Monash Industrial Land Use Strategy

Strategy Report

Prepared for

City of Monash

26 February 2014

Adopted by the City of Monash 29 July 2014

CHARTER KECK CRAMER

ADDENDUM NOTE

The Monash Industrial Land Use Strategy, 2014 was adopted by the Monash City Council on 29 July 2014 with the exception of Precinct 22 as there is a need to re-examine the precinct in light of the rezoning of industrial areas south of Centre Road.

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1. INTRODUCTION

1.1 Purpose

The purpose of the Monash Industrial Land Use Strategy (the Strategy) is to provide the necessary strategic direction to support the future planning and development of industrial land within the City of Monash including the rezoning of land for non-industrial uses.

This direction is based upon analysis undertaken on a number of levels to determine:

- Monash's future role as and industrial and employment location within a regional and metropolitan context,
- development opportunities for each industrial precinct; and
- the strategic direction, vision and an appropriate land use for each precinct.

This Strategy addresses a number of competing strategic land use objectives to ensure sustainable land use outcomes that balance Monash's role as a regional employment location with a need to facilitate more diverse housing opportunities, urban renewal and economic development generally.

In particular, this Strategy recognises the longer-term benefits and costs to the community of different uses for industrial land that are not always reflected in the current market value of individual sites and hence the highest best use from a development perspective. In doing so, it aims to encourage continued investment in these precincts while recognising the longer-term interests of the community.

1.2 Scope

The Strategy relates to all Industrial 1 and Business 3 zoned land within the City of Monash excluding that contained within the Monash Technology Precinct (MTP). The strategic direction for the MTP is already well established from previous strategic studies that have been undertaken and within the Monash Planning Scheme (Clause 22.02 Monash Technology Precinct Policy).

Figure 1 below identifies each of these precincts.

1.3 Methodology

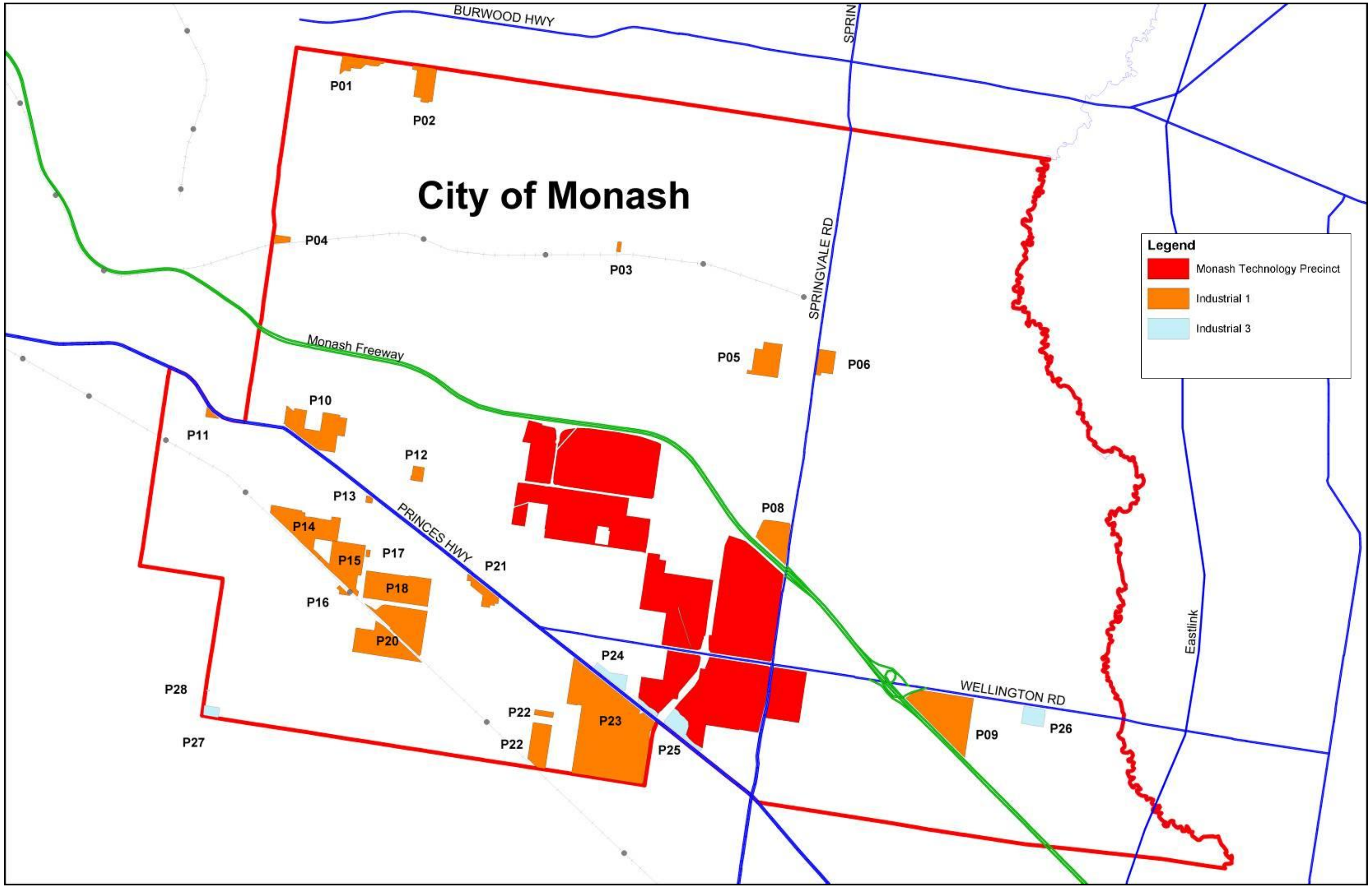
The analysis that underpins the Strategy reflects the diversity and complexity of industrial activities, property formats, location requirements of businesses and property market dynamics. Given the impossibility of quantifying measures of demand or supply for such a non-generic commodity as industrial land at some time in the future, the supporting analysis focuses upon developing a transparent understanding of the factors influencing the future role of each of Monash's industrial precincts.

A key focus of the methodology is upon understanding future development opportunities for each precinct for industrial land uses, as well as other land uses that may support Council's broader strategic planning objectives. This was informed by the following key sets of analysis:

- **Strategic Context**

Key strategic documents and studies were reviewed to establish the role of Monash's industrial sector, its key locational attributes and the competing demands for industrial land. This provided an understanding of the current level of strategic importance of industrial land to the City of Monash and the wider region.

Figure 1: Precinct Map



Source: City of Monash

- **Industrial Land Use Context**

The underlying dynamics of the industrial property sector and the implications for the pattern of industrial land use across Melbourne were investigated with respect to the existing geographic distribution of industrial land, recent construction activity, the influence of industry restructuring upon the distribution of industrial activity and lot sizes; and the ability of industrial locations to attract skilled workers.

- **Industrial Employment**

An analysis of employment trends in Monash relative to the wider metropolitan area was undertaken to provide a high level indication of those sectors its changing industry structure where the municipality has a competitive advantage. This also provided a basis for understanding recent patterns and forms of new industrial development and future development opportunities.

- **Industry Environment**

With the performance of Monash's industrial sector partly reflecting broader industry trends, industry restructuring, and more recently the impact of the Global Financial Crisis, the recent experience of key industrial land uses (manufacturing, wholesaling, construction, bulky goods retailing and motor vehicle retailing) was investigated. This also provides a context for identifying future development opportunities within Monash.

- **Industry Restructuring**

Industry restructuring has influenced not only the level of industry activity but also the locational and property requirements of businesses as they have become increasingly more specialised. The implications of this process for Monash have therefore been analysed and reflected in the Strategy.

- **Melbourne's Inner City Industrial Market**

Melbourne's inner city industrial market highlights the changing nature of industrial land uses and the ability of precincts to evolve in response to industry restructuring. Hence these areas provide a valuable case study of this process particularly given the likely spill over of demand for industrial land into Monash as a result of Fishermans Bend / Port Melbourne being recently identified for urban renewal.

- **Property Market Review**

In framing an industrial strategy it is critical that property market conditions be taken into account as they are a key determinant of development opportunities for sites. The dynamics of the industrial property market have been reviewed in order to understand how industrial precincts evolve in response to the industry restructuring and how this enables them to continue to meet the needs of businesses.

- **Assessment Criteria and Precinct Assessment**

Based upon the above analysis a set of criteria was established to assess future development opportunities for both industrial and alternative land uses within each of Monash's industrial precincts. A vision and strategic direction for each precinct is established and the most appropriate land use zoning identified.

2. SITUATION ANALYSIS

2.1 Strategic Policy Context

2.1.1 Monash Planning Scheme

The City of Monash Planning Scheme provides the broad strategic direction for land use planning within the municipality. In doing so it reflects various strategies and supporting analysis related to a range of land use issues as well as consultation with various stakeholders. Importantly, it provides a basis for balancing various strategic objectives and the competing land uses.

It identifies some key strategic issues impacting upon industrial land use within Monash including:

- balancing the needs of existing traditional industries with that of a new generation of activities including offices, warehousing and high technology activities;
- accommodating increasing demand for housing across a range of formats for a growing population;
- responding to the demand for restricted retail developments such as bulky goods retailing; and
- maintaining Monash's on-going role as a major employment location for residents across the south-east region given the competitive advantage offered by its proximity to key road infrastructure, the presence of educational and scientific facilities and high amenity employment precincts.

2.1.2 Related Studies and Strategies

A number of strategic land use studies relating to industrial land use and economic development within the City of Monash and the wider South East Melbourne region establish a context for Monash's role as an industrial location and more broadly as an employment cluster. These include:

- Monash Economic Development Strategy;
- Monash Housing Strategy;
- Monash Specialised Activity Centre (MSAC) - Strategic Planning Framework;
- "Prosperity For The Next Generation" - Regional Economic Strategy for Melbourne's South East (2003 - 2030); and
- Prosperity for the next Generation in Melbourne's South East 2009-2030.

Together these strategies highlight the competing demand for land to address a range of strategic land use objectives which reflect Monash's geographic location, access to physical and social infrastructure and employment opportunities.

For those industrial precincts located outside the Monash Technology Precinct, residential land uses represent the key source of demand for industrial sites. The Monash Housing Strategy provides some guidance in assessing the potential for industrial areas to provide a location for sustainable housing development particularly where located close to activity centres and railway stations.

