



ESSENTIAL ECONOMICS

25 June 2015

Ref No: 13124

Mr Stephen Davis  
Structure Planning Manager  
Metropolitan Planning Authority  
Level 25, 35 Collins Street  
Melbourne VIC 3000

Dear Stephen,

**Re: Advice on the Future Urban Structure for Donnybrook and Woodstock PSPs**

Essential Economics prepared a *'Regional Town Centre and Employment Land Assessment'* for the Donnybrook (1067), Woodstock (1096) and English Street (25.2) Precinct Structure Plans (PSPs) in June 2014. The report provided advice regarding the potential size and role of nominated town centres in the PSPs and is referred to herein as the 'June 2014 Report'.

Since June 2014, the Metropolitan Planning Authority (MPA) have been refining the Future Urban Structure (FUS) for the PSP areas, taking into account consultation with land owners and research/advice on the many aspects that are involved in planning for future urban growth areas (including community planning, economics, environmental, traffic, etc).

The latest version of the FUS for Donnybrook and Woodstock PSPs as provided by MPA is reproduced in Figure 1. This Letter provides a review of the town centres identified in the FUS (Figure 1) and takes into consideration the analysis and research presented in the June 2014 Report.

In particular, this Letter addresses the following in response to issues raised by MPA:

- 1 Potential for Centre 1 (refer Figure 1) to be the larger centre serving the region
- 2 Implications of increased residential yields around Donnybrook Station for town centre development at Centre 5 (refer Figure 1)
- 3 Commentary on Local Town Centres and Local Convenience Centres (Centres 1 to 10), including an indication of land area required.

The FUS is shown on the following page. For ease of referencing in this Letter, each centre has been allocated a number from 1 to 10.

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## **1 Potential for Centre 1 to be the Larger Centre**

MPA have nominated Centre 1 as the largest centre in the two PSPs. The FUS nominates 5ha of land in Centre 1 for retail uses plus approximately 3ha of land for mixed-use. Discussions with MPA indicate that the mixed-use land is intended to be used for residential and potentially non-retail commercial uses.

The next largest centre is Centre 2 which has an allowance for 4ha of land for retail uses plus 1ha of mixed use land.

The June 2014 Report identifies potential for a centre in the area to accommodate a Discount Department Store (DDS) in the future and as such elevate that centre to serving a sub-regional 'shopping' role. While Centre 2 is considered to be central to a 'sub-regional retail' catchment, MPA have indicated that Centre 2 is subject to a number of site constraints and is unlikely to accommodate a DDS.

Centre 1 is not as constrained and is also the location for a greater extent of community facilities, including 2.5ha of land nominated for a library and community centre, and two schools. This will enable Centre 1 to accommodate sub-regional shopping facilities and a wider array for community facilities, encouraging multi-purpose visits to the centre.

In summary, potential exists for one centre in the combined PSP area to serve a 'sub-regional' shopping role. Centre 1 is appropriately located to serve this role having regard for the planned community infrastructure surrounding the centre and the lack of any obvious land constraints.

From a retail and commercial perspective, Centre 1 would benefit from direct access and exposure to Koukoura Drive which is nominated as an 'arterial road' in the FUS. The FUS provides access to Centre 1 via Cameron Street, which is nominated as a 'connector street' in the FUS, and a number of 'key local access streets'.

Further commentary on Centre 1 is provided later in this Letter.

## **2 Implications of Increased Residential Yields around Donnybrook Station**

The June 2014 Report identified the opportunity for 2,000m<sup>2</sup> of retail and commercial floorspace for one centre at the Donnybrook Station, in proximity to Centre 5 as identified in the FUS (refer Figure 1). This floorspace included potential for 1,500m<sup>2</sup> of total retail floorspace (including a small supermarket of approximately 800m<sup>2</sup>) and 500m<sup>2</sup> of non-retail commercial floorspace.

The recommendation for limited retail and commercial floorspace at Centre 5 was based on Centre 5 having a limited 'core' catchment of only 3,300 residents.

