Urban Development Program

2011

Regional Industrial Report

Rural City of Horsham

State Government Victoria
Department of Planning and Community Development

ACKNOWLEDGEMENTS

This Urban Development Program was undertaken by Spatial Economics Pty Ltd, and commissioned by the Department of Planning and Community Development.

The Urban Development Program (Horsham) would not have been possible if it were not for the invaluable contribution made by staff from the Rural City of Horsham and the Department of Planning and Community Development's Grampians Regional Office.

Published by the Urban Development Program
Department of Planning and Community Development
1 Spring Street Melbourne Victoria 3000
Telephone (03) 9208 3799

September, 2012

Accessibility

If you would like to receive this publication in an accessible format, please telephone (03) 9223 1783 or email urbandevelopment.program@dpcd.vic.gov.au. This publication is also published in PDF and Word formats on www.dpcd.vic.gov.au.

CONTENTS

LIST OF TABLES

LIST OF GRAPHS

EXECUTIVE SUMMARY

The Urban Development Program for Regional Victoria provides an analysis of supply and demand for residential and industrial land across parts of regional Victoria. The initial municipalities covered were Ballarat, Greater Bendigo, Latrobe and Wodonga. This round of land supply assessments is for the municipalities of Wangaratta, Greater Shepparton, Warrnambool, Horsham and Mildura. This report provides information on industrial supply and demand for the Rural City of Horsham.

The following industrial land supply assessment was undertaken by Spatial Economics Pty Ltd and commissioned by the Department of Planning and Community Development in conjunction with the Rural City of Horsham.

It draws on important information and feedback obtained through a number of comprehensive consultations with key council officers, and Department of Planning and Community Development regional officers undertaken through the course of the project.

SUPPLY OF INDUSTRIAL LAND

Within the Horsham LGA there was a total of 589 hectares of zoned industrial land as at July 2011. Of this land, 351 hectares was available for industrial development. In terms of total zoned stock (supply and unavailable) as at July 2011 there was:

- 12.9 hectares of B3 zoned land (4% land vacancy rate);
- 537 hectares of IN1 zoned land (60% land vacancy rate);
- 38.7 hectares of IN3 zoned land (73% land vacancy rate); and
- 32 hectares of SUZ3 zoned land (100% land vacancy rate).

As at July 2011, there was a total of 336 zoned industrial allotments, of which 73 lots were identified as available supply.

Of all the zoned industrial allotments 128 were sized from 0.1 to 0.5 hectares representing 38% of the total lot stock. The next most prevalent lot size configuration was less than 0.1 hectares at 28% of the total lot stock or 94 lots. There were 11 allotments sized from 5 to 10 hectares (3% of stock and 13 allotments greater than 10 hectares (4% of stock).

RECENT ACTIVITY

There was an average of 4 industrial building approvals per year for the period 2005-2006 to 2010-2011 in the Rural City of Horsham. Of these approvals, 14 (54%) were for warehouse construction with the remaining approvals for factory construction. Over the same period, there was an estimated $7.9 million or $1.3 million per annum of construction value.

For the period 2005-06 to 2010-11 there were a total of 44 zoned industrial land subdivisions. The number of industrial land subdivisions is approximately 70% greater than the number of industrial building approvals, 25 remain vacant as at July 2011.

CONSUMPTION

The consumption of industrial land has been determined for the period 2004 to 2011. Consumption of industrial land refers to the construction on or use of previously unutilised industrial land over time. On an average annual basis there has been 3.1 hectares per annum of industrial land consumed. Consumption of industrial land on an average annual basis by zone type includes:

- Business 3 – 0.1 hectares;
- Industrial 1 – 2.7 hectares; and
- Industrial 3 – 0.3 hectares.

YEARS OF SUPPLY

The number of 'years of supply' is measured by dividing estimates of the net developable area by the average annual rate of industrial land consumption.

In total there is in **excess of 15 years** of industrial zoned land across the municipality of Horsham. By zone type there is **in excess of 15 years supply** of both IN1 and IN3 zoned stocks. Based on historical consumption there is only **7 years** supply of B3 zoned stocks.

Using sensitivity analysis to allow for increased demand for industrial land; two scenarios are given for a 25% increase and a 50% increase in historical demand. This results in the following adequacy for the municipality of Horsham:

- 25% increase in demand (3.8 hectares per annum)
  - Total supply – 15+ years supply;
  - Zoned (IN1Z) – 15+ years supply;
  - Zoned (IN3Z) – 15+ years supply; and
  - Zoned (B3Z) – 5 years supply.
- 50% increase in demand (4.6 hectares per annum)
  - Total supply – 15+ years supply;
  - Zoned (IN1Z) – 15+ years supply;
  - Zoned (IN3Z) – 15+ years supply; and
  - Zoned (B3Z) – 4 years supply.

