

Thursday, 17 December 2020

Ref: 301991 001

Victorian Planning Authority

Via Email

amendments@vpa.vic.gov.au

Dear Madam/Sir,

**PROPOSED CRAIGIEBURN WEST PRECINCT STRUCTURE PLAN ('The CWPSP')
SUBJECT SITE: 700 CRAIGIEBURN ROAD, MICKLEHAM**

Veris continues to act for Hawthorn Developments (VIC) Pty Ltd, the owner of land located at 700 Craigieburn Road, Mickleham.

We have reviewed the proposed CWPSP exhibited by the Victorian Planning Authority (VPA) and believe it represents some excellent planning and design outcomes for the wider context. We also consider these outcomes to be further advanced and refined, when compared to the 'Workshop Summary Diagram' contained within the previous VPA CWPSP *Co-Design Workshop Outcomes Report* dated 9 November 2019. In this context, our client have instructed us to prepare this submission, in order to confirm their support for the principal of the PSP, while highlighting some areas for further refinement, as they relate solely to the subject site.

This submission seeks to also provide illustrations of those refinements through the attached *Place Based Plan* dated 16/12/2020, together with written justifications for any changes as presented in this letter and the attached *Retail Planning Advice* dated 15 December 2020 by Deep End Services.

Specifically, it is proposed that the following constraints are further considered by the VPA:

1. Scale of the Local Town Centre;
2. Location of the Local Town Centre;
3. Design Solutions for Linear Park Crossings; and
4. Removal of native vegetation.

1. Scale of Local Town Centre (LTC)

Table 7 'Craigieburn West Local Town Centre – performance requirements and guidelines' of the CWPSP states that an area of 3 net developable hectares *must* be provided for the Local Town Centre.

We believe this inflexible performance requirement does not support positive outcomes for the following reasons:

- It is a *must* requirement offering no flexibility to deliver outcomes within alternative LTC sizes of similar or superior quality to such envisaged by the CWPSP. Rather than limiting the LTC design by a prescribed size, we believe policies should be flexible and supportive of outcomes which cater for the evolving needs of the LTC and the local community's needs, in accordance with the broad objectives of the CWPSP.
- It is contrary to the recommendations of the Background Study *Craigieburn West PSP Area Assessment of Retail/Commercial Demand* by Macroplan dated December 2019 and the attached *Retail Planning Advice* by Deep End Services dated 15 December 2020. The Macroplan assessment justifies and recommends in its executive summary an Activity Centre area for the CWPSP of approximately 2.3 - 2.6 hectares which would be sufficient for the centre and associated internal roads and car parking facilities supporting it. The Deep End Services Advice justifies an LTC of approximately 2.1 – 2.5 hectares (including car parking and a public square) given only some population sectors of the CWPSP would support the LTC and given contextual competition of other existing and proposed commercial centres.
- Given the LTC is located within one site and in one ownership, development of this land is conducive to an outcome with a strong integration with surrounding residential land. A 3 net developable hectare rule will likely hinder delivering such positive outcomes.
- If a LTC of an excessive size is proposed, it can compromise development opportunities which would complement and support the LTC consolidation.
- Changes to work/life as a result of COVID-19 could see the reduction in the need for office space, particularly large office space. Designing the LTC to a size in an inflexible and/or traditional sense ignoring this context could result in empty or under-utilised commercial buildings making active frontage design outcomes harder to achieve.
- An LTC of a smaller size (for example, a 2.1 hectare sized LTC as recommended by Deep End Services *Retail Planning Advice*) would promote higher density and a reduced supply of car parking promoting sustainable transport alternative to cars. This issue also becomes of extreme importance when considering the location of School P-6 (to the east of the LTC) given that an excessive amount of driving and parking activity can compromise the safety of school children and parents particularly during school pick up and drop off times.
- **Proposal:** We propose:
 - **Altering the CWPSP Table 7 by replacing the word *must* by the word *should* and requiring the LTC to be of an approximate size of 2.1 – 2.5 hectares, as recommended by the attached Deep End Services *Retail Planning Advice*.**
 - **As a consequence of the LTC size reduction and as illustrated in the attached *Place Based Plan dated 16/12/2020*, providing additional Residential Land within a Walkable Catchment along the western side of the property, facilitating a well-designed and high quality interface between the LTC, Medium/High Density Residential Development and Open Space both within the LTC and adjacent Linear Park land.**

2. Location of Local Town Centre (LTC)

The CWPSP shows the provision of a Mixed Use Zone strip of land along the subject site's northern boundary.

We believe the provision of this Mixed Use strip has the potential to unnecessarily compromise good design outcomes for the following reasons:

- The Mixed Use strip is of a narrow shape and would likely make access to future development within its extent difficult, given such narrow space would be further compromised by roads catering for the needs of a future (yet unknown) design.
- A good development outcome within the Mixed Use strip would require an integration with the northern property development (PSP Property No. 14) creating potential interface issues, conflict and uncertainty.
- The LTC Applied Zone (Commercial 1 Zone) allows for commercial and residential uses which can co-exist, complement and support one another in an integrated manner. Similarly, the Applied Zone for residential land within the LTC walkable catchment (Residential Growth Zone) supports not only higher density residential development but also community commercial facilities appropriate in close proximity to the LTC such as a *Medical Centre*, a *Child Care Centre*, etc. Given the flexibility of potential land uses, we believe insisting on the provision of the Mixed Use Land and let alone the provision of the narrow Mixed Use Land strip within the subject site is counterproductive.
- **Proposal: CWPSP Plans are updated to remove the Mixed Use Land strip within the subject site and to relocate the LTC north, so its northern boundary coincides with the subject site's northern boundary.**

3. Design Solutions for Linear Park Crossings

A requirement under Section 3.2.2 'Walking and Cycling' of the CWPSP states that development of the Linear Park *must ensure that where a road crosses the linear park, the road is raised with priority given to the linear park.*

The above is an inflexible requirement which would require elevating a road across the Linear Park. The subject site's development would require connecting land to the north and south of the diagonal Linear Park the CWPSP identifies within the site. This would seriously impact upon a development layout without catering for access needs of the broader community which would rather utilise higher order roads of the CWPSP to travel greater distances.

Allowing a limited number of Linear Park 'at-grade' crossings abutting residential development would be far a better alternative enabling the safe and efficient access of residents across Linear Parks.

