

**MAJOR PROJECT ASSESSMENT:  
7 Railway Street Chatswood  
(MP09\_0154)**



Director-General's  
Environmental Assessment Report  
Section 75I of the  
*Environmental Planning and Assessment Act 1979*

February 2011

## ABBREVIATIONS

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CIV	Capital Investment Value
Department	Department of Planning
DGRs	Director-General's Requirements
Director-General	Director-General of the Department of Planning
EA	Environmental Assessment
EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>
EP&A Regulation	Environmental Planning and Assessment Regulation 2000
EPI	Environmental Planning Instrument
LGA	Local Government Area
MD SEPP	State Environmental Planning Policy (Major Development) 2005
Minister	Minister for Planning
PAC	Planning Assessment Commission
Part 3A	Part 3A of the <i>Environmental Planning and Assessment Act 1979</i>
PEA	Preliminary Environmental Assessment
PFM	Planning Focus Meeting
PPR	Preferred Project Report
Proponent	JBA Urban Planning Pty Ltd
RES	Railway Enclosure Structure
RtS	Response to Submissions

Cover Photograph: Photomontage of the proposed building from the Pacific Highway / Railway Street intersection (Source: Proponent's PPR, December 2010)

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## EXECUTIVE SUMMARY

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This is a report on a Project Application seeking approval for a mixed use development at 7 Railway Street, Chatswood. The site is located in the Chatswood CBD and within the Willoughby LGA. The Proponent is Mirvac Projects Pty Ltd.

The proposal as exhibited sought approval for the following:

- Construction of a 43 storey building comprising 304 apartments above a 4 storey podium comprising 3,810m<sup>2</sup> of commercial floor space and 140m<sup>2</sup> of retail floor space;
- 7 level basement comprising 395 car parking spaces;
- Construction of public and private open space, including embellishment of the areas to the east and west and above the Railway Enclosure Structure (RES); and
- Stratum and Strata subdivision.

The Environmental Assessment (EA) was exhibited for 31 days between 18 August 2010 and 17 September 2010. As a result, the Department received 5 submissions from public authorities, including Willoughby Council, and 397 public submissions, including a petition with 33 signatures objecting to the proposal.

On 8 December 2010, the Proponent submitted a Preferred Project Report (PPR). Key PPR revisions include:

- Increase in podium height to 5 storeys and an increase in commercial floor space from 3,810m<sup>2</sup> to 4,876m<sup>2</sup>;
- Reduction in the number of residential apartments from 304 to 295;
- Additional commercial uses on the ground floor;
- Revised façade treatment to integrate the podium and tower;
- Revised public and private open space distribution on top of the RES; and
- Reduction in car parking from 395 to 332 spaces.

The PPR comprises a total floor area of 38,470m<sup>2</sup>, an overall reduction of 694m<sup>2</sup> compared to the EA. The Capital Investment Value (CIV) for the development is estimated at **\$137.4 million**.

The site is zoned "3(c2) Business Commercial" under Sydney Regional Environmental Plan No. 5 (Chatswood Town Centre) (SREP 5). The proposed residential, commercial and retail uses are permissible with consent within this zone. However, Willoughby Council raised strong objection to the amount of proposed commercial floor space. Council is concerned that the predominantly residential proposal will significantly hinder the ability for the Chatswood CBD to meet employment targets under regional and sub-regional strategies.

The Department has given careful consideration to the amount of commercial floor space provided and the employment targets for Chatswood. Given the static office market, which is unlikely to improve over the next 10-15 years, the contribution to floor space is considered acceptable. It is noted that the strong retailing sector in Chatswood will continue to provide jobs growth for the LGA.

It is considered that the development will contribute to the broader planning objectives set out by the Metropolitan Plan for Sydney 2036 and the draft Inner North Subregional Strategy in terms of the supply of housing close to public transport and services and employment opportunities. The development will also deliver more specific public benefits including a pedestrian through site link under the railway line and an additional 1,867m<sup>2</sup> landscaped area, providing a total of 3,500m<sup>2</sup> of public open space for public use and enjoyment across the Pacific Place Precinct.

The Department has assessed the merits of the application, taking into account the issues raised by the public and relevant public authorities. It is considered that identified impacts have been addressed in the PPR and by way of modifications to the Project Application.

The Project Application is recommended for approval subject to conditions.

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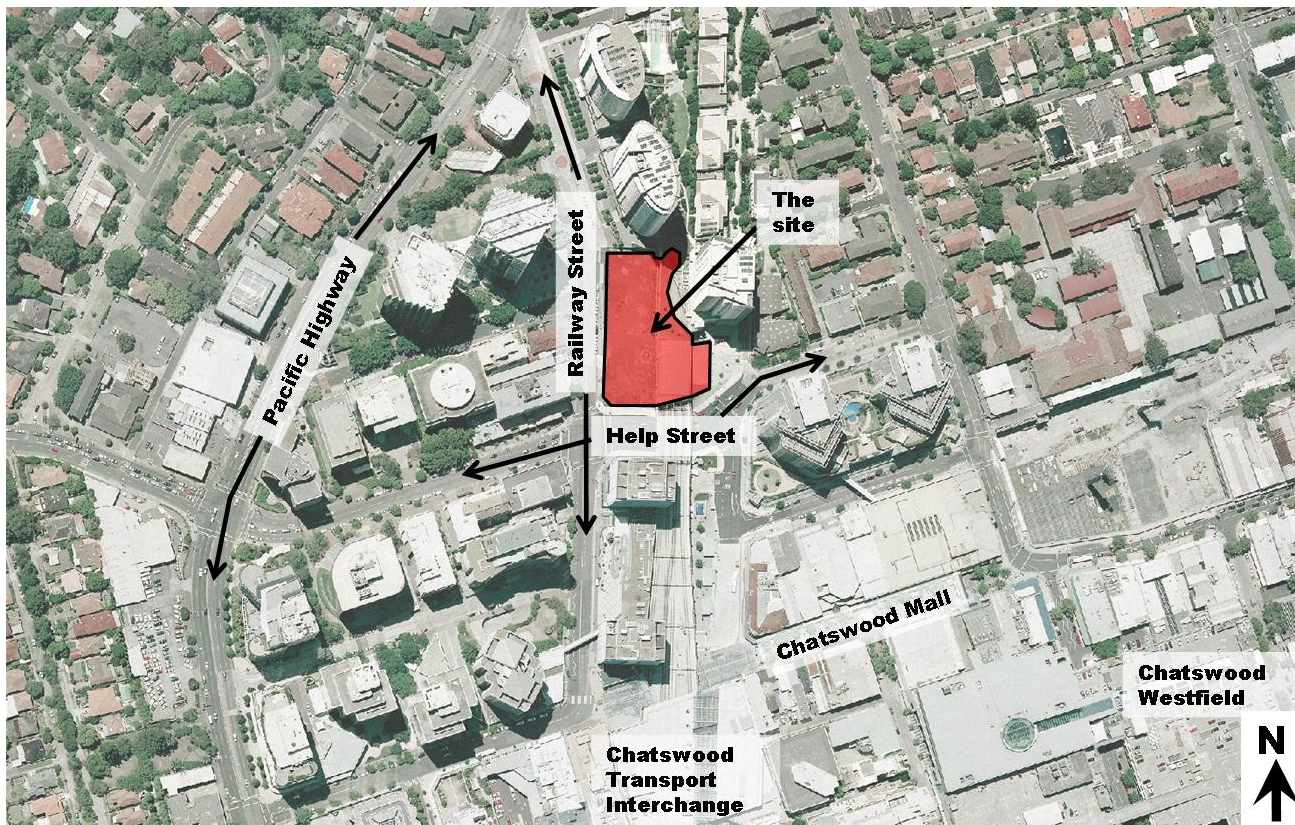
# 1. BACKGROUND

## 1.1 Site Description

The site is located at 7 Railway Street, on the corner of Railway and Help Streets, within the Chatswood CBD (refer **Figure 1** below). The site is currently vacant. The site is an irregular shape and has an area of 5,148.5m<sup>2</sup>, with frontages of approximately 85 metres to Railway Street and 30 metres to Help Street. The land falls by approximately 2.5 metres from the north to the south and approximately 2.0 metres from the west to the east.

Chatswood is a recognised Major Centre with a mix of retail, commercial office and residential uses. The western precinct of the Chatswood CBD is a predominantly commercial setting, however there are substantial residential and commercial developments on the western side of the railway line. The site is located within the commercial core of Chatswood.

The site is located approximately 250 metres walking distance from the recently constructed Chatswood Transport Interchange with rail and bus services to/from Sydney CBD and other centres. Railway and Help Streets are two-way town centre collector roads and provide direct access to the Pacific Highway.



**Figure 1: Aerial photograph of central Chatswood (Base Image Source: NSW LPMA)**

The site forms part of a larger precinct known as the “Pacific Place” which was formerly surplus railway land located to the north of Chatswood Railway Station. The site is bisected by the North Shore Railway line and comprises of 3 distinct and disjointed areas (refer **Figure 2** below):

- The main portion of the site (**Area 1**) is located to the west of the railway line at ground level and has an area of 2995m<sup>2</sup>.
- **Area 2** is located above a Railway Enclosure Structure (RES) which encases the railway line to the extent that it passes through the site. Area 2 is located approximately 12 metres above ground level and has an area of 1546m<sup>2</sup>.

- **Area 3** is located at ground level on the eastern side of the railway line and has an area of 372m<sup>2</sup>.

A through site link has been constructed under the railway line, however due to the undeveloped condition of the land, the through site link is not accessible to the public.

## 1.2 Previous approvals

In 2001, Willoughby Council granted Masterplan approval for a mixed use development consisting of 6 buildings – 3 residential buildings, 2 mixed use buildings and 1 commercial building.

Five buildings have been developed on the Pacific Place site to date, being 2 mixed use commercial/residential buildings known as 'Epica' and 'Altura' to the west of the railway line and 3 residential buildings known as 'Cambridge' and Buildings 'B-C' and 'D-E' to the east of the railway line. The current site lies in the south west corner of the Pacific Place precinct on the last remaining vacant portion of the site. This land was to be developed as a commercial office tower under the Masterplan approval. Refer to **Figure 2** below for the existing site layout.

On 20 January 2002, Willoughby Council issued development consent 2001/0600 for the construction of a 21 storey commercial office building, retail shops, restaurant, basement car parking, and landscaped public precinct on the subject land. This building was approved in accordance with the Masterplan. The approved commercial building comprised approximately 28,000m<sup>2</sup> of office floor space, with a building envelope which spanned the RES. The building was originally approved to a height of RL 189m AHD (93 metres above ground level) but was modified to a height of RL179m AHD (83 metres above ground level). The approved commercial building was the only fully commercial development in the Masterplan.

## 1.3 Surrounding Development

To the north of the site is the Epica building, a 32 storey elliptical-shaped residential building containing 221 apartments. Further north is the Altura residential building, which is 25 storeys in height and also has an elliptical form and contains 137 apartments. The buildings have shared vehicular access and basement car parking.

To the south (across Help Street) is a 12 storey commercial building known as Chatswood Central. Further south is the Chatswood Transport Interchange. Approval has been granted for 3 residential towers of 40, 36 and 25 storeys in height. To the south east is the Regency complex comprising of 2 residential towers, A and B, with heights of 28 and 19 storeys.

To the east (across the Railway line) is a 25 storey residential building known as Cambridge, which contains 132 apartments, retail tenancies at ground floor and a child care centre on Level 4. Immediately to the west (across Railway Street) is a 8 storey commercial building. To the north west is the Zenith Tower development with a height of 24 storeys.

Refer to **Figure 3** below which details the local context and surrounding development. The photographs below (**Figures 4 and 5**) detail the site and surrounds.

