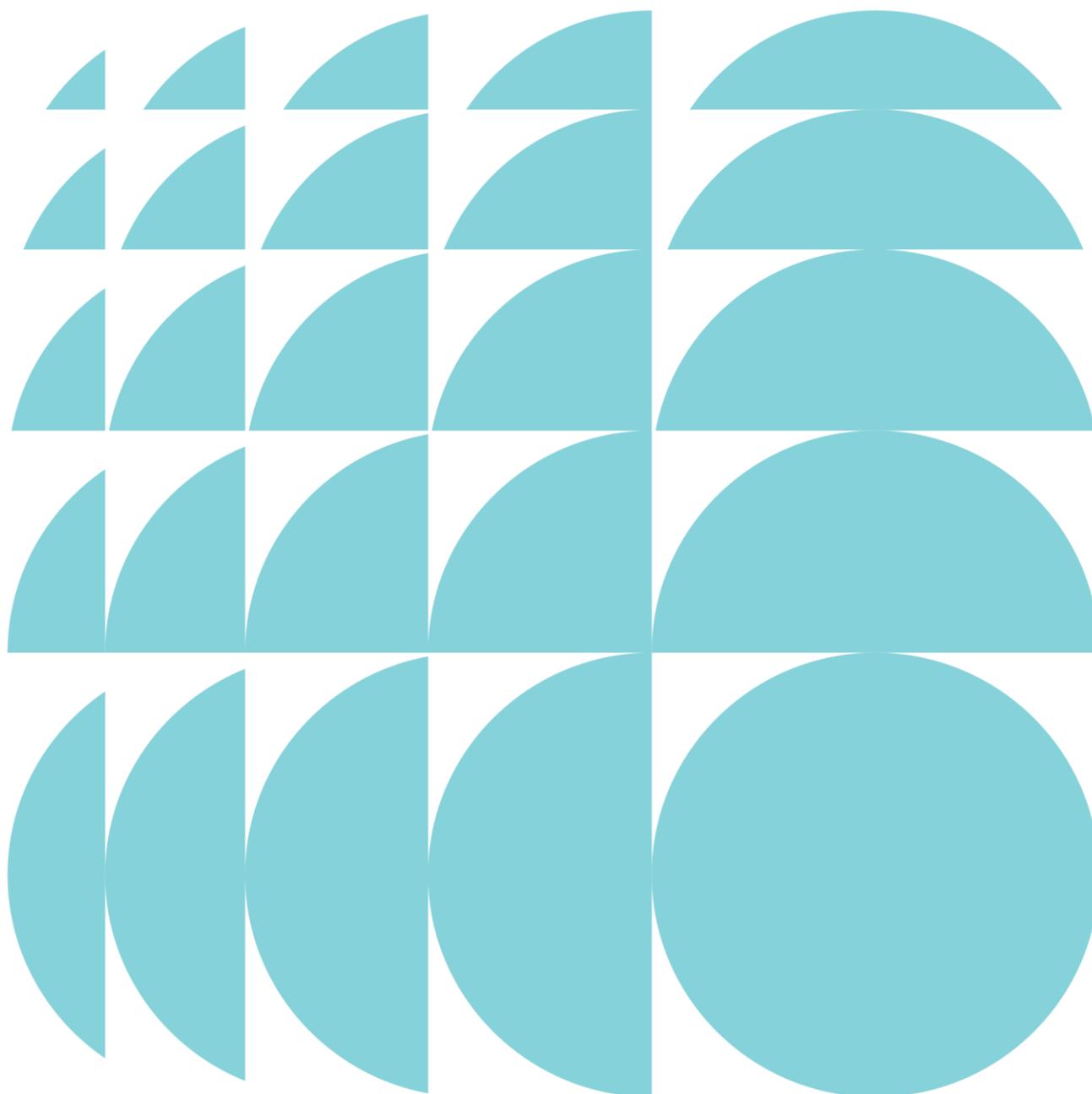


## Planning Proposal

30-62 Barcom Avenue, Darlinghurst  
Proposal to amend Sydney Local Environmental  
Plan 2012

Submitted to the City of Sydney  
On behalf of Clarincade Investments Pty Ltd

17 July 2018 | 218078



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This document has been prepared by:

This document has been reviewed by:



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James McBride                      18 July 2018

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VERSION NO.	DATE OF ISSUE	REVISION BY	APPROVED BY
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- B** Coworking Space Economic Report  
*Ethos Urban*
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*Barker Ryan Stewart*
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## Executive Summary

This Planning Justification Report has been prepared by Ethos Urban on behalf of Clarincade Investments Pty Ltd in support of a Planning Proposal to amend the *Sydney Local Environmental Plan 2012* (SLEP 2012) with respect to land at 30-62 Barcom Avenue, Darlinghurst (the site).

Specifically, the Planning Proposal seeks to:

- Amend the maximum floor space ratio (FSR) applicable to the site increasing the maximum FSR from 2:1 to 3.75:1;
- Amend the maximum height of building applicable to a portion of the site from 15 metres to 18 metres; and
- Amend Division 5 'Site specific provisions' to insert a site-specific provision relating to the allowable use of the additional floor space on the site.

The proposed amendments to SLEP 2012 are required to facilitate the development of the site for the purposes of a boutique coworking office space above the existing warehouse building. The Indicative Development Concept proposes two additional storeys above the existing building (at street level), resulting in a maximum building height of RL 30.36 (18.26 metres) or 4-storeys fronting Barcom Avenue and 5-storeys to the rear boundary. The Indicative Development Concept proposes a total gross floor area (GFA) of 3,535m<sup>2</sup>, and an FSR of 3.56:1. Under the Indicative Development Concept the existing self-storage premises on the site will be retained and will operate in unison with the proposed offices premises above. This combination is fitting of the site's Darlinghurst mixed use location characterised by a variety of uses including fine-grain residential dwellings, commercial developments, educational establishments, medical facilities and public open space.

The office premises have been designed to cater for a specific tenant known as Work inc. Work inc specialise in the provision of coworking office spaces to promote collaborative working environments, accommodating start-ups through to established business ventures. Work inc is currently working to expand their operations within their existing Lavender Bay location as well as new locations in Chippendale, Ultimo, Surry Hills and Darlinghurst.

By design and operation, coworking spaces incubate new business, create new technologies and foster innovation and knowledge transfer. Australia was an early adopter of coworking spaces, with the first opening in 2006. Sydney is home to the largest number of coworking spaces and is estimated to account for approximately 35% of all coworking spaces available in Australia<sup>1</sup>. Sydney's CBD and CBD fringe areas tend to be highly desirable locations for coworking spaces. Research conducted by Knight Frank (2016) notes that the establishment of coworking spaces along the CBD fringe has been an important element in assisting the transformation of these areas. Of the coworking spaces within in the CBD fringe, the majority are located in Pyrmont, with just under half clustered around the creative areas of Surry Hills and Darlinghurst. At October 2016, Darlinghurst accounted for approximately 3,000m<sup>2</sup> of Sydney's coworking space. Such spaces include The Hub Sydney, EngineRoom and Desk Space.

The Darlinghurst area presents a number of geographic, demographic and economic factors which increase the desirability and suitability for the location of coworking spaces. Specifically, the Darlinghurst area:

- Is in close proximity to the Sydney CBD. Proximity to the CBD means that coworking spaces can leverage off existing infrastructure and resources including transport access and business services;
- Has a lower rental cost when compared with the CBD, which provides an important access point for businesses seeking to minimise costs while utilising a coworking space;
- Contains a pre-existing cluster of coworking spaces, accounting for around a sixth of coworking spaces within Sydney<sup>2</sup>;
- Is noted for being a creative cluster, with a number of creative professionals working in and living in and around the area; and

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<sup>1</sup> Pham, A 2016, *Sydney Coworking Insight: The Growth, Trends and Drivers Behind Sydney's Coworking Industry*, Knight Frank, October 2016.

<sup>2</sup> Ibid.

- Has a relatively young (with 56.3% of Darlinghurst residents in the 20-39 age cohort) and highly educated population and workforce, with education qualifications in fields and industries that are highly represented in coworking spaces. It is noted that in Australia, most startup owners are aged in their early to mid-thirties.

It is considered that the Planning Proposal and the proposed development of the site for use as a boutique coworking space provides the opportunity to bridge the gap between the Eastern Suburbs and Sydney CBD startup community, catering to the growing demand for coworking office space and strengthening the existing Sydney startup ecosystem. In turn, the Proposal supports the intent of State and local strategic plans and policies including the Greater Sydney Region Plan 2018, the Eastern City District Plan 2018, Sustainable Sydney 2030 and the City of Sydney Tech Startups Action Plan 2016.

Specifically, the Planning Proposal and development of the site for the purposes of a coworking space demonstrates strategic and site specific merit in that it will:

- Facilitate the provision of additional employment floor space, to support innovation and the creative industries and contribute to the growth of employment opportunities on the fringe of the Sydney CBD;
- Facilitate investment and business activity, particularly small business, in an accessible inner-city location close to homes and serviced by existing infrastructure;
- Support the collaboration of governments, community and business;
- Result in an appropriate and considered development within an existing inner-city suburb, which is commensurate with the surrounding built form context and heritage characteristics;
- Result in development that is consistent with the desired future character of the surrounding mixed use area as contemplated by the Darlinghurst East Locality Statement within the Sydney Development Control Plan 2012 (SDCP 2012); and
- Will not give rise to any adverse environmental, economic or social impacts.

The Proposal is consistent with the aims and objectives of the relevant strategic and statutory plans and policies and supports. The Proposal is therefore supported and we request that Council forward this Planning Proposal to the Minister for Planning for a 'Gateway Determination' in accordance with Section 3.34 of the *Environmental Planning and Act 1979* (EP&A Act).

## 1.0 Introduction

This Planning Justification Report has been prepared by Ethos Urban on behalf of Clarincade Investments Pty Ltd and is submitted to the City of Sydney (Council) in support of a Planning Proposal to amend the *Sydney Local Environmental Plan 2012* (SLEP 2012) with respect to land at 30-62 Barcom Avenue, Darlinghurst (the site).

Specifically, the Planning Proposal seeks to:

- Amend the maximum floor space ratio (FSR) applicable to the site increasing the maximum FSR from 2:1 to 3.75:1;
- Amend the maximum height of building applicable to a portion of the site from 15 metres to 18 metres; and
- Amend Division 5 'Site specific provisions' to insert a site-specific provision relating to the allowable use of the additional floor space on the site.

The proposed amendments to SLEP 2012 are intended to facilitate development of the site for the purposes of a boutique coworking office space above the existing storage premises. The office premises have been designed to cater for a specific tenant known as Work inc. Work inc specialise in the provision of coworking office spaces to promote a collaborative and innovative working environments to accommodate start-ups through to established business ventures. Work inc currently operates from Bays 10 and 9 Middlemiss Street, Lavender Bay, which opened in July 2016. Between the adjoining facilities, Work inc currently has 120 active members from 31 companies with a growing waitlist of clients eager to join the community. As such, Work inc is currently working to expand their operations within Lavender Bay as well as Chippendale and Ultimo, Waterloo, Surry Hills and Darlinghurst.

The Planning Proposal has been prepared in accordance with Section 3.33 of the *Environmental Planning and Act 1979* (EP&A Act), and includes the requirements as set out in 'A Guide to Preparing Planning Proposals' published by the Department of Planning and Environment (DP&E) in August 2016. In particular, this report addresses the following specific matters in the guideline:

- Objectives and intended outcomes;
- Explanation of provisions;
- Justification;
  - Need for the Planning Proposal;
  - Relationship to strategic planning framework;
  - Environmental, social and economic impact;
  - State and Commonwealth interests; and
  - Community consultation.

This report describes the site, outlines the proposed changes to the SLEP 2012, sets out the strategic justification for the Planning Proposal and provides an assessment of the relevant strategic plans, state environmental planning policies, ministerial directions and the environmental, social and economic impacts of the proposed amendment. This report should be read in conjunction with the Urban Design Study and Concept Design prepared by Ethos Urban (refer to **Appendix A**) and other supporting technical information appended to the report (see Table of Contents).

## **1.1 Previous Development Applications**

The site has been the subject of two previous development applications, submitted to the City of Sydney Council. In July 1997, a development application for the renovation and refurbishment of the existing self-storage facility, including an additional floor providing an extra 860m<sup>2</sup> of floor area, was refused by Council. In September 2008, a development application (D/2008/1705) was lodged seeking consent for several amendments to the existing building, including the construction of an additional floor. Council granted consent to the majority of amendments however did not grant development consent for the additional storey. It is noted that the previous applications were determined some 8 to 19 years ago, when a 12 metre height limit applied to the site and prior to the redevelopment of a number of other sites within the vicinity of the subject site.

## 2.0 The Site

### 2.1 Site Location and Context

The site is located at 30-62 Barcom Avenue, Darlinghurst within the City of Sydney Local Government Area (LGA). Darlinghurst is a small inner-city suburb, located immediately east of the Sydney Central Business District (CBD). Surrounding local centres include Kings Cross, Edgecliff, Fiveways Paddington and Darlinghurst.

The area is characterised by a mix of uses including fine-grain residential dwellings; commercial developments; educational establishments including the University of Notre Dame and Garvan Institute of Medical Research; medical facilities including St Vincent’s Hospital and major public open spaces, including Rushcutters Bay. The site benefits from convenient public transport; being located within 800 metres from Kings Cross Station and is serviced by a number of bus services connecting the site to the CBD and Bondi Junction.

The site’s locational context is shown at **Figure 1**.



**Figure 1** Context Map

Source: Ethos Urban / NearMap

## 2.2 Site Description

The site is legally described as Lot B in DP 111138 and is owned by Clarincade Investments. The site is irregular in shape, with an area of 992.5m<sup>2</sup> and a frontage to Barcom Avenue of approximately 45 metres. The site slopes significantly from RL 15-16m AHD at Barcom Avenue to RL 8.7m AHD at the eastern boundary. The cross fall equates to approximately 7-8 metres over the depth of the site and results in the existing building comprising a third storey element at its rear elevation. Refer to the Urban Design Study and Concept Design (refer to **Appendix A**) for a detailed site analysis.

An aerial photo of the site is shown at **Figure 2**.



 32-60 Barcom Avenue (the site)

**Figure 2** Aerial photograph of the site and immediate surrounds

Source: Ethos Urban / Near Map

## Existing Development

The site contains an existing part 2-storey, part 3-storey warehouse building which is currently used as a self-storage premises. The warehouse building is built to boundary, with a maximum building height of 12.1 metres and an existing FSR of 2.6:1.

Photos of the site and the existing building are shown at **Figure 3**.



30-62 Barcom Avenue, looking south

3-62 Barcom Avenue, looking north-east

**Figure 3 Photographs of the site and existing development**

Source: Ethos Urban / Google

## Transport and Access

A number of pedestrian lanes and thoroughfares service and connect the site with public transport and arterial roads. The site is approximately 150 metres from a pedestrian bridge providing a connection to Kings Cross Station and Rushcutters Bay to the north. The closest bus stop is located at Arthur Reserve which provides bus connections to the CBD.

There are five GoGet carshare locations available within 400 metres from the site.

Vehicle access to the site is provided via Barcom Avenue. The existing building contains three vehicle entries, two on the western façade accessing the existing ground level and one on the northern façade accessing the basement level via the right-of-carriageway at 65 Craigend Street.

The site is located on Barcom Avenue which is classified as a 'low traffic, onroad, quiet route' by the Ausway cycle route map. The Barcom Avenue route connects to Liverpool Street which provides access to the Bourke Street 'separated off-road cycleway' providing a safe dedicated link to both the north and south of Sydney's CBD. This major cycleway also provides off-road share paths to the east via Moore Park and west via low traffic on-road routes. These links to the west also provide access to train stations in Sydney's CBD.

## Heritage

The site is not identified as a heritage item nor located within a heritage conservation area under SLEP 2012. It is however located adjacent to the Barcom Avenue Conservation Area (CA4) to the north-west and locally significant heritage items including:

- I501 – 2-6 Womerah Avenue – 'Flat Building "Corinthians" (2 Womerah Avenue) including interiors';
- I502 – 18A-40 Womerah Avenue – 'Terrace group part of "Barcom Mews" including interiors and fencing';
- I211 – 1-3 Barcom Avenue – 'Terrace group part of "Barcom Mews" including interiors, front fences and gates';
- I212 – 5-9 Barcom Avenue – 'Terrace group including interiors and front fence';
- I213 – 11-15 Barcom Avenue – 'Terrace group part of "Barcom Mews" including interiors'; and
- I214 – 23-47B Barcom Avenue – 'Terrace group including interiors'.

## 2.3 Surrounding Development

### North

To the immediate north-east of the site is the 'BMW Sydney' commercial showroom, located at 65 Craigend Street. The 5-storey building, currently under construction, was approved on 11 October 2016 via a Stage 2 development application (D/2016/838) and includes a showroom with ancillary workshop and office uses. Further to the north-east, across New South Head Road, is Rushcutters Bay and Rushcutters Bay Park. Further north-west, is Kings Cross Train Station and local centre.

### East

Adjoining the eastern boundary of the site is the 'Mercedes Benz' commercial showroom, located at 48-59 McLachlan Avenue. The building is 1-3 storeys in height and is built to boundary. Further east, is the Weigall Playing Fields.

### South

Adjoining the southern boundary of the site are 2-storey residential terraces, located at 64 and 66 Barcom Avenue. To the south-east is a 4-storey residential building, located at 61-63 McLachlan Avenue.

### West

To the immediate west of the site is the Barcom Avenue Conservation Area, which contains a number of 2-storey residential terraces. Further to the south-west is Darlinghurst Public School, Garvan Institute of Medical Research, St Vincent's Hospital and the University of Notre Dame. Refer to the Urban Design Study and Concept Design (refer to **Appendix A**) for a detailed local context analysis.

Photographs of surrounding development are shown at **Figure 4**.