- **Proposal: We propose altering Section 3.2.2 of the CWPSP by removing the following requirement: *Ensure that where a road crosses the linear park, the road is raised with priority given to the linear park.***

Alternatives to the above proposal would be either removing the word *must* in respect to this specific requirement or relocating the Linear Park so it does not cross the subject site diagonally but rather projects north along the site's eastern side. Connecting the *Local Park* (south-east of the site) to the *Drainage Reserve* (north of the site) and the Linear Park on the LTC west boundary, via the Town Centre and its public square would cancel the need for a Linear Park crossing in the middle of residential land.

Requirement R25 states development of Linear Parks *must accommodate the full Tree Protection Zone of all River Red Gums shown as must be retained on Plan 10 within the linear park.*

Again, this requirement is considered to be inflexible. Tree Protection Zone encroachments can ensure trees are retained and may facilitate better development design outcomes helping to form linear parks that are regular in shape and efficient.

- **Proposal: In CWPSP Requirement R25, we propose to replace the word *must* by the word *should* in respect to this specific requirement.**

4. Removal of Native Vegetation

The CWPSP seeks to retain either individual trees or tree groups of high/very high retention value.

In principle, we support the idea of retaining native vegetation of high and very high retention value within the subject site and broader precinct. However, we note there is no clear permit application pathway to remove vegetation identified for retention in the CWPSP in special circumstances.

Allowing the removal of vegetation identified for retention via a planning permit process is fundamental as it allows, subject to a current and adequate assessment of vegetation, the following:

- Development that is not unnecessarily constrained by vegetation which is not expected to survive for the development life of the PSP;
- Vegetation removal permit holders to implement a robust planting schedule that favours indigenous and native trees. Through the planting of appropriate trees for the climate, new trees will have a longer life expectancy and will provide for a landscaped amenity that will far out live the timeframe of the development of the PSP;
- The removal of vegetation when its quality has diminished over time and no longer hold flora or fauna values;
- Development planning applications that include the removal of vegetation, when they demonstrate net community benefit will be achieved.
- Applications to remove vegetation that pose a risk on property and life;
- **Proposal: Include a planning permit trigger to remove vegetation in the Urban Growth Zone – Schedule 12 (UGZ12) and a statement in the CWPSP acknowledging vegetation identified for retention in the CWPSP can be removed subject to planning permission.**

Place Based Plan

The attached *Place Based Plan* dated 16/12/2020 considers the points presented in this submission and how they would support the broader CWPSP. Its key elements are:

- The LTC to include significant residential component to boost night activity and activate the town square;
- A central road spine connectivity to the LTC;
- The retention of significant trees as highlighted in the Arborist Report prepared by Treetec;
- Medium to high density residential development of between 20-26.5 dwellings per/NDHA is factored in.

Delivering key north-south and east-west connectivity to the communities north of Craigieburn Road, the central spine connector road (20m Local Access Street Level 2) provides a scenic entry point off Craigieburn Road, and a direct route to the Local Town Centre. It will service the immediate local community and the community to the west of the subject site, providing connectivity via a local low order road network throughout the development.

A significant challenge was to ensure that the north-south road connectivity sat comfortably with the diagonal linear park stipulated by the draft PSP and complimented this diagonal movement through the site without compromising the commercial outcome of the development of the site.

Critical design items include:

- A 20m road section was selected for the central connector to aid with the fire risk separation of the southern local park fronting Craigieburn Rd and to help divide the west residential development from the linear park fire source.
- The road crossing of the said linear park is a limited distance of approximately 25m. It is designed to include a pedestrian refuge island for safe pedestrian crossing. The requirement to raise this road above the linear park is considered an impractical and unsightly response to a relatively low key residential built environment. Additionally, the subject road is expected to service the localised community given the proposed higher order boulevard directly to the east, and will likely reveal low traffic numbers. The design is currently proposed at grade.
- The 2.3 hectares of LTC has been designed to cover retail, commercial, open space/ town square and medium density residential development. It provides an opportunity for mixed residential typology within the town centre and an economically feasible residential development to occur ahead of the potentially less economically feasible mixed use typology within the centre. This will bring habitat to the centre early in its development phase to boost activity and passive surveillance of the Town Square as early as stage 1 of the LTC construction phase.
- The separation of small open spaces within the centre of the LTC will allow for diverse activity and after hours uses by a diverse range of cultures and ages.

The proposed *Place Based Plan* is considered a high quality urban design outcome that fosters diversity, flexibility and connectivity within the wider context of the subject, and reflects a realistic commercial outcome of the subject marketplace.

We urge the VPA to consider the contents of this submission and would welcome the opportunity to discuss matters further, ensuring the future CWSP truly delivers a feasible, sustainable and high quality outcome.

Please do not hesitate to call me on 0411 699 551 or via email at r.jordan@veris.com.au should you wish to discuss any aspect of this matter further.

Yours sincerely,



Randah Jordan

Town Planning & Urban Design Manager (VIC/SA/TAS)

15 December 2020

Hawthorn Developments Pty Ltd
c/- Guillermo Cabala
Veris

By email: g.cabala@veris.com.au

Dear Guillermo

Retail planning advice – Craigieburn West PSP local activity centre

This letter of advice has been prepared on behalf of Hawthorn Developments Pty Ltd to provide economic and retail planning advice in relation to their landholding within the Craigieburn West PSP area.

Background

Hawthorn Developments owns a parcel of land (identified as 'Parcel 23') within the Craigieburn West PSP area that is designated for a mix of residential, local park, connector street, mixed use and local town centre (LTC).

The PSP envisages that the development of the LTC would incorporate 6,000 sqm of retail floorspace and 1,000 sqm of non-retail commercial floorspace.

Requirement R36 of the draft PSP, in combination with the performance requirements set out in Table 7 of the document, specifies that the retail core (LTC) *"must provide an area of 3 net developable hectares for the provision of the local town centre"*.

The draft Craigieburn West PSP and associated ordinance went on public exhibition on 17 November 2020, with submissions to be lodged by 18 December 2020.

Included in the background studies is an assessment of retail/commercial demand dated December 2019 undertaken by Macroplan, with the report supportive of the PSP.

Within the context outlined above, Hawthorn Developments is making submissions to the draft PSP to reduce the land area requirement for the LTC, with the residual land therefore becoming available for residential uses. This letter provides economic analysis to accompany the submission.

PSP regional context

The Craigieburn West PSP area is located within Melbourne's northern growth corridor, 30km north of the Melbourne CBD and 2km west of the region's main shopping destination and designated major activity centre, Craigieburn Central (refer Figure 1).

