

17 May 2021

Secretariat | Sydney West Planning Panel

**DA 20/0167 | MIXED USE DEVELOPMENT AT 614-632 HIGH STREET PENRITH |
RESPONSE TO PANEL DEFERRAL MATTERS**

Dear Chair and Panel Members

We write to clarify our client's position in relation to this application having regard to the recent turn of events with the lodgement of an appeal by TOGA on the adjoining site.

As you may be aware, Urban Apartments had faithfully followed the recommendation of the Council officers to pursue a joint resolution of the community infrastructure delivery, between Urban Apartments and TOGA. You will recall that these efforts led to TOGA proposing (with the in-principle support of our client) a 'without prejudice' Joint Planning Agreement to the Council.

The commencement of Court proceedings by TOGA removes the opportunity for such a joint approach, notwithstanding our client's best intentions. You are aware that the Court does not have the power to require the Council to enter into a planning agreement.

Commitment to Community Infrastructure

Urban Apartments remains committed to the provision of community infrastructure. Urban Apartments confirms to the Panel that the Development Application proposes land dedication (as a public road) and embellishment of land that will contribute to the north-south link (as pedestrian thoroughfare). In this way Urban Apartments will be doing as much as it can to deliver the north-south link consistent with the Council vision.

To strengthen the north-south link our amended plans have increased the amount of retail and commercial floor space at the ground level to give greater ability to deliver on a vision for the activated precinct.

Unlocking the North-South Link

Our client's community infrastructure land dedication and embellishment work plays an important role in ensuring that a portion of the north-south link is delivered, noting that the delivery of the north-south link as vehicular thoroughfare is reliant upon the carriageway and western pedestrian footpath being located on the TOGA land. Our client's dedication frees the Council from obtaining a complex Joint Venture arrangement and allows for the focus to be solely on the community infrastructure delivery that can be reasonably accommodated with reference to our client's development.

In addition to the above, the following revisions and additional details are provided for consideration by the Penrith Council planning team and the panel.

Creation of an “eat street”

The proposal has been revised to further setback our retail shop fronts by 5m on the western boundary to create an outdoor dining which wholly lies within the development site. The “eat street” also provides great flexibility to respond not only to a neighbouring wall but also the desired new north south link road (a pedestrian thoroughfare if our client’s development application is approved, but a pedestrian and vehicular thoroughfare if both applications are ultimately approved and acted upon) . The new arrangement ensures that any works required to be by either the neighbours or council can be done at a later date with little to no disruption to the occupants/tenants of the development.

Better ground floor activation by moving more services to the basement

Greater focus has been given to the ground floor in response to the panels comments with the intention of decluttering the services and creating deeper more usable retail. We now have a site with perimeter which is over 85% activated. The development now truly speaks to and activates not only both roads but also the boundaries.

Additional Community benefit

The proposal is looking to dedicate 319m² of land to council at a value of \$574,200. This also gives council certainty and flexibility to either deliver a new road through discussions with neighbouring properties.

The development also looks to put a right of public access (benefiting the Council) on an additional 960m² through the ground floor which is maintained by the strata. This embellished area contains gardens, outdoor furniture, and most importantly much needed safe and well-lit connectivity for pedestrians (cost of public domain works as per QS) \$975,200.00 (@\$800 per m² x 1219m² approx. as per QS advice).

In addition to the above the Section 7.11 Development Contributions of \$5,104,098.00 are also being made as part of the development.

The overall total contribution: \$7,359,298.00.

Reliance on the new intersection

The proponent has had the design further peer reviewed by McLaren traffic whom are of the same opinion as Varga traffic that the current traffic infrastructure is sufficient and that the our client’s development is not dependent on the delivery of a new vehicular intersection (see attached McLaren Traffic Peer Review).

More FSR with less impacts

The Development although large in size is not large in impact. Through the ability to set in the development and place massing on one side the development performs better in terms of ADG, overshadowing and separation impacts than the 3:1 scheme which previously was proposed.

Financial Viability of Basements

The proponent has engaged with HillPDA and Construction consultants to put forward cost differences on how additional basements can hit the bottom line and effect the viability of this project. A copy of this report is provided with this letter.

I trust the additional details and revisions demonstrate a commitment to delivery a design excellence development on this site and the Panel can recommend deferral of the application to enable Council staff to assess the revised details provided with this letter.

Should you have any further queries, I can be contacted on 9687 8899.

Yours Faithfully

Schandel Fortu

Think Planners Pty Ltd

HIGH STREET

Area: 319m²

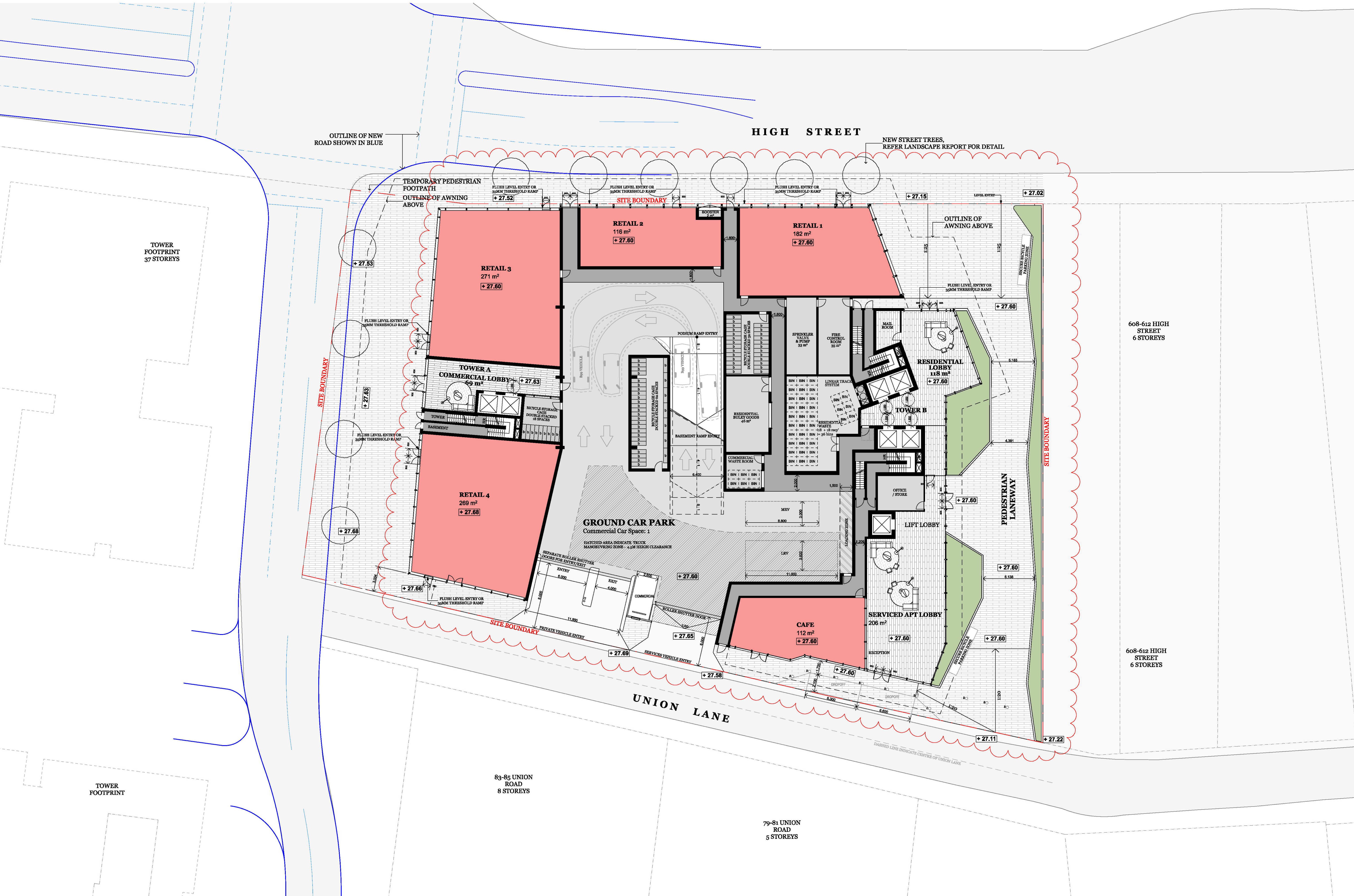
Area: 960m² (1 & 2)