2.2 Industrial Land Use

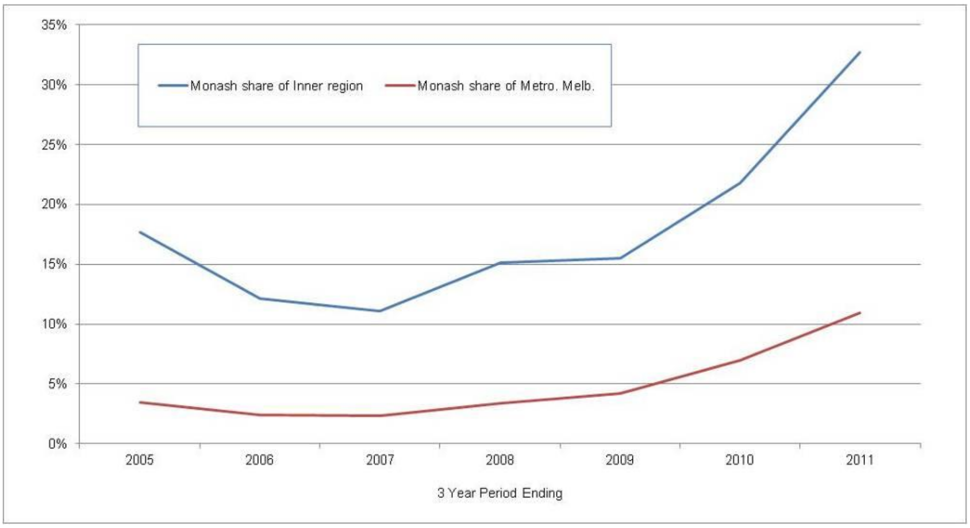
The pattern of industrial land use across Melbourne continues to evolve in response to the restructuring of the Australian economy. With the segmentation of industrial activity as a result of outsourcing, the construction of new road infrastructure and the increasing demand for skilled workers by higher value adding industrial activities, industrial locations are also becoming increasingly specialised based upon their ability to meet the locational needs of businesses.

With industry restructuring however comes the need for not only planning schemes to be revised but also industrial properties to be redeveloped, training courses to be refocused and infrastructure investment to enable industrial precincts to meet the needs of businesses. While in some cases this may occur relatively quickly, the redevelopment of industrial properties is typically less responsive due for a range of reasons. These include the opportunity for older industrial buildings to be viably used for less intensive uses such as warehousing, through to land owners speculating upon a change in land use zoning for a site and therefore not investing in building improvements.

The Background Report that accompanies this Strategy details the dynamics of industrial property markets and the process through which property owners are compensated for the inherent obsolescence of industrial buildings via higher income yields and tax depreciation allowances for building structures. This process provides the financial capacity for older industrial properties to be redeveloped for contemporary industrial facilities that better meet the accommodation needs of businesses.

Investment in the redevelopment of industrial properties across Monash is reflected in the Municipality's increasing share of industrial building permits (refer figure below) as well as numerous examples of larger properties being redeveloped for smaller office / warehouses for a new generation of businesses.

Figure 2: City of Monash Share of Industrial Building Permit Value (New buildings, extensions and alterations)



Source: Building Control Commission, Charter Keck Cramer

Assessing demand for industrial land is also better considered in terms of the redevelopment potential of sites for a new generation of industry rather than by the market for existing larger industrial properties from the post-war era of industrial development. The use of statistics such as vacancy rates do not take account of the dynamics of the industrial property sector which simultaneously creates and responds to the inherent obsolescence of industrial properties. This includes the redevelopment of larger properties for smaller industrial facilities that better meet the needs of contemporary businesses.

It is within this context of industrial properties being redeveloped to accommodate a new generation of businesses that the strategic importance of Monash's location within metropolitan Melbourne may be fully appreciated. When the presence of key education and scientific institutions is layered over the locational advantages offered by the Monash Freeway and key arterial roads, high amenity industrial precincts, proximity to the CBD and an available pool of highly skilled workers it is easily seen why Monash has attracted a wide mix of high value-adding businesses and the development of high quality industrial facilities to accommodate them.

2.3 Industry Employment

Employment is often used as an indicator of industry activity and in some cases to forecast demand for industrial zoned land. However there is a disconnection between employment and these other measures for a number of reasons including:

- strong growth in labour productivity within traditional industrial activities (manufacturing, wholesale trade, storage and transport, construction) as capital investment has displaced labour; and
- an increasing presence of other employment uses that are now locating in industrial areas which would not be considered industrial uses. Examples include bulky goods retailers, recreational uses and motor vehicle repairers.

Bearing in mind these limitations, the following table highlights Monash's ability to maintain total employment across these four key industrial sectors over the decade leading up to the onset of the GFC at around 33,000 jobs. While employment fell over 2006-2011 by almost 8% this was almost entirely attributable to declines in the Manufacturing sector with Wholesale Trade employment steady, and the Transport and Storage, and Construction sectors recording employment growth.

Table 1: City of Monash Industrial Employment 2006

Sector	1993 Industry Classification			2006 Industry Classification	
	1996	2001	2006	2006	2011
Manufacturing	19,040	19,014	16,821	16,041	12,901
Wholesale Trade	8,631	8,094	8,949	8,556	8,501
Transport and Storage	2,440	2,141	2,141	3,038	3,234
Construction	3,210	3,410	4,947	5,035	5,504
Total	33,321	32,659	32,858	32,670	30,140

Source: ABS

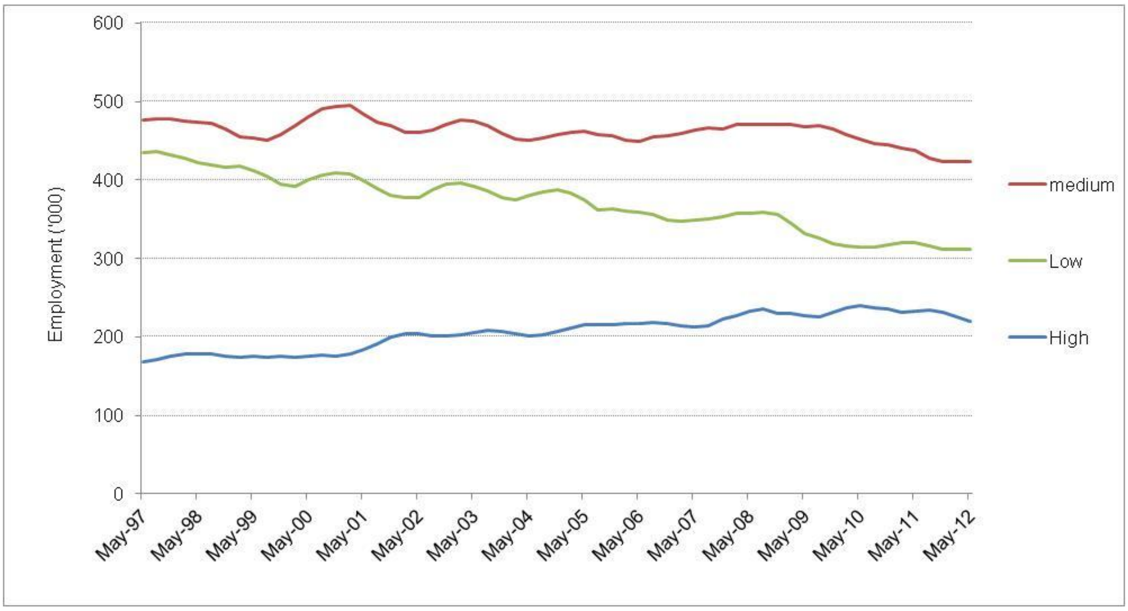
Despite the limitations of using employment statistics this analysis suggests that Monash has performed reasonably well in maintaining overall employment levels within its four core industrial sectors. The decline of the manufacturing employment is not surprising and would be expected to continue in the future. This however provides the necessary supply of industrial land to accommodate construction, wholesaling and transport activities where employment is expanding.

2.4 Industry Trends

Given that the diversity of manufacturing activities is lost in aggregated industry statistics, there is a need to also draw some conclusions from data related to those higher value adding elements of the sector which anecdotally Monash would appear to have been attracting.

As Figure 2 below shows, the decline in manufacturing employment nationally over the past 15 years has been largely accounted for by lower skilled workers and to a lesser extent by medium skilled workers. Employment amongst higher skilled workers (managers and professionals) in manufacturing has however expanded during this period. Similarly, until recently the export value of Elaborately Transformed Manufactures (ETMs) has been growing in line with that of the Services sector (refer Figure 3).

Figure 3: Australia - Manufacturing Average Annual Employment by Skill Level*



Source: ABS Cat. No. 6291.0.55.003

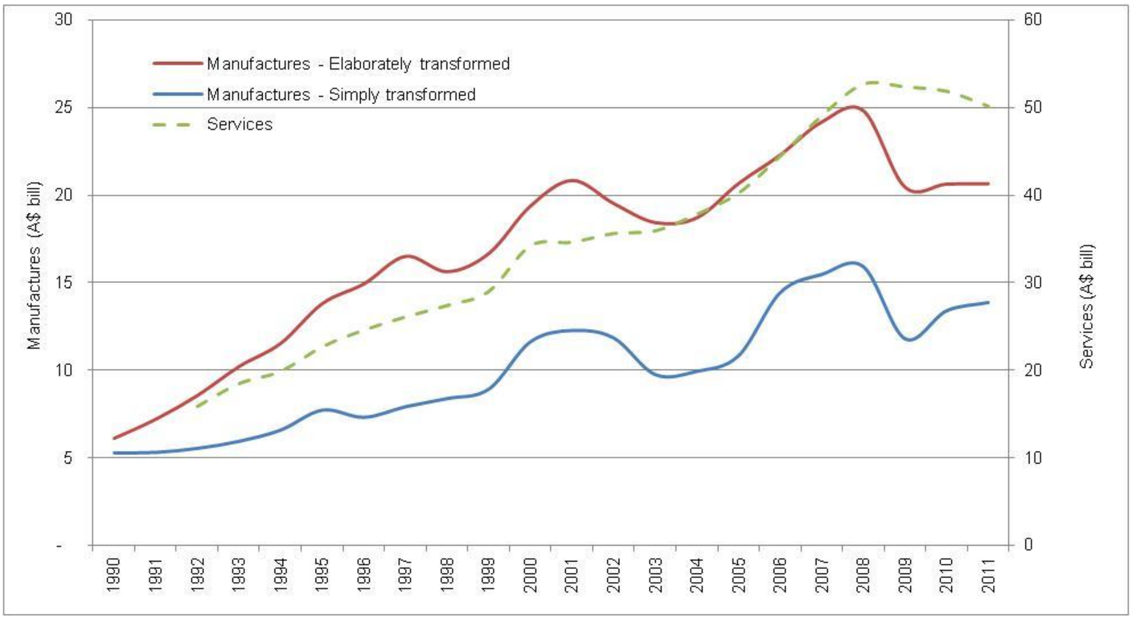
* High skill includes managers and professionals. Medium skill includes technicians and tradespersons, community and personal service workers, clerical and administrative workers and sales workers. Low skill includes machinery operators and drivers and labourers.

