



GFM Investment Group Pty Limited
ACN 609 143 035 | ABN 75 250 631 663
as trustee for the GFM Home Trust Subtrust No. 2
103/271 Bridge Road
Richmond VIC 30121

Public Benefit Offer

**Home Apartments to Lane Cove Council
in relation to the proposed redevelopment of
524 – 542 Pacific Highway St Leonards**



GFM Investment Group Pty Limited
ACN 609 143 035 | ABN 75 250 631 663
as trustee for the GFM Home Trust Subtrust No. 2
103/271 Bridge Road
RICHMOND VIC 3121

25 August 2023

Craig Wrightson
General Manager
Lane Cove Council
48 Longueville Road
Lane Cove NSW 2066

Dear Mr Wrightson

**Updated Letter of Offer to enter into a Voluntary Planning Agreement
Site: 524-542 Pacific Highway St Leonards**

HOME Apartments is the proponent of a Planning Proposal and accompanying State Significant Development Application for proposed Build-to-Rent housing at the Site (**Proposed Development**).

As you know, HOME has been in negotiation with Council for many months regarding HOME's offer to provide a range of exceptional public benefits in connection with the Proposed Development.

To give effect to that offer, HOME proposes to enter into a voluntary planning agreement (**VPA**) with Council pursuant to section 7.4 of the *Environmental Planning & Assessment Act 1979* (NSW) (**EPA Act**).

The purpose of this letter is to consolidate and formalise the terms of HOME's proposal to enter into a VPA, to enable the terms of that offer to be considered and endorsed by Council at its September 2023 meeting.

HOME proposes to enter into a VPA with Council which contains the following key terms.

1 Parties to the VPA

1.1 The parties to the VPA will be:

- (a) GFM Investment Group Pty Ltd as trustee for the GFM Home Trust Subtrust No. 2 (the **Developer**); and
- (b) Lane Cove Council (**Council**).

2 Description of the land to which the VPA will apply

2.1 The VPA will apply to the land comprising the Site which is legally described as follows:

Address	Legal Description	Owner
524-530 Pacific Highway	Lot 7 Section 17 DP 3175	Telstra Corporation
	Lot 8 Section 17 DP 3175	Telstra Corporation
	Lot 9 Section 17 DP 3175	Telstra Corporation
	Lot 1 DP 433297	Telstra Corporation
536 Pacific Highway	Lot D DP 377423	Perpetual Corporate Trust Limited ACN 000 341 533 as custodian for GFM Investment

Address	Legal Description	Owner
		Group Pty Limited ACN 609 143 035 in its capacity as trustee of GFM Home Trust Subtrust No. 2
538 Pacific Highway	Lot C DP 377423	Perpetual Corporate Trust Limited ACN 000 341 533 as custodian for GFM Investment Group Pty Limited ACN 609 143 035 in its capacity as trustee of GFM Home Trust Subtrust No. 2
540 Pacific Highway	Lot B DP 377423	Perpetual Corporate Trust Limited ACN 000 341 533 as custodian for GFM Investment Group Pty Limited ACN 609 143 035 in its capacity as trustee of GFM Home Trust Subtrust No. 2
542-542A Pacific Highway	Lot A DP 377423	Perpetual Corporate Trust Limited ACN 000 341 533 as custodian for GFM Investment Group Pty Limited ACN 609 143 035 in its capacity as trustee of GFM Home Trust Subtrust No. 2

3 Description of the Proposed Development

- 3.1 The Developer has lodged a State Significant Development Application SSDA-35631707 (**SSDA**) to accompany a concurrent State-led Planning Proposal to amend the *Lane Cove Local Environmental Plan 2009 (LEP)* to rezone the Site from B3 Commercial Core to B4 Mixed Use and to increase the maximum building height of 72m to 155m.
- 3.2 In general terms, the SSDA seeks consent for construction of a new mixed-use development comprising:
- (a) 272 Build-to-Rent apartments;
 - (b) approximately 4,600 m² of non Build-to-Rent GFA consisting of affordable housing for key workers, short stay accommodation and retail, and
 - (c) associated communal residential amenities, loading and vehicular access, parking and associated landscaping and public domain works.

