

1.8 DRAFT HUNTINGDALE PRECINCT PLAN IMPLEMENTATION AND AMENDMENT C173 (SMC: File No. F23-894)

Responsible Director: Peter Panagakos

RECOMMENDATION

That Council:

- 1. Notes that officers have held several discussions with landowners and their consultants in Area 7.*
- 2. Notes that throughout these discussions, representations and written reports the landowners have not demonstrated the need to change the zone to include residential development in order to encourage the future development and rejuvenation of this area with a focus on employment consistent with the principles of the precinct plan.*
- 3. Notes the content of the Huntingdale Precinct Plan Implementation Plan 2022-2028.*
- 4. Request the Minister for Planning to authorise Council, pursuant to Section 8A of the Planning and Environment Act 1987, to prepare Amendment C173.*
- 5. Authorise the Director City Development to prepare and finalise Amendment C173 documentation in accordance with this report.*
- 6. Upon receiving authorisation from the Minister for Planning, exhibit Amendment C173 in accordance with Section 19 of the Planning and Environment Act 1987.*

INTRODUCTION

The purpose of this report is to provide an overview on the staged implementation approach for the Huntingdale Precinct Plan and to seek Council's endorsement to request authorisation from the Minister for Planning to prepare and exhibit Amendment C173 to implement the strategic work actions.

The report also provides an overview of the discussions with land owners and consultants in Area 7 who have sought a zone change to allow for residential development in the area.

Amendment C173 proposes limited rezoning, almost entirely within the central core area (Activity Area 3) in the Precinct Plan, the application of two Design and Development Overlays to the industrial, and commercial / mixed use areas, and local policy changes.

BACKGROUND

The Huntingdale Precinct is one of the key industrial / commercial areas within the Monash National and Employment Cluster. The other precincts include the Clayton Precinct, the Monash Technology Precinct and the Industrial Employment Areas.

In March 2020, Council adopted the Huntingdale Precinct Plan. This followed a formal period of consultation (together with the Clayton Precinct Plan) from July to September 2019, and a second period of consultation and community meeting in February 2020.

In adopting the Precinct Plan, Council also resolved to direct officers to convene a meeting of landowners in Area 7 to discuss the best way of encouraging the future development and rejuvenation of this area, with a focus on employment consistent with the principles of the structure plan.

Council noted at the meeting that a further report will be prepared outlining an implementation plan to give effect to the Precinct Plan. The implementation plan has now been prepared.

DISCUSSION

Land in Area 7

Meetings with owners

As noted earlier in this report in adopting the draft Precinct Plan Council directed officers:

- *... to convene a meeting of landowners in Area 7 to discuss the best way of encouraging the future development and rejuvenation of this area with a focus on employment consistent with the principles of the structure plan.*

First meeting with Area 7 land owners

The initial meeting with landowners in Area 7 was held on 19 May 2021. This meeting included a range of businesses and land owners from Area 7. The majority of attendees were interested in learning more about the precinct plan and what is meant for the future.

Several landowners had planning consultants accompanying them in support of their position that the area should be rezoned area to allow for the inclusion of residential development.

Follow up meeting – 8 June 2022

In May 2022 the landowners and consultant requested a meeting with officers and Cr Zographos.

The group consisted of the owners of properties at:

- 5 Valley Street, Huntingdale
- 7-15 Valley Street, Huntingdale
- 30 Coora Road, Huntingdale
- 14-18 Coora Road, Huntingdale; and
- 8-12 Coora Road, Huntingdale

At that meeting the land owners discussed the issue of zoning change to allow residential development in the area and issues that they considered were an impediment to redevelopment in the Area. Officers reiterated that there was considered to be no valid justification to introduce residential uses into an employment area in order to encourage redevelopment. However, should the owners wish to pursue such a position they would need to demonstrate an overall positive impact on the area and the precinct from any such change, including highlighting job growth, impact on existing businesses and management of amenity issues, amongst other concerns.

The landowners were also advised that the provision of that information was not a guarantee of officer support and if they were to undertake the preparation of that material it was their decision.

Since that meeting representatives of several properties have been in on and off discussion with officers and submitted a series of planning reports seeking a rezoning of Area 7.

These properties are shown in **Attachment 2**.

Current request of the owners group

The most recent information submitted to officers was in December 2022 and sought “*in principle*” support for the rezoning of Area 7 from the Industrial 1 zone to the Commercial 3 zone. *Whilst the land owners have submitted reports in support of their request they have not lodged a formal rezoning request.*

Basis of this request

The owners have requested this zone in order to facilitate uplift in land value as they submit that under the current zoning they suffer from:

- Inability to attract investment.
- Ageing building stock, which is no longer suitable for modern industrial practices.
- Restrictive permissible uses, which do not afford the ability to diversify the precinct and make a wider contribution.
- Lack of suitable connectivity / infrastructure to attract industrial uses.
- Incompatible interfaces between industrial land and sensitive residential uses.

In addition the owners state that the land could provide housing close to jobs and affordable housing.

The owner’s proposition is that the introduction of the Commercial 3 zone address these issues as:

“ In the consultant’s view, the most realistic way of driving revitalisation for higher order employment uses is the application of a more flexible zone that provides the opportunity for a wider range of employment generating uses as well as some non-employment generating uses such as a component of medium or high density residential.” Huntingdale Economic Assessment, Ethos Urban October 2022, page ii

The suggestion is that allowing residential development will provide a financial incentive to land owners to redevelop the land through the ability to cross subsidise value from higher density residential development (in order to deal with potential soil contamination) and employment land.

A copy of the information submitted by the landowners’ consultants is provided at Attachment 3 & 4.

Officer comments

As noted earlier in this report this submission arises from a group of 3 landowners within Area 7.

Policy framework

The current state and local policy framework strongly encourages the retention of industrial and employment land throughout metropolitan Melbourne.

State policy includes objectives to:

- To strengthen and diversify the economy.
- To ensure availability of land for industry.
- To facilitate the sustainable operation of industry

Strategies to achieve these objectives include:

- Protect and strengthen existing and planned employment areas and plan for new employment areas.
- Improve access to jobs closer to where people live.
- Provide an adequate supply of industrial land in appropriate locations including sufficient stocks of large sites for strategic investment.
- Protect and carefully plan existing industrial areas to, where possible, facilitate further industrial development.
- Preserve locally significant industrial land for industrial or employment generating uses, unless long-term demand for these uses can be demonstrably met elsewhere.
- Avoid approving non-industrial land uses that will prejudice the availability of land in identified industrial areas for future industrial use.
- Encourage activities with minimal threshold requirements to locate towards the perimeter of the industrial area.
- Protect industrial activity in industrial zones from the encroachment of commercial, residential and other sensitive uses that would adversely affect industry viability.
- Support the retention of small-scale industries servicing established urban areas through appropriate zoning.

Overall the current policy framework strongly encourages the retention and development of existing industrial precincts.

Monash has state, regional and local employment precincts that are identified in both the Monash Planning Scheme and the Melbourne industrial and commercial land use plan. (MICLP). The designation under the MICLP of state, regional or local is an identification of the major role the area serves it is not considered to be an indicator of the overall use and value of that area as employment land.

This provides a unique opportunity for business to go from idea, to start up, to expansion, all within Monash.

It should also be noted that background information on the preparation of the Commercial 3 zone indicates that it was prepared primarily with the intention of being used in inner urban industrial/residential areas such as in Cremorne, Brunswick and Fitzroy. In these areas land uses were already mixed, tenancies smaller and amenity and facilities provided at a greater level than in outer/middle suburban areas. Whilst that does not preclude it being applied elsewhere, it does provide an insight into the types of areas that are considered suitable for the zone and resulting land use mix. (Source: based on *Productivity Commission data, Victoria's Commercial Land Use Zoning, Productivity Reform Case Study.*)

To date no planning scheme has introduced the Commercial 3 zone.

Copies of the relevant State policies are provided at Attachment 5.

Officer comment - Inability to attract investment

Officers note that there has been significant amount of redevelopment activity in Huntingdale, including Area 7 over the last few years. Two of the largest and most recent are in Area 7 itself.

The land at 370 Huntingdale Road, is the former Sidetrack GoCart facility. This property sold for \$17 million dollars in an off-market transaction in early 2022. The new owners obtained a planning permit for the redevelopment of land for an electric vehicle distribution centre. This site was chosen by the new owner after reviewing 11 sites across south east Melbourne. In addition the agents acting for the new owner indicated that there is "a massive shortfall of industrial land in the inner east precinct of Melbourne which is driving massive competition between funds, developers, owner/occupiers and other buyers" (*Former Sidetracked go kart centre in Oakleigh South scores \$17m sales deal. Commercial News, 11 April 2022. Attachment 6.*)

The land at 28-31 Coora Road has recently completed a new office/factorette development that sold out in record time. This development directly abuts several properties owned by the group seeking the rezoning.

Officers are of the view that recent developments clearly demonstrate a strong market demand for development in Area 7 with the main constraint to redevelopment being the willingness of landowners to sell or redevelop the land themselves.

Whilst it is not suggested that a change of zoning would not increase property values and potentially act as an incentive for redevelopment, given the uplift that would be created, this is not the role of either the planning scheme or the Precinct Plan.

Additionally, where such uplift occurs, redevelopment will primarily be the higher value use – in this case residential – which is contrary to the objectives of the Precinct Plan and State policy.

Officers maintain that under the current zoning, as recommended to be retained within the Precinct Plan and under State Government policy frameworks, there is support and market evidence that when an owner seeks to redevelop land in this precinct, they have received

timely approval to do so, with redevelopment occurring and meeting the significant interest from the market.

It is of course open to each land owner to treat their land as they see fit. However, underinvestment, lack of maintenance and land banking in the precinct, which in turn limits supply and creates a negative image of the precinct, is not justification for rezoning the land.

The proposed rezoning would simply create a windfall uplift in land value by the introduction of residential uses, that that would transform this area and undermine its ongoing role as an employment precinct. This is particularly so given the strong evidence of unmet demand that exists for modern offerings in this precinct.

Officer comment - Ageing building stock, which is no longer suitable for modern industrial practices.

Whilst there is no doubt that some of the building stock is older. That does not immediately mean it is incapable of being use for employment generating uses. Varied building stock offers different price points and space options for businesses. Many businesses are often after little more than the build shell and undertake an equipment fit out to meet their needs.

Officers note that the proponent's buildings are currently occupied including use by a transport company in Coora Road.

Vacancies across Huntingdale are very low with only 5 small office/warehouse premises currently available for lease, all of which are north of North Road.

Whilst there has been redevelopment through Huntingdale it is relevant to note that the properties the subject of this request have been held by the current owners for many years with no record of improvements made at least the last 10 years, possible longer. On this basis it is reasonable to conclude that the properties are potentially held for speculative or capital increase rather than long term lease for employment uses.

The last land transfer date on these properties is shown in the following table.

Property	Date acquired
14-18 Coora Road	December 1991
7-15 Valley Street	20 December 2007
30 Coora Road	29 March 2007
5 Valley Street	29 March 2007
8-12 Coora Road	27 March 2020

In short the age of the building stock is not considered a relevant or justifiable reason to undertake a significant rezoning of the land.

Officer comment - Restrictive permissible uses, which do not afford the ability to diversify the precinct and make a wider contribution.

The main differences between the current Industrial 1 zone and the proposed Commercial 3 zone is:

- the addition of residential development and shop as permitted uses; and
- the prohibition of warehouses greater than 500m² in the Commercial 3 zone.

Whilst some uses become as of right in the Commercial 3 zone, the need for a planning permit under the Industrial 1 zone for some uses is not considered a major disincentive for redevelopment in Area 7. This is clearly demonstrated by the redevelopment of 370 Huntingdale Road as outlined earlier in this report.

The impact of introducing residential development into the area and limiting warehousing to 500m² would likely have a greater disincentive to employment redevelopment given the significant uplift in land values that arise from allowing residential development.

Officer comment - Lack of suitable connectivity / infrastructure to attract industrial uses.

Changing the zone from Industrial 1 to Commercial 3 does not change any of the geographical, connectivity or infrastructure constraints that apply to Area 7.

Officer comment - Incompatible interfaces between industrial land and sensitive residential uses.

The current interfaces between the employment land and the residential land are well defined and have been in place for many years. Valley Street in particular provides a defined hard edge to the residential interface in the south. This current separation of land use provides both land use types with a degree of certainty about neighbouring uses and land use expectations. Introducing the Commercial 3 zone, with residential uses possible throughout the current employment area will create significant interface, buffer distance and amenity conflicts throughout the precinct. This will likely lead to additional pressure on existing business to relocate and act as a discouragement for the establishment of new businesses.

Officer recommendation

Any proposal to rezone the industrial precinct of Area 7 and introduce residential development into these areas is not supported as:

- Rezoning conflicts with State policy and would not result in more employment generation.
- Rezoning would introduce significant additional land use conflict in the precinct and undermine employment growth and investment.
- There is a significant shortfall in serviced employment land in Monash.
- Huntingdale employment precinct are experiencing significant redevelopment demand.

Implementation Plan 2022-2028

The *Huntingdale Precinct Plan Implementation Plan 2022-2028 (Attachment 1)* (the ‘Plan’) outlines the implementation approach and has the following objectives:

- To implement the vision and principles of the Huntingdale Precinct Plan as a key precinct within the Monash National Employment and Innovation Cluster;
- To foster innovation within the precinct and productive use of industrial land;
- To implement change incrementally to areas that require land use change and significant built form to deliver employment and residential growth;
- To set an advocacy agenda around key public and mass transport improvements in and around Huntingdale;
- To develop a capital works program for Council to deliver improvements to the public realm;
- To encourage development consistent with 20-minute neighbourhood principles, and
- To create a vibrant, liveable, and sustainable activity centre that responds to the existing character while allowing for future opportunities.

The Plan proposes a staged approach, which is summarised in the table below:

This Implementation Plan	
Short term: by the end of 2025 (0-3 years)	Medium term: by the end of 2028 (3-6 years)
<ul style="list-style-type: none"> • Limited rezoning to Commercial 1 Zone in Activity Area 3 (and application of the EAO). • Apply new General Residential Zone schedule to residential Activity Areas 8A & 8B. • Rezoning of residential areas in Activity Area 3 (on Huntingdale Road) to the Mixed Use Zone. • Implementation of built form controls through a Design & Development Overlay. • New and revised planning policies and guidelines implementing the objectives and strategies (where relevant and avoiding duplication). • Commence advocacy and facilitation actions. 	<ul style="list-style-type: none"> • Preparation of further design and master planning. • Commencement of capital projects, including urban realm improvements, WSUD and street tree planting in line with streetscape plans.

The Plan has four implementation categories - strategic work, further design and master planning, capital works, and advocacy / facilitation. The short term actions primarily involve strategic work and advocacy / facilitation, medium term actions involve commencing further design / master planning and capital works.

Long term actions would be subject to successful progress on the initial actions and increased development in the Activity Centre that aligns with the Precinct Plan. This ensures that -

- Development is focused around the core of the centre first.

- Streetscape changes and tree planting within Areas 2 and 4 have the opportunity to be more established before further land use changes are considered, allowing for a wider range of employment uses being as-of-right.
- There is the opportunity to facilitate a suitable location for a full line supermarket within Area 4, if it is still required, with site specific controls rather than wider application of the Commercial 1 Zone that may lead to unintended consequences.

The Plan also outlines resourcing mechanisms, stakeholder engagement, governance and monitoring / evaluation.

The Plan outlines all of the implementation actions (from page 9 onwards), based on the strategies within the Precinct Plan (summarised on pages 4-8), and divided amongst the four principles of the Plan. There are 26 actions in total.

Proposed Amendment C173

The amendment proposes the following:

- Rezoning of Industrial 1 Zone land at 1269 North Road, 144-154 to 180 Haughton Road, 31-35 to 39 Railway Avenue and 265 to 271 Huntingdale Road to the Commercial 1 Zone.
- Application of the Environment Audit Overlay to the above properties.
- Rezoning of General Residential 2 Zone land at 250 to 276 Huntingdale Road to the Mixed Use Zone 4.
- Applying a new General Residential Zone schedule (GRZ12) to residential land within Activity Areas 8A and 8B and applying the General Residential Zone 3 to land outside of the precinct study area boundary that is currently GRZ2.
- Deleting the existing redundant Design and Development Overlay 1 to the industrial land within the precinct.
- Applying the Design and Development Overlay 21 to the land proposed to remaining industrial land, and the Design and Development Overlay 22 to the commercial and mixed-use land within the core of the centre and near the railway station.
- Minor changes to the Local Planning Policy Framework, where relevant and avoiding duplication across state and other local provisions.

Ministerial Direction No. 19

Council is required to refer an amendment to the Environment Protection Authority if it proposes to rezone land to a zone that could contain sensitive land uses such as dwellings or childcare – prior to Council resolving to seek authorisation. The proposed amendment was referred to the EPA on 2 March 2023.

The approach to this amendment is to apply the Environmental Audit Overlay (EAO) to the (limited) properties proposed to be rezoned to Commercial 1 Zone. There are three distinct areas of rezoning, around Haughton Road opposite the station, Railway Avenue opposite the station and along Huntingdale Road on the western side just north of the existing retail strip. Each of these areas either currently contains motor vehicle repair businesses or did so in the past. The application of the EAO will ensure that an environmental audit is undertaken prior to the use of the land for sensitive uses, such as dwellings.

The EPA has responded to our referral and have request the provision of more background information on the proposal to apply the EAO. This has been provided.

POLICY IMPLICATIONS

Council Plan 2021-2025

The Plan fulfils the following strategies from the Council Plan:

- Ensure an economically, socially, and environmentally sustainable municipality
- Prioritise sustainable transport options, including walking/ cycling paths and public transport
- Improve public spaces and local employment by revitalising our employment hubs, activity centres and neighbourhood shops
- Prioritisation of pedestrians and active transport over vehicles
- Pursue a planning framework that meets Monash's needs

State and Regional Planning Policies

The Plan and Amendment C173 is consistent with the following state and regional planning policies:

- Clause 11.01-1R: "Focus investment and growth in places of state significance, including... national employment and innovation clusters"
- Clause 17.01-1R: Facilitate the development of National Employment and Innovation Clusters by ensuring they: have a high level of amenity to attract businesses and workers; are supported by good public transport services and integrated walking and cycling paths; and maximise investment opportunities for the location of knowledge intensive firms and jobs.
- Clause 17.01.2S: To create opportunities for innovation and the knowledge economy within existing and emerging industries, research and education.

CONSULTATION

Formal exhibition of Amendment C173 would be undertaken in accordance with the requirements of the Planning and Environment Act.

The exhibition would involve writing to all landowners and occupiers affected by the amendment (i.e. all properties within the study area plus properties outside of the study area proposed to have a change in schedule number to the General Residential Zone).

A Shape Monash page would be developed to provide information about the amendment and outline the ways people could make formal submissions and contact us for more information. The exhibition period would be at least one month.

SOCIAL IMPLICATIONS

The implementation of the Plan will have many positive social impacts not only for the Huntingdale Activity Centre but for the broader area.

The Plan sets out how the Precinct Plan will be delivered, and proposes a staged approach to ensure this can be done sustainably and incrementally over the medium to long term, and continuing to foster a place for employment and innovation that is close the public transport.

One of the key actions in the Plan is to advocate for removal of the grade separation of Huntingdale and North Roads. The separation is causing safety and accessibility issues for pedestrians, cyclists and road users.

GENDER EQUITY ASSESSMENT

A gender impact assessment will not be undertaken on this plan at this time, as it is implementing an existing Precinct Plan, and the actions in the Implementation Plan relate exclusively to that plan.

Planning Scheme Amendments follow a defined statutory process that involves a formal exhibition process and lodging of submissions. Submissions are assessed and objecting submissions that are unable to be resolved are referred to an independent planning panel.

FINANCIAL IMPLICATIONS

Each of the 26 actions in the Plan have been assessed in terms of whether they will require additional resources to achieve through the annual budget process.

All of the short-term actions involve strategic work and advocacy/facilitation, which will involve minimal additional financial outlay and can be accommodated in existing operational activities.

Funding for the medium-term actions, including capital works projects and further design / master planning will be subject to normal budgeting cycle process.

CONCLUSION

The rezoning of Area 7 to Commercial 3 or any zone that includes residential development as a permitted use is not supported as it is likely to undermine the redevelopment of the employment areas by increasing land values and increasing the potential for land use and amenity conflicts.

The proposed Implementation Plan outlines the staged process for implementing the Precinct Plan and contains actions for the next 5-6 years. Three of the actions are achieved through the proposed Amendment C173, which will introduce minor zoning changes to the core of the centre, a new GRZ schedule for the residential areas and updated built form controls in a DDO that will apply to all commercial, mixed use and industrial areas within the precinct.

Attachments

Attachment 1 – Huntingdale Precinct Plan Implementation Plan 2022-2028

Attachment 2 – Area 7 properties.

Attachment 3 – Information submitted by the landowners consultants (Ratio)

Attachment 4 – Information submitted by the landowners consultants (Ethos Urban)

Attachment 5 – Copies of the relevant State policies

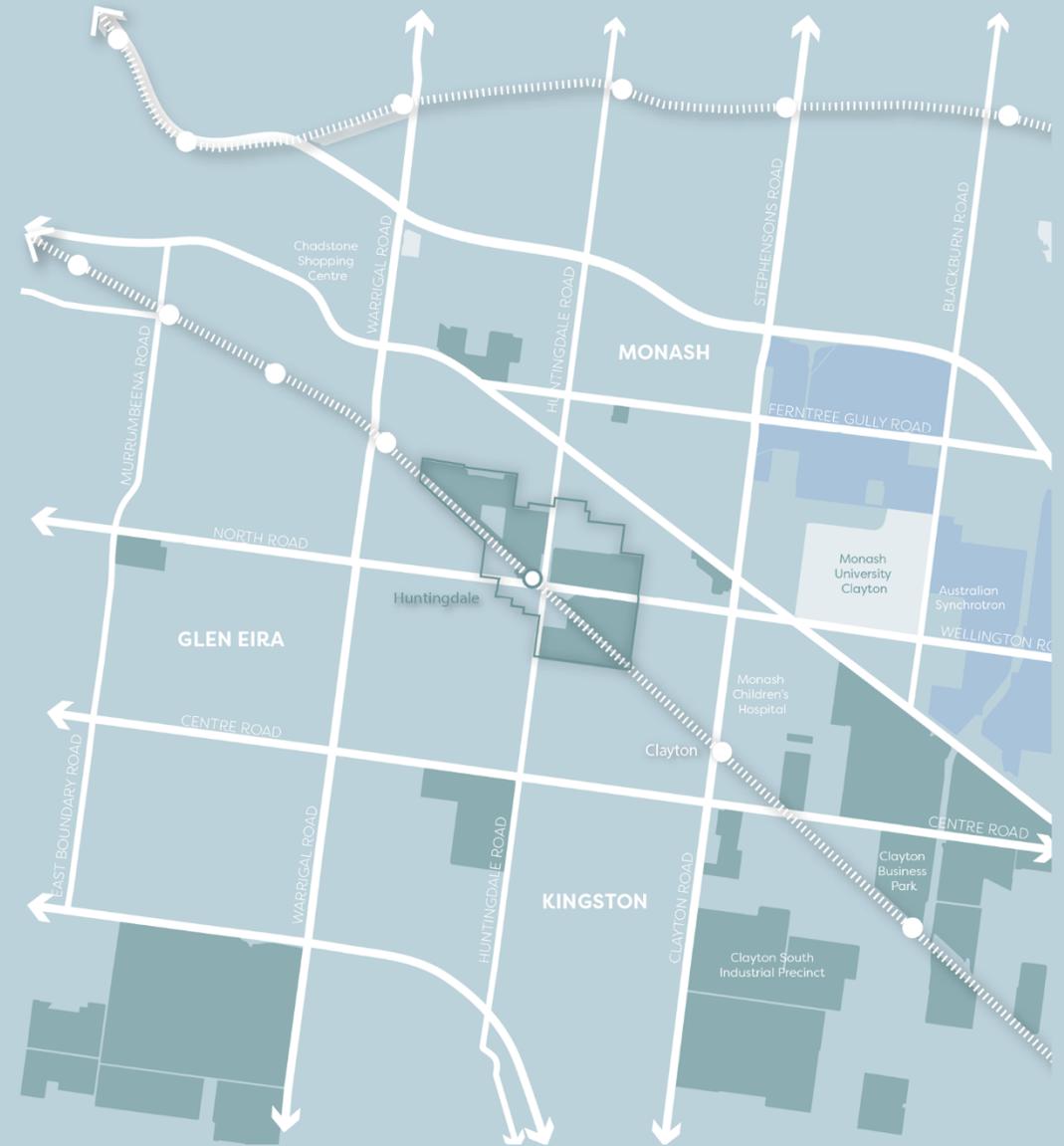
Attachment 6 – Commercial News Article



CITY OF
MONASH

HUNTINGDALE PRECINCT PLAN

IMPLEMENTATION 2022-2028



Huntingdale Precinct Plan – Implementation 2022-2028

Introduction

This implementation plan has been developed to outline the first 6 years of implementation actions from the *Huntingdale Precinct Plan 2020*. This plan sets out 26 actions, timeframes, responsibilities, and resourcing.

Implementation objectives

- To implement the vision and principles of the Huntingdale Precinct Plan as a key precinct within the Monash National Employment and Innovation cluster
- To foster innovation within the precinct and productive use of industrial land
- To implement change incrementally to areas that require land use change and significant built form to deliver employment and residential growth
- To set an advocacy agenda around key public and mass transport improvements beyond the responsibility of Council
- To create a steady and effective capital works program for Council to deliver improvements to the public realm
- To provide existing and future residents and workers with a 20-minute neighbourhood
- To create a vibrant, liveable, and sustainable activity centre that responds to the existing character while allowing for future opportunities

Types of actions

The implementation plan actions fall into the following paths:

- Path 1: Strategic work
- Path 2: Further design and master planning
- Path 3: Capital projects
- Path 4: Advocacy and facilitation

Resourcing

Actions are mostly funded within existing resources, symbolised with an 'F'. Some actions will be subject to approval and funding by Council as part of the Annual Budget process, in the applicable years – symbolised with an 'S'.

