

16 March 2021

Adam Peacock  
Legacy Property

Sent via email: [apeacock@legacyproperty.com.au](mailto:apeacock@legacyproperty.com.au)

Dear Adam,

## Re: 253-267 Pacific Highway Economic and Feasibility Advice

Thank you for engaging Atlas Urban Economics ('Atlas') to advise Legacy Property (the Proponent) on the economic feasibility of planning controls recommended in the North Civic Precinct Planning Study (the Study).

The Proponent controls five adjoining properties located at 253, 255-259, 261, 265 and 267 Pacific Highway, North Sydney (collectively known as the Site). Under the North Sydney LEP (2013), the Site is zoned B4 Mixed Use and is subject to a 10 metre building height and a minimum FSR 0.5:1 non-residential floorspace controls. The existing built form controls are understood to be equivalent to a total 3,667.5sqm GFA (FSR of 2.5:1).

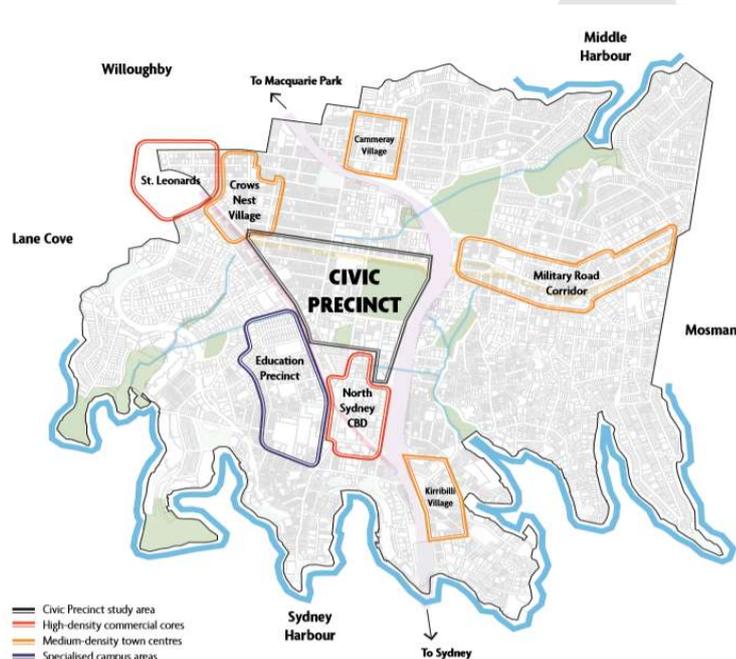
The Study recommends an increase to the height and density controls on the Site.

### BACKGROUND

The Civic Precinct (the Study Area) is located at the centre of North Sydney LGA and bounded by Falcon Street to the north, Warringah Freeway to the east, Pacific Highway to the west and Berry Street to the south. Existing uses in the Study Area range from residential flat buildings, retail/ commercial buildings, hotels and educational facilities.

The Study Area also features heritage items and the future Sydney Metro station. The broader North Sydney LGA consists of the urban centres of Crows Nest Village, St Leonards and North Sydney CBD. The Civic Precinct and broader North Sydney LGA is illustrated in **Figure 1**.

**Figure 1: Map of the Civic Precinct and broader North Sydney LGA**



Source: North Sydney Council

## Draft Civic Planning Study

The draft Civic Precinct Planning Study (the Study) was placed on public exhibition in July 2020. The Study identified the Site as a key site within the Pacific Highway Transition Area. Site-specific planning controls recommended included:

- Maintain the B4 Mixed Use zoning.
- Encourage medium scale development to a maximum building height of 12 storeys.
- Provide a 3-storey street wall along Pacific Highway frontage and selected side streets.
- Increase the minimum non-residential FSR controls from 0.5:1 to FSR 1:1 to be contained within a 3-storey podium.

Based on the recommendations, the Site would have had a development capacity of 5,369sqm overall GFA (FSR 3.66:1) split between residential floorspace (50%) and non-residential floorspace (50%).

## Final Civic Planning Study

The Study (as amended) was adopted by Council in November 2020. Following community consultation, the design framework for the Study Area and the Site was amended to align with Council's vision for a *modern, connected and attractive Civic and Education Campus with a strong network of pedestrian links, open spaces and a low scale village feel.*

Key characteristics of the amended design framework include reduced building heights and setbacks along parts of the Pacific Highway corridor, retention and repurpose of existing heritage items and the introduction of mixed use transition zones at the edges of the Study Area to support the surrounding commercial cores.

