

Submission Type

I am submitting on behalf of my organisation

Title

First Name

Jessie

Family name

Wiseman

☐

Name withheld

Please tick this box if you do not want your name published in the list of submitters on the department's website

Email

jwiseman@mecone.com.au

Suburb/ Town

Sydney

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submission

Submission attached as PDF.

31 March 2025

Ian Woods
Planning Officer
4 Parramatta Square,
12 Darcy Street
Parramatta NSW 2150

ATTN: Ian Woods

Dear Ian,

Re: Proponent's Submission to Public Exhibition of PP-2022-4316 for 3 McIntosh Street, 2 Day Street and 40-42 Anderson Street, Chatswood

Mecone is writing on behalf of 3 McIntosh Pty Ltd (**the Proponent**) in relation to Planning Proposal PP-2022-4316, which seeks to amend the Affordable Housing Map in the *Willoughby LEP 2012* to identify the site as being within Area 2 (7%) rather than Area 3 (10%). We understand the planning proposal is currently being publicly exhibited until 4 April 2025.

We appreciate the ongoing collaboration we have had with the Department to date and wish to again state our gratitude for The Panels consideration of the matter. However, it is requested that for completeness, the property at 38 Anderson Street be included within the site area subject to the Planning Proposal to ensure orderly and feasible development outcomes for the whole site.

The site at 38 Anderson Street was purchased at a much higher than market value – in response to a written request from Willoughby Council who sought to avoid site isolation and confirmed that the site had a 4% Affordable Housing Control. Agreements have been reached for the acquisition of 38 Anderson Street and the Proponent intends to holistically develop the entire perimeter block, meaning the following addresses:

- 3 McIntosh Street (SP2650)
- 2 Day Street (SP76364)
- 38 Anderson Street (1/DP603632)
- 40 Anderson Street (SP19181)
- 42 Anderson Street (SP1604)

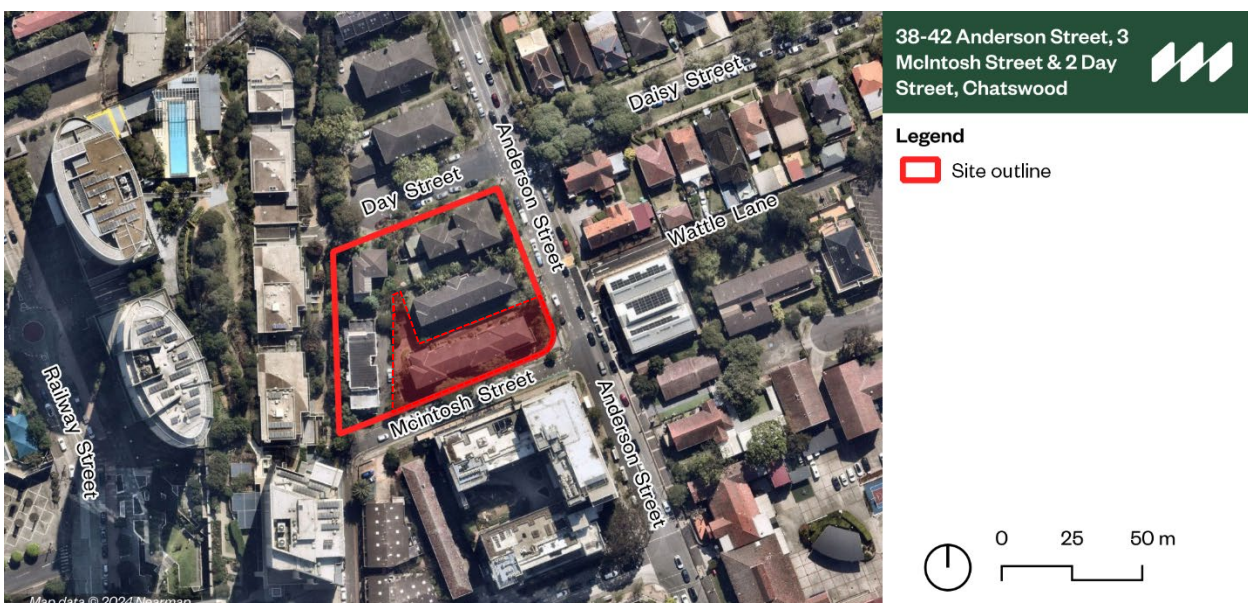


Figure 1 Site Location Map (38 Anderson Street shown shaded red)
(Source: Mecone)



The inclusion of 38 Anderson Street would allow the 7% affordable housing contribution to provide a more feasible site and a quicker delivery of the development. This matter is particularly pressing as the Proponent is in the final stages of preparing an EIS for the site (and supporting technical reports) and intends to formally lodge a State Significant Development Application (SSDA) imminently for assessment by DPHI.

BACKGROUND AND CONTEXT

Since 2018, the Proponent has been preparing for the redevelopment of the site. Based on advice from Council that raised site isolation as a concern, the Proponent sought to acquire 38 Anderson Street. Attempts to acquire No. 38 had been prolonged although the Proponent has now exchanged contracts for the purchase of 38 Anderson Street, with the settlement due to occur in September 2025.

The Planning Proposal as submitted to Council in December 2022 sought to amend the zoning, height of buildings and the FSR for the Site. LEP Amendment No 34 was made on 30 June 2023, rendering the Planning Proposal amendments in respect of height and FSR redundant. Therefore, the only matter for the Planning Proposal to address was Affordable Housing contributions rates.

