

5 November 2015

Leichhardt Municipal Council
7-15 Wetherill Street
Leichhardt
NSW 2040

To The General Manager of Leichhardt Municipal Council

Re: Planning Proposal Lodgement Form – Request to Amend the Leichhardt Local Environmental Plan 2013

1. What is proposed to be amended?

The Planning Proposal seeks to rezone the site at 100-102 Elliott Street, Balmain from B2 Local Centre to R1 General Residential.

2. Pre lodgement meeting?

A meeting was held at Leichhardt Council on 15 July 2015 with Clare Harley present.

3. Information included with this request:

- Completed request form (being this form)
- 2x hard copies of the draft planning proposal prepared in accordance with Department of Planning and Infrastructure's "A guide to preparing planning proposals"
- 1x electronic copy of the above draft planning proposal
- LEP Amendment fees (as confirmed by Clare Harley via email)

4. Location and title description of the property associated with the proposed amendment

Street No: 100-102

Street: Elliott Street

Suburb: Balmain

Postcode: 2041

Lots & Deposited Plans: Lot 6 DP 617944 and Lot 1 DP 619996

5. Applicant details

Mr Michael Calvi (Development Manager)

Level 5, 45 Jones Street, Ultimo NSW 2012

(02) 9356 1021 or 0410 661 230

mcalvi@toga.com.au



6. Is a political donations and gifts disclosure statement required? (Sect 147 (4) of EP&A Act)

NO

7. List of additional studies attached to Planning Proposal:

- Economic and Social Assessment Report (by RPS)
- Traffic Impact Assessment (by CBHK)
- SEPP 65 and ADG Assessment (by Bates Smart)

8. Who owns the land?

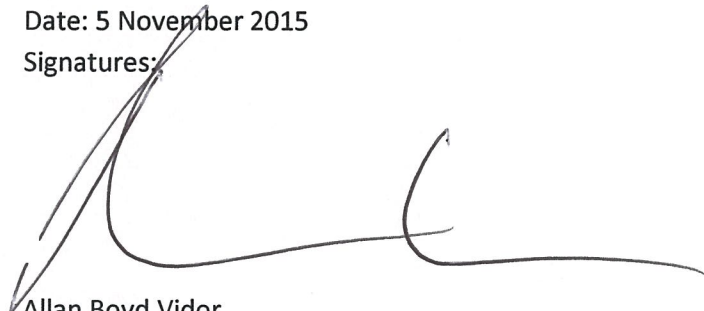
Toga Developments Sydney Pty Ltd
Level 5, 45 Jones Street, Ultimo NSW 2012
ABN: 87 126 126 707
ACN: 126 126 707

9. Owner's consent

As the owner of the land to which this application relates, we consent to this application. I give consent for authorised Council officers to enter the land to carry out inspections.

Date: 5 November 2015

Signatures:



Allan Boyd Vidor
Director
Toga Developments Sydney Pty Ltd



Adrian Paul Whiting
Company Secretary
Toga Developments Sydney Pty Ltd

10. Applicant's declaration

I declare that all the information given in this request is true and correct. I also understand that, if incomplete, the request may be delayed or rejected. I understand that payment of fees may not result in the desired outcome. I understand that timeframes cannot be guaranteed and may vary.

Date: 5 November 2015

Signature:



Michael Calvi
Development Manager
Toga Development Sydney Pty Ltd

Disclaimer

I hereby apply for the proposal described in the Section 1 and I consent to Council copying this application, and any supporting material, for the purpose of obtaining public comment which includes publishing this information electronically on Council's website. I also understand that if the information is incomplete the application may be delayed or rejected, or more information may be requested. I acknowledge that if the information provided is misleading any approval granted may be void.

I accept that Council cannot be held liable for delays in processing arising out of inadequacies in the material submitted in support of this application.

Signing this form acknowledges that any additional study required by Council and/or the Department of Planning and Infrastructure will be at no cost to Council and/or the Department of Planning and Infrastructure

Planning Proposal Lodgement Checklist Documents Required

This checklist must be completed by you prior to planning proposal lodgement

Have you provided the following?	Y/N or N/A
1. Completed and signed Application Form	Y
2. Written and signed consent of the owner/s of the property	Y
3. Completed Political Donations and Gifts Disclosure Statement	N/A
4. Minutes from Pre-Planning Proposal Meeting (if attended)	Y
5. Confirmation of compliance with Department of Planning and Infrastructure's 'A Guide to Preparing Planning Proposals'	Y
6. Planning Proposal and supporting information	Y
7. Drawings to scale	Y
8. Two hard copies of all documents submitted with the application <i>Note: Additional copies will need to be provided for exhibition and referral to government authorities (these will be requested upon Gateway Determination approval)</i>	Y
9. CD with a copy of all the above documents (including WORD and PDF version of the Planning Proposal)	Y
10. Council Planning Proposal Fee	Y



Planning Proposal

100-102 Elliott Street, Balmain

Prepared by:

RPS AUSTRALIA EAST PTY LTD

Level 9
17 York Street
Sydney NSW 2000

T: +61 8270 8300
F: +61 9248 9810
E: sydney@rpsgroup.com.au

Prepared for:

TOGA DEVELOPMENTS SYDNEY PTY LTD

Level 5
45 Jones Street
Ultimo NSW 2007

T: 02 9356 1059
E: mcalvi@toga.com.au
W: www.toga.com.au

Client Manager: Peter Mangels
Report Number: PR127995
Version / Date: Rev 0 / November 2015

IMPORTANT NOTE

Apart from fair dealing for the purposes of private study, research, criticism, or review as permitted under the Copyright Act, no part of this report, its attachments or appendices may be reproduced by any process without the written consent of RPS Australia East Pty Ltd. All enquiries should be directed to RPS Australia East Pty Ltd.

We have prepared this report for the sole purposes of Toga Developments Sydney Pty Ltd ("**Client**") for the specific purpose of only for which it is supplied ("**Purpose**"). This report is strictly limited to the purpose and the facts and matters stated in it and does not apply directly or indirectly and will not be used for any other application, purpose, use or matter.

In preparing this report we have made certain assumptions. We have assumed that all information and documents provided to us by the Client or as a result of a specific request or enquiry were complete, accurate and up-to-date. Where we have obtained information from a government register or database, we have assumed that the information is accurate. Where an assumption has been made, we have not made any independent investigations with respect to the matters the subject of that assumption. We are not aware of any reason why any of the assumptions are incorrect.

This report is presented without the assumption of a duty of care to any other person (other than the Client) ("**Third Party**"). The report may not contain sufficient information for the purposes of a Third Party or for other uses. Without the prior written consent of RPS Australia East Pty Ltd:

- (a) this report may not be relied on by a Third Party; and
- (b) RPS Australia East Pty Ltd will not be liable to a Third Party for any loss, damage, liability or claim arising out of or incidental to a Third Party publishing, using or relying on the facts, content, opinions or subject matter contained in this report.

If a Third Party uses or relies on the facts, content, opinions or subject matter contained in this report with or without the consent of RPS Australia East Pty Ltd, RPS Australia East Pty Ltd disclaims all risk and the Third Party assumes all risk and releases and indemnifies and agrees to keep indemnified RPS Australia East Pty Ltd from any loss, damage, claim or liability arising directly or indirectly from the use of or reliance on this report.

In this note, a reference to loss and damage includes past and prospective economic loss, loss of profits, damage to property, injury to any person (including death) costs and expenses incurred in taking measures to prevent, mitigate or rectify any harm, loss of opportunity, legal costs, compensation, interest and any other direct, indirect, consequential or financial or other loss.

Document Status

Version	Purpose of Document	Orig	Review	Review Date
Rev A	Draft to client	ET	LB/PM	15/09/2015
Rev B	Draft to client	LB	PM	28/09/2015
Rev C	Draft to client	PM		01/11/2015
Rev 0	Final for submission	PM		05/11/2015

Approval for Issue

Name	Signature	Date
Peter Mangels		05/11/2015

Contents

1.0	INTRODUCTION	1
2.0	THE SITE	3
2.1	Description.....	3
2.2	Surrounding Context	4
2.3	Local Planning Controls	5
2.3.1	Leichhardt Local Environmental Plan 2013	5
3.0	BACKGROUND	7
3.1	Development Approval	7
3.2	Issues with Current Approval and Zoning	7
3.3	Council Meeting	8
3.4	Resident Consultation	8
4.0	PART 1 – OBJECTIVES OR INTENDED OUTCOME	10
5.0	PART 2 – EXPLANATION OF PROVISIONS	11
5.1	Leichhardt Local Environmental Plan 2013.....	11
6.0	PART 3 - JUSTIFICATION	12
6.1	Section A – Need for Planning Proposal	12
6.1.1	Is the Planning Proposal a result of a study or report?	12
6.1.2	Is the Planning Proposal the best means of achieving the objectives or intended outcomes, or is there a better way?	12
6.1.3	Is there a net community benefit?	13
	Section B – Relationship to Strategic Planning Framework.....	13
6.1.4	Is the Planning Proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?	13
6.1.5	Is the Planning Proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?.....	17
6.1.6	Is the Planning Proposal consistent with applicable state environmental planning policies?	18
6.1.7	Is the Planning Proposal consistent with applicable Ministerial Directions (s 117 directions)?	20
6.2	Section C – Environmental, Social & Economic Impact	23
6.2.1	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?	23
6.2.2	Are there any other likely environmental effects as a result of the Planning Proposal and how are they proposed to be managed?	23
6.2.3	How has the Planning Proposal adequately addressed any social and economic effects?	23
6.3	Section D – State & Commonwealth Interests	24
6.3.1	Is there adequate public infrastructure for the Planning Proposal?.....	24

6.3.2	What are the views of State and Commonwealth public authorities consulted in accordance with the gateway determination?	25
7.0	PART 4 – MAPPING	26
7.1	Existing Controls	26
7.2	Proposed Controls	27
8.0	PART 5 – COMMUNITY CONSULTATION.....	28
9.0	PART 6 – PROJECT TIMELINE.....	29
10.0	CONCLUSION	30

Tables

Table 1: Options to achieve the objectives or intended outcome.....	12
Table 2: A Plan for Growing Sydney	14
Table 3: Draft Inner West Subregional Strategy.....	15
Table 4: Leichhardt 2025+	17
Table 5: Application of SEPPs.....	19
Table 6: Application of s117 Ministerial Directions	20
Table 7: Anticipated Project Timeline	29

Figures

Figure 1: Site Location (<i>Source: SixMaps</i>)	3
Figure 2: Site Zoning (<i>Source: Leichhardt LEP 2013</i>).....	4
Figure 3: Residential developments at 5, 7 and 9 Broderick Street opposite the site	5
Figure 4: Residential buildings located opposite the site on Elliott Street.....	5
Figure 5: Land Zoning Map (site outlined in red).....	26
Figure 6: Proposed Land Zoning Map (site outlined in red)	27

Appendix 1	Sydney Morning Herald (Domain) Article <i>NSW government investigating AirBnB rentals</i>
Appendix 2	Economic and Social Assessment Report
Appendix 3	Traffic Impact Assessment prepared by CBHK
Appendix 4	SEPP 65 and ADG Assessment prepared by Bates Smart
Appendix 5	Resident Letters
Appendix 6	Location of subject apartments
Appendix 7	Letter from TFE Hotels

I.0 Introduction

This Planning Proposal (The Proposal) has been prepared by RPS on behalf of Toga Developments Sydney Pty Ltd (Toga) to facilitate the preparation of an amendment to *Leichhardt Local Environmental Plan 2013* (*Leichhardt LEP 2013*) to enable the rezoning of 100-102 Elliott Street, Balmain.

The site is currently zoned B2 Local Centre, which permits a range of uses including residential flat buildings; however, Clause 6.11A of *Leichhardt LEP 2013* does not permit residential accommodation unless the building comprises mixed use development and an active street frontage.

The site has an approval for a mixed use development comprising eight buildings ranging between 3-5 storeys with ground floor commercial/retail uses (including 19 serviced apartments and gymnasium) and 102 residential units above (D/2013/406). In August 2014, Toga purchased the site from Roche Group.

The operation of serviced apartments at this scale and format is not considered to be commercially viable and would likely to be leased out through a third party operator with no on-site management such as AirBnB or Stayz. Various Councils throughout NSW and beyond have voiced their concerns about this form of short-term tourist letting offering (**Appendix 1**). Their concerns are primarily with safety, security and amenity of permanent residents. This form of accommodation can also create compliance issues for Council that are often difficult to address.

Toga has 52 years' experience as a serviced apartment developer and operator. It is Toga's view that the approved serviced apartments create a risk of generating undesirable impacts on residential amenity, such as noise, safety and security, on both residents on-site and within the surrounding area. This is largely due to:

- The apartments are being spread across four separate buildings, making it difficult to appropriately service the apartments and manage associated impacts such as anti-social behaviour.
- The incompatible nature of serviced apartments and residential uses being co-located within the same building is seen as creating a potential safety and security risk for occupants of the residential apartments.
- The serviced apartments sharing a lobby/lift with residential apartments.

It has also been made apparent from submissions received by Council during the assessment of D/2013/406 and subsequent consultation, that the serviced apartments are largely not supported by existing neighbours of the development who would prefer residential uses on the subject site again due to the safety, security and amenity issues associated with short term accommodation. If the proposed rezoning of the site was to be supported, serviced apartments would be a prohibited use under the R1 General Residential zone.

Alternative uses that are currently permitted such as business or office premises have been considered but would either not be suitable in this location and/or unviable (**Appendix 2**). Given that serviced apartments and alternative commercial/retail uses are not viable at this scale and/or location, the subject serviced apartments are likely to remain empty for large periods of time contributing to a lack of activation, passive surveillance and general safety and security in the locality.

The purpose of this Proposal is therefore to amend *Leichhardt LEP 2013* to enable the rezoning of 100-102 Elliott Street, Balmain from B2 Local Centre to R1 General Residential. This would allow Toga to seek development consent in the future through the lodgement of a development application (DA) to convert the 19 approved serviced apartments to residential apartments.

Any future DA would not require reconfiguration of the approved serviced apartments and will not change the building envelopes, 'the look' or the height of the approved development. A future 'change of use' DA would be required to facilitate the conversion to residential apartments.

The approved gross floor area (GFA) and floor space ratio (FSR) for the site under D/2013/406 will remain unchanged as a result of this Proposal.

The proposed rezoning is justified for the following reasons:

- It is consistent with the recent *A Plan for Growing Sydney*, the strategic plan for the Sydney metropolitan area for the next 20 years.
- It will assist Leichhardt Council in meeting housing targets set by the Draft Inner West Subregional Strategy.
- There is a lack of market suitability for commercial uses at the scale and type required to occupy the ground floor of buildings across the site necessary to satisfy clause 6.11A of LEP 2013.
- The R1 General Residential zoning is consistent with all land surrounding the site and within the surrounding area.
- It would enable Toga to convert the approved serviced apartments to residential apartments at a future development application stage. This residential use is reflective of the surrounding residential uses.

The Proposal has been prepared in accordance with the (then) Department of Planning and Infrastructure's (DP&I) *A Guide to Preparing Planning Proposals* and *A Guide to Preparing Local Environmental Plans*. It is supported by the following technical reports and supporting information:

- Sydney Morning Herald (Domain) article *NSW government investigating Airbnb rentals* dated 4 July 2015 (**Appendix 1**).
- Economic and Social Assessment Report prepared by RPS (**Appendix 2**).
- Assessment of Traffic and Parking Implications Update prepared by CBHK (**Appendix 3**).
- SEPP 65 and Apartment Design Guide (ADG) Assessment prepared by Bates Smart (**Appendix 4**).
- Resident letters of support (**Appendix 5**).
- Location of subject apartments (**Appendix 6**).
- Letter from TFE Hotels (**Appendix 7**).

It is therefore recommended that this Proposal be favourably considered by Council and resolve to forward it to the Department of Planning and Environment (DP&E) for LEP Gateway determination in accordance with the *Environmental Planning and Assessment Act 1979* (EP&A Act) to prepare the necessary LEP amendment.

2.0 The Site

2.1 Description

The subject site is located at 100-102 Elliott Street, Balmain (see Figure 1) within the Leichhardt local government area (LGA) and comprises two lots, legally referred to as Lot 6 in DP 617944 and Lot 1 in DP 619996.



Figure 1: Site Location (Source: SixMaps)

It is essentially triangular in shape and has frontages of approximately 151m to Iron Cove, 199m to Elliott Street and 62m to Broderick Street, with an extension of this boundary along an adjoining property (2 Broderick Street) down to the foreshore of a further 84m.

The area of the site is approximately 12,375sqm and it has a moderate slope from 17m AHD in the eastern corner of the site to approximately 2m AHD at the sandstone retaining wall at the edge of the Parramatta River. The waterfront location and topography means the site benefits from views across Iron Cove to the Iron Cove Bridge, Birkenhead Point and Drummoyne.

The site comprises an isolated B2 Local Centre zoning under *Leichhardt LEP 2013* with the remainder of the land to the north, south and east zoned R1 General Residential (see Figure 2) except for a strip of foreshore land to the north that is zoned RE1 Public Recreation. The zoning is a reflection of the historical uses of the site for industrial, warehousing and commercial uses which discontinued when Nutrimetics relocated from

the site in June 2015. This zoning was also established prior to the approval of a mixed use development on the site which included ground floor commercial/serviced apartment uses with residential uses above (refer to Section 3.1).

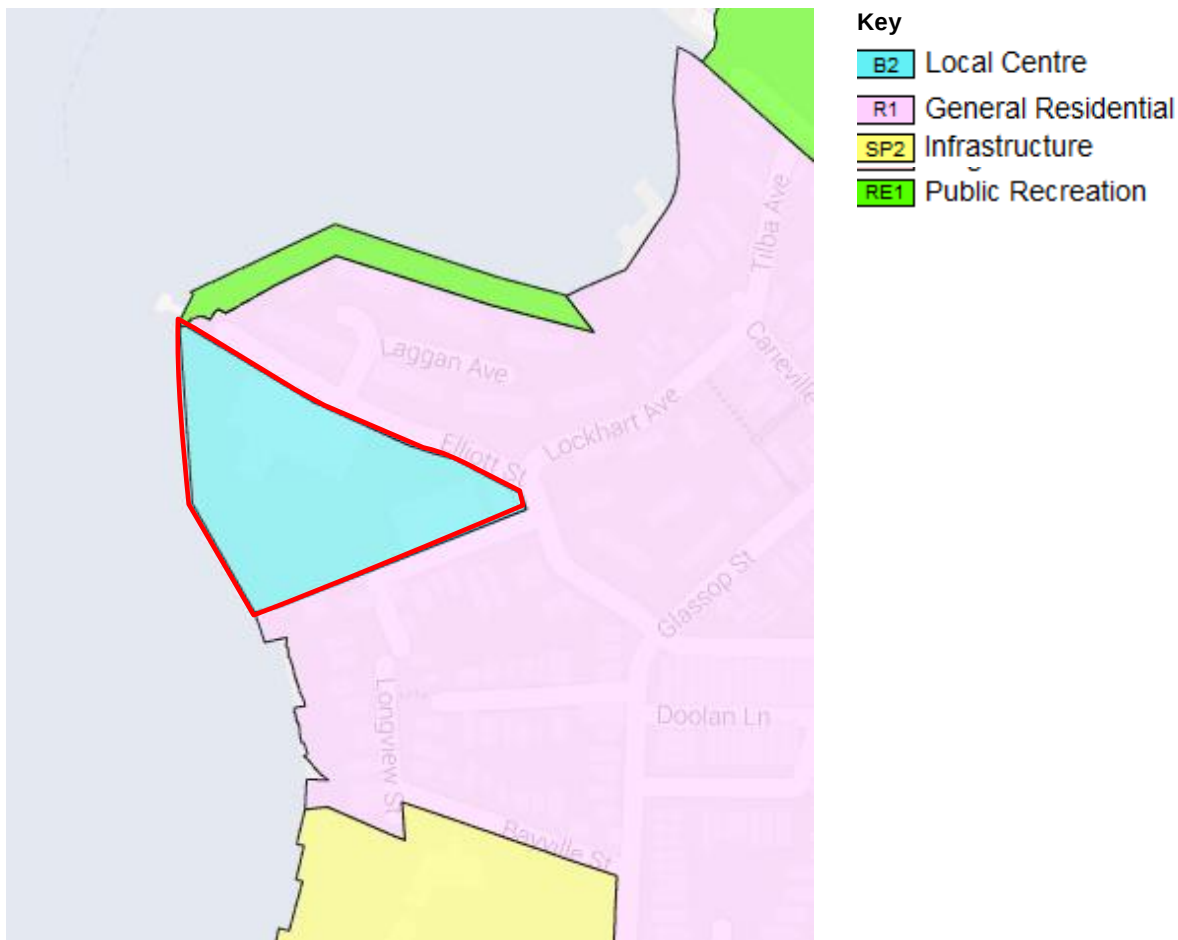


Figure 2: Site Zoning (Source: Leichhardt LEP 2013)

The site is highly accessible to public transport with bus stops located within 400m of the site on Darling Street, providing frequent services to Balmain Town Centre and Sydney's Central Business District (CBD).

The site is currently undergoing the demolition and basement excavation phases of the approved development D/2013/406. Construction is anticipated to be complete in October 2016

2.2 Surrounding Context

The subject site is surrounded by predominately low to medium density residential land uses.

Broderick Street is characterised by 1-3 storey single residential dwellings that vary significantly in form, scale, style and age (Figure 3).

Elliott Street is characterised by a series of 3-5 storey brick buildings that form part of a large public housing development (Figure 4).

The foreshore area is moderately vegetated with small and large trees, garden beds, hedges and grass which provide a green space along the waterfront. The approved development includes 6,750sqm of communal open space and public open space along the foreshore area. This features a network of

pedestrian links that provide access to the site and the harbour foreshore and the dedication and embellishment of foreshore land for public use.

As noted in section 2.1, the land surrounding the site is predominantly comprised of R1 General Residential Zone. There is an area of land zoned B2 Local Centre at the junction of Elliott Street and Darling Street about 250 metres to the east of the site which is small and also isolated from the main commercial strips (see Figure 2). This B2 zoned centre is located along the main thoroughfare (Darling Street) approximately 150m west of Balmain commercial area and approximately 200m east of Rozelle commercial area and contains many long established retail/entertainment establishments including the Cat & Fiddle Hotel.



Figure 3: Residential developments at 5, 7 and 9 Broderick Street opposite the site



Figure 4: Residential buildings located opposite the site on Elliott Street

2.3 Local Planning Controls

2.3.1 Leichhardt Local Environmental Plan 2013

The environmental planning instrument applying to the site is the *Leichhardt LEP 2013*. It is important for any future development within the LGA to be cognisant of and give consideration to the general aims of *Leichhardt LEP 2013* and the relevant zone.