4 Nature and extent of the provision to be made by the Developer under the VPA

- 4.1 The Developer offers to make contributions of the following kind:
- (a) a monetary contribution to Council of \$3.6 million towards Council's provision of local infrastructure (**Monetary Contribution**); and
 - (b) the provision of 10 affordable housing units for key worker housing, as described in more detail in section 5 below (**Affordable Housing Contribution**),
- together the **Developer Contributions**.
- 4.2 In addition, the Developer will be required to pay:
- (a) local contributions to Council under s7.11 EPA Act (as described below) in the estimated amount of \$6.2 million; and
 - (b) a Housing and Productivity Contribution to the State in the estimated amount of \$3 million.

- 4.3 The Developer Contributions are offered in connection with the SSDA which as noted above seeks approval for 272 Build-to-Rent apartments, and on the basis that previously proposed commercial floor space will be approved in an approximately equivalent area for use as short stay accommodation, affordable housing for key workers and retail. If any consent ultimately granted to the SSDA does not authorise this development yield, the Developer reserves the right to amend its offer proportionately to the reduction in development yield.

5 The manner in which the provision is to be made, and the time or times by which the provision is to be made

- 5.1 The Developer offers to provide the Developer Contributions as follows:

- (a) The Monetary Contribution will be paid prior to the first occupation certificate for the Proposed Development.
- (b) The Affordable Housing Contribution will be provided as follows:
 - (i) the Developer will provide 10 affordable housing units for key workers (**AHUs**) comprising 4 x 1 bedroom apartments and 6 x studio apartments in locations nominated on level 8 as shown on the plan at **Schedule 1**. No parking is to be provided as part of this offer.
 - (ii) The AHUs will be used for affordable housing for a 15 year term commencing from the issue of an occupation certificate. At the conclusion of the 15 year term the AHUs will revert to the Developer for the Developer to use in its absolute discretion.
 - (iii) The AHUs will be owned and managed by the Developer. However if the Developer on-sells the AHU component of the Proposed Development then the AHUs will be managed by a registered community housing provider for the 15 year period, and thereafter will revert to the then current owner to use in its absolute discretion.
 - (iv) The AHUs will be for 'key worker' housing and will meet the 'moderate income household' definition of 'affordable housing' in *State Environmental Planning Policy (Housing) 2021*.

6 Application of s7.11 of the EPA Act

- 6.1 The VPA will not exclude the payment of contributions under s7.11 of the EPA Act. As a result, the Developer will pay s7.11 contributions to Council in the estimated amount of \$6.2 million.
- 6.2 The VPA will provide that s7.11 contributions will be payable prior to the first occupation certificate for the Proposed Development.

7 Security: registration on title

- 7.1 The VPA will be registered on the titles to the land comprising Lots A to D inclusive of DP 377423. The Developer will procure the lodgement of the required documents with NSW Land Registry Services for registration within 20 business days of execution of the VPA.
- 7.2 The VPA will provide a mechanism for the removal of the VPA from the titles as the Developer's obligations are performed.
- 7.3 The VPA will provide a mechanism under which the Developer may from time to time request that Council provide written confirmation that the Developer's obligations under the VPA have been performed (or partially performed, as the case may be). The Council must promptly provide the requested written confirmation.

7.4 The VPA will also provide that the registration of the VPA will be released and discharged from the relevant titles upon either:

- (a) the completion of the Developer's performance of its obligations under the VPA; or
- (b) the termination of the VPA.

8 Costs

8.1 The Developers will pay Council's reasonable costs incurred in negotiating, drafting and entering into the VPA, to a maximum of \$15,000 plus GST.

9 Other provisions

9.1 The VPA will be otherwise generally in accordance with Council's template VPA, and will include any other required boilerplate provisions typical for an agreement of this kind.

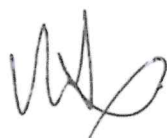
We trust that the provision of these exceptional public benefits will ensure Council's full support to expedite approval of the SSDA.

We look forward to receiving confirmation of Council's agreement to the key commercial terms set out in this letter of offer, so that the parties can progress to documenting a VPA as soon as possible and in parallel with the public exhibition and assessment of the SSDA.

We would welcome an opportunity to meet with Council to discuss this offer.

