

**From:** [Matthew Daniel](#)  
**To:** [Stephen Clements](#)  
**Cc:** [James Matthews](#); [council@strathfield.nsw.gov.au](mailto:council@strathfield.nsw.gov.au)  
**Subject:** RE: PP2018.1 - Revised Letter of Offer Homebush.  
**Date:** Tuesday, 17 May 2022 12:47:01 PM  
**Attachments:** [Contributions Report - Loftus Cres, Homebush - FINAL - 17-5-22.pdf](#)  
[image001.png](#)

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Dear Stephen

Please find attached the additional report which is the updated to reflect the revised better planning outcome report and the Draft VPA.

We look forward to advice on the next steps and as always please feel free to contact us if we can be of any assistance.

Kind regards

Matthew

**Pacific Planning**  
**Property | Project Management | Planning**

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**From:** Matthew Daniel  
**Sent:** Friday, 13 May 2022 9:00 AM  
**To:** Stephen Clements <[stephen.clements@strathfield.nsw.gov.au](mailto:stephen.clements@strathfield.nsw.gov.au)>  
**Cc:** James Matthews <[jmatthews@pacificplanning.com.au](mailto:jmatthews@pacificplanning.com.au)>; [council@strathfield.nsw.gov.au](mailto:council@strathfield.nsw.gov.au)  
**Subject:** RE: PP2018.1 - Revised Letter of Offer Homebush.

Hello Stephen

I trust your week has gone well. Please find attached the following items:

1. Draft VPA ( we have used a template based off the more recent legislation requirements and guides).

2. Revised cl 9.1 Better Planning Outcome report.

As discussed in the below email we will also provide the council a revised economics reports.

Please note one item that will require further discussion as we progress to the exhibition of the VPA is the need to bed down the mechanism to ensure the value of the affordable housing equals \$5 million.

Accordingly, we will be drafting a clause to deal with this in the future. One way this might work is:

- The Landowner may identify a selection of units in the Development (**Units for Dedication**). – (We propose this as we are not yet clear the specific uses of each building precisely such can only be finalised in the DA process. Some of the matters of allocation, dwelling type will also be guided by the social impact analysis report which will travel with the future DA).
- Council and the Landowner will jointly instruct an independent valuer to value the Units for Dedication.
- Taking into account the findings of the valuation, the Landowner may:
  - Add additional unit(s) to the Units for Dedication if required.
  - Remove unit(s) included in the Units for Dedication to ensure the Contribution meets \$5 million.
- Any shortfall between the value of the Units for Dedication and \$5 million is to be paid in cash within an agreed timeframe.

If the team would like to have any discussion on this or any other aspects of the project we look forward to discussion. We look forward to the progression of the report to the SLPP and working with you and the team further to progress the PP to the gateway.

Many thanks

Matthew

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**From:** Matthew Daniel  
**Sent:** Wednesday, 11 May 2022 6:22 PM  
**To:** Stephen Clements <[stephen.clements@strathfield.nsw.gov.au](mailto:stephen.clements@strathfield.nsw.gov.au)>  
**Cc:** James Matthews <[jmatthews@pacificplanning.com.au](mailto:jmatthews@pacificplanning.com.au)>  
**Subject:** RE: PP2018.1 - Revised Letter of Offer Homebush.

Hi Stephen

I hope you are having a good week.

I am glad to advise we have finalised the draft VPA and the revised s9.1 direction report to support the better planning outcome. There are some very minor changes to the VPA I have asked CBP lawyers to make and this will be back to me tomorrow. We look forward to submitting these to you tomorrow as a package for review.

Please note at this time we are also updating the economics report to adjust to the changed dedication proposal, however, it is noted this is not as vital for the SLPP process as is the VPA and the s 9.1 report. We will however have that submitted to you in the coming days.

Kind regards

Matt

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**From:** Matthew Daniel  
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**Cc:** James Matthews <[jmatthews@pacificplanning.com.au](mailto:jmatthews@pacificplanning.com.au)>  
**Subject:** RE: PP2018.1 - Revised Letter of Offer Homebush.

