

## WHAT IS HERITAGE FLOOR SPACE?

The Heritage Floor Space (HFS) Scheme provides an incentive for the conservation and ongoing maintenance of heritage items within Central Sydney.

Once conservation works to the heritage item have been completed, the owner of the heritage item may be awarded HFS. This HFS may then be allocated (sold) to a site which requires the purchase of HFS as part of an approved development application. The monies raised help conserve the heritage item.

## HOW HFS WORKS

There are two components in the HFS scheme: Award of HFS & Allocation of HFS.

### Award

The owner of a heritage item may elect to apply for an award of HFS (if the relevant criteria is met) or alternatively the heritage item can be part of a development which relates to the land occupied by the heritage item.

### Allocation

Developments can only achieve a certain development potential if HFS is transferred (allocated) to the development from the bank of awarded HFS.

## AWARD OF HERITAGE FLOOR SPACE

Heritage Floor Space may only be awarded to a heritage item if it is:

- listed as a Schedule 8, Part 1 heritage item pursuant to Sydney Local Environmental Plan 2005; and
- is located within the City Centre or City Edge zones of the Sydney Local Environmental Plan 2005.

### Amount of HFS to be awarded

The formula used to calculate the amount of HFS to be awarded is (for rateable buildings in private ownership):

$$\text{HFS}_h = 0.5A_s \times \text{FSR}_h$$

$\text{HFS}_h$  = the maximum amount of heritage floor space which may be awarded (in square metres)

$A_s$  = site area occupied by the heritage building

$\text{FSR}_h$  = the FSR for the site of the heritage item

The formula varies for non-rateable buildings, and is

$$\text{HFS}_h = 0.5 \times \text{FSA}_h$$

$\text{FSA}_h$  = the floor space area (in square metres) of the heritage building(s)

Note that Council may reduce the amount of HFS to be awarded if there are elements of the building, existing or proposed, which detract from the significance of the building, or by an amount equal to any additional floorspace.

## STEPS TO OBTAIN AN AWARD OF HFS

1 Development Application and Conservation Management Plan to be approved by Council

Once eligibility has been established, a development application including a Conservation Management Plan is lodged with Council. All relevant fees are to be paid at Council's One Stop Shop.

A Conservation Management Plan provides a history of the building and surrounding area, a statement of significance, and ranks levels of significance in order to guide the future management of the building. The development application details the scope of works that are required to conserve the significance of the building. This could include the removal of the elements that detract from the significance of the building, the reinstatement of original fabric and where appropriate, reconstruction based on documentary evidence.

2 Development Application approved / Construction Certificate approved / Building and Conservation works completed

After the development application has been approved by Council, approval of a construction certificate for building work is required. Once all building and conservation works have been completed, the owner of the land on which the heritage item is situated enters into a deed with Council and registers covenants on title.

3 Deed and Registration of positive and restrictive covenants on title

A deed is drafted and executed between the owner of the land on which the heritage item is situated and Council to reinforce the positive and restrictive covenants which are to be placed on title.

The covenants:

Limit any future redevelopment of the site to the total floor space area and height of the conserved heritage item (restrictive);

Ensure the ongoing conservation of the building by regular maintenance in accordance with the Conservation Management Plan (positive).

4 Registration of an HFS Award

Once the deed has been executed, and a \$680 registration fee has been paid at Council's One Stop Shop, a letter is sent to the owner of the HFS advising them that the HFS has been entered on Council's Register. The HFS is now able to be sold.

Note: The HFS deed and the registration of covenants on title may be finalised prior to the completion of conservation works. However HFS will only be registered once all the requirements have been met.

## ALLOCATION OF HERITAGE FLOOR SPACE

An allocation of HFS is required if a proposed development exceeds the permissible floor space ratio for development. In this case, Council would grant consent subject to a condition requiring the allocation of heritage floor space to the site.

Only buildings that are over 55 metres in height, and located in the City Centre zone will require HFS to be allocated.

The formula used to calculate the amount of HFS required is generally:

$$\text{HFS}_d = 0.5 [(\text{FSR}_e - \text{FSR}_d) \times A_s] + [(\text{FSR} - \text{FSR}_e) \times A_s]$$

$\text{HFS}_d$  = is the amount of heritage floor space to be allocated by the proposed development.

$A_s$  = is the site area of the proposed development.

$\text{FSR}$  = is the floor space ratio of the proposed development.

$\text{FSR}_d$  = is the FSR for the development site, as shown on the LEP map.