The Site is located in a mixed use transition zone on Pacific Highway at the north-eastern gateway to North Sydney CBD. The Study refers to this block as the 'Southern Transition Area' where maximum building heights of up to 10 storeys are permitted. Outside of the Southern Transition Area (between Hayberry Street and West Street) a maximum building height of 4 storeys is permitted. **Figure 2** illustrates the urban design vision for Pacific Highway.

**Figure 2: Urban Design Vision, Pacific Highway Frontage**



Source: North Sydney Council

Planning controls (as amended) for the Site include:

- Maintain the existing B4 Mixed Use zoning.
- A maximum built form height of 10 storeys stepping down to 8 further north towards the Civic Precinct.
- The Site is to be developed as a single mixed use building configured as a residential over a commercial podium.
- The commercial podium should be 3 storeys in height to align with the streetscapes to the north and the mid-block heritage item (no setback to Pacific Highway).
- The residential built form above the podium is to have a minimum set back of 3 metres and located to the south of the heritage item.
- A minimum 4 metre separation between new development and the heritage item is required. Overhanging elements over the heritage item are not supported.
- The heritage item is to be reserved and integrated into the future podium. Adaptive reuse of the heritage item is encouraged.
- Future development is not to reduce or affect the amenity of educational facilities on western edge of Pacific Highway.

**Table 1** compares the proposed planning controls and development yield for the Site under the draft Study and final Study (as amended).

**Table 1: Comparison of Development Yields Under Proposed Controls, The Site**

Description	Draft Planning Study (10-12 storeys)			Final (amended) Planning Study (8-10 storeys)			Variance GFA (sqm)
	FSR	Potential GFA (sqm)	Land Use Split (%)	FSR	Potential GFA (sqm)	Land Use Split (%)	
Non-Residential	1:1	1,467	50%	1:1	1,467	31%	-
Residential	2.66:1	3,902	50%	2.27:1	3,330	69%	-572
<b>Total GFA</b>	<b>3.66:1</b>	<b>5,369</b>	<b>100%</b>	<b>3.27:1</b>	<b>4,797</b>	<b>100%</b>	<b>-572</b>

Source: CM+

The maximum building height has been reduced from 10-12 storeys in the draft Study to 8-10 storeys in the final Study resulting in an overall smaller scale development permitted on the Site.

## SCOPE AND PURPOSE OF ADVICE

Atlas Urban Economics ('Atlas') is engaged to undertake an analysis of the proposed controls (as amended) to determine if the proposed controls are a feasible development option on the Site. Our brief considers the following issues:

1. If the proposed controls are feasible for redevelopment, i.e. sufficient to displace existing improvements and incentivise redevelopment.
2. If the proposed controls facilitate the delivery of public benefit on the Site.
3. Should the proposed controls be found to be *not feasible* for redevelopment, provide advice on alternate planning controls that would facilitate redevelopment of the Site **and** deliver public benefit to the community.

We investigate market activity of commercial assets and development sites in North Sydney and surrounds. The analysis of sales activity enables an estimate of the existing use value of the Site and the potential development site value (on a GFA basis) for comparison and assessment of highest and best use.

We highlight that this analysis is desktop in nature and based on available market evidence.

The next section examines the concept of highest and best use in the context of development feasibility.

## CONCEPT OF HIGHEST AND BEST USE ANALYSIS

The concept of highest and best use is relevant in our analysis of the planning controls. Highest and best use' of a property can be defined as: "the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued"<sup>1</sup>.

For redevelopment to be feasible to pursue, the Site's value as a development site needs to not only exceed its value in existing use but provide an incentive for a redevelopment to displace the existing uses. Depending on the incentive associated with redevelopment, a redevelopment could have the capacity to contribute to public benefit either in cash or in kind.

The value of the Site on an existing use basis is derived from the functional utility of the existing buildings and potential income streams. The Site may also derive value from its redevelopment potential under the North Sydney LEP and Civic Precinct planning strategy. The highest and best use of the Site is represented by the use that results in the highest value.

