Hi planning.implementation@delwp.vic.gov.au

There has been a submission on Planning for Melbourne’s Industrial and Commercial Land through Engage Victoria.

A copy of the submission is provided as below:

**Planning principles and strategies for employment land.**

The draft Melbourne industrial and commercial land use plan includes principles and strategies to guide planning for industrial and commercial land. (page 32).

Do you think the principles and strategies provide enough clarity and guidance to assist planning for industrial and commercial land?

No

If no, please let us know why and how they could be improved.

Please refer to attached submission.
Criteria to identify regionally-significant industrial precincts.

Plan Melbourne identifies state-significant industrial precincts. The draft Melbourne industrial and commercial land use plan identifies regionally-significant industrial precincts and includes criteria used as the basis to identify these locations (page 34).

Do you support the criteria developed to identify regionally-significant industrial precincts?

No

If no, please let us know why and how they could be improved.

Please refer to attached submission.

Purpose for regionally-significant industrial precincts and local industrial precincts.

Plan Melbourne outlines a purpose for state-significant industrial precincts. The draft Melbourne industrial and commercial land use plan identifies a purpose for regionally-significant industrial precincts and local industrial precincts (page 35).

Do you support the purpose developed for regionally-significant industrial precincts and local industrial precincts?

No
If no, please let us know why and how they could be improved.
Please refer to attached submission.

Developing local industrial land use strategies.

Appendix 2 of the draft Melbourne industrial and commercial land use plan proposes guidance for developing local industrial land use strategies.

Do you have any comments or suggestions to improve the guidance for developing local industrial land use strategies?
Please refer to attached submission.

Key industrial and commercial areas.

The draft Melbourne industrial and commercial land use plan identifies and describes key industrial and commercial areas for each of the six metropolitan regions (refer to Part B of the plan).

Have the key industrial and commercial areas been adequately identified and described across the regions?
No

If no, please let us know which other area we should identify or how the areas can be better described.
Please refer to attached submission.
Would you like to comment on any other aspects of the plan?
Please refer to attached submission.

If you would like to upload a submission, please do so here.

I am making this submission:
on behalf of a land owner

Email address (Optional)

I agree to receive emails about my submission if required or project updates.
Yes

Privacy Statement - Draft Melbourne Industrial and Commercial Land Use Plan

What we will do with your submission
The Department of Environment, Land, Water and Planning (DELWP) is committed to protecting personal information provided by you in accordance with the principles of the Victorian privacy laws. The submission you provide to DELWP will be used to inform the finalisation of the Melbourne Industrial and Commercial Land Use Plan.
The information you provide will be made available to DELWP to develop a consultation report. This report will be uploaded to the Melbourne Industrial and Commercial Land Use Plan page on the DELWP website.

The contact information you provide may be used to contact you should we need to clarify your submission or to provide you with project updates.

The submission you provide will be published on the DELWP website. To protect individual privacy, DELWP will remove your name and address from your submission when we receive it.

If you do not wish to be identified, please ensure there is no other information in your submission that could identify you or other individuals.

If you are making comment as an organisation, then your comments may be published, including the name of your organisation.

De-identified submissions may be used by DELWP, or its contracted service providers under confidentiality agreements, in preparing its recommendations to government.

Please note, if you do not provide your name/email address we will not be able to identify your submission if you wish to access it, make a correction, or require technical support.

Should you need to correct the information you provided or gain access to your submission, please contact us via email at planning.implementation@delwp.vic.gov.au

I agree to the privacy statement
yes

To view all of the form's submissions, visit:


Regards,
The Engage Victoria Team
Dear Sir/Madam,

Sinoway Pty Ltd & M & J Investment Co. Pty Ltd Submission to the Draft Melbourne Industrial and Commercial Land Use Plan (DRAFT)

Ethos Urban acts on behalf of Sinoway Pty. Ltd and M & J Investment Co. Pty Ltd, the owner of Valley Street, Oakleigh South (the subject land), and has been engaged to prepare a submission in response to the Draft Melbourne Industrial and Commercial Land Use Plan (MICLUP).