The Wholesale Trade sector, which has experienced relatively stable employment levels within Monash, has been impacted little by the GFC. As shown Figure 4 below, sales volumes for Australian wholesalers have continued to grow steadily over the past two decades. Unlike manufacturing, wholesalers have benefitted from increasing demand for imported goods.

At the same time, the increasing sophistication of products and the associated need for ancillary services such as advisory and training services, maintenance and servicing activities has resulted in an increasing number of skilled workers in this sector. This has resulted in demand for an increasing amount of office floorspace, as well as a growing preference for higher amenity locations that are accessible for both customers and employees.

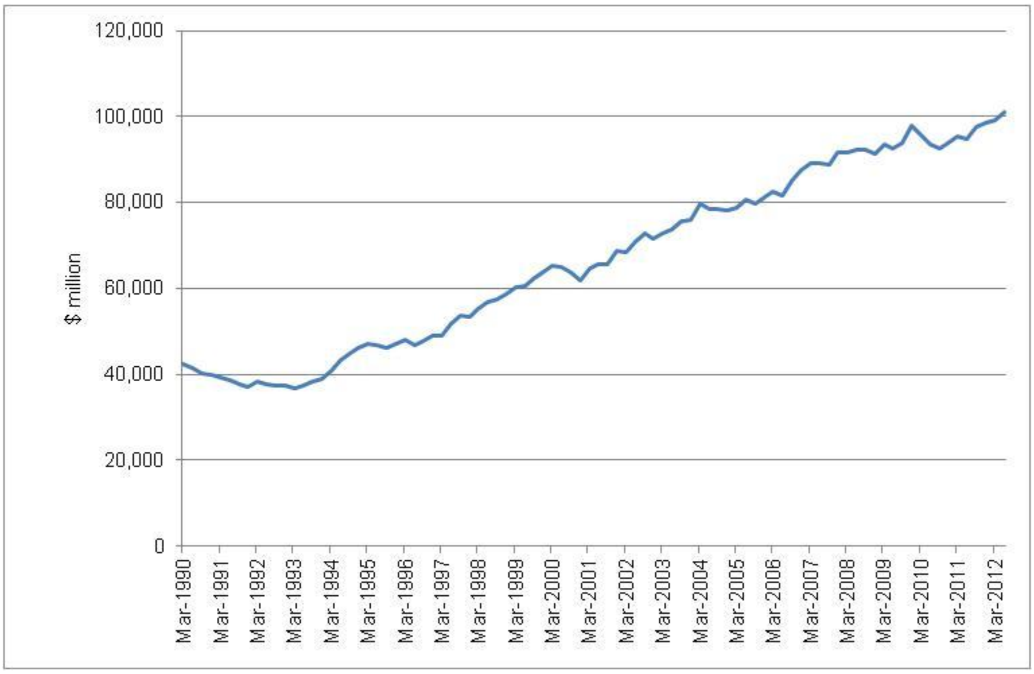
The Transport and Storage sector is another significant user of industrial land. While often thought of as being concentrated in green field logistics precincts, employment in this sector increased in Monash over 2006-2011 as a result of 200 new jobs in 'Postal and Courier Pick-up and Delivery Services'. Given Monash's location close to the geographic centre of Melbourne, employment growth would be expected to continue in the future.

Figure 4: Value of Manufactured Exports 1990-2011



Source: Department of Foreign Affairs and Trade

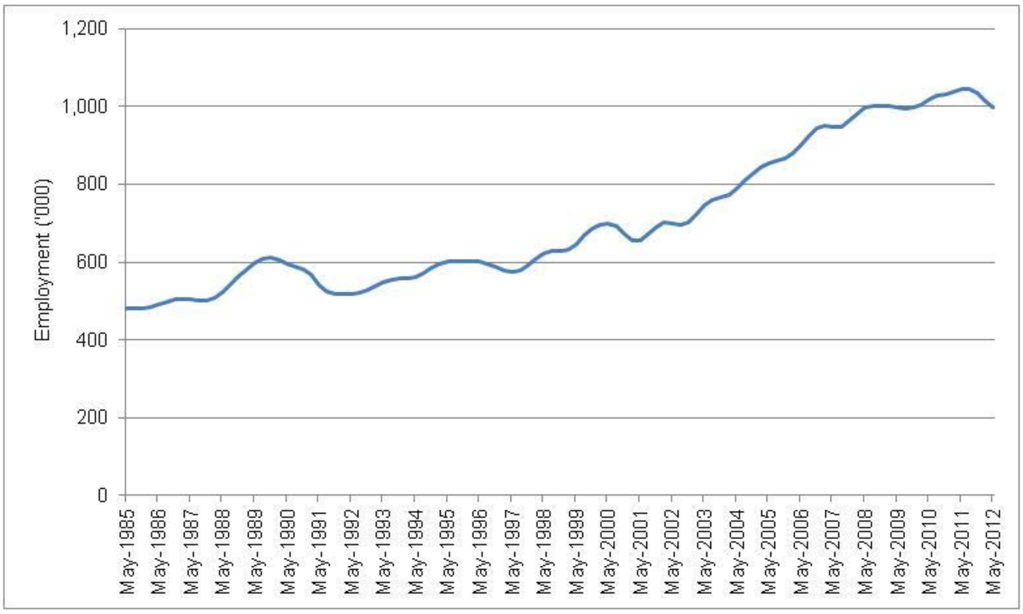
Figure 5: Australia –Wholesale Trade Turnover (Chain Volume Measure)



Source: ABS Cat No. 5676.0

The Construction sector, like the Wholesale Trade and Transport and Storage sectors is closely linked to overall economic and population growth. Although experiencing a slowing in growth as a result of the current economic uncertainty, this sector is expected to recover in the future.

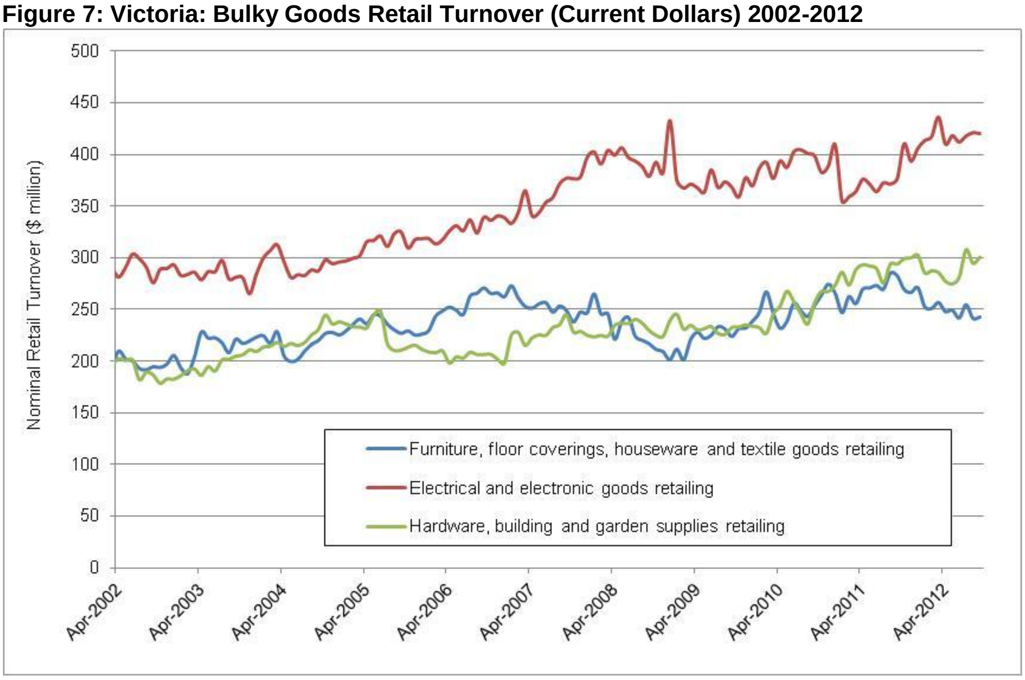
Figure 6: Australia Construction Employment



Finally, the Car Retailing and Bulky Goods Retailing sectors are experiencing a level of structural change which may prove to be as significant as that undergone by the manufacturing sector. Declining market share for Australia's major car manufacturers as a result of increased competition from a wide range of imported vehicles is seeing the traditional large scale car yard being replaced by more sophisticated car show rooms on much smaller sites.

Similarly, within the Bulky Goods Retailing sector electrical retailers have been impacted upon by internet retailing while furniture and household goods retailers will have to wait for a recovery in the housing sector before experiencing any significant increase in sales.

Figure 7: Victoria: Bulky Goods Retail Turnover (Current Dollars) 2002-2012



Source: ABS

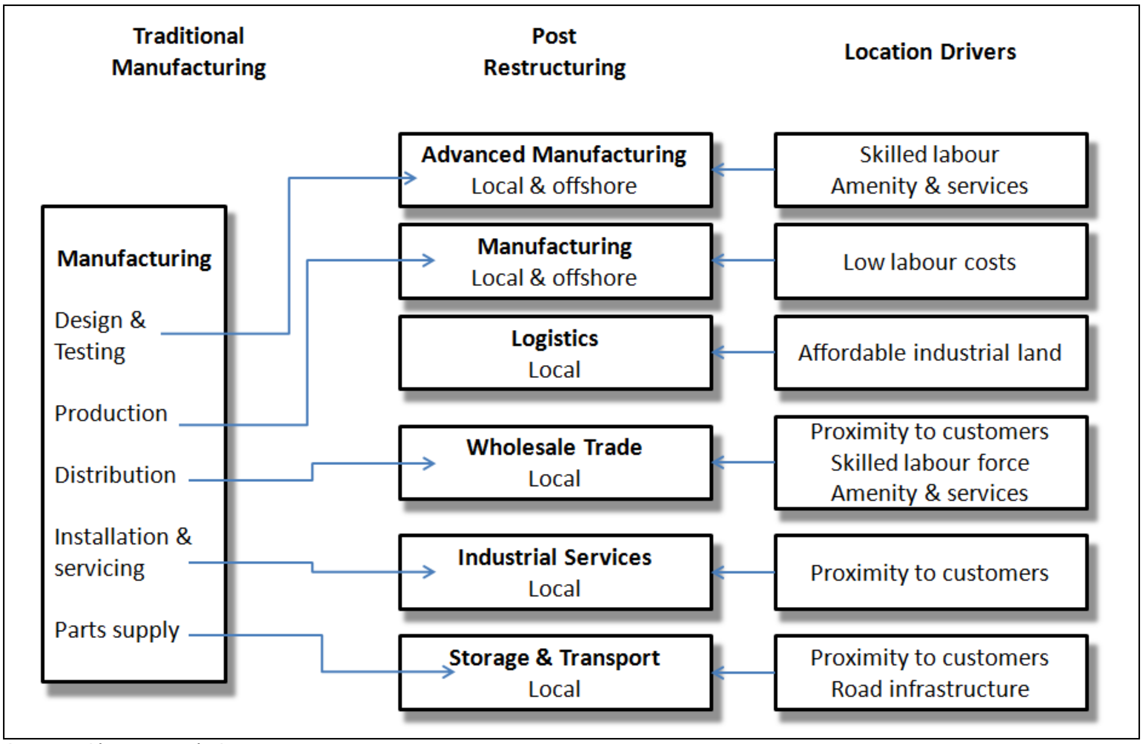
2.5 Industry Restructuring

Industry restructuring has occurred over a number of decades and been characterised by structural unemployment, a changing focus for educational institutions and an emergence of new industries. Similarly, the restructuring of Monash's industrial areas is a longer-term process that is still occurring as it shifts its focus from traditional large scale industrial activities to more specialised and higher value adding activities.