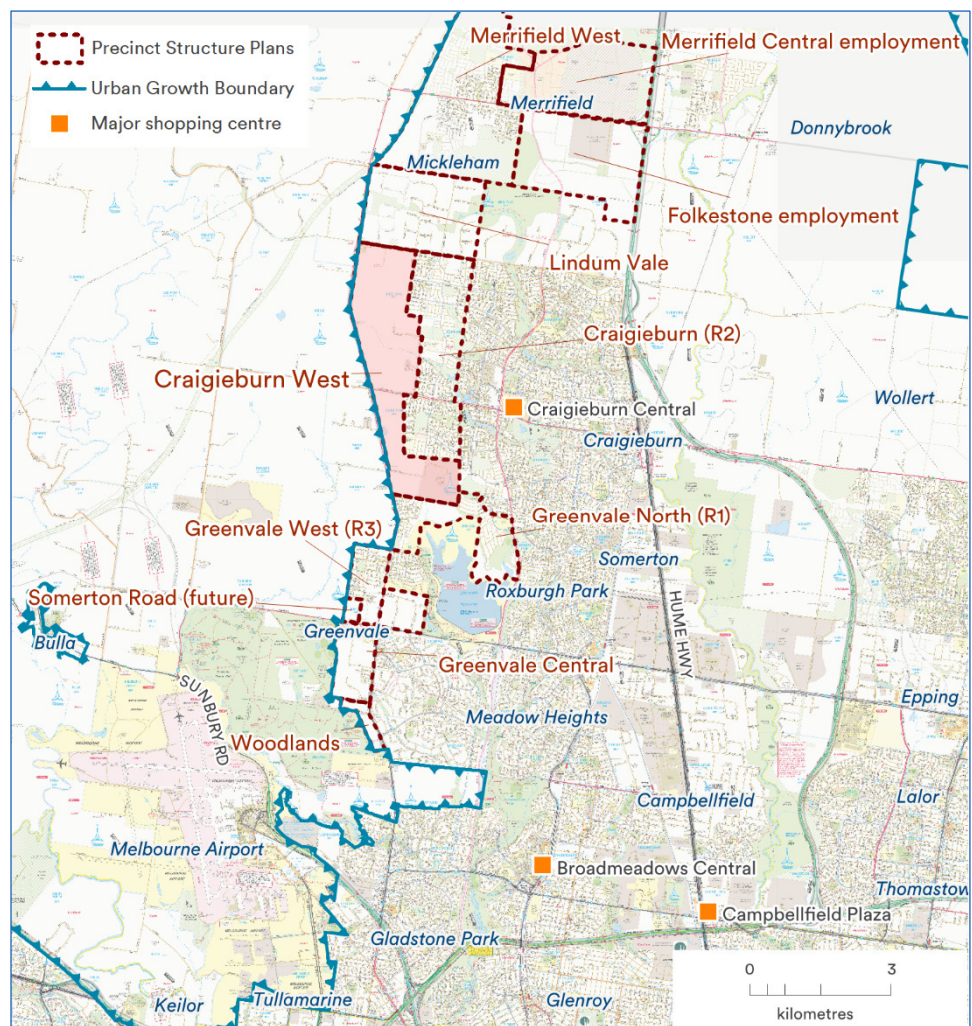
The PSP area abuts Craigieburn R2 to the east, Greenvale North to the south, and Lindum Vale to the north. Development is well underway in most of these precincts, with Craigieburn R2 in particular likely to be fully developed within 2-3 years.

The precinct is bounded by Mickleham Road to the west, which is also the location of the Urban Growth Boundary and therefore marks the edge of the urban area.

Craigieburn Road bisects the precinct into two sections, with the majority of the developable residential land situated in the northern part of the PSP, noting that the southern section includes potential future development of the Aitken Hill property, timing for which is unknown.

Figure 1—Regional context

Source: Deep End Services



Craigieburn West LTC

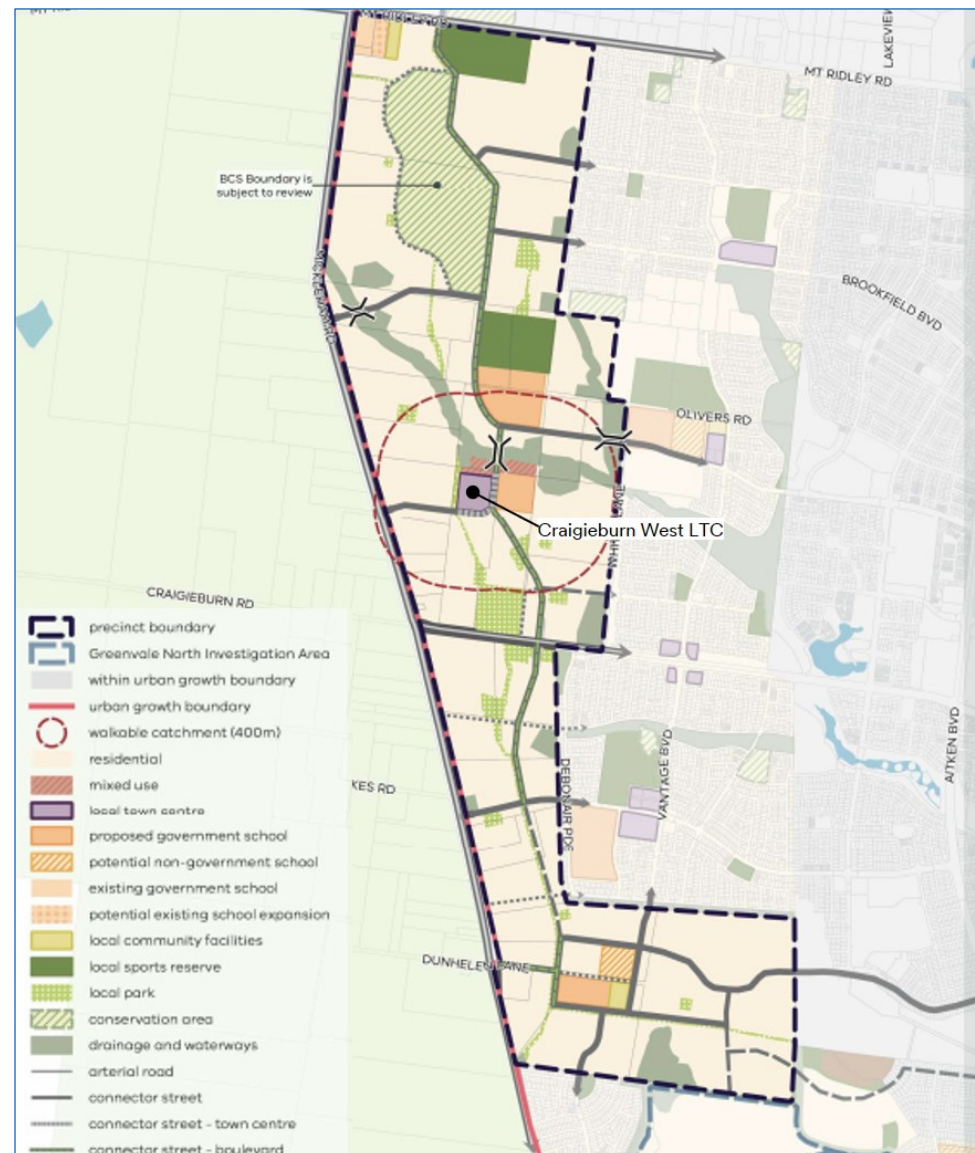
The PSP sets out the vision for Craigieburn West as a series of residential neighbourhoods supported by a local town centre (LTC) and a network of parks, conservation areas, and community facilities including schools.