The relevant aims of the *Leichhardt LEP 2013* to this Proposal are as follows:

(b) to minimise land use conflict and the negative impact of urban development on the natural, social, economic, physical and historical environment

e) to protect and enhance the amenity, vitality and viability of Leichhardt for existing and future residents, and people who work in and visit Leichhardt

(j) to ensure an adequate supply of land and housing to facilitate:

(i) employment and economic opportunities, and

(ii) the provision of goods and services that meet the needs of the local and subregional population

The proposed LEP amendment is consistent in addressing the aims of the *Leichhardt LEP 2013* as follows:

- It aims to minimise land use conflict between future residential uses within the site and serviced apartments within the same development.

- It proposes to enhance the amenity of the existing residents of the locality by maintaining a predominately residential land use on the subject site.
- It will increase housing supply in the Leichhardt LGA to meet targets indicated within the Draft Inner West Subregional Strategy.

Under *Leichhardt LEP 2013*, the site is zoned B2 Local Centre. The objectives of the zone are:

- *To provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area.*
- *To encourage employment opportunities in accessible locations.*
- *To maximise public transport patronage and encourage walking and cycling.*
- *To ensure that development is appropriately designed to minimise amenity impacts.*
- *To allow appropriate residential uses to support the vitality of local centres.*
- *To provide a mixture of compatible land uses.*
- *To reinforce and enhance the role, function and identity of local centres by encouraging appropriate development to ensure that surrounding development does not detract from the function of local centres.*
- *To integrate suitable business, office, residential and other development in accessible locations.*

Being an isolated business zone with a large frontage to Iron Cove, the site is in a difficult location to properly function as a B2 Local Centre zone as it envisages that all buildings would have an active street frontage. This zone typically operates best as a strip of shops with through traffic, such as the Rozelle or Balmain town centres. The B2 zone also envisages ground floor employment-generating uses that would increase traffic within the already constrained network.

Development permitted with consent in the B2 Local Centre zone includes:

*Attached dwellings; Boarding houses; Child care centres; Commercial premises; Community facilities; Dual occupancies; Dwelling houses; Educational establishments; Entertainment facilities; Function centres; 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; Rural workers' dwellings; Semi-detached dwellings; Service stations; Shop top housing; Tourist and visitor accommodation; Any other development not specified in item 2 or 4.*

The current B2 zone does not permit residential accommodation unless the buildings comprise mixed use development and have an active street frontage. Accordingly, a rezoning of the site to R1 General Residential would permit the intended ground floor residential uses without the need for a mix of uses or an active street frontage. Nevertheless, a retail tenancy /café would provide an active street frontage at the north east corner of the site at the fronting the public courtyard. This use would provide the conveniences of a neighbourhood shop and opportunities for social interaction in a location that is highly suitable for these uses.

As discussed within the Economic and Social Assessment (**Appendix 2**), changing the zone to R1 General Residential would have economic and social benefits, as well as be a more appropriate use on the site given the character of the surrounding area and the prevailing market conditions.

3.0 Background

3.1 Development Approval

Development consent for development application (D/2013/406) was granted by the Joint Regional Planning Panel (JRPP) on 6 June 2014. The consent permitted the construction of a mixed use development on the subject site comprising eight buildings with ground floor commercial/retail uses, 19 serviced apartments, 102 residential apartments and terraces, above and basement parking and associated works including bulk earthworks, tree removal, landscaping, signage and remediation.

The 19 serviced apartments are located at the ground floor of five buildings as identified in **Appendix 6**.

A number of s96 modification applications have been submitted, including:

- Minor changes to wording of the consent conditions relating to staging, timing of construction and construction traffic (M/2014/223) approved 26 May 2015.
- The deletion of the requirement for the basement level to be tanked (M/2014/224), approved 1 May 2015.
- M/2015/26 was submitted to Council on 13 March 2015. Modifications approved by Council on 27 October 2015 included a change to the roof material and design and the addition of air conditioning.
- M/2015/45 was submitted to Council on 2 April 2015 and involves a reduction in the footprint of the basement and car parking numbers. This application was withdrawn on 2 October 2015.
- An application (M/2015/215) seeking approval for minor internal and external alterations modifications including changes to the layout of the 3 bed apartments, and the addition of five skylights was submitted to Council on 16 October 2015. This application is currently with Council for consideration.

3.2 Issues with Current Approval and Zoning

There is a general concern amongst various Councils, the community, and residents of apartment buildings alike about amenity, safety and security impacts associated with short term accommodation. At this scale, it is not viable to have on-site management for the serviced apartments and as such they would likely to be leased out through a third party operator such as AirBnB or Stayz. Councils across NSW have raised concerns regarding the short term leasing of apartments by third party operators (**Appendix 1**). This type of short term leasing also creates compliance issues for local Councils' and is becoming increasingly difficult to manage.

It has also been made apparent from submissions received by Council during the assessment of D/2013/406 and subsequent consultation, that the serviced apartments are largely not supported by neighbours who would prefer residential uses on the subject site. If the proposed rezoning of the site was to be supported, serviced apartments would be a prohibited use under the R1 General Residential zone.

Alternative uses that are currently permitted such as business or office premises have been considered but would either not be suitable in this location and/or viable.

This form of short term leasing creates compliance issues for Councils and is becoming increasingly difficult to address. This issue has received significant recent media attention due to the increase in the popularity of short term accommodation websites such as AirBnB and Stayz.

It has also been made apparent from submissions received by Council from neighbours during the assessment of D/2013/406 and an earlier DA (D/2011/529) for a similar scheme, that commercial uses (except those at the north eastern corner of the site) and serviced apartments are a concern for the

community and residential uses across the site are preferred. If the proposed rezoning of the site was to be supported, serviced apartments would be a prohibited use under the R1 General Residential zone.

Toga has over five decades of experience as a serviced apartment developer and operator. It is Toga's view that the approved serviced apartments create a risk of generating undesirable impacts on residential amenity, such as noise, safety and security, on both residents on-site and within the surrounding area. This is largely due to:

- The apartments are being spread across five separate buildings, making it difficult and commercially inefficient to appropriately service and manage.
- The incompatible nature of serviced apartments and residential uses being co-located within the same building is seen as creating a potential safety and security risk for occupants of the residential apartments.
- The serviced apartments sharing a lobby/lift with residential apartments.

The operation of the serviced apartments at the scale, format and location (spread across five buildings) approved is not commercially viable. A study prepared by HillPDA Consultants and published for the North Sydney Council Meeting of 20 July 2015 on the commercial feasibility of serviced apartments in Sydney considers that in the current market 50-70 apartments is the minimum threshold¹. The majority of commercial operations run generally with between 50 and 150 serviced apartments (refer to **Appendix 2**).

The current B2 Local Centre permits a range of uses including residential flat buildings; however, Clause 6.11A of *Leichhardt LEP 2013* does not permit residential accommodation unless the building comprises mixed use development and an active street frontage.

Alternative uses that are currently permitted such as business or office premises have been considered but would either not be suitable in this location and/or viable.

As detailed at Section 6.1, the rezoning of the site to R1 General Residential is the best means of resolving this issue.

3.3 Council Meeting

Prior to the preparation of this Proposal, a meeting was held at Leichhardt Council on 15 July 2015. Council officers, Toga and RPS representatives discussed potential land use changes or rezonings of the site to support the conversion of serviced apartments to residential apartments. Council generally agreed that a Planning Proposal to change the zoning of the site from its B2 Local Centre zone to R1 General Residential was the most appropriate option.

3.4 Resident Consultation

A consultation workshop was held by Toga with residents from the surrounding area on 21 August 2015. These comprised residents from the properties within Broderick Street and Broderick Lane who have been active during all forms of notification and exhibition relating to the approved development. Of the 12 properties invited to the workshop, 8 attended the meeting.

At the workshop, various matters were discussed including:

- Recent and current modification applications.
- An upcoming modification application involving minor external and internal alterations.

¹ North Sydney Council Meeting 20 July 2015 http://www.northsydney.nsw.gov.au/Council_Meetings/Meetings/Council_Meetings

- Construction program.
- Conversion of serviced apartments to residential apartments.

Feedback received from residents indicated that they were opposed to the approved serviced apartments and that they strongly support the conversion of the serviced apartments to residential uses. Thirteen residents have provided letters of support for the Proposal which are provided at **Appendix 5**.

Based on the submissions received during assessment of the approved development (D/2013/406), it is clear that many of the objectors were residents within the surrounding area. A particular concern was that the proposed serviced apartments were not in keeping with the residential nature of the surrounding area.

These concerns about non-residential uses are generally consistent with responses from residents to an earlier DA that was refused (D/2011/529). This DA, for a similar scheme as that approved, included commercial office and retail uses at the ground floor across the site. During assessment, residents were concerned with the impact from traffic, noise and safety with no active use of the ground floor after standard business hours.

4.0 Part I – Objectives or Intended Outcome

The objective of this Proposal is to amend *Leichhardt LEP 2013* to rezone land at 100-102 Elliott Street, Balmain from B2 Local Centre to R1 General Residential to allow residential uses on the ground floor across the site without the need for a mix of uses within a building or an active street frontage.

The intended outcome of the proposed LEP amendment is to convert the approved 19 serviced apartments under D/2013/406 to residential apartments at a future DA stage.

The future conversion would not require reconfiguration of the approved serviced apartments and will not change the building envelopes, 'the look', or the height of the approved development. The number of car parking spaces attributed to serviced apartments would now be attributed to the residential apartments. The approved gross floor area (GFA) and floor space ratio (FSR) of the site under D/2013/406 will remain unchanged as a result of this Proposal. A 'change of use' DA would be required to facilitate the intended outcomes of this amendment.

Condition 85 of consent D/2013/406 which required a restrictive covenant to be registered on title to prevent use of the approved serviced apartments for other uses would need to be deleted. To facilitate the deletion of Condition 85, a future s96 modification would need to be submitted and considered by Council.

5.0 Part 2 – Explanation of Provisions

The provisions to be included in the proposed LEP are outlined below, in accordance with Section 55(2) of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

5.1 Leichhardt Local Environmental Plan 2013

Name of Plan

This Plan is *Leichhardt Local Environmental Plan 2013 (Amendment No.TBC)*.

Aims of the Plan

This Plan aims to amend the *Leichhardt Local Environmental Plan 2013* as follows:

- Amend *Leichhardt LEP 2013* Land Zoning Map Sheet LZN_006 in accordance with the proposed zoning map shown at Section 7.2 of this Proposal.

Land to which Plan applies

This Plan applies to 100-102 Elliott Street, Balmain being Lot 6, DP 617944 and Lot 1, DP 619996.

6.0 Part 3 - Justification

6.1 Section A – Need for Planning Proposal

6.1.1 Is the Planning Proposal a result of a study or report?

The Proposal is not the result of a strategic study or report.

Strategic plans relevant to the subject site are discussed in detail at Sections 6.1.4 and 6.1.5.

6.1.2 Is the Planning Proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

The current B2 Local Centre zone does not permit residential accommodation unless the buildings comprise mixed use development and have an active street frontage. It is considered that a Planning Proposal to amend the zoning of the site under *Leichhardt LEP 2013* is the best means of achieving the objectives and intended outcomes set forth in Section 4.0 above.

The following table outlines five options in achieving the desired outcome. Option 3 is considered the preferred option.

Table 1: Options to achieve the objectives or intended outcome

Option		Response
1	Amend the zoning of the site to B4 Mixed Use which would allow residential uses at the ground floor.	Options 1 and 2 are not preferable given these zones are unlikely to be appropriate for this site or location for the following reasons: The surrounding area is mainly zoned R1 General Residential.
2	Amend the zoning of the site to R3 Medium Density Residential which would allow residential uses at the ground floor of all buildings across the site.	- The R3 Medium Density Residential zone would prohibit the remaining approved commercial uses on the site. - The site is in a difficult location to properly operate as a traditional B4 Mixed Use zone. - The approved development on the site does not reflect a mix of uses viable to properly function as a B4 zone. - The B4 Mixed Use zone would allow tourist and visitor accommodation which surrounding residents are not in favour of.
3	Amend the zoning of the site to R1 General Residential which would allow residential uses at the ground floor of all buildings across the site.	Option 3 is considered the most suitable approach. It would address the current land use issues on the site and the concerns of residents by prohibiting serviced apartments. It would also not result in an inconsistency between the approved and permitted uses on the site (except for <i>serviced apartments</i>, which are to be replaced with <i>residential apartments</i>). The surrounding sites are predominantly zoned R1

Option		Response
		General Residential; therefore resulting in a rezoning that is consistent with the surrounding area and the objectives of the Proposal.
4	Amend Schedule 1 of the LEP to include an "Additional Permitted Use" of <i>residential flat buildings</i> without the Clause 6.11A requirement for an <i>active street frontage</i> in Zone B2 for the site.	Option 4 is not favoured given serviced apartments and other tourist and visitor accommodation would remain a permissible use. Schedule 1 amendments are also not favoured by the DP&E where they can be avoided.
5	Amend the boundary of the R1 General Residential zone to include Buildings A2, B1 and C1-C4 on the site.	Option 5 would result in a split zoning of the site, which is not favoured by Council and does not address the concerns of the residents on the remaining B2 Local Centre land.

6.1.3 Is there a net community benefit?

The Proposal will facilitate the maintenance of the subject site as a valuable and active site, which will in turn provide a range of community benefits.

The approved development has been designed to maximise opportunities for the surrounding neighbourhood to gain public access through the site and to the dedicated public foreshore area. The ability of the surrounding neighbourhood to gain access to the foreshore and surrounding streets were addressed through:

- Approximately 2160m² of foreshore land is being embellished and dedicated to Council for use by the public, and
- The provision of public through-site links that were approved under D/2013/406.

There are a wide range of community benefits that would be associated with the rezoning of the site, including:

- Increased housing supply in a sought-after area and consistency with state and regional strategies.
- Social cohesion in keeping with the surrounding residential area, and
- Enhanced safety and security for future residents of the development.

Section B – Relationship to Strategic Planning Framework

6.1.4 Is the Planning Proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?

A Plan for Growing Sydney

In December 2014, the NSW Government released 'A Plan for Growing Sydney' (the Plan), the overarching strategic plan for the Sydney metropolitan area for the next 20 years. The Plan identifies key challenges facing Sydney including a population increase of 1.6 million by 2035 and an additional 689,000 new jobs and 664,000 new homes by 2031.

In accordance with the Plan, Balmain is located within the Central Subregion. The key priorities to be considered for the subregion are:

- A competitive economy.
- Accelerate housing supply, choice and affordability and build great places to live.
- Protect the natural environment and promote its sustainability and resilience.

Table 2 demonstrates that the Proposal is supportive of the relevant objectives of the Plan.

Table 2: A Plan for Growing Sydney

Direction	Applicable	Comment
Goal 1 – A competitive economy		
1.1 Grow a more internationally competitive Sydney CBD	N/A	The site is not part of the Sydney CBD.
1.2 Grow Greater Parramatta – Sydney's second CBD	N/A	The site is not part of the Parramatta CBD.
1.3 Establish a new Priority Growth Area	N/A	The site is not part of the new Priority Growth Area between Olympic Park and Parramatta.
1.4 Transform the productivity of Western Sydney	N/A	The site is not within Western Sydney.
1.5 Enhance capacity at Sydney's gateways and freight networks	N/A	The site is not a gateway site or part of a freight network.
1.6 Expand the Global Economic Corridor	N/A	The site is not part of the Global Economic Corridor
1.7 Grow strategic centres	N/A	The site is not near a strategic centre.
1.8 Enhance linkages to regional NSW	N/A	The site is not located on existing or proposed regional connection corridors.
1.9 Support priority economic sectors	N/A	The site is not located in the knowledge hubs identified in the Plan, nor does the Proposal intend to rezone the site for industrial purposes.
1.10 Plan for education and health services	N/A	The Proposal does not facilitate the development of educational or health facilities.
1.11 Deliver infrastructure	N/A	The site is well serviced by existing infrastructure. The Proposal does not seek to deliver more infrastructure.
Goal 2 - A city of housing choice		
2.1 Accelerate housing supply across Sydney	Yes	The Proposal is consistent with this direction. It will increase the number of residential apartments on the land which it is located.
2.2 Accelerate urban renewal across Sydney	Yes	The Proposal will facilitate urban renewal on a site within an established urban area. The land is in close proximity to Balmain and Rozelle Town Centres. It is also well connected to frequent public transport services.
2.3 Improve housing choice	Yes	The Proposal is consistent with this direction. The rezoning to R1 General Residential will support increased housing choice by allowing ground floor residential uses.
2.4 Deliver timely and well planned greenfield precincts and housing	N/A	The site is not located within the North West and South West Growth Centres.
Goal 3 - A great place to live		
3.1 Revitalise existing suburbs	Yes	The Proposal will assist in the revitalisation of Balmain through allowing additional residential apartments on site which are compatible with the surrounding residential uses.
3.2 Create a network of open and green spaces across Sydney	Yes	Waterfront land on the subject site is to be dedicated to Leichhardt Council for public open space under D/2013/406. The Proposal will not impact on open and green spaces.
3.3 Create healthy built environments	Yes	The Proposal will result in consistent zoning along foreshore

Direction	Applicable	Comment
		sites and other land within the vicinity of the site.
3.4 Promote Sydney’s heritage, arts and culture	N/A	The Proposal will not impact on the heritage value of the surrounding area.
Goal 4 - A sustainable and resilient city		
4.1 Protect our natural environment	N/A	The Proposal aims to rezone land that is currently approved for development and does not propose any additional works. All necessary environmental considerations have been adequately addressed at the development application stage for D/2013/406.
4.2 Build Sydney’s resilience to natural hazards	N/A	
4.3 Manage the impacts of development on the environment	N/A	
Sydney’s Subregions		
Priorities for Central Subregion	Yes	This subregion contains the Global Economic Corridor which will continue to grow and strengthen Sydney globally. Increased housing on the site will result in a more liveable suburb to support the economic growth of the area. This section of the Plan does not contain any specific priorities not already dealt with in the above assessment. The Economic and Social Assessment considers that there would likely be negligible employment impact from rezoning of the subject site.

Draft Inner West Subregional Strategy

In December 2010, the NSW Government launched the Metropolitan Plan for Sydney 2036 which provides a framework for sustainable growth and development across Sydney to 2036. The subregional strategies for the Metropolitan Plan for Sydney 2036 have since been maintained by the Department of Planning & Environment in draft form until the new draft subregional plans supporting *A Plan for Growing Sydney* are finalised. Balmain is located in the Inner West Subregion.

The Draft Inner West Subregional Strategy includes seven strategic directions and associated actions including:

1. Support and differentiate the role of strategic centres.
2. Protect employment lands and the working harbour.
3. Promote Parramatta Road as an enterprise corridor.
4. Improve housing choice and create liveable and sustainable communities.
5. Manage traffic growth and local travel demand.
6. Protect and promote recreational pursuits and environmental assets.
7. Celebrate cultural diversity.

This Proposal for a R1 General Residential zone on the site is consistent with the strategic directions outlined in the subregional strategy as described in Table 3 below.

Table 3: Draft Inner West Subregional Strategy

Direction	Action	Comment
B. Centres and Corridors		
B2. Increase densities in centres whilst improving liveability.	B2.1 Plan for housing in centres consistent with their employment role.	The Proposal is consistent with providing increased densities close to Balmain and Rozelle town centres, increasing the vibrancy and housing choice for the changing population.

Direction	Action	Comment
B4. Concentrate activities near public transport.	B4.2 Support centres with transport infrastructure and services.	The site has good access to public transport infrastructure and services and is considered acceptable for this development.
	B4.2.1 NSW Government and Inner West Councils to undertake land use and transport planning studies to ensure that opportunities to benefit from transport infrastructure investment are realised.	The Proposal supports patronage on public transport given its proximity to existing services.
C. Housing		
C1. Ensure adequate supply of land and sites for residential development.	C1.3 Plan for increased housing capacity targets in existing areas.	The Draft Strategy sets a target for an additional 30,000 dwellings within the Inner West Subregion, including 2,000 extra dwellings within the Leichhardt LGA. The Proposal will assist Leichhardt Council in meeting these targets by increasing dwelling numbers.
	C1.3.1 Inner West Councils to plan for sufficient zoned land to accommodate their local government area housing targets through their Principal LEPs.	
C2. Plan for a housing mix near jobs, transport and services.	C2.1 Focus residential development around Centres, Town Centres, Villages and Neighbourhood Centres.	The Proposal will allow for an additional 19 residential apartments (subject to Council approval at a later development application stage) around the Balmain and Rozelle town centres. This will assist in achieving State Government priorities.
	C2.1.1 Inner West councils to ensure the location of new dwellings maintain the subregion's performance against the target for the State Plan Priority E5. Priority E5 of the State Plan aims to increase the proportion of people living within 30 minutes by public transport of a Strategic Centre.	The site supports commute times of less than 30 minutes. Bus services to the Sydney CBD are less than half an hour (average 27 minutes).
	C2.3 Provide a mix of housing.	The Proposal is consistent with the goal of increasing residential density in a location which is highly accessible.
C4. Improve the affordability of housing.	C4.3 Use planning mechanisms to provide affordable housing.	The Proposal seeks to rezone the site to R1 General Residential. The approved development is consistent with the objectives of this zone. The Proposal will result in increased housing choice in an area where housing is in demand.
C5. Improve the quality of new development and urban renewal.	C5.1 Improve the design quality of new development.	The proposal will provide social and economic benefits to the site and surrounding area as outlined in detail at Section 6.2.3.

The Proposal will assist in achieving the aims and targets of the Draft Inner West Subregional Strategy as it will support new housing in an existing urban area, which is highly accessible by public transport and is within close proximity to essential services.

6.1.5 Is the Planning Proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?

The following local strategic planning documents are relevant to this Proposal.

Leichhardt 2025+

Leichhardt 2025+ is the community strategic plan for the Leichhardt LGA to guide the delivery of Council services over the next ten years. The Proposal is consistent with the goals, objectives and progress indicators of the six key service areas in the Plan as summarised in Table 4 below.

Table 4: Leichhardt 2025+

Key Service Area	Applicable	Comment
Social		
Community well-being	Yes	The Proposal will contribute to community wellbeing by enhancing community cohesion whilst ensuring increased safety and security for future residents of the development.
Accessibility	Yes	The approved development will improve public accessibility to the Iron Cove foreshore through providing increased housing and public through site links. The site is located in an area well serviced by public transport and within close proximity to essential services.
Environment		
Place where we live and work	Yes	The Proposal will allow for the provision of new housing choices and an appropriate level of employment uses within the site and in close proximity to Balmain Town Centre and Sydney CBD.
A sustainable environment	N/A	The Proposal does not seek to change the building envelopes, 'the look', or the height of the approved development, rather, allow for a future reclassification of use.
Economic		
Business in the community	Yes	The Proposal seeks to retain commercial and retail strata tenancies on the subject site. The scale of the proposal would be unlikely to directly compete with Darling Street.
Civic Leadership		
Sustainable services and assets	N/A	The site is located in close proximity to existing services and infrastructure. The Proposal will not result in additional demand for services on the site.