A staged approach

The indicative timeframes for completing the actions are:

Stage 1 – This Implementation Plan	
Short term: by the end of 2025 (0-3 years)	Medium term: by the end of 2028 (3-6 years)
<ul style="list-style-type: none"> Limited rezoning to Commercial 1 Zone to Area 3 (and application of the EAO). Apply new General Residential Zone schedule to residential Areas 8A & 8B. Rezoning of residential areas in Area 3 (on Huntingdale Road) to the Mixed Use Zone. Implementation of built form controls through a Design & Development Overlay. New and revised planning policies and guidelines implementing the objectives and strategies (where relevant and avoiding duplication). Commence advocacy and facilitation actions. 	<ul style="list-style-type: none"> Preparation of further design and master planning. Commencement of capital projects, including urban realm improvements, WSUD and street tree planting in line with streetscape plans.

Stakeholder engagement

Engaging stakeholders early and throughout the implementation process will ensure that their perspectives and needs are considered and incorporated into the plan. It will also help to build support and ownership for the plan among partners, the community, as well as promoting a sense of community and social cohesion in the precinct. Early engagement with key external partners will be undertaken. Most of the actions outlined in this plan will involve some form of community consultation, particularly actions involving changes to the Monash Planning Scheme or urban improvement interventions.

Governance

Governance is a fundamental aspect of the implementation plan. The governance of the plan will include the formation of an internal project control group to oversee the implementation process. It will also establish clear roles and responsibilities for the different parties involved, and ensure effective communication and collaboration between them. By providing strong governance and management, we can ensure that the plan is implemented in a timely and efficient manner, and that it achieves its objectives.

Monitoring and evaluation

Monitoring and evaluation are critical components of the implementation plan, particularly as it is a staged approach.

The monitoring and evaluation process will provide valuable information on the effectiveness of the plan, identify areas for improvement, and support decision-making. This will be in the form of progress reports to be prepared every two years.

The Huntingdale Precinct Plan

Vision:

“The Huntingdale Precinct is the premier location for knowledge intensive based businesses seeking a location within the Monash NEIC that have synergies with education, health, technology and manufacturing in Clayton Health and Education Research Precinct and Clayton, which do not require immediate proximity. These tenants are co-located within existing businesses which are growing and underpin the strength of the local economy.

The Precinct is a diverse village that provides a range of employment, recreation and residential opportunities. Offering spaces that allow for innovative businesses of all types, the industrial character inspires adaptable appropriation meeting the needs of today and catering for the potential of the future.

Well-connected transport linkages, including cycling and pedestrian networks build on the excellent public transport infrastructure connecting the village to its neighbours and beyond. The Main Street provides a safe, leafy, place to shop and socialise offering a variety of local businesses that cater to the everyday needs of locals who live and work in the village as well as those who pass through on the way to nearby education and employment hubs.”

Principles:

Foster innovation as a cornerstone of the economy	Productive use of Industrial land	20-minute neighbourhoods	Place through site responsive design
<ul style="list-style-type: none"> • Trade and investment in knowledge intensive and high value industry sectors that can compete in global markets. • Employment growth in high skill, high wage jobs. • Economic resilience and transition to digitised economy. 	<ul style="list-style-type: none"> • Recognise the changing land and site requirements of knowledge intensive industrial sectors - less land intensive, higher employee per m2 ratio, higher amenity requirement, reduced negative spill over, extended hours of operation. 	<ul style="list-style-type: none"> • Housing in close proximity and accessible to activities that generate significant inward migration such as universities and hospitals. • Increase mixed use development where conflict of activity can be minimised and mitigated. • Increase housing density around transport links and in existing residential areas. • Scale of retail and commercial activity is commensurate to scale of centre wide activity (residential and employment). • Transport networks have capacity for trips (including active transport). 	<ul style="list-style-type: none"> • Built form outcomes respond to the existing character while allowing for future opportunities. • Provide high amenity streetscapes and public places framed by appropriately scaled built form. • Activity Areas allow for specific design responses based on land use establishing a network of neighbourhoods. • Provide logical and clear movement routes for pedestrians, cyclists, cars and heavy vehicles maximising efficiency and safety for all. • Design focused on amenity uplift and seamless interface between activities.

Objectives

Economic mix	Place	Access
<ul style="list-style-type: none"> • Grow investment and employment in knowledge intensive industry. • Flexibility to allow for the diversity of industry. • Balance residential growth with employment uses to complement the transformation of industry. 	<ul style="list-style-type: none"> • Support the highest standards of contemporary architecture, landscape and urban design. • Establish a new character and identity that is complementary to the existing context. • The scale, height and setbacks of new buildings creates a liveable, compact, mid-rise, human-scaled built residential and employment environment. • To accommodate required change and growth within the Huntingdale Precinct. • Regenerate the Precinct’s public realm. • Increase the quality and coverage of the Precinct’s landscaping and canopy vegetation. • Improve accessibility to existing open spaces and increase the provision of open space within the Precinct. • Support the health and wellbeing of existing and future residents and workers through the provision of community infrastructure. • Design multi-purpose, adaptable and future proofed facilities that provide for a range of functions. 	<ul style="list-style-type: none"> • Prioritise safe and attractive pedestrian pathways to encourage sustainable modes of transport and increase pedestrian traffic in Huntingdale. • Expand and upgrade the cycling network to facilitate safe, convenient and enjoyable cycling to, from and around Huntingdale. • Manage safe and efficient vehicular movement throughout the Precinct. Modifying vehicle behaviour to decrease speeds and prioritise active transport modes. • Support connectivity, collaboration and innovation through the provision of the necessary utilities and Information and Communications Technology (ICT) infrastructure.

Strategies

Economic mix

Industry / employment

M01. Support industrial transition of historically heavy industrial uses to more future oriented industries servicing the area such as manufacturing and wholesaling and enable the location of growing professional and technical services.

M02. Facilitate catalytic industry anchor tenants to enter the Precinct to accelerate the Precincts transition:

- Professional, Scientific, and Technical Services / Commercial
- Future Manufacturing (Industrial / Specialist)
- Wholesale trade

Huntingdale Road retail core

M03. Create an identifiable urban centre that delivers a range of amenities serving the residential and worker population including an anchor retail tenant.

M04. Support existing and future fine grain retail along the retail strip to reinforce the community sense of place and 'heart'.

M05. Encourage a full line supermarket to provide essential retail amenity to the community.

M06. Encourage higher density development and activity around the retail core.

Residential

M07. To accommodate required change and growth within the Huntingdale Precinct without unreasonable impacts on surrounding residential areas.

M08. To encourage well-design medium density housing around the retail core providing additional life and activity to the Precinct 'heart'.

Student housing

M09. Encourage Purpose Built Student Accommodations (PBSA) around transport nodes.

Place

Built form

P01. Front setbacks, where required should provide generous public realm, including opportunities for canopy planting, pedestrian pathways, and seating. Car parking within front setbacks should be avoided.

P02. Ensure an appropriate transition in scale to surrounding residential areas by introducing suitable building scale, heights and setbacks at interface areas.

P03. Minimise the overshadowing impacts on the public realm and open space - existing and proposed. Built form guideline testing to utilise the equinox solar access test on key streetscapes with the following parameters:

- Southern footpaths between the 10am and 2pm
- Western footpaths from 10am
- Eastern footpaths before 2pm.

P04. Encourage sufficient separation between buildings to maximise outlook and amenity. Development should be setback from common boundaries at the upper levels a minimum of:

- 4.5 metres from the boundary where habitable rooms and balconies are proposed
- 3 metres from the boundary where non-habitable rooms or commercial uses are proposed.

P05. Encourage active frontages to enable visual interaction and engagement between the inside of buildings and the street.

P06. Where podium car parking is proposed car parking levels should be above the first floor and sleeved with active uses to streetscapes.

P07. Provide adequate floor to ceiling heights to ensure development is adaptable to future change. Floor to floor heights of at least 4.5 metres at ground floor and 3.2 metres above ground floor (including podium car parking).

P08. Encourage adaptive reuse of suitable existing buildings to retain the 'grit' of the existing character.

Streetscape design

P09. Introduce a high quality, consistent streetscape materiality and furniture palette throughout the entire Study Area, including lane ways, and thus providing a common theme tying the individual areas together.

P10. Utilise water sensitive urban design elements in streetscape upgrades and new public spaces, including tree water pits, urban swales, water re-use, and recycling initiatives.

P11. Development within the Flood Overlay (SBO) should specifically address the likelihood of flood events through principles of integrated water management reducing on-site damage and any impact on downstream land.

P12. Canopy trees of appropriate species should be introduced at every opportunity both within the streetscape and within required building setbacks to reduce the heat island effect, increase visual and physical amenity and positively impact on property values.

Public space

P13. Improve the quality and quantum of public open space within the Precinct, including better connections between the existing spaces within and immediate to the Study Area.

P14. Deliver new and upgraded open spaces in priority areas to meet the changing needs of the employment and residential population. This may include hardscape/plazas, reclaimed streets and larger verges.

P15. Offer passive and active recreation opportunities.

P16. New local open spaces should be integrated into large strategic redevelopment sites. New open spaces should be located and designed to have the following qualities:

- Minimum size of 0.3 hectares
- Northern orientation to maximise solar access
- Adjacent to existing streetscape
- Unencumbered from easements and services

Community infrastructure

P17. Work in partnership with the private sector to deliver required community infrastructure to meet current and future demand.

P18. Kindergarten, sessional day care and long day care will be required and may be delivered through:

- One small multi-purpose facility providing long day and sessional care.
- One medium sized purpose-built facility providing a kindergarten, sessional and long day care uses.

P19. A community centre, neighbourhood house and community arts facility will be required and may be delivered as:

- One multi-purpose facility serving as a neighbourhood house, and small community facility or hall.

Access

Public transport

A01. Improve Huntingdale Station design, accessibility, and interchange in the short term.

A02. Advocate for the long-term reinstatement of the North Road and Huntingdale Road intersection and underground or elevate the rail to re-connect the Precinct north and south.

A03. Advocate for upgrades to the existing bus routes, infrastructure and investigate new routes.

A04. Seek opportunities to leverage major investment in the transport network to drive urban renewal.

A05. Plan for committed major transport projects including (Suburban Loop, Rowville Rail Extension, Caulfield to Rowville Light Rail).

Walking and cycling

A06. Introduce new through-site links and courtyard space typologies within new developments to improve site permeability and reintroduce the fine grain within the study area. New laneways should be:

- Publicly accessible
- Safe and direct, with clear lines of sight
- At least 6 metres wide unless one-way

A07. Enhance pedestrian amenity and experience on all streets through the provision of improved street lighting, greening, and nodes to stop and interact.

A08. Enhance pedestrian amenity and safety by providing consistent pedestrian footpaths on both sides of streets with a minimum width of 1.6 metres and greater width on pedestrian priority streets.

A09. Provide pedestrian priority crossings including signalised crossing, elevated and at grade zebra crossings at key intersections in the pedestrian priority network and along Huntingdale Road Main Street/ retail portion to allow for the safe and convenient movement of pedestrians.

A10. Create a network of cycling routes with separated cycle infrastructure that connects to existing networks. Key routes include Huntingdale Road, North Road, Burlington Street, Westminster Road, Edward Street, Parkside Avenue, Hargreaves Street, Fenton Street, Milgate Street, Carinish Road, Haughton Road, Coora Road and Valley Street.

A11. Provide wayfinding signage in key locations including 'walk and ride times' to key destinations.

A12. Improve existing and provide additional connections to the Station Trail.

A13. Install high quality bicycle parking and facilities (such as lockers) at the Huntingdale Station interchange.

A14. Require high quality end-of-trip facilities in new development.

A15. Investigate bike sharing schemes, including a potential partnership with Monash University.

Vehicles

A16. Support sustainable transport, encouraging new development to incorporate green travel plans and provide car share spaces.

A17. Continue to monitor car parking in the Precinct as trip demand increases to ensure land uses, pedestrian amenity and built form design outcomes achieve an appropriate balance.

A18. Slow traffic speeds on the northern portion of Huntingdale Road. This may be achieved by extending the retail core north allowing for a 40km/hr zone to be implemented.

Implementation Actions

Principles 1 & 2 – Foster innovation as a cornerstone of the economy, and productive use of industrial land

No.	Type	Action name	Action description	Strategic alignment	Timeframe	Responsibility & partnerships	Resourcing
1.1	Advocacy & facilitation	Facilitate and promote industrial regeneration	Ongoing support for industrial transition of traditional industrial uses to more future oriented industries servicing the area such as manufacturing and wholesaling and enable the location of growing professional and technical services.	M01	Medium	Economic Development DJSIR Monash Uni	F
1.2	Advocacy & facilitation	Attract industry anchor tenants	Facilitate catalytic industry anchor tenants to enter the Precinct to accelerate the Precincts transition: <ul style="list-style-type: none"> Professional, Scientific, and Technical Services / Commercial Future Manufacturing (Industrial / Specialist) Wholesale trade 	M02	Medium	Economic Development DJSIR Monash Uni	F
1.3	Advocacy & facilitation	Promotion as a location for startup incubator for business and industry	Promotion of Huntingdale as a preferred location for start up, high tech businesses including research and development.	M01	Medium	Strategic Planning Economic Development DJSIR Monash Uni	F

Principle 3 – 20-minute neighbourhoods

No.	Type	Action name	Action description	Strategic alignment	Timeframe	Responsibility & partnerships	Resourcing
3.1	Strategic work	Planning Scheme Amendment with zoning changes (creating a market signal)	<p>Undertake an Amendment to the Monash Planning Scheme to rezone land to:</p> <ul style="list-style-type: none"> Extend the retail core to the north, extending the Commercial 1 Zone to 265 Huntingdale Road) Encourage student accommodation, retail/commercial uses near the train station, extending the Commercial 1 Zone to 144 to 180 Haughton Road and 1269 North Road. Allow some change and growth within the Huntingdale Precinct without unreasonable impacts on surrounding residential areas, by applying the Mixed Use Zone to the residential land at 250 to 276 Huntingdale Road. 	M03, M04, M06, M07	Short	<p>Strategic Planning</p> <p>DTP EPA DJSIR</p>	F
3.2	Strategic work	Planning Scheme Amendment with policy changes (creating a market signal)	<p>Undertake an Amendment to the Monash Planning Scheme to:</p> <ul style="list-style-type: none"> Encourage well-designed medium and higher density development and activity around the retail core Accommodate required change and growth within the Huntingdale Precinct without unreasonable impacts on surrounding residential areas Encourage Purpose Built Student Accommodations (PBSA) around transport nodes Support sustainable transport, encouraging new development to incorporate green travel plans and provide car share spaces. 	M07 to M09 A16	Short	<p>Strategic Planning</p> <p>DTP</p>	F
3.3	Strategic work	Monitor car parking	Continue to monitor car parking in the Precinct as trip demand increases to ensure land uses, pedestrian amenity and built form design outcomes achieve an appropriate balance.	A17	Medium	<p>Engineering Strategic Planning Community Amenity</p>	F

No.	Type	Action name	Action description	Strategic alignment	Timeframe	Responsibility & partnerships	Resourcing
3.4	Strategic work	Improve public open space provision and quality of the public realm	Investigate opportunities to improve the quality and quantum of public open space within the Precinct, including better connections between existing open space within and around the centre. This includes acquiring new land, upgrading existing open space to meet future demand and utilising parts of streets and larger verges.	P13, P14 MOSS	Medium	Strategic Planning Property & City Design	F
3.5	Strategic work	Major transport projects	Plan for committed major transport projects including (Suburban Loop, Rowville Rail Extension, Caulfield to Rowville Light Rail).	A05	Medium	Strategic Planning Engineering DTP	F
3.6	Further design & master planning	Passive and active recreation	Investigate passive and active recreation opportunities.	P15	Medium	City Design Strategic Planning	F
3.7	Further design & master planning	Community infrastructure plan	Investigate the need for a community infrastructure plan to deliver a kindergarten and multi-purpose community centre.	P18, P19 EYIP	Medium	Community Services	F
3.8	Advocacy & facilitation	Bus route upgrades	Advocate for upgrades to the existing bus routes, infrastructure and investigate new routes.	A03	Medium	Engineering DTP	F
3.9	Advocacy & facilitation	Invest in transport network	Seek opportunities to leverage major investment in the transport network to drive urban renewal.	A04	Medium	Engineering DTP	F
3.10	Advocacy & facilitation	Purpose built student accommodation	Encourage and facilitate purpose built student accommodation around transport nodes.	M09 SSAP	Short	Strategic Planning Monash Uni	F
3.11	Advocacy & facilitation	Bike share scheme	Investigate bike sharing schemes, including a potential partnership with Monash University.	A15	Short	Engineering DTP	F

No.	Type	Action name	Action description	Strategic alignment	Timeframe	Responsibility & partnerships	Resourcing
3.12	Advocacy & facilitation	Community infrastructure partnerships	Work with the private sector to monitor community infrastructure need for current and future demand.	P17	Medium	Community Services	F
3.13	Advocacy & facilitation	Slowing traffic on Huntingdale Road	Advocate for lower traffic speeds on the northern portion of Huntingdale Road. This may be achieved by extending the retail core north allowing for a 40km/hr zone to be implemented.	A18	Short	Engineering DTP	F

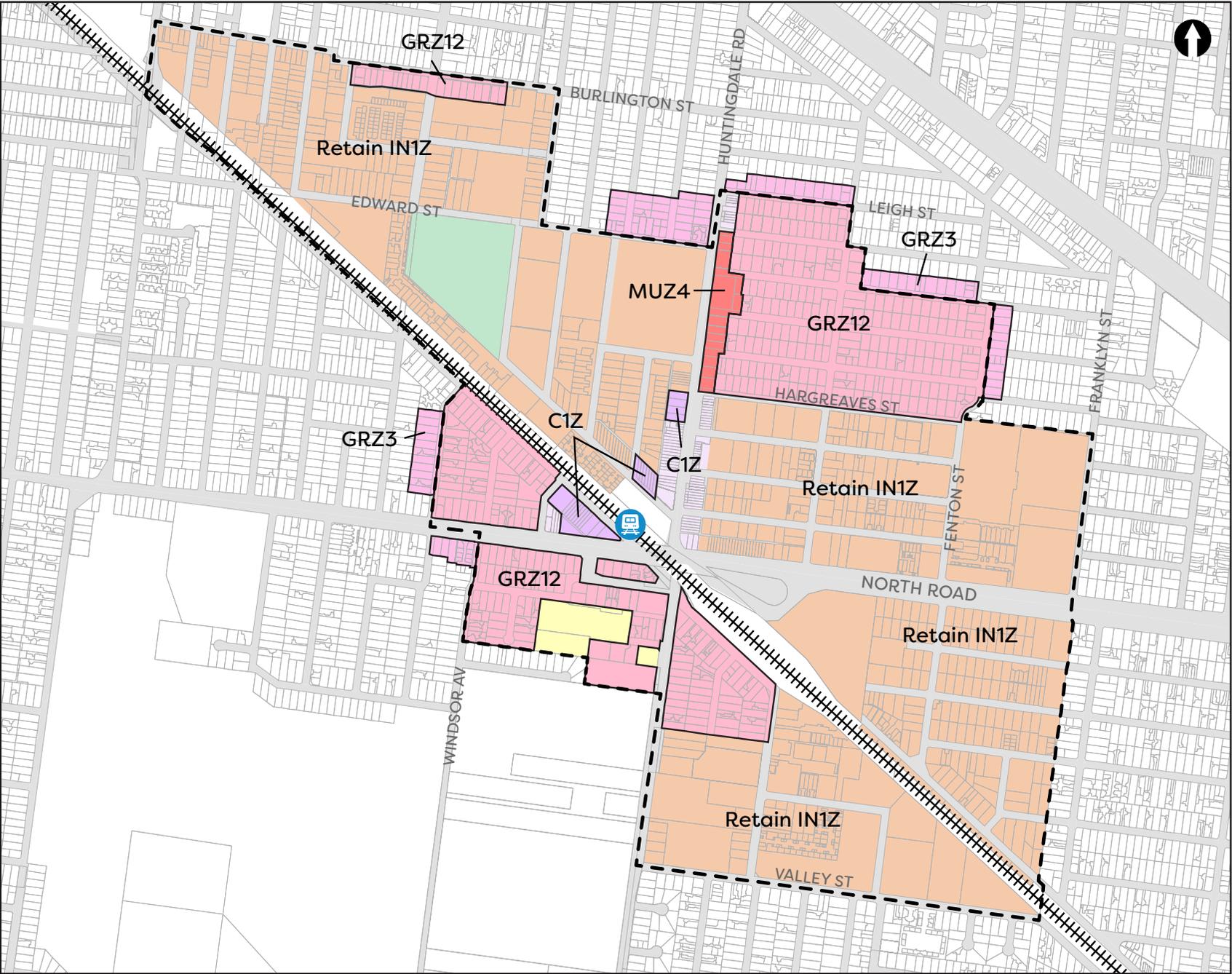
Principle 4 – Place through site responsive design

No.	Type	Action name	Action description	Strategic alignment	Timeframe	Responsibility & partnerships	Resourcing
4.1	Strategic work	Planning Scheme Amendment with DDO	Undertake an Amendment to the Monash Planning Scheme to introduce new built form controls primarily using the Design and Development Overlay to industrial, commercial and mixed use land to improve built form outcomes and protect amenity. ⁱ	P01 to P08 P11, P12 A06	Short	Strategic Planning DTP	F
4.2	Further design & master planning	Consistent streetscapes	Introduce a high quality, consistent streetscape materiality and furniture palette throughout the entire Study Area, including lane ways, providing a common theme tying the individual areas together.	P09	Medium	Property & City Design Strategic Planning	S
4.3	Further design & master planning	Water sensitive urban design	Incorporate water sensitive urban design elements in streetscape upgrades and new public spaces, including tree water pits, urban swales, water re-use, and recycling initiatives.	P10	Medium	Property & Design Engineering	F
4.4	Capital projects	Improve pedestrian amenity	Enhance pedestrian amenity and experience on all streets through the provision of improved street lighting, canopy trees and other greening, and nodes to stop and interact. Provide consistent pedestrian footpaths on both sides of streets with a minimum width of 1.6 metres and greater width on pedestrian priority streets.	A07 MULCVS	Short	Engineering Capital Works Horticulture Services Utility companies	S
4.5	Capital projects / Advocacy and facilitation	Pedestrian crossings	Provide and advocate for pedestrian priority crossings including signalised crossing, elevated and at grade zebra crossings at key intersections in the pedestrian priority network and along Huntingdale Road Main Street/ retail portion to allow for the safe and convenient movement of pedestrians.	A09	Short	Engineering Property & City Design DTP	S
4.6	Capital projects	Cycling network	Investigate the potential for a network of cycling routes with separated cycle infrastructure that connects to existing networks. Key routes include Huntingdale Road, North Road, Burlington Street, Westminster Road, Edward Street, Parkside Avenue, Hargreaves	A10	Medium	Engineering Property & City Design DTP	S

No.	Type	Action name	Action description	Strategic alignment	Timeframe	Responsibility & partnerships	Resourcing
			Street, Fenton Street, Milgate Street, Carinish Road, Haughton Road, Coora Road and Valley Street.				
4.7	Capital projects	Wayfinding signage	Provide wayfinding signage in key locations including 'walk and ride times' to key destinations.	A11	Short	Property & City Design	S
4.8	Capital projects	Connections to station trail	Improve existing and provide additional connections to the Station Trail.	A12	Medium	Engineering DTP VicTrack	S
4.9	Capital projects	Planting of canopy trees	Canopy trees of appropriate species should be introduced at every opportunity within the streetscape to reduce the heat island effect, increase visual and physical amenity.	P12 MULCVS	Medium	Horticulture Services City Planning City Design	S
4.10	Advocacy & facilitation	Huntingdale Station improvements	Advocate for improvements to Huntingdale Station design, accessibility, and interchange in the short term, and advocate for the installation of high-quality bicycle parking and facilities (such as lockers) at the Huntingdale Station interchange.	A01, A13	Medium	Engineering DTP VicTrack	F
4.11	Advocacy & facilitation	Removal of the North Road overpass	Advocate for the long-term reinstatement of the North Road and Huntingdale Road intersection and the grade separation of the rail to re-connect the Precinct north and south.	A02	Long	Engineering DTP	F

ⁱ (Item 4.1) Matters to be considered with the built form controls: Front setbacks with opportunities for canopy planting, pedestrian pathways, seating; discouraging car parking within front setbacks; transition in building height and setbacks to surrounding residential areas; minimising overshadowing impacts to public realm; sufficient building separation; active frontages to maximise outlook and amenity; sleeving of car parking within podium levels; providing adequate floor to ceiling heights; encouraging adaptive re-use; maintaining fine grain of the retail strip; encouraging new laneways to larger development sites; encourage higher density development and activity around the retail core; requiring canopy trees to be planted in front setbacks; require high quality end-of-trip facilities; and consideration of integrated water management in flood-prone areas.

Amendment C173 - Huntingdale Precinct Plan Implementation



Key

--- Precinct boundary

 H Railway line

Proposed zones

 Commercial 1 Zone

 Mixed Use Zone 4

 General Residential Zone 12

 General Residential Zone 3

9 December 2022

Peter Panagakos
Director of Planning
Monash City Council

Sent via email

Request for Investigation of Strategic Site Rezoning Precinct 7, Huntingdale Industrial Precinct

Dear Peter,

We continue to act on behalf of The Quang Holdings Pty Ltd, Cornus Developments, Sinoway Pty. Ltd. and M & J Investment Co. Pty Ltd, who collectively own land at 8-12 Coora Road, 14-18 Coora Road, 30 Coora Road, 5 Valley Street and 7-15 Valley Street, Oakleigh South. Following Council's adoption of the Huntingdale Precinct Plan on 27 March 2020, Council elected to adopt the Huntingdale Precinct Plan and in relation to Precinct 7 resolved that Council:

– *Directs officers to convene a meeting of land owners in Area 7 to discuss the best way of encouraging the future development and rejuvenation of this area with a focus on employment consistent with the principles of the structure plan.*

Further to recent discussions we now provide a copy of the Huntingdale Economic Assessment Report prepared by Ethos Urban dated October 2022. This report provides a detailed assessment of employment generating uses that are likely to establish in the precinct and the potential for regeneration of the precinct.

The report needs to be read as a whole but significantly the report outlines significant potential for a wider range of uses than conventional industry including new retail, restricted retail, offices, medical centres, entertainment uses, advanced manufacturing and residential uses.