**Importance:** High

Dear Stephen

Thank you for your and your staff time today at the SSLEP meeting.

We note the advice from the panel today to defer the item to the next meeting of the SSLEP. We agree with the panel that the deferral is the best course of action at this time.

We understand this deferral recommendation from the SSLP is to assist us as applicants to work with council staff to update our documentation in the PP application to align with the recent offer to the council from the applicant on behalf of the landowner on public benefit. We note which revised in a letter to the Acting General Manager late yesterday prior to the meeting of the SSLP.

To assist you with your staff resources over the coming days I can confirm we will be providing to council the following updated documents:

1. A revised section 9.1 report supporting the better planning outcome include the proposed dedication of property to council to assist council achieve the aims of its draft housing strategy and LSPS.
2. We will progress a draft planning agreement deed to council that provides a proposed legal structure to facilitate the delivery of the public benefits.

We look to have this back to council by next Wednesday and we would as required welcome any further discussions or meetings with you and your staff.

Kind regards

Matthew

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**From:** Stephen Clements <[stephen.clements@strathfield.nsw.gov.au](mailto:stephen.clements@strathfield.nsw.gov.au)>  
**Sent:** Wednesday, 4 May 2022 9:21 PM  
**To:** Matthew Daniel <[mdaniel@pacificplanning.com.au](mailto:mdaniel@pacificplanning.com.au)>  
**Subject:** Re: PP2018.1 - Revised Letter of Offer.

Thank you Daniel

I will advise the panel chair of the proposed VPA offer at tomorrow meeting and advise you of their decision after the public hearing

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**From:** Matthew Daniel <[mdaniel@pacificplanning.com.au](mailto:mdaniel@pacificplanning.com.au)>  
**Sent:** Wednesday, May 4, 2022 9:15:32 PM  
**To:** Strathfield Municipal Council <[council@strathfield.nsw.gov.au](mailto:council@strathfield.nsw.gov.au)>  
**Cc:** Joseph Gillies <[joseph.gillies@strathfield.nsw.gov.au](mailto:joseph.gillies@strathfield.nsw.gov.au)>; Lily Parker <[lily.parker@strathfield.nsw.gov.au](mailto:lily.parker@strathfield.nsw.gov.au)>; Anthony Hewton <[anthony.hewton@strathfield.nsw.gov.au](mailto:anthony.hewton@strathfield.nsw.gov.au)>; Stephen Clements <[stephen.clements@strathfield.nsw.gov.au](mailto:stephen.clements@strathfield.nsw.gov.au)>; James Matthews <[jmatthews@pacificplanning.com.au](mailto:jmatthews@pacificplanning.com.au)>  
**Subject:** PP2018.1 - Revised Letter of Offer.

Dear Acting General Manager

Please find attached a letter of Offer for PP2018.1 which is being considered tomorrow by the SSLP prior to consideration by the meeting of council.

Kind regards

Matthew Daniel

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# The Economic Benefits of the Proposed Contributions for Development Of Land At Loftus Crescent, Homebush

## 2022 UPDATE

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FINAL – Prepared for Pacific Planning

by PPM Economics and Strategy

Date: 16 May 2022

**COMMERCIAL – IN – CONFIDENCE**

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trading as  
PPM Economics and Strategy  
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## Executive Summary

Pacific Planning has commissioned PPM Consulting in August 2018 to provide an assessment of the economic benefits of the contributions that the proponent could offer Strathfield Municipal Council. This report provides an update to that report, including for indexation and the benefit items (PPM Consulting is now trading as PPM Economics and Strategy).

