MONASH NATIONAL EMPLOYMENT CLUSTER RETAIL NEEDS STUDY

METROPOLITAN PLANNING AUTHORITY | APRIL 2015

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EXECUTIVE SUMMARY

Urban Enterprise was engaged by the Metropolitan Planning Authority (**MPA**) to undertake a retail needs project (this **study**) for the Monash National Employment Cluster (**NEC**), which will be a key input to the development of a Framework Plan to guide future planning and development.

This study investigates and makes recommendations on the future need for additional retail and related service centre floorspace in the NEC. The study also considers the types of retail and supporting commercial facilities that will be required to meet the specific needs of business and employees.

This executive summary provides an overview of the key findings of the report. Please refer to the relevant report sections for further details.

CONTEXT

The MPA projects significant employment and population growth in the NEC over the period 2016-2051, effectively doubling the number of both residents and employees over the period through policy support. The business mix is changing from large scale uses such as manufacturing to more intensive office and high-tech uses, and research has shown that existing businesses are poorly served by retail and other services in the NEC, particularly accommodation and convenience retail.

A review of the existing planning context of the NEC found that there is no clear planning support for business services to be located in specific locations in the NEC. In particular, planning controls prohibit accommodation in the main employment areas within the Special Use Zone 6, the prime location for such establishments given the proximity to key accommodation demand drivers such as Monash University, CSIRO, The Australian Synchrotron and head offices.

In general, commercial zones (Commercial 1 Zone and Commercial 2 Zone) provide the greatest support for retail and business service uses, however these zones are open to a range of commercial uses which do not meet business needs (such as bulky goods). In practice, the lack of specific zones to support business services is likely to have contributed to the low supply of business focused retail and support facilities in the NEC, as distinct from standard activity centres and highway retailers.

The Design and Development Overlay 1 (Monash Planning Scheme) has contributed to an 'internalised' urban form which has likely limited the intensification and variety of land uses in the northern part of the NEC. There is a need to amend the overlay to encourage a more 'externalised' and pedestrian friendly urban form in desired areas.

There is a need for clear planning support to encourage business services in desired locations. The SUZ6 is considered the most appropriate zone to support the provision of retail and business services to support employment in the NEC, however a number of changes will be required to the Schedule and the DDO to ensure that all relevant uses are permitted and encouraged, other uses are discouraged, and the urban design and layout supports the built form characteristics needed by retailers and business services.

RETAIL SUPPLY

The NEC includes a strong network of local convenience centres and supermarkets which service their local catchments, along with a high proportion of take away food and budget restaurants, supported by the prominent student and culturally diverse communities in the Clayton and Springvale areas. It is estimated that there is currently a total of 235,000m^2 of retail floorspace in the NEC.

Bulky goods retailing is prominent due to exposure to passing trade along major highways and constitutes approximately half of all floorspace in the NEC. The recently established Springvale Homemaker Centre reinforces the NEC's position as the major bulky goods retail centre servicing the south-eastern suburbs of Melbourne.

The existing supply of retail floorspace in the NEC does not generally meet the needs of employees and businesses, especially in the northern parts of the NEC. This is further constrained by the significant barriers to north-south movement in the area, such as the Cranbourne Pakenham Rail Line and the Princes Highway.

Existing activity centres within the NEC do not provide suitable locations or land use mix to meet the needs of businesses, as expressed in the business intentions survey. Accessibility to retail and business services within and near the NEC is poor, and only a small proportion of employment growth areas are within walking distance of these centres.

There is likely to be a significant level of latent demand for convenience retail, business services, cafes and restaurants, and accommodation within the NEC, especially in areas near major employment nodes and institutions. New retail and service locations are required to meet latent demand and improve accessibility and walkability in the NEC.

RETAIL DEMAND

Demand for retail floorspace in the NEC is primarily driven by local residents and residents from other areas, however employees generate demand for approximately 20% of non-bulky goods retail floorspace at present;

A significant amount of additional retail floorspace will be supportable in the NEC over the planning period (2016 – 2051), in the order of 42,000 – 48,000m^2 to 2026, and 184,000 – 214,000m^2 to 2051 (excluding bulky goods). This growth will be underpinned by population growth, employment growth and a reduction in the overall levels of escape expenditure to other areas;

The majority of retail floorspace growth should be accommodated within existing activity centres. In addition, there is the need for - and sufficient demand to support - at least 2 new retail centres in the NEC over the planning period, with one new centre (in the order of 8,000 to 10,000m^2) supportable by 2026. Over the planning period to 2051, it is estimated that an additional 40,000m^2 of new retail floorspace outside existing activity centres could be supported by business and employment growth, depending on the rate of growth experienced. The demand growth should be monitored closely over time to ascertain whether / when a third new centre is required.

Any new centres should be anchored by a supermarket and include a food catering / hospitality focus, co-located with accommodation and open space where possible. New centres would require in the order of 2ha to 3ha of land, ideally in single ownership.

CASE STUDIES

To inform this study, the land use mix and retail and business support services provision in three Sydney employment areas were reviewed, including the Norwest Business Park, Macquarie Park and the proposed Western Sydney Employment Area. Key findings from case studies are as follows:

- Without a residential catchment, employment land use is only able to support smaller convenience focused retail, along with supporting services such as accommodation and recreation;
- The Norwest example is well matched to the NEC. The Norwest activity centre plan is to establish two activity centres which primarily serve the employment areas, but are also supplemented by a nearby residential catchment. Retail centres are located centrally to the business uses rather than on major thoroughfares, and are anchored by full line supermarkets. The overall scale of the centres is relatively low (approximately 10,000m^2) with a focus on convenience and support services (bank, personal services, etc.). Cafes and restaurants are located throughout the business park, including as part of the activity centres, within office buildings and in areas of high amenity (eg. with views of open space and the lake);
- The Macquarie Park example provides an alternative model with a highly centralised retail and support services layout. At full development, the effectiveness of this land use pattern in serving local businesses has

been brought into question during recent planning processes. The convenience factor has been lost for many employees and businesses through this approach;

- The Monash NEC is clearly under-supplied in terms of accommodation establishments and rooms. These is likely to be scope for at least 2-3 additional establishments, focused on the business and health market and including serviced apartments and moderate to high quality hotels in close proximity to the major institutions and business areas.

The case studies demonstrate that a polycentric model of retail and support service clusters is likely to best serve the NEC, with small to medium sized service centres (maximum 10,000m^2) located in strategic positions which optimise convenience for workers but enable some access from the broader residential catchment. Centres should be anchored by a supermarket.

RECOMMENDATIONS

1. Amend Schedule 6 to the Special Use Zone to allow accommodation establishments and conference centres;
2. Use the Special Use Zone to designate specific locations for retail and service centre clusters, with clear support for desired uses such as convenience retail, hospitality and retail services;
3. Plan for at least 2 new retail centres to be located within the NEC in the order of 8,000m^2 to 10,000m^2 (maximum floorspace of 10,000m^2). One centre should be planned to be delivered by 2026. Sufficient land should be also be allocated to enable these centres to increase in size over time if required.
4. Investigate and identify suitable sites to accommodate future retail centres based on the location and size characteristics identified in this report, including consideration of opportunities to incorporate public land holdings and underutilised land where possible.
5. Identify Clayton Road near and opposite the Monash Medical Centre as a location for potential accommodation and business services in the NEC Framework Plan and Clayton Structure Plan. This area could absorb some of the additional demand generated by employment growth in this area in the short to medium term, especially from the construction of the new Children's Hospital.
6. Monitor population, employment and retail floorspace growth in the NEC at regular intervals and update retail demand forecasts.
7. In the longer term (eg. 2031), investigate the need and location options for a third new centre in the NEC, subject to a review of the competitive retail environment and employment and population growth over time.

Based on the existing and proposed retail hierarchy, recommended general locations for new centres are as follows:

1. A new centre near the intersection of Forster Road and Ferntree Gully Road,
2. An expanded Clayton Activity Centre to the north of the railway line; and
3. A new centre north of Wellington Road, east of Blackburn Road and west of Springvale Road (potentially aligned with the Westall extension, however high levels of exposure are not essential).

1. INTRODUCTION

1.1. BACKGROUND

Urban Enterprise was engaged by the Metropolitan Planning Authority (**MPA**) to undertake retail needs project (this **study**) for the Monash National Employment Cluster (**NEC**), which will be a key input to the development of a Framework Plan to guide future planning and development.

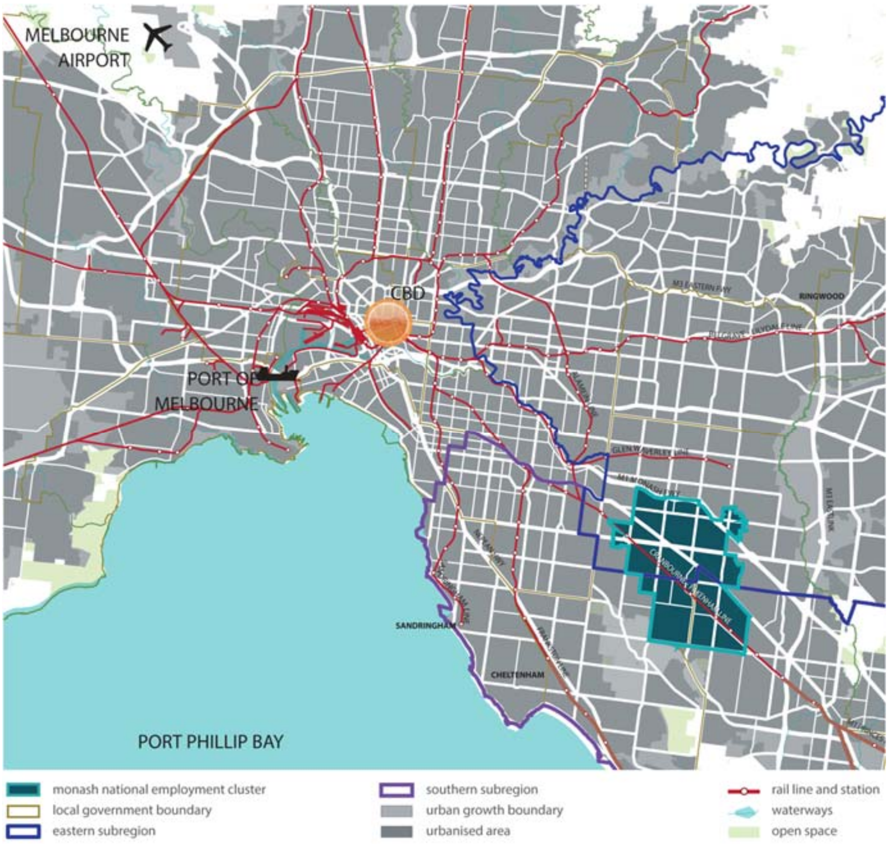
This study investigates and makes recommendations on the future need for additional retail and related service centre floorspace in the NEC. The study also considers the types of retail and supporting commercial facilities that will be required to meet the specific needs of business and employees.

1.2. STUDY AREA

The NEC is located approximately 18kms south-east of the Melbourne CBD and covers a large area of approximately 38km^2 including land in three local government areas: Cities of Monash, Kingston and Greater Dandenong.

The NEC is strategically located along a number of major transport routes including the Princes Highway, Monash Freeway, and the Cranbourne-Pakenham rail line. The location of the NEC is shown in Figure 1.

FIGURE 1 MONASH NEC LOCATION

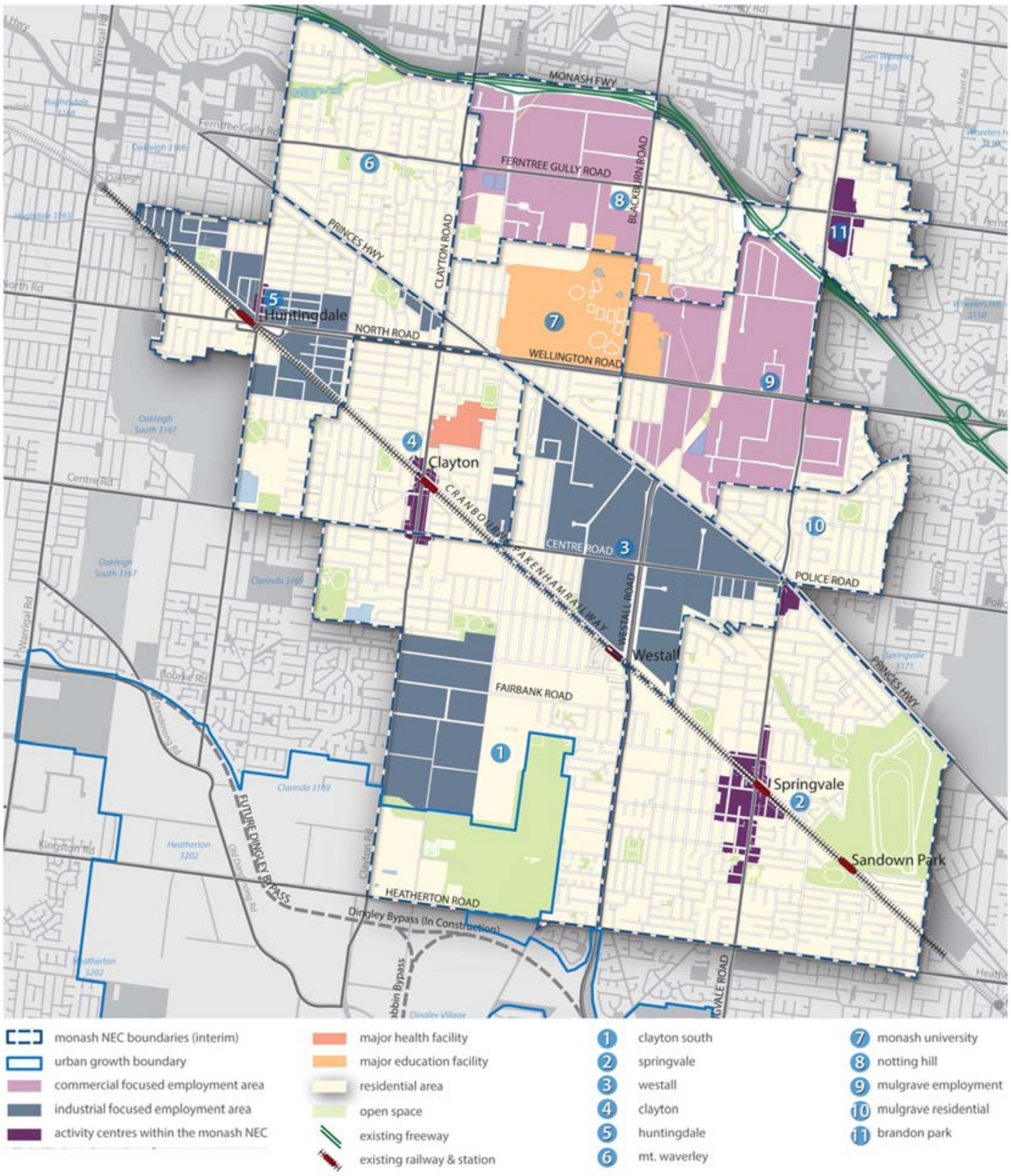


Source: Monash NEC Working Draft Framework Plan, MPA 2014

As outlined in the Draft Framework Plan, to assist with planning the following eleven precincts have been identified in the Monash Cluster, as shown in Figure 2:

8. Clayton South
9. Springvale
10. Westall
11. Clayton
12. Huntingdale
13. Mt Waverley
14. Monash University
15. Notting Hill
16. Mulgrave - employment
17. Mulgrave - residential
18. Brandon Park.

FIGURE 2 MONASH NEC PRECINCTS



Source: Monash NEC Working Draft Framework Plan, MPA 2014

1.3. PROJECTED POPULATION AND EMPLOYMENT GROWTH

Significant residential and employment growth is expected to occur within the NEC. The MPA provided Urban Enterprise with high level population and employment projections for the NEC to inform this study. It should be noted that:

- The projections provide an **indication only** of the scale of employment and population growth that is possible under two scenarios. Given the volatile nature of small area projections, these projections should be treated as indicative, not definitive, of expected growth;
- Shorter term (eg. 10 year) projections are more closely aligned with 'business as usual' growth, and are therefore more reliable than longer term projections to 2051; and
- The upper end of projected growth is contingent on a range of strategies and initiatives, and represent a 'policy driven' scenario.

According to MPA projections, the residential population and working population within the NEC could more than double by 2051, as shown in Table 1. The scale of projected growth is substantial compared to historical trends. For example, dwelling projections allow for 1,300 new dwellings per year to 2051, well above historical trends of approximately 300 per annum[1].

TABLE 1 PROJECTED NEC RESIDENT AND EMPLOYMENT GROWTH (MPA SCENARIO)

		Resident Population			Working Population			
Precinct		2011	2051	% growth p.a.	2011	2051 (lower)	2051 (higher)	% growth p.a. (higher)
1	Clayton South	9,300	16,300	1.4%	6,200	8,250	12,350	1.7%
2	Springvale	18,100	58,550	3.0%	6,000	10,400	15,600	2.4%
3	Westall	4,200	24,800	4.5%	8,200	10,400	15,600	1.6%
4	Clayton	10,200	30,500	2.8%	9,300	21,350	32,050	3.1%
5	Huntingdale	7,100	21,950	2.9%	5,300	7,900	11,900	2.0%
6	Mt Waverley	8,400	9,450	0.3%	900	4,900	7,300	5.4%
7	Monash University	2,850	21,500	5.2%	7,900	14,700	22,300	2.6%
8	Notting Hill	5,800	7,400	0.6%	17,000	20,400	30,600	1.5%
9	Mulgrave - employment	1,350	5,600	3.6%	14,800	18,550	27,850	1.6%
10	Mulgrave - res	2,450	3,950	1.2%	600	700	1,100	1.5%
11	Brandon Park	3,300	6,100	1.5%	1,300	1,600	2,400	1.5%
Total		**73,100**	**200,800**	**2.6%**	**77,500**	**119,150**	**179,050**	**2.1%**

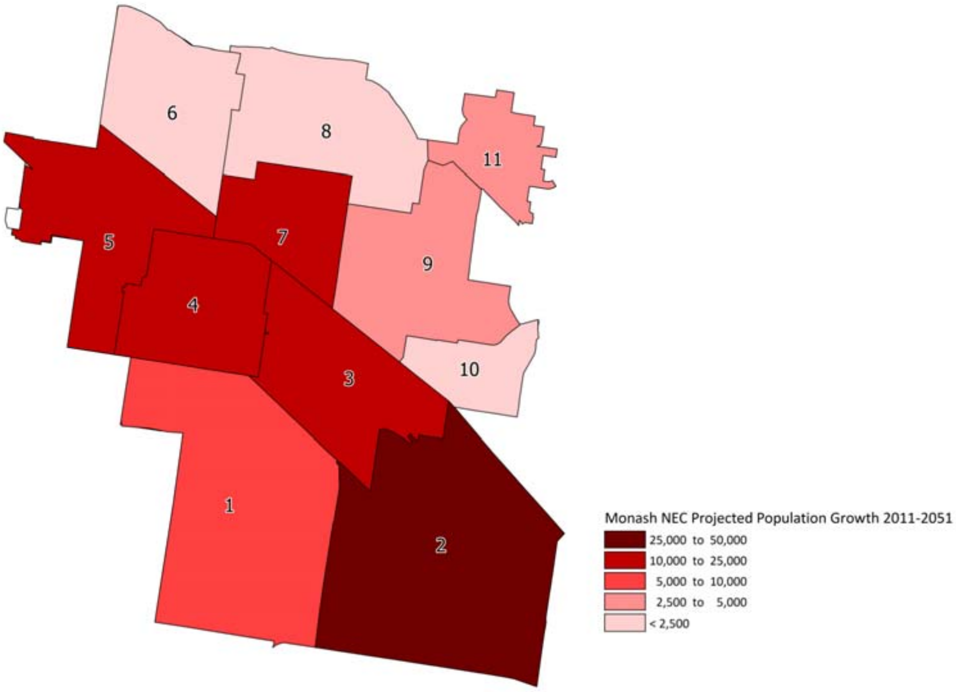
Source: MPA 2015

As stated within the Draft Projections document, due to the uncertain nature of projecting growth from small areas these figures should not been seen as a definitive forecast of growth. Rather, they are a 'policy-driven scenario' based on expectations for infrastructure investment and incentives to result in increased employment density, diversity, amenity and housing.