In terms of Economic Benefits of Revitalisation the report states:

30. *Revitalisation of the subject precinct would result in a range of economic benefits, including:*
- *Development of underutilized sites*
 - *Significantly higher intensity of jobs*
 - *A higher quality urban environment that is desirable for workers and of tenants and workers*
 - *Support for Monash NEIC*
 - *The higher-order use of strategic sites*

– *Opportunity to deliver more affordable housing.*

31. *A complete redevelopment of the subject precinct for a mixed-used scheme comprising industrial (50% of net developable area), in addition to commercial office, retail, other commercial, restricted retail and residential – would support more than 2,000 jobs, based on a hypothetical analysis undertaken by the consultant.*
32. *This is more than four times the level of employment than could conceivably be supported under the current IN1Z zoning if the precinct was fully occupied by conventional industrial uses.*

The report provides persuasive economic and strategic arguments for a move away from the existing Industrial 1 Zone to another more flexible zone.

A Quick Recap on Why a Rezoning Should be Supported

Previous reports provided to Council (some commissioned by Council) demonstrate that the current zoning will not enable the land to provide for a significant employment contribution to the Huntingdale area, nor attract sufficient investment to trigger a renewal / regeneration of the area as sought within the Huntingdale Precinct Plan.

The identified issues can be summarised as:

- Inability to attract investment.
- Ageing building stock, which is no longer suitable for modern industrial practices.
- Restrictive permissible uses, which do not afford the ability to diversify the precinct and make a wider contribution.
- Lack of suitable connectivity / infrastructure to attract industrial uses.
- Incompatible interfaces between industrial land and sensitive residential uses.

Similarly, previous reports provide for consistency in identification of opportunities for the land, subject to a rezoning. These opportunities can be broadly summarised as:

- Large lot sizes which facilitate a range of alternative uses.
- Physical characteristics which would enable higher density of use/increased built form.
- Proximity to public transport suited to commercial and residential uses.
- Proximity to the Monash NEIC.
- Ability to accommodate complementary residential uses adjacent to existing residential interfaces and provide for key worker/affordable housing.
- Ability to create significant employment opportunities in emerging modern industrial and commercial fields.

There is strong strategic support within both State and Local Planning Policy for the creation of 20-minute neighbourhoods, including diversifying housing options to respond to changing dynamics, and providing for a resilient and adaptive economic environment.

It is therefore clear that there is substantial and consistent economic evidence for rethinking the future of Precinct 7, with a focus on new employment generating uses and some residential use through the rezoning of the precinct.

Mixed Use Zone vs Commercial 3 Zone

On the assumption that a move away from the Industrial 1 Zone (IN1Z) is supported by Council, it is suggested that there are two potential options for rezoning. These include:

- A rezoning to the Mixed Use Zone (MUZ) with a Development Plan Overlay (DPO). The MUZ is a flexible zone that allows for a wide range of uses and the use of a DPO could control the location and quantum of those uses. Council officers, however, have previously indicated that they are not in favour of the introduction of the MUZ.
- The alternative is to pursue a Commercial 3 Zone (C3Z) for the precinct. The C3Z is less flexible than the MUZ but it allows for the encouragement of industrial activities and other employment generating uses whilst also allowing some limited residential use.

It is suggested that if Council officers consider that a MUZ is too much of a revolution in terms of the strategic positioning of the precinct, then a rezoning to a C3Z represents an appropriate evolution of the precinct, where industrial uses and other employment generating uses continue to be supported and the continued operation of new and existing industrial uses in the precinct are not prejudiced.

The C3Z would strongly support the objectives of the recently approved Huntingdale Precinct Plan for employment generating uses in a precinct in need of investment and regeneration.

Why Commercial 3 Zone as Opposed to Retaining Industrial 1 Zone?

It is evident from the physical condition of the precinct and the general lack of investment that Council's objective of encouraging significant regeneration and investment in the precinct will be stymied. The Commercial 3 Zone has been developed by the State Government for a specific purpose. The logic behind the introduction of the C3Z and the way it is to be used is provided in the Department's Practice Note from Applying the C3Z.

Relevantly it states:

The Commercial 3 Zone is a new planning tool which can be applied to help facilitate business growth and innovation in select parts of Victoria. It is a mixed-use employment zone which is intended to facilitate the establishment and growth of creative industries, small manufactures and start-up businesses. The zone promotes the creation of dense, economically diverse, affordable, accessible and amenity-rich precinct which are attractive to new and emerging businesses.

(Planning Practice Note p1)

Council officers have queried why a new zone should be introduced rather than just stick with the status quo. This is answered directly in the Practice Note (copy attached) where it provides the basis and rationale for the introduction of the new zone. It states:

The Commercial 3 Zone has been created to complement the existing Commercial and Industrial Zones within the Victoria Planning Provisions.

.....

The nature of businesses operating within the emerging economy is much more diverse than in the past, encompassing various types of creative industries, small-scale manufacturers and technology oriented start-up businesses. Whilst many of these businesses fall within the traditional definitions of 'office' or 'industry', there are others that more readily fall within other definitions under the VPPs, and some uses sit across multiple land use definitions.

....

In many instances the zone will be applied to land presently zoned industrial or commercial, with the Commercial 3 Zone allowing new opportunities for businesses to establish that were previously prohibited or required planning consent. In this regard the Commercial 3 Zone is an enabling economic zone, reducing the planning burden for businesses aligned with the zone's purpose and intent.

The zone also allows a limited range of other uses (including accommodation, small-scale retailing, places of assembly, and warehouses) that have the potential to contribute to the amenity and economic vibrancy of the locality. Floor area thresholds have been applied to these uses to reflect their role as small-scale local facilities within a mixed-use employment context.

The intent of permitting such uses on a conditional basis is to allow a genuine mix of uses to establish over time, but to ensure that such uses do not end up displacing industrial and commercial/office uses from such areas. Such uses are expected to only form a minor part of the overall mix of land uses within the Commercial 3 Zone, and they need to be managed so as to not undermine the achievement of broader housing, retail and activity centre policies.

(Planning Practice Note 85: p2)

It is evident from the above that the C3Z is precisely the zone that is required in this instance. It will help free up investment, it will allow existing industrial uses to continue and flourish and it will encourage a limited range of uses that will contribute to the amenity and economic vibrancy of the Precinct.

Unlike the Industrial 1 Zone the Commercial 3 Zone also has a schedule that allows specific objectives for a specific precinct. Council would have the ability to effectively tailor the objectives of the precinct to the desired outcome rather than rely on the more generic industrial 3 Zone.

Next Steps

There is significant support from a number of key landowners in the area for a rezoning. The Ethos Urban report demonstrates that the introduction of a C3Z will help stimulate opportunities for new investment and the introduction of a wider range of employment generating uses. Some limited residential use that do not prejudice or displace employment generating uses are also encouraged.

We note that Council is currently preparing the Implementation Strategy for the findings of the Precinct Plan, which provides an opportunity to assess the future of the precinct and provide for precinct-specific approaches to achieving the objectives of the Plan.

On the basis of the information provided we seek Council's 'in-principle' support for rezoning precinct 7 from the current Industrial 1 Zone to the more flexible employment generating Commercial 3 Zone. This represents an appropriate evolution of a precinct that is in need of significant investment to achieve Council's desired outcomes for the precinct.

Ultimately the introduction of the Commercial 3 Zone is the best way to achieve Council's stated goal for the precinct at its meeting on 27 March 2020 which:

- *Directs officers to convene a meeting of land owners in Area 7 to discuss the best way of encouraging the future development and rejuvenation of this area with a focus on employment consistent with the principles of the structure plan.*

(our underlining)

We would be happy to meet with Council to establish a strategy for the preparation of documents to facilitate meaningful change within the precinct.

Please contact the undersigned on 9429 3111 or williamb@ratio.com.au if you have any further queries.

Yours sincerely,



William Bromhead
Director

Comparison of Industrial 1 Zone and Commercial 3 Zone

Zone	Industrial 1 Zone	Commercial 3 Zone
Purpose	<p>To implement the Municipal Planning Strategy and the Planning Policy Framework.</p> <p>To provide for manufacturing industry, the storage and distribution of goods and associated uses in a manner which does not affect the safety and amenity of local communities.</p>	<p>To implement the Municipal Planning Strategy and the Planning Policy Framework.</p> <p>To provide for a <u>range of industrial, commercial, office and other employment generating uses</u> which support the mixed-use employment function of the area.</p> <p>To promote collaborative and <u>high-quality working environments which support the area through good urban design and high-amenity, accessible and well-connected places</u>.</p> <p>To provide opportunities for <u>limited retail uses</u> which are complementary to the role and scale of the area.</p> <p>To provide the <u>option for limited residential uses that do not undermine the primary employment and economic development focus of the zone</u>.</p> <p>To facilitate the use, development and redevelopment of land in accordance with the objectives specified in a schedule to this zone.</p>
Comment	<p>The Industrial 1 Zone is very clear in its purpose. It is for industry and warehouse, but makes no mention of other uses in its purpose. It is as the name suggests an industrial zone. By contrast the Commercial 3 Zone is more of a mixed use zone with an employment generating purpose. The purpose seeks to provide for a <u>range of industrial, commercial, office and other employment generating uses</u> which support the <u>mixed-use employment</u> function of the area. The C3Z also provides for <u>limited retail</u> uses and the option of residential uses that do not undermine the primary employment and economic development focus of the area. Importantly and relevantly to Precinct 7 there is very specific mention of promote collaborative and <u>high-quality working environments which support the area through good urban design and high-amenity, accessible and well-connected places</u>. These purpose statements are well suited to Precinct 7 where there is a desire by Council and landowners to see improved accessibility and good urban design in the public and private realm. The schedule also provides the ability to tailor the use, development and redevelopment of land in accordance with specific objectives.</p>	

Section 1	<p>Convenience shop Crop raising Grazing animal production Home based business Industry (other than Materials recycling and Transfer station) – subject to condition Informal outdoor recreation Mail centre Railway Service station – subject to condition Shipping container storage – subject to condition Take away food premises Tramway Warehouse (other than Mail centre and Shipping container storage) – subject to condition Any use listed in Clause 62.01 Must meet the requirements of Clause 62.01.</p>	<p>Art and Craft Centre Education Centre (other than Primary school and Secondary School) Food and Drink Premises Home based business Industry (other than Materials recycling and Transfer station) - subject to condition Informal outdoor recreation Manufacturing sales Market Office Place of assembly (other than Place of worship) The leasable floor area must not exceed 200 square metres. Postal agency Railway Research centre Tramway Any use listed in Clause 62.01 Must meet the requirements of Clause 62.01.</p>
Comment	<p>As stated in the Practice Note the Commercial 3 Zone provides for a wide diversity of employment uses ‘as of right’. This includes Arts and craft centre, Education centre, homes based business, Industry (with the exception of most Clause 53.10 uses which are Section 2), manufacturing sales, market, office and Research centre. The intention is that these ‘as of right’ uses will enable the widest possible range of businesses to establish without the need for a permit within the zone. The Industrial 1 Zone is more restrictive eg office requires a planning permit, as does Education centre, manufacturing sales and research centre. The result is that the uses that are encouraged are more easily achievable because they are ‘as of right’. Interesting also that the C3Z opens up the prospect Education centre for both primary and secondary school (ie it becomes a Section 2 Use) whereas the IN1Z prohibits primary and secondary schools.</p>	
Section 2	<p>Adult sex product shop – subject to condition Agriculture (other than Apiculture, Crop raising, Grazing animal production, Intensive animal production, Pig farm and Poultry farm) Caretaker's house Education centre (Must not be a primary or secondary school) Leisure and recreation (other than Informal outdoor recreation)</p>	<p>Adult sex product shop – subject to condition Dwelling / Residential building - The combined gross floor area of all dwellings and residential buildings as a percentage of the combined gross floor area of all buildings on the lot must not exceed the maximum allowable gross floor area percentage specified in the schedule to this zone. If no maximum allowable gross floor area percentage is specified, it must not exceed 35%. Any frontage at ground floor level must not exceed 4 metres.</p>

	<p>Materials recycling – subject to condition</p> <p>Office The leasable floor area must not exceed the amount specified in the schedule to this zone.</p> <p>Place of assembly (other than Carnival, Cinema based entertainment facility and Circus)</p> <p>Restricted retail premises</p> <p>Retail premises (other than Shop and Take away food premises)</p> <p>Transfer Station</p> <p>Utility installation (other than Minor utility installation and Telecommunications facility) – subject to condition</p> <p>Any other use not in Section 1 or 3</p>	<p>Leisure and recreation (other than Informal outdoor recreation, Major sports and recreation facility and Motor racing track)</p> <p>Place of worship The leasable floor area must not exceed 250 square metres.</p> <p>Shop (other than Adult sex product shop) – The leasable floor area must not exceed 200 square metres</p> <p>Utility installation (other than Minor utility installation and Telecommunications facility)</p> <p>Warehouse The leasable floor area must not exceed 500 square metres.</p> <p>Any other use not in Section 1 or 3</p>
Comment	<p>Key difference is that Dwelling and Residential Building both become Section 2 uses in the C3Z, whereas they are prohibited in IN1Z. Shop becomes a Section 2 Use in the C3Z whereas it is prohibited in the IN1Z. Interesting that Warehouse becomes a section 2 use also with a condition that it must need exceed 500 sqm. Testament to the fact that warehouse is not seen as an employment generating use and areas within the C3Z are therefore unlikely to be overrun with lots of warehouse floor area which does not contribute to employment numbers.</p>	
Section 3	<p>Accommodation (other than Caretaker's house)</p> <p>Cinema based entertainment facility</p> <p>Hospital</p> <p>Intensive animal production</p> <p>Pig farm</p> <p>Poultry farm</p> <p>Shop (other than Adult sex product shop, Convenience shop and Restricted retail premises)</p>	<p>Accommodation (other than Dwelling and Residential building)</p> <p>Major sports and recreation facility</p> <p>Motor racing track</p> <p>Residential aged care facility</p> <p>Retail premises (other than Adult sex product shop, Food and drink premises, Manufacturing sales, Market, Postal agency and Shop)</p>
Comment	<p>One key difference is that Dwelling and Residential building are not prohibited in the Commercial 3 Zone, contrasted with IN1Z where all accommodation other than Caretaker's house is prohibited. Shop also prohibited in the IN1Z whereas Shop becomes a Section 2 use under C3Z. Hospital prohibited in the IN1Z whereas this is not prohibited in C3Z. Interestingly Residential Aged Care Facility is explicitly prohibited in the C3Z.</p>	

Applying the Commercial 3 Zone

Planning Practice Note 85

SEPTEMBER 2018

Purpose of the Practice Note

This practice note provides guidance about the application and operation of the Commercial 3 Zone. It explains:

- The purpose and strategic intent of the zone
- How to apply to the zone
- Elements of the zone
- Table of uses
- Using the schedule to the Commercial 3 Zone
- Other considerations

Strategic Intent and Purpose of the Zone

Plan Melbourne identifies that to remain competitive in a changing economy there is a need to boost productivity, and support growth and innovation across all industries and regions. This will be critical to Victoria enhancing its global competitiveness and creating the 1.5 million new jobs forecast to 2050.

The challenge of creating the jobs of tomorrow comes at a time when industries across the economic spectrum are going through major changes driven by globalisation, advances in technology, disruption of existing business models, and shifting social attitudes and ways of working.

The Victorian planning framework supports business growth and innovation by establishing a diversity of locations from which businesses can thrive. The provision of a sufficient supply of commercial and industrial land across the city is a critical part of this framework.

Plan Melbourne seeks to protect a number of Melbourne's older industrial areas and promotes the renewal of some older industrial areas for alternative employment activities such as offices, creative industrial and other employment generating activities. In planning for future employment growth *Plan Melbourne* supports the following actions:

- Addressing how metropolitan regional employment demand forecasts can be translated into floorspace requirement, land-use and zoning frameworks;
- Assessing the ongoing suitability of established industrial and commercial areas for different types of employment purposes; and
- Determining when such areas should be retained for employment purposes and when they should be considered for rezoning to mixed-use or residential purposes.

The Commercial 3 Zone is a new planning tool which can be applied to help facilitate business growth and innovation in select parts of Victoria. It is a mixed-use employment zone which is intended to facilitate the establishment and growth of creative industries, small manufacturers and start-up businesses. The zone promotes the creation of dense, economically diverse, affordable, accessible and amenity-rich precincts which are attractive to new and emerging businesses.

Reflecting these strategic intents, the purpose of the Commercial 3 Zone is to implement state and local planning policy by:



- Providing for a range of industrial, commercial, office and other employment generating uses which support the mixed-use employment function of the area.
- Promoting collaborative and high-quality working environments which support the area through good urban design and high amenity, accessible and well-connected places.
- Providing opportunities for limited retail uses which are complementary to the role and scale of the area.
- Providing the option for limited residential uses that do not undermine the primary employment and economic development focus of the zone.
- Facilitating the use, development and redevelopment of land in accordance with the objectives specified in a schedule to the zone.

How to Apply the Zone

The Commercial 3 Zone should be applied following an assessment of the role and function of employment land in the municipality and wider region. Assessments should evaluate the ongoing suitability of established industrial and commercial areas for different types of employment purposes, and determine whether such areas should be retained in an existing industrial or commercial zone, or whether the Commercial 3 Zone should be applied as a means of enabling broader mixed-use employment outcomes.

The Strategic Assessment Guidelines and Ministerial Direction No. 11 require a range of matters to be properly considered through a planning scheme amendment process.

Given that sensitive uses are a permit required use in the zone, a consideration in the application of the zone must involve Ministerial Direction No. 1 – Potentially Contaminated Land and the application of an Environmental Audit Overlay.

Other overlays relating to built form, car parking, developer contributions, environment and so on should also be considered by a planning authority at the time of applying the zone.

Elements of the zone

The Commercial 3 Zone has been created to complement the existing Commercial and Industrial Zones within the Victoria Planning Provisions.

The intent of the Commercial 3 Zone is to foster a diversity and critical mass of employment generating uses, provide affordable floorspace for such uses, and limit the displacement of employment

generating uses from productive areas.

The zone prioritises particular uses that form part of the emerging economy, particularly industrial, commercial/office and supporting services.

The nature of businesses operating within the emerging economy is much more diverse than in the past, encompassing various types of creative industries, small-scale manufacturers and technology oriented start-up businesses. Whilst many of these businesses fall within the traditional definitions of 'office' or 'industry', there are others that more readily fall within other definitions under the VPPs, and some uses sit across multiple land use definitions.

For this reason, the Commercial 3 Zone provides for a wide diversity of employment uses 'as of right'. This includes Arts and craft centre, Education centre, Home based business, Industry (with the exception of most Clause 53.10 uses which are Section 2), Manufacturing sales, Market, Office, and Research centre.

The designation of these uses 'as of right' will enable the widest possible range of businesses operating within the emerging economy to establish without the need for a permit within the zone.

In many instances the zone will be applied to land presently zoned industrial or commercial, with the Commercial 3 Zone allowing new opportunities for businesses to establish that were previously prohibited or required planning consent. In this regard the Commercial 3 Zone is an enabling economic zone, reducing the planning burden for businesses aligned with the zone's purpose and intent.

The zone also allows a limited range of other uses (including accommodation, small-scale retailing, places of assembly, and warehouses) that have the potential to contribute to the amenity and economic vibrancy of the locality. Floor area thresholds have been applied to these uses to reflect their role as small-scale local facilities within a mixed-use employment context.

The intent of permitting such uses on a conditional basis is to allow a genuine mix of uses to establish over time, but to ensure that such uses do not end up displacing industrial and commercial/office uses from such areas. Such uses are expected to only form a minor part of the overall mix of land uses within the Commercial 3 Zone, and they need to be managed so as to not undermine the achievement of broader housing, retail and activity centre policies.



Table of Uses

The following guidance is provided in relation to particular land uses under the Commercial 3 Zone.

Industry

The Commercial 3 Zone provides for a wide range of low-impact industrial uses. A permit is not required for many low-impact industrial uses in this zone subject to such uses satisfying certain conditions and meeting nominated threshold distances. Industry uses listed in Clause 53.10 (Uses with Adverse Amenity Potential), can be considered through a permit assessment process, where the usual considerations for land use can be assessed by the responsible authority, including the consideration of off-site amenity impacts.

The Clause 53.10 listed uses of boiler maker, bakery, smallgoods production and joinery are permit not required uses so long as they meet the minimum threshold distances to dwellings and residential buildings within the zone as listed in Clause 53.10. These select uses align with the intent of the zone and have been deemed to have a lower detrimental impact on the amenity of an area.

Industrial related activities that allow enterprises to value add and remain competitive, such as Manufacturing sales are 'as of right' in the zone.

Retail uses

Employment areas that are attractive to businesses in the emerging economy require a higher-amenity retail and hospitality offer than traditionally provided in industrial areas. To address this issue, Food and drink premises up to 150 square metres, Market, and Art and craft centre are 'as of right' uses under the Commercial 3 Zone.

Permits can be granted for a Shop of up to 200 square metres. Setting the floorspace limit at this size will allow for a greater diversity of small scale retail activities within mixed-use employment precincts while still ensuring employment areas do not undermine established retail hierarchies in activity centres and/or unreasonably impact on the ability of industrial and commercial/office uses to establish in such areas.

Dwelling and Residential building uses

The primary purpose of the zone is to provide for a range of industrial, commercial, office and other employment generating uses.

In some instances the inclusion of limited residential uses within mixed-use developments may serve to complement the desired economic outcome of

the locality by providing activation, amenity and supporting new types of live-work development models. However, residential use is only intended to be permitted where it can be demonstrated that such uses will complement the employment and economic development focus of the zone.

The Commercial 3 Zone therefore places limits on residential uses (Dwelling and Residential building) to ensure that employment uses remain the primary function of the zone.

The use of land for Dwelling and Residential building requires a planning permit in the Commercial 3 Zone. A default condition attached to these uses specifies that the combined gross floor area of all dwellings and residential buildings must not exceed a maximum of 35 per cent of the gross floor area for any buildings on the lot.

The maximum gross floor area able to be used for residential purposes can be varied via the schedule to this zone.

A further condition restricts Dwelling and Residential building uses with a 4 metre frontage requirement to ensure that residential uses do not unreasonably occupy ground floor frontage areas that would otherwise be used by employment uses to activate street frontages. This condition cannot be varied.

Interpreting the residential use conditions

All dwellings and residential buildings in the zone must not exceed the maximum allowable gross floor area percentage requirement specified as a condition of the use in the zone (or as varied by a schedule to the zone). If an application for a planning permit for a residential use exceeds the maximum allowable gross floor area percentage requirement, then the use is prohibited in the zone.

The calculation of gross non-residential versus residential floor area should be based on all the total floor area associated with the respective non-residential or residential uses. For example, floor area associated with carparking spaces, access ways, foyers, corridors, etc. should be allocated to the use that they are intended to serve, and where such spaces are shared then they should be apportioned across the residential and non-residential use.

Using the schedule to the Commercial 3 Zone

The Schedule to the zone may specify objectives to be achieved for the area and that an alternate maximum allowable percentage of the combined gross floor area of all buildings on a lot for Dwelling



and Residential building uses can be nominated. The following guidance is provided in relation to these mechanisms.

Setting specific objectives in the zone schedule

A maximum of five specific objectives can be nominated in the zone schedule. These objectives are in addition to the overall purpose of the Commercial 3 Zone, and the inclusion of objectives is to provide supplementary direction in relation to the intended land use and development outcomes to be achieved in the area covered by the zone schedule. The schedule objectives should not repeat or contradict the purpose set out in the Commercial 3 Zone.

The following are some examples of the types of objectives that a planning authority might consider including in the zone schedule:

- To provide for a range of creative and knowledge based industries including advanced manufacturing, servicing, testing and analysis related industries which enhance the local and regional economy.
- To encourage office use and development for a range of small to medium scale enterprises including floor space for start-up businesses.
- To promote accommodation uses that support nearby research and development activities.
- To allow residential use and development in the upper levels of new buildings as specified in this schedule.
- To improve the urban environment, including connectivity and accessibility of the area and the

interface between the private and public realms.

Defining the gross floor area in a schedule and strategic justification for setting an alternative percentage

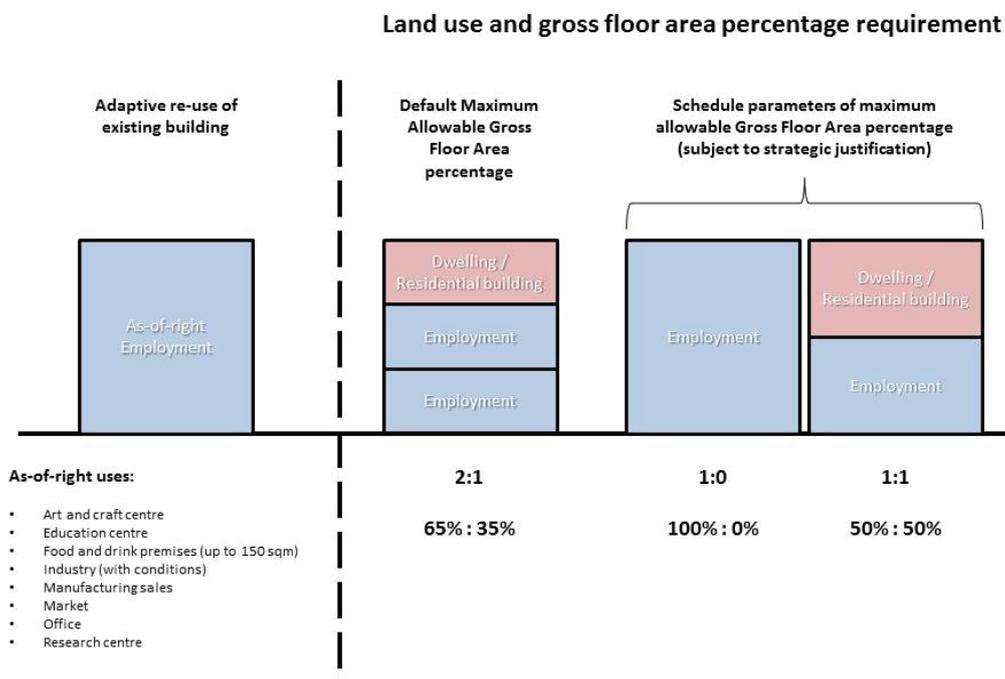
The Commercial 3 Zone applies a default maximum allowable gross floor area percentage requirement for residential uses of 35 per cent of the total gross floor area. This is broadly equivalent to an ‘employment to residential’ floor area ratio of 2:1 (i.e. the gross employment floor area must be at least twice the gross residential floor area).

