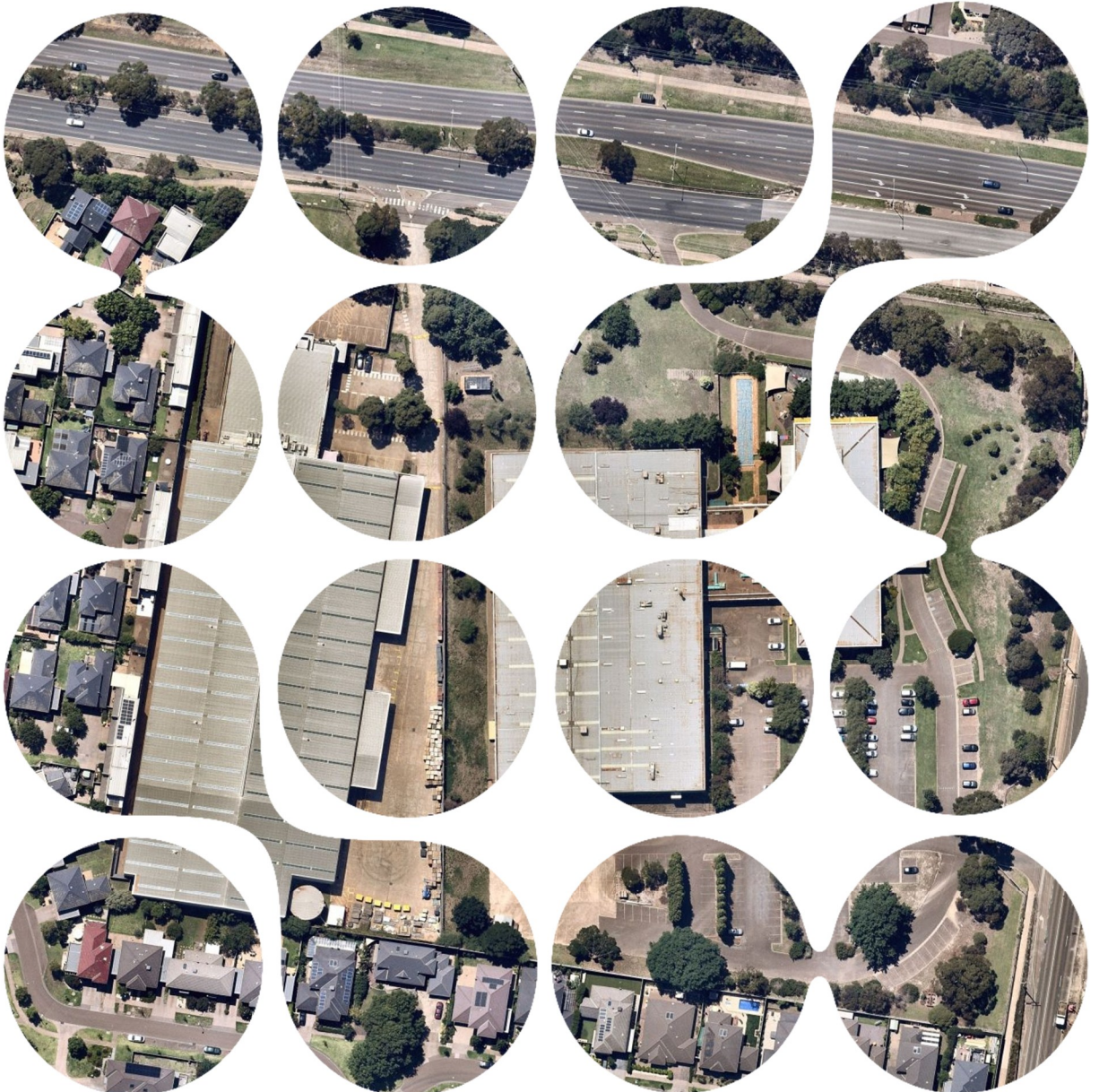


# Monash Amendment C159 Economic Expert Statement

Justin Ganly

Prepared for Frondell Properties Pty Limited and JKD Mulgrave Property Pty Limited  
7 April 2020



**Deep End Services**

Deep End Services is an economic research and property consulting firm based in Melbourne. It provides a range of services to local and international retailers, property owners and developers including due diligence and market scoping studies, store benchmarking and network planning, site analysis and sales forecasting, market assessments for a variety of land uses, and highest and best use studies.

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**Document Name**

FrondeLL and JKD Mulgrave report - Monash Am C159 Economic  
Expert Statement - J Ganly - 7 Apr 20

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This report should be read in its entirety, as reference to part only may be misleading.

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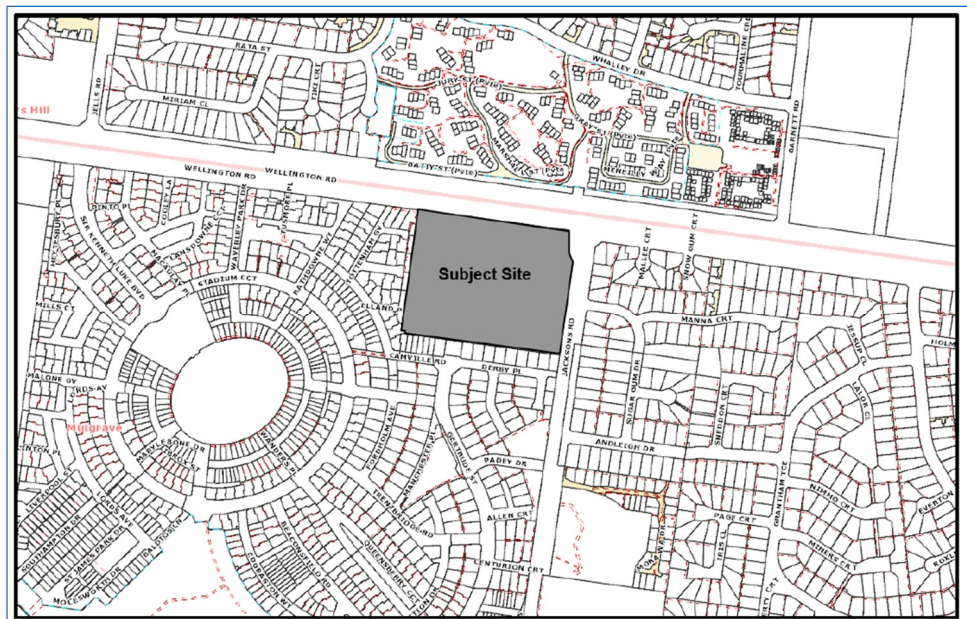
# 1

## Introduction

- 1.1 Background**
- 01 I have been instructed in this matter by Hall & Wilcox Lawyers, acting on behalf of Frondell Properties Pty Limited and JKD Mulgrave Property Pty Limited, the owners of the land at 1 Jacksons Road and 636 Wellington Road, Mulgrave (“subject site”).
  - 02 The subject site has a land area of approximately 5.34 hectares and is located at the south-west corner of the intersection of Wellington Road and Jacksons Road as shown in Figure 1.

Figure 1—Am C159 subject site

Source: Am C159 Explanatory Report



<sup>03</sup> Amendment C159 to the Monash Planning Scheme (“Am C159”) proposes to “rezone the land at 1 Jacksons Road, Mulgrave and 636 Wellington Road, Mulgrave to facilitate the improved development potential of the land, including for residential development”.

<sup>04</sup> Specifically, Am C159:

- *Rezones the whole site from Commercial 2 Zone to the Mixed Use Zone - Schedule 2.*
- *Deletes the Design and Development Overlay Schedule 1*
- *Applies the Design and Development Overlay Schedule 16 over the whole site.*
- *Applies the Environmental Audit Overlay over the whole site.*
- *As a consequence amend Schedule to Clause 32.04 to read Schedule 1.*

<sup>05</sup> Amongst other things, the exhibited Am C159 documentation included the report *1 Jacksons Road & 634 Wellington Road, Mulgrave – Economic report for rezoning from Commercial 2 Zone to Mixed Use Zone, 3 December 2018* (“Economic Report”) which was authored by Chris Abery, Director, Deep End Services.

<sup>06</sup> The Economic Report is provided in my statement at Appendix B.

## 1.2 Instructions

<sup>07</sup> My instructions from Hall & Wilcox were provided in writing on 12 February 2020 and included the following:

*3.1 Our client has instructed us to engage you to:*

*(a) Revisit and update the economic report, as necessary, in light of the proposed new vision for the Land, any relevant new data and having regard to other strategic developments (for example the Suburban Rail Loop);*

*(b) meet in conference with Counsel and our client to discuss the Amendment;*

*(c) if required, prepare an expert witness statement addressing economic matters and attend the Panel hearing to give evidence.*

<sup>08</sup> The “proposed new vision for the Land” was elucidated as:

*2.20 Essentially, the new hub is intended to be predominantly residential with potential complementary uses including health and aged care services, a childcare centre, ongoing community market, and other potential uses including small-scale office and retail space.*

### 1.3 Approach

<sup>09</sup> In responding to my instructions, I have undertaken the following tasks:

1. Reviewed the relevant background material provided within my brief from Hall & Wilcox and from other sources as appropriate.
2. Considered the three submissions made in response to the exhibited Am C159.
3. Carried out a site and neighbourhood inspection.
4. Considered and assessed relevant data and information released since the Economic Report was prepared.
5. Presented my findings in this expert evidence statement in accordance with the Planning Panels Victoria Guide for Expert Evidence preparation of April 2019.

### 1.4 Abbreviations

<sup>10</sup> The following abbreviations are used in this statement:

ABBREVIATION	EXPLANATION
ABS	Australian Bureau of Statistics
Am C159	Amendment C159 to the Monash Planning Scheme
C2Z	Commercial 2 Zone
Council	Monash City Council
Economic Report	<i>1 Jacksons Road &amp; 634 Wellington Road, Mulgrave – Economic report for rezoning from Commercial 2 Zone to Mixed Use Zone, 3 December 2018</i> prepared by Chris Abery, Director, Deep End Services
ha	Hectare
MUZ	Mixed Use Zone
SA2	Statistical Area 2
subject site	1 Jacksons Road & 634 Wellington Road, Mulgrave
UDP	Urban Development Program
SUZ	Special Use Zone

### 1.5 Expert witness details

#### Name and address of expert

Mr Justin Ganly  
 Managing Director  
 Deep End Services Pty Ltd  
 Suite 304, 9-11 Claremont Street  
 South Yarra Victoria 3141

#### Expert's qualifications and experience

- Graduate Diploma of Applied Finance & Investment, Securities Institute of Australia.
- Bachelor of Engineering (Chemical) (First Class Honours), University of Melbourne.
- Managing Director of Deep End Services since 2003.
- Retail and property consultant for KPMG, Coopers & Lybrand and Coles Myer from 1993 to 2003.
- A full CV is included at Appendix A



#### Expert's area of expertise to make report

- Preparation and presentation of economic expert witness evidence.
- Feasibility analysis and market assessments for property owners and developers of all forms of property.
- Demographic analysis.
- Population forecasting.
- Thorough understanding of factors affecting land use and development patterns throughout Victoria.

#### Instructions that defined the scope of the report

I received written instructions from Hall & Wilcox dated 12 February 2020 to prepare a statement of economic evidence in relation to Am C159 as detailed in Section 1.2 of this report.

#### Facts, matters and assumptions upon which the report proceeds

Stated in relevant sections of this report.

#### Documents, materials and literature used in preparing this report

Stated in relevant sections of this report.

#### Identify of the person who carried out any tests or experiments relevant to this report

I was assisted in the preparation of this report by the following employees of Deep End Services:

- Alexandra Hopley, Senior Associate.

#### Summary of the opinions of the expert

I endorse the findings of the Economics Report prepared in December 2018 for the subject site and recommend the following:

- The site's 5.34 ha of C2Z land can be withdrawn from industrial land supply as it an ineffective island site supporting minimal employment and with poor competitive prospects compared to other land in the region; and
- Rezoning the site to the MUZ is appropriate and will allow for the delivery of higher-density housing and associated amenity as well as complementary uses such as small-scale retail, child care and health facilities in a setting which is both attractive and well-positioned for public transport access.

#### Provisional opinions not fully researched

None.

#### Questions outside the expert's expertise

None.

Report incompleteness or inaccuracies

None.

# 2

## Economic Report review

**2.1 Background** <sup>11</sup> The Economic Report was completed on 3 December 2018 and a copy is attached to this statement as Appendix B.

<sup>12</sup> The report was authored by Chris Abery, a Director within my office.

**2.2 Conclusions** <sup>13</sup> The conclusions of the Economic Report are reproduced below:

*Local planning policy of the City of Monash supports the retention of industrial and commercial land for employment generating purposes. The two sites at Mulgrave are however of very low strategic value in the context of the industrial land supply in Monash and the land use and economic changes which have occurred since the initial use was conceived.*

*The larger of the two sites (1 Jacksons Road) was developed 45 years ago when housing estates in Mulgrave and Wheelers Hill were being developed, the Waverley Park football ground was just two years old and the Monash Freeway link from Chadstone to Eumemmering was under construction.*

*The two sites are now surrounded by housing, forming an isolated industrial node which is removed from other industrial land and out of context with the surrounding residential and retirement village uses.*

*The early edge-of-city advantages of the site have been eroded as the buildings and facilities have aged and new, more efficient buildings in planned estates with on-site amenities are available elsewhere with equal or better freeway connections. The industrial market in Monash has expanded and consolidated to the technology node around Monash University and the more traditional areas through Oakleigh, Clayton and Springvale.*

*The loss of 5.3 hectares of Industrial 1 zone is of little significance given the relatively low rate of industrial land development in Monash and the large existing supply of land and buildings.*

*For new businesses entering or relocating in Monash, there are new industrial buildings available for lease, others readily turning over for re-lease and significant redevelopment opportunities in the older areas where traditional activities have declined and will be displaced by modern buildings more suited to the market. The slow but steady take up of the Monash technology precinct and Caribbean Gardens at Scoresby are better examples of where the market is shifting.*

*The elevation and eastern aspect of both sites and the new residential interface with Waverley Park, makes the land far more suited to a mixed-use scheme with residential and commercial use.*

*An ageing population and low diversity of housing choice support higher density housing, aged care and medical uses. These and other on-site uses under the Mixed Use zone can meet the needs of the structural demographic changes occurring in the area and allow residents to move close to their existing networks.*

*On our analysis, there is a case to support a range of higher density uses permitted under the Mixed Use zone.*

*In conclusion, there are positive economic and employment benefits in rezoning the site to Mixed Use zone and no material impacts on the effective supply of high quality industrial land in Monash. The change will allow the land to revert to a range of higher and better uses which should deliver a net gain in jobs and economic activity.*

<sup>14</sup> I agree with the conclusions of the Economic Report but will provide more specific and up to date opinion as I have been instructed in the balance of this section of my statement.

## 2.3 Updates

### 2.3.1 Vision

<sup>15</sup> As stated earlier, the updated vision for the subject site is as follows:

*Essentially, the new hub is intended to be predominantly residential with potential complementary uses including health and aged care services, a childcare centre, ongoing community market, and other potential uses including small-scale office and retail space.*

<sup>16</sup> Given that Am C159 seeks to rezone the subject site to the MUZ, the updated vision is appropriate.