[1] Draft Monash NEC: employment dwellings and population forecasts, MPA 2015

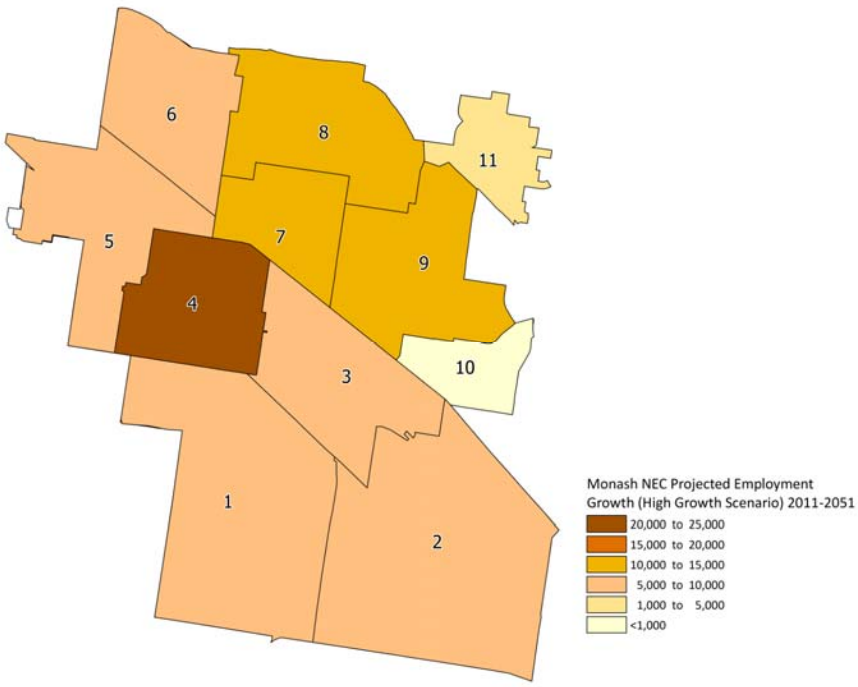
As shown in Figures 3 and 4, the majority of population growth is expected to occur in the southern precincts of the NEC (south of Princes Highway and along the Cranbourne Pakenham Rail Line), while employment growth is expected in Clayton (primarily driven by hospital developments at and near the Monash Medical Centre) and precincts surrounding Monash University in the north of the NEC.

FIGURE 3 NEC POPULATION FORECAST BY PRECINCT (MPA SCENARIO)



Source: MPA 2015, Urban Enterprise 2015

FIGURE 4 NEC EMPLOYMENT FORECAST BY PRECINCT (HIGH GROWTH SCENARIO)



Source: MPA 2015, Urban Enterprise 2015

1.4. BUSINESS INTENTIONS RESEARCH

In 2014, Urbis carried out a survey of businesses within the Monash NEC[2] to understand issues and opportunities for the employment cluster and understand business intentions. A total of 189 businesses participated in the survey. The key findings and conclusions relevant to this study are as follows:

- 48% of businesses surveyed expect to stay the same size; 43% expect to grow; and 6% expect to contract;
- Larger businesses (100 - 500) employees, notably from the middle and north employment nodes indicated that they are likely to move the business in the next 5 years (25%) and the next 10 years (48%), but many of these businesses indicated they are likely to move to new premises within the Monash NEC;
- Manufacturing is generally on the decline in the area, replaced by a strong shift to professional services and scientific and technical industries;
- There is a lack of quality and good value **accommodation establishments** in the Monash NEC. Quest and Novotel are considered overpriced and not great quality (located outside of the cluster). There is also a lack of moderate term accommodation facilities (3 – 6 months). Additional establishments need to be provided for international and interstate staff/clients, as well as family and friends of students from Monash University. High quality and good value for money accommodation facilities are needed in the cluster.
- There is a lack of **recreational facilities** in the cluster including gyms, fitness centres, and active open space.
- The types of retail that is lacking includes:
  - **Restaurants**: high quality restaurants, to take existing/potential clients and staff functions;
  - **Lunch spots**: café's, coffee shops or casual take-away establishments;
  - **Banking**: a lack of branch/teller bank facilities in the cluster;
  - **Stationary**: Many businesses order their office supplies online, however, some businesses have to travel outside of the cluster (Chadstone and Glen Waverly) to accommodate their office supply needs;
  - **Convenience stores/supermarkets**: there is a lack of convenience retail facilities outside the major activity centres. (It is noted that Monash University proposes to incorporate a small supermarket on campus, and the proposed Nova Centre development on the corner of Blackburn Road and Princes Highway will also incorporate a full-line Woolworths supermarket once constructed).

1.5. KEY POINTS

- This study is a retail needs assessment for the Monash NEC, a major employment cluster in south-east Melbourne;
- The MPA projects significant employment and population growth over the period 2016-2051, effectively doubling the number of both residents and employees over the period through policy support;
- The business mix is changing from large scale uses such as manufacturing to more intensive office and high-tech uses;
- Business have noted the lack of supporting retail and other services in the NEC, particularly accommodation and convenience retail.

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[2] Monash Employment Cluster Economic and Business Intentions Project Report, Urbis, 26 November 2014.

2. Planning Context

2.1. INTRODUCTION

This section provides an overview of the current planning context of the Monash NEC and analyses the extent to which the existing controls facilitate retail and supporting commercial facilities required to meet current and future business and employee needs.

2.2. PLAN MELBOURNE

Plan Melbourne projects employment growth in the order of 1.7m new jobs in the Melbourne region to 2051, with a growing share of jobs in the business services (such as professional services and finance) and population services (such as health, education and retail) sectors. Traditional manufacturing employment is being replaced by high-tech manufacturing and freight and logistics.

Plan Melbourne highlights the economic importance of 3 current and 3 emerging national employment clusters, including the Monash National Employment Cluster. It notes that “Plan Melbourne is a plan to support the growth of these employment clusters” by directing commercial and industrial growth into these areas, supported by key infrastructure improvements. It is proposed that the National Employment Clusters will be mixed-use centres with residential, retail and commercial development.

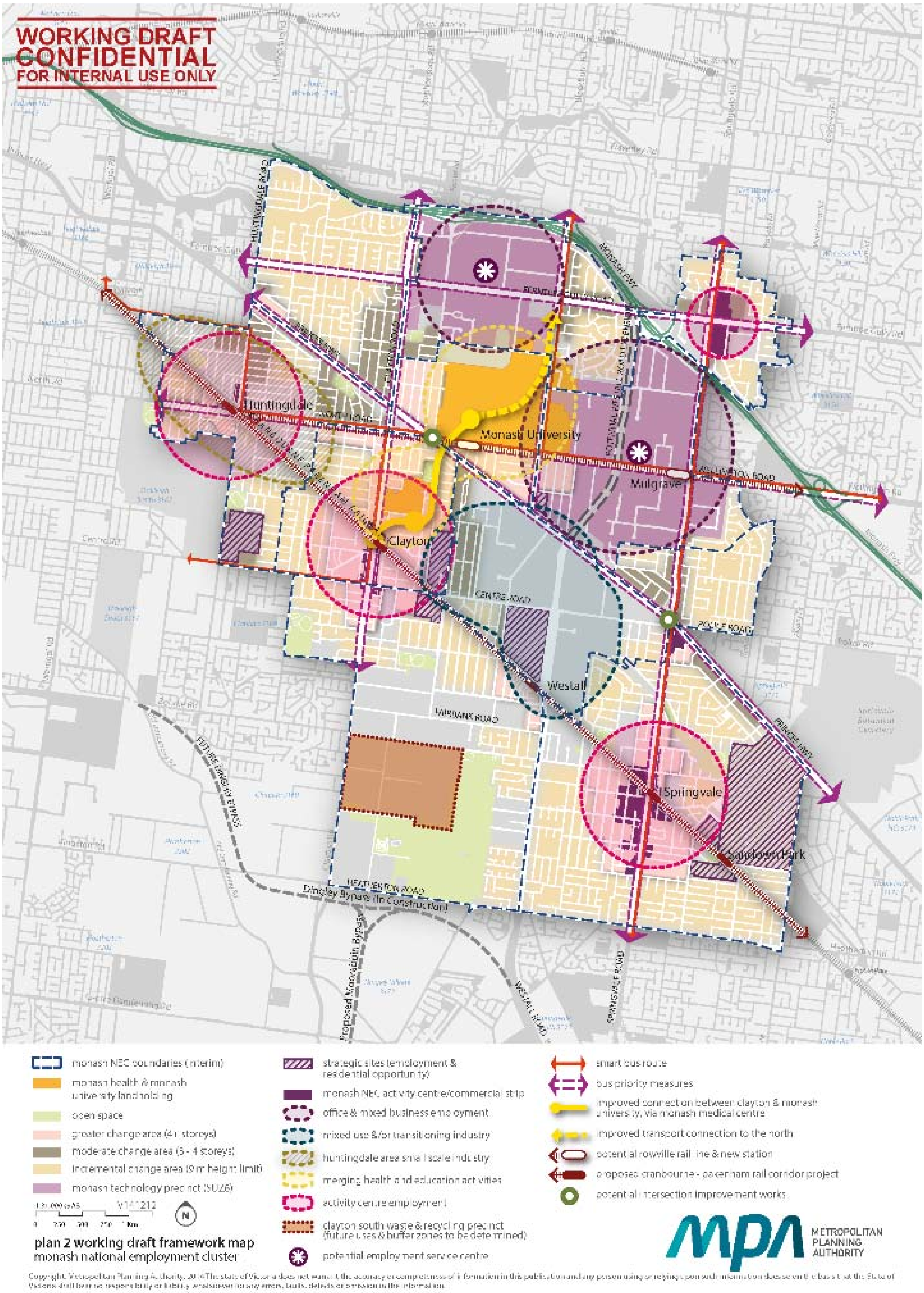
Plan Melbourne also projects that an additional 8,000,000m^2 of retail floorspace will be required to 2051 to support the expected population increase of 3.4m persons, equating to 2.35m^2 per additional resident, noting that this will require the expansion of existing activity centres as well as the establishment of new centres. Existing activity centres identified in Plan Melbourne within the Monash NEC include Clayton, Springvale and Brandon Park.

2.3. MONASH NEC WORKING DRAFT FRAMEWORK PLAN

The MPA has commenced preparation of a Working Draft Framework Plan for the Monash NEC. The Framework Plan will guide planning and development in the NEC, responding to the aim of significantly increasing population and employment numbers within the NEC and guiding key infrastructure improvements.

The working draft identifies indicative locations for “potential employment service centres” within the NEC, as shown in Figure 5. The potential centres could be located on arterial roads such as Ferntree Gully Road and Wellington Road. Specific locations are subject to review following the findings of this study.

FIGURE 5 DRAFT FRAMEWORK MAP



Source: Monash NEC Working Draft Framework Plan.

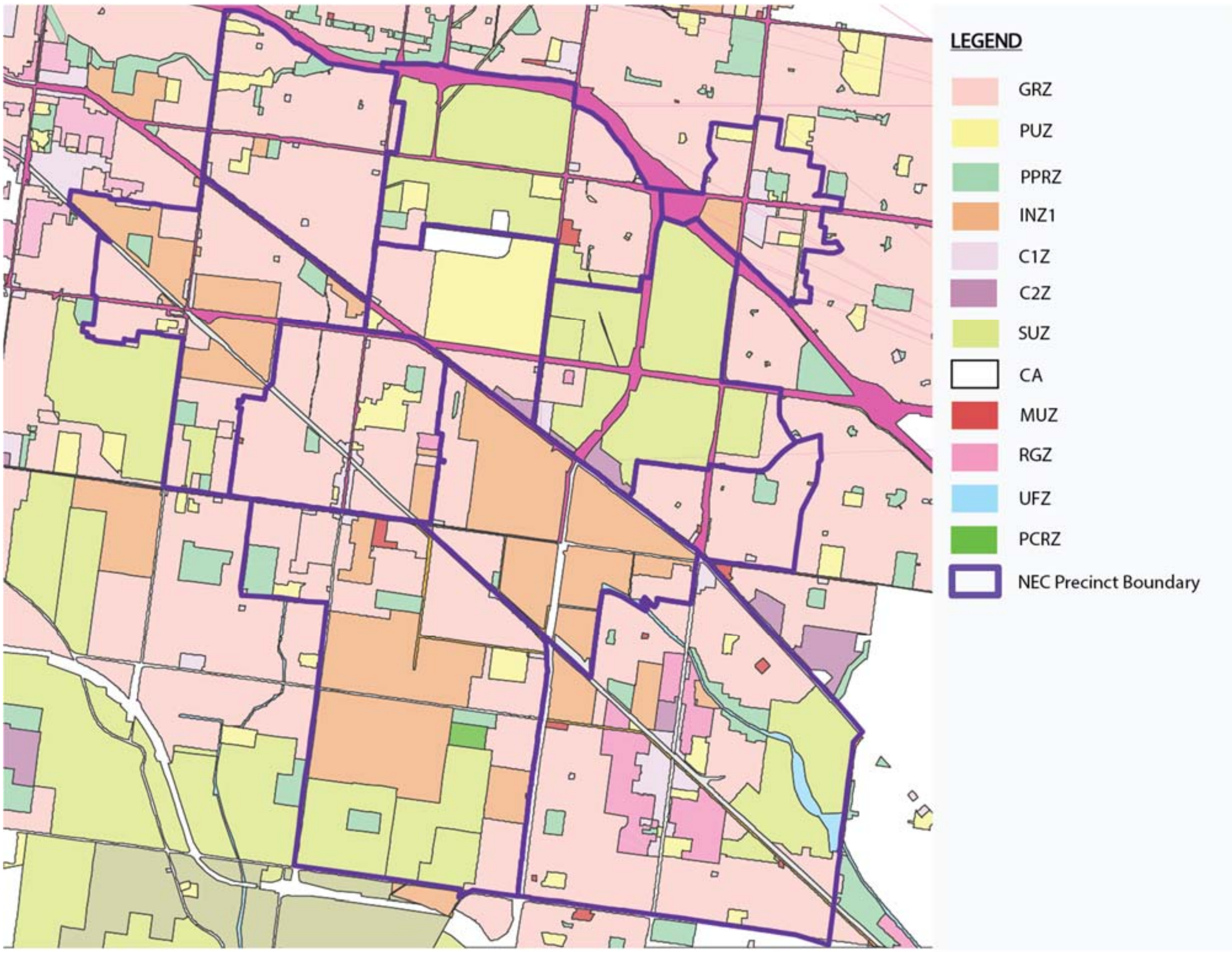
2.4. CURRENT ZONES

The current business zones in the NEC include Commercial 1 Zone (C1Z), Commercial 2 Zone (C2Z), Mixed Use Zone (MUZ), Industrial 1 Zone (IN1Z), Special Use Zone 5 (SUZ5) and Special Use Zone 6 (SUZ6). The key roles and functions of these zones are as follows:

- C1Z aims to create vibrant mixed use commercial centres for retail, business, entertainment and community uses. It also allows for residential uses at densities that are complimentary to the commercial centre;
- C2Z encourages commercial areas for offices, appropriate manufacturing and industries, bulky goods, retailing, other retail uses and associated business and commercial services;
- MUZ encourages a range of residential, commercial, industrial and other uses;
- IN1Z allows for the storage and distribution of goods and associated uses of the manufacturing industry;
- SUZ5 provides for the use and development of land for the Australian Synchrotron and its associated uses;
- SUZ6 encourages the integrated development of offices and manufacturing industries and associated commercial and industrial uses.

The location of each zone is shown in Figure 6.

FIGURE 6 NEC ZONE MAP

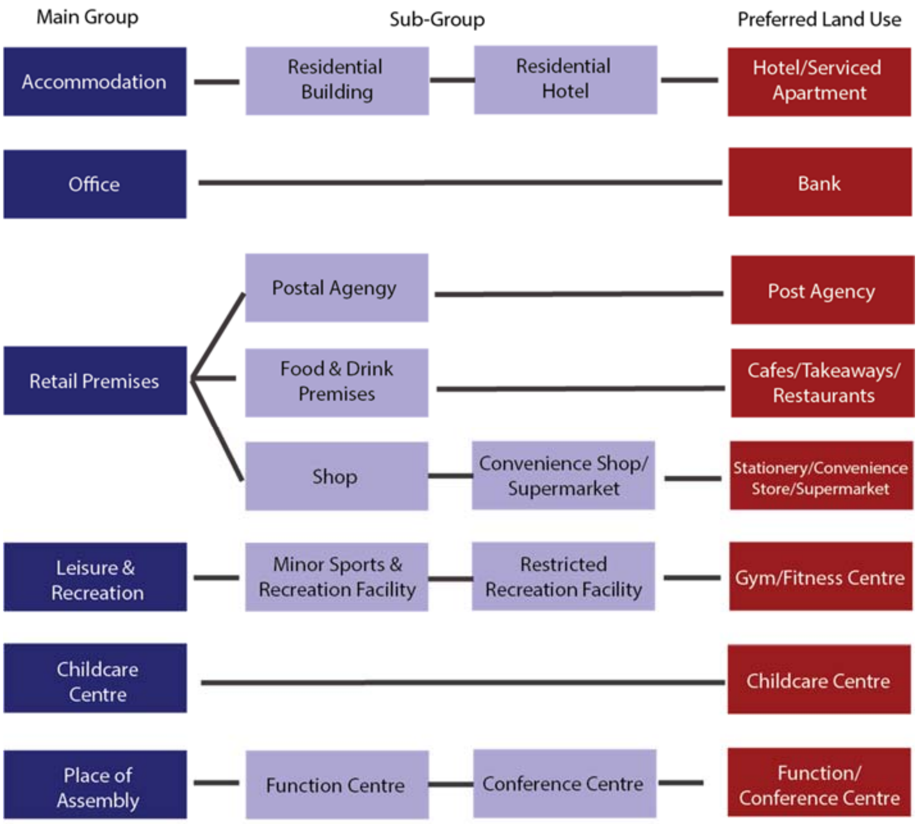


Source: Urban Enterprise, 2015.

2.5. RETAIL AND BUSINESS SUPPORT USES

The land use needs that are identified in the Business Intentions and Needs report as required to support businesses and employees in the NEC, shown in Figure 7 as "Preferred Land Use", along with the planning scheme group and subgroup which relates to each.

FIGURE 7 PREFERRED LAND USE NESTING DIAGRAM



Source: Urban Enterprise, based on Victorian Planning Provisions.

An analysis of the extent to which each NEC zone facilitates the preferred uses is provided in Appendix A. The analysis reveals that:

- C1Z is the most flexible to enable the preferred land uses, although recreation and function/conference facilities require a permit in this zone;
- C2Z also allows for the preferred land uses, however there are maximum floor area and leasable floorspace limits on retail premises such as food and drink premises, supermarket, convenience stores and stationery stores. The floorspace restrictions discourage large scale retail development. All retail premises require access to a major road in this zone, and residential, community, leisure and recreation uses require a permit.
- The preferred land uses are permitted in the MUZ. However, there are leasable floorspace restrictions on office and retail premises. The restrictions discourage any development larger than 250 m^2 for office and 150 m^2 for retail premises. A large bank branch or a supermarket will therefore not be supported in this zone. Residential, recreation, community and function/conference facilities will require a planning permit.
- SUZ5 controls the land use for the Australian Synchrotron. Offices are 'as of right', however, they must be in association with the Australian Synchrotron. Convenience stores, cafes and restaurants, and conference centre are allowed with a permit, however, these should complement the Australian Synchrotron. Hotels and

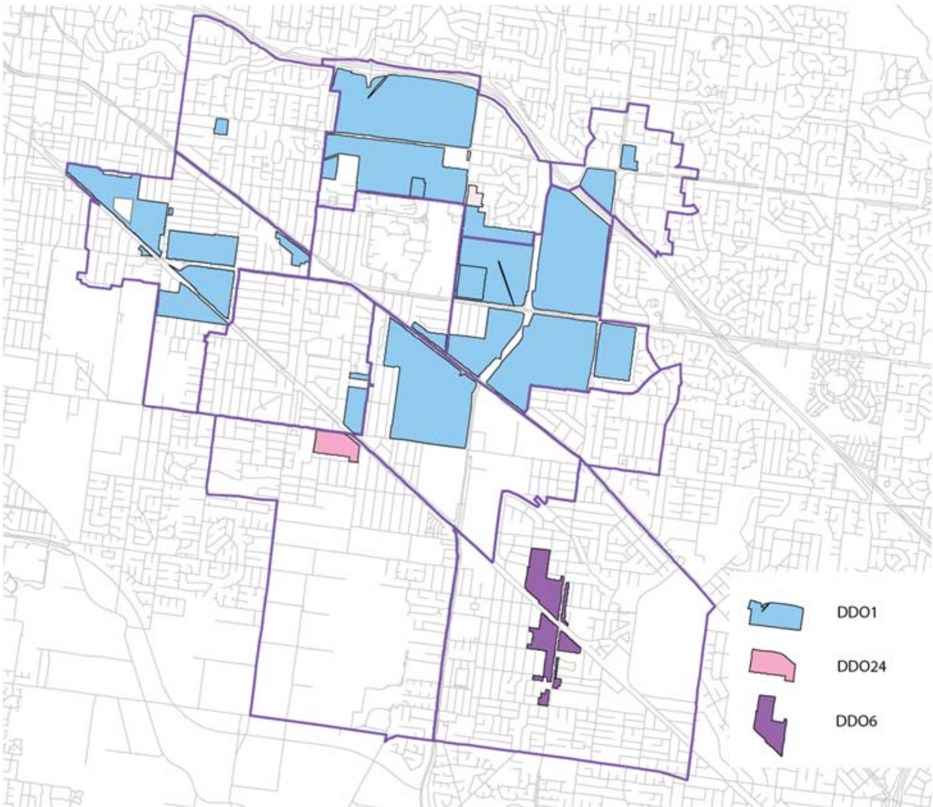
serviced apartments are also allowed with a permit, however, they do not align with the role and function of this zone. Large scale retail premises, recreational facilities, cinema and post office are prohibited in this zone.

