



Merri-bek
City Council

Housing Capacity Study 2022



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1. Objectives: Key research questions



The objective of the Housing Capacity Study (HCS) is to understand how many additional dwellings can be built in Merri-bek. By knowing Merri-bek's residential development capacity, it enables Council to:

- Understand the capacity impacts of projected growth over the next 15 years
- Plan for urban and population growth in the context of any identified capacity constraints

This report, in addition to documenting the methodology and high-level results, has been prepared to answer **three key research questions:**

1. What is Merri-bek's housing capacity?

The question aims to find, given a set of assumptions and current planning policy, how many additional dwellings can be accommodated in the municipality.

2. Does Merri-bek have sufficient capacity to accommodate projected growth over the next 15 years (2021-2036)?

Council has an obligation under the Merri-bek Planning Scheme to plan for projected growth and ensure there is sufficient land to accommodate growth.

The Planning Policy Framework requires councils to:

'Plan to accommodate projected population growth over at least a 15 year period and provide clear direction on locations where growth should occur. Residential land supply will be considered on a municipal basis, rather than a town-by-town basis.'

(Merri-bek Planning Scheme - Clause 11.02-1S)

Sufficient capacity is measured as at least a 15-year supply of developable residential land for the whole of Merri-bek and not by individual suburbs¹.

3. Is Brunswick Activity Centre at capacity?

Previous work commissioned by Council identified the capacity of Brunswick Activity Centre (BAC) being exhausted by 2029. This current study aims to clarify whether there is a pressing capacity issue for BAC that will result in the centre running out of capacity by the end of the decade. Supplying Homes in Merri-bek (2019), which looked at projected growth and capacity, identified:

'The forecast supply of high density dwellings in the southern submarket would require 60% more capacity than is available. The capacity for apartment development within current planning controls for the Brunswick Activity Centre will be exhausted within a 10 year period.'

(Supplying Homes in Merri-bek 2019, p.21)

¹ Planning for projected growth and assessing capacity is regularly undertaken as part of Council's planning scheme review, which is conducted every four years (coinciding with the Council Plan).

2. Forecast growth



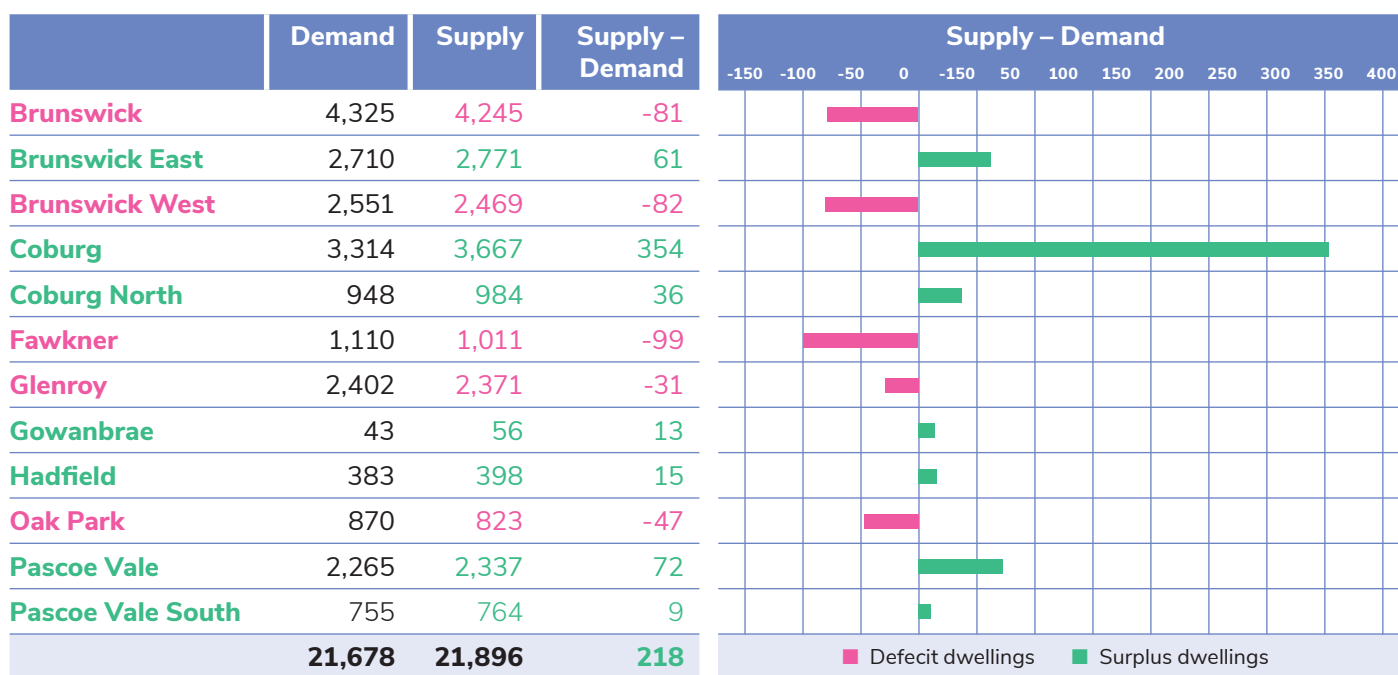
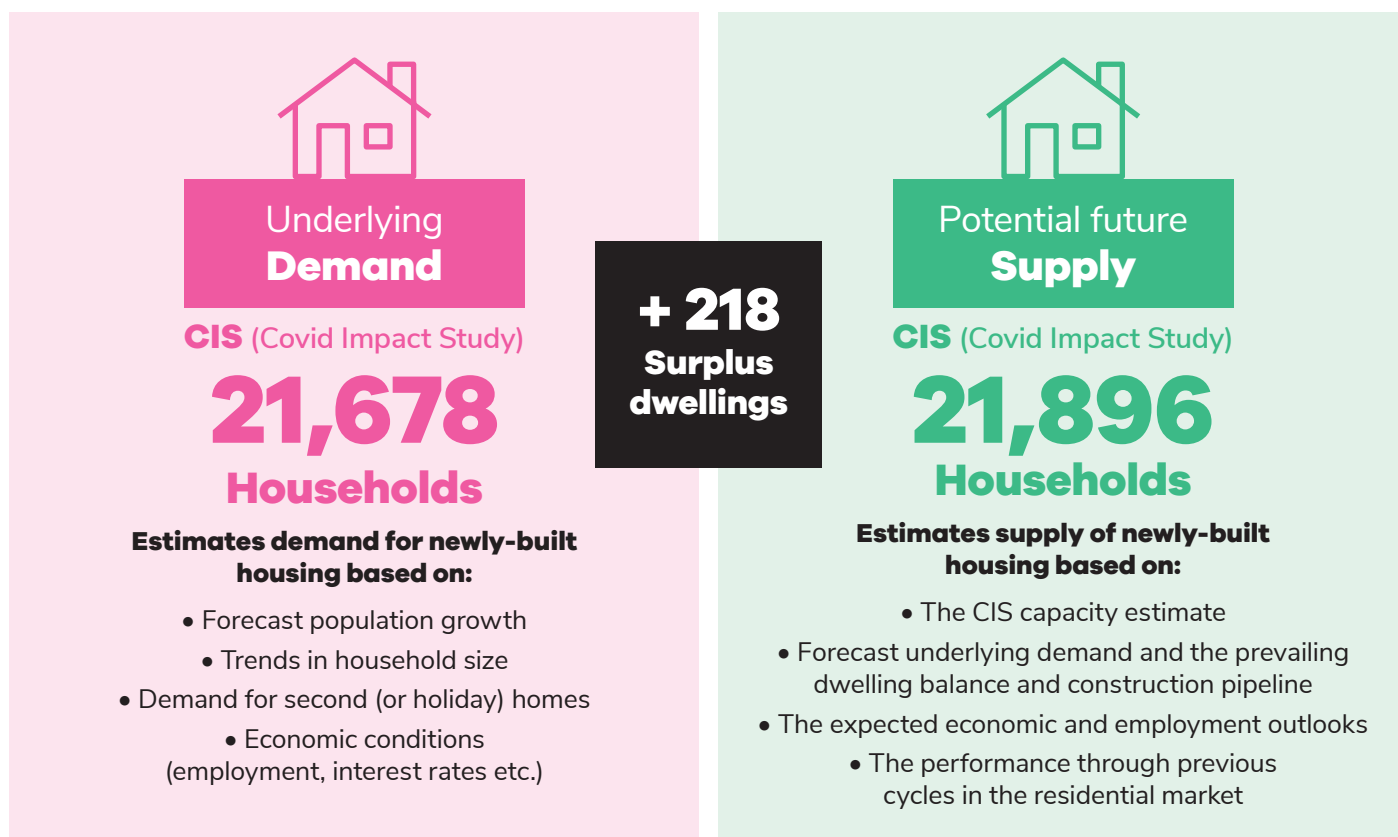


Figure 1: Housing Demand and Supply Forecasts (2021-2036).

Key Messages

- Merri-bek is projected to have enough (potential future) supply to meet (underlying) demand at LGA level².
- The Covid Impact Study (CIS) forecasts do not reflect actual demand and supply in the context of economic theory, which are more reflective of current market conditions. They are estimates of underlying demand and potential future supply.

Note: Where the terms demand and supply are used in this report, they refer to underlying demand and potential future supply unless otherwise specified.

- Potential future supply of dwellings consumes available capacity.

Demand and supply: terminology

The terms demand, supply and capacity are economic terms, which can lead to ambiguity when used in a formal planning context. For example, applying the economic definition of 'supply' to a 15-year supply of land, means it would include only sites that are currently available to the market for purchase (or rent) – this represents genuine supply. The CIS uses the terms demand and supply, however in the context of projected growth they are more accurately described as underlying demand and potential future supply. The following definitions are useful in clarifying demand and supply in a housing market and population growth context:

Underlying demand

Applied in the housing market context, Underlying Demand refers to the estimated, theoretical demand for new housing having regard for key drivers such as growth in population, changing demographic patterns, trends in household size economic conditions (e.g. employment, interest rates, etc). Underlying demand differs from 'actual' demand or 'demand', which is the quantity that owner-occupiers, investors and renters are actually able and willing to buy or rent in the housing market.

Potential future supply

Potential Future Supply simply refers to all new housing that could be provided in Merri-bek at any point in future.

It should be noted housing capacity is a different concept to and should not be regarded as supply. In simple terms, supply refers to the quantity of goods or services made available to the marketplace for purchase, in this case housing. While it is imperative for an area to have housing capacity to enable new housing to be delivered, housing capacity alone, does not represent supply.

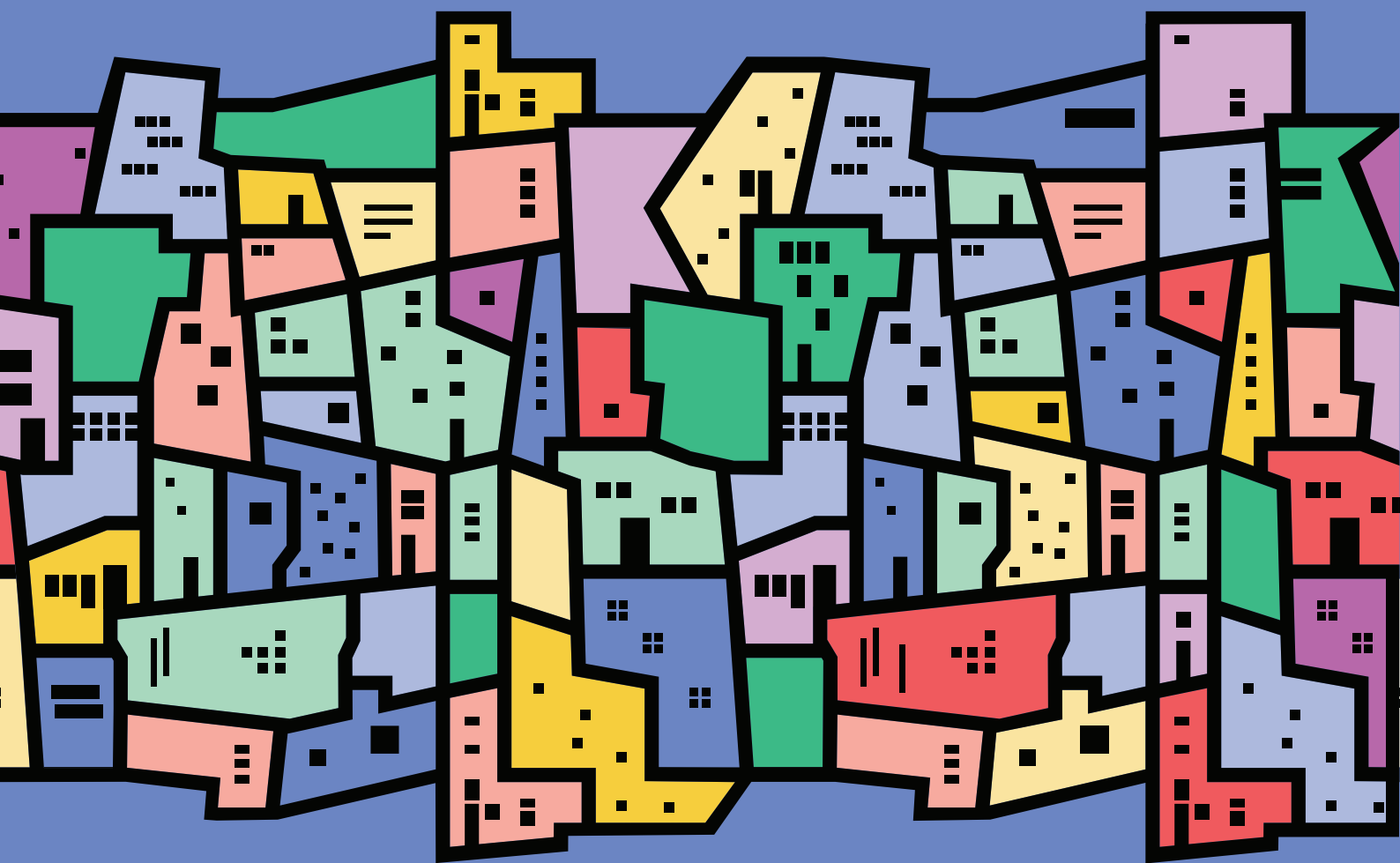
2.1 Projected growth (2021-2036)

Council has undertaken population and development forecasts to inform housing demand and supply estimates. The Merri-bek CIS was completed in 2021 and identified three potential scenarios based on the impact of Covid on population growth and development activity.

This study uses the Moderate scenario to assess the capacity impacts of housing supply as it is the scenario that will use the most capacity (peak housing supply). Impacts on capacity are measured through this report as 'housing supply will consume X% of capacity'.

Scenario	Infill/Townhouse	High Density/Apartments	TOTAL
Covid Shift impact	10,278	9,763	20,041
Moderate impact	10,278	11,618	21,896
Long Term impact	9,763	9,045	18,808

² A surplus of 282 dwellings.



3. What is housing Capacity?



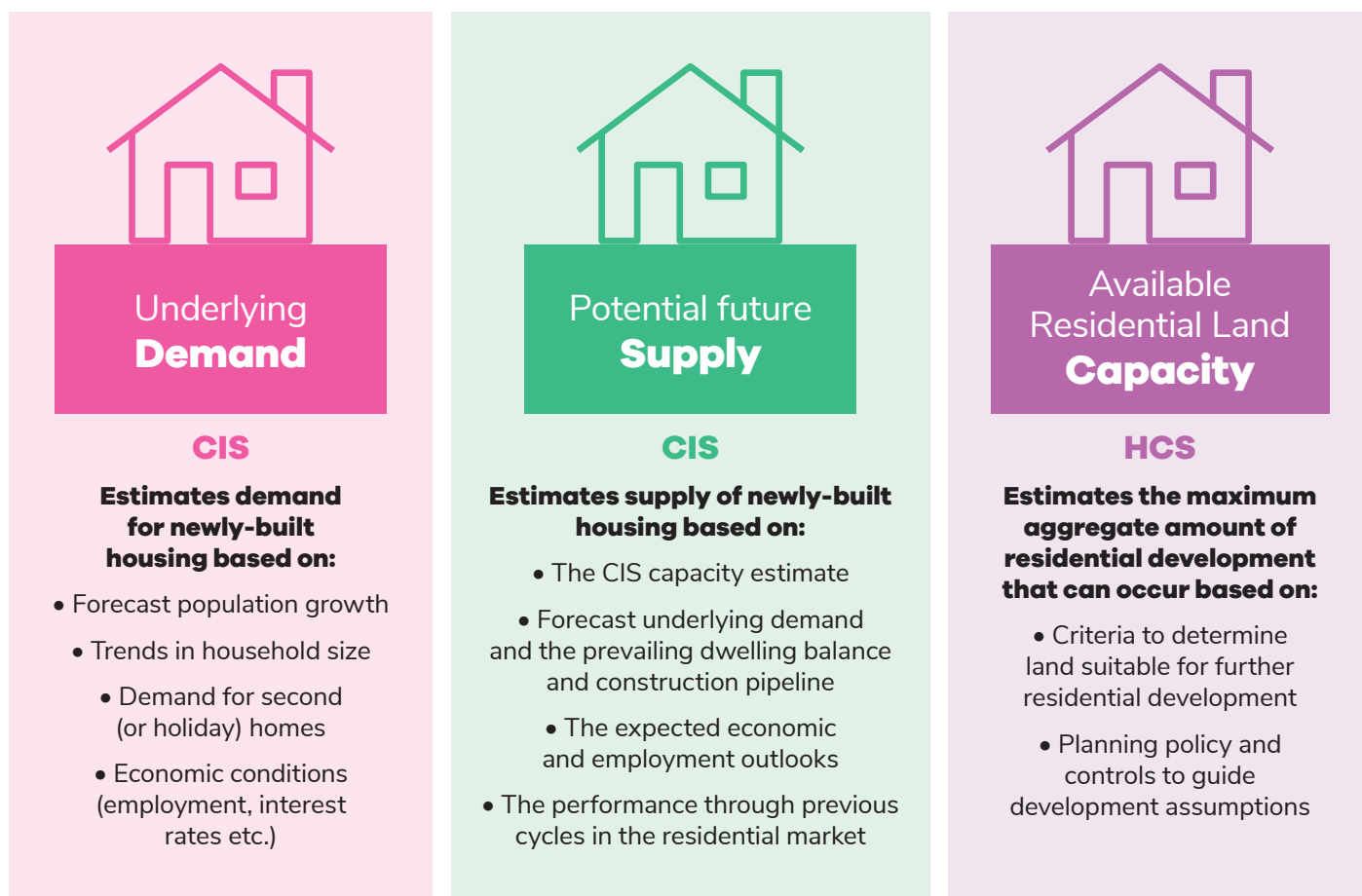


Figure 2: Demand, Supply and Capacity.

Key Messages

- Housing capacity is about the availability of developable residential land – at least a 15-year capacity (LGA level) is the measure used in planning. It estimates the maximum aggregate amount of residential development that can occur based on:
 - Criteria to determine land suitable for further residential development
 - Planning policy and controls to guide development assumptions
- If a suburb is constrained by capacity to accommodate new dwellings, this will place a ceiling on population growth³.
- **Locked Capacity assumption:** A 25% discount on gross capacity results has been applied to account for some properties that, for various reasons, will most likely not be developed.
- The report uses (potential future) housing supply to assess the capacity impacts of projected growth, as (potential future) supply of additional dwellings consumes developable residential land capacity.

³ Covid Impact Study (2021), p.82.

Housing capacity, for the purposes of the study, is defined as;

The amount of additional dwellings that can be built, under current planning controls, on land that is considered available for further residential development.

Calculating capacity is a desktop exercise and is a theoretical measure as it does not account for:

- Property market considerations such as development feasibility and willingness of landowners to sell their properties.
- Site specific conditions and design responses that would constrain or increase capacity. These would generally be identified through the planning permit application process.

Full build out is a definition of capacity which does not consider supply side (developer) considerations such as feasibility of redevelopment or the willingness of landowners to develop land. As discussed in the previous chapter, this is a key difference between a housing capacity analysis and a dwelling supply projection. To account for supply side considerations over a 15-year period the study has assumed that 25% of developable land will, for various reasons, not be supplied to market for residential development. This 25% discount was applied to the capacity of each zone at the suburb level.