A schedule can specify a different percentage requirement and the schedule template in the Ministerial Direction on the Form and Content of Planning Schemes specifies the parameters for that content.

The schedule template does not allow the gross floor area of residential uses to exceed the gross floor area for employment uses on the land where the zone is applied (i.e. the maximum allowable gross floor area for residential uses cannot exceed 50 per cent of the total gross floor area). A strategic basis for amending the floor area ratio must be established through the planning scheme amendment process.

It is possible to specify a zero percentage requirement for residential uses in the schedule to the zone provided there is a strategic basis established through the planning scheme amendment process.

These parameters are shown below diagrammatically:





To apply a different maximum allowable gross floor area percentage requirement for residential uses, a strategic land use assessment should be completed which establishes why a different land use, economic and employment outcome is required to that permitted under the default zone.

The assessment should articulate the role and function of employment land in the municipality and wider region, and the specific economic role that the subject land is intended to play in this wider context.

Determining what the right mix of uses is for a given locality will necessarily need to be informed by consideration of what is required to support economic vibrancy and diversity in the area. Consideration should be given to current and emerging land use and economic trends in the locality, and the foreseeable market feasibility of relevant development models within that context.

If the overriding objective in employment areas is to retain affordable commercial and industrial floorspace and to increase the diversity and quantum of such floorspace, then it will be critical to tightly control the quantum of residential development in such areas. In some instances, it may be necessary to prohibit residential use if allowing it is likely to have the effect of displacing commercial/ industrial floorspace or undermining the economic basis of the area. In other circumstances, the introduction of residential floorspace might enhance the vibrancy of an area, and stimulate investment in mixed-use developments that can deliver affordable commercial or industrial floorspace that might not otherwise occur.

The community, landowners and other stakeholders should be engaged in the course of evaluating the particular circumstances of a place, and in defining the desired objectives and alternative floorspace ratios.

Other Considerations

Car parking requirements in the Commercial 3 Zone

Aligned with Planning Scheme Amendment VC148, a planning permit is not required under Clause 52.06-3 to reduce the car parking requirement for a new use in an existing building for up to 10 car parking spaces (subject to meeting specified conditions).

The car parking rates in Column B of Table 1 of 52.06 apply if any part of the land is identified as being within the Principal Public Transport Network Area as shown on the Principal Public Transport Network Area Maps (State Government of Victoria, 2018).

Buildings and works

A permit is required to construct a building or construct or carry out works subject to certain exemptions. The height of a storey at the ground floor level of all new buildings must be at least 4 metres measured from finished floor level to the ceiling so as to maintain building viability for employment uses and adaptability into the future.

Subdivision

A permit is required for the subdivision of land in the zone.

Decision Guidelines

A range of decision guidelines apply to applications including a "reverse amenity" decision guideline that seeks to ensure that:

- existing uses are not compromised by a new use or development; and
- a new use or development is designed to address amenity impacts from, and to, existing uses.

This is to be achieved through appropriate layout and design of a new use or development so as to minimise the potential for off-site impacts from noise, fumes, odour or vibration.

There are specific decision guidelines relating to both non-residential and residential uses. The intent of these decision guidelines is to enable employment uses to flourish where the zone is applied. Residential use in the zone is permissible in the zone but it is not 'as of right'. Rather, residential uses are expected to be permissible where it is demonstrated that such use complements and enables employment use and development to occur alongside it.

A decision guideline relating to noise, odour and vibration attenuation is included to help mitigate the impact of new use/development on existing uses.

Notice and review

An exemption from notice and review requirement applies to all applications for buildings and works and subdivision.

Advertising Signage Controls

Advertising signage controls are included and apply category 1 signage controls.

Planning publications

The following publications provide best practice guidance on planning for new precincts, statutory planning processes and drafting statutory documents (as relevant).



Planning for urban communities

- *Ministerial Direction No. 9 Metropolitan Planning Strategy*

Statutory planning processes

- *Using Victoria's Planning System (Department of Environment, Land, Water and Planning)*
- *Strategic Assessment Guidelines: Planning Practice Note 46 (Department of Environment, Land, Water and Planning, August 2018)*
- *Ministerial Direction No. 1: Potentially Contaminated Land*
- *Ministerial Direction No. 9: Metropolitan Planning Strategy*
- *Ministerial Direction No. 11: Strategic Assessment of Amendments*
- *Ministerial Direction - The Form and Content of Planning Schemes*

Further information

All Planning Practice Notes and Planning Advisory Notes are available on the department's website: planning.vic.gov.au

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Huntingdale Economic Assessment



'Dagura Buumarri'

Liz Belanjee Cameron

'Dagura Buumarri' – translates to Cold Brown Country. Representing Victoria.

The river system illustrated in this visual image is bound in greens and golds to acknowledge the warmth often felt in a colder climate. The rich earth hues of green, reds and browns reflect the local landscapes of this state while the extensive use of rhythmic patterning captures the unique landscapes of flat and mountainous areas. The use of earth colours imparts a sense of strength and serenity while contrasting greens throughout the image reminds us of the lushness of the natural world, where animals and humans once lived in harmony – it reminds us of the

Ethos Urban acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We acknowledge the Wurundjeri Woi Wurrung people, of the Kulin Nation, the Traditional Custodians of the land where this document was prepared, and all peoples and nations from lands affected.

We pay our respects to their Elders past, present and emerging.

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Executive Summary

Background

1. The Quang Holdings Pty Ltd, Cornus Developments, Sinoway Pty Ltd, and M&J Investment Co. Pty Ltd (the client group) have engaged Ethos Urban to undertake an economic assessment that considers the need for and benefits of revitalising the industrial area at Huntingdale located immediately south-west of the Pakenham/Cranbourne railway line (the subject precinct).
2. The consulting team comprising Ethos Urban (economics) and Ratio Consultants (planning) are currently investigating the opportunity for an alternative zoning to unlock a wider variety of urban uses that would attract investment to the precinct and result in it supporting higher-order employment activity.
3. The client group control 8-12 Coora Road, 14-18 Coora Road, 30 Coora Road, 5 Valley Street and 7-15 Valley Street, at Oakleigh South (the subject sites) located in the subject precinct.

Locational Context

4. The subject precinct is a legacy industrial precinct in the Industrial 1 Zone (IN1Z). Although the subject precinct theoretically forms part of the broader Huntingdale/Oakleigh/Oakleigh South employment area, it functions as a separate industrial node due to the railway line being a barrier between the subject precinct and nearby employment areas to the north.
5. Access to the subject precinct from the major road network is difficult. Established residential areas are located immediately to the south and north-west resulting in sensitive interfaces and the potential for land use conflicts.
6. Due to these constraints the subject precinct is underperforming as an industrial area.
7. However, the precinct's relatively consolidated ownership structure and composition of larger lots, does provide the potential for key sites to be a catalyst for the revitalisation.
8. The precinct is immediately south of Huntingdale Metro Station, and is within commuting distance of the future Suburban Rail Loop (SRL) station at Clayton and the Monash National Employment and Innovation Cluster (NEIC).

Planning Policy Context

9. Strategic planning policy makes clear there is a need for industrial precincts in the Huntingdale area to revitalise and accommodate:
 - Higher-order knowledge intensive industries that generate employment opportunities and investment; and
 - Other uses that would benefit from proximity to the Huntingdale Metro station and provide for the future needs of the local community.
10. Current planning policies are considered to leave open the opportunity for revitalisation of the subject precinct through consideration of a wider mix of land uses. In particular:
 - The *Melbourne Industrial and Commercial Land Use Plan* (MICLUP) (2020) affords the lowest level of industrial protection to the site, leaving the future designation of the land to be resolved by Council.
 - Higher intensity employment uses and residential development is supported in the *Monash National Employment & Innovation Cluster – Draft Framework Plan* (2017).
 - The *Eastern Metro Land Use Framework Plan* (the Eastern Metro Framework Plan) supports planning flexibility to unlock investment in locally significant industrial areas that are proximate public transport and amenities.
11. The *Huntingdale Precinct Plan* (the Huntingdale Precinct Plan) (2019) states that the future mix of uses in the subject precinct should be 'industrial'. But no reference was made to the precinct's poor connectivity to major roads, or the fact that investment in the precinct has been limited, resulting in a run-down building stock and a poor urban environment.

12. This document envisages that the subject precinct would support “*clean industries*” in a higher amenity environment, and outlined improvements focused on internal permeability, improved streetscapes and new public open space.
13. However, these improvements – in isolation – are not considered a practical pathway for driving revitalisation of the subject precinct if the future land use mix remains narrowly focused on industry, as envisaged by the Precinct Plan.
14. A report prepared by PWC in 2018 titled: *Huntingdale Activity Centre Background Report: Land Use* suggested that the subject precinct be rezoned to the:
 - Commercial 1 Zone (C1Z) – in the 0-to-10-year timeframe; and
 - Residential Growth Zone 1 (RGZ1) – in the 10-to-20-year timeframe.
15. However, this advice was ultimately not adopted in the Huntingdale Precinct Plan.

Constraints and Attributes for Development

16. The subject precinct is considered to have the following constraints and attributes for redevelopment

Constraints:

- Established residential areas adjoin the precinct to the south and north-west, resulting in sensitive interfaces and a risk of amenity impacts.
- Access to and from major roads for large trucks is difficult.
- Little investment in the precinct and a poor-quality building stock has resulted in low amenity and low-quality urban environment.
- Lack of vacant sites (without existing buildings) available for development

Attributes:

- Proximity to Huntingdale Metro Station which is within walking distance from the subject precinct.
 - Proximity to Huntingdale Activity Centre which is immediately north-east of Huntingdale Train Station.
 - Access to Clayton Activity Centre, Clayton Metro Station, and future Clayton SRL Station.
 - Location at the fringe of the Monash NEIC – which includes Monash University and an array of leading of innovation and research uses.
 - Large sites and a consolidated ownership structure.
17. Some 50% of total net developable area supported by the precinct (i.e. excluding roads and public open spaces) is considered to support industrial facilities that are old and do not meet the needs of contemporary higher-order industry occupiers.
 18. Although some industrial development is currently occurring in the precinct, this development is attributed to the specific circumstances of individual sites, rather than the precinct's broader role and appeal.
 19. In the consultant's view, the most realistic way of driving revitalisation for higher order employment uses is the application of a more flexible zone that provides the opportunity for a wider range of employment generating uses as well as some non-employment generating uses such as a component of medium or high density residential.

Regional Economic Overview

20. A review of relevant economic and demographic data for a study area (broadly comprising the suburbs of Huntingdale, Clayton, Oakleigh, Bentleigh East, and Clarinda) area makes clear that:
 - Strong population growth in study area is expected to return once Victoria's migration situation normalises and broadly reflect trends experienced in the ten years prior to COVID-19.
 - A return to strong population growth will drive demand for new residential dwellings through urban consolidation as well as additional retail floorspace.
 - Median house and unit prices have been increasing and rents in the study area are relatively high.
 - Employment is primarily in the services sector – with health care and social assistance; retail trade; and professional, scientific, and technical services; playing a key role in supporting local jobs.
 - Business growth is primarily occurring in the transport, postal and warehousing; administration and support; and professional services sectors.
21. These trends necessitate that opportunities for new residential dwellings, service sector employment and warehousing activities in the study area need to be supported by prevailing planning frameworks.

22. The precinct's appropriateness for transport, postal and warehousing activities, however, is significantly limited by its access constraints.
23. In contrast, the subject precinct's location in proximity to Huntingdale Metro Station positions it favourably to transition to a more intensive mix of employment uses including jobs geared to the professional services sector.
24. Although the quality of the urban environment would need significantly improve for it to be a desirable location for professional services firms supporting these types of jobs.

Market Demand for Non-Industrial Employment

25. Potential exists for the subject precinct to support a wider range of uses than conventional industry, including
 - **Retail** – such as convenience shops and cafes.
 - **Restricted retail** – fronting Huntingdale Road.
 - **Offices** – associated with a range of activities including local professional services; health and education organisations; or industrial, enterprise or innovation uses.
 - **Medical centres** – geared to local residents.
 - **Entertainment uses** – noting the subject precinct has supported these uses in the past.
 - **Advanced Manufacturing** – with links to research and innovation components in the Monash NEIC.
 - **Residential** – specifically 'shop-top' apartments that provide a catalyst for the precinct revitalisation.
26. On balance, the Commercial 3 Zone and Mixed Use Zone provide a higher level of support for the additional employment uses (retail, office, medical centre etc) and residential uses than the IN1Z.
27. The key benefit of including residential in the subject precinct is that the uplift from residential development would be a strong incentive for developers to commit to investing in the precinct as a mixed-use area – comprising both residential and employment aspects.
28. The increased return generated by residential would also enable redevelopment to a quality that significantly improves amenity for workers and residents.
29. However, residential dwellings are prohibited in the IN1Z; this precludes the opportunity for residential investment to be a catalyst the drives the subject precinct's revitalisation as a mixed-use employment area.

Economic Benefits of Revitalisation

30. Revitalisation of the subject precinct would result in a range of economic benefits, including:
 - Development of underutilized sites
 - Significantly higher intensity of jobs
 - A higher quality urban environment that is desirable for workers and tenants
 - Support for Monash NEIC
 - The higher-order use of strategic sites
 - Opportunity to deliver more affordable housing.
31. A complete redevelopment of the subject precinct for a mixed-used scheme comprising industrial (40% of net developable area), in addition to commercial office, retail, other commercial, restricted retail and residential – would support more than 2,400 jobs, based on a hypothetical analysis undertaken by the consultant.
32. This is approximately five times the level of employment than could conceivably be supported under the current IN1Z zoning if the precinct was fully occupied by conventional industrial uses.

Next Steps

33. It is understood Council is currently preparing the Implementation Strategy for the findings of the Precinct Plan, which provides an opportunity to assess the future of the precinct and provide for precinct-specific approaches to achieving the objectives of the Plan.

On the basis of this assessment, merit exists to investigate a rezoning of the precinct from the Industrial 1 Zone to a zone, potential the Commercial 3 Zone, that would encourage the revitalisation of the precinct to ultimately support higher intensity employment uses.

Introduction

Background

The Quang Holdings Pty Ltd, Cornus Developments, Sinoway Pty Ltd, and M&J Investment Co. Pty Ltd (the client group) control 8-12 Coora Road, 14-18 Coora Road, 30 Coora Road, 5 Valley Street and 7-15 Valley Street, at Oakleigh South (the subject sites).

These sites are in the industrial area at Huntingdale (the subject precinct) located immediately south-west of the Pakenham/Cranbourne railway line and south-east of Huntingdale Metro Station.

The subject precinct is an isolated, legacy industrial precinct in the Industrial 1 Zone (IN1Z). Due to numerous factors, this precinct has struggled to attract significant investment and is not considered to currently support a mix and intensity of uses that maximise its strategic location.

In particular, the ability for traditional industrial activities to be undertaken in the precinct is significantly constrained by its poor accessibility and sensitive interfaces with adjacent established residential areas. Although some industrial development is occurring in the precinct, this development is attributed to the specific circumstances of individual sites, rather than the precinct's broader role and appeal.

The client is seeking that the precinct be rezoned to enable a greater mix and intensity of employment generating activities and other uses in a higher amenity environment.

A more diverse land use mix will unlock investment and contribute to the precinct's revitalisation which is long overdue. While the potential for a rezoning to the Commercial 3 Zone (C3Z) is one option currently being considered, the client is open to alternative zonings – including tailored zoning controls – should they be appropriate.

This economic assessment considers the precinct's constraints and strategic attributes, regional economic drivers for redevelopment, the market opportunity for additional uses that may be suited to the precinct, and the potential economic benefits that could be realised by a rezoning of the land.

This Report

This report contains the following chapters:

- Chapter 1:** Huntingdale Industrial Precinct
- Chapter 2:** Planning Policy Context
- Chapter 3:** Constraints and Strategic Attributes for Development
- Chapter 4:** Regional Economic Overview
- Chapter 5:** Market Demand for Non-Industrial Employment Generating Uses
- Chapter 6:** Economic Benefits of Proposed Revitalisation
- Chapter 7:** Conclusion

1.0 Huntingdale Industrial Precinct

This chapter provides an overview of the subject precinct, its locational context and the proposed rezoning.

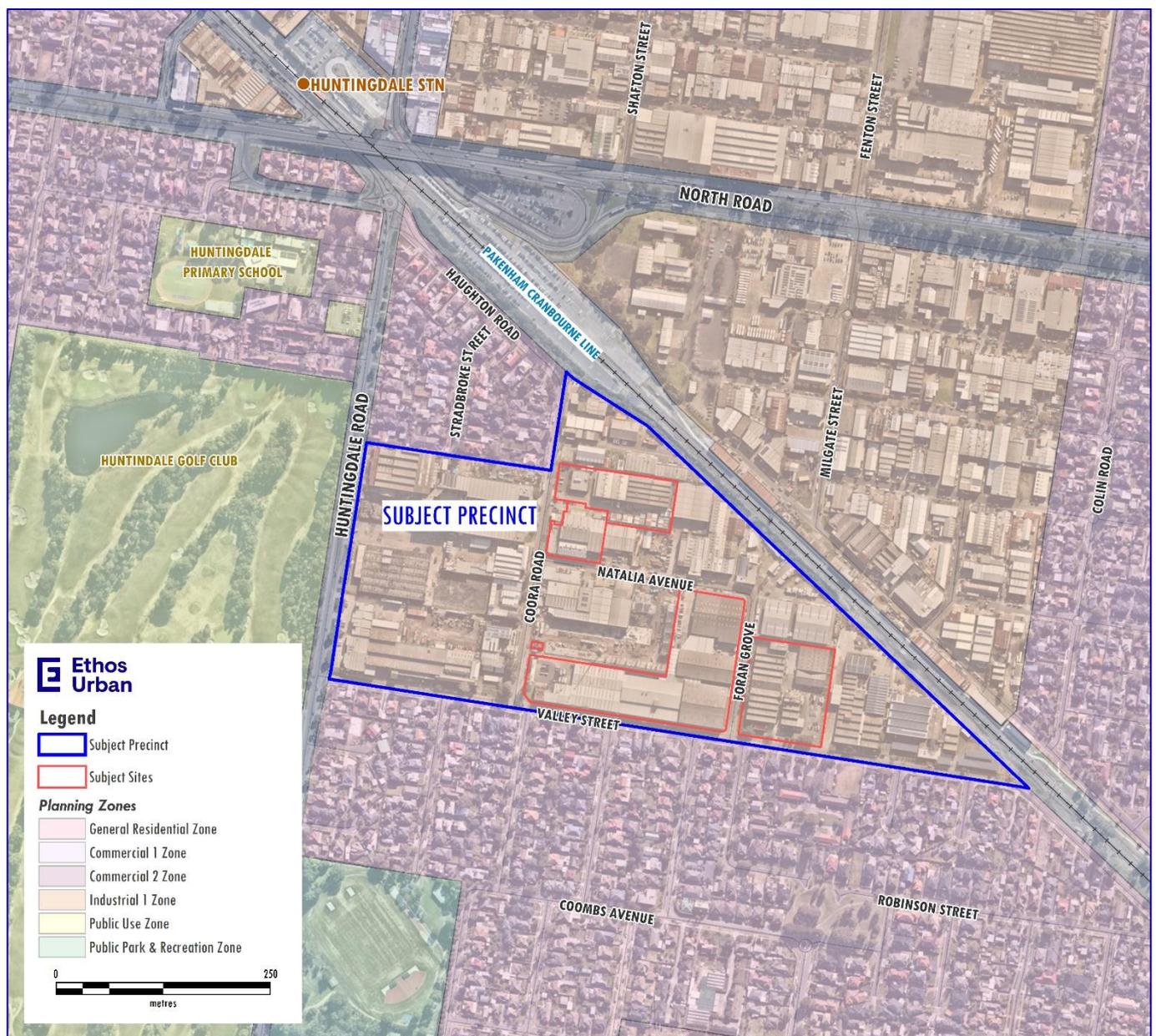
1.1 Subject Precinct

The subject precinct comprises 18.8ha IN1Z located immediately south-west of the Pakenham/Cranbourne railway line and east of Huntingdale Golf Club in Oakleigh South. It is bounded by:

- Huntingdale Road to the west
- A residential area and the railway line to the north
- Valley Street and established residential areas to the south.

Refer Figure 1.1.

Figure 1.1 The Subject Precinct and Local Area



Source: Ethos Urban; Nearmap

The subject precinct has long been an industrial area. Although the precinct theoretically forms part of the broader Huntingdale/Oakleigh/Oakleigh South employment area which primarily comprises INIZ areas situated north of the railway line, the railway line functions as a barrier between the industrial precincts to the north and south. Consequently, the subject precinct and the broader Huntingdale/Oakleigh/Oakleigh South employment area function as separate employment precincts.

While the subject precinct can be accessed via Huntingdale Road to the west, Valley Street to the south and Haughton Road/Coora Road to the north, its connectivity to the major road network including the Princes Highway (only 1.5km to the north), is difficult due to factors including:

- The requirement that large trucks pass through residential areas
- Existing restrictions on heavy vehicle use along Haughton Road
- The presence of school zones on Huntingdale Road
- The overpass bridge at North Road.

Other key land uses in the surrounding area include the Huntingdale Metro Station (approximately 540m to the north-west) and a activity centre along Huntingdale Road located to the north of the railway line and North Road.

The client group control 8-12 Coora Road, 14-18 Coora Road, 30 Coora Road, 5 Valley Street and 7-15 Valley Street, at Oakleigh South – located in the subject precinct (Refer Figure 1.1). Combined, the subject sites come to approximately 3.2ha.

Although the subject precinct supports a variety of industrial businesses of different sizes, it is evident that investment in the industrial building stock has been limited. The prevalence of old factories and warehouses that are unoccupied and in disrepair has resulted in a poor-quality urban environment in the public and private realms. A lack activity and passive surveillance at night is resulting in safety concerns.

Some industrial development is occurring in the precinct, but this development is attributed to the specific circumstances of individual sites, rather than the precinct's broader role and appeal for industry. This is discussed further in Chapter 3.

Compared to the broader Huntingdale/Oakleigh/Oakleigh South industrial area, the subject precinct comprises larger lots and has a more consolidated pattern of ownership. This attribute indicates that revitalisation could be achieved and provides an opportunity for key landowners to set the future land use trajectory for the precinct. Attracting investment and larger scale development in legacy industrial areas is difficult when the landownership is highly fragmented.

The final version of the *Huntingdale Precinct Plan* (the Huntingdale Precinct Plan) prepared by SJB Urban and PWC for City of Monash in 2019 identified the subject precinct as 'Activity Area 7'. This document noted that the future land use mix of the Activity Area 7 would be industrial – with clean industry being a particular focus – and emphasised the precinct would have a high-quality urban environment with pedestrian through-links.

A more detailed overview of relevant planning controls and strategic policy is outlined in Chapter 2. The constraints and attributes that inform the potential for new investment in the subject precinct are considered in Chapter 3.

Subject Precinct (August 2022)



Source: Ethos Urban

1.2 Surrounding Land Uses

Although some properties within the subject precinct can be accessed via Huntingdale Road, the majority of properties are accessed via Valley Street and Haughton Road. Both Valley Street and Haughton Road are residential streets and therefore trucks servicing industrial businesses in the subject precinct (that are accessed via these streets) travel through established residential areas.

Huntingdale Road



Valley Street



Haughton Road



Source: Googlemaps

The subject precinct is adjacent to established residential areas to the south and north-west, the railway line to the north-east and the Huntingdale Golf Club to the west.

The established residential area to the south is undergoing a process of urban consolidation whereby larger residential lots are being redeveloped for multi-unit and townhouse developments. The extent of redevelopment that has occurred over the past 10 or so years within close proximity to the subject precinct is shown in Figure 1.2. This includes the current redevelopment of a 2ha (approx.) site located in 10 Alvina Street (referred to as 'Amara Oakleigh South') for approximately 100 townhouses.

These developments illustrate there is strong market demand for medium-density housing in the local area. The median house price in the residential area to the south of Valley Street for 2021/22 was approximately \$1.1m. The urban consolidation that is occurring here provides an opportunity for more affordable housing typologies.

Figure 1.2: Residential Consolidation Proximate Valley Street and the Subject Site, 2012-2022



Source: Nearmap; Ethos Urban

1.3 Regional Context

The subject precinct is located in Monash Local Government Area (LGA) approximately 16km south-east of Melbourne’s CBD. Monash LGA includes the suburbs of Oakleigh, Huntingdale, Clayton, Monash, Mulgrave, Wheelers Hill, Glen Waverley, and Ashwood. The municipality is situated in Melbourne’s suburban middle ring and is renowned for the Monash University Clayton Campus and its significant provision of industrial precincts.

The subject precinct forms part of the broader Oakleigh/Oakleigh South industrial area, which is primarily situated north of the railway line, as previously discussed. This industrial area (including the subject precinct) is identified as ‘local industrial land’ by *Melbourne Industrial and Commercial Land Use Plan (MICLUP) (2020)*.

Approximately, 1km south-east of the subject precinct is Clayton Major Activity Centre (Clayton MAC), a ‘major activity centre’ in *Plan Melbourne 2017-2050 (Plan Melbourne)* and ‘regionally significant commercial area’ in MICLUP. Clayton MAC is a retail and commercial strip focused on Clayton Road and broadly extends from Clayton Metro Station to the Centre Road/Clayton Road intersection.

A future Suburban Rail Loop (SRL) Station is planned for Clayton MAC as part of the Stage One of the SRL which involves the construction of an underground rail line between Cheltenham and Box Hill. The future SRL Station at Clayton will be a major interchange for trains travelling in four different directions, according to the Victorian Government (source: <https://bigbuild.vic.gov.au/>). It will be located immediately north of Carinish Road and the existing Metro Station.

If delivered in its entirety, the SRL will revolutionise Victoria’s public transport system, connecting every major train line from the Frankston line to the Werribee line via Melbourne Airport. In doing so, the SRL will improve access to housing, jobs, schools, universities, and hospitals in Melbourne’s middle suburbs, and provide opportunities for urban intensification and renewal in neighbourhoods proximate planned stations.

