ESSENTIAL ECONOMICS

Melton South Structure Plan

Economic Assessment

Prepared for

Melton City Council

by

Essential Economics Pty Ltd

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Authorship

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Final report				

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INTRODUCTION

Tract Consulting are leading a team of sub-consultants in preparing the Melton South Structure Plan (MSSP) on behalf of the City of Melton. Essential Economics is providing economics and related input to the MSSP.

The study area involves land located to the north and south of the Melton South train station and includes a mix of uses including residential, Station Square Shopping Centre, recreation reserves and a number of education facilities.

The MSSP will provide an integrated vision and guidance on the future development of the Melton South area. In particular, the MMPS will deal with matters associated with improvements to the Melton South train station, future land use mix, improvements to community facilities and the public domain, and improvements to access and movement throughout the study area.

The economic analysis presented in this report will inform the preparation of the MSSP. The following information is provided:

Chapter 1: Study Area Context: Provides an overview of the study area, its regional context and policy context as it relates to residential and commercial opportunities.

Chapter 2: Economic Overview of the Study Area: Provides an economic overview of the study area, including population trends and forecasts, demographics, investment, unemployment, and property prices.

Chapter 3: Residential Assessment: Provides an assessment of recent trends in the residential market and identifies future residential development outcomes.

Chapter 4: Retail and Commercial Assessment: Assesses the issues and opportunities associated with future retail and commercial development.

Chapter 5: Opportunities for Key Sites: Identifies potential opportunities for key sites, including land situated in proximity to the train station and the Victoria University site.

Chapter 6: Implications for the Structure Plan: Summarises the key implications for the MSSP arising from the research and analysis.

1 STUDY AREA CONTEXT

This Chapter identifies the MSSP study area in the context of metropolitan Melbourne and the City of Melton. An overview of land uses within the study area and the policy context which applies to the area is also provided.

1.1 Regional Context

The suburb of Melton is located on the north-western edge of Greater Melbourne in the City of Melton, approximately 36km west from the Melbourne CBD.

A population of approximately 148,900 persons live in the City of Melton, according to the latest ABS estimates (2017). Between 2007 and 2017, the City of Melton's population increased by +62,700 persons at an average rate of 5.6% per annum, making it one of Melbourne's fastest growing municipalities. A large proportion of this population growth has occurred in greenfield residential areas located between Caroline Springs in the east and the established areas of the suburb of Melton in the west. Significant growth is forecast in the City of Melton, with id Consulting forecasting the City's population to reach approximately 478,000 persons by 2051. Greenfield residential areas are forecast to accommodate the majority of this population growth.

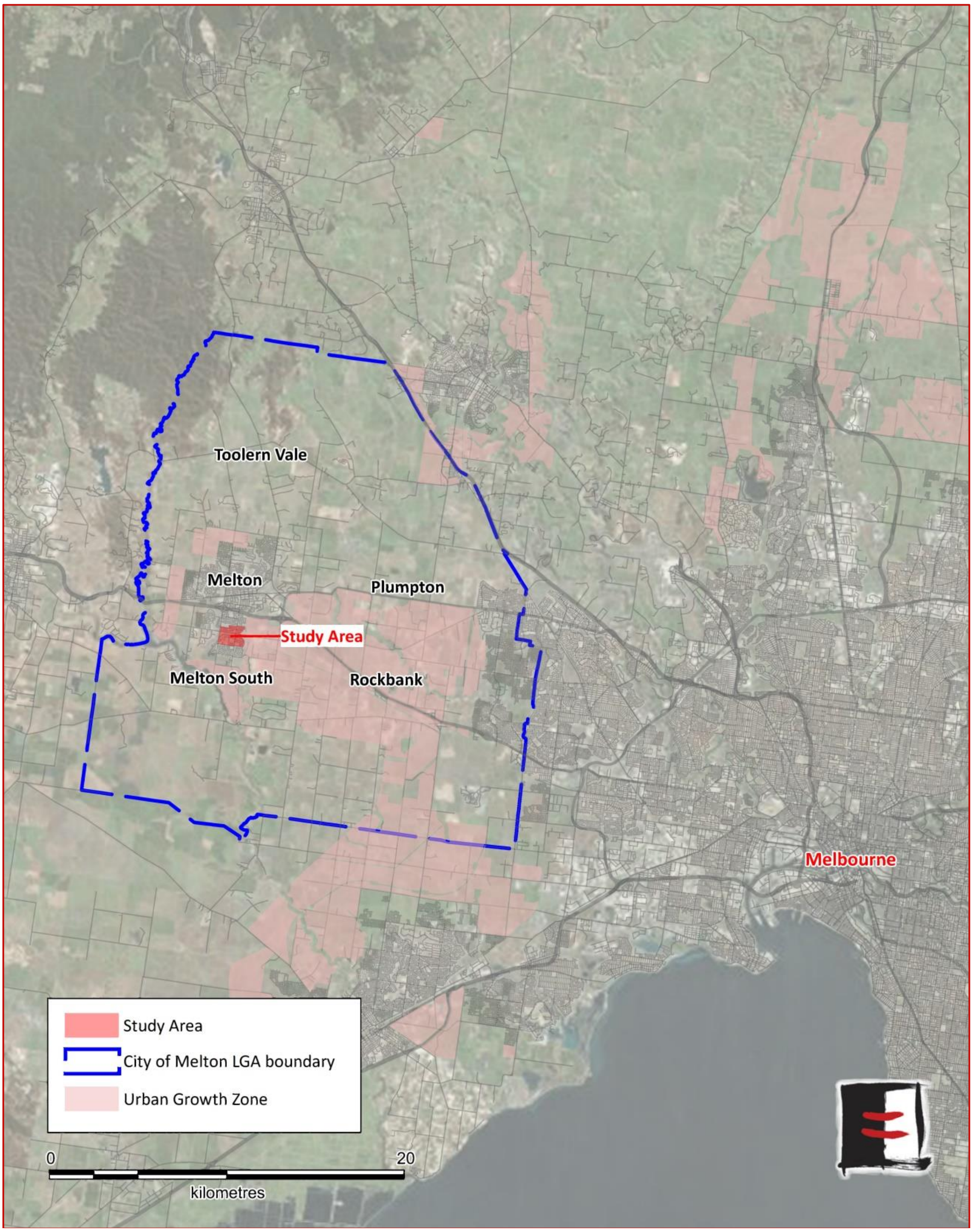
The MSSP study area, referred to as the 'study area' in this report, is situated in the established areas of the suburb of Melton, located in proximity to the western boundary of the City of Melton. The established area of the Melton suburb is positioned on the Western Freeway which runs through the centre of the township and provides accessibility to other areas of metropolitan Melbourne and the regional cities of Ballarat and Horsham to the west.

From a regional planning perspective, other key features within the study area and in the surrounding region include the following:

- The upgrade of the Ballarat line and potential future electrification of train services to Melton. The Melton South train station is located central to the MSSP study area.
- Significant areas of greenfield residential development located between Caroline Springs and Melton which are planned to include significant employment areas and the future development of a metropolitan activity centre in Toolern.
- Toolern major activity centre is planned to contain a wide range of land uses including a hospital, tertiary education, justice precinct, and higher order community facilities such as performing arts centre, indoor recreation centre, and council office building.
- Existing regional-level shopping facilities at Woodgrove Shopping Centre and High Street in Melton, which also provide a range of community, civic and entertainment facilities.

The regional location of Melton and the study area is shown in Figure 1.1.

Figure 1.1: Melton's Regional Context



Produced by Essential Economics using MapInfo

1.2 Study Area

Located in the suburb of Melton South, the study area comprises approximately 142ha of land and is bounded by:

- Second Avenue and Fraser Street to the north
- Toolern Creek to the east
- Wilson Road and Morshead Street to the south
- Rees Road and Coburns Road to the west.

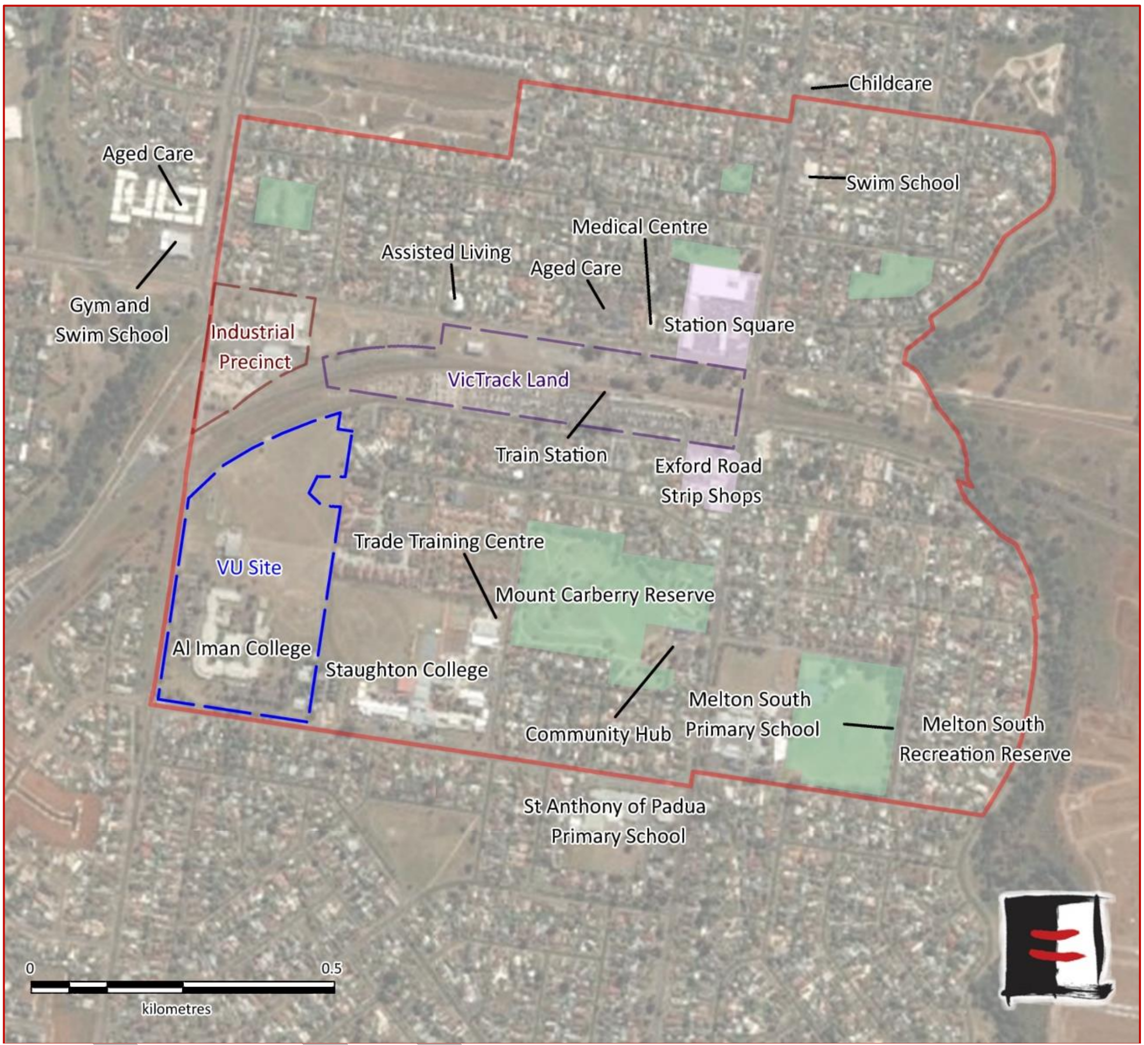
The Ballarat rail line dissects the study area, with the Melton South train station located centrally to the study area. This station serves regional trains on routes between Melbourne and Ballarat, with the railway line currently being upgraded to allow for additional train services and the future electrification of the railway line to Melton South.