Leichhardt Community and Cultural Plan 2011-2021

The Leichhardt 10-year Community and Cultural Strategic Service Plan is Council's long-term community strategic plan. The Plan identifies five strategic objectives for social inclusion, equity, access, creative expression, cultural engagement and community wellbeing:

1. Connecting people to each other.
2. Connecting people to place.
3. Developing community strengths and capabilities.
4. Enlivening the arts and cultural life.
5. Promoting health and wellbeing.

This Proposal will contribute to community wellbeing and the achievement of the above strategic objectives through rezoning the site to a zone that reflects the surrounding residential land uses. The Proposal would

enhance the existing community cohesion and ensure greater safety and security for existing and future residents.

Leichhardt Employment and Economic Development Plan 2013-2023

The Leichhardt Employment and Economic Development Plan is a 10-year strategy for the future of Leichhardt's economic development. The Plan comprises seven key objectives to improve the vitality and viability of the local economy:

1. Make place matter.
2. Meet people's needs.
3. Embrace the new economy.
4. Protect and leverage economic assets.
5. Make business and employment easier.
6. Communicate and connect with partners.
7. Tell the world.

The site is not identified as a strategic site within the Plan and the Proposal is considered acceptable in utilising the site in an appropriate zone. The Plan outlines that a key objective is to 'Protect and leverage economic asset'. The proposal would deliver additional residential dwellings which would help drive demand for local retail and business services. Further, as it is located in an isolated position, rather than compete with Darling Street, it would be helping to consolidate business and retail activity there, potentially reducing the existing vacancy.

Leichhardt Employment Lands Study January 2011

The Leichhardt Employment Lands Study (LELS) 2011 identifies existing and potential employment areas within the Leichhardt LGA. Balmain is noted as one of four Town Centres within the LGA and the subject site is considered a commercially fragmented site, referred to as 'Balmain West'. At the time of the Study, the subject site was occupied by a cosmetics company (Nutrimetics) and comprised office, warehouse and convention centre land uses.

LELS outlines that out-of-centre commercial activities are not ideal and retail uses should be ancillary only. As discussed at Section 2.3.1 above, the site configuration and location makes it difficult to function in a zone that envisages active street frontages for commercial uses.

The proposed rezoning from B2 Local Centre to R1 General Residential will remove the commercial aspect associated with the approved 19 serviced apartments. Although the aim of LELS is to retain the site as an employment zone, the study identifies an action plan to support home based employment and outlines strategies to increase creative industry activity. Home occupations are permitted without consent within the R1 General Residential zone. The proposed LEP amendment will encourage a higher level of home based employment with a variety of occupations; therefore maintaining consistency with LELS and the objectives of the current B2 zone.

6.1.6 Is the Planning Proposal consistent with applicable state environmental planning policies?

The proposal is consistent with the applicable State Environmental Planning Policies as summarised in Table 5 below.

Table 5: Application of SEPPs

SEPP Title	Applicable	Comment
SEPP No 32 Urban Consolidation (Redevelopment of Urban Land)	Yes	The Proposal to rezone the site to permit residential uses at the ground floor of the approved development would be consistent with the aims of the SEPP. The site is located within an established urban area, supported by public transport services and infrastructure.
SEPP No 55 Remediation of Land	Yes	The provisions of this SEPP have been considered in the preparation of this Proposal. The site is currently being developed as a mixed use development including residential land uses under D/2013/406 which involved remediation of the site. The Proposal will not include any new use or development to the site. Therefore, it is considered the Proposal is suitable for the site and a Stage 1 Preliminary Site Contamination Investigation is not considered necessary.
SEPP No 65 Design Quality of Residential Apartment Development	Yes	This Proposal seeks to permit residential uses at the ground floor of the approved development and is deemed appropriate with regard to the intent and provisions of the SEPP and the Apartment Design Guide (ADG). An updated assessment of the entire development in accordance with SEPP 65 and the <i>Apartment Design Guide</i> (ADG) is provided at Appendix 4. The assessment identifies one non-compliance (ground floor ceiling heights 2.7m to habitable rooms instead of 3.3m) and two design changes (addition of five skylights and increase the area of five of the ground floor terrace areas). The non-compliance with ground floor ceiling height guideline is considered justified as follows: ▪ Habitable rooms all achieve 2.7m clear, ▪ The floor to ceiling heights were approved under the original consent (D/2013/406), and ▪ The likelihood of change from a residential use is very low given: - Strata title subdivision will occur, and - There is a lack of market suitability for commercial uses at the scale and type required to occupy the ground floor of buildings across the site (Appendix 2). An application (M/2015/215) seeking approval for the addition of five skylights and enlargement of five ground floor terraces is currently with Council for consideration. This will ensure that the future development achieves compliance with the ADG's desired solar rating and requirement for ground floor terrace areas.
SEPP (Building Sustainability Index: BASIX) 2004	Yes	The future development will continue to meet BASIX requirements.
SEPP (Infrastructure) 2007	Yes	Relevant clauses of the SEPP have been considered in the preparation of this Proposal, namely traffic-generating development and development likely to affect electricity transmission or distribution network. These matters are to be managed in accordance with the conditions of consent D/2013/406 and any future development consent. The Proposal will not introduce new uses or development to the site and is considered consistent with the SEPP.
Deemed SEPPs		
SREP (Sydney Harbour Catchment) 2005	Yes	The approved development is considered acceptable with regard to the provisions and matters for consideration of the SREP. The Proposal will not impact on the heritage significance of the Elliott Street Wharf structure. The Proposal will not result in a change to the building envelopes, heights or the

SEPP Title	Applicable	Comment
		appearance of the development therefore its appearance from Iron Cove will not change.

6.1.7 Is the Planning Proposal consistent with applicable Ministerial Directions (s 117 directions)?

The relevant Section 117 Directions are considered in the table below.

Table 6: Application of s117 Ministerial Directions

Direction	Requirement	Applicable	Comment
1. Employment and Resources			
1.1 Business and Industrial Zones	The objectives of this direction are to: (a) encourage employment growth in suitable locations, (b) protect employment land in business and industrial zones, and (c) support the viability of identified strategic centres.	Yes	The Proposal is consistent with Direction 1.1 for the following reasons: - It will permit residential uses within an established urban area within close proximity to existing services and strategic centres. - The R1 General Residential zone continues to permit <i>home occupations</i> without consent, and <i>commercial premises, business premises, shops, cafes and restaurants</i>, with consent, encouraging employment within walking catchment from the Rozelle and Balmain Town Centres. The Proposal will allow competing employment and residential land uses however the site is considered suitable for only a small amount of non-residential/commercial at the north eastern corner of the site. The site's out of centre location as well as the broader market conditions, mean any significant retail or commercial development is not considered to be viable.
	A planning proposal must: (a) give effect to the objectives of this direction, (b) retain the areas and locations of existing business and industrial zones, (c) not reduce the total potential floor space area for employment uses and related public services in business zones, (d) not reduce the total potential floor space area for industrial uses in industrial zones, and (e) ensure that proposed new employment areas are in accordance with a strategy that is approved by the Director-General of the Department of Planning.	Yes	As described above, the Proposal will give effect to the objectives of this direction. The proposed zoning maintains employment opportunities across the site with permissible uses including office premises, shop top housing, restaurants or cafes, takeaway food and drink premises and shops. Thus, the change in zoning would not reduce the potential floor space area for these uses. Additionally, the Economic and Social Assessment at Appendix 2 identifies that it is unlikely that there will be any significant commercial employment on the site given its isolation from normal trading routes and a typical local centre. It identifies that that one convenience store and potentially one additional shop could be supported. The bulk of the "non-residential component" on the site is approved for 19 serviced apartments which typically would run a third party ownership and leasing model potentially requiring no FTE employees for this component.

Direction	Requirement	Applicable	Comment
			Subclause (d) is not relevant in this instance as the site is zoned B2 Local Centre. Subclause (e) is not relevant as new employment areas are not proposed nor would the Proposal impact on such areas. In regards to part (c) the majority of approved non-residential; uses are for serviced apartments. At the scale approved, the serviced apartments are not considered to be a genuine commercial use and rather a short term residential use.
2. Environment and Heritage			
2.3 Heritage Conservation	The objective of this direction is to conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance.	Yes	The site is not a heritage item but is located adjacent to locally listed heritage dwellings along Broderick Street, whilst on Elliott Street, there is a landscape heritage item (tree) adjacent to the site. The site is also located within a heritage conservation area under <i>Leichhardt LEP 2013</i>. Elliott Street Wharf is listed as a heritage item as outlined in <i>SREP (Sydney Harbour Catchment) 2005</i>. The Proposal will not change the design, bulk or scale of the approved development and as such there would be no impact on the significance of nearby heritage items or the conservation area.
3. Housing, Infrastructure and Urban Development			
3.1 Residential Land Use and Transport	The objectives of this direction are to: (a) encourage a variety and choice of housing types to provide for existing and future housing needs, (b) make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and, (c) minimise the impact of residential development on the environment and resource lands	Yes	The Proposal seeks to rezone the site to R1 General Residential to allow for residential uses at the ground floor of the approved development. This would permit the conversion of the 19 approved serviced apartments to residential apartments at a later DA stage. The Proposal responds to concerns from surrounding residents and various Councils throughout NSW and beyond (Appendix 1) about the increasingly popular form of short-term tourist letting offered by companies such as Airbnb and Stayz. Their concerns are primarily with safety, security and amenity of permanent residents. This form of accommodation can also create compliance issues for Council that are often difficult to address. The amenity of residential developments in the vicinity of the site will be preserved and enhanced. Surrounding residents have been consulted during the preparation of this Proposal and have provided support (Appendix 5).
3.4 Integrating Land Use and Transport	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 objectives:	Yes	The site is highly accessible to public transport with bus stops located within 400m of the site on Darling Street, providing frequent services to Balmain town centre, Central railway station, Sydney CBD and other areas.

Direction	Requirement	Applicable	Comment
	(a) improving access to housing, jobs and services by walking, cycling and public transport, and (b) increasing the choice of available transport and reducing dependence on cars, and (c) reducing travel demand including the number of trips generated by development and the distances travelled, especially by car, and (d) supporting the efficient and viable operation of public transport services, and (e) providing for the efficient movement of freight.		Further information is provided in the traffic assessment prepared by CBHK (Appendix 3).
4. Hazard and Risk			
4.1 Acid Sulfate Soils	The objective of this direction is to avoid significant adverse environmental impacts from the use of the land that has a probability of containing acid sulfate soils.	Yes	The Proposal will not result in the disturbance of any soils.
4.3 Flood Prone Land	The objectives of this direction are to: (a) ensure that development of flood prone land is consistent with the NSW Government's Flood Prone Land Policy and the principles of the <i>Floodplain Development Manual 2005</i> , and (b) ensure that the provisions of an LEP on flood prone land is commensurate with flood hazard and includes consideration of the potential flood impacts both on and off the subject land.	Yes	A portion of the site is identified as a Flood Control Lot within <i>Leichhardt DCP 2013</i> . Stormwater issues throughout the site were resolved at the DA stage of D/2013/406.
6. Local Plan Making			
6.3 Site Specific Provisions	The objective of this direction is to discourage unnecessarily restrictive site specific planning controls.	Yes	Site specific controls are not proposed.
7. Metropolitan Planning			
7.1 Implementation of A Plan for Growing Sydney	The objective of this direction is to give legal effect to the planning principles; directions; and priorities for subregions, strategic centres and transport gateways contained in A Plan for Growing Sydney.	Yes	<i>A Plan for Growing Sydney</i> is applicable across the State and therefore applicable to the site. The Proposal will strive to achieve the vision and desired outcomes of the Plan, as well as adhere to land use strategies and policies applicable. The Proposal is particularly consistent with the Plan's aim to create a city of housing choice. The Proposal will make use of existing infrastructure and amenities within the vicinity and increase housing supply close to employment.

6.2 Section C – Environmental, Social & Economic Impact

6.2.1 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?

There are no known critical habitats or threatened species, populations or ecological communities, or their habitats located on the subject site.

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

The Proposal does not seek to increase or intensify the currently approved uses on the site or the amount of floor space that was approved. The approved development is considered acceptable in mitigating any potential environmental effects.

The Traffic Impact Assessment at **Appendix 3** has concluded that:

- Appropriate parking provision will be made for the residential apartments.
- Traffic generation will be low and similar to the approved serviced apartments.
- Traffic effects will not be noticeable.
- The site is well serviced by public transport services.

Therefore traffic impacts would be likely to be negligible and the existing amenity of the surrounding area would not be affected by the Proposal.

There is likely to be a beneficial impact due to the prohibition of serviced apartments which can be difficult to manage, particularly where they are spread across the site and mixed with residential uses on site. The Proposal also responds to concerns from surrounding residents and various Council's throughout NSW and beyond about the increasingly popular form of short-term tourist letting within a service offered by companies such as Airbnb (**Appendix 1**). This form of accommodation can also create compliance issues for Council that are often difficult to address.

The dispersed nature of the approved serviced apartments means that there is likely to be minimal surveillance of activity and this carries social and safety implications for existing and new residents.

6.2.3 How has the Planning Proposal adequately addressed any social and economic effects?

An Economic and Social Assessment Report has been prepared to justify the following:

- Any changes which differ from the recommendations and actions included in supporting documentation/ studies/ reports provided to Council as part of the D/2013/406 application.
- Any changes not in keeping with the recommendations and intent of the Leichhardt Employment Lands Study (2011).
- The loss of any commercial/ employment land and floor space, both on-site and for Leichhardt LGA.

The findings of the report are provided at **Appendix 2** and summarised below.

Effects of the Proposal on employment opportunities would be negligible as it recognises that it is unlikely that there will be any significant commercial employment on the site given its isolation from normal trading

routes and a typical local centre. It identifies that one convenience store and potentially one additional shop could be supported.

The bulk of the "non-residential component" on the site is approved for 19 serviced apartments. At this scale, it offers very low employment (if any) and is not considered a commercial uses, but rather a short term use. At this scale, the serviced apartments would typically be run by third party ownership or by an individual owner using a leasing model potentially requiring no full time employees for this component.

The operation of the serviced apartments is also not considered to be commercially viable at this scale in the format it is approved in. A recent study on the commercial feasibility of serviced apartments in Sydney considers that in the current market 50-70 apartments is the minimum threshold. The majority of commercial operations run generally with between 50 and 150 serviced apartments. This view is further supported by TFE Hotels, an operator of hotels and serviced apartments, who advise that it is not commercially viable to operate 19 serviced apartments in a dispersed/segreated configuration (**Appendix 7**).

In light of these findings and the fact that one retail premise and two commercial premises within the development would be retained, it is not expected that it would result in a loss of commercial jobs on-site, or within the Leichhardt LGA.

Notwithstanding, there would be a range of employment uses that would remain permissible within the zone including office premises, shop top housing, restaurants or cafes, takeaway food and drink premises and shops.

Positive economic effects of the Proposal include increasing demand for local retail and commercial services due to increased residents and allowing commercial operations to concentrate in the existing centres of Balmain and Rozelle which are currently experiencing challenging economic conditions.

As such, the Proposal would not result in detrimental economic effects.

The rezoning would allow residential flat buildings without the need for active street frontages. Serviced apartments would also be a prohibited use under the R1 General Residential zone. The approved serviced apartments would be converted to residential apartments. This would have a positive social impact for the reasons outlined below and detailed at **Appendix 2**:

- Additional housing stock would be provided in a suburb of high demand and limited supply,
- It would ensure the integration of the immediate character of the development which is located in a predominantly residential neighbourhood,
- Passive surveillance would be enhanced as a direct result of having additional permanent residents in the buildings,
- It would result in a greater 'sense of place' for the existing neighbourhood along with enhanced community cohesion, and
- Improved safety and security for future residents of the development and the local neighbourhood.

6.3 Section D – State & Commonwealth Interests

6.3.1 Is there adequate public infrastructure for the Planning Proposal?

The site is located in an area currently serviced by all necessary services and infrastructure facilities, including bus services to Balmain Town Centre and the Sydney CBD.

The Proposal does not seek to create additional demand on existing infrastructure.

6.3.2 What are the views of State and Commonwealth public authorities consulted in accordance with the gateway determination?

If necessary, both State and Commonwealth public authorities would be consulted by the Department of Planning and Environment at Gateway Determination. Any issues raised would be summarised and addressed as appropriate.

7.0 Part 4 – Mapping

This section contains the mapping for this Proposal in accordance with the DP&E's guidelines on preparing LEPs and Planning Proposals.

7.1 Existing Controls

Figure 5 below illustrates the current B2 Local Centre zone applying to the site.

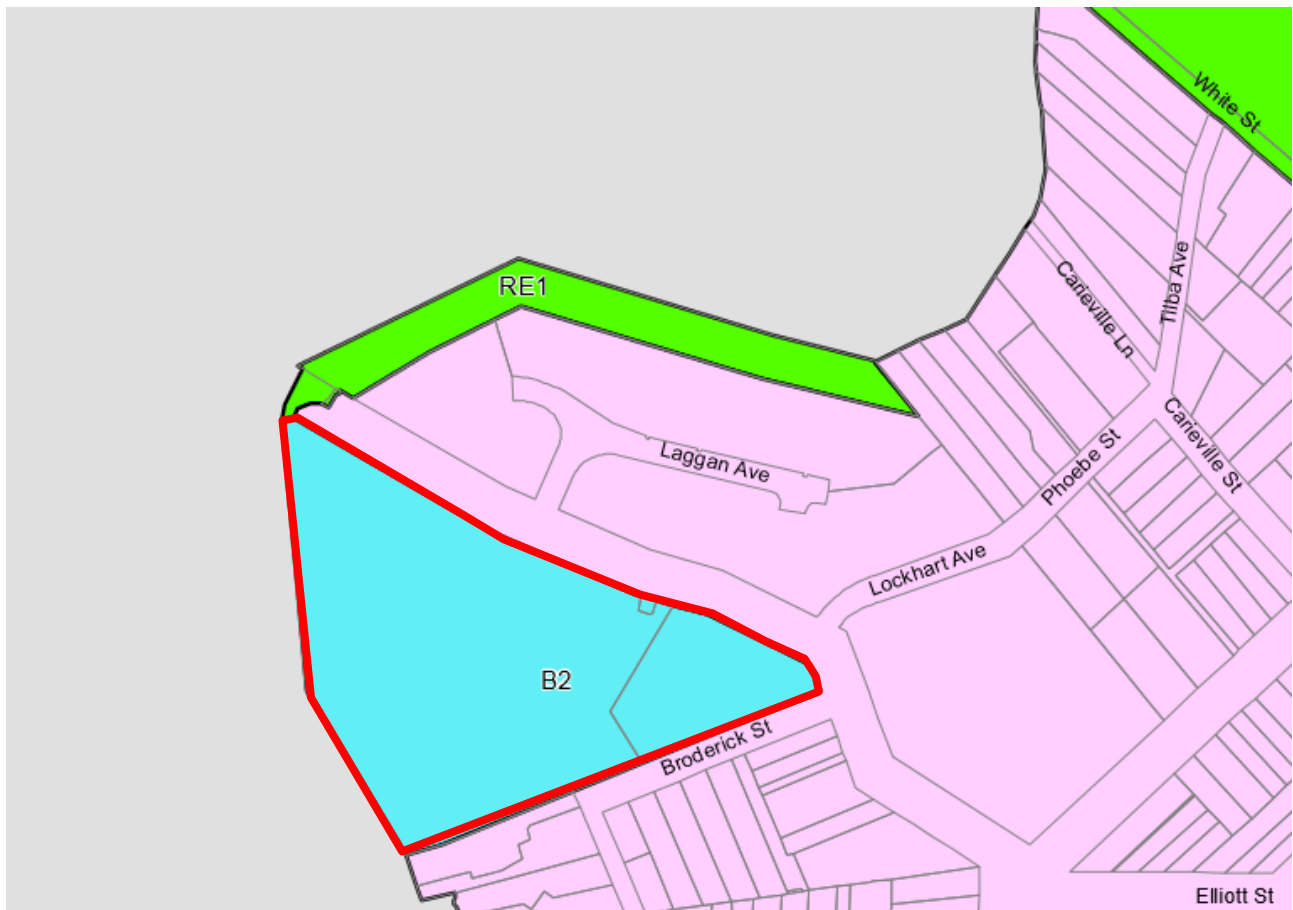


Figure 5: Land Zoning Map (site outlined in red)

7.2 Proposed Controls

Figure 6 below illustrates the proposed R1 General Residential zoning for the site sought by this Proposal.

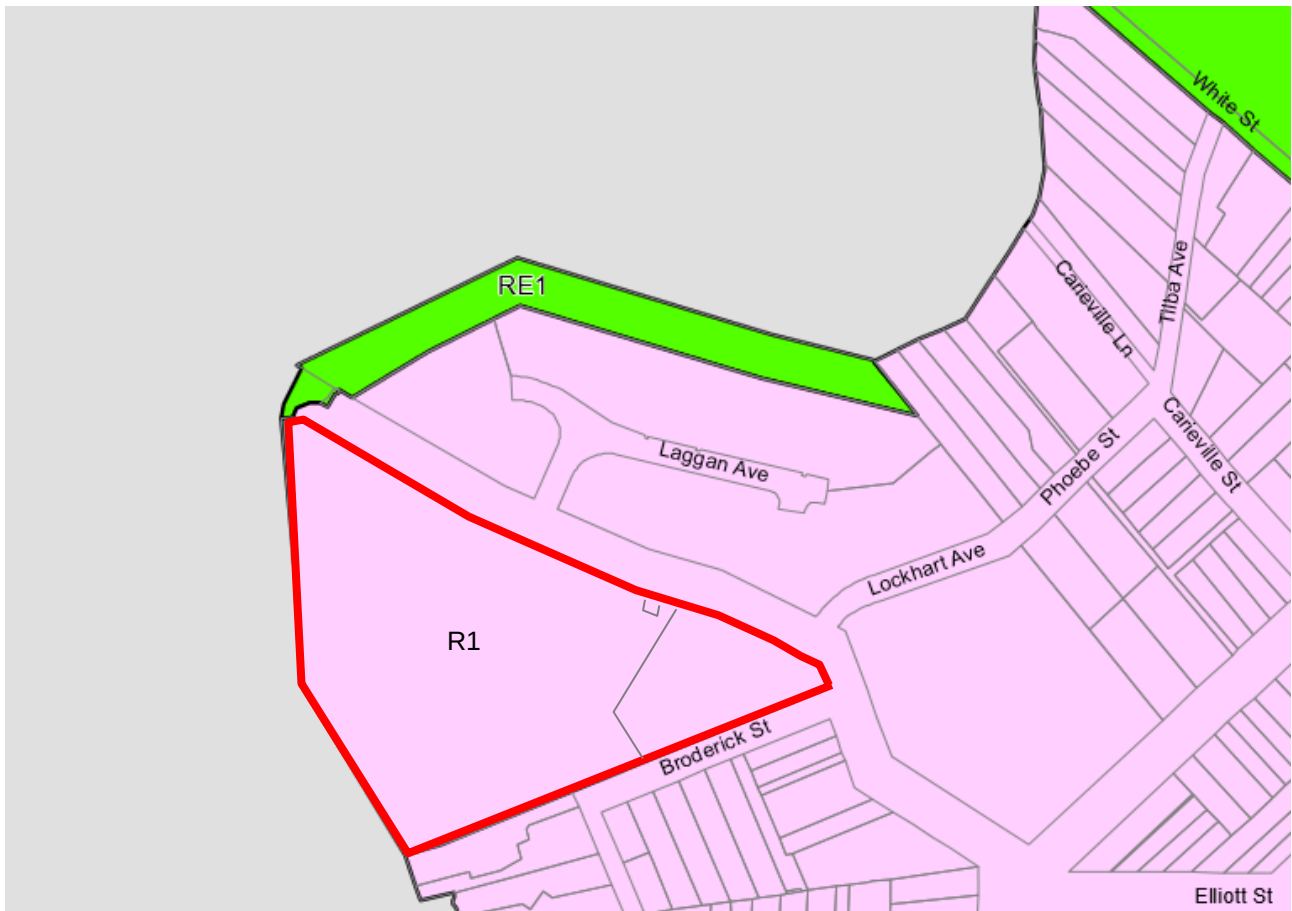


Figure 6: Proposed Land Zoning Map (site outlined in red)

8.0 Part 5 – Community Consultation

Community consultation remains an important element of the Plan making process. The DP&E's companion document *A Guide to Preparing Local Environmental Plans* provides time frames for the exhibition of 'low impact proposals' and 'all other planning proposals' of 14 days and 28 days respectively. The subject provisions, in respect of notification and the exhibition materials to support the consultation, will be observed.

