Research Matters

ISSUE 78 JUNE 2017

Welcome to Issue 78 of *Research Matters*, the Department of Environment, Land, Water & Planning's quarterly planning research bulletin, featuring DELWP research and analysis, news about recently released data, and research from other sources. If you have any questions or comments, you can contact us at:

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In this issue we present research and analysis from the Land Use and Population Research team.

With the release of 2016 Census data, Research Matters will be presenting a series of articles in the coming editions. To start the series, we look at one of our Census analysis favourites: how the demographic centres of Victoria and Melbourne are moving along with the shift of our population distribution.

The second article looks at the proliferation of co-working spaces in recent years and the many different forms they take from the informal – cafes and libraries – to the formal – business incubators.

The final article in this edition announces the release online of the Housing Development Data Local Government Summary Reports, showing trends in development and dwelling types over ten years.

ISSN 1448-6881

The 2016 Census is here: the changing demographic centre

What is the 'demographic centre'?

The demographic centre is a measure of the distribution of population. It is calculated as the population weighted mean of latitudes and longitudes across the city. In simpler terms – the point at which as many people live to the north as to the south, and as many to the east as to the west.

Where is it now and how has it moved over time?

The demographic centre of **Victoria** is located in the Melbourne suburb of Coburg North, about 10km due north of the Melbourne GPO (see Figure 1). This spot has been moving steadily south in recent years, reflecting the increasing concentration of Victoria's population in Melbourne, in the central southern part of the state.

The demographic centre of **Melbourne** is located in the suburb of Glen Iris, about 9km south-east of the GPO (see Figure 2). This position reflects the city's historical skew to the south and east. However the demographic centre of Melbourne is now shifting steadily west: by about 100 metres per year over the last decade. This is due to both the strong growth in fringe areas to the west and north-west of the city, but also strong growth in the regenerating inner core of the city.

