



Worker Population Floorspace Forecasts

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Glossary

ABS (Australian Bureau of Statistics): Australia's national statistical agency, providing key data for government, researchers, and businesses.

Business Counts: A measure of the number of businesses operating in a specific region or industry, used to track changes and trends over time.

Commercial & Retail Floorspace Forecast: Projections of the amount of floor area needed for commercial and retail activities, based on anticipated job growth and industry trends.

Construction Sector: An industry comprising businesses involved in building and infrastructure development, such as residential, commercial, and industrial construction.

Council Floorspace Forecasts: Projections made by local government regarding the future demand for non-residential space (e.g., commercial, retail, and industrial) within a municipality.

Employment by Industry Data: Information on the number of people employed within different industries, used to analyse workforce distribution and trends.

Floorspace Forecasts: Projections of the total area required for commercial, retail, or industrial activities based on anticipated employment growth and industry trends.

Growth Scenario: An optimistic forecast that assumes higher levels of employment and economic growth, leading to increased demand for floorspace.

Health Care and Social Assistance Sector: An industry focused on providing medical care, social services, and related support, which is a

major driver of employment growth in many regions.

Industrial Floorspace Forecast: Projections of the future demand for industrial space, including manufacturing, logistics, and warehousing, based on expected employment changes.

Job to Floorspace Ratio: A metric that estimates the amount of floor area required per employee in a specific industry.

Manufacturing Sector: An industry comprising businesses involved in producing goods from raw materials or components, often in large quantities.

National Employment Forecasts: Victoria University Projections of future employment trends across various industries at the national level, often used as a benchmark for regional forecasts.

Non-employing Businesses: Businesses that do not have any paid employees, often sole proprietorships or freelancers working independently.

Professional, Scientific, and Technical Services: An industry that includes a wide range of professional services, such as legal, accounting, engineering, and consulting firms, which is a key growth sector in many urban areas.

SA2 (Statistical Area Level 2): A geographic region defined by the ABS, often used in population and economic statistics, representing a community or small urban area within a municipality.

Shift-Share Analysis: A method used in regional economic analysis to determine how much of a region's job growth or decline is due to national trends versus local factors.



Suburban Office Market: A real estate market segment that provides office space in suburban areas, often competing with central business districts (CBDs) and other urban centres.

Top-Down Forecast: A forecasting approach that begins with national or macro-level data and trends, which are then applied to local or regional contexts.

Worker Population Floorspace Forecast: A report projecting future demand for non-residential floorspace based on expected changes in employment and industry trends within a specific area.



EXECUTIVE SUMMARY

The employment landscape in Merri-bek is evolving in response to broader national and global trends. Nationally, sectors such as Health Care and Social Assistance, and Professional, Scientific, and Technical Services are experiencing substantial growth due to demographic shifts and technological advancements.

This trend towards a service-oriented economy and the increasing need for specialised professional services is mirrored in Merri-bek. Conversely, traditional sectors like Manufacturing and Retail Trade face challenges from automation, global competition, and the shift to online platforms.

Employment Trends

In 2021, Merri-bek exhibited a diverse and resilient economic structure with significant employment in Health Care and Social Assistance, particularly in areas like Brunswick South and Coburg West. This sector's growth is driven by an aging population and increasing health service demands. The Professional, Scientific, and Technical Services sector also thrives in Merri-bek, reflecting the area's concentration of expertise and alignment with national trends towards knowledge-based economic structures. Additionally, Retail Trade and Accommodation and Food Services play crucial roles in the local economy, underscoring Merri-bek's commercial vitality.

Between 2016 and 2021, Merri-bek experienced notable employment growth, adding more than 5,400 jobs across various industries and suburbs. Sectors such as Accommodation and Food Services, Professional Services, and Construction saw significant increases, while traditional sectors like Manufacturing and Wholesale Trade faced declines. This shift highlights the region's move towards service-oriented and technical industries, leveraging local strengths in innovation and technology.

Business Trends in Merri-bek (2021-2023)

From 2021 to 2023, Merri-bek saw a significant rise in non-employing businesses, indicating a trend towards self-employment and small independent ventures. However, small to medium-sized businesses faced mixed fortunes. Brunswick East and Brunswick West experienced substantial increases in non-employing businesses, particularly in Health Care, Professional Services, and Transport. Meanwhile, Pascoe Vale South saw a significant decrease in total businesses, primarily in the Transport, Postal, and Warehousing sector.

Future Floorspace Considerations

The analysis of employment trends suggests several key sectors that will influence future floorspace needs in Merri-bek. The growing Health Care and Social Assistance sector will likely require more clinical and administrative spaces, while the Professional, Scientific, and Technical Services sector will drive demand for well-equipped office spaces. The booming Construction sector indicates ongoing development projects and future needs for construction-related businesses. Conversely, traditional sectors like Manufacturing and Retail Trade may see a shift in floorspace requirements due to automation and the rise of online shopping.

Property Market Overview

Melbourne's suburban office market is diverse, with strong investment activity and tenant demand. However, Merri-bek faces stiff competition from the CBD and other inner-city fringe markets. Key factors hindering large-scale office developments in Merri-bek include a competitive suburban office market, development feasibility, and low rental rates. Despite these challenges, future growth may become feasible as rental prices in the CBD and other established markets rise.

Industrial Land Market

The industrial land market in metropolitan Melbourne is characterised by high demand and limited supply. In Merri-bek, areas like Brunswick and Coburg are transitioning towards mixed-use developments, reducing the availability of industrial land. Brunswick East and Coburg North, however, retain significant industrial activities, supported by competitive rental rates and sustained investment interest.

Commercial & Retail Forecasts

Council's forecasts predict significant growth in commercial and retail floorspace, increasing from 1,374,289 sqm. in 2023 to 1,951,576 sqm. in 2046. Quantify's Base Case and Growth Scenario also project substantial increases, with the Growth Scenario showing the highest growth potential. Areas like Brunswick Activity Centre and Coburg North are expected to see significant expansions, reflecting the broader economic and employment trends in the region.

Overall, Merri-bek's employment and business landscape is evolving towards service-oriented and technical sectors, with significant implications for future floorspace needs and economic development strategies. The region's growth potential is underscored by its dynamic and diverse economic structure, positioning it well for future expansion and development.

1. Introduction

The Worker Population Floorspace Forecast has been prepared as an update to Council's floorspace and jobs projections A Job in Moreland (AJiM) (2020 - 2035). It is understood Council is looking for an update to these figures to encompass an annually updated 20-year forecast horizon (2023 - 2043).

1.1 Methodology

In preparing the Worker Population Floorspace Forecasts (the 'Forecasts'), a number of tasks have been undertaken. These are outlined as follows:

1.1.1 Background Review

To inform the preparation of the Forecasts a review of related background information has been undertaken. This includes:

- Review of A Job in Moreland (prepared by ID; 2021)
- Analysis of recent, annual job growth figures in Merri-bek
- Review of preliminary Council Floorspace Forecasts (prepared by Hill PDA; 2024)
- Analysis of non-residential approvals data (VBA 2019-2024)
- Review of local property market conditions and various research reports (various)
- Discussion with local estate agents.

1.1.2 Preparation of Forecasts

The Worker Population Floorspace Forecasts were prepared using a variety of historic ABS employment data sets, business counts and national industry forecasts prepared by Victoria University. These were analysed and applied to the various SA2s within Merri-bek having regard for local factors, market trends and anticipated shifts in work, which as outlined, are already underway.

Review of ABS Employment by Industry data by SA2 (between 2016 and 2021).

This stage involved an analysis of changes in employment by industry in each of Merri-bek's SA2s between 2016 and 2021. The purpose of this analysis was to establish the level of growth or decline in employment by industry in each SA2 (see Table 1). This enabled an understanding of local trends regarding industry performance highlighting indicative future floorspace demand, locational attractiveness to different industry types and distinct employment patterns across Merri-bek. The analysis identified the annual change between 2016 and 2021 by industry type in each SA2.

Review of National Employment by Industry Forecasts (2022-2046)

As a means to inform the Forecasts, an analysis of national employment forecasts was undertaken. Prepared by Victoria University, the forecasts examined the expected national growth in employment by specific industries, which was then weighted with the results of shift-share analysis that examined the regional impact on each of those industries. For the purposes of this task, Quantify extrapolated these figures to 2046. The forecast rate of employment growth by industry (nationally), was then applied to each SA2 in Merri-bek to with the purpose to provide an initial understanding of anticipated employment change to 2046 (see Table 2).