New public road.
It is intended to
dedicate this land as a
public road on
registration of the plan
of subdivision under
section 9 of the Roads
Act 1993

Right of public access variable width,
to benefit the Council (see separate
section 88B instrument)

UNION LANE





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Rev.	Date	By	Ckd	Description
B	1/04/2020		DA	
C	06/10/2020		DA	
D	17/04/2021		DA	
E	13/05/2021	WL	NB	DA



URBAN

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DKO

Project Name
Project Address
Client
High Street Penrith
614-632 High Street,
Penrith, NSW 2750
Urban Apartments

Project Number
Drawing Name
Scale
Date Commenced
Drawing Number
Revision
00012012
Ground Floor Plan
1:200@A1
March 2019
DA201
E



HIGH STREET

SITE BOUNDARY

TOWER
FOOTPRINT
37 STOREYS

608-612 HIGH
STREET
6 STOREYS

COMMERCIAL

RESIDENTIAL

COMMUNAL OPEN SPACE

12,000
TOWER SETBACK
FROM GLAZING

SITE BOUNDARY

30,086 NOM

SITE BOUNDARY

12,000
SETBACK FROM
CENTRE OF ROAD

23,234 NOM

UNION
LANE

28,816 NOM
TO GLAZING LINE

20,710 NOM

608-612 HIGH
STREET
6 STOREYS

TOWER
FOOTPRINT

83-85 UNION
ROAD
8 STOREYS

79-81 UNION
ROAD
5 STOREYS

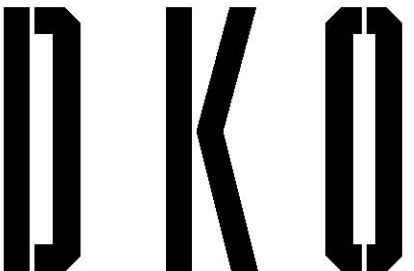
BUILDING SEPARATION - LEVEL 04 PLAN

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Rev.	Date	By	Ckd	Description
A	4/01/2021		DA	



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Project Name	High Street Penrith	Project Number	00012012
Project Address	614-632 High Street, Penrith, NSW 2750	Drawing Name	Building Separation
Client	Urban Apartments	Scale	1:200@A1
		Date Commenced	March 2019
		Drawing Number	DA411
		Revision	A

Overshadow Analysis

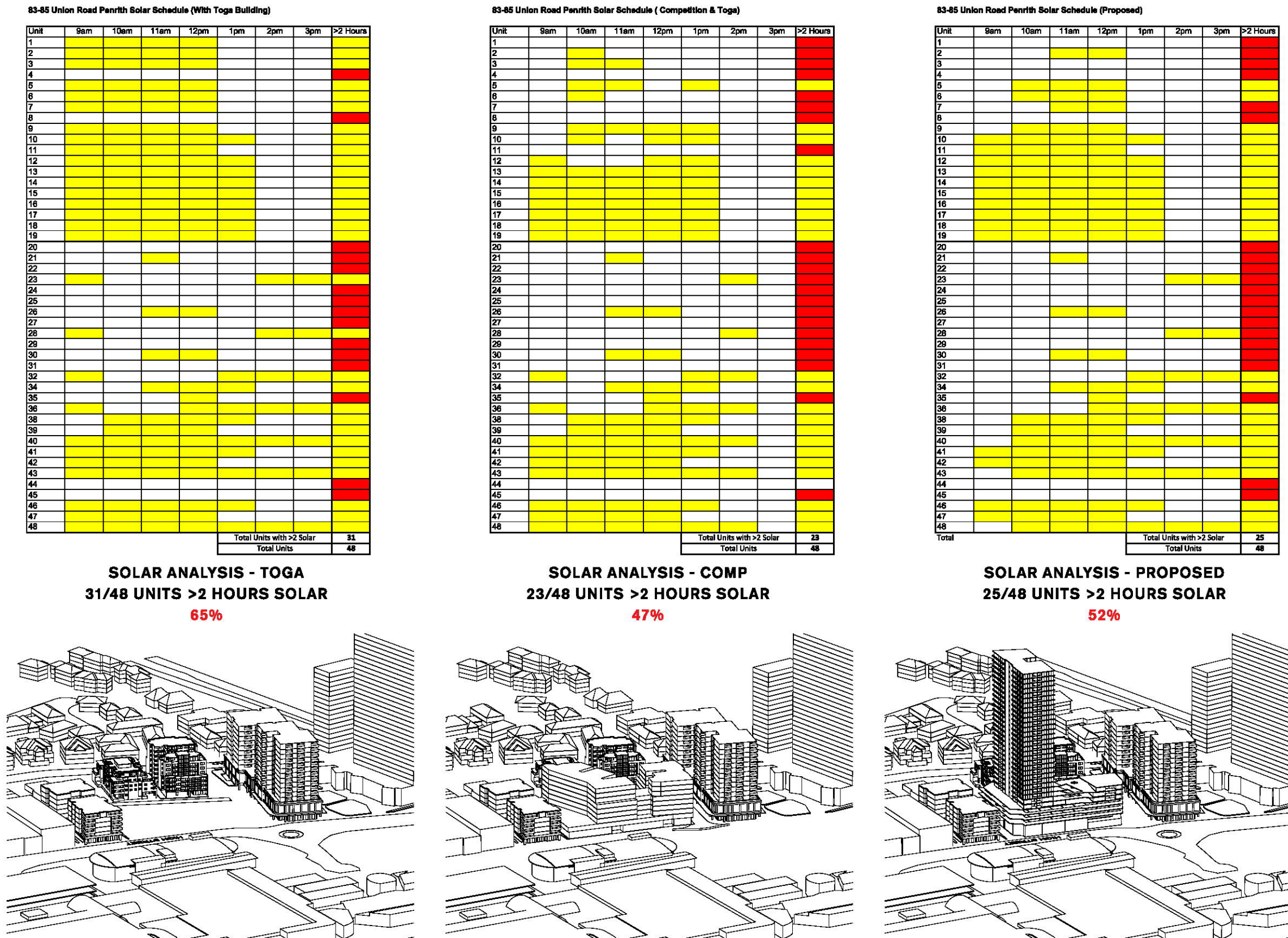
Summary
Percentage of Units with 2Hr solar