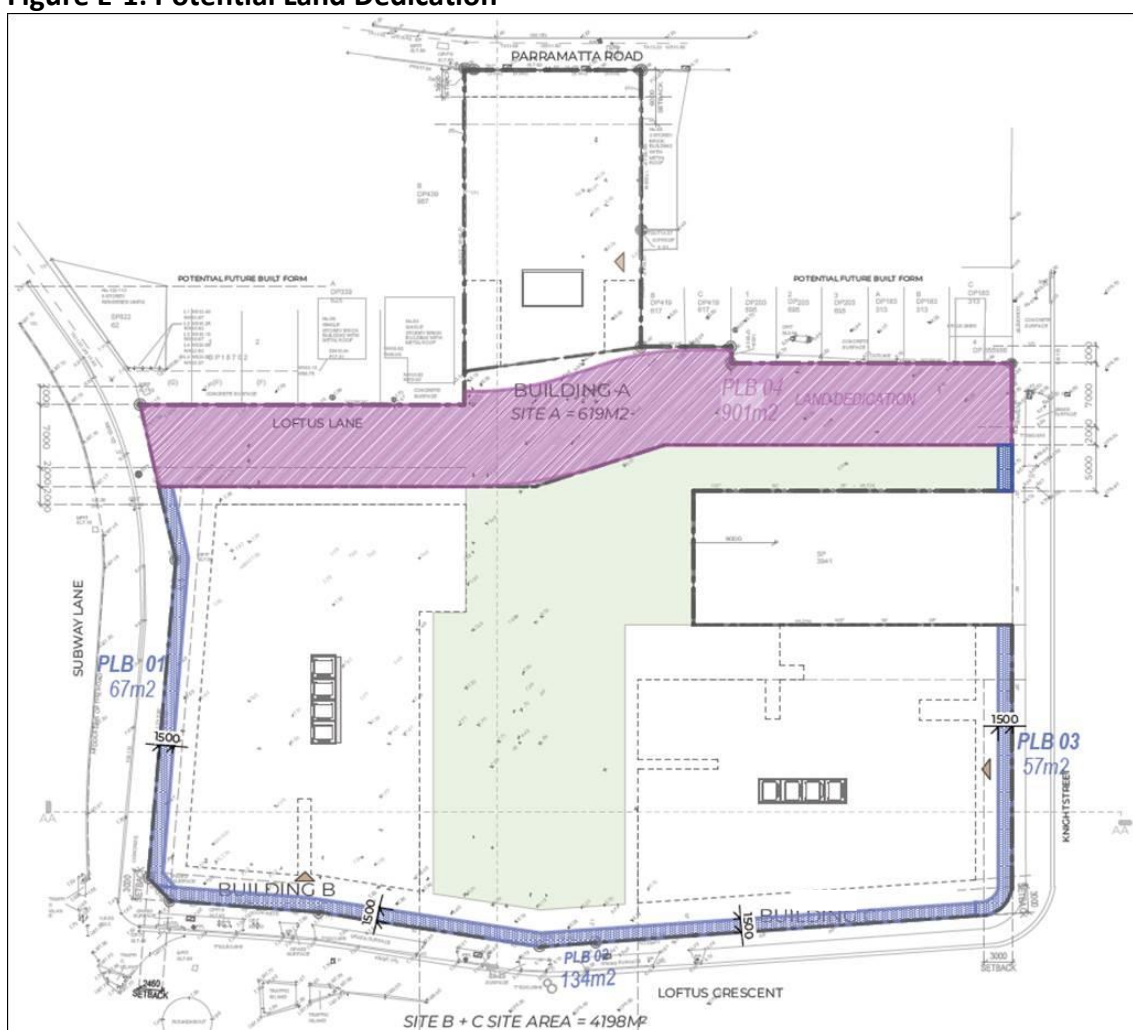
The development site is land located at 10-16 Loftus Crescent, 2 Subway Lane, 88-92a Parramatta Road and 9-11 Knight Street, Homebush, New South Wales.

As part of a better planning outcome, the proponent could offer Strathfield Municipal Council and the state government the following:

- a new laneway intersecting the site
- dedicated of land to facilitate additional parking in Loftus Street, the provision of a dedicated on-road bicycle lane and improved footpath
- the dedication of affordable housing
- bus shelter upgrade in Parramatta Road.

The potential land dedications are shown on Page 29 of the Urban Design Report by Aleksandar Design Group, and are shown in Figure E-1 and summarised in Table E-1.