Business Counts

An analysis of Business Counts between 2021 and 2023 revealed the dynamic business environment in Merri-bek. For the purposes of forecasting, the results of the Business Count analysis provided valuable local context against the national employment forecasts, providing nuanced insight into emerging workforce trends and evolving spatial patterns of businesses in Merri-bek.

The Business Count tables provided on the following page describe the change in the number of businesses by industry – by both number of employees and by SA2. These results have been analysed to inform the forecasts for both Commercial & Retail, and Industrial floorspace forecasts (see Tables 3 & 4).

Table 1: Change in Employment by Industry by SA2 (2016-2021)

Change in Employment Numbers by Industry 2016-2021	Brunswick - North	Brunswick South	Brunswick East	Brunswick West	Coburg - West	Coburg - East	Pascoe Vale South	Coburg North	Fawkner	Pascoe Vale	Oak Park	Glenroy - West	Glenroy - East	Gowanbr ae	Hadfield	Total	Annual Change
Agriculture, Forestry and Fishing	3	-1	8	0	-7	3	0	2	0	3	0	0	-3	0	0	8	2
Mining	0	0	0	3	0	0	4	0	0	0	0	0	0	0	0	7	1
Manufacturing	-92	36	-66	3	-7	-130	19	53	-113	-19	1	-7	-21	4	51	-288	-58
Electricity, Gas, Water and Waste Services	18	14	-14	0	2	-9	0	1	-5	6	6	0	0	0	-2	17	3
Construction	62	44	-53	6	-10	125	53	223	48	-33	29	-8	76	10	50	622	124
Wholesale Trade	-35	-33	-70	-3	9	-45	0	-56	-6	13	0	16	-3	-4	2	-215	-43
Retail Trade	37	38	125	2	-26	57	4	76	-14	-10	-1	2	1	2	3	296	59
Accommodation and Food Services	124	325	125	29	8	99	4	70	8	65	25	18	36	0	4	940	188
Transport, Postal and Warehousing	-31	-24	-8	8	-7	10	-5	-77	77	5	10	6	27	1	23	-21	-4
Information Media and Telecommunications	5	51	7	44	3	24	10	-1	17	7	-6	-2	3	-4	-1	157	31
Financial and Insurance Services	-3	9	37	29	4	-19	26	30	11	33	18	-7	9	9	7	193	39
Rental, Hiring and Real Estate Services	37	-20	6	24	-7	9	-27	27	5	16	9	20	2	0	6	107	21
Professional, Scientific and Technical Services	137	182	133	42	17	196	49	82	27	34	23	13	26	8	15	984	197
Administrative and Support Services	-3	-2	56	26	-26	32	2	-2	7	36	-5	-1	18	3	6	147	29
Public Administration and Safety	100	-63	33	2	2	21	7	56	3	-12	0	-6	-16	1	77	205	41
Education and Training	84	96	50	66	86	63	79	3	69	83	15	37	136	16	35	918	184
Health Care and Social Assistance	104	141	112	120	37	289	118	69	-122	-41	67	16	-9	1	-4	898	180
Arts and Recreation Services	34	41	61	22	-13	-30	8	54	6	10	20	-1	-10	0	6	208	42
Other Services	-7	-39	30	12	17	7	2	0	15	-17	22	34	26	3	34	139	28
Inadequately described	-18	33	20	-4	-3	2	-9	32	-12	11	4	-5	0	2	16	69	0
Not stated	-6	20	9	2	13	16	2	11	-13	-5	3	10	-9	3	6	62	0
Not applicable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	550	848	601	433	92	720	346	653	8	185	240	135	289	55	334	5,453	1,064

Source: Australian Bureau of Statistics Census

Table 2: Forecast Change in Employment by Industry by SA2 (2022-2046)

Forecast Change in Number of Jobs by Industry by SA2 (2022-2046)	Brunswick East	Brunswick West	Brunswick South	Brunswick North	Pascoe Vale South	Coburg West	Coburg East	Coburg North	Pascoe Vale	Oak Park	Gowanbr ae	Glenroy West	Glenroy East	Hadfield	Fawkner	TOTAL	Annual Job Change
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Manufacturing	16	2	58	42	3	5	14	10	1	1	1	11	6	4	171	7	
Electricity, Gas, Water and Waste Services	12	0	12	8	0	22	3	18	1	1	0	0	1	0	77	3	
Construction	227	127	459	344	184	193	387	759	102	102	37	89	258	135	181	3584	143
Wholesale Trade	-3	0	-13	-3	0	-1	-5	-12	0	0	0	-1	-1	0	-1	-41	-2
Retail Trade	82	37	282	140	21	19	205	218	7	7	2	59	11	34	53	1177	47
Accommodation and Food Services	782	253	1901	780	177	222	669	306	236	236	0	117	153	79	211	6122	245
Transport, Postal and Warehousing	9	11	38	61	4	8	26	42	5	5	2	13	24	9	34	292	12
Information Media and Telecommunications	317	204	494	237	43	90	240	170	27	27	10	10	43	17	67	1995	80
Financial and Insurance Services	115	59	128	78	87	91	241	143	39	39	30	48	22	33	46	1197	48
Rental, Hiring and Real Estate Services	51	47	119	67	25	5	119	59	11	11	0	99	24	7	10	654	26
Professional, Scientific and Technical Services	607	280	1015	603	251	247	705	352	96	96	37	212	142	53	143	4838	194
Administrative and Support Services	110	38	137	62	13	16	97	76	16	16	9	27	47	16	63	742	30
Public Administration and Safety	2	1	13	17	1	2	34	5	1	1	0	1	1	19	2	101	4
Education and Training	131	50	275	98	94	131	307	101	46	46	11	63	235	43	192	1824	73
Health Care and Social Assistance	190	267	675	487	190	651	758	242	140	140	8	287	370	60	215	4682	187
Arts and Recreation Services	99	51	219	101	19	32	80	98	19	19	0	12	10	8	45	814	33
Other Services	11	8	25	11	3	4	16	30	2	2	1	4	6	11	10	144	6
TOTAL	2,758	1,434	5,838	3,133	1,114	1,736	3,895	2,616	749	749	146	1,042	1,356	532	1,275	28,374	1,135

Source: Victoria University National Employment Forecasts; Quantify Strategic Insights

Table 3: Change in Number of Businesses by Industry (No of Employees) 2021-23

Change in Number of Business by Industry (No of Employees)	Non employing	1-4 Employees	5-19 Employees	20-199 Employees	200+ Employees	TOTAL
Agriculture, Forestry and Fishing	14	-3	0	0	0	11
Mining	0	-3	0	0	0	-3
Manufacturing	11	20	-17	4	0	18
Electricity, Gas, Water and Waste Services	13	-6	0	3	0	10
Construction	160	-104	11	5	0	72
Wholesale Trade	-2	-7	-3	-2	0	-14
Retail Trade	112	-39	-8	5	0	70
Accommodation and Food Services	25	-10	-23	21	-3	10
Transport, Postal and Warehousing	393	-18	0	6	0	381
Information Media and Telecommunications	16	-5	-5	6	0	12
Financial and Insurance Services	58	0	4	3	0	65
Rental, Hiring and Real Estate Services	131	-19	0	-3	0	109
Professional, Scientific and Technical Services	146	55	7	21	0	229
Administrative and Support Services	134	-20	-2	3	0	115
Public Administration and Safety	0	-4	6	3	0	5
Education and Training	28	-14	15	1	0	30
Health Care and Social Assistance	144	-6	13	-1	0	150
Arts and Recreation Services	70	26	-4	6	0	98
Other Services	157	-8	-22	0	0	127
TOTAL	1,610	-165	-28	81	-3	1,495