- The current **SUZ6** encourages the integrated development of offices and manufacturing industries and associated uses. Bank, cafes and takeaways, convenience stores and post office are appropriate land uses in this zone. Despite function/conference centre, childcare, cinema, recreational facilities being allowed with a planning permit, these land uses do not complement the office and industrial focus of this zone. Commercial accommodation establishments and large scale retail such as supermarkets are prohibited in the SUZ6.
- All the identified land uses either require a permit or are prohibited in the **IN1Z**. Bank, post office, recreational facilities, childcare and conference centre are allowed with a permit in IN1Z, however, these land uses do not complement the industrial purpose role of the zone. Small retail premises such as cafes and takeaways, and convenience stores are allowed with a permit, and also complement the role and function of zone. Large scaled retail and commercial accommodation are prohibited in the IN1Z.

2.6. DESIGN AND DEVELOPMENT OVERLAY

The SUZ6 in Precincts 8 and 9 (northern NEC employment areas in Notting Hill and Mulgrave) and some areas of the IN1Z (Huntingdale and Westall) are affected by a Design and Development Overlay (DDO1) under the Monash Planning Scheme. These areas are shown in Figure 8.

FIGURE 8 NEC OVERLAY MAP



Source: Urban Enterprise.

Monash DDO1 specifies the minimum building and car park area setbacks from main roads as follows:

- Building and car park areas must be set back at least 3m from a boundary with the Monash Freeway;
- Building and car park areas must be set back at least:

- 20m from the front boundary of a site if the site is bounded by Blackburn Road, Ferntree Gully Road, Springvale Road, Stephensons Road and Wellington Road;
- 13.7m from the front boundary of a site if it is bounded by Forster Road; and
- 10.6m from the front boundary of a site if it is bounded by Gardiner Road, Nantilla Road and Normanby Road.

- Buildings must be set back from land in a residential zone or land used for a hospital or school at least the distance calculated by “Distance = Height/2 + 1.5m”; and
- Buildings must not exceed 7m above ground level.

These setback requirements have contributed to an urban form which is detached from the road network, and businesses which generally do not interact with the street and pedestrian network. In many cases, larger businesses and business parks have developed private and/or off-street cafes, further increasing the 'internalised' nature and function of land use in these areas.

It considered likely that setback and other DDO requirements have limited the ability of retailers and other business support services to establish in the area, due to the need for these types of businesses to be located within view of the street (either major roads or higher order collector roads) and with visible parking, pedestrian access and entrances from the street.

The relationship between existing planning controls and preferred future retail and support service requirements is discussed further in subsequent sections.

2.7. KEY POINTS

Key findings related to the planning context of the NEC include the following:

- There is no clear planning support for business services to be located in specific locations in the NEC. In particular, planning controls prohibit accommodation in the main employment areas within the SUZ6, the prime location for such establishments given the proximity to key accommodation demand drivers such as Monash University, CSIRO, The Australian Synchrotron and head offices;
- In general, commercial zones (Commercial 1 Zone and Commercial 2 Zone) provide the greatest support for retail and business service uses, however these zones are open to a range of commercial uses which do not meet business needs (such as bulky goods). In practice, the lack of specific zones to support business services is likely to have contributed to the low supply of business focused retail and support facilities in the NEC, as distinct from standard activity centres and highway retailers.
- The Design and Development Overlay 1 (Monash Planning Scheme) has contributed to an 'internalised' urban form which has likely limited the intensification and variety of land uses in the northern part of the NEC. There is a need to amend the overlay to encourage a more 'externalised' and pedestrian friendly urban form in desired areas;
- There is a need for a clear planning schedule to encourage business services in desired locations;
- The SUZ6 is considered the most appropriate zone to support the provision of retail and business services to support employment in the NEC, however a number of changes will be required to the Schedule and the DDO to ensure that all relevant uses are permitted and encouraged, other uses are discouraged, and the urban design and layout supports the built form characteristics needed by retailers and business services. Specific changes are discussed later in this report.

3. RETAIL SUPPLY

3.1. INTRODUCTION

The following section provides an overview of existing retail floorspace supply within the NEC study area, as well as the competitive hierarchy of key retail centres. Data is used from a range of sources and existing studies including:

- Victorian Shopping Centre Directory, Property Council of Australia;
- Springvale Activity Centre Structure Plan 2011;
- Brandon Park Structure Plan 2014; and
- Monash University Retail Vision and Strategy 2014 (Interim Report).

Data was supplemented with analysis of aerial photography and site visits. With the exception of Clayton Activity Centre, no detailed floorspace surveys were undertaken. Floorspace quantums provided within this section should be regarded as indicative.

3.2. NEC RETAIL SUPPLY

The NEC has a unique retail economy which serves local residents, workers, students, visitors and passing trade. There is approximately 235,000m^2 of retail floorspace within the NEC (as at January 2015), 48% of which is located within the key retail centres of Springvale (40,000m^2), Clayton (33,000m^2) and Brandon Park (22,000m^2), and smaller neighbourhood centres of Huntingdale (11,500m^2) and Police Road Shopping Strip (corner Springvale Road, 9,500m^2).

Almost half of the all retail floorspace in the NEC is classified as "Bulky Goods", reflecting the significant role of Princes Highway in serving the high volume of passing trade with highway retailers.

TABLE 2 NEC RETAIL FLOORSPACE BY LOCATION

Retail Location	Floorspace (m^2)	% of Total
Activity Centres	112,500	48%
Out of Centre	18,000	8%
Bulky Goods Precincts	104,700	45%
Total Retail Floorspace	235,200	100%

Source: Urban Enterprise 2015. Figures may not add to 100% due to rounding.

Brandon Park Shopping Centre is the only internal shopping centre within the NEC. The other activity centres at Springvale and Clayton are strip-based retail centres with distinct multicultural offerings of restaurants and specialty retailers.

NEC residents are relatively well serviced by supermarkets and convenience retail across a number of neighbourhood and sub-regional centres. There are 6 full-line supermarkets in the NEC, as well as a significant fresh food market within Springvale Activity Centre. The relatively strong provision of supermarkets means catchment areas are generally restricted to the respective local neighbourhoods.

Bulky goods is a significant retailing sector in the NEC, making up approximately 45% of all retail floorspace. There are a number of large hardware, trade, furniture, and electronics stores in precincts along Princes Highway and at the edge of industrial areas. The Springvale Homemaker Centre is a specialised bulky goods centre with 72,000m^2 of floorspace. The large scale IKEA store (36,000m^2) anchors the Homemaker Centre and ensures that the centre services a large regional catchment covering the south-eastern suburbs of Melbourne.

There is also minor provision of retail floorspace located outside the key retail centres (approximately 18,000m^2 or 8% of total retail floorspace). These are generally located in small clusters within residential areas or along major highways. Smaller 'out-of-centre' retail typically comprises of a mixture of local convenience (e.g. milk bars), personal services and take away food. There are a high number of vacancies in these clusters, indicating a general poor performance in these location types, and that the vast majority of local retail expenditure is directed to the larger activity centres.

It is expected that the majority of comparison shopping would be undertaken at larger shopping centres outside of the NEC, such as Chadstone, Southland and The Glen, and at the Melbourne CBD, due to the very low supply of higher order comparison shopping within the NEC. There is only one Discount Department Store (Kmart, Brandon Park) in this category, with a second Kmart DDS proposed as part of the Nova Centre development.

Table 4 shows an estimated breakdown of floorspace by type in the NEC, compiled from previous studies and site visits.

TABLE 3 NEC RETAIL FLOORSPACE BY RETAIL CATEGORY

Retail Type	Floorspace (m^2)	% of Total
Food, Liquor, Groceries	35,000	15%
Bulky Goods*	111,400	47%
Other (inc. AHL, retail services, food catering)	88,800	38%
Total Floorspace	235,200	100%

*Refers to bulky goods floorspace within activity centres and stand-alone precincts.
**No detailed retail surveys were undertaken as part of this study, and these figures should be considered as indicative only.
Source: Urban Enterprise 2015.

3.3. COMPETING CENTRES

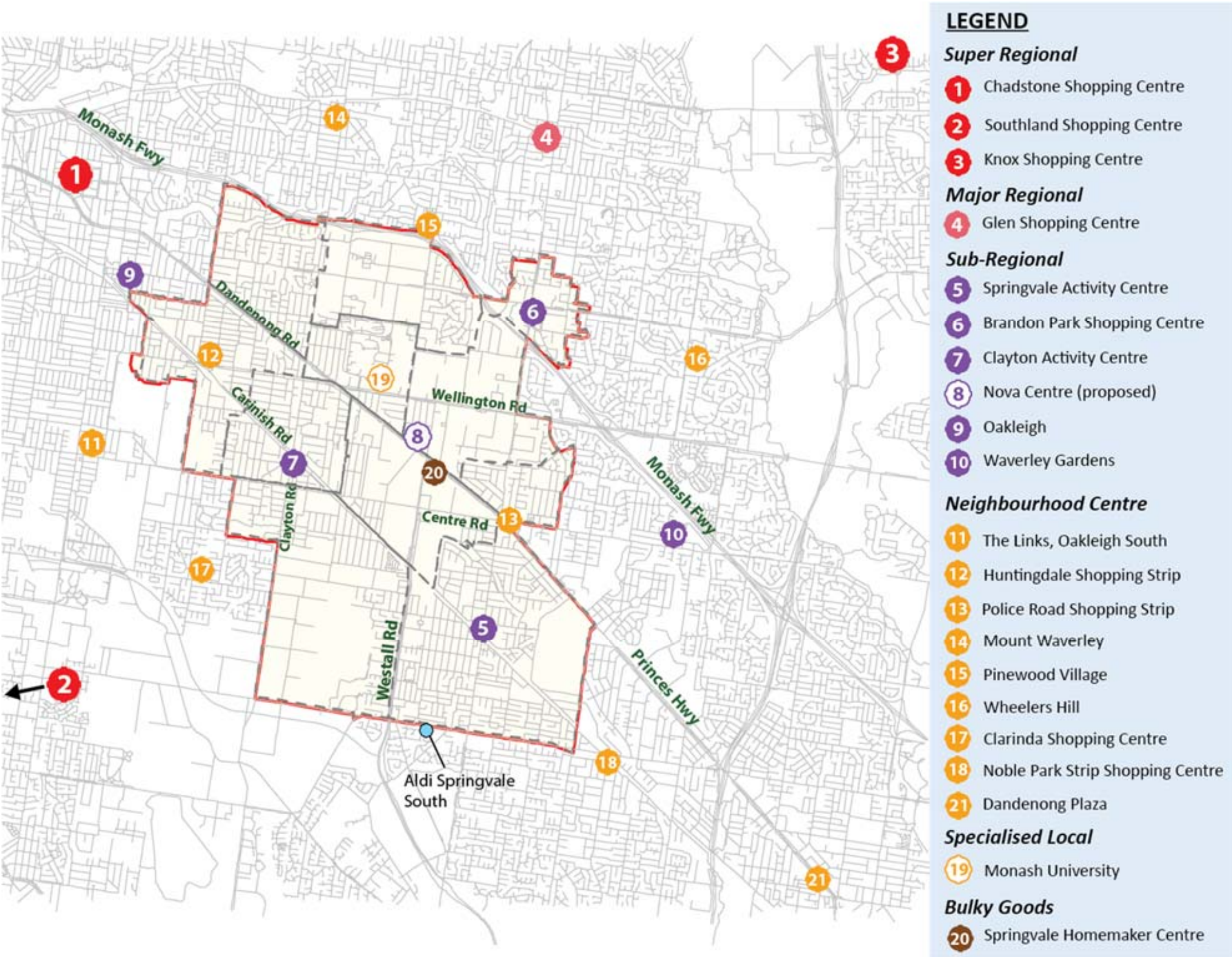
There are a number of competing centres located close to the boundary of the NEC study area which attract a significant proportion of NEC resident and worker expenditure. Figure 9 shows the location and retail hierarchy of competing centres. Further detail on each centre is provided in Appendix C.

Close to the northern boundary of the NEC are a number of neighbourhood and sub-regional centres including Oakleigh, Pinewood Village, and Mount Waverley. These centres are expected to attract retail expenditure from residents, workers, and visitors to the NEC, especially for convenience shopping.

To the south of the NEC are a number of convenience centres - Clarinda Shopping Centre, Springvale South ALDI, and Noble Park Shopping Centre. Given the traffic and congestion issues associated with Springvale and Clayton Activity Centre and Cranbourne rail line, these smaller convenience centres would be expected to draw supermarket expenditure from residents in the south of the NEC.

There are a number of large 'Super Regional' shopping centres which would draw the majority of higher order shopping from the NEC. Chadstone, the largest shopping centre in Australia, and The Glen Shopping Centre are only 2km from the northern boundary of the study area. Both centres have significant entertainment and restaurant precincts. In the wider region, Knox Shopping Centre and Southland Shopping Centre help to define the catchments for higher order shopping. The nearby presence of these larger centres means that there is minimal scope for any additional large centres within the NEC.

FIGURE 9 COMPETING RETAIL HIERARCHY



Source: Urban Enterprise, 2015.

3.4. PROPOSED NOVA CENTRE

The Nova Centre is a proposed mixed used development located at the corner of Princes Highway and Blackburn Road and is expected to accommodate 17,000m^2 of retail floorspace, including:

- A full line supermarket (Woolworths, approx. 3,500m^2);
- A Discount Department Store (Kmart, approx. 6,500m^2);
- 4,665m^2 of bulky goods floorspace;
- Specialty shops, a food court and restaurants.

Also proposed is a 226 room hotel, serviced apartments, apartments and student accommodation. The proposal has been granted planning permit approval which is due to expire in 2018.

Once constructed, the centre is anticipated to have a significant impact on the retail economy of the NEC, and is likely to somewhat reduce current levels of escape expenditure for residents. The provision of a full-line, modern supermarket is likely to provide strong competition for the existing supermarkets in Clayton and Springvale.

The proposed retail mix of the Nova Centre is unlikely to directly meet the needs of employees in the NEC, especially the bulky goods space and discount department store which together comprise more than half of the total retail floorspace of the development. The supermarket, restaurants and cafes are likely to attract some expenditure from employees in the Westall and Mulgrave precincts.

3.5. KEY POINTS

- The NEC includes a strong network of local convenience centres and supermarkets which service their local catchments, along with a high proportion of take away food and budget restaurants, supported by the prominent student and culturally diverse communities in the Clayton and Springvale areas. It is estimated that there is currently a total of 235,000m^2 of retail floorspace in the NEC.
- Bulky goods retailing is prominent due to exposure to passing trade along major highways and constitutes approximately half of all floorspace in the NEC. The recently established Springvale Homemaker Centre reinforces the NEC's position as the major bulky goods retail centre servicing the south-eastern suburbs of Melbourne.
- The existing supply of retail floorspace in the NEC does not generally meet the needs of employees and businesses, especially in the northern parts of the NEC. This is further constrained by the significant barriers to north-south movement in the area, such as the Cranbourne Pakenham Rail Line and the Princes Highway.

4. Business Retail and Support Services

4.1. INTRODUCTION

This section provides an overview of the supply of retail and support services which specifically service businesses and employees within the NEC. A desktop supply assessment was conducted to identify the existing business retail services and facilities in the NEC and their proximity to employment nodes. The retail services assessed included:

- Accommodation (hotels, motels and serviced apartments);
- Business support services (banks, post offices and stationery suppliers);
- Fitness and wellness centres (gyms, aquatic centres, yoga, Pilates);
- Lunch spots (café's, takeaways and sit in coffee shops); and
- Good quality restaurants (suitable for clients/staff events).

The findings of this section were referenced against and augmented by discussions with the MPA, Department of Economic Development, Jobs, Transport, and Resources, Clayton Traders Association, and Monash City Council.

4.2. BUSINESS AND EMPLOYMENT CONTEXT

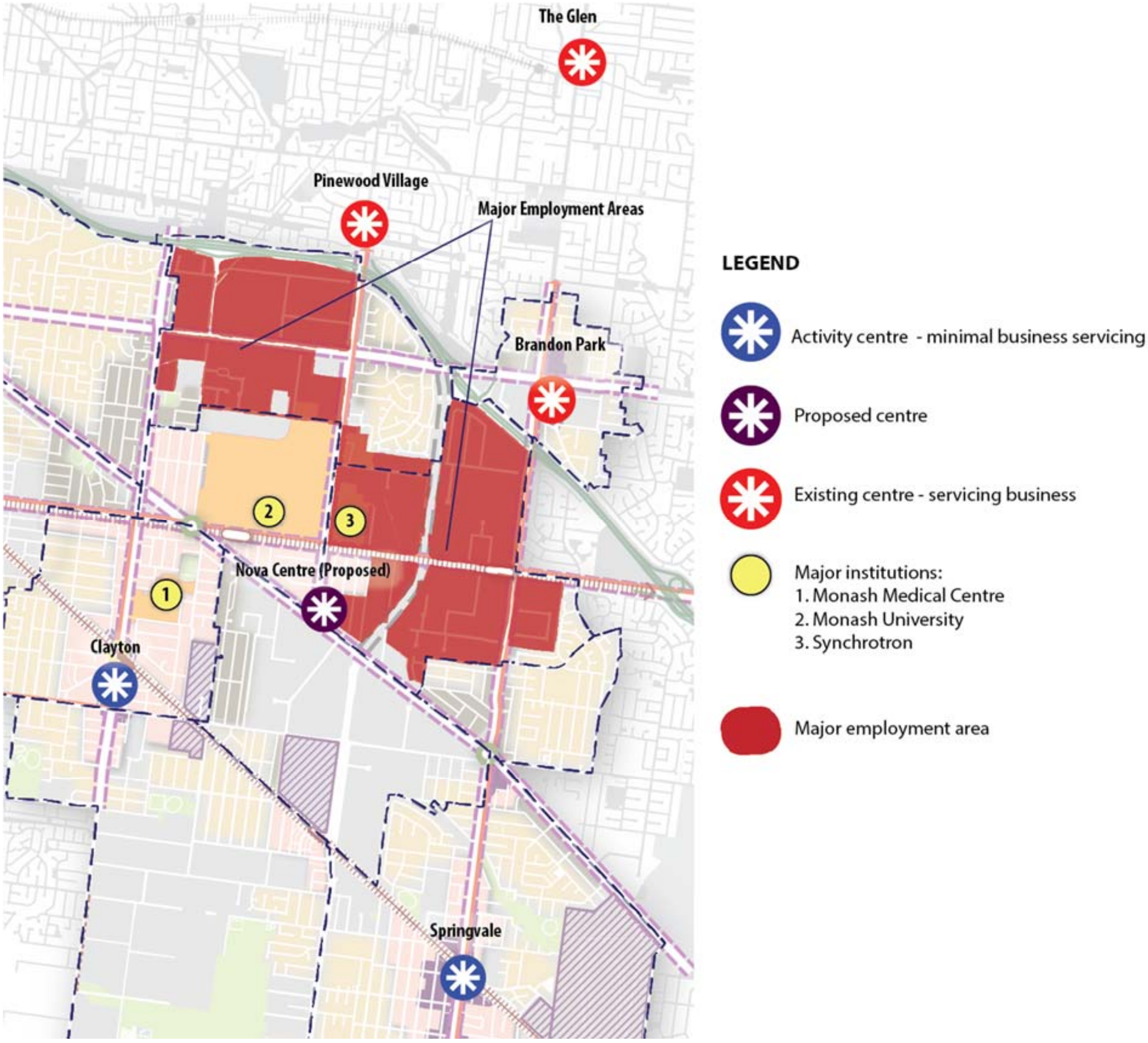
As discussed earlier in this report, significant employment growth is projected to occur in the NEC with an additional 41,650 - 101,550 employees expected by 2051. Employment growth is expected to follow broad industry trends away from traditional manufacturing and wholesaling activities, and towards health, scientific, technical, and professional services. These shifts will change the employment dynamics in the NEC with a greater number of white collar workers and higher employment densities, driving demand for more business oriented retail such as banks, dry cleaners, cafes and restaurants.

A large proportion of employment growth is expected to occur in the Clayton area (around the Monash Medical Centre), within and around Monash University's Clayton campus, and in the northern precincts of the NEC. The supply assessment considers proximity of existing retail and support services to these areas.

