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1.0 Introduction

This report has been prepared to respond to Lane Cove Council's (Council) report dated 4th February 2019 in respect of the Draft St Leonards and Crows Nest 2036 Plan (the **Draft 2036 Plan**). The Council report was considered at the Extraordinary Meeting of Council held on 4 February 2019.

This report has been prepared on behalf of Grocon, the proponent of a Planning Proposal for 524-542 Pacific Highway, St Leonards (the **Site**) that was submitted to Council in December 2018 (**Grocon Planning Proposal**). The Site is also known as (part) 'Significant Site 1' in the Draft 2036 Plan.

We understand that Council has a number of concerns about the Draft 2036 Plan. This report responds to the following matters raised in Council's report in the same order, as they relate to the Grocon Site and the submitted Grocon Planning Proposal:

1. Building separation;
2. Community consultation;
3. Height and FSR controls;
4. Ability of the Site to provide A-grade commercial office floorspace;
5. Public benefits;
6. Lack of jobs focus;
7. Timing of additional mixed-use development;
8. Connectivity;
9. Overshadowing;
10. Consideration of Planning Proposals; and
11. Mix of housing types.

The primary purpose of this submission is to respond to the statements that are made in Council's report about the Draft 2036 Plan and the Grocon Planning Proposal.

2.0 Background to Grocon Planning Proposal

The Grocon Planning Proposal was submitted to Lane Cove Council on 16 December 2018. The Planning Proposal was developed based on feedback from Council and prior consultation, and was based on the Draft 2036 Plan, which identified the site as 'Significant Site 1', which identified that the site was suitable for uplift, and outlined a range of criteria that should be satisfied in any subsequent planning proposal to achieve uplift.

The Grocon Planning Proposal delivers on the Draft 2036 Plan by providing high quality Build to Rent (BTR) accommodation in the heart of St Leonards. Specifically, the Grocon Planning Proposal achieves the following objectives:

1. **A Total Integrated Planning Proposal** – Grocon will deliver a fully integrated development that incorporates the Telstra Exchange, which is considered to be essential public infrastructure. The Telstra Exchange is expected to remain in situ in the long term, and without careful consideration and integration, would remain an underdeveloped blight in the context of the future desired character of St Leonards. As a partner of Telstra on numerous redevelopments of exchanges in Sydney and Melbourne, Grocon is uniquely placed to unlock the renewal of the site.
2. **Precinct of unrivalled proportions** – The Planning Proposal will facilitate an iconic, sustainable mixed-use development that will provide commercial office accommodation, retail spaces activating the ground plane and linking to adjoining developments, creating an engaging laneway network, childcare, residential amenity and high quality rental accommodation.

3. **Leading architectural design allowing for delivery of the next generation BTR accommodation** – efficient floor plates designed to provide high quality accommodation with exceptional natural light, indoor quality and state-of-the-art communal amenity.
4. **Connectivity and Transport** – the development is situated in the heart of the St Leonards CBD at the centre of the transport network, allowing residents to have high levels of connectivity and accessibility to and from home, leveraging on extensive public investment in the health and transport sectors.

Grocon has a strong focus on sustainability, leading-edge design and collaboration having delivered numerous highly-awarded developments. Grocon has worked closely with an extensive range of government bodies and major organisations to make challenging projects a reality. St Leonards is such a project, to be developed and managed by Grocon on behalf of Home Residential. Home Residential is Australia's first fully-funded Build to Rent housing platform, creating high quality apartments, purposefully designed and constructed for the rental market that feature professionally managed services and a holistic resident experience.

The BTR apartments will be held in a portfolio as a long-term investment which allows residents greater length and security of tenancy as well as greater opportunity to personalise their homes and create a sense of community.

BTR (or multifamily) accommodation is designed for the rental market. BTR operates with significant institutional and government backing in the USA, Japan, Europe and, most recently, the UK. BTR properties typically comprise:

1. Scale of 100+ units with single-ownership entity
2. Extensive resident amenities and services
3. Community engagement and curation programs
4. Dedicated onsite management and maintenance

Home Residential will benefit government and the community through:

1. Providing diversity of housing choice, project viability earlier and at lower price points than off-the-plan sales
2. Improving security and length of tenancy for residents
3. Incentivising long-term owner to design quality integrated communities that have a feeling of their own community, with satisfied tenants
4. Incentivising sustainability, liveability and good design as single long-term owner benefits from innovation
5. Creating jobs during construction and operation (directly and indirectly)
6. Providing Australian version of a familiar asset class for national and international investors including superannuation funds
7. De-risking capital intensive home building at scale, such as urban renewal precincts, through wholesale ownership, especially useful during downturns
8. Providing additional housing supply that is not reliant on presales or typical developer finance enabling the development to commence as soon as approvals are obtained.