View from 3-062 Barcom Avenue, looking south to residential interface



View along Womerah Avenue and Womerah Gardens pocket park, looking south-west



View of Womerah Avenue residential terraces, looking north-west



View of Mercedes Benz showroom at McLachlan Avenue, looking north-west



View of commercial tenancies at McLachlan Avenue, looking south-east



View of mixed use development, plaza and commercial showroom at McLachlan Avenue, looking east

**Figure 4 Photographs of surrounding development**

Source: Ethos Urban

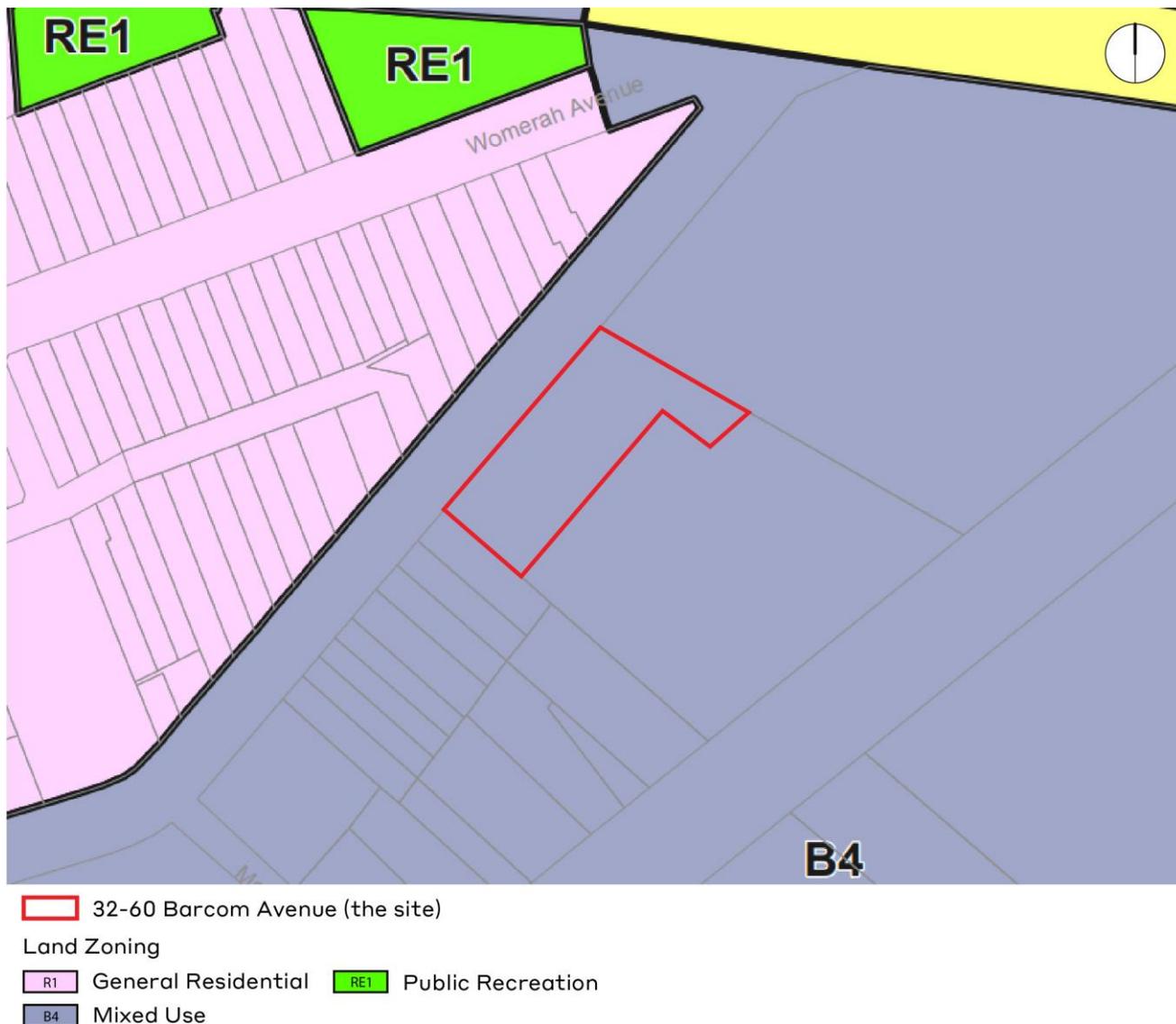
### 3.0 Current Planning Controls

#### 3.1 Sydney Local Environmental Plan 2012

The *Sydney Local Environmental Plan 2012* (SLEP 2012) is the principal environmental planning instrument applying to the site. The provisions of the SLEP 2012 and the key development controls are outlined below.

##### Zoning

The site is zoned B4 Mixed Use under SLEP 2012. Commercial uses are permissible with consent.

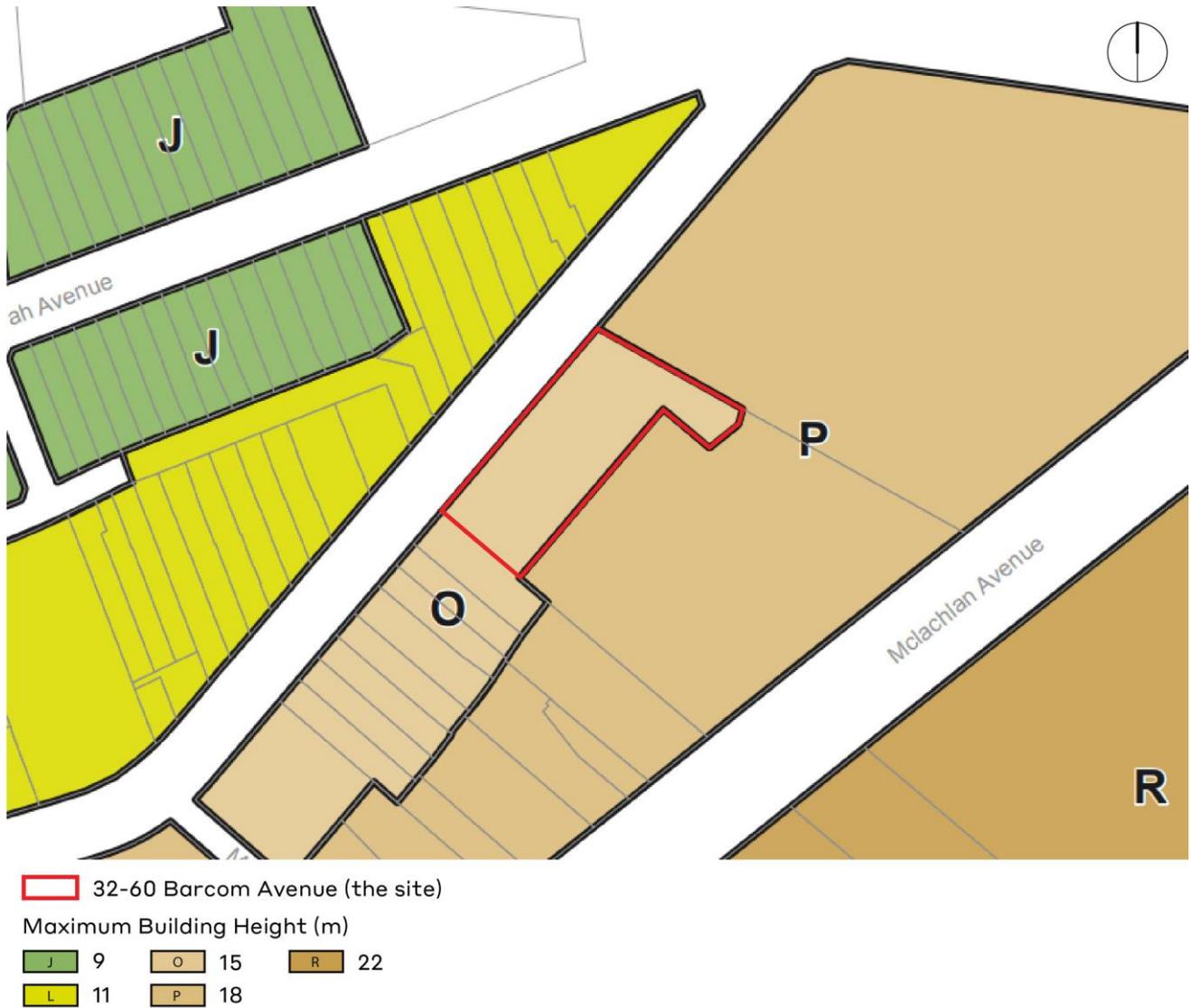


**Figure 5 Land zoning map**

Source: Ethos Urban / SLEP 2012

### Building Height

Under the SLEP 2012 a maximum building height of 15 metres applies to the site.

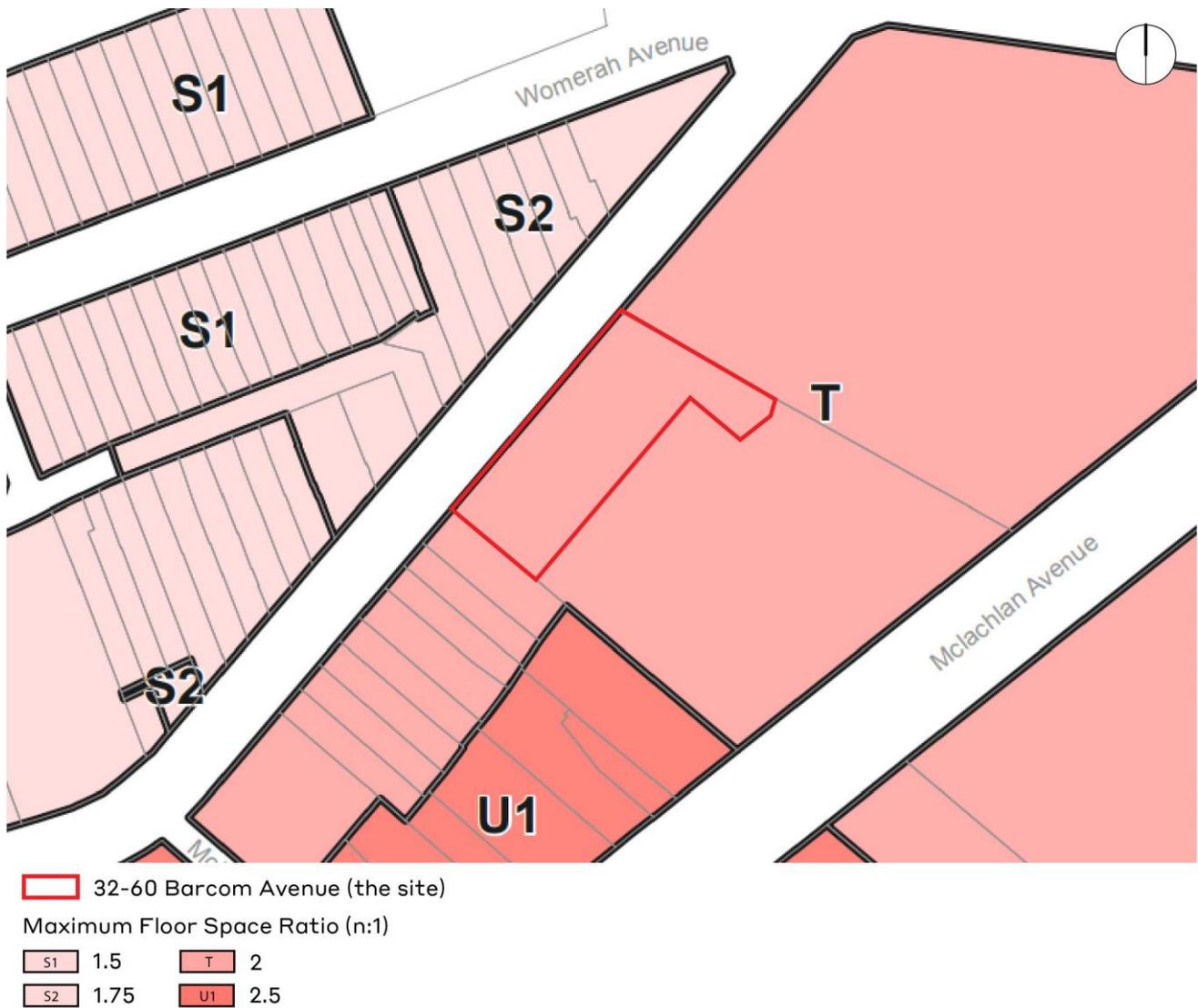


**Figure 6** Height of Buildings Map

Source: Ethos Urban / SLEP 2012

### Floor Space Ratio

Under the SLEP 2012 a maximum floor space ratio of 2:1 applies to the site.



**Figure 7 Existing floor space ratio map**

Source: Ethos Urban / SLEP 2012

### Heritage Context

As outlined at **Section 2.2** above, the site is not listed as a heritage item and is not located within a heritage conservation area under SLEP 2012. However, the site is located in close proximity to the Barcom Avenue Conservation Area and a number of locally significant residential buildings including the 'Barcom Mews' terraces and 'Corinthians' building.



**Figure 8** The site and surrounding heritage items

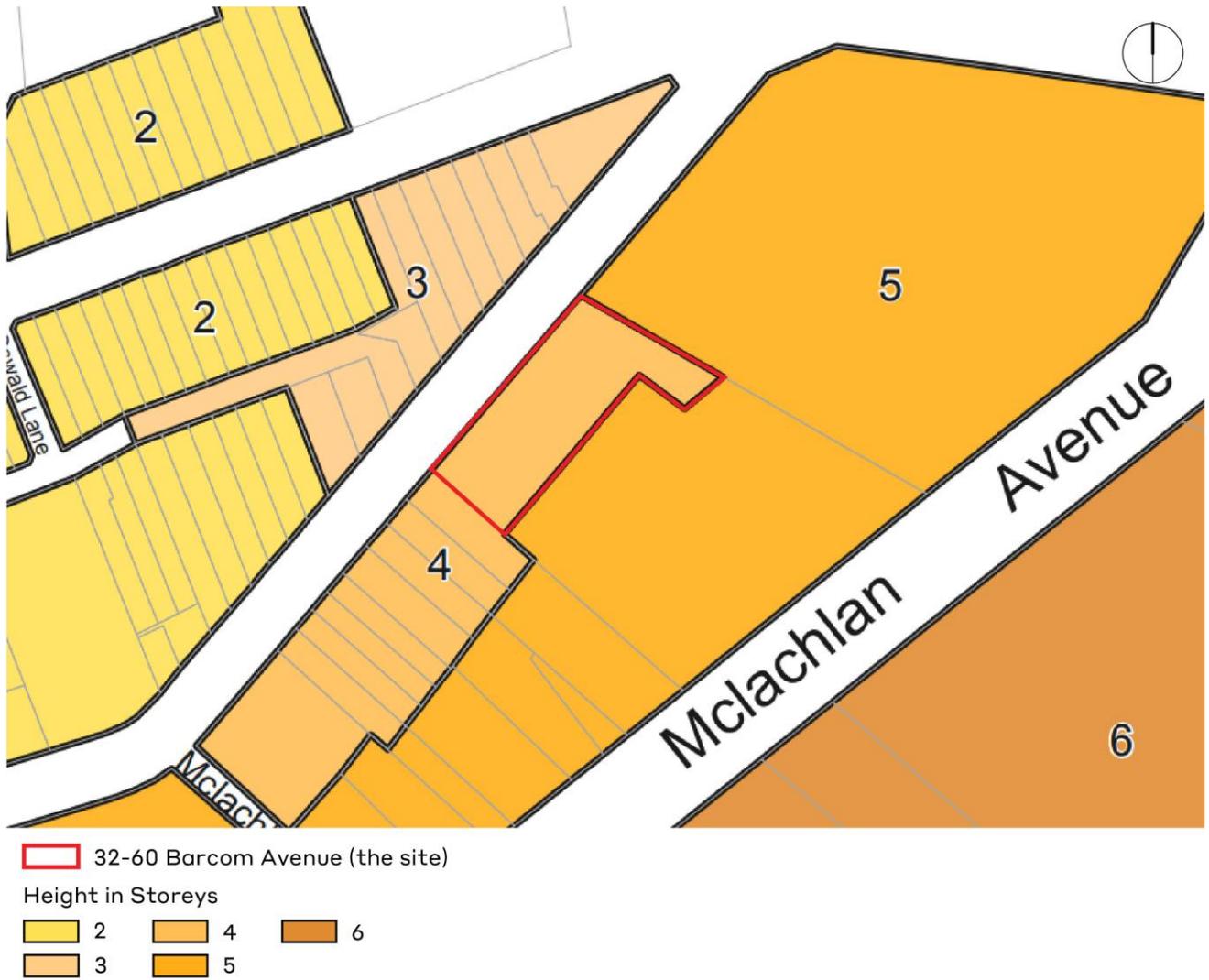
Source: Ethos Urban / SLEP 2012

### 3.2 Sydney Development Control Plan

The Sydney Development Control Plan 2012 (SDCP 2012) builds upon and provides more detailed provisions than SLEP 2012. Under the SDCP the site falls within the Darlinghurst East locality. A number of principles apply to new development within this locality including:

- Development must achieve and satisfy the outcomes expressed in the character statement and supporting principles.
- Development is to respond to and complement heritage items and contributory buildings within heritage conservation areas, including streetscapes and lanes.
- Infill development is to maintain and conserve the existing heritage streetscape, which includes Victorian and Federation buildings on residential streets by reinforcing the subdivision pattern, predominant street setback and alignment and building height.
- Provide openings such as windows and balconies along pedestrian through site links to improve casual surveillance.
- Encourage small offices and home offices, or small commercial suites in terraces on residential streets.

In addition to the above principles, a variety of specific development controls apply to the site. Of note are the SDCP 2012 Building Height and Street Frontage Height controls. The Building Height in Storeys Map that accompanies the SDCP 2012 specifies that the site is subject to a 4 storey height limit (refer to **Figure 9**). The Building Street Frontage Height in Storeys Map specifies a 3 storey street frontage height limit.



