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URBIS

CLAUSE 4.6 VARIATION REQUEST - NON RESIDENTIAL FLOOR SPACE

849, 853 and 859 Pacific
Highway and 2-8 Wilson
Street, Chatswood

Prepared for

BB WILSON PROPERTY PTY LIMITED

4 March 2025

URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

Director	Murray Donaldson
Associate Director	Rob Battersby
Senior Consultant	Sam McGough
Project Code	P0050207
Report Number	Final



Acknowledgement of Country

Urbis acknowledges the Traditional Custodians of the lands we operate on.

We recognise that First Nations sovereignty was never ceded and respect First Nations peoples continuing connection to these lands, waterways and ecosystems for over 60,000 years.

We pay our respects to First Nations Elders, past and present.

The river is the symbol of the Dreaming and the journey of life. The circles and lines represent people meeting and connections across time and space. When we are working in different places, we can still be connected and work towards the same goal.

Title: Sacred River Dreaming
Artist Hayley Pigram
Darug Nation
Sydney, NSW

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EXECUTIVE SUMMARY

This Clause 4.6 Variation Request (**request**) has been prepared by Urbis Ltd on behalf of Billbergia [BB Wilson Property Pty Ltd] (**the applicant**) to accompany a State significant development application (**SSDA**) for a mixed-use development (including affordable housing) (**the proposal**) at 849, 853 and 859 Pacific Highway and, 2 and 8 Wilson Street, Chatswood (**the site**).

The SSDA seeks development consent for the following:

- Construction and operation of a new 36-storey mixed use development, comprising:
 - Six-storey (+ mezzanine) basement, containing 390 x residential and commercial car parking spaces, 368 x bicycle parking spaces, 20 x motorcycle parking spaces, waste rooms, plant rooms, vertical circulation, lobby areas, loading docks, OSD tank, and other back-of-house areas;
 - Two-storey podium (Ground Level to Level 01) comprising:
 - **Ground Level:** 2 x retail showrooms (lower levels), 10 x live / work studios (lower commercial components), residential, commercial, and childcare centre lobby entries, basement vehicle entry, fire control rooms, vertical circulation, plant, and back-of-house areas.
 - **Level 01:** 2 x retail showrooms (upper levels), 10 x live / work studios (upper residential and commercial components), outdoor communal area, 1 x commercial premises, vertical circulation, plant, and back-of-house areas.
 - Two levels above podium (Level 02 and Level 03) comprising:
 - **Level 02:** Childcare centre (including outdoor play areas), communal open space for residents (including music room, barbecue facilities, indoor / outdoor gym, swimming pool, spa, plantings, open lawns, alfresco dining areas, seating areas), vertical circulation, and back-of-house areas.
 - **Level 03:** 14 x live / work studios (lower commercial components), outdoor communal area, communal amenity space, vertical circulation, plant, and back-of-house areas.
 - Two modulated 32-storey residential buildings (above podium) (Levels 04 – 35) containing 14 x live / work studios (upper residential and commercial components), 308 x dwellings, including 47 x one-bedroom units, 125 x two-bedroom units, 133 x three-bedroom units, and 3 x four-bedroom units (including 59 x affordable housing units), vertical circulation, plant, and back-of-house areas.
- Public domain works, including landscaping, street trees, and publicly accessible open spaces; and
- Reticulation of site services and infrastructure (electricity, telecommunication, gas, water, and sewer).

The request seeks a variation to Clause 6.25 (*Shop top housing in Zone MU1*) of the Willoughby Local Environmental Plan 2012 (**LEP**). Clause 6.25 provides that development consent for the purposes of shop top housing on land in Zone MU1 (Mixed Use) must not be granted unless the consent authority is satisfied at least 17% of the gross floor area (**GFA**) of the building will be used for non-residential purposes. The proposal seeks consent for shop top housing and the site is located in Zone MU1; therefore Clause 6.25 applies. This request is made pursuant to Clause 4.6 of the LEP. This request should be read in conjunction with the Environmental Impact Statement (**EIS**) prepared by Urbis Ltd and dated February 2025.

