



MERITON

Making Luxury Apartments Affordable

17 March 2009

Mr Andrew Smith
Team Leader Urban Assessments
Department of Planning
23-33 Bridge Street
SYDNEY NSW 2000

Dear Mr Smith,

RE: ADDENDUM TO MP 09_0033 (3-5 PYMBLE AVENUE, PYMBLE)

We write in reference to your email dated 16 March 2009 relating to the above matter. The following is a response to the three additional matters identified for consideration.

1. *The proposal must demonstrate that independent development of 1 and 1A Pymble Ave can achieve of the desired outcomes sought under SEPP 53 and the dLEP for this site, including reasonable residential yields, good riparian outcomes and the protection of the Blue Gum High Forest remnant, a critically endangered ecological community, on the isolated site.*

The subject proposed development of 3-5 Pymble Avenue will not compromise the development potential of 1 and 1A Pymble Avenue. The remaining sites of 1 and 1A Pymble Avenue will continue to have full development potential in accordance with SEPP 53. Figure 1 shows the location of the future SEPP 53 Building F envelope and its relationship to the boundaries of 1 and 1A Pymble Avenue. The diagram clearly demonstrates that a SEPP 53 compliant future Building F can be erected fully within the boundaries of 1 and 1A Pymble Avenue, thereby completing the vision and objectives of SEPP 53 as it applies to this site.

The remaining sites will also provide an opportunity for redevelopment in accordance with the provisions of the draft Ku-ring-gai Town Centres Local Environmental Plan. The sites combined have a total land area of 2,175 sqm, which exceeds the minimum 1,200 sqm minimum allotment requirement of the draft LEP. The sites together will have a frontage of 38.1 metres, which complies with 23-metre minimum frontage requirement of clause 4.1 (3E). The draft Plan will allow for the sites to accommodate a building 7-storeys in height with a floor space ratio of 1.3:1. The draft LEP does not identify any heritage issues on the remaining sites or adjoining sites. There are no road widening provisions affecting the remaining sites. The extreme rear of the remaining sites accommodates a Category 3 riparian zone and a biodiversity zone, neither of which will affect the appropriate siting of a building towards the Pymble Avenue frontage of the sites.

The Blue Gum High Forest remnant is located along the extreme rear of the site, as indicated by the Category 3 riparian zone and biodiversity zone in the draft LEP. The siting of a building towards Pymble Avenue would be consistent with the setbacks of the adjoining approved Building

A and the proposed Building E and would provide a generous buffer area between the building and the remnant Forest area.