<sup>17</sup> I then proceed on the basis that:

- The subject site could be developed to add higher-density housing (predominately in the form of apartments, with some of these potentially used for retirement or aged care living);
- Any new retail uses developed on the subject site would be modest in scale so as to provide some on-site amenity but would not impact upon the orderly operation of nearby centres (including the Wheelers Hill NAC and Waverley Park Local Centre); and
- A number of the use categories nominated in the updated vision are currently (or previously) operating on the subject site, including office, child care and community market.

### 2.3.2 On-site employment

<sup>18</sup> The Economic Report set out in Section 5.7 on page 31 that the subject site supported just 75 jobs in December 2018.

<sup>19</sup> This represented a ratio of 14 jobs per ha, considerably less than is typically observed in similar locations (i.e. 100 jobs per ha or more) and more commensurate with job densities in fringe larger-scale industrial areas.

<sup>20</sup> I observe that OfficeMax has now ceased operating from 634 Wellington Road and that the warehouse at 1 Jacksons Road is now unused.

<sup>21</sup> A maximum of 70 jobs would now therefore be supported on site, split between a 500 sqm administration base for Link Health and Community and a childcare centre.

### 2.3.3 Industrial land supply and occupancy

<sup>22</sup> Table 1 on page 19 of the Economic Report provided analysis of industrial land supply – both occupied and vacant – for all of the City of Monash as well as relevant adjoining areas of Knox and Greater Dandenong as at 2006 and 2017.

<sup>23</sup> I have added to this data – which is sourced from the State Government’s Urban Development Program (“UDP”) – with the results from the 2018 UDP as shown below:

**Table 1— Industrial land supply and occupancy 2007 & 2018 (ha)**

Source: Deep End Services; UDP

Area / zone	2017				2018			
	Occupied	Vacant	Total	% vacant	Occupied	Vacant	Total	% vacant
<b>City of Monash</b>								
C2	20.2	0.0	20.2	0.0%	20.0	0.0	20.0	0.0%
IN1	276.7	1.2	277.9	0.4%	277.9	0.2	278.1	0.1%
SUZ6	403.6	7.9	411.4	1.9%	405.6	7.3	413.0	1.8%
<b>Total</b>	<b>700.5</b>	<b>9.1</b>	<b>709.6</b>	<b>1.3%</b>	<b>703.5</b>	<b>7.5</b>	<b>711.1</b>	<b>1.1%</b>
<b>City of Knox (part)</b>								
C2	172.6	33.6	206.2	16.3%	177.5	28.8	206.3	13.9%
IN1	197.1	18.2	215.3	8.5%	204.7	10.8	215.4	5.0%
<b>Total</b>	<b>369.7</b>	<b>51.8</b>	<b>421.5</b>	<b>12.3%</b>	<b>382.2</b>	<b>39.5</b>	<b>421.7</b>	<b>9.4%</b>
<b>City of Gr. Dandenong (part)</b>								
C2	137.9	0.6	138.6	0.5%	135.3	3.3	138.6	2.4%
IN1	123.0	0.4	123.4	0.3%	123.1	0.4	123.5	0.3%
<b>Total</b>	<b>260.9</b>	<b>1.1</b>	<b>262.0</b>	<b>0.4%</b>	<b>258.4</b>	<b>3.7</b>	<b>262.1</b>	<b>1.4%</b>
<b>Total all areas</b>	<b>1,331.2</b>	<b>62.0</b>	<b>1,393.1</b>	<b>4.4%</b>	<b>1,344.1</b>	<b>50.8</b>	<b>1,394.9</b>	<b>3.6%</b>

<sup>24</sup> The take up of industrial land within the C2Z, IN1Z and SUZ6 in the City of Monash continues to be very modest, with the only activity taking place within the IN1Z and, more significantly, the SUZ6 (i.e. within the Monash Technology Precinct). Total consumption was just 3.0 ha in 2018.

<sup>25</sup> On the other hand, industrial land continues to be absorbed within the City of Knox at a much higher rate, with 12.5 ha consumed between 2017 and 2018.

<sup>26</sup> Within the City of Knox, the Caribbean Business Park is generating the most significant amount of industrial land activity

<sup>27</sup> The Business Park is in the C2Z, adjoins Eastlink and contains more than 50 office and industrial tenants on an approximately 200 ha site (i.e. almost 40 times larger than the subject site which is also in the C2Z).

<sup>28</sup> The master planned estate includes a range of high quality industrial and warehouse buildings, has attractive landscaping, extensive parklands and the lakeside feature of the Caribbean Market area. Additional amenities in the Business Park include child care, dining, significant open space and a gymnasium.

<sup>29</sup> A 170-room Hyatt Hotel is also planned to be developed along Eastlink’s frontage.

<sup>30</sup> Since 2015, the southern section of the Business Park has been the focus of development, with the addition of 6 new office buildings and a multi-level carpark. The extent of this development is shown on Figure 2.

Figure 2—  
Caribbean Business  
Park – aerial  
imagery

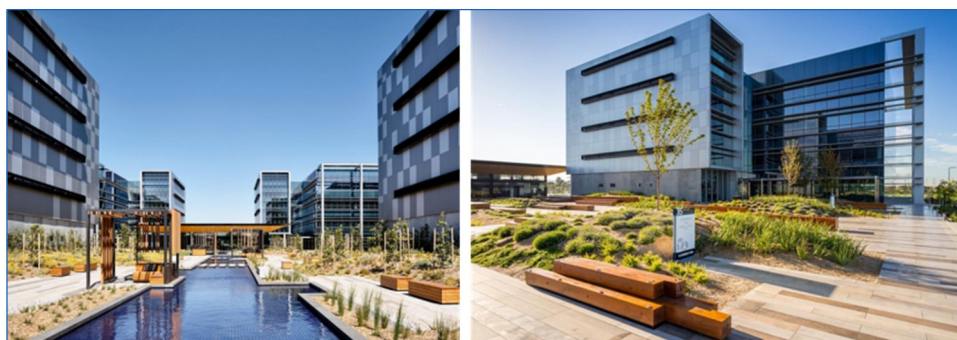
Source: Deep End  
Services; Nearmap



<sup>31</sup> The latest two buildings (and carpark) were completed in mid-2019 and added 16,000 sqm of A grade office space, with images of these buildings provided within Figure 3.

**Figure 3—New commercial offices, Caribbean Business Park**

Source: Caribbean Business Park



<sup>32</sup> In my opinion, it is virtually impossible for a development on the subject site to compete with other industrial estates and business parks within the region, with the contrast to the Caribbean Business Park being stark.

<sup>33</sup> Indeed, the City of Monash should continue to direct its focus to the higher-value Monash Technology precinct rather than to insignificant and isolated locations such as the subject site to ensure an ongoing industrial employment base within the City.

<sup>34</sup> The Economic Report also examined the supply of existing industrial-warehouse properties for lease within Table 2 and Figure 11 on page 22 of that report.

<sup>35</sup> I have updated the table and figure to incorporate data from April 2020 and this is presented within my Table 2 and Figure 4 below.

**Table 2 — Industrial & warehouse properties listed for lease by suburb**

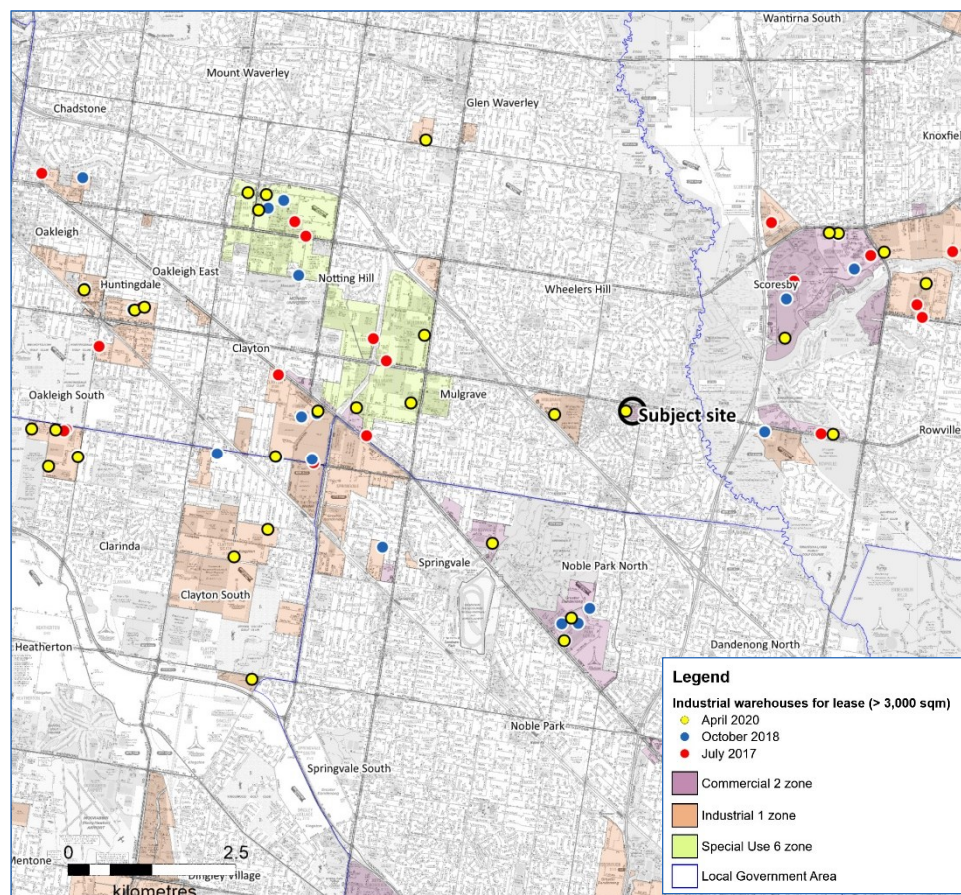
Source: Deep End Services; commercialrealestate.com.au; realcommercial.com.au; commercialpropertyguide.com.au; commercialview.com.au

Local Gov't Area / suburb	Industrial - Warehouses for lease (>3,000 sqm)		
	July 2017	October 2018	April 2020
<b>City of Monash</b>			
Clayton	4	5	3
Oakleigh	4	3	1
Mt Waverley	2	2	3
Mulgrave	4	0	4
Notting Hill	-	1	0
Huntingdale	1	1	2
Oakleigh South	1	0	4
<b>Total Monash</b>	<b>16</b>	<b>12</b>	<b>17</b>
<b>Knox (part)</b>			
Scoresby	4	3	3
Knoxfield	1	0	1
Rowville	4	1	2
<b>Total Knox (part)</b>	<b>9</b>	<b>4</b>	<b>6</b>
<b>Dandenong (part)</b>			
Springvale	-	1	1
Noble Park North	-	4	2
<b>Total Dandenong (part)</b>	<b>-</b>	<b>5</b>	<b>3</b>
<b>Total all areas</b>	<b>25</b>	<b>21</b>	<b>26</b>



**Figure 4—Office & warehouse properties for lease (>3,000 sqm)**

Source: Deep End Services; commercialrealestate.com.au; realcommercial.com.au; commercialpropertyguide.com.au; commercialview.com.au



- 36 From this data, it is apparent that there continues to be a relatively large number of existing industrial properties of scale similar to that currently provided on the subject site which are available for lease throughout the region.
- 37 Indeed, there are more such properties available for lease within Mulgrave, the City of Monash and the region now than there have been in either July 2017 or October 2018.
- 38 Most significantly, almost all of the available properties are significantly more modern and better integrated within other industrial/commercial developments than those on the subject site.

### 2.3.4 Residential demand

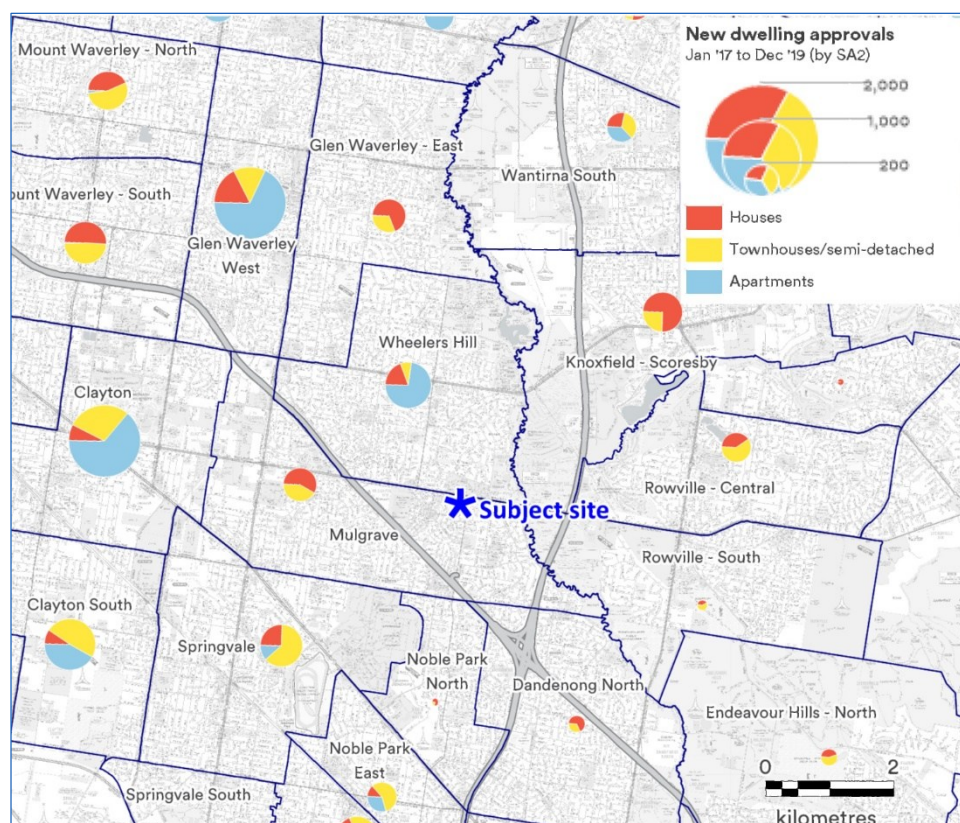
- <sup>39</sup> The Economic Report examined a range of data in relation to local demographics and population forecasts.
- <sup>40</sup> There has been no significant release of recent data which would result in my opinions departing from those provided within the Economic Report.
- <sup>41</sup> The key opinions are:
- The region surrounding the subject site is ageing and significant amounts of new but smaller forms of accommodation will be required for these residents;
  - There is a high level of in-migration of residents of Asian descent (both younger and older residents); and
  - Housing affordability poses specific challenges for the future supply of new dwellings.
- <sup>42</sup> In my opinion, the subject site is well situated to provide solutions to these challenges, via the potential delivery of apartments or townhouses.
- <sup>43</sup> On-site amenity could be provided via small-scale retail facilities permissible in the MUZ while access is convenient to the Local Centre at Waverley Park and the Wheelers Hill NAC.
- <sup>44</sup> I also observe the subject site is extremely well served by frequent bus connections to train stations at Caulfield, Dandenong and Glen Waverley (the latter of which is to be a key station on the Suburban Rail Loop).

### 2.3.5 Residential supply

<sup>45</sup> Figure 5 shows dwelling approvals by type of dwelling within the region for 2017-2019.