For the reasons detailed in this request, the variation to Clause 6.25 is well-founded and justified and there are sufficient environmental planning grounds to warrant contravention of the development standard.

REQUEST TO VARY CLAUSE 6.25 – NON-RESIDENTIAL GFA DEVELOPMENT STANDARD IN WILLOUGBY LOCAL ENVIRONMENTAL PLAN 2012

1. Site Description

The table below summarises the key features of the site and the land to which the subject DA relates.

Feature	Description
Street Address	849, 853, and 859 Pacific Highway and 2 and 8 Wilson Street, Chatswood. 
Land Owner	Billbergia (BB Wilson Property Pty Ltd)
Legal Description	The legal property description of the site is: ▪ Lot 1 Deposited Plan (DP) 1189541 (8 Wilson Street (Lot 1 O'Brien Street)) ▪ SP 52947 (2 Wilson Street) ▪ SP 1496 (849 Pacific Highway) ▪ SP 60178 (853 Pacific Highway) ▪ SP 10110 (859 Pacific Highway) ▪ SP2 land fronting Pacific Highway
Site Features	Existing site improvements comprise: ▪ 849 Pacific Highway – three storey residential flat building (9 x units) ▪ 853 Pacific Highway – three storey residential flat building (6 x units) ▪ 859 Pacific Highway – four storey residential flat building (8 x units) ▪ 2 Wilson Street – four storey residential flat building (14 x units) ▪ 8 Wilson Street – two storey industrial building owned by Transport Asset Holding Entity of NSW (TAHE). [This lot is burdened by an easement benefitting TAHE along the North Shore Rail Line boundary].

Feature	Description
	The site has an irregular shaped configuration and an area of 4,294 sqm (excluding the parcel of land zoned SP2 Infrastructure. The site is bound by Wilson Street (to north), O'Brien Street (to south), Pacific Highway (to west) and the T1 North Shore and Western Line, T9 Northern Line, and Metro North-West Line (to east).
Local Context	The site is located within the suburb of Chatswood in the Willoughby Local Government Area (LGA). Chatswood is located 6km north of the Sydney CBD within Sydney's Lower North Shore. The site is in proximity and highly accessible to the commercial centres of North Sydney and Macquarie Park. The site is located at the north-western extent of the Chatswood CBD within convenient walking distance of local amenities, facilities, and services. The area is well advanced in its transition from an older style commercial precinct into a thriving mixed-use area characterised by commercial and residential land uses.
Regional Context	The surrounding development context is summarised as follows: ▪ North: Directly north of the site is Wilson Street, that connects to Pacific Highway and extends over the railway line. Opposite the site is 871- 877 Pacific Highway, which has received consent for a new 27-storey mixed use building with a commercial podium and residential tower above (DA-2022/161). ▪ South: Directly south of the site is O'Brien Street, a cul-de-sac road. Further south is 11 Railway Street – a 24 storey mixed use residential development. ▪ East: The site has an eastern boundary to the T1 North Shore and Western Line, T9 Northern Line, and Metro North-West Line. Further east is medium density housing extending through the CBD. ▪ West: Directly west lies the Pacific Highway. Further west is medium density housing.
Transport	The site is approximately 550m from Chatswood train and Metro station. Chatswood Train Station is located on the T1 North Shore, Northern, and West Line and connects to major centres such as North Sydney, Parramatta, and Sydney CBD. The Metro station provides services to Macquarie Park and Epping.
Site Access	The site is located along Pacific Highway which is a State classified road, and a major traffic corridor. The Pacific Highway is a six-lane, two-way road. In both directions the kerbside lanes are dedicated transit lanes during peak hours. Multiple high frequency bus routes run along the Pacific Highway resulting in a high level of accessibility to / from the site to destinations across metropolitan Sydney. Wilson Street is a local two-way road, with parking in both directions permitted. Bus stops along Anderson Street connect to Wilson Street to its west. Bus stops are provided along Pacific Highway and Ashley Street. The site connects to gentle gradient footpaths on the surrounding street network and safe road crossings.
Flooding	The site is not affected by overland flow.
Natural Environment	The site is located in an urban context and is not within proximity to any risks such as flooding, land slip, bushfires, or coastal hazards.
European Heritage	The site is not listed as a local or State heritage item nor is it located within a heritage conservation area.
Aboriginal Heritage	No Aboriginal objects or Aboriginal places are registered within the subject area.