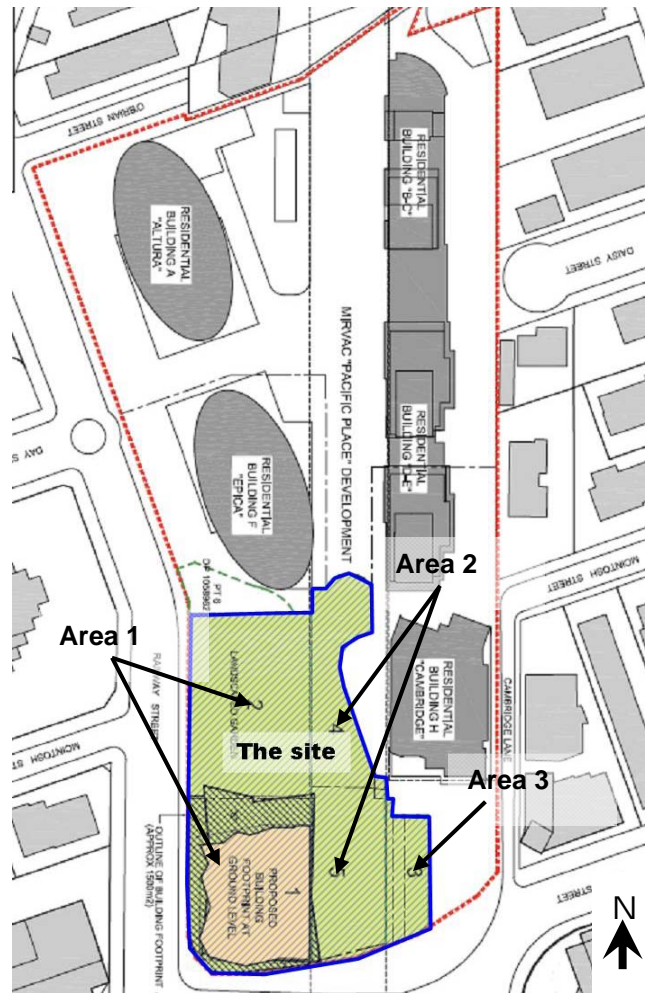
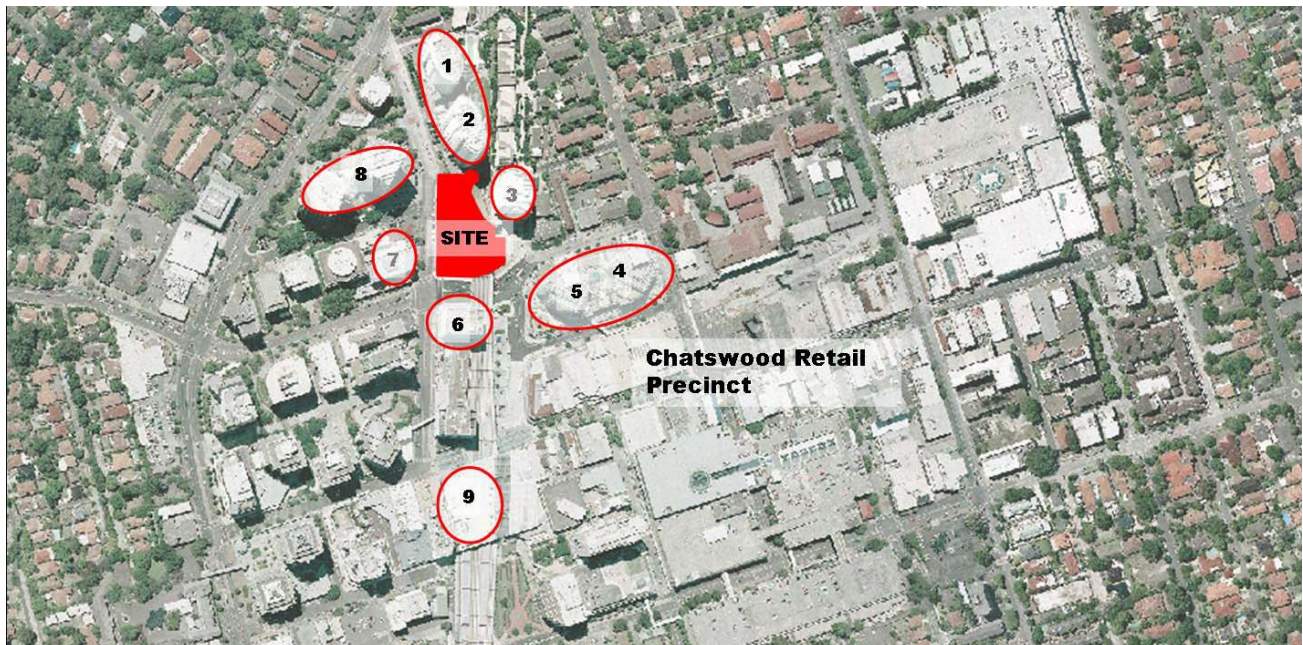


Figure 2: Existing Site Layout (Base Image Source Proponent's EA, August 2010)



**Key**

- 1 Altura building (25 storeys) 2 Epica building (32 storeys) 3 Cambridge building (25 storeys) 4 Regency Tower B (19 storeys)
- 5 Regency Tower A (28 storeys) 6 Chatswood Central (12 storeys) 7 Commercial building (8 storeys) 8 Zenith building (24 storeys)
- 9 Chatswood Transport Interchange (approval granted for 3 residential towers of 40, 36 and 25 storeys)



Figure 3: Local Context Plan (Base Image Source: NSW LPMA)

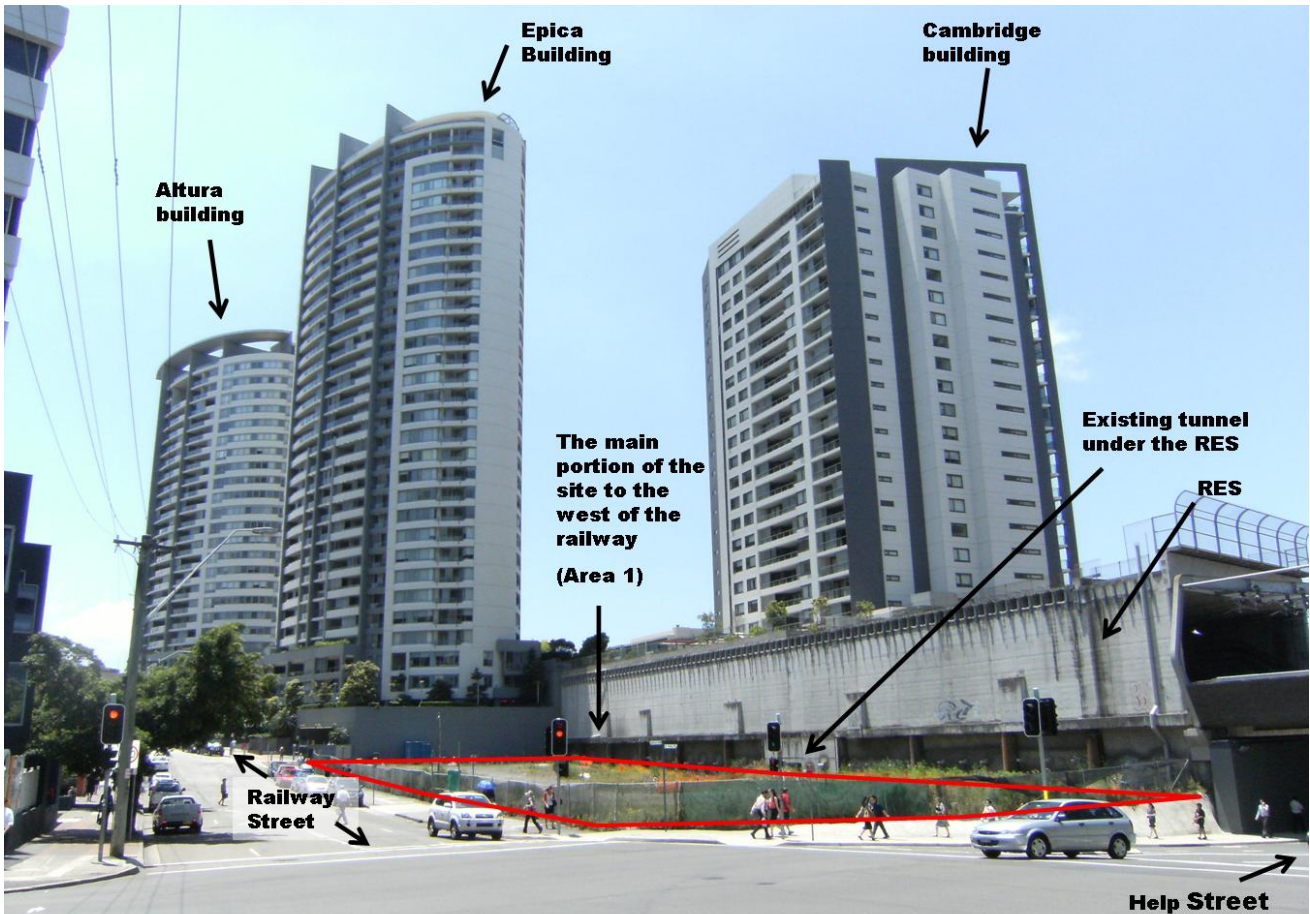


Figure 4: Railway Street frontage showing Area 1

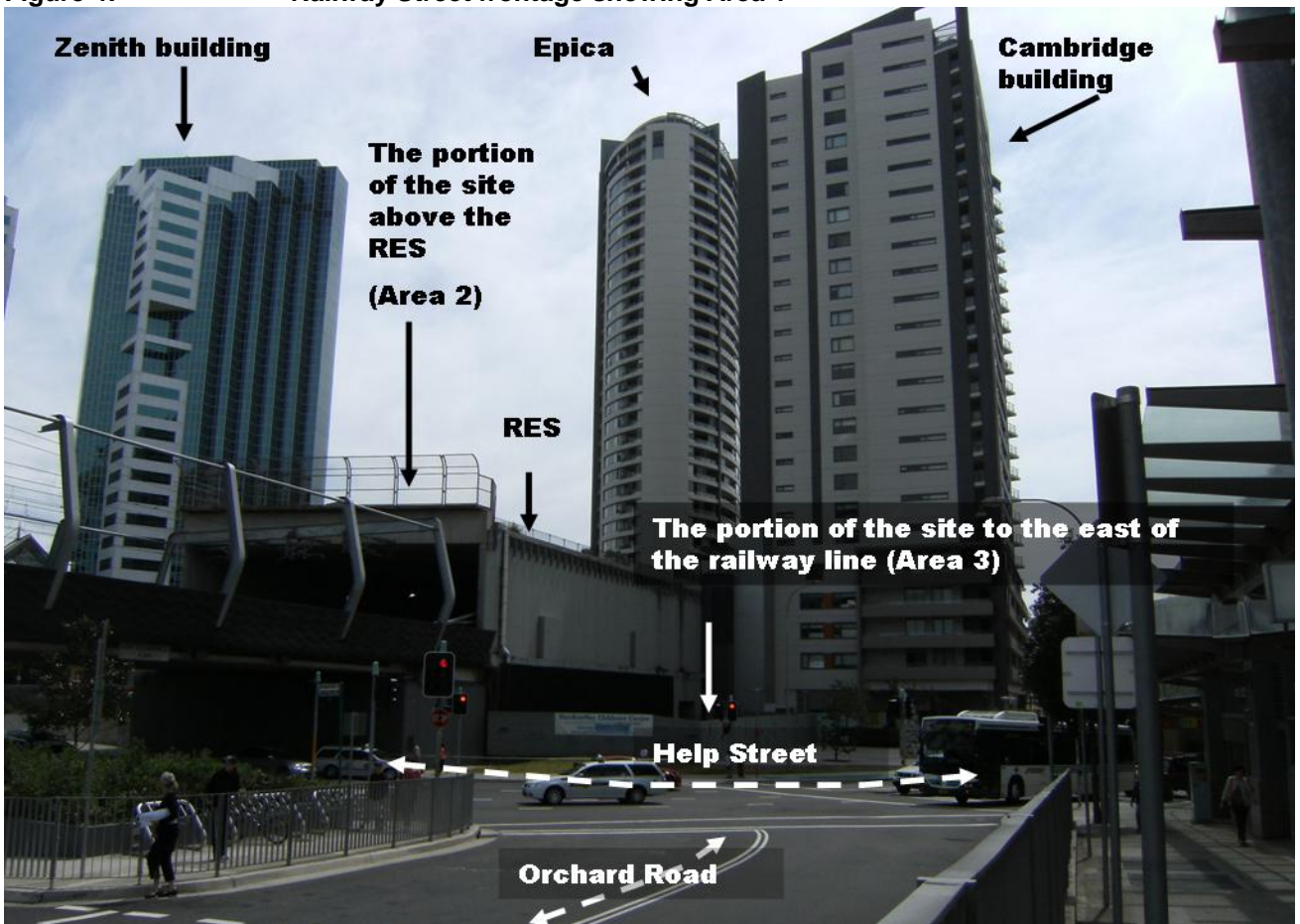


Figure 5: Help Street frontage of the site showing Area 2 and Area 3

## 2. PROPOSED PROJECT

### 2.1. Project Description

#### 2.1.1. Environmental Assessment (as exhibited)

The proposal as exhibited in the Environmental Assessment (EA) sought Project approval for the following:

- Excavation of part of the site to the west of the North Shore Railway Line;
- Construction of a 7 level basement comprising 395 car parking spaces and associated motorcycle spaces, bicycle storage, lockers and shower facilities, residential storage and plant;
- Construction of a 43 storey building comprising:
  - 304 apartments (GFA of 35,214 m<sup>2</sup>)
  - 3 levels of commercial floor space totalling 3,810m<sup>2</sup>
  - Ground level retail floor space of 140m<sup>2</sup>;
  - Residential amenities and facilities including pool and gym;
- Construction of public and private open space, including embellishment of the areas to the east and west and above the RES;
- Stratum subdivision of the existing lot into one residential and one commercial stratum lots; and
- Strata subdivision of the residential stratum into 304 strata title lots.

#### 2.1.2. Preferred Project Report (PPR)

Following the public exhibition of the EA, the Department advised the Proponent of a number of issues which required further consideration, and requested the submission of a PPR.

The main issues raised were in relation to the height and built form, the amount of commercial floor space, streetscape and public domain and on-site car parking provision. The Proponent was also requested to address Willoughby Council's concern that the proposal will increase overshadowing of Chatswood Mall and submit additional information to demonstrate compliance with the Residential Flat Design Code guideline for solar access.

On 8 December 2010, the Proponent submitted a response to submissions and a Preferred Project Report (PPR). The development as proposed within the PPR is detailed in **Table 1**.

**Table 1: Key Project Components**

<i>Aspect</i>	<i>Description</i>
<i>Project Summary</i>	Project application for a Mixed Use Building
<i>Building</i>	Construction of a 43 storey building comprising: <ul style="list-style-type: none"> <li>• Ground floor commercial and retail tenancies and residential/commercial lobbies</li> <li>• 4,876m<sup>2</sup> of commercial floor space over Levels 1 (ground) - 5</li> <li>• Residential facilities including gym, pool and sauna on Level 5</li> <li>• 295 residential apartments (72 x 1 bedroom, 124 x 2 bedroom and 99 x 3 bedroom) over Levels 6 - 42</li> <li>• Plant within an enclosed roof structure on Level 43</li> </ul>
<i>Access</i>	<ul style="list-style-type: none"> <li>• Vehicular access to the site is proposed via existing driveway access to 'Epica' Building.</li> <li>• Pedestrian access is via separate residential and commercial lobbies from Railway Street</li> <li>• A through site link under the Railway line is provided linking the west and eastern portions of the site</li> </ul>
<i>Parking</i>	A 7 level Basement comprising a total of 332 car parking spaces: <ul style="list-style-type: none"> <li>• 26 Spaces for commercial and retail occupants and visitors (including 2</li> </ul>

Aspect	Description
	accessible spaces) 2 car share spaces and 9 residential visitors spaces on Basement Level 1 • 295 resident spaces (including 67 accessible spaces) located on Basement Levels 2-7 • Associated motorcycle spaces, bicycle storage, lockers and shower facilities, residential storage and plant
Facilities/ Public Benefits	• The provision of 1867m <sup>2</sup> of publicly accessible landscaped open space • The provision of a through site link under the RES, open for public access between 7 am and 7 pm, 7 days.