**Figure 9** Height in storeys map

Source: Ethos Urban / SDCP 2012

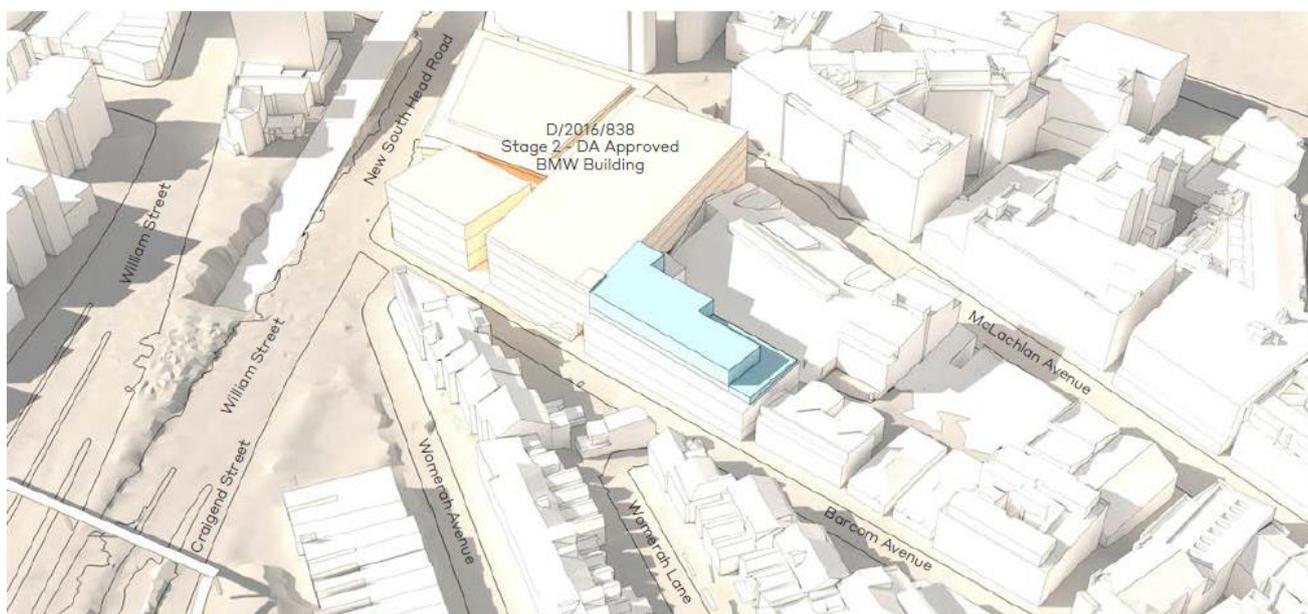
## 4.0 Development Concept

### 4.1 Overview of Indicative Development Concept

This Planning Proposal is supported by an Indicative Development Concept informed by a comprehensive Urban Design Study and Concept Design (refer to **Appendix A**) prepared by Ethos Urban. The concept is indicative and seeks to demonstrate how the site might be developed under the amended FSR development standard and site specific development control provisions. Any subsequent development would be the subject of a separate detailed development application. The various components of the concept are discussed below.

**Table 1 Numerical Overview of Indicative Development Concept**

Component	Development Concept
Site area	992.5m <sup>2</sup>
Maximum overall height (storeys)	4-storeys fronting Barcom Avenue, 5-storeys to the rear due to the fall of the land.
Maximum overall height	RL 30.36 (18.26 metres)
Street frontage height (storeys)	2-storeys
Total Gross Floor Area (GFA)	3,535m <sup>2</sup>
<ul style="list-style-type: none"> <li>• Basement GFA (storage premises) 675m<sup>2</sup></li> <li>• Ground Floor GFA (storage premises) 840m<sup>2</sup></li> <li>• Level 1 GFA (storage premises) 860m<sup>2</sup></li> <li>• Level 2 GFA (office premises) 700m<sup>2</sup></li> <li>• Level 3 GFA (office premises) 460m<sup>2</sup></li> </ul>	
Total Floor Space Ratio (FSR)	3.56:1
Car parking	0 spaces
Bicycle parking	13 spaces



**Figure 10 Aerial view of development concept (shown in blue), looking east**

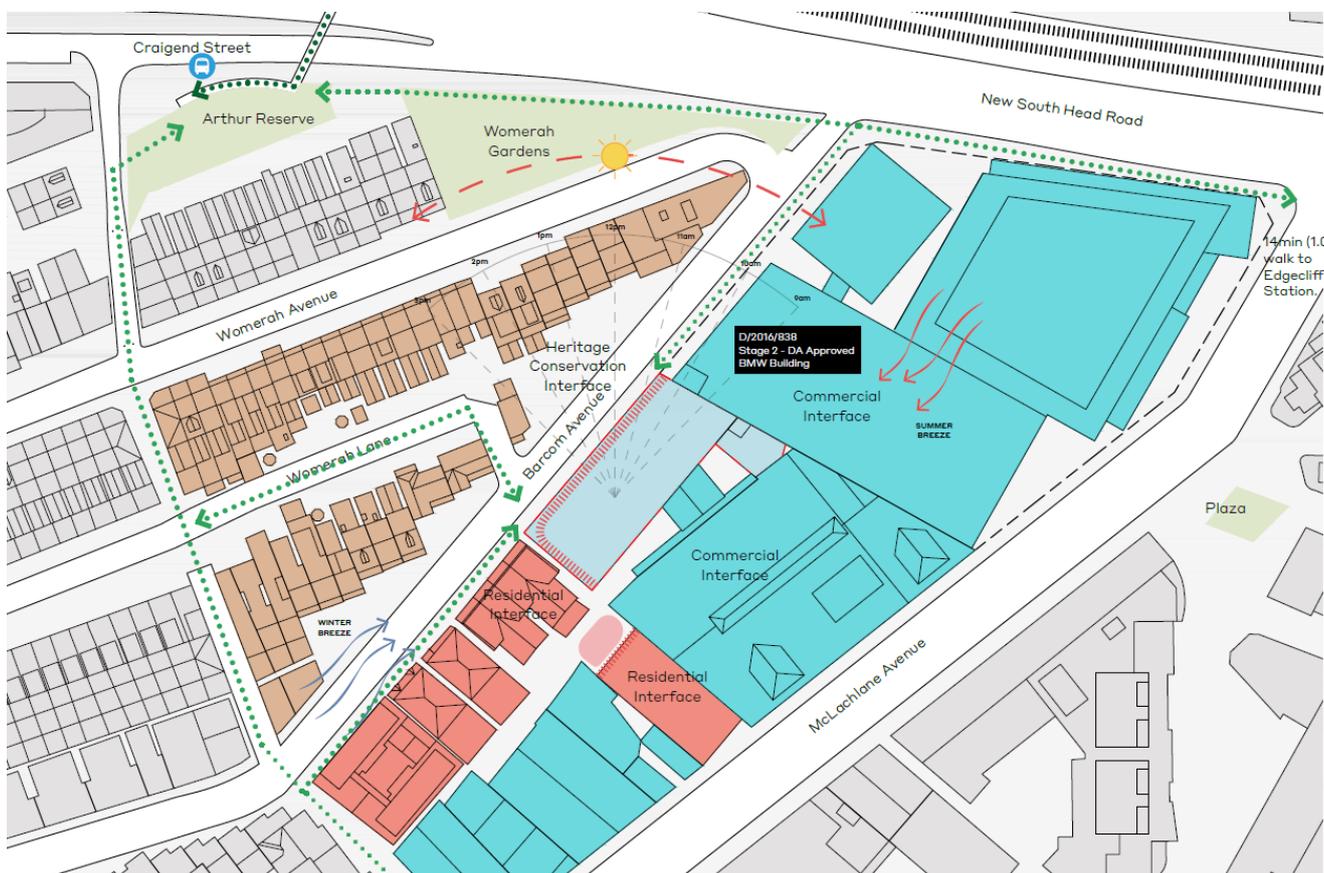
Source: Urban Design Study and Concept Design, Ethos Urban

## 4.2 Urban Design Analysis

The Urban Design Study and Concept Design, prepared by Ethos Urban (refer to **Appendix A**) provides a detailed contextual analysis of the site and surrounding area.

The following key considerations have informed development of the Indicative Development Concept:

- The site has a residential interface to the north and south-west.
- The site is located within a fine grain residential neighbourhood with a strong sense of scale and character;
- The site is located within a mixed use area with a variety of services;
- The site is located within close proximity to public transport and public open space;
- The site contains an existing warehouse building and whilst not listed as a heritage item, presents the opportunity for adaptive reuse;
- The site is oriented to the north-east, with the buildings primary façade fronting Barcom Avenue, providing sufficient solar access; and
- The site is located at the interface of a mixed use precinct and residential neighbourhood to the north-east.

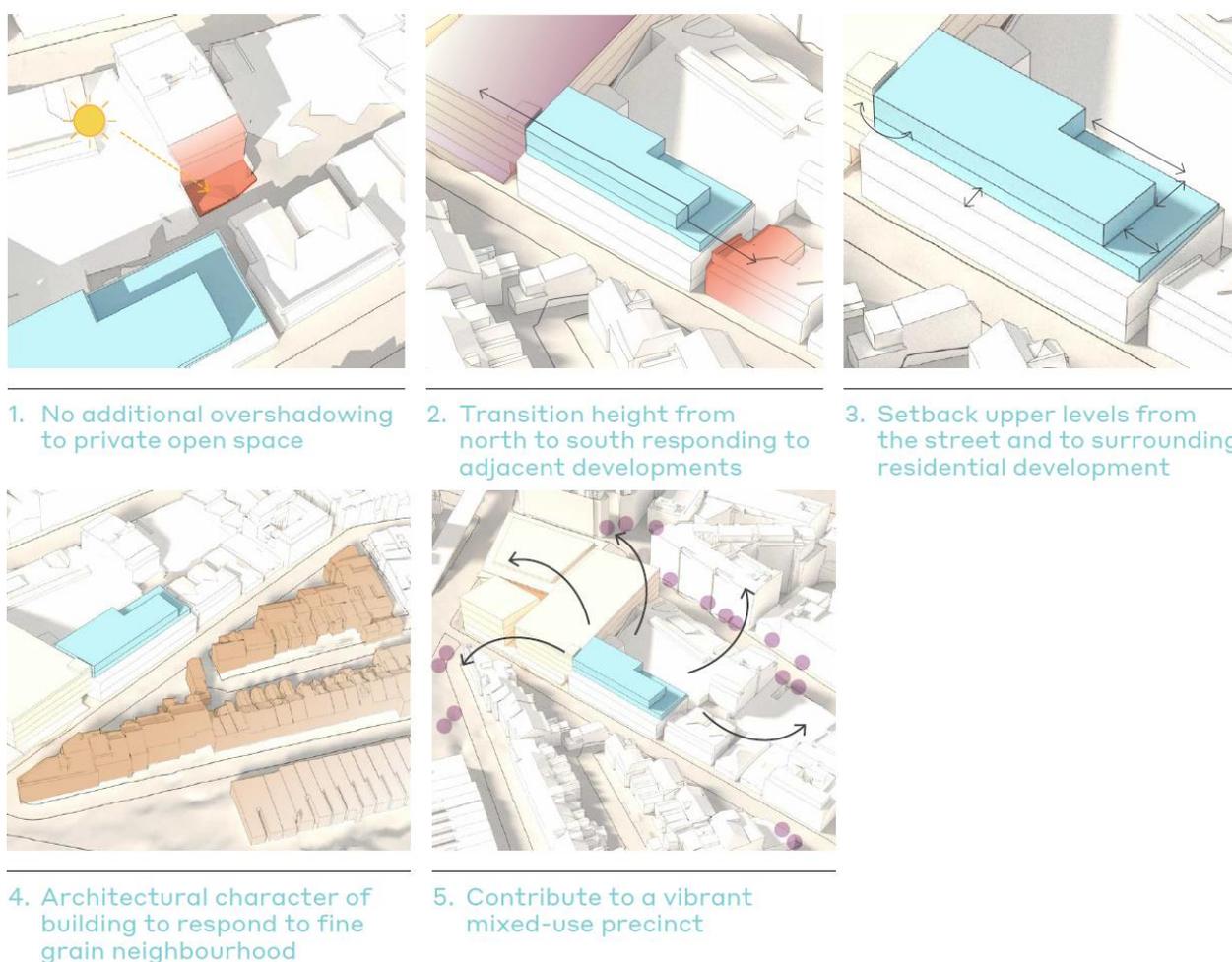


**Figure 11 Opportunities and constraints map**

Source: Urban Design Study and Concept Design, Ethos Urban

The Indicative Development Concept has been developed in response to the key considerations outlined above and identified within the Urban Design Study and Concept Design including a detailed understanding of the site’s context and existing built form. Subsequently, five key design moves have been applied to generate the proposed building envelope. These moves are:

1. No additional overshadowing to adjacent residential private open space at 61-63 McLachlan Avenue.
2. Transition building height from north to south, responding to adjacent developments at 65 Craigend Street and 64 Barcom Avenue.
3. Setting back upper levels from the street and surrounding residential development, to reduce visual bulk and scale of the building and to retain the current street height.
4. Designing a building with an architectural character that responds to the fine grain nature of the surrounding built form context, including the heritage items and heritage conservation area.
5. Contribute to a vibrant mixed use precinct.



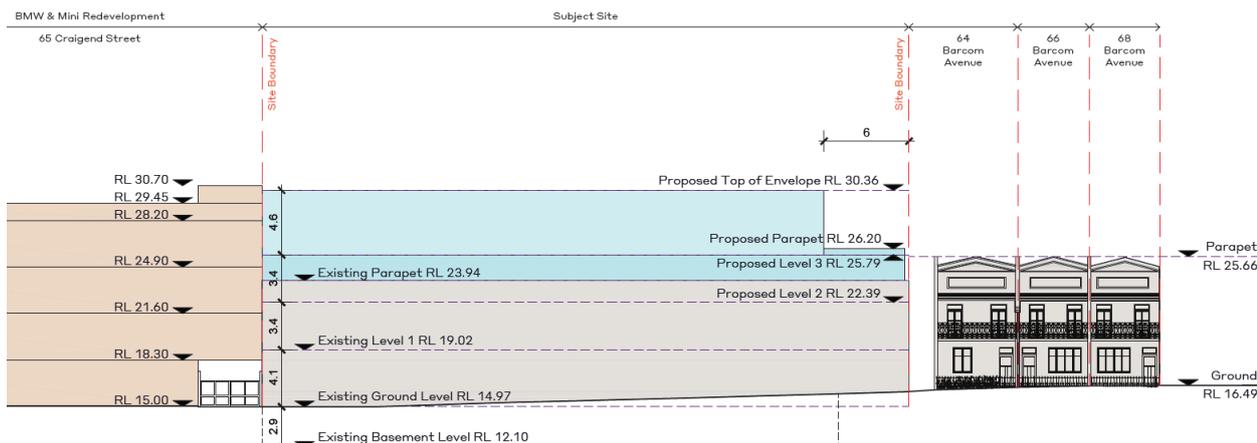
**Figure 12 Key design moves**

Source: *Urban Design Study and Concept Design, Ethos Urban*

### 4.3 Building Envelope and Built Form

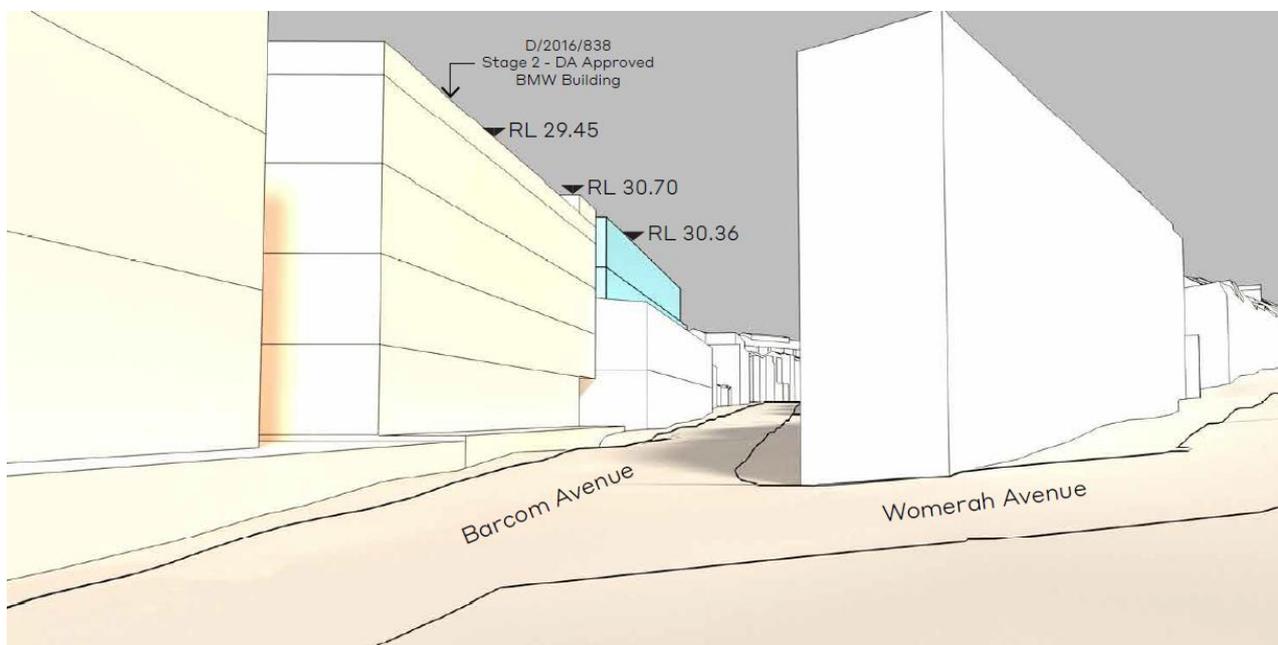
#### Building Height

The Indicative Development Concept, as outlined within the Urban Design Study and Concept Design (**Appendix A**) proposes two additional storeys above the existing commercial building (at the street frontage). The proposal results in a maximum building height of RL 30.36 (18.26 metres) or 4-storeys fronting Barcom Avenue and 5-storeys to the rear boundary. The building envelope aligns with the approved 4-storey building at 65 Craigend Street, to the north of the site, transitioning down to 3-storeys to the south of the site at the interface of the adjacent residential terraces. The Concept maintains the existing 2-storey street frontage height, up to the parapet of the existing building.