In addition, the need to protect the opportunity for the development of a larger supermarket-based centre located to the north on Cameron Street and identified as Centre 3 in Figure 1 was also considered. The June 2014 report identified a 'core' catchment for Centre 3 of 7,800 residents which is considered marginal in the context of supporting major supermarket development. In the context of providing residents with a high level of access to supermarket facilities, the development of a supermarket-based centre at Centre 3 is important.

The analysis presented in the June 2014 Report took into consideration the implications for the centre's location at a train station.

Since June 2014, MPA have consulted with land owners around Donnybrook Station. One land owner with significant land holdings around the station is proposing a mix of 3-4 storey apartments, 2-3 storey townhouses and conventional-density residential housing.

An analysis of the potential residential housing and population capacity in the catchment (as identified in the June 2014 Report) for Centre 5 has been undertaken. This analysis takes into consideration the proposed plans for land surrounding the Donnybrook Station (as described above) and the latest version of the FUS. The latest version includes greater detail on the location and mix of uses in the catchment, including land identified for residential and non-residential uses.

Based on this updated analysis, the catchment for Centre 5 could accommodate a population of up to 3,700 residents, which is 12% above the size of the catchment identified in the June 2014 Report. This level of population is still insufficient to support a full-range of neighbourhood retail facilities. Consequently, planning for the development of a Local Convenience Centre accommodating in the order of 2,000m<sup>2</sup> to 2,500m<sup>2</sup> of retail and non-retail commercial floorspace near the station is considered appropriate.

Further commentary on Centre 5 is provided later in this Letter.

### **3 Commentary on Nominated Centres in the FUS**

The following provides commentary on the FUS relating to each of the 10 town centres. The commentary takes into consideration the analysis presented in the June 2014 Report and is intended to represent the long-term opportunities for each centre.

Furthermore, the commentary reflects a future situation whereby Centre 1 and Centre 2 can accommodate multiple supermarkets as described in the June 2014 Report and Centre 1 could accommodate a large non-food anchor tenant.

When identifying land area requirements a site coverage of one-third (or 33%) has been assumed; this takes into consideration the need for car parking, access arrangements, landscaping, etc. This is considered to be 'indicative' and the eventual development of each centre will depend on the individual constraints and opportunities for each site.

### **Clarification of 'Retail' Uses**

The FUS refers to land identified for town centres as 'retail'. While retail is often the major land use in town centres, town centres will generally also include a range of non-retail commercial uses including office uses that may operate from shopfront tenancies. For example, these may include real estate agents, travel agents, health and medical practitioners, accountants, lawyers, etc.

It may be prudent to identify land for town centres as 'retail and commercial' in the FUS, as this would more accurately reflect the eventual development outcomes of town centres. Details regarding the extent of retail, non-retail commercial or 'shop' uses (as defined by the planning industry) could be provided within the supporting documentation for the PSPs.

### **Centre 1 (Cameron Street / Koukoura Drive) – Local Town Centre**

Potential for Centre 1 to serve a Local Town Centre role in the hierarchy of centres had been identified. Potential exists for Centre 1 to perform a 'sub-regional' shopping role.

The June 2014 Report identifies a 'potential' development outcome for Centre 1 comprising a total of 22,000m<sup>2</sup> of retail and 8,000m<sup>2</sup> of non-retail commercial floorspace; this assumes Centre 1 will contain a DDS of around 7,000m<sup>2</sup> and a total of 6,000m<sup>2</sup> of supermarket floorspace.

Approximately 8ha of land would be required to accommodate a centre of this size assuming all retail floorspace and 50% of non-retail commercial floorspace is provided at ground level. The balance of non-retail floorspace is assumed to be provided above ground level.

The FUS identifies a total of 5ha of land for 'retail' and a further 3ha of land as 'mixed use'. While MPA have indicated that the intention of the 'mixed use' area is to provide for residential housing and limited non-retail commercial development, it may be prudent to allow the development of retail uses within the identified 'mixed use' area. Alternatively, additional land could be identified for 'retail and commercial' uses.

Retail and commercial uses in Centre 1 would benefit from having direct access and exposure to both Cameron Street and Koukoura Drive. Providing retail and commercial uses at the intersection of these two roads will maximise exposure for businesses located in the centre. It is recommended from a *retail and commercial perspective* that 'retail and commercial' land be provided at the intersection of Koukoura Drive and Cameron Street. The 'mixed use' land which currently occupies this location may be moved to another location adjoining the 'retail and commercial' area.

