



Platino Properties Pty Ltd

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Ms Karen Armstrong
Director, Sydney Region East
Planning Services
Department of Planning & Environment
320 Pitt Street, Sydney NSW 2000

7 August 2017

Dear Karen

Re: Planning Proposal – 67-73 Lords Road, Leichhardt

We refer to the letter dated 28 July 2017 that was sent to the Department by the Inner West Council. This letter purportedly sought to clarify matters that were raised by our planning consultant, Mecone, at the public hearing held into our Planning Proposal for the site on Lords Road.

We are once again disappointed to find that Council has misrepresented information relating to this project. In an effort to ensure that the Department and the Planning Panel have the correct information to allow for a proper consideration of the matter at the meeting scheduled for 10 August 2017, we seek to correct the following information that was provided in Council's letter.

Previous Development Assessment and Determinations by Council

In Attachment 1 to its letter, Council has provided a list of DAs considered/determined since 2000. We believe that some of the information in the table prepared is misleading:

- DA D/2006/656 relating to the use of a unit as a gymnasium was indeed approved by the Council, however this was only after proceedings were commenced in the Land and Environment Court.
- DA D/2007/397 relating to creation of new lots and building alterations to allow for additional creative uses to be accommodated on the site **was not approved by the Council**, as stated in their table. This DA was in fact refused by the Council on 4 December 2007, and was subsequently approved by the Land and Environment Court on 4 July 2008.

The information in Council's Attachment 1 also, understandably, omits details of the numerous development applications that were never lodged because it was clear that the Council would not support the proposed use and/or the timing implications of obtaining approval (most likely through the Court) were prohibitive.

Rental Income Comparison

It is unclear as to why the Council has provided 3-year-old rental income data relating to our site without proper references to the material. We can only assume that it is in an effort to discredit the information that has been supplied in the supporting documentation for our Planning Proposal.

In relation to the data provided in Attachment 2 to Council's letter, it is not specified whether the rates quoted are gross or net rents. Nor are the sizes of the properties that are being compared by the Council stated, which is important to note as this makes a big difference in terms of the rental rates per square metre that are paid.

Regardless of whether the rates used by the Council are net or gross, the figures quoted do not correlate with any of our own rental records.

In an effort to provide some more recent, and therefore relevant data, we have undertaken a quick review of industrial space available for rent in the vicinity of the site. We have also provided the average rental figure for the subject site.

- Unit 1/57-61 John Street (420m²) –was leased in February 2015 for \$244/m² GROSS (note this is considerably more than the \$76/m² quoted by Council for Unit 2).
- 26 Mackenzie Street, Leichhardt – "Creative Inner-West Warehouse Conversion for Lease" \$125,000pa for 250m², or approximately \$500/m² GROSS (Source: realcommercial.com.au)
- 6-8 Redmond Street, Leichhardt – Industrial warehouse currently for lease \$100,000pa for 380m², or approximately \$263/m² GROSS (Source: realcommercial.com.au)
- 67-73 Lords Road (the subject site) – average \$120/m² GROSS across the site

Discussions with local rental agents in the area last week indicated that the current market rate for a medium term lease on an industrial property of 300-500m² in the Inner West area is around \$200/m² GROSS.

What the above information indicates is that the data provided by the Council is ambiguous and does not provide a true comparison of the rental market for industrial space in the Leichhardt area. The rental income earned on average per square metre on the subject site was considerably lower than market averages in 2014 when AEC undertook their analysis, and this remains to be the case today.

Council's Land Use Survey and Employment Survey 26 July 2017

We note that Council has included data about the number of employees working on the site, and that this data has been provided by the business owners that operate on the site. We would further note that it is these same business owners who have been objecting to the Planning Proposal for some time. While we are not going to enter into a debate about the exact numbers of people working on the site, we wish to point out that there are a number of units on the site, such as Unit 2 used by Country Road for storage of their window display props, that are locked up and are only accessed by staff infrequently to take/return props. Our experience in dealing with our tenants suggests that the numbers of employees ACTUALLY WORKING ON THE SITE FOR MORE THAN SHORT PERIODS OF TIME ON A REGULAR BASIS is considerably less than the figures quoted in Council's letter. We believe that the figures in Council's letter therefore do not provide an accurate representation of employment on the site.

The information provided in Council's letter appears to be somewhat skewed to support their opposition to the Planning Proposal. To ensure that the Panel and the Department are able to fairly assess the merits of the proposal, we seek to ensure that the information provided is correct and unbiased.

Please do not hesitate to contact me if you require any further information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'PMottek', with a stylized, cursive script.

Paula Mottek

Urban Planning Manager
Platino Properties