Prior to Amendment No. 34 of the LEP, 0% affordable housing contribution applied. Ongoing discussions with Council indicated that a 4% affordable housing contribution would apply to the entire site.

Notwithstanding the above, Amendment No 34 then mapped the site including 38 Anderson Street for a 10% local affordable housing contribution despite Council's written advice. This advice was factored into the agreed site acquisition prices and ongoing feasibility of the project, assuming a 4% housing contribution would apply to the site. Several other economic impacts have been felt since this time, hindering redevelopment feasibility prospects, including construction costs which have skyrocketed since Council provided this initial advice. This only exacerbates the financial implications for the site and further reduces feasible redevelopment opportunities, so the current 10% affordable housing requirement that has been imposed on 38 Anderson Street is particularly financially burdensome to the project and inconsistent with Council's own advice that fed into the site feasibility studies.

On 30 November 2023 Council resolved not to support the Planning Proposal as the Planning Proposal *"is inconsistent with Willoughby Local Environmental Plan 2012 as it does not meet the 10% affordable housing provision requirements of this plan."* The Proponent then lodged a rezoning review on 26 March 2024 seeking only an amendment to the affordable housing contribution map that applied under clause 6.8 of Willoughby LEP 2012.

The rezoning review request letter from Mecone dated 19 February 2024 read (at page 2):

*"Council clearly advised that any Planning Proposal for the site could only proceed following acquisition of 38 Anderson Street. In accordance with Council's advice, the Proponent attempted to acquire 38 Anderson Street several times over a 7-year period. The negotiations and ultimate purchase were based on Council's **written** advice that a 4% affordable housing contribution was the appropriate outcome envisaged for the site. The lodgement of the Planning Proposal was therefore delayed allowing for consolidation – with contracts only being exchanged in September 2023. The Planning Proposal lodged on 22 December 2022 reflected Council's advice and proposed a 4% affordable housing component - provided in good faith, despite the fact this was not required at the time though LEP or DCP controls".*

On 8 June 2024, the Panel issued a decision that recommended the Planning Proposal should be submitted for a Gateway determination because it has demonstrated strategic and site-specific merit, subject to the recommendation that the Site be changed from map Area 3 (10% contribution) to map Area 2 (7% contribution).

During the Panel Meeting on 29 May 2024, the Panel sought the Proponent's opinion as to whether 38 Anderson Street could in fact be included in the site area. At the time of the meeting, the Proponent had not had an opportunity to receive legal advice on the matter, and so for abundance of legal caution the Proponent advised Panel that the matter could be addressed separately, or at a later date if required.

The proposal has continued to progress since this time, with DPHI issuing a Gateway Determination on 28 January 2025, and the Proponent has now had the opportunity to seek the relevant advice on the matter.

The Proponent now understands that there is no impediment to including additional land within the scope of the planning proposal, and requests that this minor administrative amendment be undertaken as a post-exhibition amendment. We therefore request that the Department kindly and justly consider the opportunity to include number 38 Anderson Street within the site area.



REASONED JUSTIFICATION

The Proponent supports the Panel's recommendation for a 7% affordable housing contribution rate. However, would like the Department to consider the inclusion of 38 Anderson Street within the Rezoning Review site area for the following reasons:

- 1. Alignment with the Panel's Recommendations:** Mecone appreciates the Panel's consideration of the unique situation of our project and the recommendation to moderate the affordable housing contribution from 10% to 7%. This adjustment acknowledges the substantial effort, and resources invested in acquiring the 38 Anderson Street in accordance with the Council's advice. Applying a 7% affordable housing control to 38 Anderson Street would make the development more feasible and enable a quicker delivery of the project.
- 2. Strategic and Economic Benefits:** The requested change will expedite the delivery of this significant site, enhance housing supply and range of housing options the proposed redevelopment will deliver significant benefits, including approximately 26,677m² of gross floor area, which will enhance housing supply and the range of housing options, and contribute to the local economy. The project will also provide 7% affordable housing on-site, which represents a meaningful contribution towards meeting the Council's affordable housing targets since approximately 18 affordable housing apartments would be delivered
- 3. Consistency with Similar CBD Sites:** The proposed 7% affordable housing rate is still in excess of the 4% contribution that has been consistently applied to 15 other sites within the Chatswood CBD which had similar planning proposals lodged at the same time. Applying a 10% rate to only one lot within the development site would create a further anomaly as all other sites have a consistent rate applied to all amalgamated lots.

Therefore, the proposed 7% rate across the entire site provides a balanced and consistent approach with minimal impact on affordable housing delivery, but which is still in excess of delivery on similar CBD sites.

CONCLUSION

In conclusion, the Proponent accepts the 7% affordable housing contribution rate as determined by the Panel on 8 June 2024 and is supportive of the proposal that is currently being publicly exhibited.

Notwithstanding this support, it is requested that the Department consider amending the site area for the Planning Proposal to include No. 38 Anderson Street under this same rate. This amendment will support the feasibility of this important redevelopment project and enable housing to be delivered more quickly, noting that a State Significant Development Application is intended to be lodged imminently for assessment. It is also in keeping with the NSW Government's housing priorities and will assist in creating the right economic conditions to facilitate a shovel-ready development in the short-term horizon.

We welcome the opportunity to discuss this matter further with you. Should you have any questions, please contact me at gbassett@mecone.com.au or Jessie Wiseman, Associate at jwiseman@mecone.com.au.

Kind regards,

Gemma Bassett
Associate Director