

# Appendix 1. Executive Summary

Application number	SSD-75662958
Project name	Crows Nest OSD Site A – Amending Concept SSDA
Location	32 Hume Street, Crows Nest
Applicant	Thirdi Crows Nest Commercial Developments Pty Ltd

## 1. Overview

This Environmental Impact Statement (EIS) has been prepared to accompany a State Significant Development Application (SSDA) and seeks consent to amend the original Concept Approval (SSDA 9579) approved for the over station development (OSD) at the Crows Nest site under Section 4.22 of the *Environmental Planning and Assessment Act 1979* (EP&A Act), in relation to the use and building envelope on Site A

This Amending Concept SSDA relates exclusively to amendments to Site A located at 32 Hume Street, Crows Nest and located above the existing Crows Nest Metro Station (the site). No change is proposed to the use or building envelopes over Sites B and C under the original Concept Approval. These proposed changes have also been undertaken to ensure consistency with the new Transport Orientated Development (TOD) rezoning provisions in the *North Sydney Local Environmental Plan 2013* (NSLEP) for Crows Nest which sought to enable the construction of up to 5,900 new homes and supporting up to 2,500 new jobs and facilitate the reduction of commercial uses in favour of residential uses that contribute affordable housing.

An Amending Concept SSDA is an SSDA that grants consent to new development while concurrently using the power under Section 4.17 of the EP&A Act to impose condition(s) that modify another existing development consent. This allows the existing development consent to be retained, while amending a component of the approved development through a separate consent that will be granted for a new application.

Pursuant to Schedule 1, Section 19(2), of *State Environmental Planning Policy (Planning Systems) 2021* (Planning Systems SEPP), the proposal is classified as State Significant Development (SSD) for the purposes of the EP&A Act as the proposal comprises development within a rail corridor, is associated with railway infrastructure, is for the purposes of a mixed-use development (both residential and commercial) and has an estimated development cost (EDC) in excess of \$30 million.

This EIS has been prepared having regard to the Department of Planning, Housing and Infrastructure’s (DPHI) *State Significant Development Guidelines - Preparing an Environmental Impact Statement* and addresses the project-specific Secretary’s Environmental Assessment Requirements (SEARs) for the project (issued on the 18 August 2024) attached at **Appendix 2**, and the supporting technical documents provided at **Appendix 1 – Appendix 67**.

This EIS has also been prepared in accordance with and meets the minimum requirements of Clauses 190 and 192 of the *Environmental Planning and Assessment Regulation 2021* (EP&A Regulation) and contains an assessment of the proposal against the relevant considerations under Section 4.15 of the EP&A Act.

This Amending Concept SSDA should be read in conjunction with the separately lodged Detailed SSDA (SSD-75660711), which has been submitted concurrently with this application.

## 2. The Site

The site is at 32 Hume Street, Crows Nest, and comprises the entirety of the block bounded by Pacific Highway, Oxley Street, Hume Street and Clarke Lane. It is legally described as Lot 1 of DP1296669 and located directly above and adjacent to the operational Crows Nest Metro Station (Lot 2 of DP1296669).

The above address and title have only recently been created following the completion of the Crows Nest Metro development. Site A was formerly known as 497-521 Pacific Highway, Crows Nest more formally described as Lot A and B of DP 374468, Lots 1-2 of DP 575046, Lot 3, of DP655677, Lot 4 DP1096359 and Lot 10 of DP 1060663. Accordingly, any reference to the former address throughout this EIS and associated appendices shall be taken to be a reference to Site A.

The construction of Sydney Metro infrastructure on Site A under the Critical State Infrastructure 'Sydney Metro - Chatswood to Sydenham (reference number (CSSI 15\_7400 and referred to henceforth as the CSSI Approval) resulted in the complete alteration of the natural ground level on the site.

## 3. Background

Sydney Metro received planning approval for the CSSI Approval on the 9 January 2017, for the construction of the Sydney Metro City and Southwest Chatswood to Sydenham project. This approval included the Crows Nest Metro Station (which is one of seven new stations approved as part of this CSSI project). As of August 2024, the Crows Nest Metro Station has completed construction and is operational.

