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20th January, 2021

The General Manager
Willoughby City Council
PO Box 57
Chatswood NSW 2057

Attention: Mr Craig O'Brien - Strategic Planner

Dear Mr O'Brian,

282-284 Victoria Avenue, Chatswood - Economic Impact Assessment
Landowner request to Initiate the preparation of a Planning Proposal to amend the Willoughby Local Environmental Plan 2012

We refer to the above premises and the Landowner request to Initiate the preparation of a Planning Proposal to amend the Willoughby Local Environmental Plan 2012. Please find enclosed Economic Impact Assessment prepared by Hill PDA dated January 2021. Such assessment makes a number of salient points with respect to the expected economic benefits associated with the redevelopment of the subject site as suggested by the planning proposal. In this regard, Hill PDA state that:

Development in accordance with the Planning Proposal would potentially increase employment on the site by 278 jobs representing a 39% increase from that already provided onsite.

State strategies give impetus to the need to create housing and employment opportunities. This is evident in the Regional and District Plans, which emphasise the need to increase the productivity of the Eastern City and Northern District through growth and investment support. Meeting this need requires increased housing in centres, close to centres and close to public transport. Specifically, these two documents identify the following targets:

- *1,250 additional dwellings across the LGA between 2016-21 (250 per annum)*
- *6,300 to 8,300 additional jobs in Chatswood Strategic Centre by 2036.*

Evidently, the Planning Proposal would provide additional housing stock in proximity to existing and proposed rail and bus nodes and hence contribute to delivering a 30-minute city. It would further increase appropriate employment within Chatswood Strategic centre,

contributing to its employment targets and creating a more vibrant and attractive centre, increasing the viability and productivity of the centre and businesses.

Hill PDA questions the ability to deliver the required housing under current planning controls and state that:

.....additional capacity of 5,000 dwellings, even with the identified planning amendments, is questionable given the mixed-use area identified in the Strategy has several constraints to redevelopment viability. These constraints are

(1) the presence of medium-high density strata buildings and the difficulties and cost in negotiating with multiple owners

(2) the requirement and costs associated with amalgamating sites and

(3) the allocation of at least FSR 1:1 of the floorspace to non-residential purposes outside the prime retail area.

This economic impact assessment finds that in all probability house targets will not be met resulting in a significant undersupply in housing. In fact the Economic Impact Assessment states that:

....it is estimated that Willoughby will fall short of its dwelling targets by 2026 by between 1,638 and 3,321 dwellings.

As such, additional supply will likely be required for Willoughby to meet its dwellings targets. Retaining the potential for shop top housing within Area 3 along Victoria Avenue as identified in Clause 4.1B and 31 in Schedule 1 of the Willoughby LEP 2012 would increase the potential for additional dwellings in the CBD and LGA as such, its retention should be considered.

Hill PDA supports the Planning Proposal as it would enable the development of additional housing, commercial floorspace and employment generation over the Subject Site which is located in an area identified by the DPIE for mixed-use development. The redevelopment of the site as envisaged would achieve with a 39% increase in employment onsite.

The economic benefits of redevelopment of the subject site in line with the planning proposal are significant. The Planning Proposal would provide:

- *\$19m in salaries for the 278 workers on the Subject Site; and*
- *contribute \$25m in Gross Value Added every year.*

Furthermore, it is argued that the, *design and construction would generate additional economic activity in the local economy (+\$135m) and jobs (+300 job years directly and indirectly in the Willoughby LGA).*

The Planning Proposal currently before the Council has the potential to significantly contribute to housing supply and economic vitality and is worthy of further careful consideration. We encourage the officers of the Council to carefully review its content. It is argued that the Planning Proposal is

worthy of Council's support and should be referred to the NSW Department of Planning, Industry and Environment for Gateway Determination.

Should you have any further queries in relation to this matter, please do not hesitate to contact me on 0415 292 789 or via email at tony@aplusdg.com.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Leung' in a cursive style.

Tony Leung

CEO + Founder

Aplus Design Group