

21 April 2021

Mr Ed Riches
Development Manager
Investa
Level 30
420 George Street
Sydney NSW 2000

Dear Mr Riches

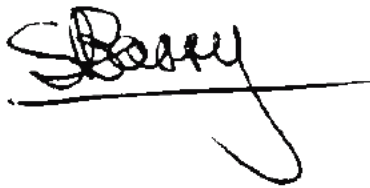
PROPOSED STATE HERITAGE LISTING OF MLC BUILDING (former) NORTH SYDNEY

I am writing to advise you of an extension to the Commission's closing date for general public submissions on this matter to 30 April 2021. Consistent with previous advice, the building owner will be given an additional 7 days to make a final submission (i.e. 7 May 2021) to allow it to respond to any issues raised.

The Commission also has a number of questions for which it seeks your assistance in obtaining a response on behalf of the building owner. These are set out in the attachment to this letter. The Commission would appreciate a response to these questions by close of business on 28 April 2021.

Should you require any further information please contact me on [REDACTED] or via [REDACTED].

Yours sincerely



Stephen Barry
Director, Planning

Questions from the Commission to the owner of MLC Building (former) North Sydney

1. The PTW and Urbis reports adopt the Order of Costs prepared by WT Partnership for the building owner in October 2020 (c\$212M). However, as the Urbis report notes, the Ethos Urban SEE that was lodged with the development application included a significantly lower cost estimate (c\$120M).

Can the building owner clarify the differences in underlying assumptions in the two cost estimates to explain the discrepancy?

2. In its submission, the building owner stated that in its experience, B-Grade buildings in North Sydney are undesirable tenancies and therefore a refurbished MLC Building would be difficult to tenant. However, the statistical data presented in the Urbis report seem to indicate that B-Grade buildings actually dominate the North Sydney market and that recent vacancy rates (in the order of 10%) are trending downwards. It also identifies drivers for increased demand for buildings such as a refurbished MLC Building into the future.

Is the building owner able to clarify why it may be that its experience of the North Sydney market appears to differ from the data presented by Urbis?

3. In its letter of 8 October 2020 to the Heritage Council, Investa indicated that 'The MLC Building is the owner's only real property asset' and that 'The MLC Building is owned by the 105 Miller Street North Sydney Trust (the registered proprietor is IOF Custodian Pty Limited as trustee for the 105 Miller Street North Sydney Trust) (Trust)'. Ms Townsend also made that observation in the owner's submission (Transcript page 4, line 40).

The Commission requests that you provide a timeline that illustrates how these corporate and ownership structures have evolved over, say, the last 10 years. For example:

- *When was the 105 Miller Street North Sydney Trust first constituted?*
 - *When did IOF Custodian Pty Limited become Trustee?*
 - *Who did 105 Miller Street North Sydney Trust acquire ownership of the MLC Building from and when?*
 - *Has it always been the case that the MLC Building is the 105 Miller Street North Sydney Trust's only asset?*
 - *If the Trust ever owned other real property, when did it sell that other property and to whom?*
4. In its submission and during the site visit, the building owner indicated that an upgrade is necessary for the building's air conditioning services, which has implications for the fire rating, floor thicknesses, and floor-to-ceiling heights. In its submission the building owner indicated that as part of the services upgrade it would be necessary to introduce a new and more flexible system to assist with 'future leasing' (Mr Vivian, transcript, page 8, line 20) and 'future tenant flexibility' (Powerpoint accompanying the owner's submission).

Acknowledging that this may impact future tenancy flexibility, can the owner clarify whether it is nevertheless physically possible to replace the existing air conditioning services without significantly impacting the placement of the fire rating, the floor-to-ceiling heights and floor thicknesses? [Note that PTW considers that this appears to be the case (page 14) based on the DA drawings and information gathered from a 1998 refurbishment].