Conclusion and Current Actions

In summary there is an adequate stock of zoned industrial land stocks to meet trend and accelerated consumption rates across the Rural City of Horsham. Consumption of industrial land, however, should continue to be monitored to ensure there are sufficient land stocks to meet future demand.

Based on recent consumption, there are no identified deficiencies in the supply stock of industrial demand in terms of lot size configuration.

Further investigation may be required to establish the need for additional B3 zoned land. This type of zoning is generally located within close proximity to urban centres.

No competition or land monopoly issues have been identified that could restrict the timely and competitive release of industrial land to meet market needs.

Similarly, no issues have been identified in terms of land development dependent infrastructure provision that would prevent the timely delivery of industrial land subdivision and associated industrial purpose capital construction.

Although the Rural City of Horsham is relatively well stocked with zoned industrial land (based on recent construction rates), there are currently no stocks of 'future' or unzoned land stocks identified within the municipality.

Horsham Council are currently in the process of preparing a 'Framework for Managing Growth', which seeks to establish a broad vision for the future development of the City.

1.0 INTRODUCTION

1.1 PURPOSE AND CONTEXT

The Urban Development Program was set up in 2003 to assist in managing the growth and development of metropolitan Melbourne and the Geelong region, and help ensure the continued sustainable growth of these areas in order to maintain their high levels of liveability.

The primary purpose of the Urban Development Program is to improve the management of urban growth by ensuring that government, councils, public utilities and the development industry have access to up-to-date and accurate information on residential and industrial land availability, development trends, new growth fronts, and their implications for planning and infrastructure investment.

To achieve the primary purpose the Urban Development Program provides accurate, consistent and updated intelligence on residential and industrial land supply, demand and consumption. This in turn assists decision-makers in:

- maintaining an adequate supply of residential and industrial land for future housing and employment purposes;
- providing information to underpin strategic planning in urban centres;
- linking land use with infrastructure and service planning and provision;
- taking early action to address potential land supply shortfalls and infrastructure constraints; and
- contributing to the containment of public sector costs by the planned, coordinated provision of infrastructure to service the staged release of land for urban development.

The information contained and reported within the Urban Development Program enables early action to be taken in areas where land shortfalls have been identified.

1.2 PROGRAM CONTEXT

During 2009-10, the Urban Development Program was expanded across key provincial areas across regional Victoria. Initially, this included the municipalities of Ballarat, Greater Bendigo, Latrobe and Wodonga. The next round of completed land supply assessments include the municipalities of Wangaratta, Greater Shepparton, Warrnambool, Horsham and Mildura.

In addition, land supply assessments for the following municipalities are near completion, these include: Mount Alexander, Mitchell, Macedon, Moorabool, Baw Baw, Bass Coast, South Gippsland, Moyne, Murrindindi, Colac-Otway and Golden Plains.

The expanded Urban Development Program into regional Victoria will build local and regional data bases and, importantly, provide a platform for mapping and spatial analysis in each region. This will in turn allow councils and other key stakeholders in the planning and development sectors to make more informed decisions in the growth and investment of these key areas across regional Victoria.

The industrial and residential land supply assessments for the municipalities of Wangaratta, Greater Shepparton, Warrnambool, Horsham and Mildura were undertaken by Spatial Economics Pty Ltd, and commissioned by the Department of Planning and Community Development in conjunction with the associated councils.

These areas form the initial expansion of the Urban Development Program across regional Victoria. Other areas will be incorporated into the Urban Development Program in the future.

1.3 URBAN DEVELOPMENT PROGRAM REPORTS 2011

The 2011 Urban Development Program Reports for Wangaratta, Greater Shepparton, Warrnambool, Horsham and Mildura, as well as the 2011 Urban Development Program Report for metropolitan Melbourne, are available online at www.dpcd.vic.gov.au/urbandevelopmentprogram

Interactive online maps are also available. MapsOnline enables users to search for specific projects, generate reports and print or download maps and statistical reports. It allows users to search for specific land supply areas by region or municipality, estate name, Melway reference, street address or lot number.

To access the Regional Urban Development Program MapsOnline visit www.land.vic.gov.au/udp

For more information about the Urban Development Program, email the Department of Planning and Community Development at urbandevelopment.program@dpcd.vic.gov.au

2.0 APPROACH AND METHODOLOGY

For the purposes of the Regional Urban Development Program, land is either zoned for industrial purposes or identified for future industrial use.

Industrial land identified by the Regional Urban Development Program includes land within the Industrial 1 Zone (IN1Z), Industrial 2 Zone (IN2Z), Industrial 3 Zone (IN3Z) and Business 3 Zone (B3Z) as well as land that have been identified for future industrial development by the relevant Council.