If the value of the Site as a potential development site is *less than* its value as a commercial asset, its highest and best use is its existing use, i.e. 'as is'. Conversely, if the Site's value as a development site is *greater than* its value as a commercial asset, its highest and best use can be concluded to be as a development site. In the latter case, it then means that the Site's value as a development site is sufficient to 'displace' the existing uses. The Site can then be concluded to be viable as a development site.

Accordingly, we have undertaken value assessments for the Site in two parts:

1. Estimate of existing use value as a commercial asset.
2. Estimate of the development value under existing and proposed planning controls.

The next section undertakes the first part – estimate of existing use value of the Site.

## ESTIMATE OF EXISTING USE VALUE

The Site measures a combined 1,467sqm and located on the eastern side of Pacific Highway at the gateway to North Sydney CBD. The five allotments within the Site are relatively fine grained in nature. Existing improvements consist of a mix of strata titled and freehold buildings of two and three storeys accommodating a mix of commercial office, retail and residential uses.

The buildings are partially leased to a range of commercial and residential tenants. Tenancy lettable areas range from 100sqm to 870sqm to a total of 2,200sqm. A description of the existing improvements is provided in Schedule 1.

We investigate market activity of commercial investment assets in North Sydney and surrounds. A full schedule of market activity is provided in Schedule 2.

### General Market Conditions

It is important to address the economic repercussions of the COVID-19 outbreak experienced throughout 2020 and into 2021.

Following a period of uncertainty in the early stages of the pandemic, Australia has entered a recovery phase. Substantial public fiscal stimulus is being implemented by Federal and State Governments as the primary response to revive weakened industries and build business confidence in investment. Whilst broad economic recovery appears to be tentatively underway, the pace varies from state to state and sector to sector. Withdrawal of Government fiscal support is imminent. It remains to be seen if economic activity will be maintained should previously high levels of immigration not be immediately restored to support consumer demand.

Continued public investment is a major driver of economic recovery across NSW, particularly in Sydney where some of the nation's largest infrastructure projects (i.e. Sydney Metro) are underway. In addition to providing employment, these projects are also helping to support and grow values in Sydney's property market.

Notwithstanding the COVID-19 pandemic, the property sector has experienced an unforeseen surge in demand and price growth throughout Greater Sydney and regional NSW. This is particularly evident in the residential sector driven by government stimulus for first home buyers and record low interest rates. Whilst the residential sector has arguably shown the greatest resilience to the pandemic, good quality retail/ commercial assets that are well located have also demonstrated resilience throughout the pandemic.

North Sydney is the beneficiary of major growth and development facilitated by State government's commitment to transport infrastructure and Council's vision and implementation of changes to the planning framework. The long-term outlook for North Sydney CBD and broader LGA is positive underpinned by strong fundamentals including:

- Recent amendment to the North Sydney LEP (2013) to increase building height in the B3 Commercial Core zone.
- Endorsement of the Ward Street Precinct Masterplan (WSPM).
- Approval of the State Significant Victoria Cross Over Station development.
- Finalisation of the Crows Nest St Leonards 2036 Plan.

The cumulative impact of planning framework amendments and a robust pipeline of development projects being progressed by the public and private sectors is helping to stimulate market activity in the CBD and broader LGA.

### Analysis of Market Activity

The analysis of recent comparable sales activity of commercial assets indicates a range of \$10,000/sqm to \$14,000/sqm of lettable area is appropriate for the existing improvements on the Site. Applying these rates to lettable areas results in individual values of \$1.4 million to \$8.71 million, totalling \$24.2 million (rounded).

We note that the properties were purchased individually over the course of 2018 and 2019. The property at 267 Pacific Highway is the most recent sale (due to settle in July 2021) showing circa \$14,000/sqm NLA. The combined purchase price of the individual properties is circa \$23-\$24 million.

Pursuant to our investigations, we have assessed a current market existing use value of \$24.2 million (rounded) for the Site.

The next section examines the development value of the Site for comparison against the existing use value.

## ESTIMATE OF DEVELOPMENT SITE VALUE

The value of the Site is underpinned by its site area and gateway location in a 'Southern Transition Area'. This section examines the development value of the Site under two planning scenarios:

1. Existing planning controls (North Sydney LEP).
2. Proposed planning controls.

Our investigations have revealed a dearth of recent development site sales in North Sydney and the broader LGA. We highlight that market activity for development sites in North Sydney has slowed over 2019 and 2020 as a result of pending changes to the planning framework and the COVID-19 pandemic.