The subject land is located within an area designated as Local Industrial Land in the Draft MICLUP. Sinoway P/L are broadly supportive of the subject land not being recognised as being of either State, or Regional Significance through this plan, acknowledging that the subject site and the surrounding precinct in which it sits do not substantively contribute to the Monash National Employment and Innovation Cluster (NEIC) as designated under Plan Melbourne.

It is submitted that the subject land, and the broader Oakleigh South Industrial Precinct have been correctly identified as Local Industrial Land in the Draft MICLUP. Economic analysis previously undertaken on this precinct, and summarised in this submission has found that the precinct is generally uncompetitive with nearby industrial land due to poor access, direct residential interface and older industrial buildings and warehouses that are not suited to the requirements of modern industries. Further, this submission details that the precinct is well suited for renewal, driven through planning scheme changes to allow for a broader range of employment uses, as well as medium and high-density residential development.

The Subject Land

Valley St & Valley St, Oakleigh South are described as respectively. The land is approximately 3.5 ha in area and zoned Industrial 1 Zone (IN1Z). Aside from its significant vacancies, it is currently used for warehousing and commercial offices. The land has four road frontages, being Coora Road to the west, Valley Street to the south, Foran Grove to the east, and Natalia Avenue to the north.

Valley Street is ‘L’ shaped, extending for the entirety of the Valley Street and Foran Grove frontages within the block, with a number of smaller parcels located to the north/west fronting Coora Road and Natalia Avenue. The land is surrounded by Industrial 1 Zone, with General Residential Zone 2 (GRZ2) located on the opposite side of Valley Street. (See Figure 1 for Sinoway and M&J site locations).
Figure 1: Oakleigh South Industrial Precinct – Locational Context (Produced by Essential Economics using MapInfo and BingMaps)
Draft Melbourne Industrial and Commercial Land Use Plan (MICLUP)

The Draft MICLUP designates the subject land, and the surrounding industrial land as Local Industrial Land. It is noted that the majority of industrial zoned land located within the Monash NEIC is designated as Regional Significant Industrial Land, with peripheral areas generally identified as being lower order.

The Draft MICLUP notes that for Local Industrial Land “Councils are best placed to determine how these industrial areas are to be planned for. This could include identifying when industrial land should be retained, when it could transition to other employment generating uses, or if it is no longer required, when it could transition to other uses”.

It is noted that, supporting the recent preparation of the Huntingdale Structure Plan, the City of Monash commissioned background reports that were prepared by PWC, which indicate the potential benefits from urban renewal and regeneration in the form of mixed and residential development within this precinct.

It is submitted that the subject land, and the broader precinct within which it sits has been correctly identified as being Local Industrial Land. Further, in the longer term the precinct is well suited to accommodating a broader range of land uses through urban renewal, resulting in improved amenity outcomes for the precinct and the surrounding area. This includes the potential for the redevelopment of sites within the precinct to accommodate residential land uses and higher order employment uses that better respond to the local planning conditions of the precinct. Such an approach will better align with State Planning Policy, including the objectives of Plan Melbourne to create 20 minute neighbourhoods.

Economic Assessment

Essential Economics (now Ethos Urban) undertook an economics assessment of the subject site, and the surrounding precinct in November, 2016 for Sinoway Pty Ltd and M&J Investment Co Pty Ltd, both major land owners in the Oakleigh South Industrial Precinct (refer Figure 1). The findings of this assessment are summarised below.

Oakleigh South Industrial Precinct – Industrial Land and Economic Analysis (2016)

In 2016, Essential Economics prepared a report titled “Oakleigh South Industrial Precinct – Industrial Land and Economic Analysis” which provided an analysis of industrial land supply and demand in the Oakleigh South Industrial Precinct with respect to identifying the possibility of alternative uses for the clients’ land, and the broader precinct in general. The Oakleigh South Precinct, as defined in the report, is shown in Figure 1 and is referred to as Activity Area 7 in the draft Precinct Plan.