In addition, where appropriate land zoned Special Use (SUZ) has been included i.e. the specific purpose of the zone is to recognise or provide for the use and development of land to support industrial type uses.

The IN1Z is the most commonly used industrial zone. The Industrial 2 Zone is designed for heavy industrial uses.

The IN3Z is a specialised zone that focuses on the needs of light industry, while the B3Z is aimed at facilitating the needs of industries with a high office based component.

Assessments of land supply are dependant on the availability of aerial imagery. The most current imagery available for this assessment was taken during the summer of 2009/2010.

Note that for the purposes of this report the regional component of the expanded Urban Development Program is referred to as the 'Regional Urban Development Program'.

The report retains ABS terminology for the geographic areas, however it is appreciated that the term 'suburbs' includes urban and rural areas.

METHODOLOGY FOR ASSESSING INDUSTRIAL LAND STOCKS

Industrial land data is collected and assessed using lot boundary, planning scheme information and aerial imagery. Additional information on the status of specific sites is gathered through stakeholder consultation, primarily discussions with relevant Council officers.

Industrial land supply and consumption data presented as part of the Regional Urban Development Program is based on the 2009/2010 aerial photography and updated to July 2011 via the consultation process. Information relating to zoning, overlays and other planning matters relates to the same period.

IDENTIFYING LAND STOCK

Industrial land stock includes all zoned industrial land within the municipality as well as land that have been identified by Council for future industrial development (unzoned stock).

In determining zoned land stock, each zoned industrial land parcel is assessed as either:

- **Supply** – zoned industrial land classified as available for industrial development. This includes land that is vacant, disused or assigned to marginal non-industrial uses with little capital value, such as farm sheds.
- **Unavailable** – zoned industrial land classified as unavailable for industrial development. This includes land already occupied by industrial uses, construction sites, major infrastructure, capital intensive farming operations, established residential premises or where it is known that the owner has strong intentions not to develop the land in the medium to long term.

In instances where industrial land was in the process of being approved for rezoning to another use (for example a Business, Residential or Mixed Use Zone) and, based on Council feedback, the land is identified as unavailable.

In several instances discrete parcels of land (within one title) have been created to demonstrate a high degree of availability for development on a particular site. For example, where there is a significant area of land with a specific use operating from a small portion of the land and it is understood the balance of the land is regarded as a potential development site, the title area has been split to show the occupied and vacant components of the land. This has been undertaken where these instances have been identified by the relevant Council officer.

ASSESSING THE STOCK OF INDUSTRIAL LAND

For all industrial land, each individual parcel is recorded with its size and the applicable zone. This enables an assessment of the overall or gross stock of land either as unavailable or available as supply. Subsequently, a further assessment is conducted to determine a net measure of supply ('net developable area'). A glossary of terms is included at the end of this report.

Using a net measure of industrial land supply provides a more accurate basis for determining adequacy, as it measures the likely area available for development after accounting for local roads, open space, infrastructure requirements and environmental considerations. This varies from locality to locality, depending on site and regional-specific issues.

During 2008, the Department of Sustainability and Environment released maps indicating the location and extent of significant native vegetation across Victoria utilising satellite imagery. These maps were used as part of the assessment in determining the estimated net developable area.

Where native vegetation mapping indicated a classification of 'high' or 'very high' against vacant zoned land or land identified for future industrial purposes, the area impacted was removed from the gross area of land supply.

Further higher level (or regional) take outs were removed from larger key parcels of vacant zoned land or from land identified for future industrial development. This was carried out in consultation with the relevant Council.

Finally, the total area of remaining vacant land was separated into parcels of differing gradients of size to allow for local discounts (specifically for local roads and open space). This was done through both consultation and by calculating typical take out rates for such factors from recently completed development.

Discount factors (at each level) differ between municipalities depending on a variety of factors, specifically local geography.

CALCULATING CONSUMPTION

To determine consumption based trends, the Regional Urban Development Program has examined available aerial photography between specific periods. Given the limited availability of photography, for each municipality at least two prior periods (years) have been assessed using the methodology outlined above (i.e. assessing each lot as either 'unavailable or 'supply').

In comparing the extent to which consumption has occurred land has been 'back cast' against previous periods to ensure like for like areas have been compared. This has been done to ensure that the effect of the rezoning of new industrial land or the rezoning of industrial land to non-industrial uses does not distort the actual consumption that has occurred between periods.

Industrial land consumption for Horsham was calculated from aerial imagery capture dates at 2004 and 2009. Consumption of industrial land was updated to July 2011 via the consultation process.

YEARS OF SUPPLY

The number of 'years of supply' is measured by dividing estimates of the net developable of both zoned and unzoned areas by the average annual rate of industrial land consumption.