Also of relevance is the Monash NEIC which encompasses employment, education and research facilities in the suburb of Clayton and surrounding areas. Monash is the largest NEIC identified in Plan Melbourne and includes:

- Leading education, health and research facilities such as Monash University, the Australian Synchrotron, the Melbourne Centre for Nanofabrication, Monash Medical Centre, Monash Children's Hospital, CSIRO, Monash Enterprise Centre and the developing Victorian Heart Hospital due for completion in late-2022.
- An expansive array of employment areas in the Clayton and nearby localities such as Notting Hill, Huntingdale, Oakleigh, and Springvale.

In essence, the subject precinct is in a broader region that will benefit from future development of the SRL Stage One and has an opportunity to integrate with the existing economic and innovation ecosystem referred to as the Monash NEIC.

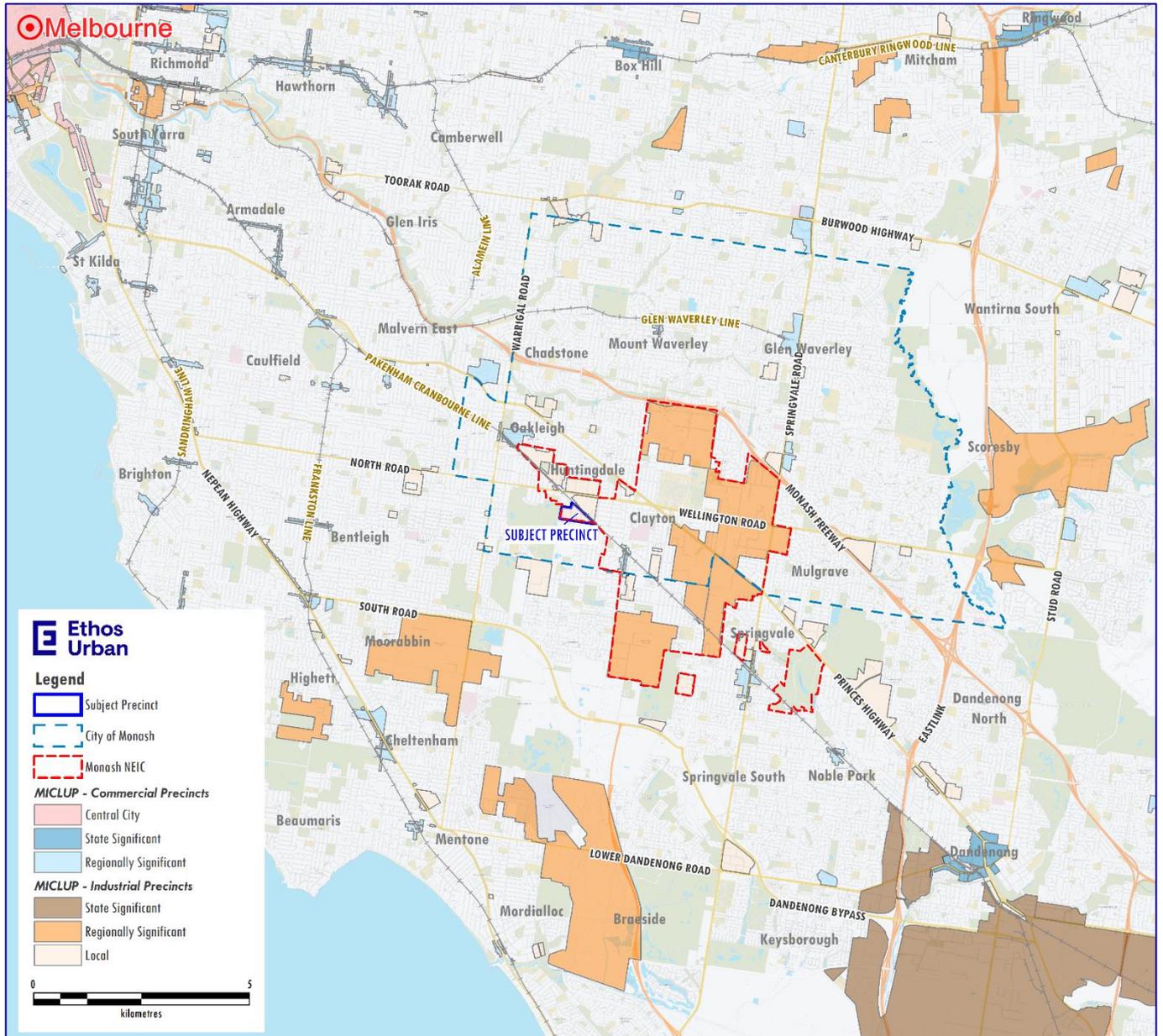
Other major industrial areas in the broader region include:

- Moorabbin, approximately 4km to the south
- Breaside, approximately 9km to the south
- Scoresby, approximately 10km to the east; and
- The State Significant Industrial Precinct (SSIP) at Dandenong South, some 12km to the south-east.

These industrial areas are also shown in Figure 1.3 and all benefit from convenient access to the major roads such as the Princes Highway and Eastlink.

In contrast with these areas, heavy vehicle access to and from the subject precinct is difficult and this significantly reduces the suitability of the subject precinct as a location for industrial activities, as previously discussed.

Figure 1.3 Regional Land Use Context



Source: Ethos Urban with MapInfo

1.4 Proposed Rezoning

The subject precinct is currently in the IN1Z. The lack of investment that has occurred over the years along with the strategic location of the precinct raises questions regarding the suitability of this zone.

The consulting team comprising Ethos Urban (economics) and Ratio (planning) are currently investigating the opportunity for an alternative zone to unlock a wider variety of urban uses that would activate the precinct and result in it supporting higher order employment activities.

The purpose of the IN1Z is to provide for manufacturing industry, the storage and distribution of goods and associated uses in a manner that does not affect the safety and amenity of local communities. The IN1Z is for industry and warehousing – as made clear by the zone's purpose. It is relatively narrow in terms of the variety of uses that are permissible 'as of right' or with a planning permit.

An alternative zone being considered for the subject industrial precinct is the Commercial 3 Zone (C3Z), a mixed-use employment zone introduced in 2018. Its purpose is to provide for a range of industrial, commercial, offices and other employment generating uses which support the mixed-use function of an area.

The C3Z zone is also intended to promote, among other aspects:

- Collaborative and high-quality working environments and places with good urban design and high amenity
- Opportunities for limited retail uses that are complementary to the role and scale of the area
- Options for limited residential uses that do not undermine the primary employment and economic development focus of the area.

Guidance by DEWLP outlined in *Planning Practice Note 85 – Applying the Commercial 3 Zone* (September 2018) indicates that the C3Z zone is intended to prioritise emerging economy uses – including creative industries, small scale manufacturing, and technology start-ups – in a mixed-use setting.

The C3Z is more flexible than the IN1Z and nominates a much wider diversity of uses that are 'as of right' including arts and craft centre, education centre, homes-based business, industry (except for most Clause 53.10 uses which require a planning permit), manufacturing sales, market, office and research centre.

Unlike the IN1Z, the C3Z allows for the development of dwelling and residential buildings with a planning permit, on the condition that the combined gross floor area of all dwellings and residential buildings as a percentage of the combined gross floor area of all buildings on the lot must not exceed the maximum allowable gross floor area percentage specified in the schedule to the zone. For both dwellings and residential buildings, if no maximum allowable gross floor area is specified, they must not exceed 35% of the combined gross floor area of buildings on the lot.

Although the C3Z provides flexibility for a wider range of uses (including the option for residential uses), it does have its limitations. For example:

- Shops are only permissible up to 250m² per block. For the subject precinct this effectively precludes the opportunity for some restricted retail and showroom type uses fronting Huntingdale Road.
- Warehouse is only permissible up to a maximum of 500m² – presumably on the basis that it is not a significant employment generating use.
- Residential aged care facility and retirement village are both prohibited.

Accordingly, the C3Z may not be the most appropriate zone for the entire subject precinct. While the C3Z is one zoning option, other options could also be pursued including applying the Mixed Use Zone to part or all of the precinct and using a Development Plan Overlay to identify the desired land use mix.

We understand that Council officers are reticent to consider the Mixed Use Zone on the basis that it is a residential zone, and development of residential uses in the subject industrial precinct would be at odds with the objectives in the Huntingdale Precinct Plan and Council's resolution from March 2020 that the Precinct Plan be adopted generally as exhibited.

1.5 Summary

The subject precinct comprises 18.8ha in the Industrial 1 Zone (IN1Z) located immediately south-west of the Pakenham/Cranbourne railway line at Huntingdale. Although the subject precinct theoretically forms part of the broader Huntingdale/Oakleigh/Oakleigh South industrial precinct, it functions as a separate industrial node due to the railway line being a barrier between the two areas.

Access to the subject precinct from the major road network is difficult and only limited recent investment has occurred in the precinct. Notwithstanding, the subject precinct's relatively consolidated ownership structure and composition of larger lots, provides the opportunity for key sites to be a catalyst for the revitalisation.

The precinct is immediately south of Huntingdale Metro Station, and within commuting distance of the future SRL station at Clayton and Monash NEIC.

The consulting team comprising Ethos Urban (economics) and Ratio Consultants (planning) are currently investigating the opportunity for an alternative zoning to unlock a wider variety of urban uses that would activate the area and result in it supporting higher order employment activity.

2.0 Planning Policy Context

A high-level overview of planning controls and strategic policies that are relevant to the subject precinct is provided by this chapter. Note that a detailed response to the planning considerations for the proposal will be provided by Ratio Consultants.

2.1 Plan Melbourne 2017-2054

Plan Melbourne is the metropolitan planning strategy for Melbourne released by the Victorian State Government in 2017. It outlines directions to manage growth to 2050 so that Melbourne will continue to be a global city of opportunity and choice. These directions seek to integrate long-term land use, infrastructure, and transport planning to meet the future environmental, population, housing, and employment needs.

Plan Melbourne notes that the global economy has changed rapidly in the past two decades and there is a need to boost productivity and support growth and innovation across all industries to remain competitive.

Policies of relevance in Plan Melbourne include:

- Plan for industrial land in the right locations to support employment and investment opportunities (Policy 1.1.6)
- Plan for and facilitate the development of urban renewal precincts (Policy 1.3.1).

The cluster of education, health, research and industry in and proximate to the suburb of Clayton is identified in Plan Melbourne as a NEIC, as previously discussed.

2.2 Melbourne Industrial and Commercial Land Use Strategy (2020)

MICLUP recognises the need to adequately plan the supply of industrial and commercial land across the metropolitan area to ensure that it meets demand. It classifies industrial land as either state-significant, regionally-significant or locally-significant.

Monash NEIC is a key industrial area within the eastern metropolitan region and is well linked to industrial areas in Huntingdale and Clayton, offering further employment.

MICLUP identifies industrial land within the study area and the surrounding area in Huntingdale as 'locally significant', as previously noted. This designation enables Councils to determine how these industrial areas are to be planned for, including *"when industrial land should be retained, when it could transition to other employment generating uses, or if it is no longer required, when it could transition to other uses."* (pvi)

In essence, the subject precinct is afforded the lowest level of protection in MICLUP, providing the opportunity to rezone the land should Council see fit.

2.3 Monash Planning Scheme

Victorian Planning Policy

Relevant sections of the Victorian Planning Policy Framework include:

- (Section 11: Settlement) Planning is to anticipate and respond to the needs of existing and future communities through the provision of zoned and serviced land for housing, employment, recreation and open space, commercial, community facilities and infrastructure.
- (Section 17 Economic Development) Planning is to provide for a strong and innovative economy, where all sectors are critical to economic prosperity.

Local Planning Policy

Section 21.06 outlines the local policy content to support economic development in Monash LGA. It makes reference to recent business park developments at vacant and/or underutilized areas, and that opportunities for revitalisation will continue to arise which will result in retail, commercial, and industrial built form that is designed and constructed to world-class standards.

It is also noted that industry, business and activity centres in Monash LGA need to continue to attract and retain local businesses to provide employment opportunities and investment.

Relevant objectives to support economic development include:

- To create an environment that is attractive to investors and foster business growth
- To increase the number and range of viable employment opportunities
- To facilitate the revitalisation of key areas and ensure that new development is a high standard that adds to the attractiveness of business and industrial areas
- To encourage appropriate mixed-use development while ensuring that the amenity of neighbourhoods is not adversely affected
- To facilitate innovation and growth in the knowledge economy, particularly in science, technology and emerging industries.

The subject precinct is in the IN1Z which has the purpose to provide for manufacturing industry, and the storage and distribution of goods and associated uses in a manner which does not affect the safety and amenity of local communities. As previously discussed, the IN1Z is considered to limit the variety of uses that can be delivered in the precinct to an extent that reduces the ability of the precinct to revitalise and transition to a broader land use mix including higher value employment activities.

Hence, the consulting team are currently investigating the opportunity for an alternative zoning to unlock a wider variety of urban uses.

2.4 Huntingdale Precinct Plan – Draft (2020)

This document was adopted by Council in March 2020 and applies to an area of approximately 1.7km², centred around the Huntingdale Train Station which includes the subject precinct.

It has the objective to:

- Articulate a transformative vision for Huntingdale in its role as a key precinct within the Monash NEIC.
- Identify how changes in land use activity and built form will transform the Huntingdale Precinct and make the vision a reality.

The Precinct Plan outlines a vision articulating what it describes as a 'urban renewal opportunity' for Huntingdale. This vision noted, among other aspects, that the Huntingdale Precinct would:

- Be a premier location for knowledge intensive based business seeking a location within the Monash NEIC that have synergies with its education, health, technology, and manufacturing components
- Be a diverse village that provides for a range of employment, recreation and residential opportunities
- Offer spaces that allow for innovative business of all types, and the industrial character would inspire adaptable appropriation and meet the needs of today and cater for the potential future
- Provide connected transport linkages, including cycling and pedestrian networks built on the excellent public transport infrastructure connecting the village to its neighbours and beyond.

The Precinct Plan did not identify changes in planning controls required to facilitate future land use change and activity.

However, a report prepared by PWC in 2018 titled: *Huntingdale Activity Centre Background Report: Land Use* suggested that the subject precinct be rezoned to the:

- Commercial 1 Zone (C1Z) – in the 0-to-10-year timeframe; and
- Residential Growth Zone 1 (RGZ1) – in the 10-to-20-year timeframe.

While it is understood the PWC report informed the development of the Huntingdale Precinct Plan, this rezoning advice was ultimately not adopted in the Huntingdale Precinct Plan.

The subject precinct is identified as Activity Area 7 in the Huntingdale Precinct Plan, as previously noted. The vision for Activity Area 7 is as follows:

“Activity Area 7 is predominately a clean industry employment neighbourhood. Increased permeability through the neighbourhood from the surrounding residential areas is achieved in combination with designated pedestrian and cycle priority streets. New public open spaces provide amenity opportunities for workers and residents.” (p50)

This vision made clear that employment uses would remain the focus in Activity Area 7 – albeit in a higher quality urban environment. Indeed, the Precinct Plan identified the future mix of uses to be ‘industrial’ at p51.

No guidance was provided regarding what the envisaged “clean industries” in Activity Area 7 would be. It is considered that “clean industries” likely refer to low impact industries that would be geared to the new economy.

Improvements to Area 7 focused on increased permeability by introducing new streets and laneways, new public open spaces including pocket parks, and improvements to the amenity of the precinct to support residents and workers. However, no mechanisms to achieve these outcomes were provided in the Plan.

The Precinct Plan noted that the railway line and North Road were barriers to accessing Huntingdale Station and the Activity Centre. But no reference was made to the subject precinct being difficult to access from major roads such as the Princes Highway (for reasons previously outlined in Section 1.1) – and hence this being a reason why limited industrial investment had occurred in the precinct.

Similarly, the current prevalence of vacant sites and dilapidated buildings in Activity Area 7 was not mentioned in the Precinct Plan.

While the Precinct Plan was adopted by City of Monash Councillors in March 2020, a motion was added directing Council officers to convene a meeting of landowners in Activity Area 7 to discuss the best way of encouraging the future development and rejuvenation of this area consistent with principles of the Precinct Plan.

2.5 Monash Industrial Land Strategy (2014)

This report identified the subject precinct as ‘Precinct 20 – Oakleigh South/ Huntingdale Road’. The vision for the precinct was to continue to function as an industrial location through the continued redevelopment of land.

It stated that sites fronting Huntingdale Road and Valley Street offered the opportunity for small business parks with more intensive industrial accommodation and office space, to diversify employment in the precinct.

The report recommended that the INIZ be retained, despite making recommendations to rezone other under-performing industrial areas within the City of Monash.

It is important to note that this report was drafted in 2011 and is now outdated and does not consider recent industry and market trends captured in recent plans and strategies. These include the policies for industrial and commercial land outlined in MICLUP and the identification of Monash NEIC in Plan Melbourne and subsequent strategic policies.

2.6 Monash National Employment & Innovation Cluster – Draft Framework Plan (2017)

Undertaken by the Victorian Planning Authority (VPA), this Framework Plan outlined guidance for the planning and development of the Monash NEIC.

It identified the Monash NEIC as a location of national importance and where jobs growth and strategic infrastructure investment will be directed.

The study precinct forms part of the Huntingdale Activity Centre and was identified as contributing to the Monash NEIC as a ‘supporting employment area’. The industrial area’s proximate to Huntingdale Activity Centre (including the subject precinct) were identified for urban renewal. They were considered to present opportunities for commercial growth and residential diversity.

2.7 Eastern Land Use Framework Plan

The *Eastern Metro Land Use Framework Plan* (the Eastern Metro Framework Plan) was prepared by the Department of Environment, Land, Water and Planning to guide the implementation of Plan Melbourne policies at a regional and local level. The Framework Plan set a 30-year vision with economic growth and job creation centred in and around the Monash NEIC a key aspect.

It noted that the SRL will be major city-shaping project and will deliver new stations in Clayton and Monash – which, in turn, will drive land use change and higher density development in surrounding precincts.

The Framework Plan supported the retention of industrial-zoned land in major industrial precincts, and specifically identified Bayswater, Scoresby-Rowville and Clayton-Mulgrave (within Monash NEIC).

The Framework Plan was open to new opportunities for locally significant industrial precincts that are well serviced by public transport and close to services and amenities, including the establishment of enterprise precincts. It noted that “the planning system should be flexible to support investment” in these areas.

2.8 Summary

Strategic planning policy makes clear there is a need for industrial precincts in the Huntingdale area to revitalise and accommodating new economy industries that support employment opportunities and investment, in addition to other uses that would benefit from proximity to the Huntingdale Metro station.

Current planning policies are considered to leave open the opportunity for revitalisation of the subject precinct through consideration of more appropriate land uses. In particular:

- MICLUP provides the lowest level of industrial protection to the site, leaving the future designation of the land to be resolved by Council.
- Higher intensity employment uses and residential development is supported in the Monash NEIC – Draft Framework Plan
- The Eastern Metro Framework Plan supports planning flexibility to unlock investment in locally significant industrial areas that are in proximity to public transport and amenities.

The Huntingdale Precinct Plan stated that the future mix of uses in the subject precinct would be ‘industrial’. But no reference was made to the subject precinct’s poor connectivity to major roads, or the fact that investment in the precinct has been limited resulting vacant sites, delapidated buildings and a poor urban environment.

This document envisaged that the subject precinct would support “*clean industries*” in a higher amenity environment, and outlined improvements focused on internal permeability and streetscape character and the quality public realm.

However, these improvements – in isolation – are not considered a practical pathway for driving revitalisation of the subject precinct if the future land use mix remains narrowly focused on industry, as envisaged by the Precinct Plan.

3.0 Constraints and Strategic Attributes for Development

This chapter outlines those constraints and strategic attributes that frame the precinct's prospects for revitalisation.

3.1 Existing Land Use and Development Context in the Precinct

Existing Land Use Context

In general terms, the precinct comprises a variety of small, medium and large industrial businesses. A range of industries are represented in the precinct such as local service industries including auto repairs and equipment hire; recreation uses including rock climbing, gymnastics, dance and fitness studios; businesses requiring warehouse space with a limited office component including a range of importing/exporting and distribution businesses; manufacturing businesses; and small industrial businesses with small workshop spaces.

While the precinct support tenants such as Jasnor (toy and gift supplier), Tile Importer Timber Merchants and MtM (auto parts manufacturer), it does not contain a significant number of high-profile industrial businesses and is considered a lower-order industrial location. Accordingly, the precinct is afforded the lowest order of protection via its designation as "local Industrial Precinct" in MICALUP.

Throughout the majority of the precinct, it is clear that significant investment is needed to improve the amenity and built form to level that attracts and meets the requirements of modern industry.

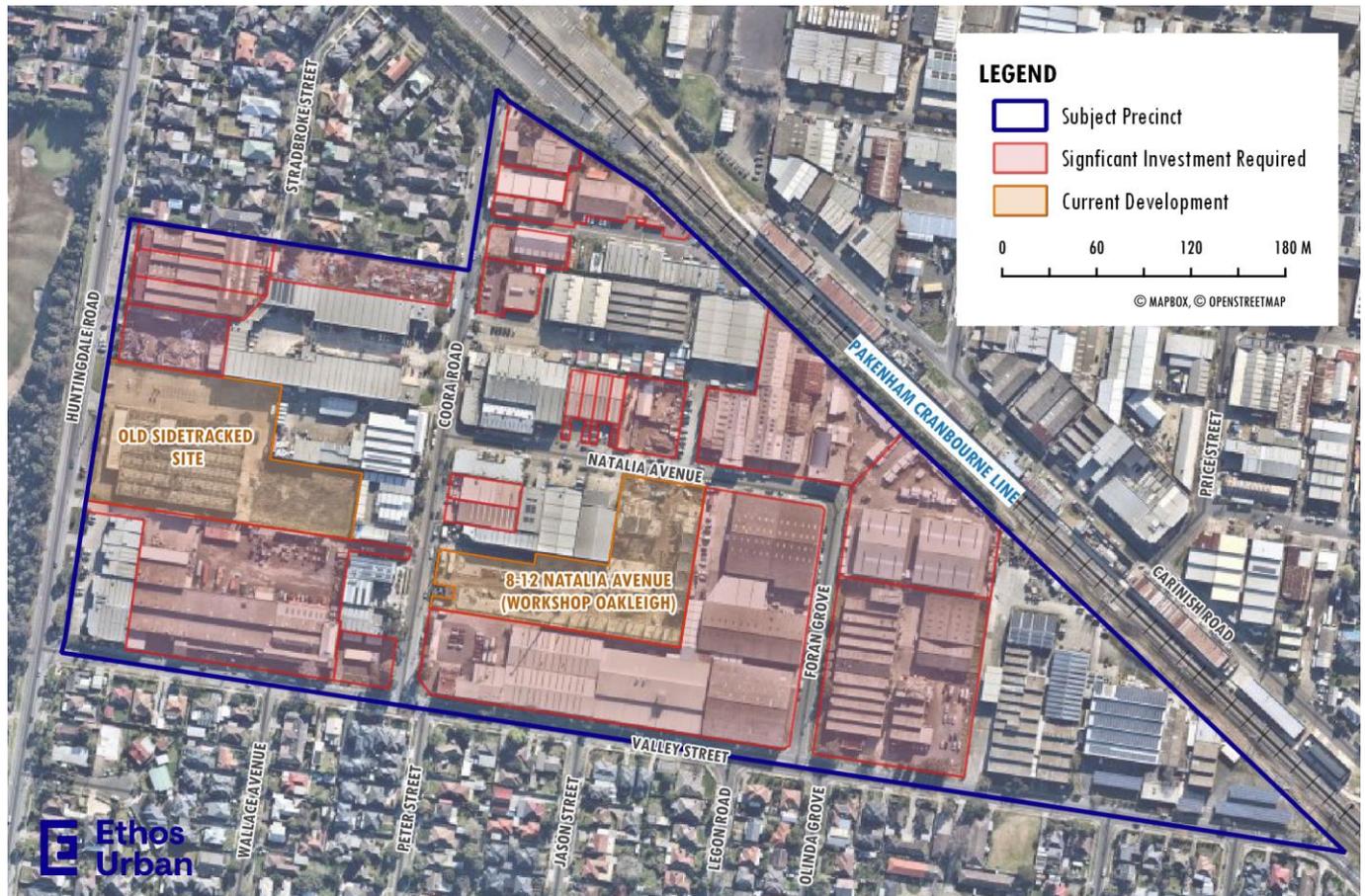
It is also evident that significant funds and land acquisition would be required to deliver public realm improvements such as new pedestrian and cycle paths, a more permeable urban structure and new public open spaces, as envisaged by the Huntingdale Precinct Plan.

Properties where significant investment is required to meet modern industrial needs were identified during a field visit undertaken in August 2022 and are shown by Figure 3.1. Numerous properties requiring significant investment are evident. These sites largely contain facilities that are old and/or dilapidated.

Having regard for this current situation, significant investment is required throughout the precinct for it to function as a 'clean industry employment neighbourhood' – as envisaged in the Huntingdale Precinct Plan.

Compared to other industrial areas in Huntingdale/Oakleigh area, the subject precinct has a more consolidated ownership structure due to its prevalence of large sites. Combined with the relatively small size of the precinct, the larger lot sizes and consolidated ownership means potential exists that redevelopment of only a handful of sites can become a catalyst for the precinct's overall revitalisation.

Figure 3.1: Sites Requiring Significant Investment, August 2022



Source: Ethos Urban

Current Development and Development Feasibility Considerations

Two industrial developments of note are currently occurring or are planned in the subject precinct.

The former Sidetracked Entertainment Centre has recently been sold and it is understood the site will accommodate a two-storey electric vehicle distribution centre comprising 306 car parks and supporting 15 jobs (source: Realcommercial, *Former Sidetracked go kart centre in Oakleigh South scores \$17m sales deal*, April 2022).

The main purpose of this facility would be to receive shipment of vehicles and undergo final servicing prior to being test-driven or collected by the customer. Once developed, it is understood that site will only support 15 jobs, which is equivalent to 12 jobs per hectare.

The other key development occurring in the precinct is the construction of 30 small warehouses located at 8-12 Natalia Avenue. This project comprises a mix of warehouse, workshop and office space and is targeted at small enterprise businesses seeking warehouses ranging from 155m² to 171m². It represents an example of modern industrial premises providing a greater level of amenity than what is currently provided for in the precinct.