In accordance with Section 57(2) of the *EP&A Act 1979*, the Director-General of Planning must approve the form of the planning proposal, as revised, to comply with the gateway determination before community consultation is undertaken.

Community consultation will, at a minimum, include:

- Advertising in local newspapers;
- Exhibition material provided at Leichhardt Council administration buildings and libraries; and
- Leichhardt Council's and/or the Department of Planning and Environment's website.

In addition, adjoining landowners will be notified in writing.

A consultation workshop was held by Toga with residents from the surrounding area on 21 August 2015. These comprised residents from properties within Broderick Street and Broderick Lane who have been active during all forms of notification and exhibition relating to the approved development. Of the 12 properties invited to the workshop, 8 representatives attended the meeting.

During this meeting residents noted that they were opposed to the approved serviced apartments and that they strongly support the conversion of the serviced apartments to residential uses. Thirteen residents have provided letters of support for the Proposal (**Appendix 5**).

This is consistent with submissions received during assessment of the approved development (D/2013/406) where objectors were concerned that the proposed serviced apartments were not in keeping with the residential nature of the surrounding area.

9.0 Part 6 – Project Timeline

Table 7 below outlines an indicative timeline for completion of the Proposal if approved for public exhibition at Gateway Determination. This is subject to change if a review of the Gateway Determination or the imposed requirements is requested.

Table 7: Anticipated Project Timeline

Anticipated Project Timeline	Proposed Number of Days from Gateway Determination
Anticipated commencement date (date of Gateway Determination)	February 2016
Anticipated time frame for the completion of required technical information	No studies are anticipated to be required.
Timeframe for government agency consultation (pre and post exhibition as required by Gateway Determination)	14 days as it is considered that the Proposal is 'low impact'.
Commencement and completion dates for public exhibition period	March 2016
Dates for public hearing (if required)	N/A
Consideration of submissions	March - April 2016
Consideration of Proposal post-exhibition and reporting to Council	April - May 2016
Date of submission to DP&E to finalise amended LEP	May 2016
Anticipated date Relevant Planning Authority (RPA) will make the Plan (if delegated)	June 2016
Anticipated date RPA will forward Plan to DP&E for notification	June 2016

10.0 Conclusion

This Proposal has been prepared to enable the rezoning of 100-102 Elliott Street, Balmain from B2 Local Centre to R1 General Residential. The proposed LEP amendment does not seek to amend the building envelopes, 'the look', or the height of the development as approved under D/2013/406. The main objective of the Proposal is to enable a future DA to be lodged; enabling the conversion of the 19 approved serviced apartments to residential apartments.

There is a general concern amongst various Councils, the community, and residents of apartment buildings alike about amenity, safety and security impacts associated with short term accommodation. At this scale, it is not viable to have on-site management for the serviced apartments and as such they would likely to be leased out through a third party operator such as AirBnB or Stayz. Councils across NSW have raised concerns regarding the short term tourist leasing of apartments by third party operators (**Appendix 1**). This type of short term leasing creates compliance issues for local Councils' and is becoming increasingly difficult to manage.

The supporting documentation provided demonstrates that there will be no detrimental economic or traffic impacts as a result of the proposed rezoning and there would be positive social benefits.

Positive economic effects of the Proposal include increasing demand for local retail and commercial services, allowing commercial operations to concentrate in the existing centres of Balmain and Rozelle which are currently experiencing challenging economic conditions. There would not be any detrimental impacts on employment opportunities or local centres.

Positive social benefits of the proposal include the provision of additional housing stock in a suburb of high demand and limited supply; improved integration of the development with the immediate character of the area and greater social cohesion; and better passive surveillance thus increasing safety and security of the area.

The supporting Assessment of Traffic and Parking Implications Update (**Appendix 3**) concludes that there would be no increase in traffic activity as a result of the Proposal and adequate parking provision for residential apartments will be achieved.

The SEPP and Apartment Design Guide Assessment prepared by Bates Smart (**Appendix 4**) concludes the approved development is unaffected by the Proposal. It recommends the installation of five additional skylights to achieve the desired solar rating and increasing the ground floor terrace area to comply with the ADG. These minor changes can be incorporated with no visual impact on the approved development.

The proposed rezoning has strategic merit and is further justified for the following reasons:

- The Proposal would not result in any land use conflicts either internal or external to the subject site.
- It is consistent with the recent *A Plan for Growing Sydney*, the strategic plan for the Sydney metropolitan area for the next 20 years.
- It would assist Leichhardt Council in meeting housing targets set by the Draft Inner West Subregional Strategy.
- There is a lack of market suitability for commercial uses at the scale and type required to occupy the ground floor of buildings across the site necessary to satisfy clause 6.11A of LEP 2013 (**Appendix 2**).
- The R1 General Residential zoning is consistent with all land surrounding the site and within the surrounding area.
- Toga has received strong support for this Proposal from surrounding residents, as detailed in the letters

at **Appendix 5**.

It is therefore recommended that this Proposal be favourably considered by Council and that they resolve to forward it to the DP&E for a Gateway Determination in accordance with the *Environmental Planning and Assessment Act 1979*.

Appendix I

Sydney Morning Herald (Domain) Article *NSW government investigating
AirBnB rentals*

Appendix 2

Economic and Social Assessment Report

Appendix 3

Traffic Impact Assessment prepared by CBHK

Appendix 4

SEPP 65 and ADG Assessment prepared by Bates Smart

Appendix 5

Resident Letters

Appendix 6

Location of subject apartments

Appendix 7

Letter from TFE Hotels

FOR APPROVAL

Check all dimensions and site conditions prior to commencement of any work, the purchase or ordering of any materials, fittings, plant, services or equipment and the preparation of shop drawings and/or the fabrication of any components.

All drawings to be read in conjunction with all architectural documents and all other consultants documents.

Do not scale drawings - refer to figured dimensions only. Any discrepancies shall immediately be referred to the architect for clarification.

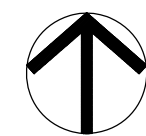
All drawings may not be reproduced or distributed without prior permission from the architect.



A	02.11.15	Planning Proposal Submission	SK	GH
Revision	Date	Description	Initial	Checked



Harbourfront
100-102 Elliott St Balmain
Site Plan



Scale	1:500@A1, 1:1000@A3
Drawn	SG
Project No.	S11597
Status	Planning
Plot Date	2/11/2015 5:01 PM
Plot File	S:\11500-11599\11597_roche_elliottsbalmmain\00_main\cad\plot... ...a\DA\Planning Proposal\PP1.01[A].dwg
Drawing No.	[Revision]

PP1.01[A]

Melbourne 1 Nicholson Street
Melbourne VIC 3000 Australia
T 03 8664 6200 F 03 8664 6300
email melb@batesmart.com.au
http://www.batesmart.com.au

Sydney 43 Brisbane Street
Surry Hills NSW 2010 Australia
T 02 8354 5100 F 02 8354 5199
email syd@batesmart.com.au
http://www.batesmart.com.au

Bates Smart Architects Pty Ltd ABN 68 094 740 986



Check all dimensions and site conditions prior to commencement of any work, the purchase or ordering of any materials, fittings, plant, services or equipment and the preparation of shop drawings and/or the fabrication of any components.

All drawings to be read in conjunction with all architectural documents and all other consultants documents.

 Commercial serviced apartment to be converted into residential apartment

BATESSMART

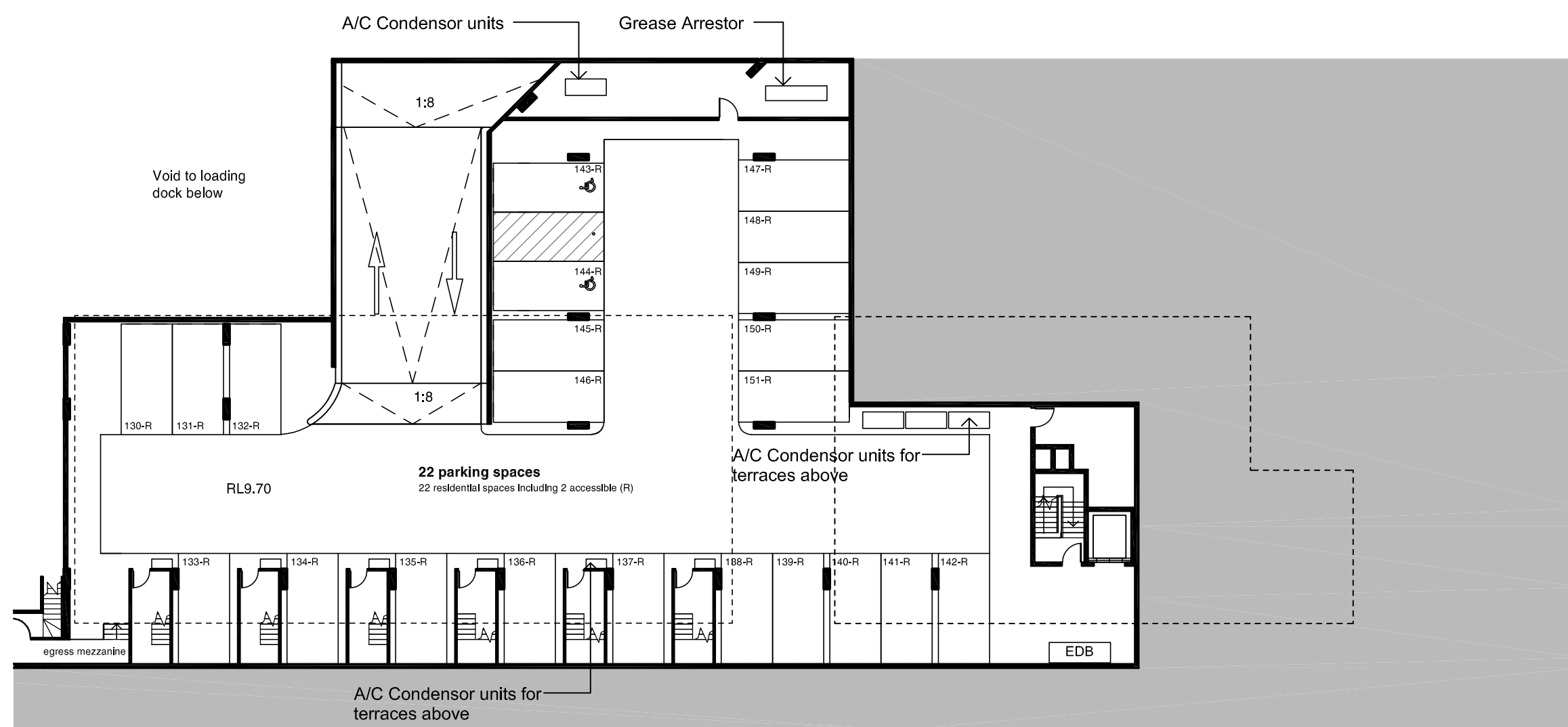
Check all dimensions and site conditions prior to commencement of any work, the purchase or ordering of any materials, fittings, plant, services or equipment and the preparation of shop drawings and/or the fabrication of any components.

All drawings to be read in conjunction with all architectural documents and all other consultants documents.

Do not scale drawings - refer to figured dimensions only. Any discrepancies shall immediately be referred to the architect for clarification.

All drawings may not be reproduced or distributed without prior permission from the architect.

 Commercial serviced apartment to be converted into residential apartment



A	02.11.15	Planning Proposal Submission	SK	GH
Revision	Date	Description	Initial	Check

 TOGA GROU

Harbourfront
100-102 Elliott St Balmain
Lower Ground Floor Plan



Scale	1:250@A1, 1:500@A3	
Drawn	SG	Checked
Project No.	S11597	
Status	Planning	
Plot Date	2/11/2015 5:02 PM	
Plot File	S:\11500-11599\11597_roche_elliottsbalmain\00_maincad\... \S\A\Planning Proposal\PP2_02\A1.dwg	
Drawing No.	[Revision]	

PP2.02[A]

Melbourne 1 Nicholson Street
Melbourne VIC 3000 Australia
T 03 8664 6200 F 03 8664 6300
email melb@batesmart.com.au
<http://www.batesmart.com.au>

Sydney 43 Brisbane Street
Surry Hills NSW 2010 Australia
T 02 8354 5100 F 02 8354 5100
email syd@batesmart.com.au
<http://www.batesmart.com.au>

Bates Smart Architects Pty Ltd ABN 68 094 740 986

BATES SMART



Economic and Social Assessment

100-102 Elliott Street, Balmain

Prepared by:

RPS AUSTRALIA EAST PTY LTD

Level 9
17 York Street
Sydney NSW 2000

T: 02 8270 8300
E: sydney@rpsgroup.com.au

Client Manager: Liam Walsh / Louise Bochner
Report Number: PR127995
Version / Date: Rev C/November 2015

Prepared for:

TOGA DEVELOPMENTS SYDNEY PTY LTD

Level 5
45 Jones Street
Ultimo NSW 2007

T: 02 9356 1059
E: mcalvi@toga.com.au
W: www.toga.com.au

IMPORTANT NOTE

Apart from fair dealing for the purposes of private study, research, criticism, or review as permitted under the Copyright Act, no part of this report, its attachments or appendices may be reproduced by any process without the written consent of RPS Australia East Pty Ltd. All enquiries should be directed to RPS Australia East Pty Ltd.

We have prepared this report for the sole purposes of Toga Developments Sydney Pty Ltd ("**Client**") for the specific purpose of only for which it is supplied ("**Purpose**"). This report is strictly limited to the purpose and the facts and matters stated in it and does not apply directly or indirectly and will not be used for any other application, purpose, use or matter.

In preparing this report we have made certain assumptions. We have assumed that all information and documents provided to us by the Client or as a result of a specific request or enquiry were complete, accurate and up-to-date. Where we have obtained information from a government register or database, we have assumed that the information is accurate. Where an assumption has been made, we have not made any independent investigations with respect to the matters the subject of that assumption. We are not aware of any reason why any of the assumptions are incorrect.

This report is presented without the assumption of a duty of care to any other person (other than the Client) ("**Third Party**"). The report may not contain sufficient information for the purposes of a Third Party or for other uses. Without the prior written consent of RPS Australia East Pty Ltd:

- (a) this report may not be relied on by a Third Party; and
- (b) RPS Australia East Pty Ltd will not be liable to a Third Party for any loss, damage, liability or claim arising out of or incidental to a Third Party publishing, using or relying on the facts, content, opinions or subject matter contained in this report.

If a Third Party uses or relies on the facts, content, opinions or subject matter contained in this report with or without the consent of RPS Australia East Pty Ltd, RPS Australia East Pty Ltd disclaims all risk and the Third Party assumes all risk and releases and indemnifies and agrees to keep indemnified RPS Australia East Pty Ltd from any loss, damage, claim or liability arising directly or indirectly from the use of or reliance on this report.

In this note, a reference to loss and damage includes past and prospective economic loss, loss of profits, damage to property, injury to any person (including death) costs and expenses incurred in taking measures to prevent, mitigate or rectify any harm, loss of opportunity, legal costs, compensation, interest and any other direct, indirect, consequential or financial or other loss.

Document Status

Version	Purpose of Document	Orig	Review	Review Date
Rev A	Draft to client	LB/LW	PM	07/09/2015
Rev B	Draft to client	LW	LB	28/09/2015
Rev C	Final to client	LW	LB	05/11/2015

Approval for Issue

Name	Signature	Date
Louise Bochner		05/11/2015

Contents

EXECUTIVE SUMMARY	5
KEY ECONOMIC AND SOCIAL CONSIDERATIONS	5
1.0 INTRODUCTION	7
1.1 Background	7
1.2 Purpose of this Assessment.....	7
1.3 Methodology.....	7
2.0 SITE CONTEXT	8
2.1 Site Description	8
2.2 Development Approval	8
3.0 ECONOMIC & MARKET ASSESSMENT	10
Economic Rationale for Planning Proposal	10
4.0 ASSESSMENT OF ECONOMIC IMPACTS	11
4.1 Background Information – Update of Previous Information	11
4.1.1 Review of Economic Report for 100-102 Elliot Street Balmain for Planning Proposal	11
4.1.2 Review of Leichhardt Employment Lands Study (2011)	11
4.2 Economic Assessment of Commercial Zoning on the Subject site	12
4.2.1 Trading Routes and Location	13
4.2.2 Broader Commercial Market Factors.....	14
4.2.3 Local Market Considerations	15
4.2.4 Local Retail Factors	16
4.2.5 Summary of Site Suitability for Non-Residential Uses	17
4.3 Assessment of Serviced Apartments	17
4.3.1 Serviced Apartments as a Commercial Use.....	18
4.3.2 Viability of Serviced Apartments on the Site.....	19
4.4 Estimated Employment Impact.....	20
5.0 ASSESSMENT OF SOCIAL IMPACTS.....	21
5.1 Brief Overview	21
5.2 Background Information Review	21
5.2.1 Social Impact Assessment (SIS)	21
5.2.2 Development Application D/2011/529 – Refused Development	21
5.2.3 Development Application D/2013/406 – Approved Development	22
5.3 Community Consultation - Planning Proposal	22
5.4 Review of Social Impacts	23
5.4.1 Traffic and Parking Impacts	23
5.4.2 Visual Impacts	23
5.4.3 Safety and Security.....	24
5.4.4 Community cohesion	24
5.5 Social benefits – Rezoning (Planning Proposal)	25

Figures

Figure 1 Site Location (Source: SixMaps)8

Figure 2 - Zoning Map of the Subject Site (in red) in context to the surrounding areas zoned B2 Local Centre (Source: Leichhardt LEP, 2013)13

Figure 3 Intersection of Elliot Street and Darling Street looking West (top) and East (bottom) (Source: Google, 2015)13

Figure 4 : Context of B2 Local Centre Zoning along Darling Street and the Subject site to the west (Source: Leichhardt LEP 2013)14

Figure 5 Sydney Suburban Office Markets (Source: KnightFrank 2015)15

Executive Summary

RPS has been commissioned by Toga Developments Sydney Pty Ltd (Toga) to undertake an economic and social assessment to accompany a Planning Proposal to facilitate the rezoning of the subject site at 100-102 Elliott Street, Balmain.

The Planning Proposal seeks an amendment to *Leichhardt Local Environmental Plan 2013* (LLEP 2013) to facilitate the rezoning of the subject site from B2 Local Centre to R1 General Residential.

In June 2014, consent was granted by the Joint Regional Planning Panel (JRPP) to enable the development of a mixed use development on the subject site. The development comprised eight (8) buildings with ground floor commercial/retail uses, 19 serviced apartments, 104 residential apartments and terraces and basement parking (D/2013/406). In addition, a number of minor s.96 modifications have been submitted to Leichhardt Council for consideration.

It is considered that the current B2 Local Centre zoning on the site is not consistent with the social character or prevailing market conditions of the area. The inclusion of the serviced apartments within the mixed use development is not seen favourably by Toga as they are not considered to be commercially viable (see Appendix 6). Therefore, the submission of a Planning Proposal to rezone the subject site to R1 General Residential zoning would provide opportunity for the approved serviced apartments to be converted to residential dwellings through a future development application.

Key Economic and Social Considerations

The key economic and social considerations regarding the rezoning of the subject site to R1 General Residential can be summarised as follows:

Economic Implications

- The proposed development is located in an area which is isolated from general local centre activity. The subject site sits outside of the primary trading routes in the suburb, has no existing characteristics to define it as a local centre and is unlikely to draw trade away from the main thoroughfare of Darling Street, Balmain;
- The broader commercial market conditions are not favourable to small, fragmented out-of-centre retail and commercial uses. At present the market is experiencing a strong increase in macro-level supply of office space while smaller scattered sites are being increasingly converted to residential. This is helping to maintain balance in the market and leading to stable vacancy rates and growth in net face rents;
- The commercial market in the Inner West is consolidating around major employment centres of Pyrmont and Rhodes and could potentially deliver a major new hub of employment space at The Bays Precinct;
- The local retail market has been struggling along Darling Street with lower analysed foot traffic, a drop in revenue and increased vacancy of storefronts. The subject site is considered to be able to support a convenience store and maybe one additional retail business. Further retail on the subject site would likely be competing with Darling Street. Therefore, it would likely need to offer very low rents and high incentives to attract demand away from the main town centre. This could potentially impact its viability;
- The development of 19 serviced apartments is not considered to be a 'commercial operation' as defined in the LEP. At this scale it is likely to be leased out through a third party operator such as AirBnB or Stayz and unlikely to employ staff in a 'commercial capacity'. At this scale it is considered to be a short term residential use, rather than a commercial use;
- The operation of 19 serviced apartments is also not considered to be commercially viable at this scale in

the format it is approved in. A recent study on the commercial feasibility of serviced apartments in Sydney considers that in the current market 50-70 apartments is the minimum threshold. The majority of commercial operations run generally with between 50 and 150 serviced apartments; and

- Rezoning of the subject site to R1 General Residential is likely to have a negligible impact on employment. Retail uses will be maintained on the site and it is considered that there would be little employment generated from the commercial or serviced apartment components of the approved development.