3.0 OVERVIEW

Horsham is centrally located in the Wimmera and nestled next to the Grampians National Park and the famous Mount Arapiles. Horsham rests 300 kilometres north-west of Melbourne and 450 kilometres south-east of Adelaide. With a population of over 20,000 people, the municipality is the retail, business and service centre of the Wimmera.

The Horsham Rural City is a progressive and rapidly developing municipality. The local community boasts an entrepreneurial spirit with a vision for the long-term future. Value-adding is the key to many successful businesses.

In recent years, Council developed and operates the $4 million Horsham Regional Livestock Exchange at its Burnt Creek site. Council also developed the $1.2 million Horsham Enterprise Park Industrial Estate in Plumpton Road, Horsham, where serviced blocks of land are still available. Planning is well advanced for Stage 2 of the industrial estate, which will open a further 13 blocks. Council is now well advanced in the detailed planning of the $16.4 million Wimmera Regional Intermodal Freight Hub at Dooen which will service the grains, mineral sands and other sectors of the region[1].

Regional Victorian cities such as Horsham require an adequate supply of industrial land for jobs and services, such as manufacturing, service uses, logistics and warehousing to support continued economic development. The Urban Development Program for Regional Victoria provides the State Government and other stakeholders with a strategic overview of the supply and demand of industrial land across key regional Victorian cities.

Urban Horsham is represented by Horsham – Central Statistical Local Area.

The following industrial land supply assessment for the Rural City of Horsham is presented in a number of sections. These include:

- An assessment of industrial building approval activity by location (Statistical Local Area) in terms of both volume and value. This includes the breakdown of factory and warehouse building approvals from 2005-06 to 2010-11;
- Presentation of all net industrial land subdivision activity by resultant lot size distribution from 2005-06 to 2010-11;
- Detailed analysis of existing industrial land stocks in terms of:
  - Stock by zone type
  - Future (unzoned) stock
  - Lot size configuration and area
  - Supply/unavailable stock
  - Net developable area
- Summary of industrial land consumption i.e. built form construction on vacant industrial allotments from 2001 to 2011. This is expressed as average annual land consumption (hectares). This forms the basis of projecting future demand for industrial land and therefore the assessment of supply adequacy;
- An assessment of the years of supply of industrial land supply by zone type and location. This is also expressed in terms of accelerated growth assumptions of industrial land consumption; and
- Identification of any potential major impediments to the supply of industrial land to the market such as lack of competitive and provision of required infrastructure to develop the land.

[1] Horsham Rural City Council website

4.0 BUILDING APPROVAL ACTIVITY

A variety of factors influence the level of industrial building activity. In regional locations the key factors include:

- the investment and business activity behaviour of the private sector;
- trends in the global and local economy;
- the availability of credit and borrowings for business decisions such as a decision to make a capital investment in property for a business;
- levels of land supply in the area;
- economic activity within the region; and
- the degree to which other regional centres compete for investment.

The following provides an overview of Industrial Building Approval activity within the Rural City of Horsham from 2005-06 to 2010-11 in terms of volume and estimated value of industrial building approvals.

From 2005-06 to 2010-11 there was on an average annual basis four industrial building approvals, the overwhelming majority of which were located within the Horsham Central Statistical Local Area (SLA). Of these industrial building approvals, 54% (14) were for warehouse construction and the remaining 12 approvals were for factory construction. Table 1 summarises the volume of total industrial building approval activity by year and SLA.

Table 1: Total Number of Industrial Building Approvals by Year

SLA/LGA	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11[1]
Horsham (RC) – Central	4	6	2	7	2	n.a.
Horsham (RC) Bal	1	0	1	0	0	n.a.
Horsham LGA	**5**	**6**	**3**	**7**	**2**	**3**

1: From June 2010 the ABS only report industrial building approvals at an LGA level.

Source: Australian Bureau of Statistics

Table 2 summarises the estimated construction value of industrial building approvals activity over the same period. In total there was an estimated total value of approximately $7.9 million or an average of $1.3 million per annum. Of this estimated construction value, 53% was for warehouse construction, the residual for factory construction.

Table 2: Value ($) of all Industrial Building Approvals by Year

SLA/LGA	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11[1]
Horsham (RC) – Central	1,116,000	2,237,000	1,128,000	2,540,000	320,000	n.a.
Horsham (RC) Bal	142,000	0	60,000	0	0	n.a.
Horsham LGA	**1,258,000**	**2,237,000**	**1,188,000**	**2,540,000**	**320,000**	**400,000**

1: From June 2010 the ABS only report industrial building approvals at an LGA level.

Source: Australian Bureau of Statistics

5.0 INDUSTRIAL SUBDIVISION ACTIVITY

Detailed analysis of the cadastral database across industrial zoned areas across the Rural City of Horsham was undertaken to establish the location, volume and resultant lot size of industrial subdivision activity. Table Three summarises the results of this analysis.