Industry restructuring and the increasing specialisation of businesses has resulted in industrial locations also becoming more specialised based upon their locational attributes and what these mean for business efficiency.

The figure below shows that whereas manufacturers may once have undertaken a range of processes in-house and most likely in one location, many of these activities are now being outsourced to either local or overseas based firms. Each of these more specialised businesses also have more specific location and accommodation requirements that enable them to be as cost effective as possible.

Figure 8: Restructuring of the Australia Manufacturing Sector



Source: Charter Keck Cramer

The impact of this restructuring process upon the distribution of industrial activity has been for businesses to locate where they can operate most efficiently with respect to the more specialised activity that they are now undertaking. For example, the Transport and Logistics sector is now concentrated in locations serviced by Melbourne's Principal Freight Network such as Laverton North, Craigieburn and Dandenong. Alternatively, some former manufacturers may undertake all their production off-shore, and in which case they may only have a corporate office in the Melbourne CBD from where they manage their international operations.

For the City of Monash this restructuring has in some cases resulted in large scale manufacturing and warehousing functions being progressively relocated either offshore or to outer industrial areas. However with higher value adding industrial activities being uncoupled from these less intensive functions they now have the flexibility to locate in areas such as Monash which offer a high amenity industrial environment, access to the Melbourne CBD and access to a pool of highly skilled workers.

Also, with businesses having the opportunity to outsource less intensive non-core components their floorspace and land requirements may have been significantly reduced. This has resulted in large multi-purpose industrial facilities becoming increasingly obsolete, and being replaced by smaller office warehouse style facilities for more intensive activities.

2.6 Inner City Industrial Precincts

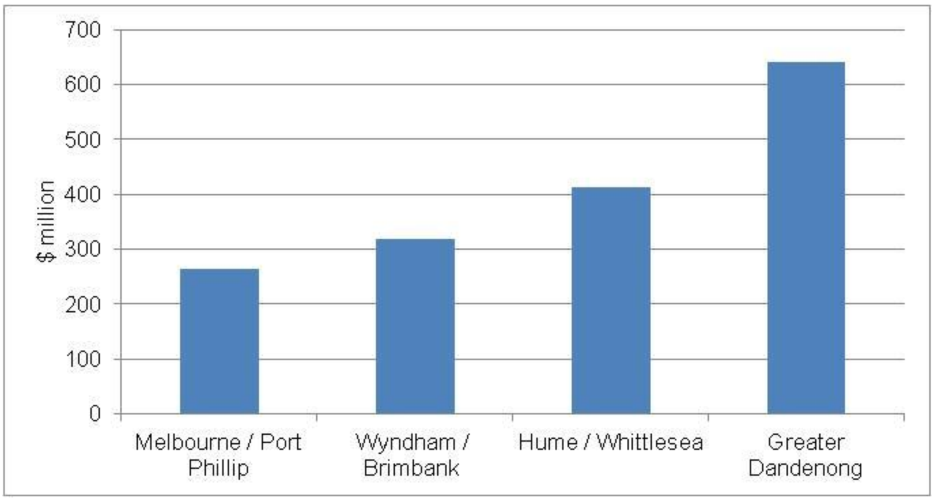
Melbourne's inner city industrial precincts are particularly relevant to the City of Monash as they highlight the capacity for older industrial properties to be redeveloped for a new generation of industrial businesses.

Furthermore, the State Government's decision to rezone half of the Fishermans Bend / Port Melbourne industrial area to facilitate non-industrial development is also expected to result in a spill-over of demand for industrial land into the City of Monash as the nearest significant industrial precinct in the south-east region.

Since 2001, the combined value of industrial building approvals in the City of Melbourne and Port Phillip has totalled $264 million (compared to $164 million in Monash). If the constrained supply of industrial land in inner locations is taken into account, the level of development interest in these areas may well be comparable to that of the outer industrial nodes accounted for by Wyndham / Brimbank ($318 mill.), Hume / Whittlesea ($413 mill.) and Greater Dandenong ($642 mill.).

The continued investment in inner city industrial properties highlights the misconception that businesses prefer outer suburban industrial locations due to a need to accommodate larger vehicles and the availability of more affordable land. Rather, the increasing diversity of industrial activities requires an equally diverse supply of industrial locations, land and premises.

Figure 9: Value of Industrial Building Approvals (New buildings, extensions and alterations)



Source: Building Commission

This relatively strong investment in inner city industrial precincts is reflected in employment in the Port Melbourne industrial area increasing by 2,276 jobs from 11,496 to 13,772 jobs over 2002-2010[1]. Although manufacturing employment fell by 752 jobs, employment grew across Wholesale Trade (+682), Transport, Postal and Storage (+657), and Construction (+228).

[1] City of Melbourne, Census of Land Use and Employment

While the Port Melbourne industrial area maintains its industrial zoning, the rezoning of industrial land south of the Westgate Freeway in the City of Port Phillip may limit the opportunities for this employment growth to be accommodated. This will create a major opportunity for the City of Monash to attract new industrial related activity.

2.7 Property Market Drivers

Property market conditions together with the response of property developers to them play a key role in the redevelopment of sites for contemporary facilities that meet the needs of businesses. Understanding the nature of the industrial property market is therefore essential in determining the longer-term potential for precincts to meet the needs of businesses through offering appropriate accommodation.

Building obsolescence is an expected outcome of both industry restructuring and technological innovations that change how industry operates. It also requires on-going capital investment in, or the redevelopment of, properties in order to ensure they meet the accommodation requirements of businesses. This should be distinguished from locational obsolescence whereby a site's location is the reason for a lack of demand from industrial users.

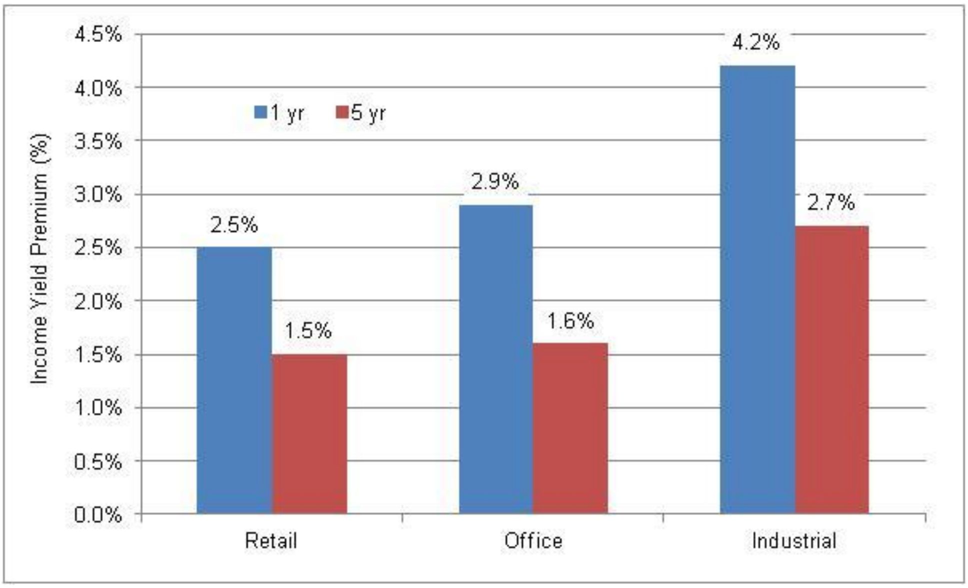
Within Monash, as demand has shifted from larger manufacturing facilities to smaller office / warehouse facilities properties have been redeveloped in order to satisfy this demand. The Background Report provides a number of examples of this occurring both within Monash as well as in inner city industrial precincts.

Property markets compensate industrial property owners for the greater risk of functional obsolescence associated with industrial properties through higher income yields, which provides the necessary funds to redevelop properties in order to maintain their functionality in the future. Landowners are also compensated through being able to depreciate buildings and improvements which typically account for a much higher proportion of the total value of industrial properties compared to other property classes.

Figure 9 below shows income returns for industrial, retail and office properties relative to the 10 year bond rate over the past five years and the past 12 months. As the 10 year bond rate represents a risk free investment, the income return premium measures the additional return for investing in riskier property assets. Over the past five years, income returns for Industrial properties have been 1.2% per annum higher than retail properties (2.7% vs. 1.5%). A similar comparison of investment returns by the Westpac Bank[2] indentified that over a period of 24 years income accounted for 87% of total returns for industrial properties compared to only 64% for retail properties.

[2] http://www.westpac.com.au/docs/pdf/cb/Commercial_property_-_Over_correction_or_fair_value.pdf

Figure 10: Income Return Premium to 10 Year Bond Rate (Australia)



Source: IPD, Charter Keck Cramer

The rate of redevelopment of existing industrial properties may however be limited by the relatively low underlying value of industrial land combined with the depreciated value of buildings. This creates a situation where not only is it commercially viable for properties to be utilised for low value adding uses such as storage, but owners are able to effectively land bank properties in the hope of sites being rezoned in the future. As a result, there may be a limited number of under-utilised sites available for redevelopment at any point in time. The presence of older under-utilised industrial properties should therefore not necessarily be interpreted as a sign of limited market demand.

Considering the redevelopment of existing industrial sites adds a further level of complexity to determining an appropriate supply of industrial land. This is particularly so within the City of Monash where the redevelopment of sites represent the main opportunity for accommodating future industrial land users. Therefore there is a need for the Strategy to look beyond simply trying to quantify demand for industrial land at a municipal level, based upon various statistics purported to represent the demand for industrial land, and instead reflect the longer-term development potential of industrial precincts.