2. Proposed Development

The SSDA seeks development consent for the following:

- Construction and operation of a new 36-storey mixed use development, comprising:
 - Six-storey (+ mezzanine) basement, containing 390 x residential and commercial car parking spaces, 368 x bicycle parking spaces, 20 x motorcycle parking spaces, waste rooms, plant rooms, vertical circulation, lobby areas, loading docks, OSD tank, and other back-of-house areas;
 - Two-storey podium (Ground Level to Level 01) comprising:
 - **Ground Level:** 2 x retail showrooms (lower levels), 10 x live / work studios (lower commercial components), residential, commercial, and childcare centre lobby entries, basement vehicle entry, fire control rooms, vertical circulation, plant, and back-of-house areas.
 - **Level 01:** 2 x retail showrooms (upper levels), 10 x live / work studios (upper residential and commercial components), outdoor communal area, 1 x commercial premises, vertical circulation, plant, and back-of-house areas.
 - Two levels above podium (Level 02 and Level 03) comprising:
 - **Level 02:** Childcare centre (including outdoor play areas), communal open space for residents (including music room, barbecue facilities, indoor / outdoor gym, swimming pool, spa, plantings, open lawns, alfresco dining areas, seating areas), vertical circulation, and back-of-house areas.
 - **Level 03:** 14 x live / work studios (lower commercial components), outdoor communal area, communal amenity space, vertical circulation, plant, and back-of-house areas.
 - Two modulated 32-storey residential buildings (above podium) (Levels 04 – 35) containing 14 x live / work studios (upper residential and commercial components), 308 x dwellings, including 47 x one-bedroom units, 125 x two-bedroom units, 133 x three-bedroom units, and 3 x four-bedroom units (including 59 x affordable housing units), vertical circulation, plant, and back-of-house areas.
- Public domain works, including landscaping, street trees, and publicly accessible open spaces; and
- Reticulation of site services and infrastructure (electricity, telecommunication, gas, water, and sewer).

The objectives of the SSDA project are as follows:

- Facilitate the delivery of a high-quality development (including affordable housing), at a well-located site;
- Deliver a built form outcome that is consistent with the desired future character of the Chatswood CBD;
- Capitalise on the site's close proximity to Chatswood CBD and public transport accessibility;
- Provide high quality employment-generating floor space within ground floor retail units, live / work units, and podium commercial uses (including a childcare centre);
- Deliver active public domain spaces to support a vibrant and lively community; and
- Deliver affordable housing to help achieve the State Government's targets.

The SSDA utilises legislation gazetted by the NSW Government that introduces an SSDA pathway for large scale residential developments with a cost over \$75 million, provided that at least 10% of the residential component of the development will be used for affordable housing for a minimum of 15 years. These provisions allow a 30% uplift in the maximum permitted height and FSR controls that apply to the land.

The NSW Government policy initiative incentivises and supports the delivery of affordable housing under the *State Environmental Planning Policy (Housing) 2021 (Housing SEPP)*. It combines all levels of government, investors, and the private sector to unlock quality affordable housing supply over the medium term.

As one of the leading residential property developers in the Australian market and given their existing working relationship with Evolve Housing (a registered Community Housing Provider), Billbergia has identified the opportunity to deliver much needed housing, including affordable housing, at the subject site.

The table below summarises key numerical features and details of the proposed development.