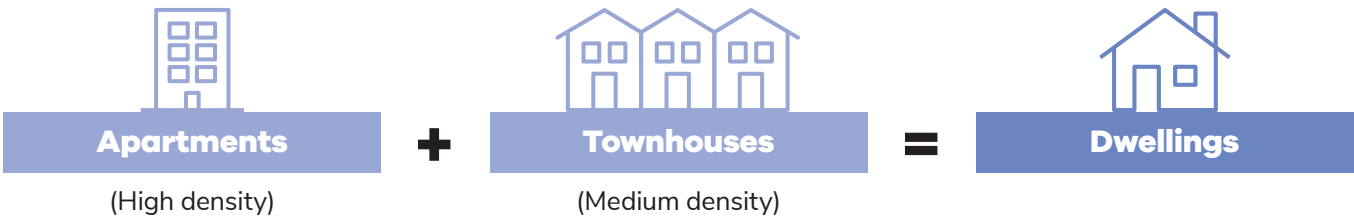
The locked capacity concept is effectively applying a scarcity factor, which is a key consideration in the CIS report when it assessed Merri-bek's capacity. This scarcity factor assumes a lower rate of development over the forecast period as the number of sites suitable for development diminish. Or in other words, the less land available, the more difficult it becomes for developers to acquire and redevelop sites at historic rates.

It is important to note that capacity should not be confused with dwelling supply projections. Capacity does not bear any relationship to what type of dwellings will be delivered (though this is estimated) or when. Capacity does, however, provide Council with an understanding of all residential sites that should be the foundation for all other housing-related projects and, ultimately, policy development.

There is limited evidence on an agreed industry percentage to account for this locked capacity and in its absence 25% was the assumed figure based on Council's previous capacity analysis⁴ undertaken in 2016. This enables a level of consistency between the capacity studies, particularly for activity centres as it assists in answering one of the key research questions – is Brunswick Activity Centre at capacity?

To calculate capacity, two development types have been assumed:

- **Medium density**
(referenced in this report as townhouses)
- **High density**
(referenced in this report as apartments)



⁴ Merri-bek Activity Centre Zones Capacity (2016).

3.1 Housing capacity measures: explained

The report expresses housing capacity as:

A The total number of dwellings (e.g Merri-bek has capacity for 50,000 additional dwellings)

B How much capacity will be used by potential future housing supply
(e.g in Merri-bek housing supply will consume 44% of capacity)



There are two assumed development typologies to assess capacity:

- Apartments (high density) – located in **Activity Centres**
- Townhouses (medium density) – located in **Primary Residential Zones** (NRZ and GRZ)

Primary Residential Zones*

Land within a zone whose primary purpose is residential, with an assumed development density equating to townhouses, and not located within an activity centre, specifically:

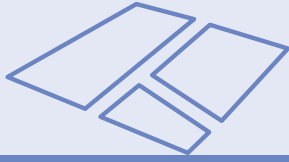
- NRZ: Neighbourhood Residential Zone
- GRZ: General Residential Zone

*Residential Growth Zone (RGZ) is not included as 98% of RGZ sites are located within activity centres.

4. Methodology



Merri-bek Planning Scheme



A. Available Residential Land (ARL)

How much developable land does Merri-bek have?

Applying criteria to identify land suitable for further residential development



B. Development Assumptions

How many dwellings can be built?

Applying planning policy and data from development applications

Figure 3: Methodology Parts A and B.

Key Messages

- The methodology is undertaken in two parts:
 - **Part A: Available Residential Land**
 - **Part B: Development Assumptions**
- Available Residential Land determines how much developable residential land Merri-bek has.
- Development Assumptions determine how many dwellings can be built (dwelling yield) – it reflects planning policy and is informed by and measured against development applications⁵ within Merri-bek.

The Merri-bek Planning Scheme regulates how land is used and developed in the municipality, this includes community facilities, parks, commercial and residential land. In this study there are two parts to determining the theoretical dwelling capacity, which rely on:

4.1 Part A: Available Residential Land (ARL)

Available Residential Land is land zoned for residential use⁶ that has the development potential to accommodate additional dwellings. To be considered developable land, it must meet criteria identified through consultation with Council's Strategic Planning unit (discussed in section 5 of the report).

4.2 Part B: Development Assumptions

The development assumptions apply planning policy to the following categories used to calculate housing capacity:

- **Site coverage**
(how much of a site can be covered)
- **Height restrictions**
(how many levels in an apartment building)
- **Commercial**
(determines if a shop/office must be located on the ground floor)
- The development assumptions also take into consideration approved and recently submitted permit applications through:
 - **Apartment type allocations⁷**
 - **Average apartment size and dwelling footprint**

⁵ For average dwelling sizes, the applications were used to derive the most likely metrics according to industry trends.

⁶ Some zones require a permit for residential use and development.

⁷ Total of three apartment types – one, two or three bedroom apartments.

5. Part A: Available Residential Land (ARL)



Purpose

| To identify land suitable for further residential development (developable land).

Assumptions/Criteria

Sites are excluded due to various constraints – primarily because they are not considered viable to be redeveloped based on the following criteria:

- Zoning does not allow residential use (e.g. industrial, open space and public land).
- Heritage protection (significant and contributory properties)
- Multi-dwelling sites
- Small sites less than 200sqm in land area
- Sites redeveloped within the last 15 years
- Sites used for community facilities including churches, schools, healthcare, utilities and emergency services.

Once sites have been excluded, the remaining sites are considered developable for the purposes of the study. In reality, some sites that are multi-unit, recently built or affected by heritage controls are able to be redeveloped to provide additional capacity.

However, this would require detailed site-specific analysis beyond the scope of this study.

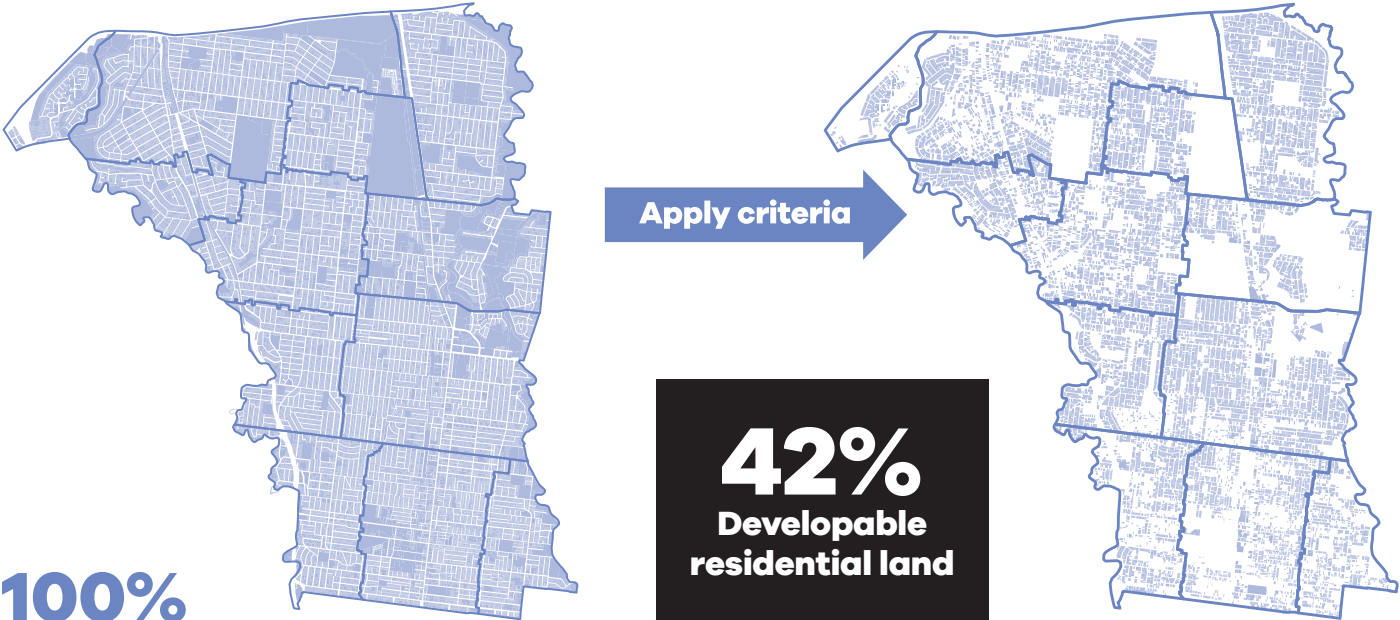


Figure 4: Available Residential Land.

Implementation

The criteria are implemented using spatial analysis, identifying sites through Council and State Government datasets:

State Government	Merri-bek City Council
• Urban Development Program (2020) • Housing Development Data (2016) • Housing Development Data (2005-2016) • Vicmap (February 2020) - Zones - Overlays - Properties/Address/Parcels	• Land-use • Community facilities • Occupancy certificates • Planning permit applications

6. Land use in Merri-bek



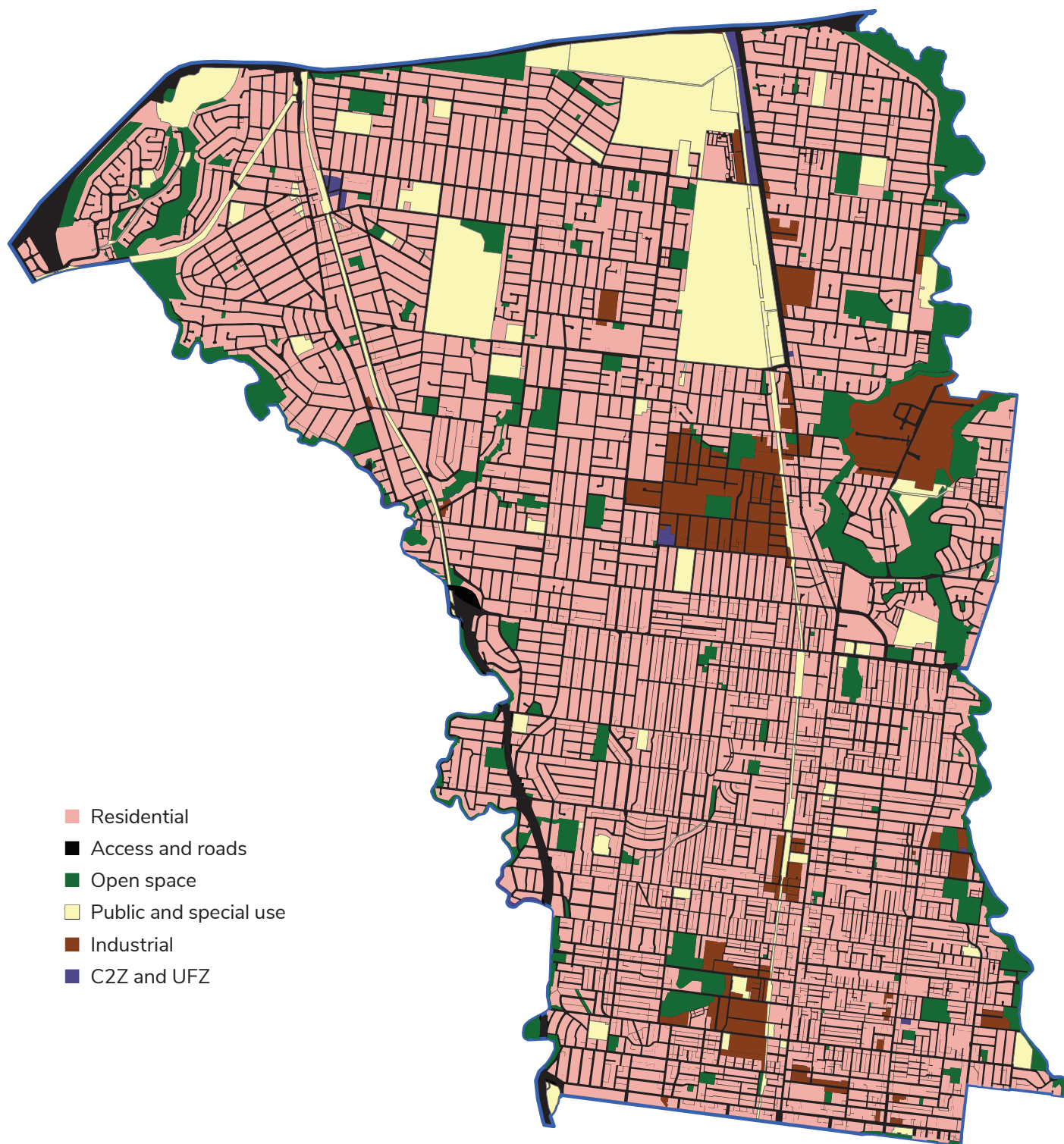


Figure 5: Merri-bek Land-use Map (residential includes all zones where residential use is permitted).

Key findings

- A. 56% of land in Merri-bek enables residential development⁸. There is a significant amount of land (44%) zoned for non-residential land-uses such as access and roads, industrial, open space and public land.
- B. Primary Residential Zones (NRZ and GRZ) account for 90% of residential land, where the assumed form of development are townhouses.
- C. Activity Centres account for 10% of residential land, where the assumed form of development are apartments.

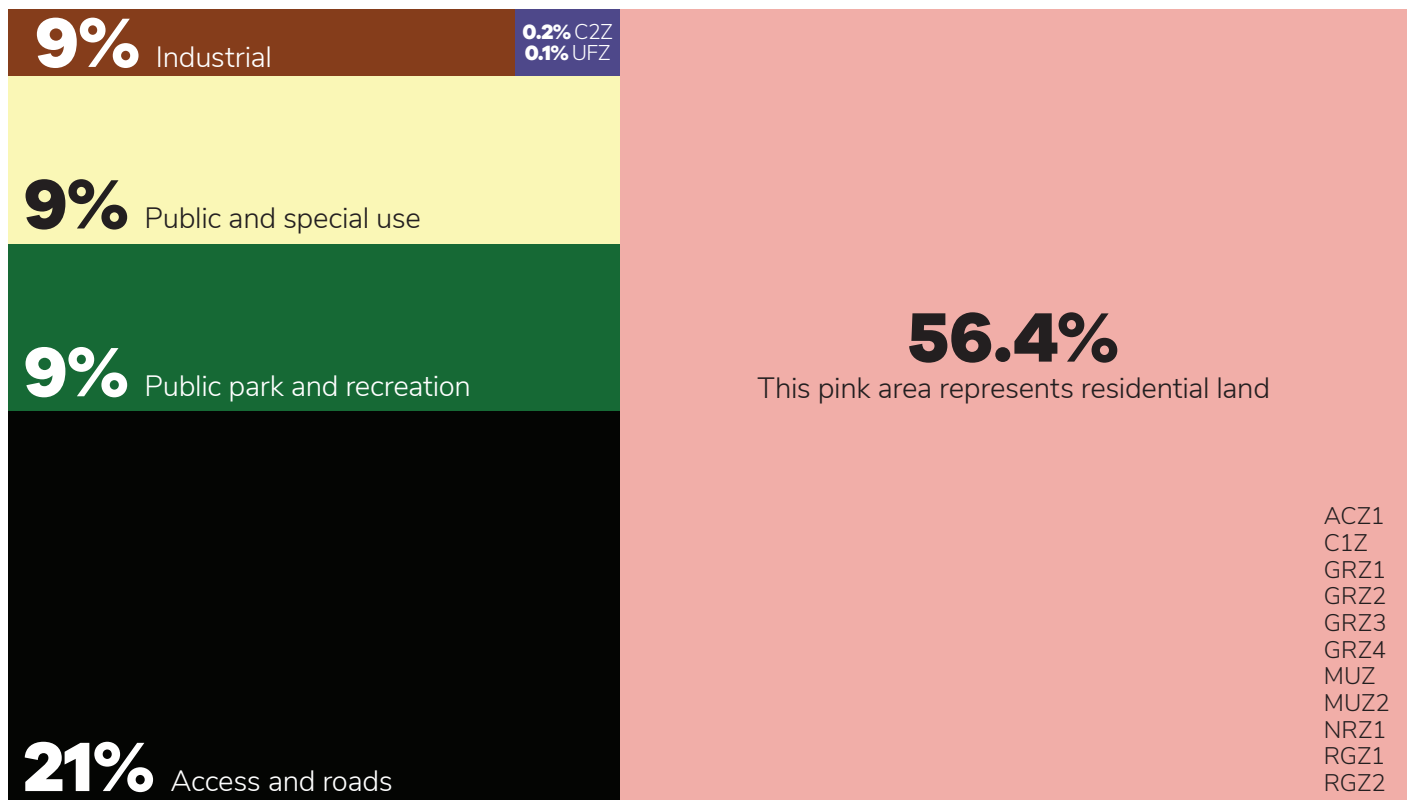


Figure 6: Merri-bek Land-use Distribution.

Land use is regulated by the Merri-bek Planning Scheme – defining zones/areas for what is permissible. Generalising these zones into broad categories (Figure 6), residential land represents 56% of the municipality – this excludes roads and public access (calculated as a separate category). In addition, there is a significant amount of non-residential land (44%), this includes Public (9%), Open Space (9%) and Industrial (9%) land use.

Looking further into how residential land is zoned, it is evident that Primary Residential Zoned land represents over 90% of potential residential capacity in the municipality (Figure 7). For the purposes of determining capacity, the assumed development form within these areas are townhouses (medium density). In contrast, the Activity Centre type areas at the remaining 10% encompass the majority of retail, offices and commercial activity.

⁸ Depending on the zone and proposed development, planning permits may be required for residential use and development.

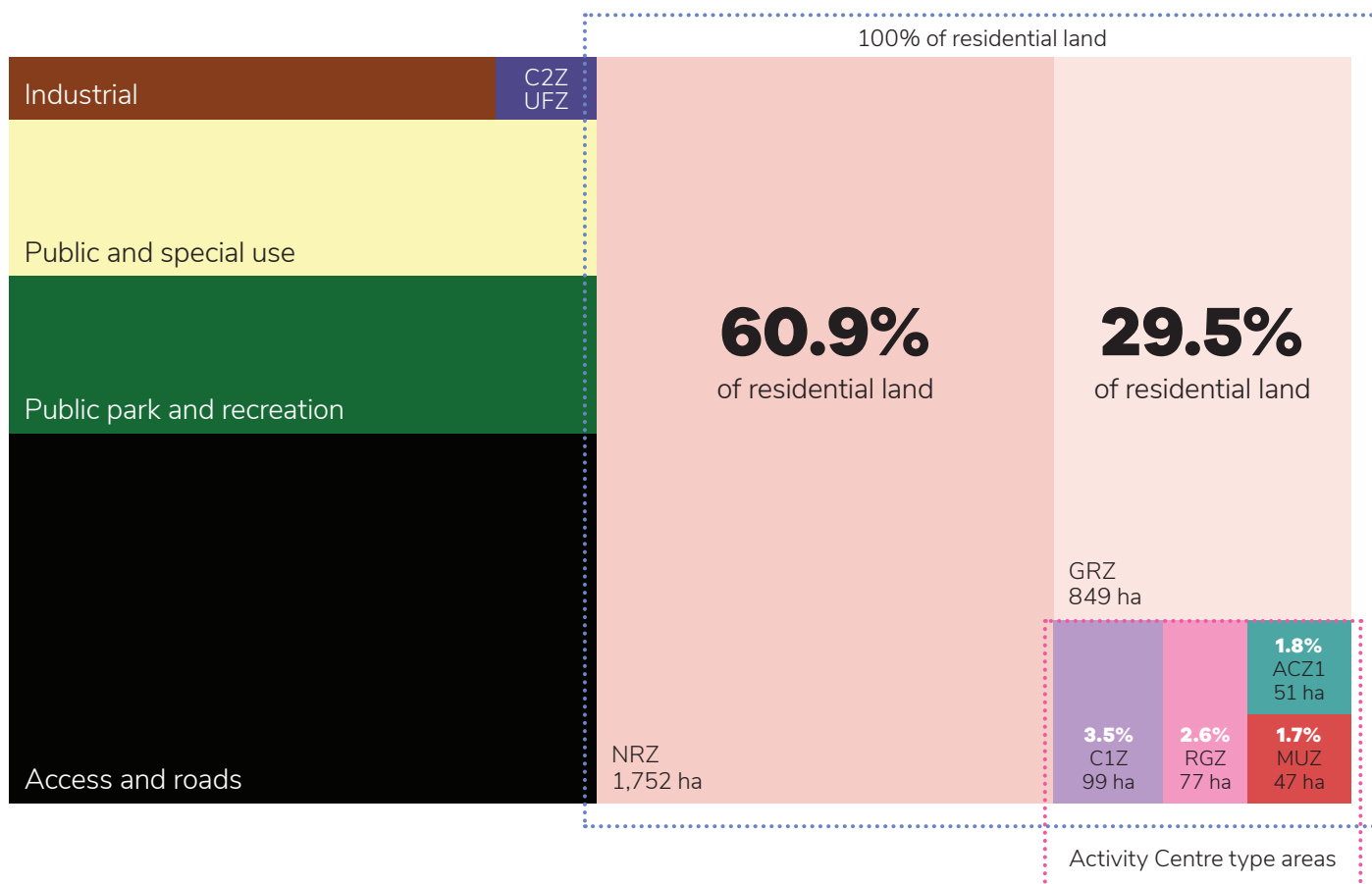


Figure 7: Merri-bek Residential Land-use.