$\text{FSR}_e$  = is whichever is the lesser of either:

- the floor space ratio of the proposed development; or
- the maximum FSR permitted by clauses 54(2) or 55 of the LEP (with the allocation of HFS).

The amount of HFS to be allocated may further be reduced by 50% if a design competition (where applicable) is held. Note that the permissible floor space ratio will vary for mixed-use developments. For more information refer to Schedule 4 of Sydney Local Environmental Plan 2005.

## STEPS TO ALLOCATE HFS TO A DEVELOPMENT

- The applicant pursues the owner of HFS by viewing the HFS Update. A copy of the HFS Update is available at the One Stop Shop or on Council's website.
- The applicant contacts the City of Sydney to confirm the amount of Heritage Floor Space outstanding and available for sale.
- A copy of the signed deed between the owner of the HFS and the purchaser of HFS is sent to Council. The original Section 12 Notice (Conveyancing Act, 1919) must also be sighted by Council. This will be returned once the transfer of HFS has been registered.
- Stamp Duty on the transfer must also be paid. Evidence of the payment must be provided to Council.
- Once the Section 12 Notice and all other documentation is endorsed by Council, a fee of \$410 is to be paid at Council's One Stop Shop to complete the registration of the HFS Transfer. A letter is then sent to the purchaser of HFS confirming the allocation.

## PLANNING CONTROLS

The Planning Controls relating to Heritage Floor Space are contained in Sydney Local Environmental Plan 2005 (Clauses 60, 61 and 62) and Central Sydney Development Control Plan 1996 (Section 7).

## FREQUENTLY ASKED QUESTIONS

### Can HFS awards be staged?

Yes, there is scope for Council to consent to a staged award of HFS. The staged approach can be used where a heritage item requires extensive conservation work to be done.

The Development Application for the overall conservation work will include a condition of consent specifying the stages in which the work is to be undertaken, and the amount of HFS that will be granted after the completion of each stage.

### What is the current purchase price?

Any purchase price is to be determined between the owner of the HFS and the prospective purchaser. The purchase price is currently about \$400 per m<sup>2</sup> depending on the quantum and market conditions. Note that the onus is on the prospective purchaser to contact the owners of HFS and to negotiate a purchase price.

For more information regarding the owners of HFS and the purchase price of recent sales, refer to the HFS Update found on the internet at [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au).

### How many times can HFS be awarded to a heritage item?

HFS can only be awarded once.

### Does it matter which heritage item a HFS transfer comes from?

HFS may be transferred to a development site, as required by a condition of development consent, from any available HFS quantum listed in Council's HFS Register.

### Who pays for all legal agreements?

The cost of all legal agreements, transactions and other documentation required in connection with the award and allocation or change of ownership of HFS is to be met by the respective owner of the HFS and the proposed purchaser.

### Do I sell my HFS to Council?

No. The transfer of HFS is a private transaction with Council acting as an administrator of the scheme.

## FEES

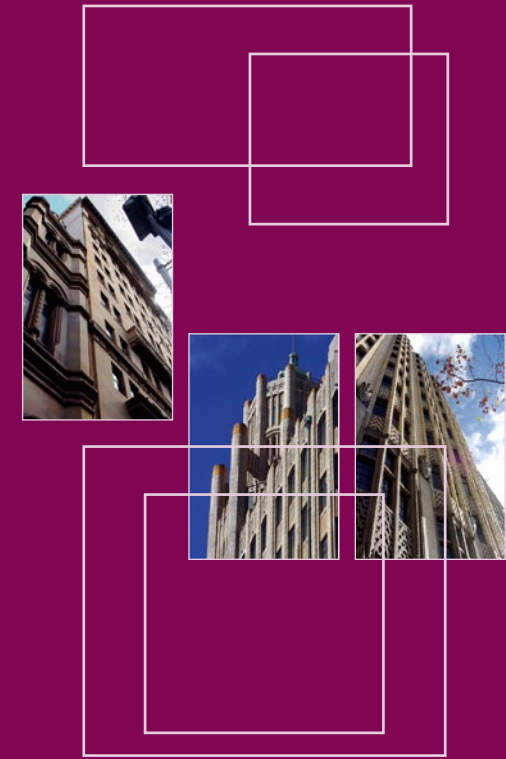
Heritage Floor Space - Registration of Award	\$680.00
Heritage Floor Space - Transfer (change of owner / sale)	\$410.00



### Do you need further information?

Contact the City Plan Development Unit on 9265 9619

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## Heritage Floor Space General Information

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