The development sites analysed reflect a range of dollar rates between \$2,300/sqm and \$4,650/sqm (on a proposed GFA basis) underpinned by proposed planning controls (i.e. zoning, minimum non-residential FSR requirement), scale of development/ uplift and location.

The sites reviewed propose an FSR range 1.83:1 to 7.5:1 depending on location and relevant planning controls. Non-residential floorspace ranges from 8% to 20% of total GFA. Sites with a higher proportion of residential floorspace are more valuable due to the higher end sale values associated with residential floorspace compared to retail/ commercial floor space.

A full schedule of site sale evidence is contained in Schedule 3.

In forming our estimate of value on a redevelopment basis, we have considered the following sales:

- **313 Pacific Highway (sold in November 2020 for \$2,300/sqm GFA).** Sold as a future development site with a pending development application for demolition and construction of a 4 storey mixed use development consisting of ground floor commercial/ retail and 10 serviced apartments over a single level of basement car parking. The proposed GFA of 1,947sqm (FSR 4.43:1) is split between residential (86%) and non-residential (14%).

In accordance with the proposed Civic Precinct planning controls, a notional overall GFA of 2,200sqm (FSR 5.0:1) is permitted split between residential (80%) and non-residential (20%).

*The site occupies a slightly inferior position on Pacific Highway further from the CBD. Proposed planning controls in accordance with the Civic Precinct comprise a minimum non-residential FSR of 1:1 within a 3 storey podium and recessed 4<sup>th</sup> storey.*

- **45 McLaren Street (sold in July 2020 for \$4,150/sqm GFA).** Sold as a development site subject to specific planning controls under the WSPM comprising a total GFA of 16,750sqm (FSR 9.35:1) split between residential (92%) and non-residential (8%). A Planning Proposal has been submitted seeking amendments to the planning controls to facilitate a mixed use development up to 61m comprising an overall GFA of 13,231sqm (FSR 7.5:1) split between residential (84%) and non-residential (16%).

*The site is in a superior position with potential for a larger mixed use development in accordance with WSPM.*

- **160 Pacific Highway, North Sydney (sold in Sep 2017 for \$4,650/sqm GFA).** Sold as a development site with subsequent approval for a 10 storey mixed use project with 2,170sqm GFA or FSR 5.8:1. The approved floor space mix comprised 10% non-residential (220sqm GFA or FSR 0.6:1) and 90% residential (\$1,950sqm GFA or FSR 5.2:1).

*The site occupies a slightly inferior position on the western side of Pacific Highway. Subsequent approval has been obtained for a mixed use project with a similar permissible building height.*

Pursuant to our analysis, we have assessed site value dollar rates of \$4,250/sqm and \$4,500/sqm GFA for the Site. The site value calculations are shown in **Table 2**.

**Table 2: Site Value Calculations, Existing and Proposed Controls**

Scenario	Existing LEP Controls	Proposed LEP Controls
Permissible GFA (sqm)	3,668	4,797
Assessed \$/sqm GFA	\$4,500	\$4,250
Site Value (rounded)	\$16,500,000	\$20,400,000

Source: Atlas

A lower site value (\$4,250/sqm) is applied to the proposed controls reflecting the larger scale of development.

**Summary of Findings**

The assessment of value on an existing use and redevelopment basis allows an understanding of the highest and best of the Site. Our assessments are summarised as follows:

- Existing Use (commercial asset) - \$24.2 million.
- Development site value (existing planning controls) - \$16.5 million.
- Development site value (proposed planning controls) - \$20.4 million.

The existing use value of the Site exceeds the development site value under both existing and proposed planning controls. This implies the existing use of the Site is the highest and best use and the proposed controls are insufficient to incentivise redevelopment and/ or facilitate the provision of public benefit.

For redevelopment to be feasible to pursue, the redevelopment value of the Site would need to exceed the Site’s existing use value of \$24.2 million. Therefore, alternate planning controls above those proposed should be considered.

The next section considers planning controls required for the Site to be feasibly redeveloped and deliver public benefit.

**FEASIBLE PLANNING CONTROLS**

The foregoing analysis of the proposed controls suggests that an FSR higher than 3.27:1 is required for a feasible development. A higher FSR would be required to facilitate delivery of public benefit with *feasible* development. We have considered three scenarios with alternate planning controls:

- Scenario 1 - an FSR 4.0:1 with non-residential FSR 1:1.
- Scenario 2 - an FSR 4.5:1 with non-residential FSR 1:1.
- Scenario 3 – an FSR 5.0:1 with non-residential FSR 1:1.