For the purposes of determining capacity, the assumed development form within activity centres are predominantly apartments. Merri-bek has a network of different sized activity centres across the municipality that have been organised into a hierarchy that guides their roles and functions:

Major Activity Centre (MAC)

- Provide a broad mix of retail uses, commercial and cultural activity, employment options, administrative and civic centre functions, government investment and regional facilities.
- Accommodate substantial residential/mixed-use growth and change to create a new character of increased density and scale of built form.

Neighbourhood Activity Centre (NAC)

- Provide a mix of uses to serve the daily and weekly shopping and service needs of the local community.
- Accommodate an increase in density and scale of built form appropriate to their role in the Activity Centre Hierarchy but at a lesser intensity and scale to the larger centres of Coburg, Brunswick and Glenroy.

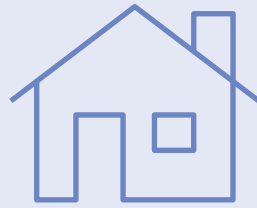
Local Activity Centre (LAC)

- Serve the daily convenience needs of the local community, and generally include small supermarket/grocery store and services such as bakeries, newsagents, chemists and cafes.
- Accommodate growth and change respectful of the existing built form.

7. Part B: Development assumptions



Development assumptions



Height and Commercial



Dwelling size

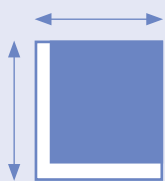
= Dwelling capacity



Apartments



Medium density



Site coverage

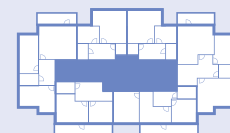


Apartments



Townhouses (footprint)

Average dwelling size/footprint



90% dedicated to residential use

Building efficiency

Figure 8: Components of determining capacity.

Purpose

I To determine the dwelling capacity (yield) of Available Residential Land (developable land).

Assumptions

Estimates of the dwelling yield were conducted at the site level under the assumption of a 'full build out' scenario based on current planning policy. The estimates therefore are informed by zone constraints and for Major Activity Centres, built form controls. Based on the planning controls and their location, sites will support either townhouses or apartments:

- **Activity Centres**
Major – apartments
Neighbourhood – apartments and townhouses
Local centres – townhouses*
*Noting exception of sites adjacent to train stations.
- **Non-Activity Centre Locations**
Primary Residential Zones – townhouses

The variables to determine yield in this study are:

Townhouses

- Site coverage
 - Private open space (garden areas)
 - Access
- Average dwelling footprint

Apartments

- Site coverage
- Building efficiency
- Commercial floorspace
- Height (storeys)
- Average apartment size

Implementation

The yield assumptions were implemented based on each site's lot size to determine the yield. This is then compared to the current dwellings on the lot and subtracted to give the net yield or net capacity. A conservative approach was used to calculate capacity, whereby:

- All remainders (e.g. 5.4 dwellings) were rounded down (see Figure 9 below)
- Rounding was implemented individually for 1B, 2B and 3B apartments to obtain an overall yield for the site.

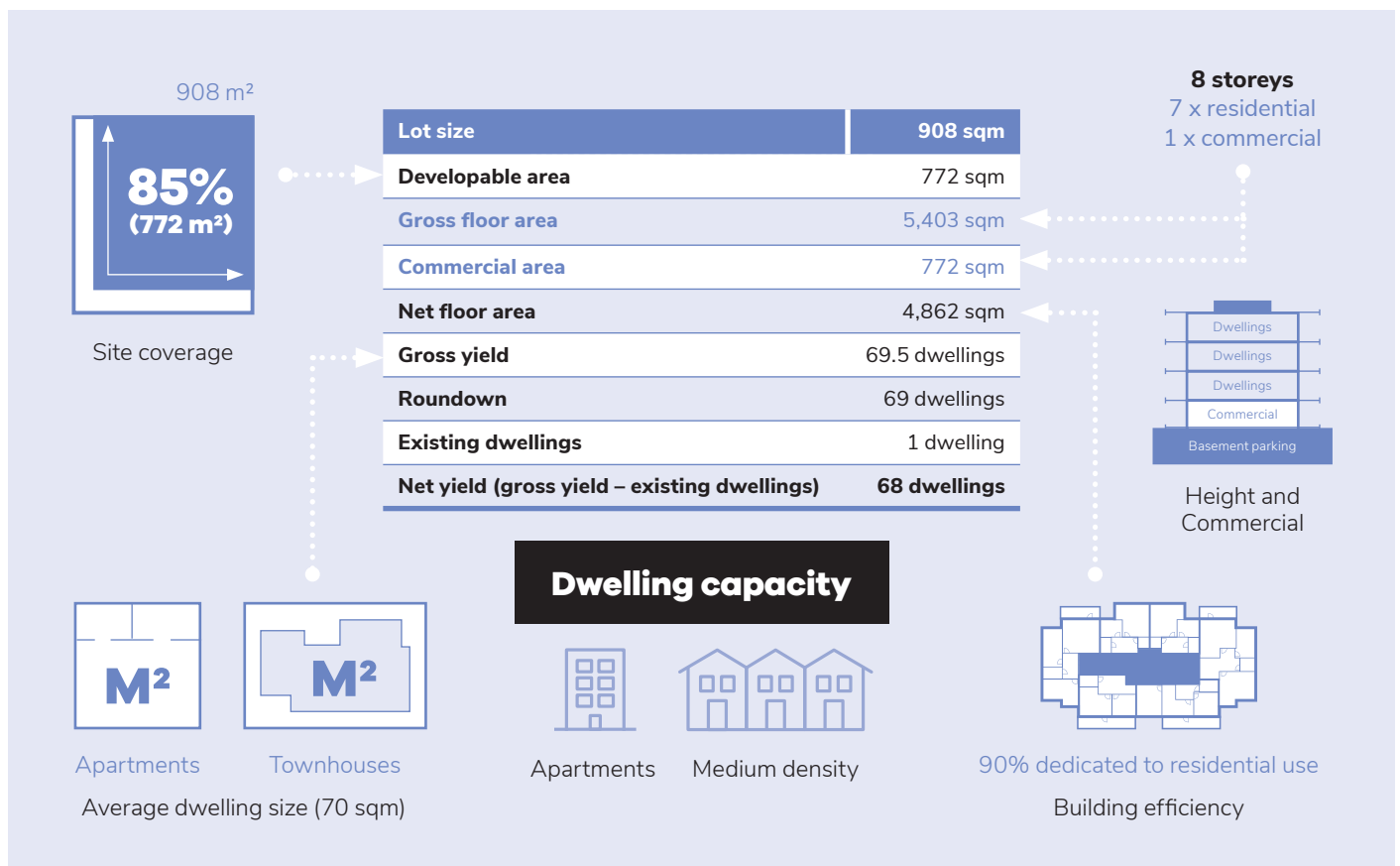


Figure 9: Examples of capacity calculation.

*example development assumptions used

Activity Centres

Activity Centres



Assumed Development Type: **Apartments**

Major AC
ALL Zones including MILS

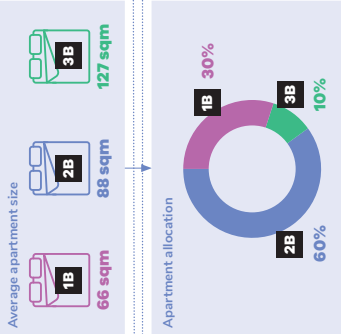
Lot size	Apartment developments in Merri-bek
Site coverage	Apartment developments in Merri-bek
Commercial floorspace	Apartment developments in Merri-bek
Height	Apartment developments in Merri-bek (DDO and setbacks)

These variables were derived by taking a site by site analysis of developable residential land in Major Activity Centres to:

- Apply the internal amenity considerations contained in Clause 15.01-2L (Apartment Developments in Merri-bek) to buildings, whether or not they are over 5 storeys in height
- Have regard to the minimum floor areas required for a functional development
- Adopt an assumption, based on existing approvals in Merri-bek's largest activity centres, that no dwellings will be provided at the ground floor level of a building in these zones

- There is limited data available on the building efficiency of apartments in Merri-bek
- In discussion with Council's Urban Planning unit a figure of 10% was assumed for the purposes of the study

- Data was collected on 61 apartments across the municipality that have either been approved or recently submitted to determine an average apartment size
- Given the greater amount of apartment developments in the central and southern suburbs, the averages reflect a greater weighting towards apartment sizes in these areas
- This weighting is a reflection of less (and older) apartment developments in the northern suburbs



- The data showed that 3 bedroom apartments comprised 10% of developments in Brunswick, 7% in Coburg and 0% in Glenroy. A reflection of both property prices and a more mature apartment market in Brunswick;
- The same assumptions are applied to all Major Activity Centres – therefore Glenroy MAC is assumed to have 3 bedroom apartments for the purposes of calculating its capacity to accommodate growth over the next 15 years.
- In the alternate approach where Glenroy and Coburg is assumed to have a lower percentage (or none) of 3 bedroom apartments, this would likely increase their apartment capacity.

Figure 10A: Development assumptions used to calculate capacity.



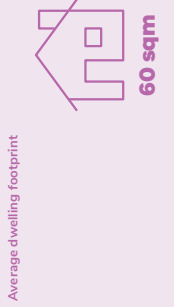
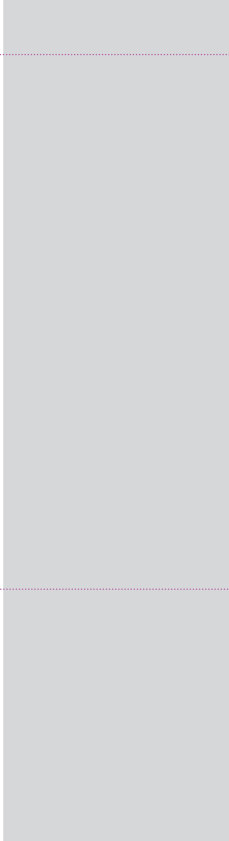
Assumed Development Type: **Medium density**

Neighbourhood AC
Site not on a main road or within 400m of a train station

Local AC*
C1Z and MUZ

Lot size	ALL
Site coverage	60%
Commercial floorspace	SHOP Ground floor

Lot size	ALL
Site coverage	100%
Commercial floorspace	SHOP Ground floor



- A conservative approach was adopted for neighbourhood centres with a 3 storey height assumption (ground floor shop).
- Depending on the site, planning regulations allow some developments above three stories and there are examples in Merri-bek.
- In the alternative approach, an increase in height would increase capacity in these centres.

*Sites located adjacent to train stations are assumed to be suitable for apartment development in accordance with Neighbourhood centre development assumptions (3 storey apartment with ground floor commercial).

Non-Activity Centre Locations



Assumed Development Type: **Medium density**

NRZ & GRZ

RGZ

Lot size

Lot size

< 400
sqm

400-500
sqm

501-650
sqm

650+
sqm

ALL

Site coverage

65%

60%

50%

Site coverage

60%

Site coverage assumptions are informed by planning policy.

Average dwelling footprint

Average dwelling footprint



105 sqm



139 sqm



106 sqm



60 sqm

NRZ

Average dwelling footprint



101 sqm



104 sqm



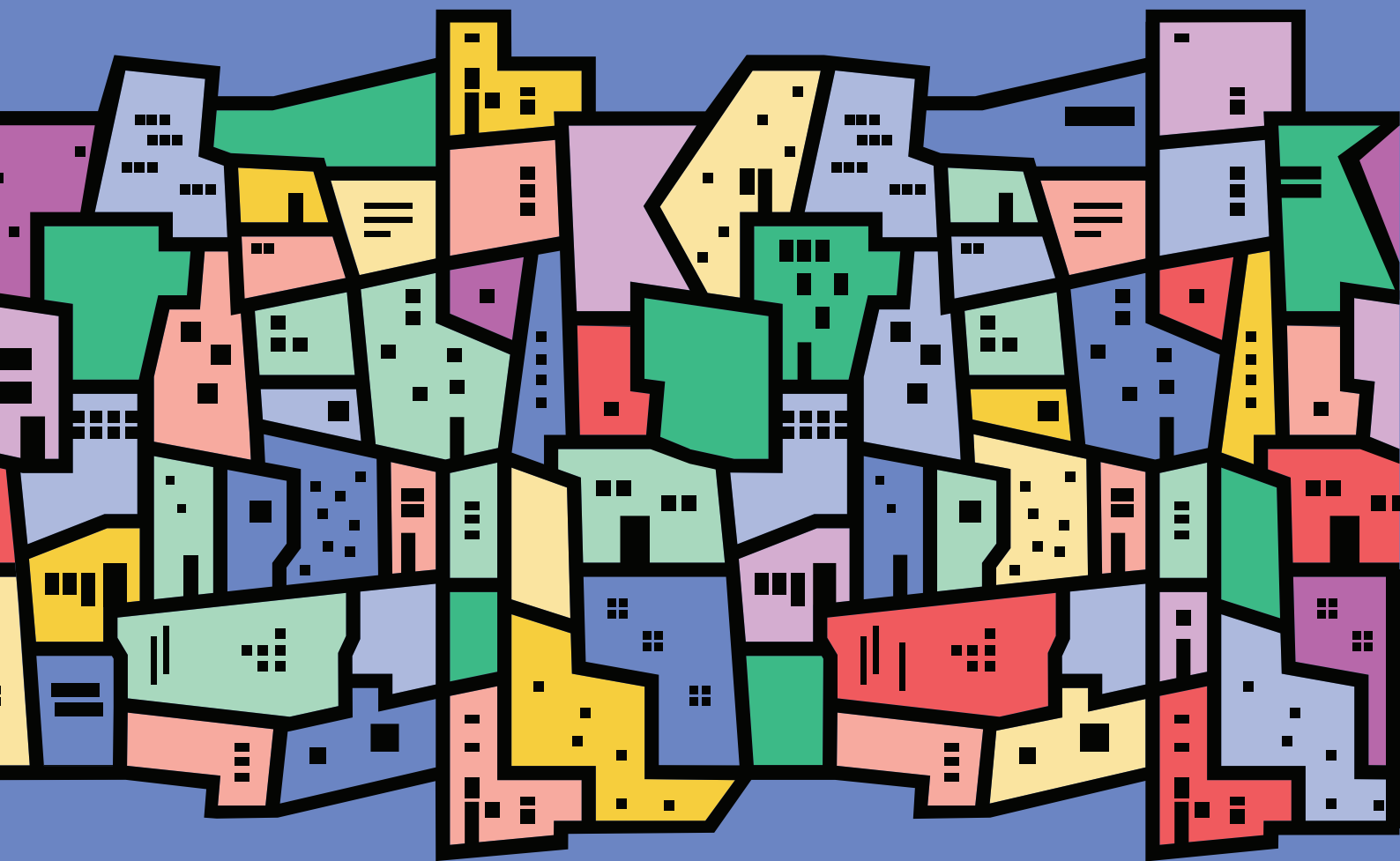
94 sqm

GRZ

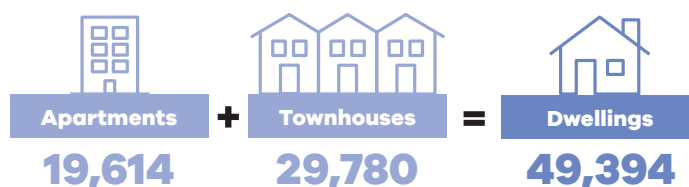
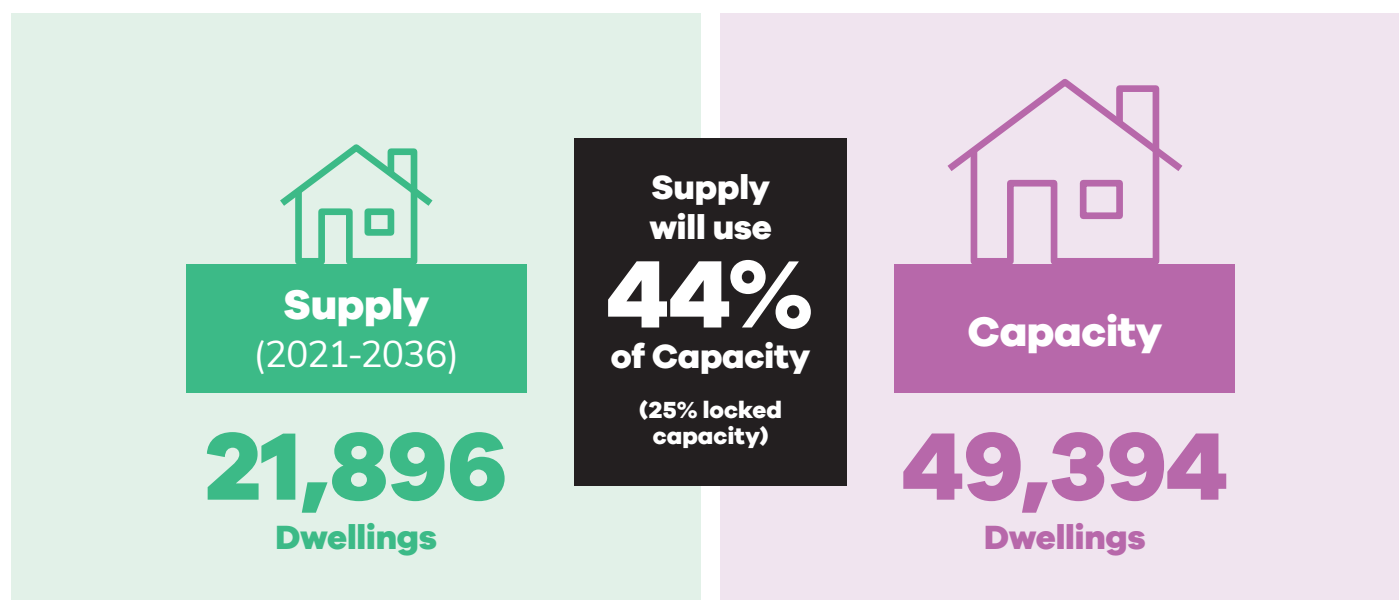
- Data was collected on 90 recent medium density developments across the municipality to determine an average dwelling footprint.
- All selected developments were constructed and lodged after 17 March 2017, following the commencement of the Garden Area requirement.

Figure 10B: Development assumptions used to calculate capacity.

