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DONCASTER HILL STRATEGY – DEMAND AND SUPPLY ANALYSIS

City of Manningham

May 2001

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2. MacroPlan has been commissioned by the City of Manningham to establish the likely future demand for candidate land uses (with a particular focus on medium and high density accommodation) in the municipality over the next 20 years based on the following 3 scenarios:

   - Scenario 1 - 'No Strategy':

     This scenario focuses on maintaining the 'status quo', in other words the Council does not adopt a Strategy in regard to the Doncaster Hill precinct.

   - Scenario 2 - 'Medium Density Strategy':

     This scenario focuses on Council adopting a Strategy, which supports limited medium and high density development within the Doncaster Hill precinct (ranging between 4 and 5 storeys).

   - Scenario 3 - 'High Density Strategy':

     The third scenario focuses on the Council adopting a Strategy, which supports 'high density ' development within the Doncaster Hill precinct.

3. Identification of the key characteristics and assumptions which underpin potential demand for medium and high-density accommodation in the City of Manningham, in particular the 're-positioning' of Doncaster Hill included:

   - Community Facility Needs;
   - Critical Mass;
   - Built Form and Building Design;
   - Landscaping and including Streetscape;
   - Pedestrian Access and Movement;
   - Vehicle Parking;
   - Building Setbacks; and
   - Recreational and Open Space Linkages.

4. Data has been sourced from 'rolling' databases compiled by MacroPlan and supplemented with information from several private and public agencies. Where possible, discussions were undertaken with developers and industry professionals currently active in medium and high density markets.

5. MacroPlan have identified the primary catchment area as the municipalities of Manningham, Whitehorse and Banyule. Exclusion of other surrounding municipalities largely prevents the potential 'overstatement' of 'medium and high density' demand at Doncaster Hill.

6. The following table summarises each of the 3 scenarios in terms of total dwellings, total population (including and excluding vacancy rate) and absorption rates per annum.

Summary of 3 Demand Scenarios

2001 - 2021

Scenarios	Total Dwellings	Total Population	Total Population (inc. Vacancy Rate)	Absorption Rate (Per Annum)
Scenario 1	250	465	N / A	N / A
Scenario 2	2,100	4,300	3,870	105
Scenario 3	4,080	8,300	7,400	203

7. Notably, the short term absorption of 204 apartments per annum in Scenario 3 is:

- Significantly less than City of Melbourne precincts which have comprised around 1,200 units built per annum since the introduction of 'Postcode 3000' in 1993,
- Less than the City of Melbourne precincts (and, in fact in total equivalent to 1993 / 1994 absorption, when the market was in its infancy);

8. Market acceptance is a key characteristic of future demand for 'medium and high-density' housing and notably the stimulation of latent demand. Other key absorption factors include:

- Household growth;
- Cultural diversity;
- Investor demand; and
- Tenant demand.

9. The following table summarises for each of the scenarios the supportable retail, commercial and office floorspace.

Supportable Residential, Retail and Commercial / Office Floorspace

2001 - 2021

10. In order to meet community needs and the forecast the levels of demand, significant re-positioning of the precinct is necessary. This includes:

- Implementing a masterplan for the precinct including 'Doncaster Boulevard';
- An icon for the intersection of Williamsons Road and Doncaster Road; and
- Landscaping / setbacks.

11. Furthermore, meeting community need requires critical mass. This in turn requires market positioning which should include not only accommodating, but inspiring demand from residents and creating a 'clean and green' sustainability focus which clearly differentiates the precincts from traditional inner Melbourne precincts such as Southbank and Melbourne Central Business District.

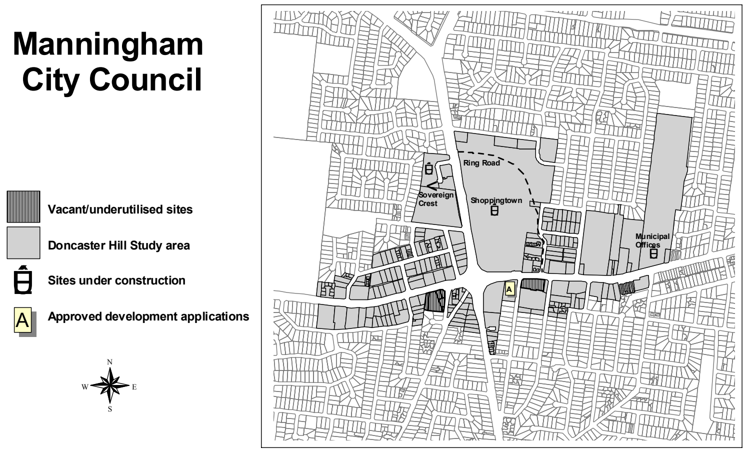
Scenarios	Total Dwellings	Retail Floorspace (100% Retention) (Sqm)	Retail Floorspace (65% Retention) (Sqm)	Commercial / Office Floorspace (Sqm)
Scenario 1	250	925	**600**	**20,000**
Scenario 2	2,100	7,768	**5,050**	**20,000**
Scenario 3	4,080	15,091	**9,800**	**20,000**

1 INTRODUCTION

1.1 Background

Since the 1980's, the City of Manningham has been considering the future pattern of development in the area generally described as the Doncaster Hill (see precinct map below).

Doncaster Hill Precinct



The current low level of amenity along Doncaster Road and Manningham Road, suggests that a 'no strategy' approach would be unlikely to result in a net community benefit. Hence, the Manningham City Council is faced with resolving a number of issues:

- The expansion of Westfield Shoppingtown which is currently moving into detailed planning stages;
- The significant reduction in traffic in the precinct due to the expansion of the Eastern Freeway;
- Responding to development applications for a high rise residential building with commercial uses at street level;
- Providing certainty for residents and businesses located in and proximate to Doncaster Hill.

1.2 Scope of Work

MacroPlan has been commissioned by the City of Manningham to establish the likely future demand for candidate land uses (with a particular focus on medium and high-density accommodation) in the municipality over the next 20 years based on the following three scenarios:

- Scenario 1 - 'No Strategy':

  This scenario focuses on maintaining the 'status quo', in other words the Council does not adopt a Strategy in regard to the Doncaster Hill precinct. Development applications (and in turn construction) will be assessed on a 'site-by-site' basis.

- Scenario 2 - 'Medium Density Strategy':

This scenario focuses on Council adopting a Strategy which supports limited medium and high density development within the Doncaster Hill precinct (buildings ranging between 4 and 5 storeys).

- Scenario 3 - 'High Density Strategy':

  The third scenario focuses on the Council adopting a Strategy which supports 'high density ' development within the Doncaster Hill precinct.

For scenarios 1 and 2, primary consideration needs to be given to the potential 're-positioning' of Doncaster Hill as a 'sustainable and smart' urban village to accommodate the future housing needs of Manningham residents (as well as offering a viable alternative for surrounding outer eastern municipalities such as Whitehorse and Banyule) which:

- Enables the clustering of residential, commercial and retail buildings - representing a sustainable community environmentally, economically and socially;
- Provides a cohesive social network - as a result allowing people to play and work in the city environment in which they live (creating a sense of place and community);
- Optimises the use of all resources including community facilities, retail, car-parking and developable land;
- Is designed in a way which allows transition as well as complementing the existing urban fabric;
- Minimises the needs for vehicle travel and enhance community mobility; and
- Meets Ecological Sustainable Development (ESD) principles;

For each of the strategy scenarios, the scope of work comprises:

- Identification of the key characteristics and assumptions which underpin potential demand for medium and high-density accommodation in the City of Manningham, in particular with regard to the 're-positioning' of the Doncaster Hill (eg. community need, critical mass, landscaping, pedestrian access, etc.);
- A detailed review of available industry data including previous research undertaken buy the City of Manningham to determine the potential level of demand for medium and high-rise accommodation over the next 20 years;

  Based on professional judgement and a review of demographic profiles, the analysis includes potential demand from surrounding outer municipalities of Whitehorse and Banyule.