Source: Australian Bureau of Statistics

Table 4: Change in Number of Businesses by Industry (by SA2) 2021-23

Change in Number of Businesses by Industry (by SA2)	Brunswick East	Brunswick West	Brunswick South	Brunswick North	Pascoe Vale South	Coburg West	Coburg East	Coburg North	Pascoe Vale	Oak Park	Gowanbrae	Glenroy West	Glenroy East	Hadfield	Fawkner	TOTAL
Agriculture, Forestry and Fishing	0	2	1	0	1	0	3	0	1	0	0	0	3	0	3	14
Mining	0	0	-3	3	0	0	0	0	0	0	0	0	0	0	0	0
Manufacturing	-1	4	1	-5	-14	6	-6	13	4	-1	2	-3	5	-7	20	18
Electricity, Gas, Water and Waste Services	6	3	3	0	-4	0	-3	-3	-1	3	0	3	4	0	-3	8
Construction	11	11	-9	5	-95	5	17	11	-1	-3	-1	-1	41	10	73	74
Wholesale Trade	-6	1	-7	-1	-19	-11	0	0	0	-5	2	1	-3	2	33	-13
Retail Trade	4	-6	-2	6	-24	4	-18	-9	10	6	7	2	14	-5	79	68
Accommodation and Food Services	-2	-11	11	7	-33	1	2	28	-3	-3	-1	4	-12	-2	25	11
Transport, Postal and Warehousing	7	-3	-7	7	-102	-13	-18	8	7	1	9	32	10	-3	442	377
Information Media and Telecommunications	10	14	1	8	-24	0	0	-1	-5	-1	0	-6	3	0	9	8
Financial and Insurance Services	-2	17	3	2	-12	4	8	13	2	2	3	4	7	0	11	62
Rental, Hiring and Real Estate Services	10	2	29	3	-4	-13	14	20	15	-7	4	2	0	-5	46	116
Professional, Scientific and Technical Services	30	34	10	15	-12	-7	40	9	27	2	-1	7	8	8	52	222
Administrative and Support Services	4	3	4	11	-17	1	12	8	-5	0	3	-1	18	15	54	110
Public Administration and Safety	3	3	2	-1	-1	-3	-1	2	0	0	0	-8	-1	3	12	10
Education and Training	-8	6	8	8	-5	-1	-3	8	-3	2	5	0	5	-3	14	33
Health Care and Social Assistance	19	29	17	14	-40	9	2	3	19	7	8	-2	15	1	51	152
Arts and Recreation Services	8	6	20	5	10	5	15	9	14	-1	0	0	2	0	5	98
Other Services	6	6	-5	6	-8	7	18	9	8	9	5	13	1	4	48	127
TOTAL	99	121	77	93	-403	-6	82	128	89	11	45	47	120	18	974	1,495

Source: Australian Bureau of Statistics

Based on the above inputs, employment growth forecasts by industry for each SA2 were prepared for the period to 2046. These were prepared for the following land use categories:

- Commercial & Retail
- Industrial

Following the preparation of employment forecasts for each SA2, floorspace forecasts were prepared for each land use type.

In preparing the forecasts, consideration was given to various influential factors so that both 'top-down' forecasts and local conditions were recognised. This included emerging business trends (e.g. the increase in non-employing businesses and decrease in businesses with multiple employees), existing and anticipated industry performance within each SA2, the broader competitive environment and property market considerations.

More broadly, the potential for future employment growth will be heavily influenced by Merri-bek's existing employment structure, work patterns and wider economic shifts. As described in *A Job in Merri-bek*, the ongoing shift towards a service-based economy is expected to enhance the significance of its larger, densely populated, and highly accessible Activity Centres, particularly Brunswick and Coburg.

In particular, the Brunswick Activity Centre holds a critical economic position as Merri-bek's largest employment hub. It offers the most competitive location for office development in the area, driven by current market interest. Its appeal is bolstered by a dense and accessible location, a diverse industry mix, proximity to the CBD and Parkville, and access to a highly skilled labor force.

While southern Merri-bek is home to a higher concentration of young professionals, many of whom hold university degrees, the northern parts of the municipality face economic challenges, including lower qualification levels, lower incomes, and higher unemployment rates. These disadvantages hinder the ability of northern centres to attract knowledge-intensive jobs.

Activity Centres will be crucial in supporting future job growth and accommodating employment floor space needs. However, the disparity in educational attainment, such as the lower percentage of university-qualified residents in the northern sections of the municipality may limit the economic development potential of centres like Glenroy unless proactive measures are taken.

1.1.3 Commercial & Retail Floorspace Forecast

The Commercial & Retail floorspace forecasts have been prepared using a combination of historic and forecast national and local datasets as they relate to relevant commercial sectors. These are:

- Information Media and Telecommunications
- Financial and Insurance Services
- Rental, Hiring and Real Estate Services
- Professional, Scientific and Technical Services
- Administrative and Support Services
- Public Administration and Safety
- Education and Training
- Health Care and Social Assistance
- Arts and Recreation Services

An important feature of the Merri-bek economy is its small business sector, made up of micro and small businesses, many of which are sole traders. Over the past two years, most of its business growth has been from non-employing businesses.

This has implications for the type of commercial space required in Merri-bek with demand for coworking spaces and smaller office suites over large floor plate office accommodation. Many non-employing businesses are also based at home, as well as many, which are simply businesses that are registered at a home address (e.g. builders).

In the case of the Commercial & Retail forecasts, two forecasts were prepared:

- Base Case
- Growth Scenario

Base Case

The Base Case has been directly informed by the rate (numerical) of employment change by industry type that occurred in each Merri-bek SA2 between 2016 and 2021. In total, this represents an increase of 1,042 jobs that are classified as commercial or retail per annum.

The 2016-2021 rate of change is deemed appropriate to apply as the Base Case given the broader economic challenges, emerging employment trends and local market conditions experienced during this period, each of which will continue to potentially limit any further increase in future floorspace requirements in Merri-bek.

Using the job to floorspace ratios (indicated in the below table), this translates to an annual floorspace requirement of 18,050 sqm for commercial and retail floorspace. On the basis of changing work practices, including the increase in non-employing businesses, in particular, Professional, Scientific & Technical Services, and Health Care & Social Assistance, a total reduction in commercial floorspace has been assumed.

As a result, the base case annual floorspace forecast for commercial and retail floorspace is 15,500 sqm. This 2,550 sqm floorspace reduction is due to 170 commercial jobs within 'non-employing' businesses assumed to be 'work from home' and therefore not requiring commercial floorspace.

Of the 170 jobs, approximately 90 (10%) were excluded from the total Professional, Scientific & Technical Services annual forecast figure, while approximately 80 (50%) were excluded from the total Health Care & Social Assistance annual forecast figure. Though a somewhat basic assumption, the percentages applied generally reflect emerging trends and work practices which are expected to continue for the foreseeable future and should continue to be monitored on an ongoing basis.

While allowing for commercial and retail development outside of the Brunswick Activity Centre, Coburg North and to a lesser extent, the Coburg Activity Centre, the Base Case represents a relatively conservative level of growth elsewhere throughout the municipality.

In total, the Base Case forecasts an increase of 868 jobs per annum in Merri-bek (made up of 620 commercial and 248 retail jobs). This equates to 15,500 sqm of required annual floorspace.

Table 5 Commercial & Retail Forecast (Base Case)

Industry Type	Job to Floorspace Ratio	Forecast Annual Jobs	Forecast Annual Floorspace (sqm)	Adjusted (jobs)	Annual Forecast Floorspace
Commercial	1 : 15 sqm	790	11,850 sqm	620	9,300 sqm
Retail	1 : 25 sqm	248	6,200 sqm	248	6,200 sqm
<i>Total (Indicative)</i>		1,038	18,050 sqm		
Total (Adjusted)	-			868	15,500 sqm

Growth Scenario

The Growth Scenario for the Commercial & Retail forecast has been informed by the 2022-2046 forecast rate of employment change by industry type in each SA2 and adjusted according to local employment characteristics. It assumes a rate of growth beyond what forecast conditions currently indicate.

Council's preliminary forecast anticipates a total increase of 501,944 sqm from 2026 to 2046, with an average annual growth of 25,097 sqm. In contrast, the Growth Scenario forecasts a slightly lower total increase of 469,996 sqm, with an annual growth of 23,500 sqm.

For the Growth Scenario to be achieved, it is considered that a structural shift in current local work practices and trends, needs to occur. This includes a reversal of the recent decline in businesses employing 1 – 20 people, as well as the continued growth in non-employing businesses requiring workspace.

In addition to the increase in the forecast growth in the Brunswick and Coburg Activity Centres, as well as Coburg North, the Growth Scenario assumes future growth in 'white-collar' jobs in the northern section of the municipality. In addition to the significant shift in job growth required, this also assumes that new businesses are able to afford the economic rent that would be required to support new commercial developments in these locations (e.g Glenroy, Pascoe vale).

In Brunswick, the Growth Scenario projects significantly higher development, with a forecast increase of 100,360 sqm, compared to the preliminary forecast of 78,270 sqm. This assumes stronger than currently forecast economic conditions resulting in greater levels of employment growth, particularly in Professional, Scientific & Technical Services and Health Care & Social Assistance workers.

