

27 May 2014

Ms Carolyn McNally  
Acting Secretary  
Department of Planning and Environment  
GPO Box 39  
SYDNEY NSW 2001

Dear Ms McNally

**Modifications to Concept Plan and Stage 1 Project Application  
For the Former Stamford Hotel site at Herring Road, North Ryde**

I refer to the Acting Executive Director's letter dated 7 May 2014 referring the above modification applications to the Planning Assessment Commission for determination under Ministerial delegation.

Ms Gabrielle Kibble AO, Chair of the Planning Assessment Commission nominated Mr Paul Forward and me to constitute the Commission to consider and determine the application. I chaired the Commission for the task.

The Commission notes Ryde City Council's objection to the applications. The Commission met with the Council and the proponent separately on 20 May 2014 to hear Council's concerns and the proponent's view on the Department's recommendation. The 3 key issues discussed at the two meetings were housing mix, affordable housing and parking provision.

Housing Mix

The Stage 1 project approval provides for a housing mix of one bedroom (142 units, 49%), two bedroom (123 units, 42%) and three bedroom (26 units, 9%). The proposed modification is for a housing mix of only one and two bedroom units, 49% and 51% respectively.

Council is of the view that the approved housing mix provides the right balance for a diversity of households, genuine housing choice and a more inclusive community adjacent to a significant employment centre. It does not accept the argument that the provision of housing mix should be driven by market demand. It is a planning matter, and should not be dictated by the market.

The proponent advised that they have sold 95% of the 641 units off plan, even though they have not received approval of the number, size and layout of the units. The proposed change of unit mix in Stage 1 to mainly 1 and 2 bedrooms is consistent with other comparable developments in the area and the wider Sydney market. They also advised that 50% (4 out of 8) of the 3 bedroom units (in the "Sydney Building" in Stage 2) are yet to be sold while all the 1 and 2 bedrooms in Stage 1 are sold. The design of the one and two bedroom units allows easy conversion to a 3 bedroom unit. So far, they have received only one inquiry about that. This demonstrates there is limited demand on 3 bedroom units.

The Commission finds:

1. Market demand should be one of the considerations in the determination of housing mix, not the only consideration.
2. It shares Council's concern that it is important to create a diverse community that cater for all household types, not an exclusive section of the community.

3. Based on the information provided by the proponent at the meeting, of the 301 units in Stage 2, 14 are 3 bedroom units (6 in “Melbourne” and 8 in “Sydney”), about 4.65% of that stage. The current modification, if approved, means only 2.18% of the whole development would be 3 bedroom units, when the proponent’s previous commitment was 9% of the units with 3 or more bedrooms.
4. One percent of the 1 bedroom and 20% of the two bedroom units are inconsistent with the RFDC guidelines in terms of unit size.

Although the Commission accepts the Department’s assessment and recommendation of allowing the change of housing mix in Stage 1, it is of the view there should be no further departure from the RFDC guidelines in terms of unit mix and unit size. The Commission shares Council’s concern that a range of households should be catered for in such a large development and the recommended unit size in the RFDC is to ensure reasonable living environment and amenity for future residents.

#### Affordable Housing

The current concept plan approval (Condition C11(a)) requires “future development application shall demonstrate that a minimum of four affordable housing units are to be dedicated to Council.” There is no requirement for Council’s agreement in the dedication or size and location of the units. However, Condition D24 of the Stage 1 project approval requires “prior to the release of an interim or final occupation certificate for any building (or as otherwise agreed by Council) the Proponent shall dedicate at least two affordable housing units to Council. The housing units shall comply with SEPP 65 solar access, natural cross ventilation and privacy requirements and be approved by Council prior to dedication. Identification of the units shall be agreed with Council prior to the release of any Construction Certificate for the first stage of the development. Should the proponent and Council not be able to agree on the suitability of apartments to be dedicated, the Director General will intervene.”

The proponent has offered to dedicate 4 one bedroom units to Council for affordable housing. Council considers the offer not acceptable and in its submission to the Department requested the units be a minimum of two bedrooms with good amenity. The Department’s assessment report does not support the proponent or council’s argument. It recommends the current condition be retained. That is a minimum of 4 affordable housing units be dedicated to Council. These units should comply with SEPP 65 solar access, natural cross ventilation and privacy requirements. The identification of these units be agreed with Council prior to the release of any construction certificate.