**Figure 5—Dwelling approvals by type of dwelling, 2017-2019 (by SA2)**

Source: Deep End Services; ABS



<sup>46</sup> Apartments have been developed at significant rates within suburbs such as Glen Waverley, Clayton and Clayton South for a decade or more.

<sup>47</sup> However, the Melbourne-wide trend is for apartments to be developed in suburbs which are 'further out' than more traditional locations in response to affordability issues, planning policies and changing demographics.

<sup>48</sup> In the region surrounding the subject site, it is apparent that Wheelers Hill has already become a focus for higher-density living, with 443 of 612 dwelling approvals (i.e. 72%) being for apartments between 2017 and 2019.

<sup>49</sup> The contrast to the housing stock profile at the time of the 2016 Census is stark, with apartments accounting for just 3.5% of dwellings in Mulgrave and Wheelers at that time.

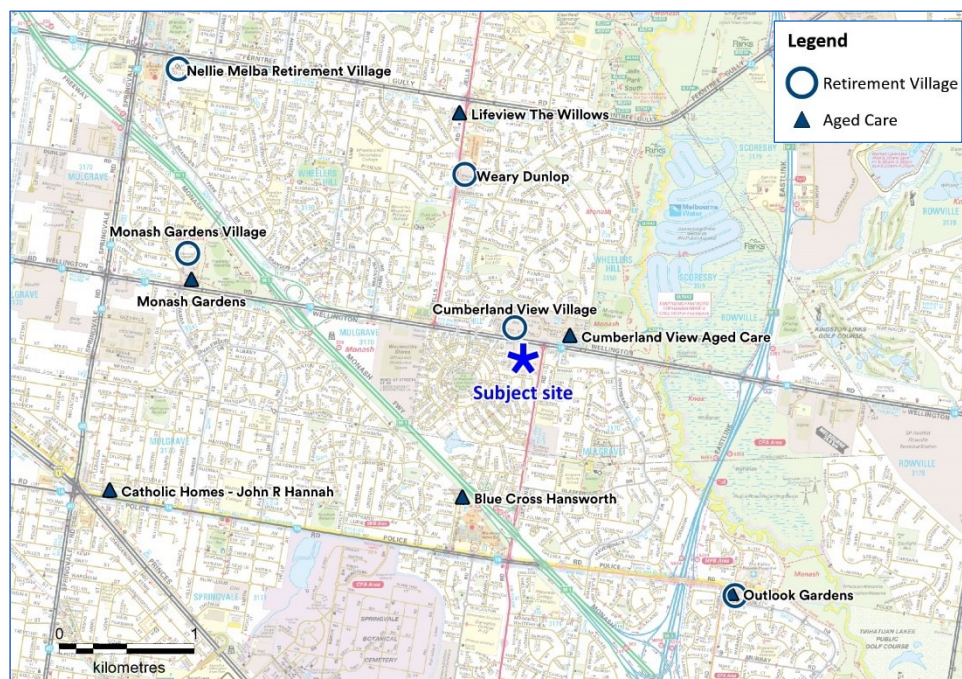
<sup>50</sup> The Economics Report also highlighted the significant supply of retirement villages and aged care facilities operating within the region.

<sup>51</sup> Since the completion of the report, another retirement village has opened nearby in Wheelers Hill.

- <sup>52</sup> Known as the Nellie Melba Retirement Village, the facility opened in April 2019 and offers 118 units in a vertical living arrangement. Residents have the choice of independent living in apartments (serviced or non-serviced) as well as aged care and specialist dementia care.
- <sup>53</sup> Shared facilities include an indoor heated swimming pool, café, spa, gym, library, movie theatre, hairdresser, billiard room and bowling green.
- <sup>54</sup> The locations of retirement villages and aged care facilities within the region are shown on Figure 6 and, in my opinion, the subject site would be ideally placed to contain another modern, integrated and vertical facility.

**Figure 6—  
Retirement Villages  
& Aged Care**

Source: Deep End  
Services



# 3

## Submissions

- <sup>55</sup> A total of three submissions were made to the exhibited Am C159.
- <sup>56</sup> One of these (SUB3) was made by the EPA (and was generally supportive) but does not contain any issues which are relevant to my expertise.
- <sup>57</sup> The other two submissions (SUB1 and SUB3) were made by local residents.
- <sup>58</sup> Again, most of the issues raised in these objecting submissions – including excessive bulk, overlooking, traffic, flora, fauna, lack of open space etc – are not relevant to my expertise.
- <sup>59</sup> However, there are two issues raised which are relevant to me.
- <sup>60</sup> The first is that the development of apartments and/or student accommodation in this location could be a “white elephant”, with such product more appropriate elsewhere within Monash.
- <sup>61</sup> As discussed in the previous section of this report, I consider that the subject site is an ideal location for the development of apartments, with demand driven by both older and younger residents.
- <sup>62</sup> Bus connections, which are frequent on a range of routes with bus stops ‘at the front door’ on Wellington Road and Jacksons Road, would enhance the attractiveness of the site as would the pleasant easterly and elevated nature of the site.
- <sup>63</sup> With respect, notions of ‘white elephant’ development can be dismissed as residential developments do not occur until presales commitments reach a threshold level.
- <sup>64</sup> The alternative are the dated and largely unoccupied buildings which dominate the subject site.

- <sup>65</sup> The second issue raised is that any commercial premises – including retail – which choose to operate from within the proposed development would “face failure”.
- <sup>66</sup> Again, I disagree because, as stated earlier, any commercial development would be modest in nature and would only be supported to provide amenity to in-site residents and workers.
- <sup>67</sup> This is the typical ‘market-led’ approach I would expect to guide development within the MUZ in this location.

# 4

## Conclusions

<sup>68</sup> As instructed, I have reconsidered the Economics Report prepared in December 2018 for the subject site based upon:

- The exhibited Am C159;
- More recent data and information;
- The updated vision for the site; and
- Submissions made in relation to Am C159.

<sup>69</sup> I endorse the findings of the report and recommend the following:

- The site's 5.34 ha of C2Z land can be withdrawn from industrial land supply as it an ineffective island site supporting minimal employment and with poor competitive prospects compared to other land in the region; and
- Rezoning the site to the MUZ is appropriate and will allow for the delivery of higher-density housing and associated amenity as well as complementary uses such as small-scale retail, child care and health facilities in a setting which is both attractive and well-positioned for public transport access.

<sup>70</sup> In arriving at this conclusion I confirm that I have made all the inquiries that I believe are desirable and appropriate and that no matters of significance which I regard as relevant have to my knowledge been withheld from the Panel.



**JUSTIN GANLY**  
Managing Director, Deep End Services  
7 April 2020

## Appendix A Curriculum vitae for Justin Ganly

<b>Current Position</b>	Managing Director, Deep End Services Pty Ltd
<b>Previous Positions</b>	<p>Associate Director, KMPG February 1999 – June 2003</p> <p>National Real Estate Analyst, Coles Myer January 1998 – February 1999</p> <p>Managing Consultant, Coopers &amp; Lybrand Consultants August 1993 – December 1997</p> <p>Senior Consultant, Andersen Consulting January 1990 – July 1993</p>
<b>Academic Qualifications:</b>	<p>Graduate Diploma of Applied Finance and Investment Securities Institute of Australia, 2003</p> <p>Bachelor of Chemical Engineering (First Class Honours) University of Melbourne, 1989</p>
<b>Professional Affiliations:</b>	<p>Board Member, MAB Corporation Advisory Board</p> <p>Member, Property Council of Australia</p> <p>Associate Member, Large Format Retail Association</p> <p>Member, Victorian Planning &amp; Environmental Law Association</p>
<b>Skills / Attributes:</b>	<ul style="list-style-type: none"> <li>• Experienced economic expert</li> <li>• Well developed modelling and forecasting skills</li> <li>• Clear and thorough communicator in both written and verbal presentations</li> <li>• Experience in dealing with all major retailers in Australia and New Zealand</li> <li>• Detailed knowledge of all major property classes within Australia and New Zealand</li> <li>• Developing knowledge of markets in Asia, USA and the Middle East</li> <li>• Well known in the business community via involvement with clients and through commentary in newspapers and on television programs.</li> </ul>



**Professional Experience:**

**Managing Director, Deep End Services (July 2003 – current)**

- Justin established Deep End Services in July 2003 and now employs twelve staff based in Melbourne and one based in Sydney
- Deep assists clients with a common requirement - the need to quantify the effects of the location of their business or property on sales, profitability, growth and income. “DEEP” represents three core service areas:
  - Demand Evaluation
  - Economics
  - Planning
- Within each of these three areas, Deep End Services provides consulting advice to retailers, property owners, property developers and others such as financial institutions, infrastructure providers and industry associations. The products offered included:
  - Store network planning and sales forecasting
  - Acquisition due diligence
  - Feasibility analysis
  - Economic impact assessment
- Deep’s property clients include:
  - AMP, Aventus Property, Axiom Properties, Brookfield Multiplex, Cbus Property, Charter Hall Retail REIT, Dennis Family Corporation, Hamton, Harvey Norman, ISPT, Lend Lease, MAB Corporation, Macquarie Bank, Mirvac, Orica, Pellicano, Places Victoria, Stockland, Villawood, Walker Corporation and Westfield
- Deep’s retail clients include:
  - ALDI, Anaconda, Baby Bunting, Beacon Lighting, Clark Rubber, Coles, Costco, Gazal Group, Harris Scarfe, Noni B, Officeworks, Orotan, Petbarn, Pillow Talk, Spotlight, The Good Guys and Woolworths
- Deep’s other clients include:
  - Archer Capital, InterContinental Hotels Group, Development Victoria, Large Format Retail Association, Medibank, Melbourne Racing Club, Newcastle Permanent Building Society, NSW Department of Planning & Environment, Reading Entertainment and Victorian Planning Authority

**Professional Experience cont.:**

**Associate Director, KPMG (February 1999 - 2003)**

- Based in Melbourne, but working on assignments throughout Australia and New Zealand, Justin worked closely with Bernard Salt, Australia's leading business demographer, to provide consulting services to clients requiring independent assistance on retail, property, demand and/or demographic issues.
- Services and clients at KPMG and Coopers & Lybrand Consultants included:
  - Planning & litigation support (AMP, Coles, Myer, Macquarie CountryWide)
  - Shopping centre development (AMP, Gandel, Leda, Macquarie CountryWide)
  - New location feasibility studies (Bunnings, Melbourne Museum, Reading Cinemas)
  - Store location network strategies (Freedom Furniture, Barbeques Galore, Rebel Sport)
  - Demand analysis (Strandbags, Just Jeans, Jeans West)
  - Specialty store micro-siting (Australia Post, Terry White, Strandbags).

**National Real Estate Analyst, Coles Myer (January 1998 - 1999)**

- Employed as Coles Myers' National Estate Analyst in a position within the Shared Services team based at Tooronga in Melbourne.
- The key responsibilities in this position were the development of store sales forecasting models for all major Coles Myer brands (including Myer Grace Bros, Kmart, Target, Coles and Bi-Lo) plus delivery of sales forecasts for proposed new or refurbished stores for use in capital allocation decisions.

**Managing Consultant, Coopers & Lybrand Consultants (August 1993 - December 1997)**

- Employed as a Managing Consultant in C&LC's Property Group, which comprised up to 40 staff located in offices in Melbourne, Sydney, Brisbane, Adelaide and Canberra.
- The Melbourne operation was responsible for providing consulting advice to clients involved in retail, property ownership and property development in Australia, New Zealand and South East Asia. This group transferred to KPMG in early 1998.

**Senior Consultant, Andersen Consulting (January 1990 - 1993)**

- Employed as a Senior Consultant in the Systems Integration Group in the Melbourne office and was involved in systems installation such as the design and installation of a retail property management system in Auckland.

## Appendix B Economic Report

# 1 Jacksons Road & 634 Wellington Road, Mulgrave

Economic report for rezoning from Commercial 2 Zone to Mixed Use Zone

Frondeil Properties Pty Ltd  
3 December 2018



**Deep End Services**

Deep End Services is an economic research and property consulting firm based in Melbourne. It provides a range of services to local and international retailers, property owners and developers including due diligence and market scoping studies, store benchmarking and network planning, site analysis and sales forecasting, market assessments for a variety of land uses, and highest and best use studies.

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**Document Name**

Economic report Jacksons Rd & Wellington Rd sites Mulgrave - 3  
Dec 2018  
07.04.20

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This report should be read in its entirety, as reference to part only may be misleading.

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# 1

## Introduction

The owners of two adjoining properties at Mulgrave, known as the former Body Shop site (1 Jacksons Road) and the OfficeMax site (634 Wellington Road) are collaborating to pursue a rezoning of their land from Commercial 2 zone to a Mixed Use zone.

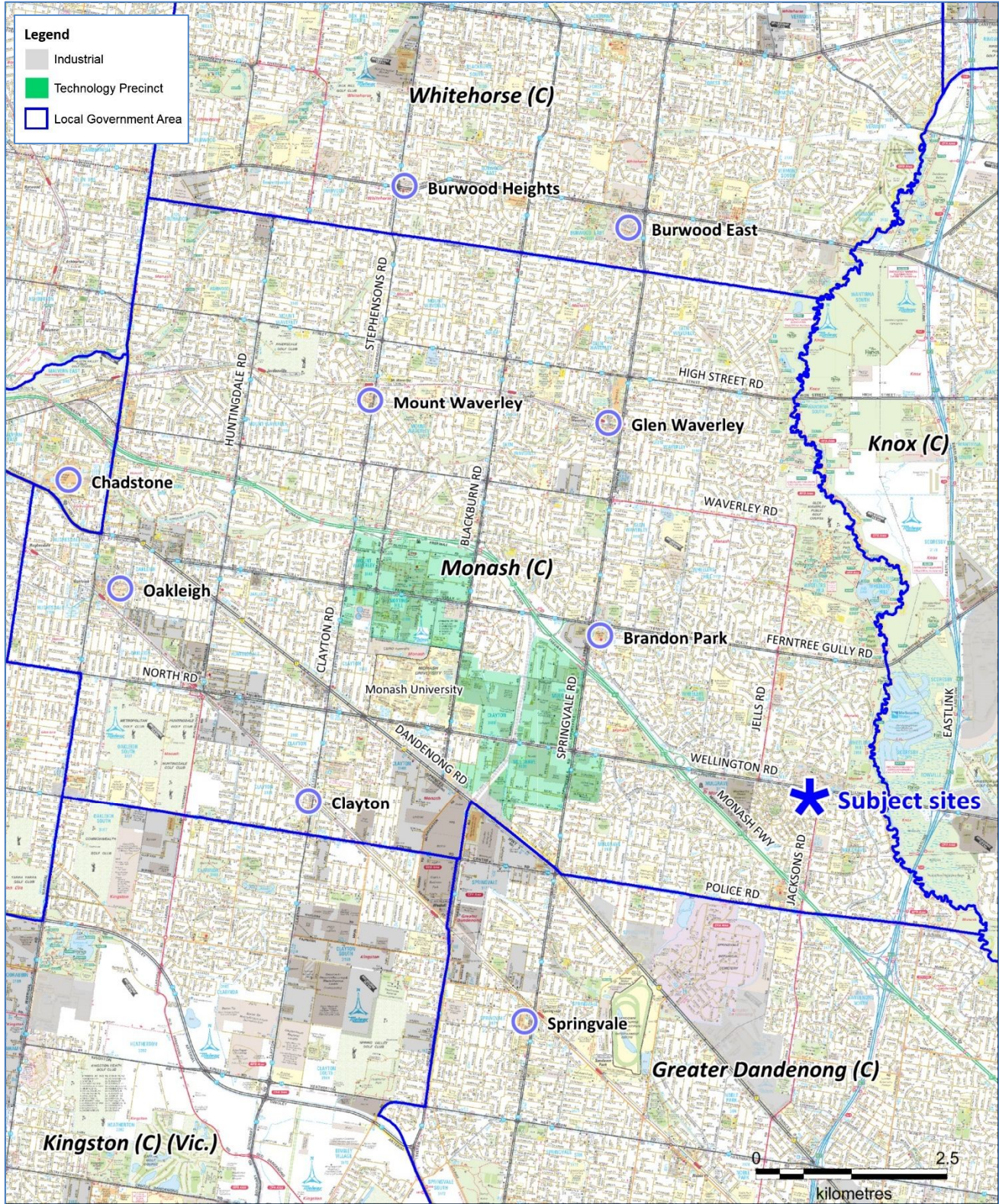
The proposed rezoning and Schedule to the Design and Development Overlay will facilitate a change of use from the old and generally redundant office-warehouse uses on the two sites to a medium rise built form which could accommodate a range of uses under the Mixed Use zone including residential, accommodation, aged care, office, shop, child care, medical centre and others.