**Figure E-1: Potential Land Dedication**



Source: Aleksandar Design Group

The Economic Benefits of the Proposed Contributions for Development Of Land At Loftus Crescent, Homebush

Page 3

**Table E-1: Potential Land Dedication – Areas**

Identifier	Area (m <sup>2</sup> )
PLB 01	67
PLB 02	134
PLB 03	57
Land Facilitating Parking, Cycleway and Footpath (PB01+PB02+PB03)	258
PLB 04	901

Source: Aleksandar Design Group

Note that PLB 01, PLB 02 and PLB 03, identified in Figure E-1 and Table E-1, are the land parcels around the site that could be dedicated to facilitate additional parking bays, cycle lane and footpath, which could total 258m<sup>2</sup>.

Part of the site is presently zoned for a floor space ratio (FSR) of 1.7:1 and part is 2:1. The proposal seeks to increase the FSR 7:1. The Parramatta Road Corridor Urban Transformation Strategy for the area identifies a 5:1 FSR for the whole site. However, an FSR of 7:1 can be achieved via the public benefits provided. At 5:1 only the statutory levies would be provided; no additional public benefits would be provided.

Required s94 contributions have been estimated at just over \$7.2 million for the development at an FSR of 5:1.

At an FSR of 7:1, the value of the contributions is estimated to be 3 times the contributions at 5:1, at a total of \$21.4 million, as shown in Table E-2.

**Table E-2 – Total Contributions**

	5:1	7:1
S94	7,234,931	10,128,904
Loftus Lane – Land Dedication		4,730,202
Facilitation of Parking, Cycleway and Footpath – Land and Construction		1,505,116
Affordable Housing		5,000,000
Bus Shelter		25,000
Total Contributions	7,234,931	21,389,222

## Introduction

The subject site is located at 10-16 Loftus Crescent, 2 Subway Lane, 88-92a Parramatta Road and 9-11 Knight Street, Homebush, New South Wales, in the Strathfield Municipality. The site is approximately 150 metres from Homebush train station, which is to the east. Aleksander Design Group has prepared the Urban Design Report (UDR) on behalf of the proponent. This report draws extensively from the UDR.

The site is 5,765m<sup>2</sup> in total. Part of the site is presently zoned for a floor space ratio (FSR) of 1.7:1 and part is 2:1. The proposal seeks to increase the Floor Space Ratio (FSR) 7:1. The Parramatta Road Corridor Urban Transformation Strategy for the area identifies a 5:1 FSR for the whole site. However, an FSR of 7:1 can be achieved via the public benefits provided. At 5:1 only the statutory levies would be provided; no additional public benefits would be provided.

It is proposed to construct three buildings, one 21 storeys in height and two 25 storeys in height, with a gross floor area of proposed residential apartments of 40,306m<sup>2</sup>. The total number of units proposed is 481 over the three buildings, at a floor space ratio (FSR) of 7:1. It is proposed that there will be retail/commercial space on the podium level of the complex, totalling a gross floor area of 1,278m<sup>2</sup>.

The alternative scenario is a building with an FSR of 5:1. To enable comparison, it has been estimated that this would create a development approximately 71 per cent of the preferred building mass, and would comprise 344<sup>1</sup> apartments and 913m<sup>2</sup> of retail/commercial space.

The proposed characteristics of the development, at FSRs of 5:1 and 7:1 are shown in Table 1.

**Table 1: Proposed Site and Building Characteristics**

	FSR of 5:1*	FSR of 7:1
<b>1 Bedroom (no.)</b>	93	130
<b>2 Bedrooms (no.)</b>	229	320
<b>3 Bedrooms (no.)</b>	22	31
<b>Total Bedrooms (no.)</b>	344	481
<b>Retail (m<sup>2</sup>)</b>	913	1,278
<b>Land Size (m<sup>2</sup>)</b>	5,765	5,765
<b>Residential GFA (m<sup>2</sup>)</b>	27,877	39,028
<b>Retail GFA (m<sup>2</sup>)</b>	913	1,278
<b>Total GFA (m<sup>2</sup>)</b>	28,790	40,306

\* Scaled at 71 per cent of massing at 7:1, or 5/7 of the scheme at 7:1

Source: Aleksander Design Group, PPM Economics and Strategy

Pacific Planning commissioned PPM Consulting in August 2018 to provide an assessment of the economic benefits of the contributions that the proponent could offer Strathfield Municipal Council as part of a better planning outcome associated with an FSR of 7:1. This is an update to that report (PPM Consulting is now trading as PPM Economics and Strategy).

