

13 December 2019

Dear Sir/Madam

Subject: 166 EPPING ROAD LANE COVE PLANNING PROPOSAL (LANE COVE COUNCIL PLANNING PROPOSAL 36) – ECONOMIC RESPONSE TO COUNCIL COMMENTS

This letter seeks to revisit the findings of the aforementioned Planning Proposal (PP) and respond (from an economic perspective) to the issues provided by Council in not supporting the application. This letter should be read in conjunction with the accompanying Review Request prepared by Ingham Planning and only responds matters 1; 2; 7; 8 and 10 detailed below.

1. *The Planning Proposal is not consistent with Objective 23 (and Action 11) of the Greater Sydney Commission's, 'A Metropolis of Three Cities' which is to preserve and manage industrial and urban services land.*

Objective 23 is irrelevant in relation to the subject site because the existing use (a commercial office building) is non-conforming and because the site would never be redeveloped to an alternative and conforming use. Redevelopment to a conforming use is not financially viable given that the value of the existing building is greater than the value of a redeveloped site and given the costs of demolition, design and construction and the like. By adding residential use and increasing height and density the PP will enable a viable redevelopment.

Further to the above the site has poor attributes for IN2 complying uses including:

- **Poor Connectivity:** Industrial developments usually require good access to highways with two entry points. Rail and freight lines are also desirable. The site has only one small access point via a slip road connecting to Epping Road. This access is further constrained by only having only left in / left out access from Epping Road.
- **Topography:** Industrial developments usually require level ground with good soil conditions that allow drainage. The site topography reveals an angled slope towards the river which is not ideal for large industrial floor plates. The site costs are likely to make any IN2 use prohibitively high.
- **Environment:** The surrounding environment is one of dense vegetation and water courses. The Lane Cove River is used by recreational fishermen, student rowers and the occasional swimmer. This would place stringent requirements on the type of industry that could locate there. Manufacturing and many engineering and service industries would be contentious because of the potential for increased amounts of run off and pollution.
- **Compatible uses:** The site is adjacent to the large scale residential development by Meriton named Arise which may compromise future IN2 Light industrial uses on site. Any IN2 use would need to demonstrate low impacts on adjoining residential amenity.

On this basis we believe that the PP therefore does not undermine the aims and intents of the Greater Sydney Commission policy and DLSPS (in relation to protecting urban services or future urban services). On the

contrary it will make a positive contribution towards meeting the objects of the EPA Act, namely, promoting the orderly and economic use and development of land.

- 2. The Planning Proposal is not consistent with the following aspects of the North District Plan:**
- a. Planning Priority N11 which is to retain and manage industrial & urban services land.**
 - b. Principles for managing industrial and urban services land.**
 - c. Action 46 which is to retain and manage industrial and urban services land and preventing conversion of the land to residential development, including mixed use zonings.**

For the same reasons given above, we consider the PP is not inconsistent with this North District Plan.

- 7. The rezoning of the site to permit residential land uses would compromise future IN2 Light Industrial uses in the precinct and would likely result in land use conflicts with surrounding industrial properties.**

As discussed above the site is adjacent to the large-scale residential development by Meriton which may compromise future IN2 Light industrial uses on site. Moreover, the Meriton development demonstrates that no land use conflict from residential uses is likely occur from the PP.

In terms of impacting surrounding industrial properties/ precinct the nearest industrial precinct is Lane Cove West Business Park located 250 m south of the site which has separate access from Sam Johnson Way. As such the site is well removed from the core industrial precinct and lacks the benefit of any associated economies of agglomeration re-accentuating its unbecomingness for industrial uses.

Finally as stated above the subject site would never be redeveloped only for IN2 compatible uses given the costs of redevelopment the lower end values.

- 8. The Planning Proposal actually reduces the amount of employment floorspace to less than the current maximum permissible FSR of 1:1 – thus resulting in a net loss of employment floor space. This will restrain future employment growth in a potential reduction of commercial floorspace and associated employment density/yield.**

The Planning Proposal would result in a net increase in floorspace for employment uses (from the current uses on site) as well as job potential. A mixed use development would also create additional demand for local services.

Nevertheless we understand that the applicant has agreed to increase the minimum non-residential FSR from 0.9:1 to 1:1 to address this concern.

- 10. The subject site is isolated from social and community infrastructure, both existing and planned, as it is not located within an accessible commuting distance of a strategic or local precinct.**

This is not correct as the site is within a 30 minute bus/train ride of Strategic Centres: Macquarie Park; North Ryde; Chatswood; and St Leonards as well as the CBD and Lane Cove town centre. This makes it accessible to a wide range of community and social infrastructure (and also makes it consistent with the Greater Sydney Commission policy, district plan and DLSPS).

The site is also in close proximity to local social and community infrastructure including:

- Educational establishments Mowbray Public School and Lane Cove West Public School;
- Medical services including Royal North Shore Hospital (one of NSW's largest public hospitals providing an extensive range of surgical and medical services for patients in Northern Sydney region and

surrounding suburbs as well as being a major teaching hospital), North Shore Private and Macquarie Hospital;

- Recreational uses such as the Lane Cove River, Lane Cove National Park, Chatswood Golf Course, Rotary Athletics Field, Lane Cove gymnastics Club and Pumphouse Lane Cove Bushwalk; and
- The site is part of a network of bushland trails that link many recreational opportunities.

Proximity to these amenities makes the site both a suitable and desirable location to live. This is evidenced by prices buyers are willing to pay for the apartments.

In providing further justification for the provision of residential dwellings on the subject site, there are a few other locational factors for consideration. These include the following:

- The Planning Proposal is in close proximity (a 30 minute bus/train ride) to some of Sydney's largest employment precincts including Sydney CBD, Macquarie Park, North Ryde, Chatswood and St Leonards.
- The Planning Proposal will also provide a visual and physical connection to the river. Improving the community's access to open spaces and waterways which will in turn provide a number of positive social and health benefits for the community.
- The subject site is in close proximity to the Lane Cove commercial centre. Increased residential densities within the local area would increase the potential for the centre to capture additional retail expenditure, increasing its viability;
- Access to urban amenities is strongly related to the desirability of an area and is a key aspect in contributing to the liveability of a built environment. The Planning Proposal includes commercial uses (including a café/restaurant) to service the new and existing residents in the locality. As such residents on site will benefit from access to strong amenities provided on and within the vicinity of the site (i.e. The Village Lane Cove) which will increase the desirability of Lane Cove as a place to live and work.

On this basis we consider the Planning Proposal is consistent with relevant strategic and statutory planning controls and will facilitate the development of additional commercial floorspace on the subject site. The PP will support a more vibrant and diversified precinct with higher employment densities and will have a number of positive benefits for the surrounding area including increased employment and economic activity during both the construction and post-construction phases.

Finally the current zoning of the land effectively prevents any achievable redevelopment of the site. It does not protect urban services given that such uses do not exist on the site. Nor does it protect future urban services as it that will never be a viable option. On the other hand the PP will provide a viable option for the redevelopment of the site that will potentially provide more employment in a modern premises. It meets the objects of the EPA Act in promoting the orderly and economic use of the land over and above the current planning controls.

Yours sincerely,



Adrian Hack

Principal, Urban and Retail Economics

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

Adrian.Hack@hillpda.com