A Concept State Significant Development Application (SSD-9579) (Concept Approval) was subsequently approved in December 2020, which provided for a mixed-use development across 3 sites (known as Site A, Site B and Site C) integrated with the Crows Nest Metro Station. This Concept Approval establishes the planning and assessment framework for all subsequent applications to follow.

## 4. Project Description

This Amending Concept SSDA seeks consent to modify the approved use and building envelope at the Crows Nest OSD Site A site only, originally approved under the original Concept Approval. For clarity, this Amending Concept SSDA is a concept DA made under Section 4.22 of the EP&A Act.

The project area does not require any demolition or any additional excavation beyond that already required and approved for the CSSI Approval.

Specifically, the proposal seeks to modify the use from predominantly commercial to mixed-use, with predominantly residential uses and amend the approved building envelope for the Site A through:

- **Change of Use:** Change of land use from originally approved commercial use to a mixed-use development, primarily comprising residential and affordable housing, all situated above the Crows Nest Metro Station consistent with the TOD1 rezoning provisions. The new mixed-use development will comprise:
  - Lower podium levels (integrated within the Crows Nest Metro box) including retail tenancies; BTR, affordable housing, sky and shared lobbies; commercial gym amenities and ancillary uses; residential amenity areas; outdoor terraces; bike parking; and general services.
  - Tower 1 & 2 (BTR Tower) comprising 418 BTR apartments (comprised of studio, 1, 2 and 3 bed configurations) from Level 4 to Level 25; Tower 1 rooftop bar, amenities and general services.

- Tower 3 (affordable housing) comprising 56 affordable housing apartments (comprised of studio, 1, 2 and 3 bed configurations) and rooftop communal amenities over Levels 3 to 11 (roof).
- **Revised Built Form & Massing:** Modification from a single-tower scheme to a 3-tower configuration, including:
  - Adjustments to the building envelope, shifting from a singular mass to 3 distinct towers.
  - Squaring off Towers 1, 2, and 3, with revised heights:
    - Towers 1 and 2 reaching a maximum height of RL180m (including servicing).
    - Tower 3 reaching a maximum height of RL135.85m (including servicing).
  - An increase in GFA (and FSR) from 40,300m<sup>2</sup> to 44,608.5m<sup>2</sup> (equivalent to an FSR of 11.5:1), consistent with the NSLEP.
- **Optimised building envelope efficiency:** Update to building efficiency targets on Site A from 85% under the original Concept Approval to 79% in response to the Amending Concept SSDA reduction in OSD envelope area.
- **Administrative updates including updated lot amalgamation:** Administrative amendments to reflect the latest lot amalgamation on Site A and updated change of address and other modifications to conditions to reflect the abovementioned amendments. Refer to **Appendix 6** for an overview of the proposed amendments to Conditions of Consent to the original Concept Approval.

The modification of the original Concept Approval will enable the detailed design of a new mixed-use development (comprising commercial, BTR and affordable housing uses) to be pursued on the site, significantly increasing the proportion of affordable and BTR housing floor space in the Crows Nest precinct, within the Crows Nest OSD precinct and in close proximity to public transport and amenities. This new 3 tower mixed use residential tower development over the existing Crows Nest metro box is proposed in replacement of the single tower commercial development building envelope approved under the original Concept Approval.

**This proposal will not exceed the permissible building height or gross floor area for the site under the NSLEP. A separate Detailed SSDA has been lodged concurrently for the detailed design, construction and operation of the OSD.**

## 5. Design Development

A rigorous design development process has been undertaken which involved consideration of the following:

- **State Design Review Panel inputs**

Design inputs from the State Design Review Panel (SDRP) and statutory planning framework. The Applicant attended 3 SDRP meetings, held on the 6 March 2024, 15 May 2024 and 21 August 2024. These design review sessions were attended by the project team, the Government Architect NSW (GANSW) panel and observed by DPHI and North Sydney Council (Council).

