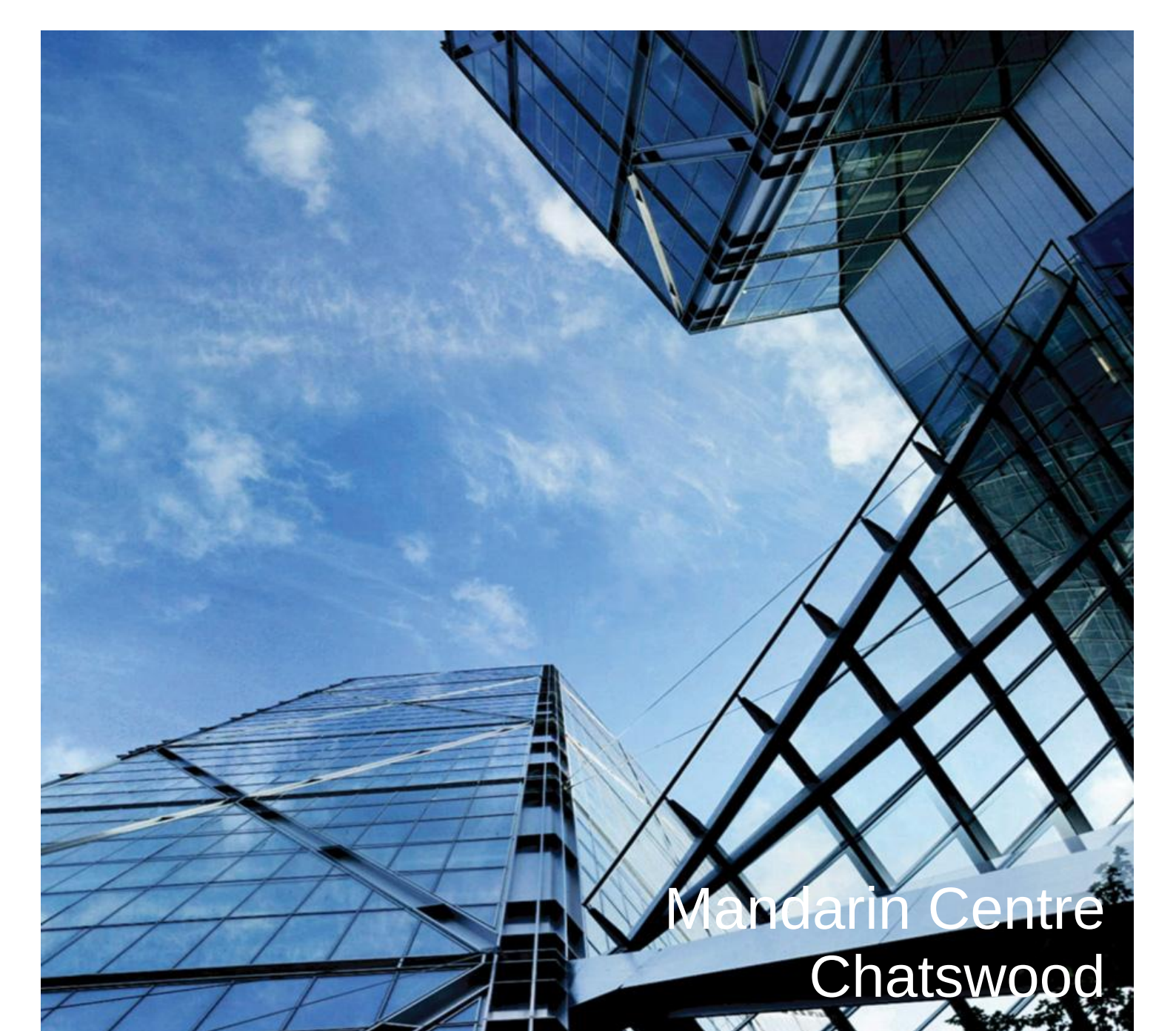




Mandarin Centre Chatswood

Planning Proposal

September 2013

urbis

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Executive Summary

- The Mandarin Centre is on a strategically significant site, located on a prominent corner in the core of the Chatswood CBD near the Chatswood Railway Station. It has a large site area, is in single ownership, has city and district views, and is surrounded by a range of other major retail, office, residential and civic uses in Chatswood which are reflected in its status as a 'Major Centre' within the Sydney Metropolitan Strategy. Few sites within Sydney have comparable strategic credentials and attractiveness for metropolitan scale projects, or are available for unique redevelopment opportunities.
- Notwithstanding these unique and highly sought after qualities, the current Mandarin Centre building fails to respond positively to the opportunities provided by such a prominent, strategic CBD site. The centre relates very poorly to the surrounding context, is limited in retail functionality (the existing shopping centre is around one third the size of and has a substantially different tenant composition to, a typical CBD shopping centre), has limited pedestrian connectivity and offers limited street activation. The height, bulk and scale of the centre is also significantly lower compared to other comparable buildings in CBD locations, as well as the surrounding buildings in the sites immediate vicinity.
- Within this context, the site is significantly underdeveloped and lacks an appropriate form of development that contributes positively to the strategic direction for such an important site. Without appropriate, coordinated action or redevelopment this will limit the competitiveness of the current retail offer, and restrict the achievement of other strategic objectives such as housing and job growth in the CBD.
- The Draft Metropolitan Strategy for Sydney provides a strong policy emphasis on urban renewal opportunities close to transport hubs, strengthening and growing Sydney's Centres, and promoting higher density, and mixed use development in central commercial core areas where there is market demand and investment opportunities. An even stronger emphasis is placed on Major Strategic Centres (including Chatswood) within the 'Global Economic Corridor' which contain a significant agglomeration of economic activity, employment diversity and concentration of globally competitive industries.
- In response to the strategic site qualities and opportunities with the current form of development on the site, Mandarin Developments Pty Ltd & Blue Papaya Pty Ltd (the applicant) are proposing the redevelopment of the Mandarin Centre, with a vision of providing a high quality, mixed use development, supported by a new and enlarged retail and entertainment shopping complex with improved street activation and pedestrian connectivity. This vision would enable the direct achievement of a range of both regional and local strategic planning objectives including job and housing growth in a highly accessible and connected location, significantly enhanced retail and entertainment facilities, a stronger night-time economy and renewal of a prominent part of Chatswood CBD.
- In response to the applicant's vision for the site, Bates Smart Architects have a range of indicative design options to address the unique, strategic qualities of the site. These options have comprehensively evaluated the site conditions, the surrounding context, vehicular access, pedestrian access/connectivity, views and amenity considerations of surrounding properties. The preferred option provides a new, expanded retail podium (consistent with the surrounding podium heights) with shop-top housing and serviced apartments accommodated above this podium in two new towers. This option provides a taller elliptically shaped tower on the eastern part of the site to maximise views from the residential component of the 'Sebel' building, and a smaller tower consistent with the height of the serviced apartment which is not view sensitive. The proposed building envelopes reflect the potential for a high quality, state of the art building which creates a new identity for this part of Chatswood.