The LTC is centrally positioned, approximately 400m east of Mickleham Road and 650m north of Craigieburn Road as shown in Figure 2. Relevant features include:

- Connector street linkages to Mickleham Rd to the west, and southwards to Craigieburn Road, continuing into the southern part of the PSP
- A bridge crossing of Aitken Creek northwards into residential areas in the northern part of the PSP
- Mixed use precinct on the northern edge of the LTC close to the creek
- Local primary school adjacent to the LTC and secondary school north of the creek.

**Figure 2—
Craigieburn West
PSP – Place Based
Plan**

Source: draft
Craigieburn West
PSP



With respect to activity centre planning, the following extract of the Vision for the PSP is relevant (draft PSP, p10):

The PSP will complete the catchment to surrounding activity centres external to the PSP, including Craigieburn Central, Aston Village and Highlands Village, while also providing for local facilities, including a centralised activity centre co-located with open space and community facilities, and a series of proposed government and potential non-government schools.

Macroplan assessment

Key elements/findings

The draft PSP is supported by an assessment of retail/commercial demand for the Craigieburn West PSP area, dated December 2019 and prepared by Macroplan on behalf of the Victorian Planning Authority.

The retail economic analysis is based on a residential yield of approximately 7,370 dwellings and a likely population base of some 22,850 new residents at full development, based on the following assumptions:

- Dwelling yield of 20 dwellings per hectare
- 65% net developable area
- Average household size of 3.1 people.

I note that the draft PSP identifies a total of 414.3 ha of net developable area – residential, which, if developed at an average of 20 dwellings per hectare, would generate a yield of 8,286 dwellings and a total population of around 25,600 persons at 3.1 persons per dwelling.

The report assumes greenfield development will commence by mid-2022 and the first residents will move in by mid-2023. Development is forecast to be completed by 2035 and the capacity population reached by 2036. This scenario results in population growth averaging almost 1,760 residents per annum over the 14 year development period.

The study area assumed for the Craigieburn West LTC encompasses the entire PSP area. At full development (i.e., 2036), the total retail expenditure generated by the study area population is forecast to reach \$400 million, with the key supermarket segment of food, grocery and packaged liquor (FLG) estimated to reach \$92 million, or 23% of total expenditure, at that time.

Based on the population and spending projections summarised above, the key findings set out in the report for the development of the LTC are as follows:

- The development of a neighbourhood centre anchored by a full-line supermarket at the LTC site could be supportable at around 2028-29.
- A centre of up to 8,000 sqm GLA could be supportable when the area is fully developed.

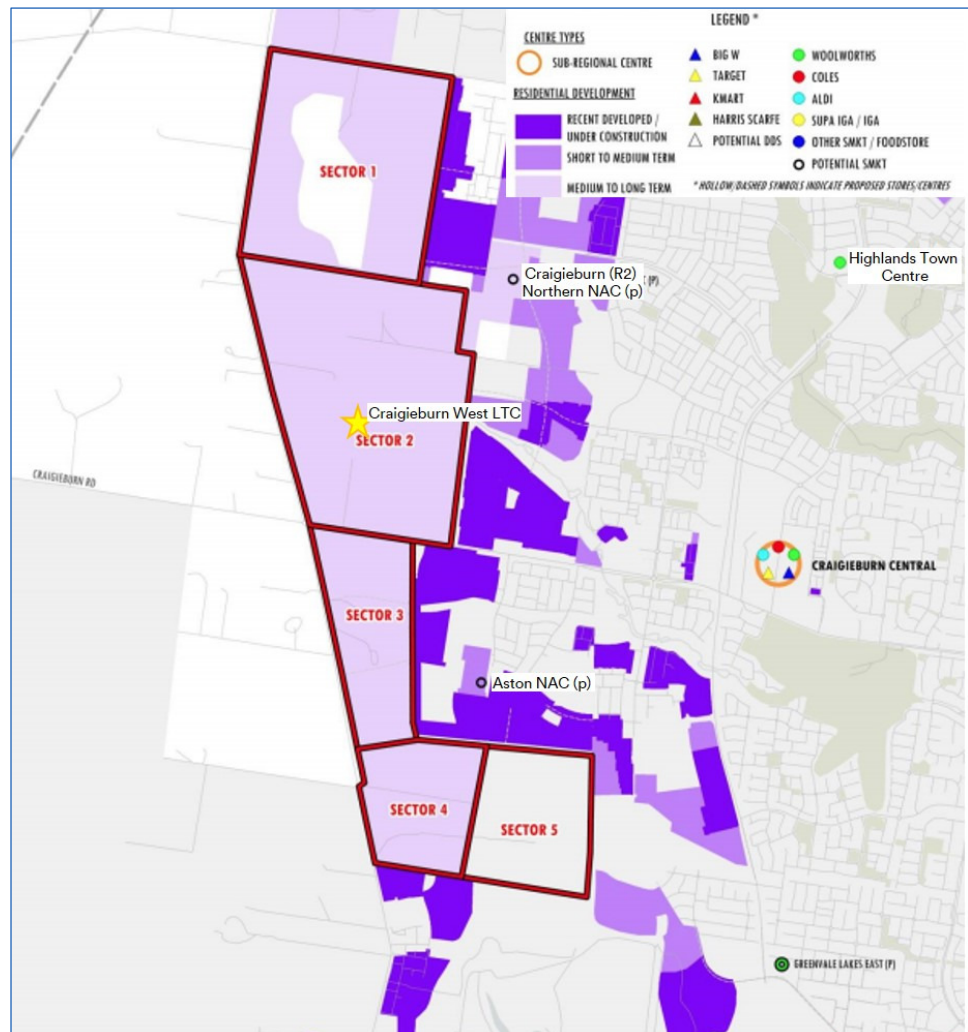
- The recommended size of the centre is in the order of 6,000-7,000 sqm, anchored by a full-line supermarket with the potential to also accommodate a mini-major and around 10-17 retail specialty stores.
- A number of non-retail uses would also be supportable.
- The land requirements for an 8,000 sqm shopping centre at the LTC site would be approximately 2.3 – 2.6 hectares, which provides allowance for a fast-food restaurant on a pad site, a tavern, a service station, internal road access and sufficient car parking space.
- Land requirements for a 6,000 sqm shopping centre would be slightly less at around 1.8 hectares.