- Identification of the potential demand for medium and high-rise accommodation over the next **20 years** until 2021 in the City of Manningham;
- As input into the afore mentioned, analysis of key medium and high-density markets which have evolved in recent years (i.e. Melbourne Central Business District, Melbourne Docklands) as and indication of:
  - the absorption rate on a per annum basis in infant markets (and the potential impact of Council initiatives such as the City of Melbourne's Postcode 3000),
  - potential 'latent' demand for medium and high-density development in and around the City of Manningham,
  - emerging markets and the continued acceptance of medium and high-density accommodation from the greater population,
  - future supply of medium and high density markets;
- Identification of other key factors considered to underpin the future absorption of medium and high-density accommodation in the City of Manningham such as population growth, investor and tenant demand;
- Identification of the likely required and sustainable retail and commercial / office requirements to support the estimated population as a result of each development scenario.

1.3 Data Sources and Key Assumptions

Data Sources

Data has been sourced from 'rolling' databases compiled by MacroPlan (including the Inner Melbourne Apartment Market Overview - Quarterly Update, 2000) and supplemented with information from several private and public agencies including the:

- City of Manningham:
  - Manningham Residential Development Strategy,
  - Doncaster Hill Strategy 2021,
  - City of Manningham – Residential Survey,
  - Doncaster Activity Centre – Scenario Analysis;
- Department of Infrastructure:
  - Victoria in Future,
  - Victoria in Fact,

- Suburbs in Time,
- From Doughnut City to Cafe Society;
- City of Melbourne:
  - New Inner City Residents Survey, 2000;[1]
- Australian Bureau of Statistics:
  - Household Expenditure Survey

In addition (and where possible), discussions were undertaken with developers and industry professionals (including real estate agents) currently active in medium and high density markets.

1 'Commercial in Confidence' and is not available for general circulation.

Key Assumptions

Medium and high density residential precincts which have evolved such as the Melbourne Central Business District, Southbank, St. Kilda and Queens Road, and Melbourne Docklands are largely considered to be infant within the context of the Melbourne (and Australian) residential property market.[2]

To this extent, data is difficult to access and aggregate, in particular that relating to the demographic profile of current residents (eg. age, income, occupation, marital status) and movement patterns. Furthermore, active developers (including Mirvac, MAB, Grocon, Central Equity, Mainland Properties) and industry professionals are naturally reluctant to disclose information of a commercial nature (demographic data, average apartment areas, absorption rates, etc.).

As a result, the 'commercial in confidence' study commissioned by the City of Melbourne in 2000 is considered to be the most recent and complete data set in regard to the medium and high density apartment market. Whilst, the 'City of Manningham – Residential Survey' in regard to future housing choice and resident movement provides significant insight into future housing choice from a municipal perspective.[3]

It is also important to note:

- 'capture rates' utilised to establish 'demand' for medium and high density product have considered migration patterns in metropolitan Melbourne;
- that in some instances where data is not available, the consultants have relied on professional judgement.

1.4 Definition of Primary Catchment

MacroPlan have identified the primary catchment from which future demand would be generated. This catchment has been based on professional judgement, in conjunction with our understanding of migration patterns in metropolitan Melbourne.

Migratory patterns have been identified in a number of publications released by the Department of Infrastructure. The publications, amongst other issues highlight the arrest of population decline in the middle to inner ring suburbs. This stabilisation, and in some cases population increases result in an increased demand for housing stock within close proximity to the Central Business District. Due to decreasing household sizes, this population stability results in real demand for housing stock across metropolitan Melbourne, particularly in inner city areas and the middle ring.

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[2] Notably, limited data in respect to these markets was collected in the 1996 Census.

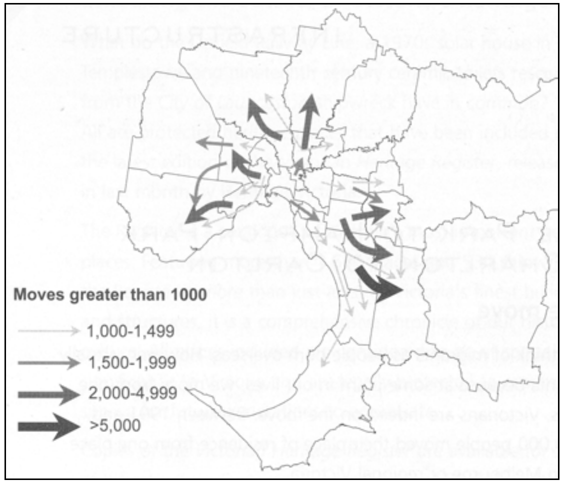
[3] Both studies have provided value input into establishing the future demand for medium and high density development in the City of Manningham.

At present, the dominant trend in residential lifecycles in Melbourne is the net increase of younger persons and professionals moving to inner city areas, and second and third family homebuyers moving into the middle ring. Generally, as inner city residents become older they move out to middle and fringe locations. This occurrence is particularly dominant in the eastern suburbs.

Analysis of migratory patterns indicates that people move within the same region or corridor, mainly due to their familiarity with the area. Therefore, the population in the eastern region will generally move back and forward, from inner to outer areas and visa-versa. Major net migration moves are identified in the following diagram sourced from the Department of Infrastructure.

Major Net Migration moves within Melbourne

(1991 – 1996)



It is a common occurrence in Melbourne and most cities throughout the western world that the population is ageing. Currently the largest age group in Melbourne are those people aged between '25 and 34 years', however over the next 25 years the dominant age bracket will shift to the late to middle age group ('50 to 70 years') - the bracket generally referred to as 'baby-boomers'. This demographic change combined with decreases in household sizes, creates significant changes in housing needs. As personal circumstances change over a lifetime, peoples housing preferences and choices change. In general, 'empty nesters' and 'retirees' do not require large household blocks in fringe locations. With increased wealth and disposable income, 'baby boomers' are identifying property with higher amenity (a potentially 'differentiated product'), generally close to city locations where there is greater access to work and social services. These people are trading size for location, product quality and product fit.

Given these migratory patterns, comparable demographic profile and changing lifecycle housing needs, MacroPlan have identified the catchment area as the following municipalities:

- Manningham;
- Whitehorse; and
- Banyule.

It is important to note that the City of Maroondah has been excluded from the analysis largely due to the 'mooted' development of a 'high density node' within the municipality, whilst the City of Nillumbik has been excluded largely due to the lack of synergies between the proposed development at Doncaster Hill and existing product within the municipality (such as a dominance of larger allotments and focus on natural vegetation). Nevertheless, exclusion in both instances prevents the potential 'overstatement' of 'medium and high density' demand at Doncaster Hill.

2 URBAN VILLAGE - KEY CHARACTERISTICS AND ASSUMPTIONS

There are several key characteristics and assumptions which underpin the potential demand for medium and high-density accommodation in the City of Manningham, in particular the 're-positioning' of the Doncaster Activity Centre as a viable 'urban village'.