Figure 10 shows the key private employment areas in the northern precincts of the NEC, along with the main employment concentrations at Monash University, the Monash Medical Centre and The Australian Synchrotron. These areas and institutions are expected to drive ongoing employment growth, business and visitor demand for retail services, business support services, food catering (cafes and restaurants) and accommodation.

Figure 10 also shows the locations of current and proposed activity centres which service these main employment demand drivers. The retail and supporting facilities at Clayton and Springvale Activity Centres to the south do not meet the needs of the majority of these employment demand drivers, and in any case are quite difficult to access from the northern area of the NEC due to the Cranbourne Pakenham rail line and the number of signalised intersections to be navigated. The centres which primarily service the employment demand are located to the north of the NEC, including Brandon Park, The Glen and Pinewood Village. The proposed Nova Centre will be well positioned to service employment needs in the southern sections of employment growth, however many business areas will continue to travel outside the NEC without further additions to the retail hierarchy.

FIGURE 10 BUSINESS RETAIL HIERARCHY



Source: Urban Enterprise, based on MPA Draft Framework Plan.

4.3. BUSINESS SERVICES SUPPLY ASSESSMENT

A desktop review of existing business retail and support services within and near the NEC was undertaken, the full details of which are provided in Appendix C. The key findings of the assessment are as follows:

- Business support services (banks, post offices, office supplies): Business support services are concentrated around the activity centres of Clayton, Huntingdale and Springvale, as well as Monash University Campus. Whilst businesses within and near these activity centres are well serviced, it is inconvenient for employees and businesses from other areas (especially to the north) to travel to these activity centres for their business support service needs. The large employment areas in the Northern section of the NEC do not have any support services in close proximity;
- Accommodation: There is a limited supply of accommodation establishments in the NEC, with the majority being low to medium quality motels and serviced apartments. The lack of quality accommodation is an important gap for businesses to accommodate staff and clients travelling from interstate or internationally, as well as servicing visitors to the key institutions (Monash University, Monash Medical Centre, and Synchrotron). The proposed construction of a hotel and serviced apartments at the Nova Centre will begin

to address this gap, however there is likely to be a significant level of latent demand for accommodation in the NEC;

- **Health and wellness (gyms, aquatic centres, yoga, Pilates):** The NEC is generally relatively well serviced by health and fitness facilities. There are a number of large, multi-purpose facilities including Clayton Aquatic Centre and Monash University Fitness Centre and a mix of smaller of gyms, recreation centres and yoga services throughout the NEC. The southern node of the NEC is poorly serviced with only one gym located in Springvale, however there is a smaller concentration of businesses in this area.
- **Food and beverage:** Generally, food and beverage establishments are concentrated within the activity centres (Brandon Park, Huntingdale, Clayton and Springvale) and Monash University. The food offer is generally takeaway or lower order dining options which are aimed at the large student population and multicultural resident base. There is a limited supply of establishments where businesses can take clients/staff, as well as a lack of casual eat in lunch spots. A number of business parks have incorporated their own cafes and eating areas which has contributed to the 'internalised' nature of the employment areas. Access and lack of pedestrian connectivity appears to be a key impediment for employees to access local food options within lunch break time constraints.

The supply assessment shows that the existing retail supply and activity centres do not adequately meet the needs of business and employees in the NEC, and there is likely to be a significant level of latent demand for cafes, restaurants, accommodation and convenience retail facilities.

The northern section of the NEC, where significant employment growth is anticipated, has particularly poor access to retail services. It is likely that employees in this area will continue to seek services in retail centres outside of the NEC unless this is addressed.

ACCESS TO EXISTING RETAIL AND SERVICES

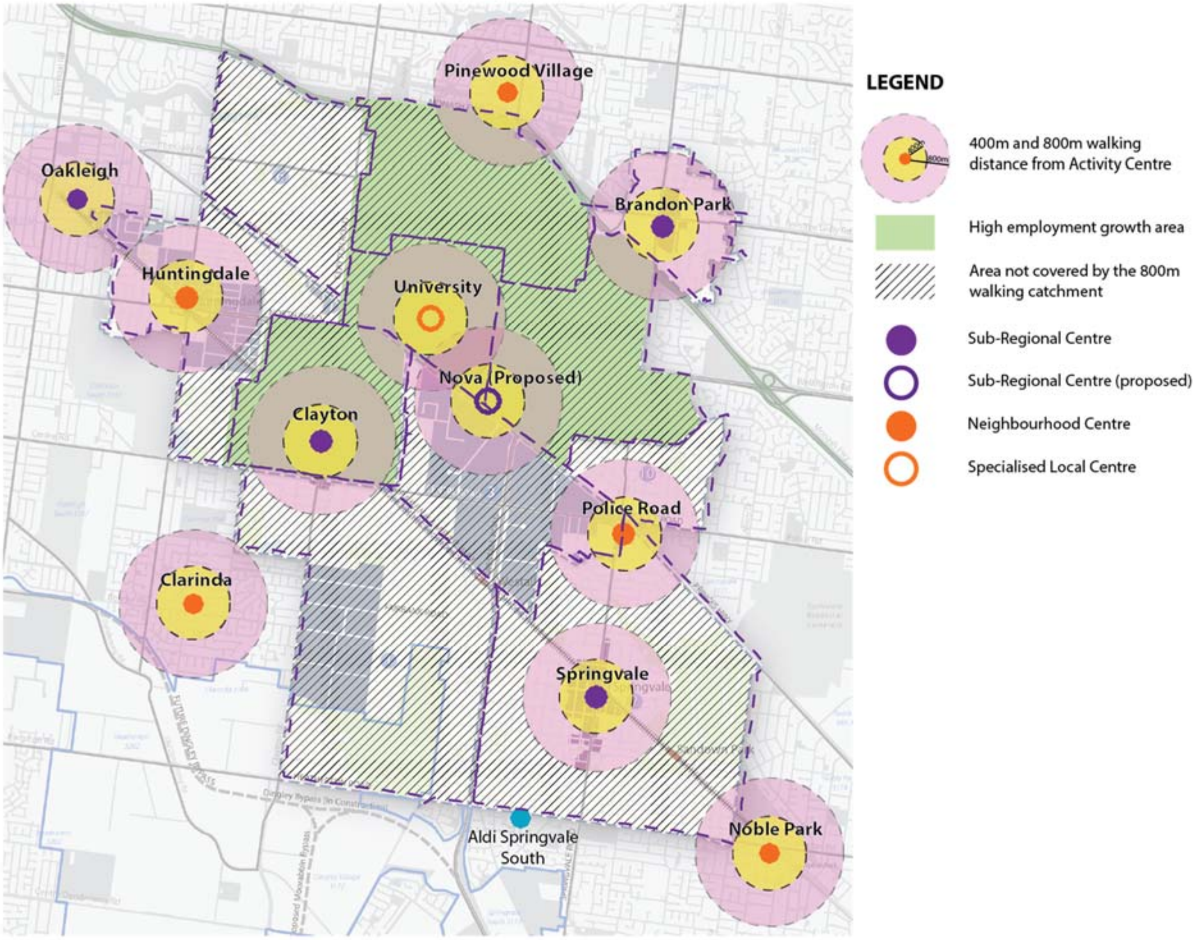
The supply audit, coupled with site visits and consultation findings, identified that access to existing facilities is a major impediment to meeting the needs of businesses in the NEC. (This theme was also identified in other employment areas reviewed in case studies, discussed in Section 6 of this report).

To reiterate key access issues:

- Springvale and Clayton, the largest activity centres in the NEC, have significant traffic and parking issues which is a key deterrent for businesses and employees to utilise the centres;
- The distances to walk to activity centres and facilities are prohibitive. The large number of significant road intersections and rail crossings also deters or delays pedestrian and vehicle movements during the working day; and
- The design of business precincts discourages pedestrian movement and street activity forcing workers to use private vehicle transportation to access retail or get lunch.

Figure 11 shows the walking catchments of current retail centres within and on the periphery of the NEC. Large sections of the northern employment growth area (especially Precincts 8 and 9) are outside walking distance (nominally 800m) to existing retail centres, as well as the northern section of Precinct 4 (Clayton). It is noted that Figure 11 shows distances 'as the crow flies'. In practice, walking distances to the activity centres will be greater due to the large block sizes and a lack of pedestrian permeability through traditional industrial street layouts. This will result in an even greater proportion of the NEC – particularly in the northern employment areas – that are not within walking distance of an activity centre or business services.

FIGURE 11 RETAIL CENTRE WALKING CATCHMENTS



Source: Urban Enterprise.

4.4. KEY POINTS

- Existing activity centres within the NEC do not provide suitable locations or land use mix to meet the needs of businesses, as expressed in the business intentions survey;
- Accessibility to retail and business services within and near the NEC is poor, and only a small proportion of employment growth areas are within walking distance of these centres;
- There is likely to be a significant level of latent demand for convenience retail, business services, cafes and restaurants, and accommodation within the NEC, especially in areas near major employment nodes and institutions;
- New retail and service locations are required to meet latent demand and improve accessibility and walkability in the NEC.

5. Retail Demand

5.1. Introduction

This section provides an analysis of current and future demand for retail floorspace in the NEC. Data used to inform this analysis includes:

- Population and employment projections prepared by the MPA to underpin the preparation of the draft Framework Plan;
- Broader Victorian Government population projections (Victoria in Future 2014);
- Retail expenditure data prepared by Market Data Systems known as Market Info data, the industry standard for modelling retail expenditure by residents; and
- Data and analysis published in existing reports for activity centres within and near the Monash NEC indicating existing expenditure and retail characteristics, benchmarks, averages and supportable floorspace estimates.

5.2. Analysis Timeframes

Based on the information available to support this study, the following timeframes have been selected for the purposes of presenting analysis results:

- 2011 – base population and employment data;
- 2016 - base year for retail modelling and 'existing' or 'current' retail floorspace (this is the year at which population and employment growth rates are expected to change due to planning intervention in the NEC). All dollar values in this analysis are shown in 2016 dollars;
- 2026 – medium term 10 year timeframe for analysis of demand projections; and
- 2051 – long term 35 year timeframe for analysis of demand projections.

The **planning period** refers to the period from 2016 to 2051.

5.3. Retail Demand Drivers

Demand for retail floorspace in the Monash NEC over the planning period will be primarily driven by the following sectors:

- Residents of the NEC and surrounding areas;
- Employees within the NEC; and
- Visitors to the NEC, including Monash University students and passing residents using key thoroughfares.

Whilst demand from residents generally underpins the majority of retail floorspace, the high levels of existing and projected employment in the NEC will also generate significant demand for certain types of retail floorspace, and should be taken into close consideration.

This report considers the impact of projected changes in population and employees over time, and the additional retail floorspace which could be supported by this growth. In the case of passing trade, it is difficult to clearly estimate the catchment of such a broad area as the NEC, and the extent to which demand for retail floorspace generated by passing residents will impact the overall demand for retail facilities. However, the proportion of existing demand for floorspace by residents, workers and visitors has been estimated and used to inform projections.

Importantly, this study aims to identify the broad scale of additional retail demand generated by the sectors which the MPA projects will experience significant change, namely local residents and local employment within the NEC.

Demand projections are shown for two scenarios based on population and employment projections provided to Urban Enterprise by the MPA:

- Business as Usual (**BAU**); and
- MPA projections (**MPA**).

5.4. MODELLING RETAIL DEMAND

Modelling retail demand is a process which requires a number of assumptions to be made regarding population growth, expenditure patterns, annual turnover of certain types of retailers and the general function of existing and future activity centres. This process includes a relatively large margin for error, and estimates of supportable floorspace should be considered as indicative, especially when presented over a long period of time as is the case in this study.

Over time, assumptions underpinning retail demand modelling have changed based on macro-economic conditions, disposable income variations, expenditure patterns and industry innovations. The key assumptions used in this report have been designed to reflect these changes in order to provide long term projections which take into account likely future changes.

The key long term assumptions used are as follows:

- Real per capita retail expenditure has increased over time, reflecting increases in disposable income and changing expenditure patterns. The long term historical increase is approximately 1% per annum above inflation. The trend is projected to continue, and has been factored into the retail model;
- Annual retail turnover per square metre of floorspace (turnover density) has gradually increased over time due to improvements in store design, increased value added to retail products and the proliferation of national chain supermarkets and other stores with typically stronger turnover densities than smaller independent brands. The retail model assumes that this trend will continue at a rate of 0.5% per annum; and
- Retail expenditure by employees is estimated at an average of $11 per employee per working day, primarily food catering expenditure (eg. lunch and coffee), but also allowing for occasional groceries and retail services expenditure (eg. hairdressers, dry cleaning). This results in a total expenditure of $2,530 per annum, or approximately 20% of all retail expenditure;

In order to project demand for retail floorspace for the NEC over the planning period, a number of different methods have been utilised. This approach provides a weight of evidence as to the scale and type of retail floorspace required across the NEC over time in order to underpin MPA planning for activity centres and business service hubs. The methods and respective results are shown in the following sections.

5.5. METHOD 1: INDICATIVE SCALE OF RETAIL FLOORSPACE GROWTH

5.5.1. METHOD

One method to assess the scale of retail floorspace required over time in the NEC is to extrapolate the existing ratios of retail floorspace per resident and employee over the planning period. This broad brush method provides an indication of the *scale* of retail floorspace that is likely to be required to meet the needs of the future residents and employees of the area.

In order to equate the worker growth with residential growth in terms of retail demand, an additional worker has been accounted for in this method as 0.2 of one resident. This reflects the lower retail expenditure of workers compared with residents.

5.5.2. RESULTS

The existing retail floorspace in the NEC is estimated at 235,000m^2, approximately half of which is bulky goods floorspace. The existing floorspace equates to 3m^2 of retail floorspace per NEC resident, 2.9m^2 per employee, or 2.5m^2 per combined residents and workers (with workers counted as 0.2 residents).

As shown in Table 4, a linear extrapolation of these ratios over the planning period based on the population and employment projections provided by the MPA results in a total *additional* demand for between 48,000 and 80,000m^2 by 2026, and between 206,000 and 350,000m^2 by 2051.

These projections include bulky goods. It is noted that the bulky goods retailers located within the NEC clearly serve a catchment area much broader than the local residential area. This is reflected in the very high ratio of 1.4m^2 of bulky goods floorspace per NEC resident.

Excluding bulky goods floorspace, the following additional retail floorspace could be required, (including groceries, liquor, food catering, apparel, homewares, leisure and retail services):

- 25,000 - 42,000m^2 by 2026; and
- 108,000 - 184,000m^2 by 2051.

TABLE 4 METHOD 1 RESULTS – FLOORSPACE TO POPULATION AND WORKER RATIOS

	2016	Floorspace Ratio	2026 (BAU)	Increase	2026 (MPA)	Increase	2051 (BAU)	Increase	2051 (MPA)	Increase
Population	78,750		96,200		106,200		154,450		200,800	
FLG	35,000	0.44	42,756	+7,756	47,200	+12,200	68,644	+33,644	89,244	+54,244
Bulky Goods	111,400	1.41	136,085	+24,685	150,231	+38,831	218,485	+107,085	284,052	+172,652
Other	88,800	1.13	108,477	+19,677	119,753	+30,953	174,161	+85,361	226,426	+137,626
Total	235,200	2.99	287,317	+52,117	317,184	+81,984	461,291	+226,091	599,723	+364,523
Workers	81,798		91,122		106,091		119,350		179,050	
FLG	35,000	0.43	38,990	+3,990	45,395	+10,395	51,068	+16,068	76,613	+41,613
Bulky Goods	111,400	1.36	124,098	+12,698	144,485	+33,085	162,542	+51,142	243,847	+132,447
Other	88,800	1.09	98,922	+10,122	115,173	+26,373	129,567	+40,767	194,377	+105,577
Total	235,200	2.88	262,010	+26,810	305,052	+69,852	343,177	+107,977	514,837	+279,637
Combined	95,110		114,424		127,418		178,320		236,610	
FLG	35,000	0.37	42,108	**+7,108**	46,889	**+11,889**	65,621	**+30,621**	87,072	**+52,072**
Bulky Goods	111,400	1.17	134,023	+22,623	149,243	+37,843	208,863	+97,463	277,137	+165,737
Other	88,800	0.93	106,833	**+18,033**	118,965	**+30,165**	166,490	**+77,690**	220,913	**+132,113**
Total	235,200	2.47	282,964	+47,764	315,097	+79,897	440,974	+205,774	585,122	+349,922

Source: Urban Enterprise 2015, based on MPA population and worker projections.

5.6. METHOD 2: SUPPORTABLE FLOORSPACE BENCHMARKS

5.6.1. METHOD

The 1991/2 ABS Retail Census found that retail floorspace across Australia equated to 2.05m^2 per person. The Retail Floorspace Forecasts for Metropolitan Melbourne [3] note that the 2006 level of provision was estimated at 2.14m^2 per capita and is expected to increase over time to 2.42m^2 per capita by 2030 due to increasing real spending per person and larger retail formats. These benchmarks have been used to inform this method.

The report also notes that in metropolitan Melbourne, the following distribution of retail spending by shopping centre / activity centre type is typical:

- Melbourne CBD: 7%;
- Regional and sub-regional centres: 50%;
- Homemaker Centres: 15%; and
- Neighbourhood and other local centres: 28%.

Using these benchmarks, it is possible to estimate the additional retail demand that will be generated by new residents in the NEC, based on the assumptions that:

- The majority of homemaker, neighbourhood and local centre expenditure will be captured in the NEC (totalling 35%);
- A proportion of regional and sub-regional centre expenditure will be captured in the NEC at Brandon Park, Clayton and Springvale (totalling 15%); and
- The remainder of expenditure will take place in larger centres such as the Melbourne CBD, Chadstone, Southland, Knox, the Glen, Oakleigh and online.

5.6.2. RESULTS

Table 5 shows the results of Method 2 projections over the planning period. Assuming that 50% of NEC residents' expenditure continues to be captured in the NEC, it is estimated that population growth alone could support:

- An additional 25,000 - 37,000m^2 of retail floorspace by 2026; and
- An additional 118,000 - 180,000m^2 by 2051.

This includes bulky goods, and excludes additional demand generated by workers, students and passing trade. Analysis in the following method provides a guide as to the additional floorspace that is likely to be supported by workers, students and passing trade.

TABLE 5 METHOD 2: BENCHMARKS

	2016	2026 (BAU)	2026 (MPA)	2051 (BAU)	2051 (MPA)
Population	78,750	96,200	106,200	154,450	200,800
Floorspace/pp	2.25	2.36	2.36	2.68	2.68
Total Supportable Floorspace	177,143	227,463	251,107	413,689	537,836
NEC Supportable Floorspace	88,572	113,731	125,554	206,845	268,918
Additional Supportable by Residents 2016+	0	**+25,160**	**+36,982**	**+118,273**	**+180,347**

Source: Urban Enterprise 2015, based on Essential Economics 2007 and MPA projections.

[3] Essential Economics, 2007.

5.7. METHOD 3: EXPENDITURE GROWTH MODEL

5.7.1. METHOD

In additional to the high level methods for estimating the scale of supportable retail floorspace utilised in Methods 1 and 2, a more detailed demand modelling exercise has also been undertaken. However, the complexity of modelling retail demand for an area as broad and diverse as the NEC means that there is a relatively high degree of uncertainty regarding some of the assumptions required for such a model.

In any case, a long term retail demand model has been prepared at an overview level for the NEC, assuming that:

- Turnover densities in the NEC will increase at 0.5% per annum;
- Resident expenditure is based on Market Info data for the SA1 areas within the NEC as at 2012 as shown in Table 6 (and escalated at 1% per annum to reflect real expenditure growth);
- Average employee retail expenditure of $11 per working day over 230 working days per annum, resulting in a total employee retail spend of $2,530 per annum;
- Employee expenditure predominantly on food catering, groceries and retail services (eg. dry cleaning), with an average turnover density of $6,000 per m^2.
- Employee expenditure is discounted by 40% to reflect workers who also live in the NEC, and expenditure which currently escapes to other centres outside the NEC.

The model projects demand across the NEC as a whole, taking into account the increase in expenditure available through population growth, employment growth and expenditure growth over time.

TABLE 6 ANNUAL RETAIL EXPENDITURE PER RESIDENT AND EMPLOYEE

	2016	2026	2051
Residents			
Food, Liquor, Groceries	$5,252	$5,801	$7,439
Food Catering	$1,513	$1,671	$2,143
Apparel, Homewares, Leisure	$2,909	$3,214	$4,121
Bulky Goods	$1,027	$1,135	$1,455
Retail Services	$342	$378	$485
Residents total per annum	**$11,043**	**$12,199**	**$15,644**
Employees total per annum	**$2,530**	**$2,937**	**$3,584**

Source: Market Info 2012, Urban Enterprise 2015.