- To facilitate the future redevelopment of the Mandarin Centre site this Planning Proposal seeks to amend Willoughby Local Environmental Plan 2012 to permit the use of 'shop top housing' on the site, and the building height and floor space ratio standards which currently apply to the site to be more consistent with the surrounding built form. It is proposed that the site be added to Schedule 1 of the LEP to allow 'shop top housing' as an additional permitted use on the site, and the Building Height and Floor Space Ratio Maps be amended.
- Schedule 1 of WLEP already permits shop top housing on a number of sites in the B3 Zone, including the 'Sebel' site directly to the north of the Mandarin Centre. In a land use context, Chatswood CBD is therefore complimented by a range of residential buildings which support the other office, commercial and retail functions of the City. This interplay of land uses is likely to continue given the strong demand for residential development in this location which has high levels of public transport accessibility and amenity. Unique opportunities which support transit-oriented, mixed use schemes that respond to wider strategic planning objectives should be encouraged to support Chatswood's night time economy and vibrancy as a CBD.
- The Mandarin Centre proposal will provide a range of substantial local and regional benefits which warrant support, including:
 - Urban renewal of a key strategic site within Chatswood CBD which seeks to introduce an iconic, metropolitan scale mixed use development. This will raise the bar of design quality in this precinct and revitalise a poorly coordinated part of the CBD.
 - Provision of approximately 500 additional jobs in a highly accessible, strategic Major Centre location which has a strong range of supporting social infrastructure which supports the subregional employment targets for Chatswood.
 - A new and expanded retail shopping centre of a high quality architectural design that is responsive to the consumer needs of the local catchment. The new centre would provide a more flexible form and layout that will attract a range of new retail and entertainment tenants which complement the current offer in Chatswood, including a potential new supermarket anchor.
 - Enhancements to the public domain including active street frontages, ground floor uses and coordinated pedestrian linkages between the shopping precinct of Chatswood to the railway station all of which are specifically identified in the zone objectives of the B3 Zone, including the revitalisation of the existing pedestrian bridge link to the south of the site and Westfield Shopping Centre.
 - Potential for up to 260 new, high quality designed residential apartments which supports the subregional housing targets for Chatswood, and assists with the high projected population growth in Chatswood (which is higher than the Sydney average).
 - Potential for new tourist and visitor accommodation to support the needs of surrounding commercial offices and tourists visiting Chatswood and the surrounding locality.

1 Introduction

This Planning Proposal is submitted to Willoughby Council to support a request by Mandarin Developments Pty Ltd to initiate an amendment to Willoughby Local Environmental Plan 2012 (LEP) to permit (on a site-specific basis) 'shop top housing' as an additional permitted use in the B3 Commercial Core zone, and increase the height and floor space ratio standards applicable to the site, in accordance with Section 55 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

The key objectives of the Planning Proposal are to demonstrate the strategic planning merit of accommodating shop-top housing on the site, to evaluate the impact of additional building height and density on the site, and to assess the relevant environmental, social and economic impacts of the proposal. As required by Section 55 of the EP&A Act, this Planning Proposal includes the following:

- Description of the subject site and context.
- Indicative site plan 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.
- Summary of the justification of the proposal.
- Description of the community consultation process that would be expected to be undertaken before consideration is given to making of the planning instrument.

The Planning Proposal has been prepared having regard to the NSW Department of Planning's '*A Guide to Preparing Planning Proposals*' and '*A Guide to Preparing Local Environmental Plans*'.

It is requested that Council forward the Planning Proposal to the Minister for Planning for Gateway determination in accordance with Section 56 of the EP&A Act. The Gateway determination by the Minister will decide:

- Whether the matter should proceed (with or without variation).
- Whether the matter should be resubmitted for any reason (including for further studies or other information, or for the revision of the Planning Proposal).
- The community consultation required before consideration is given to the making of the proposed instrument.
- Whether a public hearing is to be held into the matter by the Planning Assessment Commission or other specified person or body.
- The times within which the various stages of the procedure for the making of the proposed instrument are to be completed.

The Planning Proposal is accompanied by a range of plans and reports prepared by specialist consultants to provide a comprehensive analysis of the site opportunities and constraints. These address the key issues and impacts associated with the proposed rezoning including:

- Indicative Design Concepts (Bates Smart Architects) – Refer to **Appendix A**.
- Transport and Traffic Assessment (GTA Consultants) – Refer to **Appendix B**.
- Assessment of Retail, Residential and Office Development Options (Urbis) – Refer to **Appendix C**.

2 Land to which the Planning Proposal Applies

2.1 SITE DESCRIPTION AND LOCATION

The Planning Proposal relates to Lots 1,2,3,4 & 5 in DP 1035379 and is located at the corner of Albert Avenue and Victor Street, Chatswood as shown in the location plan below. The total area of the site is 3,519m².

FIGURE 1 – SITE LOCATION PLAN



2.2 EXISTING DEVELOPMENT ON THE SITE

The site currently accommodates the Mandarin Shopping Centre which contains five levels of retail floor space (with a Net Lettable Area of 13,044m²) and three levels of basement car parking containing 300 car spaces. Levels G & 1 of the Mandarin Centre contains comparison and convenience retail shops, Level 2 contains an international food court, Level 3 contains Hoyts Cinema Complex, Level 4 contains Strike Bowling and Level 5 contains The Gordon Recreational and Social Club.

The centre relates very poorly to the surrounding context, is limited in retail functionality (the existing shopping centre is around one third the size of, and has a substantially different tenant composition to, a typical CBD shopping centre), has limited pedestrian connectivity and offers limited street activation.