**Figure 13 Proposed Barcom Avenue elevation**

Source: Urban Design Study and Concept Design, Ethos Urban

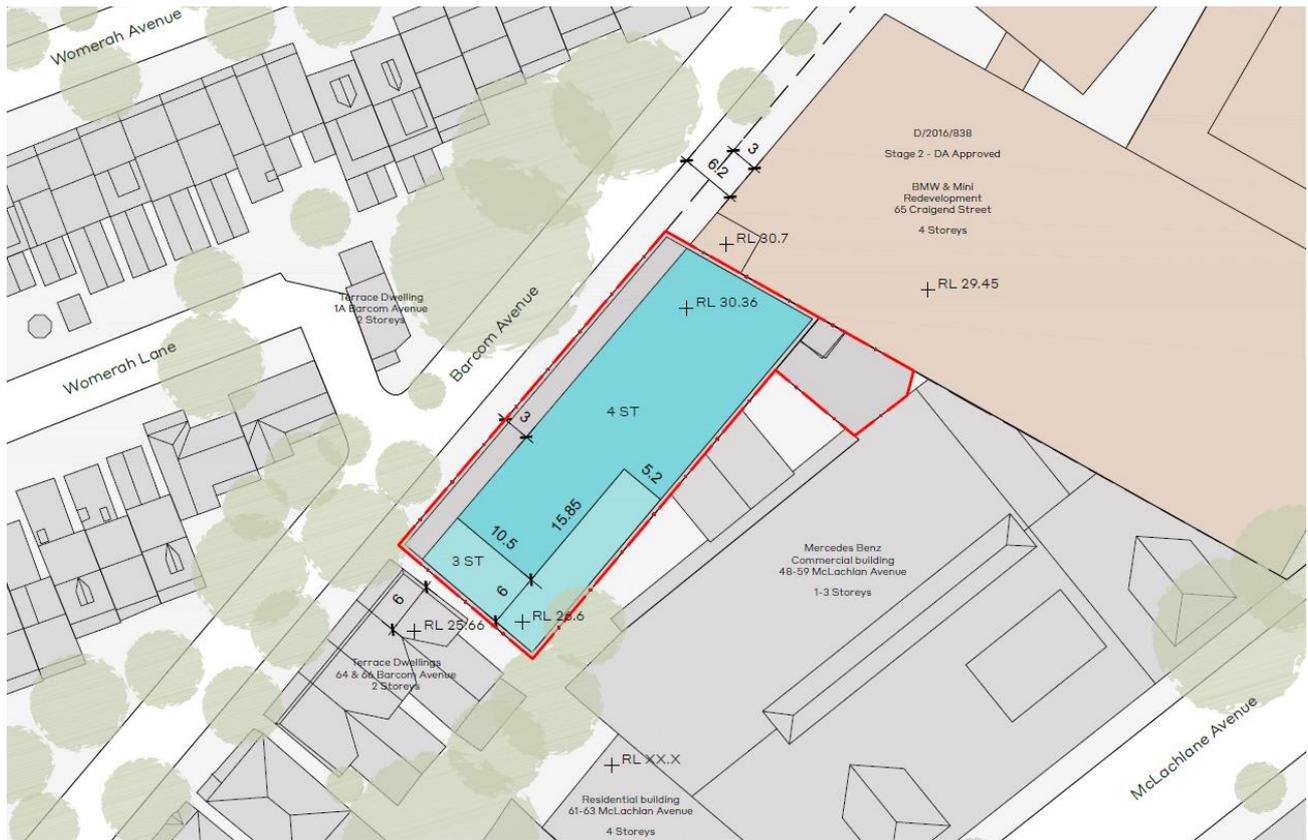


**Figure 14 View of development concept (shown in blue), looking south west towards Barcom Avenue from Craigend Street**

Source: Urban Design Study and Concept Design, Ethos Urban

#### Building Setbacks

The additional storeys are proposed to be setback from Barcom Avenue, above the existing parapet height by 3 metres, to align the proposed built form with the approved BMW building to the north. A 6 metre setback is provided between level 4 and the residential properties to the south.



**Figure 15 Proposed envelope plan with setbacks**  
Source: *Urban Design Study and Concept Design, Ethos Urban*



**Figure 16 View of Barcom Avenue frontage, looking north east**  
Source: *Urban Design Study and Concept Design, Ethos Urban*

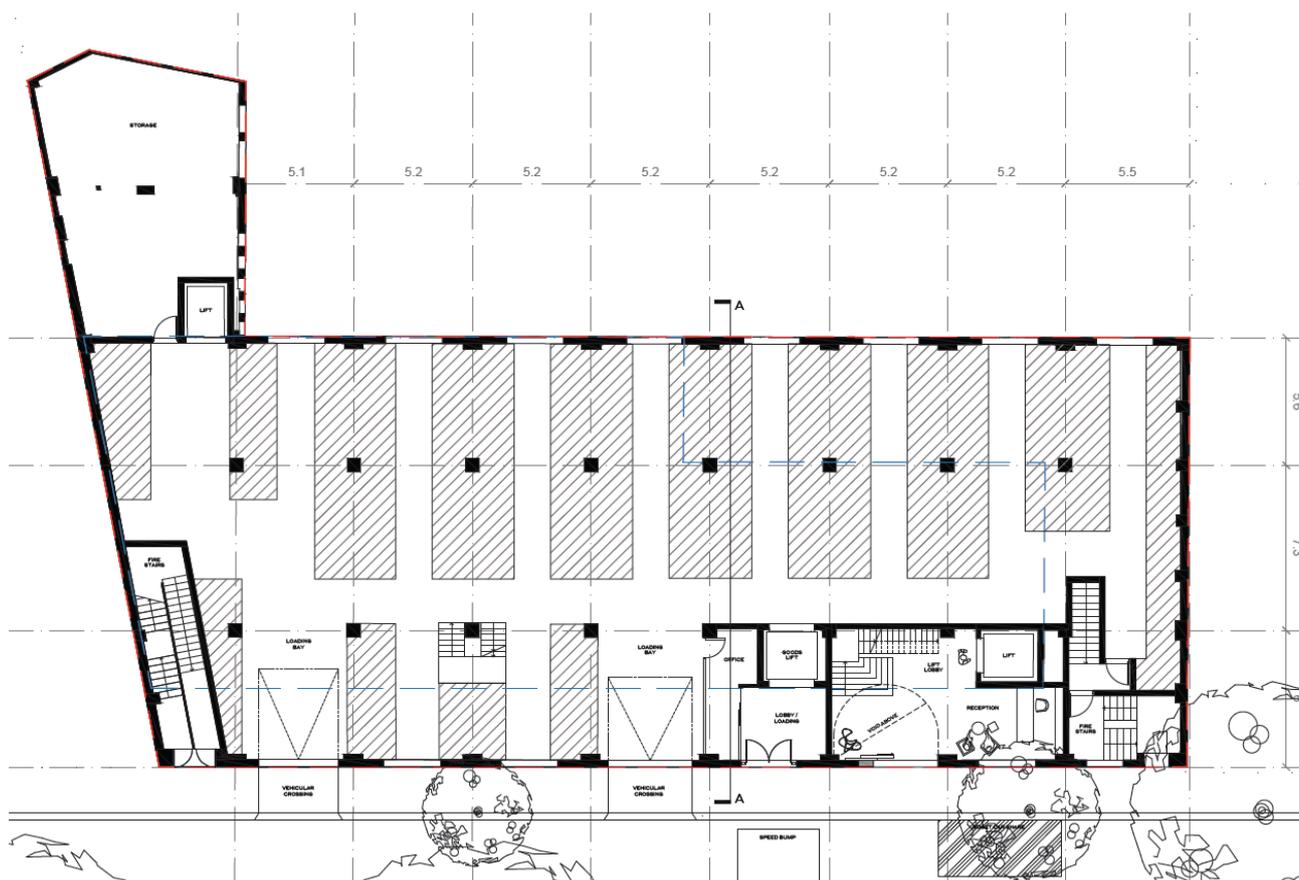
#### 4.4 Uses and Gross Floor Area

The site has an area of 992.5m<sup>2</sup>. The Indicative Development Concept proposes a total GFA of 3,535m<sup>2</sup> and an FSR of 3.56:1 as depicted in **Table 2**. This includes the existing storage premises which comprise a GFA of approximately 2,432m<sup>2</sup> and an FSR of 2.45:1 under the Indicative Development Concept.

**Table 2 Proposed uses and gross floor area**

Use	GFA	FSR
Storage premises	2,374m <sup>2</sup>	2.39:1
Office premises	1,160m <sup>2</sup>	1.16:1
<b>Total</b>	<b>3,535m<sup>2</sup></b>	<b>3.56:1</b>

Under the Indicative Development Concept the existing storage premises on the site will be retained and will operate in unison with the proposed office premises above. The existing floorplate will require minor modifications to facilitate the separation of uses including the loss of approximately 126.2 square metres across the existing three levels to facilitate ground floor entry and vertical access to the office premises. The minor modifications sought to the existing floorplate have been designed to not adversely compromise the ongoing operation of the existing storage facility. The modification of the existing floorplate is depicted in **Figure 17** below.



**Figure 17 Proposed storage premises floor plan (ground floor)**

Source: Urban Design Study and Concept Design, Ethos Urban

#### 4.5 Intended Future Occupants

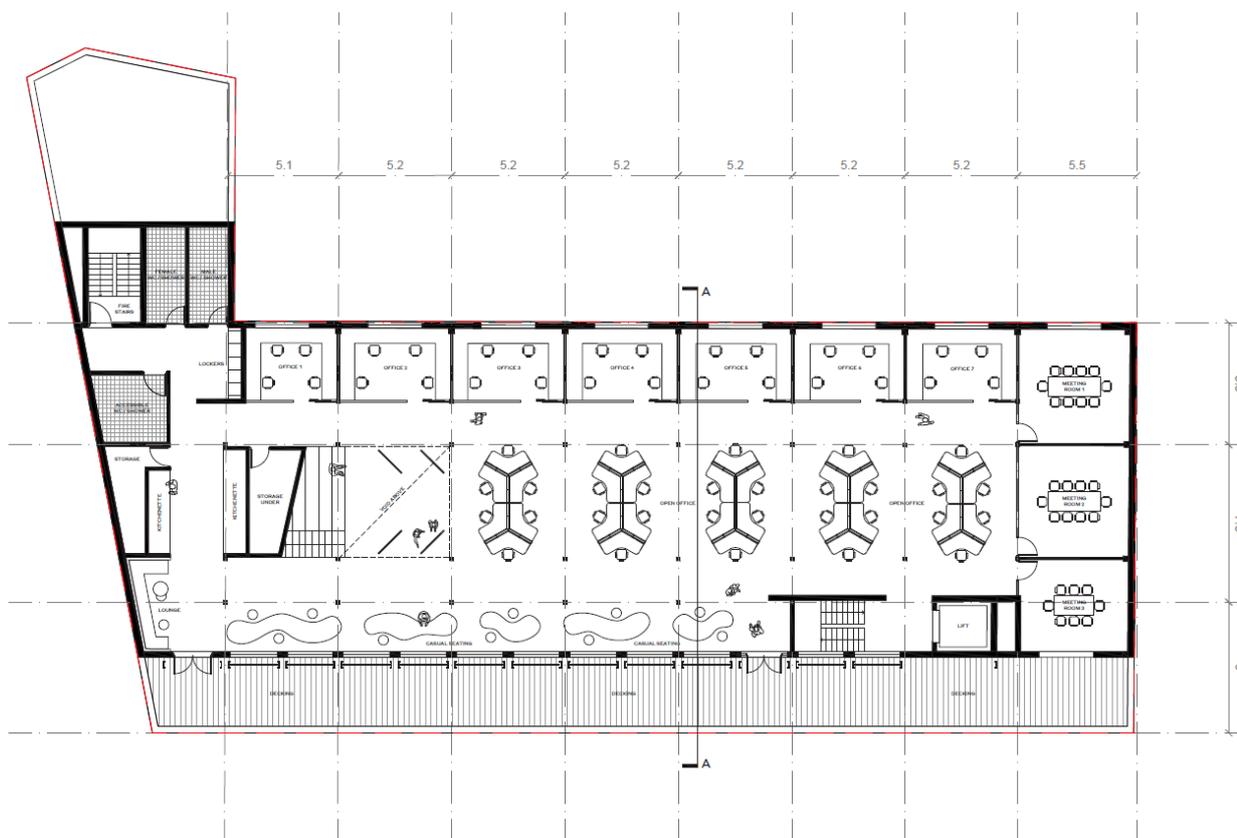
The office premises proposed as part of the Indicative Development Concept has been designed to cater for a specific tenant known as Work inc. Work inc specialise in the provision of coworking office spaces to promote a collaborative and innovative working environments to accommodate start-ups through to established business ventures.

Work inc currently operates from Bays 10 and 9 Middlemiss Street, Lavender Bay, which commenced operation in July 2016 and as a result of the demand for a working environment that is flexible, creative, all-inclusive and collaborative was at capacity within 4 months. Between the adjoining facilities, Work inc currently has 120 active members from 31 companies with a growing waitlist of clients eager to join the community. As such, Work inc is currently working to expand their operations within Lavender Bay as well as Chippendale and Ultimo, Waterloo, Surry Hills and Darlinghurst. The subject site has the potential to bridge the gap between the Eastern Suburbs and the Sydney CBD start-up communities and continue to connect the entrepreneurial ecosystem within Sydney.

The additional GFA sought with the Planning Proposal is intended to be used to exclusively accommodate employment related uses and for the occupation of Work inc. The proposed floorplate will facilitate 1,160 square metres of coworking office space consisting of:

- A combination of private offices (90-95%) and permanent desks (5-10%). The offices will range in size to suite varying sizes of teams (from 2 person offices to 10 person offices);
- Flexible and creative spaces including meeting rooms, a board room, break out spaces and phone booths;
- Kitchen facilities;
- Bike storage; and
- End-of-trip facilities.

An indicative floorplate is depicted in **Figure 18** below.



**Figure 18 Proposed office premises floor plan (level 2)**

Source: Urban Design Study and Concept Design, Ethos Urban

#### 4.6 Indicative Materials and Finishes

The two additional storeys above the existing warehouse have been setback 3 metres from the existing building alignment and will read as a discrete, modern, light-weight structure. It is proposed to have expressed columns as part of the façade which respond to the scale of the surrounding terrace houses. External, operable fabric shading devices will run in each bay and assist in controlling solar heat gain from the north and the west. These blinds will also contribute to an ever changing building appearance and make reference to the domestic nature of the site context and working environment.

The existing bricks of the warehouse building are proposed to be sandblasted and their natural finish exposed to increase the textural qualities of the warehouse building. The existing windows will be replaced and new fenestrations will reflect the scale of the surrounding terrace house windows. Ground floor windows will be provided with new metal security screens. A two-storey entry lobby will be inserted into the warehouse ground floor and level 1 to provide a visual connection from the street into the office space. A generous public stairs will provide physical connection.

#### 4.7 Access and Parking

##### Vehicle Access

The Indicative Development Concept does not seek to alter the existing vehicle access arrangements to the site. Vehicle access to the site is provided via Barcom Avenue and the right-of-carriageway at 65 Craigend Street. Three vehicle entry points are provided located on the northern and western facades.

##### Pedestrian Access

The Indicative Development Concept does not seek to modify the existing building and ground plane interface. As such, pedestrian access will remain via Barcom Avenue. A new dedicated pedestrian entry to service the coworking offices has been provided.

##### Parking and Loading

The Indicative Development Concept does not propose car parking within the site. Three dedicated areas for vehicle loading have been provided to facilitate the ongoing operation of the storage premises. Provision for bicycle parking has been made within the basement and at ground level. Further details will be provided will be subjected to future detailed development applications.

#### 4.8 Heritage

As outlined in **Section 4.3**, under the Indicative Development Concept, the existing commercial warehouse located on the site is to be retained and will continue to operate as a storage premises. Whilst the site is not identified as a heritage item under SLEP 2012, nor is it located within a heritage conservation area, the Indicative Development Concept has given due consideration to the surrounding fine grain built form context including multiple heritage items and the Barcom Avenue Conservation Area.

The proposal transitions in height from 4-storeys down to 3-storeys towards the adjacent residential terraces and a 6 metre setback is provided between the residential terraces and Level 4. The proposed separation will provide a sufficient visual and built form curtilage to adjoining buildings and heritage items in proximity. Refer to **Section 7.2** for further discussion.

## 5.0 Planning Proposal

This Planning Proposal has been prepared in accordance with Section 3.33 of the EP&A Act and 'A Guide to Preparing Planning Proposals' prepared by the NSW Department of Planning and Environment, which requires the following matters to be addressed:

- The objectives and intended outcomes of the amendment to the LEP;
- Explanation of provisions;
- Justification;
  - relationship to strategic planning frameworks;
  - environmental, social and economic impact;
  - State and Commonwealth interests;
- Maps;
- Project Timeframe; and
- Community consultation.

The following Section outlines the objectives and intended outcomes of the Planning Proposal and provides an explanation of provisions in order to achieve those outcomes, including relevant mapping. The justification and evaluation of impacts is set out in **Section 7.0** of this report.

### 5.1 Objectives and Intended Outcomes

This Planning Proposal is a site-specific amendment to SLEP 2012 to:

- Increase the maximum floor space ratio (FSR) applicable to the site from 2:1 to 3.75:1;
- Increase the maximum height of building (HOB) applicable to a portion of the site from 15 metres to 18 metres; and
- Insert a site-specific clause within Division 5 'Site specific provisions' relating to the allowable use of the additional floor space on the site.

The proposed amendments will facilitate development of the site for the purposes of a boutique coworking office space and the ongoing operation of the existing storage premises. The requested amendments are outlined in further detail in **Section 5.2** below.

The proposed increase to the maximum FSR and HOB will enable delivery of a building envelope, of a bulk and scale that is generally consistent with the maximum height of building under SLEP 2012 and commensurate with the built form of the existing warehouse building and surrounding locality.

A site-specific clause is proposed to ensure that the provision of additional gross floor area (GFA) proposed above the existing GFA as result of this LEP amendment will be used for non-residential purposes.

### 5.2 Explanation of Provisions

This Planning Proposal proposes to make the following amendments to SLEP 2012:

- Amendment to SLEP 2012 Floor Space Ratio Map;
- Amendment to the SLEP 2012 Height of Buildings Map; and
- Amendment to Division 5 'Site specific provisions'.

### Maximum Floor Space Ratio

The Planning Proposal seeks to amend the SLEP 2012 Floor Space Ratio Map as follows:

- **Current** – A maximum floor space ratio development standard of 2:1 currently applies to the site; and
- **Proposed** – A maximum floor space ratio development standard of 3.75:1 is proposed to apply to the site.

### Maximum Height of Building

The Planning Proposal seeks to amend the SLEP 2012 Height of Buildings Map as follows:

- **Current** – A maximum height of building development standard of 15 metres currently applies to the site; and
- **Proposed** – A maximum height of building development standard of part 15 metres and part 18 metres is proposed to apply to the site.

### Site-specific Provision

The Planning Proposal seeks to amend Division 5 of the SLEP 2012 to insert the following site-specific provision.