In summary, Grocon delivers spaces that are highly regarded, award winning and enjoyed. Grocon's success in delivering leading residential and commercial towers stems from an attention to detail and devotion to understanding living and working environments, in order to deliver exquisite solutions and the BTR accommodation of the future.

3.0 'Building Separation'

Council's report:

Council's Report dated 4/2/2019 states that:

"...Significant Site 1 (shown in a green dotted line) cannot conform to the required 40 metre separation distance for buildings greater than 18 storeys due to the presence of tall buildings already approved on either side (i.e.. JQZ to the west and New Hope to the east). Amalgamation with the adjoining AMA site would not resolve this as it would push any potential building closer to the approved tall building (i.e. New Hope) – this is best illustrated in Figure 4.

Further, with the New Hope site directly adjoining it, any built form on Significant Site 1 would not be able to comply with the required Apartment Design Guide provisions relating to building separation (i.e. 24 metres)." (Council report, pages 14-15)

Response:

The above comments of Council are misleading.

Firstly, there is no "requirement" in the current planning system for a 40-metre building separation.

Secondly, neither the Draft 2036 Plan nor any other draft State or local planning controls propose to introduce a 40-metre building separation requirement. There is a recommendation for a 40-metre separation in the Urban Design Study that was prepared by SJB to support the Draft 2036 Plan's recommendations (page 63). However, this recommendation was not adopted by the Draft 2036 Plan. Therefore, it is far from being a requirement nor does it have any statutory basis.

Thirdly, the only reason it is difficult for the Site to comply with the Apartment Design Guide's building separation standard (24 metres) is that New Hope's development (to the east) was approved by Council with only a 7-metre setback from its western boundary, which is 5 metres less than what is required. Given that New Hope was approved with a smaller setback, this creates a visual privacy and building separation issue for the site and places an unreasonable burden on the subject site to comply with the ADG – resulting in the building form being 'pushed' to the west.

Further, just south-east of the site, Lane Cove Council endorsed a planning proposal for St Leonards Square, which included a building separation of only 24 metres (in line with the Residential Flat Design Guide) between the two towers. The subsequent development application was approved, and the development is now under construction. A 40m separation was not required as part of either the planning proposal or the development application.

Finally, it is incorrect for Council to say that the Site "would not be able to comply" with the ADG's 24-metre requirement. As detailed in the Grocon Planning Proposal, it is proposed to provide the full 24-metre separation to New Hope with adequate visual privacy to both buildings (with 17 of the 24m to be accommodated on our Site). Up to level 5 the use is commercial and therefore it is proposed to provide a zero setback to New Hope, mirroring the New Hope setback and the setbacks nominated in the Draft 2036 Plan. From levels 6-13, it is proposed to provide a six-metre setback. This setback is considered appropriate, given the non-residential uses proposed up to level 13 and at the building's podium.

The proposed setbacks at the site are summarised in **Figure 1**.