The resultant development yields and site values are outlined in **Table 2**.

**Table 3: Alternate Planning Controls and Development Yields, The Site**

Description	Scenario 1	Scenario 2	Scenario 3
Site Area (sqm)	1,467	1,467	1,467
Total GFA (FSR)	5,868 (4.0:1)	6,602 (4.5:1)	7,335 (5.0:1)
<b>Site Value @ \$4,250/sqm</b>	<b>\$24,900,000</b>	<b>\$28,000,000</b>	<b>\$31,200,000</b>
Feasible for Development?	Yes	Yes	Yes
Feasible for Development and Deliver Public Benefit?	Limited	Yes	Yes

Source: Atlas

**Findings**

If the proposed controls were implemented based on an FSR of 3.27:1, the Site is not economically feasible for redevelopment. The resultant site value is lower than the existing use value and therefore insufficient to displace the existing improvements/ incentivise redevelopment or deliver public benefit.

Table 3 demonstrates that the higher FSR scenarios result in a range of 5,868sqm to 7,335sqm GFA (FSR 4.0:1 to 5.0:1). By increasing the overall FSR, the total GFA capacity of the Site increases resulting in a more valuable development site even with the minimum non-residential 1:1 FSR requirement.

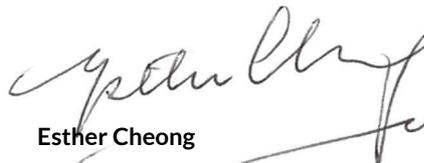
Table 3 also demonstrates that the ability for the development to deliver public benefit improves as overall FSR increases. In Scenario 1 the assessed site value of \$24.9 million results in a surplus of \$700,000 that could be dedicated/ offered as public benefit. In Scenarios 2 and 3, the surplus increases to \$3.8 million \$7 million respectively that could be dedicated/ offered as public benefit. By increasing the overall FSR, the development is both feasible and able to contribute meaningfully to the vision and urban design objectives of Pacific Highway and wider Civic Precinct.

We trust this meets with your requirements. Should you have further queries, please contact the undersigned.

Yours sincerely



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SCHEDULE 1

## Estimate of Existing-Use Value

**Table S1-1: Estimate of Existing Use Values, the Site**

Street Address	Site Area (sqm)	NLA (sqm)	Description of Improvements	Assessed \$/sqm NLA	Market Value
Lots 1 & 2, 253 Pacific Hwy	147	160	A 2 storey strata title commercial building providing ground and first floor office accommodation. The building is currently fully leased on current lease agreements. No on-site car parking.	\$14,000	\$2,240,000
Lots 1-6, 255-259 Pacific Hwy	552	871	A 2 storey strata title commercial building providing 6 office tenancies. The building is currently partially leased on current lease agreements. No on-site car parking.	\$10,000	\$8,710,000
261 Pacific Hwy	294	515	A 3 storey mixed use building with ground floor office accommodation and 2 residential units above. No on-site car parking.	\$10,500	\$5,407,500
265 Pacific Hwy	104	100	A 2 storey (plus loft) retail/ commercial building of local heritage significance. The building is to be retained and repurposed in any future development.	\$14,000	\$1,400,000
267 Pacific Hwy	370	559	A 2 storey (plus mezzanine) commercial office building with 3 basement car spaces. Features a corner position and good standard of accommodation.	\$11,500	\$6,428,500
<b>Total</b>	<b>1,467</b>	<b>2,205</b>		<b>\$10,991</b>	<b>\$24,186,000</b>

