



**LEGACY**PROPERTY

20 July 2020

The General Manager  
North Sydney Council  
PO Box 12  
NORTH SYDNEY NSW 2056

Dear General Manager,

## **SUBMISSION TO DRAFT CIVIC PRECINCT AND SURROUNDS PLANNING STUDY**

### **1. INTRODUCTION**

Legacy Property is a Sydney based residential property developer and we have been a long-standing investor in the North Sydney LGA.

This submission presents our response to the Draft Civic Precinct and Surrounds Planning Study (Draft Study) and particularly our response in relation to Legacy Property's site located at 253-267 Pacific Highway, North Sydney (Site), which is recognised as a significant site in the study.

We congratulate North Sydney Council on the exhibition of the Draft Study and thank Council for the opportunity to provide comments on this important planning document.

### **2. EXECUTIVE SUMMARY**

The Draft Study provides a clear vision and framework to support and enhance the unique character of this precinct. Legacy Property supports the role of the precinct to provide 'breathing' space between the key centres of North Sydney and St Leonards, and the suite of actions proposed in the Draft Study.

However, the Draft Study only identifies a limited number of sites that can support meaningful uplift to deliver residential and commercial floor space, largely due to the constrained nature of the precinct. In this context, Legacy Property believes that those sites need to be optimised to take advantage of the inherent opportunities in this precinct, particularly around the new metro station, and to support the creation of a vibrant fringe to the CBD.

We have separately expressed our concerns to North Sydney Council about its ability to meet forecast housing targets and strongly believe that the development potential of key sites within the Draft Study should be increased to meaningfully contribute to future housing supply.



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Fundamentally, the Draft Study does not provide sufficient value uplift on the Legacy Property Site to support the amalgamation and redevelopment of the existing properties. The Draft study contemplates a development outcome with an FSR of 3.6:1, however independent economic assessment prepared by Atlas Urban Economics indicates that a minimum FSR of 5:1 is required to enable a viable redevelopment of the Site with some modest public benefits.

Legacy Property notes that the Atlas analysis indicates a 5:1 FSR will result in a 12% increase from the existing value of the properties; this is a relatively small uplift given the cost and risk involved with amalgamating five existing properties and undertaking a redevelopment of the Site.

This submission provides two options for achieving a viable redevelopment of the Site as illustrated by the architectural drawings in Attachment 1:

1. A design approach generally in accordance with the massing principles proposed in the Draft Study.
2. An alternative design approach that can deliver a significant new public open space (280sqm). This unique public domain outcome is achieved by consolidating floor space on the southern portion of the Site.

We believe that the alternative design approach represents an outcome that strongly responds to the principles and actions proposed in the Draft Study.



### 3. GENERAL RESPONSE TO DRAFT CIVIC PRECINCT AND SURROUNDS PLANNING STUDY

#### 3.1 Aspects we Support

Legacy Property is broadly supportive of all principles identified in the Draft Study. We also note that the following objectives of the Draft Study are directly relevant to our Site, and particularly our alternative design proposal:

- Identify possible improvements in the public domain, including pedestrian linkages, wayfinding, new public open space and improved amenity
- Explore appropriate opportunities to review building height and density within the precinct in light of the introduction of improved access to public transport
- Explore opportunities to deliver public benefit within, or on the periphery of, the study area as a result of the redevelopment proposals

Legacy Property is pleased that Council has identified the link between realising public benefit and achieving development, however as noted below we believe that the Draft Study has the potential to undermine this objective because of a lack of uplift on key sites.

#### 3.2 Areas of Concern

##### a) Vision statement is too narrow

The Draft Study states that the vision for the precinct is:

*The Civic Precinct will be a modern, connected, and attractive Civic & Educational Campus with a strong network of pedestrian links and open spaces, a low-scale village feel, and a leafy appearance.*

While this encapsulates key elements of the precinct, Legacy Property is concerned that it is too heavily focused on civic and educational functions, and ignores other key roles of the precinct – namely, supporting a broad range of housing opportunities and providing a vibrant fringe to the CBD. These elements are fundamental and should be reflected in the overarching vision.

##### b) The study does not provide meaningful additional housing opportunities

Limited opportunities for development are identified in the precinct due to the broad range of constraints, including heritage and existing uses.

The Draft Study includes an Action to “Develop the Pacific Highway into a medium density-scale environment with increased amenity”, however most proposed building heights are the same as currently permitted in the LEP (4 storeys), meaning there is no incentive to redevelop existing buildings.



In fact, the Draft Study imposes an increase in the non-residential FSR in this area without increasing overall density, meaning there is potentially a disincentive to redevelop due to the lower value of non-residential floor space. This approach also means that there is potential for a loss of housing on some sites if redevelopment does occur as contemplated by the Draft Study.

Legacy Property is concerned that Council's approach will result in limited redevelopment activity and compromise its ability to deliver additional housing.

We are aware that the Greater Sydney Commission has recently requested evidence that Council can deliver 3,000-3,500 dwellings over the 2022-2026 period, while Council's Local Housing Strategy identifies potential for only 2,835 dwellings. The Draft Study provides Council with an ideal platform to make up for its shortfall in housing over the 2022-2026 period and capitalise on the area's proximity to the upcoming Victoria Cross Metro Station.

### **c) Limited redevelopment could undermine CPASPS objectives**

The Draft Study approach to building heights across the precinct is expected to result in limited redevelopment activity and, as a consequence, have the potential to undermine a number of the Draft Study's objectives. Due to the high value of existing buildings in the area, in many cases proposed height limits are expected to result in limited or no value uplift, meaning it is not feasible for redevelopment to occur and therefore not possible to fund and deliver many of the public benefits contemplated in the study, including:

- New open spaces
- Public domain improvements
- Pedestrian linkages
- Affordable housing
- Community spaces
- Additional jobs

### **3.3 Recommendations**

Legacy Property recommends that Council should:

- Amend the vision statement to incorporate reference to a diversity of housing opportunities and the precinct's role to provide a vibrant fringe to the CBD.
- Review proposed housing targets in the Draft Study area in response to the GSC's requirement for increased housing supply over the 2022-2026 period
- Undertake feasibility assessment to support the Draft Study, and make this publicly available, to ensure that redevelopment is commercially feasible and is realised in order to provide additional housing and contribute to public benefits as contemplated in the Draft Study.
- Maximise the opportunity for additional housing on key sites through increased heights
- Consider the inclusion of bonus floor space incentives to support provision of public benefits and design excellence.





#### 4. DETAILED RESPONSE TO LEGACY PROPERTY SITE – 253-267 PACIFIC HIGHWAY

Legacy Property is pleased that the Draft Study recognises the potential role of the Site as a southern transition to the CBD and its merit for increased height. However, the level of uplift and proposed design guidelines mean that redevelopment of the Site is not commercially viable in the form contemplated by the Draft Study.

This section provides a detailed response on the Site that outlines the key issues and provides alternative design approaches that will allow a viable redevelopment of the Site.

##### 4.1 Economic Viability of Redevelopment

Fundamentally, the Draft Study only provides for an FSR of 3.6:1 which does not provide sufficient value uplift on the Site to support the amalgamation and redevelopment of existing properties.

Legacy Property engaged Atlas Urban Economics (Atlas) to undertake an independent feasibility assessment (provided at Attachment 2) and this demonstrates that a minimum FSR of 5:1 is required for the consolidated Site to support a viable redevelopment with a modest public benefit offer.

Atlas assessed the total value of the five existing properties at \$26.4 million, noting that this does not reflect any premium associated with achieving an amalgamation. The analysis indicates that a total GFA across the site of at least 7,335 sqm, representing an FSR of 5:1, would result in a 12% value uplift to \$29.3 million and allow for some modest public benefits to be delivered.

Description	Scenario 1 (4.5:1)	Scenario 2 (5.0:1)	Scenario 3 (5.5:1)
Site Area (sqm)	1,467	1,467	1,467
Total GFA (FSR)	6,602 (4.5:1)	7,335 (5:1)	8,069 (5.5:1)
Site Value @ \$4,000/sqm	\$26,400,000	\$29,300,000	\$32,300,000
Feasible for Development?	Yes	Yes	Yes
Feasible for Development <b>and</b> Public Benefit?	No	Yes	Yes

Source: Atlas Urban Economics

While the analysis suggests that 4.5:1 results in a feasible development outcome, this only supports the value (\$26.4M) of the existing buildings and does not reflect any premium for the cost associated with amalgamating five existing properties, nor provide for the delivery of any public benefits. Atlas (pg. 2) notes that 'For redevelopment to be feasible to pursue, the Site's value as a development site needs to not only exceed its value in existing use but provide an incentive for a redevelopment to displace the existing uses.'

Legacy Property notes a 12% increase from the existing value of the properties is a relatively small uplift given the cost and risk involved with amalgamating five existing properties and undertaking a redevelopment of the Site.



## 4.2 Summary of Proposed Guidelines

The following table summarises Legacy Property's position on the proposed guidelines for development of the Site:

Guidelines	Legacy Response
The site should be developed in two separate buildings, one on each side of the heritage item	Not supported as this creates an inefficient development and isolates the heritage item
The northern building should relate to the built form north of the site and have a maximum height of 5 storeys with a 3 storey streetwall	Generally supported
The southern building should relate to the built form south of the site towards the CBD and transition from 10-12 storeys with a 3 storey podium	The transition approach is supported however there is opportunity for additional height
The heritage item will be preserved and adequate separate around it provided. This separation should allow for a pedestrian passageway either side of the heritage item with space for activation. Adaptive reuse of the heritage item is encouraged	Preservation of the heritage item is supported, but the proposed separation is not supported
Future development should provide a 3 storey podium in alignment with the rest of the streetscape and also in alignment with the height of the heritage item	Generally supported
Podiums should be fully commercial with commercial or residential uses above	This level of prescription is not support – the proposed design should respond to the minimum non-residential FSR
Future development cannot overshadow the open spaces of the education facilities located on the western side of Pacific Highway	This wording is excessively broad and requires more clarity on: <ul style="list-style-type: none"><li>• Defining areas of sensitivity</li><li>• Hours of impact</li><li>• Recognition of existing shadows from trees, shade structures etc</li></ul>
An adequate transition to the conservation area to the east should be provided in the form of a podium with significant setbacks above.	Generally supported
Provide an additional 1.5 metre whole building setback along Pacific Highway	Not supported due to the impact on efficient building design and limited public domain benefit that results.
Minimum non-residential FSR of 1:1	Supported



### 4.3 Detailed Response to Proposed Guidelines

#### a) Development of the site into two separate buildings

Legacy Property has been engaging with Council about this Site since 2017. In early discussions, Council indicated that amalgamation of the Site was highly desirable to allow for an integrated development response. The Draft Study now proposes that the Site should be developed in two separate buildings, seemingly contradicting the previous advice from Council.

This approach is not considered to represent an optimal response for the consolidated Site because it creates challenges including:

- Significant inefficiencies due to the requirement for separate lobby access, lift cores, fire stairs, servicing and car park entrances
- Requirement for ADG building separation between the two 'parts' of the Site
- Compromised floor plates on each part of the Site

On a standalone basis, it is not viable to replace the existing modern 2 storey office building at 267 Pacific Highway that is currently built to boundary, with a 5 storey building with substantially reduced floorplate sizes as proposed.

#### b) Pacific Highway Setbacks

The Draft Study requires provision of a 1.5 metre ground level setback and a further 3 metre setback above the podium on the Pacific Highway frontage.

In broad terms, achieving a consistent setback along the Pacific Highway corridor is unrealistic given that a significant number of properties along Pacific Highway are either heritage listed or highly constrained, meaning this outcome will not be realised.

In practical terms, applying this setback on the Legacy Property Site would result in the heritage item protruding forward of the building line, which is a flawed and impractical outcome to contemplate as it would displace the heritage item and disturb the accepted pedestrian flow around it. Heritage advice from NBRS Architecture and Weir Phillips (see Attachment 3) strongly supports the conclusion that this is not an appropriate heritage outcome.

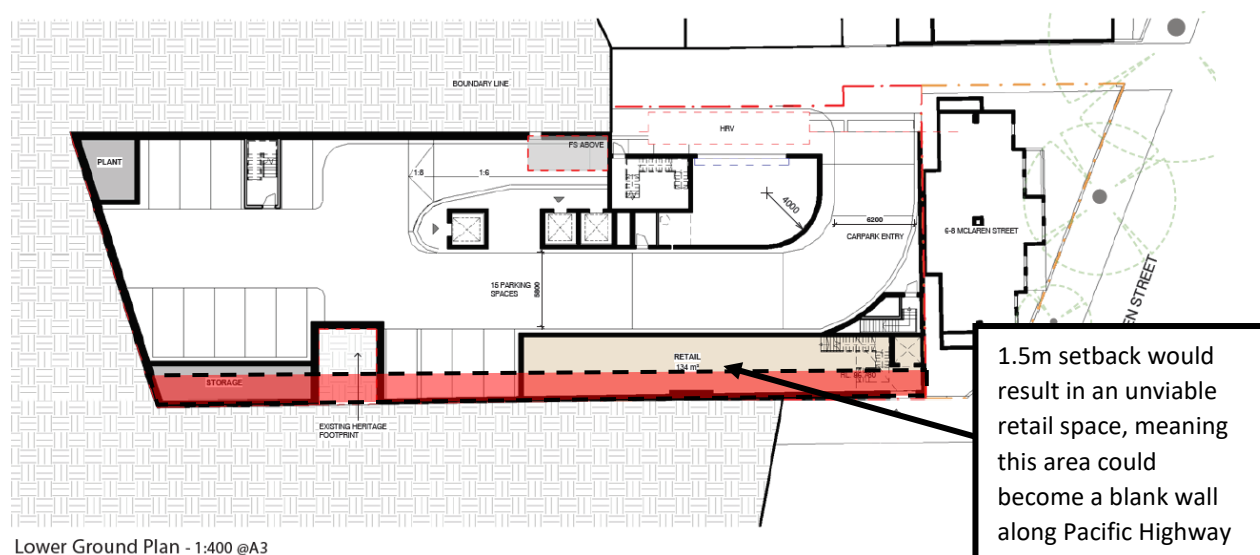
Further, the impact of this setback is significant for achieving a functional design and will considerably compromise the potential for ground level activation when the requirements for basement access and circulation are considered (see Figure 1 overleaf).

The additional 3 metre setback above the podium level proposed in the Draft Study would result in a building only 13 metres wide whereas efficient towers are typically 20 metres wide to allow double-loaded corridors. Analysis by PTW Architects has shown that the proposed setbacks would result in only 300m<sup>2</sup> of floor space per level and compromised apartment layouts (see Figure 2 overleaf).



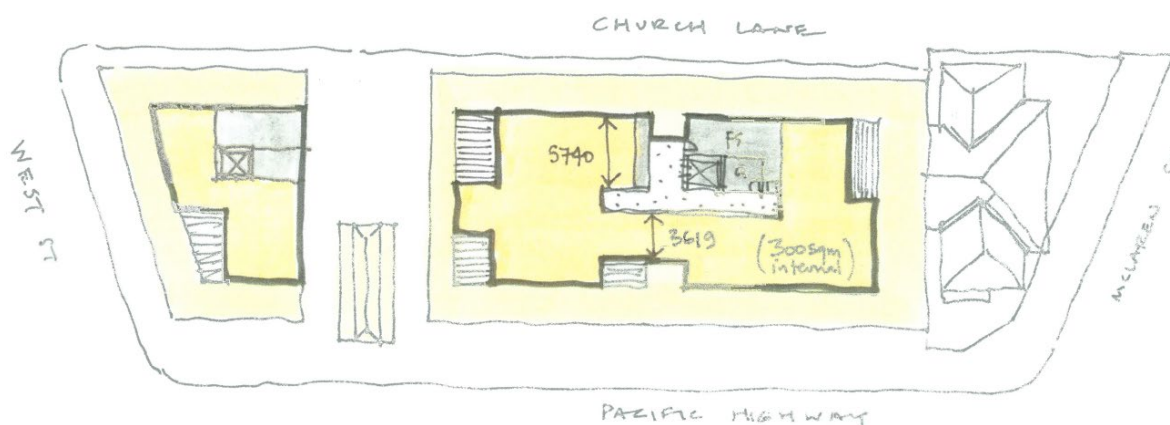
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Figure 1: Indicative impact of proposed setbacks on Pacific Highway retail



Source: Legacy Property Planning Proposal, September 2018

Figure 2: Building envelope based on Study guidelines



Source: PTW Architects



### c) Treatment of heritage item at 265 Pacific Highway

The Draft Study proposes that the heritage item at 265 Pacific Highway should be treated as a standalone building incorporating passageways on either side and a rear plaza on Church Lane.

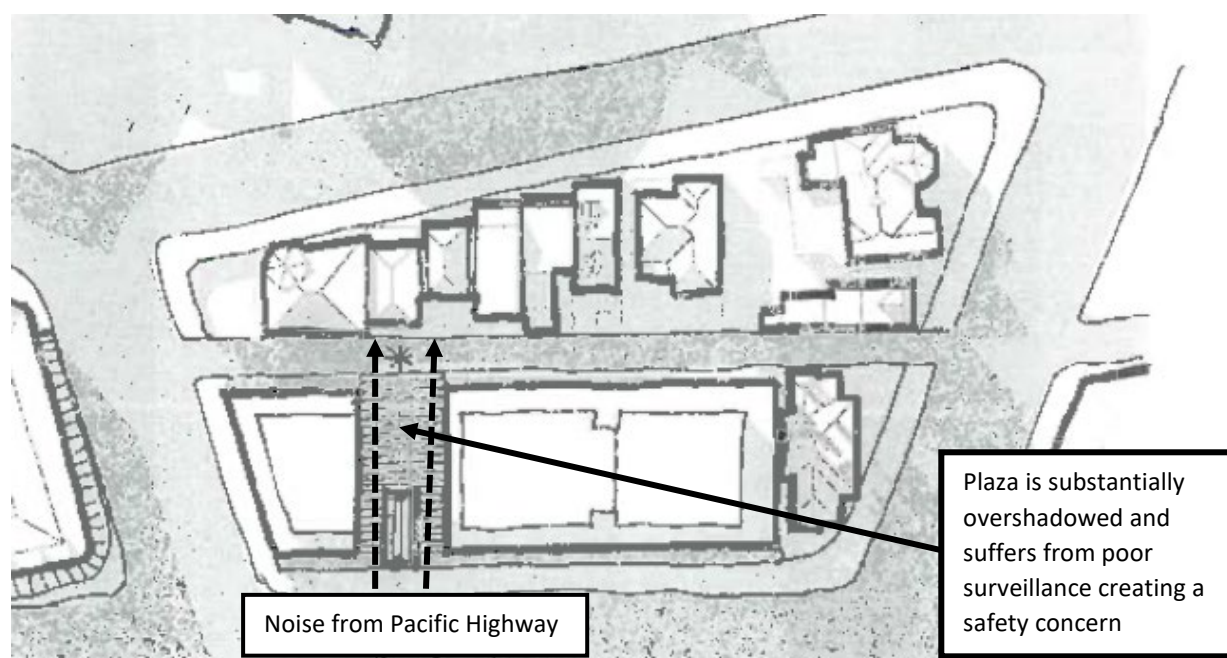
As illustrated in Figure 3, this would result in a poor development outcome for the following reasons:

- The new plaza on Church Lane would be highly compromised due to poor solar access and its interface to the rear garages of residences in the heritage conservation area
- The pedestrian passageways and the plaza would suffer from compromised safety and amenity due to limited passive surveillance
- Pedestrian passageways would have a detrimental acoustic impact on residents in the heritage conservation area due to noise generated by traffic along Pacific Highway
- The pedestrian passageways would detach and isolate the heritage item from the surrounding buildings, contrary to its original intended character as part of a row of shops

The heritage item currently consists of a series of rooms, however the building has no functional bathroom or kitchen. As such, the ability of this item to function as a standalone building in its current form is highly compromised.

Heritage consultants NBRS Architecture and Weir Phillips have provided further commentary on the approach to the heritage item and supporting advice (see Attachment 3).

Figure 3: Church Lane plaza proposed in the Study



Source: PTW Architects



#### 4.4 Proposed Design Responses

Legacy Property has developed two options for achieving a viable redevelopment of the Site:

1. A design approach generally in accordance with the massing principles proposed in the Draft CPASPS.
3. An alternative design approach that can deliver a significant new public open space (280sqm). This unique public domain outcome is achieved by consolidating floor space on the southern portion of the Site.

In reviewing the Draft Study, Legacy Property also considered an approach of simply increasing the height of the building envelope proposed in the Draft Study to achieve an FSR of 5:1. This approach requires a building height of 17 storeys and has greater overshadowing impacts than the two options presented so it was not considered further.

Excerpts from the PTW drawings and analysis are included in this submission, while a full package of drawings is provided in Attachment 1.

##### a) Option 1 – Enhanced Draft Study Massing

Option 1 as shown in Figures 4 and 5 proposes an enhanced version of the Draft Study massing to achieve an FSR of 5:1 in order to support a commercially viable redevelopment including delivery of modest public benefits.

The primary departures from the Draft Study design guidelines are:

- Removal of proposed setbacks to Pacific Highway
- Increase of building heights in southern portion of the Site to 12-14 storeys
- Removal of side setbacks/passageways to heritage item

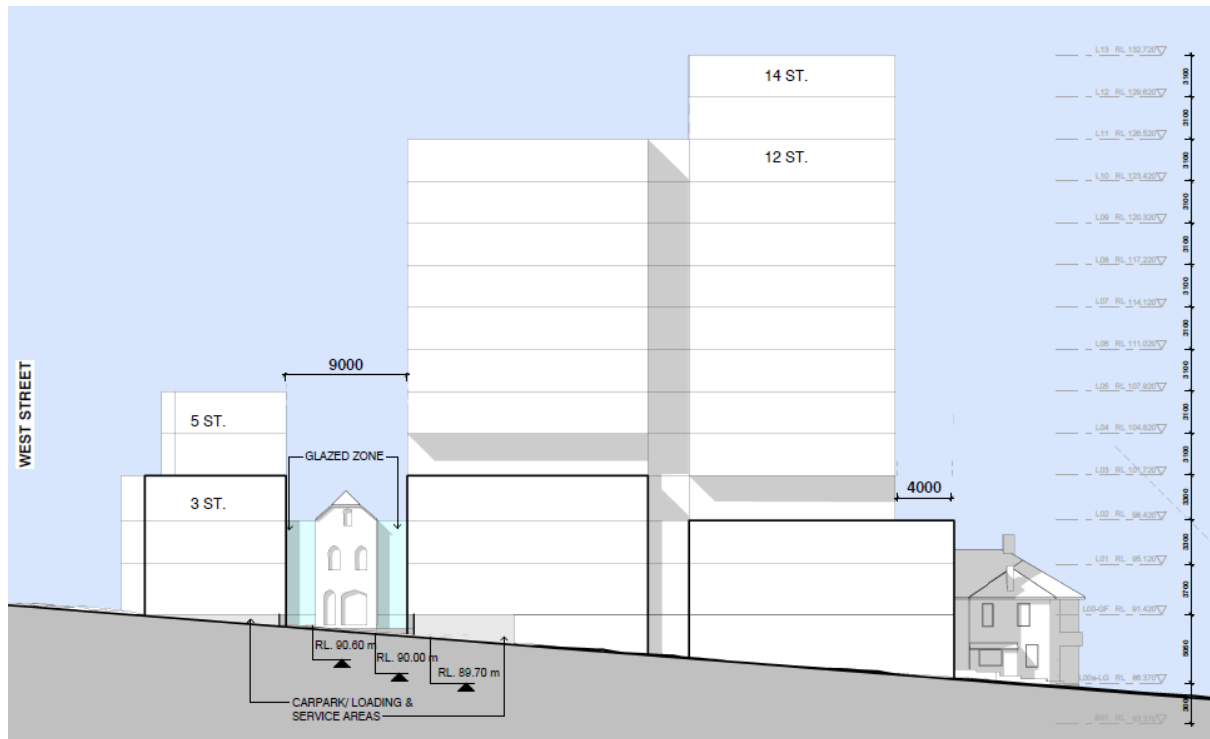
Shadow analysis provided at Figure 6 demonstrates that Option 1 would result in no additional overshadowing to the Demonstration school primary playground (as identified by CM+).

While Option 1 provides for a feasible redevelopment of the Site, limited public benefits could be offered to Council in this scenario as the Atlas economic assessment demonstrates that uplift from the current value is relatively modest.



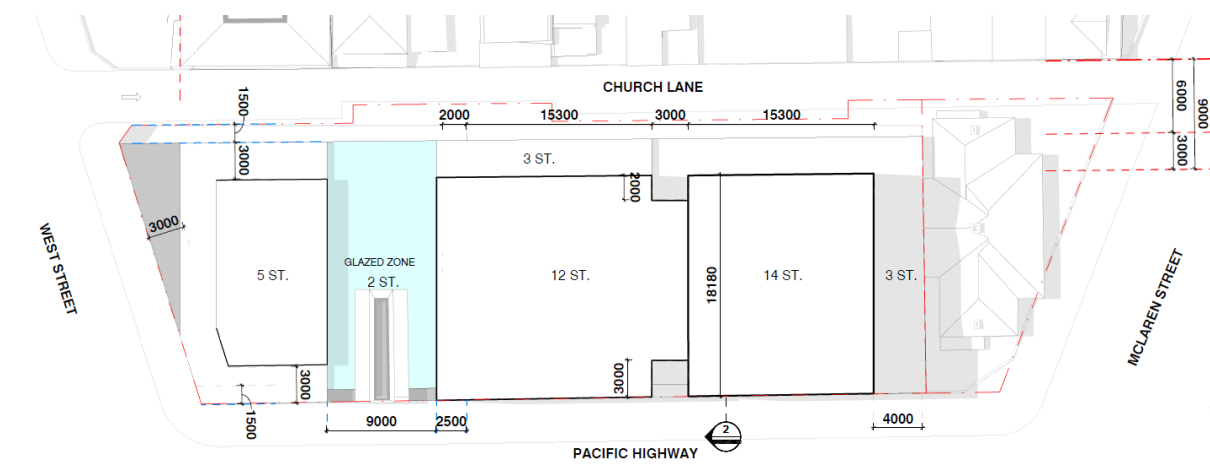
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Figure 4: Option 1 Elevation



Source: PTW Architects

Figure 5: Option 1 Plan



MASS SITE PLAN

Source: PTW Architects





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Figure 6: Option 1 Shadow Analysis – 9am to 10am



**LEGEND:**

--- SHADOW CAST BY  
EXISTING SCHOOL  
BUILDING

--- SCHOOL PLAYGROUND  
OUTLINE

Source: PTW Architects





## b) Option 2 – Alternative Design Approach

Option 2 embraces key objectives of the Draft Study by proposing the creation of a new 280sqm public plaza on the northern portion of the Site while consolidating floor space on the southern portion of the Site, as shown in Figure 7.

This design approach seeks a floor space bonus of 10% to 5.5:1 to fund the additional embellishment costs of the public plaza and to incentivise this outcome. The additional floor space would also provide funding for public benefits, such as embellishment of footpaths and public domain around the site, subject to further discussion with Council.

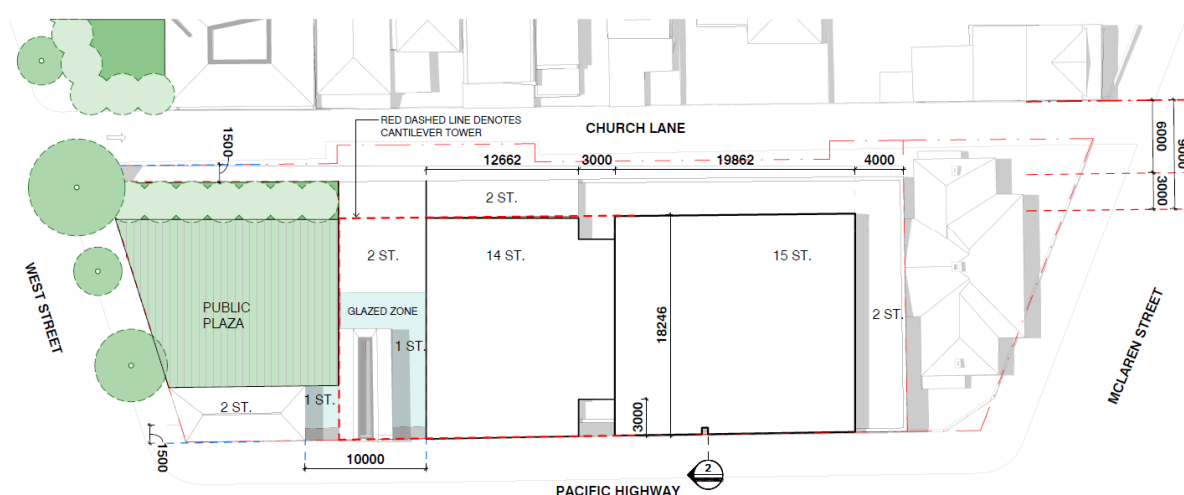
As 253-267 Pacific Highway is one of the only remaining significant sites between North Sydney and Crows Nest, this represents a rare opportunity to unlock a meaningful new public space that responds to the fundamental objectives of the study relating to enhancement of amenity and public domain and creation of new open spaces.

In contrast to the public plaza at the rear of the heritage item proposed in the Draft Study, this design approach will provide a new plaza that:

- Faces north and receives excellent solar access
- Contributes to the activation of West Street
- Creates a public domain response to the Union Hotel across the road
- Provides a meaningful context for future re-use of the heritage item

The plaza would be activated through adaptive re-use of the heritage item (with some sympathetic development at the rear), and a new, small 2 storey commercial building intended to shield the plaza from the Pacific Highway.

Figure 7: Option 2 Plan

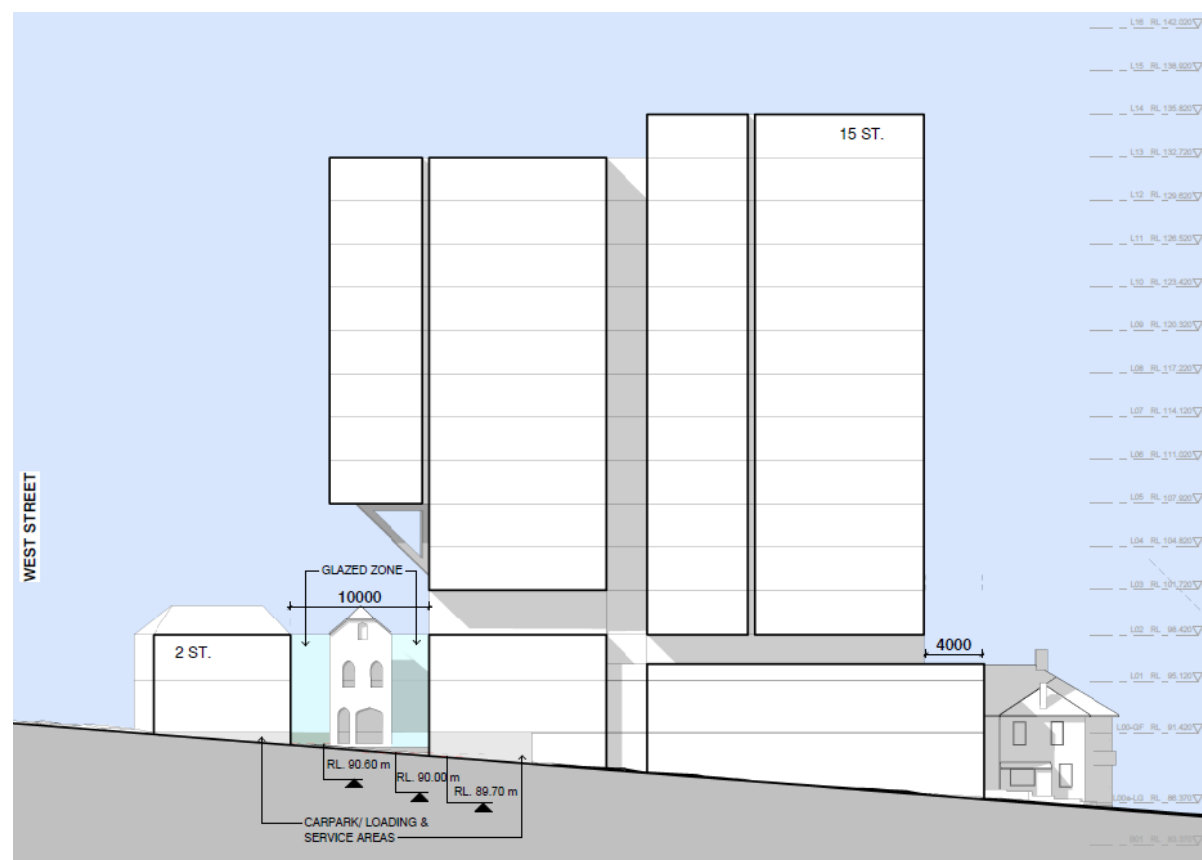


Source: PTW Architects



The increase height associated with this option results in a building form of 14-15 storeys, as shown on Figure 8.

Figure 8: Option 2 Elevation



Source: PTW Architects

The definition of an appropriate building height for the concept of ‘transition’ is somewhat subjective, and we note that community engagement for the Draft Study indicated a level of support for a ‘high rise’ building of 14 storeys or greater on the site, while acknowledging there was mixed feedback about appropriate heights.

North Sydney Mayor, Jilly Gibson, has also shown her support for height in previously published statements:

- *“It is good urban planning to concentrate development along the Pacific Highway and preserve the heritage and character of our residential streets nearby”.*
- *“Height is not the enemy. Height gives us the freedom to explore slender sculptural shapes that are visually appealing. It also allows us to create unique public spaces”.*

Source: The Daily Telegraph, 27 November 2018



Legacy Property recognises that potential overshadowing of the North Sydney Demonstration School is a key consideration for building heights on the Site. As shown in Figure 9, the proposed 14-15 storey building would result in minimal additional overshadowing to the primary playground area at the Demonstration School before 9:30am in mid-winter, and importantly results in no additional overshadowing after 9:30am, meaning there is no additional impact during recess and lunch times.

Figure 9: Option 2 Shadow Diagrams



Source: PTW Architects



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It should also be recognised that there are significant areas of shade resulting from existing mature trees and shade structures that are not reflected in the overshadowing diagrams. Much of the of the minor overshadowing resulting from Option 2 appears to overlap with areas of trees and shade structures. Figure 10 provides an indication of the level of shade during winter months:

Figure 10: NearMap aerial photo – 1 June 2020



*Source: NearMap*

Additional overshadowing analysis at the Spring and Autumn equinox has been undertaken and included in Attachment 1. This demonstrates that additional overshadowing impacts are confined to Winter months and do not occur through the majority of the year.

While Legacy Property acknowledges the value of recreational space attached to existing schools, we believe that the minimal level of additional overshadowing is an acceptable impact considering the significant public benefit that can be realised through this design outcome.





The analysis supporting *Action 8: Improve public open space* in the Draft Study identifies only limited opportunities to create new open space within the precinct, highlighting just how unique the opportunity presented by Legacy Property is.