83 - 85 Union Rd

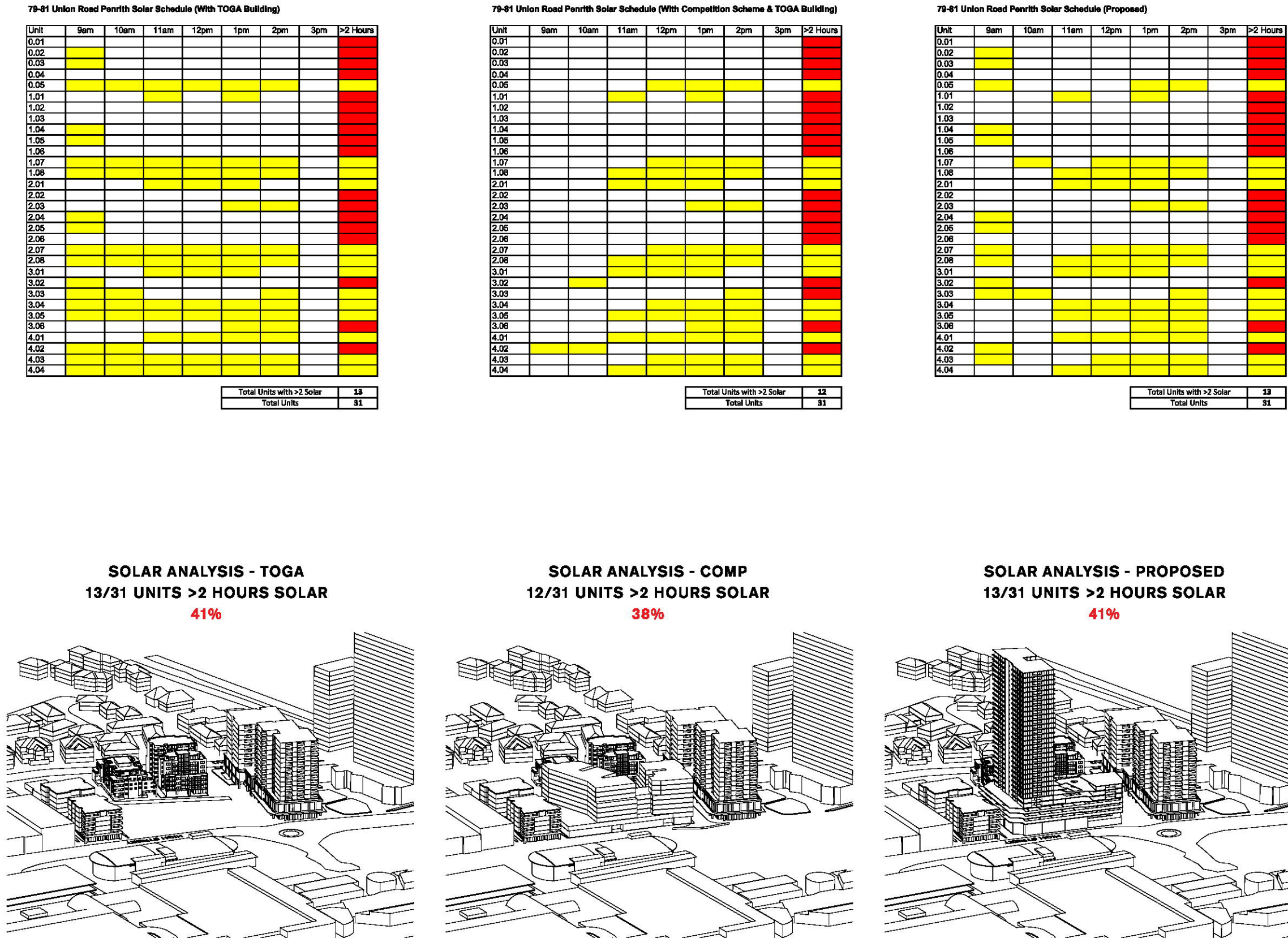
Exisiting 65%
Proposed 52 %

79 - 81 Union Rd

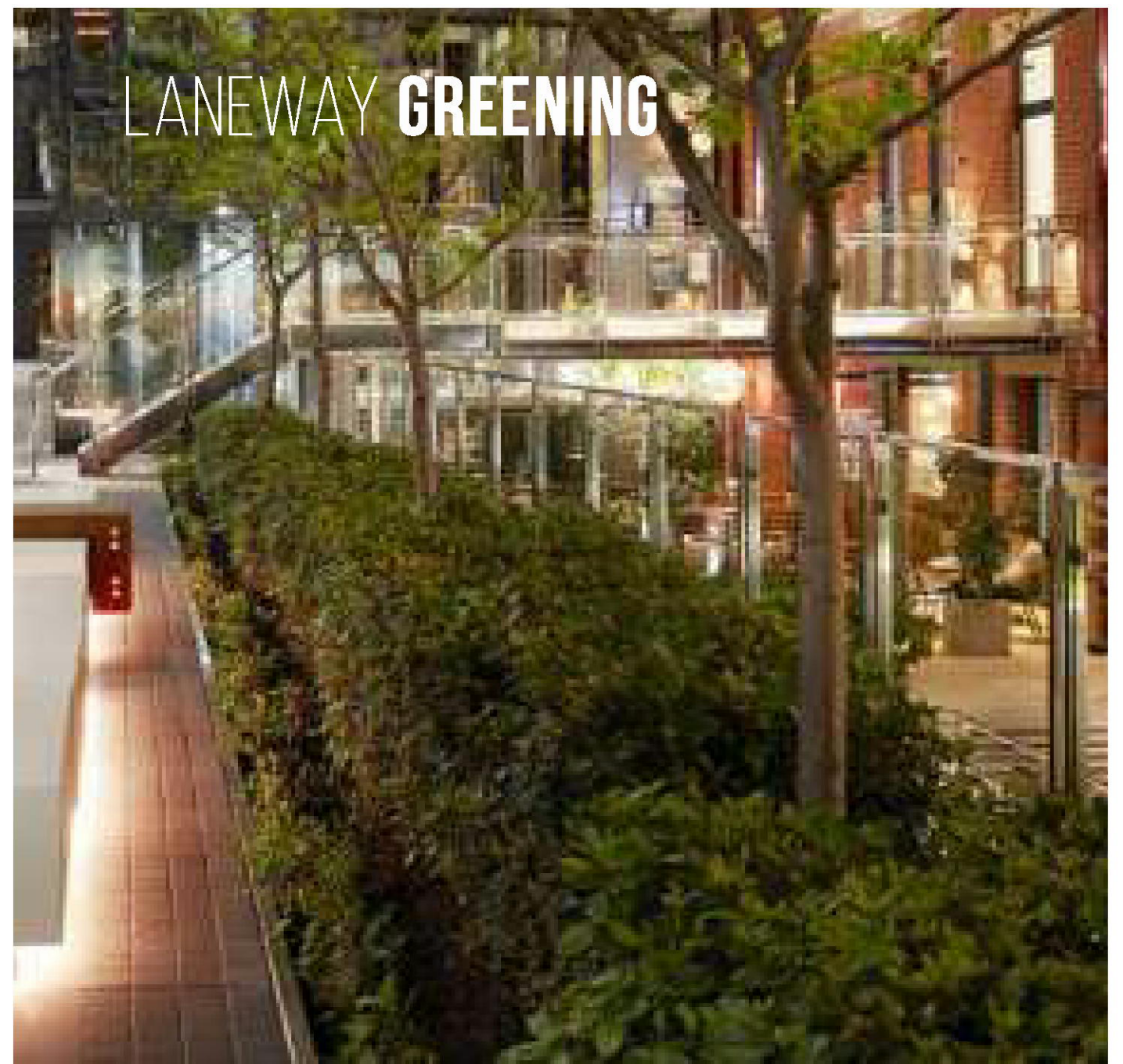
Exisiting 41%
Proposed 41%



83 - 85 Union Rd







DRAFT

GROUND LEVEL | MASTERPLAN



WATER



NESTLED SEATING

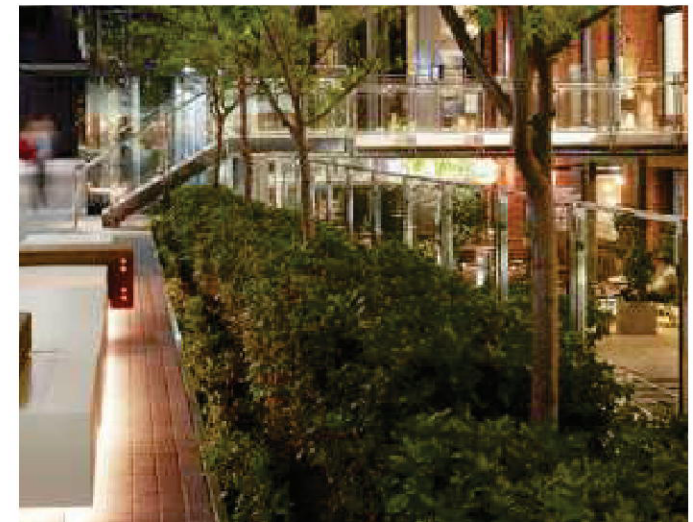


ART INTERPRETATION

1:400@A3 N

DRAFT