This report provides an economic and market assessment of the site and opportunity and the benefits and impact, if any, on commercial / industrial land supply in the City of Monash. Specifically, it considers:

- Whether the properties are still attractive or suited to the existing uses and forms of development – namely large scale business or industrial purposes?
- Whether the loss of Commercial 2 land is significant in the context of the broader supply of similar zoned land in the City of Monash or adjoining areas?
- Whether other similarly zoned land is better located and suitable for commercial or industrial development?
- Whether the site is better suited to a mixed land use scheme?
- The economic and employment benefits in rezoning the land.



Figure 1—Regional location



Source: Ausway. Mapinfo,

# 2

## Location and planning context

### 2.1 Site description

#### Location

The subject sites (1 Jacksons Road and 634 Wellington Road) are located on the south-west corner of Jacksons Road and Wellington Road in the City of Monash (refer Figure 2).

The separate but adjoining properties have a combined site area of approximately 5.3 hectares and long-established office-warehouse uses. The land falls sharply from its west boundary to Jacksons Road with both sites cut into the natural levels. The existing uses are anomalous with the surrounding area which is characterised by established housing estates, a large retirement village and new housing on Mirvac's Waverley Park site.

Wellington Road is a 6-lane divided arterial which crosses the metropolitan area between Brighton (North Road) and Lysterfield in the Dandenong Ranges. Where it passes the two sites it carries about 40,000 vehicles per day<sup>1</sup>. The Mulgrave section of Wellington Road is an important link between the Monash Freeway (1.4 km west of the site) and Eastlink (1.4 km east).

Jacksons Road extends south from Wellington Road as an important north-south link, passing under the Monash Freeway at Waverley Gardens Shopping Centre to the Princes Highway at Noble Park. At this point, it becomes Chandler Road and continues for another 4.3 km to Cheltenham Road and the Dandenong Bypass.

Wellington Road is the physical boundary between the suburbs of Wheelers Hill to the north and Mulgrave to the south. Wheelers Hill has had a stable population of over the last 10 years edging up from 20,600 in 2006 to almost 21,00 in 2016. Mulgrave to the south has grown by about 20% in the same period to almost 20,500

<sup>1</sup> Source: Vic Roads Traffic Volume Data – February 2016.

people – mainly through the redevelopment of the former Waverley Park football ground.

The area surrounding the site is characterised by:

- Established housing estates in Wheelers Hill and Mulgrave developed from the late 1960's through to the late 1980's.
- The 250-unit Cumberland Village Retirement Village and Aged Care facility on the north side of Wellington Road, opposite the site.
- New housing through the Waverley Park estate. Mirvac acquired the 86 hectares of land which housed the former Waverley Park football ground and its car parking areas in 2001. The land has been progressively developed with townhouses and two-storey homes with the last stage off Jacksons Road now selling. At full development, the area is expected to have 1,400 dwellings or over 3,000 people. The oval and former members stand has been retained and redeveloped as a training venue and administration facility for the Hawthorn Football Club and small community hub with a neighbourhood café, fish & chip shop, convenience store, Goodlife Health Club, dentist and physiotherapist.
- An industrial area of 31 hectares west of Waverley Park bounded by Wellington Road and the Monash Freeway. About two-thirds of this area is Woolworths' Victorian distribution centre and state offices. The balance of the industrial land is occupied by Ensign Laboratories and Renold manufacturing.

Figure 2—Locality

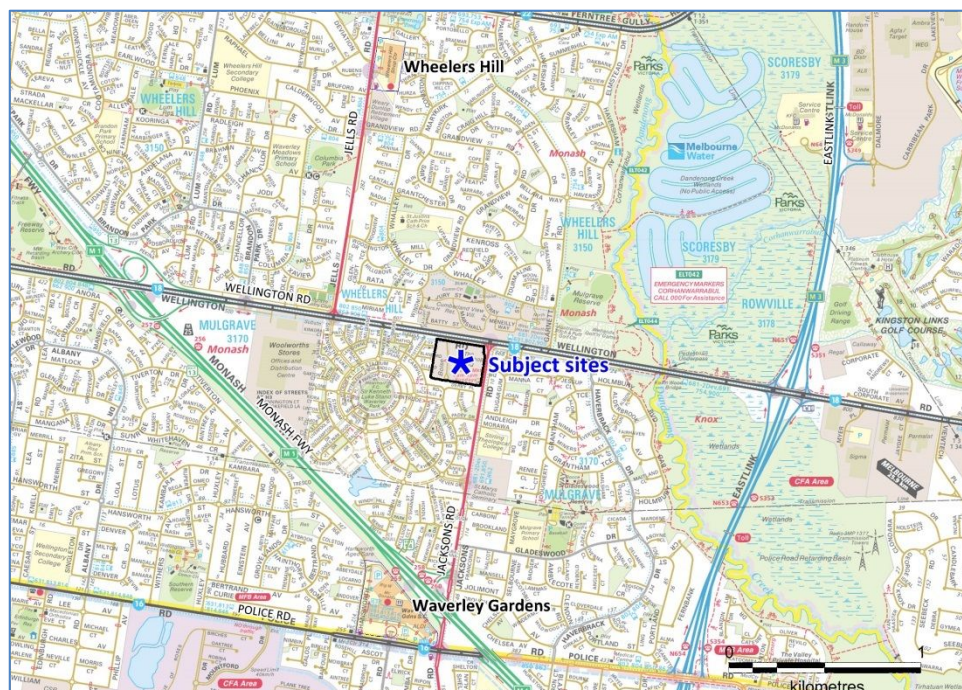


Figure 3—Aerial image - 7 October 2018



Source: Nearmap, Deep End Services

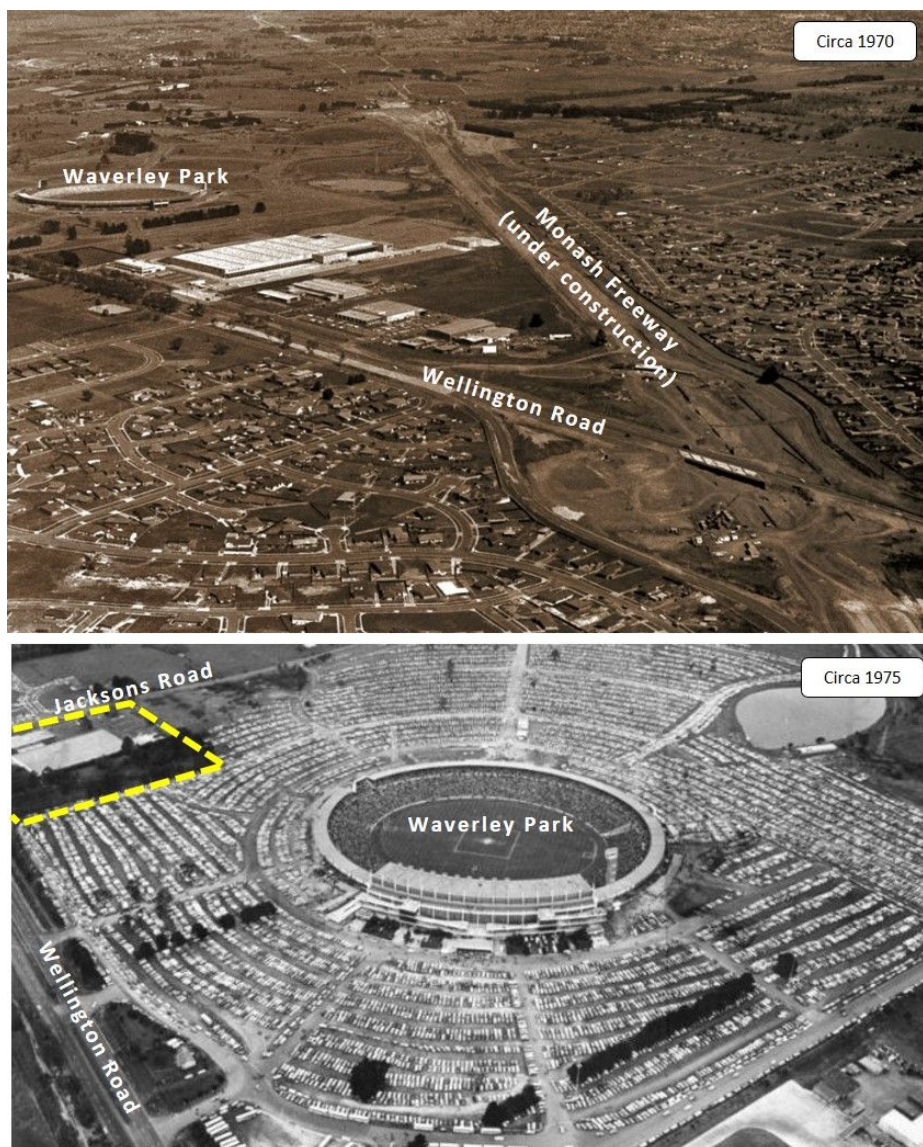
The significant land use changes which have occurred from the early development of 1 Jacksons Road in 1972 can be seen in the following images.

In 1970 – two years before the office-warehouse at 1 Jacksons Road was built by Motorola – the Waverley Park football ground was completed and the Mulgrave Freeway (Monash Freeway) between Warrigal Road Chadstone and the Princes Highway at Eumemmering was under construction – later opened in 1972. The image shows rural land beyond Waverley Park and the first estates at Wheelers Hill (then known as Mulgrave) north of Wellington Road.

The second image from 1975 shows the extent of the football ground and parking up to the site (where the Motorola complex was complete) and the first stages of residential subdivision in Mulgrave, east of Jacksons Road.

Figure 3 shows the site today is effectively a small but isolated pocket of industrial land surrounded by residential uses.

**Figure 4—Historic images of Mulgrave & Waverley Park**



## 2.2 Existing buildings & uses

### 1 Jacksons Road

The 3.6 hectare site is developed with a 45-year old office-warehouse that predates most of the housing and other uses along Wellington Road. Existing improvements are:

- A 2-level office building of 2,500 sqm (including common areas). Approximately 500 sqm of the building is currently used by Link Health and Community for administration purposes. About 35 office staff are employed on site.
- A child care centre occupying approximately 650 sqm plus outdoor areas. It employs approximately 35 staff.
- A 4,000 sqm warehouse of which only 100 sqm is used employing three staff.

The site has large under-utilised parking areas terraced across the falling levels and extensive landscaping to Wellington Road and Jacksons Road. The landscaping, extensive set-backs and elevated position of the office building above Jacksons Road affords limited exposure and sight lines to the current uses.

The site has an all-movement exit and entry point on Jacksons Road and an exit only to Wellington Road for small vehicles.

The previous long-term tenant (The Body Shop) at 1 Jacksons Road vacated the building after the business was sold and the new owners (L'Oreal) relocated staff to offices at Chadstone. The warehouse function moved to an external third-party-logistics supplier with better warehouse capabilities. Staff of the former owners of the Body Shop (Adidem) moved to new premises in South Melbourne, more suited to the new organisational size and structure.

The weekly Mulgrave Farmers Market has operated from the site under the management of the Wise Foundation for many years. The popular local fixture operates every Sunday (8am – 1pm) with up to 70 primary producers, food and craft stalls. Funds raised from the market help fund charitable projects supported by the Wise Foundation.

The Jacksons Road site was developed when it sat on Melbourne's outer eastern fringe. In the early 1970's it would have presented as an attractive opportunity due to:

- Its corner location on two major roads.
- The new Safeway (Woolworths) distribution centre on Wellington Road.
- New housing subdivisions through Mulgrave and particularly high quality housing to the north (Wheelers Hill).
- Recent construction of VFL Park Waverley and either vacant land or uses of low sensitivity on the property's direct boundaries.
- Mulgrave Freeway construction that would significantly reduce commuter travel times to and from the outer east.

Forty five years on, the owners advise there are significant issues around re-letting the existing warehouse and office building including:

- Major repairs to the warehouse slab and loading docks due to the age of the building.

- The current racking system was designed specifically for The Body Shop and is unsuitable for many potential tenants.
- The racking and sprinkler systems need upgrading to comply with new safety regulations.
- The warehouse is not large enough for a modern third-party-logistics operation.
- The Office - warehouse layout and staff amenities are inadequate for modern standards and operations.
- Site and operational costs of the warehouse are not competitive with other nearby, larger warehouses.
- Other new industrial estates with good connections to Eastlink have reduced the competitive advantage of a warehouse location on Wellington Road.

Figure 5—Site photos



### 634 Wellington Road

634-648 Wellington Road is a narrow 1.7 hectare site wedged between the office-warehouse complex at 1 Jacksons Road to the east and detached dwellings and townhouses in the Waverley Park development on its western and southern boundary.

The natural slope across the site has been levelled with cut and fill and developed with a 2-level office building (1,970 sqm) and warehouse (7,580 sqm). Constructed in the 1990's, the building has a more contemporary function and appearance than 1 Jacksons Road. The office building has an under-croft parking level and a small two level car park on the Wellington Road frontage.

The site is smaller and more intensively developed than 1 Jacksons Road however the office building has a similar low profile to Wellington Road, sitting on the levelled section of the site behind the decked car park and landscaping along the falling natural level of the frontage.

OfficeMax effectively vacated the premises when the company's east coast operations were consolidated in NSW. Victorian customers are now supplied from Sydney and local office staff at Mulgrave have relocated to Richmond. The

Wellington Road office is vacant and the warehouse only used on an occasional and temporary basis.

The land and buildings offer better re-letting prospects than 1 Jacksons Road however the site has its limitations in respect to:

- The relatively poor exposure and visibility to Wellington Road.
- Left in and out vehicle movement to Wellington Road only.
- 20 residential properties directly abutting or overlooking the site.
- For a warehouse of this size, limited outdoor and hardstand areas for circulation or external materials storage and vehicle parking.