Similarly, Brunswick East is expected to see a much larger increase in the Growth Scenario, with a predicted growth of 58,440 sqm compared to the Council's preliminary forecast of 10,900 sqm. Brunswick West also shows a larger forecast in the Growth Scenario, with 15,000 sqm of growth to 2046 compared to 6,412 sqm in the preliminary forecast.

In Coburg, the Growth Scenario predicts almost double the development compared to the preliminary forecast, with an anticipated increase of 60,000 sqm versus 31,550 sqm. On the basis of stronger than expected economic conditions, Coburg North could be expected to experience healthy employment growth, particularly in Accommodation & Food Services and Construction.

The Growth Scenario assumes an increase in growth in the Glenroy Activity Centre, in part driven continued residential, and other forms of development, together with the changing demographic composition of its local population whereby an increase in younger, university educated people continue to locate there.

This would require the establishment of a higher density form of development which would require the requisite development feasibility conditions to be met. Glenroy is expected to grow slightly more in Council's preliminary forecast, with an increase of 66,088 sqm, compared to 61,200 sqm in the Growth Scenario.

Similarly, though to a lesser degree, Pascoe Vale is also forecast to experience relatively strong growth under the Growth Scenario. This is subject to it becoming a focus of significant higher-density residential development, that enables a critical mass of local population to support a range of complementary commercial and retail uses commensurate with its activity centres status.

In conclusion, while the preliminary Council forecast tends to be more optimistic overall, especially in areas like Coburg North, Pascoe Vale South, and Glenroy, the Growth Scenario anticipates higher growth in major areas such as Brunswick, Brunswick East, and Coburg. The Growth Scenario suggests that under favorable conditions, these areas could experience more significant development than currently expected.

In total, the Growth Scenario forecasts an increase of 1,312 jobs per annum in Merri-bek (made up of 930 commercial and 382 retail jobs). This equates to 23,500 sqm of required annual floorspace.

Table 6: Commercial & Retail Forecast (Growth Scenario)

Industry Type	Job to Floorspace Ratio	Forecast Annual Jobs	Forecast Floorspace (sqm)	Adjusted (jobs)	Annual Forecast Floorspace
Commercial	1 : 15 sqm	930	13,950	930	13,950
Retail	1 : 25 sqm	382	9,550	382	9,550
<i>Total (Indicative)</i>		1,312			
Total (Adjusted)	-		23,500 sqm	1,312	23,500 sqm

1.1.4 Industrial Floorspace Forecast

The industrial floorspace forecasts have been prepared using a combination of historic and forecast national and local datasets as they relate to relevant industrial sectors. These are:

- Manufacturing
- Wholesale Trade
- Electricity, Gas & Water
- Construction
- Transport, Postal & Warehousing

In the first instance, national forecast rates of employment (2022-2046) by industry¹ were analysed. This rate of growth was then applied to each Merri-bek SA2 to establish a preliminary forecast 'top-down' growth rate in employment by industry.

Following this, an analysis of the changes in employment by industry in each SA2 for the period 2016-2021², and a comparison with the national forecasts, was undertaken. Together with a review of ABS Business Count information (2021-2023), this enabled a unique insight into the employment patterns and trends within each SA2 to inform the floorspace forecasts.

Key patterns and trends specific to Merri-bek which informed the preparation of the industrial floorspace forecasts included:

- The existing size, and type of employment within each SA2
- Changes in the number and type of jobs, including the continued, long-term decline in Manufacturing and Wholesale Trade within the key employment hubs of Brunswick, Brunswick East and Coburg.
- The significant growth in non-employing businesses in some SA2s (e.g. Construction and Transport, Postal & Warehousing). These were generally assumed to be businesses registered to a home address.
- The amount of industrial land by SA2.

In calculating worker forecast floorspace requirements for industrial uses, one industrial job was allocated 40 sqm.

In total, the Industrial Floorspace forecast identifies an annual loss of 70 jobs per annum. This equates to a loss of -2,785 sqm floorspace annually.

Table 7 Industrial Floorspace Forecast

Industry Type	Job to Floorspace Ratio	Forecast Annual Jobs	Annual Forecast Floorspace
Industrial	1:40 sqm	-70	-2,785 sqm

¹ Victoria University National Employment Projections

² ABS Census 2016 & 2021

2. Employment Trends

The evolving employment landscape in Australia, characterised by both burgeoning growth in certain sectors and challenges in others, provides a broader context for analysing the specific employment dynamics within the City of Merri-bek.

Nationally, industries like Health Care and Social Assistance, and Professional, Scientific, and Technical Services are witnessing substantial growth, driven by demographic shifts and technological advancements. These trends are reflective of broader global movements towards a service-oriented economy and the increased necessity for specialised professional services.

In contrast, traditional sectors such as Manufacturing and Retail Trade face significant transformations, influenced by automation, global competition, and a shift towards online platforms. This national backdrop of industry evolution and technological integration sets the stage for understanding the local employment patterns in Merri-bek. In the City of Merri-bek, the employment scenario in 2021 unveils a diverse and robust economic structure, where certain sectors not only provide significant employment but also underline the region's economic resilience and adaptability.

The Health Care and Social Assistance sector in Merri-bek, mirroring national growth trends, acts as a major employment pillar, indicative of the sector's expanding role due to an aging population and escalating health service demands. This is particularly visible in areas like Brunswick and Coburg, which have become significant employment hubs.

The Professional, Scientific, and Technical Services sector in Merri-bek thrives, supported by a local concentration of expertise, reinforcing Merri-bek's status as a burgeoning hub for professional services. This aligns with the national inclination towards knowledge-based economic structures, spotlighting local capacities in harnessing high-skill industries for regional growth. Retail Trade and Accommodation and Food Services also significantly contribute to Merri-bek's employment, underscoring the region's commercial vitality.

2.1 The Merri-bek Experience

The employment landscape in Merri-bek presents a striking contrast to national trends across various industries, showcasing robust growth in several sectors that significantly outpace national averages, while others falter. Merri-bek's economic landscape between 2016 and 2021 was characterised by dynamic growth in service-oriented and technical sectors, suggesting a shift towards industries that leverage local strengths such as innovation, technology, and tourism.

in Merri-bek showed vitality, growing by 23% despite a national decrease of 1%, likely driven by local building projects or infrastructure developments. Additionally, sectors like accommodation and food services (+32%), and information media and telecommunications (+35%) have enjoyed strong growth in Merri-bek, starkly contrasting with national downturns. This could point to a burgeoning local tourism sector or a regional hub of media and tech activity. Financial and insurance services also surged by 40% compared to an 8% national increase, suggesting a dynamic financial sector that could be capitalising on innovative local economic activities.

Professional, scientific, and technical services were another standout, experiencing a 43% growth rate compared to 15% nationally from 2016 to 2021. This suggests Merri-bek is a talent-rich environment that attracted and retained high-skilled professionals and enterprises. On the flip side, Merri-bek faced challenges in sectors like manufacturing and wholesale trade, which declined more steeply than the national averages—9% and 17% respectively. This indicates potential local economic issues that could be impacting these traditionally stable sectors.

Retail trade and other services sectors experienced modest growth, with figures aligning closely with national trends. This indicates some stability but suggests there is room for strategic initiatives to boost these sectors further.

3. Merri-bek Employment Overview

3.1 Employment by Industry

The employment statistics for Merri-bek for 2021 reveal a dynamic landscape with significant variations across different industries. One of the standout sectors is construction, which shows robust employment figures, particularly in Coburg North and Glenroy East. This suggests a high demand for construction services and potentially ongoing development projects in these areas.

Health Care and Social Assistance emerges as the largest sector in terms of employment, with Coburg and Brunswick being major hubs. This reflects a significant demand for healthcare services across Merri-bek, indicating that this sector plays a crucial role in the local economy. Similarly, the Education and Training sector is a major employer, with substantial numbers in Coburg and Brunswick, suggesting the presence of numerous educational institutions in these areas.

Professional, Scientific, and Technical Services also show strong employment figures, particularly in Brunswick and Coburg. This indicates a diverse and educated workforce, contributing significantly to the local economy. Despite these growth areas, traditional manufacturing, while still substantial in Coburg North and Brunswick, shows signs of decline in other suburbs, highlighting a shift from traditional manufacturing jobs to other sectors.