The key characteristics and assumptions are as follows:

- **Community Facility Need**

  'Community Facility Need' can be satisfied on two levels via the Doncaster Hill project.

  Firstly, facility needs generated by the new local population is related to:

  - recreation facilities,
  - social facilities,
  - support facilities.

  An initial audit of the Doncaster Hill precinct indicates that there are sufficient facilities currently available to manage traditional community facility requirements, particularly given the current redevelopment of the City of Manningham offices (comprising arts facility, meeting rooms, etc.).

  A second set of facility requirements could be generated by the new role and function of the Doncaster Hill precinct. This could include:

  - an outdoor meeting area / 'piazza' for the greater community of Manningham,
  - an upgraded library / information / cultural centre,
  - other facilities depending on Council's strategic objectives (with regard to carparking, new entertainment facilities and visitation patterns).

- **Critical Mass**

  Critical mass is the key characteristic in regard to the proposed development of the Doncaster Hill. In other words, it is a fundamental component of demand to generate significant levels of residential development activity in the next 5 years. The critical mass will in turn:

  - facilitate the required change in perception of Doncaster Hill (ultimately attracting potential 'medium and high-rise' residents which may relocate to other outer municipalities or the inner Melbourne precincts),

- generate retail and commercial development which is an integral component of a viable urban village - representing a sustainable community environmentally, economically and socially;
- providing certainty for residents and businesses located in and proximate to the Doncaster Hill.[4]

❑ **Built Form and Building Design**

The built form should focus on quality designed and constructed buildings both internally and externally, with complementary facilities to meet the current and future market trends - a product for today and tomorrow. To this extent, as the urban village matures, it will ensure long-term, sustainable demand not just from the City of Manningham and surrounding municipalities – but from metropolitan Melbourne as a whole.[5]

Built form and building design issues include (and is not restricted to:

- quality fixtures and fittings,
- innovative floor plans (ie. cross over apartment designs),
- maximisation of 'private' outdoor living space (ie. balconies, courtyards),
- adequate carparking and storage areas,
- maximisation of natural light and view corridors (ie. full height glass windows, active indoor / outdoor areas, etc.),
- provision of recreational facilities (ie. pool, gym, sauna, tennis court, bbq area, etc.),
- fit into the existing urban framework and characteristics,
- flexible internal designs which accommodate elderly and disabled residents,
- and importantly the consideration of *'Ecologically Sustainability Development'* (ESD) principles;

[4] The City of Melbourne's Postcode 3000 (introduced around 1993) established confidence for both developers and purchasers in regard to medium and high-density development in an 'emerging' market. It is considered that a document for the City of Manningham may provide similar market confidence.

[5] This is considered to be an import criteria as it is difficult to accurately predict the future trends in medium and high-rise accommodation with regard to the inevitable emergence of the 'secondary / resale market' and its impact on the demand for 'off the plan' apartments. Quality designed and constructed buildings will be a key driver underpinning demand for the secondary market.

In essence, the built-form should offer purchasers a definitive 'point of difference' (eg. individual apartments over 2 levels, concierge services, etc.) and product diversity which appeals to all demographic profiles, with particular focus on the emerging 'baby-boomers' sector.[6]

In addition, the associated retail components need to be quality and offer a broad range of products, comparable to the innovative quality and mix at Southbank or proposed at Melbourne Docklands. The precinct must offer a viable alternative to existing and proposed medium and high-density accommodation.

- **Sustainable Development**

  Following on from the afore-mentioned, to set and maintain high environmental and energy conservation standards in line with best practice will enable this potential landmark area to define its own character within the broader development context of Melbourne and raise the aspirations and profile of all users.

  Developments will be required to reflect environmental, construction and amenity standards appropriate for a city orientated towards a long term, responsible and sustainable future.

  Buildings should address a range of sustainability issues including passive solar design, siting and orientation, energy usage minimisation, thermal efficiency, waste minimisation and potential reuse, energy production, materials selection including analysis of embodied energy levels, ongoing energy auditing of all buildings proposed for the precinct and eventual reuse and recycling.

- **Landscaping including streetscape**

  Significant streetscape works need to be undertaken to enhance the overall visual amenity of the area. This includes:

  - the potential reduction of Doncaster Road from three to two lanes,
  - the construction of a 'green' median strip with established vegetation,
  - landscaped linkages between residential, commercial and retail buildings,
  - building setbacks.

[6] This generation will tend to be less dependent financially on the wider community because of their greater accumulated wealth and more likely to be attracted to medium and high-density living.

Hence, the creation of a '*boulevard'* along the lines of St. Kilda Road, Melbourne or Royal Parade, Parkville.

- **Pedestrian Access and Movement**

Pedestrian amenity will be a priority in the development of any circulation networks. An important component is pedestrian access and street level activity which assists in the safety and movement of residents and employees between the north and south sides of Doncaster Road (resulting in the establishment of viable commercial and retail activities). This includes the development of improved footpaths, which encourage 'people movement'.[7]

In the past, Doncaster Hill has suffered from high levels of traffic, in particular trucks and semi-trailers. Many buildings have 'turned their backs' on Doncaster Road, whilst many sites have become vacant as owners have struggled with ingress and egress – pedestrian movement has almost become non-existent.

- **Building Setbacks**

The establishment of designated building setbacks would create a sense of depth and increase the aesthetic appeal of the precinct (ie. St. Kilda Road, Melbourne or Royal Parade, Parkville) whilst maintaining view corridors.

Significant view corridors from both the public and private realm should be protected and preserved in the response of built form to the natural attributes of the site. By stepping down away from the hill, buildings will be required to achieve an appropriate change of scale and moderate its impact on the streetscape and adjacent built form, minimising the overlooking and overshadowing of dwellings both within and beyond the development.

Buildings will provide a level of visual diversity and contribute to the public realm through the use of varied, high quality, long life span and appropriate materials.

In addition, the setbacks in association with 'established vegetation' would provide a 'buffer' zone between the proposed built-form and vehicle movement.

- **Recreational and Open Space Linkages**

Key characteristics include the creation of a number of significant urban spaces in both the public and private realms providing an enhanced pedestrian and community experience {ie. the development of a strong boulevard character (as mentioned) supported by a

[7] Vehicle crossings will be limited and strictly controlled to minimise any potential conflicts with pedestrian activity zones.

consistent built-edge, formal tree planting extending into required setbacks}.

Spaces which are well connected and integrated within a permeable urban environment and include:

- o a variety of sizes, characters and use,
- o uniform boulevard tree planting and high quality landscaped buffer zones,
- o generous and uniform building setback zones,
- o activated and engaging building frontages supporting a variety of street focused activities and functions,
- o the integration of urban art and sculpture within the public realm,
- o the enhancement of adjacent residential areas through the extension of formalised planting and streetscape treatment.

❑ **Vehicle Parking**

The provision of adequate, concealed, on site parking should be a requirement of any new development proposal.

3 FUTURE DEMAND – RESIDENTIAL

The following section highlights potential demand for medium and high-density accommodation in the City of Manningham over the next 20 years to 2021 for each of the three scenarios.

3.1 The Scenarios

The analysis focuses on the development of Doncaster Hill and the demand for medium and high-density accommodation'. As mentioned, the study commissioned by the City of Melbourne in 2000 is considered to be the most recent and complete data set in regard to this 'infant' market segment, whilst the 'City of Manningham – Residential Survey' provides some insight into future housing choice from a municipal perspective. As mentioned, both studies have provided value input into establishing the future demand for medium and high density development in the City of Manningham.