5.7.2. RESULTS

The results of Method 3 are as shown in Tables 7 and 8. Detailed tables are provided in Appendix A.

Table 7 shows the overall estimate proportion of retail floorspace in the NEC that is supported by residents, employees and others (including students and residents of other areas). It is estimated that workers currently support 19% of all non-bulky goods floorspace in the NEC

TABLE 7 SUPPORTABLE FLOORSPACE BY DEMAND SEGMENT

Demand segment	Retail Floorspace (m^2)	% of total	Retail excluding Bulky Goods (m^2)	% of total
Residents	90,773	39%	66,507	57%
Employees	22,277	9%	22,277	19%
Other	122,149	52%	28,177	24%
Total	235,200	100%	116,961	100%

Source: Urban Enterprise, 2015.

Using the findings from Table 7, a more detailed model of retail demand can be constructed. Table 8 shows the findings of this model. Table 8 shows that:

- An additional 31,000m^2 to 48,000m^2 of non-bulky goods retail floorspace could be supported within the NEC at 2026; and
- An additional 133,000m^2 to 214,000m^2 could be supported by 2051.

TABLE 8 METHOD 3: EXPENDITURE GROWTH MODEL RESULTS

	2016	2026 (BAU)	2026 (MPA)	2051 (BAU)	2051 (MPA)
Food Liquor and Groceries	37,710	48,215	53,498	85,808	112,827
Food Catering	32,824	41,276	46,765	66,945	92,642
Apparel Homewares and Leisure	11,455	14,705	16,234	26,728	34,749
Bulky Goods	24,266	31,152	34,390	56,621	73,613
Retail Services	6,795	8,591	9,668	14,371	19,547
Supportable Floorspace	**113,051**	**143,939**	**160,555**	**250,474**	**333,379**
Additional supportable Floorspace		+30,889	+47,505	+137,423	+220,328
Additional floorspace (exc. Bulky goods)		+24,003	+37,381	+105,068	+170,981
% supported by external demand	24%	23%	22%	21%	20%
Total additional supportable (exc. Bulky goods)		**+31,173**	**+47,924**	**+132,997**	**+213,726**

Source: Urban Enterprise 2015, based on MPA projections and Market Info expenditure data.

5.8. SUMMARY OF DEMAND ANALYSIS METHODS

Table 9 provides a summary of the results of Methods 1 and 3 in terms of supportable floorspace across the NEC at 2026 and 2051, excluding bulky goods.

Method 2 has been excluded from the summary as the results include bulky goods and relate to resident-supported floorspace only. However, the results have been compared with the results of Methods 1 and 2 and were found to align, supporting the estimated scale of supportable floorspace.

TABLE 9 SUMMARY OF RESULTS – SUPPORTABLE FLOORSPACE EXCLUDING BULKY GOODS

Method	2026 (BAU)	2026 (MPA)	2051 (BAU)	2051 (MPA)
Method 1	+25,000	+42,000	+108,000	+184,000
Method 3	+31,000	+48,000	+133,000	+214,000

Source: Urban Enterprise, 2015.

5.9. DISCUSSION

The scale of additional supportable retail floorspace in the NEC is significant, driven by the combination of resident and employment growth, and further underpinned by ongoing demand for floorspace in this strategic location by students and passing trade.

Within the NEC, retail floorspace growth should be primarily directed towards existing activity centres, especially given that the majority of population growth is expected to occur within or near the activity centres at Springvale, Clayton and Huntingdale.

Previous retail analysis undertaken for the Springvale Activity Centre estimated that the activity centre could support an additional 11,000m^2 to 17,000m^2 over the period 2010 to 2026, an average increase in the order of 700m^2 to 1,100m^2 per annum. Using the higher growth scenario to reflect the strong population projections for the NEC prepared by the MPA and extrapolating over the period 2016 – 2051, approximately 40,000m^2 could be supported in the Springvale Activity Centre over the planning period, including 11,000m^2 over the period 2016 to 2026.

Similarly, analysis prepared by Urban Enterprise indicates that the Clayton Activity Centre could support at least an additional 11,000m^2 of retail floorspace by 2026, and 50,000m^2 of retail floorspace by 2051 due to strong projected population growth in the surrounding catchment.

The Nova Centre is also expected to include up to 12,000m^2 of retail floorspace (excluding bulky goods). These proposed and 'supportable' additions combine to approximately 100,000 to 110,000m^2 of retail floorspace growth. Assuming that incremental floorspace growth also occurs at Huntingdale, Brandon Park and Monash University (in order of 25,000m^2 combined), the total growth in floorspace over the planning period in the NEC could be in the order of 125,000 – 135,000m^2 (excluding bulky goods), with approximately 25,000 to 30,000m^2 supportable in the shorter term (2016 to 2026).

In practice, floorspace growth in existing centres such as Clayton and Springvale is likely to be constrained by the lack of vacant land and strategic development sites. Thus, while significant levels of floorspace may be *supportable* in these activity centres, it is unlikely that all supportable floorspace will actually be constructed over the planning period, particularly in the shorter term. This presents the risk that further retail expenditure will escape from the NEC unless new retail floorspace is delivered in locations that meet the needs of businesses and employees and in retail categories that are currently under-represented in the NEC.

Under the MPA growth scenario, a further 60,000 to 80,000m^2 of retail floorspace could be supportable in the NEC at 2051, with 17,000 to 18,000m^2 in the period 2016 to 2026 (over and above the floorspace supportable in existing activity centres). This demonstrates that there is significant capacity for additional retail floorspace to be established outside existing activity centres in the NEC, even once these centres are expanded to cater to the demand generated by population growth in their immediate catchments.

Another way of viewing the demand for additional floorspace over and above the activity centre growth is to isolate the demand generated by employees for retail floorspace. It is estimated that employment growth alone will support 20% of non-bulky goods retail floorspace growth in the NEC, equating to a total of:

- 8,000m^2 – 10,000m^2 by 2026; and
- 37,000m^2 – 43,000m^2 by 2051.

SCOPE FOR NEW RETAIL CENTRES

The various methods used to estimate retail floorspace demand in the NEC over the planning period provide a weight of evidence approach which shows that:

- Projected demand will support at least 8,000 – 10,000m^2 of floorspace outside existing and proposed activity centres by 2026;

- Projected demand is estimated to support around 40,000m^2 of new floorspace outside existing and proposed centres by 2051. However, this is based on long term projections and should be monitored over time.

The scale of supportable floorspace across the NEC is significant. Ultimately, the level of additional floorspace will depend on the population and employment growth that occurs. In the short to medium term, there is clear demand for additional retail floorspace to meet the needs of businesses and employees and reduce escape expenditure from the NEC. A new centre in the order of 8,000m^2 to 10,000m^2 would be supportable by 2026.

It is important that any new floorspace and retail centres established outside existing activity centres are targeted at meeting the needs of employees and businesses so as not to directly compete with existing activity centres in the short term. As population and employment growth gathers pace over the planning period, the retail hierarchy of the NEC is expected to mature, such that multiple new centres could be supported in the NEC, with a variety of retail floorspace types provided.

Given the overall estimate of supportable floorspace, it is considered that the NEC could ultimately support 2 or 3 new retail / business service centres in the NEC over the planning period, however this should be closely monitored over time to ensure that retail provision aligns with demand growth and has regard to the ongoing development and role of existing activity centres in the NEC and nearby.

The types of floorspace provided in any new centres should primarily include:

- Convenience food and groceries (eg. small supermarket or full line supermarket);
- Food catering, particularly cafes and restaurants providing lunch options for employees and businesses;
- Specialty retail space for retail services such as dry cleaners and personal services;
- Business bank branches and post office outlets; and
- Associated business support facilities such as accommodation, open space and entertainment (eg. bowling, cinema).

It is noted that whilst new activity centres located in proximity to proposed employment growth areas should be designed primarily to serve business needs, the existing significant residential catchment within and adjacent to the NEC will further support the delivery of additional floorspace in these areas.

Retail and business support services of this scale would typically require in the order of 2.5 to 3ha of land to allow for car parking, open space, loading, etc. Ideally, a single large site would be required to deliver this type of development.

Key location considerations for new centres are discussed in Section 7, having regard to case studies analysed in Section 6.

5.10. KEY POINTS

- Demand for retail floorspace in the NEC is primarily driven by local residents and residents from other areas, however employees generate demand for approximately 20% of non-bulky goods retail floorspace at present;
- A significant amount of additional retail floorspace will be supportable in the NEC over the planning period, in the order of 42,000 – 48,000m^2 to 2026, and 184,000 – 214,000m^2 to 2051 (excluding bulky goods). This growth will be underpinned by population growth, employment growth and a reduction in the overall levels of escape expenditure to other areas;
- The majority of retail floorspace growth should be accommodated within existing activity centres. In addition, there is the need for - and sufficient demand to support - at least 2 new retail centres in the NEC over the planning period, with one new centre (in the order of 8,000 to 10,000m^2) supportable by 2026. Over the planning period to 2051, it is estimated that an additional 40,000m^2 of new retail floorspace outside existing

activity centres could be supported by business and employment growth, depending on the rate of growth experienced. The demand growth should be monitored closely over time to ascertain whether / when a third new centre is required.

- Any new centres should be anchored by a supermarket and include a food catering / hospitality focus, co-located with accommodation and open space where possible.
- New centres would require in the order of 2ha to 3ha of land, ideally in single ownership.

6. Case Studies

6.1. INTRODUCTION

This section provides case studies of three major employment areas in Sydney which are in some way comparable to the Monash NEC in terms of scale of employment, projected residential and employment growth and proximity and accessibility to retail amenity.

These case studies provide examples of approaches to retail and business support service scale and locations in other employment clusters.

6.2. NORWEST BUSINESS PARK AND CASTLE HILL, SYDNEY

6.2.1. BACKGROUND

Norwest Business Park and Castle Hill is located approximately 35 km West of Sydney's CBD and has grown to accommodate over 20,000 employees with expansion expected to increase capacity to over 35,000 employees by 2031.

There are an estimated 40 office buildings in the Norwest Business Park accommodating approximately 800 small and medium sized businesses. There are a number of large office premises including head offices for companies such as Woolworths, AAMI, Resmed, BBraun, Subaru and Capital Finance. It is also home to the new Hills Private Hospital.

Norwest has grown into a full service, self-sufficient business park which includes:

- Post office and Banks (business and retail);
- Restaurants / bars and cafes;
- Childcare centres;
- Gyms / Drycleaners;
- Two shopping centres (Norwest Marketown and Circa Retail) incorporating both a Woolworths and Coles supermarket; and
- Recreational lakes / Walking and Bicycle tracks.

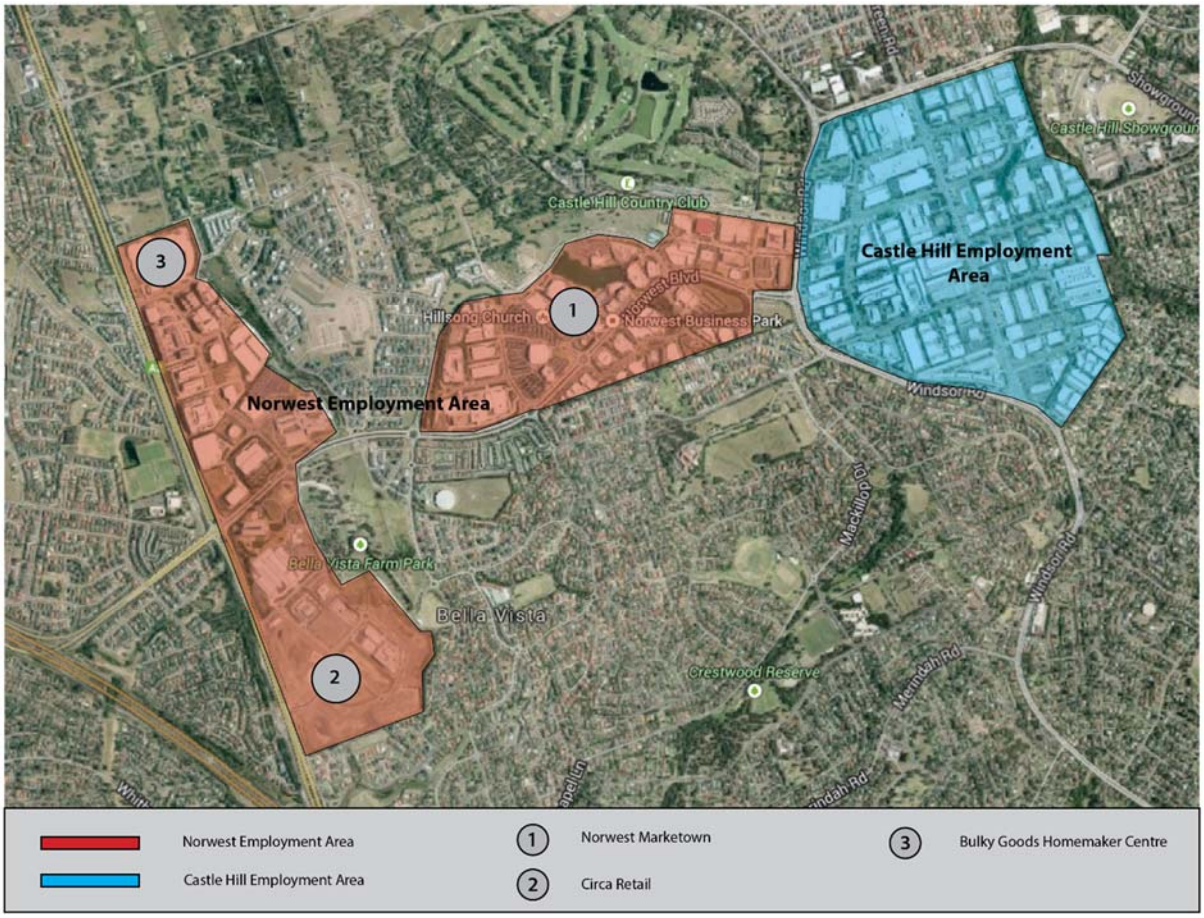
The Castle Hill Industrial Estate comprises 137 hectares of light industrial and other employment uses. The Castle Hill employment area includes an estimated 7,000 employees (mix of wholesale trade, manufacturing, retail trade and professional services). The retail facilities also support the residential population in surrounding areas.

6.2.2. RETAIL

The following figure shows the context of the Norwest and Castle Hill employment areas in terms of size and scale of employment and retail precincts. As shown in Figure 12, there are three major retail precincts/shopping centres located in the area and include:

1. Norwest Marketown;
2. Norwest Circa retail; and
3. Bulky goods precinct.

FIGURE 12 CONTEXT MAP – NORWEST BUSINESS PARK



Source: Urban Enterprise. Base Map (google)

Norwest Marketown is the most central retail precinct and incorporates a Coles, Liquor Land, two banks, petrol station, three fast food outlets, travel agent and an optometrist. Norwest Marketown is a purpose built retail centre within the business park which services the immediate employment base as well as a broader residential catchment. Norwest Marketown is located away from any major arterial roads, which suggests that it is focused on the local catchment rather than passing traffic. Norwest Marketown has an estimated 10,000m^2 of retail floorspace, which supports approximately 10,000 surrounding employees (approximately 1 m^2 of retail floorspace per employee) as well several cafés/restaurants located at the periphery of the centre.

Norwest Circa retail precinct is located adjacent to the Norwest Private Hospital and includes a Woolworths, BWS, bakery, butcher, two takeaway outlets, pharmacy, café, two restaurants, florist, hair salon and a dentist. Norwest Circa incorporates approximately 9,050m^2 of retail floorspace. This retail centre services the surrounding employment area, with an estimated 10,000 employees. There are also cafés and other eateries located throughout the western business park. The bulky goods retail centre is located at the northern point of the business park and includes an abundance of homeware stores, which predominantly service the surrounding residential areas and passing trade along the adjacent arterial road.

There are also three major accommodation establishments in the area: Crowne Plaza and Bella Vista Hotel, as well as a Quest Serviced Apartments, located in Castle Hill.

Prior to the development of Norwest Business Park, the majority of non-residential developers in the area had concentrated on purely industrial projects. Norwest Business Park signified a major shift in development thinking; instead of developing properties for industrial purposes, a significant proportion of office and retail space became priority. This is similar to the Monash NEC, whereby there is a decline in manufacturing and small industrial pockets, with a corresponding increase in commercial office space, particularly in the north.

A number of proposals to redevelop sites in the Business Park have been put forward, some of which include large scale high density residential development. Accordingly, the Norwest Business Park will be an integrated precinct incorporating a wide range of business, leisure and residential uses.

6.3. MACQUARIE PARK, SYDNEY

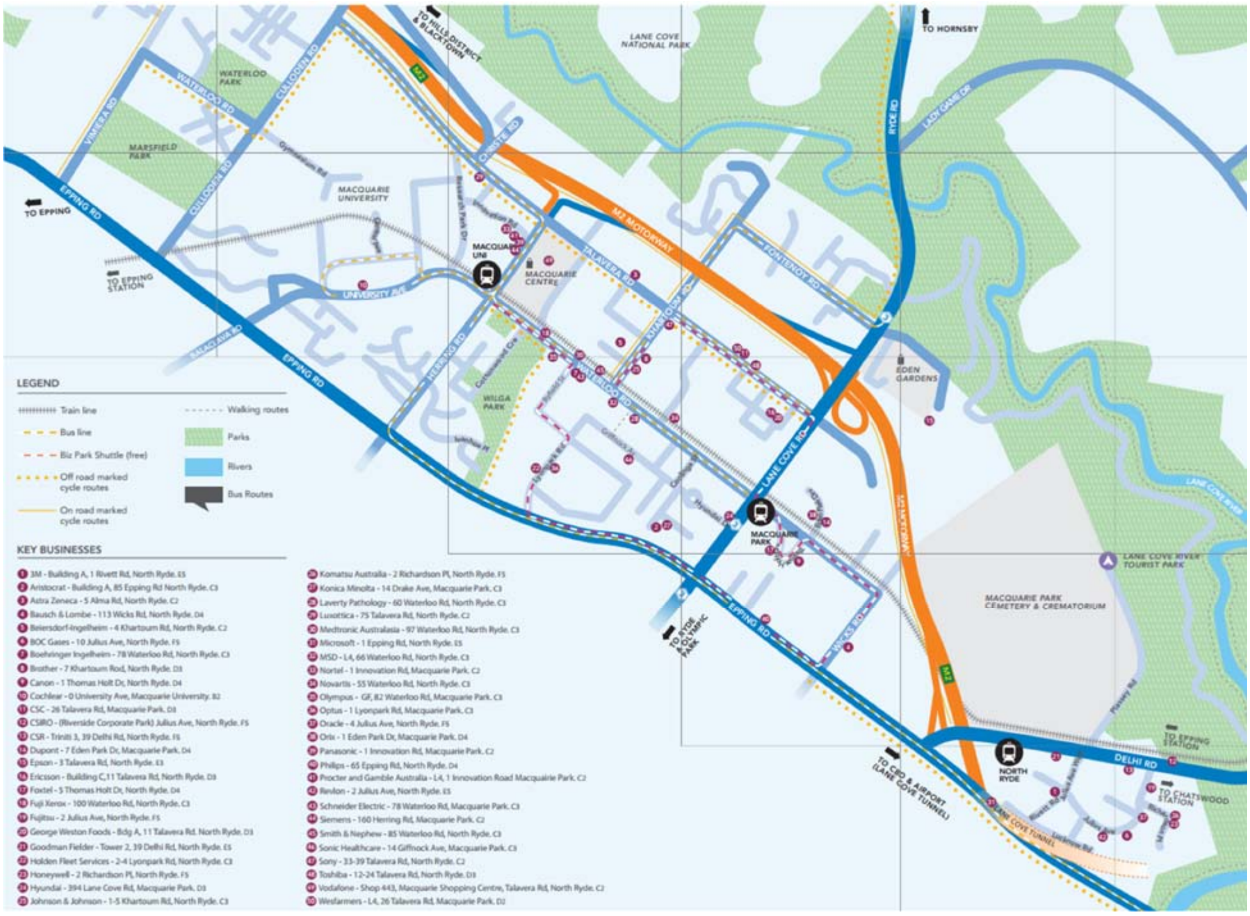
Macquarie Park is a nationally significant research and business precinct located 12 km North West of Sydney's CBD, specialising in telecommunications, technology, pharmaceutical and electronics. Macquarie Park incorporates over 200 ha of commercial land use, 98 ha occupied by Macquarie University, with over 850,000sqm of commercial floorspace and the capacity to reach over 2 million m^2.

Macquarie Park is Sydney's second largest business district and already hosts a range of major corporations including Microsoft, Sony, Optus, Johnson & Johnson and Goodman-Fielder.

There are an estimated 45,000 employees in Macquarie Park, incorporating a mix of wholesale trade, manufacturing, professional, scientific and technical services, education and retail trade. The precinct is expected to create more than 40,000 additional jobs by 2030, making it the fourth largest CBD in Australia behind Melbourne, Sydney and Brisbane.