Key changes by the Proponent include:

- an increase in commercial floor space from 3,810m<sup>2</sup> to 4,876m<sup>2</sup>;
- reduction in the number of residential apartments from 304 to 295;
- additional commercial uses on the ground floor;
- provision of private communal open space on top of the RES, including one area for residents of 7 Railway Street with connection to the pool, gym and sauna facilities on Level 5 of the building, and one area of common open space for all Pacific Place residents;
- reduction in car parking from 395 to 332 spaces;
- increase in the proportion of adaptable apartments from 10% to 23% (67 apartments); and
- increase in podium height to 5 storeys and minor revision to the façade and external materials.

The site layout of the PPR is shown in **Figures 6 and 7** below.

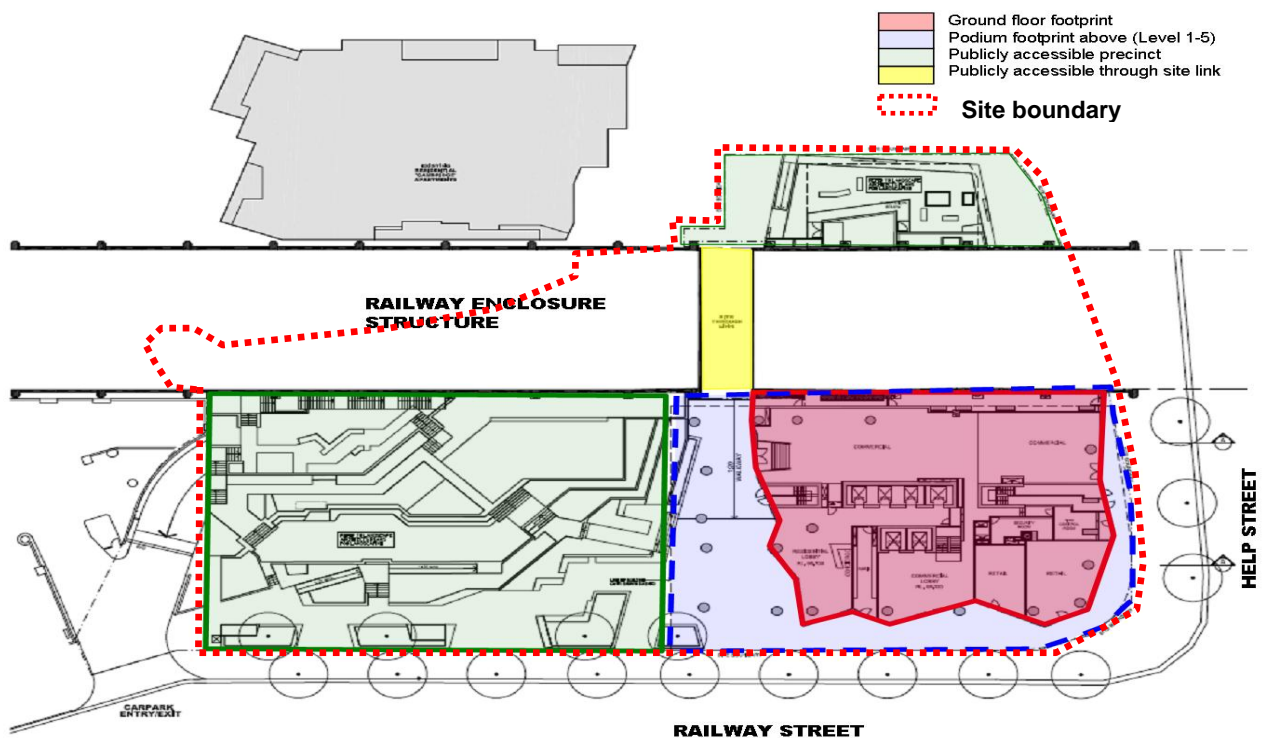


Figure 6: Ground Floor Plan (Base Image Source: Proponents PPR)

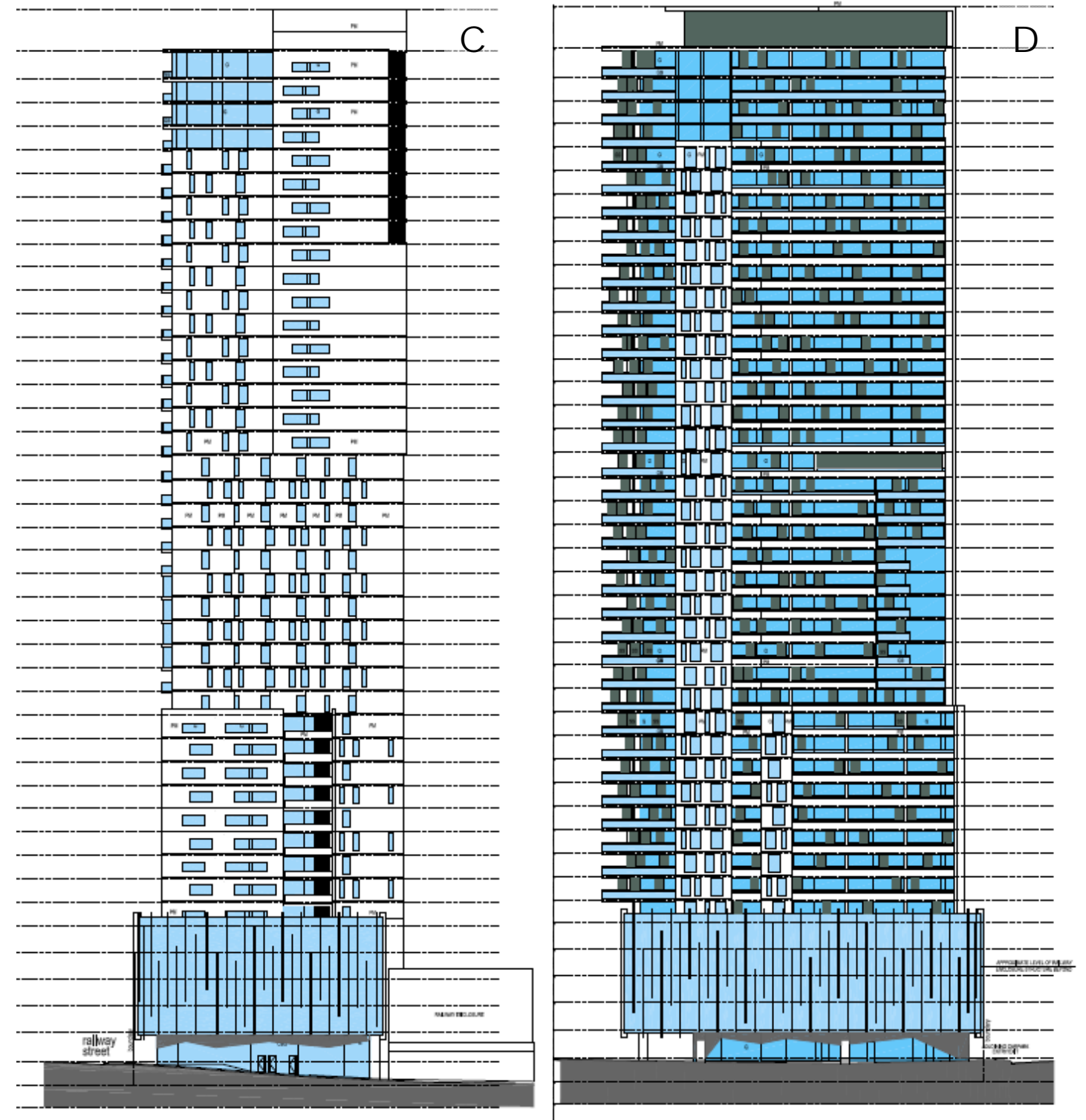
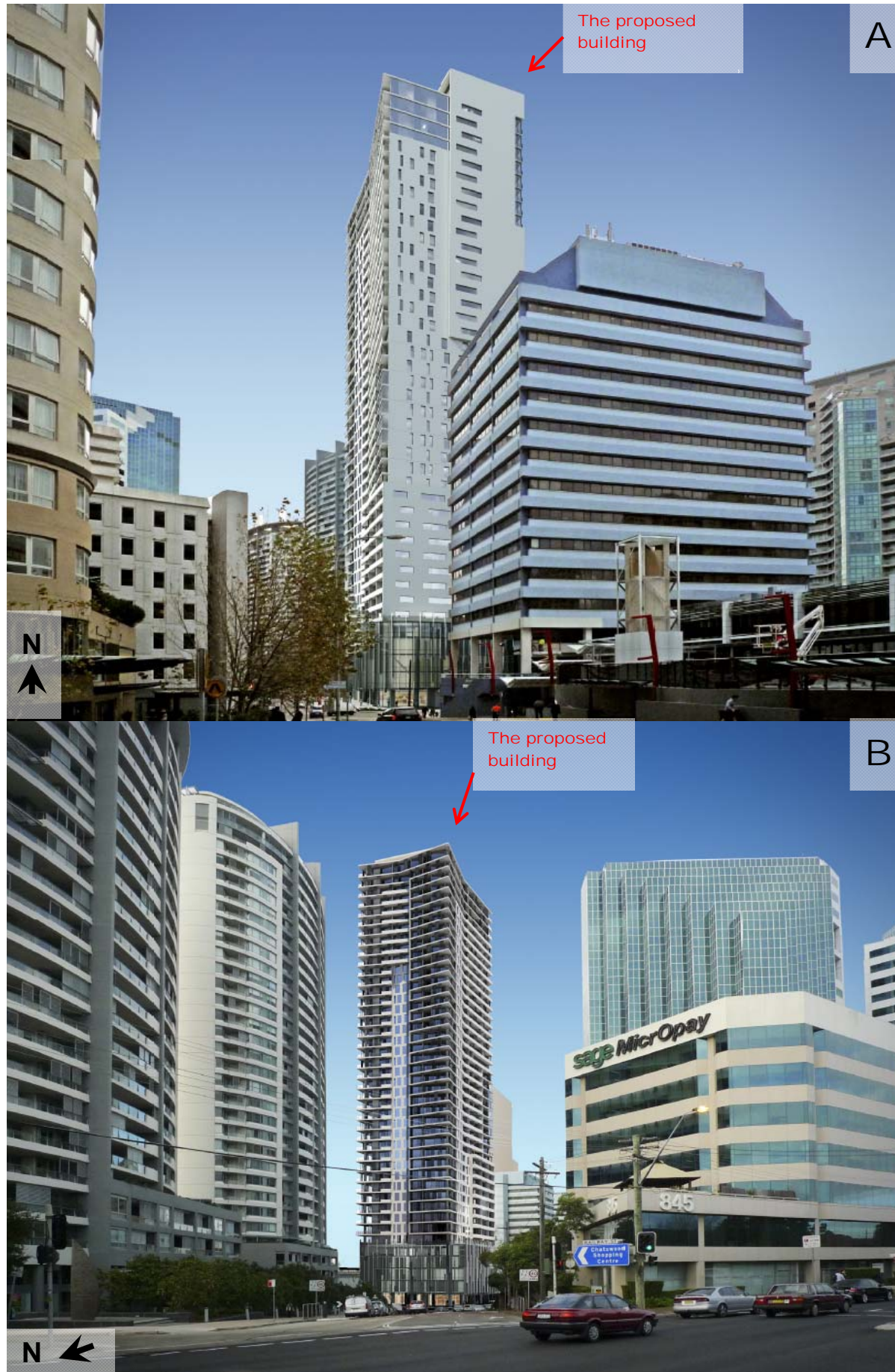


Figure 7

Photomontages and Street Elevations (Source: Proponent's PPR)

- A South façade (Chatswood Central in foreground)
- B North and west facades (Altura and Epica in foreground)
- C Help Street (south) elevation
- D Railway Street (west) elevation

## 2.2. Project Need and Justification

### NSW State Plan

The NSW State Plan 2010 aims to achieve improved urban environments and ensure sustainable development through reductions in greenhouse gas emissions and encouraging development in close proximity to existing centres, services and transport.

The proposed development is located within Chatswood CBD with excellent access to public transport, retail services, recreational and community facilities, schools and hospitals and employment, consistent with the aims of the State Plan.

### Metropolitan Plan for Sydney 2036

The Metropolitan Plan aims to sustainably manage growth, enhance Sydney's position in the global economy, achieve greater housing affordability, enhance liveability and ensure equity for future generations.

The Metropolitan Plan forecasts a population increase for Sydney of 1.7 million people by 2036, taking the total population to 6 million. As a result, Sydney will need 770,000 additional dwellings by 2036, a 46% increase on the current housing stock of 1.68 million dwellings.

The Metropolitan Plan sets an employment target of 2.85 million jobs in Sydney by 2036, which requires the creation of an additional 760,000 jobs. In order to provide the required jobs, it is estimated that Sydney will require up to 10,000,000m<sup>2</sup> of commercial floor space. The Metropolitan Plan sets revised job targets for subregions and centres, aiming to provide more jobs in centres and more jobs near housing. The Plan sets a target for Chatswood of an additional 9,000 jobs by 2036.