Heritage consultants NBR Architects and Weir Phillips have advised that the alternative proposal would result in an improved heritage outcome as there would be increased 'breathing space' around the heritage item, allow for it to be adaptively reused and integrated with the adjacent plaza, allow for a low-scale entrance into the McLaren Street heritage conservation area and allow for an increased appreciation of the heritage item from West Street which would not occur under the design proposed in the study.

Further, there are numerous precedents of new building structures cantilevering over existing heritage items, including a recently approved example at 86-88 Walker Street, North Sydney (Firehouse Hotel).

#### **4.5 Recommendations**

Legacy Property strongly recommends that Council support our alternative Option 2 design approach for the Site. This will support a viable redevelopment of the Site while facilitating the creation of a new public plaza as a material public benefit associated with the new development.

The following amendments to the design guidelines in the Draft Study are proposed and would allow both Option 1 and Option 2 to be considered and progressed through a subsequent Planning Proposal:

<b>Current Design Guideline</b>	<b>Recommended Design Guideline</b>
The site should be developed in two separate buildings, one on each side of the heritage item	Delete this guideline.
The northern building should relate to the built form north of the site and have a maximum height of 5 storeys with a 3 storey streetwall	Any building on the northern part of the site should relate to the built form north of the site and be limited to 5 storeys
The southern building should relate to the built form south of the site towards the CBD and transition from 10-12 storeys with a 3 storey podium	The southern part of the building should provide a 'bookend' to the southern end of the Civic Precinct and relate to the built form south of the site towards the CBD with a 2/3 storey podium.
The heritage item will be preserved and adequate separate around it provided. This separation should allow for a pedestrian passageway either side of the heritage item with space for activation. Adaptive reuse of the heritage item is encouraged	The heritage item will be preserved and adaptive reuse of the heritage item is encouraged.



Current Design Guideline	Recommended Design Guideline
Future development should provide a 3 storey podium in alignment with the rest of the streetscape and also in alignment with the height of the heritage item	Future development should provide a 2/3 storey podium in alignment with the rest of the streetscape and also in alignment with the height of the heritage item.
Podiums should be fully commercial with commercial or residential uses above	Podiums should achieve the 1:1 non-residential FSR with a focus on commercial uses on the ground floor to allow for activation. Residential uses can occur on upper levels of podiums.
Future development cannot overshadow the open spaces of the education facilities located on the western side of Pacific Highway	Future development should not overshadow the primary playground of the education facilities located on the western side of Pacific Highway during key times of use.
An adequate transition to the conservation area to the east should be provided in the form of a podium with significant setbacks above.	An adequate transition to the conservation area to the east should be provided in the form of a podium with setbacks above.
Provide an additional 1.5 metre whole building setback along Pacific Highway	Delete this guideline.
N/A – new guideline	Floor space may be consolidated to the southern portion of the site subject to demonstrating minimal overshadowing impacts.
N/A – new guidelines	Potential for bonus floor space associated with the provision of a new public plaza on the northern part of the site can be explored.



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## 5. CONCLUSION

The Draft Study provides a strong set of principles and actions that recognise and respond to the important role of this precinct.

Council acknowledges that the Draft Study is a response to the new Victoria Cross Metro and that a significant transformation of surrounding areas has and will change the urban structure and potential role of the Civic Precinct. Council also acknowledges that an objective of the Sydney Metro is to 'serve and stimulate urban development'.

Legacy Property believes that the Draft Study falls short in its response to promoting the development of key sites particularly in the absence of supporting feasibility analysis. This is critical because stimulating development will be essential in meeting the broader objectives of the Draft Study.

Legacy Property's Site is identified as one of the few development opportunities in the precinct, however the Draft Study does not provide sufficient uplift to support the amalgamation and redevelopment of the existing properties.

This submission demonstrates how a feasible development outcome can be achieved for Legacy Property's Site at 253-267 Pacific Highway in conjunction with delivering a significant new public space. This approach embraces key elements of the Draft Study and provides a tangible response to the following key actions:

- 1 – Create more jobs and housing opportunities near the Metro
- 2 – Increase amenity and activation along the Pacific Highway
- 3 – Support small to medium sized business growth
- 4 – Preserve heritage; add value
- 8 – Improved public open space

We appreciate the opportunity to comment on the Draft Study and strongly recommended that Council supports the opportunity presented in Option 2.

Your sincerely,

**Tim Turpin**  
**Head of Development**



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## **6. ATTACHMENTS**

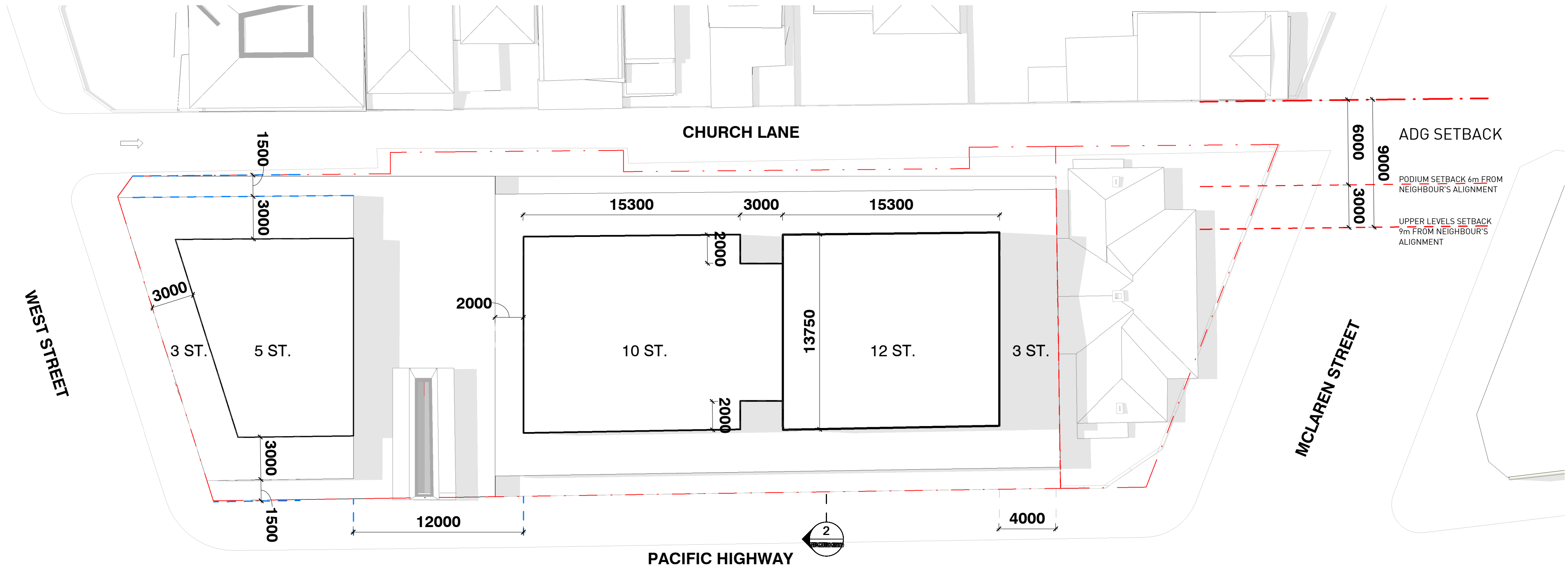
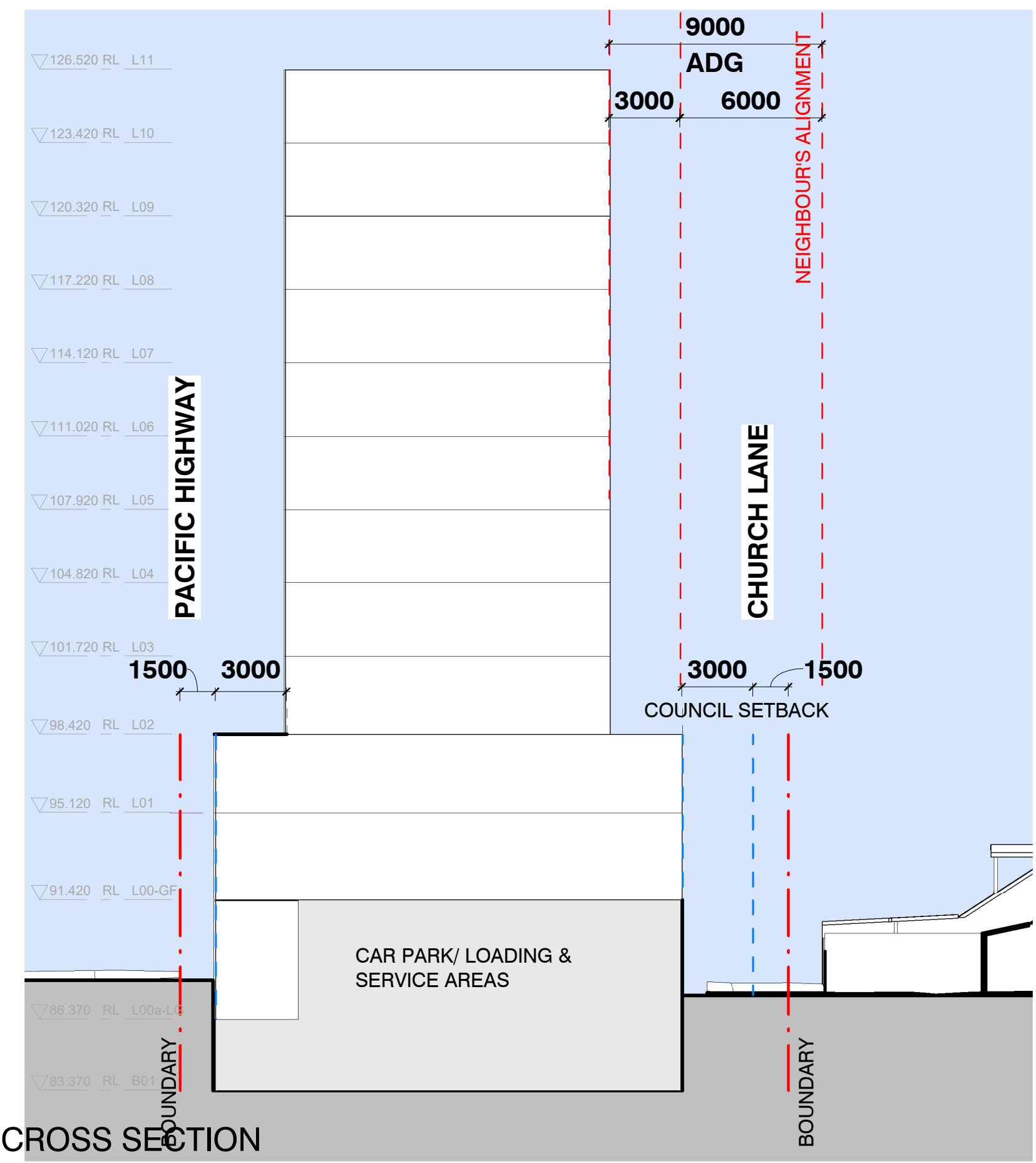
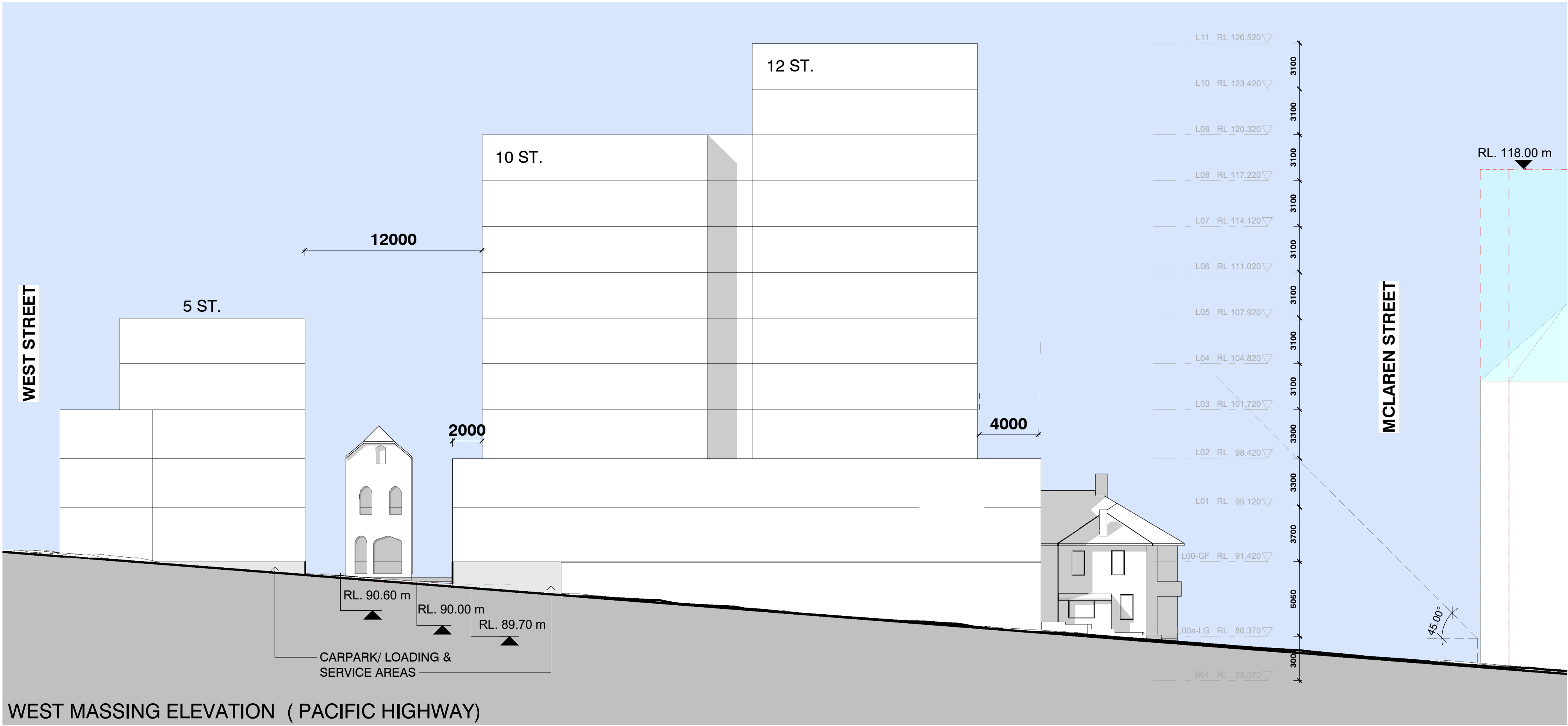
- Attachment 1: Architectural drawings and shadow analysis prepared by PTW Architects
- Attachment 2: Economic Feasibility Advice prepared by Atlas Urban Economics
- Attachment 3: Heritage advice prepared by NBRS Architecture and Weir Phillips



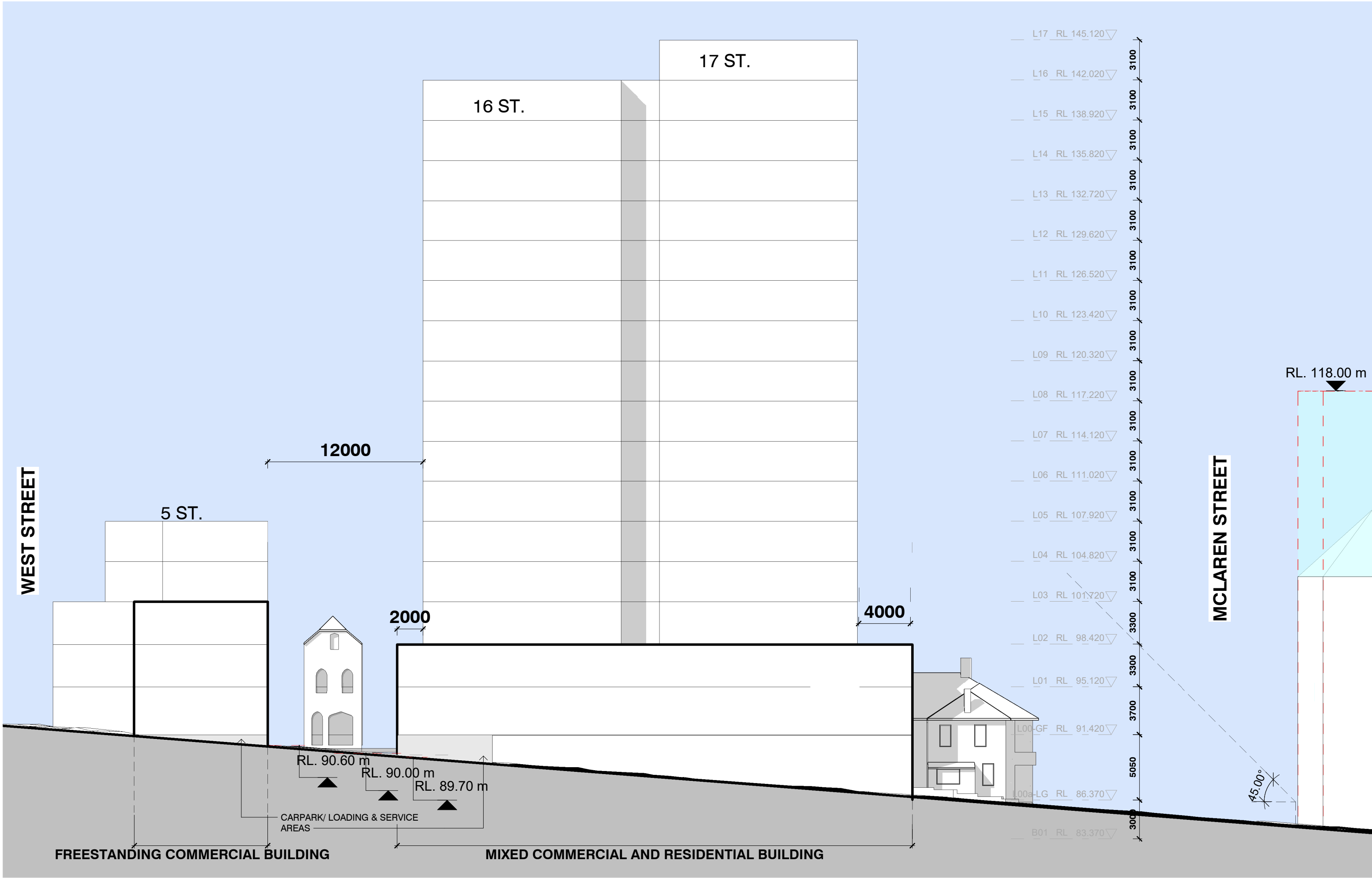


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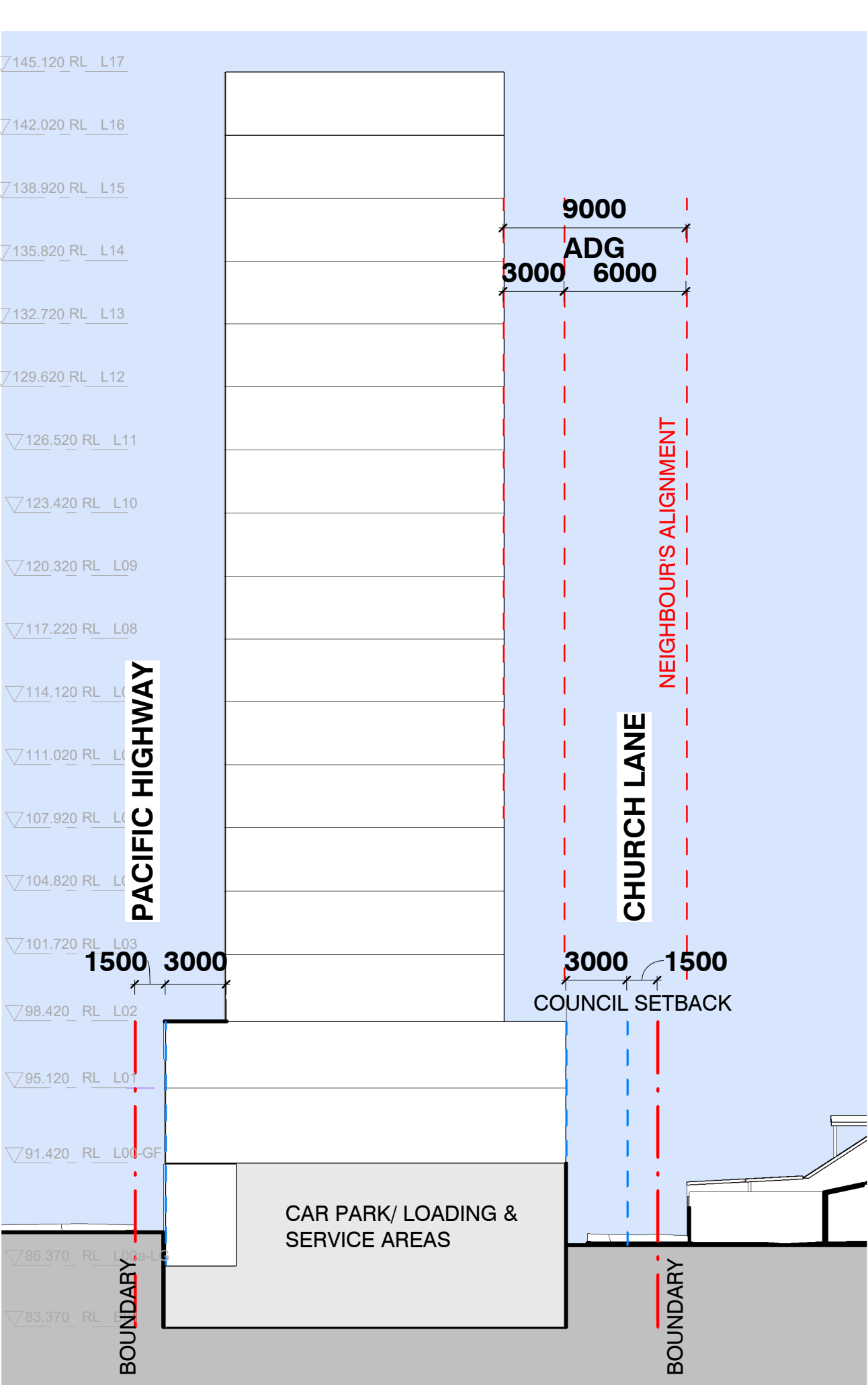
**ATTACHMENT 1: ARCHITECTURAL DRAWINGS AND SHADOW ANALYSIS**



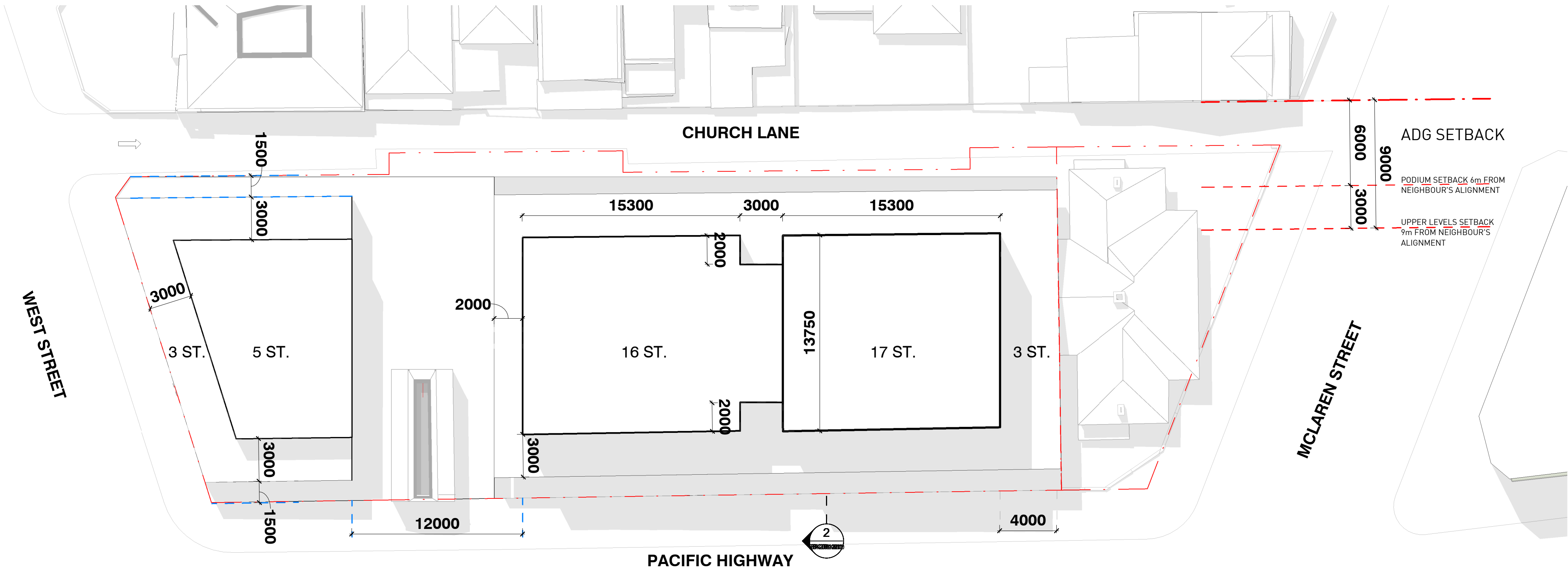
MASS GFA COUNCIL STUDY OPTION				
Level	GBA	GFA (GBAx80%)	Usage	FSR
L00-GF	33 m²	26 m²	HERITAGE	0.02
L00-GF	1050 m²	840 m²	RETAIL/COMMERCIAL	0.57
L00a-LG	113 m²	90 m²	RETAIL/COMMERCIAL	0.06
L01	28 m²	22 m²	HERITAGE	0.02
L01	1050 m²	840 m²	RETAIL/COMMERCIAL	0.57
L02	448 m²	358 m²	RESIDENTIAL	0.24
L02	269 m²	215 m²	RETAIL/COMMERCIAL	0.15
L03	592 m²	474 m²	RESIDENTIAL	0.32
L04	592 m²	474 m²	RESIDENTIAL	0.32
L05	448 m²	358 m²	RESIDENTIAL	0.24
L06	448 m²	358 m²	RESIDENTIAL	0.24
L07	448 m²	358 m²	RESIDENTIAL	0.24
L08	448 m²	358 m²	RESIDENTIAL	0.24
L09	209 m²	167 m²	RESIDENTIAL	0.11
L10	209 m²	167 m²	RESIDENTIAL	0.11
Grand total	6385 m²	5108 m²		3.48



WEST MASSING ELEVATION (PACIFIC HIGHWAY)



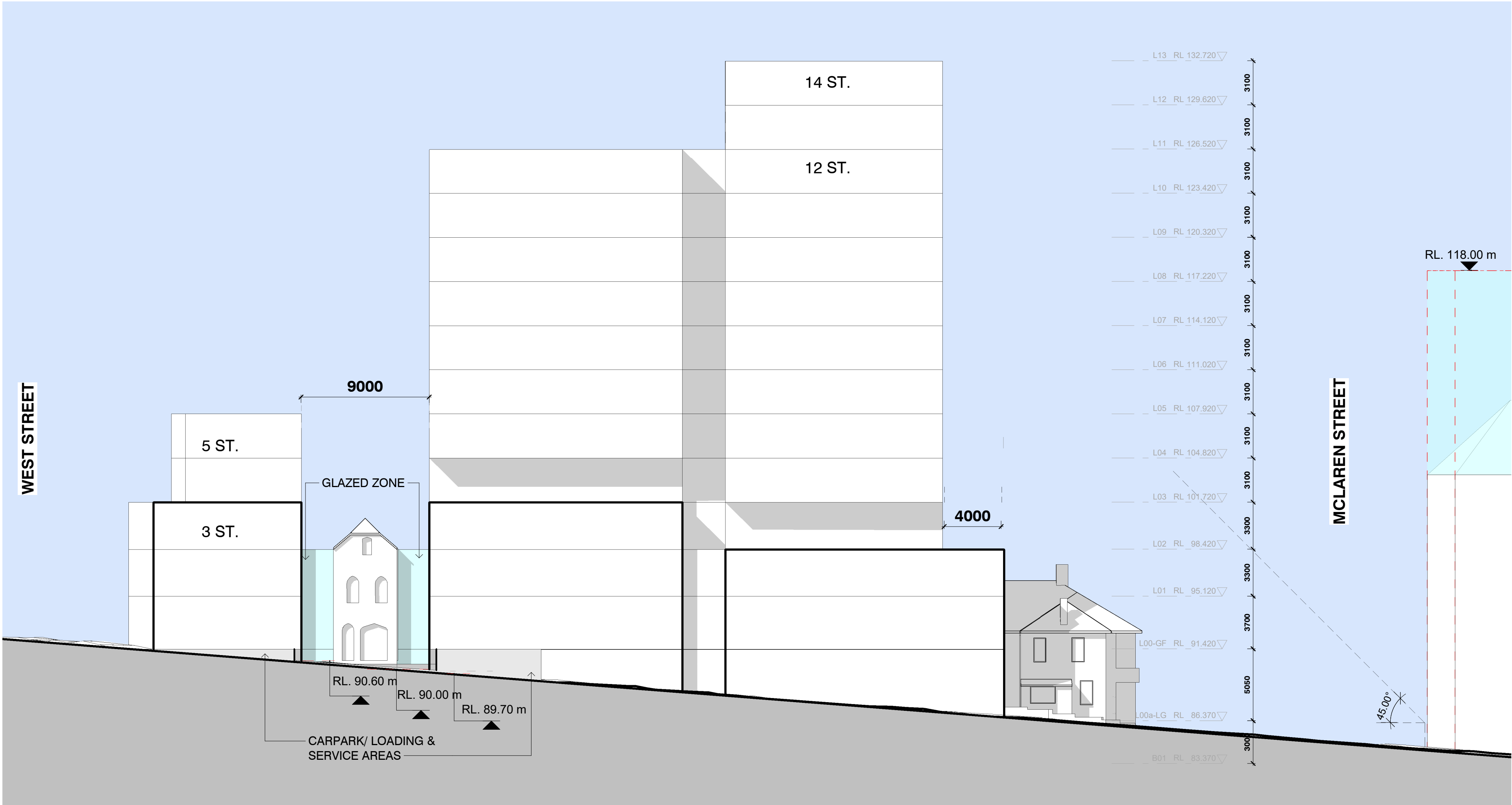
CROSS SECTION



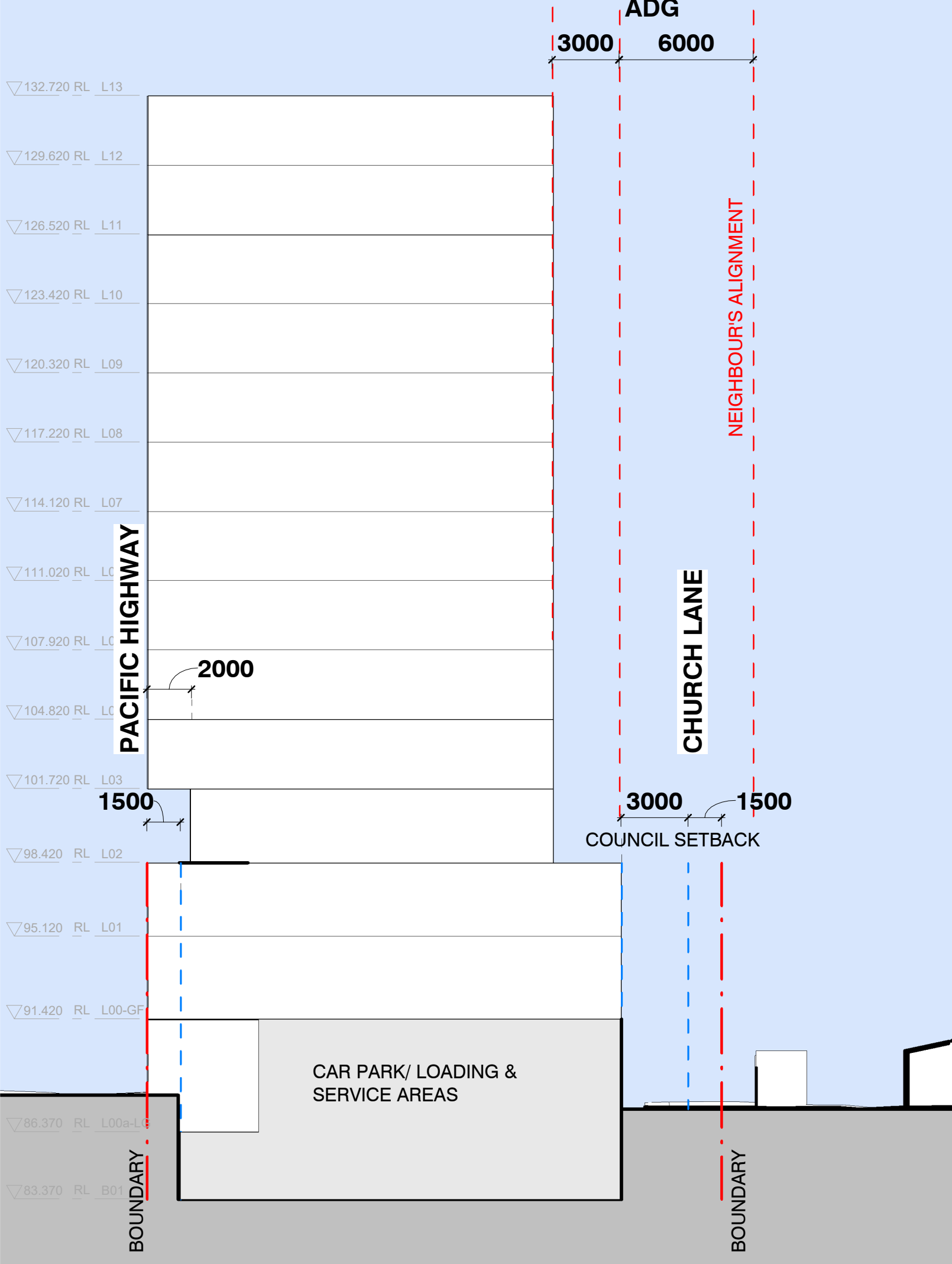
MASS SITE PLAN

MASS GFA COUNCIL STUDY OPTION AT FSR 5 TO 1				
LEVEL	GBA	GFA (GBAx80%)	Usage	FSR
L00-GF	33 m <sup>2</sup>	26 m <sup>2</sup>	HERITAGE	0.02
L00-GF	1050 m <sup>2</sup>	840 m <sup>2</sup>	RETAIL/COMMERCIAL	0.57
L00a-LG	113 m <sup>2</sup>	90 m <sup>2</sup>	RETAIL/COMMERCIAL	0.06
L01	28 m <sup>2</sup>	22 m <sup>2</sup>	HERITAGE	0.02
L01	1050 m <sup>2</sup>	840 m <sup>2</sup>	RETAIL/COMMERCIAL	0.57
L02	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L02	269 m <sup>2</sup>	215 m <sup>2</sup>	RETAIL/COMMERCIAL	0.15
L03	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L03	144 m <sup>2</sup>	115 m <sup>2</sup>	RETAIL/COMMERCIAL	0.08
L04	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L04	144 m <sup>2</sup>	115 m <sup>2</sup>	RETAIL/COMMERCIAL	0.08
L05	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L06	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L07	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L08	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L09	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L10	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L11	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L12	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L13	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L14	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L15	448 m <sup>2</sup>	358 m <sup>2</sup>	RESIDENTIAL	0.24
L16	209 m <sup>2</sup>	167 m <sup>2</sup>	RESIDENTIAL	0.11
Grand total	9313 m <sup>2</sup>	7450 m <sup>2</sup>		0.57