However, the viability of this development is underpinned by the significantly low purchase price of the land. According to Pricefinder, the 9,780m² site was purchased for approximately \$6.5m in late-2021, representing a sale price of approximately \$660/m². As shown in Figure 3.2, the quality of the buildings on the site was poor, with the low sale price reflecting the limited opportunity to lease the building. In essence, the sale price largely reflected the value of the land.

This is reinforced by the sale price of land at 33-35 Coora Road of \$550,000 in April 2016, which at approximately 650m² represented an average of approximately \$840/m². In 2016, 33-35 Coora Road was used as a scrap yard and did not have any capital improvements on the site, refer Figure 3.3. Similar to 8-12 Natalia Avenue, the sale price largely reflected the land value and has subsequently been developed for modern industrial/office premises (refer Figure 3.3).

Figure 3.2: 8-12 Natalia Avenue, January 2019



Source: Google Maps

Figure 3.3: 33-35 Coora Road, July 2015



Source: Google Maps

33-35 Coora Road, December 2021



A summary of recent sales of industrial land in the precinct is provided in Table 3.1. Except for 8-12 Natalia Avenue and 33-35 Coora Road, other properties sold in the precinct contain a leasable asset on the property which is reflected in their significantly higher (two to three times higher) sale price on a per square metre basis.

Table 3.1: Recent Industrial Sales in the Precinct

Address	Sale Date	Land Area	Sale Price	Sale Price (\$/m ²)
8-12 NATALIA AVE	16/12/2019	9,780m ²	\$6,446,000	\$659/m ²
33-35 COORA RD	04/04/2016	652m ²	\$550,000	\$844/m ²
1/6 COORA RD	30/12/2021	459m ²	\$720,000	\$1,570/m ²
364-372 HUNTINGDALE RD	05/11/2021	12,600m ²	\$17,040,000	\$1,352/m ²
8/6 COORA RD	06/06/2019	188m ²	\$478,500	\$2,545/m ²
4/6 COORA RD	23/03/2017	174m ²	\$360,000	\$2,072/m ²

Source: Pricefinder

Herein lies the key issue influencing the renewal of the precinct. With the exception of land at 258-360 Huntingdale Road which is currently being used as a recycling yard and which has very limited capital improvement on the site, the subject precinct does not contain any other vacant sites available for development.

While significant investment is required on many sites in order for them to meet modern industrial standards (refer Figure 3.1), many of the buildings are still suitable for lease to businesses seeking affordable rents. While this situation continues, the majority of the precinct will continue to attract lower order tenants seeking affordable rents.

Obviously, there will over time be some exceptions to this, noting the recent sale of the former Sidetracked Entertainment Centre to facilitate its redevelopment for an electric vehicle distribution centre. This site's relatively higher price was due to it supporting a leasable asset, among other aspects.

However, it could be argued that the new use (an electric vehicle distribution centre) will not represent the highest and best employment activity that could be accommodated in the precinct, given it will only support 15 jobs onsite (or 12 jobs per developable hectare).

On balance, the prospect of urban renewal in the precinct and achieving the vision outlined in the Huntingdale Precinct Plan is limited if it remains in the INIZ.

Therefore, consideration should be given to an alternative land use zone that would support the type of investment in the precinct that would contribute to the improved amenity of the precinct required to attract 'clean industry' and other uses.

3.2 Existing Constraints on Industrial Investment

Notwithstanding the issues associated with development feasibility described in Section 3.1, the subject precinct has a range of other constraints that position it poorly for conventional industry.

Key constraints on industrial uses in the subject precinct include:

- **Land use conflict with adjoining uses.** Established residential areas adjoin the precinct to the south and north, resulting in sensitive interfaces and a risk of amenity impacts.
- **Limited access to major transport routes.** Convenient access to and from major roads for large trucks is a key requirement of successful industrial areas. As previously noted, access to and from major roads such as the Princes Highway is difficult due to:
 - The requirement that large trucks pass through residential areas
 - Existing restrictions on heavy vehicle use along Haughton Road
 - The presence of school zones on Huntingdale Road
 - The overpass on North Road.
- **Limited reinvestment in buildings and facilities.** Due to sensitive adjoining uses and difficult access, demand for industrial facilities in the subject precinct has been marginal. Accordingly, little incentive exists for landowners to reinvest in their sites, resulting in a prevalence of vacant industrial buildings that are old and dilapidated and don't meet the needs of modern industrial tenants. This, in turn, has further reduced the market appeal of the subject precinct for industry.
- **Poor amenity.** Little investment in the precinct and poor-quality building stock has resulted in low amenity and low-quality urban environment.

The above constraints have resulted in a negative feedback loop of low investment and low market appeal that, over time, has continued to build upon itself.

3.3 Strategic Attributes for Revitalisation

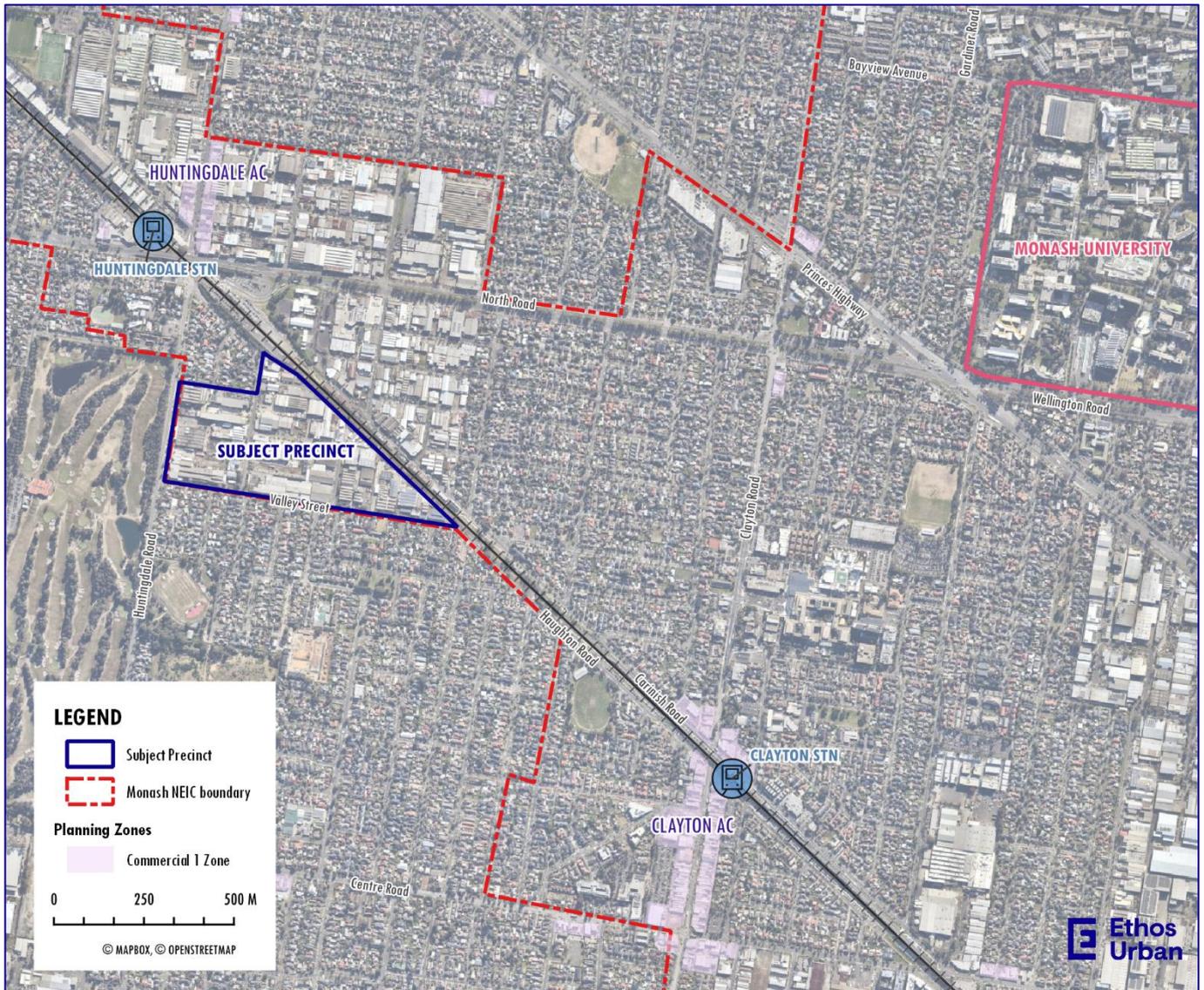
Although it has been significantly underperforming as an area for conventional industry, the subject precinct has some key attributes that position it favourably for higher value employment uses that have greater emphasis on technology and knowledge.

These attributes mainly relate to subject precinct's strategic location and include:

- **Proximity to Huntingdale Metro Station** which is located within walking distance from the subject precinct.
- **Proximity to Huntingdale Activity Centre** which is located immediately north-east of Huntingdale Train Station.
- **Access to Clayton Activity Centre, Clayton Metro Station, and future Clayton SRL Station** which are (and will be) around 1km south-east of the subject precinct. Clayton Activity Centre is a Major Activity Centre in Plan Melbourne and the future SRL Station will function as a major interchange hub and be delivered in Stage One of the SRL which is in the planning phase.

- **Location at the fringe of the Monash NEIC** – which includes Monash University and an array of leading of innovation and research uses.
- **Large sites and a consolidated ownership structure.** The subject precinct is characterised by large lots and a consolidated ownership structure relative most other industrial areas at Huntingdale, including INTZ north of North Road and in closest proximity to Huntingdale Metro Station and Huntingdale Activity Centre. These characteristics provide the opportunity for redevelopment of key sites to be a catalyst revitalisation in the balance of the precinct.

Figure 3.4 Strategic Sites Context



Source: Ethos Urban

3.4 Implications for the Future Land Use Trajectory

The Huntingdale Precinct Plan failed to consider existing constraints that have limited the subject precinct’s ability to absorb new industrial development and narrowly defined the future land use mix as ‘industrial’, as previously discussed in Chapter 2.

While this document envisaged that subject precinct would accommodate ‘clean industries’ in a higher quality urban environment, it did not articulate how this would occur.

If ‘clean industries’ are taken to mean low impact new economy industries, then they are indeed a prudent future use for the subject precinct having regard for the constraints and attributes previously discussed.

However, the question remains as to how the subject precinct can evolve into a location that is attractive for higher order new economy industries – noting that investment in the precinct has been marginal due to limited access,

sensitive interfaces and other constraints, and there is little to suggest that the precinct will significantly revitalise while remaining in the INIZ.

To this point, a key issue affecting the renewal of the precinct is a lack of vacant sites available for development. Moreover, a large number of sites in the precinct do not have facilities that meet modern clean industry expectations, and therefore are vacant or only accommodate lower-order industrial tenants. Because these sites accommodate existing facilities, their land values are higher compared to vacant sites. Even though the facilities supported do not meet modern industry requirements, they are still sufficient to support some businesses.

In essence, to redevelop these sites a prospective owner must pay a higher price (relative to a comparable vacant site) and then absorb costs associated demolition etc. This impacts the viability of pure industrial development in the precinct (which has access constraints and sensitive interfaces) and reduces its prospects for revitalisation.

In the consultant's view, the most realistic way of driving revitalisation for higher order employment uses is the application of a more flexible zone that provides the opportunity for a wider range of uses including some non-employment uses such as a component of higher density residential.

In view of the precinct's poor urban environment and limited market appeal for industry, the flexibility for some residential would provide a means to attract investment to the precinct in the first instance and cross-subsidise high-order employment components delivered as part of a mixed-use scheme and associated remediation costs.

The flexibility for limited residential uses would also assist in activating key development sites and improving the quality of the urban environment such that, over time, the area becomes more attractive for higher-order employment uses.

Of course, the future development of residential uses in the subject precinct should be ancillary to its role as an employment area. Planning mechanisms are available that can facilitate a mix of employment and ancillary residential such as the C3Z, or the Mixed Use Zone and an associated Development Plan Overlay.

A mix of uses including industry and residential, are envisaged by the Precinct Plan for Activity Areas 1, 2 and 4 which are all currently in the INIZ and are envisaged to have prominent employment functions.

This begs the question as to why a limited residential component did not form part of the land use mix identified for the subject precinct by the Huntingdale Precinct Plan, noting that this plan nominated residential part of the future land use mix for Activities Areas 1, 2, 3, 4, 8A and 8B in the wider Oakleigh/Oakleigh South industrial area.

4.0 Regional Economic Overview

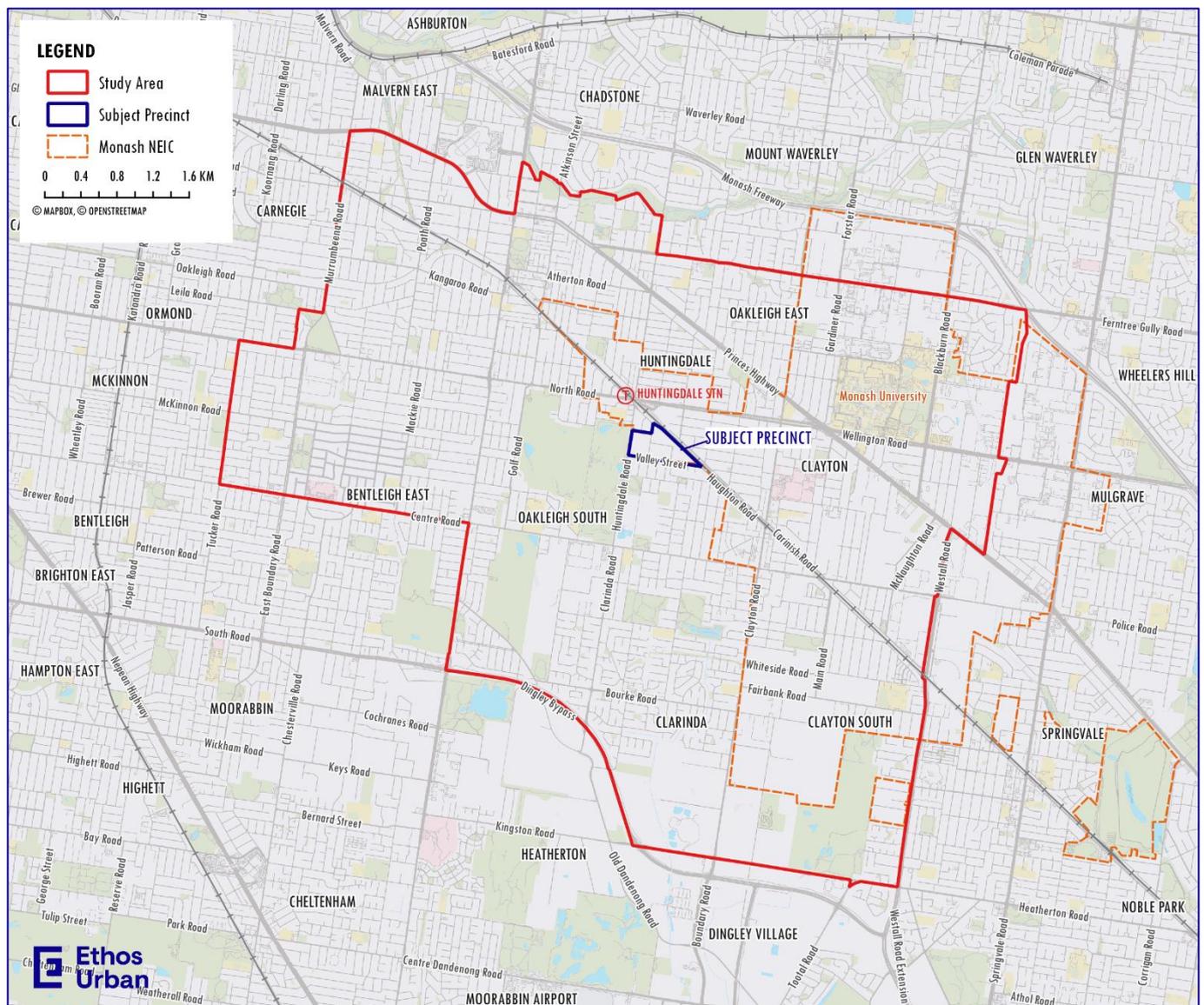
This chapter provides a high-level overview of relevant economic trends and drivers for the local region in which the subject precinct is situated.

4.1 Study Area Definition

For the purposes of this assessment, a study area has been identified which represents the local region of most relevance to the subject precinct's economic and development outlook.

This study area is shown at Figure 4.1 and includes the established suburbs of Oakleigh, Huntingdale, Bentleigh East, Clayton and Clarinda.

Figure 4.1 Study Area



Source: Ethos Urban

4.2 Regional Economy Overview

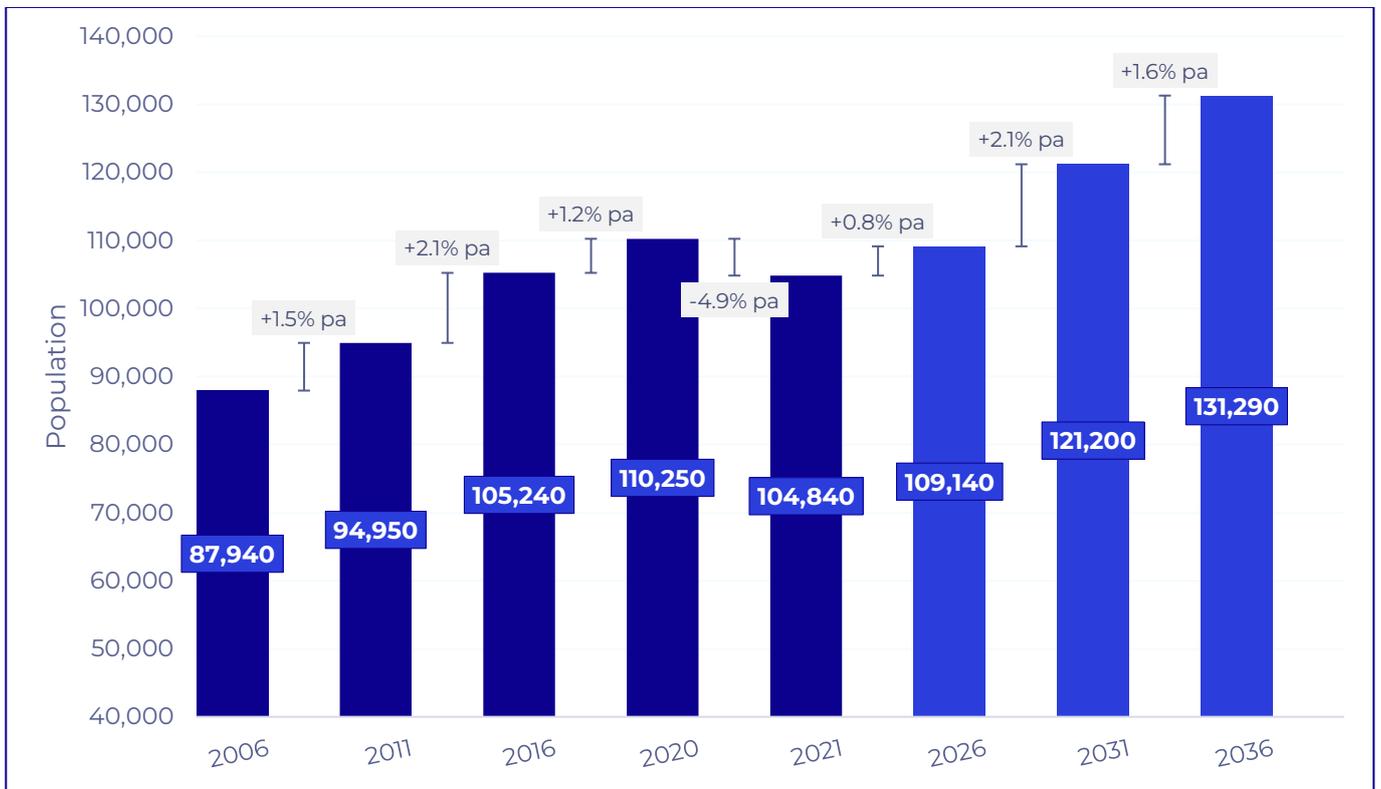
A snapshot of relevant economic indicators that relate to the study area is outlined as follows:

- **A trend of strong recent population growth was disrupted by the COVID-19 pandemic.** The study area had a residential population of approximately 104,800 persons in 2021, according to the latest ABS Estimated Residential Population (ERP) release. From 2010 to 2020, the study area's residential population increased by some +16,700 persons, representing average growth of +1,700 persons per annum (pa) or +1.7%pa. This long-term growth trend was disrupted by the COVID-19 pandemic and its effect on both overseas and domestic migration. As a result, the study area's population declined by 5,410 persons (or -4.9%) from 2020 to 2021.
- **Population growth is anticipated to bounce back.** Based on the outlook in the Victorian Budget, it is assumed that with broader restrictions now eased, the flow of migrants and foreign students to Victoria will increase gradually over the course of 2022 and reach pre-pandemic levels by 2023-24. On this basis, it is assumed that that population growth will normalise by 2024, and at that time reflect the growth rate previously envisaged by Victoria in Future 2019 (VIF2019), the Victorian Government's official population projections for LGAs and small areas. Under this circumstance it is envisaged that that the study area's population would increase by +26,450 persons from 2021 to 2036, reflecting an increase +1,760 persons pa, or +1.5% pa. From 2025 to 2036 (once population trends normalise) growth would be equivalent to +2.0%. This projected population increase will drive strong demand for additional dwellings via urban consolidation.
- **Key socio-demographic findings of the study area include:**
 - The median household income is approximately \$96,710, which is slightly lower than Greater Melbourne (\$100,020)
 - The median age is 35.4 years, with a high proportion of individuals aged 20-34 years (29.1%) relative to Greater Melbourne (22.7%).
 - 49.8% of residents are born overseas.
 - 32.9% of households are couple families with children.
 - A relatively high share of households renting (37.0%).
 - The median monthly mortgage repayment is around \$2,240, which is above the Greater Melbourne average (\$2,050). Median weekly rents (\$420) are also slightly higher than Greater Melbourne (\$400).
 - A high proportion of individuals are attending university or other tertiary education (37.1%) relative to Greater Melbourne (22.2%).Source: ABS Census 2021.
- **Semi-detached and apartments of four storeys and above dominate recent building approvals.** From 2017/18 to 2021/22, a total of 5,670 residential building approvals were recorded in the study area, representing an average of 1,130 approvals pa. Approximately 82% of new residential building approvals were for semi-detached typologies or apartments.
- **Price growth in houses and units.** Median house prices in the study area increased from \$1.0m in 2019 to \$1.3m in 2022 (or +31%), while units increased from \$580,000 to \$675,000 over the same period (or +16%). This is placing pressure on housing affordability, particularly for key workers in the nearby health and education precincts.
- **Health care and social assistance and retail trade largest employers in the study area.** In 2016, health care and social assistance (5,410 jobs), retail trade (4,740 jobs), professional, scientific, and technical services (4,410 jobs) and education and training (4,310 jobs) were the four largest subsectors in the study area.¹
- **New business growth underpinned by the transport, postal and warehousing; administrative support; and professional services sectors.** From 2016 to 2021 (financial years) the number of transport, postal or warehousing businesses in the study increased by +360 new businesses. Similarly, the number of administrative and support services; and professional, scientific, and technical services both increased by +240 businesses, respectively. The increase in transport, postal or warehousing businesses reflects the large provision of industrial zoned precincts in the study area and the trend in the broader economy of increased demand for warehousing space due to increasing e-commerce and supply chain throughput.
- **Strong retail spending growth anticipated.** The total retail spending capacity of the study area is estimated at \$1,540m, including \$850m in food spending and \$690m in non-food spending. By 2036 it is estimated that the study area will support an additional +\$600m in retail spending (excluding inflation) due to population growth and real growth (i.e. higher retail spending due to increasing real wealth). The substantial increase in retail spending will generate demand for additional retail floorspace in the study area in a range of formats.
- **High levels of investment in education and health buildings.** Over the last five years, the development of health buildings (\$670m) and education buildings (\$580m) generated the highest levels of investment in the study area,

¹ Industry of employment data for the latest ABS Census (2021) was not available at the time of writing.

based on ABS building approvals data. Other sectors subject to significant development over the five years include offices (\$150m), warehouses (\$140m), short-term accommodation buildings (\$110.3m) and retail and wholesale trade buildings (\$110m).

