role and character of each of the existing parts of St Leonards are documented in the Strategy as follows:

TABLE 11 – ROLE AND RECOMMENDATIONS OF PRECINCTS

PRECINCT	ROLE	KEY RECOMMENDATIONS
<p>The centre:</p> <p>The heart of the centre, focused on the station and Forum Plaza</p>	<p>A vibrant focal point for the centre, generated by a concentration of public transport services, convenience shops, eateries, entertainment venues, professional and personal services, community facilities, educational institutions, commercial offices, apartments and high quality public open space. This will provide opportunities for businesses and residents seeking high public</p>	<ul style="list-style-type: none"> Replace FSR control south of Highway with height limit and performance controls in relation to overshadowing. Promote convenience shops, small-scale specialty shops, retail services, bars, cafes and restaurants.

PRECINCT	ROLE	KEY RECOMMENDATIONS
	transport accessibility, and 'CBD-type' amenities to serve the whole centre and surrounding area.	<ul style="list-style-type: none"> Prohibit large-scale comparison retail outlets.
The Southern Business District: South of the Pacific Highway and east of the railway line, extending to Oxley St	A purely business precinct, with the exception of sandwich shops and cafes serving its workers. In particular, this precinct will provide the right 'prestige' image and type of large-floorplate, premium accommodation to attract new businesses in the electronics, scientific research and information technology sectors, strengthening that cluster.	<ul style="list-style-type: none"> FSR controls to be supplemented with performance controls to minimise impacts on amenity. Introduce controls to encourage premium-quality buildings with larger floorplates. Prohibit large-scale comparison retail outlets Redevelop Friedlander Place to ensure its upgrade.
Eastern Gateway: Both sides of the Pacific Highway, east of the railway line	A mixed retail and office precinct, with the potential for hotels. In particular, this precinct will provide for the continuation of small-medium scale showrooms for household goods at ground floor level with offices above, or hotels, capitalising on the high profile location.	<ul style="list-style-type: none"> Replace FSR control on Lane Cove part of corridor with height limits stepping down from northwest of precinct to southeast, and performance controls in relation to overshadowing. Promote medium-scaled household goods showrooms, convenience shops, small-scale specialty shops, retail services, bars, cafes and restaurants. Redevelop Friedlander Place to ensure its upgrade.

The St Leonards Strategy recommends that the FSR control south of Pacific Highway be reduced with height limit and performance controls in relation to overshadowing. The St Leonards Strategy predates the preparation and introduction of the Standard Instrument LEP which recognised that increased heights and FSR are appropriate on the subject sites.

Impacts on amenity from built form anticipated under the proposed controls have been comprehensively evaluated as part of this evaluation with no unacceptable impact on surrounding residential uses. Further, the proposal offers the opportunity to redevelop Friedlander Place in accordance with the key recommendations for the southern business district and eastern gateway.

The St Leonards Strategy overlooks key market trends and is therefore out-dated in the context of the proposal as follows:

- Notwithstanding an uplift in development potential, commercial redevelopment of this land is not viable.
- The report was prepared in November 2006, prior to the completion of the Epping-Chatswood Rail Link and the completion of the RNSH Part 3A assessment. The Strategy does not adequately anticipate the outcomes of these major projects.
- The strategy does not recognise that the railway line makes Macquarie Park more accessible across the metropolitan area and attractive for new commercial and business park development.
- Similarly, the strategy is made without foreseeing the impact of the RNSH redevelopment as a significant concentration of new jobs.

- While the former ABC site is included in the study area, little comment is made on its potential job growth and its potential impact on the St Leonards office market.
- Further, the strategy recognises a reduction in commercial floorspace in the North Sydney portion of St Leonards as a consequence of site conversion to mixed use development. The loss of commercial space is not considered of '*significance for employment since the existing offices on the sites to be converted are depreciated and in many cases vacant*'.

The proposed rezoning is supported by an Economic Impact Assessment which provides justification for the change in zoning to a mixed use zone.

Is the Planning Proposal consistent with applicable State Environmental Planning Policies?

The Planning Proposal is consistent with the applicable State Environmental Planning Policies as summarised in Table 12.