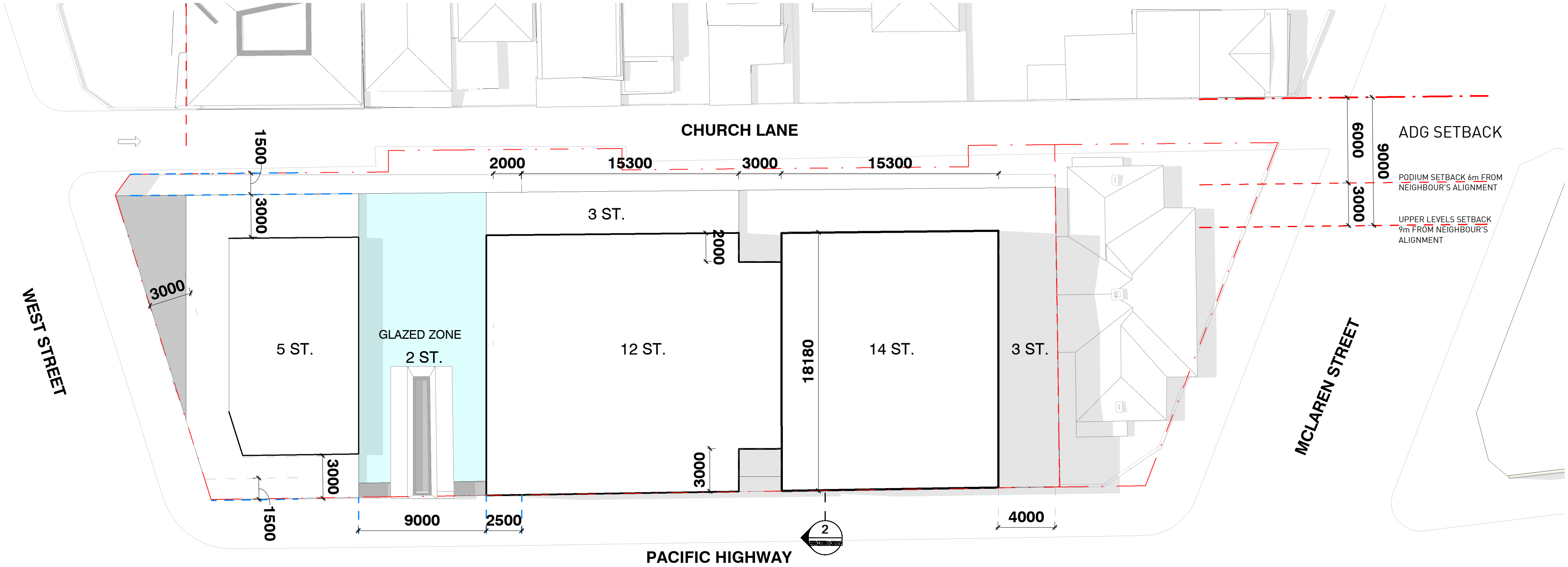


WEST MASSING ELEVATION ( PACIFIC HIGHWAY)



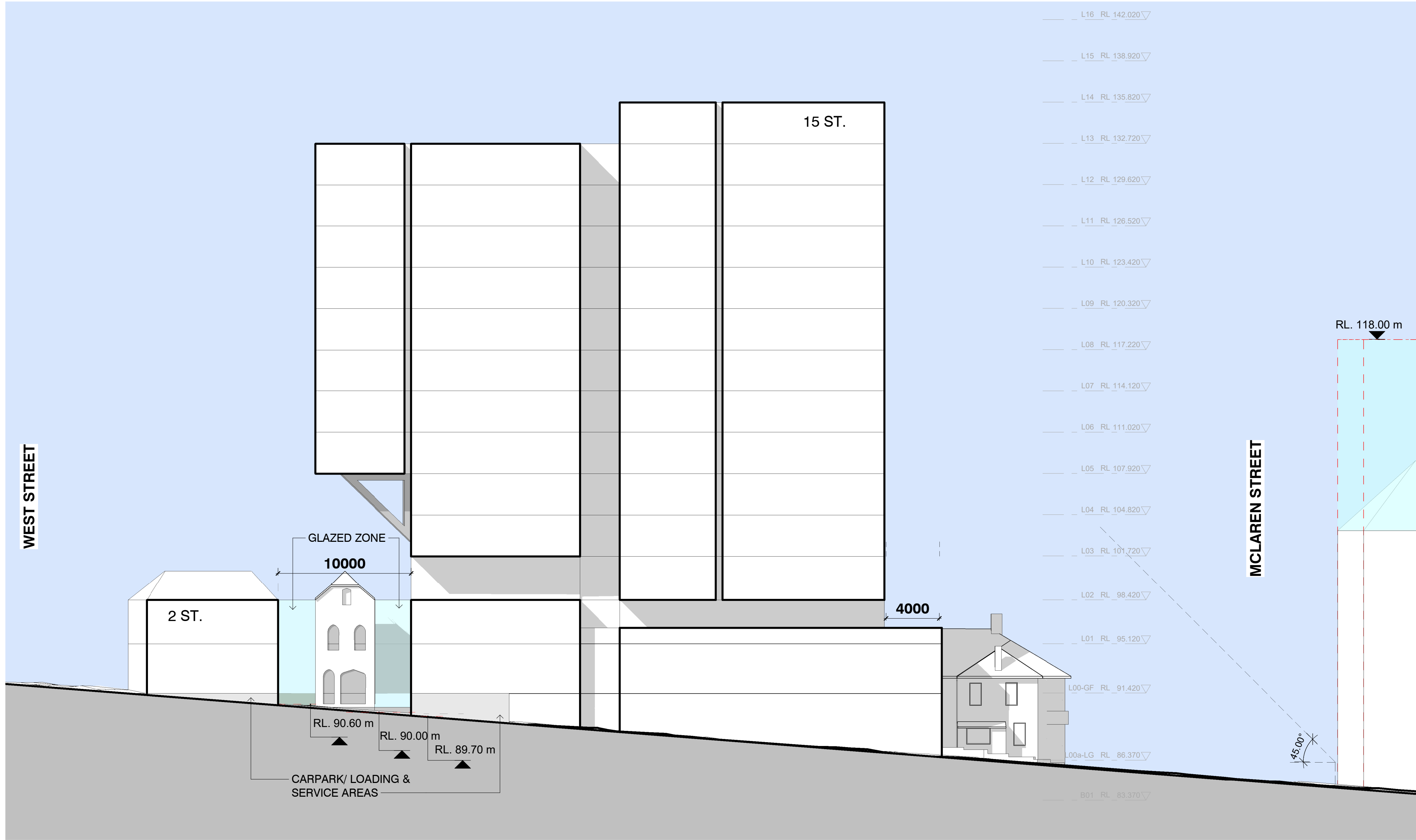
CROSS SECTION

MASS GFA OP1_Area Excluded				
LEVEL	GBA	GFA (GBAx80%)	Usage	FSR
L00-GF	147 m²	118 m²	GLAZED ZONE	0.08
MASS GFA OP1				
LEVEL	GBA	GFA (GBAx80%)	Usage	FSR
L00-GF	33 m²	26 m²	HERITAGE	0.02
L00-GF	1101 m²	881 m²	RETAIL/COMMERCIAL	0.60
L00a-LG	157 m²	126 m²	RETAIL/COMMERCIAL	0.09
L01	28 m²	22 m²	HERITAGE	0.02
L01	1101 m²	881 m²	RETAIL/COMMERCIAL	0.60
L02	664 m²	531 m²	RESIDENTIAL/COMMER CIAL	0.36
L02	254 m²	203 m²	RETAIL/COMMERCIAL	0.14
L03	604 m²	483 m²	RESIDENTIAL	0.33
L03	138 m²	110 m²	RETAIL/COMMERCIAL	0.07
L04	640 m²	512 m²	RESIDENTIAL	0.35
L04	138 m²	110 m²	RETAIL/COMMERCIAL	0.07
L05	640 m²	512 m²	RESIDENTIAL	0.35
L06	640 m²	512 m²	RESIDENTIAL	0.35
L07	640 m²	512 m²	RESIDENTIAL	0.35
L08	640 m²	512 m²	RESIDENTIAL	0.35
L09	640 m²	512 m²	RESIDENTIAL	0.35
L10	640 m²	512 m²	RESIDENTIAL	0.35
L11	276 m²	221 m²	RESIDENTIAL	0.15
L12	276 m²	221 m²	RESIDENTIAL	0.15
Grand total	9248 m²	7399 m²		5.04

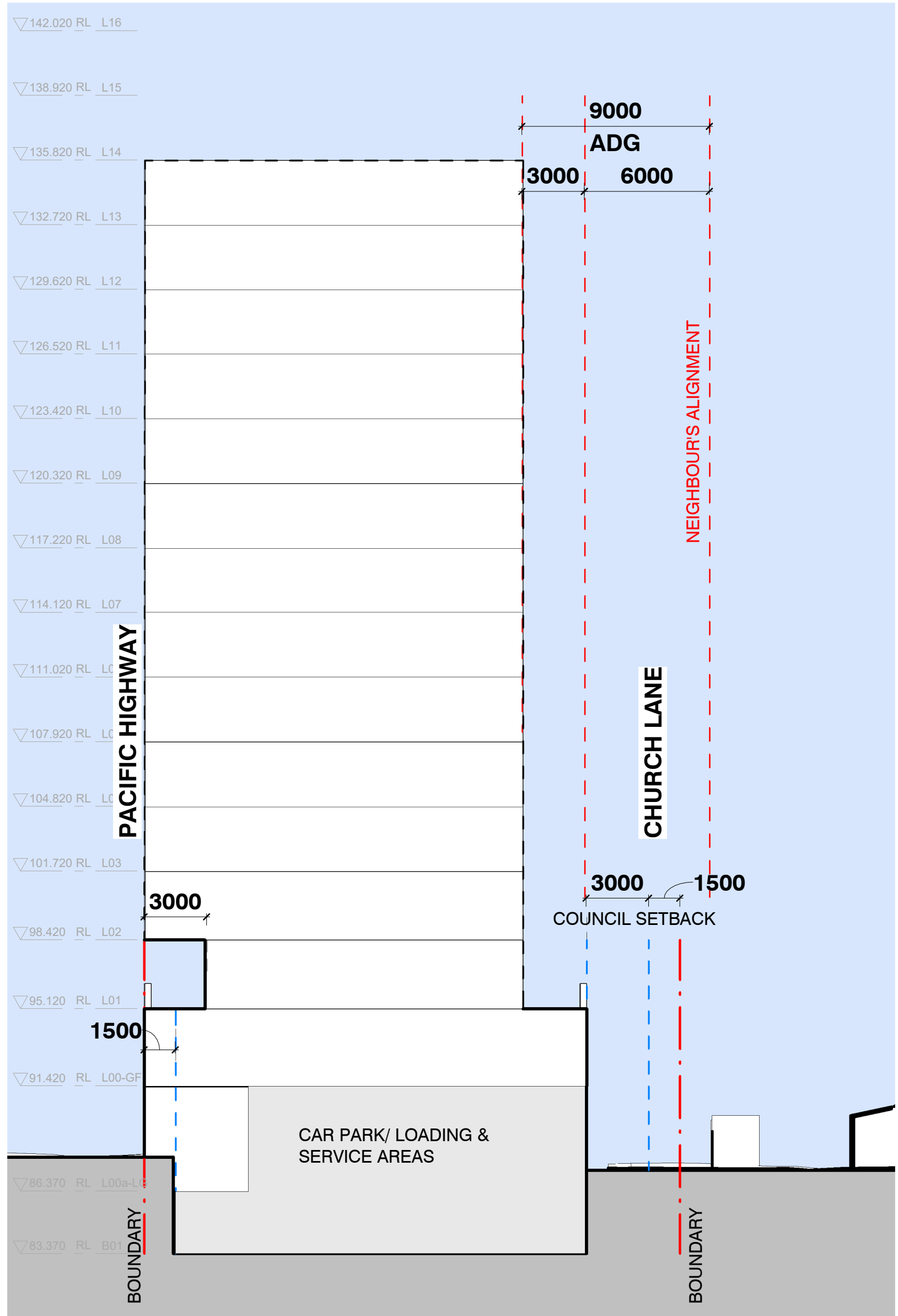


MASS SITE PLAN

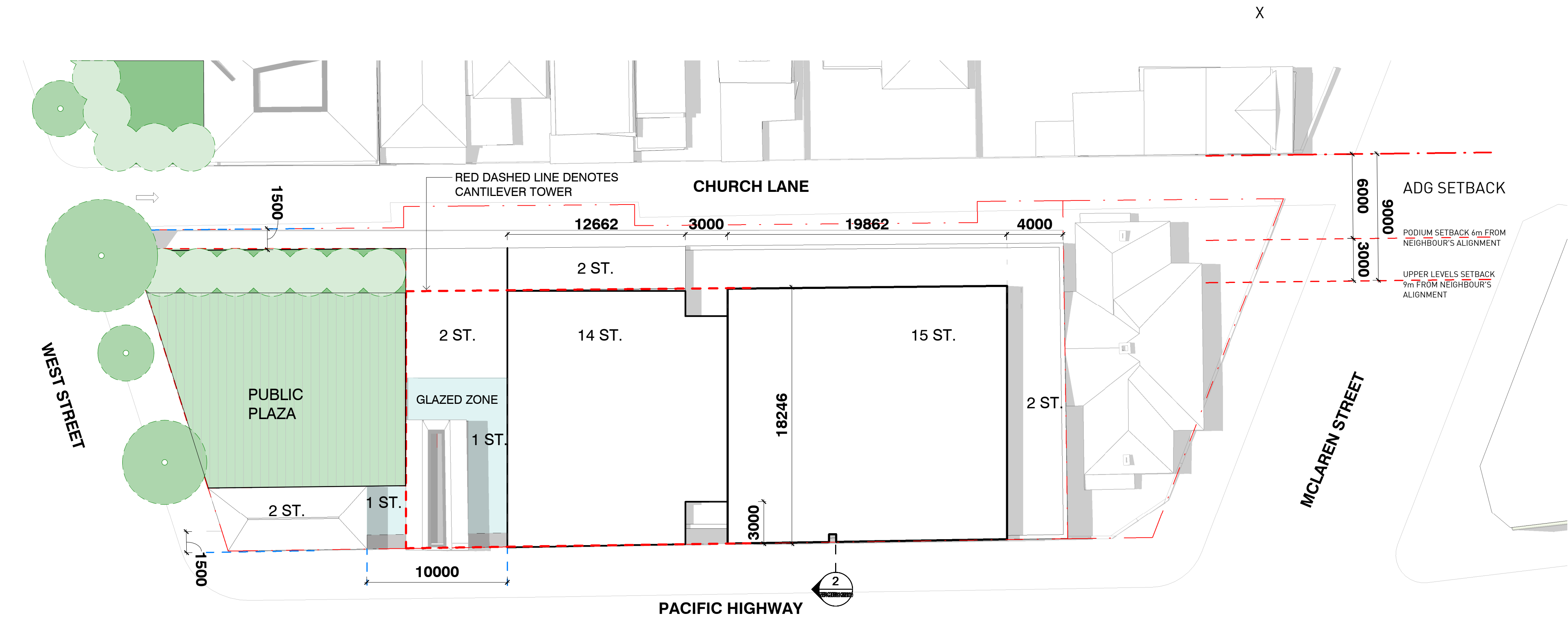
NOTES : SURVEY INFORMATION RECIEVED FOR THE SUBJECT SITE ONLY. CONTOUR INFORMATION EXTRACTED FROM SIXMAPS



WEST MASSING ELEVATION ( PACIFIC HIGHWAY)



CROSS SECTION

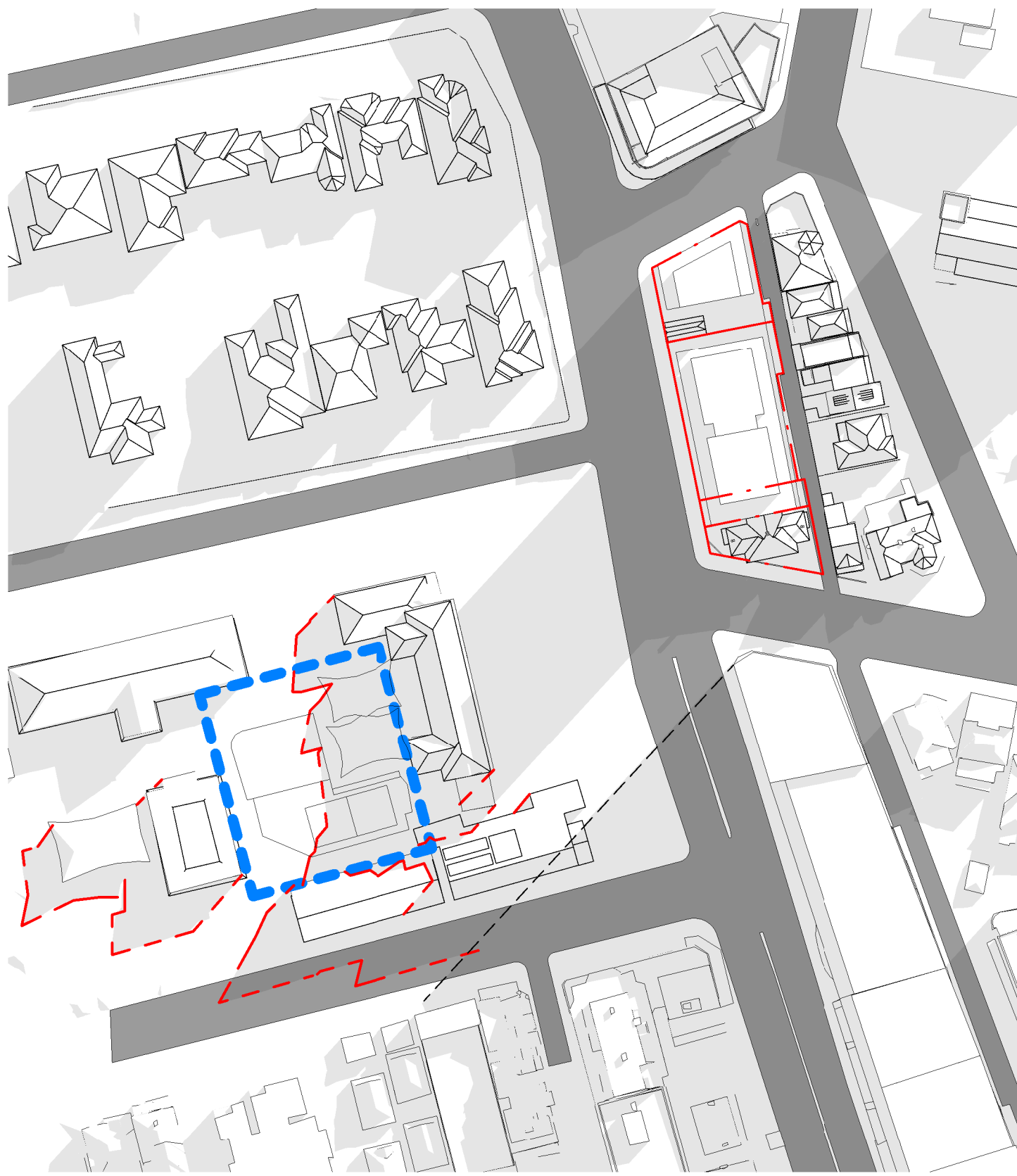


MASS SITE PLAN

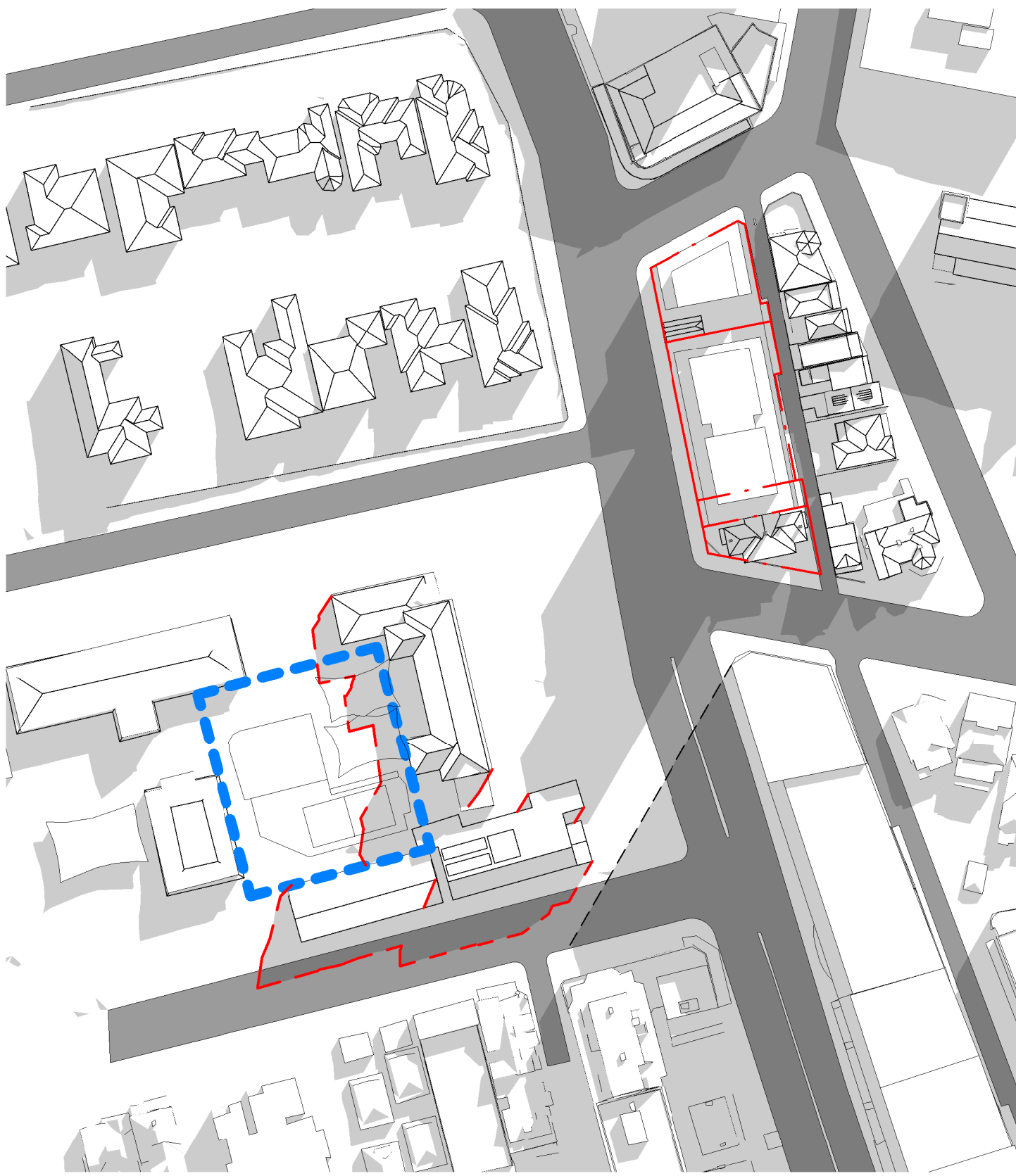
MASS GFA OP2_Area Excluded				
LEVEL	GBA	GFA (GBAx80%)	Usage	FSR
L00-GF	54 m²	43 m²	THE GLAZED ZONE	0.03
MASS GFA OP2				
LEVEL	GBA	GFA (GBAx80%)	Usage	FSR
L00-GF	33 m²	26 m²	HERITAGE	0.02
L00-GF	903 m²	722 m²	RETAIL/COMMERCIAL	0.49
L00-GF	48 m²	38 m²	RETAIL/COMMERCIAL-COUNCIL	0.03
L00-GF	54 m²	43 m²	THE GLAZED ZONE	0.03
L00a-LG	157 m²	126 m²	RETAIL/COMMERCIAL	0.09
L01	28 m²	22 m²	HERITAGE	0.02
L01	677 m²	542 m²	RETAIL/COMMERCIAL	0.37
L01	48 m²	38 m²	RETAIL/COMMERCIAL-COUNCIL	0.03
L02	594 m²	475 m²	RESIDENTIAL	0.32
L03	630 m²	504 m²	RESIDENTIAL	0.34
L04	630 m²	504 m²	RESIDENTIAL	0.34
L05	762 m²	609 m²	RESIDENTIAL	0.41
L06	762 m²	609 m²	RESIDENTIAL	0.41
L07	762 m²	609 m²	RESIDENTIAL	0.41
L08	762 m²	609 m²	RESIDENTIAL	0.41
L09	762 m²	609 m²	RESIDENTIAL	0.41
L10	762 m²	609 m²	RESIDENTIAL	0.41
L11	762 m²	609 m²	RESIDENTIAL	0.41
L12	762 m²	609 m²	RESIDENTIAL	0.41
L13	359 m²	288 m²	RESIDENTIAL	0.20
Grand total	10255 m²	8204 m²		5.58

NOTES : SURVEY INFORMATION RECIEVED FOR THE SUBJECT SITE ONLY. CONTOUR INFORMATION EXTRACTED FROM SIXMAPS

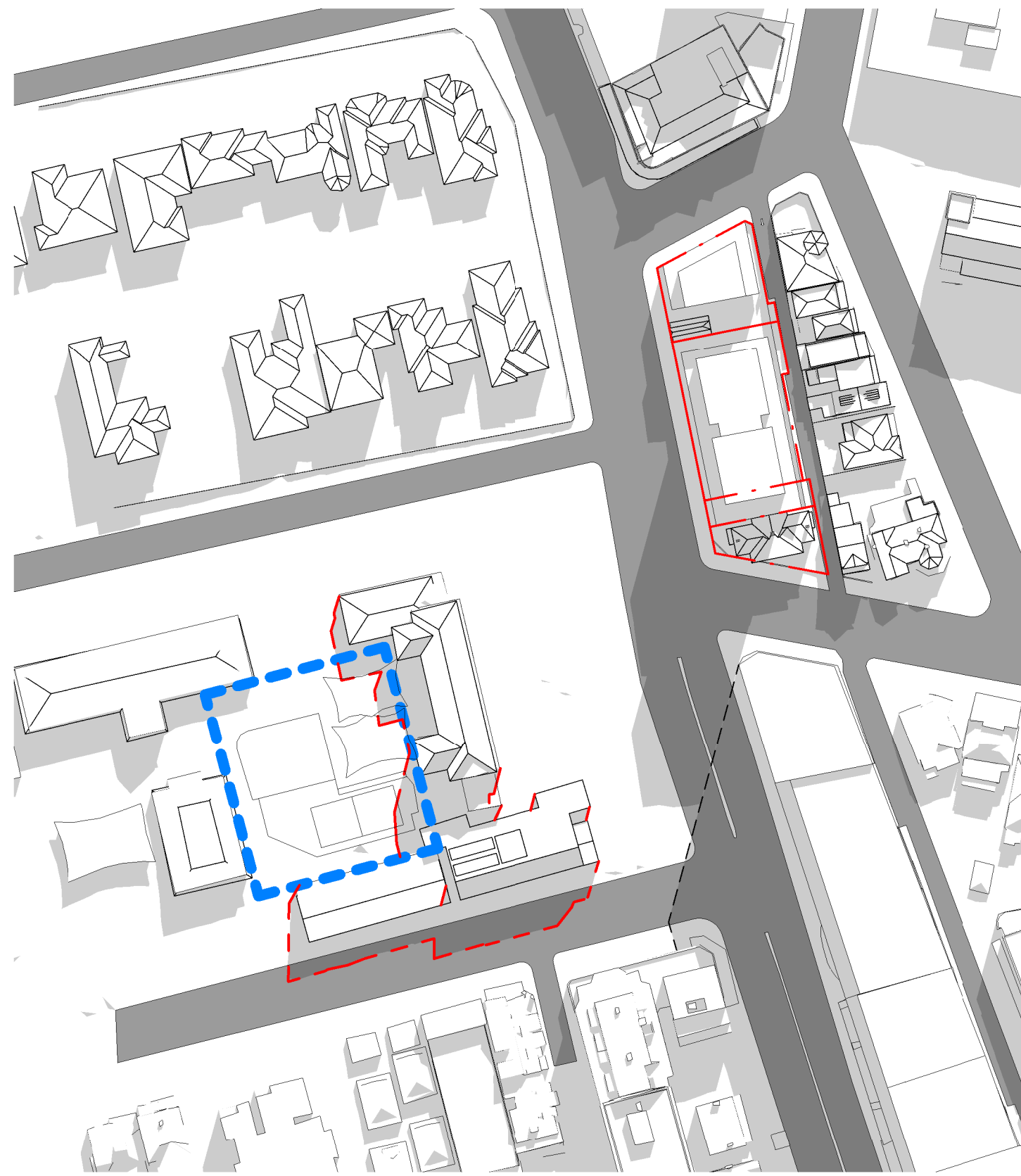




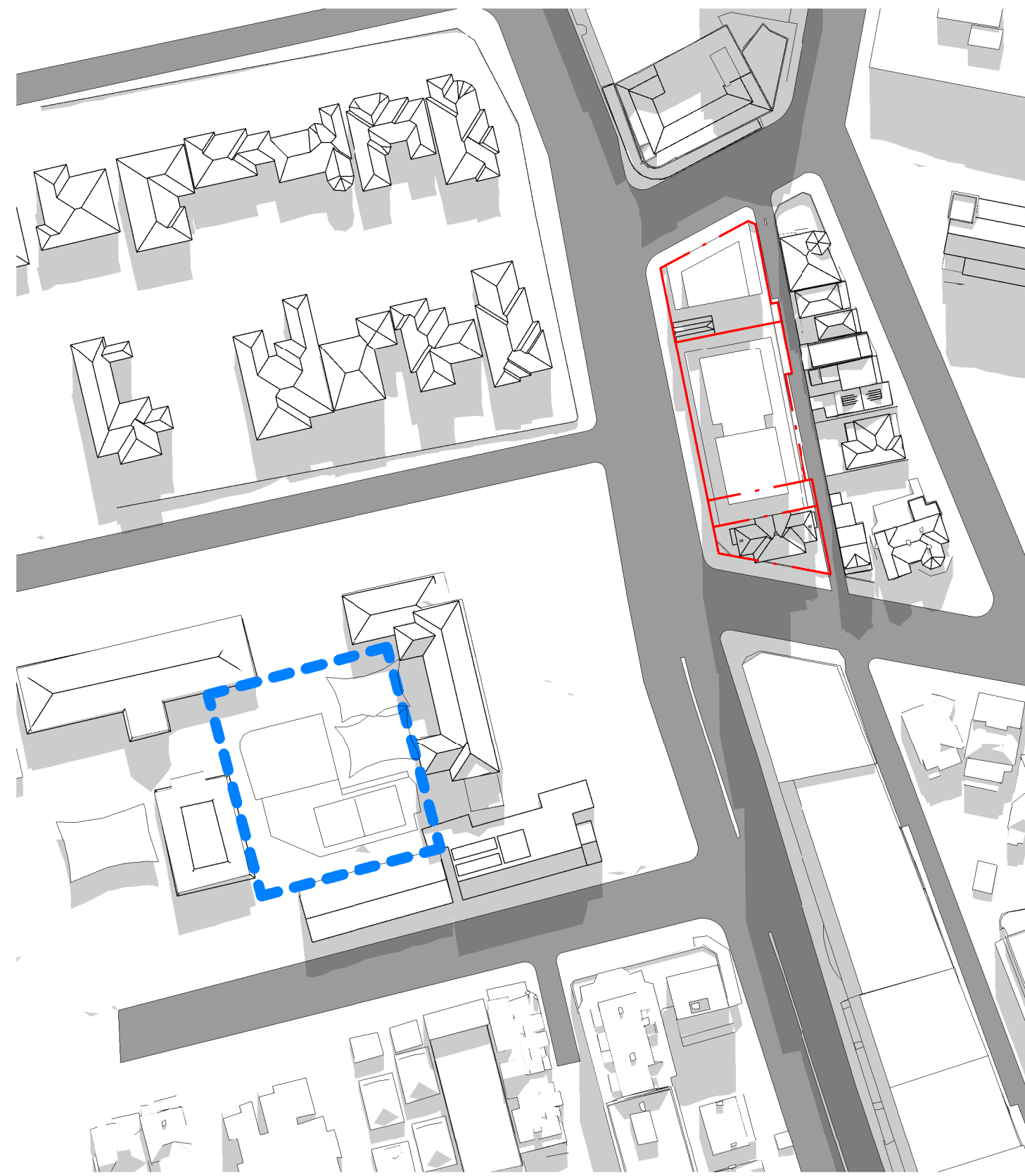
9am 21st of June



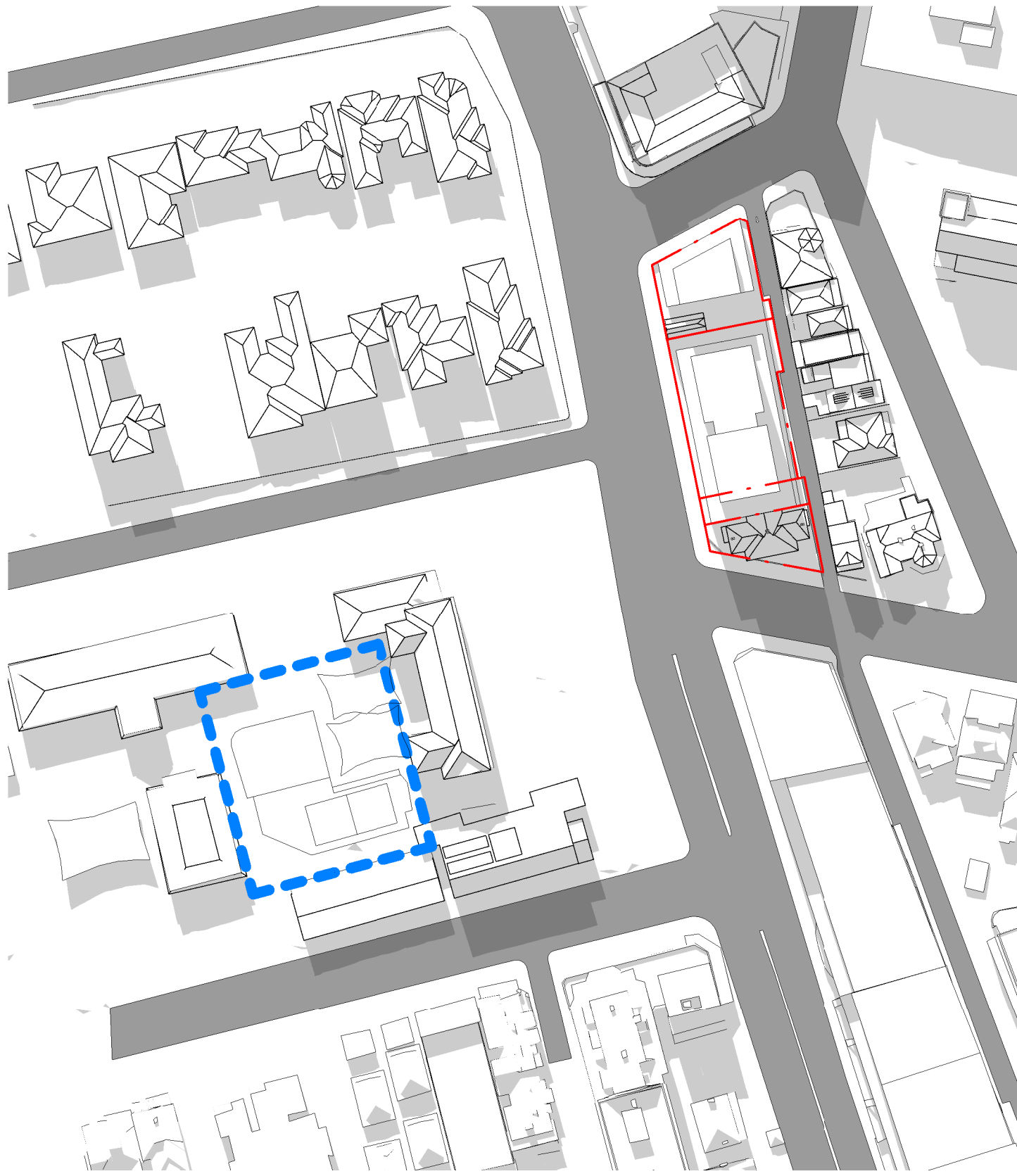
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11am 21st of June