A range of land uses exist within the study area, including:

- Three schools comprising Melton South Primary School, Al Iman College (years prep to 9 Islamic school), and Staughton College (years 7 to 12) which includes the Building and Construction Trade Centre.
- Recreation reserves, including Mount Carberry Recreation Reserve and Melton South Recreation Reserve, which includes the Melton South Tennis Club.
- Community uses, including community centres, swim school, and CFA building.
- A small light industrial precinct adjacent to the train line covering almost 3ha and containing an engineering company, mechanical services, tyre service, livestock insemination, coach tours base, and garden supplies.
- The Station Square Shopping Centre which is a neighbourhood activity centre anchored by a full-line Coles supermarket.
- A small retail precinct on Exford Road to the south of the railway line and comprising speciality retailers.
- Various medical and health uses, including a medical centre, aged care facility and assisted living.
- Significant residential land uses.

Figure 1.2 provides an overview of the study area and its land uses.

Figure 1.2: Melton South Structure Plan Study Area



Source: Essential Economics using MapInfo and Bing Maps

A significant development site exists within the study area and is known as the Victoria University (VU) site located to the east of Rees Road between Staughton Street and Wilson Road. This site is approximately 12ha in size and is owned by VU. Al Iman College is located on the southern part of the site and is understood to have a lease on the site until 2025. Other uses on site include a disused VU building, a skatepark and buildings used by the University of the Third Age (U3A) and 979fm (Melton Community Radio Station). The majority of the land remains vacant. Figure 1.3 shows the VU site and its existing uses.

Figure 1.3: Victoria University Site Uses

Source: Essential Economics using MapInfo and Bing Maps

Other potential development sites in the study area include a number of smaller areas of vacant land located on either side of the train line. However, the availability of this land will depend on the planning of the train line, with the line currently undergoing significant upgrades, including track duplication, and with future plans for the train line yet to be finalised. Future works to improve the train line are likely to include the electrification of the train line, the upgrade of the train station, the removal of the level crossings, and the quadruplication of the train tracks.

It is noted that Ambulance Victoria are exploring options to establish an ambulance station in the Melton South Structure Plan area.

Other relevant uses in the immediate surrounding area include a St Anthony's Primary School and a church (St Anthony's Catholic Church) on Wilson Road, another school (Melton Christian College for prep to 12) on Brooklyn Road, and a gym, swim school, and retirement village on Coburns Road. In addition, the developing Atherstone estate is located to the immediate south-east of the study area.

1.3 Policy Context

A number of policies and strategies apply to the MSSP study area, with several other policies and strategies relevant to the land surrounding the study area, as outlined below.

Planning Zones

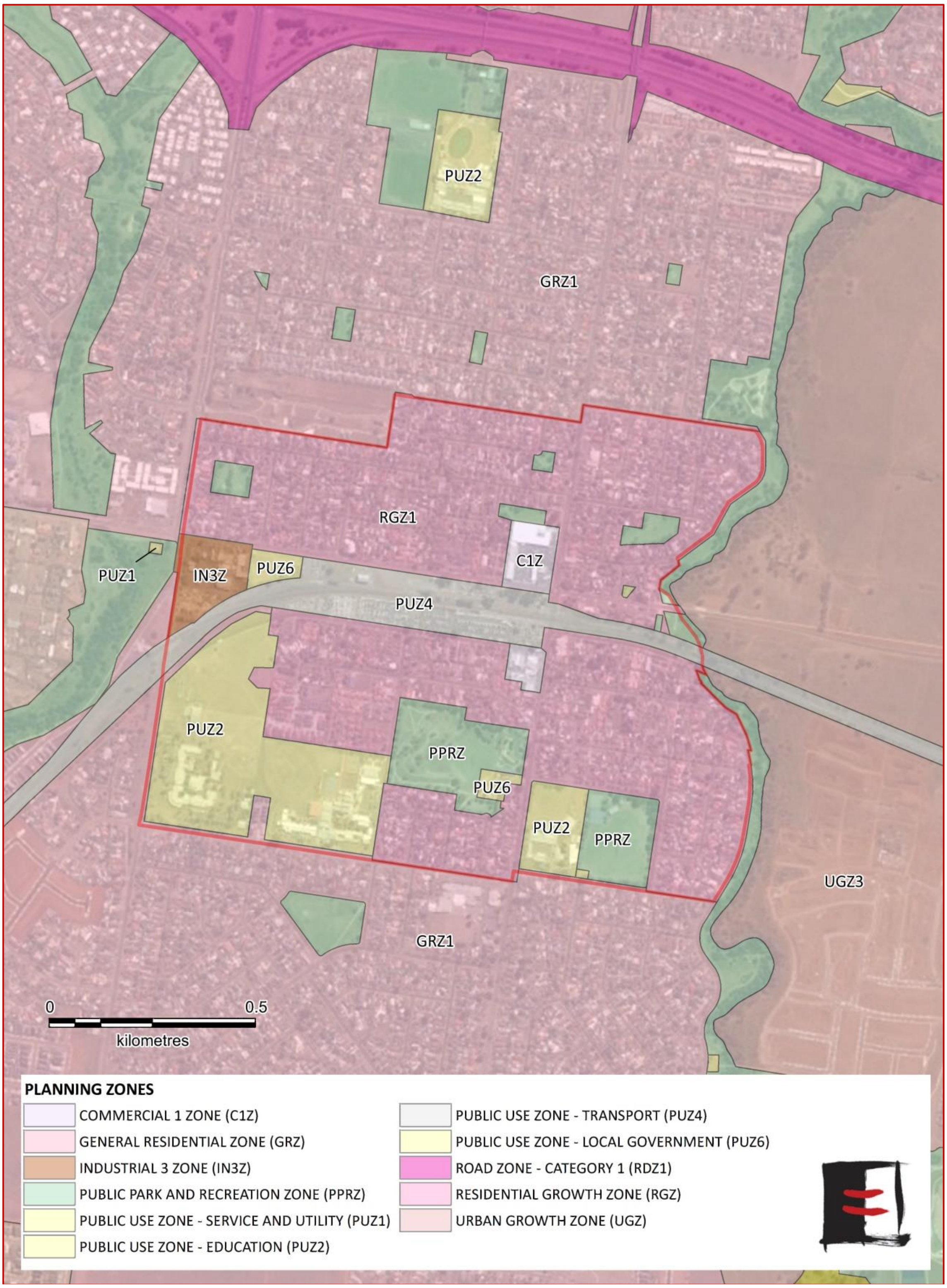
A range of zones apply to land within the study area, with the relevant zones for the purpose of this economic assessment comprising the following:

- **Commercial 1 Zone (C1Z)** covers the current retail areas located either side of the train line on Exford Road. The aim of this zone is to create vibrant mixed-use commercial centres for retail, office, business, entertainment and community uses.
- **Industrial 3 Zone (IN3Z)** applies to the land located at the corner of Brooklyn and Coburns Road, adjacent to the train line. The IN3Z aims to provide for light industrial and associated uses compatible with adjacent local communities.
- **Residential Growth Zone (RGZ1)** which is the primary residential zone within the study area. The RGZ1 aims to provide housing at increased densities (up to four storeys), encourage housing diversity in locations with good access to services and transport, and encourage a scale of development that provides a transition between more intensive use and other residential areas.
- **General Residential Zone (GRZ1)** covers the subdivision at 50-52 Wilson Road as well as 54 Wilson Road, located between Al Iman and Staughton Colleges. The GRZ1 aims to encourage housing diversity in locations with good access to services and transport, similar to the RGZ1, although at lower densities and with respect for the neighbourhood character of the area.

The study area also includes a number of Public Use Zones (PUZ1, PUZ2, PUZ4 and PUZ6) which apply to service and utility, education, transport, and local government land uses, respectively. A Public Park and Recreation Zone (PPRZ) applies to the recreation reserves and smaller parks in the study area.

Zones in the MSSP study area are shown in Figure 1.4.

Figure 1.4: Planning Zones in the Study Area



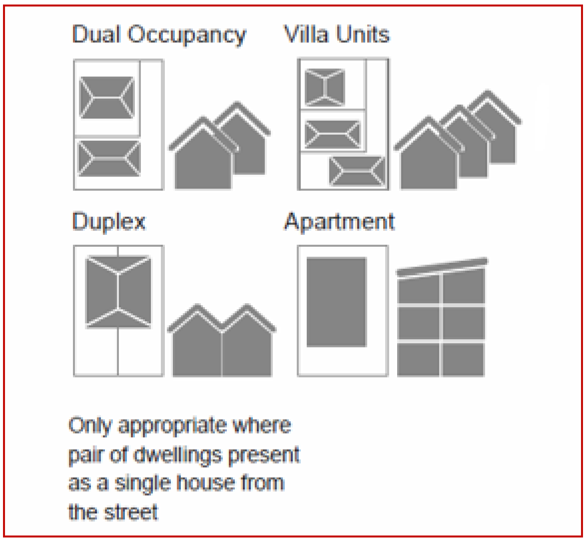
Source: Essential Economics using MapInfo and Bing Maps

City of Melton Housing Diversity Strategy – 'House Smart'

The City of Melton's Housing Diversity Strategy *'House Smart'* was completed in 2014 and stands as Council's housing response to forecast rapid population growth and change in the municipality over the next 20 years. This strategy is underpinned by five key housing themes, namely affordability; character; housing diversity; infrastructure, services and transport; and housing design innovation.

'House Smart' provided a framework for the implementation of Victoria's reformed residential zones which came into effect in 2017. Under this framework, the residential area around Melton Station was highlighted as an area of substantial change in terms of development, due to the location and accessibility of the area to activity centres and public transport. This area includes the residential land within the MSSP study area, with *'House Smart'* resulting in this area being zoned RGZ.