Key objectives of the Metropolitan Plan relevant to the proposal are:

- locate at least 80% of new housing within walking catchments of centres with access to public transport;
- provide a mix of housing;
- provide more jobs in centres, more houses in centres and more houses near jobs;
- target development around transport; and
- concentrating commercial activity and job destinations in centres.

The proposal will make a significant contribution to the achievement of a number of the Metropolitan Plan targets. Specifically, the proposal will provide 295 apartments within a major centre, resulting in increased housing opportunities located close to jobs, retail facilities and public transport services. A mix of apartment sizes and provision of adaptable dwellings allows for changing household demographic and ageing in place.

The proposal will contribute approximately 320 new operational jobs within the Chatswood CBD, making a modest contribution to the overall jobs target of 9,000. In considering the proposal's ability to make a greater contribution to the jobs target for the Chatswood commercial core, the Department has reviewed the views of three separate economic reports, including one commissioned by Willoughby Council. The Department's detailed consideration of this issue is provided in **Section 5.1**.

The proposal will also contribute to the achievement of the Plan's environmental targets, specifically by providing housing and employment opportunities within a major centre with excellent access to public transport and local services.

### **Draft Inner North Subregional Strategy**

The draft Inner North Subregional Strategy identifies Chatswood as a “Major Centre”, the largest Major Centre in Sydney. Chatswood provides approximately 23,000 jobs and 300,000m<sup>2</sup> of office floor space. Chatswood is also a major retail centre with approximately 190,000m<sup>2</sup> of retail space.

The Metropolitan Plan provides updated targets for the draft Subregional Strategy, setting a target of an additional 62,000 jobs and 44,000 dwellings for the subregion by 2036. The Draft Strategy seeks to concentrate new residential development in centres.

A key action in the draft Strategy is to protect and strengthen the existing commercial areas in the subregion, including Chatswood. The draft Strategy sets a target for Chatswood of providing an additional 9,000 jobs by 2036 (total 31,000 jobs), requiring approximately 100,000m<sup>2</sup> of additional office floor space.

The proposal involves 33,477m<sup>2</sup> of residential floor space (295 apartments) and 4,876m<sup>2</sup> of commercial floor space. The provision of 295 apartments close to public transport, services and employment makes a substantial contribution to the dwelling target for Willoughby LGA and satisfies the key objectives for housing in the draft Strategy.

The proposed provision of 4,876m<sup>2</sup> of commercial floor space will provide approximately 320 new employment opportunities in Chatswood, which makes a modest contribution to the employment target of 9,000 additional jobs by 2036. This issue is analysed in detail in **Section 5.1**. It is considered that the contribution of approximately 320 jobs capacity in the current static Chatswood office market is a positive outcome. There are benefits arising from the provision of residential floor space consistent with draft Subregional strategy in terms of increased housing opportunities located close to jobs, retail facilities and public transport services. Residential development will contribute to the vibrancy of the Chatswood CBD and demand for goods and services, which may in turn increase the attractiveness of the centre for commercial development.

On balance, the proposal is generally consistent with the key directions and will assist in meeting the targets within the draft Inner North Subregional Strategy.

### **Chatswood City Centre Plan 2008 (Strategic Plan Background Report)**

The Chatswood City Centre Plan was prepared by Willoughby Council to provide guidance in the preparation of the draft comprehensive Local Environmental Plan (LEP) and Development Control Plan (DCP). The document sets the context for LEP and DCP provisions and a public domain plan for the City Centre.

The Strategy identifies an increased demand for A-grade office space in Chatswood in the future. The Strategy acknowledges that a particular challenge to providing commercial development is the limited sites available for large floor plate development. A further challenge is the pressure for strata subdivision of older buildings in the office precinct, which further fragments land ownership and hinders redevelopment.

The Strategy seeks to encourage office development in Chatswood, which builds on the key objectives of the Metropolitan Plan and draft Subregional strategy and deals with implementation of these objectives in a local context.

The Strategy also seeks to preserve and protect land within the commercial core for commercial development by restricting or prohibiting residential development. Commercial development of the site has not been viable for at least 10 years, and the situation is unlikely to improve for at least another 10 – 15 years. As noted above, the current proposal provides for 4,876m<sup>2</sup> of commercial floor space which equates to providing an additional 320 jobs. The provision of office floor space on the site is analysed in **Section 5.1**.

### 3. STATUTORY CONTEXT

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#### 3.1. Major Project

The proposal is a major project under Part 3A of the Environmental Planning and Assessment Act 1979 (EP&A Act) because it is development for the purpose of a residential, commercial or retail project under clause 13 of Schedule 1 of State Environmental Planning Policy (Major Development) 2005. Therefore the Minister for Planning is the approval authority.

#### 3.2. Permissibility

The site is subject to the provisions of the Sydney Regional Environmental Plan No. 5 (Chatswood Town Centre) (SREP 5). The site is zoned "3(c2) Business Commercial" under SREP 5. Residential, commercial and retail land uses are permissible in the 3(c2) zone.

The Draft Willoughby Local Environmental Plan 2009 was exhibited between March and May 2010. The draft LEP proposes a "B3 Commercial Core" zoning for the site which prohibits residential and/or mixed use buildings. The Proponent made a submission on the Draft LEP during the exhibition period seeking to amend the zoning of the site to "B4 Mixed Use", which would retain residential development as a permissible land use.

On 3 November 2010, Willoughby Council considered a report on the submissions and amendments to the draft LEP. The Council resolved to send the LEP to the Minister for gazettal, subject to various amendments. The LEP adopted by Council retains the proposed "B3 Commercial Core" zoning for this site, as exhibited.

#### 3.3. Environmental Planning Instruments

The Minister's consideration and determination of an application under Part 3A must be informed by the relevant provisions of the applicable SEPP's and EPI's. The following SEPPs and EPIs apply to the subject site.

- State Environmental Planning Policy (Major Development) 2005
- State Environmental Planning Policy No. 55 – Remediation of Land
- State Environmental Planning Policy No. 65 – Design Quality of Residential Flat Development
- SEPP (Building Sustainability Index: BASIX) 2004
- Sydney Regional Environmental Plan No. 5 (Chatswood Town Centre) (as of 1 July 2009, all REPS are deemed SEPPs)

The Department's consideration of relevant SEPPs and EPIs is provided in **Appendix D**.

#### 3.4. Objects of the EP&A Act

Decisions made under the EP&A Act must have regard to the objects of the Act, as set out in Section 5 of the Act. The relevant objects are:

- (a) *to encourage:*
- the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment,*
  - the promotion and co-ordination of the orderly and economic use and development of land,*
  - the protection, provision and co-ordination of communication and utility services,*
  - the provision of land for public purposes,*
  - the provision and co-ordination of community services and facilities, and*
  - the protection of the environment, including the protection and conservation of native animals and plants, including threatened species, populations and ecological communities, and their habitats, and*

- (vii) ecologically sustainable development, and*
- (viii) the provision and maintenance of affordable housing, and*
- (b) to promote the sharing of the responsibility for environmental planning between the different levels of government in the State, and*
- (c) to provide increased opportunity for public involvement and participation in environmental planning and assessment.*

On balance, it is considered that the proposal is consistent with the Objects of the Act in the following respects:

- The benefits provided by the proposal, including the contribution to the housing stock within a highly accessible location, within close proximity to public transport, services, facilities and employment opportunities;
- Provision of a substantial area of publically accessible open space and through site link under the railway line, achieves orderly and economic use and development of the site;
- While the proposal does not provide designated affordable housing, a mix of apartment sizes and types is provided to provide a range of housing options for future residents of varying income levels and household size; and
- Contribution to the vibrancy of Chatswood on a site which has been vacant for at least 10 years.

### **3.5. Ecologically Sustainable Development**

The EP&A Act adopts the definition of Ecologically Sustainable Development (ESD) found in the *Protection of the Environment Administration Act 1991*. Section 6(2) of that Act states that ESD requires the effective integration of economic and environmental considerations in decision-making processes and that ESD can be achieved through the implementation of:

- (a) the integration principle*
- (b) the precautionary principle,*
- (c) inter-generational equity,*
- (d) conservation of biological diversity and ecological integrity,*
- (e) improved valuation, pricing and incentive mechanisms.*

The Department's consideration of relevant of ESD principles is included at **Appendix D**.

### **3.6. Statement of Compliance**

In accordance with section 75I of the EP&A Act, the Department is satisfied that the Director-General's environmental assessment requirements have been complied with.

The Department is satisfied that the provision of 4,876m<sup>2</sup> of commercial floor space contributes a substantial component of office floor space in accordance with the DGRs. The proposal will provide up to 320 jobs (estimated at up to 90% of expected office jobs growth to 2031) and also increase the amount of new office stock which has remained static for a considerable time.

## 4. CONSULTATION AND SUBMISSIONS

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### 4.1. Exhibition

Under section 75H(3) of the EP&A Act, the Director-General is required to make the Environmental Assessment (EA) of an application publicly available for at least 30 days. After accepting the EA, the Department publicly exhibited it from Wednesday 18 August 2010 until Friday 17 September 2010 (31 days) on the Department's website, and at the Department of Planning Information Centre, Willoughby Council and Chatswood Library. The Department also advertised the public exhibition in the Sydney Morning Herald, Daily Telegraph, North Shore Times and Northside Courier on 18 August 2010 and notified landholders and relevant State and local government authorities in writing.

The Department received 402 submissions during the exhibition of the EA - 5 submissions from public authorities, including Willoughby Council, and 397 submissions, including a petition with 33 signatures, from the general public and special interest groups.

A summary of the issues raised in submissions is provided below.

### 4.2. Public Authority Submissions

Five submissions were received from public authorities as detailed below.

#### 4.2.1 Willoughby Council objects to the project and submitted responses to both the EA and PPR.

##### *Council's submission to the EA*

The Council's submission to the EA can be categorised as follows:

- Lack of commercial floor space
- Height, FSR and Built form
- Overshadowing of Chatswood Mall
- Amenity of adjacent properties (view loss, over shadowing, privacy)
- Treatment of the Public Domain
- Traffic
- Section 94 Contributions

Council's primary concern is the modest amount of proposed commercial floor space, considering that the site is located in the commercial core of Chatswood. Council is concerned that the predominantly residential proposal will significantly hinder the ability for the Chatswood CBD to meet employment targets under regional and sub-regional strategies. Council submits that the proposal should provide at least 28,000m<sup>2</sup> of office floor space, consistent with the previously approved commercial building on the site in 2002.

The proponent submits that they have been unsuccessful in pre-leasing the previously approved commercial floor space for 10 years and therefore have been unable to viably develop the site. The proponent has sought the advice of economic experts in relation to the office market in Chatswood and the viability of a commercial development. The PPR proposes 4,876m<sup>2</sup> of office floor space over 5 levels, an overall increase of over 1,066m<sup>2</sup>, compared to the exhibited EA.

In the context of the current and future office market projections, the Department considers that the provision of 4,876m<sup>2</sup> of office floor space, which will contribute approximately 320 jobs in Chatswood, is a positive outcome. There are also benefits arising from the provision of residential floor space consistent with Metropolitan Plan for Sydney 2036 and draft Subregional strategy in terms of increased housing opportunities located close to jobs, retail facilities and public transport services. The Department's assessment against the Metropolitan Plan and draft subregional

strategy is provided in **Section 3** and a detailed assessment of the amount of commercial floor space is provided in **Section 5.1**.

Council also raised concern regarding the proposed height, floor space and built form and the resultant additional overshadowing of the Chatswood Mall in Victoria Avenue and impacts on residential amenity. These matters are assessed in **Sections 5.2** and **5.3**. The PPR proposes a slight reduction in floor space of 694m<sup>2</sup>, compared to the EA. The PPR provided further justification for the height and built form, as well as additional shadow analysis of the impact of the proposal on the Chatswood Mall between 12:00pm and 2:00pm. The Department is satisfied that the issues have been addressed and that the proposal will have minimal adverse impacts and maintain a high level of residential amenity for existing and future residents.

Council was also concerned with the treatment of the public domain, in particular the proposed publicly accessible landscaped area at ground level and on top of the RES. The primary concern was the lack of activation of this space and safety concerns. Council recommended that the building be redesigned to provide additional active uses on top of the RES. The Council was also concerned in relation to the functionality and usability of the space above the RES. The PPR proposes that the area on top of the RES to be used for private communal open space, with a connection to the resident recreational facilities (gym/pool) located on Level 5 of the building. The Department has considered the PPR and finds the treatment of publicly accessible and private areas on site acceptable. This issue is discussed in detail in **Section 5.3**.

The PPR proposes a reduction in on-site car parking provision of 63 spaces, compared to the EA. This will assist in encouraging use of public and other non-car forms of transport, and therefore reduce traffic generation impacts. The issue of traffic, access and parking is discussed further in **Section 5.4**.

Council raised strong objections to the off-set in Section 94 contributions proposed for the maintenance of the publicly accessible landscaped area. This issue is discussed in detail in **Section 5.5**. The Department considers that an off-set in Section 94 contributions is not justified, and the recommended conditions of approval require full payment in accordance with Council's Section 94 Contributions Plan.

Council also raised concerns in relation to access and waste collection requirements, wind management, provision of adaptable housing and the proposed strata subdivision plans. The PPR involved an increase in adaptable housing from 10% to 23% and made a commitment to undertake wind tunnel testing prior to construction. Appropriate conditions of approval have been recommended.

A full copy of Willoughby Council's submission and a summary of the issues by Council and the Department's comments on each issue is contained in **Appendix E**.

*Council's submission to the PPR.*

Willoughby Council advised the Department that it considers the changes to the PPR are unsatisfactory. Council are of the opinion that the increase in office GFA is tokenistic and inconsistent with the site's location within the commercial core of Chatswood and long term local, subregional and Metropolitan planning for the Chatswood CBD.