The report was prepared as a response to the changing nature of the industrial market – including the decline of manufacturing industry, changes in land requirements for industrial tenants, and the particular constraints within this particular industrial precinct. All of these factors are contributing to a difficulty in attracting industrial tenants to the subject site and the wider precinct in which it is located.

The main conclusions derived from the report are:

- **Precinct constraints**: From an industrial business operating perspective, the Oakleigh South Industrial Precinct contains a number of constraints that impact on the ability to attract and retain industrial businesses. The constraints include:
  - Conflicting land uses adjoining the precinct, namely residential
  - Difficulty in accessing major transport routes, particularly for large trucks
  - Poor amenity, which limits the market appeal of the precinct and the ability to attract modern industry
  - Poor state of building stock, which will require significant investment if properties are to become attractive for new businesses.

- **Industrial building vacancies**: The above-mentioned constraints contribute to a lack of demand for industrial properties. This was reflected in vacant floorspace of at least 18,000m² in the Oakleigh South/Huntingdale region, based on analysis of industrial leases advertised on www.realcommercial.com.au in November 2016. This included approximately 13,850m² of vacant floorspace in the Oakleigh South Industrial Precinct.
It is noted that other landowners in the precinct have tried to invest in new building stock (e.g.), however the new buildings have sat vacant and unsold for the period of over a year. The owner still holds a planning permit for more new buildings, however have abandoned the plans due to the lack of demand for new industrial buildings in this precinct.

- **Limited demand for traditional industry** in the future: This is likely for the following reasons:
  
  - Traditional manufacturing has been in decline for some time. In the City of Monash, the manufacturing sector experienced a decline of 1,920 jobs between 2009/10 and 2014/15.
  
  - Demand for small to medium-sized industrial units is occurring in Melbourne’s south-east from businesses associated eCommerce and hi-tech manufacturing. However, these businesses seek locations with a level of amenity that is not provided in Oakleigh South.
  
  - Other opportunities exist in nearby greenfield industrial estates. These locations provide new businesses with the opportunity to construct purpose-built facilities in dedicated industrial areas that have high levels of access to major freeways, and higher levels of amenity than that offered in Oakleigh South and without constraints associated with operating adjacent to residential areas.

Having regard for the above, the analysis concluded that it will be difficult to attract the level of new businesses and investment required to reinvigorate the precinct should the Industrial 1 Zone remain. Consequently, it would be prudent to consider future alternative uses for the precinct.

Many of the key findings outlined above remain relevant today. Many of the businesses operating in the area are there due to the affordable nature of the land, with limited examples of new investment having occurred in recent years. Therefore, the viability of larger landholdings in the Oakleigh South Industrial Precinct being redeveloped for industrial purposes remains in question.

The limited viability for the redevelopment of well-established industrial areas coupled with the requirements of modern industry which no longer reflect the industrial offering of areas such as Oakleigh South, and the availability of affordable greenfield land on the fringes of metropolitan Melbourne, is illustrated in industrial land consumption rates. For instance, between 2017 and 2018 57.5ha of industrial land was consumed (or developed) in Greater Dandenong (DEWLP, Urban Development Program, 2018). This compares to -1.4ha in the City of Monash, whereby the amount of occupied industrial and actually declined.

**Future Employment Opportunities**

For the Oakleigh South Industrial Precinct, Huntingdale Road provides a level of exposure to passing traffic that may be sufficient to attract a variety of employment generating uses on sites with direct access, potentially including:

- Restricted Retail
- Limited convenience retail
- Food and beverage (café, restaurant, takeaway food, bar/brewery, etc)
- Recreation, such as a gymnasium or fitness centre
- Childcare
- Medical Centre

The opportunity for convenience retailing and other associated businesses along Huntingdale Road will depend on the eventual residential population within the precinct. Valley Street, including the subject site, offers limited opportunities for the above uses. For land in the precinct that does not have frontage to Huntingdale Road, the lack of exposure to passing traffic and limited accessibility is likely to limit opportunities for alternative employment uses.