The base levies are based on the required s94 Direct Contributions set out in the Strathfield Local Environmental Plan (LEP), and indexed to the March quarter 2022<sup>2</sup>.

Figure 1 shows the proposed ground floor plan, showing the lane, park and pedestrian/cycling upgrades and dedications.

**Figure 1: Proposed Ground Floor Plan**



Source: Aleksandar Design Group

The potential land dedications are shown on Page 29 of the Urban Design Report, and are shown in Figure 2 and summarised in Table 2.

**Figure 2: Potential Land Dedication**



Source: Aleksandar Design Group

**Table 2: Potential Land Dedication – Areas**

Identifier	Area (m <sup>2</sup> )
PLB 01	67
PLB 02	134
PLB 03	57
Land Facilitating Parking, Cycleway and Footpath (PB01+PB02+PB03)	258
PLB 04	901

Source: Aleksandar Design Group

Note that PLB 01, PLB 02 and PLB 03, identified in Figure E-1 and Table E-1, are the land parcels around the site that could be dedicated to facilitate additional parking bays, cycle lane and footpath, which could total 258m<sup>2</sup>. It should be further noted that the parking bays and cycle lane are on council land, but will be facilitated by the land dedication.



## 7.11 Contributions (Formerly s94 Contributions)

Strathfield Municipal Council has a Direct Development Contribution policy for Section 94 for 2010-2030. The policy is as follows:

*Development that creates additional dwellings (including secondary dwellings, granny flats, dual occupancy and multi-unit development) or net additional industrial, retail, commercial or tourism floorspace will be subject to levies under the s94 Plan. The Strathfield LGA is divided into precincts. Different levies apply to each land use within each precinct.*

The subject development is within Precinct 3, as shown at Figure 3.

**Figure 3: Strathfield Municipal Council Development Contribution Precincts**



Source: Strathfield Municipal Council

Under the policy, the levies highlighted in Table 3 apply.

**Table 3: Section 94 (7.11) Contribution Rates, September 2017**

Precinct									
Bedrooms	1	2	3	4	5	6	7	8	9
1 or less (\$)	10,264.36	11,577.41	13,176.91	11,084.90	10,056.45	10,057.48	10,056.45	9,697.23	9,697.23
2 (\$)	14,827.77	16,775.67	19,091.55	16,032.02	14,619.85	14,620.88	14,619.85	14,260.64	14,260.64
3 (\$)	18,345.01	20,000.00	20,000.00	19,838.08	18,102.10	18,104.16	18,102.10	17,683.19	17,683.19
4+ (\$)	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Retail/m <sup>2</sup>	138.95	161.60	602.13	507.43	138.95	138.95	138.95	138.95	138.95
Commercial/m <sup>2</sup>	255.26	297.46	509.49	423.03	255.26	255.26	255.26	255.26	255.26

Source: STRATHFIELD DIRECT S94 CONTRIBUTIONS PLAN Indexed Contributions Rates September Quarter 2017 CPI

These rates have been indexed by the Consumer Price Index (All Groups Sydney Index) for Sydney, as provided for in the Table of Rates, September Quarter 2017<sup>3</sup>. The CPI is shown in Table 4. The CPI has increased by 9.96 per cent over the period between the September quarter 2017 and the March quarter 2022.