Figure 6—Site photos



Both sites now face site-specific limitations in terms of their re-letting potential, some of which have been listed. The broader issues for the two isolated industrial buildings are:

- The perceived advantages of these sites in the 1970's (or even 1990's) are not evident today as the residential interface has closed in, the industrial market has shifted and consolidated and new infrastructure has created more attractive locations.
- Competition from new or better located industrial estates and business parks in Monash or Knox with on-site amenities, better main road / freeway access, co-location benefits with other tenants and competitive rents.
- The steep natural fall across the site and 7 metre difference in building levels restricts any potential consolidation of the sites for uses other than residential.

## 2.3 Zoning

Both sites are zoned Commercial 2 under the Monash Planning Scheme. Except for the two major roads, the combined sites form a small, isolated industrial node surrounded by the Neighbourhood Residential zone and General Residential zone on four sides.

In contrast, further west, the 30 hectares of Industrial 1 zone abutting Wellington Road and the Monash Freeway is a large and viable industrial precinct with larger



flat land holdings and substantial industrial and warehouse operations. To the east, a substantial area of Commercial 2 (23 ha.) and Industrial 1 (31 ha.) zoned land extends along Wellington Road, east of Eastlink.

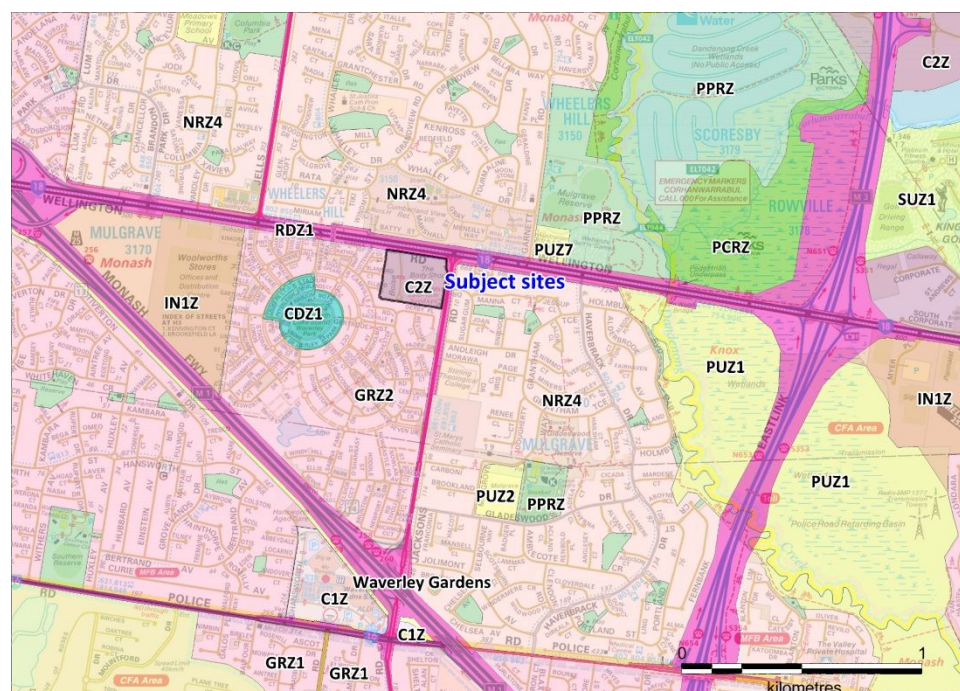
Amongst the purposes of the Commercial 2 zone are:

- To encourage commercial areas for offices, appropriate manufacturing and industries, bulky good retailing, other retail uses, and associated business and commercial services.

Across the City of Monash, the comparable zones that allow many of the same permitted uses as the Commercial 2 zone are the Industrial 1 zone and the Special Use 6 zone.

Therefore, the rezoning of the subject site – and the loss of land potentially capable of developing ‘industry’ and ‘warehouse’ uses and to a lesser extent ‘office’ and ‘restricted retail’ uses - needs to consider the supply of and demand for Commercial 2, Industrial 1 and Special Use 6 land within and just outside the City of Monash.

Figure 7—Zoning



## 2.4 Local planning policy

The Municipal Strategic Statement of the Monash Planning Scheme highlights the city’s garden character which prevails in the commercial areas - especially the planned business parks - as much as the residential areas. Broadly the city’s industrial areas are represented with “.. clearly designated and buffered precincts that incorporate wide streets, large well landscaped setbacks and provide an overall high quality environment” (Clause 21.01-1).

The MSS notes that over 10% of land within the municipality is zoned for industrial or business purposes. The two industrial areas of regional significance are:

- The Monash Technology Precinct centred around Monash University which has become one of the most important precincts of its type in Australia. The locational advantages for industry are its central location, good access for its workforce and good access to the CBD. It has a strong educational base, existing physical infrastructure and available land and buildings within a landscaped environment.
- Larger areas of industrial land concentrated along the Oakleigh - Clayton rail corridor.

Outside these precincts, various small industrial areas are dispersed throughout the municipality.

The key influences which guide the City of Monash planning scheme and the critical land use issues that Council faces are detailed in Clause 21.01-2. These include:

- Moving towards **sustainability** where economic growth is achieved with social advancement and conservation of the natural environment, both resulting in a better quality of life.
- Maintaining Monash's **garden city character**.
- **Changing lifestyle choices and demands of an aging population**. The changing age structure of Monash with declining household sizes and changes in household structures together with the desire for broader housing choice are regarded as key drivers of Monash's future development. Council intends to ensure that construction of a diverse range of housing including aged accommodation is sufficient to cater for the desires of the population in the future.
- **Activity and neighbourhood centre growth** including directing more intensive, higher scale development to centres well serviced by public transport and commercial and community services.
- **Growth in high technology and service industries employment** with multiplier effects through the local economy. Manufacturing is also recognised as a key sector in the Monash economy.
- **Neighbourhood character and heritage**. Monash is essentially fully developed and is now experiencing a resurgence of housing development through dual occupancy and multi-unit developments. Redevelopment of Waverley Park, former school sites, other government land and poorly positioned industrial sites into other urban uses is occurring. The significant residential, commercial and industrial opportunities need to be facilitated while seeking to protect and enhance Monash's physical, economic and social environments.
- **Changing nature of industry and retail**. The strong industrial base of Monash is gradually moving from blue collar to white collar industry, with a consequent change in the nature of industrial employment. Monash is facing the issue of balancing the needs of existing industry and the growth of demand for more office, warehouse and high technology uses in traditional industrial areas.

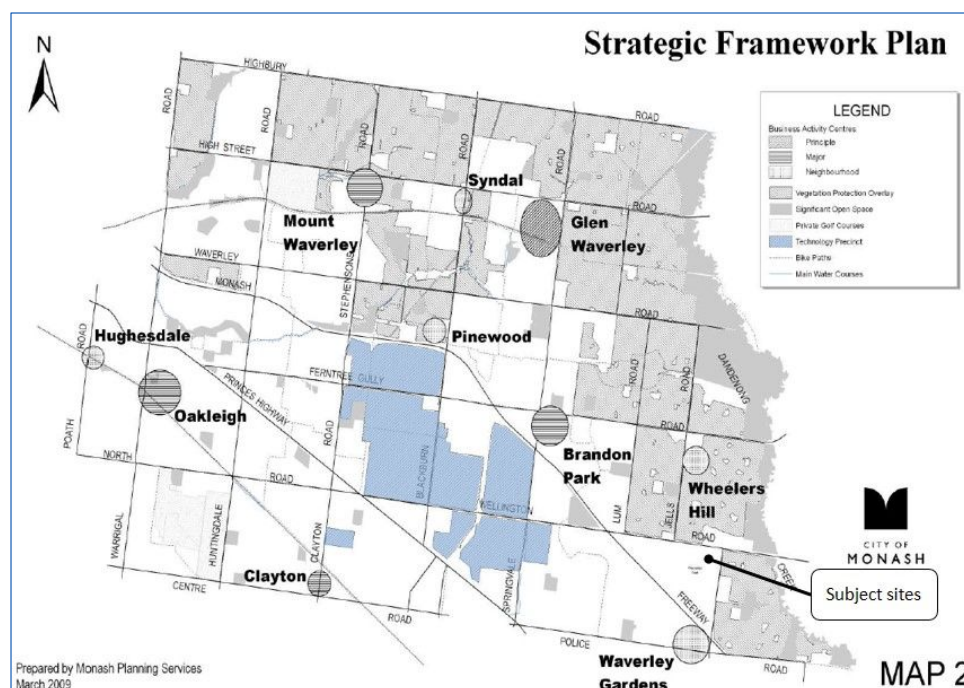
The strategic directions for future land use planning and development in the City of Monash are illustrated by the Strategic Framework Plan in Clause 21.01-3 (refer Figure 8).

The relevant strategic directions for business and industry and the potential redevelopment of the subject sites for mixed uses are:

- Identifying activity centres and promoting development and expansion of retail, entertainment, community and related facilities appropriate to the centre's role.
- Directing residential growth to neighbourhood and activity centres, the Monash National Employment and Innovation Cluster and the Springvale Road and Princes Highway boulevards.
- Developing sustainable employment opportunities to maintain Monash as a predominant business location in Melbourne's eastern region.
- Identifying the Monash Technology Precinct and promoting appropriate "high tech" development around Monash University and Monash Medical Centre.
- Identifying areas for revitalisation of older industrial premises.

**Figure 8—City of Monash Strategic Framework Plan**

Source: Monash Planning Scheme CI21.03-4



The Planning Scheme outlines Key Strategic Statements for ten land use and development issues. The relevant land issues for the subject site are Residential development, Economic development and Business parks and industry.

#### CI 21.04 Residential Development

Local policy recognises the ageing profile of the municipality which will have different housing and other needs to the existing population. Changes in lifestyle choices and family structures are also shifting preferences towards lower maintenance homes.

The objectives include providing housing for a diverse population that caters for different family and lifestyle preferences and a variety of residential environments

and urban experiences. The housing needs of an ageing population and students are specifically recognised.

The Strategies include maintaining a predominantly detached dwelling style in urban areas by promoting low rise development and directing high rise developments to the major centres of Glen Waverley and Oakleigh and medium rise developments to the Brandon Park, Clayton and Mount Waverley centres. The policy notes that, “The exceptions will be where there is an approved Structure Plan, or other planning mechanism in place or where individual circumstances support an alternative height”.

#### CI 21.05 Economic Development

Monash is recognised as a major generator of jobs and wealth in Melbourne’s south east due to its natural location advantages and the presence of various education, health, research and business activities in the Monash Technology Precinct.

The policy notes investment in Monash continues to grow with further expansion of business parks and growth in its activity centres. Industry, business and activity centres need to continue to positively attract and retain local business to provide employment opportunities and investment.

Relevant issues under economic development which touch on the changes and transition of uses at the subject sites include:

- Rising energy prices, a desire for world’s best practice and more sustainable and efficient operations will impact economic development.
- A notable preference for clustering of businesses and industry in accessible and well-serviced locations.
- A notable loss of industrial premises in exchange for office-type or commercial industries.

The Objectives support business development and growth but also “... appropriate mixed use development while ensuring that the amenity of neighbourhoods is not affected”.

#### CI 21.07 Business Parks and Industry

The policy states that Monash contains extensive land for traditional industry in Oakleigh, Huntingdale and Clayton and other smaller areas in Burwood, Mulgrave and Glen Waverley. It notes that clean industry with office-warehouse functions has experienced significant growth and is replacing the older industrial uses that have been in decline.

Council is concerned that further erosion of the traditional industrial base will diminish blue-collar employment opportunities with consequent socio-economic consequences and rising costs for existing businesses. It states that “Monash is committed to maintaining the amount of land set aside of industry, as these areas are proposed to retain their focus as areas that support large scale industrial activities”.

The Strategies include promoting the Monash Technology Precinct as Australia's leading technology hub and encouraging redevelopment and revitalisation of older industrial areas.

## 2.5 Monash Industrial Land Use Strategy

The Monash Industrial Land Use Strategy (Draft) was prepared for the City of Monash in February 2014 by Charter Keck Kramer. It is not an incorporated or referenced document in the Municipal Strategic Statement or Local Planning Policies of the Monash Planning Scheme but has some weight as a planning document commissioned by Council.

Its stated purpose is to provide strategic direction to support the future planning and development of industrial land within the City of Monash including the rezoning of land for non-industrial purposes. It relates to (then) all Industrial 1 and Business 3 within the City of Monash excluding the Monash Technology Precinct.

The report details national and Melbourne-wide industry trends including the restructuring of old industries, increased specialisation, inner city demand and industrial construction activity and property market drivers.

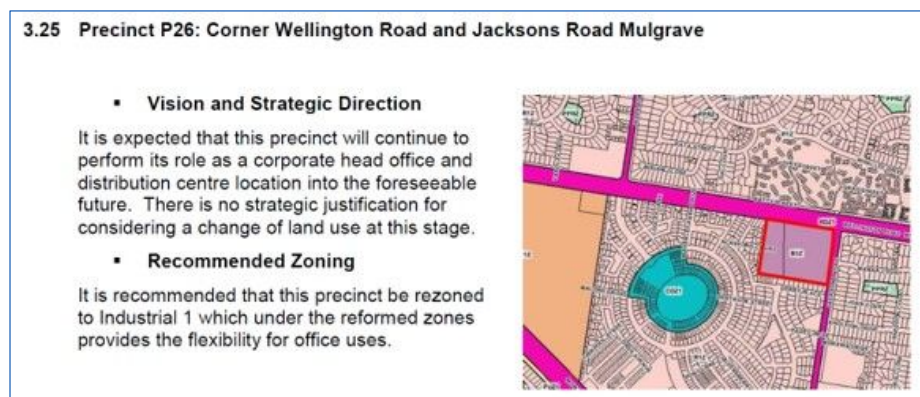
The report evaluates 28 small and large industrial precincts in Monash and assesses their future potential on a range of criteria including demand levels generally in Monash, accessibility and infrastructure, redevelopment potential, alternative land uses, economic development, urban renewal and amenity impacts.

An extract from the Strategy is shown below as Figure 9. It states that the precinct will continue to perform its role as a corporate head office and distribution centre into the foreseeable future and on this basis, there is no strategic justification for considering a change of land use.

The Strategy recommends the precinct be rezoned to Industrial 1 zone which it says, provides the flexibility for office uses. Of the 28 industrial precincts reviewed in the City of Monash, the Wellington Road and Jacksons Road sites is the only precinct in the Strategy recommended for rezoning to Industrial 1.

**Figure 9—Monash Industrial Land Use Strategy recommendation**

Source: Draft Monash Industrial Land Use Strategy (2014)



The recommendation of the Strategy is, in our opinion, no longer relevant for a number of reasons including its own assessment criteria and changes since 2014:

- The buildings on both sites have been either vacant or underutilised for several years and on longer perform corporate head office and distribution centre functions.
- The buildings are dated and require significant capital to bring them to modern standards. These costs are prohibitive given the site constraints and low market interest in the location and superior office-warehouse buildings and amenities elsewhere.
- The Strategy has failed to give weight to the significant land use changes in the last 10 years including the encroachment of residential uses from Waverley Park.
- It fails to consider the site's redevelopment potential including its residential setting, elevated position and easterly outlook to the Dandenong Ranges.
- Rezoning of the land to Industrial 1 would only reinforce the isolated, anomalous land use with no connection to a broader and viable industrial area.
- The Jacksons Road and Wellington Road sites have similar or better attributes for rezoning to Mixed Use as five of the other precincts recommended for a Mixed Use zone under the Strategy.