Figure 1.5: Preferred Housing Types for RGZ Land



Source: City of Melton, House Rules Housing Character Assessment and Design Guidelines, 2015

Under the *'House Smart'* strategy the expected housing types developed under the RGZ would be predominately dual occupancy, duplex, units, townhouses and apartments.

In response to *'House Smart'*, the City of Melton commissioned the development of a neighbourhood character assessment, resulting in the City of Melton Housing Character Assessment and Design Guidelines, *'House Rules'*, completed in 2015. *'House Rules'* identified RGZ land as a 'Garden Suburban Type 2' character area, which aims to create an atmosphere of space and trees while supporting the increased densities in the RGZ. The preferred housing types in the Garden Suburban Type 2 areas are multiple dwellings on a lot, as illustrated in Figure 1.5.

Design guidelines in *'House Smart'* highlight that new built form in Garden Suburban Type 2 areas should:

- Retain front setbacks with a landscaped front yard
- Retain separation between buildings
- Encourage apartment development
- Maintain dwelling frontages as the dominant built form of the street
- Minimise driveways to allow for regularly-spaced street tree avenues

- Provide transition of higher to lower scale development from commercial areas to General Residential zoned areas
- Create a greener, leafier character for the area
- Maintain streetscape openness and front garden views
- Minimise negative visual impact of new development.

The Melton South Structure Plan will respond to the current housing strategy by encouraging higher built form intensity close to the commercial areas and station in the subject area, with density decreasing as it approaches the general residential zone, allowing for greater vegetation planting.

Economic Development Plan

The City of Melton's economic future is outlined in their *'Economic Development and Tourism Plan 2014-2030'*. This plan identifies five key strategic areas or themes which will guide the economic future in the City of Melton, namely business growth and attraction; city promotion and tourism; learning and capacity building; innovation and technology; and planning for future growth.

Key strategic land use strategies and plans developed for the City of Melton will have significant connection with the *'Economic Development and Tourism Plan 2014-2030'*, with the plan stating that:

> *"ensuring the environment exists for business investment and innovation will be key to achieving sustained economic outcomes for the City".* (p.9)

Furthermore, the *'Economic Development and Tourism Plan 2014-2030'* highlights that an action plan will be developed every four years across the timing of the plan, with specific actions to guide the implementation of the plan against the above five key strategic areas, resulting in the plan remaining current within the changing Melton landscape.

Activity Centre Strategy

The City of Melton *'Retail and Activity Centres Strategy'* was prepared in 2014, and highlights Melton South as a neighbourhood centre under the Melton centres hierarchy. The strategy expects neighbourhood centres to include a supermarket, a range of smaller shops, and public open space, preferably in areas with public transport accessibility, with these centres providing:

> *"reliable access to basic necessities such as fresh food and groceries, first contact health care, childcare, local dining options and other local services"* (p.7)

Neighbourhood centres can also accommodate appropriately-scaled health and community services, offices, and recreational facilities, providing employment nodes and locations from which the distribution of goods and services can occur. Furthermore, the development of higher residential densities around these centres is encouraged so as to improve the accessibility of the centre's services.

Broad guidelines in the *'Retail and Activity Centres Strategy'* highlight that neighbourhood centres should provide approximately 10,000m^2 of retail and commercial floorspace per 10,000 persons served, with a split of 70% retail and 30% commercial floorspace (7,000m^2 and 3,000m^2 respectively). The majority of new neighbourhood centres to be built as part of Precinct Structure Plans (PSP) in the City of Melton have a cap on retail floorspace between 4,000m^2 and 12,000m^2.

Other

Although not applicable to the MSSP study area, the Toolern PSP has a significant impact on the surrounding areas' land uses and the activity within the study area. Of particular note is the location of the Toolern metropolitan centre which lies within the area covered by the PSP.

The Toolern centre is planned to accommodate up to 70,000m^2 of retail floorspace (without a permit), and will be located approximately 2.5km to the east of the study area, south of the Ferris Road and Abey Road intersection. This centre is expected to provide higher-order retailing, services, civic, leisure and social infrastructure, providing both business, civic and government services. Land will be provided for a public hospital, tertiary education, justice precinct, and higher order community facilities such as performing arts centre, indoor recreation centre, and council office building, with higher density residential in the area. Furthermore, it is expected to include:

> *"three or four large supermarkets, discount department stores, a small department store, a wide range of specialty and comparison retail shops, restaurants and cafes, and a variety leisure and entertainment activities."* (p.32)

This significant development of a metropolitan centre in relative close proximity to the study will add further competition to existing retail centres in the MSSP study area. In addition, the anticipated development of medium and high-density residential areas within and around the Toolern activity centre will also provide future competition for similar types of residential development in the MSSP area.

1.4 Implications

All of the policies and strategies relevant to the study area reflect the changing landscape of the City of Melton, with the area undergoing significant change, currently and into the future. Although the study area currently contains a range of land uses, any future development and changes to the area will need to be cognisant of the changes expected to occur within and surrounding the study area.

Of particular relevance is the focus on increased residential density to accommodate the expanding population numbers in areas with access to transport, goods and services. This aspect is reinforced by the application of the RGZ across the residential uses in the study area.

Also of note, the activity centre strategy highlights the range of retail and commercial floorspace that could be accommodated within the study area. However, consideration needs to be paid to the nearby Toolern metropolitan centre which will be developed in stages in the future, with this planned centre likely to have a significant impact of the retail and commercial uses viable at Melton South in the future.

2 ECONOMIC OVERVIEW OF STUDY AREA

This Chapter provides an economic overview of the study area and includes analysis of trends in population, demographic characteristics, building approvals, housing prices and so on.

2.1 Historic Population Trends

The resident population of the study area has experienced limited growth since 2006, due to the established nature of the area. In the 10 years from 2006 to 2016 the population increased by only +200 persons, with all of this increase occurring in the period from 2011 to 2016, following a slight population decline between 2006 and 2011. Table 2.1 shows these trends.

By comparison, the City of Melton local government area (LGA) experienced average annual growth between 2006 and 2016 of 5.8% per annum, compared to the study area's growth of 0.9% per annum. Strong population growth in the City of Melton is being driven by the popularity of the City's greenfield residential development areas.

Over the period 2006 to 2016, the share of the City of Melton's population residing in the study area has decreased from 2.8% to 1.7%. This is due to the low levels of population growth observed in the study area against the significant growth occurring in the LGA. This percentage share of the total City of Melton population residing in the study area is expected to continue to decrease as the LGA population expands.

Table 2.1: Historic Population Growth in the Study Area, 2006 to 2016

	2006 No. Persons	2011 No. Persons	2016 No. Persons	Avg. Annual Growth 2006-16 (No.)	Avg. Annual Growth 2006-16 (%)
Study Area	2,240	2,210	2,440	20	0.9%
City of Melton	80,590	112,650	141,750	6,120	5.8%
Study Area Share of City of Melton Population	2.8%	2.0%	1.7%	-	-

Source: ABS, Estimated Resident Population, 2017

2.2 Demographic Overview

Overall, the socio-economic profile of the study area suggests a population with lower incomes working in 'blue-collar' occupations, who are more likely to be living in a rented detached house in a non-traditional family (i.e. single parents and lone households) with a lower number of persons. An overview of key demographic features of the study area is provided below:

- **Income:** residents in the study area have incomes below the Greater Melbourne benchmark, with the median household income in the study area ($46,690) a significant -42.4% below that of Greater Melbourne ($80,990).

- **Household type:** the percentage of one-parent families in the study area (18.7%) is significantly higher than the Greater Melbourne average (10.7%), and almost as high as the percentage of couple families with children (20.3%). A higher percentage of lone person households is also evident in the study area (33.4%) compared with Greater Melbourne (23.3%).

- **Tenure:** a greater percentage of dwellings in the study area are rented (41.1%) compared to the Greater Melbourne average (30.9%), reflecting lower levels of home ownership across the study area.

- **Occupation:** a high proportion of study area residents in the study area (42.7%) work in blue collar occupations compared to Greater Melbourne (26.3%). These occupations include technicians and trade workers, machinery operators and drivers, and labourers.

An overview of selected socio-economic characteristics for the study area are provided in Table 2.2 based on ABS Census data for 2016.

Table 2.2: Socioeconomic Characteristics of Study Area, 2016

Category	Study Area	Greater Melbourne
Income		
Median household income (annual)	$46,690	$80,990
Variation from Greater Melbourne median	-42.4%	na
% of Households earning $2,500pw or more	5.2%	25.6%
Median Age (years)	40.4	36.3
Country of Birth		
Australia	74.0%	65.0%
% speak English only at home	*79.8%*	*65.7%*
Household Composition		
Couple family with no children	21.2%	24.3%
Couple family with children	20.3%	35.5%
One parent family	18.7%	10.7%
Other families	1.8%	1.3%
Family Households - total	62.0%	71.8%
Lone person household	33.4%	23.3%
Group household	4.6%	4.9%
Dwelling Structure (Occupied Private Dwellings)		
Separate house	71.5%	68.1%
Semi-detached	26.3%	16.8%
Flat, unit or apartment	2.1%	14.7%
Average household size	2.3	2.7
Tenure Type (Occupied Private Dwellings)		
Owned outright	28.9%	31.4%
Owned with a mortgage	29.7%	37.1%
Rented	41.1%	30.9%
Car Ownership per Dwelling		
None	12.9%	9.0%
One	46.3%	35.9%
Two	29.7%	37.8%
Three or more	11.0%	17.3%
Occupation		
Managers	6.7%	13.2%
Professionals	9.2%	25.0%
Technicians and trades workers	13.5%	12.6%
Community and personal service workers	13.3%	10.2%
Clerical and administrative workers	16.7%	13.9%
Sales workers	10.3%	9.7%
Machinery operators and drivers	15.8%	5.6%
Labourers	13.4%	8.1%
Inadequately described or not stated	1.2%	1.7%

Source: ABS, Census of Population and Housing, 2016

2.3 Population Forecasts for Melton South

Population forecasts have been sourced from .id Consulting for an area defined as 'Melton South (existing)'. While this area does not exactly reflect the study area, it does provide a general understanding of how the population is likely to change in the study area in the future.

Melton South (existing) extends from the Western Freeway in the north to a point located approximately 3.2km south, and is bounded by the Toolern Creek to the east and the train line and Coburns Road to the west. The northern part of the area is largely developed, while developing residential areas and areas planned for future development exist in the southern part of the area.

Melton South (existing) is forecast to experience an increase of +2,700 persons at an average rate of 2.4% per year in the 10 years from 2016 to 2026, with growth post-2026 slowing to below 1% per annum as land available for greenfield residential development becomes exhausted. Id Consulting forecast only a moderate level of infill residential development in the area (12 to 14 dwellings per annum), which is particularly relevant for the study area in view of its largely established nature.

The forecast population for the Melton South (existing) area is shown in Table 2.3.