From 2005-06 to 2010-11 there were a total of 44 zoned industrial land subdivisions, of which 37 were located within the Horsham Central SLA. The number of industrial land subdivisions is approximately 70% greater than the number of industrial building approvals, this infers a slow take-up of the constructed allotments.

Industrial lot creation within the Horsham Rural City are relatively 'large', the majority (52%) of subdivisions resulted in industrial allotments sized from 0.1 to 0.5 hectares. Whilst ten lots created were sized from 0.5 to 1 hectare (23%) and seven lots sized from 1 to 5 hectares. There was only one lot created sized less than 0.1 hectares.

Of the 44 recently constructed industrial lots, 25 remain vacant as at July 2011.

Table 3: Number of Industrial Subdivisions by Lot Size, 2005-06 to 2010-11

SLA/Suburb/LGA	Less than 0.1 ha	0.1 to 0.5 ha	0.5 to 1 ha	1 to 5 ha	5 to 10 ha	10+ ha	Total Lots
Horsham (RC) – Central	**1**	**21**	**9**	**6**	**0**	**0**	**37**
Horsham	1	21	9	6	0	0	**37**
Horsham (RC) Bal	**0**	**2**	**1**	**1**	**2**	**1**	**7**
Drung	0	0	0	1	0	0	**1**
Haven	0	2	0	0	0	0	**2**
Vectis	0	0	1	0	2	1	**4**
Horsham LGA	**1**	**23**	**10**	**7**	**2**	**1**	**44**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

6.0 INDUSTRIAL LAND STOCKS

The following section of the report provides an overview of:

- existing zoned industrial land stocks;
- identified future (unzoned) industrial land stocks;
- stock of available (supply) and unavailable industrial land stocks;
- lot size distribution; and
- estimated net developable area.

The industrial land market across the Rural City of Horsham has essentially three major existing industrial precincts. The majority of historical activity in terms of subdivision, construction and existing industrial uses are located within the southern edge of the urban area of Horsham. This precinct is bounded by Golf Course Road, Plenty Highway and Plumpton Road. The zoning composition is mainly IN1Z and there is a small component of IN3 located on the northern edge of the precinct.

There is a major B3Z precinct within the central urban area of Horsham, the majority of the allotments are occupied. The precinct is bounded by Hamilton and McPherson Streets.

The third major industrial precinct is the location of the Regional Livestock Exchange and is located south east of the urban area of Horsham adjacent to Burnt Creek Drive. This precinct is zoned IN1 and is characterised by large allotments.

Land zoned Special Use in the suburb of Dooen approximately 10kms north east of central Horsham is the location of the future Wimmera Regional Intermodal Freight Hub.

The new hub is on the Adelaide-Melbourne train line and will replace an ageing and constrained terminal in the middle of the city of Horsham. It will provide a central location for specialist grain handling facilities and improve access to ports and processing plants to build on the region's significant grains industry.

The hub will be a centre for distribution for the Wimmera region and will eventually include an intermodal freight terminal, bulk loading and container facilities, a distribution centre, warehousing facilities, a trucking depot and associated rail freight businesses.

In addition, Horsham has a number of other small pockets of zoned industrial land stocks distributed across the urban area.

Horsham is well serviced in terms of its geographic spread of industrial land stocks.

6.1 INDUSTRIAL LAND STOCKS – AREA

As at July 2011, there was a total of 589 hectares zoned industrial land stock, of which 351 hectares were assessed as available (supply) for industrial purpose development. This excludes industrial land stocks zoned SUZ (32 hectares).

This quantum of zoned industrial supply relative to unavailable industrial land stocks equates to a total land vacancy rate of 60%. Table 4 summarises the gross area of industrial land stocks by status across the Rural City of Horsham.

In terms of the geographic spread of zoned industrial land stocks across the Rural City, it is essentially all located within or in relatively close proximity to the urban area of Horsham. Of the total industrial land stocks 228 hectares are located within the Horsham – Central SLA and 360 hectares located in the Horsham – Balance SLA. This stock is mainly located in the suburbs of Drung (199 hectares) and Haven (145 hectares).

In terms of zoned stock (supply and unavailable) as at July 2011 there was:

- 12.9 hectares of B3 zoned land (4% land vacancy rate);
- 537 hectares of IN1 zoned land (60% land vacancy rate);
- 38.7 hectares of IN3 zoned land (73% land vacancy rate); and
- 32 hectares of SUZ3 zoned land (100% land vacancy rate).

The distribution of zoned industrial supply stocks reflects the land area vacancy rate, within the Horsham Central SLA (urban area) the vacancy rate is 48%, whereas within the Horsham Balance SLA the corresponding vacancy rate is 67%.