## 2.6 Policy implications for the subject sites

Past and recent tenants at 1 Jacksons Road and 634 Wellington Road have not operated as traditional process-based industrial uses – activities that Council is concerned about losing. The buildings on the subject site have not displaced traditional industrial uses but were purpose-built for the warehousing and distribution of retail or consumer products with an associated regional or head office administration function.

These office-warehouse buildings and similar tenants are found extensively throughout the Industrial 1 and Special Use 6 zones of the City of Monash.

The subject sites are not identified as part of the two principal industrial – business precincts of the City of Monash. While the policy notes a smaller industrial area in Mulgrave, the reference more than likely refers to the 31 hectares of Industrial 1 zone abutting Wellington Road and the Monash Freeway.

The subject sites are a small, inconsequential part of the City's industrial and business fabric. Council's policy concerns about the loss of industrial land to other office-warehouse activities is not, in our view, relevant to the potential loss of two office-warehouse uses well outside the established industrial and business precincts.

From an employment perspective, a new mixed-use development will replace and indeed potentially increase the employment levels on site over the existing levels.

Other policy implications which are relevant to the proposed change of use are:

- The need for greater choice and diversity of housing to cater to changing lifestyles and preferences.
- The needs of the ageing population for health care and alternative forms of housing to the detached housing character of the outer suburbs.
- The needs of the growing population on the Waverley Park site which have limited on-site facilities.

# 3

## Proposed rezoning & Design Development Overlay

The proposed amendments to the Monash Planning Scheme will rezone 1 Jacksons Road and 634 Wellington Road from Commercial 2 zone to Mixed Use zone with a new Design and Development Overlay (DDO) applying to the land which is referred to as an Urban Renewal Precinct.

The Mixed Use zone provides for a range of residential and commercial uses. It is an appropriate zone for the land given its two main road frontages, surrounding residential interface and elevated position with easterly views. The Mixed Use zone provides for housing at higher densities which would provide a natural transition from the master planned Waverley Park development.

The site's high visibility and arterial road frontages with a signalised intersection provide opportunities for a range of commercial and other uses permitted under the zone including:

- Retail premises
- Food & drink premises
- Medical centre
- Child care centre
- Offices
- Residential aged care facility
- Commercial accommodation
- Community uses

The DDO includes the following Design objectives:

- To support a staged transition from commercial / industrial to high quality mixed use development.

- To support the development of a medium rise built form character with appropriate transitions in building height from the precinct's edges to its central areas having regard to the variable topography across the precinct.
- To ensure landscape design enhances the new character of the precinct and integrates the development with its context including the retention and ongoing health of the precinct's high value trees.
- To ensure site planning, built form, scale and architectural qualities that deliver high quality interfaces with the private, communal and public realms and avoid unreasonable off site amenity impacts and reasonably protect views through the site.
- To ensure development provides a high standard of internal and external amenity for those living and working in, or visiting the precinct including the provision of adequate open space.

A staged site plan must be provided as part of any planning permit application for any residential development and must cover the entire lot. The site plan must show the stages of development, site layout, land use and yields and tree retention and open space provision.

The DDO divides the precinct into four sub-precincts each with specified development outcomes, building heights and setbacks to boundaries. Generally, buildings around the edge of the precinct can rise to 4 levels and in the central section up to 6 levels.

The Mixed Use zone and proposed DDO controls provide sufficient flexibility for a range of uses in a mid-rise development which can take advantage of the site's location and natural advantages. A significant residential component would be expected in any future site plan.



# 4

## Commercial and Industrial Land Supply

### 4.1 Regional supply & vacancy

The Jacksons Road and Wellington Road sites are developed with office and warehouse uses under the Commercial 2 zone. The most common land use categories permitted under the Commercial 2 zone that would be eventually replaced on the subject sites by rezoning the land to Mixed Use are industry, office, restricted retail premises and warehouse.

Any new Industry or Warehouse uses on either site would now require a permit under the Commercial 2 zone as both sites directly abut the residential zone which has encroached on the land with the development of Waverley Park. In other locations, where the Commercial 2 zone is more than 30 metres from a residential zone, most Industry and Warehouse uses do not require a permit.

The comparable zones where offices, warehouses, industry and restricted retail premises are Section 1 or Section 2 uses under the Monash Planning Scheme are the Industrial 1 zone and the Special Use 6 zone.

The developed and vacant land area under these zones is assessed across a study area which includes:

- The City of Monash.
- Areas of Scoresby and Knoxfield in the City of Knox that fall within 6km of the sites.
- Areas of Springvale in the City of Greater Dandenong that fall within 6km of the sites.

To address the questions of whether the rezoning of the subject land and the loss of the Commercial 2 zoning is significant in supply terms, the study area was interrogated using the State Government's Urban Development Program (UDP) spatial data set.

The UDP identifies industrial (including Commercial 2) zoned land parcels as either developed or vacant. The last data set was released in 2017 although a review of previous data sets back to 2006 enable changes in the supply and vacancy level to be measured over time.

Figure 10 shows the spatial distribution of the Commercial 2, Industrial 1 and Special Use 6 zone overlaid with vacant land (according to the UDP), in 2006 and 2017.

Table 1 summarises the zoned land area under title (excluding roads) which was occupied or vacant in 2006 and 2017. The data relates to the study area (shaded yellow) in Figure 10 itemised by Council or part Council area.

**Table 1—Industrial land supply and occupancy 2006-2017 (ha)**

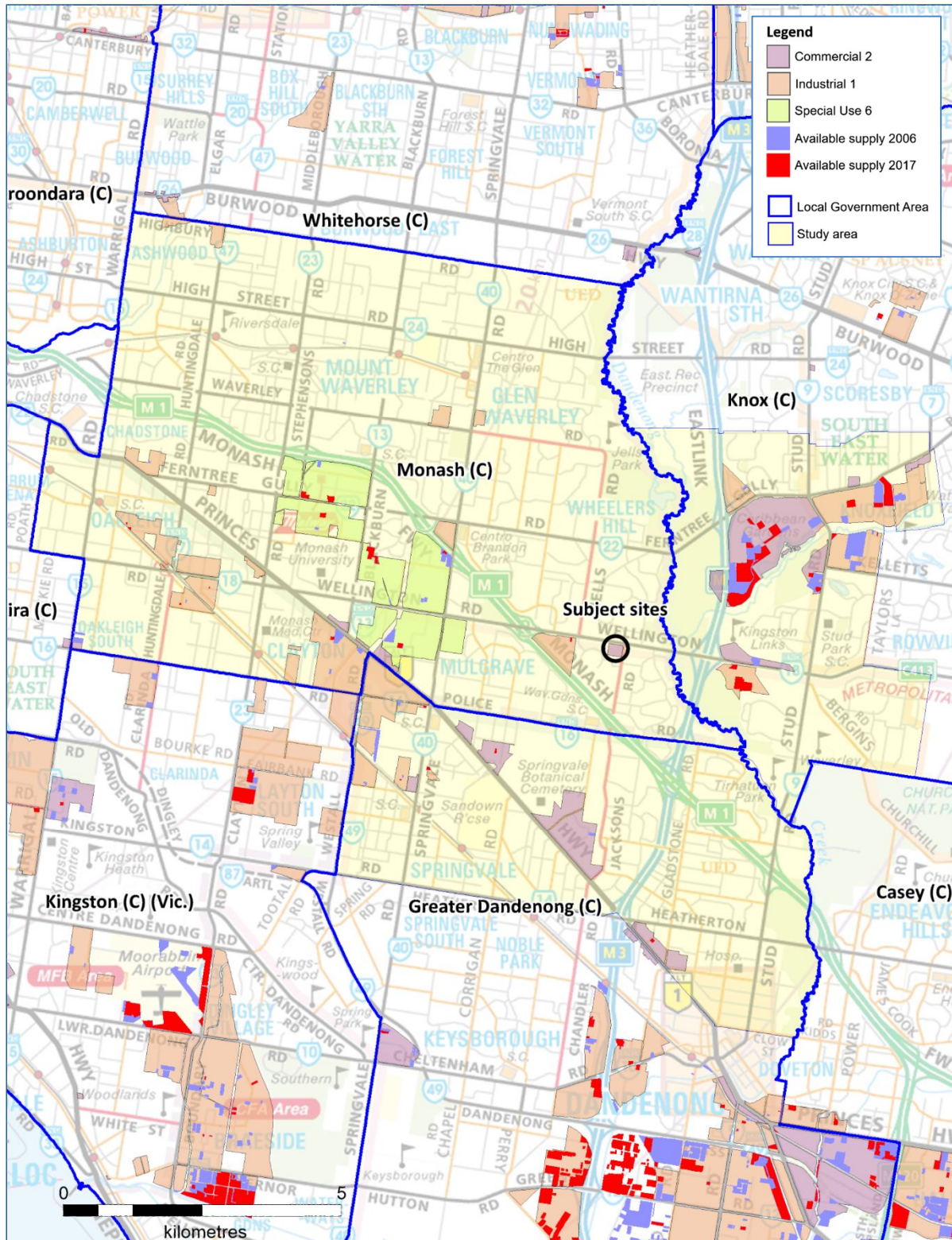
Area / zone	2006				2017			
	Occupied	Vacant	Total	% vacant	Occupied	Vacant	Total	% vacant
<b>City of Monash</b>								
C2	18.3	1.7	20.0	8.4%	20.2	0.0	20.2	0.0%
IN1	277.7	0.5	278.2	0.2%	276.7	1.2	277.9	0.4%
SUZ6	391.6	17.3	408.9	4.2%	403.6	7.9	411.4	1.9%
<b>Total</b>	<b>687.6</b>	<b>19.5</b>	<b>707.1</b>	<b>2.8%</b>	<b>700.5</b>	<b>9.1</b>	<b>709.6</b>	<b>1.3%</b>
<b>City of Knox (part)</b>								
C2	120.1	77.4	197.5	39.2%	172.6	33.6	206.2	16.3%
IN1	171.5	45.9	217.3	21.1%	197.1	18.2	215.3	8.5%
<b>Total</b>	<b>291.6</b>	<b>123.3</b>	<b>414.9</b>	<b>29.7%</b>	<b>369.7</b>	<b>51.8</b>	<b>421.5</b>	<b>12.3%</b>
<b>City of Gr Dandenong (part)</b>								
C2	79.2	2.8	82.0	3.4%	137.9	0.6	138.6	0.5%
IN1	113.0	11.0	124.0	8.9%	123.0	0.4	123.4	0.3%
<b>Total</b>	<b>192.2</b>	<b>13.8</b>	<b>206.0</b>	<b>6.7%</b>	<b>260.9</b>	<b>1.1</b>	<b>262.0</b>	<b>0.4%</b>
<b>Total all areas</b>	<b>1,171.4</b>	<b>156.6</b>	<b>1,328.0</b>	<b>11.8%</b>	<b>1,331.2</b>	<b>62.0</b>	<b>1,393.1</b>	<b>4.4%</b>

Source: UDP, Deep End Services

For the City of Monash, the findings are:

- The City has approximately 710 hectares of land under the three zones. 58% is in the SUZ6 zone, 39% in IN1 zone and just 20.2 hectares or less than 3% is in the C2 zone.
- Vacant land (as a % of the available supply) is low across all three zones averaging 1.3%.
- Between 2006 and 2017 the supply of industrial land was largely unchanged at just over 700 hectares while the vacancy level halved from 2.8% to 1.3%
- The subject sites (5.3 ha) represent about 26% of the available C2 zoned land in Monash but only **0.7% of the total supply of industrial-type land**.
- In the context of the city's industrial zoning pattern, the subject sites have little relationship to other business or industrial clusters. The only other area of C2 (former B3) zoned land in Monash is on Dandenong Road at Clayton which hosts a range of restricted retail, trade supplies, hotel and other uses.
- While Monash's significant industrial land supply is largely developed, there are still many leasing opportunities throughout the area for prospective office-warehouse or similar tenants and redevelopment opportunities of older industrial properties.

Figure 10—Outer East Industrial-type zones



Source: UDP, Deep End Services

The City of Knox has a significant area of industrial land bordering Ferntree Gully Road and Eastlink only a short distance north-east of the subject sites. The area has 206 hectares of C2 zoned land and 215 ha of IN1 zone. The UDP indicates that 52 ha was still available for development in 2017, representing 16% of the C2 land and 9% of the IN1 land.

In the last 10 years, the market has developed about 65 hectares of industrial land with the proportion of vacant land falling from 30% to 12%. On current absorption rates the area has another 10-12 years of industrial land supply.

The Caribbean Business Park is a feature of the area with about 40 tenants occupying a range of high quality industrial / warehouse buildings. The master planned estate has wide roads, generous setbacks, attractive landscaping and the lakeside features of the Caribbean Market area. Four 6-level office buildings have been constructed since 2015 with another two now under construction. The southern section of the Business Park, where the new offices are located and other industrial buildings are planned, has direct south-bound access and egress lanes to Eastlink. Child care, outdoor leisure, restaurants and other amenities will be developed shortly.

Caribbean Business Park has a flexible Commercial 2 zoning and is the model for new industrial estates attracting office and industrial tenants from the inner and middle suburbs.

The northern areas of the City of Greater Dandenong – within 6km of the subject sites - also have extensive areas zoned IN1 (123 ha) and C2 (139 ha). The latter occurs in sections along Dandenong Road through Springvale down to Noble Park. These older established areas are fully developed with little or no vacant land. Like other areas of Monash however there are numerous redevelopment opportunities which can bring new supply to the market.

Overall, the outer south-east has a significant supply of industrial and related commercial-zoned land clustered in legible precincts. While the vacant land supply is low in established areas, land at Knox is attracting a steady rate of development.

#### 4.2 Properties for lease

The shortage of greenfield land for industrial development could, on one view, present an apparent shortage of leasing opportunities, however the existing supply of buildings throughout the region provides a wide choice of options at any given time for prospective companies looking to establish or move within the area.

Table 2 is a snap shot of the current industrial-warehouse properties over 3,000 sqm available for lease in the industrial areas of Monash and adjoining areas of Knox and Dandenong – sourced through the main on-line property websites. It shows the results of web site searches for the same areas in July 2017 and October 2018.

In the defined study area, there are 21 vacant properties which meet the minimum floorspace criteria. About half of these are in the City of Monash. The available premises was slightly less than the number recorded in 2017 (25). The spatial distribution of these properties is shown in Figure 11.

The availability of properties – comparable to the office-warehouses on the subject sites – is generally strong throughout the region, noting availability is at the current time. Marketing information shows there is a range of new and high quality warehouses available now through Mulgrave, Clayton, Rowville and Scoresby.

