

Department of Planning and Environment

Our ref: D22/2876991

Anthony Witherdin

Director

Key Sites Assessment

Department of Planning and Environment

PO Box 5022

PARRAMATTA NSW 2124

27 October 2022

Subject: Telopea Concept Plan and Stage 1A (SSD-14378717) – Isolated Lots.

Dear Mr Witherdin,

I refer to your letter dated 28 July 2022 regarding the Telopea Concept Plan and Stage 1A, SSD-14378717 (SSDA) requesting the preparation of a Response to Submissions Report, which:

1. Confirms and provides evidence of the process undertaken to amalgamate isolated lots as part of the proposed redevelopment; and
2. Requires amendment of the Isolated Sites Study to include the property at 11 Cunningham Street and addresses the City of Parramatta Council's concerns.

This letter responds to Item No. 1 and should be read in conjunction with the Response to Submissions Report prepared by Frasers Property Australia (Frasers), which will respond to Item No. 2 and all other matters in your letter.

Background

Potential 'isolated lots' have been a key focus from the outset of the project. On this basis, NSW Land and Housing Corporation (LAHC) mapped properties that are strata titled, recently developed, subject to an approved development consent or under construction. These properties have been excluded from the Telopea Concept Plan as they would be commercially unfeasible for acquisition or redevelopment in the short to medium term.

A similar mapping exercise was undertaken to identify LAHC-owned properties that were excluded from the Telopea Urban Renewal Project. These properties were considered suitable for redevelopment as a dual occupancy or other permissible typologies having regard to the applicable zoning and development controls (subject to further design and testing) or future sales.

Three (3) isolated sites were identified by Frasers/LAHC in the EIS, Appendix RR, and the Telopea Submissions Report for potential acquisition:

Department of Planning and Environment

- Site A: 22 Marshall Road;
- Site B: 8 Fig Tree Avenue; and
- Site C: 25 The Parade. This property address should read 26 The Parade.

A further two (2) isolated lots were identified by the Department during the assessment of the SSDA:

- one (1) property has recently been redeveloped as a contemporary dual occupancy (11 & 11A Cunningham Street) and
- one (1) isolated lot has been identified for potential acquisition (3 Marshall Road).

Since the lodgement of the SSDA, LAHC has identified five (5) further isolated properties as potential acquisitions either for inclusion with the SSDA in future or as LAHC development sites.

Housing Act 2001 and Treasury Guideline

Pursuant to section 22 of the *Housing Act 2001*, LAHC is limited to acquiring land by agreement or by the compulsory process under the *Land Acquisition (Just Terms Compensation) Act 1991*.

In accordance with Treasury Guidelines, LAHC is required to pursue acquisition by agreement ahead of compulsory acquisition under the *Land Acquisition (Just Terms Compensation) Act 1991* and may only purchase properties within a value range commensurate with the market value determined by an independent valuer. LAHC cannot acquire land for a value that exceeds market value, and as such, negotiations may stall if a property owner is unwilling to accept LAHC's market value offer.

While LAHC will use its best endeavours to acquire identified properties, it cannot give an undertaking that these negotiations will cumulate into acquisitions.

Acquisition Process

LAHC has embarked on a process of engaging with the property owners of isolated lots identified for potential acquisition within the Concept Plan area.

Of the ten (10) properties noted above, negotiations with seven (7) property owners outside of the Concept Plan core are ongoing, and two (2) owners are not interested in selling at this time. LAHC is not pursuing the properties at 11 and 11A Cunningham Street given it is a relatively recent development.

The negotiation process typically takes six months from the time a Commencement Letter (also called an Opening Letter) is issued to provide sufficient time for valuation reports to be carried out, offers to be considered, purchase contracts to be finalised, and any relocation arrangements reached. Documentary evidence relating to these negotiations cannot be shared with the Department, given the sensitive commercial nature of the negotiations.

LAHC understands that the Department's preference is for isolated lots to be amalgamated into the Concept Plan.

Isolated Lots Study

Notwithstanding the above, LAHC and Frasers have concurrently investigated the development potential of each of the isolated lots to confirm that they are able to be developed independently, should that circumstance eventuate. The revised Isolated Lots Study accompanying the Response to Submissions Report demonstrates that the Concept Plan is not reliant upon, nor contingent on, securing all isolated lots and that each of the isolated lots can be redeveloped under current planning controls to deliver a complying residential typology.

The negotiation and design testing processes progressed to date are also consistent with the Land and Environment Court's judgment *Karavellas v Sutherland Shire Council [2004] NSWLEC 251* relating to site isolation. As set out in this letter, reasonable efforts have been undertaken to acquire the isolated lots and steps will be taken in future to continue to facilitate amalgamation into the development site as part of future relevant stages.

In the event that acquisition and amalgamation do not occur, testing has demonstrated that orderly and efficient development can occur.

We trust the above information provides the Department with a clearer understanding of the processes undertaken to date, LAHC's statutory obligations, and likely future outcomes. LAHC considers that it has satisfactorily addressed the matters raised by the Department, and there are now no outstanding matters concerning this matter.

Should you wish to discuss further, please do not hesitate to contact me on 02 9374 3655 or at richard.wood@fac.s.nsw.gov.au.

Yours sincerely,

Richard Wood

Program Director, Northern Sydney & Central Coast

Delivery North

NSW Land and Housing Corporation