At the meeting with the Commission, Council acknowledged that the existing approval conditions do not specify the size or types of units to be dedicated. However it is of the view that it is important that the units can be offered to house a family with children. It advised that Council is prepared to accept 2 one bedroom and 2 two bedrooms units as a compromise so that it has a diverse stock to meet the needs of the community.

Base on the information provided at the meeting with the Council and the proponent, the Commission understood that the dedication would be 2 units to be provided at Stage 1 and a further 2 units will be provided at Stage 2. However, the proponent’s updated Statement of Commitments attached as Schedule 3 of the recommended conditions indicates that the 4 units will be dedicated with Stage 1. The Commission sought clarification from the proponent on the location of the units that it has offered to the Council and the staging of the dedication.

The advice, via email dated 20 May 2014, was the proponent has no objection to a condition of consent identifying any four of the six units that it offers to be dedicated. As to staging, “as almost all apartments have been sold, the project will no longer be staged (other than in terms of construction certificates) and all four apartments can be dedicated in Stage 1.”

By email dated 24 May 2014, Council recommended an amendment to Condition E6 to include criteria for the affordable housing units and nominated 2 units in the Adelaide Building as meeting the criteria. (See Attachment 1)

The Commission finds:

1. The size of units (in terms of number of bedrooms) that are offered as affordable housing units should reflect the unit mix of the development and be able to house different types of household. The amended housing mix for Stage 1, if approved, is 49% 1 bedroom and 51% 2 bedrooms. Based on the information provided, the mix for Stage 2 is about 57% 1 bedroom and 35% 2 bedrooms. Given the proposed housing mix is over 50% of 1 bedroom and over 40% of 2 bedrooms, it is reasonable to require the dedication be a mix of one and 2 bedrooms units.
2. Council's reasons for requesting a mix of one and two bedrooms units are reasonable.
3. The proponent took a commercial risk to market the units before the granting of development consent. The requirement of dedication of 2 bedroom units as affordable housing may require them to break the signed contracts. This is not an issue that the Commission should consider.

#### Additional parking spaces

The Department's assessment report concluded that the increase in number of units will result in an additional 33 parking spaces to be provided within the site. Council objects to the proposed increase as the area already experience traffic congestion during peak hours. The functionality of Herring Road and particularly the cumulating impacts with all adjacent developments are major concerns to Council. If the increase in unit numbers were to be approved, Council argued that it should be approved without additional parking. It also pointed out that one of the reasons for the original approval was the project is a transit oriented development and is located near a major transport corridor and the railway station.

The proponent said the proposed parking number is consistent with Council's DCP requirements and is no different from other adjacent developments.

The Commission finds:

1. The Department's assessment of the original concept plan acknowledged that the key intersections within the Macquarie Park road network at present operate at low levels of service in peak periods. The proposed development will generate an additional 8 trips per hour during peak periods, which can be absorbed by the network with minimal impact.
2. The current proposed increase of 33 parking spaces is an increase of about 10% of the approval parking number for Stage 1. Thus the additional impact is minimal.

The Commission accepts the Department's assessment and conclusion as reasonable.

#### Commission's determination

Following careful consideration of the Department's assessment report and associated documents, views expressed at the meetings with Council and Proponent and additional information provided by the proponent and Council, the Commission determines to approve the applications with conditions as recommended by the Department subject the Commission's amendment to the following conditions:

Concept Plan - Condition C11(a) to read:

Future development applications shall demonstrate that a minimum of four affordable housing units are to be dedicated to Council. The units shall:

- consist 2 one bedroom units and 2 two bedroom units;
- comply with SEPP 65 solar access, natural cross ventilation and privacy requirements and the minimum unit size of the Residential Flat Building Design Code;

- be identified prior to the issue of any Construction Certificate of Stage 1 of the development; and
- be dedicated to Council prior to the issue of the first occupation certification for any building or as otherwise agreed by Council.

Stage 1 Project Application – Condition D24 to read:

Prior to the issue of the first occupation certification for any building (or as otherwise agreed by Council), the Proponent shall dedicate at least 4 affordable housing units to Council. The housing units shall:

- consist 2 one bedroom units and 2 two bedroom units;
- comply with SEPP 65 solar access, natural cross ventilation and privacy requirements and the minimum unit size of the Residential Flat Building Design Code; and
- be identified prior to the issue of any Construction Certificate for the first stage of the development.

The file and signed instrument of approval are returned.

Yours sincerely



Garry Payne AM  
Planning Assessment Commission

cc.                   The Hon Pru Goward MP  
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