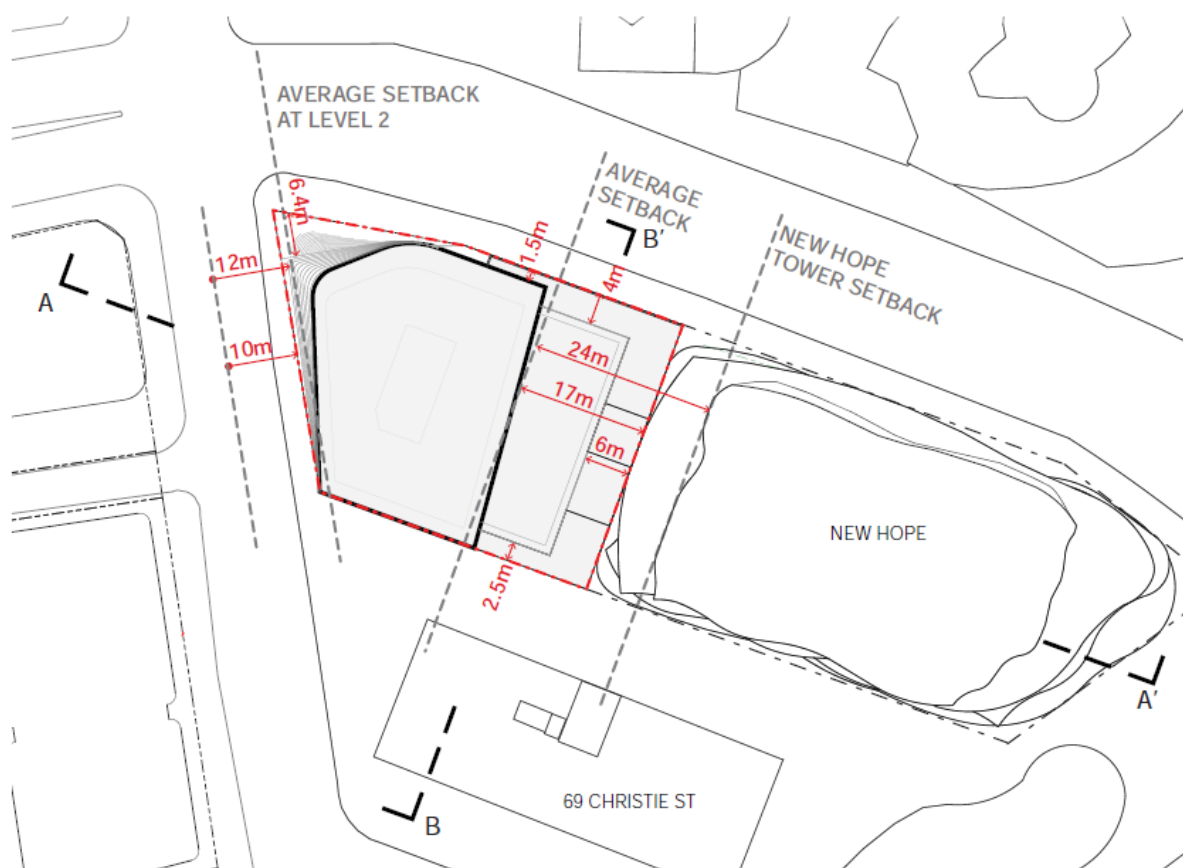


Figure 1 Proposed setbacks to New Hope

Source: PTW

4.0 Community consultation

Council's Report:

Council's Report dated 4/2/2019 states that:

"It is important to note here that these sites (including their approach, their nomination and location) were developed in isolation with no consultation with Council or its Community." (Council Report page 13)

Response:

The Draft 2036 Plan was on public exhibition between 14th October and 8th February 2019, providing both Council and the community an opportunity to comment on the Significant Sites in terms of approach, nomination and location. Also, an Interim Statement was released for public comment in August 2017 and the Department also undertook local character consultation in March 2018 which included a survey, meetings with local community group representatives, walking workshops and focus groups.

The Draft 2036 Plan identifies sites for a future rezoning process. Those future rezonings will be the subject of planning proposals that will also be publicly exhibited (once they pass Gateway) which will provide the community with further opportunity to provide comments.

It is also noted that Council and the Department of Planning & Environment were both consulted on several occasions regarding the Grocon Planning Proposal, prior to the release of the Draft 2036 Plan.

To that end, the Grocon Planning Proposal will undergo a far more rigorous process than any previous St Leonards CBD Planning Proposal in the Lane Cove LGA.

5.0 Height and FSR controls

Council's Report:

Council's Report dated 4/2/2019 states that:

"According to the Draft 2036 Plan (AT-5), all significant sites will have no maximum building heights or no maximum floor space ratios being applied." (Council Report page 13)

Response:

This statement is incorrect. The Draft 2036 Plan explicitly states (on page 62) that any revised development controls for Significant Sites, will be established through a Council-led planning proposal and further community consultation. This is the Planning Proposal process that is being proposed by Grocon. Further, all such sites will be subject to a rigorous design excellence process to determine the appropriate height, floor space ratio and other design details.

The fact that the Draft 2036 Plan does not, itself, nominate revised height and FSR controls for these sites, will not mean that the Significant Sites, as nominated by the 2036 Plan, will not be subject to any controls.

6.0 Ability of the site to provide A-Grade Commercial Office Space Floor Plates

Council Report:

Council's Report dated 4/2/2019 states that:

"Significant Site 1 also cannot achieve the primary objective of the Significant Sites approach – which is contained on page 54 of the Draft 2036 Plan (AT-5). Due to the proposed consolidation resulting in an irregular shape and requirement to retain the existing Telstra exchanges as built, Significant Site 1 would not be able to provide suitable A grade commercial office space floor plates. Given that the purpose of the mixed-use development on key sites is to encourage more A Grade commercial office space and include a minimum non-residential FSR – this is inconsistent with the objective, actions and recommendations (on page 54) relating to mixed use zonings (or rezonings)." (Council Report page 15)

Response:

The provision of A-grade commercial office floorspace is not the primary objective (or even one of the objectives) of the Significant Sites approach. The objective on page 54 referred to above, "to encourage more A-grade commercial floorspace", relates to all B4 Mixed Use sites for which minimum non-residential FSR controls are nominated. This is obvious from the 'Action and Recommendation' that correlates to the A-grade office floorspace objective.