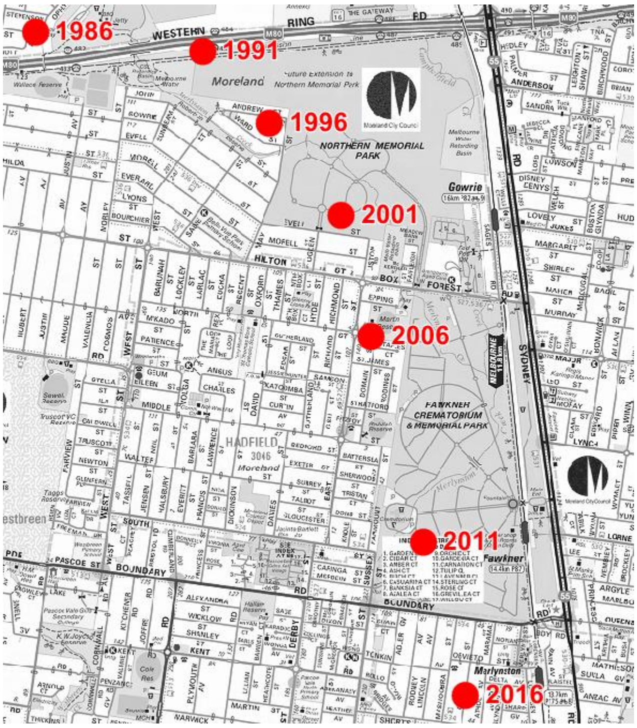

Figure 1: Demographic centre of Victoria, 1986-2016
Source: ABS/DELWP

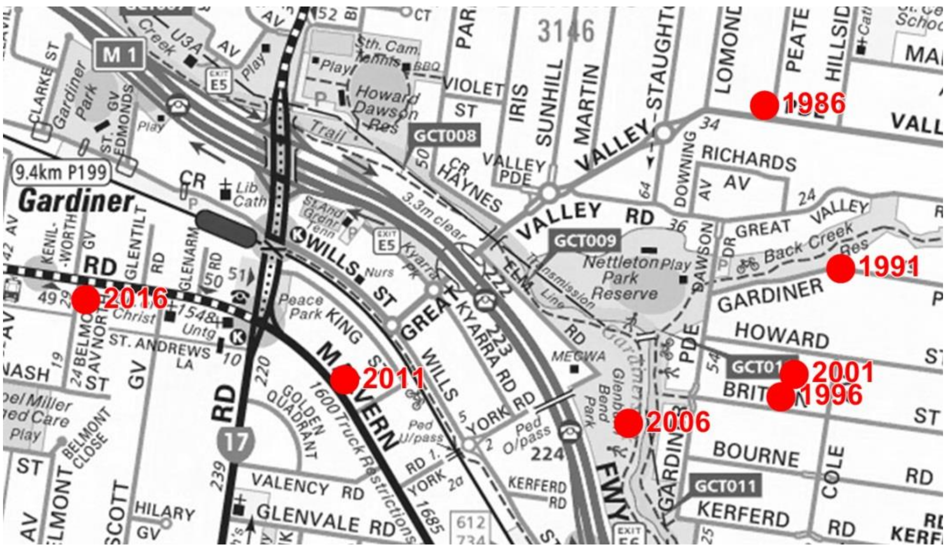

Figure 2: Demographic centre of Melbourne, 1986-2016
Source: ABS/DELWP

It's complicated: a conceptual framework to understand the different types of co-working spaces

Co-working space is a working arrangement where a variety of businesses, which range from individual freelancers to larger businesses, co-locate to share a workspace and facilities. Real estate deals centred on co-working spaces are starting to appear in the media and entering the discussion about how some business meet their space requirements. However, there are a range of different types of co-working spaces that offer businesses a range of space types and facilities. In a word: it's complicated.

This article is an initial exploration of the types of co-working spaces that are occurring in Melbourne and placing them within a conceptual framework.

Figure 1 is a broad description of where different types of co-working spaces sit in terms of relative cost (*x* axis) and the level of support and facilities (*y* axis) provided. The size of the ovals does not indicate the size of the market for each type, rather an indication of the range of costs and services/facilities offered.

Informal Co-working Spaces are places that have been established for a specific purpose (such as a library or food service) and are being adapted by some businesses as co-working spaces.

Local libraries across Melbourne are being used as an informal co-working space by a number of businesses. This is an attractive space for some freelancers and people working outside of the home or office as it is free and often provides Wi-Fi although there are few other facilities. Opportunities to collaborate face to face are more limited as this activity has the potential to disturb other users.

Cafés are also used as informal co-working space. As meeting places, cafés have a long history of being used for a range of uses and not just places for the service of food or coffee. They provide low cost space and an opportunity for face to face collaboration. In a formalisation of this arrangement, TwoSpace provides a platform for restaurants, that are closed during the day, to open their premises as co-working spaces during the day with access to desk space (converted from tables), Wi-Fi as well as access to nearby meeting rooms.