However, demand for residential uses exists in the area, as evidenced by a number of townhouse developments that have occurred along Valley Street to the south of the precinct. The subject site, and the broader precinct could accommodate a range of medium and high-density housing. Residential development will support a higher level of local level retail within the precinct, improving local amenity and increasing the likelihood of higher order employment uses being attracted to this location. The Huntingdale Activity Centre will continue to be the most convenient activity centre for future residents, and any residential development within the precinct will support the viability and expansion of commercial businesses in the centre.
Opportunities for specialised residential uses, such as aged care or retirement village living, may also exist. Each of these uses, especially aged care, generate local employment opportunities and an increasing demand for such development exists due to the ageing population. Often, finding suitable sites in appropriate locations can be difficult given site requirements for aged care and retirement village sectors. The Oakleigh South precinct, including the subject site, could therefore provide an opportunity for this type of development. As an example of the potential employment outcomes, a 120-bed aged care facility supports approximately 130 jobs. This type of employment aligns with the significant growth in the local labour force employed in health-related industries.

Similar to other areas throughout metropolitan Melbourne, housing affordability is a significant issue. The median house prices for the year ending June 2019 (source: PriceFinder) for Oakleigh South and surrounding suburbs are shown below:

- Oakleigh South: $890,000
- Huntingdale: $876,000
- Clarinda: $794,000
- Oakleigh: $1.1 million
- Bentleigh East: $1.1 million.

The Oakleigh South precinct, through the development of high-density housing (including apartments) presents a rare infill opportunity to provide affordable housing in close proximity to a train station, services provided in the Huntingdale Activity Centre and the employment and tertiary education opportunities in the broader region.

Access and 20 Minute Neighbourhoods

As noted in the above discussion on the economic analysis of the site, the Oakleigh South Industrial Precinct, to the south of the rail line is characterised by poor vehicular access to major transport routes, which limits its ability to attract and retain industrial and commercial uses. Plan Melbourne 2017–2050 is guided by the principle of ‘living locally — 20-minute neighbourhoods’, in which residents of an area have the ability to meet most of their daily needs within a 20-minute walk from home, with safe cycling and local transport options.

The subject land is strategically located within 800 metres (approximately 10 minutes’ walk) of the Huntingdale Railway Station, which opens up public transport access to a number of larger activity centres (such as Dandenong, Oakleigh and Springvale) as well as convenient access to the Melbourne CBD. This meets an important element of Plan Melbourne’s objective for 20-minute neighbourhoods. The 704 bus also stops at both the Coora Road and Valley Street frontages of the site, providing further public transport options.

Additionally, the subject land is located within 1.3km (approximately 15 minutes’ walk) of the Clayton Railway Station. This submission notes that Clayton is included in the first stage of the Suburban Rail Loop, and is identified as a potential interchange station to link the Pakenham and Cranbourne lines. This new role as an interchange will raise the usership and efficiency of the public transport in the surrounding area, and will raise the profile and viability of the Clayton in providing an increased employment role with higher order retail and commercial facilities in line with its designation as a Sub-Regional Activity Centre.

The renewal of the Oakleigh South Industrial Precinct and increased residential density of strategic urban renewal sites in this precinct, in particular the southern extent such as the subject land, is critical in achieving the principles of the 20-minute neighbourhood surrounding the new Suburban Rail Loop interchange at Clayton, and ensuring this centre fulfils its role as a Sub-Regional Activity Centre.
The principles of the 20-Minute Neighbourhood and the good existing connection of the subject land to public transport promotes its suitability to accommodate residential growth in the area.

Thank you for the opportunity to make this submission to the Draft MICLUP. If you have any further queries in relation to this submission, please contact the undersigned.

Director - Planning