There is a list of Significant Site design criteria on page 62 of the Draft 2036 Plan, none of which relate to the achievement of A-grade commercial office floorspace.

In any event, it is not necessary for a Strategic Centre such as St Leonards to deliver only A-grade commercial office floorspace to attract investment. There is a market for smaller, boutique office floor space to cater for different markets within the overall St Leonards office market. This response displays a lack of understanding of the dynamics of the broader office market.

Further, as highlighted in Urbis's Economic Impact Assessment (EIA) 2018, submitted with Grocon Planning Proposal, large commercial floor plate developments are generally not supportable within the St Leonards Centre. Demand for office space in the St Leonards Centre has declined significantly relative to other Sydney Office Markets over the past 15 years. Since 2000, the Centre has had an average annual take-up rate of commercial floor space of only 625m². Market analysis contained in the Urbis EIA (2018) suggests that the low take-up is the result of stronger market interest in more desirable locations, such as Macquarie Park and Chatswood. These locations offer more affordable rents, greater amenity and proximity to larger retail centres. Additionally, larger-floor-plate offerings are available, which are more desirable to large organisations, allowing them to accommodate more staff on a single level, thereby providing for greater connectivity and efficiency.

7.0 Public Benefits

Council's Report:

Council's Report dated 4/2/2019 states that:

"It is noted that both Significant Sites 1 and 2 are unable to include or provide a public benefit in the form of open space. Both sites are not directly adjoining any open space, nor have the Draft 2036 Plans or supporting studies proposed any new open spaces for them." (Council report page 17)

Response:

In recognition of the changes sought to the LEP by the Planning Proposal, in accordance with Section 7.4 of the *Environmental Planning and Assessment Act 1979*, Grocon intends to enter into a Voluntary Planning Agreement (VPA with Council. The general nature and extent of the public benefit offer is set out as follows:

- Five percent of the gross floor area (GFA) of the residential component of the development will be maintained by the proponent as affordable / key worker housing. All affordable dwellings will be leased to affordable / key workers for a minimum period of ten (10) years. The proponent will manage these properties in accordance with the relevant guidelines and register them on title.
- A monetary contribution based on an uplift of 10,193 sqm GFA. In line with recent VPAs made by Council, this planning agreement proposes to offer \$1,300 per sqm of uplift. Based on the current proposal, this equates to \$13,251,030 in contributions towards Council's public plaza, laneway connections (Christie Lane) as well as the underground connection to St Leonards station and other public domain works.

We also note that any development would be subject to both the Special Infrastructure Contribution and section 7.11 contributions, both of which would contribute towards local and regional open space, transport upgrades and community facilities.

8.0 Lack of Jobs Focus

Council's Report:

Council's Report dated 4/2/2019 states that:

"... the recent approval of the JQZ development will add a further 19,000+ m2 of A-Grade commercial office floor space and 10,000+ m2 of new retail floor space (including a supermarket) to the local commercial market."

Given the significant additional growth and demand for commercial office floor space in the North Shore and local area; coupled with a supply deficit caused by continued conversion of stock to residential, it is unclear how further conversion of existing commercial sites to mixed use sites can be justified or even warranted at all. It is made even more unsupportable by the fact that the main focus of the North District Plan for St Leonards and Crows Nest appears to be on employment and jobs growth with new residential growth secondary, and not at the expense of constraining ongoing operations and expansion of commercial and retail activities." (Council Report page 18)

Response:

The above statements are disingenuous in many respects.

First, our research (see Urbis EIA 2018) shows clear market evidence of a decline in demand for commercial office floor space in St Leonards over the last 10-15 years. The growth demand for commercial office floorspace actually applies to other areas within the North Shore, i.e. Macquarie Park, North Sydney and Chatswood. This is clearly set out in Urbis's EIA (2018) (See **Appendix I** on page 19 of this submission) attached to Grocon Planning Proposal.

Secondly, JQZ's development does not demonstrate an increase in the demand for commercial office floorspace in St Leonards. Providing commercial floor space on that site was a requirement of Council to progress the rezoning to B4 Mixed Use. In fact, the reason that the JQZ-site was rezoned in the first place, was that the Part 3A approval for a new A-grade commercial office redevelopment of that site, proved to be commercially unviable and was abandoned due to lack of demand.