Wholesale Trade, with modest employment figures, is notably represented in Coburg North and Brunswick but is not a major employment driver overall. Information Media and Telecommunications, with relatively low employment numbers, does not appear to be a significant industry in Merri-bek. Public Administration and Safety, on the other hand, shows stable employment figures with significant numbers in Brunswick and Coburg, reflecting the presence of government services.

Overall, Brunswick and Coburg stand out as key economic hubs within Merri-bek, with high employment numbers across various sectors. Glenroy also shows significant employment in several industries, particularly construction and health care, suggesting ongoing development and a strong healthcare presence.

The general trend points towards growth in service-oriented sectors like health care, education, and professional services, while traditional sectors like manufacturing and wholesale trade are either stable or declining. These insights highlight the dynamic nature of employment in Merri-bek and can guide future economic and development strategies to support and sustain growth in the region.

3.2 Changes in Employment by Industry (2016-2021)

The employment landscape in Merri-bek between 2016 and 2021 reveals several notable trends across various industries and locations. During this period, the total employment across Merri-bek increased by 5,453 jobs, with significant variations across different suburbs and sectors.

In Brunswick, there was a substantial rise in employment within the Accommodation and Food Services sector, which grew by 124 jobs. Professional, Scientific, and Technical Services also saw a significant increase of 137 jobs, indicating a thriving professional sector. Conversely, the Manufacturing industry experienced a notable decline, losing 92 jobs, while Wholesale Trade saw a reduction of 35 jobs.

Brunswick exhibited the most considerable overall growth, with an increase of 848 jobs. This growth was primarily driven by the Accommodation and Food Services sector, which added 325 jobs, and Professional Services, which grew by 182 jobs. However, the Public Administration and Safety sector faced a significant reduction, losing 63 jobs.

Brunswick East experienced a mixed trend with an overall increase of 601 jobs. While the Professional Services sector added 133 jobs, and Accommodation and Food Services grew by 125 jobs, the

Manufacturing sector saw a significant decline, losing 66 jobs. Similarly, the Wholesale Trade sector experienced a reduction of 70 jobs.

In Brunswick West, the total employment increased by 433 jobs, with notable gains in Professional Services, which grew by 42 jobs, and Health Care and Social Assistance, which added 120 jobs. However, the Manufacturing sector saw a slight increase of only three jobs, indicating stagnation in this industry.

Coburg saw an increase of 812 jobs. The Construction sector was the primary driver of growth, adding 125 jobs. However, the Accommodation and Food Services sector saw a minimal increase of just eight jobs, and the Retail Trade sector experienced a reduction of 26 jobs. The Health Care and Social Assistance sector was the standout, adding 289 jobs, followed by the Construction sector, which grew by 125 jobs. However, the Manufacturing sector declined by 130 jobs, reflecting a shift away from traditional manufacturing industries.

Pascoe Vale South saw a modest increase of 346 jobs. The Construction sector added 53 jobs, while Health Care and Social Assistance grew by 118 jobs. However, the Retail Trade sector saw a reduction of 14 jobs, and the Wholesale Trade sector declined by 27 jobs.

Coburg North had an increase of 653 jobs, with significant growth in the Construction sector, which added 223 jobs, and the Professional Services sector, which grew by 82 jobs. However, the Transport, Postal, and Warehousing sector saw a considerable decline, losing 77 jobs.

Fawkner experienced a minimal net increase of eight jobs, with substantial losses in the Health Care and Social Assistance sector, which declined by 122 jobs. This was offset by gains in the Construction sector, which added 48 jobs, and the Transport sector, which grew by 77 jobs.

Pascoe Vale saw an increase of 185 jobs, with notable gains in the Retail Trade sector, which added 76 jobs, and the Construction sector, which grew by 48 jobs. However, the Health Care and Social Assistance sector declined by 41 jobs, and the Accommodation and Food Services sector saw a reduction of 10 jobs.

Oak Park experienced a total increase of 240 jobs. The Education and Training sector saw significant growth, adding 86 jobs, and the Construction sector increased by 29 jobs.

Glenroy had an overall increase of 424 jobs. The Professional Services sector added 13 jobs, and the Public Administration and Safety sector grew by 21 jobs. However, the Health Care and Social Assistance sector declined by 16 jobs, and the Construction sector saw a reduction of eight jobs. The Education and Training sector experienced substantial growth, adding 136 jobs, and the Construction sector grew by 76 jobs. However, the Health Care and Social Assistance sector saw a decline of nine jobs.

Gowanbrae experienced a modest increase of 55 jobs, with the Construction sector adding 10 jobs and the Professional Services sector growing by eight jobs. However, several sectors, including Transport and Health Care, saw minimal changes.

Hadfield saw a total increase of 334 jobs. The Accommodation and Food Services sector grew by 36 jobs, and the Education and Training sector added 35 jobs. However, the Manufacturing sector saw a decline of four jobs.

Overall, Merri-bek's employment landscape between 2016 and 2021 shows significant growth in service-oriented sectors like Health Care, Education, and Professional Services, while traditional sectors like Manufacturing and Wholesale Trade experienced declines.

3.3 Business Counts

Between 2021 and 2023, Merri-bek experienced notable changes in the number and types of businesses across various suburbs. This period saw a significant rise in non-employing businesses, indicating a trend towards self-employment and small independent ventures. Meanwhile, small to medium-sized businesses faced varying fortunes across different industries.

In Brunswick East, the total number of businesses increased by 99. This growth was driven primarily by a substantial rise in non-employing businesses, with Health Care and Social Assistance, Professional Services, and Transport sectors seeing the most significant increases. However, businesses with 1-4 employees decreased, particularly in the Rental, Hiring, and Real Estate Services sector, highlighting challenges in maintaining small-sized enterprises.

Brunswick West saw a more pronounced overall increase, with 121 new businesses. This growth was also led by non-employing businesses, especially in Professional Services and Health Care. While there was a slight increase in businesses with 1-4 employees, medium-sized businesses saw a decline. Notably, the Accommodation and Food Services sector experienced a significant decrease.

In Brunswick, the number of businesses rose by 167, again driven by a surge in non-employing ventures. The Rental, Hiring, and Real Estate Services sector saw significant growth, as did Health Care. However, small businesses faced challenges, with a noticeable decline in businesses with 1-4 employees.

Pascoe Vale South, in contrast, saw a significant decrease in the total number of businesses, with 403 fewer enterprises. The decline was most pronounced in non-employing businesses, particularly in the Transport, Postal, and Warehousing sector. Small and medium-sized businesses also faced declines across various industries.

In Coburg, the total number of businesses increased by 70. This growth was led by non-employing businesses in the Construction and Professional Services sectors. However, small businesses saw a decline, particularly in the Retail Trade sector. Despite an increase in non-employing businesses, driven by growth in the Construction and Health Care sectors, there was a decline in small and medium-sized businesses. The Wholesale Trade and Transport sectors saw notable decreases.

Coburg North saw a significant increase, with 128 new businesses. Non-employing businesses led this growth, particularly in the Accommodation and Food Services sector. Small businesses experienced a slight decline, while medium-sized businesses remained relatively stable.

Pascoe Vale experienced a mixed trend, with an overall increase of 88 businesses. The growth was driven by non-employing businesses in Professional Services and Health Care. Small businesses saw a slight increase, suggesting some stability, although medium-sized businesses faced a slight decline.

Oak Park saw a minor overall increase, with 11 new businesses. Non-employing businesses, especially in Retail Trade and Health Care, drove this growth. However, small and medium-sized businesses faced declines in several sectors.

Gowanbrae experienced a positive trend, with 55 new businesses. The increase was driven by non-employing businesses in Retail Trade and Transport, while small and medium-sized businesses also saw growth.

In Glenroy, the total number of businesses increased by 167, led by a significant rise in non-employing businesses, particularly in Transport. However, small businesses saw a decline, highlighting the challenges in maintaining such enterprises. This increase was driven by non-employing businesses in the Construction and Administrative Services sectors. However, small businesses faced a notable decline, indicating economic pressures in this category.

Finally, Hadfield saw a modest increase of 18 new businesses. Growth was driven by non-employing businesses, particularly in Construction and Administrative Services, while small and medium-sized businesses faced declines.

Overall, the trends in Merri-bek between 2021 and 2023 highlight a significant rise in non-employing businesses across multiple suburbs and industries. This trend towards self-employment and independent ventures contrasts with the challenges faced by small to medium-sized businesses, particularly in sectors such as Retail Trade, Accommodation and Food Services, and Manufacturing.