- **Existing context and transitioning locality**

Consideration of the existing context and future transformation of the site and surrounds.

- **Design alternatives**

Design alternatives to facilitate and create a high quality architectural designed building that appropriately integrates with the existing Crows Nest Metro Station. Site A introduces lightweight towers atop a brick podium, while the affordable housing tower uses a masonry-like material that reaches down to the ground, adding a sense of solidity and connection with the street level. The built. The project minimises the bulk and scale of the approved envelope under the original Concept Approval by breaking the mass into 3 distinct blocks, reducing the impact on the street wall. The towers are slender, elegant, and layered fitting of the commercial context, where there is a focus to enhance pedestrian experience, and connect to developing active transport routes.

- **Opportunities and constraints analysis**

Consideration of the opportunities and constraints, including wind, reflectivity, existing Crows Nest Station metro box constraints, structural, alignment of slab levels that cannot be demolished, required limitations in location of OSD services, substation access and frontage requirements, diagonal bracing required from ground to level 04, fixed frame connection points at grid 09 that determines structure above, existing slab and metro box does not allow for lift pits, existing and future public transport opportunities, the railway line, the evolving characteristics of the precinct, the existing and future street frontages, and the different interfaces at each boundary of the site.

- **Connection with Country (Sky - Land – Sea)**

Connection to Country (Sky – Land – Sea) underpins the design, celebrating Aboriginal culture and heritage. The Connecting with Country Report (**Appendix 25**) provided high level ideas on how the themes identified through Walk on Country engagement with the First Nations Group, Gamaragal knowledge and design might be implemented into the project to be considered by the design team and included where appropriate. The Design Report (**Appendix 18**), references the design themes emerging from the Walk on Country engagement and identifies that the “Lightweight design inspired by Indigenous sky country concept, sitting atop the brick podium”

The 3 tower massing enhances pedestrian views of Sky Country, with natural light reaching the ground plane. The 2 BTR towers embody the theme of Sky Country, using horizontal facade banding to reflect light gradation and blur boundaries with the sky. The affordable housing tower, inspired by the Whale Totem (care and nurturing), provides housing for frontline workers, supporting community service. Rooftop spaces offer communal areas for storytelling and gatherings, designed with sunlight access and landscaping aligned with Connecting to Country principles.

- **Landscape Inspiration**

A landscape philosophy and design drawing inspiration from its pre-colonial heritage and creating a harmonious fusion of human-made and natural elements and areas to bring people together and share stories – water, wind, topography, aspect, micro-climate through deep listening and design with/for Country.

- **Pedestrian connectivity**

Pedestrian connectivity and shared-use opportunities, including those attached to the existing public domain works undertaken as part of the CSSI Approval works, to reinforce a relationship between the surrounding locality existing and future retail and commercial uses and the broader community.

- **Ground plane and integration into the CSSI Approval public domain works**

The importance of the ground plane as a key design feature to the proposal that ensures the enhancement of the public domain and contributes to high quality landscape outcomes to the development.

- **Engagement & Consultation**

Feedback from community and agency stakeholder engagement. Community information flyer and community survey as well as secondary research was used to promote participation by community members to promote feedback, identify any likely impacts, both positive and negative, and listen to any mitigation of enhancement offered by attendees.

- Community information flyer: The flyer was distributed on the 3 and 4 of December 2024 to approximately 2,500 residential and business properties around the site.
- Community Survey: The online community survey was developed to encourage local residents and the wider community to provide feedback on the proposal and inform the social impact assessment. The link to the survey was provided within the community flyer and delivered to approximately 2,500 residential and business properties around the Site. 2 responses were received with key feedback as follows:
  - Project would not improve local amenity due to the people driving in the local area,
  - Crows Nest is being over developed.
  - The proposed building design could be more imaginative.
  - Concern about construction and traffic noise.