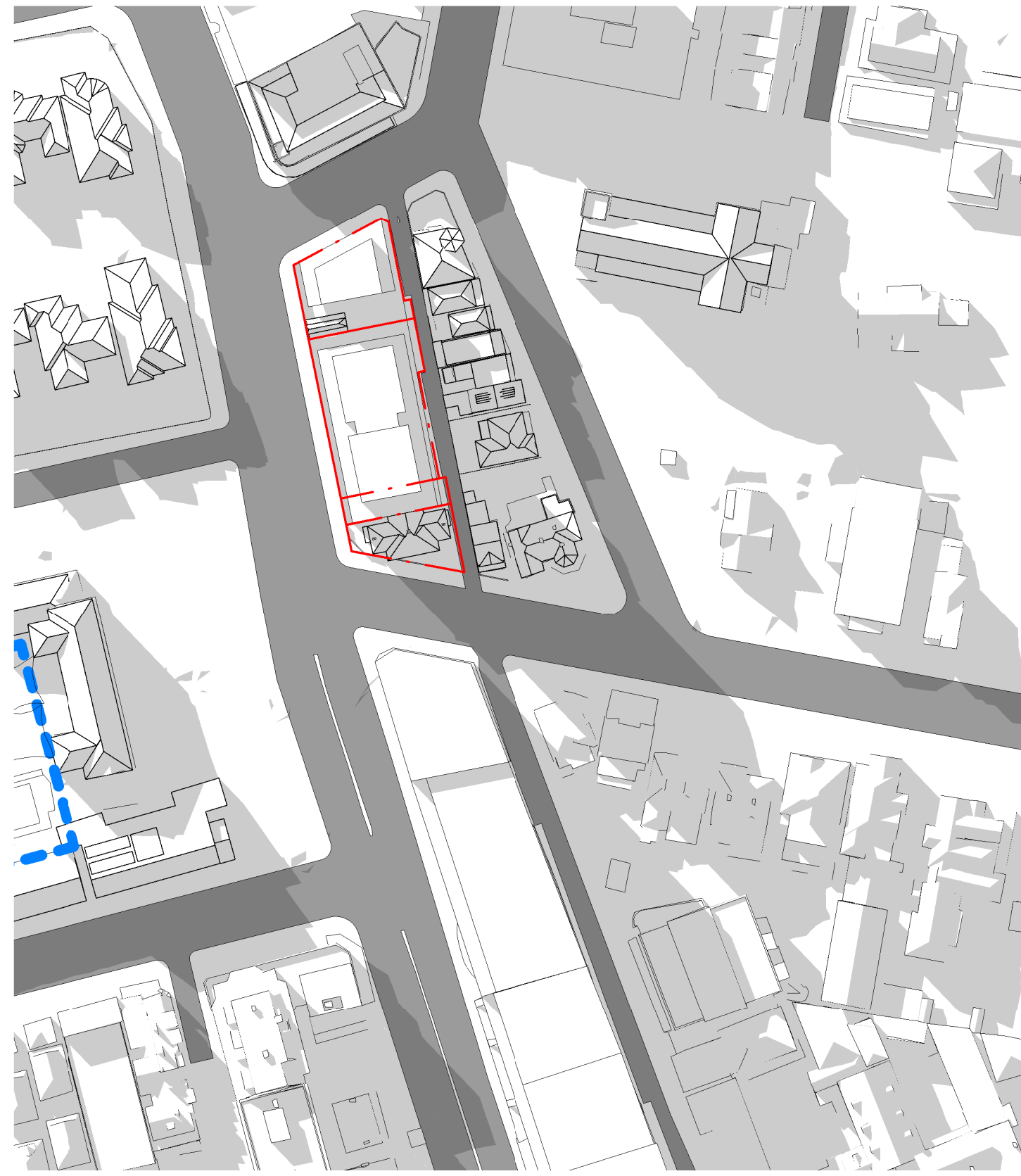
12pm 21st of June



1pm 21st of June



2pm 21st of June



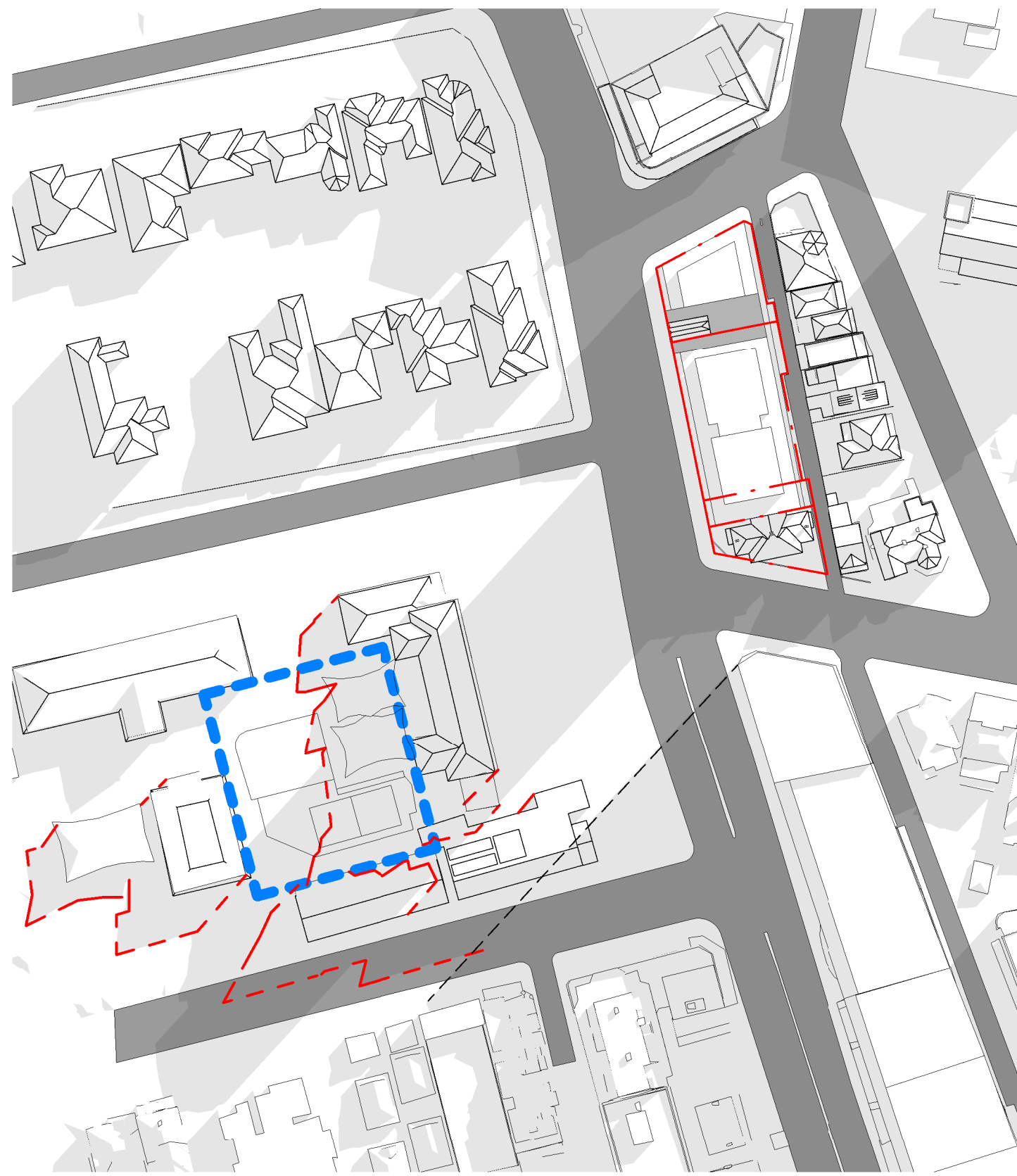
3pm 21st of June

**LEGEND:**

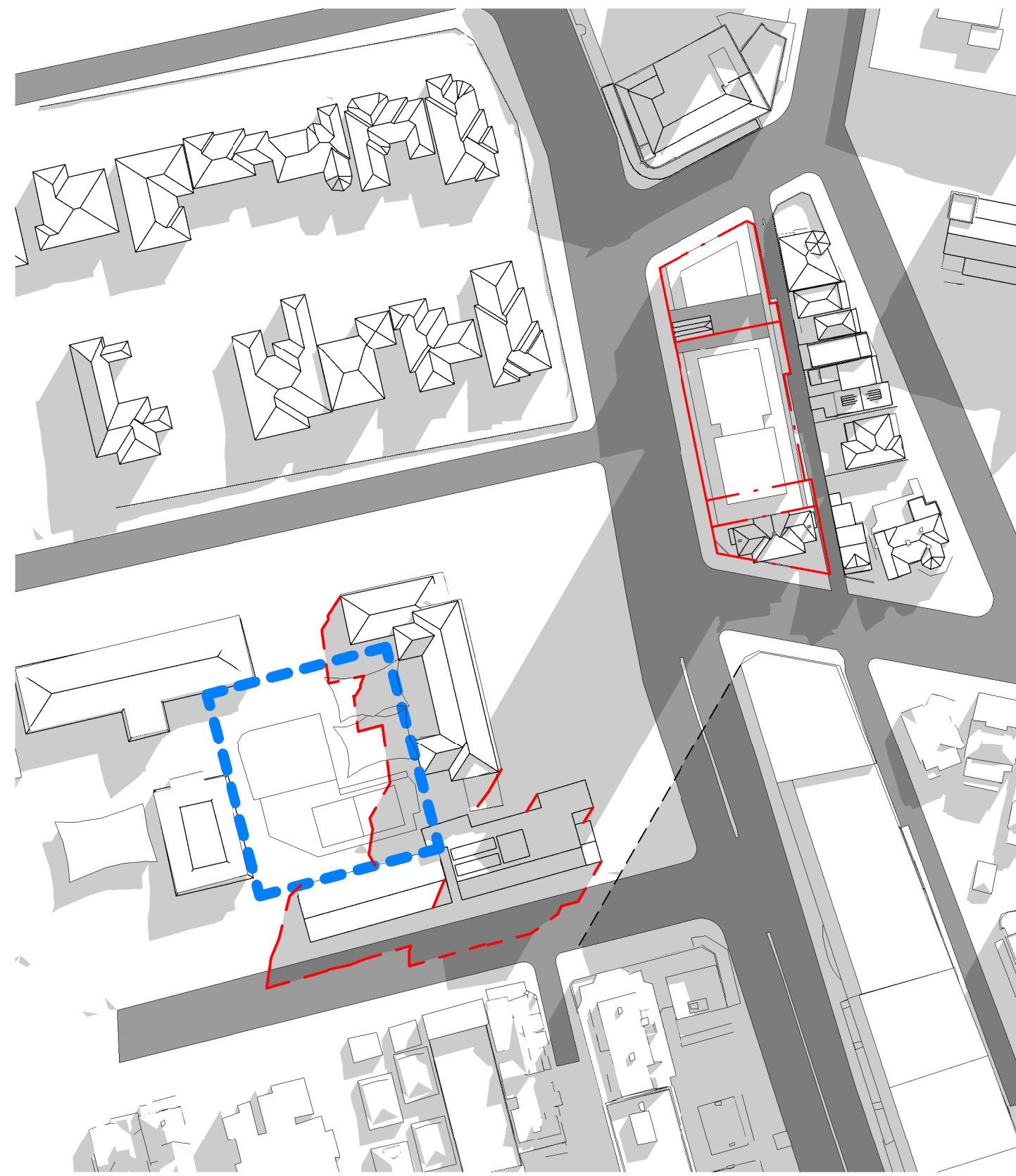
--- SHADOW CAST BY  
EXISTING SCHOOL  
BUILDING

--- SCHOOL PLAYGROUND  
OUTLINE

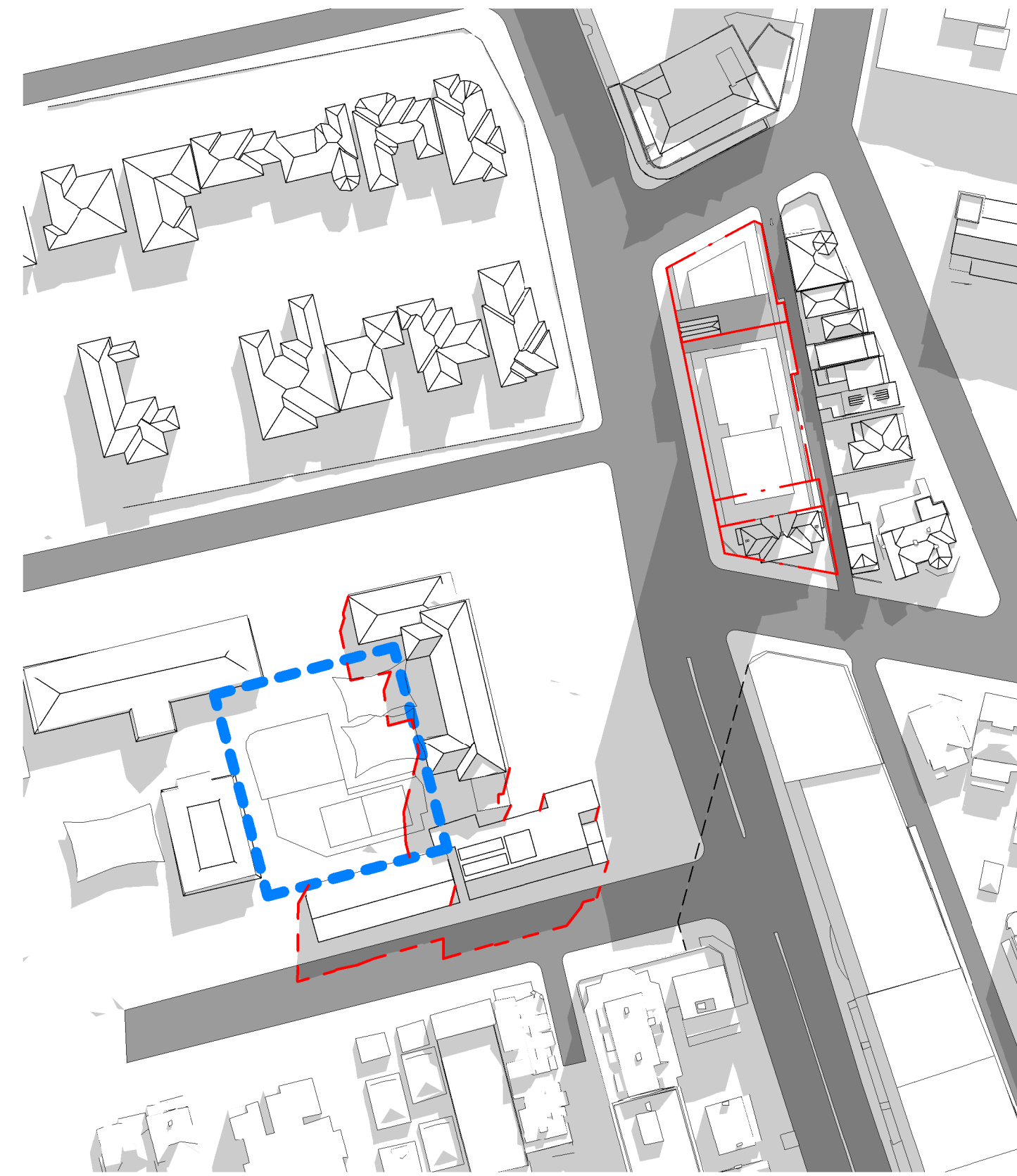




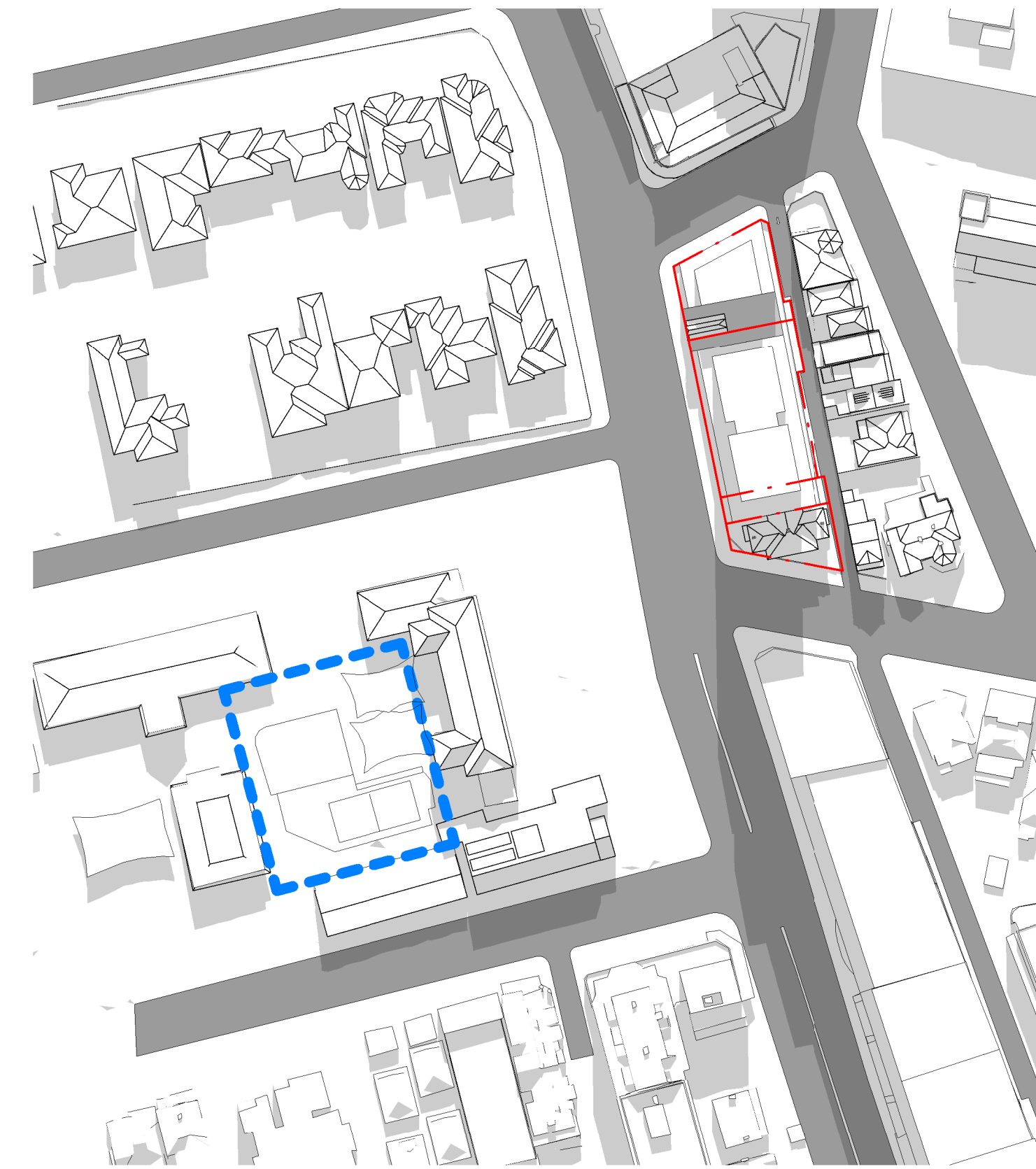
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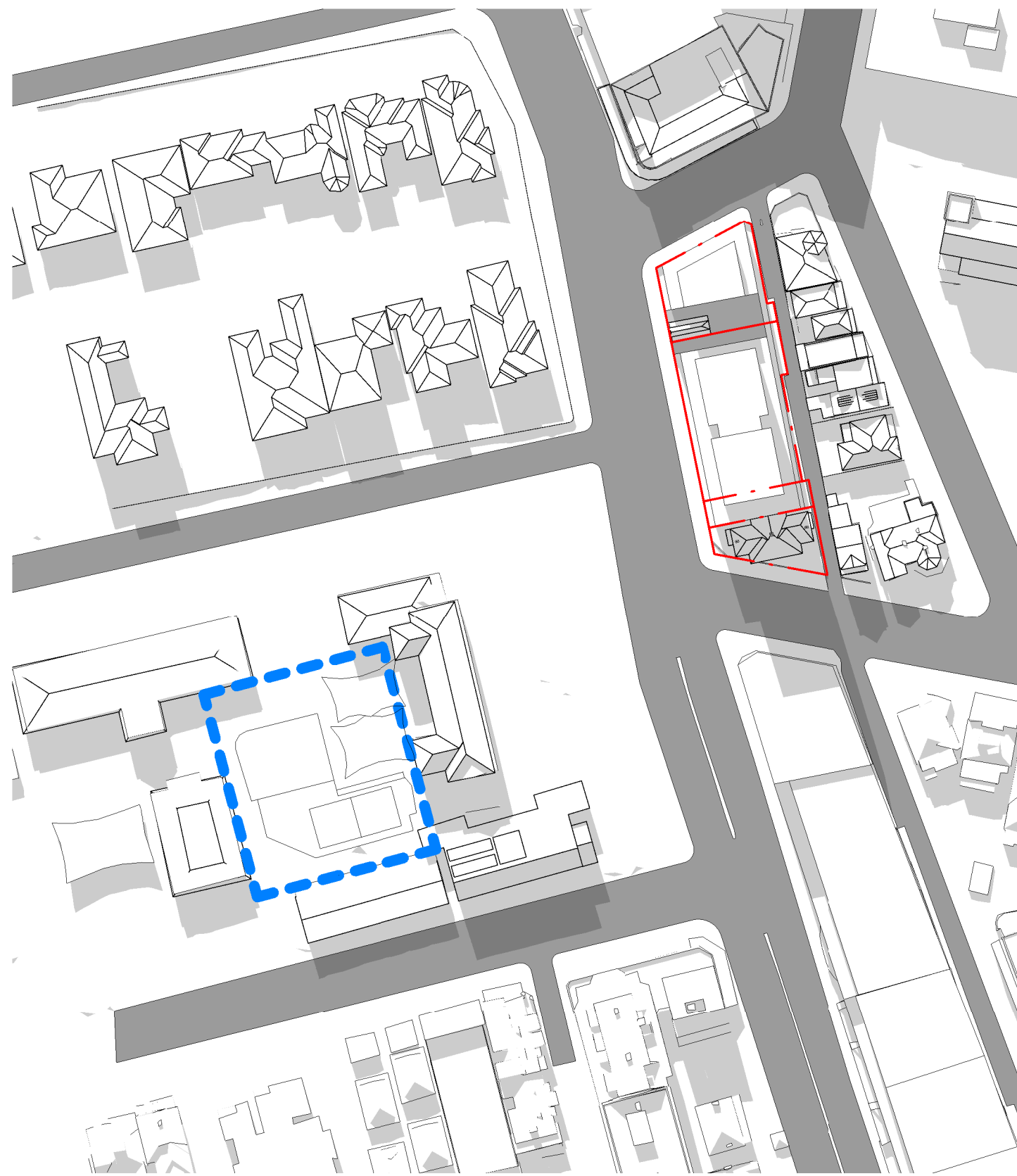
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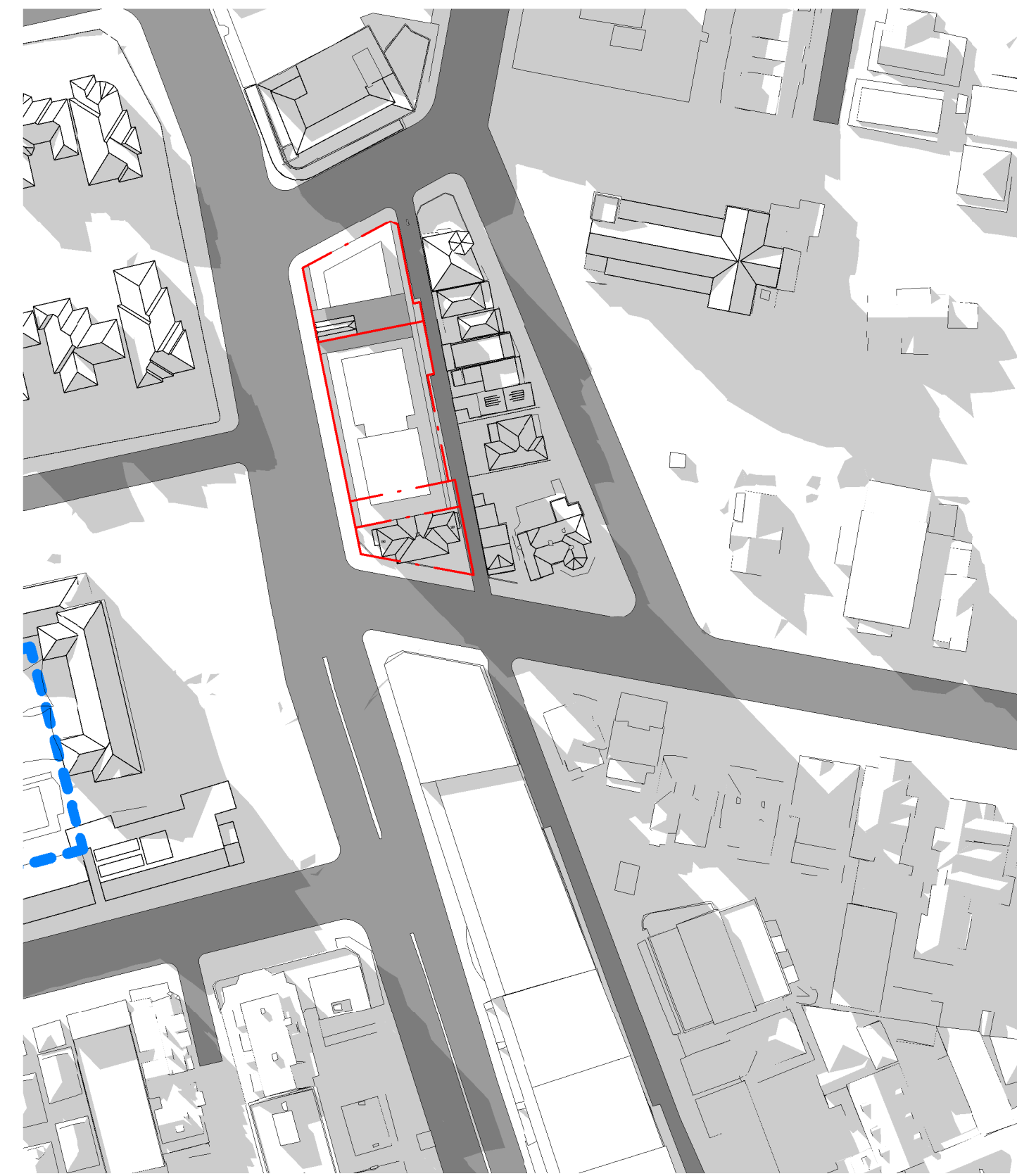
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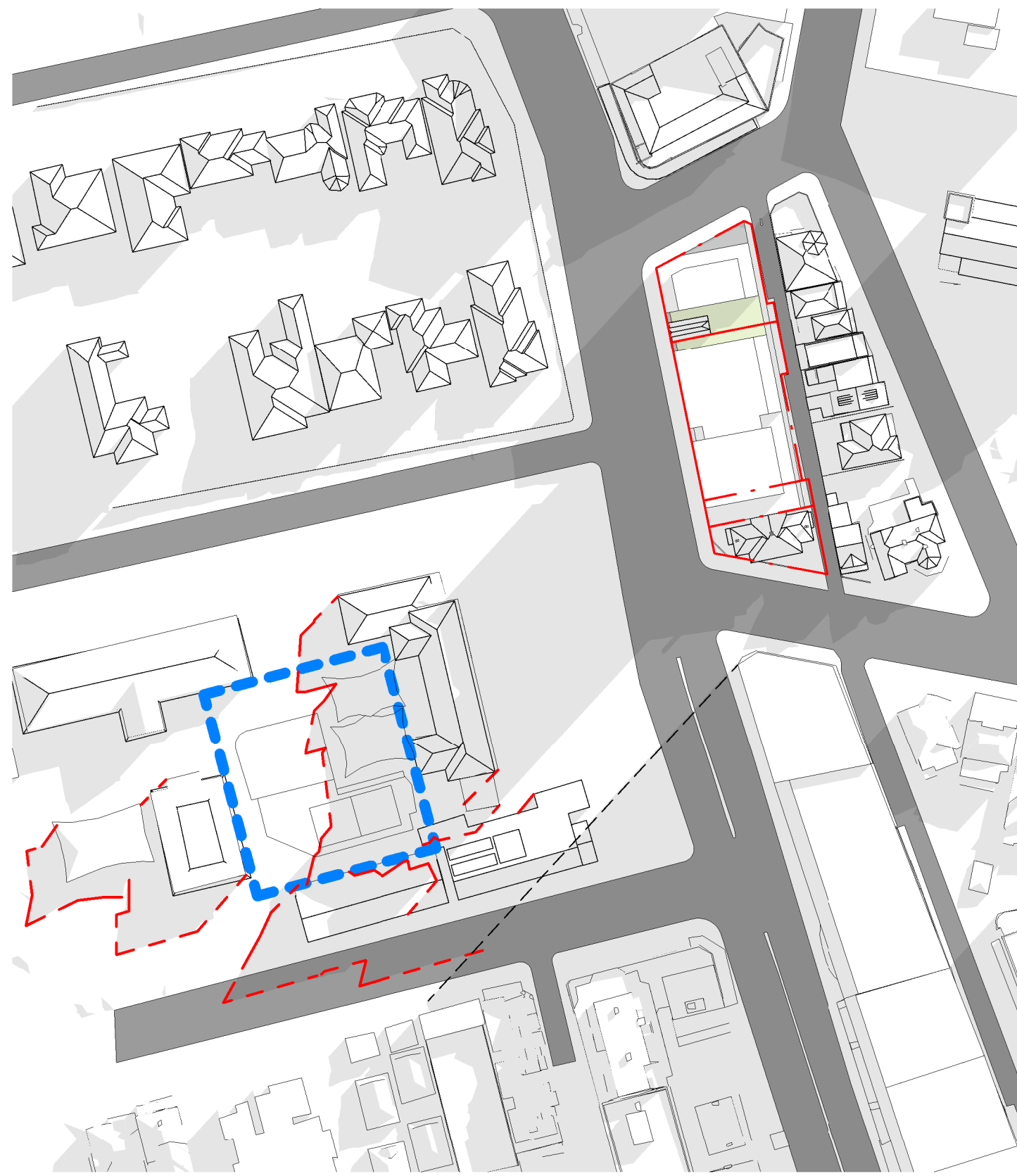


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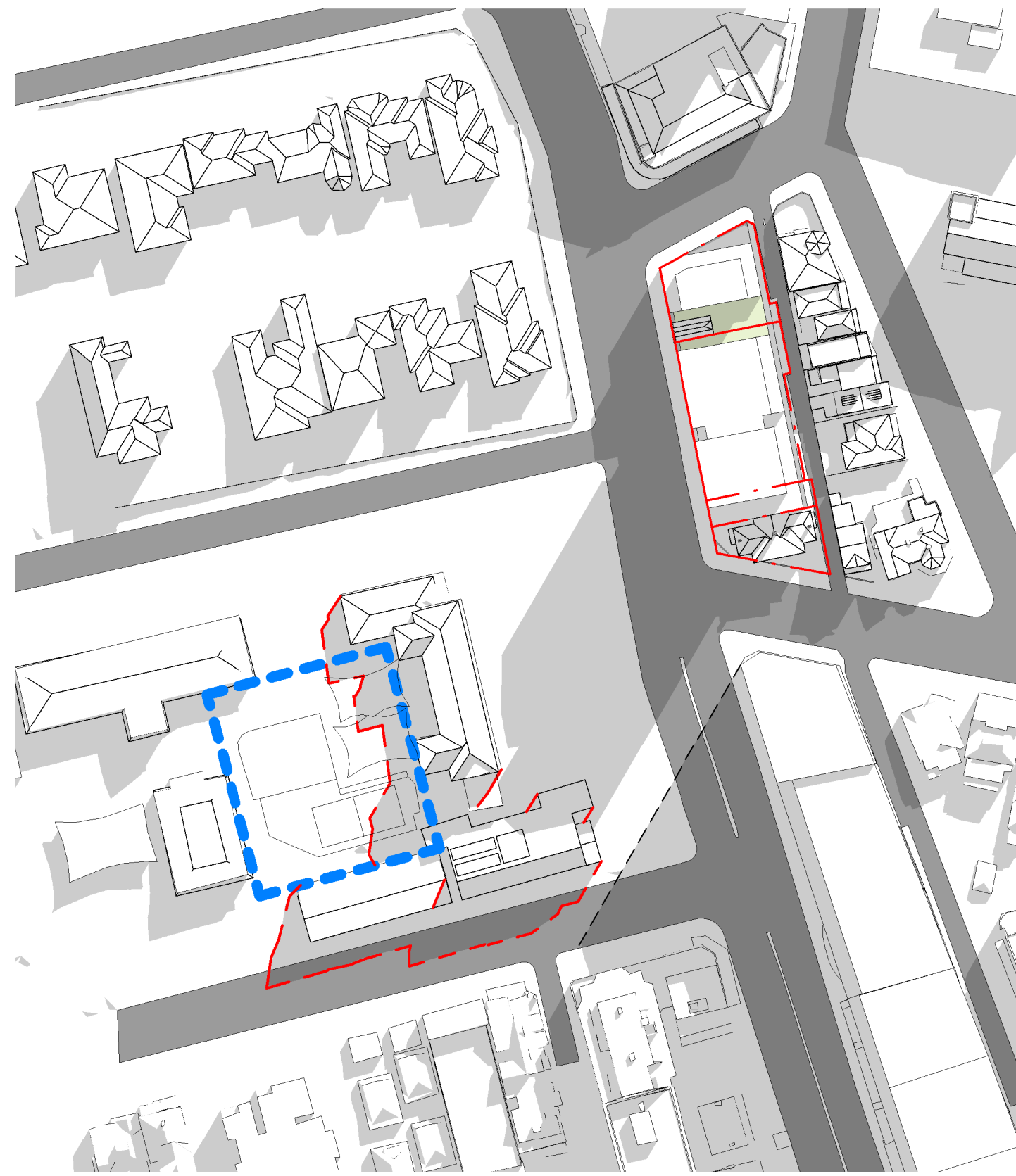
- LEGEND:**
- SHADOW CAST BY EXISTING SCHOOL BUILDING
  - SCHOOL PLAYGROUND OUTLINE