3.4 Future Floorspace Considerations

The preceding analysis of employment trends provides essential insights for projecting floorspace needs across various industries in the region. Growth Sectors likely to influence demand in Merri-bek are as follows:

Health Care and Social Assistance: As this sector continues to grow, driven by an aging population and increased demand for health services, there will likely be a corresponding need for more clinical and administrative spaces. This could include the expansion of hospitals, clinics, and other healthcare facilities, which will require careful planning to ensure adequate space and resources.

Professional, Scientific, and Technical Services: The growth in this sector suggests a rising demand for office spaces, particularly those that can accommodate the unique needs of high-tech firms, including laboratories and secure data centres. The influx of such professional services will drive the need for well-equipped office parks and business hubs.

Construction and Infrastructure: The booming construction sector in Merri-bek not only signifies ongoing development projects but also indicates future needs for construction-related businesses and services. This might include the expansion of yards for storing building materials and equipment, as well as administrative spaces for the businesses that support this growth.

Sectors expected to be challenged are:

Manufacturing: Despite the national decline, the robust number in Merri-bek indicates a localised strength in certain locations. However, the evolving nature of manufacturing towards automation will alter the type of floorspace needed, shifting from traditional large-scale factories to more technologically advanced facilities with smaller footprints but higher efficiency.

Retail Trade: With the shift towards online shopping, the demand for traditional retail spaces might decrease, while the need for distribution centres and warehouses may increase. This shift impacts how retail spaces are designed and where they are located, possibly favouring suburban over urban settings.

4. Property Market Overview

4.1 Suburban Office Market

Melbourne's suburban office markets are diverse and dynamic, offering a range of office spaces across various regions. From major hubs like Box Hill and St Kilda Road to emerging markets like Collingwood, these areas provide attractive options for businesses seeking high-quality office space outside the CBD. The strong investment activity and tenant demand reflect the continued growth and potential of Melbourne's suburban office markets.

The demand for office spaces is influenced by several factors. There is a strong preference for A-grade office spaces, leading to reduced demand for lower-grade properties. Tenants seek modern, amenity-rich environments to attract and retain employees.

Additionally, post-pandemic work patterns have shifted, with hybrid working models decreasing demand for traditional office spaces. Many businesses are reassessing their office space needs, which impacts overall demand. Economic factors, including inflation and rising interest rates, create caution among businesses, potentially slowing down leasing activities and expansions.

On the supply side, the market faces its own set of challenges. Recently, significant new office space has been completed, peaking supply levels. However, the pipeline for new projects is expected to reduce due to higher construction costs and financing challenges. Elevated vacancy rates in certain areas, such as St Kilda Road, create a supply overhang, affecting the market's ability to absorb new supply efficiently.

Melbourne's suburban office market is navigating several demand and supply constraints. While there's strong demand for high-quality office spaces, lower-grade properties face challenges. Post-pandemic work patterns and economic uncertainty further impact demand. On the supply side, recent peaks in new office space and high vacancy rates pose challenges, alongside regulatory constraints limiting new developments. These factors collectively shape the current and future dynamics of Melbourne's suburban office market.

4.2 Merri-bek Office Overview

The Merri-bek office market, particularly in areas like Brunswick and Coburg, faces several market factors that impact its development and growth. These suburbs are in stiff competition with the CBD and other inner-city fringe office markets. Despite their potential to become major commercial precincts, Brunswick and Coburg lack certain key elements to initiate large-scale office developments.

Relative to numerous other suburban locations, Merri-bek is not a renowned commercial office precinct. There are no signs that this perception will shift in the foreseeable future.

Merri-bek's large commercial office space faces stiff competition from the CBD and other inner-city fringe office market. Developers require a pre-commitment from a major tenant with strong financial creditworthiness to attract capital to develop a large commercial office development.

Neither Brunswick or Coburg are a logical alternative to the CBD, Cremorne or other major office northern suburb office precincts such as Essendon Fields or Uni Hill to attract a major corporate tenant. Against various preferred locations, there is little if any appetite for corporate tenants to locate in Merri-bek. A further crucial factor is the low rental rates in Brunswick and Coburg, which do not generate sufficient yield to justify the construction of large commercial office spaces.

In the long term, as Melbourne continues to grow and rental prices in the CBD and other established inner-city office markets rise, the development of commercial offices in Brunswick and Coburg may become ultimately feasible.

4.3 Industrial Land Market

The national industrial land market in Australia is characterised by robust activity and evolving dynamics driven by various economic and sector-specific factors. This market has experienced significant growth in recent years, spurred by increasing demand from logistics, warehousing, and e-commerce sectors. The rise of online shopping has particularly heightened the need for large distribution centres and last-mile delivery hubs, prompting substantial investments in industrial land.

Supply constraints are a notable feature of the market, with limited availability of suitable land in prime locations. This scarcity has led to increased competition among developers and investors, driving up land prices in key industrial precincts. Areas close to major transportation infrastructure, such as ports, airports, and highways, are particularly sought after due to their strategic importance for efficient supply chain operations.

Economic conditions also play a crucial role in shaping the industrial land market. Factors such as interest rates, inflation, and overall economic growth influence investment decisions and the pace of industrial development. Recent trends indicate a shift towards higher interest rates and inflation, which can impact financing costs and the feasibility of new projects. Despite these challenges, the strong demand for industrial space continues to support market activity.

In summary, the national industrial land market is marked by high demand, supply constraints, economic influences, and growing emphasis on sustainability. The interplay of these factors creates a dynamic and competitive environment, with ongoing developments reflecting the evolving needs of industries reliant on efficient and strategically located industrial spaces.

4.4 Metropolitan Melbourne Industrial Land Overview

The industrial land market in metropolitan Melbourne is dynamic, reflecting broader economic trends and sector-specific demands. Metropolitan Melbourne is a key hub for industrial activities, driven by its strategic location, extensive transportation networks, and robust economic base. The demand for industrial land in the region has been buoyed by the rise of e-commerce, logistics, and warehousing sectors, which require extensive space for distribution centres and last-mile delivery hubs.

Key industrial precincts such as the western suburbs (including areas like Laverton North and Truganina) and the northern suburbs (including Thomastown and Epping) have traditionally been the focal points for industrial development. These areas benefit from proximity to major transportation arteries, including freeways, ports, and airports, making them ideal for logistics and distribution operations.

In the context of Merri-bek, Brunswick's industrial land market has seen a transition over recent years. Historically an area with a significant industrial base, Brunswick has experienced a shift towards more mixed-use developments. The pressure from residential and commercial developments has led to a reduction in available industrial land. However, pockets of industrial activity remain, primarily catering to small-scale manufacturing, creative industries, and boutique logistics. The rental rates and land values in Brunswick have been influenced by this transition, with industrial spaces becoming increasingly scarce and therefore more valuable.

Similar to Brunswick, Brunswick East has undergone significant changes. The industrial land market here is characterised by a mix of older industrial sites and newer mixed-use developments. The demand for industrial land has been tempered by the growth of residential and commercial projects, which offer higher returns. As a result, industrial spaces in Brunswick East are often repurposed or redeveloped to meet the needs of a changing demographic. The remaining industrial properties cater to niche markets, including creative studios, small manufacturers, and specialised logistics firms.

Coburg's industrial land market remains more traditional compared to Brunswick and Brunswick East. The area still hosts a variety of industrial activities, from manufacturing to logistics. However, Coburg is also experiencing pressure from residential and commercial development, especially given its proximity to the Melbourne CBD and strong public transport links. This has led to a gradual decline in the availability of industrial land, with prices and rental rates reflecting increased competition for space.

Despite these pressures, Coburg continues to attract businesses that require accessible, yet relatively affordable, industrial properties.

Coburg North stands out as a relatively stable industrial market within the metropolitan Melbourne context. It retains a significant industrial presence, with large parcels of land dedicated to manufacturing, warehousing, and logistics. The area's appeal is bolstered by its accessibility and the availability of larger industrial spaces that are becoming scarce in more centrally located suburbs. Coburg North has seen consistent demand for industrial properties, and its performance remains strong, supported by competitive rental rates and sustained investment interest.

Overall, the industrial land market in metropolitan Melbourne is marked by a mix of high demand, limited supply, and evolving land use patterns. While traditional industrial areas like the western and northern suburbs continue to thrive, inner-city regions such as Brunswick, Brunswick East, Coburg, and Coburg North are experiencing significant transitions. These areas are increasingly characterised by a shift towards mixed-use developments, with industrial activities adapting to the changing urban landscape.