3. PRECINCT STRATEGIES

The key component of any industrial strategy is determining the future role of existing industrial precincts for either industrial activities or alternatively for other land uses and the achievement of other non-industrial strategic objectives.

Each of the industrial precincts have been assessed with respect to their future potential to accommodate future industrial activity, either in their current form or through the redevelopment of properties. This has involved consideration of the commercial viability of any redevelopment occurring based upon likely future property market conditions, demand from businesses and the physical capacity of sites to be redeveloped. Equally important however is the potential for precincts to play a role in achieving broader strategic objectives such as facilitating an increased supply of housing or acting as a catalyst for urban renewal within the surrounding area.

The Vision and Strategic Direction together with a Recommended Zoning for each precinct is provided below while the Background Report provides a discussion of the basis for each. This includes a set of key criteria which have been summarised below.

3.1 Assessment Criteria

A range of factors have been considered in assessing the potential for each of the industrial precincts to either support a continuation of industrial activity or an alternative land use. While a detailed assessment of each precinct is provided in the Background Report, the key criteria relied upon in undertaking the assessment of each precinct is as follows.

a) Demand for Industrial Land

There must be an underlying level of longer-term demand from businesses to locate within Monash. Given the existing level of business activity, investment in the development of new industrial facilities, and the potential for future growth as a result of a reduced supply of inner metropolitan industrial land is considered to exist at a municipal level.

b) Accessibility and Infrastructure

The nature of businesses being attracted to Monash is such that they are less reliant upon road infrastructure than they are upon that which provides the necessary amenity and services expected by higher skilled workers as well that which supports the image businesses are seeking to project to their customers and employees. This may range from a high level of industrial amenity through to convenient access to retail facilities and food outlets.

c) Redevelopment Potential

Precincts are assessed based upon their potential to accommodate businesses in either their current form or through sites being redeveloped. The commercial viability of sites being redeveloped for contemporary industrial facilities is a key consideration.

d) Alternative Land Uses

The potential for industrial precincts to facilitate commercial or residential development are considered on the ability to deliver housing outcomes that may not be achieved elsewhere within Monash based upon key attributes such as proximity to key infrastructure. These outcomes are considered within the context of any lost economic development opportunities.

e) Economic Development

Economic development outcomes may take a number of forms including the generation of employment opportunities; strengthening the profile of precincts as a business location; and ensuring a range of accommodation options for businesses.

f) Urban Renewal

The opportunity may exist for industrial areas stimulate urban renewal through key strategic sites being redeveloped. Where such opportunities exist, encouragement should be given to directing industrial activity towards these precincts. Similarly, the gentrification of residential areas may be achieved through industrial sites or precincts being redeveloped for residential uses and providing a catalyst for new development within the existing residential area.

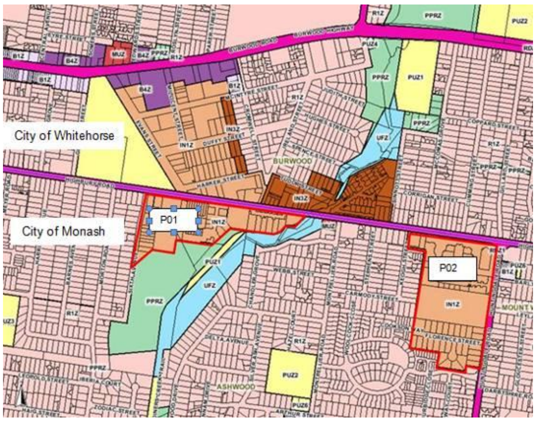
g) Amenity Impact

The potential for businesses to generate off-site impacts which may result in restrictions being placed upon their operations is considered. In determining the future role for a precinct any potential for either an increase or decrease in land use conflicts under various land use zonings and development outcomes has been taken into account.

3.2 Precinct P01 (Burwood Road) and P02 (Huntingdale Road)

- **Vision and Strategic Direction**

These two precincts are expected to continue to offer strong opportunities for industrial activity. Their proximity to the Melbourne CBD combined with limited competition from other industrial precincts will support more intensive development with a high office component. This form of development will cater for high value adding businesses across a wide range of activities but with a common requirement for a high amenity industrial setting.



Council may play an active role in facilitating the redevelopment of sites through working with existing landowners to achieve development outcomes that caters for market demand. This may include co-ordinating the development of sites to avoid any potential over-supply of industrial space at any point in time, and ensuring a high quality of design and construction which reinforces the profile of the wider industrial area.

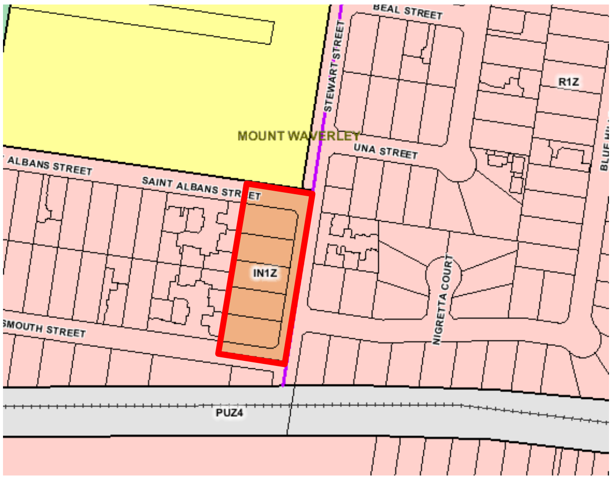
- **Recommended Zoning**

It is recommended that the existing industrial 1 zoning be retained.

3.3 Precinct P03 (Stewart Street Mount Waverley)

- **Vision and Strategic Direction**

It is envisaged that these sites will provide the opportunity for new medium density housing to be delivered within this residential area of Mount Waverley. The loss of industrial land would have limited impact upon the level of business and employment activity given the likely constraints upon future industrial activity on these sites.



- **Recommended Zoning**

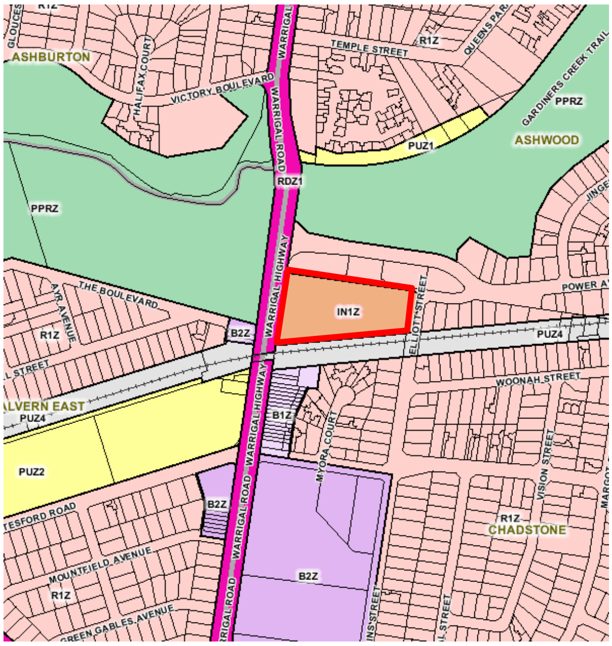
It is recommended that these sites be rezoned to an appropriate residential zone to allow redevelopment for residential uses to be consistent with the surrounding residential area.

3.4 Precinct P04 (Warrigal Road Homesglen)

- **Vision and Strategic Direction**

This site offers the opportunity for a mixed use development that consolidates demand for higher density residential into a location which offers excellent access to a range of urban infrastructure and services. Office uses may be encouraged along the Warrigal Road frontage to leverage off its main road exposure as well as the precinct's location adjacent to an activity centre, railway station and Holmesglen.

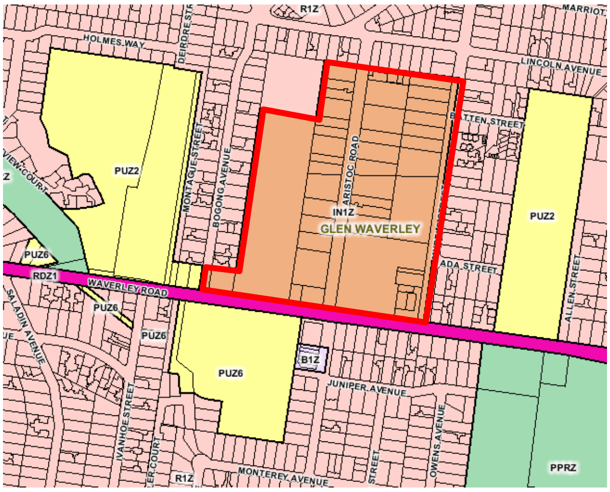
A mixed use development upon this site would further strengthen the profile of the surrounding precinct particularly given that it would consolidate the higher density residential development currently under construction with the adjacent activity centre.



- **Recommended Zoning**

It is recommended that this site be rezoned to a Mixed Use zone to provide the opportunity for offices to be incorporated into any future redevelopment of the site for residential apartments.

3.5 Precinct P05 (Waverley Road Glen Waverley)



- **Vision and Strategic Direction**

The vision for this precinct is for it to continue to perform its industrial role through accommodating a range of businesses within the existing smaller industrial premises as well as through the redevelopment of larger industrial sites (Funtastic and Dulux sites) for more intensive industrial premises.

Residential development should be actively discouraged given that this will be most likely limited to townhouses which may be better facilitated in existing residential areas closer to the Glen Waverley Activity Centre without requiring a loss of industrial development opportunities.

- **Recommended Zoning**

It is recommended that the existing Industrial 1 zoning be maintained for this precinct

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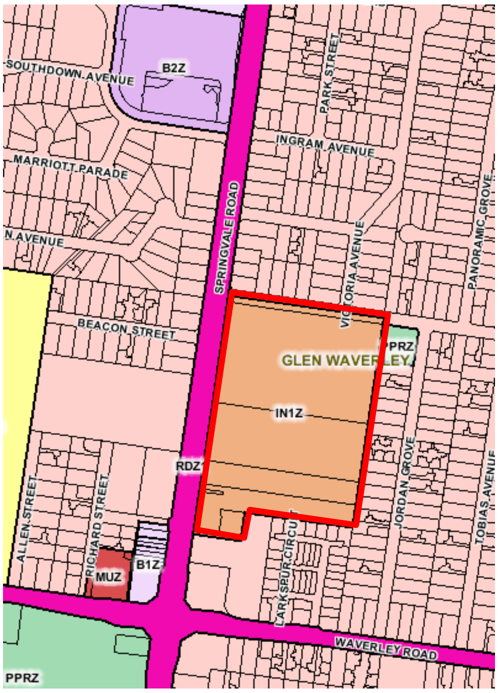
3.6 Precinct P06 (Springvale Road Glen Waverley)



- **Vision and Strategic Direction**

This precinct will continue to fulfil its role as an industrial precinct through the expected on-going presence of WTC. Any change in land use should therefore be considered as being a longer-term outcome and hence should not be anticipated for the purpose of this strategy. In the meantime WTC will continue to make a significant contribution to the Monash economy through creating employment opportunities for skilled workers.