In particular:

- The key components of the 'City of Manningham - Residential Survey' survey built on to establish future demand in this report include:
  - The percentage of existing households intending to move over the next five years;
  - The percentage of existing households intending to move to 'multi-unit or flat / apartments' accommodation;
  - The percentage of households intending to move <u>but</u> remain within the City of Manningham.
- The City of Melbourne study provided significant insight into the likely household size.

The surrounding municipalities of Whitehorse and Banyule have similar demographic profiles and locational attributes to the City of Manningham; subsequently both municipalities have been included in Scenario 3 only. The municipalities have been included as it is considered that the City of Manningham could 'capture' a share of their future medium and high-density requirements over the next 20 years.[8]

Notably, the analysis excludes the 'inboard' attraction from the City of Maroondah and the Shire of Nillumbik (again preventing the potential overstatement of demand within the Doncaster Hill precinct).

3.1.1 Scenario 1 – 'No Strategy'

This scenario focuses on maintaining the 'status quo', in other words the Council does not adopt a Strategy in regard to the Doncaster Hill precinct.

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[8] Based on professional judgement, the City of Manningham resident survey results have been applied to the demographic profiles of the surrounding outer eastern municipalities of Whitehorse and Banyule.

Based on data sourced from the City of Manningham, the year 2000 population and number of dwellings for the Doncaster Hill precinct was 351 and 186 respectively.[9] However, given recent high density developments such as Sovereign Crest in Williamsons Road (40 units), it is considered that the current Doncaster Hill population is more likely to be around 450 persons as at 2001.

Department of Infrastructure data indicates that the City of Manningham's population is expected to increase by around 3.4% between 2001 and 2021. Utilising the identified percentage increase for the entire municipality, the potential population in the Doncaster Hill precinct may increase to around 465 or by around 15 persons over the 20 year period. Dwellings would be in excess of 250. This is considered to be a minimum growth scenario.

It should be noted that if current residential development trends in the Doncaster Hill Precinct were to continue (such as Sovereign Point and related developments and planning approval for the Doncaster Holden site), population growth within the precinct would certainly exceed the estimated 3.4% growth rate over the 20 year period.

[9] Population based on the '15 and over' age bracket derived from the 1996 Census. Population and dwellings forecasts to 2000 calculated by the City of Manningham.

3.1.2 Scenario 2 – 'Medium Density'

This scenario focuses on Council adopting a Strategy which supports limited medium and high density development within the Doncaster Hill precinct (buildings ranging between 4 and 5 storeys).

Based on the afore-mentioned assumptions and data sources, the following table highlights the likely demand for medium and high-density in the short term (2001 to 2006). The outcome in turn provides valuable base data (combined with other industry data) to establish likely demand over the extended 20 year timeframe.

In this instance the local government areas of Whitehorse and Banyule have been excluded from the analysis largely due to product differentiation and potential availability of 'comparable' residential product within both municipalities.

For the purposes of analysis, the table is divided into 2 sections with:

- **Section A** focusing on the City of Manningham and the percentage of residents indicating a desire to relocate over within the next 5 years to medium and high-density accommodation within the municipality.
- **Section B** focusing on the City of Manningham and the percentage of residents indicating a desire to relocate within the next 5 years to medium and high-density accommodation outside the municipality.

  It is considered that the City of Manningham could capture this market if product was available. At present, residents are likely to relocate to precincts which supply medium and high-rise accommodation such as the Melbourne Central Business District, St. Kilda and Queens Road or Southbank.

As mentioned, it is important to note that the City of Maroondah has been excluded from the analysis largely due to the 'mooted' development of their own 'high density node', whilst the City of Nillumbik has been excluded largely due to the lack of synergies between the proposed development at Doncaster Hill and existing product within the municipality.

Key Assumptions:

Section A:

The key assumptions are as follows:

- ❑ A total of 38,214 households within the City of Manningham (as at 2001);[10]
- ❑ 21.9% of existing households intending to move over the next <u>five</u> years;
- ❑ 12.8% of existing households intending to move to 'multi-unit or flat / apartments' accommodation;
- ❑ In terms of the City of Manningham - 52% of households intending to move <u>but</u> remain within the municipality;
- ❑ In terms of likely capture rates (based on professional judgement and a review of industry data) - 75% of households intending to move <u>but</u> remain within the municipality,
- ❑ Average household size of 2.04.[11]

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[10] Source: Department of Infrastructure (Victoria in Future).

[11] 'New Inner City Residents Survey, 2000' prepared by BIS Shrapnel for the City of Melbourne). This data is considered to the most recent profile of medium and high-density residents.

Key Assumptions:

Section B:

The key assumptions are as follows:

- ❑ A total of 38,214 households within the City of Manningham (as at 2001);[12]
- ❑ 21.9% of existing households intending to move over the next <u>five</u> years;
- ❑ 12.8% of existing households intending to move to 'multi-unit or flat / apartments' accommodation;
- ❑ In terms of the City of Manningham - 52% of households intending to move <u>but</u> remain within the municipality;
- ❑ In terms of likely capture rates (based on professional judgement and a review of industry data) - 75% of households intending to move <u>but</u> remain within the municipality,
- ❑ Average household size of 2.04.[13]

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[12] Source: Department of Infrastructure (Victoria in Future).

[13] 'New Inner City Residents Survey, 2000' prepared by BIS Shrapnel for the City of Melbourne. This data is considered to the most recent profile of medium and high-density residents.

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Conclusions:

Based on the assumptions, the table indicates that the likely demand for medium and high-density accommodation between 2001 and 2006 is:

- Approximately **418 households** from residents (whom indicate a desire to relocate over within the next 5 years to medium and high-density accommodation);
- Approximately **109 households** from the City of Manningham (whom indicate a desire to relocate within the next 5 years to medium and high-density accommodation). In other words, 'induced' from other medium and high-density precincts such as Melbourne Central Business District, Southbank and St. Kilda and Queens Road (outside the City of Manningham) through the provision of medium and high-density accommodation which was previously not provided;
- In total, **527 households,** which equates to a **population of 1,074**[14] – an absorption rate of approximately **105 per annum** in the first 5 years. This scale of development may not provide the 'critical mass' required over the first five years to:
  - facilitate the required change in perception of Doncaster Hill (ultimately attracting potential 'medium and high-rise' residents which may relocate to other municipalities);
  - generate retail and commercial development which is an integral component of a viable urban village.

More importantly, in the early years the absorption is likely to be lower than the average for a number of reasons (and not restricted to) acceptance of the 'urban village' concept, progress to critical mass and construction.

In the longer term, it is difficult to predict events over the next 15 to 20 years, particularly with regard to the inevitable emergence of the secondary market as mentioned and its impact on the demand for 'off the plan' apartments. However, it is considered that the likely apartment absorption would equate to at least 105 apartments per annum over a 20 year timeframe for a number of reasons (some previously mentioned) including establishment of a critical mass, market acceptance of a 'new' product / latent demand, household growth and recent medium and high-density apartment trends.

The key driver is clearly the changing demographic profile, in particular the growth in the '35 and over' age bracket. According to Department of Infrastructure forecasts, in the City of Manningham this age bracket will grow by around 8,606 people between 2001 and 2021. Notably, the '50 and over' age bracket will grow by around 8,200 over this period.