Descriptor	Project Details
Project description	Construction of a 36 storey mixed-use development, with a commercial podium and two residential towers above (including affordable housing)
Project area	4,294 sqm (excluding the parcel of land zoned SP2 Infrastructure) 4,752 sqm (including the parcel of land zoned SP2 Infrastructure)
Gross floor area	36,323 sqm
Floor space ratio	8.46:1
Building height	120.05 m (within 36 storeys)
Apartment mix	308 x residential apartments (including affordable housing), comprising: 47 x 1-bedroom apartments 125 x 2-bedroom apartments 133 x 3-bedroom apartments 3 x 4-bedroom apartments
Affordable housing	5,448 sqm affordable housing (59 x units), comprising: 16 x one-bedroom units 26 x two-bedroom units 17 x three-bedroom units
Non-residential GFA	4,442 sqm, comprising: - Retail / showroom uses at ground and lower levels: 1,281 sqm - Childcare centre: 483 sqm - Commercial component of live / work units: 2,678 sqm
Live/ work units	24 x live/work units
Communal open space	1,271 sqm communal open space (29.6% site area)
Deep soil zone	307 sqm (7.1% site area)
Basement and car parking	Six-storey basement car parking providing 390 x car parking spaces
Bicycle parking spaces	368 x bicycle parking spaces
Motorcycle parking spaces	20 x motorcycle parking spaces
Estimated development cost	\$310,450,400 (including GST)

PLANNING INSTRUMENT, DEVELOPMENT STANDARD, AND VARIATION

3. Environmental planning instrument sought to be varied

Willoughby Local Environmental Plan 2012 (**LEP**) is the statutory environmental planning instrument that applies to the site and the proposed development.

4. Zoning of the site

The land to which the SSDA relates is zoned MU1 (Mixed Use) and SP2 (Infrastructure) (see **Figure 1**).

Figure 1 Land Use Zoning



Source: Urbis

The relevant objectives of the MU1 Mixed Use Zone are:

- To encourage a diversity of business, retail, office and light industrial land uses that generate employment opportunities.
- To ensure that new development provides diverse and active street frontages to attract pedestrian traffic and to contribute to vibrant, diverse and functional streets and public spaces.
- To minimise conflict between land uses within this zone and land uses within adjoining zones.
- To encourage business, retail, community and other non-residential land uses on the ground floor of buildings.
- To allow for city living on the edges of the city centre of Chatswood, which encourages public transport use, shopping and the use of businesses and recreational services that contribute to the vitality of the city, without undermining its commercial role.

The development is consistent with the objectives of the MU1 Mixed Use Zone in that:

- It provides an appropriate combination of residential and non-residential uses. These outcomes ensure that the Chatswood CBD will continue to fulfil its key economic, social, and cultural role within the locality;
- It provides retail and commercial premises and residential accommodation in a highly accessible location (including affordable housing to meet the needs of very low, low and moderate income households);
- The proposal proposes a shared pedestrian/cycle pathways along the Pacific Highway frontage, with public domain upgrades to create a liveable environment; and
- The development will contribute to the vitality of Chatswood CBD by providing a use that supports and complements surrounding mixed use and commercial role of the Chatswood CBD.

The small parcel of land zoned SP2 Infrastructure (Classified Road) is included in the development site. In terms of the legal ownership arrangements, it is important to note that there are no easements, restrictions, or entitlements over the SP2 zoned land in favour of Transport for NSW (**TfNSW**). The SP2 zoned land is devoid of any built form, structures, or servicing works. The parcel of land will remain under the ownership of the applicant (BB Wilson Property Pty Ltd) until such time that the land is compulsorily acquired by the relevant authority for future road widening works. [At this stage, there is no clear indication of such timing].

5. Development standard to be varied

This request seeks a variation to the non-residential GFA development standard which applies to the site under Clause 6.25 of the LEP. Clause 6.25 provides that development consent for the purposes of shop top housing on land in Zone MU1 Mixed Use must not be granted unless the consent authority is satisfied at least 17% of the gross floor area (**GFA**) of the building will be used for non-residential purposes. The proposal seeks consent for shop top housing and the site in Zone MU1; therefore Clause 6.25 applies.