Social Benefits

- Once the serviced apartments are converted to residential apartments, the development would contribute an additional 19 residential apartments to the locality. This would create additional housing stock in a range of sizes, styles and price points in a suburb of high demand and limited supply;
- The additional residential apartments within the development would contribute to the housing targets prescribed in the *Draft Inner West Subregional Strategy*. The target of an additional 30,000 dwellings by 2031 is outlined in the Strategy of which 2,000 additional dwellings are required within Leichhardt LGA;
- The conversion of the serviced apartments to residential apartments would ensure the integration of the immediate character of the development which is located in a predominantly residential neighbourhood;
- Passive surveillance would be enhanced as a direct result of having additional permanent residents in the buildings;
- A greater 'sense of place' for the existing neighbourhood along with enhanced community cohesion; and
- Increased safety and security for future residents of the development and the local neighbourhood.

Based on the aforementioned points, from an economic and social perspective it is considered suitable that the subject site be rezoned to R1 General Residential.

I.0 Introduction

I.1 Background

This economic and social assessment has been prepared to accompany a Planning Proposal to be submitted to Leichhardt Council to facilitate the rezoning of the subject site at 100-102 Elliott Street, Balmain.

The subject site is bound by Elliott Street to the north, Broderick Street to the south and the western boundary runs along the foreshore of Iron Cove. The site has a total land area of approximately 12,375sqm. The waterfront location and gentle slope towards the water means the site benefits from views across Parramatta River to the Iron Cove Bridge, Birkenhead Point and Drummoyne.

The Planning Proposal seeks to amend Leichhardt Local Environmental Plan 2013 (LLEP 2013) to enable the rezoning of the subject site from B2 Local Centre to R1 General Residential.

In June 2014, the JRPP granted consent for a mixed use development which comprised eight (8) buildings with ground floor commercial/retail uses, 19 serviced apartments, 104 residential apartments and terraces and basement parking (D/2013/406). In addition, a number of minor s.96 modifications have been submitted to Leichhardt Council for consideration.

The inclusion of the serviced apartments within the mixed use development (at ground level to activate the street frontage) is not seen favourably by the landowner as being commercially viable or facilitating social cohesion for the local community. Therefore, the submission of a Planning Proposal to rezone the subject site to R1 General Residential zoning would provide opportunity for the approved serviced apartments to be converted to residential dwellings in the future via a DA.

I.2 Purpose of this Assessment

This assessment considers the economic and social matters in relation to the proposed rezoning of the subject site from its existing B2 Local Centre zone to R1 General Residential zone.

This economic and social assessment will accompany a Planning Proposal along with other professional assessments to enable assessment by Leichhardt Council and future consideration by the Department of Planning and Environment once submitted for Gateway Determination.

I.3 Methodology

This assessment has been prepared on the basis of the following information:

- Social Impact Statement, prepared by Elton Consulting (September 2013);
- Economic Report for 100-102 Elliot Street, prepared by SGS Economics & Planning (June 2013);
- Leichhardt Employment Lands Study, prepared by SGS Economics & Planning (January 2011);
- HillPDA Letter to North Sydney Council on Minimum Threshold for Serviced Apartments (June 2015);
- IBISWorld Report H4404: Serviced Apartments in Australia (May 2015);
- Notes from Meeting held with RPS, Leichhardt Council & Toga on 15 July 2015;
- Development consent (D/2013/406); and
- Development consent (D/2011/529).

2.0 Site Context

2.1 Site Description

The subject site is located at 100-102 Elliott Street, Balmain and is legally known as Lot 6 DP 617944 and Lot 1 DP 619996. The site is located within the Leichhardt local government area (LGA) approximately 1.2km from Balmain Town Centre and 5.7km from Sydney's Central Business District (CBD).

The site is approximately 12,375sqm and has a moderate slope from 17m AHD in the eastern corner of the site to approximately 2m AHD at the sandstone retaining wall at the edge of the Parramatta River. The waterfront location and topography means the site benefits from views across Iron Cove to the Iron Cove Bridge, Birkenhead Point and Drummoyne.



Figure 1 Site Location (Source: SixMaps)

2.2 Development Approval

Development consent for development application (D/2013/406) was granted by the JRPP on 6 June 2014. The consent permitted the construction of a mixed use development on the subject site comprising eight buildings with ground floor commercial/retail uses, 19 serviced apartments, 102 residential apartments and terraces, above and basement parking and associated works including bulk earthworks, tree removal, landscaping, signage and remediation.

The 19 serviced apartments are located at the ground floor of five buildings as identified in Appendix 5.

A number of s96 modification applications have been submitted, including:

- Minor changes to wording of the consent conditions relating to staging, timing of construction and

construction traffic (M/2014/223) approved 26 May 2015.

- The deletion of the requirement for the basement level to be tanked (M/2014/224), approved 1 May 2015.
- M/2015/26 was submitted to Council on 13 March 2015. Modifications approved by Council on 27 October 2015 included a change to the roof material and design and the addition of air conditioning.
- M/2015/45 was submitted to Council on 2 April 2015 and involves a reduction in the footprint of the basement and car parking numbers. This application was withdrawn on 2 October 2015.
- An application (M/2015/215) seeking approval for minor internal and external alterations modifications including changes to the layout of the 3 bed apartments, the addition of five skylights was submitted to Council on 16 October 2015. This application is currently with Council for consideration.

3.0 Economic & Market Assessment

This chapter assesses the economic considerations of the proponents request to change the zoning on the site to R1 General Residential. This includes an assessment of relevant market dynamics in the local area, the commercial viability of commercial uses as defined in the B2 Local Business Zone including serviced apartments, and the employment and economic implications of changing the land use on the site.

Economic Rationale for Planning Proposal

The rationale for the Planning Proposal to change Zones from B2 Local Business to R1 General Residential is the lack of market suitability for commercial uses at the scale and type that are approved on the subject site. This includes for commercial uses and serviced apartments, which in their approved format on this site are not considered viable based on current market conditions. Rezoning the site to R1 General Residential would be more appropriate in terms of market conditions and the surrounding commercial context.

4.0 Assessment of Economic Impacts

4.1 Background Information – Update of Previous Information

The first part of this chapter reviews relevant background reports which require addressing as part of the Planning Proposal. The reports include:

- Economic Report for 100-102 Elliott Street Balmain; and
- Leichhardt Employment Lands Study 2011.

4.1.1 Review of Economic Report for 100-102 Elliot Street Balmain for Planning Proposal

The current approved development on the subject site was approved by Council through (D/2013/406) in June 2013. Lodgement of D/2013/406 included a supporting economic and market assessment; 'Economic Report for 100-102 Elliot Street Balmain' prepared by SGS.

The SGS Economic Report was divided into four parts which incorporated:

- (1) An assessment of the residential market conditions;
- (2) An assessment of the commercial market conditions;
- (3) An assessment of the serviced apartment conditions; and
- (4) An assessment of the economic impacts.

The key findings of the report could be summarised as follows:

- **The residential market** was performing very strongly with fast absorption of new properties as they entered the market as well as exceptionally low vacancy rates. Further the housing propensity model, suggested that the site would be able to help meet some of the long term demand for residential strata units in Balmain and Leichhardt LGA more broadly;
- **The commercial market** was stable across the Inner West submarket, however the proposed commercial uses were potentially going to appeal to small local commercial operators due to the small size of the potential strata lots and the out of centre location, making it unlikely larger institutional investors or tenants would show interest;
- **The serviced apartment market** was discussed in regards to a broader undersupply in the market. The report noted that the majority of demand for serviced apartments was in Sydney CBD and major centre areas, although out of centre locations could be a potential market. The report did not include serviced apartments into the job yield analysis in section 5.2 of the report. The very small nature of the operation (19 apartments) means that Full Time Equivalent (FTE) could be lower than 1 employee; and
- **The economic impact** of the development was likely to have a minimal impact on the trading in Balmain Town Centre, due to its small scale and out of centre location.

There has been a number of market factors both in a broader context and in the local market which have changed since the publication of the economic report. These are discussed below in sections 4.2 and 4.3 and discussed in relation to the findings of the SGS Economic Report.

4.1.2 Review of Leichhardt Employment Lands Study (2011)

SGS Economics and Planning (SGS) was commissioned by Leichhardt Council to prepare an Employment Lands Study (ELS) which was published in January 2011. The ELS was prepared to assist and direct Council in regards to the below points among others:

- Identifying strategically important employment lands to be protected;

- Ensure sufficient land is zoned to accommodate future employment growth;
- Inform of opportunities to regenerate underutilised or redundant employment lands; and
- Identify an appropriate suite of zones for employment lands.

The report dealt specifically with the subject site which was grouped into chapter 5.7 Fragmented Commercial Sites. In discussing potential uses for the subject site the report noted that “*While existing out-of-centre commercial activities are not ideal, they should be considered against attribute criteria so as to retain high quality and accessible sites*”¹.

The criteria used to assess the future use of the site as an out-of-centre use was:

- **Proximity to public transport** – the site is 200 metres from Balmain Road and buses that service this area and in very close proximity to Balmain West Ferry Wharf;
- **Scale of use will not add significant additional traffic and other impacts to surrounding residential** – the office development contains ample on-site parking and the office land uses do not cause significant environmental impacts.
- **Any retail associated with these sites is ancillary only** – the site is comprised of office land uses only.

As such the subject site was recommended to be retained for employment uses.

There have been considerable market changes as well as local site changes since the ELS (January 2011). The criteria for the recommendation at the time would likely need to incorporate additional factors now such as broader supply in the market, potential development of The Bays Precinct, vacancy in Darling Street and an understanding of thresholds in the serviced apartment market. These factors are all discussed in the sections below.

The statement that “*while out-of-centre commercial activities are not ideal*” is now especially pertinent given the difficulties that these types of sites are facing in terms of vacancy and longer term commercial viability as commercial uses. These issues are explored in greater detail in sections 4.2 and 4.3 of this report.

4.2 Economic Assessment of Commercial Zoning on the Subject site

This section of chapter 4 identifies some of the key issues with the current zoning on the subject site and considerations for a change to a more appropriate zoning that reflects both the market and the surrounding context of Balmain.

This part of the chapter identifies key issues for non residential retail uses on the site including:

- The location of the subject site as a B2 local centre;
- The impact broader market dynamics are having on the non-residential zoning for the subject site;
- The impact of local commercial market dynamics;
- The impact of local retail market conditions; and
- The overall suitability for residential uses on the subject site.

¹ SGS (2011) *Leichhardt Employment Lands Study*, p.100.

4.2.1 Trading Routes and Location

At present the subject site is zoned B2 Local Centre. The image below shows the location of the subject site in regards to its zoning in context to other areas zoned B2 Local Centre. The image shows that the subject site is located remotely from the main commercial areas along Darling Street and is a small isolated pocket of zoned commercial activity.

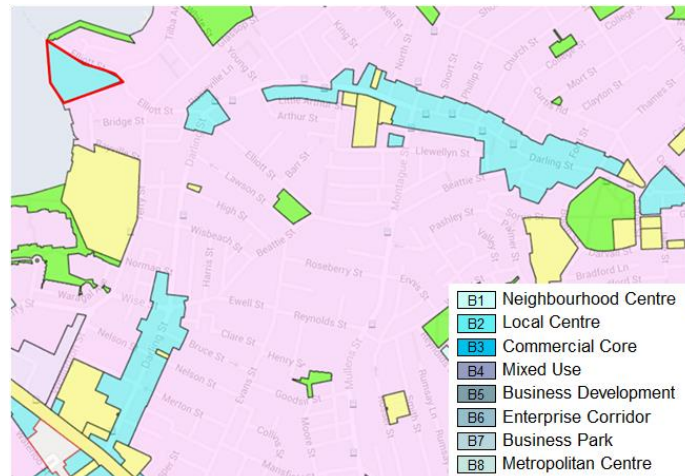


Figure 2 - Zoning Map of the Subject Site (in red) in context to the surrounding areas zoned B2 Local Centre (Source: Leichhardt LEP, 2013)

There is one other area zoned B2 Local Centre which is comparably small and away from the main commercial strips, however it contains very different dynamics. The image below shows the other isolated B2 Local Centre at the junction of Elliott Street and Darling Street looking east and west. This B2 zoned centre is located along the main thoroughfare (Darling Street) approximately 150m west of Balmain commercial area and approximately 200m east of Rozelle commercial area. Furthermore, this centre contains many long established retail/entertainment establishments including the Cat & Fiddle Hotel. It is therefore much more suitable for this type of zoning than the subject site which contains very little in the way of establishments or features that would characterise a local centre.



Figure 3 Intersection of Elliott Street and Darling Street looking West (top) and East (bottom) (Source: Google, 2015)

To highlight the isolation of the subject site as a B2 Local Centre area, the image below shows the other three areas in the Balmain Peninsula zoned B2 Local Centre in the context of the main thoroughfare and commercial strip of Darling Street. The subject site is surrounded entirely by R2 Low Density Residential Zone (excepting Iron Cove) and shows that from an economic planning context it is likely to be an inappropriate location for this type of zoning.



Figure 4 : Context of B2 Local Centre Zoning along Darling Street and the Subject site to the west (Source: Leichhardt LEP 2013)

4.2.2 Broader Commercial Market Factors

At present the broader commercial market dynamics are playing a large role in the conversion of scattered and isolated commercial areas to residential uses. This is due to macro level commercial market factors which are making smaller scattered commercial locations less viable and more suited to residential uses.

The commercial market in Sydney over the past 12-18 months has been characterised by a consolidation of floorspace in larger employment precincts, with a small but gradual upward trend in demand for new office space in metropolitan office markets. The market has been fairly tough on commercial holdings which are located in fragmented spaces, isolated from major centres. This has especially been the case for some increasingly isolated commercial markets including St Leonards/ Crows Nest and Gordon which have seen a net contraction of commercial office space, mainly due to low demand and withdrawals from the market to residential uses².

A major factor influencing supply of commercial office space in Sydney is Barangaroo entering the market. Barangaroo is forecast to deliver 256,000sqm of additional floorspace over the next four years to 2018. A further additional 90,000sqm of projected new premium commercial office space in the Sydney CBD over the concurrent period means the supply entering the CBD market per annum is considerably higher than the long term average³. The result of this is that it would likely place pressure on metropolitan office markets (non-CBD markets). Major suburban office markets at North Sydney, Parramatta, Norwest and Macquarie Park are likely to fare better due to high amenity, strong transport connectivity, major retail convenience and

² CBRE (2014) *Residential Conversions: Keeping Sydney's Office Markets Balanced*

³ Cordell Connect (2015) *Likely project completions in Sydney CBD by 2018*

clustering of industries⁴. Landowners of smaller fragmented commercial spaces are increasingly looking to residential conversions as a means of getting better value out of sluggish commercial assets.

4.2.3 Local Market Considerations

In the context of suburban or metropolitan commercial markets in Sydney (non-CBD markets) the subject site falls within the Inner West Suburban (Metropolitan) Office sub-market. The image below shows the breakdown of the suburban office markets across Sydney based on KnightFrank's 'Sydney Suburban Office Market Overview: February 2015'. Other real estate commentators including Colliers, CBRE and Savills have similar commercial office submarket boundaries.



Figure 5 Sydney Suburban Office Markets (Source: KnightFrank 2015)

Knight Frank have reported that the Sydney metropolitan office market has been performing solidly, however the overall market stability, was being underlined by considerable conversion of commercial office space in older buildings and less desirable commercial areas. This level of residential conversion was helping keep vacancy rates stable and maintain positive growth in net face rents. Key market conditions outlined in the report included:

- Sydney recorded small positive net absorption in 2014. This totalled to 5,411sqm of absorption or 0.2% of total stock. Key market indicators:

⁴ CBRE (2014) *Residential Conversions: Keeping Sydney's Office Markets Balanced*

- The market has been experiencing steady absorption of commercial floorspace (0.2%) which has been aided by a net decline in supply of new commercial floorspace;
- There has been a slight decline in vacancy across the market from 8.8% to 8.1% in the 12 months to January 2015. This has primarily been driven by consistent demand, a lack of investment in new supply and active withdrawal of stock from the market for residential conversion;
- Gross rents have increased by 3.5%, however net effective rent increases have only been 2.5% when calculating increased incentives. This means it has stayed near level with the rate of inflation (CPI);
- There has been a reduction of floorplate options 3,000sqm+ (24 to 20) and medium sized floorplate options 1000-2,999sqm (66 to 51) on the market as a result of a positive absorption;
- There has been an increase in small floorplates (such as those offered at the Subject site) from 142 to 158.

4.2.3.2 Inner West Market Movement

The current commercial market conditions in the Inner West reflect many other inner submarkets including the City Fringe and North Shore. Conditions have been stable with slight decreases in vacancy and positive net absorption. The underlying driver of this however is constrained supply of floorspace in the market. This has been caused by a lack of new investment and a negative net supply due to withdrawals of commercial office space to residential uses.

CBRE's 2014 research report 'Residential Office Market Conversions: Keeping Sydney's Markets Balanced' indicates that this trend is keeping suburban office markets competitive and the withdrawal of some commercial space to residential is actually assisting stability in the office market. In the Inner West and neighbouring City Fringe submarket, Balmain is a very small commercial market compared with Pyrmont, Sydney Olympic Park, Rhodes and Burwood; all much larger employment centres. While there is demand for larger sites and increased competition for strategic acquisitions, demand for small commercial titles <1,000sqm has actually dropped off and supply has increased in the market.

4.2.3.3 The Bays Precinct

Another key consideration in the zoning of the subject site is the anticipation of a major new allocation of commercial and retail space at Balmain East around White Bay as part of the Bays Precinct. There is a strong likelihood that at least part of the Bays Precinct will deliver significant new commercial space to the market. In an even more competitive market it is likely commercial uses at the subject site would face very difficult competition in securing leases against large and flexible floor plates offering prime A-Grade office space.

4.2.4 **Local Retail Factors**

The SGS Economic Report states that *"The Study Site is likely to be able to attract a convenience store and a small cafe or deli; although given its proximity to Balmain centre, incentives may be required in order to attract or retain tenants⁵".* Based on the number of residential apartments and the lack of any shops in the surrounding catchment it is considered that a convenience store could be supported by the development. In addition, a cafe may possibly be supported, however there are issues which may make this challenging including a drop in trade along Darling Street, Balmain.

⁵ SGS (2013) Economic Report for 100-102 Elliot Street Balmain

Of note, local retail businesses along the main retail strip of Darling Street, Balmain, have reportedly been impacted by a decline in foot traffic and increased vacancy. A Sydney Morning Herald Article from 20 August 2015 titled 'How Darling Street in Balmain Plans to Rise from the Ashes' notes that a site investigation and consultation with local property owners found that businesses were facing lower revenue and many long term businesses, including Ralph's Deli and Bloomsbury Florist, had closed⁶. Further the article noted 15 closed/vacant stores of the 155 premises located along the primary retail strip from Montague Street to Colgate Avenue.

A lack of trade along Darling Street is likely to drive incentives for retail in order to attract tenants by offering a discounted leasing rate. This is likely to place the retail offer of the Subject site at a disadvantage and perhaps require even greater incentives, which may impact its financial viability and suitability for the site. Furthermore, offering additional retail (beyond a convenience store) into an already struggling market could further impact on the retail health of Darling Street.

4.2.5 Summary of Site Suitability for Non-Residential Uses

Given the above there are several factors which require due consideration for assessing a change in zoning on the site from B2 Local Centre to R1 General Residential. Key issues include:

- The site is currently zoned as an isolated local centre away from the existing commercial and retail areas of Darling Street. It is unlikely to get significant through trade due to its location as a dead-end facing the foreshore of Iron Cove and is not supported by any existing established commercial or retail businesses;
- The Sydney metropolitan commercial market including the Inner West and City Fringe Submarkets are currently characterised by withdrawal of fragmented commercial office stock for conversion to residential. This is keeping the market, as a whole stable by maintaining consistent vacancy and net face rents and funnelling demand and absorption of office stock into consolidated centres such as Rhodes and Pyrmont which are better equipped for commercial uses;
- The site is likely to struggle with commercial development as it can only offer a very limited product isolated from existing businesses and is considered to be in an uncompetitive position against nearby existing and potential future employment centres including Pyrmont and The Bays Precinct;
- Local retail vacancy and a reduction in trade along Darling Street mean further retail on the Subject site is likely to have to offer considerable incentives to gain traction in the market. This firstly could have an impact on the viability of maintaining additional retail as a use and secondly, could actively harm the retail strips along Darling Street in Balmain and Rozelle by attracting potential demand away from the town centres;

Based on the above factors it is considered that the commercial and retail market dynamics make it unlikely that the subject site going forward is suitable for a B2 Zoning.

4.3 Assessment of Serviced Apartments

In accordance with the approved DA (D/2013/406) the majority of non-residential floorspace on the subject site is approved for use as serviced apartments. The Proponent is seeking to rezone the land through a planning proposal as it serviced apartments are not considered to be a viable commercial use on the site.

⁶ Sydney Morning Herald (2015) How Darling Street in Balmain plans to Rise from the Ashes, August 20.

In accordance with Leichardt LEP 2013, serviced apartments are defined as “a *building (or part of a building) providing self-contained accommodation to tourists or visitors on a **commercial basis** and that is regularly serviced or cleaned by the owner or manager of the building or part of the building or the owner’s or manager’s agents*”.

This part of the assessment will analyse firstly, consideration of serviced apartments as a commercial operation/use and secondly, the viability of serviced apartments on the subject site.

4.3.1 Serviced Apartments as a Commercial Use

A major component of this economic & market assessment analyses serviced apartments as a commercial operation. Serviced apartments are defined as a commercial operation in the LLEP 2013 and form the basis for much of the non-residential “mixed” uses on the site being zoned B2 Local Centre.

It is argued that operating 19 serviced apartments dispersed through multiple buildings on the site is not a commercial use but rather a short term residential use.

4.3.1.1 Commercial Use vs Short Term Residential Uses

The issue of separating serviced apartments between viable commercial uses and short term residential uses has been impacting several local government areas (LGAs) across Sydney. A letter published for a North Sydney Council Meeting on the subject by HillPDA Consultants in June 2015 argues that the minimum threshold for serviced apartments being considered a viable commercial use was 50-70 apartments. The letter states that the majority of commercial serviced apartment operations run with 50 apartments as the minimum number. The HillPDA letter was based on market research into the market conditions, a review of recent DA’s for serviced apartment in North Sydney Council as well as high level feasibility analysis of where operating serviced apartment becomes a commercial operation and running above a viable threshold.

