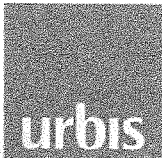


Appendix G

Letter Prepared by Urbis dated June 2011



2 June 2011

Mr Brett Brown
Director
Ingham Planning
19/303 Pacific Hwy
LINDFIELD NSW 2070

Dear Brett,

118-124 Terry Street, Rozelle - EIA and SIA Reliance

Urbis acknowledges receipt of the Planning Proposal prepared by Ingham Planning dated April 2011 for the development site at 118-124 Terry Street, Rozelle. The purpose of this letter is to confirm the appropriateness of the Economic Impact Assessment (EIA) and Social Impact Assessment (SIA) prepared by Urbis dated June 2010 in light of the proposed changes to the development scheme.

Urbis has reviewed the proposed changes to the development and note the key differences, including the reduction in development yield (FSR) from 1.7:1 down to 1.5:1. The key changes are summarised as follows:

	ORIGINAL SCHEME (JUNE 2010)	REVISED SCHEME (APRIL 2011)
FSR	1.7:1	1.5:1
Retail	1,777 sq.m (including a food market/provedore of 775 sq.m)	1,300 sq.m (including a maximum size food market/provedore of 300 sq.m)
Child Care	40 place centre	40 place centre
Commercial	450sqm of commercial/light industrial	450 sq.m of commercial/light industrial (Live/work units)
Residential	195 dwellings comprised of 46 x 1 bed, 112 x 2 bed and 20 x 3 bedroom apartments	179 dwellings comprised of 4 'work lofts', 43 x 1 bed, 112 x 2 bed and 20 x 3 bedroom apartments
Car Parking	320 cars	250 cars

The effect of these changes has been to reduce the size of the food market/provedore, the number of residential dwellings and the number of car parks. In general however the new scheme is generally in keeping with the nature of the original scheme from June 2010.

As the overall scheme and its intent remain essentially the same, albeit reduced, the EIA and SIA prepared in June 2010 are still relevant for inclusion with the Planning Proposal date April 2011.

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However, we draw your attention to some of the potential differences in our findings in the EIA as follows, none of which would alter our final conclusions:

- The reduction in the volume of retail within the proposed development will result in a reduction in the overall turnover potential and in turn will reduce the impacts of this development on surrounding retailers. The EIA dated June 2010 originally assessed a total impact of -1.7% relative to 2013 trading levels. With the reduction in floorspace and turnover, this impact would also drop closer to -1.2% relative to 2013 trading levels.
- The original level of direct ongoing employment calculated at 112 jobs as at June 2010 would reduce to 93 jobs based on the reduced retail floor area (see revised table below).

Terry Street, Balmain - Direct Employment Impact of Mixed Use Proposal

Type of Use	Employment Per '000 Sq.m	Terry Street, Balmain Expansion Additional ¹	
	Industry Average	GLA (Sq.m)	Employment (Persons)
Supermarket(s)	40.8	300	12
Specialty Shops	60.7	1,000	61
Industrial Showroom	17.5	450	8
Childcare	50.0	237	12
Total Property²		1,987	93

1. Takes into account reduced vacancies

2. Includes non-retail and external components. Excludes additional management, cleaning & security staff

Source : Urbis

- The total number of jobs created by the construction of the project would also reduce if the size of the project reduces. We have assumed a proportionate reduction in development costs in line with the reduction in FSR. There would also be a reduction in indirect jobs for both construction and ongoing jobs. (Note: in the following table, we have reduced the direct ongoing 93 jobs by 15% to allow for transfer effects. Therefore we have assumed that 79 direct ongoing jobs would be new jobs).
- On this basis total direct and indirect construction jobs reduce from 1,227 in our June 2010 EIA to 1,083 jobs based on the April 2011 Planning Proposal. Ongoing direct and indirect jobs also reduce from 181 to 150 jobs.

Terry Street, Balmain - Direct Employment Impact of Mixed Use Proposal

Development Option/ Type of Employment	Direct Employment	Supplier Employment Multiplier Effects	Total Jobs ²
Construction Phase	421	662	1,083
Ongoing Employment Increase ³	<u>79</u>	71	150
Total	500		

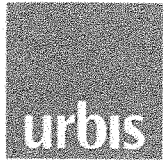
1. Total Employment - full-time, part-time and casual

2. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects.

Jobs are for the equivalent of one year of employment.

3. Indicates the estimated number of ongoing jobs as a result of the proposed expansion (ie the floorspace increase)

Source : Urbis



In relation to the findings in the SIA, we make the following comments:

- The overall changes in the development will not lead to any changes in Urbis' conclusions in the EIA and will continue to provide the identified benefits, such as meeting the need for child care and retail services in Rozelle and increasing the supply and diversity of housing.
- The reduced scale of the development should result in a reduced traffic load on local streets and reduce the additional burden on public transport which should assist to reduce the impact on local residents.

We trust that this review will assist in the review of the Planning Proposal. If you have any further questions, please feel free to contact the undersigned.

Yours sincerely,

A handwritten signature in black ink, appearing to read "C. Ostwald".

Clinton Ostwald
Director