Table 2.3: Future Forecast Population for Melton South Established Area, 2016 to 2041

	2016	2021	2026	2031	2036	2041
Melton South (existing)						
Population (No.)	10,010	10,830	12,710	13,130	13,230	13,500
Average Annual Growth (%)		+1.6%	+3.3%	+0.7%	+0.2%	+0.4%
Average Annual Growth (No.)		+160	+380	+80	+20	+50

Source: .id consulting
Note: Figures have been rounded

It is expected that the study area would account for only a limited share of population growth that is forecast for Melton South (existing) in view of the largely established nature of the study area and the availability of greenfield residential development areas beyond the study area. Furthermore, the study area accounted for only 11% of population growth in Melton South (existing) between 2006 and 2016.

2.4 Dwelling Approvals

Since 2011/12 dwelling approvals have averaged approximately 6 dwellings per year and this considerably low number can be attributed to the established nature of the study area. Approximately two-thirds of these dwelling approvals have been approvals for 'other' houses, namely higher-density dwellings such as townhouses. Dwelling approvals in the future are likely to follow this trend, with greater numbers of approvals expected to occur in medium-density housing projects.

The study area has accounted for approximately 6% of all new dwelling approvals in the Melton South (existing) area since 2011/12, with the actual percentage ranging from a high of 32% in 2012/13 to a low of 1% in more recent years.

Increased levels of new dwelling approvals since 2015/16, as well as the study area's increased share of approvals in the Melton South (existing) area, suggest that dwelling approvals in the study area will stabilise or increase in the coming years. Further analysis and discussion on trend in residential development in the study area is provide in Chapter 3 (Residential Assessment). It is noted that if large infill sites become available in the study area, particularly through parcel amalgamation, potential exists for an increase in new dwelling approvals given the proximity of the study area to improved rail services and amenities.

New dwelling building approvals for the study area are shown in Table 2.4.

Table 2.4: Number of New Dwelling Building Approvals for Study Area, 2012 to 2018

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (p)
Study Area (No.)							
House	0	0	2	3	1	6	2
Other	5	14	0	3	0	0	9
Total	**5**	**14**	**2**	**6**	**1**	**6**	**11**
Study Area Share of Melton South (existing) Approvals (%)							
House	0%	0%	2%	2%	1%	4%	2%
Other	45%	100%	0%	100%	0%	0%	100%
Total	**10%**	**32%**	**2%**	**4%**	**1%**	**4%**	**15%**

Source: ABS, Cat. 8731.0 Building Approvals
Note: Data is year to June. 2017/18 year has been projected from approvals up until February 2018.

2.5 Construction Investment Trends

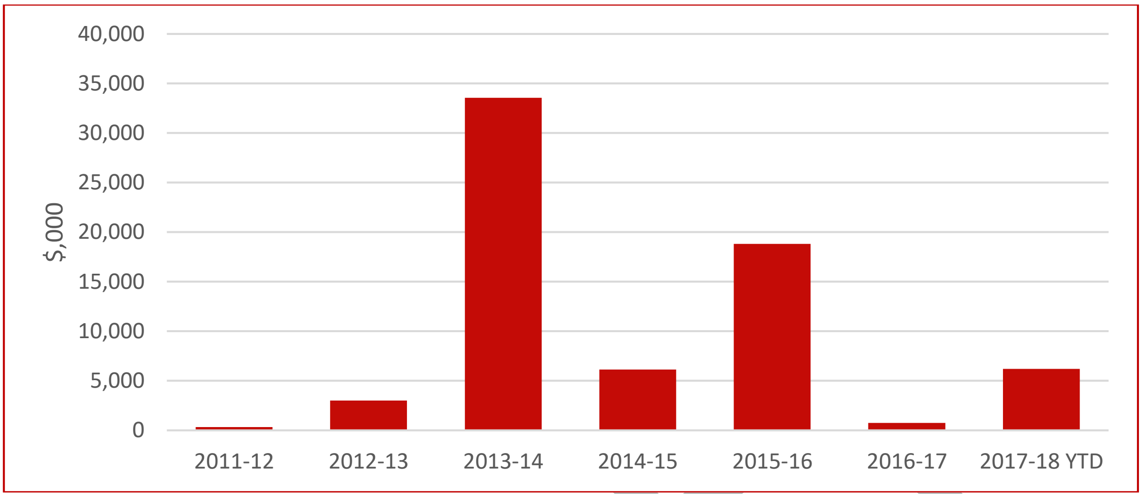
The Melton South Statistical Area Level 2 (SA2) has experienced various levels of investment in non-residential buildings. Since 2011/12, non-residential building to the value of approximately $68.8m have been approved, with almost 50% of these approvals occurring in 2013/14.

Since 2011/12, the key sectors in terms of value of non-residential building approvals in the study area are as follows:

- Retail and wholesale buildings: $13.1m, or 19% of the value of non-residential building approvals.
- Office buildings: $12.8m, or 19% of the value of non-residential building approvals.
- Entertainment and recreation buildings: $12.1m, or 18% of the value of non-residential building approvals.
- Education buildings: $10.5m, or 15% of the value of non-residential building approvals.

The value of non-residential building approvals for the Melton South SA2 is shown in Figure 2.1. The study area is likely to be responsible for a significant proportion of this as the main area of development in the SA2.

Figure 2.1: Value of Non-Residential Building Approvals for Melton South SA2, 2012 to 2018



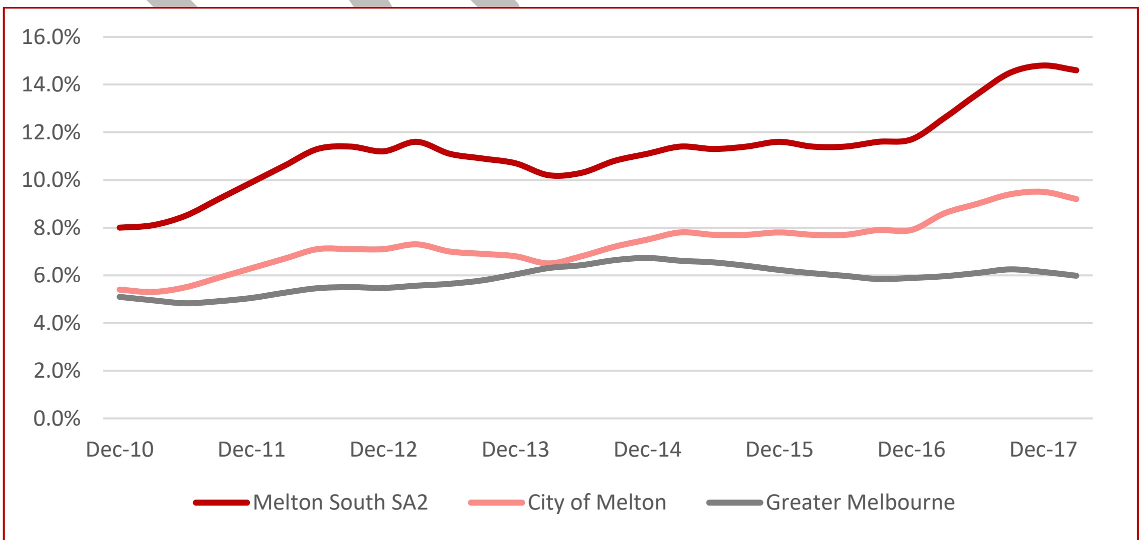
Source: ABS, Cat. 8731.0 Building Approvals
Note: Data is year to June. 2017-18 year has been projected from approvals up until April 2018.

2.6 Unemployment

Since 2010, the Melton South SA2 has consistently recorded high levels of unemployment compared to both the City of Melton and Greater Melbourne, as shown in Figure 2.2.

Unemployment as of the March 2018 Quarter in the Melton South SA2 is 14.6%, significantly above that of the City of Melton (9.2%) and Greater Melbourne (6.0%).

Figure 2.2: City of Melton Rate of Unemployment Against Melbourne's West and Victoria



Source: Department of Employment, Small Area Labour Markets

2.7 Residential Property Prices

Property prices in the study area have experienced a significant increase between 2007 and 2017, with the median house price increasing from $178,000 in 2007 to $397,500 in 2017, reflecting an average increase of 8.4% per year. The majority of this price growth occurred between 2016 and 2017, when the median house price increased by 50%. Preliminary analysis on median house price data for 2018 (to July) indicate continued growth in the median house price in the study area. This growth has been more rapid than recorded for both the City of Melton and Greater Melbourne. The announcement of investment in the duplication of the railway line and the Melton station is one factor that maybe contributing to the recent increase in property values.

Median unit price has also increase by 4.5% per annum from a 2007 base of $175,500. Comparably, the City of Melton area has increased by 5.6% per annum for houses and 4.7% per annum for units, while the Greater Melbourne median has increased at 6.8% and 4.5% respectively.

Although growth of median property prices has been high, it is important to note the value of houses and units in the study area are significantly below those of both the City of Melton and Greater Melbourne, with the median house price of $397,500 in 2017 recorded as -$57,500 less than the City of Melton (or -13%) and -$322,500 less than Greater Melbourne (or -45%).

Median house and unit prices for the study area, City of Melton and Greater Melbourne are shown in Table 2.5.

Table 2.5: Median House and Unit Prices, 2007 to 2017

	Study Area		City of Melton		Greater Melbourne	
	House	Unit	House	Unit	House	Unit
2007	$178,000	$175,500	$263,000	$215,000	$372,000	$340,000
2008	$190,000	$174,000	$285,000	$233,700	$385,000	$356,000
2009	$212,500	$183,000	$305,000	$250,000	$418,500	$385,000
2010	$238,500	$191,000	$335,500	$259,000	$495,100	$449,000
2011	$230,000	$209,000	$355,000	$271,000	$493,000	$445,000
2012	$230,000	$215,000	$353,000	$286,000	$485,000	$435,040
2013	$215,000	$185,000	$360,000	$265,000	$520,000	$460,000
2014	$225,000	$176,000	$380,000	$301,500	$555,500	$480,000
2015	$244,500	$198,500	$385,000	$274,500	$600,000	$498,000
2016	$265,000	$230,000	$400,000	$305,000	$642,000	$498,800
2017	$397,500	$272,500	$455,000	$339,000	$720,000	$530,000
Avg. Ann. Growth 07-17	8.4%	4.5%	5.6%	4.7%	6.8%	4.5%

Source: PriceFinder.com.au

2.8 Implications

The economic overview for the study area identifies a number of implications which will impact on future land use in the area. This includes the limited forecast population growth, with the study area now largely established and unlikely to experience strong rates of population growth. However, the increasing popularity of medium-density housing will enable limited population growth to occur in the future.

The significant value of non-dwelling approvals, averaging $10m a year since 2011/12, suggests that the area has and will continue to be a focus for community infrastructure, with significant value of approvals in retail, offices, entertainment and recreation buildings, and education.