Table 4: Gross Area (hectares) of Industrial Land Stocks, 2011

SLA/Suburb/LGA	B3Z			IN1Z			IN3Z			SUZ3			Total Zoned Stocks		
	Supply	Unavailable	Land Area Vacancy Rate %	Supply	Unavailable	Land Area Vacancy Rate %	Supply	Unavailable	Land Area Vacancy Rate %	Supply	Unavailable	Land Area Vacancy Rate %	Supply	Unavailable	Land Area Vacancy Rate %
Horsham (RC) – Central	**0.5**	**12.5**	**4%**	**89.4**	**103.6**	**46%**	**18.8**	**3.5**	**84%**				**108.7**	**119.5**	**48%**
Horsham	0.5	12.5	4%	89.4	103.6	46%	18.8	3.5	84%				108.7	119.5	48%
Horsham (RC) Bal				**233.2**	**111.1**	**68%**	**9.5**	**7.0**	**58%**	**32.3**	**0**	**100%**	**275.0**	**118.1**	**70%**
Drung				181.2	17.9	91%							181.2	17.9	91%
Haven				52.1	93.2	36%							52.1	93.2	36%
Vectis							9.5	7.0	58%	32.3	0	100%	41.8	7.0	86%
Horsham LGA	**0.5**	**12.5**	**4%**	**322.7**	**214.7**	**60%**	**28.3**	**10.4**	**73%**	**32.3**	**0**	**100%**	**383.7**	**237.6**	**62%**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

6.2 INDUSTRIAL LAND STOCKS – LOT SIZE DISTRIBUTION

Table 5 below details the number of zoned industrial lots by selected lot size cohorts. As at July 2011, there was a total of 336 zoned industrial allotments, of which 73 lots were identified as available supply.

Of all the zoned industrial allotments 128 were sized from 0.1 to 0.5 hectares representing 38% of the total lot stock. The next most prevalent lot size configuration was less than 0.1 hectares at 28% of the total lot stock or 94 lots. There were 11 allotments sized from 5 to 10 hectares (3% of stock and 13 allotments greater than 10 hectares (4% of stock).

Within the Horsham Central SLA there were a total of 288 industrial allotments of which 52 were identified as available supply. The majority of allotments (86%) were less than 1 hectare in size. There were ten allotments identified as available supply sized from 1 to 5 hectares and two allotments greater than 10 hectares.

Within the Horsham Balance SLA there were a total of 48 industrial allotments of which 21 were identified as available supply, the majority of these were sized above one hectare.

Table 5: Number of Industrial Allotments by Lot Size Cohort, 2011

	Less than 0.1 hectares		0.1 to 0.5 hectares		0.5 to 1 hectares		1 to 5 hectares		5 to 10 hectares		10+ hectares		Total Lots	
SLA/Suburb/LGA	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable	Supply	Unavailable
Horsham (RC) – Central	**6**	**85**	**21**	**95**	**13**	**29**	**10**	**23**	**0**	**4**	**2**	**0**	**52**	**236**
Horsham	6	85	21	95	13	29	10	23	0	4	2	0	**52**	**236**
Horsham (RC) Bal	**2**	**1**	**3**	**9**	**1**	**3**	**4**	**7**	**6**	**1**	**5**	**6**	**21**	**27**
Drung	0	0	1	0	0	0	1	0	1	0	3	1	**6**	**1**
Haven	2	1	2	9	1	2	3	7	4	0	1	5	**13**	**24**
Vectis	0	0	0	0	0	1	0	0	1	1	1	0	**2**	**2**
Horsham LGA	**8**	**86**	**24**	**104**	**14**	**32**	**14**	**30**	**6**	**5**	**7**	**6**	**73**	**263**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

6.3 SUPPLY OF INDUSTRIAL LAND

As previously outlined there was, at July 2011, 351 gross hectares of zoned industrial land supply (undeveloped land stocks) across the Rural City of Horsham. This excludes the 32 gross hectares of land zoned SUZ.

Of this identified supply, there will be a proportion of land not available for development. Such land development take-outs include, but not limited to include: local and regional roads, supporting infrastructure, open space requirements, native vegetation, excessive slope and other environmental constraints (water-ways). Land development take-outs vary by site and particularly the size of the allotment.

Specific land development take-outs have been assessed on a parcel by parcel basis and results in an estimate of the net developable area i.e. the area available for actual industrial site development. Table 6 details the net developable area of zoned industrial land supply by zone type and location.

In total for zoned industrial land supply across the Rural City there is approximately 328 net developable hectares. It is estimated that there is only 0.5 hectares of available B3 zoned land.

