

21 May 2019

General Manager  
Willoughby Council  
PO Box 57  
Chatswood NSW 2057

Attention: Norma Shankie-Williams

Dear Norma,

**Letter of Offer to enter Voluntary Planning Agreement  
1A-29 Bowen Street & 6-18 Moriarty Road, Chatswood**

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We act for Platine Property Development Pty Limited, applicants for a Planning Proposal (2017/0005) relating to land at 1A-29 Bowen Street & 6-18 Moriarty Road, Chatswood (subject sites).

We refer to the resolution of Council dated 13 May 2019 that requires:

- the Planning Proposal be submitted to the Department of Planning and Environment (now Department of Planning, Industry and Environment) seeking a Gateway Determination under Section 3.34 of the Environmental Planning and Assessment Act 1979; and
- an updated Letter of Offer to enter into a Planning Agreement to be submitted to Council prior to referral to Gateway, as the basis for further negotiation.

The following provides preliminary details as the basis for further negotiation in relation to an offer by Platine Property Development Pty Limited to enter into a Planning Agreement with Willoughby City Council.

**Background**

The subject sites were purchased with the intention of amalgamation to provide greater flexibility for improved planning and development outcomes that would be realised through the lodgement of a Planning Proposal seeking an increase in the maximum heights and floor space ratio for the subject site.

**Offer**

Platine Property Development Pty Limited offer to enter into a Voluntary Planning Agreement (VPA) with Willoughby City Council (Council) in connection with the Planning Proposal to make the following development contribution to the Council, in contemplation of what is required under section 7.11 of the EP&A Act:

- Dedication to Council of 7% accountable total floor space to be used as affordable housing.

### **Calculation of Contribution**

To assist with Council's understanding of the calculation for the proposed contribution we attach a copy of a report prepared by Hill PDA, registered valuer, dated 17 October 2018.

The estimated purchase price for the subject sites is \$65,584,300 and the value for the residual land if the proposed scheme is approved is \$67,500,000. This shows an uplift of \$1,915,700 (rounded to \$2,000,000).

Using 45% share formula (provided by Council) the developer portion contribution is \$900,000.

The VPA offer of 7% affordable housing equates to 1,175m<sup>2</sup> of gross floor area or a maximum 24 units with each dwelling having a minimum gross floor area of 50m<sup>2</sup>.

The 7% affordable housing offer comprises the following components:

- 4% affordable housing component in contemplation of providing affordable housing in accordance with Willoughby Affordable Housing Principles; and
- 3% affordable housing component as an appropriate public benefit contribution to ensure the community is not further burdened by the proposed development.

Adopting the average residential sales values for 1 bedroom units of \$17,091/m<sup>2</sup> provided by Hill PDA, the estimated value for 7% affordable housing equates to \$20,081,925.

Given the significant value of the offer, we consider it fair and reasonable the proposed development be exempt from the provision of local infrastructure contributions pursuant to Sections 7.11 or 7.12 of the Environmental Planning and Assessment Act, 1979.

If Council is agreeable to the above offer, we will have our solicitors prepare a draft Heads of Agreement for Council to consider, following which we will provide Council with a draft voluntary planning agreement prepared in accordance with the Council's Planning Agreement Policy.

If you would like to discuss any aspect of this offer please contact Tony Polvere on 0403 242 926.

Yours sincerely



**Tony Polvere**  
Director