[14] 'New Inner City Residents Survey, 2000' prepared by BIS Shrapnel for the City of Melbourne). This data is considered to the most update profile of medium and high-density residents.

In summary, the total number of households is around 2,100 and a population of 4,300 people over the 20 year timeframe.

The application of a 10% vacancy rate would reduce the overall population to around 3,870.

3.1.3 Scenario 3 – 'High Density Strategy'

The third scenario focuses on the Council adopting a Strategy which supports 'un-restricted' development within the Doncaster Hill precinct.

The following table highlights the likely demand for medium and high-density in the short term (2001 to 2006). The outcome in turn provides valuable base data (combined with other industry data) establish the likely demand over the extended 20 year timeframe.

For the purposes of analysis, the table is divided into 2 sections with:

- **Section A** focusing on the local government areas of Manningham, Whitehorse and Banyule and the percentage of residents indicating a desire to relocate over within the next 5 years to medium and high-density accommodation <u>within</u> the municipalities.
- **Section B** focusing on the local government areas of Manningham, Whitehorse and Banyule and the percentage of residents indicating a desire to relocate over within the next 5 years to medium and high-density accommodation <u>outside</u> the 3 municipalities.

It is considered that the City of Manningham could capture this market (Section B) if product was available. At present, residents are likely to relocate to precincts which supply medium and high-rise accommodation such as the Melbourne Central Business District, St. Kilda and Queens Road or Southbank.

As mentioned, it is important to note that the City of Maroondah has been excluded from the analysis largely due to the 'mooted' development of their own 'high density node', whilst the City of Nillumbik has been excluded largely due to the lack of synergies between the proposed development at Doncaster Hill and existing product within the municipality.

Key Assumptions:

Section A:

The key assumptions are as follows:

- Total household numbers of 38,214, 58,098 and 44,101 for the City of Manningham, City of Whitehorse and the Shire of Banyule respectively (as at 2001);[15]
- 21.9% of existing households intending to move over the next <u>five</u> years;

[15] Source: Department of Infrastructure (Victoria in Future).

- 12.8% of existing households intending to move to 'multi-unit or flat / apartments' accommodation;
- In terms of:
  - City of Manningham - 52% of households intending to move but remain within the municipality,
  - City of Whitehorse and City of Banyule – 48% of households intending to move outside the municipality;
- In terms of likely capture rates (based on professional judgement and a review of industry data):
  - City of Manningham - 75% of households intending to move but remain within the municipality,
  - City of Whitehorse and City of Banyule – 25% of households intending to move outside the municipality;
- Average household size of 2.04.[16]

Key Assumptions:

Section B:

The key assumptions are as follows:

- Total household numbers of 38,214, 58,098 and 44,101 for the City of Manningham, City of Whitehorse and the Shire of Banyule respectively (as at 2001);
- 21.9% of existing households intending to move over the next five years;
- 20.3% of existing households intending to move to 'inner or central Melbourne;
- 12.8% of existing households intending to move to 'multi-unit or flat / apartments' accommodation;
- In terms of likely capture rates (based on professional judgement and a review of industry data):
  - City of Manningham - 50% of households intending to move but remain within the municipality,

[16] 'New Inner City Residents Survey, 2000' prepared by BIS Shrapnel for the City of Melbourne. This data is considered to the most recent profile of medium and high-density residents.

o City of Whitehorse and City of Banyule – 25% of households intending to move outside the municipality;

- Average household size of 2.04.

INSERT SCENARIO 3

Conclusions:

Based on the assumptions, the table indicates that the likely demand for medium and high-density accommodation between 2001 and 2006 is:

- approximately **762 households** from residents (whom indicate a desire to relocate over within the next 5 years to medium and high-density accommodation);
- approximately **254 households** from the City of Manningham (whom indicate a desire to relocate within the next 5 years to medium and high-density accommodation). In other words, 'induced' from other medium and high-density precincts such as Melbourne Central Business District, Southbank and St. Kilda and Queens Road (outside the City of Manningham) through the provision of medium and high-density accommodation which was previously not provided;
- in total, **1016 households,** which equates to a **population of 2,072**[17] – an absorption rate of approximately **203 per annum** in the first 5 years. This scale of development would provide the 'critical mass' required over the first five years to:
    - facilitate the required change in perception of Doncaster Hill (ultimately attracting potential 'medium and high-rise' residents which may relocate to other municipalities);
    - generate retail and commercial development which is an integral component of a viable urban village.

It should be noted that in the early years the absorption is likely to be lower than the average for a number of reasons (and not restricted to) acceptance of the 'urban village' concept, progress to critical mass and construction.

Once again, in the longer term, it is difficult to predict events over the next 15 to 20 years, particularly with regard to the inevitable emergence of the secondary market and its impact on the demand for 'off the plan' apartments. However, it is considered that the likely apartment absorption would equate to at least 200 apartments per annum over a 20 year timeframe for a number of reasons (some previously mentioned) including establishment of a critical mass, market acceptance of a 'new' product / latent demand, household growth and recent medium and high-density apartment trends.

As per Scenario 2, the key driver is clearly the changing demographic profile, in particular the growth in the '35 and over' age bracket. According to Department of Infrastructure forecasts, in the City of Manningham this age bracket will grow by around 8,606 people between 2001 and 2021. Notably, the '50 and over' age bracket will grow by around 8,200 over this period.

[17] 'New Inner City Residents Survey, 2000' prepared by BIS Shrapnel for the City of Melbourne). This data provides the most recent profile of medium and high-density residents.

In summary, the total number of households is around 4,080 and a population of 8,300 people over the 20 year timeframe.

The application of a 10% vacancy rate would reduce the overall population to around 7,400.

3.1.4 Summary of all Scenarios

The following table summarises each scenario in terms of total dwellings, total population (including and excluding vacancy rate) and absorption rates per annum.

Scenario Summary

2001 - 2021

Scenarios	Total Dwellings	Total Population	Total Population (inc. Vacancy Rate)	Absorption Rate (per annum)
Scenario 1[18]	250	465	N / A	N / A
Scenario 2	2,100	4,300	3,870	105
Scenario 3	4,080	8,300	7,400	203

[18] As mentioned, Scenario 1 is considered to be a minimum growth scenario.

3.2 Analysis of Emerging Markets and Key Absorption Factors

3.2.1 Latent Demand - City of Melbourne

MacroPlan have reviewed the key medium and high-density markets in the City of Melbourne which have evolved in recent years (i.e. Melbourne Central Business District, Melbourne Docklands) as an indication of:

- The absorption rate on a per annum basis in infant markets (and the potential impact of Council initiatives such as the City of Melbourne's 'Postcode 3000'),
- Potential 'latent' demand for medium and high-density development in and around the City of Manningham,
- Emerging markets and the continued acceptance of medium and high-density accommodation from the greater population,
- Future supply of medium and high density markets;

The analysis forms part of MacroPlan's professional judgement.

Market acceptance is a key characteristic of future demand for medium and high density, and notably the stimulation of latent demand. A review the 4 key 'medium and high-density apartments' precincts in Melbourne have been undertaken. The analysis highlights the total supply of apartments since 1990 and the supply of apartments currently under construction.

Importantly, the City of Melbourne's Postcode 3000 (introduced around 1993) established confidence for both developers and purchasers in regard to medium and high-density development in an 'emerging' market. A similar document for the City of Manningham would afford similar market confidence and induce latent demand.