2.3 SURROUNDING CONTEXT

The height, bulk and scale of the centre is significantly lower compared to other comparable buildings in CBD locations, as well as the surrounding buildings in the sites immediate vicinity. The surrounding development comprises a mix of retail, residential, commercial and civic uses as described in further detail below:

- North – Immediately to the north of the site is 31-37 Victor Street a 27 storey building which contains serviced apartments and Willoughby City Council at the lower levels (up to level 13), and residential apartments above.
- East – Immediately to the east of the site is Westfield Chatswood, which is separated by Victor Street.
- South – Immediately to the south of the site is the Chatswood Baptist Church and Chatswood Youth Centre which are connected by a pedestrian bridge across Albert Avenue. This bridge also connects the site to the Westfield car park to the south of Albert Avenue.
- West – To the west of the site is the 'Sage' commercial office tower building which is 16 storeys. Further to the north-west of the site is the Chatswood Railway Station.

2.4 LOCAL PLANNING CONTEXT

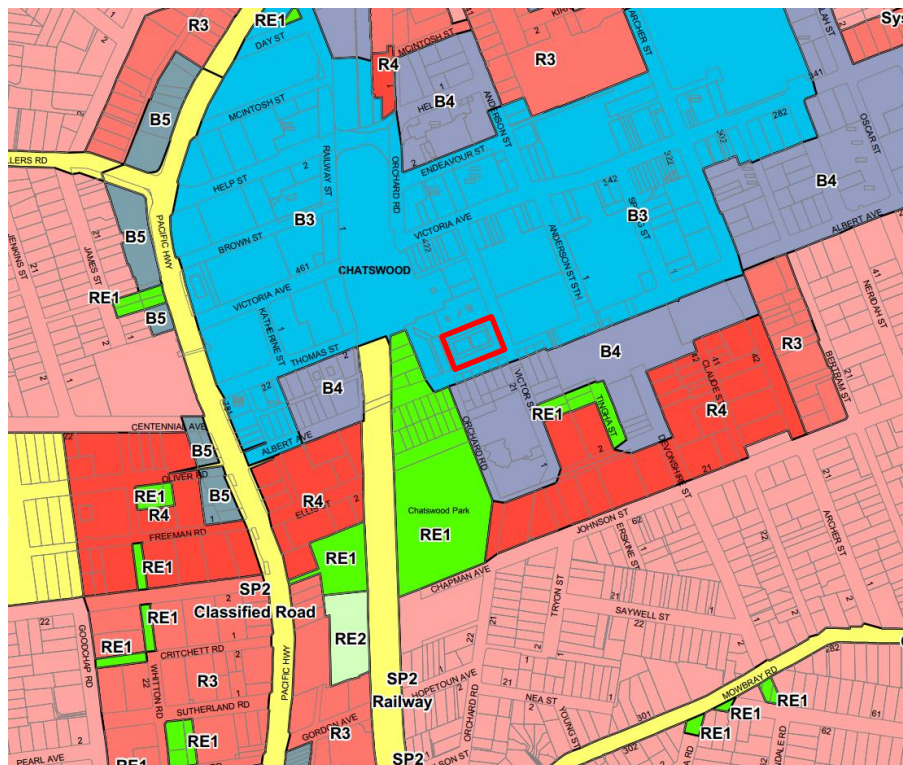
2.4.1 WILLOUGHBY LOCAL ENVIRONMENTAL PLAN 2012

Zoning & Permissible Uses

The site is currently zoned 'B3 Commercial Core' under the Willoughby Local Environmental Plan 2012 as shown in Figure 2 below.

The zoning permits a range of uses including all forms of commercial premises, community, education and entertainment facilities, as well as tourist and visitor accommodation. However, the B3 zone currently prohibits 'shop top housing'.

FIGURE 2 – WLEP 2012 ZONING PLAN



Zone Objectives

The objectives of the B3 Zone are:

To provide a wide range of retail, business, office, entertainment, community and other suitable land uses that serve the needs of the local and wider community.

To encourage appropriate employment opportunities in accessible locations.

To maximise public transport patronage and encourage walking and cycling.

To support the role of St Leonards as a specialised centre providing health, research and education facilities.

To strengthen the role of Chatswood as a major centre for the inner north sub-region and to improve its public domain and pedestrian links.

To protect and encourage safe and accessible city blocks by providing active land uses on street and pedestrian frontages.

The Planning Proposal and indicative design option seeks to respond specifically to the above objectives by:

- Providing a high quality mixed use development that provides retail, entertainment, residential, tourist and visitor accommodation land uses to serve both the local and wider community needs.
- Creating an additional 500 jobs in a highly accessible location with access to public transport, and other supporting CBD functions of Chatswood Major Centre.
- Providing approximately 260 high quality residential apartments in very close proximity to Chatswood Railway Station which would reduce car dependency, and encourage patronage of public transport, walking and cycling.
- Provision of various notable public domain improvements including revitalised and coordinated pedestrian linkages, active street frontages, and better connectivity with the surrounding shopping precinct in Chatswood.

Development Standards

Key development standards relating to the site include a maximum building height of 27 metres and FSR of 2.5:1, which appear to reflect the current development on the site.

However, given the highly strategic and prominent site location, the underlying development standards are significantly less than the surrounding CBD environment, and in particular, the adjacent 'Sebel' building which allow heights up to 80m and a maximum FSR of 8:1. Within this strategic context, the current development standards are constrained and create an underdeveloped site which is in need of revitalisation.