Source: Legacy Property, Atlas

# Analysis of Investment Asset Sales

**Table S2-1: Market Activity of Investment Assets, North Sydney and Surrounds**

Address	Sale Price (Sale Date)	Site Area (\$/sqm)	NLA (\$/sqm)
<b>79-81 Alexander Street, Crows Nest</b>	<b>\$5,700,000 (03/2021)</b>	<b>415 (\$13,735)</b>	<b>460 (\$12,391)</b>
<p>A 2 storey commercial building with multiple tenancies and on-site car parking. The property falls within the B4 Mixed Use zone. The property was marketed as a tenanted investment with development upside. Purchased by an owner occupier with vacant possession following a 6 week marketing campaign. Public sale records indicate the initial asking price was \$5.75 million exclusive of GST.</p>			
<b>313 Pacific Highway, North Sydney</b>	<b>\$5,100,000 (11/2020)</b>	<b>440 (\$11,591)</b>	<b>536 (\$9,515)</b>
<p>A 2 storey commercial/ medical building with 3 on-site at grade car spaces. The property falls within the B4 Mixed Use zone on the eastern side of Pacific Highway and within the proposed 'Civic Precinct' Proposed planning controls permit a maximum of 4 storeys (3 storey commercial podium and recessed 4<sup>th</sup> storey).</p> <p>The property was marketed with vacant possession and with a pending development application proposing demolition and construction of a 4 storey mixed use development containing ground floor commercial tenancies and 10 serviced apartments over a single level of basement car parking.</p> <p>The property was sold following a 7 month marketing campaign during the COVID-19 pandemic. Public sale records indicate the vendor was seeking offers over \$5 million.</p>			
<b>110 Pacific Highway, North Sydney</b>	<b>\$11,900,000 (09/2020)</b>	<b>221 (\$53,846)</b>	<b>976 (\$12,193)</b>
<p>A refurbished 6 storey commercial office building offering multiple tenancies and on-site car parking. The property falls within the B4 Mixed Use zone on the western side Pacific Highway opposite Northpoint Business Centre. The property sold partially leased returning a reported net income of \$550,000 pa.</p> <p>The property was marketed as a tenanted investment. Sold following a 2 month Expressions of Interest marketing campaign during the COVID-19 pandemic.</p>			
<b>53 Berry Street, North Sydney</b>	<b>\$54,000,000 (09/2020)</b>	<b>658 (\$82,067)</b>	<b>3,442 (\$15,689)</b>
<p>A modern refurbished 6-7 storey commercial office building with 30 basement car spaces. The building offers multiple tenancies with the passing rental reported to be below market. Located directly opposite the future Victoria Cross Metro Station in North Sydney CBD.</p> <p>The property was marketed as a tenanted investment having future development upside. Sold following a 2 month Expressions of Interest marketing campaign during the COVID-19 pandemic.</p>			
<b>343 Pacific Highway, North Sydney</b>	<b>\$7,500,000 (06/2020)</b>	<b>474 (\$15,823)</b>	<b>857 (\$8,751)</b>
<p>A 3 storey commercial office building with 12 on-site car spaces. The building has been extensively refurbished. The property falls within the B4 Mixed Use zone on the eastern side of Pacific Highway and within the proposed 'Civic Precinct'. Proposed planning controls permit a maximum of 4 storeys (3 storey commercial podium and recessed 4<sup>th</sup> storey).</p> <p>The property was marketed as a commercial office building with vacant possession. Sold following a relatively short 3 week marketing campaign during the COVID-19 pandemic.</p>			
<b>10 Ridge Street, North Sydney</b>	<b>\$1,440,000 (06/2020)</b>	<b>183 (\$7,869)</b>	<b>156 (\$9,231)</b>
<p>A 3 storey heritage retail/ commercial building refurbished in earlier years to provide a good standard of office accommodation. No on-site car parking. The property falls within the B4 Mixed Use zone and within the proposed 'Civic Precinct'.</p> <p>The property was sold in an 'off market' transaction during the COVID-19 pandemic.</p>			
<b>1 Eden Street, North Sydney</b>	<b>\$1,600,000 (01/2020)</b>	<b>196 (\$8,163)</b>	<b>126 (\$12,698)</b>
<p>A two storey commercial office building with on-site parking for two vehicles. The property is within the B4 Mixed Use zone. Sold with vacant possession.</p> <p>The property was marketed and sold prior to the COVID-19 pandemic.</p>			

Source: RP Data, Atlas

# Analysis of Development Site Sales

**Table S3-1: Analysis of Development Site Sales, North Sydney and Surrounds**

Address	Sale Price (Sale Date)	Site Area (zone)	Proposed GFA (FSR)	Analysis (\$/sqm)	
				Site Area	Proposed GFA
313 Pacific Highway, North Sydney	\$5,100,000 (11/2020)	440 (B4)	2,200 (5.0:1)	\$10,559	\$2,318

An irregular shaped site on the eastern side of Pacific Highway approximately 1km north from North Sydney train station. Existing improvements at the time of sale consisted of a 2 storey commercial/ medical building and 3 on-site car spaces. The site falls within the B4 Mixed Use zone, is subject to a building height limit of 13m and maximum site coverage of 45%.