Figure 4.2 Historic and Future Population Trends



Source: Ethos Urban; ABS Estimated Resident Population; VIF2019; Australian Government Centre for Population

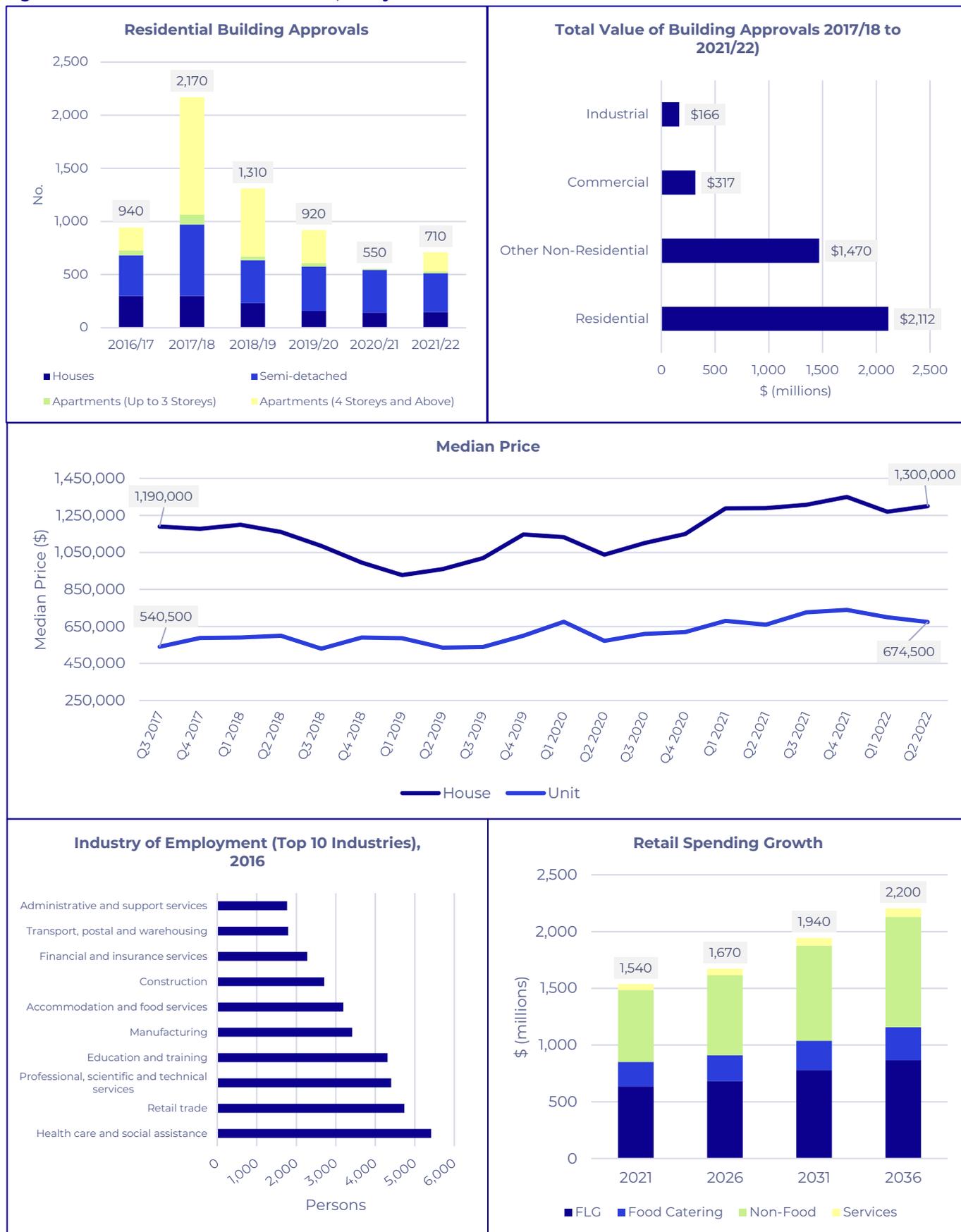
Figure 4.3 Socio-demographic Characteristics, 2021



Source: ABS Census 2021; Ethos Urban

Note: Interpretation of small area data from the 2021 ABS Census should consider potential outcomes from the COVID-19 pandemic.

Figure 4.4 Other Economic Indicators, Study Area



Source: Ethos Urban; ABS Building Approvals; PricewaterhouseCoopers; ABS Census of Population and Housing, 2016; Marketinfo

4.3 Summary and Implications

A review of relevant economic and demographic data for the study area makes clear that:

- Strong population growth is expected to return once Victoria's migration situation normalises and broadly reflect trends experienced in the ten years prior to COVID-19.
- A return to strong population growth will drive demand for new residential dwellings through urban consolidation and additional retail floorspace.
- Median house and unit prices have been increasing and rents in the study area are relatively high.
- Employment is primarily in the services sector – with health care and social assistance; retail trade; and professional, scientific, and technical services; playing a key role in supporting local jobs.
- Business growth is primarily occurring in the transport, postal and warehousing; administration and support; and professional services sectors.

These trends necessitate that opportunities for new residential dwellings, service sector employment and warehousing activities in the study area need to be supported by prevailing planning frameworks.

The subject precinct's proximity to Huntingdale Station positions it favourably to transition to a more intensive mix of employment uses including jobs geared to the professional, scientific, and technical services sector. However, the quality of the urban environment would need significantly improve to be a desirable location for firms supporting these types of jobs. In addition, the opportunity exists for the subject precinct to play a role in supporting some residential development in view of its locational attributes, and employment uses that service the local population.

Transport, postal and warehousing has been the largest sector in the study area for new business growth due to the area's provision of industrial precincts and broader economic trends driving demand for e-commerce space.

Although the subject precinct is in the IN1Z, its appropriateness for these uses and other conventional industrial activities is significantly limited by its access constraints, as previously discussed.

5.0 Market Demand for Non-Industrial Employment Generating Uses

The flexibility for a broader mix of uses at the subject site is considered necessary for it to revitalise and support higher order employment uses.

This chapter provides an overview of the market demand for a range of non-industrial uses that may have potential to form part of the subject precinct's future land use mix and support its revitalisation as a mixed-use area with an increased level of employment.

5.1 Retail and Restricted Retail Uses

Across the 15 years to 2036, retail spending by study area residents is projected to increase by approximately \$600m (excluding inflation), as outlined in the previous chapter. This will drive demand for additional retail floorspace across a range of retail categories.

While the demand trajectory in the study area for retail facilities is significant, it is not likely that retailing would become a key focus of the subject precinct in view of the retail role played by nearby centres including:

- Activity Centre fronting Huntingdale Road which supports a range convenience retail and options including an IGA Xpress.
- Clayton MAC – which is identified as a 'Major Activity Centre' in *Plan Melbourne 2017-2050* (Plan Melbourne) and 'regionally significant commercial area' in MICLUP and is anchored by a full-line Coles supermarket.

In addition, Chadstone Shopping Centre (Chadstone) – a 'super retail centre' as categorised by the Property Council of Australia – is located only 3.5km north-east of the subject precinct. Chadstone is the largest internal shopping centre in Australia and is the focus for higher-order retailing in the Melbourne's south-eastern suburbs.

Having regard to the competitive context, the opportunity for retail uses at the subject precinct would most likely be centred on some convenience shops (such as a neighbourhood store) and cafes that serve local residents and businesses in the precinct or nearby areas such as the established residential neighbourhood to the south of Valley Street.

Establishment of some convenience retail (including café options) in the subject precinct would assist in it becoming a desirable area for businesses to establish, including 'clean' industries geared to the new economy (as envisaged by Huntingdale Precinct Plan).

Delivery of these uses in the subject precinct would also provide convenience retail and café options within walking distance for residents in the established residential neighbourhood to the south of Valley Street. A small convenience node on Scotsburn Avenue is currently the only retail within walking distance for residents in this area.

In addition to convenience shops and food and beverage components, there is an opportunity for sites fronting Huntingdale Road to support restricted retail and showroom uses geared to passing traffic. These uses may include homemaker or bulky goods uses, automotive uses, and trade showrooms.

Realistically, the restricted retail uses supported here would be secondary in nature, having regard for Huntingdale Road's role as an arterial road and competition from established higher-order large format retail centres in the region including Springvale Homemaker Centre. Notwithstanding this, the provision of restricted retail and showroom uses in this location is considered an opportunity that should be supported by appropriate planning controls.

Precinct Suitability Considerations:

- Suitability for convenience retail is informed by the precinct's proximity to Huntingdale Train Station and established residential areas to the south, and opportunity to support a more intensive land use mix.
- Delivery of restricted retail and showroom uses at the precinct's eastern edge would benefit from exposure to passing traffic on Huntingdale Road.

Key Demand Drivers:

- Strong projected population and retail spending growth in the study area.
- An increase in employment in the subject precinct, over and above that which is currently provided, would support demand for café and food catering.

Appropriateness of INIZ:

- A more flexible zone than INIZ could be implemented to support envisaged retail uses.
- Only convenience shops and takeaway food premises are Section 1 (permit not required uses) in the INIZ. Restricted retail premises and retail premises (other than shop and takeaway food premises) are Section 2 (permit required uses). This means that establishment of a café in the subject precinct requires a planning permit.
- All shops – other than adult sex product shop, convenience shop, and restricted retail premises – are prohibited by the INIZ.

5.2 Office

Commercial office uses in the area of the subject precinct include:

- Some limited examples office uses in the Huntingdale Activity Centre (i.e. real estate agents). These uses are primarily located in shopfronts that have been subject to minimal investment.
- A more expansive provision of offices at Clayton MAC due to the higher order role of this centre, including larger dedicated office buildings (such as the office building at 270 Clayton Road).

In the long-term, Clayton MAC's role as a location for commercial offices is expected to significantly increase due to the planned delivery of an SRL station at the centre that will function as a major interchange.

The provision of offices will also likely increase in the Huntingdale local area. The Huntingdale Precinct Plan identifies commercial uses (i.e. offices) in the future land use mix for Activity Areas 1, 2, 3 and 4 (note that Area 3 broadly reflects the existing Huntingdale Activity Centre). The identification of commercial (i.e. offices) as part of the envisaged land uses for Areas 1, 2, 3 and 4 begs the question as to why the Precinct Plan did not nominate commercial as a future use for the subject precinct in view of its significant constraints for conventional industry and its relative accessibility to the Huntingdale Metro Station.

Although not identified in the Huntingdale Precinct Plan, the opportunity also exists for the subject precinct to support offices in a mixed-used environment. Key attributes of the subject precinct for offices include its:

- Proximity to Huntingdale Station
- Prevalence of large developable sites that could facilitate dedicated offices with generous floorplates.

Realistically, the delivery of a high-quality office component as part of a broader mix of uses at the subject precinct is dependent on the quality of the urban environment within the precinct. For this to occur, derelict sites will need to be activated and urban design initiatives and retail uses will need to be delivered that significantly improve workers amenity in the precinct.

The challenge here is for the precinct to attract catalytic investment that sufficiently improves the quality of the urban environment for it to emerge as a desirable and appropriate location for office development. Such catalytic investment could come from development of a limited residential component.

The types of office activities that could conceivably establish at the subject precinct if the quality of the urban environment was to improve include local professional services, health and education related uses, or offices associated with industrial, enterprise or innovation uses that form part of the Monash NEIC ecosystem.

Precinct Suitability Considerations:

- The precinct is within walking distance from Huntingdale Train Station and forms part of the Monash NEIC.
- Currently, the quality of urban environment is poor and would need to improve significantly for the subject precinct to be a desirable location for offices.
- Catalytic investment is required to significantly increase amenity to a level appropriate for offices. Delivery of a residential component could play this role.

Key Demand Drivers:

- Strong projected population growth in the study area combined with Monash NEIC's role as a focus for new industries and employment will drive demand for office space in the Huntingdale area.
- Access to a large and increasing white-collar labour force.
- Strong growth in the number of businesses in the professional, scientific, and technical services.

Appropriateness of IN1Z:

- Office is permissible in the IN1Z and is a Section 2 (permit required) use, but typically not encouraged unless in association with industrial or warehousing uses.
- However, a more flexible zoning would likely be required to facilitate the catalytic investment needed to significantly improve amenity such that the precinct is an appropriate and desirable location for standalone small/medium and some larger offices.

5.3 Health Facility (i.e. Medical Centre).

Australia's increasing population and ageing demographic structure is resulting in strong demand for health care facilities to treat acute and non-acute health-related matters. As a result, medical centres that support general practitioners (GPs) in addition to allied health services are becoming increasingly prevalent in activity centres and commercial/employment areas.

Revenue generated by the health care services industry and allied health sector are expected to increase +3.2%pa and +3.9%pa respectively from 2022 to 2027, highlighting the strong tailwinds underpinning the development of medical centres facilities (refer IBIS World reports Q8400 and Q8539).

GPs are the most-frequented health service at medical centres and therefore represent a sound basis for assessing current and future demand for medical centres. Overall demand for GPs in major cities is estimated to increase by 47.0% between 2021 and 2032, according to a recent report from Deloitte Access Economics for Cornerstone Health Pty Ltd (titled: *General Practitioner Workforce Report 2022*).

Greater Melbourne has an average provision of approximately 12.8 GPs per 10,000 persons, based on the National Health Workforce Dataset (NHWDS).

It is estimated that approximately 140 (rounded) qualified GPs currently operate in the study area based on a review of medical centres and clinics undertaken by the consultant. Having regard for the population growth forecast for the study area, approximately 130 GPs would be supported in the study area in 2022, increasing to 160 GPs by 2031, assuming that demand remains constant.

This indicates the study area support approximately 13.5 GPs per 10,000 residents in 2022 which is slightly above the current Greater Melbourne benchmark. By 2026, this number is anticipated to drop to 12.6 GPs per 10,000 residents, assuming that there are no other entrants.

Accordingly, population growth in the study area is expected to drive opportunities for development of additional medical centre facilities in the next ten years. The subject precinct's location adjacent to established residential areas means that it could support the development of medical centre facilities geared to nearby residents.

It is likely that operators of higher order medical centre facilities (such as a super clinics) would likely seek to locate in or adjacent Clayton MAC and nearby Monash Hospital health cluster which includes Monash Medical Centre (a public hospital), Monash Children's Hospital, Monash House Private Hospital, and a range of surrounding health clinics and medical centres.

Clayton MAC and the Monash Hospital health cluster's credentials for higher-order health/medical uses will be enhanced by the delivery of the future SRL Station at Clayton MAC which located to the north of Carinish Road.

Precinct Suitability Considerations:

- The precinct is within walking distance from Huntingdale Train Station and is proximate an established residential areas to the north-west and south.
- The quality of urban environment is poor and would need to improve for the precinct to become attractive for medical centre operators.

Key Demand Drivers:

- Strong projected population growth in the study area will drive demand for additional medical centres in the next 10 years.
- Strong growth in allied and alternative medicines is generating demand for a wide range of health facilities.

Appropriateness of INIZ:

- Medical centres are included in the category 'office' in Victorian Planning Policy. On this basis medical centres are permissible in the INIZ and are a Section 2 (permit required) use.

5.4 Entertainment Use

Entertainment uses including ten-pin bowling, rock climbing, laser tag, trampoline centres and mini-golf are commonly located in established industrial areas that are conveniently located to a surrounding residential catchment. Over time the type of entertainment uses, particularly those geared towards children, has evolved and will continue to evolve to meet demand driven by popular culture. For example, the inclusion of skateboarding in the Olympics is driving the development of indoor skate parks which are often provided in industrial areas. Similarly, indoor ninja warrior courses are also opening in industrial areas off the back of the Australian Ninja Warrior television show.

An artificial rock-climbing venue referred to as 'La Roca Boulders' is currently the main entertainment use located in the subject precinct.

The Sidetracked Entertainment Centre and J Park (both entertainment uses) previously operated in the precinct but are now permanently closed. The former sites/buildings that accommodated these uses are currently vacant. Sidetracked Entertainment Centre included ten-pin bowling, minigolf, go-karts, dodgem cars, and laser tag activities; while the J Park facilities was focused on indoor play. The former Sidetracked and J Park sites both front Huntingdale Road. While it is unknown exactly why Sidetracked and J Park have ceased operating, the impact of the COVID-19 pandemic may have been a factor in their closure.

Notwithstanding this, the establishment of entertainment uses – like those provided by Sidetracked and J Park – is still considered an opportunity for the subject precinct. If the quality of the urban environment in the subject precinct can improve it would likely be a more attractive location for entertainment uses. The potential may also exist for entertainment uses to co-locate with food and beverage activities – resulting in facilities that would support parties and gatherings.

Precinct Suitability Considerations:

- The precinct's location in Melbourne's south-eastern suburbs provides the opportunity for entertainment uses to draw patronage from a large residential catchment (potentially in the millions of persons).

Key Demand Drivers:

- Projected population growth in the study area and Melbourne's broader south-eastern area will conceivably drive demand for additional entertainment uses.

Appropriateness of INIZ:

- Entertainment uses such those previously discussed are typically Section 2 (permit required) uses in the INIZ.

5.5 Advanced Manufacturing

If the precinct can revitalise through the delivery of a wider mix of uses than is currently permissible and becomes a more desirable location for higher-order employment activities, the potential exists for advanced manufacturing to form part of the land use mix.

Advanced manufacturing is defined in the CSIRO report titled: *Advanced Manufacturing – A roadmap for unlocking future growth opportunities* as “the set of technology-based offerings, systems and processes that will be used to transition the current manufacturing sector into one that is centred on adding value across entire supply chains” (p6).

Technologies driving advanced manufacturing according to CSIRO include:

- Sensors and data analytics
- Advanced materials offering biocompatibility, biodegradability, energy efficiency and self-repairing etc.
- Smart robotics and automation, whereby self-learning robots work collaboratively with humans and each other
- Additive manufacturing (3D printing), with reduced capital costs in time to allow for greater adoption of this technology and use on more complex products and at scale
- Augmented and virtual reality, with this technology set to jump from the gaming sector to application in wide variety of product design and training environments.

Manufacturing is a specialisation of Monash LGA’s economy and supported approximately 3,400 jobs at the 2016 Census - making it the fifth largest sector for employment in the municipality.

The opportunity exists for new advanced manufacturing firms in Monash LGA to evolve from research and innovation components at Monash University geared to advanced manufacturing, including:

- The Monash Centre for Additive Manufacturing
- Monash Smart Manufacturing Hub – located in the University Technology Precinct
- Monash Institute of Medical Engineering.

The Monash University innovation ecosystem is particularly well known for the commercialisation of medical technologies which has given birth to local companies such as Acrux, 4D Medical, and Johnson and Johnson. Indeed, an objective in the Monash Council’s *Economic Development Strategy and Action Plan* (2018) is to support transforming industry sectors including advanced manufacturing and medical technologies and pharmaceuticals.

Should advanced manufacturing firms locate in the precinct once it revitalises, these businesses would potentially be in facilities with a larger ancillary office component and with factory/lab space that is significantly more capital intensive than a generic factory or warehouse.

Precinct Suitability Considerations:

- The precinct’s location at the edge of the Monash NEIC puts it within close proximity of Monash University and the surrounding economic and innovation ecosystem. Manufacturing has long been a key specialisation of the regional economy and cutting-edge medical technologies firms are becoming more prevalent.
- However, the quality of the urban environment in the precinct would have to improve significantly for it to be a location advanced manufacturers would consider locating in.

Key Demand Drivers:

- Melbourne is a global city with strong export links that emerging advanced manufacturers can leverage to service markets internationally.

Appropriateness of IN1Z:

- Although advanced manufacturing uses would be a Section 1 (permit not required use) in the IN1Z, it is unlikely that this zoning would result in a revitalisation of the precinct such that it becomes a desirable location for advanced manufacturing occupiers.

5.6 Potential for a Residential Component to Support Employment Uses

The Huntingdale Precinct Plan nominated residential as part of the future land use mix for Activity Areas 1, 2, 3, 4, 8A and 8B in the wider Oakleigh/Oakleigh South industrial area, but not the subject precinct (referred to as Activity Area 7 in this document). Activity Areas 1, 2 and 4, are identified in the Precinct Plan as having an industrial and residential role. A report undertaken by PWC in 2018 to inform the development of the Huntingdale Precinct Plan suggested that the precinct be rezoned to the Residential Growth Zone 1 (RGZ1) in the longer-term (10-to-20 years), but this advice was ultimately not adopted in the Huntingdale Precinct Plan, as previously discussed.

In view of the subject precinct's limitations and underperformance as an industrial area, it begs the question why the Huntingdale Precinct Plan did not envisage that the subject precinct's future land use mix would include a residential component.

Should the C3Z be pursued, the opportunity for residential at the subject precinct is considered to involve the development of what is commonly referred to as shop-top apartments – whereby dwellings are located on upper floors above commercial and other employment uses where appropriate.

The subject precinct's suitability for residential is highlighted by its location within walking distance of Huntingdale Metro Station and Huntingdale Activity Centre. The precinct also abuts established residential areas to the northwest and south.

The demand drivers for a residential component at the subject site are strong. Across the 15 years to 2036, approximately +26,450 additional residents will need to be accommodated in the study area, accounting for the near-term impacts of the COVID-19 pandemic (refer Chapter 4). This growth is equivalent to approximately +9,800 extra dwellings, assuming an average household size of 2.7 (as recorded by Monash LGA at the 2021 Census) and will need to be achieved through infill development and urban consolidation.

Recent house price trends further necessitate that additional residential dwellings be delivered in the study area. For example, the median house price in suburb of Oakleigh South (where the subject precinct is located) is currently approximately \$1.2 million, having increased by +\$255,000 or +27% since 2018. At this price level, conventional houses at Oakleigh are unaffordable for both first homebuyers and downsizers.

Hence, more intensive residential typologies are needed to support affordability in this part of Melbourne. The development of a residential component at the subject precinct would provide an opportunity for more affordable and intensive housing typologies such as shop-top apartments, and potentially emerging typologies such as build-to-rent.

The key benefit of including residential as part of mix of land uses for the precinct is that the uplift from residential development would provide a strong incentive for developers to commit to investing in the precinct as a mixed-use area comprising both residential and employment aspects. Theoretically, the uplift from residential – if appropriately planned – would offset the risk of delivering higher-order employment components, noting the precinct's long standing under performance as an industrial area.

Introducing residential to the mix of uses would also result in the delivery of a mixed-use scheme of a quality that substantially increases the amenity and overall quality of the urban environment offered by the precinct. This in-turn would make the precinct more attractive for higher order employment uses including innovative businesses geared to the new economy.

Importantly, if residential was to form part of the future land use mix, the residential yield would need to be sufficient to subsidise the costs of remediation and the delivery of high-order employment components and associated amenities to attract investment in the first instance.

Precinct Suitability Considerations:

- The precinct abuts established residential areas and its location within walking distance from Huntingdale Station and the strip centre to its north position it well to have a (limited) residential role.

Key Demand Drivers:

- Projected population growth and house price trends in the study area necessitates that opportunities for additional higher density dwellings (such as shop top apartments) be investigated and pursued.

Appropriateness of IN1Z:

- Residential is a Section 3 use (prohibited) in the IN1Z. Accordingly, the opportunity for inclusion of residential in the land use mix to be a catalyst for the precinct's revitalisation is precluded by the current IN1Z zoning.

5.7 Summary and Zoning Implications

The potential exists for the subject precinct to support a wider range of uses than are currently located in the precinct, including:

- **Retail** – such as convenience shops and cafes

- **Restricted retail** – fronting Huntingdale Road
- **Offices** – associated with a range of activities including local professional services; health and education organisations; or industrial, enterprise or innovation uses
- **Medical centres** – geared to local residents.
- **Entertainment uses** – noting the subject precinct has supported these uses in the past.
- **Advanced Manufacturing** – with links to research and innovation components in the Monash NEIC.
- **Residential** – specifically upper-level apartments that provide a catalyst for the precinct revitalisation.

In addition to the above uses, the potential for the establishment of residential aged care and childcare at the subject precinct was also investigated. However, due to market (supply and demand) factors these are not considered to be a high priority use.

It is apparent that if retail, restricted retail, offices, medical centres, entertainment uses and residential were to form part of the subject precinct’s land use mix in addition to “*clean industry*”, an alternative zoning would be required.

The degree to which these uses would be supported by possible alternative zones such as the Commercial 3 Zone and the Mixed Use Zone is shown in Table 5.1.

This table provides a traffic light assessment regarding whether the zoning provides high, medium, or low/no support for the uses outlined – as they would conceivably be delivered at the subject site.

‘High support’ indicates the use is generally permissible without a planning permit, ‘medium support’ indicates that a planning permit would be required, and low/no support indicates some or all of the envisaged uses for a certain category would be prohibited.

On balance, it is apparent that the Commercial 3 Zone and Mixed Use Zone provide a higher level of support for the additional employment uses (retail, office, medical centre etc) and residential uses than the IN1Z.

In particular, residential dwellings are prohibited in the IN1Z which precludes the opportunity for residential investment to be a catalyst the drives the subject precinct’s revitalisation as a mixed-use employment area.

Table 5.1 Alternative Zones for the Subject Precinct

Additional Land Use	Level of Support – High, Medium and None		
	Industrial 1 Zone	Commercial 3 Zone	Mixed Use Zone
Retail	Low Support <u>Comment:</u> Only convenience shop and takeaway food premises are Section 1 uses (permit not required). Retail premises (including food and drink premises) is a Section 2 use (permit required). Other shop uses (apart from adult sex product shop, convenience shop and restricted retail) are Section 3 (prohibited).	Medium Support <u>Comment:</u> Food and drink premises (i.e. a café) is a Section 1 (permit not required use), however the leasable floor area must not exceed 150m ² . Shop is a Section 2 (permit required) use, however the leasable floor area must not exceed 200m ² .	Medium Support <u>Comment:</u> Food and drink premises and shop are Section 1 (permit not required uses), provided the leasable floor area doesn’t exceed 150m ² . Other retail premises are Section 2 (permit required uses).
Office	Medium Support <u>Comment:</u> Office is Section 2 (permit required) use in the IN1Z.	High Support <u>Comment:</u> Office is Section 1 (permit not required) use in the MUZ.	Medium Support <u>Comment:</u> Office is Section 2 (permit required) use in the MUZ.
Restricted Retail	Medium Support <u>Comment:</u> Restricted retail is Section 2 (permit required) use in the IN1Z.	Medium Support <u>Comment:</u> Restricted retail is Section 2 (permit required) use in the C3Z.	Medium Support <u>Comment:</u> Restricted retail is Section 2 (permit required) use in the MUZ.

Additional Land Use	Level of Support – High, Medium and None		
	Industrial 1 Zone	Commercial 3 Zone	Mixed Use Zone
Medical Centre	<p>Medium Support</p> <p><u>Comment:</u> Medical centre is Section 2 (permit required) use in the INIZ.</p>	<p>High Support</p> <p><u>Comment:</u> Medical centre is Section 1 (permit not required) in the C3Z.</p>	<p>Medium Support</p> <p><u>Comment:</u> Medical centre is Section 1 (permit not required) in the MUZ, provided the floor area does not exceed 250m².</p>
Entertainment	<p>Medium Support</p> <p><u>Comment:</u> Entertainment uses of the nature discussed are Section 2 (permit required) in the INIZ.</p>	<p>Medium Support</p> <p><u>Comment:</u> Entertainment uses of the nature discussed are Section 2 (permit required) in the C3Z.</p>	<p>Medium Support</p> <p><u>Comment:</u> Entertainment uses of the nature discussed are Section 2 (permit required) in the MUZ</p>
Residential	<p>No Support</p> <p><u>Comment:</u> Residential uses of a nature considered for the subject precinct are Section 3 (prohibited) in the INIZ.</p>	<p>Medium Support</p> <p><u>Comment:</u> Dwellings are Section 2 (permit required) uses in the C3Z. However, the combined gross floor area for dwellings and residential buildings as a percentage of the combined gross floor area of all buildings on the lot must not exceed the maximum allowable gross floor area percentage specified in the schedule to this zone. If no maximum allowable gross floor area percentage is specified, It must not exceed 35%.</p>	<p>High Support</p> <p><u>Comment:</u> Dwellings are Section 1 (permit not required) uses in the MUZ.</p>
Industrial	<p>High Support</p> <p><u>Comment:</u> Industry and warehouse are Section 1 (permit not required) uses in the MUZ, provided it meets requirements relating to threshold distances etc.</p>	<p>High Support</p> <p><u>Comment:</u> Industry is Section 1 (permit not required) uses in the MUZ, provided it meets requirements relating to threshold distances etc. Warehouse is a Section 2 (permit required) use, providing the leasable floor area must does not exceed 500m².</p>	<p>Medium Support</p> <p><u>Comment:</u> Industry (including warehouse) is Section 2 (permit required) uses.</p>

6.0 Economic Benefits of Revitalisation

The opportunity exists for a more flexible zoning to unlock the subject precinct's revitalisation for a mix of higher-order employment uses and other non-employment uses such as residential.