Thirdly, the Draft 2036 Plan nominates minimum non-residential FSR controls for a number of mixed-use sites between St Leonards and Crows Nest stations. The purpose of this is to encourage A-grade commercial office floor space in the area and to prevent the loss of existing commercial floor space, as required by the Minister's Direction

as set out in Section 117 Direction 1.1. As demonstrated by the Grocon Planning Proposal, future development on the site would be consistent with this Direction, and would increase (rather than decrease) the amount of employment-generating floor space on the site.

9.0 Timing of Additional Mixed-Use Development

Council's Report:

Council's Report dated 4/2/2019 states that:

"Its acknowledged that the Plan's 20 year timeframe is a considerable time period, beyond the normal time horizon for an LEP. It is therefore proposed that the Plan include a review period after 10 years to evaluate the impact of the Metro and enhanced public domain and commercial centre's revitalisation due to Council's 'pilot' projects in St Leonards. In terms of timing, Council's final 'pilot' project is expected to be constructed between 2021 – 2022, with the St Leonards over-rail plaza to be constructed and completed around about the same time. The Metro project is also scheduled for delivery in 2024 and Council's letter from the Greater Sydney Commission confirms that Council's housing approach (i.e. 'pilot' projects and St Leonards South) can satisfy (and potentially exceed) a 6-10 year target which finishes in 2026." (Council Report page 19)

Response:

The Housing Targets established by the GSC are exactly that – targets. They are not a cap.

Objective 10 (Greater housing supply) of the GSC's 'A Metropolis of Three Cities' seeks "ongoing housing supply and a range of housing types". This proposal is for an desirable tenure type, being Build to Rent, thus providing housing diversity and choice, with a timeframe for development completion being some years following the rezoning and DA process.

A key component of the Plan is housing in the right locations, supported by infrastructure. In the case of St Leonards, there is no more 'infrastructure-rich' location in Australia with the expected Metro Rail project. This makes it ideally suited to additional housing and employment, as envisaged by the Grocon Planning Proposal.

Applying the GSC target as a hard cap on housing is a short-sighted approach to metropolitan strategic planning, and is also a subversion of one of the key intents of A Metropolis of Three Cities, which is to encourage additional housing within 30 minutes of employment centres.

10.0 Connectivity

Council's Report:

Council's Report dated 4/2/2019 states that:

"In order to support this Precinct's role as a Strategic Centre overall connectivity will need to be improved, to accommodate growth ideally prior to the delivery of the Crows Nest Metro Station. Council has previously expressed concerns about the Plan's lack of connectivity particularly across major roads such as Pacific Highway and River Road." (Council Report page 20)

Response:

The Grocon Planning Proposal provides a great and immediate opportunity to improve connectivity around the St Leonards Station Precinct. A pedestrian tunnel under the Pacific Highway currently provides pedestrian access to the Site from St Leonards Station and The Forum. Access to St Leonards Station is also currently achieved at-grade, via several signalised pedestrian crossings over the Pacific Highway. It is anticipated that new development at the Site will improve pedestrian access north-south across the Pacific Highway.

As part of the Crows Nest Metro Station redevelopment at Hume Street and Pacific Highway, it is anticipated that pedestrian connections to the new Metro Station south of the Site will also be greatly improved.

Other future development at neighbouring sites will also substantially increase pedestrian connectivity in the area. Mirvac's St Leonards Square development (borne out of the Charter Hall/Leighton Planning Proposal) and 88 Christie Street (JQZ Site) will both provide substantial public domain and include pedestrian linkages in the immediate vicinity of the Site. As illustrated in **Figure 2** below, the Proposal aims to enhance these attributes and

further improve connectivity from the southern side of Pacific Highway to both the existing and new stations, as well as facilitate local pedestrian access to the new high-amenity commercial and retail offerings of the neighbouring developments.



Figure 2 Enhanced Pedestrian Links at and around the Site due to PP

Source: PTW

To seek to maintain the 'status quo' at the Grocon Site will leave this key site undeveloped, with linkages lost and pedestrian amenity and connections in its current unimproved state.

11.0 Overshadowing

Council's report:

Council's Report dated 4/2/2019 states that:

"As detailed earlier in the report, the Actions and Recommendations in the Draft 2036 Plan related to solar access controls (on page 49) which seek to 'minimise overshadowing of key open spaces, public places and adjoining residential areas' do not align. This is because separate advice from the NSW Government Architect testing these controls (see AT-6) has confirmed that they have not been tested against the State Government's Apartment Design Guide.

This also affects the solar height planes (shown in Figure 11 on page 26).