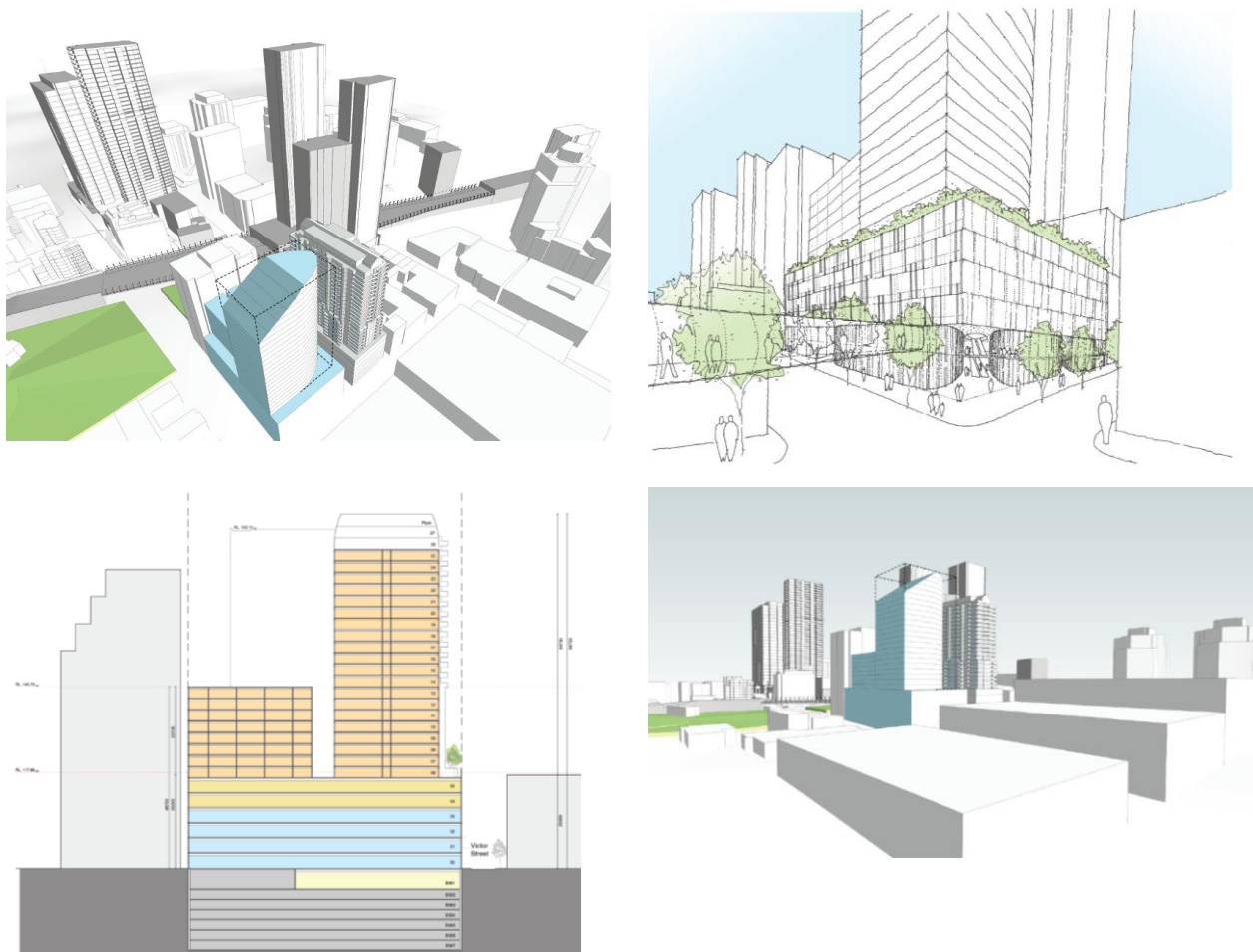
3 The Indicative Design Concept

As the Planning Proposal is seeking to amend both the land use and key development standards on the subject site, indicative design concepts and a comprehensive urban design analysis have been undertaken to inform the potential bulk, scale and massing of built form on the site, and to determine the potential impacts of this amendment on the surrounding context.

The urban design analysis reviewed the site and surrounding environment, orientation and solar access, views from the site, street podium heights, taller building heights, setbacks, vehicular access, pedestrian connectivity, and shadow analysis. This analysis lead to four potential design and development scenarios for the site.

The preferred design concept provides the potential for an iconic, metropolitan, transit-oriented mixed use development which is responsive to the surrounding amenity sensitive land uses in the immediate vicinity. A range of photomontages of the preferred design option are included below.

FIGURE 3 – PHOTOMONTAGES OF THE PREFERRED DESIGN OPTION (BATES SMART)



As shown above, the concept provides a retail podium, consistent with the surrounding podium/street edge heights in Victor Street and Albert Avenue. Above the retail podium, the proposal provides a taller elliptically shaped tower on the eastern part of the site to preserve views from the residential component of the 'Sebel' building, and a smaller rectangular shaped tower up to where the service apartment component finishes. The residential towers are setback between 12 to 22 metres from the Sebel building, providing a generous amount of building separation and privacy between the two sites.

A numeric overview of the preferred design concept is provided below:

TABLE 1 – NUMERIC OVERVIEW OF PREFERRED DESIGN OPTION

DETAIL	PREFERRED OPTION
Site Area	3,519m ²
Gross Floor Area	43,189m ²
Floor Space Ratio	12.27:1
Height	94.73m
Number of Floors	28
Typical Car Parking Level	101 spaces

Section 5 of the Report provides an analysis of the potential environmental impacts of the proposal, including bulk, scale and massing, residential amenity, traffic as well as the broader social and economic benefits of the scheme.

4 Objectives, Intended Outcomes & Explanation of Provisions

In response to the strategic site qualities and opportunities, the ultimate objective of the Planning Proposal is to facilitate the future development of a high quality, metropolitan scale, mixed use development that is iconic on this prominent Chatswood CBD location. This vision would enable the direct achievement of a range of both regional and local strategic planning objectives including job and housing growth in a highly accessible and connected location, significantly enhanced retail and entertainment facilities, a stronger night-time economy and renewal of a prominent part of Chatswood CBD.

The proposed outcome will be achieved by retaining the B3 Commercial Core Zoning, but amending WLEP 2012 to allow shop-top housing by adding the subject site to Schedule 1 of WLEP 2012 as an additional permitted use, as facilitated by Clause 2.5 of the LEP. In addition, amending the 'Height of Buildings' and 'Floor Space Ratio' map to reflect the preferred design option. Therefore, It is requested that Willoughby City Council amend Willoughby Local Environmental Plan 2012 in the following manner:

Add to Schedule 1 (Additional Permitted Uses) the following site details:

Use of certain land at The Mandarin Centre, Chatswood

This clause applies to land at the corner of Albert Avenue and Victor Street, Chatswood, being legally described as Lots 1,2,3,4 & 5 in DP 1035379:

1. *Development for the purpose of 'shop top housing' is permitted with development consent.*