**Table 4: Consumer Price Index (All Groups Sydney Index) for Sydney**

Quarter	Year	Index
June	2016	109.3
September	2016	110.4
December	2016	110.9
March	2017	111.3
June	2017	111.7
September	2017	112.5
December	2017	113.3
March	2018	113.6
June	2018	114.0
September	2018	114.7
December	2018	115.2
March	2019	115.1
June	2019	115.9
September	2019	116.5
December	2019	117.1
March	2020	117.4
June	2020	114.7
September	2020	116.8
December	2020	118.0
March	2021	118.5
June	2021	119.4
September	2021	120.2
December	2021	121.6
March	2022	123.7

Source: ABS Consumer Price Index, Australia

Table 5 shows the indexed rates to March 2022, using September 2017 as the base period.

**Table 5: Section 94 (7.11) Contribution Rates, March 2022**

Precinct									
Bedrooms	1	2	3	4	5	6	7	8	9
1 or less (\$)	11,286.23	12,730.01	14,488.74	12,188.46	11,057.63	11,058.76	11,057.63	10,662.64	10,662.64
2 (\$)	16,303.96	18,445.78	20,992.22	17,628.10	16,075.34	16,076.47	16,075.34	15,680.37	15,680.37
3 (\$)	20,171.36	21,991.11	21,991.11	21,813.07	19,904.26	19,906.53	19,904.26	19,443.65	19,443.65
4+ (\$)	21,991.11	21,991.11	21,991.11	21,991.11	21,991.11	21,991.11	21,991.11	21,991.11	21,991.11
Retail/m <sup>2</sup>	152.78	177.69	662.08	557.95	152.78	152.78	152.78	152.78	152.78
Commercial/m <sup>2</sup>	280.67	327.07	560.21	465.14	280.67	280.67	280.67	280.67	280.67

Source: Strathfield Municipal Council Section 94 Direct Contribution Rates, ABS Consumer Price Index, Australia, PPM Economics and Strategy

Table 6 outlines the approximate Section 94 contributions for the development at an FSR of 5:1 and 7:1.

**Table 6: Section 94 (7.11) Contributions at FSR of 5:1 and 7:1**

	5:1			7:1		
	Amount	Levy	Total	Amount	Levy	Total
<b>1 Bedrooms (no.)</b>	93	14,488.74	1,345,383	130	14,488.74	1,883,537
<b>2 Bedrooms (no.)</b>	229	20,992.22	4,798,222	320	20,992.22	6,717,510
<b>3 Bedrooms (no.)</b>	22	21,991.11	486,946	31	21,991.11	681,724
<b>Retail (m²)</b>	913	662.08	604,380	1,278	662.0753867	846,132
<b>Total Levies (\$)</b>			7,234,931			10,128,904

Source: Strathfield Municipal Council Section 94 Direct Contribution Rates, Aleksander Design Group, PPM Economics and Strategy

As can be seen, the levies at an FSR of 5:1 would be approximately \$7.2 million, and the levies at 7:1 would be approximately \$10.1 million.

Strathfield Municipal Council's s94A Plan applies to any development within the Strathfield Local Government Area that is not subject to the Direct (s94) Plan. We also understand that no Special Infrastructure Contribution would be applicable to the development. Therefore, no further levies would apply to the development.

.



## New Laneway

It is proposed that a new laneway intersecting the site would be built and dedicated, and allowing the eastwards continuation of Loftus Lane.

The land dedicated for the laneway would total 901m<sup>2</sup>.

It is assumed that land in this locality would be worth approximately \$5,250<sup>4</sup>/m<sup>2</sup>.

Therefore, the value of the land contribution of the laneway would be \$4.7 million, as shown in Table 7.

**Table 7: Value of Land Contribution for Proposed Laneway**

	Total
Lane Area (m <sup>2</sup> )	901
Land Value (per m <sup>2</sup> )	5,250
Total Land Contribution (\$)	4,730,202

Source: Aleksander Design Group, PPM Economics and Strategy

The lane will also provide some (unquantified) economic benefits, by:

- allowing access to basement parking, rather than off Parramatta Road, Loftus Street, Knight Street or Subway Lane
- providing a loading dock within the development, removing the need for trucks accessing the site to park along Parramatta Road, Loftus Street, Knight Street or Subway Lane.