While the objective to minimise overshadowing impacts of the built form on public open space is considered fundamental to place-making it must have also have regard to other factors and achieve a reasonable and balanced outcome. In this regard, some of the Land and Environment Court solar access principles can provide greater guidance on how to achieve a balanced outcome.

...

*Although not mentioned in the Court's principles, **another consideration that needs to be given to the type of open space that is being overshadowed.** Comments from the facilitated workshop, suggested current provisions be extended so that buildings are not overshadowing a park when children use it to play after school hours (it is assumed this means from 3pm until sunset) – but this would need to be considered against other matters."* (Council report pages 23-24)

Response:

We agree with Council's statement that consideration needs to be given to the type of open space that is being overshadowed. Grocon Planning Proposal demonstrates that the Proposal will add a small and passing amount of shadowing to the northern part of Newlands Park between 10am-10.45am on June 21. The shadow cast by the building would move off Newlands Park before 11am. This is considered acceptable **the use and quality of the open space** and the period and amount of shadowing for the shortest day of the year. Significantly, this is further offset by the fact that the northern part of Newlands Park is:

- already occupied by large trees, which already shadow most of this area;
- a narrow neck of land, less useable than the remaining parts of the park; and
- less utilised than the southern parts of the park that contain picnic facilities and play equipment (see **Figure 3**).

It is for all of the above reasons that the minor impacts to Newland Park by the Grocon Planning Proposal are considered appropriate and acceptable on amenity impact grounds.



Figure 3 Northern part of Newlands Park at 10 am on June 21 (looking south from northern tip of park)

Source: Google

As part of the Grocon Planning Proposal, PTW undertook an analysis of the amount of existing overshadowing already affecting Newlands Park between 10:00 am and 11:00 am on June 21. The analysis includes a review of the number of large trees (and hence existing overshadowing) affecting each part of the park. The analysis is shown at **Figure 4**.