The 2 respondents agreed that there is a need for more rental housing in the area and that BTR is a good idea in the Sydney market. They also identified the following key benefits of the proposal: affordable housing for essential workers, cafe and restaurant options, landscaping and open space, pedestrian and cycling connection and housing close to services.

- **Ecologically sustainable development**

Ecologically sustainable development (ESD) design strategies and principles, including energy and water efficient measures, water sensitive urban design principles, minimisation of waste, thermal comfort, roof mounted photovoltaic system, 100% electric building, embodied energy, use of durable materials (recycled wherever possible), automated control of building systems such as motion sensors for lighting and CO sensors for carpark fans and energy efficient lifts.

## 6. Planning and Legislative Framework

The proposed mixed-use (residential and commercial) development is considered SSD, pursuant to Schedule 1, Section 19 of Planning Systems SEPP, being development within a rail corridor for commercial premises or residential accommodation with an EDC of more than \$30 million.

The site is zoned MU1 Mixed Use pursuant to the NSLEP. The proposed mixed of residential and commercial uses are permitted with consent in the MU1 Mixed use zone

This application constitutes an Amending Concept SSDA subsequent to an approved Concept SSDA which granted consent for a maximum building envelope on the site, lodged under Section 4.22 of the EP&A Act.

The application is for development, namely a land use and consent for the development is sought with the inclusion of a condition imposed under Section 4.17(1)(b) of the EP&A Act which modifies the existing Concept SSD consent to permit the proposed residential land use and changes to built form envelope and subsequent administrative amendments.

The proposed approach is enabled by Section 4.24(3) of the EP&A Act which allows the modification in accordance with the EP&A Act of a consent granted to a concept development application, and Section 4.17(1)(b) of the EP&A Act which allows a condition of consent to be imposed which modifies an existing consent.

All relevant Commonwealth and State legislation, as well as Environmental Planning Instruments (EPIs), have been considered in the preparation of this EIS. The proposal is satisfactory in terms of its legislative context, on the basis that:

- The proposal is permissible in the zone,
- The objectives of the zone are satisfied,
- The range of applicable State Environmental Planning Policies (SEPPs) have been considered,
- Strategic documents that apply to the locality and wider region have identified that the proposed use is consistent with the strategic context of the area,
- The proposed development can satisfy the relevant provisions of the National Construction Code (NCC) Building Code of Australia (BCA) and applicable Australian Standards.

Refer to Chapter 4 of this EIS.

## 7. Public Notification and Consultation

Pre-lodgement consultation was undertaken with key Government stakeholders including DPHI, Transport for NSW, Sydney Metro, North Sydney Council, and the NSW Government Architect - SDRP.

A range of on-line and in person consultation and engagement initiatives were undertaken with local residents, community members and members of the Aboriginal and Torres Strait Islander community to inform project design and development.

The engagement process and community views are detailed in Chapter 6 of the EIS. The EIS is also accompanied by a suite of community engagement reports (**Appendices 9-11**) which outline the key matters raised during the consultation process and how the project has responded.

## 8. Potential Environmental Impacts

The EIS provides an assessment of the environmental impacts of the proposal in accordance with the SEARs and sets out the mitigation measures identified to manage and minimise potential impacts. It demonstrates that the proposed development is satisfactory in relation to:

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|------------------------------------|---|
| • Statutory and strategic context; | • Accessibility;                        |
| • Design quality;                  | • Geotechnical considerations;          |
| • Built form and urban design;     | • Aboriginal heritage;                  |
| • Public domain and landscaping;   | • European heritage;                    |
| • Visual impacts;                  | • Ecologically sustainable development; |
| • Traffic impacts;                 | • Pedestrian movement;                  |
| • Engineering considerations;      | • Waste management;                     |
| • Social impacts;                  | • Social impacts;                       |
| • Acoustic impacts;                | • Ecological impacts;                   |
| • Contamination;                   | • Utilities and infrastructure;         |
| • Security and crime prevention;   | • Construction and staging;             |
| • Amenities;                       | • Engineering considerations; and       |
| • Overshadowing;                   | • Economic impacts.                     |

A comprehensive range of technical studies, plans and reports accompany the Amending Concept SSDA. This body of work has been used to identify the potential environmental impacts (as listed above) and provide advice on appropriate mitigation and management measures to attenuate potential impacts. It is concluded that while there may be potential impacts resulting from the change of the existing site conditions, such impacts can be appropriately managed and mitigated. Refer to Chapter 7 for discussion.