3D VIEWS | PEDESTRIAN LANEWAY SOUTH ENTRY



KEY PLAN

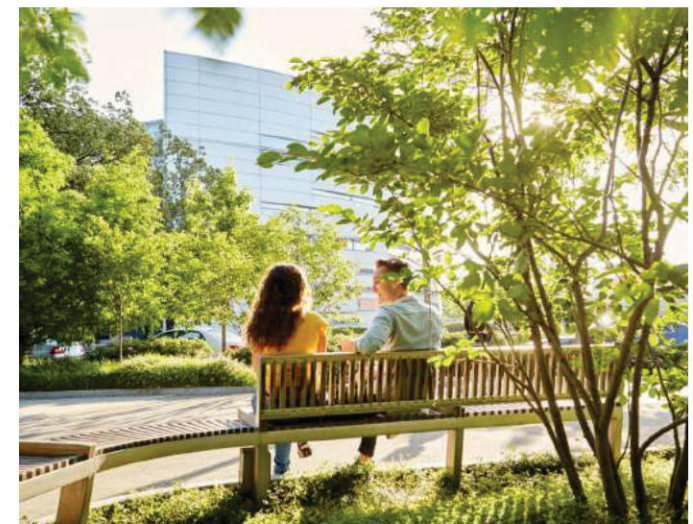
3D VIEWS | PEDESTRIAN LANEWAY NORTH ENTRY



KEY PLAN

DRAFT

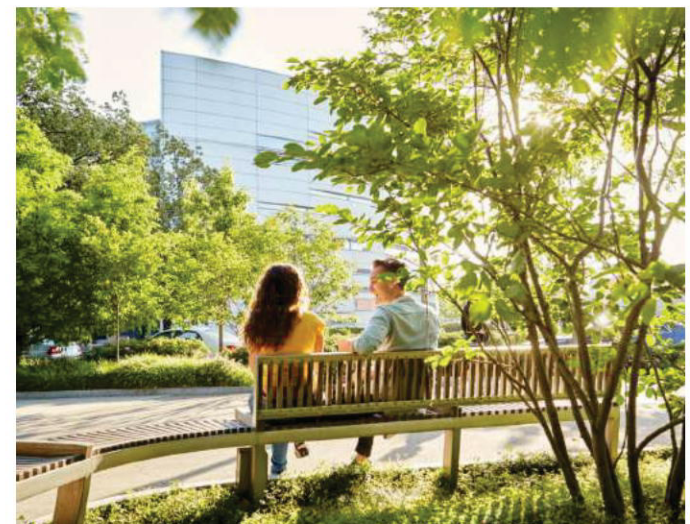
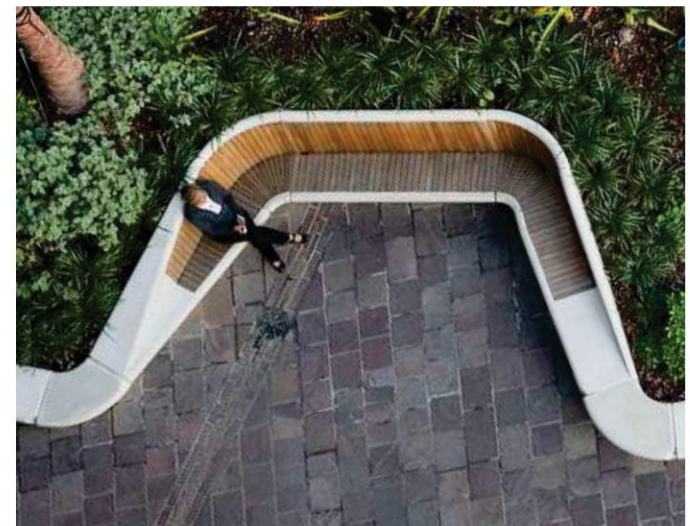
3D VIEWS | PEDESTRIAN LANEWAY LOBBY ENTRY



KEY PLAN

DRAFT

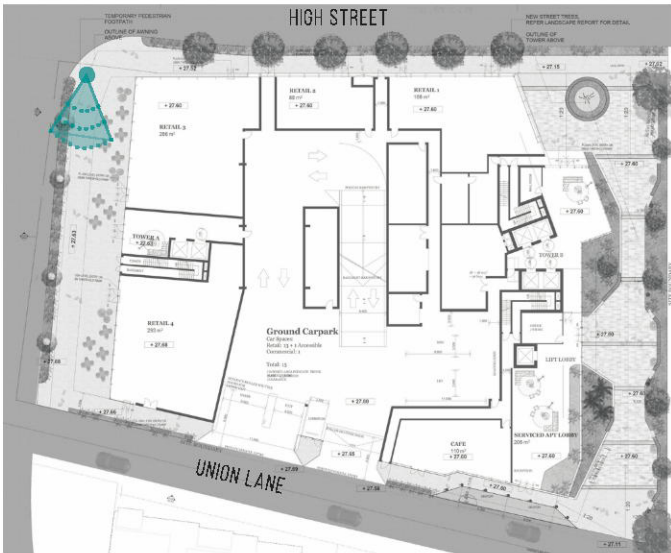
3D VIEWS | PEDESTRIAN LANEWAY LOBBY ENTRY