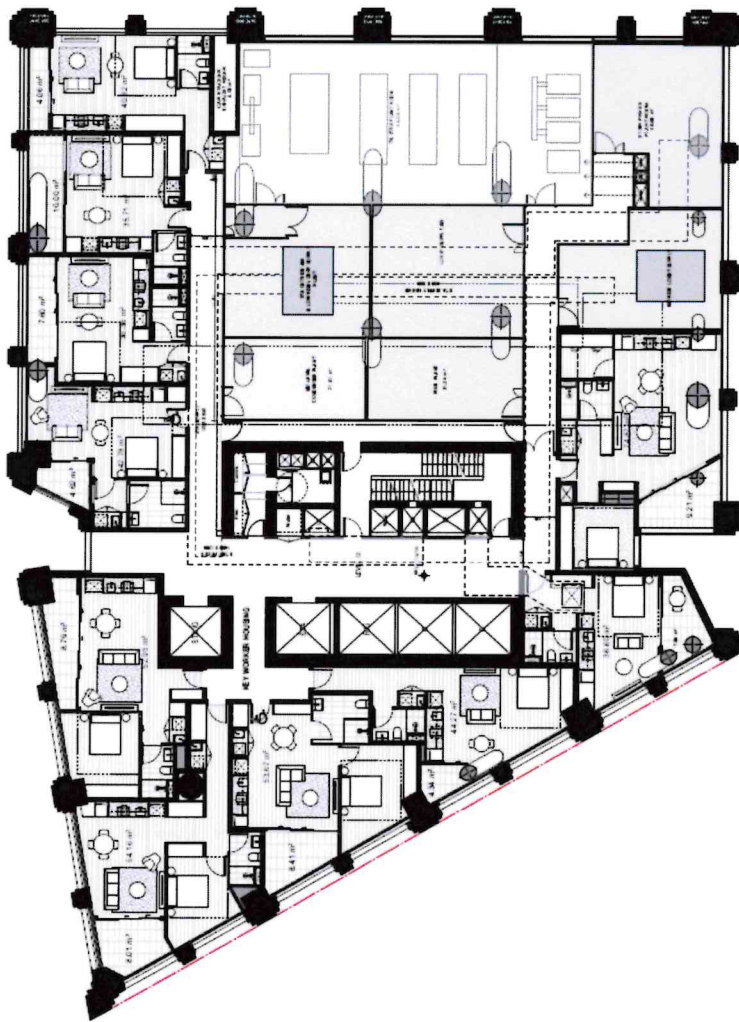
Yours sincerely

Christian Grahame



Head of Home

Schedule 1



REVISIONS

Level 08
1:100

Project Name: [REDACTED]
Project Number: DA 209
Revision Number: 02

DKO

Scale: 1:100
Date: 25.8.2023

Tony Bellingham

From: David Stevens <DStevens@lanecove.nsw.gov.au>
Sent: Tuesday, 26 September 2023 4:35 PM
To: Tony Bellingham
Subject: Council Resolution - Intention to Enter into a Voluntary Planning Agreement with Home
Attachments: Minute - DRAFT VOLUNTARY PLANNING AGREEMENT FOR 524 - 542 PACIFIC HWY.docx

ALERT: This message originated outside of the GFM network. **BE CAUTIOUS** before clicking any link or attachment.

Hi Tony,

Please see the attached minute (resolution) from Council's September meeting confirming its intention to enter into a voluntary planning agreement with Home the developer of 524-542 Pacific Highway, St Leonards. The minute includes steps in the process of community consultation and a further report (point 6) outlining responses as part of Council's standard practice.

In terms of a "template" VPA and after discussion with Council's lawyer, our preference is to draft the VPA for your review and commit to having a version available Tuesday 3 October. In terms of your process, can you confirm my understanding is correct please:

1. Home will lodge the DA along with the Public Benefit offer on 3 October 2023
2. Home will exhibit the DA with a Draft VPA in late October such that the consultation period is completed in advance of December

What date do you wish to exhibit please? Council require DA and Draft VPA to be concurrent, simplistically what I need to know (basis our earlier conversation whereupon Home prefer to prepare the draft VPA because it gives you better control on timing) is are you comfortable with Council's preference to prepare as long as we can meet your timeline?

Kind regards
Dave

David Stevens | *Manager Commercial Operations*



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In the spirit of reconciliation Lane Cove Council acknowledges the Traditional Custodians of the Land, the Cameraygal people. We pay our respects to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.