Study area

The report assesses the study area likely to be served by the Craigieburn West LTC as covering the entire PSP area, which is then split into five sectors, as shown in Figure 3.

**Figure 3—
Craigieburn West
LTC study area and
competition**

Source: Macroplan
(report Map 2.1)



The capacity population and development timing assumptions for each sector are as follows:

- Sector 1: 5,100 (2023-2031)
- Sector 2: 9,650 (2023-2034)
- Sector 3: 2,900 (2023-2034)
- Sector 4: 2,400 (2027-2031)
- Sector 5: 2,800 (2031-2036)

It is relevant to note that the Vision for the PSP acknowledges the role of other centres in serving the needs of residents in parts of the PSP area. In particular, I note that the Craigieburn West LTC is unlikely to have any role in serving the retail needs of residents in sectors 4 and 5 which are closer to Aston within Craigieburn R2 and also have ready access to the existing Greenvale Lakes centre and the planned centre at Providence on Mickleham Road to the south.

Residents in Sector 3 are also more likely to direct their shopping to Aston and Providence, although Craigieburn West LTC may represent a secondary alternative.

Sector 1 includes a conservation area; residents to the east of this are in close proximity to the northern LTC planned within the Craigieburn R2 PSP, while residents living in the western part of Sector 1 are likely to filter south to Craigieburn West LTC.

Overall, although the total population within the defined study area is approximately 22,850 persons (and possibly as high as 25,600 according to the land budget presented in the draft PSP), the most significant population base will be those living within Sector 2, consisting of a core residential catchment of around 9,650 persons.

Competition

The report provides an overview of the existing and likely future competitive retail environment, with the centres shown above in Figure 3.

Craigieburn Central is the largest shopping destination in the region and serves the higher order retail and entertainment needs for the area, including the future population base within the Craigieburn West PSP area. Situated further afield to the north-east is Highlands Town Centre, a Woolworths-anchored neighbourhood centre located within Stockland's Highlands Estate.

Two neighbourhood centres are proposed in the Craigieburn R2 PSP area, with the northern centre planned to be up to 5,250 sqm (retail floorspace) and the southern one (now called 'Aston') planned to be 5,750 sqm. Planning applications are yet to be submitted for these centres but it is assumed these centres will be established by the time that the LTC at Craigieburn West is being developed.

Retail floorspace demand analysis

Once residential development commences in the Craigieburn West PSP area, the modelled demand for retail floorspace increases strongly. This demand would be served by existing and future retail facilities (as listed above) in the local area and beyond. The Macroplan analysis applies standard retail turnover rates by retail category to the estimated available retail expenditure. Based on this, the report forecasts total retail floorspace demand to reach over 42,660 sqm at full development in 2036.

The report sets out indicative estimates of the amount of supportable retail floorspace for a retail centre at the nominated location within the Craigieburn West PSP. The assessment considers the estimated levels of expenditure the centre is likely to capture from each sector. These estimates, reproduced from table 4.2 in the report, are set out in Table 1 below.

Table 1—Indicative supportable retail floorspace

Source: Macroplan

Table 4.2 Craigieburn West NAC - indicative supportable floorspace by category (sq.m), 2023-2036					
Year ending June	FLG	Food catering	Total food	Total non-food	Total retail
<u>% retail expenditure retained</u>					
Sector 1	40.0%	15.0%	34.5%	6.5%	23.1%
Sector 2	60.0%	22.5%	51.7%	10.1%	34.8%
Sector 3	40.0%	15.0%	34.5%	6.5%	23.1%
Sector 4	10.0%	3.5%	8.6%	1.5%	5.7%
Sector 5	10.0%	3.5%	8.6%	1.5%	5.7%
Study area	42.1%	15.8%	36.3%	6.9%	24.4%
2023	633	91	720	140	860
2024	1,057	153	1,210	230	1,440
2025	1,481	215	1,700	320	2,020
2026	1,906	278	2,180	410	2,590
2027	2,399	350	2,750	520	3,270
2028	2,961	434	3,390	630	4,020
2029	3,524	517	4,040	750	4,790
2030	4,088	602	4,690	870	5,560
2031	4,654	687	5,340	990	6,330
2032	5,114	756	5,870	1,080	6,950
2033	5,469	811	6,280	1,160	7,440
2034	5,824	866	6,691	1,231	7,921
2035	6,180	922	7,102	1,303	8,406
2036	6,537	978	7,515	1,376	8,891

The role of the Craigieburn West LTC is to serve the convenience retail needs of the surrounding local residents, with a full-line supermarket as the anchor tenant. As such, the development of the centre is likely to be primarily driven by the retention of spending on Food, Liquor and Groceries (FLG).

The report indicates that by 2029, a neighbourhood centre will be supportable at the LTC site, with the amount of FLG floorspace demand forecast to be around 3,500 sqm, with total retail floorspace demand in the order of 4,800 sqm.

I note that the analysis assumes significant capture rates for future residents living in Sectors 1, 2 and 3 in particular, with FLG retention rates of 40-60% within these sectors. However, as I have noted above, residents in Sectors 1 and 3, will have relatively convenient access to the planned neighbourhood centres in the Craigieburn R2 PSP area.

Furthermore, the study area defined by Macroplan extends south of Craigieburn Road and to the southern boundary of the PSP area, more than 3km from the proposed LTC site. In my opinion there is little likelihood that residents within sectors 4 and 5 will direct any significant share of their FLG grocery spending to the Craigieburn West LTC, particularly given its 'outbound' location.

Given the above considerations, my opinion is that the study area defined in the report for the Craigieburn West LTC is somewhat too extensive to the south and Sectors 4 and 5 should not be incorporated into the study area demand analysis. Rather, a proportion of demand sourced from 'beyond' the study area should be incorporated into the analysis. In addition, lower capture rates should be used to assess potential spending retained from sectors 1, 2 and 3. The resulting basis for my alternative analysis is as follows:

- Sector 1: 25%
- Sector 2: 50%
- Sector 3: 15%
- Beyond: 10% additional sales

If these assumptions were incorporated into the assessment, holding other aspects constant, the alternative modelled supportable FLG floorspace would be as set out in Table 2.