It is proposed to amend Division 5 of SLEP 2012 to insert the following:

#### **6.28 30-62 Barcom Avenue, Darlinghurst – floor space**

*(1) The objective of this clause is to provide for additional floor space on certain land, above the existing gross floor area and up to the maximum floor space ratio shown for the land on the Floor Space Ratio Map if any development of the site provides for non-residential uses, permissible with consent in the zone.*

*(2) This clause applies to the erection of a new building or alterations and additions to the existing building, at 30-62 Barcom Avenue, Darlinghurst, being Lot B in DP 111138.*

*(3) Development consent must not be granted under this clause unless the consent authority is satisfied that:*

*(i) the provision of additional gross floor area on the land above the existing GFA (2,432m<sup>2</sup>) and up to the maximum floor space ratio shown for the land on the Floor Space Ratio Map, is to be used for purposes other than residential accommodation.*

*(ii) the provision of additional gross floor area on the land above the existing GFA (2,432m<sup>2</sup>) and up to the maximum floor space ratio shown for the land on the Floor Space Ratio Map, is not to result in an increase in the maximum number of car parking spaces that would have been applicable to the existing GFA under Division 1 of Part 7.*

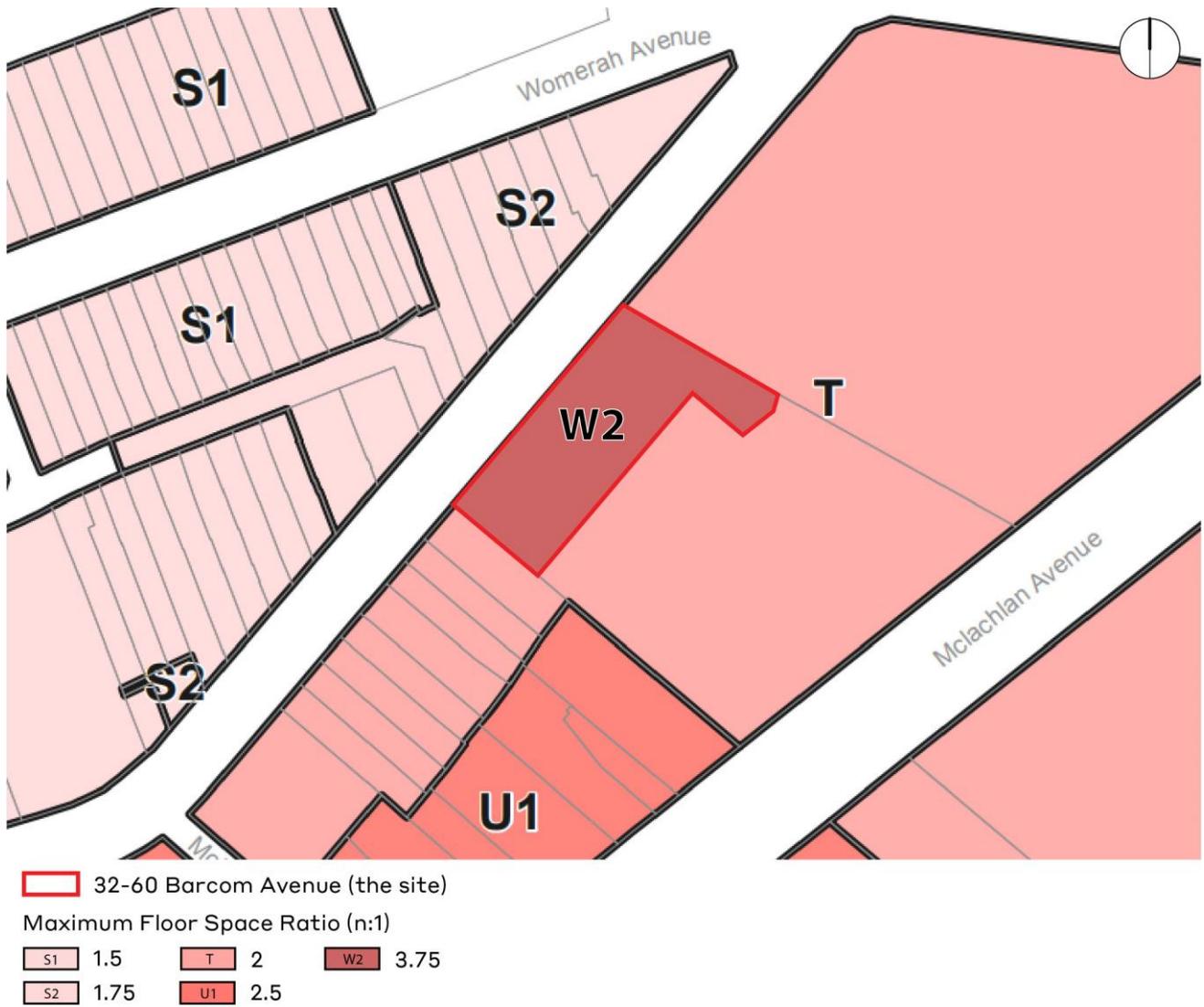
The site-specific provision will reinforce the intent of this Planning Proposal to ensure that additional GFA will be exclusively used for employment related uses.

### 5.3 Mapping

This Planning Proposal seeks to amend the following map of the SLEP 2012:

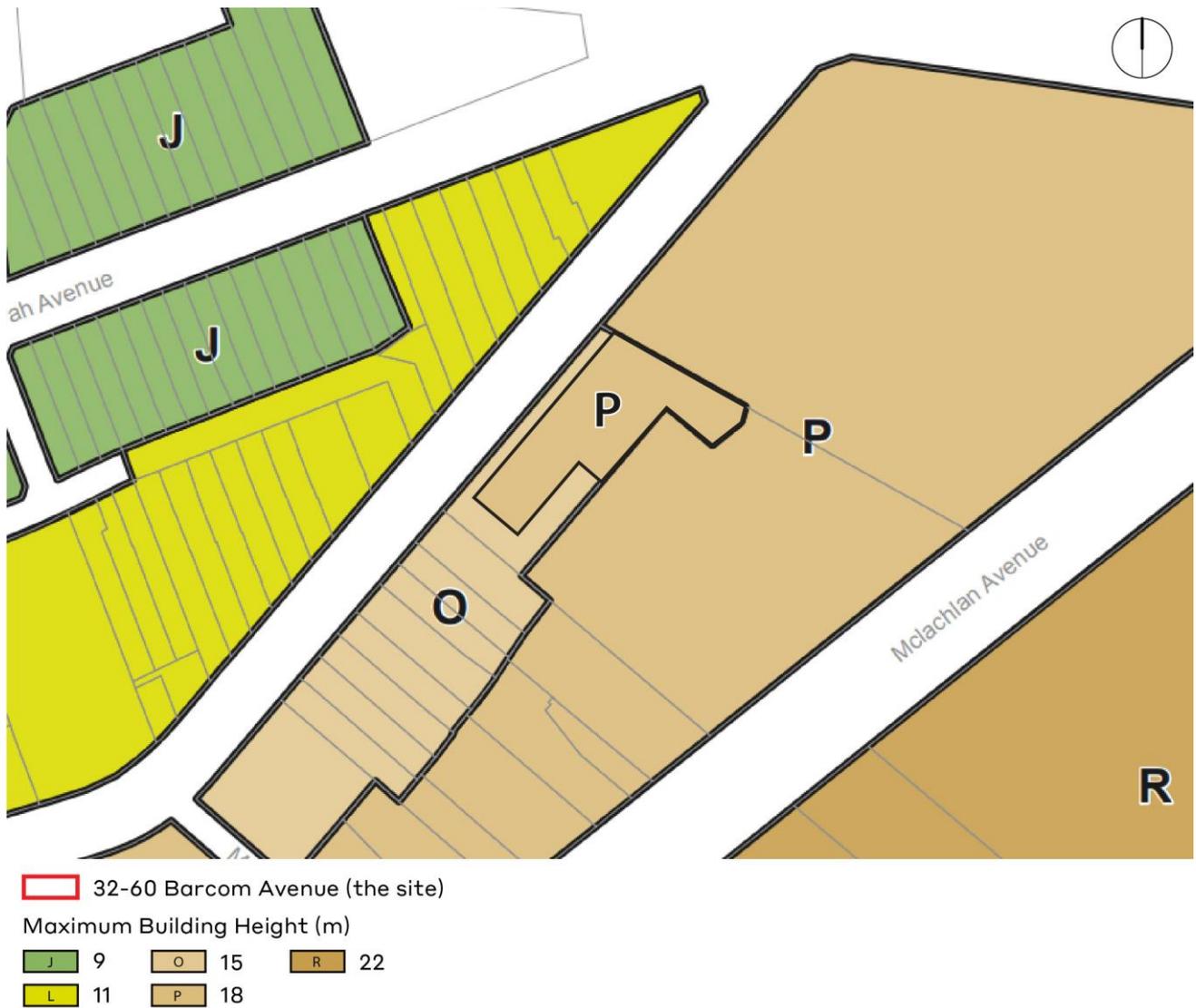
- Floor Space Ratio Map – Sheet FSR\_022.
- Height of Buildings Map – Sheet HOB\_022.

The proposed FSR map is shown at **Figure 19**. The proposed HOB map is shown at **Figure 20**.



**Figure 19 Proposed floor space ratio map SLEP 2012**

Source: Ethos Urban / SLEP 2012



**Figure 20 Proposed height of buildings map SLEP 2012**

Source: Ethos Urban / SLEP 2012

#### 5.4 Site-specific Development Control Plan

If considered necessary by Council, the proponent is agreeable to the preparation of a site-specific DCP to lock in and provide certainty on the building envelopes and setbacks illustrated in the Indicative Development Concept (refer to **Section 4.3**).

## 6.0 Strategic Justification

### 6.1 The Need for a Planning Proposal

#### Q1 – Is the Planning Proposal a result of any strategic study or report?

The Planning Proposal is not the result of any specific strategy study or report. Rather, the proposal has derived from a more detailed analysis of the site (refer to **Appendix A**) and a subsequent development concept which seeks to deliver new employment floorspace, maximise the sites development potential under SLEP 2012 and deliver a built form that positively responds to the established character of the surrounding locality.

This Planning Proposal has been initiated by the proponent so as to allow for a building envelope that is commensurate with height, scale and density of the locality and provide for additional employment floor space. Accordingly, the proposal is consistent with a range of key strategic planning documentation, including the draft Central District Plan and Sustainable Sydney 2030.

#### Q2 – Is the Planning Proposal the best means of achieving the intended outcome?

Yes.

In preparing this Planning Proposal, three options were considered to facilitate the intended outcomes as set out in **Section 5.1**. These are listed and discussed below:

- Option 1: Do nothing.
- Option 2: Lodge a Development Application subject to a Clause 4.6 Variation to floor space ratio.
- Option 3: Prepare a Planning Proposal to amend the maximum floor space ratio for the site under SLEP 2012.

#### Option 1: Do nothing

Option 1 involves the continued operation of the existing warehouse in its current form. It is considered that this option represents a lost opportunity to realise the sites potential, particularly given it's accessible location and the surrounding built form context. Recent approval of the 4-storey BMW showroom at 65 Craigend Street provides additional justification for additional height on the site up to the maximum height presently allowed under SLEP 2012 and SDCP 2012. An increase to the maximum FSR under SLEP 2012 is required to facilitate this additional height. Given this context, it is considered that development of the site, particularly for the provision of additional employment floor space should be pursued and as such, Option 1 is not viable.

#### Option 2: Development Application

Option 2 involves the preparation and lodgement of a Development Application with Council subject to a Clause 4.6 Variation to the maximum floor space ratio. As noted in **Section 1.1**, two previous development applications relating to the provision of additional height and floor space have been submitted and subsequently refused. Should Option 2 be pursued for the current development concept, the proposed FSR would represent a 79% variation to the existing maximum FSR of 2:1 permissible under SLEP 2012. This development pathway has been unsuccessfully pursued in the past and is therefore not considered to be an appropriate means for facilitating the intended outcome.

#### Option 3: Planning Proposal

Option 3 was chosen as the most suitable pathway to achieve the desired building envelope for the site. The Planning Proposal seeks to increase the site's maximum FSR, allow the development of additional storeys consistent with the maximum LEP height limit and deliver a design outcome that is commensurate with the built form of the existing warehouse building and surrounding locality. The proposed clause will ensure that the provision of additional gross floor area (GFA) proposed above the existing GFA and up to the proposed maximum floor space ratio will be used for non-residential purposes.

Subject to the success of the Planning Proposal, this would then be followed by a detailed development application seeking approval for the Indicative Development Concept.

## 6.2 Relationship with the Strategic Planning Framework

### Q3 – Is the Planning Proposal consistent with the objectives and actions of the applicable regional, sub-regional or district plan or strategy (including any exhibited draft plans or strategies)?

#### Strategic Merit Test

*A Guide to Preparing Planning Proposals* sets out that in order to answer this question, a planning proposal needs to justify that it meets the Strategic Merit Test. The consistency of this Planning Proposal with the mandated assessment criteria is set out below.

#### a) Does the proposal have strategic merit?

Is it:

- Consistent with the relevant regional plan outside of the Greater Sydney Region, the relevant district plan within the Greater Sydney Region, or corridor/precinct plans applying to the site, including any draft regional, district or corridor/precinct plans released for public comment; or
- Responding to a change in circumstances, such as the investment in new infrastructure or changing demographic trends that have not been recognised by existing planning controls.

The Proposal demonstrates strategic merit in this regard as it will:

- Support the delivery of a globally competitive and innovative city through the provision of additional employment floor space, increasing employment opportunities and fostering investment and business opportunities, particularly small business;
- Support Sydney LGA as the primary centre for business, education, cultural and tourist activities;
- Foster the generation and growth of start-ups within the Sydney LGA, creating a more connected and collaborative entrepreneurial community;
- Support the collaboration of governments, community and business;
- Strengthen the coworking environment within Darlinghurst, while helping to improve the local economy within the locality;
- Deliver jobs closer to home;
- Result in appropriate and considered development within an existing inner-city suburb, which is commensurate with the surrounding built form context and heritage characteristics; and
- Not result in adverse environmental, social or economic impacts.

Further discussion on the Planning Proposal's consistency with the relevant State and local strategic plans and policies is provided below.

#### Greater Sydney Region Plan (2018)

The Greater Sydney Region Plan (Metropolitan Plan) is a revision of A Plan for Growing Sydney and provides the overarching strategy for growing and shaping the Greater Sydney region.

The Metropolitan Plan takes a longer term view of changes in policy, trends, directions, and actions that will inform development until 2056. The vision of the Metropolitan Plan is framed on the creation of three-city metropolis and enhancing Greater Sydney's liveability, productivity and sustainability. This will also be supported through greater infrastructure provision and collaboration throughout the region.

To support the vision of boosting Greater Sydney's liveability, productivity and sustainability, the GSC have established ten (10) directions which establish the aspirations for Greater Sydney over the next 40 years. These include:

1. A city supported by infrastructure

2. A collaborative city
3. A city for people
4. Housing the city
5. A city of great places
6. A well-connected city
7. Jobs and skills for the city
8. A city in its landscape
9. An efficient city
10. A resilient city

The Planning Proposal responds to the Greater Sydney Region Plan, giving consideration to the strategic directions and supporting objectives identified within the Plan. Specifically, the Proposal is consistent with the objectives of the Plan as it will:

- Support the collaboration of governments, community and business (Objective 5);
- Facilitate the provision of additional employment floor space, to support innovation and the creative industries (Objective 9 and Objective 24);
- Protect environmental heritage (Objective 13);
- Increase employment opportunities in an accessible location, close to homes (Objective 14);
- Facilitate investment and business activity within an established inner-city suburb (Objective 22); and
- Support small business (Objective 24).

### **Eastern City District Plan**

The Eastern City District Plan (District Plan) is intended to guide the implementation of the Greater Sydney Region Plan at a district level, bridging between regional and local planning by informing Local Environmental Plans and Planning Proposals.

In particular, the District Plan provides detailed planning priorities which integrate relevant objectives, strategies and actions in response to the identified challenges and opportunities. The planning priorities relate to the three key aims of the District Plan, being:

- A productive city;
- A liveable city; and
- A sustainable city.

The Darlinghurst area, located within the Eastern City District, is considered a strategic location for the development and intensification of coworking spaces. Darlinghurst is located on the fringe of the Sydney CBD, which tends to be highly desirable location for coworking spaces. As at October 2016, the total amount of GFA dedicated to coworking space within Sydney fringe areas was around 19,775m<sup>2</sup>, with Darlinghurst accounting for approximately 3,000m<sup>2</sup> of the space.

As outlined within the Coworking Space Economic Report, prepared by Ethos Urban (refer to **Appendix B**), the Darlinghurst area presents a number of geographic, demographic and economic factors which increase the desirability and suitability for the location of coworking spaces, including:

- The Darlinghurst area has a relatively young and highly educated population and workforce, with education qualifications in fields that are highly represented in coworking spaces. This has likely driven the growth of coworking spaces in the area;

- The high representation of sole proprietorships and partnerships could translate into demand for coworking space as these businesses look for low cost entry into the market;
- High proportion of residents and local workers in white collar occupations could translate into utilisation for coworking spaces, especially those residents who want to live and work locally;
- Residents and the local workforce are in industries that are conducive to coworking spaces;
- The overwhelming majority of coworking jobs tend to be white collar, as such there exists a labour pool of workers that could work in coworking spaces;
- The Darlinghurst area is in proximity to the CBD with a pre-existing cluster of coworking spaces. The pre-existing cluster indicates strong demand for coworking spaces in the area; and
- The pre-existing coworking space cluster means that the planning proposal is consistent with the City of Sydney's strategy for coworking spaces (refer to further discussion below).

In turn, the development of coworking spaces have helped revitalise and improve the economic performance of the CBD fringe. Research conducted by Knight Frank (2016) notes that the establishment of coworking spaces along the CBD fringe has been an important element in assisting the transformation of these areas. As such, the Proposal supports the District Plan's priorities to create a more productive, liveable and sustainable city through the development within an inner-city location close to homes and serviced by existing infrastructure. Specifically, the Proposal will:

- Result in appropriate and considered development within an existing inner-city suburb, which is commensurate with the surrounding built form context and heritage characteristics (Planning Priority E6);
- Support the growth of a stronger and more competitive harbour CBD, through the provision of new and innovative office space and employment opportunities (Planning Priority E7); and
- Increase employment and business opportunities (Planning Priority E11).

### **A Plan for Growing Sydney**

*A Plan for Growing Sydney* (2014) is the former strategic plan for the Sydney Metropolitan Area. The Plan outlined the future vision for metropolitan Sydney and provides a strategy to manage the city's change and growth until 2029. The Plan responds to Sydney's needs as a growing global city, establishing broad spatial principles for land use change, and sets out a framework to facilitate growth through coordination of planning and infrastructure delivery. Under the Plan the site is located within the Central Subregion.

*Plan for Growing Sydney* is founded on the following four goals:

- A competitive economy with world class services and transport;
- A city of housing choice with homes that meet our needs and lifestyles;
- A great place to live with communities that are strong, healthy and well connected; and
- A sustainable and resilient city that protects the natural environment and has a balanced approach to the use of land and resources.

These goals are further underpinned by a series of planning principles and directions that will aim to guide Sydney's growth:

- Increasing housing choice around all centres through urban renewal in established areas;
- Stronger economic development in strategic centres and transport gateways; and
- Connecting centres with a networked transport system.