The Department has given consideration to the relevant Metropolitan, subregional and local strategies and found that the proposal makes a significant contribution to many of the objectives and targets of the strategies. The issue of commercial floor space is a key issue which the Department has given careful consideration to in **Section 5.1**. The current office market in Chatswood, which is unlikely to improve in the foreseeable future, makes it unfeasible to develop up to 28,000m<sup>2</sup> of office floor space on the site. The Department is satisfied that the provision of office floor space and

contribution of 295 apartments will add to the vibrancy of Chatswood and create an immediate public benefit on a site that may otherwise be vacant for an extended period of time.

Willoughby Council also raised strong objections to any additional overshadowing of the Chatswood Mall. The Department is satisfied with the additional shadow analysis provided by the proponent which demonstrates that at the time of impact of shadowing of the Mall, the vast majority of shadowing is caused by the shops on the northern side of the Mall, and not by the proposal.

Council also objected to the use of the land on top of the RES as private communal open space, and have requested that it be accessible to the public and activated by a building spanning over the RES with restaurants, retail and offices uses. The proponent's justification for the building envelope and siting is considered sound. There are key benefits of the proposed envelope, compared to an envelope which spans the RES including increased building separation, views and outlook between buildings and an increased overall provision of landscaped area. The Department considers that the provision of private communal open space on top of the RES is appropriate.

A full copy of Willoughby Council's PPR submission and a summary of the issues by Council and the Department's comments on each issue is contained in **Appendix E**.

**4.2.2 Railcorp** does not object to the project and provided conditions of approval to ensure the protection of the RES which is located adjacent to the proposed building and ensure that all appropriate safety measures are implemented during construction. Railcorp and Mirvac are also party to a Development Deed originating from the construction of the RES. Appropriate conditions of approval have been recommended.

**4.2.3 Transport NSW** does not object to the project however requested a further reduction in visitor car parking on site given the excellent public transport accessibility. The PPR proposes an overall reduction in on-site car parking provision of 63 spaces, compared to the EA. 9 visitor car parking spaces are proposed for the residential component of the development, with the 24 commercial spaces available for use outside of standard office hours.

Transport NSW also requested the imposition of conditions in relation to visitor bicycle parking at ground level, the preparation of a Work Place Travel Plan and a co-ordinated car share scheme to minimise car use/ownership by residents. The Proponent has made a commitment to prepare a Sustainable Travel Plan for the development and provided 2 car share spaces within the basement car park. Appropriate conditions of approval have been recommended.

**4.2.4 Sydney Water** does not object to the project and advised that the drinking water and wastewater system have sufficient capacity for the proposed development.

**4.2.5 The Roads and Traffic Authority** does not object to the project. The RTA requested that contributions be levied for traffic signal and road widening on the state road network. Council has advised that the Pacific Place precinct has a credit applying for a past payment of Section 94 Contributions for Roads, Traffic and Transport Management and therefore a contribution for traffic is not required.

The RTA also provided recommended conditions in relation to compliance with relevant Australian Standards for vehicle access and parking, the preparation of a Construction Management Plan a Loading Dock Management Plan to minimise conflicts between trucks and other vehicles using the car park. Appropriate conditions of approval have been recommended.

### 4.3. Public Submissions

397 submissions were received from the public (refer **Appendix B**), and included a petition of 33 signatures from Sandcastles Child Care Centre who occupy floor space within Cambridge building and outdoor play area on top of the RES.

All 397 public submissions objected to the project. The key issues raised in public submissions are listed in **Table 2**.

**Table 2: Summary of Issues Raised in Public Submissions**

Issue	Proportion of submissions (%)
Height	99
View loss	98
Traffic	98
Wind Impacts	98
Public Open Space on top of the RES	98
Security / Crime	97
Lack of Office floor space	60
Access to sunlight / Overshadowing	60
Privacy	59
Shared access arrangement with Epica loading dock	38

The Department has considered the issues raised in submissions in its assessment of the project.

#### 4.4. Proponent's Response to Submissions

The proponent responded to the key issues as detailed below:

##### *Height, view loss, overshadowing and privacy*

The issues of view loss, overshadowing and privacy are directly related to the issue of height and built form. The EA considered the issues of view loss and privacy, and demonstrated that in general views/outlook and privacy would be maintained through increased building separation, compared to the previously approved commercial building on the site. The EA provided a visual impact analysis which identified that the proposal will affect views of 2 units within the Epica building. The Department has considered visual impact in **Section 5.2.3**.

The proponent also justified the additional height on the basis of the public benefit available as a result of the small building footprint which allows substantial areas of publicly accessible landscaped area for the use and enjoyment of the wider community. The PPR has provided an analysis of potential overshadowing impacts on the neighbouring residential properties and the Chatswood Mall and demonstrated minimal impacts. The Department has assessed the height, building form and amenity impacts of the proposal in **Section 5.2**.

The PPR addressed concerns raised in submissions regarding the use of the land on top of the RES as public open space. In order to resolve accessibility and safety issues associated with public access in this location, the PPR proposes to utilise this space as communal private open space for future residents. A portion of the communal open space will also be accessible by all Pacific Place residents.

The PPR also gave further consideration to traffic impacts, including a reduction in on-site car parking provision which will further reduce traffic generation, and encourage sustainable transport options for future residents and workers.

The Department is satisfied that the issues have been addressed and can be managed by conditions of approval as required.

## 5. ASSESSMENT

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The Department considers the key environmental issues are:

- Land Use
- Height; Siting and Design; and Amenity Impacts
- Landscaped Area and Public Domain
- Traffic, Access and Car parking
- Section 94 contributions

### 5.1. Land Use

The proposal comprises predominantly residential land uses, providing 33,477m<sup>2</sup> of residential floor space (295 apartments) and 4,876m<sup>2</sup> of commercial floor space. The proposal satisfies many of the Metropolitan and Subregional objectives in relation to providing housing within an existing Major Centre, with good accessibility to jobs, transport and services. However, the proposal makes a less substantial contribution to the employment targets and the commercial core and therefore the provision of commercial floor space is a key issue.

Willoughby Council have raised the limited amount of commercial floor space as a key issue, and have indicated that historically, this site has been identified as accommodating a substantial office building so as to make a major contribution to jobs growth in the Chatswood CBD.

#### *The proponent's justification for reduced commercial floor space*

The proponent states they have been unsuccessful in securing a commercial tenant for the approved 21 storey office tower and therefore advise that it is not feasible to construct this development. As a result, the site has been vacant for 10 years since development consent was issued. The Proponent now seeks approval for a mixed use building with a greater component of residential floor space on the basis that there is minimal demand for office floor space in Chatswood and an existing high vacancy rate which is unlikely to see any reversal in the next 10-15 years.

The Proponent has sought the views of two economic experts on the current office market in Chatswood, the feasibility of developing a commercial building and the ability of Chatswood to meet the employment targets established by the draft Subregional Strategy.

The Proponent commissioned Urbis to undertake a market assessment of the need and demand for office floor space as part of the proposal. The Urbis assessment identified that approximately 42,000m<sup>2</sup> of the 295,000m<sup>2</sup> of office floor space in Chatswood is vacant, representing approximately 14% of the office stock, the highest among Sydney's commercial centres. High vacancy rates can be attributed to the economic slow-down and the impact of Macquarie Park, which has absorbed approximately 231,000m<sup>2</sup> of office floor space since 2005. Urbis are of the opinion that Chatswood is currently unable to compete with Macquarie Park in relation to rental prices and incentives, such as high rates of parking provision.

The Urbis assessment considers that the office market in Chatswood is unlikely to improve in the foreseeable future. Since 2005, 6,000m<sup>2</sup> of office space has been absorbed in Chatswood compared to 231,000m<sup>2</sup> in Macquarie Park, in the same period.

Urbis suggests that the targets set in the draft Subregional Strategy appear ambitious given the current vacancy levels in the centre. The current and historic absorption of commercial floor space in Chatswood does not show any prospects of growth in demand for office space.

Urbis suggests that residential development may be beneficial for Chatswood in the following respects:

- the development would stimulate employment in the construction phase;

- new residents will contribute to a higher demand for retail and services; and
- the development will enhance the liveliness of Chatswood, and over time this could enhance the attractiveness of Chatswood as an office location.

The Proponent also commissioned Leyshon Consulting to undertake a peer review of the Urbis report. Leyshon also consider the history of office space in Chatswood to be a relevant consideration, noting that since very rapid office development in the late 1980s, office development has slowed. In more recent years, Leyshon agree that Macquarie Park has emerged as a major competitor to Chatswood.

Leyshon support the findings of Urbis, in particular that it is unlikely to be feasible to develop a commercial building on the site into the foreseeable future. Leyshon noted that the proposed amount of commercial floor space in the PPR would provide additional employment capacity in Chatswood of 320 jobs.

#### *Council's consideration of reduced commercial floor space*

A full copy of Willoughby Council's submissions can be found at **Appendix E**. In summary, Council is seeking to strengthen the commercial role of Chatswood as an office precinct in accordance with the draft Inner North Subregional Strategy. Council's strategic plans for the CBD encourage high-rise office uses on the land on the western side of the Railway line, maintaining the main retail precinct on the eastern side of the railway line, and encouraging high rise residential and mixed use development on the periphery of the CBD. There has been a high demand for residential development in Chatswood, and Council is seeking to prevent further residential development in the commercial core of the CBD.

While the proposed commercial floor space would make a contribution to office stock in Chatswood, and therefore potential employment growth, Willoughby Council suggests that the site has a far greater ability to provide a significantly higher level of office floor space. It is Council's view that predominantly residential uses were permissible on the Pacific Place Masterplan site on the basis that this would be balanced by a commercial building on the subject land. The current zoning of the site under Sydney Regional Environmental Plan No. 5 (Chatswood Town Centre) (SREP 5) permits a range of residential, commercial and retail land uses on the site.

Council sought advice from an economic expert on the Chatswood office precinct and it's future role in light of competing land uses, particularly residential. Willoughby Council commissioned Hill PDA to undertake a broader economic analysis of the Chatswood office precinct. Hill PDA state that Chatswood's office sub-market has struggled compared with other centres on the North Shore. Vacancy rates in Chatswood are increasing and among the highest in the region.

Hill PDA agrees with the Proponent's view that residential use of the land will be more viable than commercial use. However, it considers that the economic impacts of reduced commercial land uses may result in undermining of the critical mass of the CBD and ability to attract tenants.

Hill PDA refers to data from the Transport Data Centre (TDC) providing forecasts for jobs growth in Chatswood, as at 2006. TDC forecasts that only 3,800 jobs will be achieved in Chatswood by 2031. Of the 3,800 jobs, it is estimated that only 380 jobs (10%) will be generated by office land uses. Hill PDA consider that the forecasts have been based on past trends and are a pessimistic forecast, not addressing the 'potential' of Chatswood.

Hill PDA agrees that there is little demand for office space in the short term. Furthermore it is considered that based on existing vacancy levels and a growth in supply of office uses in other centres, "it is likely to be another 10 to 15 years before major office development will become attractive once again in Chatswood". In the meantime, Hill PDA recommends the following measures to encourage commercial development:

- Protect the office precinct from residential development; and

- Maintain rather than increase floor space ratio controls, as increased FSR may increase land value expectations and hinder development.

In the longer-term, Hill PDA suggests that Chatswood may “re-emerge as a desirable and attractive commercial centre” when vacancies fall at the top end of the market in Sydney CBD and North Sydney and when Macquarie Park approaches capacity. It is noted that the Proponent claims that Macquarie Park has a potential capacity for 900,000m<sup>2</sup> of commercial floor space.

### *The Department's Assessment*

The Urbis and Leyshon reports, both commissioned by the Proponent, primarily deal with the issue of feasibility of a commercial building on the site, whereas the Hill PDA report commissioned by Council deals more broadly with mechanisms to promote commercial growth in the centre.

The Chatswood office market has been generally static for over 10 years. No new commercial/office developments have been constructed in Chatswood since 2001. All reports find that the short to medium term prospects for Chatswood's office market are not promising and that the situation is unlikely to improve in the foreseeable future. There is an abundance of land zoned for office purposes, and office floor space available in other metropolitan centres and there is unlikely to be significant interest in Chatswood until surplus space in other centres is absorbed. The problem is further exacerbated by the high vacancy rates in Chatswood which also need to be re-absorbed. It is conceivable that the office market in Chatswood will not improve for in excess of 10-15 years.

All reports also agree that residential use of the site is more viable than commercial use.

The TDC forecasts for jobs growth in Chatswood indicate that Chatswood will only achieve an increase of approximately 3,800 jobs to 2031, which is approximately 42% of the Metropolitan Plan employment target of 9,000 additional jobs by 2036. Further, the majority of the jobs growth is expected to be in the retail precinct of Chatswood to the east of the railway line, rather than office sector. TDC estimates that only 10% (approximately 380) of jobs will be provided by 2031 in the office precinct of Chatswood.

The PPR proposes a total of 4,876m<sup>2</sup> of commercial floor space, which will provide capacity for approximately 320 jobs. This represents 90% of the current TDC forecast for Chatswood's job growth in the office precinct to 2031.

The Department has considered the proponent's justification for the proposal and the concerns of Willoughby Council. Commercial development of the site has not been viable for at least 10 years, and all parties agree the situation is unlikely to improve for a further 10 – 15 years. Council is of the view that the site must be preserved for commercial development. However, the Department considers that there will be a cost to Chatswood resulting from leaving a site within the commercial core vacant for up to 25 years. A vacant site may also have a detrimental impact on the ability of Chatswood to attract further interest from the development industry.