The following Figure 10 shows the location of major businesses and local transport infrastructure. Macquarie Park is easily accessible via major freeways, arterial roads, train lines, bicycle paths (on and off road) and bus routes.

FIGURE 13 MACQUARIE PARK – BUSINESS LOCATIONS



Source: macquariepark.com.au

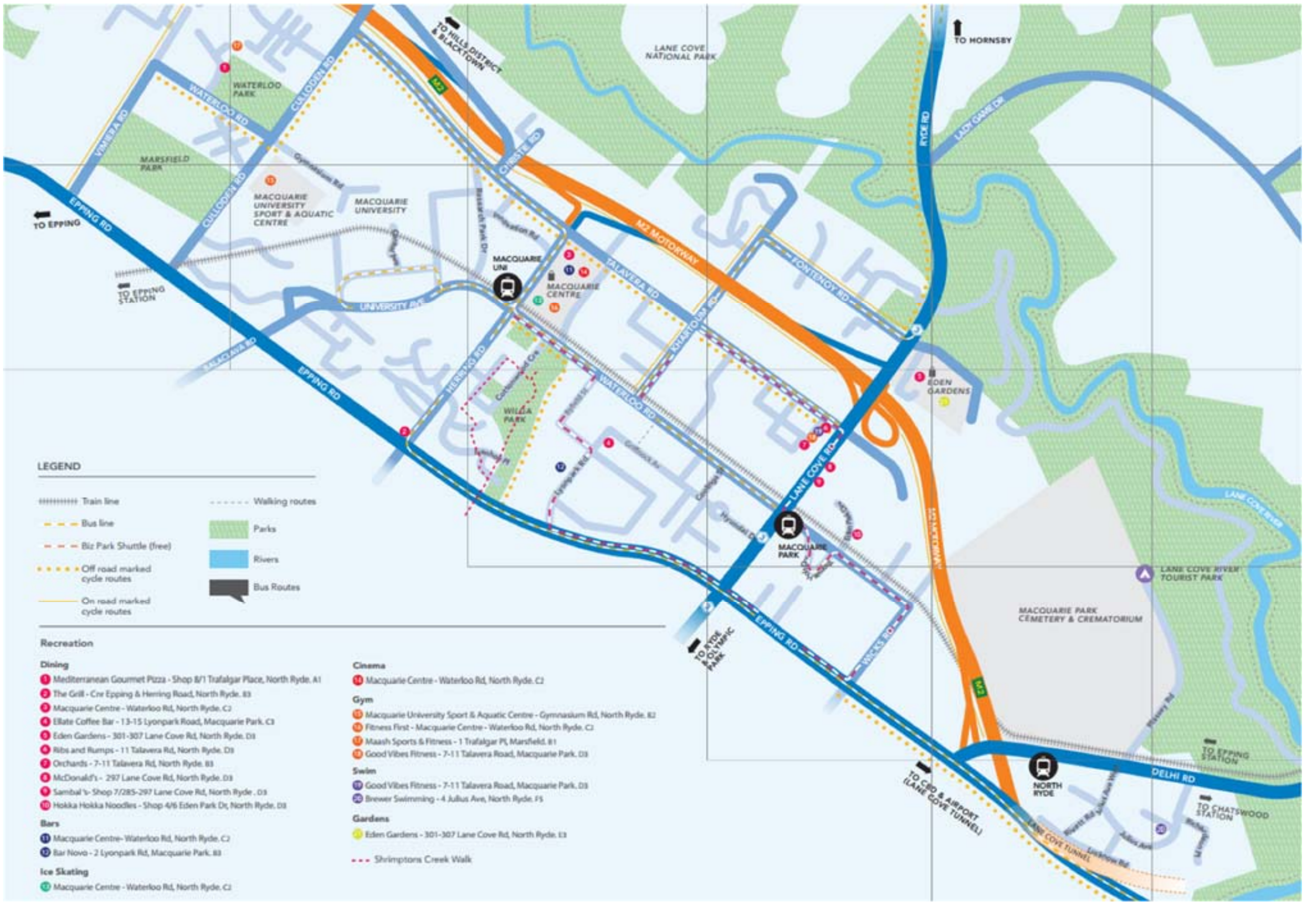
Figure 14 shows the location of retail amenity in Macquarie Park. Retail facilities and support services are highly centralised, with limited amenity (notably cafes/restaurants) in walking distance to major commercial office buildings.

The Macquarie Centre is a major regional shopping centre located on the corner of Herring Road and Waterloo Road. The Macquarie Centre has over 400 retailers and incorporates approximately 136,000 m^2 of retail floorspace including a Woolworths, Coles, Myer, David Jones, speciality retailers, cafes and restaurants, bars, cinema, fitness centre and an ice skating rink. The Macquarie Centre services the immediate surrounding business park, but predominantly services major surrounding residential suburbs including Marsfield, North Ryde, Denistone East and North Epping. The Macquarie Centre offers a shuttle bus which offers free transit between the centre and the business park.

Macquarie Park includes seven accommodation establishments with a mix of motels, serviced apartments and luxury hotels. These establishments service the corporate population within the park.

Macquarie Park has an estimated total retail floorspace of approximately 150,000 m^2, which results in an estimated 3.35 m^2 of retail floorspace per employee. Community consultation for the Macquarie Park Structure Plan revealed that there is a need for greater retail floorspace (notably eateries) throughout the business park to service the projected growth in the residential and working population. This is a priority for many businesses in the area, as many employees do not want to have to travel to the Macquarie Centre to access retail services (similar to the current experience of businesses in the Monash NEC).

FIGURE 14 MACQUARIE PARK – RETAIL AMENITY



Source: macquariepark.com.au

6.4. BROADER WESTERN SYDNEY EMPLOYMENT AREA (WSEA)

The Broader WSEA is a major long term urban growth area designated for employment uses at the western edge of Sydney. The area is proposed to accommodate approximately 2,000ha of new employment land and 57,000 employees over a 30 year time horizon.

In respect of retail and support services required to serve the employment area, an Economic Issues and Drivers Study[4] found that:

- Retail offer within Broader WSEA would likely be focused on servicing the local workforce, therefore dominated by convenience food and beverage with a likely mix of:
  - Smaller food catering tenancies such as cafés;
  - Fast food/drive through take-away outlets; and
  - Service stations servicing passing auto traffic.
- A larger supermarket based centre could only be considered in a business park setting also supported by a local resident population.

The draft Structure Plan for the Broader WSEA includes two specialised centres and one local centre which include "employment activities, office based services and services to support employees". The proposed retail and other service components of these centres is not further defined, however there is clearly a low focus on retail floorspace, and a moderate focus on supporting services.

This greenfield example demonstrates that areas that do not serve a residential catchment in addition to the immediate employment base are unlikely to support full-line supermarkets (and therefore full scale activity centres) on their own. However, it is clear that smaller scale retail facilities can be supported, and co-location with other services is encouraged in this example. Whilst the greenfield nature of this case study is somewhat different to the NEC context, the example shows that a cluster of support services is encouraged to meet employment needs, albeit without major retail anchors. These new centres are also sufficiently remote from existing activity centres and therefore will not impact the current retail turnover of those centre.

6.5. SUMMARY AND IMPLICATIONS

Table 10 provides a summary of case studies reviewed, excluding the WSEA due to its different development setting.

[4] Broader Western Sydney Employment Area Economic Issues and Drivers Study, Urbis, April 2013.

TABLE 10 CASE STUDY SUMMARY

	Monash NEC	Norwest and Castle Hill	Macquarie Park
Total employment area	2,000ha	250ha	200ha
Current employees	80,000	27,000	45,000
Projected employees	180,000	42,000+	85,000
Employment density per ha	40-90/ha	108-168/ha	225/ha
Retail floorspace (exc. Bulky goods) (m^2)	120,000m^2	20,000m^2	150,000m2
Retail anchors	Sub-regional shopping centres	Large neighbourhood shopping centres, full line supermarkets	Regional shopping centre
Retail pattern/location	Within key retail centres	Central to businesses, not designed for passing trade	Centralised train station, major activity centre
Development setting	Transitioning	Developing and transitioning	Well developed, ongoing expansion proposed.
Major institutions	Monash University, Monash Medical Centre, Future Children Hospital	Hills Hospital	Macquarie University
No. of Accommodation establishments	5 + 1 proposed	3	7
Accommodation establishments	Monash Terrace Apartments, Gateway on Monash, Glenn Inn, Clayton & Monash Motor Inn and Serviced Apartments, Mulgrave Court Motor Inn (Nova Proposed)	Crowne Plaza, Quest Serviced Apartments, Bella Vista Hotel	Courtyard by Marriot, MGSM Executive Accommodation, Quest North Ryde, The Glasshouse Hotel
Accommodation rooms (approx.)	100 + 226 proposed	300	500
Employees per establishment	16,000 (1,300 including Nova)	9,000	6,000

Source: Urban Enterprise, using Business Park websites and desktop research.

The three case studies show three different approaches to providing retail and support services to employment areas. Each example is at a different stage of development:

- The Broader WSEA is a greenfield development proposal, with planning reflecting current practices and economic analysis;
- Norwest Business Park is partly developed, in is undergoing a stage of employment transition, residential growth and further development of employment and retail uses; and
- Macquarie Park is highly developed, with established institutional and activity centre uses and a significant and dense residential and worker catchment for retail and support services.

While there are many differences between the case studies, the following implications can be drawn for the NEC:

- Without a residential catchment, employment land use is only able to support smaller convenience focused retail, along with supporting services such as accommodation and recreation;
- The Norwest example is well matched to the NEC. The Norwest activity centre plan is to establish two activity centres which primarily serve the employment areas, but are also supplemented by a nearby residential catchment. Retail centres are located centrally to the business uses rather than on major thoroughfares, and are anchored by full line supermarkets. The overall scale of the centres is relatively low (approximately 10,000m^2) with a convenience and support services (bank, personal services, etc.) focus. Cafes and

restaurants are located throughout the business park, including as part of the retail centres, within office buildings and in areas of high amenity (eg. with views of open space and the lake). The floorspace of many of these cafes and restaurants is in addition to the centralised retail floorspace of approximately 10,000m^2.

- The Macquarie Park example provides an alternative model with a highly centralised retail and support services layout. At full development, the effectiveness of this land use pattern in serving local businesses has been brought into question during recent planning processes. The convenience factor has been lost for many employees and businesses through this approach;
- The Monash NEC is clearly under-supplied in terms of accommodation establishments and rooms. These is likely to be scope for at least 2-3 additional establishments, focused on the business and health market and including serviced apartments and moderate to high quality hotels in close proximity to the major institutions and business areas.

The case studies demonstrate that a polycentric model of retail and support service clusters is likely to best serve the NEC, with small to medium sized service centres (maximum 10,000m^2) located in strategic positions which optimise convenience for workers but enable some access from the broader residential catchment. Centres should be anchored by a supermarket.

Land areas in the order of 2ha to 3ha should be allocated to these types of centres, in order to allow for car parking, open space and access. New centres should be located centrally to areas of current employment and projected employment growth. Location characteristics and opportunities are discussed in Section 7.

7. Findings and Recommendations

7.1. RETAIL

Demand for retail floorspace in the NEC is primarily driven by local residents and residents from nearby areas, however employees generate demand for approximately 20% of non-bulky goods retail floorspace at present.

A significant amount of additional retail floorspace will be supportable in the NEC over the planning period, in the order of 42,000 – 48,000m^2 from 2016 to 2026, and 184,000 – 214,000m^2 from 2016 to 2051 (excluding bulky goods). This will be underpinned by population growth, employment growth and a reduction in the overall levels of escape expenditure to other areas.

There is scope to provide at least 2 new retail centres in the NEC over the planning period. These centres should be anchored by a supermarket (potentially a smaller supermarket in the first instance), and include a food catering focus, collocated with accommodation and open space where possible. It is also noted that any future north-ward expansion of the Clayton Activity Centre, triggered by the potential grade separation of the rail line, could include some business support services and retail facilities which are more easily accessed by Monash Medical Centre and Monash University employees and visitors.

Over the planning period to 2051, it is estimated that a total of 40,000m^2 of additional retail floorspace will be supported by business and employment growth alone.

LOCATION CONSIDERATIONS AND SUCCESS FACTORS

- New retail centres should be centrally located to the proposed employment growth areas, particularly in the north of the NEC in areas that are currently not within 800m of an activity centre;
- There is no inherent need for new retail centres to be located on major arterials, however any new centres should be readily accessible by car as well as public and active transport options (i.e. link roads or similar). Loading areas should be accessible to arterials where possible.
- Case studies demonstrate the importance of accessibility to business focused retail centres, and that attraction of passing trade / exposure is not a key consideration;
- Retail centres should be anchored by a supermarket, and include a mix of retail floorspace, cafes and restaurants and open space. The centres should encourage a mix of activities to be undertaken in one location, yet minimise the access constraints experienced at existing activity centres by ensuring that the overall scale of the centre remains under 10,000m^2 over the next 10 – 20 years, and has a clear focus on meeting business needs (i.e. exclude bulky goods (with the exception of office supplies), clothing retailers).

7.2. CAFES AND RESTAURANTS

There is a clear need for additional cafes and restaurants to be provided in the NEC. Whilst this floorspace is included within the “retail” floorspace amounts, the food catering sector plays an important role in servicing businesses and their employees and visitors. At present, this retail category is clearly undersupplied: the majority of food catering floorspace in the NEC is low quality, take away and casual dining restaurants located within or near established activity centres and serving a local residential catchment.

The gradual transition of the NEC employment base towards professional, technical and head office uses will further increase the need for new, high quality cafes and restaurants. Until now, some evidence of smaller restaurants and cafes can be seen with recently established business park and stand-alone business headquarter settings. However, the co-location of cafes and restaurants will improve the offer to employees and businesses, whilst also providing support for the establishment of new accommodation providers in the area.

LOCATION CONSIDERATIONS AND SUCCESS FACTORS

- Co-location of new cafes and restaurants should be encouraged, as well as location within or near new retail centres. This will enable trip sharing with other convenience tasks (such as top-up shopping, retail services and banking), and will allow overflow patronage from one café/restaurant to be met by adjacent facilities.
- Local amenity is a key success factor for cafes and restaurants. Separation from main roads and rail lines will ensure that high amenity is maintained, especially for outdoor dining. Co-location with open space will assist with providing a high amenity dining experience.
- As with retail facilities, a location along a major road is not essential, although ready access by car is a key success factor (i.e. a location near a secondary road would be suitable). There are opportunities to provide new cafes and restaurant clusters in areas that are currently not within walking distance of an activity centre, and in areas within walking distance of the major institutions such as Monash University and the Monash Medical Centre.

7.3. BUSINESS SUPPORT SERVICES

This study finds that whilst there are some business support services available in the NEC, these are either relatively inaccessible (within existing activity centres such as Clayton and Springvale) or dispersed across the NEC with little co-ordination / trip sharing ability. There is the opportunity to collocate business services such as business banks and post offices in a single location which is readily accessible to the major employment areas of the NEC.

Child care centres may also be co-located with business service hubs, and preferably located away from major roads. However, child care centres are often located close to residential areas, and the high traffic and strong car-based urban form of the employment areas of the NEC may not be ideal for childcare centres.

LOCATION CONSIDERATIONS AND SUCCESS FACTORS

- Co-location with a retail anchor is important;
- Co-location with cafes / restaurants is desirable to enable trip sharing;
- Location on a major arterial is not essential, although at least a secondary road should be available for access.

7.4. ACCOMMODATION AND ENTERTAINMENT

The existing supply assessment and comparison with other business parks demonstrates that the Monash NEC is under-supplied with accommodation establishments of sufficient quality to meet business needs. At present, there are less than 100 rooms available in accommodation establishments in the NEC, and very few of these are of the quality required by businesses. These is therefore expected to be a significant level of latent demand for accommodation in the employment areas, and this is likely to increase over time due to:

- Transition of employment to more office-based uses, increasing employment density and the number of visiting professionals;
- The ongoing national importance of Monash University, and the need to accommodate visiting academics and professionals;
- Construction of new and expanded hospitals in and near the Monash Medical Centre, increasing employees, patients (including potential overflow patients) and visitors;
- The ongoing importance of the Synchrotron and CSIRO as scientific facilities of State and National significance, and the need to support visitors through provision of appropriate accommodation and conference facilities in close proximity.

It is considered that the NEC could support at least 2 new higher quality accommodation establishments in the short to medium term, in additional to the proposed Nova Hotel and serviced apartments. These establishments could also support conference facilities. The need for a new stand-alone conference centre has not been investigated as part of this study.

In addition to conference facilities, a secondary use that adds significant value to an accommodation location is entertainment facilities. As the visitor and business support role of an area consolidates and expands, there is likely to be the opportunity to establish supporting entertainment facilities such as a cinema or ten-pin bowling.

LOCATION CONSIDERATIONS AND SUCCESS FACTORS

- Accommodation establishments targeted to business customers do not require a location on a major road. Rather, establishments desire a location as close as possible to the source of demand (i.e. major employment areas and institutions);
- A key success factor is co-location with off-site restaurants, and a reasonable level of local amenity, so that visitors have quality dining, local open space and entertainment options;
- Given the proposed growth of the Monash Medical Centre and Monash University, and the fact that employment growth in these institutions are more certain than the proposed growth in private businesses elsewhere in the NEC, a location in proximity to these is a clear opportunity for a new accommodation establishment. This could ultimately form part of an expanded Clayton Activity Centre to the north of the existing activity centre, should a grade separation of the existing railway line be implemented.

7.5. PLANNING IMPLICATIONS

The current planning controls do not provide clear support for the establishment of preferred uses to meet business needs. While many of the uses are permitted in the NEC, competition with other uses (such as bulky goods retail) and setback requirements (under DDO1) have resulted in an ad hoc and relatively inaccessible network of business support services.

In addition, the prohibition of accommodation establishments in the SUZ6 – the key demand source for business focused accommodation and conference facilities – is a key limitation for future development in this sector.

Existing planning controls require changes so that preferred uses are encouraged in areas that meet the success factors identified in this report, and that new planning controls are established which specifically encourage business focused retail and support services in two locations within the northern part of the NEC. This would best take the form of a revised Schedule 6 to the Special Use Zone to customise permitted land uses and exclude or cap land uses which will not meet business needs. Additional controls may be considered, such as an alternative Special use Zone schedule, for any key sites identified for a new retail centre as part of the framework plan.

Subject to the outcomes of the Clayton Structure Plan, planning controls could also be used to encourage the consolidation of business focused retail and accommodation uses on the northern side of the rail line, near the Monash Medical Centre.

7.6. RECOMMENDATIONS

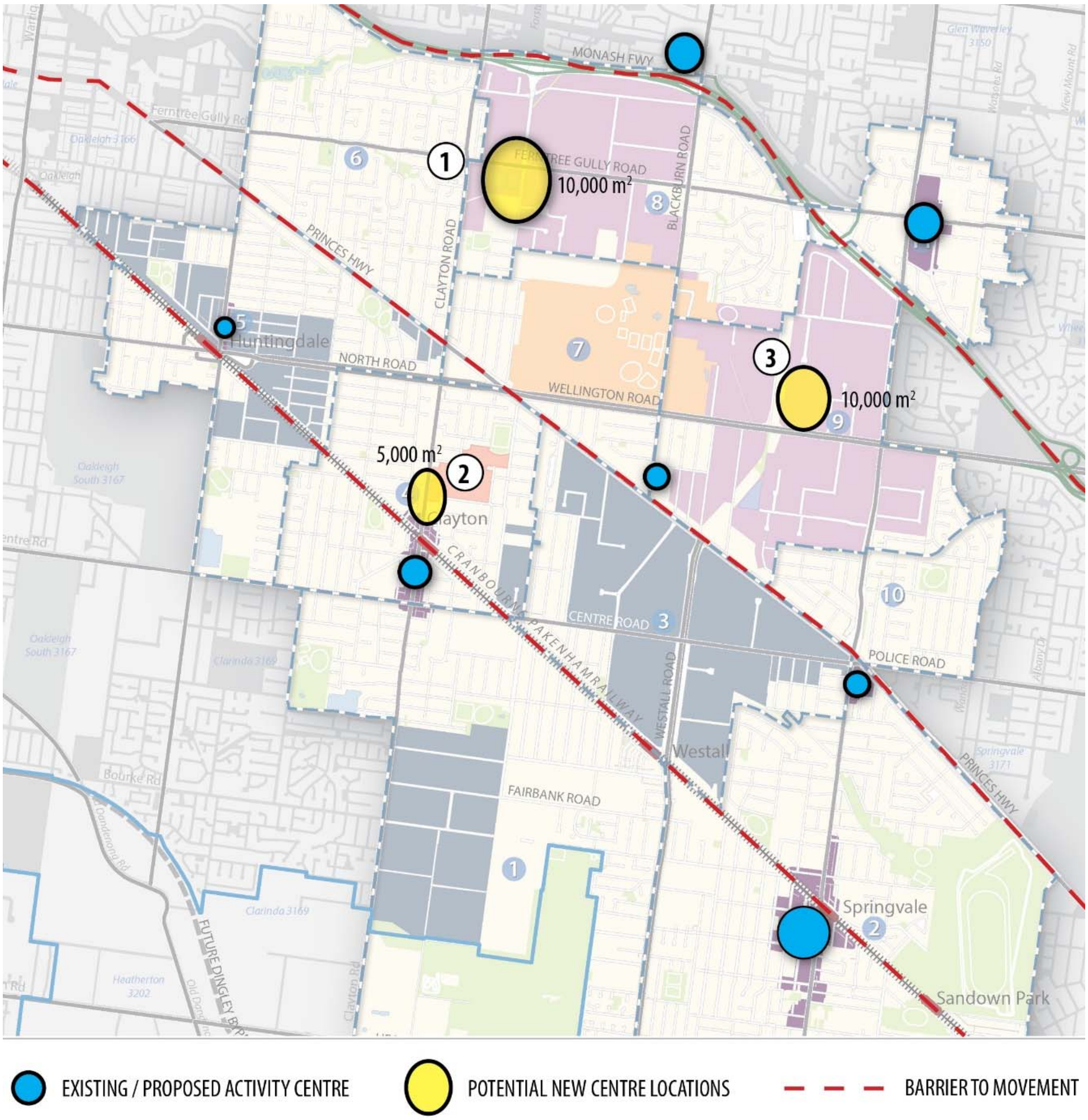
1. Amend Schedule 6 to the Special Use Zone to allow accommodation establishments and conference centres;
2. Use the Special Use Zone to designate specific locations for retail and service centre clusters, with clear support for desired uses such as convenience retail, hospitality and retail services;
3. Plan for at least 2 new retail centres to be located within the NEC in the order of 8,000m^2 to 10,000m^2 (maximum floorspace of 10,000m^2). One centre should be planned to be delivered by 2026. Sufficient land should be also be allocated to enable these centres to increase in size over time if required.