The Planning Proposal responds to *A Plan for Growing Sydney*, giving consideration to objectives and goals outlined within the Plan. Specifically, the Proposal is consistent with the Plan, in that it will:

- Support the delivery of a competitive economy with world-class services and transport through the provision new and innovative office space within Sydney CBD, expanding employment opportunities (Direction 1.1 and Direction 1.6);

- Result in appropriate and considered development within an existing inner-city suburb, supporting the delivery of jobs closer to home (Direction 1.7); and
- Will not result in adverse environmental impacts (Direction 4.1).

### **NSW State Plan 2021**

The New South Wales State Plan sets the strategic direction and goals for the NSW Government across a broad range of services and infrastructure. The initial Plan, created in 2011. The current focus of the Government is outlined in 12 Premier's priorities and 18 State priorities. The Planning Proposal supports the Premier's and States priorities in that it will:

- Provide employment floor space facilitating jobs growth;
- Support new small businesses; and
- Create construction jobs.

### **b) Does the proposal have site-specific merit?**

Having regard to the following:

- The natural environment (including known significant environmental values, resources or hazards); and
- The existing uses, approved uses, and likely future uses of land in the vicinity of the proposal; and
- The services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for infrastructure provision.

The Proposal demonstrates site-specific merit in this regard as it:

- Will provide a building envelope that is sympathetic to the existing residential built form interface and nearby heritage items;
- Will maintain the ongoing operation of the existing commercial storage premises on the site without significant disruption during construction;
- Will accommodate a coworking office space that promotes collaboration and innovation amongst the workforce and will contribute to the growth of employment opportunities on the fringe of the Sydney CBD;
- Will not compromise the amenity of surrounding residential properties. In particular the Proposal will not result in additional overshadowing of adjacent residential private open space and does not include car parking for the additional floor area proposed. As such, it is considered the Proposal will result in a minimal environmental impact;
- Is located within an accessible and desirable inner city location;
- Is a land use that is currently permissible on the site within the B4 Mixed Use Zone under SLEP 2012; and
- Is consistent with the desired future character of the surrounding mixed-use area as contemplated by the Darlinghurst East Locality Statement.

### **Summary**

This Planning Proposal achieves the assessment criteria as it demonstrates both strategic merit and site-specific merit. It is therefore considered that this Planning Proposal meets the Strategic Merit Test.

#### **Q4 – Is the Planning Proposal consistent with a Council’s local strategy or other local strategic plan?**

##### **Sustainable Sydney 2030**

The City of Sydney’s Sustainable Sydney 2030 – Community Strategic Plan sets the goals and aspirations for the development of Sydney LGA over a 20 year period. The Plan expresses the vision and City’s commitment to a Green, Global, Connected City. The Plan sets out 10 Strategic Directions to achieve Sustainable Sydney. Described as a ‘Framework for Action’ these Strategic Directions are:

- A globally competitive and innovative city;
- A leading environmental performer;
- Integrated transport for a connected city;
- A city for walking and cycling;
- A lively, engaging city centre;
- Vibrant local communities and economies;
- A cultural and creative city;
- Housing for a diverse population;
- Sustainable development, renewal and design; and
- Implementation through effective governance and partnerships.

The Planning Proposal will facilitate development of the site, in accordance with the relevant planning controls for the purpose of a boutique coworking office space. In turn, the Proposal will support the delivery of a globally competitive and innovative city through the provision of new office floor space, increasing employment opportunities and fostering small business, start-ups and collaborative working environments.

##### **City of Sydney Economic Development Strategy 2013**

The City of Sydney’s Economic Development Strategy 2013 (the Strategy) builds on and provides an update to the broad economic themes identified in Sustainable Sydney 2030. The Strategy provides an overarching framework that guides the City’s economic development aspirations, role, priorities and approach. Of particular relevance to the Proposal is the Strategy’s recognition that supporting entrepreneurs is integral to our vision for the city’s economy.

The Strategy focuses on three strategic priorities:

- Strengthen Sydney’s competitiveness.
- Improve productivity and capacity.
- Promote opportunity.

The Planning Proposal and use of the site for the purposes of a boutique coworking space, supports the priorities of the Strategy in that it will:

- Encourage investment and business opportunities;
- Support start-ups and new businesses making it easier and more efficient to do business;
- Provide start-ups mentoring opportunities and access to funding;
- Encourage collaboration and innovation; and
- Support Sydney LGA as the primary centre for business, education, cultural and tourist activities.

## City of Sydney Tech Startups Action Plan 2016

The City of Sydney Tech Startups Action Plan 2016 (the Action Plan) seeks to create an ecosystem that will enable knowledge-based, innovative driven entrepreneurs and businesses to create more jobs, boost Sydney's economy, strengthen global connections and make the city a more desirable place to live, work and visit. The Action Plan is focused on five key areas, these being:

- Build a strong entrepreneurial culture and community.
- Create skilled and connected entrepreneurs.
- Increase the startup ecosystem density.
- Support entrepreneur's access to funding.
- Development technology entrepreneur's access to markets.

The five key areas are supported by a number of Council projects including awareness campaigns, festivals and events, forums, collaboration with other cities, implementation of the visiting entrepreneurs program and the provision of affordable rental space as part of the City's Creative Spaces program. As defined within the Action Plan, the tech startup ecosystem consists of accelerators, incubators and coworking spaces. Of relevance to this Planning Proposal is the concept of coworking spaces, which are quickly becoming an essential component to a city's economic development. The Action Plan notes the City's support for entrepreneurs, government bodies and organisations in developing this crucial part of Sydney's innovative economy.

The Coworking Space Economic Report, prepared by Ethos Urban (refer to **Appendix B**) provides an overview of coworking spaces, their growth across Sydney and to assess the desirability and suitability of Darlinghurst, and more specifically the site, as a location for coworking spaces.

By design and operation, coworking spaces incubate new businesses, create new technologies and foster innovation and knowledge transfer. Coworking spaces present a number of advantages including low entry costs, talent attraction and retention, flexibility, and access to networks, training and development opportunities.

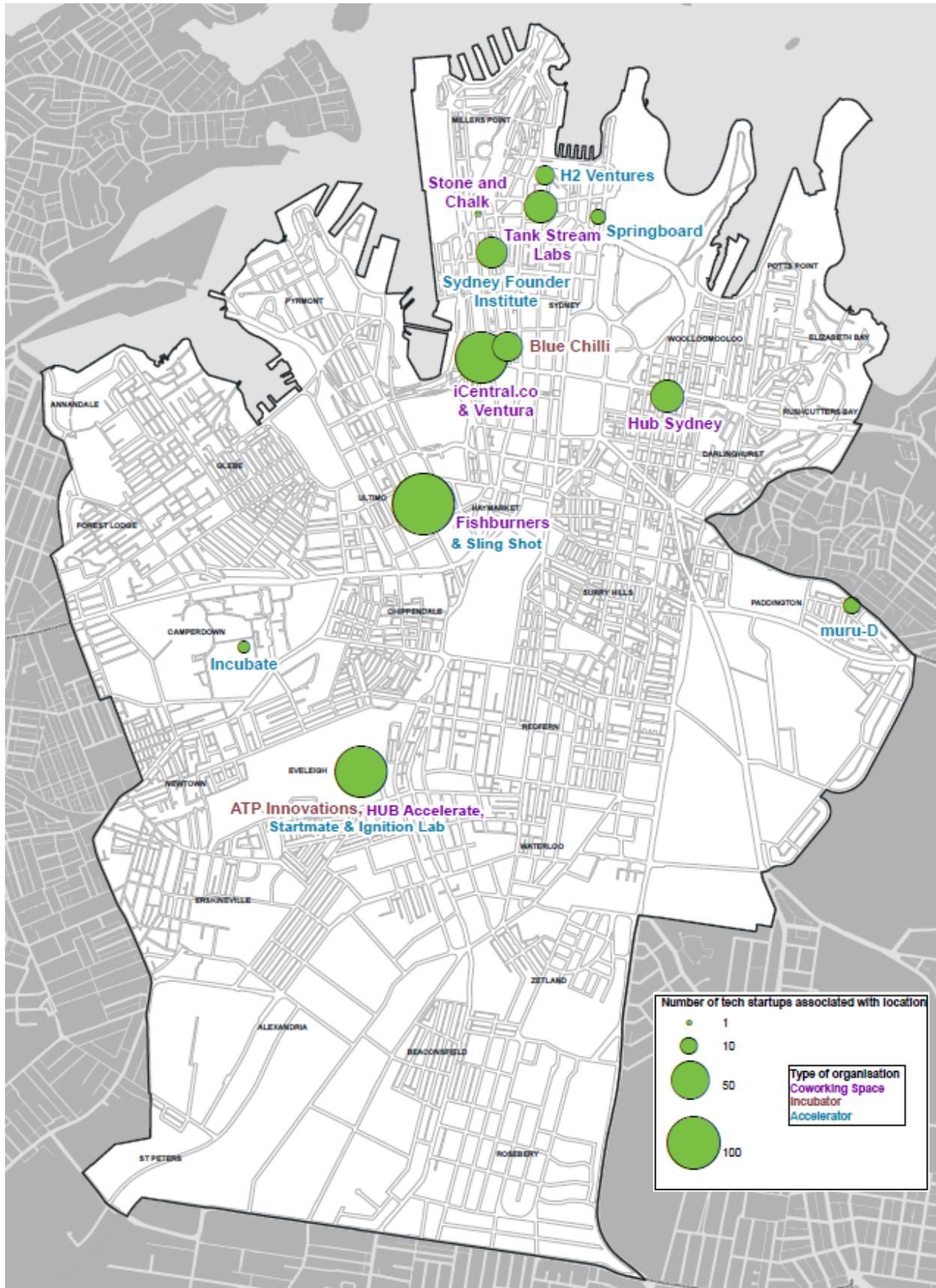
Australia was an early adopter of coworking spaces following their inception in San Francisco in 2005, with the first coworking space opening in 2006. Since 2006 the industry has grown across Australia and Sydney. Sydney is home to the largest number of coworking spaces and is estimated to account for approximately 35% of all coworking spaces available in Australia<sup>3</sup>. As outlined within the Action Plan, the Australian tech startup sector has the potential to contribute \$109 billion, or 4% of gross domestic product (GDP) to the Australian economy to generate 540,000 jobs by 2033<sup>4</sup>. Research conducted by the University of Sydney attributes the rapid growth of the coworking space industry to technology, the freelance economy, workforce preferences and an increasing focus on collaboration and innovation by employers. As outlined within the Action Plan, "more than 52% of Australian startups make use of coworking space, highlighting the importance these places play in the ecosystem"<sup>5</sup>.

Sydney's CBD and CBD fringe areas tend to be highly desirable locations for coworking spaces. This is evidenced in the clustering of these spaces as shown in **Figure 21** and **Figure 22**. As at October 2016, the total amount of gross floor area (GFA) dedicated to coworking space within Sydney CBD was 15,674m<sup>2</sup>, while across the CBD fringe it was around 19,775m<sup>2</sup>. It is anticipated that by the end of 2017 there will be over 60 coworking spaces within Sydney, incorporating some 55,332 square metres. Of the coworking spaces within in the CBD fringe, the majority are located in Pyrmont, with just under half clustered around the creative areas of Surry Hills and Darlinghurst. At October 2016, Darlinghurst accounted for approximately 3,000m<sup>2</sup> of Sydney's coworking space.

<sup>3</sup> Pham, A 2016, *Sydney Coworking Insight: The Growth, Trends and Drivers Behind Sydney's Coworking Industry*, Knight Frank, October 2016.

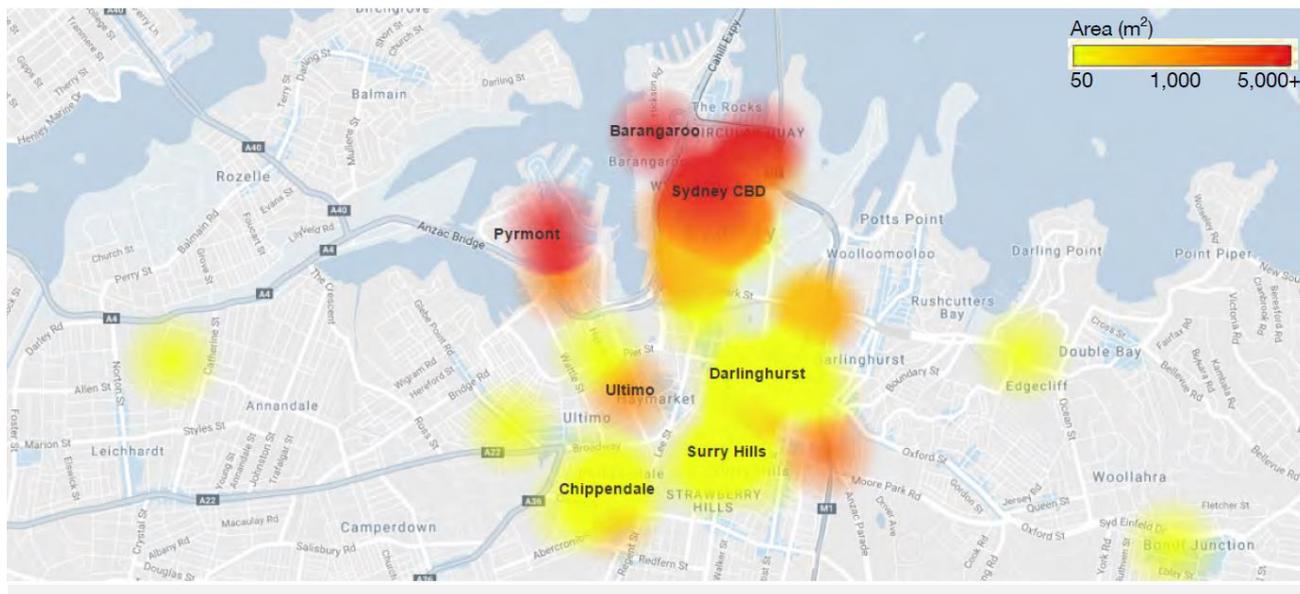
<sup>4</sup> PwC, 2013, *The startup economy: How to support tech startups and accelerate innovation*, [www.digitalpulse.pwc.com.au/wp-content/uploads/2013/04/PwC-Google-The-startup-economy-2013.pdf](http://www.digitalpulse.pwc.com.au/wp-content/uploads/2013/04/PwC-Google-The-startup-economy-2013.pdf)

<sup>5</sup> City of Sydney, 2016, *Tech Startups Action Plan*, City of Sydney, March 2016.



**Figure 21** Location of accelerators, incubators and coworking spaces with Sydney LGA

Source: City of Sydney Tech Startups Action Plan 2016



**Figure 22 Location of Coworking Spaces in Sydney by Area (m<sup>2</sup>) as at October 2016**

Source: Knight Frank (2016)

Research conducted by Knight Frank (2016) notes that the establishment of coworking spaces along the CBD fringe has been an important element in assisting the transformation of these areas. Specifically, “the coworking industry has brought significant benefits into the fringe suburbs of Sydney. Not only has it supported employment and suburb gentrification, many coworking spaces are occupying renovated commercial ...”<sup>6</sup>.

The variety of coworking spaces in Sydney provides a healthy range of entry points for start-up businesses to enter the market at a level that suits their needs. As outlined within the Action Plan coworking spaces “require office space that can accommodate a variety of uses (including co-working desks and team spaces)”<sup>7</sup> which is affordable and is located within geographic proximity to existing coworking spaces. Specifically, the Action Plan seeks to increase the start-up ecosystem density throughout the City of Sydney LGA, encouraging further clustering of start-ups to minimise start-up dispersion and fragmentation of existing networks.

As outlined above, the Darlinghurst area presents a number of geographic, demographic and economic factors which increase the desirability and suitability for the location of coworking spaces. Specifically, the Darlinghurst area:

- Is in close proximity to the Sydney CBD. Proximity to the CBD means that coworking spaces can leverage off existing infrastructure and resources including transport access and business services;
- Has a lower rental cost when compared with the CBD, which provides an important access point for businesses seeking to minimise costs while utilising a coworking space;
- Contains a pre-existing cluster of coworking spaces, accounting for around a sixth of coworking spaces within Sydney<sup>8</sup>;
- Is noted for being a creative cluster, with a number of creative professionals working in and living in and around the area; and
- Has a relatively young (with 56.3% of Darlinghurst residents in the 20-39 age cohort) and highly educated population and workforce, with education qualifications in fields and industries that are highly represented in coworking spaces. It is noted that in Australia, most startup owners are aged in their early to mid-thirties.

As outlined above, at October 2016, Darlinghurst accounted for approximately 3000m<sup>2</sup> of Sydney coworking spaces. Such spaces include The Hub Sydney, EngineRoom and Desk Space, which are all located within close

<sup>6</sup> Pham, A 2016, *Sydney Coworking Insight: The Growth, Trends and Drivers Behind Sydney’s Coworking Industry*, Knight Frank, October 2016.

<sup>7</sup> City of Sydney, 2016, *Tech Startups Action Plan*, City of Sydney, March 2016.

<sup>8</sup> Pham, A 2016, *Sydney Coworking Insight: The Growth, Trends and Drivers Behind Sydney’s Coworking Industry*, Knight Frank, October 2016.

proximity to the site. It is noted that these coworking spaces are heavily desk orientated, with very few private offices. Desk spaces range between \$450-\$650 per month.

It is considered that the proposed development of the site for use as a boutique coworking space provides the opportunity to bridge the gap between the Eastern Suburbs and Sydney CBD startup community, catering to the growing demand for coworking office space and strengthening the existing Sydney startup ecosystem. In turn, the Proposal seeks to support the aims of the City's Action Plan.

As outlined at **Section 4.5**, the proposed coworking space is intended to be occupied by Work inc, who specialise in the provision of coworking office spaces, promoting a collaborative and innovative working environment to accommodate start-ups through to established business ventures. Work inc currently has 120 active members from 31 companies operating from their Lavender Bay premises. These companies range from early stage start-ups to ASX listed entities and cover an extremely diversified range of industries, from web security and IT solutions to agriculture and pharmaceuticals. This multilayered diversity is favoured as members learn from others in different markets and at different stages of their business life.

Work inc recognise that the site presents a unique opportunity. In addition to its desirable Darlinghurst location, the large floorplate provides the opportunity for a flexible and dynamic office fitout combining private offices (90-95%), permanent desks (5-10%) and breakout spaces. The proposal is comparable in size to Fishburners, a 1,100m<sup>2</sup> coworking space located in Ultimo, which houses over 100 tech startups.