The key precincts are as follows:

- **Melbourne Central Business District**

  The Melbourne CBD is largely defined as the area bounded by Spencer Street to the west; Flinders Street to the south; Spring Street to the east; and LaTrobe Street, Victoria Street, Therry Street and Dudley Street to the north;

- **Southbank**

  The Southbank precinct is largely defined as the area bounded by the Yarra River to the north (including the area surrounding the World Trade Centre, north to Flinders Street and east to Spencer Street); St. Kilda Road, Sturt Street, Dodds Street and Wells Street to the east; Kings Way, Bank Street, Market Street and Gladstone Street to the south; and Montague Street / Charles Grimes Bridge to the west;

- **St. Kilda and Queens Road**

  The St. Kilda Road and Queens Road precinct is largely bounded by Albert Road and Queens Road bordering Albert Park Lake to the south (to St. Kilda Junction); St. Kilda Road to the east, including the southern portion of Chapel Street; and St. Kilda Road north to Coventry Street.

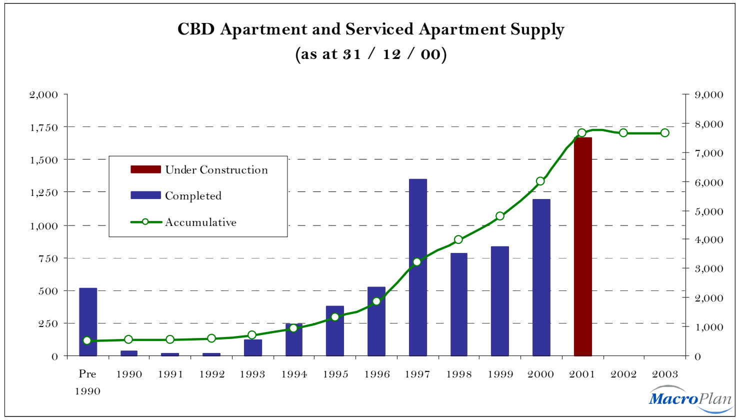
- **Melbourne Docklands**

  The precinct is largely defined as the area bounded by Docklands Esplanade (currently Footscray Road) and Dudley Street to the north; Spencer Street to the east; Flinders Street, Docklands Esplanade and Lorimer Street to the south and Citylink / Western Link to the west.

The following graphs highlight the number of apartment and serviced apartments completed and under construction as at 31st December 2000 in three of the four key precincts. Due to limited development and construction at Melbourne Docklands, activity has not been represented graphically.

A. Melbourne Central Business District

The following graph indicates that as at 31st December, 2000 a total of 5,994 apartment and serviced apartments had been constructed in the Melbourne Central Business District, with a further 1,668 apartment and serviced apartments under

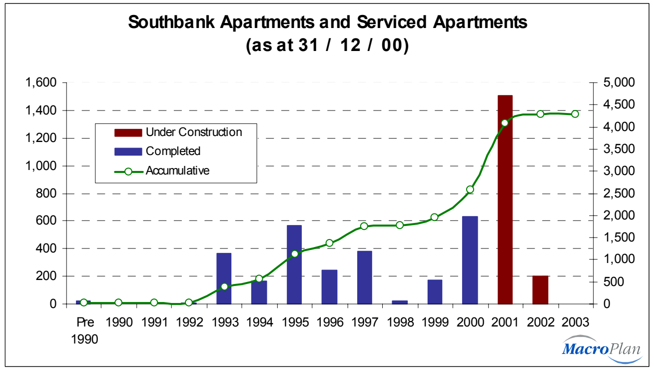


construction and scheduled for completion in 2001.

Notably, apartment and serviced apartments construction peaked at 1,350 in 1997, however this will be surpassed in 2001 with over 1,600 units scheduled for completion.

B. Southbank

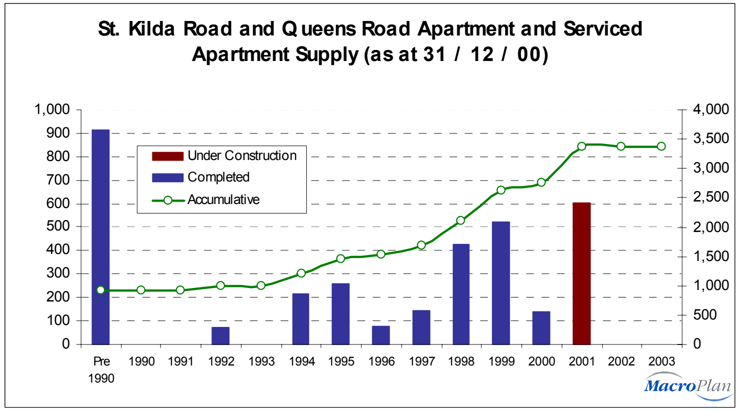
The following graph indicates as at 31st December 2000 a total of 2,577 apartment and serviced apartments had been constructed in the Southbank precinct, with an additional 1,708 apartment and serviced apartments were under construction.



Notably, apartment and serviced apartments peaked at 633 in 2000 however this will be surpassed in 2001 with around 1,500 apartments scheduled for completion.

C. St. Kilda Road and Queens Road

The following graph indicates as at 31st December, 2000 a total of 2,765 apartment and serviced apartments had been constructed in the St. Kilda and Queens Road precinct, with around 600 apartments and serviced apartments under construction and scheduled for completion in 2001.



Apartment and serviced apartments construction peaked at 522 in 1997, however this will be surpassed in 2001 with over 601 units scheduled for completion.

D. Melbourne Docklands

As at 31st December 2000, a total of 745 apartments were under construction. It should be noted that a minimum of two precincts, (excluding Batman's Hill and Victoria Harbour) comprise residential development, totalling around 3,800 apartments in medium to high rise buildings. The total apartment supply at completion is likely to exceed 7,500.

In summary, the following table indicates that within the City of Melbourne:

- 11,336 apartments and serviced apartments have been completed across all precincts;
- A further 4,722 are currently under construction and scheduled for completion in 2001 and 2002 respectively.

The percentage of the total for each precinct is shown in *blue italic font* (i.e. 53% of all completed apartments developments are located within the Melbourne CBD).

Apartment and Serviced Apartments

As at 31st December, 2000

Precinct	Completed (% of Total Completed)	Under Construction (% of Total Under Construction)
Melbourne CBD	5,994 *(53%)*	1,668 *(35%)*
Southbank	2,577 *(23%)*	1,708 *(36%)*
St. Kilda Road and Queens Road	2,765 *(24%)*	601 *(13%)*
Melbourne Docklands	0	745 *(16%)*
Total	**11,336**	**4,722**

Importantly, the following table highlights apartment and serviced apartment absorption across all precincts since 1993 (introduction of the City of Melbourne's Postcode 3000). It should be noted that this is based on completed apartments only and **does not** include apartments under construction and apartments currently being marketed by developers.[19]

Apartment and Serviced Apartments since 1993

As at 31st December, 2000

Precinct	Total Constructed	Absorption per Annum (Since 1993)
Melbourne CBD	5,415	676
Southbank	2,549	318
St. Kilda Road and Queens Road	1,779	222
Melbourne Docklands	0	0
Total	**9,743**	**1,216**

[19] According to MAB Docklands and Mirvac, more than 1,400 apartments have been sold over the last 2 years, with around 745 apartments under construction - an annual absorption rate of around 700 per annum. During this period the absorption of apartments and serviced apartments continued to rise in all inner Melbourne precincts (Melbourne CBD with around 1,000 apartments per annum, Southbank and St. Kilda and Queens Road with around 400 and 330 per annum respectively).