4. Investigate and identify suitable sites to accommodate future retail centres based on the location and size characteristics identified in this report, including consideration of opportunities to incorporate public land holdings and underutilised land where possible.
5. Designate Clayton Road near and opposite the Monash Medical Centre as a location for potential accommodation and business services in the Draft NEC Framework Plan and Clayton Structure Plan. This area could absorb some of the additional demand generated by employment growth in this area in the short to medium term, especially following the establishment of the new Children's Hospital.
6. Monitor population, employment and retail floorspace growth in the NEC at regular intervals and update retail demand forecasts.
7. In the longer term (eg. 2031), investigate the need and location options for a third new centre in the NEC, subject to a review of the competitive retail environment and employment and population growth over time.

Indicative locations of centres are shown in Figure 15. Based on the existing and proposed retail hierarchy, recommended general locations for new centres are as follows:

1. A new centre near the intersection of Forster Road and Ferntree Gully Road,
2. An expanded Clayton Activity Centre to the north of the railway line; and
3. A new centre north of Wellington Road, east of Blackburn Road and west of Springvale Road (potentially aligned with the Westall Road extension, however high levels of exposure are not essential).

FIGURE 15 INDICATIVE LOCATION OPTIONS FOR NEW CENTRES



Source: Urban Enterprise.

APPENDICES

APPENDIX A ZONE REVIEW

		Accommodation	Office	Retail					Leisure and Recreation	Childcare Centre	Place of Assembly
		Residential Hotel - Hotel/Serviced Apartment	Office - Bank	Shop - Stationery needs	Food and Drink Premises - Cafes/Restaurants	Convenience Shop	Supermarket	Postal Agency	Restricted Recreation Facility - Gym/Fitness Centre	Childcare	Function Centre - Conference Centre
C1Z	Section 1, 2 or 3	1	1	1	1	1	1	1	2	1	2
	Restrictions/ Conditions	Any frontage at ground floor level must not exceed 2 metres								Any frontage at ground floor level must not exceed 2 metres and access must not be shared with a dwelling (other than a caretaker's house).	
	Align with Purpose	Yes, provided it complements the role and scale of the commercial centres	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
C2Z	Section 1, 2 or 3	2	1	1	1	1	1	1	2	2	2
	Restrictions/ Conditions			Must adjoin, or be on the same land as a supermarket. Combined leasable floor area for all shops adjoining or on the same land as the supermarket must not exceed 500 sqm. The site must adjoin or have access to a road in Road Zone.	The leasable floor area must not exceed 100 square metres.	Must adjoin, or be on the same land as a supermarket. Combined leasable floor area for all shops adjoining or on the same land as the supermarket must not exceed 500 sqm. The site must adjoin or have access to a road in Road Zone.	Leasable floor area must not exceed 1800 sqm. Must adjoin or have access to a road in Road Zone.				
	Align with Purpose	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
MUZ	Section 1, 2 or 3	2	1	1	1	1	1	2	2	2	2

		Accommodation	Office	Retail					Leisure and Recreation	Childcare Centre	Place of Assembly
	Restrictions/ Conditions		Leasable floorspace must not exceed 250 sqm	Leasable floorspace must not exceed 150 sqm	Leasable floorspace must not exceed 150 sqm	Leasable floorspace must not exceed 150 sqm	Leasable floorspace must not exceed 150 sqm				
	Align with Purpose	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SUZ5	Section 1, 2 or 3	2	1	3	2	2	3	3	3	2	2
	Restrictions/ Conditions		Must be in association with the Australian Synchrotron								
	Align with Purpose	No, doesn't complement the research focus of this zone	Unsure	No	Yes	Yes	No	No	No	No	Yes
SUZ6	Section 1, 2 or 3	3	1	3	2	2	3	1	2	2	2
	Restrictions/ Conditions										
	Align with Purpose	No	Yes	No	Yes	Yes	No	Yes	No	No	No
IN1Z	Section 1, 2 or 3	3	2	3	2	2	3	2	2	2	2
	Restrictions/ Conditions										
	Align with Purpose	No	No	No	Yes	Yes	No	No	No	No	No

APPENDIX B NEC RETAIL HIERARCHY

Centre	Retail Hierarchy	Floorspace	Anchor Tenants	Role and Catchment	Distance to NEC
Chadstone Shopping Centre	Super Regional	171,217m²	Coles, Woolworths, ALDI, Myer, David Jones, Kmart, Target	The largest shopping centre in Australia which draws a large proportion of comparison shopping expenditure from the wider region.	2km
Southland Shopping Centre	Super Regional	125,581m²	Myer, David Jones, Target, Big W, Kmart, Coles, Woolworths, ALDI	Major shopping centre in the Southern region and competes with Chadstone in attracting higher order shopping expenditure.	5.5km
Knox Shopping Centre	Super Regional	112,554m²	Myer, Target, Coles, Kmart	Located in the outer eastern suburbs and includes a significant restaurant and entertainment precinct.	7km
Springvale Homemaker Centre	Bulky Goods	72,000m²	IKEA (36,000sqm)	Specialised bulky goods and homewares shopping centre. Serves a large catchment due to the presence of IKEA (entire south east suburbs).	-
The Glen Shopping Centre	Major Regional	57,776m²	Coles, Woolworths, David Jones, Target	Includes a popular restaurant and entertainment precinct as well as civic offices and other employment functions. Planning permit lodged for a 17,000m² expansion.	2km
Springvale Activity Centre	Sub Regional	39,810m²	Woolworths, KFL Supermarket (Asian food supermarket)	Specialised centre for fresh food and Asian groceries. Its unique food offering draws customers from a broad catchment. There is only a small provision of non-food retail. The centre is somewhat isolated from the rest of the NEC making it hard to access for businesses.	-
Waverley Gardens	Sub Regional	38,535m²	Woolworths, Coles, ALDI, Target, BIG W	Strong centre for convenience retail and discount department stores. Large number of specialty shops for apparel and homewares.	2km
Clayton Activity Centre	Sub Regional	32,500m²	Coles (x2), Hong Kong Supermarket	Primarily a food-based retail centre. Adjacent to civic and community centre and in close proximity to Monash Medical Centre.	-
Oakleigh	Sub Regional	25,000m²	Coles, Woolworths	Primarily convenience based retail centre. Located on the border of the NEC and is expected to draw supermarket expenditure from the Huntingdale area. Recent upgrades to the retail mall have increased activity in the centre.	0.2km
Brandon Park Shopping Centre	Sub Regional	22,651m²	Coles , Kmart, ALDI	Primarily convenience based retail centre. Services a small local catchment, including local residents and surrounding businesses. A larger secondary catchment due to its location on Springvale Road and Ferntree Gully Roads. Sub-ordinate to the close by Glen Waverly shopping centre for comparison shopping.	-
Mount Waverley	Neighbourhood Centre	18,500m²	Woolworths, IGA	Primarily a convenience centre with a number of personal services	1.5km
Noble Park Strip Shopping Centre	Neighbourhood Centre	13,600m²	Coles	Small neighbourhood level convenience centre centred on the rail station.	0.5km
Nova Centre (proposed)	Proposed	12,000m² plus BG	Woolworths, Kmart	Proposed centre includes significant hotel and mixed use precinct. Will have a significant impact on the retail hierarchy within the NEC once constructed.	-
Huntingdale	Neighbourhood Centre	11,500m²	IGA Express	Local service based retail for train commuters, local industrial area and local residents. High provision of take-away food. The train station is the main transit point for Monash students.	-
Police Road Shopping Centre	Neighbourhood Centre	9,500m²	Coles	The strip is anchored by Coles and also has a strong fast food and homewares offer.	-
Wheelers Hill	Convenience Centre	8,200m²	Woolworths	Small, limited local convenience centre.	1.5km

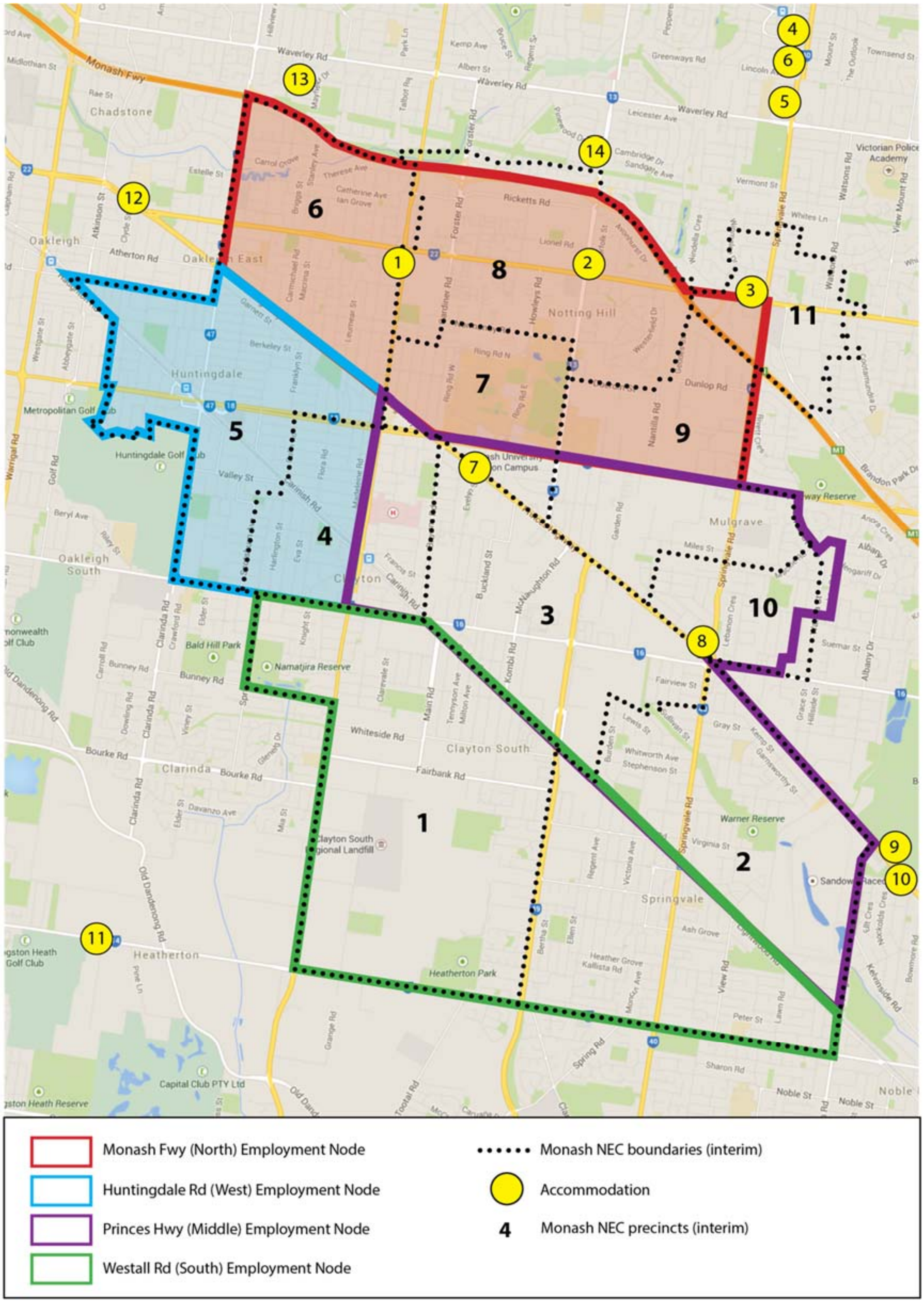
Clarinda Shopping Centre	Convenience Centre	6,000m²	Woolworths	Small neighbourhood level convenience centre.	1km
Pinewood Village	Convenience Centre	5,784m²	Coles	Primarily a local convenience centre. Includes a small independent cinema.	0.2km
The Links, Oakleigh South,	Convenience centre	5,000m2 plus bulky goods	Woolworths, Masters	Recently constructed shopping centre anchored by a full line Woolworths, Masters, as well as 1,100m² of specialty stores. Limits the catchment of Clayton.	1.5km
Monash University	Specialised local	4,931m²	No major tenants	Specialised centre with limited level of convenience retailing for campus residents, workers and students. No traditional retail 'anchor' limiting the role of the centre to campus catchment.	-

APPENDIX C BUSINESS RETAIL SUPPLY ASSESSMENT

ACCOMMODATION – MONASH NEC AND SURROUNDS

NODE		NAME	ADDRESS	TYPE	NO. OF ROOMS	PRICE	STAR RATING	QUALITY
Monash Fwy (North Node)		**Inside Monash NEC**						
	1	Monash Terrace Apartments	1440 Dandenong Rd, Clayton	Short - Medium stay serviced apartments	5	From $170	N/A	Medium
	2	Gateway on Monash	630 Blackburn Rd, Notting Hill	Hotel	31		4.5	Medium
	3	Glenn Inn	605 Ferntree Gully Rd, Glen Waverly	Motel & Apartments		from $160	N/A	Medium
		Outside Monash NEC						
	4	Hotel Novotel Glen Waverly	285 Springvale Rd, Glen Waverly	Hotel	200	From $229	4	Medium - high
	5	Quest Glen Waverly	353 – 361 Springvale Rd, Glen Waverly	Serviced Apartments		From $205		Medium - high
	6	Hotel Ibis Glen Waverly	297 Springvale Rd, Glen Waverly	Hotel	155	From $199	3	Medium
	13	Apartments a Mount Waverly	14 Lang Rd, Mt Waverly	Apartments	14	From $170	4 (self rated)	Medium
	14	Hotel Bruce County	445 Blackburn Rd, Mt Waverly	Hotel	38	Offer corporate & long stay rates		Medium
Princes Hwy (Middle Node)		**Inside Monash NEC**						
	7	Clayton & Monash Motor Inn and Serviced Apartments	1790 Princes Hwy, Clayton	Motel and Serviced Apartments		from $140	N/A	low - medium
	8	Mulgrave Court Motor Inn	5 Harcourt Avenue, Mulgrave	Motel	26	From $100	N/A	low
		Outside Monash NEC						
	9	Sandown Park Hotel	Cnr Corrigan Rd & Princes Hwy	Hotel/Motel	14	From $100	N/A	medium
	10	Sandown Regency	477 Princes Hwy, Dandenong	Motel	37	From $165	3.5	low - medium
Westall Rd (South Node)		**Outside Monash NEC**						
	11	Quest Serviced Apartments Moorabbin	3 Kingston Rd, Heatherton	Serviced Apartments	60	From $170	4	Medium - high
Huntingdale Rd (West Node)		**Outside Monash NEC**						
	12	Lamplighter Motel	1440 Dandenong Rd, Oakleigh	Motel and Serviced Apartments	25	From $105		low - medium

SUPPLY OF ACCOMMODATION IN THE MONASH NEC AND SURROUNDING AREA

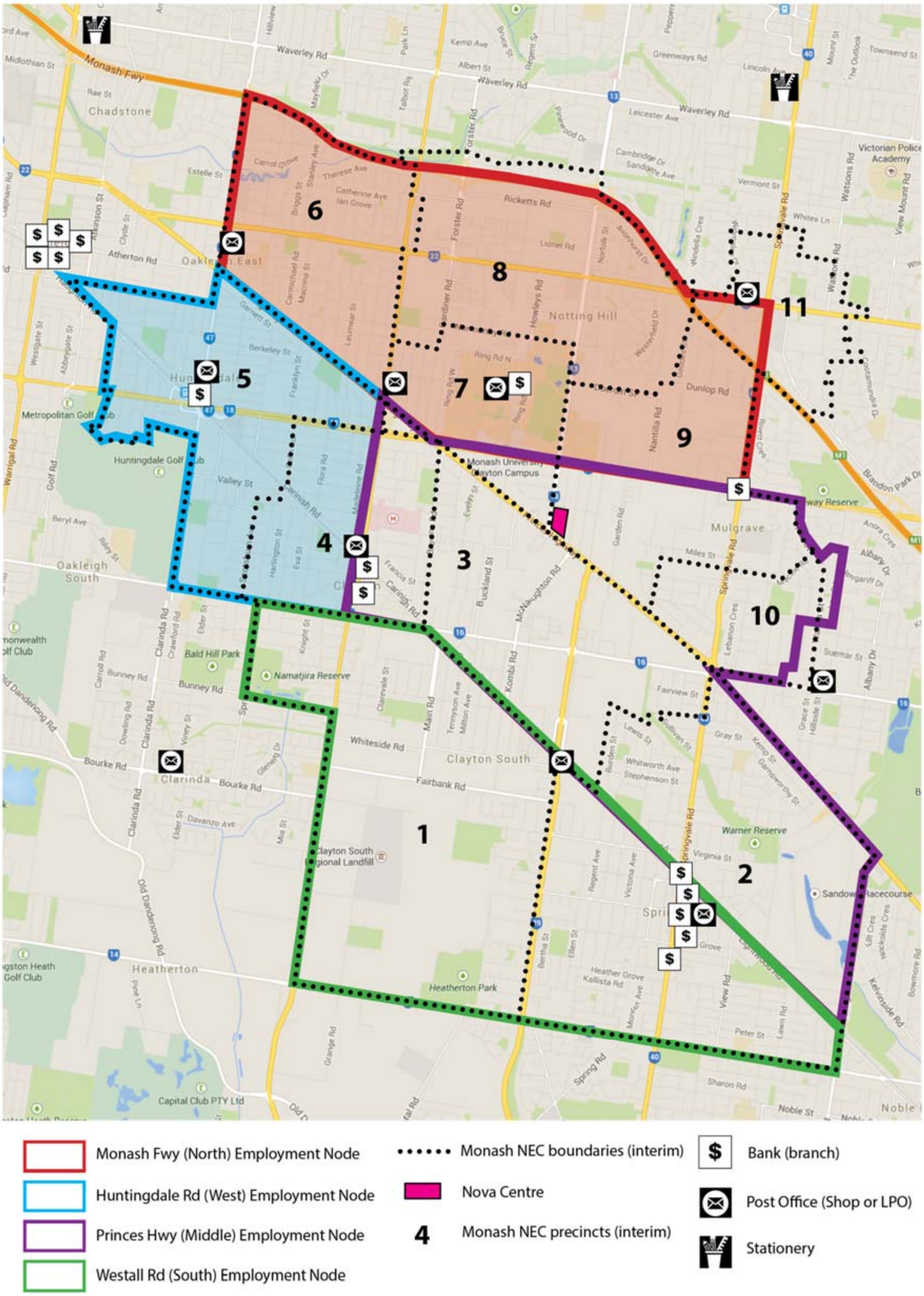


Source: Urban Enterprise, Base Map (Google Maps)