Furthermore, the eastwards extension of Loftus Lane would encourage the further eastwards extension of Loftus Lane (possibly as far as the railway line). Extending Loftus Lane presents properties facing Parramatta Road redevelopment opportunities which would not otherwise be approved by Roads and Maritime Services (RMS) because without it, they would directly access Parramatta Road. The extension of Loftus Lane allows access to the properties along Parramatta Road without needing to access it directly, which should satisfy RMS and enable them to ban direct access to Parramatta Road while enabling redevelopment to occur. It is hard to place a dollar value on the value of redevelopment of blocks further east of the subject site, but it is likely that it would be in the tens of millions of dollars.

<sup>4</sup> The market value of the land is unknown at the time of writing this report. A land owner would value the land at its current market value, rather than the Valuer-General's valuation, as that ensures that the land owner is compensated for the full value of the land. \$5,250/m<sup>2</sup> has been assumed as a reasonable value of land in the area, based on recent sales. It does not represent an intention to value the land. The actual value of the land will be determined in the negotiation between the purchaser and the vendor. To the extent that this is more or less than \$5,250/m<sup>2</sup>, the value of the public benefits will be more or less.

## Land Dedication Facilitating Parking, Cycle Lane and Footpath

It is proposed to dedicate some of the land on the site to facilitate the creation of six new parking spaces on the northern side of Loftus Street (the southern boundary of the site), an on-road cycle lane and a wider footpath for pedestrians. The land dedicated could total 258m<sup>2</sup>.

It is assumed that land in this locality would be worth approximately \$5,000/m<sup>2</sup>.

Therefore, it is estimated that the value of the land contribution of the new parking bays and the bicycle lane would be \$1.4 million, as shown in Table 8.

**Table 8: Estimated Value of Land Contribution to Facilitate Additional Parking, Cycle Lane and Footpath**

	Total
Lane Area (m <sup>2</sup> )	258
Land Value (per m <sup>2</sup> )	5,250
<b>Total Land Contribution (\$)</b>	<b>1,354,486</b>

Source: Aleksander Design Group, PPM Economics and Strategy

In addition to the land value, the proponent would create the parking bays in Loftus Street. Table 9 shows the estimated cost to the developer of creating the six additional parking bays.

**Table 9: Estimated Cost of Building Six Additional Parking Bays in Loftus Street**

	Total
Parking Bays (no.)	6
Cost per Bay (\$)	15,000
<b>Total Estimated Cost (\$)</b>	<b>90,000</b>

Source: Aleksander Design Group, PPM Economics and Strategy

Also in addition to the land value, the cycle lane and footpath need to be created and landscaped. Table 10 shows the estimated cost to the developer of creating the cycleway and footpath.

**Table 10: Estimated Cost of Building Cycle Lane in Loftus Street, Including Landscaping**

	Total
Cycleway Length	172
Concrete Width	1.5
Concrete Depth	0.1
Cost of Concrete	350
Estimated Cost of Path	9,030
Landscaping	51,600
<b>Total Land</b>	<b>258.0</b>
<b>Total Estimated Cost (\$)</b>	<b>60,630</b>

Source: Aleksander Design Group, PPM Economics and Strategy

Taking concrete to cost \$350 per cubic metre, a 172m long, 1.5 metre wide cycleway (with a depth of 0.1 metres) would cost \$6,914. Landscaping would also be required and it is estimated that this would cost around \$200 per square metre, totalling \$60,630.

The total cost of the land contribution and parking lane, cycle lane and footpaths works is estimated to be a little over \$1.5 million. This is shown in Table 11.

**Table 11: Total Contribution For Additional Parking Bays, Cycle Lane and Footpath**

	<b>Total</b>
<b>Land Contribution</b>	1,354,486
<b>Construction of Parking Bays</b>	90,000
<b>Construction of Cycleway and Landscaping</b>	58,514
<b>Total Land and Building Setback Contribution</b>	<b>1,505,116</b>

Source: Aleksander Design Group, PPM Economics and Strategy

## Dedication of Affordable Housing

In an interview in March 2017, the Planning Minister reinforced the government's housing strategy was a priority and would be framed around the principles of affordability, choice and growth.