5. Floorspace Forecasts

5.1 Commercial & Retail Floorspace Forecast

In terms of commercial and retail floorspace forecasts, the following tables present a detailed comparison between the preliminary Council forecasts and two scenarios from Quantify in Merri-bek (2026 to 2046).

5.1.1 The Base Case

Table 8: Commercial & Retail Floorspace - Preliminary Council Forecast

Area	2023	2026	2046	Change 2026-2046	Annual Change (sq.m.)
Brunswick	362,201	373,942	452,212	78,270	3,914
Brunswick East	111,042	112,677	123,577	10,900	545
Brunswick West	48,550	49,512	55,924	6,412	321
Coburg	261,888	266,636	298,286	31,650	1,583
Coburg North	215,000	249,591	480,197	230,606	11,530
Fawkner	92,118	95,224	115,928	20,704	1,035
Glenroy	134,913	144,826	210,914	66,088	3,304
Gowanbrae	2,878	3,243	5,677	2,434	122
Hadfield	29,956	32,194	47,116	14,922	746
Oak Park	14,511	13,113	3,791	-9,322	-466
Pascoe Vale	57,519	60,797	82,653	21,856	1,093
Pascoe Vale South	43,711	47,825	75,249	27,424	1,371
Total	1,374,289	1,449,581	1,951,525	501,944	25,097

Table 9: Commercial & Retail Floorspace - Quantify Forecast (Base Case)

Area	2023	2026	2046	Change 2026-2046	Annual Change (sq.m.)
Brunswick	362,201	373,942	458,942	85,000	4,250
Brunswick East	111,042	112,677	162,677	50,000	2,500
Brunswick West	48,550	49,512	63,512	14,000	700
Coburg	261,888	266,636	299,636	33,000	1,650
Coburg North	215,000	249,591	301,271	51,680	2,584
Fawkner	92,118	95,224	99,224	4,000	200
Glenroy	134,913	144,826	167,806	22,980	1,149
Gowanbrae	2,878	3,243	5,663	2,420	121
Hadfield	29,956	32,194	35,254	3,060	153
Oak Park	14,511	13,113	25,293	12,180	609
Pascoe Vale	57,519	60,797	75,237	14,440	722
Pascoe Vale South	43,711	47,825	65,065	17,240	862
Total	1,374,287	1,449,579	1,759,579	310,000	15,500

Quantify's Base Case forecasts assume an increase to 1,759,579 sqm, with an annual change of 15,500 sqm, while the Growth Scenario projects a substantial increase to 1,919,575 sqm as per table 10, with an annual change of 23,500 sqm.

5.1.2 SA2 Forecast Comparative Analysis – Base Case

A comparison between the Base Case and Council's preliminary forecasts reveals several key differences.

Council's preliminary forecasts show a total increase in floorspace of 501,944 square metres from 2026 to 2046, with an average annual change of 25,097 square metres. In contrast, the Base Case shows more conservative growth, with a total increase of 310,000 square metres over the same period and an annual change of 15,500 square metres.

When comparing specific areas, there are notable differences in the forecasts. For instance, in Brunswick, Council's preliminary forecasts anticipate a change of 78,270 square metres with an annual growth of 3,914 square metres, while the Base Case projects a larger increase of 85,000 square metres with an annual growth of 4,250 square metres. In Brunswick East, the difference is even more pronounced. Council's preliminary forecasts predict growth of 10,900 square metres, while the Base Case forecasts a much larger increase of 50,000 square metres.

Other areas, such as Brunswick West and Coburg, show contrasting trends between the two scenarios. In Brunswick West, Council's preliminary forecasts anticipate an increase of 6,410 square metres, while the Base Case projects a smaller growth of 14,000 square metres. In Coburg, Council's preliminary forecasts anticipate a slightly lower increase of 31,650 square metres, compared to 33,000 square metres in the Base Case.

Overall, Council's preliminary forecasts present a more optimistic outlook, projecting higher growth rates and total development across most areas. The Base Case adopts a more conservative approach, forecasting more modest growth.

Certain areas, like Coburg North and Hadfield, stand out in Council's preliminary forecasts for their larger projected increases, highlighting localised differences in the expectations for future development. While both scenarios reflect growth, Council's preliminary generally anticipates a broader and more substantial increase in quantity across Merri-bek.

5.1.3 The Growth Scenario

Table 10: Commercial & Retail Floorspace - Preliminary Council Forecast

Area	2023	2026	2046	Change 2026-2046	Annual Change (sq.m.)
Brunswick	362,201	373,942	452,212	78,270	3,914
Brunswick East	111,042	112,677	123,577	10,900	545
Brunswick West	48,550	49,512	55,924	6,412	321
Coburg	261,888	266,636	298,286	31,650	1,583
Coburg North	215,000	249,591	480,197	230,606	11,530
Fawkner	92,118	95,224	115,928	20,704	1,035
Glenroy	134,913	144,826	210,914	66,088	3,304
Gowanbrae	2,878	3,243	5,677	2,434	122
Hadfield	29,956	32,194	47,116	14,922	746
Oak Park	14,511	13,113	3,791	-9,322	-466
Pascoe Vale	57,519	60,797	82,653	21,856	1,093
Pascoe Vale South	43,711	47,825	75,249	27,424	1,371
Total	1,374,289	1,449,581	1,951,525	501,944	25,097

Table 11: Commercial & Retail - Quantify Forecast (Growth Scenario)

Area	2023	2026	2046	Change 2026-2046	Annual Change (sq.m.)
Brunswick	362,201	373,942	474,302	100,360	5,018
Brunswick East	111,042	112,677	171,117	58,440	2,922
Brunswick West	48,550	49,512	64,512	15,000	750
Coburg	261,888	266,636	326,636	60,000	3,000
Coburg North	215,000	249,591	343,171	93,580	4,679
Fawkner	92,118	95,224	105,504	10,280	514
Glenroy	134,913	144,826	206,026	61,200	3,060
Gowanbrae	2,878	3,243	6,719	3,476	174
Hadfield	29,956	32,194	39,094	6,900	345
Oak Park	14,511	13,113	25,813	12,700	635
Pascoe Vale	57,519	60,797	88,617	27,820	1,391
Pascoe Vale South	43,711	47,825	68,065	20,240	1,012
Total	1,374,287	1,449,579	1,919,575	469,996	23,500

5.1.4 SA2 Forecast Comparative Analysis – Growth Scenario

Council's preliminary forecast anticipates a total increase of 501,944 sqm from 2026 to 2046, with an average annual growth of 25,097sqm. In contrast, the Growth Scenario forecasts a slightly lower total increase of 469,996 sqm, with an annual growth of 23,500 sqm.

In Brunswick, the Growth Scenario projects significantly higher development, with a forecasted increase of 100,360 sqm, compared to the preliminary forecast of 78,270 sqm. Similarly, Brunswick East is expected to see a much larger increase in the Growth Scenario, with a predicted growth of 58,440 sqm compared to the Council's preliminary forecast of 10,900 sqm. Brunswick West also shows a larger forecast in the Growth Scenario, with 15,000 sqm of growth to 2046 compared to 6,412 sqm in the preliminary forecast.

In Coburg, the Growth Scenario predicts almost double the development compared to the preliminary forecast, with an anticipated increase of 60,000 sqm versus 31,550 sqm. Council's preliminary forecast for Coburg North, however, forecasts much higher growth of 230,606 sqm of growth compared to 93,580 sqm in the Growth Scenario.

Some areas, such as Glenroy and Gowanbrae, show smaller differences between the two forecasts. Glenroy is expected to grow slightly more in Council's preliminary forecast, with an increase of 66,088 sqm, compared to 61,200 sqm in the Growth Scenario.

In Hadfield, Council's preliminary forecast is more optimistic, projecting an increase of 14,922 sqm compared to 6,900 sqm in the Growth Scenario. Council's preliminary forecasts indicate a decline of 9,322 sqm for Oak Park, though the Growth Scenario anticipates an increase of 12,700 sqm.

The preliminary forecast predicts a growth of 21,856 sqm for Pascoe Vale which is less than the Growth Scenario's forecast of 27,8200 sqm. In Pascoe Vale South, the preliminary forecast anticipates a substantial increase of 27,424 sqm, while the Growth Scenario predicts growth of 20,240 sqm.