This shows that a full-line supermarket at Craigieburn West LTC would be supportable slightly later at around 2032, when about 3,500 sqm of FLG floorspace is considered supportable. Importantly, the alternative analysis still supports a full-line supermarket at the LTC site.

**Table 2—
Alternative
indicative
supportable FLG
floorspace**

Source: Deep End
Services; Macroplan

Year ending June	FLG (sqm)					Total
	Section 1	Sector 2	Sector 3	Study area	Beyond	
% FLG expenditure retained	25.0%	50.0%	15.0%	-	10.0%	-
2023	95	214	71	380	42	422
2024	149	344	117	609	68	677
2025	203	474	169	846	94	940
2026	262	612	216	1,091	121	1,212
2027	345	798	246	1,388	154	1,543
2028	452	1,030	252	1,734	193	1,927
2029	559	1,283	261	2,102	234	2,336
2030	656	1,514	267	2,437	271	2,708
2031	761	1,759	273	2,793	310	3,103
2032	815	1,998	279	3,092	344	3,436
2033	817	2,241	279	3,336	371	3,707
2034	818	2,491	279	3,588	399	3,987
2035	819	2,731	279	3,829	425	4,255
2036	821	2,979	278	4,078	453	4,531

Retail mix

A major supermarket anchor generates significant visitation year-round, and this provides the basis for patronage at a range of specialty retailers, along with people visiting other destination attractors such as schools, medical facilities, childcare, etc.

These supporting specialty tenants will generally be focussed on convenience-type shopping, including segments such as food catering, general retail (i.e., pharmacy, newsagent) and retail services.

Neighbourhood centres also typically incorporate a small number of non-retail shop front tenants (such as banks, real estate agents, financial advisors, etc). Other uses such as gyms, medical centres, service stations and drive through fast food outlets are also commonly integrated into neighbourhood centres, although many of the highway uses are likely to be focussed on Craigieburn Road, and the proposed mixed-use precinct to the north represents a sensible location for personal and community service uses such as medical, childcare and gym.

The Macroplan report considers all of these elements and, based on their retail floorspace analysis, concludes that the Craigieburn West LTC could support 8,000-9,000 sqm of retail floorspace once the PSP area reaches capacity. Indicative size and staging set out in the report is summarised in Table 3.

Although the broad range of uses and distribution at capacity is sensible, it is difficult to see how the establishment of the centre could be implemented across two

stages. It would be impractical for the supermarket to be expanded by just 400 sqm as part of a Stage 2 expansion, for example.

The likelihood is that development of the core retail elements (supermarket, specialty food and an initial range of community uses) would be undertaken as a single stage, with uses on different sites (eg tavern, service station, fast food) potentially added once traffic volumes increase.

It is also relevant to consider the uses that would be candidates for the designated mixed-use precinct to the north of the centre. Given the types of uses that will be attracted to the centre, as indicated in Table 3, and the likely development format of non-residential uses underneath medium density housing, the preferred uses to be accommodated within the mixed-use precinct comprise medical, gym, and childcare, supported by a limited food & drink offer.

The implication is that a more limited range of uses would need to be accommodated on the LTC site itself.

Table 3—Indicative size and staging

Source: Macroplan

Category	Stage 1 GLA (sqm)	Stage 2 GLA (sqm)	Total
Supermarket	3,200	400	3,600
Mini-major		500	500
Retail specialties	1,150	600	1,750
Non-retail specialties	100	250	350
Total retail	4,450	1,750	6,200
Gym	200	-	200
Medical/allied health	350	100	450
Fast food (pad site)	-	350	350
Tavern	-	500	500
Service station	-	400	400
Total centre	5,000	3,100	8,100

Land area requirements

Macroplan analysis

For an 8,000 sqm neighbourhood centre incorporating the mix and scale of uses as set out in Table 3, the Macroplan report concludes that around 2.3 – 2.6 hectares of land is required, with approximate land requirements as follows:

- 6,500 sqm main centre (ground floor GLA)
- 2,300 sqm circulation and loading dock
- 9,500 sqm providing 320 car spaces and internal road
- 2,500 sqm fast food pad site including carparking
- 2,000 sqm service station including carparking
- 2,500 sqm tavern including carparking; and
- 500 sqm public square

These estimates appear reasonable, noting that they represent an overall site coverage of 31-35%. The typical 'rule-of-thumb' in the absence of individual

calculations is that a site coverage of around 35-40% is reasonable, which would lead to a gross land requirement of 2.0-2.3 ha.

The draft PSP plans for a slightly smaller centre of 6,000 sqm and the Macroplan report states that a centre of this size would require around 1.8 hectares of land. The report further states that if a childcare centre was to be included within the LTC area, a further 1,300-2,000 sqm should be provided, resulting in a requirement for up to 2 hectares of land. However, I note that the childcare centre is a use that could be situated within the mixed-use precinct.

Case studies

Many new neighbourhood activity centres have been developed over the last decade as Melbourne continues to expand. These centres, largely in Melbourne's western, northern and south-eastern growth corridors, have been developed as part of the PSP process for the delivery of new master-planned communities in these greenfield areas.

Table 4 provides a summary of the size and approximate land area for some examples of new neighbourhood activity centres in Melbourne's growth corridors.

**Table 4—
Neighbourhood
centres in growth
corridors**

Source: Deep End
Services; Property
Council of Australia

Neighbourhood Centre	Year opened	Supermarket	Supermarket (sqm)	Total centre (sqm)	Approx. land area (ha)
Epping North	2011	Woolworths	3,200	5,390	1.7
Mernda Junction	2019	Coles	4,000	7,000	1.5
Mernda Village	2012	Woolworths	3,300	5,000	1.3
Springhill	2012	Coles	4,000	8,990	2.4
Shopping on Clyde	2015	Coles	3,200	10,390	2.7
Selandra Rise	2015	Woolworths	3,200	5,910	2.3
Tarneit Gardens	2013	Woolworths	4,200	6,427	2.7

The average size of the seven select neighbourhood centre is around 7,000 sqm, in line with what is planned for the Craigieburn West LTC within the PSP.

The average land area for the select centres is 2.1 hectares, ranging from approximately 1.3 hectares at Mernda Junction to 2.7 hectares at Tarneit Gardens. All of these centres incorporate an extensive on-grade carpark and an enclosed shopping centre.