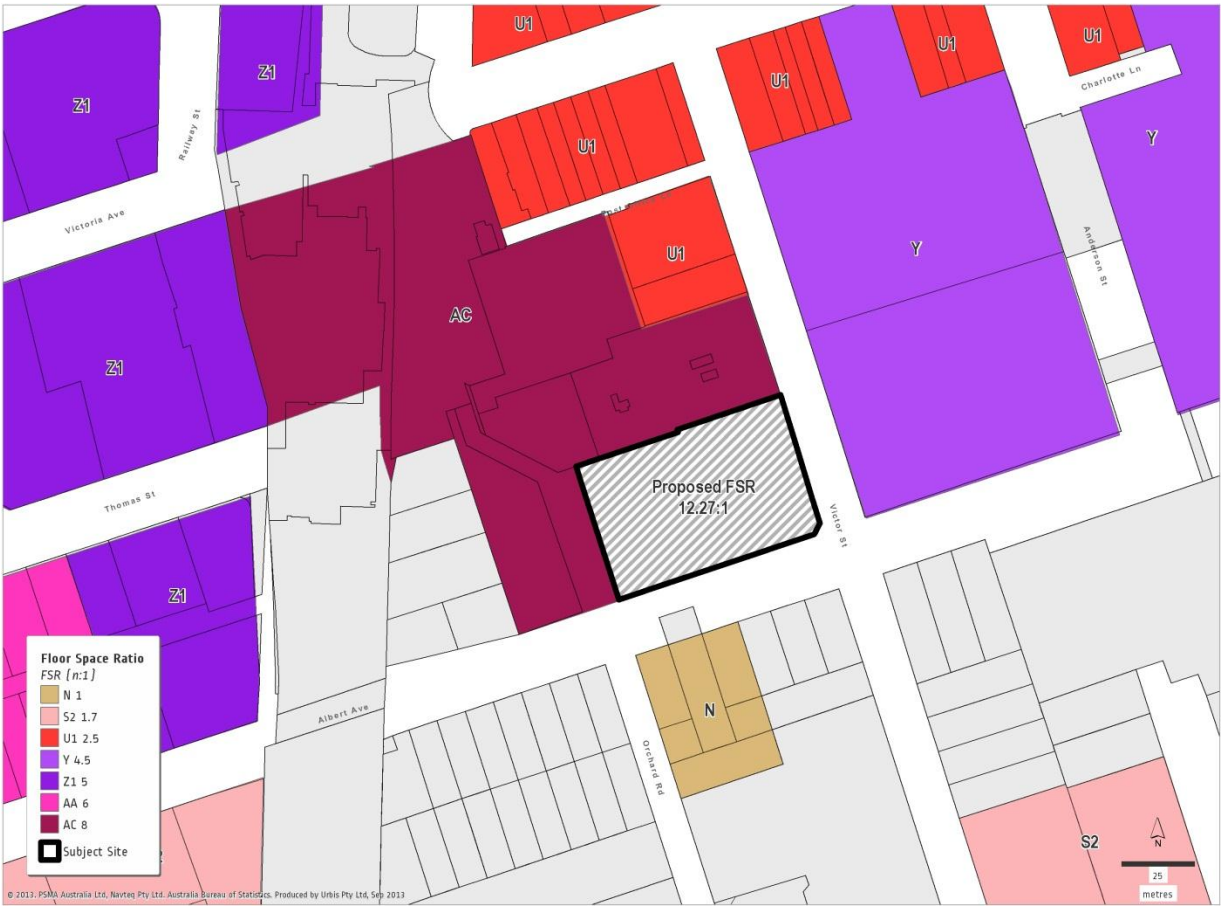
Amend 'Height of Buildings Map'

We would request that the existing 'Height of Buildings Map' be amended to provide a maximum building height of 94.73 metres on the Mandarin Centre site, as shown below.



Amend 'Floor Space Ratio Map'

We would request that the existing 'Floor Space Ratio Map' be amended to provide a maximum floor space ratio of 12.27:1 on the Mandarin Centre site, as shown below.



5 Justification for LEP Amendment

5.1 NEED FOR THE PLANNING PROPOSAL

The Department of Planning document “*A Guide to Preparing Planning Proposals*” includes the following questions in describing the need for the Planning Proposal.

Is the Planning Proposal a result of any strategic study or report?

The Planning Proposal is not directly the result of any local or state government strategic study or report. However, a comprehensive evaluation of the site’s physical and strategic attributes have been undertaken to inform the potential redevelopment of the Mandarin Centre.

This analysis includes the preparation of indicative design concepts and urban design analysis to arrive at an appropriate massing, bulk and height scenario which is responsive to the metropolitan context, but not unreasonable with regard to impacts on surrounding amenity-sensitive land uses. These options have been reviewed by a traffic consultant to assess the potential impacts of the proposed increase in retail and residential floorspace on the site.

An assessment has also been undertaken to determine the future demand for retail, residential and office development to inform the indicative design concepts. This demonstrates that the market can support additional retail and residential uses on the Mandarin Centre site, and provides commentary on the potential future retail tenancy mix in the new shopping centre complex that are currently underprovided in the local catchment area.

In summary, the strategic studies and analysis undertaken demonstrate that the site’s characteristics make it a very unique, highly strategic and prominent within the Sydney Metropolitan Area. The technical reports which accompany the Planning Proposal support the addition of shop top housing on the site, and demonstrate strong support for the redevelopment on the site.

Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

The Planning Proposal is the best means to achieve the objectives and intended outcomes described in Section 3 of this report for the following reasons:

- The current zoning of the site prohibits shop-top housing on the site, and in order to achieve the future built form outcome, this use would need to be included in Schedule 1 of the LEP and the Height of Building Map and Floor Space Ratio Map would need to be amended to permit the height and floor space proposed.
- The extent in numeric variation from the current built form controls in comparison to the proposed could not reasonably be achieved through use of Clause 4.6 – Exceptions to Development Standards.
- Given that Willoughby LEP 2012 came into effect on 31 January 2013 there are no alternative options available to avoid a standalone Planning Proposal.

5.2 RELATIONSHIP TO STRATEGIC PLANNING FRAMEWORK

Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy?

The current development on the site fails to effectively provide the scale, form and quality of development that is commensurate with a site of its metropolitan status. The Planning Proposal is therefore a direct and positive response to the site’s excellent strategic location within Chatswood CBD, and the broader strategic regional and sub-regional objectives for the area.

Chatswood is identified as a 'Major Centre' and is located within the 'Global Economic Corridor' in both the current *Metropolitan Plan for Sydney 2036* and the *Draft Metropolitan Strategy for Sydney to 2031*. The draft Strategy identifies metropolitan priorities for Chatswood, including:

TABLE 2 – METROPOLITAN PRIORITIES OF DRAFT METROPOLITAN STRATEGY FOR SYDNEY

METROPOLITAN PRIORITY - CHATSWOOD	PLANNING PROPOSAL
To support its role as the primary office-based hub for northern Sydney.	Chatswood accommodates a large proportion of commercial office buildings which are predominantly located on the western side of the railway. Part E of the Willoughby DCP provides commentary on the current and future character of Chatswood. It clarifies that the western side of the North Shore Rail Line is the commercial office precinct of Chatswood, and the eastern side is shopping precinct: <i>"Between Pacific Highway and the North Shore Rail Line is the commercial office precinct of Chatswood characterised by multi-storey office buildings intermingled with some older low scale office development and service retailing..."</i> <i>East of the North Shore Rail Link is the shopping precinct of Chatswood which is one of the largest retail centres in Sydney with a catchment extending well beyond the Willoughby LGA".</i> The Council's above commentary marries with economic analysis, which suggests that the market is unlikely to be able to support a significant provision of commercial office space in the Mandarin Centre location. In response to the above the Planning Proposal seeks to provide a mix of high quality retail uses and shop-top housing within the 'shopping precinct' of Chatswood. This will support the existing office based hub by providing housing close to work, and enhanced shopping opportunities in the heart of the Chatswood CBD.
To grow as a dominant service retail and recreational centre.	The Planning Proposal seeks to facilitate a future built form outcome that would replace (and expand) the existing shopping centre with a new, highly attractive retail and entertainment centre. The proposal would facilitate better pedestrian connectivity and linkages within the surrounding retail precinct.
To plan for medium and high density housing outside the commercial core.	The strategic site attributes within Chatswood CBD make the subject site exceptionally attractive for high density housing. The B3 'Commercial Core' of Chatswood prohibits shop-top housing and higher density housing. However, exceptions are made in relation to a range of properties under Schedule 1 of WLEP 2012. Specifically, the Sebel site adjoining the Mandarin Centre permits shop-top housing. The Sebel and the Sage buildings, respectively to the north and west of the site allow heights up to 80m and a maximum FSR of 8:1.

METROPOLITAN PRIORITY - CHATSWOOD	PLANNING PROPOSAL
	This Planning Proposal seeks to provide more comparable height and density standards which apply to the site which is consistent with this Metropolitan Priority.
To provide capacity for at least 8,000 additional jobs to 2031 (currently 22,000).	The proposal would provide the potential for approximately 500 local jobs in a highly accessible, strategic CBD location.

Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plans?

Willoughby City Council has prepared local strategic documents that reinforce the key local matters relevant to the LGA including *Draft Willoughby City Strategy 2013* and the *Chatswood City Centre Plan 2008*.

The Draft Willoughby City Strategy 2013 is the Council's community strategic plan, long term vision and guide for the future growth of the city. The Strategy includes key 'strategic directions' which relate to community and cultural life, natural environment, housing, infrastructure, economic activity and governance. The objectives relating to housing and economic activity are of most relevance to the proposal.

- **Housing** – The Draft Strategy seeks to promote housing choice, quality living amenity for residents and protection of local character. The Planning Proposal responds positively to these objectives by enabling shop-top housing to provide a diversity of apartment types, sizes at various price-points designed in accordance with the guidance of the Residential Flat Design Code (RFDC). The potential impacts of the proposed uplift in height and density on the site preserves the local character of Chatswood CBD and the surrounding residential amenity.
- **Economic Activity** – The Draft Strategy aims to promote growth for local business, support of centres and engagement with business. The provision of shop-top housing on the site will allow for the comprehensive redevelopment (and expansion of) of the existing Mandarin Shopping Centre on the site. The existing shopping centre is tired, and the provision of shop-top housing allows the unique opportunity for a new, high quality shopping centre that will revitalise this part of Chatswood. The proposal will provide for an additional 500 jobs.

Is the planning proposal consistent with applicable state environmental planning policies?

The proposal is consistent with the relevant State Environmental Planning Policies (SEPPs). The relevant SEPPs are identified below.

POLICY	DETAILS
SEPP (State and Regional Development) 2011	The aims of this Policy are to identify development that is State significant development, State significant infrastructure and critical State significant infrastructure and to confer functions on joint regional planning panels to determine development applications. The proposal is not currently identified within any of the relevant schedules of the SEPP nor deemed as State or Regional Development.

POLICY	DETAILS
SEPP (Infrastructure) 2007	This SEPP provides a consistent planning regime for infrastructure and the provision of services across NSW, along with providing for consultation with relevant public authorities during the assessment process. While not specifically relevant to this Planning Proposal, future infrastructure works may not require development consent in accordance with the SEPP.
SEPP 55 Remediation of Land	SEPP 55 introduces state-wide planning controls for the remediation of contaminated land. The policy states that land must not be developed if it is unsuitable for a proposed use because it is contaminated. If the land is unsuitable, remediation must take place before the land is developed. The applicant will undertake a Phase 1 Assessment post Gateway and following Council's initial assessment of this proposal.

Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?

The Planning Proposal has been assessed against the s117 Ministerial Directions and is consistent with each of the relevant matters, as outlined below.

TABLE 3 – SECTION 117 DIRECTIONS

DIRECTION	COMMENT
1. Employment and Resources 1.1 Business and Industrial Zones	The proposal will provide approximately an additional 500 jobs and support the viability of Chatswood Major Centre which is consistent with this Direction.
3. Housing, Infrastructure and Urban Development 3.4 Integrating Land Use and Transport	The proposal provides increased density and high quality residential and retail uses in close proximity to Chatswood Railway Station which responds positively to this Direction.
7. Metropolitan Planning 7.1 Implementation of the Metropolitan Plan	As discussed in Section 5.2 above, the Planning Proposal provides a range of new job opportunities, housing and increased high quality retail floor space which is consistent with the 'Metropolitan Priorities' of the Sydney Metropolitan Strategy.

5.3 ENVIRONMENTAL, SOCIAL AND ECONOMIC IMPACT

Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

Not applicable to this Planning Proposal.

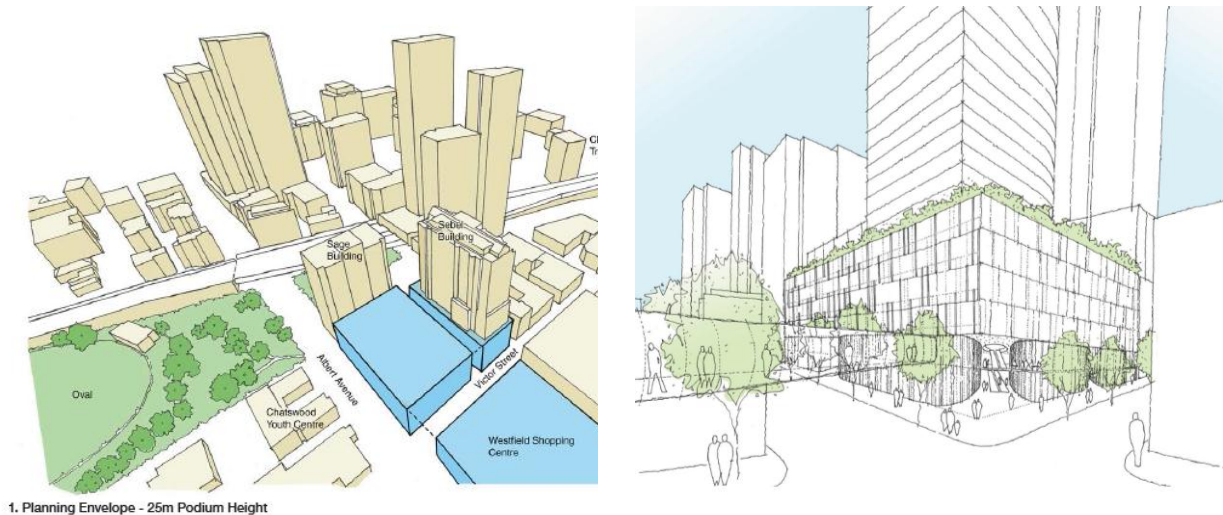
Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