Over the longer term and subject to the intentions of WTC there may be the opportunity for more intensive mixed use development to occur. This may include a mix of office and residential uses including serviced apartments. The necessary planning mechanisms to achieve such an outcome should only be considered at that time.

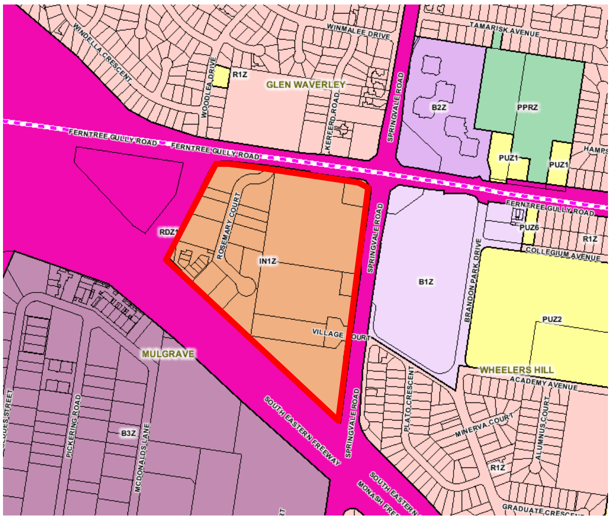
- **Recommended Zoning**

It is recommended that the existing Industrial 1 zoning be maintained.

3.7 Precinct P08 Village Green

- **Vision and Strategic Direction**

This precinct represents a key strategic development opportunity given its proximity to a number of key activity nodes. Its Springvale Road frontage offers the opportunity for corporate style office development between the Village Green Hotel and the Monash Freeway giving way to higher quality office warehouses within Rosemary Court.



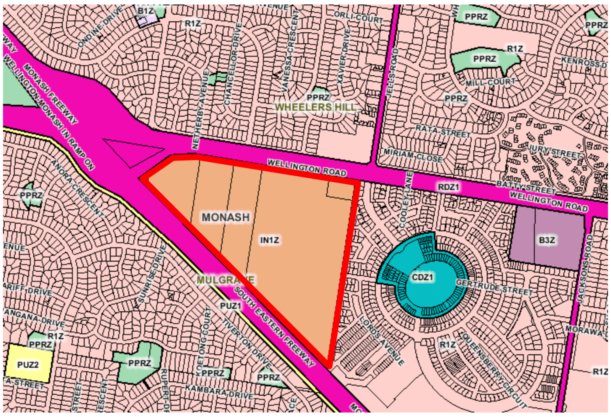
- **Recommended Zoning**

It is recommended that a Commercial 2 zone be adopted for the showroom precinct for facilitate office development while the existing Industrial 1 zoning be maintained for properties in Rosemary Court.

3.8 Precinct P09 (Waverley Park)

- **Vision and Strategic Direction**

This precinct will continue to perform its role as a highly accessible location for the existing industrial activities reflecting its immediate proximity to the Monash Freeway. Any redevelopment of sites will most likely occur in the longer term and will offer the opportunity for the incorporation of office uses into the precinct.

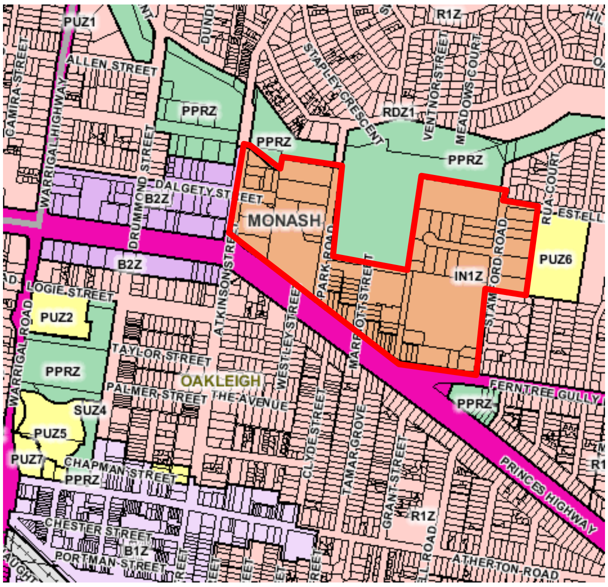


- **Recommended Zoning**

It is recommended that the existing Industrial 1 zoning be retained.

3.9 Precinct P10 (Oakleigh North Industrial Precinct)

- **Vision and Strategic Direction**



It is envisaged that the Stamford Road sub-precinct which includes Kingston Town Close will continue to accommodate high value adding industrial uses.

The remainder of the broader precinct offers the opportunity for the creation of a high profile mixed use precinct to complement the Oakleigh Town Centre. Rather than competing with that centre this precinct will offer an alternative location for:

- Office activities where businesses are seeking a Princes Highway location that offers a higher level of exposure to that available within the Oakleigh Town Centre.
- Medium and higher rise apartment developments that will leverage off the amenity and recreational facilities offered immediately to the north.

The opportunity exists for Council to play an important guiding role in facilitating this transition through a combination of rezoning sites, preparing a structure plan for the precinct and economic development initiatives which redirect demand for industrial land to the Oakleigh / Huntingdale Industrial area.

- **Recommended Zoning**

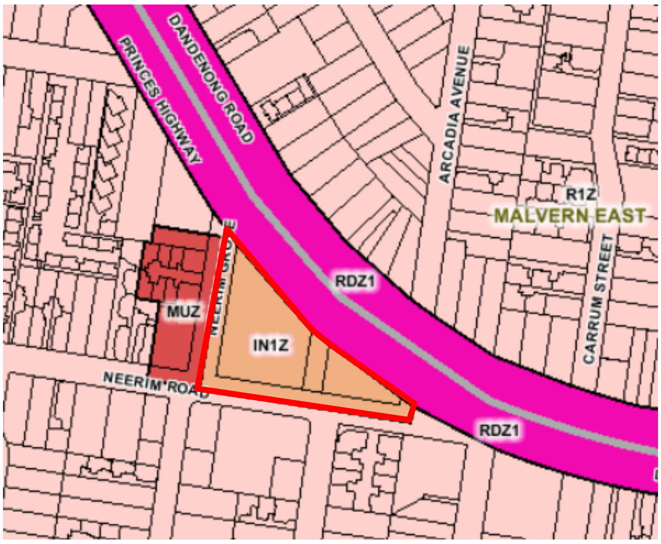
It is recommended that the Stamford Road sub-precinct which includes Kingston Town Close retain its existing Industrial 1 zoning.

In order to balance the opportunities offered by the car showroom sub-precinct's exposure to the Princes Highway as well as local recreational facilities, a Mixed Use Zone is recommended. This will promote more intensive development outcomes that leverage off this infrastructure and facilities to deliver outcomes that are less likely to be achieved elsewhere within the municipality.

3.10 Precinct P11 (1354-1360 Princes Highway Hughesdale)

- **Vision and Strategic Direction**

The future direction for this precinct is for its redevelopment for residential apartments. The scale of development would be expected to be low rise and consistent with recently completed developments nearby. Based upon the apartment yield of these developments the precinct may be expected to accommodate 75-100 apartments.



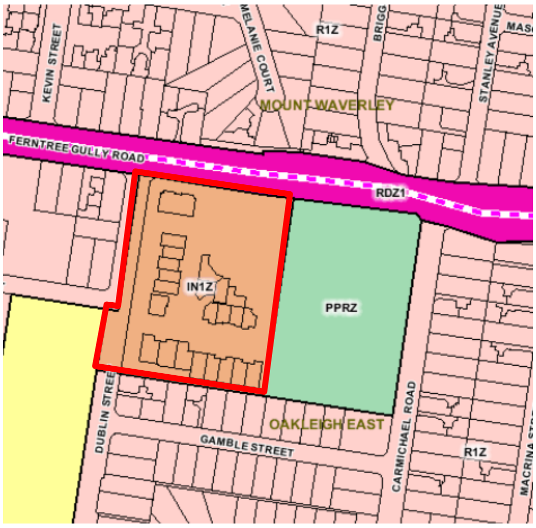
- **Recommended Zoning**

It is recommended that this precinct be rezoned to a Mixed Use Zone to allow the flexibility for either residential or non-residential uses reflecting the development opportunities associated with the precinct's location.

3.11 Precinct P12 (104-106 Ferntree Gully Road Oakleigh East)

- **Vision and Strategic Direction**

The Waverley Gate Business Park will continue to perform its role as a location for businesses requiring smaller scale office / warehouses. It is not envisaged that there will be any pressures for redevelopment within the precinct with individual properties offering the flexibility to be adapted to a range of businesses.



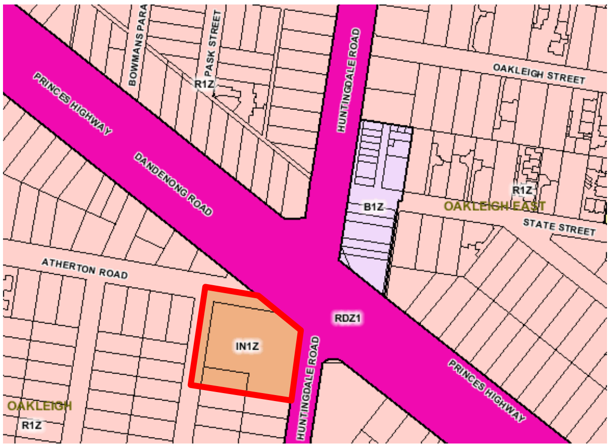
- **Recommended Zoning**

It is recommended that the existing Industrial 1 zoning be retained.

3.12 Precinct P13 (Atherton Road, Huntingdale Road and Dandenong Road)

- **Vision and Strategic Direction**

The current role for this precinct for employment uses is limited to car showrooms given the value of the building improvements. Such uses typically generate relatively little employment, with some activities such as the servicing of cars potentially better located within traditional industrial precincts.



Encouragement may also be given to free-standing car showrooms to relocate to showroom precincts within Monash in order to support the performance of these businesses but also to allow more intensive development upon these sites.

The vision for this precinct is for medium density apartments with the potential for either offices or ground floor showrooms to be incorporated into any future development.