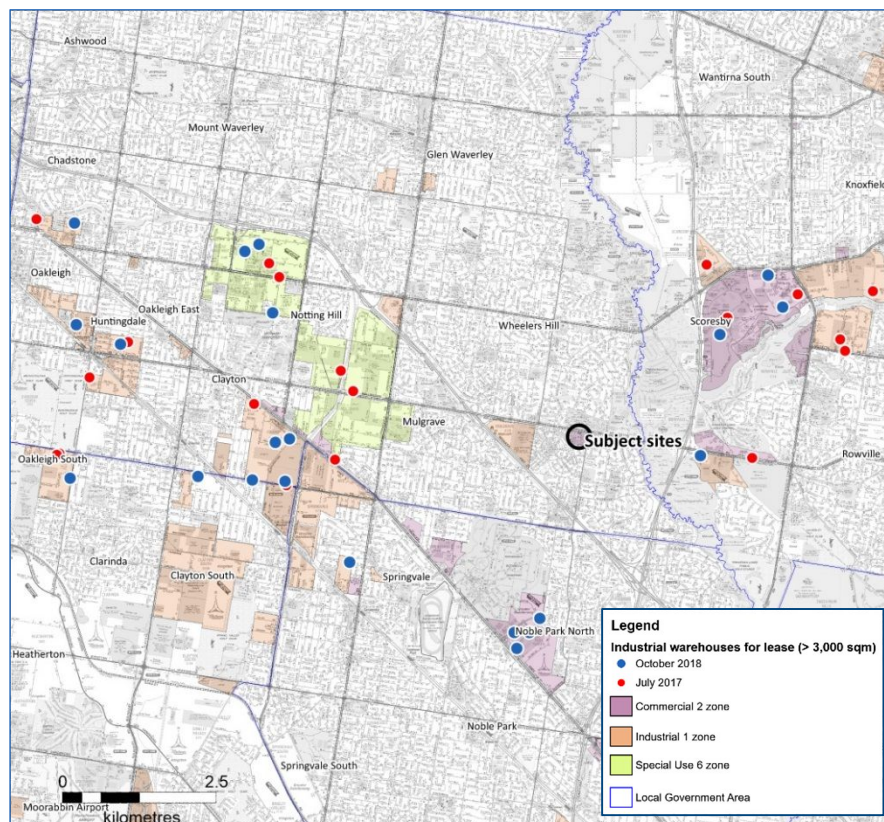
**Table 2—Industrial & office properties listed for lease by suburb**

Local Gov't Area / suburb	Industrial -Warehouses for lease (>3,000 sqm)	
	July 2017	October 2018
<u>City of Monash</u>		
Clayton	4	5
Oakleigh	4	3
Mt Waverley	2	2
Mulgrave	4	0
Notting Hill	-	1
Huntingdale	1	1
Oakleigh South	1	0
<b>Total Monash</b>	<b>16</b>	<b>12</b>
<u>Knox (part)</u>		
Scoresby	4	3
Knoxfield	1	0
Rowville	4	1
<b>Total Knox (part)</b>	<b>9</b>	<b>4</b>
<u>Dandenong (part)</u>		
Springvale	-	1
Noble Park North	-	4
<b>Total Dandenong (part)</b>	<b>-</b>	<b>5</b>
<b>Total all areas</b>	<b>25</b>	<b>21</b>

Source: On-line commercial agency listings

**Figure 11—Office-warehouses for lease (>3,000 sqm)**

Commercial agency web sites



### 4.3 Conclusions

The two Commercial 2 zoned sites on Jacksons Road and Wellington Road have little or no strategic value to the supply of industrial land in the City of Monash or the wider region.

With the encroachment of the Waverley Park housing estate, the steep level changes across the sites and their isolated context, they would not be appropriate or viable as greenfield industrial sites today. 1 Jacksons Road has dated infrastructure and buildings and limited prospects of securing a long-term tenant when other modern properties on flat land and better access and road connections are available.

There is a significant supply and choice of office and industrial-warehouse properties across the City of Monash and the adjoining areas of Knox and Rowville. The proposed rezoning of the land and the loss of 5.3 hectares of Commercial 2 zoned land with two office-warehouses in this location is of no material significance to the economic base of the local area or the integrity of the city's industrial land supply.

# 5

## Economic benefits

### 5.1 Demographic shifts

The population profile of the outer eastern suburbs of Monash has shifted significantly since the area was subdivided from the late 1960's. These changes are driving a need for additional services and other forms of housing which directly relate to the proposed rezoning on the subject sites.

Table 3 presents 2016 Census data for the suburbs of Mulgrave and Wheelers Hill compared to the Melbourne average. The main characteristics are a family-based area of middle income levels which is ageing in detached dwellings and with a rising proportion of residents of Asian ancestry. The features are:

- Detached dwellings make up 93-94% of the dwelling stock in Mulgrave and Wheelers Hill compared to 72% across Melbourne. Apartments are just 1% and 5% of housing in Mulgrave and Wheelers Hill (Melbourne 15%).
- Housing stock heavily influences household characteristics. 42-43% of households are 'couples with children' and 27-30% 'couples without children' – both proportions are above Melbourne averages.
- The suburban character has families living in their homes for longer than average, many ageing in place since the suburbs were developed. This is reflected in the high proportion of families (53% in Wheelers Hill) that own their home. Home ownership is lower in Mulgrave (40%) but still higher than the Melbourne average (34%).
- In 2016, Wheelers Hill was an older area with 24% aged 50-64 years (Melb. 17%) and 24% aged 65+ (Melb. 14%). The elderly population reflects the presence of large retirement villages in the area however a significant population is, or has moved, into the older 'retirement' age groups since 2011. Mulgrave has a higher changeover of housing and new residents and its profile is younger and close to the Melbourne average.

- The 'white collar' workforce and income levels are higher in Wheelers Hill than Mulgrave.
- Residents of Asian ancestry make up 40-42% of both suburbs compared to 24% in Melbourne. The local percentage has risen 10 percentage points since 2011.

**Table 3—Mulgrave  
– Wheelers Hill  
demographics  
(2016)**

Variable	Mulgrave	Wheelers Hill	Melbourne
Usual resident population	19,372	19,756	4,485,211
Total private dwellings	7,188	7,500	1,831,918
- % unoccupied	6%	8%	9%
Average household size <sup>(5)(7)</sup>	2.82	2.80	2.66
At same address: <sup>(1)</sup>			
- 1 year ago	88%	89%	84%
- 5 years ago	66%	70%	58%
Unemployment rate <sup>(2)</sup>	6.5%	5.8%	6.8%
White collar workers <sup>(2)</sup>	55%	63%	53%
Bachelor degree or higher <sup>(2)(3)</sup>	27%	32%	27%
<b>Age group</b>			
0-9	12%	10%	13%
10-19	10%	12%	12%
20-34	21%	15%	24%
35-49	21%	19%	21%
50-64	17%	20%	17%
65+	19%	24%	14%
Average age	40.0	43.9	37.6
<b>Income <sup>(2)</sup></b>			
Average individual income	\$43,544	\$49,837	\$49,186
Variation from Melbourne average	-11%	1%	-
Average household income	\$96,480	\$108,348	\$98,420
Variation from Melbourne average	-2%	10%	-
<b>Regions of ancestry <sup>(1)(4)(8)</sup></b>			
North-West European	33%	42%	53%
Southern and Eastern European	26%	21%	20%
North-East Asian	18%	24%	9%
Oceanian	18%	19%	28%
Southern and Central Asian	16%	12%	9%
South-East Asian	8%	4%	6%
North African and Middle Eastern	3%	3%	5%
<b>Occupied private dwelling tenure <sup>(1)(4)(5)(6)</sup></b>			
Fully owned	40%	53%	32%
Being purchased	38%	33%	37%
Rented	22%	14%	31%
<b>Dwelling type <sup>(1)(4)(7)</sup></b>			
Separate house	81%	89%	68%
Townhouse/semi-detached	18%	6%	17%
Apartment	1%	5%	15%
<b>Household composition <sup>(4)(5)</sup></b>			
Couples with children	42%	43%	36%
Couples without children	27%	30%	25%
One parent family	11%	10%	11%
Lone person	17%	16%	24%
Group	4%	1%	5%
<b>Motor vehicle ownership per dwelling <sup>(1)(5)</sup></b>			
None	4%	4%	9%
One	29%	27%	36%
Two	46%	46%	38%
Three or more	21%	24%	17%

**Notes:**

- <sup>(1)</sup> Excludes not stated
- <sup>(2)</sup> 15 years and over and excludes not stated
- <sup>(3)</sup> Excludes inadequately described and/or partially stated
- <sup>(4)</sup> Excludes other
- <sup>(5)</sup> Occupied private dwellings
- <sup>(6)</sup> Multi-response question; total sums to >100%
- <sup>(7)</sup> Includes visitor only households
- <sup>(8)</sup> Excludes visitor only households

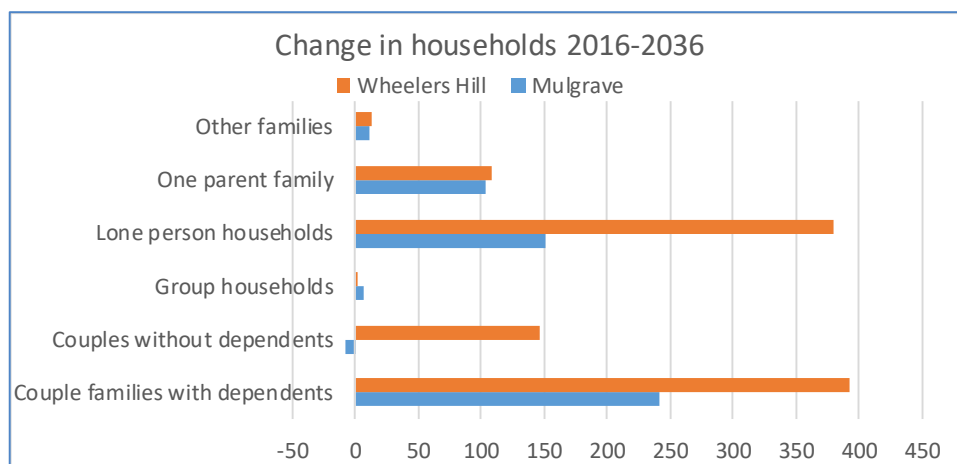
Source: Deep End Services; Australian Bureau of Statistic



Population and household projections have been prepared by specialist demographers .id for the City of Monash. The results indicate:

- The population of Mulgrave will continue to grow slowly over the next 20 years – from 19,339 in 2016 to 20,569 in 2036.
- The population of Wheelers Hill will grow at a faster rate. Coming off a similar population base (to Mulgrave) of 20,989 people in 2016, it will add 2,643 people over the next 20 years to 23,632.
- Both areas will continue to age. While the population of both suburbs will increase by about 10% in the next 20 years, empty nesters (aged 60-69), seniors (70-84) and the elderly (85+ years) will all grow at faster rates.
- Household structures will also change. Figure 12 shows the projected growth or decline in household-types in Wheelers Hill and Mulgrave between 2016 and 2036. Traditional families will continue to grow throughout the area as older residents move from detached dwellings to other forms of housing. ‘Lone person households’ and ‘couples without dependents’ – reflecting the older age structure – will increase at a rapid rate, particularly in Wheelers Hill.

**Figure 12—Change in household structure 2016-2036**



Source: .id

The implications of the demographic forecasts are:

- Traditional family structures will continue to dominate the outer areas as the underlying housing stock of single detached dwellings is only suited to larger families. The increase in families will bring demands for retail, medical and child care facilities close to where they live.
- The growing older population is increasingly unsuited to their long-held family homes and will be seeking aged living and ultimately aged-care options. Many of these residents will prefer to live in their local areas although relocating to other areas may be inevitable if appropriate housing is not available.
- The older age cohorts will have much higher demands on health services.
- The large and growing population of Asian ethnicity will be strongly inclined to apartment living in young and older age groups, if supply is available.

## 5.2 Medical centre

A potential medical (wellness) centre at 1 Jacksons Road with a full range of allied health services would respond well to the increasing and ageing population in the area. Figure 13 shows the distribution of medical centres through Wheelers Hill and Mulgrave.

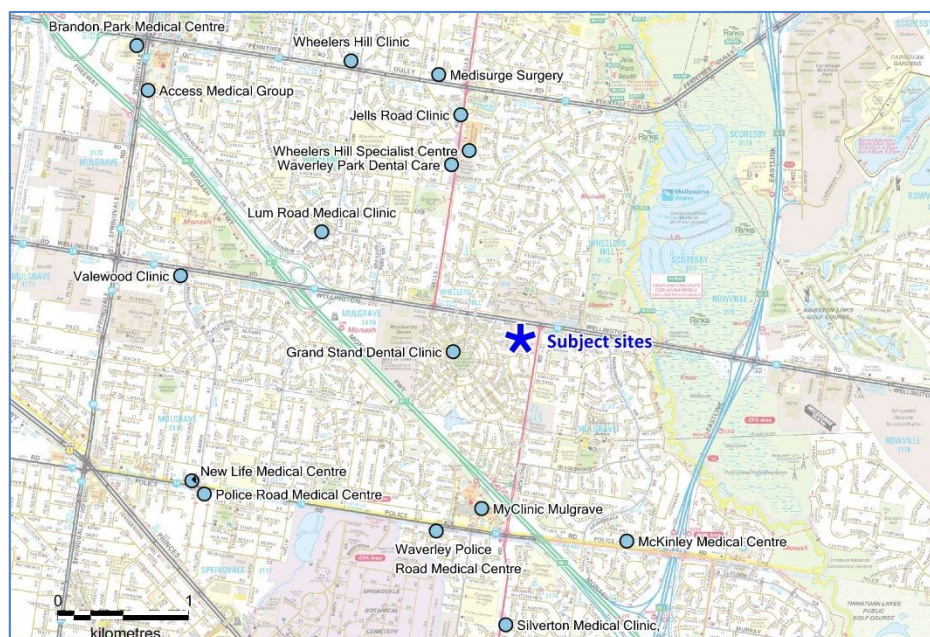
The pattern reveals a cluster of clinics at Brandon Park and along Ferntree Gully Road in the northern part of Wheelers Hill and two clinics adjoining the Wheelers Hill Shopping Centre on Jells Road. The latter are well-placed in the community hub and are close to the large Weary Dunlop retirement village.

Further south, there is a second grouping along Police Road and near the Waverley Gardens Shopping Centre.

There are no medical centres along Wellington Road or near the subject sites. There is an apparent opportunity here to service the large retirement village opposite the sites, established areas through Wheelers Hill and Mulgrave and new residents in the Waverley Park development. A Wellness Centre would also operate from a potentially broader catchment where the site has a high profile and is accessible via the two major roads.