5.2 Industrial Floorspace Forecast

This section outlines the industrial floorspace forecasts as indicated in Council's preliminary forecasts and prepared by Quantify.

Table 12: Industrial Floorspace - Preliminary Council Forecast

Area	2023	2026	2046	Change 2026-2046	Annual Change (sq.m.)
Brunswick	392,302	386,950	351,272	-35,678	-1,784
Brunswick East	103,659	98,599	64,868	-33,731	-1,687
Brunswick West	14,688	14,600	14,012	-588	-29
Coburg	54,261	54,477	55,915	1,439	72
Coburg North	506,178	507,112	513,337	6,226	311
Fawkner	91,143	91,165	91,313	148	7
Glenroy	45,272	45,471	46,800	1,329	66
Gowanbrae	0	0	0	0	0
Hadfield	10,363	10,406	10,696	290	14
Oak Park	540	540	540	0	0
Pascoe Vale	83,534	83,989	87,023	3,034	152
Pascoe Vale South	1,121	1,097	935	-162	-8
Total	1,303,063	1,294,409	1,236,714	-57,695	-2,885

Table 13: Industrial Floorspace - Quantify Forecast

Area	2023	2026	2046	Change 2026-2046	Annual Change (sq.m.)
Brunswick	392,302	386,950	348,950	-38,000	-1,900
Brunswick East	103,659	98,599	64,839	-33,760	-1,688
Brunswick West	14,688	14,600	16,840	2,240	112
Coburg	54,261	54,477	44,557	-9,920	-496
Coburg North	506,178	507,112	530,152	23,040	1,152
Fawkner	91,143	91,165	91,365	200	10
Glenroy	45,272	45,471	47,471	2,000	100
Gowanbrae	0	0	0	0	0
Hadfield	10,363	10,406	10,406	0	0
Oak Park	540	540	540	0	0
Pascoe Vale	83,534	83,989	82,489	-1,500	-75
Pascoe Vale South	1,121	1,097	1,097	0	0
Total	1,303,063	1,294,409	1,238,709	-55,700	-2,785

5.2.1 SA2 Forecast Comparative Analysis

Brunswick

The industrial floor area in Brunswick is expected to decrease from 386,950 sqm in 2026 to 351,272 sqm in 2046 according to the preliminary Council forecasts, representing a reduction of 35,678 sqm and an annual change of -1,784 sqm. In comparison, Quantify's forecasts show a slightly more pronounced decrease, with a reduction from 386,950 sqm in 2026 to 348,950 sqm in 2046, resulting in a total decline of 38,000 sqm and an annual change of -1,900 sqm.

Brunswick East

The preliminary Council forecasts project that the industrial floor area will decline from 98,599 sqm in 2026 to 64,868 sqm in 2046, marking a decrease of 33,731 sqm and an annual change of -1,687 sqm. Similarly, Quantify forecasts a decrease from 98,599 sqm in 2026 to 64,839 sqm in 2046, resulting in a reduction of 33,760 sqm with an annual change of -1,688 sqm.

Brunswick West

The preliminary Council forecasts predict a slight decrease from 14,600 sqm in 2026 to 14,012 sqm in 2046, reflecting a reduction of 588 sqm and an annual change of -29 sqm. In contrast, Quantify forecasts a marginally larger decrease from 14,600 sqm in 2026 to 16,840 sqm in 2046, resulting in an increase of 2,240 sqm and an annual change of 112 sqm.

Coburg

The preliminary Council forecasts expect the industrial floor area in Coburg to increase modestly from 54,477 sqm in 2026 to 55,915 sqm in 2046, marking an increase of 1,439 sqm with an annual change of 72 sqm. In contrast, Quantify predicts a decrease in the industrial floor area from 54,477 sqm in 2026 to 44,577 sqm in 2046, resulting in a reduction of 9,920 sqm with an annual change of -496 sqm.

Coburg North

The preliminary Council forecasts project an increase from 507,112 sqm in 2026 to 513,337 sqm in 2046, representing a growth of 6,226 sqm with an annual change of 311 sqm. Quantify forecasts a larger increase, with the industrial floor area rising from 507,112 sqm in 2026 to 530,152 sqm in 2046, totalling a growth of 23,040 sqm and an annual change of 1,152 sqm.

Pascoe Vale

The preliminary Council forecasts project the industrial floor area to increase from 83,989 sqm in 2026 to 87,023 sqm in 2046, reflecting a growth of 3,034 sqm and an annual change of 152 sqm. In contrast, Quantify forecasts a decrease in the industrial floor area from 83,989 sqm in 2026 to 82,489 sqm in 2046, resulting in a reduction of 1,500 sqm with an annual change of -75 sqm.

Overall, both forecasts recognise the general trend of a declining industrial floor area in Merri-bek, driven by the diminishing role of manufacturing and wholesale trade. Council's forecasts indicate a total decrease of 57,695 sqm by 2046, while Quantify projects a slightly smaller decrease of 55,070 sqm.

Areas like Brunswick and Brunswick East are expected to see significant reductions, reflecting broader shifts away from traditional industrial activities towards other economic uses. Conversely, areas such as Coburg North show moderate increases, suggesting pockets of industrial resilience or transformation within Merri-bek.

Appendix 1

Floorspace Forecasts 2023 – 2051

Commercial & Retail Floorspace – Base Case

Area	2023	2026	2046	2051	Change 2026-2051	Annual Change (sq.m.)
Brunswick	362,201	373,942	458,942	480,192	106,250	4,250
Brunswick East	111,042	112,677	162,677	175,177	62,500	2,500
Brunswick West	48,550	49,512	63,512	67,012	17,500	700
Coburg	261,888	266,636	299,636	307,886	41,250	1,650
Coburg North	215,000	249,591	301,271	314,191	64,600	2,584
Fawkner	92,118	95,224	99,224	100,224	5,000	200
Glenroy	134,913	144,826	167,806	173,551	28,725	1,149
Gowanbrae	2,878	3,243	5,663	6,268	3,025	121
Hadfield	29,956	32,194	35,254	36,019	3,825	153
Oak Park	14,511	13,113	25,293	28,338	15,225	609
Pascoe Vale	57,519	60,797	75,237	78,847	18,050	722
Pascoe Vale South	43,711	47,825	65,065	69,375	21,550	862
Total	1,374,287	1,449,579	1,759,579	1,837,079	387,500	15,500

Commercial & Retail Floorspace – Growth Scenario

Area	2023	2026	2046	2051	Change 2026-2051	Annual Change (sq.m.)
Brunswick	362,201	373,942	474,302	499,392	125,450	5,018
Brunswick East	111,042	112,677	171,117	185,727	73,050	2,922
Brunswick West	48,550	49,512	64,512	68,262	18,750	750
Coburg	261,888	266,636	326,636	341,636	75,000	3,000
Coburg North	215,000	249,591	343,171	366,566	116,975	4,679
Fawkner	92,118	95,224	105,504	108,074	12,850	514
Glenroy	134,913	144,826	206,026	221,326	76,500	3,060
Gowanbrae	2,878	3,243	6,719	7,588	4,345	174
Hadfield	29,956	32,194	39,094	40,819	8,625	345
Oak Park	14,511	13,113	25,813	28,988	15,875	635
Pascoe Vale	57,519	60,797	88,617	95,572	34,775	1,391
Pascoe Vale South	43,711	47,825	68,065	73,125	25,300	1,012
Total	1,374,287	1,449,579	1,919,575	2,037,074	587,495	23,500

Industrial Floorspace

Area	2023	2026	2046	2051	Change 2026-2051	Annual Change (sq.m.)
Brunswick	392,302	386,950	348,950	339,450	-47,500	-1,900
Brunswick East	103,659	98,599	64,839	56,399	-42,200	-1,688
Brunswick West	14,688	14,600	16,840	17,400	2,800	112
Coburg	54,261	54,477	44,557	42,077	-12,400	-496
Coburg North	506,178	507,112	530,152	535,912	28,800	1,152
Fawkner	91,143	91,165	91,365	91,415	250	10
Glenroy	45,272	45,471	47,471	47,971	2,500	100
Gowanbrae	0	0	0	0	0	0
Hadfield	10,363	10,406	10,406	10,406	0	0
Oak Park	540	540	540	540	0	0
Pascoe Vale	83,534	83,989	82,489	82,114	-1,875	-75
Pascoe Vale South	1,121	1,097	1,097	1,097	0	0
Total	1,303,063	1,294,409	1,238,709	1,224,782	-69,625	-2,785



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