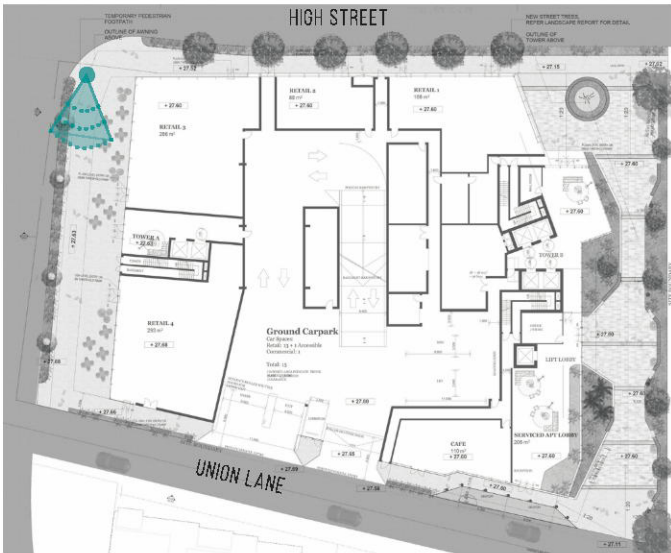
KEY PLAN



KEY PLAN



KEY PLAN



3D VIEWS | LIGHTING AMENITY TO LANEWAY

DRAFT



KEY PLAN



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Division of RAMTRANS Australia ABN: 45067491678 RPEQ: 19457

Transport Planning, Traffic Impact Assessments, Road Safety Audits, Expert Witness

14 May 2021

Reference: 210257.02FA

Urban Property Group Pty Ltd
Level 10
11 - 15 Deane Street,
Burwood NSW 2134
Attention: Richard Boulus

PEER REVIEW OF INTERMEDIATE TRAFFIC IMPACTS OF PROPOSED MIXED-USE DEVELOPMENT AT 614 - 632 HIGH STREET, PENRITH

Dear Richard,

Reference is made to your request to provide a peer review of the intermediate traffic impacts of the proposed mixed-use development at 614 - 632 High Street, Penrith and to provide specific advice with regards to the following items:

1. *Whether the proposed 'new road' is necessary for access to the proposed development?*
2. *Are the traffic impacts of the proposed development acceptable without the new road?*
3. *Are traffic signals needed in location of the 'new road' and High Street intersection as a result of the proposed development? Would the proposed development materially increase the demand for such traffic signals?*

The documents and files reviewed to undertake this review include the following:

- Traffic and Parking Assessment Report dated 1 April 2020 by Varga Traffic Planning Pty Ltd and attachments (**Varga Report**);
- Additional Traffic Assessment letter dated 22 September 2020 by Varga Traffic Planning Pty Ltd and attachments (**Varga Letter**);
- Electronic SIDRA 8.0 files corresponding to the results provided in the letter dated 22 September 2020;
- TfNSW Comments (reference SYD20/00454/01) dated 27 May 2020;
- TfNSW Comments (reference SYD20/00454/03) dated 11 March 2021;
- Council Assessment Report for DA20/0167;
- Traffic Impact Assessment dated 21 June 2018 by ptc. assessing the neighbouring approved development (DA18/264) (**ptc Approved Report**);

- Traffic Impact Assessment dated 23 March 2020 by ptc. assessing the neighbouring approved development (DA20/148).

A review of the potential impacts of the subject development on the *existing* surrounding road network has been undertaken, noting that there are upgrades to the local road network approved as part of separate development applications for works on nearby sites.

1 Existing Site Context

The subject site is located at 614 – 632 High Street Penrith, with the location of the site indicated on an aerial image in **Figure 1**. The site is zoned B4 Mixed Use and is located within the Penrith City Centre Key Precinct as defined within the Penrith Development Control Plan 2014.

The adjoining site to the west, 634 – 368 High Street & 87 – 91 Union Road, Penrith is approved for the development of 187 apartments and 1,144m² of commercial gross floor area.



Site Location Neighbouring Site (approved for development)

FIGURE 1: SITE LOCATION – AERIAL IMAGE

The site has existing road frontages to High Street and Union Lane and, post-development of the neighbouring site will have an additional road frontage to a new link road which is to be constructed between Union Road and High Street along the western boundary of the site. The new link road will connect to the existing roundabout on High Street which is expected to be upgraded to signalised control in the future.

Presently Union Lane is two-way along the southern boundary of the site, and provides access to several commercial premises and recently constructed residential flat buildings.

The site is approximately 800m walking distance from Penrith Train Station and associated Bus stops and is also within close walking distance of a major shopping centre (Penrith Westfields) and other facilities within the Penrith Town Centre.

TfNSW is presently undertaking road and intersection upgrades along Mulgoa Road, which is located approximately 150m to the west of the site.

1.1 Site Access to Wider Road Network

The proposed design provides for all vehicles to enter and exit the site from Union Lane on the southern boundary of the site. Union Lane is the lower-order road of the two that the site has frontages to and as such is the most suitable for access to the site. Presently Union Lane is a two-way cul-de-sac such that all traffic will travel to and from the site using the intersection of Union Lane and Worth Street. The Union Lane/Worth Street intersection is a four-way junction with “Keep Clear” line marking such that movements into and out of the laneway can occur even when queues extend from the signalised intersections to the north and the south.

2 Approved Works Nearby

DA18/264 approved by Penrith City Council on 21 October 2019 (TOGA Development) included a range of improvements to the road network in the surrounds of the site. The approved works include the following features and are illustrated in **Annexure A**:

- Construction of a two-way road connection between Union Road and Union Lane, noting that the connection to Union Lane would provide for westbound traffic only (exit only from Union Lane).
- Construction of a single lane (northbound only) road connection between Union Lane and High Street and providing an extra approach to the existing roundabout intersection of High Street/Penrith Civic Centre.

It was also raised in the Statement of Environmental Effects that the above works would be supplemented by future works by others to:

- Widen the connection between Union Lane and High Street to provide for two-way traffic.
- Upgrade the existing roundabout of High Street/Penrith Civic Centre to signalised control.

3 Traffic Impact Assessment

McLaren Traffic Engineering has undertaken an independent assessment of the likely traffic impacts of the site on the existing road network, the results of which are detailed in the following sub-sections.

3.1 Traffic Generation

The relevant traffic generation rates for the site are provided in **Table 1**.

TABLE 1: RELEVANT TRAFFIC GENERATION RATES

Land Use	Traffic Generation Rate	Source
Business and Office Premises	AM – 1.6 peak hour vehicle trips per 100m ² GFA PM – 1.2 peak hour vehicle trips per 100m ² GFA	RMS TDT 2013/04a
Retail Premises	Weekday PM – 56 trips per 1000m ²	RMS Guide to Traffic Generating Developments ⁽¹⁾
Serviced Apartments⁽²⁾	Evening Peak Hour – 0.4 trips per unit	RMS Guide to Traffic Generating Developments
High-Density Dwellings	AM – 0.32 trips per unit PM – 0.41 trips per unit	RMS TDT 2013/04a ⁽³⁾

Notes:

- (1) It is typical practice to utilise the weekday peak hour traffic generation rate of 56 trips per 1000m² for speciality stores in a town centre environment based on the traffic generation rates for shopping centres provided in the Guide to Traffic Generating Developments.
- (2) There is no local reference source that specifically provides a traffic generation rate for service apartments and the motel land use is the most similar land use for which a rate is available.
- (3) Considering the site is located in Penrith, which has a very high reliance on private car transport, it is reasonable to use the high range traffic generation rates provided in the Technical Direction 2013/04a

Applying these rates results in the traffic generation as summarised in **Table 2**.