The Department considers that the provision of a defined 5 storey podium element, containing 4,876m<sup>2</sup> of commercial floor space, will make a positive contribution to Chatswood, maintaining the perception of the precinct as a commercial centre. The mixed use building is located adjacent to residential buildings and the proposal will provide a transition between commercial and residential uses and be complementary to the existing development on the Pacific Place site. Given the close proximity to Chatswood Railway Station and surrounding residential development, a predominantly residential building is justified in this location.

In summary, the Department has considered that the proportion of office floor space provided on site is acceptable on the basis of the following:

- There is an abundance of land available for office development within the subregion and surrounding centres, particularly Macquarie Park.

- There are high vacancy rates (19% in June 2010) within Chatswood and a limited demand for office space at this time and into the foreseeable future.
- The current office market in Chatswood is unlikely to improve within the next 10-15 years until such time as floor space in other centres is absorbed, and existing vacant office floor space is re-absorbed.
- The cost to Chatswood of a vacant site within the commercial core for up to 25 years.
- The contribution of approximately 320 jobs capacity in the current static office market is a positive outcome, representing up to 90% of the forecast growth to 2031.
- There are benefits arising from the provision of residential floor space consistent with the Metropolitan Plan for Sydney 2036 and draft Subregional strategy in terms of increased housing opportunities located close to jobs, retail facilities and public transport services.
- Residential development will contribute to the vibrancy of the Chatswood CBD and demand for goods and services.
- The public benefit of the development is available now, in terms of the provision of a high quality mixed use building and a substantial area of publicly accessible landscaped area and through site link.

## 5.2. Height; Siting and Design; and Amenity Impacts

### 5.2.1 Height

The proposed building has a height of RL 231m AHD, which equates to a building height of 135.3 metres above existing ground level (42 storeys + plant).

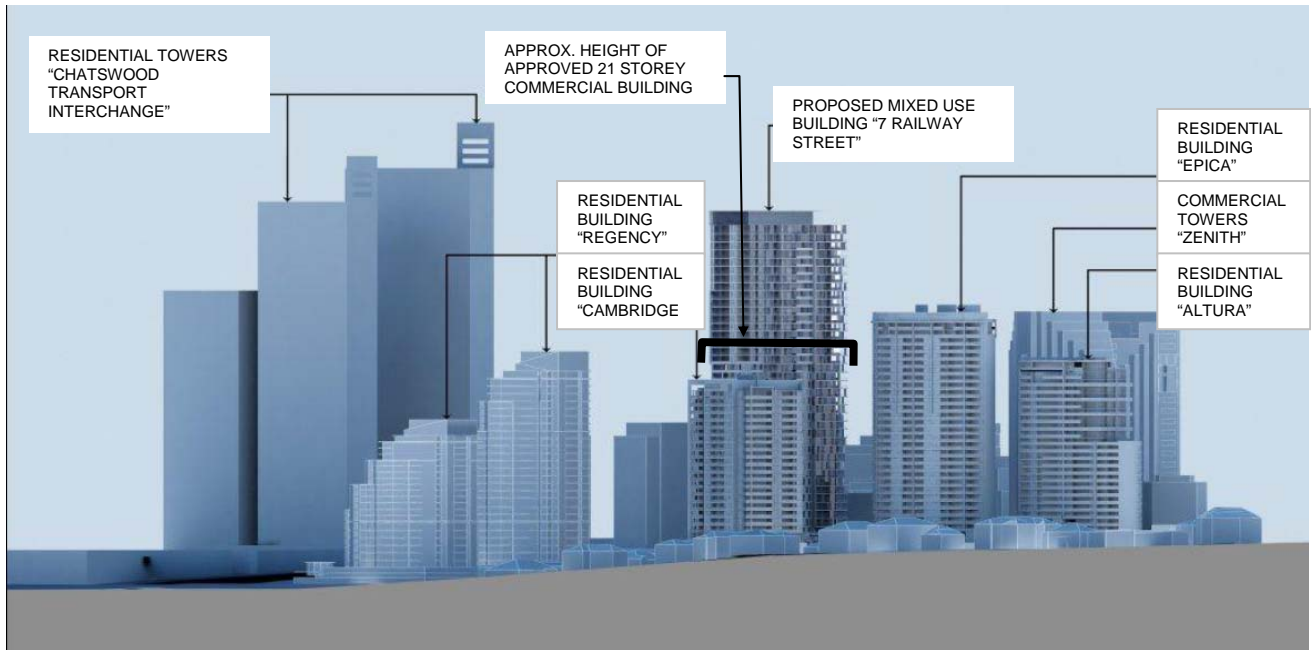
The proposed building height does not comply with current height permissible on the site, as prescribed by Sydney Regional Environmental Plan No 5 (Chatswood Town Centre) or the proposed height under the draft Willoughby Local Environmental Plan 2009 (refer **Table 3** below).

**Table 3: Height Compliance (SREP 5 and Draft WLEP 2009)**

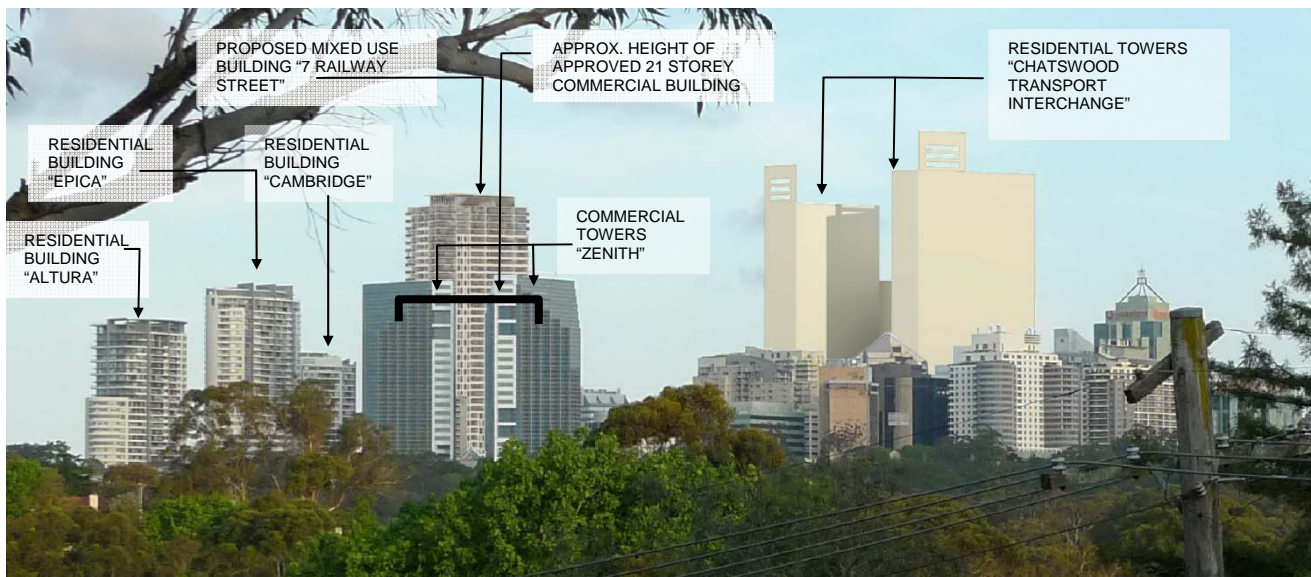
	<b>SREP 5 Control</b>	<b>Proposed</b>	<b>Variation</b>
<b>Height in metres</b>	83 metres RL 179m AHD	135.3 metres RL 231m AHD	52 metres
<b>No. of storeys</b>	27 storeys (approx)	42 storeys + plant	15 storeys + plant level
	<b>Draft WLEP 2009 control</b>	<b>Proposed</b>	<b>Variation</b>
<b>Height in metres</b>	90 metres RL185.7m AHD	135.3 metres RL 231m AHD	45.3m
<b>No. of storeys</b>	29 storeys (approx)	42 storeys + plant	13 storeys + plant level

The Proponent has addressed the merits of the proposed building height by submitting a comparative height study and photomontages from key vantage points. **Figure 8** and **9** below detail the location and form of the proposed development in the context of the Chatswood CBD.

These diagrams illustrate how the proposal will relate to the Chatswood CBD skyline and the variety of other tower forms in Chatswood CBD. This study notes that the proposed development is lower than the Chatswood Transport Interchange (CTI) residential towers which have been approved (but not yet constructed) over Chatswood Railway Station.



**Figure 8:** Height study showing the profile of the Chatswood CBD skyline from the east showing the proposed development and the approved CTI towers (Base Image Source: Proponent's PPR).



**Figure 9:** Photomontage showing the profile of the Chatswood CBD skyline from the north-west showing the proposed development and the approved CTI towers (Base Image Source: Proponent's PPR).

The Department has considered the height study and photomontages and is satisfied that an increased height is appropriate in this CBD context and is in keeping with the principles of increasing heights toward the core of a centre. The proposed building will sit within the transition between surrounding buildings, particularly the Epica and Zenith towers, and the approved CTI towers.

The above cross section and photomontage demonstrate that the proposed building height of RL231m AHD sits comfortably between the surrounding buildings, which have a height of approximately RL 193m AHD and the CTI towers, which reach a height of up to RL 263m AHD. The proposed building is 38 metres higher than the adjacent Epica and Zenith towers but 32 metres lower than the CTI towers providing a logical transition in height as it sits in the skyline between the buildings.

The Residential Flat Design Code also provides the following guideline for determining an appropriate building height:

*to ensure the development responds to the desired scale and character of the street and local area and to allow reasonable daylight access to all developments and the public domain.*

The site is in a dense CBD location, surrounded by other towers and in close proximity to the approved CTI towers. In the context of the existing transition of heights on the site, there is a logical increase of heights from Altura at the northern end of the site to Epica and the proposed building.

The current and proposed planning controls require a reduction in height on the site (lower than Epica) which would compromise the transition of heights. It is considered that these controls are a response to the previously approved Masterplan for the site, rather than the result of consideration of the desired scale and character of this locality in close proximity to a railway station. It is noted that Council's draft LEP control proposes an increase in height of approximately 6 metres above the current SREP 5 control for the site.

It is considered that the character of the site is established by the transition of heights on the site and in the context of the approved CTI buildings. The Department considers that the proposed building height sits appropriately within the Chatswood CBD skyline that introduction of a tall, slim tower in this location responds to the scale and character of Chatswood.

The Department is also satisfied that there are no adverse amenity impacts arising from the additional height in terms of overshadowing, wind, privacy and view loss. These issues are discussed separately in this report, however the proposal has been carefully sited and designed to minimise all potential impacts of the increased height and provide adequate landscaping and public domain.

It is considered that the proposed height is acceptable with regard to the following:

- The proposed building sits within the context of other tall buildings within the core of Chatswood CBD.
- The proposed height adopts the approach of increased height in proximity to the Chatswood Interchange, and provides a transition in height from the approved CTI towers stepping down to the lower scale development surrounding the CBD.
- Minimal additional shadow impacts are caused by the increased height. The approved 21 storey commercial tower caused a similar shadow impact on the Chatswood Mall.
- Minimal privacy and view loss impacts are likely to occur as a result of the increased height due to careful siting to maximise building separation.
- The proposal is a slender, articulated and well-resolved building.
- No adverse wind impacts have been identified, subject to confirmation by wind tunnel testing.

### **5.2.2 Siting and Design**

Willoughby Council raised objections to the siting and design of the building and have requested that the proposal be redesigned in accordance with the Pacific Place Precinct Masterplan and approved 21 storey commercial tower on the site.

The previous approval issued by Council in 2002 involved a building which spanned over the RES, including retail premises/restaurants at the top of the RES and at ground level to the east and west of the RES.

The current proposal is sited in the south-west portion of the site, entirely to the west of the RES, and has a footprint of approximately 1,500m<sup>2</sup>. The envelope covers approximately 30% of the site, and as a result of the small footprint approximately 70% of the site is available for landscaping and public and private domain.

The proponent considers that the proposed siting and design is superior to the previous approved commercial building as the proposed footprint allows for building separation between neighbouring residential buildings, Epica, Cambridge and Regency to be maximised. Due to the smaller footprint (approximately 32m x 46m) and slender tower configuration, building separation is greater with the current proposal, than for the approved 21 storey commercial tower (with a footprint of approximately 56m x 46m).

The proponent has advised that the impact of noise and vibration from the railway line, and construction difficulties and costs were also relevant factors in the siting of the proposed building entirely to the west of the RES.

The Department has considered the proposed siting and design and finds it acceptable for the following reasons:

- The increased building separation provided by this proposal provides an increased level of amenity for existing and future residents, compared to the previously approved envelope.
- The building separation generally complies with the Residential Flat Design Code requirements, providing a 57 metre setback between the proposal and the Epica building, a 60 metre setback to the Regency tower to the east and a 23 metre setback to the Cambridge building (refer discussion in **Section 5.2.3** below).
- The smaller building footprint allows for substantial landscaping, including a large area of publicly accessible open space at ground level and private communal open space on top of the RES.
- The siting and design allows for views and outlook to be maintained, causes minimal shadowing impacts and ensures sufficient distances between buildings to maintain visual and acoustic privacy.

Overall, the siting and design of the proposal is considered appropriate as it maximises building separation and provides for increased landscaping of the site, including both publicly accessible open space and private communal open space.

### 5.2.3. Amenity Impacts

#### **State Environmental Planning Policy 65 and the Residential Flat Design Code**

The proposal generally satisfies the requirements of SEPP 65 and the Residential Flat Design Code (RFDC) (refer to **Appendix D**). The proposal has been designed to maximise residential amenity, in terms of unit mix and size/layout, access to sunlight and natural ventilation. At least 70% of units achieve a minimum of 2 hours solar access, consistent with the Code in high density localities. The main areas of non-compliance with the RFDC are the building separation to the Cambridge Building and cross ventilation.