Table 6: Estimated Net Developable Industrial Land Stocks (hectares), 2011

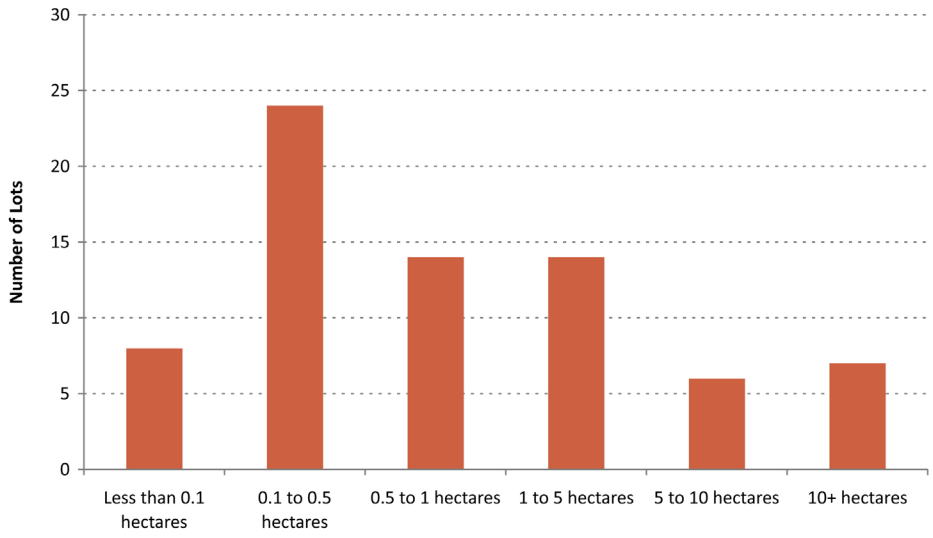
SLA/Suburb/LGA	B3Z	IN1Z	IN3Z	SUZ3	Total Area
Horsham (RC) – Central	**0.5**	**76.0**	**18.6**		**95.0**
Horsham	0.5	76.0	18.6		**95.0**
Horsham (RC) Bal		**192.6**	**8.1**	**32.3**	**233.0**
Drung		148.2			**148.2**
Haven		44.4			**44.4**
Vectis			8.1	32.3	**40.4**
Horsham LGA	**0.5**	**268.6**	**26.6**	**32.3**	**328.0**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

The graph below illustrates the supply (undeveloped) of industrial allotments by selected lot size cohort. The stock of supply illustrates a relatively even distribution in terms of various lot sizes, particularly a significant proportion of larger allotments.

There are 13 industrial lots identified as supply that are greater than five hectares. Given recent consumption rates this is sufficient for both the potential for large industrial land users and/or for further subdivision into smaller allotments.

Graph 1: Number of Industrial Lots (supply) by Lot Size Range, 2011



Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

7.0 CONSUMPTION OF INDUSTRIAL LAND

Detailed analysis of existing and historic aerial imagery combined with zoning and cadastral information from 2004 to 2009 has been used to establish the consumption of industrial land. From 2009 to 2011, consumption of industrial land has been supplemented with 'intelligence' gathered from consultation with council and DPCD regional officers.

Consumption of industrial land refers to the construction on or use of previously unoccupied industrial land over-time.

From this assessment the consumption of industrial land can be established by location, lot size and zoning. Consumption of industrial land is used as the primary indicator of future demand for industrial land and therefore the years of supply can be established.

From 2004 to 2011 on an average annual basis, 3.06 hectares per annum of industrial land has been consumed. The level of consumption has been dominated within the Horsham Central SLA at 3.05 hectares per annum, the residual within Horsham Balance SLA. Increased rates of consumption are anticipated within the Horsham Balance SLA, particularly within the Burnt Creek Drive industrial precinct.

Consumption of industrial land on an average annual basis by zone type includes:

- Business 3 – 0.1 hectares;
- Industrial 1 – 2.7 hectares; and
- Industrial 3 – 0.3 hectares.

To date, there has been no consumption of the Special Use Zoned land identified for the Wimmera Intermodal Freight Terminal.

8.0 YEARS OF SUPPLY – INDUSTRIAL LAND

The number of 'years of supply' is measured by dividing estimates of the net developable area by the average annual rate of industrial land consumption.

Table 7 below summarises the estimated years of supply by location and supply type. The industrial land zoned Special Use has not been included within the adequacy assessment as it is designated for the Wimmera Regional Intermodal Freight Hub.

Firstly, identifying the future location and amount of consumption of industrial land is an uncertain task. Current levels of consumption are used as an indication of the adequacy of industrial land supply. However, the level and location of future consumption may change due to:

- the investment and business activity behaviour of the private sector;
- trends in the global economy;
- propensity for certain activities to agglomerate;
- directions in technology;
- population/employment trends;
- environmental impacts and adaptation; and
- social attitudes.