TABLE 2: ESTIMATED TRAFFIC GENERATION

Land Use	Peak Hour	Traffic Generation Rate	Scale	Trips		
				IN	OUT	Total
Business and Office Premises⁽¹⁾	AM	1.6 peak hour vehicle trips per 100m ² GFA	1,373m ²	18	4	22
	PM	1.2 peak hour vehicle trips per 100m ² GFA		3	13	16
Retail Premises⁽²⁾	AM	50% of PM Rate	727m ²	10	10	20
	PM	56 trips per 1000m ²		20	21	41
Serviced Apartments⁽³⁾	AM	0.4 trips per unit	80 Keys	6	26	32
	PM			26	6	32
High Density Dwellings⁽³⁾	AM	0.32 trips per unit	272 Units	17	70	87
	PM	0.41 trips per unit		89	23	112
AM Total				51	110	161
PM Total				138	63	201

Notes:

- (1) Directional split of 80% incoming traffic and 20% outgoing traffic applied for the AM peak hour. Vice versa in the PM peak hour.
- (2) Directional split of 50% incoming traffic and 50% outgoing traffic applied for the AM and PM peak hours.
- (3) Directional split of 80% incoming traffic and 20% outgoing traffic applied for the AM peak hour. Vice versa in the PM peak hour.

3.2 Traffic Distribution

Based on Journey to Work data from the 2016 census, persons living in Penrith worked in the locations listed in **Table 3**

TABLE 3: 2016 CENSUS JOURNEY TO WORK DATA – PLACE OF RESIDENCE OF PENRITH

Place of Work	% of Persons Living in Penrith
Castlereagh - Cranebrook	9%
Glenmore Park - Regentville	8%
Jamisontown - South Penrith	7%
Penrith	7%
Emu Plains - Leonay	5%
Blaxland - Warrimoo - Lapstone	5%
Cambridge Park	5%
Kingswood - Werrington	5%
Springwood - Winmalee	5%
Mulgoa - Luddenham - Orchard Hills	3%

The surrounding road network, including the upgrades that are currently underway to the intersections along Mulgoa Road, facilitates access to major arterial routes from Mulgoa Road.

On this basis, the following traffic distribution has been assumed:

- Outgoing Traffic
 - 80% of traffic will turn left from Union Lane towards High Street;
 - 10% of traffic will turn right at High Street;
 - 70% of traffic will turn left at High Street.
 - 20% of traffic will turn right from Union Lane towards Union Street;
 - 3% of traffic will turn right at Union Street;
 - 17% of traffic will turn left at Union Street.
- Incoming Traffic
 - 80% of traffic will turn left into Union Lane from Worth Street;
 - 70% of traffic will turn left from Union Street at Worth Street;
 - 10% of traffic will turn right from Union Street at Worth Street.
 - 20% of traffic will turn right into Union Lane from Worth Street;
 - 10% of traffic will turn left from High Street at Worth Street;
 - 10% of traffic will turn right from High Street at Worth Street.

3.3 Traffic Impacts

SIDRA Intersection 9.0 analysis has been undertaken using the traffic generation and distribution outlined in **Sections 3.2** and **3.3**. The results of the analysis are summarised in **Table 4**.

It is noted that the base volumes used are a combination of those found in the Varga Report and the ptc Approved Report, as while the Varga volumes were newer they did not include the High Street/Civic Centre roundabout.

TABLE 4: INTERSECTION PERFORMANCE SUMMARY – SIDRA 9.0

Intersection	Peak Hour	Degree of Saturation ⁽¹⁾	Average Delay ⁽²⁾ (sec/vehicle)	Level of Service ⁽³⁾	Control Type	Worst Movement	95th Percentile Queue
EXISTING PERFORMANCE							
Worth St / High St	AM	0.44	24.5	B	Signals	LT from High St (E)	4.5 veh (32.4m) Worth St (S)
	PM	0.83	34.7	C		T from High St (W)	9.3 veh (65m) Worth St (S)
Worth St / Union Ln	AM	0.19	1.1 (Worst: 11.1)	N/A (Worst: A)	Give Way	RT from Union Ln (E)	0.1 veh (0.4m) Union Ln (E)
	PM	0.44	2.2 (Worst: 23.3)	N/A (Worst: B)		RT from Union Ln (E)	1.8 veh (12.4m) Worth St (S)
Worth St / Union Rd	AM	0.56	20.6	B	Signals	LT from Worth St (S)	4.6 veh (33.2m) Union Rd (W)
	PM	0.76	31.9	C		LT from Worth St (S)	10.5 veh (73.2m) Union Rd (E)
High Street / Civic Centre	AM	0.21	2.5 (Worst: 9.2)	A (Worst: A)	Roundabout	RT from Civic Centre (N)	0.5 veh (3.4m) High Street (W)
	PM	0.35	2.9 (Worst: 9.2)	A (Worst: A)		RT from Civic Centre (N)	0.8 veh (5.3m) High Street (E)
EXISTING PERFORMANCE							
Worth St / High St	AM	0.46	24.5	B	Signals	LT from High St (E)	5.4 veh (38.4m) Worth St (S)
	PM	0.87	36.1	C		T from High St (W)	9.3 veh (65m) Worth St (S)
Worth St / Union Ln	AM	0.21	2.1 (Worst: 13.1)	N/A (Worst: A)	Give Way	RT from Union Ln (E)	0.1 veh (0.8m) Union Ln (W)
	PM	0.52	3.3 (Worst: 29.9)	N/A (Worst: C)		RT from Union Ln (E)	3.6 veh (25.1m) Worth St (S)
Worth St / Union Rd	AM	0.61	20.6	B	Signals	LT from Worth St (S)	4.7 veh (33.2m) Union Rd (W)
	PM	0.81	33.5	C		LT from Worth St (S)	13.4 veh (93.5m) Union Rd (E)
High Street / Civic Centre	AM	0.21	2.5 (Worst: 9.2)	A (Worst: A)	Roundabout	RT from Civic Centre (N)	0.5 veh (3.4m) High Street (W)
	PM	0.37	2.9 (Worst: 9.2)	A (Worst: A)		RT from Civic Centre (N)	0.8 veh (5.7m) High Street (E)

NOTES:

(1) Degree of Saturation is the ratio of demand to capacity for the most disadvantaged movement.

(2) Average delay is the delay experienced on average by all vehicles. The value in brackets represents the delay to the most disadvantaged movement.

(3) Level of Service is a qualitative measure of performance describing operational conditions. There are six levels of service, designated from A to F, with A representing the best operational condition and level of service F the worst. The LoS of the intersection is shown in bold, and the LoS of the most disadvantaged movement is shown in brackets.

(4) No overall Level of Service is provided for Give Way and Stop controlled intersections as the low delays associated with the dominant movements skew the average delay of the intersection. The Level of Service of the worst approach is an indicator of the operation of the intersection, with a worse Level of Service corresponding to long delays and reduced safety outcomes for that approach.

As shown in **Table 4**, there will be no change in level of service at any of the surrounding intersections as a result of the traffic generation of the site.

3.4 Impacts on Union Laneway

Swept path testing of the entrance to Union Lane from Worth Street indicates that it is not possible for light vehicles to pass a heavy vehicle waiting to turn out of the laneway and vice-versa. Whilst this is an existing issue and it is expected this problem is alleviated slightly by the existing “KEEP CLEAR” linemarking, there is the potential for the issue to be exacerbated by the proposed development if not managed effectively. It is recommended that a management plan be implemented which limits all servicing activities to during the following hours to avoid conflicting with typical peak periods:

- Weekdays
 - Before 7 AM
 - Between 10 AM and 3 PM
 - After 7 PM
- Weekends
 - Before 10 AM
 - After 3 PM

If appropriate management of heavy vehicle movements to and from the development is implemented, there will be no unacceptable impact on the function of the Union Lane/Worth Street intersection as a result of the proposed development.