In developing this strategy, the Minister suggested that extra dedicated affordable housing units could be encouraged by allowing developers to build higher, such as allowing developers to build two additional storeys on their developments, with one dedicated to affordable housing.

The better planning outcome proposes such a bonus incentive provision. Where a density of 7:1 is achieved, a dedication of affordable housing to Council is proposed. The contribution is the number of one-bedroom apartments to the value \$5,000,000, including any residual due to rounding whole apartments. This achieves the Governments objectives to facilitate housing affordability, choice and growth.

"Affordable Housing" is housing offered at below market rent, essentially for key workers. Generally it is offered at 80 per cent of the going market rent for the area, with criteria for who can rent them.

Affordable housing is generally dedicated to a Community Housing Provider (CHP). The CHP can either own and manage the apartments, or manage the apartments on behalf of an owner.

Recent sales suggest a one-bedroom unit in the vicinity of Loftus Street has a market value of \$500,000<sup>5</sup>. Stamp duty on this would be \$17,805, making a total purchase price of \$517,805.

Table 12 outlines the contribution in apartments at the market price, plus stamp duty

**Table 12: Uplift Contributions as Affordable Housing**

Storeys	5:1	7:1
Cash value of contribution (\$)	0	5,000,000
Value of apartments (\$)	517,805	517,508
Number of apartments at market value (no.)	0	9.7
Rounded Down (no.)	0	9
Residual Cash Contribution (\$)	0	339,560

Source: Realestate.com.au, NSW State Treasury, PPM Economics and Strategy

Council would obtain 9 one-bedroom units that could be dedicated to a Community Housing Provider. The developer would also pay \$340,000 in cash as there is a residual cash amount from the number of apartments.

## Bus Shelter

It is expected that, as part of the Parramatta Road Corridor Urban Transformation Study, that new and improved bus services will run along Parramatta Road. There is currently a bus stop (with no shelter) adjacent to the development site.

A new bus shelter could be incorporated into the site frontage along Parramatta Road which is connected to the new north-south pedestrian link through the site.

The proponent has offered to build a bus shelter on behalf of Council and Transport for NSW on Parramatta Road, adjacent to the development.

No land would be dedicated to the bus stop, as it would be built on land that is currently owned by Strathfield Municipal Council (as footpath).

It is likely that, with labour and materials, the bus shelter would cost the proponent around \$25,000 to build.

## Total Benefits and Conclusion

As part of a better planning outcome, the proponent could offer Strathfield Municipal Council the following:

- a new laneway intersecting the site, totalling 901m<sup>2</sup>
- 258m<sup>2</sup> of land dedicated to facilitate increased parking in Loftus Street, the provision of a dedicated on-road bicycle lane and improved pedestrian facilities
- \$5 million worth of affordable housing
- a bus shelter upgrade in Parramatta Road.

Table 13 details the total economic benefits of all four additional components, and compares it to the scenario where only s94 contributions are paid at an FSR of 5:1.

Total land and building dedication is estimated to be \$21.4 million. This compares with the \$7.2 million estimated with s94 contributions alone at an FSR of 5:1.

**Table 13: Total Benefit**

Total Benefits	5:1	7:1
<b>S94</b>	7,234,931	10,128,904
<b>Loftus Lane – Land Dedication</b>		4,730,202
<b>Facilitation of Parking, Cycleway and Footpath – Land and Construction</b>		1,505,116
<b>Affordable Housing</b>		5,000,000
<b>Bus Shelter</b>		25,000
<b>Total Benefits</b>	7,234,931	21,389,222

The benefits at 7:1 have been estimated to exceed the benefits at 5:1 by over \$14 million.

At an FSR of 7:1, the value of the land dedications and buildings are estimated to be 3 times that for a development at 5:1 where only the statutory levies are contributed.

As can be seen, the public benefit items as part of a better planning outcome are estimated to be significant.

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