However, high rates of unemployment, low household incomes and low property values indicate that the study area is a less affluent area in comparison with the average for Greater Melbourne.

3 RESIDENTIAL ASSESSMENT

This Chapter provides an overview of the existing and future residential development opportunities in the study area.

3.1 Overview of Exiting Housing Typology

The study area consists largely of separate detached housing which accounted for 71% of occupied private dwellings in 2016, slightly above the metropolitan Melbourne average of 68% (ABS, Census of Population and Housing, 2016). The remaining dwellings are provided in medium-density housing comprising semi-detached houses and townhouses.

The majority of housing in the study area is from the 1980s era and largely consists of single-storey detached brick houses. Limited examples exist of medium-density housing around the Melton South train station and activity centre. Figures 3.1 and 3.2, both sourced from the *City of Melton's Housing Diversity Strategy* (2014), show the housing era and dwelling typology of the established areas of the Melton Township, including the study area.

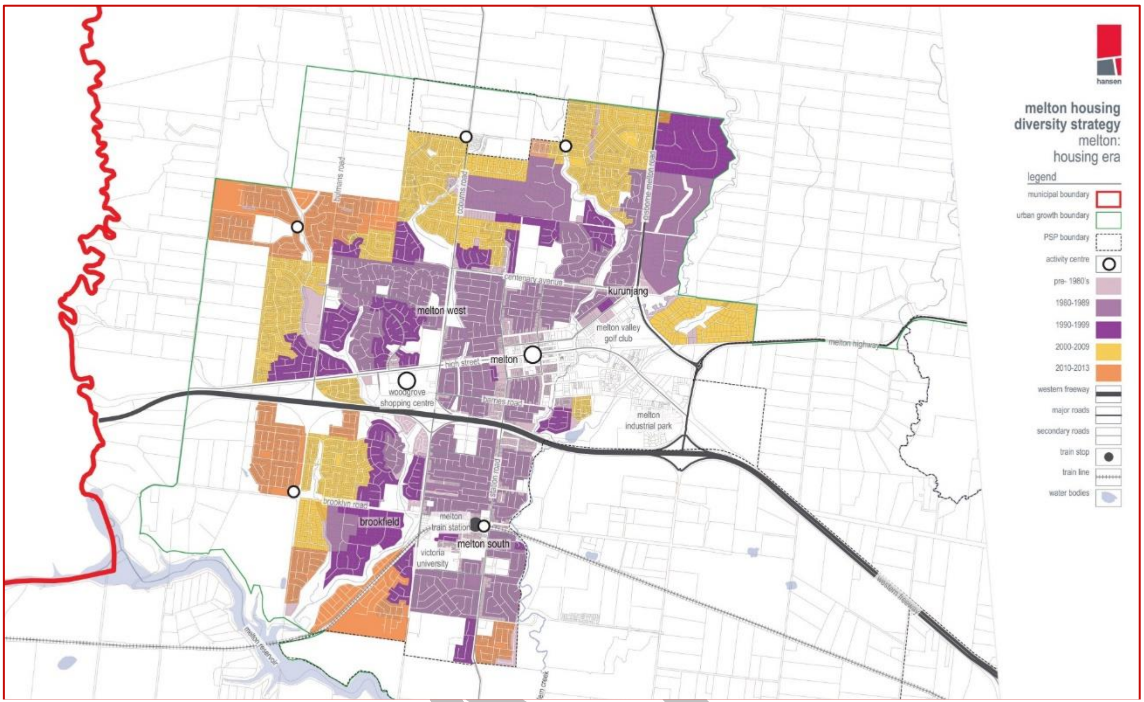
The study area is highly fragmented, making it difficult to amalgamate sites for large-scale residential development. Lot sizes in the range of 500-749m^2 account for 57% of occupied residential lots, while a further 8% of occupied lots are greater than 750m^2. Approximately 50.6ha of occupied residential land is lots over 500m^2, with the majority of these lots being single dwellings. These lots in isolation provide limited opportunities for small-scale subdivision. A further 33% of occupied lots are less than 349m^2. Figure 3.3 shows the distribution of lot sizes throughout the study area based on DELWP housing data.

As noted in Section 3.3, only limited residential development sites are identified in the study area.

Example of Housing Typology in the Study Area

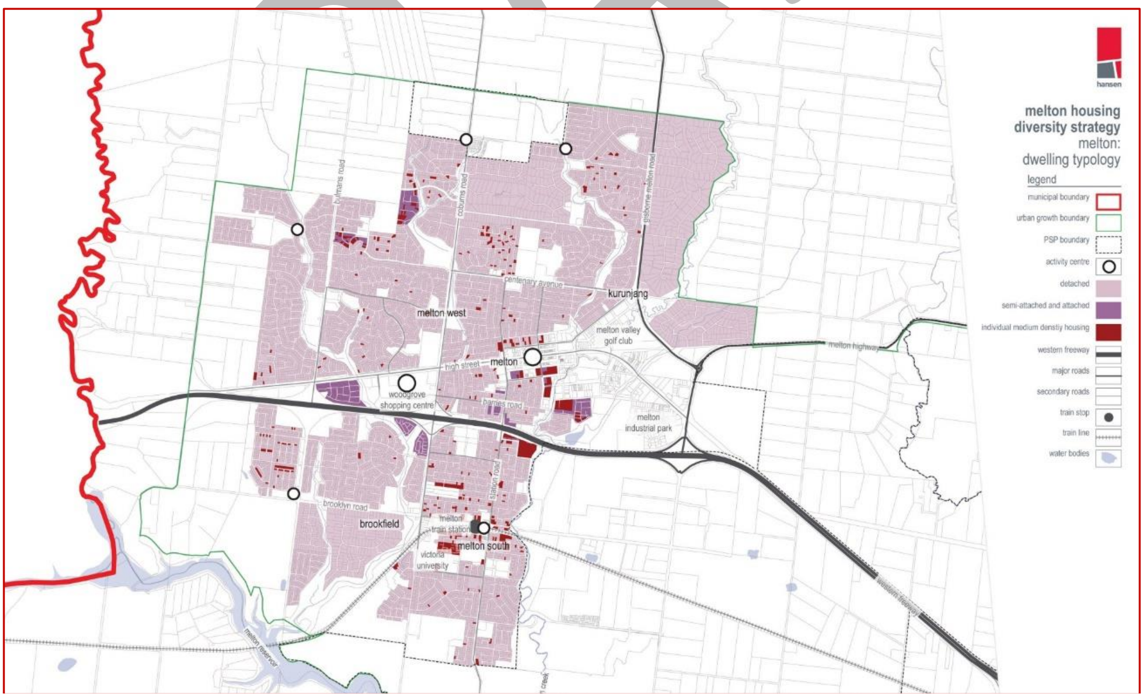
Source: Essential Economics

Figure 3.1: Melton Township Housing Era



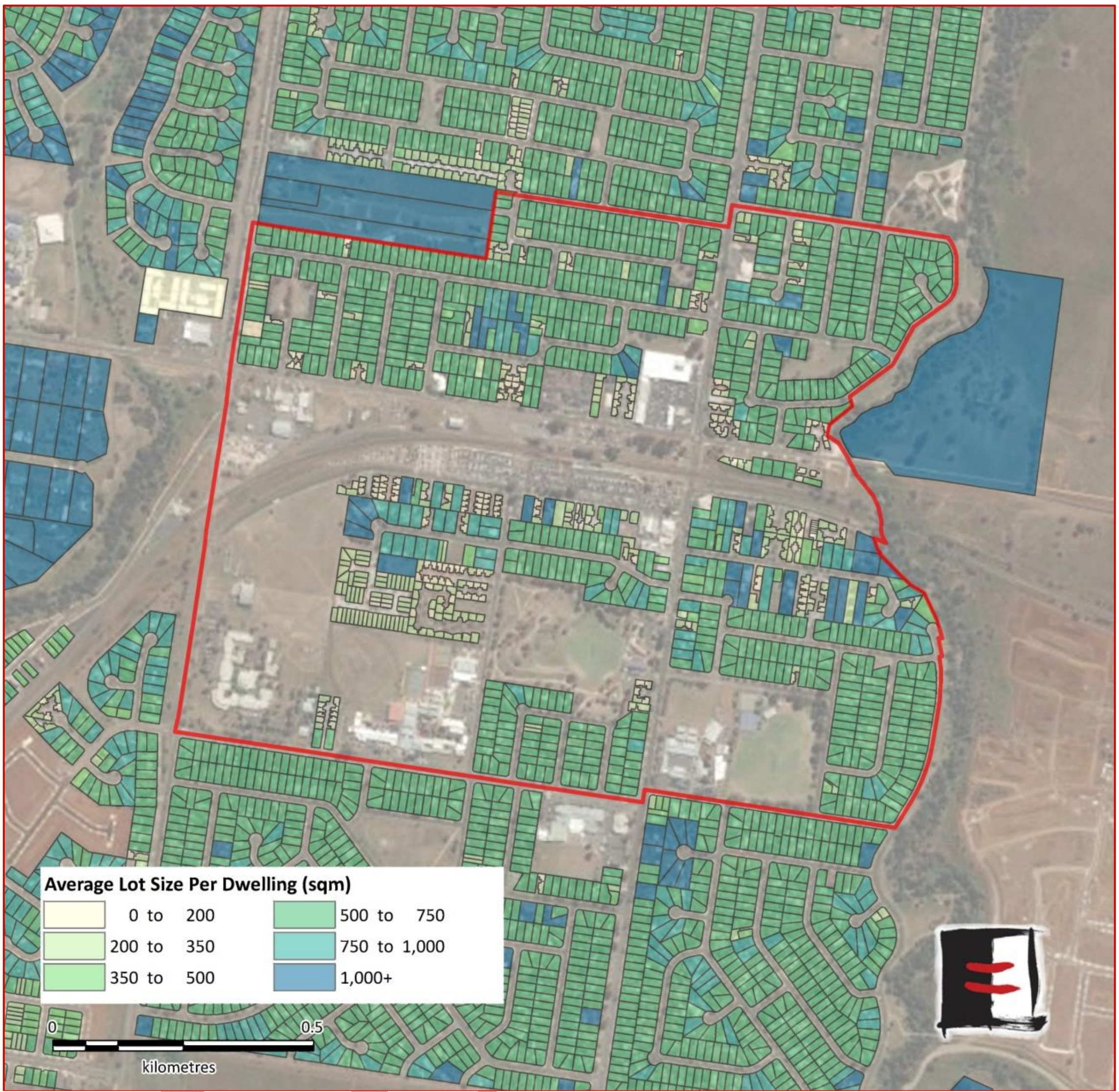
Source: City of Melton Housing Diversity Strategy

Figure 3.2: Dwelling Typology



Source: City of Melton Housing Diversity Strategy

Figure 3.3: Residential Density



Produced using MapInfo using Nearmap and information from DELWP

3.2 Local Housing Market Overview

Residential Property Price Considerations

As indicated in Section 2.7, residential property prices in the study area are below averages for the City of Melton and metropolitan Melbourne. The median house price in 2017 was $397,500 and this compares to a median house price of $455,000 in the City of Melton and $720,000 for metropolitan Melbourne. Similarly, median unit prices are also below the medians for the City of Melton and metropolitan Melbourne.