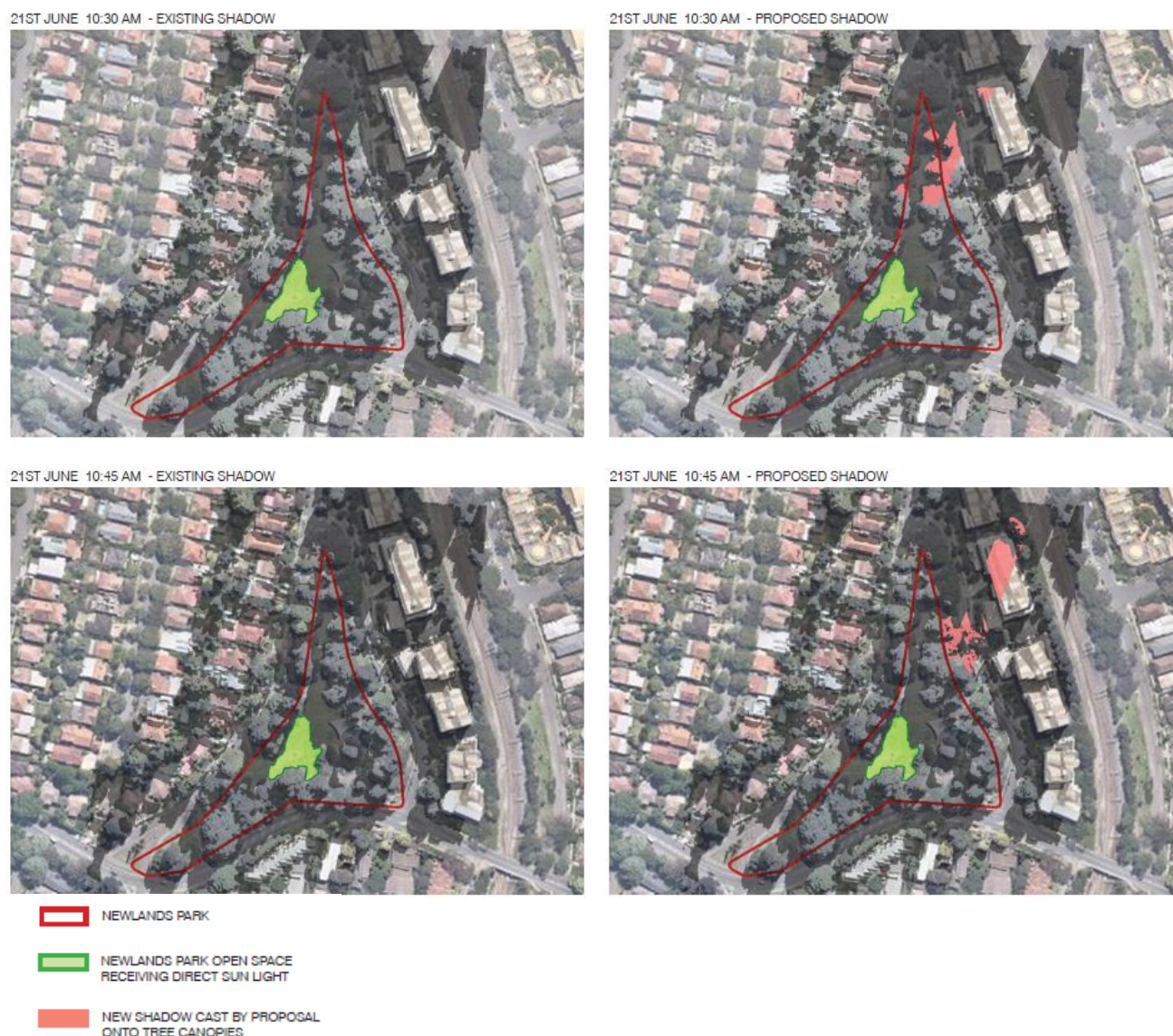


Figure 4 Overshadowing analysis of Newlands Park

Source: PTW

On June 21, at the proposed height of 195 m, development of the Telstra Exchange site would overshadow Newlands Park to a minimal degree between approximately 10:00 am and approximately 10:45 am on June 21. However, the following points are noted:

- The proposed height limit has been set to limit overshadowing to this wooded and heavily overshadowed area of the park, without significantly impacting the main area of wider open space in the central area of the park
- The shadow moves extremely quickly – any given part of the park is only shadowed for approximately 15 minutes before the shadow has moved to the east.
- No part of the park is shadowed by the proposed development beyond 11:00 am – therefore, the shadow impacts last less than one hour on June 21.
- The impacts lessen as the year moves towards spring and summer – meaning that the impacts are limited to only a few months of each year in the depths of winter, during a time where local residents would be less likely to utilise the open space in any case.
- Between 10:15 and 10:30, when the overshadowing impacts to Newlands Park are most pronounced, the entirety of the shadow falls on wooded areas that are normally heavily overshadowed by trees in any case (see

Error! Reference source not found. and Error! Reference source not found.). As a result, the proposed height limit would not result in any significant additional overshadowing of areas that are not already either overshadowed by vegetation or existing/approved development.

- The middle area of the park – the open area least affected by existing development or overshadowing from existing vegetation – is not affected at all on June 21 by the proposed height limit.
- The east-west profile of the building is extremely slender and minimises the extent of overshadowing.
- Use of the park between 10:00 am and 11:00 am in mid-winter is likely to be extremely limited, particularly in the northern section of the park. The more important period of solar access is from 11:00 am to 2:00 pm, consistent with sun access controls in the current Lane Cove Development Control Plan.

Further, the Proposal has been considered against and is consistent with the Land and Environment Court's planning principles for solar access set out in *The Benevolent Society v Waverley Council* [2010] NSWLEC 1082, referred to in Council's report. **Table 1** below responds to the L&E Court solar access principles that relate to public open space.

Table 1 Consideration of Grocon Planning Proposal against L&E Court Solar Access Principles

L&E Court Solar Access Principles	Assessment of Grocon Planning Proposal
The ease with which sunlight access can be protected is inversely proportional to the density of development. At low densities, there is a reasonable expectation that a dwelling and some of its open space will retain its existing sunlight. However, even at low densities, there are sites and buildings that are highly vulnerable to being overshadowed. At higher densities sunlight is harder to protect and the claim to retain it is not as strong.	St Leonards is a high-density Planned Precinct and the Grocon Planning Proposal responds to the Draft 2036 Plan's identification of the Site as a Significant Site by proposing additional height and density close to existing and future public transport nodes. Despite this, the Proposal has a minimal overshadowing effect on public open space on the shortest day of the year and will not impact on the quality and use of that space in any material way.
The amount of sunlight lost should be taken into account, as well as the amount of sunlight retained.	The Grocon Planning Proposal will only affect a small part of Newlands Park on the shortest day of the year. Sunlight is retained throughout the year including winter, to more than 98% of Newlands Park which will be unaffected by the proposal.
Overshadowing arising out of poor design is not acceptable, even if it satisfies numerical guidelines. The poor quality of a proposal's design may be demonstrated by a more sensitive design that achieves the same amenity without substantial additional cost, while reducing the impact on neighbours.	The proposed minor overshadowing of Newlands Park has not arisen through poor design; rather, it has arisen due to a desire to locate housing and employment uses in the centre of the St Leonards Precinct, where height is most appropriate and is most in line with the height vision as set out by the 2036 Plan.
Overshadowing by fences, roof overhangs and changes in level should be taken into consideration. Overshadowing by vegetation should be ignored, except that vegetation may be taken into account in a qualitative way, in particular dense hedges that appear like a solid fence.	Existing trees already cast substantial shadow over the northern part of Newlands Park. The Grocon Planning Proposal therefore does not affect the quality and useability of the space in the small area affected.