NOTES : SURVEY INFORMATION RECIEVED FOR THE SUBJECT SITE ONLY. CONTOUR INFORMATION EXTRACTED FROM SIXMAPS

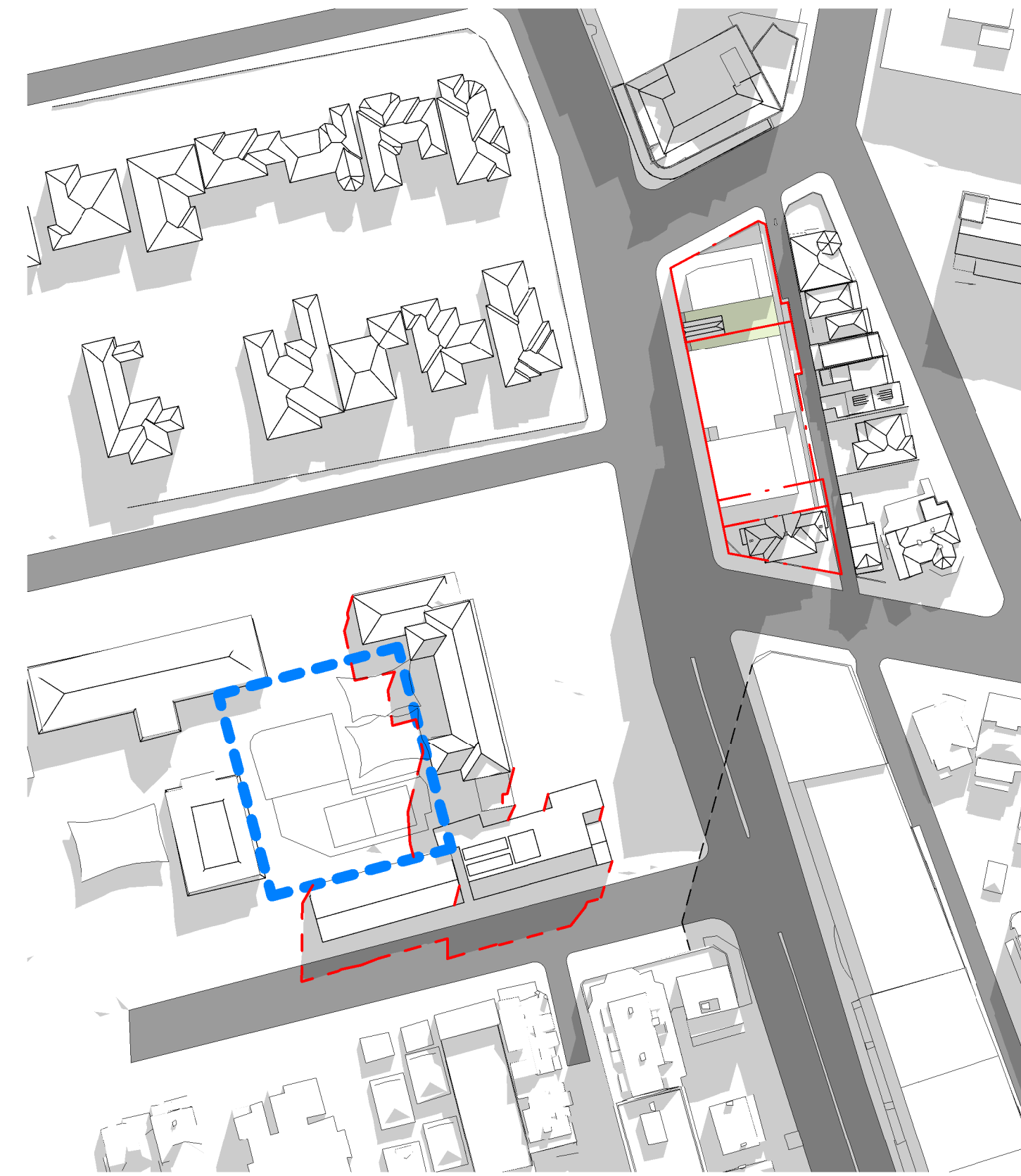




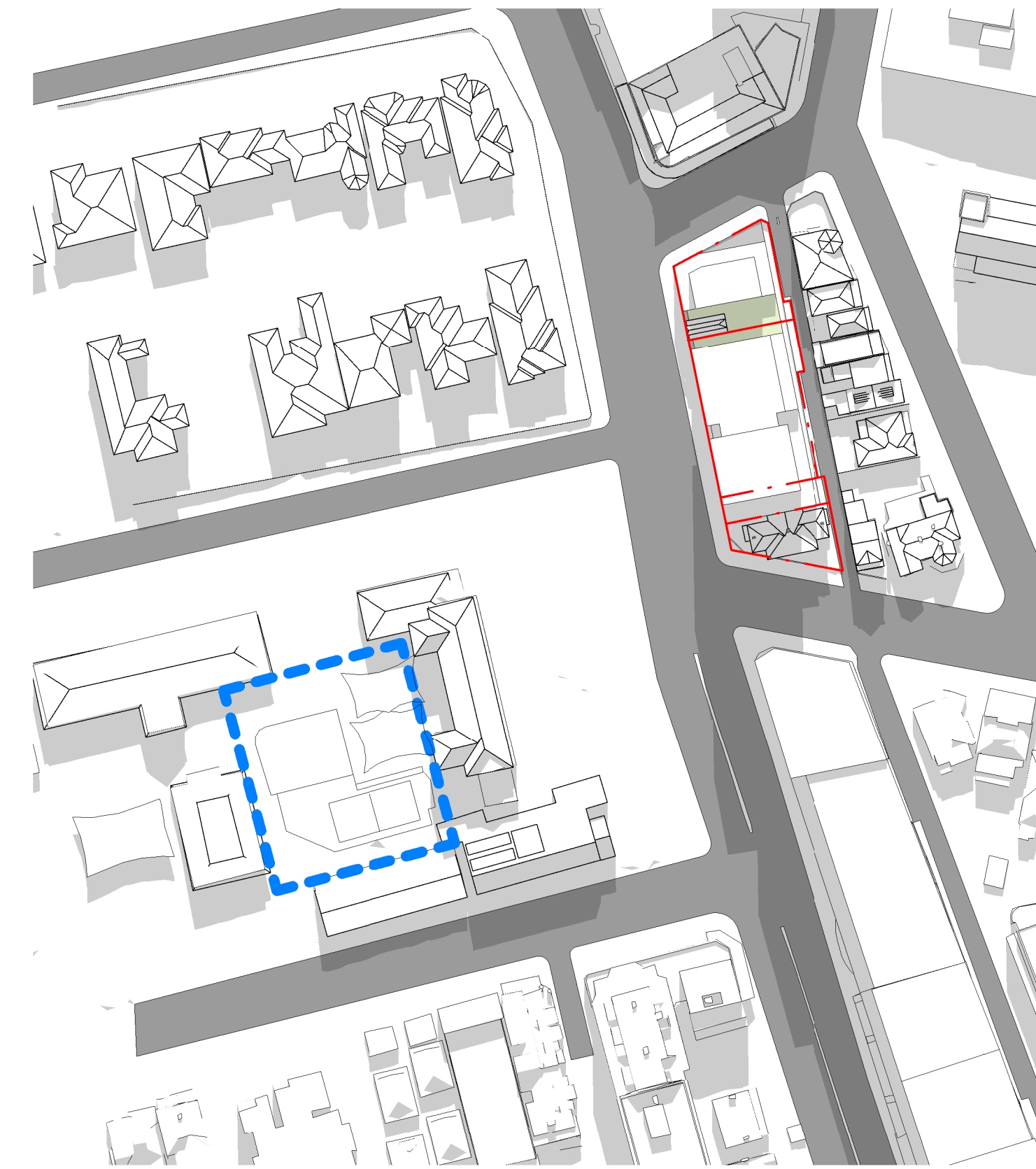
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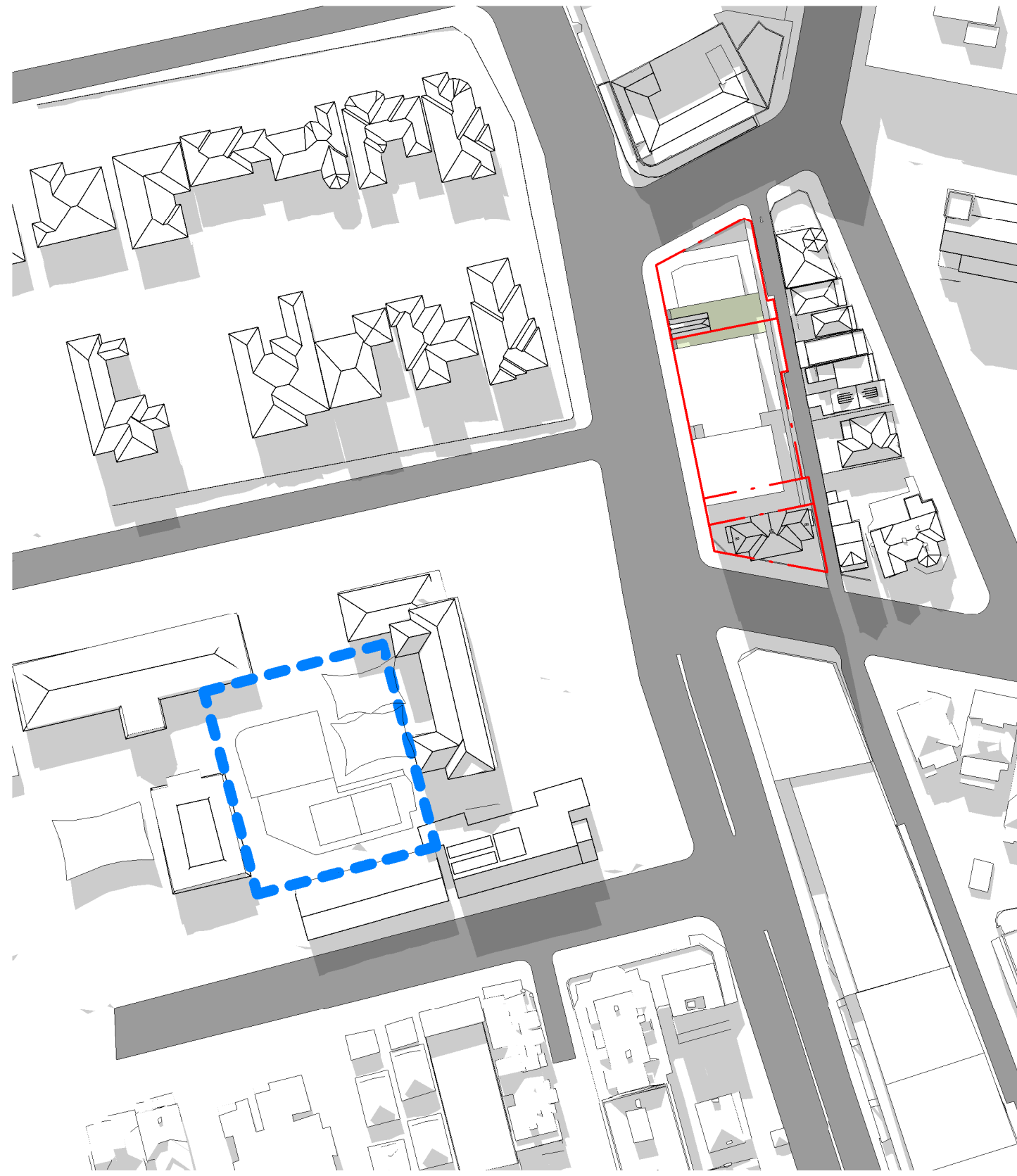
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11am 21st of June



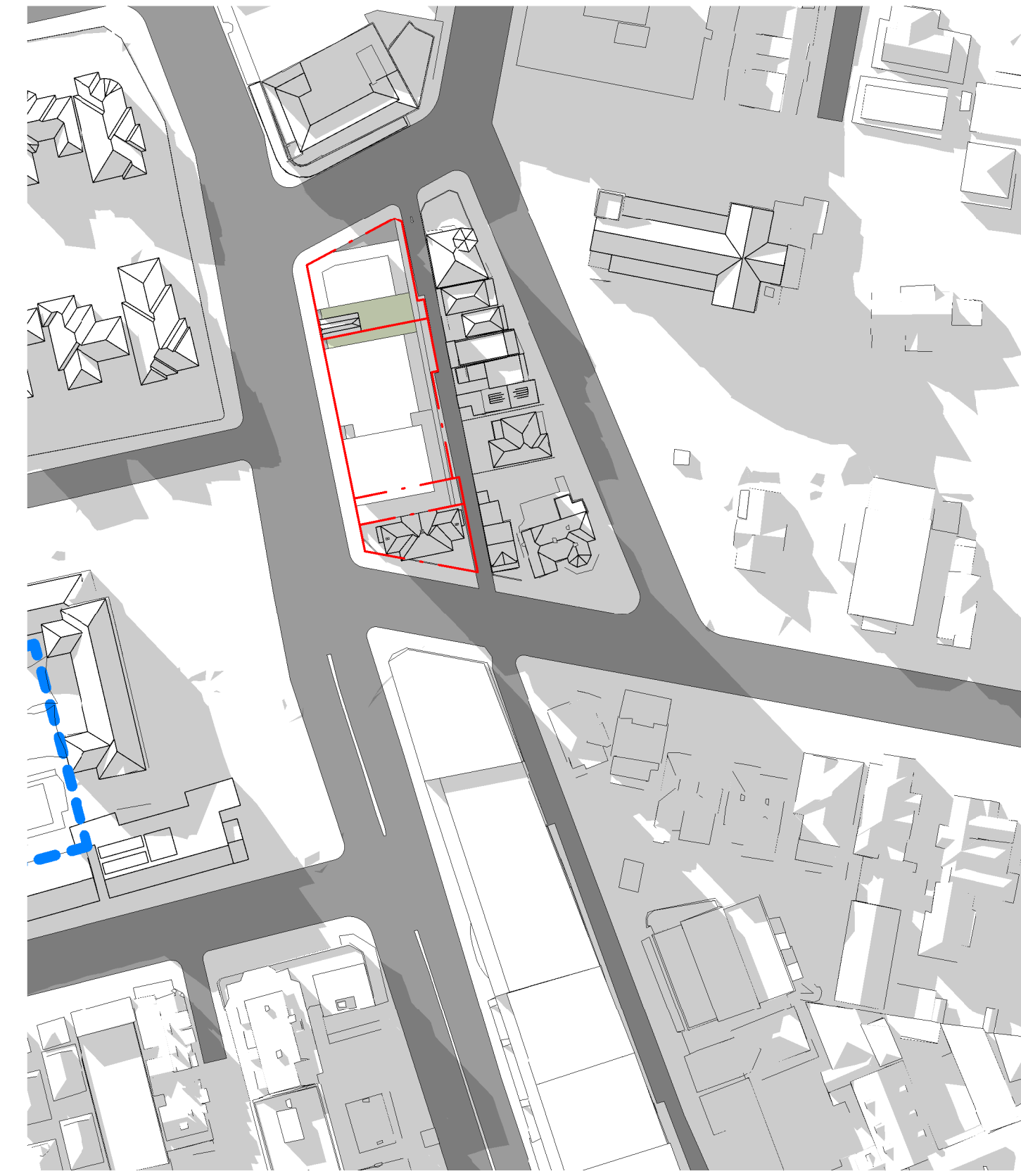
12pm 21st of June



1pm 21st of June



2pm 21st of June



3pm 21st of June

- LEGEND:**
- SHADOW CAST BY EXISTING SCHOOL BUILDING
  - SCHOOL PLAYGROUND OUTLINE

NOTES : SURVEY INFORMATION RECIEVED FOR THE SUBJECT SITE ONLY. CONTOUR INFORMATION EXTRACTED FROM SIXMAPS

**PTW**

Project 16036  
253 - 267 PACIFIC HWY  
NORTH SYDNEY

Client  
LEGACY PROPERTY

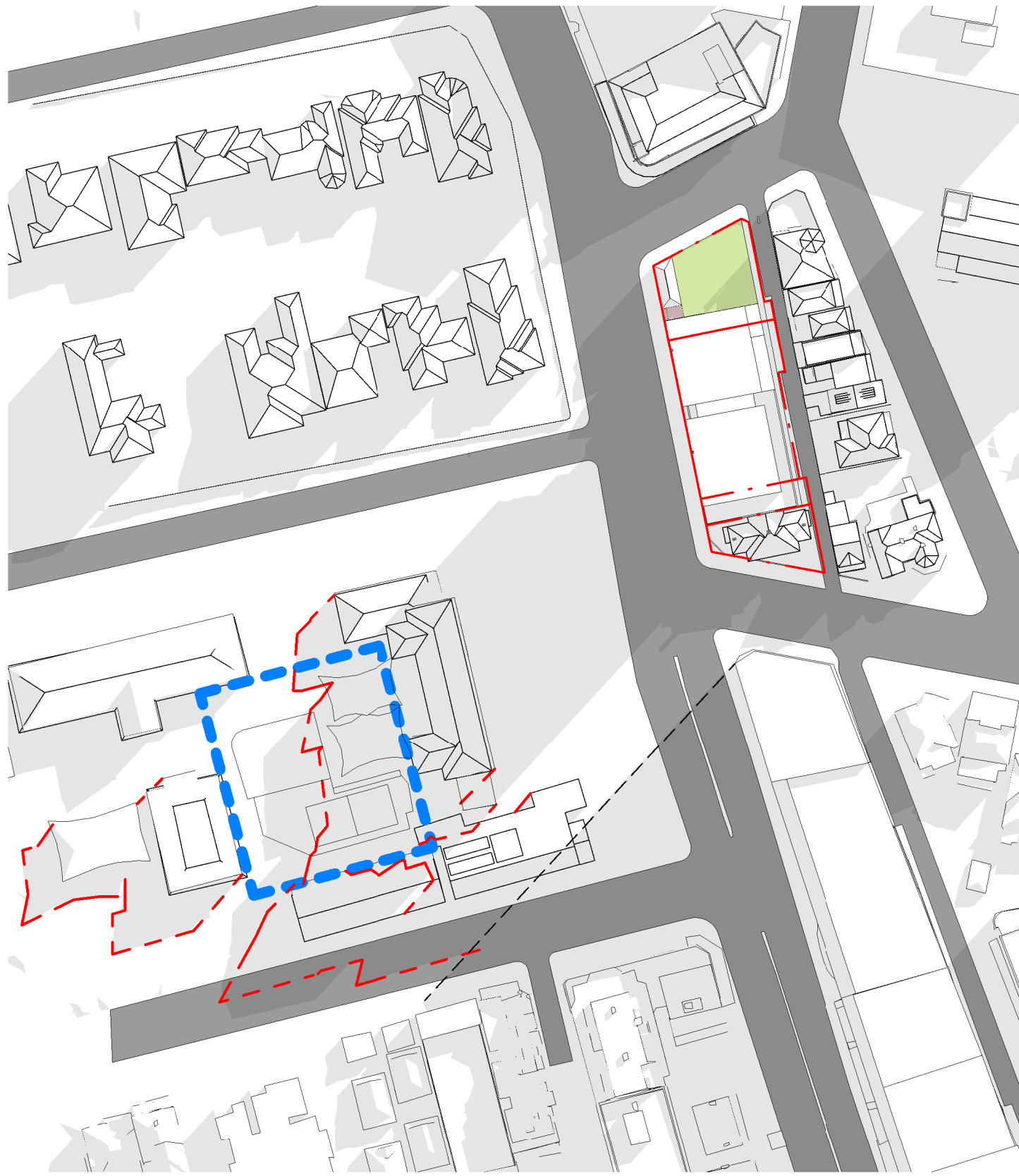
FOR INFORMATION 16-JULY -2020

**OPTION1 WITH FSR 5:1**

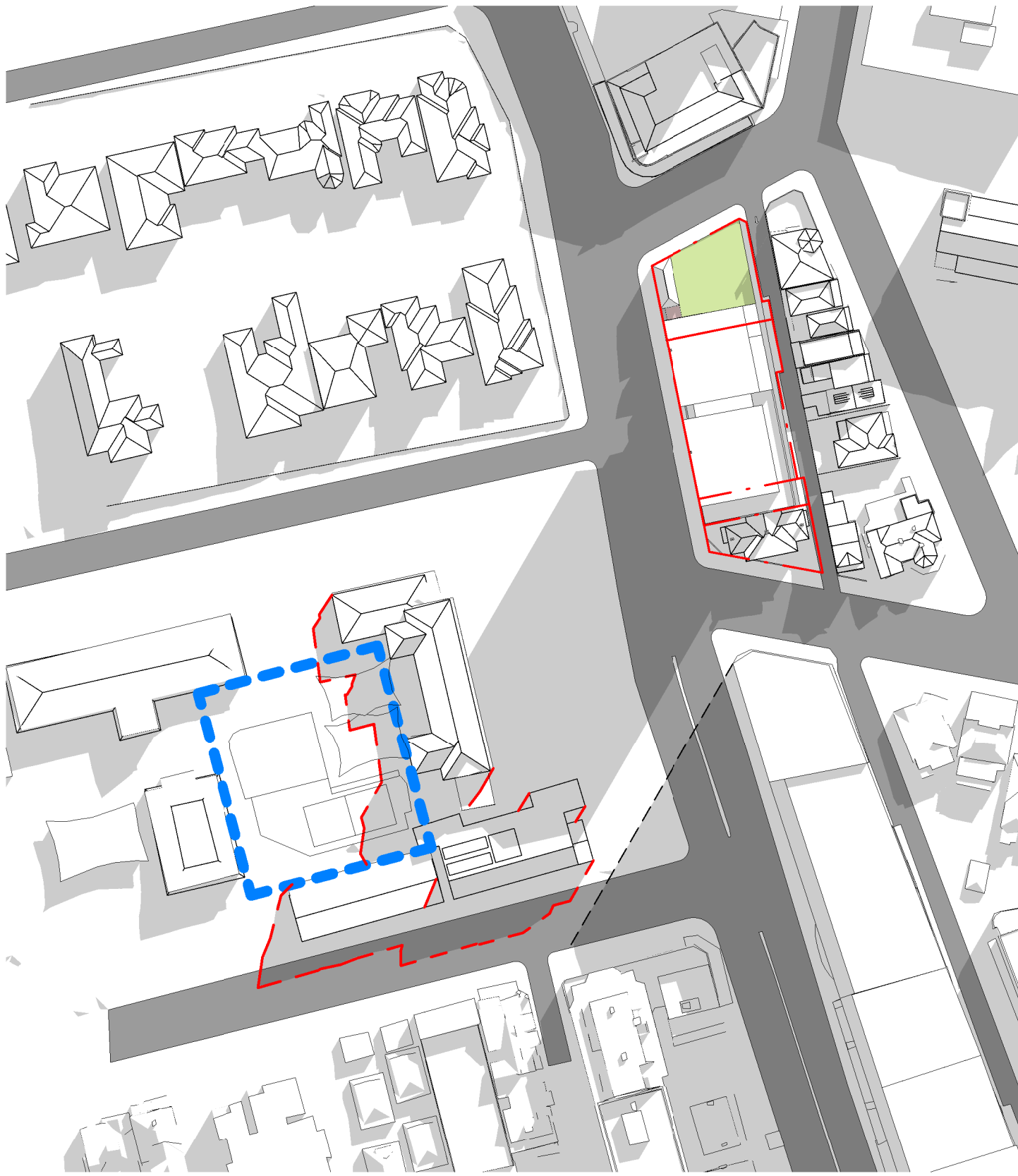
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SHADOW STUDY - OPTION 1(9AM -  
3PM, 21ST OF JUNE)

PP-SOLAR-OP1

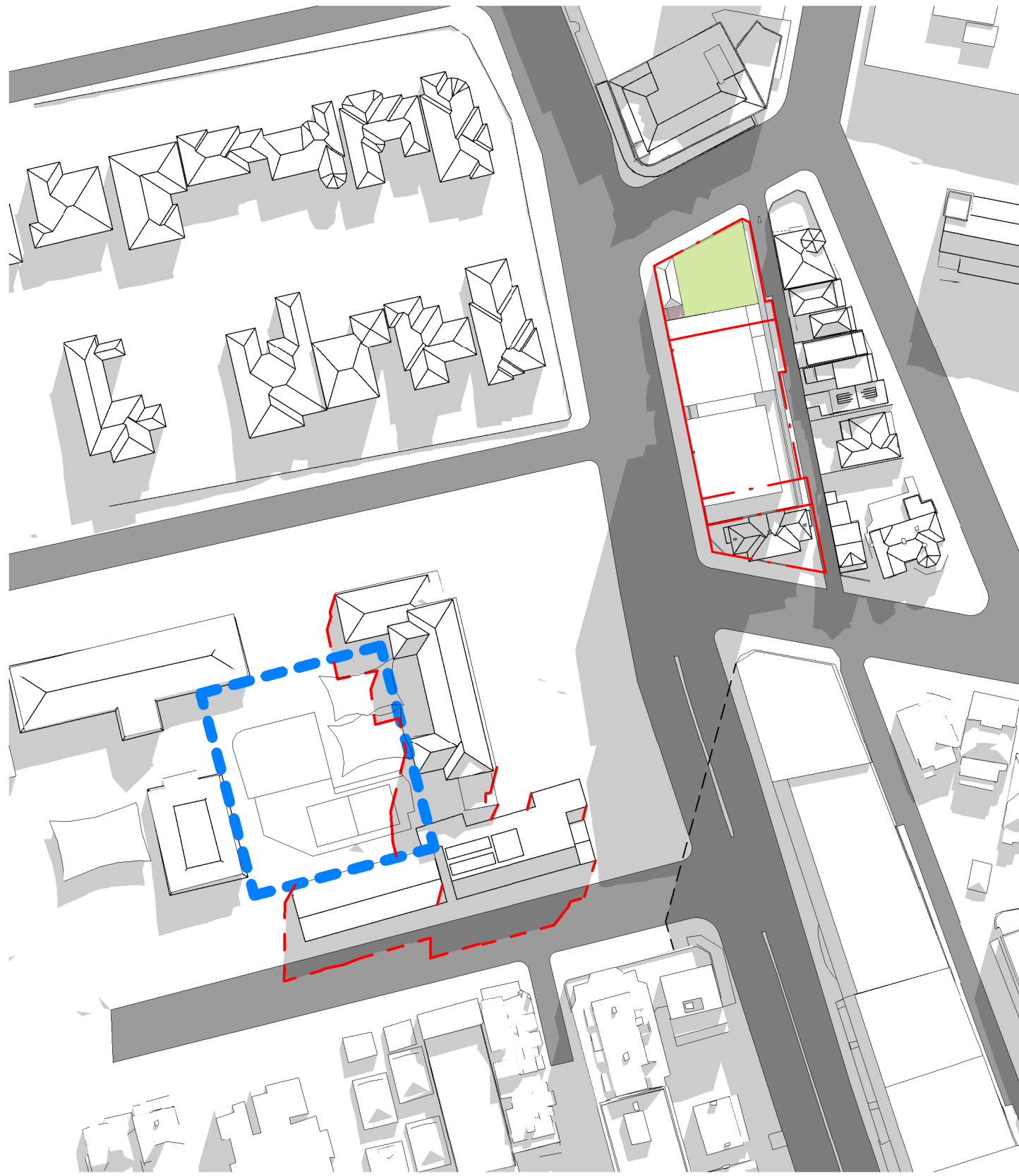




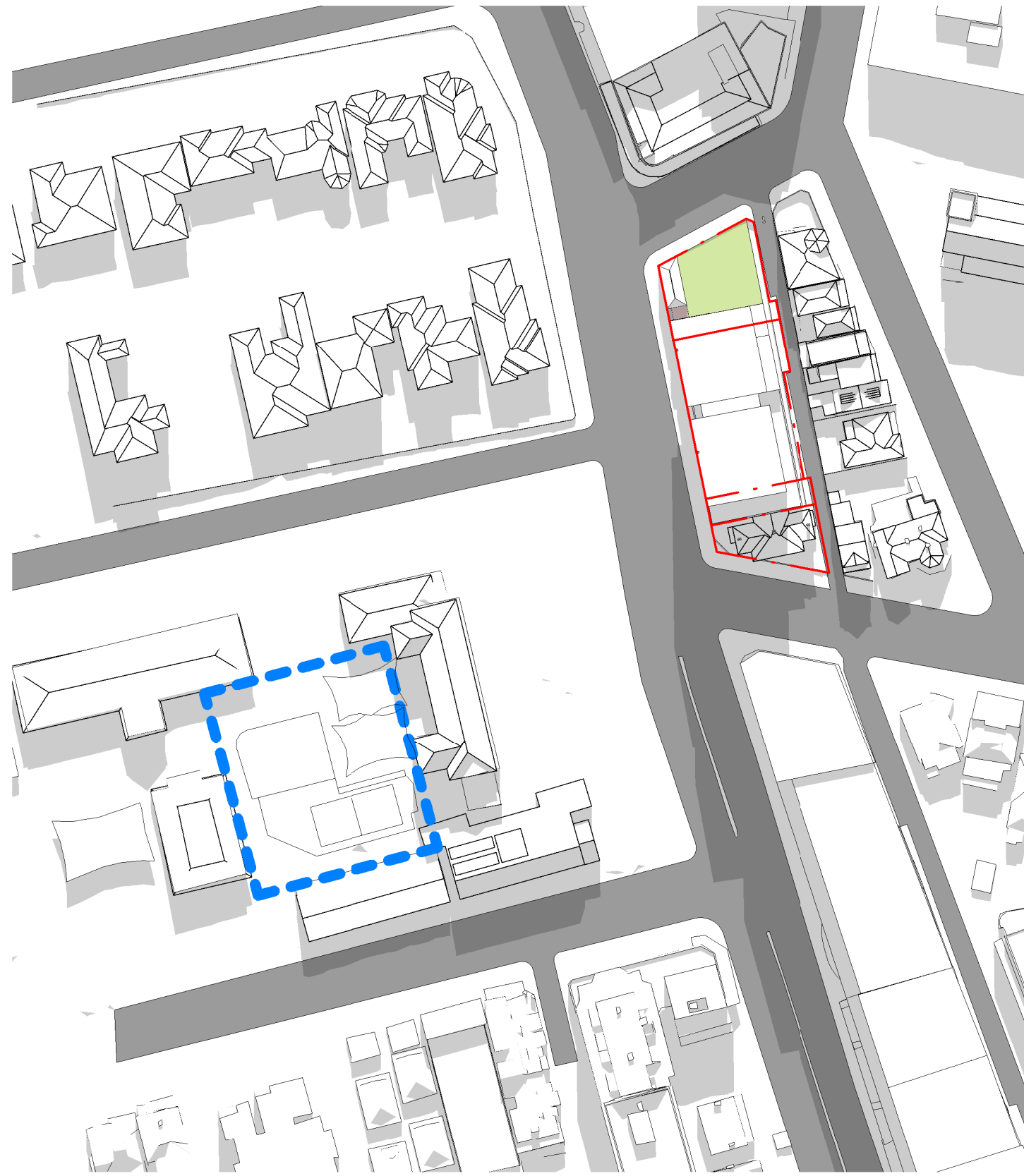
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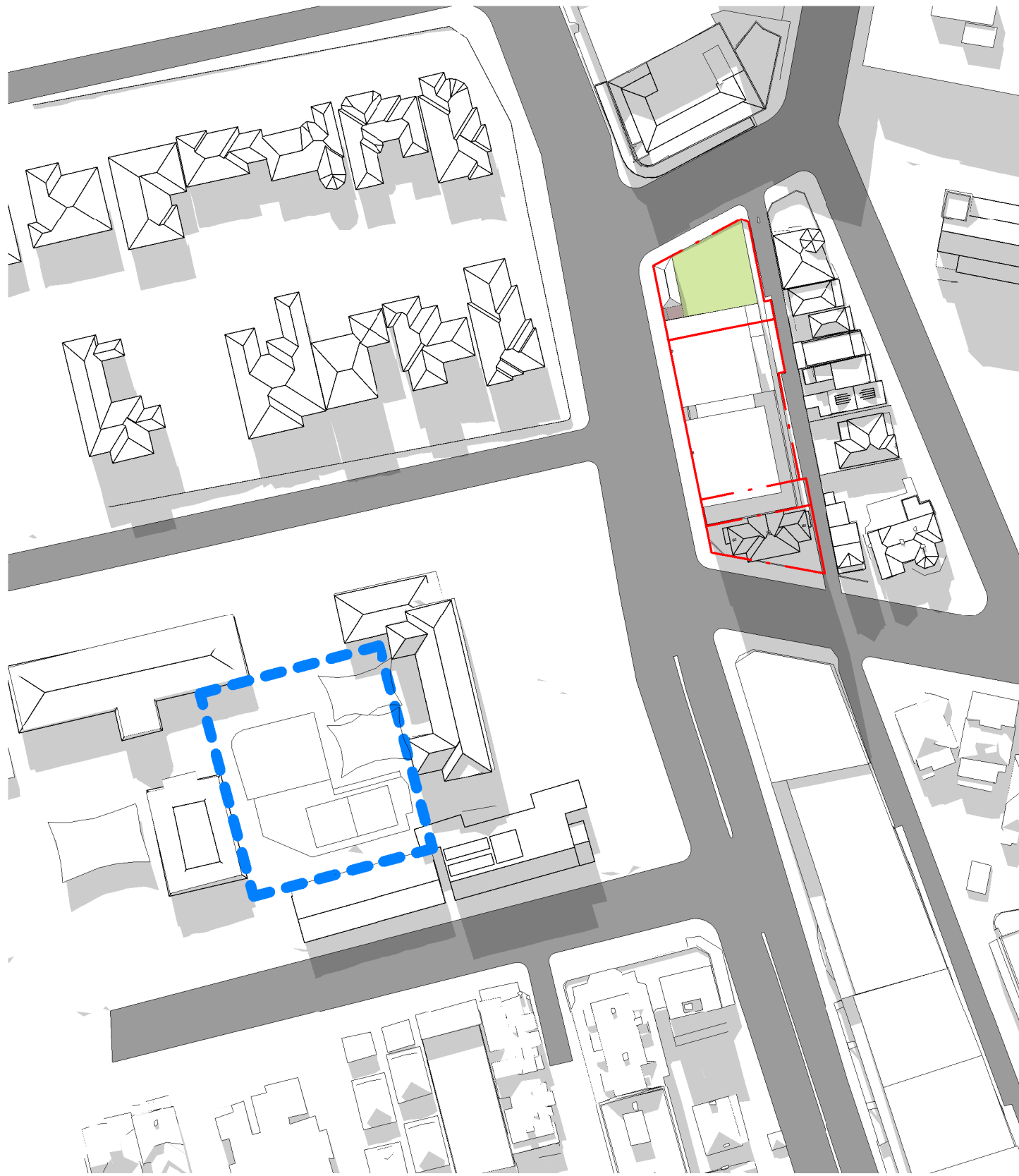
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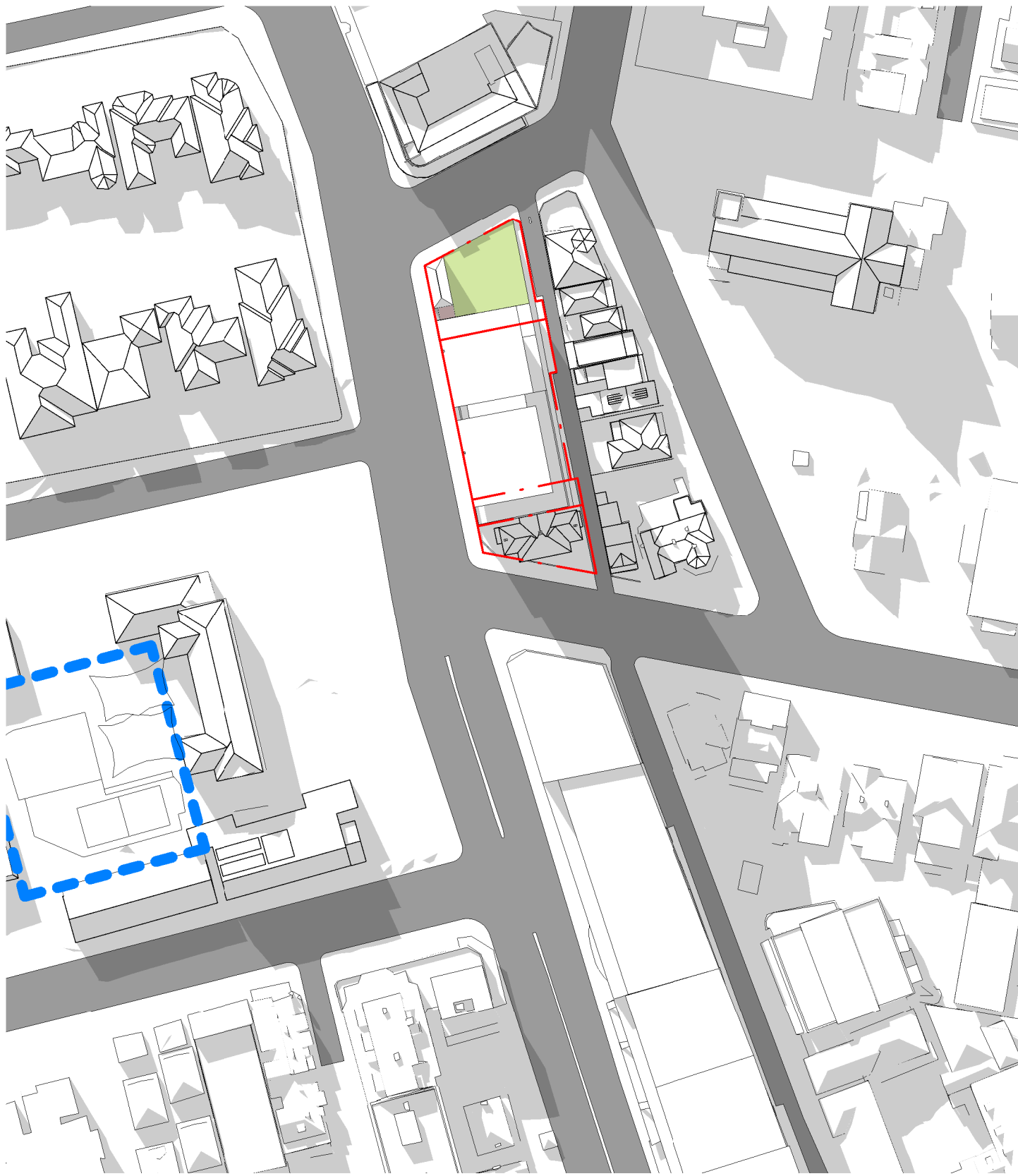
11am 21st of June