#### *Building Separation*

The proposal provides a minimum of 23 metres between the edge of the balconies of the north-eastern corner of the proposed tower and the south-western corner of the 'Cambridge' building, which is 1 metre less than the minimum separation under the RFDC. The separation, however, is greater than the 19 metre building separation provided by the approved 21 storey commercial tower. The building is off-set from the Cambridge building and the provision of moveable screens to the balconies will provide additional privacy.

#### *Cross ventilation*

The Code recommends that 60% of apartments are naturally cross ventilated. Of the 295 apartments proposed, only 147 (50%) of units are capable of being naturally cross ventilated. However based upon the wind conditions in the vicinity of the site, a further 57 westerly facing apartments with wider frontages and stepped facades (minimum 2 metres) may be capable of being naturally ventilated. On this basis, up to 69% of apartments will be naturally cross ventilated achieving compliance with the guideline. The proponent has committed to undertake additional wind modelling to confirm this can be achieved. An appropriate condition has been recommended to

ensure that a minimum of 60% of apartments are cross ventilated or achieve equivalent natural ventilation.

**Overshadowing**

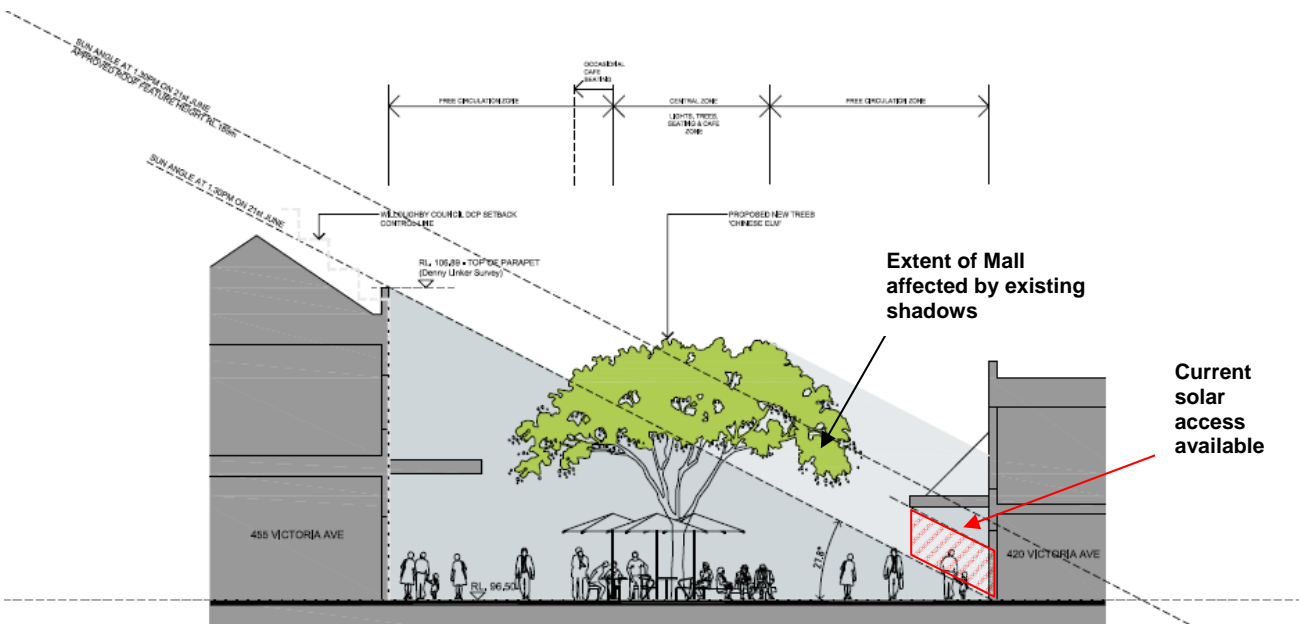
Willoughby Council particularly seeks to protect solar access within Chatswood Mall, Victoria Avenue during the peak lunch time period from 11.30am to 2.00pm.

The Proponent has submitted a shadow analysis which demonstrates that the proposed building, in the form of a slim tower, would have a comparable or lesser impact on the Mall, than the shadow impact of the previously approved commercial building on the site, notwithstanding the additional height of 52 metres. The shadow analysis demonstrates that the proposal will have no impact on shadowing within the Mall in September, December or March. Shadow diagrams provided for 21 June (winter solstice) indicate the shadow cast by the proposal will fall over the Mall between 1:30pm and 2:00pm

*Proponent's justification*

The proponent argues that the proposal will cause no additional shadow impact than the Mall compared with the approved commercial development, as the shadow cast largely falls within the shadows cast by existing buildings.

Further, the proponent has undertaken a study into existing shadows on the Mall and demonstrated that existing development on the northern side of the Mall causes the majority of shadowing in the Mall. The proponent submitted a Section plan highlighting the existing shadow impact within the Mall at 1:30pm, 21 June (Refer **Figure 12** below).



**Figure 12: Cross-section through Chatswood Mall showing overshadowing caused by existing buildings (Base Image Source: Proponent)**

The existing shadow caused by the existing buildings on the northern side of the Mall at 1:30pm, 21 June, falls at ground level at the building line of the shops on the southern side of the Mall.

The angle of the sun and height of the buildings on the northern side of the Mall result in the shadow impacting above head height after 1.30pm, 21 June in this location. This means that anyone walking or standing in the Mall would be in shadow by existing buildings. A narrow area of solar access is available under the awning adjacent to the shops on the southern side of the mall, (highlighted in red in **Figure 12**).

### *Council's consideration*

Council is concerned that the proposed building height will lengthen the shadow and increase the height of the shadowing impact, compared with the shadowing impacts of existing development. Specifically, Council is concerned that a person standing or sitting in the Mall will be in full shadow rather than having it impacting at or near ground level as the height of the shadowing impact at a point increases as the shadow lengthens.

Council strongly objects to any additional overshadowing of the Chatswood Mall, including any increase in the height and perception of shadowing.

### *Department's assessment*

The proposed building will result in a minor increase in overshadowing for a maximum length of approximately 50 metres of the Mall. The area of impact is the southern side of the Mall under the existing awning along the north facing shopfronts (highlighted in red in **Figure 12**) between 1:30pm and 2:00pm, 21 June.

The Department is satisfied that the majority of the Mall is overshadowed by existing shops on the northern side of the Mall at this time and the additional impact is minimal. The shadow impact is also a worst case scenario with all other days of the year likely to achieve a lesser impact and improved solar access in the Mall.

While the Department understands Council's concern to protect solar access to the Mall, it is considered that the shadow impact of the proposal is minor. The shadow impact is considered acceptable for the following reasons:

- The additional shadow occurs between 1:30pm and 2:00pm, when the buildings on the northern side of the Mall cause the majority of overshadowing of the Mall.
- The proposal does not cause any additional overshadowing of the Mall between 12:00pm and 1:30pm.
- The impact on 21 June is the worst case scenario. The proposal does not cause any additional overshadowing of the Mall in September, December or March.
- The area of impact is a narrow strip of land under the awning of the north facing shop fronts.
- Although the length of the shadow is increased, its impact on the Chatswood Mall is considered similar to the impact of the approved commercial tower.

The Department considers that any substantial development to the north of the Mall will cause some shadow impact. The previously approved 21 storey commercial building caused a similar shadow impact on the Mall from 1.30pm, 21 June. The creation of a new publicly accessible landscaped area will also provide a significant public benefit which is considered to outweigh the impacts of additional overshadowing to the Chatswood Mall.

The Department has also considered any impacts on neighbouring residential buildings. Neighbouring residential buildings are located to the north, north-east and east of the site. The Shadow Analysis submitted with the EA demonstrates that on 21 June the shadow will fall to the south-west at 9:00am, south at 12:00pm and south-west at 3:00pm. The residential buildings are therefore not affected by the proposal during the key hours for solar access.

### **Impact on Outlook and Views**

The Proponent provided an analysis of the visual impacts of the proposal particularly in relation to views from the Epica Building, immediately adjacent to the north of the site and the Cambridge Building to the north-east of the site. The analysis considered the impact of the proposal in the context of the existing 21 storey office building approved on the site, and also considered the impact of the approved residential towers over the Chatswood Transport Interchange (CTI).

The analysis establishes that the proposal will affect the views from 2 apartments on the uppermost levels (Level 31 and 32) within the Epica Building including distant views over the city skyline.

Views from the Cambridge Building will largely be maintained and in some instances improved through increased building separation, compared to the existing approval on the site.

A consideration of the principles in the Land and Environment Court judgement "*Tenacity Consulting v Warringah Council (2004)*", provides a basis for the consideration and assessment of view impacts, view loss and view sharing, and the criteria adopted in the decision state as follows:

- (i) Assess what views are affected (i.e. whether or not they are iconic views, water views, obscured etc);
- (ii) From what part of the property are the views obtained;
- (iii) The extent of the impact; and
- (iv) The reasonableness of the proposal which is causing the impact.

*(i) Views which are affected*

The Epica building is oriented on an east-west axis, with all apartments enjoying views either to the east towards the harbour and headlands, or to the west towards Homebush Bay, Western Sydney and the Blue Mountains. The southerly views enjoyed from Level 31 and 32 are of the southern part of Chatswood, including various towers in the foreground, and distant views of the city skyline. The proposal affects the southerly views.

*(ii) From what part of the property are the views obtained*

The southerly views from the Epica Building are enjoyed from a living room window in 2 apartments on Level 31 and 32.

*(iii) Extent of impacts*

The view impact analysis provided in the Proponent's EA indicates that the proposal will affect the southerly views of the city skyline enjoyed by 2 apartments in Levels 31 and 32 of the Epica Building.

The analysis has also considered the impacts of the approved CTI development, which involves 3 residential towers over the Chatswood Railway Station. The towers will affect the view of the city skyline, as shown in **Figure 13** below.



**Figure 13: Southerly view from Level 31 and 32 of the Epica Building with the approved building and approved Chatswood Transport Interchange towers (Source: Proponent's EA).**

The proposed building will sit between the Epica Building and the CTI towers. The proposed building will be the dominant feature within the southerly view from the Epica Building and although it will not block the view of the city skyline completely it will affect the quality of the view (refer **Figure 14** below).



**Figure 14:** Southerly view from Level 31 and 32 of the Epica Building as affected by the proposed building (Source: Proponent's EA).

*(iv) The reasonableness of the proposal which is causing the impact*

The impact is considered reasonable for the following reasons:

- The approved CTI towers on top of Chatswood Railway Station impact on view of the city skyline from the Epica Building.
- The Epica Building has been designed on an east west axis to take in easterly views towards the Harbour and headlands and westerly views towards Homebush Bay and the Blue Mountains. The south facing living room window to 2 apartments on Levels 31 and 32 provide distant city skyline views, however the primary views enjoyed by each unit are either east or west.
- The views obtained from the 2 apartments within the Epica building are private views and not public views and therefore the benefit of providing new employment opportunities and dwellings within close proximity to public transport and other centre facilities is considered to outweigh the partial view loss impacts of the proposed development.
- Views from the Cambridge Building are generally maintained or improved as a result of increased building separation, compared to the existing approval for the site.

The Department has considered the impacts on views and outlook and considers that the proposed siting and design generally allows for views and outlook to be maintained. The proposal would have to be reduced by at least 16 storeys in order to maintain the views of the uppermost levels of the Epica Building. However the views would still be affected by the approved CTI towers (refer **Figure 13**). Given that the building height is considered appropriate, and the Department is supportive of a transition in height increasing towards the approved CTI towers, the impact is considered reasonable. The Department considers that the complete preservation of views currently enjoyed is unsustainable having regard to the site's location within the core of Chatswood and other approvals.

### **Privacy**

The proposal is located adjacent to other residential uses to the north (Epica Building), the north-east (Cambridge Building) and to the east on the opposite side of Help Street (Regency Tower A). Other surrounding land uses are non-residential.

The proposed residential apartments do not directly face the apartments in neighbouring buildings. The proposal is set apart from the neighbouring Epica Building by 57 metres and the Regency Tower A by 60 metres, well in excess of the separation controls set out by the RFDC. Privacy is therefore considered to be maintained to the nearby residences to the north and east.

The proposal and the Cambridge building are set apart by approximately 23 metres. This is not strictly compliant with the 24 metre building separation as set out by the RFDC. The proposed building is off-set from the Cambridge building and the provision of moveable screens to the balconies for privacy and wind mitigation purposes will provide additional privacy. It is therefore

considered that that the proposed design will maintain adequate privacy between the two residential buildings

### **Wind Management**

The EA included a Pedestrian Wind Environment Assessment. The wind assessment considered previous wind tunnel testing undertaken for the previously approved 21-storey building on the site. No additional wind tunnel tests were undertaken, however the results of previous wind tunnel tests were utilised to form recommendations to be incorporated into the building design to minimise adverse wind impacts.

The Proponent has committed to undertaking wind tunnel tests prior to any construction works above ground level. This will enable any additional measures to mitigate winds to be designed and incorporated into the building. The large landscaped precinct with dense foliage will assist in managing adverse wind conditions as will street tree planning along the street frontages.

### **5.3. Landscaped Area and Public Domain**

The draft WLEP 2009 requires that a publicly accessible landscaped area of 4000m<sup>2</sup> is provided on the Pacific Place precinct site.

The exhibited proposal involved 3,413m<sup>2</sup> of landscaped open space, 2,791m<sup>2</sup> of which was proposed to be publicly accessible and 662m<sup>2</sup> was proposed as communal private open space for future residents. The publicly accessible portions of open space were both at ground level and above the RES.

During exhibition there were a number of concerns regarding the use of the land on top of the RES for public use. In addition, Willoughby Council raised concern regarding the lack of activation of this space and associated safety implications.