BUSINESS SUPPORT SERVICES

NODE	Banks	
	Name	Address
Monash Fwy (North) node	Inside Monash NEC	
	Westpac branch	Building 10, Campus Centre, Monash University, Clayton Campus
	CBA branch	Monash College, Wellington Road, Clayton
Princes Hwy (Middle) node	Inside Monash NEC	
	Westpac branch	302 Clayton Rd, Clayton
	Bank of Melbourne branch	336 Clayton Rd, Clayton
	ANZ branch	700 Springvale Rd, Mulgrave
Huntingdale Rd (West) node	Inside Monash NEC	
	CBA branch	305/307 Huntingdale Rd, Huntingdale
	Outside Monash NEC	
	Bank of Melbourne branch	17 Atherton Rd, Oakleigh
	Westpac branch	44 Atherton Rd, Oakleigh
	ANZ branch	27 Eaton St, Oakleigh
	Bank of Sydney	30 Portman St, Oakleigh
	Delphi Bank branch	13 Atherton Rd, Oakleigh
Westall Rd (South) node	CBA branch	264-266 Springvale Rd, Springvale
	Bank of Melbourne branch	268 Springvale Rd, Springvale
	Bank of Queensland	349 Springvale Rd, Springvale
	ANZ branch	286 Springvale Rd, Springvale
	Westpac branch	357 Springvale Rd, Springvale
	Post Offices	
Monash Fwy (North) node	Inside Monash NEC	
	Australia Post Oakleigh East LPO	186D Huntingdale Rd, Oakleigh
	Australia Post Whitburn LPO	1907 Dandenong Rd, Clayton
	Australia Post Monash University LPO	10/1-131 Wellington Rd, Clayton
Huntingdale Rd (West) node	Inside Monash NEC	
	Australia Post Huntingdale LPO	292A Huntingdale Rd, Huntingdale
Westall Rd (South) node	Inside Monash NEC	
	Australia Post Shop Clayton South	2/166 Rosebank Avenue, Clayton South
	Australia Post Shop - Springvale	327 Springvale Rd, Springvale
	Outside Monash NEC	
	Australia Post Clarinda LPO	3/67 Bourke Rd, Clarinda
Princes Hwy (Middle) node	Outside Monash NEC	
	Australia Post Sandown Village	124 Police Rd, Springvale
	Stationery Supplies	
Monash Fwy (North) node	Outside Monash NEC	
	Officeworks - Glen Waverly	342 Springvale Rd, Glen Waverly
	Officeworks - Chadstone	699 Warrigal Rd, Chadstone

BUSINESS SUPPORT SERVICES – BANKS, POST OFFICES & STATIONERY

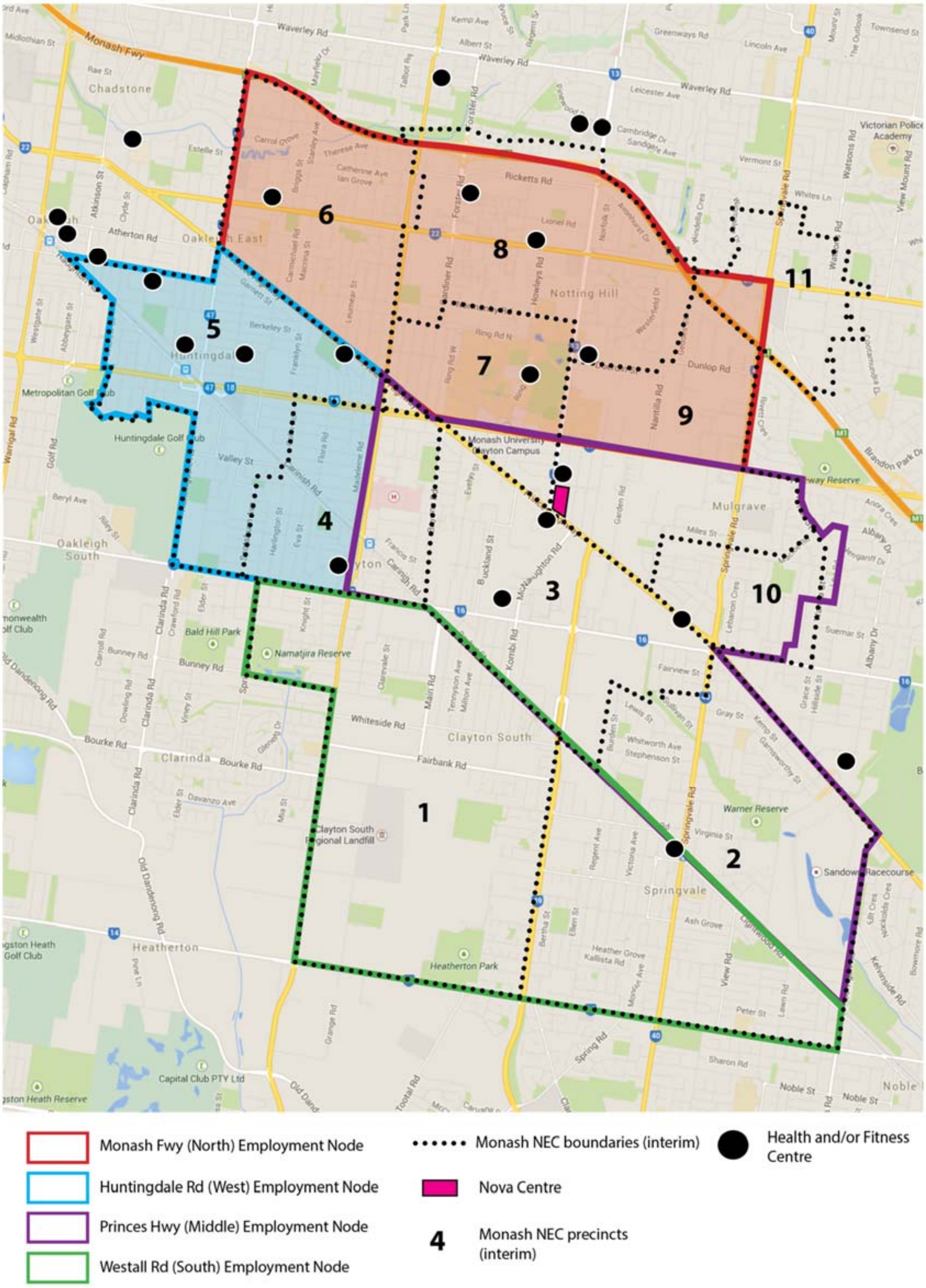


Source: Urban Enterprise, Base Map (Google Maps)

HEALTH AND FITNESS CENTRES – MONASH NEC

Node	Name	Address
Monash Fwy (North) node	**Inside Monash NEC**	
	Pinnacle Health Club Oakleigh	1/104 Ferntree Gully Rd
	YMCA Monash Fitness Centre	Warehouse 24 & 25 Axxess Corporate Park, 170 Forster Rd, Mount Waverly
	Bodyology Exercise Science Studio	16 Howleys Rd, Notting Hill
	EFM Health Club Clayton	13 Duerdin St, Notting Hill
	Monash University Sport and Recreation Centre	Monash University
	Outside Monash NEC	
	Yoga in Mount Waverly - Corporate Yoga	21 Howell Drive. Mt Waverly
	EnVie Fitness Mt Waverly	2 Centreway Mt Waverly
	Pinewood Fitness Centre Mt Waverly	15 Centreway , Mt Waverly
	Oakleigh Recreation Centre	Park Rd, Oakleigh
Huntingdale Rd (West) node	**Inside Monash NEC**	
	CrossFit 25	40 Shafton St, Huntingdale
	Zap Fitness	1668 Dandenong Rd, Clayton
	Cirque Fit	8/6 Railway Ave, Oakleigh
	Strong Melbourne	40 Connell Rd, Oakleigh
	Challenge Fitness Oakleigh	6 Burlington St, Oakleigh
	Clayton Aquatic & Health Club	Cooke St, Clayton
	Outside Monash NEC	
	Jets Oakleigh	Burlington St, Oakleigh
	Cruze Health Club	17 Chester St, Oakleigh
Princes Hwy (Middle) node	**Inside Monash NEC**	
	Polelicious Fun Fitness	43 Cambro Rd, Clayton
	Fernwood Clayton	1866 Princes Hwy, Clayton
	Body @ Work	1535 Centre Rd, Clayton
	Gym and Fitness Melbourne	5/861-865 Princes Hwy, Springvale
	Outside Monash NEC	
	Witness the Fitness Health Club & Personal Training	2 Brough St, Springvale
Westall Rd (South) node	**Inside Monash NEC**	
	Alphonsa Fitness Centre & Gym	1A Balmoral Ave. Springvale

HEALTH & FITNESS CENTRES – MONASH NEC



Source: Urban Enterprise, Base Map (Google Maps)

FOOD AND BEVERAGE

The following section provides a supply assessment for lunch spots and restaurants in the Monash NEC. This assessment recognises current supply of food and beverage establishments to support employment in the Monash NEC. For the purpose of this exercise, the following will be assessed:

- Lunch spots (café's, casual takeaways and coffee shops); and
- Restaurants (to take clients/staff functions).

Generally, food and beverage establishments are concentrated to the activity centres of Huntingdale, Clayton and Springvale, as well as areas outside the NEC including Oakleigh.

HUNTINGDALE ACTIVITY CENTRE

Huntingdale activity centre includes the retail strip along Huntingdale road, in close proximity to Huntingdale train station. The food and beverage offer along Huntingdale Road is generally casual takeaways and café's. Huntingdale road includes a Subway, charcoal chicken, pizzeria, Thai and Indian takeaway restaurants, fish and chippery and a number of small scale café's. The food and beverage offer services the residents of Huntingdale, as well as the small industrial and warehousing businesses.

CLAYTON ACTIVITY CENTRE

Clayton activity centre includes the retail strips of Clayton and Centre Road. The food and beverage offer in these areas service the surrounding residents of Clayton, Monash Medical Centre, as well as manufacturing, industrial and warehousing businesses along Buckland Street and McNaughton Road.

Clayton Road contains casual takeaways (Nandos, Dominos, Breadtop), Café's, bakeries and casual Asian cuisine restaurants. There are a high number of takeaway and casual eateries, however the area lacks good quality restaurants and large function spaces. Hodori Korean restaurant located on Centre Road is a high quality restaurant, which caters for large groups.

Employment areas to the east and west of Westall Road have very limited access to food and beverage establishments. This employment area is located approximately 2 kilometres from the retail strip on Clayton Road, as well as the retail strip on Springvale Road (Cnr Springvale Rd and Princes Hwy). The offer on the corner of Springvale Road and Princes Highway is predominantly takeaway, including Hungry Jacks, Red Rooster, KFC, Nandos and Subway. There are limited purpose built food and beverage establishments that service this employment area.

SPRINGVALE ACTIVITY CENTRE

The Springvale activity centre is the area surrounding the Springvale train station, and includes areas along Springvale Road, Queens Avenue, Lightwood Road and surrounding areas. This area is generally an Asian cuisine hub, which dominates the food and beverage offer in the area.

The office, industrial and warehousing employment areas to the north of Queens Avenue and surrounding residential areas would utilise the food and beverage offer within the Springvale Activity Centre.

Although Springvale activity centre is dominated by takeaway and casual dining Asian cuisine, there are numerous takeaway and café establishments in the area. A major limitation for surrounding employment nodes is access to the retail strip and major traffic and parking issues. Similarly to Clayton and Huntingdale activity centres, surrounding office, industrial and warehousing pockets have very limited purpose built food and beverage offer that services these areas.

MONASH UNIVERSITY AND MONASH TECHNOLOGY PRECINCT

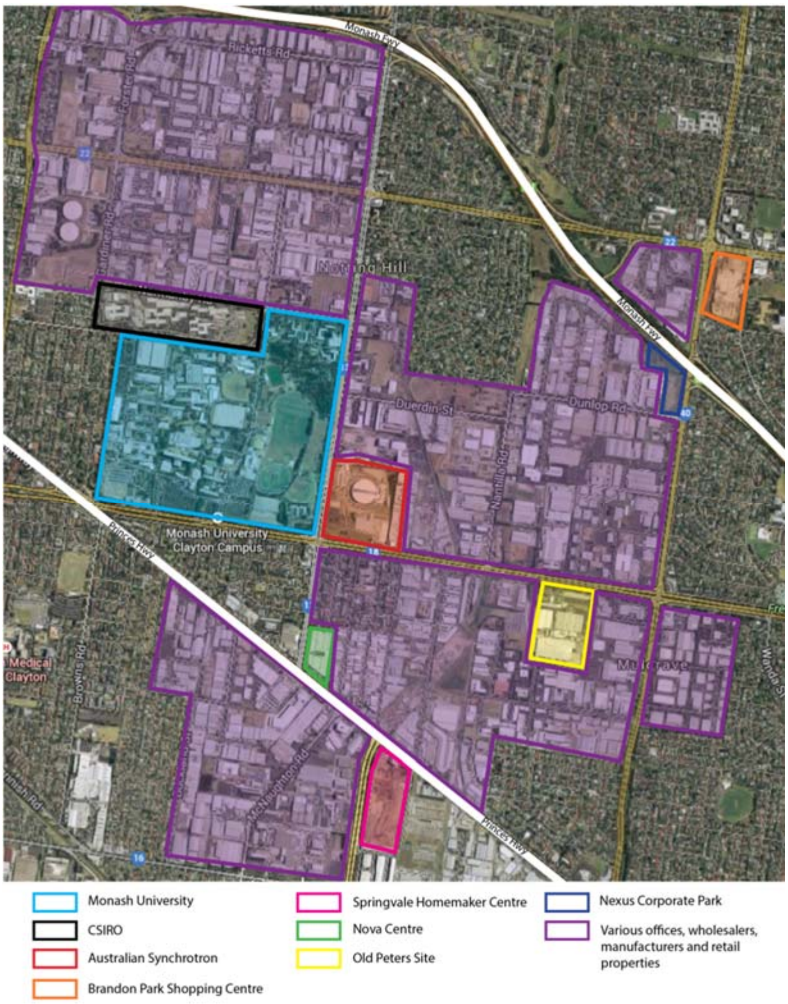
Monash University, the Australian Synchrotron and the surrounding Technology Precinct (Wellington Business Park and Axxess Business Park) have a limited supply of food and beverage. Monash University have limited casual sit in lunch spots and coffee shops, but the Australian Synchrotron and surrounding business parks do not have an adequate supply of such establishments. Employees concentrated in this area are forced to travel throughout the cluster, or outside the cluster to access this type of amenity.

Axxess Business Park has a purpose built cafe which operates on the ground floor. Café Axxes is a casual breakfast and lunch spot that offers corporate catering services. Nexus Business Park (Cnr Dunlop Road and Springvale Road) includes a purpose built café on the ground floor. Elements is a café that is open for breakfast and lunch, whilst offering corporate catering and function services. There is a need to increase the number of these facilities throughout the cluster.

The following shows the Monash University and Technology Precinct, as well as surrounding office employment areas. The area identified in the map shows the context of the employment areas in the north east and middle of the cluster.

The Nova Centre, which is proposed on the corner of Blackburn Road and Princes Highway is a permitted development, which will incorporate 17,000 square metres of retail space, including speciality retail, café's, restaurants and casual takeaways. It is assumed that construction will commence within a two year timeframe. This proposed development is located in close proximity (approximately 500 m) to the Australian Synchrotron and the Monash Technology Precinct and will absorb some of the demand for food and beverage.

SITE MAP – NORTH EAST OF THE MONASH NEC



APPENDIX D RETAIL DEMAND MODEL DETAIL

Retail Category	Retail Expenditure Per Capita 2016	2026	2051	Total Expenditure 2016	2026 (low)	2026 (high)	2051 (low)	2051 (high)
Population				78,750	96,200	106,200	154,450	200,800
FLG	$5,252	$5,801	$7,439	$413,564,204	$558,060,378	$616,070,813	$1,149,022,080	$1,493,840,296
Food Catering	$1,513	$1,671	$2,143	$119,157,115	$160,789,701	$177,503,807	$331,059,010	$430,408,866
AHL	$2,909	$3,214	$4,121	$229,100,282	$309,146,171	$341,281,947	$636,518,538	$827,535,917
Bulky Goods	$1,027	$1,135	$1,455	$80,888,249	$109,149,985	$120,496,137	$224,735,078	$292,177,428
Retail Services	$342	$378	$485	$26,948,405	$36,363,972	$40,144,010	$74,871,838	$97,340,661
Total	$11,043	$12,199	$15,644	$869,658,255	$1,173,510,207	$1,295,496,715	$2,416,206,545	$3,141,303,168

Retail Category	Expenditure per worker 2016	2026	2051	Total Expenditure 2016	2026 (low)	2026 (high)	2051 (low)	2051 (high)
Workers				81,798	91,122	106,091	119,350	179,050
FLG	$633	$734	$896	$51,737,129	$66,911,861	$77,904,057	$106,937,748	$160,429,023
Food Catering	$1,645	$1,909	$2,330	$134,516,535	$173,970,839	$202,550,547	$278,038,146	$417,115,459
AHL	$0	$0	$0	$0	$0	$0	$0	$0
Bulky Goods	$0	$0	$0	$0	$0	$0	$0	$0
Retail Services	$253	$294	$358	$20,694,851	$26,764,744	$31,161,623	$42,775,099	$64,171,609
Total	$2,530	$2,937	$3,584	$206,948,515	$267,647,444	$311,616,226	$427,750,993	$641,716,090

	Demand Captured in NEC	2016	2026		2051	
Retail Category	% NEC	2016	2026 (low)	2026 (high)	2051 (low)	2051 (high)
FLG	70%	289,494,943	390,642,265	431,249,569	804,315,456	1,045,688,207
Food Catering	70%	83,409,981	112,552,791	124,252,665	231,741,307	301,286,206
AHL	25%	57,275,071	77,286,543	85,320,487	159,129,634	206,883,979
Bulky Goods	90%	72,799,424	98,234,986	108,446,524	202,261,570	262,959,685
Retail Services	80%	21,558,724	29,091,177	32,115,208	59,897,471	77,872,529
Total	60%	524,538,142	707,807,762	781,384,453	1,457,345,439	1,894,690,607
Workers						
FLG	60%	$31,042,277	$40,147,117	$46,742,434	$64,162,649	$96,257,414
Food Catering	60%	$80,709,921	$104,382,503	$121,530,328	$166,822,887	$250,269,275
Retail Services	60%	$12,416,911	$16,058,847	$18,696,974	$25,665,060	$38,502,965
Total		$124,169,109	$160,588,467	$186,969,736	$256,650,596	$385,029,654
Combined						
FLG		$320,537,220	$430,789,382	$477,992,003	$868,478,105	$1,141,945,621
Food Catering		$164,119,901	$216,935,294	$245,782,993	$398,564,195	$551,555,481
AHL		$57,275,071	$77,286,543	$85,320,487	$159,129,634	$206,883,979
Bulky Goods		$72,799,424	$98,234,986	$108,446,524	$202,261,570	$262,959,685
Retail Services		$33,975,635	$45,150,024	$50,812,182	$85,562,530	$116,375,495
Total		$648,707,251	$868,396,229	$968,354,188	$1,713,996,035	$2,279,720,261

Turnover Densities	2016	2026 (low)	2026 (high)	2051 (low)	2051 (high)
FLG	$8,500	$8,935	$8,935	$10,121	$10,121
Food Catering	$5,000	$5,256	$5,256	$5,954	$5,954
AHL	$5,000	$5,256	$5,256	$5,954	$5,954
Bulky Goods	$3,000	$3,153	$3,153	$3,572	$3,572
Retail Services	$5,000	$5,256	$5,256	$5,954	$5,954
Supportable Floorspace					
Residents					
FLG	34,058	43,722	48,267	79,469	103,317
Food Catering	16,682	21,415	23,642	38,924	50,605
AHL	11,455	14,705	16,234	26,728	34,749
Bulky Goods	24,266	31,152	34,390	56,621	73,613
Retail Services	4,312	5,535	6,111	10,061	13,080
Supportable Floorspace	90,773	116,530	128,643	211,803	275,364
Employees					
FLG	3,652	4,493	5,232	6,339	9,510
Food Catering	16,142	19,861	23,124	28,020	42,036
Retail Services	2,483	3,056	3,557	4,311	6,467
Supportable Floorspace	22,277	27,410	31,913	38,671	58,014
Total					
FLG	37,710	48,215	53,498	85,808	112,827
Food Catering	32,824	41,276	46,765	66,945	92,642
AHL	11,455	14,705	16,234	26,728	34,749
Bulky Goods	24,266	31,152	34,390	56,621	73,613
Retail Services	6,795	8,591	9,668	14,371	19,547
Supportable Floorspace	113,051	143,939	160,555	250,474	333,379
Additional Floorspace		+30,889	+47,505	+137,423	+220,328
Additional (exc. Bulky goods)		+24,003	+37,381	+105,068	+170,981
% supported by external demand	24%	23%	22%	21%	20%
Total additional supportable (exc. Bulky goods)		+31,173	+47,924	+132,997	+213,726

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