However, the study area has experienced strong growth in residential property prices, particularly over the past year where median house prices increased from $265,000 in 2016 to

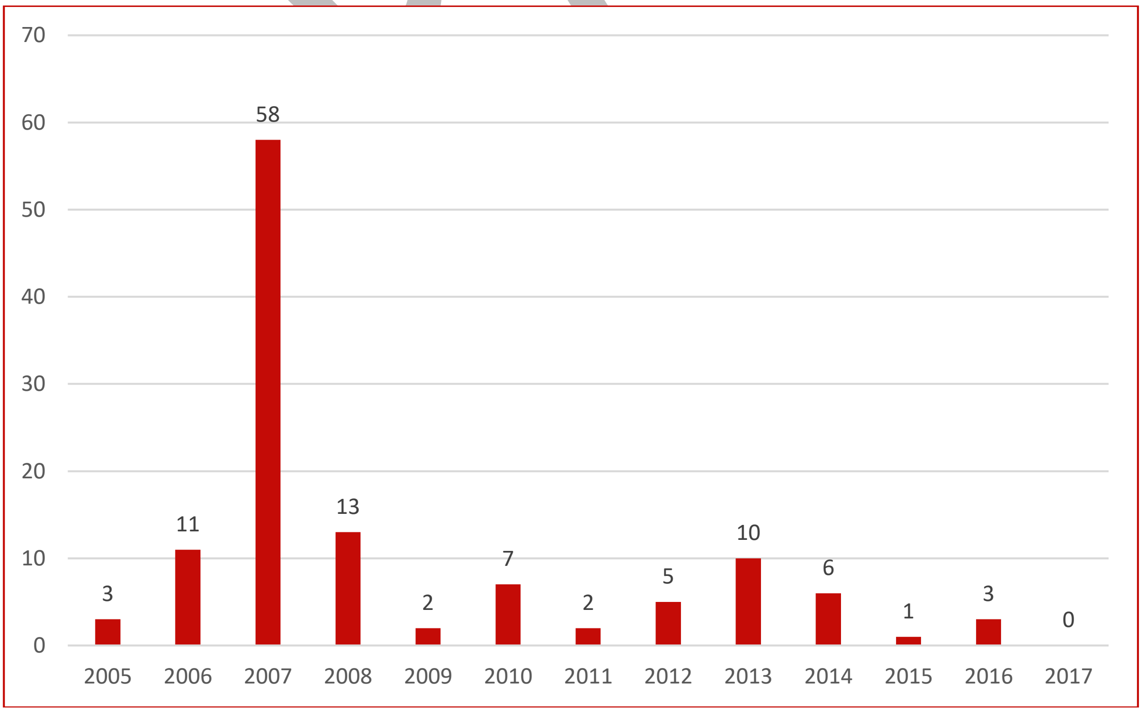
$397,500 in 2017, representing growth of 50% over the year. Strong growth has continued in 2018, with the median house price for the year to date (9 July 2018) being $420,000. The sale of two development sites at 13-15 Staughton Street and 15 Crestmont Drive in 2017 for over $1 million each provides an indication of the appetite for development sites in the study area. While growth in residential prices are coming from a relatively low base, the future electrification of the railway line to Melton South and the anticipation of improvements throughout the station precinct are factors that may be contributing to this growth.

Residential Development Considerations

Building approvals data shows that the majority of recent development is in medium-density infill development sector. Furthermore, housing development data sourced from DELWP and updated based on the latest aerial photography shows that a moderate level of infill development has occurred in recent years. Between 2005 and 2017, an annual average of nine net new dwellings a year have been developed on infill sites in the study area. This average was expanded by the development of 53 new dwellings in Crestmont Drive in 2007. Unless sites can be amalgamated and key development sites can be released for residential development, limited opportunities for such development currently exist in the study area (refer Section 3.3). As indicated earlier, investment around the station precinct has the potential to stimulate demand for housing the study area, which in turn, may encourage land owners to redevelop their land holdings for higher density housing.

Figure 3.4 shows recent trends in net new dwelling growth from infill development in the study area between 2005 and 2017.

Figure 3.4: Net New Dwelling Growth in Study Area, 2005-2017



Source: DELWP Housing Development Data; Essential Economics analysis of Nearmap aerial photography

Analysis of aerial photography between 2010 and 2018 shows that of 25 new dwellings developed in the study area, all but one were on lots less than 330m^2, illustrating the medium-density nature of development occurring. Between 2010 and 2018, the following breakdown of development by lots size occurred:

- Less than 200m^2: 13 lots (52%)
- 200-330m^2: 11 lots (44%)
- Greater than 350m^2: 1 lot (4%).

Tenant Profile Considerations

Analysis of ABS Census data for 2016 provides an indication of the tenant profile of residences in the study area. For instance, the study area has a high share of rental housing (41.1%) compared to metropolitan Melbourne (30.9%), and a lower share of houses fully-owned (28.9% c.f. 31.4%) or being purchased with a mortgage (29.7% c.f. 37.1%).

In-line with lower incomes (refer Section 2.2) and lower property prices (refer Section 2.7), housing costs in the study area are also below the average for metropolitan Melbourne. For example, median monthly mortgage repayments were 39.8% below the average for metropolitan Melbourne in 2016 and median weekly rents were 30.6% lower.

It is also worth noting that the study area has a high share (5.5%) of households renting from a state or territory authority, typically referred to as social housing, compared to metropolitan Melbourne (2.2%).

3.3 Residential Capacity

As indicated earlier, residential zoned land is highly fragmented throughout the study area and this limits the opportunity for site amalgamation and large-scale residential development. Based on a review of the latest aerial photography (April 2018), 20 vacant RGZ lots exists in the study area. These lots have the capacity to accommodate 55 dwellings based on the following assumptions:

- Net developable area equates to 80% of land, with the balance (20%) allowing for ingress/egress to the site.
- Minimum lot size of 200m^2, which is broadly in-line with recent trends.

The above assumptions equate to a dwelling density of 40 lots per hectare.

In addition to vacant lots, numerous occupied lots also exist that have the potential for further development. Applying the above assumptions to occupied lots of 850m^2 or above, capacity for a further 155 dwellings exists on occupied lots.

In total, based on the above assumptions, the study area has the potential to accommodate a further 210 dwellings.

A further +750 dwellings could be accommodated in the study area if occupied lots between 500m^2 and 850m^2 were also included in the analysis for potential development, resulting in a total of 960 dwellings which could be accommodated in the study area. It should be noted that not all of these lots will become available for development. Decisions to redevelop land are reliant on the individual preferences of the land owner and some owners may not seek to redevelop their land.

Assuming the capacity of 960 dwellings on existing residential zoned land can be developed in the future, this could yield an additional population in the order of 2,200 persons based on an average household size of 2.3 persons.

Table 3.1: Study Area Residential Capacity

Lot Type	Dwelling Capacity (No. Dwellings)
Vacant lots	+55
Occupied lots >850m^2	+155
Occupied lots 500m^2 to 850m^2	+750
Total	**+960**

Source: Essential Economics

Lot amalgamation should be encouraged in the study area to allow for higher density development, particularly in the area immediately surrounding the train station and existing retail services. Amalgamation would allow for increased capacity in the area and would encourage development in line with the requirements of the RGZ1.

A number of key strategic redevelopment sites also exist within the study area, with the possibility of these site being developed for residential land uses. These sites include the VU site, the area surrounding the train station, and the industrial land in the study area, and are examined in more detail in Chapter 5 of this report. Development of these sites would result in an increase to residential capacity in the study area; however, the level of increase would depend on the capacity of each redevelopment site, with this capacity unable to be speculated upon at this stage.

3.4 Opportunities for Specialised Residential Market

The City of Melton's Housing Diversity Strategy (2014) indicated that opportunities for specialised residential markets are likely to emerge in the future. These markets include social and affordable housing, retirement village living and aged care. The strategy identified potential for the following over the next 20 years (from 2014):

- 580 to 1,400 'social housing' dwellings
- 1,000 retirement village units
- 950 aged-care beds.

The study area is a suitable location for the above specialised markets, having regard for its proximity to public transport and to town centre facilities and services. To some degree, these specialised residential markets are already present in the study area and in the immediate surrounds, as illustrated by the following:

- Social/affordable housing: The study area has an above-average share of households renting from a state or territory authority, typically referred to as social housing.
- Aged care: Estia Health aged care is located in the study area, while Sutton Park Aged Care and Ingenia Gardens aged care are located in areas surrounding the study area.
- Retirement village: Lifestyle Communities Brookfield village is located less than 600m to the north of the study area.
- Assisted living: The Abbeyfield Society assisted living facility is located in the study area on Brooklyn Road, providing assisted independent living for adults with mild intellectual disabilities and 'low care' aged care.

3.5 Implications

Having regard for the research and analysis presented in this Chapter, the key implications for the structure plan are as follows:

- Limited opportunities for large-scale residential development currently exist in the study area based on the existing framework.
- Future residential development in the study area is likely to consist of small-scale medium-density housing development, the extent of which will depend on the availability of sites for development.
- A moderate level of housing demand is considered to eventuate in the study area over the next 10 or so years.
- Despite limited development opportunities, areas around the Melton South train station are likely to be among the most popular for residential developers.
- Provided that sites of sufficient size are available, potential may also exist for specialised housing markets, including aged-care and retirement village living.
- A number of large key strategic development sites exist in the study area; however, these would require rezoning. If developed for residential, these sites would add to the housing capacity of the study area.

4 RETAIL AND COMMERCIAL ASSESSMENT

This Chapter identifies the existing and future retail and commercial centres, both within and beyond the study area, with this analysis leading to an assessment of future opportunities for retail and commercial development in the study area.

4.1 Retail and Commercial Centre in the Study Area

A number of retail and commercial uses are located throughout the study area which predominantly serve the surrounding local population. The two key centres are Station Square shopping centre which is a neighbourhood activity centre anchored by a full-line Coles supermarket, and a small local strip centre on Exford Road. In addition, limited retail and commercial uses are dispersed throughout the study area.

In total, the study area contains approximately 9,710m^2 of retail floorspace, with the Coles supermarket located in the Station Square shopping centre accounting for approximately 4,000m^2. In addition, approximately 1,450m^2 of commercial floorspace is located in the study area, which includes the Swimmers Swim School on Station Road.

Total retail and commercial floorspace for the study area is shown in Table 4.1.