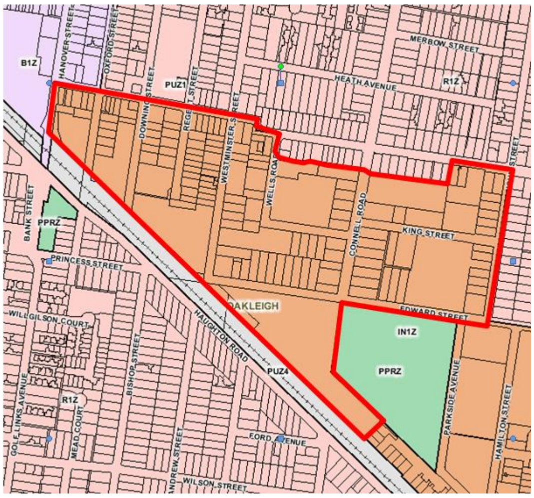
- **Recommended Zoning**

A Mixed-Use zoning for this precinct will offer the opportunity for apartment development to occur while still providing the flexibility for street level uses such as showrooms. There is also the potential for a small office component to be incorporated into any redevelopment of the site.

3.13 Precinct P14: (Oakleigh South Industrial Area)

- **Vision and Strategic Direction**

The vision for this precinct is that it will continue as a location for a range of seeking functional industrial buildings, while also offering the opportunity for the development of more contemporary industrial facilities for higher value adding industrial activities.



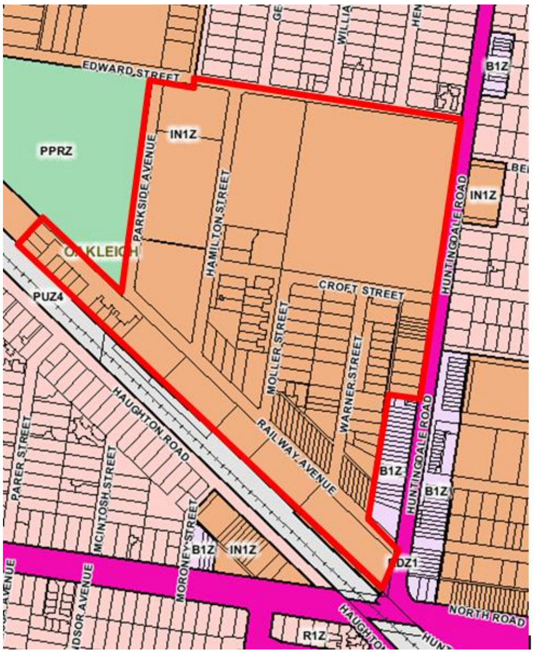
- **Recommended Zoning**

It is recommended that this precinct retain its existing Industrial 1 zoning.

3.14 Precinct P15 (Oakleigh East Industrial Area)

- **Vision and Strategic Direction**

This precinct will play an increasingly important role as an industrial location as it continues to gentrify through the redevelopment of larger industrial properties for more intensive uses. The use of larger industrial buildings for recreational activities may also be expanded through leveraging off its location adjacent to the Huntingdale railway station and potential synergies with the Huntingdale Activity Centre.



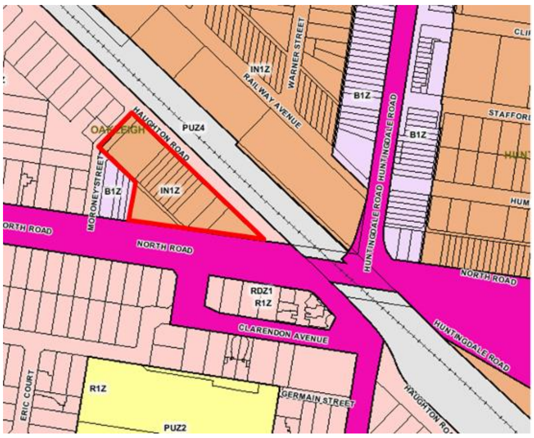
- **Recommended Zoning**

It is recommended that the current Industrial 1 zoning be retained.

3.15 Precinct P16 (Haughton Road Huntingdale)

- **Vision and Strategic Direction**

Over the shorter-term this precinct will continue to perform its role as a location for a mix of service related businesses while also offering the opportunity for the redevelopment of the MPG site to act as a catalyst for urban renewal within the precinct. Encouragement will be given to the redevelopment of sites for residential uses in order to realise the benefits of the precincts proximity to the railway station and activity centre.



- **Recommended Zoning**

It is recommended that this precinct be rezoned to a Mixed Use Zone to provide the flexibility for residential development. Any rezoning of sites should be subject to an environmental audit to identify any contamination which may prevent residential development from occurring.

3.16 Precinct P17 (256-262 Huntingdale Road Huntingdale)

- **Vision and Strategic Direction**

This precinct offers the opportunity to act as a catalyst for new housing development within the surrounding residential area. Facilitating its redevelopment for residential uses also enables industrial activity to be consolidated into the nearby core industrial precincts to support their revitalisation.

- **Recommended Zoning**

An appropriate residential zone is recommended for this precinct to facilitate residential development consistent with the immediate residential area.

3.17 Precinct P18 (Huntingdale Industrial Precinct)

- **Vision and Strategic Direction**

This precinct offers the opportunity to facilitate a continuation of the industrial gentrification that has been occurring west of Huntingdale Road while also leveraging off its high exposure to North Road and the opportunities for more intensive development on larger sites adjacent to the activity centre.

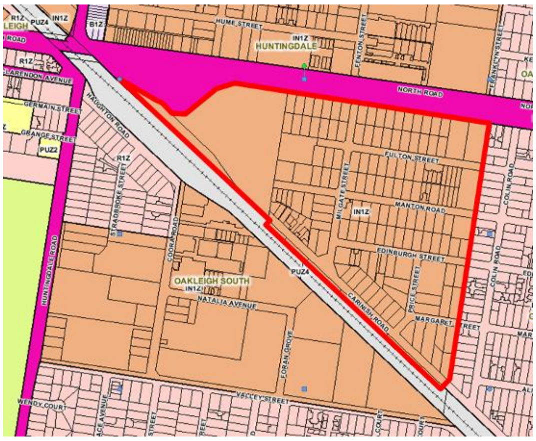
Key strategic sites will offer the opportunity for high profile business parks, the scale of which will be determined by the ability to consolidate sites. Council will play a key role in facilitating the transformation of this precinct through providing direction via the structure planning process and investment in improving the amenity of the precinct and the activity centre generally.

- **Recommended Zoning**

It is recommended that an Industrial 1 zoning be retained. Under the reformed zones this provides greater flexibility for office uses to be incorporated into the redevelopment of sites particularly along the North Road frontage.

3.18 Precinct P19 (Oakleigh South (North Road) Precinct)

- **Vision and Strategic Direction**



This precinct will continue to provide a location for a mix of smaller sized industrial businesses with properties being redeveloped as required to meet the needs of both owner-occupiers and tenants. Importantly, the precinct will provide a needed supply of affordable industrial accommodation for businesses in the future via the existing stock of industrial buildings.

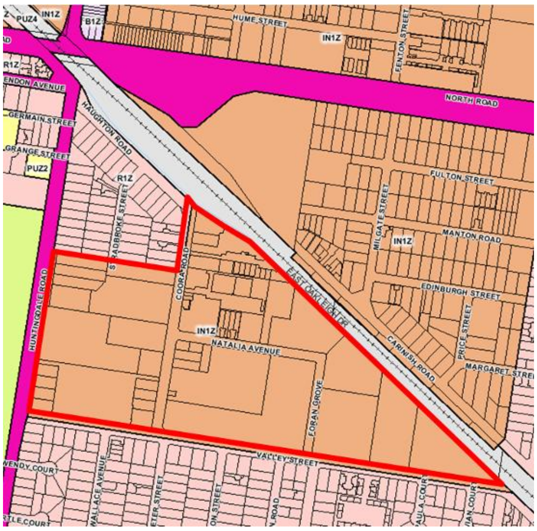
The precinct's North Road frontage will continue to improve its presentation and profile as properties are redeveloped. The opportunity may exist for the creation of a recognised North Road precinct through leveraging off any future redevelopment of key strategic sites on the opposite side of North Road for more intensive and higher profile activities.

- **Recommended Zoning**

It is recommended that the existing Industrial 1 zoning for this precinct be maintained.

3.19 Precinct P20 (Oakleigh South - Huntingdale Road Precinct)

- **Vision and Strategic Direction**



This precinct will perform an on-going role as an industrial location through the continued redevelopment of sites. Key sites fronting Huntingdale Road and Valley Street will offer the opportunity for businesses seeking exposure, access to major arterials and the amenity offered by the precinct's location adjacent to Huntingdale golf course. These sites will establish a key point of difference for the precinct, thereby expanding the choice of industrial locations available to businesses within the region.

It is anticipated that these sites will offer the opportunity for small business parks offering more intensive industrial accommodation incorporating a relatively high portion of office space which will build the profile of this precinct.

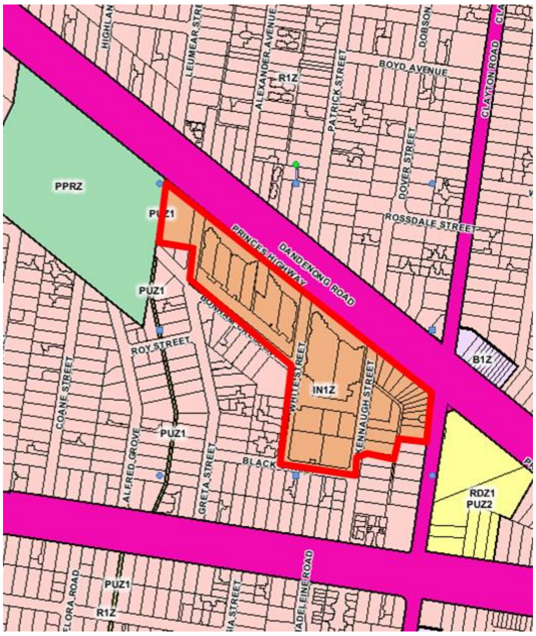
- **Recommended Zoning**

It is recommended that the existing Industrial 1 zoning be maintained.

3.20 Precinct P21 (Clayton Restricted Retail Precinct)

- **Vision and Strategic Direction**

The vision for this precinct is that it will continue to perform its role as showroom / light industrial precinct. The incorporation of office uses above showrooms will assist in diversifying the business mix and employment opportunities offered by the precinct while also leveraging off the precincts high exposure to the Princes Highway. Office uses should complement rather than undermine the role of this precinct as a showroom precinct.



- **Recommended Zoning**

It is recommended that the existing Industrial 1 zoning be retained. While a Commercial 2 zoning would provide greater flexibility for offices, an Industrial 1 zoning still allows offices subject to a permit.