### **Centre 2 (Patterson Drive / Hayes Boulevard) – Local Town Centre**

Centre 2 is planned to be a Local Town Centre and is considered to be a centre that will serve a large neighbourhood 'shopping' role. Potential exists for Centre 2 to contain up to two

supermarkets, including one full-line supermarket. Allowing for two supermarkets to be developed at Centre 2, the June 2014 Report identifies a 'potential' development outcome comprising 10,000m<sup>2</sup> of retail floorspace and 4,000m<sup>2</sup> of non-retail commercial floorspace.

The FUS provides an allowance of 4ha of land for 'retail' uses plus a 1ha of land categorised as 'mixed use'. Having regard for the potential development outcome of 14,000m<sup>2</sup> of retail and non-retail commercial floorspace, an allowance of 4ha for 'retail and commercial' and 1ha of mixed use' land is considered appropriate.

The location of Centre 2 at the intersection of Patterson Drive and Hayes Boulevard is also considered appropriate from a retail and commercial perspective.

### ***Centre 3 (Cameron Street) – Local Town Centre***

Centre 3 is planned to serve a Local Town Centre role in the hierarchy of centres in the PSP areas.

The June 2014 Report identifies the potential for Centre 3 to serve a neighbourhood retail role and accommodate a total of 6,000m<sup>2</sup> of floorspace, comprising 4,500m<sup>2</sup> of retail and 1,500m<sup>2</sup> of non-retail commercial floorspace. Having regard for this level of floorspace the 2ha of land identified for 'retail' uses is considered appropriate.

The location of Centre 3 at the intersection of Cameron Street and a 'connector street' is also considered appropriate.

As indicated earlier, Centre 3 is considered important for the purpose of providing residents in the PSPs with a high level of accessibility to neighbourhood shopping facilities; however, the centre is unlikely to benefit from a large 'core' catchment in the context of supporting supermarket and retail development. Therefore, it will be important that the design of Centre 3 allows for a high degree of accessibility to the surrounding residential areas. Encouraging a higher density of residential uses around Centre 3 would assist the future viability of the centre.

### ***Centre 4 (Hayes Boulevard) – Local Town Centre***

Centre 4 is planned to serve the role of a small Local Town Centre and is likely to provide residents with access to convenience shopping and other facilities.

The June 2014 Report identifies potential for Centre 4 to accommodate a total of 2,000m<sup>2</sup> of floorspace, comprising 1,500m<sup>2</sup> of retail floorspace and 500m<sup>2</sup> of non-retail commercial floorspace. Having regard for the level of floorspace and an indicative site coverage of one-third, approximately 0.6ha of 'retail and commercial' land would be required. The FUS provides an allowance of 1ha of land.

One factor to consider in the FUS and PSP documentation is that small centres of this size can in certain situations find it difficult to compete with larger centres in the surrounding area. It is important for smaller centres to create a sense of place and constant activity. It is recommended that Centre 4 be developed in a 'main-street' style manner, either along one side of Hayes Boulevard or one side of the north-south 'connector street' which adjoins the centre to the east.

### ***Centre 5 and Centre 6 – Donnybrook Station***

The June 2014 Report considered the development of only one small Local Town Centre near Donnybrook Station. The FUS identifies two centres, a Local Convenience Centre of 1ha near the station (Centre 5) and a Local Town Centre of 1ha further to the east (Centre 6).

As discussed earlier in this Letter and having regard for a potential increase in residential densities and its location at Donnybrook Station, potential exists for Centre 5 to accommodate in the order of 2,000m<sup>2</sup> to 2,500m<sup>2</sup> of retail and non-retail commercial floorspace. Approximately 0.8ha of 'retail and commercial' land would be required. Allowing for a degree of flexibility, the 1ha of land provided in the FUS is considered appropriate albeit at the upper end of expectations.

MPA advise that the intention of the 'mixed use' area surrounding Centre 5 is to provide for more intensive uses consistent with a residential growth zone.