Table 4.1: Retail and Commercial Floorspace in Study Area, 2018

Centre	Retail	Vacant	Commercial	Total
Station Square	6,750m^2	0m^2	0m^2	6,750m^2
Exford Road	2,480m^2	100m^2	150m^2	2,730m^2
Other	480m^2	0m^2	1,300m^2	1,780m^2
Total	**9,710m^2**	**100m^2**	**1,450m^2**	**11,260m^2**

Source: Essential Economics

The key centres within the study area are discussed below.

Station Square Shopping Centre

Station Square shopping centre is a neighbourhood centre located on the north-western corner of Brooklyn Road and Station Road. The centre is anchored by a full-line Coles supermarket which was extended in early 2017, with nine fully leased specialty stores, including a post office, pharmacy, takeaway food stores, liquor store, and others. An op-shop is also located on a pad site, in addition to a Coles Express fuel station. The centre contains approximately 6,750m^2 of floorspace and services the daily and weekly convenience shopping needs of the surrounding population.

Exford Road Shops

The Exford Road shops are located approximately 200m south of Station Square shopping centre, across the train line at the corner of Exford Road and Staughton Street. Speciality retail stores have frontage to each of these streets.

The strip predominately includes takeaway stores, with further stores including cafés, bakery, hair salons, liquor store, tobacconist, and others. A single commercial use, namely a fitness centre, is also located within the centre. One vacant store is noted in the strip, with the entire strip comprising approximately 2,480m^2 of retail and commercial floorspace.

The Exford Road strip shops complement the larger retail offer at Station Square, further serving the everyday retail requirements of the surrounding population; however, the strip suffers from a lower level of amenity compared to the nearby Station Square shopping centre.

Other

A further 1,780m^2 of retail and commercial floorspace is located throughout the study area, with the majority of this accounted for by the Swimmers Swim School located on Station Road. Other commercial uses include an accountant, also located on Station Road, and a medical centre located on Brooklyn Road. Retail uses located outside of the two main retail areas include an Asian grocer and takeaway on Station Road opposite Station Square, a laundrette north of Station Square on Station Road, and a Filipino restaurant and food store located on Wilson Road.

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As outlined in Section 1.3, the Melton South retail is designated as a neighbourhood centre under the City of Melton *'Retail and Activity Centres Strategy'*. Guidelines in the strategy recommend that neighbourhood centres should provide approximately 10,000m^2 of retail and commercial floorspace, comprising around 70% retail floorspace and 30% commercial floorspace. The Melton South retail area has approximately 86% of its 11,260m^2 of floorspace being used for retail. Based on this, the area could accommodate additional commercial floorspace.

The strategy also identifies that neighbourhood centres should provide access to first contact health care, childcare, local dining options and other local services. A number of these uses could be incorporated in the study area. The Strategy notes that Melton South will be only one of two or three activity centres with direct access to a train station and that this greatly improves the opportunities for commercial development including offices, education and similar activities; these opportunities would be enhanced if the amenity for workers in the area could be enhanced.

4.2 Key Centres Beyond the Study Area

In addition to the retail and commercial floorspace located in the study area, a number of existing and planned centres are located beyond the study area; these centres will serve the study area population in the future. The centres are shown in Figure 4.1.

Existing Centres

Melton High Street

Melton High Street is located approximately 2km north-east of the study area and is the town centre of Melton and the surrounding suburbs. The area offers a wide range of goods and services centred around High Street. Land uses in the Melton High Street area include:

- **Retail:** supermarkets (ALDI, FoodWorks, SUPA IGA), takeaway, restaurants, pharmacies, post office, liquor, furniture, homewares;
- **Community:** Melton City Council, Melton Library, VicRoads Customer Service Centre, employment services;
- **Education:** Melton Primary School, St Dominic's Primary School;
- **Commercial:** banks, veterinary clinic, medical and dental centres, real estate agents, accountants, lawyers, gym.

In total, the Melton High Street precinct covers over 30ha, with the majority of public buses passing through the precinct and connecting to surrounding areas, including Melton Train Station in the study area.

Woodgrove Shopping Centre

Woodgrove Shopping Centre is a regional shopping centre located approximately 1.5km north of the study area.

The enclosed mall portion of the centre includes Big W, Kmart, Woolworths, Coles, Harris Scarfe, ALDI, and approximately 140 specialty shops, with Bunnings, Dan Murphys, Centrelink, Medicare, and a number of takeaway food offers located outside the mall. The centre has approximately 70,000m^2 of floorspace in total, and is currently the major retail offer for Melton and the surrounding suburbs.

Planned Centres

A number of planned centres will have implications for the study area when they are developed in the future. These centres will primarily service the residential growth areas occurring around the Melton area.

Toolern Metropolitan Activity Centre

The metropolitan activity centre in Toolern will be the key regional centre for the Melton community and will be the highest-order centre in the region. The centre will be located around the new Toolern train station, south of the Abey and Ferris Roads intersection, and will have a broad mix of uses. These uses include a wide range of major retailers including department stores, discount department stores, supermarkets, and specialty stores, as well as health services, education, recreation and entertainment venues, and corporate and government headquarters. The centre is planned to accommodate up to 70,000m^2 of retail floorspace without a permit. An Urban Design Framework for the Toolern centre is currently being prepared.

Neighbourhood Activity Centres

A number of neighbourhood activity centres will be located in the areas surrounding the study area as these areas develop in coming years. The following planned centres are considered most relevant for this study:

- **Botanica Springs Neighbourhood Activity Centre** is planned for a location approximately 2.5km west of the Station Square shopping centre. The centre is planned to accommodate a full-line supermarket and speciality stores, and this will influence the extent to which the Station Square shopping centre will capture sales from residents to the west of the study area.

- **Exford Road Neighbourhood Activity Centre** is planned for a location approximately 2km south of the study area on Exford Road, adjacent the Exford Waters estate. The centre is also planned to accommodate a supermarket and speciality shops; the Activity Centre Strategy indicates that a cap of 7,500m2 of retail floorspace is planned for the centre.

Other

Along with the proposed centres highlighted above, a number of other activity centres will be located throughout Melton's growth area. These include activity centres at Rockbank and Rockbank North, which will be of a size between the metropolitan activity centre and the neighbourhood activity centre, along with various further neighbourhood activity centres and local activity centres throughout the growth areas. Although these centres will have less direct impact on the study area, they are part of the larger retail and commercial competitive context.

Figure 4.1: Retail and Commercial Context

Source: Essential Economics using MapInfo and Bing Maps

4.3 Population and Retail Spending Forecasts

The current retail and commercial offer within the study area predominately serves the Melton South (existing) area, as defined by id Consulting (refer Section 2.2). For the purpose of this study, the Melton South (existing) area has been used as the trade area that is served by retailers in the study area.

Estimates of per capita retail spending by trade area residents (i.e. those living in established areas of Melton South) have been prepared with reference to the *MarketInfo* retail spending model. *MarketInfo* is a micro-simulation model which uses data from the ABS Household Expenditure Survey, the ABS 2016 Census of Population and Housing, ABS Australian National Accounts, and other official sources.

The retail spending data is presented in four major spending categories:

- **Food, Liquor and Groceries (FLG)**, which includes fresh food, groceries and take-home liquor.
- **Food Catering**, which includes cafes, restaurants and takeaway food.
- **Non-Food**, which includes apparel, homewares, bulky merchandise and general merchandise.
- **Services**, which includes hairdressers, beauty salons etc.

At $12,140 per capita, average total retail spending for the trade area population is significantly below (by 13.8%) that of Greater Melbourne ($14,090 per capita), as shown in Table 4.2. However, this is not reflected in FLG which is in-line with the Greater Melbourne average. The lower total retail spending for the trade area is reflected in the population having less discretionary spending for food catering, non-food, and services compared to the Greater Melbourne region, as shown in Table 4.2.

Table 4.2: Trade Area Per Capita Retail Expenditure, 2018 ($2018)

Trade Area	Food, Liquor and Groceries	Food Catering	Non-Food	Services	Total Retail
Per Capita Spending ($2018)					
Trade Area	**$5,890**	**$1,360**	**$4,550**	**$340**	**$12,140**
Greater Melbourne	*$5,770*	*$1,920*	*$5,880*	*$510*	*$14,090*
Variation from Greater Melbourne average					
Trade Area	**+2.1%**	**-29.2%**	**-22.6%**	**-33.3%**	**-13.8%**

Source: MarketInfo; Essential Economics

Total retail spending for the trade area is based on the population forecasts prepared by .id Consulting shown in Table 2.3 and applying the per capita retail spending from Table 4.2. In 2018 total retail spending in the trade area is estimated at $126.5m, with this forecast to increase to $179.5m in 2031 due to growth in population and in average per capita retail spending. Figures are expressed in constant 2018 dollars.

Table 4.3 summarises the forecast growth in retail spending of trade area residents.

Table 4.3: Trade Area Retail Expenditure, 2018 to 2036 ($2018)

Retail Category	2018	2021	2026	2031	2036
FLG	$61.0m	$64.5m	$76.7m	$80.4m	$82.1m
Food Catering	$14.1m	$15.0m	$18.1m	$19.1m	$19.7m
Non-Food	$47.8m	$52.5m	$66.8m	$74.7m	$81.6m
Services	$3.6m	$3.9m	$4.8m	$5.3m	$5.6m
Total Retail	**$126.5m**	**$135.9m**	**$166.4m**	**$179.5m**	**$189.1m**

Source: MarketInfo; Essential Economics using .id Consulting forecast population

4.4 Retail Sales and Market Share Assessment

Total retail sales for the study area are estimated by applying average sales levels to the retail floorspace identified in Table 4.1. The average sales levels that have been applied, as shown below, reflect industry benchmarks and the consultant's observations of how retailers are performing in the study area based on field visits:

- FLG: $8,010 per square metre
- Food catering: $3,500 per square metre
- Non-food: $3,430 per square metre
- Services: $2,500 per square metre.

Based on the above figures, study area retailers currently achieve an estimated $56.9m in retail sales a year. The Coles supermarket is the dominant retailer in the study area and this is reflected in the high share (76%) of sales in the FLG category.

Assuming 80% of retail sales in the study area are derived from the trade area population, with the remaining sales sourced from shoppers visiting from beyond the Melton South (existing) area, the current market share for all retailers in the study area is estimated at 36%, as shown in Table 4.4.

The market shares shown in Table 4.4 indicate that over one-third of all trade area residents' retail spending is being spent within the study area, with further spending likely to be directed to competing centres such as Melton High Street and Woodgrove Shopping Centre. Significantly, over one-half of all trade area FLG spending is estimated as being directed to retail locations in the study area.