12.0 Consideration of Planning Proposals

Council's Report:

Council's Report dated 4/2/2019 states that:

"A key issue for the community and Council is certainty. If the 2036 Plan is to retain its creditability through its 20-year life span, it should not be undermined by one-off site-specific planning proposals which are not in accordance with the 2036 Plan. To be clear and consistent it is suggested that the Draft 2036 Plan state: "Only Planning Proposals supported or initiated by councils be considered during the life of the Plan"." (Council report page 24)

Response:

The Draft 2036 Plan is unlikely to be undermined by individual planning proposals. As Council is aware, a planning proposal must demonstrate strategic merit (Department of Planning and Environment, *A Guide to Preparing Planning Proposals*, page 5). This means that it must *"give effect to the relevant regional plan outside of the Greater Sydney Region, the relevant district plan within the Greater Sydney Region, or corridor/precinct plans applying to the site, including any draft regional, district or corridor/precinct plans released for public comment."* (*A Guide to Preparing Planning Proposals*, page 12).

The Grocon Planning Proposal is consistent with the Draft 2036 Plan. Council will continue to have the responsibility of assessing planning proposals for land within the Lane Cove LGA. As part of this assessment, Council will consider whether a proposal demonstrates strategic merit and will resolve whether or not to allow the proposal to proceed through the Gateway process. If Council is concerned about the Draft 2036 Plan being undermined, it can address this during its own assessment of individual planning proposals against the provisions of the Draft 2036 Plan.

13.0 Mix of Housing Types

Council's Report:

Council's Report dated 4/2/2019 states that:

"The Draft Local Character Statement for St Leonards/Crows Nest (AT-15) values, "a mix of housing types, sizes and price points provided to meet a diverse population in the area". The Draft 2036 Plan responded by "Allowing for increased residential density in the most accessible parts of the area" (AT-5, 2018: page 28).

It is acknowledged that a range of housing types is to be provided. However, this needs to be applied to the entire St Leonards and Crows Nest Precinct area and not just one portion. Currently different types of housing are spread throughout the entire precinct in existing mixed use; and low, medium and high-density residential zones.

Response:

Grocon Planning Proposal will greatly facilitate (rather than hinder) the provision of mixed-housing tenure in St Leonards. Importantly, the planning proposal will facilitate development of the site under a build-to-rent model.

The Proposal will facilitate a mixed-use development that will provide approximately 366 residential units. The units will have a variety of sizes, configurations and bedroom numbers and will be suitable for a range of residents, including singles, couples and families. Indicatively, the future development could accommodate the following dwelling mix:

- 30% 1 bedroom;
- 65% 2 bedroom;
- 5% 3 bedroom.

Further, the apartments will not be sold – rather, they will be placed on the rental market, thereby enhancing the area's rental stock. This is a long-term proposition via a build-to-rent (BTR) model. The BTR model will support the growing local rental market by providing a building that will be specifically designed for renters. This is especially that the build-to-rent allows a more bespoke residential offering that provides additional amenity catering for long-term renters. These would not normally be provided in a standard strata-subdivided building.

As discussed in **Section 2.0**, Grocon's build-to-rent Program (named Home Residential) will benefit government and the community through:

1. Providing diversity of housing choice, project viability earlier and at lower price points than off-the-plan sales
2. Improving security and length of tenancy for residents
3. Incentivising long-term owner to design quality integrated communities that have a feeling of their own community, with satisfied tenants
4. Incentivising sustainability, liveability and good design as single long-term owner benefits from innovation
5. Creating jobs during construction and operation (directly and indirectly)
6. Providing Australian version of a familiar asset class for national and international investors including superannuation funds
7. De-risking capital intensive home building at scale, such as urban renewal precincts, through wholesale ownership, especially useful during downturns

8. Providing additional housing supply that is not reliant on presales or typical developer finance enabling the development to commence as soon as approvals are obtained.

Given its Build-to-Rent credentials, the Site will greatly contribute to improving the housing mix at St Leonards, in the medium and long term.