8. Merri-bek dwelling _capacity



Merri-bek: Capacity profile



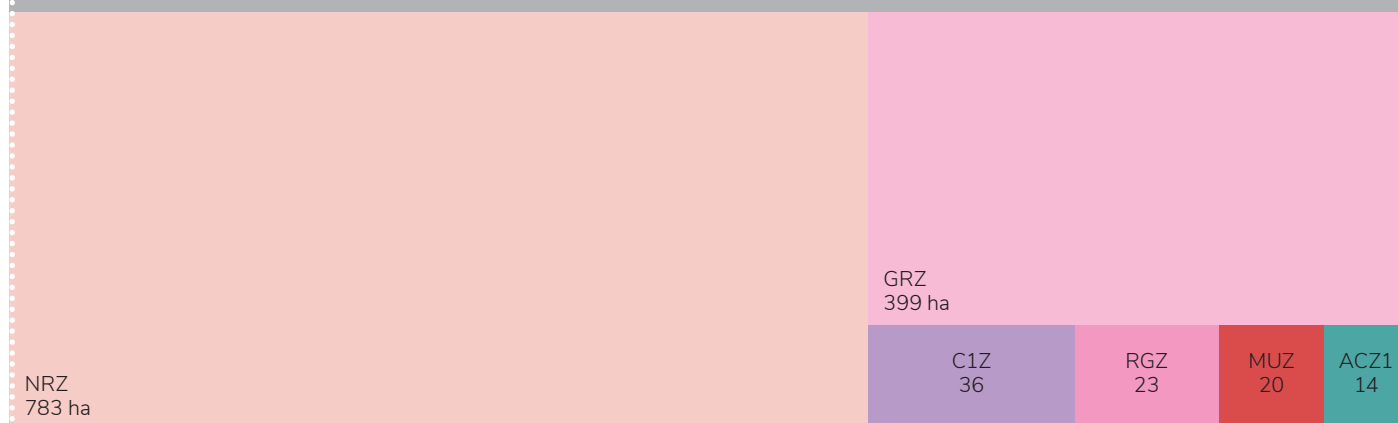
	Supply	% Capacity	Capacity
Brunswick	4,245	48%	8,884
Brunswick East	2,771	100%	2,780
Brunswick West	2,469	103%	2,389
Coburg	3,667	35%	10,505
Coburg North	984	38%	2,612
Fawkner	1,011	25%	4,123
Glenroy	2,371	35%	6,858
Gowanbrae	56	13%	441
Hadfield	398	19%	2,098
Oak Park	823	44%	1,875
Pascoe Vale	2,337	54%	4,355
Pascoe Vale South	764	31%	2,474
	21,896	44%	49,394

Figure 11A: Merri-bek Dwelling Capacity (by suburbs and zones).

▼ **-56%**

Residential land not suitable for further development **41%**

25% Locked Capacity



	ACZ1	C1Z	GRZ	MUZ	NRZ	RGZ	TOTAL	%
Brunswick	-	5,523	229	2,055	926	151	8,884	18%
Brunswick East	-	993	106	1,031	446	204	2,780	6%
Brunswick West	-	312	395	387	918	377	2,389	5%
Coburg	5,917	405	2,319	35	1,761	68	10,505	21%
Coburg North	204	174	1,171	434	524	105	2,612	5%
Fawkner	-	169	1,511	-	2,293	150	4,123	8%
Glenroy	-	1,332	1,895	86	3,304	241	6,858	14%
Gowanbrae	-	17	-	-	424	-	441	1%
Hadfield	-	207	700	-	1,092	99	2,098	4%
Oak Park	-	77	465	-	1,236	97	1,875	4%
Pascoe Vale	-	322	1,987	-	1,674	372	4,355	9%
Pascoe Vale South	-	180	1,278	-	852	164	2,474	5%
TOTAL	6,121	9,711	12,056	4,028	15,450	2,028	49,394	100%
%	12%	20%	24%	8%	31%	4%	100%	

Figure 11B: Merri-bek Dwelling Capacity (by suburbs and zones).

Key findings

- A. Merri-bek's **full capacity** (0% locked capacity) is **65,900 dwellings**:
- 36,673 townhouses in Primary Residential Zones
 - 29,172 apartments in activity centres
- B. With a **25% allowance for locked capacity**, Merri-bek's capacity is **49,394 dwellings**:
- 27,495 townhouses in NRZ and GRZ, local activity centres and select sites in neighbourhood centres (refer development assumptions)
 - 19,614 apartments in activity centres (MACs and NACs)
- C. **Merri-bek has at least a 15-year capacity of Available Residential Land to accommodate projected growth.** Supply will use 44% of reduced capacity (25% locked capacity).
- D. **Brunswick East and West have capacity concerns** with at least 100% of capacity to be consumed by 2036, in order to meet projected supply. The remaining suburbs indicate no immediate capacity concerns.
- E. The top 5 suburbs with the largest capacity⁹ for additional dwellings are:
1. Coburg: 10,505
 2. Brunswick: 8,884
 3. Glenroy: 6,858
 4. Pascoe Vale: 4,355
 5. Fawkner: 4,123

Figure 12 (next pages) demonstrates the impact of implementing Part A (Available Residential Land) criteria to identify developable land and a 25% locked capacity assumption. Once the criteria was implemented in Part A 41% of all residential land is considered not suitable for further residential development. Implementing a 25% locked capacity assumption (see definition in Section 3 – What is Housing Capacity?), this figure rises to 56% of residential land unavailable.

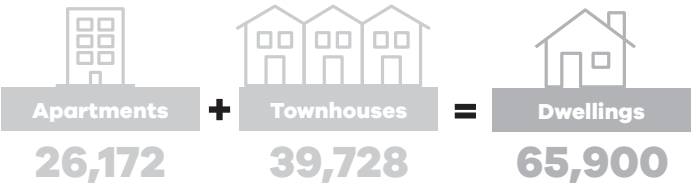
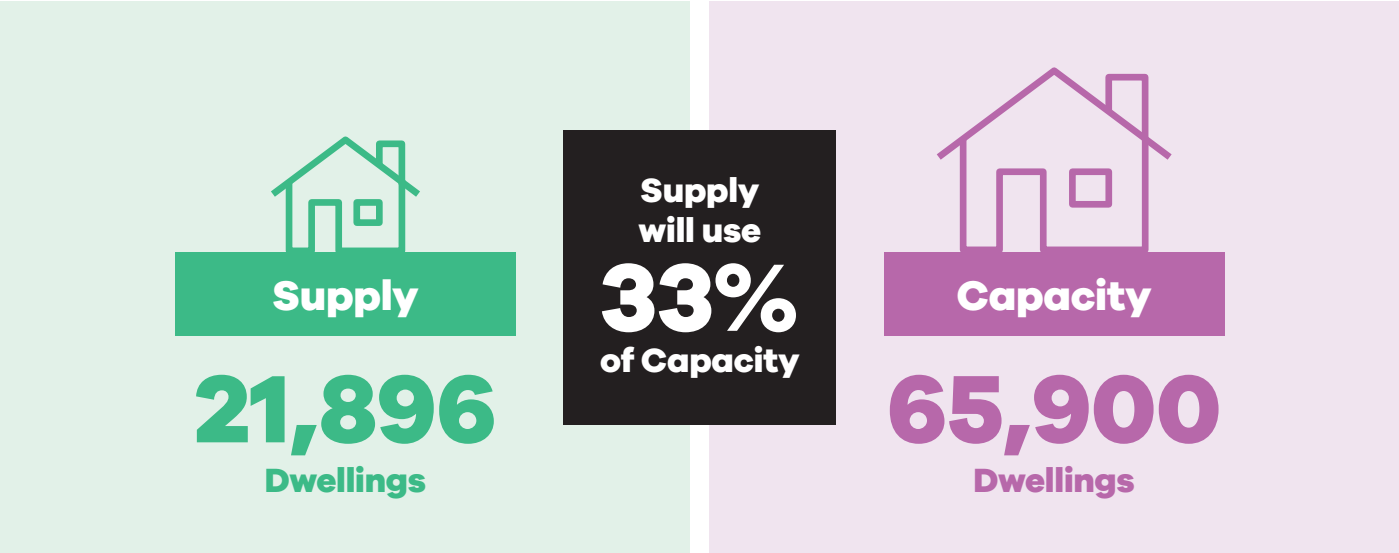
Note: References to dwelling capacity in the remainder of the report, including dwelling numbers, will include a 25% locked capacity assumption unless otherwise specified.

8.1 Observations

- Based on 25% locked capacity the relatively small footprint of activity centres provides a significant contribution to capacity.
- Almost half (40%) of dwelling capacity is located in activity centres in the form of apartments. This is a reflection of the increased density of apartments over townhouses.
- The analysis estimates that Merri-bek has the capacity to accommodate 49,394 dwellings on land identified as developable (Available Residential Land). Broken down further, this represents 27,495 townhouses primarily located in primary residential zones (92% of townhouses) and 19,614 apartments in commercial areas (Major and Neighbourhood activity centres).
- The suburbs with the highest capacity (Brunswick, Coburg and Glenroy) correlate with locations of Major activity centres – the increased development density of these locations is a large contributor to their high capacity figures.

⁹ 25% locked capacity.

Merri-bek: Capacity profile (Full Capacity)



	Supply	% Capacity	Capacity
Brunswick	4,245	36%	11,849
Brunswick East	2,771	75%	3,713
Brunswick West	2,469	77%	3,191
Coburg	3,667	26%	14,010
Coburg North	984	28%	3,487
Fawkner	1,011	18%	5,501
Glenroy	2,371	26%	9,148
Gowanbrae	56	10%	589
Hadfield	398	14%	2,799
Oak Park	823	33%	2,503
Pascoe Vale	2,337	40%	5,808
Pascoe Vale South	764	23%	3,302
	21,896	33%	65,900

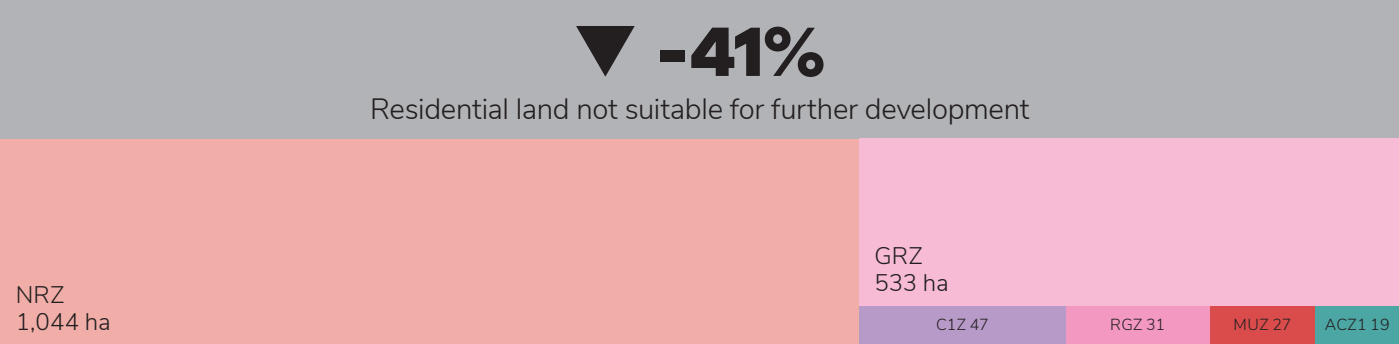
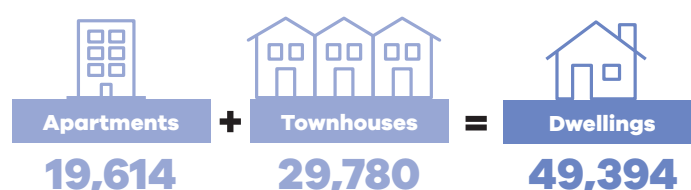
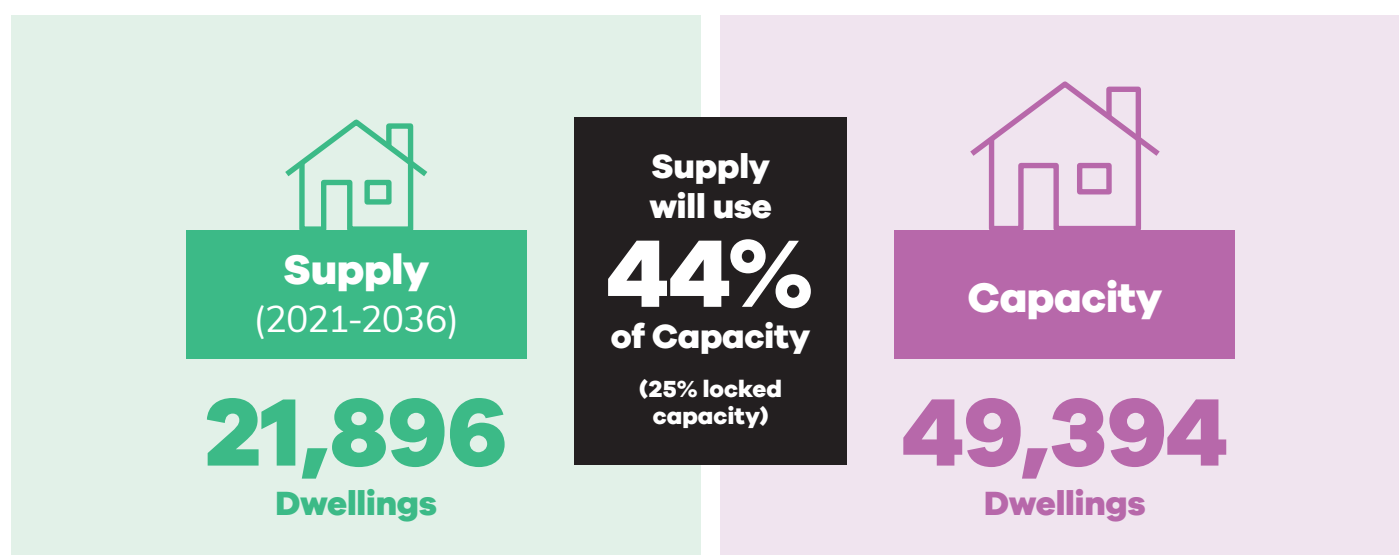


Figure 12A: Full Capacity and 25% Locked Capacity Comparison.

Merri-bek: Capacity profile (25% Locked)



	Supply	% Capacity	Capacity
Brunswick	4,245	48%	8,884
Brunswick East	2,771	100%	2,780
Brunswick West	2,469	103%	2,389
Coburg	3,667	35%	10,505
Coburg North	984	38%	2,612
Fawkner	1,011	25%	4,123
Glenroy	2,371	35%	6,858
Gowanbrae	56	13%	441
Hadfield	398	19%	2,098
Oak Park	823	44%	1,875
Pascoe Vale	2,337	54%	4,355
Pascoe Vale South	764	31%	2,474
	21,896	44%	49,394

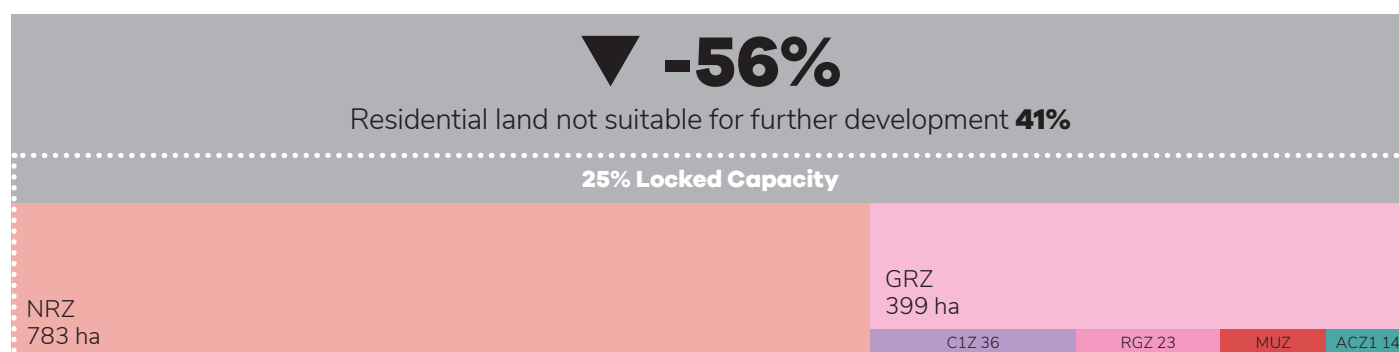
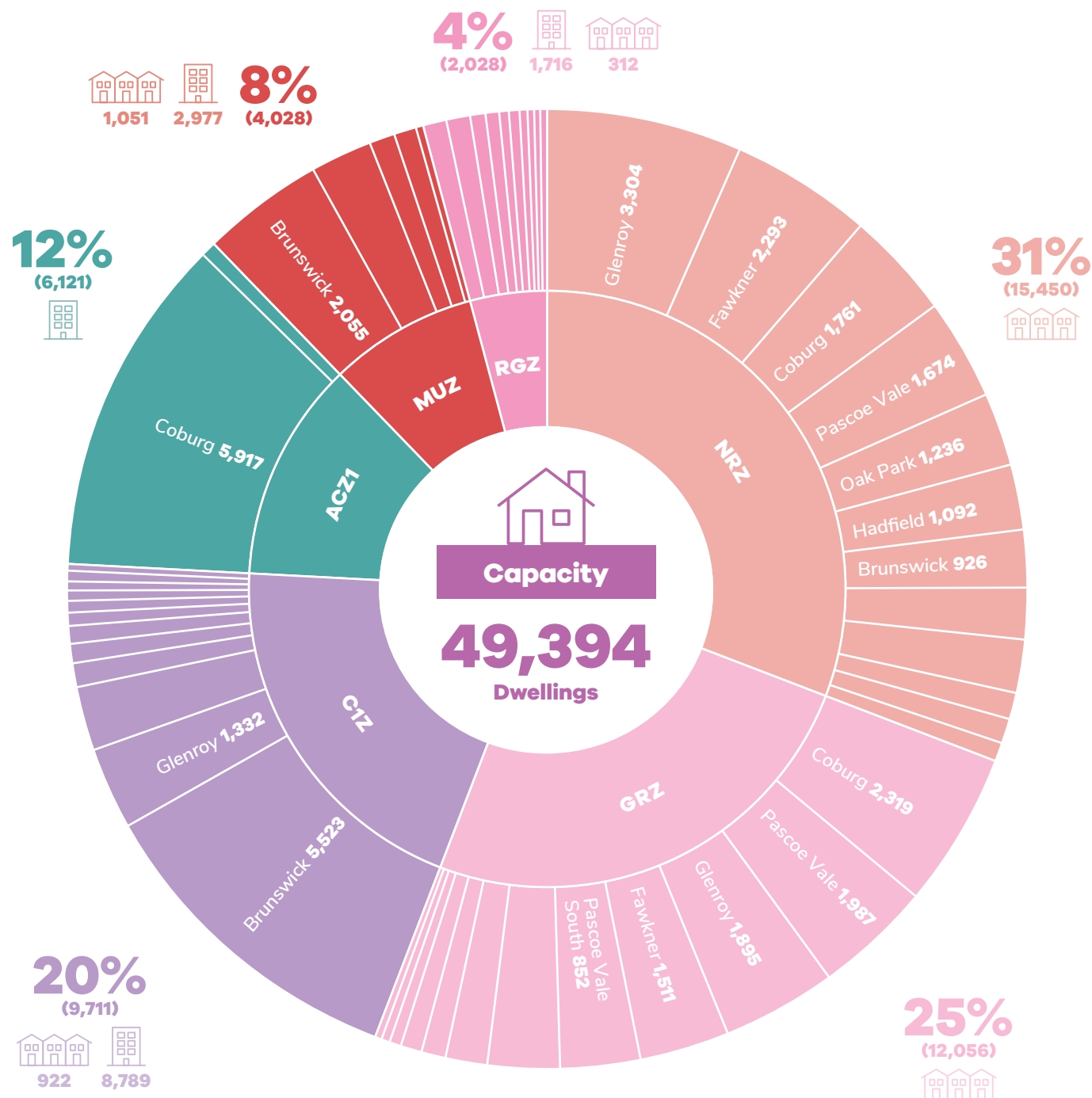


Figure 12B: Full Capacity and 25% Locked Capacity Comparison.

Capacity by Zone

RGZ sites are predominantly located in activity centres – where these are located in NACs, the assumed development type are townhouses unless a site is:

- Located on a main road
- Within 400m of a train station



Local activity centres (C1Z and MUZ) assume that development will be in the form of townhouses

Figure 13: Capacity by Zone.