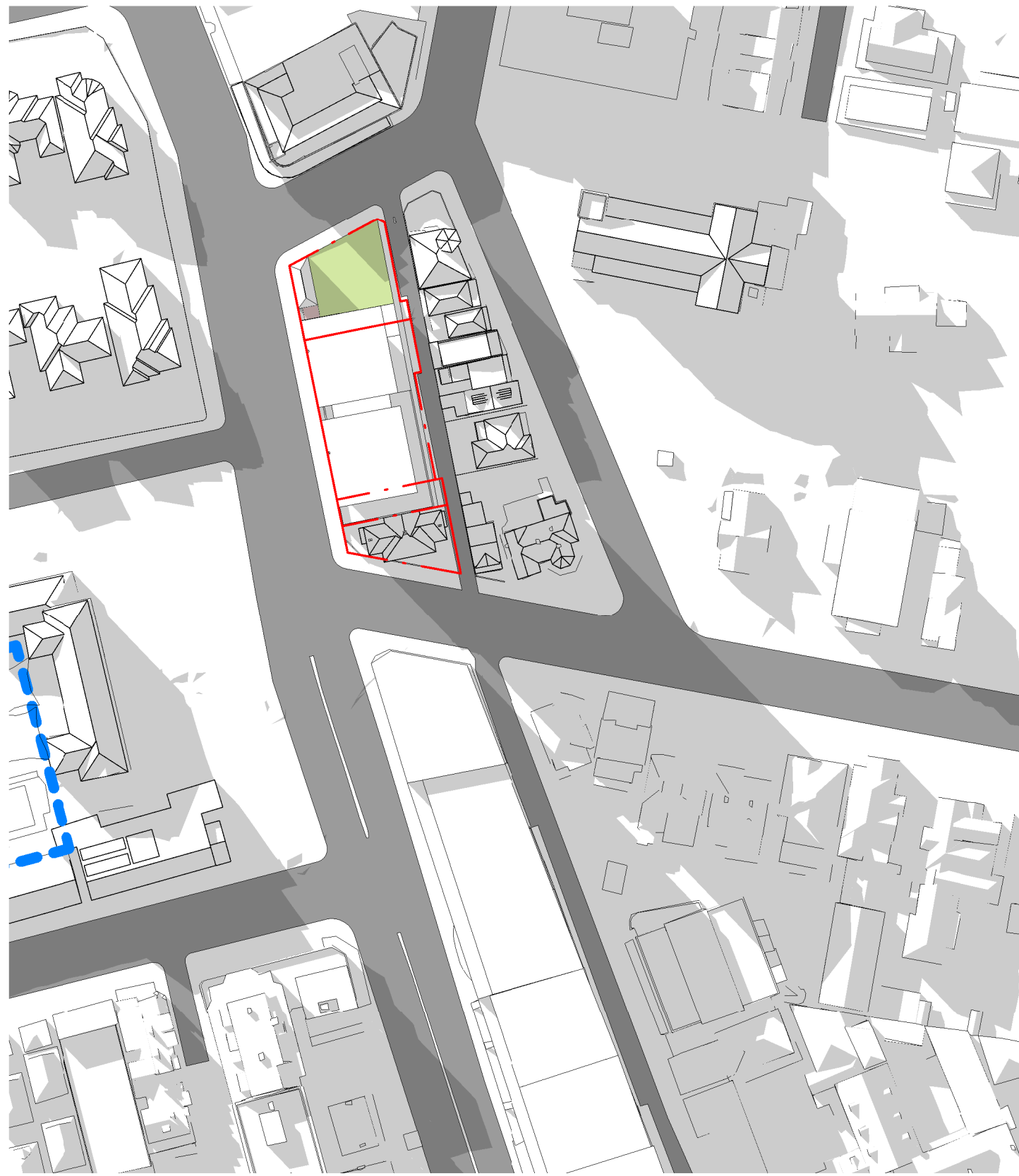
12pm 21st of June



1pm 21st of June



2pm 21st of June



3pm 21st of June

- LEGEND:**
- SHADOW CAST BY EXISTING SCHOOL BUILDING
  - SCHOOL PLAYGROUND OUTLINE

NOTES : SURVEY INFORMATION RECIEVED FOR THE SUBJECT SITE ONLY. CONTOUR INFORMATION EXTRACTED FROM SIXMAPS

**PTW**

Project 16036  
253 - 267 PACIFIC HWY  
NORTH SYDNEY

Client  
LEGACY PROPERTY

FOR INFORMATION 16-JULY -2020

**OPTION2 WITH FSR 5.5:1**

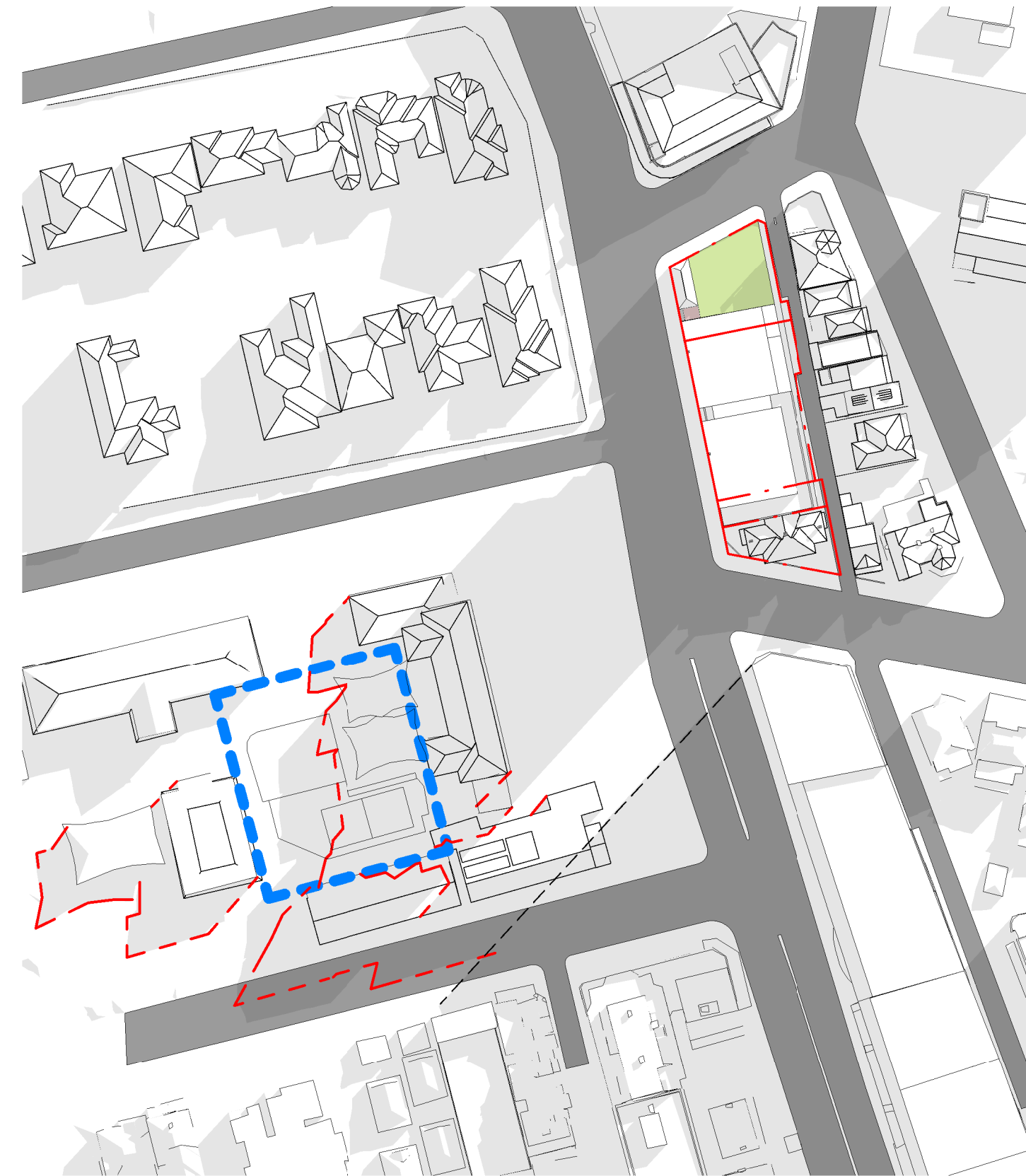
Title  
SHADOW STUDY - OPTION 2(9AM -  
3PM, 21ST OF JUNE)

PP-SOLAR-OP2-1

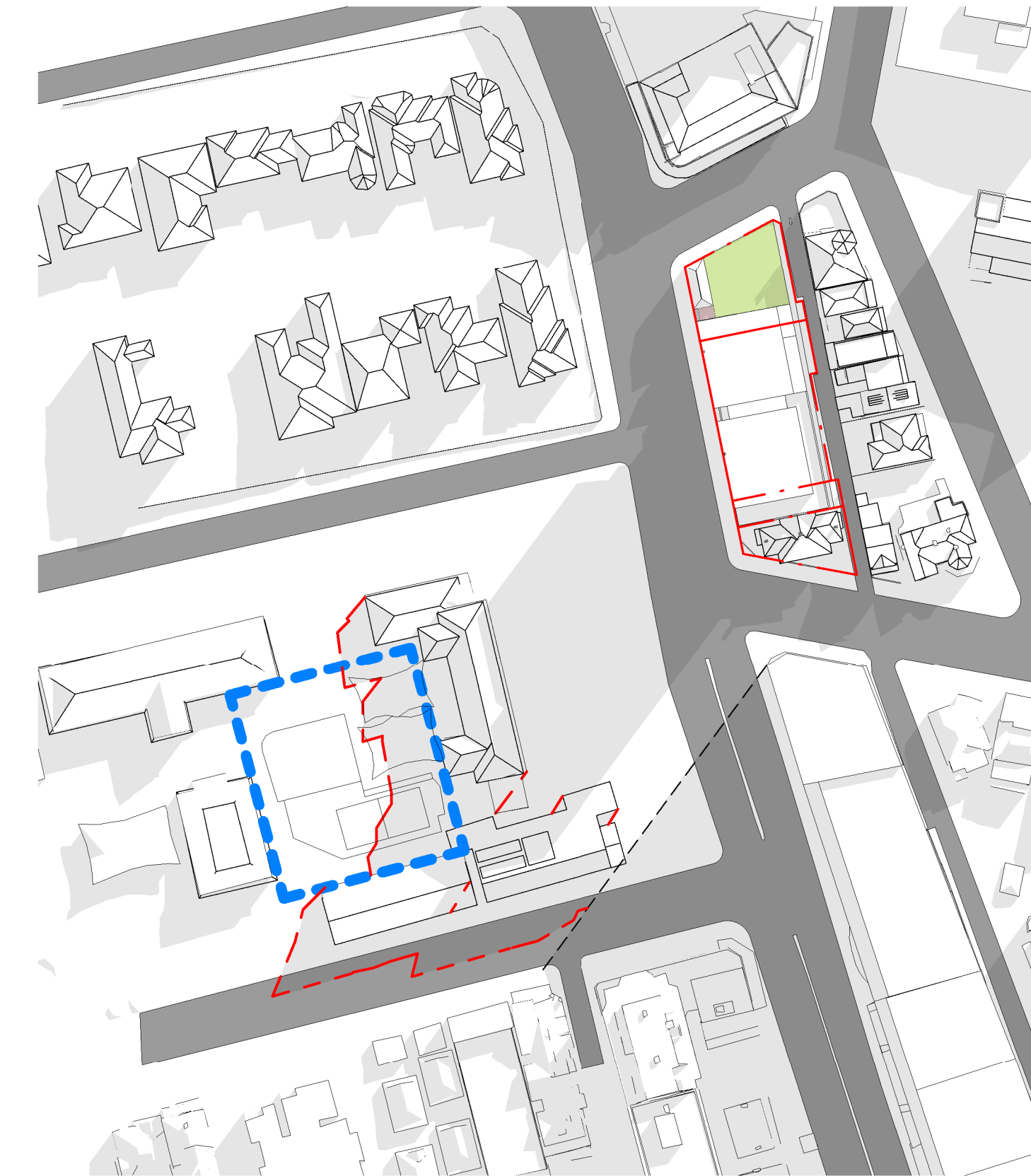




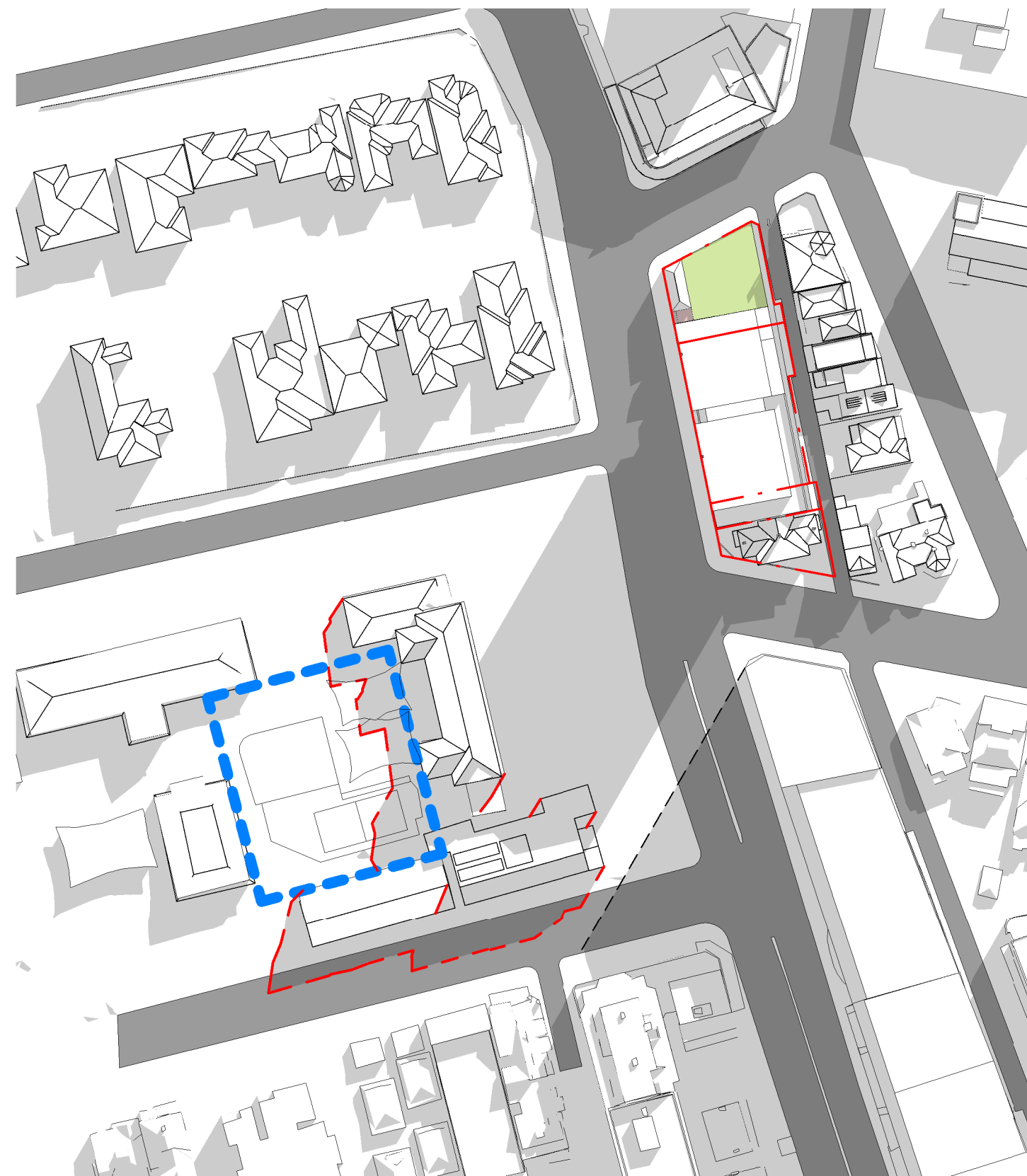
OPTION 02\_8.30AM 21st of June



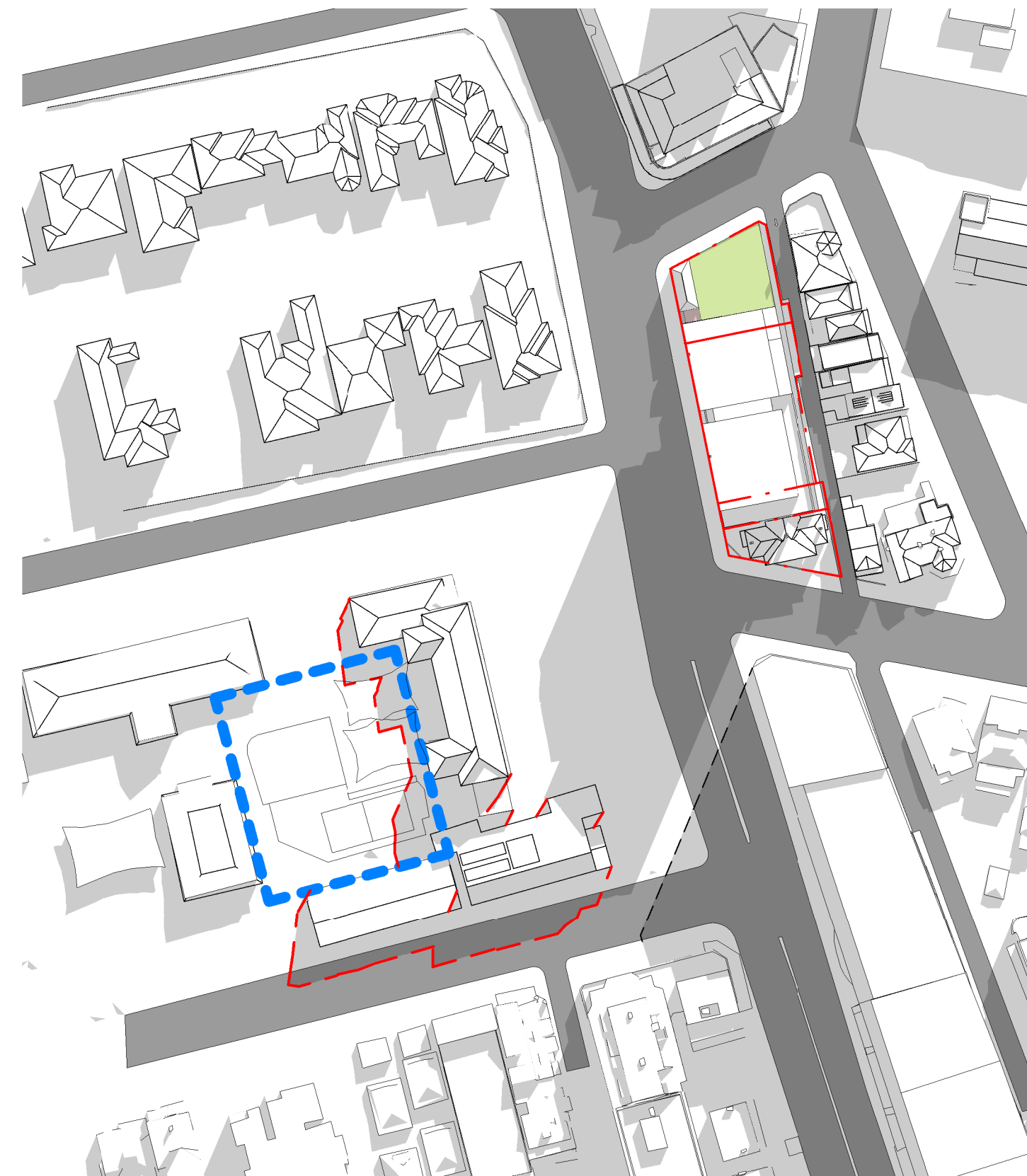
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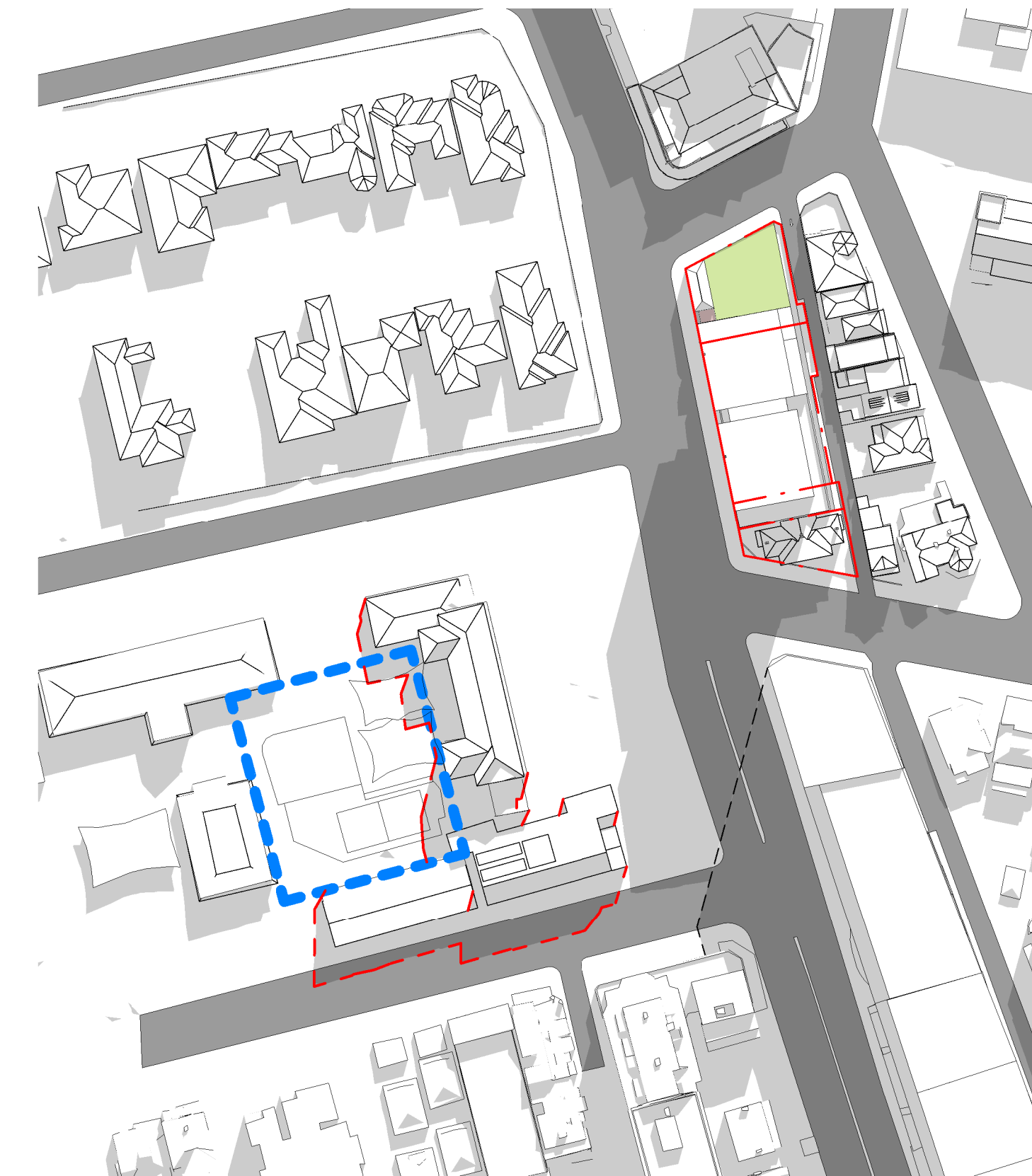
OPTION 02\_9.30AM 21st of June



OPTION 02\_10AM 21st of June



OPTION 02\_10.30AM 21st of June

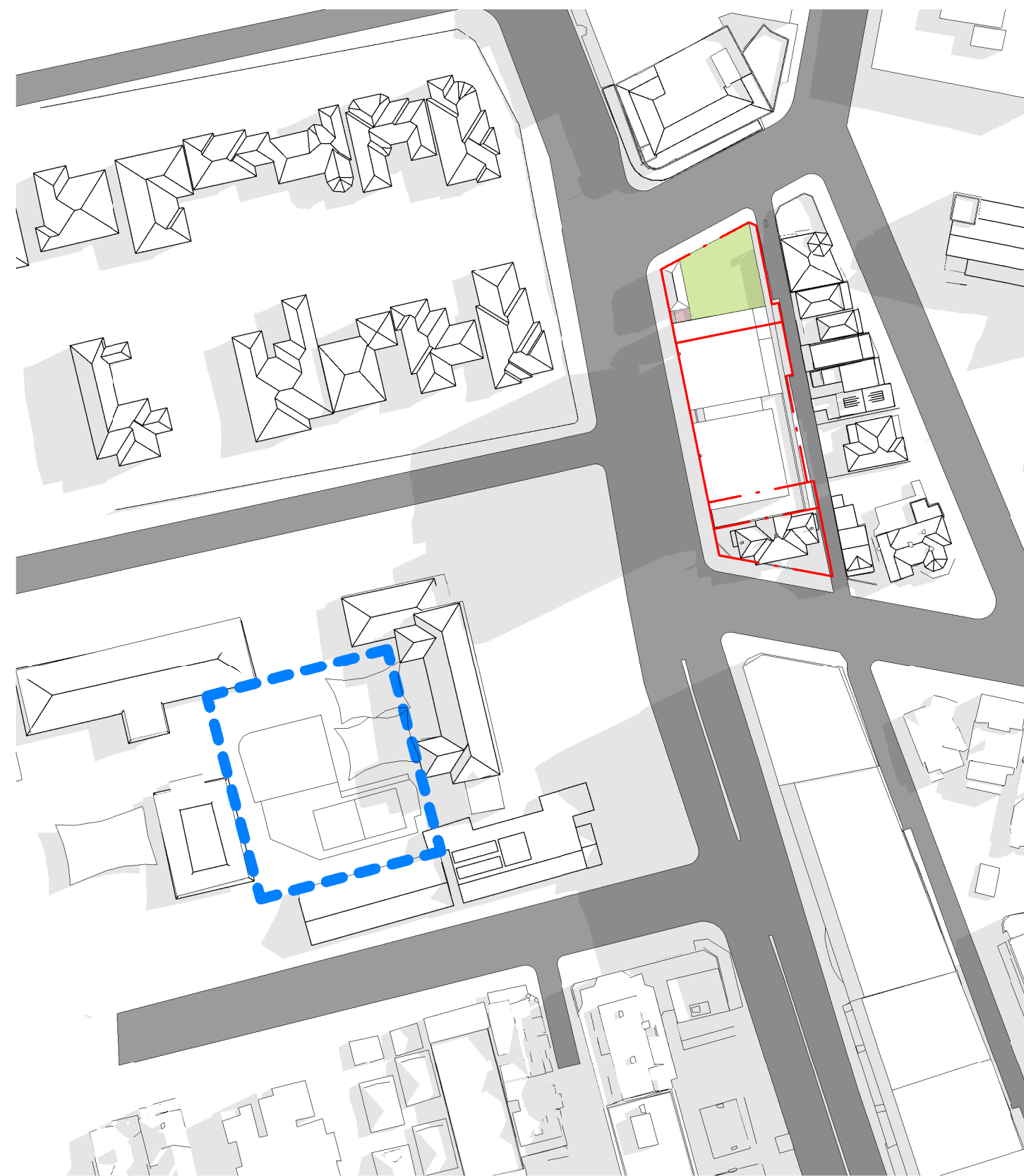


OPTION 02\_11AM 21st of June

**SCHOOL BELL TIMES**  
 Bells will ring at the end of the following breaks.  
 Kindergarten to Year 6  
 8.55am Start of school day  
 10.55am - 11.05am Inside eating time (Lunch)  
 11.05am - 11.25am Outside playlunch  
 Reference:  
<https://nthsyddem-p.schools.nsw.gov.au/about-our-school/school-bell-times.html>

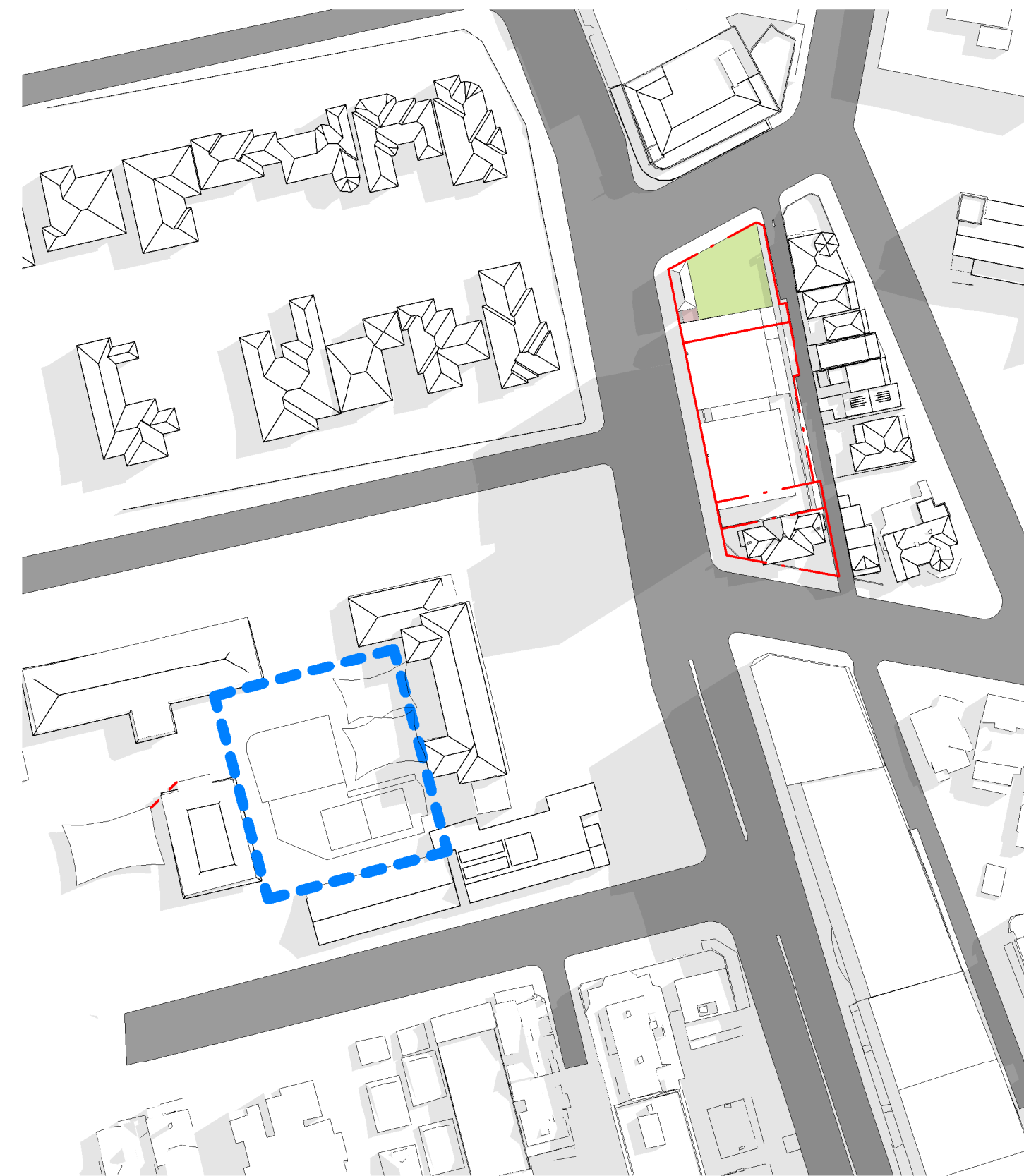
**LEGEND:**  
 - - - - - SHADOW CAST BY EXISTING SCHOOL BUILDING  
 [ ] SCHOOL PLAYGROUND OUTLINE