Key points from that letter related to defining serviced apartments as a commercial use include:

- Minimum of 50-70 serviced apartments in a singular establishment is considered to be a viable commercial use;
- To be considered to be operating as a commercial use would normally entail staff employed in kitchen, front of house, cleaning, security and potentially other commercial service such as a bar and leisure facilities;
- An establishment operating below the threshold (50-70 apartments) is generally operating the leasing of the apartments through a third party operator such as AirBnB and Stayz with very little direct employment (sometimes none is required) and therefore is difficult to argue that it is indeed a commercial use; and
- A review of recent development applications where serviced apartments had been approved under the threshold limit in North Sydney Council. Since Approval, nearly all applications sought either modifications to lower the number of serviced apartments and convert some to residential or secondly a planning proposal to change the entire use to residential.

The issue of a short term residential use in a commercial zoning is further highlighted in an article published in July 2015 titled “NSW government investigating Airbnb rentals”⁷. The article maintains that there is complexity around current application of laws for leasing holiday lettings in residential zones.

⁷ Duke, J and Nicholls, S (2015) NSW Government Investigates Airbnb Rentals, Sydney Morning Herald.

4.3.1.2 Safety and Social Issues

Consultation with serviced apartment operators including Toga, through their subsidiary TFE Hotels, indicate that a commercial serviced apartment operator would be unlikely to run and manage serviced apartments at this scale and format as it would not be viable to do so. In this scenario, an owner is likely to on-sell the serviced apartments to private owners who can then lease out those premises through a third party operator such as AirBnb or Stayz.

This further consolidates the fact that this level of operation is indeed likely to be a short term residential use operating under the guise of commercial uses. In addition to this, there are social impacts related to a lack of security, front of house and transient nature of residential guests staying at the serviced apartments, where it is not a fully fledged commercial operation.

It is therefore not considered that the approved 19 serviced apartment constitutes a legitimate commercial use and a change in zone to R1 General Residential would be more appropriate on the subject site.

4.3.2 **Viability of Serviced Apartments on the Site**

As outlined in section 4.3.1.1 the considered threshold for serviced apartments to be deemed a viable commercial use as outlined in the HillPDA report is 50-70 apartments. In this regard, it is also referring to this threshold as the level where an operation can be run with requisite financial return.

'IBISWorld Industry Report H4404: Serviced Apartments in Australia' published in May 2015, identifies the key metrics and economic performance of the Serviced Apartment Market. The report outlines that the top four players in the industry account for 40% of the revenue and the top six players control 30.6% of the market share. The table below shows the six largest operators and their estimate market share.

Table 1 - Major Operators in the Serviced Apartment Market and Market Share (Source: IBISWorld 2015)

Company	Market Share
QSA Group (Quest Apartments)	10.3%
Mantra Group	8.3%
Oaks Hotels & Resorts Limited	4.0%
Toga Pty Ltd	3.5%
Meriton Serviced Apartments	2.0%
Accor Asia Pacific Corporation	2.0%

Consultation undertaken by HillPDA indicated that the majority of large players, own and manage their properties, with most establishments accommodating 50 to 150 apartments. They regularly provide services including front of house, cleaning and security as well as additional services in some operations including food/beverage services and leisure facilities.

Toga, through their subsidiary TFE Hotels, is a privately owned provider of serviced apartments in the Australian market, including across Sydney. Ibis World Industry Report 'Serviced Apartments in Australia' (Report H4404) released in May 2015, outlines that Toga holds 3.5% of the total market share of serviced apartments in Australia, through ownership of 56 serviced apartment properties.

The operation of such a small and dispersed set of serviced apartments is unlikely to be viable for the company to run as a commercial service and more suitable as a residential land use.

4.4 Estimated Employment Impact

This assessment considers that changing the zoning for the subject site is likely to have a negligible impact on employment.

Firstly this assessment considers that one convenience store and potentially one additional shop could be supported on the site. It is unlikely that there will be any significant commercial employment on the site.

Secondly, the bulk of the "non-residential component" on the site is approved for 19 serviced apartments. As discussed in the assessment - at this scale it is not considered to be a viable commercial operation. As noted in chapter four, serviced apartments at this scale normally run a third party owner and leasing model which could potentially require no FTE Employees for this component.

As a result of the aforementioned points, the employment impacts are likely to be negligible.

5.0 Assessment of Social Impacts

The following chapter considers the likely social impacts (negative and positive) in relation to the rezoning of the subject site. To provide context for this assessment a review of relevant background information was undertaken, which included:

- Social Impact Assessment (SIS) prepared by Elton Consulting for D/2013/406; and
- Development Application D/2011/529.

5.1 Brief Overview

Toga and RPS met with Council Officers on 15 July 2015 to discuss the proposed rezoning of the subject site. Leichhardt Council Officers advised the preparation of a new or addendum to the SIS (Elton Consulting) was unnecessary. This assessment, therefore, does not constitute a full SIS rather a high level assessment of the likely social implications and/or social benefits of the rezoning of the subject site.

5.2 Background Information Review

5.2.1 Social Impact Assessment (SIS)

The Social Impact Statement (SIS) prepared by Elton Consulting in September 2013, formed part of the technical reports and relevant information submitted for Development Application D/2013/406. The SIS identified a number of potential social impacts, mitigation and management measures to minimise adverse impacts that may occur from the development of the subject site.

The SIS was comprehensive in nature and prepared in accordance with Leichhardt Council Social Impact Assessment Policy and Guidelines 2009. The SIS assessed the proposed development against the State government's Metropolitan Strategy, local planning instruments and other relevant policies and strategies. A comprehensive demographic analysis was undertaken to describe the characteristics of the local community in the vicinity of the proposed development. In addition, insight into the consultation with stakeholders and the community was provided.

5.2.2 Development Application D/2011/529 – Refused Development

Prior to the approval of Development Application D/2013/406, an earlier development application D/2011/529 was refused⁸. Council recommended a “deferred commencement” consent, however, the Joint Regional Planning Panel (JRPP) refused. The JRPP outlined the reasons for refusal and highlighted potential social impact of the proposed development which included:

- The developments bulky appearance from the water;
- An inadequate transition from the small-scale residential character of development on adjoining streets; and
- A ‘catastrophic’ view impact on 1 Broderick Street property.

An appeal in the NSW Land & Environment Court was also refused due to the following reasons:

⁸ The DA lodged by Roche Group (previous landowner)

- Inadequate provision of commercial parking;
- Design issues relating to height, bulk, scale and setbacks; and
- Landscaping and removal of significant trees.

5.2.3 Development Application D/2013/406 – Approved Development

The previous landowner Roche Group worked closely with Leichhardt Council and the design team to address the reasons for refusal of D/2011/529. The revised plans addressed a number of the social issues raised in public submissions and earlier consultations and identified ways in which the project had been adapted to successfully minimise the social concerns and provide social benefit for the local community.

Nevertheless, a number of social impacts were identified as follows:

- Traffic and parking impacts for the local neighbourhood;
- Visual impacts;
- Community integration and community cohesion; and
- Construction impacts.

The above social impacts were adequately addressed and a number of specific mitigation and management actions were identified and implemented accordingly.

5.3 Community Consultation - Planning Proposal

The proposed development of the subject site has undergone extensive consultations with numerous stakeholders including the local community over many years. Toga was keen to consult the local community on the proposed rezoning of the subject site to enable the future conversion of the serviced apartments to residential apartments.

A consultation workshop was organised by Toga and held on 21 August 2015. Residents from 12 properties within Broderick Street and Broderick Lane were invited and eight representatives were in attendance. A number of matters were discussed at the meeting including:

- Recent / current modification applications
- Construction timing
- The proposed conversion of the approved serviced apartment to residential apartments.

The feedback from the workshop identified that residents were generally opposed to the approved serviced apartments, hence, strongly supportive of the conversion to residential dwellings. A number of letters of support (18 residents with 13 letters) for the Planning Proposal are enclosed (refer Appendix 4).

5.4 Review of Social Impacts

In considering the above referenced SIS along with discussions with Council's Officers on 15 July 2015, the social impacts most likely to occur as a direct result of the rezoning of the subject site are identified as follows:

- Traffic and parking;
- Visual impacts;
- Safety and Security; and
- Community cohesion.

5.4.1 Traffic and Parking Impacts

5.4.1.1 Traffic and Parking Impacts

In reviewing the traffic assessment prepared by Colston Budd Hunt & Kafes P/L dated 11 September 2015, it is evident the traffic effects of the proposed rezoning is likely to be similar to the approved development (please refer to Appendix 3).

Any future development application would require traffic impacts to be considered where there is potential for traffic impacts for the local and broader community.

With respect to parking, there are currently sufficient parking spaces allocated to the serviced apartments in the approved development to meet the requirement of 19 spaces for the conversion to residential apartments. Therefore, there would be no additional parking impacts due to the rezoning of the subject site.

5.4.2 Visual Impacts

In support of the Planning Proposal, Bates Smart considered the suitability of the serviced apartments to be converted to future residential apartments against the key objectives of the Apartment Design Guidelines (ADG).

Ground floor terrace areas for five apartments (B1.001, B1.005, C1.002, C3.002 & C3.003) require an enlarged ground floor terrace area to comply with the ADG. The increased terrace areas would not significantly impact the publicly accessible landscaped area. Furthermore, apartments C1.002 & C3.003 are buffered from the public domain by proposed planting and are provided with privacy screening. These minor changes can be incorporated without visually impacting the landscaping of the approved development.

The conversion of the serviced apartments to residential apartments would require five (5) additional skylights to be included to comply with SEPP 65. The five (5) additional skylights would be located on the roof areas of apartments B1.302, C2.401, C3.301, C3.302 and C4.203. These are currently the subject of a Section 96 Modification Application currently being considered by Council. The visual impacts would be negligible.

Any future DA would not require reconfiguration of the approved serviced apartments and would not require a change to the building envelopes, 'the look' or height of the approved mixed use development. A future 'change of use' DA would be required to facilitate the conversion to residential apartments.

In summary, the overall development complies with SEPP 65 and ADG. Visual impacts would be negligible or minor in nature. While there are minor changes required to the ground floor terrace areas, essentially the development will appear the same as currently approved.

5.4.3 Safety and Security

The approved development has been designed to minimise potential safety and security issues and is in accordance with Crime Prevention Through Environmental Design (CPTED). The core CPTED design features for the development clearly defined public spaces, passive surveillance of the public domain, secure and separate access points. These design features would be maintained as part of the rezoning of the subject site to enable the conversion of the serviced apartments to residential apartments.

The approved development was designed to enable residents to share lifts, lobbies and common open spaces with 'guests' of the serviced apartments. While the development was designed to minimise safety and security issues, as discussed in Chapter 4, the approved serviced apartments could be leased out to third party operators such as AirBnB or Stayz. Hence, a number of social impacts could arise due to a lack of security, front of house concierge and transient nature of residential guests staying at the serviced apartments.

The aforementioned Sydney Morning Herald Article 'NSW Government Investigating Airbnb Rentals' further emphasised that safety concerns are a major cause of concern for residents in the current format of Airbnb. The article also notes that Leichhardt Council is currently seeking legal advice on how to manage the letting through these third party operators.

If the subject site was rezoned to enable the future conversion of the serviced apartments to residential apartments, passive surveillance would be enhanced as a direct result of having more permanent residents in the buildings.

In summary, if the rezoning of the subject site is supported, and a future DA lodged to convert the approved serviced apartments to residential dwellings, the safety and security of the overall development would be further enhanced as a direct result of an increase in passive surveillance. In addition, residents would no longer be sharing lifts, lobbies and common open spaces with 'guests' of the service apartments, giving the perception of increased safety and security for residents of the development along with the local community.

5.4.4 Community cohesion

A cohesive community is one where 'there is a common vision' and a common 'sense of place'. During the community consultation period of both the refused and approved development schemes, the inclusion of serviced apartments within the development were raised as concerns by the community. Many submissions received during the consultation workshops and exhibition period identified that residential uses across the site were the preferred use.

In addition, Councils across NSW have raised concerns regarding the short term tourist leasing of apartments by third party operators such as Airbnb⁹. This type of short term leasing creates compliance issues for local Councils' and is becoming increasingly difficult to manage. This matter is a concern to residents in the Leichhardt LGA and Council is seeking further legal advice on how to manage this increasingly popular form of leasing of premises¹⁰.

⁹ NSW Government investigating Airbnb rentals (Source: SMH Domain 4 July 2015)

¹⁰ *ibid*

In summary, community cohesion would be enhanced as a result of the rezoning and future conversion of the serviced apartments to residential apartments. The transient nature of the 'guests' staying at the serviced apartments would be replaced with permanent residents that are more likely to actively contribute to enhancing the cohesive nature of the community.

5.5 Social benefits – Rezoning (Planning Proposal)

The rezoning of the subject site is likely to have a number of positive social benefits:

- Once the serviced apartments are converted to residential apartments, the development would contribute an additional 19 residential apartments (an additional 18% of the overall development). This would create additional housing stock in a range of sizes, styles and price points in a suburb of high demand and limited supply;
- The additional residential apartments within the development would contribute to the housing targets prescribed in the *Draft Inner West Subregional Strategy*. The target of an additional 30,000 dwellings by 2031 is outlined in the Strategy of which 2,000 additional dwellings are required within Leichhardt LGA;
- The conversion of the serviced apartments to residential apartments would ensure the integration of the immediate character of the development which is located in a predominantly residential neighbourhood;
- Passive surveillance would be enhanced as a direct result of having additional permanent residents in the buildings;
- A greater 'sense of place' for the existing neighbourhood along with enhanced community cohesion; and
- Increased safety and security for future residents of the development and the local neighbourhood.



Home

Latest

Features

Insights

Videos

Market View

NSW government investigating Airbnb rentals



July 1, 2015

Jennifer Duke, Stephen Nicholls

Million-dollar Airbnb threat

When the letter arrived in his mailbox, Wally couldn't believe what he was reading.

The NSW government is under pressure to clarify rules governing popular home sharing websites like Airbnb as local councils threaten residents with million-dollar fines.

[Home](#)[Latest](#)[Features](#)[Insights](#)[Videos](#)[Market View](#)

allowed to do in your own home,” he told Domain.

He is just one of 800 Leichhardt home owners advertising on the site.



Wally Salinger is facing a \$1.1 million fine for renting his house on Airbnb. Photo: Fiona Morris

Greens MP Jamie Parker is on the parliamentary committee that Planning Minister Rob Stokes has asked to “examine the issues and come back with advice, which the NSW government will then consider”.

“There’s different regulation in different council areas and there needs to be a clear framework for the whole state,” Mr Parker said.

Mr Parker believes a full government inquiry is on the cards.

When contacted by Domain, a spokesperson for the Department of Planning and Environment confirmed that the government was looking to “test if the planning rules are right”.

Founded in 2008, Airbnb now has one million listings in 34,000 cities and 190





Home

Latest

Features

Insights

Videos

Market View



But no one body governs the rules around short-term letting in NSW.

The uncertainty surrounding the current rules was confirmed by a Domain survey of 34 councils.

Despite 10,000 homes listed across the harbour city, just six of the councils said they allowed short-term rentals, which most consider the service offered by Airbnb. Only Canterbury, Hornsby, Pittwater, Randwick, Manly and Ryde allow short-term tourist rentals and, even then, it's only in some areas, with consent from the council also required.

The specific regulations used to make Airbnb technically illegal vary between councils. Some say offering breakfast might help, like a bed-and-breakfast, however, this isn't always possible. Others say you must be in a holiday home-zoned area.

Confirmation of the NSW government's move to look into Airbnb rentals comes as the Victorian Civil and Administrative Tribunal ruled that an owner's corporation at Watergate Apartments at the Docklands did not have the power to make a rule prohibiting stays of less than 30 days.

"The decision impacts on all owners' corporations throughout Victoria," Strata Title Lawyers CEO and Watergate OC solicitor Tom Bacon told the Docklands News last week.

The rules governing short-term rentals in apartments depend on the building's bylaws, but strata expert and Domain Flat Chat columnist Jimmy Thomson said the decision could prompt someone to test the law in NSW and "you can never guarantee what a judge is going to decide on any given day".

Bankstown	X
Does not allow tourist and visitor accommodation in residential areas.	
Woollahra	X ✓
No tourist/visitor accommodation in residential zones. With consent, bed and breakfast may be allowed.	
Leichhardt	X
Council is seeking further legal advice on how to manage this increasingly popular form of letting.	
City of Sydney	X
Tourist or visitor accommodation not allowed in residential zones or residential apartment buildings.	
Ryde	✓
Airbnb subject to compliance with planning, therefore permitted in majority of areas. Bed and breakfast allowed in homes with a maximum of three bedrooms with consent.	
Warringah	✓
Allowed as bed and breakfast with consent in homes where meals are provided.	
<i>*A sample of responses from Domain's survey of 34 Sydney councils.</i>	

[Home](#)[Latest](#)[Features](#)[Insights](#)[Videos](#)[Market View](#)

of Shauna, who didn't want her surname used. She had been notified by Randwick Council that it had evidence she was running an "unauthorised" bed and breakfast.



"It was quite a shocking letter to get," said Shauna. "I immediately saw \$1.1 million and thought, 'What am I going to do?'" After getting some legal advice, Shauna successfully argued that she was not operating on a commercial basis, she was simply renting out a room.



Mr Salinger, too, is hoping for a similarly successful outcome, having taken his protest all the way to the Leichhardt council steps, pleading the benefits "urban tourism" brings.

The regulation that got him was the local government plan stipulating that home owners are not allowed to operate "Tourist and visitor accommodation" .

"Council is seeking further legal advice as to how to manage this increasingly popular form of holiday letting," a council spokeswoman said.

Sydney City Council is investigating some complaints relating to Airbnb and a home owner last week sold his Millers Point terrace because the council had said he **couldn't put it on Airbnb and use it as tourist accommodation.**

Despite all the threats though, Thomson isn't aware of a single successful prosecution.

A spokesman for Airbnb Australia and New Zealand, Dylan Smith, said he welcomed news that the government was looking into the situation.

"Many local laws are outdated and difficult to interpret," Mr Smith said.

"That's why we've been talking with policymakers about the need for clear, progressive and fair laws that allow for home sharing.

"We warmly welcome this announcement [of a possible inquiry] and look forward to working with all parties toward fair and progressive rules that allow for home sharing right across NSW."

Do you know more? Contact Jennifer.duke@fairfaxmedia.com.au



Home

Latest

Features

Insights

Videos

Market View

Find out what your property's worth

Find out how.



EXPLORE A SUBURB



Search

© Fairfax Media

[Privacy Policy](#) | [Go to the Top](#)

From: Peter Donnelly peter.donnelly@y7mail.com

Subject:

Date: 26 August 2015 3:36 pm

To: Marty D mjdonna1ly@tpg.com.au

PD

Date: 21st August 2015

Mr Michael Calvi
Development Manager, Development & Construction
TOGA Developments Sydney Pty Ltd
Level 5, 45 Jones Street
ULTIMO NSW 2007

Dear Mr Calvi,

RE: PROPOSED REZONING – 100-102 ELLIOTT STREET, BALMAIN

I understand that Toga is seeking to submit a Planning Proposal to Leichhardt Municipal Council to rezone the land at 100-102 Elliott Street, Balmain.

The current B2 Local Centre zone within the Leichhardt Local Environmental Plan 2013 (LEP 2013) does not permit the development of a residential flat building without a mixed use component. Accordingly, Toga are seeking an amendment to LEP to rezone the site to R1 General Residential so that residential flat buildings are permissible without the need for an individual building to have a mix of uses. The proposed zoning will be consistent with the R1 General Residential zoning of the surrounding area.

Toga have advised that the proposal would not result in any changes to the approved built form. We support the rezoning of the site to R1 as this would allow Toga to seek development consent to convert the nineteen (19) approved serviced apartments to residential apartments. We are concerned about the changing transient population that will access these serviced apartments on a daily and weekly basis and the effect it will have on the local neighbourhood. While the current zone allows other non-residential uses within these spaces, given their location at the end of Elliott Street and Broderick Lane, our preference is for the serviced apartments to be solely residential in use.

I also understand that Toga will be seeking to permit of a maximum floor space ratio (FSR) of 1.05:1 on the site. This is consistent with the current approved floor space ratio (FSR) for the site.

I support the above amendments to the LEP and raise no objection to this proposal.

Yours sincerely,

Name:

Address:


Peter Donnelly
1 Broderick St
Balmain 2041


Martin Donnelly

26 August 2015

Mr Michael Calvi
Development Manager, Development & Construction
TOGA Developments Sydney Pty Ltd
Level 5, 45 Jones Street
ULTIMO NSW 2007

Dear Mr Calvi

RE: PROPOSED REZONING – 100-102 ELLIOTT STREET, BALMAIN

We understand that Toga is seeking to submit a Planning Proposal to Leichhardt Municipal Council to rezone the land at 100-102 Elliott Street Balmain.

The current B2 Local Centre zone within the Leichhardt Local Environmental Plan 2013 (LEP 2013) does not permit the development of a residential flat building without a mixed use component. Accordingly, Toga are seeking an amendment to LEP to rezone the site **to R1 General Residential** so that residential flat buildings are permissible without the need for an individual building to have a mix of uses. The proposed zoning will be consistent with the R1 General Residential zoning of the surrounding area.

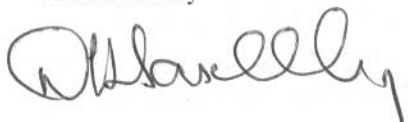
Toga have advised that the proposal would not result in any changes to the approved built form. We support the rezoning of the site to R1 as this would allow Toga to seek development consent to convert the nineteen (19) approved serviced apartments to residential apartments. We are concerned about the changing transient population that will access these serviced apartments on a daily and weekly basis and the effect it will have on the local neighbourhood.

While the current zone allows other non-residential uses within these spaces, given their location at the end of Elliott Street and Broderick Lane, our preference is for the serviced apartments to be solely residential in use.

We also understand that Toga will be seeking to permit of a maximum floor space ratio (FSR) of 1.05:1 on the site. This is consistent with the current approved floor space ratio (FSR) for the site.

We support the above amendments to the LEP and raise no objection to this proposal.

Yours sincerely



David Saxelby
Catherine Saxelby
2 Broderick St Balmain 2041
T 9818 7770

Date: 21st August 2015

Mr Michael Calvi
Development Manager, Development & Construction
TOGA Developments Sydney Pty Ltd
Level 5, 45 Jones Street
ULTIMO NSW 2007

Dear Mr Calvi,

RE: PROPOSED REZONING – 100-102 ELLIOTT STREET, BALMAIN

I understand that Toga is seeking to submit a Planning Proposal to Leichhardt Municipal Council to rezone the land at 100-102 Elliott Street, Balmain.

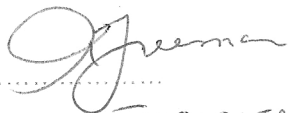
The current B2 Local Centre zone within the Leichhardt Local Environmental Plan 2013 (LEP 2013) does not permit the development of a residential flat building without a mixed use component. Accordingly, Toga are seeking an amendment to LEP to rezone the site to R1 General Residential so that residential flat buildings are permissible without the need for an individual building to have a mix of uses. The proposed zoning will be consistent with the R1 General Residential zoning of the surrounding area.