4 Summary of Findings

4.1 Overall Findings

A review of the proposed development and the potential impacts on the existing road network has been undertaken, noting that consideration has been given to any potential future road upgrades. The results of the review indicate the following:

- The proposed development is likely to generate approximately 161 trips (51 IN/110 OUT) in the AM peak hour and 201 trips (138 IN/63 OUT) in the PM peak hour.
- The location of the development relative to nearby employment hubs and the arterial road network will result in most traffic travelling to and from the site via Mulgoa Road. It is noted that the two nearest intersections of Mulgoa Road with High Street and Union Street were undergoing upgrades at the time of reporting and that these upgrades will be finished prior to the occupation of any development on the site.
- Modelling of the nearby intersections in SIDRA Intersection 9 indicates that there will be no significant increase in delays or change in Level of Service as a result of the traffic associated with the development.

4.2 Response to Items

Specific responses to each of the three items to be addressed are provided in the following sub-sections.

4.2.1 Need for New Road

As detailed in **Sections 3.3** and **3.4**, the traffic modelling undertaken of the nearby intersections indicates that there is sufficient capacity in the existing road network to provide for the proposed development, subject to the recommended management of service vehicles.

The construction of the new road links between Union Lane and Union Street and Union Lane and High Street are not needed to achieve acceptable access to the subject proposed development.

4.2.2 Acceptability of Traffic Impacts of Development

As detailed in **Sections 3.3** the traffic modelling undertaken of the nearby intersections indicates that there will be no change in Level of Service at any of the nearby intersections as a result of the traffic generated by the proposed development. On this basis, the impacts of the proposed development on the existing road network will be acceptable and no road network upgrades are required.

4.2.3 Need for Signalisation of High Street/Civic Centre Roundabout

The performance of the High Street/Civic Centre roundabout has been modelled under both the existing and future (existing plus subject development) traffic volumes. No change in the existing Level of Service of "A" occurred in the future model, indicating that:

- The existing roundabout is operating with a high level of efficiency, with spare capacity available;
- The existing roundabout will maintain a high level of efficiency post-development, with spare capacity available;
- No upgrades to the roundabout are necessary to provide for the vehicular traffic associated with the subject proposal.

Please contact the undersigned should you require further information or assistance.

Yours faithfully

McLaren Traffic Engineering



Tom Steal

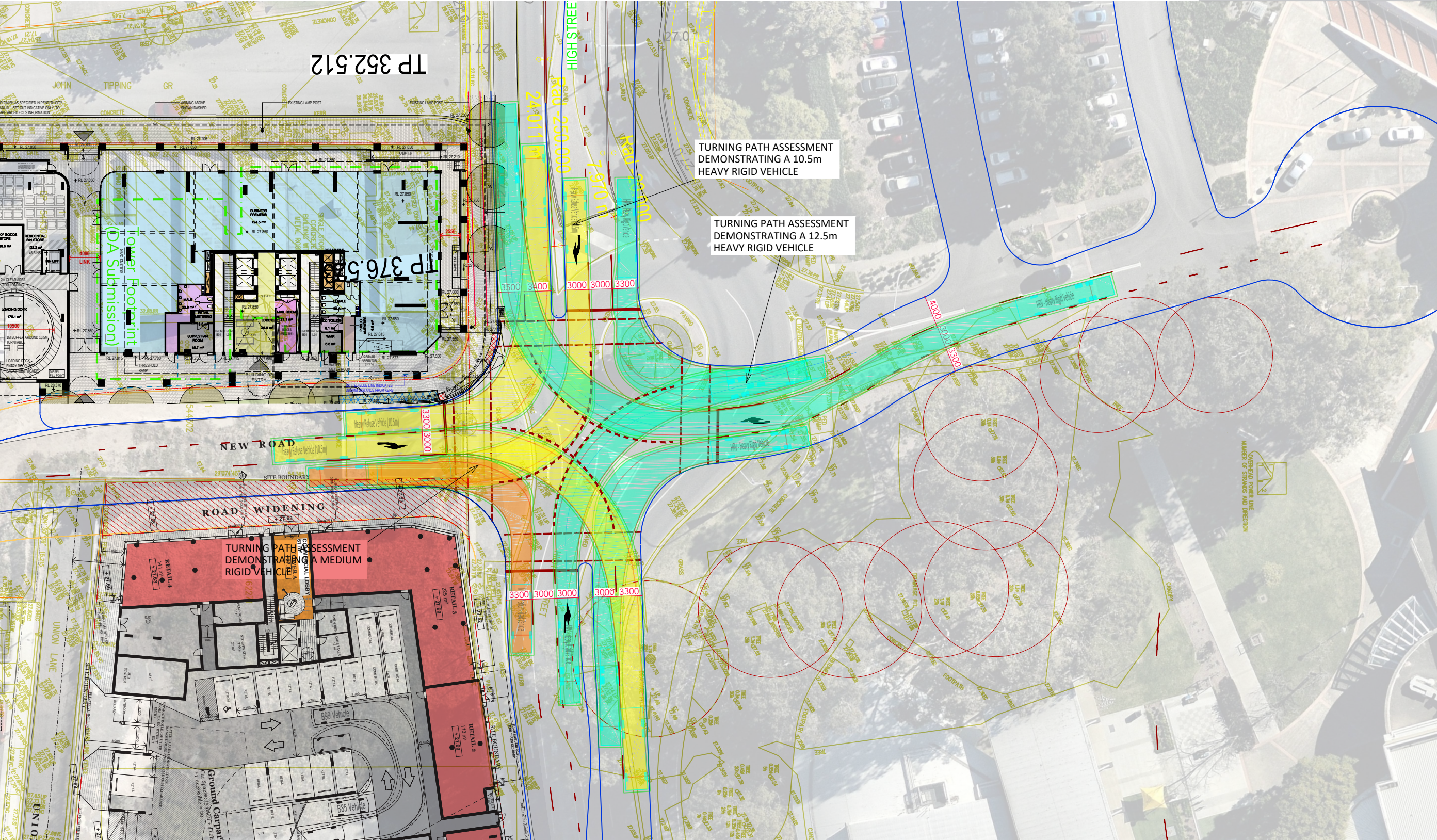
Senior Traffic Engineer

BE Civil AMAITPM MIEAust

RMS Accredited Level 2 Road Safety Auditor



**ANNEXURE A: APPROVED WORKS
(1 SHEET)**



TP 352.512

TP 376.512

Tower Footprint
(DA Submission)

TURNING PATH ASSESSMENT
DEMONSTRATING A MEDIUM
RIGID VEHICLE

TURNING PATH ASSESSMENT
DEMONSTRATING A 10.5m
HEAVY RIGID VEHICLE

TURNING PATH ASSESSMENT
DEMONSTRATING A 12.5m
HEAVY RIGID VEHICLE

OVERHEAD POWER LINE
NUMBER OF STRANDS AND DIRECTION

14 May 2021

Dear Richard

Subject: 614-632 High Street Penrith - Feasibility of residential apartments

As per your instructions we have reviewed the letter from the Quantity Surveyor, Michael M. Dakhoul of Construction Consultants (appended to this letter) and we make the following comments on the likely impact on development cost and feasibility.