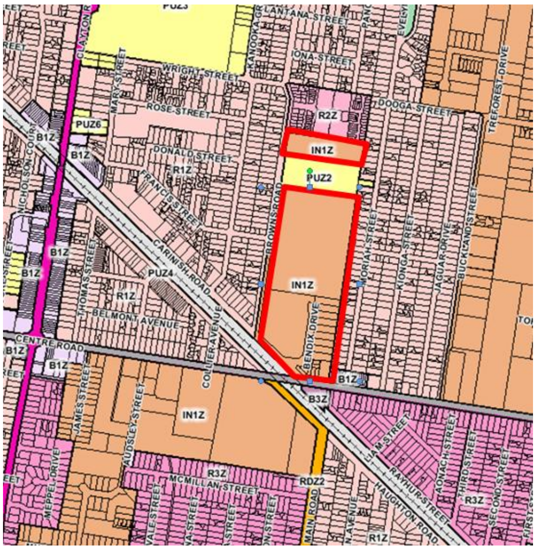
3.21 Precinct P22 (PMP Site)

- **Vision and Strategic Direction**

Bendix Drive is expected to continue to perform its role as a location for smaller industrial activities with the potential for the redevelopment of some sites for more intensive office / warehouses over time.

Should PMP cease operating its Clayton plant at some stage in the future it is envisaged that the site should be redeveloped for residential uses given the likelihood that any redevelopment of the site for intensive industrial uses will be prolonged and result in a blighting of the surrounding area. This will be reinforced by the availability of better located, and more appropriately sized, development sites within the Clayton and Clayton South Industrial Areas. Directing industrial activity to these areas will also assist in supporting investment in the redevelopment of sites for more intensive industrial uses.

Figure 11: Precinct P22 Location Map



The development of a master planned residential precinct on the larger sites offers the opportunity to provide new housing opportunities in close proximity to the Clayton activity centre, railway station and Monash Medical Centre. It also offers a potential catalyst for urban renewal across the surrounding residential area through the redevelopment of older detached dwellings for more contemporary medium density housing

- **Recommended Zoning**

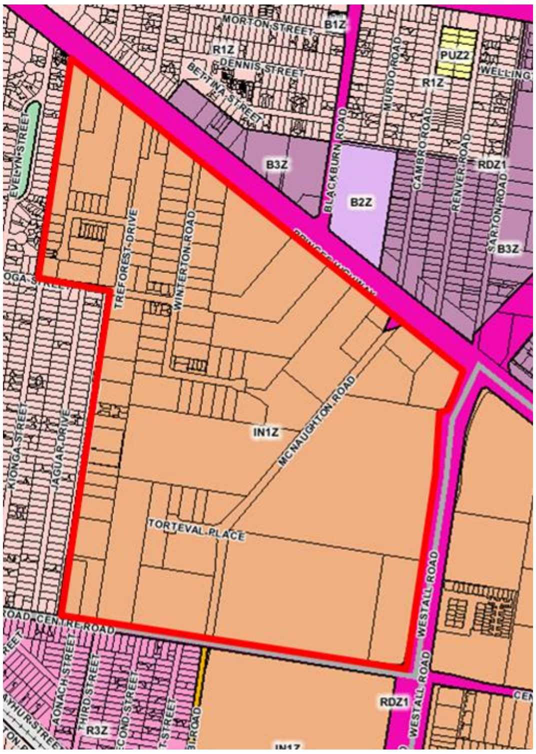
It is recommended that the PMP site and the Monash Medical Centre car park site be rezoned to an appropriate residential zone. This should be subject to an environmental audit being undertaken to determine the extent of any contamination and any impact upon the commercially viability and likelihood of residential development occurring.

Bendix Drive which accounts for the balance of the precinct should retain its Industrial 1 zoning.

3.22 Precinct P23 (Clayton Industrial Precinct)

- **Vision and Strategic Direction**

The vision for this precinct is for the continued redevelopment of larger sites for more intensive industrial facilities as sites become available for redevelopment. This will further integrate the precinct with the Monash Technology Precinct as higher value adding industrial businesses are attracted to the precinct.



- **Recommended Zoning**

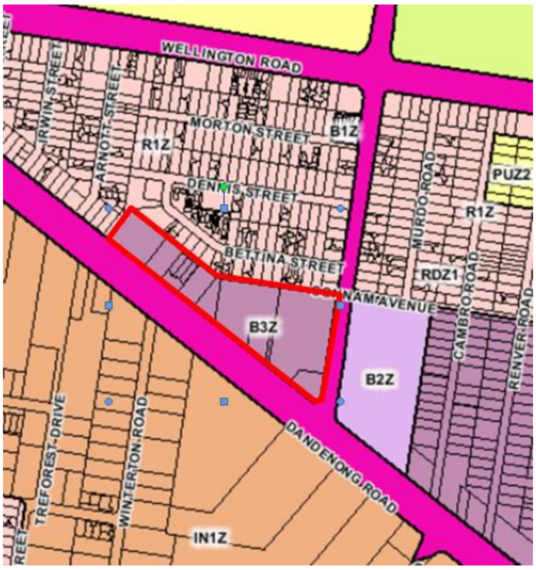
It is recommended that the existing Industrial 1 zoning be retained for this precinct.

3.23 Precinct P24: Princes Highway and Blackburn Road

- **Vision and Strategic Direction**

It is envisaged that this precinct will connect the industrial activities located along the Princes Highway corridor to Monash University via Blackburn Road. The key to achieving this will be encouraging uses that complement both of these while also establishing a higher profile for the precinct.

A mix of residential, accommodation and commercial office activities will be complemented by recreational opportunities offered by the Monash Hotel to establish a mixed use precinct. The scale of development should reflect the opportunities for the establishment of a gateway precinct.



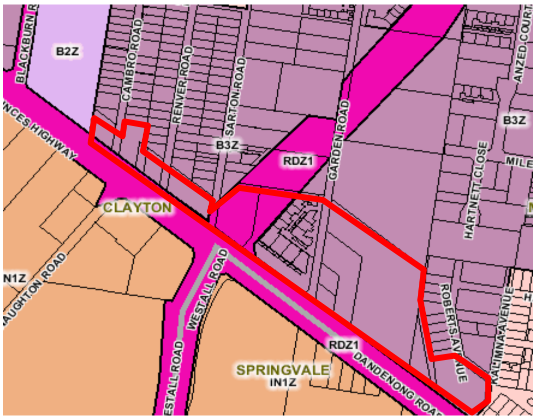
- **Recommended Zoning**

Retain the existing Commercial 2 Zone to reflect the aspirations for offices and other commercial development to occur.

3.24 Precinct P25: Dandenong Road Peripheral Sales Precinct

- **Vision and Strategic Direction**

It is envisaged that over the medium to longer term sites within this precinct may be redeveloped for more intensive and higher quality industrial premises. In doing so it will complement the existing corporate style industrial development along the southern side of Dandenong Road as well as allow it be integrated into the Monash Technology Precinct.



- **Recommended Zoning**

Retain the existing Commercial 2 Zone to reflect the aspirations for offices and other commercial development to occur.

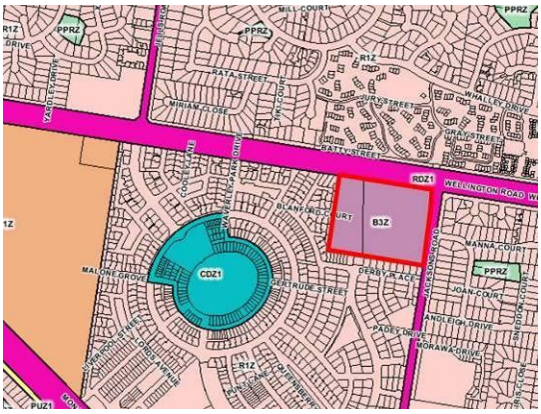
3.25 Precinct P26: Corner Wellington Road and Jacksons Road Mulgrave

- **Vision and Strategic Direction**

It is expected that this precinct will continue to perform its role as a corporate head office and distribution centre location into the foreseeable future. There is no strategic justification for considering a change of land use at this stage.

- **Recommended Zoning**

It is recommended that this precinct be rezoned to Industrial 1 which under the reformed zones provides the flexibility for office uses.



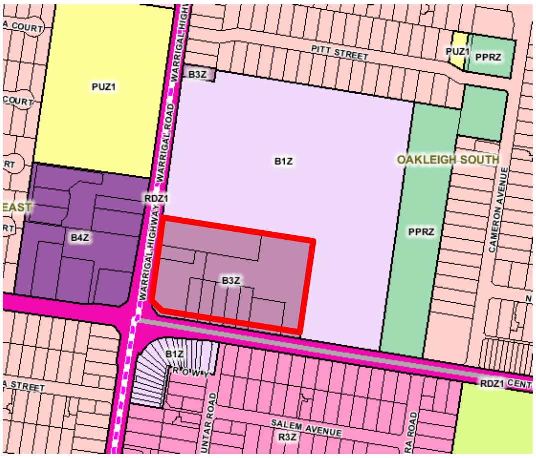
3.26 Precinct P27: Warrigal Road and Centre Road, Oakleigh South

- **Vision and Strategic Direction**

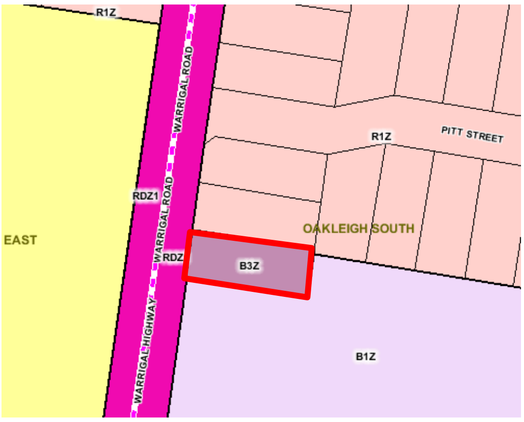
While dependent upon more detailed investigations, the vision for this precinct is for an additional supermarket based centre to service local households and passing trade, thereby providing the opportunity for a linkage between retail activities to the north and south.

- **Recommended Zoning**

It is recommended that this precinct be rezoned to Commercial 1 subject to a detailed assessment of the capacity for an additional supermarket based centre to be supported.



3.27 Precinct P28: 346 Warrigal Road Oakleigh South



- **Vision and Strategic Direction Recommended Zoning**

This precinct will perform an ancillary role to the adjacent retail centre through either the continued operation of the existing gym or alternatively some other non-retail commercial use.

- **Recommended Zoning**

It is recommended that the existing Business 3 zoning be replaced by a Commercial 2 zone to facilitate a mix of business and commercial activities.