Capacity by Suburb

The suburbs with the Major Activity Centres (Coburg, Brunswick, Glenroy) account for over half the total capacity (~53%) of Merri-bek

Coburg has the highest capacity, led by the Activity Centre Zone (apartments), which represents 56% of Coburg's dwelling capacity

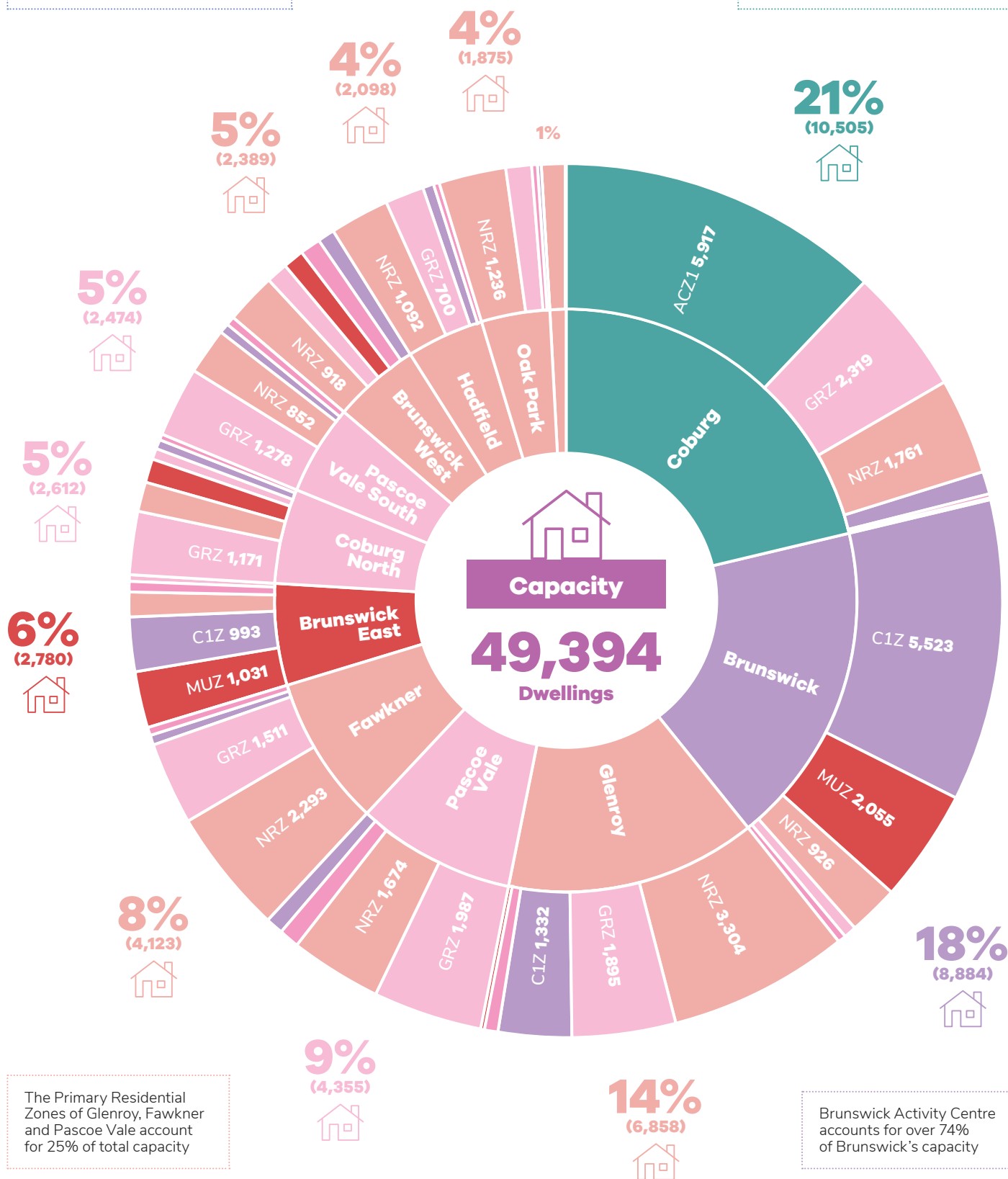
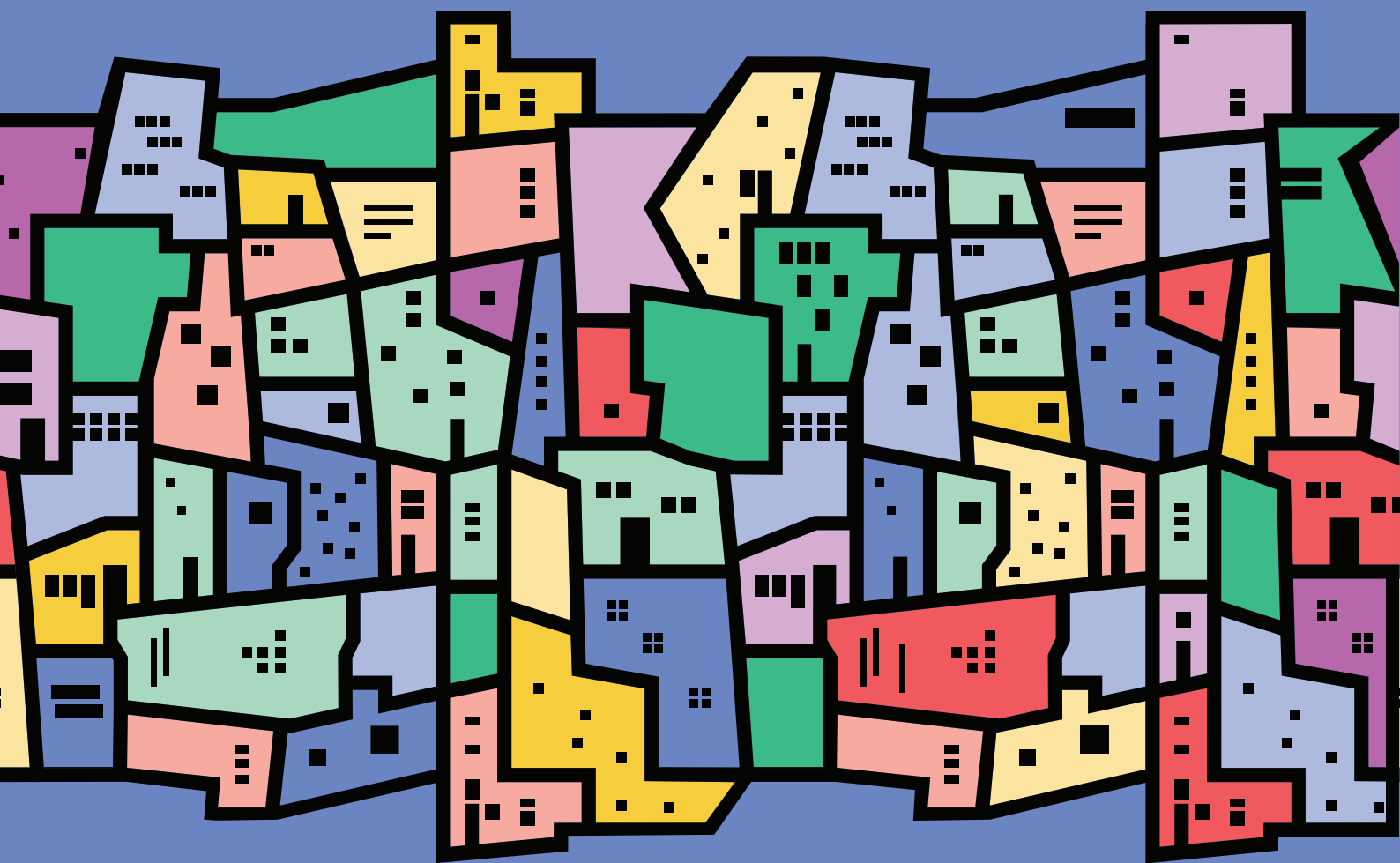


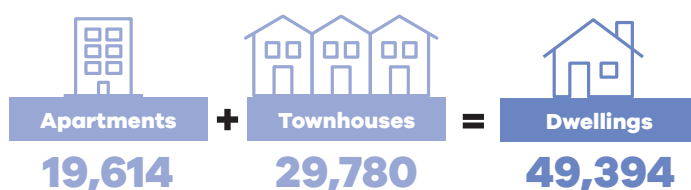
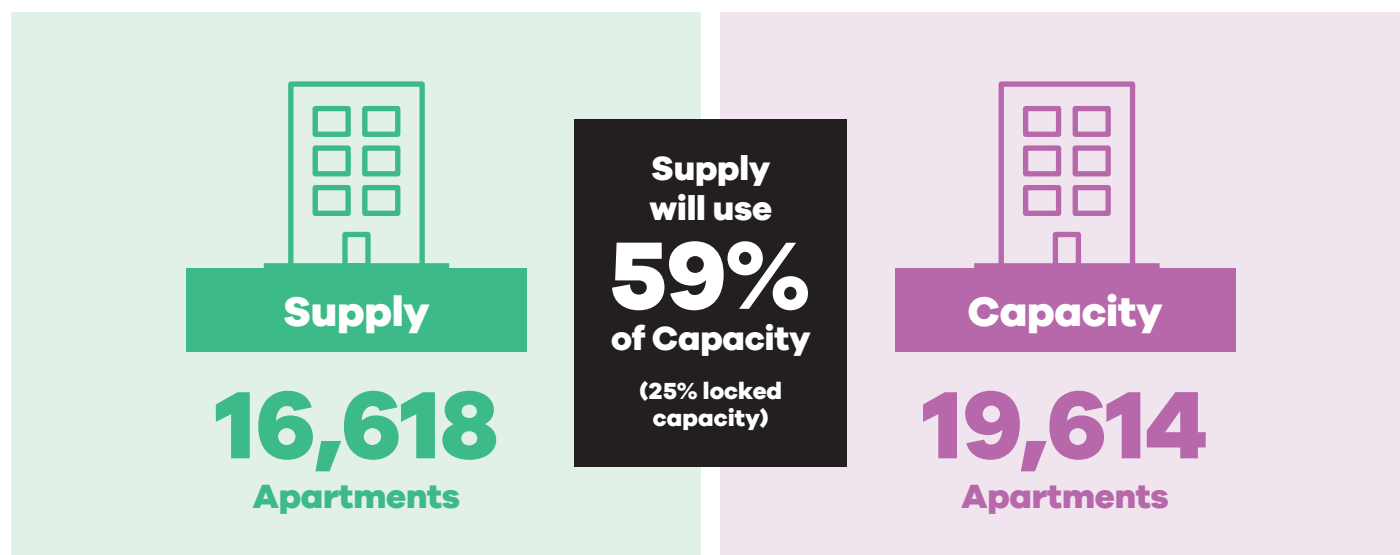
Figure 14: Capacity by Suburb.



9. Activity centres



Apartments: Capacity profile



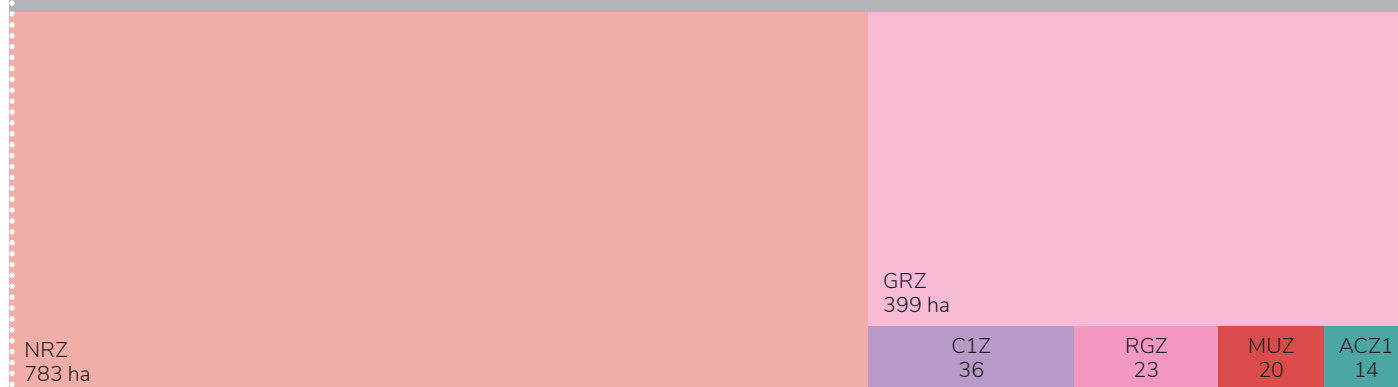
	Supply	% Capacity	Capacity
Brunswick	3,528	49%	7,225
Brunswick East	2,251	131%	1,720
Brunswick West	1,716	215%	798
Coburg	2,185	35%	6,294
Coburg North	440	58%	757
Fawkner	66	34%	194
Glenroy	440	27%	1,617
Gowanbrae	0		0
Hadfield	82	46%	180
Oak Park	220	143%	154
Pascoe Vale	490	121%	406
Pascoe Vale South	200	74%	269
	11,618	59%	19,614

Figure 15A: Merri-bek Activity Centres (apartments) Capacity.

▼ **-56%**

Residential land not suitable for further development **41%**

25% Locked Capacity



	ACZ1	C1Z	GRZ	MUZ	NRZ	RGZ	TOTAL	%
Brunswick	-	5,469	-	1,665	-	91	7,225	37%
Brunswick East	-	909	-	604	3	204	1,720	9%
Brunswick West	-	312	8	199	-	279	798	4%
Coburg	5,917	282	-	35	-	60	6,294	32%
Coburg North	204	60	-	388	-	105	757	4%
Fawkner	-	70	-	-	-	124	194	1%
Glenroy	-	1,290	-	86	-	241	1,617	8%
Gowanbrae	-	-	-	-	-	-	-	0%
Hadfield	-	159	-	-	-	21	180	1%
Oak Park	-	57	-	-	-	97	154	1%
Pascoe Vale	-	34	-	-	-	372	406	2%
Pascoe Vale South	-	147	-	-	-	122	269	1%
Total	6,121	8,789	8	2,977	3	1,716	19,614	100%
%	31%	45%	0%	15%	0%	9%	100%	

Figure 15B: Merri-bek Activity Centres (apartments) Capacity.

Key findings

A. Activity Centres account for the following capacity (refer to Figure 16):

- **Major: 16,302 apartments**
- **Neighbourhood: 2,950 dwellings** (2,650 apartments and 300 townhouses)
- **Local¹⁰: 2,642 townhouses**

B. Merri-bek has sufficient capacity to meet forecast growth in activity centres. Projected supply of apartments will consume 59% of apartment capacity. At the LGA level this does not raise any immediate capacity concerns.

C. Activity centres in Brunswick East (131% of capacity used), Brunswick West (215%) and Oak Park (143%) will exceed their apartment capacity over the next 15 years. This merits further monitoring and investigation to understand and determine a preferred growth strategy to address potential capacity constraints over the next 15 years.

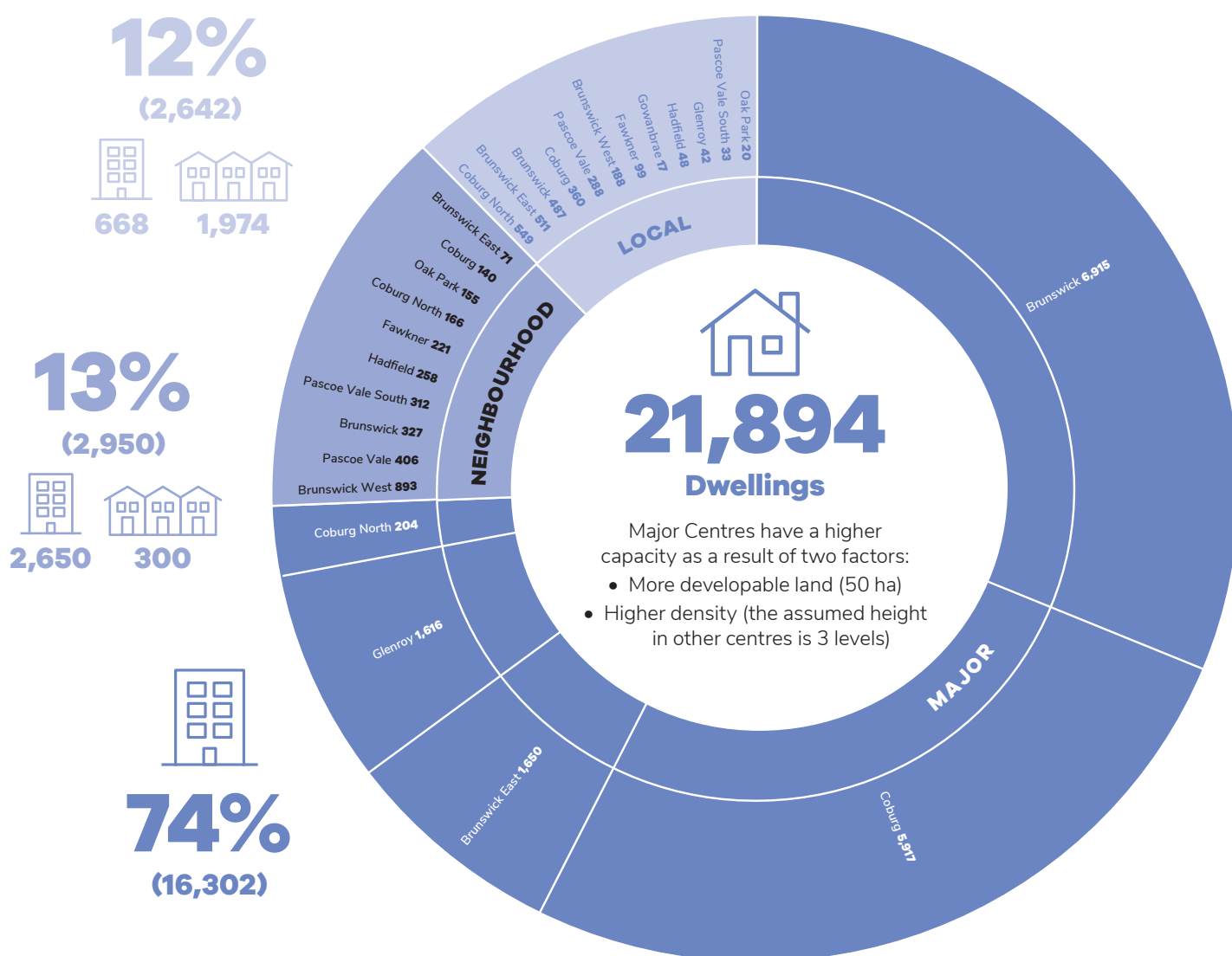


Figure 16A: Major, Neighbourhood and Local Activity Centres Capacity.

Note: Minor variations in apartment totals are the result of implementing a 25% reduction on differently categorised tables. Merri-bek Apartments by Suburbs (19,614) versus Merri-bek Apartments by Activity Centres and Suburbs (19,620).

¹⁰ Local Centres are zoned Commercial 1 and Mixed Use.

MAJOR	ACZ1	C1Z	GRZ	MUZ	NRZ	RGZ	TOTAL	%
Brunswick Activity Centre								
Brunswick	-	5,253	-	1,636	-	26	6,915	42%
Brunswick East	-	852	-	604	3	191	1,650	10%
Coburg Activity Centre								
Coburg	5,917	-	-	-	-	-	5,917	36%
Coburg North	204	-	-	-	-	-	204	1%
Coburg Activity Centre								
Glenroy	-	1,290	-	85	-	240	1,616	10%
TOTAL	6,121	7,395	-	2,326	3	457	16,302	100%
%	38%	45%	0%	14%	0%	3%	100%	

NEIGHBOURHOOD	C1Z	GRZ1	MUZ	RGZ	TOTAL	%
Brunswick	185	-	17	126	327	11%
Brunswick East	58	-	-	13	71	2%
Brunswick West	313	8	199	373	893	30%
Coburg	79	-	-	61	140	5%
Coburg North	61	-	-	105	166	6%
Fawkner	70	-	-	151	221	7%
Glenroy	-	-	-	1	1	0%
Gowanbrae					-	0%
Hadfield	159	-	-	99	258	9%
Oak Park	58	-	-	97	155	5%
Pascoe Vale	34	-	-	372	406	14%
Pascoe Vale South	148	-	-	164	312	11%
TOTAL	1,164	8	216	1,562	2,950	100%
%	39%	0%	7%	53%	100%	

LOCAL	C1Z	MUZ	TOTAL	%
Brunswick	85	402	487	18%
Brunswick East	84	427	511	19%
Brunswick West	-	188	118	7%
Coburg	325	35	360	14%
Coburg North	114	435	549	21%
Fawkner	99	-	99	4%
Glenroy	42	-	42	2%
Gowanbrae	17	-	17	1%
Hadfield	48	-	48	2%
Oak Park	20	-	20	1%
Pascoe Vale	288	-	288	11%
Pascoe Vale South	33	-	33	1%
TOTAL	1,155	1,487	2,642	100%
%	44%	56%	100%	

Figure 16B: Major, Neighbourhood and Local Activity Centres Capacity.