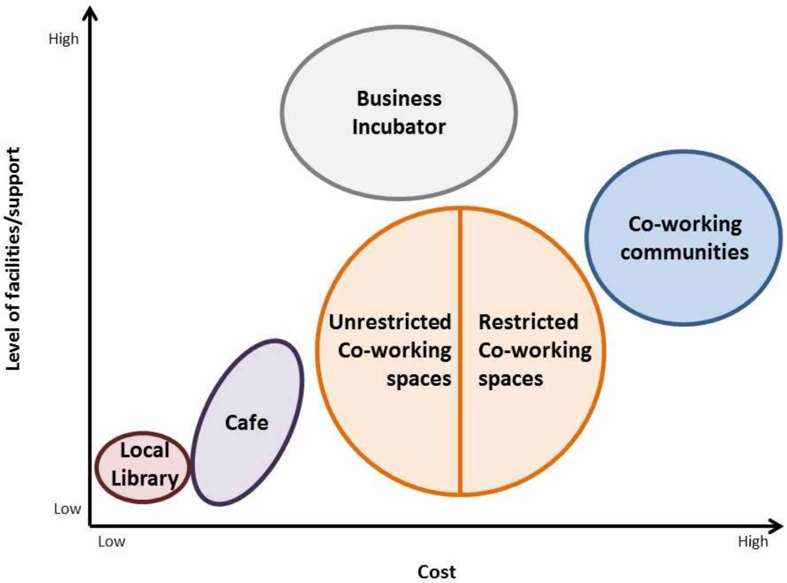

Figure 1: Conceptual framework of the type of co-working spaces
Source: DELWP

Formal Co-working Spaces are places where the sole intention is to provide workspaces specifically as co-working spaces.

Unrestricted co-working spaces are places that will rent work space to any user. These can be located in older commercial space, converted industrial space as well as new spaces. Depending on the cost, these spaces can provide a range of services beyond desk space and web access and may include meeting rooms, break out areas, individual offices, high speed communications access, social activities and some provide an unlimited supply of biscuits.

Restricted co-working spaces are similar to unrestricted co-working spaces. However, they differ as they select tenants based on particular professions, such as barristers for barristers' chambers, or industries, such as ACMI X which is reserved solely for businesses working with the moving image.

Co-working communities are a relatively recent development. These spaces are provided by specialist landlords, such as WeWork, that lease space from a building owner, design the space and provide services similar to the level provided by high-end unrestricted co-working spaces. The WeWork workspaces are aimed at a number of different users ranging from freelancers renting individual desks to providing flexible tenancies for large companies, such as Dell, that enables them to expand or contract their space as required. Large companies can occupy space from as little as a single office to multiple floors. WeWork also emphasizes the development of a work place community through a range of social and business activities such as after work drinks, knowledge sharing over lunch as well as an annual summer camp for their U.S. clients.

Business incubators have been in existence as a local economic development tool for many years and, like barristers' chambers, pre-date the concept of co-working spaces. However the terms and services that are provided are similar to other co-working settings and so fit into the broad idea of co-working space. In addition to providing many of the services in unrestricted co-working spaces, business incubators, such as the Brunswick Business Incubator, provide a higher level of service by providing seminars, training programs, mentoring programs, business advice, networking programs as well as relatively low office rents.

So what does this mean for planning the city?

Co-working spaces described here are a new way of creating space for activities that would normally locate within an office environment. Some of these changes may have an impact on the way some office space could be provided in the future such as:

- Repurposing space that was intended to be used another way, such as a library or older industrial spaces.
- Intensification of use by formalising a co-working arrangement with an existing use, such as the use of restaurants as co-working spaces during the day.
- Increasing the capacity of the Central Business District (CBD) office space by enabling businesses to use a range of non-CBD workspace locations for employees to work part of their time elsewhere and the rest of the time within the CBD taking advantage of its agglomeration economies. This in turn enables other workers to use the spare capacity generated.
- Providing a mechanism to deliver workspaces in locations that office developers and users have traditionally not found attractive.

This type of work space arrangement, aside from business incubators or barristers' chambers, is quite new. As with many innovations, it is uncertain how quickly co-working spaces will be adopted, and the level of their impact. It may only appeal to a niche market or it could become a significant part of the space required by some sectors of the economy.

This article is the start of a discussion and investigation into the provision of employment spaces into the future. Further work on co-working needs to investigate the types of industries that use this type of space, the size and location of such spaces and how people and organisations use them. For further information please contact peter.elliott@delwp.vic.gov.au

Housing Development Data: Local Government summary reports

Housing Development Data (HDD) records all residential development activity across metropolitan Melbourne. HDD has been collected for the years 2005 to 2014 and includes all constructed and demolished dwellings.

Summary reports for each Local Government Area (LGA) showing variation and trends in development type and spatial distribution are available at https://www.planning.vic.gov.au/land-use-and-population-research/housing-development-data.