Most land area measurements (based on nearmap imagery) include vacant land parcels within the estimated shopping centre area, providing the ability for future development stages, with exceptions to note as follows:

- Mernda Junction: the 0.6 hectare vacant land parcel adjoining the shopping centre, on the opposite side of Sissinghurst Parade has been excluded.
- Tarneit Gardens: vacant land to the east of the existing carpark is excluded, providing another 0.6 hectares. However vacant land to the west fronting Tarneit

Road and south of the enclosed shopping centre is included in the shopping centre site area.

All of the selected centres are anchored by a full-line supermarket and include between 9 and 20 specialty tenancies. Non-retail uses such as medical centres and allied health are often incorporated within the specialty tenancy mix. Some centres include pad site tenancies, and these tenancies range from childcare, gyms, fast-food outlets, service stations and large format pharmacies (Chemist Warehouse).

Overall, the neighbourhood centre examples provide a typical mix of uses and size range (i.e., a full-line supermarket and supporting specialties, other non-retail uses within the centre or on pad sites) for new centres designed to serve the everyday convenience needs of their local resident base.

The proposed elements for Craigieburn West LTC as set out in Table 3 is more-or-less in line with what is typically provided at supermarket-based centres. With the land requirements generally around 2.1 hectares for the select centre examples and based on what is proposed for Craigieburn West LTC, we believe the centre could comfortably be accommodated in a smaller land area, which would be consistent with the Macroplan analysis.

Furthermore, some of the non-retail uses such as medical centre and gym, could be accommodated in an upper level tenancies or even within the mixed-use precinct, which would contribute to a smaller building footprint and land area.

Mixed use land north of the Craigieburn LTC

As indicated above, neighbourhood shopping centres often comprise pad site tenancies that can accommodate a range of uses, both retail and non-retail. However, some of these types of uses are also accommodated in mixed-use commercial precincts surrounding the shopping centre.

Figure 4, Figure 5 and Figure 6, below show examples of new neighbourhood centres in growth areas that have a combination of pad site uses within the shopping centre precinct as well as other non-retail uses situated in surrounding commercial precincts.

As indicated in comments provided above, candidate uses for the planned mixed-use precinct north of the Craigieburn West LTC could include medical, childcare, gyms and food and drink outlets.

Figure 4—Springhill Shopping Centre

Source: Deep End Services; Nearmap (image November 20)

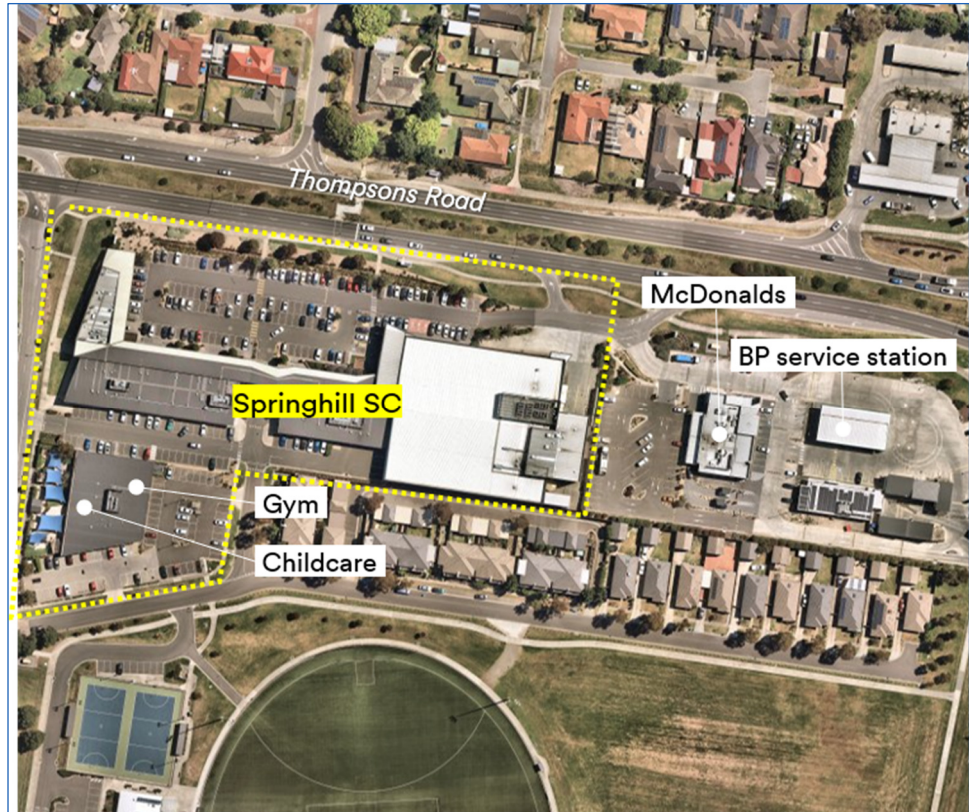


Figure 5—Selandra Rise Shopping Centre

Source: Deep End Services; Nearmap (image November 2020)