There are no specific objectives identified for the Clause; however, it can be inferred that it seeks to ensure that shop top housing development in Zone MU1 provides a quantum of non-residential land uses.

6. Type of development standard

The non-residential GFA provision under Clause 6.25 is a numerical development standard that is capable of being varied under Clause 4.6(2). The requested variation is not excluded from the operation of Clause 4.6(2) for the reason that it does not comprise any of the matters listed in Clause 4.6(6) or Clause 4.6(8).

7. Variation to development standard

As detailed in the architectural plans (**Appendix B** to the EIS), the proposal provides a total 4,442 sqm of non-residential GFA, comprising the following land uses:

- Retail / showroom uses at ground and lower levels: 1,281 sqm
- Childcare centre: 483 sqm
- Commercial component of live / work units: 2,678 sqm

The proposal provides a total 4,442 sqm of non-residential GFA. Measured against the total GFA of the proposal of 36,323 sqm, the GFA for the non-residential component equates to 12.3% of the total GFA.

Accordingly, the SSDA requires a Clause 4.6 request to vary the minimum 17% non-residential GFA requirement that applies to the site under Clause 6.25 of the LEP.

JUSTIFICATION FOR THE PROPOSED VARIATION

8. How is compliance with the development standard unreasonable or unnecessary in the circumstances of the particular case?

Key Questions	Response
<i>(a) Are the objectives of the development standard achieved notwithstanding the non-compliance?</i>	Clause 6.25 provides that development consent for the purposes of shop top housing on land in Zone MU1 Mixed Use must not be granted unless at least 17% of the GFA of the building will be used for non-residential purposes. There are no specific objectives identified for Clause 6.25; however, it can be inferred that the Clause seeks to ensure that shop top housing developments provide a quantum of non-residential land uses. The proposal delivers a substantial quantum of non-residential floor space (4,442 sqm) that will facilitate investment, employment-generation, and economic growth of the Chatswood CBD. The proposal delivers a diversity of employment-generating land uses, including retail showrooms, live / work studios, and a childcare centre. Consistent with the inferred objectives of Clause 6.25, the non-residential land uses will contribute significant employment generation and economic growth, summarised as follows: ▪ The ground and podium retail uses will attract pedestrian traffic, foster ground plane activation, increase job supply, contribute to vibrant, diverse and functional streets and public spaces, and strengthen the role of the Chatswood CBD, contributing to the vitality of the city. ▪ The childcare centre will provide the community with essential need of childcare services in an accessible location in proximity to housing, public transport, major road, and family amenities and facilities. ▪ The live / work studios will provide flexible, creative, and diverse employment-generating opportunities. The designated workspaces can serve the owner as a home-based business or be leased out to a business tenant for a range of occupations, professions, or trades. Furthermore, the residential dwellings themselves will contribute towards a true 24-hour economy. Future residents will catalyse significant flow-on benefits to retailers, businesses, and service providers and support long-term economic growth, activation, and vibrancy of the CBD. Future residents will generate significant expenditure in retail spending annually, contributing activity and investment to local and wider economic growth.
<i>(b) Are the underlying objectives or purpose of the development standard not relevant to the development? (Give details if applicable)</i>	N/A
<i>(c) Would the underlying objective or purpose be defeated or thwarted if compliance was required? (Give details if applicable)</i>	N/A
<i>(d) Has the development standard been virtually abandoned or destroyed by the council's own actions in granting consents departing from the standard?</i>	N/A
<i>(e) Is the zoning of the land unreasonable or inappropriate so that the development standard is also unreasonable or unnecessary?</i>	N/A

9. Are there sufficient environmental planning grounds to justify contravening the development standard?

The non-compliance with the non-residential GFA development standard of Clause 6.25 is a direct consequence of the applicant's decision to utilise the in-fill affordable housing FSR and height of building bonuses under Chapter 2, Division 1 of State Environmental Planning Policy (Housing) 2021 (**Housing SEPP**) to deliver affordable housing to meet the needs of very low, low, and moderate income households.