Marketed as a development site with a pending development application proposing demolition and construction of a 4 storey mixed use development with 7 ground floor commercial tenancies and 10 serviced apartments over a single level of basement car parking. A total GFA of 1,947sqm (4.43:1 FSR) is proposed split between residential (86%) and non-residential (14%).

Under the proposed 'Civic Precinct' planning controls, the site does not benefit from an uplift in building height however is subject to a minimum non-residential FSR 1:1 within a 3 storey commercial podium. A notional GFA of 2,200sqm (FSR 5.0:1) is adopted for analysis purposes split between residential (80%) and non-residential (20%).

45 McClaren Street, North Sydney	\$55,000,000 (07/2020)	1,792 (R4)	13,231 (7.5:1)	\$30,692	\$4,157
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A regular shaped site with a near level topography on the northern fringe of the North Sydney CBD, 700m north from North Sydney train station and 150m north from the future Victoria Cross Metro Station. Existing improvements at the time of sale comprised of a 3-4 storey residential flat building containing 18 apartments and associated car parking.

The site falls within the R4 High Density Residential zone under the North Sydney LEP (2013). Redevelopment of the site is subject to site specific provisions outlined in the recently endorsed Ward Street Precinct Masterplan. An indicative concept plan permissible under the masterplan provides for a total GFA of 10,670sqm or 5.95:1 FSR comprising of 8,420sqm of residential (4.70:1 FSR) and 2,240sqm of commercial (1.25:1 FSR).

A Planning Proposal has been submitted (October 2020) seeking the retention of the R4 High Density zone, additional permitted uses including commercial and indoor recreational under the zone, an increase in building height up to 61m and an increase in overall FSR to 7.5:1 equivalent to 13,231sqm GFA split between residential (84%) and non-residential (16%). The proposal includes a public benefit offer comprising of a mix of cash and in-kind contributions including *inter alia* affordable rental housing contribution equivalent to 2% of the residential yield, public domain upgrades and open space.

The Site is being purchased by way of a Put and Call Option Agreement. RP Data records indicate the site has not settled.

*The analysis assumes the site is redeveloped in accordance with the submitted planning proposal.*

27-55 Falcon Street, Crows Nest	\$34,500,000 (12/2018)	4,342 (B4)	7,965 (1.83:1)	\$7,946	\$4,331
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A regular shaped consolidated site with three street frontages. Located 800m from St Leonards train station and 400m from the future Crows Nest Metro Station. The site falls within the B4 Mixed Use zone, is subject to a building control of 10m and 0.5:1 non-residential floor space requirement. Existing buildings on the site at the time of sale were in a poor condition of repair and vacant.

A revised Planning Proposal was submitted in 2019 seeking approval for 4 x buildings of 3-6 storeys accommodating circa 87 apartments and townhouses and ground floor retail. The total proposed GFA of 7,965sqm reflects an FSR of 1.83: 1 comprising of 7,625sqm residential (1.76:1 FSR) and 340sqm retail (0.08:1 FSR). Additional Public Benefit is also proposed including the widening of Alexander Lane to allow vehicle access.

Address	Sale Price (Sale Date)	Site Area (zone)	Proposed GFA (FSR)	Analysis (\$/sqm)	
				Site Area	Proposed GFA
160 Pacific Highway, North Sydney	\$10,100,000 (05/2017)	373 (B4)	2,173 (5.83:1)	\$27,078	\$4,648

A regular shaped corner site with three street frontages on the western side of Pacific Highway, 650m north from North Sydney train station. Existing improvements at the time of sale comprised of a 5 storey commercial office building. The site falls within the B4 Mixed Use zone, is subject to a height limit of 105m and non-residential FSR control of 0.5:1.

Following purchase of the site, development consent was obtained for the demolition of the existing improvements and construction of a 10 storey mixed use project with ground level retail/commercial and 25 apartments. The total GFA of 2,170sqm reflects an overall FSR of 5.83:1 comprising of 1,950sqm of residential (5.23:1 FSR) and 220sqm of retail/commercial (0.59:1 FSR).

Source: RP Data, Atlas