As a result, the Proponent re-considered the use of proposed landscaped areas within the PPR. The use of space has been redefined to provide clear separation between public and private spaces on site. The landscaped area provided for public use at ground level is 1,867m<sup>2</sup> with a further 1,546m<sup>2</sup> of landscaped private communal open space located on top of the RES for future residents. The PPR proposes that the communal open space on top of the RES be divided into two areas – one area of approximately 622m<sup>2</sup> which will be accessible by residents of the proposed building only and a further area of approximately 924m<sup>2</sup> which will be accessible by all residents of the Pacific Place precinct.

The layout of the landscaped area is provided in **Figure 15** below.

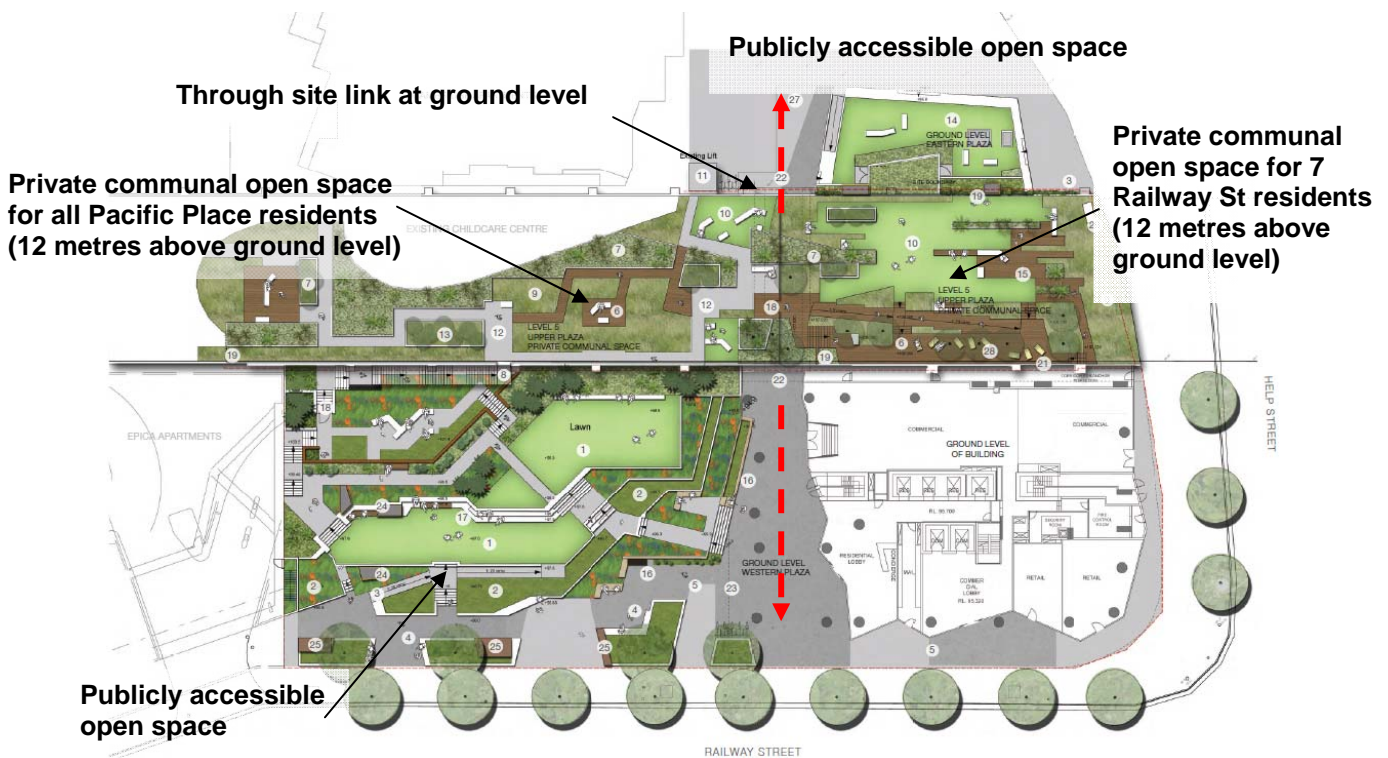


Figure 15: Proposed Landscape Masterplan (Base Image Source: Proponent's PPR).

In addition to the proposed landscaped area, there are two other areas of publicly accessible open space on the site. These areas comprise of a paved plaza on the corner of Help and Cambridge Streets and a public promenade along Railway Street. These areas total approximately 1,600m<sup>2</sup>. These areas connect with the proposed landscaped area on this site to form a publicly accessible precinct in the order of 3,500m<sup>2</sup>.

While this does not numerically comply with the draft LEP requirement for 4,000 m<sup>2</sup> the Department considers the provision acceptable for the following reasons:

- Overall, the proposal involves a landscaped area of 3,413m<sup>2</sup> which, when combined with the existing paved plaza/promenade within the precinct, provide a total area of approximately 5,000m<sup>2</sup>.
- The level difference between ground level and the top of the RES, creates accessibility, functionality and surveillance issues that make the area on top of the RES unsuitable for public use, therefore reducing the overall publicly accessible open space area to approximately 3,500m<sup>2</sup>.
- The provision of a 1,546m<sup>2</sup> of communal open space for residents will lessen the demand for public open space by existing and future residents.

The Department considers that the provision of all publicly accessible open space at ground level is a superior outcome, rather than strict numerical compliance with the inclusion of the land on top RES. The land on top of the RES will serve a genuine function as communal open space for existing and future residents, which will allow the ground level landscaped area to truly function as a public space.

### **Crime Prevention through Environmental Design**

A Crime Prevention through Environmental Design (CPTED) Statement has been prepared by the Proponent addressing how the proposal reduces opportunities for crime by adopting appropriate design and place management principles.

The CPTED Statement assesses the key areas on site, including the basement car park, vehicle and pedestrian entries, the through site link, open spaces and residential and commercial components of the building. The two components of the development requiring special consideration are the publicly accessible open space area and the through site link.

#### *Publicly accessible open space*

Council objects to the use of the land on top of the RES as communal open space and has requested that it be publicly accessible.

The exhibited proposal included the use of land on top of the RES as publicly accessible open space, accessed by a set of stairs from Railway Street and a lift from Cambridge Street. However, the Department requested that the PPR give further consideration to this area as the ownership and intended use and function of the space on top of the RES was ambiguous. The Department was particularly concerned regarding lack of surveillance and activation opportunities of this area.

The revised proposal, as outlined in the PPR, provides for all open space at ground level to be publicly accessible and for the open space on top of the RES to be for private communal use for residents only. This provides a clear definition of publicly accessible and private spaces on site and ensures that public areas of the site are provided with good surveillance and activation.

Notwithstanding Council's objection, the Department considers that the best use of the land on top of the RES is private communal open space.

#### *Through site link*

Providing surveillance to the through site link (tunnel) under the RES is a key challenge. The tunnel is less than 20 metres in length, is 5 metres in width and has good sight lines to maximise surveillance. The ground floor layout provides the entrance to a commercial tenancy near the through site link and a residential lobby on the northern elevation which assists in providing additional surveillance to the open space and through site link.

The use of technical (eg. CCTV) or formal (eg. security guards) surveillance is not proposed within the EA or PPR, however the recommended conditions of approval require the provision of 24 hour appropriate security surveillance over the site.

The proponent has advised that the through site link is intended to be managed by appropriate access control, including a restriction on the hours of use to daylight only. It is considered that 24 hour access to the through site link is not appropriate and not necessary due to the alternate pedestrian access available via Railway Street/Help Street. The recommended conditions of approval restrict the hours of access to the through site link to 7am to 7pm, 7 days. At all other times, the through site link must be physically locked to prevent public access.

Appropriate conditions have been recommended to ensure that CPTED principles are implemented particularly in areas of concern including the publicly accessible open space and through site link.

## 5.4. Traffic, access and car parking

The EA documents were accompanied by a Traffic and Accessibility Impact Study. This projected that traffic generation created by the development can be accommodated within the local road network, without adversely affecting the current level of service achieved at key intersections and road capacities. The Traffic Study estimates that the proposed residential, commercial and retail uses will generate approximately 80-95 vehicles per hour two way during peak hours. This traffic generation is less than the estimated traffic generated by the approved commercial building on the site, which is approximately 110-180 vehicles per hour two way during peak hours.

The Willoughby DCP provides a maximum car parking provision for sites within the Chatswood CBD. The site has good access to public transport and following exhibition of the project the Proponent has reduced the on-site car parking provision to encourage sustainable transport options.

The proposed basement car park includes 332 car parking spaces, being 304 spaces for the residential component (295 resident spaces and 9 visitor spaces), 26 spaces for the non-residential component (24 spaces for the office floor space and 2 spaces for the retail tenancies) and 2 car share spaces. This provision is less than the maximum 388 spaces permitted by Council's controls.

The on-site car parking provision of 332 spaces is considered acceptable, on the basis of the site's location within close proximity to the Chatswood Railway Station and bus interchange. It is considered that reduced on-site car parking will assist in meeting the environmental and sustainability targets within the State Plan and Metropolitan Plan for Sydney 2036.

The Proponent's commitment to preparing a Sustainable Travel Plan will further reduce traffic generation and assist in encouraging public transport and other non-private vehicle transport options.

Willoughby Council have raised several concerns regarding the configuration of the basement, specifically in relation to the head clearance at the entrance and within the loading docks. In order to ensure that all vehicles can access the site Council requested that the clearance be at least 3.8 metres and 4.2 metres within the loading docks. Council also requested that a Loading Dock Management Plan be prepared. A condition has been recommended that the proposed basement car park and access shall comply with the Australian Standard 2890.2 Parking facilities – Off-street commercial vehicle facilities. This will ensure that the basement is designed to allow access by commercial vehicles. The requirement for a Loading Dock Management Plan is also included as a recommended condition of approval.

## 5.5. Section 94 Contributions

Willoughby Council have advised that Section 94 contribution payable for the development is \$4,178,509.45.

The Proponent is seeking a partial offset in Section 94 contributions on the basis of the provision and embellishment of public open space, being the area located to the west of the RES between the proposal and "Epica" (refer **Figure 15**). The proposal involves the creation of a publicly accessible landscaped area on the site, which provides a passive recreation space which may be used by existing and future residents and workers within the proposed building and adjacent office buildings. The offset sought is \$760,000 for the on-going maintenance of the landscaped area.

The Proponent advises that the offset is required to establish a "sinking fund" for the building management to maintain the landscaped area, as this area will be the responsibility of the future building management and not Willoughby Council.

Willoughby Council has advised that they are unwilling to accept the dedication of the open space and objects to the proposed off-set and advises that Section 94 cannot legally be used for on-going maintenance. Council has stated that the area is unsuitable as a land dedication due primarily to the liability and future maintenance issues associated with the open space on top of the basement car park.

In this case, as the landscaped area is 'publicly accessible' open space rather than 'public' open space, the Department considers it inappropriate to offset the Section 94 Contributions. It is considered inappropriate for the following reasons:

- The proposed publicly accessible open space is not identified as a specific item/costing within the Willoughby Section 94 Contributions Plan 2000.
- Section 94 contributions are utilised for the acquisition of land and the cost of delivering a service or facility. Section 94 contributions are unable to be used for on-going maintenance of a service/facility.
- The publicly accessible area on site was intended to off-set the bonus FSR in accordance with SREP 5. The proposal seeks a further increase in FSR in excess of the SREP controls.
- The function of the proposed publicly accessible open space is primarily to provide the necessary building separation and setbacks between the Epica and Cambridge Buildings in accordance with SEPP 65.
- The more generous setback and increased landscaped area between Epica and the proposal is also required to minimise the impacts of the additional height and floor space and to maintain amenity for existing residents and provide amenity for future residents.

Further, the Department considers that the provision of the publicly accessible landscaped area offers a public benefit and is required to offset the increased height and density of the proposal.

It is therefore recommended that Section 94 contributions are levied in accordance with Council's Contributions Plan.

## 6. RECOMMENDATION

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The Department has assessed the merits of the proposal taking into consideration the issues raised in public submissions and is satisfied that the impacts have been addressed in the PPR, the revised Statement of Commitments and recommended conditions. It is considered that the impacts can be suitably mitigated and/or managed to ensure a satisfactory level of environmental performance, pursuant to Section 75J of the Act.

The Department has determined that the proposed development is appropriate within the context of the Chatswood CBD. The key issue in the assessment of this project is the amount of commercial floor space. The Department has given careful consideration to this issue and considers that the 4,876m<sup>2</sup> of office floor space will make a contribution to jobs growth in Chatswood in a current static market with high vacancies and competition from other centres. Given the close proximity to Chatswood Railway Station and surrounding residential development, a predominantly residential building is justified in this location.

The main amenity impacts arising from the proposal are the minor increase in overshadowing to Chatswood Mall and the loss of southerly views from the upper levels of the Epica Building. However, the complete preservation of the solar access and views currently enjoyed is unsustainable having regard to the site's location within the core of Chatswood and other approvals.


The public benefits that will be delivered by the proposed development are of merit and will enhance the vitality of this area of Chatswood. In summary these benefits include:

- The contribution to the housing stock within a highly accessible location near public transport, within close proximity to services, facilities and employment opportunities;
- A greater supply and range of housing options within the Chatswood CBD for future residents of varying income levels and household size;
- Provision of an additional 1,867m<sup>2</sup> landscaped area, creating a total of 3,500m<sup>2</sup> of public open space across the Pacific Place Precinct, for the use and enjoyment of residents, workers and the general community, including a pedestrian through site link under the railway line;
- Employment opportunities through the construction and operational phase of the development, including up to 320 operational jobs; and
- Contribution to the vibrancy of Chatswood on a site which has been vacant for at least 10 years.

The proposal is therefore recommended for approval subject to conditions of approval.



**Director  
Metropolitan and Regional Projects South**



**Deputy Director-General  
Development Assessment & Systems Performance**