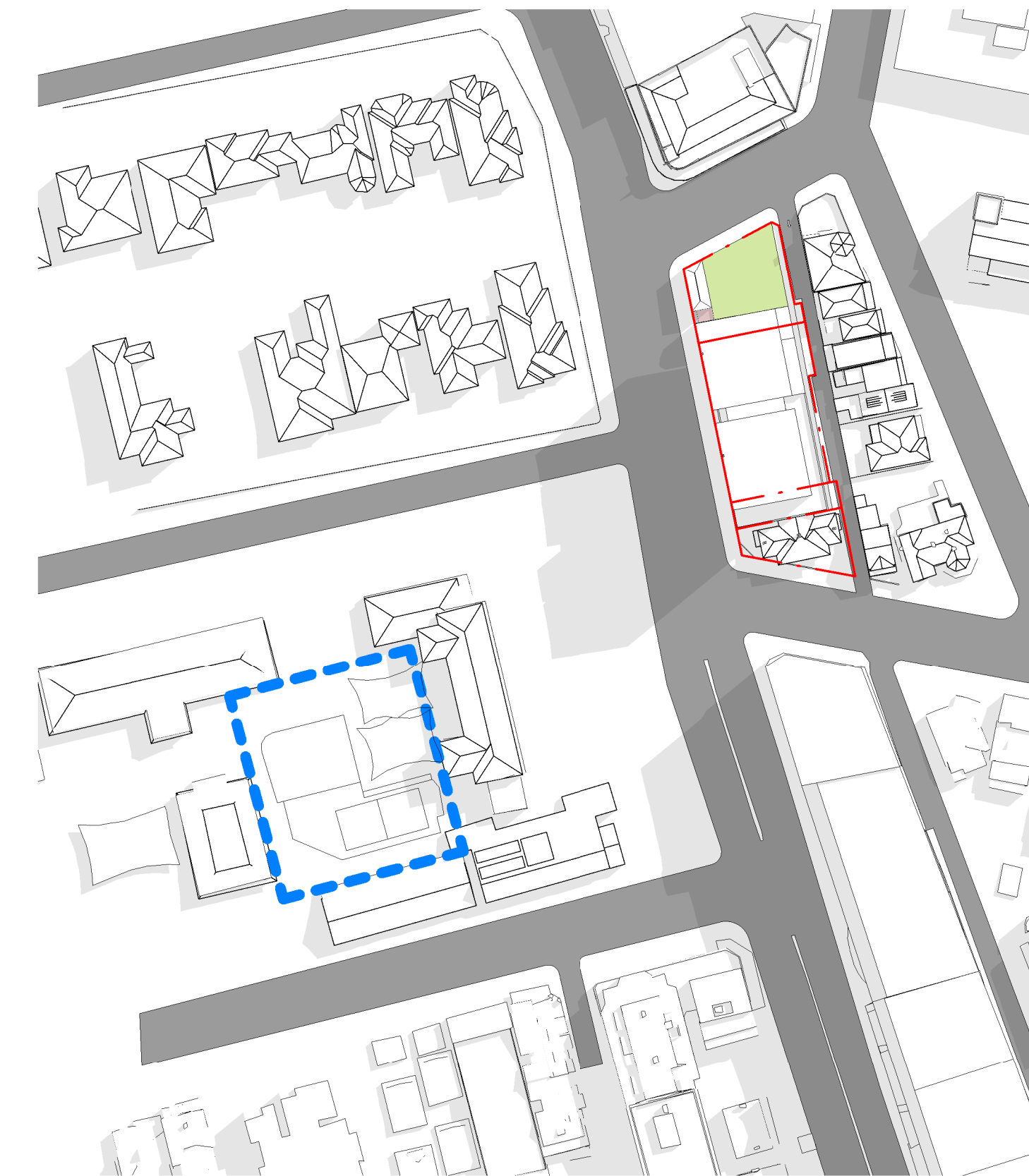


OPTION 02\_8.30AM 22nd of September

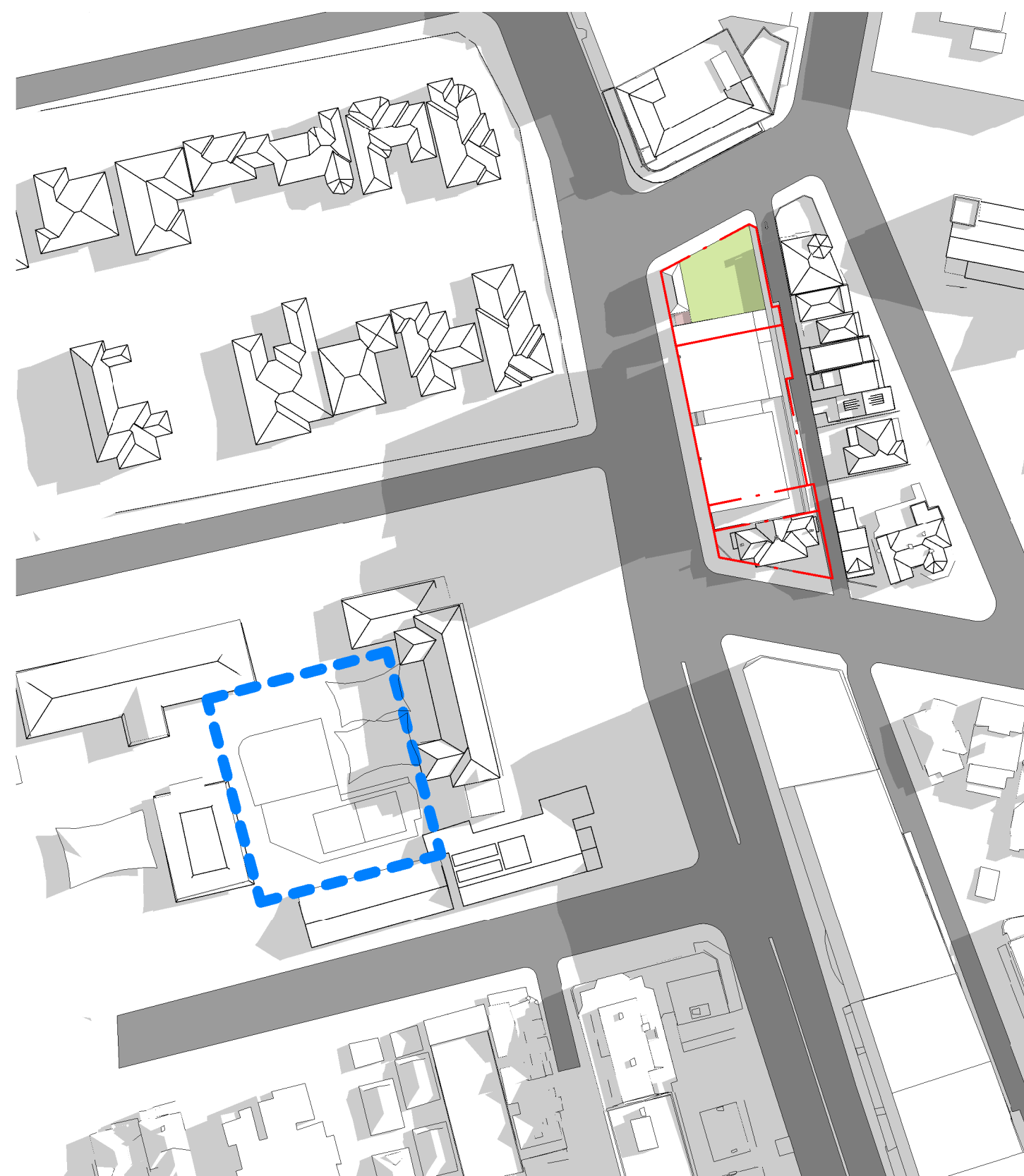
## SPRING EQUINOX



OPTION 02\_9AM 22nd of September

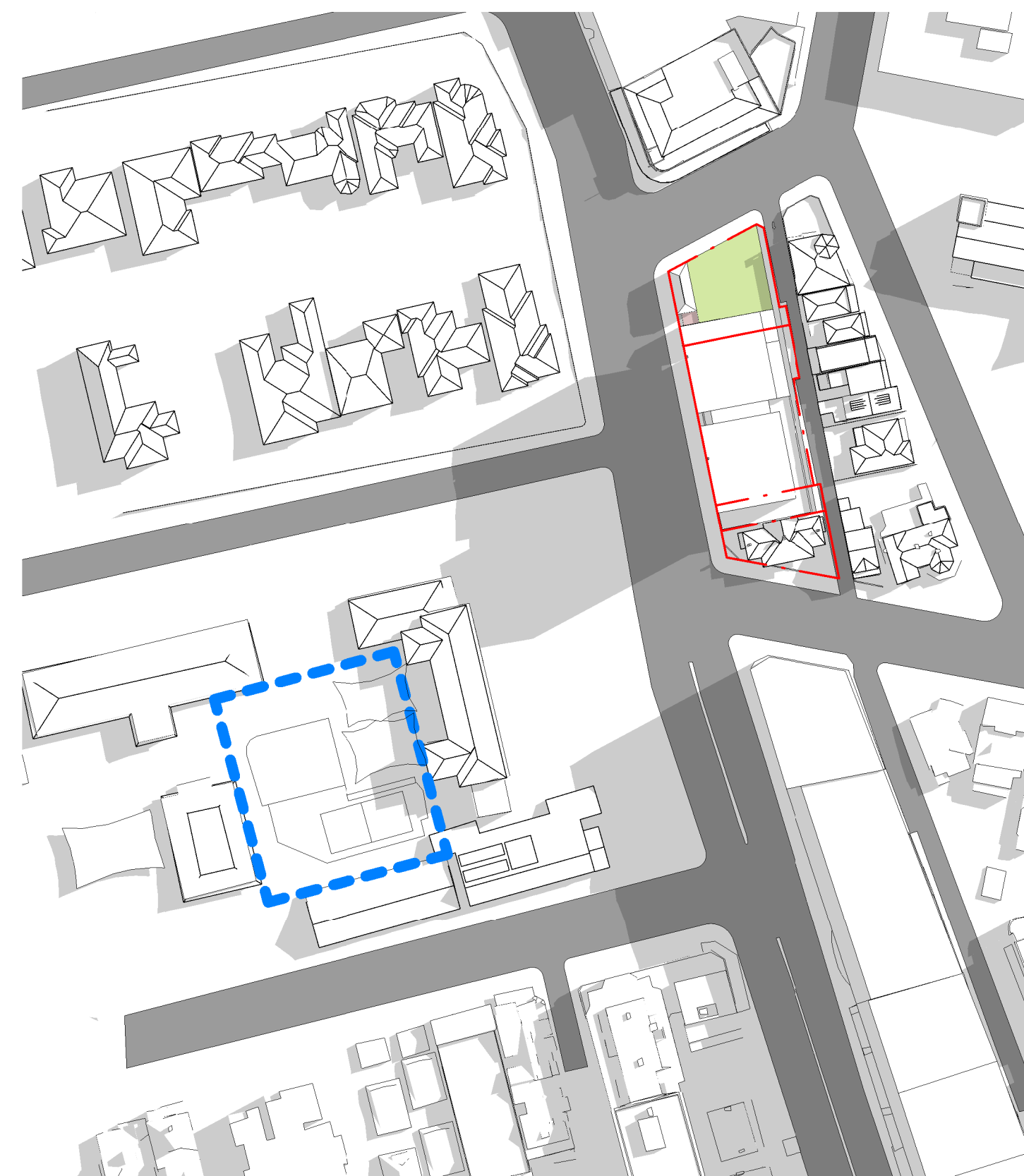


OPTION 02\_9.30AM 22nd of September

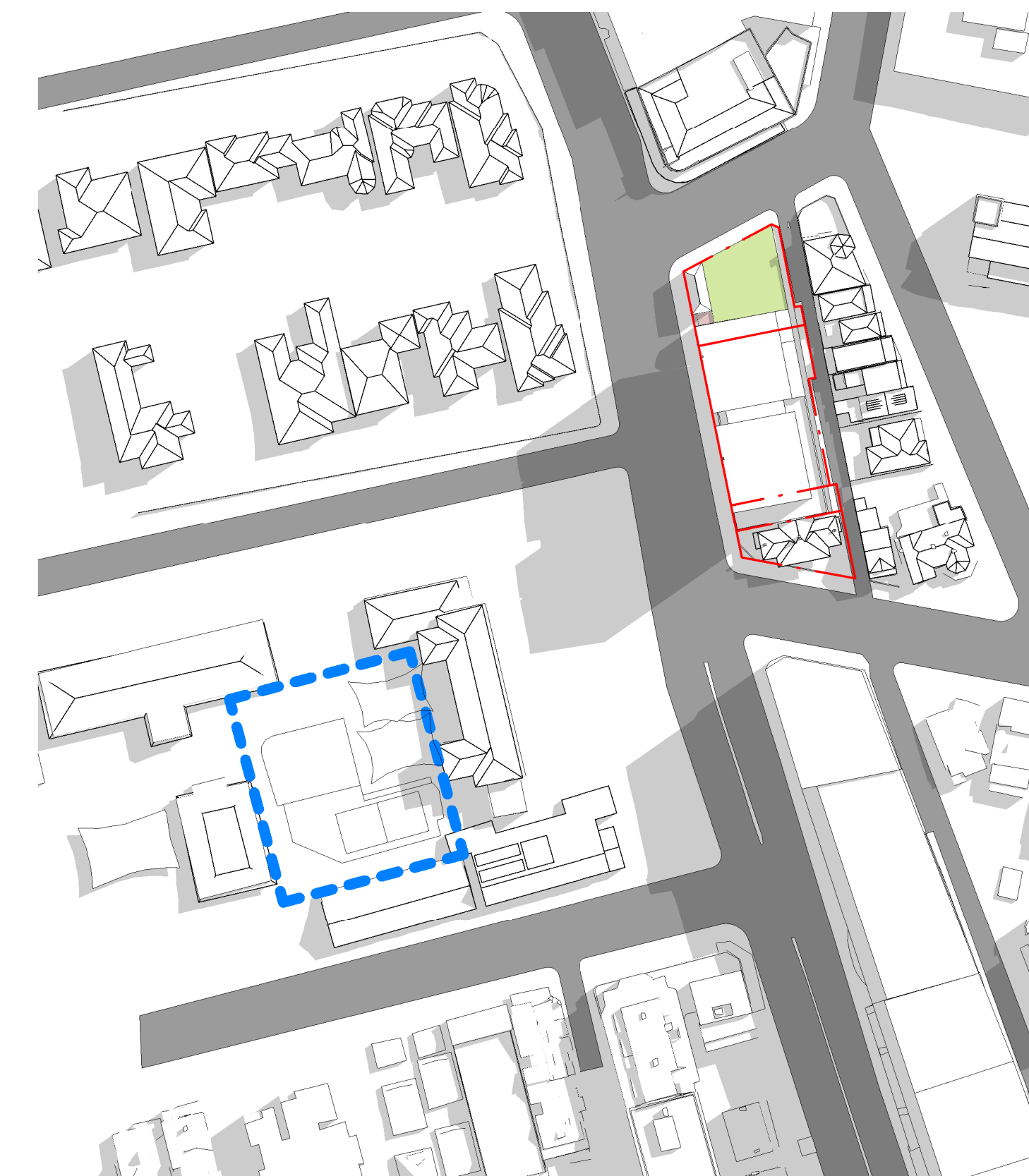


OPTION 02\_8.30AM 20th of March

## AUTUMN EQUINOX



OPTION 02\_9AM 20th of March



OPTION 02\_9.30AM 20th of March

**SCHOOL BELL TIMES**  
 Bells will ring at the end of the following breaks.  
 Kindergarten to Year 6  
 8.55am Start of school day  
 10.55am - 11.05am Inside eating time (Lunch)  
 11.05am - 11.25am Outside playlunch  
 Reference:  
<https://nthsyddem-p.schools.nsw.gov.au/about-our-school/school-bell-times.html>

**LEGEND:**  
 **SCHOOL PLAYGROUND OUTLINE**





**LEGACY**PROPERTY

**ATTACHMENT 2: ECONOMIC FEASIBILITY ADVICE**

14 July 2020

Adam Peacock  
Legacy Property

Sent via email: [apeacock@legacyproperty.com.au](mailto:apeacock@legacyproperty.com.au)

Dear Adam,

## **Re: North Sydney Civic Precinct Planning Study – Economic Feasibility Advice for 253-267 Pacific Highway**

Thank you for engaging Atlas Urban Economics ('Atlas') to assist Legacy Property in responding to North Sydney Council (Council)'s Civic Precinct Planning Study (the Study) and the proposed planning strategy set out for the Civic Precinct.

Legacy Property (the Proponent) own five adjoining properties located at 253, 255-259, 261, 265 and 267 Pacific Highway, North Sydney (collectively known as the Site). The Site is identified as a key site within the Civic Precinct and is directly addressed by the recommendations of the Study.

Under the North Sydney LEP (2013), the Site is zoned B4 Mixed Use and is subject to a 10 metre building height and a minimum FSR 0.5:1 non-residential floor space controls. The built form controls are understood to be equivalent to a total FSR of 2.5:1 (3,667.5sqm GFA).

### **BACKGROUND AND OVERVIEW**

CM+ were engaged by Council to prepare a Planning Study for the North Sydney Civic Precinct to assist with guiding future development having regard to the implications from the proposed Victoria Cross Metro Station northern portal.

The focus of the Study is the Civic Precinct (the Study Area) which is bounded by Falcon Street to the north, Warringah Freeway to the east, Pacific Highway to the west and Berry Street to the south. The Study Area is disaggregated into Character Areas which are separately investigated and recommendations made to shape future development to align with the North District Plan and Greater Sydney Region Plan.

The Study recommends a design framework for each character area including planning principles and the potential for public benefit resulting from new development. There are nine public benefits items desired by Council which include (but are not limited to) widening of Pacific Highway, public domain upgrades and active street frontages.

The Site is located within the Pacific Highway Transition Area (the Area). The next section summarises the recommended design principles and planning recommendations for the Site.

#### **Pacific Highway Transition Area Design Principles**

The Site is located at the gateway to the North Sydney CBD and identified as a key site within the Pacific Highway Transition Area. Site specific planning controls are recommended for the Site. The design principles include:

- Maintain the existing B4 Mixed Use zoning.
- Encourage medium scale development to a maximum building height of 12 storeys for the Site and four storeys for the remainder of the Area.
- Provide a three storey street wall along Pacific Highway and selected side streets.
- Minimum non-residential FSR controls (0.5:1, 1.0:1 and 2.0:1) with a minimum FSR 1:1 recommended for the Site.
- Non-residential uses should be within a three storey podium.

Based on the design principles, the Study recommends a design strategy for the Site.

Table 1 summarises the potential development yield for the Site based on analysis by CM+.

**Table 1: Potential Development Yield, The Site**

Description	Potential FSR	Potential GFA
Site Area	1,467sqm	1,467sqm
Non-Residential	1.82:1	2,672sqm
Residential	1.84:1	2,698sqm
<b>Total</b>	<b>3.66:1</b>	<b>5,370sqm</b>

Source: CM+

Atlas Urban Economics (Atlas) is engaged to review the Study and specifically, to consider the following issues:

1. If the proposed controls are feasible for redevelopment, i.e. sufficient to displace existing improvements and incentivise redevelopment.
2. If the proposed controls facilitate the delivery of public benefit on the Site.
3. Should the proposed controls be found to be *not feasible* for redevelopment, provide advice on alternate planning controls that would facilitate redevelopment of the Site **and** deliver public benefit to the community.

We investigate market activity of development sites in North Sydney and surrounds. The analysis of sales activity enables an estimate of potential development site value (on a GFA basis) for comparison against existing-use value as a commercial asset.

For redevelopment to be feasible to pursue, the Site's value as a development site needs to not only exceed its value in existing use but provide an incentive for a redevelopment to displace the existing uses. Depending on the incentive associated with redevelopment, a redevelopment could have the capacity to contribute to public benefit either in cash or in kind.

We highlight that this analysis is desktop in nature and based on available market evidence.

The next section examines the highest and best use of the Site and if the proposed controls are feasible for redevelopment.

## REVIEW OF PROPOSED PLANNING CONTROLS

This section examines the Study's proposed/ recommended controls for the Site, and in particular if they incentivise redevelopment and facilitate the delivery of public benefit to the community.

The concept of highest and best use is relevant in the review of the planning outcomes recommended in the Study. Highest and best use' of a property can be defined as: "the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued"<sup>1</sup>.

The value of the Site on an existing use basis is derived from the functional utility of the existing buildings and the income stream that they generate. The Site may also derive value from its redevelopment potential under the North Sydney LEP. The highest and best use of the Site is represented by the use that results in the highest value.

If the value of the Site as a potential development site is *less than* its value as income generating assets, its highest and best use is its existing use, i.e. 'as is' as an investment asset. Conversely, if the Site's value as a development site is *greater than* its value as an income-generating asset, its highest and best use can be concluded to be as a development site. In the latter case, it then means that the Site's value as a development site is sufficient to 'displace' the existing uses. The Site can then be concluded to be viable as a development site.

Accordingly, this section reviews and compares:

1. The value of the Site in its existing use (commercial investment);
2. Sales activity of development sites to estimate the value of the Site under two planning scenarios:
  - The value of the Site as a potential development site under the North Sydney LEP (2013).
  - The value of the Site as a potential development site under proposed controls in the Study.

The feasibility of a site for any use (including redevelopment) is underpinned by the concept of highest and best use.

### Step 1 - Estimate of Existing Use Value

The Site is located on the eastern side of Pacific Highway at the gateway to the North Sydney CBD. The Site measures 1,467sqm with frontages to Pacific Highway, West Street and Church Lane. The five allotments within the Site are relatively fine grained in nature.

Existing improvements consist of a mix of strata titled and freehold buildings of two and three storeys accommodating a mix of commercial office, retail and residential uses. Tenancy lettable areas range from 100sqm to 870sqm to a total of 2,200sqm.

The buildings are leased to a range of retail, commercial and residential tenants. A description of the existing improvements is provided in Appendix 1.

We investigate market activity of commercial investment assets in North Sydney and surrounds and analysed the sales activity to a rate per square metre of lettable area. A full schedule of market activity is provided in Appendix 2.

The analysis of comparable sales activity indicates a range of \$11,000/sqm to \$15,000/sqm of lettable area that is appropriate for the existing improvements. Applying these rates to lettable areas of the Site results in individual values of \$1.5 million to \$9.6 million, totalling \$26.4 million.

The combined value of \$26.4 million represents the value of the Site on an existing use basis.

The next section discusses the feasibility analysis approach and market activity of development sites.

### Step 2 - Analysis of Development Site Sales Activity

This section analyses market sales activity (in particular development site sales) for the purposes of estimating:

- The value of the Site as a development site under its existing planning controls (North Sydney LEP);
- The value of the Site as a development site under the proposed planning controls.

The foregoing enables comparison against the value of the Site on an existing-use basis (earlier estimated at \$26.4 million).

The development sites analysed are mixed use sites with a varying scale of non-residential floor space requirements. The analysis indicates a market range of \$4,300/sqm to \$4,700/sqm of proposed GFA with location, floor space mix and market conditions at the time of sale being key determinants of price.

We have considered the following sales in our estimate of development site value:

- **27-55 Falcon Street, Crows Nest (sold in Dec 2018 for \$4,300/sqm GFA).** A planning proposal sought approval for a mixed use project of 3-6 storeys with 7,965sqm GFA or FSR 1.83: 1. The proposed floor space mix comprises 4% non-residential (340sqm GFA or FSR 0.1:1) and 96% residential consisting of apartments and townhouses (7,625sqm GFA or FSR 1.76:1).
- **160 Pacific Highway, North Sydney (sold in Sep 2017 for \$4,650/sqm GFA).** Sold as a development site with subsequent approval for a 10 storey mixed use project with 2,170sqm GFA or FSR 5.8:1. The approved floor space mix comprised 10% non-residential (220sqm GFA or FSR 0.6:1) and 90% residential (\$1,950sqm GFA or FSR 5.2:1).

The site occupies a slightly inferior position on the western side of Pacific Highway however the scale of development (over 10 storeys) would enable leverage of some views from the upper levels.

The sites reviewed propose an FSR range 1.8:1 to 6:1 depending on location and relevant planning controls. Non-residential floor space ranges from 4% to 10% of total GFA. Sites with a higher proportion of residential floor space are generally more valuable due to the higher end sale values associated with residential floorspace compared to retail/ commercial floor space.

Based on the analysis of market activity, we consider the following site values appropriate in the estimate of the value of the Site under the following planning scenarios:

- Existing LEP controls (minimum non-residential FSR 0.5:1, or 20% non-residential)  
Site value of \$16.5 million (\$4,500/sqm GFA x 3,667.5sqm)
- Proposed planning controls (minimum non-residential FSR 1.82:1, or 50% non-residential)  
Site value of \$21.48 million (\$4,000/sqm GFA x 5,370sqm)

A lower site value (\$4,000/sqm) is applied to the proposed controls reflecting the high proportion of non-residential (50%).

### Highest and Best Use

Step 1 and Step 2 allow an understanding of the highest and best of the Site.

In its existing use, the value of the Site is estimated at \$26.4 million. As a potential development site under the existing planning controls (North Sydney LEP), the value of the Site is estimated at \$16.5 million. The former results in the highest value and therefore implies the Site is currently in its highest and best use.

Any alternate use of the Site would need to result in a value that exceeds the Site's value of \$26.4 million.

### Feasibility of Proposed Controls

While the Study proposes a minimum non-residential FSR on 1:1, it is acknowledged that design guidelines requiring a non-residential podium are expected to result in a non-residential FSR of around 1.8:1 based on analysis undertaken by CM+. We have identified the following critical issues arising from this:

- The quantum of non-residential floor space and its implications for development feasibility; and
- The consequent implications for the development's ability to deliver public benefit.

Increasing the provision of non-residential floor space directly affects site values and development feasibility. All things being equal, a higher requirement for non-residential GFA will therefore require greater quantum of GFA overall to offset the diminution in site value.

Applying the adopted site value rate of \$4,000/sqm GFA (which is at the lower end of the observed range reflecting a higher proportion of non-residential) to the total proposed GFA (5,370sqm), a site value of \$21.48 million results.

Based on this analysis, the Site is not economically feasible for redevelopment. This is because the corresponding site value under the proposed controls (\$21.48 million) is lower than its existing-use value of \$26.4 million. The proposed controls are therefore insufficient to incentivise redevelopment, let alone facilitate provision of public benefit.

The next section considers planning controls required for the Site to be feasibly redeveloped and deliver public benefit.

## ALTERNATE PLANNING CONTROLS

The foregoing analysis of the proposed controls suggests that an FSR higher than 3.66:1 is required for a feasible development. A higher FSR would be required to facilitate delivery of public benefit with *feasible* development.

Table 4 summarises three sets of alternate planning controls:

- An FSR 4.5:1 is required for redevelopment (only) to occur.
- An FSR 5.0:1 would result in a feasible development, with a modest amount available for contribution to public benefit.
- An FSR 5.5:1 would incentivise redevelopment and facilitate greater contribution to public benefit.

**Table 2: Alternate Planning Controls and Development Yields, The Site**

Description	Scenario 1 (4.5:1)	Scenario 2 (5.0:1)	Scenario 3 (5.5:1)
Site Area (sqm)	1,467	1,467	1,467
<b>Total GFA (FSR)</b>	<b>6,602 (4.5:1)</b>	<b>7,335 (5:1)</b>	<b>8,069 (5.5:1)</b>
Site Value @ \$4,000/sqm	<b>\$26,400,000</b>	<b>\$29,300,000</b>	<b>\$32,300,000</b>
Feasible for Development?	Yes	Yes	Yes
Feasible for Development <i>and</i> Public Benefit?	No	Yes	Yes

Source: Atlas



## Findings

The highest and best use of the Site is in its existing use - commercial and residential uses.

If the proposed controls were applied based on an FSR of 3.66:1, the Site is not economically feasible for redevelopment. The resultant site value is lower than the existing use value and therefore insufficient to displace the existing improvements and incentivise redevelopment.

The higher FSR scenarios result in a range of 6,600sqm to 8,000sqm GFA (FSR 4.5:1 to 5.5:1). By increasing the overall FSR, the percentage of residential floor space increases translating to a feasible development and the ability for the development to deliver public benefit.

If the overall FSR increases to a 4.5:1, economic feasibility improves, and the proposed controls are sufficient to displace existing improvements however there is no incentive to do so and no ability to deliver any public benefits.

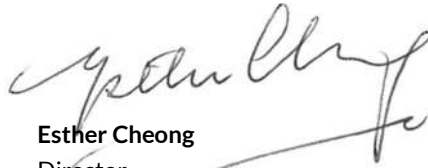
At an overall FSR of 5.0:1 and 5.5:1, the development is both feasible and able to contribute to varying degrees of public benefit.

We trust this meets with your requirements. Should you have further queries, please contact the undersigned.

Yours sincerely



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# Appendix 1: Estimate of Existing-Use Value

**Table A1-1: Estimate of Existing Use Value, the Site**

Street Address	Site Area (sqm)	NLA (sqm)	Description of Improvements	Estimated Value (\$/sqm NLA)
Lots 1 & 2 253 Pacific Hwy	147	160	Two storey strata title commercial building	\$2,400,000 (\$15,000)
Lots 1-6 255-259 Pacific Hwy	552	871	Two storey strata title commercial building	\$9,600,000 (\$11,000)
261 Pacific Hwy	294	515	3 storey mixed use building with commercial office on the ground and first floors and 2 residential units on the second floor	\$6,200,000 (\$12,000)
265 Pacific Hwy	104	100	Two storey (plus loft) retail building with Heritage overlay	\$1,500,000 (\$15,000)
267 Pacific Hwy	370	559	Two storey (plus mezzanine) commercial office building	\$6,700,000 (\$12,000)
<b>Total</b>	<b>1,467</b>	<b>2,205</b>		<b>\$26,400,000</b> <b>(\$11,973)</b>

Source: Legacy Property, Atlas

## Appendix 2: Analysis of Market Activity

**Table A2-2: Market Activity of Investment Assets, North Sydney and Surrounds**

Address	Sale Price (Sale Date)	Site Area (\$/sqm)	NLA (\$/sqm)
<b>120 Christie Street St Leonards</b>	<b>\$13,600,000 (03/2020)</b>	<b>403 (\$33,747)</b>	<b>1,155 (\$11,775)</b>
Circa 1980 4 storey commercial office building configured to provide 4 whole floor tenancies over a single level of basement car parking for 10 vehicles. Extensively upgraded. Sold fully leased.			
<b>1 Eden Street North Sydney</b>	<b>\$1,600,000 (01/2020)</b>	<b>196 (\$8,163)</b>	<b>126 (\$12,698)</b>
A two storey commercial office building with on-site parking for two vehicles. The property is within the B4 Mixed Use zone. Sold with vacant possession.			
<b>64A Clark Road North Sydney</b>	<b>\$1,500,000 (11/19)</b>	<b>113 (\$13,274)</b>	<b>95 (\$15,789)</b>
A single storey freehold retail premises located in an established neighbourhood village.			
<b>108 Alexander Street Crows Nest</b>	<b>\$2,275,000 (08/2019)</b>	<b>234 (\$9,722)</b>	<b>353 (\$6,445)</b>
A two storey commercial freehold building with rear lane access and on-site parking for four vehicles. Sold with vacant possession.			
<b>107 Alexander Street Crows Nest</b>	<b>\$6,200,000 (08/2019)</b>	<b>436 (\$14,220)</b>	<b>820 (\$7,561)</b>
A three storey mixed retail and commercial freehold building configured as 6 tenancies with onsite parking for 4 vehicles. Sold subject to existing tenancies.			
<b>81-83 Walker Street North Sydney</b>	<b>\$10,200,000 (04/2019)</b>	<b>323 (\$31,579)</b>	<b>897 (\$11,371)</b>
A circa 1974 3 storey commercial office freehold building configured as 1 ground floor retail and 7 lower ground/ground and upper level office suites over basement car parking for 7 vehicles. Progressively upgraded. Sold partly leased.			