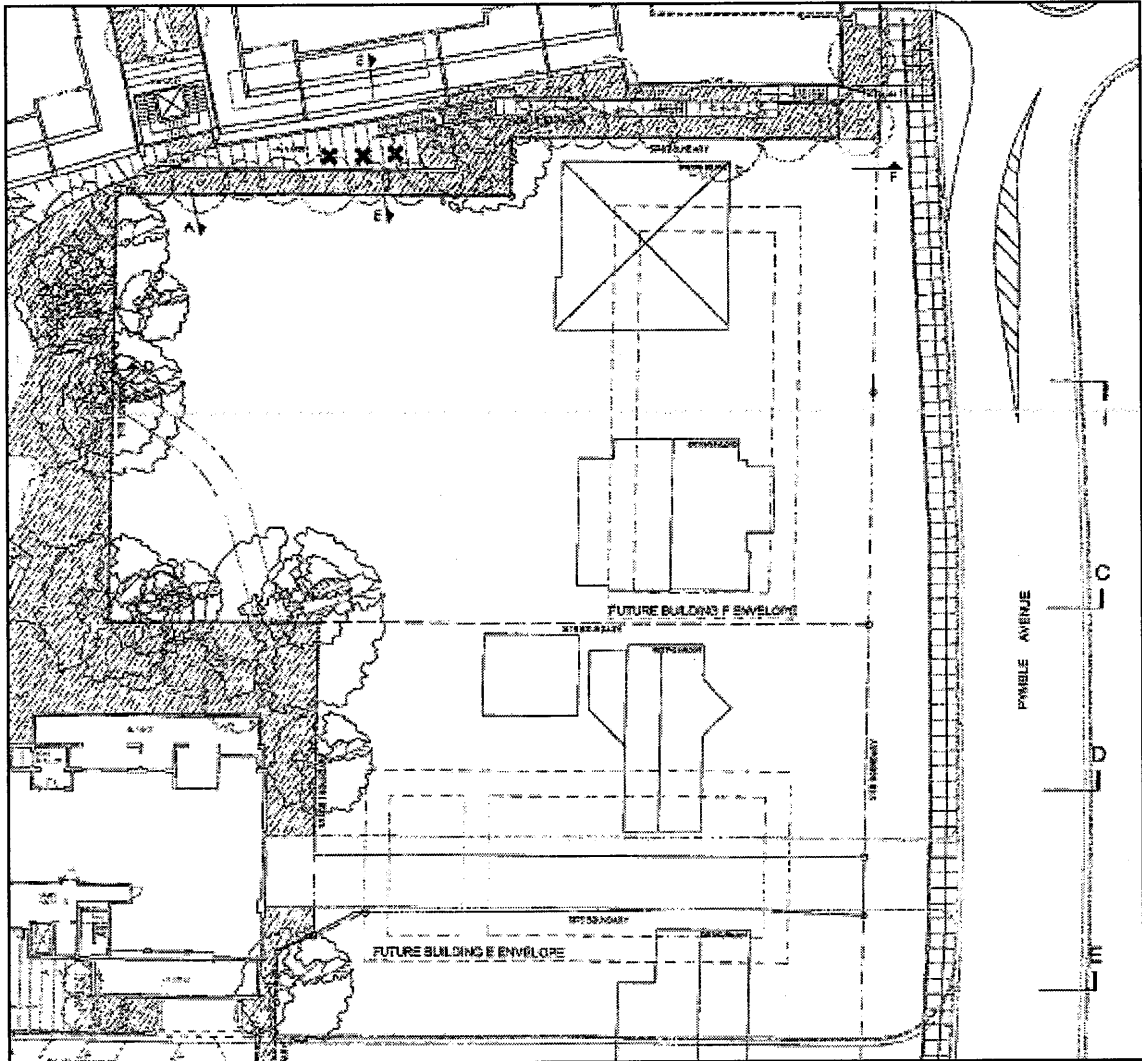


Figure 1: Relationship of Future Building F envelope to the properties of 1 and 1A Pymble Avenue

2. *The economic viability of the development of these sites in accordance with SEPP 53 and the dLEP must be addressed.*

The potential exists for the remaining sites to be available for purchase on the market at a later date in the future. At that time, a purchaser will have the opportunity to acquire the sites and redevelop them in accordance with the planning controls that apply at the time. An experienced developer will only purchase and construct a building on the site according to market conditions, finance approval, the economic environment and return on investment. It is demonstrated above that the remaining sites have full development potential in accordance with SEPP 53 and the draft LEP.

Redevelopment of the remaining sites will have a direct positive impact on the economy arising from employment benefits pre construction, during and post construction. Indirect economic benefits will include expenditure in the local economy towards shops and businesses.

3. *If amalgamation cannot be achieved, it must be demonstrated that all reasonable attempts have been made to ensure that the sites cannot be developed together and details of*



any negotiations between parties should be provided with the application and should include details of offers made to the owner of 1 and 1A Pymble Ave and demonstration that these offers are reasonable.

Meriton has endeavoured to purchase the two remaining sites and redevelop the land in accordance with the relevant planning controls. Meriton has undergone direct negotiations with the landowners of 1 and 1A Pymble Avenue in seeking to purchase the sites. All attempts to purchase the sites have been unsuccessful. Relevant correspondence is attached to provide evidence of the negotiations.

We trust this satisfactorily addresses the additional requirements sought by the Department of Planning and that notification of the proposal will now be expedited.

Should you require any further assistance, please do not hesitate to contact me in the first instance on 9287 2629 in the first instance.

Yours sincerely

MERITON APARTMENTS PTY LIMITED

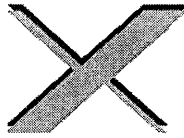


WALTER GORDON

Planning and Development Manager



Meriton Apartments Pty Limited
Builders & Developers



LUXCON
COMMERCIAL REAL ESTATE

Walter Gordon
Manager – Town Planning
Meriton Apartments Pty Ltd

Level 11, 528 Kent Street
Sydney, NSW 2000

Dear Mr Gordon

RE: Acquisition of 1 and 1a Pymble Avenue, Pymble

Pursuant to our company successfully negotiating a transaction for your company at 3-5a Pymble Avenue and 2-12 Avon Road, Pymble and your subsequent request to us to facilitate acquisition of additional adjoining properties at 1 and 1A Pymble Avenue, would like to advise the following.

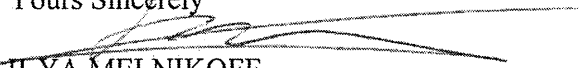
We have had numerous discussions with the vendors of both properties namely Stephen McGee of 1 Pymble avenue and Angela Harvey who acts on behalf of a incapacitated owner of 1A Pymble avenue.

It was found that at an initial approach both vendors were either reluctant to negotiate or unreasonably unrealistic with their expectations of value of their properties. At subsequent attempts, we have managed to convince the vendor of No.1 Pymble to come to a commercially acceptable terms to acquire their property.

However due to the fact that the adjoining owner at 1A was still unreasonable in the negotiations not only in terms of price but in their unwillingness to vacate the property for commencement of construction program and the fact that both properties are interdependent on one another in terms of approved masterplan for the site, it is deemed that the acquisition of these properties would make the entire project economically unviable.

Please let us know if you would like us to continue to pursue this matter.

Yours Sincerely



ILYA MELNIKOFF
Director