Example charts from the reports, below, show the contrasts in development types and levels between LGAs. Over the ten years from 2005 to 2014, Wyndham added the most dwellings in Melbourne's western region (Figure 1), while Monash added the most in the east (figure 2). Aside from the difference in the total number of dwellings added, there are notable differences in the type of developments and in the timing of the construction peaks. Download the individual reports to see all the details.

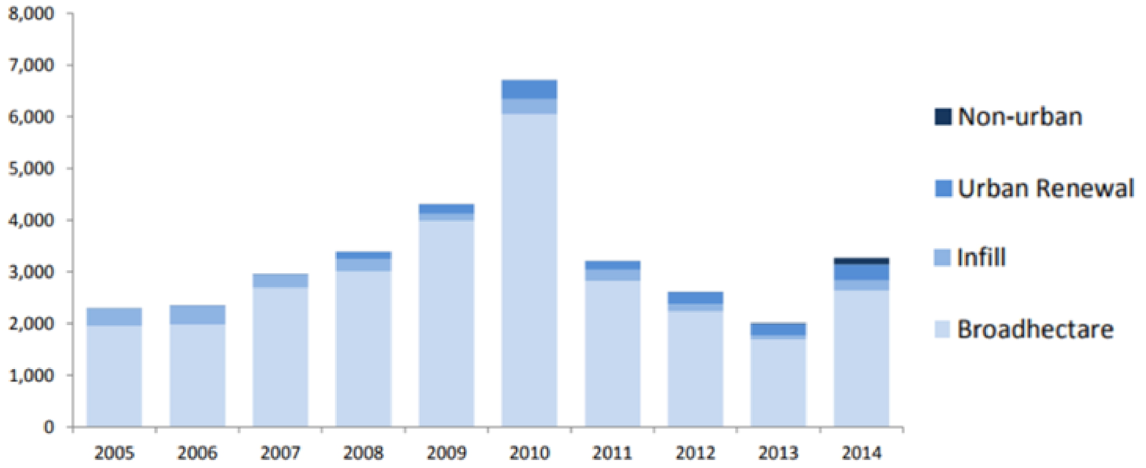

Figure 1: Annual net new dwellings by development type – Wyndham 2005-14
Source: DELWP

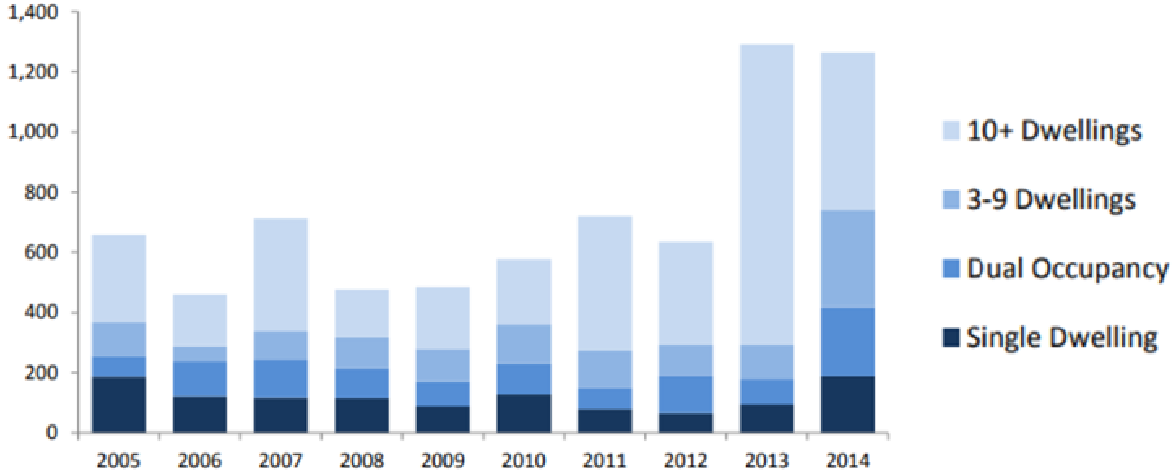

Figure 2: Annual net new dwellings by project size – Monash 2005-14
Source: DELWP