A key benefit of including residential in the land use mix is that the uplift from residential development would provide a strong incentive for developers to commit to investing in the precinct as a mixed-use area comprising both residential and employment aspects, as previously outlined.

Although the delivery of a residential component at the precinct would theoretically reduce the area available for employment uses, those employment uses supported in the precinct once revitalised would conceivably be higher-order and geared to new economy, and result in a range of economic benefits that are above and beyond those currently generated by the precinct. These economic benefits are described below.

Residential uses at the precinct would be shop-top unit development therefore allowing employment generating uses at lower floors. Introducing residential would also drive the remediation of contaminated land and ensure that future industrial / commercial uses are low impact new economy uses such as "clean industries".

Development of Underutilized Sites

The subject precinct is a small legacy industrial area that is under-performing having regard to its strategic location. This is highlighted by the fact that approximately 60 individual sites comprising 50% of total net developable area supported by the precinct (i.e. excluding roads and public open spaces) support industrial facilities that are old and would not meet the needs of contemporary higher-order industry occupiers including 'clean industries', based on field work undertaken by the consultant (refer Figure 3.1).

The prevalence of sites that support warehouses that do not meet modern requirements is a constraint on redevelopment, due to these sites having higher land values than vacant land. For a new owner to redevelop these sites to meet modern industrial requirements, they would need to purchase the sites at a higher price (relative to a comparable vacant site), then absorb costs associated with the demolition of existing facilities.

Significantly Higher Intensity of Jobs

The implementation of a more flexible zoning – such as the C3Z or the Mixed Use Zone (with a development plan) – has the potential to significantly increase the level of direct employment in the subject precinct.

Broadly speaking, well-established suburban industrial precincts typically have an employment density in the order of 28 jobs per net developable hectare (NDHa), based on the consultant's extensive experience undertaken industrial land assessments. Of course, this can vary between different precincts depending on the business mix and the precinct's role and function.

An employment ratio of 28 jobs/NDHa is considered to be at the higher end of expectations for the subject precinct. It is worth noting that the electric vehicle distribution centre being developed at the Sidetrack site is anticipated to achieve a low employment ratio of 12 jobs/NDHa.

Given the subject precinct support approximately 17ha of net developable area, an employment ratio of 28 jobs/NDHa would support in the order of 480 jobs (assuming all net developable areas were occupied for conventional industrial uses).

A hypothetical analysis of a mixed-use development scheme for the subject precinct is summarised in Table 6.1 and includes the following mixed of uses:

- Industrial: 40% of NDA (or 6.8ha)
- Commercial office: 13% of NDA (or 2.2ha)
- Restricted retail: 7% of NDA (or 1.2ha)
- Other commercial: 5% of NDA (or 0.9ha) which may include entertainment, recreation, medical or health uses.

- Residential: 35% of NDA (or 6.0ha). Assuming a density of 50 dwellings per hectare, approximately 300 new dwellings would be accommodated in the precinct.

Based on the above mix of uses, total employment in the precinct could be more than 2,400 jobs (rounded), or approximately five times the level of employment that could be supported under the IN1Z (if all sites in the subject precinct were occupied by conventional industrial tenants).

It is worth acknowledging that the 2,400 jobs under the mixed-use development scenario would be achieved with only 65% of land supporting employment uses, and the balance (or 35%) supporting residential uses.

For reference, the gross floor area of residential buildings in the C3Z as a percentage of the combined floor area of total buildings must not exceed 35%.

Table 6.1 Industrial and Mixed-Use Employment Comparison

Category	Industrial Option		Mixed Use Option	
	Share of total NDA	NDA (ha)	Share of total NDA	NDA (ha)
Net Developable Area				
Industrial	100%	17.0	40%	6.8
Office	0%	0.0	13%	2.2
Restricted Retail	0%	0.0	7%	1.2
Other Commercial	0%	0.0	5%	0.9
Residential	0%	0.0	35%	6.0
Total	100%	17.0	100%	17.0
Jobs				
Industrial		480		190
Office		-		2,100
Restricted Retail		-		60
Other Commercial		-		70
Residential		-		-
Total		480		2,420
<i>Job Density</i>		28		122

Source: Ethos Urban

Note: Estimated jobs are rounded to the nearest ten

The above analysis is hypothetical and is presented to illustrate the significant uplift in local employment that could be associated with a mixed-use outcome. Key assumptions underpinning the analysis are outlined below:

- Industrial employment: 28 jobs/ha (NDA)
- Office:
 - 70% of land available for development of two-storey buildings
 - An average of 15m² per job.
- Restricted retail:
 - 40% of land available for development
 - An average of 80m² per job.
- Other commercial:
 - 40% of land available for development
 - An average of 50m² per job.

A Higher Quality Urban Environment that is Desirable of Tenants and Workers

The inclusion of residential uses within the subject precinct will provide an opportunity to fund improvements to the urban environment as envisaged in the Precinct Plan. This could be achieved through the introduction of a Development Plan Contributions Overlay.

In turn, an improved urban environment would provide the opportunity to attract higher-order businesses and “*clean*” industries and drive significant increase in local employment opportunities, as described in Section 6.2.

For example, if the precinct were to accommodate, say 300 dwellings (either apartments or townhouses), the end value of these dwellings would be well in excess of \$200 million assuming an average sale price of \$700,000. A development of this scale provides an opportunity to fund improvements to the urban environment such as “*introducing new streets and laneways in combination with designated pedestrian and cycle priority streets. New public open spaces provide amenity opportunities for workers and residents*” (Huntingdale Precinct Plan, p50).

The Precinct Plan identifies two potential new open space areas that are to “*serve existing and proposed residential population*” (p51). Allowing for residential development in the precinct provides an opportunity to achieve this vision. Without a change in land use mix, the provision of open space and improved amenity is unlikely.

Investment Attraction

While two examples of new development in the precinct currently exist, for reasons outlined in Chapter 3, the prospects for significant new industrial development in the precinct in the near term is unlikely, unless unique circumstances present again.

A more flexible land use zoning will provide an opportunity for the precinct to attract a broader range of uses to meet market demand, and consequently, a greater opportunity to attract investment compared to the current IN1Z.

Support for Monash NEIC

A renewed subject precinct provides an opportunity to attract higher-order, innovative and ‘clean’ industries that have the potential to complement the major education, health and industrial institutions provided in the Monash NEIC. The opportunity would exist for advanced manufacturing firms to be located in the subject precinct as part of a broader revitalisation process, as outlined in Chapter 5.

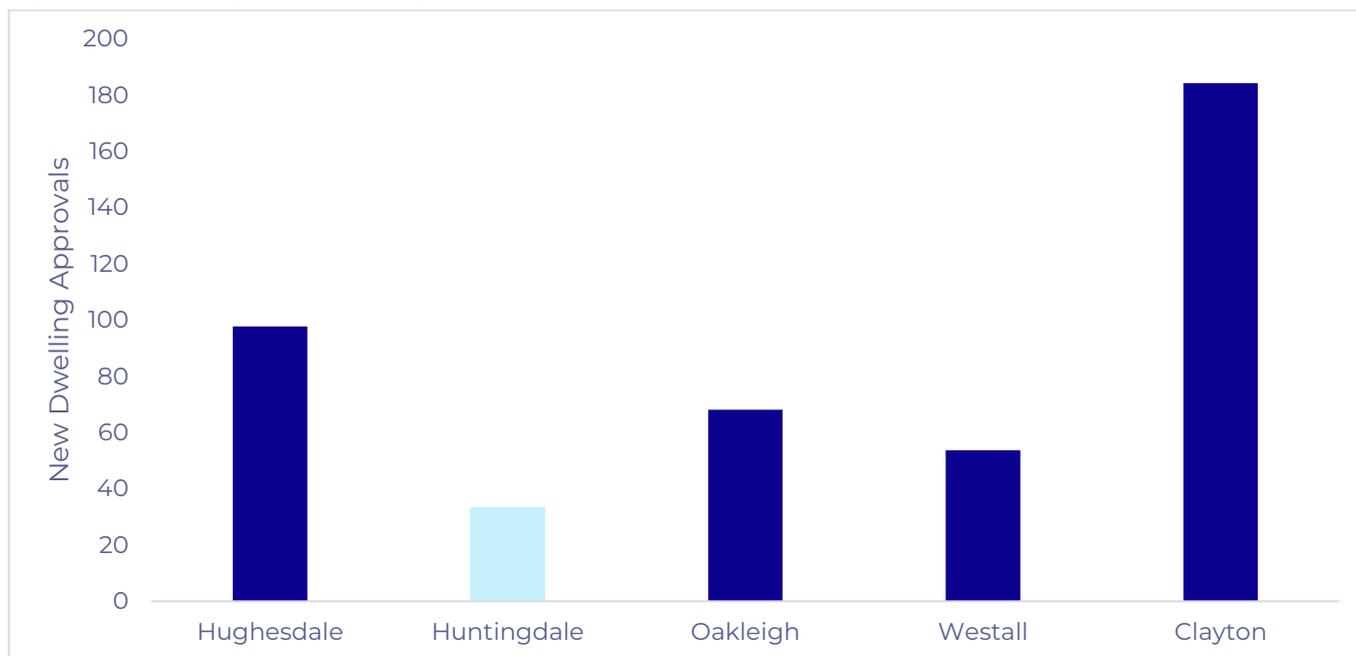
Higher-Order Use of a Strategic Site

Strategic planning policy supports increased density in both employment and residential development around train stations. The IN1Z in its current form is not fostering an environment that is conducive to attracting significant investment that would support large scale employment generation. This is particularly so south of the railway line where there are added constraints to industrial development.

In addition to attracting employment generating investment, the IN1Z prohibits most forms of accommodation and therefore limits the ability to attract higher density housing – which in turn also supports local employment opportunities. A significant amount of industrial zoned land surrounds the Huntingdale station which has limited opportunity to increase housing density in this area.

The current industrial zone around Huntingdale station (including the subject precinct) is constraining the ability to meet strategic planning objectives of increasing both employment and residential densities around public transport nodes. This is illustrated by the average number of new dwelling building approvals between July 2017 and June 2022 shown in Figure 6.1.

Figure 6.1: Average New Dwelling Building Approvals with 1km of Station, FY2017-2022



Source: ABS

Opportunity to Deliver More Affordable Housing

The median house price in the study area has increased from \$1.0m in 2019 to \$1.3m in 2022 (or +31%), while units increased from \$580,000 to \$675,000 over the same period (or +16%), as noted in Chapter 3,

Allowing medium and higher-density housing in the subject precinct (and close proximity to Huntingdale station) provides an opportunity for more affordable housing in a region where median house prices are in excess of \$1 million.

As previously outlined, residential uses at the subject precinct are expected to be shop-top unit developments, with the opportunity for employment uses at lower levels. It is likely that new apartments/units developed at the site would likely provide an option for first home buyers, elderly persons seeking to downsize, key workers in the health and education sectors, and support planning objectives for increased residential densities proximate activity centres and train stations.

An emerging high-density typology that could be supported at the subject precinct is Build-to-Rent (also referred to as Multi-Family Residential). Build-to-Rent developments are purpose built by institutions such a super funds for the purpose of renting to tenants. Compared to the private rental market they offer tenants greater tenancy security.

The share of persons renting in the Study Area was 37% at the 2021 ABS Census, which is substantially higher than the Melbourne average (30%) and highlights the opportunity for Build-to-Rent to play a role in the future residential mix.

7.0 Conclusion

The subject precinct has long underperformed as an industrial area.

Due to constraints including poor access and sensitive interfaces with adjacent residential uses, the prospect of the subject precinct revitalising as a traditional industrial area will be limited if it remains in the IN1Z.

The Huntingdale Precinct Plan envisaged that that subject precinct would transform into an employment area accommodating “*clean industries*” in a high amenity environment with new through-block links and public open space that provides “*amenity opportunities for workers and residents*” (refer p50 of the Precinct Plan).

How this transformation would occur if the land use mix remains narrowly focused on industrial is not known, having regard for the precinct’s constraints.

This begs the question why a broader mix of uses wasn’t identified for the subject precinct in the Huntingdale Precinct Plan, considering both residential and industrial uses formed part of the land use mix nominated for Activity Areas 1, 2, and 4 by this document.

Market support exists for the subject precinct to support a wider mix of uses including retail, some restricted retail (fronting Huntingdale Road), offices, medical/health, entertainment uses and residential.

The key benefit of including residential in the subject precinct is that the uplift from residential development would provide a strong incentive for developers to commit to investing in the precinct as a mixed-use area comprising both residential and employment aspects.

However, residential dwellings are prohibited in the IN1Z. This precludes the opportunity for residential investment to be a catalyst that drives the subject precinct’s revitalisation as a mixed-use employment area.

It is estimated that more than 2,400 jobs could be supported at the subject precinct if redeveloped for a mixed-used scheme in which 40% of the net developable area accommodated industry and the balance supported commercial office, retail, other commercial, restricted retail and residential.

This is more than four times the level of employment than could conceivably be supported under the current IN1Z zoning if the subject precinct was fully occupied by conventional industrial uses.

17.03 **INDUSTRY**
31/07/2018
VC148

17.03-1S Industrial land supply

03/03/2023
VC215

Objective

To ensure availability of land for industry.

Strategies

Provide an adequate supply of industrial land in appropriate locations including sufficient stocks of large sites for strategic investment.

Identify land for industrial development in urban growth areas where:

- Good access for employees, freight and road transport is available.
- Appropriate buffer areas can be provided between the proposed industrial land and nearby sensitive land uses.

Protect and carefully plan existing industrial areas to, where possible, facilitate further industrial development.

Preserve locally significant industrial land for industrial or employment generating uses, unless long-term demand for these uses can be demonstrably met elsewhere.

Avoid approving non-industrial land uses that will prejudice the availability of land in identified industrial areas for future industrial use.

Policy documents

Consider as relevant:

- *Recommended separation distances for industrial residual air emissions* (Publication 1518, Environment Protection Authority, March 2013)

17.03-2S Sustainable industry

03/03/2023
VC215

Objective

To facilitate the sustainable operation of industry.

Strategies

Ensure that industrial activities requiring substantial threshold distances are located in the core of industrial areas.

Encourage activities with minimal threshold requirements to locate towards the perimeter of the industrial area.

Minimise inter-industry conflict and encourage like industries to locate within the same area.

Protect industrial activity in industrial zones from the encroachment of commercial, residential and other sensitive uses that would adversely affect industry viability.

Encourage industrial uses that meet appropriate standards of safety and amenity to locate within activity centres.

Support the retention of small-scale industries servicing established urban areas through appropriate zoning.

Provide adequate separation and buffer areas between sensitive uses and offensive or dangerous industries and quarries to ensure that residents are not affected by adverse environmental effects, nuisance or exposure to hazards.

Encourage manufacturing and storage industries that generate significant volumes of freight to locate close to air, rail and road freight terminals.

Policy documents

Consider as relevant:

- *Recommended separation distances for industrial residual air emissions* (Publication 1518, Environment Protection Authority, March 2013)

17.03-3S State significant industrial land

03/03/2023
VC215

Objective

To protect industrial land of state significance.

Strategies

Protect state significant industrial precincts from incompatible land uses to allow for future growth. State significant industrial precincts include but are not limited to:

- Southern Industrial Precinct - Dandenong South.
- Northern Industrial Precinct - Campbellfield, Somerton and Thomastown.
- Western Industrial Precinct - Laverton North and Derrimut.
- Officer / Pakenham Industrial Precinct.
- Port of Hastings Industrial Precinct.

Ensure sufficient availability of strategically located land for major industrial development, particularly for industries and storage facilities that require significant threshold distances from sensitive or incompatible uses.

Protect heavy industrial areas from inappropriate development and maintain adequate buffer distances from sensitive or incompatible uses.

Policy documents

Consider as relevant:

- *Melbourne Industrial and Commercial Land Use Plan* (Department of Environment, Land, Water and Planning, 2020)

17.03-3R Regionally significant industrial land - Metropolitan Melbourne

03/03/2023
VC215

Objective

To protect industrial land of regional significance and facilitate continual growth in freight, logistics and manufacturing investment.

To support the transition from manufacturing land uses to other employment uses in strategically identified areas well connected to transport networks.

17.03-3R Regionally significant industrial land - Metropolitan Melbourne - Eastern Metro Region

03/03/2023
VC215

Strategy

Protect industrial land at Clayton-Mulgrave, Scoresby-Rowville and Bayswater-Kilsyth by:

- Retaining existing industrial zoned land predominately for industrial uses.
- Discouraging non-industrial land uses and subdivision that would lead to the creation of small lots.

17.01 **EMPLOYMENT**
31/07/2018
VC148

17.01-1S Diversified economy

31/07/2018
VC148

Objective

To strengthen and diversify the economy.

Strategies

Protect and strengthen existing and planned employment areas and plan for new employment areas.

Facilitate regional, cross-border and inter-regional relationships to harness emerging economic opportunities.

Facilitate growth in a range of employment sectors, including health, education, retail, tourism, knowledge industries and professional and technical services based on the emerging and existing strengths of each region.

Improve access to jobs closer to where people live.

Support rural economies to grow and diversify.

17.01-1R Diversified economy - Metropolitan Melbourne

03/03/2023
VC215

Strategies

Support the Central City to become Australia's largest commercial and residential centre by 2050, by planning for office, retail, residential, education, health, entertainment and cultural activity spaces.

Plan for the redevelopment of Major Urban-Renewal Precincts in and around the Central City to deliver high-quality, distinct and diverse neighbourhoods offering a mix of uses.

Facilitate the development of National Employment and Innovation Clusters by ensuring they:

- Have a high level of amenity to attract businesses and workers.
- Are supported by good public transport services and integrated walking and cycling paths.
- Maximise investment opportunities for the location of knowledge intensive firms and jobs.

Support the employment and servicing role of Health and Education Precincts by:

- Focussing on improving access, particularly public transport access.
- Encouraging co-location of facilities to better utilise existing infrastructure.
- Supporting and facilitating growth of associated businesses and industries.
- Reinforcing their specialised economic functions while also providing opportunities for ancillary retail, commercial, accommodation and supporting services.

Support diverse employment generating uses, including offices, innovation and creative industries in identified areas within regionally significant industrial precincts, where compatible with adjacent uses and well connected to transport networks.

Consider how land use change proposals can respond to local and regional employment demand or identify how it can be accommodated elsewhere.

Plan for industrial land in suitable locations to support employment and investment opportunities.

Facilitate investment in Melbourne's outer areas to increase local access to employment.

17.01-2S Innovation and research

04/10/2018
VC149

Objective

To create opportunities for innovation and the knowledge economy within existing and emerging industries, research and education.

Strategies

Encourage the expansion and development of logistics and communications infrastructure.

Support the development of business clusters.

Support the development of enterprise precincts that build the critical mass of employment in an area, leverage the area's public and private sector economic competitive strengths and assets, and cater to a diversity of employment types and scales.

Promote an accessible, well-connected, high-amenity and collaborative physical environment that is conducive to innovation and to creative activities.

Encourage the provision of infrastructure that helps people to be innovative and creative, learn new skills and start new businesses in locations identified to accommodate employment and economic growth.

Support well-located, appropriate and low-cost premises for not-for-profit or start-up enterprises.

Improve access to community-based information and training through further developing libraries as community learning centres.

17

31/07/2018
VC148

ECONOMIC DEVELOPMENT

Planning is to provide for a strong and innovative economy, where all sectors are critical to economic prosperity.

Planning is to contribute to the economic wellbeing of the state and foster economic growth by providing land, facilitating decisions and resolving land use conflicts, so that each region may build on its strengths and achieve its economic potential.

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Former Sidetracked go kart centre in Oakleigh South scores \$17m sales deal

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NEWS

ALESHA CAPONE

First published 11 April 2022, 10:25am



The former Sidetracked Entertainment Centre in Oakleigh South has been sold for \$17m.

The former Sidetracked Entertainment Centre in Oakleigh South has been sold off market for \$17m in a deal which could see the iconic go kart venue transformed into an electric vehicle distribution centre.

Sidetracked, which opened at [364-372 Huntingdale Rd](#) (also known as 370 Huntingdale Rd) in 1991, closed in January.

The Grant Group founder Stephen Grant said his commercial buyer's agency purchased the entertainment centre's 12,700sq m block in December on behalf of a client, who wished to remain anonymous.

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“We purchased it for \$17m which was a big number at the time,” Mr Grant said.

“We could see that we were in a tightly-held and bullish industrial market in that area, so we knew we needed to lock the site up ASAP.

“Now three months later, \$17m looks like a pretty good price.”



The Grant Group has also purchased 110-112 Alexander St, Crows Nest near Sydney for \$9.8m on a client's behalf.

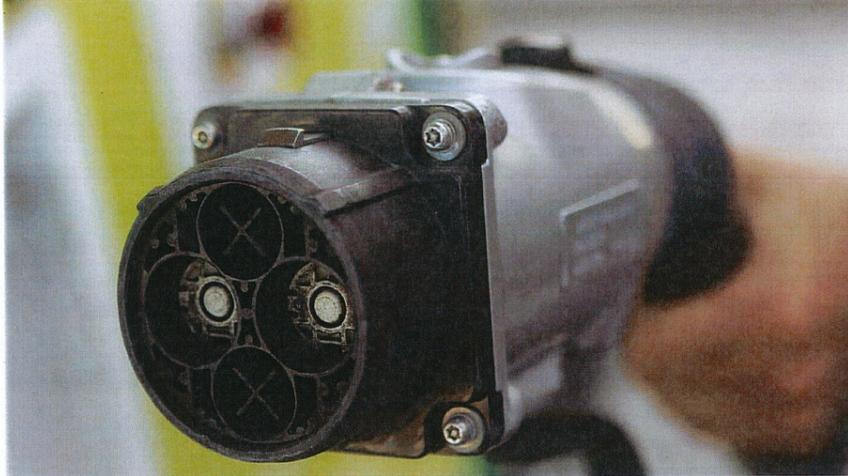


The Grant Group founder Stephen Grant.

Mr Grant said his business worked with CBRE agents Sasan Misaghian and Bryce Pane on the sale, who represented Sidetracked's vendor.

"From what the agents told us afterwards, developers have been chasing that (Oakleigh South) land for five years," Mr Grant said.

He said there was "a massive shortage of industrial land in the inner precincts of Melbourne which is driving massive competition between funds, developers, owner/occupiers and other buyers".



A planning permit to convert the former Sidetracked venue into an electric vehicle distribution centre has been lodged with the city of Monash.



The Grant Group has settled \$31m of commercial assets since its launch in December last year.

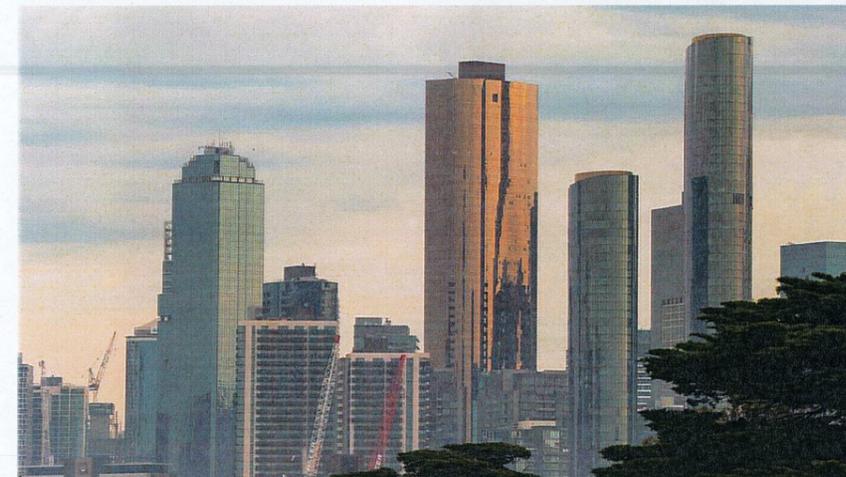
Mr Grant said The Grant Group identified the go kart venue for acquisition after finding 11 locations across 17 km southeast of central Melbourne for their client to potentially purchase.

According to CoreLogic records, the Sidetracked site was purchased by its previous owner for \$1.3m in 1994.

Mr Grant provided no comment about the site's future use.



Monash council's headquarters in Glen Waverley. Picture: Andy Brownbill



Mr Grant said there was a massive shortage of industrial land in Melbourne's inner precincts. Picture: Ian Currie

However, a planning permit seeking to convert the former Sidetracked venue into an electric vehicle distribution centre has been lodged with the city of Monash.

If approved by the council, the two-storey centre would have 306 car parks including 269 roof spaces.

The operator is not planning to sell vehicles onsite but have cars shipped in for servicing and tuning prior to being test-driven and collected by customers.

A report prepared by GIW Environmental Solutions, included with the planning documents, stated the centre would have 15 employees and an estimated 26 customers visit per day.

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Sold on 5 Dec 2019

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- * Unique location in Oakleigh South close to Huntingdale retail shops and public transport

For further information or to arrange an inspection, please contact:

Julian Vautin - 0420 406 660

Matt Nichols - 0418 186 488

NB: All areas and measurements are approximate. All prices are plus GST, unless otherwise stated. All images and renders are subject to copyright.

*Denotes Approx.

AUCTION

Auction date and time

05/12/2019 12:00

Auction location

8-12 Coora Road, Oakleigh South VIC

PROPERTY HIGHLIGHTS

Date Sold	5 Dec 2019
Floor Area	4,288 m ²
Land Area	7,398 m ²
Parking	74 x Onsite parkings
Property ID	2015843460
Category	Factory, Warehouse & Industrial

Last updated 5 Dec 2019