TABLE 12 – APPLICATION OF STATE ENVIRONMENTAL PLANNING POLICIES

SEPP TITLE	CONSISTENCY	CONSISTENCY OF PLANNING PROPOSAL
SEPP 1 – Development Standards	Yes	The Planning Proposal will not contain provisions that will contradict or would hinder the application of the SEPP.
SEPP 4 – Development Without Consent and Miscellaneous Exempt and Complying Development	Yes	The Planning Proposal will not contain provisions that will contradict or would hinder the application of the SEPP.
SEPP 6 – Number of Storeys in a Building	Yes	The Planning Proposal will not contain provisions that will contradict or would hinder the application of the SEPP.
SEPP 22 – Shops and Commercial Premises	Yes	The Planning Proposal will not contain provisions that will contradict or would hinder the application of the SEPP.
SEPP 55 – Remediation of Land	Yes	Phase 2 contamination report will be prepared for the DA stage and any necessary remediation will be proposed and carried out in accordance with SEPP 55.
SEPP 60 – Exempt and Complying	Yes	The Planning Proposal will not contain provisions that will contradict or would hinder the application of the SEPP.
SEPP 65 – Design Quality of Residential Flat Development	Yes	The Planning Proposal will not contain provisions that will contradict or would hinder the application of the SEPP.
SEPP (Infrastructure) 2007	Yes	The proposal has considered the relevant part of the SEPP (Infrastructure) 2007, namely traffic generating developments and is considered consistent.

Is the Planning Proposal consistent with applicable Ministerial Direction's (S.117 Directions)?

As previously discussed at **Section 7.2**, the Planning Proposal is generally consistent with the relevant s.117 Directions.

8.3 ECONOMIC, SOCIAL AND ECONOMIC IMPACT

Economic Impact

The Economic Impact Assessment prepared by Urbis and located in **Appendix B** considers whether the withdrawal of the subject site from the office market could constrain the St Leonards Centre's capacity to accommodate this jobs growth target.

The EIA makes the following key points:

- Demand for traditional office space is better accommodated in competing commercial centres that can provide either more affordable or better located office stock:
 - St Leonards has a high percentage of office stock classified as C-D Grade.
 - Fragmented ownership and stratification of office stock within St Leonard presents a barrier to redevelopment of lower grade office stock.
 - The price point for rents in St Leonards is not competitive with other suburban centres.

There is also a lack of tenant interest in new developments within St Leonards.

- There is sufficient supply of existing vacant and proposed office stock to accommodate the office component of the draft Metropolitan Strategy's employment target.
- Specialised health based office space will seek to collocated within the RNSH redevelopment, closer to the delivery of health services.
- The provision of additional dwellings likely to attract workers could improve the proportion of workers employed in the Centre also living locally. This does not take into account proposed/planned commercial developments that have not yet received development approval.

The proposed development will result in the following direct and indirect employment benefits:

- The proposed redevelopment has been estimated to generate 752 construction jobs.
- The total Capital Investment Value of the project is in the vicinity of \$400 million.
- The ongoing employment yield from the commercial / retail component of the proposed development is expected to generate between 290 – 380 jobs. This equates to an expected annual wages by the proposed retail and commercial floorspace between \$20.2 million and \$26.3 million per annum.

In summary, the EIA states that the rezoning of the site to a B4 zone will not have a detrimental impact on jobs growth within the St Leonards Centre or the supply of existing vacant and proposed office stock in St Leonards. Further, the concept designs demonstrate an ability to provide a significant benefit through direct and indirect employment benefits and through appropriate provision of residential uses that are consistent with best practice TOD principles.

Traffic, Access and Parking

As outlined previously, a traffic report prepared by Brown Consulting provided separately to this proposal confirms that the traffic impacts associated with the proposal assuming a fully compliant parking scheme can be suitably accommodated by the local road network.

8.4 STATE AND COMMONWEALTH INTERESTS

Adequacy of Public Infrastructure and Transport Infrastructure

The adequacy of the road network has been discussed in **Section 8.3** and necessary road works have been proposed.