9.1 Observations

- Brunswick's apartment capacity (primarily in the Brunswick Activity Centre) will likely be used to meet supply requirements for Brunswick East and West as they reach capacity. Under this assumption (all Brunswicks) supply will use 77% of capacity by 2036 – sufficient¹¹ to accommodate projected growth over the next 15 years.
- Brunswick East's dwelling capacity is almost double that of West's predominantly due to:
 - The different roles they play – Major vs Neighbourhood activity centres.
 - The development assumption that apartments are higher – Brunswick West, as a Neighbourhood activity centres assumes a 3 storey height limit¹² for the purposes of determining capacity.
 - The further development assumption (NAC) that townhouses will be developed on sites not located on a main road or within 400m of a train station. This results in a reduced amount of dwellings compared to apartments on these sites.
- In the Oak Park Neighbourhood activity centre supply will use 143% of capacity – in real terms the shortfall is 66 dwellings. This shortfall can be accommodated in adjacent suburbs¹³.
- The Commercial 1 Zone accounts for almost half of activity centre capacity (44%) – a reflection of its predominance in the Major activity centres of Glenroy and Brunswick, in addition to Neighbourhood and Local centres.
- Major activity centres, at double the developable area of Neighbourhood centres, provide a large amount of capacity that is a function of both more developable land and increased density over Neighbourhood and Local centres.
- Activity Centre type zones¹⁴ provide 91% of apartment capacity, while Residential Growth Zone provides the remaining 9% of apartment capacity.
- The **top 3 suburbs** (activity centres¹⁵) are:
 1. **Brunswick: 7,729 dwellings**
(7,225 apartments + 504 townhouses)
 2. **Coburg: 6,417 dwellings**
(6,294 apartments + 123 townhouses)
 3. **Brunswick East: 2,232 dwellings**
(1,720 apartments + 512 townhouses)

(All figures include 25% locked capacity assumption)

¹¹ The Covid Impact Study (2021, p.89) noted 60% as a threshold where the more tightly held and difficult sites will increasingly remain. This is an example of the market factors that the Locked Capacity Assumption attempts to reflect.

¹² Depending on the site and applicable planning controls, some sites allow a higher form of development.

¹³ A 15 year land supply is measured at the LGA level – a capacity shortfall at the suburb level is assumed to be accommodated within other areas of the municipality.

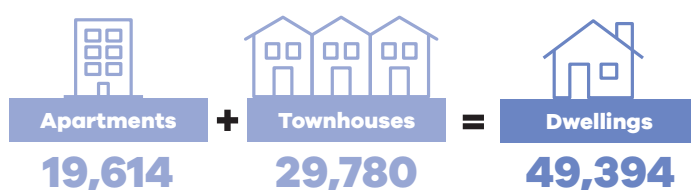
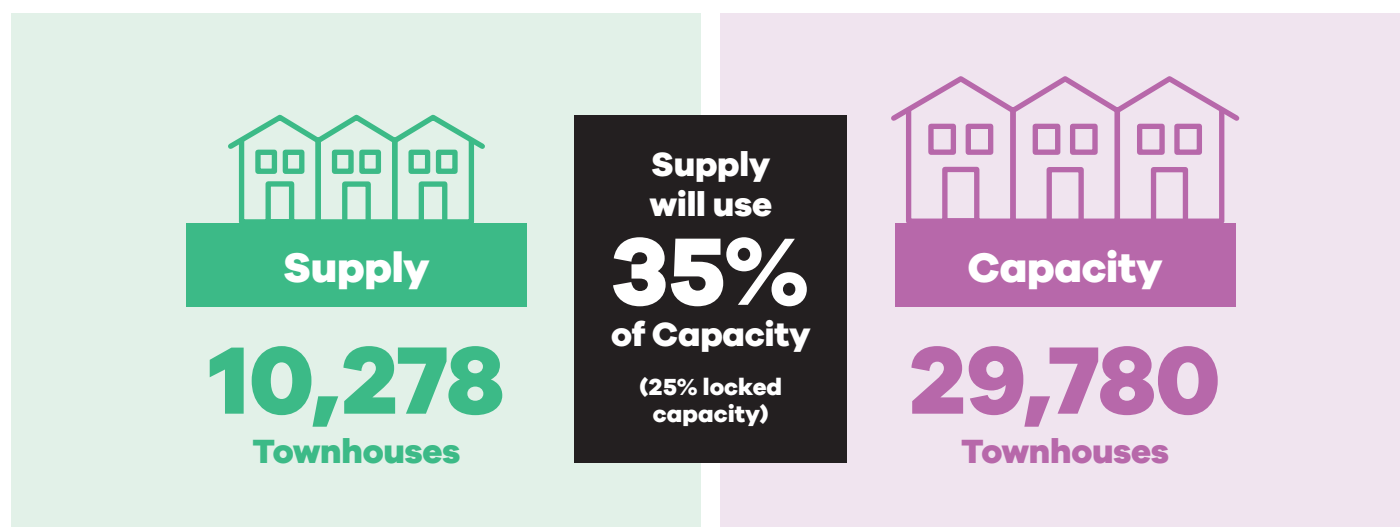
¹⁴ Commercial 1 (C1Z), Activity Centre (ACZ) and Mixed Use (MUZ).

¹⁵ This includes Major, Neighbourhood and Local centers.

10. Primary residential zones



Townhouses: Capacity profile



	Supply	% Capacity	Capacity
Brunswick	717	43%	1,659
Brunswick East	520	49%	1,060
Brunswick West	753	47%	1,591
Coburg	1,482	35%	4,211
Coburg North	544	29%	1,855
Fawkner	945	24%	3,929
Glenroy	1,931	37%	5,241
Gowanbrae	56	13%	441
Hadfield	316	16%	1,918
Oak Park	603	35%	1,721
Pascoe Vale	1,847	47%	3,949
Pascoe Vale South	564	26%	2,205
	10,278	35%	29,780

Figure 17A: Primary Residential Zones Capacity.

▼ **-56%**

Residential land not suitable for further development **41%**

25% Locked Capacity



	C1Z	GRZ	MUZ	NRZ	RGZ	TOTAL	%
Brunswick	54	229	390	926	60	1,659	6%
Brunswick East	84	106	427	443	-	1,060	4%
Brunswick West	-	387	188	918	98	1,591	5%
Coburg	123	2,319	-	1,761	8	4,211	14%
Coburg North	114	1,171	46	524	-	1,855	6%
Fawkner	99	1,511	-	2,293	26	3,929	13%
Glenroy	42	1,895	-	3,304	-	5,241	18%
Gowanbrae	17	-	-	424	-	441	1%
Hadfield	48	700	-	1,092	78	1,918	6%
Oak Park	20	465	-	1,236	-	1,721	6%
Pascoe Vale	288	1,987	-	1,674	-	3,949	13%
Pascoe Vale South	33	1,278	-	852	42	2,205	7%
Total	922	12,048	1,051	15,447	312	29,780	100%
%	3%	40%	4%	52%	1%	100%	

Figure 17B: Primary Residential Zones Capacity.

Key findings

- There is sufficient capacity to meet supply within Primary Residential Zones. Supply of townhouses will consume 35% of capacity.
- Brunswick East in addition to facing capacity pressure in activity centres, has supply of townhouses consuming 49% of capacity. By 2036, the capacity of Brunswick East will be significantly reduced, which based on the analysis and projections will result in the following capacity impacts:
 - a. Townhouses: 49% of capacity used**
 - b. Apartments: 131% capacity used**
- As previously discussed, further monitoring and investigation is merited to address potential capacity constraints over the next 15 years.
- The findings do not indicate that there are immediate townhouse capacity concerns in the remaining suburbs.

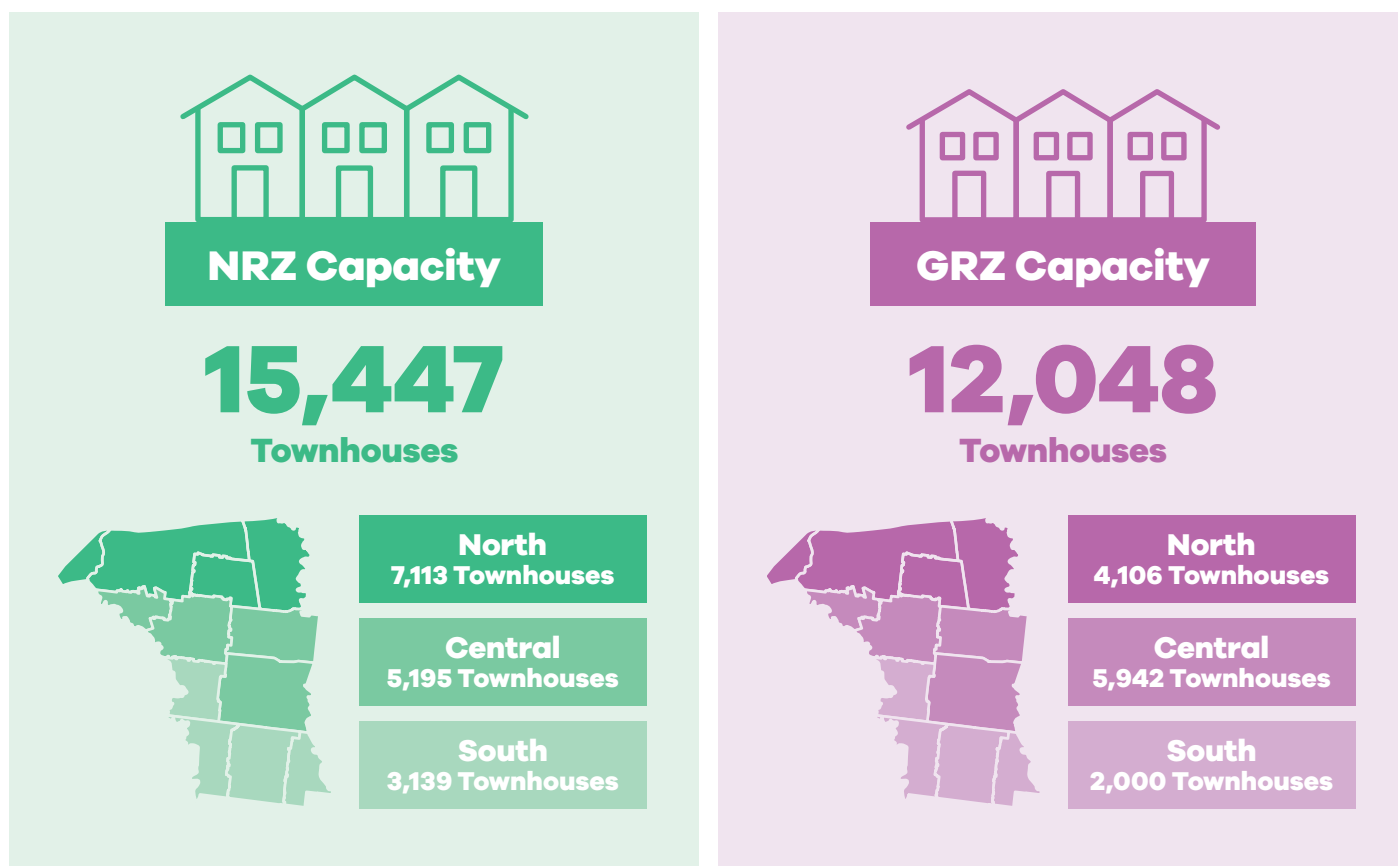


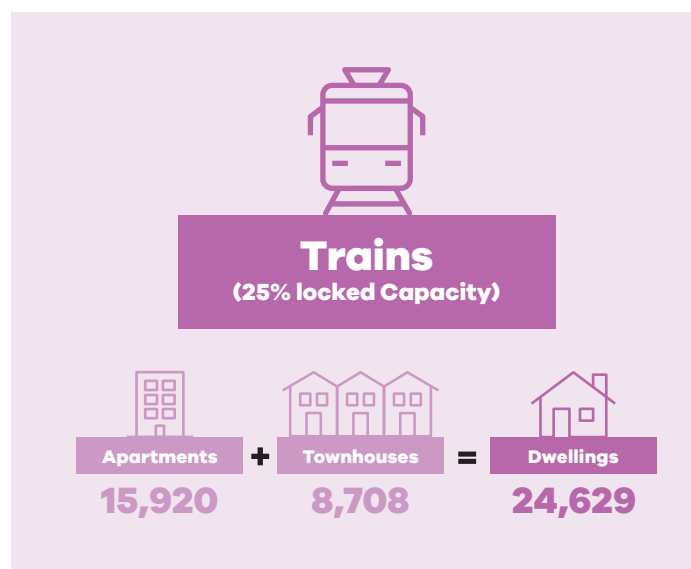
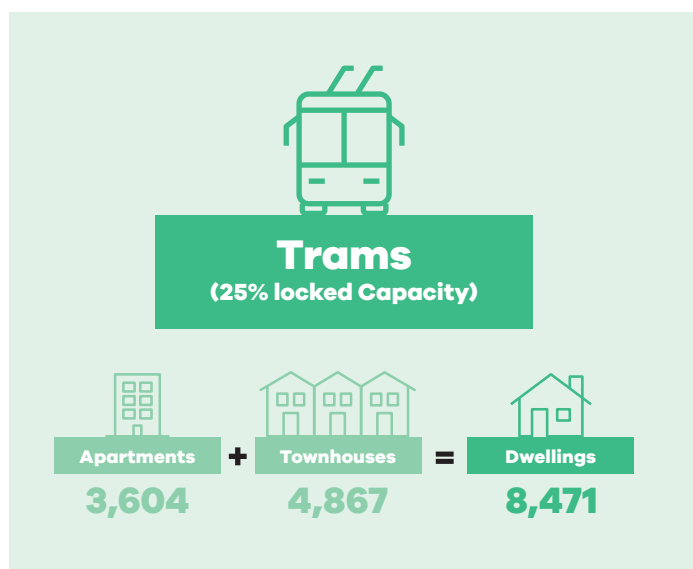
Figure 18: Primary Residential Zones Capacity by south, central and north sub-markets.

10.1 Observations

- Reflecting the historical development of Merri-bek, capacity increases for townhouse development from south to north. This historical development has resulted in larger lot sizes towards the north that have yet to be subdivided and developed.
- The capacity for townhouse development in the south of the municipality is significantly impacted by:
 - The amount of land dedicated to activity centres (commercial and mixed use zones).
 - Most lots having either been already developed, affected by a heritage overlay or small sized lots.
- The suburbs with the largest capacity in NRZ are Glenroy (3,304 townhouses), Fawkner (2,293) and Coburg (1,761).
- The suburbs with the largest capacity in GRZ are Coburg (2,319 townhouses), Pascoe Vale (1,987), and Glenroy (1,895) .
- Glenroy and Fawkner have larger lots that are relatively intact (have yet to be subdivided), which is a key driver to their increased capacity.
- Residential Growth Zone (RGZ), given its proximity to activity centres, is assumed to be a mix of townhouses (312) and apartments (1,716).

11. Principal public transport network (trains and trams)





TRAMS	DWELLING CAPACITY			
	Apartments	Townhouses	TOTAL	
Brunswick	548	638	1,186	14%
Brunswick East	1,723	1,022	2,744	32%
Brunswick West	773	1,098	1,871	22%
Coburg	334	1,298	1,632	19%
Coburg North	-	142	142	2%
Fawkner				
Glenroy				
Gowanbrae				
Hadfield				
Oak Park				
Pascoe Vale				
Pascoe Vale South	227	541	896	11%
TOTAL	3,604	3,891	8,471	100%
	43%	57%	100%	

TRAINS	DWELLING CAPACITY			
	Apartments	Townhouses	TOTAL	
Brunswick	6,684	1,016	7,700	31%
Brunswick East	-	-		
Brunswick West	8	3	11	0%
Coburg	6,152	1,710	7,862	32%
Coburg North	759	1,122	1,881	8%
Fawkner	158	1,077	1,235	
Glenroy	1,617	1,644	3,261	13%
Gowanbrae	-	-		
Hadfield	38	11	49	0%
Oak Park	155	841	996	4%
Pascoe Vale	350	1,091	1,441	6%
Pascoe Vale South	-	194	194	1%
TOTAL	15,920	8,708	24,629	100%
	65%	35%	100%	

Figure 19: PPTN Capacity.

Key findings

- Current State planning policy advocates increased density along the Principle Public Transport Network (PPTN) and consistent with State planning policy, the spatial analysis identified the pedestrian catchment of train and tram stops as follows:
 - **Train stations: 800m walk**
 - **Tram stops: 400m walk**
- There is enough capacity (33,099 dwellings¹⁶) near train stations and tram stops to accommodate all forecast growth over the next 15 years (21,896 dwellings).
- There are opportunities for all suburbs along the PPTN to increase capacity, particularly where there is significant developable residential land for townhouses.

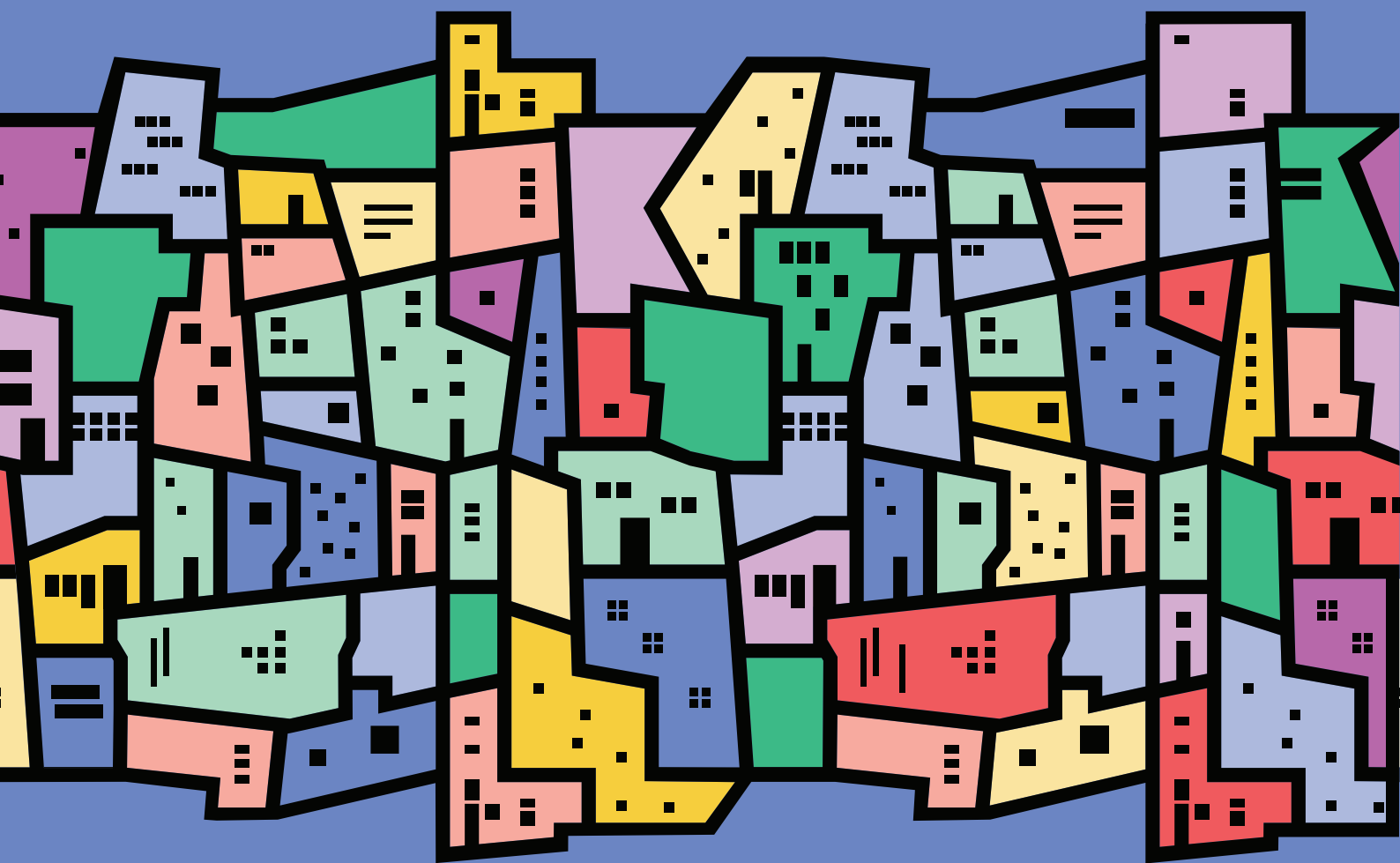
11.1 Observations

- The capacity along the PPTN is significant as, in general, it captures all the major activity centres along with some neighbourhood centers.
- There is a significant amount of developable land for townhouses, which could be further explored as growth options:
 - **Train stations: 8,708 townhouses**
 - **Tram stops: 4,867 townhouses**
- Unsurprisingly, Brunswick, Coburg and Glenroy have the highest capacity along the train corridor, which reflects the location of major activity centres (apartments) within these suburbs. Together these suburbs represent 76% of housing capacity near train stations.
- Along the tram corridor Brunswick, Brunswick West/East and Coburg have the highest capacity representing 87% of housing capacity. These relatively high percentages are a reflection of not only of their capacity, but also their proximity to activity centres and the limitation of the tram network to the south of the municipality.