Apartment absorption is around 1,200, with the Melbourne CBD precinct comprising a total of 676 apartments per annum, followed by Southbank with 318 apartments per annum.

Importantly, and of particular relevance to the City of Manningham, the above data highlights:

- That where new segments are introduced to the market, latent demand can be induced.[20]

  High-rise development has commenced at Doncaster Hill and the City of Manningham is now in a position to capitalise on the emerging trend.

- As per Scenario 3, the total demand for medium and high-density accommodation in the City of Manningham is estimated 1,016, around 6% of the current inner Melbourne apartment supply completed and under construction;

- As per Scenario 3, the City of Manningham's short term absorption of around 204 apartments per annum is:

  - significantly less than the City of Melbourne precincts which have had around 1,200 units built per annum since the introduction of 'Postcode 3000' in 1993,

  - as per Scenario 3, notably less than the City of Melbourne precincts (and, in fact in total equivalent to 1993 / 1994 absorption, when the market was in its infancy);

- It is considered likely that the City of Manningham would capture a 'share' of the growing inner city apartment market over the next 20 years.

- The absorption rate in the City of Manningham excludes the 'inboard' attraction from the City of Maroondah and the Shire of Nillumbik. It is expected that the City of Manningham would attract some demand from these municipalities also.

3.2.2 Household and Population Growth

Department of Infrastructure data indicates that the 35^{+} years of age market is likely to experience the strongest growth the next 20 years as evidenced by the following table. The table shows a likely increase in the 35^{+} of around 35,500 persons across all municipalities, with the City of Manningham experiencing an increase of around 8,600 persons.

This segment will also impact on the future demand for medium and high density accommodation in the medium to short term.

Population Growth -2001 – 2021

[20] Initially, in the case of Melbourne Docklands there was significant scepticism in regard to the 'acceptance' of apartment living in the Melbourne Docklands, in particular the initial anticipated apartment absorption rate of which were considered optimistic. However, as footnoted around 1,400 apartments have been sold since marketing commenced in 1999.

Local Government Area (L.G.A.)	Population Growth (35+)
City of Manningham	8,606
City of Whitehorse	18,967
Shire of Banyule	7,857
Total	**35,430**

Notably, migrations to and from the municipality will affect future age structures and demands for housing types, however this impact will not be as significant as the ageing process.

3.2.3 Cultural Diversity

Discussions with industry professionals indicate that a significant number of 'off the plan' inner Melbourne apartments are sold to people from Asian origins. Anecdotal evidence also suggests that this particular demographic has a strong preference for 'new' medium and high-density dwellings as opposed to existing available stock.

According to the 1996 Census, 8.17%, 6.12% and 2.30% of residents from Manningham, Whitehorse and Banyule respectively were born in Asian countries (notably Hong Kong and Malaysia). The Melbourne Statistical Division (MSD) percentage is only 4.94%. Residents from Manningham and Banyule in particular are likely to add to the likely absorption rates over the next 20 years.

3.2.4 Investor Market

Another important consideration in respect of the future absorption of medium and high-density accommodation apartments is the investor market. While it is difficult to establish the potential demand from this market sector, anecdotal evidence suggests that the inner Melbourne precincts have been subject to strong interest from investors (in particular the Southbank and the Melbourne Docklands).

3.2.5 Existing Tenants

Furthermore, discussions with industry professionals in conjunction with anecdotal evidence of the inner Melbourne apartment market suggest that a percentage of 'owner occupiers' are likely to be sourced from existing tenants (renters) - hence an additional tier to demand in the 5 –15 years timeframe.[21]

3.2.6 Current Inner City Residents (Induced Back to the City of Manningham)

Anecdotal evidence (discussions with active developers and industry professionals) suggests that over the last 7 years, a number of residents residing in the City of Melbourne have relocated from the outer municipalities such as Manningham (and

[21] As mentioned, data is difficult to access and aggregate, in particular that relating to the demographic profile of current residents (eg. age, income, occupation, marital status) and movement patterns. Active developers and industry professionals are reluctant to disclose information of a commercial nature.

Whitehorse and Banyule).[22] It is considered the provision of medium and high-density accommodation at Doncaster Hill may 'induce' former residents to return to the municipality.

22 Ibid.

4 FUTURE DEMAND – RETAIL AND COMMERCIAL

Retail, commercial, entertainment and recreational services are required to achieve critical mass and to influence consumer perceptions. The following section highlights provides a brief market overview of the retail and commercial property sectors along with the identification of potential regional demand for retail and commercial development ('supportable floorspace') with respect to each of the three development scenarios. It is important to note that there is limited data available in regard to the eastern retail and commercial property markets.

4.1 Market Overview

4.1.1 Shop Front

Of all the direct property markets in Australia, the retail sector has outperformed both office and industrial over the long term (since December 1984) with a total return of 13.4% per annum (income and capital growth). In fact, the sub categories of 'super / major regional' retail and 'neighbourhood' retail have returned a total of 14.4% and 14.3% per annum respectively over the same period to outperform all markets. For the twelve months to September 2000, the Australian Retail market softened on it's long term average, returning 11.5%. Neighbourhood Retail remained strong however, returning 14.6% for the twelve months placing it on top of all national property markets and ranking it second of the total 24 market categories.

With the east and south east regions having by far the greatest populations, it is not surprising that they have the highest quantity of gross lettable area of centres in metropolitan Melbourne with 624,277 square metres and 513,673 square metres respectively. Notably, the in regard to the break-up of space it has a comparatively higher quantity of floor area in the eastern region being occupied by sub-regional centres (37.9% of the total centre floor space, compared to only 20.5% in the south east region). The eastern region's high number of sub regionals is partly explained by the absence of a super regional centre, whereas Westfield Shoppingtown and Southland dominate the south east region.[23]

4.1.2 Office

Demand throughout Melbourne is strong, with any hidden vacancy now absorbed; the local economy is producing very high levels of take up. The strong take-up has resulted in a dramatic reduction to vacancy, which is currently at 8.1% having dropped from 13.9% over the preceding 12 months. During the recovery, vacancies have improved sequentially starting with the better quality stock and moving down through the quality grades. Premium Grade floorspace is now at 1.9% vacancy, compared to 7% just over 12 months ago.

A Grade floorspace is now down to 5.1%, whilst the biggest improvements went to B and C Grades, having dropped to 9.4% and 12.9% respectively from 18.6% and

[23] CB Richard Ellis, Dec 2000

24.3% just 12 months ago. By geographic sector, the eastern and spencer precincts are currently the healthiest at 5.4% and 4.8% respectively.[24]

The low vacancy levels in the eastern suburban market have transferred into prime net market rents ranging from $165 to $200 per square metre.[25]

4.2 The Scenarios

4.2.1 Retail Floorspace

Based on data sourced from the City of Manningham, the estimated retail floorspace currently within the Doncaster Hill precinct is 76,396 square metres comprising:

- Westfield Shoppingtown - 59,771 square metres;
- Showrooms – 15,007 square metres;
- Other retail – 1,618.

It is acknowledged that Westfield Shoppingtown can currently increase total gross letable floor area to 135,000 sqm. Retail forecasts included are in addition to this development approval.