The environmental planning grounds to justify variation to the development standard are detailed as follows:

- The statutory planning framework that applies to the site was gazetted on 26 May 2023 via a site-specific planning proposal to the LEP. The planning proposal rezoned the site to B4 (now MU1) Mixed Use and amended built form development standards, including the FSR, building height, and minimum non-residential GFA controls. At this point in time, the site was subject to a maximum FSR of 6:1, including a minimum non-residential FSR of 1:1 (17% total GFA). Measured against the site area (4,294 sqm), the maximum total GFA would be 25,764 sqm, including a minimum non-residential GFA of 4,380 sqm.
- In November 2023, the NSW Government released a policy initiative to incentivise and support the delivery of affordable housing under the Housing SEPP. The policy initiative sought to combine all levels of government, investors, and the private sector to unlock quality affordable housing supply. Specifically, the Housing SEPP provides an FSR bonus of up to 30% and a height of buildings bonus of up to 30% for projects that include residential development and provide at least 10% of GFA as affordable housing.
- Incentivising the delivery of new dwellings, including affordable housing, through the Housing SEPP is critical to ensuring that New South Wales can deliver on its commitments under the National Housing Accord to deliver 377,000 new dwellings, including 15,800 social and affordable dwellings, by 2029.
- As detailed in the EIS (submitted under separate cover), the GFA and building height of the proposal have been established through the affordable housing incentive provisions of the Housing SEPP. The below summarises the methodology for calculating the maximum allowable FSR of the proposal.
 - “Shop top housing” that provides at least 15% of total overall GFA as affordable housing (in addition to any other required affordable housing under another EPI) for a minimum of 15 years will be eligible for 130% of the permitted FSR control for residential accommodation.
 - The 130% calculation is based on the maximum permitted FSR on the land. Under Clause 4.4 of the LEP, the site has a maximum FSR control of 6:1. Therefore, the following calculation has been made for maximum allowable FSR on the site under the Housing SEPP: $6:1 \times 130\% = 7.8:1$.
- **The proposal utilises the affordable housing incentive provisions of the Housing SEPP to deliver at least 15% of the total overall GFA (5,448 sqm, equating to 59 x dwellings) as affordable housing to meet the needs of very low, low, and moderate income households for a minimum of 15 years.**
- The table below provides a comparison in the quantum of residential and non-residential GFA between:
 - A ‘base’ scheme – a development compliant with the base FSR control under the LEP; and
 - The SSDA scheme – a development utilising the bonus FSR control under the Housing SEPP.

	Site Area	LEP FSR	SEPP FSR	Proposed GFA	Residential GFA	Non-Residential GFA
Base Scheme	4,294 sqm	6:1	-	25,764 sqm	21,384 sqm	4,380 sqm
SSDA Scheme	4,294 sqm	6:1	7.8:1 (30% uplift to base FSR of 6:1)	36,323 sqm	31,881 sqm (including 5,448 sqm of affordable housing)	4,442 sqm

- The above table demonstrates that the SSDA proposal provides a quantum of non-residential GFA (4,442 sqm) that exceeds the total allowable GFA under the maximum ‘base’ FSR development standard pursuant to the LEP (6:1). The non-compliance with the numerical requirements of Clause 6.25 arises from the additional GFA permitted by the FSR uplift bonus under the Housing SEPP. In utilising this FSR

uplift bonus, the proposal capitalises and responds to the intent of the NSW Government policy to deliver affordable housing to meet the needs of very low, low, and moderate income households.