Data notes:

- To avoid double counting, where there are overlaps preference was given to train catchments and tram catchments deleted (to the extent they overlapped).
- Brunswick has a relatively low capacity along the tram corridor, due to the overlap between train and tram corridors, particularly along Sydney Road.

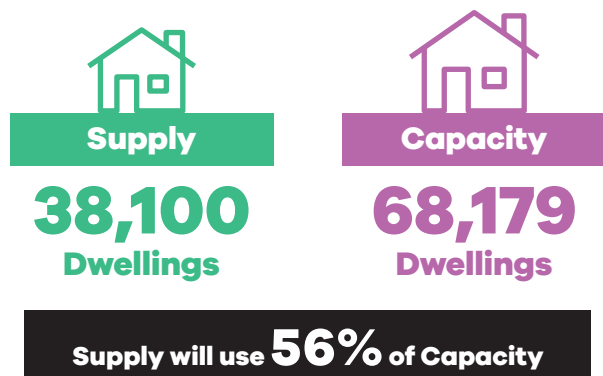
¹⁶ 25% locked capacity.



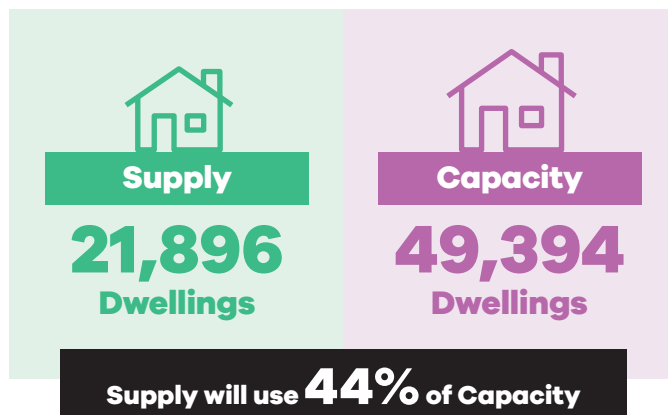
12. Previous studies: Supplying Homes in Moreland



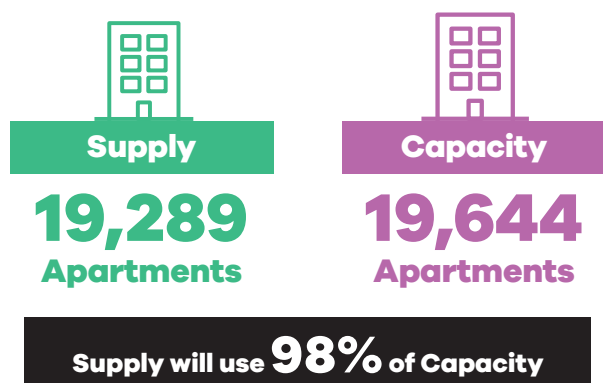
Merri-bek: previous (2016-2036)



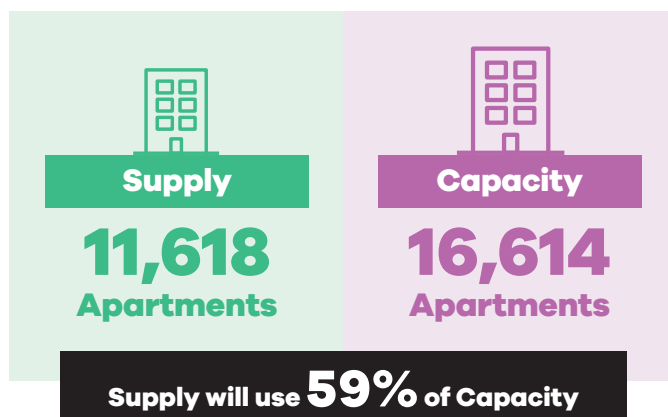
Merri-bek: current (2021-2036)



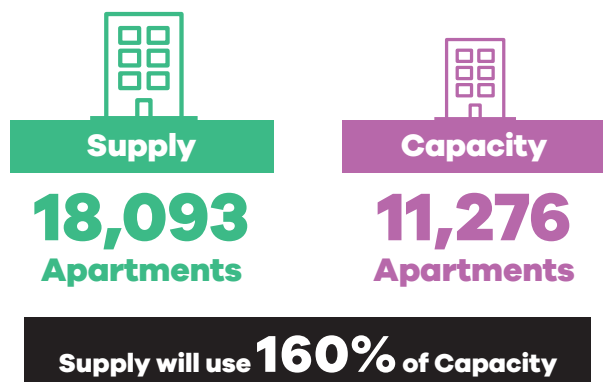
Activity Centres



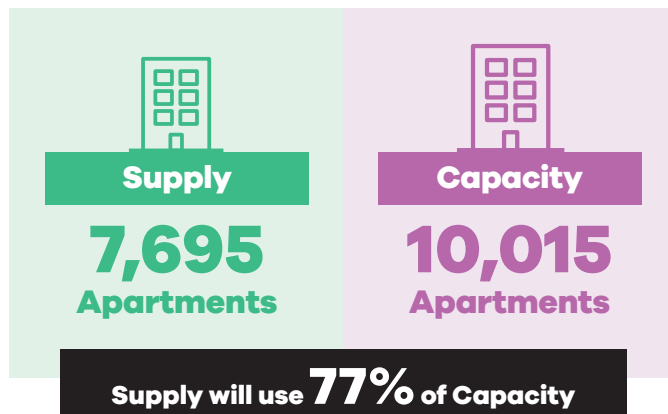
Activity Centres



Southern sub-market (Activity Centres)



Southern sub-market (Activity Centres)



Southern sub-market: Brunswick, Brunswick East, Brunswick West, Pascoe Vale South

Figure 20: Previous and current capacity compared.

Key findings

- Previous forecasts assumed greater population growth and the peak development rates of 2016-18 (1,900 dwellings a year) would continue to 2036. This resulted in significant capacity constraints in activity centres and indications that Brunswick Activity Centre will run out of capacity by the end of the decade.
- With the advent of COVID-19, the Covid Impact Assessment indicates the development rates are likely to be much lower. Together with reduced population growth, there is less capacity being consumed over the next 15 years.
- Brunswick Activity Centre, based on the current projections and capacity analysis, has sufficient capacity to accommodate projected growth for the southern sub-market. Supply will consume 77% of apartment capacity in the southern sub-market.

12.1 Observations

Previous assessment and forecasts (Supplying Homes in Moreland)

- Council's previous housing capacity work was undertaken in 2016 and 2017, which assessed the capacity of:
 - Activity Centres¹⁷ (2016):
19,644 apartments
 - Primary Residential Zones¹⁸ (2017):
48,535 townhouses
- The overall capacity of 68,179 dwellings was the basis of Supplying Homes in Moreland determining Council's ability to meet supply. An assumption of both high population growth and development rates used a significant portion of Merri-bek's previous capacity of 68,179 dwellings, particularly in activity centres:
 - Merri-bek:
Townhouses will use 39% of capacity
 - Merri-bek:
Apartments will consume 98% of capacity
 - Southern sub-market:
Apartments will consume 160% of capacity

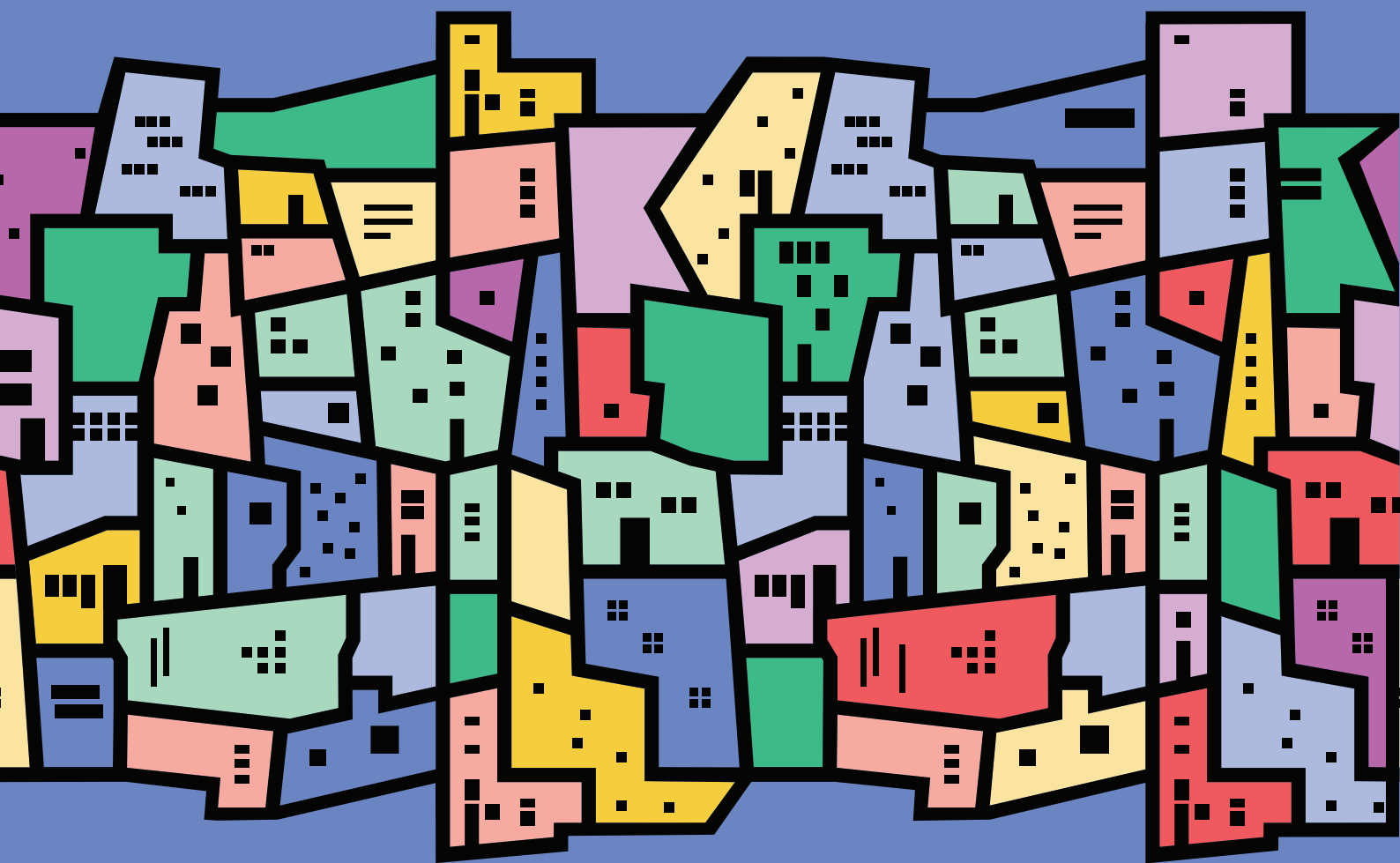
Current assessment and forecasts (CIS and HCS)

- Compared to previous forecasts, the work undertaken by the Covid Impact Study indicates Merri-bek will, by 2036:
 - Have 9,275 **less** demand for dwellings (than previously forecast) by 2036
 - Have 6,492 **less** supply of dwellings
- The overall full capacity of Merri-bek (65,900) has been reduced by 2,279 dwellings¹⁹.

¹⁷ Capacity Analysis of Moreland's Activity and Neighbourhood Centres (2016).

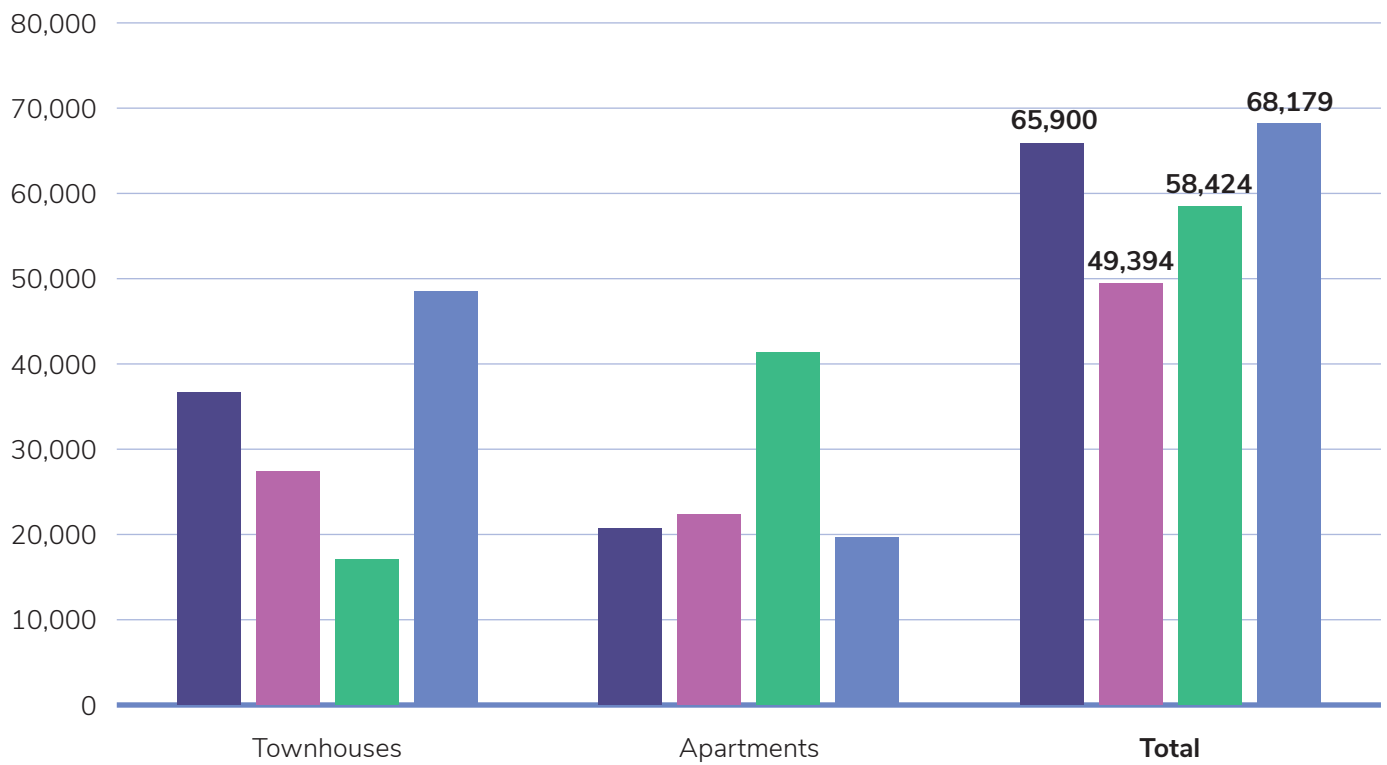
¹⁸ Moreland Residential Zone Analysis Case Studies (2017).

¹⁹ The differences in the capacity figures can be attributed to recently developed sites, planning policy changes and different methodology approaches of the capacity studies.



13. Capacity _compared





	Townhouses	Apartments	TOTAL
Housing Capacity Study 2022	26,172	39,728	65,900
Housing Capacity Study 2022 (-25%)	29,780	19,614	49,394
Covid Impact Study 2021	17,026	41,398	58,424
Supplying Homes in Moreland 2016/17	48,535	19,644	68,179

Figure 21: Comparison with previous capacity results.

Key findings

- Realistically, Merri-bek's capacity estimate, based on 15 years growth, will likely be in the range of 49,394 (HCS – 25%) and 65,900 dwellings (HCS). The CIS estimate of capacity falls in this range and is therefore considered relatively consistent with HCS estimates.
- The Covid Impact Study has a more nuanced approach to locked capacity constraints, which has been informed by proprietary data from Charter Keck Cramer and CoreLogic. This differs from a blanket approach of 25% locked capacity across the municipality.
- The CIS only included vacant sites (0 dwellings) as part of its capacity assessment for Primary Residential Zones. In contrast the HCS included both vacant and single dwelling sites.
- The HCS, as a spatial dataset, provides greater accuracy in its identification of Available Residential Land (Part A criteria).
- The various capacity figures are generally consistent with variances in their totals attributable to differing approaches to:
 - Identifying developable residential land
 - Development assumptions (eg inclusion of MILS sites)
 - Methodological approaches (e.g. lot level versus precinct level analysis)
 - Locked capacity constraints/assumptions

The CIS undertook a capacity assessment to facilitate the completion of demand and supply forecasts – at the time the HCS had yet to be completed. Whereas HCS approached capacity as a full build out scenario, the CIS with Charter Keck Cramer's provided a market informed approach, defining housing capacity as:

Housing capacity refers to the **potential to supply dwellings at a sufficient level** to accommodate the rate of expected population and household growth. Housing capacity is considered both in terms of:

- the **pace that development can happen** (for example, large apartment building first required pre-sales and then construction needs to take place, so it may take some time); and
- the **quantity of development that can take place** (for example, where a rezoning may allow increased development, or conversely the progressive absorption of sites means fewer dwellings can be built).

(Covid Impact Study – 2021 p.71)

The most notable difference between the HCS and the CIS is the differences in the number of sites, particularly residential zoned sites (see below). This of course translates to a significant difference in aggregate sites and yields identified. This is explained by the difference in methodology to identify developable lots in the two projects.

Summary Stats	CIS		HCS (-25%)	
	Sites	Yield	Sites	Yield
Total Residential Zone	4,569	17,026	21,526	29,780
Total Non-Residential Zone	1,521	41,398	1,083	19,614
TOTAL	6,090	58,424	22,609	49,394

Figure 22: Comparison of CIS and HCS Available Residential Sites and yield.

The HCS included sites with 0 and 1 dwelling as suitable for further residential development, in contrast the Charter Keck Cramer's method to identify capacity only included sites with 0 dwellings, effectively meaning only sites vacant of dwellings were included.