A. Scenario 1 - 'No Strategy'

[24] Ibid.

[25] There is limited data available in regard to the eastern sector (which comprises the City of Manningham).

Analysis undertaken by MacroPlan utilising Australian Bureau of Statistics data (Household Expenditure Survey) indicates that the estimated increase in dwellings in the Doncaster Hill Precinct to 250 would support an additional 925 square metres of retail floor space. It is important to note that the additional floorspace is based on 100% retention of 'generated' expenditure. However, it is considered that only 65% would be retained within the Doncaster Hill precinct, in turn reducing the additional supportable floorspace to around 600 square metres.

The detailed analysis based is located in Appendix 1, whilst potential space users are located in Appendix 2.

B. Scenario 2 - 'Medium Density Strategy'

This scenario delivers around 2,100 households and a population of 4,300 people over the 20-year timeframe. However, the application of a 10% vacancy rate would reduce the overall population to around 3,870.

Analysis undertaken by MacroPlan utilising Australian Bureau of Statistics data (Household Expenditure Survey) indicates that the estimated increase in dwellings in the Doncaster Hill Precinct to 2,100 would sustain an additional 7,768 square metres of retail floor space. Once again, the additional floorspace is based on 100% retention of 'generated' expenditure. However, it is considered that only 65% would be retained within the Doncaster Hill precinct, in turn reducing the additional supportable floorspace to around 5,050 square metres (around 30% of the existing retail floorspace).

The detailed analysis based is located in Appendix 1, whilst potential space users are located in Appendix 2.

C. Scenario 3 - 'High Density Strategy'

This scenario delivers a total of 4,800 households and a population of 8,300 people over the 20-year timeframe. Once again, the application of a 10% vacancy rate would reduce the overall population to around 7,400.

The estimated 4,000 apartments over the 20 years timeframe would generate critical mass and induce regional demand for retail and commercial development which is an integral component of a viable urban village - representing a sustainable community environmentally, economically and socially.

Analysis undertaken by MacroPlan utilising Australian Bureau of Statistics data (Household Expenditure Survey) indicates that the estimated increase in dwellings in the Doncaster Hill Precinct to 4,080 would sustain an additional 15,091 square metres of retail floor space. Once again the additional floorspace is based on 100% retention of 'generated' expenditure. However, it is considered that only 65% would be retained within the Doncaster Hill precinct, in turn reducing the additional supportable floorspace to around 9,800 square metres (around 60% of the existing retail floorspace).

The detailed analysis is located in Appendix 1, whilst potential space users are located in Appendix 2.

4.2.2 Office / Commercial Floorspace

As mentioned, there is limited data available in regard to the eastern commercial property market, in particular absorption rates.

Based on data sourced from the City of Manningham, the estimated office floorspace currently within the Doncaster Hill precinct is 22,050 square metres. The majority is 'corporate' with 21,700 square metres, with the balance of 350 square metres being 'SoHo'.[26] Over an estimated 15 – 20 year timeframe this equates to an annual absorption of between 1,100 – 1,500 square metres per annum.

'Corporate size / location sites are primarily taken up (and to this extent not available for development) in the Doncaster Hill precinct. However, research by MacroPlan indicates that one large-scale development site in Doncaster Road was recently sold. Consultation with the selling agent (CB Richard Ellis) indicates a potential commercial / office tower development which could comprise between 4,000 and 6,000 square metres of floorspace. If the development proceeds, it is considered that this would satisfy any immediate 'corporate' demand for office floorspace in the Doncaster Hill precinct. Over the 20 year timeframe (to 2021) it is estimated that the maximum absorption of commercial office / floorspace across all sectors (corporate, serviced and 'SoHo') would be around 20,000 (or around 1,000 square metres per annum) for each of the 3 scenarios.

The following table summarises the supportable retail and commercial / office floorspace for each of the 3 development scenarios.

[26] 'SoHo' – Small Office Home Office

Summary of 3 Demand Scenarios

Supportable Residential, Retail and Commercial / Office Floorspace

Scenarios	Total Dwellings	Retail Floorspace (100% Retention) (Sqm)	Retail Floorspace (65% Retention) (Sqm)	Commercial / Office Floorspace (Sqm)
Scenario 1[27]	250	925	**600**	**20,000**
Scenario 2	2,100	7,768	**5,050**	**20,000**
Scenario 3	4,080	15,091	**9,800**	**20,000**

The supportable retail analysis excludes Shoppingtown. It should be noted the 'mainstreet' shop-front retailing of 7,798 – 15.091 sqm is relatively small in comparison with:

- Chapel Street, Prahran — 567 retail shops approx. 86,000m
- Bridge Road Richmond — 360 retail shops approx. 51,000m
- Burke Road Camberwell — 206 retail shops approx. 36,000m
- Church Street Brighton — 211 retail shops approx. 26,000m
- High Street Armadale — 230 retail shops approx. 24,000m
- Brunswick Street — 260 retail shops approx. 46,000m

27 As mentioned, Scenario 1 is considered to be a minimum growth scenario.

5 APPENDIX 1 – SUPPORTABLE FLOORSPACE

Scenario 1 – 'No Strategy'

Scenario 2 – 'Medium Density Strategy'

Scenario 3 – 'High Density Strategy'

Summary – ‘All Scenarios’

6 APPENDIX 2 – POTENTIAL MIX OF SPACE

The potential mix would include (and is not all inclusive):

Personal Services:

- Chemist (s);
- Café (s);
- Newsagency;
- Tattslotto;
- Doctor's surgery (s);
- Herbalist (s)
- Health and Beauty:
  - gym,
  - cosmetics,
  - oils soaps, oil burners, and
  - body wraps / mud wraps,
  - sauna,
  - manicure (i.e. nail polishing / gel nails),
  - pedicure,
  - waxing;
- Massages:
  - reflexology,
  - hydrotherapy,
  - aromatherapy,
  - shiatsu;
- Hairdresser (s);
- Meditation;
- Stress Management;
- Healthy Nutrition;
- Yoga;
- Chinese Medicine;
- Skin care;
- Weightloss;
- Butchers (Australian, Asian, European, etc.);
- Book shop (s);
- Bottle shop (s) / Wine Cellars;
- Homewares including art, sculpture, kitchenware, etc.
- Giftware's;
- Clothing:

- mens,
- womens,
- specialty;

- Specialty stores for particular demographic sectors (i.e. elderly, professional, etc.);
- Art gallery;
- Library;
- Children's activities (amusement games, recreational, educational);
- Video;
- TAB / Gaming;
- Physiotherapists;
- Pathology laboratories;

Professional Services:

- Post office;
- Banks and building societies;
- Travel agents
- Childcare;
- Florists;
- Real estate agent;
- Nursery;
- Travel agent;
- Dry-cleaners;
- Cleaners;
- Optometrist;
- Jeweller;
- Locksmith;
- Specialty food and catering;
- Pet store;

Retail Services:

- Supermarket / Greengrocers / Specialists;
- Fast food / Take-away food;
- Tailor (s);
- Hotels / Winebars;
- Music (CD store, Instruments, etc.);
- Sports store;
- Audio repairs;

- Mobile phone dealers (s);
- Showrooms (vehicle, furniture, bedding, etc.);
- Recreation services (hiking, biking, roller blading);
- Internet cafe;
- Showrooms:
  - automotive,
  - furniture,
  - white-goods,
  - other.