Toga have advised that the proposal would not result in any changes to the approved built form. We support the rezoning of the site to R1 as this would allow Toga to seek development consent to convert the nineteen (19) approved serviced apartments to residential apartments. We are concerned about the changing transient population that will access these serviced apartments on a daily and weekly basis and the effect it will have on the local neighbourhood. While the current zone allows other non-residential uses within these spaces, given their location at the end of Elliott Street and Broderick Lane, our preference is for the serviced apartments to be solely residential in use.

I also understand that Toga will be seeking to permit of a maximum floor space ratio (FSR) of 1.05:1 on the site. This is consistent with the current approved floor space ratio (FSR) for the site.

I support the above amendments to the LEP and raise no objection to this proposal.

Yours sincerely,



Name:

JACQUELINE KATE FREEMAN

Address:

3 BRODERICK STREET BALMAIN NSW 2041

Ashlea Mortimer
5 Broderick Street,
Balmain 2041

Date: 25th August 2015

Mr Michael Calvi
Development Manager, Development & Construction
TOGA Developments Sydney Pty Ltd
Level 5, 45 Jones Street
ULTIMO NSW 2007

Dear Mr Calvi,

RE: PROPOSED REZONING – 100-102 ELLIOTT STREET, BALMAIN

I understand that Toga is seeking to submit a Planning Proposal to Leichhardt Municipal Council to rezone the land at 100-102 Elliott Street, Balmain.

The current B2 Local Centre zone within the Leichhardt Local Environmental Plan 2013 (LEP 2013) does not permit the development of a residential flat building without a mixed use component. Accordingly, Toga are seeking an amendment to LEP to rezone the site to R1 General Residential so that residential flat buildings are permissible without the need for an individual building to have a mix of uses. The proposed zoning will be consistent with the R1 General Residential zoning of the surrounding area.

Toga have advised that the proposal would not result in any changes to the approved built form. I support the rezoning of the site to R1 as this would allow Toga to seek development consent to convert the nineteen (19) approved serviced apartments to residential apartments. I am concerned about the changing transient population that will access these serviced apartments on a daily and weekly basis and the effect it will have on the local neighbourhood. While the current zone allows other non-residential uses within these spaces, given their location at the end of Elliott Street and Broderick Lane, our preference is for the serviced apartments to be solely residential in use.

I also understand that Toga will be seeking to permit a maximum floor space ratio (FSR) of 1.05:1 on the site. This is consistent with the current approved floor space ratio (FSR) for the site.

As a resident of Broderick Street, Balmain and a member of the Mortimer family who own 5 Broderick Street, I support the above amendments to the LEP and raise no objection to this proposal.

Yours sincerely,


.....
Ashlea Mortimer

Jenny & Wayne Mortimer
5 Broderick Street,
Balmain 2041

Date: 25th August 2015

Mr Michael Calvi
Development Manager, Development & Construction
TOGA Developments Sydney Pty Ltd
Level 5, 45 Jones Street
ULTIMO NSW 2007

Dear Mr Calvi,

RE: PROPOSED REZONING – 100-102 ELLIOTT STREET, BALMAIN

We understand that Toga is seeking to submit a Planning Proposal to Leichhardt Municipal Council to rezone the land at 100-102 Elliott Street, Balmain.

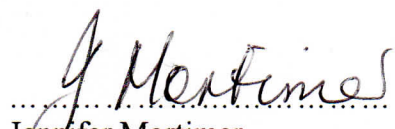
The current B2 Local Centre zone within the Leichhardt Local Environmental Plan 2013 (LEP 2013) does not permit the development of a residential flat building without a mixed use component. Accordingly, Toga are seeking an amendment to LEP to rezone the site to R1 General Residential so that residential flat buildings are permissible without the need for an individual building to have a mix of uses. The proposed zoning will be consistent with the R1 General Residential zoning of the surrounding area.

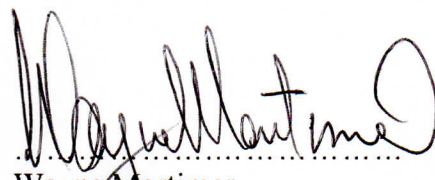
Toga have advised that the proposal would not result in any changes to the approved built form. We support the rezoning of the site to R1 as this would allow Toga to seek development consent to convert the nineteen (19) approved serviced apartments to residential apartments. We are concerned about the changing transient population that will access these serviced apartments on a daily and weekly basis and the effect it will have on the local neighbourhood. While the current zone allows other non-residential uses within these spaces, given their location at the end of Elliott Street and Broderick Lane, our preference is for the serviced apartments to be solely residential in use.

We also understand that Toga will be seeking to permit a maximum floor space ratio (FSR) of 1.05:1 on the site. This is consistent with the current approved floor space ratio (FSR) for the site.

We support the above amendments to the LEP and raise no objection to this proposal.

Yours sincerely,


.....
Jennifer Mortimer


.....
Wayne Mortimer

Lachlan Sweet
5 Broderick Street,
Balmain 2041

Date: 25st August 2015

Mr Michael Calvi
Development Manager, Development & Construction
TOGA Developments Sydney Pty Ltd
Level 5, 45 Jones Street
ULTIMO NSW 2007

Dear Mr Calvi,

RE: PROPOSED REZONING – 100-102 ELLIOTT STREET, BALMAIN

I understand that Toga is seeking to submit a Planning Proposal to Leichhardt Municipal Council to rezone the land at 100-102 Elliott Street, Balmain.

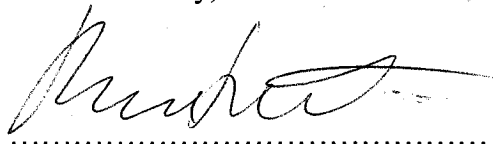
The current B2 Local Centre zone within the Leichhardt Local Environmental Plan 2013 (LEP 2013) does not permit the development of a residential flat building without a mixed use component. Accordingly, Toga are seeking an amendment to LEP to rezone the site to R1 General Residential so that residential flat buildings are permissible without the need for an individual building to have a mix of uses. The proposed zoning will be consistent with the R1 General Residential zoning of the surrounding area.

Toga have advised that the proposal would not result in any changes to the approved built form. I support the rezoning of the site to R1 as this would allow Toga to seek development consent to convert the nineteen (19) approved serviced apartments to residential apartments. I am concerned about the changing transient population that will access these serviced apartments on a daily and weekly basis and the effect it will have on the local neighbourhood. While the current zone allows other non-residential uses within these spaces, given their location at the end of Elliott Street and Broderick Lane, our preference is for the serviced apartments to be solely residential in use.

I also understand that Toga will be seeking to permit a maximum floor space ratio (FSR) of 1.05:1 on the site. This is consistent with the current approved floor space ratio (FSR) for the site.

As a resident of Broderick Street, Balmain and a member of the Mortimer family who own 5 Broderick Street, I support the above amendments to the LEP and raise no objection to this proposal.

Yours sincerely,



Lachlan Sweet

Date: 21st August 2015

Mr Michael Calvi
Development Manager, Development & Construction
TOGA Developments Sydney Pty Ltd
Level 5, 45 Jones Street
ULTIMO NSW 2007

Dear Mr Calvi,

RE: PROPOSED REZONING – 100-102 ELLIOTT STREET, BALMAIN

I understand that Toga is seeking to submit a Planning Proposal to Leichhardt Municipal Council to rezone the land at 100-102 Elliott Street, Balmain.

The current B2 Local Centre zone within the Leichhardt Local Environmental Plan 2013 (LEP 2013) does not permit the development of a residential flat building without a mixed use component. Accordingly, Toga are seeking an amendment to LEP to rezone the site to R1 General Residential so that residential flat buildings are permissible without the need for an individual building to have a mix of uses. The proposed zoning will be consistent with the R1 General Residential zoning of the surrounding area.

Toga have advised that the proposal would not result in any changes to the approved built form. We support the rezoning of the site to R1 as this would allow Toga to seek development consent to convert the nineteen (19) approved serviced apartments to residential apartments. We are concerned about the changing transient population that will access these serviced apartments on a daily and weekly basis and the effect it will have on the local neighbourhood. While the current zone allows other non-residential uses within these spaces, given their location at the end of Elliott Street and Broderick Lane, our preference is for the serviced apartments to be solely residential in use.

I also understand that Toga will be seeking to permit of a maximum floor space ratio (FSR) of 1.05:1 on the site. This is consistent with the current approved floor space ratio (FSR) for the site.

I support the above amendments to the LEP and raise no objection to this proposal.

Yours sincerely,


Name: Debby Ross
Address: 4 Broderick St
Balmain 2041

Date: 24/6/15.

Mr Michael Calvi
Development Manager, Development & Construction
TOGA Developments Sydney Pty Ltd
Level 5, 45 Jones Street
ULTIMO NSW 2007

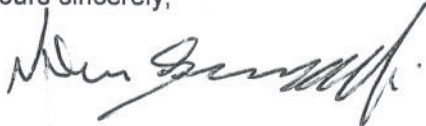
Dear Mr Calvi,

RE: PROPOSED REZONING – 100-102 ELLIOTT STREET, BALMAIN

I, the owner of 7 Bridge Street, Balmain NSW 2041, understand that Toga is seeking to submit a Planning Proposal to Leichhardt Municipal Council to rezone the land at 100-102 Elliott Street, Balmain from B2 Local Centre to B4 Mixed Use.

We strongly support the rezoning of the site to B4 Mixed Use as this would allow Toga to seek development consent to convert the nineteen (19) approved serviced apartments to residential apartments. We are concerned about the changing transient population that will access these serviced apartments on a daily and weekly basis and the effect it will have on the local neighbourhood from a noise, security, safety and disruption perspective. While the current zone allows other non-residential uses within these spaces, given their location at the end of Elliott Street and Broderick Lane, our preference is for these buildings to be solely residential in use.

Yours sincerely,



Ninian Gemmell

J Fiona Brown

Dacapo Pty Ltd
c/- Coopers Agency
P.O. Box 197
Rozelle. 2039

Date: 25th August 2015

Mr Michael Calvi
Development Manager, Development & Construction
TOGA Developments Sydney Pty Ltd
Level 5, 45 Jones Street
ULTIMO NSW 2007

Dear Mr Calvi,

RE: PROPOSED REZONING – 100-102 ELLIOTT STREET, BALMAIN

We understand that Toga is seeking to submit a Planning Proposal to Leichhardt Municipal Council to rezone the land at 100-102 Elliott Street, Balmain.

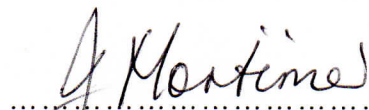
The current B2 Local Centre zone within the Leichhardt Local Environmental Plan 2013 (LEP 2013) does not permit the development of a residential flat building without a mixed use component. Accordingly, Toga are seeking an amendment to LEP to rezone the site to R1 General Residential so that residential flat buildings are permissible without the need for an individual building to have a mix of uses. The proposed zoning will be consistent with the R1 General Residential zoning of the surrounding area.

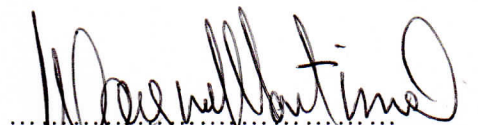
Toga have advised that the proposal would not result in any changes to the approved built form. We support the rezoning of the site to R1 as this would allow Toga to seek development consent to convert the nineteen (19) approved serviced apartments to residential apartments. We are concerned about the changing transient population that will access these serviced apartments on a daily and weekly basis and the effect it will have on the local neighbourhood. While the current zone allows other non-residential uses within these spaces, given their location at the end of Elliott Street and Broderick Lane, our preference is for the serviced apartments to be solely residential in use.

We also understand that Toga will be seeking to permit a maximum floor space ratio (FSR) of 1.05:1 on the site. This is consistent with the current approved floor space ratio (FSR) for the site.

As directors of Dacapo Pty Ltd, the company which owns 7 Broderick Street, we support the above amendments to the LEP and raise no objection to this proposal.

Yours sincerely,


.....
Jennifer Mortimer
Director


.....
Wayne Mortimer
Director

Date: 21st August 2015

Mr Michael Calvi
Development Manager, Development & Construction
TOGA Developments Sydney Pty Ltd
Level 5, 45 Jones Street
ULTIMO NSW 2007

Dear Mr Calvi,

RE: PROPOSED REZONING – 100-102 ELLIOTT STREET, BALMAIN

I understand that Toga is seeking to submit a Planning Proposal to Leichhardt Municipal Council to rezone the land at 100-102 Elliott Street, Balmain.

The current B2 Local Centre zone within the Leichhardt Local Environmental Plan 2013 (LEP 2013) does not permit the development of a residential flat building without a mixed use component. Accordingly, Toga are seeking an amendment to LEP to rezone the site to R1 General Residential so that residential flat buildings are permissible without the need for an individual building to have a mix of uses. The proposed zoning will be consistent with the R1 General Residential zoning of the surrounding area.

Toga have advised that the proposal would not result in any changes to the approved built form. We support the rezoning of the site to R1 as this would allow Toga to seek development consent to convert the nineteen (19) approved serviced apartments to residential apartments. We are concerned about the changing transient population that will access these serviced apartments on a daily and weekly basis and the effect it will have on the local neighbourhood. While the current zone allows other non-residential uses within these spaces, given their location at the end of Elliott Street and Broderick Lane, our preference is for the serviced apartments to be solely residential in use.

I also understand that Toga will be seeking to permit of a maximum floor space ratio (FSR) of 1.05:1 on the site. This is consistent with the current approved floor space ratio (FSR) for the site.

I support the above amendments to the LEP and raise no objection to this proposal.

Yours sincerely,



Name: PAMELIA HESTER
Address: 8 BRODERICK ST
BALMAIN 2041

9 Broderick St
Balmain
NSW 2041
28 August 2015

Mr Michael Calvi
Development Manager, Development & Construction
TOGA Developments Sydney Pty Ltd
Level 5, 45 Jones Street
ULTIMO NSW 2007

Dear Mr Calvi,

RE: PROPOSED REZONING – 100-102 ELLIOTT STREET, BALMAIN

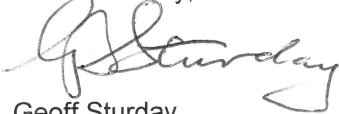
I understand that Toga is seeking to submit a Planning Proposal to Leichhardt Municipal Council to rezone the land at 100-102 Elliott Street, Balmain.

I am in support of the TOGA proposal to change the 19 approved serviced apartments into residential apartments. This support is conditional on there being no increases to the approved built form and no increase in the FSR beyond that currently approved.

On 25/11/13 I wrote to Council concerning D/2013/406. In that letter I outlined problems I saw with the proposal for the serviced apartments and also suggested reasons why the site would be better rezoned as residential with a reduced FSR. I believe the reasons and issues I stated then are still relevant but understand the FSR is now unlikely to be reduced below that currently approved.

LEP 2013 appears to require a rezoning to achieve the desired outcome. I believe the LEP contains some conflicts in the various references to "Active Street Frontage" that need clarifying or rectifying.

Yours faithfully,



Geoff Sturday

Ph 02 98108414
Mob 0408 170987

Date: 21st August 2015

Mr Michael Calvi
Development Manager, Development & Construction
TOGA Developments Sydney Pty Ltd
Level 5, 45 Jones Street
ULTIMO NSW 2007

Dear Mr Calvi,

RE: PROPOSED REZONING – 100-102 ELLIOTT STREET, BALMAIN

I understand that Toga is seeking to submit a Planning Proposal to Leichhardt Municipal Council to rezone the land at 100-102 Elliott Street, Balmain.

The current B2 Local Centre zone within the Leichhardt Local Environmental Plan 2013 (LEP 2013) does not permit the development of a residential flat building without a mixed use component. Accordingly, Toga are seeking an amendment to LEP to rezone the site to R1 General Residential so that residential flat buildings are permissible without the need for an individual building to have a mix of uses. The proposed zoning will be consistent with the R1 General Residential zoning of the surrounding area.

Toga have advised that the proposal would not result in any changes to the approved built form. We support the rezoning of the site to R1 as this would allow Toga to seek development consent to convert the nineteen (19) approved serviced apartments to residential apartments. We are concerned about the changing transient population that will access these serviced apartments on a daily and weekly basis and the effect it will have on the local neighbourhood. While the current zone allows other non-residential uses within these spaces, given their location at the end of Elliott Street and Broderick Lane, our preference is for the serviced apartments to be solely residential in use.

I also understand that Toga will be seeking to permit of a maximum floor space ratio (FSR) of 1.05:1 on the site. This is consistent with the current approved floor space ratio (FSR) for the site.

I support the above amendments to the LEP and raise no objection to this proposal.

Yours sincerely,



Name: Julie Tuhetoka

Address: 11A Broderick St

Balmain NSW 2081

Ph. 0410933658

Date:

7/7/2015

Mr Michael Calvi
Development Manager, Development & Construction
TOGA Developments Sydney Pty Ltd
Level 5, 45 Jones Street
ULTIMO NSW 2007

Dear Mr Calvi,

RE: PROPOSED REZONING – 100-102 ELLIOTT STREET, BALMAIN

I, the owner of 94 Elliot Street, Balmain NSW 2041, understand that Toga is seeking to submit a Planning Proposal to Leichhardt Municipal Council to rezone the land at 100-102 Elliott Street, Balmain from B2 Local Centre to B4 Mixed Use.

We strongly support the rezoning of the site to B4 Mixed Use as this would allow Toga to seek development consent to convert the nineteen (19) approved serviced apartments to residential apartments. We are concerned about the changing transient population that will access these serviced apartments on a daily and weekly basis and the effect it will have on the local neighbourhood from a noise, security, safety and disruption perspective. While the current zone allows other non-residential uses within these spaces, given their location at the end of Elliott Street and Broderick Lane, our preference is for these buildings to be solely residential in use.

Yours sincerely,



Valiri Jollie

94 Elliot Street, Balmain NSW 2041

Architecture
Interior Design
Urban Design
Strategy

Directors

Roger Poole
James Milledge
Jeffery Copolov
Philip Vivian
Simon Swaney
Guy Lake
Kristen Whittle

Finance Director

Jenny Nolan

Studio Directors

Natalie Lane-Rose
Tim Leslie
Brenton Smith

Associate Directors

Allan Lamb
Andrew Raftopoulos
Roger Chapman
Jan Eastwood
Misty Waters
Rob Graham
Robert Moore
Grant Filippoff
Mark Healey
Rachael McCarthy
Sarah Naarden
Kendra Pinkus
Carolyn White
Kevin Masci
Claudia Fleuter
Esther Mavrokokki
Julian Anderson
Marko Damic
Kellie Payne
Basil Richardson
Matthew Allen
Cameron Donald
Albert Gregori
Edwina McDermott

Associates

Erica Lienert
Torsten Fiedler
Nikolay Pechovski
Anke Pfeiler
James Christophidis
Bradley Dorn
Nikki Morley
Aaron Coats
Bobby Wei
Mark Pellen
Denisa Syrova
David Tordoff
Jana Somasundaram
Mathieu Le Sueur
Martine Bonich
Bianca Heinemann
Willem Huang
Mary Omar
Tommy Sutaranto
Cian Davis
Mark Di Bartolo
Hayden Crawford

02 November 2015

Leichhardt Municipal Council
7 - 15 Wetherill Street
Leichhardt NSW 2040

BATESSMART™

To whom it may concern,

100-102 Elliott Street Balmain – Planning Proposal

We write on behalf of our client Toga Group in relation to the above property. A Development Consent was issued on 18 June 2014 for the above property (ref D/2013/406). In summary the development included

Demolition of existing structures and construction of a mixed use development including:

- / 8 buildings
- / Ground floor commercial (including 19 serviced apartments and gymnasium) / retail uses,
- / 102 residential units above,
- / Basement parking
- / Associated works including bulk earthworks, tree removal, landscaping, signage and remediation.

Toga Group seeks to rezone the subject site from B2 Local Centre to R1 General Residential. Once the rezoning of the subject site is supported, the 19 serviced apartments could be converted to residential apartments. As part of the Planning Proposal please find enclosed the documentation as scheduled below which describes the proposed amendments in full.

Enclosed drawings:

- / PP1.01 Rev.A – Site Plan
- / PP2.01 Rev.A – Basement Plan
- / PP2.02 Rev.A – Lower Ground Floor Plan

In support of the Planning Proposal, Bates Smart have considered the suitability of the serviced apartments conversion to future residential apartments against the key objectives and design criteria of the Apartment Design Guidelines (ADG). We note as part of this advice that the Residential Flat Design Code (RFDC) applied to the development at the time of lodgement of the previous application and that this has now been superseded by the Apartment Design Guide (ADG).

What follows is our outline assessment of the proposal. Further clarification and justification are provided to demonstrate how Objectives are met in cases where design criteria are not achieved.

SEPP 65 Assessment

Principal 1- Context and neighbourhood character

A detailed assessment of the character of the neighbourhood context was undertaken as part of the previous approval process to ensure the development responded to and integrated with the context. The proposed amendment will further integrate into the immediate character of the development being a residential use within a predominantly residential development.

Principal 2- Built form and scale

The proposal is of no impact in terms of built form and scale, being simply a change of use.

Principal 3 – Density

The proposal does not increase the density by comparison to the existing consent.

Principal 4 – Sustainability

The approved design focused on reducing the demand on resources via the use of simple passive strategies, which also offer excellent amenity to future residents. Such strategies included high levels of cross ventilation and passive cooling, good levels of daylight access provided by the high levels of dual aspect apartments, rainwater reuse, high efficiency appliances and indigenous planting all of which will continue to be delivered as part of this proposal.

Principal 5 – Landscape

A key feature of the approved development is the central public open space, a landscaped park, connected by a permeable network of pedestrian links and plazas providing access to building entry lobbies and ground floor commercial tenancies. Whilst the five apartments B1.001, B1.005, C1.002, C3.002 & C3.003 require an enlarged ground floor terrace area to comply with the ADG, there will be no impact on the publicly accessible landscaping. These minor changes can be incorporated with no visual impact to the landscaping of the approved development.

Principal 6 – Amenity

The proposal achieves the amenity objectives of the ADG, separate discussion relating to this can be found below.

Principal 7 – Safety

Core CPTED design features of providing clearly defined public spaces, passive surveillance of the public domain, secure and separate access points were demonstrated as part of the current development approval. These design features are maintained as part of this proposal.

Principal 8- Housing diversity and social interaction

A mix of 1,2 and 3 bedroom apartments are being converted to a dedicated residential use as part of this application to provide further choice for different demographics, living needs and household budgets.

Principal 9 Aesthetics

As outlined in Principal 5, the additional ground floor terrace areas will have no visual impact on the aesthetic appearance of the approved development. The facades which are carefully composed, ordered vertically and horizontally and use a variety of material and tones will be retained unaltered.