On balance, the proposed development is in the public interest and will not result in any unacceptable social, economic or environmental impacts that cannot be appropriately managed through appropriate mitigation measures and/or conditions of consent.

## 9. Justification for the Project

This EIS has assessed the proposed development in accordance with the relevant statutory and strategic framework, as well as the potential environmental impacts in accordance with the SEAR's, and the resultant mitigation measures. The impacts are not considered to be unreasonable and are able to be managed accordingly. Having regard to the environmental, economic, and social considerations, the project is justified for the following reasons:

- Post-COVID structural shifts have significantly reduced demand for commercial and retail floorspace. Office work is now spread across home, office, and third places, meaning less floorspace is needed per worker. Similarly, online shopping has reduced the need for physical retail space, requiring higher population spending to sustain the same demand levels.
- In Crows Nest, a small office market with limited supporting amenities, these challenges are especially pronounced. With 30% office vacancy (approx. 100,000m<sup>2</sup>) in the Crows Nest/St Leonards area. According to industry research, vacancies in Crows Nest/ St Leonards are expected to be around 25% until 2025, after which declining to 22% by 2028. The site's potential commercial GFA, as approved under the Concept Approval is unlikely to attract pre-commitments due to weak market conditions.

The fall in demand for office space is not a problem unique to Crows Nest or the Site. The re-setting of office demand means that once viable office locations will no longer be sustainable or viable to accommodate the same amount of office floorspace pre-pandemic. The same can be said of retail floorspace where floorspace in some locations will require re-purposing or else risk perpetual vacancy.

With the above noted approx. 30% office vacancy rates (anticipated to grow to 2028), consideration of a change of use, Consistent with the TOD rezoning is warranted. As the international case studies have demonstrated, enabling the conversion of once-designated office space into residential uses reinvigorates and adds vibrancy to local neighbourhoods. It addresses housing challenges and supports the viability of the office spaces in the locality that remain. The Site is excellently positioned to be developed into mixed-use residential development that enables its occupants to leverage the metro infrastructure and add to the vibrancy of the precinct.

- DPHI's recently approved the rezoning of the Crows Nest TOD Accelerated Precinct seeks to enable the construction of up to 5,900 new homes and supporting up to 2,500 new jobs. The precinct, located near a metro station and key transport interchanges, has been identified as suitable for TOD to improve access to housing, public transport, and amenities. The rezoning includes height and FSR uplift (providing for FSRs of up to 20:1 and a range of building heights from 6 up to 62 storeys) as well as incentive provisions for affordable housing contributions ranging from 3% to 18% of all new residential developments. The proposed changes ensure consistency with the new TOD rezoning provisions in the NSLEP for Crows Nest which sought to enable the construction of up to 5,900 new homes and supporting up to 2,500 new jobs and facilitate the reduction of commercial uses in favour of residential uses that contribute affordable housing. The proposed development provides 474 BTR apartments. 15% of the BTR (56 apartments) are provided in perpetuity as affordable housing which will increase housing supply and affordable housing supply in the Crows Nest TOD Precinct.
- The site is zoned part MU1 Mixed Use zone under the NSLEP, and residential, commercial, and retail uses are permitted with consent. The proposed development is consistent with the zone objectives and will support the Crows Nest town centre as an active and vibrant town centre. The proposed use is also consistent with the Housing SEPP.