Source: RP Data, Atlas

**Table A2-3: Analysis of Development Site Sales, North Sydney and Surrounds**

Address	Sale Price (Sale Date)	Site Area (\$/sqm)	Proposed GFA (\$/sqm)
<b>45 McClaren Street North Sydney</b>	<b>\$55,000,000 (07/2020)</b>	<b>1,793 (\$30,675)</b>	<b>10,670 (\$5,155)</b>
<p>A regular shaped site with a near level topography on the northern fringe of the North Sydney CBD, 700m north from North Sydney train station and 150m north from the future Victoria Cross Metro Station. The site falls within the R4 High Density Residential zone, is subject to a 12m height control and maximum site coverage of 45%. Existing improvements at the time of sale comprised of a 3-4 storey residential flat building containing 18 apartments and associated car parking.</p> <p>Redevelopment of the site is subject to site specific provisions outlined in the Ward Street Masterplan Review. An indicative concept plan permissible under the masterplan provides for a total GFA of 10,670sqm or 5.95:1 FSR comprising of 8,420sqm of residential (4.70:1 FSR) and 2,240sqm of commercial (1.25:1 FSR).</p> <p>The Site is being purchased by way of a Put and Call Option Agreement.</p>			
<b>27-55 Falcon Street Crows Nest</b>	<b>\$34,500,000 (12/2018)</b>	<b>4,342 (\$7,946)</b>	<b>7,965 (\$4,331)</b>
<p>A regular shaped consolidated site with three street frontages. Located 800m from St Leonards train station and 400m from the future Crows Nest Metro Station. The site falls within the B4 Mixed Use zone, is subject to a building control of 10m and 0.5:1 non-residential floor space requirement. Existing buildings on the site at the time of sale were in a poor condition of repair and vacant.</p> <p>A revised Planning Proposal was submitted in 2019 seeking approval for 4 x buildings of 3-6 storeys accommodating circa 87 apartments and townhouses and ground floor retail. The total proposed GFA of 7,965sqm reflects an FSR of 1.83: 1 comprising of 7,625sqm residential (1.76:1 FSR) and 340sqm retail (0.08:1 FSR). Additional Public Benefit is also proposed including the widening of Alexander Lane to allow vehicle access.</p>			
<b>160 Pacific Highway North Sydney</b>	<b>\$10,100,000 (05/2017)</b>	<b>373 (\$27,078)</b>	<b>2,173 (\$4,648)</b>
<p>A regular shaped corner site with three street frontages on the western side of Pacific Highway, 650m north from North Sydney train station. Existing improvements at the time of sale comprised of a 5 storey commercial office building. The site falls within the B4 Mixed Use zone, is subject to a height limit of 105m and non-residential FSR control of 0.5:1.</p> <p>Following purchase of the site, development consent was obtained for the demolition of the existing improvements and construction of a 10 storey mixed use project with ground level retail/commercial and 25 apartments. The total GFA of 2,170sqm reflects an overall FSR of 5.83:1 comprising of 1,950sqm of residential (5.23:1 FSR) and 220sqm of retail/commercial (0.59:1 FSR).</p>			
<b>173-179 Walker Street North Sydney</b>	<b>\$45,355,000 (06/2016-07/2018)</b>	<b>3,949 (\$11,485)</b>	<b>27,900 (\$4,648)</b>
<p>A regular shaped site comprising of the consolidation of 4 allotments. Located on the eastern fringe of the North Sydney CBD, 600m north from North Sydney train station and 200m from the future Victoria Cross Metro Stop. Existing improvements at the time of sale comprised of 4 Art Deco style flat buildings each with 6 strata title residential units. The site falls within the R4 High Density Residential zone, is subject to a height limit of 12 metres and maximum site coverage of 45%.</p> <p>The site is within the Ward Street Masterplan. A Planning Proposal was submitted in 2017 (Gateway refused) sought approval for a two storey podium accommodating a dedicated community facility, neighbourhood shop and a slender 45 storey residential tower. The total GFA of 27,900sqm (excluding balcony/wintergarden) reflects an overall FSR of 7.06:1 comprising of 26,300sqm residential (6.65:1 FSR) and 80sqm neighbourhood shop (0.02:1 FSR) and 1,515sqm community facility (0.38:1 FSR).</p> <p>It is understood that the landowner has since acquired an adjoining property and submitted a new planning proposal.</p>			

Source: RP Data, Atlas



**LEGACY**PROPERTY

**ATTACHMENT 3: HERITAGE ADVICE**

# 253-267 Pacific Highway, North Sydney

## Submission - Heritage Response

### 1.0 INTRODUCTION

The following submission has been prepared to provide feedback regarding the North Sydney Civic Precinct Planning Study prepared by North Sydney Council, specifically in relation to the heritage item at 265 Pacific Highway, known as 'The Cloisters' (Item I10959<sup>1</sup>).

Statement of Significance<sup>2</sup>

*A very unusual example of a three-storey brick commercial [building] in the Victorian Free Gothic style with decorative coloured brickwork and decoration. Unique in the Municipality and prominent in the local streetscape. Interesting design and rare commercial example of Victorian Free Gothic style in the area. Prominent on highway and relic of commercial history of this roadway. Influential design on present streetscape.*

This report also includes recommendations for an alternative approach to development in the vicinity of the heritage item.

### 1.1 Background

The purpose of the North Sydney Civic Precinct Planning Study (the Study) is to review the current development controls and urban design of the civic precinct and surrounds in light of the new access to public transport that will be provided by the Victoria Cross Metro Station northern portal and the release of the North District Plan. The Study is arranged into a series of Civic Character Areas, with the subject heritage item located within the 'Pacific Highway Transition Area' (Southern Transition Area). The controls and character for each area are assessed culminating in Section 7.0: Urban Design Vision and Principles. Section 8.0 then presents a Preferred Planning Strategy (PPS) for each area.

Based on a review of the Preliminary Heritage Assessment prepared for the Study area by Extent, information regarding the cultural significance of the heritage item at 265 Pacific Highway, North Sydney, was limited to that available from a desktop study. The further recommendations prepared for this report are informed by detailed documentary and physical investigations carried out on the site by the author.

### 1.2 Heritage Management

The Australia ICOMOS Burra Charter<sup>3</sup> sets out a series of articles which form the accepted standards of best practice in heritage conservation and management. Based on an understanding of these articles the key heritage outcomes for strategies involving the heritage item at 265 Pacific Highway, North Sydney, should focus on the retention of the cultural significance of the place. These include:

1. conservation of the building fabric and form, all three floors, all rooms and associated internal finishes;
2. identification of detailed restoration and reconstruction works to the shopfront, the awning, the rear balcony and other deteriorated or lost fabric;

<sup>1</sup> Schedule 5 – Environmental heritage, *North Sydney Local Environmental Plan 2013*

<sup>2</sup> NSW Heritage Office Online Database – ref: 2180766 Statement of Significance

<sup>3</sup> *Australia ICOMOS Charter for Places of Cultural Significance*, The Burra Charter, 2013 (Burra Charter)

3. identification of suitable adaptive re-use options for the building which do not impose unacceptable physical actions on the place;
4. definition of an appropriate curtilage and setting for the item; and
5. identification of interpretation opportunities.

### 1.3 Information evaluated in the preparation of this response:

- 'North Sydney Planning Study – Preliminary Heritage Assessment' prepared by Extent Heritage Advisors for CM+ (Conybeare Morrison International Pty Ltd), January 2020 (Appendix 2-CPSPS)
- Structural report on the condition of 265 Pacific Highway North Sydney prepared by Mott Macdonald Engineers.
- Physical and documentary research carried out on the existing building and site by NBRSArchitecture - Heritage. The author of this report has visited the site and carried out internal and external inspections.
- North Sydney Civic Precinct Planning Study (the Study) North Sydney Council, May 2020

## 2.0 DESIGN GUIDELINES – SUBMISSION RESPONSE

The following table sets out a high-level response to the Design Guidelines developed for the Southern Transition Area in relation to the heritage item at 265 Pacific Highway, North Sydney.

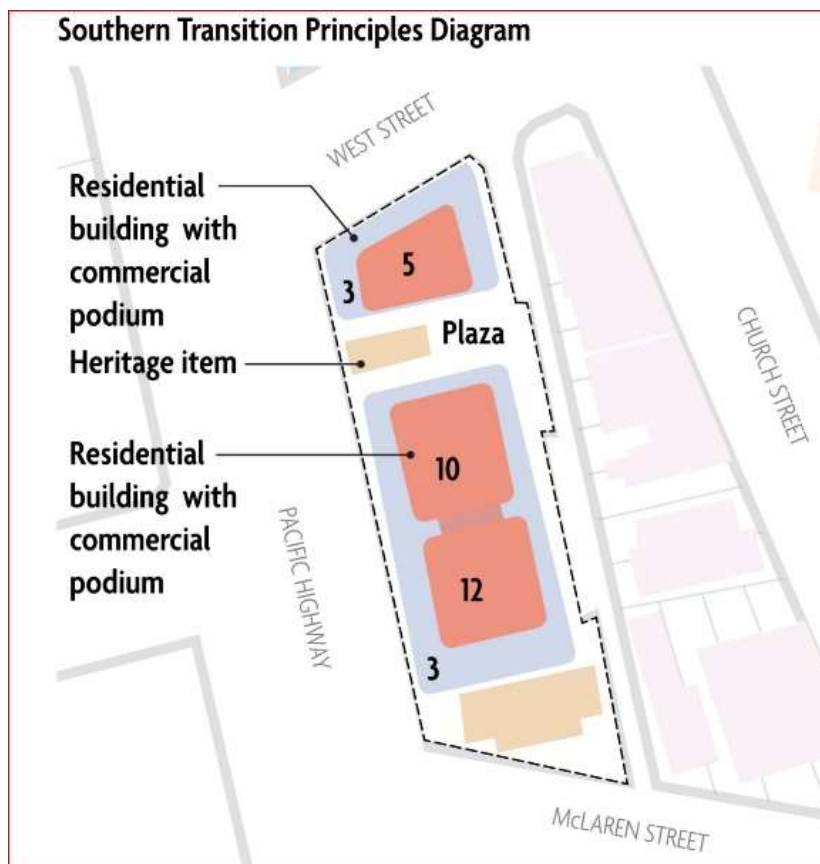


Figure 1 – 'Southern Transition Principles Diagram' of the subject site. (Source: North Sydney Council Civic Precinct Planning Study)



## 2.1 DESIGN GUIDELINES

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*The site should be developed in two separate buildings, one on each side of the heritage item*

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**Response:**

- Historically the building has formed an integral part of a commercial street wall, with the shopfront façade reading as the primary landmark element of the site.
- In breaking up the site into three separate parcels, the heritage item and development either side, the outcome will be to physically isolate the historic building.
- This action will severely reduce the capacity of the heritage item to self-sustain a use which will adequately finance its ongoing maintenance and the conservation works required to carry out essential and urgent conservation works.
- The heritage building will not necessarily form part of either development site and so the opportunity to fund essential works to the item from adjacent development may be lost.
- The proposed location of a small plaza at the rear of the heritage item is included in the 'Southern Transition Principals Diagram'. This open, recreational area is not in line with the historic use of the rear of the property. A small plaza does not interpret any aspect of the history of the site and the industrial character of the rear yard would be lost.
- The plaza concept does have the potential to retain the original lot boundaries and describe the scale of the original development; however, the ability of the site to describe the wider subdivision patterns of the area has been diminished with the neighbouring subdivision pattern having already been lost. This information is still available, and more readily interpreted, through existing historical records.

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*The northern building should relate to the built form north of the site and have a maximum high(t) of 5 storeys with a 3-storey street wall.*

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**Response:**

- Any development of the site should relate to the heritage items in the vicinity; the rounded form of the Union Hotel being the most immediate to the north across West Street.
- The 3 storey street wall is generally acceptable across the site and adjacent the heritage item as a podium form.
- The overall height of any development on the northern portion of the site, in heritage terms should relate to the Union Hotel and the general topography of the site.
- Any detailed proposal, 5 storey or otherwise, should be thoroughly tested to understand the potential visual impacts on 265 Pacific Highway and on nearby heritage items.
- The manner of articulation between any new development and the heritage item needs to be carefully considered so as not to diminish or obscure an understanding of the significance of the item.

*The southern building should relate to the built form south of the site towards the CBD and transition from 10 to 12 storeys with a three-storey podium.*

---

**Response:**

- The southern end of the site needs to take into consideration the two-storey dwelling on the corner with McLaren Street, which is included in, and contributory to, the conservation area
- The southern end of the site is in line with the northern end of the existing residential tower development fronting the Pacific Highway across McLaren Street.
- The rear elevations of the existing tower development fronting the Pacific Highway typically creates a backdrop in views across and around the conservation area; a characteristic of the heritage buildings and conservation areas in the more urban precincts of North Sydney. The proposed tower development on the southern end of the site will continue this visual component in and across the conservation area, and in stepping down towards the north will provide a transitional form to the lower scale development to the north.
- Any proposed building, and podium particularly, form part of views from inside the conservation area. Articulation of the building and the external materiality should be considered in this context.
- In heritage terms, the height of a tower over a certain point does not change how a small scale heritage item is understood; it is the role of the design, materiality and articulation to provide an appropriate setting or context which is appreciated at podium level.

*The heritage item will be preserved and adequate separation around it provided. This separation should allow for a pedestrian passageway either side of the heritage item with space for activation.*

---

**Response:**

- In proposing pedestrian passageways either side of the heritage item the result will be to physically isolate a building which was never intended to be a stand along structure.
- Passageways either side of the existing structure, combined with a proposed plaza at the rear, will significantly restrict the options for additions to or adaptation of the building.
- Whilst activation may be the goal across the Southern Transitional Area, access from the heritage building directly into either passageway would require new openings. New openings from either of the two ground floor rooms will significantly compromise both the appreciation of the existing character of the spaces, including the main shop space, loss of original fabric, as well as reducing the useability of the ground floor through the creation of excessive circulation space. This last point will further reduce the options for a successful adaptive re-use of the building.
- Passageways also increase opportunity for vandalism, exacerbated by the secondary nature of the laneway behind, leading to an increased need for screens or other physical security measures to be attached to the building resulting in unacceptable physical and visual impacts on the significance of the place.

***Adaptive re-use of the heritage item is encouraged.***

**Response:**

- The heritage item has been left unoccupied for many years; it is not serviced by adequate bathroom or kitchen facilities and is in a poor condition.
- Extensive repair and reconstruction works are required to conserve the building to avoid further loss of fabric, and additional works are required to adapt it for a new use.
- The internal spaces are not large, limiting options for potential adaptive re-use.
- Should additional openings be proposed to provide access directly from the side passageways the resulting ground floor spaces will be further constrained.
- The lower ground levels to the southern passageway are likely to require additional alterations to meet statutory compliance requirements.
- The updating and provision of contemporary services and facilities has the potential to impose adverse heritage impacts on the building.
- The rear yard has been fully enclosed in corrugated iron sheeting, made up of a jumble of open shed like spaces, and reading as a 'tin shed' from the laneway for a considerable length of time. Views of the rear of the building have not generally been available from the public domain. Based on the history and manner of use of the place there is no requirement for the rear yard to be considered a public space; an understanding of this service space may be interpreted in any number of ways.
- The implementation of an appropriate adaptive-use, either as a free standing building or as part of a larger development, is critical for the physical conservation of the building fabric, as well as the protection of the cultural significance of the place.

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***Future development should provide a three storey podium in alignment with the rest of the streetscape and also in alignment with the height of the heritage item.***

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**Response:**

- There are no impediments to integrating the heritage item into a three storey podium structure; on the understanding that the heritage item can be clearly read as part of the street wall and the historic character of the building can be appreciated, unobscured nor diminished, from the public domain.
- The detailed resolution of any connections or adjacencies would need to read as clearly contemporary, sympathetic to the form, scale and detail of the retained building and designed so as not to distract from an appreciation of the heritage item.
- Locating the heritage item as part of a contiguous frontage, with appropriate articulation between the new and old structure, provides the opportunity for the distinctive shopfront to continue to contribute to the street wall as it would have originally been envisaged.

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***Future development cannot overshadow the open spaces of the education facilities located on the western side of Pacific Highway.***

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**Response:**

- There will be no change to the contribution of the heritage item to overshadowing of the nearby school.

*An adequate transition to the conservation area to the east should be provided in the form of a podium with significant setbacks above.*

**Response:**

- A podium with setbacks to the upper or tower form is one accepted approach to creating a transition to lower scale development nearby, in this case the conservation area to the east.
- An alternative approach is to have a less significant setback and achieve a visual separation through the implementation of carefully considered articulation of the building form, detailed façade design and materiality.
- The detailed architectural treatment to achieve an adequate, and effective, transition between proposed development and the adjacent conservation area will include form, scale, articulation and materiality. Until all of these factors have been tested together the degree of setback, significant or otherwise, cannot be confirmed.

*Provide an additional 1.5 meter whole building setback along Pacific Highway.*

**Response:**

- This guideline is not applicable to the heritage building. The item is constructed to the street boundary, with an awning over; as such there is no opportunity to provide any setback from the Pacific Highway.
- Historically the building has presented as a three-storey frontage to the Pacific Highway; there has been no adjacent setback structures that provide any kind of historical precedent for a setback along this streetwall.
- In providing a 1.5m setback to new development either side of the item the historic setting of the shopfront would be diminished:
  - The heritage building would 'protrude' in an unsympathetic way, resulting in an inappropriate setting for the building.
  - The heritage awning will jut out in an overly pronounced way.

### **3.0 RECOMMENDATIONS FOR AN ALTERNATIVE APPROACH**

In reviewing the Design Guidelines proposed to be applied to the Southern Transition Area, a number of specific and adverse impacts on the cultural significance of the heritage listed item at 265 Pacific Highway, were identified, as noted above. Set out below are two alternative approaches to development which are more likely to support the implementation of a successful new use for the building.

#### **3.1 Avoid Isolation of the Building**

The key heritage concern with the conclusions in the Study is the proposed physical isolation of the heritage item as indicated in the Southern Transition Principles Diagram, ref Fig 1. This is brought about by a passageway to both the northern and southern sides of the building and the locating of a small plaza at the rear of the building.

In isolating the building, the physical burden of change to accommodate the provision of sufficient services and operable space falls back to within the existing footprint, leading to a high degree of intervention to the historic fabric and spaces.

- Our recommendation is that any future development meet the heritage building so as to enable a connection which supports the provision of shared services and facilities, and possibly additional space.
- The opportunity to co-locate services within essentially the same building naturally requires the heritage item to fall within the development project and so conservation works are facilitated as part of the wider project.
- The building has traditionally presented as commercial development built out to the boundary with shared party walls. Detailed articulation between new and existing could comfortably interpret traditional patterns of street wall development as part of a podium design.
- Connection could be achieved by retaining one passageway and building to the side and or rear of the item. In this way public domain activation could be achieved whilst supporting a sympathetic adaptive re-use of the heritage building. Issues of interpreting the original subdivision pattern could be dealt with in the detailed form and materiality of the building alongside provision of interpretive devices.

### **3.2 Northern Plaza**

In developing potential layouts on the site, a proposal to move the plaza space to the northern end of the site was contemplated, allowing the development on the site to be more closely associated with the existing tower development along the Pacific Highway to the south.

Whilst this is a high-level commentary there are certainly heritage benefits which recommend this approach, as set out below.

- The form and scale of the heritage item façade would continue to be appreciated from the approach from West Street (the HCA) as well as travelling south along the Pacific Highway. This visibility would be retained with the heritage item included in a podium.
- A northern plaza would visually and physically link the open spaces of the conservation area, including the nearby State listed St Thomas' Church, through to the Pacific Highway.
- The provision of an open space at the north eastern interface with the adjacent conservation area supports the development of an appropriate transition on the site with the northern end of the tower development stepping up the Pacific Highway
- A plaza opening off the northern boundary of the heritage item could be reached by an open passageway along the northern side of the building, opening up the opportunity for a south eastern connection to the new development

18 July 2020

# Weir Phillips Heritage and Planning

16<sup>th</sup> July 2020

North Sydney Council  
200 Miller Street, North Sydney, NSW 2060

**Re: No. 253-267 Pacific Highway, North Sydney – Civic Precinct and Surrounds – Planning Study May 2020.**

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This letter is a Heritage Review of North Sydney Council's – Civic Precinct and Surrounds – Planning Study May 2020. The review focuses on the site, Nos 253-267 Pacific Highway, North Sydney with regard to the Planning Study.



The site looking south from Pacific Highway.

The site is located within the North Sydney Council area. The principal planning instrument for the site is the *North Sydney Local Environmental Plan 2013 (LEP 2013)*. The site is comprised of five allotments. No. 265 Pacific Highway is a heritage Item, (I0959) and known as The Cloisters Antiques. It is a moderately to high intact heritage item internally combined with its external presentation to the Pacific Highway. The site is adjacent to two Heritage Conservation Areas being the McLaren Street heritage Conservation Area and the Crows Nest Road Heritage Conservation Area. It is also in the vicinity of several Heritage Items listed under Section 5 Part 1 and 2 of the *LEP 2013*. The site is not listed on the State Heritage Register under the auspices of the NSW heritage Act 1977.



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Heritage Map 002A, North Sydney LEP 2013. The site is shaded blue.

The amalgamated site forms almost a complete block with boundaries to the Pacific Highway (west), West Street (north), Church Lane (east) and No. 251 Pacific Highway on the southern boundary. The site is an irregular rectangle in shape, with a site area of 1,469m<sup>2</sup> and fall along the Pacific Highway to the south.

The North Sydney DCP defines the site within the North Sydney Planning Area and is located on the northern edge of the North Sydney CBD, which is characterised by medium density commercial and residential uses.



The location of the subject site. SIX Maps 2019. The site is outlined in white



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View of the site from Pacific Highway looking south east.



View of site from West Street looking south.



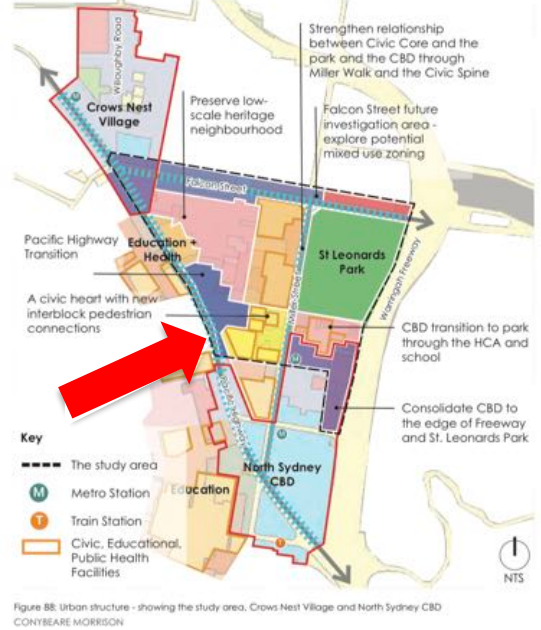

View of site taken from Church Lane, looking north.

## Heritage Review of the North Sydney Civic Precinct and Surrounds Planning Study, May 2020

The Heritage Review responds to the North Sydney Council Civic Precinct and Surrounds Planning Study, May 2020 (Planning Study 2020) with specific focus on the effect on Site No.253-267 Pacific Highway, North Sydney.


The following table addresses each aspect of the Planning Study May 2020 in relation to heritage and the site, No 253-267 Pacific Highway, North Sydney.

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<p><b>8.1</b> <b>8.2</b></p>	<p><b>URBAN STRUCTURE and FUTURE CHARACTER AREA</b></p>
	 <p>Figure 8B: Urban structure - showing the study area, Crows Nest Village and North Sydney CBD CONYBEARE MORRISON</p>
	<p>The subject site - 253-267 Pacific Highway is marked by the red arrow and is located in the (purple) Pacific Highway Transition Zone.</p>
<p><b>8.3</b></p>	<p><b>INDICATIVE LAYOUT PLAN</b></p>
	 <p>Figure 9D: Indicative layout plan IN 1 CIVIC PRECINCT AND SURROUNDS PLANNING STUDY CONYBEARE MORRISON</p>
	<p>The subject site is noted by the red arrow and lies within a Mixed Use Zone (Purple). The Heritage elements Point 1, 2, 3, and 4 within 8.3 Indicative Layout Plan of the Planning Study are addressed below.</p>
	<p><b>Point 1:</b> <i>Retain and enhance the village character of the study area by respecting the heritage items, heritage conservation areas and contributory buildings, and locating taller buildings at the future Victoria Cross Metro Station North Portal and along major road arteries.</i></p>

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	<p><b>Response:</b> The subject site could accommodate a taller builder than the proposed 10 to 12 Storeys nominated in the planning Study as it is located adjacent the taller buildings of the North Sydney Central Business and located on a major arterial road.</p> <p><b>Point 2:</b> <i>Accommodate potential alterations and additions to heritage buildings, and buildings within Heritage Conservation Areas through ensuring additions contribute positively to the identified heritage character.</i></p> <p><b>Response:</b> Proposed development of the site should enhance the study area and respect the heritage items and heritage conservation areas by providing prominence to the heritage items and an appropriate transition to the Heritage Conservation Area.</p> <p><b>Point 3:</b> <i>Focus potential uplift along the main roads at the fringe of the study area. This will maintain the low scale character at the heart of the study area. Improve the retail / commercial offering and public domain along the main roads.</i></p> <p><b>Response:</b> The site, Nos 253-267 Pacific Highway is located on a major arterial Road and located on the fringe of the study area. It is therefore appropriate to propose increased building height to the site.</p> <p><b>Point 4:</b> <i>Provide transitions in height to nearby lower scale properties and sensitive frontages (e.g. schools, heritage items and HCAs).</i></p> <p><b>Response:</b> Proposed development building heights should transition from the lower building heights and heritage items at the north end of the site to the taller southern buildings which form part of the North Sydney Central Business District.</p> <p>A single, taller, stepped building located at the southern end of the site above the podium could replace the two built forms indicated in the Planning Study. The single taller building would relate to the taller buildings of the North Sydney Central Business district and other high density development along the Pacific Highway. Removing building bulk and scale from the northern end of the site at West Street would create a low scale entry to the heritage Conservation area and reduce the impact on the heritage item on the site and in the vicinity.</p>
<b>8.4</b>	<b>Active Frontage</b>
	<p>The Planning Study 2020 requires an Active Frontage with Setback along the subject site.</p> <p><b>Response</b> Proposed development of the site should provide an active and vibrant frontage and enhance the public domain with a rich offering of commercial, retail and residential spaces. The heritage item should form an integral part of the active frontage along the Pacific Highway. The heritage item should align with the Active Frontage. Realigning the Active frontage 1.5m behind the heritage item will displace the heritage item and disturb the accepted pedestrian flow around it.</p>

8.5	<b>Building Height</b>
	 <p>The subject site No. 253-267 Pacific Highway is marked by the red arrow.</p> <p>Proposed development building heights transition from the lower building heights and heritage items at the north end of the site to taller buildings at the southern end which relate to the North Sydney Central Business District. Read more in the site specific section below.</p> <p><b>Response</b></p> <p>A single, taller, stepped building located at the southern end of the site above the podium could replace the two built forms indicated in the Planning Study. The single taller building would relate to the taller buildings of the North Sydney Central Business district and other high density development along the Pacific Highway. Removing building bulk and scale from the northern end of the site at West Street would create a low scale entry to the heritage Conservation area and reduce the impact on the heritage item on the site and in the vicinity</p>
8.6	<b>Street Wall Height</b>
	<p>The Planning Study 2020 proposes a three storey street wall height to the subject site</p> <p><b>Response</b></p> <p>Proposed development should respond to the three storey street wall height proposed in the Planning Study 2020, which will respond and relate to the three storey height of the heritage item on the site at No. 265 Pacific Highway.</p>
8.7	<b>Non- Residential Floor Space</b>
	<p>Planning Study proposes a minimum non-residential FSR of 1.0:1 FSR.</p>
8.8	<b>Development in Heritage Conservation Areas</b>
	<p><b>Adaptive reuse of Heritage items:</b></p> <p>Proposed development of the site at No. 253-267 Pacific Highway will include the adaptive reuse of the heritage item at No.265 Pacific Highway.</p> <p><b>Alterations and Addition to Heritage Items:</b></p>



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Alteration and additions to the heritage item are made to the less significance elevations and areas of the heritage item away from the primary and more intact elements or highly visible areas.  
New work is to be recessive to the heritage item and the streetscape.

The rear single storey structures of No. 265 Pacific Highway which address Church Lane are the less significant elements and elevations of the heritage item and are less visible from the public domain.

## 8.9 Desired Future Character: Site Specific Study – No. 253-267 Pacific Highway.



Figure 101: Site Plan



Figure 102: Key Plan

### Site Specific Study – 253-267 Pacific Highway

This is a consolidated site along the Pacific Highway, in the Pacific Highway Transition character area. A heritage listed building at 265 Pacific Highway is within the consolidated site.

A mixed use podium and tower built form is proposed with building heights that step up from five storeys at the north of the site to 12 storeys at the south. This will provide a height transition from the mid-scale Pacific Highway corridor, to the northern edge of the North Sydney CBD. The progressive stepping up in height on the site is also to manage the scale impact to the adjacent HCA to the east.

A three storey podium is proposed which matches the scale of the heritage item, that is framed by the retail / commercial podium. A setback in accordance with the DCP to the podium along Church Lane is proposed to improve pedestrian and vehicular access. A small plaza is created along Church Lane at the heritage building.

A 1.5m building setback along the Pacific Highway heritage is proposed for widening of the footpath to allow street tree planting, awnings and to enhance overall amenity.

Secondary upper level setbacks are introduced to provide further transitions in height and scale to adjoining heritage buildings and the HCA.

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Figure 103: 3D view

Separation is proposed between the five storey built form and the tower form. The separation distance will provide a buffer between the lower and the heritage item within the site and will ensure adequate amenity can be achieved.

A larger upper level setback and the third podium level setback to the south boundary preserve the amenity of the adjacent heritage property.

Although this high level built form massing study presents an adequate bulk and scale in relation to the location and context, it should be further refined and amended addressing potential heritage issues, including:

- The form, pattern, and materiality surrounding the heritage item will need to be further considered. The lower facade is the perfect place to

pay homage to the former pattern of the streetscape.

- If a lift core is excavated beneath the heritage item is progressed, a historical archaeological assessment would be required to fully understand archaeological risks.
- Plantings will need to be considered in any green spaces so that they are appropriate for the setting of the streetscape.
- Heritage interpretation will need to be considered on the public and communal open spaces.
- The impact of overshadowing on heritage places will need to be better understood.
- Further view and vista assessments are needed to look at the development from neighbouring HCAs and heritage items.

253-267 Pacific Highway							
Site Area	Lvl	Commercial		Residential		Total GFA	PSR
		G&A (m²)	Efficiency (%)	G&A (m²)	Efficiency (%)		
1,468m²	1-3	3,144	85%	2,472	-	-	-
	4-12	-	-	3,397	75%	2,698	-
	Total G&A	6,741 m²	-	-	-	5,370 m²	3.6:1

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### Planning Study: Footpath widening to the Pacific Highway

New Development along the Pacific Highway is to be setback 1.5m to accommodate tree planting and footpath widening.

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	<p><b>Response:</b></p> <p>The existing footpath setback to the Pacific Highway should be retained as existing for the following reasons:</p> <ul style="list-style-type: none"> <li>• The setback to the heritage item cannot be changed.</li> <li>• Setting new development 1.5 m behind the heritage item will diminish the understanding of the front boundary of the heritage item which has existed in its current alignment for the history of the street.</li> <li>• The proposed 1.5m setback will also create an unnatural setback line in relation to the heritage item.</li> <li>• The proposed plaza on the corner of West Street and would provide a more meaningful and usable, landscaped communal open space than widening the footpath along the Pacific Highway and coupled with the associated compromises of this option as listed above.</li> </ul>
	<p><b>Planning Study: Building Heights</b></p> <p>The Planning Study proposes two separate building forms either side of the heritage item (No. 265 Pacific Highway) with building heights stepping up from 5 storeys, to 10 storeys and up to 12 storeys at the northern end.</p> <p><b>Response:</b></p> <p>An alternative to the proposed building heights indicated in the Planning Study is to provide one stepped tower form above the street height. This would include deleting the extra storeys to the northern building on the corner of West Street and Pacific Highway and provide a taller stepped tower at the southern end than the proposed 10 and 12 storeys. This would have a number of advantages including:</p> <ul style="list-style-type: none"> <li>• The removal of building uplift above the podium on the corner of West Street and Pacific Highway would increase the prominence and visibility of the heritage item and</li> <li>• would be a more sympathetic entry into the lower building heights of the Maclaren Street Heritage Conservation Area to the east of the site.</li> </ul>
	<p><b>Planning Study: Plaza to Church Lane</b></p> <p>The Planning Study proposes a plaza on the eastern boundary of the site addressing Church Lane.</p> <p><b>Response:</b></p> <p>The proposed plaza to Church Lane is compromised by poor direct sunlight and its proximity adjacent to the rear yards and garages of the residential dwellings along Church Lane and the Maclaren Street Heritage Conservation Area. The proposed commercial plaza space would also have a detrimental acoustic impact to the residences.</p> <p>A landscape plaza located on the corner of West Street and The Pacific Highway would have the following advantages:</p> <ul style="list-style-type: none"> <li>• Receives direct sunlight.</li> <li>• Is located away from the residences of the Heritage Conservation Area and will have a reduced acoustic impact.</li> <li>• Will provide a greater opportunity for community engagement of the space.</li> <li>• Provides a greater opportunity to create a more open and enhanced entry in the heritage conservation Area.</li> <li>• Would create a more meaningful and usable landscaped area for the site.</li> <li>• Street trees can be planted in the existing width of the Pacific Highway footpath along the site.</li> </ul>
	<p><b>Planning Study: Secondary Upper Level Setback above the podium/ street wall.</b></p> <p>Secondary upper level setbacks are introduced to provide further transitions in height and scale to adjoining heritage buildings and the HCA.</p>

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**Response:**

Building Setbacks to the proposed development above the podium helps mitigate the transition of the taller building form and the smaller scale of the heritage item and Heritage Conservation area.

The width of the subject site makes it impractical to provide generous setbacks above the podium which would result in narrow and inefficient floor plates that would be difficult to lease commercially and potentially create untenable, vacant spaces.

- A setback to the podium above Church Lane would help mitigate the building height above the podium with the adjoining heritage item and Heritage Conservation Area.
- A setback to the podium above the Pacific Highway Pacific is not as critical as it does not directly address the HCA.
- A setback to the taller built form could be created above the podium and then revert back to the boundary / podium alignment . This would still provide a visual break with the podium and help mitigate the higher tower with the heritage item.

## CONCLUSIONS and RECOMMENDATIONS

This letter summarises a heritage review of the North Sydney Civic Precinct and Surrounds Planning Study, May 2020 in relation to the subject site Nos. 253-267 Pacific Highway, North Sydney and recommends the following amendments are considered:

- Further modulate the proposed massing of the built form above the three storey street wall/podium to more strongly relate to the existing surrounding development. Consolidate the proposed two built forms above the podium to a single taller built form at the southern end of the site which relates to the higher density of the North Sydney CBD directly south of the site.
- A single tower at the southern end of the site could accommodate a greater building height due to its proximity to the taller buildings within the North Sydney Central Business district and other similar high density development on major arterial roads, similar to the Pacific Highway.
- The removal of built forms above the podium/ street wall at the northern end of the site will enhance the visibility and prominence of the heritage item within the site and enable the significance of the shop and residence at No.265 Pacific Highway to be retained and take prominence within the proposed development.
- Provide more detailed modulation and articulation of setbacks to the building form above the podium/ street wall that relates more closely to the specific details of the site including:
  - Provide a setback above the podium along the eastern boundary adjacent Church Lane which would provide a transition to the adjoining Heritage Conservation Area.
  - Provide a setback to the taller built form above the podium which then reverted back out to the podium alignment along the western edge of the subject site to the Pacific Highway. This is inline with Council's Planning Study 2020, which advocates taller buildings along main arterial roads like the Pacific Highway.
  - Provide a substantial setback to the podium along the southern boundary of the site to provide a transition and separation to the adjoining Heritage Conservation Area along this southern boundary of the site.

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- Remove the proposed high built forms above the podium at the corner of West Street and the Pacific Highway. This will enable greater visual prominence of the heritage item within the site and reduce the impacts of bulk and scale around it.
- Landscape works to the podium help mitigate the higher built forms above the podium.
- Provide an alternative to the 1.5m increase of the Pacific Highway footpath, proposed to be achieved by setting back proposed development 1.5m behind the heritage item at No.265 Pacific Highway. This setback would have an adverse impact on the setting of the Heritage item and would reduce the available commercial floor plate size and commercial viability. An alternative to increasing the footpath width would be to provide a landscaped open space/ plaza at the corner of West Street and the Pacific Highway. This would be in tandem with retaining the existing building alignment and the introduction of more street tree planting along this section of the site to the Pacific Highway.
- A landscaped plaza to the corner of West Street and the Pacific Highway would replace the plaza to Church Lane proposed within the Planning Study 2020. A plaza located at the corner of West Street and the Pacific Highway instead of one on Church Lane is beneficial for the following reasons:
  - Creates a lower scale entry into the heritage conservation area.
  - Provides a more appropriate transition in height to the adjoining heritage items.
  - The plaza will be removed from the Heritage Conservation Area and residences which adjoins Church Lane.

Yours faithfully,



**James Phillips** | Director