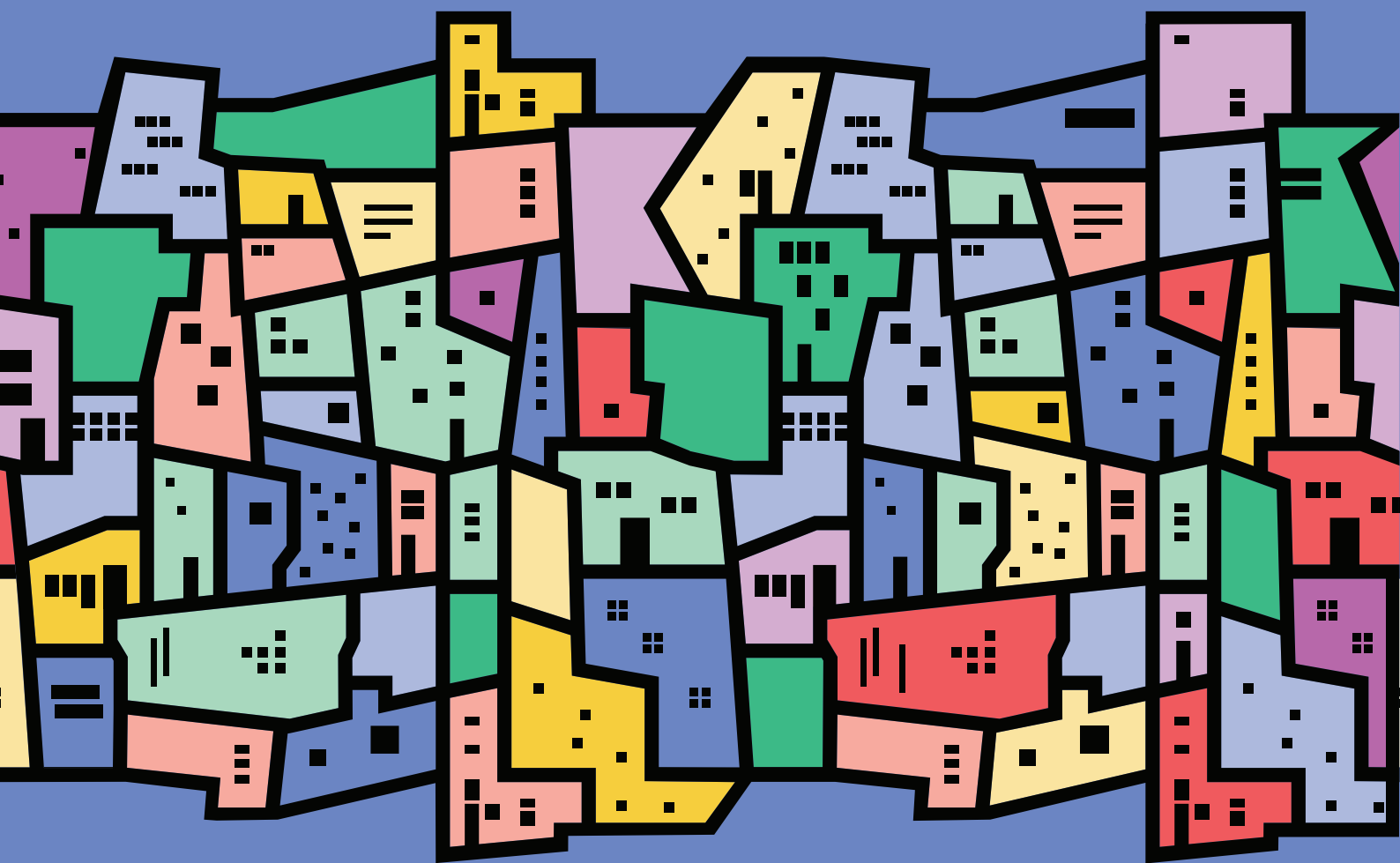
In this context, the HCS determined capacity is considered to be the more accurate dataset in identifying Available Residential Land. The HCS capacity work is a spatial dataset enabling:

- Assessment of capacity at smaller scales (e.g. neighbourhood and local activity centres)
- Ongoing tracking and monitoring of housing capacity.

13.1 Observations

- HCS had a relatively even split across townhouse (60%) and Apartment (40%) capacity, in contrast:
 - Covid Impact Study had a higher apartment capacity (71%) than townhouses (29%)
 - SHiM had a lower apartment capacity (29%) and more townhouse capacity (71%)

This discrepancy, particularly for CIS, is both a reflection of its market considerations and differing methodology of including only vacant sites.



14. Conclusion



The capacity results form an evidence base upon which further strategic investigation can be built/explored to determine a preferred growth strategy.

The analysis confirms Merri-bek, with the current mix of zones and planning controls, has sufficient capacity to accommodate projected growth to 2036 at the municipal level. At the suburb level the analysis has highlighted concerns with capacity in the southern suburbs, particularly in activity centres.

Planning for projected growth and assessing capacity is regularly undertaken as part of Council's planning scheme review, which is conducted every four years (coinciding with the Council Plan). Capacity issues identified will be monitored, reviewed and assessed in the context of any changes to population growth and residential development activity in the municipality.

1. What is Merri-bek's housing capacity?

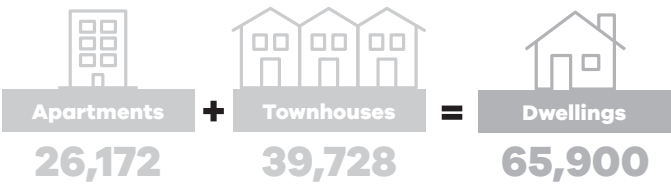


Figure 23: Full Capacity Summary.

Under a full capacity scenario, Merri-bek has capacity for 65,900 dwellings, comprising:

- 26,172 apartments in Major and Neighbourhood activity centres.
- 39,728 townhouses in Primary Residential Zones (NRZ and GRZ).

Applying the 25% locked capacity assumption, Merri-bek has a reduced capacity of 49,394 dwellings:

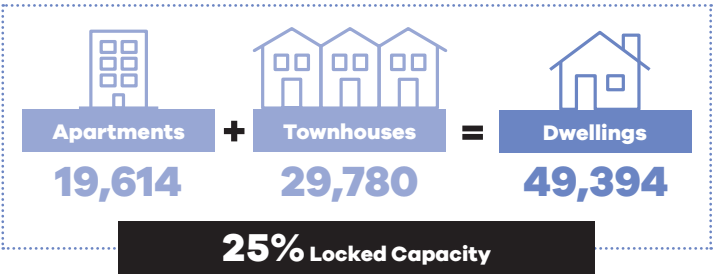


Figure 24: 25% Locked Capacity Summary.

Further implications of the capacity analysis are discussed below, in the context of projected growth over the next 15 years.

2. Does Merri-bek have sufficient capacity to accommodate projected growth over the next 15 years (2021-2036)?

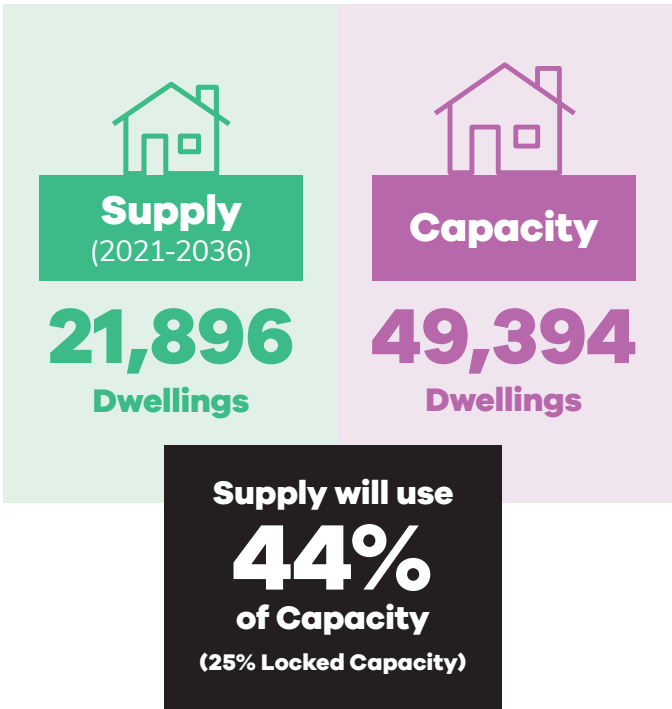


Figure 25: Supply Impacts on Capacity Summary.

At the municipal level Merri-bek has sufficient capacity to accommodate projected growth over the next 15 years, with supply consuming 44% of capacity. The results do raise some concerns:

- Activity centres in Brunswick East (131% of capacity used), Brunswick West (215%) and Oak Park (143%) and Pascoe Vale (121%) will exceed apartment capacity over the next 15 years.
- In the Oak Park and Pascoe Vale Neighbourhood activity centres supply will use over 120% of apartment capacity – in real terms the shortfall is 66 and 84 dwellings respectively. This shortfall can be accommodated in adjacent suburbs.
- Brunswick’s apartment capacity (primarily in the Brunswick Activity Centre) will likely be used to meet supply requirements for Brunswick East and West as they reach capacity. Under this assumption (all Brunswicks) supply will use 77% of capacity – sufficient to accommodate projected growth over the next 15 years.

Increasing capacity

Conceptually, there are two levers of capacity, which are based on available residential land and planning policy:

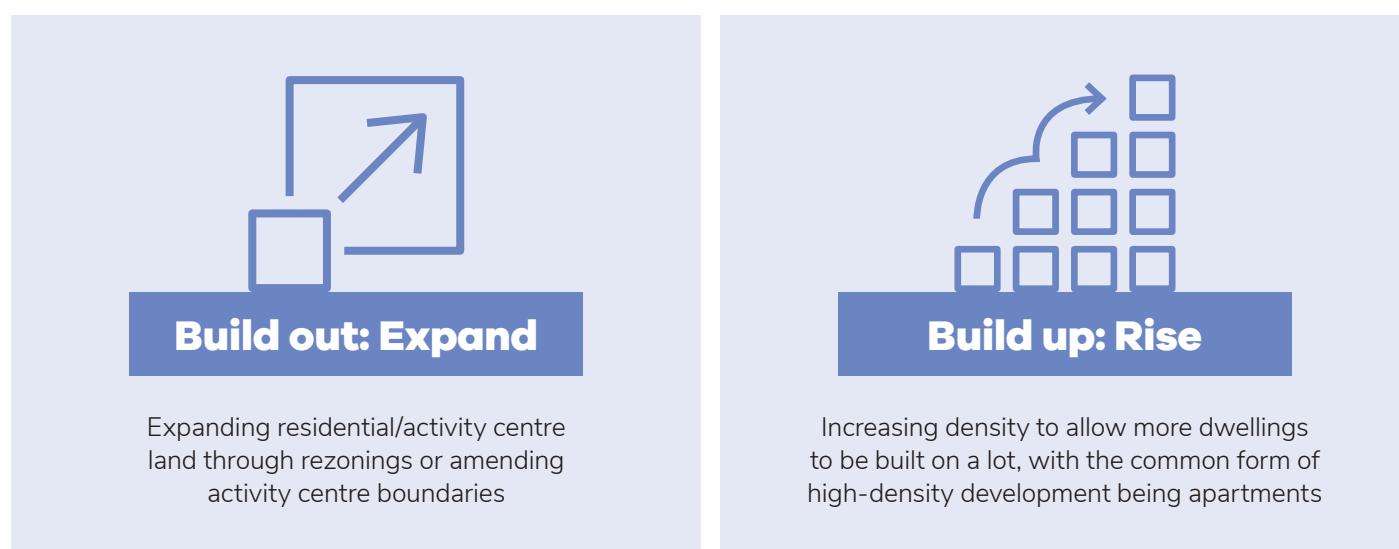


Figure 26: Levers of Capacity.

The options for increasing housing capacity rests on two levers:

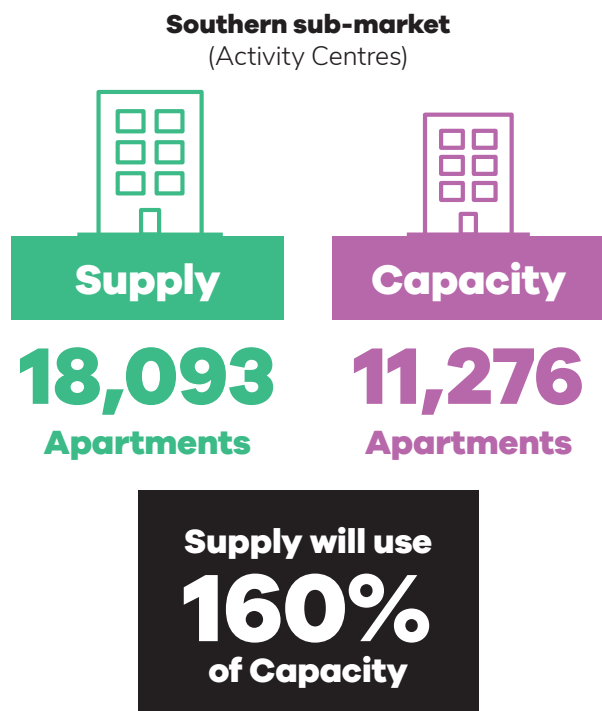
- **Build out:** Expanding residential land or activity centre land through rezonings.
- **Build up:** Increasing density, to allow more dwellings to be built on a lot.

It is beyond the scope of this study to determine the preferred growth strategy for Merri-bek. However, the current capacity study provides a basis for this further strategic work. For example, the public transport catchments provide accessibility to most activity centre locations in the municipality. Significant capacity (33,099 dwellings²⁰) exists on the Principal Public Transport Network, enough to accommodate all forecast growth over the next 15 years (21,896 dwellings) – an indicator of potential capacity gains (subject to further work in the context of a growth strategy).

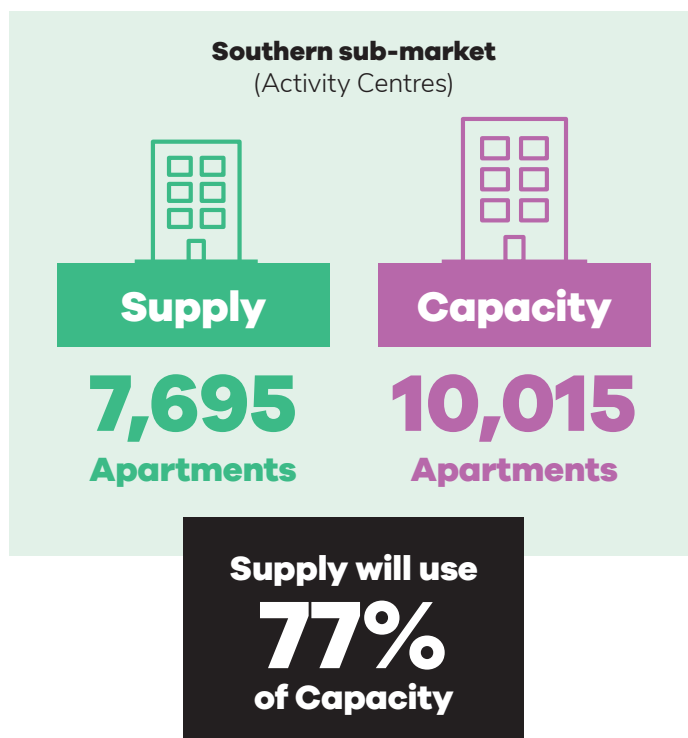
²⁰ 25% locked capacity.

3. Is Brunswick Activity Centre at capacity?

Previous



Current



Southern sub-market: Brunswick, Brunswick East, Brunswick West, Pascoe Vale South

The analysis indicates that Brunswick Activity Centre is not at capacity, although it will likely accommodate growth from Brunswick East and West as they reach capacity. These areas are recognised as the southern sub-market²¹ and the role of activity centres in accommodating further growth should be explored further, particularly in the following context:

- Capacity in Brunswick West being constrained by its role as a Neighbourhood Activity Centre.
- If Brunswick East and West reach capacity, there will likely be pressure on Brunswick Activity Centre to increase capacity by either building up or building out.

- Develop a better understanding of the metrics of residential development (dwelling sizes, density, yield, parking provisions, etc) to provide a robust evidence base for strategic planning policy.
- Assess impacts of planning policy decisions on housing capacity and residential development.

Establishing a monitoring program is an ongoing necessary exercise to enable Merri-bek to closely track its housing market's performance. Understanding housing capacity is fundamental; however, it is only one important component of an ongoing process if understanding and managing growth is Council's objective.

Beyond simply understanding capacity, monitoring what supply is being delivered to the market and how this aligns with actual demand is of great value. Identifying, compiling, and analysing key market indicators regularly and understanding housing market performance will provide a powerful platform from which population and housing can be better managed.

14.1 Recommendations

1. Oak Park, Pascoe Vale, Brunswick East and West merit further investigation to understand the preferred growth strategy to address potential apartment capacity constraints in their activity centres over the next 15 years. This investigation would include Brunswick, given the interrelated roles of these suburbs (Brunswick East and West) as a recognised sub-market.
2. Ongoing monitoring and tracking of residential development in the municipality to:
 - Identify and plan for capacity constraints.
3. Council should explore options to improve its data collection methods for residential development. The current data infrastructure and processes present a significant challenge to ongoing monitoring and tracking residential development in the municipality.

²¹ The suburbs of Pascoe Vale South, Brunswick, Brunswick East and West.

15. Glossary

Activity centres

Areas that provide a focus for services, employment, housing, transport and social interaction. They range in size and intensity of use from smaller neighbourhood centres to major suburban centres and larger metropolitan centres.

Major Activity Centre (MAC)

- Provide a broad mix of retail uses, commercial and cultural activity, employment options, administrative and civic centre functions, government investment and regional facilities.
- Accommodate substantial residential/mixed-use growth and change to create a new character of increased density and scale of built form.

Neighbourhood Activity Centre (NAC)

- Provide a mix of uses to serve the daily and weekly shopping and service needs of the local community.
- Accommodate an increase in density and scale of built form appropriate to their role in the Activity Centre Hierarchy but at a lesser intensity and scale to the larger centres of Coburg, Brunswick and Glenroy.

Local Activity Centre (LAC)

- Serve the daily convenience needs of the local community, and generally include small supermarket/grocery store and services such as bakeries, newsagents, chemists and cafes.
- Accommodate growth and change respectful of the existing built form.

Available Residential Land

Available Residential Land is land zoned for residential use that has the development potential to accommodate additional dwellings. To be considered developable land, it must meet criteria identified through consultation with Council's Strategic Planning unit (refer section 5 of report).

Housing Capacity

The number of additional dwellings that can be built, under current planning controls, on land that is considered available for further residential development. Calculating capacity is a desktop exercise and is a theoretical measure as it does not account for:

- Property market considerations such as development feasibility and willingness of landowners to sell their properties.
- Site specific conditions and design responses that would constrain or increase capacity. These would generally be identified through the planning permit application process.

Housing Density

The number of dwellings divided by the area of residential land they occupy, expressed as dwellings per hectare.

High Density (referred to as apartments in report)

Housing with a density of greater than 75 dwellings per hectare. This level of density is usually associated with apartments.

Medium Density (referred to as townhouses in report)

Housing with a density of 25 to 75 dwellings per hectare. This level of density is usually associated with units, townhouses, and semi-detached dwellings.

Low Density

Housing with a density of less than 25 dwellings per hectare. This level of density is usually associated with detached houses.

Locked capacity

An allowance that assumes that some of the capacity is unavailable for development due to various supply side (developer) considerations such as development feasibility and the willingness of landowners to develop land.

Potential Future Supply

Potential Future Supply simply refers to all new housing that could be provided in Merri-bek at any point in future. This is different from the economic definition of 'supply', which applies only to housing that is currently available to the market for purchase or rent – this definition represents genuine supply.

Primary Residential Land

Land within a zone whose primary purpose is residential and not located within an activity centre, specifically:

- NRZ1 – Neighbourhood Residential Zone
- GRZ – General Residential Zone

Underlying Demand

Applied in the housing market context, Underlying Demand refers to the estimated, theoretical demand for new housing having regard for key drivers such as growth in population, changing demographic patterns, trends in household size economic conditions (e.g. employment, interest rates, etc). Underlying demand differs from 'actual' demand or 'demand', which is the quantity that owner-occupiers, investors and renters are actually able and willing to buy or rent in the housing market.

Merri-bek City Council

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Merri-bek Language Link

廣東話 9280 1910

Italiano 9280 1911

Ελληνικ 9280 1912

عربي 9280 1913

Türkçe 9280 1914

Tiếng Việt 9280 1915

हिंदी 9280 1918

普通话 9280 0750

ਪੰਜਾਬੀ 9280 0751

All other languages
9280 1919