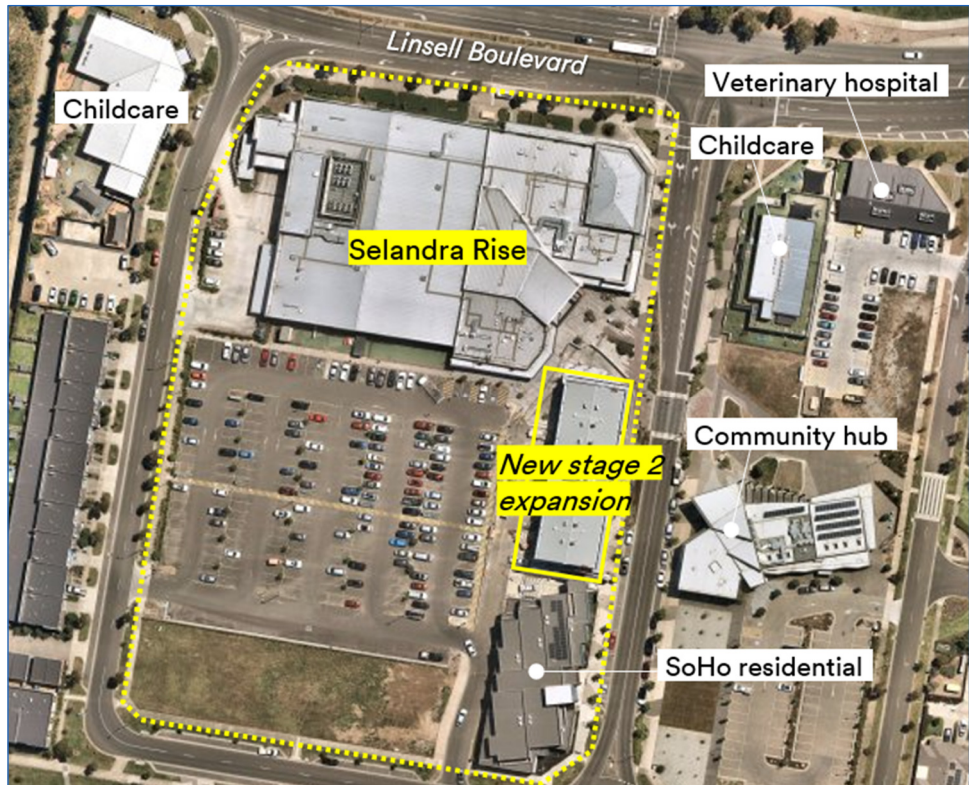
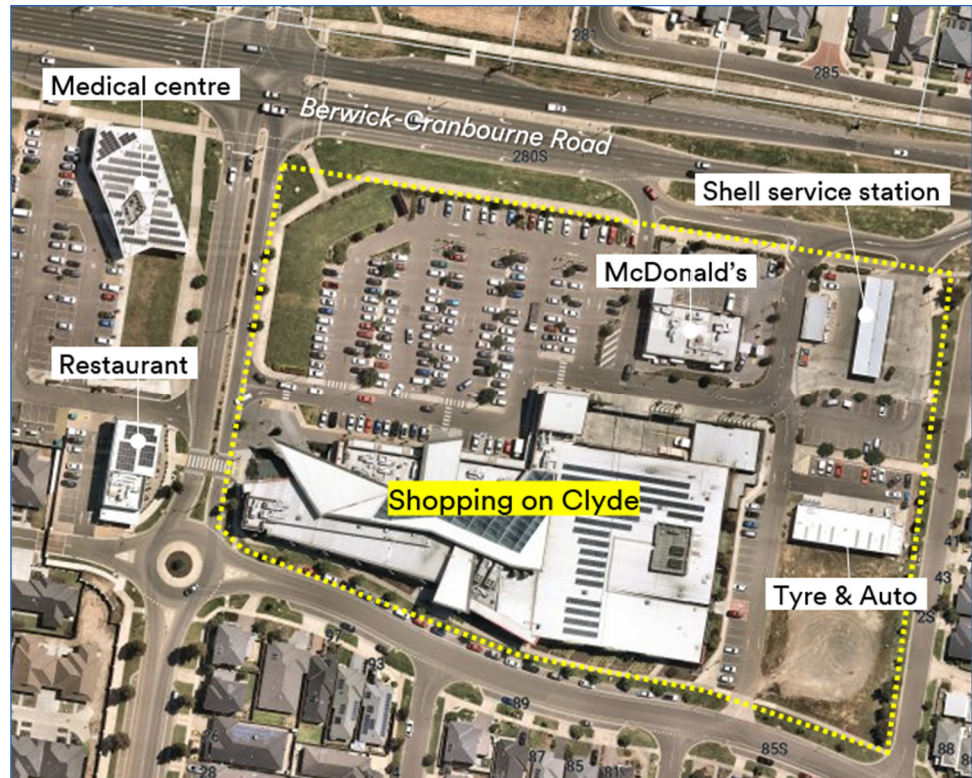


Figure 6—Shopping on Clyde

Source: Deep End Services; Nearmap (image November 2020)



Conclusion

The Craigieburn West PSP area will eventually be home to a significant residential population base, in the order of some 22,850 to 25,600 people at full development, according to modelled projections by Macroplan and alternative calculations provide by me based on the land use budget.

The PSP anticipates the development of a local town centre incorporating 6,000 sqm of retail floorspace and 1,000 sqm of non-retail commercial floorspace. Analysis by Macroplan suggests a slightly larger centre of around 8,000 sqm could be developed, with the centre serving the entire PSP area.

Given the proposed location of the LTC and the presence of other competing centres nearby (existing and planned) we believe the centre will serve a slightly smaller catchment, with slightly lower market shares than anticipated by Macroplan. Nevertheless, a medium-sized neighbourhood centre is likely to be supportable at the Craigieburn West LTC site.

Requirement R36 of the draft PSP specifies that the retail core (LTC site) must provide an area of 3 net developable hectares. Our review of other new neighbourhood centres in growth area corridors indicates a smaller land area, in the order of approximately 2.1-2.5 hectares, would be sufficient to accommodate the proposed elements of the Craigieburn West LTC. Furthermore, there is an opportunity to develop some of the proposed non-retail elements in the adjoining

mixed-use precinct and this will further reduce the need for a land requirement in the order of 3 hectares.

In these circumstances it is inappropriate to incorporate this requirement into the PSP. Instead, the planning controls should rely on other aspects of the PSP to guide delivery of the LTC, including the anticipated role of the centre (refer Table 6 of draft PSP), other performance requirements and guidelines, and the further design principles set out in Appendix 4.3 of the draft PSP.

I trust that this provides appropriate advice at this stage but would be happy to expand on these matters if required.

Should you wish to discuss my advice further, please contact me on 0447 711 112.

Kind regards

A handwritten signature in black ink, appearing to read 'M Lee', with a stylized, cursive script.

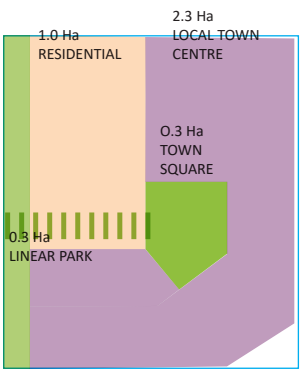
Matthew Lee
Principal



Legend

- SITE BOUNDARY
- WETLANDS AND DRAINAGE CORRIDOR PASSIVE RECREATION
- MIXED USE DEVELOPMENT
- MEDIUM DENSITY/ SMALL HOUSING LOTS
- POTENTIAL HIGHER DENSITY HOUSING
- LOCAL TOWN CENTRE (UP TO 4 STOREYS) RETAIL/ COMMERCIAL/ TAVERN/ CAR PARKING
- PROPOSED GOVERNMENT SCHOOL PER PSP
- LOCAL PARK / LINEAR PARK PER PSP
- LANDSCAPE BUFFERS & TOWN SQUARE
- CYCLE / PEDESTRIAN SHARED PATHS AND LINKAGES
- KEY DEVELOPMENT ENTRY POINT
- POTENTIAL BUS STOP LOCATIONS
- CRAIGIEBURN ROAD WIDENING

LOCAL TOWN CENTRE AREA BREAKDOWN



700 Craigieburn Road, Mickleham

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