Centre 5 should be considered to serve a small Local Town Centre role in the hierarchy of centres in the PSP areas and provide residents in the immediate surrounding areas and commuters with daily convenience shopping and services.

The location of a Local Town Centre at Centre 6 was not considered in the June 2014 Report. The development of Centre 6 as shown in the FUS is of a similar scale to that at Donnybrook Station (i.e. Centre 5). This would limit the opportunity for the successful operation of a centre at Donnybrook Station (i.e. Centre 5), having regard for the limited catchment this centre is likely to serve.

Having regard for the location of the planned P-12 Government school and community centre, potential may exist for Centre 6 to serve a Local Convenience Centre role containing in the order of 1,000m<sup>2</sup> of retail and commercial floorspace. An allowance of up to 0.5ha of 'retail and commercial' land is considered appropriate for a Centre 6. At present the FUS allocated 1ha of land for Centre 6.

### ***Centre 7 – Lockerbie Station***

Having regard for the planned development of convenience retailing and employment uses to the immediate west of the Lockerbie Station, the June 2014 Report identified the opportunity for limited convenience retailing and employment uses for land to the immediate east of the Lockerbie Train Station.

The June 2014 Report also highlighted the need for flexibility when planning for retail and commercial uses to the east of the station, having regard for the uncertainty surrounding the eventual land uses that may be developed at the Donnybrook Principal Town Centre.

Consequently, potential for between 2,000m<sup>2</sup> and 5,000m<sup>2</sup> of retail and commercial floorspace was identified for land to the immediate east of the Lockerbie Station (i.e. Centre 7) in the June 2014 Report.

The FUS provides an allowance of 0.2ha of land for 'retail' and approximately 1.8ha of land for 'mixed use'. The provision of a 'mixed use' area provides a level of flexibility regarding the types of uses that may eventuate at Centre 7 and this is considered appropriate. A total of 2ha of 'retail' and 'mixed use' is considered appropriate, having regard for the identified potential for up to 2,000m<sup>2</sup> of retail and 3,000m<sup>2</sup> of commercial uses.

### ***Centres 8 – Northern Area Local Convenience Centre***

The FUS identifies a Local Town Centre on 1ha of land in the northern area of the Donnybrook PSP.

The catchment for a centre in this location is estimated to be in the order of 1,700 residents based on the land available for development shown in the FUS. This is not sufficient to support a Local Town Centre; however, potential for a Local Convenience Centre in this location may exist in the future and should be encouraged in view of providing residents in this area with access to daily convenience services.

As indicated in the June 2014 Report, planning for Local Convenience Centres to contain approximately 800m<sup>2</sup> to 1,000m<sup>2</sup> of retail floorspace, and between approximately 1,000m<sup>2</sup> and 1,500m<sup>2</sup> of total retail and commercial floorspace each is considered sufficient to enable some level of flexibility while still performing a local centre role. Allowing for up to 0.5ha of land is considered appropriate for the purpose of planning for Local Convenience Centres. At present, the FUS identifies 1ha of land for 'retail' uses.

### ***Centres 9 and 10 – Local Convenience Centres***

As indicated above, Local Convenience Centres perform an important role in providing residents with access to daily convenience services in areas that are somewhat removed from neighbourhood shopping centres.

Both Centres 9 and 10 are considered appropriate locations to plan for Local Convenience Centres accommodating in the order of 800m<sup>2</sup> to 1,000m<sup>2</sup> of retail floorspace, and between approximately 1,000m<sup>2</sup> and 1,500m<sup>2</sup> of total retail and commercial floorspace. Allowing for up to 0.5ha of land is considered appropriate for the purpose of planning for these Local Convenience Centres. At present the FUS provides an allowance of 0.2ha of land for each of these centres.



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Allowing for the minor revisions identified in this Letter, the FUS provides a sensible plan for the allocation of town centres throughout the Donnybrook and Woodstock PSPs that will provide an opportunity for the establishment of viable centres in locations that are accessible to a high proportion of residents.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Nick Brisbane", with a long horizontal flourish extending to the right.

Nick Brisbane  
Director  
**Essential Economics Pty Ltd**