Table 4.4: Study Area Retail Sales and Trade Area Market Shares, 2018 ($2018)

	Total Study Area Sales	Sales from Trade Area (i.e. 80%)	Total Spending	Market Share
FLG	$43.4	$34.7	$61.0	57%
Food Catering	$7.2	$5.8	$14.1	41%
Non-Food	$3.6	$2.9	$47.8	6%
Services	$2.7	$2.2	$3.6	60%
Total Retail	$56.9	$45.5	$126.5	36%

Source: Essential Economics

4.5 Retail Issues and Opportunities Assessment

The above analysis highlights a number of both issues and opportunities for retailing in the study area, as discussed below.

Issues

Increasing levels of retail competition beyond the study area will place increasing pressure on the retail offering provided within the study area, noting the range of larger and smaller retail centres to be developed in the growth areas surrounding Melton. This aspect, combined with the moderate population growth forecast in the study area, suggests that only limited scope will be available in the future for additional large-scale retail development in the study area.

Furthermore, current market shares for the trade area are considered to be reasonable having regard for the surrounding retail context, and it is unlikely any significant increases in retail market shares will occur in the future.

For example, the low non-food market share of only 6% is unlikely to increase as residents will continue to shop at larger centres for their non-food retail needs. Furthermore, the increasing competitive landscape will also place downward pressure on market shares. Consequently, the existing market shares indicate that demand for additional large-scale retail floorspace is unlikely to occur within the study area in the near future.

Furthermore, limited opportunities exist around the established centres in the study area to expand, apart from VicTrack-owned land located around the Melton South train station.

Opportunities

Opportunities exist to strengthen the existing retail offer in study area, including improved linkages between the Station Square and the Exford Road shops. Although additional large-scale retail floorspace would not be supported in the study area, an opportunity exists to foster these linkages through small-scale retail and/or commercial development, assuming VicTrack land surrounding the train line becomes available.

An opportunity also exists to improve the performance of existing retail areas in the study area, with the strengthening of the retail offer and amenity of retail centres necessary to maintain market shares as competitive pressure increases. Potential exists for the MSSP to provide guidance on future improvements to amenity around the existing centres and Melton South train station.

4.6 Other Commercial Opportunities

Currently, the study area contains approximately 1,450m^2 of commercial floorspace which represents approximately 13% of total study area retail and commercial floorspace. Typically, commercial floorspace in neighbourhood level centres accounts for around 20-30% of total retail and commercial floorspace. In this context, potential may exist for the provision of additional commercial floorspace within the study area.

Assuming commercial floorspace could account for 20% of retail and commercial floorspace in the study area, potential exists for an additional +980m^2 of commercial floorspace within the study area, as shown in Table 4.5. This assumes no change to the current level of retail floorspace and is intended to be a guide only. Increasing the level share of commercial floorspace to 30%, as indicated in the *City of Melton Activity Centres Strategy*, would increase the potential for commercial floorspace to an addition 2,700m^2 above existing levels.

Table 4.5: Commercial Floorspace in the Study Area

	Total Commercial Floorspace	Total Occupied Retail and Commercial Floorspace	Commercial Share of Total Floorspace (%)
Current	1,450m^2	11,160m^2	13%
Potential	2,230m^2	11,940m^2	20%
Additional	**+780m^2**		

Source: Essential Economics

Commercial uses that may be suitable for the study area include the following:

- Medical/health services: Station Medical Centre is located at 30 Brooklyn Road, opposite the train station and provides GPs and radiology. Potential may exist for ancillary medical/health services associated with the Station Medical Centre to be located in the study area, including on VicTrack land which may become available, or on the VU site. These uses could include dental, physiotherapy, chiropractic, optometry and counselling services.

- Gym/fitness studios: The gym and fitness club industry has experienced considerable growth in recent years, with the number of gyms and fitness clubs, nationally, increasing by 7.4% per annum over the period 2007/08 to 2015/16 (IBISWorld, *Gyms and Fitness Centres in Australia*, November 2016). This growth has largely been driven by a significant increase in the number of 24-hour gyms. A gym is currently located at the corner of Brooklyn and Coburns Roads, adjacent to the study area; however, potential may exist for an additional gym within the study area. In addition, potential may also exist for commercial space that could accommodate health, fitness and recreation uses such as a dance studio, yoga, karate doju, etc.

- Child care/early learning: Demand for child care and early learning centres has increased by 4.6% per annum between 2010 and 2015 (Colliers International, *Child Care White Paper*, May 2016). This demand is evident in the Melton area by the launch of Happy Childcare and Early Learning Centre, located adjacent the study area at the corner of Station Road and Fraser Street, in early 2017. Additional child care services in the study area would benefit from proximity to the train station.

4.7 Implications

Having regard for the research and analysis presented in this Chapter, the key implications for the MSSP are as follows:

- Increasing competitive pressure, moderate population growth, and strong existing market shares will limit future additional retail floorspace opportunities in the study area, with additional large-scale retail floorspace not envisaged.

- However, potential may exist for additional small-scale retail floorspace to serve both the local population and train station users on land located between the existing retail precincts of Station Square and Exford Road. Such development could strengthen the link between these two centres.

- Potential also exists to increase the study area's commercial offer, with current retail floorspace supporting an additional +980m^2 of commercial floorspace assuming the share of commercial floorspace in the centre increases from 13% to 20%. If this share could increase to 30%, as recommended in the *City of Melton Activity Centre Strategy*, potential for an additional 2,700m^2 of commercial floorspace may exist. Such uses may include local offices, medical-related uses, health and recreation, child care, etc.

- Strengthening the existing offer and amenity of the retail offer in the study area will be necessary to maintain market shares; the MSSP presents an opportunity to provide some guidance on this aspect.

- Encouraging infill residential development in the study area above that forecast by id Consulting would provide additional support to retail and commercial uses in the centre.

5 OPPORTUNITIES FOR KEY SITES

This Chapter identifies potential future development opportunities on key development sites, namely the VU site and around the train station. In addition, opportunities for land zoned for industrial uses within the study area are also discussed.

5.1 VU Site

The largely vacant VU site, as identified in Figure 1.3, has a number of future opportunities for development including:

- Continued use for education. This may include the retention/expansion of existing education facilities on the site, namely Al Iman College Islamic school, and in-line with nearby Staughton College and the Trade Training Centre.

  The VU site is suited to further development of education uses having regard for the site's proximity to the train station and the anticipated increase in services to and from Melton, proximity to Melbourne's western growth corridor (which is forecast to experience significant population growth), and the potential to co-locate with existing educational uses.

- Medium-density residential development, in-line with medium-density residential development occurring in the surrounding area.

- Aged care/retirement living. Depending on the eventual mix of uses, the VU site may also be suitable for aged care and/or retirement living.

5.2 Train Station

Although it is currently not known if the VicTrack land adjacent the train line will become available, potential exists for land with direct frontage to Exford/Station Road to accommodate small-scale retail/commercial development. Development is recommended to be retained within the area highlighted in Figure 5.1 below.

Such development would foster linkages between the current retail offering at Station Square and the Exford Road shops, and has the potential to service both the local population and train passengers.

Note, this land currently acts as overflow parking area for train station users and if this land were made available for development, alternative car parking requirements and solutions for the station would need to be explored.

Figure 5.1: VicTrack Land for Potential Retail and Commercial Opportunity

Source: Essential Economics using MapInfo and Bing Maps

5.3 Industrial Land

The small light industrial estate currently zoned Industrial 3 is located to the south-east of the Brooklyn Road and Coburns Road intersection. The estate currently contains a mixed of service industry including an engineering company, mechanical services, tyre service, livestock insemination, coach tours base, and garden supplies. The estate comprises almost 3ha of land and includes one vacant parcel of land.

The estate is currently serving a role in terms of providing local employment opportunities and the provision of local services. The most recent investment in terms of the construction of new buildings occurred in 2010 with the construction of a shed currently used by the bus tour company. The lot on the corner of Brooklyn Road and Coburns Road has remained vacant since at least 2010 and it is not anticipated that strong demand exists for this land at present.

However, potential may exist for alternative land uses at this site in the future, having regard for the significant supply of vacant industrial land in the region. More than 700ha of vacant industrial land exists in the City of Melton (DELWP, *Urban Development Program*, 2017). Based on recent consumption rates, this land supply is sufficient to accommodate another 25 to 30 years of demand.

Having regard for the site's proximity to the train station and the future investment planned for this location, potential may exist for a higher and better use of the land. Any future land use change within this area should represent a higher and better use than the existing industrial zone. Potential uses that may be worth exploring for the site include:

- Medium-density residential;
- Commercial and recreational services, similar to the gym and swim school located at the opposite corner of the intersection;
- Services that benefit from the proximity to the train station;
- Education or trade training; and
- Aged care.

6 SUMMARY OF KEY IMPLICATIONS

The key implications for the MSSP arising from the research, analysis and discussion presented in this report are outlined below:

1. **Limited population growth is forecast for the study area**, with the area representing a largely established area. Only limited population growth is expected and such growth is likely to be driven by infill residential development.

2. **The study area population is characterised by low socio-economic characteristics** which include below-average low household incomes, high levels of unemployment, and below-average house values.

3. In terms of **residential development opportunities**, the key implication for the MSSP include:

   - Limited opportunities for large-scale residential development currently exist in the study area given the current framework.
   - A number of large key strategic development sites exist in the study area; however, these would require rezoning.
   - Future residential development in the study area is likely to consist of small-scale medium-density housing development. The extent of development will depend on the availability of sites for development.
   - A moderate level of housing demand is considered to eventuate in the study area over the next 10 or years.
   - Despite limited development opportunities, areas around the Melton South train station are likely to be among the most popular for residential developers.
   - Provided that sites of a sufficient size are available, potential may exist for specialised housing markets, including aged care and retirement village living.

4. The key implications for the MSSP in regard to **retail and commercial development opportunities** include the following:

   - Increasing competitive pressure, moderate population growth, and strong existing market shares will <u>limit future additional retail floorspace opportunities</u> in the study area, with additional large-scale retail floorspace not envisaged.
   - However, potential may exist for <u>additional small-scale retail floorspace to serve both the local population and train station users</u> on land located between the existing retail precincts of Station Square and Exford Road. Such development could strengthen the link between these two centres.
   - Potential also exists to increase the study area's commercial offer, which may include local offices, medical-related uses, health and recreation, child care, etc.

5. **Key development sites** in the study area include the VU site; around the train station and surrounds; and potentially the existing industrial zoned land on the corner of

Brooklyn Road and Coburns Road. The potential opportunities for each of these sites are summarised below:

- VU Site: Opportunities include the continued use of the site for education purposes, medium-density housing, and aged care/retirement living.
- Around the train station: Potential exists for land with direct frontage to Exford/Station Road to accommodate small-scale retail/commercial development.
- Industrial zoned land: Potential may exist for the site to accommodate alternative uses, provided that they represent a higher and better use of the land and that alternative locations for industrial uses are provided in the broader region.