In total, there is **in excess of 15 years** industrial zoned land across the Rural City of Horsham based on the average annual rate of land consumption in the period 2004 to 2011.

By zone type there is **in excess of 15 years** supply of both IN1 and IN3 zoned stocks. Based on historical consumption there is **7 years** supply of B3 zoned stocks. Considering this equates to 0.5 hectares, this could potentially be consumed in advance of seven years.

Table 7: Adequacy (years of supply) of Industrial Land Stocks

SLA/Suburb/LGA	Years of Supply			
	B3Z	IN1Z	IN3Z	Total
Horsham (RC) – Central	**7**	**15+**	**15+**	**15+**
Horsham	7	15+	15+	**15+**
Horsham (RC) Bal		**15+**	**15+**	**15+**
Drung		15+		
Haven		15+		**15+**
Vectis			25+	**15+**
Horsham LGA	**7**	**15+**	**15+**	**15+**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Historical industrial land consumption is a sound base to assess future consumption of industrial land consumption. However, economic/employment activity can and will invariably change. Specifically, as local resident population increase so will the requirement for additional employment land to 'service' resident population needs. In addition, there is always the likelihood of 'export' related industry development that would require additional industrial land. Due to this uncertainty relating to forecasting industrial land requirements two demand scenarios and related adequacies are presented, namely a 25% and 50% increase in the demand for industrial land.

With increased land demand scenarios the adequacy of industrial land stocks result in:

- 25% increase in demand (3.8 hectares per annum)
  - Total supply – 15+ years supply;
  - Zoned (IN1Z) – 15+ years supply;
  - Zoned (IN3Z) – 15+ years supply; and
  - Zoned (B3Z) – 5 years supply.
- 50% increase in demand (4.6 hectares per annum)
  - Total supply – 15+ years supply;
  - Zoned (IN1Z) – 15+ years supply;
  - Zoned (IN3Z) – 15+ years supply; and
  - Zoned (B3Z) – 4 years supply.

Based on identified existing stocks of industrial land, there is an adequate supply of zoned industrial land stocks to meet trend and accelerated consumption rates across the municipality of Rural City of Horsham. In addition, there is no identified shortfall of industrial land by specific lot size.

By zone type based on trend demand there is in excess of 15 years supply of land zoned IN1 and IN3, and 7 years supply of land zoned B3. Currently, there are no stocks of 'future' or unzoned land stocks identified across the municipality.

GLOSSARY OF TERMS

FUTURE INDUSTRIAL LAND

Land identified by the relevant municipal authority for future industrial development and current zoning not supportive of industrial development. Land which is has an 'Urban Growth Zone' applied, and where a precinct structure plan has not yet been approved, may also fall into this category.

GROSS INDUSTRIAL LAND AREA

Measures the area of industrial land at a cadastral lot/parcel level.

LOCAL GOVERNMENT AREA (LGA)

A geographical area that is administered by a local council.

LOT (INDUSTRIAL)

Discrete area of land defined by a parcel boundary identified in the Vicmap Property Database. Each lot has an associated land title, and is either zoned for industrial purposes or identified for future industrial use.

MAPSONLINE

An interactive online program that gives users the ability to search for specific projects, generate reports, and print or download maps and statistical reports. It also allows the user to search for specific land supply areas by region or LGA, estate name, Melway reference, street address or lot number, and contains mapping and statistical information sourced through the Urban Development Program. Registered users can also make site-specific feedback on-line.

NET INDUSTRIAL LAND SUPPLY

Measures the estimated area available for industrial development after accounting for local roads, open space, infrastructure and environmental considerations.

PRECINCT STRUCTURE PLANS

In the Urban Growth Zone (UGZ), the precinct structure plan (PSP) is the key document that triggers the conversion of non-urban land into urban land. A precinct structure plan is a long-term strategic plan that describes how a precinct or a series of sites will be developed.

STATISTICAL LOCAL AREA (SLA)

A geographical area created by the Australian Bureau of Statistics for statistical purposes. Victoria is divided into 200 SLAs. SLAs may be the same as an LGA or in most cases several SLAs aggregate to form LGAs.

SUBURB (AUSTRALIAN BUREAU OF STATISTICS)

This is a census-specific area where Collection Districts are aggregated to approximate suburbs.

SUPPLY (INDUSTRIAL LAND)

Zoned industrial land classified as suitable for industrial development. This includes land that is vacant, disused or assigned to marginal non-industrial uses with little capital value, such as farm sheds or vehicle storage.

UNAVAILABLE (INDUSTRIAL LAND)

Zoned industrial land classified as unavailable for industrial development. This includes land already occupied by industrial uses, construction sites, major infrastructure, intensive farming operations, established residential premises or where ownership development intentions indicate the land will not be developed in the foreseeable future.