State and Commonwealth Public Authorities Consultation

The applicant has sought early engagement with both Lane Cove Council and NSW Department of Planning & Infrastructure and this proposal responds to comments received during these meetings.

Consultation with other stakeholders such as RMS will be undertaken as part of the assessment process.

8.5 COMMUNITY CONSULTATION

No formal public community consultation has been undertaken as at this date in regard to this Planning Proposal. It is expected that this Planning Proposal will be formally exhibited and that direction as to the nature and extent of the public exhibition after receiving a Gateway Determination.

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9 Conclusion

This Planning Proposal has been prepared to enable the provision of residential, retail and office uses on the sites at 472 - 520 Pacific Highway and 95 Nicholson Street, St Leonards.

The proposed amendment to Lane Cove LEP 2009 is to rezone the sites from their current B3 Commercial Core to B4 Mixed Use zone to permit mixed use development. The height controls currently applicable to the site are also proposed to be amended to accommodate appropriate mixed use development on the site which protects views and solar access to surrounding land users. Urban Design and architectural analysis of the site and potential built forms have demonstrated that there is no need to change the current FSR controls applicable to the sites.

It is considered that there is a case for change for the proposed rezoning to accommodate mixed use development on the subject sites under the Lane Cove LEP 2009 as it:

- Responds to the long term trend of declining take up rates of commercial floorspace in St Leonards over the last 10 years without hindering the centre's achievement of overall employment targets. The Planning Proposal encourages growth in a Specialised Precinct located in the Global Economic Corridor and Metropolitan Urban Area to reflect market demand which is not strong enough to support the extent of commercial floorspace allowable by the existing controls.
- Reflects the changing nature of the St Leonards precinct and its potential as a key health precinct accommodating smaller scale office based health businesses supporting RNSH, NSPH and the Mater.
- Encourages mixed use development adjacent to complementary land uses such as transport links and other commercial centres. open space areas, adjacent mixed use development and other residential uses.
- Leverages the sites' location which demonstrates consistency with TOD principles, being proximate to rail and bus networks and providing high levels of accessibility for residents to the broader metropolitan area.
- Demonstrates that appropriate built form can be achieved providing significant number of residential dwellings without significantly impacting views from or solar access to surrounding residential sites.
- Provides additional dwellings likely to attract workers which could improve housing choice for workers employed in the Centre but also working in other major locations that are easily accessible by rail or bus from St Leonards.
- Facilitates development activity in St Leonards, supporting the diverse mixed use nature of the precinct.
- Provides an opportunity to invigorate the precinct south of the Pacific Highway and east of the railway station through improved public domain treatment.

The proposed concept designs demonstrate a high level of consistency with the proposed B4 zone objectives by providing mixed use development including lower floor commercial (office and retail) development with residential above. The commercial development remains consistent with adjacent uses located adjacent to the Pacific Highway while the residential development utilises its location in close proximity to the railway and other key transport networks.

In summary, the Planning Proposal is suitable for the site and should be supported for the following reasons:

- From a strategic perspective: Given the lack of demand for commercial office space to support the B3 Commercial Core zoning, the B4 Mixed Use zoning is considered to be an appropriate response to long term market demand trends, in accordance with the new planning system directive for NSW. The use will also appear visually compatible in scale and built form with surrounding development.

- From an environmental perspective: The site is currently developed and its future redevelopment will not result in the loss of a site which contributes to the visual or ecological environment of surrounding sites.
- From a social and economic perspective: There is sufficient land to accommodate the anticipated increase in employment growth, including that related to both health and traditional commercial office use. The proposal provides a significant benefit through direct and indirect employment benefits and through appropriate provision of residential uses.

For the reasons above, we request that Lane Cove Council support the progress of the Planning Proposal.

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All surveys, forecasts, projections and recommendations contained in or made in relation to or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

Urbis has made all reasonable inquiries that it believes is necessary in preparing this report but it cannot be certain that all information material to the preparation of this report has been provided to it as there may be information that is not publicly available at the time of its inquiry.

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Appendix A

Urban Design Report

Appendix B

Economic Impact Assessment

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