- The ability for the applicant to capitalise on the incentive provisions of the Housing SEPP to make a significant contribution to affordable housing stock is contingent on an economically viable development, which balances residential, affordable housing, and non-residential land uses. It is critical that the economic viability of the development, and by association the delivery of affordable housing, is not unreasonably burdened or compromised by strict compliance with the provision of an LEP which does not anticipate or make allowance for additional floor space provided under a separate environmental planning instrument (in this instance, the affordable housing incentive provisions of the Housing SEPP).
- The requirement to provide non-residential floor space in strict compliance with Clause 6.25 would compromise the capacity of the development to achieve the intent of the uplift incentives of the Housing SEPP to provide housing to meet the needs of very low, low, and moderate income households.
- The applicant is committed to delivering a substantial quantum of non-residential floor space within the development in order to facilitate investment and employment-generation and to contribute to the economic growth of the Chatswood CBD. The proposal delivers a diversity of employment-generating land uses, including retail showrooms, live / work studios, and a child care centre. Consistent with the (inferred) objectives of Clause 6.25, the proposed non-residential land uses will contribute significant employment generation and economic growth to the Chatswood CBD, summarised as follows:
 - The ground and podium retail uses will foster increased job supply, strengthen the role of the Chatswood CBD, and improve commercial and retail offerings for the community.
 - The childcare centre will provide the community with essential need of childcare services in an accessible location in proximity to residence, public transport, major road, and nearby employment.
 - The live / work studios will provide flexible, creative, and diverse employment-generating opportunities. The designated workspaces can serve the owner as a home-based business or be leased out to a business tenant for a range of occupations, professions, or trades.
- Furthermore, the residential dwellings themselves will contribute towards a true 24-hour economy. Future residents will catalyse significant flow-on benefits to retailers, businesses, and service providers and support long-term economic growth, activation, and vibrancy of the CBD. It is anticipated that future residents on the site will generate significant expenditure in retail spending annually, contributing activity and investment to local and wider economic growth.
- Billbergia strongly supports and advocates for non-residential land uses in the Chatswood CBD in order to facilitate investment, employment-generation, and economic growth. However, for the following reasons, strict compliance with the numerical requirements of Clause 6.25 to provide 17% of the total GFA as non-residential floor space has significant implications for economic feasibility and viability:
 - It is apparent that Chatswood is undergoing significant transition from its traditional commercial centre towards a mixed-use environment, characterised by commercial ground plane activation and high-rise residential towers. This transition reflects the lack of viability for office development.
 - The function of Chatswood is transitioning from that of a typical 'commercial core' with retail, office, business, and community activity. Whilst existing uses contribute to generating investment, employment, and economic growth, these functions are complementary to mixed residential uses.
 - The lack of current and forecast commercial space supply in Chatswood CBD is evidence of a softening of future market demand, particularly in the MU1 zone. It is anticipated that forecasted additional office jobs and space can be absorbed by existing stock within the CBD. There is evidence that high vacancy rates exist in Chatswood, in comparison to other major Sydney office markets.
 - Traditional office market demands have been affected by remote work opportunities following the Covid-19 pandemic, with many businesses now offering permanent flexible or hybrid positions.
- In assessing the requested variation, attention is drawn to the *In-fill Affordable Housing Practice Note* (December 2023) published by Department of Planning, Housing and Infrastructure (DPHI) which states:
 - “... local development standards should be applied flexibly and need to be balanced against the need to realise more affordable housing”

- For the reasons detailed above, this request demonstrates that the requirements of Clause 6.25 of the LEP should be applied flexibly and balanced against the significant social benefits of the proposed development to provide housing to meet the needs of very low, low, and moderate income households.

Ultimately, it is critical to the delivery of affordable housing that the statutory planning framework enables an appropriate balance between non-residential and residential uses to facilitate economically viable development. The proposal presents a well-considered and appropriate balance of land uses. The significant social benefits associated with the provision of 59 affordable rental housing units cannot be realised if strict adherence and compliance with the non-residential GFA requirements of Clause 6.25 is upheld.

For the reasons detailed in this request, the variation to Clause 6.25 is well-founded and justified and there are sufficient environmental planning grounds to warrant contravention of the development standard.

DISCLAIMER

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This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

APPENDIX A APPENDIX