ADG Assessment

ADG Ref.	Item Description	Notes	Compliance
3D-1	COMMUNAL & PUBLIC OPEN SPACE		
	Objective: An adequate area of communal open space is provided to enhance residential amenity & to provide opportunities for landscaping.		☐ ✓
	Design Criteria		
1	Communal open space has a minimum area equal to 25% of the site		☐ ✓
2	Developments achieve a minimum of 50% direct sunlight to the principal usable part of the communal open space for a minimum of 2 hours between 9 am and 3 pm on 21 June (mid winter)	Refer to "Further Clarification" 3D-1 Objective on Page 7	x

ADG Ref.

Item Description

Notes

Compliance

3E

DEEP SOIL ZONES

3E-1

Objective:

Deep soil zones are suitable for healthy plant & tree growth, improve residential amenity and promote management of water and air quality.

Design Criteria

1

Deep soil zones are to meet the following minimum requirements:

Site Area (sqm)	Minimum Dim. (m)	Deep Soil Zone (% of site area)
less than 650	-	7
650-1500	3	
greater than 1500	6	
greater than 1500 with significant existing tree cover	6	

3F

VISUAL PRIVACY

3F-1

Objective:

Adequate building separation distances are shared equitably between neighbouring sites, to achieve reasonable levels of external & internal visual privacy.

Design Criteria

1

Separation between windows & balconies is provided to ensure visual privacy is achieved. Minimum required separation distances from buildings to the side & rear boundaries are as follows:

Building Height (m)	Habitable Rooms & Balconies. (m)	Non-Habitable Rooms (m)
up to 12 4 storeys)	6	3
up to 25 (5-8 storeys)	9	4.5
over 25 (9+ storeys)	12	6

Note:

Separation distances between buildings on the same site should combine required building separations depending on the type of room.

Gallery access circulation should be treated as habitable space when measuring privacy separation distances between neighbouring properties.

ADG Ref.	Item Description	Notes	Compliance
3J	BICYCLE & CAR PARKING		
3J-1	Objective: Car parking is provided based on proximity to public transport in metropolitan Sydney & centres in regional areas.		☐ ✓
	Design Criteria		
1	For development in the following locations: - on sites that are within 800m of a railway station or light rail stop in the Sydney Metropolitan Area; or - on land zoned, and sites within 400m of land zoned, B3 Commercial Core, B4 Mixed Use or equivalent in a nominated regional centre the minimum car parking requirement for residents & visitors is set out in the Guide to Traffic Generating Developments, or the car parking requirement prescribed by the relevant council, whichever is less. The car parking needs for a development must be provided off street.	Off street parking is provided in accordance with Council requirements. Also, refer to the Traffic Report in Appendix 3 of the Planning Proposal.	☐ ✓
PART4	DESIGNING THE BUILDING		
4A	SOLAR & DAYLIGHT ACCESS		
4A-1	Objective: To optimise number of apartments receiving sunlight to habitable rooms, primary windows & private open space.		☐ ✓
	Design Criteria		
1	Living rooms & private open spaces of at least 70% of apartments in a building receive a minimum of 2 hrs direct sunlight between 9am - 3pm at mid winter in Sydney Metropolitan Area and in Newcastle and Wollongong local government areas	Additional skylights are proposed such that the development is capable of achieving this requirement	☐ ✓
2	In all other areas, living rooms & private open spaces of at least 70% of apartments in a building receive a minimum of 3 hrs direct sunlight between 9 am - 3 pm at mid winter		N/A
3	A maximum of 15% of apartments in a building receive no direct sunlight between 9 am - 3 pm at mid winter		☐ ✓
4B-3	Objective: Number of apartments with natural cross vent is maximised to create comfortable indoor environments for residents.		☐ ✓
	Design Criteria		
1	At least 60% of apartments are naturally cross ventilated in the first nine storeys of the building. Apartments at ten storeys or greater are deemed to be cross ventilated only if any enclosure of the balconies at these levels allows adequate natural ventilation and cannot be fully enclosed		☐ ✓
2	Overall depth of a cross-over or cross-through apartment does not exceed 18m, measured glass line to glass line		☐ ✓

ADG Ref.	Item Description	Notes	Compliance												
4C	CEILING HEIGHTS														
4C-1	Objective: Ceiling height achieves sufficient natural ventilation & daylight access.		☐ ✓												
	Design Criteria														
1	Measured from finished floor level to finished ceiling level, minimum ceiling heights are: <table><tr><th colspan="2">Minimum Ceiling Height for apt and mixed-used buildings (m)</th></tr><tr><td>Habitable rooms</td><td>2.7</td></tr><tr><td>Non-habitable rooms</td><td>2.4</td></tr><tr><td>For 2 storey apts</td><td>2.7 for main living area floor 2.4 for second floor, where its area does not exceed 50% of the apt area</td></tr><tr><td>Attic spaces</td><td>1.8 at edge of room with 30deg minimum ceiling slope</td></tr><tr><td>If located in mixed-used areas</td><td>3.3 for ground and first floor to promote future flexibility of use</td></tr></table> These minimums do not preclude higher ceilings if desired	Minimum Ceiling Height for apt and mixed-used buildings (m)		Habitable rooms	2.7	Non-habitable rooms	2.4	For 2 storey apts	2.7 for main living area floor 2.4 for second floor, where its area does not exceed 50% of the apt area	Attic spaces	1.8 at edge of room with 30deg minimum ceiling slope	If located in mixed-used areas	3.3 for ground and first floor to promote future flexibility of use	Habitable rooms all achieve 2.7m clear. Ground floor uses do not achieve 3.3m clear, however given that: / the ground floor heights were approved as part of a previous consent at 2.7m for habitable & 2.4m for non habitable spaces, / the approved use was serviced apartments, / the proposed use is apartments and / the likelihood of change from a residential use is very low given strata title subdivision will occur, we consider the amenity is acceptable and that no greater than 2.7m ceiling height is warranted.	Partial
Minimum Ceiling Height for apt and mixed-used buildings (m)															
Habitable rooms	2.7														
Non-habitable rooms	2.4														
For 2 storey apts	2.7 for main living area floor 2.4 for second floor, where its area does not exceed 50% of the apt area														
Attic spaces	1.8 at edge of room with 30deg minimum ceiling slope														
If located in mixed-used areas	3.3 for ground and first floor to promote future flexibility of use														
4D	APARTMENT SIZE & LAYOUT														
4D-1	Objective: The layout of rooms within apartment is functional, well organised & provides a high standard of amenity.		☐ ✓												
	Design Criteria														
1	Apartments have the following minimum internal areas: <table><tr><th>Apartment Type</th><th>Minimum Internal Area (sqm)</th></tr><tr><td>Studio</td><td>35</td></tr><tr><td>1 Bedroom</td><td>50</td></tr><tr><td>2 Bedroom</td><td>70</td></tr><tr><td>3 Bedroom</td><td>90</td></tr></table> The minimum internal areas include only one bathroom. Additional bathrooms increase the minimum internal area by 5sqm each. A fourth bedroom & further additional bedrooms increase the minimum internal area by 12sqm each	Apartment Type	Minimum Internal Area (sqm)	Studio	35	1 Bedroom	50	2 Bedroom	70	3 Bedroom	90		☐ ✓		
Apartment Type	Minimum Internal Area (sqm)														
Studio	35														
1 Bedroom	50														
2 Bedroom	70														
3 Bedroom	90														
2	Every habitable room has a window in an external wall with a total minimum glass area of not less than 10% of the floor area of the room. Daylight & air is not borrowed from other rooms		☐ ✓												
4D-2	Objective: Environmental performance of the apartment is maximised.		☐												
	Design Criteria		✓												
1	Habitable room depths are limited to a maximum of 2.5 x the ceiling height		☐												
2	In open plan layouts (living, dining & kitchen are combined) maximum habitable room depth is 8m from a window	Refer to "Further Clarification" 4D-2 Objective on Page 7	Partial												

ADG Ref.	Item Description	Notes	Compliance															
4D-3	Objective: Apartment layouts are designed to accommodate a variety of household activities & needs.		☐ ✓															
	Design Criteria																	
1	Master bedrooms have a minimum area of 10sqm & other bedrooms 9sqm (excluding wardrobe space)		☐ ✓															
2	Bedrooms have a minimum dimension of 3m (excluding wardrobe space)		☐ ✓															
3	Living rooms or combined living/dining rooms have a minimum width of: 3.6m for studio & 1 bedroom apartments 4m for 2 & 3 bedroom apartments		☐ ✓															
4	The width of cross-over or cross-through apartments are at least 4m internally to avoid deep narrow apartment layouts		☐ ✓															
4E	PRIVATE OPEN SPACE & BALCONIES																	
4E-1	Objective: Apartments provide appropriately sized private open space & balconies to enhance residential amenity.		☐ ✓															
	Design Criteria																	
1	All apartments are required to have primary balconies as follows: <table><tr><th>Apartment Type</th><th>Minimum Area (sqm)</th><th>Minimum Depth (m)</th></tr><tr><td>Studio</td><td>4</td><td>-</td></tr><tr><td>1 Bedroom</td><td>8</td><td>2</td></tr><tr><td>2 Bedroom</td><td>10</td><td>2</td></tr><tr><td>3+ Bedroom</td><td>12</td><td>2.4</td></tr></table>	Apartment Type	Minimum Area (sqm)	Minimum Depth (m)	Studio	4	-	1 Bedroom	8	2	2 Bedroom	10	2	3+ Bedroom	12	2.4		☐ ✓
Apartment Type	Minimum Area (sqm)	Minimum Depth (m)																
Studio	4	-																
1 Bedroom	8	2																
2 Bedroom	10	2																
3+ Bedroom	12	2.4																
2	The minimum balcony depth to be counted as contributing to the balcony area is 1m For apartments at ground level or on podium or similar, a private open space is provided instead of a balcony. It must have minimum area of 15sqm & minimum depth of 3m	With minor changes most ground floor apartments can achieve 15m2 with a minimum depth of 2.4m. The required changes to the ground floor terraces of B1.001, B1.005, C1.002, C3.002 & C3.003 will have no visual impact on the approved development. Whilst below the required 15m2, apartments B1.002 + B1.003 are buffered from the public domain by planting and are provided with privacy screening. Given this plus the relatively isolated nature of the site and the fact that the site abuts foreshore parkland, we consider the private open space provisions to be appropriate	x															
4F	COMMON CIRCULATION & SPACES																	
4F-1	Objective: Common circulation spaces achieve good amenity & properly service the number of apartments		☐ ✓															
	Design Criteria																	
1	The maximum number of apartments off a circulation core on a single level is eight		☐ ✓															
2	For buildings of 10 storeys & over, the maximum number of apartments sharing a single lift is 40		☐ ✓															

ADG Ref.	Item Description	Notes	Compliance										
4G	STORAGE												
4G-1	Objective: Adequate, well designed storage is provided in each apartment		☐ ✓										
	Design Criteria												
1	In addition to storage in kitchens, bathrooms and bedrooms, the following storage is provided:	All apartments achieve the required storage volume Apartments C1.001, C1.002, C2.002, C3.005, C4.001, C4.002 do so via more than 50% basement storage provision	Partial										
	<table><tr><th>Apartment Type</th><th>Storage Size Volume (cubic m)</th></tr><tr><td>Studio</td><td>4</td></tr><tr><td>1 Bedroom</td><td>6</td></tr><tr><td>2 Bedroom</td><td>8</td></tr><tr><td>3+ Bedroom</td><td>10</td></tr></table>	Apartment Type	Storage Size Volume (cubic m)	Studio	4	1 Bedroom	6	2 Bedroom	8	3+ Bedroom	10		
Apartment Type	Storage Size Volume (cubic m)												
Studio	4												
1 Bedroom	6												
2 Bedroom	8												
3+ Bedroom	10												
	At least 50% of the required storage is to be located within the apartment												

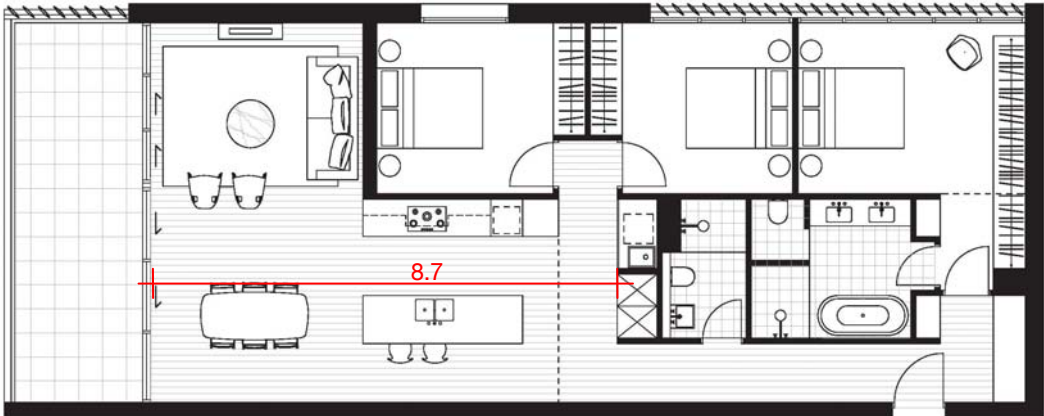
Further clarification

3D-1 Objective: An adequate area of communal open space is provided to enhance residential amenity & to provide opportunities for landscaping.
2. Developments achieve a minimum of 50% direct sunlight to the principal usable part of the communal open space for a minimum of 2 hours between 9 am and 3 pm on 21 June (mid winter)

The area specifically defined as the principal part of the communal open space would not achieve the new requirement for solar access to the public open space, however the communal open space location and extent is unaffected by this proposal and was approved as part of the original development consent. Moreover significant parts of foreshore land that are currently part of the site are being converted to public park as part of this application. Whilst the land will be a waterfront public reserve, it will also significantly add to the amenity of the residents of this site being directly adjacent to them. The waterfront public reserve will achieve excellent solar access and provides high levels of amenity, as such we submit that adequate communal open space is provided and the objective of this clause is met.

4D-2 Objective: Environmental performance of the apartment is maximised.
2. In open plan layouts (living, dining & kitchen are combined) maximum habitable room depth is 8m from a window.

15 out of 19 apartments comply with this requirement. A minor non-compliance occurs in a total of four apartments as indicated below. However given that the apartment is double fronted and cross ventilated, the dual aspect provides additional light and air and excellent levels of amenity and environmental performance. We therefore consider it to achieve the objectives of this clause.



Given the above we confirm that in our professional opinion the design is capable of achieving the design principals as set out in State Environmental Planning Policy 65 - Design Quality of Residential Flat Development and that it is also capable of addressing the requirements of the Apartment Design Guide.

Please do not hesitate to contact us should further information or clarification be required in relation to this matter.

Yours sincerely
Bates Smart Pty Ltd

A handwritten signature in black ink, appearing to read 'Guy Lake', with a stylized flourish underneath.

Guy Lake
Director



TFEhotels.com

**Toga Hotel Management
Holdings Pty Ltd**

ABN: 82 162 986 352

Level 5, 45 Jones Street
Ultimo, NSW 2007 Australia

PO Box 1745, Strawberry Hills
NSW 2012 Australia

T +61 2 9356 1000

F +61 9356 1070

W TFEhotels.com

4 November 2015

**Leichhardt Municipal Council
7-15 Wetherill Street
Leichhardt
NSW 2040**

To Whom it May Concern Or The Responsible Planning Officer,

Re: Planning Proposal for 100-102 Elliott Street, Balmain

TFE Hotels ('TFE'), with over 52 years' experience as owner and operator of hotels and serviced apartments, would like to provide their support for the Planning Proposal being lodged by Toga Developments Sydney Pty Ltd ('Proponent') which seeks to rezone 100-102 Elliott Street, Balmain ('site') from B2 Local Centre to R1 General Residential. It is noted that TFE Hotels is 50% owned by Toga Group who is also the owner of the Proponent.

TFE operate 34 serviced apartment properties in Australia, Denmark and Germany and has a strong understanding of the serviced apartment business model.

TFE has been advised of the current B2 Local Centre zoning which requires 19 serviced apartments ('Serviced Apartments') to be provided on the site. Further, TFE has been advised that the Serviced Apartments are spread across various buildings in the site precinct. Notwithstanding TFE's relationship with the Proponent and the strong potential for TFE to secure the management of the Serviced Apartments, TFE would not consider this an attractive management opportunity given:

- The location does not have strong demand from either leisure or corporate travellers;
- The number of apartments lacks the critical mass to ensure an economically viable operation given the associated operating costs. As a rule of thumb TFE would typically require a minimum of 80 serviced apartments before considering a particular management opportunity; and

Adina
apartment hotels

Medina
SERVICED APARTMENTS

 **RENDEZVOUS**
HOTELS

vibe
HOTELS

 **Travelodge**
Hotels

TFE hotels
COLLECTION



TFEhotels.com

**Toga Hotel Management
Holdings Pty Ltd**
ABN: 82 162 986 352
Level 5, 45 Jones Street
Ultimo, NSW 2007 Australia

PO Box 1745, Strawberry Hills
NSW 2012 Australia
T +61 2 9356 1000
F +61 9356 1070
W TFEhotels.com

- The fact that the Serviced Apartments are not consolidated within a single building envelope which creates issues in terms of administration, servicing and also compatibility with the standards of our serviced apartment brands.

It is possible that individual owners of a Serviced Apartment may seek to operate them themselves through a listing on websites such as Airbnb or Stayz in which case consideration should be given to the compatibility of the Serviced Apartment users and the permanent residents of the site. In particular, as this model is unlikely to involve an onsite manager, it should also be considered how potential issues between Serviced Apartment users and residents – noise, damage, use of residential common areas and facilities etc -will be able to be effectively managed in a practical sense.

Should you have any questions, please contact the undersigned on 02 9356 5079.

Yours faithfully,

Anthony O'Hea
Director
TFE Hotels

Chief Investment Officer
Toga Group

Adina
apartment hotels

Medina
SERVICED APARTMENTS

RENDEZVOUS
HOTELS

vibe
HOTELS

Travelodge
Hotels

TFE hotels
COLLECTION

Colston Budd Hunt & Kafes Pty Ltd

as Trustee for C & B Unit Trust
ABN 27 623 918 759

Our Ref: TR/9924/jj

5 November, 2015

Transport Planning
Traffic Studies
Parking Studies

Toga
Level 5
45 Jones Street
ULTIMO NSW 2007

Attention: Michael Calvi & Michel Boon

Email: mcalvi@toga.com.au; mboon@toga.com.au

Dear Sirs,

RE: ELLIOTT STREET PLANNING PROPOSAL

1. As requested, we have reviewed the traffic and parking aspects of the planning proposal. Our findings are set down through the following sections:

- planning proposal;
- intended future use;
- parking provision;
- access and servicing arrangements;
- traffic effects;
- public transport;
- summary.

Planning Proposal

2. The Planning Proposal seeks an amendment to Leichhardt Local Environmental Plan 2013 (LLEP 2013) to rezone the site from B2 Local Centre to R1 General Residential. The current approved development on the site is a mixed use development with a floor space ratio (FSR) of 1.05:1 under the LLEP 2013 definitions. LLEP 2013's maximum FSR control for the site of 1:1 is proposed to remain unchanged.
3. The main change in permissible land uses is that residential flat buildings are now permissible with development consent and some forms of retail premises (other than café, shops and food and drink premises) are now prohibited.

Suite 1801/Tower A, Zenith Centre, 821 Pacific Highway, Chatswood NSW 2067
P.O. Box 5186 West Chatswood NSW 1515 Tel: (02) 9411 2411 Fax: (02) 9411 2422
Directors - Geoff Budd - Stan Kafes - Tim Rogers - Joshua Hollis ACN 002 334 296
EMAIL: cbhk@cbhk.com.au

Colston Budd Hunt & Kafes Pty Ltd

4. The traffic effects are likely to be similar to the approved development. Nevertheless, any future use of the land would require development consent and traffic impacts would need to be considered where there is potential for impacts on traffic.

Intended Future Use

5. It is proposed to convert the approved 19 serviced apartments into 19 residential apartments comprising 8 one bedroom, 5 two bedroom and 6 three bedroom apartments.

Parking Provision

6. The Council Code requirements for residential are as follows:

Land Use	Residents		Visitors	
	Minimum	Maximum	Minimum	Maximum
Residential				
Single dwelling house	Nil	2 spaces per dwelling house	Nil	Nil
Bed-sit/Studio	Nil	0.5 space per dwelling	1 space per 11 dwellings	0.125 spaces per dwelling
1 bedroom unit	1 space per 3 dwellings	0.5 space per dwelling	1 space per 11 dwellings	0.125 spaces per dwelling
2 bedroom unit	1 space per 2 dwellings	1 space per dwelling	1 space per 11 dwellings	0.125 spaces per dwelling
3+ bedrooms unit	1 space per dwelling	1.2 spaces per dwelling	1 space per 11 dwellings	0.125 spaces per dwelling

7. Local residents have concerns with regards to parking conditions in the area (lack of on street parking). The parking provision for the 19 residential apartments would therefore be the maximum code requirement (19 spaces).
8. By comparison, the Council code does not have a specific requirement for serviced apartments, but for hotel or motel accommodation (similar use to serviced apartments), the code requirements are as follows:

Land Use	Staff		Visitors	
	Minimum	Maximum	Minimum	Maximum
Hotel or motel accommodation	1 space per 5 staff	1 space per 4 staff	1 space per 5 bedrooms	1 space per 4 bedrooms

9. The maximum code requirement, based on these requirements, for the 19 serviced apartments is 13 spaces. This compares to the 19 spaces required by the proposed 19 residential apartments.

Colston Budd Hunt & Kafes Pty Ltd

10. There are currently sufficient spaces allocated to the serviced apartments in the approved development to meet the requirement of 19 spaces for the conversion to residential apartments. Thus sufficient off street parking will be provided for the converted residential apartments.

Access and Servicing Arrangements

11. The approved access and servicing arrangements will be retained and remain appropriate for the proposed development.

Traffic Effects

12. The traffic assessment for the approved development used the same generation rates for the serviced apartments and residential apartments of 0.15 and 0.19 vehicles per apartment per hour. The 19 residential apartments would therefore have the same generation as the 19 serviced apartments, some 5 vehicles per hour in peak periods. This is a low traffic generation, which would not have noticeable effects on the surrounding road network.

Public Transport

13. The development site is well served by public transport services. Sydney Buses have a number of routes operating along Darling Street. The site is therefore very accessible to public transport, with bus stops located within 400 metres on Darling Street.

Summary

14. In summary, the main points relating to the planning proposal are:
- i) appropriate parking provision will be made;
 - ii) traffic effects will be satisfactory;
 - iii) the site is very accessible to public transport services.
15. We trust this information is of assistance. Finally, if you should have any queries, please do not hesitate to contact us.

Yours faithfully,
COLSTON BUDD HUNT & KAFES PTY LTD



T. Rogers
Director