Development of the site presents the opportunity for the City of Sydney to facilitate, through planning regulations, additional coworking spaces within the LGA, which not only allow start-ups access to exceptional facilities at economical rents, but also continue to connect the fragmented entrepreneurial ecosystem that Sydney currently has. It is therefore considered that the Proposal is consistent with the aims of the City's Action Plan in that it will:

- Foster the generation and growth of start-ups within the Sydney LGA, creating a more connected entrepreneurial community.
- Support members through mentoring and potential funding. It is noted that in the Start-up Muster 2016 report 'mentoring' was found to be the number one service that start-ups required, ahead of event space, connections and investment.
- Provide members access to monthly internal and external networking events. It is noted that Work inc actively encourage collaboration amongst its members having fostered a number of joint business transactions, discussions and even internal hiring's.
- Provide desk space at an affordable rate, which is comparable with other CBD fringe coworking locations.
- Deliver alternative coworking space models, with a focus on individual offices, which differs from the product currently provided within the Darlinghurst locality.
- Strengthen the coworking environment within Darlinghurst, while helping to improve the local economy within the locality.
- Ensure occupation of the site by economically viable tenant, who forecasts a first-year income of \$1.09M, with a full year at 95% equating to top line revenue of \$1.59M (refer to **Appendix E**).
- Facilitate collaboration between the City and organisations which foster entrepreneurial innovation and new business, such as Work inc.

## Sydney Local Environmental Plan 2012

The Proposal's consistency with the overall aims of the SLEP 2012 is outlined in **Table 3** below.

**Table 3 Consistency with the overall aims of SLEP 2012**

Aim	Proposal	Consistency
(a) to reinforce the role of the City of Sydney as the primary centre for Metropolitan Sydney,	The Proposal will facilitate the delivery of additional floor space within the site for the purposes of a boutique coworking office space, in turn increasing employment and business opportunities within an established inner-city suburb. It will reinforce the City of Sydney's role as the primary centre for Metropolitan Sydney.	✓
(b) to support the City of Sydney as an important location for business, educational and cultural activities and tourism,	The Proposal will facilitate the provision of new neighbourhood business activities within the City of Sydney LGA.	✓
(c) to promote ecologically sustainable development,	Future development of the site will incorporate the principles of ecologically sustainable development.	✓
(d) to encourage the economic growth of the City of Sydney by: (i) providing for development at densities that permit employment to increase, and (ii) retaining and enhancing land used for employment purposes that are significant for the Sydney region,	The Proposal will facilitate the retention and ongoing use of employment land within the Sydney region. Development of the site for the purposes of coworking office space will provide additional jobs in close proximity to housing, transport and services.	✓
(e) to encourage the growth and diversity of the residential population of the City of Sydney by providing for a range of appropriately located housing, including affordable housing,	The Proposal does not seek to provide additional housing. However, it will deliver additional employment within an established suburb close to housing, offering a flexible and accessible working environment.	✓
(f) to enable a range of services and infrastructure that meets the needs of residents, workers and visitors,	The Proposal will facilitate the delivery of employment and business services.	✓
(g) to ensure that the pattern of land use and density in the City of Sydney reflects the existing and future capacity of the transport network and facilitates walking, cycling and the use of public transport,	The Proposal does not seek to alter the pattern of land use within the locality. Rather, the Proposal will facilitate development of the site in accordance with the Indicative Development Concept (refer to <b>Section 4.1</b> ), maintaining the existing warehouse building and delivering a new addition which is commensurate to the existing built form of the site and surrounding locality.	✓
(h) to enhance the amenity and quality of life of local communities,	The Proposal seeks to facilitate the development of the site as a boutique coworking space. This will provide the opportunity for new local businesses and flexible working arrangements, and will enhance the amenity and quality of the local community.	✓
(i) to provide for a range of existing and future mixed-use centres and to promote the economic strength of those centres,	The Proposal seeks to maintain the existing mixed use nature of the site and surrounding locality. The proposed future use of the site is commensurate to the varied uses of the locality including low density residential, high density residential and commercial showrooms and office premises.	✓
(j) to achieve a high quality urban form by ensuring that new development exhibits design excellence and reflects the existing or desired future character of particular localities,	As outlined in <b>Section 4.1</b> , the Indicative Development Concept has been designed to ensure high quality built form that is commensurate to the existing character of the site and surrounding locality. Particularly, the heritage characteristics of the Barcom Avenue Conservation Area.	✓
(k) to conserve the environmental heritage of the City of Sydney,	As outlined in Section 2.2, the site is located in close proximity to a number of heritage items and the Barcom Avenue Conservation Area. The proposed Indicative Development Concept provides setbacks to the upper storeys, providing building separation and a transition in scale to the adjacent residential terraces. The proposed building will not visually dominate the	✓

Aim	Proposal	Consistency
	heritage items and ensures a suitable visual curtilage around the heritage items and the conservation area. Refer to <b>Section 7.2</b> for further discussion.	
(l) to protect, and to enhance the enjoyment of, the natural environment of the City of Sydney, its harbour setting and its recreation areas,	The future redevelopment of the site will not result in any impacts on the harbour and its setting.	✓

### Floor Space Ratio objectives of SLEP 2012

The Proposal's consistency with the objectives for floor space ratio (FSR) under the SLEP 2012 is outlined in **Table 4** below.

**Table 4 Consistency with the floor space ratio objectives of the SLEP 2012**

Aim	Proposal	Consistency
(a) to provide sufficient floor space to meet anticipated development needs for the foreseeable future,	The Proposal seeks to provide sufficient floor space to facilitate development of the site in accordance with the relevant built form controls under the SLEP 2012 and SDCP 2012. The Proposal will provide additional employment floor space and ensure the ongoing operation of the site for commercial uses. Further, the proposed site-specific provision relating to additional floor space will ensure that the provision of additional gross floor area (GFA) at the site, above the existing GFA and up to the proposed maximum floor space ratio will not be used for residential purposes.	✓
(b) to regulate the density of development, built form and land use intensity and to control the generation of vehicle and pedestrian traffic,	<p>The proposed increase to the maximum FSR on the site will facilitate an additional 2-storeys of development on the site. Through the provision of considered setbacks, the proposed building envelope responds to the existing built form context of the site and surrounding locality.</p> <p>With respect to vehicle and pedestrian traffic, the proposal is not anticipated to generate significant vehicle or pedestrian traffic, particularly as no parking is proposed to be provided for the additional floorspace.</p>	✓
(c) to provide for an intensity of development that is commensurate with the capacity of existing and planned infrastructure,	The Proposal will result in the development of the site to a level that is commensurate with the capacity of existing and planned infrastructure.	✓
(d) to ensure that new development reflects the desired character of the locality in which it is located and minimises adverse impacts on the amenity of that locality.	The Indicative Development Concept has been prepared with regard to the existing character of the site and surrounding locality. The identified use, built form setbacks, building height, placement of windows and openings and materiality have been considered so to minimise adverse impacts on the amenity of the surrounding locality. Refer to <b>Section 7.1</b> for further discussion.	✓

**Q5 – Is the Planning Proposal consistent with applicable State Environmental Planning Policies?**

Yes.

An assessment of the Planning Proposal against relevant State Environmental Planning Policies (SEPPs) is set out in **Table 5** below.

**Table 5 Consistency with State Environmental Planning Policies**

SEPP	Consistency		N/A	Comment
	Yes	No		
SEPP No. 1 Development Standards			✓	SEPP 1 does not apply to the City of Sydney LGA.
SEPP (State and Regional Development) 2011			✓	Not relevant to proposed LEP amendment.
SEPP (Affordable Rental Housing) 2009			✓	Not relevant to proposed LEP amendment.
SEPP (Exempt and Complying Development Codes) 2008			✓	Not relevant to proposed LEP amendment. May apply to future development on the site.
SEPP No. 55 Remediation of Land			✓	Not relevant to the proposed LEP amendment, as no changes to the existing commercial use of the site is sought. May apply to future development of the site.
SEPP No. 64 Advertising and Signage			✓	Not relevant to proposed LEP amendment. May apply to future development on the site.
SEPP No. 65 Design Quality of Residential Apartment Development			✓	Not relevant to the proposed LEP amendment, as no residential development is proposed May apply to future development of the site.
SEPP (Building Sustainability Index: BASIX) 2004			✓	Not relevant to the proposed LEP amendment, as no residential development is proposed May apply to future development of the site.
SEPP (Infrastructure) 2007	✓			The Planning Proposal does not contain provisions that will contradict or hinder application of this SEPP.
SREP (Sydney Harbour Catchment) 2005	✓			The Planning Proposal does not contain provisions that will contradict or hinder application of this SREP.

**Q6 – Is the Planning Proposal consistent with applicable Ministerial Directions (Section 9.1 Directions)?**

Yes.

An assessment of the Planning Proposal against the relevant Ministerial Directions for Local Environmental Plans under Section 9.1 of the EP&A Act is set out in **Table 6** below.

**Table 6 Consistency with Section 9.1 Directions**

Direction	Consistency		N/A	Comment
	Yes	No		
<b>1. Employment and Resources</b>				
1.1 Business and Industrial Zones	✓			This Planning Proposal is consistent with Direction 1.1 in that it will facilitate the provision of additional employment floor space fostering new jobs and small business and support the ongoing use of the site for commercial purposes.
1.2 Rural Zones			✓	Not applicable.
1.3 Mining, Petroleum			✓	Not applicable.

Direction	Consistency		N/A	Comment
Production and Extractive Industries				
1.4 Oyster Aquaculture			✓	Not applicable.
1.5 Rural Lands			✓	Not applicable.
<b>2 Environment and Heritage</b>				
2.1 Environmental Protection Zones			✓	Not applicable.
2.2 Coastal Protection			✓	The site is not within a coastal zone.
2.3 Heritage Conservation	✓			The site does not contain any local or State heritage items, nor is it located within a heritage conservation area. Notwithstanding, the site is located within close proximity to a number of local heritage items and is adjacent the Barcom Avenue Conservation Area. As such, the Planning Proposal and Indicative Development Concept have been prepared to ensure the preservation of these items, including key view corridors, scale and massing. Refer to <b>Section 7.2</b> for further discussion.
2.4 Recreational Vehicle Area			✓	Not applicable.
<b>3. Housing, Infrastructure and Urban Development</b>				
3.1 Residential Zones			✓	Not applicable.
3.2 Caravan Parks and Manufactured Home Estates			✓	Not applicable.
3.3 Home Occupations			✓	Not applicable.
3.4 Integrating Land Use and Transport	✓			This Planning Proposal seeks to facilitate the intensification of employment generating uses within an accessible location. Further, no parking is proposed to be provided for the additional floorspace, resulting in minimal traffic generation as a result of the Proposal.
3.5 Development Near Licensed Aerodromes			✓	Not applicable.
3.6 Shooting Ranges			✓	Not applicable.
<b>4. Hazard and Risk</b>				
4.1 Acid Sulfate Soil	✓			The site is mapped as Class 5 Acid Sulfate Soils. It is noted that the development concept does not propose demolition of the existing building or excavation of the site. Acid Sulfate Soils will be addressed as part of future development applications, as required.
4.2 Mine Subsidence and Unstable Land			✓	The site is not identified as mine subsidence or unstable land.
4.3 Flood Prone Land			✓	The site is not identified as flood prone land.
4.4 Planning for Bushfire Protection			✓	Not applicable.

Direction	Consistency	N/A	Comment
<b>5. Regional Planning</b>			
5.1 Implementation of Regional Strategies	✓		Refer to <b>Section 6.0</b> above.
5.2 Sydney Drinking Water Catchments		✓	Not applicable.
5.3 Farmland of State and Regional Significance on the NSW Far North Coast		✓	Not applicable.
5.4 Commercial and Retail Development along the Pacific Highway, North Coast		✓	Not applicable.
5.8 Second Sydney Airport Badgerys Creek		✓	Not applicable.
5.9 North West Rail Link Corridor Strategy		✓	Not applicable.
<b>6. Local Plan Making</b>			
6.1 Approval and Referral Requirements	✓		This Planning Proposal is consistent with this Direction in that it does not introduce any provisions that require any additional concurrence, consultation or referral.
6.2 Reserving Land for Public Purposes	✓		This Planning Proposal is consistent with this Direction in that it does not create, alter or reduce existing zonings or reservations of land for public purposes.
6.3 Site Specific Provision	✓		As outlined in <b>Section 4.1</b> , a particular development proposal is envisaged for the site. The proposed commercial use is permissible with consent within the B4 zone.  The proposed site-specific clause is intended to facilitate orderly development of the site in accordance with the Indicative Development Concept. The Planning Proposal does not include unnecessarily restrictive site specific planning controls.
<b>7. Metropolitan Planning</b>			
7.1 Implementation of A Plan for Growing Sydney	✓		The Planning Proposal is consistent with the Metropolitan Plan, as discussed in <b>Section 6.0</b> above.

### 6.3 Environmental, Social and Economic Impacts

#### **Q7 – Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?**

No.

The Planning Proposal will not result in any impact on critical habitat or threatened species, populations or ecological communities or other habitats. If require, these matters can be appropriately considered at the DA stage.

#### **Q8 – Are there any other likely environmental effects as a result of the Planning Proposal and how are they proposed to be managed?**

No.

The site is currently considered to be an urban mixed-use site and the future land use will remain consistent with the desired zone objectives and established uses in the locality.

#### **Q9 – Has the Planning Proposal adequately addressed any social and economic impacts?**

The proposed development will result in positive social and economic effects for the local area through the generation of local employment opportunities during construction and post-construction through the provision of ongoing commercial uses. Specifically, the Proposal will:

- Provide additional employment opportunities in proximity to existing infrastructure and services;
- Foster the generation and growth of businesses within the Darlinghurst locality and broader Sydney LGA;
- Offer desk space at an affordable rental rate on flexible terms;
- Provide access to funding for new business;
- Ensure occupation of the site by an economically viable tenant (refer to **Appendix E**); and
- Foster social and business collaboration between members.

### 6.4 State and Commonwealth Interests

#### **Q10 – Is there adequate public infrastructure for the Planning Proposal?**

Yes.

The site is located in an established urban area and has access to a range of existing facilities and services, including utilities. The site is located in close proximity to a number of public transport services, including bus and rail. Approximately 150 metres from the site is a pedestrian bridge providing a connection to Kings Cross Station to the north. The closest bus stop is located at Arthur Reserve which is serviced by bus routes connecting the site to Sydney CBD. Several pedestrian and cycling links connect the site with the surrounding area and broader Sydney CBD.

#### **Q11 – What are the views of State or Commonwealth public authorities consulted in accordance with the Gateway determination?**

The views of State and Commonwealth public authorities will be known once consultation has occurred in accordance with the Gateway determination of the Planning Proposal.

## 6.5 Community Consultation

Confirmation of the public exhibition period and requirements for consultation will be detailed as part of the LEP Gateway determination. Community consultation will be conducted in accordance with Schedule 1 of the EP&A Act and *A Guide to Preparing Planning Proposals*.

Any future DA for the site would also be exhibited in accordance with Council's requirements, at which point the public and any authorities would have further opportunity to make comment on the proposal.

## 6.6 Project Timeline

A primary goal of the plan making process is to reduce the overall time taken to produce LEPs. The Gateway determination will confirm the level of information necessary to support a planning proposal and the consultation requirements. In order to meet this goal, the inclusion of a project timeline with the planning proposal will provide a mechanism to monitor the progress of the planning proposal through the plan making process.

**Table 7** provides the project timeline anticipated for the subject Planning Proposal which is predicated on the nature and scale of the Planning Proposal.

**Table 7 Anticipated project timeframe**

Action	Timeframe
Lodge Planning Proposal	April 2018
Council Endorse Planning Proposal <u>or</u> Rezoning Review Process	July 2018
Gateway Determination	October 2018
Public Exhibition	November 2018
Final Assessment	January-February 2019
Plan Making	March-April 2019

## 7.0 Assessment of Planning Issues

This section considers the key planning issues associated with the Planning Proposal as well as those associated with a future development.

In support of the Planning Proposal, a Urban Design Study and Concept Design was prepared by Ethos Urban (refer to **Appendix A**), as outlined in **Section 4.0**, to ensure all relevant built form, separation, amenity, and design parameters have been considered. The outcomes of these investigations and analysis have guided the Planning Proposal.

By adopting this approach, the built form outcomes and associated impacts of the Planning Proposal (and subsequent DA) have been tested, understood and clearly presented.

### 7.1 Built Form

#### Massing and Scale

The proposed amendment to the maximum FSR and HOB under SLEP 2012 will facilitate two additional storeys above the existing commercial building. The Indicative Development Concept (refer to **Appendix A**) results in a maximum building height of RL 30.36 (18.26 metres) or 4-storeys fronting Barcom Avenue and 5-storeys to the rear boundary.

The proposed bulk and scale is commensurate to the existing built form context. By maintaining the existing warehouse building, the proposal reinforces the subdivision patterns, predominant street setback and alignment and the existing street frontage height of 2 metres. The Concept maintains the existing 2-storey street frontage height, up to the parapet of the existing building. The proposed building envelope aligns with the approved 4-storey building at 65 Craigend Street, to the north of the site, with the 6 metre setback to the residential dwellings to the south-west, transitions the built form along Barcom Avenue from 4-storeys to 2-storeys. With respect to the 5-storeys rear elevation, the height at this section of the building can be directly attributed to the topography of the land. The rear interface will not unduly exacerbate the bulk and scale of the building when viewed from other properties to the rear and will not result in adverse amenity impacts with respect to privacy and overshadowing. The 5-storey element of the building is imperceptible and cannot be interpreted from the public domain.

The Indicative Development Concept provides a building envelope that is generally consistent with the maximum height of building control under the SLEP 2012 and is consistent with the maximum building height in storeys, of 4-storeys, and street frontage height, of 3-storeys under the SDCP 2012. The proposed amendment to the maximum LEP HOB facilitates the two additional storeys, which exceed the existing maximum HOB due to the topography of the site which slopes towards the east.

As such, it is considered that the proposed building envelope is consistent with the relevant provisions of the SLEP 2012 and the SDCP 2012 related to massing and scale and has been carefully considered to respect the fine grain nature of the surrounding locality.

#### Building Separation and Visual Privacy

A principal objective of the underlying Urban Design Study and Concept Design was to ensure that the proposed building envelope provided adequate separation and curtilage to existing buildings to the south and east. The intent of the objective is to maintain the privacy and amenity of existing residential properties and to ensure that any eventual built form outcome would be sympathetic to its surrounds.