Please note that we are neither quantity surveyors (QS) and nor have we done a full feasibility assessment. Our comments are based on 30 years of professional experience in development feasibility testing in a wide range of markets including Penrith. We have recently worked with Penrith Council on a number of their sites and we have a good knowledge of the residential market in Penrith.

The letter from the QS is largely in two parts – the first part is a comparison of the cost between two schemes being:

Scheme 1: one basement level of parking (with the balance of parking being provided in a podium above ground)

Scheme 2: a scheme of three levels of basement parking

Both schemes have two buildings above the parking levels. One building has three levels of commercial space and the other has 43 levels of residential apartments. As the design of the superstructure for both schemes appears the same, the cost variance between Scheme 1 and Scheme 2 is attributed mainly to the difference of the substructure or car parking component.

The second part of the letter is a comment on the cost difference between a high-rise apartment building as proposed versus a lower rise building of 4 to 7 storeys.

Based on the QS estimate Scheme 2 has an additional construction cost of \$7.7m (net of GST) above Scheme 1 due to additional excavation and construction of basement parking. The average cost of a car space in Scheme 1 is \$46,750. In Scheme 2 it is \$69,500 – some \$22,750 more. We have checked this against Rawlinsons Construction Handbook 2020 and Napier & Blakeley Datacard 2020 found it to be consistent.

In addition to the marginal (difference between the two schemes) hard cost there are on-costs or soft costs that would raise the total marginal cost higher. Professional and application fees are likely to add a further 8% to 9%. Also excavation increases the construction time. An additional couple of levels of basement parking is likely to add an additional 2 months. This would increase the interest cost on both land and construction. After allowing for these soft costs we estimate that the likely marginal cost to be around \$27,000 to \$28,000 per apartment assuming an interest charge of say 6%.

The second part of the letter comments on the cost difference between a high rise and low to mid rise residential apartment building. It comments that high rise buildings are typically 20% to 25% higher per square metre. We generally concur with this comment based on a review of construction handbooks and guides including Rawlinsons Construction Handbook and RLB Digest.

The difference is likely to be close to \$60,000 per apartment in hard costs alone – say \$65,000 to \$70,000 per apartment after the inclusion professional fees and application fees and the like. Furthermore, it would add a further calendar year or more to the construction time – which means a further \$15,000 approximately in interest cost. Total marginal cost is likely to be at least \$80,000 per apartment.

The additional floor space (number of apartments) would provide some savings in land acquisition cost on a per apartment basis but in the Penrith market this is unlikely to amount to much more than say \$30,000 per apartment. This is clearly insufficient to meet the marginal costs of design, construction and finance. This is why we have not seen such high rise buildings in Penrith to date.

In short we don't have any strong disagreements with the Q.S. report.

As stated above we have not undertaken a feasibility, but we are aware that the residential apartment market in Penrith is very price sensitive and development margins are tight. A likely marginal cost of around \$9m to \$9.5m (\$7.7m construction net of GST plus additional soft costs and interest), combined with the additional risk of excavation and project delay is likely to have a strong impact on feasibility.

Feel free to call me if you have any questions

Yours sincerely,



.....
Adrian Hack

Principal, Urban and Retail Economics

M. Land Econ. B.Town Planning (Hons). MPIA

Adrian.Hack@hillpda.com

13 May 2021

Mr Richard Boulus
Urban Property Group
Address: Level 10 / 11-15 Deane Street, Penrith NSW 2750

Re: Quantity Survey Cost Plan Letter (Not for Bank Use)
Project: 614-632 High Street, Penrith NSW 2750

To whom it may concern

The purpose of this Cost Plan Letter is to provide an initial/indicative cost comparison of the development cost of the anticipated design modification against the previously proposed design of a mixed-use development at 614-632 High St, Penrith NSW 2750. Based on the latest architectural drawings by *DKO Architecture (NSW) P/L*, Rev C, Dated 26/10/2020 and information advised by the developing firm (*Urban Property Group*) dated 28/04/2021, we understand that the two (2) design schemes can be described as the following:

- The proposed design (Scheme 1) includes one (1) x basement car parking level + Ground Floor commercial loading bay and car parks (incl. common areas) + Three (3) x above ground podium car parking levels + Tower A with three (3) x Levels commercial tenancies over podium level + Tower B with forty three (43) Levels mixed-use residential apartments over podium level, which accommodates the following:
 - Three hundred and thirty eight (338) x car spaces within Basement Parking Level and above ground podium car parking levels (GF, Mezzanine, L1 and L2);
 - Approx. 1529 m2 commercial spaces within Tower A;
 - Forty one (41) x Dual-Key Serviced Apartments within Tower B;
 - Three hundred and thirteen (313) x Residential Apartments within Tower B;
- The hypothetical modified design (Scheme 2) includes three (3) x basement car parking levels + Ground Floor commercial loading bay and car parks (incl. common areas) + Tower A with three (3) x Levels commercial tenancies over ground floor + Tower B with forty three (43) Levels mixed-use residential apartments over ground floor, which accommodates the following:
 - Three hundred and thirty eight (338) x car spaces within three (3) x Basement Parking Levels and Ground Floor;
 - Approx. 1529 m2 commercial spaces within Tower A;
 - Forty one (41) x Dual-Key Serviced Apartments within Tower B;
 - Three hundred and thirteen (313) x Residential Apartments within Tower B;

As the design of the superstructure for both schemes appears the same, the cost variance between Scheme 1 and Scheme 2 is considered mainly attributed to the difference of the substructure or car parking component.

I wish to advise that the indicative cost estimate of the car parking components based on both designs are follows:

	Scheme 1	Scheme 2
	1 Basement + 3 Podium Levels	3 Basement Levels
Indicative Cost Estimate of car parking component only (Excl. GST)	\$15,805,397	\$23,499,165
Variance of Scheme 1 and Scheme 2 (Excl. GST)	\$7,693,768	

Therefore, based on the Scheme 2 design, the increase in cost would be in the vicinity of **\$7,693,768 excl. GST** or **\$8,463,144 incl. GST**.

It is important to note that the above indicative cost estimate is prepared for the sole purpose of providing a comparison of the Initial Cost Estimate of the two design schemes for Council Submission only (not for bank use), which is subject to the review of the full design documentation, including but not limited to the Full set of architectural drawings, Geotech Report, Structural Drawings and Services Plans, Detailed specifications etc.

This initial cost estimate may provide no more than a rough guide to the probable cost of the proposed development. Costs may differ considerably, due to a range of variables:

- Detailed documentation;
- Existing infrastructures and services;
- Design team;
- Method of procurement;
- Fixtures and finishes.

As the level of documentation is further expanded, the Quantity Surveyor is able to provide a more accurate estimate of costs.

In addition, I would like to advise that the proposed development (46 Levels) is deemed as a high-rise building, which will in general be approx. 20%-25% higher cost per square metre, in comparison to a low/medium-rise building (4-7 storeys).

This is considered because of the construction difficulties introduced such as:

- Lift requirements.
- Structure, including foundations and superstructure construction methodology.

- Fire services requirements.
- Scaffolding and materials handling.
- Project design and supervision.

Construction Consultants (QS) does not accept any contractual, tortuous or other form of liability for any consequences, loss or damage which may arise as a result of any other person acting upon or using this report.

Sincerely

A handwritten signature in black ink, appearing to read 'M. Dakhoul', with a stylized flourish at the end.

Michael M. Dakhoul FAIQS MAIB MCIOB ICECA
FAIQS Reg. No. 3618