Given the proposed uplift in building height and density, the potential environmental effects that are relevant to the Planning Proposal include the indicative building design, residential amenity and traffic impacts.

Bulk, Scale and Massing of Indicative Design Concept

The preferred design option provides a retail podium (approximately 25m/5 storeys) which is consistent with the predominant street edge heights of the Sebel building to the north and Westfield Shopping Centre to the east. Further, in response to local planning objectives, the indicative design also seeks to activate the street frontages to Victor Street and Albert Avenue, and facilitate more practical pedestrian linkages within the precinct.

FIGURE 4 – PODIUM HEIGHTS AND STREET ACTIVATION (BATES SMART)



Above the retail podium, the proposal provides a taller elliptically shaped tower on the eastern part of the site to preserve views from the residential component of the 'Sebel' building, and a smaller rectangular shaped tower up to where the service apartment component finishes. The residential towers are setback between 12 to 22 metres from the Sebel building, providing a generous amount of building separation and privacy between the two sites.

As discussed below, the proposed design has sought to provide high levels of internal amenity, and not give rise to any unreasonable amenity impacts on surrounding properties.

Amenity impacts on surrounding properties

View sharing and overshadowing are the two key potential amenity impacts arising from the proposed increase in height and density on the site, and have accordingly guided the appropriate height, bulk and scale for the site.

View Sharing

The site is in the immediate vicinity of two larger buildings on its northern and western boundaries. The 'Sage' building to the west is a commercial office building and is not view-sensitive, however the 'Sebel' building to the north contains residential apartments which are set above lower level commercial uses which have been considered in the design of the proposal. The upper residential apartments of the Sebel building currently have views to the south and east of the site which are enjoyed across the Mandarin Centre site.

The Land and Environment Court judgement in the matter of *Tenacity Consulting v Warringah* [2004] NSWLEC 140 has been adopted as a 'Planning Principle' for 'View Sharing' by the court. In his judgement, Commissioner Roseth SC states that:

"The notion of view sharing is invoked when a property enjoys existing views and a proposed development would share that view by taking some of it away for its own enjoyment. (Taking it all away cannot be called view sharing, although it may, in some circumstances, be quite reasonable.) To decide whether or not view sharing is reasonable, I have adopted a four-step assessment".

In response to the above view sharing principles, the urban design analysis undertaken by Bates Smart Architects compared the potential view sharing impacts of commercial and residential schemes on the site. As commercial buildings require large floor plates and critical mass, an office tower with a commensurate quantum of gross floor area would potentially create a larger degree of view loss on the residential component of the Sebel building.

In comparison, the preferred design concept seeks to minimise view loss to the residential apartments of the Sebel by reducing the bulk and scale of the building envelopes above the commercial and serviced apartment component of this building. The residential component of the Sebel commences above Level 13 (i.e. above 23.7m). In response, the preferred design concept provides two residential building envelopes which respond specifically to the views from these residential apartments. The first lower residential tower is limited in height to Level 13 to minimise view loss from the residential apartments. A second taller tower, consistent with the height of the Sebel building, has been designed in an innovative elliptical manner which maximises view sharing in comparison to more conventional shaped building forms. The positioning of the building core and angled shape of the building envelope also provides increased building separation and privacy between the Sebel and Mandarin Centre site.

In summary, the preferred design option provides a reasonable view sharing scenario in light of the Tenacity test above, compared to alternative options. A more detailed Tenacity Assessment would be undertaken at the Development Application stage when a detailed design scheme is available.

Overshadowing

Bates Smart Architects have undertaken shadow studies for the various design options between 9-3pm on the winter solstice.

The proposed building envelope will provide some additional morning shadowing of Chatswood Oval and Chatswood Youth Centre between 9am and 11.30am. The shadowing of the Chatswood Oval predominantly falls within the passive-recreation space close to Albert Avenue. This accords with the objectives of the Willoughby DCP which seeks to restrict overshadowing of the Oval between 11.30am and 2pm. Between 12 midday and 3pm the main shadows cast from the proposal fall on the Chatswood Youth Centre and adjacent commercial area, which are currently heavily overshadowed by the existing buildings in Chatswood.

In summary, the proposed high level analysis of overshadowing indicates that the proposed height and density do not create any unreasonable amenity impacts on the surrounding properties.

Traffic Impacts

A Transport and Traffic Assessment has been prepared by GTA Consultants (see **Appendix B**) to assess the impacts of shop top housing on the site, and review the preferred design concepts by Bates Smart Architects. Given the site's highly accessible location to Chatswood Railway Station, a range of public transport options and alternatives are available for future occupants of the retail and residential components of the proposal. This will limit car dependency and encourage public transport, walking and other means of travel.

Car parking is to be provided in Basement Levels 2 and 3 of the preferred design option, which each basement level accommodating approximately 101 car parking spaces. Vehicle access to the site is proposed via Orchard Avenue shared with the existing Sage building access. This will close the current Victor Street vehicular access, creating opportunities for street activation and ground floor uses along Albert Avenue and Victor Street which is Council's preferred strategy.

The Transport and Traffic Assessment confirms that the potential traffic generation of the proposal is supportable, and the traffic generated by the proposal can be readily accommodated by the surrounding road network.

How has the planning proposal adequately addressed any social and economic effects?

The current Mandarin Shopping Centre is severely constrained by its physical size, lack of anchor tenants, poor vertical internal connectivity and street activation, and difficult base building layout. This makes it extremely difficult to remain viable within the competitive retail environment within Chatswood and surrounding catchment areas.

An assessment of retail, residential and office development options has been undertaken by Urbis (see **Appendix C**) to determine the future demand for these uses in Chatswood, and the Mandarin Centre site in particular.