The Indicative Development Concept adopts a building envelope defined by a 6 metre setback to the third and fourth storey to the south and east which accords to the separation requirements of the Apartment Design Guide despite being for a non-residential development. Furthermore, the floor plate has been designed to ensure that trafficable areas of the coworking space are situated towards the Barcom Avenue frontage limiting the ability for direct sight lines to the south and east when combined with generous building separation.

Fenestration along the southern elevation will also be minimised and where necessary privacy screens that integrate with the overall architectural style, will ensure that the visual privacy of adjoining residential properties will not be unduly impacted. The Indicative Development Concept therefore demonstrates that the proposed envelope provides for adequate building separation and will thereby maximise visual privacy.

### Visual Impact

The most prominent views to the development are from Barcom Avenue and the frontages of the surrounding heritage items. As shown in **Figure 23**, the proposed setbacks and stepped building form responds to the surrounding built form, achieving a transition between the 4-storey development to the north and 2 and 3-storeys terraces to the south and west. It is considered that the proposed built form will not visually dominate the surrounding buildings or streetscape, providing adequate separation and visual curtilage to surrounding buildings. The proposed materials and finishes will ensure a contemporary character, distinguishing the existing built form from the additional storeys proposed. Further, no changes to the building form are proposed at street level, maintaining the current views along Barcom Avenue.

Views from the development are those to Barcom Avenue and to the east towards adjacent residential private open space. The rear setback of the fourth storey provides sufficient separation between the offices and neighbouring residential dwellings, with views out and across existing rooftops. The proposed built form will not result in any additional overshadowing to surrounding residential private open space (refer below for further discussion). As such, it is concluded that the Indicative Development concept will result in an acceptable visual outcome.



**Figure 23** View of development concept (shown in blue), looking north east along Barcom Avenue

Source: Urban Design Study and Concept Design, Ethos Urban

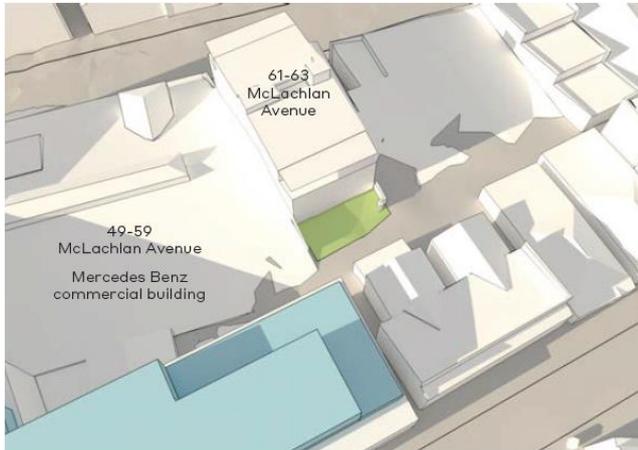
### Solar Access and Overshadowing

A shadow analysis has been undertaken by Ethos Urban (refer to **Appendix A**) for the hours before 9am and 3pm at mid-winter (21 June). The analysis has examined the overshadowing from the additional 2-storeys within the context of the existing overshadowing caused by the existing warehouse building within the site and surrounding buildings, particularly the 4-storey development at 65 Craigend Street.

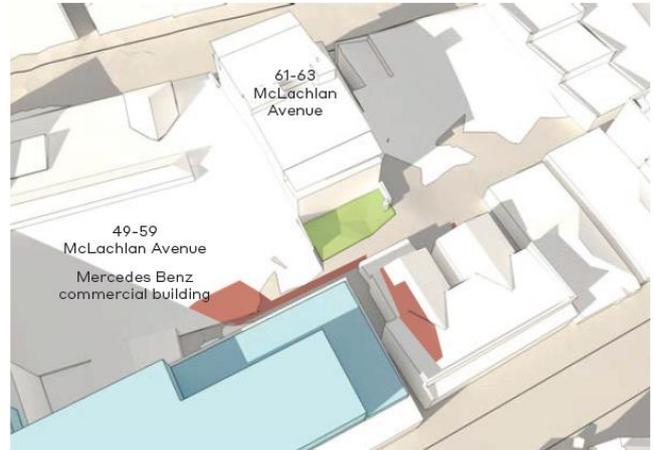
As noted in **Section 4.2**, one of the five key design moves informing the Indicative Development Concept is that the Proposal must not result in “additional overshadowing to adjacent residential private open space at 61-63 McLachlan Avenue”. This is consistent with the requirements of Section 4.1.3.1 of the SDCP 2012 relating to overshadowing of neighbouring dwellings. The shadow analysis demonstrates that the proposed built form, through the provision of sufficient building setbacks, will not result in any additional overshadowing to the adjacent residential dwellings and private open space. The private open space at 61-63 McLachlan Avenue receives 2 hours of sunlight to approximately 77% of its surface between 9am and 3pm in mid-winter. It is noted that this assumes

that the private open space is located at ground level and is under one ownership. Further, the analysis shows that the proposed built form will result in minor additional overshadowing to the façade of 61-63 McLachlan Avenue at 2:00pm mid-winter. This is considered acceptable as windows to habitable rooms are not overshadowed.

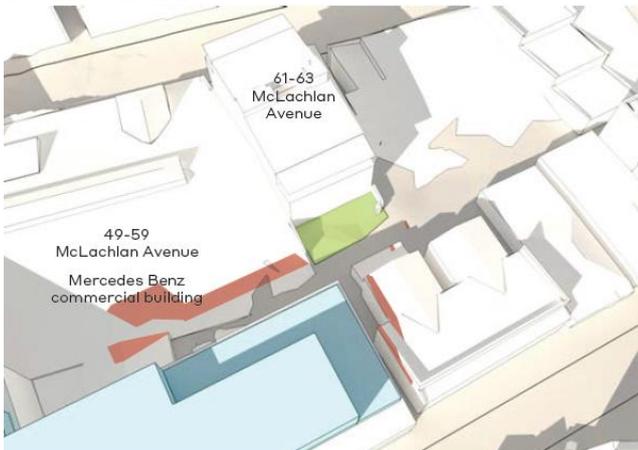
It is noted that additional overshadowing occurs to the commercial building at 49-59. However, given the use of the building this is considered acceptable.



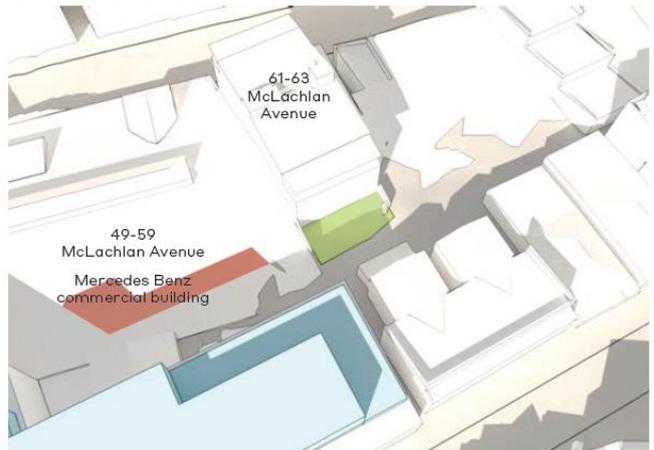
36 9:00 am - 21 June



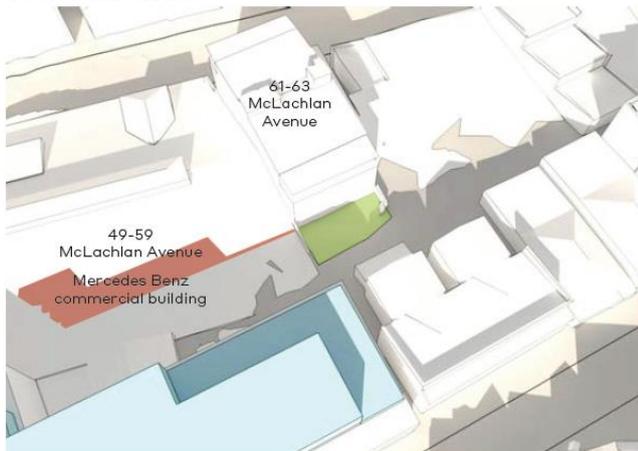
37 10:00 am - 21 June



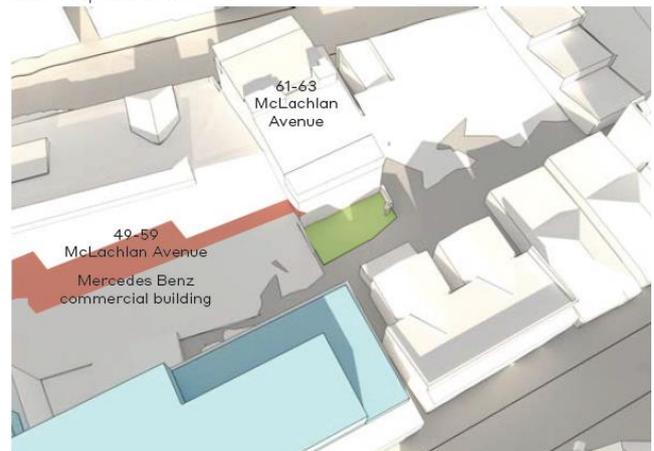
38 11:00 am - 21 June



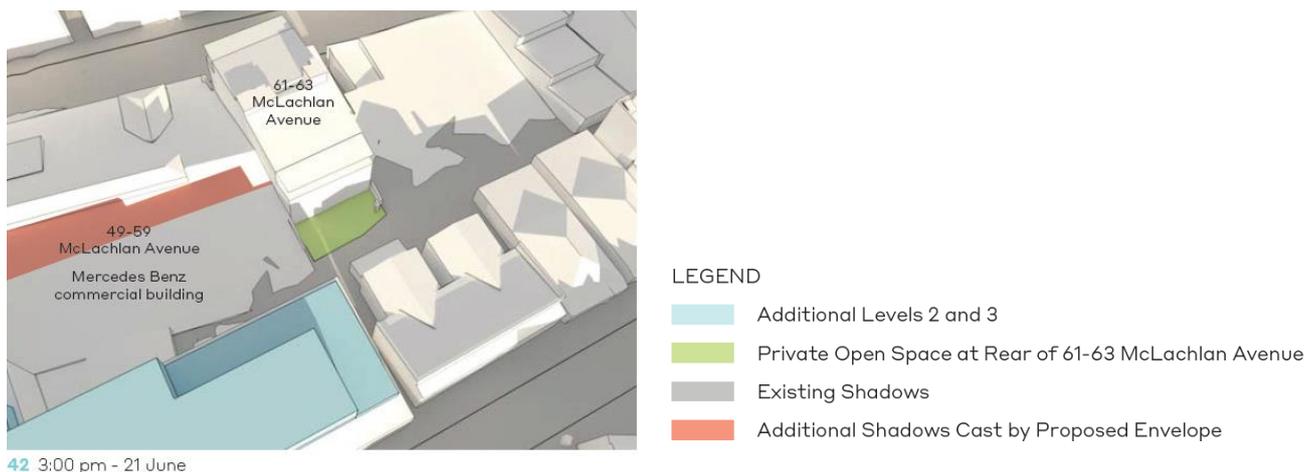
39 12:00 pm - 21 June



40 1:00 pm - 21 June



41 2:00 pm - 21 June



**Figure 24 Shadow analysis diagrams**

Source: *Urban Design Study and Concept Design, Ethos Urban*

## 7.2 Heritage

A Statement of Heritage Impact (HIS) has been prepared by NBRS Architecture and is included at **Appendix C**. The purpose of the report is to assess the impact of the Indicative Development Concept on the heritage significance of the individual heritage items and Barcom Avenue heritage conservation area adjacent the site. Accordingly, the HIS reviews the proposal in terms of the relevant heritage provisions of the SLEP 2012, the requirements of SDCP 2012 and the NSW Heritage Office (now NSW Heritage Division) guidelines, *Altering Heritage Assets and Statements of Heritage Impact*, contained within the NSW Heritage Manual.

The site is located adjacent to the Barcom Avenue Heritage Conservation Area, which is characterised by irregular street patterns that respond to the topography of the area. Barcom Avenue is characterised by two-storey Victorian terraces, apartments, cottages, street planting and one to two-storey fences and includes a number of local heritage items. Under SDCP 2012, a number of contributory items are identified along Barcom Avenue. The site is not a contributory item. There are no views that have been identified as being significant in any statutory listing. Notwithstanding, the HIS recognises existing visual connections from the site to the surrounding heritage and contributory items.

The findings of the HIS are summarised below:

- The proposal seeks to mitigate potential impacts to the surrounding heritage and contributory items and visual setting of these items by setting back upper levels from the street, reducing visual bulk and scale and ensuring a suitable visual curtilage. Notwithstanding, any potential impacts to the surrounding heritage and contributory items would be understood in the context of the recent large-scale development to the east of the site and the changed visual setting.
- The increased height of the building is sympathetic to the two and three storey terraces and the adjacent conservation area and will not visually dominate the surrounding built form or streetscape.
- The additional levels achieve a sensitive transition in scale due to the separation achieved by the proposed setbacks.
- The proposed setbacks will retain the existing street wall height, ensuring a continued appreciation of the streetscape character along Barcom Avenue.
- The proposed materials and finishes will ensure a contemporary character, distinguishing the existing built form from the additional storeys proposed.
- Existing views to the contributory, heritage items will be retained.
- The proposed LEP amendments will facilitate the ongoing use of the site for commercial purposes.
- The proposal is consistent with the desired future character of the Darlinghurst East locality under SDCP 2012.

It is noted that the existing warehouse building is older than 50 years, however the HIS considers that the objectives and provisions of Section 3.10.1 of SDCP 2012 are not applicable as the building is not a heritage item, nor located within a heritage conservation area and has undergone multiple changes both internally and externally.

The HIS concludes that the Indicative Development Concept is consistent with the heritage objectives of the SLEP 2012 and the SDCP 2012 and should be supported from a heritage perspective.

### 7.3 Transport and Access

A Traffic and Parking Assessment Report has been prepared by Barker Ryan Stewart and is included at **Appendix D**. The purpose of the report is to assess the traffic, parking and pedestrian aspects of the Development Concept.

#### Traffic and Parking

In accordance with the Sydney LEP 2012, the maximum parking requirement for the additional GFA is 6 spaces based on the proposed office use. However, it is noted that the existing storage premises on site would generate a requirement for 20 spaces, resulting in an overall maximum parking requirement of 26 spaces.

The existing site does not contain any car parking spaces given the existing footprint of the building which limits the ability of the site to accommodate any car parking spaces without adversely compromising the operation of the existing storage premises. On this basis, the Indicative Development Concept does not involve the provision of any car parking spaces given the existing constraints of the site.

The proposal is considered to be consistent with the objectives of the City of Sydney DCP Division 7 (b) which prescribes that the amount of vehicular traffic generated by a proposed development should be minimised. The provision of car parking on the site would be contrary to this objective and compliance with Council's parking requirement could potentially result in undue traffic generation. The site is well serviced by public transport given it is located within a 10 minute walk (800m walking distance) to King's Cross Station and within a 250m walk to bus stops on Bayswater Road and New South Head Road. The proximity to public transport and the locational context of the site provides a platform to attract employment generating uses that are not heavily reliant upon private vehicle transport which is generally an attribute of coworking spaces.

Work Inc. intend on occupying the proposed office premises and have established a comparable facility in North Sydney known as Bay 9 which has been successfully operating for over two years with no on-site parking. In this instance, it is apparent that the types of workers and the demographic attracted to coworking spaces are not heavily reliant on motor vehicles given their proximity to the site which promotes sustainable transport modes including walk and cycle in addition to the high accessibility to public transport.

Furthermore, the proposal could involve the provision of a Go-Get car share space located on Barcom Avenue, providing a more sustainable alternative to private vehicle use for tenants of the proposed development and the local neighbourhood. Bicycle parking and end-of-trip facilities are proposed to be provided on-site and will provide another alternative means of transportation. For these reasons the proposal will not generate a requirement for car parking nor will it have a significant negative impact on parking in the locality.

#### Bicycle Accessibility and Parking

The site is located on Barcom Avenue which is classified as a 'low traffic, onroad, quiet route' by the Ausway cycle route map. The Barcom Avenue route connects to Liverpool Street which provides access to the Bourke Street 'separated off-road cycleway' providing a safe dedicated link to both the north and south of Sydney's CBD. This major cycleway also provides off-road share paths to the east via Moore Park and west via low traffic on-road routes. These links to the west also provide access to train stations in Sydney's CBD. Therefore, the cycle network provides safe access to the site.

The Development Concept would require the provision of 13 bicycle spaces in accordance with the Sydney DCP 2012 for the proposed office component. The Development Concept is capable of providing these spaces and will be designed in accordance with Table 3.3 of AS2890.3-2015, with 9 spaces provided for staff use and 4 spaces provided for visitors in accordance with Clause 3.11.3(3) of the Sydney DPC 2012.

The Development Concept also provides end of journey facilities in the form of 13 lockers and 2 showers and change cubicles in accordance with the DCP.

## 8.0 Conclusion

This Planning Proposal has been prepared in accordance with Section 3.33 of the *Environmental Planning and Act 1979* (EP&A Act), and includes the requirements as set out in 'A Guide to Preparing Planning Proposals' published by the Department of Planning and Environment (DP&E) in August 2016.

It provides comprehensive justification for the proposed amendments to the SLEP 2012 with respect to land at 30-62 Barcom Avenue, Darlinghurst. Specifically, the Planning Proposal seeks to:

- Amend the maximum floor space ratio (FSR) applicable to the site increasing the maximum FSR from 2:1 to 3.75:1;
- Amend the maximum height of building applicable to a portion of the site from 15 metres to 18 metres; and
- Amend Division 5 'Site specific provisions' to insert a site-specific provision relating to the allowable use of the additional floor space on the site.

The proposed amendments to SLEP 2012 are intended to facilitate development of the site for the purposes of a boutique coworking office space above the existing storage premises. The office premises have been designed to cater for a specific tenant known as Work inc.

It is considered that the Proposal:

- Is consistent with the aims and objectives of the relevant strategic plans and policies, including the City of Sydney's Tech Startup Action Plan 2016;
- Is consistent with the relevant statutory plans and policies including the aims of the SLEP 2012 and the SDCP 2012;
- Demonstrates site specific merit;
- Will result in no adverse environmental, economic or social impacts; and
- Will deliver employment floorspace fostering the creation of new jobs and new businesses.

Given the strategic planning merit of the proposed amendments, we request that Council forward this Planning Proposal to the Minister for Planning for a 'Gateway Determination' in accordance with Section 3.34 of the EP&A Act.