- Has been carefully designed to maintain consistency with the Concept Approval, as proposed to be amended, provide a contextual response to its setting and to minimise perceived bulk and scale impacts to the public domain and adjoining buildings. The proposal is a high quality architecturally designed building and represents a significant improvement to the existing site condition, which at present comprises only the Crows Nest Station metro box.
- The amended building envelope remains largely consistent with the original intent of the approved concept, adhering to the maximum GFA and height permissible under the NSLEP. The proposal introduces modifications to accommodate a revised land use mix, minor adjustments to height and gross floor area (GFA) (while maintaining compliance with the NSLEP), maintains the original street setbacks and improved internal separation distances.
- The proposed amended envelopes, which represent a maximum potential building form, have been demonstrated to be appropriate within the existing and future Crows Nest context and the specific circumstances of the site. They have been developed to enable a degree of flexibility in the future detailed building design to allow a range of potential design outcomes that will facilitate a high-quality development for the Detailed SSDA stage.
- These refinements respond to evolving market conditions and the proposed use while enhancing the overall outcome by reducing visual impacts and overshadowing compared to the approved concept.
- Will not result in any unreasonable environmental impacts that cannot be appropriately managed consistent with the relevant planning controls for the site and ameliorated through mitigation measures.
- Is consistent with the principles of ecological sustainable development as defined by Section 193 of the EP&A Regulation.
- Will facilitate the realisation of the OSD as conceived under the original Concept Approval and provide a new mixed-use development with BTR and affordable housing, which will assist in alleviating the pressure of the current housing affordability crisis in NSW, which is a common goal and objective across several Federal and State government initiatives.
- Will facilitate the redevelopment of the site for the purposes of BTR and affordable housing, accompanied by retail/commercial premises which will deliver important social and economic benefits to the community by contributing to housing diversity and stability for the increasing population as well as providing employment generating floor space in a highly accessible location proximate to existing jobs.
- Will result in positive economic outcomes by generating employment opportunities during the construction and operational phases of the project providing residential management, retail, and commercial employment opportunities.
- It is consistent with the strategic planning objectives for the site and supports the NSW Government's investment in public transport infrastructure and the delivery of well-connected place focused communities. Specifically, it is consistent with the strategic planning context of St Leonards/Crows Nest area and North Sydney more broadly, as discussed in detail in Chapter 2.3.4 of this EIS.
- Will align with the strategic vision and objectives for the delivery of additional housing supply encouraged under the National Housing Accord 2022, Housing 2041, Greater Sydney Region Plan and North District Plan and DPHI updated housing targets of 5,900 by 2029 under the Crows Nest Transport Oriented Development (TOD) rezoning.
- It is a high-quality urban design and will contribute to a safe, secure, and active environment in alignment with the CPTED principles.
- It would take advantage of the NSW Government's investment by creating a vibrant precinct surrounding Crows Nest Metro Station that is well connected to transport and provides opportunities for place-based design and transit-orientated development.
- It directly responds to the demand for additional housing in locations close to jobs, consistent with the '30-minute city' concept, which will provide greater residential amenity and contribute to reduced congestion associated with longer commutes. The aim of the 30-minute city concept is that residents



of Sydney can reach one of three important regional centres in less than a half-hour by walking, biking, or public transport.

- It will deliver genuine economic benefits, particularly in creating full time jobs during construction and will sustain direct and indirect jobs during its ongoing operation. It will contribute to increased livelihood outcomes associated with the construction and operation phases. This has the potential to positively support livelihoods, not just directly through job creation but also by extending to local businesses and the overall improvement of the precinct.
- An extensive program of consultation has contributed to the formation of this application, which has led to a development form which reflects the comments of relevant stakeholders.
- The building envelopes would allow for a density appropriate for a transit orientated development and consistent with Future Transport 2056 and other Government policies to place density above major transport infrastructure.
- The site is suitable for the proposed development and the proposed development is in the public interest.

## 10. Conclusion

This EIS satisfies the requirements sought by the SEARs. On balance, and in the context of the site and surrounds, the proposal is reasonable and is worthy of support on planning grounds. This EIS demonstrates the benefits provided by the proposed development outweigh any potential impacts and therefore the SSD is considered to be in the public interest and warrants approval.