**Figure 13—Medical Centres**

Source: Deep End Services



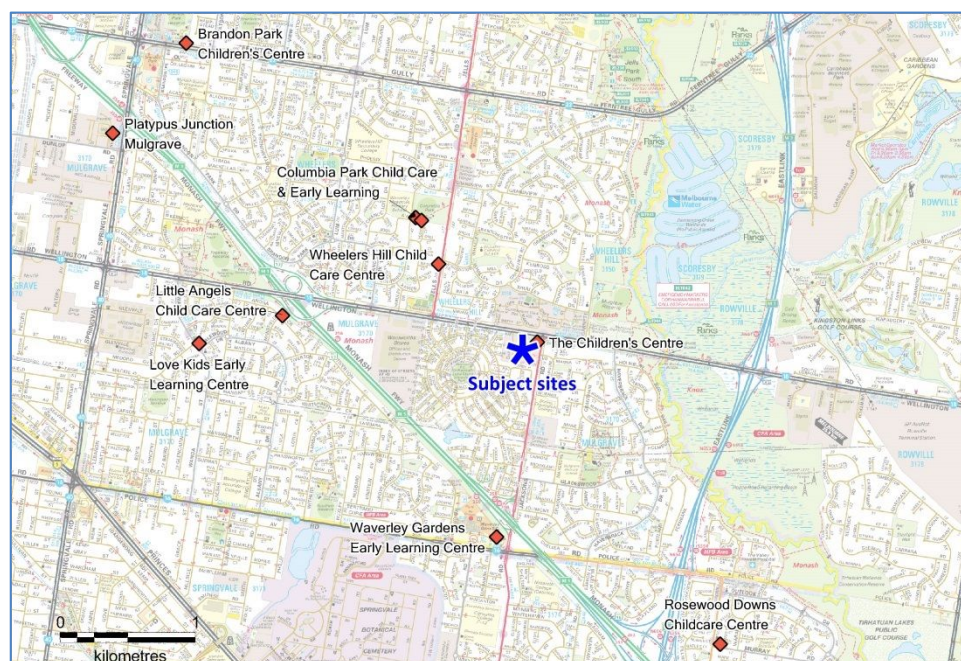
## 5.3 Child care centre

A new and larger child care centre, replacing the existing facility at 1 Jacksons Road, would serve a growing need in the area, mostly from the growing number of young families in the Waverley Park area.

Age-specific population projections by .id show the number of pre-school children in Mulgrave and Wheelers Hill will remain at stable levels for the next 20 years – fluctuating around 2,100 children aged 0-4 years. This underpins the existing distribution of child care centres.

**Figure 14—Child care centres**

Source: Deep End Services



#### 5.4 Housing mix and affordability

The 2016 Census confirms the housing characteristic of Mulgrave and Wheelers Hill is overwhelmingly detached homes (94%) with small proportions of townhouses & semi-detached dwellings (3.0%) and units & apartments (3.5%). The development of Waverley Park has introduced new housing products but still, mainly 2-storey 3-4 bedroom homes.

Compounding the low diversity and choice in the dwelling stock, house prices in the outer east have also increased steadily – in line with metropolitan trends.

The median house price is now just over \$1.1 million in Wheelers Hill – up from \$670,000 in 2012 - and about \$875,000 in Mulgrave. Units and apartments are in short supply with an average of only 20 sales per year in Wheelers Hill and 50 in Mulgrave each - compared to an average of 240-260 family homes per annum in both suburbs. The median price of units and apartments has also grown strongly – (refer Figure 15).

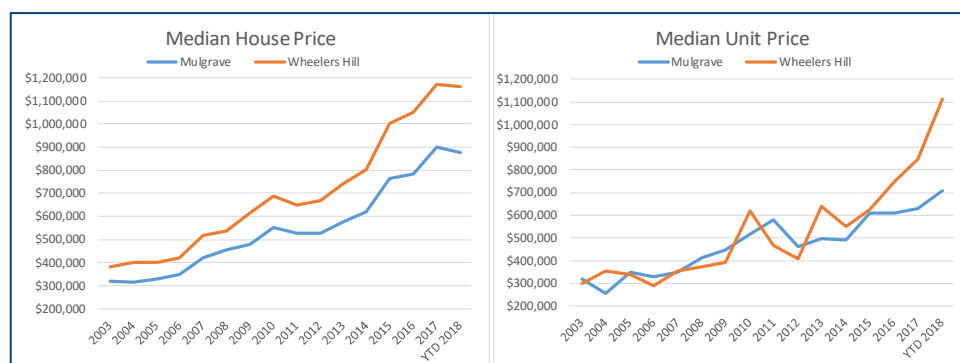
The potential development of the subject sites with a range of medium and high-density housing options with attractive views to the Dandenong Ranges provides for a range of groups in the market including:

- Young, first-home buyers looking for a cheaper housing product to enter the market.
- 'Empty nesters' downsizing from the large family home but still in the workforce.
- Active retirees who are younger than the average entry age to retirement villages (80 years) but prefer to stay in the area.
- Apartment buyers looking to stay close to their long-held home but prefer an outer suburban apartment with views compared to a busy activity centre or inner city location.

- Unit buyers competing for the small supply of apartments in Wheelers Hill at similar prices to established homes in Mulgrave.

**Figure 15—Median house & unit prices**

Source: APM  
Pricerfinder



Housing mix and choice extends to aged living options. The region's ageing population and growth in small family units will generate more demands for seniors living either in conventional retirement village complexes or apartment units suited to empty nesters and those in early retirement.

Several older-style retirement villages are present in the area (refer Figure 16) including:

- Cumberland View Village opposite the subject sites. The large 250-villa unit complex with aged care facility was built in 1980. It appears to have a high occupancy level with just 3 units currently for sale.
- Monash Gardens at 355 Wellington Road at Mulgrave. The small 39-unit retirement village and 97-bed residential aged care facility is run by the Royal Freemasons.
- Outlook Gardens Christian Retirement Village on Police Road, North Dandenong. The villa complex with 52 units was built in 1992 and has an aged care facility, recently extended to 95 ageing-in-place beds.

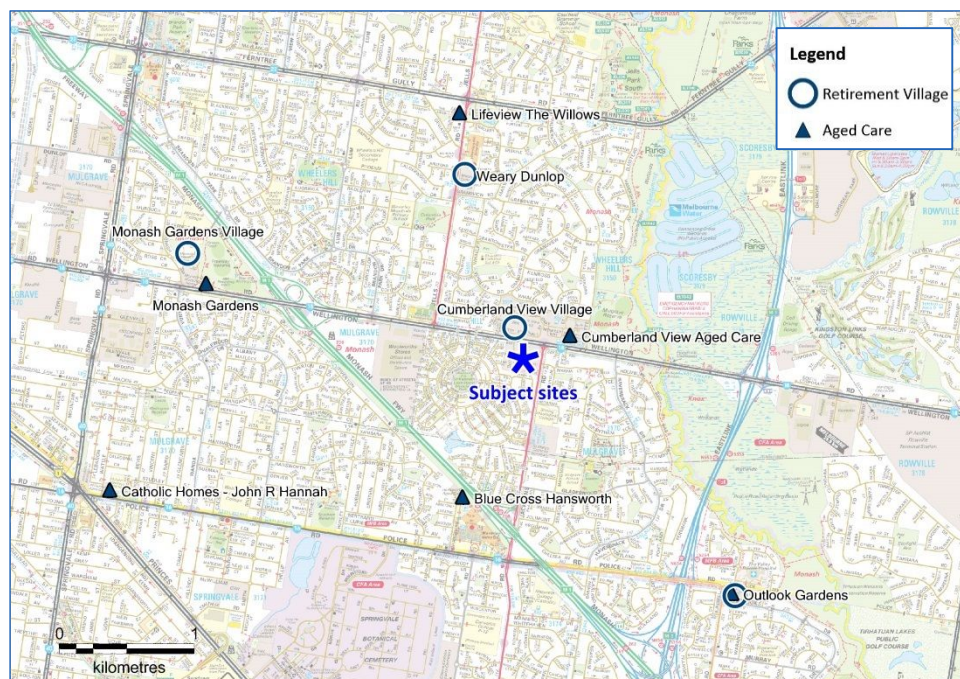
Weary Dunlop Retirement Village is a new apartment-style 3-4 level complex housing 400 residents on Jells Road beside the Wheelers Hill Shopping Centre. This is a contemporary resort style of village built in 2016 with aged care living. It contrasts with the older-style low rise complexes developed on 'greenfield' sites during the 1980's and 90's.

The subject site lends itself to the development of a 'vertical' retirement village or similar accommodation for people downsizing to an apartment. The Mixed Use zone and the DDO provides options for developers to incorporate a more specialised apartment product that caters to the needs of older residents who can utilise potential health / wellness and other facilities on the site.

Our preliminary inquiries also indicate there could be interest in the site from a prospective operator for an aged care complex.

**Figure 16—  
Retirement Villages  
& Aged Care**

Source: Deep End  
Services



## 5.5 Commercial accommodation

The Mixed Use zone also provides for a potential residential hotel or serviced apartment complex.

Figure 17 shows the distribution of accommodation venues in the City of Monash and surrounding areas, identified as either hotels, serviced apartments or motel complexes. The major demand drivers in the outer east are visiting, friends and relatives, the small business market and industrial base, education and the availability of cheaper accommodation outside the central city for major events.

Glen Waverley has evolved as the major centre for accommodation in the middle and outer eastern suburbs with 8 venues in or near the activity centre and about 550 rooms / suites available.

Elsewhere in Monash, a cluster of motels and apartments is around Oakleigh and Chadstone and a dispersed pattern of older style motels and pub venues with accommodation along Dandenong Road, from Oakleigh to Noble Park. Further south, Dandenong is the next major cluster.

There are also several venues around Monash University and the technology precinct.

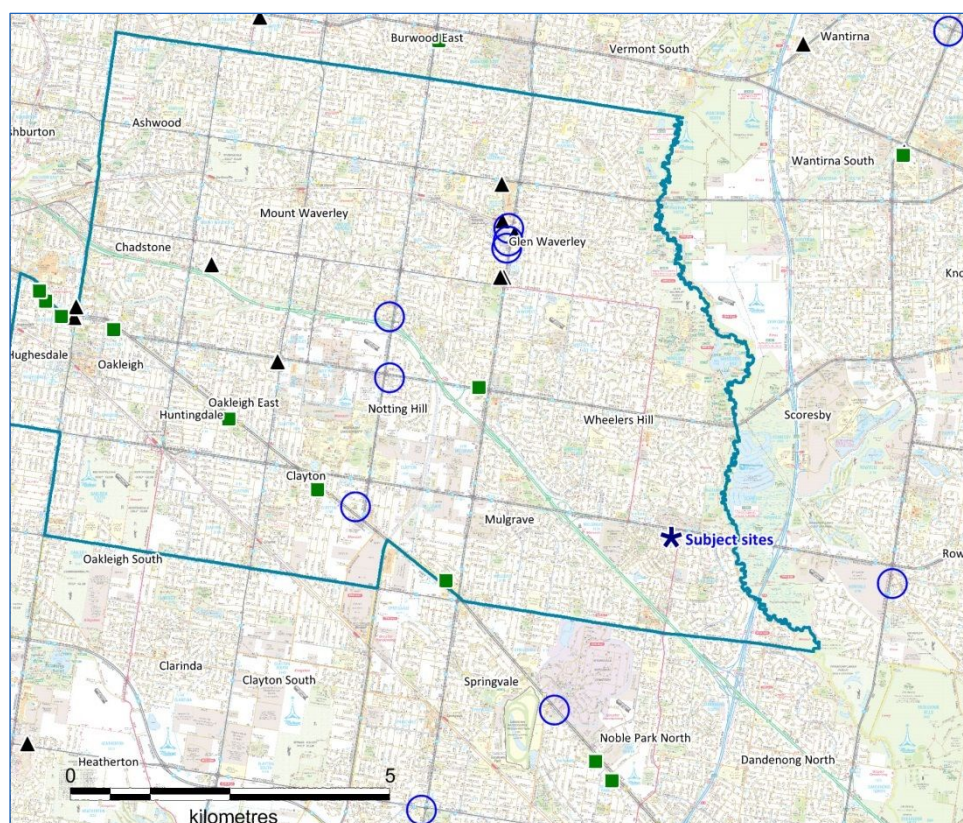
There is no commercial accommodation in Mulgrave or Wheelers Hill. The only venue was recently demolished on Jells Road to make way for the Weary Dunlop retirement village. Further east, there is a motel-style complex on Stud Road at Rowville.

The site has reasonable prospects of attracting a hotel developer and operator given the absence of quality venues in the area, proximity to Eastlink and the industrial areas and the site's aspect and views to the Dandenong Ranges.

The Quest serviced apartment model would be well-suited to the site with 60-70 rooms and a modest range of on-site amenities.

**Figure 17—  
Commercial  
accommodation**

Source: Deep End Services



## 5.6 Other uses

Other potential uses that could be incorporated into a future site plan include:

- Local level retailing such as a café, convenience store and hairdresser.
- Community uses including a library, maternal child and health facility, flexible space for community use or health-aligned activities associated with a medical centre.

## 5.7 Employment benefits

Most of the 15,780 sqm of office and warehouse space at 1 Jacksons Road and 634 Wellington Road is currently vacant. At their peak, both sites probably generated about 300 employment positions however this has now been reduced to about 75 positions.

Under the existing zoning, the prospect of the former employment levels returning is very low given the age of the buildings and infrastructure at 1 Jacksons Road and the expense needed to bring the buildings up to modern standards.

Future employment levels on the site are difficult to predict in the absence of a site plan with land uses, indicative floor areas and possible tenants.

Employment levels are unlikely to return to the peak operating years of the site as a head office and warehouse precinct however there is every likelihood that a combination of residential and some commercial use will increase on-site employment to much higher levels than currently generated by the site.

# 6

## Conclusions

Local planning policy of the City of Monash supports the retention of industrial and commercial land for employment generating purposes. The two sites at Mulgrave are however of very low strategic value in the context of the industrial land supply in Monash and the land use and economic changes which have occurred since the initial use was conceived.

The larger of the two sites (1 Jacksons Road) was developed 45 years ago when housing estates in Mulgrave and Wheelers Hill were being developed, the Waverley Park football ground was just two years old and the Monash Freeway link from Chadstone to Eumemmering was under construction.

The two sites are now surrounded by housing, forming an isolated industrial node which is removed from other industrial land and out of context with the surrounding residential and retirement village uses.

The early edge-of-city advantages of the site have been eroded as the buildings and facilities have aged and new, more efficient buildings in planned estates with on-site amenities are available elsewhere with equal or better freeway connections. The industrial market in Monash has expanded and consolidated to the technology node around Monash University and the more traditional areas through Oakleigh, Clayton and Springvale.

The loss of 5.3 hectares of Industrial 1 zone is of little significance given the relatively low rate of industrial land development in Monash and the large existing supply of land and buildings.



For new businesses entering or relocating in Monash, there are new industrial buildings available for lease, others readily turning over for re-lease and significant redevelopment opportunities in the older areas where traditional activities have declined and will be displaced by modern buildings more suited to the market. The slow but steady take up of the Monash technology precinct and Caribbean Gardens at Scoresby are better examples of where the market is shifting.

The elevation and eastern aspect of both sites and the new residential interface with Waverley Park, makes the land far more suited to a mixed-use scheme with residential and commercial use.

An ageing population and low diversity of housing choice support higher density housing, aged care and medical uses. These and other on-site uses under the Mixed Use zone can meet the needs of the structural demographic changes occurring in the area and allow residents to move close to their existing networks.

On our analysis, there is a case to support a range of higher density uses permitted under the Mixed Use zone.

In conclusion, there are positive economic and employment benefits in rezoning the site to Mixed Use zone and no material impacts on the effective supply of high quality industrial land in Monash. The change will allow the land to revert to a range of higher and better uses which should deliver a net gain in jobs and economic activity.