The key findings of this analysis are that the market can support additional retail and residential uses, however, significant commercial office floorspace is unlikely to be supportable in the Mandarin Centre location. A summary of the retail, residential and office options evaluated in the report are provided below.

Retail

- Benchmarking the current supermarket and discount department store floorspace per population provision in the Chatswood CBD retail trade area against the average in Sydney suggests a current under provision in Chatswood.
- In addition to the current under provision in retail floorspace within the Chatswood CBD trade area, strong future population and retail spend per capita growth will fuel demand for additional retail floorspace.
- The addition of a supermarket and/or discount department store at the Mandarin Centre could support additional specialty and non-retail floorspace (based on benchmarking with Urbis retail averages) suggesting future market scope to expand the existing 6,100m² of retail floorspace to 17,700m².
- The existing major centres in Chatswood are focused on discretionary spending – leaving scope for Mandarin Centre to position its retail offer more towards a convenience focus.
- The expansion and improvement of retail at the Mandarin Centre can also generate a number of economic benefits, including:
 - Employment creation (~500 direct and 350 to 400 indirect full-time, part-time and casual ongoing jobs).
 - Improvement in amenity, convenience and enhanced choice for residents, broadening the draw of the Chatswood CBD retail offer and improving the retention of retail spending within Chatswood.
 - The proposed development will improve confidence in the Chatswood CBD as a strong location for investment and employment.
 - Council will be able to levy Section 94 contributions which can contribute towards meeting Council's objectives for community facilities and infrastructure.

Residential

- The Mandarin Centre site presents a strong location for the development of apartments.
- Attached new dwelling approvals have seen an increasing trend in Sydney and have already been the dominant dwelling type in the Willoughby LGA and Chatswood since 2001.
- Population growth within the Willoughby LGA is driven by overseas migrants from high density Asian cities and “empty nesters” fuelling demand for smaller format residential products.
- There is strong demand for high density residential dwellings within the Chatswood CBD, in particular one and two bedroom apartments.

- The Mandarin Centre is a strong location for apartments given its strong public transport access, attractive views, high amenities and proximity to the Chatswood CBD commercial core.
- Despite strong demand, there are limited new residential developments in the pipeline within the Chatswood CBD.
- The proposed 260 units at the Mandarin Centre will also help deliver the Sydney Metropolitan and Willoughby's City Strategies' dwelling targets.

Commercial

- The market is unlikely to be able to support a significant provision of commercial office space in the Mandarin Centre location.
- The Sydney office market is soft and likely to remain so over the medium term.
- The high vacancy rates and pipeline of an extensive provision of commercial office space within the Sydney CBD is pushing incentives up and exerting downward pressure on rents.
- Lower rents and proximity to customer markets are the key location drivers for office tenants.
- The high incentives and relatively low office rents within the Sydney CBD are attracting some to relocate back into the city from the suburbs. A number of office users in St Leonards, Macquarie Park, Chatswood and Parramatta have relocated/or plan to relocate back into the city.
- The market is responding by the lack of a pipeline of any significant commercial office developments in Chatswood and lack of office sales transactions.

In summary, the Planning Proposal will provide a range of positive social and economic effects, including the provision of approximately 500 additional jobs for the local economy, 260 residential apartments to respond to strong housing demand, and extensive public domain benefits in the local area by the provision of a new, high quality mixed use development of a metropolitan scale.

5.4 STATE AND COMMONWEALTH INTERESTS

Is there adequate public infrastructure for the planning proposal?

The Planning Proposal does not alter the public infrastructure requirements that would be required when compared to the existing zoning and planning controls. The site is within walking distance of public transport (trains and buses), employment and lifestyle retail facilities within Chatswood. Upgrades to infrastructure arising from there development of the site (such as utilities and traffic) would be assessed during the development application process.

6 Conclusions

The Planning Proposal has been prepared in accordance with Section 55 of the *Environmental Planning and Assessment Act 1979* (the EP&A Act) and the relevant guidelines prepared by the NSW Department of Planning including *A Guide to Preparing Local Environmental Plans* and *A Guide to Preparing Planning Proposals*.

The Planning Proposal provides a comprehensive justification of the proposed amendment to WLEP, and is supported on the following grounds:

- The current Mandarin Centre building fails to respond positively to the opportunities created by a prominent, strategic CBD site, and is significantly underdeveloped. The current retail offer is suffering, and finds it difficult to compete within its retail catchment.
- The proposal provides the potential for an iconic, high quality, mixed use development, supported by a new and enlarged retail and entertainment shopping complex with improved street activation and pedestrian connectivity on a strategically significant site, in a highly prominent location in Chatswood CBD, with few sites in Sydney having comparable strategic credentials and attractiveness for metropolitan scale projects.
- Well designed, higher density mixed use development is at the cornerstone of Sydney's metropolitan planning initiatives as it encourages integrated infrastructure, transport and land use. The Planning Proposal will provide approximately 500 jobs and 260 high quality apartments in a highly accessible 'Global Sydney' and 'Major Centre' location, creating a true transit-oriented development which reduces car dependency and encourages public transport patronage.
- A new, fresh and expanded shopping centre will be provided that is responsive to the consumer needs of the local catchment, and provides a range of tangible public benefits including refurbishment of the pedestrian bridge link to the south of the site, active street frontages, ground floor uses and coordinated pedestrian linkages between the shopping precinct of Chatswood to the railway station all of which are specifically identified in the zone objectives of the B3 Zone.
- The proposal will provide new tourist and visitor accommodation to support the needs of surrounding commercial offices and tourists visiting Chatswood and the surrounding locality.
- There is a demonstrable need and demand for residential and retail floorspace in Chatswood, with limited sites and opportunities to meet the long-term spatial requirements. Without the provision of supply in the short and long-term, there is likely to be a severe shortage in coming years.
- The proposal will have a range of positive environmental, social and economic impacts on the surrounding locality which are discussed in this report.
- The proposal is consistent with the objectives and actions contained in the applicable regional and sub-regional strategy, and Council's Community Strategic Plan. It is also consistent with applicable State Environmental Planning Policies and Section 117 Directions.

Overall, it is considered that the Planning Proposal has a range of positive benefits, and it is requested that Willoughby City Council take the necessary steps to enable it to proceed to Gateway Determination under Section 56 of the EP&A Act.

Disclaimer

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Appendix A

Indicative Design Concepts

Appendix B

Transport and Traffic Assessment

Appendix C

Assessment of Retail, Residential and Office Development Options

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